



Sustainability Report 2019

Leading **Change** and **Humanising Banking**

Sustainability Report

2019 Content



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1. Our commitment to a sustainable future

1.1. Board statement on sustainability



The Board is committed to responsible banking and understands that a responsible approach to business is a decisive factor in determining the long-term success of the Bank.

Economic, environmental and social issues, such as climate change and human rights, matter in the communities we belong to and the markets where we do business. We are integrating such considerations into our activities in order to understand and assess risks in our business transactions, to pursue business opportunities by developing products and services, to appropriately manage our operations and supply chain and to meet the expectations of our diverse stakehold-

ers.

We are committed to meeting the regional, national and international environmental and social standards applicable to our business operations and services, and to living up to the expectations and principles set out under the UN Global Compact, United Nations Guiding Principles on Business and Human Rights, the UNEP Statement of Commitment by Financial Institutions on Sustainable Development, the Equator Principles and other applicable standards as they arise. Furthermore, we aim to contribute to the realisation of the UN Sustainable Development Goals.

1.2. About this report

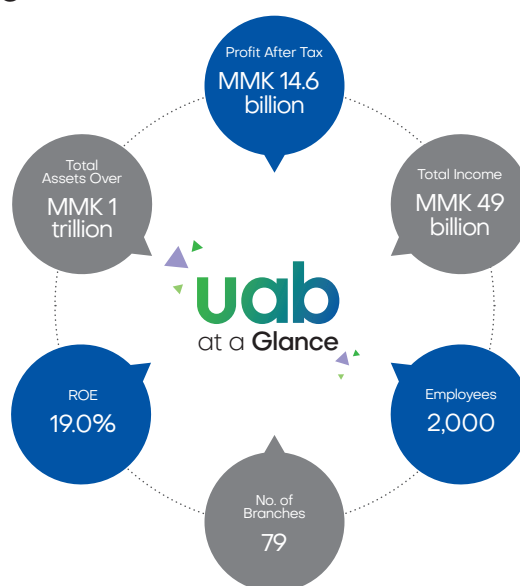
This 2019 Sustainability Report of uab is commemorated as the very first published report assessing sustainability performance by a financial institution in Myanmar. This report aims to be a communication channel for our stakeholders to acquire more information on uab's established sustainability goals and achievements. This report is our sincere effort to present the growth story of uab's continuous commitment to a sustainable future and towards a better Myanmar. The report covers our non-financial performance of FY 2019 including economic, social and governance aspects of the Bank that aligns with

our sustainable goals based on the information and data from 1 October 2019 to 30 September 2020.

At the end of this report, we provide data prepared in accordance with the GRI Standards (Global Reporting Initiative Standards) together with disclosures related to Commercial Banks under the Sustainability Accounting Standards Board (SASB) Standards.

Reference to FY 2019 in this report shall mean Financial Year ending 30th September 2019 and FY 2020 shall mean Financial Year ending 30th September 2020.

1.3. uab at a Glance



uab bank is a leading bank in Myanmar, recognised for its successful transformation and leadership in the Myanmar's banking sector. Since 2010, it has established a network of over 78 branches in 47 townships, providing a variety of financial services to customers across the country. uab bank has six major differentiated business segments: Retail & SME banking, Corporate banking, Treasury & Financial Institutions, Trade Finance, Securities Trading and Investment Banking.

Since its establishment, uab bank has recognised the significant role it plays as a responsible corporate citizen and the positive long-

term impacts we can make towards building a sustainable future. uab bank is committed to meeting the regional, national and international environmental and social standards applicable to our business operations and services. At uab, we place a great priority on the well-being and prosperity of the clients, employees and the communities we belong to. Creating a positive social impact is integral to everything uab bank does and is at the very heart of its responsible corporate citizenship approach.

Financial highlights of uab bank Limited over a 5-year period is shown as follows:

MMK 'Million	2015 Apr-Mar	2016 Apr-Mar	2017 Apr-Mar	2018 Apr-Mar	2018* Oct -Sept	2019 Oct- Sept
Operating Profit	2,496	5,657	504	2,478	9,070	18,124
Net Profit After Tax	1,872	4,243	378	960	6,801	13,635
Net Customer Loans	252,903	348,037	530,834	616,342	651,064	734,133
Customer Deposits	508,439	595,464	781,835	920,993	910,747	1,009,486
Total Assets	570,197	661,876	853,974	1,012,279	1,047,209	1,188,286
Shareholders' Equity	44,700	44,983	49,355	50,301	65,526	81,698

*Change in financial year ending from March to September

The Bank has maintained a strong financial track record over its 10-year history and for the Year ending 30th September 2019, generated a net profit of MMK 13.6 billion with assets growing to MMK 1.18 trillion.

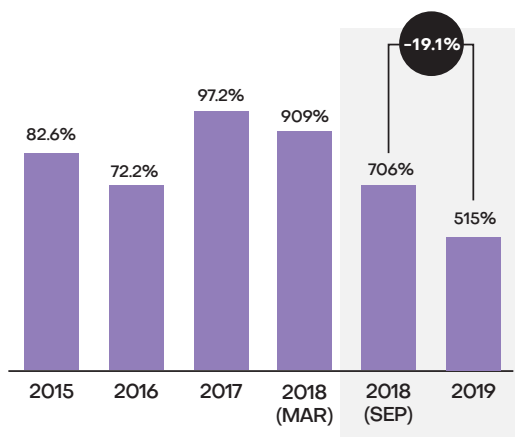
Similarly, with the retention of its Net Profits, the Shareholders Equity has been growing year-on-year and was at MMK 81.69 billion on 30th September 2019.

In its financial performance ratios illustrated below, the Bank continued to show year-on-year

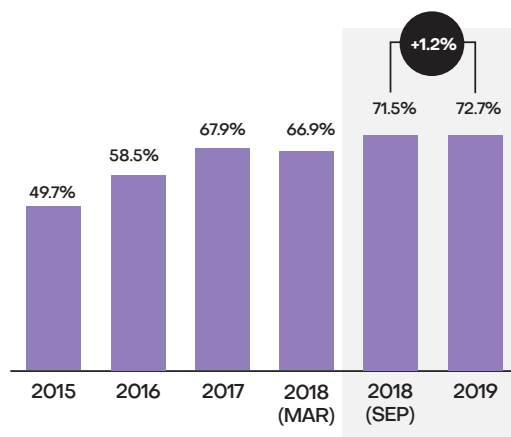
business and continued ability to care for our employees, stakeholders' interests, suppliers and business partners, and the communities that we serve.

uab bank's commitment towards a sustainable future has produced real-life impacts and results. This has been recognised with uab bank being named 'Myanmar's Best Bank' by Euro-money in 2019, 'Best Bank for Corporate Governance Myanmar' by Global Banking & Finance, 'Mid-sized Domestic Retail Bank of the Year' by Asian Banking & Finance. Moreover, uab bank

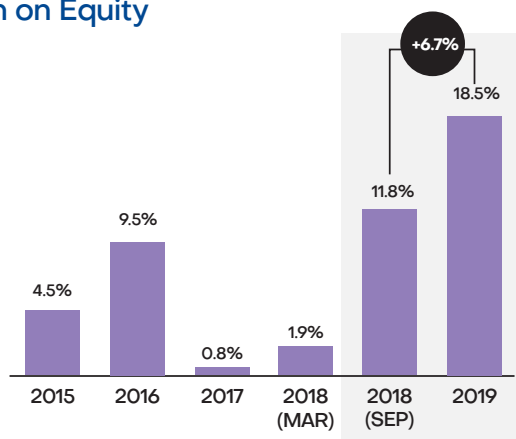
Cost to Income Ratio



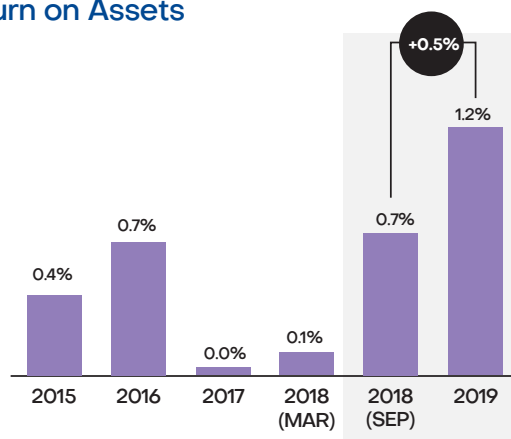
Customers Loan to Deposits Ratio



Return on Equity



Return on Assets



improvements with Return on Equity (ROE) at 18.5% for the year ended 30th September 2019 and Cost to Income ratio improving to 51.5%.

The financial performances indicate the development of a strong foundation for a sustainable

was ranked No.1 in 'Corporate Governance Disclosure' and overall 5th in the TiME Pwint Thit Sa Report published by the Myanmar Centre for Responsible Business.

1.4 Our purpose, mission & values

uab bank's Purpose, Mission & Value statements incorporate the concept of sustainability and revolves around three (3) key words namely: **Connect. Create. Change.**

Our Purpose

To lead the way towards a better Myanmar, humanising banking, connecting people, creating opportunities and changing lives.

Our Mission

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

Our Values

A desire to connect

We believe in the power of building strong and meaningful relationships, connecting with our fellow uabians, our customers and the communities we are in. We strive for success that is inclusive through teamwork and collaboration, where we value and respect each other's contributions and opinions.

A passion to create

We value creativity that constantly seeks practical ways to bring improvements, solve problems and simplify banking. We look to innovate and redefine banking in Myanmar which generates new ideas and opportunities for the market and our customers.

The courage to lead change

We have the courage to lead change, recognising that change is disruptive yet necessary. We want people who will stand up to their ideas, look forward to the future and challenge the present. We believe in a performance driven culture, yet always having in mind the importance of integrity, stewardship and building a sustainable future for our people and our country.

A desire to

The passion to

The courage to lead

connect.
create.
change.

Above all, our values embody our commitment towards #LeadingChange #HumanisingBanking. Talented, committed and responsible people are important to us and they are in whom our values

dwell. They are essential in fulfilling our values and completing our mission. Our values are an integral part of how we recruit, develop, assess and reward our people.

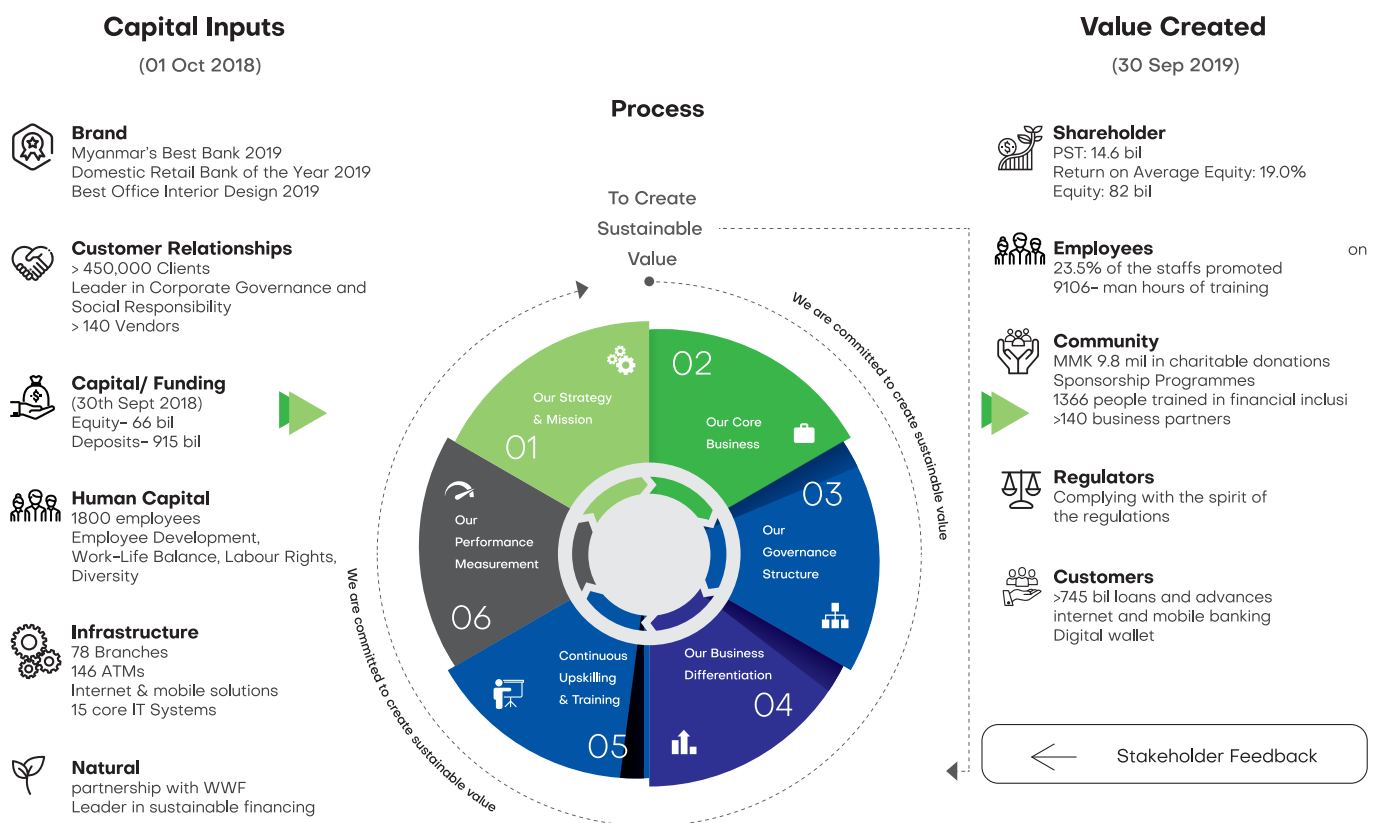
1.5. Our business model



Our Business model is anchored on deploying our resources optimally to create sustainable value for our stakeholders. Feedback and active engagement with our stakeholders further help us to evaluate the value creation process and the effectiveness of our business model in that

value creation.

The business model considers the need to balance short- term, medium- term and long-term goals since what is of short-term benefit may not be sustainable in the long term.



2. Our strategic approach to sustainability matters

As a leading financial institution in Myanmar, we are focused on, “leading the way towards a better Myanmar, humanising banking, connecting people, creating opportunities and changing

lives”.

We define the term “sustainability” as an economic development that meets the needs of the present without compromising the ability of the

future generations to meet their own needs. We firmly believe that as an industry that plays an instrumental role in economic growth and global trade, banks could be a powerful force for

change, not only in creating a huge positive impact economically, but also socially and environmentally.

2.1. Doing the right thing, in a sustainable way

At uab bank, we believe in doing the right thing, in a sustainable way. We believe in creating value for all stakeholders, while meeting the environmental, social and governance challenges. We pride ourselves in complying with the law and do not take any business decision that are seen or perceived to be violating the letter or spirit of the law. Strong internal controls and governance practices are in place to ensure we remain compliant.

We are facing unprecedented environmental and social challenges which affect the way we go about our business. We are committed to setting standards and developing solutions that address

the social, economic and environmental challenges. As a proactive approach to address the challenges, we have recently signed a Memorandum of Understanding with WWF to develop and implement ESG Policies. We are also committed to UN Principles for Responsible Banking and UN Guiding Principles on Business and Human Rights. In 2019, we completed our first materiality assessment to identify the issues that are relevant to us as a financial service provider and to our stakeholders. We have also aligned ourselves with the material areas from the United Nations Sustainable Development Goals (SDGs).

2.2. Approach we used for materiality assessment

To ensure we prioritize the issues that have the most impact on the economy, society and the environment, and at the same time, that are in the most interest of all our stakeholders, we conducted the first formal materiality analysis in September 2019. The assessment reviewed our practices and processes against external benchmarks such as AA1000 Stakeholder Engagement Standards and the Global Reporting Initiative Framework. The assessment is intended to help us channel our ESG efforts and improve our process.

We understand the importance of continuous dialogue with all stakeholders amplifies for any organisation aiming to be responsible and sustainable. We value open dialogue with stakeholders even if expectations and interest of our

stakeholders sometimes are in conflict. We try to resolve the differences fairly and win the acceptance of our actions. We engaged with stakeholders throughout 2019 for feedback.

An issue is material to the uab bank if it meets two conditions.

- It impacts our business in terms of growth, cost, risk or trust.
- It is important to our stakeholders – such as the community, customers, shareholders, regulators, employees, NGOs and business partners.

In determining if an issue is material, we also consider whether it is aligned with our vision, mission, brand portfolio, geographical footprint and the degree to which we can affect change.



We engaged with various stakeholders to understand specific sustainability issues relevant to them. The materiality analysis is based on a continuous process that includes consideration,

if not compliance to, international CSR Standards.

The following is how we engage our stakeholders:

Who do we engage with?	How do we engage?	Frequency	Engagement Topics	Responsibility
Shareholders	<ul style="list-style-type: none"> Meetings Emails Letters Media Website 	Quarterly and need based	<ul style="list-style-type: none"> Financial results Shareholder returns and dividend Bank strategy Issues related to shares Transfer and dividend pay-outs. 	Legal and Secretarial Team
Customers and Clients	<ul style="list-style-type: none"> One-to-one interactions Surveys Call Centre Social media Website 	Ongoing and need based	<ul style="list-style-type: none"> Customer service quality investment returns product features and benefits technology interface for banking experience 	Relationship Managers, Branch Staff, Head Office Staff

Who do we engage with?	How do we engage?	Frequency	Engagement Topics	Responsibility
Employees	<ul style="list-style-type: none"> Town halls Employee satisfaction surveys Employee volunteering initiatives Employee grievance redressal E-mails 	Ongoing and need based	<ul style="list-style-type: none"> Company policies and procedures Employee welfare issues Performance appraisal and rewards Training and career development Workplace health, safety and security Community development and employee volunteering 	Human Resources Team, Heads of Department, Branch Managers
Government and Regulators	<ul style="list-style-type: none"> Company regulatory filings Compliance statements Meetings Letters Emails 	As per regulatory requirement and need based	<ul style="list-style-type: none"> License request and renewals Compliance to regulatory requirements Participation in government financial sector plans and programmes 	Compliance Team, Finance Team, Cross functional Team
Vendors	<ul style="list-style-type: none"> Meetings Emails Letters Performance reviews 	Ongoing and need based	<ul style="list-style-type: none"> Product/Service quality and support Contract terms and conditions Minimum wage payments Vendors' statutory compliances 	Respective Departments dealing with vendors, Commercial and Procurements
Communities and NGOs	<ul style="list-style-type: none"> Community development initiatives Proposals Requests for new initiatives/ funding 	Need based	<ul style="list-style-type: none"> Community needs Financial / infrastructure/ human/ organisational support 	Corporate Branding and Communications
Media	<ul style="list-style-type: none"> Press conferences Advertisements Media interactions / interviews Meetings Emails 	Ongoing and need based	<ul style="list-style-type: none"> Marketing and advertising agenda Information disclosure through media viewpoints on industry and company related opportunities and issues 	Marketing team, Corporate Communications Team

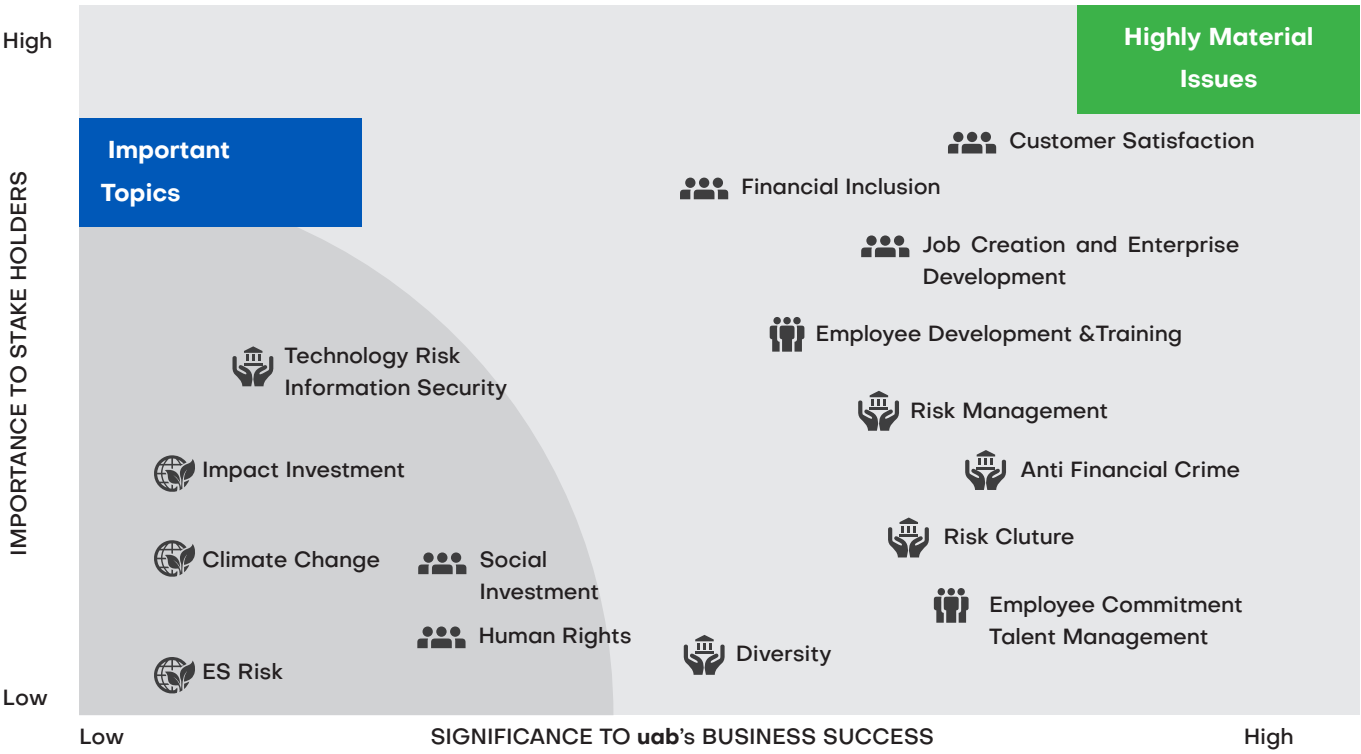
The following six (6) factors were considered while identifying material issues:



2.3. Materiality matrix

The issues identified were placed on a matrix (as seen below), their position relative to the degree of stakeholder interest and potential business impact. These results represent the material issues affecting our business; all issues on the matrix regardless of where they fall are relevant to the Bank. For clarity, we grouped the issues as

- Governance
- Society
- Environment
- People



Governance

Diversity: This includes efforts to improve diversity of the Board, Management Committee and employees.

Risk Management and Risk Culture: This includes uab's overall approach to assessing and managing risk across the business and individual business units, products, services and transactions.

Technology Risk and Information Security: This means keeping the information with us safe from external unwarranted intrusions.

Anti-Financial Crime: This means Bank's measures on anti-money laundering and counter financing of terrorism.

Society

Financial Inclusion: This includes development and increased access to financial products and services, for unbanked and underbanked segments.

Human Rights: This includes the Bank's approach to human rights issues.

Social Investment: This includes building stronger and more inclusive communities.

Customer Satisfaction: This includes the Bank's

approach towards grievance redressal, measurement of customer satisfaction.

SME Financing and Job Creation: This includes provisioning of financing to Small and Medium Enterprises and its consequent impact on job creation for the local economies.

Environment

Impact Investment: This includes investment into sectors and industries that contribute and assist in realising Sustainable Development Goals.

Climate Change: This includes financing of clean and renewable energy projects.

ES Risks: This includes integration of Environmental, Social and Governance factors into lending activity including creation of the exclusion list.

People

Employee Commitment and Talent Management: This includes the ability of the Bank to attract and retain top talent and increase employee satisfaction in doing so.

Employee Training: This includes communication and training to employees on ESG issues.

2.4. Four (4) SDGs from the materiality assessment

From the 17 United Nations Sustainable Development Goals (SDGs) that ultimately aim to ensure the well-being of all people, together with our materiality assessment, uab bank has chosen to focus on 4 SDGs which we can meaningfully contribute and have the most impact. The four impact areas were identified based on materiality assessment by looking at the convergence between our core business as a financial service provider, and the needs of people and business in Myanmar. Accordingly, we have Board approved

short-term and mid-term targets for each of the focussed SDG. We are committed to meet these goals and are devoting significant resources towards this objective.

The four impact areas are:

1. Financial Inclusion
2. Job Creation and Enterprise Development
3. Employee Development and Training
4. Customer Satisfaction

8 DECENT WORK AND ECONOMIC GROWTH 	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 	4 QUALITY EDUCATION 	3 GOOD HEALTH AND WELL-BEING 
Financial Inclusion uab focus areas: <ul style="list-style-type: none"> · Enabling home ownership · Providing digital solutions · Financial literacy 	Job Creation and Enterprise Development uab focus areas: <ul style="list-style-type: none"> · Financing to SME · Developing products and solution for cash flow management 	Employee Development and Training uab focus areas: <ul style="list-style-type: none"> · Offering motivating working conditions · Regular employee trainings 	Customer Satisfaction uab focus areas: <ul style="list-style-type: none"> · Appropriate and suitable products · Transparency

Below were the implementation efforts made in Financial Year ending 30 September 2019 (FY 2019):

UN Sustainable Development Goals	uab focus areas	Implementation for FY 2019
SDG 8 Decent work and economic growth	Financial Inclusion <ul style="list-style-type: none"> · Enabling home ownership · Providing digital solutions · Financial literacy 	<p>uab bank provided 39 people with new home ownership in the 2019 financial year which ended on 30 September 2019.</p> <p>We prepared for the process of launching new innovative digital products to increase financial inclusion.</p> <p>(post-script: uab Mobile Banking, Sai Sai Pay Digital wallet, uab pay Digital Wallet and uab pay+ merchant app was launched in FY 2020)</p> <p>We conducted various financial literacy initiatives such as hosting webinars with local and overseas student associations and a seminar with agriculture society.</p> <p>During FY 2019, 1,366 individuals participated in our various financial literacy initiatives.</p>

UN Sustainable Development Goals	uab focus areas	Implementation for FY 2019
		<ul style="list-style-type: none"> - Furthermore, we initiated an internship program for university students. In the FY 2019, we have recruited 6 student interns and built a program of increasing this reach to up to 40 interns in FY 2020. - We sponsored 28 Myanmar students for the 46th SSEAYP.
SDG 9 Industry Innovation and Industry Infrastructure	Job Creation and Enterprise Development <ul style="list-style-type: none"> • Financing to SME • Developing products and solutions for cash flow management 	<ul style="list-style-type: none"> - We provided financing (MMK 74 billion) to 844 SMEs, which not only enabled enterprises to thrive but also created job opportunities. - uab bank participated in the JICA SME 2-Step Loan Program for FY 2019 which provided attractive terms for SMEs. At the end of the financing of its first batch of loans as at 31st May 2019, the Bank exceeded its financing target. - As at 30th September 2019, the total financing under the JICA SME 2-Step Loan Program was MMK 9.35 billion.
SDG 4 Quality Education	Employee Development and Training <ul style="list-style-type: none"> • Offering motivating working conditions and good working environment • Regular employee trainings 	<ul style="list-style-type: none"> - Performance based Bonus (During FY 2019, a sum of MMK 3.01 billion was paid to employees as performance-based bonus recognising improved performances compared to MMK 2.22 billion in the previous year) Piloted flexible working hours in FY 2019 (For FY 2020, with shift into uab Tower, employees are now allowed to arrange for flexible working hours depending on their job roles)

UN Sustainable Development Goals	uab focus areas	Implementation for FY 2019
		<ul style="list-style-type: none"> - 9,106 hours of training was conducted in FY 2019, forming the basis for an increase to 15,000 hours targeted for FY 2020 onwards. - Webinar training (With the decision made in FY 2019, to invest in Microsoft Office 365, the use of digital tools over FY 2020 to communicate and train employees via videoconferences and webinars had tremendously increase and improved the reach to employees. The impact will be reported in the FY 2020 Sustainability Report). - Employee engagement programs (This included engagements with CEO and Senior Management for mentorship and development) - Abolished wrap-around leave policy which ensured that only working days were counted for annual leave (without wrapping around the weekends and public holidays). This allowed for more time for rest, family, and recreation.
SDG 3 Good Health and Well-Being	Customer Satisfaction <ul style="list-style-type: none"> • Appropriate and suitable products • Transparency 	<ul style="list-style-type: none"> - Zeegwat Account- these are saving accounts which provide interest on daily balances. This Savings product provides customers with a fairer system of interest rate calculations and is offered to the retail segment made up of small to medium income savers

UN Sustainable Development Goals	uab focus areas	Implementation for FY 2019
		<ul style="list-style-type: none"> - Customer hotlines (number/ complaints resolved). Call centre services were provided 24-hours in FY 2019. Facebook messenger also was noted to have become a common mode of communication during FY 2019. - Annual report for FY 2019 was produced with full disclosure of audit financials, governance statement, risk reports and sustainability statement. - Adoption of GRI, SASB and AA1000 for FY 2019 to provide transparency to stakeholders on issues based on internationally accepted standards. - In FY 2019, Ranked 5th overall in MCRB Pwint Thit Sa Report. Scored highest in corporate governance disclosure in the report.

2.5. SDG targets and monitoring

The table below reflects our longer-term strategy and targets on our four (4) defined SDG goals and the achievement for FY 2019.

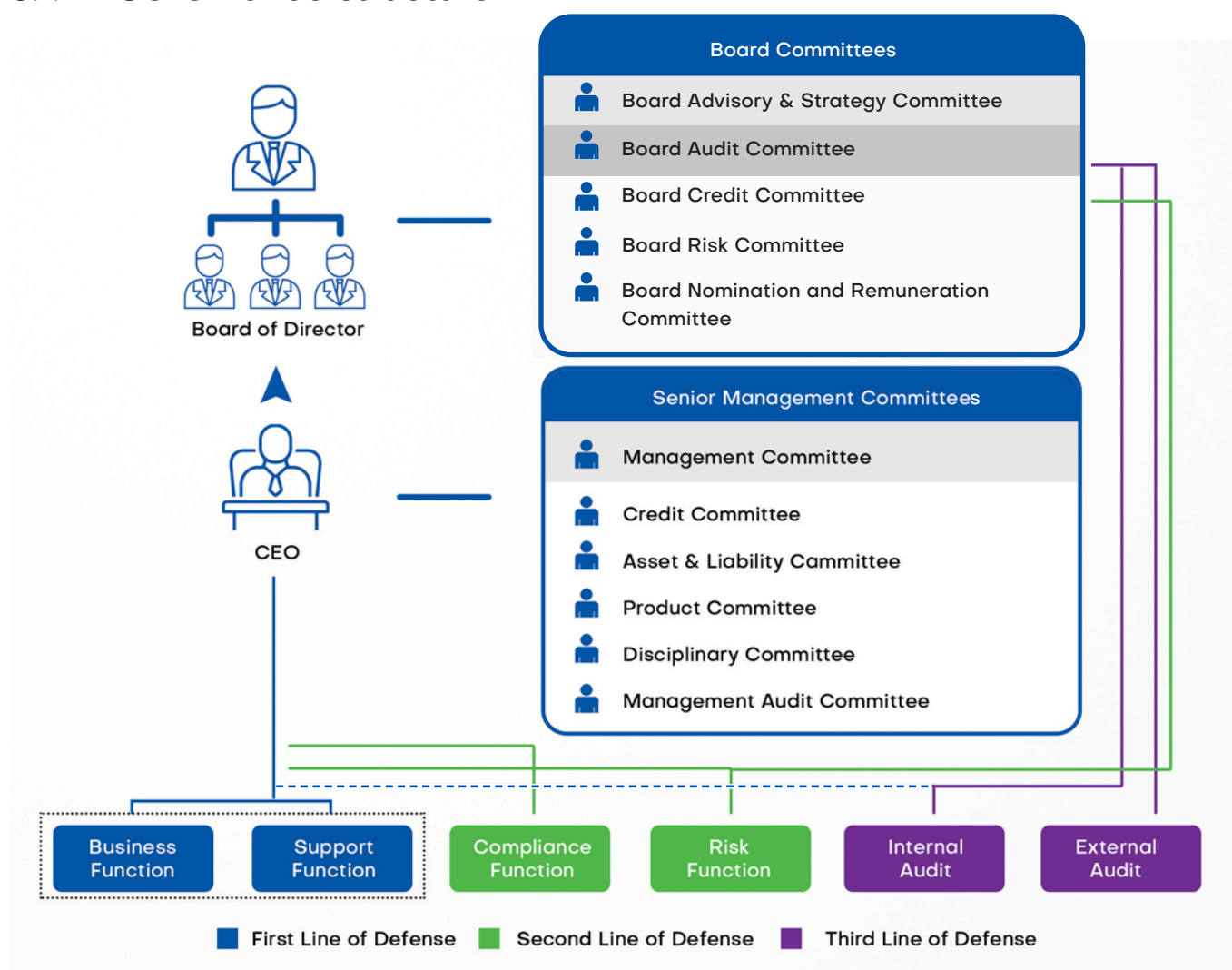
Item	Target	Time Target	Achievement (Sept 2019)
Homeownership	10.5% of total loan portfolio	30 September 2024	1.3% of total loan portfolio
Digital Solutions	Enabling customers to open an account through handheld devices	30 September 2020	uab Mobile was launched in FY 2019, a superior and secure mobile banking experience, with continuous enhancements like Biometric Log-In, Mobile TopUp, Bill Payment and many more. A 4% rebate was provided to the customer for mobile top-ups and free money transfer service to the retail segment.

Item	Target	Time Target	Achievement (Sept 2019)
			The Bank prepared over FY 2019 and in April 2020 successfully launched the facility to open an online bank account. Preparations and ground-work for digital wallets were made over FY 2019.
Financial Literacy	Conduct at least 12 financial literacy sessions or projects per annum to unbanked, underbanked and underserved individuals	30 September 2021	In financial 2018-2019, 1,366 individuals participated in financial inclusion initiatives for unbanked, underbanked, or underserved customers
SME Financing	26% of total loan portfolio	30 September 2024	10.1% of total loan portfolio for FY 2019.
Training to employees	15,000 man-hours of training to be provided by the financial year ending on 30 September 2021	30 September 2021	9,106 man-hours of training were provided during the financial year ended on 30 September 2019
Formulation and Implementation of ESG Policy	To formulate and thereafter implement an ESG policy	Formulation by March 2021. Full implementation by March 2024	MOU with WWF was signed in February 2020 for technical support for the formulation and implementation of the Policy.
Conduct	To hold refresher trainings/briefings to staff & adopt zero tolerance to employee fraud and misconduct	September 2020	<p>All new employees were briefed on the Code of Ethics and other codes during their orientation. 234 existing employees were provided with training/briefing concerning Anti-money laundering, Anti-bribery & Corruption, Code of Ethics, and other codes over FY 2019.</p> <p>Four (4) Risk Newsletters were published and distributed to all employees and members of the Board over FY 2019 emphasising the importance of conduct and to strengthen the Risk culture of the Bank.</p> <p>The Disciplinary handled 25 cases in FY 2019.</p>

Item	Target	Time Target	Achievement (Sept 2019)
Transparency	To issue GRI Index and SASB Index	May 2020	See the GRI Index and SASB Index at the end of this Report.

3. Our dedication to a responsible business

3.1. Governance structure



The corporate governance structure is illustrated below

In implementing good corporate governance principles, the Board will have 5 sub-committees namely:

- Board Advisory & Strategy Committee
- Board Risk Committee
- Board Credit Committee
- Board Audit Committee

• Board Nomination and Remuneration Committee

Each sub-committee will have its Terms of Reference and descriptions of each sub-committees is given as below:

Board Advisory & Strategy Committee (BASC)

BASC is responsible to provide the objectives and policies to guide the Senior Management, oversee the implementation of the Bank's strategies and business plan, and review the performance and conduct of the Bank, including major strategic projects/initiatives and ensure corrective actions are taken to address any lapses.

Board Risk Committee (BRC)

BRC is responsible to provide the oversight and governance of risks for the Bank. It oversees Senior Management's activities in managing risk and ensures that the risk management process of each business and functional unit is put in place and functioning. The BRC also ensures the management of the Bank's risk is in accordance with a risk-return performance management framework.

Board Nomination & Remuneration Committee (BNRC)

BNRC has oversight and is responsible for the following:

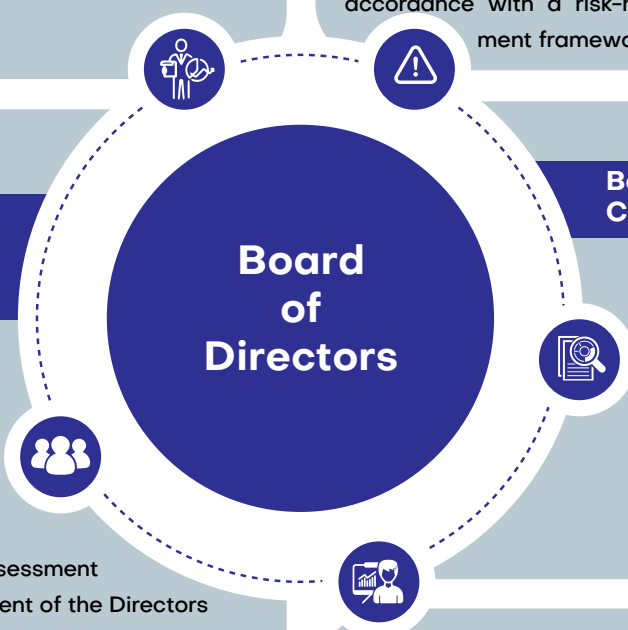
- Composition of Board & Board Committees
- Annual Evaluation exercise comprising:
 - Board Effectiveness Assessment
 - Fit and Proper Assessment of the Directors and Senior Management.
 - Reviewing remuneration packages based on the Bank's existing remuneration guidelines and framework for
 - Directors
 - Members of the Board Committees
 - Senior Officers (SOs)
- Governance matters in relation to the Board and Directors
- Setting of KPIs for MD/CEO
- Directors' Development Plan
- Macro structure and leadership changes

Board Audit Committee (BAC)

BAC is responsible to provide independent oversight over the management of financial reporting & internal control systems, ensure checks and balances within the Bank and review the financial condition as well as the performance of the Bank.

Board Credit Committee (BCC)

BCC is responsible to affirm, veto or include additional conditions on all types of credit and all types of underwriting applications for amounts above the defined thresholds of the Management Credit Committee ("MCC") which reside at the management level



Further, to support the governance structure and enhance internal control, the Bank deploys 3 (three) Lines of defence made up of the following:

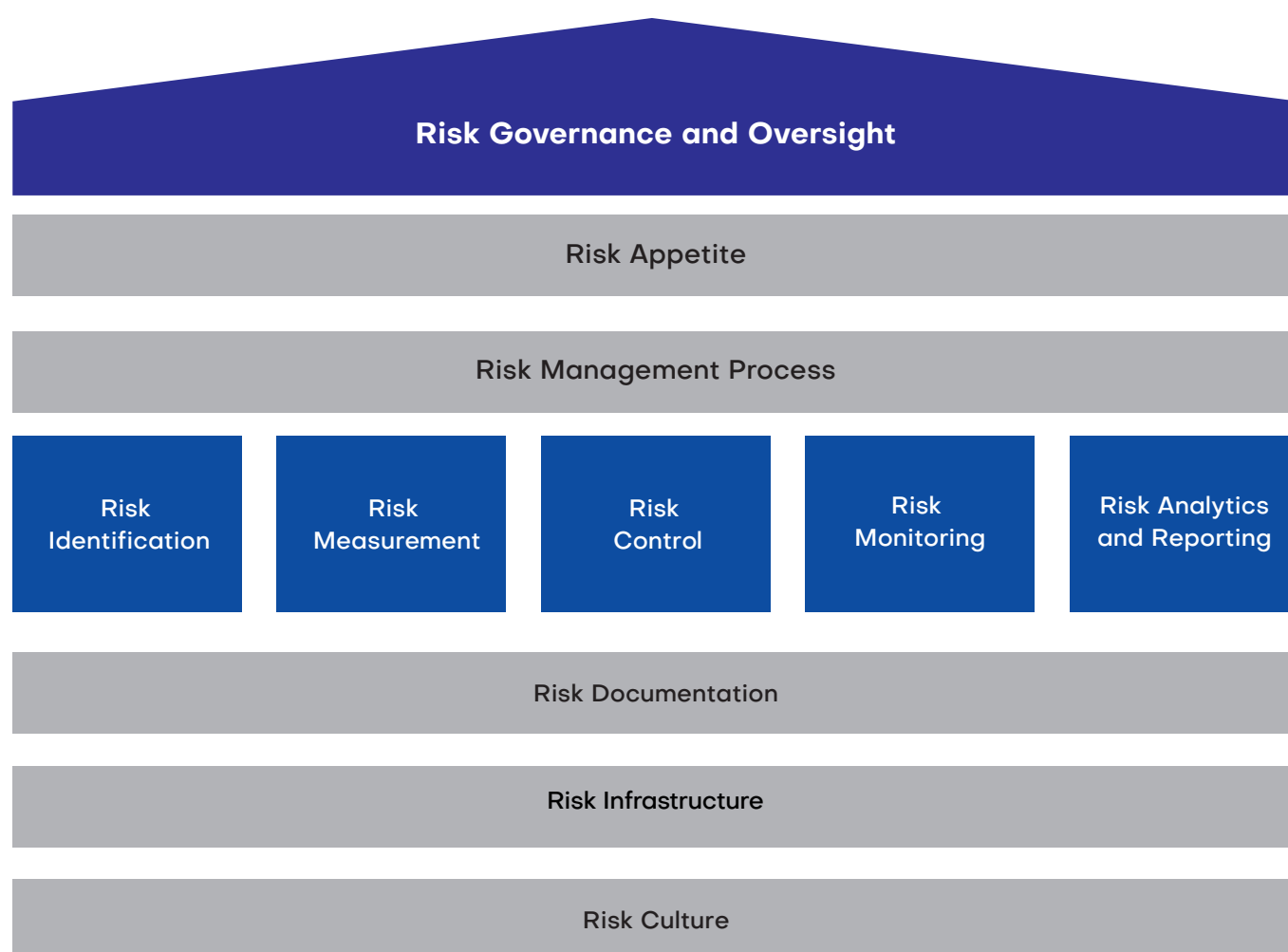
- 1st line of Defence – Business units, departments and retail branches who own and manage risk as part of their day-to-day activity.
- 2nd line of Defence – Independent risk functions including Risk and Compliance Department, Finance Dept and other functions overseeing risks.
- 3rd line of Defence – Internal audit, external audit and other 3rd party specialists who provide independent assurance.

3.2. Risk management

Effective risk management is integral to the Bank's business success. The Bank's approach to risk management is to ensure that risks are managed within the levels established by the Bank's various senior management committees and approved by the Board and/or its committees. The risk management targets are also aligned with

the Bank's overall Strategy and Business Plan to ensure a coherent convergence by all parts of the Bank to its ultimate objectives.

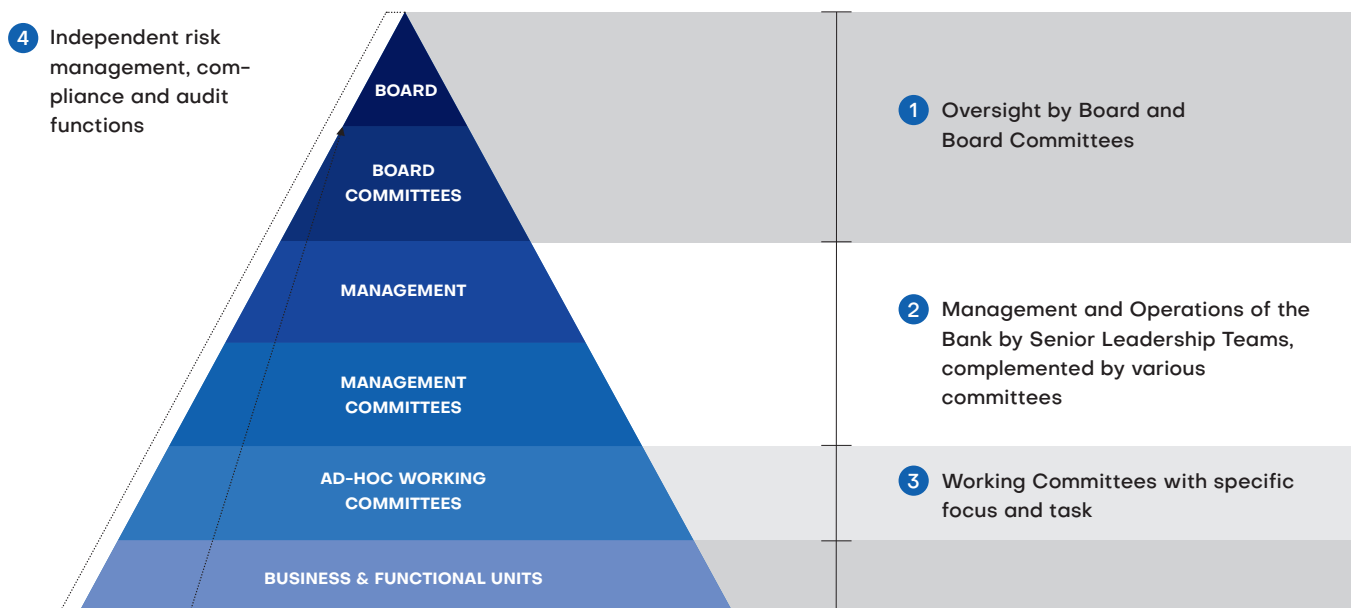
The Risk Management framework governs the management of risks in the bank and is represented in the following diagram:



The Board sets the overall risk appetite and ensures that mechanisms are in place to effectively mitigate risk. Together with its Committees, the Board also ensures that the appropriate policies and procedures are in place for effective oversight of risks and internal control.

The Management is responsible for implement-

ing the Board's policies and procedures to manage risks in accordance to the risk appetite set. The Management also identifies and evaluates risks relevant to the Bank's and controls are in place to manage such risks. It also ensures that arrangements are in place for the effective reporting on all issues related to the functioning of the risk management framework.



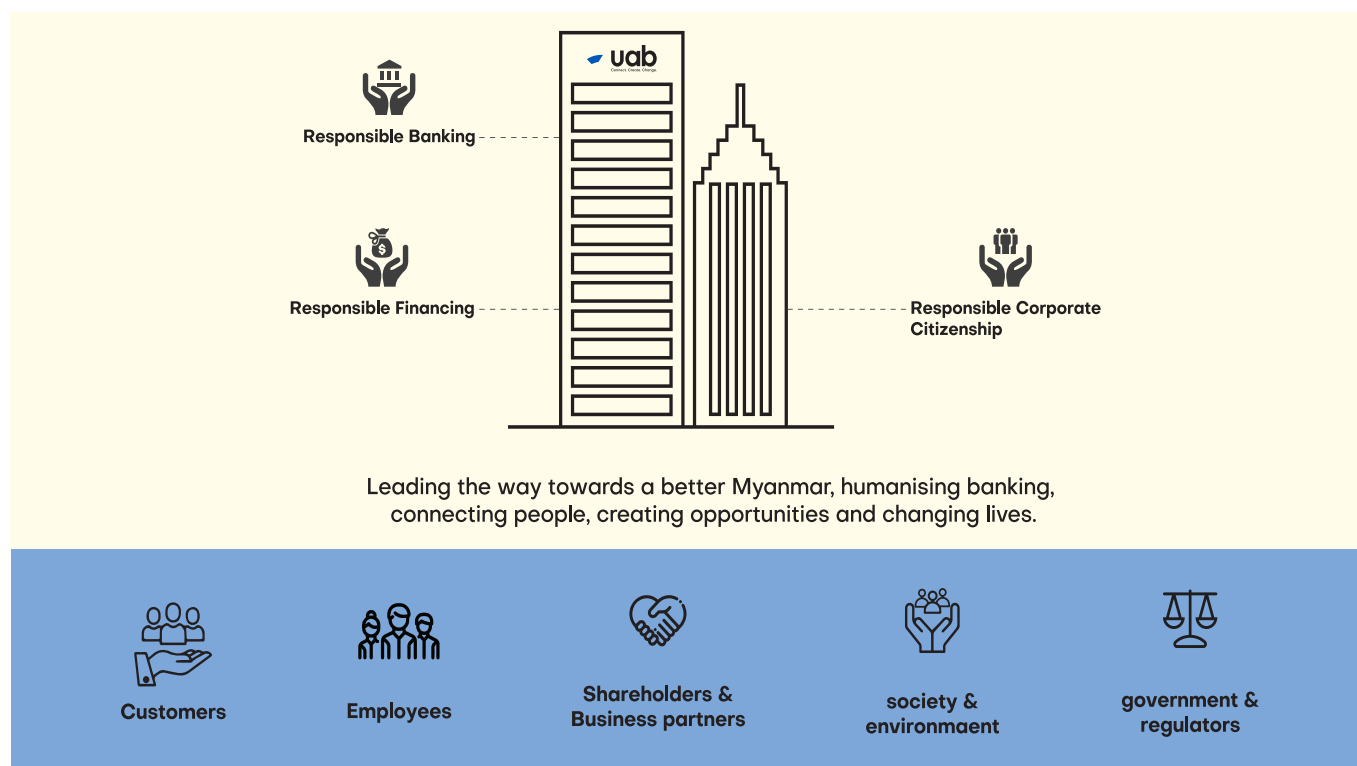
3.3. Longer term approaches to sustainability

The Board understands that our long-term success is dependent upon the stability and well-being of Myanmar. Hence, our approach to sustainability is founded on a broad understanding of our duties as a financial services provider and our responsibilities towards society and the environment, as well as our role as employer.

overlap with Sustainable Development Goals and on this basis, we have identified three (3) main longer-term approaches or themes towards sustainability namely:

- Responsible Banking
- Responsible Financing
- Responsible Corporate Citizenship

Our values of Connect, Create and Change also



3.3.1. Responsible banking

To achieve the goal of being a responsible business operator, we expound and evaluate on the four impact areas identified in our materiality assessment as below:

i. Financial Inclusion

During the FY 2019, with the vision of everyone having home ownership, the Bank provided new housing loans to 39 people. Whilst this makes up 1.3% of the loan's portfolio of the Bank, a target of 10.5% is envisaged as at 30th Sept 2024.

We believe that accessible and convenient digital channels are essential to broaden and deepen financial inclusion across Myanmar. To this effect, we have recently launched mobile banking, internet banking and are currently involved in the development of a product which will help customers to open and operate an account from his/her fingertips.

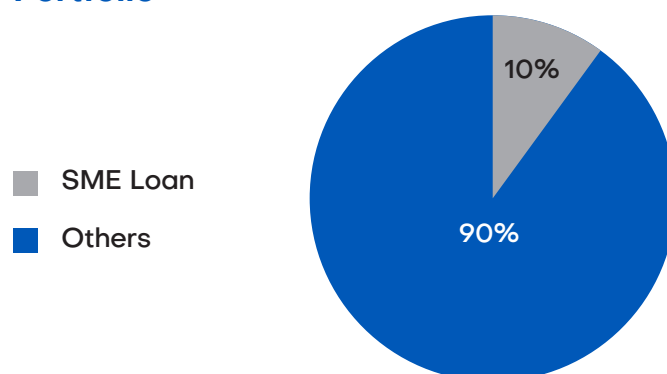
We have also initiated various financial literacy programs such as hosting webinars with local and overseas student associations and a seminar with the agriculture society followed by offering internship opportunities to university students. In FY 2019, we have recruited 6 student interns. In addition, uab has provided sponsorship for the participating 28 Myanmar students of an annual youth exchange program, Ship for Southeast Asian and Japanese Youth Program (SSEAYP).

ii. Job Creation and Enterprise Development

In FY 2019, we provided access to finance (investment of more than MMK 74 billion) to 844 SMEs so that they can develop their enterprises and are able to tap into the new markets. Additionally, financial products which match the requirements of SMEs, including solutions of cash

flow deals and working capital challenges are being developed continuously.

Percentage of SME Loan to Total Loan Portfolio



iii. Customer Satisfaction

Our success depends upon the trust of all our stakeholders and our clients are at the centre of everything we do and central to our sustainable strategy. We seek to conduct our business in a fair and responsible way, humanising banking by offering our customers a fair deal in terms of pricing and quality of service for our products. Moving forward, the emphasis on sustainable growth and giving back to the stakeholders will still continue to be important considerations. The importance of being transparent in reporting financial and non-financial issues is pivotal in earning trust. We are committed to issue the GRI Index-Core Option and SASB Index in 2019 as a part of a proactive approach for non-financial disclosure in Myanmar. Moreover, our code of ethics and our commitment to transparency is key to winning loyal customers.

A copy of our Code of Ethics and Statement of Values may be found in our web-site www.uab.com.mm.

At uab bank, we only undertake activities where the bank is satisfied that a particular product or service is appropriate and suitable for a particular customer. A copy of Product Responsibility Statement may be found in our web-site www.uab.com.mm.

Furthermore, with information disclosure (including but not limited) to information on the Bank's annual reports, website, social media sites, agreements, statutory reports and brochures, all creditors (including customers) are entitled to obtain relevant information according to their needs to make an objective decision.

In addition, the protection of creditors' rights is contained in the agreements made by both parties with the Bank ensuring contractual compliance and performance of its obligations in a timely manner to avoid delays that may result in loss or inconvenience to either parties. The Bank is careful to ensure that creditor's rights are fulfilled, and the trust is maintained.

An Operational Incident Reporting mechanism has been instituted to handle complaints from customers and other stakeholders.

3.3.2. Responsible Financing

In our effort to commit to responsible financing, non-financial factors are also taken into consideration in considering loans. At uab, in the conduct of credit approvals and financing, all credit committees who conduct the review of the uab's customers and transactions are required to ensure the sustainability of projects as a process of approval and review. Below stated are the specific areas of concerns:

i. Environment

Our customers are expected to know and con-

iv. Employee development and training

People are at the core of uab bank and the continued investment in our employees is a key priority. Management and their HR Business Partners continuously provide professional and personal development opportunities through constant job-rotations, formal learning sessions and various training programs to help the uabians expand their financial services' knowledge. Through continuous learning and development, we can ensure our people are equipped to meet the demands of rapidly changing and increasing digital and regulatory requirements. For FY 2019, the Bank has initiated training of a total 9,106 hours to 985 employees to direct towards enhancing employee professional competency. This is expected to be increased to 15,000 hours by Financial Year ending 30th Sept 2021.

To fulfil the aim to conduct various training programs, a training school with capacity of 250 people simultaneously has been established on Level 23 of the uab tower @Times City as part of the development.

sider their activities' potential impacts on the environment and seek to avoid or, when avoidance is not possible, minimise these impacts. In larger companies that seek financing from the Bank for specific projects, they are expected to have appropriate policies and programs for these projects to prevent and mitigate adverse impact to the environment.

An EXCLUSION LIST has been established which defines sectors or types of customers that do not fit into uab bank's profile. We will not facilitate financing to entities engaged in the activi-

ties listed below:

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

ii. SME financing

With SMEs being one of the most important engines to the Myanmar economy, uab bank aims to facilitate and provide more access to suitable, affordable, and quality financial services.

uab exceeded its target for JICA SME 2-Step Loan Program for FY 2019. This JICA SME program provides SMEs funding with a lower inter-

est rate which makes financing more affordable and we are committed to continue to provide support to this program to fuel the growth of SMEs in Myanmar.

By 30th September 2024, the Bank targets that SME financing will make up to 26% of its loan portfolio.

iii. Human Rights

All customers are expected to respect and promote human rights as described in the United Nations Declaration of Human Rights in their business decisions and are expected to use their influence with their suppliers to do the same. For unavoidable adverse impacts, they are expected to provide for and cooperate in remediation through legitimate processes.

iv. Labour standards

All Customers are expected to respect and promote labour standards as described in the International Labour Organization Declaration on Fundamental Principles and Rights at Work and related conventions. They are expected to do so in their own operations, and to use their influence with their suppliers to do the same. For unavoidable adverse impacts, they are expected to provide for and cooperate in remediation through legitimate processes. We support and insist on the compliance of labour and employee rights outside our business as well.

3.3.3. Responsible corporate citizenship

We define corporate citizenship as an approach to business through which we work to make a positive impact on the society, the environment and the economy.

We believe that corporate citizenship is about

integrity, business ethics and responsible governance. It all starts with a commitment to conducting ourselves with integrity, in every action, every transaction and every part of our business, to being transparent and accountable, and to

contributing to the well-being of our stakeholders.

We are devoted to making economic contributions to our community through paying our fair share in taxes together with the compulsory deduction of taxes from our employees. We contributed MMK 4.3 billion to tax coffers of Myanmar as Commercial Tax for FY 2019. Through our philanthropic activities, we have donated a net total of MMK 17.1 million during FY 2019.

To enlarge our influence on sustainability, we seek to ensure that our supply chain, including vendors and contractors conduct their businesses in a similarly responsible fashion. Likewise, we recognise that there are situations where the way our customers conduct their operations may generate significant environmental and social impact and, in such cases, we try to leverage our influence on them to mitigate and manage risk. Further, we have taken a proactive step to manage ESG risk in lending activity by signing a Memorandum of Understanding with WWF to develop and implement Environmental, Social and Governance Policy.

i. Charitable contributions

As a financial services provider, we understand that we regularly touch the lives of thousands of people and are aware of our responsibility and opportunities to significantly increase and deepen social impacts and generate value for all. Through philanthropy, partnerships and employee participation, we strive to contribute holistically to communities.

To streamline our social initiatives and focus on discrete social problems, we have identified three priority areas:

ii. Basic Needs

In December 2017, uab launched the “Be the Change Myanmar” initiative that represents our commitment to driving change for a better Myanmar, prioritising basic needs for enriching lives and specifically focusing on empowering children and women.

We have embarked on several youth empowerment projects and activities such as regular donations and support to underprivileged children and sponsorship endorsements to the youth of Myanmar.

iii. Diverse and inclusive workforce

At uab bank, we understand the importance of diverse and inclusive workforce in decision making, employee engagements and problem solving. In our social initiatives, we have identified two (2) key areas:

- o Internship opportunities – we have developed a capacity in FY 2019 to increase internship training to 40 undergraduate students in FY 2020.

- o Youth employment – 46% of our workforce in FY 2019 was under 30 years of age.

iv. Housing opportunities

Access to affordable financing for homeownership remains a significant obstacle in our communities. We support and increase access to financing so that low- and moderate-income individuals and families have homeownership. The Bank also encourages homeownership amongst employees and provides staff housing loans to this end.

3.3.3.1. Be The Change

The program has been running for 3 consecutive years to drive uab's community engagement and development initiatives, focusing on the underserved and underprivileged members of the community, particularly on children, youth and women.

i. Youth in Sports

As the exclusive main sponsor, uab bank will contribute towards Myanmar badminton star; Thet Htar Thuzar's journey and her dream to participate in 2020 Olympics in Tokyo, Japan.



ii. Under-privileged children

For FY 2019, we made donations in cash, beds, computers, mosquitoes nets, lunch, dinner and Spend A Day with the less fortunate at Kyee Myin Daing Blind House and Ka Wae Chan Blind House. Through the #wishesdocometrue program, we had targeted granting the wishes of 1,000 under-privileged children with a message that people care. Since its inception in December 2017, Be the Change Myanmar has granted over 400 wishes for children from orphanages, visually impaired schools, government primary schools, hospitals and child laborers.

iii. 46TH SSEAYP

As the main sponsor, uab bank has contributed towards the funding needs of 46th SSEAYP, an annual youth exchange programme, that enabled a contingent comprising of 28 participating youths and a national leader to represent Myanmar culture and traditions to other ASEAN countries and Japan.



To conduct our business in an ethical and environmentally friendly manner and to continuously work towards improving the quality of life of the communities, we are in the process of launching a foundation which will implement and execute all charitable programs of uab bank Group.

Under the name of "uab Foundation", we also aim to provide funding and sponsorship to eligible institutions, organizations and deserving individuals nominated through program guidelines that are serving communities in Myanmar.

3.4. Environmental, social, and corporate governance (ESG)

As part of delivering the vision and mission of the bank as stated above, we understand the importance of managing risk well and are committed to obtain a responsible and sustainable growth through fair and ethical business practices. Thus, we not only look at risks from a traditional perspective (i.e. credit risk, market risk) but also take environmental, social and governance risk into consideration. We always take account of ESG risk while developing a product or services.

Our Commitment is underscored by the recent signing of Memorandum of Understanding with WWF for the development and implementation of Environmental, Social and Governance Framework.

We have taken a proactive step of establishing and implementing an EXCLUSION LIST, which lists sectors or types of customers that do not fit into uab bank's profile and which in our view bring harm to the environment and human living. We do not facilitate financing to entities engaged in activities listed in the exclusion list.

i. Digitalisation & Investment in Technology

At uab, digital development and innovation not only represents the key driver for enterprise-wide business transformation to build our future competitiveness and growth, but also plays an enabling role in delivering added value to our stakeholders and uphold our principle of Humanising Banking as well as financial inclusion. Digitalisation and Investment in Technology adds to our effort to make our community financially inclusive.

Over FY2019, we have embarked in a number of digital programs as below

- uab Mobile was launched in FY 2019, a superior and secure mobile banking experience, with continuous enhancements like Biometric Log-In, Mobile TopUp, Bill Payment and many

more.

- Fintech innovations have been planned to be launched in FY 2020 and these primarily will be in the form of Digital wallets and merchant apps.

- Operational re-engineering is a continuous process to simplify the backroom process and enhance the customer experience in the front office. A review of paper forms was made at branches and up to 50 forms were merged. The development which began in FY 2019 is planned to be carried over a period of 3 years and this includes developing a digital mindset and capabilities for employees through new ways of work.

- Developing strategic partnerships and creating synergies with various partners ensuring that it is a win-win situation for all parties.

ii. Supply Chain Management

uab bank's Vendor Code of Conduct describes the uab banks' expectations of how its vendors conduct the business. All the vendors (including subcontractors) who provide products and/or services are expected to act in accordance with the Code which requires vendors to abide by human rights laws, environmental laws, bribery and corruption laws et al. uab bank carefully assesses the prospective vendors against their compliance with our codes before they are selected to provision services/products to the Bank. The Vendor Code of Conduct sets out our expectation of Vendors towards achieving sustainability. The Management is also looking at steps of shortening the supply chain via building a direct relationship with producers to enable the producers to obtain profits whilst we control our cost.

The Bank's "Basic Procurement Guidelines" sets the procedures for vendor selection when a pur-

chase order is required to be issued and it provides the Bank's Management the assurance that due care has been taken for each order made.

Due to the nature of the activity conducted, a major portion of the Bank's sourcing cost is directed towards stationery. We lay emphasis on sourcing locally and encourage small and medium enterprises. Out of 140 vendors (as at 30th Sept 2019), who are currently associated with us, 90 % of them are small or medium enterprises.

For more information on our Vendor Code of Conduct:

- Vendor Code of Conduct

iii. Resource optimisation

As a bank with extensive reach, we embrace our role as a responsible consumer and corporate citizen; hence, we pledge to minimise our environmental footprint through resource optimisation and operational efficiency.

Environmental data for the financial year ended as at 30 September 2019 is represented in the table below:

Environmental data (FY 2019 figures)		
Water (MMK)	3,294,350	
Electricity energy (MMK)	258,858,101	<ul style="list-style-type: none"> - Central air-conditioning system with control temperature was implemented at uab Tower to lessen global warming. - Good practice of switching off lights and eco-friendly toilet flush
Petrol energy (MMK)	320,747,063	<ul style="list-style-type: none"> - Regarding the use of petrol, we have adopted a policy ensuring older vehicles are replaced with more energy efficient and environmentally friendly vehicles.
Carbon (metric tons)	2,392	<ul style="list-style-type: none"> - Softphones, WIFI, wireless connections to projectors etc to reduce carbon footprint.
Waste (Metric tons)	Not Applicable due to the type of activity conducted.	<ul style="list-style-type: none"> - Cloud-based storage vs the conventional way of paper-based storage. - Electronic submission for approvals at Head Office including credit proposals, budgets and leave applications. - Centralised Printing and e-fax to minimize wastage.

3.5. Tax strategy

We are committed to making economic contributions to our community through paying our fair share in taxes together with the compulsory deduction of taxes from our employees. We endorse the B Team Responsible Tax Principles which were developed through dialogue with a group of leading companies, along with involvement from civil society, investors and representatives from international institutions.

i. Our Tax Strategy

Our Tax Strategy is based on:

- Paying our fair share of tax
 - Effective interaction with tax authorities
 - Transparency with regard to our tax affairs
- We contributed MMK 4.29 billion to tax coffers of Myanmar as Income Tax for FY 2019.

ii. Our Tax Principles

- **Compliance**
We always act in accordance with all appli-

cable laws.

- **Transparency**

We regularly put forward understandable, timely and transparent communications about total tax payments.

- **Structure**

We do not use contrived or abnormal tax structures that are intended for tax avoidance.

- **Tax Havens**

We do not use secrecy jurisdictions or tax-havens for tax avoidance.

- **Relationship with Government and Tax Authorities**

We maintain cordial relationships with government and tax authorities.

3.6. Compliance

uab bank endeavours to meet all stipulations of the Financial Institution Law and Central Bank of Myanmar's directives. The nature of our business relies on the stakeholders' trust and any violation of that undermines public confidence in us, which has a direct impact on the business. Therefore, we place utmost importance on ethics and integrity. We ensure that compliance is embedded in Bank's processes out of care for our stakeholders and to protect our activities. An essential part of our corporate and sustainability governance approach is the establishment of policies that institutionalise certain values we hold true.

The Bank is also subject to inspection by the Central Bank of Myanmar and all findings of inspections and audits are reported to the Bank's Board of Directors together with Management responses and proposals for rectification. The Bank also makes daily, weekly, monthly, quarterly, six-monthly and yearly statistical reports to the Central Bank which indicate the level of its compliance.

To monitor compliance at the Bank, all incidents of non-compliance to codes and policies are reported via the established Operational Incident Reporting mechanism.

In FY 2019, uab bank enrolled to be subject to the corporate governance standards of the Pwint Thit Sa Report instituted by Myanmar Centre for

Responsible Business and was overall 5th in the final assessment of the 2019 Report.



4. Our people and culture

uab regards our employees as one of the most important assets of our Bank. We ensure that they have the opportunity to learn from a diverse resource pool, maintain work-life balance whilst respecting the rights of all the stakeholders. We are committed to creating a sustainable environ-

ment for all our uabians and help them develop their full potential professionally and personally. Our objective is to offer our employees motivating working conditions that allow them to fulfil their individual aspirations by rising to the challenges.

4.1. Diversity and inclusion

Diversity is not only about gender and race; it is also about diversity of background and mindset. When the team is composed of professionals with different experience levels, different areas of expertise and different cultural backgrounds, there are far more sources of information and knowledge to draw from.

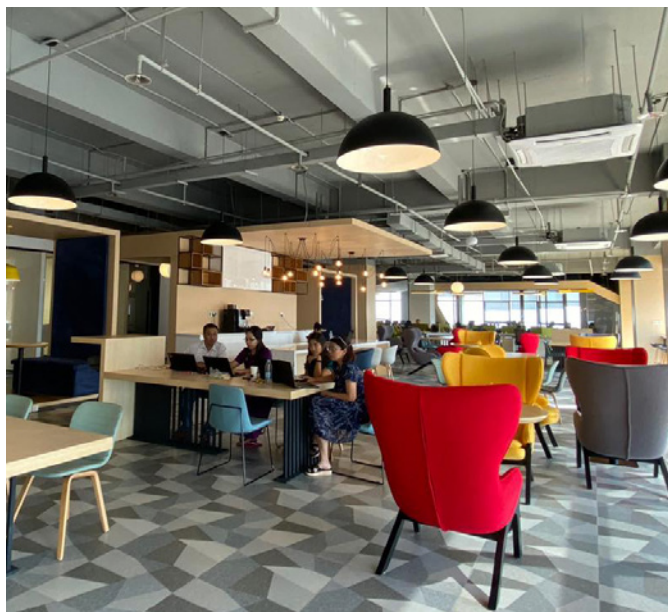
Thus, at uab bank, we celebrate the importance of a diverse and inclusive workforce in decision making, employee engagement and problem solving, among others. We treat our uabians with care and respect and nurture them through our development and welfare programmes.

- **Internship Opportunities:** Each year we provide internship opportunities to students who are in the final year of their undergraduate program. In

FY 19, we provided internship opportunities to six (6) students. Further, with the developed facilities at the new workspace at uab Tower @Times City, we have committed to increase internship opportunities to up to 40 undergraduates in FY 2020.

- **Youth Employment:** At uab bank, we believe that youth employment is pivotal for the growth of the company and comprehension of the rapidly changing banking business models. We provide employment opportunities to young budding talents. At the end of the Financial Year 2018-2019, 46% of the total workforce was represented by employees, who are less than 30 years of age.

4.2. Work-life balance



Uabian way of life involves initiatives to find balance, meaning and success both at work and outside of it. Our employees spend a significant amount of time at work today, and thus the company knows we must also provide them with a suitable working environment and conditions. We do this by finding a healthy work-life balance, arranging job rotations, giving employee benefits

and giving opportunities that lead to professional growth.

The ideal of work life balance has been embedded in the interior design of our new Head Office.

We understand that employees need a goal that gives meaning to their actions. To this, our employees supported by Management and their HR Partner, can develop professionally throughout their career with the Bank. Through constant job rotations, our employees can also expect to perfect and expand their financial services knowledge. We encourage continuous learning and development to ensure our people are equipped to meet the demands of rapidly changing, increasingly digital and increasing regulatory requirements.

In addition, we offer flexible working hours to employees who are unable to meet the regular office hours for individual reasons. We also offer certain positions, which are eligible for part-time employment.

Key Employee Figures		
	FY 2019 results	Improvement and Target
Employee engagement (profit per employee)	<p>Group Profit before tax per employee MMK 10.5 million</p> <p>Note : An Employee Satisfaction survey was conducted on In July 2020, the results on 14th August 2020 were:</p> <ul style="list-style-type: none"> • Number of respondents: 1,155 (82.5% of white-collar work force) • Score: 5.7 on a 7-point Likert Scale (81.4%) 	<p>We are pleased to note the result of engagements reflected in the improvements in productivity with Group Profit Before Tax per employee increasing to MMK 10.5 mil for period ending on 30th Sept 2019 compared to MMK 4.6 mil for the previous 12 months.</p>
Turnover rate (%)	<p>Employee (%): 19 %</p> <p>Supervisory- AM & above: 5 %</p> <p>Non-Supervisory-Supervisor & below: 14 %</p>	<p>Employee turnover was higher than the targeted 15% partly due to the enforcement of retirement age of 60 years and a right sizing exercise undertaken by the Bank.</p>

Key Employee Figures		
Absenteeism rate (%)	Absenteeism Rate (%): 2.22 %	<p>For the year ended 30 Sept 2018, the Absenteeism Rate was 2.96 %</p> <p>The absenteeism rate improved to 2.22% for year ending 30 Sept 2019 indicating better employee engagement.</p>
Disability (number)	1 person	<p>The Bank has strict policies on non-discrimination and equal employment opportunity for disabled persons. uab is committed to hiring any capable individual regardless of their disabilities.</p>
Fatality Rate (%)	0% fatality rate	<p>The fatality rate for year ending 30 Sept 2019 was Nil with no deaths reported and within the Bank's target of zero fatalities.</p> <p>Given that the Bank is in the Service industry and not in an industrial or manufacturing environment, the accident and fatality rates are expected to be low.</p>
Frequency rate for accidents (number)	<p>Nineteen (19) car accidents involving uab drivers.</p> <p>One (1) security guard from Thingangyun Branch, suffered hand burns while filling up the water in the radiator of the generator.</p> <p>There were no fatal injuries.</p>	<p>The Lost Time Injury Frequency Rate (LTIFR) due to accidents for year ending 30th Sept 2019 was 0.26 (where lost time due to accidents is measured against total work-force hours per million).</p>
Training (number)	<p>Total number of employees trained: 985</p> <p>Total man hours of training provided: 9,106</p>	<p>Target number for formal training hours was 10,000-man hours and the Bank is working to increase the training provided to 15,000-man hours for the new financial ending 30 Sept 2021.</p>
Career Development/ Appraisal (number)	<p>The successful sessions in April and September 2019, ensured a meeting of our KPI of 2 appraisal sessions per annum for all staff.</p> <p>435 employees were promoted based on their performance in the year which ended on 30th September 2019 as part of career development and succession planning.</p>	<p>To support career development and appraisals, each individual employee underwent a formal half yearly appraisal session with his/her supervisor in April and September 2019. This is the 3rd year in running of conducting these sessions.</p>

4.3. Health and safety

We are committed to providing a healthy and safe working environment for our employees, contractors, customers and visitors on Bank's premises. Further, employees are expected to take ownership of their safety and are encouraged to report any concerns.

We are committed to continuous improvement on our health and safety management system and will ensure that:

- We develop a culture where all employees and stakeholders take responsibility for the health and safety of themselves and others.
- We provide sufficient and appropriate resources to meet our commitments and ensure adequate control of the health and safety risks arising from our work activities.
- We ensure that everyone at uab bank can proactively identify, manage, and eliminate hazards in the workplace to prevent accidents and work-related ill health including (but not limited to) ensuring cleanliness, good hygiene practices, physical signs to highlight risk, adequate lighting and avoid incidences of slippery floors.
- We register all eligible employees with the national social security scheme so that health and safety benefits contained therein will be available to them.
- Appropriate training, briefing and information is provided.

- Employees are encouraged to raise safety issues and concerns.

The frequency and fatality rates for FY 2019, have been provided in the table above. Annually, the Administration Dept of the Bank conducts a survey on the physical maintenance at branches. From the survey, recommendations are made to the Management on physical improvements.

At uab Tower @ Times City, an HSE inhouse audit and health check by the Facility Management Team together with the Bank's Internal Auditors was conducted over March 2020 as an effort to monitor our existing HSE guidelines and to continually improve our awareness and management of our key risks. A fire drill was also conducted in the Times City complex.

Several health benefits are made available to employees including:

- Welfare grant of MMK 100,000 for major surgery
- Paid leave of up to 6 months for prolonged illness
- 30 days of paid medical leave
- Work Life Balance - flexible working hours, sabbatical leaves, extended maternity leaves et al

4.4. Labour rights

With regards to human rights, uab bank respects and supports the “**Protect, Respect and Remedy**” framework, which rests on three pillars as described in the United Nations Declaration of Human Rights.

The three pillars are:

- **Protect:** The State duty to protect against hu-

man rights abuses by third parties, including business, through appropriate policies, regulation, and adjudication

- **Respect:** The corporate responsibility to respect human rights, which means to act with due diligence to avoid infringing the rights of others and to address adverse impacts that occur; and

. **Remedy:** Both State and business responsibility to provide greater access to victims for effective remedy, both judicial and non-judicial

Furthermore, we respect and promote labour standards as described in the International Labour Organisation Declaration on Fundamental Principles and Rights at Work and related conventions.

i. Enhanced Leave Benefit for Employees

On 30th April 2019, uab bank announced changes

to the bank's leave policy in recognition of the contribution of the employees and in commemorating the celebration of Labour day on 1st May 2019. The enhanced leave benefits for employees would do away with the "wrap" requirements in practice today, where public holidays and week-ends preceding and succeeding the leave taken are counted as leave taken. This change applies to both earned leave and casual leave, and employees at uab bank will be able to enjoy the full number of leave days they have for the year.

5. Transparency

5.1. Awards



Best Office Interior Design & Special Recognition for Bank Facility
Property Guru Myanmar
Property Awards 2019

Best Banking CEO Myanmar 2019
Global Banking & Finance Review

Best Banking CEO & Most Innovative CEO of The Year 2019
International Business Magazine



Myanmar's Best Bank 2019
Euromoney



Domestic Retail Bank of The Year 2019
Asian Banking & Finance



#1 in Corporate Governance Disclosure
#1 for Disclosure amongst banks in Myanmar
Pwint Thit Sa Report 2019
Myanmar Centre for Responsible Business

Banking CEO of The Year Myanmar 2019
Business Worldwide

5.2. Data overview

Category	Area covered	Unit	FY 2019 data
People	Headcount	Number	1848
	Number of female employees	Number	941
	Number of male employees	Number	907
	Female: Male ratio = 51: 49		
	Number of employees between 18-30	Number	856
	Number of employees between 31-40	Number	656
	Number of employees between 41-50	Number	253
	Number of employees between 51-60	Number	72
	Number of employees above 60	Number	11
	18-30 years old = 46% of the total number of employees		
	Number of female employees in Senior Management positions	Number	44
	Number of male employees in Senior Management positions	Number	30
	Number of employees trained	Number	985
	Number of training hours	Number	9,106
	Number of people promoted	Number	435
	Number of female employees promoted	Number	273
	Number of male employees promoted	Number	162
	Turnover rate	Percentage	19%
	Absenteeism rate	Percentage	2.22%
	Number of people with disability	Number	1
	Number of incidents	Number	20
	Fatality rate	Percentage	0
	Frequency rate	LTI per million man-hours	0.26

Category	Area covered	Unit	FY 2019 data
Society	Donations	MMK	17.1 million
	Tax	MMK	4.3 billion
	Number of philanthropic causes supported	Number	5
	Number of cases of disciplinary actions taken from complaints and infringement of the Code of Ethics and other Bank Policies	Number	25
Environment	Water	MMK	3,294,350
	Electricity energy	MMK	258,858,101
	Petrol energy	MMK	320,747,063
	Carbon	(metric tons)	2,392

5.3. GRI content index

GRI standards	Disclosure title	Report section / Direct Response	Omission
ORGANISATION PROFILE			
102-1	Name of the Organisation	uab bank Limited	
102-2	Activities, brands, products, services	Annual Report 2019, Overview of uab- Who we are, What We Do, Page 9 to 14 Available at : https://www.uab.com.mm/	
102-3	Location of Headquarters	Yangon, Myanmar	
102-4	Location of Operations	Myanmar Available at : https://www.uab.com.mm/location/branches/	
102-5	Ownership and Legal Form	Private Company Limited by Shares	
102-6	Market Served	Geographical Location: Myanmar Sectors: All subject to exclusion list Customers: All subject to exclusion list	
102-7	Scale of organisation	Annual Report 2019, Overview of uab- Who We Are, Page 09 to 12 Available at: https://www.uab.com.mm/content/uab-annual-report-2019/	

ORGANISATION PROFILE

102-8	Information on employee and other workers	<p>Total Employees (Permanent): 1848 Male: 907 Female: 941 New Recruitment: 232 Attrition: 414</p> <p>The above figures include Security Staff and Maintenance Staff who have renewable contracts of 1 year.</p>	
102-9	Supply chain	Not Material	
102-10	Significant changes to the organisation and its supply chain	The Bank shifted its Head Office to Level 21, uab Tower @ Times City, Kyun Taw Road, Kamayut Township, Yangon.	
102-11	Precautionary principles or approach	We apply a precautionary approach to environment and social risk management striving to anticipate, mitigate, and avoid environmental and social risk.	
102-12	External Initiatives	<p>Voluntary Initiatives are</p> <ol style="list-style-type: none"> Internal Exclusion List <p>Available at: https://www.uab.com.mm/responsible-business/esg/</p> <ol style="list-style-type: none"> Initiative to formulate Environmental, Social and Governance Policy Vendor Code of Conduct Statement on human rights 	
102-13	Membership of associations	uab bank participates in industry associations representing financial activity such as Myanmar Banks Association, Myanmar Economic Forum, UMFCFI et al.	

STRATEGY

102-14	Statement from senior decision maker	Annual Report 2019, Sustainability Statement, Board Statement on Sustainability, Page 89 Annual Report 2019, Corporate Governance Overview Statement, Page 49 to 64	
102-15	Key impacts, risks, and opportunities	<p>Annual Report 2019, Sustainability Statement, Materiality Assessment, Page 90 to 93 Annual Report 2019, Risk Management Report, Page 72 to 80</p> <p>Also available at: https://www.uab.com.mm/strategy/materiality-assessment/ https://www.uab.com.mm/content/uab-annual-report-2019/</p>	

ETHICS AND INTEGRITY

102-16	Values, principles, standards, and norms of behaviour	<p>Our values and beliefs guide our behaviour. They help us to conduct business with utmost integrity, to create a long-term value for shareholders and to nurture best talent. We maintain an unwavering focus on serving our clients effectively. At the same time, we work to constantly improve our processes and encourage accountability and entrepreneurial drive.</p> <p>Vendor Code of Conduct Code of Ethics</p> <p>Available at: https://www.uab.com.mm/responsible-business/compliance/ https://www.uab.com.mm/strategy/stakeholder-engagement/ </p>	
102-17	Mechanism for advice and concerns about ethics	Code of Ethics	

GOVERNANCE

102-18	Governance Structure	<p>The Management Committee is responsible for managing the company. Its members are jointly accountable for the management of the company. The Management Committee has, as its prime responsibility, the uab bank's strategic management, resource allocation, financial accounting and reporting, risk management, and corporate control. It has 9(nine) members with Christopher Loh as CEO. The Board of Directors appoint, supervise and advise the Management Committee and is directly involved in decisions of fundamental importance to the bank. It works closely with the Management Committee in a cooperative relationship of trust and for the benefit of the company.</p> <p>Available at : https://www.uab.com.mm/about-us/board-of-directors/ https://www.uab.com.mm/about-us/senior-management/ </p>	
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GOVERNANCE

		https://www.uab.com.mm/governance/corporate-governance/	
102-19	Delegating authority	<p>The Board of Directors has delegated the authority to the Management Committee for the overseeing economic, environmental and social issues encountered by the bank.</p> <p>Available at: https://www.uab.com.mm/governance/corporate-governance/</p>	
102-20	Executive Level responsibility for economic, environmental and social topics	The Director - Human Resources acts as Sustainability Officer who in turn reports to the Management Committee.	
102-21	Consulting stakeholders on economic, environmental, and social topics	Our value chain comprises various stakeholders, including clients, investors, employees, and suppliers, as well as governments and regulators, communities, media, and civil society, including as non-governmental organizations (NGOs). We regularly engage with them and listen to feedback to help inform our decisions.	
102-22	Composition of the highest governance body and its committees	<p>The Board of Director has 7 members including Senior Non -Executive Independent Director. The Board has established the following 5 standing committees: Board Advisory & Strategy Committee Board Audit Committee Board Risk Committee Board Credit Committee Board Nomination & Remuneration Committee.</p> <p>Available at: https://www.uab.com.mm/governance/corporate-governance/</p>	
102-23	Chair of the highest governance body	Chairman of the Board of Directors is U Ne Aung , who is Non -Executive Director.	

GOVERNANCE

102-24	Nominating and selecting the highest governance body	Our Board seeks Directors whose complementary knowledge, experience, and skills provide a broad range of perspectives and leadership expertise in financial services. Further, all board appointees must pass a “Fit & Proper” test and are required to be approved by the Central Bank of Myanmar.	
102-25	Conflict of interest	uab bank’s Conflict of Interest Policy guides all staff and management on conflict of interest. Conflict of interest Policy link	
102-26	Role of highest governance body in setting purpose, values, and strategy	The Board of Director is responsible for the approval of Environmental Social and Governance Policy and regular review of the bank’s Code of Ethics.	
102-27	Collective knowledge of highest governance body	Directors are regularly apprised of environmental, social and governance issues encountered by the Bank.	
102-28	Evaluating the highest governance body’s performance	The Board annually reviews the performance of the Board as a whole and Board Committees. The review is conducted by Nonexecutive Directors, guided by Senior Independent Non-Executive Director.	
102-29	Identifying and managing economic, environmental, and social impacts	Environmental Social and Governance Policy is currently being formulated with assistance from WWF. The Board Risk Committee is responsible for ensuring oversight, governance, and coordination of the management of risk on behalf of the Board of Directors.	
102-30	Effectiveness of risk management processes	Annual Report 2019, Statement on Risk Management and Internal Control & Risk Management Report, Page 65 to 80 Available at: https://www.uab.com.mm/governance/corporate-governance/	
102-31	Review of economic, environmental, and social topics	Board of Directors will be responsible for the biennial review and approval of ESG Policy.	
102-32	Highest governance body’s role in sustainability reporting	Director- Finance and Management Committee review the Non-Financial Report. The final responsibility lies with the Board of Directors.	

GOVERNANCE			
102-33	Communicating critical concerns	Board of Directors are apprised of ESG concerns facing the bank as and when they arise.	
102-34	Nature and total number of critical concerns	No concerns were raised in the last financial year.	
102-35	Remuneration policies	uab bank employs Total Rewards approach comprising: <ul style="list-style-type: none"> • Fixed pay which includes base salary and fixed allowances • Variable pay which rewards employees based on the performance of the Bank, business functions and an employee's individual performance 	
102-36	Process for determining remuneration	Remuneration comprises foundational and performance-based awards. Performance based awards are dependent upon Bank's performance, employee performance, tangible results achieved, and behaviour that uphold uab values. No external consultants are involved in the determination of remuneration.	
102-37	Stakeholders' involvement in remuneration	Relevant stakeholders are involved in formulation and development of remuneration policy. Since, remuneration practices are confidential within the industry external parties are not consulted.	
102-38	Annual total compensation ratio		Confidentiality Constraints: Reasons for non-disclosure include legal, contractual agreements and competitive advantage.
STAKEHOLDER ENGAGEMENT			
102-40	List of stakeholder's group	Employees, Interns, Customers, Members of Board of Directors, Vendors, Contractors, Consultants et al.	
102-41	Collective Bargaining Agreement	Not applicable	
102-42	Identifying and selecting stakeholders	Bank engaged with diverse stakeholders.	

STAKEHOLDER ENGAGEMENT			
102-43	Approach to Stakeholder Engagement	uab bank participates in forums, events, and working groups to engage its stakeholders. We are aware that the interests of shareholders, clients, employees, and the general public can be conflicting, and that we have to negotiate between the interests.	
		We remain open to stakeholder critique and consider this with sensitivity when conducting due diligence and when improving sustainability approach.	
102-44	Key topics and concerns raised	Financial Inclusion, Customer Satisfaction, Job Creation and Enterprise Development, Employee Development and Training et al.	
REPORTING PRINCIPLES			
102-45	Entities included in the Consolidated Financial Statement	uab securities Limited Scope of this Index: uab bank Limited	
102-46	Defining report content and topic Boundaries	Available at: https://www.uab.com.mm/reports/gri-index/	
102-47	List of material topics	Annual Report 2019, Sustainability Statement, Page 92 to 93 Also, can be viewed at: https://www.uab.com.mm/strategy/materiality/assessment/	
102-48	Restatement of information	Not applicable	
102-49	Changes in Reporting	Not applicable	
102-50	Reporting period	01 October 2018 to 30 September 2019	
102-51	Date of most recent report	2020	
102-52	Reporting Cycle	Biennial	
102-53	Contact point for questions regarding the report	Questions regarding Sustainability Statement in Annual Report 2019 can be directed to George.koshy@uab.com.mm	
102-54	Claims of reporting in accordance with the GRI Standards	This report has been prepared in accordance with the GRI Standards: Core Option.	
102-55	GRI Content Index	Available at https://www.uab.com.mm/reports/gri-index/	
EXTERNAL ASSURANCE			
102-56	External Assurance	The information contained in this report has not been externally assured. (independent assurance statement)	

TOPIC SPECIFIC STANDARDS

GRI 200: ECONOMIC TOPICS

GRI standards	Disclosure title	Report section / Direct Response	Omission
GRI 201: ECONOMIC PERFORMANCE			
103-1	Explanation of the material topic and its boundary	Annual Report 2019, Sustainability Statement, Page 87 to 104 Available at: https://www.uab.com.mm/strategy/materiality-assessment/	
103-2	The Management Approach and its components	Available at: https://www.uab.com.mm/strategy/	
103-3	Evaluation of Management Approach	Available at: https://www.uab.com.mm/strategy/	
201-1	Direct economic value generated and distributed	Annual Report 2019, Key Highlights of 2019, Financial Highlights, Page 20 to 22	
201-2	Financial implications and other risks and opportunities due to climate change	Bank anticipates impact on lending activity post formulation and implementation of ESG Policy.	
201-3	Defined benefit plan obligations and other retirement plans	Not Applicable	
201-4	Financial assistance received from government	uab bank did not benefit from direct capital or liquidity assistance from the Government of Myanmar.	
GRI 202: MARKET PRESENCE			
103-1	Explanation of the material topic and its boundary	Annual Report 2019, Sustainability Statement, Page 87 to 104 Available at: https://www.uab.com.mm/strategy/materiality-assessment/	
103-2	The Management Approach and its components	Annual Report 2019, Sustainability Statement, Page 87 to 104 Available at: https://www.uab.com.mm/people/employee-development/	
103-3	Evaluation of Management Approach	Annual Report 2019, Sustainability Statement, Page 87 to 104 Available at: https://www.uab.com.mm/people/employee-development/	

GRI 202: MARKET PRESENCE

202-1	Ratios of standard entry level wage by gender compared to local minimum wage		Confidentiality Constraints: Reasons for non-disclosure include legal, contractual agreements and competitive advantage.
202-2	Proportion of senior management hired from the local community	56%	

GRI 203: INDIRECT ECONOMIC IMPACTS

103-1	Explanation of the material topic and its boundary	Annual Report 2019, Sustainability Statement, Page 87 to 104 Available at : https://www.uab.com.mm/strategy/materiality-assessment/	
103-2	The Management Approach and its components	Annual Report 2019, Sustainability Statement, Page 87 to 104	
103-3	Evaluation of Management Approach	Annual Report 2019, Sustainability Statement, Page 87 to 104	
203-1	Infrastructure investment and services supported	Homeownership; Small and Medium Enterprises etc.	
203-2	Significant indirect economic impacts	Quantitative or qualitative assessment has not been carried out.	

GRI 204: PROCUREMENT PRACTICES

103-1	Explanation of the material topic and its boundary	Annual Report 2019, Sustainability Statement, Page 87 to 104 Available at : https://www.uab.com.mm/strategy/materiality-assessment/	
103-2	The Management Approach and its components	Vendor Code of Conduct	
103-3	Evaluation of Management Approach	Vendor Code of Conduct	
204-1	Proportion of spending on local suppliers	Significant percentage of supplies are sourced locally.	

GRI 205: ANTI-CORRUPTION

103-1	Explanation of the material topic and its boundary	Annual Report 2019, Sustainability Statement, Page 87 to 104 Available at : https://www.uab.com.mm/strategy/materiality-assessment/	
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GRI 205: ANTI-CORRUPTION

103-2	The Management Approach and its components	AML Policy and Procedure Anti-Bribery and Corruption Policy	
103-3	Evaluation of Management Approach	AML Policy and Procedure Anti-Bribery and Corruption Policy	
205-1	Operation assessed for risks related to corruption	Several processes to detect, analyse and prevent corruption are in place. Annual Report 2019, Statement on Risk Management and Internal Control & Risk Management Report, Page 65 to 80 Available at : https://www.uab.com.mm/governance/risk-management/	
205-2	Communication and training about anti-corruption policies and procedures	Policy has been communicated internally to all employees. Training on Code of Ethics, which includes training on Policy is required for all employees.	
205-3	Confirmed incidents of corruption and action taken	None	

GRI 206: ANTI-COMPETITIVE BEHAVIOR

103-1	Explanation of the material topic and its boundary	Annual Report 2019, Sustainability Statement, Page 87 to 104 Available at : https://www.uab.com.mm/strategy/materiality-assessment/	
103-2	The Management Approach and its components	uab bank is committed to conduct business ethically and not to enter any business arrangements that eliminate or distort competition.	
103-3	Evaluation of Management Approach	uab bank is committed to conduct business ethically and not to enter any business arrangements that eliminate or distort competition.	
206-1	Legal actions for anti-competitive	None	

GRI 207: TAX

103-1	Explanation of the material topic and its boundary	Annual Report 2019, Sustainability Statement, Page 87 to 104 Available at : https://www.uab.com.mm/strategy/materiality-assessment/	
103-2	The Management Approach and its components	Bank's approach is based on three core objectives:	

GRI 207: TAX

		<ul style="list-style-type: none"> · Paying our fair share of tax · Effective interaction with tax authorities · Transparency with regard to our tax affairs https://www.uab.com.mm/strategy/tax-strategy/	
103-3	Evaluation of Management Approach	Statutory Auditors assess the taxes paid by the Bank.	
207-1	Approach to tax	Bank's approach is based on three core objectives: <ul style="list-style-type: none"> · Paying our fair share of tax · Effective interaction with tax authorities · Transparency with regard to our tax affairs 	
207-2	Tax governance, control, and risk management	The Finance Department oversees the tax related matters	
207-3	Stakeholder engagement and management of concerns related to tax	None due to sensitivity of the issue.	
207-4	Country- by- country reporting	Not Applicable.	

GRI 300: ENVIRONMENTAL TOPICS

GRI standards	Disclosure title	Report section / Direct Response	Omission
GRI 301: MATERIALS			
103-1	Explanation of the material topic and its boundary	Annual Report 2019, Sustainability Statement, Page 87 to 104 Available at: https://www.uab.com.mm/strategy/materiality-assessment/	
103-2	The Management Approach and its components	Annual Report 2019, Sustainability Statement, Page 87 to 104	
103-3	Evaluation of Management Approach	Annual Report 2019, Sustainability Statement, Page 87 to 104	
301-1	Material used by weight or volume	Bank doesn't record the material used by weight or volume.	
301-2	Recycled input materials used	Not applicable due to the type of activity conducted.	
301-3	Reclaimed products and their packaging materials	Not applicable due to the type of activity conducted.	

GRI 302: ENERGY

103-1	Explanation of the material topic and its boundary	Annual Report 2019, Sustainability Statement, Page 87 to 104 Available at: https://www.uab.com.mm/strategy/materiality-assessment/	
103-2	The Management Approach and its components	Annual Report 2019, Sustainability Statement, Page 87 to 104	
103-3	Evaluation of Management Approach	Annual Report 2019, Sustainability Statement, Page 87 to 104	
302-1	Energy consumption within the organization	https://www.uab.com.mm/responsible-business/esg/	
302-2	Energy consumption outside the organization	Not Available	
302-3	Energy intensity	Not Available	
302-4	Reduction of energy consumption	A specific analysis of cause and effect relation for the implemented measures and of the obtained reduction is not available.	
302-5	Reduction in energy requirements of products and services	Not applicable due to the type of activity conducted.	

GRI 303: WATER AND EFFLUENTS

103-1	Explanation of the material topic and its boundary	Annual Report 2019, Sustainability Statement, Page 87 to 104 Available at : https://www.uab.com.mm/strategy/materiality-assessment/	
103-2	The Management Approach and its components	Annual Report 2019, Sustainability Statement, Page 87 to 104	
103-3	Evaluation of Management Approach	Annual Report 2019, Sustainability Statement, Page 87 to 104	
303-1	Interaction with water as a shared resource	Government is responsible for the supply of water.	
303-2	Management of water discharge related impacts	Not applicable due to the type of activity conducted.	
303-3	Water withdrawal	Third Party Water. https://www.uab.com.mm/responsible-business/esg/	
303-4	Water discharge	Not applicable due to the type of the activity conducted.	
303-5	Water consumption	https://www.uab.com.mm/responsible-business/esg/	

GRI 304: BIODIVERSITY

103-1	Explanation of the material topic and its boundary	Not Applicable	
103-2	The Management Approach and its components	Not Applicable	
103-3	Evaluation of Management Approach	Not Applicable	
304-1	Operation sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Not Applicable	
304-2	Significant impact of activities, products and services on biodiversity	Not Applicable	
304-3	Habitats protected or restored	Not Applicable	
304-4	IUCN Red list species and national conservation list species with habitats in areas affected by operations	Not Applicable	

GRI 305: EMISSIONS

103-1	Explanation of the material topic and its boundary	Not Applicable	
103-2	The Management Approach and its components	Not Applicable	
103-3	Evaluation of Management Approach	Not Applicable	
305-1	Direct (Scope 1) GHG emission	Not Applicable	
305-2	Energy indirect (Scope 2) GHG emissions	Not Applicable	
305-3	Other indirect (Scope 3) GHG emissions	Not Applicable	
305-4	GHG emissions intensity	Not Applicable	
305-5	Reduction of GHG emissions	Not Applicable	
305-6	Emissions of ozone -depleting substances (ODS)	Not Applicable	
305-7	Nitrogen oxides (NOX), sulphur oxides (SOX), and other significant air emissions	Not Applicable	

GRI 306: EFFLUENTS AND WASTE

103-1	Explanation of the material topic and its boundary	Not applicable	
103-2	The Management Approach and its components	Not applicable	
103-3	Evaluation of Management Approach	Not applicable	
306-1	Legal actions for anti-competitive	Not applicable	
306-2	Waste by type and disposal method	Not applicable	
306-3	Significant spills	Not applicable	
306-4	GHG emissions intensity	Not applicable	
306-5	Water bodies affected by water discharges and/or runoff	Not applicable	

GRI 307: ENVIRONMENTAL COMPLIANCE

103-1	Explanation of the material topic and its boundary	Annual Report 2019, Sustainability Statement, Page 87 to 104 Available at : https://www.uab.com.mm/strategy/materiality-assessment/	
103-2	The Management Approach and its components	Annual Report 2019, Sustainability Statement, Page 87 to 104	
103-3	Evaluation of Management Approach	Annual Report 2019, Sustainability Statement, Page 87 to 104	
307-1	Non-compliance with environmental laws and regulations	The Bank has not received any sanctions.	

GRI 308: SUPPLIER ENVIRONMENTAL ASSESSMENT

103-1	Explanation of the material topic and its boundary	Annual Report 2019, Sustainability Statement, Page 87 to 104 Available at : https://www.uab.com.mm/strategy/materiality-assessment/	
103-2	The Management Approach and its components	Annual Report 2019, Sustainability Statement, Page 87 to 104 Vendor Code of Conduct	
103-3	Evaluation of Management Approach	Annual Report 2019, Sustainability Statement, Page 87 to 104 Vendor Code of Conduct	

GRI 308: SUPPLIER ENVIRONMENTAL ASSESSMENT

308-1	New suppliers that were screened using environmental criteria	Not Material	
308-2	Negative environmental impacts in the supply chain and actions taken	Negative environmental impacts in the supply chain and actions taken	

GRI 400: SOCIAL TOPICS

GRI standards	Disclosure title	Report section / Direct Response	Omission
GRI 401: EMPLOYMENT			
103-1	Explanation of the material topic and its boundary	Annual Report 2019, Sustainability Statement, Page 87 to 104 Available at: https://www.uab.com.mm/strategy/materiality-assessment/	
103-2	The Management Approach and its components	Annual Report 2019, Sustainability Statement, Page 87 to 104 Annual Report 2019, Human Capital Report, Pages 81 to 86 https://www.uab.com.mm/people	
103-3	Evaluation of Management Approach	Annual Report 2019, Sustainability Statement, Page 87 to 104 Annual Report 2019, Human Capital Report, Page 81 to 86 https://www.uab.com.mm/people	
401-1	New employee hires and employee turnover	New Hires: 232 Turnover: 414	
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Welfare Allowances (Marriage, Childbirth, Surgery, Funeral) Concessional Loans/Products	
401-3	Parental leave	No. of Employees who took parental leave: Male: Not Provided Female: 27	
GRI 402: LABOR/MANAGEMENT RELATIONS			
103-1	Explanation of the material topic and its boundary	Annual Report 2019, Sustainability Statement, Page 87 to 104 Available at: https://www.uab.com.mm/strategy/materiality-assessment/	

GRI 402: LABOR/MANAGEMENT RELATIONS

103-2	The Management Approach and its components	Annual Report 2019, Sustainability Statement, Page 87 to 104 Statement on employee relation	
103-3	Evaluation of Management Approach	Annual Report 2019, Sustainability Statement, Page 87 to 104	
402-1	Minimum notice periods regarding operational changes	The Bank has not established any minimum period to give prior notice relating to the organizational change.	

GRI 403: OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT APPROACH DISCLOSURES

103-1	Explanation of the material topic and its boundary	Annual Report 2019, Sustainability Statement, Page 87 to 104 Available at : https://www.uab.com.mm/strategy/materiality-assessment/	
103-2	The Management Approach and its components	https://www.uab.com.mm/people/	
103-3	Evaluation of Management Approach	https://www.uab.com.mm/people/	
403-1	Occupational health and safety management system	No formal health and management system is in place due to the type of activity conducted. However, health and safety issues are raised in incident reports and appropriately dealt by Risk and Compliance Department.	
403-2	Hazard identification, risk assessment, and incident investigation	No formal health and management system is in place due to the type of activity conducted. However, health and safety issues are raised in incident reports and appropriately dealt by Risk and Compliance Department.	
403-3	Occupational health services	No occupational health services function has been established.	
403-4	Worker participation, consultation, and communication on occupational health and safety	No formal health and management system is in place.	
403-5	Worker training on occupational health and safety	Provision related to health and safety is included in the Job Description of every employee.	
403-6	Promotion of worker health	Provision related to health and safety is included in the Job Description of every employee.	

GRI 403: OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT APPROACH DISCLOSURES

403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationship	Health and Safety provision is included in Job Description of every employee.	
403-8	Workers covered by an occupational health and safety management system	Bank does not have health and safety management system due to the type of activity conducted.	
403-9	Work-related injuries	None.	
403-10	Work-related ill health	None.	

GRI 404: TRAINING AND EDUCATION

103-1	Explanation of the material topic and its boundary	Annual Report 2019, Sustainability Statement, Page 87 to 104 https://www.uab.com.mm/strategy/materiality-assessment/	
103-2	The Management Approach and its components	Annual Report 2019, Sustainability Statement, Page 87 to 104 Annual Report 2019, Human Capital Report, Page 81 to 86 https://www.uab.com.mm/people/employee-development/	
103-3	Evaluation of Management Approach	Annual Report 2019, Sustainability Statement, Page 87 to 104 Annual Report 2019, Human Capital Report, Page 81 to 86 https://www.uab.com.mm/people/employee-development/	
404-1	Average hours of training per year per employee	9.25 hours per employee trained	
404-2	Programs for upgrading employee skills and transition assistance programs	uab bank offers programmes for skill management and lifelong learning that supports the employability of their careers.	
404-3	Percentage of employees receiving regular performance and career development reviews	Regular performance and career development reviews are received by 100% of the employees.	

GRI 405: DIVERSITY AND EQUAL OPPORTUNITY

103-1	Explanation of the material topic and its boundary	Annual Report 2019, Sustainability Statement, Page 87 to 104 https://www.uab.com.mm/strategy/materiality-assessment/	
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GRI 405: DIVERSITY AND EQUAL OPPORTUNITY

103-2	The Management Approach and its components	Annual Report 2019, Sustainability Statement, Page 87 to 104 Annual Report 2019, Human Capital Report, Page 81 to 86 https://www.uab.com.mm/people/diversity-and-inclusion/	
103-3	Evaluation of Management Approach	Annual Report 2019, Sustainability Statement, Page 87 to 104 Annual Report 2019, Human Capital Report, Page 81 to 86 https://www.uab.com.mm/people/diversity-and-inclusion/	
405-1	Diversity of governance bodies and employees	Governance Body Gender: 71%(M),29% (F) Age: 43% (30-50) and 57% (over 50) Employees Gender: 49% (M), 51%(F) Age (F): 37% (below 30), 60% (30-50) and 3% (over 50) Age (M): 42% (below 30), 52% (30-50) and 6% (over 50)	
405-2	Ratio of basic salary and remuneration of women to men	Basic salary and remuneration is the same for women and men. Bank practices equal pay to equal work principle.	

GRI 406: NON-DISCRIMINATION

103-1	Explanation of the material topic and its boundary	Annual Report 2019, Sustainability Statement, Page 87 to 104 https://www.uab.com.mm/strategy/materiality-assessment/	
103-2	The Management Approach and its components	Annual Report 2019, Sustainability Statement, Page 87 to 104 Annual Report 2019, Human Capital Report, Page 81 to 86 https://www.uab.com.mm/people/diversity-and-inclusion/	
103-3	Evaluation of Management Approach	Annual Report 2019, Sustainability Statement, Page 87 to 104 Annual Report 2019, Human Capital Report, Page 81 to 86 https://www.uab.com.mm/people/diversity-and-inclusion/	

GRI 405: DIVERSITY AND EQUAL OPPORTUNITY

406-1	Incidents of discrimination and corrective actions taken	Not Reported. The discrimination incidents are covered by our regular compliant management procedure.	
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GRI 407: FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING

103-1	Explanation of the material topic and its boundary	Not Material	
103-2	The Management Approach and its components	Not Material	
103-3	Evaluation of Management Approach	Not Material	
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Not Material	

GRI 408: CHILD LABOUR

103-1	Explanation of the material topic and its boundary	Annual Report 2019, Sustainability Statement, Page 87 to 104 https://www.uab.com.mm/strategy/materiality-assessment/	
103-2	The Management Approach and its components	Annual Report 2019, Sustainability Statement, Page 87 to 104 https://www.uab.com.mm/responsible-business/compliance/ Vendor Code of Conduct	
103-3	Evaluation of Management Approach	Annual Report 2019, Sustainability Statement, Page 87 to 104 https://www.uab.com.mm/responsible-business/compliance/ Vendor Code of Conduct	
408-1	Operations and suppliers at significant risk for incidents of child labour	Not Material	

GRI 409: FORCED OR COMPULSORY LABOR

103-1	Explanation of the material topic and its boundary	Annual Report 2019, Sustainability Statement, Page 87 to 104 https://www.uab.com.mm/strategy/materiality-assessment/	
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GRI 412: HUMAN RIGHTS ASSESSMENT

103-2	The Management Approach and its components	Annual Report 2019, Sustainability Statement, Page 87 to 104 https://www.uab.com.mm/responsible-business/compliance/Vendor Code of Conduct	
103-3	Evaluation of Management Approach	Annual Report 2019, Sustainability Statement, Page 87 to 104 https://www.uab.com.mm/responsible-business/compliance/Vendor Code of Conduct	
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour	Not Material	

GRI 410: SUPPLIER ENVIRONMENTAL ASSESSMENT

103-1	Explanation of the material topic and its boundary	Annual Report 2019, Sustainability Statement, Page 87 to 104 Available at : https://www.uab.com.mm/strategy/materiality-assessment/	
103-2	The Management Approach and its components	Annual Report 2019, Sustainability Statement, Page 87 to 104 https://www.uab.com.mm/people/labour-rights/	
103-3	Evaluation of Management Approach	Annual Report 2019, Sustainability Statement, Page 87 to 104 https://www.uab.com.mm/people/labour-rights/	
410-1	Security personnel trained in human rights policies or procedures	Statement on Human Rights is communicated to all staffs of Bank including security personnel.	

GRI 411: RIGHTS OF INDIGENOUS PEOPLES

103-1	Explanation of the material topic and its boundary	Annual Report 2019, Sustainability Statement, Page 87 to 104 Available at : https://www.uab.com.mm/strategy/materiality-assessment/	
103-2	The Management Approach and its components	https://www.uab.com.mm/our-commitment/	
103-3	Evaluation of Management Approach	https://www.uab.com.mm/our-commitment/	
411-1	Incidents of violations involving rights of indigenous peoples	None	

GRI 412: HUMAN RIGHTS ASSESSMENT

103-1	Explanation of the material topic and its boundary	Annual Report 2019, Sustainability Statement, Page 87 to 104 Available at : https://www.uab.com.mm/strategy/materiality-assessment/	
103-2	The Management Approach and its components	Annual Report 2019, Sustainability Statement, Page 87 to 104 Vendor Code of Conduct Statement on human rights	
103-3	Evaluation of Management Approach	Annual Report 2019, Sustainability Statement, Page 87 to 104 Vendor Code of Conduct Statement on human rights	
412-1	Operations that have been subject to human rights reviews or impact assessments	Not available	
412-2	Employee training on human rights policies or procedures	Not available	
412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	Copy of Statement on Human Rights is provided to all employees of the Bank Vendor code of conduct is provided to all supplies, which among other things includes human rights aspects.	

GRI 413: LOCAL COMMUNITIES

103-1	Explanation of the material topic and its boundary	Annual Report 2019, Sustainability Statement, Page 87 to 104 Available at : https://www.uab.com.mm/strategy/materiality-assessment/	
103-2	The Management Approach and its components	Annual Report 2019, Sustainability Statement, Page 87 to 104 https://www.uab.com.mm/strategy/stakeholder-engagement/	
103-3	Evaluation of Management Approach	Annual Report 2019, Sustainability Statement, Page 87 to 104 https://www.uab.com.mm/strategy/stakeholder-engagement/	

GRI 413: LOCAL COMMUNITIES

413-1	Operations with local community engagement, impact assessments, and development programs	uab bank has several programmes that aim to encourage development and participation of the local communities and helped communities by aiding for the construction of building for the orphans, scholarship for the needy among others.	
413-2	Operations with significant actual and potential negative impacts on local communities	None.	

GRI 414: SUPPLIER SOCIAL ASSESSMENT

103-1	Explanation of the material topic and its boundary	Annual Report 2019, Sustainability Statement, Page 87 to 104 Available at : https://www.uab.com.mm/strategy/materiality-assessment/	
103-2	The Management Approach and its components	Annual Report 2019, Sustainability Statement, Page 87 to 104 Vendor Code of Conduct	
103-3	Evaluation of Management Approach	Annual Report 2019, Sustainability Statement, Page 87 to 104 Vendor Code of Conduct	
414-1	New suppliers that were screened using social criteria	While onboarding, all new vendors are screened against the criteria mentioned in Vendor Code of Conduct.	
414-2	Negative social impacts in the supply chain and actions taken	We do not report the significant actual and potential human rights impacts in the supply chain and actions taken. We try not to engage with vendors that unequivocally have negative human rights impacts.	

GRI 415: PUBLIC POLICY

103-1	Explanation of the material topic and its boundary	Annual Report 2019, Sustainability Statement, Page 87 to 104 Available at : https://www.uab.com.mm/strategy/materiality-assessment/	
103-2	The Management Approach and its components	Annual Report 2019, Sustainability Statement, Page 87 to 104 Statement on donations and charitable contributions	

GRI 415: PUBLIC POLICY

103-3	Evaluation of Management Approach	Annual Report 2019, Sustainability Statement, Page 87 to 104 Statement on donations and charitable contributions	
415-1	Political contributions	No financial or in-kind political donations were made in financial Year 2018- 2019	

GRI 416: CUSTOMER HEALTH AND SAFETY

103-1	Explanation of the material topic and its boundary	Annual Report 2019, Sustainability Statement, Page 87 to 104 Available at : https://www.uab.com.mm/strategy/materiality-assessment/	
103-2	The Management Approach and its components	https://www.uab.com.mm/people/work-life-balance/	
103-3	Evaluation of Management Approach	https://www.uab.com.mm/people/work-life-balance/	
416-1	Incidents of non-compliance concerning the health and safety impacts of products and service	Not Applicable.	

GRI 417: MARKETING AND LABELING

103-1	Explanation of the material topic and its boundary	Annual Report 2019, Sustainability Statement, Page 87 to 104 Available at : https://www.uab.com.mm/strategy/materiality-assessment/	
103-2	The Management Approach and its components	Annual Report 2019, Sustainability Statement, Page 87 to 104 Product responsibility statement	
103-3	Evaluation of Management Approach	Annual Report 2019, Sustainability Statement, Page 87 to 104 Product responsibility statement	
417-1	Requirements for product and service information and labelling	We do not filter for environmental and social impacts within the Product life cycle assessment	
417-2	Incidents of non-compliance concerning product and service information and labelling	None.	

GRI 417: MARKETING AND LABELING

417-3	Incidents of non-compliance concerning marketing communications	None.	
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GRI 418: CUSTOMER PRIVACY

103-1	Explanation of the material topic and its boundary	Annual Report 2019, Sustainability Statement, Page 87 to 104 https://www.uab.com.mm/strategy/materiality-assessment/	
103-2	The Management Approach and its components	Statement on Privacy	
103-3	Evaluation of Management Approach	Statement on Privacy	
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Not reported.	

GRI 419: SOCIOECONOMIC COMPLIANCE

103-1	Explanation of the material topic and its boundary	Annual Report 2019, Sustainability Statement, Page 87 to 104 Available at : https://www.uab.com.mm/strategy/materiality-assessment/	
103-2	The Management Approach and its components	Annual Report 2019, Sustainability Statement, Page 87 to 104 Management approach coincides with the approach of the Board https://www.uab.com.mm/governance/corporate-governance/ https://www.uab.com.mm/responsible-business/	
103-3	Evaluation of Management Approach	Annual Report 2019, Sustainability Statement, Page 87 to 104 Management approach coincides with the approach of the Board https://www.uab.com.mm/governance/corporate-governance/ https://www.uab.com.mm/responsible-business/	
419-1	Non-compliance with laws and regulations in the social and economic area	None	

PRODUCT AND SERVICE IMPACT SECTION

standards	Disclosure title	Report section / Direct Response	Omission
FINANCIAL SERVICES SECTOR SPECIFIC DISCLOSURE ON MANAGEMENT APPROACH			
FS1	Policies with specific environmental and social components applied to business lines.	https://www.uab.com.mm/governance/governing-policies/ https://www.uab.com.mm/responsible%20-business/compliance/	
FS2	Procedures for assessing and screening environmental and social risks in business lines	https://www.uab.com.mm/governance/governing-policies/ https://www.uab.com.mm/responsible%20-business/compliance/ ESG Policy is under formulation with assistance from WWF.	
FS3	Processes for monitoring clients' implementation of and compliance with environmental and social requirements included in agreements or transactions	Currently, no process has been set-up. Process will be setup once ESG Policy is formulated and implemented	
FS4	Process(es) for improving staff competency to implement the environmental and social policies and procedures as applied to business lines	The Bank has robust employee training and awareness programs. Once ESG policy is implemented, the Bank will train the relevant staffs.	
FS5	Interactions with clients/ investees/business partners regarding environmental and social risks and opportunities.	In 2020, uab bank signed Memorandum of Understanding with WWF for the development and implementation of ESG Policy. Bank has adopted Vendor Code of Conduct.	
FINANCIAL SERVICES SECTOR SPECIFIC PERFORMANCE INDICATORS			
FS6	Percentage of the portfolio for business lines by specific region, size (e.g. micro/SME/ large) and by sector	Customer Corporate Loans: 71.07% Enterprise Loans: 15.43% SME: 10.12% Consumer Loans: 3.24% Staff Loans: 0.14%	

FINANCIAL SERVICES SECTOR SPECIFIC PERFORMANCE INDICATORS

		Sector Agriculture: .11% Livestock: .04% Manufacturing: 10.62 Trading: 39.44% Transportation: .34% Construction: 21.39% Service: 17.40% Housing: 4.18% Others: 6.48%	
FS7	Monetary value of products and services designed to deliver a specific social benefit for each business line broken down by purpose.	Not Available	
FS8	Monetary value of products and services designed to deliver a specific environmental benefit for each business line broken down by purpose.	Not Available	
FS9	Coverage and frequency of audits to assess implementation of environmental and social policies and risk assessment procedures	The internal audit conducts annual review of the compliance with local environmental and social laws including internal policies of the Bank.	
FS10	Percentage and number of companies held in the institution's portfolio with which the reporting organization has interacted on environmental or social issues	The Bank does not keep the records of the number of the companies. The Bank strictly implements exclusion list and asks clients to take mitigating measures where required.	
FS11	Percentage of assets subject to positive and negative environmental or social screening.	Not Available	
FS12	Voting policies applied to environmental or social issues for shares over which the reporting organization holds the right to vote shares or advises on voting.	Not Available	
FS13	Access points in low-populated or economically disadvantaged areas by type	The Bank provides loans to MFI and NBFIs who have access points in low-populated areas and provide finances to economically disadvantaged groups.	

FINANCIAL SERVICES SECTOR SPECIFIC ON PRODUCT RESPONSIBILITY SOCIETY RESPONSIBILITY INDICATORS

FS14	Initiatives to improve access to financial services for disadvantaged people	The Bank is digitizing the products and services in order to ensure financial inclusion of disadvantaged people.	
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FINANCIAL SERVICES SECTOR SPECIFIC DISCLOSURE ON MANAGEMENT APPROACH

FS15	Policies for the fair design and sale of financial products and services	Product Responsibility Statement	
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FINANCIAL SERVICES SECTOR SPECIFIC PRODUCT RESPONSIBILITY PERFORMANCE INDICATORS

FS16	Initiatives to enhance financial literacy by type of beneficiary	Not Available	
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5.4. SASB content index

This report marks the first time we have reported under the Sustainability Accounting Standards Board (SASB) Standards. We have included the below disclosures related to Commercial Banks. All data enumerated in this index relates to the operations of Head Office and 78 branches all around Myanmar between 01 October 2018 and 30 September 2019.

TOPIC	ACCOUNTING METRIC	CATEGORY	CODE	RESPONSE
Data Security	1. Number of data breaches, 2. Percentage involving personally identifiable information (PII), 3. Number of account holders affected	Quantitative	FN-CB-230a.	Direct Response: 1. None 2. Not Applicable 3. Not Applicable
	Description of approach to identifying and addressing data security risks	Discussion-and Analysis	FN-CB-230a.2	Direct Response: Statement on Privacy
Financial Inclusion & Capacity Building	1. Number and 2. Amount of loans outstanding qualified to programs designed to promote small business and community development	Quantitative	FN-CB-240a.1	Direct Response: 1. 812 2. As of 30 September 2019, the bank had MMK 72.204 bil outstanding in SME category Note: Granularity of SME loans is not available in order to segregate credits to Small and Medium businesses.

TOPIC	ACCOUNTING METRIC	CATEGORY	CODE	RESPONSE
	1. Number and 2. Amount of past due and nonaccrual loans qualified to programs designed to promote small business and community development	Quantitative	FN-CB-240a.2	Direct Response: 1. 24 2. As of 30 September 2019, MMK 6.482 bil is past due and nonaccrual in SME Category
	Number of no-cost retail checking accounts provided to previously unbanked or underbanked customers	Quantitative	FN-CB-240a.3	Direct Response: 1671 The above-mentioned figures are for checking accounts only and do not include other categories of the accounts.
	Number of participants in financial literacy initiatives for unbanked, underbanked, or underserved customers	Quantitative	FN-CB-240a.4	Direct Response: In FY 2018-2019, 1366 individuals participated in financial literacy initiatives for unbanked, underbanked, or underserved customers
Incorporation of Environmental, Social, and Governance Factors in Credit Analysis			FN-CB-410a.1	Direct Response: Credit Exposure from Commercial Loans and Lending Commitments by Sector: Manufacturing: 10.62% Trading: 39.44% Construction: 21.39% Service: 17.40% Housing: 4.18%
			FN-CB-410a.2	Direct Response: An exclusion list has been implemented bank-wide, which lists sectors that do not fit into the Bank's profile. List available at: Annual Report 2019, Sustainability Statement, Page 95 to 96 https://www.uab.com.mm/responsiblebusiness/esg/
Business Ethics			FN-CB-510a.1	Direct Response: The Bank suffered monetary losses to the tune of MMK 800mil. The Bank has initiated a legal proceeding for the recovery and has made adequate provisioning.
	Description of whistleblower policies and procedure	Discussion and Analysis	FN-CB-510a.2	Whistle-Blower Protection Policy

TOPIC	ACCOUNTING METRIC	CATEGORY	CODE	RESPONSE
Systemic Risk Management	Global Systemically Important Bank (GSIB) score, by category	Quantitative	FN-CB-550a.1	Direct Response: 3 The Bank has not calculated its GSIB score due to: a. Smaller Size b. Lack of interconnectedness, complexity and cross jurisdictional activity among others
	Description of approach to incorporation of results of mandatory and voluntary stress tests into capital adequacy planning, long-term corporate strategy, and other business activities	Discussion and Analysis	FN-CB-550a.2	Direct Response: We carry internal voluntary stress tests and capital plans and other strategies/activities are designed to ensure that capital planning process and activities will permit continued operations during the times of economic and financial stress.

ACTIVITY METRIC	CATEGORY	CODE	RESPONSE
1. Number and 2. Value of checking and savings accounts by segment: a. Personal and b. Small business	Quantitative	FN-CB-000.A	Direct Response: 1. Number Personal: 352,006 Small business: 1,936 2. Value in MMK bil Personal: 339.40 Small business: 8.80
1. Number and 2. Value of loans by segment: a. Personal, b. Small business, and c. Corporate	Quantitative	FN-CB-000.B	Direct Response: 1. Number Personal: 4383 Small Business: 812 Corporate: 243 2. Value in MMK bil Personal: 23.154 Small Business: 72.204 Corporate: 507.328

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