

ANNUAL REPORT

2023

uab

Leading Change
Humanising Banking

ABOUT OUR REPORT

This Annual Report covers our financial and non-financial performance for the period ending 31 March 2023.

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

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

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



uab bank Group's Annual Report

is available for download at
<https://www.uab.com.mm/investors/annual-report-2023/>

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Annual REPORT 2023

Message from the Chairman

Dear Stakeholders,

“My journey has just begun...” was part of my last year’s closing message.

Fast forward, 18 months have passed by and here we are, stronger, with another record-breaking year – both in numbers and other areas.

If we could be any better, we are **AGAIN** accredited with the top award, Best Bank in Myanmar 2023, by Global Finance, one of the most reputable international platforms for Finance and Banking industry.

Well done uabians.

YOU and your dedications continued to **Make A Difference.**



Message from the Chairman



uab's solid financial structure played an important role in its performance for FY 2023. Over the years, the Bank has taken various decisive steps with visionary perspective – building a strong foundation of its competence and resilience, which enabled it to grow and persevere in all market conditions.

Against a myriad of global and national challenges, uab achieved a record Profit After Tax of MMK 22.8 billion for the year, a strong double digit yoy increase. This led to an incredible 16.4% Return on Equity to its stakeholders, with many more prospectives waiting to be unlocked.

Total Assets exceeded MMK 3 tril mark for the first time, on the back of strong Loan Growth of more than 50% yoy, while the Assets Quality continued to be the best amongst its peers. On top of that, the Bank has also shown tremendous growth in other areas, mainly the Digital and Banca arm.

uabpay has fast-becoming the nation's most innovative SuperApp and consistently leading the pack in redefining the banking experience for the people – integrating Banking and Lifestyle into one ecosystem. While uab Banca has flourished to be one of our most successful new business segments, with its ultra-fast paced growth and presence in the market.

Globally and regionally, regulators, investors and customers have become more vigilant and demanding. The asks range from business

continuity to ESG performance oversight, from productive workforce to prosperous communities, from effective monitoring to credible reporting.

uab responded well in all.

- The Bank continues to elevate and accelerate its governance and responsible business practices, aligning it with the industry best practice and regulations. The Board holds dear the conviction that integrity in business is necessary for continued business success.

Looking ahead, we will continue to focus on evaluating business opportunities correctly and increasing our performance. The progress we are achieving to reach our goals will carry us to a much stronger and more competitive position and enable us to increase the total added value we generate.

- The Bank continues to enhance strong “value and culture” within every uabian, setting the tone from the Top and reinforcing it throughout the organisation.
- The Bank continues to embrace and celebrate diversity as well as inclusivity, acknowledging that People is our most valuable assets and positive working environment is a constant work in progress.

- The Bank continues to drive and enhance its Sustainability Strategy and Roadmap – anchored against three core pillars of Sustainable and Responsible Finance, Embedding Good Practices, and Enriching and Empowering Communities.

I would like to take this opportunity to extend my thanks and respect to all my fellow members of the Board for their sound oversight and guidance and their relentless focus in driving the adoption of good governance, strong risk management culture, and a holistic Sustainability agenda across the Bank's business and operations.

To the Leadership Team and all uabians, thank you for your commitment, hard work, and dedication in driving and delivering a commendable performance for FY23.

My appreciation also goes to our customers, regulators, communities and all other stakeholders that continue to believe in us and making uab a story of glory

I look forward to another phenomenal year with all of YOU.

Nay Aye
Chairman

**Leading Change,
Humanising Banking**



Who We Are

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



A desire to **connect.**

A passion to **create.**

The courage to lead **change.**

Financial Highlights



**STRONG EARNINGS WITH CONTINUED
GROWTH IN LOANS AND DEPOSITS**



**THE LEADER IN
THE MARKET**



**RESILIENT AND
ROBUST BALANCE SHEET**





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

1. Retail & SME Banking

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

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

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

2. Corporate Banking

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



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

3. Treasury & FI

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

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

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

4. Transaction Banking

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

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

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



5. Bancassurance

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

Various life insurance schemes presently available are:

- Manulife Protector
- Education Life
- Credit Life Protector

We continue to develop new schemes for customers.





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

Investment Banking

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

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

Securities Trading

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

Diversifying products and services

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



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

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

Our Mission



PURPOSE

Create value, simplifying complexity and build confidence in the capital market

 **Client Service**

 **Integrity**

 **Excellence**

Our Business Model

We Deploy Our Capital Optimally

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

Through Our Strategy and Focus Areas

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

- OUR BUSINESS PILLARS**
- Retail & SME Banking
 - Wholesale Banking (Corporate Banking, Treasury & Financial Institutions, Transaction Banking)
 - Investment Banking (uab securities)
 - Banca Assurance
 - Fintech & Digital Banking



And Business Activities

- Lending of Loans and Financing
- Deposit Taking
- Treasury & Trading
- Investment Banking & Securities Trading
- Insurance

To Create Sustainable Value To Our Stakeholders

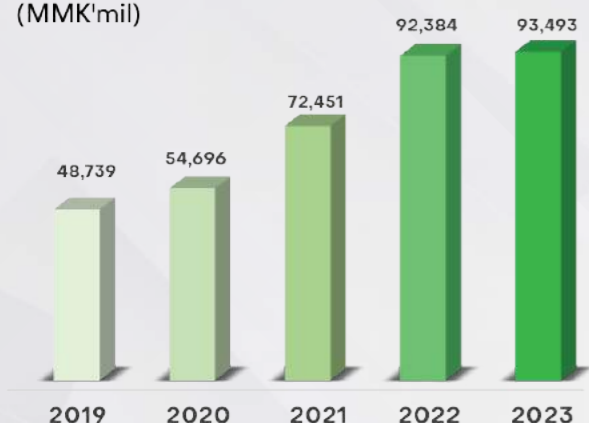
- Shareholders
- Employees
- Regulators
- Customers
- Business Partners
- Society



Five-Year Group Financial Summary



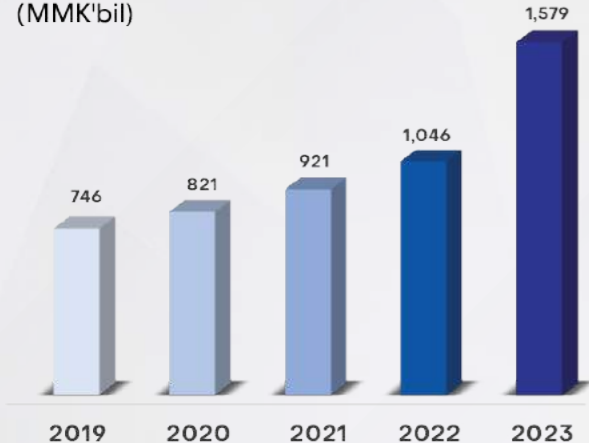
Operating Income
(MMK'mil)



Profit After Tax
(MMK'mil)



Customer Loan
(MMK'bil)



Customer Deposit
(MMK'bil)



Return on Equity
(%)



Return on Assets
(%)



Please refer to the detailed source numbers of the graphs in the next page

Financial Highlights

uab Bank Group	2019	2020	2021	2022*	2023	CAGR
Key Income Statement Items (MMK'mil)						
Operating Income	48,739	54,696	72,451	92,384	93,493	17.7%
Operating Expense	24,625	28,234	27,165	28,298	38,255	11.6%
Operating Profit ^{††}	24,115	26,461	45,286	64,086	55,238	23.0%
Profit After Tax	14,630	15,589	9,112	20,426	22,778	11.7%
Key Balance Sheet Items (MMK'mil)						
Customer Loan	746,133	820,522	920,857	1,046,399	1,579,352	20.6%
Customer Deposit	1,008,372	1,118,886	1,191,507	1,445,279	2,104,379	20.2%
Total Asset	1,198,126	1,466,457	1,650,503	1,901,872	3,031,907	26.1%
Shareholders' Equity	92,121	107,834	116,173	127,129	149,904	12.9%
Key Financial Indicators (%)						
Cost to Income Ratio (CIR)	50.5%	51.6%	37.5%	30.6%	40.9%	-5.1%
Gross Non-performing Loan Ratio (NPL)	4.9%	5.5%	8.6%	8.6%	6.6%	8.0%
Nett Non-performing Loan Ratio (NPL)	2.9%	2.9%	2.6%	1.4%	0.0%	-100.0%
Loan Loss Coverage (LLC)	42.7%	47.4%	70.2%	83.3%	100.6%	23.8%
Return on Average Equity (ROAE)	17.5%	15.6%	8.1%	16.8%	16.4%	-1.5%
Return on Average Assets (ROAA)	0.9%	0.8%	0.4%	0.8%	0.7%	-6.8%
Capital Adequacy Ratio (CAR)						
Tier 1 CAR	8.3%	9.2%	9.1%	10.4%	8.0%	-0.9%
Total CAR	9.6%	10.5%	10.3%	11.6%	9.3%	-0.8%
Liquidity Ratio	26.1%	31.4%	31.1%	37.8%	42.1%	12.7%

Key Income Statement Items - annualised based on 6 months reporting period from Oct 2021 to Mar 2022

Key Financial Indicators - CIR, ROAE and ROAA, based on annualised 6 months reporting period from Oct 2021 to Mar 2022

^{††} Operating Profit before LLP

Business Highlights



Global Finance Awards 2023



GLOBAL
FINANCE

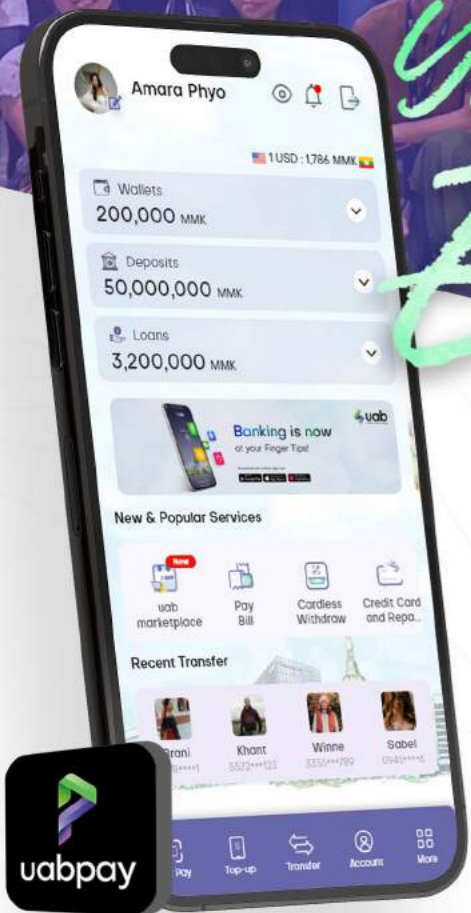
Global Banking & Finance Awards 2023



uab Fintech

“ uab Fintech is the Leading, Innovative and High Growth team creating winning Financial Solutions.”

Your Super App for Everything



Digital First



Marketplace



Cardless Withdraw



Gold Investment



Partnership

Milestones

Building Value-creating Ecosystem



Events

Amazing Bazaar and uabpay 3rd Anniversary Event



Team

Instant access to the most extensive set of essential wallet features plus excellent digital experiences.

Customer Support & Operation

First line of Defense with 24/7, 365 Days Customer Services

Team Brainstorming

Developing new ideas as in escaping from old ones.



Protecting what matters most *for your loved ones*

2022



Business Growth
Nationwide coverage –
Yangon, Mandalay and
other cities

2023



Target Achievement
Life Insurance
> 200%
General Insurance
> 100%

2022



Strategic Partnership
KBZMS & uab
bank

2021



Learning & Training
All Yangon branches and
Mandalay branches

2020



Strategic Partnership
Manulife & uab bank



Delivering Superior Customer Services



"I am truly impressed by their commitment to delivering personalised service and making banking a delightful experience."



I Make a Difference



Make a
Difference



"I Make a Difference by embracing every opportunity to positively impact lives, inspire changes and leave a meaningful imprint on the community and the Bank"



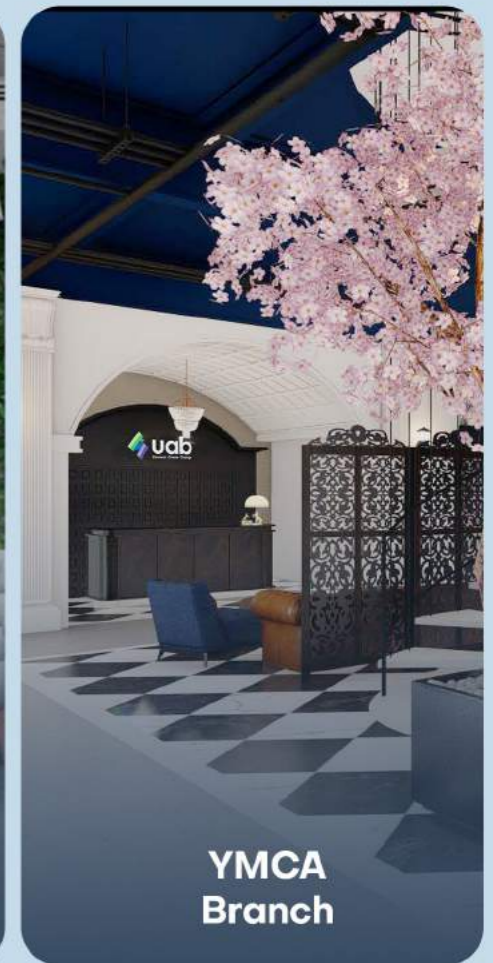
Transforming Our Branch Network



Kalay Branch



Diamond Plaza Branch



YMCA Branch



Shwe Pyi Thar Branch



Thamine Station Branch



Pearl Myo Thit Branch

A man in a dark suit and glasses is sitting in a modern office setting. He is looking directly at the camera with a neutral expression. His hands are clasped in his lap. The background shows a contemporary office interior with large windows, a desk, and a chair.

Letter from
the CEO

Dear all stakeholders,

Nearly four years after COVID-19 rewrote history, some CEOs are still waiting for macroeconomic certainty. That's unlikely to happen – and that's OK.

Time waits for no man.

In a rapidly changing business environment, stagnation is not an option. A forward-thinking organisation in a state of “growing” actively seeks opportunities and more so, transforms the challenges into opportunities. That is exactly the strategic focus that we set for ourselves this

Year – **GROWTH.**

Letter from the CEO

Grown, Growing and Growth

Three simple words, yet totally on-point to encapsulate the evolution journey of uab.

“How uab has grown tremendously in the recent years, picking up wisdom and lessons along the way to establish itself as the Bank to be reckoned, continues growing, expanding, developing, innovating and charging forward relentlessly to achieve greater success and impacts, while paving the way for sustainable growth that aligns with our Purpose and Mission”



Meanwhile, Loan and Deposits surged substantially, chalking up ~50% increase yoy each. What completes the puzzle, making it a perfect scoresheet are – low Cost to Income Ratio ~41% (operational efficiency), Loan Loss Coverage >100% (prudence and resilience) as well as Capital Adequacy Raio >8% (robust and compliance).



Despite unprecedented challenges, we have risen to the occasion to deliver an exceptional result in FY23, breaking many records of our own.

Our Profit After Tax jumped by 11.5% yoy to MMK 22.8 bil – a staggering 5-Year double digits CAGR. This consistent and continuous growth over the years has since doubled up our shareholders’ value, making it a monster growth-engine.



Financials are just part of our scorecard as organisational growth is not just about numbers. We ensure that other parts of the engine work equally hard if not more.

In the past year, we witnessed successful launches of multiple products, services and platforms, demonstrating our commitment to staying ahead of industry trends and meeting the evolving needs of our customers.



Our SuperApp uabpay was enhanced and stand tall of being the most extensive, secured and convenient “pocket-bank” in the market. First and only “Gold Investment” platform, uab Marketplace, international remittances, UPI virtual card, uab learning and many more – all at the fingertips anywhere, anytime.



Our Banking by The Way is on the roll, with branches of different concepts start painting every corner of the country. A burger for lunch while opening a uab ZeeGwat account? A milk tea to quench thirst while placing your Fixed



Deposits? A sweet pink strawberry ice-cream for your loved ones while collecting uab’s personalised “Valentines Gift Card”? A wine toast to celebrate your business win while we run your banking needs next door?

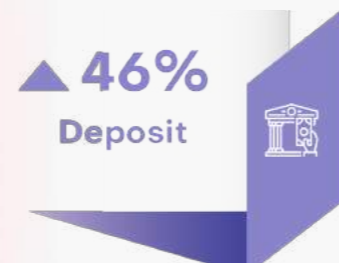
You can have ALL, with uab.



Our People, as it has always been, is valued as the biggest Asset in our book. uab will not be whom we are today without the collective pledge and tenacity of these individuals. We continue to value and invest in them, providing the tools, training, and opportunities necessary to foster both personal well-being and professional growth, where everyone can thrive.



Our commitment to Sustainability is not just a checkbox. It is a reflection of our values. In the



Letter from the CEO

FY23, we intensified our efforts and contributed positively to the communities we serve. Amongst all, we take pride in our unwavering commitment – supporting, engaging and including everyone as part of our Corporate Journey.

From the less fortunate blind children to the venerable old folks, from the very determined women entrepreneurs to the hopeful youths in sports, from the under-privileged students to the young talents at art and to everyone in need.

Our stance – “No One is Left Out”.

Our achievements in FY23 are a testament to our collective strength, collaborative spirits, and relentless pursuit of excellence.

Growth is not a destination. It will be our ongoing journey.



uab has chosen this as part of our Theme this Year.



Did uabians make it?
Yes we did.

Many of uabians have demonstrated this value – not only within their capacity as a uabian but beyond as an individual through different roles they play in the society. Bravo!

I believe our collective efforts, driven by the belief that every uabian can make a difference, have the potential to create not only a better You, a better uab but also **a better country and a better world.**

I Make A Difference

“I Make a Difference” is not just a statement or personal affirmation, It is a mindset, a call to action, a commitment to contribute positively to our workplaces, communities and the broader world. It is an acknowledgment of the inherent power we possess to shape our destinies and influence the lives of those around us.



Letter from the CEO

Leap Year – Leap Forward

To many, a leap year would just mean an extra day in the year.



But to uab, it carries a significant meaning – an extra 86,400 seconds of dedications, an extra 1,440 minutes of hardwork, an extra 24-hour of commitment – for AN EXTRAORDINARY YEAR.

Looking ahead, I am confident that we are

well-positioned to seize new opportunities and overcome any obstacle that may come our way. The winds of change are constant, and it is our ability to innovate, collaborate, and adapt that will propel us forward. We will continue to invest in our people, technology and processes to ensure that we remain at the forefront of our industry.

Our journey is not just about achieving financial success.

As I often remind all uabians, the work we do matters and has impact.

We help people and institutions to finance and achieve their aspirations, uplift the lives of individuals, homeowners, small businesses, larger corporations, schools, hospitals, cities and everyone we serve.

Our actions today will shape the legacy we leave for future generations.

Note of Appreciation

As someone who has been with the Bank for more than six years, I know uab and uabians have a lot of resolve in overcoming challenges. It was not an easy journey before this to lay a solid foundation. Neither will it be a smooth-sailing journey ahead to leap forward. But my fellow Leadership Team and I are committed to doing the “right things right” and making our next milestones an impactful one.

To the Chairman and the Board of Directors, Thank You for your continued guidance, advice and foresight that have enlightened, challenged, and motivated us towards achieving greater success.

To our Customers, Business Partners, Regulators and all other Stakeholders, Thank You for your continued support, loyalty and trust in us.

To my Leadership Team and all uabians, Thank You for your invaluable commitment and incredible resilience, standing together and standing by each other through thick and thin during these years.

I am immensely proud of what we have accomplished together and am excited about the journey that lies ahead. The road to success is rarely linear, but with a united and determined team, there is no challenge that is too great.

Together, let us embrace the opportunities, pushing the boundaries, and continue to write the success story of uab.

Christopher Loh
MD & CEO

So, how will the rules play out in 2024?

“Never a dull moment” is the phrase for it.

Our goals are ambitious.

Our paths are clear.

So, hold your breath and be prepared for the ride!



Board of Directors

U Thant Zin
Non-Executive Director

U Win Htein Min
Independent
Non-Executive Director

U Nay Aye
Non-Executive Chairman &
Independent Director

Christopher Loh
MD & CEO

U Tint Thwin
Independent
Non-Executive Director





U Nay Aye

Non-Executive Chairman &
Independent Director

Date of Appointment: 25 November 2021

Age: 66

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

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

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

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

Academic and Professional Qualification

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

uab Board Committees Served On

- Board Audit Committee (Chairman)
- Board Risk Committee (Member)
- Board Nomination and Remuneration Committee (Member)

Length of Service as a Director

- 1 Year & 4 Months



Board of Director



U Tint Thwin

Independent
Non-Executive Director

Date of Appointment: 8 December 2021
Age: 64

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

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

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

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

Academic and Professional Qualification

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

uab Board Committees Served On

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

Length of Service as a Director

- 1 Year & 3 Months



U Thant Zin

Non-Executive Director

Date of Appointment: 29 December 2017
Age: 48

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

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

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

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

Academic and Professional Qualification

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

uab Board Committees Served On

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

Length of Service as a Director

- 5 Years & 3 Months

Board of Director



U Win Htein Min

Independent
Non-Executive Director

Date of Appointment: 11 May 2022
Age: 52

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

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

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

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

Academic and Professional Qualification

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

uab Board Committees Served On

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

Length of Service as a Director

- 10 Months



Christopher Loh

MD & CEO

Date of Appointment : 29 December 2017
Age : 46

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

He was also a partner at a global management consulting firm, where he revolutionized the business and risk capacities of the regional and global financial institutions in Asia, the Pacific, the United States, and the United Kingdom. He relocated to Asia after working for a big UK financial firm in London to help establish and lead a very sound risk management practice, where he was the managing director before his departure.

He has also worked for a leading insurer in Singapore for a number of years, as well as founded and ran a technology and media start-up.

He has developed uab bank to be one of Myanmar's top banks, guided by his remarkable leadership in *Leading Change, Humanising*

Banking. uab bank has since been named Myanmar's Best Bank by Euromoney for 3 years in a row since 2019, Best Bank in Myanmar by Asiamoney, Global Finance, Retail Banker International, Global Banking & Finance and many more other prestigious platforms, repeatedly for years.

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

Academic and Professional Qualification

- B.Eng (Hons) in Electrical and Electronic Engineering, Nanyang Technological University in Singapore
- INSEAD Senior Leadership Programme alumnus

uab Board Committees Served On

- Board Risk Committee (Member)

Length of Service as a Chief Executive Officer

- 5 Years & 3 Months

Leadership Team

Nay Win Maung
Head of
Internal Audit & Compliance

Yin Min Aye
Head of
Fintech, Digital & Cards

George Koshy
Head of
Risk & Credit Management

Htay Kyaw Naing
Head of
Operations

Mahesh K Bhandari
Head of
Global Markets & FI

Shwe Mg Oo
Head of
Technology

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

Christopher Loh
MD & CEO

Thandar Htike
Head of
Corporate & Investment Banking



Management Committee



Christopher Loh

MD & CEO

Qualifications and Other Memberships

- B.Eng (Hons) in Electrical and Electronic Engineering, Nanyang Technological University in Singapore
- INSEAD Senior Leadership Programme alumnus

Relevant Experience

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

- He has also worked for a leading insurer in Singapore for numerous years, as well as founded and ran a technology and media start-up.
- He has developed uab bank to be one of Myanmar's top banks, guided by his remarkable leadership in *Leading Change, Humanising Banking*.
- uab bank has since been named Myanmar's Best Bank by Euromoney for 3 years in a row since 2019, Best Bank in Myanmar by Asiamoney, Global Finance, Retail Banker International, Global Banking & Finance and many more other prestigious platforms, repeatedly for years.
- Furthermore, he has successfully rebranded the bank, the most notable of which is the establishment of uab bank's Head Office in Times City, one of the most prestigious addresses in the heart of Yangon.
- Since then, he has been honored and awarded Myanmar's CEO of the Year by several worldwide platforms, including Global Banking & Finance, International Business Magazine, and Business Worldwide.



Kyawt Kay Khaing

Deputy CEO, uab bank
CEO, uab securities

Qualifications and Other Memberships

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

Relevant Experience

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

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

Management Committee



George Koshy
Head of
Risk & Credit Management

Qualifications and Other Memberships

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

Relevant Experience

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



Mahesh Bhandari
Head of
Global Markets & FI

Qualifications and Other Memberships

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

Relevant Experience

- Mahesh has over 24 Years of extensive banking experience in various banks and in several countries in Asia.
- He started his career with Himalayan Bank in Nepal, and built his solid foundation in Banking Operations, International Banking and Trade Finance.
- He subsequently continued his career with ABA Bank in Cambodia in Operations, Trade Finance, and International Relations. Mahesh was Chief Trade Finance and Remittance Officer (CTRO) in ABA Bank.
- Mahesh joined uab bank in 2012 as Head of Trade Finance & Financial Institutions, With his experience, he has since been posted to different departments including Treasury, Risk and Credit Management.



Thandar Htike
Head of Corporate &
Investment Banking

Qualifications and Other Memberships

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

Relevant Experience

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



Htay Kyaw Naing
Head of
Operations

Qualifications and Other Memberships

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

Relevant Experience

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

Management Committee



Shwe Mg Oo
Head of Technology

Qualifications and Other Memberships

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

Relative Experience

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



Yin Min Aye
Head of
Fintech, Digital & Cards

Qualifications and Other Memberships

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

Relevant Experience

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



Nay Win Maung
Head of
Internal Audit &
Compliance

Qualifications and Other Memberships

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

Relevant Experience

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



Corporate Governance Overview Statement

Corporate Governance Overview Statement

Corporate Governance at uab is a key factor that dictates how we approach our business practices and long-term value creation. As a responsible institution, we are highly aware of the systemic connections between what we do and the numerous social and environmental influences on the ecosystems in which we operate. We also recognise the potential for these factors to negatively impact our Bank and competitive environment, endangering the welfare of our employees and our capacity to deliver stakeholder value.

In the new normal, Corporate Governance has taken on a new meaning. It is not enough for our internal controls and risk management systems to be premised on transparency, fairness, and accountability, although these are certainly the principles of Corporate Governance that we prize and value. Corporate Governance now is also about being resilient to change.

In the year under review, our emphasis was to ensure our Corporate Governance systems demonstrated resilience against multiple stressors, most notably post-pandemic recovery strategies, unexpected economic shocks, the pressure of supporting customers and clients in building back while also aiming for profitability. The focus of our Corporate Governance shifted from business continuity to rebuilding,

mindfully with due consideration to uab 2025 key priorities as well as the climate and sustainability agenda.

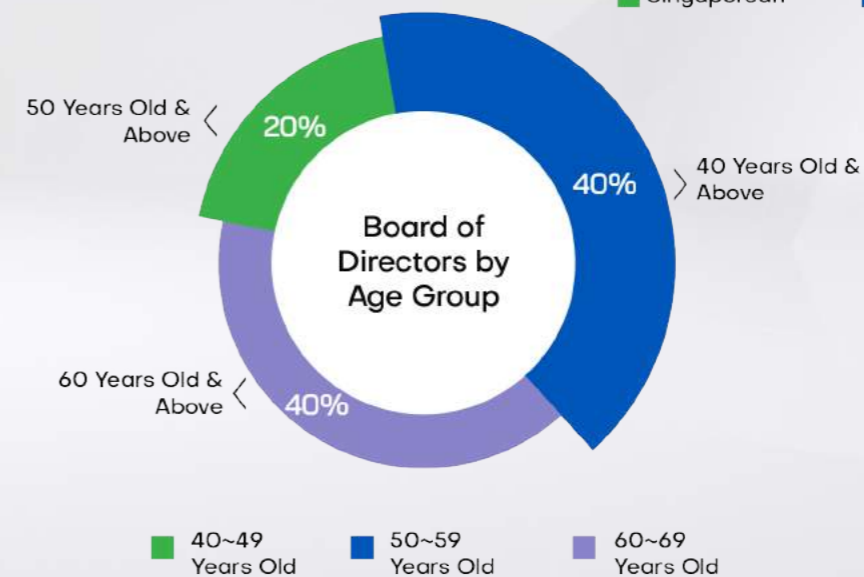
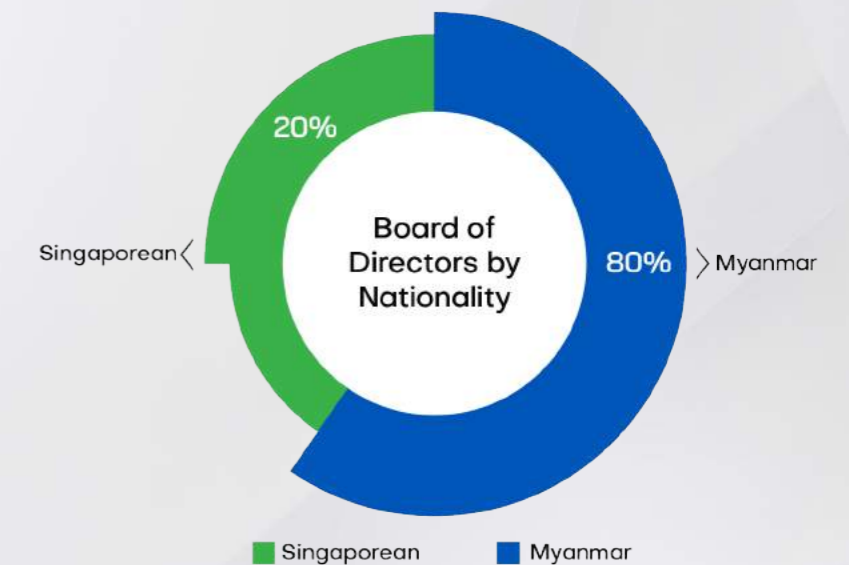
Our Board is conscious of this evolving paradigm of Corporate Governance and understands our responsibilities in the broader regulatory framework as well as the ESG context for building both people and business resilience in areas where uab operates. For this, Group-wide policies are constantly reviewed to keep pace with the evolving governance standards and requirements.

Moving forward, we strive to ensure our Corporate Governance systems continue to uphold the values of integrity and accountability while serving the best interests of our stakeholders in our value creation journey. Through the right controls and mechanisms, we can forge a path to become the leading focused bank with the purpose of moving forward with you.

Our Board ensure that our Corporate Governance framework, which encompasses best practices, policies and guidelines, remains updated and resilient to adapt to operating challenges - contribute towards value creation for all uab's stakeholders.



Board at A Glance



Corporate Governance Overview Statement

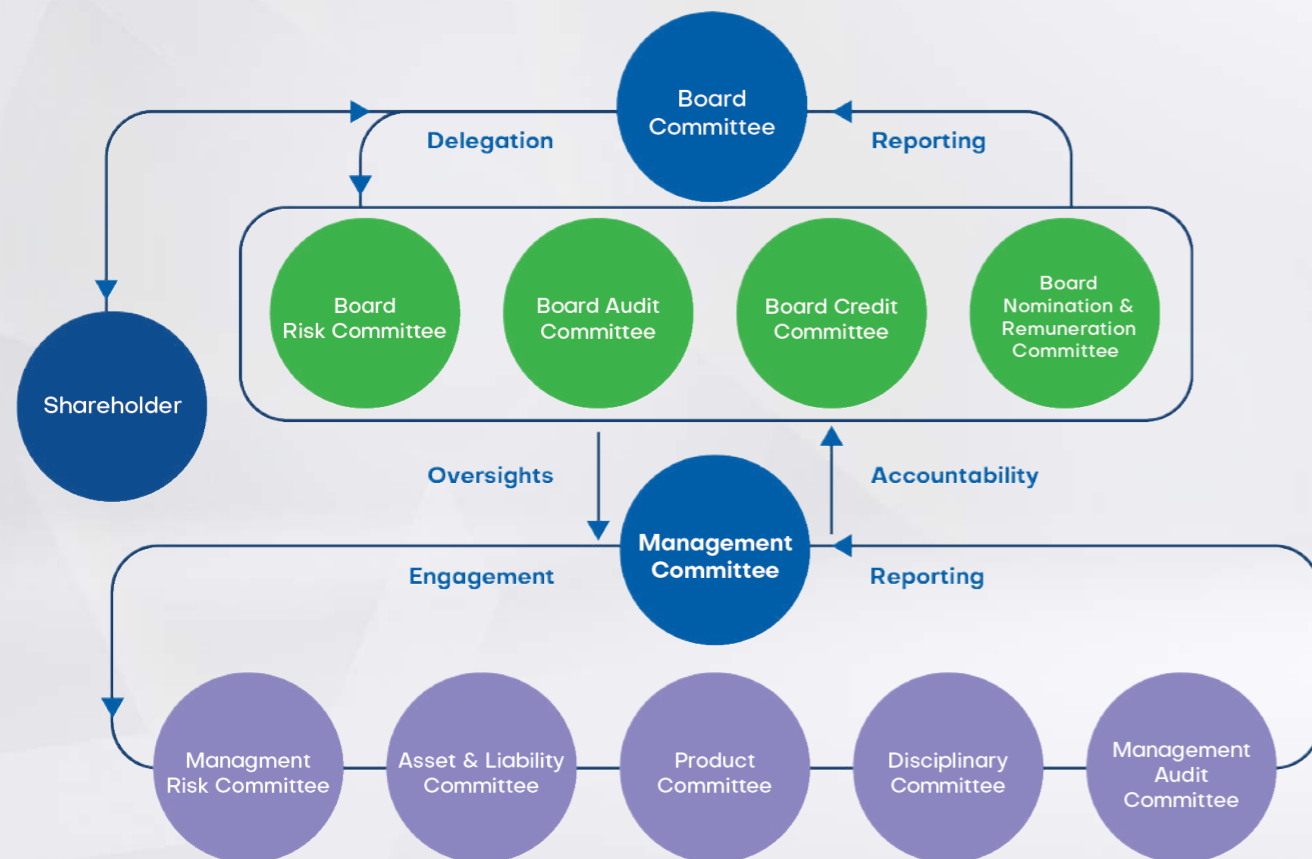
Role and Responsibilities of The Board

In setting uab's strategic direction and vision, our Board takes cognisance of the need to create and deliver long-term sustainable values for the stakeholders. To achieve this, our Board emphasises on effective leadership through oversight on Management and continuous monitoring of the business, performance, conformance to the regulations and risk controls.

Our Board continuously considers the environmental, sustainability and governance factors in making its decision in the development and implementation of uab's strategies, business plans, risk management and in the review of its and Management's performance. Group policies are constantly being reviewed and new frameworks are established where required to keep pace with the evolving governance standards.

The existing uab Governance Framework ensures orderly and effective discharge of our Board's roles and responsibilities where powers of the Board are delegated to the relevant Board Committees, the Group Managing Director and Chief Executive Officer (Group MD & CEO) and Management Committees, as depicted below:

GOVERNANCE MODEL



Chairman

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

Board of Directors



- Reviewing and adopting a strategic directions for the long-term success of the company and delivery of sustainable value to its stakeholders.
- Board oversees the business and affairs of the Group by periodically reviewing and approving the overall strategies and significant policies of the Group.
- Overseeing the conduct of the Group's business
- Identifying principal risks and ensuring the implementation of appropriate internal controls and mitigation measures
- Succession planning of the Board and Senior Management
- Overseeing the development and implementation of a Communications Policy

- Overseeing the implementation of the Group's Governance Framework and internal control Framework, and periodically reviewing the adequacy and the integrity of the management information and internal controls system to ensure they remain appropriate in light of material changes to the size, nature and complexity of the Group's operations
- Overseeing the development and implementation of a sustainability framework for the Group

Independent Non-Executive Directors

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



Managing Director & CEO

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

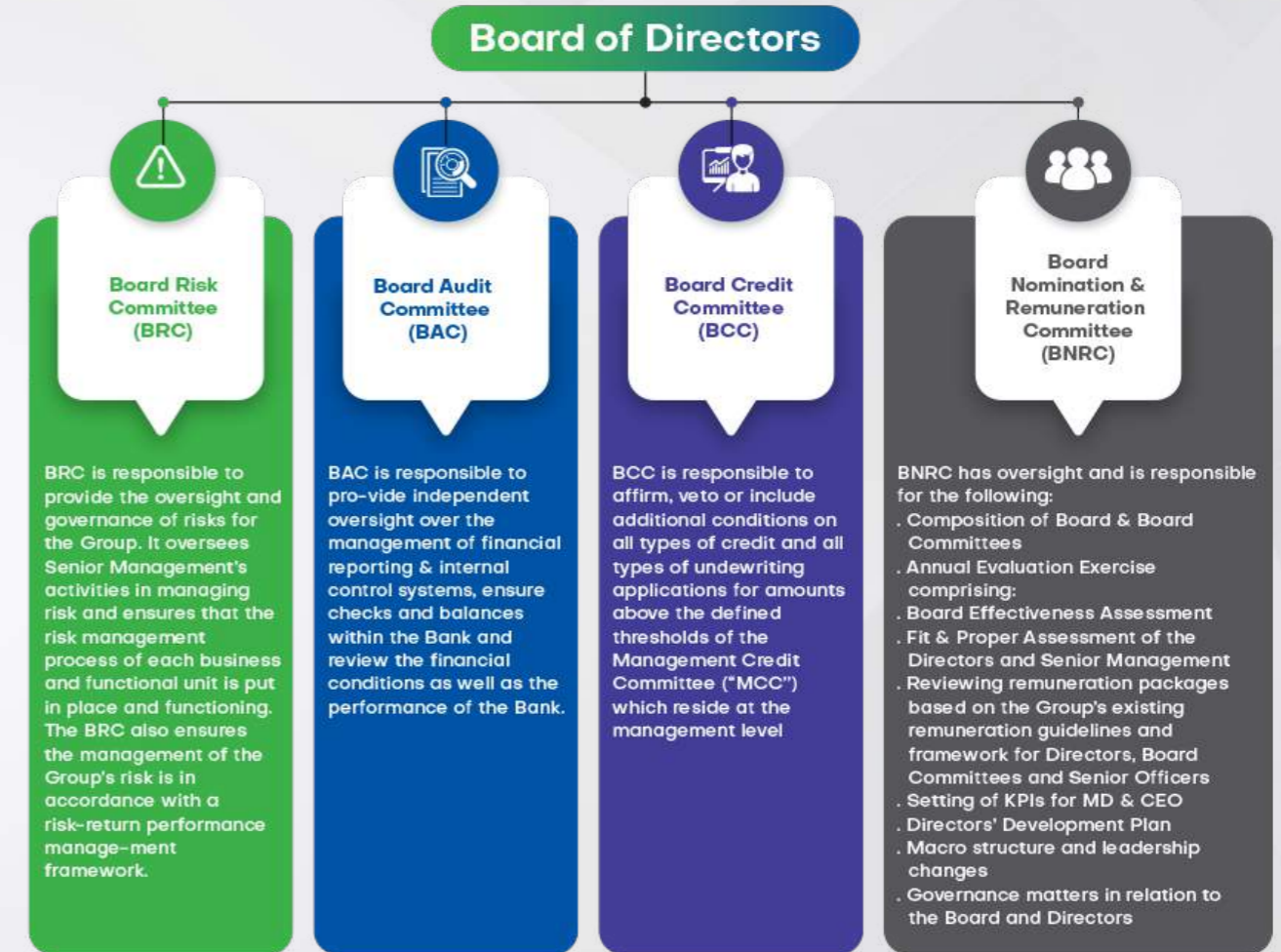
Corporate Governance Overview Statement

Board Committees

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

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

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



Board Meetings

The Board meets on a regular basis, with a minimum of 12 scheduled meetings in a financial year in accordance to the guidelines stipulated by the Myanmar Companies Law or more frequently as circumstances dictate. The dates of these scheduled meetings are determined well in advance to enable the Directors to plan ahead. In addition to the scheduled meetings, special meetings may be convened as and when required.

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

The agenda also allows for flexibility when needed. All materials for Board and Board committee meetings are uploaded onto a secure portal which can be accessed on tablet devices provided to the Directors. The Board Charter provides that Directors should receive meeting materials prior to the Board meeting to allow sufficient time for Directors to review and analyse relevant information.

Corporate Governance Overview Statement

Members of Senior Management have also been invited to attend selected Board meetings to support the Board with further information on the matters being deliberated. The deliberations and decisions arrived at during Board meetings are clearly minuted in a timely manner and action items for Management will be communicated to the relevant parties within 24 hours after the Board meetings.

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

All Directors attended more than 85% of all Board meetings held in FY 2022-23 as follows:

	Board Audit Committee (BAC)	Board Credit Committee (BCC)	Board Risk Committee (BRC)	Board Nomination & Remuneration Committee (BNRC)	Board of Directors (BOD)
1. U Nay Aye	Chairman (4/4)	NA	NA	Member (1/1)	Chairman (12/12)
2. U Tint Thwin	Member (4/4)	Member (27/27)	Member (4/4)	Chairman (1/1)	Member (12/12)
3. U Win Htein Min	Member (4/4)	N/A	Chairman (4/4)	Member (1/1)	Member (11/12)
4. U Thant Zin	NA	Chairman (27/27)	Member (4/4)	NA	Member (10/12)
5. Mr Christopher Loh	NA	NA	NA	NA	Member (12/12)

Notes : Board Members Meeting attendance from 1st April 2022 to 31st March 2023

Setting the tone on Governance, Risk & Compliance

The Board is responsible to ensure the Group has in place a structured and robust risk management and internal control system that allow our business operations to be carried out effectively and efficiently without compromising our quality or integrity in our ultimate aim to provide the best financial service to our stakeholders.

This is done by exercising good business judgement when developing strategy, delivering objectives and managing the risks which accompany them by having a robust Risk Management Framework as part of our internal control system.

The Board along with the Senior Management is committed to ensure the internal controls are tested, reviewed and strengthened allowing for effective risk management which support our strategic objectives.

Zero-Tolerance stance on Bribery & Corruption

The Board views the act of corruption as a corrosive practice that undermines an organisation's credibility and ethical values. The Group has put in place various Policies and Guidelines that anchor our anti-corruption efforts, such as the Group Anti-Bribery & Corruption Policy, Group Whistleblowing Policy, Group Fit & Proper Policy and Group Gifts

Guideline, emphasising strong internal controls towards creating a healthy and conducive business environment.

Code of Conduct and Whistle Blowing Policy

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

Further, the Code of Conduct provides guidance in areas where employees may need to make



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

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

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

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

B. EFFECTIVE AUDIT AND RISK MANAGEMENT

Audit Committee

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

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

uab has in place a process to consider the appointment/re-appointment of External Auditors, which is in line with CBM's Policy on External Auditors. The process requires the BAC to assess the External Auditors' compliance



Corporate Governance Overview Statement



with qualification criteria set out by CBM, which includes evaluating the independence, objectivity and performance of the External Auditors.

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

Risk Management

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

To this end, the Board continues to be involved in determining uab's level of risk appetite and identifying, assessing and monitoring key risks to safeguard Shareholders' investments and uab's assets, in a manner which enables uab to meet its strategic objectives.

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

Whilst it is not possible to completely eliminate



risks of failure in achieving uab's objectives, the system of internal controls is designed to mitigate these risks by identifying, managing and controlling risks effectively.

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

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

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

Similarly, the AC reviews the effectiveness of internal controls, risk management processes and governance within the Group.

Internal Control

Group Internal Audit & Compliance (GIAC) reports independently to BAC and provides independent appraisal on the adequacy, efficiency and effectiveness of risk management, controls and governance processes implemented by Management.

GIAC adopts a comprehensive audit plan, amongst all covers emerging risks including elevated risks arising from changes in system, control environment and business processes. Notwithstanding the risk assessment, the annual audit plan will include areas that must be

audited annually due to regulatory requirements, and other established criteria such as recent incidence of fraud, previous adverse audit rating or recent action by regulators.

The internal audit function is reviewed periodically by the BAC to ensure its adequacy in performing its role.

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

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

C. INTEGRITY IN CORPORATE REPORTING

Communication With Stakeholders

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

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

Annual General Meeting

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

The AGM Notice includes details of the resolutions proposed, along with any relevant information and reports. uab held its 13th AGM on 3 July 2023 with the Notice and Agenda of the AGM delivered to the Shareholders before the Meeting. The Notice and Agenda were also published on uab's website at www.uab.com.mm

Websites

uab bank Group's corporate website provides a brief description of its history, current operations and strategy, as well as an archive of news and historical financial information on the Group and details of upcoming investor relations events.



Statement on Risk Management & Internal Control



Statement on Risk Management & Internal Control

BOARD RESPONSIBILITY

The Board affirms its overall responsibility for establishing a sound risk management and internal control system, as well as for reviewing its adequacy and effectiveness in identifying, assessing and responding to risks that may hinder the Group from achieving its objectives.

One of the vital roles of the Board is to establish the Group's risk appetite, which articulates the types and levels of risk that the Group is willing to accept in the pursuit of its business and strategic objectives. In this respect, the Board actively participates in the Group's strategic goals and plans, ensuring that the corresponding risks are adequately mitigated within the approved risk appetite. In view of the inherent limitations in any risk management and internal control system, the Board recognises that such a system can only provide reasonable, rather than absolute, assurance against material financial misstatement, fraud, or losses.

The Board plays a crucial role in establishing a strong risk management and internal control governance structure, which is critical in setting the tone and culture of effective risk management and internal control.

To effectively carry out its risk and control oversight responsibilities, the Board has established the Board Risk Committee (BRC) and the Board Audit Committee (BAC) to oversee matters relating to risk, compliance and controls, respectively. These Board committees update the Board periodically of their work, key deliberations and decisions on delegated matters.

The Board has also obtained assurance from the Group Managing Director and the Group Chief Financial Officer that the Group's risk management and internal control system is operating adequately and effectively.

MANAGEMENT RESPONSIBILITY

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

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

Accordingly, the Management has provided assurance to the Board that the Group's risk management and internal control system is operating adequately and effectively with the necessary processes having been implemented.

RISK MANAGEMENT FRAMEWORK

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

The Group's risk management framework ensures that there is an effective on-going process to identify, evaluate and manage risk across the Group and is represented in the following diagram:



Statement on Risk Management & Internal Control

The Framework is further underpinned by a set of building blocks that serve as the foundation in driving a strong risk management culture, practices and processes



Risk Governance and Oversight

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

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

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

Board Committee and Group Management Committee.

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

Risk Appetite

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

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



hand, is the acceptable level of variation relative to the achievement of the Group's strategic and business objectives.

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

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

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

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

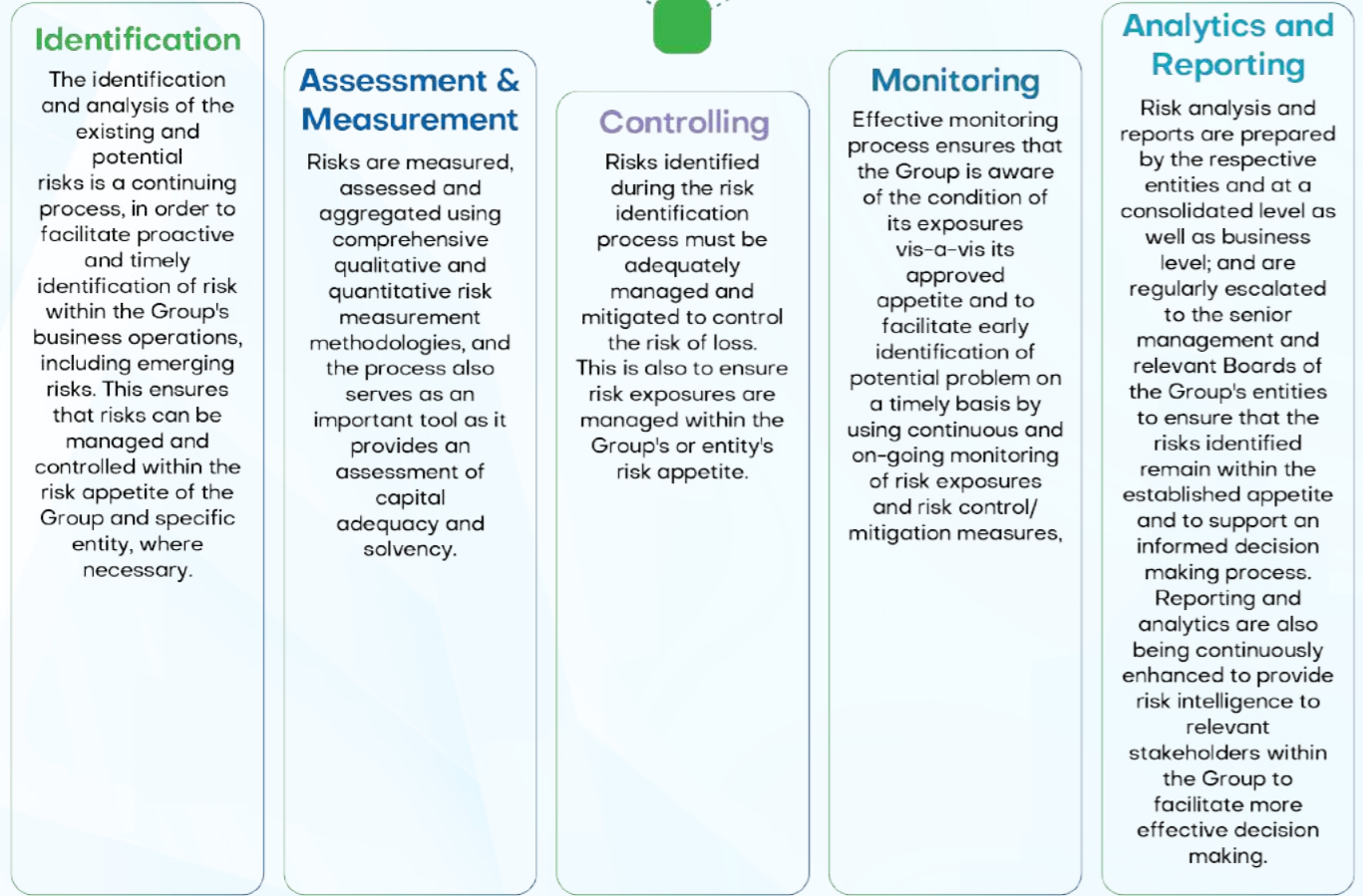
The main business and operations inherent risks that were considered in the risk appetite review include regulatory compliance risk, credit risk, market and liquidity risk, operational risk and technology and cyber risk.



Statement on Risk Management & Internal Control

RISK MANAGEMENT PROCESS

The Risk Management Process identifies, assesses and measures, controls, monitors and reports/ analyses risk. This ensures that risk exposures are adequately managed and that the expected return compensates for the risk taken.



regulations. This commitment is clearly demonstrated through the establishment and strengthening of policies, processes and controls in managing and preventing non-compliance.

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

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

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



Risk and Compliance Culture
The risk and compliance culture is driven by a strong tone from the top which serves as the foundation upon which robust enterprise wide risk management structure and governance are built. This is to ingrain the expected values and principles of conduct that shape the behaviour and attitude of employees at all levels of business and activity across the Group.

Risk management is a core responsibility of the

respective businesses and operating units. More so, it is the responsibility of uabian.

Risk and compliance policies are clearly defined, consistently communicated and continuously reinforced throughout the Group to embed a robust culture that cultivates active identification, assessment and mitigation of risks. As part of the risk and compliance culture, the Board, Senior Management and employees of the Group are committed to adhering to the requirements of relevant laws, rules and

Risk Documentation

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

Statement on Risk Management & Internal Control

Risk Infrastructure

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

Staff have clear roles and responsibilities, given access to relevant and up to date risk information, and the latitude to continuously enhance competency through learning and development programs.

Risk systems and tools are designed to provide accessibility of risk information that complement the Risk Management process. The availability of data for analytics and monitoring, and dashboards and reporting assists in continuously enhance Risk Management capability.

The Group's Risk Management Report has evolved to be more analytically-driven dashboards which include elements of quantitative and qualitative forward looking projections.

Effective Risk Management requires the Group to continuously review its risk management capabilities to effectively manage risk and to improve Risk Management practices across the Group. Therefore, the Group has embarked on transformation journeys striving for improvements for better efficiency and effectiveness.

Risk Assessment

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

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

Material risk assessment is measured from the dimension of occurrence probability and severity impact. In addition, risk assessment also considers among others, the effectiveness of controls in place, and the impact to financial and non-financial indicators such as reputational risk. These are translated into a heat map matrix to derive the materiality of the risk as shown in the table below.

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

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



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

Statement on Risk Management & Internal Control

KEY INTERNAL CONTROL PROCESSES

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

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

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

Control Environment and Control Activities

Organisation Structure

The Group has a formal organisational structure with clearly defined lines of accountability and responsibility, authority limits and reporting.

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

Sustainability Management

The Board of Directors has oversight of the Group's sustainability practices towards ensuring appropriate Environmental, Social and Governance ("ESG") factors are embedded within the Group's business strategies, operations as well risk management process. In

carrying out the said responsibility, the Board is also responsible to ensure that the Group's Sustainability practices are aligned with the Group's long term strategic direction.

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

Policies and Guidelines

Policies, guidelines and processes governing the Group's businesses and operations are documented and communicated Group-wide as well as made available to employees through the Group's intranet portal for ease of reference and compliance.

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

Regular Updates and Communication of Risk Management Principles, Policies, Procedures and Practices

Risk management principles, policies, procedures and practices are reviewed and updated regularly to ensure relevance to the current business environment as well as compliance with applicable laws and regulations. Risk frameworks, policies and procedures are applicable across the Group, including all branches which are required to

adopt the principles prescribed by the Group while complying with local requirements.

Authority Limits

The Board has approved the Group Delegation of Authority ("DOA") which defines the approving authority with its approving limits for the various levels of Management in the Group. Accordingly, the Management is empowered to discharge their responsibilities and be accountable for their decisions and actions. The Group DOA is reviewed periodically and updated in line with changes in the organisation structure, business environment or operational needs.

Technology and Cyber Risk Management

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

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

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

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

In addition, the rapid adoption of digitisation has led to increased risks to traditional on-premises computing system. To address this emerging

risk, the Group has adopted a multi-pronged approach:

- Gradual deployment of digital solutions with increased investment in security infrastructure and the hiring of support personnel with skillset covering digital fraud and cloud security.
- Establishing proper governance in the management of digital deployment including independent third party security reviews and introduction of policies to strengthen the security controls covering the overall digitisation initiative.
- Continuous assessment of Third Party's cyber security posture and subscription of threat intelligence service for better visibility of the current cyber landscape.
- Enforcement of secure coding practices that applies security considerations to how software will be coded and encrypted to best defend against cyber-attack or vulnerabilities.

Budgeting Process

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

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

Human Capital Management

One of the key constituents of any internal control system is its people and that our system of risk management and internal control is dependent on the responsibility, integrity and sound judgement that employees apply to their work.

Statement on Risk Management & Internal Control

Hence, the Group has in place policies and procedures that govern recruitment, appointment, performance management and rewards as well as matters relating to discipline, termination and dismissal.

For sustainable growth, the Group places emphasis on human capital development, talent management and succession planning. To enhance employee competencies, structured and technical trainings as well as management and leadership workshops are provided to them based on their identified needs during the annual performance assessment.

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

Group Code of Ethics and Conduct

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

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

The Group has also established the Gifts and Hospitality Guideline to promote integrity and transparency for giving and receiving gifts. The Guideline complements the Code and are designed to help the Group and its employees

understand the respective parties’ obligations in upholding corporate integrity and transparency about gifting.

Group Anti-Bribery and Corruption Policy

The Group adopts zero tolerance on bribery and corruption in line with its core shared values and the Group Code of Ethics and Conduct for employees. The Group is committed to conducting its business in accordance with all applicable laws and regulations, and the Anti-Corruption Law and Commission Act.

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

Group Anti-Money Laundering and Counter Financing of Terrorism Policy

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

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

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

This includes customer due diligence (“CDD”) requirements, monitoring of customer activities/transactions, reporting of suspicious transactions, record keeping, AML/CFT training, protection of customer information, and enforcement actions for noncompliance to the requirements.

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

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

Group Fraud Risk Management Policy

The Group Fraud Risk Management Policy is designed to promote consistent organisational behaviour through the development, implementation, and regular review of fraud prevention, detection and response strategies.

The Policy defines the core governing principles for fraud risk management within the Group which include leadership and ethical culture, fraud awareness and prevention, fraud control and detection, fraud reporting and escalation as well as fraud response with appropriate

corrective actions.

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

The Group instils a culture of vigilance amongst employees in handling and combating fraud as well as to deter future occurrences. Robust and comprehensive tools/infrastructure and programmes are emplaced to ensure risks resulting from fraud are identified, escalated/ reported and managed in a decisive and timely manner. Stern disciplinary action is taken against employees involved in fraud.

Reputational Risk Management

The Group adopts a holistic approach and sound governance in managing reputational risk and to institutionalise awareness and its consequences.

Protecting our reputation is paramount to operating as an institution that provides financial services. Upholding trust and creating better customer experience and security are vital parts of our obligations as a financial institution.

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

Business Continuity Management

The Group recognises and is fully committed to the need to provide uninterrupted critical services to its customers, ensure the safety of its employees, protect its assets including data, and safeguard the interest of its key stakeholders that collectively ensure the

Statement on Risk Management & Internal Control



viability of the organisation. Hence, the Group is aware of the importance of a sound Business Continuity Management (“BCM”) Framework and Programme to build organisational resilience and an effective response and recovery mechanism to safeguard the interest of key stakeholders, reputation and brand.

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

The Board has an oversight function on the Group’s BCM readiness through the BRC.

The Group Business Continuity Committee is established to oversee the Group’s business continuity framework, policies, budget and plans, and reports to MC.

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

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

2022-23 was proven to be another challenging year due to continuous social and economic recovery from the post COVID-19 pandemic and political challenges in the country. The Management has continued to take proactive and precautionary measures to mitigate and

manage the outbreak and risk of infection while ensuring continuous provision of essential services.

Moving in tandem with COVID-19 coordination are some new initiatives to enhance the BCM programme. The Group has enhanced the crisis management processes with a view of expediting the crisis response and minimising the impact to ensure the resiliency of our operations. The Group has expanded the scope of BCP/Disaster Recovery Plan (“DRP”) test activities of the Group to prepare for all scenarios.

We strive to continue improving our BCM framework through the maturity curve, we are aligning our BCM practices towards operational resiliency, e.g. (i) the ability to withstand, recover or even adapt to incidents that may cause harm, destruction or loss of ability to perform functions; and (ii) focus on outcomes and allows business to continue operations during turbulent times.

Procurement Manual and Non-Credit Discretionary Power

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

The authority to approve any request for budgeted or unbudgeted expenditure conforms to the applicable approval authority policies, i.e. Delegation of Authority (DOA) or equivalent.

The DOA defines the authority limits approved by the Board for procurement activities,

acquisition and disposal of assets, operational write-offs, donations, as well as approval of general and operational expenses.

Information and Communication

Performance Review

Regular and comprehensive information is provided by Management to monitor its performance against the strategic business plan and the annual budget approved by the Board. This information covers all key financial and operational indicators as well as key strategic initiatives undertaken by the Group during the year.

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

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

Group Whistleblowing Policy

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

The GWBP encapsulates the governance and standards to promote an ethical, responsible and secure whistleblowing practice in uab. The whistleblowing channels provide proper mechanism and secured avenues for employees

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

Incident Management Reporting

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

The established incident management reporting process ensures that all incidents with material risk and losses are escalated promptly within the escalation timeline to Senior Management and the Board with necessary steps taken to mitigate any potential risks that may arise.

Periodic monitoring and updating on the progress of the incidents until resolution enables the decision makers to undertake informed decision-making and be kept up to date on situations as well as manage risks effectively.

Monitoring

Board Committees

The Board has in place, Board Committees that are set up to support the Board in its oversight function. The Board Committees include the BRC, BAC, BCC and Board Nominating & Remuneration Committee.

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

Statement on Risk Management & Internal Control

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

Management Committee

The MC comprises the Bank Managing Director as the Chairman, and the key Senior Management of the Bank Group.

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

Management Audit Committees

Management Audit Committees ("MACs") are established at the key operating entities in the Group to ensure timely rectification of any audit findings and the underlying causes highlighted by the internal and external auditors, and regulators.

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

The MACs comprising senior level representatives from different business/functional groups are chaired by the Group Chief Financial Officer/Managing Director of the entity concerned. The MACs meet monthly/bi-monthly and the minutes of meetings together with the relevant audit reports are subsequently tabled

to the BAC for information, deliberation and direction for further action where required.

Group Compliance

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

In addition to day-to-day monitoring, Group Compliance's commitment towards instilling a strong compliance culture across the Group is demonstrated through the establishment of a robust compliance monitoring framework which includes, among others, implementation of comprehensive compliance policies, frequent compliance reviews, regular engagement sessions with business/functional units and branches, annual compliance risk assessment to identify high risk areas and conduct of regular training/awareness sessions across the Group to ensure that all employees are well informed of the latest regulatory requirements and expectations.

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

INTERNAL AUDIT

Group Internal Audit ("GIA") is established by the Board to provide an independent appraisal

on the adequacy and effectiveness of the Group's risk management, internal control and governance processes implemented by the Management.

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

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

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

It is led by the Group Chief Internal Auditor who reports functionally to the BAC and administratively to the Group Managing

Director to ensure GIA's independence from Management.

CONCLUSION

The Board, through the BAC and BRC confirm that it has reviewed the adequacy and effectiveness of the Group's risk management and internal control system.

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

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



Human Capital Report



Human Capital Report



HUMAN CAPITAL REPORT

With the effect of the pandemic behind us and with an increasingly stabilising business environment, uabians moved forward focusing to continue the momentum of building the Bank's business. We worked to ensure a nurturing and enabling environment to allow our people to not only deliver on organisational expectations and also facilitate their personal and professional development.

Working on our theme **"Thinking uabians"** introduced at our Managers Conference 2022, we moved to bring a dimension into our work culture that encourages open-mindedness and intellectual curiosity for uabians to think through their work processes, taking initiatives to respond to situations without being told. When faced with tasks, challenges, or problems, uabians are encouraged to utilise their critical thinking skills to analyse information, evaluate options, and make decisions.

Developing and nurturing critical thinking skills in employees fosters a culture of innovation, improves problem-solving capabilities, and enables teams to make well-informed decisions. It is with this thinking and decision-making capacity that we differentiate and outperform our competitors – this attribute is what we wish to nurture into our **"uab way"**.

Further, in January 2022, a new corporate grading system was introduced with a grading scale of 15 from Non-clerical to Executive Vice President. The new grading system with a flatter structure enables performing employees to move up the job scales faster and for the Bank to be able to decentralise its approval authority more effectively. Essentially, with the new regrade of staff taking into account factors such as span of control, level of responsibility and complexity of their roles, the new structure has promoted effective communication, decision-making, and career growth opportunities.

OUR PEOPLES PROFILE

With the continuing expansion of the business, the number of employees increased to 1,904 at the close of FY 2023.

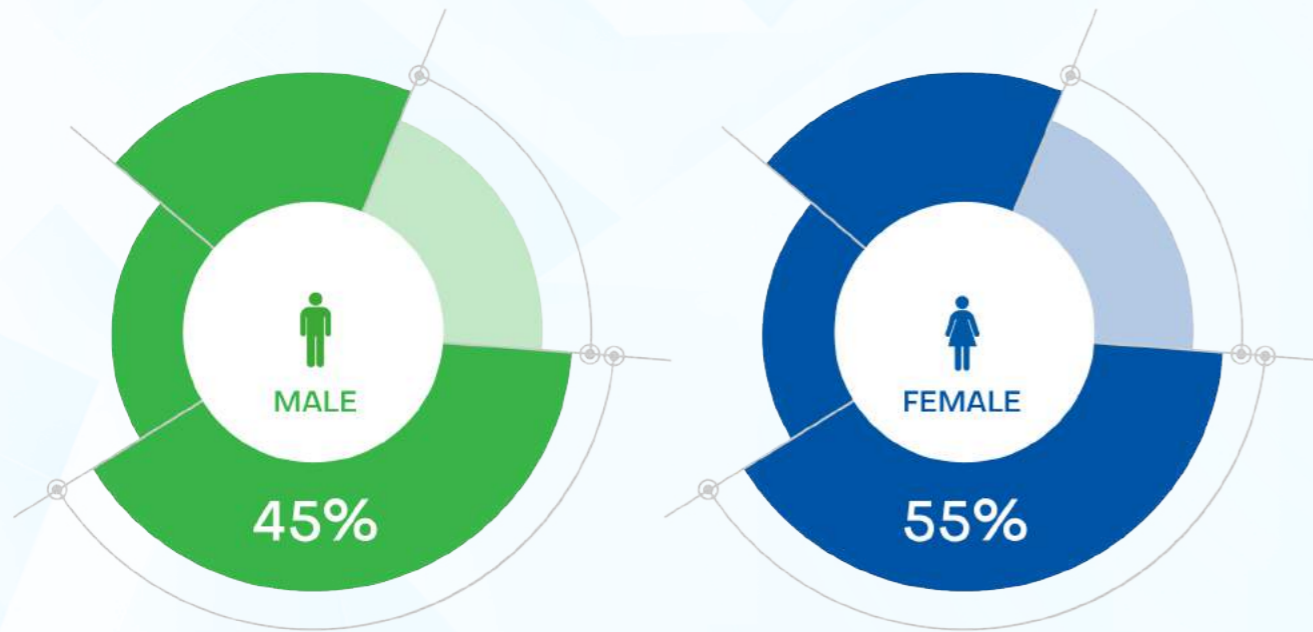
Together with the increase in employees, the ratio of female staff increased further from 52% to 55%, with females also making up 64% of employees in Senior Management grade. A strong presence of women in our workforce is not unusual and their strong contribution to banks across the ASEAN region is well known. Gender diversity is a strong part of the Bank's culture ensuring an inclusive, dynamic, and open culture.

Grades	Male	Female	Total	%
Senior Management (AVP & above)	22	39	61	3
Middle Management (AM to SM)	198	357	555	29
Executive (Associate Executive & SE)	371	597	968	51
Non-executive (Driver, Security, Cleaner)	267	53	320	17
Total	858	1046	1904	100

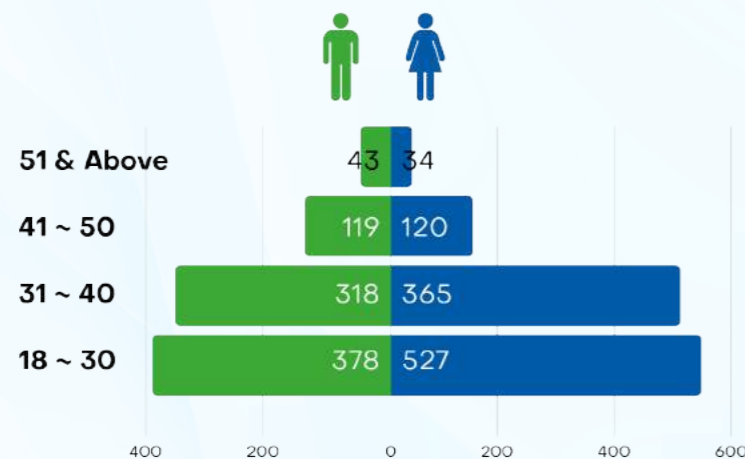


Human Capital Report

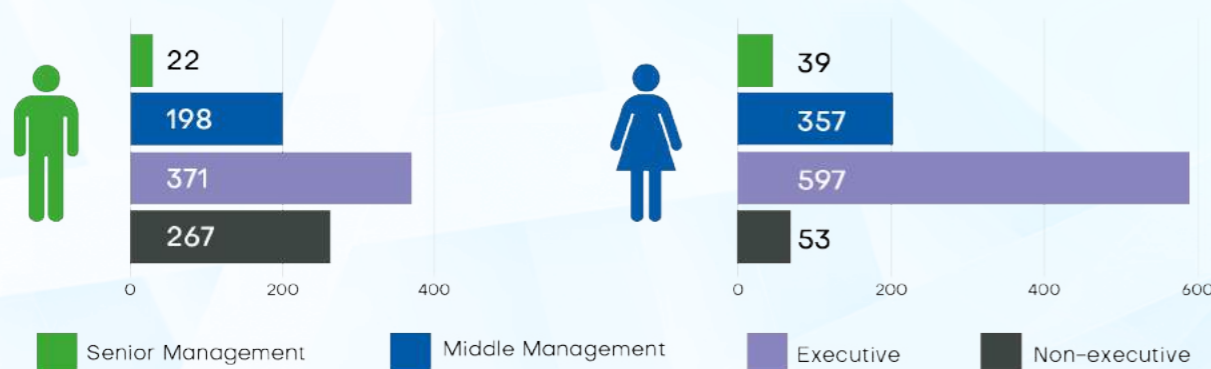
Gender Equity



Age Distribution By Gender



Gender Balance By Job Type



83% of the workforce were aged 40 years and below, indicating a relatively young workforce and this provides opportunities to the Bank to build its future workforce today.

Age distribution of employees					
Age	18 to 30	31 to 40	41 to 50	51 & above	Total
Number	905	683	239	77	1904
%	47	36	13	4	100
Male	378	318	119	43	858
Female	527	365	120	34	1046

LEARNING & DEVELOPMENT

Learning & Development activities, picked up speed with over 62,500 man-hours of training over the 12 months in review.

Apart from the regular Operations, Credit, Anti-money Laundering, Customer Service, Bancassurance, Product and Sales trainings, we also included training for drivers and security guards.

Given the expansion of the workforce, in January 2023, we introduced a monthly New Joiner Program to replace the quarterly Orientation Program. The New Joiner Program which is for duration of 1 week for Head Office staff and 2 weeks for Branch staff is more intensive and designed to equip new joiners to accelerate their level of competency with new knowledge and information. It is designed also to have a better sense of belonging as new joiners are on-boarded. Over January to March 2023, a total of 200 new joiners attended the program.

The effort to build our bench strength and leadership succession continued with 195 employees promoted and nurtured towards

leadership roles. To strengthen our front-line branch operations, four (4) Zone Operations Heads were appointed with focus on operational efficiency and risk management at branches.

In an effort to upskill staff, 343 employees were transferred and rotated in FY 2023.

REWARDS AND REMUNERATION

The Bank's rewards and remuneration scheme has two (2) main components i.e., Fixed Pay and Variable Pay. With variable pay, the Bank's bonus scheme has since 2018 sought to compensate employees on their ratings and performance.

With variable pay also, as the Bank builds up its sales force, a deeper sales-based incentive has been developed to incentivise staff with better rewards for sales performance. Employees of the cadre of Relationship Bankers, Home Loan Specialists and Sales Executives have been benefiting from these incentives.

Further, with the introduction of Bancassurance, the incentive schemes for insurance sales for participating employees have been more exciting.

Human Capital Report

For all categories of staff, we take a holistic view of several factors to determine and to ensure that an employee's total compensation is fair. This is done with the objective to reward contributions, motivate and retain talents.

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

EMPLOYEE ENGAGEMENT

Understanding that engaged employees care about their work and about the performance of the company, the Management continued to engage with employees with dialogues and branch visits with a view to improve human capital development, encouraging the acceptance of diversity and inclusion and ensuring the well being of the staff.

We were pleased in August 2022, to again receive recognition as one of the "Best Companies to work in Myanmar – employees' choice" and this was the 2nd time in running that we received the award. The

employee satisfaction survey was conducted independently by JobNet with Deloitte as the verifying partner.

Employee health and safety at the tail end of the pandemic was given some priority and we organised a free medical check-up in June 2022 and free COVID vaccination for the 4th time in Sept 2022.

The Annual Managers Conference was held in Aung Ban in Shan State in January 2023 and a total of 180 leaders at the Bank participated in the conference. This year's Conference with the theme, "I Make a Difference", was particularly impactful and whilst connecting our leaders, the Conference was conducted with the creativity that uab bank is known for.

FUTURE FOCUS

Looking into the future, we recognise that we may be at the centre of a digital revolution driven by AI. It is expected to bring disruptive innovations which may reshape on how we lead our lives and how financial services will be delivered. Together with this, a Sustainability and ESG theme is being pursued by the Bank in response to the challenges in the business and physical environment.

With these expected changes, the challenge is to build and prepare an agile and nimble workforce to compete in a future disruptive



Sustainability Statement



Sustainability Statement



OUR SUSTAINABILITY STRATEGY

As a leading financial institution in Myanmar, we are focused on, “leading the way towards a better Myanmar, humanizing banking, connecting people, creating opportunities and changing lives”. We firmly believe that as an industry that plays an instrumental role in economic growth and global trade, banks are 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.

In FY 2023, 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).

More details about our Sustainability Strategy are available at <https://www.uab.com.mm/strategy>.

At uab bank, we acknowledge that it is our corporate obligation to construct and advance a sustainable environment in which all individuals thrive. It is within this atmosphere of inclusivity and engagement with our stakeholders that we are most capable of expanding our own enterprise and striving towards our goals to become a leading bank in Myanmar. Consequently, our Board takes this into account within its 5-year strategic plan and oversees sustainable growth over the long run, ensuring that the Bank advances as a socially responsible provider of financial services.



OUR COMMITMENT

Our 5-year strategic plan is based on uab bank’s longer-term vision as a socially responsible financial services provider. No poverty, zero hunger, good health and well-being of all people are some of the aims of the United Nations Sustainable Development Goals (SDGs). The 17 SDGs are interrelated, and the Bank looks to contribute to the achievement of the goals.

Among the 17 SDGs, uab bank has chosen to focus on 4 SDGs in which we can meaningfully contribute and have the most impact. 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.



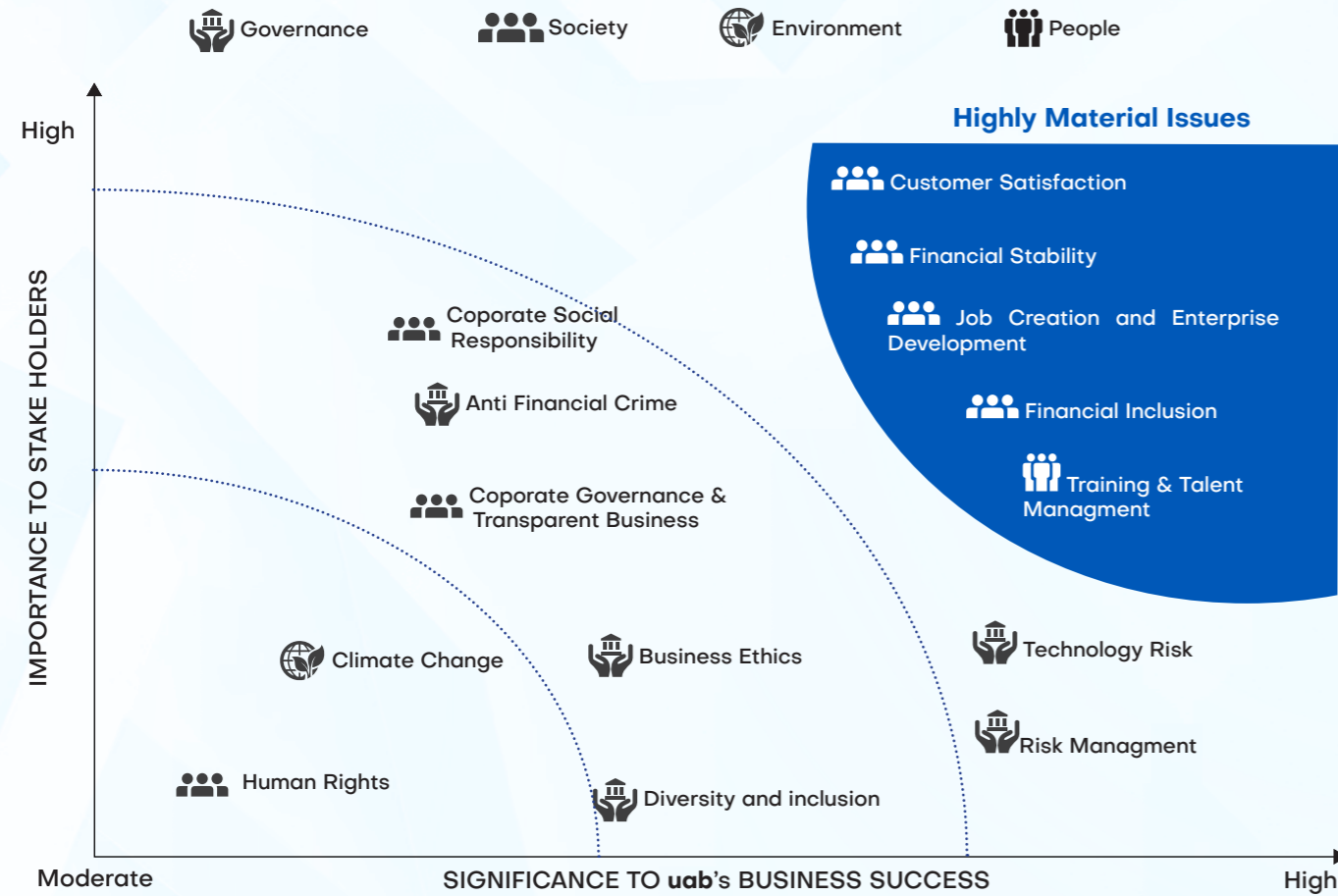
STAKEHOLDER ENGAGEMENT

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.

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.



Sustainability Statement



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

- 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 the bank's approach towards customer 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.



Sustainability Statement



ALIGNING OUR BUSINESS TARGETS AND SUSTAINABLE GOALS

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

1. Customer satisfaction
2. Financial stability
3. Job creation & Enterprise development
4. Financial Inclusion
5. Training & Talent Management

Subsequently, 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, the Board approved short-term and mid-term targets for each of the focused SDGs. We are committed to meeting these goals and are devoting significant resources towards this objective.

Below we summarize 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	Financial stability Financial inclusion	Job creation and enterprise development	Training and talent management	Customer satisfaction
Specific targets	Providing digital solutions Development of housing through home loan financing Financial literacy Continued good financial performance of bank	Financing SMEs Developing products for cash flow management Opening new bank branches to improve access to financial services for industry, businesses, and retail customers	Regular training to employees Trainee schemes Scholarship and bursary support for children of employees Providing internship opportunities for students	Appropriate and suitable products Developing bancassurance Transparency ESG policy

Furthermore, after establishing general targets, the progress and impact of our targets are outlined below. It is important to mention that we initiated this pursuit of sustainability metrics in 2019, and the timeframe for achieving and developing these targets extends until 2024.

Item	Target	Time Target	Achievements as at Financial Year ending 31st March 2023
Home ownership (SDG 8)	10.5% of total loan portfolio	30 September 2024	As of 31st March 2023, the home finance portfolio made up 4.89% of the total loan portfolio. A total of MMK 84.6 bil in home loans with 557 loan accounts were financed (compared to 292, in FY 2022).
Digital solutions (SDG 8)	Enabling customers to operate an account through handheld devices	A pay app was targeted to be developed by 30 September 2020 and this was achieved as targeted. Yearly incremental improvements are now being pursued to ensure that the status moves towards a "super app".	uab bank's digital app (uabpay) was successfully launched in 2020 and it is being developed into a Super app, enabling Customers to conduct their business without being at the Bank branch. The following features have been developed: <ul style="list-style-type: none"> • opening a digital wallet • payments to merchants through QR code • access to all bank accounts • access to all credit and prepaid cards • wallet-to-wallet and account-to-account transfers • Interbank transfers • Bill payments • Mobile top-ups • Cardless deposits and withdrawals • Gold Investment platform Apart from the uabpay app, the uabpay+ was also launched specifically targeted to agents and merchants and this app enables them to receive and reconcile payments. Inter-wallet operability is an on-going process and fund transfers may be made to Citizens Pay, MPT Pay and Mandalay Smart Pay. International Money transfers can be received from RIA Money Transfers. Cash deposits and withdrawals through agents (apart from bank branches) through uabpay+ was successfully developed and launched in 2022. uab Marketplace can be accessed directly on the uabpay app allowing consumers to shop for consumer items online. Digital Gold Investment feature was developed and successfully launched in March 2023 with the aim of allowing small retail investors to make investments in gold easily through a few simple steps.

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Item	Target	Time Target	Achievements as at Financial Year ending 31st March 2023
Financial literacy (SDG 8)	Conduct at least 12 financial literacy sessions or projects per annum to unbanked, underbanked and underserved individuals	30 September 2024	<p>During the FY 2022-2023, financial literacy outreach was continued to educate people on savings and inward remittances. This was successfully undertaken in 15 villages in the Tatkon/ Naypyidaw area, 8 villages in Kyaukpadaung area and 6 villages in the Pokkoku area.</p> <p>At each village, between 10 to 30 villagers attended the sessions and about 625 people were reached through the program.</p>
Financing SMEs (SDG 9)	26% of total loan portfolio	30 September 2024	<p>As of 31st March 2023, SME financing accounted for 8.76% of the total loan portfolio. Within the SME financing category, 16.78% was facilitated through the JICA 2-step loan program, which offers preferential interest rates to lower borrowing costs for these SMEs.</p> <p>We provided financing to 1,286 SMEs in FY 2023 (compared to 1,180 in FY 2022) which not only enable enterprises to thrive but also create job opportunities.</p>
Opening new bank branches to improve access to financial services (SDG 9)	Establish 100 branches covering multiple townships in Myanmar nationwide	30 September 2024	<p>As of 31st March 2023, the Bank expanded its activities by opening 5 new branches in the following regions:</p> <ul style="list-style-type: none"> • Shwe Bo • Myeik • Kale • Mawlamyine • Thanlyin <p>uab bank's branch network reached a total of 84 branches in FY 2023. This growth in the Bank's branch network highlights our diligence to provide accessible financial services across multiple locations nationwide in Myanmar.</p> <p>The bank plans to open 24 new branches in the upcoming financial year.</p>
Training employees and development of talents (SDG 4)	A minimum of 30,000 man-hours of training to be provided each year	30 September 2024	<p>For FY ending 31st March 2023, a total of 60,596 man-hours of training was conducted.</p> <p>Furthermore, throughout FY 2023, a total of 23 students were provided with valuable work experience through internships, and 17 were interned in FY 2022.</p>

Item	Target	Time Target	Achievements as at Financial Year ending 31st March 2023
Trainee schemes (SDG 4)	Conduct Trainee schemes for at least 50 trainees each year	30 September 2024	During FY 2023, 65 individuals went through a 6 month Trainee Scheme in Sales and Banking services
ESG Policy (SDG 3)	To formulate and thereafter implement an ESG policy	Formulation by March 2023. Full implementation by March 2024.	Policy is presently on a work-in-progress basis.
(SDG 3)	Launch bancassurance by financial year 2021	1st phase launched in May 2021 and 2nd phase being launched.	<p>uab bank has partnered with Manulife to offer life insurance protection through the Bank's bancassurance product. This is with effect from January 2021. As a 2nd phase, the Bank is finalizing the negotiation with a General Insurance provider to offer general insurance products through a bancassurance scheme.</p> <p>As at March 2023, bancassurance products offered by the partnership includes:</p> <ul style="list-style-type: none"> • Manulife Education Life • Manulife Protector • Manulife Credit Life Protector • Manulife Critical Illness Care



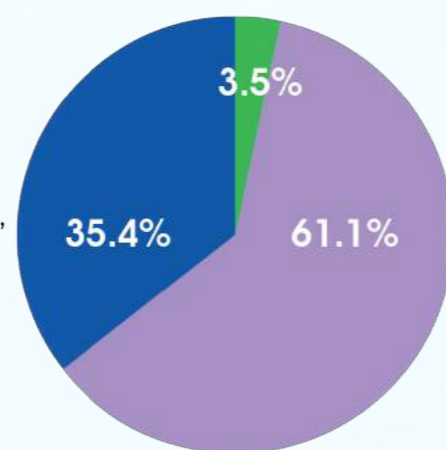
Sustainability Statement

NON-FINANCIAL KPIs

Within its non-financial KPIs, the Bank conducted a carbon footprint analysis. A summary of the carbon footprint report, which provides key measurements on our environmental impact, is as follows:

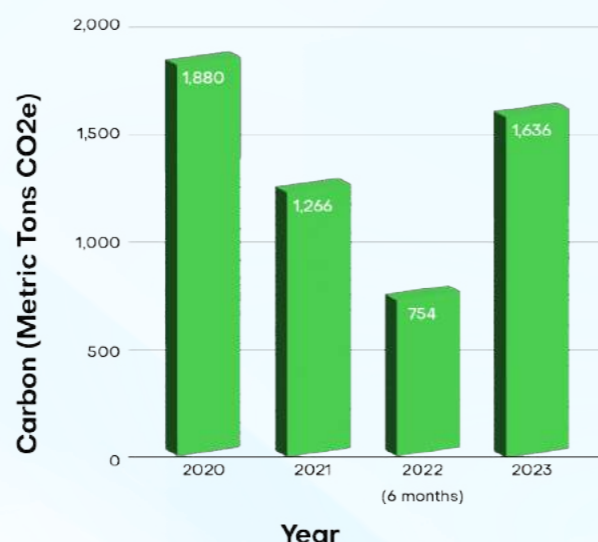
Carbon Footprint (Metric Tons of CO₂e)

- Scope 1** Emissions from petrol usage in transportation and generators
- Scope 2** Emissions from electricity usage at the Head Office, all branches, and other owned facilities
- Scope 3** Emissions from petrol usage in rented ferry buses for employees



In FY 2023, the total carbon footprint of the Bank's operations is 1,636 metric tons of CO₂e. To gain a comprehensive understanding, the carbon footprint can be analyzed across different scopes and years.

- Scope 1, direct emissions from petrol used for transportation and generators employed at the Head Office and all branches, accounted for 1,000.15 metric tons of CO₂e (61.1% of the Bank's total carbon footprint).
- Scope 2, indirect emissions from the bank's entire operations' electricity use, generated by local electricity supply corporations, resulted in 578.59 metric tons of CO₂e (35.4% of the total carbon footprint).
- Scope 3, indirect emissions generated from energy consumption of other rented facilities such as ferry buses for employees, accounted for 57.34 metric tons of CO₂e (3.5% of the total carbon footprint).



In FY 2022 (covering 6 months), the carbon footprint was 754 metric tons of CO₂e. In FY 2021, the total carbon footprint was 1,266, while in FY 2020, it was 1,880. The carbon footprint of the Bank remains relatively low over the continuum of years due to the nature of the banking industry and its emphasis on digital transformation in operations, when compared to other industries such as manufacturing, mining, or construction, which often generate higher carbon emissions within the region.

In its sustainability targets, the Bank incorporates several other non-financial KPIs, and a summarized overview of the relevant non-financial KPIs is provided below:

TOPIC AND SOCIAL ISSUES	FINANCIAL YEAR ENDING 31ST MARCH 2023 (FY 2023)	IMPACT
I Opportunity Employment (gender, age)	Total employees: 1,904 • Male: 858 • Female: 1,046 By age • 18-30 years: 905 • 31-40 years: 683 • 41-50 years: 239 • above 51 years: 77 Promotions awarded for FY 2023 totaled 195 staff out of which: • Male: 60 • Female: 135 Staff with job grades of Vice President and above: • Male: 12 • Female: 17	The Bank ensures that there is equal opportunity in gender, age and promotional opportunities. Over FY 2023, there was generally a satisfactory balance in the provision of equal opportunity. The 2023 Annual Report includes a dedicated Human Capital Report that provides comprehensive insights
Employee Engagement	An Employee Satisfaction survey published on 6th September 2022 produced the following results: 1. Number of respondents: 1,048 (54.97% of white-collar work force) 2. Score: 5.42 on a 7-point Likert Scale (77.43%) In 2022, the Bank has once again been listed under "Best Companies to work in Myanmar – Employee's Choice" https://www.jobnet.com.mm/bcim , following its previous listing in 2020.	The positive influence of employee satisfaction, as reflected by the good score, contributed to the Bank's financial performance. In FY 2023, the Net Profit per Employee improved to MMK 12 million per employee compared to MMK 11.6 million (annualized), in FY 2022. A fresh employee satisfaction survey is due to be published in last quarter of 2023.
Employee Turnover Rate (%)	Employee turnover amongst operating staff was 23.6% in FY 2023.	Employee turnover was higher in FY 2023 and it reflected the market as the economy improved and business sought skilled talent. A larger migration of skilled labour out of Myanmar was observed in FY 22 and FY 23 due political turbulence.
Absenteeism Rate (%)	Absenteeism Rate (%): 0.26% (Absenteeism is the unexcused leave measured against the working days in the period)	The absenteeism rate of 0.26% for FY2023 which was a slight decrease compared to 0.29% in the previous financial year, indicating a continued satisfactory employee engagement.
Fatality Rate (%)	0% fatality rate	The fatality rate for FY 2022 was Nil with no deaths reported and within the Bank's target of zero fatalities. Given that the Bank is in the Service industry and not in an industrial or manufacturing environment, the accident and fatality will be low.

TOPIC AND SOCIAL ISSUES	FINANCIAL YEAR ENDING 31ST MARCH 2023 (FY 2023)	IMPACT
Frequency Rate for Accidents (number)	15 accidents occurred, mainly car accidents. The accidents were reported to be minor. There were no fatal injuries during FY2023.	For the 7th consecutive year, the bank has consistently organized appraisal and career development sessions,
Training (number)	Total man hours of training provided: 60,596 hours. Number of staff who attended training sessions: 1,904	The training hours increased to 60,596 man-hours compared to 35,800 hours in the previous year.
Career Development/ Appraisal (number)	In FY 2023, two (2) performance appraisals were conducted. All confirmed employees of the Bank were appraised. As part of career development and succession, 195 employees were promoted based on their performance over FY 2023.	For the 7th consecutive year, the bank has consistently organized appraisal and career development sessions,
Health & Safety	The Health & Safety Policy was reviewed and made available in our website: (https://www.uab.com.mm/governance/governing-policies/) Each year, the Bank's Administration Department conducts a comprehensive survey of branch physical maintenance. Based on the survey findings, recommendations are presented to the Management regarding necessary physical improvements. The surveys for FY 2023 have been completed. Several health benefits are made available to employees including: <ul style="list-style-type: none"> Welfare grant of MMK 100,000 for major surgery Paid leave of up to 6 months for prolonged illness 30 days of paid medical leave Work Life Balance Maternity leave Further, as a part of our initiative to support work life balance, we offer flexible working hours, sabbatical leaves, extended maternity leaves et al	The frequency and fatality rates for FY 2023 have been provided in the report above and they remain acceptable with no fatal injuries.

More details of our environmental impact is as below:

Environmental issues	
Waste	<p>One of the largest sources of waste in the Bank is paper and to discourage the use of paper, the Bank has undertaken a digital exercise with the following policy development:</p> <ul style="list-style-type: none"> Cloud based storage vs the conventional way of paper storage All communications between staff are now done via email. Electronic submission of credit proposals, expenditure approvals, leave request and formation of digital registers Central printing and e-fax Re-engineering to reduce paper applications and forms at branch counters <p>Printing paper expenditure:</p> <ul style="list-style-type: none"> FY ending 30th Sept 2020 = MMK 41,733,825 FY ending 30th Sept 2021 = MMK 23,013,837 FY ending 31st Mar 2022 = MMK 7,117,869 (6 months) FY ending 31st Mar 2023 = MMK 35,844,403 <p>As at 28th Feb 2022, two major projects namely a Loan Origination System and Human Resource Management System had been launched and this is expected to further reduce the use of paper for loan and HR processes. These projects are expected to be completed by 30th Dec 2023.</p>
Energy	<p>Electricity expenditure</p> <ul style="list-style-type: none"> FY ending 30th Sept 2019 = MMK 258,858,101 FY ending 30th Sept 2020 = MMK 343,629,518 FY ending 30th Sept 2021 = MMK 290,597,476 FY ending 31st Mar 2022 = MMK 144,033,359 (6 months) FY ending 31st Mar 2023 = MMK 323,491,258 <ul style="list-style-type: none"> New increased charges of electricity energy per unit starting from 1st July 2019 by the Ministry of Electricity and Energy saw the increase in cost of electricity At uab Tower where our Head Office staff are centralized, Implemented Central air-conditioning system to reduce electrical consumption Encourage good practice of switching off utilities when not in use The usage of electricity at each of the Bank's 84 branches is being tracked and monitored to develop further strategy to reduce carbon footprint The Management is piloting a project on solar panels at the Bank's branches <p>Petrol expenditure</p> <ul style="list-style-type: none"> FY ending 30th Sept 2019 = MMK 320,747,063 FY ending 30th Sept 2020 = MMK 183,769,514 FY ending 30th Sept 2021 = MMK 193,804,048

Environmental issues	
Energy	<ul style="list-style-type: none"> • FY ending 31st Mar 2022 = MMK 257,688,493 (6 months) • FY ending 31st Mar 2023 = MMK 1,022,079,556 • Significant petrol price increases were seen in FY 2023 which inflated the petrol expenditure. • Adopted a policy of replacing older vehicles with more energy efficient and environmentally friendly vehicles • Together with the above a more vigorous control of use of company cars was implemented. • COVID-19 had some impact with reduction of physical visits and use of internet and phone contact for FY 2020 and 2021. • The usage of petrol in the bank's value chain is being tracked and monitored to develop further strategy to reduce carbon footprint • Electrical powered vehicles are being considered by the Bank
Carbon	<p>Carbon Estimated to have been produced from our electricity and petrol consumption:</p> <ul style="list-style-type: none"> • FY ending 30th Sept 2020 = 1,880 metric tons • FY ending 30th Sept 2021 = 1,266 metric tons • FY ending 31st Mar 2022 = 754 metric tons (6 months) • FY ending 31st Mar 2023 = 1,636 metric tons • The consumption reduced in FY 2021 due to higher work-from-home schedules by employees as a result of the COVID-19 pandemic and political situation <p>In FY 2023, the carbon footprint is categorized into three scopes. Scope 1 which includes direct emissions from petrol usage in transportation and generators, Scope 2 includes indirect emissions from the bank's total operations' electricity usage generated by local electricity supply corporations, and Scope 3 indirect emissions generated from energy consumption of other rented facilities such as ferry buses for employees.</p> <ul style="list-style-type: none"> • Scope 1 = 1000.15 metric tons of CO₂e (61.1% of total carbon footprint) • Scope 2 = 578.59 metric tons of CO₂e (35.4% of total carbon footprint) • Scope 3 = 57.34 metric tons of CO₂e (3.5% of total carbon footprint) <p>Several steps are being taken with regard to Waste, Electricity and Petrol consumption (as stated above) to minimise the Bank's carbon footprint.</p>

Water	<p>Water</p> <ul style="list-style-type: none"> • FY ending 30th Sept 2019 = MMK 3,294,350 • FY ending 30th Sept 2020 = MMK 4,233,561 • FY ending 30th Sept 2021 = MMK 1,994,207 • FY ending 31st Mar 2022 = MMK 1,621,050 (6 Months) • FY ending 31st Mar 2023 = MMK 5,350,500 • Controls are being implemented to moderate usage of water. • With drinking water, we have reduced the use of smaller plastic water bottles with water dispensers using larger reusable plastic bottles. • At the new Head Office, uab Tower @Times City and newly renovated branches, eco-friendly toilet flushes have been installed
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OUR COMMITMENT

Our 5-year strategic plan is based on uab bank's longer-term vision as a socially responsible financial services provider. No poverty, zero hunger, good health and well-being of all people are some of the aims of the United Nations Sustainable Development Goals (SDGs). The 17 SDGs are interrelated, and the Bank looks to contribute to the achievement of the goals.

Among the 17 SDGs, uab bank has chosen to focus on 4 SDGs in which we can meaningfully contribute and have the most impact. 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.



SOCIETAL RESPONSIBILITIES

Several societal responsibilities have been acted upon and they include:

FINANCING ACTIVITY

As the Bank primarily engages in lending activities, we recognize that some customer activities may have negative environmental impacts. To strengthen our commitment towards sustainability, we have implemented an EXCLUSION LIST, which lists down sectors that do not fit our beliefs and values. By excluding these sectors from our lending and financing activities, we aim to minimize the negative

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environmental impacts associated with them. The following are the list of sectors that have been listed in exclusion list:

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

By delineating these sectors in our exclusion list, we ensure that our lending and financing activities are in line with our commitment to sustainability and responsible banking practices.

PRODUCT RESPONSIBILITY

uab bank has formulated and implemented a Product Responsibility Statement. According to this statement, we uphold the following principles when designing and launching our products:

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

The Management Product Committee is responsible for overseeing all aspects of product development and performance. The Bank offers a diverse range of products,

including deposits, loans, remittances, payment apps, cards, and bancassurance. Detailed information about these products can be found on our website. To access the most recent Product Responsibility Statement, please visit: <https://www.uab.com.mm/governance/governing-policies/>

SUPPLY CHAIN MANAGEMENT

As part of our supply chain management strategy, we have implemented the Vendor Code of Conduct, which mandates that vendors adhere to laws pertaining to human rights, environmental regulations, anti-bribery measures, and more. The Vendor Code of Conduct outlines our expectations of vendors in their pursuit of sustainability.

The management team is also exploring options to streamline the supply chain by establishing direct relationships with producers, allowing them to attain profits while we maintain cost control. Vendors are required to comply with the Bank's Code of Ethics, which can be accessed on our website. To access the most recent Vendor Code of Conduct, please visit: <https://www.uab.com.mm/governance/governing-policies/>

PHILANTHROPIC ACTIVITIES

Over the period between 1st April 2022 to 31st March 2023, the Bank made significant contributions with a total sum of MMK 434,485,628 for the donations and philanthropic activities through the uab Foundation and "Be the Change Myanmar" program. These programs encompass a wide range of charitable endeavors, including the donation of computer sets, donations and support for orphanages, childrens and senior citizens, Covid vaccinations for uabians, and the extensive provision of rice and nourishment donations to several vulnerable places. By delivering these philanthropic

activities, we aim to make a positive difference in the lives of individuals and communities in need.

Much of the effort over the last 3 financial years has been towards fighting the COVID-19 pandemic and the above was on top of the contributions of MMK 216,094,070 made in the previous financial year.

A latest Statement on Donations and Charitable Contributions can be found at: <https://www.uab.com.mm/governance/governing-policies>

NON-FINANCIAL ACTIVITY CUSTOMER HEALTH AND SAFETY

Given the nature of our banking operations, the products we offer to customers generally have a minimal adverse impact on their health and safety.

Considering the ongoing COVID-19 situation, we maintained precautionary measures throughout FY 2023, including the encouragement of face mask usage, hand sanitization, and availability of leave for employees with COVID like symptoms.

Throughout FY 2023, there were no recorded instances or complaints of customer injuries. To improve customer safety, security guards at our premises receive regular reminders to uphold security measures, and security cameras are routinely monitored.

In the event of an accident, we promptly report it through the Bank's Operational Incident Reporting system, and necessary actions are taken in a timely manner.

CARING FOR THE PEOPLE AND THE ENVIRONMENT

We remained true to our dedication and supported customers in need and their seamless and safe access to financial services and solutions. As we adapt to the economic realities in the last 3 years, we placed emphasis on preserving employee well-being and productivity in the face of the pandemic and its associated impact. We ensured everyone was connected, engaged, and aligned to keep the business moving forward. Caring for our people during uncertainty is important as we tide through the difficult time together. At uab, we believe in giving back to the community we serve. Through our uab Foundation, we are committed to providing financial assistance and support to underserved and impacted communities in times of need. In our effort to protect and care for the environment, uab bank is committed to reduce the use of energy, carbon emissions, paper consumption, water discharge et al. and is moving towards optimizing its digital platform to this end. Additionally, in our lending and financing activities, we have established an exclusion list to avoid supporting sectors and activities that may have negative environmental impacts. We strive to make meaningful positive impacts on the environment and the people and will continue to do so in the future.

ETHICS AND INTEGRITY

The Board has established a Code of Conduct, setting out the standards of behavior that are expected of all employees of uab as well as the Board in terms of engagement with customers, business associates, regulators, colleagues and other stakeholders. Further, the Code of Conduct provides guidance in areas where employees may need to make personal and ethical decisions. In addition to providing guidance, the Code of Conduct makes references to specific Group Policies and Procedures relating to

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conflicts of interest, bribery, corruption, money laundering/counter-financing of terrorism, customer management, whistle blowing and fraud management.

The risk and compliance culture is also driven by a strong tone from the top which serves as the foundation upon which robust enterprise wide risk management structure and governance are built. This is to ingrain the expected values and principles of conduct that shape the behavior and attitude of employees at all levels of business and activity across the Group. Risk management is a core responsibility of the respective businesses and operating units. More so, it is the responsibility of every employee.

For the uab bank's Code of Ethics, please visit:
<https://www.uab.com.mm/governance/code-of-ethics>

Key policies adopted by the Bank include:

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



Details on each of our governing policies can be found on our website:
<https://www.uab.com.mm/governance/governing-policies>

OPERATIONAL INCIDENT REPORTING MECHANISM

During FY 2023, the Bank's Disciplinary Committee addressed 33 cases involving disciplinary actions resulting from complaints and violations of the Code of Ethics and other Bank policies.

Our Approach to Monitoring and Reporting Incidents, Complaints, and Policy Breaches:

- Compliance Officers are designated at all branches and head office departments. Their responsibilities encompass monitoring and adherence to all Bank policies and

procedures.

- The Bank has implemented an Incident Reporting process, aligning with the recommendations of the Basel Standards. This process mandates that Compliance Officers and Section Heads report all operational incidents and policy breaches to the Risk & Compliance Department and Operations Department at Head Office within 24 hours. Incidents are then subsequently escalated to the relevant supervisors.
- In addition, the Bank provides various channels to receive complaints from customers and stakeholders, including the

- Call Centre
- Email: info@uab.com.mm
- Facebook Messenger
- Branch counters, and
- Whistleblowing email wb@uab.com.mm or SMS on 09 44 44 36 309

- Each incident reported through these channels is captured within the Incident Reporting mechanism.
- Reported incidents are escalated to the relevant supervisors, and if they involve breaches of the Code of Ethics or misconduct, they are handled by the Disciplinary Committee.
- The Risk & Compliance Department, through the Bank's Compliance Officer, reports all incidents to the Management Committee and the Board Risk Committee. The closure of all reported incidents is also monitored.
- Employees are encouraged to report incidents through open communication channels to their supervisors, department heads, or Human Resources Business Partners.
- The Bank ensures confidentiality and provides whistleblowing protection to employees in accordance with the Whistleblower Protection Policy.

ANTI-CORRUPTION PROGRAMMES AND PROCEDURES

The Anti-Bribery and Corruption Policy has been devised and implemented by uab bank, encompassing all activities of the Bank, its subsidiaries, and third-party service providers. With our strong commitment to ZERO TOLERANCE for corruption, we have taken the following steps:

- Raised awareness about these issues in various forums, highlighting their potential impact on the reputation of uab bank.

- Circulated the Anti-Bribery and Corruption Policy and Gift Guidelines to all employees.
- Developed and implemented a Conflict of Interest Policy.
- Established a reporting mechanism, including the implementation of a Whistleblower reporting channel.
- Training and awareness programs on the Anti-Bribery and Corruption Policy are conducted during orientation sessions and various training sessions organized by the Bank.

CENTRAL BANK OF MYANMAR DIRECTIVES

uab bank strives to fulfill all requirements outlined in the Financial Institutions Law and directives issued by the Central Bank of Myanmar. In cases where a stipulation or directive cannot be met, the Bank communicates with the Central Bank, requesting either a waiver or additional time for compliance.

Furthermore, the Bank undergoes inspections conducted by the Central Bank of Myanmar, and the findings of these inspections and audits are reported to the Bank's Board of Directors. Management provides responses and proposals for rectification in response to these findings.

Both external auditors and internal auditors report on the Bank's compliance with laws and regulations, with their findings also reported to the Board of Directors.

To ensure transparency, the Bank submits daily, weekly, monthly, quarterly, semi-annual, and annual statistical reports to the Central Bank, providing an overview of its compliance level.

The financial statements of the Bank are published on its website, allowing stakeholders to access and review them.

STANDARDS ADOPTED

Sustainability Statement



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

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

GRI – This may be downloaded from our website

SASB – This may be downloaded from our website

DATA OVERVIEW

Category	Area Covered	Unit	FY 2020 Data (30 th Sep 2020)	FY 2021 Data (30 th Sep 2021)	FY 2022 Data (31 st Mar 2022)	FY 2023 Data (31 st Mar 2023)
People	Headcount	Number	1,835	1,721	1,756	1,904
	Number of female employees	Number	964	889	921	1,046
	Number of male employees	Number	871	833	835	858
	Female: Male ratio	Ratio	53:47	52:48	52:48	55:45
	Number of employees between 18-30	Number	846	731	746	905
	Number of employees between 31-40	Number	657	670	698	683
	Number of employees between 41-50	Number	259	246	235	239
	Number of employees above 51	Number	73	74	77	77
	Percentage of 18-30 years old in the total number of employees	Percentage	46%	42%	42%	47%
	Percentage of 31-40 years old in the total number of employees	Percentage	36%	39%	40%	36%
	Percentage of 41-50 years old in the total number of employees	Percentage	14%	14%	13%	13%
	Percentage of 51 years old and above in the total number of employees	Percentage	4%	4%	4%	4%
	Number of female employees in Senior Management positions	Number	17	15	14	17
	Number of male employees in Senior Management positions	Number	15	11	11	12
	Number of employees trained	Number	1,800	1,722	1,756	1,904

Category	Area Covered	Unit	FY 2020 Data (30 th Sep 2020)	FY 2021 Data (30 th Sep 2021)	FY 2022 Data (31 st Mar 2022)	FY 2023 Data (31 st Mar 2023)
People	Number of training hours	Number	13,157	22,176	35,774	60,596
	Number of people promoted	Number	312	220	192	195
	Number of female employees promoted	Number	213	132	118	135
	Number of male employees promoted	Number	99	88	74	60
	Number of employees transferred for upskilling	Number	359	400	223	343
	Turnover rate (All Staff)	Percentage	13%	17%	19.7%	23.6%
	Turnover rate of Operational staff (exclude Driver, Cleaner, Security)	Percentage	10.9%	13.4%	15.8%	14.8%
	Absenteeism rate	Percentage	0.23%	0.23%	0.29%	0.26%
	Number of people with disability	Number	1	1	1	0
	Number of accidents	Number	20	7	6	15
Fatality rate	Percentage	Nil	Nil	Nil	Nil	
LTI Frequency rate (LTIFR)	LTI per million manhours	2.68	2.27	3.71	4.15	
Society	Donations	MMK	170.3 million	124.2 million	91.9 million	434.4 million
	Tax	MMK	4.5 billion	4.9 billion	3.2 billion	5.4 billion
	Number of philanthropic causes supported	Number	7	5	4	9
	Number of cases of disciplinary actions taken from complaints and infringement of the Code of Ethics and other Bank Policies	Number	43	8	11	33
Environ- men	Water	MMK	4.2 million	2 million	1.6 million	5 million
	Paper	MMK	42 million	23 million	7 million	36 million
	Electricity energy	MMK	343.6 million	290.6 million	144 million	323 million
	Petrol energy	MMK	183.8 million	193.8 million	257.7 million	1,022 million
	Carbon	metric tons	1,880	1,266	754	1,636



Corporate Information



Board of Director

- Nay Aye
(Non-Executive Chairman & Independent Director)
- Tint Thwin
(Independent Non-Executive Director)
- Win Htein Min
(Independent Non-Executive Director)
- Thant Zin
(Non-Executive Director)
- Christopher Loh
(MD & CEO)

Board Audit Committee

- Nay Aye (Chairman)
- Tint Thwin
- Win Htein Min

Board Credit Committee

- Thant Zin (Chairman)
- Tint Thwin

Board Risk Committee

- Win Htein Min (Chairman)
- Thant Zin
- Tint Thwin

Board Nomination & Remuneration Committee

- Tint Thwin (Chairman)
- Nay Aye
- Win Htein Min

Senior Management

- Christopher Loh
MD & CEO
- Kyawt Kay Khaing
Deputy CEO, uab bank
CEO, uab securities
- George Koshy
Head, Risk & Credit Management
- Mahesh K Bhandari
Head, Global Markets & FI
- Nay Win Maung
Head, Internal Audit & Compliance
- Thandar Htike
Head, Corporate & Investment Banking
- Htay Kyaw Naing
Head, Operations
- Shwe Maung Oo
Head, Technology
- Yin Min Aye
Head, Fintech, Digital & Cards



Head Office

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

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



Auditor

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

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



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



Directors' Report

The Board of Directors have pleasure in presenting their report together with the audited financial statements of the Group and of the bank for the financial year ended 31st March 2023.

Principal Activities

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

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

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

Results

	Group (MMK'mil)	Bank (MMK'mil)
Profit Before Tax	28,189	28,188
Taxation	(5,411)	(5,411)
Profit After Tax for the Period (Attributable to Equity Holders)	22,778	22,777
Retained Earnings (Brought Forward)	32,351	31,684
Adjustments;		
- Transferred to Statutory Reserve (25%)	(5,694)	(5,694)
- Transferred to General Loan Loss Reserve	-	-
- Prior Year Dividend Paid Out	-	-
- Prior Year Adjustments	58	-
Retained Earnings (Carried Forward)	49,536	48,767

*Excluding Non-controlling interest

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

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

Issuance of Shares

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

Share Option Scheme

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

Directors' Report



Directors

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

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

Business Outlook

The key priorities for 2024 include revenue growth across all segments specifically through our greater reach to the Retail and SME segments, focus on attaining cheaper and more diversified funding sources, growing our loan portfolio within our risk appetite, while proactively managing our asset quality, while keeping our capital and liquidity position strong.

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

Other Statutory Information

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

Directors' Report

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

Significant and Subsequent Events

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

On behalf of the Board of Directors

Win Htein Min
Non-Executive Director

Christopher Loh
MD & Chief Executive Officer

Directors' Report



DIRECTORS

Nay Aye	Non-Executive Chairman/Independent Director
Thant Zin	Non-Executive Director
Tint Thwin	Independent Non-Executive Director
Win Htein Min	Independent Non-Executive Director
Christopher Loh Meng Heng	Managing Director & Chief Executive Officer

REGISTERED OFFICE

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

AUDITOR

V Advisory Limited
Certified Public Accountants

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Independent Auditor's Report

Opinion

We have audited the consolidated financial statements of uab bank Limited and its subsidiary (The Group), which comprise the statement of financial position as at 31st March 2023, and the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year ended 31st March 2023, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group are properly drawn up so as to give a true and fair view of the financial position of the Group as at 31st March 2023, and its performance, its changes in equity and its cash flows for the year then ended, in accordance with Myanmar Financial Reporting Standards (MFRSs).

Basis for opinion

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

Key audit matters

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

Other information

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

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

Independent Auditor's Report



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

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

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

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

Report on other legal and regulatory requirements

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

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

Independent Auditor's Report

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

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

Myat Noe Aung
Certified Public Accountant
PAPP Registered No. 196
V Advisory Limited

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

Date: October 2023
Yangon, Myanmar

Consolidated Statement of Financial Positions

as at 31 March 2023



Notes	The Group		The Bank		
	2023	2022	2023	2022	
	MMK'000	MMK'000	MMK'000	MMK'000	
Assets					
Cash and cash equivalents	8	861,425,655	252,076,352	861,384,125	251,656,813
Loan and advances to customers	9	1,579,352,869	1,046,398,905	1,569,506,106	1,036,552,140
Investment securities	10	319,780,000	358,510,000	324,104,000	362,174,000
Property, plant and equipment	11	69,701,027	48,347,945	69,697,306	48,342,630
Right-of-use assets	12	23,321,212	21,743,673	23,321,212	21,743,673
Investment properties	13	-	902,196	-	902,196
Intangible assets	14	245,609	302,852	245,609	281,432
Other assets	15	177,175,197	173,590,084	173,373,075	169,731,824
Total Assets		3,031,001,569	1,901,872,007	3,021,631,433	1,891,384,708
Liabilities					
Deposits and placements with banks	16	40,447,461	23,717,910	40,447,461	23,717,910
Deposits from customers	17	2,104,379,087	1,445,278,805	2,105,816,699	1,445,946,180
Borrowings	18	474,166,829	100,393,588	474,166,829	100,393,588
Other liabilities	19	257,947,151	201,775,654	257,707,490	201,190,483
Lease liabilities	20	4,156,750	3,577,499	4,156,750	3,577,499
Total Liabilities		2,881,097,278	1,774,743,456	2,882,295,229	1,774,825,660
Equity					
Share Capital	21	54,000,000	54,000,000	54,000,000	54,000,000
Reserves	22	36,569,581	30,875,292	36,569,581	30,875,292
Retained earnings		49,536,572	32,350,853	48,766,622	31,683,756
Equity Attributable to Shareholders of the Bank		140,106,153	117,226,145	139,336,203	116,559,048
Non-controlling Interest		9,798,138	9,902,406	-	-
Total Equity		149,904,291	127,128,551	139,336,203	116,559,048
Total Equity and Liabilities		3,031,001,569	1,901,872,007	3,021,631,433	1,891,384,708
Off-Balance Sheet					
Performance Guarantee	23	96,554,368	78,151,935	96,554,368	78,151,935
Contingent Liabilities		154,314	2,850,204	154,314	2,850,204
Other		305,895	-	305,895	-
Commitments		47,196,955	30,738,033	47,196,955	30,738,033
Government Treasury bond		4,170,000	1,750,000	-	-

See accompanying notes to the consolidated financial statements

Authenticated by the Directors:

Win Htein Min
Non-Executive Director

Christopher Loh
MD & Chief Executive Officer

Leong Yang Yang
Head of Finance

Consolidated Statement of Comprehensive Income

for the Year Ended 31 March 2023

	Notes	The Group		The Bank	
		2023	2022	2023	2022
		MMK'000	MMK'000	MMK'000	MMK'000
Interest income	24	168,047,907	64,098,948	167,805,907	63,569,814
Interest expense	25	(109,423,447)	(35,196,280)	(109,500,662)	(35,209,771)
Net interest income		58,624,460	28,902,668	58,305,245	28,360,043
Fee and commission income	26	21,317,485	14,371,645	21,212,792	14,285,446
Other income	27	13,550,880	2,917,515	13,555,126	2,928,447
Operating income		93,492,824	46,191,828	93,073,163	45,573,936
General and administrative expenses	28	(10,248,075)	(2,772,408)	(9,892,604)	(2,664,019)
Personnel expenses	29	(19,601,861)	(8,422,058)	(19,565,855)	(8,401,002)
Operating lease expenses	30	(516,251)	(241,972)	(516,251)	(241,972)
Depreciation and amortisation		(2,049,899)	(1,005,997)	(2,026,885)	(980,063)
Depreciation on Right-of-use assets		(3,039,593)	(1,399,594)	(3,039,593)	(1,399,594)
Other expenses	31	(2,537,330)	(176,480)	(2,532,732)	(153,797)
Finance cost	32	(261,501)	(130,435)	(261,501)	(130,435)
Operating expenses		(38,254,511)	(14,148,944)	(37,835,420)	(13,970,882)
Operating profit before allowance		55,238,314	32,042,885	55,237,743	31,603,054
Less: Allowance for credit and other losses	33	(27,049,496)	(18,650,576)	(27,049,496)	(18,220,437)
Net profit before tax		28,188,818	13,392,309	28,188,247	13,382,617
Taxation	34	(5,411,195)	(3,179,100)	(5,411,091)	(3,175,571)
Net profit after tax		22,777,623	10,213,209	22,777,155	10,207,046
Other comprehensive income		-	-	-	-
Total comprehensive income for the year		22,777,623	10,213,209	22,777,155	10,207,046
Profit for the year attributable to:					
.Shareholders of the Bank		22,821,720	10,214,883	22,777,155	10,207,046
.Non-controlling interest		(44,097)	(1,674)	-	-
		22,777,623	10,213,209	22,777,155	10,207,046

See accompanying notes to the consolidated financial statements

Authenticated by the Directors:

Win Htein Min
Non-Executive Director

Christopher Loh
MD & Chief Executive Officer

Leong Yang Yang
Head of Finance

Win Htein Min
Non-Executive Director

Christopher Loh
MD & Chief Executive Officer

Leong Yang Yang
Head of Finance

Consolidated Statement of Changes in Equity

for the Year Ended 31 March 2023



The Group	Attributable to equity holders of the Bank						Total Equity
	Share Capital	Statutory Reserve	General Loan Loss Reserve	Retained Earnings	Total	Non-controlling Interests	
	(MMK'000)	(MMK'000)	(MMK'000)	(MMK'000)	(MMK'000)	(MMK'000)	
Balance at 1 April 2022	54,000,000	16,008,345	14,866,947	32,350,853	117,226,145	9,902,406	127,128,551
Issued shares	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	22,821,720	22,821,720	(44,097)	22,777,623
Transfer to reserves	-	5,694,289	-	(5,694,289)	-	-	-
Prior year adjustment	-	-	-	58,288	58,288	(60,171)	(1,883)
Dividends	-	-	-	-	-	-	-
Balance at 31 March 2023	54,000,000	21,702,634	14,866,947	49,536,572	140,106,153	9,798,138	149,904,291
Balance at 1 October 2021	54,000,000	13,456,583	40,808,050	23,945,667	132,210,300	9,904,080	142,114,379
Issued shares	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	10,214,883	10,214,883	(1,674)	10,213,209
Transfer to reserves	-	2,551,762	(25,941,103)	(2,551,762)	(25,941,103)	-	(25,941,103)
Prior year adjustment	-	-	-	742,065	742,065	-	742,065
Dividends	-	-	-	-	-	-	-
Balance at 31 March 2022	54,000,000	16,008,345	14,866,947	32,350,853	117,226,145	9,902,406	127,128,551

Authenticated by the Directors:

Consolidated Statement of Changes in Equity

for the Year Ended 31 March 2023

The Bank

	Share Capital	Statutory Reserve	General Loan Loss Reserve	Retained Earnings	Total
	(MMK'000)	(MMK'000)	(MMK'000)	(MMK'000)	(MMK'000)
Balance at 1 April 2022	54,000,000	16,008,345	14,866,947	31,683,756	116,559,048
Issued shares	-	-	-	-	-
Total comprehensive income for the year	-	-	-	22,777,155	22,777,155
Transfer to reserves	-	5,694,289	-	(5,694,289)	-
Prior year adjustment	-	-	-	-	-
Dividends	-	-	-	-	-
Balance at 31 March 2023	54,000,000	21,702,634	14,866,947	48,766,622	139,336,203
Balance at 1 October 2021	54,000,000	13,456,583	40,808,050	23,286,407	131,551,040
Issued shares	-	-	-	-	-
Total comprehensive income for the period	-	-	-	10,207,046	10,207,046
Transfer to reserves	-	2,551,762	(25,941,103)	(2,551,762)	(25,941,103)
Prior year adjustment	-	-	-	742,065	742,065
Dividends	-	-	-	-	-
Balance at 31 March 2022	54,000,000	16,008,345	14,866,947	31,683,756	116,559,048

Authenticated by the Directors:

Win Htein Min
Non-Executive Director

Christopher Loh
MD & Chief Executive Officer

Leong Yang Yang
Head of Finance

Consolidated Statement of Cash Flow

for the Year Ended 31 March 2023



	The Group		The Bank	
	2023	2022	2023	2022
	MMK'000	MMK'000	MMK'000	MMK'000
Cashflows from operating activities				
Profit before tax	28,188,818	13,392,309	28,188,247	13,382,617
Adjustment				
Prior year adjustment	-	-	-	-
Depreciation & amortisation expenses	2,049,899	1,005,997	2,026,885	980,063
Depreciation expenses of Right-of-use assets	3,039,593	1,399,594	3,039,593	1,399,594
Impairment on loan	21,965,275	8,915,670	21,965,275	8,915,670
Net gain on disposal of fixed assets	(204,868)	(274,901)	(204,868)	(274,455)
Write off fixed asset	9,895	38,752	9,895	38,752
Finance cost	261,501	130,435	261,501	130,434
Lease adjustment- other income	59,445	-	59,445	-
Changes in				
Loan and advances	(532,953,964)	(125,542,159)	(532,953,966)	(126,222,298)
Other assets	(4,577,204)	(60,327,232)	(4,631,682)	(59,848,624)
Deposit from customers	675,829,833	250,568,448	676,600,071	250,625,942
Other liabilities	34,179,788	35,995,542	34,525,403	35,684,745
	227,848,011	125,302,455	228,885,798	124,812,441
Income tax paid	(4,381,222)	(2,235,990)	(4,381,000)	(2,160,000)
Net cash from (used in) operating activities	223,466,789	123,066,465	224,504,798	122,652,441
Cashflows from investing activities				
Acquisition of property, plant and equipment	(22,364,246)	(963,594)	(22,364,246)	(962,538)
Acquisition of Right-of-use assets	(3,286,110)	(384,390)	(3,286,110)	(384,390)
Disposal of fixed assets	223,695	1,243,560	223,695	1,242,495
Repayment of lease liability	(1,067,815)	(448,388)	(1,067,815)	(448,388)
Acquisition of Intangible asset	(126,250)	(76,154)	(126,250)	(76,154)
Investment in Government treasury bonds	38,730,000	-	38,070,000	-
Net cash used in investing activities	12,109,273	(628,966)	11,449,273	(628,974)
Cashflows from financing activities				
Issue of share capital	-	-	-	-
Dividend paid	-	-	-	-
Borrowings /repayment of loan	373,773,241	(58,606,412)	373,773,241	(58,606,412)
Net cash from financing activities	373,773,241	(58,606,412)	373,773,241	(58,606,412)
Net increase/(decrease) in cash and cash equivalents	609,349,303	63,831,087	609,727,312	63,417,055
Cash and cash equivalents at beginning of the year	252,076,352	188,245,265	251,656,813	188,239,759
Cash and cash equivalents at end of the year	861,425,655	252,076,352	861,384,125	251,656,813

Authenticated by the Directors:

Win Htein Min
Non-Executive Director

Christopher Loh
MD & Chief Executive Officer

Leong Yang Yang
Head of Finance

Notes to the Consolidated Financial Statements

for the Year Ended 31 March 2023

1 General

uab bank Limited and its subsidiary (The Group) is a Private Bank Limited incorporated and domiciled in Myanmar and has its registered office at No(3), Bank Development Zone, Corner of Kyaing Tone Road and Mawlamyine Road, Oaktaya Thiri Township, Nay Pyi Taw, Myanmar. The Directorate of Investment and Company Administration (DICA) has issued incorporation certificate to the Bank on 14 June 2010 as per Registration No.390/2010-2011 under The Myanmar Companies Act. The Group has renewed its incorporation certificate under new Myanmar Companies Law 2017 and obtained new registration certificate number 189354002. The banking business were operated under License No. MaVaBa/ PaBa(R) 14/8/2016 issued by the Central Bank of Myanmar (CBM) on 24 August 2016 under Section 14(A) of Financial Institutions of Myanmar Law (2016). The principal activities of the Bank are to carry out the domestic remittance business and other financial services subject to the approval of the CBM. On 25 November 2011, the Bank was granted an Authorised Dealer Licence No. CBM, FE MD (78/2011) to carry out banking business in both local and foreign currencies. The Bank is currently operating with Eighty three (83) branches in total in widespread locations in Myanmar as the Bank opens the two new branches, Kalay branch and Thanlyin branch during the year.

2 Summary of Significant Accounting Policies

2.1 Accounting Period

The accounting year is from 1 April 2022 to 31 March 2023, the financial year under the existing Law of Myanmar. Balances of 31 March 2022 and transactions occurred for the financial period from 1 October 2021 to 31 March 2022 in this report are for purpose of comparison only.

2.2 Opening Balances as at 1 April 2022 are carried forward from the financial statements for the financial year ended 31 March 2022, audited by V Advisory Limited (Certified Public Accountants).

2.3 Basis of Accounting

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

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

Notes to the Consolidated Financial Statements

for the Year Ended 31 March 2023



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

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

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

2.3 Basis of Accounting (continued)

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

2.4 Financial Assets

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

2.4.1 Effective Interest Method

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

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

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2.4.2 Loans and Receivables

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

2.4.3 Impairment of Financial Assets

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

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

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

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

2.4.3 Impairment of Financial Assets (continued)

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

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

Credit Quality

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

(i) Performing Loans

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

(ii) Non-Performing Loans

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

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

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

Notes to the Consolidated Financial Statements

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

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

2.4.4 Derecognition of Financial Assets

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

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

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

2.5 Financial Liabilities

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

2.5.1 Other Financial Liabilities

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

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

2.5.2 Financial Guarantee Contracts

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

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

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

2.5.3 Derecognition of Financial Liabilities

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

2.6 Financial Instruments

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

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

2.7 Property, Plant and Equipment

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

Freehold land is not depreciated.

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

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

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

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

2.8 Investment Property

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

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

2.8 Investment Property (Continued)

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

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

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

2.9 Intangible Assets

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

2.10 Cash and Cash Equivalents

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

2.11 Impairment of Tangible and Intangible Assets other than Goodwill

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

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

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

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

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

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

2.12 Provisions

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

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

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

2.13 Taxation

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

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2.13.1 Current Tax

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

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

2.13.2 Deferred Tax

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

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

2.13.2 Deferred Tax (Continued)

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

2.13.3 Current and Deferred Tax for the Year

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

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

2.14 Capital and Equity Instruments

2.14.1 Classification as Debt or Equity

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

2.14.2 Equity Instruments

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

2.15 Revenue Recognition

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

2.15.1 Interest Income and Expense

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

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2.15.2 Fees and Commission Income

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

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

2.16 IFRS 16 Leases

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

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

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

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

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

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2.17 Foreign Currency Translations

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

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

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

3 Critical Accounting Judgments and Key Sources of Estimation Uncertainty

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

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

3.1 Critical Judgments in Applying Accounting Policies

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

3.2 Key Sources of Estimation Uncertainty

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

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3.2.1 Impairment Losses on Loans and Advances

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

3.2.2 Useful Life of Property, Plant and Equipment

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

4 Financial Instruments

4.1 Categories of Financial Instruments

	The Group		The Bank	
	2023	2022	2023	2022
	MMK'000	MMK'00	MMK'000	MMK'000
Loans and receivables	1,899,132,869	1,404,908,905	1,893,610,106	1,398,726,140
Financial liabilities	2,618,993,377	1,569,390,303	2,620,430,989	1,570,057,678

4.2 Fair Value of Financial Assets and Liabilities

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

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

5 Financial Risk Management

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

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

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

5.1 Credit Risk

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

5.1 Credit Risk (continued)

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

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

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

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

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5.1.1 Maximum Exposure to Credit Risk

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

	The Group		The Bank	
	2023	2022	2023	2022
	MMK'000	MMK'000	MMK'000	MMK'000
Cash and cash equivalents	861,425,655	252,076,352	861,384,125	251,656,813
Loan and advances	1,579,352,869	1,046,398,905	1,569,506,106	1,036,552,140
Investment securities	319,780,000	358,510,000	324,104,000	362,174,000
Other assets	177,175,197	173,590,084	173,373,075	169,731,824
	2,937,733,721	1,830,575,341	2,928,367,306	1,820,114,777
Off-balance sheet				
Performance guarantee	96,554,368	78,151,935	96,554,368	78,151,935
Contingent liabilities	154,314	2,850,204	154,314	2,850,204
Other	305,895	-	305,895	-
Commitments	47,196,955	30,738,033	47,196,955	30,738,033
Government Treasury bond	4,170,000	1,750,000	-	-
	148,381,532	113,490,172	144,211,532	111,740,172
Total maximum exposure to credit risk	3,086,115,253	1,944,065,513	3,072,578,838	1,931,854,949

5.1.1 Maximum Exposure to Credit Risk (continued)

Collateral and Other Credit Enhancements

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

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

- Charges over land and buildings
- Charges over plant and machinery

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

5.1.2 Credit Risk by Industry

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

	The Group		The Bank	
	2023 MMK'000	2022 MMK'000	2023 MMK'000	2022 MMK'000
Agricultural	2,468,089	1,140,147	2,468,089	1,140,147
Livestock	7,306,614	853,024	7,306,614	853,024
Manufacturing	189,005,333	109,927,235	189,005,333	109,927,235
Trading	701,561,703	414,172,539	701,561,703	414,172,539
Transportation	22,915,404	18,096,492	22,915,404	18,096,492
Construction	183,176,268	158,867,170	183,176,268	158,867,170
Service	269,692,991	249,934,488	269,692,991	249,934,488
Housing loan	78,128,385	29,007,726	78,128,385	29,007,726
Pledge	70,133,850	591,900	70,133,850	591,900
Credit life loan	592,197	71,547	592,197	71,547
Hire purchase	4,925,515	8,917,531	4,925,515	8,917,531
Staff loan	1,383,504	906,684	1,383,504	906,684
General	72,649,679	43,353,475	61,899,679	32,603,475
Loans to other banks	-	31,334,000	-	31,334,000
Credit cards	3,327,578	2,345,264	3,327,578	2,345,264
Total	1,607,267,111	1,069,519,222	1,596,517,111	1,058,769,222

5.1.3 Credit Quality of Loans and Advances

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

Notes to the Consolidated Financial Statements

for the Year Ended 31 March 2023



5.1.3 Credit Quality of Loans and Advances (continued)

The Group

Classification of loans & advances	Days past due	Provision on shortfalls in security value	2023			2022		
			NPL * loans & advances	Interest in suspense	Valuation of security	NPL * loans & advances	Interest in suspense	Valuation of security
Standard	30	0%	1,254,837,674	-	1,264,759,846	729,903,990	-	901,093,899
Watch	31-60	5%	86,528,171	-	52,246,063	97,481,904	-	135,012,980
	61-90	25%	50,649,279	-	40,832,814	62,496,005	-	83,528,340
Doubtful	91-180	50%	6,774,561	-	9,026,326	19,009,895	2,476,396	20,998,070
	over 180	100%	208,477,427	49,382,863	110,183,747	129,293,420	111,047,598	74,075,390
Loss			1,607,267,111	49,382,863	1,477,048,794	1,038,185,214	113,523,994	1,214,708,679
Gross NPL %			= 6.59%			8.57%		

The Bank

Classification of loans & advances	Days past due	Provision on shortfalls in security value	2023			2022		
			NPL * loans & advances	Interest in suspense and claim A/c balance	Valuation of security	NPL * loans & advances	Interest in suspense and claim A/c balance	Valuation of security
Standard	30	0%	1,244,087,674	-	1,264,759,846	719,153,990	-	901,093,899
Watch	31-60	5%	86,528,171	-	52,246,063	97,481,904	-	135,012,980
	61-90	25%	50,649,279	-	40,832,814	62,496,005	-	83,528,340
Doubtful	91-180	50%	6,774,561	-	9,026,326	19,009,895	2,476,396	20,998,070
	over 180	100%	208,477,427	49,382,863	110,183,747	129,293,420	111,047,598	74,075,390
Loss			1,596,517,111	49,382,863	1,477,048,794	1,027,435,214	113,523,994	1,214,708,679
Total NPL % =			6.63%			8.66%		

Notes to the Consolidated Financial Statements

for the Year Ended 31 March 2023

The Group	2023		2022	
	MMK'000		MMK'000	
	Loans & advances	Investment securities	Loans & advances	Investment securities
Neither past due nor impaired	1,254,837,674	319,780,000	729,903,990	358,510,000
Past due but not impaired	137,177,450	-	159,977,909	-
Individually past due and impaired	215,251,988	-	148,303,315	-
	1,607,267,111	319,780,000	1,038,185,214	358,510,000

The Bank	2023		2022	
	MMK'000		MMK'000	
	Loans & advances	Investment securities	Loans & advances	Investment securities
Neither past due nor impaired	1,244,087,674	324,104,000	719,153,990	362,174,000
Past due but not impaired	137,177,450	-	159,977,909	-
Individually past due and impaired	215,251,988	-	148,303,315	-
	1,596,517,111	324,104,000	1,027,435,214	362,174,000

5.2 Liquidity Risk

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

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

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

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

Notes to the Consolidated Financial Statements

for the Year Ended 31 March 2023



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

	The Group		The Bank	
	2023	2022	2023	2022
	MMK'000	MMK'000	MMK'000	MMK'000
	42.14%	37.78%	41.63%	36.90%

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

5.2.1 Maturity Analysis

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

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

Notes to the Consolidated Financial Statements

for the Year Ended 31 March 2023

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

The Group		The Bank	
2023	2022	2023	2022
MMK'000	MMK'000	MMK'000	MMK'000
42.14%	37.78%	41.63%	36.90%

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

5.2.1 Maturity Analysis

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

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

Notes to the Consolidated Financial Statements

for the Year Ended 31 March 2023



5.2.1 Maturity Analysis

The Group	On demand or less than 3 months	3 to 12 months	Over one year	No specific Maturity	Total
	(MMK'000)	(MMK'000)	(MMK'000)	(MMK'000)	(MMK'000)
2023					
Assets					
Cash and cash equivalents	861,425,655	-	-	-	861,425,655
Loan and advances to customers	732,115,850	440,530,862	418,954,658	15,665,741	1,607,267,111
Investment Securities	-	-	319,450,000	330,000	319,780,000
Other assets	104,774,614	65,387,893	1,534,213	5,475,299	177,172,020
	1,698,316,119	505,918,756	739,938,872	21,471,040	2,965,644,786
Liabilities					
Deposit from banks	40,315,815	19,607	112,039	-	40,447,461
Deposit from customers	1,072,903,049	270,950,336	745,607,735	14,917,968	2,104,379,087
Other liabilities	656,026,660	5,639,379	70,447,942	4,156,750	736,270,730
	1,769,245,524	276,609,322	816,167,716	19,074,717	2,881,097,278
On-Balance Sheet					
Liquidity Gap	(70,929,405)	229,309,434	(76,228,844)	2,396,323	84,547,508
Off-balance sheet					
Performance Guarantee	72,099	-	14,809,490	-	14,881,588
Contingent liabilities	-	-	-	-	-
Commitments	47,196,955	-	-	-	47,196,955
Government Treasury bond	-	-	4,170,000	-	4,170,000
Off-balance sheet					
Liquidity Gap	47,269,054	-	18,979,490	-	66,248,543
Net Liquidity Gap	(118,198,458)	229,309,434	(95,208,334)	2,396,323	18,298,964

Notes to the Consolidated Financial Statements

for the Year Ended 31 March 2023

	On demand or less than 3 months	3 to 12 months	Over one year	No specific Maturity	Total
2022	(MMK'000)	(MMK'000)	(MMK'000)	(MMK'000)	(MMK'000)
Assets					
Cash and cash equivalents	252,076,324	4	23	-	252,076,351
Loan and advances to customers	276,810,884	307,087,783	274,325,081	211,295,474	1,069,519,222
Investment Securities	-	660,000	357,520,000	330,000	358,510,000
Other assets	81,685,809	86,454,477	3,738,683	1,711,115	173,590,084
	610,573,017	394,202,264	635,583,787	213,336,588	1,853,695,657
Liabilities					
Deposit from banks	23,593,240	18,568	106,102	-	23,717,910
Deposit from customers	666,186,102	211,637,582	552,654,884	14,800,237	1,445,278,805
Other liabilities	173,303,959	5,410,114	123,455,168	-	302,169,242
	863,083,301	217,066,264	676,216,155	14,800,237	1,771,165,957
On-Balance Sheet					
Liquidity Gap	(252,510,284)	177,136,000	(40,632,367)	198,536,352	82,529,700
Off-balance sheet					
Performance Guarantee	694,602	-	19,342,370	-	20,036,972
Contingent liabilities	1,749,765	-	-	-	1,749,765
Commitments	30,738,033	-	-	-	30,738,033
Government Treasury bond	-	-	1,750,000	-	1,750,000
Off-balance sheet					
Liquidity Gap	33,182,400	-	21,092,370	-	54,274,770
Net Liquidity Gap	(285,692,684)	177,136,000	(61,724,738)	198,536,352	28,254,930

Notes to the Consolidated Financial Statements

for the Year Ended 31 March 2023



The Bank	On demand or less than 3 months	3 to 12 months	Over one year	No specific Maturity	Total
2023	(MMK'000)	(MMK'000)	(MMK'000)	(MMK'000)	(MMK'000)
Assets					
Cash and cash equivalents	861,384,125	-	-	-	861,384,125
Loan and advances to customers	732,115,850	440,530,862	418,954,658	4,915,741	1,596,517,111
Investment Securities	-	-	317,910,000	6,194,000	324,104,000
Other assets	104,777,766	65,272,292	1,534,213	1,788,803	173,373,075
	1,698,277,741	505,803,155	738,398,872	12,898,544	2,955,378,311
Liabilities					
Deposit from banks	40,315,815	19,607	112,039	-	40,447,461
Deposit from customers	1,073,084,628	272,180,336	745,607,735	14,944,001	2,105,816,699
Other liabilities	656,021,361	5,416,385	70,436,574	4,156,750	736,031,069
	1,769,421,804	277,616,328	816,156,348	19,100,750	2,882,295,229
On-Balance Sheet					
Liquidity Gap	(71,144,063)	228,186,827	(77,757,476)	(6,202,206)	73,083,082
Off-balance sheet					
Performance Guarantee	72,099	-	14,809,490	-	14,881,588
Contingent liabilities	-	-	-	-	-
Commitments	47,196,955	-	-	-	47,196,955
Off-balance sheet					
Liquidity Gap	47,269,054	-	14,809,490	-	62,078,543
Net Liquidity Gap	(118,413,116)	228,186,827	(92,566,966)	(6,202,206)	11,004,538

Notes to the Consolidated Financial Statements

for the Year Ended 31 March 2023

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

Notes to the Consolidated Financial Statements

for the Year Ended 31 March 2023



5.3 Interest Rate Risk

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

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

The interest rates charged or granted by the Bank are determined by a committee with oversight by Board of Directors. These interest rates are set within a band determined by the Central Bank of Myanmar. As at 31 March 2023, the interest rates on loans are subject to the following maximum caps:

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

*Credit usage charges of 13% applies

As at 31 March 2023, the interest rates on deposits are subject to the following minimums:

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

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

Notes to the Consolidated Financial Statements

for the Year Ended 31 March 2023

5.3 Interest Rate Risk (Continued)

The Group

	Within 3 months	3 months to 12 months	Over One year	Non-interest bearing	Total
	(MMK'000)	(MMK'000)	(MMK'000)	(MMK'000)	(MMK'000)
2023					
ASSETS					
Cash and cash equivalents	41,530	-	-	861,384,125	861,425,655
Loans and advances	732,115,850	440,530,862	429,704,658	4,915,741	1,607,267,111
Investment securities	-	840,000	318,610,000	330,000	319,780,000
Other assets	-	64,904,046	-	-	64,904,046
	732,157,380	506,274,908	748,314,658	866,629,866	2,853,376,812
LIABILITIES					
Deposit from banks	15,008,403	19,607	112,039	25,307,412	40,447,461
Deposit from customers	1,072,903,049	270,950,336	745,607,735	14,917,968	2,104,379,087
Borrowings	380,249,311	93,917,518	-	-	474,166,829
	1,468,160,763	364,887,461	745,719,774	40,225,380	2,618,993,378
NET INTEREST RATE GAP	(736,003,383)	141,387,447	2,594,884	826,404,486	234,383,434

	Within 3 months	3 months to 12 months	Over One year	Non-interest bearing	Total
	(MMK'000)	(MMK'000)	(MMK'000)	(MMK'000)	(MMK'000)
2022					
ASSETS					
Cash and cash equivalents	2	4	23	252,076,322	252,076,351
Loans and advances	276,810,884	307,087,783	274,325,081	211,295,474	1,069,519,222
Investment securities	-	660,000	357,520,000	330,000	358,510,000
Other assets	-	81,788,000	-	-	81,788,000
	276,810,886	389,535,787	631,845,104	463,701,796	1,761,893,573
LIABILITIES					
Deposit from banks	7,958	18,568	106,102	23,585,282	23,717,910
Deposit from customers	465,052,968	211,637,582	552,654,884	215,933,371	1,445,278,805
Borrowing	25,000,000	75,393,588	-	-	100,393,588
	490,060,926	287,049,737	552,760,986	239,518,653	1,569,390,303
NET INTEREST RATE GAP	(213,250,040)	102,486,049	79,084,118	224,183,143	192,503,270

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The Bank

	Within 3 months	3 months to 12 months	Over One year	Non-interest bearing	Total
	(MMK'000)	(MMK'000)	(MMK'000)	(MMK'000)	(MMK'000)
2023					
ASSETS					
Cash and cash equivalents	-	-	-	861,384,125	861,384,125
Loans and advances	732,115,850	440,530,862	418,954,658	4,915,741	1,596,517,111
Investment securities	-	-	317,910,000	6,194,000	324,104,000
Other assets	-	64,904,046	-	-	64,904,046
	732,115,850	505,434,908	736,864,658	872,493,866	2,846,909,282
LIABILITIES					
Deposit from banks	15,008,403	19,607	112,039	25,307,412	40,447,461
Deposit from customers	862,170,453	272,180,336	745,607,735	225,858,175	2,105,816,699
Borrowings	380,249,311	93,917,518	-	-	474,166,829
	1,257,428,167	366,117,461	745,719,774	251,165,587	2,620,430,990
NET INTEREST RATE GAP	(525,312,317)	139,317,447	(8,855,116)	621,328,278	226,478,292

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

Notes to the Consolidated Financial Statements

for the Year Ended 31 March 2023

6 Capital Management

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

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

	The Group		The Bank	
	2023 MMK'000	2022 MMK'000	2023 MMK'000	2022 MMK'000
Paid-up capital (Share each @ MMK 500,000)	54,000,000	54,000,000	54,000,000	54,000,000
Capital adequacy ratio (%)	9.27%	11.61%	8.12%	9.87%

The Bank met the minimum capital adequacy ratio requirement 8% set by Central Bank of Myanmar (CBM) as at 31 March 2023, the CAR calculation is based on CBM guidelines.

7 Related Party Transactions

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

7.1 Compensation of Key Management Personnel

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

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

Notes to the Consolidated Financial Statements

for the Year Ended 31 March 2023



	The Group		The Bank	
	2023 MMK'000	2022 MMK'000	2023 MMK'000	2022 MMK'000
Director expenses	264,428	140,238	264,428	140,238
Short term employee benefits	19,316,522	8,275,134	19,280,516	8,254,077
	19,580,950	8,415,372	19,544,944	8,394,315

8 Cash and Cash Equivalents

	The Group		The Bank	
	2023 MMK'000	2022 MMK'000	2023 MMK'000	2022 MMK'000
Cash and balances with Central Bank of Myanmar	524,661,764	84,680,068	524,661,764	84,680,068
Cash and balances with other banks	152,108,051	37,870,162	152,072,187	37,450,977
Cash in hand	184,655,840	129,526,122	184,650,174	129,525,768
	861,425,655	252,076,352	861,384,125	251,656,813

9 Loans and Advances to Customers

	The Group		The Bank	
	2023 MMK'000	2022 MMK'000	2023 MMK'000	2022 MMK'000
Credit cards	3,327,578	2,345,264	3,327,578	2,345,264
Hire purchase	4,925,515	8,917,531	4,925,515	8,917,531
Loans	1,093,788,749	663,154,202	1,083,038,749	652,404,202
Loans and advances to banks	-	31,334,000	-	31,334,000
Overdrafts	501,853,358	361,718,689	501,853,358	361,718,689
Staff loans	3,371,911	2,049,536	3,371,911	2,049,536
Total loans and advances to customers	1,607,267,111	1,069,519,222	1,596,517,111	1,058,769,222
(-) Provision for bad and doubtful debt (SP)	27,914,242	23,120,317	27,011,006	22,217,082
Net loans and advances	1,579,352,869	1,046,398,905	1,569,506,106	1,036,552,140

Notes to the Consolidated Financial Statements

for the Year Ended 31 March 2023

10 Investment Securities

	The Group		The Bank	
	2023 MMK'000	2022 MMK'000	2023 MMK'000	2022 MMK'000
Held to maturity				
Investment in Government Securities(Treasury bonds)	319,450,000	358,180,000	317,910,000	355,980,000
Investment in Government Securities (Treasury bills)	-	-	-	-
Available-for-sales securities				
- Investment in Myanmar Credit Bureau	130,000	130,000	130,000	130,000
- Investment in Myanmar Payment Union	200,000	200,000	200,000	200,000
- Investment in uab securities	-	-	5,864,000	5,864,000
	319,780,000	358,510,000	324,104,000	362,174,000

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

11 Property, Plant & Equipment

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

12 Right-of-use assets

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

Notes to the Consolidated Financial Statements

for the Year Ended 31 March 2023



13 Investment Properties

	The Group		The Bank	
	2023 MMK'000	2022 MMK'000	2023 MMK'000	2022 MMK'000
Balance at the beginning of year	902,196	911,297	902,196	911,297
Addition	-	-	-	-
Depreciation charge	(6,067)	(9,101)	(6,067)	(9,101)
Transferred	(896,129)	-	(896,129)	-
Balance at the end of year	-	902,196	-	902,196
Represented by:				
Cost	1,029,123	1,029,123	1,029,123	1,029,123
Accumulated depreciation	(132,994)	(126,927)	(132,994)	(126,927)
Net carrying amount	896,129	902,196	896,129	902,196
Freehold property	-	-	-	-
Leasehold property	896,129	902,196	896,129	902,196
Balance at the end of year	896,129	902,196	896,129	902,196

14 Intangible Assets

	The Group		The Bank	
	2023 MMK'000	2022 MMK'000	2023 MMK'000	2022 MMK'000
Balance at the beginning of year	302,852	335,631	281,432	289,081
Acquisition	126,250	76,154	126,250	76,154
Transfer/ adjustment	-	-	-	-
Amortised	(183,493)	(108,933)	(162,073)	(83,803)
Balance at the end of year	245,609	302,852	245,609	281,432

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

Notes to the Consolidated Financial Statements

for the Year Ended 31 March 2023

15 Other Assets

	The Group		The Bank	
	2023 MMK'000	2022 MMK'000	2023 MMK'000	2022 MMK'000
Interest receivables	17,323,049	11,043,091	13,738,554	7,458,596
Prepaid and advances	14,858,913	37,320,168	14,754,908	37,217,770
Card receivables	1,303,323	953,875	1,303,323	953,875
Inventories	494,741	310,789	494,741	310,789
Fixed Deposits - 1 year	64,904,046	81,788,000	64,904,046	81,788,000
Others	78,291,125	42,174,161	78,177,503	42,002,794
	177,175,197	173,590,084	173,373,075	169,731,824

16 Deposits and Placements with Banks

	The Group		The Bank	
	2023 MMK'000	2022 MMK'000	2023 MMK'000	2022 MMK'000
Current deposits	25,307,412	23,585,282	25,307,412	23,585,282
Saving deposits	140,049	132,628	140,049	132,628
Fixed deposits	15,000,000	-	15,000,000	-
	40,447,461	23,717,910	40,447,461	23,717,910

17 Deposits from Customers

	The Group		The Bank	
	2023 MMK'000	2022 MMK'000	2023 MMK'000	2022 MMK'000
Current deposits	210,888,141	201,133,134	210,914,175	201,255,049
Saving deposits	473,531,271	524,238,965	473,531,300	524,238,992
Fixed deposits	712,714,457	454,379,282	713,944,457	454,379,282
Call deposits	707,245,218	265,527,424	707,426,767	266,072,857
	2,104,379,087	1,445,278,805	2,105,816,699	1,445,946,180

Notes to the Consolidated Financial Statements

for the Year Ended 31 March 2023



18 Borrowings

	The Group		The Bank	
	2023 MMK'000	2022 MMK'000	2023 MMK'000	2022 MMK'000
Borrowings from CBM (SWAP)	380,249,311	-	380,249,311	-
Borrowings from Foreign Banks in local (Foreign Currency)	-	75,393,588	-	75,393,588
Borrowing from Local Private Banks (Local Currency)	93,917,518	25,000,000	93,917,518	25,000,000
	474,166,829	100,393,588	474,166,829	100,393,588

19 Other Liabilities

	The Group		The Bank	
	2023 MMK'000	2022 MMK'000	2023 MMK'000	2022 MMK'000
Accrued interest payable	13,037,696	8,174,038	13,037,696	8,174,038
Accrued operating expenses	1,143,071	1,524,442	1,128,463	1,504,745
Provision for income taxes	5,416,488	5,406,396	5,416,384	5,406,396
Provision for others	588,555	807,800	576,830	800,000
Sundry creditors	41,332,026	55,897,811	41,332,026	55,897,811
Deferred income	647	9,963	647	9,963
Others	196,428,668	129,955,204	196,215,444	129,397,530
	257,947,151	201,775,654	257,707,490	201,190,483

20 Lease liabilities

	The Group		The Bank	
	2023 MMK'000	2022 MMK'000	2023 MMK'000	2022 MMK'000
Lease liability of Building Lease	2,167,186	1,233,420	2,167,186	1,233,420
Lease liability of Leasing Cars	1,101,722	1,456,383	1,101,722	1,456,383
Lease liability of Dismantlings	887,842	887,696	887,842	887,696
	4,156,750	3,577,499	4,156,750	3,577,499

Notes to the Consolidated Financial Statements

for the Year Ended 31 March 2023

21 Share Capital

	The Group		The Bank	
	2023 MMK'000	2022 MMK'000	2023 MMK'000	2022 MMK'000
Ordinary shares, MMK 500,000 per share				
Issued and fully paid-up				
Beginning of year				
2022 - 108,000 shares; 2021 - 108,000 shares	54,000,000	54,000,000	54,000,000	54,000,000
Shares issued during the year				
2023 - Nil shares ; 2022 - Nil shares	-	-	-	-
Balance at end of year				
2023 - 108,000 shares; 2022 - 108,000 shares	54,000,000	54,000,000	54,000,000	54,000,000

The amount of issued and paid-up capital at 31 March 2023 was MMK 54 billion divided into 108,000 shares at MMK 500,000 each and owned by the following shareholders as per the records filed with the Registrar of companies (Directorate of Investment and Company Administration).

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

Notes to the Consolidated Financial Statements

for the Year Ended 31 March 2023



22 Reserves

	The Group		The Bank	
	2023 MMK'000	2022 MMK'000	2023 MMK'000	2022 MMK'000
Statutory reserve fund				
Opening balance	16,008,345	13,456,583	16,008,345	13,456,583
Addition for the year	5,694,289	2,551,762	5,694,289	2,551,762
Closing balance	21,702,634	16,008,345	21,702,634	16,008,345
Reserve for contingencies				
Opening balance	-	-	-	-
Addition for the year	-	-	-	-
Closing balance	-	-	-	-
General Loan Loss Provision (GP)				
Opening balance	14,866,947	40,808,050	14,866,947	40,808,050
Addition for the year	-	8,915,670	-	8,915,670
Transferred	-	(34,856,773)	-	(34,856,773)
Closing balance	14,866,947	14,866,947	14,866,947	14,866,947
Total	36,569,581	30,875,292	36,569,581	30,875,292

22 Statutory Reserve

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

General Loan Loss Provision

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

Notes to the Consolidated Financial Statements

for the Year Ended 31 March 2023

23 Off-balance sheet

	The Group		The Bank	
	2023	2022	2023	2022
	MMK'000	MMK'000	MMK'000	MMK'000
Performance guarantees	96,554,368	78,151,935	96,554,368	78,151,935
Contingent liabilities	154,314	2,850,204	154,314	2,850,204
Other	305,895	-	305,895	-
Commitment	47,196,955	30,738,033	47,196,955	30,738,033
Government Treasury bond	4,170,000	1,750,000	-	-

Performance Guarantees

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

Contingent Liabilities

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

Commitment (Overdraft - Undrawn Balances)

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

24 Interest Income

	The Group		The Bank	
	2023	2022	2023	2022
	MMK'000	MMK'000	MMK'000	MMK'000
Interest on loans to customers	122,708,561	45,389,935	122,708,561	44,959,414
Interest on money market	12,679,848	2,406,004	12,613,435	2,405,995
Interest on Treasury Bonds and T-bills	32,489,562	16,303,009	32,313,975	16,204,405
Interest income from fund reserve	169,936	-	169,936	-
	168,047,907	64,098,948	167,805,907	63,569,814

Notes to the Consolidated Financial Statements

for the Year Ended 31 March 2023



	The Group		The Bank	
	2023	2022	2023	2022
Interest rate on loans and advances	8% to 14.5%	8% to 14.5%	8% to 14.5%	8% to 14.5%
Interest rate on Government Securities (Five years Treasury Bonds)	7.5% to 9.75%	7.5% to 9.75%	7.5% to 9.75%	7.5% to 9.75%

25 Interest Expenses

	The Group		The Bank	
	2023	2022	2023	2022
	MMK'000	MMK'000	MMK'000	MMK'000
Interest on saving deposit	24,097,980	13,478,335	24,097,980	13,478,336
Interest on call deposit	30,657,465	4,050,431	30,734,680	4,063,921
Interest on fixed deposit	46,200,172	13,605,530	46,200,172	13,605,530
Interest on Inter-bank deposit	141,816	3,881	141,816	3,881
Interest on borrowing	8,326,014	4,058,103	8,326,014	4,058,103
	109,423,447	35,196,280	109,500,662	35,209,771

26 Fees and Commission Income

	The Group		The Bank	
	2023	2022	2023	2022
	MMK'000	MMK'000	MMK'000	MMK'000
Commission on payment order	121,617	56,408	121,617	56,408
Commission on remittance	191,674	151,300	191,674	151,300
Commission on cards	2,225,961	967,017	2,225,961	967,017
Service fees	14,035,409	3,754,346	14,035,409	3,754,346
Commitment fees	411,854	187,232	411,854	187,232
Commission on trade related	3,508,168	8,961,521	3,508,168	8,961,521
Commission on brokerage and IB advisory fees	104,693	86,200	-	-
Commission on others	718,109	207,622	718,109	207,622
	21,317,485	14,371,645	21,212,792	14,285,446

27 Other Income

Notes to the Consolidated Financial Statements

for the Year Ended 31 March 2023

	The Group		The Bank	
	2023 MMK'000	2022 MMK'000	2023 MMK'000	2022 MMK'000
Treasury (Forex) trading income	6,563,736	1,490,113	6,563,636	1,496,910
Extension fees on loans and advances	3,773,210	629,513	3,773,210	629,513
Exchange gain/(loss) on cards	26,889	237,901	26,889	237,901
Disposal gain/(loss) on fixed assets	186,243	305,396	186,243	304,950
Miscellaneous	3,000,802	254,592	3,005,148	259,173
	13,550,880	2,917,515	13,555,126	2,928,447

28 General and Administrative Expenses

	The Group		The Bank	
	2023 MMK'000	2022 MMK'000	2023 MMK'000	2022 MMK'000
Maintenance and repairs	1,398,084	333,796	1,396,685	333,046
Miscellaneous expenses	1,806,315	226,491	1,805,536	226,217
Supplies and services	5,152,027	1,405,574	5,150,709	1,404,883
Rates and taxes	678,648	265,148	675,788	263,798
Insurance expenses	47,530	8,337	47,530	8,337
Technology expenses	1,165,472	533,062	816,356	427,738
	10,248,075	2,772,408	9,892,604	2,664,019

29 Personnel Expenses

	The Group		The Bank	
	2023 MMK'000	2022 MMK'000	2023 MMK'000	2022 MMK'000
Salaries and allowances	15,675,871	6,395,389	15,640,362	6,374,625
Staff welfare contribution	1,100	300	1,100	300
Staff social security contribution	170,551	80,123	170,054	79,831
Staff bonus and rewards	3,469,000	1,800,000	3,469,000	1,800,000
Training expenses	11,908	6,008	11,908	6,008
Director fees and expenses	264,428	140,238	264,428	140,238
Staff recruitment expenses	9,003	-	9,003	-
	19,601,861	8,422,058	19,565,855	8,401,002

Notes to the Consolidated Financial Statements

for the Year Ended 31 March 2023



30 Operating Lease Expenses

	The Group		The Bank	
	2023 MMK'000	2022 MMK'000	2023 MMK'000	2022 MMK'000
Rent - Building	90,554	86,435	90,554	86,435
Rent - Others	425,697	155,537	425,697	155,537
	516,251	241,972	516,251	241,972

31 Other Expenses

	The Group		The Bank	
	2023 MMK'000	2022 MMK'000	2023 MMK'000	2022 MMK'000
Auditor fees and expenses	26,280	5,420	22,200	3,500
Legal expenses	13,062	3,399	13,062	3,399
Travelling expenses	490,341	51,908	489,995	51,898
Consultant fees	2,007,475	95,000	2,007,475	95,000
Others	172	20,753	-	-
	2,537,330	176,480	2,532,732	153,797

32 Finance Cost

	The Group		The Bank	
	2023 MMK'000	2022 MMK'000	2023 MMK'000	2022 MMK'000
Finance cost of ROU Lease Building	98,484	37,819	98,484	37,819
Finance cost of ROU Leasing Cars	140,990	80,025	140,990	80,025
Finance cost on Dismantling	22,027	12,591	22,027	12,591
	261,501	130,435	261,501	130,435

Notes to the Consolidated Financial Statements

for the Year Ended 31 March 2023

33 Allowance for Credit and Other Losses

	The Group		The Bank	
	2023	2022	2023	2022
	MMK'000	MMK'000	MMK'000	MMK'000
Specific allowance on / (write-back) of:				
Loans	4,793,923	9,696,154	4,793,923	9,266,015
Cash shortage	276,830	-	276,830	-
Obsolete Inventory	3,573	-	3,573	-
Write-off fixed assets	9,895	38,752	9,895	38,752
General allowance (2%)	21,965,275	8,915,670	21,965,275	8,915,670
	27,049,496	18,650,576	27,049,496	18,220,437

34 Taxation

	The Group		The Bank	
	2023	2022	2023	2022
	MMK'000	MMK'000	MMK'000	MMK'000
Tax expense/(credit) attributable to profit or (loss) is made up of:				
Corporate income tax	5,392,571	3,148,605	5,392,467	3,145,076
Capital gain tax 10%	18,624	30,495	18,624	30,495
Current income tax	5,411,195	3,179,100	5,411,091	3,175,571
Deferred income tax	-	-	-	-
	5,411,195	3,179,100	5,411,091	3,175,571
Under/(over) provision in prior financial years				
Current income tax	-	-	-	-
Deferred income tax	-	-	-	-
	5,411,195	3,179,100	5,411,091	3,175,571

Notes to the Consolidated Financial Statements

for the Year Ended 31 March 2023



35 Investment in Subsidiary

	The Group		The Bank	
	2023	2022	2023	2022
	MMK'000	MMK'000	MMK'000	MMK'000
Unlisted share, at cost (11,728 shares @ MMK 500,000 each)	5,864,000	5,864,000	5,864,000	5,864,000

The following list contains only the particulars of principal subsidiary:

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

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

36 Non-controlling interest

	The Group		The Bank	
	2023	2022	2023	2022
	MMK'000	MMK'000	MMK'000	MMK'000
Investment shares, at cost	9,136,000	9,136,000	-	-
Retained earning	766,406	768,080	-	-
Prior year adjustment	(60,171)	-	-	-
Dividend paid	-	-	-	-
Profit for the year	(44,097)	(1,674)	-	-
Profit for the period	285	3,753	-	-
URP Adjustment	(44,382)	(5,427)	-	-
	9,798,138	9,902,406	-	-

Notes to the Consolidated Financial Statements

for the Year Ended 31 March 2023

Property, Plant and Equipment

The Group Annexure I

2023	Land and Building	Office Machine and Equipment	Furniture, Fixture and Fitting	Electrical Equipment and Computer Accessories	Motor Vehicles	Total
	MMK'000	MMK'000	MMK'000	MMK'000	MMK'000	MMK'000
Cost						
At 1 April 2022	47,697,957	5,978,171	1,171,991	3,560,500	1,239,292	59,647,911
Additions during the year	20,686,797	455,762	19,418	981,584	220,685	22,364,246
Transfer during the year	1,029,123	-	-	-	-	1,029,123
Disposal	-	(60,496)	(71,832)	(133,811)	(48,080)	(314,219)
Write off	(3,950)	(31,002)	(5,925)	(38,541)	-	(79,418)
Donations	-	-	-	(2,980)	-	(2,980)
As at 31 March 2023	69,409,927	6,342,435	1,113,652	4,366,752	1,411,897	82,644,664
Accumulated Depreciation						
At 1 April 2022	3,765,288	3,593,321	800,967	2,672,581	467,809	11,299,966
Charged for the year	540,292	680,777	110,631	376,213	158,493	1,866,406
Transfer during the year	126,927	-	-	-	-	126,927
Disposal	-	(45,822)	(61,108)	(133,426)	(36,411)	(276,768)
Write off	(591)	(25,178)	(5,917)	(38,228)	-	(69,914)
Donations	-	-	-	(2,980)	-	(2,980)
As at 31 March 2023	4,431,916	4,203,097	844,573	2,874,160	589,891	12,943,637
NBV as at 31 March 2023	64,978,012	2,139,338	269,079	1,492,592	822,006	69,701,027

Notes to the Consolidated Financial Statements

for the Year Ended 31 March 2023



Property, Plant and Equipment

The Group Annexure I

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

Notes to the Consolidated Financial Statements

for the Year Ended 31 March 2023

Property, Plant and Equipment						Annexure I
The Bank						
2023	Land and Building	Office Machine and Equipment	Furniture, Fixture and Fitting	Electrical Equipment and Computer Accessories	Motor Vehicles	Total
	MMK'000	MMK'000	MMK'000	MMK'000	MMK'000	MMK'000
Cost						
At 1 April 2022	47,697,957	5,974,187	1,168,734	3,536,026	1,239,292	59,616,196
Additions during the year	20,686,797	455,762	19,418	981,584	220,685	22,364,246
Transfer during the year	1,029,123	-	-	-	-	1,029,123
Disposal	-	(60,496)	(71,832)	(133,811)	(48,080)	(314,219)
Write off	(3,950)	(31,002)	(5,925)	(38,541)	-	(79,418)
Donations	-	-	-	(2,980)	-	(2,980)
As at 31 March 2023	69,409,927	6,338,451	1,110,395	4,342,278	1,411,897	82,612,949
Accumulated Depreciation						
At 1 April 2022	3,765,288	3,590,100	797,859	2,652,510	467,809	11,273,566
Charged for the year	540,292	680,415	110,606	375,006	158,493	1,864,812
Transfer during the year	126,927	-	-	-	-	126,927
Disposal	-	(45,822)	(61,108)	(133,426)	(36,411)	(276,768)
Write off	(591)	(25,178)	(5,917)	(38,228)	-	(69,914)
Donations	-	-	-	(2,980)	-	(2,980)
As at 31 March 2023	4,431,916	4,199,514	841,440	2,852,882	589,891	12,915,643
NBV as at 31 March 2023	64,978,012	2,138,937	268,955	1,489,396	22,006	69,697,306

Notes to the Consolidated Financial Statements

for the Year Ended 31 March 2023



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

Notes to the Consolidated Financial Statements

for the Year Ended 31 March 2023

Right-of-use assets

The Group	Annexure II				
	ROU Prepaid	ROU Lease liab	ROU Rest	Vehicle (Nissan)	Total
	MMK'000	MMK'000	MMK'000	MMK'000	MMK'000
At 1 April 2022	26,978,036	1,083,086	448,729	2,522,490	31,032,341
Additional	3,286,110	1,122,735	-	211,794	4,620,639
Transfer/Adjust	-	-	-	-	-
Contract End	(600,608)	(43,761)	(28,411)	-	(672,780)
Balance at 31 March 2023	29,663,538	2,162,060	420,318	2,734,284	34,980,200
At 1 April 2022	7,431,537	322,300	294,160	1,240,671	9,288,668
Charges for the Year	2,236,529	207,120	43,366	548,485	3,035,501
Transfer/Adjust	-	-	-	-	-
Contract End	(596,036)	(41,220)	(27,924)	-	(665,180)
Balance at 31 March 2023	9,072,030	488,200	309,602	1,789,156	11,658,988
Net Book Value as at 31 March 2022	19,546,499	760,786	154,569	1,281,819	21,743,673
Net Book Value as at 31 March 2023	20,591,508	1,673,860	110,716	945,128	23,321,212

Lease liabilities

	Lease Liab-build	Lease Liab-Rest	Vehicle (Nissan)	Total
	MMK'000	MMK'000	MMK'000	MMK'000
Within one year	-	46,508	629,353	675,861
More than one year	2,167,186	841,333	472,369	3,480,888
Balance at 31 March 2023	2,167,186	887,842	1,101,722	4,156,749
Within one year	228,071	103,350	535,418	866,839
More than one year	1,005,350	784,346	920,965	2,710,661
Balance at 31 March 2022	1,233,420	887,696	1,456,383	3,577,500

Amount recognised in profit and loss

	Lease Liab	Vehicle (Nissan)	Total
	MMK'000	MMK'000	MMK'000
Depreciation	2,491,108	548,485	3,039,593
Finance cost	120,511	140,990	261,501

Amount recognised in cash flow statement

	Lease Liab	Vehicle (Nissan)	Total
	MMK'000	MMK'000	MMK'000
Total cash outflow for lease	360,370	707,445	1,067,815

Notes to the Consolidated Financial Statements

for the Year Ended 31 March 2023

Right-of-use assets

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