

# ANNUAL REPORT 2024

Leading Change and  
Humanising Banking



# ABOUT US

uab is a leading bank in Myanmar with its headquarters located in Yangon. Establishing a strong market presence through its innovative digital solutions, indicating its pledge to leveraging current technological advancements. In recognition of its leadership in the banking sector, uab was honored with the prestigious “Best Bank in Myanmar” award by Euro Money and Global Finance.

This accolade features uab’s significant leadership and its founding role in developing digital technology to shape the future of banking. It focuses on our depths and demonstrates our remarkable growth, even in challenging circumstances.

# ABOUT OUR REPORT

This Annual Report provides a comprehensive overview of our financial and non-financial performance for the fiscal year ending 31<sup>st</sup> March 2024.

This report brings an opportunity to express our heartfelt gratitude to our stakeholders and keep them informed about uab’s significant achievements – key developments, business activities, initiatives, market challenges, and solutions. The report also highlights our successes, strategic vision, and sustained operational well-being throughout the reporting stage. Furthermore, it offers valuable insights and forward-looking statements regarding our financial prospects and performance for the approaching year.

Our commitment to transparency is demonstrated through our independently audited financial statements, which offer a detailed overview of the entire Group’s data, including all subsidiaries, ensuring complete and accurate disclosure. This report is meticulously prepared following all relevant local and international guidelines, regulations, and frameworks.

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# Message from the Chairman

To all our Valued Stakeholders,

As I look back on the past year, I am reminded of the resilience and commitment that have shaped our journey, having me come to appreciate that sustainable success is not built overnight, but somewhat, it is the outcome of years of persistence, teamwork, and shared purpose. We have gotten through challenges together, captured prospects, and continued to support the values that outline uab.

As we wrap up another year, it's not just the splendid results or progress that stand out to me, but our persistent commitment to making a real transformation through continuous, sustainable growth.

The trust of our uabians have been central in our evolution, and for that, we stand ready to embrace the future, confident in the strength of our foundations and the pledge of what lies ahead.



## Message from the Chairman

uab's financial performance distinctly shows the strength of our foundation and the efficiency of our strategic decisions. Each success not only solidifies our standing but also improves our capacity to adapt to market transformations with assurance. By centering on sustainable growth and prudent management, we are well located to continue initiating long-term value for our stakeholders.

Closing the gate of FY2024 Profit after tax (PAT) with 39.3 billion achieving a remarkable double-digit surge Again this year which also contributes to growth in Total Deposits with 3 tril allowing to unlock more for growth amid challenges. All these impressive records gave us the most reputable name of "Best Bank in Myanmar 2024" by winning the award again from Global Finance – making uab bank stands out more in the market.

This year uab's total assets marked to 4 tril with a deep-seated commitment in contributing to community development. Beyond this substantial growth, we have made extensive progress in advancing our digital capabilities and have particularly escalated our investments in educational endeavors.

Our ongoing digital transformation places the bank at lead of technological revolutions aligning with our long-standing focus on youth empowerment, as we embark on strategic investments to foster the next generation of leaders, which position us to be an important partner to our customers and the community.

I have this profound adage inspired to share with our uabians:

and strengthening our compliance framework. Continuous monitoring and proactive risk management remain our priorities to ensure the resilience and sustainability of our organisation during these challenging times

As we pilot the future, we stay committed to leveraging the benefits of our decade-long transformation. Our strong financial performance reflects the triumph of our strategic leaders, highlighting our dedication to developing

technology and developing customer experiences. Likewise, we are applying to increasing support for vulnerable societies, reaffirming our obligation to making a meaningful difference in the lives of those we serve.

In our commitment to grooming our talent within, we support uabians to excel based on their talents, regardless of age. The true asset of our bank lies in its people, who turn our goals into reality. Their constant dedication to our community confirms we create a better future for generations to come.

I would like to express my sincere thanks to my fellow board members and all other stakeholders for your persistent backing and hard work. Your dedication and commitment have been essential to our progress and success. To our leadership team and uabians, your energies during the year have been extraordinary. Thank you for your ongoing dedication and outstanding work done.

To build lasting resilience, we must strengthen our core competences and invest in new ranges while staying adaptable to unpredicted circumstances – reflecting on our tradition of innovation and we will remain to shape on our foundational values and beliefs for long-lasting success.

U Nay Aye  
Chairman



*The way we perceive*  
**the world shapes**  
**our reality**

- this replicates the idea that true achievement is defined not just by our successes, but by the wisdom of understanding we stand-in and the lasting impact we have on those around us.

To the ongoing crisis, me and my fellow BODs has thoroughly assessed the associated risks, including regulatory changes, economic instability, and supply chain disruptions. We have implemented strategic measures such as diversifying suppliers, financial hedging,



### Our Purpose

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

# Who we are

A desire to **connect.**

A passion to **create.**

The courage to lead **change.**

### Financial Highlights

PROFIT AFTER TAX\*

**> 39.4 BIL**

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

TOTAL LOAN

**> 2.4 TRIL**

TOTAL DEPOSIT

**> 3.1 TRIL**

LOWEST COST TO INCOME RATIO

**> 42.8%**

**THE LEADER IN THE MARKET**

HIGHEST RETURN ON EQUITY

**> 23.20%**

LOWEST NON PERFORMING LOAN RATIO

**> 4.10%**

HEALTHY LOAN LOSS COVERAGE

**> 119.40%**

**RESILIENT AND ROBUST BALANCE SHEET**

COST OF FUNDS\*

**> 6%**

CASA RATIO

**> 66%**



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

**1. Retail & SME Banking**

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

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

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

**2. Corporate Banking**

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



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

**3. Treasury & FI**

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

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

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

**4. Transaction Banking**

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

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

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



**5. Bancassurance**

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

Various life insurance schemes presently available are:

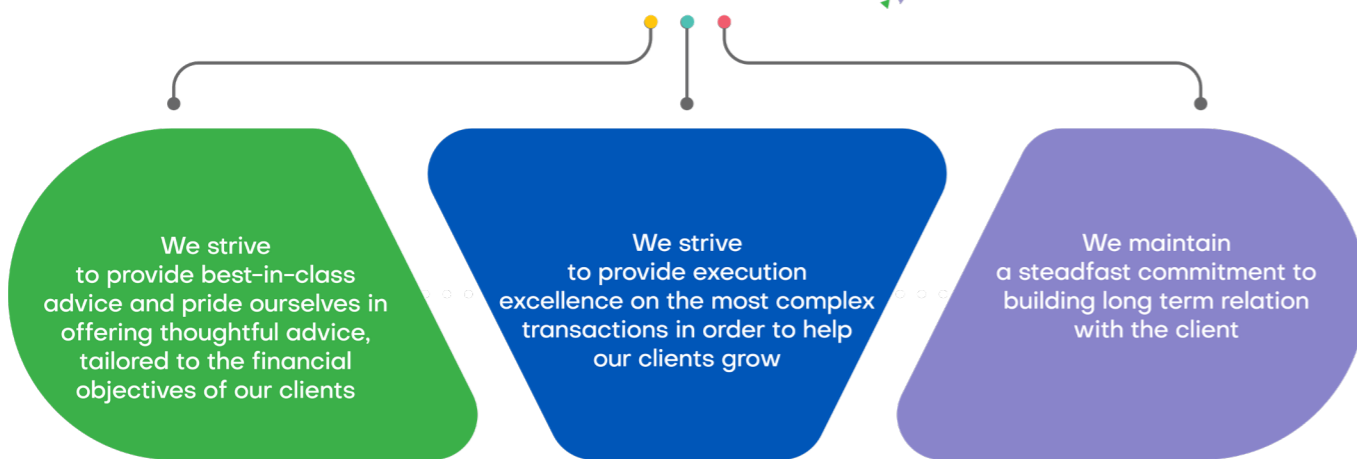
- Manulife Protector
- Education Life
- Credit Life Protector

We continue to develop new schemes for customers.





## OUR MISSION



**uab securities Limited**, a subsidiary of **uab bank Limited**, proudly stands as Myanmar’s pioneering investment banking institution, licensed by the Securities and Exchange Commission of Myanmar (SECM). From its humble beginnings in 2016, uab securities has grown into the nation’s premier investment bank, recognised for its comprehensive services catering to retail, mid-market, corporate and institutional clients, offering tailored investment banking solutions. In 2024, uab securities was honored with three prestigious awards:

- **Best Investment Banking CEO Myanmar 2024** – Women’s Tabloid Awards
- **Best Investment Banking CEO Myanmar 2024** – Global Banking and Finance Awards
- **Best Investment Bank Myanmar 2024** – Global Banking and Finance Awards

These accolades recognise uab securities for its outstanding leadership and excellence in the investment banking sector in Myanmar. Our offerings include:

### Investment Banking

Our investment banking provides a wide range of advisory services including of:

- Merger & Acquisition (M&A)
- Capital Raising/ Initial public offering (IPO) Advisory
- Corporate Advisory & Restructuring

### Securities Trading

Securities Trading services offer seamless access to trading shares of listed companies on the Yangon Stock Exchange via our uabsc Trading app. Additionally, we offer over-the-counter trading of Myanmar Government Treasure Bonds and shares of unlisted public companies, broadening investment options within Myanmar’s dynamic financial landscape and leveraging innovative digital platforms to enhance customer experience, enabling seamless remote trading and investment management, while expanding its reach through online account initiation and active community engagement on Viber and Telegram.



### Innovative Financial Solutions

uab securities continuously explore opportunities to introduce new products and services by assessing client needs regarding our existing business strengths and connectivity. Recognising the nascent stage of Myanmar’s capital market, we are committed to pioneering industry advancements and actively contributing to societal growth through educational content on our social media platforms.

We introduced Myanmar’s first-ever in-house developed securities trading platform, designed to deliver an innovative stock trading experience for investors. This platform also enables **uab sc securities** to expand its services and create additional business opportunities by supporting other securities companies in Myanmar. **uab securities** remain focused on leading the charge in innovative investment banking and trading experience, helping to shape a sustainable and resilient financial future for Myanmar.



**We Deploy Our Capital Optimally**      **Through Our Strategy and Focus Areas**      **And Business Activities**      **To Create Sustainable Value To Our Stakeholders**



Financial Strength



Robust Relationship



Branding



Physical Network



Valued People



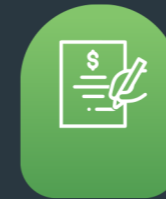
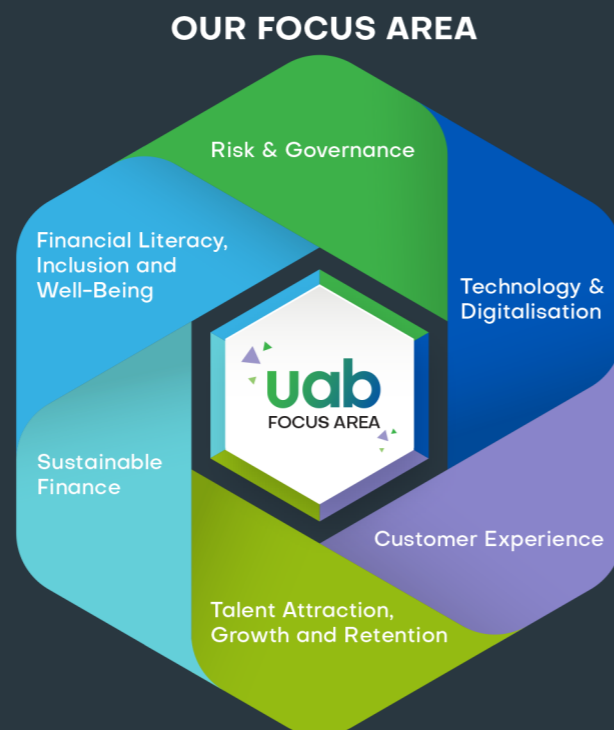
Strategic Capital



Intellectual Capital

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

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



Lending of Loans and Financing



Deposit Taking



Treasury & Trading



Investment Banking & Securities Trading



Insurance



Shareholders



Employees



Regulators



Customers



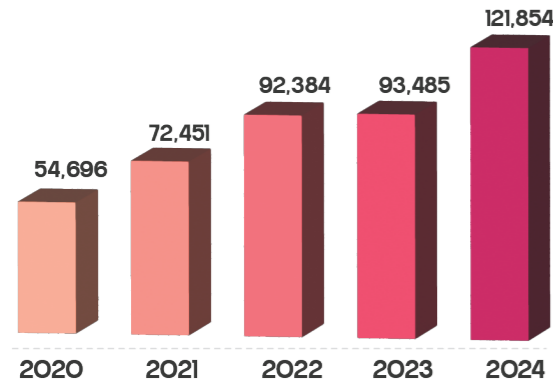
Business Partners



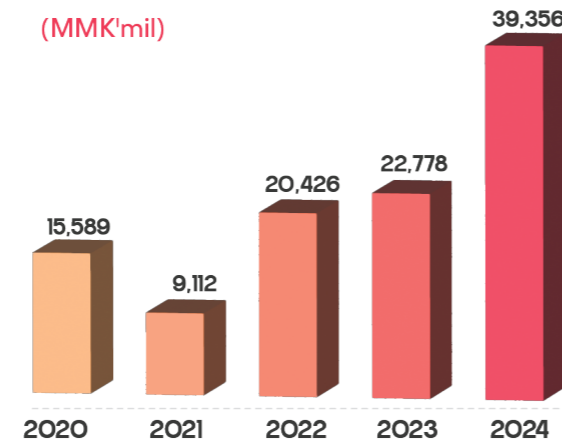
Society

## Five-Year Group Financial Summary

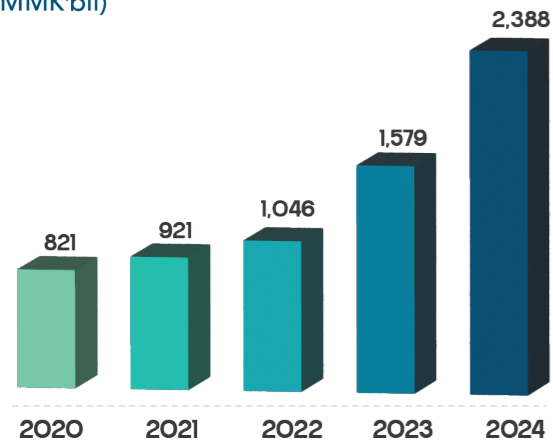
### Operating Income (MMK'mil)



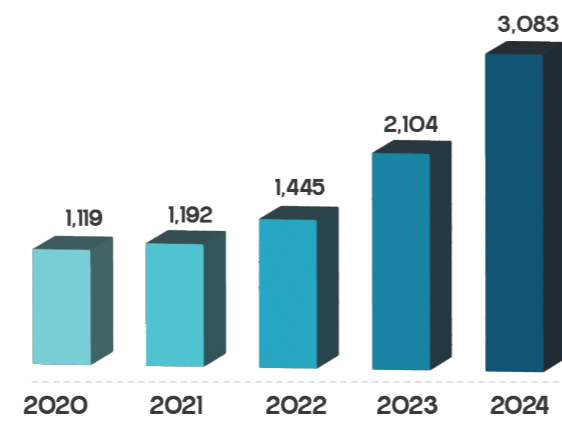
### Profit After Tax (MMK'mil)



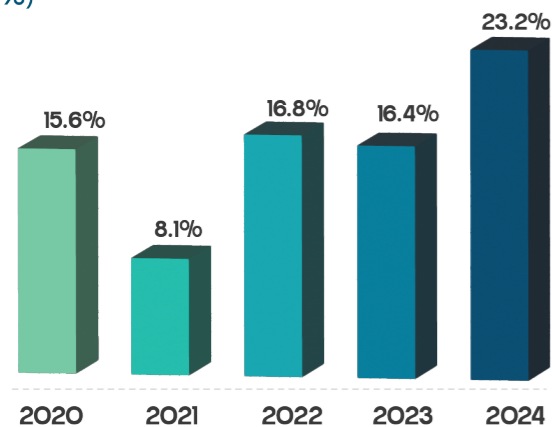
### Customer Loan (MMK'bil)



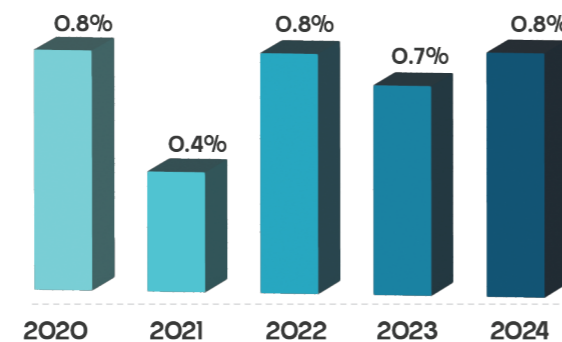
### Customer Deposit (MMK'bil)



### Return on Equity (%)



### Return on Assets (%)



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

## Financial Highlights

uab Bank Group	2020	2021	2022*	2023	2024	CAGR
<b>Key Income Statement Items (MMK'mil)</b>						
Operating Income	54,696	72,451	92,384	93,485	121,854	22.2%
Operating Expense	28,234	27,165	28,298	38,247	52,207	16.6%
Operating Profit <sup>N1</sup>	26,461	45,286	64,086	55,238	69,647	27.4%
Profit After Tax	15,589	9,112	20,426	22,778	39,356	26.1%
<b>Key Balance Sheet Items (MMK'mil)</b>						
Customer Loan	820,522	920,857	1,046,399	1,579,353	2,387,990	30.6%
Customer Deposit	1,118,886	1,191,507	1,445,279	2,104,379	3,082,705	28.8%
Total Asset	1,466,457	1,650,503	1,901,872	3,031,002	4,429,942	31.8%
Shareholders' Equity	107,834	116,173	127,129	149,904	189,261	15.1%
<b>Key Financial Indicators (%)</b>						
Cost to Income Ratio (CIR)	51.6%	37.5%	30.6%	40.9%	42.8%	-4.6%
Gross Non-performing Loan Ratio (NPL)	5.5%	8.6%	8.6%	6.6%	4.1%	-7.0%
Nett Non-performing Loan Ratio (NPL)	2.9%	2.6%	1.4%	0.0%	0.0%	-100.0%
Loan Loss Coverage (LLC)	47.4%	70.2%	83.3%	100.6%	119.4%	26.0%
Return on Average Equity (ROAE)	15.6%	8.1%	16.8%	16.4%	23.2%	10.5%
Return on Average Assets (ROAA)	0.8%	0.4%	0.8%	0.7%	0.8%	-1.8%
Capital Adequacy Ratio (CAR)						
Tier 1 CAR	9.2%	9.1%	10.4%	8.0%	6.7%	-7.6%
Total CAR	10.5%	10.3%	11.6%	9.3%	8.3%	-5.7%
Liquidity Ratio	31.4%	31.1%	37.8%	42.1%	45.6%	9.8%

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

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

2022

N1 Operating Profit before LLP



Smart Expo Exhibition



Blood Donation



uabpay Thingyan Bazaar



MOU Signing Ceremony

# BUSINESS HIGHLIGHTS



uab Thingyan Festival



World Environment Day Donation



Sight for Hope Donation



2024 Calendar Project with NUAC



Kye Pwar Chan Thar



JobNation



Batminton Junior Championships

# Best Bank *in Myanmar*

မြန်မာ့အကောင်းဆုံးဘဏ်

Leading Change and **Humanising Banking**



# Global Banking & Finance Awards 2024

Excellence in  
Innovation Digital Payments Solutions  
Myanmar 2024



Banking CEO of the Year  
Myanmar 2024



Retail Bank  
Myanmar 2024



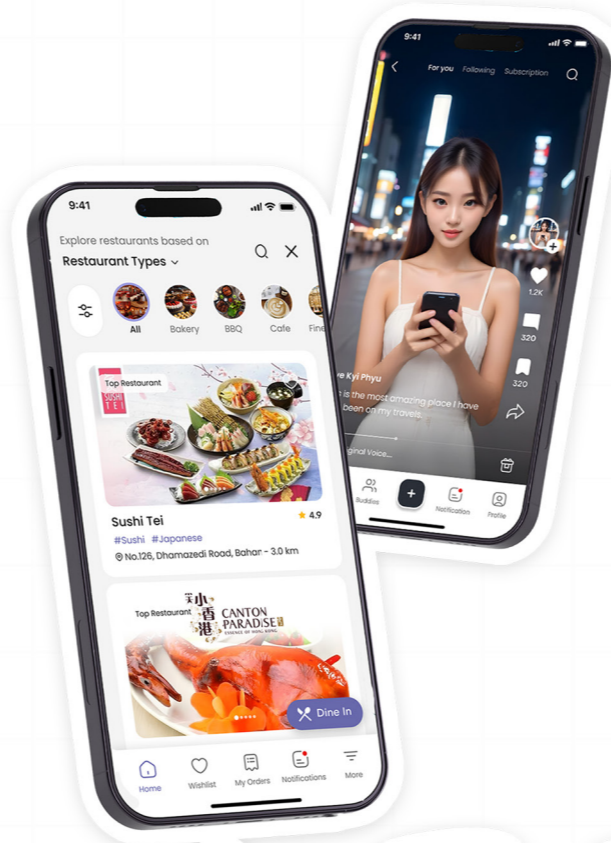
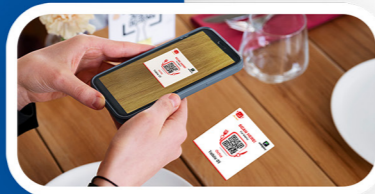
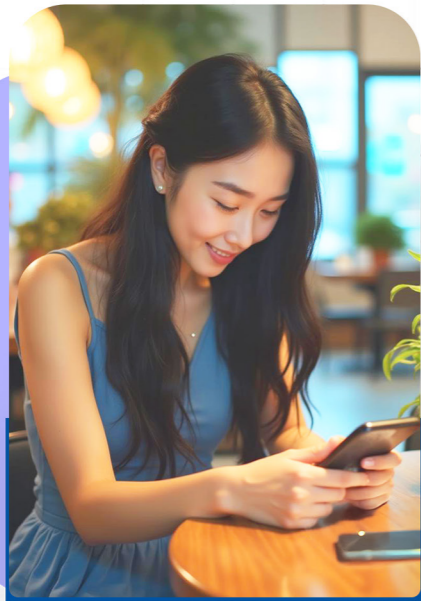
Best Investment Banking CEO  
Myanmar 2024



Best Investment Bank  
Myanmar 2024



### Dine In & Reservation



### First UnionPay Virtual Card in Myanmar for International Payments

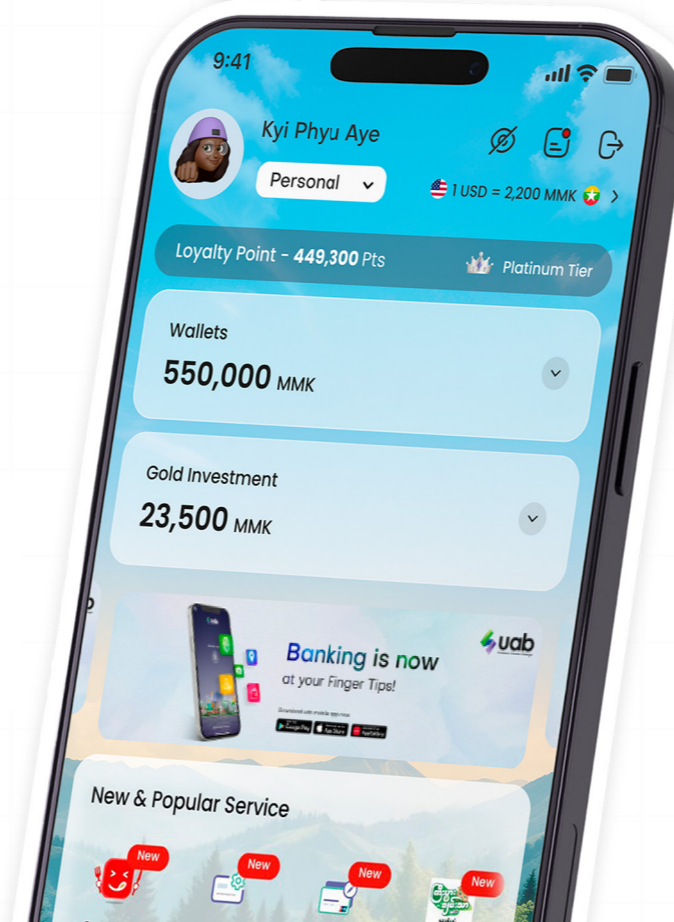
### eCommerce Payment Gateway

# Your Super App For Everything



### Dynamic Payment Interactions

Experience dynamic payments and monetization with our innovative mobile wallet.



### New Shopping Experience

# Manulife



**Manulife**  
Education Life Insurance



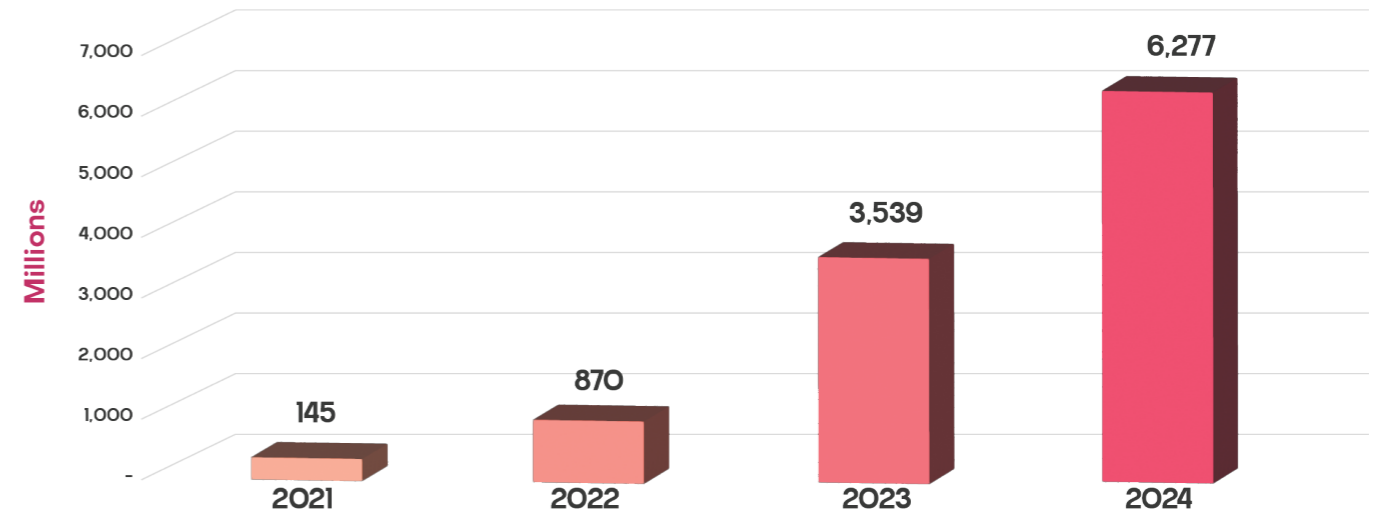
**Manulife**  
Credit Life Protector



**Manulife**  
Critical Illness Care

## Manulife

(Total Premium in MMK)



# KBZMS

General Insurance



**Home**  
Protect Loan



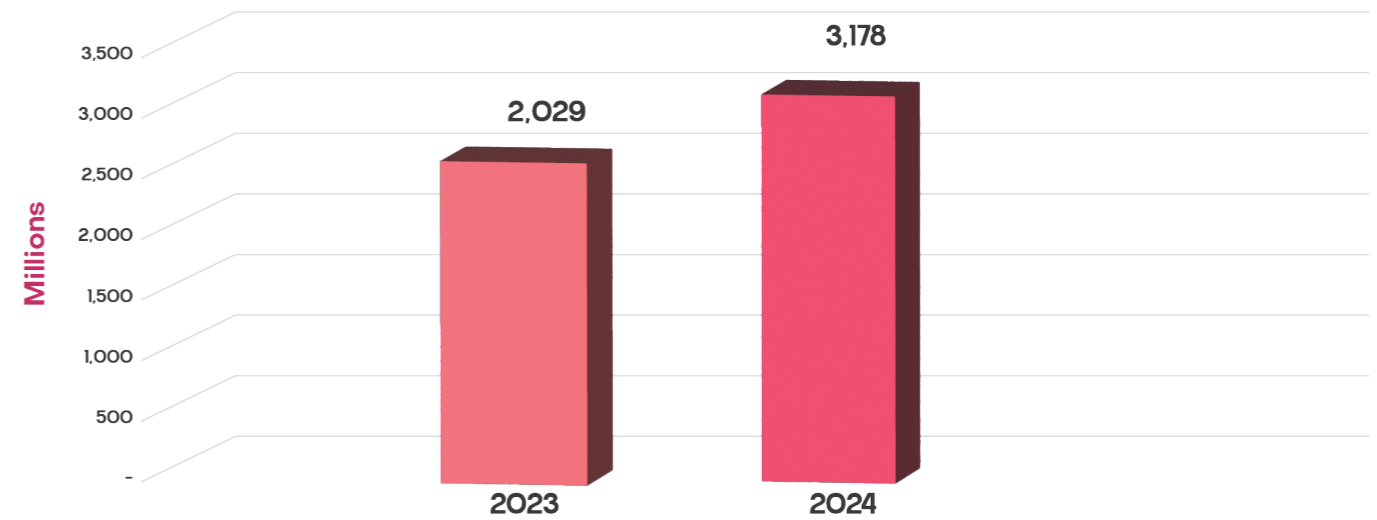
**Health**  
Insurance



**Personal**  
Accident Insurance

## KBZMS

(Total Premium in MMK)



During the time Myanmar had limited awareness and access to insurance, renowned international insurance firms entered the market bringing a string of hope to the community. With fast and decisive action, uab grabbed this opportunity to partner with Manulife and KBZMS, opening the doors of insurance to society.

We created products/services with a meaningful solution that helps individuals and families to safeguard their financial stability and well-being during life's unpredictable moments. At its core, Bancassurance is about more than providing a solution – standing with those in need and offering hope and care to uplift lives.



The dedicated hard work of our team weaves dreams into reality with their unwavering commitment and heartfelt service directing every banking interaction into a cherished memory, making each customer feel truly valued and eternally remembered.

*In this year of growth, we've turned challenges into stepping stones. Together with our respected clients, we've built a foundation of trust and resilience. Here's to a future filled with hope and prosperity.*



Thingangyun Branch

# Latha Branch

Kawthaung Branch



# Letter from the CEO

During 2023, uab bank advanced its strategic agenda through responsible banking practices, targeted financial inclusion, and accelerated innovation—reinforcing its position as a resilient, customer-driven institution committed to long-term value creation.

The bank has entered the year with bold aspirations and a clear purpose—to empower communities, elevate customer experiences, and lead with integrity. Through strategic growth, digital transformation, and impactful social initiatives, we not only met challenges head-on but turned them into opportunities for meaningful change.

With every step, we stayed true to our values, strengthened our foundations, and paved the way for a future of inclusive and sustainable banking.



# Letter from the CEO

## Economic & Operating Landscape in FY2024

In 2024, Myanmar's economy faced compounded global and domestic disruptions—from climate shocks and AI-driven labor shifts to declining border trade and energy shortages—resulting in a projected 1% GDP contraction. Amidst this volatility, uab bank maintained strong operational momentum across 87 branches in 56 townships, deploying over MMK 920 billion additional financing into high-impact sectors including agriculture, SMEs, clean energy, healthcare, and housing—driving recovery and aligning with long-term growth priorities.

To address infrastructure gaps and shifting mobility trends, uab accelerated its digital strategy: over 1 million users adopted its digital wallet, FX Online trading was launched to support cross-border commerce,



and currency exchange counters were established at key locations including Yangon International Airport—enhancing financial access and trade facilitation.

## Financial Performance Highlights

Despite a very challenging environment, uab bank continued to deliver. Profit after Tax (PAT) saw a very significant 72.4% growth to MMK 39.3 billion while Return on Equity (ROE) reached a record 23.2%, underscoring the significant shareholder value created. Deposits and Loans grew 57.2% and 51.9% respectively, and Loan Loss Coverage at 120%.

In FY2024, we didn't just surpass expectations—we redefined them. Fueled by innovation and relentless drive, we shattered records, set new benchmarks, and proved that our only limits are the ones we choose to break.

## Strategic Achievements & Initiatives

In 2024, uab bank continued to deliver on its strategic priorities with bold initiatives that enhanced operational efficiency, empowered employees, and expanded financial access across Myanmar. A key focus was on employee development and cost optimization, where targeted training programs and streamlined operations helped improve shareholder returns and push Return on Equity (ROE) beyond 20%.

To support SMEs—the backbone of Myanmar's economy—uab strengthened its supply chain financing, enabling better cash flow management and sustainable growth. The launch of UnionPay Virtual Cards (UPI) via the uabpay SuperApp provided seamless international transactions, contributing to a milestone of over 1 million digital wallet users.

Innovative products like Kye Pwar Chan Thar (KPCT) transformed savings into smart wealth-building journeys starting from just MMK 5,000, with added insurance benefits with the “Banking by the Way” concept reimagined banking convenience, blending financial services with lifestyle experiences in café-style branches.

The launch of SGH Plus, a joint initiative with Sein Gay Har, revolutionized retail banking by integrating payments, loyalty programs, and shopping into one seamless app. Meanwhile, P2P transfers empowered users with instant, secure money movement—anytime, anywhere—reinforcing uab's leadership in digital banking innovation. These several initiatives reflect uab bank's commitment to building a future-ready, inclusive and tech-driven financial ecosystem

## Awards, Recognition & External Validation

Our commitment to excellence, transparency, and responsible banking was recognized through a series of prestigious accolades. We were proud to be named Best Bank in Myanmar by Global Finance, affirming our leadership in innovation and customer-centric banking. Our dedication to transparency earned us the No.1 ranking in the Pwint ThitSa Report, reinforcing our position as Myanmar's most transparent financial institution.

Further reflecting our social impact, uab received the AMCHAM CSR Excellence Award for our community-driven initiatives and sustainable development efforts. Adding to our achievements, the ESG Business Awards recognized our commitment to environmental stewardship, social responsibility, and strong governance. These honors validate our strategic direction and inspire us to continue leading with integrity and purpose.

# Letter from the CEO

## ESG and Responsible Banking

We have been advancing its ESG agenda with a strong focus on sustainability, inclusion, and governance. We initiated a comprehensive carbon footprint analysis and reaffirmed our Net Zero commitment, laying the foundation for a greener future. Our efforts in diversity, job creation, financial inclusion, and human rights reflected our belief in equitable growth for all.

To uphold trust and integrity, we further strengthened AML/CFT protocols, aligning with global compliance standards. Our initiatives were strategically mapped to the UN Sustainable Development Goals (SDGs), reinforcing our role as a responsible financial institution committed to long-term impact.



## Corporate Governance & Leadership Oversight

As we continued to uphold the highest standards of corporate governance, guided by a robust framework aligned with the ASEAN Corporate Governance Scorecard with our Board of Directors, composed of diverse and experienced professionals, played a pivotal role in strategic oversight, risk management, and ethical leadership.

With our strong commitment to integrity through comprehensive policies and ethical standards, ensuring transparency, accountability, and responsible decision-making across all levels of the organization. Our governance practices were further strengthened by aligning with ESG principles, integrating sustainability and stakeholder value into our leadership approach.

## People & Talent Development

We have been recognized as one of the Best Companies to Work for in Myanmar, reflecting our commitment to a supportive and empowering workplace. Strategic job rotations within the management team fostered leadership agility, while ongoing AML/CFT and onboarding training ensured our people remained equipped to uphold global standards and drive excellence.



## Outlook for FY2025

As we approach 2025, I stand energized by the promise of growth and the momentum we've built. With strategic foresight and steadfast determination, we are prepared to lead uab to the forefront of the industry—transforming challenges into opportunities and ambition into achievement.

One lesson has remained constant throughout my journey: struggles are not setbacks—they are the foundation of greatness. I continue to remind my fellow uabians that perseverance and purpose are the engines of change, and that through hard work, we not only elevate ourselves but inspire others to reach for their dreams. Our mission remains clear: to enrich lives through every interaction, embedding value into the everyday experiences of those we serve. By uplifting others, we reaffirm a powerful truth—that the actions we take today shape the world we leave for tomorrow.

As we close 2024, I extend heartfelt thanks to our customers, partners, shareholders, and

the passionate team of uabians who make our journey possible. Your trust and dedication fuel our progress.

This year has proven that with purpose and perseverance, challenges become stepping stones. As we look ahead to 2025, we remain committed to leading with integrity, innovating boldly, and enriching lives every step of the way.

Thank you for being part of our story, the future is ours to shape.

**Christopher Loh**  
MD & CEO

Board of Director

**U Win Htein Min**  
Independent  
Non-Executive Director

**U Nay Aye**  
Non-Executive Chairman &  
Independent Director

**Christopher Loh**  
MD & CEO

**U Thant Zin**  
Non-Executive Director

**U Tint Thwin**  
Independent  
Non-Executive Director





**U Nay Aye**  
Non-Executive Chairman &  
Independent Director

**Date of Appointment: 25 November 2021**  
**Age: 68**

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

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

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

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

**Academic and Professional Qualification**

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

**uab Board Committees Served On**

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

**Length of Service as a Director**

- 2 Year & 4 Months



**U Tint Thwin**  
Independent  
Non-Executive Director

**Date of Appointment: 8 December 2021**  
**Age: 66**

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

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

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

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

**Academic and Professional Qualification**

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

**uab Board Committees Served On**

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

**Length of Service as a Director**

- 2 Year & 3 Months



**U Thant Zin**  
Non-Executive Director

**Date of Appointment: 29 December 2017**  
**Age: 50**

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

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

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

In a Non-Executive role, he offers to the Bank, 23 years of industry and banking expertise and has been crucial in providing oversight of the Bank's risk profile and its risk-return portfolio over the last few years.

**Academic and Professional Qualification**

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

**uab Board Committees Served On**

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

**Length of Service as a Director**

- 6 Years & 3 Months



**U Win Htein Min**  
Independent  
Non-Executive Director

**Date of Appointment: 11 May 2022**  
**Age: 54**

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

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

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

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

**Academic and Professional Qualification**

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

**uab Board Committees Served On**

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

**Length of Service as a Director**

- 1 Years & 10 Months



**Christopher Loh**  
MD & Chief Executive Officer

**Date of Appointment : 29 December 2017**  
**Age : 48**

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

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

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

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

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

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

**Academic and Professional Qualification**

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

**uab Board Committees Served On**

- Board Risk Committee (Member)

**Length of Service as a Chief Executive Officer**

- 6 Years & 3 Months

# Leadership Team



**Christopher Loh**  
MD & CEO



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



**George Koshy**  
Head of  
Risk & Credit Management



**Mahesh K Bhandari**  
Head of  
Financial Institutions Group



**Thandar Htike**  
Head of  
Corporate & Investment Banking



**Yin Min Aye**  
Head of  
Digital and Payment



**Nay Win Maung**  
Head of Operations &  
Compliance



**Christopher Loh**  
MD & CEO



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

**Qualifications and Other Memberships**

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

**Relevant Experience**

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

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

**Qualifications and Other Memberships**

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

**Relevant Experience**

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

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



**George Koshy**  
Head of Credit Risk

**Qualifications and Other Memberships**

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

**Relevant Experience**

- George has 40 years of banking experience across Asia, Africa and Europe, with expertise in various banking functions
- George started his banking career at Southern Bank, Malaysia, gaining 14 years of experience in Credit & Loans, Branch Management, and Trade Finance
- Thereafter, he served 15 years at the ICB Banking Group, overseeing operations of banks in 14 countries. During his career with ICB, he also served on the boards of 12 banks globally to guide governance and strategy.
- George joined uab bank in 2013 and has held senior roles in various departments. He is currently the Head of Group Risk and Credit Management



**Mahesh K Bhandari**  
Head of Financial Institutions Group

**Qualifications and Other Memberships**

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

**Relevant Experience**

- Mahesh has over 28 Years of extensive banking experience in various banks and in several countries in Asia.
- He started his career with Himalayan Bank in Nepal, and built his solid foundation in Banking Operations, International Banking and Trade Finance.
- He subsequently continued his career with ABA Bank in Cambodia in Operations, Trade Finance, and International Relations. Mahesh was Chief Trade Finance and Remittance Officer (CTRO) in ABA Bank.
- Mahesh joined uab bank in 2012 as Head of Trade Finance & Financial Institutions, With his experience, he has since been posted to different departments including Treasury, Risk and Credit Management.



**Thandar Htike**  
Head of Corporate & Investment Banking

**Qualifications and Other Memberships**

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

**Relevant Experience**

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



**Yin Min Aye**  
Head of Digital & Payment

**Qualifications and Other Memberships**

- Bachelor of Computer Science (Yangon University of Computer Studies)
- Master of Business Administration from Victoria University (Victoria School of Management), Switzerland
- Master of International Management from University of Information Technology and Management, Rzeszow, Poland
- Certificate of Global Leaders for Innovation and Knowledge (Japan America Institute of Management Science)

**Relevant Experience**

- Yin Min joined uab bank in 2019 and she is currently the Head of Payment and Digital Department.
- She has 18 years of IT service experience, excelling in project delivery, product management, and system restructuring, while driving business innovation and growth
- With her strong fintech and digital background, she is leading the fintech and digital initiative to build an inclusive digital ecosystem at uab bank.
- She developed the Bank’s iconic first celebrity app, SaiSai Pay, uabpay and uabpay+ which form the building blocks for uab’s digital ecosystem.

## Management Committee



**Nay Win Maung**  
Head of Operations & Compliance

### Qualifications and Other Memberships

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

### Relevant Experience

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



uab is dedicated to upholding the highest standards of Corporate Governance which is the core of our business philosophy and operations – raising trust and confidence between stakeholders and the bank. Good Governance is developed through resilience securing our bank’s sustainable forward-looking growth and development and initiating long-lasting values for all our stakeholders and the community. Our Board ensures strong governance by aligning with the leadership team on the bank’s strategic goals, maintaining balance control, and meeting stakeholder expectations. As a forward-thinking group, we understand the multifaceted links between our actions and the social and environmental forces determining our ecosystem, identifying their potential to affect our competitiveness, employee well-being, and capability to make long-term stakeholder value.

## uab’s Governance Framework

At uab bank, we believe that strong corporate governance is the cornerstone of sustainable success. Our governance framework is grounded in the principles of transparency, accountability, fairness, and responsibility, ensuring that management decisions are informed by a prudent, risk-conscious approach. This foundation is strengthened by a comprehensive risk management structure and rigorous internal controls. However, at uab, corporate governance goes beyond mere compliance—it is defined by proactive stakeholder engagement and an agile ability to adapt to changing environments. This approach keeps us resilient, forward-thinking, and prepared for future challenges.

Over the past year, we have strengthened our governance practices, increasing our capacity to navigate economic shocks and political uncertainty while maintaining our focus on growth and profitability. One of the key challenges in FY 2024 has been managing the impact of international sanctions on various Myanmar entities and Myanmar’s classification

by the Financial Action Task Force (FATF), which has led to heightened scrutiny in areas such as money transfers, trade services, lending, and account operations. To address these challenges, we have implemented Enhanced Due Diligence (EDD) measures and reinforced our Anti-Money Laundering (AML) protocols.

The ongoing armed conflict in Myanmar has also required us to activate our business continuity plans and mobilise our crisis management teams to ensure the safety of our assets, employees, and customers. These efforts, alongside our continued focus on enhancing sustainability, have further strengthened our governance framework and reinforced our commitment to delivering meaningful value to all stakeholders.

Looking ahead, our corporate governance will evolve from merely maintaining operational stability to actively driving our strategic goals, in alignment with uab’s long-term objectives. This shift will involve a focused commitment to reform and value creation, ensuring that we remain proactive and ahead of the curve in a rapidly changing environment

Our governance policies are aligned with the ASEAN Corporate Governance Scorecard, and we continuously review our group-wide policies to stay current with evolving standards and regulatory requirements. As we move forward, we are committed to upholding the highest levels of integrity and responsibility, safeguarding the interests of our stakeholders, and building a solid foundation for growth. By maintaining strong regulations and embracing innovative processes, we aim to lead uab toward becoming a more progressive bank, growing and thriving alongside you.

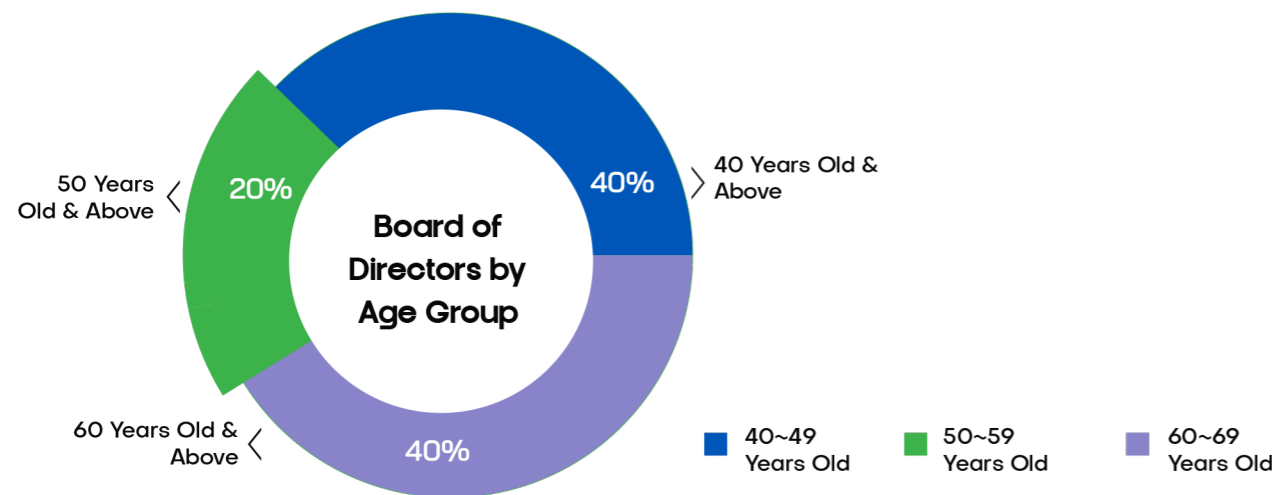
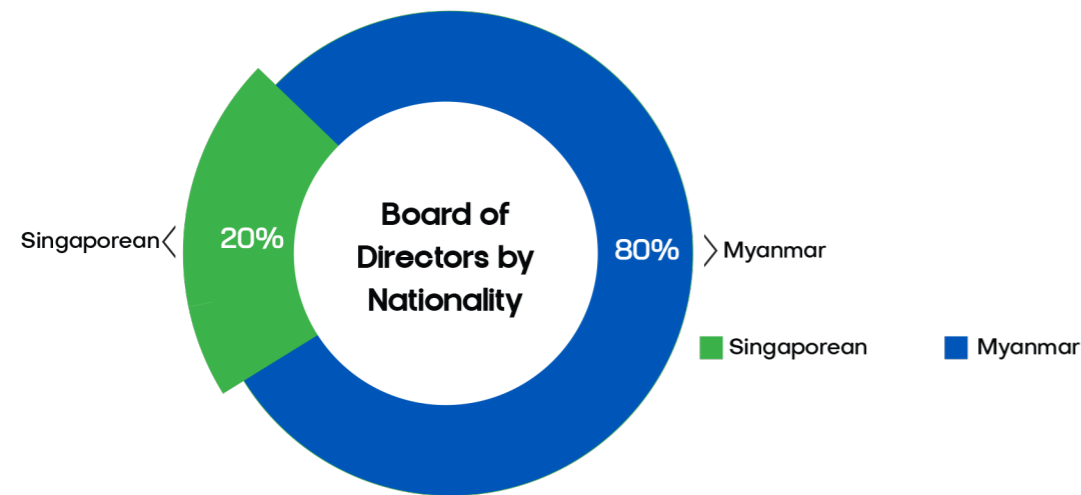
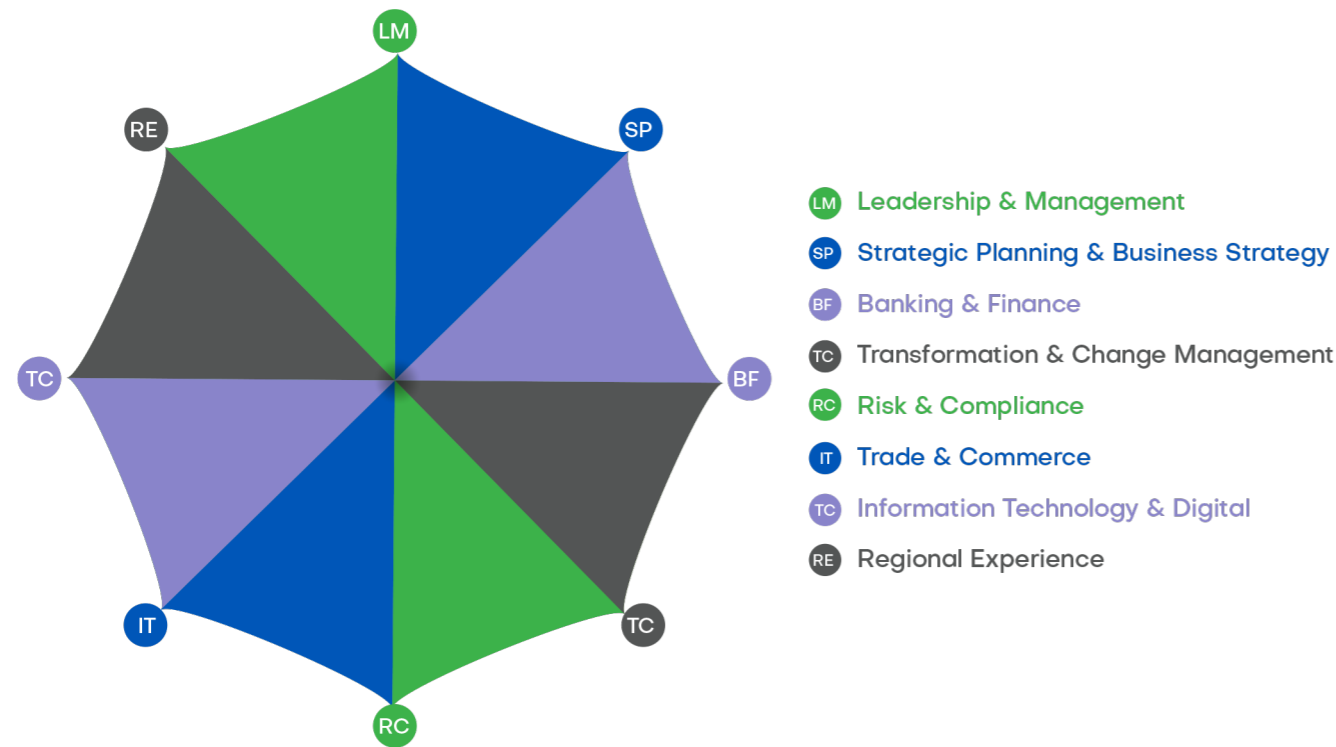
The Bank’s mission and value statements are reviewed regularly to ensure that they are current to the strategic direction of the Bank.

## Board Composition and Accountability

Board Highlights	
<ul style="list-style-type: none"> <li>· 3 out of its 5 members are independent</li> <li>· 4 out of its 5 members are non-executive</li> <li>· Separation of functions of Chairman and MD &amp; CEO</li> <li>· Independent Chairman</li> </ul>	
Chairman	
<p>Our Non-executive and Independent Chairman provides visionary leadership, guiding the Board’s composition and development while ensuring its focus remains on key strategic priorities. He plays a critical role in enhancing communication with shareholders, facilitating sound decision-making, and fostering a collaborative and cohesive Board culture. His independent oversight ensures that the Board is consistently aligned with the organization’s long-term goals, promoting governance excellence and driving sustainable growth.</p>	
Board of Directors	
<ul style="list-style-type: none"> <li>· U Nay Aye (Independent Chairman)</li> <li>· U Thant Zin</li> <li>· U Tint Thwin</li> </ul>	<ul style="list-style-type: none"> <li>· U Win Htein Min</li> <li>· Mr. Christopher Loh (MD &amp; CEO)</li> </ul>
<p>The Board of uab provides strategic leadership, setting a clear direction that ensures long-term success and creates sustainable value for stakeholders. It oversees the Group’s operations by carefully evaluating and approving key strategies and significant policies. In its governance role, the Board identifies major risks and ensures that robust internal controls and risk mitigation measures are in place.</p>	
<p>The Board also oversees the development of critical frameworks, including Communications, Policy, Governance, and the Internal Control System, ensuring they remain effective and resilient as the Group grows in size, complexity, and scope. Additionally, the Board is responsible for leading the development and implementation of a comprehensive sustainability framework that aligns with the Group’s strategic objectives and long-term goals.</p>	
Independent Non-Executive Directors	
<p>The Independent Non-executive Directors play a crucial advisory role to the Chairman, providing independent oversight and offering critical evaluations of management’s performance. They exercise independent judgment in reviewing and deliberating on matters brought before the Board and its Committees, ensuring decisions are thoroughly scrutinized from diverse perspectives.</p>	
<p>Our Chairman is fully independent, with no familial or other close ties to our CEO. Additionally, the majority of our Directors are independent. As a result, the Board has determined that a lead independent director is not required. However, if the need arises, our Nomination and Remuneration Committee Chairman is prepared to assume this role on a case-by-case basis.</p>	
Managing Director & CEO	
<p>The CEO, leads the management team in executing the Bank’s overall strategy, fostering a highly collaborative and productive relationship with the Chairman and the Board of Directors. While holding ultimate accountability for decision-making, he manages day-to-day operations, identify new business opportunities, and ensure that the Bank’s internal controls and risk management systems remain relevant, robust, and effective.</p>	

In guiding uab’s strategic direction, our Board is dedicated to delivering sustainable, long-term value to all stakeholders. The Board emphasizes effective leadership by overseeing management, monitoring business performance, and ensuring compliance with regulatory and risk requirements. Environmental, social, and governance (ESG) considerations are integral to formulation of long-term strategy and decision-making, with policies and frameworks regularly updated to align with evolving governance standards.

# Board at A Glance



## Board Committees Composition and Key Responsibilities

The Board has delegated authority to specified Committees to supervise key concerns in accordance with their defined authorities. Throughout each committee meeting, members gather to review, discuss, and make decisions on matters within their assigned scope, as sketched in their terms of reference. These terms indicate the responsibilities of the Board, the oversight of meetings, comprising quorum and voting requirements, and committee membership. Any alterations to the terms of reference for any committee require Board approval.

A Director who has an interest in a matter which may conflict with his duties to at the Bank must disclose his interests, recuse himself from the discussion and abstain from voting on the matter. All board committee meetings are scheduled well in advance of each year in consultation with Directors and ad-hoc meetings are also held when necessary. Before every board committee meetings begin, chairman oversees the agenda of the meeting in consultation with CEO to ensure that there is sufficient information and time to address all agenda items.

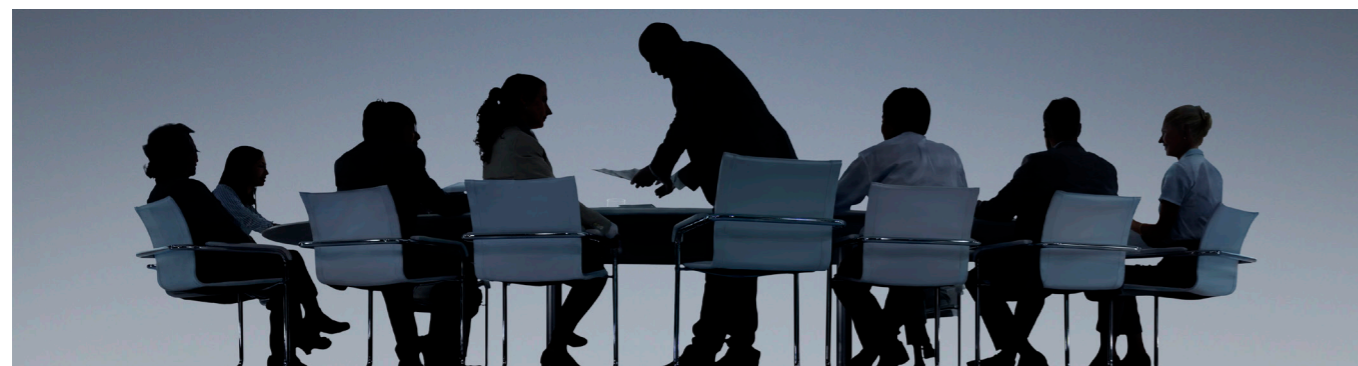
The agenda allows for flexibility when needed and Directors are provided with complete information related to agenda items in a timely manner. All materials for Board and committee meetings are uploaded to a secure portal, accessible via Directors' tablet devices, ensuring they have sufficient time to review and analyze the materials before the meetings. This ensures informed decision-making and effective oversight.

Board members who are unable to physically attend meetings may link-in through the Bank's electronic systems to participate in meetings.

The Board members have access to senior management and Internal and External Auditors both separately and in their deliberations. In the discharge of their duties, the Board may seek for professional advice or engage with subject matter experts. A secretariat team support the Board in the discharge of their duties.



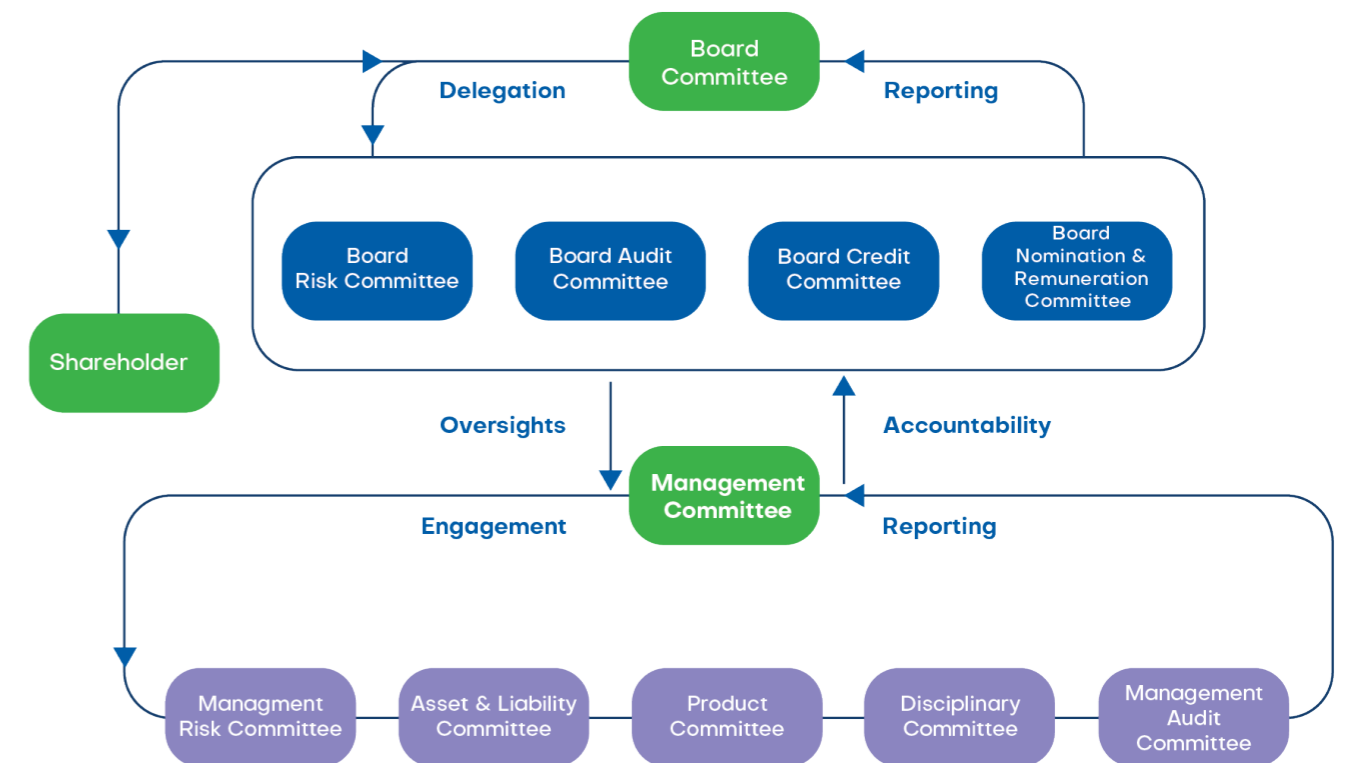
<p><b>Board Audit Committee (BAC)</b></p> <ol style="list-style-type: none"> <li>1. U Nay Aye (Chairman)</li> <li>2. U Tint Thwin</li> <li>3. U Win Htein Min</li> </ol> <p>BAC is entrusted with providing independent oversight of financial reporting and internal control systems, ensuring robust checks and balances within the Bank's operations, and overall performance</p>	<p><b>Board Credit Committee (BCC)</b></p> <ol style="list-style-type: none"> <li>1. U Thant Zin (Chairman)</li> <li>2. U Tint Thwin</li> </ol> <p>BCC embraces the conviction to approve, reject, or insist additional conditions on all credit and underwriting applications exceeding the thresholds set by the Management Credit Committee (MCC) at the management level</p>
<p><b>Board Risk Committee (BRC)</b></p> <ol style="list-style-type: none"> <li>1. U Win Htein Min (Chairman)</li> <li>2. U Tint Thwin</li> <li>3. U Thant Zin</li> </ol> <p>BRC retains the essential accountability of overseeing the Group's risk governance, confirming that Senior Management efficiently handles risk across all business and functional units. It displays the implementation and operation of strong risk management procedures, confirming they align with the Group's strategic objectives. Furthermore, the BRC confirms that the Group's risk management is supervised in accordance with a widespread risk-return performance framework, corresponding risk mitigation with value creation</p>	<p><b>Board Nomination &amp; Remuneration Committee (BNRC)</b></p> <ol style="list-style-type: none"> <li>1. U Tint Thwin (Chairman)</li> <li>2. U Nay Aye</li> <li>3. U Win Htein Min</li> </ol> <p>BNRC holds thorough supervision and is commended with key responsibilities, including leading the annual evaluation of the Board, individual directors, and Senior Management. It examines and affiliates remuneration packages for Directors, Board Committees, and Senior Officers with the group's established remuneration framework, sets KPIs for the Managing Director &amp; CEO, and influences growth plans for Directors. Moreover, the BNRC supervises macro-structural changes, leadership changeovers, and governance matters relating to the Board and Directors, while also determining the structure of the Board and its Committees</p>



Accurate minutes of each meeting are presented at the subsequent meeting for confirmation and are then signed by the Chairperson. The table below provides key details on our directors, including their attendance at meetings during FY2024:

No	Name	Title	Board of Directors (BOD)	Board Nomination & Remuneration Committee (BNRC)	Board Audit Committee (BAC)	Board Risk Committee (BRC)	Board Credit Committee (BCC)
1	U Nay Aye	Non-Executive Chairman and Independent Director	Chairman (12/12)	Member (1/1)	Chairman (4/4)	-	-
2	U Thant Zin	Non-Executive Director	Member (12/12)	-	-	Member (4/4)	Chairman (18/18)
3	U Win Htein Min	Independent Non-Executive Director	Member (12/12)	Member (1/1)	Member (4/4)	Chairman (4/4)	-
4	U Tint Thwin	Independent Non-Executive Director	Member (12/12)	Chairman (1/1)	Member (4/4)	Member (4/4)	Member (18/18)
5	Mr. Christopher Loh	MD & CEO	Member (12/12)	-	-	-	-

## GOVERNANCE STRUCTURE



## Building an Effective Risk Management and Internal Control

### Risk Governance

The Board actively identifies uab's risk appetite and oversees key risk management practices to safeguard investments and assets, ensuring that strategic objectives are met through strong governance and effective procedures for evaluating the efficiency and integrity of internal controls and risk management.

The BRC is tasked with developing and accessing uab's risk management policies and risk appetite while providing strategic oversight and guidance to both the Board and Management in effectively navigating compliance risks. Equipped with advanced tools, the Board and Management proactively anticipate and manage both current and emerging risks, adapting to changes in business strategies, external conditions, and regulatory landscapes. Similarly, the BAC conducts thorough evaluations of the effectiveness of internal controls, the robustness of risk management procedures, and the overall governance framework within the Group.

### Internal Control Systems

Our internal controls and risk management systems includes Management oversight and control, Three lines of Defense model and a system of coordination between Operations, Compliance, Risk and Audit functions of the bank. The Risk Management Report will give a more detailed discussion of the matter.

Internal Audit and Compliance provides an independent assessment to the BAC, offering a critical review of the adequacy, efficiency, and effectiveness of management's risk controls and governance frameworks. Utilising a comprehensive audit strategy, Internal Audit and

Compliance proactively addresses emerging risks, including those related to system changes, evolving control environments, and shifts in business processes. In addition to its risk-based approach, the annual audit plan incorporates mandatory areas required by regulation, as well as high-priority issues such as recent fraud incidents, prior audit deficiencies, or regulatory actions.

The BAC collects reports on major findings with suggested counteractive actions, while management is accountable for timely implementation. Any delays in addressing recognised weaknesses must be monitored, justified, and approved by the BAC, confirming accountability and swift resolution.

### Compliance & Regulatory Framework

#### Elevating Governance, Risk and Compliance for future growth

The Board is committed to maintaining a comprehensive and robust risk management and internal control framework that drives operational efficiency and effectiveness. This framework ensures that our business operations consistently uphold the highest standards of quality and reliability, emphasizing our core value of delivering exceptional financial services to our stakeholders.

We adopt a strategic approach that balances opportunities with risks, ensuring that every decision aligns with our objectives. By embedding a comprehensive risk management framework within our internal controls, we proactively identify and address potential challenges, fostering resilience and enabling us to achieve our goals with precision and insight. The Board and Senior Management are dedicated to enhancing our internal control systems through rigorous testing, regular reviews, and continuous improvements. This proactive approach ensures that our risk

management strategies are not only effective but also aligned with and supportive of our strategic objectives.

By engaging in advanced governance practices, innovative risk management techniques, and forward-thinking compliance strategies, our bank is not only strengthening its internal controls but also establishing a new standard for resilience and strategic prudence. This commitment positions us to navigate future challenges effectively and drive sustainable growth, ensuring our leadership in the financial industry.

### Human Capital Management



The Board recognises that the workforce must be well prepared to meet the challenges that lie ahead not only in its technical capacity but also in its values and mindset. FY2024 posed challenges with the migration of young people overseas and the Bank ensured that it continued to retain its key talent whilst ascertaining that the acquisition of new talent and its development continued to align to the strategy and purpose of the Bank.

Our employee remuneration is designed to encourage behavior that contributes to our long-term success while keeping remuneration competitive to attract, to retain, and to motivate employees and highly skilled individuals. Remuneration is commensurate with the performance of the Bank, an employee's business unit or function, individual performance and contributions, competencies, and alignment

of behavior to our values. The remuneration package takes a "Total rewards" approach and consists of fixed pay, variable pay, sales commissions and employee benefits.

Board ensures that in employee remuneration the long-term is considered instead of looking on the short-term.

### Our Stand Against Bribery and Corruption



Our bank maintains a zero-tolerance stance on bribery and corruption, indicating our steady commitment to ethical conduct and integrity. To highlight this, we have applied a comprehensive framework of anti-bribery policies, including thorough techniques, regular training, and audits. These attempts are aided by strict penalties for violations, confirming that all employees and partners remain to the highest standards of transparency and responsibility. Through these measures, we preserve our operations from unethical practices and foster a corruption-free, ethically sound environment.

The Board regards corruption as a deeply corrosive practice that erodes an organisation's integrity and ethical foundation. To combat this, the Group has implemented a comprehensive set of policies and guidelines, including the Anti-Bribery & Corruption Policy, Whistleblowing Policy, Fit and Proper Policy, and Gift Guidelines. These measures reinforce strong internal controls and are designed to foster a transparent, accountable, and ethically sound environment across all levels of the organisation.

# Corporate Governance Overview Statement

## Code of Ethics

The Code of Ethics outlines the values and standards of action expected from all employees of the Group, including Board members, part-time, temporary staff, contractors, in their interactions with customers, business partners, regulators, and colleagues. It references key group policies and procedures correlated to conflicts of interest, bribery, corruption, anti-money laundering/counter-financing of terrorism, customer management, whistleblowing, and fraud management. These procedures not only label the protocols for reporting incidents but also confirm security for employees who disclose such concerns.

All uab employees are obliged to review the Code of Ethics during their onboarding process, and it is promptly accessible via the uab website at URL: <https://www.uab.com.mm/>. The Code encourages employees to raise concerns through the indicated channels, following clear reporting protocols. Such whistleblowing cases are inspected thoroughly by a dedicated team from Human Resources, while matters related to money laundering or counter-financing of terrorism are escalated straight to the Compliance team or, in some instances, to the CEO for resolution.



## Whistleblowing Policy



uab's whistleblowing policy allows employees across the Group to voice concerns observing misconduct or wrongdoing involving colleagues, customers, vendors, or third parties. This policy confirms that all legitimate concerns are carefully investigated accurately, with strict secrecy maintained to protect the whistleblower from any form of retaliation.

The policy proposes several reporting channels, including a dedicated phone line and email address, along with access to expert investigators from the Human Resources team. Incidents are promptly escalated to the applicable individuals, escorted by recommendations for corrective actions to ensure timely resolution.



## Transparency in Corporate Reporting

### Engagement with Stakeholders

Our engagement activities are designed to foster consistent, transparent, and equitable communication with shareholders. The bank is commended for distributing timely and accurate information regarding corporate strategies and financial performance through various channels, including our website and social platforms. We admit that continuous engagement with stakeholders is vital for constructing trust and mutual understanding.

### Conduct of Annual General Meeting

The Board ensures that shareholders are stipulated with ample notice and sufficient time to review and consider the resolutions to be discussed and agreed upon at the Annual General Meeting (AGM). The AGM notice involves complete details of the proposed resolutions, along with all related supporting data and reports.

uab successfully organised its 14<sup>th</sup> AGM on 11<sup>th</sup> September 2024, with the Notice and Agenda allocated to shareholders well in advance. Furthermore, the Notice and Agenda were made publicly accessible on uab's official website, [www.uab.com.mm](http://www.uab.com.mm), certifying full transparency and ease of access.



# RISK MANAGEMENT



Managing risk is a core component of our business strategy and we continuously enhance our risk management practices to support and align with our strategic objectives taking into account our risk appetite and long-term sustainability of the Bank. Over FY 2024, our risk management approach was designed to ensure ongoing financial stability and protect the interests of our stakeholders in the rapidly evolving environment in Myanmar. We were also dedicated to upholding high standards of corporate governance, sound risk management principles, and strong business practices to achieve sustainable, long-term growth.

Specific challenges and mitigation
<p>The challenges identified in FY 2024 were significant and spanned multiple areas, requiring careful mitigation strategies by the Board and Management</p> <p><b>1. Enhanced Due Diligence (EDD) and Anti-Money Laundering (AML) Actions</b></p> <ul style="list-style-type: none"> <li>• <b>Challenges:</b> Imposed sanctions on various entities and Myanmar’s adverse classification by the Financial Action Task Force (FATF) called for stricter scrutiny of money transfers, trade services, lending activity and account operations.</li> <li>• <b>Mitigation:</b> <ul style="list-style-type: none"> <li>• Enhanced procedural controls in money transfers, trade, and account operations.</li> <li>• Strengthened the 3-line model of defense (management, risk &amp; compliance, internal audit) for better surveillance and management.</li> <li>• Training programs were conducted to ensure staff were equipped to handle the increased compliance workload and maintain quality in procedures.</li> <li>• Increased collaboration with Correspondent Banks and international partners through more robust trade surveillance mechanisms.</li> </ul> </li> </ul> <p><b>2. Outbreak of Armed Conflict in Myanmar</b></p> <ul style="list-style-type: none"> <li>• <b>Challenges:</b> The potential escalation of violence in certain regions around Myanmar threatened not only the safety of employees and customers but also posed operational risks.</li> <li>• <b>Mitigation:</b> <ul style="list-style-type: none"> <li>• Business continuity plans (BCP) were enhanced to safeguard employees and assets.</li> <li>• Identified alternative service points to ensure uninterrupted banking services for customers in conflict zones.</li> <li>• Implemented safety protocols and readiness plans in the event of escalated violence, ensuring operational resilience.</li> </ul> </li> </ul> <p><b>3. Liquidity Management During Crisis</b></p> <ul style="list-style-type: none"> <li>• <b>Challenges:</b> Maintaining liquidity in uncertain economic and political environments required enhanced oversight to avoid liquidity shortfalls.</li> <li>• <b>Mitigation:</b> <ul style="list-style-type: none"> <li>• Established a Crisis Management Team (CMT) for continuous monitoring of liquidity risks.</li> <li>• Developed and implemented contingency liquidity measures to ensure the bank had fallback options in case of severe liquidity challenges.</li> <li>• CMT monitored the situation daily, ensuring the bank maintained prudent liquidity levels.</li> </ul> </li> </ul>

Specific challenges and mitigation
<p><b>4. Environmental, Social, and Governance (ESG) Concerns</b></p> <ul style="list-style-type: none"> <li>• <b>Challenges:</b> Ensuring that bank financing did not contribute to environmentally harmful or socially unethical activities became critical, particularly in light of international scrutiny.</li> <li>• <b>Mitigation:</b> <ul style="list-style-type: none"> <li>• ESG criteria were strictly applied to the lending portfolio, ensuring no financing was extended to sectors or activities that harmed the environment or violated human rights.</li> <li>• Activities like the production and trading of weapons, exploitation through child labor, wildlife trafficking, and any illegal trade were explicitly excluded from financing.</li> <li>• Regular monitoring and auditing ensured compliance with both national and international laws, including those related to banned substances, wildlife preservation, and ethical business practices.</li> </ul> </li> </ul> <p>These strategic actions helped mitigate the risks posed by these challenges and ensured the Bank’s operations remained resilient and compliant with both domestic and international standards.</p>

## Our Risk Management Framework

The following diagram and accompanying descriptions offer a comprehensive summary of the key elements of the risk management framework. These include governance, structure, risk management tools, and organizational culture. Collectively, these elements play a crucial role in aligning employee behavior with the organization’s risk appetite.

## Key Components of Our Risk Management Framework

Risk governance	Non-executive risk governance
	Executive risk governance
Roles and responsibilities	Three lines of defense model
Processes and tools	Risk appetite
	Enterprise-wide risk management tools
	Active risk management: identification, assessment & mitigation, control, monitoring, management and reporting
Internal controls	Policies and procedures
	Control activities
	System and infrastructure

# Statement on Risk Management & Internal Control

## Risk Governance and Oversight

Our risk frameworks, processes, and structures identify, manage, and monitor risks across all levels, ensuring that we effectively manage risk and maintain the Bank’s resilience against potential threats. These frameworks guide the development of risk management policies that align with the Bank’s objectives and risk appetite, influencing key decisions in capital management, strategic planning, and performance management to ensure that risk considerations are appropriately and adequately integrated.

The risk management governance structure, framework and policies also comply with the requirements of the Central Bank of Myanmar and other authorities. Risk reporting is prioritised, with regular updates submitted to Management and Board Committees to keep them informed of the Group’s evolving risk profile.

## Board Responsibility

The Board has oversight and responsibility for establishing and maintaining a robust risk management and internal control system, as well as for continuously reviewing its adequacy and effectiveness in identifying, assessing, and responding to risks that could impede the Bank’s ability to achieve its objectives. Amidst setting the tone from the top, the key responsibility of the Board is to define the Bank’s risk appetite, which outlines the types and levels of risk the Bank is prepared to accept in pursuit of its business and strategic goals. In alignment with this, the Board is actively involved in shaping the Bank’s strategic direction, ensuring that associated risks are effectively managed within the established risk appetite.

Recognizing the inherent limitations of any risk management and internal control system, the Board acknowledges that such systems can provide only reasonable, not absolute, assurance against material financial misstatements, fraud, or losses. The Board plays a pivotal role in creating a strong governance structure for risk management and internal control, which is essential for fostering a culture of effective risk management across the organization.

To ensure thorough oversight of risk and control responsibilities, the Board has established two specialized committees: the Board Risk Committee (BRC) and the Board Audit Committee (BAC). The BRC focuses on risk and compliance matters, while the BAC oversees control-related issues. These committees regularly report to the Board on their activities, key deliberations, and decisions related to their delegated responsibilities.

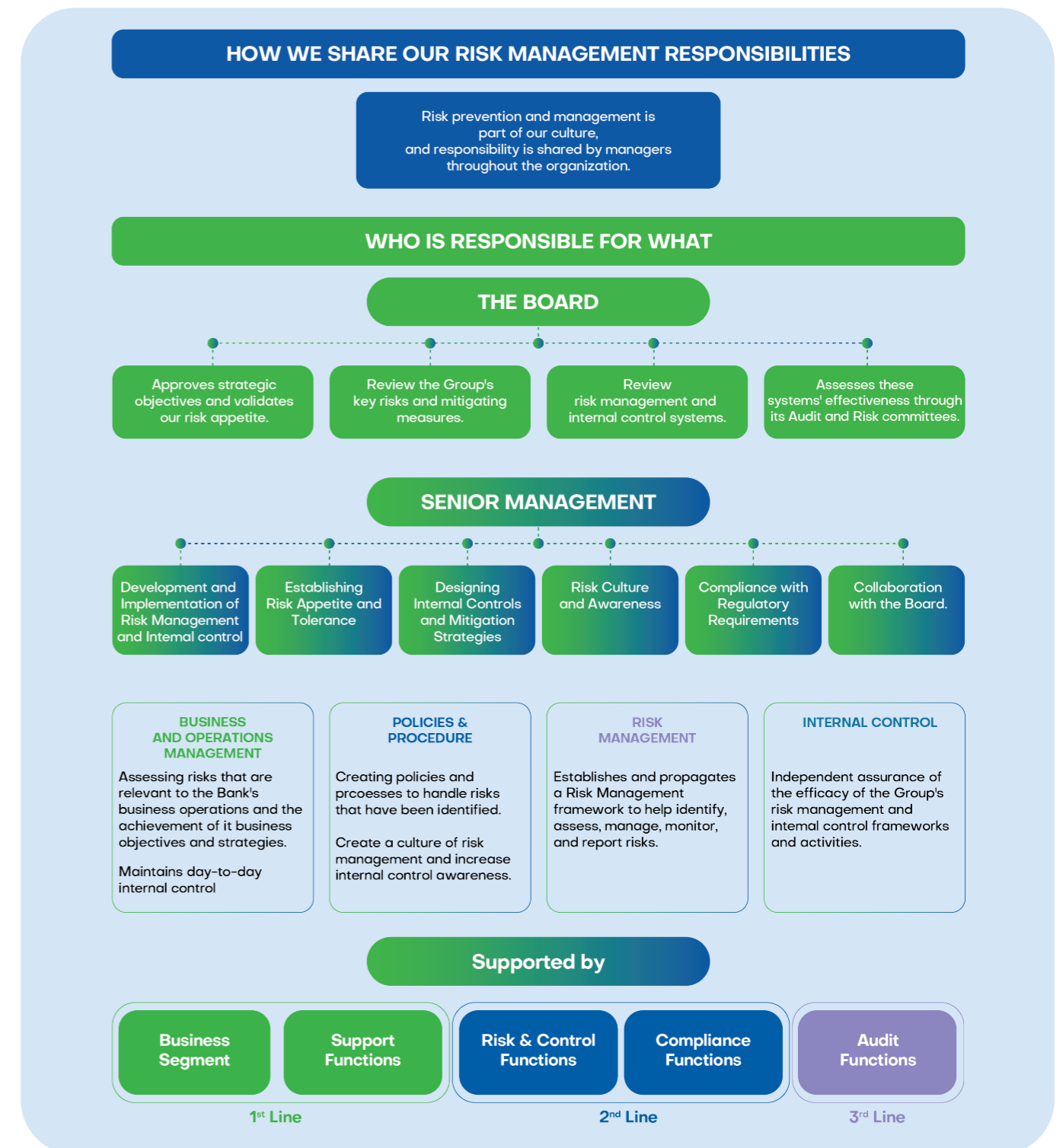
## Management Responsibility

Management is tasked with executing the policies and procedures established by the Board concerning risk and control. Key responsibilities of Management include:

- **Identifying and Evaluating Risks:** Assessing risks that are relevant to the Bank’s business operations and the achievement of its business objectives and strategies.
- **Formulating Policies and Procedures:** Developing policies and procedures to manage identified risks in alignment with the Bank’s strategic vision and overall risk appetite.
- **Designing and Implementing Systems:** Creating, executing, and overseeing an effective risk management and internal control system.
- **Implementing Remedial Actions:** Addressing

- compliance deficiencies as directed by the Board, ensuring timely and appropriate corrective actions are taken.
- **Timely Reporting:** Providing prompt updates to the Board on any changes in risks, emerging risks, and the corrective or mitigation actions undertaken.

In line with these responsibilities, Management has assured the Board that the Bank’s risk management and internal control systems are functioning effectively, with all necessary processes in place.



# Statement on Risk Management & Internal Control

## Organisational Control Structure and Lines of Defence

Our organizational control structure is based on the Three Lines Model as follows:

1 <sup>st</sup> Line of Defence	2 <sup>nd</sup> Line of Defence	3 <sup>rd</sup> Line of Defence
<b>Business Areas and Support Functions</b>	<b>Risk and Compliance Functions</b>	<b>Audit Function</b>
<p>The First line of defence is responsible for the daily risk management and for compliance with applicable rules and guidelines. All employees in the first line of defence have a role of understanding and adhering to prudent risk management and for compliance with external and internal rules as part of performing their tasks.</p> <p>Managers and Heads of Department are fully responsible for the risks and for compliance within their respective areas of responsibility and ensure a sufficient system of internal control.</p>	<p>The Second line of defence consists of the Risk and Compliance functions and they monitor the implementation of risk frameworks, policies, appetite, internal control and limits.</p> <p>Emerging risks are also identified by them within the daily operations.</p> <p>They will also provide reports to the Management Risk Committee and Board Risk Committee.</p>	<p>The Third line of defence consists of Internal Audit being an independent internal audit function. Internal Audit conducts risk-based and general audits and reviews covering all aspects of the 1st two Lines of Defence to provide independent assurance to the Management, the Board Audit Committee (BAC), and the Board on the adequacy and effectiveness of our system of risk management and internal controls.</p>

### Risk Appetite

The Bank's risk appetite is a fundamental component of its robust risk management framework, driven by a combination of top-down leadership from the Board and active, bottom-up involvement from Management at all levels. The Bank's risk appetite defines the types and levels of risk the Bank is willing to accept in pursuit of its strategic and business objectives, while risk tolerance represents the acceptable degree of variation in achieving these objectives.

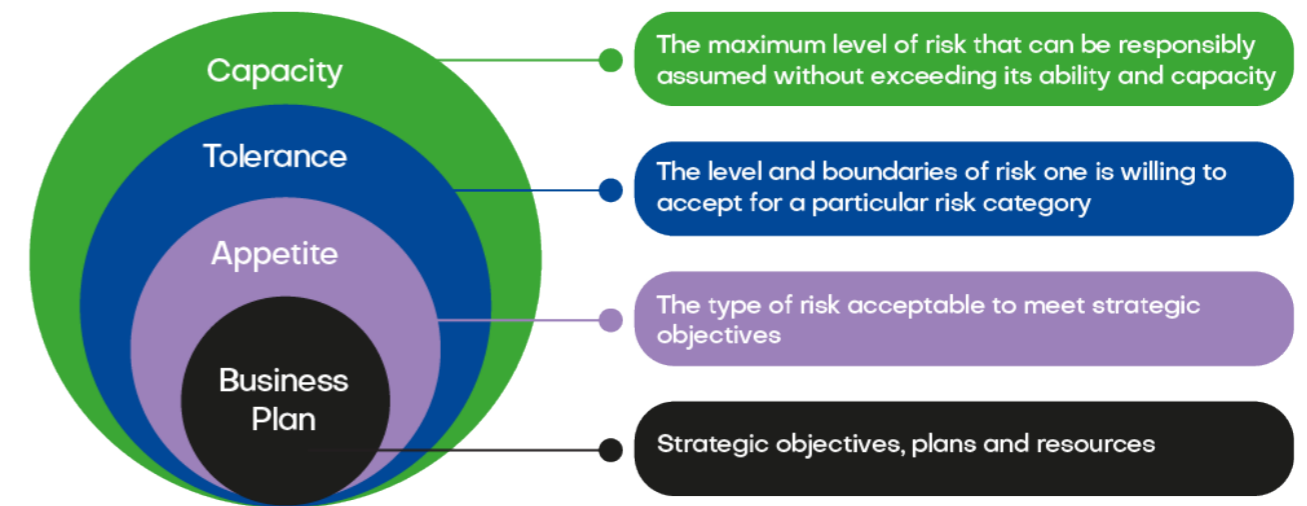
The risk appetite enables the Board and Senior Management to communicate and assess

the types and levels of risk that the Bank is willing to accept in pursuit of its business and strategic goals, while taking into consideration the constraints under a stressed environment. This risk appetite sets the Bank's risk capacity and translates it into specific risk limits and tolerances, which are regularly measured and evaluated to ensure alignment with our risk profile.

The defined risk appetite and tolerance are integrated into the strategic planning process and are subject to periodic review by both the Board and Management. These reviews ensure that the Bank's risk appetite remains aligned with its business strategies, market conditions,

stakeholder expectations, and internal capabilities. This process may involve identifying new risk appetite metrics, removing outdated ones, and adjusting thresholds to reflect the Group's evolving business strategy and risk posture.

Key risks considered in the risk appetite review include regulatory compliance risk, credit risk, market and liquidity risk, operational risk, and technology and cyber risk. These reviews are essential to maintaining a balanced approach to risk-taking that supports the Group's long-term success.



### Risk and Compliance Culture

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

Risk management is a core responsibility of the respective businesses and operating units. More so, it is the responsibility of all uabians.

Risk and compliance policies are clearly defined, consistently communicated and continuously reinforced throughout the Bank to embed a robust culture that cultivates active identification, assessment and mitigation of risks. As part of the risk and compliance

culture, the Board, Senior Management and employees of the Bank are committed to adhering to the requirements of relevant laws, rules and regulations. This commitment is clearly demonstrated through the establishment and strengthening of policies, processes and controls in managing and preventing non-compliance.

The Bank has implemented ongoing Risk Culture and Awareness Programme. Amongst others, induction programmes, engagement sessions, e-learning, Risk Bulletins and refresher courses for all staff.

An integrated assurance platform is also emplaced to provide a single, collective view of risk controls, compliance and governance. This ensures that risk considerations are embraced by all employees in enhancing the customer experience, building trust and brand value of the Bank for long-term sustainability of the

# Statement on Risk Management & Internal Control

organisation. A strong risk culture minimises the Bank’s exposure to financial and nonfinancial risks including reputational impact, over time. Apart from Risk Officers, the Bank has appointed Compliance Officers at all branches and key business that aims to cultivate proactive risk and compliance management and to establish a robust risk culture. These Compliance Officers act as key liaisons on all risk and compliance matters at the units where they are stationed at.

## Risk Documentation

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

## Risk Infrastructure

The Group has organised its resources and talents into dedicated Risk Management functions, and invested into the technology, including data management, to support the Group’s Risk Management activities. Staff have clear roles and responsibilities, given access to relevant and up to date risk information, and the latitude to continuously enhance competency through learning and development programs. Risk systems and tools are designed to provide accessibility of risk information that complement the Risk Management process. The availability of data for analytics and monitoring, and dashboards and reporting assists in continuously enhancing Risk Management capability. The Bank’s Risk Management Report has evolved to be more analytically-driven dashboards which include elements of quantitative and qualitative forward looking projections. Effective Risk Management requires the Bank to continuously review its risk management capabilities to effectively manage risk and to improve Risk Management practices across the Group. Therefore, the Bank has embarked on transformation journeys striving for improvements for better efficiency and effectiveness.



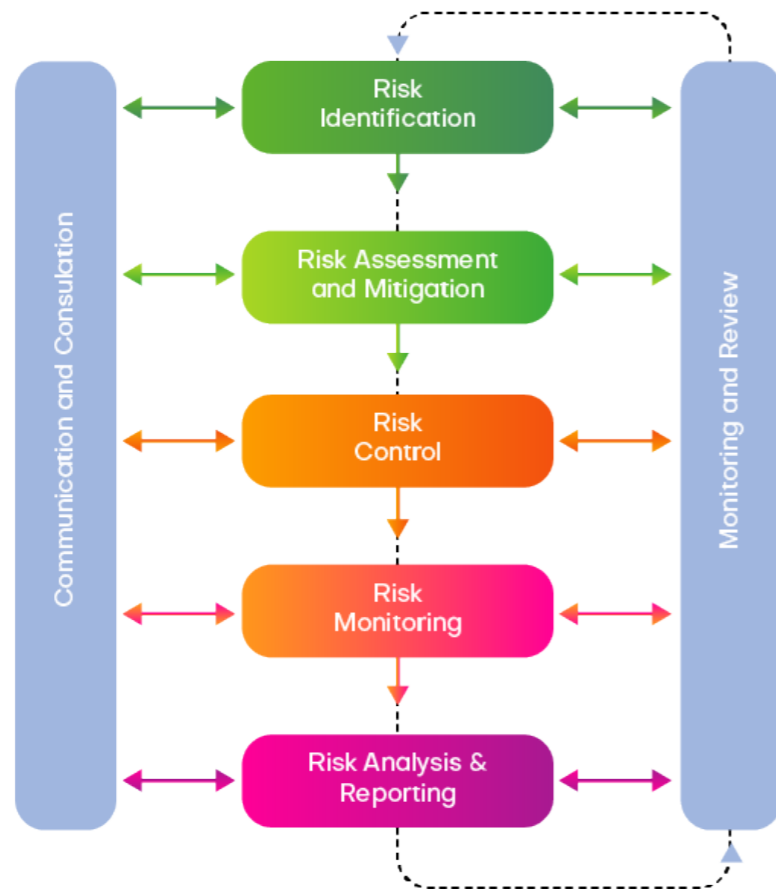
## Risk Assessment

Material risk is assessed and summarised in the table below:

Type of Risk	Risk Definition	How is the risk managed
<b>Credit Risk</b>	Credit risk is the risk of loss resulting from the failure of a borrower to meet its obligations under a credit facility granted by the bank or from a reduction in the value of the bank’s assets due to a change in the credit quality of the borrower/counterparty	<ul style="list-style-type: none"> <li>• Credit Organisation and governance</li> <li>• Policy and processes</li> <li>• Credit concentration monitoring</li> <li>• Collateral management</li> <li>• Monitoring &amp; remedial action</li> <li>• Delinquency management</li> <li>• Loan Loss impairment &amp; write off</li> </ul>
<b>Market Risk</b>	Market risk is the risk to a bank resulting from adverse movements in market prices, in particular changes in interest rates, foreign exchange rates, equity (and other securities) and commodity prices	<ul style="list-style-type: none"> <li>• Asset-Liability Committee</li> <li>• Risk appetite balance</li> <li>• Foreign Exchange and net open position monitoring</li> <li>• Interest rate monitoring</li> </ul>
<b>Liquidity Risk</b>	Liquidity risk is the risk that the bank will be unable to meet expected and unexpected cash flow needs	<ul style="list-style-type: none"> <li>• Minimum liquidity ratios</li> <li>• Monitor cash flow mismatch</li> <li>• Deposit and funding concentration monitoring</li> <li>• High quality and marketable debt securities</li> </ul>
<b>Operational Risk</b>	Operational risk is the risk of loss arising from complex operations, inadequate internal controls, processes and information systems, organizational changes, fraud or human errors, or unforeseen catastrophes (including terrorist attacks and natural disasters)	<ul style="list-style-type: none"> <li>• Internal control mechanism</li> <li>• Three-line defence model</li> <li>• Authorisation schedules</li> <li>• Transaction monitoring</li> <li>• Identification of key risk indicators</li> <li>• Incident reporting mechanism</li> <li>• Business continuity plans</li> <li>• Insurance cover</li> <li>• Disciplinary Committee action</li> </ul>
<b>Technology Risk</b>	Technology risk is part of our operational risk arising from the use and reliance of technology and the potential for financial losses, operational disruptions, and damage to the Bank’s reputation due to failures or security breaches within its technology systems	<ul style="list-style-type: none"> <li>• Security controls</li> <li>• Updates and patching</li> <li>• Access management</li> <li>• Disaster recovery and business continuity planning</li> <li>• Vendor Management</li> <li>• Incident reporting &amp; post-incident reviews</li> <li>• Update and adapt to new threats</li> <li>• Technology Committee oversight</li> </ul>
<b>Strategic Risk</b>	Strategic risk is the risk that the bank fails to maintain an appropriate strategy that responds to market, technology and wider environmental challenges, adversely affecting its earnings, capital or reputation.	<ul style="list-style-type: none"> <li>• Business planning and monthly reviews</li> <li>• Risk considerations embedded in strategic planning</li> <li>• Scenario testing</li> </ul>

# Statement on Risk Management & Internal Control

The Bank has an established and comprehensive process for risk identification at every stage of the risk-taking activities, namely transactional, product and even at the respective entities and Bank level. Risks are also identified through Operational Risk Loss Event reporting and Portfolio thematic analysis. As part of the Bank’s periodic material risk assessment, the Bank reviews the types and components of material risks, determines its quantum of materiality and refinement of processes taking into consideration the feedback received, including the independent reviews.



## Key Internal Control processes

The Bank’s system of internal control is designed to manage and reduce risks that will hinder the Bank from achieving its goals and objectives. It encompasses the policies, procedures, processes, organisational structures and other control aspects that are implemented for to assure the achievement of the Bank’s objectives in operational effectiveness and efficiency, reliable financial reporting and compliance with laws, regulations and internal policies.

The key processes established by the Board that provide effective governance and oversight of internal control systems include a formal organisational structure with clearly defined lines of accountability and responsibility, authority limits and reporting. The organisational structure provides the basic framework for ensuring that the Bank’s business and operations operate smoothly as well as depicting the span of control for ensuring effective supervision of day-to-day business conduct and accountability.

## Sustainability Management

The Board of Directors has oversight of the Group’s sustainability practices towards ensuring appropriate Environmental, Social and Governance (“ESG”) factors are embedded within the Group’s business strategies, operations as well risk management process. In carrying out the said responsibility, the Board is also responsible to ensure that the Group’s Sustainability practices are aligned with the Group’s long term strategic direction. The details of the Bank’s sustainability are contained in the Sustainability Statement.

Policies and Guidelines Policies, guidelines and processes governing the Bank’s businesses and operations are documented and communicated bank-wide as well as made available to employees through the Bank’s intranet portal for ease of reference and compliance. These policies, guidelines and processes are reviewed and updated by the business and functional units through a structured review and approval process to cater to changes in laws and regulations as well as changes to the business and operational environment.

Regular Updates and Communication of Risk Management Principles, Policies, Procedures and Practices Risk management principles, policies, procedures and practices are reviewed and updated regularly to ensure relevance to the current business environment as well as compliance with applicable laws and regulations. Risk frameworks, policies and procedures are applicable across the Group, including all branches which are required to adopt the principles prescribed by the Group while complying with local requirements.

## Authority Limits

The Board has approved the Bank’s Delegation of Authority (“DOA”) which defines the approving authority with its approving limits for the various levels of Management in the Bank. Accordingly, the Management is empowered to discharge their responsibilities and be accountable for their decisions and actions.

The DOA is reviewed periodically and updated in line with changes in the organisation structure, business environment or operational needs.

## Technology and Cyber Risk Management

The Bank regards IT security as a very high priority to ensure the confidentiality, integrity and availability of the Bank’s information assets and IT infrastructure. IT security in the Bank is achieved through the implementation of a risk-based control approach covering people, process and technology.

IT Security policies, standards, guidelines and procedures are well established and supported by proper organisational structures with competent resources. Defence in depth strategy is used where multiple layers of IT Security controls are enforced throughout the IT infrastructure and system. But equally important to the technology and process controls is the continuous programme to raise the level of security awareness of staff of all levels, Board members as well as third party technology service providers. In addition, the rapid adoption of digitisation has led to increased risks to traditional on-premises computing system. To address this emerging risk, the Bank has adopted a multi-pronged approach:

## Statement on Risk Management & Internal Control

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

### Budgeting Process

A robust budgeting process is established requiring all key operating entities in the Bank to prepare budgets and business plans annually for approval by the respective Boards. The Bank's budget and business plans as well as strategic initiatives, taking into account the established risk appetite, goes through a challenged session with Management prior to deliberation at the Board where the Bank budget is presented.

### Human Capital Management

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

Hence, the Bank has in place policies and procedures that govern recruitment, appointment, performance management and rewards as well as matters relating to discipline, termination and dismissal. For sustainable growth, the Bank places emphasis on human capital development, talent management and succession planning.

To enhance employee competencies, structured and technical trainings as well as management and leadership workshops are provided to them based on their identified needs during the annual performance assessment.

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

### Group Code of Ethics

The Bank's Code of Ethics ("the Code") is established to ensure a high standard of ethical and professional conduct is upheld by all employees in performing their duties and responsibilities. It is a requirement that all employees of the Group understand and observe the Code. New recruits are briefed on the Code and a 5-day comprehensive Orientation Program for all recruits is conducted on the values, products and policies of the Bank.

The Group has also established the Gift Guideline to promote integrity and transparency for giving and receiving gifts. The Guideline complements the Code and are designed to help the Bank and its employees understand the respective parties' obligations in upholding corporate integrity and transparency about gifting.

### Group Anti-Bribery and Corruption Policy

The Bank adopts zero tolerance on bribery and corruption in line with its core shared values and the Bank's Code of Ethics and Conduct for employees. The Bank is committed to conducting its business in accordance with all applicable laws and regulations, and the Anti-Corruption Law. The Bank's Anti-Bribery and Corruption Policy set out the guiding principles to support the Bank's business operations and assist the employees in upholding corporate integrity and the Bank's reputation in its dealings within and outside the Bank.

### Anti-Money Laundering and Counter Financing of Terrorism Policy

The Bank's Anti-Money Laundering and Counter Financing of Terrorism ("AML/CFT") Policy ("AML/CFT Policy") is drawn up in accordance with the Anti-Money Laundering Law and Central Bank of Myanmar's ("CBM") standards on AML/CFT. It sets out the high level standards towards building a stronger and robust AML/CFT compliance regime within the Bank, facilitates consistency in managing the AML/CFT compliance risk across the local and regional entities within the Bank, and sets out the Bank's policy statements in respect of the general principles and key measures to which the Bank adheres to.

Pursuant to the AML/CFT Policy, the entities and/or employees within the Bank are required to adopt Risk Based Approach ("RBA") to customer acceptance and implement the AML/CFT Compliance Programme framework. This includes customer due diligence ("CDD") requirements, monitoring of customer activities/ transactions, reporting of suspicious transactions, record keeping, AML/CFT training, protection of

customer information, and enforcement actions for noncompliance to the requirements. The AML/CFT Policy also outlines the roles and responsibilities as well as establishes clear accountability of the Board, Senior Management and all employees within the Bank. The Board has an oversight responsibility for establishing the AML/CFT policies/ guidelines and minimum standards while the Senior Management is accountable for the implementation and management of AML/CFT compliance programmes in accordance with the policies and guidelines as approved by the Board.

### Reputational Risk Management

The Bank adopts a holistic approach and sound governance in managing reputational risk and to institutionalise awareness and its consequences. Protecting our reputation is paramount to operating as an institution that provides financial services. Upholding trust and creating better customer experience and security are vital parts of our obligations as a financial institution. Hence, the Bank has emplaced a policy with roles and responsibilities of key stakeholders with regard to processes, such as monitoring of social media sentiment, to facilitate effective reputational risk management and monitor risk exposures within the risk appetite.

### Business Continuity Management

The Bank recognises and is fully committed to the need to provide uninterrupted critical services to its customers, ensure the safety of its employees, protect its assets including data, and safeguard the interest of its key stakeholders that collectively ensure the viability of the organisation. Hence, the Bank is aware of the importance of a sound Business Continuity Management ("BCM") Framework and Programme to build organisational resilience

## Statement on Risk Management & Internal Control

and an effective response and recovery mechanism to safeguard the interest of key stakeholders, reputation and brand.

The Bank's BCM Programme is based on good business continuity practices, CBM and other regulatory guidelines and international standards. The Board has an oversight function on the Bank's BCM readiness through the BRC. The Risk Department oversees the Group's business continuity framework, policies, budget and plans, and reports to Management Committee on BCM matters. A sound BCM Programme has been implemented in the Group to ensure the critical business functions are recovered in a timely manner in the event of any disruption.

Reviews, assessments, updates and testing of the BCM plans are conducted regularly to ensure adequacy, effectiveness and readiness of the business recoveries. Simulation exercises and drills are conducted to familiarise and equip staff with the skills and processes required to ensure that in the event of any disruption, critical business processes can continue or be recovered in a timely manner. FY2024 was proven to be another challenging year due to continuous social and economic recovery from the post COVID-19 pandemic and the present political challenges in the country. The Management has continued to take proactive and precautionary measures to the operations of our branches and protection of our assets whilst fulfilling our obligations throughout Myanmar.

The Bank has enhanced the crisis management processes with a view of expediting the crisis response and minimising the impact to ensure the resiliency of our operations. The Group has expanded the scope of BCP/Disaster Recovery Plan ("DRP") test activities of the

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

### Procurement Manual and Non-Credit Discretionary Power

The Group Procurement Manual is designed to streamline the functions of procurement within the Group. It serves as a standard guideline for good management practices expected in the procurement process and procedures. The authority to approve any request for budgeted or unbudgeted expenditure conforms to the applicable approval authority policies, i.e. Delegation of Authority (DOA) or equivalent. The DOA defines the authority limits approved by the Board for procurement activities, acquisition and disposal of assets, operational write-offs, donations, as well as approval of general and operational expenses.

### Information and Communication

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

The Board and the Management Committee ("MC") receive and review financial reports on the Group's monthly and quarterly financial performance against approved targets and

the reasons for any significant variances as well as measures that are being put in place to meet such targets. The heads of the core businesses and functions in the Group present their respective management reports to the MC at its monthly meeting, covering areas such as financial performance, key activity results and new business proposal or process for information of and deliberation by the MC.

### Whistleblowing Policy

uab is committed to the highest standard of ethics and integrity in its conduct of business and operations. The WBP encapsulates the governance and standards to promote an ethical, responsible and secure whistleblowing practice in uab. The whistleblowing channels provide proper mechanism and secured avenues for employees and members of the public to report any knowledge of improper conduct in good faith, without fearing any adverse consequences. Access to whistleblowing information is governed by the strictest confidentiality.

### Incident Management Reporting

To complement the Bank's internal control monitoring, a comprehensive incident

management reporting guideline has been implemented to ensure proper escalation and management of incidents according to the level of severity.

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

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

### Monitoring Board Committees

The Board has in place, Board Committees that are set up to support the Board in its oversight function. The Board Committees include the BRC, BAC, Board Credit Committee and Board Nominating & Remuneration Committee. These Board Committees have been delegated with specific duties to review and consider all matters within their scope of responsibility as defined in their respective Terms of Reference ("ToR").





## HUMAN CAPITAL REPORT

Over FY 2024, uabians moved forward focused on continuing the momentum of building the Bank's business. Key achievements at HR included the successful implementation of a new joiner program and concentrated on enhancing the employee experience, driving talent acquisition, and maintaining regulatory compliance amidst a challenging financial environment.

We Implemented successfully with high engagement from targeted employees, contributing to improved leadership capabilities across the bank, and moving forward, we will continue to emphasize strategic talent development and workforce optimization.

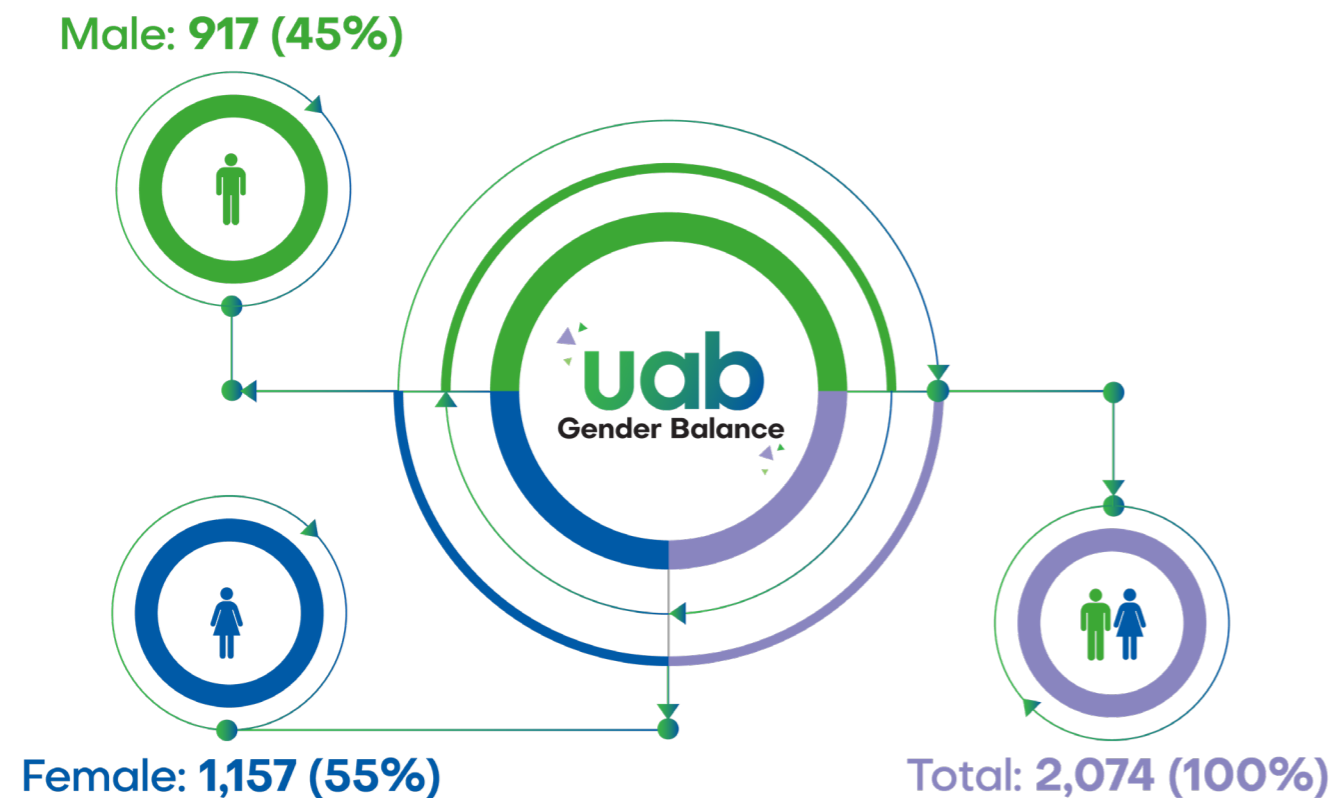
The HR department is integral to our organizational success, overseeing talent acquisition, employee development, and compliance. This report outlines HR activities, accomplishments, and challenges for FY 2024, and sets the stage for future initiatives.

### OUR PEOPLES PROFILE

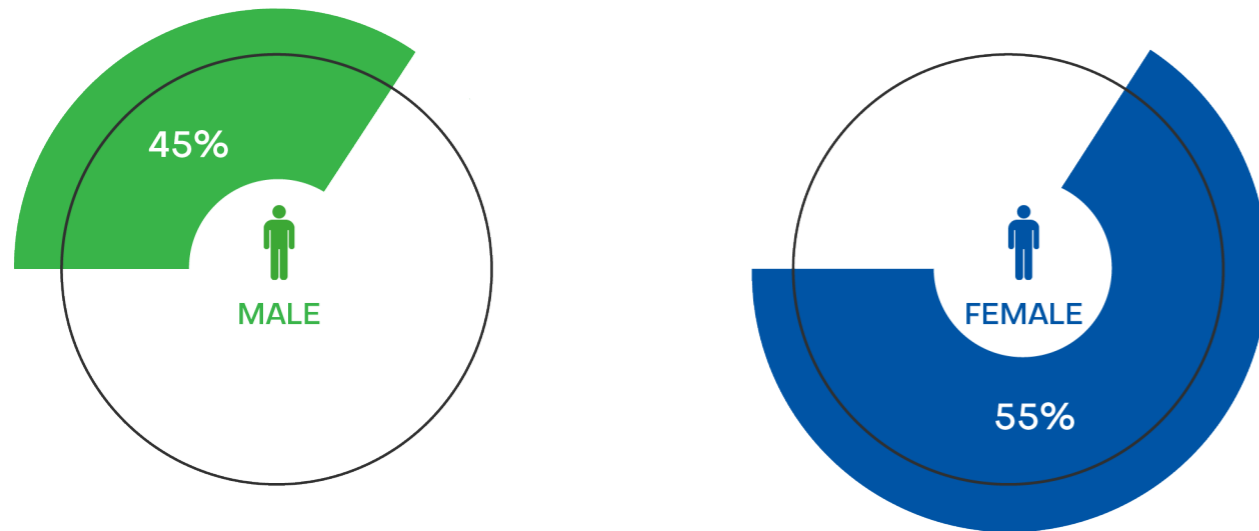
With the continuing expansion of the business, the number of employees increased to 2,074 at the close of FY 2024, and the gender balance remained unchanged over FY 2023 and FY 2024.

Our organisation has continued its commitment to fostering a diverse and inclusive workplace. This section of the HR Report provides a detailed analysis of our gender balance, reflecting our ongoing efforts to maintain an equitable work environment.

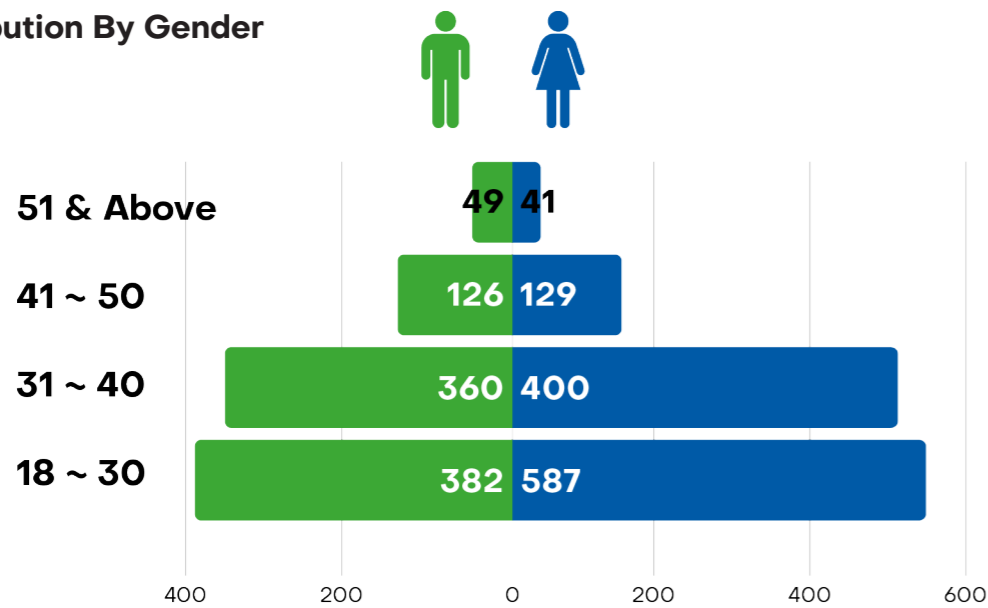
Grades	Male	Female	Total	%
Senior Management	31	53	84	4%
Middle Management	232	403	635	31%
Executive	390	647	1037	50%
Non-Executive	264	54	318	15%
Total	917	1157	2074	100%



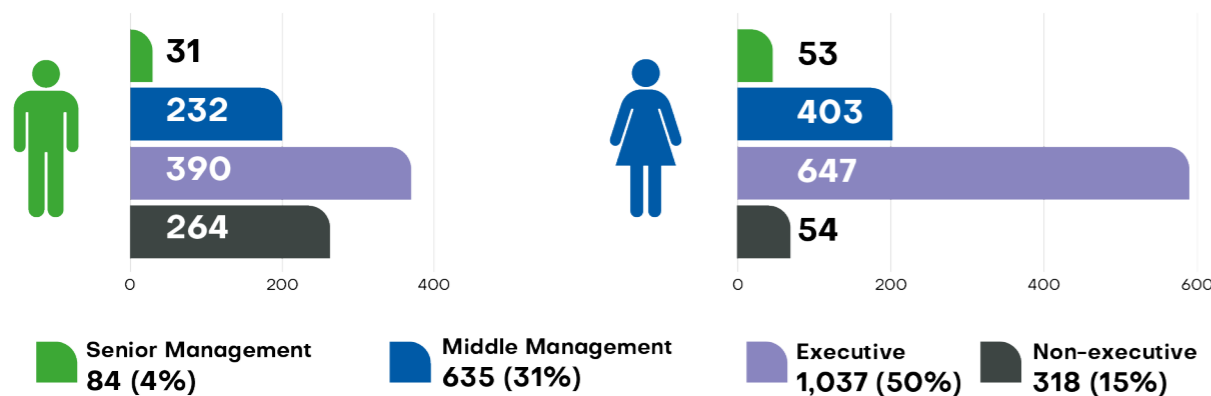
## Gender Equity



## Age Distribution By Gender



## Gender Balance By Job Type



Our age balance data for 2024 highlights a predominantly young workforce with 83% of employees under 40. While this demographic contributes to our dynamic and innovative environment, we recognize the need to enhance age diversity across all levels of the organization. We are committed to implementing strategies that support employees at every stage of their careers and ensure that our workforce remains diverse, engaged, and well-prepared for future challenges.

Age distribution of employees					
Age	18 to 30	31 to 40	41 to 50	51 & above	Total
Number	969	760	255	90	2,074
%	47%	37%	12%	4%	100%
Male	382	360	126	49	917
Female	587	400	129	41	1,157

## LEARNING & DEVELOPMENT

In FY 2024, we invested significantly in employee development, delivering a total of 60,914 training hours across learning & development programs. Our focus was on enhancing skills, driving employee performance, and supporting career growth. Key achievements include the successful rollout of new leadership programs and the expansion of technical training offerings. Despite challenges in aligning training with evolving business needs, we achieved a notable increase in employee participation and satisfaction.

Successfully promoted were 245 employees across various functions and levels, reflecting our commitment to recognizing and advancing talent within our organization and their impact on the bank's operations, and the steps taken to address related challenges. The promotions reflect our commitment to recognizing talent, fostering career growth within the Bank and creating a succession a succession plan.

## REWARDS AND REMUNERATION

The Bank's rewards and remuneration scheme has two (2) main components i.e., Fixed Pay and Variable Pay. With variable pay, the Bank's bonus scheme has since 2018 sought to compensate employees on their ratings and performance. With variable pay also, as the Bank builds up its sales force, a deeper sales-based incentive has been developed to provide incentives for staff with better rewards for sales performance. Employees of the cadre of Relationship Bankers, Home loan Specialists, and Sales Executives have been benefiting from these incentives.

For all categories of staff, we take a holistic view of several factors to determine and ensure that an employee's total compensation is fair. This is done with the objective of rewarding contributions and motivating and retaining talents. The Board of Directors and Senior Management conduct regular reviews of the remuneration policy to ensure that compensation practices and programs are consistent with regulatory requirements

and are responsive to market developments. Remunerations, rewards, and compensation are viewed beyond short-term financial measures and look at the longer-term sustainability objectives.

## EMPLOYEE ENGAGEMENT

We are committed to creating an environment that fosters engagement at all levels. We actively listen to our employees, invest in their development, and recognize their contributions. Our goal is to ensure that every employee feels a sense of purpose and belonging, knowing that their work matters and that they are an integral part of our success.

In the current year, consistent with our commitment to fostering a positive work environment, we once again participated in the employee satisfaction survey organized by JobNet. We are proud to announce that, for the third consecutive year, uab bank has been recognized amongst the “Best Company to Work in Myanmar” Award. This achievement reflects our ongoing dedication to employee satisfaction and engagement, reinforcing our position as an employer of choice in Myanmar.

The Management and HR teams are deeply committed to enhancing employee engagement.

As part of this commitment, they conduct regular branch visits, where they meet with staff members directly. These interactions provide valuable opportunities to connect with employees, address their concerns, and reinforce the bank’s dedication to fostering a supportive and inclusive work environment. In conclusion, employee engagement is not just a goal at uab bank Myanmar—it is a fundamental part of our organizational strategy. By prioritizing engagement, we are not only enhancing the well-being of our employees but also securing the long-term success and sustainability of the bank.

## FUTURE FOCUS

Looking ahead, we are committed to ensure that our people are connected to the Bank’s strategies of intensifying our focus on digital banking, driving business growth, and expanding our social responsibility initiatives. We will continue to support the development of our employees’ skills and competencies, ensuring they are well-equipped to excel in an increasingly digital landscape. This focus will enable us to achieve greater operational efficiency, contribute more significantly to our communities, and foster a culture of continuous improvement within our workforce.





# Sustainability Statement

## Highlights & Key Achievements in our FY 2024 Sustainability efforts



### Support for Agriculture

15.3% of the loans portfolio was dedicated to the Agri and Agri-related sector.



### UN Sustainability Goals

MMK 920.6 billion has been allocated to financing projects aligned with the United Nations Sustainable Development Goals (SDGs), including clean energy, home financing, and SME financing



### Digital Transformation

Achieved 1,000,000 digital wallet users as part of the sustainable digital transformation initiative.



### Financial Inclusion

Reached 18,000 individuals through financial inclusion programs.



### Expansion of Financial Infrastructure

Opened 6 new branches across the nation.



### Corporate Social Responsibility (CSR):

Contributed MMK 500 million towards CSR activities.



### Training and Development:

- 60,914 man-hours invested in training over 2,000 employees
- Additional training provided to 105 trainees, 71 interns, and 278 college students.



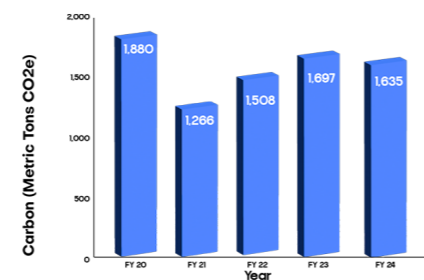
### Gender Equality and Employment Opportunities

- Total of 2,074 employees, with 56% of the workforce being female.
- 65% of the management cadre composed of female staff.
- Promotions to 245 employees for career advancements and succession planning



### Carbon footprint

CO2e per employee reduced to 0.817 Metric Tons in FY 2024 compared to previous year



# Sustainability Statement

## VISION & STRATEGY

*“Leading the way towards a better Myanmar, humanizing banking, connecting people, creating opportunities and changing lives”.*

uab bank is committed to its vision of leading positive change in Myanmar by integrating sustainability into its core operations. The Bank recognizes its significant role in fostering economic growth, social responsibility, and environmental stewardship. By adhering to the regulations of the Central Bank of Myanmar and maintaining robust internal governance, uab bank aims to ensure its long-term sustainability while addressing key environmental and social challenges.

The 2024 Sustainability Statement serves as an important communication tool, providing stakeholders with insights into the Bank’s progress toward its vision and its efforts to



meet Environment, Social, and Governance (ESG) standards. Covering the period from April 1, 2023, to March 30, 2024 (FY 2024), the statement acts as a precursor to the Bank’s detailed 2024 Sustainability Report.

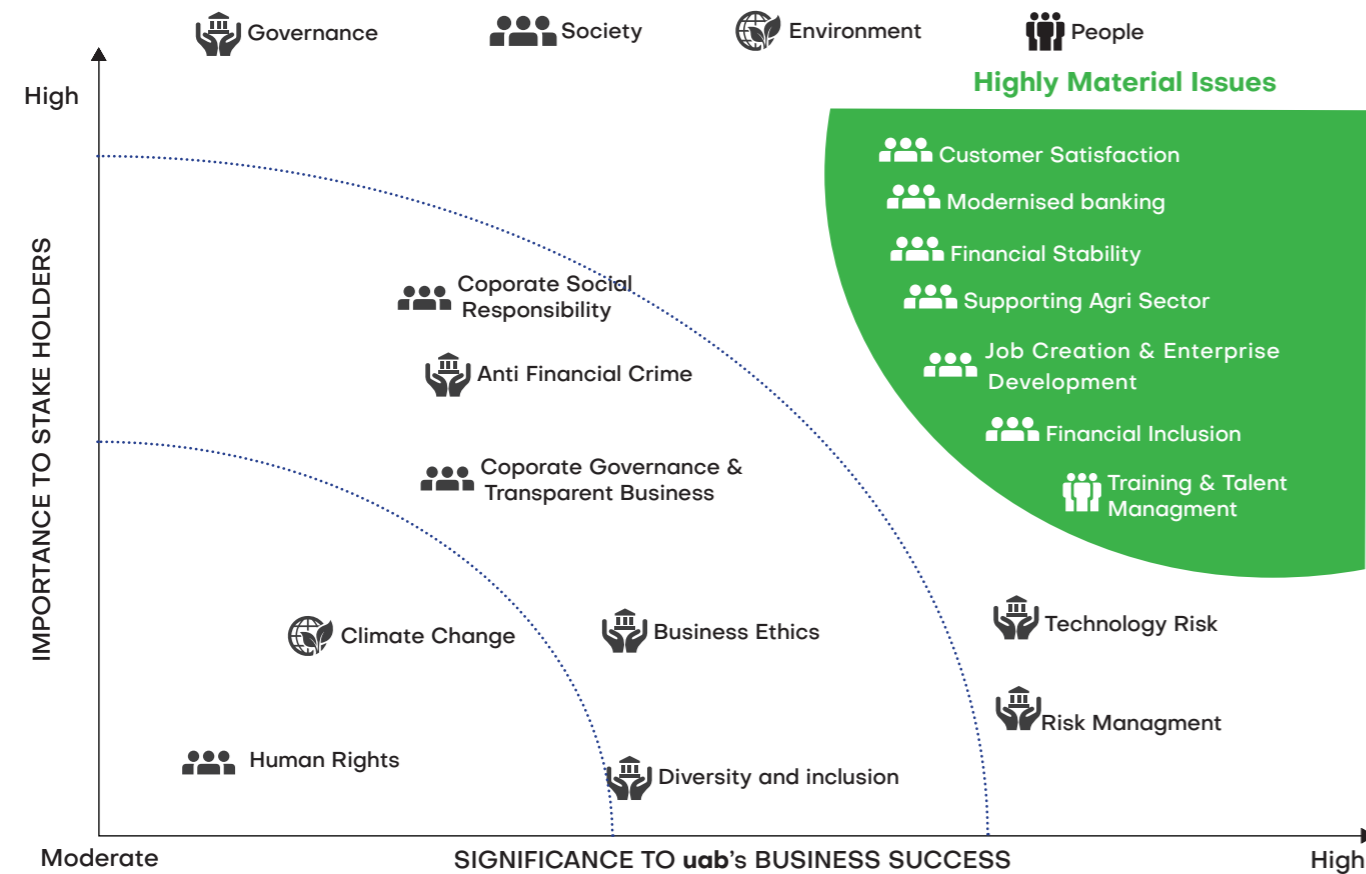
uab bank’s strategy formulation process involves active engagement with various stakeholders, including customers, shareholders, regulators, employees, business partners, and the community. Through these engagements and materiality assessments, the Bank identifies key concerns and aligns its business strategy with the United Nations Sustainable Development Goals (SDGs). This ensures that the Bank’s contributions are in line with global sustainability efforts, reinforcing its commitment to creating opportunities, connecting people, and ultimately changing lives for the better.

More details of our Strategy are available at <https://www.uab.com.mm/about-us/our-strategies/>



## STAKEHOLDER ENGAGEMENT

In our Stakeholder engagement we consider the views of Stakeholders to get insights of their concerns on ESG issues to be able to do a material assessment. An issue is material to uab bank if it meets the two criteria; firstly, it must impact on operation aspects such as cost, growth, risk, or trust and secondly it holds substantial importance to our stakeholders. In assessing the materiality issues, we also evaluate its alignment with our vision, mission, strategy, brand portfolio, and geographical footprint, as well as our capacity to effect the changes.



### MATERIALITY MATRIX

The matrix represents the perception of stakeholder interest and potential business impact. We have classified the inputs into issues of Governance, Social, Environment and People as below:

### Governance Issues

- Anti-financial Crime: Protocols regarding anti-money laundering, countering the financing of terrorism, anti-corruption, and the prevention of other criminal activities.
- Diversity & Inclusion: Incorporates the initiatives to enhance diversity within the Board of Directors, the Management Committee, and Employees.
- Technology Risk: Safeguarding electronic information against unauthorised external intrusions.
- Risk Management: Comprehensive strategy to evaluate and manage risk across the organisation, including individual business units, products, services, and transactions.
- Corporate Governance & Transparent Business: Compliance to global governance standards and provision of accessible and transparent information to stakeholders.
- Financial Stability: Ability to sustain long-term profitability while maintaining sufficient internal controls.

### Social Issues

- Human Rights: Approach characterised by integrating human rights principles into practices to ensure protection rights across all operational spheres.
- Financial inclusion: Advancing and expanding our financial products, services to underbanked including the enhancement of financial literacy initiatives and cross-functional sales.
- SME Financing and Job Creation: Allocation of financial resources to Small and Medium Enterprises (SMEs) and subsequent impact on job creation within the country.
- Training & Talent Management: Strive to attract high-calibre talent, and individuals' development facilitation.
- Customer Satisfaction: Satisfy customers with services and products. It encompasses resolving customer grievances.
- Corporate Social Responsibility: Enhancing the well-being of communities through contributions and efforts.
- Modernising banks: The process of updating and transforming traditional banking systems and practices to meet contemporary standards and customer expectations
- Financing Agri and Agri related sector: Providing financial services and products tailored to the needs of farmers, agribusinesses, and other stakeholders involved in the agricultural value chain.

### Environment Issues

- Climate Change: Financing for clean renewable energy initiative projects. It couples with exclusion funding detrimental to the environment and climate change.

### People Issues

- Employee Commitment: Capacity to attract and retain the high-calibre talent while enhancing employee satisfaction through effective strategies and practices.
- Employee Talent Management: To have the best calibre talented people in industry.
- Employee Training: Trainings to employees regarding Environmental, Social, and Governance (ESG) issues

# Sustainability Statement

With the material assessment, we were able to identify **7 key highly material concerns** of stakeholders on which the Bank has aligned its strategies towards:

1. Financial inclusion
2. Customer Satisfaction
3. Job Creation & Enterprise Development
4. Training & Talent Management
5. Financial stability
6. Modernising banking
7. Supporting Agri Sector

Other concerns are also important, and they are also addressed in this Sustainability Statement.

## Targets and SDG Goals

Of the seventeen (17) goals of the UN SDGs, the Bank has identified seven (7) areas of greatest potential impact and alignment with its core business as stated below

SUSTAINABLE DEVELOPMENT GOALS	<b>2</b> ZERO HUNGER 	<b>3</b> GOOD HEALTH AND WELL-BEING 	<b>4</b> QUALITY EDUCATION 	<b>7</b> AFFORDABLE AND CLEAN ENERGY 	<b>8</b> DECENT WORK AND ECONOMIC GROWTH 	<b>9</b> INDUSTRY, INNOVATION AND INFRASTRUCTURE 	<b>11</b> SUSTAINABLE CITIES AND COMMUNITIES 
Material Assessment Identification	<ol style="list-style-type: none"> <li>1. Financial inclusion</li> <li>2. Customer Satisfaction</li> <li>3. Job Creation &amp; Enterprise Development</li> <li>4. Training &amp; Talent Management</li> <li>5. Financial stability</li> <li>6. Modernising banking</li> <li>7. Supporting Agri Sector</li> </ol>						



## CLEAN ENERGY AND SDG RELATED FINANCING

As a financial institution, our largest contribution towards meeting Stakeholders expectations is in our lending activities and for FY2024, the Bank allocated significant credit lines to support UN Sustainable Development Goals (SDGs) and they are stated as below:

Category	Loan Amount (MMK)	SDG Contributions
Solar	19,876.2 million	SDG 7: Affordable and clean energy
Electric Vehicle	4,230.0 million	
Education	24,346.0 million	SDG 4: Quality education
Healthcare	38,716.5 million	SDG 3: Good health and well-being
Home Financing	137,464.8 million	SDG 11: Sustainable cities and communities
SME	209,586.6 million	SDG 8: Decent work and economic growth
Infrastructure	114,019.8 million	SDG 9: Industry, innovation and infrastructure
Agriculture	372,317.1 million	SDG 2: Zero Hunger
		SDG 3: Good health and well-being
<b>Total Financing</b>	<b>920,557.2 million</b>	

Further, the Material concerns of Stakeholders were incorporated in the strategies of the Bank and, we have established specific time-bound targets within each selected issue and allocated substantial resources to the attainment of targets.





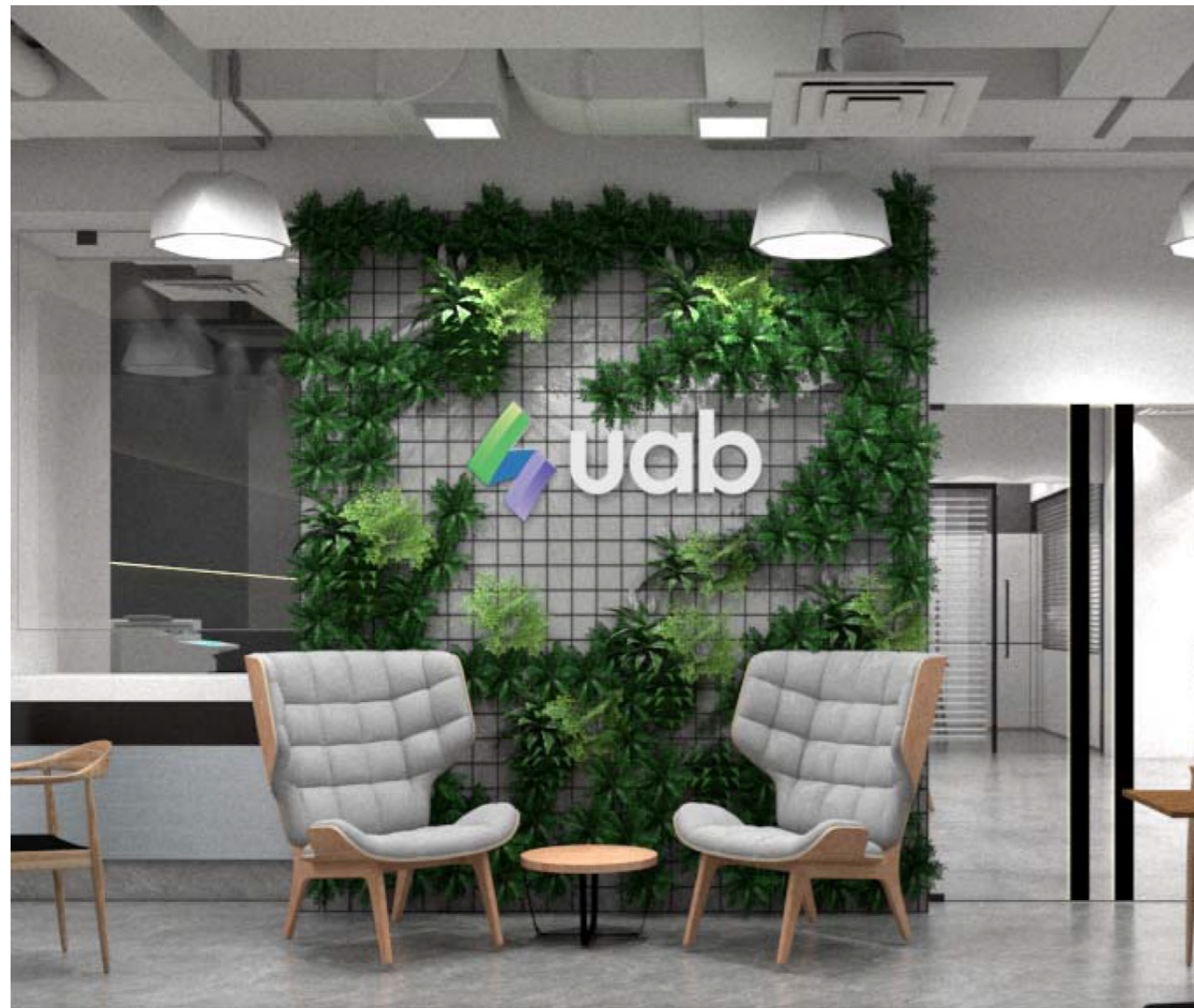
Item	Target	Time Target	Achievement in FY 24
<b>Supporting Agri Sector (SDG 2)</b> 	15% of total loan portfolio to Agri and Agri-related financing	31 <sup>st</sup> March 2025	In FY 24, <b>15.3%</b> of loan portfolio totalling <b>MMK 372 Bn</b> utilised for the financing of the Agri and Agri-related sectors covering produce such as corn, rice and beans.  Further, as indirect financing, the Bank also provided financing to <b>eight (8)</b> Microfinance Institutions with lines of credit totalling <b>MMK 85.5 Bn</b> .
<b>Training Schemes (SDG 4)</b> 	Conduct training schemes for more than 50 trainees annually	31 <sup>st</sup> March 2025	<b>106 Trainees</b> attended a 6-months banking and sales training scheme in FY 2024. Successful trainees were offered full time employment upon completion of the scheme.
<b>Training and Talent Developments (SDG 4)</b> 	Provide minimum 50,000 man-hours training annually to improve the quality of banking experiences	31 <sup>st</sup> March 2025	Total of <b>60,914</b> man-hours training was conducted and training sessions were available for over <b>2,000</b> employees of the Bank throughout FY 2024.  71 students received Internship opportunities ranging from 1 to 3 months to enable them to gain technical exposure in banking, marketing, IT and finance.  <b>278</b> students from six (6) Schools and Colleges attended half day programs on career and workplace exposure conducted by the Bank over FY 2024.
<b>Bancassurance (SDG 3)</b> 	Develop bancassurance by financial year 2021	1 <sup>st</sup> phase launched in May 2021 and 2 <sup>nd</sup> phase being launched.	uab bank partnered with Manulife to offer life insurance protection through the Bank's bancassurance product. This is with effect from January 2021. As at March 2023, bancassurance products offered by the partnership includes: <ol style="list-style-type: none"> <li>1. Manulife Education Life</li> <li>2. Manulife Protector</li> <li>3. Manulife Credit Life Protector</li> <li>4. Manulife Critical Illness Care</li> </ol> Over FY 2024, the Kye Pwar Chan Thar product was launched offering a savings product with insurance coverage.

Item	Target	Time Target	Achievement in FY 24
<b>Scholarship and bursary support to employees' children (SDG 3 &amp; 4)</b> 	Provide scholarships and bursaries to contribute skilled workforce for our future	31 <sup>st</sup> March 2025	The Bank provided bursaries to <b>56 children</b> of lower salaried employees to support their education needs and this financial contribution was totalled <b>MMK 9,100,000</b> in FY 2024.
<b>Home ownership (SDG 8 &amp; 11)</b> 	5% of total loan portfolio	The 5% target was achieved in FY 2024	<b>MMK 142.9 Bn</b> was allocated to Home financing in FY 2024, and we financed <b>837 families</b> under the Home Loan scheme. This made up 5% of our loan portfolio.
<b>Digital Solutions (SDG 8 &amp; 9)</b> 	Facilitate customers to access the accounts through mobile handheld devices	uab pay, launched in September 2020, is designed to offer a comprehensive digital banking solution for customers. With the continuous addition of new features and improvements, it is evolving into a "Super App." This development aims to provide customers with extensive control over their accounts and access to various services on a single mobile device, enhancing convenience and efficiency.	The following features have been developed in the uab pay app: <ul style="list-style-type: none"> <li>• opening a digital wallet</li> <li>• payments to merchants through QR code</li> <li>• access to all bank accounts</li> <li>• access to all credit and prepaid cards</li> <li>• wallet-to-wallet and account-to-account transfers</li> <li>• Interbank transfers</li> <li>• Bill payments</li> <li>• Mobile top-ups</li> <li>• Cardless deposits and withdrawals</li> <li>• Union Pay virtual card</li> <li>• uab marketplace</li> <li>• Gold Investment platform</li> </ul> By 30th March 2024, the number of pay wallets opened had reached almost <b>1 million</b> .  We also launched <b>uabpay+</b> which enables merchants and agents to receive and manage payments.  Money transfers can also be conducted wallet to wallet, through agents or through interbank transfers to accounts at several banks in Myanmar. Foreign transfer may be received through RIA and Western Union services.

Item	Target	Time Target	Achievement in FY 24
<p><b>Digital Solutions (SDG 8 &amp; 9)</b></p>			<p>Digital gold investment was successfully launched in March 2023, targeting small scale investors who can easily avoid the complicated processes through a few simple steps on app.</p> <p>Over FY 2024, the Kye Pwar Chan Thar product was launched enabling uabpay users to participate in a savings plus insurance product enabling them to save money in small amounts starting from MMK 5,000 to MMK 700,000 monthly over 36 months. It includes 3 packages with a variety of options.</p>
<p><b>(Financial Literacy (SDG 8))</b></p>	To conduct at least 12 financial literacy sessions annually.	31 <sup>st</sup> March 2025	<p>Our financial literacy program is designed to educate people on savings, digital banking solutions and making payments using the remittance system internationally and locally . By fostering financial inclusion and empowering communities with the tools, one can make informed financial decisions, enhance economic stability and promote sustainable growth.</p> <p>Over FY 2024, through our Tatkone, Kyaukpadaung, Pakokku, and Naypyitaw branches, we reached 1,360 people in 23 villages with our financial literacy program.</p> <p>Over FY 2024, the Bank also conducted 31 seminars on financial services and payments at the North Dagon Labour Office in Yangon for a total of 16,050 individuals as part of their pre-departure preparations as Myanmar workers overseas. These seminars help them understand the remittance options they have when they wish to remit monies home safely to their families.</p> <p>Seminars were also conducted in Maha Chai and Bangkok in Thailand to reach 640 migrant workers on 19th and 20th December 2023.</p> <p>Further, 5 seminars were conducted for Seaman over FY 2024 reaching <b>207 individuals</b>.</p>

Item	Target	Time Target	Achievement in FY 24
<p><b>Financing SMEs (SDG 9)</b></p>	20% of total loan portfolio	31 <sup>st</sup> March 2028	<p>As of FY 2024, SME financing accounted for <b>8.64 %</b> of the total loan portfolio, amounting to <b>MMK 209.5 billion</b>. Within the SME financing category, 16.78% was facilitated through the JICA two-step loan program, which offers preferential interest rates to lower borrowing costs for SMEs.</p> <p><b>1,286 SMEs</b> in FY 2024 (compared to 1,180 in FY 2023), benefited from the financing of their business and this not only enabled them to expand but also created job opportunities for the community.</p>
<p><b>Modernised banking (SDG 9 &amp; 11)</b></p>	<p>Redesign branches, open retail centres and introduce new concepts in banking</p> <p>Modernised banking aims to create a more efficient, secure, and customer-centric banking environment, adapting to the evolving needs and expectations of customers in the digital age.</p>	31 <sup>st</sup> March 2025	<p><b>Digital Banking:</b> The Bank presently provides banking services through digital channels such as mobile apps, wallets, online platforms, cards, deposit machines and ATMs. This has allowed customers to perform transactions, make payments, check balances, and more without visiting a physical branch. In FY 2025, the Bank is expected to roll out <b>Smart Teller Machines (STM)</b> which will enable the Customer to perform self service transactions from opening accounts, getting an instant debit card and performing transaction seamlessly with assistance of biometrics.</p> <p><b>Customer Experience:</b> In FY 2024, apart from 6 new branches with modern designs, 6 other existing branches were redesigned to offer seamless, user-friendly, and personalised services. These redesigned spaces offer a more welcoming and efficient environment for our customers.</p> <p><b>Agent banking:</b> In FY2014, the Bank began the Master Agent scheme for agent banking and the appointment of Master Agents covering 89 townships throughout the nation and with 3,000 agents. Customers are now able to make deposit, withdrawal and remittance transactions through their nearest agent at these townships.</p> <p>Over FY 2025, the Bank will open its own “Pay Stores” in several other Townships and look to roll out “Bank on Wheels” for the convenience of Customers.</p>

Item	Target	Time Target	Achievement in FY 24
<p><b>Opening of new bank branches to improve access to financial services (SDG 9&amp;11)</b></p>  	To establish 100 branches in various townships nationwide	December 2025	<p>During FY2024, the 6 (six) new branches in various regions were opened:</p> <ul style="list-style-type: none"> <li>• <b>Myawaddy</b> (Kayin State)</li> <li>• <b>Mogok</b> (Mandalay Division)</li> <li>• <b>Myitkyina</b> (Kachin Division)</li> <li>• <b>Kawthaung</b> (Tanintharyi Division)</li> <li>• <b>Kan Tha Yar Centre</b> (Yangon)</li> <li>• <b>Central Point Mall</b> (Mandalay)</li> </ul> <p>The Branch network reached a total of 87 branches in FY 2024 which provide full banking services across key locations in Myanmar.</p>



**CORPORATE SOCIAL RESPONSIBILITY**

Under its “Be The Change Myanmar” Programme, the Bank contributed a total of MMK 448 million to the following causes:

- **Rice Donation MMK 372.7 million**
- **Children & Orphanages MMK 7.0 million**
- **Monastic & Cultural MMK 9.4 million**
- **Computer Sets MMK 52.6 million**
- **Health Care MMK 6.1 million**
- **Senior Citizens MMK 1.0 million**

Further, in its support of women’s entrepreneur development, the Bank sponsored **MMK 40 million** for the following programs:

- **Women in Manufacturing Entrepreneurship Program (MMK 24.0 million)**
- **Start-up Ignite Program (MMK 16.0 million)**

The CSR activity of the Bank has been guided by the following principles:

- uab bank Limited and group companies will implement and execute charitable programs with integrity and in compliance with financial transparency laws, local regulations and industry codes of conduct.
- Funding is provided to eligible institutions, organisations and deserving individuals nominated through program guidelines, and not to political organisations. Further, they must be based on serving communities in Myanmar.
- Partnerships and employee participation are encouraged to ensure inclusiveness and maximum impact.
- Giving must be directed to priority areas and where positive impact is high.



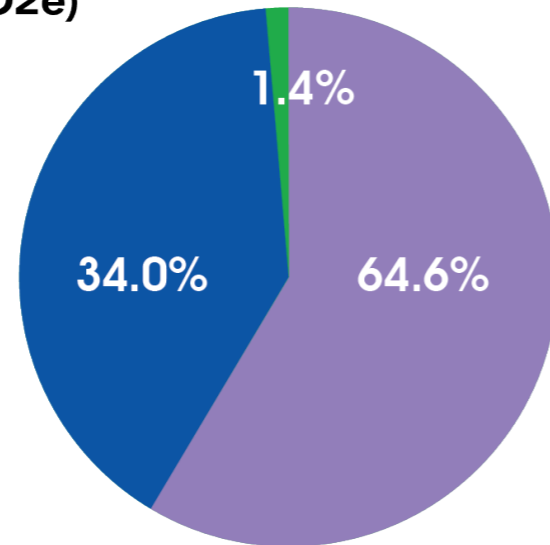
## Sustainability Statement

### CARBON FOOTPRINT (METRIC TONS OF CO2e)

We conducted a carbon footprint analysis and summarised key metrics on its environmental impact. The key measurement of our environmental carbon footprint for FY 2024 with comparison to other financial years is described below.

#### Carbon Footprint (Metric Tons of CO2e)

- Scope 1** Petrol for transportation and generators
- Scope 2** Electricity use at Head Office and all branches
- Scope 3** Electricity use from other facilities in the value chain, and petrol use from rented ferry buses



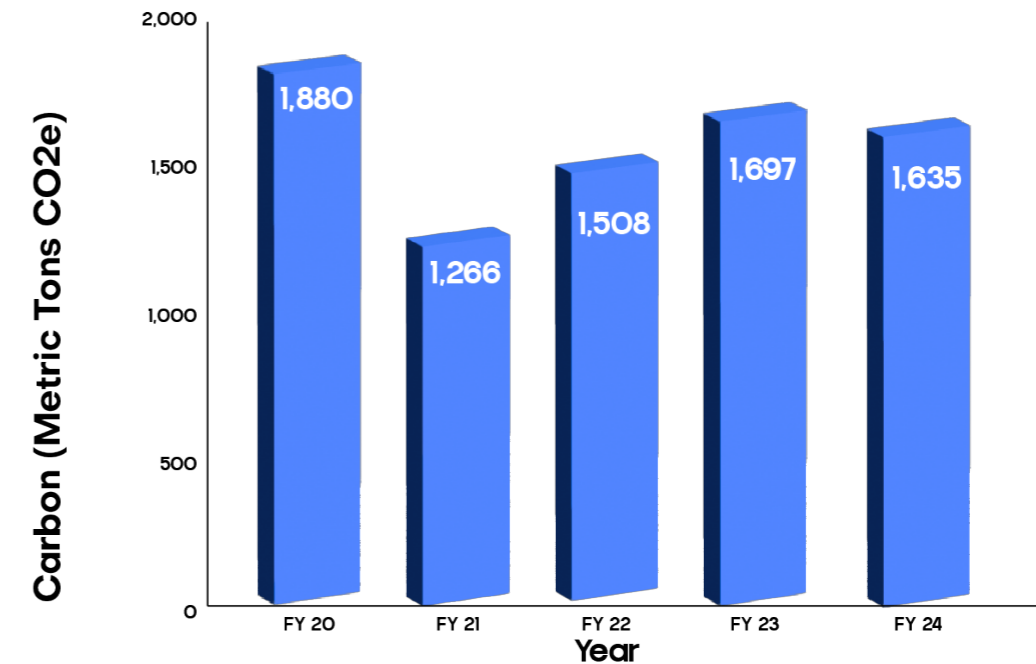
- **Scope 1:** Direct emissions include fuel usages for transportation and generators at HO and branches. Its total CO2e in metric tons was 1056.4 which represents 64.6 % of total carbon footprint.
- **Scope 2:** Indirect emissions of electricity consumption across the operations was supplied by the government. It amounted to 555.19 metric tons of CO2e accounted for 34.0% of total carbon footprint.
- **Scope 3:** Indirect emissions arising from energy use in rented facilities and ferry buses for employees were 23.11 metric tons of CO2e, constituting 1.4% of total carbon footprint.

For FY2024, it is noted the use of fuel at our premises contributed to a larger portion at 64.6% of the carbon footprint with electricity use at 34.0% of the footprint.

A further comparison of the numbers for FY2023 and FY 2024 is as below:

Scope	2023 Carbon Foot print (Metric Tons of CO2e)	2024 Carbon Foot print (Metric Tons of CO2e)
<b>SCOPE 1:</b> Petrol for Transportation and Generators	1,000.15	1,056.40
<b>SCOPE 2:</b> Electricity use at Head Office and All Branches	687.04	555.19
<b>SCOPE 3:</b> Electricity use from other facilities in the value chain, and petrol use from rented ferry buses	9.56	23.11
<b>Total CO2e</b>	<b>1,697.12</b>	<b>1,634.70</b>

A 5-year comparison of our data is further seen the graph below:



A drop in CO2E was seen in FY21 and this was primarily because of COVID pandemic which in the large part restricted travel and petrol use.

Since FY2021, there seems to be a steady increase in CO2E production. This may be due to the steady expansion of the Bank's operations and the opening of new retail branches and offices. Given the Bank's business expansion, we computed the carbon footprint on a per employee basis for an alternate view of the progress and it is noted from the numbers below that the CO2E generated on a per employee basis seemed to have reduced in FY2024 when compared to FY2023 despite the Bank's expansion.

	FY2023	FY2024
CO2E per employee	0.924 metric tons	0.817 metric tons

The CO2e over these years reflects the inherent low emissions profile of the banking sector, particularly due to its emphasis on digital transformation, in contrast to higher-emission industries such as manufacturing, mining, and construction. Nevertheless, the Bank will strive towards managing its carbon footprint and transitioning towards a net zero target.






The Bank recognises that its influence with carbon footprint is also significant in its lending activity and is developing an ESG Policy to improve its ESG governance in lending.

More details on our carbon footprint are found on pages 18 to 22 of this Statement.

## Sustainability Statement

### NON-FINANCIAL KPIs

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

TOPIC AND SOCIAL ISSUES	FINANCIAL YEAR ENDING 31ST MARCH 2024 (FY 2024)	IMPACT
<b>Equal Opportunity Employment (gender, age)</b>   Diversity in Unity, Equality in Diversity <b>Let's Inspire Inclusion uabians</b> 	Total employees: <b>2,074</b> · Male: <b>917</b> · Female: <b>1,157</b> By age · 18-30 years: <b>969</b> · 31-40 years: <b>760</b> · 41-50 years: <b>255</b> · above 51 years: <b>90</b>  Promotions awarded for FY 2024 totalled 245 staff out of which: · Male: <b>88</b> · Female: <b>157</b>  Staff with job grades of Vice President and above: · Male: <b>12</b> · Female: <b>22</b>	The Bank ensured and continues to ensure that there is equal opportunity in gender, age and promotional opportunities.  Over FY 2024, there was generally a satisfactory balance in the provision of equal opportunity.  2024 Annual Report will include a dedicated Human Capital Report that provides comprehensive insights. 
<b>Employee Engagement</b>	An Employee Satisfaction survey published on 27th November 2023 produced the following results:  1. Number of respondents: <b>1,059(70%</b> of white-collar workforce) 2. <b>Score: 5.4</b> on a 7-point Likert Scale ( <b>77.14%</b> )  In 2023, the Bank has once again been listed under "Best Companies to work in Myanmar – Employee's Choice" <a href="https://www.jobnet.com.mm/bcim">https://www.jobnet.com.mm/bcim</a> , and this is the 3rd time of receiving this award after 2020 and 2022.	The positive influence of employee satisfaction, as reflected by the good score, contributed to the Bank's financial performance. In FY 2024, the Net Profit per Employee improved to MMK 18.9 million per employee compared to MMK 12 million in FY 2023. 
<b>Employee Turnover Rate (%)</b>	Employee turnover amongst operating staff was <b>21.3%</b> in FY 2024.	Employee turnover was higher in FY 2024 and it reflected the market as the economy improved and business sought skilled talent. A larger migration of skilled labour out of Myanmar was observed in FY 22 and FY 23 due political turbulence.
<b>Absenteeism Rate (%)</b>	Absenteeism Rate (%): <b>0.22%</b>  <i>(Absenteeism is defined as the unexcused leave measured against the working days in the period)</i>	The absenteeism rate of 0.22% for FY 2024 which was a slight decrease compared to 0.26% and 0.29% in the FY 2023 and 2022 respectively, indicating a continued satisfactory employee engagement and lesser unplanned absence.

TOPIC AND SOCIAL ISSUES	FINANCIAL YEAR ENDING 31ST MARCH 2024 (FY 2024)	IMPACT
<b>Fatality Rate (%)</b>	0% fatality rate	The fatality rate for FY 2024 was Nil with no deaths reported and within the Bank's target of zero fatalities.  Given that the Bank is in the Service industry and not in an industrial or manufacturing environment, the accident and fatality will be low.
<b>Frequency Rate for Accidents (number)</b>	15 accidents occurred, mainly car accidents. The accidents were reported to be minor. There were no fatal injuries during FY 2024.  The Lost Time Injury Frequency Rate (LTIFR) due to accidents FY 2024 was <b>3.89</b> (where lost time due to accidents is measured per one million hours worked).	Compared to 4.15 in the previous year, the numbers are low due to the nature of the jobs in the banking industry.
<b>Training (number)</b>	Total man hours of training provided: <b>60,914 hours.</b>  Number of staff who attended training sessions: 2,074.	Strong commitment to training continued with training hours increasing to 60,914 man-hours compared to 60,596 hours in the previous financial year.
<b>Career Development/ Appraisal (number)</b>	All employees in the bank were formally appraised on their conduct and performance in the annual performance appraisals conducted in April 2023.  Bonuses and salary increases were awarded based on criteria set. All rewards are based not just on short term goals but also on the longer-term considerations.	For the 8th consecutive year, the bank has consistently organised appraisal and career development sessions,  245 employees were promoted as part of their career development and in the development of the organisation's succession planning.
<b>Health &amp; Safety</b>	The Health & Safety Policy was reviewed and made available in our website: ( <a href="https://www.uab.com.mm/governance/governing-policies/">https://www.uab.com.mm/governance/governing-policies/</a> )  Each year, the Bank's Administration Department conducts a comprehensive survey of branch physical maintenance. Based on the survey findings, recommendations are presented to the Management regarding necessary physical improvements.	The frequency and fatality rates have been mentioned above. It remains acceptable with no fatal injuries.

Sustainability Statement  
**NON-FINANCIAL KPIs**

TOPIC AND SOCIAL ISSUES	FINANCIAL YEAR ENDING 31ST MARCH 2024 (FY 2024)	IMPACT
<b>Health &amp; Safety</b>	<p>Several health benefits are made available to employees including:</p> <ul style="list-style-type: none"> <li>Welfare grant of MMK 100,000 for major surgery</li> <li>Paid leave of up to 6 months for prolonged illness</li> <li>30 days of paid medical leave</li> <li>Work Life Balance</li> </ul> <p>Further, as a part of our initiative to support work life balance, we offer flexible working hours, sabbatical leaves, extended maternity leaves et al.</p>	<p>The frequency and fatality rates have been mentioned above. It remains acceptable with no fatal injuries.</p>



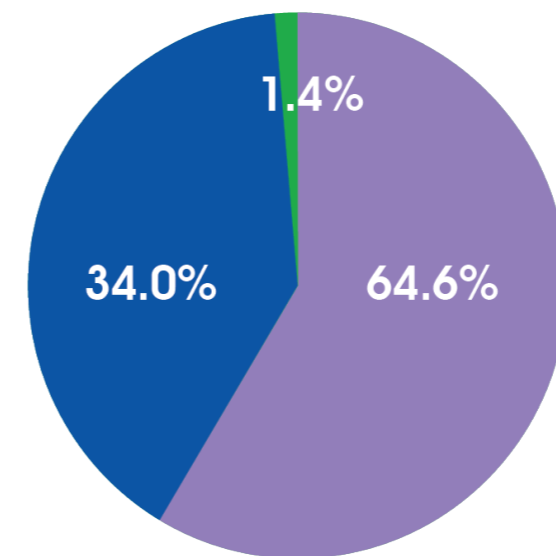
For further details information of the environment is described below :

<b>Environmental issues</b>	
<b>Waste</b>	<p>A major source of waste within the Bank is paper. In response, the Bank has implemented a series of digital initiatives aimed at reducing paper usage through the following policy measures:</p> <ul style="list-style-type: none"> <li>Transition from conventional paper storage to cloud-based storage solutions.</li> <li>Adoption of email as the primary mode of internal communication.</li> <li>Implementation of electronic systems for the submission of credit proposals, expenditure approvals, leave requests, and the maintenance of digital registers.</li> <li>Centralization of printing services and the use of e-fax technology.</li> <li>Re-engineering of branch operations to minimise the use of paper applications and forms.</li> </ul> <p>The expenditures for printing paper are as follows:</p> <ul style="list-style-type: none"> <li><b>Fiscal Year ending September 30, 2020:</b> MMK 12,861,960</li> <li><b>Fiscal Year ending September 30, 2021:</b> MMK 6,063,185</li> <li><b>Fiscal Year ending March 31, 2022 (6 months):</b> MMK 5,614,019</li> <li><b>Fiscal Year ending March 31, 2023:</b> MMK 21,573,360</li> <li><b>Fiscal Year ending March 31, 2024:</b> MMK 17,691,779</li> </ul> <p>Two significant future projects to lessen use of paper are still on-going, namely, a Loan Appraisal System for digitalisation of loan processes and Human Resource Management System to manage HR activity and applications.</p>
<b>Energy</b>	<p><b>Electricity Expenditure Analysis</b></p> <p>Historical Expenditure</p> <ul style="list-style-type: none"> <li><b>Fiscal Year Ending 30<sup>th</sup> September 2019:</b> MMK 258,858,101</li> <li><b>Fiscal Year Ending 30<sup>th</sup> September 2020:</b> MMK 343,629,518</li> <li><b>Fiscal Year Ending 30<sup>th</sup> September 2021:</b> MMK 290,597,476</li> <li><b>Fiscal Year Ending 31<sup>st</sup> March 2022 (6 months):</b> MMK 144,033,359</li> <li><b>Fiscal Year Ending 31<sup>st</sup> March 2023:</b> MMK 323,491,258</li> <li><b>Fiscal Year Ending 31<sup>st</sup> March 2024:</b> MMK 373,538,450</li> </ul> <p><b>Factors Influencing Electricity Costs</b></p> <ul style="list-style-type: none"> <li>The increase in electricity expenditure from FY 2019 to FY 2020 can be attributed to a rise in electricity tariffs effective from 1st July 2019, as mandated by the Ministry of Electricity and Energy.</li> <li>In FY2024, the availability of electricity through the national grid was reduced resulting in the use of generators and increase in petrol consumption</li> </ul>

Sustainability Statement  
**NON-FINANCIAL KPIs**

Environmental issues	
<p><b>Energy</b></p>	<p><b>Strategic Initiatives and Implementations</b>            In response to rising electricity costs, several measures have been instituted:</p> <ol style="list-style-type: none"> <li><b>1. Central Air-Conditioning System:</b> At uab Tower, which houses the Head Office staff, a central air-conditioning system has been implemented. This system aims to optimise cooling efficiency and reduce overall electrical consumption.</li> <li><b>2. Utility Management Practices:</b> The institution has adopted practices encouraging the switching off of utilities when not in use, thereby reducing unnecessary energy consumption.</li> <li><b>3. Branch Monitoring:</b> The electricity usage at each of the Bank's 86 branches is actively tracked and monitored. This data collection supports the development of strategies to further mitigate the carbon footprint associated with energy use.</li> <li><b>4. Renewable Energy Initiative:</b> A pilot project involving the installation of solar panels at various branches is underway. This initiative represents a proactive approach towards integrating renewable energy sources and reducing dependency on conventional electricity.</li> </ol> <p><b>Petrol Expenditure Analysis</b>            Expenditure</p> <ul style="list-style-type: none"> <li>• Fiscal Year Ending 30<sup>th</sup> September 2019: MMK 320,747,063</li> <li>• Fiscal Year Ending 30<sup>th</sup> September 2020: MMK 183,769,514</li> <li>• Fiscal Year Ending 30<sup>th</sup> September 2021: MMK 193,804,048</li> <li>• Fiscal Year Ending 31<sup>st</sup> March 2022 (6 months): MMK 257,688,493</li> <li>• Fiscal Year Ending 31<sup>st</sup> March 2023: MMK 1,022,079,556</li> <li>• Fiscal Year Ending 31<sup>st</sup> March 2024: MMK 1,194,347,713</li> </ul> <p><b>Factors Influencing Petrol/Diesel Costs</b></p> <p>The significant increase in petrol expenditure during FY 2024 is primarily attributed to substantial hikes in petrol prices. This trend has notably inflated the cost of petrol across the fiscal year. Further, increased use of generators, resulted in higher diesel consumption.</p> <p><b>Strategic Measures and Policy Adjustments</b></p> <ol style="list-style-type: none"> <li><b>1. Fleet Modernization:</b> A policy has been adopted to replace older vehicles with newer, more energy-efficient, and environmentally friendly models. This transition aims to reduce overall fuel consumption and greenhouse gas emissions.</li> </ol>

Environmental issues	
<p><b>Energy</b></p>	<ol style="list-style-type: none"> <li><b>1. Enhanced Vehicle Management:</b> Measures to more rigorously control the use of company vehicles have been introduced, promoting more efficient fuel usage and reducing unnecessary travel.</li> <li><b>2. Petrol Usage Monitoring:</b> Similar to electricity, the petrol usage within the Bank's operational value chain is meticulously tracked and monitored. This approach is intended to develop further strategies for minimising the carbon footprint associated with fuel consumption.</li> <li><b>3. Consideration of Electric Vehicles:</b> Electric vehicles are now being added to the fleet and forms part of the commitment to reducing environmental impact and enhancing sustainability.</li> </ol> <p>These strategic actions reflect the Bank's ongoing efforts to manage and reduce both electricity and petrol expenditures while advancing sustainability objectives.</p>
<p><b>Carbon</b></p>	<p><b>Carbon Footprint Analysis</b></p> <p><b>Estimated Carbon Emissions from Electricity and Petrol Consumption</b></p> <ul style="list-style-type: none"> <li>• Fiscal Year Ending 30<sup>th</sup> September 2020: 1,880 metric tons</li> <li>• Fiscal Year Ending 30<sup>th</sup> September 2021: 1,266 metric tons</li> <li>• Fiscal Year Ending 31<sup>st</sup> March 2022 : 1,508 metric tons (annualised)</li> <li>• Fiscal Year Ending 31<sup>st</sup> March 2023: 1,697.12 metric tons</li> <li>• Fiscal Year Ending 31<sup>st</sup> March 2024: 1,634.7 metric tons</li> </ul> <p><b>Trends and Influencing Factors</b></p> <p>The reduction in carbon emissions during FY 2024 and FY 2023 can be largely attributed to an increase in work-from-home arrangements necessitated by the new working environment, alongside the political situation. These factors collectively resulted in diminished on-site operations and a subsequent decrease in energy and petrol consumption.</p> <p><b>Carbon Footprint Categorization for FY 2024</b></p> <p>In FY 2024, the Bank's carbon footprint has been systematically categorised into three distinct scopes, providing a comprehensive framework for understanding and addressing emissions:</p> <ol style="list-style-type: none"> <li><b>1. Scope 1: Direct Emissions</b>            These emissions stem directly from petrol usage in transportation and generator operations. In FY 2024, Scope 1 emissions accounted for 1,056.40 metric tons of CO<sub>2</sub>e, representing 64.6% of the total carbon footprint.</li> </ol>



- Scope 1** Petrol for transportation and generators
- Scope 2** Electricity use at Head Office and all branches
- Scope 3** Electricity use from other facilities in the value chain, and petrol use from rented ferry buses

Sustainability Statement  
**NON-FINANCIAL KPIs**

Environmental issues	
<b>Carbon</b>	<p><b>2. Scope 2: Indirect Emissions</b>            This category includes indirect emissions resulting from the bank's electricity consumption, which is supplied by local electricity providers. Scope 2 emissions for FY 2024 amounted to 555.19 metric tons of CO<sub>2</sub>e, comprising 34% of the total carbon footprint.</p> <p><b>3. Scope 3: Indirect Emissions from Other Sources</b>            Scope 3 encompasses indirect emissions arising from energy consumption associated with rented facilities, such as ferry buses for employees. For FY 2024, these emissions were measured at 23.11 metric tons of CO<sub>2</sub>e, accounting for 1.4% of the total carbon footprint.</p> <p><b>Mitigation Strategies and Sustainability Initiatives</b></p> <p>The Bank has instituted several measures aimed at minimising its carbon footprint through targeted reductions in waste, electricity, and petrol consumption:</p> <ol style="list-style-type: none"> <li><b>1. Waste Management</b>              Proactive steps are being taken to manage and reduce waste, contributing to the overall sustainability efforts of the Bank.</li> <li><b>2. Electricity Consumption</b>              As detailed earlier, strategies such as the implementation of a central air-conditioning system, the promotion of utility management practices, and the introduction of a solar panel pilot project are aimed at reducing electricity consumption and its associated emissions.</li> <li><b>3. Petrol Consumption</b>              Measures to modernise the vehicle fleet with more energy-efficient models, implement stringent vehicle use policies, and consider the adoption of electric vehicles reflect the Bank's commitment to reducing petrol consumption and its carbon footprint.</li> </ol> <p>These initiatives underscore the Bank's dedication to environmental stewardship and its strategic approach to mitigating the impacts of its operational activities on the environment. By systematically addressing the sources of its carbon emissions and implementing robust sustainability practices, the Bank is actively contributing to a reduction in its overall carbon footprint.</p>

Environmental issues	
<b>Water</b>	<p><b>Water Expenditure and Conservation Measures</b></p> <p><b>Historical Expenditure</b></p> <ul style="list-style-type: none"> <li>• Fiscal Year Ending 30th September 2019: MMK 3,294,350</li> <li>• Fiscal Year Ending 30th September 2020: MMK 4,233,561</li> <li>• Fiscal Year Ending 30th September 2021: MMK 1,994,207</li> <li>• Fiscal Year Ending 31st March 2022 (6 months): MMK 1,621,050</li> <li>• Fiscal Year Ending 31st March 2023: MMK 5,350,500</li> <li>• Fiscal Year Ending 31st March 2024: MMK 9,920,502</li> </ul> <p><b>Water Conservation Strategies</b></p> <p>To address rising water costs and promote sustainability, several initiatives have been implemented:</p> <ol style="list-style-type: none"> <li><b>1. Usage Control Measures</b>              Effective controls are being instituted to moderate water usage across all facilities. These measures aim to optimise water consumption and minimise wastage.</li> <li><b>2. Reduction in Plastic Water Bottles</b>              To reduce environmental impact, the use of smaller plastic water bottles has been significantly curtailed. Instead, water dispensers with larger, reusable plastic bottles have been introduced, reducing plastic waste and encouraging sustainable practices.</li> <li><b>3. Eco-Friendly Installations</b>              At the new Head Office, uab Tower @Times City, and newly renovated branches, eco-friendly toilet flush systems have been installed. These systems are designed to reduce water usage per flush, contributing to overall water conservation efforts.</li> </ol> <p>These strategies reflect a concerted effort to manage water expenditure while aligning with broader sustainability goals. By implementing effective controls, reducing plastic waste, and installing eco-friendly fixtures, the Bank is actively working towards reducing its environmental footprint and promoting responsible resource use.</p>

# Sustainability Statement

## SOCIETAL RESPONSIBILITIES

In addition to what we have expounded above, below are some of the other activities and responsibilities that we undertake:



## LENDING ACTIVITIES

As the Bank primarily engages in lending activities, we acknowledge the potential for certain customer activities to exert negative environmental impacts. To fortify our commitment to sustainability, we have instituted an Exclusion List, delineating sectors that are misaligned with our ethical principles and values. By precluding these sectors from our lending and financing activities, we aim to mitigate the associated environmental detriments.

The following sectors are included in the Exclusion List:

- Production, trading, and maintenance of weapons and munitions of any kind.
- Trade in or unauthorised catching of wildlife or wildlife products.
- Production or trade in any product or activity deemed illegal under Myanmar laws or regulations, international conventions and agreements, or subject to international bans, such as pharmaceuticals, pesticides/

- herbicides, and ozone-depleting substances.
- Hunting marine mammals and shark finning.
- Use of dynamite and poison in fishery practices.
- Activities involving harmful or exploitative forms of forced labour or child labour.
- Activities involving people smuggling of any kind.

By delineating these sectors in our Exclusion List, we ensure that our lending and financing activities are consistent with our commitment to sustainability and responsible banking practices.

## PRODUCT RESPONSIBILITIES

uab bank has formulated and implemented a Product Responsibility Statement. According to this statement, we uphold the following principles in the design and launch of our products must be:

- Economically relevant
- comprehensible
- Create benefits



The Management Product Committee is entrusted with the oversight of all aspects related to product development and performance.

The Bank offers a diverse range of products, including deposits, loans, remittances, payment applications, cards, and bancassurance. Comprehensive information about these products is available on our website. To access the most recent Product Responsibility Statement, please visit: uab bank Governing Policies.

## SUPPLY CHAIN MANAGEMENT

According to our strategic approach to supply chain management, we have instituted a comprehensive Vendor Code of Conduct. This code mandates that all vendors comply with applicable laws concerning human rights, environmental regulations, anti-bribery measures, and other relevant statutory requirements. The Vendor Code of Conduct clearly articulates our expectations for vendor engagement, particularly regarding their commitment to sustainability.

In addition, the management team is currently evaluating potential methodologies to enhance supply chain efficiency by forming direct partnerships with producers. This initiative aims to secure equitable profitability for producers while concurrently ensuring cost control for our operations. All vendors are expected to adhere to the Bank's Code of Ethics, which is available on our official website. For access to the latest Vendor Code of Conduct, please visit uab bank Governing Policies.

## CUSTOMER HEALTH AND SAFETY

Our commitment to our mission has remained steadfast as we continued to support our customers in accessing financial services and solutions seamlessly and securely. During FY 2024, there were no documented incidents or complaints related to customer injuries. To

further enhance customer safety, our security personnel receive ongoing reminders to adhere to established security protocols, and surveillance via security cameras is maintained consistently.

At uab, we uphold the principle of giving back to the community we serve. Through the uab Foundation, we are dedicated to providing financial assistance and support to underserved and affected communities during periods of need.

Furthermore, in our commitment to environmental stewardship, uab Bank is undertaking measures to reduce energy consumption, carbon emissions, paper usage, and water discharge. We are actively working towards optimising our digital platforms to enhance environmental sustainability. In addition, our lending and financing operations are governed by an exclusion list designed to avoid funding sectors and activities with potential negative environmental impacts. We are dedicated to making meaningful, positive contributions to both the environment and society, and will persist in these efforts moving forward.

## ETHICS AND INTEGRITY

The Board has instituted a comprehensive Code of Conduct delineating the standards of behaviour expected of all employees and Board members at uab. This Code outlines the principles for engagement with customers, business associates, regulators, colleagues, and other stakeholders. Additionally, it offers guidance for employees in making personal and ethical decisions. The Code of Conduct also references specific Group Policies and Procedures related to management, whistleblowing, and fraud management.



The organisation's risk and compliance culture is significantly influenced by a strong commitment from the top leadership. This commitment forms the foundation for a robust enterprise-wide risk management framework and governance structure. It is designed to embed the core values and principles of conduct that influence employee behaviour and attitudes across all levels of the organisation. Effective risk management is considered a fundamental responsibility of all business units and operating entities, and indeed, of every employee.

For further details on uab Bank's Code of Ethics, please refer to our website: [code of ethics](https://www.uab.com.mm/governance/code-of-ethics).

Key policies adopted by the Bank include:

- Code of Ethics
- Whistleblowing Policy
- Conflict of Interest Policy
- Anti-Bribery and Corruption Policy
- Anti-Money Laundering Policy
- Human Resources Policy
- Equal Opportunities Policy
- Anti-harassment Policy
- Corporate Governance Framework & Policy
- Gift Guidelines
- Dividend Policy

Detailed information on each of these governing policies is available on our website: <https://www.uab.com.mm/governance/governing-policies>.

## CONSUMER PROTECTION

uab bank's Code of Conduct mandates conducting all business dealings in a fair and equitable manner. The Bank endorses integrity in its operations and establishes a transparent information disclosure system that treats all customers equally and without discrimination.

The Bank is also committed to ensure that Customer's data and privacy is safeguarded. By providing comprehensive information through channels such as the Bank's annual reports, website, social media platforms, agreements, statutory reports, and brochures, the Bank ensures that Customers have access to relevant information to make objective decisions.

To safeguard creditor rights, the Bank enters into agreements with both parties, ensuring contractual compliance and performance of its obligations to prevent any potential loss or inconvenience. The Bank is careful to ensure that creditor's rights are fulfilled, and trust is maintained.

Confidentiality of information related to customers' accounts and transactions are preserved and is provided only in accordance with the provision of law or with customer's consent. The Bank makes compulsory periodic reporting to the Central Bank of Myanmar and mandatory reports to the Myanmar Credit Bureau as required by the law. Under the Anti-Money Laundering regulations, compulsory reports are required to be provided to the Myanmar Financial Intelligence Unit (MFIU). Complaints from Customers and incidences are reported via the Operational Incident Reporting mechanism. This ensures that all complaints are adequately handled, and customers are given fair treatment.

## OPERATIONAL INCIDENT REPORTING MECHANISM

In the fiscal year 2024, the Bank's Disciplinary Committee addressed **23 cases** pertaining to disciplinary actions, arising from complaints and violations of the Code of Ethics and other institutional policies.

Monitoring and Reporting Incidents, Complaints, and Policy Breaches:

- Compliance Officers: Designated at all branches and head office departments, Compliance Officers are responsible for overseeing adherence to the Bank's policies and procedures.
- Incident Reporting Process: The Bank has instituted an Incident Reporting procedure consistent with the Basel Standards. This process requires Compliance Officers and Section Heads to report all operational incidents and policy breaches to the Risk & Compliance Department and the Operations Department at Head Office within 24 hours. These incidents are subsequently escalated to the appropriate supervisory authorities.
- Channels for Complaint Submission: The Bank provides multiple channels for customers and stakeholders to submit complaints, including:
  - Call Centre
  - Email: [info@uab.com.mm](mailto:info@uab.com.mm)
  - Facebook Messenger
  - Branch counters
- Whistleblowing email: [wb@uab.com.mm](mailto:wb@uab.com.mm) or SMS: 09 44 44 36 309
- Each reported incident is recorded within the Incident Reporting system. Incidents involving breaches of the Code of Ethics or misconduct are forwarded to the Disciplinary Committee for further action.
- Reporting and Monitoring: The Risk & Compliance Department, through the

Compliance Officer, communicates all incidents to the Management Committee and the Board Risk Committee. The closure and resolution of reported incidents are actively monitored.

- Employee Reporting Encouragement: Employees are encouraged to report incidents through established communication channels, including their supervisors, department heads, or Human Resources Business Partners.
- Confidentiality and Protection: The Bank upholds confidentiality and offers whistleblower protection in accordance with the Whistleblower Protection Policy.

## ANTI-CORRUPTION PROGRAMMES AND PROCEDURES

The Anti-Bribery and Corruption Policy at uab Bank has been formulated and enacted to cover all activities of the Bank, its subsidiaries, and third-party service providers. The policy underscores the Bank's strong commitment to a zero-tolerance stance on corruption. To reinforce this commitment, the following measures have been implemented:

- Awareness and Communication: The Bank has actively promoted awareness of anti-bribery and anti-corruption issues through various forums, emphasising their potential impact on the Bank's reputation. The Anti-Bribery and Corruption Policy, along with the Gift Guidelines, has been disseminated to all employees.
- Conflict of Interest Policy: A Conflict-of-Interest Policy has been developed and implemented to address and manage potential conflicts that could arise within the Bank's operations.
- Reporting Mechanisms: A comprehensive reporting mechanism has been established,

including a Whistleblower reporting channel to facilitate the reporting of unethical behaviour or policy violations.

- Training and Awareness Programs: The Bank conducts training and awareness programs on the Anti-Bribery and Corruption Policy as part of orientation sessions and through various training initiatives organised by the Bank.

## CENTRAL BANK OF MYANMAR DIRECTIVES

uab Bank is committed to adhering to all requirements specified under the Financial Institutions Law and the directives issued by the Central Bank of Myanmar. In instances where compliance with a particular stipulation or directive is not feasible, the Bank proactively engages with the Central Bank to request either a waiver or an extension of the compliance deadline.

The Bank is subject to inspections conducted by the Central Bank of Myanmar. The results of these inspections and audits are communicated to the Bank's Board of Directors. In response, Management provides detailed responses and corrective action proposals to address any identified issues.

Both external and internal auditors assess the Bank's adherence to legal and regulatory requirements, with their findings also being reported to the Board of Directors.

To ensure transparency, the Bank submits various statistical reports to the Central Bank, including daily, weekly, monthly, quarterly, semi-annual, and annual reports, which offer a comprehensive overview of its compliance status. Additionally, the Bank publishes its financial statements on its website, providing stakeholders with access to review and evaluate its financial position.

## TAXATION

The Bank makes its fair share of tax payment for profits earned together with compulsory tax deductions of employee salary and other mandatory payments.

For FY2024, Corporate tax was MMK 10.9 billion. Our tax strategy revolves on paying our fair share of tax, effectively interacting with tax authorities and maintaining transparency in tax affairs.

## TRANSPARENCY AND ACCOUNTABILITY

The Bank publishes its Annual Reports, Sustainability Reports, GRI, Compliance to ASEAN Corporate Governance Scorecard among other reports on its website. Announcements and media releases are made from time to time on important matters to ensure that stakeholders are duly informed. These are made on newspapers and the Bank's social media pages on Facebook, LinkedIn, Viber, Telegram, Instagram and Tik Tok.

Audited Financial Statements are announced at a national newspaper annually and made available on the Bank's website. Further, the Bank's Annual General Meeting notices and minutes are available on the Bank's website.

## STANDARD ADOPTED

Below described standards were implemented in our non-financial reporting.

**AA 1000** -This analysis was utilised to evaluate stakeholder engagement for the purpose of establishing a materiality index, as in our Sustainability Statement published in our Annual Report and on our website.

**GRI** - It can be downloaded from our website (uab.com.mm).

**SASB** - It can be downloaded from our website (uab.com.mm).

## DATA OVERVIEW

Category	Area Covered	Unit	FY 2020 (30 <sup>th</sup> Sep 2020)	FY 2021 (30 <sup>th</sup> Sep 2021)	FY 2022 (31 <sup>st</sup> Mar 2022)	FY 2023 (31 <sup>st</sup> Mar 2023)	FY 2024 (31 <sup>st</sup> Mar 2023)
People	Headcount	Number	1,835	1,721	1,756	1,904	2,074
	Number of female employees	Number	964	889	921	1,046	1,157
	Number of male employees	Number	871	833	835	858	917
	Female : Male ratio	Ratio	53:47	52:48	52:48	55:45	55:45
	Number of employees between 18-30	Number	846	731	746	905	969
	Number of employees between 31-40	Number	657	670	698	683	760
	Number of employees between 41-50	Number	259	246	235	239	255
	Number of employees above 51	Number	73	74	77	77	90
	Percentage of 18-30 years old and above in the total number of employees	Percentage	46	42	42	47	47
	Percentage of 31-40 years old and above in the total number of employees	Percentage	36	39	40	36	37
	Percentage of 41-50 years old and above in the total number of employees	Percentage	14	14	13	13	12
	Percentage of 51 years old and above in the total number of employees	Percentage	4	4	4	4	4
	Number of female employees in Senior Management positions	Number	17	15	14	17	22
	Number of male employees in Senior Management positions	Number	15	11	11	12	12
	Number of employees trained	Number	1,800	1,722	1,756	1,904	2,074
	Number of training hours	Number	13,157	22,176	35,774	60,596	60,914
	Number of people promoted	Number	312	220	192	195	245
	Number of female employees promoted	Number	213	132	118	135	157
	Number of male employees promoted	Number	99	88	74	60	88
	Number of employees transferred for upskilling	Number	359	400	223	343	414
Turnover rate (All Staff)	Percentage	13	17	19.7	23.6	23.0	
Turnover rate of Operational staff (exclude Driver, Cleaner, Security)	Percentage	10.9	13.4	15.8	14.8	21.3	
Absenteeism rate	Percentage	0.23	0.23	0.29	0.26	0.22	
Number of people with disability	Number	1	1	1	0	0	
Number of accidents	Number	20	7	6	15	15	
Fatality rate	Percentage	Nil	Nil	Nil	Nil	Nil	
LTI Frequency rate (LTIFR)	LTI per million manhours	2.68	2.27	3.71	4.15	3.89	

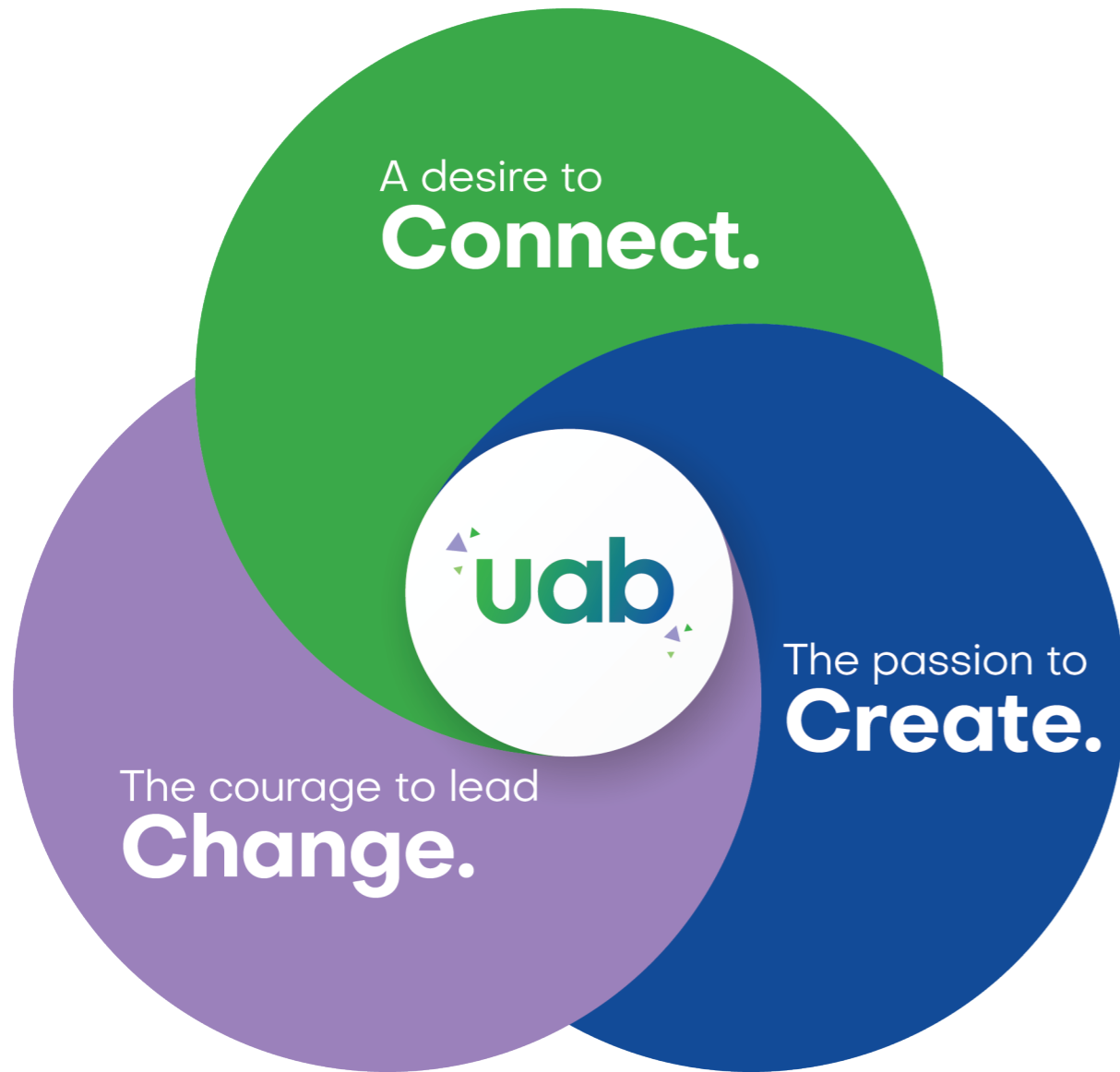
# Sustainability Statement

## DATA OVERVIEW

Category	Area Covered	Unit	FY 2020 (30th Sep 2020)	FY 2021 (30th Sep 2021)	FY 2022 (31st Mar 2022)	FY 2023 (31st Mar 2023)	FY 2024 (31st Mar 2023)
People	Number of training hours	Number	13,157	22,176	35,774	60,596	60,596
	Number of people promoted	Number	312	220	192	195	195
	Number of female employees promoted	Number	213	132	118	135	135
	Number of male employees promoted	Number	99	88	74	60	60
	Number of employees transferred for upskilling	Number	359	400	223	343	343
	Turnover rate (All Staff)	Percentage	13	17	19.7	23.6	23.6
	Turnover rate of Operational staff (exclude Driver, Cleaner, Security)	Percentage	10.9	13.4	15.8	14.8	14.8
	Absenteeism rate	Percentage	0.23	0.23	0.29	0.26	0.26
	Number of people with disability	Number	1	1	1	0	0
	Number of accidents	Number	20	7	6	15	15
	Fatality rate	Percentage	Nil	Nil	Nil	Nil	Nil
LTI Frequency rate (LTIFR)	LTI per million manhours	2.68	2.27	3.71	4.15	4.15	
Society	Donations	MMK	170.3 million	124.2 million	91.9 million	434.4 million	448.8 million
	Tax	MMK	4.5 billion	4.9 billion	3.2 billion	5.4 billion	10.9 billion
	Number of philanthropic causes supported	Number	7	5	4	9	7
	Number of cases of disciplinary actions taken from complaints and infringement of the Code of Ethics and other Bank Policies	Number	43	8	11	33	23
Environ- men	Water	MMK	4.2 million	2 million	1.6 million	5.3 million	9.9 million
	Paper	MMK	12.8 million	6 million	5.6 million	21.5 million	17.7 million
	Electricity energy	MMK	343.6 million	290.6 million	144 million	323 million	373.5 million
	Petrol energy	MMK	183.8 million	193.8 million	257.7 million	1,022 million	1194 million
	Carbon	metric tons	1,880	1,266	1508	1,697	1,635







**Head Office**

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

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



**Auditor**

**U Hla Tun & Associates Limited.**  
 Shwe Gon Plaza, 64 (B), Komin Kochin  
 Road, (1<sup>st</sup> Floor), Bahan Township,  
 Yangon, Myanmar.

Phone: (0951) 9541495, 9554351  
 Email: uhaye@hlatuncpa.com

**Board of Director**

**Nay Aye**  
 (Non-Executive Chairman & Independent Director)

**Tint Thwin**  
 (Independent Non-Executive Director)

**Win Htein Min**  
 (Independent Non-Executive Director)

**Thant Zin**  
 (Non-Executive Director)

**Christopher Loh**  
 (MD & CEO)

**Board Audit Committee**

Nay Aye (Chairman)  
 Tint Thwin  
 Win Htein Min

**Board Credit Committee**

Thant Zin (Chairman)  
 Tint Thwin

**Board Risk Committee**

Win Htein Min (Chairman)  
 Thant Zin  
 Tint Thwin

**Board Nomination & Remuneration Committee**

Tint Thwin (Chairman)  
 Nay Aye  
 Win Htein Min

**Senior Management**

**Christopher Loh**  
 MD & CEO

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

**George Koshy**  
 Head, Risk & Credit Management

**Mahesh K Bhandari**  
 Head of Financial Institutions Group

**Nay Win Maung**  
 Head of Operations and Compliance

**Thandar Htike**  
 Head, Corporate & Investment Banking

**Yin Min Aye**  
 Head of Digital and Payment



# Content

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

The Board of Directors have pleasure in presenting their report together with the audited financial statements of uab bank Limited (the Bank) for the financial year ended 31<sup>st</sup> March 2024.

## Principal Activities

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

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

## Results

	2023-2024 (MMK'milion)	2022-2023 (MMK'milion)
<b>Profit Before Tax</b>	<b>55,055</b>	<b>28,188</b>
Taxation	(15,778)	(5,411)
Profit After Tax for the Year (Attributable to Equity Holders)	<b>39,277</b>	<b>22,777</b>
<b>Retained Earnings (Brought Forward)</b>	<b>48,767</b>	<b>31,683</b>
<b>Adjustments;</b>		
- Transferred to Statutory Reserve (25%)	(9,819)	(5,694)
- Transferred to General Loan Loss Reserve	-	-
- Prior Year Dividend Paid Out	-	-
- Prior Year Adjustments	-	-
<b>Retained Earnings (Carried Forward)</b>	<b>78,224</b>	<b>48,767</b>

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

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

## Issuance of Shares

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

## Share Option Scheme

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

## Directors

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

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

## Business Outlook

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

The Bank is also IFRS 16 compliance and is ready for full adoption of IFRS in line with CBM's timeline.

## Other Statutory Information

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

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

### Significant and Subsequent Events

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

### Auditor

The Audit Committee has appointed to U Hla Tun & Associates Limited as auditor of the Group and Bank.

On behalf of the Board of Directors in accordance with a resolution of the Directors dated August 2024.

Win Htein Min  
Director

Christopher Loh  
MD & CEO

### DIRECTORS

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

### REGISTERED OFFICE

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

### AUDITOR

U Hla Tun & Associates Limited  
Certified Public Accountants

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## To the members of uab bank Limited

### Report on the audit of the financial statements

#### Opinion

We have audited the financial statements of uab bank Limited ("the Bank"), which comprise the statement of financial position as at 31<sup>st</sup> March 2024, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages FS 1 to FS 37.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Myanmar Companies Law and Myanmar Financial Reporting Standards (MFRSs) so as to give a true and fair view of the financial position of the Bank as at 31<sup>st</sup> March 2024 and of the financial performance, changes in equity and cash flows of the Bank for the year ended on that date.

#### Basis for opinion

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

#### Other information

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

#### Responsibilities of management and directors for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Myanmar Companies Law and MFRSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorized use or disposition; and transactions are properly authorized and that they are recorded as necessary to permit the preparation of true and fair

financial statements and to maintain accountability of assets.

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

The directors' responsibilities include overseeing the Bank's financial reporting process.

#### Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not guarantee that an audit conducted in accordance with MSAs will always detect a material misstatement when it exists. Misstatement can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decision of users taken on the basis of these financial statements.

As part of an audit in accordance with MSAs, we exercise professional judgment and maintain professional skepticism throughout the audit.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.

#### Other matters

The financial statements for the year ended 31<sup>st</sup> March 2023 were audited by U Myat Noe Aung (V-Advisory Limited, Certified Public Accountants) and issued unqualified opinion.

Report on other legal and regulatory requirements

In accordance with the Myanmar Companies Law (2017), we report that;

- (i) we have obtained all the information and explanations we have required and
- (ii) the books and records have been maintained by the Bank as required by Section 258 of the Myanmar Companies Law.

# Independent Auditor's Report

In accordance with Section 89(a) of the Financial Institutions Law 2016, we report that subject to our letter to the management, in our opinion the financial statements of the Bank are properly and fairly drawn up, they present fairly the operation of the Bank and information obtained from the officers and representatives of the Bank are satisfactory.

**Maung Maung Aung**  
**Certified Public Accountant**  
**PAPP No. 197**  
**U Hla Tun & Associates Limited**  
**Shwegon Plaza, 64(B), 1st Floor,**  
**Komin Kochin Road, Bahan Township,**  
**Yangon Region.**

**Date: August 2024**  
**Yangon, Myanmar**



## Consolidated Statement of Financial Positions

as at 31 March 2024

	Notes	The Group		The Bank	
		31 <sup>st</sup> March 2024 (MMK)'000	31 <sup>st</sup> March 2023 (MMK)'000	31 <sup>st</sup> March 2024 (MMK)'000	31 <sup>st</sup> March 2023 (MMK)'000
<b>Assets</b>					
Cash & cash equivalents	7	1,465,905,477	861,425,655	1,465,876,129	861,384,125
Loan and advances to customers	8	2,387,990,312	1,579,352,869	2,377,240,312	1,569,506,106
Investment securities	9	218,990,000	319,780,000	223,104,000	324,104,000
Property, plant and equipments	10	88,988,998	69,701,026	88,987,038	69,697,306
Right-of-use assets	11	26,388,749	23,321,212	26,388,749	23,321,212
Intangible assets	12	203,131	245,609	203,131	245,609
Other assets	13	241,475,198	177,175,198	238,606,021	173,373,075
<b>Total assets</b>		<b>4,429,941,865</b>	<b>3,031,001,569</b>	<b>4,420,405,380</b>	<b>3,021,631,433</b>
<b>Liabilities</b>					
Deposits and placements with banks	14	289,072,541	40,447,461	289,072,541	40,447,461
Deposits from customers	15	3,082,705,032	2,104,379,087	3,083,961,020	2,105,816,699
Borrowings	16	566,633,274	474,166,829	566,633,274	474,166,829
Other liabilities	17	297,394,364	257,947,151	297,249,159	257,707,490
Lease liabilities	18	4,876,023	4,156,750	4,876,023	4,156,750
<b>Total liabilities</b>		<b>4,240,681,234</b>	<b>2,881,097,278</b>	<b>4,241,792,018</b>	<b>2,882,295,229</b>
<b>Equity</b>					
Share capital	19	54,000,000	54,000,000	54,000,000	54,000,000
Reserves	20	46,415,314	36,569,581	46,388,871	36,569,581
Retained earnings		79,060,801	49,536,572	78,224,491	48,766,622
<b>Equity attributable to shareholders of the bank</b>		<b>179,476,115</b>	<b>140,106,153</b>	<b>178,613,362</b>	<b>139,336,203</b>
Non-controlling Interest	34	9,784,516	9,798,138	-	-
<b>Total Equity</b>		<b>189,260,631</b>	<b>149,904,291</b>	<b>178,613,362</b>	<b>139,336,203</b>
<b>Total equity and liabilities</b>		<b>4,429,941,865</b>	<b>3,031,001,569</b>	<b>4,420,405,380</b>	<b>3,021,631,433</b>
<b>Off-balance sheet</b>					
Performance guarantee	32	103,990,820	96,554,368	103,990,820	96,554,368
Contingent liabilities		154,310	154,314	154,310	154,314
Others		1,871,535	305,895	1,871,535	305,895
Commitments		501,740,057	47,196,955	501,740,057	47,196,955
Government treasury bond		8,820,000	4,170,000	-	-

See accompanying notes to financial statements

Authenticated by;

Non-Executive Director  
 Date: November, 2024

MD & CEO

Head of Finance

## Consolidated Statement of Financial Positions

as at 31 March 2024

Notes	The Group		The Bank		
	Year ended	Year ended	Year ended	Year ended	
	31st March 2024 (MMK)'000	31st March 2023 (MMK)'000	31st March 2024 (MMK)'000	31st March 2023 (MMK)'000	
Interest income	21	231,885,648	168,047,907	231,718,634	167,805,907
Interest expense	22	(163,999,284)	(109,431,376)	(164,096,303)	(109,500,662)
<b>Net interest income</b>		<b>67,886,364</b>	<b>58,616,531</b>	<b>67,622,331</b>	<b>58,305,245</b>
Fee and commission income	23	46,709,400	21,317,485	46,682,021	21,212,791
Other income	24	7,258,504	13,550,880	7,243,328	13,555,126
<b>Operating income</b>		<b>121,854,268</b>	<b>93,484,896</b>	<b>121,547,679</b>	<b>93,073,163</b>
Personnel expenses	25	(26,027,668)	(19,601,861)	(25,986,631)	(19,565,855)
General and administrative expenses	26	(16,138,856)	(10,240,147)	(16,091,264)	(9,892,604)
Operating lease expenses	27	(839,603)	(516,251)	(839,603)	(516,251)
Depreciation & amortization		(2,443,295)	(2,049,899)	(2,441,804)	(2,026,885)
Depreciation on right-of-use-assets		(3,167,412)	(3,039,593)	(3,167,412)	(3,039,593)
Other expenses	28	(3,352,432)	(2,537,330)	(3,328,434)	(2,532,732)
Finance Cost	29	(237,891)	(261,501)	(237,891)	(261,501)
<b>Operating expenses</b>		<b>(52,207,156)</b>	<b>(38,246,582)</b>	<b>(52,093,039)</b>	<b>(37,835,421)</b>
<b>Operating profit before allowance</b>		<b>69,647,112</b>	<b>55,238,314</b>	<b>69,454,640</b>	<b>55,237,742</b>
Less: Allowance for credit and other losses	30	(14,459,262)	(27,049,496)	(14,399,842)	(27,049,496)
<b>Net profit before tax</b>		<b>55,187,850</b>	<b>28,188,818</b>	<b>55,054,798</b>	<b>28,188,246</b>
Taxation	31	(15,806,910)	(5,411,195)	(15,777,639)	(5,411,091)
Unrealised exchange gain/(loss)		(24,600)	-	-	-
<b>Net profit after tax</b>		<b>39,356,340</b>	<b>22,777,623</b>	<b>39,277,159</b>	<b>22,777,155</b>
Other Comprehensive income		-	-	-	-
<b>Total comprehensive income</b>		<b>39,356,340</b>	<b>22,777,623</b>	<b>39,277,159</b>	<b>22,777,155</b>
<b>Income/ (Loss) attributable to</b>					
- Subsidiary of the bank		39,369,962	22,821,720	39,277,159	22,777,155
- Non-controlling interest		(13,622)	(44,097)	-	-

See accompanying notes to financial statements

Authenticated by;

Non-Executive Director  
Date: November, 2024

MD & CEO

Head of Finance

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## Consolidated Statement of Financial Positions

as at 31 March 2024

The Group	Attributable to equity holders of the bank					Non-Controlling Interest	Total Equity
	Share Capital	Statutory Reserve	General Loan Loss Reserve	Retained Earnings	Total		
<b>Balance at 1st April 2023</b>	54,000,000	21,702,634	14,866,947	49,536,572	140,106,153	9,798,138	149,904,291
Issued shares	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	39,369,962	39,369,962	(13,622)	39,356,340
Transfer to reserves	-	9,819,290	-	(9,819,290)	-	41,198	41,198
Prior year adjustment	-	26,443	-	(26,443)	-	(41,198)	(41,198)
<b>Balance at 31st March 2024</b>	<b>54,000,000</b>	<b>31,548,367</b>	<b>14,866,947</b>	<b>79,060,801</b>	<b>179,476,115</b>	<b>9,784,516</b>	<b>189,260,631</b>
<b>Balance at 1st April 2022</b>	54,000,000	16,008,345	14,866,947	32,350,853	117,226,145	9,902,406	127,128,551
Issued shares	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	22,821,720	22,821,720	(44,097)	22,777,623
Transfer to reserves	-	5,694,289	-	(5,694,289)	-	-	-
Prior year adjustment	-	-	-	58,288	58,288	(60,171)	(1,883)
<b>Balance at 31st March 2023</b>	<b>54,000,000</b>	<b>21,702,634</b>	<b>4,866,947</b>	<b>49,536,572</b>	<b>140,106,153</b>	<b>9,798,138</b>	<b>149,904,291</b>
<b>The Bank</b>						(MMK)'000	
	Share Capital	Statutory Reserve	General Loan Loss Reserve	Retained Earnings	Total		
<b>Balance at 1st April 2023</b>	54,000,000	21,702,634	14,866,947	48,766,622	139,336,203		
Issued shares	-	-	-	-	-		
Total comprehensive income for the year	-	-	-	39,277,159	39,277,159		
Transfer to reserves	-	9,819,290	-	(9,819,290)	-		
<b>Balance at 31st March 2024</b>	<b>54,000,000</b>	<b>31,521,924</b>	<b>14,866,947</b>	<b>78,224,491</b>	<b>178,613,362</b>		
<b>Balance at 1st April 2022</b>	54,000,000	16,008,345	14,866,947	31,683,756	116,559,048		
Issued shares	-	-	-	-	-		
Total comprehensive income for the year	-	-	-	22,777,155	22,777,155		
Transfer to reserves	-	5,694,289	-	(5,694,289)	-		
<b>Balance at 31st March 2023</b>	<b>54,000,000</b>	<b>21,702,634</b>	<b>14,866,947</b>	<b>48,766,622</b>	<b>139,336,203</b>		

See accompanying notes to financial statements

Authenticated by;

Non-Executive Director  
Date: November, 2024

MD & CEO

Head of Finance

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## Consolidated Statement of Financial Positions

as at 31 March 2024

	The Group		The Bank	
	Year ended	Year ended	Year ended	Year ended
	31 <sup>st</sup> March 2024	31 <sup>st</sup> March 2023	31 <sup>st</sup> March 2024	31 <sup>st</sup> March 2023
	(MMK)'000	(MMK)'000	(MMK)'000	(MMK)'000
<b>Cash flows from operating activities</b>				
Profit before income tax	55,163,250	28,188,818	55,054,798	28,188,246
<b>Adjustment for non-cash items:</b>				
- Depreciation	2,324,377	1,866,406	2,322,887	1,864,812
- Intangible assets amortised	118,917	183,493	118,917	162,073
- Depreciation expenses of right-of-use assets	3,167,412	3,039,593	3,167,412	3,039,593
- Impairment on loan	(8,044,582)	21,965,275	(8,044,582)	21,965,275
- (Gain) / Loss on disposal of property and equipment	(59,704)	(204,868)	(59,704)	(204,868)
- Write off property and equipment	25,892	9,895	25,622	9,895
- Finance cost	237,891	261,501	237,891	261,501
- Commercial Tax	5,293	-	5,293	-
- Unrealised exchange gain/(loss)	-	-	-	-
- Lease adjustment- other income	(124,308)	59,445	(124,308)	59,445
Operating profit/(loss) before working capital changes	52,814,438	55,369,558	52,704,226	55,345,972
<b>Changes in operating assets and liabilities</b>				
- Loan and advances to customers	(808,637,441)	(532,953,964)	(807,734,206)	(532,953,966)
- Other assets	(58,542,771)	(4,577,204)	(59,475,713)	(4,631,682)
- Deposits	1,226,951,024	675,829,833	1,226,769,400	676,600,071
- Other liabilities	38,638,877	34,179,788	38,762,500	34,525,403
<b>Cash generated from operations</b>	451,224,127	227,848,010	451,026,208	228,885,798
Income tax paid	(11,149,800)	(4,381,222)	(11,149,700)	(4,381,000)
<b>Net cash provided by/(used in) operating activities</b>	<b>440,074,327</b>	<b>223,466,788</b>	<b>439,876,508</b>	<b>224,504,798</b>
<b>Cash Flows from investing activities</b>				
Investment in government securities & public securities	100,790,000	38,730,000	101,000,000	38,070,000
Purchase of property and equipment	(21,672,383)	(22,364,246)	(21,672,383)	(22,364,246)
Purchase of intangible assets	(76,439)	(126,250)	(76,439)	(126,250)
Acquisition of Right-of-use assets	(6,224,120)	(3,286,110)	(6,224,120)	(3,286,110)
Repayment of lease liability	(971,854)	(1,067,815)	(971,854)	(1,067,815)
Sales proceed of property and equipment	93,846	223,695	93,846	223,695
<b>Net cash provided by/(used in) investing activities</b>	<b>71,939,051</b>	<b>12,109,273</b>	<b>72,149,051</b>	<b>11,449,273</b>
<b>Cash Flows from financing activities</b>				
Issued share capital	-	-	-	-
Borrowing from the Central Bank/inter bank borrowing	92,466,445	373,773,241	92,466,445	373,773,241
<b>Net cash provided by/(used in) financing activities</b>	<b>92,466,445</b>	<b>373,773,241</b>	<b>92,466,445</b>	<b>373,773,241</b>
Net increase/(decrease) in cash and cash equivalents	604,479,822	609,349,302	604,492,004	609,727,313
Cash and cash equivalents at beginning of the year	861,425,655	252,076,353	861,384,125	251,656,813
<b>Cash and cash equivalents at end of the year</b>	<b>1,465,905,477</b>	<b>861,425,655</b>	<b>1,465,876,129</b>	<b>861,384,125</b>

See accompanying notes to financial statements

Authenticated by;

Non-Executive Director  
Date: November, 2024

MD & CEO

Head of Finance

## Notes to the Consolidated Financial Statements

for the Year Ended 31 March 2024

### 1. General

uab bank Limited (The Bank) was registered as a private bank on June 14, 2010 as certified by DICA new Registration No.189354002 under the Myanmar Companies Law (2017) in place of former registration No.390/2010-2011. The Bank was permitted to carry out banking business under License No. MaVaBa/PaBa(R) 14/08/2016 on August 24, 2016 by the Central Bank of Myanmar according to Section 176 of the Financial Institutions Law (2016).

The principal activities of the Bank are to carry out the domestic remittance business and other financial services subject to the approval of the CBM. On 25th November 2011, the Bank was granted an Authorised Dealer Licence No. CBM, FE MD (78/2011) to carry out banking business in both local and foreign currencies.

The registered office of the Bank is No (3), Bank Development Zone, Corner of Kyaing Tone Road and Mawlamyine Road, Oaktaya Thiri Township, Nay Pyi Taw, Myanmar.

The Bank is currently operating with Eighty Seven (87) branches in total in widespread locations in Myanmar as the Bank opens the three new branches, such as Myawaddy branch, Myintkyina branch and Kawthaung branch during the year 2023-2024.

uab security limited is an associate company of uab bank limited, holding 39.0933% of equity.

### 2. Basis of preparation

The financial statements have been prepared under the historical cost basis and in accordance with the Myanmar Financial Reporting Standards ("MFRS") and instructions and guidance provided by the Central Bank of Myanmar ("CBM").

The financial statements are prepared in Myanmar Kyat (MMK).

The accounting policies adopted by the Bank and its associate are consistent with those adopted in the previous years.

Opening Balances as at 1st April 2023 are carried forward from the consolidated financial statements for the financial year ended 31st March 2023, audited by V Advisory Limited.(Certified Public Accountants).

### 3. Summary of significant accounting policies

#### 3.1 Basic of consolidation

The consolidated financial statements comprise the financial statements of the bank and its associates as at and for the year ended 31st March of each year. Interest in associates is equity accounted. In preparing the consolidated financial statements, all intercompany balances, transactions are eliminated in full. Non-controlling interests represent the equity in associates not attributable, directly or indirectly to the owners of the bank and are presented separately in the consolidated income statement and within equity in the consolidated statement of financial position, separately from shareholders' equity.

#### 3.2 Revenue

Sales comprise the fair value of the consideration received or receivable for the sale of goods and rendering of services in the ordinary course of the activities of the group and its associate company (collectively, the "Group"). Sales are presented, net of commercial tax and after eliminating sales within the Group.

## Notes to the Consolidated Financial Statements

for the Year Ended 31 March 2024

The Group recognises revenue when the amount of revenue and related cost can be reliably measured, when it is probable that the collectability of the related receivables is reasonably assured and when the specific criteria for each of the Group's activities are met.

### 3.2.1 Interest income and expense

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

### 3.2.2 Fees and commission income

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

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

### 3.2.3 Dividend income

Dividend income is recognised when the right to receive payment is established.

### 3.2.4 Other income

Other income includes gains resulting from foreign exchange and other items of income from various sources.

### 3.3 Foreign currency transactions

The financial statements of the group are measured and presented in the currency of the primary economic environment in which the group operates (its functional currency). The functional currency of the group is assessed to be the Myanmar Kyat.

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

Exchange differences arising on the settlement of monetary item and on the retranslation of monetary items are recognised in profit or loss for the year.

## Notes to the Consolidated Financial Statements

for the Year Ended 31 March 2024

### 3.4 Income tax

#### 3.4.1 Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit equates to 'profit before tax' as reported in the statement of profit or loss and other comprehensive income.

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

#### 3.4.2 Deferred tax

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

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

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the year in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting year.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the group expects, at the end of the reporting year, to recover or settle the carrying amount of its assets and liabilities.

### 3.5 Financial instruments

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

#### 3.5.1 Financial assets

Financial assets are classified into the following specified categories: financial assets 'at fair value through profit or loss' ("FVTPL"), 'held-to-maturity' investment, 'available-for-sale' ("AFS") financial assets and 'loan and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

##### (i) Financial instruments at fair value through profit or loss

Financial instruments classified in this category consist of financial assets held-for-trading. Financial assets are classified as held-for trading if they are acquired principally for the purposes of selling or repurchasing it in the near term.

## Notes to the Consolidated Financial Statements

for the Year Ended 31 March 2024

Financial instruments included in this category are recognized initially at fair value and transaction costs are taken directly to profit or loss. Gains and losses from changes in fair value and dividend income are included directly in "Net gains and losses on financial instruments" in the statement of comprehensive income. Interest income is recognized as "interest income" in the statement of comprehensive income. Regular purchases and sales of financial assets held-for-trading are recognized at settlement date.

### (ii) **Loans and receivables**

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

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

Held-to-maturity financial assets are non-derivative financial assets with fixed or determinable payments and fixed maturities that the group's management has the positive intention and ability to hold to maturity. If the group is 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 statement of financial position date which are presented as current assets. These financial assets are initially recognized at fair value including direct and incremental transactions costs, and subsequently measured at amortised cost using the effective interest method. Interest on investment held-to-maturity is included in the statement of income and is reported as "Interest income". Impairment losses, if any, are recognized in the statement of income as "Impairment on other assets".

### (iv) **Available-for-sale**

Available-for-sale financial assets are financial assets that are designated as such or are not classified in any of the three preceding categories.

After initial recognition, available-for-sale financial assets are measured at fair value. Any gains or losses from changes in fair value of the financial assets are recognized in other comprehensive income, except that impairment losses, foreign exchange gains and losses on monetary instruments and interest calculated using the effective interest method are recognized in profit or loss. The cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is derecognized. Interest income calculated using the effective interest method is recognized in profit or loss. Dividends on an available-for-sales equity instrument are recognized in profit or loss when the Company's right to receive payment is established.

The group's available-for-sale financial assets comprise investment in unquoted shares. Investments in unquoted share whose fair value cannot be reliably measured are measured at cost less impairment loss.

Available-for-sale financial assets which are not expected to be realised within 12 months after the financial year end are classified as non-current assets.

## Notes to the Consolidated Financial Statements

for the Year Ended 31 March 2024

### 3.5.2 **Financial liabilities**

Other non-derivative financial liabilities

Other non-derivative financial liabilities are initially recognized at the fair value of consideration received less directly attributable costs. Subsequent to initial recognition, non-derivative financial liabilities are measured at amortised cost. The group does not have any non-derivative financial liabilities designated at fair value through profit or loss. Financial liabilities measured at amortised cost included deposits from customers, deposits from groups, and other borrowed funds.

### 3.5.3 **Recognition and derecognition**

The Group initially recognized all financial assets and financial liabilities on the date that they are originated and measured initially at fair value.

The Group derecognizes a financial asset when the contractual rights to the cash flows from the financial asset are expired or 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 group derecognizes a financial liability when the contractual obligations are discharged, cancelled or expired.

### 3.6 **Impairment of financial assets**

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

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

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

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

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

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

## Notes to the Consolidated Financial Statements

for the Year Ended 31 March 2024

### 3.7 Credit quality

The Group categorizes its loans and advances in accordance with CBM's regulations. Based on the instructions and guidance issued by the CBM, the group generally classifies its loans and advances as "Sub-standard" when the counterparty has failed to make payments when contractually due, for more than 60 days but not more than 90 days. Loans and advances are generally further classified as "Doubtful" and "Loss" where the loans and advances are past due by more than 91 days to 180 days and over 180 days respectively.

### 3.8 Performing loans

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

### 3.9 Non-performing loans

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

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

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

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

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

### 3.10 Impairment of non-financial assets

Non-financial assets, such as property and equipment, investment properties and foreclosed properties, are reviewed for impairment annually, or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Where such indications exist, the carrying amount of the assets is written down to its recoverable amount, which is the higher of the fair value less costs to sell and the value-in-use. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount.

### 3.11 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits, and short-term, highly liquid investments that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value.

## Notes to the Consolidated Financial Statements

for the Year Ended 31 March 2024

### 3.12 Property and equipment and depreciation

All items of property and equipment are initially recorded at cost. The cost of an item of property and equipment is recognized as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of replaced parts are derecognized. All other repairs and maintenance are charged to profit or loss when they are incurred.

When significant parts of an item of property and equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment.

Subsequent to initial recognition, property and equipment other than freehold land and buildings are measured at cost less accumulated depreciation and any accumulated impairment losses, if any.

Freehold land has an unlimited useful life and therefore is not depreciated.

Depreciation is computed on a straight-line basis calculated to write off the cost of each asset to its residual value over the term of its estimated useful lives of the assets at the following principal annual rates:

• Buildings	40 years
• Leasehold improvements	Over period of lease
• Office machinery and other equipment	5-10 years
• Furniture, fixtures and fittings	5-20 years
• Electrical equipment and computer accessories	5 years
• Motor vehicles	8 years
• Data Processing Equipment	5 years

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. The policy for the recognition and measurement of impairment losses is in accordance with Note 4.

The residual value, useful life and depreciation method are reviewed at each financial year-end, and adjusted prospectively, if appropriate.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use. Any gain or loss on de-recognition of the asset is included in profit or loss in the year the asset is derecognized.

### 3.13 IFRS 16 leases

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

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

## Notes to the Consolidated Financial Statements

for the Year Ended 31 March 2024

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

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

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

### 3.14 Investment property

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

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

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

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

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

### 3.15 Intangible assets

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

## Notes to the Consolidated Financial Statements

for the Year Ended 31 March 2024

### 3.16 Impairment of tangible and intangible assets other than goodwill

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

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

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

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

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

### 3.17 Share capital

Ordinary shares are classified as equity when there is not contractual obligation to transfer cash or other financial assets.

### 3.18 Other liabilities

Other payables represent liabilities for services provided to the group 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 cost.

### 3.19 Provisions

Provisions are recognized when the group has a present legal or constructive obligation as a result of past events. It is probable that the group will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

Provisions are reviewed at each financial year end adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed.

## Notes to the Consolidated Financial Statements

for the Year Ended 31 March 2024

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

### 3.20 Contingent liabilities

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is not recognized in the statements of financial position and is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

Contingent liabilities and assets are not recognized in the statements of financial position of the group in the current and previous financial period ends.

### 3.21 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the group.

The fair value of an asset or a liability is measured using the assumptions that market participants act in their economic best interest when pricing the asset or liability.

The group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy based on the lowest level input that is significant to the fair value measurement as a whole.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the financial year end.

### 3.22 Related parties

A related party is defined as follows:

- (a) A person or a close member of that person's family is related to the group if that person:
- Has control or joint control over the group;
  - Has significant influence over the group; or
  - Is a member of the key management personnel of the group or of a parent of the group
- (b) An entity is related to the group if any of the following conditions applies:
- The entity and the group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);

## Notes to the Consolidated Financial Statements

for the Year Ended 31 March 2024

- One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);
- Both entities are joint ventures of the same third party;
- One entity is a joint venture of a third entity and the other entity is an associate of the third entity;
- The entity is a post-employment defined benefit plan for the benefit of employees of either the group or an entity related to the group. If the group is itself such a plan, the sponsoring employers are also related to the group;
- The entity is controlled or jointly controlled by a person identified in (a);
- A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

### 4. Critical accounting judgments and key sources of estimation uncertainty

In the application of the group's accounting policies, which are described in Note 3, the directors of the group are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other factors that are considered to be relevant. Actual results may differ from these estimates.

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

#### Critical judgments in applying accounting policies

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

#### Key sources of estimation uncertainty

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

#### Impairment losses on loans and advances

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

## Notes to the Consolidated Financial Statements

for the Year Ended 31 March 2024

All impaired loans that exceed specific thresholds are individually assessed for impairment. Impairment losses are recognized as the difference between the carrying value of loan and the discounted value of management's best estimate of future cash repayments and proceeds from any collaterals held. These estimates take into account the customer's debt capacity and financial flexibility; the amount and sources of cash flow; and the realizable value of any security held. Estimating the quantum and timing of future recoveries involves significant judgement. The size of receipts will depend on the future performance of borrower and the value of security, both of which will be affected by future economic conditions. Additionally, collateral may not be readily marketable. The actual amount of future cash flows and the date they are received may differ from these estimates. Consequently, actual losses incurred may differ from those recognized in these financial statements.

### Useful life of property, plant and equipments

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

### 5. Financial risk management

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

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

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

A discussion on the main financial risks that the group is exposed to and how these risks are managed, is set out below.

#### 5.1 Interest rate risk

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

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

#### 5.2 Credit risk

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

## Notes to the Consolidated Financial Statements

for the Year Ended 31 March 2024

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

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

The fair value of collateral is valued by an independent assessor is based on valuation techniques commonly used for the corresponding assets, done before the inception of the loan. Loans are usually given the margins of 30% to 70% of the forced Sale Value, which is also independently estimated. There is no revaluation of the collaterals in subsequent periods but at the renewal/roll-over of a loan, the customer is questioned about any changes to the collateral at which point the need for a reappraisal will be decided.

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

The group's policy required the review of individual credit facility on a periodic basis or when individual circumstances require. Impairment allowances on individually assessed accounts are determined by an evaluation of the incurred loss on a case-by-case basis and subject to the approval of Credit Committee.

### Maximum exposure to credit risk

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

### Credit quality of loans and advances

Loans and advances are graded by the group against an internally developed credit rating scale, which generally corresponds to the credit ratings set out in the instructions and guidance issued by the CBM.

Base on the instructions and guidance issued by the CBM, the group generally classifies its loans and advances as "Sub-standard" when the counterparty has failed to make payments when contractually due, for more than 60 days but not more than 90 days. Loans and advances are generally further classified as "Doubtful" and "Loss" where the loans and advances are past due by more than 91 days to 180 days and over 180 days respectively. Doubtful and Loss are defined as non performing Loans (NPL).

### 5.3 Liquidity risk and cash flow risk

Liquidity risk is the risk that the group is unable to meet its financial obligations as and when they fall due, such as upon maturity of deposits and draw-down of loans. Senior Management reviews its assets & liabilities position on a daily regular basis.

## Notes to the Consolidated Financial Statements

for the Year Ended 31 March 2024

The group manages cash flow risk by maintaining daily cash flow position and also forecasting its future cash flow on a daily basis. The group also has a plan of how to mitigate the risk.

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

### 5.4 Foreign exchange risk

Foreign exchange risk is the risk to earnings and economic value of foreign currency assets, liabilities and financial derivatives caused by fluctuations in foreign exchange rates.

The Group’s foreign exchange exposures comprise banking (non-trading) foreign exchange exposures. Non-trading foreign exchange exposures are principally derived from investments and funding activities and customer businesses.

### 5.5 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 risk 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.

### 5.6 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:

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

## Notes to the Consolidated Financial Statements

for the Year Ended 31 March 2024

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

### 5.7 Capital management

The primary objectives of the Group’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 Group’s risk profile, and to meet its regulatory requirements.

“Capital funds” is defined as listed below:

	The Group		The Bank	
	(MMK in million)		(MMK in million)	
	2024	2023	2024	2023
Paid-up ordinary share capital	54,000	54,000	54,000	54,000
Retained earnings/(Loss)	79,061	49,537	78,224	48,767
Reserves	46,415	36,569	46,389	36,569

### 6 Compensation of key management personal

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

The following table set out the compensation for key management personal of the group in exchange for services rendered to the Group of the year they served.

	The Group		The Bank	
	31 <sup>st</sup> March 2024	31 <sup>st</sup> March 2023	31 <sup>st</sup> March 2024	31 <sup>st</sup> March 2023
	(MMK)’000	(MMK)’000	(MMK)’000	(MMK)’000
Director expenses	253,446	264,428	253,446	264,428
short term employee benefit	-	19,316,522	-	19,280,516
	<b>253,446</b>	<b>19,580,950</b>	<b>253,446</b>	<b>19,544,944</b>

### 7 Cash & cash equivalents

	The Group		The Bank	
	31 <sup>st</sup> March 2024	31 <sup>st</sup> March 2023	31 <sup>st</sup> March 2024	31 <sup>st</sup> March 2023
	(MMK)’000	(MMK)’000	(MMK)’000	(MMK)’000
Cash and balances with Central Bank of Myanmar	811,401,774	524,661,764	811,401,774	524,661,764
Cash and balances with other banks	466,076,332	152,108,051	466,059,571	152,072,187
Cash in hand	188,427,371	184,655,840	188,414,784	184,650,174
	<b>1,465,905,477</b>	<b>861,425,655</b>	<b>1,465,876,129</b>	<b>861,384,125</b>

## Notes to the Consolidated Financial Statements

for the Year Ended 31 March 2024

8. <u>Loans and advances to customers</u>	The Group		The Bank	
	31 <sup>st</sup> March 2024 (MMK)'000	31 <sup>st</sup> March 2023 (MMK)'000	31 <sup>st</sup> March 2024 (MMK)'000	31 <sup>st</sup> March 2023 (MMK)'000
Credit card	4,881,345	3,327,578	4,881,345	3,327,578
Hire purchase	13,124,494	4,925,515	13,124,494	4,925,515
Loans and advance	1,829,792,290	1,093,788,749	1,819,042,290	1,083,038,749
Overdraft	581,854,517	501,853,358	581,854,517	501,853,358
Staff loans	6,977,504	3,371,911	6,977,504	3,371,911
<b>Total loans and advances to customers</b>	<b>2,436,630,150</b>	<b>1,607,267,111</b>	<b>2,425,880,150</b>	<b>1,596,517,111</b>
Less: Provision for bad and doubtful debt ( SP )	(48,639,838)	(27,914,242)	(48,639,838)	(27,011,006)
<b>Net loans and advances</b>	<b>2,387,990,312</b>	<b>1,579,352,869</b>	<b>2,377,240,312</b>	<b>1,569,506,106</b>

9. <u>Investment securities</u>	The Group		The Bank	
	31 <sup>st</sup> March 2024 (MMK)'000	31 <sup>st</sup> March 2023 (MMK)'000	31 <sup>st</sup> March 2024 (MMK)'000	31 <sup>st</sup> March 2023 (MMK)'000
<b>Held to maturity</b>				
Investment in Government Securities (Treasury bonds)	218,660,000	319,450,000	216,910,000	317,910,000
<b>Available-for-sales securities</b>				
Investment in Myanmar Credit Bureau	130,000	130,000	130,000	130,000
Investment in Myanmar Payment Union	200,000	200,000	200,000	200,000
Investment in uab securities	-	-	5,864,000	5,864,000
	<b>218,990,000</b>	<b>319,780,000</b>	<b>223,104,000</b>	<b>324,104,000</b>

## Notes to the Consolidated Financial Statements

for the Year Ended 31 March 2024

### 10. Property, plant and equipments

The Group	Land and Building	Office Machine and Equipment	Furniture, Fixture and Fitting	Electrical Equipment & Computer Accessories	Motor Vehicle	(MMK)'000
						Total
<b>Cost</b>						
At 1st April 2023	69,409,927	6,342,435	1,113,652	4,366,752	1,411,897	82,644,663
(+) Additions	17,363,243	1,793,682	182,253	1,980,254	352,951	21,672,383
(-) Disposal	(500)	(96,652)	(115,707)	(169,036)	(590)	(382,485)
(-) Write off	(66,861)	(113,520)	(24,564)	(178,305)	-	(383,250)
Donations	-	-	-	(52,655)	-	(52,655)
At 31 <sup>st</sup> March 2024	<b>86,705,809</b>	<b>7,925,945</b>	<b>1,155,634</b>	<b>5,947,010</b>	<b>1,764,258</b>	<b>103,498,656</b>
<b>Accumulated depreciation</b>						
At 1st April 2023	4,431,916	4,203,097	844,573	2,874,160	589,891	12,943,637
(+) Charge for the year	563,986	803,477	89,556	699,917	167,440	2,324,377
(-) Disposal	(82)	(80,835)	(97,829)	(169,007)	(590)	(348,343)
(-) Write Off	(66,134)	(94,447)	(21,672)	(175,105)	-	(357,358)
Donations	-	-	-	(52,655)	-	(52,655)
At 31 <sup>st</sup> March 2024	<b>4,929,686</b>	<b>4,831,292</b>	<b>814,629</b>	<b>3,177,310</b>	<b>756,741</b>	<b>14,509,658</b>
<b>Net book value at 31<sup>st</sup> March 2024</b>	<b>81,776,123</b>	<b>3,094,653</b>	<b>341,006</b>	<b>2,769,700</b>	<b>1,007,517</b>	<b>88,988,998</b>
<b>Net book value at 31<sup>st</sup> March 2023</b>	<b>64,978,011</b>	<b>2,139,338</b>	<b>269,079</b>	<b>1,492,592</b>	<b>822,006</b>	<b>69,701,026</b>

## Notes to the Consolidated Financial Statements

for the Year Ended 31 March 2024

The Bank	Land and Building	Office Machine and Equipment	Furniture, Fixture and Fitting	Electrical Equipment & Computer Accessories	Motor Vehicle	(MMK)'000 Total
<b>Cost</b>						
At 1st April 2023	69,409,927	6,338,451	1,110,395	4,342,278	1,411,897	82,612,949
(+) Additions	17,363,243	1,793,682	182,253	1,980,254	352,951	21,672,383
(-) Disposal	(500)	(96,652)	(115,707)	(169,036)	(590)	(382,485)
(-) Write off	(66,861)	(113,520)	(24,564)	(177,538)	-	(382,483)
Donations	-	-	-	(52,655)	-	(52,655)
At 31st March 2024	<b>86,705,809</b>	<b>7,921,961</b>	<b>1,152,377</b>	<b>5,923,303</b>	<b>1,764,258</b>	<b>103,467,708</b>
<b>Accumulated depreciation</b>						
At 1st April 2023	4,431,916	4,199,514	841,440	2,852,882	589,891	12,915,643
(+) Charge for the year	563,986	803,116	89,531	698,813	167,440	2,322,887
(-) Disposal	(82)	(80,835)	(97,829)	(169,007)	(590)	(348,343)
(-) Write Off	(66,134)	(94,447)	(21,672)	(174,608)	-	(356,861)
Donations	-	-	-	(52,655)	-	(52,655)
At 31st March 2024	<b>4,929,686</b>	<b>4,827,348</b>	<b>811,470</b>	<b>3,155,425</b>	<b>756,741</b>	<b>14,480,671</b>
<b>Net book value at 31st March 2024</b>	<b>81,776,123</b>	<b>3,094,613</b>	<b>340,907</b>	<b>2,767,878</b>	<b>1,007,517</b>	<b>88,987,038</b>
<b>Net book value at 31st March 2023</b>	<b>64,978,012</b>	<b>2,138,937</b>	<b>268,955</b>	<b>1,489,396</b>	<b>822,006</b>	<b>69,697,306</b>

## Notes to the Consolidated Financial Statements

for the Year Ended 31 March 2024

11. Right-of-use assets	ROU Prepaid	ROU Lease liabilities	ROU Restoration	Vehicle	(MMK)'000 Total
<b>The Group</b>					
<b>Cost</b>					
Balance at 1st April 2023	29,663,538	2,162,060	420,318	2,734,284	34,980,200
(+) Additions	4,530,968	1,200,212	-	492,940	6,224,120
Contract End	(3,138,174)	-	(72,290)	(439,224)	(3,649,689)
Balance at 31st March 2024	<b>31,056,332</b>	<b>3,362,272</b>	<b>348,028</b>	<b>2,788,000</b>	<b>37,554,631</b>
<b>Accumulated depreciation</b>					
Balance at 1st April 2023	9,072,030	488,200	309,602	1,789,156	11,658,988
(+) Charge for the year	2,261,849	312,874	30,226	562,462	3,167,412
Transfer/Adjust	(10,830)	-	-	-	(10,830)
Contract End	(3,138,174)	-	(72,290)	(439,224)	(3,649,689)
Balance at 31st March 2024	<b>8,184,875</b>	<b>801,074</b>	<b>267,538</b>	<b>1,912,394</b>	<b>11,165,882</b>
<b>Net book value at 31st March 2024</b>	<b>22,871,456</b>	<b>2,561,198</b>	<b>80,490</b>	<b>875,606</b>	<b>26,388,749</b>
<b>Net book value at 31st March 2023</b>	<b>20,591,508</b>	<b>1,673,860</b>	<b>110,716</b>	<b>945,128</b>	<b>23,321,212</b>
<b>Lease liabilities</b>					
		<b>Lease Liabilities-building</b>	<b>Lease Liabilities-Restoration</b>	<b>Vehicle</b>	<b>Total</b>
Within one year		231,000	-	816,375	1,047,375
More than one year		2,912,732	781,064	134,852	3,828,648
Balance at 31st March 2024		<b>3,143,732</b>	<b>781,064</b>	<b>951,227</b>	<b>4,876,023</b>
Within one year		-	46,508	629,353	675,861
More than one year		2,167,186	841,333	472,369	3,480,888
Balance at 31st March 2023		<b>2,167,186</b>	<b>887,842</b>	<b>1,101,722</b>	<b>4,156,749</b>
<b>Amount recognised in profit and loss</b>			<b>Lease Liabilities</b>	<b>Vehicle</b>	<b>Total</b>
Depreciation			2,604,949	562,463	3,167,412
Finance cost			148,400	89,491	237,891
<b>Amount recognised in cash flow statement</b>			<b>Lease Liabilities</b>	<b>Vehicle</b>	<b>Total</b>
Total cash outflow for lease			238,929	732,925	971,854

## Notes to the Consolidated Financial Statements

for the Year Ended 31 March 2024

### 11. Right-of-use assets

The Bank	(MMK)'000				
	ROU Prepaid	ROU Lease liabilities	ROU Restoration	Vehicle	Total
<b>Cost</b>					
Balance at 1 <sup>st</sup> April 2023	29,663,538	2,162,060	420,318	2,734,284	34,980,200
(+) Additions	4,530,968	1,200,212	-	492,940	6,224,120
Contract End	(3,138,174)	-	(72,290)	(439,224)	(3,649,689)
Balance at 31 <sup>st</sup> March 2024	31,056,332	3,362,272	348,028	2,788,000	37,554,631
<b>Accumulated depreciation</b>					
Balance at 1 <sup>st</sup> April 2023	9,072,030	488,200	309,602	1,789,156	11,658,988
(+) Charge for the year	2,261,849	312,874	30,226	562,462	3,167,412
Transfer/Adjust	(10,830)	-	-	-	(10,830)
Contract End	(3,138,174)	-	(72,290)	(439,224)	(3,649,689)
Balance at 31 <sup>st</sup> March 2024	8,184,875	801,074	267,538	1,912,394	11,165,882
<b>Net book value at 31<sup>st</sup> March 2024</b>	<b>22,871,456</b>	<b>2,561,198</b>	<b>80,490</b>	<b>875,606</b>	<b>26,388,749</b>
<b>Net book value at 31<sup>st</sup> March 2023</b>	<b>20,591,508</b>	<b>1,673,860</b>	<b>110,716</b>	<b>945,128</b>	<b>23,321,212</b>
<b>Lease liabilities</b>					
		Lease Liabilities-building	Lease Liabilities-Restoration	Vehicle	Total
Within one year		231,000	-	816,375	1,047,375
More than one year		2,912,732	781,064	134,852	3,828,648
Balance at 31 <sup>st</sup> March 2024		<b>3,143,732</b>	<b>781,064</b>	<b>951,227</b>	<b>4,876,023</b>
Within one year		-	46,508	629,353	675,861
More than one year		2,167,186	841,333	472,369	3,480,888
Balance at 31 <sup>st</sup> March 2023		<b>2,167,186</b>	<b>887,842</b>	<b>1,101,722</b>	<b>4,156,749</b>
<b>Amount recognised in profit and loss</b>					
Depreciation			2,604,949	562,463	3,167,412
Finance cost			148,400	89,491	237,891
<b>Amount recognised in cash flow statement</b>					
Total cash outflow for lease			238,929	732,925	971,854

## Notes to the Consolidated Financial Statements

for the Year Ended 31 March 2024

### 12. Intangible assets

	The Group		The Bank	
	31 <sup>st</sup> March 2024	31 <sup>st</sup> March 2023	31 <sup>st</sup> March 2024	31 <sup>st</sup> March 2023
	(MMK)'000	(MMK)'000	(MMK)'000	(MMK)'000
<b>Cost</b>				
Balance at the beginning of year	245,609	302,852	245,609	281,432
Acquisition	76,439	126,250	76,439	126,250
Amortization for the year	(118,917)	(183,493)	(118,917)	(162,073)
Balance at the end of year	<b>203,131</b>	<b>245,609</b>	<b>203,131</b>	<b>245,609</b>

### 13. Other assets

	The Group		The Bank	
	31 <sup>st</sup> March 2024	31 <sup>st</sup> March 2023	31 <sup>st</sup> March 2024	31 <sup>st</sup> March 2023
	(MMK)'000	(MMK)'000	(MMK)'000	(MMK)'000
Interest receivables	26,323,336	17,343,619	23,642,077	13,738,554
Prepaid and advances	32,073,067	39,468,265	31,969,236	39,364,259
Fixed deposits- 1 year	110,566,753	64,904,047	110,566,753	64,904,047
Others	72,512,042	55,459,267	72,427,956	55,366,215
	<b>241,475,198</b>	<b>177,175,198</b>	<b>238,606,021</b>	<b>173,373,075</b>

### 14. Deposits and placements with banks

	The Group		The Bank	
	31 <sup>st</sup> March 2024	31 <sup>st</sup> March 2023	31 <sup>st</sup> March 2024	31 <sup>st</sup> March 2023
	(MMK)'000	(MMK)'000	(MMK)'000	(MMK)'000
Current deposits	162,923,888	25,307,412	162,923,888	25,307,412
Saving deposits	148,653	140,049	148,653	140,049
Fixed deposits	126,000,000	15,000,000	126,000,000	15,000,000
	<b>289,072,541</b>	<b>40,447,461</b>	<b>289,072,541</b>	<b>40,447,461</b>

### 15. Deposits from customers

	The Group		The Bank	
	31 <sup>st</sup> March 2024	31 <sup>st</sup> March 2023	31 <sup>st</sup> March 2024	31 <sup>st</sup> March 2023
	(MMK)'000	(MMK)'000	(MMK)'000	(MMK)'000
Current deposits	280,204,586	210,888,141	280,258,554	210,914,175
Savings deposits	553,093,883	473,531,271	553,204,494	473,531,300
Fixed deposits	1,139,123,362	712,714,457	1,139,823,362	713,944,457
Call deposits	1,110,283,200	707,245,218	1,110,674,610	707,426,767
	<b>3,082,705,032</b>	<b>2,104,379,087</b>	<b>3,083,961,020</b>	<b>2,105,816,699</b>

### 16. Borrowings

	The Group		The Bank	
	31 <sup>st</sup> March 2024	31 <sup>st</sup> March 2023	31 <sup>st</sup> March 2024	31 <sup>st</sup> March 2023
	(MMK)'000	(MMK)'000	(MMK)'000	(MMK)'000
Borrowings from CBM (SWAP)	421,633,274	380,249,311	421,633,274	380,249,311
Borrowing from local private banks (Local currency)	145,000,000	93,917,518	145,000,000	93,917,518
	<b>566,633,274</b>	<b>474,166,829</b>	<b>566,633,274</b>	<b>474,166,829</b>

## Notes to the Consolidated Financial Statements

for the Year Ended 31 March 2024

17. <u>Other liabilities</u>	The Group		The Bank	
	31 <sup>st</sup> March 2024	31 <sup>st</sup> March 2023	31 <sup>st</sup> March 2024	31 <sup>st</sup> March 2023
	(MMK)'000	(MMK)'000	(MMK)'000	(MMK)'000
Accrued interest payable	26,743,013	13,037,696	26,765,529	13,037,696
Accrued operating expenses	1,133,432	1,143,071	1,123,014	1,128,463
Provision for income tax	15,806,910	5,416,488	15,777,639	5,416,384
Provision for others	8,561	588,555	-	576,830
Sundry creditors	34,497,739	41,332,026	34,497,739	41,332,026
Deferred income	-	647	-	647
Trade	8,996	-	-	-
Others	219,195,714	196,428,668	219,085,238	196,215,444
	<b>297,394,364</b>	<b>257,947,151</b>	<b>297,249,159</b>	<b>257,707,490</b>

18. <u>Lease liabilities</u>	The Group		The Bank	
	31 <sup>st</sup> March 2024	31 <sup>st</sup> March 2023	31 <sup>st</sup> March 2024	31 <sup>st</sup> March 2023
	(MMK)'000	(MMK)'000	(MMK)'000	(MMK)'000
Lease liability of building lease	3,143,732	2,167,186	3,143,732	2,167,186
Lease liability of leasing cars	951,227	1,101,722	951,227	1,101,722
Lease liability of dismantlings	781,064	887,842	781,064	887,842
	<b>4,876,023</b>	<b>4,156,750</b>	<b>4,876,023</b>	<b>4,156,750</b>

19. <u>Share capital</u>	The Group		The Bank	
	31 <sup>st</sup> March 2024	31 <sup>st</sup> March 2023	31 <sup>st</sup> March 2024	31 <sup>st</sup> March 2023
	(MMK)'000	(MMK)'000	(MMK)'000	(MMK)'000
Beginning of year	54,000,000	54,000,000	54,000,000	54,000,000
Shares issued during the year	-	-	-	-
<b>Balance at end of year</b>	<b>54,000,000</b>	<b>54,000,000</b>	<b>54,000,000</b>	<b>54,000,000</b>

The amount of issued and paid-up capital at 31<sup>st</sup> March 2024 of MMK 54 billion is divided into 108,000 shares at MMK 500,000 each and owned by the following shareholders as per the records filed with the Directorate of Investment and Company Administration.

Shareholders	The Bank		
	%	Number of Share	Value
Capital Link Investment Company Limited	40%	43,200	21,600,000
Future Growth Investment Company Limited	60%	64,800	32,400,000
	100%	108,000	54,000,000

## Notes to the Consolidated Financial Statements

for the Year Ended 31 March 2024

20. <u>Reserves</u>	The Group		The Bank	
	31 <sup>st</sup> March 2024	31 <sup>st</sup> March 2023	31 <sup>st</sup> March 2024	31 <sup>st</sup> March 2023
	(MMK)'000	(MMK)'000	(MMK)'000	(MMK)'000
The details are as follows:				
<b>Statutory reserve fund</b>				
Opening balance	21,728,303	16,008,345	21,702,634	16,008,345
Addition for the year	9,820,064	5,694,289	9,819,290	5,694,289
Closing balance	<b>31,548,367</b>	<b>21,702,634</b>	<b>31,521,924</b>	<b>21,702,634</b>
<b>Reserve for contingencies</b>				
Opening balance	-	-	-	-
Addition for the year	-	-	-	-
Closing balance	-	-	-	-
<b>General loan loss provision (GP)</b>				
Opening balance	14,866,947	14,866,947	14,866,947	14,866,947
Addition for the year	-	-	-	-
Closing balance	<b>14,866,947</b>	<b>14,866,947</b>	<b>14,866,947</b>	<b>14,866,947</b>
<b>Total Reserves</b>	<b>46,415,314</b>	<b>36,569,581</b>	<b>46,388,871</b>	<b>36,569,581</b>

(1) In compliance with Section 35(a) of the Financial Institutions Law, 25% of the net profit after tax has been set aside as statutory reserve fund, by the bank.

(2) In compliance with Central Bank Notification 17/2017, 2% of total balance of loans and advances is to be set aside as general reserve, by the bank.

	The Bank
	MMK (Billion)
Loan & overdraft (31-3-2024)	2,425.88
2 % required	48.52
Provided in accounts (31-3-2024) ( 14.87 Billion + 48.78 Billion)	63.65

## Notes to the Consolidated Financial Statements

for the Year Ended 31 March 2024

21. <u>Interest income</u>	The Group		The Bank	
	Year ended	Year ended	Year ended	Year ended
	31 <sup>st</sup> March	31 <sup>st</sup> March	31 <sup>st</sup> March	31 <sup>st</sup> March
	2024	2023	2024	2023
	(MMK)'000	(MMK)'000	(MMK)'000	(MMK)'000
Interest on loans to customers	193,989,097	122,708,561	193,989,097	122,708,561
Interest on money market	13,391,785	12,679,848	13,391,784	12,613,435
Interest on Treasury Bonds and T-bills	23,286,523	32,489,562	23,119,510	32,313,975
Interest income from fund reserve	1,218,243	169,936	1,218,243	169,936
	<b>231,885,648</b>	<b>168,047,907</b>	<b>231,718,634</b>	<b>167,805,907</b>

22. <u>Interest expense</u>	The Group		The Bank	
	Year ended	Year ended	Year ended	Year ended
	31 <sup>st</sup> March	31 <sup>st</sup> March	31 <sup>st</sup> March	31 <sup>st</sup> March
	2024	2023	2024	2023
	(MMK)'000	(MMK)'000	(MMK)'000	(MMK)'000
Interest on saving deposit	23,883,942	24,097,980	23,883,942	24,097,981
Interest on call deposit	50,908,282	30,657,465	51,009,828	30,734,679
Interest on fixed deposit	72,930,454	46,200,172	72,930,454	46,200,172
Interest on Inter-bank deposit	3,105,799	141,816	3,105,799	141,816
Interest on borrowing	13,129,667	8,326,014	13,129,667	8,326,014
Interest on other	36,613	-	36,613	-
Interest on treasury bond	4,527	7,929	-	-
	<b>163,999,284</b>	<b>109,431,376</b>	<b>164,096,303</b>	<b>109,500,662</b>

23. <u>Fee and commission income</u>	The Group		The Bank	
	Year ended	Year ended	Year ended	Year ended
	31 <sup>st</sup> March	31 <sup>st</sup> March	31 <sup>st</sup> March	31 <sup>st</sup> March
	2024	2023	2024	2023
	(MMK)'000	(MMK)'000	(MMK)'000	(MMK)'000
Commission on payment order	84,462	121,617	84,462	121,617
Commission on remittance	55,411	191,674	55,411	191,674
Commission on cards	2,530,615	2,225,961	2,530,615	2,225,961
Service fees	34,706,813	14,035,409	34,706,813	14,035,409
Commitment fees	609,949	411,854	609,949	411,854
Commission on trade related	6,814,415	3,508,168	6,814,415	3,508,167
Commission on cheque	5	-	5	-
Commission on brokerage and IB advisory fees	27,380	104,693	-	-
Commission on others	1,880,351	718,109	1,880,351	718,109
	<b>46,709,400</b>	<b>21,317,485</b>	<b>46,682,021</b>	<b>21,212,791</b>

## Notes to the Consolidated Financial Statements

for the Year Ended 31 March 2024

24. <u>Other income</u>	The Group		The Bank	
	Year ended	Year ended	Year ended	Year ended
	31 <sup>st</sup> March	31 <sup>st</sup> March	31 <sup>st</sup> March	31 <sup>st</sup> March
	2024	2023	2024	2023
	(MMK)'000	(MMK)'000	(MMK)'000	(MMK)'000
Treasury (Forex) trading income	2,797,672	6,563,736	2,797,672	6,563,636
Extension fees on loans and advances	3,452,809	3,773,210	3,452,809	3,773,210
Exchange gain/(loss) on cards	(8,554)	26,889	(8,554)	26,889
Disposal gain/(loss) on fixed assets	59,704	186,243	59,704	186,243
Miscellaneous	956,873	3,000,802	941,697	3,005,148
	<b>7,258,504</b>	<b>13,550,880</b>	<b>7,243,328</b>	<b>13,555,126</b>

25. <u>Personnel expenses</u>	The Group		The Bank	
	Year ended	Year ended	Year ended	Year ended
	31 <sup>st</sup> March	31 <sup>st</sup> March	31 <sup>st</sup> March	31 <sup>st</sup> March
	2024	2023	2024	2023
	(MMK)'000	(MMK)'000	(MMK)'000	(MMK)'000
Salaries and allowances	20,296,101	15,675,871	20,255,286	15,640,362
Staff welfare contribution	1,200	1,100	1,200	1,100
Staff social security contribution	191,483	170,551	191,261	170,054
Staff bonus and rewards	5,250,000	3,469,000	5,250,000	3,469,000
Training expenses	30,936	11,908	30,936	11,908
Director fees and expenses	253,446	264,428	253,446	264,428
Staff recruitment expenses	4,502	9,003	4,502	9,003
	<b>26,027,668</b>	<b>19,601,861</b>	<b>25,986,631</b>	<b>19,565,855</b>

26. <u>General and administration expenses</u>	The Group		The Bank	
	Year ended	Year ended	Year ended	Year ended
	31 <sup>st</sup> March	31 <sup>st</sup> March	31 <sup>st</sup> March	31 <sup>st</sup> March
	2024	2023	2024	2023
	(MMK)'000	(MMK)'000	(MMK)'000	(MMK)'000
Maintenance and repairs	1,995,164	1,398,084	1,993,692	1,396,685
Miscellaneous expenses	3,298,831	1,806,315	3,298,435	1,805,536
Supplies and services	8,476,758	5,152,027	8,476,631	5,150,709
Rates and taxes	1,031,888	678,648	1,029,328	675,788
Insurance expenses	83,764	47,530	83,764	47,530
Technology expenses	1,252,451	1,157,543	1,209,414	816,356
	<b>16,138,856</b>	<b>10,240,147</b>	<b>16,091,264</b>	<b>9,892,604</b>

## Notes to the Consolidated Financial Statements

for the Year Ended 31 March 2024

27. <u>Operating Lease Expenses</u>	The Group		The Bank	
	Year ended	Year ended	Year ended	Year ended
	31 <sup>st</sup> March	31 <sup>st</sup> March	31 <sup>st</sup> March	31 <sup>st</sup> March
	2024	2023	2024	2023
	(MMK)'000	(MMK)'000	(MMK)'000	(MMK)'000
Rent - Buildings	99,053	90,554	99,053	90,554
Rent - Others	740,550	425,697	740,550	425,697
	<b>839,603</b>	<b>516,251</b>	<b>839,603</b>	<b>516,251</b>

28. <u>Other expenses</u>	The Group		The Bank	
	Year ended	Year ended	Year ended	Year ended
	31 <sup>st</sup> March	31 <sup>st</sup> March	31 <sup>st</sup> March	31 <sup>st</sup> March
	2024	2023	2024	2023
	(MMK)'000	(MMK)'000	(MMK)'000	(MMK)'000
Professional fees and expenses	37,618	26,280	32,398	22,200
Legal expenses	2,293	13,062	2,293	13,062
Travelling expenses	567,827	490,341	567,679	489,995
Consultant fees	2,726,064	2,007,475	2,726,064	2,007,475
Others	18,630	172	-	-
	<b>3,352,432</b>	<b>2,537,330</b>	<b>3,328,434</b>	<b>2,532,732</b>

29. <u>Finance Cost</u>	The Group		The Bank	
	Year ended	Year ended	Year ended	Year ended
	31 <sup>st</sup> March	31 <sup>st</sup> March	31 <sup>st</sup> March	31 <sup>st</sup> March
	2024	2023	2024	2023
	(MMK)'000	(MMK)'000	(MMK)'000	(MMK)'000
Finance cost of ROU Lease Building	130,870	98,484	130,870	98,484
Finance cost of ROU Leasing Cars	89,490	140,990	89,490	140,990
Finance cost on Dismantling	17,531	22,027	17,531	22,027
	<b>237,891</b>	<b>261,501</b>	<b>237,891</b>	<b>261,501</b>

30. <u>Allowance for Credit and Other Losses</u>	The Group		The Bank	
	Year ended	Year ended	Year ended	Year ended
	31 <sup>st</sup> March	31 <sup>st</sup> March	31 <sup>st</sup> March	31 <sup>st</sup> March
	2024	2023	2024	2023
	(MMK)'000	(MMK)'000	(MMK)'000	(MMK)'000
Specific allowance on / (write-back) of:				
Loans	22,306,153	4,793,923	22,306,153	4,793,923
Cash shortage	50,000	276,830	50,000	276,830
Obsolete Inventory	61,532	3,573	61,532	3,573
Write-off fixed assets	25,892	9,895	25,622	9,895
General allowance (2%)	(8,044,582)	21,965,275	(8,044,582)	21,965,275
Others	60,267	-	1,117	-
	<b>14,459,262</b>	<b>27,049,496</b>	<b>14,399,842</b>	<b>27,049,496</b>

## Notes to the Consolidated Financial Statements

for the Year Ended 31 March 2024

31. <u>Taxation</u>	The Group		The Bank	
	Year ended	Year ended	Year ended	Year ended
	31 <sup>st</sup> March	31 <sup>st</sup> March	31 <sup>st</sup> March	31 <sup>st</sup> March
	2024	2023	2024	2023
	(MMK)'000	(MMK)'000	(MMK)'000	(MMK)'000
Tax expense/(credit) attributable to profit or (loss) is made up of:				
Corporate income tax at 22%	11,000,940	5,392,571	10,971,669	5,392,467
Capital gain tax at 10%	5,970	18,624	5,970	18,624
Under/(over) provision in prior financial years	4,800,000	-	4,800,000	-
	<b>15,806,910</b>	<b>5,411,195</b>	<b>15,777,639</b>	<b>5,411,091</b>

32. <u>Guarantees and commitments</u>	The Group		The Bank	
	31 <sup>st</sup> March	31 <sup>st</sup> March	31 <sup>st</sup> March	31 <sup>st</sup> March
	2024	2023	2024	2023
	(MMK)'000	(MMK)'000	(MMK)'000	(MMK)'000
Guarantees:				
Performance guarantees	103,990,820	96,554,368	103,990,820	96,554,368
Contingent liabilities	154,310	154,314	154,310	154,314
Others	1,871,535	305,895	1,871,535	305,895
<b>Total guarantees</b>	<b>106,016,665</b>	<b>97,014,577</b>	<b>106,016,665</b>	<b>97,014,577</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.

Commitments:	The Group		The Bank	
	31 <sup>st</sup> March	31 <sup>st</sup> March	31 <sup>st</sup> March	31 <sup>st</sup> March
	2024	2023	2024	2023
	(MMK)'000	(MMK)'000	(MMK)'000	(MMK)'000
Commitment	501,740,057	47,196,955	501,740,057	47,196,955
Government treasury bond	8,820,000	4,170,000	-	-
	<b>510,560,057</b>	<b>51,366,955</b>	<b>501,740,057</b>	<b>47,196,955</b>

33. <u>Investment in Associates</u>	The Group		The Bank	
	2024	2023	2024	2023
	(MMK)'000	(MMK)'000	(MMK)'000	(MMK)'000
	Unlisted share, at cost (11,728 shares @ MMK 500,000 each)	5,864,000	5,864,000	5,864,000

## Notes to the Consolidated Financial Statements

for the Year Ended 31 March 2024

The following list contains only the particulars of principal subsidiary:

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

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

### 34. Non-controlling interest

	The Group		The Bank	
	2024 (MMK)'000	2023 (MMK)'000	2024 (MMK)'000	2023 (MMK)'000
Investment shares, at cost	9,136,000	9,136,000	-	-
Reserved	41,198	-	-	-
Retained earning	662,138	766,406	-	-
Transfer to Reserve	(41,198)	(60,171)	-	-
Dividend paid	-	-	-	-
<b>Profit for the year</b>	<b>(13,622)</b>	<b>(44,097)</b>	-	-
Profit for the period	48,226	285	-	-
URP Adjustment	(61,849)	(44,382)	-	-
	<b>9,784,516</b>	<b>9,798,138</b>	-	-



Leading Change and Humanising Banking