

Sustainability

Report 2020

Leading **Change** and
Humanising Banking



Sustainability Report 2020

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Sustainability Report 2020

1. About this Report

This 2020 Sustainability Report of uab bank Limited is the 2nd of the series of reports assessing sustainability performance; the 1st being published in 2019. In this 2nd report of this series, we aim to continue to be a communication channel for our stakeholders on uab's sustainability goals and achievements. It also enables uab to be more transparent about the risks and opportunities we face, giving stakeholders greater insight into performance beyond the bottom line.

The report covers our non-financial performance of FY 2020 including economic, social and

governance aspects of the Bank that aligns with our sustainable goals based on the information and data from 1st October 2019 to 30th 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 2020 in this report shall mean Financial Year ending 30th September 2020 and FY 2021 shall mean Financial Year ending 30th September 2021.

A copy of the 2020 Sustainability Report will be available on the Bank's website.

2. Board Statement

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 stakeholders.

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.



3. About uab bank

uab bank Limited 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 been

recognised for the significant role it plays as a responsible corporate citizen and the positive long-term impact 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.

Corporate Information

Name : **uab bank Limited**

Head Office : **uab** Tower @ Times City, Kyun Taw Road, Kamaryut Township, 11041, Yangon.

Registered Address : Bank Development Zone, No (3), Corner of Kyaing Tone Road and Malamyang Road, Oaktaya Thiri township, Nay Pyi Taw.

Board of Directors : U Ne Aung (Non-Executive Chairman)
Daw Khin Moe Nyunt (Non-Executive Director)
U Than Win Swe (Non-Executive Director)
U Sein Win (Senior Independent Non-Executive Director)
U Thant Zin (Non- Executive Director)
Daw Hnin Hnin Aung (Non-Executive Director)
Mr. Christopher Loh (Managing Director & Chief Executive Officer)

Auditors : **V. Advisory Limited**

Senior Management : Mr. Christopher Loh (Managing Director & Chief Executive Officer)
Daw Kyawt Kay Khaing (Deputy Chief Executive Officer)
Mr. George Koshy (Head of Human Resources)
Mr. Mahesh Bhandari (Head of Credit & Risk Management)
U Nay Win Maung (Head of Internal Audit)
U Shwe Mg Oo (Head of Technology)
U Htay Kyaw Naing (Head of Operations)
U Thandar Htike (Head of Corporate Banking)
Ms. Leong Yang Yang (Head of Finance)
Daw Yin Min Aye (Head of Fintech & Digital)

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3.1 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.

*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.

3.2 COVID-19 Response



MMK 40 million for 71 staff on hotel quarantine and 45 staff on government quarantine centers.



Donation of 30,000 bags of rice worth about MMK 100 mil to low-income communities



Crisis Control Unit activated to manage Business Continuity Plan and provide single chain of command.



MMK 80.2 million raised from crowd funding for COVID-19 control & Emergency response



Loan relief package for businesses and individuals affected by the pandemic



Empowering employees with Lap-tops & software for productive **"work-from-home"** program.

The COVID-19 pandemic has impacted lives and over FY2020 came in 2 waves; the 1st wave began in March 2020, whilst the 2nd wave began towards the close of the financial year in September 2020.

The 1st wave was relatively light on the Bank and precautions were taken to ensure that rules on face mask, washing of hands, social distancing and temperature checking were practiced at the Bank's branches and Head Office. Only one (1) branch was temporarily closed for a period of two (2) weeks as a result of the 1st wave.

The 2nd wave had a more significant impact with a stronger need for quarantine as the pandemic spread throughout the country.

The Bank saw it as a responsibility to support employees and their families and throughout the period, 75 individuals were provided with hotel quarantine for up to 2 to 3 weeks while 41 individuals who were COVID positive were supported during their stay at the quarantine centers. A sum of almost MMK 40 million was utilized towards this end.

With the 2nd wave of the pandemic, apart from eight (8) branches that had to be closed for 2 to 3 weeks, the Bank ensured that its branches remained largely opened. Many employees

assisted in this effort so that essential services to the public were maintained through the period with employees working on shifts and rotation of 1 week.

At Head Office, with the policy of each staff having a lap-top equipped with Microsoft Office 365 software, work-from-home with on-line capacity ensured that the Bank could remain opened at all times.

Throughout the pandemic period, the Bank activated its Business Continuity protocols and formed a Crisis Control Unit to monitor day-to-day activities, health and safety issues and provide a single chain of command to ensure decisions made promptly.

A loan relief package was provided to borrowers who were affected by the pandemic, and this included a moratorium of 6 months and restructuring of loans. Each customer under the loan relief package was placed in a program monitored by relationship managers.

As part of its corporate social responsibility, in May 2020, uab raised MMK 80.2 million through crowd funding which were in turn donated to Ministry of Health and Sports, Covid-19 Control and Emergency Response Committee and Yangon Regional Government Office.

Our Competitive Edge

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This was soon followed in August 2020 with the donating of 30,000 bags of rice which was worth over MMK 100 million to much needed communities living around uab bank branches throughout Myanmar. This contribution has helped low-income people in hospitals and at their home who were the most vulnerable during

the pandemic with lack of access to support. While many uncertainties remain as to the future waves of the pandemic, the steps taken by the Bank proved to be highly effective and the financial position of the Bank remained strong as will be stated in the sections below.

3.3 Business Highlights

Some key achievements for FY 2020 are highlighted below



+11%, MMK 15.2 BIL
Record Bank PAT



uab Tower @ Times City
60,000 square feet of innovative, modern New Head Office



Digitalisation & Financial Inclusion

introduced innovative digital wallets and mobile applications
SaiSai Pay, uabpay, uabpay+, Zeegwat+, Celebrity visa gift cards to customers



Corporate Social Responsibility

30,000 Rice Bags
donation for 10th year anniversary

MMK 80.2 mil Crowd Funding
initiated Covid-19 prevention campaign with SaiSai Pay

MMK 40 mil Funding
for Covid-19 staff quarantine support

MMK 19.8 mil Bursary
for 96 children of uabians

Collaboration with WWF
drive sustainable future for Myanmar's banking sector



Strategic Partnership

Pioneered the first "Banking by the way" concept in Myanmar with strategic partnering with **Tealive** at Shwegondaing, Sanchaung, and Tamwe branches

Exclusive partnership with **Manulife** for provision of bancassurance

Awards and Accolades



Myanmar's
Best Bank Award from
Euromoney



No.1 in 2020
Pwint Thit Sa Report from
Myanmar Center for Responsible
Business



4 prestigious awards
from Global Banking &
Finance Awards

3.4 Financial sustainability

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

MMK 'Million	2016 Apr–March	2017 Apr–March	2018 Oct–Sept*	2019 Oct–Sept	2020 Oct–Sept
Operating Profit	5,657	504	10,228	22,788	25,831
Net Profit After Tax	4,243	378	6,801	13,635	15,192
Net Customer Loans	348,037	530,834	651,065	734,133	809,522
Customer Deposits	595,464	781,835	910,747	1,009,486	1,118,988
Total Assets	661,876	853,974	1,047,209	1,198,126	1,455,906
Shareholders Equity	44,983	49,355	65,526	81,698	97,505

*Financial year end changed from 31st March to 30th September.

FY 2020 also saw two waves of the COVID-19 pandemic hit Myanmar. The 1st pandemic wave begun in March 2020 which was the start of the second half of the financial year, whilst the 2nd wave began towards the close of the financial year in September 2020.

Despite the above, the Bank continued to achieve a net profit after tax of MMK 15.2 billion for financial year ending FY 2020 and continue its strong financial track record over its 10-year history. Assets also grew to MMK 1.466 trillion.

Return on Average Equity (ROAE) in FY 2020 was 17.2% and Cost to Income ratio was 51.8%. With the retention of its Net Profits, the Shareholders Equity continued to grow to MMK 97.50 billion. The financial performances indicate

the continuing of a strong foundation for a sustainable 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. Over 2020, uab bank was named 'Myanmar's Best Bank' by Euromoney in 2020, 'Best Retail Bank Myanmar 2020' by Retail Banker International and 'Best Companies to Work in Myanmar – Employees Choice' by Jobnet.

Capping the award was the 1st place ranking at the 2020 Pwint Thit Sa Report published by Myanmar Center for Responsible Business.

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3.5 Our Business Model

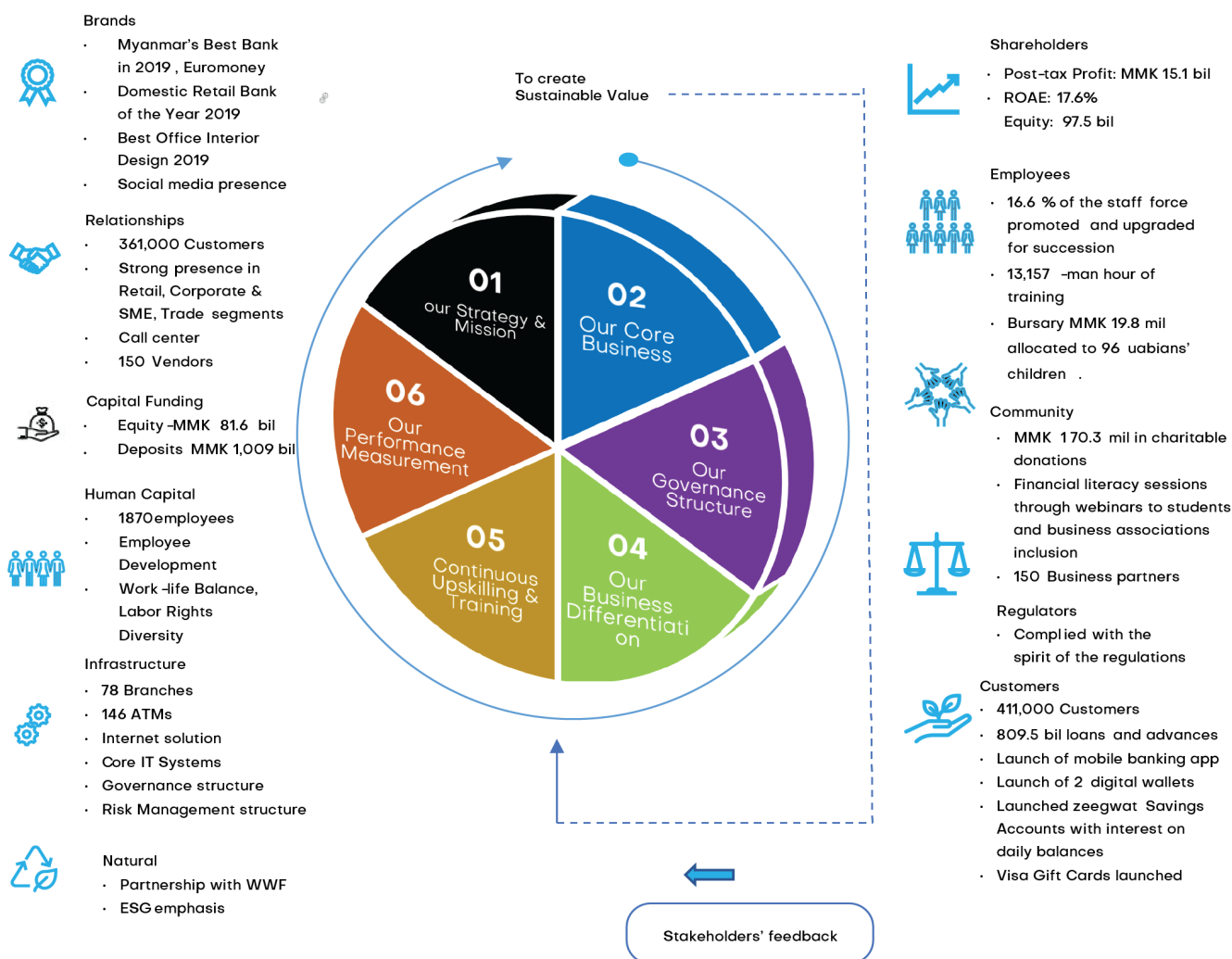
Our business model is anchored on deploying our resources optimally to create sustainable value for our stakeholders. Feedback and active engagement with our stakeholders further help us to evaluate the value creation process and the effectiveness of our business model in that value creation.

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.

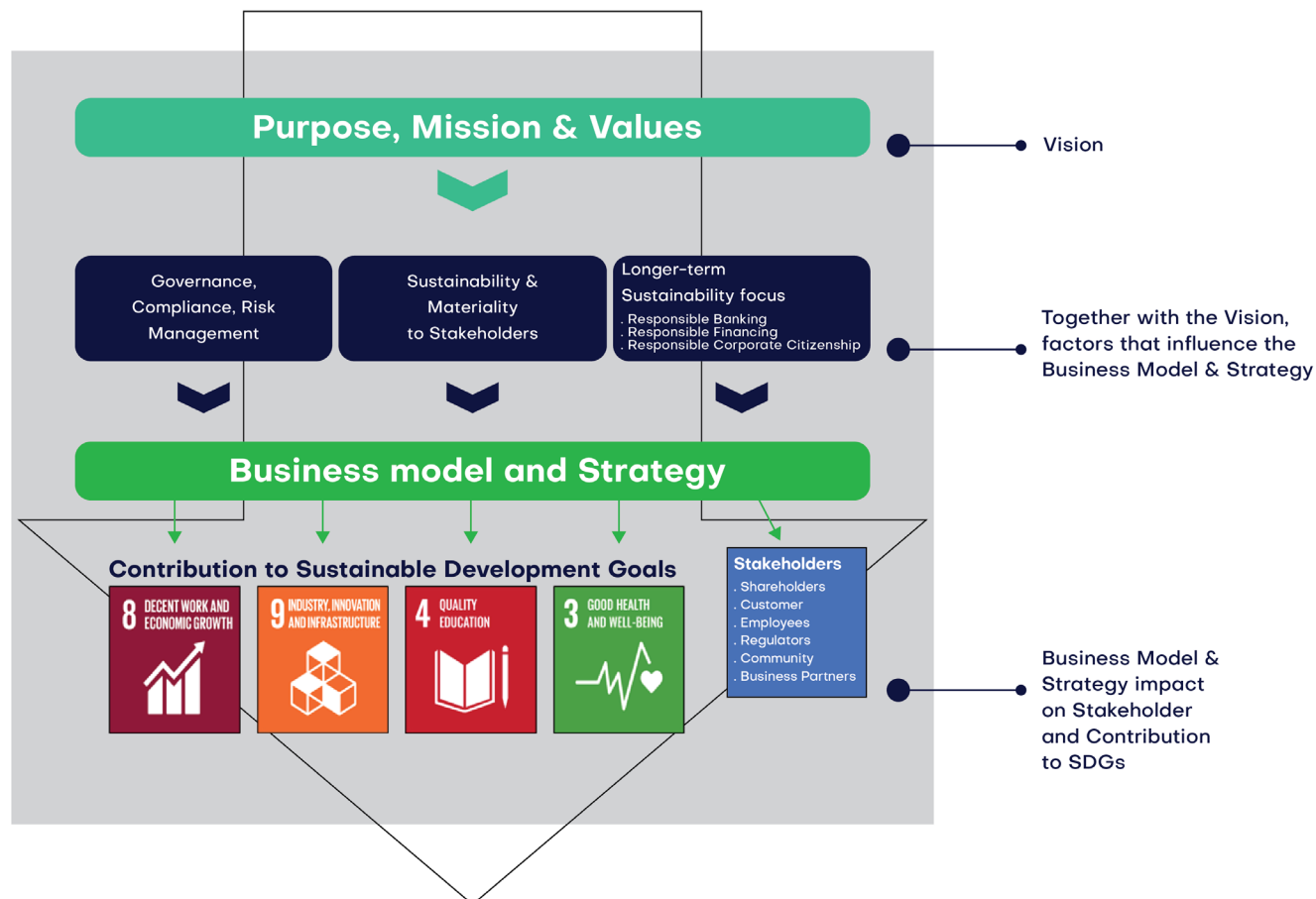
Capital Inputs (01 Oct 2019)

Process

Value Created (30 Sep 2020)



The inter-relationship between Business Strategy and Sustainability



At uab, we have aligned business strategy and sustainability and both factors influence each other to achieve the final outcome

Management approach

Annually, a Business Plan is presented to the Board and reviewed. In the adoption of the Business Plan which has a 1 year and a 5-year horizon, a number of factors influence its adoption. These include the Vision of the Bank, Governance considerations, Compliance to regulations, Risk Management, Stakeholders feedback and longer term stakeholders interest. A pragmatic Strategy is therefore adopted influenced by above considerations.

The Bank's commitment towards ESG is taken into consideration in the formulation of the Business Plan particularly with the Loans portfolio which forms the largest part of the Asset Portfolio. The Loan portfolio will take into account the Exclusion List that the Bank has adopted.

The Bank's contribution to the Sustainable Development Goals are also taken into account and measured. In the process of formulating the Business Strategy, there is a strong inter-relationship with sustainability considerations.

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3.6 Governance structure

The corporate governance structure is illustrated below:

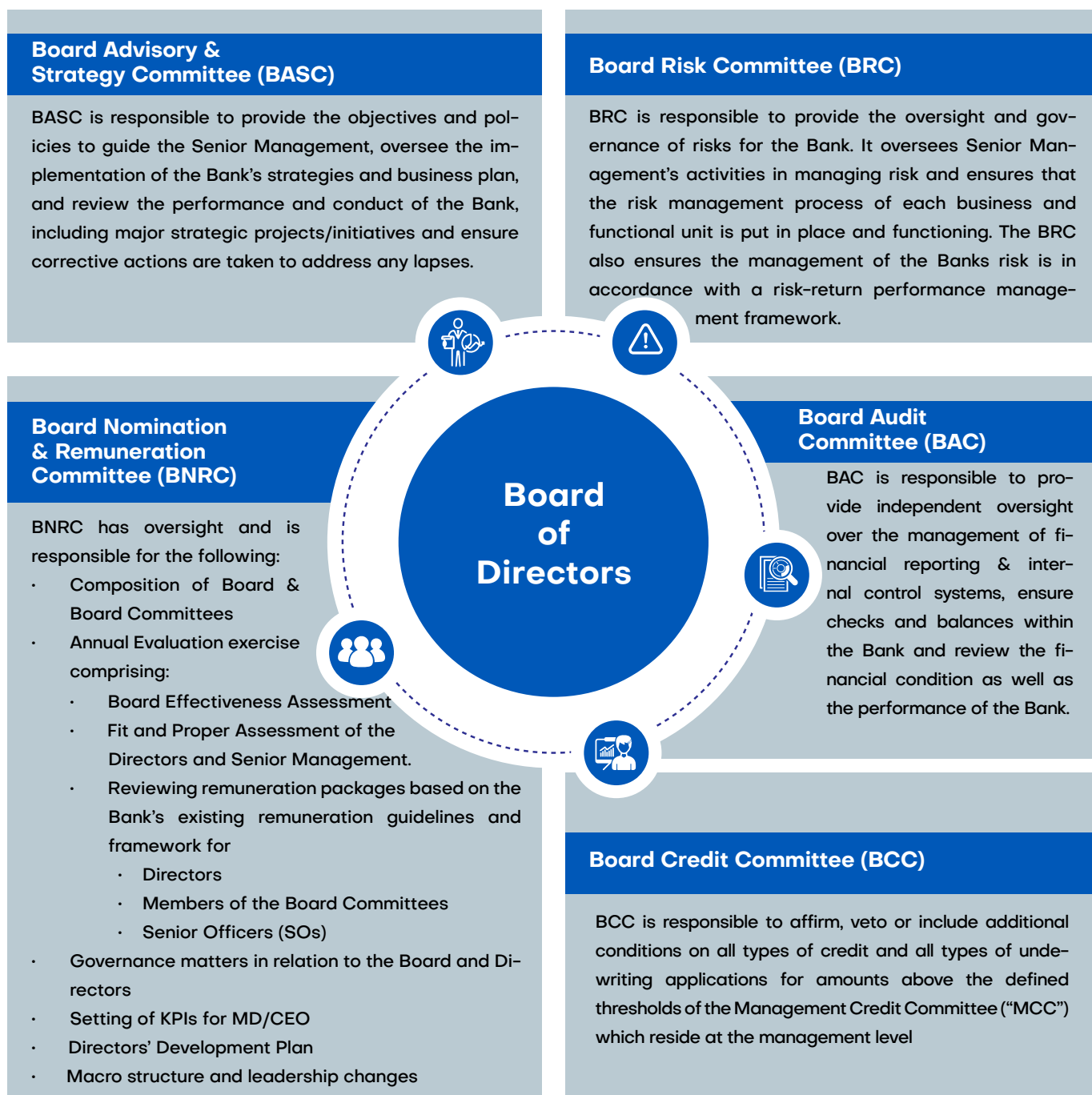
Board of Directors				
The Board of Directors provide overall risk oversight including defining risk appetite and governing structure				
Board Committees				
Board Audit Committee	Board Advisory & Strategy Committee	Board Risk Committee	Board Credit Committee	Board Nomination & Remuneration Committee
Senior Management				
Responsible for the implementation of policies and procedures to manage risks				
Management Committee				
Asset Liability Committee	Credit Committee	Disciplinary Committee	Product Committee	Management Audit Committee
Lines of Defense				
1 st Line	2 nd Line		3 rd Line	
Risk takers and Owners Manage day-to-day risk inherent in the business	Risk Oversight & Control Ensure risk framework, policies and appetite are within established limits		Independent Audit Provide independent assurance on risk management and controls	

The Chairman of the Board who is elected by the members of the Board of Directors holds a non-executive position whereas the CEO is an executive officer. The running of the Board is the responsibility of the Chairman whilst the running of the Bank's business is the executive responsibility of the Chief Executive Officer.

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:



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.

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3.7 Risk Management structure

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 implementing 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.

ESG risk issues are presently overseen by the Board Risk Committee.

Anti-corruption programmes and procedures

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

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

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

Reports of incidences are made through the Operational Incident Reporting mechanism (see page 40).

3.8 Products

Management approach towards products
uab bank offers various products and/or services to clients in ordinary course of its business. The activities are governed by local laws and regulations. It is our policy to undertake activities where the bank is satisfied that a particular product or service is appropriate and suitable for a particular customer. uab bank will obtain from its customers all the necessary information to perform the required assessment.

uab bank believes there should be no sales when it becomes obvious that the customers

- does not need the product
- cannot afford the product mid to long term
- has not understood the product, or
- the risk profile of the underlying does not match to the customer.

We have internally adopted certain principles which we strongly adhere to at the time of

designing the products and services. These principles are:






- products related to economy
- products are easy to understand
- and products which create benefits

Our products and services are designed to meet our Customers' needs.

- Across our businesses, we have checks and balances in place, to support adherence to our corporate values and selling practices.
- Products go through a Product Committee process to ascertain that products are tailored to Customer needs and process standards are adhered
- Employees who interact with customers receive training on product features, Know Your Customer policies, and compliance with regulatory requirements

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Selected new product initiatives in FY 2020

Product & services	Target Groups	Approach
Savings Product		
zeegwat Savings Account 	<ul style="list-style-type: none"> • Retail Customers • Individuals and payroll accounts 	<p>Whilst normal savings accounts in almost all Myanmar banks offers interest on the lowest balance from the 6th to month-end, the zeegwat account pays interest based on daily balances and credited at month-end.</p> <p>Maximum balance where interest is paid is MMK 50 mil and this savings product is aimed to assist the smaller retail customers.</p> <p>No savings passbook is issued and transactions can be seen digitally on the Bank's mobile and internet banking apps.</p>
Digital products		
uabpay & SaiSai Pay  	<ul style="list-style-type: none"> • Consumers wishing to use an app to make easy payments for goods and services. • Unbanked or underbanked individuals who do not wish to go to a bank branch for account or payment services 	<p>Accounts can be opened via the mobile phone and the digital wallet can make a range of transactions through the mobile phone.</p> <p>Features include</p> <ul style="list-style-type: none"> • uabpay or SaiSai Pay account on the mobile • Fund transfers into and out of the digital account • No bank account required and only mobile number is sufficient. • Payments through QR codes • Bills payment • OTPs and PIN for additional protection
uabpay+ 	<ul style="list-style-type: none"> • Merchants who sell goods and services • Agents who are authorised to make payments and transfer of funds. 	<p>uabpay+ is designed especially for Merchants and Agents in order to have a fast and convenient way to receive payments through the pay+ app.</p> <p>This digital payment application through a quick QR scan will receive or make payments over a few seconds.</p> <p>uab pay+ is tailored to give the Merchant or Agent with more payment transaction details Settlements can be checked by the business owner anytime, anywhere just by using a smartphone.</p>
Cards		
Celebrity Visa Gift Card 	<ul style="list-style-type: none"> • Designed for personal use or as a gift for birthdays, holidays, weddings, etc 	<p>Convenient gift of a Visa Card which can be loaded with any amount of cash gift.</p> <p>The card has convenient usage at any Visa outlet both in Myanmar or international.</p> <p>Can be reused by registering on a uabpay app and loading digitally from various accounts.</p> <p>Paperless registration and no bank account required.</p>

4. Our strategic approach to sustainability matters

4.1 Our approach

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.

In our context as a financial institution, compliance to the regulations, good governance guidelines and directives of the Central Bank of Myanmar are critical to business sustainability and require that strong internal controls and governance practices are in place to ensure we remain compliant. Whilst 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 FY 2020, we also faced the unprecedented challenge of the COVID-19 pandemic and we also tailored and adapted our approach around overcoming this new phenomenon.

4.2 Stakeholders and Sustainability

Recognising that the Bank operates in an ecosystem of many stakeholders, the challenge is to create value for all stakeholders whilst meeting environmental, social and governance requirements. We identify our main stakeholders as shareholders, customers, employees, regulators, business partners, and the community.



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4.3 Approach we used for materiality assessment

In FY 2020, we continued with our materiality assessment which we began in FY 2019 and identified the issues that are relevant to us as a financial service provider and to our stakeholders. Subsequently, we have also aligned ourselves with the material areas from the United Nations Sustainable Development Goals (SDGs).

Stakeholder engagement is the heart to building our business towards sustainability and we engaged our stakeholders for feedback. 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.

Continuous dialogue with all stakeholders help us understand expectations and perspectives and 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.

An issue is material to the uab bank if it meets two conditions. Firstly, if it impacts our business in terms of growth, cost, risk or trust; secondly if 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.

The following is how we engage our stakeholders:

Shareholders

Engagement Channels:	Engagement Topics:	Responsibility:	Engagement Frequency:
<ul style="list-style-type: none">• Meeting• Emails• Letters• Media• Website	<ul style="list-style-type: none">• Financial results• Shareholder Return and Dividends• Bank Strategy and longer term outlook• Legal compliance• Governance	<ul style="list-style-type: none">• Legal and Secretarial Team	<ul style="list-style-type: none">• Quarterly and need based

Customers

Engagement Channels:	Engagement Topics:	Responsibility:	Engagement Frequency:
<ul style="list-style-type: none">• One-on-one interactions• Surveys• Call Centre• Social media• Website	<ul style="list-style-type: none">• Customer service quality• Investment returns• Product features and benefits• Technology interface for banking experience	<ul style="list-style-type: none">• Relationship Managers, Branch Staff, Head Office Staff	<ul style="list-style-type: none">• Quarterly and need based

Employees

Engagement Channels:	Engagement Topics:	Responsibility:	Engagement Frequency:
<ul style="list-style-type: none"> • Town halls • Performance appraisals • Employee satisfaction surveys • Employee volunteering initiatives • Employee grievance redressal 	<ul style="list-style-type: none"> • Company policies and procedures • Employee welfare issues • Performance ratings and rewards • Training and career development • Workplace health, safety and security • Community development and employee volunteering 	<ul style="list-style-type: none"> • Human resources team, Heads of Department, Branch Managers 	<ul style="list-style-type: none"> • Ongoing and need based

Government and Regulators

Engagement Channels:	Engagement Topics:	Responsibility:	Engagement Frequency:
<ul style="list-style-type: none"> • Company regulatory filings • Compliance statements • Meetings • Letters • Emails 	<ul style="list-style-type: none"> • Approvals & requests • Financial performance • Compliance to regulations • Supervisory concerns • Participation in government financial sector plans and programs 	<ul style="list-style-type: none"> • Compliance Team, Finance Team, Cross functional Team 	<ul style="list-style-type: none"> • As per regulatory requirement and need based

Vendors

Engagement Channels:	Engagement Topics:	Responsibility:	Engagement Frequency:
<ul style="list-style-type: none"> • Meetings • Emails • Letters • Performance • Reviews 	<ul style="list-style-type: none"> • Product/service quality and support • Contract terms and conditions • Compliance to Vendor Code • Vendors' statutory compliances 	<ul style="list-style-type: none"> • Respective Departments dealing with vendors, Commercials and Procurements 	<ul style="list-style-type: none"> • Ongoing and need based

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Community

Engagement Channels:

- Community development initiatives
- Proposals
- Requests for new initiatives/funding

Engagement Topics:

- Community needs Financial/ infrastructure/human
- Organizational and funding support

Responsibility:

- Corporate Branding and Communications

Engagement Frequency:

- Need based

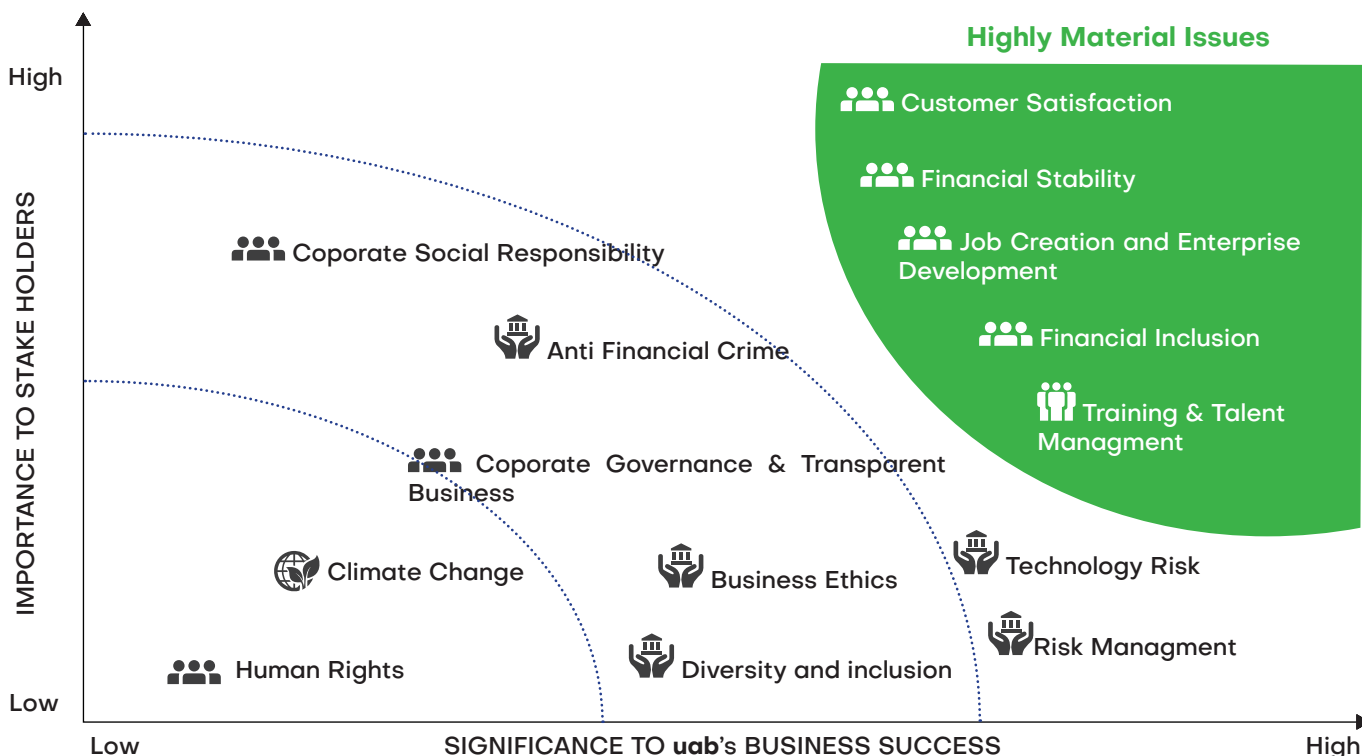
In the engagements and in the identification of material issues, the following six (6) factors were considered:

- Importance to key stakeholders
- Impact on business performance
- Impact on Bank's reputation
- CSR Materiality
- Alignment to uab's Mission
- Legal Risk

4.4 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 & Inclusion:** Includes efforts to improve diversity of Board, Management Committee and Employees
- **Risk Management:** This includes uab bank's overall approach to assessing and managing risk across the business and individual business units, products, services, and transactions.
- **Technology Risk:** This means keeping electronic information safe from external unwarranted intrusions.
- **Anti- Financial Crime:** This means bank's measures on anti-money laundering, counter financing of terrorism, anti-corruption, and other criminal activity.
- **Corporate Governance and Transparency:** Governance in accordance with global standards and the availability and openness of information to stakeholders
- **Financial stability:** The ability of the Bank to continue with sustainable profits and adequate internal controls.

Social

- **Financial inclusion:** The development and increased access to financial products and services, for unbanked and underbanked segments including financial literacy.
- **Human rights:** Approach of the Bank to human rights issues
- **Customer Satisfaction:** Apart from being satisfied with service and product, this includes bank's approach towards grievances redressal.
- **Corporate Social Responsibility:** Contributions of charitable nature and well-being of communities
- **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 economy.
- **Training & Talent management:** Employee training, the ability to attract top talent and the enabling of individuals to reach their full potential.

Environment

- **Climate Change:** This includes financing of clean and renewable energy products and the exclusion from financing activities that will be harmful to the environment and would lead to climate change.

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.

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4.5 Choosing to focus four (4) SDGs from the materiality assessment

From our assessment above, we identified 5 issues that were rated as highly material to both the stakeholders and the Bank:





- Customer satisfaction
- Financial stability
- Job creation & Enterprise development
- Financial Inclusion
- Training & Talent Management

Following our materiality assessment, we have chosen to focus on 4 out of the 17 United

Nations Sustainable Development Goals (SDGs) from 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 focused SDG. We are committed to meet these goals and are devoting significant resources towards this objective.

Below we summarise the SDGs selected, material issues and specific targets that we have set up to financial year end 2024:

Sustainability Development Goals	8 DECENT WORK AND ECONOMIC GROWTH 	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 	4 QUALITY EDUCATION 	3 GOOD HEALTH AND WELL-BEING 
Material issues identified	<ul style="list-style-type: none"> ·Financial inclusion ·Financial stability 	<ul style="list-style-type: none"> ·Job creation and Enterprise development 	<ul style="list-style-type: none"> ·Training & Talent Management 	<ul style="list-style-type: none"> ·Customer satisfaction
Specific targets	<ul style="list-style-type: none"> ·Enabling home ownership ·Providing digital solutions ·Financial literacy ·Continued good financial performance of Bank 	<ul style="list-style-type: none"> ·Financing SMEs ·Developing products for cash flow management 	<ul style="list-style-type: none"> ·Regular training to employees ·Scholarship and bursary support for children of employees 	<ul style="list-style-type: none"> ·Appropriate and suitable products ·Transparency ·ESG Policy ·Developing bancassurance

4.6 Implementation efforts towards SGDs

Below were the implementation efforts made in FY 2020 towards the UN Sustainability Development Goals :

UN Sustainable Development Goals	uab Focus Areas	Implementation for FY 2020
SDG 8 Decent work and economic growth	Financial Inclusion <ul style="list-style-type: none"> · Enabling home ownership · Providing digital solutions · Financial literacy 	<ol style="list-style-type: none"> 1. Building from initiatives in FY 2019, uab bank continued expansion of its home finance in FY 2020 with increase in portfolio to MMK 13.48 bil. Home finance and ownership continues to be a key product of the Bank and 2. To encourage home ownership for the Bank's employees, the existing staff home loan scheme was reviewed to enable more employees to take up home loans. 3. The Bank took a major strategic step into digital banking in FY 2020 with launch of uab Mobile Banking, Sai Sai Pay Digital wallet, uab pay Digital wallet and uab pay+ merchant app. 4. Despite the COVID-19 pandemic, we conducted up to 10 financial literacy initiative covering students and SME businesses. These sessions were conducted both online on Zoom meetings and through physical meetings. A total of 308 individuals participated in these sessions. 5. With the new work place at uab Tower @ Times City, an enhanced Internship program was made available for university students. This enables students to ensure that they have relevant work skills as they graduate and enter the work force. In the FY 2020, 36 undergraduates enrolled in the internship program.
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 	<ol style="list-style-type: none"> 1. By end FY 2020, we provided financing to SMEs with a total loan portfolio size of MMK 95.65 billion to 1,053 SMEs, which not only enabled enterprises to thrive but also created job opportunities.

Sustainability Report 2020

<p>SDG 9 Industry Innovation and Industry Infrastructure</p>		<p>2. Loans under the JICA SME 2-Step Loan Program which began in FY 2019 continued to grow and by end FY 2020 grew to MMK 25.81 billion. This program enables SME to obtain funding at lower cost.</p> <p>3. A Strategic Cooperation Agreement has been signed with Kashtec International Pte Ltd for the development of a Supplier Chain Financing solution. Digital platform and product expected to be rolled out by 31st December 2020. The program allows invoice financing to SMEs to improve cash flow management.</p> <p>4. The pandemic had a huge impact to SMEs particularly and a 6 months moratorium was made available to SMEs who were affected in order to provide time for their businesses get back on their feet.</p>
<p>SDG 4 Quality Education</p>	<p>Employee Development and Training</p> <ul style="list-style-type: none"> · Developing products and solutions for cash flow management 	<p>1. Performance-based Bonus (During FY 2020, a sum of MMK 3.11 billion was paid to employees as performance-based bonus recognizing improved performances compared to MMK 3.01 billion in the previous year)</p> <p>2. An independent job satisfaction survey was conducted in August 2020 amongst employees by JobNet with Deloitte as the verifying partner. The positive feedback from employees enabled uab bank to be awarded one of the “Best Companies to Work in Myanmar 2020-Employee’s choice”. The employee survey enabled the Bank to review the feedback for further improvements in employee job satisfaction.</p>

<p>SDG 4 Quality Education</p>	<ul style="list-style-type: none"> · Regular employee trainings · Scholarship and bursary support for children of employees 	<p>3. The Management approved a sum of MMK 19.4 mil as bursaries to support the children of eligible employees from kindergarten to full-time university students in government schools. The Bank is committed to provide these bursaries annually to children of employees to ensure that financial support is available to encourage their educational development.</p> <p>4. As COVID-19 response, the Bank arranged to support 71 staff on hotel quarantine and 45 staff on government quarantine centers at cost of MMK 40 million during FY 2020. The Bank continued its support in FY 2021</p> <p>5. To enhance employee engagement and creativity, a Facebook Community Page was created for uabians. This has allowed uabians to better communicate on the development of the Bank. It also allowed the building of a platform for a Learning and Development Channel where various departments of the Bank could deliver live and recorded training and update sessions.</p> <p>6. In the FY 2020, with the COVID-19 pandemic challenge, the Bank explored work-from-home (wfh) arrangements as an alternative to enable employees to remain productive while remaining at home.</p> <p>7. Despite the COVID-19 pandemic, training activity continued and was increased in FY 2020 to 13,157 hours, forming the basis for an increase to 15,000 hours targeted for FY 2021 onwards.</p>
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Sustainability Report 2020

SDG 3 Good Health and Well-Being	<p>Customer Satisfaction</p> <ul style="list-style-type: none">· Appropriate and suitable products· Transparency· ESG Policy· Developing Bancassurance· COVID-19 response	<p>1. MOU was signed between uab bank and Manulife on 9th February 2020 to offer financial protection via a range of life insurance products. A full roll out of bancassurance products was approved by the authorities in January 2021.</p> <p>2. The Bank responded to the COVID-19 crisis with several initiatives. Direct cash contributions by the Bank amounted to MMK 170.33 mil. Apart from cash contributions, employees ensured that the front-line services of the Bank were available throughout the crisis period.</p> <p>3. Zeegwat Saving 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.</p> <p>4. Sai Sai Pay, World's First Celebrity app was launched on 4 April 2020 to create a digital lifestyle ecosystem, support the local music & film industry and raise funds for Covid-19, as well as to bring to the Bank the inclusion of a young fan base that was previously unserved.</p> <p>5. Whilst Sai Sai Pay is targeted toward the music industry, the Bank further launched uabpay, which is a more generic digital app targeted at a far wider and diverse audience.</p>
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SDG 3 Good Health and Well-Being	<p>Customer Satisfaction</p> <ul style="list-style-type: none"> • Appropriate and suitable products • Transparency • ESG Policy • Developing Bancassurance • COVID-19 response 	<p>6. A new Visa Gift Card in partnership with leading Myanmar Celebrities Pan Yaung Chel and Paing Takhon was launched on 15th August 2020 by targeting to millennials.</p> <p>7. Customer hotlines (number/ complaints resolved). Call centre services were provided 24-hours in FY 2020. Facebook messenger also was noted to have become a common mode of communication during FY 2020.</p> <p>8. An MOU was signed with WWF for training program covering sustainable lending has been instituted in partnership with. This is with the purpose of sensitizing employees towards the concepts of sustainability and will further lead on to the formulation of ESG policy before the target date of October 2021.</p> <p>9. Annual report for FY 2020 was produced with full disclosure of audit financials, governance statement, risk reports and sustainability statement.</p> <p>10. Adoption of GRI, SASB and AA1000 for FY 2020 to provide transparency to stakeholders on issues based on internationally accepted standards.</p> <p>11. In FY 2020, ranked 1st overall in 2020 Pwint Thit Sa Report. Scored highest in corporate governance disclosure in the report.</p>
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Sustainability Report 2020

4.7 Target setting towards SGD goals

The table below reflects our longer-term strategy and targets on our four (4) defined SGD goals and the achievement for FY 2020. Having identified specific targets, the progress and impact of our targets are as below:

Item	Target	Time target	Achievement
Home ownership (SDG 8)	10.5% of total loan portfolio	30 th September 2024	As of 30th September 2020, home finance made up 1.66% of the loan portfolio.
Digital solutions (SDG 8)	Enabling customers to open an account through handheld devices	30 th September 2020	<p>uab bank's digital apps were successfully launched in 2020 and are now enabled to allow for the opening of accounts over handheld devices.</p> <p>These apps include:</p> <ul style="list-style-type: none"> • Sai Sai Pay • uabpay • uabpay+ <p>Development is now focused on making payments and access to accounts easier.</p>
Financial literacy (SDG 8)	Conduct at least 12 financial literacy sessions or projects per annum to unbanked, underbanked, and underserved individuals	30 th September 2021	<p>Despite the two (2) waves of COVID 19, ten (10) financial literary outreach sessions were held during the financial year.</p> <p>308 individuals were reached through these sessions</p>
Financing SME (SDG 9)	26% of total loan portfolio	30 th September 2024	<p>As of 30th September 2020, SME Financing made up 11.81% of the loans portfolio.</p> <p>28% of SME financing were made through JICA 2-step loan program which provided preferential interest rates which reduced cost of borrowings of these SMEs.</p>
Developing products for cash flow management (SDG 9)	Developing a Supplier Chain Financing solution	30 th March 2021	A Strategic Cooperation Agreement has been signed with Kashtec International Pte Ltd for the development of a Supplier Chain Financing solution. Digital platform and product expected to be rolled out by January 2021.

Training employees and development of talent (SDG 4)	15,000 man-hours of training to be provided by the financial year ending on 30 September 2021	30 th September 2021	For financial year ending 30th Sept 2020, a total of 13,157 man-hours of training was achieved. Internship program for 36 undergraduates over FY 2020
ESG Policy (SDG 3)	To formulate and thereafter implement an ESG policy	Formulation by October 2021. Full implementation by March 2024	A training program covering sustainable lending has been instituted in partnership with WWF and this will begin in March 2021. This is with the purpose of sensitising employees towards the concepts of sustainability and will further lead on to the formulation of ESG policy before the target date of October 2021.
Transparency (SDG 3)	Issue GRI Index and SASB Index	May 2020	GRI and SASB Index had been successfully published in the Bank. Sustainability Report 2019 and Annual Reports are now publicly available in the Bank's website.
Bancassurance (SDG 3)	Launch bancassurance by financial year 2021	May 2020 May 2021	MOU was signed between uab bank and Manulife on 9th February 2020 to offer financial protection via a range of life insurance products. A full roll out of bancassurance products was approved by the authorities in January 2021. A public launch will be announced by the Bank.

5. Longer term approaches to sustainability

Over Financial Year 2019/2020, having a responsible business and workplace that live up to the expectations of our stakeholders continued to be our underlining sustainability theme. Despite having to operate within the constraints of the COVID 19 pandemic, we built on the commitments of the Board Statement issued by the Board of Directors and three (3) key focuses continued to shape our overarching strategy:

- Responsible Banking
- Responsible Financing
- Responsible Corporate Citizenship

Other components of our targets and impact thereof are further stated below.

Sustainability Report 2020

Focuses and impact areas.

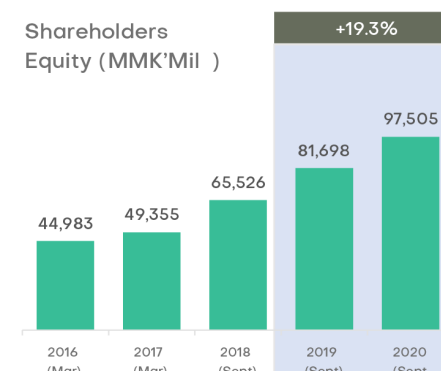
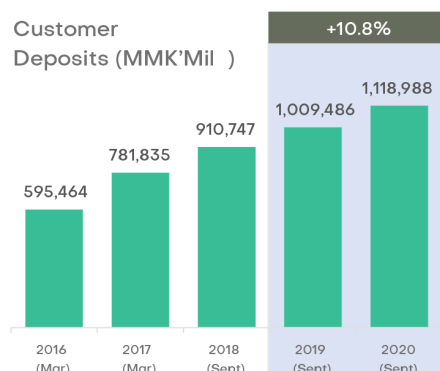
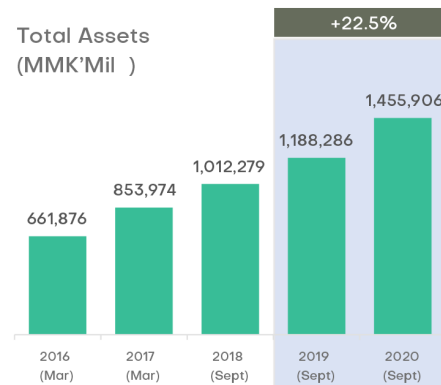
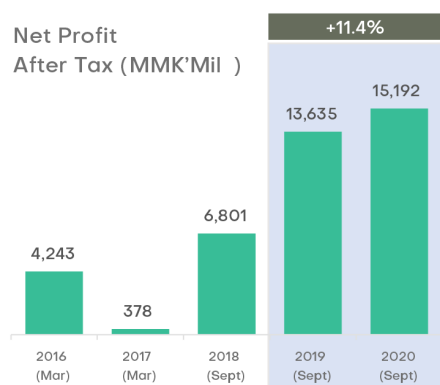


5.1 Responsible Banking

Responsible Banking is our first focus and under this theme the following are the impact areas:

i. Financial stability

. The highlights of the Bank's financial performance in 2020 are as listed below:



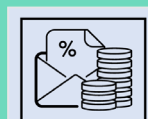
Financial Highlights 2020



Operating Profit

25.831 Billion MMK

▲ 42.5%



Net Profit After Tax

15.192 Billion MMK

▲ 11.4%



Total Assets

1455.906 Billion MMK

▲ 22.4%



Return on Average Equity

17.2 %



Return on Average Asset

1.2 %

A more comprehensive analysis is provided in the Annual Report of the Bank.

The materiality assessment conducted indicated that with the COVID-19 pandemic, financial stability was one of the concerns of the stakeholders.

Over FY 2020, the Bank continued to achieve a achieved a net profit after tax of MMK 15.2 million for financial year ending FY 2020 and continue its strong financial track record over its 10-year history. Assets also grew to MMK 1.466 trillion.

Return on Average Equity (ROAE) in FY 2020 was 17.2 % and Cost to Income ratio was 51.8%. With the retention of its Net Profits, the Shareholders Equity continued to grow to MMK 97.50 billion.

The financial performances over the last 6 years indicate the continuing of a strong foundation for a sustainable business and continued ability to care for our employees, stakeholders' interests, suppliers and business partners, and the communities that we serve.



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ii. Digital solutions

Over the financial year ending 30th Sept 2020, the Bank introduced the following digital solutions to its customers to make banking easier:

- Sai Sai Pay (for consumers)
- uabpay (for consumers)
- uabpay+ (for merchants)

These digital apps which allow customers to send/receive money and make payments, now enable banking services without the need of formally visiting a bank branch. Through these we are seeing a deepening of the Bank's **financial inclusion** contribution both to the unserved and underserved parts of our community. With these digital apps, financial services are now more accessible, affordable, and sustainable.

These digital solutions also allow for removal of the reliance of paper statements and physical bank branches allowing customers to manage their finances over the mobile phone with completion of transactions at faster speeds and lower transaction cost.

At the next stage of its development, the Bank is exploring ways of providing credit and loans through the digital apps.



iii. Financial inclusion and literacy

Apart from the introduction of digital apps, several other outreach programs were

conducted targeting outreach to underserved and unserved communities. Even though the pandemic severely restricted the ability to conduct extensive programs and the Bank was able to successfully adapt to on-line technology for much of this outreach.

The programs included webinars to Myanmar university students and sessions with various Associations. We were able to reach to 308 people through these sessions.



With financial literacy, the successful introduction of digital wallets and the increasing use of mobile and internet banking in Myanmar, saw the emergence of the dangers of phishing and data theft. The Bank issued several broadcasts to improve financial literacy particularly to encourage customers to exercise caution and good practice in keeping their IDs and passwords safe.

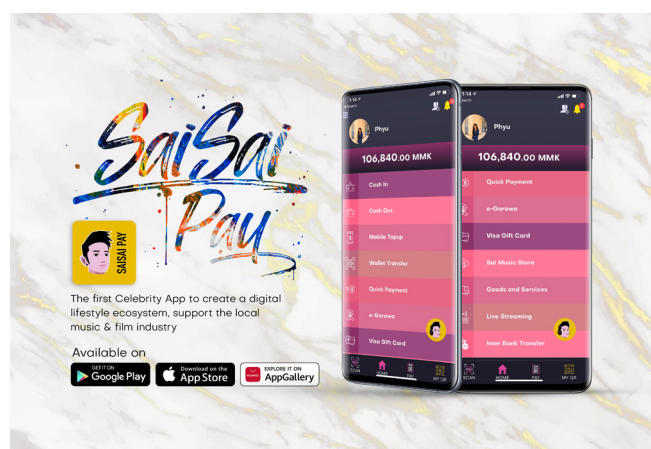
The COVID-19 pandemic with the requirement for safe distancing had the unintended but positive impact of encouraging people to move to digital and ATM transactions. A number of educational material and literature was made available via social media and emails to support the movement towards a digital ecosystem.

iv. Appropriate products

Under its Product Responsibility Statement, the Bank is committed to offer products which are appropriate and suitable for customers. The following are a number of new products and we are pleased to note that they range across savings, digital, cards and financing:

Zeegwat Savings Account

In encouraging a savings culture, uab bank launched Zeegwat savings on 15th February 2020 which targets retail customers and payroll accounts. Zeegwat Savings Account is amongst one of the few savings account variants offered by banks in Myanmar that provide customers with monthly interest on the daily balances in their accounts. This provides a more equitable and fairer system of interest payments to consumers for their savings.

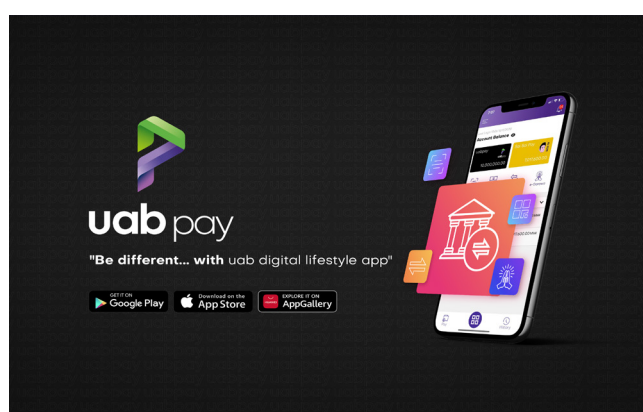


Sai Sai Pay

On 4th April 2020, the Bank announced a strategic partnership with Myanmar's renowned celebrity Sai Sai Kham Leng to launch the World's First Celebrity App branded as **Sai Sai Pay** to create a digital lifestyle ecosystem, support the local music & film industry, and raise funds for COVID-19. The app will also include a fan club feature as a later development that allows users to interact with the local artists, support, and chat with them. This digital product also brings to the Bank the inclusion of a young fan base that was previously unserved.

uabpay

Whilst Sai Sai Pay is targeted toward the music industry, the Bank further launched **uabpay**, which is a more generic digital app targeted at a far wider and diverse audience.



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Celebrities Visa Gift Card

On 15th August 2020, the Bank launched its **Celebrities Visa Gift Card** in partnership with leading Myanmar Celebrities Pan Yaung Chel and Paing Takhon. Targeted to millennials, the Celebrity Visa gift cards are designed for both personal use or alternatively as a gift item. These cards can be sold at commercial stores with registration done through the digital app namely uabpay which in turn again further enables a greater level of financial inclusion.



Supply Chain Financing

For products to the SME sector, on 9th February 2020, the Bank also signed a Strategic Cooperation Agreement with Kashtec International Pte Ltd, a company registered in Singapore for a B2B digital solution particularly in supply chain financing. The product presently being developed and expected to be offered to customers in February 2021 will be branded Kashtec **Supply Chain Financing**.

5.2 Responsible Financing Home ownership and SME Financing

Responsible Financing is our 2nd focus and the following are the impact areas

i. Home ownership and SME Financing

Home financing and SME financing are key components of the Bank's SDG targets. At the end of the financial period, they make up 1.66% and 11.81% of the loans portfolio. By 30th September 2024, together, it is targeted to reach 36.5% of the loans portfolio.

For Home financing, many of the properties for financing are apartments and given that the issuance of individual title documents is still not in practice in Myanmar, the Bank

over the financial year introduced a "no claims certificate" to be obtained from the 3rd party bank financing the full construction of the apartment blocks. This has the effect of excluding the units financed by uab bank from claims by banks financing the apartment developers and provides additional protection to individual apartment buyers.

With SME financing, 28% of the SME loan portfolio was financed through the JICA 2 -step loan scheme which provides preferential interest rates. This scheme is administered in partnership with JICA and the lower cost provides SME with a more sustainable funding base.

ii. ESG in lending

The Bank is committed towards achieving Environment, Social and Governance (ESG) standards in its lending activating.

An on-going project is being undertaken with WWF towards training the Bank's employees in the adoption of ESG principles in lending activities. An ESG Policy is scheduled to be completed by October 2021. As the first steps, the Bank has already adopted an exclusion list and uab bank will not facilitate financing to entities engaged in the activities 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
- Using of dynamite and poison in fishery practices
- Activities involving harmful or exploitative forms of forced labor or harmful child labor.
- Activities involving people smuggling of any kind.



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5.3 Responsible Corporate Citizenship

Responsible Corporate Citizenship is our 3rd focus and below are the areas of impact

i. Transparency

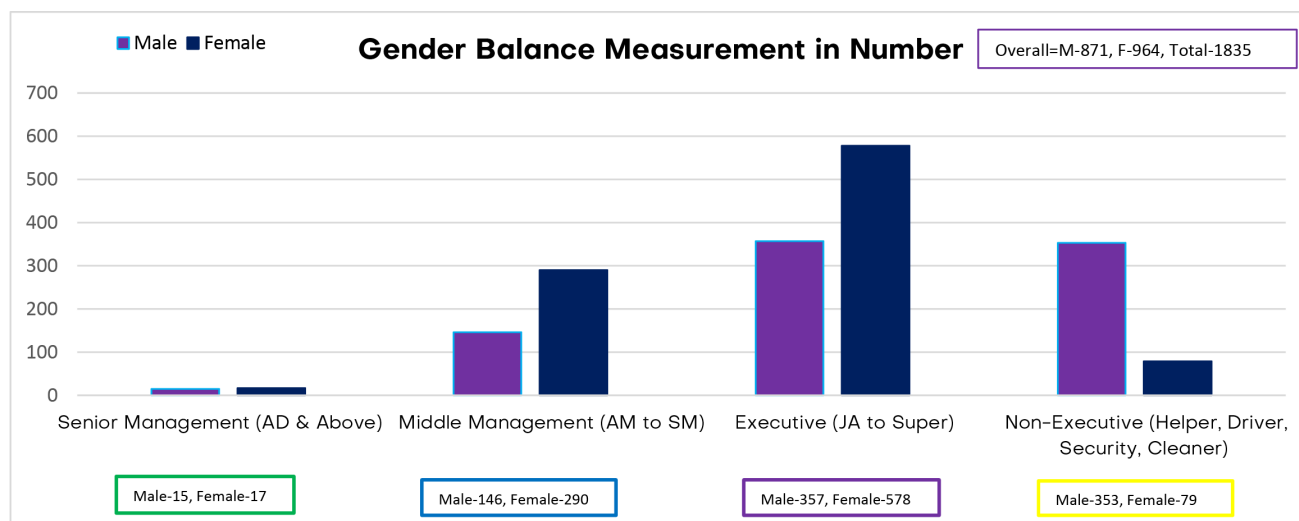
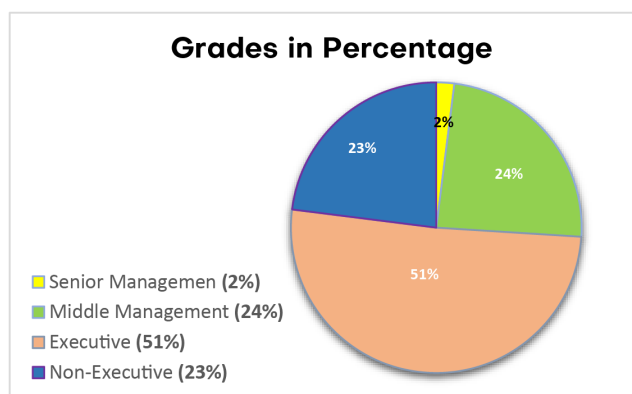
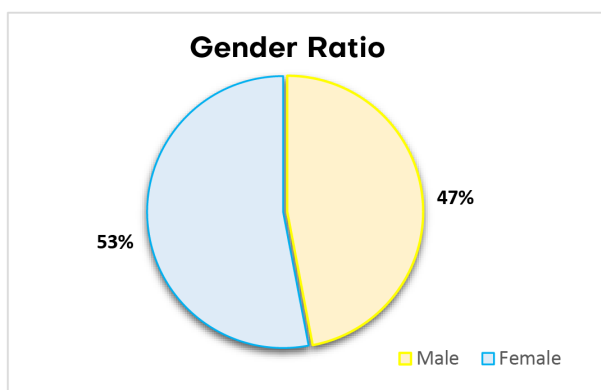
Over the financial year we saw the production of Annual Report 2019 and Sustainability Report 2019. These were made available in the Bank's website which in turn was also enhanced to provide better transparency to all stakeholders.

The effort towards transparency particularly in corporate governance and sustainability resulted in the Bank being ranked 5th place in the 2019 Pwint Thit Sa Report and ranked 1st in the 2020 Pwint Thit Sa Report.

ii. Diversity and inclusion

As an equal opportunity employer, the Bank supports gender diversity and equal gender participation in the workplace.

The gender balance at uab bank as of 30th September 2020 is as follows:



In total, female employees formed 53% of the work force compared to 47% of males.

At Board level, the board members are made up of diverse skills and perspectives. Their inclusion into the Board requires the clearance of the Central Bank of Myanmar after a “Fit and proper” assessment. On the gender balance, the Board is made up of five (5) male and two (2) female members and in terms of ethnicity, include six (6) Myanmar nationals and one (1) foreign national.

iii. Corporate Social responsibility

With the pandemic, much of the major CSR activities revolved around providing relief to people affected by COVID-19. The following activities were engaged:

- On 24th March 2019, the bank announced a relief package for loan relief payments as a financial measure to assist customers alleviate short term cash flow problems. A moratorium of up to 6 months was provided with restructuring and rescheduling of existing loans and additional financing for qualified borrowers.
- In April 2020, uab joined the efforts of the Myanmar Bank Association by donating MMK 20 mil to Government agencies for COVID-19 prevention
- Over April and May 2020, with the launch of Sai Sai Pay digital wallet, funds were raised via crowd funding to a total of MMK 80.2

million and these were donated to three (3) beneficiaries namely, Ministry of Health and Sports (MMK 30 million), COVID-19 Control and Emergency Response Committee (MMK 30 million) and Yangon Regional Government Office (MMK 19.74 million). The balance sum will be allocated at a later stage.

- On 16th August 2020, celebrating its 10th Anniversary, the Bank donated 30,000 bags of rice worth more than MMK 100 million to needy communities at all uab bank branch locations throughout Myanmar. To make this donation more significant, the rice was purchased directly from farmers at Kong Zaung Village in Magway region, reducing the need for intermediaries and a better price to the farmers directly. The management team of uab bank visited the village to learn more about the rice cultivation and production process and spend time with the farmers to listen to their stories.

Other CSR activity included a Bursary and Scholarship program launched on 1st May 2020 for children of uab bank employees who required financial assistance. However due the pandemic, schools and universities were closed during the period and therefore the financial assistance will be disbursed once these institutions are opened.



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iv. Creating jobs and encouraging local growth

We contributed to job creation and built an employable workforce with training and mentoring in 47 townships across Myanmar. As of 30th September 2020, the Bank directly employed 1,835 employees with personnel cost of MMK 17.1 billion up from MMK 16.7 billion the previous year.

Further, through our financing endeavours and procurement activities, we have substantially contributed to the job creation process in Myanmar.

In terms of young people, we have created the

following opportunities:

- **Internship Opportunities:** Each year we provide internship opportunities to students who are in the final year of their undergraduate program. During FY2020, 36 undergraduates enrolled in our internship program for periods of 1 to 3 months.
- **Youth Employment:** At uab bank, we believe that youth employment is pivotal for the growth of the company and development of the nation. At the end of the FY 2020, 46% of the total workforce was represented by employees, who are less than 30 years of age.



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

As a bank with extensive reach, we embrace our role as a responsible consumer and corporate citizen; hence, we pledge to minimize our environmental footprint through resource optimization and operational efficiency. Environmental data for the financial year ended as at 30th September 2019 is represented in the table below:


Electricity Energy

FY 2019	FY 2020
258,858,101 (MMK)	343,629,518 (MMK)

- New increased charges of electricity energy per unit starting from 1st July 2019 by the Ministry of Electricity and Energy saw the increase in cost of electricity
- At uab Tower were our Head Office staff are centralised, Implemented Central air-conditioning system to reduce electrical consumption
- Encouraged good practice of switching off utilities when not in use .


Petrol Energy

FY 2019	FY 2020
320,747,063 (MMK)	183,769,514 (MMK)



- Adopted a policy of replacing older vehicles with more energy efficient and environmentally friendly vehicles
- Together with the above a more vigorous control of use of company cars was implemented.
- COVID-19 had some impact with reduction of physical visits and use of internet and phone contact.


Carbon



FY 2019	FY 2020
2,392 (Metric Tons)	2,538 (Metric Tons)

- In order to control the carbon foot print, electricity energy consumption control is being implemented.


Water



FY 2019	FY 2020
3,294,350 (MMK)	4,233,561 (MMK)

- Controls are being implemented to moderate usage. At Head Office and renovated branches, we are implementing ecofriendly toilets.

Waste



- Paper consumption is being moderated with cloud-based storage. Centralised printing and e-fax have been implemented to minimise wastage.
- Further, an electronic loan origination system and HR management software are on stream to be implemented by FY 2022 and this will reduce substantially the need for the conventional way of paper-based storage.

vi. Tax strategy and compliance

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.

a. 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 4.89 bil to tax coffers of Myanmar as Income Tax for FY 2020.

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b. Our Tax Principles

- Compliance
 - We always act in accordance with all applicable 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.

vii. Regulatory Compliance

uab bank endeavours to meet all stipulations of the Financial Institution Law and Central Bank of Myanmar's directives. The nature of the Bank's business relies on the stakeholders' trust and any violation of that undermines










public confidence, which has a direct impact on the business. Therefore, we place utmost importance on ethics and integrity and we ensure that compliance is embedded in Bank. An essential part of our corporate and sustainability governance approach is the establishment of policies that institutionalise 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 to the regulators 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. Regular reports made to the Management Committee and relevant Board Committees.

In FY 2020, 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 ranked overall 1st in the final assessment of the 2020 Report.

Key policies adopted by the Bank include:

Code of Ethics		Anti-Bribery & Corruption Policy		Corporate Governance Framework & Policy	
Whistle blowing Policy		Anti-Money Laundering Policy		Gift Guidelines	
Conflict of interest Policy		Human Resources Policy		Dividend Policy	

Management approach – How to report a Concern and Incident Reporting

The Bank has adopted an Incident Reporting mechanism that require the reporting of all operational incidences and breach of policy. Such reporting is required to made by Branch/ Departmental Compliance Officers and Section Heads within 24 hours of the incident to the Risk & Compliance Department, Human Resources Department and Operations Department at Head Office.

Employees and people associated with the Bank including interns, members of the Board of Directors, contractors and consultants must report promptly of any knowledge or information about conduct by anyone in the company where there is reasonable belief of wrong doing. Reports of incidents may be made to Supervisors or a Human Resources Business Partner at Head Office or Risk & Compliance Officers.

Alternatively, reports can be made via the Whistleblower channels though:

- Direct Email Channel: wb@uab.com.mm
- SMS Reporting Channel: 09 44 44 36 309

The Whistleblower Protection Policy of the Bank provides the necessary protection to those who report the whistleblower channels, and a copy of the Policy is in the Bank's website.

What happens after reporting a concern

Incident reports are reviewed and analysed by the Compliance Team. If there is a legal or policy violation, then the person is reported to Human Resources Department for review by the Disciplinary Committee.

Breaches of Policy or Code may also be found during the course of an internal audit and these

may also be reported by the Internal Audit Team directly to the Human Resources Department. These matters will also be assessed by the Disciplinary Committee.

The person who breaches a Policy or Code is subject to appropriate discipline, which may include termination of employment, forfeiture of benefits and/or legal action by way of civil/ criminal prosecution

How do we implement this Code?

Implementation of the Code in the day-to-day business of the Bank is made by the following means:

- All new hires will receive a copy of the Code and must receive training on this Code during their Orientation and onboarding programme.
- All the employees, officers and directors may receive training on this Code and a refresher reminder is made at Town Halls and refresher sessions.
- The latest issue of the Code is available on the Bank's website and on our SharePoint intranet
- Where there is an update to the Code of Conduct, it must be issued to all employees by way of office letters, emails and uabian Facebook Community posting.
- The Compliance Officer together with Head of Human Resources will review the effectiveness and relevance of this Code yearly. The conclusions will be shared and reviewed with the Management Committee and shared with the Board of Directors.
- Any breach of the Code will result is disciplinary action.

Monitoring and Administration

Compliance and monitoring of Policy and Codes are conducted by the Compliance Department and the Human Resources Department.

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viii. 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 environment 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.

a. Diversity and inclusion

Diversity is not only about gender and race; it is also about diversity of background and mindset. 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.

b. Work-life balance and personal development

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 a suitable working environment, space for personal and family development and recreation is important. We do this by finding a healthy work-life balance, arranging job rotations, giving employee benefits, mentor support and giving opportunities that lead to professional growth. The ideals of work-life balance has been embedded in the designing of our new Head Office.

We understand that employees need a goal that gives meaning to their actions. To this end, 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 and self-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 have available certain positions, which are eligible for part-time employment.



Key Employee Figures

	FY 2020 results	Improvement and Target
Employee engagement	<p>Group Profit before tax per employee MMK 11.4 million</p> <p>An Employee Satisfaction survey was conducted in July 2020, the results on 14th August 2020 were:</p> <ol style="list-style-type: none"> 1. Number of respondents: 1,155 (82.5% of white-collar work force) 2. Score: 5.7 on a 7-point Likert Scale (81.4%) 	<p>Whilst reviewing the results of the Employee Satisfaction Survey, 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 11.4 mil for period ending on 30th Sept 2020.</p> <p>This is compared to MMK 10.5 mil for the previous 12 months.</p>
Turnover rate (%)	<p>Employee (%): 13 %</p> <p>Supervisory- AM & above: 6.11 %</p> <p>Non-Supervisory-Supervisor & below: 4.15 %</p>	<p>Employee turnover improved in FY 2020 and below the targeted maximum 15%.</p> <p>It was also an improvement compared to 19% in FY 2019</p>
Absenteeism rate (%)	Absenteeism Rate (%): 2.07 %	The absenteeism rate improved to 2.07% for year ending 30 th Sept 2020 compared to 2.22% in the previous year, indicating better employee engagement.
Disability (number)	1 person	The Bank has policies on non-discrimination and equal employment opportunity for disabled persons. uab is committed to hiring any capable individual regardless of their disabilities.
Fatality Rate (%)	0 % fatality rate	<p>The fatality rate for year ending 30th Sept 2020 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>

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Frequency rate for accidents (number)	<p>Eleven (11) car accidents involving uab drivers. The accidents were reported to be minor.</p> <p>There were no fatal injuries during FY2020.</p>	<p>The Lost Time Injury Frequency Rate (LTIFR) due to accidents for year ending 30th Sept 2020 was 2.68 (where lost time due to accidents is measured against total work-force hours per million).</p>
Training (number)	<p>Total man hours of training provided: 13,157</p>	<p>Despite the COVID-19 pandemic, total training man-hours exceeded the target for formal training hours was 10,000-man hours. This was primarily due to the effective use of on-line training.</p> <p>The Bank is working to increase the training provided to 15,000-man hours for the new financial ending 30th Sept 2021.</p>
Career Development/ Appraisal (number)	<p>As targeted, two (2) performance appraisal sessions were successfully conducted in April and Sept 2020 despite the COVID-19 pandemic</p> <p>As part of career development and succession, 312 employees were promoted based on their performance over FY 2020.</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 2020. This is the 4th year in running of conducting these sessions.</p>



ix 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.

With the COVID-19 pandemic, health and safety were particularly important and measures were taken including;

- Wearing mask
- Washing of hands
- Social distancing
- Work from home
- Quarantine
- Closure of branches

A description of action taken has been reported on the Section 3.2 of this Report. The guidelines of the Ministry of Health, Myanmar was followed and we also took guidance from the WHO advisory notes

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. This includes adequate vaccination and quarantine support.
- 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 2020, have been provided in the table above and safety rates continue to be good. 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, a 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.

Several health benefits are made available to employees including:

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

x. Labour rights

- With regards to human rights, uab bank respects and supports the "Protect, Respect

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and Remedy” framework, which rests on three pillars as described in the United Nations Declaration of Human Rights.

The three pillars are:

- **Protect:** Duty to protect against human 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 Organization Declaration on Fundamental Principles and Rights at Work and related conventions.

On 1st May 2020, uab bank initiated a program for bursary and scholarships for children of its employees annually. These bursary and scholarships are to provide financial assistance to deserving children who are studying in government educational institutions from primary level up to university. In order to qualify, employees will be required to provide information of their financial standing and family income and demonstrate the desire of their children to study.

The Bank also provides staff loan facilities to its employees in the form of personal, vehicle and home loans. Eligible staff are also entitled to a credit card with a prescribed credit limit. The home loans are particularly encouraged for long term benefit to employees.

Learning & Development

Over the period FY 2020, training and development continued to play a crucial part in equipping our work force. The Bank continued its emphasis on blended learning through our principle of 70 -20-10 i.e.

- 70% - Learning & Development through job related experience
- 20% - Learning & Development through interaction with others
- 10% - Learning & Development through formal and structured training courses

As part of formal and structured learning, the Bank conducted 13,157 man-hours of training over FY 2020 both through physical and online attendance of formal training. All members of staff were covered in the training.

Rewards and remuneration

The Bank ensures that all remuneration packages are above the regulatory minimum wage limit and that remuneration packages for men and women are the same with no discrimination in gender. Bank practices equal pay to equal work principle. The Bank is also an equal opportunity employer.

The Bank's total compensation comprises two main components:

- 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.

We take a holistic view of various factors to determine and to ensure that an employee's total compensation is fair. This is done with the objectives to reward contributions, motivate and retain talents.

Performance-based variable pay is linked to the performance of the Bank, business functions and the employee's individual achievement.

Performance and career appraisals

All employee receives a performance review regularly and performance is discussed with their Supervisors twice a year.

The compensation model for employees will be dependent on the performance review and therefore it goes through a series of validations and counter-validations to ensure a fair assessment.

Promotions are based on performance and is conducted annually. It is based on the performance review and also provides the Bank with a stock for succession planning.

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



Awards & Accolades

RISE ABOVE

MYANMAR'S BEST BANK
BY EUROMONEY





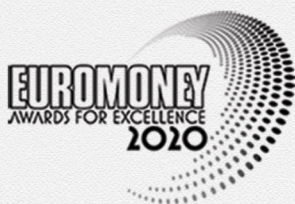
PWINT THIT SA

Transparency in Myanmar Enterprises

1 In Myanmar

2020 Pwint Thit Sa Report

- . Most Transparent Large Company
- . Most Transparent Bank



Myanmar's Best Bank

Euromoney Awards for Excellence 2020

- . Myanmar's Best Bank



Retail Banker International

- . Best Retail Bank Myanmar 2020



AMCHAM CORPORATE SOCIAL RESPONSIBILITY EXCELLENCE (ACE)



10th Global Banking & Finance Awards

- . Best Retail Bank Myanmar 2020
- . Best Bank for Corporate Governance Myanmar 2020
- . Best CSR Bank Myanmar 2020
- . Banking CEO of the Year Myanmar 2020



Corporate Excellence & Sustainability Awards (ACES)

- . Outstanding Leaders in Asia

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Data Overview

Category	Area covered	Unit	FY 2020 Data
People	Headcount	Number	1835
	Number of female employees	Number	964
	Number of male employees	Number	871
	Female: Male ratio = 53: 47		
	Number of employees between 18-30	Number	846
	Number of employees between 31-40	Number	657
	Number of employees between 41-50	Number	259
	Number of employees between 51-60	Number	73
	18-30 years old = 46% of the total number of employees		
	Number of female employees in Senior Management positions	Number	17
	Number of male employees in Senior Management positions	Number	15
	Number of employees trained	Number	1,835
	Average hours training per employee	Hours	7
	Number of training hours	Number	13,157
	Number of people promoted	Number	312
	Number of female employees promoted	Number	213
	Number of male employees promoted	Number	99
	Turnover rate	Percentage	13%
	Absenteeism rate	Percentage	2.07%
	Number of people with disability	Number	1
	Number of incidents	Number	20
	Fatality rate	Number	Nil
	Frequency rate	Hours per million	2.68

Category	Area covered	Unit	FY 2020 Data
Society	Donations	MMK	170.3 million
	Tax	MMK	4.3 billion
	Number of philanthropic causes supported	Number	7
	Number of cases of disciplinary actions taken from complaints and infringement of the Code of Ethics and other Bank Policies	Number	43
Environment	Water	MMK	4,233,561
	Electricity energy	MMK	343,629,518
	Petrol energy	MMK	183,769,514
	Carbon	(metric tons)	2,538

Membership in Associations

Management approach – membership in associations allow the Bank to participate in the activities in the community, enabling it to understand the concerns of stakeholders and adding its voice to leading change in critical market and social issues.

The following are associations in which the Bank is a member of:

- Myanmar Banks Association
- Union of Myanmar Federation of Chambers of Commerce and Industry (UMFCCI)
- American Chamber of Commerce in Myanmar
- CCI France, Myanmar

uab Bank Limited is regulated and licensed by Central Bank of Myanmar.

Contact point

Contact point for questions regarding this Report is George Koshy (george.koshy@uab.com.mm)

The Sustainability Report 2020 has been prepared internally and has not been externally assured.

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GRI CONTENT INDEX					
GRI Standards	Disclosure Title	Annual Report 2020 page	Sustainability Report 2020 page	Contribution to Relevant SDGs	Omission
GRI Foundation 2016					
GRI 102: General Disclosures					
Organisation Profile					
102-1	Name of Organization	5, 97, 108	4		
102-2	Activities, brands, products, services	5-12	4, 15, 31-33		
102-3	Location of Headquarters	97, 108	4		
102-4	Location of Operations	97	4		
102-5	Ownership and Legal Form	97	4		
102-6	Market Served	5-12	4-5,7		
102-7	Scale of Organization	16-18	8		
102-8	Information on employee and other workers	75-81	37, 40-46, 49	SDG 8	
102-9	Supply Chain	85-88	27, 33	SDG 9	
102-10	Significant changes to that organization and its supply chain	25-31, 88- 94	7-8		
102-11	Precautionary principles or approach	53-74	10-12		
102-12	External Initiatives	15	7		
102-13	Membership of Associations	21-50	50		
Strategy					
102-14	Statement from senior decision maker	21-31	3		
102-15	Key Impacts, risks, and opportunities	63-74	10-13		
Ethics & Integrity					
102-16	Values, principles, standards, and norms of behavior	9	5		
102-17	Mechanism for advice and concerns about ethics	71-72	39, 40		

GRI Standards	Disclosure Title	Annual Report 2020 page	Sustainability Report 2020 page	Contribution to Relevant SDGs	Omission
Governance					
102-18	Governance Structure	51-62	11-13		
102-19	Delegation authority	51-62	11-13		
102-20	Executive Level responsibility for economic, environmental, and social topics	51-62	11-13		
102-21	Consulting stakeholders on economic, environmental, and social topics	83-85	16-20		
102-22	Composition of the highest governance body and its committees	51-62	11-12		
102-23	Chair of the highest governance body	55, 57	4		
102-24	Nominating and selecting the highest governance body	59	12		
102-25	Conflict of Interest	60	11		
102-26	Role of highest governance body in setting purpose, values, and strategy	53-54	4, 11-12		
102-27	Collective knowledge of highest governance body	53-54	11-13		
102-28	Evaluating the highest governance body's performance	59	12		
102-29	Identifying and managing economic, environmental, and social impacts	83-84	16-19, 34		
102-30	Review of economic, environmental, and social topics	83-87	16-19, 34		
102-32	Highest governance body's role in sustainability reporting	58	3		
102-33	Communicating critical concerns	83-87	16-20		
102-34	Nature and total number of critical concerns	83-87	16-20		
102-35	Remuneration policies	59, 62, 80	45-46		

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GRI Standards	Disclosure Title	Annual Report 2020 page	Sustainability Report 2020 page	Contribution to Relevant SDGs	Omission
102-36	Process for determining remuneration	59, 62, 80	45-46		
102-37	Stakeholders' involvement in remuneration	59, 62, 80	12		
102-38	Annual total compensation ratio	59, 62, 80	45-46		
Stakeholder Engagement					
102-40	List of stakeholder's groups	83-85	16		
102-42	Identifying and selecting stakeholders	83-85	16-19		
102-43	Approach to Stakeholder Engagement	83-85	17-19		
102-44	Key topics and concerns raised	83-85	16-20		
Reporting Practice					
102-45	Entities included in the Consolidated Financial Statement	12, 99, 131	8		
102-46	Defining report content and topic Boundaries		1 -3		
102-47	List of material topics		1 -3		
102-48	Restatement of information		27-28		
102-49	Changes in Reporting		27-28		
102-50	Reporting period		3		
102-51	Date of most recent report		3		
102-52	Reporting Cycle		3		
102-53	Contact point for questions regarding the report		50		
102-54	Claims of reporting in accordance with the GRI Standards		3, 17	SDG 3	
102-55	GRI Content Index		51-56	SDG 3	
102-56	External Assurance		50		Sustainability Report 2020 has not been externally assured.

GRI Standards	Disclosure Title	Annual Report 2020 page	Sustainability Report 2020 page	Contribution to Relevant SDGs	Omission
GRI 201 ECONOMIC					
103-1	Explanation of the material topic and its boundary		6-15		
103-2	The Management Approach and its components		6-15		
103-3	Evaluation of Management Approach		6-15		
201-1	Direct economic value generated and distributed		8 -9	SGD 8	
201-2	Financial implications and other risks and opportunities due to climate change		38	SGD 3	
GRI 203: INDIRECT ECONOMIC IMPACTS					
103-1	Explanation of the material topic and its boundary		16-28		
103-2	The Management Approach and its components		10, 16-28		
103-3	Evaluation of Management Approach		16-28		
203-1	Infrastructure investment and services supported		7-9, 21-28		
203-2	Significant indirect economic impacts		7-9, 21-28		
GRI 207: TAX					
103-1	Explanation of the material topic and its boundary		38-39	SDG 8	
103-2	The Management Approach and its components		38-39	SDG 8	
103-3	Evaluation of Management Approach		38-39	SDG 8	
207-1	Approach to tax		38-39	SDG 8	
207-2	Tax governance, control, and risk management		38-39, 50	SDG 8	

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GRI Standards	Disclosure Title	Annual Report 2020 page	Sustainability Report 2020 page	Contribution to Relevant SDGs	Omission
GRI 300: ENVIRONMENTAL TOPICS					
103-1	Explanation of the material topic and its boundary		34, 38	SDG 3	
103-2	The Management Approach and its components		34, 38	SDG 3	
103-3	Evaluation of Management Approach		34, 38	SDG 3	
GRI 302: ENERGY					
103-1	Explanation of the material topic and its boundary		38, 50	SDG 3	
103-2	The Management Approach and its components		38, 50	SDG 3	
103-3	Evaluation of Management Approach		38, 50	SDG 3	
302-1	Energy consumption within the organization		38, 50	SDG 3	
GRI 400: SOCIAL TOPICS					
GRI 401 EMPLOYMENT					
103-1	Explanation of the material topic and its boundaries		35-37, 44-46	SDG 8	
103-2	The management approach and its components		35-37, 44-46	SDG 8	
103-3	Evaluation of the management approach		35-37, 44-46	SDG 8	
401-1	New Employee hires and employee turnover		42-43, 49	SDG 8	

GRI Standards	Disclosure Title	Annual Report 2020 page	Sustainability Report 2020 page	Contribution to Relevant SDGs	Omission
404 TRAINING AND EDUCATION					
103-1	Explanation of the material topic and its boundaries		35-37, 45	SDG 4	
103-2	The management approach and its components		35-37, 45	SDG 4	
103-3	Evaluation of the management approach		35-37, 45	SDG 4	
404-1	Average hours of training per year per employee		43, 50	SDG 4	
404-2	Programs for upgrading employee skills and transition assistance programs		45	SDG 4	
404-3	Percentage of employees receiving regular performance and career development reviews		46, 49	SDG 4	
GRI 405: DIVERSITY AND EQUAL OPPORTUNITY					
103-1	Explanation of the material topic and its boundaries		20, 35-36		
103-2	The management approach and its components		20, 35-36		
103-3	Evaluation of the management approach		20, 35-36		
405-1	Diversity of governance bodies and employees		20, 35-36		
405-2	Ratio of basic salary and remuneration of women to men		35, 45		

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SASB Content Index

We have included the disclosures below related to Commercial Banks. All data enumerated in this index relates to the operations of Head Office and 78 branches all around Myanmar between 1st October 2019 and 30th September 2020.

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. 1053 2. As of 30 th September 2020, the bank had MMK 95.65 bil outstanding in SME category.
	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. 26 2. As of 30 th September 2019, MMK 4.623 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: 66,423 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 ending 30 th Sept 2020, 308 individuals participated in financial literacy initiatives for unbanked, underbanked, or underserved customers

TOPIC	ACCOUNTING METRIC	CATEGORY	CODE	RESPONSE	
Incorporation of Environmental, Social, and Governance Factors in Credit Analysis	Commercial and industrial credit exposure by industry	Quantitative	FN-CB-410a.1	Direct Response: Credit Exposure from Commercial Loans and Lending Commitments by Sector:	
					%
				Agricultural	0.2%
				Livestock	0.2%
				Manufacturing	10.8%
				Trading	38.9%
				Transportation	0.9%
				Construction	16.4%
				Service	22.8%
				Housing loan	1.6%
				Pledge	0.2%
				Hire purchase	1.5%
				Staff loan	0.2%
				General	3.7%
				Interbank	2.4%
				Credit cards	0.2%
	Total	100%			
Description of approach to incorporation of ESG factors in credit analysis		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: Sustainability Statement, Page 34		
Business Ethics	Total amount of monetary losses as a result of business ethics issues	Quantitative	FN-CB-510a.1	Direct Response: The Bank did not suffer monetary losses for Financial Year ending 30 th Sept 2020 for incidences involving business ethics.	
	Description of whistle-blower policies and procedure	Discussion and Analysis	FN-CB-510a.2	Whistle-Blower Protection Policy shorturl.at/gjpvS	

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TOPIC	ACCOUNTING METRIC	CATEGORY	CODE	RESPONSE
Systemic Risk Management	Global Systemically Important Bank (GSIB) score, by category	Quantitative	FN-CB-550a.1	<p>Direct Response: The Bank has not calculated its GSIB score due to:</p> <ul style="list-style-type: none"> i. Smaller Size ii. 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	<p>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.</p>

ACTIVITY METRIC	CATEGORY	CODE	RESPONSE
<p>1. Number and</p> <p>2. Value of checking and savings accounts by segment:</p> <ul style="list-style-type: none"> a. Personal and b. Small business 	Quantitative	FN-CB-000.A	<p>Direct Response:</p> <p>1. Number :</p> <ul style="list-style-type: none"> • Personal: 510,163 • Small business: 3,423 <p>2. Value in MMK bil</p> <ul style="list-style-type: none"> • Personal: 879.5 • Small business: 20.1
<p>1. Number and</p> <p>2. Value of loans by segment:</p> <ul style="list-style-type: none"> a. Personal, b. Small business, and c. Corporate 	Quantitative	FN-CB-000.B	<p>Direct Response:</p> <p>1. Number</p> <ul style="list-style-type: none"> • Personal: 5,772 • Small Business: 1,053 • Corporate: 465 <p>2. Value in MMK bil</p> <ul style="list-style-type: none"> • Personal: 42.547 • Small Business: 95.650 • Corporate: 677.710



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