



# Contents

## **05** | **Corporate Overview**

- Corporate Profile
- Our Purpose and Values
- Chairman's Message
- Key Achievements and Highlights
- Board of Directors
- CEO's Message
- Leadership Team

## **19** | **Performance Overview**

- Our Year in Review
- Financial Highlights
- Our People and Community

## **29** | **Governance and Sustainability**

- Corporate Governance
- Environmental and Sustainability

## **36** | **Financial Report**

- Report of the Directors
- Independent Auditor's Report
- Notes to Consolidated Financial Statements

## **91** | **Corporate Contact Information**





# ဘဏ်ဖွင့်ချိန်

တနင်္လာနေ့

မှ

သောကြာနေ့

ပဏာထုတ်သည့်နေ့

နံနက် ၉:၃၀ နာရီမှ နေ့လည် ၃ နာရီထိ

နံနက် ၈:၃၀ နာရီမှ နေ့လည် ၂ နာရီထိ



A glass door with a red logo and a sign. The logo is a red arrow pointing down with a black outline. The sign is red and reads "MONDAY TO FRIDAY PAY DAY 9:30 AM to 5:00 PM" and "8:30 AM to 2:00 PM".

# Corporate Overview

MONDAY  
TO  
FRIDAY  
PAY DAY

9:30 AM to 5:00 PM

8:30 AM to 2:00 PM



# Our Mission

Thinking about how to “Build a Better Myanmar for its people” is the biggest challenge facing the Group, driving us to build a roadmap to move forward and create value in everything we do. How is a better Myanmar defined? In our Executive Chairman, U Theim Wai @ Serge Pun’s words, “better” must mean improvements in quantitative, qualitative, spiritual and material terms over the situation today. Through passion and proficiency aligned with this deep sense of determination, the Group is committed to building a better Myanmar together with its people and for its people.

# Our Core Values

In 1993, our doors opened for the first time and since then, our core values have been the foundation used to build the bank into the organisation it is today. Our values have guided us through and will be essential in the development of Yoma Bank since 2014.

## **Customer Focus**

To build meaningful relationships by understanding our customers’ needs and focus on quality products and outstanding services.

## **People Development**

We demonstrate only the highest regard for our customers, our partners and each other. We take pride in our differences and collaborate with our customers to achieve mutual goals.

## **Teamwork**

The backbone of our very philosophy. It captures our recognition that we are the sum of our collective talent working together to bring our passion and expertise to make Yoma Bank the best it can be.

## **Pride in the Organisation**

Taking pride in everything we do to redefine the standard of excellences, opening the doors to challenging the conventional views and driving innovation throughout our organisation.



# Corporate Profile

As ‘the Responsible Bank’ for over 25 years, Yoma Bank has been the fastest developing private bank in Myanmar. By strategically investing into our people, technology and governance, Yoma Bank has developed a trusted reputation within the community, which has been an essential part of establishing local and international partnerships to progressively move forward. In an unprecedented transaction, Yoma Bank accomplished a historical milestone by being the first domestic bank in Myanmar to receive an international equity investment from International Finance Corporation, who is part of the World Bank Group.

We understand that each customer is unique, we pride ourselves on delivering a full range of banking services whether it be saving for a rainy day or bringing your business aspirations to reality. As ‘the Responsible Bank,’ we centre our core values to fulfil our commitment of being a trusted partner through all stages of life.

Pioneering Myanmar’s digital banking initiatives such as automated lending platforms that seamlessly integrates into our SMART banking application, we are determined to change the dynamics of traditional banking into a landscape that delivers more for our people.





# YOMA BANK



The Responsible Bank.

ကျင့်ဝတ်မှန်ကန် ရိုးမဘက်







Founded in  
**1993**

## MISSION

Build a better Myanmar  
for its people



**25+**  
Years of

Being **responsible bank**  
Making **significant investments**  
in strategic priorities  
**People**  
**Technology**  
**Corporate Governance**



Stands in

**TOP 5**

Banks in Myanmar



**80+**  
Branches

across Myanmar



**3000+**  
Employees

**Financing  
the needs of**

Myanmar families and businesses



**OFFERS**

Saving products, loans &  
business solutions to  
individuals

All the operation led by the Bank centered around its core values

**Customer Focus, People Development, Teamwork,  
Pride in the Organisation**



Establish strong partnership  
**local and international organizations**  
leveraging strategic advantages in its services

# Message from our Chairman



Dear Shareholders,

It is with great pride that I present the first Yoma Bank annual report for this financial year ("FY18/19"). In light of recent changes in Myanmar's financial year, we will be covering the one year period between 1st of October 2018 and 30th September 2019.

The bank experienced a healthy growth in revenue for FY 18/19 ending at 285.8 Bn MMK in contrast to FY17/18 (1st October 2017 to 30th September 2018) which was 221.5 Bn MMK, whilst maintaining a profit before tax of 32.6 Bn MMK for the financial year.

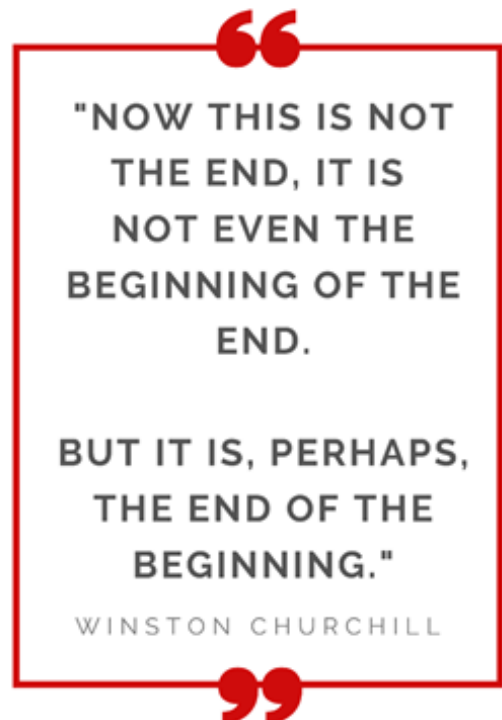
As the Myanmar economy continues its steady growth, we must strive further than before to reach our ultimate goal, enabling businesses to thrive and the nation to prosper. Leading by example as 'the Responsible Bank,' we encompass

our core values by building a sustainable organisation reliant on our financial strengths, ethical business practices and responsible risk mitigation.

## A historic investment

In 2019, the Bank focused to further develop and diversify our services whilst utilizing flexibility to tackle new ambitions, challenges, and opportunities as they arise. As the macroeconomic landscape remains fluid, it has been a vastly rewarding journey which has led to a historical milestone for the Bank. It gives me great pride and joy to announce Yoma Bank as the first commercial bank in Myanmar to receive a foreign equity investment from the International Finance Company ("IFC").

IFC has taken a 5% shareholding by converting the loan provided to Yoma Bank in 2014. This historic transaction has been a tremendous achievement to the Myanmar banking sector. IFC's partnership with Yoma Bank has been strategically pertinent in the growth and stability of the bank. They have since supported us through refining our corporate governance, risk management controls, product development, financial and treasury functions in addition to the implementation of our core banking system. IFC's investment have been crucial in extending the Bank's financial reach by aiding us to fund over 7,000 Myanmar SME businesses worth over US\$800 million, alongside our expansion from 52 to over 80 branches.





### A new beginning

I would like to extend my sincerest gratitude to Hal Boshier, after serving Yoma Bank as the Advisor to the Chairman and CEO since 2013, Hal will transition into the role of Advisor to the Board of Yoma Bank.

But with all endings comes new beginnings. To conclude a meticulously challenging selection process of over 150 potential candidates, on behalf of the Board, it is with great enthusiasm to announce the Board's unanimous decision to appoint Dean Cleland as the new Chief Executive Officer of Yoma Bank.

In addition to over 30 years of collective international banking expertise, Dean has brought with him extensive strategic leadership experience including expertise in banking services, operations, technology, digital banking, and major transformation.

Prior to his appointment at Yoma Bank, Dean has successfully carried out a number of roles in multiple markets across Asia-Pacific including the founding CEO of ANZ Royal in Cambodia and most recently as the Executive General Manager of National Bank of Australia.

Dean brings invaluable insight into not only emerging financial markets but the foundations of matured banking institutions. On behalf of the Board of Directors, we would like to graciously welcome Dean to the Yoma family with open arms.

### The Final Thought

Through our headwinds and tailwinds, our successes and lessons learned, we must continue to persevere. As we advance forward, we can expect new challenges that push our limits, but rest assured we will not get comfortable, we will work harder than ever before to keep moving forward, to keep innovating and to become the main bank of the Myanmar people.

"Leading by example as 'the Responsible Bank,' we encompass our core values by building a sustainable organisation reliant on our financial strengths, ethical business practices and responsible risk mitigation."

It is important now more than ever, that we remain dedicated to advocating transparency and set only the highest standards of corporate governance. On behalf of the Board, I would like to sincerely thank our shareholders and partners for their undeniable support and confidence in Yoma Bank. Furthermore, words are inadequate to express the extent of my gratitude to our employees.

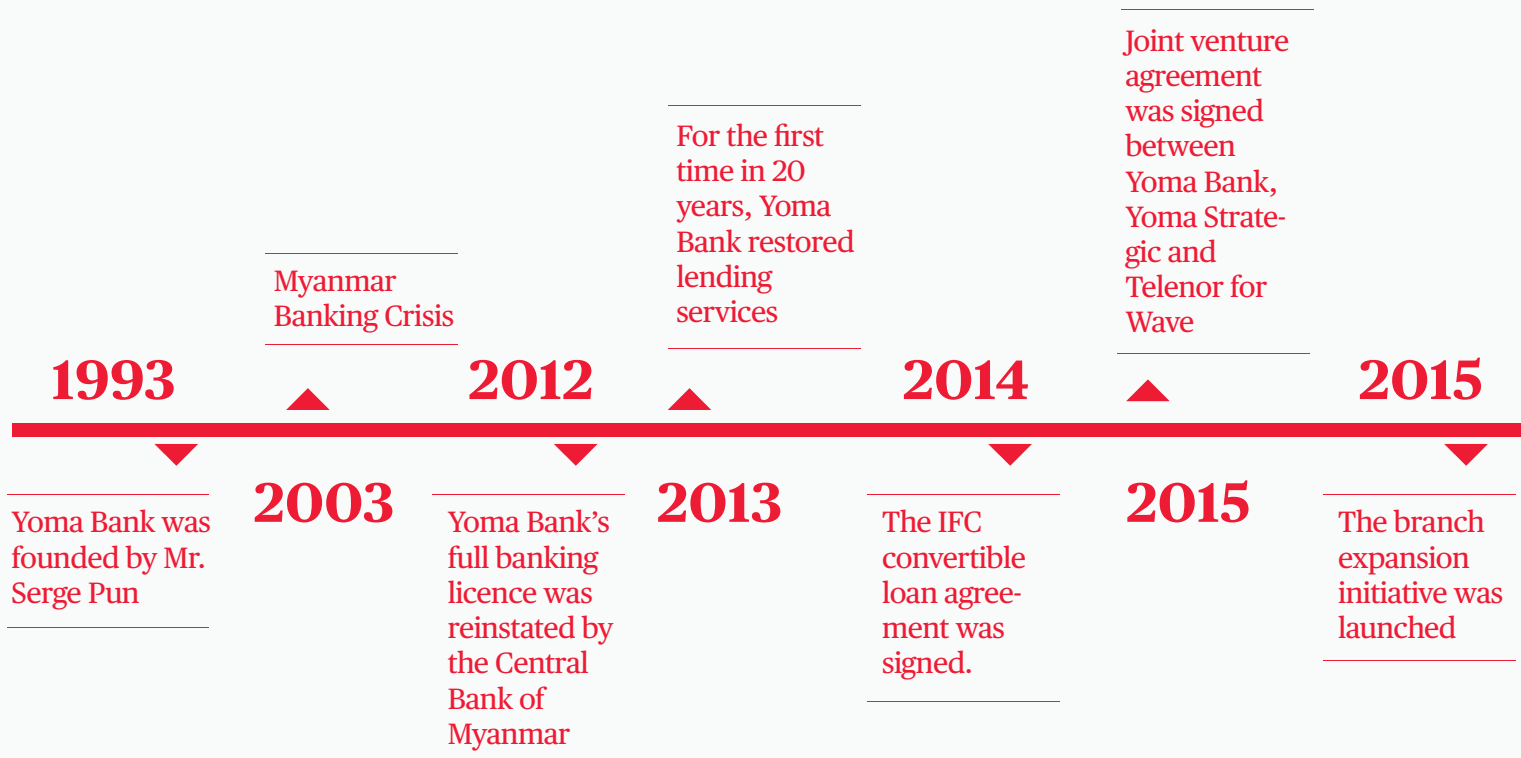
The diligence and commitment exemplified by every individual will be indispensable in shaping the future of Yoma Bank to come.

Yours sincerely,



**U Theim Wai @ Serge Pun**  
Executive Chairman

# The Yoma Bank Journey



Yoma Bank implemented its first digital core banking system

**2016**

The core banking system was operationally rolled-out

**2018**

Strategic partnership with LIFT on Rural Woman Digital Finance program

**2019**

On boarded Mr. Dean Cleland as the new Chief Executive Officer of Yoma Bank

**2016**

Wave Money - first licenced mobile money operator in Myanmar launched

**2018**

SMART application and digital Hire Purchase portal operational

**2019**

First domestic bank to receive international equity investment from IFC

**2019**

# Key Achievements & Highlights

## A Historical Investment

Yoma Bank established a milestone as the first domestic bank to receive direct international equity investment from International Finance Corporation.



## Yoma Bank appoints Mr. Dean Cleland as the new Chief Executive Officer



“Dean has extensive leadership experience as well as hands on expertise in financial services including banking, operations, technology, digital, property & enterprise services and major transformation. We are delighted to announce the Board’s unanimous decision to appoint him as Chief Executive Officer of Yoma Bank.”

- by Mr. Serge Pun

## Rabobank and Yoma Bank Extend Strategic Partnership to Provide Financial Inclusion & Development



The focus of this partnership is to:

- Digitizing financial services for SMEs focusing on end-to-end functionalities
- Strengthening Yoma Bank’s risk framework for long-term sustainability
- Making the various digital initiatives scalable and sustainable through the safe and future-proof IT infrastructure

## 30 Bn MMK

Contributed by LIFT

## 183 Bn MMK

Value of Agriculture equipment financed

## 71.5 Bn MMK

in semi-secured Agri-Loans

## 450,000

estimated reach of rural families.

## A Partnership between LIFT and Yoma Bank

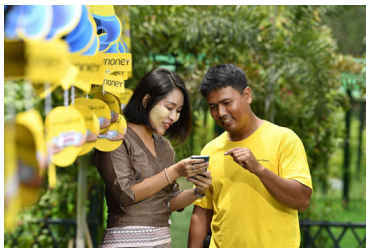


## Advocating financial inclusion by funding almost 90 Bn MMK across 11 major Microfinance institutions in Myanmar.



“Yoma Bank is devoted to improving credit access to underserved businesses in the country with our vision to build a better Myanmar for its people. We believe that the microfinance sector plays a critical role in reaching to micro and small businesses.”

quote Mr. Dean Cleland



## Wave Money Partnership

- The first licenced mobile money service in Myanmar.
- The largest and wide spread platform with an estimated market penetration to be over 70%.
- Yoma and Wave interchangeable services including account linkage, direct fund transfer and Yoma account withdrawals through Wave vendors.



## Digital Banking

Developed and deployed digital banking product and services such as:

- Automated unsecured micro-financing to individual and small businesses.
- Building an internal credit scorecard using the customer’s credit, borrowing and transactional history.
- Fully automated hire purchase customer application service at partnered dealerships to arrange finance for cars, motorcycles and agri-equipment.



# Board of Directors



**U Theim Wai @  
Mr. Serge Pun**  
*Executive Chairman*

Mr. Serge Pun is the founder and Chairman of the Serge Pun & Associates (SPA) Group. He is also the Chairman of First Myanmar Investment (FMI), one of Myanmar's leading public companies established in 1992, and Yoma Strategic Holdings (YSH), a Singapore Stock Exchange listed company since 2006.

He has over 30 years of international business and investment experience in Hong Kong, China, Taiwan, Malaysia, Thailand, Singapore, Western Europe, North America and Myanmar.

Mr. Pun was Honorary Business Representative of International Enterprise Singapore for Myanmar between 2004 and 2006. In 2007, he was appointed as a member of Dalian's CPPCC.

He is also a selected member of World Economic Forum (WEF) Global Agenda Council for Transparency and Anti-Corruption in the current term 2014-16.



**U Myat Thin Aung**  
*Non-Executive Director*

U Myat Thin Aung is the Chairman of AA group of companies.

He also serves as the President of Ye-Me-Thin Association, and is a member of Central Executive Committee of Union of Myanmar Federation of Chamber of Commerce & Industry and Myanmar Industries Association and the President of Hlaing Thayar Industrial City Management Committee.



**U Tun Myat**  
*Independent Non-Executive  
Director*

U Tun Myat was the United Nations Security Coordinator until his retirement in 2004. He also served as United Nations Humanitarian Coordinator for Iraq for over two years. Prior to these assignments, both of which were at the Assistant Secretary General (ASG) level, he held senior positions at the World Food Program (WFP) in Rome, Italy where he served for over 22 years.

Before joining the United Nations, he was the Head of the Legal and Insurance Department at Myanmar Five Star Line, where he served for 15 years. From 1974 to 1978, he was also the Legal Adviser to the Ministry of Transport and Communications and a lecturer in the Law Department at the University of Yangon.

Holds B.Com and B.L degrees from the University of Rangoon, an ACII from the Chartered Insurance Institute, London and LLM from the University of London, King's College.



**U Kyi Aye**  
*Executive Director*

U Kyi Aye started his career in the banking industry in 1960 and was transferred to the Central Bank of Myanmar in 1965 after nationalization.

He held many positions over 25 years in the Central Bank of Myanmar which included Chief Accountant (1987 to 1989) as well as Executive Director (1989 to 1991). He was appointed the Managing Director of Myanmar Economic Bank in 1991 and subsequently Governor of the Central Bank of Myanmar in 1992 until 1998 when he retired from the service.

U Kyi Aye joined Yoma Bank in 2000 as the Special Counsel to the Chairman of Yoma Bank.



# Board of Directors



**Daw Aye Aye Soe**  
*Executive Director*

Daw Aye Aye Soe joined Yoma Bank as a Branch Manager in 1999, and in the last 15 years since has steadily rose to her present position as an Executive Director and a member of the Executive Committee.

Her sound knowledge of the Myanmar Banking industry originates from her extensive experiences since 1991 in many banking institutions including the Myanmar Central Bank, Myanmar Foreign Trade Bank, and Myanmar Economic Bank. Prior to joining Yoma Bank, she was the Chief Accountant at First Private Bank for six years.

Graduated with a Bachelor's of Commerce in Banking from the Institute of Economics (Yangon) in 1991, Aye is a Certified Public Accountant.



**Mr. Hal Boshier**  
*Chief Executive Officer & Executive Director*

Hal Boshier is the Chief Executive Officer and Executive Director of Yoma Bank. He led Yoma Bank's transformation since moving to Yangon in 2012. Over the past six years he forged partnerships with multiple strategic partners while growing the Bank's assets by over \$2B USD.

Prior to joining Yoma Bank, Mr. Boshier spent 10 years with the World Bank Group at both IFC and the Multilateral Investment Guarantee Agency (MIGA). Most recently, he was MIGA's Regional Representative for Northern Asia based in Hong Kong. Prior to joining the World Bank, Mr. Boshier worked for Price Waterhouse Coopers, McKinsey & Co.

A Canadian national, Mr. Boshier holds a BA in economics and political science from McGill University in Montreal; an MA in International Finance and Southeast Asian Studies from the John Hopkins School of Advanced International Studies (SAIS) in Washington, DC; and an MBA from IESE Business School in Spain.



**Daw Zarchi Tin**  
*Non-Executive Director*

Daw Zarchi Tin is an Executive Director, and a member of Yoma Bank's Board and Risk Committee with over 15 years of experience in Investment and Central Banking.

Prior to returning to Myanmar in 2011, she has worked for BNP Paribas Investment Banking in London and the Central Bank of Canada in Ottawa. She is also a Mentor at Myanmar Women's Mentoring Network and actively involved in promoting diversity in Banking and empowering women in Myanmar.

Zarchi is a Myanmar national with a wealth of experience in different cultures, after having lived and studied in the United Kingdom, Canada, France, Belgium, the United States, Indonesia and Hong Kong. She holds an MBA in Finance from Canada and a BA in Economics from Belgium. She has also obtained the Financial Risk Manager (FRM) designation from the Global Association of Risk Professionals (GARP).

# CEO's Message

**It has been a privilege to lead Yoma Bank over the past six years. As I reflect on our journey from a zero balance sheet to over 2.8 Trillion Myanmar Kyats in assets there are many moments that stay with me.**

The day, in early 2013, when our Chairman, U Theim Wai, showed such confidence by appointing me to lead Yoma Bank and for the following six years where he provided guidance and support as we navigated numerous challenges; making our first loan and taking our first deposits in over ten years; building momentum with a steady stream of fresh talent to support our longstanding team; signing our groundbreaking advisory and debt partnership with the International Finance Corporation (IFC); co-founding and launching Wave Money; going “live” with our new core banking system; consolidating 800 people from three offices across Yangon into one location, Myanmar Plaza; launching our groundbreaking agribusiness finance program (AFP); launching our MFI funding program, These are just a few examples from a long list of milestones that have made Yoma Bank what it is today.

Importantly, we have maintained an entrepreneurial culture even as we grow our business in both scale and scope. Our vibrant culture is confirmed by our strong showing at the Myanmar Employer Awards two years running where we earned fifteen awards including “Employer of the Year” in 2017. It is our culture and our people for which I am most proud.

Our journey has not been without challenges and, despite our many achievements, I would be remiss not to document some of the darker moments, both personal and professional, since 2012. The passing of my sister, Kate Boshier, in early 2013 marked one of the most difficult times in my life. The passing of George Maung, our Yoma Bank colleague, in 2015. The bombing of our Lashio Branch in February 2018, where we lost two colleagues, Daw Maw Maw and Daw Sandar Tun. We must not forget, but celebrate, all our happy years.

Through good times and bad, we have earned the reputation as the most progressive bank in Myanmar - only confirmed by the decision of the International Finance Corporation (IFC) to convert their debt into equity in May 2019 and take seat on our Board of Directors. Equally, the groundbreaking investment of Norfund and Singapore’s GIC (Government Investment

Corporation) leaves Yoma Bank as the first domestic bank to welcome a foreign investor. Our partnerships are the result of consistently strong financial results without sacrificing our commitment to good governance. Once again our results are exceptional increasing 22% on the previous twelve months - marking six straight years of growth.

Yoma Bank has a bright future. I couldn’t be more proud to hand over the reins to Dean Cleland, an extremely talented banker who will take our Bank to the next level.

I would like to thank our Chairman, U Theim Wai; our Board of Directors; and, above all, my Yoma Bank colleagues who made my time in Myanmar so meaningful. Finally, I would like to thank my children Keira, Sienna and Aidan who have grown up in Yangon and my wife, Virginia, for all her support.

Yours sincerely,



**Mr. Hal Boshier**  
Chief Executive Officer





# Leadership Team



**Mr. Hal Boshier**  
*Chief Executive Officer &  
Executive Director*



**Ms. Suzanne Pun**  
*Ombudsman*



**Daw Ommar Sein**  
*Senior Advisor*



**Mr. Vijay Kumar Maheshwari**  
*Chief Financial Officer*



**U Kyaw Soe Lin**  
*Chief Technology Officer*



**U Ba Maung Sein**  
*Chief Operations Officer*



**Nang Khin Khin Gyi**  
*Chief Audit Officer*



**Daw Mi Mi Thet**  
*Chief Human Resource Officer*



**Mr. Murray McDougall**  
*Chief Performance Officer*



**Daw Than Than Win  
@ Tiffany Win**  
*Chief Risk Officer*



**U Htin Kyaw Thein**  
*Deputy Chief of Compliance*



**Daw Nang Lao Kham**  
*Head of Administration*



**Ludovica Fabbro**  
*Head of Transformation*



**U Sai Woone Seng**  
*Head of Learning &  
Development*



An overhead view of a business meeting around a table. Several people in business attire are seated, with their hands on laptops and mobile devices. The scene is brightly lit, and a red chair is visible in the background.

# Performance Overview

# Our Year in Review



## OUR CUSTOMERS

**700,000+**

Customers served

**170Bn+**

MMK paid out to our  
depositors as interest

**1,000,000+**

Impacted through  
partnered lending



## OUR PEOPLE

**36Bn+**

Paid to our people  
in salary and  
compensation

**56%**

Women in leadership  
positions

**12.5hrs**

Average industry  
development training  
received per employee



## OUR COMMUNITY

**11,000+**

Direct beneficiaries  
through CSR and  
non-profit initiatives

**23Bn+**

Of 85% of total  
expenditure in support  
of local businesses

**8Bn+**

State and federal tax  
paid for FY 18/19



## OUR PERFORMANCE

**285Bn+**

Total revenue for  
FY 18/19

**3.70%**

Net Interest Margin  
(NIM) for FY 18/19

**29.06%**

Year-on-Year growth

# Financial Highlights

**146 Bn**  
**MMK**

Total Capital  
25.23% increase from  
FY 17/18

---

1,866

**2,818 Bn**  
**MMK**

Total Assets  
22.06% increase from  
FY 17/18

---

2,567

**1,846 Bn**  
**MMK**

Total Gross Loan  
19.80% increase from  
FY 17/18

---

**2,566 Bn**  
**MMK**

Total Deposit  
22.59% increase from  
FY 17/18

---





# Our People and Community

## 25th Anniversary Celebration

Since 1993, Yoma Bank has consistently grown over the past 25 years. This would not be possible without our employees, who have dedicated their efforts and pride into the Bank. As a token of our appreciation, we organized the 25th Anniversary Celebration to be held in Pun Hlaing Estate. Over 3000 employees were brought together from different regions across Myanmar to celebrate the unimaginable journey and success that we have achieved together.

We are sincerely thankful for each and every person in our Bank and the important part they play every single day. This celebration was a clear display that Yoma Bank isn't just an organisation, but a group of individuals coming together as one.





## 2019 Yoma Marathon



The Yoma Yangon International Marathon for 2019 was the biggest marathon event of the country. Held on the 20th of January, the event was jointly hosted between First Myanmar Investment, Yoma Strategic Holding, Yoma Bank and the regional government.

We were honoured to partake in this historic event consisting of almost 10,000 local and international participants, to complete either a fun run of 3.5km, a 10km challenge, a half or a full marathon. As a part of our initiative to promote a healthy lifestyle for our employees, we encourage all of our staff to sign up as a volunteer to aid in the operations of the event or to take up the challenge and go for a run!

This non-profit project was honoured to contribute the proceedings to the following key projects:

- YCDC Non-profit day-care for low income citizens
- Myanmar Red Cross Foundation
- The Institute of Sports and Physical Education
- M2030 - The Fight against Malaria
- Jump!BEAM Youth Development Programs





## 25for25 - 2019 FinLit Hackathon



As a part of our celebrations of 25for25, Yoma Bank partnered with Oracle, and Phandeyar to bring the emerging tech-and civil society community together in order to create tangible tech solutions fostering financial literacy in Myanmar. The FinLit Hackathon, which aimed to improve Myanmar's financial literacy, took place from March 8th to 10th. The program includes teams developing applications, web based services, and chatbots to educate the people of Myanmar from

all walks of life on making informed and effective decisions when it comes to their financial resources. There was a total of twenty-one teams, totalling in over ninety participants. ACE, won the first prize with Piggy Bank App, that teaches children financial literacy in a fun, interactive, and incentivized way. ACE took home cash prize of \$1,000 USD and the opportunity to attend Oracle OpenWorld Asia, Singapore from 26-27 March 2019.





### Shopping experience

To give back to the community who has given us so much in return, Yoma Bank partnered up with Ocean Supercentre in their St. John Mall and Shwegonedine branches in August of 2019. We approached over 100 randomly chosen shoppers and surprised them with their groceries all paid for, in addition we prepared reusable shopping bags that had been upcycled from the Bank marketing and promotion materials. The objective was to show our support not just to the community but also to the environment.





## Vision for the Future - Partnership with Pun Hlaing Siloam Hospital

In partnership with Pun Hlaing Siloam Hospital to offer the community with a free expert assessment of eye health and vision. On 14th October at Pun Hlaing Siloam Hospital by Dr. Daw Khin Thandar Myint and Dr. Daw Pa Pa Lynn Tint to 83 students between 5 to 8 years old, who need eyes and vision health care from a Primary school near Pun Hlaing Siloam Hospital. The chosen 83 children received no cost comprehensive eye exams and prescription glasses as part of this "Vision for Future" eye health event. We always looking for opportunities where our customers and community's needs and requirements for their daily life style and development.





## Yoma Bank and Grab Mandalay



As a part of Yoma Bank 25th Anniversary's celebration, Yoma Bank supported to more than 800 people's daily activity trips' expenses by partnering with Grab. Yoma Bank offered free GrabThoneBane rides in Mandalay and Sagaing region for over 400 trips.

## 25for25 - One world through my lens



As part of Yoma Bank's 25th Anniversary, we sponsored landscape, nature and travel photographer Ye Naing Wynn's "One World Through My Lens" Photo Exhibition. The exhibition was held on November 16th to 19th at The Secretariat in Yangon. As a passionate nature and travel photographer, Ye wants to take this opportunity to share his memories of travels around the world in the past 5 years. The exhibition consisted of over 30 colorful back-lit photographs lighting up the space in the southern wing of the historic Secretariat. All photographs are for sale and proceeds from the sales will go to two worthy causes: Wildlife Conservation Society Myanmar and an orphanage charity Yellow Generation Wave.







YOMA BANK

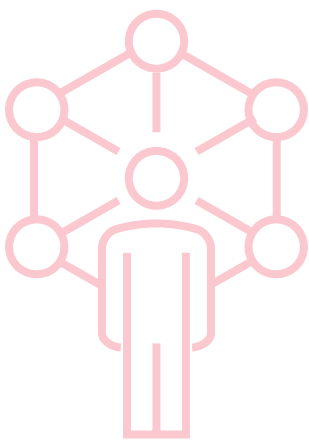
The image features a light blue sky with wispy white clouds. A solid white horizontal band runs across the middle of the image, serving as a background for the text.

# **Governance & Sustainability**

# Corporate Governance

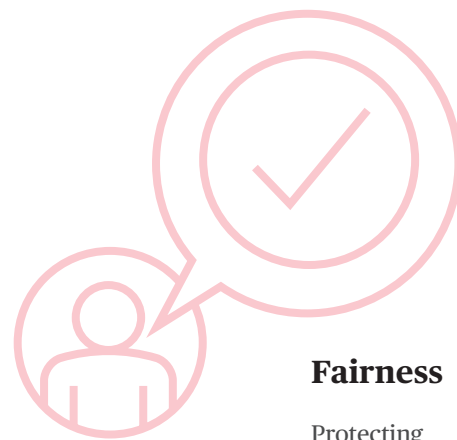
The Board of Directors of Yoma Bank is elected by the shareholders to provide advisory and oversight to the management of the bank and its business affairs. The primary responsibility of the Board is to guarantee the financial adequacy of the Bank and evoke transparency of the decision making process to ensure that decisions are made in the best interest of the Bank and its stakeholders.

Yoma Bank defines corporate governance as a set of structures and process that provide strategic direction and maintains sufficient oversight controls broadly based on the Organisation for Economic Cooperation and Development (OECD) principals:



## Accountability

Policies and procedures established to govern the Bank's endeavours to shareholders whilst guiding and monitoring the Bank's management performance.



## Fairness

Protecting shareholder rights and guarantees impartial treatment of all shareholders, inclusive of minority shareholders.

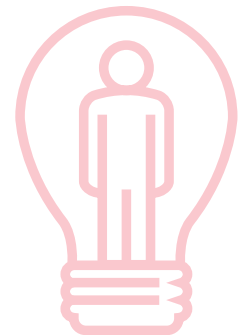


## Transparency

To advocate disclosure on all material matters are made accurately and in a timely manner. This includes but is not limited to financial state of affairs, performance, share ownership and governance in a process that is available to interested parties.

## Responsibility

Recognises the rights of stakeholders as established by applicable governing laws and regulations, and encourages the Bank's management and stakeholders in developing a sustainable and financially secure institution.



The Board of Yoma Bank will ensure that the relevant policies and procedures are adhered to throughout the day to day undertakings of the bank. Furthermore, the Board will review

and amend the Bank's policies as required to reflect the current governing laws and industry regulations.



# Corporate Governance



## Board of Directors

The Board’s principal focus is to sustain long-term shareholder value whilst ensuring all decisions are made in the best interest of its stakeholders.

Furthermore, the roles and responsibilities of the Board includes but not limited to:

- Review, approve and monitor the Bank’s long-term strategic objectives and management business plans, including any performance indicators and targets to be used in relation to the strategy.
- Monitor the overall performance of the Bank’s performance towards its strategic objectives through the appointment of the Risk Oversight Committee and Audit Committee.
- Establish a framework of effective controls which enables risks to be assessed and managed, including safeguarding of shareholder interests and Bank assets and the steps taken by management to monitor and control such risks.
- Monitor and provide directive to the leadership team to ensure that strategic goals are met.
- Oversee and approve the policies and framework of the Bank.

## Director on-boarding and development program

Prior to an appointment of directorship, the individual must undergo a fit and proper procedure as per the Central Bank of Myanmar’s directives. Furthermore, newly appointed directors will undergo a director on-boarding program to warrant that adequate orientation and resources are allocated by the Bank to ensure the director has the requirements to fulfil his or her duties, including familiarity with the business process-

es, strategic goals, governance policies, internal controls, independent meetings with leadership team members and their scope of work.

Directors are encouraged to participate in independent industry events, seminars, conferences to promote further professional development.

Board & Committee Composition	Board of Directors	Risk Oversight Committee	Audit Committee
U Theim Wai @ Mr Serge Pun	Executive Chairman	N/A	N/A
U Myat Thin Aung	Member	N/A	N/A
U Tun Myat	Member	Member	Chairman
U Kyi Aye	Member	Member	Member
Mr. Hal Boshier	Member	N/A	N/A
Daw Aye Aye Soe	Member	Member	N/A
Daw Zarchi Tin	Member	Member	Member

## Board of Directors and Committee composition and attendance for FY18/19

The board comprises 7 directors including the Executive Chairman, 3 Non-Executive Director & 3 Executive Directors. Appointed by the shareholders, each director brings a unique

set of experiences and perspectives across a diverse range of industries to ensure that executive decisions are tendered to with the highest level of expertise and preciseness.

	Designation	Board Meeting	Risk Oversight Committee	Audit Committee
Total No. of meetings held during FY 18/19		4	4	4
U Theim Wai @ Mr Serge Pun	Executive Chairman	4	N/A	N/A
U Myat Thin Aung	Non-Executive Director	4	N/A	N/A
U Tun Myat	Independent Non-Executive Director	4	4	4
U Kyi Aye	Executive Director	4	4	4
Daw Aye Aye Soe	Executive Director	4	4	N/A
Mr. Hal Boshier	Executive Director	4	N/A	N/A
Daw Zarchi Tin*	Executive Director	3	3	3

\*Daw Zarchi Tin tendered her resignation from the Board of Directors in September 2019.

### Risk Oversight Committee

#### Description

#### U Kyi Aye

Chairman

#### U Tun Myat

Member

#### Daw Aye Aye Soe

Member

#### Daw Zarchi Tin

N/A

The Risk Oversight Committee (“RC”), supports the Board in performing its responsibilities to ensure that risk throughout the Bank is managed in the best interest of the stakeholders and complementary to governing laws and regulations. The committee key function is to review and align the risk management philosophy, procedures and policies to oversight the Bank’s effective risk management, determine the Bank’s acceptable risk tolerance level and mitigate strategic risks. Matters brought to the committee may be recommended or escalated if necessary to the Board.

### Main Roles and Responsibilities

- Ensuring the adequate policies and procedures are in place to maintain an effective risk management framework, and if necessary, seek guidance from the Board of Directors.
- Proactively identifying, measuring, mitigating and monitoring the overall risk of the Bank.
- Promoting an organisation wide risk culture from the leadership team through to the front line employees.
- Facilitating the Board of Directors in determining a healthy risk appetite, accountable to warrant the overall risk profile of the Bank is aligned with the agreed risk appetite and tolerance as directed by the Board of Directors.
- Reviewing the periodical risk reporting from the leadership team highlighting key risk areas.
- Assessment of significant risk exposure provide guidance to the management team.



## Audit Committee

### U Tun Myat

Chairman

### U Kyi Aye

Member

### Daw Zarchi Tin

Member

## Description

The Board appointed Audit Committee (“AC”) executes a vital role in providing advisory to the Board of Directors and shareholders. The AC is additionally responsible to ensure proper oversight and guidance is provided in key areas such as internal audit, compliance and regulatory adherence. Acting as the main liaison between the External Auditors and the Board, the committee is trusted with the Bank's internal controls and framework to ensure transparency across the business functions of the Bank.

## Main Roles and Responsibilities

- To ensure appropriate internal controls and financial reporting are deployed throughout the Bank, periodically reviewing its integrity and making recommendations for improvement.
- Review external auditors’ performance, reports, approach and integrity.
- Provide oversight and manage the performance of the Chief Auditor and the Internal Audit department.
- Review and present recommendations the Board of Directors and Shareholders of annual and semi-annual Audited Financial Statements and other financial matters.
- Ensure the bank is compliant with industry standards, regulatory directives and governing laws.







# **Environmental & Sustainability**



One of the foundations of our strategic sustainability is to promote consciousness by giving back to the community. We pride ourselves on proactively implementing goals to positively impact our people and the environment we operate in. Yoma Bank's sustainability strategy is established on three key factors - Social, Environmental and Governance.

The key focuses for FY18/19 were:

Sustainability Development Goals (SGD)	Targets	FY 18/19 Outcomes
<b>Social</b>		
<b>Employee learning and professional development</b>	To ensure our employees can access the adequate skills and resources for professional development to go above and beyond the industry expectation.	<ul style="list-style-type: none"> <li>- 100% of our employees received relevant industry training during the financial year.</li> <li>- On average our employees received 12.5 hours of training during the financial year.</li> </ul>
<b>Providing community initiatives through education</b>	To promote financial literacy and inclusion across Myanmar.	<ul style="list-style-type: none"> <li>- 23 events were organized to promote financial literacy, inclusion and digital payment</li> </ul>
<b>Diversity and equal opportunity</b>	Offer equal opportunities to our employees, regardless of their age, gender, personal beliefs, sexual orientation and professional background	<ul style="list-style-type: none"> <li>- Zero tolerance approach on discrimination</li> <li>- 54% of our leaders are women</li> <li>- Over 50% of employees promoted were women</li> </ul>
<b>CSR activities and charitable contributions</b>	To aid in the development of the Myanmar and its people.	Over 250Mn MMK was spent on various non-profit and charitable contributions
<b>Contribution to economic growth</b>	Enable Myanmar economy by offering our customers the products and services they need to support the development of the country.	<ul style="list-style-type: none"> <li>- Almost 700,000 clients trust Yoma Bank</li> <li>- Over 1,000,000 people benefited through partnered lending facilities</li> <li>- 65% of our clients use digital banking services</li> <li>- 135 suppliers were screened to ensure compliance with our E&amp;S standards.</li> <li>- 85% of our total expenditure is spent on Myanmar businesses.</li> </ul>
<b>Investing in the people for a better Myanmar</b>	Empowering the Myanmar people with products and services to help reach their financial aspirations.	<ul style="list-style-type: none"> <li>- Over 1,846Mn MMK were lent to Myanmar individuals and businesses.</li> <li>- Over 77Mn MMK invested into the awareness of responsible lending and financial literacy.</li> </ul>
<b>Environmental</b>		
<b>Our environment</b>	Promote responsible waste management and reduce wastage and consumption of electricity and water	<ul style="list-style-type: none"> <li>- Discontinued the use of single use plastic throughout the bank and replaced with glass-ware and mugs.</li> <li>- Reusable steel and glass water bottles provided to all employees</li> <li>- Our activities produced the emissions of 2,293 tonnes eq. CO2 with a total organisation utility expenditure of less than 1Bn MMK.</li> </ul>
<b>Governance</b>		
<b>Anti-Corruption</b>	To uphold the Bank's approach of zero tolerance of corruption, bribery and fraud.	<ul style="list-style-type: none"> <li>- 100% of our applicants, customers, partners and vendors are subject to due diligence checks as per AML, CFT and E&amp;S Policies.</li> <li>- Any evidential reports are thoroughly investigated and any internal breach including corruption, bribery and fraud will result in dismissal as per our Code of Conduct.</li> </ul>

The background of the cover features a blurred image of a laptop keyboard in the lower half and several overlapping spreadsheets or financial reports in the upper half. The spreadsheets contain columns of text and numbers, though they are out of focus. The overall color palette is warm, with beige and brown tones from the paper and keyboard, contrasted with the bright red of the title text.

# Financial Report

Ended September 2019

# Reports of the Directors

The directors are pleased to present their report to the members together with the audited financial statements of Yoma Bank Limited (the “Bank”) for the financial year ended 30 September 2019 under the Section 261 of the Myanmar Companies Law 2017.

## Directors

The directors of the Bank in office at the date of this report are:

U Theim Wai @ Mr. Serge Pun	Executive Chairman
U Tun Myat	Independent Non-Executive Director
U Myat Thin Aung	Director
U Kyi Aye	Director
Daw Aye Aye Soe	Executive Director

## State of the Bank’s Affairs

The principal activities of the Bank are to carry out all business undertakings provided in 2016 Financial Institution Law Section 52, in accordance with the Central Bank of Myanmar. There has been no change in the business of the Bank during the financial year ended 30 September 2019.

## Financial Performance

	<u>30 September 2019</u> (For twelve months) MMK	<u>30 September 2018</u> (For six months) MMK
<b>Financial results</b>		
Revenue (including other operating income)	285,864,167,760	121,133,491,839
<b>Profit before general provision, depreciation, amortization and tax</b>	<b>37,850,400,762</b>	<b>15,327,068,206</b>
Less: Depreciation and amortization	5,282,775,587	2,384,457,698
<b>Profit before general provision and tax</b>	<b>32,567,625,175</b>	<b>12,942,610,508</b>
Less: 2% general provision for bad and doubtful debts	6,091,403,388	—
Less: Income tax expense	8,134,725,724	3,226,745,481
Add: Dividend income	6,780,000	—
<b>Profit after tax for the year/period</b>	<b>18,348,276,063</b>	<b>9,715,865,027</b>

# Reports of the Directors

## Transfers to Reserve Account

During the financial year ended 30 September 2019 and for the financial period ended 30 September 2018, the Bank has transferred the following amounts to Reserve accounts as required by Section 35(a) of the Financial Institutions of Myanmar Law, and as required by CBM Instruction No 17/2017.

	<u>30 September 2019</u> (For twelve months) MMK	<u>30 September 2018</u> (For six months) MMK
Statutory reserve fund	6,109,919,863	2,428,966,258
Reserve for contingencies	1,000,000	1,000,000
Adjustment for unclaimed deposits	—	(3,822,355,021)
Reserve for bad and doubtful debts	6,241,403,388	3,552,308,564
<b>Total reserves</b>	<b><u>12,352,323,251</u></b>	<b><u>2,159,919,801</u></b>

## Dividend

There has been no dividend proposed by the Board of Directors of the Bank for the financial year ending September 30, 2019.

## Converted loan to shares

During the year, International Finance Corporation (“IFC”) became a shareholder.

## Risks and Uncertainties

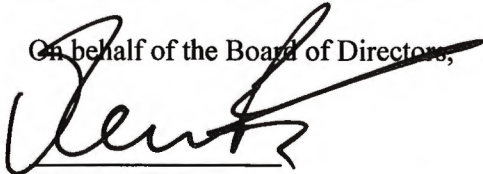
The Bank has developed and implemented a risk management policy which identifies major risks which may threaten the existence to the Bank. The same has also been adopted by the Board of Directors and is also subject to its review from time to time.

The Bank did not face any risks and uncertainties during the current financial year.


## Auditor

The financial statements have been audited by Daw Swe Swe Lwin, Certified Public Accountant and Partner of UTW (Myanmar) Limited.

On behalf of the Board of Directors,



U Theim Wai  
Executive Chairman  
Yoma Bank Limited  
22 November 2019



Daw Aye Aye Soe  
Executive Director  
Yoma Bank Limited  
22 November 2019



# Reports of the Directors

## Statement by the Directors

---

We, U Theim Wai and Daw Aye Aye Soe, being two of the Directors of Yoma Bank Limited (the “Bank”), do hereby state that in the opinion of the Directors:

- (i) the accompanying financial statements together with the notes thereto are drawn up so as to present fairly, in all material respects, the state of affairs of the Bank as at 30 September 2019 and the results of the business, changes in equity and cash flow of the Bank for the financial year ended on that date and;
- (ii) at the date of this statement, there are reasonable grounds to believe that the Bank will be able to pay its debts as and when they fall due.

On behalf of the Board of Directors,



---

U Theim Wai  
Executive Chairman  
Yoma Bank Limited  
22 November 2019



---

Daw Aye Aye Soe  
Executive Director  
Yoma Bank Limited  
22 November 2019

# Independent Auditor's Report



UTW (Myanmar) Limited  
Unit #20-06 to 10, Level 20  
Junction City Tower  
No.3A, Bogyoke Aung San Road,  
Pabedan Township, Yangon

Tel: +95 9253493-9

---

## Independent Auditor's Report

---

### Report on the Financial Statements

We have audited the accompanying financial statements of Yoma Bank Limited (the "Bank"), which comprise the statement of financial position as at 30 September 2019, statement of comprehensive income, statement of changes in equity, and statement of cash flows for the financial year then ended, and a summary of significant accounting policies and other explanatory information.

#### *Management's responsibility for the financial statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Myanmar Financial Reporting Standards and the provisions of the Myanmar Companies Law. This responsibility includes:

- (a) designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error;
- (b) selecting and applying appropriate accounting policies; and
- (c) making accounting estimates that are reasonable in the circumstances.

#### *Auditor's responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Myanmar Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

# Independent Auditor's Report



UTW (Myanmar) Limited  
Unit #20-06 to 10, Level 20  
Junction City Tower  
No.3A, Bogyoke Aung San Road,  
Pabedan Township, Yangon

Tel: +95 9253493-9

---

## Independent Auditor's Report

---

### *Opinion*

In our opinion, the financial statements present fairly, in all material respects, the financial position of Yoma Bank Limited as at 30 September 2019, and its financial performance and cash flows for the year then ended in accordance with the Myanmar Financial Reporting Standards, including the modification of the requirements of Myanmar Accounting Standards 39, *Financial Instruments: Recognition and Measurement* in respect of loan loss provisioning by the Central Bank of Myanmar Notification No. 17/2017, *Asset Classification and Provisioning Regulations*, and the Financial Institutions Law 2016 section 39.

### *Report on Other Legal and Regulatory Requirements*

In accordance with the provisions of the Myanmar Companies Law and Financial Institutions Law, we also report that:

- (a) In accordance with section 280 (a) and (b) of the Myanmar Companies Law, we have obtained all the information and explanations provided by the Bank;
- (b) Books of accounts have been maintained by the Bank as required by Section 258 of the Myanmar Companies Law; and
- (c) Accounts and records have been maintained by the Bank including the preparation of financial statements in compliance with the regulations as required by Section 84 of the Financial Institutions Law.

Also, in accordance with Section 89 of the Financial Institutions of Myanmar Law, we report that the financial statements present completely, fairly and properly, in all material respects, present fairly the operations of the Bank and the information obtained from the Bank are satisfactory.

---

Swe Swe Lwin  
Partner  
(PA No. 1212)  
UTW (Myanmar) Limited  
Firm Reg: ACC006  
Certified Public Accountants



The Republic of the Union of Myanmar  
22 November 2019

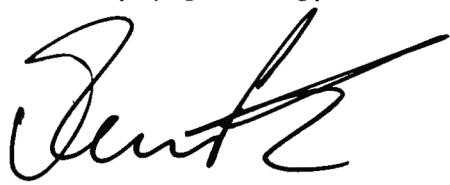


# Statement of Comprehensive Income

For the year ended 30 September 2019  
And for the period ended 30 September 2018

	Notes	30 September 2019 (For twelve months) MMK	30 September 2018 (For six months) MMK
Interest income	4	265,516,220,862	109,987,996,452
Interest expense	5	169,933,236,777	73,298,885,741
<b>Net interest income</b>		<b>95,582,984,085</b>	<b>36,689,110,711</b>
Fees and commission income	6	17,329,928,456	8,817,054,398
Other income	7	2,963,367,975	2,269,060,018
Gain on disposal of property and equipment		47,870,467	59,380,971
<b>Non- interest income</b>		<b>20,341,166,898</b>	<b>11,145,495,387</b>
<b>Total operating income</b>		<b>115,924,150,983</b>	<b>47,834,606,098</b>
Personnel expenses	8	36,157,067,978	15,385,427,194
General and administrative expense	9	12,311,166,196	4,959,404,894
Rent expense		6,136,441,644	2,624,656,708
Depreciation expense	15	4,094,062,726	1,912,276,610
Amortisation expense	16	1,188,712,861	472,181,088
Other expenses	10	14,094,811,091	6,658,727,448
Specific provision on non-performing loans	13,17	9,374,263,312	2,879,321,648
<b>Total operating expenses</b>		<b>83,356,525,808</b>	<b>34,891,995,590</b>
<b>Profit before general provision and taxation</b>		<b>32,567,625,175</b>	<b>12,942,610,508</b>
Less: 2% general provision for bad and doubtful debts	23	6,091,403,388	—
Less: Income tax expense	11	8,134,725,724	3,226,745,481
Add: Dividend income	14	6,780,000	—
<b>Profit for the year/period</b>		<b>18,348,276,063</b>	<b>9,715,865,027</b>
<b>Other comprehensive income</b>		<b>—</b>	<b>—</b>
<b>Total comprehensive income for the year/period</b>		<b>18,348,276,063</b>	<b>9,715,865,027</b>

The accompanying accounting policies and explanatory notes form an integral part of the financial statements



Executive Chairman



Executive Director




Chief Financial Officer

# Statement of Financial Position

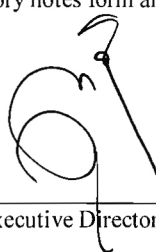
As at 30 September 2019 and 2018

	Notes	30 September 2019 MMK	30 September 2018 MMK
<b>Assets</b>			
Cash in hand and at banks	12	233,238,992,861	167,354,815,748
Interbank placements		150,504,504,000	54,554,000,000
Loans and advances, net	13	1,846,435,267,741	1,540,942,165,251
Investment securities	14	481,388,999,789	450,193,699,900
Property and equipment	15	27,690,572,936	27,195,674,848
Software, licenses and rights	16	4,904,510,316	4,223,720,580
Other assets	17	74,170,133,231	64,134,195,821
<b>Total assets</b>		<b>2,818,332,980,874</b>	<b>2,308,598,272,148</b>
<b>Liabilities</b>			
Due to non-bank customers	18	2,566,566,422,397	2,091,794,217,156
Interbank deposits		483,823,187	1,235,438,300
Funds restricted for LIFT-AFP	19	4,459,754,524	5,267,269,862
Borrowings	20	—	4,855,000,000
Accruals and other liabilities	21	100,635,483,014	88,868,968,529
<b>Total liabilities</b>		<b>2,672,145,483,122</b>	<b>2,192,020,893,847</b>
<b>Equity</b>			
Share capital	22	32,260,440,000	27,240,000,000
Share premium	22	30,130,000,000	30,130,000,000
Retained earnings		27,507,528,311	15,270,172,111
Reserves	23	56,289,529,441	43,937,206,190
<b>Total equity</b>		<b>146,187,497,752</b>	<b>116,577,378,301</b>
<b>Total liabilities and equity</b>		<b>2,818,332,980,874</b>	<b>2,308,598,272,148</b>

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.



Executive Chairman



Executive Director



Chief Financial Officer



# Statement of Changes in Equity

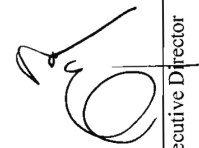
For the year ended 30 September 2019  
And for the period ended 30 September 2018

Notes	Share capital MMK	Share premium MMK	Retained earnings MMK	Reserves MMK	Total Equity MMK
<b>At 1 October 2018</b>	27,240,000,000	30,130,000,000	15,270,172,111	43,937,206,190	116,577,378,301
Share capital issue	5,020,440,000	—	—	—	5,020,440,000
Amount transferred to statutory reserves	—	—	(6,109,919,863)	6,109,919,863	—
Amount transferred to reserve for contingencies	—	—	(1,000,000)	1,000,000	—
Adjustment for unclaimed deposits	—	—	—	—	—
Adjustment to reserves for bad and doubtful debts	—	—	—	—	—
Total comprehensive income for the year	—	—	18,348,276,063	6,241,403,388	6,241,403,388
<b>At 30 September 2019</b>	<b>32,260,440,000</b>	<b>30,130,000,000</b>	<b>27,507,528,311</b>	<b>56,289,529,441</b>	<b>146,187,497,752</b>

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.



Executive Chairman



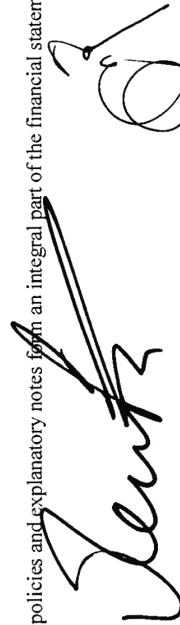
Chief Financial Officer

# Statement of Changes in Equity

Statement of changes in equity  
For the year ended 30 September 2019  
And for the period ended 30 September 2018

	Notes	Share capital MMK	Share premium MMK	Retained earnings MMK	Reserves MMK	Total Equity MMK
<b>At 1 April 2018</b>		27,240,000,000	30,130,000,000	11,536,581,906	41,777,286,389	110,683,868,295
Share capital issue	22	—	—	—	—	—
Amount transferred to statutory reserves	23	—	—	(2,428,966,258)	2,428,966,258	—
Amount transferred to reserve for contingencies	23	—	—	(1,000,000)	1,000,000	—
Adjustment for unclaimed deposits	23	—	—	—	(3,822,355,021)	(3,822,355,021)
Adjustment to reserves for bad and doubtful debts	23	—	—	(3,552,308,564)	3,552,308,564	—
Total comprehensive income for the period		—	—	9,715,865,027	—	9,715,865,027
<b>At 30 September 2018</b>		<b>27,240,000,000</b>	<b>30,130,000,000</b>	<b>15,270,172,111</b>	<b>43,937,206,190</b>	<b>116,577,378,301</b>

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.



Executive Chairman

Executive Director



Chief Financial Officer



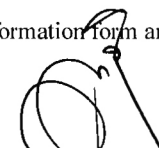
# Statement of Cash Flows

For the year ended 30 September 2019  
And for the period ended 30 September 2018

	Notes	30 September 2019 MMK	30 September 2018 MMK
<b>Cash flows from operating activities</b>			
Profit before general provision and taxation		32,567,625,175	12,942,610,508
Adjustments for:			
Specific provision for non-performing loans and mortgaged property	13,17	9,374,263,312	2,879,321,648
Adjustment on specific provision for write-off		111,077,743	—
Adjustment on AFP provision		(719,744,754)	—
Depreciation of property and equipment	15	4,094,062,726	1,912,276,610
Amortization of software, license and rights	16	1,188,712,861	472,181,088
Adjustment for foreign exchange difference on specific provision	13	(10,289,409)	229,502,002
Write-off of property and equipment	15	516,398,000	97,100,167
Adjustment for property and equipment	15	732,219	1,109,314
Adjustment for software, license and rights	16	297,296	—
Adjustment for unclaimed deposit	23	—	(3,822,355,021)
Adjustment to reserve for bad and doubtful debts	23	150,000,000	—
Dividend income	14	6,780,000	—
Loss on disposal of property and equipment		—	26,818,237
Gain on disposal of property and equipment		(47,870,467)	(59,380,971)
<b>Operating cash flows before changes in working capital</b>		<b>47,232,044,702</b>	<b>14,679,183,582</b>
Increase in loans and advances to customers		(312,070,169,429)	(177,451,495,305)
Increase in other assets		(4,114,390,317)	4,455,382,934
Increase in due to non-bank customers and interbank deposits		474,020,590,128	280,617,605,938
(Decrease)/increase in fund restricted for LIFT-AFP		(807,515,338)	2,945,789,902
Increase in accruals and other liabilities		3,631,788,761	4,996,508,325
<b>Cash flows generated from operating activities</b>		<b>207,892,348,507</b>	<b>130,242,975,376</b>
Income taxes paid		(8,099,787,047)	(3,138,042,537)
<b>Net cash flows generated from operating activities</b>		<b>199,792,561,460</b>	<b>127,104,932,839</b>
<b>Cash flows used in investing activity</b>			
Purchase of property and equipment	15	(5,109,270,565)	(3,473,293,189)
Proceeds from (investment in) government securities	14	(31,195,820,431)	(188,151,944,496)
Investment in available-for-sale securities	14	520,542	(242,153,307)
Interbank placements		(95,950,504,000)	(4,309,000,000)
Proceeds from sale of property and equipment		51,050,000	102,500,000
Purchase of software, license & rights		(1,869,799,893)	(217,738,350)
<b>Net cash flows used in investing activities</b>		<b>(134,073,824,347)</b>	<b>(196,291,629,342)</b>

The accompanying accounting policies and explanatory information form an integral part of the financial statements.

  
Executive Chairman

  
Executive Director

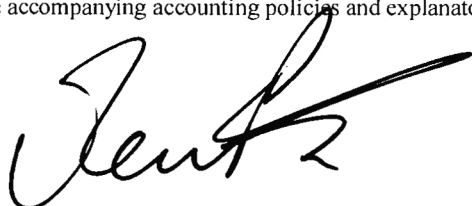
  
Chief Financial Officer

# Statement of Cash Flows

For the year ended 30 September 2019  
And for the period ended 30 September 2018

Notes	30 September 2019 MMK	30 September 2018 MMK
<b>Cash flows from financing activity</b>		
Proceeds from issuance of shares	5,020,440,000	—
Payment of borrowings – IFC	(4,855,000,000)	—
<b>Net cash flows used in financing activities</b>	<b>165,440,000</b>	<b>—</b>
<b>Net increase in cash and cash equivalents</b>	<b>65,884,177,113</b>	<b>(69,186,696,503)</b>
Cash and cash equivalents at 1 October	167,354,815,748	236,541,512,251
<b>Cash and cash equivalents at end of the year/period</b>	<b>233,238,992,861</b>	<b>167,354,815,748</b>

The accompanying accounting policies and explanatory information form an integral part of the financial statements.



Executive Chairman



Executive Director



Chief Financial Officer

# Notes to the Financial Statement

**For the financial year ended 30 September 2019**

---

## **1. Corporate information**

Yoma Bank Limited (the “Company” or the “Bank”) is a private company and incorporated in Myanmar on May 19, 1993 under The Myanmar Companies Act. The Bank was re-registered at Directorate of Investment and Company Administration with the Company registration no. 193771947 under Myanmar Companies Law 2017. Its holding company is First Myanmar Investment Limited, also incorporated in Myanmar and is listed on the Yangon Stock Exchange on 25 March 2016. The Bank was permitted to carry out banking business under License No. MaVaBa/P - 5/(7) 1993 issued by the Central Bank of Myanmar (“CBM”) according to Section 57 of the Central Bank of Myanmar Law. The principal activities of the Bank are to carry out all business undertakings provided in 2016 Financial Institution Law Section 52, in accordance with the Central Bank of Myanmar. The Bank renewed its Authorized Dealer License with license no. CBM-FEMD-95/2013 with the CBM.

The registered office of the Company is located at Level 5,6,7,8 Tower-2, HAGL, Myanmar Centre Tower, No. 192, Kabaraye Pagoda Road, Bahan Township, Yangon, Myanmar.

## **2. Summary of significant accounting policies**

### **(a) Basis of preparation**

The financial statements have been prepared on a historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange for an asset. The functional and presentation currency used in the financial statements is the Myanmar Kyats (“MMK”).

Based on the CBM Notification Letter No. 2224/ka ka (1)/535/2017-2018 dated 30 March 2018, all financial institutions should close their accounts for the transition period from 1 April 2018 to 30 September 2018. Accordingly, the Bank then prepared its financial statement for the period ended 30 September 2018 as its transition to the new accounting period. The amounts presented in the financial statements are not entirely comparable. 30 September 2018 amounts consist of six months period balances from 1 April to 30 September 2018 while 30 September 2019 amounts consist of one fiscal year balances from 1 October 2018 to 30 September 2019.

### **Statement of compliance**

The financial statements have been prepared in accordance with the Myanmar Financial Reporting Standards (“MFRS”) as issued by the Myanmar Accountancy Council (“MAC”) including the modification of the requirements of Myanmar Accounting Standards 39, *Financial Instruments: Recognition and Measurement* in respect of loan loss provisioning by the CBM Notification No. 17/2017, *Asset Classification and Provisioning* dated 7 July 2017 and the Financial Institutions Law 2016 section 39.



# Notes to the Financial Statement

For the financial year ended 30 September 2019

---

## 2. Summary of significant accounting policies (contd.)

### (b) Use of estimates and judgements

The preparation of the financial statements in conformity with MFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

#### (i) *Going concern*

The Bank's management has made an assessment of the Bank's ability to continue as a going concern and is satisfied that the Bank has the resources to continue in business for the foreseeable future. Furthermore, management is not aware of any material uncertainties that may cast significant doubt upon the Bank's ability to continue as a going concern. Therefore, the financial statements continue to be prepared on the going concern basis.

#### (ii) *Fair value of financial instruments*

Where the fair values of financial assets and financial liabilities recorded on the statement of financial position cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of mathematical models. The inputs to these models are derived from observable market data where possible, but where observable market data are not available, judgment is required to establish fair values. The judgments include considerations of, in the absence of observable market data, the financial assets will be carried at cost less impairment loss. The valuation of financial instruments is described in more detail in Note 24.

#### (iii) *Recognition of impaired loans and advances*

The Bank reviews its loan portfolios to assess impairment at each balance sheet date. In determining whether an impairment loss should be recognized, the Bank makes judgements as to whether there is any observable data indicating an impairment trigger. This evidence may include observable data indicating that there has been an adverse change in the payment status or deterioration in the payment conduct of borrowers individually or as a group. These judgements are applied in line with its internal policy on determining impaired loans as set out in Note 2(j).

# Notes to the Financial Statement

**For the financial year ended 30 September 2019**

---

## **2. Summary of significant accounting policies (contd.)**

### **(b) Use of estimates and judgements (contd.)**

#### *(iv) Impairment losses on loans and advances*

The Bank reviews individually significant loans and advances at each reporting date to assess whether an impairment loss should be recorded in the income statement. The Bank recognizes an impairment loss equivalent to the security shortfall of each individual loan, in accordance with the requirement under the CBM Notification No. 17/2017 including its annexure on the criteria for the valuation of security and collateral. The impairment methodology is disclosed in more detail in Note 2(j).

#### *(v) Impairment of available-for-sale equity investments*

The Bank determines that available-for-sale equity investments are impaired when there has been a significant prolonged decline in fair value below its cost. This determination of what is significant or prolonged requires judgment. In making this judgement, the Bank evaluates among other factors, the volatility in share price. In addition, objective evidence of impairment may be deterioration in the financial health of the investee, industry and sector performance, changes in technology, and operational and financial cash flows.

### **(c) Foreign currency transactions**

#### *(i) Functional and presentation currency*

Items included in the financial statements are measured using the currency of the primary economic environment in which the Bank operates (“the functional currency”). The financial statements are presented in MMK, which is the Bank’s functional and presentation currency.

#### *(ii) Transactions and balances*

Transactions in currency other than the functional currency (“functional currency”) are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the income statement.

# Notes to the Financial Statement

For the financial year ended 30 September 2019

---

## 2. Summary of significant accounting policies (contd.)

### (d) Interest income and expenses

Interest income and expense for all interest-bearing financial instruments are recognized within “interest income” and “interest expense” in the income statement using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, the Bank estimates cash flows considering all contractual terms of the financial instrument (for example, prepayment options) but does not consider future credit losses. The calculation includes all fees paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premium or discounts.

### (e) Fees and commission income

Fees and commission are generally recognized on an accrual basis when the service has been provided. This includes loan and overdraft fees, commissions from hire purchase - AFP, remittance fees, trade finance fees and others.

### (f) Dividend income

Dividend income is recognized when the right to receive payment is declared.

### (g) Other income

Other income includes gains or losses resulting from foreign exchange, insurance agent commission, rental income and others.

### (h) Employee benefits

Eligible employees may participate in the Bank’s defined contribution plan under which the Bank pays fixed contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The Bank has no further payment obligations once the contributions have been paid. The employer’s contributions are recognized in “Personnel expenses” when the employer’s contributions are made and when benefits are paid.



# Notes to the Financial Statement

**For the financial year ended 30 September 2019**

---

## **2. Summary of significant accounting policies (contd.)**

### **(i) Tax expenses**

All tax expenses are current taxes and recognized in the income statement. Current tax is the expected tax payable on the taxable income for the year, using the tax rates enacted or substantively enacted at the reporting date.

### **(j) Financial assets and financial liabilities**

#### **(i) Recognition**

The Bank initially recognizes all financial assets and financial liabilities, including regular way of purchases and sales of financial assets, on the date that they are originated, i.e. the trade date, the date on which the Bank commits to purchase or sell the asset.

A financial asset or financial liability is measured initially at fair value plus or minus transaction costs that are directly attributable to its acquisition or issue.

#### **(ii) Classification**

The Bank classifies its financial assets and liabilities on the following categories:

##### **(a) *Loans and receivables***

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are presented as current assets, except for those expected to be realized later than 12 months after the balance sheet date which are non-current assets. Loans and receivables are reported net of specific allowances in the statement of financial position as “Loans and advances, net”. Interest on loans is included in the income statement and is reported as “Interest income”. In the case of an impairment, the impairment loss is reported as a reduction from the carrying value of the loan and recognized in the statement of comprehensive income.

##### **(b) *Held-to-maturity***

Held-to-maturity financial assets are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Bank’s management has the positive intention and ability to hold to maturity. If the Bank were to sell other than an insignificant amount of held-to-maturity financial assets, the whole category would be tainted and reclassified as available-for-sale. They are presented as non-current assets, except for those maturing within 12 months after the balance sheet date which are presented as current assets. Held-to-maturity assets are reported in the statement of financial position as “Investment securities”. Interest on government securities is included in the in the income statement and is reported as “Interest income”.

# Notes to the Financial Statement

**For the financial year ended 30 September 2019**

---

**2. Summary of significant accounting policies (contd.)**

**(j) Financial assets and financial liabilities (contd.)**

(ii) Classification (contd.)

(c) *Available-for-sale*

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are presented as non-current assets, unless the investment matures or management intends to dispose of the assets within the normal operating cycle. Dividend income on available-for-sale securities is recognized separately in income. Net gains and losses arising from the sale of these securities are reported in the income statement. They are reported under “Investment securities” in the statement of financial position.

(iii) Derecognition

The Bank derecognizes a financial asset when the contractual rights to the cash flows from the financial asset are expired or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. The Bank derecognizes a financial liability when the contractual obligations are discharged, cancelled or expired.

(iv) Subsequent measurement

Loans and receivables and held-to-maturity financial assets are subsequently carried at amortized cost using the effective interest method. Available-for-sale financial assets are subsequently carried at fair value if the fair value can be reliably estimated using valuation techniques supported by observable market data, otherwise, those assets will be carried at cost less impairment loss.

(v) Offsetting of financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

# Notes to the Financial Statement

For the financial year ended 30 September 2019

## 2. Summary of significant accounting policies (contd.)

### (j) Financial assets and financial liabilities (contd.)

#### (vi) Impairment of financial assets

The Bank assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. Impairment losses are recognized in profit or loss and reflected in an allowance account against loans and advances or investment securities. When an event occurring after the impairment loss was recognized causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

#### *Financial assets carried at amortized cost*

The Bank reviews its individually significant loans and advances at each reporting date to assess whether an impairment loss should be recorded in the income statement. In accordance with the new CBM notification No. 17/2017 dated 7 July 2017, the Bank determines the impairment loss as follows:

Days past due	Classification	Provision on shortfall in security value
30 days past due	Standard	0%
31 – 60 days past due	Watch	5%
61 – 90 days past due	Substandard	25%
91 – 180 days past due	Doubtful	50%
Over 180 days past due	Loss	100%

Prior to the new notification, the Bank follows the CBM instruction No. 6 as follows:

Days past due	Classification	Provision on security shortfall
6 – 12 months	Substandard	Nil
12 – 24 months	Doubtful	50%
More than 24 months	Bad	100%

The Bank seeks to use collateral to mitigate its risks on financial assets. The collateral comes in various forms such as cash, real estate, inventories, and other non-financial assets. The fair value of collateral is generally assessed, at a minimum, at inception and based on the Bank's statutory reporting schedule.

To the extent possible, the Bank uses active market data for valuing financial assets held as collateral. Non-financial collateral, such as real estate, is valued based on data provided by approved third party property assessors or other independent sources.



# Notes to the Financial Statement

**For the financial year ended 30 September 2019**

---

## **2. Summary of significant accounting policies (contd.)**

### **(j) Financial assets and financial liabilities (contd.)**

#### **(vi) Impairment of financial assets (contd.)**

Where collaterals are repossessed, the Bank's policy is to determine whether a repossessed asset can be best used for its internal operations or should be sold. Assets determined to be useful for the internal operations are transferred to their relevant asset category at the lower of their repossessed value or the carrying value of the original secured asset. Assets for which selling is determined to be a better option are transferred to assets held for sale at their fair value or fair value less cost to sell for non-financial assets at the repossession date in line with the Bank's policy.

#### **(vii) Reserves for bad and doubtful debts**

In accordance with the CBM requirement under Instruction No. 17/2017, the Bank maintains a reserve for bad and doubtful debts of 2% of credit exposures arising from their loan portfolio (against which specific allowances have not been made) prior to any adjustments for security coverage. As per CBM instruction dated 10 May 2019, this amount is reported under profit before tax. Prior to this instruction, this amount is transferred to the reserve account from profit after tax. As per CBM instruction No. 17/2017, an amount equal to 1.25% of the Risk Weighted Assets is considered as Tier 2 Capital of Capital Adequacy Ratio.

As of 30 September 2019, MMK 23.39 billion of the MMK 37.32 billion balance in the reserve account is included for CAR calculation.

### **(k) Repurchase and reverse repurchase agreements**

Securities sold under agreements to repurchase at a specified future date are not derecognized from the statement of financial position as the Bank retains substantially all the risks and rewards of ownership. The corresponding cash received is recognized in the statement of financial position as an asset with a corresponding obligation to return it, including accrued interest, as a liability within 'Cash collateral on securities lent and repurchase agreements' reflecting the transaction's economic substance as a loan to the Bank. The difference between the sale and repurchase prices is treated as interest expense and is accrued over the life of agreement using the EIR.

# Notes to the Financial Statement

**For the financial year ended 30 September 2019**

---

## **2. Summary of significant accounting policies (contd.)**

### **(k) Repurchase and reverse repurchase agreements (contd.)**

Conversely, securities purchased under agreements to resell at a specified future date are not recognized in the statement of financial position. The consideration paid, including accrued interest, is recorded in the statement of financial position, within 'Cash collateral on securities borrowed and reverse repurchase agreements', reflecting the transaction's economic substance as a loan by the bank. The difference between the purchase and resale prices is recorded in 'Net interest income' and is accrued over the life of the agreement using the EIR.

### **(l) Cash and cash equivalents**

Cash and cash equivalents are referred on the cash flow statement comprising of cash in hand, cash balances with banks and other financial institution, and non-restricted current accounts with CBM.

### **(m) Property and equipment**

The Bank is allowed to choose either the cost model or the revaluation model as its accounting policy.

Currently, all property and equipment are stated at historical cost less accumulated depreciation and accumulated impairment in value, following the cost model. The Bank intends to apply the revaluation model on its land and buildings once all the approvals in this regard are in place. Revaluations shall be made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period.

Historical cost includes expenditure that is directly attributable to the acquisition of the items. Changes in the expected useful life are accounted for by changing the depreciation period or method, as appropriate, and treated as changes in accounting estimates.

Depreciation is calculated using the straight-line method to write down the cost of the property and equipment to their residual values over their estimated useful lives of these assets other than the land which is not depreciated. Details of depreciation rates are as follows:

# Notes to the Financial Statement

For the financial year ended 30 September 2019

---

## 2. Summary of significant accounting policies (contd.)

### (m) Property and equipment (contd.)

<u>Category</u>	<u>Rate</u>
Immovable property – Building	1.25%
Office equipment	10.00% - 20.00%
Furniture and fitting	5.00%
Motor vehicle	12.50%
Leasehold improvements	20.00%

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Bank and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

Property and equipment are periodically reviewed for impairment. Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount and the impairment loss is recognized in the statement of comprehensive income.

Gains and losses on disposal of property and equipment are the difference between the disposal proceeds and its carrying amount and are recognized in the statement of comprehensive income as a separate line item.

### (n) Software, licenses and rights

Software, licenses and rights are carried at cost less accumulated amortization and allowance for impairment loss (if any). Software, licenses and rights with finite lives are amortized on a systematic basis over the economic useful life and tested for impairment whenever there is an indication that the software, licenses and rights may be impaired. The amortization and the amortization method of such software, licenses and rights are reviewed at least at each financial year-end. The amortization expense is recognized in the income statement.



# Notes to the Financial Statement

**For the financial year ended 30 September 2019**

---

## **2. Summary of significant accounting policies (contd.)**

### **(n) Software, licenses and rights (contd.)**

Software, licenses and rights with finite useful lives include computer software which have an estimated useful life of 5 years, and licenses which have an estimated useful life of 10 years.

### **(o) Impairment of non-financial assets**

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

These assets that suffered impairment are reviewed for possible reversal of the impairment at each reporting date. No non-financial assets were impaired as at the end of the period.

### **(p) Other liabilities**

Other payables represent liabilities for services provided to the Bank prior to the end of financial year which are unpaid. They are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). Otherwise, they are presented as non-current liabilities.

Other payables are initially recognized at fair value, and subsequently carried at amortized cost using the effective interest method.

### **(q) Leases**

The determination of whether an arrangement is a lease, or it contains a lease, is based on the substance of the arrangement and requires an assessment of whether the fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

#### *Bank as a lessee*

Leases that do not transfer to the bank substantially all the risk and benefits incidental to ownership of the lease items are operating lease. Operating lease payments are recognized as an expense in the statement of comprehensive income on a straight-line basis over the lease term.

# Notes to the Financial Statement

For the financial year ended 30 September 2019

---

## 2. Summary of significant accounting policies (contd.)

### (r) Deferred revenue from performance and trade guarantees

In the ordinary course of business, the Bank gives guarantees, consisting of letters of credit, guarantees and acceptances. Deferred revenue is initially recognized, for the commission received in advance, from the guarantees offered to the customer in the financial statements (within “Accruals and other liabilities”) at fair value. Subsequent to initial recognition, the Bank’s liability is measured at the higher of the amount initially recognized less, when appropriate, cumulative amortization recognized in the income statement, and the best estimate of expenditure required to settle any financial obligation arising as a result of the guarantee.

The commission received is recognized in the income statement under “Fees and commission income” on a straight-line basis over the life of the guarantee.

### (s) Provisions

Provisions are recognized when the Bank has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated.

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision is reversed.

## 3. Financial risk management

The Bank’s financial risk management policies seek to ensure that adequate financial resources are available for the development of the Bank’s business while managing its risks. The Bank’s Board of Directors have delegated operational authority for asset/liability management and managing of market risks to the Asset/Liability Committee (“ALCO”). The ALCO seeks to identify, measure, and manage the key risk exposures to market prices, interest rates, foreign exchange rates, liquidity and capital adequacy within the Bank’s desired risk appetite in accordance with the Bank’s Asset Liability Management (“ALM”) policy. The main areas of financial risks faced by the Bank and the respective policies are set out as follows:

# Notes to the Financial Statement

## For the financial year ended 30 September 2019

### 3. Financial risk management (contd.)

#### a) Foreign exchange risk

Foreign currency risk arises from the exposure to the effects of fluctuation in the prevailing foreign currency exchange rates to earnings and economic value of foreign currency assets and liabilities. The Bank's foreign exchange exposures comprise of trading and non-trading. Non-trading foreign exchange exposures are principally derived from international banking business and foreign currency held due to LIFT-AFP.

Foreign exchange risk is managed through policies and risk limits such as exposure by currency, which are regularly monitored by the Asset/Liability Committee ("ALCO") of the Bank.

Presented below is the Net Open Position (NOP) of the Bank as of 30 September 2019 and 30 September 2018, respectively, based on CBM's instruction No. (14/2016) dated 27 December 2016.

#### 30 September 2019

Currencies	Assets	Liabilities	Net open position
	MMK	MMK	MMK
United States Dollar	125,464,915,583	110,883,662,561	14,581,253,022
Euro	1,123,747,840	614,042,111	509,705,729
Singapore Dollar	481,962,530	28,412,951	453,549,579
Japanese Yen	1,307,658	330,697	976,961
Others	6,433,824	95,085	6,338,739
<b>Total</b>	<b>127,078,367,435</b>	<b>111,526,543,405</b>	<b>15,551,824,030</b>

**Total Tier I capital** 108,799,027,222

#### 30 September 2018

Currencies	Assets	Liabilities	Net open position
	MMK	MMK	MMK
United States Dollar	154,644,517,669	135,611,467,540	19,033,050,129
Euro	436,028,189	137,582,164	298,446,025
Singapore Dollar	158,874,513	123,162,424	35,712,089
Japanese Yen	1,483,768	288,834	1,194,934
Others	6,960,935	97,864	6,863,071
<b>Total</b>	<b>155,247,865,074</b>	<b>135,872,598,826</b>	<b>19,375,266,248</b>

**Total Tier I capital** 84,582,707,249

NOP ratios as % of Tier I capital as of 30 September 2019 and 30 September 2018 are as follows:

	30 September 2019	30 September 2018
<b>NOP ratio</b>	14%	23%



# Notes to the Financial Statement

## For the financial year ended 30 September 2019

### 3. Financial risk management (contd.)

#### a) Foreign exchange risk (contd.)

The table below indicates the sensitivity of the currencies which the Bank had significant exposures as of 30 September 2019 and 30 September 2018:

Foreign currency appreciates (depreciates)	30 September 2019				
	USD	EUR	SGD	JPY	OTHERS
+10.00%	1,458,125,302	50,970,573	45,354,958	97,696	633,874
-10.00%	(1,458,125,302)	(50,970,573)	(45,354,958)	(97,696)	(633,874)

Foreign currency appreciates (depreciates)	30 September 2018				
	USD	EUR	SGD	JPY	OTHERS
+10.00%	1,903,305,013	29,844,602	3,571,209	119,493	686,307
-10.00%	(1,903,305,013)	(29,844,602)	(3,571,209)	(119,493)	(686,307)

The analysis calculates the effect of a reasonably possible movement of the currency rate against MMK, with all other variables held constant on the statement of income. A negative amount reflects a potential net reduction in statement of income while a positive amount reflects a net potential increase. There is no other impact on the Bank's equity other than those already affecting the statements of income.

#### b) Interest rate risk

Interest rate risk arises from the potential change in interest rates which may have an adverse effect on the net interest income of the Bank in the current reporting period, and/or future periods. Interest rate risk arises from the structure and characteristics of the Bank's assets and liabilities, and in the mismatch in repricing dates of its assets and liabilities.

The Bank is not significantly exposed to interest rate risk since all of its financial assets and liabilities are subject to fixed interest rates.

# Notes to the Financial Statement

For the financial year ended 30 September 2019

## 3. Financial risk management (contd.)

### c) Credit risk

Credit risk is the risk of financial loss that results from customers failing to meet their obligations. Credit risk arises primarily from lending activities and represents the major risk of the Bank. The Board of Directors of the Bank approves major policies and limits that govern monitoring of the credit risk. The Board of Directors delegates authority to the Credit Committee for overseeing the credit risk of the Bank. The Bank structures the levels of credit risk it undertakes by placing limits on the amount of risk acceptable in relation to one borrower, or group of borrowers and industry segments. Such risks are monitored on a regular basis and are subject to annual or more frequent review. Limits on the single customer, by group of customers and by industry sectors were adopted by the Bank for monitoring of the credit risks.

#### *Credit-related commitments risks*

The Bank makes available to its customers guarantees that may require that the Bank makes payment on their behalf and enters into commitments to extend credit lines to secure their liquidity needs. Letters of credit and guarantees commit the Bank to make payments on behalf of customers in the event of a specific act, generally related to the import or export of goods. Such commitments expose the Bank to similar risks to loans and are mitigated by the same control processes and policies.

The following table below shows the maximum exposure to credit risk by class of financial assets:

MMK (*In millions*)

30 September 2019	Maximum exposure to credit risk	Fair value of collateral and credit enhancements held					Net exposure
		Cash	Letters of credit/bank guarantees	Property	Other	Net collateral	
<b>Financial assets</b>							
Interbank placements	150,505	—	—	—	—	—	150,505
Loans and advances	1,931,779	42,578	—	3,633,019	747,415	4,423,012	(2,491,233)
Investment securities	481,389	—	—	—	—	—	481,389
Trade guarantees	15,109	—	—	29,299	6,758	36,057	(20,948)
Letter of credit (foreign currency)	30,492	4,677	—	5,999	—	10,676	19,816
Performance guarantees (Foreign currency)	2,916	1,086	—	1,197	—	2,283	633
Performance guarantees	4,739	1,898	—	951	—	2,849	1,890
<b>Total</b>	<b>2,616,929</b>	<b>50,239</b>	<b>—</b>	<b>3,670,465</b>	<b>754,173</b>	<b>4,474,877</b>	<b>(1,857,948)</b>

# Notes to the Financial Statement

For the financial year ended 30 September 2019

## 3. Financial risk management (contd.)

### c) Credit risk (cont'd)

MMK (In millions)

30 September 2018	Maximum exposure to credit risk	Fair value of collateral and credit enhancements held					Net exposure
		Cash	Letters of credit/bank guarantees	Property	Other	Net collateral	
<b>Financial assets</b>							
Interbank placements	54,554	—	—	—	—	—	54,554
Loans and advances	1,608,129	31,416	—	2,766,569	634,243	3,432,228	(1,824,099)
Investment securities	450,194	—	—	—	—	—	450,194
Trade guarantees	18,467	—	—	17,860	6,198	24,058	(5,591)
Letter of credit (foreign currency)	53,576	13,841	—	—	—	13,841	39,735
Performance guarantees (Foreign currency)	2,153	1,232	—	780	—	2,012	141
Performance guarantees	2,909	1,645	—	51	—	1,696	1,213
<b>Total</b>	<b>2,189,982</b>	<b>48,134</b>	<b>—</b>	<b>2,785,260</b>	<b>640,441</b>	<b>3,473,835</b>	<b>(1,283,853)</b>

The maximum exposure to credit risk for each class of financial instruments as represented by the categories of financial assets on the balance sheet is limited to the carrying amounts on the balance sheet, without taking into account the fair value of the any collateral. For the on-balance sheet financial assets, the maximum exposure to credit risk equals their carrying amount.

	30 September 2019		30 September 2018	
	Loans and advances	Investments <sup>(1)</sup>	Loans and advances	Investments <sup>(1)</sup>
(In millions)	MMK	MMK	MMK	MMK
<b>Neither past due nor impaired</b>	<b>1,699,925</b>	<b>478,760</b>	<b>1,451,568</b>	<b>447,565</b>
<b>Past due but no provision</b>				
Standard - 30 days	71,602	—	40,428	—
Watch - 31 to 60 days	15,117	—	8,787	—
Substandard - 61 to 90 days	9,562	—	4,374	—
Doubtful - 91 to 180 days	12,823	—	9,232	—
Loss - Over 180 days	14,256	—	14,368	—
<b>Total past due but not impaired</b>	<b>123,360</b>	<b>—</b>	<b>77,189</b>	<b>—</b>
<b>Loans with specific provision – Loss category</b>				
Watch - 31 to 60 days	971	—	—	—
Substandard - 61 to 90 days	190	—	1,424	—
Doubtful - 91 to 180 days	4,501	—	6,769	—
Loss - Over 180 days	37,026	—	16,953	—
<b>Total loans with specific provision – Loss category</b>	<b>42,688</b>	<b>—</b>	<b>25,146</b>	<b>—</b>
	<b>1,865,973</b>	<b>478,760</b>	<b>1,553,903</b>	<b>447,565</b>

(1) Investments exclude equity securities which are not exposed to credit risk. The investments that are neither past due nor impaired includes government securities that substantially have a high credit-rating in Myanmar



# Notes to the Financial Statement

For the financial year ended 30 September 2019

### 3. Financial risk management (contd.)

#### c) Credit risk (contd.)

At 30 September 2019 and 30 September 2018, the fair value of collateral that the bank holds relating to impaired loans with specific provision under the Loss category amounts to MMK 23.88 billion and MMK 19.16 billion, respectively. The collateral consists of properties from borrowers.

#### d) Liquidity and cash flow risk

Liquidity risk is the risk that the Bank is unable to meet its obligations when they fall due as a result of customer deposits being withdrawn, cash requirements from contractual commitments, or other cash outflows, such as debt maturities or margin calls for derivatives. Such outflows would deplete available cash resources for client lending, trading activities and investments. In extreme circumstances, lack of liquidity could result in reductions in the statement of financial position and sales of assets, or potentially an inability to fulfil lending commitments. The risk that the Bank will be specific and market-wide events including, but not limited to, credit events, merger and acquisition activity, systemic shocks and natural disasters.

The table below set out the remaining contractual maturities of the Bank's non-derivative financial assets and financial liabilities on an undiscounted basis:

	Less than 1 Year	More than 1 Year	Total
	MMK	MMK	MMK
<b>Balance at 30 September 2019</b>			
<b>Non-derivative financial assets</b>			
Cash in hand and at banks	233,238,992,861	—	233,238,992,861
Interbank placements	150,504,504,000	—	150,504,504,000
Loans and advances, net	1,846,435,267,741	—	1,846,435,267,741
Investments	216,032,745,739	265,356,254,050	481,388,999,789
Other assets	48,635,418,514	484,887,178	49,120,305,692
<b>Total</b>	<b>2,494,846,928,855</b>	<b>265,841,141,228</b>	<b>2,760,688,070,083</b>
<b>Non-derivative financial liabilities</b>			
Due to non-bank customers	2,566,566,422,397	—	2,566,566,422,397
Interbank liabilities	483,823,187	—	483,823,187
Funds segregated for LIFT-AFP	—	4,459,754,524	4,459,754,524
Borrowings	—	—	—
Accruals and other liabilities	55,414,746,494	—	55,414,746,494
<b>Total</b>	<b>2,622,464,992,078</b>	<b>4,459,754,524</b>	<b>2,626,924,746,602</b>

# Notes to the Financial Statement

For the financial year ended 30 September 2019

## 3. Financial risk management (contd.)

### d) Liquidity and cash flow risk

	Less than 1 Year	More than 1 Year	Total
	MMK	MMK	MMK
<b>Balance at 30 September 2018</b>			
Non-derivative financial assets			
Cash in hand and at banks	167,354,815,748	—	167,354,815,748
Interbank placements	54,554,000,000	—	54,554,000,000
Loans and advances, net	1,540,942,165,251	—	1,540,942,165,251
Investments	234,533,430,609	215,660,269,291	450,193,699,900
Other assets	31,705,341,094	632,244,511	32,337,585,605
<b>Total</b>	<b>2,029,089,752,702</b>	<b>216,292,513,802</b>	<b>2,245,382,266,504</b>
<b>Non-derivative financial liabilities</b>			
Due to non-bank customers	2,091,794,217,156	—	2,091,794,217,156
Interbank liabilities	1,235,438,300	—	1,235,438,300
Funds segregated for LIFT-AFP	—	5,267,269,862	5,267,269,862
Borrowings	—	4,855,000,000	4,855,000,000
Accruals and other liabilities	47,058,298,647	—	47,058,298,647
<b>Total</b>	<b>2,140,087,954,103</b>	<b>10,122,269,862</b>	<b>2,150,210,223,965</b>

The Bank monitors and maintains a level of bank balances deemed adequate by the directors to finance the operation and mitigate the effects of fluctuation in cash flow. In addition, the Bank maintains a statutory deposit with the CBM which should not be less than 5.00% of deposits. The Bank regularly monitors its liquidity position to ensure also compliance with the 70% to 80% loan to deposit ratio as mandated by the CBM as per FISD Instruction No. (1/2008). The ratios during the year are as follows:

	30 September 2019	30 September 2018
Year-end	72.69%	74.24%
Maximum	73.88%	74.86%
Minimum	71.58%	70.95%
Average	72.87%	72.85%

The Bank's liquidity ratios as of 30 September 2019 and 30 September 2018 were 25.30% and 25.62%, respectively and hence more than 20% fixed by the CBM as per Notification No. (19/2017).

# Notes to the Financial Statement

**For the financial year ended 30 September 2019**

---

## **3. Financial risk management (contd.)**

### **d) Operational risk**

Operational risk which is inherent in all business activities, is the potential for financial loss and business instability arising from failures in internal controls, operational processes or the systems that support them.

The goal of operational risk management is to balance cost and risk within the constraints of the risk appetite of the Bank and to be consistent with the prudent management required of a large financial organization.

It is recognized that such risks can never be entirely eliminated and that the cost of controls in minimizing these risks may outweigh the potential benefits. Accordingly, the Bank continues to invest in risk management and mitigation such as business continuity management and incident management. In reinforcement of the implementation of the Bank's risk strategy, independent checks on risk issues are undertaken by the internal audit function.

### **e) Legal and compliance risk**

Legal risk is the risk that the business activities of the Bank have with unintended or unexpected legal consequences. It includes risk arising from:

- Inadequate documentation, legal or regulatory incapacity, insufficient authority of a counterparty and uncertainty about the validity or enforceability of a contract in counterparty insolvency. Actual or potential violations of law or regulation (including activity unauthorized for a bank and which may attract a civil or criminal fine or penalty);
- Failure to protect the Bank's property; possibility of civil claims (including acts or other events which may lead to litigation or other disputes); and loss or increased charges associated with changes in, or errors in the interpretation of, taxation rates or law.

Compliance risk arises from a failure or inability to comply with the laws, regulations or codes applicable to the financial services industry. Non-compliance can lead to fines, public reprimands, and enforced suspension of operations or, in extreme cases, withdrawal of authorization to operate.

The Bank identifies and manages legal and compliance risk through effective use of its internal and external legal and compliance advisers.



# Notes to the Financial Statement

For the financial year ended 30 September 2019

## 3. Financial risk management (contd.)

### f) Capital management

The primary objectives of the Bank's capital management are to diversify its sources of capital, and to maintain an optimal level of capital which is adequate to support business activities and commensurate with the Bank's risk profile, and to meet its regulatory requirements.

	30 September 2019	30 September 2018
	MMK	MMK
<i>(In millions)</i>		
Tier 1 capital	108,799	84,583
Tier 2 capital	23,389	19,797
Deductible equity investment	—	(2,421)
<b>Total capital</b>	<b>132,188</b>	<b>101,959</b>
Risk weighted assets	1,871,119	1,583,800
Tier 1 capital ratio	5.81%	5.34%
Capital adequacy ratio	7.06%	6.44%
Minimum tier 1 capital adequacy ratio	4.00%	4.00%
Minimum regulatory capital adequacy ratio	8.00%	8.00%

On 7 July 2017, CBM has issued Instruction No. 16/2017 for the revised method of capital adequacy ratio calculation and its related components. This new instruction has significantly increased the composition of the risk weighted assets subjecting most of the loans to 100% risk weight including the off-balance sheet items. In addition, for the capital components, general loss reserve on credit losses has been limited to the lower of 1.25% of the total risk weighted assets and 2% general loss reserve on credits. Total equity investment and related party lending are also removed from the capital calculation. The regulation is effective immediately from the date of the issuance.

On 10 October 2018, the CBM approved the request of the Bank for converting the International Finance Corporation (IFC)'s convertible loan amounting to MMK 4.23 billion (out of MMK 4.86 billion) to 145,029 equity shares of the Bank. It was converted on 23 May 2019 (see Note 22).

On 18 July 2019, the CBM approved the request of the Bank for converting IFC's remaining convertible loan amounting to MMK 474.6 million to 3,643 equity shares of the Bank. It was converted on 30 August 2019 (see Note 22).

# Notes to the Financial Statement

For the financial year ended 30 September 2019

## 4. Interest income

	<b>30 September 2019</b>	<b>30 September 2018</b>
	(For twelve months)	(For six months)
	MMK	MMK
<b>Operations:</b>		
Interest from demand loans	102,134,787,785	38,766,118,712
Interest from overdrafts	68,415,526,845	32,442,210,906
Interest from hire purchase	21,986,066,445	10,464,467,035
Interest from home loan	11,992,093,778	3,518,902,544
Interest from hire purchase-AFP	8,827,557,856	4,740,899,086
Interest from staff loans	103,130,945	42,883,436
<b>Total operating interest income</b>	<b>213,459,163,654</b>	<b>89,975,481,719</b>
<b>Investments:</b>		
Interest from investment securities	35,637,957,081	15,023,475,558
Interest from interbank placements	12,678,462,609	2,554,430,561
<b>Total investment interest income</b>	<b>48,316,419,690</b>	<b>17,577,906,119</b>
Interest from trade finance	3,740,637,518	2,434,608,614
<b>Total interest income</b>	<b>265,516,220,862</b>	<b>109,987,996,452</b>

### *Interest income rates*

<b>Type</b>	<b>Rates</b>
Interest on loans and overdrafts	12.00% to 13.00% p.a
Interest on 5-year Myanmar Treasury bonds	7.25% to 10.20% p.a
Interest on interbank placements and other government securities – MMK	3.00% to 11.50% p.a
Interest on interbank placements – foreign currency	1.50% to 3.03% p.a

# Notes to the Financial Statement

For the financial year ended 30 September 2019

## 5. Interest expense

	<u>30 September 2019</u> (For twelve months) MMK	<u>30 September 2018</u> (For six months) MMK
Fixed deposit	84,948,198,684	40,087,746,917
Savings deposit	49,150,274,521	17,776,652,424
Call deposit	34,086,815,124	14,977,675,888
J Zu deposits	1,387,896,811	172,025,126
Interest expense from customer deposits	169,573,185,140	73,014,100,355
Interest expense from borrowings	360,051,637	227,492,235
Interest expense from interbank deposits	—	57,293,151
<b>Total interest expense</b>	<b><u>169,933,236,777</u></b>	<b><u>73,298,885,741</u></b>

The savings deposit rate was changed from 8.25% to 8.00% p.a. starting 1 July 2019 and is calculated on the minimum balance of the account during the period from the 5<sup>th</sup> day to end of the month.

Fixed deposit rates are as follows:

	<u>30 September 2019</u>	<u>30 September 2018</u>
1 month	8.00%	8.00%
2 months	8.50%	8.50%
3 months	8.75%	8.75%
6 months	9.25%	9.50%
9 months	9.50%	9.75%
12 months	9.75%	10.00%



# Notes to the Financial Statement

## For the financial year ended 30 September 2019

---

### 5. Interest expense (contd.)

In October 2017, the Bank has started offering new call deposit rate of 6.00% for any amount MMK 100,000 and above.

The Bank's J Zu deposit account offers a fixed deposit rate of 3.00% plus prize pool.

### 6. Fees and commission income

	<u>30 September 2019</u>	<u>30 September 2018</u>
	(For twelve months)	(For six months)
	MMK	MMK
Loan and overdraft fees	7,391,148,551	3,109,098,026
Fees and commissions from hire purchase, AFP	2,955,035,740	2,267,571,664
Trade finance fees	2,548,327,564	1,243,157,736
Remittance fees	1,928,019,678	1,150,074,611
Payment order fees	45,997,899	29,462,725
Locker rental fees	22,932,500	13,614,000
Swift charges	13,735,081	6,367,330
Commissions	2,838,851	3,951,229
Other charges and fees	2,421,892,592	993,757,077
<b>Total fees and commission income</b>	<b><u>17,329,928,456</u></b>	<b><u>8,817,054,398</u></b>

# Notes to the Financial Statement

For the financial year ended 30 September 2019

## 7. Other income

	<b>30 September 2019</b>	<b>30 September 2018</b>
	(For twelve months)	(For six months)
	MMK	MMK
Rental income	1,037,902,344	231,529,911
Insurance agent commission	970,505,377	466,806,357
Revaluation gain (loss) on foreign currency	631,042,627	1,050,395,800
Miscellaneous receipts	156,035,146	486,001,571
LIFT-AFP reimbursement	104,415,305	12,308,009
Net profit from foreign currency transactions	63,467,176	22,018,370
<b>Total other income</b>	<b>2,963,367,975</b>	<b>2,269,060,018</b>

## 8. Personnel expenses

	<b>30 September 2019</b>	<b>30 September 2018</b>
	(For twelve months)	(For six months)
	MMK	MMK
Salaries and wages	14,066,362,069	6,599,866,651
Other welfare benefits	12,536,689,011	5,193,179,565
Employee bonuses	6,399,333,324	2,600,000,000
Employee allowance	2,433,352,384	636,929,887
Employer's contribution to defined contribution plan	538,959,540	268,230,870
Income tax and social security contribution	182,371,650	87,220,221
<b>Total personnel expenses</b>	<b>36,157,067,978</b>	<b>15,385,427,194</b>

# Notes to the Financial Statement

For the financial year ended 30 September 2019

## 9. General and administrative expense

	<b>30 September 2019</b> (For twelve months) MMK	<b>30 September 2018</b> (For six months) MMK
Marketing and advertising	4,230,134,212	1,315,387,472
Telecommunication and postage	2,210,716,799	900,763,822
Office supplies	1,559,972,981	862,278,900
Travel and entertainment	1,305,438,656	518,209,319
Repair and maintenance	947,084,096	326,924,017
Utilities expense	568,321,958	289,462,402
IT and software costs	322,547,320	141,127,126
Remittance handling expenses	113,973,159	62,185,229
Swift charges	76,389,974	16,764,027
Other administrative expenses	976,587,041	526,302,580
<b>Total general and administrative expense</b>	<b>12,311,166,196</b>	<b>4,959,404,894</b>

## 10. Other expenses

	<b>30 September 2019</b> (For twelve months) MMK	<b>30 September 2018</b> (For six months) MMK
Consultancy expenses	8,857,698,666	5,005,348,187
Rates and taxes	2,786,285,904	1,075,284,997
Other losses and write-off	837,870,600	123,918,404
Legal fees	700,170,550	48,666,683
Insurance	251,959,759	74,445,849
Auditor fees	224,395,108	101,229,435
Assessors fees	203,425,728	89,571,139
Amortization of rent expense	58,496,278	86,862,966
Maintenance fees for correspondent bank	31,417,971	14,393,378
Home loans expenses	16,941,450	1,454,800
Refunds, discounts and interest	6,216,197	12,711,082
Other fees and expenses	119,932,880	24,840,528
<b>Total other expenses</b>	<b>14,094,811,091</b>	<b>6,658,727,448</b>



# Notes to the Financial Statement

## For the financial year ended 30 September 2019

### 11. Income tax expense

A reconciliation of tax expense and the accounting profit multiplied by Myanmar's income tax rate for 2019 and 2018 is as follows:

	<b>30 September 2019</b> (For twelve months) MMK	<b>30 September 2018</b> (For six months) MMK
Profit before taxation	32,567,625,175	12,942,610,508
Less: Gain on disposal of asset	47,870,467	59,380,971
Profit subject to statutory income tax	<b>32,519,754,708</b>	<b>12,883,229,537</b>
At Myanmar's statutory income tax of rate of 25% +10% tax on sale of assets	8,134,725,724	3,226,745,481
<b>Income tax recognized in statement of comprehensive income</b>	<b>8,134,725,724</b>	<b>3,226,745,481</b>

### 12. Cash in hand and at banks

	<b>30 September 2019</b> MMK	<b>30 September 2018</b> MMK
Cash in hand	61,543,528,986	47,505,692,571
Cash and balances with CBM	156,136,109,732	82,942,706,593
Cash and balances with banks and other financial institutions	15,559,354,143	36,906,416,584
<b>Total cash in hand and at banks</b>	<b>233,238,992,861</b>	<b>167,354,815,748</b>

# Notes to the Financial Statement

For the financial year ended 30 September 2019

## 13. Loans and advances, net

### a) By loan type

	<u>30 September 2019</u>	<u>30 September 2018</u>
	MMK	MMK
Demand loans	955,772,137,874	690,595,635,494
Overdraft	526,969,970,394	501,595,271,100
Hire purchase	166,922,734,182	176,477,652,455
Home loan	120,478,620,921	70,572,745,193
Hire purchase – AFP	64,500,251,557	72,118,640,800
Staff loans	1,223,580,802	1,092,401,668
<b>Subtotal</b>	<b>1,835,867,295,730</b>	<b>1,512,452,346,710</b>
Trade financing	30,106,230,768	41,451,010,359
<b>Loans and advances, gross</b>	<b>1,865,973,526,498</b>	<b>1,553,903,357,069</b>
Less: Specific allowance*	19,538,258,757	12,961,191,818
<b>Loans and advances, net</b>	<b>1,846,435,267,741</b>	<b>1,540,942,165,251</b>

\*The specific allowance includes loans and advances and LIFT-AFP amounting to MMK 13.66 billion and MMK 5.87 billion, respectively.

### b) Non-performing loans and allowance for impairment losses by collectability

	<u>30 September 2019</u>		<u>30 September 2018</u>	
	MMK	MMK	MMK	MMK
	<b>Principal</b>	<b>Specific Allowance</b>	<b>Principal</b>	<b>Specific Allowance</b>
<i>(In millions)</i>				
Standard	1,771,527	20	1,491,996	20
Watch	16,088	8	8,787	—
Substandard	9,752	20	5,798	35
Doubtful	17,324	451	16,001	473
Loss	51,282	13,157	31,321	5,675
<b>Total</b>	<b>1,865,973</b>	<b>13,656</b>	<b>1,553,903</b>	<b>6,203</b>

# Notes to the Financial Statement

For the financial year ended 30 September 2019

## 13. Loans and advances, net (contd.)

A reconciliation of the specific allowance for impairment losses for the loans and advances is presented below as follows:

	30 September 2019	30 September 2018
	MMK	MMK
<b>Balances at beginning of period/year</b>	12,961,191,818	9,688,435,254
Charge for the period/year	7,196,023,359	2,879,321,648
Adjustment for restructured loans	111,077,743	163,932,914
Adjustment for foreign exchange difference	(10,289,409)	229,502,002
<b>Total allowance for impairment losses by collectability</b>	<b>20,258,003,511</b>	<b>12,961,191,818</b>
Transferred from LIFT-AFP <sup>(1)</sup>	(719,744,754)	—
<b>Balances at end of period/year</b>	<b>19,538,258,757</b>	<b>12,961,191,818</b>

### *Repossessed collateral*

The Bank took possession of collaterals amounting to MMK 3.21 billion with a fair value of MMK 5.17 billion and MMK 4.87 billion with a fair value of MMK 8.47 billion as at 30 September 2019 and 30 September 2018, respectively, which the Bank is in the process of selling.

<sup>(1)</sup> In 2018, the Bank and the Fund has agreed to transfer AFP fund amounting to MMK 6.59 billion as part of the specific provision. During the year, the Bank has used the provision amounting to MMK 719.74 million for its HP AFP product.

## 14. Investment securities

	30 September 2019	30 September 2018
	MMK	MMK
<b>Held-to-maturity:</b>		
- Myanmar Treasury bonds	500,000,000	40,500,000,000
- Money market (deposit auction)	35,000,000,000	29,000,000,000
- Myanmar Treasury bills	—	—
<b>Total held-to-maturity investments</b>	<b>35,500,000,000</b>	<b>69,500,000,000</b>
<b>Available-for-sale securities:</b>		
- Myanmar Treasury bonds	267,217,068,039	213,530,828,834
- Myanmar Treasury bills	176,043,388,323	164,533,807,097
- Investment in Digital Money Myanmar	2,364,930,800	2,364,930,800
- Investment in Myanmar Payment Union	200,000,000	200,000,000
- Investment in MICT	56,500,000	56,500,000
- Investment in SWIFT	6,072,627	6,593,169
- Investment in Myanmar Credit Bureau	1,040,000	1,040,000
<b>Total available-for-sale investments</b>	<b>445,888,999,789</b>	<b>380,693,699,900</b>



# Notes to the Financial Statement

**For the financial year ended 30 September 2019**

---

**14. Investment securities (contd.)**

	<u>30 September 2019</u>	<u>30 September 2018</u>
	MMK	MMK
<b>Current</b>	216,032,745,739	234,533,430,609
<b>Non-current</b>	265,356,254,050	215,660,269,291

No impairment losses were incurred for the year ended 30 September 2019 and for the period ended 30 September 2018.

Available-for-sale securities consists of government securities and unquoted equity investments. These equity investments are carried at cost less impairment because the fair value cannot be reliably estimated using valuation techniques supported by observable market data.

The Bank has recognized dividend income from MICT amounting to MMK 6.78 million for the year ended 30 September 2019.

# Notes to the Financial Statement

For the financial year ended 30 September 2019

## 15. Property and equipment

Cost	Land	Building	Office	Furniture	Motor vehicle	Leasehold	Total
	MMK	MMK	equipment MMK	and fitting MMK <i>(In thousands)</i>	MMK	improvements MMK	MMK
<b>At 1 Oct 2018</b>	5,037,559	5,315,284	14,398,937	2,522,116	3,023,350	7,582,157	37,879,403
Additions	—	1,405,796	3,137,933	289,423	54,920	221,199	5,109,271
Disposal	—	—	(3,991)	—	(144,915)	—	(148,906)
Adjustment	—	—	(579)	(33)	—	(1,386,113)	(1,386,725)
Write-offs	(184,180)	(234,651)	(391,190)	(104,216)	(1,410)	(856)	(916,503)
<b>At 30 Sept 2019</b>	<b>4,853,379</b>	<b>6,486,429</b>	<b>17,141,110</b>	<b>2,707,290</b>	<b>2,931,945</b>	<b>6,416,387</b>	<b>40,536,540</b>
<b>Accumulated depreciation</b>							
<b>At 1 Oct 2018</b>	—	551,557	4,935,567	392,886	1,571,136	3,232,582	10,683,728
Charge for the financial year	—	63,473	2,112,969	123,900	344,514	1,449,206	4,094,062
Disposals	—	—	(3,990)	—	(141,735)	—	(145,725)
Adjustment	—	—	(580)	—	—	(1,385,413)	(1,385,993)
Write-offs	—	(58,281)	(302,339)	(37,375)	(1,410)	(700)	(400,105)
<b>At 30 Sept 2019</b>	<b>—</b>	<b>556,749</b>	<b>6,741,627</b>	<b>479,411</b>	<b>1,772,505</b>	<b>3,295,675</b>	<b>12,845,967</b>
<b>Net book value at 30 Sept 2019</b>	<b>4,853,379</b>	<b>5,929,680</b>	<b>10,399,483</b>	<b>2,227,879</b>	<b>1,159,440</b>	<b>3,120,712</b>	<b>27,690,573</b>

# Notes to the Financial Statement

For the financial year ended 30 September 2019

## 15. Property and equipment (contd.)

	Land	Building	Office equipment	Furniture and fitting	Motor vehicle	Leasehold improvements	Total
	MMK	MMK	MMK	MMK	MMK	MMK	MMK
<b>Cost</b>							
At 1 April 2018	4,187,059	5,123,304	12,708,522	2,402,508	3,232,935	7,378,603	35,032,931
Additions	850,500	198,820	1,795,956	200,171	48,000	379,846	3,473,293
Disposal	—	—	—	—	(256,845)	—	(256,845)
Adjustment	—	(840)	(270)	—	—	(176,292)	(177,402)
Write-offs	—	(6,000)	(105,271)	(80,563)	(740)	—	(192,574)
<b>At 30 Sept 2018</b>	<b>5,037,559</b>	<b>5,315,284</b>	<b>14,398,937</b>	<b>2,522,116</b>	<b>3,023,350</b>	<b>7,582,157</b>	<b>37,879,403</b>
<b>Accumulated depreciation</b>							
At 1 April 2018	—	520,283	4,090,717	348,941	1,581,095	2,689,090	9,230,126
Charge for the financial period	—	31,595	924,222	58,986	177,688	719,785	1,912,276
Disposals	—	—	—	—	(186,907)	—	(186,907)
Adjustment	—	—	—	—	—	(176,293)	(176,293)
Write-offs	—	(321)	(79,372)	(15,041)	(740)	—	(95,474)
<b>At 30 Sept 2018</b>	<b>—</b>	<b>551,557</b>	<b>4,935,567</b>	<b>392,886</b>	<b>1,571,136</b>	<b>3,232,582</b>	<b>10,683,728</b>
<b>Net book value at 30 Sept 2018</b>	<b>5,037,559</b>	<b>4,763,727</b>	<b>9,463,370</b>	<b>2,129,230</b>	<b>1,452,214</b>	<b>4,349,575</b>	<b>27,195,675</b>



# Notes to the Financial Statement

For the financial year ended 30 September 2019

## 16. Software, licenses & rights

	<u>Computer software</u>	<u>Licenses &amp; rights</u>	<u>Total</u>
	MMK	MMK	MMK
<b>Cost</b>			
<b>At 1 October 2018</b>	3,688,903,678	2,256,297,888	5,945,201,566
Additions	1,869,799,893	—	1,869,799,893
Adjustments	(297,296)	—	(297,296)
<b>At 30 September 2019</b>	<b>5,558,406,275</b>	<b>2,256,297,888</b>	<b>7,814,704,163</b>
<b>Amortization</b>			
<b>At 1 October 2018</b>	1,292,685,022	428,795,964	1,721,480,986
Charged during the year	963,083,065	225,629,796	1,188,712,861
<b>At 30 September 2019</b>	<b>2,255,768,087</b>	<b>654,425,760</b>	<b>2,910,193,847</b>
<b>Net book value at 30 September 2019</b>	<b>3,302,638,188</b>	<b>1,601,872,128</b>	<b>4,904,510,316</b>
<b>Cost</b>			
<b>At 1 April 2018</b>	3,471,165,328	2,256,297,888	5,727,463,216
Additions	217,738,350	—	217,738,350
<b>At 30 September 2018</b>	<b>3,688,903,678</b>	<b>2,256,297,888</b>	<b>5,945,201,566</b>
<b>Amortization</b>			
<b>At 1 April 2018</b>	933,318,832	315,981,066	1,249,299,898
Charged during the period	359,366,190	112,814,898	472,181,088
<b>At 30 September 2018</b>	<b>1,292,685,022</b>	<b>428,795,964</b>	<b>1,721,480,986</b>
<b>Net book value at 30 September 2018</b>	<b>2,396,218,656</b>	<b>1,827,501,924</b>	<b>4,223,720,580</b>

# Notes to the Financial Statement

For the financial year ended 30 September 2019

## 17. Other assets

	<u>30 September 2019</u>	<u>30 September 2018</u>
	MMK	MMK
Interest receivable from loan customers	31,970,132,042	17,518,925,138
Interest receivable from investments	11,591,584,450	9,616,848,427
Prepaid expenses	22,198,809,981	27,377,253,035
Account receivable for FX-Swaps	4,922,013,471	3,789,075,070
Account receivable – others <sup>(1)</sup>	151,688,550	476,664,013
Property repossessed from borrower (Land and building) <sup>(2)</sup>	3,213,783,740	4,870,984,416
Debit notes receivable	—	201,140,800
Deferred rent	122,120,997	180,617,275
Claims account	—	102,687,647
<b>Total other assets</b>	<b><u>74,170,133,231</u></b>	<b><u>64,134,195,821</u></b>

<sup>(1)</sup> Accounts receivable - others includes receivable from First Myanmar Investment Limited (“FMI”) for the purchase of shares in Digital Money Myanmar Limited (“Wave Money”) amounting to MMK 6.21 billion. This amount has been settled already as of 30 September 2018. On 31 May 2016, FMI and Yoma Bank entered into an agreement for transfer of sale shares in Wave Money, whereby Yoma Bank agreed to transfer its interest, representing 44% in aggregate of the total shares of Wave Money. On 30 March 2018, Yoma Bank and FMI agreed that the consideration for the sale of 34% of the total shares in Wave Money is MMK 25.8 billion, wherein, Yoma Bank received MMK 18.03 billion as payment from FMI and recognized a gain on sale amounting to MMK 6.21 billion in which capital gains tax was paid. The consideration for the remaining 10% interest on shares is yet to be determined as at 30 September 2019.

<sup>(2)</sup> The Bank took possession of properties which were held as security for defaulted loan. The repossessed properties were carried at the lower of the carrying amount of the loan outstanding and fair value of the property. The carrying amount of the asset as of 30 September 2019 and 30 September 2018 are MMK 3.21, net of specific provision amounting to MMK 2.33 billion, and MMK 4.87 billion, net of specific provision amounting to MMK 0.15 billion, respectively. The repossessed properties will be sold as soon as practicable, at auction, to settle the outstanding debt.

## 18. Due to non-bank customers

	<u>30 September 2019</u>	<u>30 September 2018</u>
	MMK	MMK
Fixed deposits	893,784,711,850	881,070,880,430
Savings deposits	755,397,160,300	524,511,327,456
Call deposits	697,132,725,024	505,316,295,092
Current deposits	102,512,877,464	97,251,725,910
Foreign currency	58,277,361,002	53,226,327,457
J Zu Account	29,969,157,091	17,033,941,210
Smart Account	29,492,429,666	13,383,719,601
<b>Total due to non-bank customers</b>	<b><u>2,566,566,422,397</u></b>	<b><u>2,091,794,217,156</u></b>

# Notes to the Financial Statement

For the financial year ended 30 September 2019

## 19. Funds restricted for LIFT-AFP

On December 18, 2015, the Bank signed a grant support agreement (“LIFT Agreement”) with the Livelihoods and Food Security Trust Fund (“LIFT”), which is a multi-donor trust fund managed by the United Nations Office for Project Services (“UNOPS”) to implement two programs – Partial Risk Guarantee Fund (“PRGF”) and Individual Development Accounts (“IDA”). Based on the amendment on 19 December 2017, the amount for the AFP has been amended from USD 12.5 million to USD 12.2 million, for the IDA from USD 4 million to USD 2.5 million, and the remainder of USD 0.41 million is for reimbursable operating and indirect costs of the Bank to implement the two programs.

On 30 October 2018, the Bank and UNOPS agreed on the formal proposal for a no-cost extension of the AFP through 31 December 2019. The implementation strategy and budget categories remain unchanged from the revised budget.

As part of the AFP, per the LIFT Agreement, a PRGF will guarantee a portion the Bank’s agricultural hire purchase lending and under secured lending. Per the agreement, the Bank may reclassify the PRGF as part of the “reserve for bad and doubtful debts”. IDA funds can be utilized by the Bank to implement a small savings deposit program to promote financial inclusion.

All AFP expenses are recorded in the income statement based on the nature of the expense incurred for LIFT-AFP.

	30 September 2019	30 September 2018
	MMK	MMK
AFP Foreign Currency Deposits (HP funds)	—	—
AFP Foreign Currency Deposits (IDA saving funds)	3,829,000,000	3,900,000,000
AFP MMK Deposits (HP funds)	—	—
AFP Foreign Currency Deposits (Operating expenses funds)	630,754,524	1,367,269,862
<b>Total funds restricted for LIFT-AFP</b>	<b>4,459,754,524</b>	<b>5,267,269,862</b>

## 20. Borrowings

The IFC loan is a medium-term convertible loan that has been converted to equity during 2019.

On 10 October 2018, the CBM approved the request of the Bank for converting the International Finance Corporation’s convertible loan amounting to MMK4.23 billion (out of MMK4.86 billion) to 145,029 equity shares of the Bank. It was converted on 23 May 2019.

On 18 July 2019, the CBM approved the request of the Bank for converting IFC’s remaining convertible loan amounting to MMK 474.6 million to 3,643 equity shares of the Bank. It was converted on 30 August 2019.

# Notes to the Financial Statement

For the financial year ended 30 September 2019

## 21. Accruals and other liabilities

	<b>30 September 2019</b>	<b>30 September 2018</b>
	MMK	MMK
Interest payable to depositors	29,176,070,419	23,460,697,621
Accrued expenses (Item due and unpaid)	11,619,346,912	7,552,399,490
Sundry deposit – interest in suspense	20,243,577,745	9,048,364,730
Sundry deposit	10,245,677,269	18,238,306,360
Tax provision	8,134,725,724	6,371,478,894
Deferred revenue	5,449,741,134	10,167,166,055
Account payable for FX-Swaps	4,837,812,677	4,226,405,148
Unclaimed liabilities	4,061,572,715	4,146,047,786
Card settlement account	3,534,136,567	3,019,033,706
Payment order	1,747,034,933	1,223,069,700
Remittance in transit	870,908,437	827,227,028
Accrual unearned account-Penalty interest	405,583,215	560,460,616
Other provision	294,448,100	—
Gift cheque account	13,132,995	27,796,995
Account payable – others	1,714,172	—
Debit note issued account	—	514,400
<b>Total accruals and other liabilities</b>	<b>100,635,483,014</b>	<b>88,868,968,529</b>



# Notes to the Financial Statement

## For the financial year ended 30 September 2019

### 22. Share capital

The total amount of issued and paid-up capital was made in accordance with section 60(B) of the Myanmar Companies Law.

	30 September 2019		30 September 2018	
	No. of shares	MMK ('000)	No. of shares	MMK ('000)
<b>Issued and fully paid</b>				
<b>As at beginning of year</b>	2,724,000	27,240,000	2,724,000	27,240,000
Issuance of share during the year	31,544	315,440	-	-
Issuance of share – IFC convertible loan*	148,672	4,705,000	-	-
<b>As at end of the year</b>	<b>2,904,216</b>	<b>32,260,440</b>	<b>2,724,000</b>	<b>27,240,000</b>

The Bank has issued 150,000 shares and 112,000 shares at a premium rate of MMK 115,000 per share in fiscal year 2016 and 2017, respectively. During the group reporting to the majority shareholder of the Bank for the year ended 31 March 2019, the share premium amounting to MMK 30.13 billion formed part of its share capital in compliance with the Myanmar Companies Law, however, for this fiscal year ended 30 September 2019, all share premium is presented as a separate line item in the statement of financial position in compliance with the instruction from the CBM to the Bank.

\*During the year, the Bank obtained approval for their IFC convertible loan to equity for a total number of 148,672 shares in two tranches:

- First tranche, on 23 May 2019, the Bank converted the total amount of MMK 4.23 billion equivalent to 145,029 shares;

- Second tranche, on 30 August 2019, the Bank converted the total amount of MMK 474.6 million equivalent to 3,643 shares.

# Notes to the Financial Statement

For the financial year ended 30 September 2019

## 23. Reserves

The details of reserve are as follows:

	<u>30 September 2019</u>	<u>30 September 2018</u>
	MMK	MMK
<b>Statutory reserve fund <sup>(1)</sup></b>		
Opening balance	12,791,139,050	10,362,172,792
Additions for the year	6,109,919,863	2,428,966,258
<b>Total statutory reserve fund</b>	<b>18,901,058,913</b>	<b>12,791,139,050</b>
<b>Reserve for contingencies</b>		
Opening balance	68,000,000	3,889,355,021
Additions for the year	1,000,000	1,000,000
Adjustment for unclaimed deposits	—	(3,822,355,021)
<b>Total reserve for contingencies</b>	<b>69,000,000</b>	<b>68,000,000</b>
<b>Reserve for bad and doubtful debts <sup>(2)</sup></b>		
Opening balance	31,078,067,140	27,525,758,576
Additions for the year – general provision <sup>(3)</sup>	6,091,403,388	3,552,308,564
Adjustment to reserve for bad and doubtful debts <sup>(4)</sup>	150,000,000	—
<b>Total reserve for bad and doubtful debts</b>	<b>37,319,470,528</b>	<b>31,078,067,140</b>
<b>Total reserves</b>	<b>56,289,529,441</b>	<b>43,937,206,190</b>

<sup>(1)</sup> In compliance with Section 35(a) of the Financial Institutions of Myanmar Law, 25% of the net profit after tax will be set aside as statutory reserve fund at the end of the fiscal year and is not distributable as cash dividends.

<sup>(2)</sup> In compliance with CBM Instruction No 17/2017, 2% of total balance of loans and advances will be set aside as reserve for bad and doubtful debts at the end of the fiscal year.

<sup>(3)</sup> In compliance with Letter No. 2224/Ka Ka (1)/535/2017-2018 dated 30 March 2018, issued by the CBM, the Bank has closed its accounts for the transition period from 1 April 2018 to 30 September 2018 as a result of the change in the financial year from 31<sup>st</sup> March to 30<sup>th</sup> September of each year. Since the reserves are required to be set aside at the end of the fiscal year, the Bank has only set aside for six months based on its new financial period ended 30 September 2018 while the Bank has set aside for one full year for the financial year ended 30 September 2019.

<sup>(4)</sup> Based on the CBM Notification Letter No. 74/KaKa (1)/3/17/2019-2020 dated 8 October 2019, issued by the CBM, and approved in the Bank's BOD minutes of meeting, the Bank, as agreed with IFC, transferred the MMK 150 million to the reserves for bad and doubtful debt.

# Notes to the Financial Statement

For the financial year ended 30 September 2019

## 24. Fair value of financial instruments

30 September 2019	Carrying Value	Fair Value
	MMK	MMK
<b>Financial assets</b>		
Cash in hand and at banks	233,238,992,861	233,238,992,861
Interbank placements	150,504,504,000	150,504,504,000
Loans and advances, net	1,846,435,267,741	1,846,435,267,741
Investment securities	481,388,999,789	481,388,999,789
Other assets	49,120,305,692	49,120,305,692
<b>Total financial assets</b>	<b>2,760,688,070,083</b>	<b>2,760,688,070,083</b>
<b>Financial liabilities</b>		
Due to non-banks customers	2,566,566,422,397	2,566,566,422,397
Interbank deposits	483,823,187	483,823,187
Funds restricted for LIFT-AFP	4,459,754,524	4,459,754,524
Borrowings	—	—
Other liabilities	55,414,746,494	55,414,746,494
<b>Total financial liabilities</b>	<b>2,626,924,746,602</b>	<b>2,626,924,746,602</b>
<b>30 September 2018</b>		
	Carrying Value	Fair Value
	MMK	MMK
<b>Financial assets</b>		
Cash in hand and at banks	167,354,815,748	167,354,815,748
Interbank placements	54,554,000,000	54,554,000,000
Loans and advances, net	1,540,942,165,251	1,540,942,165,251
Investment securities	450,193,699,900	450,193,699,900
Other assets	32,337,585,605	32,337,585,605
<b>Total financial assets</b>	<b>2,245,382,266,504</b>	<b>2,245,382,266,504</b>
<b>Financial liabilities</b>		
Due to non-banks customers	2,091,794,217,156	2,091,794,217,156
Interbank deposits	1,235,438,300	1,235,438,300
Funds restricted for LIFT-AFP	5,267,269,862	5,267,269,862
Borrowings	4,855,000,000	4,855,000,000
Other liabilities	47,058,298,647	47,058,298,647
<b>Total financial liabilities</b>	<b>2,150,210,223,965</b>	<b>2,150,210,223,965</b>

The fair value of financial assets and financial liabilities approximates its carrying values because financial assets and liabilities significant amount have short-term period/or the interest rate is frequently reviewed.

# Notes to the Financial Statement

For the financial year ended 30 September 2019

## 25. Related party transactions

### Transactions with key management personnel

	<u>30 September 2019</u>	<u>30 September 2018</u>
	(For twelve months)	(For six months)
	MMK	MMK
<i>(In thousands)</i>		
Salaries, wages, bonuses and allowances	4,551,162	1,986,035
Benefit in kind	3,000	1,500
	<u>4,554,162</u>	<u>1,987,535</u>

The benefit-in-kind transaction represents the estimated rental expense of the motor vehicles purchased by the Bank for the use by the key management personnel.

### Other transactions with related parties

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.

In the normal course of its banking business, the Bank has carried out transactions with related parties on terms agreed between the parties. In addition to those disclosed elsewhere in the financial statements, the following significant related party transactions took place during the financial year.

	<u>30 September 2019</u>	<u>30 September 2018</u>
	(For twelve months)	(For six months)
	MMK	MMK
<i>(In thousands)</i>		
<b>Loans</b>	—	<b>848,604</b>
<b>Deposits</b>	<b>80,115,260</b>	<b>38,616,323</b>
<b>Receivable from holding company</b>	—	—
Gain on disposal of assets	—	—
Interest income	80,986	44,340
Other income	86,076	86,410
<b>Total revenues</b>	<u>167,062</u>	<u>130,750</u>
Interest expense on deposits	2,594,608	634,325
Rental expenses	64,050	28,350
General and administrative expense	407,823	152,044
<b>Total expenses</b>	<u>3,066,481</u>	<u>814,719</u>



# Notes to the Financial Statement

**For the financial year ended 30 September 2019**

## 25. Related party transactions (contd.)

In 2018, loans include a loan made to a director and JJ & Pun Tiostone Co., Ltd., an affiliate. The loans are collateralized by residential property and land and building, respectively. Interest income is derived from the aforementioned loans.

During the current year, both loans made to a director and JJ & Pun Tiostone Co., Ltd. were fully paid and settled on 26 September 2019 and 6 June 2019, respectively.

### Other transactions with related parties

*Rental expenses were paid to the following:*

	<b>30 September 2019</b>	<b>30 September 2018</b>
	(For twelve months)	(For six months)
	MMK	MMK
<i>(In thousands)</i>		
FMI Garden Development Limited	45,150	18,900
Thanlyin Estate Development	18,900	9,450
<b>Total rental expenses</b>	<b>64,050</b>	<b>28,350</b>

*General and administrative expenses includes various operations charges to the following:*

	<b>30 September 2019</b>	<b>30 September 2018</b>
	(For twelve months)	(For six months)
	MMK	MMK
<i>(In thousands)</i>		
Yoma Fleet Limited	358,187	91,014
SPA Company Limited	33,333	50,000
Thanlyin Estate Development	8,268	5,838
Pun Hlaing International Hospital	2,751	2,816
FMI Garden Development Limited	5,284	2,376
<b>Total general and administrative expenses</b>	<b>407,823</b>	<b>152,044</b>

# Notes to the Financial Statement

For the financial year ended 30 September 2019

## 26. Maturity analysis of assets and liabilities

The table shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled.

	Less than 1 Year	More than 1 Year	Total
	MMK	MMK	MMK
<b>Balance at September 2019</b>			
<b>Assets</b>			
Cash in hand and at banks	233,238,992,861	—	233,238,992,861
Interbank placements	150,504,504,000	—	150,504,504,000
Loans & advances, net	1,846,435,267,741	—	1,846,435,267,741
Investment securities	216,032,745,739	265,356,254,050	481,388,999,789
Property and equipment	—	27,690,572,936	27,690,572,936
Software, licenses & rights	—	4,904,510,316	4,904,510,316
Other assets	54,568,786,011	19,601,347,220	74,170,133,231
<b>Total assets</b>	<b>2,500,780,296,352</b>	<b>317,552,684,522</b>	<b>2,818,332,980,874</b>
<b>Liabilities</b>			
Due to non-bank customers	2,566,566,422,397	—	2,566,566,422,397
Interbank deposits	483,823,187	—	483,823,187
Funds restricted for LIFT-AFP	—	4,459,754,524	4,459,754,524
Borrowings	—	—	—
Accruals and other liabilities	96,573,910,299	4,061,572,715	100,635,483,014
<b>Total liabilities</b>	<b>2,663,624,155,883</b>	<b>8,521,327,239</b>	<b>2,672,145,483,122</b>
<b>Net assets</b>	<b>(162,843,859,531)</b>	<b>309,031,357,283</b>	<b>146,187,497,752</b>

# Notes to the Financial Statement

For the financial year ended 30 September 2019

## 26. Maturity analysis of assets and liabilities (contd.)

	Less than 1 Year	More than 1 Year	Total
	MMK	MMK	MMK
<b>Balance at 30 September 2018</b>			
<b>Assets</b>			
Cash in hand and at banks	167,354,815,748	—	167,354,815,748
Interbank placements	54,554,000,000	—	54,554,000,000
Loans & advances, net	1,540,942,165,251	—	1,540,942,165,251
Investment securities	234,533,430,609	215,660,269,291	450,193,699,900
Property and equipment	—	27,195,674,848	27,195,674,848
Software, licenses & rights	—	4,223,720,580	4,223,720,580
Other assets	42,759,266,348	21,374,929,473	64,134,195,821
<b>Total assets</b>	<b>2,040,143,677,956</b>	<b>268,454,594,192</b>	<b>2,308,598,272,148</b>
<b>Liabilities</b>			
Due to non-bank customers	2,091,794,217,156	—	2,091,794,217,156
Interbank deposits	1,235,438,300	—	1,235,438,300
Funds restricted for LIFT-AFP	—	5,267,269,862	5,267,269,862
Borrowings	—	4,855,000,000	4,855,000,000
Accruals and other liabilities	84,722,920,743	4,146,047,786	88,868,968,529
<b>Total liabilities</b>	<b>2,177,752,576,199</b>	<b>14,268,317,648</b>	<b>2,192,020,893,847</b>
<b>Net assets</b>	<b>(137,608,898,243)</b>	<b>254,186,276,544</b>	<b>116,577,378,301</b>

# Notes to the Financial Statement

For the financial year ended 30 September 2019

## 27. Guarantees and commitments

	<u>30 September 2019</u>	<u>30 September 2018</u>
	MMK	MMK
<b><u>Guarantees:</u></b>		
Letters of credit (foreign currency)	30,491,751,722	53,575,591,858
Performance guarantees	4,739,223,234	2,909,428,769
Performance guarantees (foreign currency)	2,915,993,569	2,152,918,560
Trade guarantees	—	—
<b>Total guarantees and commitments</b>	<b><u>38,146,968,525</u></b>	<b><u>58,637,939,187</u></b>

Guarantees are contracts that contingently require the Bank to make payments to a guaranteed party based on an event or a change in an underlying asset and liability.

	<u>30 September 2019</u>	<u>30 September 2018</u>
	MMK	MMK
<b><u>Commitments:</u></b>		
Undrawn overdraft	95,911,733,102	95,676,602,882
Undrawn trade credit facilities	51,279,587,927	52,117,287,487
<b>Total commitments</b>	<b><u>147,191,321,029</u></b>	<b><u>147,793,890,369</u></b>

	<u>30 September 2019</u>	<u>30 September 2018</u>
	MMK	MMK
<b><u>Operating lease commitments:</u></b>		
Under 1 year	326,025,908	1,075,520,879
1 to 5 years	10,129,337,763	13,831,097,816
Over 5 years	823,390,996	874,466,920
<b>Total operating lease commitments</b>	<b><u>11,278,754,667</u></b>	<b><u>15,781,085,615</u></b>

Operating lease commitments include land and building lease agreements for branches and head office. The Bank have, in most instances prepaid, a majority of these future rental expenses, and have committed to paying remaining future rental payments in accordance with these agreements.

## 28. Approval of financial statements

The financial statements for the year ended 30 September 2019 have been authorized for issue by the Board of Directors on 22 November 2019.





# Corporate Contact Information



# Branch List & Contact Information

## Yangon

### • Ahlone Branch

Building No. 388-398, Room No. A1-A5,  
Ground Floor, Mingalar Sinminn Housing,  
Strand Rd, Ahlone Township, Yangon.  
Tel: +95 1 212435, 212436

### • Bayintnaung Branch

No. Nya 51, Yuzana St, Bayintnaung Pwe  
Yone Tan, Mayangone Township, Yangon.  
Tel: +95 1 681011, 681837, 681573

### • Botahtaung Branch

No. 148/150/152, Botahtaung Pagoda Rd,  
Botahtaung Township, Yangon.  
Tel: +95 1 201072, 290194, 290216

### • FMI Center Branch

No. 397, Room (K/B), Upper Shwebonthar  
St, Pabaedan Township, Yangon.  
Tel: +95 1 252849, 243023, 246822

### • Htauk Kyant Branch

No.(27,27/Ka), Bago Road, Bago Lann Ward,  
Htauk Kyant, Mingalardon Tsp, Yangon.  
Tel: +95 1 9437223, 9437244

### • Hlaing Tharyar Branch

No. B1, FMI City, Hlaing Tharyar Township,  
Yangon.  
Tel: +95 1 3680800, 3681400, 3682319

### • Insein Branch

No. 38, Lanthit St, Nantthargone Ward,  
Insein Township, Yangon.  
Tel: +95 1 3640041, 3640042, 3640020

### • Kamayut Branch

No. (F/S -12), Ground Floor, Shwe Sabae  
Yeikmon Housing, 4th Ward, Bayintnaung  
Road, Kamayut Township, Yangon.  
Tel: + 95 1 527366, 505738, 502843

### • Kyauktada Branch

No. 287-289, Bo Aung Kyaw St, Between  
Mahar Banhtoola Road and Ahnawyahtar  
Road, Kyauktada Township, Yangon.  
Tel: +95 1 8398272, 8398273, 8398274

### • Lanmadaw Branch

No. 80-82, Phonegyi St, Lanmadaw  
Township, Yangon.  
Tel: +95 1 224614, 211563

### • Lanmadaw (Thanzay) Branch

No. 133, Lanmadaw Street, Lanmadaw  
Township, Yangon.  
Tel: +95 1 2303273, 2303274, 2303275

### • Mayangone Branch

No. 114-A, Pyay Road, Ward 4,  
Mayangone Township, Yangon.  
Tel: +95 1 650387, 650162, 651270,  
651271

### • Mingalar Taung Nyunt Branch

No. 8/9/10/11, Building(D/E) Shwe Mya  
Yar Housing, Myanma Gone Yi St,  
Mingalartaungnyunt Township,  
Yangon.  
Tel: +95 1 370360, 370363

### • Mingalarzay Branch

No. 133, Building No. B(G-2), Corner  
of Industrial Rd and Bominyaung Rd,  
Yaetwinkone Ward, Mingalartaungnyunt  
Township, Yangon.  
Tel: +95 1 203490, 202234, 202235,  
202237

### • Myanmar Plaza Branch

No. 05/B, Ground Floor, Myanmar Plaza,  
Corner of Kabaraye Rd & Sattmu 1 Rd,  
Bahan Township, Yangon.  
Tel: +95 1 9345246-48

### • Myaynigone Branch

No. 267A, Pyay Rd, Myaynigone,  
Sanchaung Township, Yangon.  
Tel: +95 1 503104, 501424, 503175,  
500611, 501421

### • North Dagon Branch

No. 3/8, Bayintnaung Rd, Pinlon Housing,  
27 Ward, North Dagon Township, Yangon.  
Tel: +95 1 581162

### • North Okkalapa Branch

No. 695, (Sa) Ward, Thu Damma Road,  
North Okkalapa Township, Yangon.  
Tel: +95 1 9691730, 9691731, 9691732

### • North Okkalapa (Thiri Yadana) Branch

Building (A/2), Rm (1,2,3), Thiri Yadana  
Market, Thu Damma Road, North Okkalapa  
Township, Yangon.  
Tel: +95 1 9691035, 9691036, 9691037

### • Sawbwargyi Gone Branch

Section No. 19, Rooms 4-5, Kyauksein 5th  
St, Sawbwargyi Pwe Yone Tan, Insein  
Township, Yangon. Tel: +95 1 642122,  
642546, 643298

### • South Dagon Branch

No.1486, Pyay Htaung Su Rd, 24 Ward,  
South Dagon Township, Yangon.  
Tel: +95 1 591430, 591484, 591483, 591498,  
591429

### • South Okkalapa Branch

No. 464, Thitsar Road, 3rd Ward,  
outh Okkalapa Township, Yangon.  
Tel: +95 1 8569760, 8569701

### • South Okkalapa (Thanthumar) Branch

No.9, Than Thu Mar Road, 14 Ward,  
South Okkalapa Tsp, Yangon.  
Tel: +95 1 8564413, 85002574

### • Strand Branch

No.89, Theinphyu Road, Botataung  
Township, Yangon.  
Tel: +95 1 8370090, 8370091, 8370092,  
8370095, 8370096

### • Shwepyithar Branch

No. 18, 5/5 Ward, Bayintnaung Street,  
Shwepyithar Township, Yangon.  
Tel: +95 1 3611719, 3611712, 3611718

**• Thanlyin (Star City) Branch**

Star City Housing, Thanlyin Township, Yangon.

Tel: +95 56 23280, 23281

**• Thinkangyun Branch**

Building No. 38 (A-3/005-6), Ground Floor, Lay Daungt Kan Road, Thinkangyun Township, Yangon.

Tel: +95 1 570697,578824

**• Tharkayta Branch**

No. 1319, Rm (10/A), Near Kamarkyi Bridge, Shukhinthar Road, Tharkayta Township, Yangon. Tel: +95 1 553239, 553244, 553356

**• Tharkayta (1 Zay) Branch**

No. 9/A, Zingama Street (West), Second North Ward, Tharkayta Township, Yangon.

Tel: +95 1 559082, 553054

**• Yangon Main Branch**

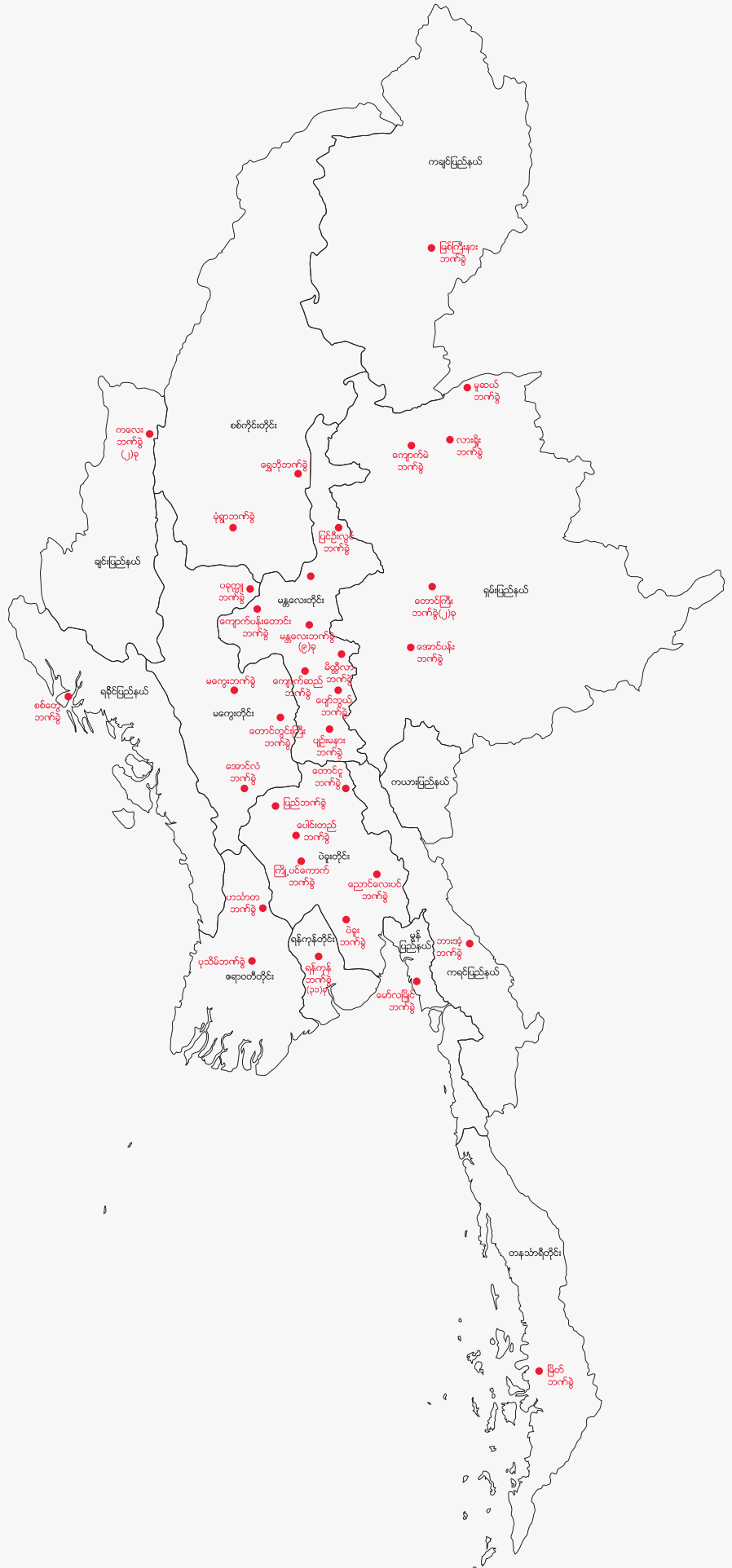
No. 1 Kunchan St, Mingalartaungnyunt Township, Yangon.

Tel: +95 1 242138, 246547, 249241

**• Yankin Branch**

Apt No. 206, Room 4, Yanshin Rd Yankin Apartments, Yankin Township, Yangon.

Tel: +95 1 541744, 545846, 545847





## Mandalay

- **19th Street**

Block 7, Taung Dwar Kaung Ward, 19th Street, Between 62 St & 63 St, Aungmyay Tharzan Township, Mandalay.  
Tel: +95 2 4075708, 4075709, 4075710

- **35th St (Maharnwesin)**

No.(Ka/5), 35th St,Btw 70 x 71Street, Thiri Yeik Thar, Maharnwesin Ward, Mahar Aung Myay Township, Mandalay.  
Tel: +95 2 4030483

- **62nd Street (Manaw Hari) Branch**

NO. 20 D-2, 4th Ward, Corner of 62 Street & Manaw Hari Street, Chanmya Tharsi Township, Mandalay.  
Tel: +95 2 82203-10

- **62nd Street (Industrial Zone 1) Branch**

Za Ward, 62nd Street, Between Sanpya Street and Thakhin Phoehlagyi Street, Industrial Zone 1, Pyigyitagon Township, Mandalay.  
Tel: +95 2 5154752, 5154753, 5154754

- **78th Street Branch**

No. A6-A8, 78th St (between 32nd and 33rd St), Chanayetharzan Township, Mandalay.  
Tel: +95 2 4039460, 4039461, 4039468, 4039469

- **Kywesekan Branch**

No. Salain-79, Corner of Yangon Mandalay Rd and 9th St, Kywesekan-Pyigyi Takhon Township, Mandalay.  
Tel: +95 2 4070746, 4070748, 4070749, 4070750

- **Mandalay Main Branch**

No. 201, 83th St (between 27th and 28th St), Chanayetharzan Township, Mandalay.  
Tel: +95 2 4031697, 4039357, 4039465, 4039476, 4035013

- **Manmyo Zay Branch**

No. 352, 84th St (between 39th and 40th St), Mahar Aungmyay Township, Mandalay.  
Tel: +95 2 4076182, 4076183, 4076184, 4076185

- **Saing Tang Branch**

Bayint Naung Road, 26-B Street, Between 87 Street & 88 Street, Aungmyay Tharzan Township, Mandalay.Tel: +95 2 4031352, 4034109, 4035647, 4035684, 4034109, 4039327, 4039328, 4039329

## Myanmar Regional Branches

- **Aung Lan Branch**

U Paing No. 162/164, Pyay Road, Tayawgone Ward, Aung Lan.

- **Aung Pan Branch**

Lot No. 18/368, No. 23, Ward 4, Aung Pan.

- **Bago Branch**

No. 429,Thanutpin Street, Shin Saw Pu Ward, Bago.

- **Gyobin Gauk Branch**

No. 12, West Lanmadaw St, Northwest Ward, Gyobin Gauk.

- **Hinthada Branch**

No. 122, Natmaw Street, Oo Yin Gyi Ward, Hinthada.

- **Hpa-An Branch**

No. 169 Bogyoke St, Ward 2, Hpa-An.

- **Kalay Branch**

U-Paing No. 5-46-47, Pinlon Ward, Bogyoke Aung San St, Kalay

- **Kalay Tahan Branch**

No. (1/08), Taungphilar Ward, Bogyoke St, Kalay.

- **Kyaukme Branch**

No. 358, Pinlon Street, Ward 2, Kyaukme.

- **Kyauk Padaung Branch**

Sanpya Ward, Yangon-Pyay-Mandalay Rd, Kyauk Padaung.

- **Kyaukse Branch**

No. Baga/358, Pauktaw Ward, Yangon-Mandalay Highway Road, Kyaukse.

- **Lashio Branch**

No 286, Corner of Lanmadaw and Shwebo St, Ward 2, Zone 11, Lashio.

- **Larsho Branch 2**

No. H/3, 8th Ward, Area 3, Theinni Street, Larshio.

- **Magway Branch**

No. 550, Pyitawthar St, Yan Myo Aung Ward, Magway.

- **Mawlamyaing Branch**

No. 3, Strand St, Ground Floor (Left Side), Phat Tan Ward, Mawlamyaing.

- **Mawlamying Branch 2**

No. 506, Lower Road, Pabedan Ward, Mawlamying.

- **Meikhtila Branch**

No. 155, U Paing No. 111, Minn Ward, Meikhtila.

- **Minbu Branch**

No. 10, Ward 3, Minbu-Saku St, Minbu.

- **Monywa Branch**

No. 30, Butar St, Sulaykone Ward, Monywa.

- **Muse Branch**

No. Ta-3, South Ward, Pyihtaungsu Rd, Muse.

- **Myaungmya Branch**

No. 10, 5th Street, Ward 2, Myaungmya.

- **Myawaddy Branch**

No. (B/1), Bayintnaung Road, 4th Ward, Myawaddy.

- **Myeik Branch**

No. 9 Bogyoke St, Seik Nge Ward, Myeik.

- **Myingyan Branch**

No. 155, East Market St, Ward 7, Myingyan.

- **Myitkyina Branch**

No. 57 Aung San St, Myoma Ward, Myitkyina.

- **Naypyidaw Branch**

No. 321, Thapyaygone Ward, Zabuthiri Township, Naypyidaw.

- **Nyaung Lay Pin Branch**

No. 30, Bogyoke St, Nyaung Lay Pin.

- **Pakokku Branch**

No. 75, Myoma St, Ward 7, Pakokku.



- **Pathein Branch**

No. 9 Konesone St,  
Ya Ya Ka Zone 4, Pathein.

- **Paungde Branch**

Phayargyi St, Market Ward 2,  
Paungde.

- **Pyawbwe Branch**

No. 234, Corner of Yangon-Mandalay  
and Minyalkyawswar St, Myinbat Ward,  
Pyawbwe.

- **Pyay Branch**

No. 44, Yangon-Pyay Rd,  
Santaw Ward, Pyay.

- **Pyinmanar Branch**

No. 8/23, Botaukhtain St,  
Yanaung Ward 1, Pyinmanar.

- **Pyin Oo Lwin Branch**

No. 7, Mandalay-Lashio Rd,  
Pyin Oo Lwin.

- **Shwebo Branch**

No. 3/472, Ward 3, Corner of  
Aung Zayar Rd and Dhama Thukha St,  
Pansodan Ward, Shwebo.

- **Sittwe Branch**

Lot No. 35, Corner of U Ohtama St  
and Main Rd, North Yupa Ward, Sittwe.

- **Taungdwin Gyi Branch**

No. 254 Shwekyarinn Ward 2,  
Yangon-Magway Rd ,  
Taungdwin Gyi.

- **Taunggu Branch**

No. 16/103, No. 1 St, U-Paing No. Kha/4,  
Lot No. 7+8, Taiktankwei Market,  
Taunggu.

- **Taunggyi Branch**

No. 128 Merchant Street, Kan Shae Yat,  
Taunggyi.

- **Taunggyi Branch (Yadana Thiri)**

No. 17, Block 177, Corner of West Myopat  
Street & Anawyahtar Street,  
Pyitawthar Ward, Taunggyi.





A close-up photograph of a hand holding a white shirt cuff. The hand is positioned on the left side of the frame, with the fingers gripping the fabric. The shirt is white and has a visible cufflink. The background is a light, neutral color. The text 'Corporate Information' is overlaid in the center of the image in a bold, red, serif font.

# **Corporate Information**

# Corporate Information

## Board of Directors

**U Theim Wai**  
Executive Chairman

**U Myat Thin Aung**  
Non-Executive Director

**U Kyi Aye**  
Executive Director

**U Tun Myat**  
Independent Non-Executive Director

**Daw Aye Aye Soe**  
Executive Director

**Mr. Hal Boshier**  
Executive Director

**Daw Zarchi Tin**  
Executive Director

## Risk Oversight Committee

**U Kyi Aye**  
Chairman

**U Tun Myat**  
Member

**Daw Aye Aye Soe**  
Member

## Audit Committee

**U Tun Myat**  
Chairman

**U Kyi Aye**  
Member

**Daw Zarchi Tin**  
Member

## Company Registration No.

193771947

## Independent Auditor

**UTW (Myanmar) Limited**  
Certified Public Accountants

**Swe Swe Lwin**  
Partner-in-charge

## Registered Office

No.192, Level 8, Office Tower 2, HAGL  
Myanmar Centre Tower, Kabar Aye  
Pagoda Road, Bahan Township  
Yangon, Myanmar



ကျေးဇူးတင်ပါတယ် Hal

မင်္ဂလာပါ De

YOMA BANK  
The Responsible





# Getting in touch

Yoma Bank Limited

ရိုးမဘဏ်လီမိတက်

No.192, Level 8, Office Tower 2, HAGL Myanmar Centre  
Tower, Kabar Aye Pagoda Road, Bahan Township  
Yangon, Myanmar

 +95 (1) 9345 255

 [info@yomabank.com](mailto:info@yomabank.com)

 [www.yomabank.com](http://www.yomabank.com)