YOMA BANK LIMITED
(Registration No. 193771947)

REPORT OF THE DIRECTORS AND FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2025

YOMA BANK LIMITED

REPORT OF THE DIRECTORS AND FINANCIAL STATEMENTS

C O N T E N T S

YOMA BANK LIMITED

REPORT OF THE DIRECTORS

The directors are pleased to present their report to the members, together with the audited financial statements of Yoma Bank Limited (the "Bank") for the year ended March 31, 2025, in compliance with Section 261 of the Myanmar Companies Law 2017.

1 CORPORATE INFORMATION

Yoma Bank Limited (the "Bank") is a private company which was incorporated in Myanmar on May 19, 1993 under The Myanmar Companies Act. The Bank was re-registered at Directorate of Investment and Company Administration with the company registration no. 193771947 under the Myanmar Companies Law 2017. Its holding company is First Myanmar Investment Public Co., Ltd, also incorporated in Myanmar and is listed on the Yangon Stock Exchange on March 25, 2016. The Bank was permitted to carry out banking business under License No. MaVaBa/P - 5/ (7) 93 issued by the Central Bank of Myanmar (the "CBM") according to Section 57 of the Central Bank of Myanmar Law 1990. In accordance with Section 176 of the Financial Institutions Law (Pyidaungsu Hluttaw Law No. 20/2016), the Bank was reissued the new banking License No. MaVaBa/PaBa(R)-06/08/2016 by the CBM on August 10, 2016.

2 REGISTERED OFFICE

The registered office of the Bank is located at No. 14, Kyaik Khauk Pagoda Road, Star City, Thanlyin Township, Yangon, Myanmar.

3 BOARD OF DIRECTORS

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

U Tun Myat	Chairman
U Kyi Aye	Director
Mr. Chintaman Mahadeo Dixit	Independent Non-Executive Director
Mr. John Alan Staley	Independent Non-Executive Director
U Kyaw Soe Lin	Director

4 STATE OF THE BANK'S AFFAIRS

The principal activities of the Bank are to carry out all business undertakings provided in the Financial Institutions Law 2016 ("FIL 2016") Section 52, and in accordance with the CBM's directives, guidelines, and instructions. The Bank faced several challenges in its operations during the financial year ended March 31, 2025. Nevertheless, it successfully navigated these difficulties with support from its various partners. During the financial year, the Bank had the following developments:

A) Resilient Response to Natural Disasters:

Myanmar experienced a series of significant natural disasters, including a 7.7-magnitude earthquake in Mandalay and its surrounding regions, in March 2025, and Typhoon Yagi, which impacted upper Myanmar, particularly Southern Shan State, Mandalay, and the Bago regions, in September 2024. In response, the Bank focused on three key areas: 1) safeguarding the well-being and safety of our employees by conducting immediate needs assessments and post-event inspections; 2) ensuring banking service continuity through activation of our Business Continuity Plan and rapid restoration of operations; and 3) supporting our customers by proactively engaging with those in the affected regions to offer loan restructuring and principal pause programs, while ensuring uninterrupted access to banking services through the operation of branches in accessible areas and the provision of free cash-in, cash-out, and transfer facilities.

A total of 13 branches were impacted and temporarily closed following the earthquake in March 2025. The Bank worked diligently to restore banking services and ensure operational continuity for customers in the affected regions. As a result, 4 branches were reopened after thorough post-earthquake assessments confirmed the structural integrity of the buildings and the safety of staff. Unfortunately, 4 branches were severely damaged requiring complete demolition, while the remaining 5 branches required extensive renovations. No casualties or major injuries were reported among the Bank's employees. However, over 200 staff residences were impacted, ranging from complete destruction to varying degrees of damage. The Bank assisted these employees by conducting post-earthquake assessments and offering financial support for renovations and securing safe, stable housing.

Beyond operational responses, the Bank stood alongside the community by actively engaging in relief efforts, delivering essential supplies and critical support to those affected by the natural disasters, in coordination with various stakeholders. These initiatives underscore our steadfast commitment to our vision of 'Building a Better Myanmar for its People'.

B) Home Loan Remediation Program:

The Bank successfully achieved its target under the Home Loan Remediation Program in December 2024. Nonetheless, the current Home Loan portfolio remains above the regulatory limit as a percentage of the total loan portfolio due to strategic growth in lending while maintaining credit quality. Remediation actions have been defined, communicated to the regulator, and are on track to bring the Home Loan portfolio within the regulatory requirement.

As part of its broader organizational rebuild and transformation, the Bank remains committed to upholding regulatory compliance across all operations.

C) Organizational Rebuild and Transformation:

Under the leadership of the newly appointed Chairman and CEO, the Bank has embarked on a comprehensive organizational rebuild and transformation journey, aligned with its updated Strategic Plan for the coming year, which remains a top priority and is showing promising progress. The new organizational structure is centered on repositioning the Bank to better serve businesses, rebuilding a customer-centric organization, and strengthening strategic partnerships.

In parallel, the Bank is committed to uplifting employee morale and fostering a more agile, effective, and efficient organizational structure. The Leadership Team has taken a proactive approach in regularly communicating the Strategic Plan and key focus areas to staff across all levels, ensuring alignment and a shared understanding of individual roles in achieving the Bank's long-term goals of profitability and its strategic transition toward becoming a business-focused bank.

D) Banking Operations and Service Continuity:

Despite the significant challenges faced in 2024, the Bank's strategic focus on customer support and rebuilding trust led to a positive turnaround in deposit growth. As of the end of March 2025, total deposits stood at MMK 4.278 trillion. In line with its commitment to providing optimal banking services and meeting customer needs, the Bank maintained strong liquidity and a healthy Loan-to-Deposit Ratio (LDR) to ensure financial resilience and support sustainable lending.

Amid ongoing logistics and security challenges, the Cash Management Team played a vital role in maintaining service continuity by ensuring adequate cash reserves across the branch network, thereby supporting customer service standards and operational stability.

E) Digital Banking and Technology Advancements:

The Bank played an active role in the launch of Myanmar Pay in December 2024 and continues to serve as a settlement bank for Wave, reinforcing its strategic position in Myanmar's evolving digital payments ecosystem. In line with its strategic objective to promote digital banking and deliver faster, more efficient financial services, the Bank has continued to strengthen its technology and cybersecurity infrastructure through enhancements to key platforms including the Mobile Banking application and the Business Banking Portal which further improved customer experience.

In the acquiring segment, the Bank implemented a Merchant Management System, enabling the seamless migration of Wave merchants and the successful launch of Myanmar Pay. On the issuing front, the Bank introduced its MasterCard Co-Badged Card in April 2024, further expanding its card product offerings.

5 FINANCIAL PERFORMANCE

In millions	For the year ended March 31, 2025	For the year ended March 31, 2024
	MMK	MMK
Revenue (including interest income, fees and commission income and other income)	452,522.29	401,290.30
Profit before dividend income, depreciation, amortisation, general provision on loans and advances, and tax	13,487.87	51,878.04
Less: Depreciation and amortisation	(10,296.93)	(8,851.86)
Profit before dividend income, general provision on loans and advances and tax	3,190.94	43,026.18
Less: 2% general provision on loan and advances	-	(25,077.62)
Less: Income tax expense	(679.48)	(9,465.72)
Add: Dividend income	5.09	581.97
Profit for the year/period	**2,516.54**	**9,064.81**

6 TRANSFERS TO RESERVES ACCOUNT

During the year ended March 31, 2025 and March 31, 2024, the Bank has transferred the following amounts to the Reserves account in accordance with Section 35 (a) of the FIL 2016, and as required by CBM Notification No. 17/2017.

In millions	For the year ended March 31, 2025	For the year ended March 31, 2024
	MMK	MMK
Reserve for Bad & doubtful debts	-	25,077.62
Statutory reserve account	629.13	8,535.60
Reserve for contingencies	1.00	1.00
Total Reserves	**630.13**	**33,614.22**

7 DIVIDENDS

There has been no dividend proposed by the Board of Directors of the Bank for the year ended March 31, 2025 and March 31, 2024.

8 ISSUANCE AND TRANSFER OF SHARES

There has been no issuance or transfer of shares for the year ended March 31, 2025.

YOMA BANK LIMITED

REPORT OF THE DIRECTORS

9 SHAREHOLDING STRUCTURE

No.	Name	Percentage (%)
1	First Myanmar Investment Public Co., Ltd	66.47%
2	Greenwood Capital Private Limited	19.66%
3	Norfund	10.55%
4	U Zaw Moe Khine	3.32%
TOTAL		**100.00%**

10 RISK AND UNCERTAINTIES

During the FY 2024–2025, the Bank navigated extraordinary macroeconomic conditions, which contributed to an upward trend in key risk categories, particularly operational risk, credit risk, and human capital risk, driven by rising fraudulent activities, natural disasters, talent attrition, and ongoing domestic conflicts. In contrast, regulatory compliance risk, liquidity and funding risk, market risk, and reputational risk remained stable, supported by the proactive stance in regulatory engagement and vigilant monitoring of the evolving economic landscape. Technology and project risk, along with capital risk, showed a positive trend as a result of enhanced oversight and the implementation of targeted treatment plans. Despite fluctuations in the Non-Performing Loan (NPL) trend throughout the year, the Bank successfully reduced NPLs within regulatory limits by the end of FY 2024–2025. This enhancement in asset quality had a positive impact on profitability, aided by a net release in credit provisions and recoveries from major large exposures.

Nevertheless, the Bank anticipates potential headwinds arising from ongoing global economic trends, external volatility, and evolving regulatory expectations. The Bank remains committed to managing key risks in alignment with Risk Appetite Statement approved by the Board of Directors. As part of its dynamic risk management framework, quarterly material risk assessments, accompanied by targeted mitigation plans, will be conducted and presented to the Risk Oversight Committee to ensure effective oversight and responsiveness to emerging risks.

11 AUDITOR

The financial statements have been audited by Win Htut Aung, Certified Public Accountant of V Advisory Limited.

On behalf of the Board of Directors,

Tun Myat
Chairman

Kyi Aye
Director

Date: May 30, 2025

YOMA BANK LIMITED

STATEMENT OF THE DIRECTORS

The directors are pleased to submit their statement to the members, together with the audited statement of financial position of Yoma Bank Limited (the "Bank") as at March 31, 2025, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows together with the notes to the financial statements for the year ended March 31, 2025. These have been prepared in accordance with the Myanmar Companies Law (the "Law") and Myanmar Financial Reporting Standards ("MFRSs") as issued by the Myanmar Accountancy Council ("MAC") and as modified by the provisions of the Financial Institutions Law 2016 ("FIL 2016") (collectively known as "the Regulations").

In the opinion of the directors, the statement of financial position, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows of the Bank, together with the notes thereon, as set out on pages 9 to 51, present fairly, in all material aspects, the financial position of the Bank as at March 31, 2025, and the financial performance, changes in equity and cash flows of the Bank for the year ended March 31, 2025 and at the date of this statement, there are reasonable grounds to believe that the Bank will be able to pay its debts when they fall due.

On behalf of the Board of Directors,

....	....
Tun Myat	Kyi Aye
Chairman	Director

Date: May 30, 2025

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF YOMA BANK LIMITED

Opinion

We have audited the accompanying financial statements of Yoma Bank Limited (the Bank or the Company), which comprise the statement of financial position as at March 31, 2025, the statement of profit or loss and other 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 9 to 51.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at March 31, 2025, and of its financial performance and its cash flows for the year then ended in accordance with Myanmar Financial Reporting Standards (MFRSs), the provisions of Myanmar Companies Law 2017 and Financial Institutions Law 2016.

Basis for Opinion

We conducted our audit in accordance with the International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Myanmar Companies Law 2017 Section 279(d) and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code), together 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.

Information Other than the Financial Statements and Auditor's Report Thereon

The directors are responsible for the information other than the financial statements and auditor's report thereon (other information). The other information obtained at the date of this auditor's report is the report of the directors and the statement of the directors.

Accordingly, our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information as provided by the directors and the Bank and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

The management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs and for such internal control as the directors determine is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the 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 the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Bank's financial reporting process.

Auditor's 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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also: -

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw

attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Bank to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the Bank audit. We remain solely responsible for our audit opinion.

We communicate with the management and those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. From the matters communicated with the management and those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with Section 280 (b) of Myanmar Companies Law 2017, we also report that:

- We have obtained all the information and explanations we have required;
- In our opinion, the financial statements referred to in the report are drawn up in conformity with applicable law;
- To the best of information and the explanations given to us and as shown by the books of the Company, the financial statements exhibit a true and fair view of the state of the Company's affairs; and
- In our opinion, financial records have been kept by the Company as required by and in accordance with Chapter 24 of Myanmar Companies Law.

In accordance with Section 89 of the Financial Institutions Law 2016, we also report that: -

- In our opinion, the statement of financial position (balance sheet) and the statement of profit or loss and other comprehensive income (profit and loss account) are, in all material respects, full and fair and properly drawn up;
- To the best of information and the explanations given to us and as shown by the books of the Company, the financial statements express completely and correctly the state of affairs of the Bank; and
- The information obtained from the officers or agents of the Bank is satisfactory.

Win Htut Aung
Certified Public Accountant
Professional Accountant in Public Practice Registration No. 66
V Advisory Limited | Firm-name Registration No. ACC-010

Date: May 30, 2025

YOMA BANK LIMITED

STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2025

In millions	Note	March 31, 2025	March 31, 2024
		MMK	MMK
ASSETS			
Cash on hand and with central bank	8	369,003.09	449,748.10
Cash and balances with other banks	8	629,316.18	147,954.37
Interbank placements		136,472.00	95,406.40
Government treasury bill & securities	9	815,456.18	720,516.88
Equity securities	9	2,630.68	2,630.68
Loans and advances, net	10	2,370,967.53	3,370,206.83
Property and equipment	11	191,719.21	183,290.85
Software, licenses and rights	12	3,480.02	4,721.15
Other assets	13	106,111.53	121,529.12
Total assets		4,625,156.42	5,096,004.38
LIABILITIES			
Interbank deposits		5,234.38	187.97
Due to non-bank customers	14	4,272,613.18	4,703,973.36
Interbank borrowings		-	36,648.00
Accruals and other liabilities	15	43,700.66	54,103.39
Total liabilities		4,321,548.22	4,794,912.72
EQUITY			
Share capital	16	86,260.44	86,260.44
Share premium	16	30,130.00	30,130.00
Reserves	17	121,289.13	120,658.99
Retained earnings		65,928.63	64,042.23
Total equity		303,608.20	301,091.66
Total liabilities and equity		4,625,156.42	5,096,004.38
OFF-BALANCE SHEET			
Contingent liabilities	25	22,419.34	29,313.79
Commitments	26	92,786.05	123,087.48

On behalf of the Board of Directors,

Tun Myat	Kyaw Soe Lin	Pwint Thawdar Maung
Chairman	Chief Executive Officer	Chief Financial Officer

Date: May 30, 2025

The accompanying notes form part of the financial statements

YOMA BANK LIMITED

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED MARCH 31, 2025

In millions	Note	For the year ended March 31, 2025	For the year ended March 31, 2024
		MMK	MMK
Interest income	18	415,033.56	342,100.00
Interest expense	18	(315,904.21)	(255,292.32)
Net interest income		99,129.35	86,807.68
Fees and commission income	19	25,113.38	31,068.31
Other income	20	12,380.44	28,703.96
Non-interest income		37,493.82	59,772.27
Income before operating expenses		136,623.17	146,579.95
General and administrative expense	21	(24,612.13)	(23,473.35)
Personnel expense	22	(53,270.14)	(51,936.36)
Rent expense		(10,347.19)	(7,822.66)
Depreciation and amortisation	11,12	(10,296.93)	(8,851.86)
(Allowance)/Write-back for impairment on loans and advances	10	7,751.21	2,214.79
(Allowance)/Write-back for impairment on repossessed properties	13	259.11	2,281.63
Writeback/(Allowance) for impairment on restructured loans and advances	10	346.80	(71.14)
2% general provision on loan and advances	17	-	(25,077.62)
Other expenses	23	(43,257.88)	(15,312.85)
Total expenses		(133,427.15)	(128,049.42)
Profit before tax		3,196.02	18,530.53
Income tax expense	24	(679.48)	(9,465.72)
Profit for the year/period		2,516.54	9,064.81
Total comprehensive income for the year/period		2,516.54	9,064.81

On behalf of the Board of Directors,

Tun Myat
Chairman

Kyaw Soe Lin
Chief Executive Officer

Pwint Thawdar Maung
Chief Financial Officer

Date: May 30, 2025

The accompanying notes form part of the financial statements

YOMA BANK LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED MARCH 31, 2025

In millions	Share capital	Share premium	Reserves	Retained earnings	Total
	MMK	MMK	MMK	MMK	MMK
Balance at April 01, 2023	86,260.44	30,130.00	87,044.77	63,514.02	266,949.23
Amount transferred to statutory reserves	-	-	8,535.60	(8,535.60)	-
Amount transferred to reserve for contingencies	-	-	1.00	(1.00)	-
Reserve for general provision on loans and advances	-	-	25,077.62	-	25,077.62
	86,260.44	30,130.00	120,658.99	54,977.42	292,026.85
Total comprehensive income for the year					
Profit for the year	-	-	-	9,064.81	9,064.81
Balance at March 31, 2024	86,260.44	30,130.00	120,658.99	64,042.23	301,091.66
Amount transferred to statutory reserves	-	-	629.13	(629.13)	-
Amount transferred to reserve for contingencies	-	-	1.00	(1.00)	-
Reserve for general provision on loans and advances	-	-	-	-	-
	86,260.44	30,130.00	121,289.13	63,412.09	301,091.66
Total comprehensive income for the year					
Profit for the year	-	-	-	2,516.54	2,516.54
Balance at March 31, 2025	86,260.44	30,130.00	121,289.13	65,928.63	303,608.20

The accompanying notes form part of the financial statements

YOMA BANK LIMITED

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2025

In millions	For the year ended March 31, 2025	For the year ended March 31, 2024
	MMK	MMK
Cash flows from operating activities		
Profit before tax	3,196.02	18,530.53
Adjustment for:		
Depreciation and amortisation	10,296.94	8,851.86
Interest from investment securities	(54,867.05)	(68,506.87)
Allowance/ (Write-back) for impairment on loans and advances, net	(7,751.21)	(2,214.79)
Allowance / (Write-back) for impairment on repossessed properties	(259.11)	(2,281.63)
(Write-back) / Allowance on restructured loans and advances	(346.80)	71.14
Write-offs/Reclassification of property and equipment and software, licenses and rights	497.44	350.08
Dividend income	(5.09)	(581.97)
Loss/(Gain) on disposal of property and equipment	(187.68)	10.58
2% general provision on loans and advances	-	25,077.62
Operating cash flows before movements in working capital	(49,426.54)	(20,693.45)
Movements in working capital:		
Interbank placements	-	69,475.00
Loans and advances, net	1,007,337.31	(1,260,339.33)
Other assets	18,055.88	(21,103.51)
Due to non-bank customers and interbank deposits	(426,313.77)	1,194,263.84
Interbank borrowings	(36,648.00)	6,373.00
Accruals and other liabilities	(1,616.53)	(131.49)
Cash generated from operations	511,388.35	(32,155.94)
Dividends received	5.09	581.97
Income tax paid	(7,328.97)	(5,687.03)
Net cash provided by operating activities	504,064.47	(37,261.00)
Cash flows from investing activities		
Acquisition of property and equipment	(17,609.66)	(21,896.51)
Acquisition of software, licenses and rights	(378.22)	(1,240.64)
Acquisition of investment securities	(407,622.64)	(637,341.56)
Proceeds from disposal of investment securities	320,707.75	728,450.00
Interest income from investment securities	42,326.75	45,485.59
Proceeds from disposal of property and equipment	193.95	8.51
Net cash (used in) investing activities	(62,382.07)	113,465.39
Net (decrease)/increase in cash and cash equivalents	441,682.40	76,204.39
Cash and cash equivalents at beginning of the year/ period	693,108.87	616,904.48
ash and cash equivalents at end of the year/ period (Note 8)	1,134,791.27	693,108.87

The accompanying notes form part of the financial statements

1. GENERAL

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

The registered office of the Bank is located at No. 14, Kyaik Khauk Pagoda Road, Star City, Thanlyin Township, Yangon, Myanmar.

There have been no significant changes in the nature of the principal activities during the financial period. The financial statements are expressed in Myanmar Kyats ("MMK") and all values are presented in million, except otherwise stated.

The financial statements of the Bank for the year ended March 31, 2025 were authorised for issue by the Board of Directors on May 31, 2025.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Statement of compliance

The financial statements have been prepared in accordance with the provisions of the Myanmar Companies Law (the "Law") and Myanmar Financial Reporting Standards ("MFRSs") as issued by the Myanmar Accountancy Council ("MAC") and as modified by the provisions of the FIL 2016 (collectively known as "the Regulations"). Should there be any conflict among the Regulations, the provisions of the FIL 2016, including notifications and instructions issued by CBM, will take precedence over MFRSs pursuant to Section 175 of the FIL 2016. Please refer to Notes 2.4.4, 2.4.5 and 2.13 for further details, where the requirements of CBM, which take precedence, were applied in respect of fair valuation of available-for-sale equity investments, impairment of loans and advances and fair valuation of land and buildings, respectively.

2.2 Basis of preparation

The financial statements have been prepared on the historical cost basis except for the revaluation of certain land and buildings, and financial instruments that are measured at revalued amounts or fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

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

2.3 Financial instruments

Financial assets and financial liabilities are recognised on the Bank's statement of financial position when the Bank becomes a party to the contractual provisions of the instruments.

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

2.3.1 Effective interest method

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

Interest income are recognised on an effective interest basis for debt instruments other than those financial assets and liabilities classified as at Fair Value Through Profit or Loss ("FVTPL").

2.4 Financial assets

Financial assets are classified into the following specified categories: financial assets 'at Fair Value Through Profit or Loss' ("FVTPL"), 'Held-To-Maturity' investments, 'Available-For-Sale' ("AFS") financial assets and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

2.4.1 Financial assets at FVTPL

Financial assets are classified as at FVTPL when the financial asset is either held for trading or it is designated as at FVTPL.

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Bank manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial asset other than a financial asset held for trading may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or

2.4.1 Financial assets at FVTPL (CONT'D)

- the financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Bank's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or

- it forms part of a contract containing one or more embedded derivatives, and MAS 39 permits the entire combined contract to be designated as at FVTPL.

Financial assets at FVTPL are stated at fair value, with any gains or losses arising on re-measurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'other income' and 'other expenses' line items. Fair value is determined in the manner described in Note 4.2.

2.4.2 Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity dates that the Bank has the positive intent and ability to hold to maturity. Subsequent to initial recognition, held-to-maturity investments are measured at amortised cost using the effective interest method less any impairment.

2.4.3 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 loan and advances and interbank placements) 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.

2.4.4 Available-for-sale financial assets (AFS financial assets)

AFS financial assets are non-derivatives that are either designated as AFS or are not classified as (a) loans and receivables, (b) held-to-maturity investments or (c) financial assets at FVTPL.

Available-for-sale financial assets are subsequently carried at fair value if the fair value can be reliably estimated using valuation techniques supported by observable market data, otherwise, those assets will be carried at cost less impairment loss.

Fair value changes to be recorded for available-for-sale financial assets are subject to approval from the CBM. The Bank is currently holding these investment securities at cost and if revaluation were to be made, the Bank will seek approval from the CBM on measuring certain available-for-sale financial assets at fair value based on applicable observable market data.

AFS equity investments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured and must be settled by delivery of such unquoted equity investments are measured at cost less any identified impairment losses at the end of each reporting period.

2.4 Financial assets (CONT'D)

2.4.5 Impairment of financial assets

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

For AFS equity investments, a significant or prolonged decline in the fair value of the security below its cost is considered to be objective evidence of impairment.

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 a default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation; or
- the disappearance of an active market for that financial asset because of financial difficulties.

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

The carrying amount of the financial asset is reduced by the impairment loss directly for financial assets of loans and advances, where the carrying amount is reduced through the use of an allowance account. When loans and advances are considered uncollectable, they are 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.

For financial assets carried 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 recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the financial assets at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

When an AFS financial asset is considered to be impaired, cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss in the period.

In respect of AFS equity securities, impairment losses previously recognised in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognised in other comprehensive income and accumulated under the heading of investments revaluation reserve. In respect of AFS debt securities, impairment losses are subsequently reversed through profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss.

2.4 Financial assets (CONT'D)

2.4.5 Impairment of financial assets (CONT'D)

2.4.5.1 Specific provision on loans and advances

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

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

The above is only a minimum requirement and management may provide additional provision over and above the minimum requirement.

Effective June 23, 2023, the Bank adopted a stricter provision policy for Digital Credit loans due to the fact that these are unsecured credits. Accordingly, the provision rate applied for Digital Credit loans are as follows:

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

2.4.5.2 General provision on loans and advances

Pursuant to CBM Notification No. 17/2017, Asset Classification and Provisioning Regulations and Letter No.2621/ Ka Ka(1)/3/507/2018-2019 dated May 10, 2019, the Bank is required to maintain a general loan loss reserve equivalent to 2% of the total outstanding loans and advances with a corresponding charge to profit or loss.

2.4.6 Derecognition of financial assets

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

2.4 Financial assets (CONT'D)

2.4.7 Write-off

Financial assets written off are charged to specific provision when the Bank has no reasonable expectation of recovering the asset. Subsequent recoveries are recognised in profit or loss. Financial assets written off may still be subject to enforcement activities under the Bank's recovery procedures, taking into account legal advice where appropriate.

2.5 Financial liabilities and equity instruments

2.5.1 Classification as debt or equity

Financial liabilities and equity instruments issued by the Bank are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

2.5.2 Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Bank are recognised at the proceeds received, net of direct issue costs.

2.6 Financial liabilities

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

2.6.1 Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is either held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading if:
- it has been incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Bank manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Bank's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and MAS 39 permits the entire combined contract to be designated as at FVTPL.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'other income' and 'other expenses' line items. Fair value is determined in the manner described in Note 4.2.

2.6 Financial liabilities (CONT'D)

2.6.2 Other financial liabilities

Other financial liabilities are subsequently measured at amortised cost using the effective interest method.

2.6.3 Derecognition of financial liabilities

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

2.6.4 Offsetting of financial instruments

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when the Bank currently has a legally enforceable right to set off the recognised amount and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.7 Cash and cash equivalents in the statement of cash flows

Cash and cash equivalents in the statement of cash flows comprise of cash on hand, cash balances with banks, non-restricted current accounts with CBM and interbank placements with maturity of three months or less from the date of acquisition that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

2.8 Revenue recognition

2.8.1 Interest income and expense

Income and expense are recognised on an effective interest basis for debt instruments other than those financial instruments at FVTPL. In accordance to the CBM Notification No. 17/2017 Assets Classification and Provisioning Regulations, all interest income from non-performing loans are suspended and recorded under "Other assets" and shall only be recognised as income when the interest has been collected by the Bank.

2.8.2 Fees and commission income

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

2.8.3 Dividend income

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

2.9 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

2.9.1 The Bank as lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic

2.9.1 The Bank as lessee (CONT'D)

benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

2.10 Foreign currency transactions and translation

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

In preparing the financial statements for the Bank, transactions in currencies other than the Bank's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of the reporting year, monetary items denominated in foreign currencies are retranslated at the rates according to CBM's directive of year-end closing exchange rate, which is issued on March 31, 2025 (2024: rate prevailing as at period end). Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

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

2.11 Employee benefits

2.11.1 Short-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

2.11.2 Definded contribution plan

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

2.11.3 Share-based payment arrangement

The Bank issues cash-settled share-based payments to certain employees.

For cash-settled share-based payments, a liability is recognised for the goods or services acquired, measured initially at the fair value of the liability. At the end of each reporting period until the liability is settled, and at the date of settlement, the fair value of the liability is remeasured, with any changes in fair value recognised in profit or loss for the period.

2.12 Taxation

Income tax expense represents the tax currently payable.

The tax currently payable is based on taxable profit for the year/period. Taxable profit differs from profit as reported in the statement of profit or loss and other comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or tax deductible. The Bank's liability for current tax is calculated using tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Current tax is recognised as an expense in profit or loss.

2.13 Property and equipment

Property and equipment, other than land and buildings, are stated at historical cost less accumulated depreciation and accumulated impairment in value, following the cost model.

With effect from September 2020, the Bank applied the CBM approved revaluation model for its land and buildings where fair values of land and buildings are as determined and approved by CBM. Future revaluations will be made based on fair values as determined and approved by CBM.

Pursuant to CBM Instruction No. 3954/AA(1)/3/797/2018-2019 dated September 23, 2019, total revaluation gain on land and buildings was determined by taking 40% of the difference between the carrying amount and the average of the fair value determined by an independent appraiser as at January 2018 and the Inland Revenue Office.

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

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

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

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

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

2.13 Property and equipment (CONT'D)

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

The gain or loss arising on disposal or retirement of an item of property and equipment is determined as the difference between the sales proceeds and the carrying amounts of the asset and is recognised in profit or loss.

2.14 Software, licenses and rights

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

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

2.15 Impairment of non-financial assets

At the end of each reporting period, the Bank 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 Bank 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 cash flows 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 cash flows 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 the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

2.16 Provisions

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

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

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

2.17 Deferred revenue from performance and trade guarantees

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

The commission received is recognised in profit or loss under "Fees and commission income" on a straight-line basis over the life of the guarantee.

2.18 Adoption of new and revised standards

There have been no new/revised MFRSs and Interpretations of MFRSs adopted by the Myanmar Accountancy Council during the period.

In March 2023, MAC issued Notifications No. 16/2023 requiring the adoption of International Financial Reporting Standards ("IFRS") by Public Interest Entities ("PIE") and either IFRS or IFRS for Small and Medium Sized-Entities ("IFRS for SMEs") by non-PIE, respectively, from fiscal period 2027-2028.

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Bank's accounting policies, which are described in Note 2, the directors of the Bank are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period 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.

3.1 Critical judgements in applying accounting policies

In the process of applying the Bank's accounting policies, which are described in Note 2 to the financial statements, the management did not make any critical judgements that have a significant effect on the amount recognised in the financial statements.

3.2 Key sources of estimation uncertainty

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

3.2.1 <u>Impairment losses on loans and advances</u>

The Bank 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 judgement 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. The Bank recognises an impairment loss equivalent to the security shortfall of each individual loan, in accordance with the requirement under the CBM Notification No. 17/2017 including its annexure on the criteria for the valuation of security and collateral.

The net carrying amount of loans and advances at the end of the reporting period was MMK 2,370,967.53 million (March 31, 2024: MMK 3,370,206.83 million) after impairment losses on loans and advances of MMK 8,449.15 million (March 31, 2024: MMK 34,472.14 million) were recognised. Details of the impairment losses on loans and advances are provided in Note 10 to the financial statements.

3.2.2 <u>Specific provision for restructured loan portfolios</u>

In view of the current situation in Myanmar where banking operations and repayment channels are disrupted, the Bank launched 'Customer Assist Program' for all performing loans which are less than 90 days past due upon borrowers application basis. Borrowers under this program are allowed to defer either principal and/or interest repayment or principal reduction based on the type of pause programs. 'Short-term Relief Program' was offered until December 31, 2021. After the 'Short-term Relief Program', significant number of customers has gone back to normal repayment. However, some of the customers are moving on to the 'Medium-term Relief Program'. The Bank evaluated the possible losses for financial assets under the program by taking into account past events, current conditions/trends and economic outlooks and has applied additional provision rates for these borrowers as they are deemed of higher risks. The provision rates are disclosed under Note 2.4.5.1.

The reversal amount of specific provision on restructured loan portfolio at the end of the reporting period was MMK 346.80 million (March 31, 2024: allowance of MMK 71.14 million). Details of the specific provision for restructured loan portfolios are provided in Note 10 to the financial statements.

3.2.3 <u>Uncertain tax positions</u>

The Bank is subject to income taxes in Myanmar. In determining income tax liabilities, management is required to estimate the amount of 2% general loan loss provision and the deductibility of certain expenses ("uncertain tax positions").

There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Bank recognises liabilities for anticipated tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, the Bank makes adjustment for such differences in the income tax of the period in which such determination is made.

4. FINANCIAL ASSETS AND LIABILITIES

4.1 Categories of financial assets and liabilities

The following table sets out the financial assets and liabilities as at the end of the reporting period.

In millions	March 31, 2025	March 31, 2024
	MMK	MMK
Financial Assets		
Cash on hand and at banks	998,319.27	597,702.47
Loans and receivables:		
Interbank placements	136,472.00	95,406.40
Loans and advances, net	2,370,967.53	3,370,206.83
Other assets	42,945.57	39,533.66
Available for sale investments:		
Investment securities	818,086.86	723,147.56
	4,366,791.23	4,825,996.92

	March 31, 2025	March 31, 2024
	MMK	MMK
Financial Liabilities		
Other financial liabilities at amortised cost:		
Due to non-bank customers	4,272,613.17	4,703,973.36
Interbank deposits	5,234.38	187.97
Interbank borrowings	-	36,648.00
Accruals and other liabilities	38,572.99	43,549.70
	4,316,420.54	4,784,359.03

4.2 Fair value of financial assets and liabilities

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

The unquoted equity investments classified as available-for-sale, are carried at cost, less impairment because the fair value cannot be reliably estimated using valuation techniques supported by observable market data determined.

Management considers that the carrying amounts of the financial assets and liabilities of the Bank recorded as amortised cost in the financial statements approximates their fair value, due to the relative short-term maturity of those financial instruments or the interest rate is frequently reviewed.

5. FINANCIAL RISK MANAGEMENT

The Bank's financial risk management policies seek to ensure that adequate financial resources are available for the development of the Bank's business while managing its risks. The Bank's activities are principally related to extending loans and advances, accepting deposits and carrying out transactions. These expose the Bank 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 Bank's business. The Bank adopts the risk management set out in accordance to the risk appetite of the Bank, which encompass a variety of controls and reporting processes. These not only include risk parameters for the various financial

5. FINANCIAL RISK MANAGEMENT (CONT'D)

instruments that the Bank may undertake, but also directions on the types of business that the Bank may engage in, guidelines for the acceptance of customers for all types of financial instruments and terms under which customer business is conducted.

The Bank's Board of Directors have delegated operational authority for asset/liability management and managing of market risks to the Asset/Liability Committee ("ALCO"). The ALCO seeks to identify, measure, and manage the key risk exposures to market prices, interest rates, foreign exchange rates, liquidity and capital adequacy within the Bank's desired risk appetite in accordance with the Bank's Asset Liability Management ("ALM") policy.

The Bank believes that it has effective processes in place to identify, measure, monitor and ultimately, mitigate these financial risks. There has been no change to the Bank's exposure to these financial risks or the manner in which it manages and measures the risk.

5.1 Credit Risk

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

The Bank employs 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 a common practice. The Bank implements guidelines on the acceptability of specific classes of collateral or credit risk mitigation. The principal collateral types for loans and advances include charges over land and buildings, equipment, contract financing, guarantees, project contracting and residential properties.

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

The fair value of collateral is valued by an independent assessor is based on valuation techniques commonly used for the corresponding assets, done before the inception of the loan and advances. Loans are usually given between the margins of 50% to 70% of the Forced Sale Value, which is also independently estimated. There is periodic revaluation of the collaterals in subsequent periods and 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 centralised with the Credit Committee, which reports 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 borrowers to meet interest and capital repayment obligations and by changing these lending limits where appropriate.

The Bank's policy requires 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.

Credit-related commitments risks

The Bank makes available to its customers guarantees that may require that the Bank makes payment on their behalf and enters into commitments to extend credit lines to secure their liquidity

5.1 Credit Risk (CONT'D)

needs. Letters of credit and guarantees commit the Bank to make payments on behalf of customers in the event of a specific act, generally related to the import or export of goods. Such commitments expose the Bank to similar risks to loans and are mitigated by the same control processes and policies.

Maximum exposure to credit risk

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

In millions	March 31, 2025	March 31, 2024
	MMK	MMK
Cash and balances with central bank and other banks	798,336.87	382,714.43
Interbank placements	136,472.00	95,406.40
Government treasury bill & securities	815,456.18	720,516.88
Equity securities	2,630.68	2,630.68
Loan and advances, net	2,370,967.53	3,370,206.83
Other assets	42,945.57	39,533.66
Off-balance sheet		
Contingent liabilities	22,419.34	29,313.79
Undrawn loan commitments	88,677.12	119,668.19
Total maximum exposure to credit risk	4,277,905.29	4,759,990.86

Collateral and other credit enhancements

In respect of the Bank's deposits with other banks, the Bank considers the exposure to credit risk to below as these deposits are placed with credit-worthy financial institutions.

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

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

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

5.1 Credit Risk (CONT'D)

As at March 31, 2025 and 2024, the fair value of collateral that the Bank holds relating to impaired loans with specific provision under the Loss category amounts to MMK 3.00 billion and MMK 6.48 billion, respectively.

Credit risk by industry

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

In millions	March 31, 2025	March 31, 2024
	MMK	MMK
Trading	974,987.00	1,164,278.40
Manufacturing	603,121.99	769,617.12
Service	267,671.40	528,662.16
Housing loan	265,890.57	539,113.85
General & Hire purchase	85,896.48	154,564.34
Agricultural	69,215.49	81,969.21
Trade Finance	48,086.04	56,188.90
Construction	33,975.10	36,761.10
Transportation	31,696.95	37,768.18
Digital credit	1,844.55	37,550.15
Total	2,382,385.58	3,406,473.41
Partial payments on NPLs	(2,968.90)	(1,794.44)
Specific allowance	(8,449.15)	(34,472.14)
	2,370,967.53	3,370,206.83

In millions	March 31, 2025	March 31, 2024
	MMK	MMK
Undrawn loan commitments:		
Trading	38,150.21	63,908.19
Manufacturing	29,129.52	20,791.92
Trade Finance	12,673.96	23,827.50
Service	5,369.85	8,304.96
Construction	2,431.41	1,620.10
Agricultural	588.57	858.26
Transportation	333.60	357.26
	88,677.12	119,668.19

5.1 Credit Risk (CONT'D)

Credit quality of loans and advances

The Bank adopts an internally developed credit rating scale, which generally corresponds to the classification set out in the CBM Notification No. 17/2017 *Asset Classification and Provisioning Regulations*. The following table sets out the credit classification of the Bank's loans and advances as at March 31, 2025 and March 31, 2024.

In millions	March 31, 2025	March 31, 2024
	MMK	MMK
Neither past due nor impaired	2,215,905.39	3,180,277.81
Past due but not impaired		
Standard	44,248.52	56,829.40
Watch	10,234.14	7,496.38
Substandard	3,666.71	6,345.69
Doubtful	8,539.40	1,342.14
Loss	85,845.92	89,572.51
Total past due but not impaired	152,534.68	161,586.12
Loans with specific provision		
Standard	333.84	16,790.69
Watch	1,274.97	10,462.33
Substandard	1,923.48	681.98
Doubtful	3,728.44	2,022.73
Loss	6,684.78	34,651.75
Total loans with specific provision	13,945.51	64,609.48
	2,382,385.58	3,406,473.41

All other financial assets are neither past due nor impaired as of reporting date.

5.2 Liquidity Risk

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

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

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

As part of its liquidity risk management framework set by CBM regulations and the ALCO, the Bank is required to maintain adequate liquid assets to manage its short-term liquidity. The Bank relies for its short-term liquidity on investments in government securities, interbank placements and holding cash reserves. This serves to ensure full cash inflows are available to meet customer withdrawals upon maturity or earlier.

5.2 Liquidity Risk (CONT'D)

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

	March 31, 2025			
In millions	Less than 1 Year	More than 1 Year	No specific for maturity	Total
	MMK	MMK	MMK	MMK
Non-derivative financial assets				
Cash on hand and at banks	798,336.87		199,982.40	998,319.27
Interbank placements	136,472.00		-	136,472.00
Loans and advances, net	2,370,967.53		-	2,370,967.53
Investment securities	301,179.30	514,276.88	2,630.68	818,086.86
Other assets	42,829.36	116.21	-	42,945.57
Total	3,649,785.06	514,393.09	202,613.08	4,366,791.23
Non-derivative financial liabilities				
Due to non-bank customers	4,272,613.17	-	-	4,272,613.17
Interbank liabilities	5,234.38	-	-	5,234.38
Accruals and other liabilities	38,572.99	-	-	38,572.99
Total	4,316,420.54	-	-	4,316,420.54

	March 31, 2024			
In milliions	Less than 1 Year	More than 1 Year	No specific for maturity	Total
	MMK	MMK	MMK	MMK
Non-derivative financial assets				
Cash on hand and at banks	382,714.43	-	214,988.04	597,702.47
Interbank placements	95,406.40	-	-	95,406.40
Loans and advances, net	3,370,206.83	-	-	3,370,206.83
Investment securities	305,320.04	415,196.84	2,630.68	723,147.56
Other assets	39,400.48	133.18	-	39,533.66
Total	4,193,048.18	415,330.02	217,618.72	4,825,996.92
Non-derivative financial liabilities				
Due to non-bank customers	4,703,973.36	-	-	4,703,973.36
Interbank liabilities	187.97	-	-	187.97
Interbank borrowings	36,648.00	-	-	36,648.00
Accruals and other liabilities	43,549.70	-	-	43,549.70
Total	4,784,359.03	-	-	4,784,359.03

5.2 Liquidity Risk (CONT'D)

The Bank monitors and maintains a level of bank balances deemed adequate by the directors to finance the operation and mitigate the effects of fluctuation in cash flow. In addition, the Bank maintains a statutory deposit with the CBM which should not be less than 3% of deposits (Note 8). The Bank regularly monitors its liquidity position to ensure also compliance with the 70% to 80% loan to deposit ratio (with upper limit of 80% for strict compliance) as mandated by the CBM as per Financial Institutions Supervision Department ("FISD") Instruction No. (1/2008). The loan to deposit ratios during the year are as follows:

	March 31, 2025	March 31, 2024
Year-end	55.69%	72.41%
Maximum	69.84%	75.40%
Minimum	55.69%	58.27%
Average	61.05%	66.24%

The Bank's liquidity ratios as of March 31, 2025 and 2024 were 49.31% and 34.20% , respectively, and hence more than 20% requirement of the CBM as per Notification No. (19/2017).

On August 30, 2024, CBM has issued Instruction No. 10/2024 for the temporary amendment in percentage of securities with more than one year maturity to be increased from 50% to 100% in the calculation method of liquidity ratio, and is effective from September 1, 2024 until August 31, 2025. As at March 31, 2025, the Bank is in compliance with the said instruction.

5.3 Interest Rate Risk

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

The Bank is not significantly exposed to interest rate risk since all of its financial assets and liabilities are subject to fixed interest rates. No sensitivity analysis is prepared as the Bank does not expect any material effect on the Bank's profit or loss and equity arising from the effects of reasonably possible changes to interest rates on interest bearing financial instruments at the end of the reporting period.

5.4 Foreign Exchange Risk

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

Foreign exchange risk is managed through policies and risk limits such as exposure by currency, which are regularly monitored by the ALCO of the Bank.

Presented below is the Net Open Position (NOP) of the Bank as of March 31, 2025 and 2024, respectively, based on CBM's instruction No. (06/2019) dated February 11, 2019 (maximum 20% as per instruction)

5.4 Foreign Exchange Risk (CONT'D)

	March 31, 2025		
In millions	Assets	Liabilities	Net open position
	MMK	MMK	MMK
United States Dollar	113,513.41	81,263.65	32,249.77
Euro	4,070.37	3,079.17	991.20
Singapore Dollar	1,725.24	135.26	1,589.98
Japanese Yen	-	-	-
Others	4,784.61	3,715.43	1,069.18
Total	124,093.63	88,193.51	35,900.13
Total Tier I capital	224,299.17		

	March 31, 2024		
In millions	Assets	Liabilities	Net open position
	MMK	MMK	MMK
United States Dollar	208,823.55	181,435.33	27,388.22
Euro	2,089.22	1,150.39	938.83
Singapore Dollar	1,289.77	719.50	570.27
Japanese Yen	140.83	-	140.83
Others	10,897.56	9,016.90	1,880.66
Total	223,240.93	192,322.12	30,918.81
Total Tier I capital	221,783.63		

5.4 Foreign exchange risk

NOP ratios as a percentage of Tier I capital as of March 31, 2025 and 2024 are as follows:

	March 31, 2025	March 31, 2024
NOP ratio	16.01%	13.94%

Currency sensitivity

The following table details the sensitivity to a change in the relevant foreign currencies against the functional currency of the Bank. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusted for their translation at the period end for the change in foreign currency rates below.

The following table sets out the increase (decrease) to the Bank's profit before tax arising from a 10% appreciation of the relevant foreign currency against the functional currency of the Bank. A 10% depreciation will have the opposite impact to the Bank's profit before tax.

In millions	March 31, 2025	March 31, 2024
	MMK	MMK
USD	3,224.98	2,738.82
EUR	99.12	93.88
SGD	159.00	57.03
JPY	-	14.08
Others	106.92	188.07

Currency sensitivity (CONT'D)

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

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 organisation.

It is recognised that such risks can never be entirely eliminated and that the cost of controls in minimising 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 reinforcing 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 unintended or unexpected legal consequences. It includes risk arising from:

- Inadequate documentation, legal or regulatory incapacity, insufficient authority of a counterparty and uncertainty about the validity or enforceability of a contract in counterparty insolvency. Actual or potential violations of law or regulation (including activity unauthorised for a bank and which may attract a civil or criminal fine or penalty);

- Failure to protect the Bank's property; possibility of civil claims (including acts or other events which may lead to litigation or other disputes); and loss or increased charges associated with changes in, or errors in the interpretation of, taxation rates or law.

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

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

6. CAPITAL MANAGEMENT

The objectives of the Bank's capital management are to maintain an optimal level of capital, which is adequate to support business growth, commensurate with the Bank's risk profile and meet the regulatory requirements. The management of capital funds is centralised in the Treasury department and monitored daily by the Finance department.

In millions	March 31, 2025	March 31, 2024
	MMK	MMK
Tier 1 capital	224,299.17	221,783.63
Less: Related Party lending	101.81	127,686.67
Total Tier 1 Capital	224,197.36	94,096.96
Tier 2 capital	44,434.83	51,783.52
Total capital	268,632.20	145,880.48
Risk weighted assets	2,666,421.71	3,254,316.94
Tier 1 capital ratio	8.41%	2.89%
Capital adequacy ratio (CAR)	10.07%	4.48%
Minimum tier 1 CAR	4.00%	4.00%
Minimum regulatory CAR	8.00%	8.00%

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

As of March 31, 2025, the Bank is compliant with the CAR requirement as per CBM notification 16/2017 dated July 7, 2017.

The Bank's overall strategy for capital management remains unchanged from March 31, 2024.

7. RELATED PARTY TRANSACTIONS

Compensation of Key Management Personnel

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

The following table sets out the compensation for key management personnel of the Bank in exchange for services rendered to the Bank during the year:

In millions	For the year ended March 31, 2025	For the year ended March 31, 2024
	MMK	MMK
Salaries and other benefits	3,467.09	2,248.50

7. RELATED PARTY TRANSACTIONS (CONT'D)

Transactions with Related Parties

For the purpose of these financial statements, parties are considered to be related to the Bank if the Bank has the ability, directly or indirectly, to control the party or exercise significant influences over the party in making financial and operating decisions, or vice versa, or where the Bank and the party are subject to common control or common significant influences. Related parties may be individuals or other entities.

All related party transactions were made in the ordinary course of business on an arm's length basis. In addition to information disclosed elsewhere in the financial statements, the following tables set out other significant transactions and balances with related parties:

In millions	March 31, 2025	March 31, 2024
	MMK	MMK
Deposits	140,570.49	320,485.42
Prepayments	-	35,070.85
Performance Guarantee	12,056.10	12,056.10
Other receivables	4,836.55	7,530.37
Loans and advances	101.81	119,372.77

In millions	For the year ended March 31, 2025	For the yearended March 31, 2024
	MMK	MMK
Other income	3,766.95	269.79

In millions	For the year ended March 31, 2025	For the year ended March 31, 2024
	MMK	MMK
Expenses		
Interest expense on deposits	12,391.04	11,103.39
Rental expense	2,262.03	1,721.37
General and administrative expenses	2,169.62	1,835.31
Other expenses	263.25	642.40
Total expenses	17,085.94	15,302.47
Accrued Expenses and Payable		
Thanlyin Estate Development Limited (Utility)	140.66	125.27
Yoma Fleet (Rental)	232.20	124.68
Yoma Micro Power (Office Equipment)	836.83	-
	1,209.70	249.94

7. RELATED PARTY TRANSACTIONS (CONT'D)

Rental expenses were paid to the following:

In millions	For the year ended March 31, 2025	For the year ended March 31, 2024
	MMK	MMK
Yoma Fleet Limited	2,112.99	1,412.23
Thanlyin Estate Development Limited	145.34	302.63
Yoma OUE Pun Hlaing Hospital	2.31	5.25
Star City International School Co.,Ltd	1.39	1.26
	2,262.03	1,721.37

General and administrative expenses include various operational charges from the following:

In millions	For the year ended March 31, 2025	For the year ended March 31, 2024
	MMK	MMK
Thanlyin Estate Development Limited	2,007.91	1,560.25
Star City International School Company Limited	125.83	162.00
Yoma Elevator Company Limited	21.34	7.77
Yoma Fleet Ltd.	7.58	1.34
KOSPA Limited	3.15	-
Digital Money Myanmar	2.35	-
Pun Hlaing Lodge Hotel Management Limited	1.46	7.75
Yoma Strategic Holding Limited	-	85.59
Memories Myanmar F&B Management Company Limited	-	10.61
	2,169.62	1,835.31

Other expenses include charges from the following:

In million	For the year ended March 31, 2025	For the year ended March 31, 2024
	MMK	MMK
Yoma Oue Pun Hlaing Hospital Limited	195.56	228.62
Hlaing River Golf & Country Club Co.,Ltd	50.15	39.90
Thanlyin Estate Development Ltd (Star City)	12.49	349.03
Pun Hlaing Lodge Hotel Management Limited	3.93	11.20
Star City International School Co., Ltd	1.11	-
Memories Myanmar Travel Limited	-	10.77
Memories Myanmar F&B Management Company Limited	-	2.88
	263.25	642.40

Construct Building & Renovation

In million	For the year ended March 31, 2025	For the year ended March 31, 2024
	MMK	MMK
Thanlyin Estetate Development	1,146.73	-

8. CASH ON HAND AND AT BANKS

In millions	March 31, 2025	March 31, 2024
	MMK	MMK
Cash on hand	199,982.40	214,988.04
Cash and balances with central bank	169,020.69	234,760.06
Fixed deposits with other banks	480,238.69	-
Cash and balances with other banks	149,077.49	147,954.37
	998,319.27	597,702.47

Pursuant to the CBM Notification No. 10/2015 on Minimum Reserve Requirement, the Bank is required to maintain a minimum reserve of 5% on total deposit balances for both local and foreign currency deposits.CBM issued temporary amendment for Minimum Reserve Requirement Notification No. (13/2021) dated on October 07,2021 to maintain 3% for local currency and extend the effective period until March 31, 2023 as per the instruction (3/2022) dated March 25,2022. On April 30, 2024, CBM issued Notifiaction No (4/2024) to maintain a minimum reserve of 3.75% (3% at CBM and 0.75% cash at bank) starting from the cycle period March 26, 2025 to April 22, 2025. As at March 31, 2025, the Bank's actual closing balance average of the reserve requirement cycle per CBM instruction from March 26,2025 to April 22, 2025 is in compliance with the CBM minimum requirement.

Cash and cash equivalents at the end of the period as shown in the statement of cash flows can be reconciled to the related items as follows:

In millions	March 31, 2025	March 31, 2024
	MMK	MMK
Cash on hand and at banks	998,319.27	597,702.47
Interbank placements	136,472.00	95,406.40
	1,134,791.27	693,108.87

Interbank placements with maturity of three months or less from the date of acquisition are considered as cash equivalents since these are short-term, highly liquid placements that are readily convertible to known amount of cash and are subject to an insignificant risk of change in value.

9. INVESTMENT SECURITIES

In millions	March 31, 2025	March 31, 2024
Government treasury bill & securities	MMK	MMK
Available-for-sale investments at amortised cost:		
Myanmar Treasury bonds	691,755.51	459,935.63
Myanmar Treasury bills	123,700.67	260,581.25
	815,456.18	720,516.88
Equity securities		
Unquoted equity share at cost:		
Investment in Digital Money Myanmar	2,364.93	2,364.93
Investment in Myanmar Payment Union	200.00	200.00
Investment in Myanmar ICT Development Corporation Limited (MICT)	56.50	56.50
Investment in SWIFT	8.21	8.21
Investment in Myanmar Credit Bureau	1.04	1.04
	2,630.68	2,630.68

9. INVESTMENT SECURITIES (CONT'D)

In millions	March 31, 2025	March 31, 2024
	MMK	MMK
Current	301,179.30	305,320.04
Non-current	516,907.56	417,827.52

No material impairment losses were incurred for the year ended March 31, 2025(March 31, 2024: Nil).

Available-for-sale securities consists of government securities and unquoted equity investments.

The Bank has recognised dividend income from Myanmar ICT Development Corporation Limited amounting to MMK 5.09 million for the year ended March 31, 2025 (dividend income from Digital Monay Myanmar and MICT amounting to 576.88 million & 5.09 million March 31, 2024).

10. LOANS AND ADVANCES, NET

In millions	March 31, 2025	March 31, 2024
	MMK	MMK
Demand loans	1,601,370.20	2,085,930.21
Overdrafts	379,293.18	533,121.69
Home loan	265,890.57	539,113.85
Hire purchase	83,810.73	145,933.56
Trade financing	48,086.04	56,188.90
Business Credit Card	1,326.45	600.87
Hire purchase – Agri Finance Product (AFP)	1,309.14	4,939.52
Staff loans	781.17	3,695.53
Digital credit	518.10	36,949.28
Loans and advances, gross	2,382,385.58	3,406,473.41
Less: partial payments on NPLs	(2,968.90)	(1,794.44)
Sub total	2,379,416.68	3,404,678.97
Less: Specific allowance		
Loans and advances per CBM regulation	(8,449.15)	(34,125.34)
Loans and advances on restructured program	-	(346.80)
Loans and advances, net	2,370,967.53	3,370,206.83

The specific allowance includes loans and advances and LIFT-AFP:

In millions	March 31, 2025	March 31, 2024
	MMK	MMK
Specific provision on loans and advance	5,742.71	32,202.27
LIFT-AFP	2,700.82	2,269.87
Business Credit Card	5.62	-
	8,449.15	34,472.14

10. LOANS AND ADVANCES, NET (CONT'D)

Details of loans and advances allowance for impairment losses by collectability are as follows:

In millions	March 31, 2025		March 31, 2024	
	Principal	Specific Allowance	Principal	Specific Allowance
	MMK	MMK	MMK	MMK
Standard	2,260,487.75	-	3,253,897.90	457.21
Watch	11,509.11	30.69	17,958.70	453.34
Substandard	5,590.19	270.33	7,027.67	293.99
Doubtful	12,267.84	1,652.95	3,364.88	1,012.43
Loss	92,530.70	6,495.18	124,224.26	32,255.17
	2,382,385.58	8,449.15	3,406,473.41	34,472.14

For the year ended March 31, 2025, the Bank has recorded specific provision on restructured loans and advances is nil (March 31, 2024: MMK 346.80 million).

A reconciliation of the specific allowance for impairment losses for the loans and advances is presented below. Total balance at the end of the period includes LIFT-AFP Fund balances amounting to MMK 2.70 billion and MMK 2.27 billion as of March 31, 2025 and 2024 respectively, which is to be held as a loan loss buffer, the money for which is provided by LIFT. As such, total specific provision for loans and advances, and other provision for restructured loans are MMK 5.74 billion and MMK 32.20 billion as of March 31, 2025 and 2024 respectively.

In millions	March 31, 2025	March 31, 2024
		MMK
Balance at beginning of year/period	34,472.14	42,018.16
Allowance/ (Write-back) for specific provision on loans and advances for the year/ period [1]	(7,751.21)	(2,214.79)
Allowance/ (Write-back) for specific provision on restructured loans and advances for the year [2]	(346.80)	71.14
Write-off during the year/ period	(18,355.93)	(6,961.41)
Total allowance for impairment losses by collectability	8,018.20	32,913.10
Transferred to LIFT-AFP[3]	430.95	1,559.04
Balance at end of year/period	8,449.15	34,472.14

(1) As at March 31, 2025, the Bank had provided an reversal of specific provision amounting to MMK 7,761.38 million (March 31, 2024: reversal of MMK 2,214.79 million) on its loan portfolio based on management's assessment determining additional specific provision as per 2.4.5.1 : Specific provision on loans and advances.

(2) As at March 31, 2025, the Bank had provided a reversal of specific provision amounting to MMK 346.80 million (March 31, 2024: allowance of MMK 71.14 million) on restructured loan portfolios based on management's assessment determining additional specific provision as per 2.4.5.1 Specific provision for restructured loan portfolios.

(3) In 2018, the Bank and the Fund have agreed to transfer AFP fund amounting to MMK 6.59 billion as part of the specific provision. The Bank has increasd the provision amounting to MMK 430.95 million as of March 31, 2025 (March 31, 2024: increased of MMK 1,559.04 million) respectively, for its HP AFP product.

11. PROPERTY AND EQUIPMENT

In millions	Land	Building	Office equipment	Furniture and fitting	Motor vehicle	Leasehold improvements	Total
	MMK	MMK	MMK	MMK	MMK	MMK	MMK
Cost							
At April 1, 2024	44,256.34	102,594.97	48,238.20	3,891.52	3,793.02	6,480.41	209,254.46
Additions	4,170.00	2,288.93	8,025.39	685.35	-	2,439.99	17,609.66
Disposal	-	-	(58.01)	-	(27.24)	-	(85.25)
Transfer/ Adjustment	-	-	(17.88)	73.35	(90.50)	(1,835.76)	(1,870.79)
Write-offs	-	-	(974.67)	(80.20)	-	(151.11)	(1,205.98)
At March 31, 2025	48,426.34	104,883.90	55,213.03	4,570.02	3,675.28	6,933.53	223,702.10
Accumulated depreciation							
At April 1, 2024	-	1,810.44	18,257.09	977.15	2,873.93	2,045.00	25,963.61
Charge for the year		1,319.17	5,208.59	196.35	194.29	1,760.77	8,679.17
Disposals		-	(51.75)	-	(27.24)	-	(78.99)
Transfer/ Adjustment		-	(8.29)	-	(90.50)	(1,612.87)	(1,711.66)
Write-offs		-	(839.65)	(29.59)	-	-	(869.24)
At March 31, 2025	-	3,129.61	22,565.99	1,143.91	2,950.48	2,192.90	31,982.89
Carrying amount at March 31, 2025	48,426.34	101,754.29	32,647.04	3,426.11	724.80	4,740.63	191,719.21

11. PROPERTY AND EQUIPMENT (CONT'D)

In millions	Land	Building	Office equipment	Furniture and fitting	Motor vehicle	Leasehold improvements	Total
	MMK	MMK	MMK	MMK	MMK	MMK	MMK
Cost							
At April 1, 2023	43,005.42	93,759.38	33,117.58	3,309.81	3,796.07	6,452.26	183,440.52
Additions	1,250.92	5,816.94	10,304.72	804.71	-	3,719.22	21,896.51
Disposal	-	-	-	(29.00)	(0.74)	-	(29.74)
Transfer	-	3,018.65	-	(1.00)	(2.31)	(3,913.19)	(897.85)
Transfer from Other Assets	-	-	5,983.31	23.45	-	222.12	6,228.88
Write-offs	-	-	(1,167.41)	(216.45)	-	-	(1,383.86)
At March 31, 2024	44,256.34	102,594.97	48,238.20	3,891.52	3,793.02	6,480.41	209,254.46
Accumulated depreciation							
At April 1, 2023	-	524.39	15,064.00	897.66	2,623.13	1,768.31	20,877.49
Charge for the year	-	1,286.05	4,151.73	161.34	253.13	1,159.48	7,011.73
Disposals	-	-	-	(9.91)	(0.74)	-	(10.65)
Transfer	-	-	-	-	(1.59)	(882.79)	(884.38)
Transfer from Other Assets	-	-	9.34	7.33	-	-	16.67
Write-offs	-	-	(967.98)	(79.27)	-	-	(1,047.25)
At March 31, 2024	-	1,810.44	18,257.09	977.15	2,873.93	2,045.00	25,963.61
Carrying amount at March 31, 2024	44,256.34	100,784.53	29,981.11	2,914.37	919.09	4,435.41	183,290.85

11. PROPERTY AND EQUIPMENT (CONT'D)

The Bank's land and buildings are stated at their revalued amounts at fair value as approved by CBM in Notification No. 3954/AA(1)/3/797/2018-2019. The difference between the revalued amounts and carrying amounts prior to revaluation of MMK 11.10 billion is recognised as part of revaluation surplus under "Reserves" (Note 17).

12. SOFTWARE, LICENSES AND RIGHTS

In millions	Computer software	Licenses & rights	Total
	MMK	MMK	MMK
Cost			
At April 1, 2024	5,927.60	4,552.93	10,480.53
Additions	378.22	-	378.22
Write-offs & Adjustments	(837.67)	(1,854.77)	(2,692.44)
At March 31, 2025	5,468.15	2,698.16	8,166.31
Amortisation			
At April 1, 2024	2,637.34	3,122.04	5,759.38
Charged during the year	1,065.04	552.73	1,617.77
Write-offs & Adjustments	(836.09)	(1,854.77)	(2,690.86)
At March 31, 2025	2,866.29	1,820.00	4,686.29
Carrying amount at March 31, 2025	2,601.86	878.16	3,480.02

In millions	Computer software	Licenses & rights	Total
	MMK	MMK	MMK
Cost			
At April 1, 2023	6,298.26	4,552.93	10,851.19
Additions	1,240.64	-	1,240.64
Adjustments	(1,611.30)	-	(1,611.30)
At March 31, 2024	5,927.60	4,552.93	10,480.53
Amortisation			
At April 1, 2023	2,976.69	2,553.86	5,530.55
Charged during the period	1,271.95	568.18	1,840.13
Adjustments	(1,611.30)	-	(1,611.30)
At March 31, 2024	2,637.34	3,122.04	5,759.38
Carrying amount at March 31, 2024	3,290.26	1,430.89	4,721.15

13. OTHER ASSETS

In millions	March 31, 2025	March 31, 2024
	MMK	MMK
Prepaid expenses	31,797.83	57,110.76
Repossessed properties, net (2)	30,463.72	23,990.30
Interest receivable from investments	16,685.32	9,368.05
Interest receivable from loan customers, net (1)	16,667.90	18,044.59
Account receivable – others	9,366.00	11,866.95
Commodity(3)	894.40	894.40
Security deposit	226.35	254.07
Suspense	10.00	-
	106,111.52	121,529.12

(1) Interest receivable from loan customers, net consists of the following:

In millions	March 31, 2025	March 31, 2024
	MMK	MMK
Interest receivable from loan customers	17,312.69	18,140.01
Sundry deposit – interest in suspense	(644.79)	(95.42)
	16,667.90	18,044.59

(2) The Bank took possession of properties (land and building) which were held as security for defaulted loan. The repossessed properties were carried at the lower of the carrying amount of the loan outstanding and fair value of the property. The repossessed properties will be sold as soon as practicable, at auction, to settle the outstanding debt. Details of repossessed properties as of March 31, 2025 and March 31, 2024 are as follows:

In millions	March 31, 2025	March 31, 2024
	MMK	MMK
Cost	34,473.74	27,898.21
Specific provision	(4,010.02)	(3,907.91)
	30,463.72	23,990.30

A reconciliation of the specific allowance for impairment losses for the repossessed properties is presented below:

In millions	March 31, 2025	March 31, 2024
	MMK	MMK
Balance at beginning of year	3,907.91	6,847.69
Charge/ (Reversal) for the year	102.11	(2,939.78)
Balance at end of year/ period	4,010.02	3,907.91
(Reversal)/ Charge for the year	102.11	(2,939.78)
Write-Off/ (Recovery) of repossessed assets	157.00	658.15
Charge for the year	259.11	(2,281.63)

(3) Commodity pertains to gold that the Bank purchased during the year and is recorded as historical cost, to launch the Gold trading product.

14. DUE TO NON-BANK CUSTOMERS

In millions	March 31, 2025	March 31, 2024
	MMK	MMK
Flexi cash deposits	1,992,294.53	2,511,730.42
Super fixed deposit	1,428,427.12	1,054,119.79
Saving Flexi	280,269.85	298,545.02
Flexi Everyday	248,345.52	207,682.69
Foreign currency	86,805.88	153,903.77
Connect account - wave	77,850.67	249,856.65
Savings deposits	49,333.65	68,410.19
Current deposits	45,179.40	56,703.18
Call deposits	38,820.73	41,867.12
Fixed deposits	17,692.16	49,789.05
Smart account	7,552.41	11,324.22
J zu account	41.26	41.26
	4,272,613.18	4,703,973.36

15. ACCRUALS AND OTHER LIABILITIES

In millions	March 31, 2025	March 31, 2024
	MMK	MMK
Accrued expenses	13,612.31	15,480.64
Interest payable to depositors	13,105.40	12,649.90
Unclaimed liabilities	4,448.83	5,154.36
Other provision (3)	4,117.12	27.12
Payment order	3,251.29	3,430.09
Sundry deposit	2,984.46	4,112.98
Share-based payment liabilities(1)	1,469.78	1,375.50
Remittance in transit	883.40	459.46
Tax provision	679.52	9,465.72
Deferred revenue	331.03	1,060.85
Other long-term employee benefits(1,2)	212.74	159.56
Gift cheque account	26.95	20.44
Card/CBM net settlement account	(1,422.17)	706.77
	43,700.66	54,103.39

(1) Details of share-based payment liabilities are as follows:

In millions	March 31, 2025	March 31, 2024
	MMK	MMK
Senior Leadership Scheme	1,469.78	1,375.50
Talent Retention Scheme	212.74	159.56
	1,682.52	1,535.06

15. ACCRUALS AND OTHER LIABILITIES (CONT'D)

(1) Senior Leadership Scheme (SLS)

The Bank issued to certain senior leadership personnel Bonus Unit Awards ("Unit Awards") that require the Bank to pay a target value of each vested Unit Award equal to either (1) the price per share in the stock exchange market, if the Bank becomes a listed entity; or (2) book value per share, if the Bank remains a private company. The Unit Awards have a vesting period of three years from January 1, 2021 and January 1, 2022 respectively, and are subject to certain performance conditions. Unit Awards granted to senior leadership personnel are 16,200 units. The value of each Unit Award is determined using the expected book value per share at the end of the vesting period. The Bank recorded total expenses of MMK 94.28 million during the year in respect of SLS (Note 22).

(2) Talent Retention Scheme (TRS)

The Bank granted a deferred cash benefit to certain eligible employees under the Talent Retention Scheme (TRS). The deferred cash benefit has a vesting period of three years from January 1, 2021 and January 1, 2022 respectively, is subject to certain performance conditions. The Bank recognized total expenses of MMK 53.18 million during the year in respect of TRS (Note 22).

(3) Other Provisions

Myanmar experienced a devastating 7.7 magnitude earthquake in Mandalay and its surrounding regions on March 28, 2025. A total of 13 branches were impacted and temporarily closed following the earthquake in March 2025. Unfortunately, 4 branches were severely damaged requiring complete demolition, while the remaining 5 branches required extensive renovations. No casualties or major injuries were reported among the Bank's employees. However, over 200 staff residences were impacted, ranging from complete destruction to varying degrees of damage. The bank made the provision of MMK 4 billion for the operational losses related to earthquake in consideration of impairment of assets, renovations and financial support to employees.

16. SHARE CAPITAL

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

	March 31, 2025		March 31, 2024	
	No. of shares	MMK (in million)	No. of shares	MMK (in million)
Issued and fully paid				
At beginning of the year/period	3,318,663.00	86,260.44	3,318,663.00	86,260.44
Issuance of shares during the year/period	-	-	-	-
At end of the year/period	3,318,663.00	86,260.44	3,318,663.00	86,260.44

17. RESERVES

The details of reserves are as follows:

In millions	March 31, 2025 MMK	March 31, 2024 MMK
Statutory reserve fund [1]		
Opening balance	41,350.95	32,815.35
Additions for the year/ period	629.14	8,535.60
Total statutory reserve fund	41,980.09	41,350.95
Reserve for contingencies		
Opening balance	74.00	73.00
Additions for the year/ period	1.00	1.00
Total reserve for contingencies	75.00	74.00
Reserve for general provision on loans and advances[2]		
Opening balance	68,129.47	43,051.85
Additions for the year/ period	-	25,077.62
Total reserve for general provision on loans and advances	68,129.47	68,129.47
Revaluation surplus (Note 11)		
Opening balance	11,104.57	11,104.57
Additions for the year/ period	-	-
Total revaluation surplus	11,104.57	11,104.57
Total reserves	121,289.13	120,658.99

(1) In compliance with Section 35(a) of the FIL 2016, 25% of the net profit after tax will be set aside as statutory reserve fund at the end of the fiscal year and is not distributable as cash dividends.

(2) In compliance with CBM Instruction No. 17/2017, 2% of total balance of loans and advances will be set aside as reserve for general provision on loans and advances at the end of the fiscal year. For the year–ended March 31, 2025 and March 31, 2024, the Bank is in compliance with the required reserve for general provision on loans and advances.

18. NET INTEREST INCOME

Interest income comprises interest arising from various types of lending and investment activities. Interest expense comprises all interest incurred on deposits and borrowings from bank and non-bank customers. Interest income and expense include the following:

In millions	For the year ended March 31, 2025	For the year ended March 31, 2024
	MMK	MMK
Operations:		
Interest from demand loans	206,054.90	175,443.52
Interest from overdrafts	55,541.68	41,902.32
Interest from home loan	49,167.27	31,719.45
Interest from hire purchase	13,779.93	10,545.29
Interest from hire purchase- AFP	299.91	695.15
Interest from staff loans	182.66	199.19
Interest income from credit card	144.86	0.14
Total operating interest income	325,171.21	260,505.50
Investments:		
Interest from investment securities	54,867.05	68,506.87
Interest from interbank placements	16,979.67	6,579.64
Interest from other Bank	11,206.40	-
Total investment interest income	83,053.12	75,086.51
Interest from trade finance	6,809.23	6,507.99
Total Interest Income	415,033.56	342,100.00
Flexi Cash Deposit	139,505.10	141,400.81
Fixed deposit	136,007.42	85,733.25
Savings deposit	23,431.85	19,005.43
Call deposit	2,127.68	2,156.39
Interest expense from non-bank customer deposits	301,072.05	248,295.88
Interest expense from interbank borrowings	14,832.16	6,996.44
Total interest expense	315,904.21	255,292.32
Net interest income	99,129.35	86,807.68

19. FEES AND COMMISSION INCOME

Fees, commission and service charges income are generated from the range of activities that the Bank provides. Below is the breakdown of fees and commission income and expense.

In millions	For the year ended March 31, 2025	For the year ended March 31, 2024
	MMK	MMK
Loan and overdraft fees	11,692.58	18,994.17
Fees and commission from HP-AFP	8,098.11	1,298.29
Other charges and fees	3,760.50	5,226.26
Remittance fees	1,096.80	4,155.63
Trade finance fees	294.54	1,256.28
Payment order fees	95.35	79.36
Commissions	33.18	13.55
Swift charges	25.28	18.21
Locker rental fees	17.04	26.56
	25,113.38	31,068.31

20. OTHER INCOME

In millions	For the year ended March 31, 2025	For the year ended March 31, 2024
	MMK	MMK
Foreign currency translation gain/(loss), net	6,607.75	19,273.05
Insurance agent commission	5,155.82	8,467.10
Miscellaneous receipts	263.39	238.34
Gain on disposal of property and equipment	187.68	0.35
Rental income	160.71	143.15
Dividend income	5.09	581.97
	12,380.44	28,703.96

21. GENERAL AND ADMINISTRATIVE EXPENSE

In millions	For the year ended March 31, 2025	For the year ended March 31, 2024
	MMK	MMK
Other administrative expenses	6,734.06	3,975.59
Repair and maintenance	4,286.53	5,260.19
Telecommunication and postage	3,835.93	2,934.18
Utilities expense	2,632.45	2,008.07
Marketing and advertising	2,394.85	3,364.22
Office supplies	2,145.94	3,721.70
Travel and entertainment	1,765.69	1,387.90
IT and software costs	424.34	530.80
Swift charges	286.80	100.22
Remittance handling expenses	105.54	190.48
	24,612.13	23,473.35

22. PERSONNEL EXPENSES

In millions	For the year ended March 31, 2025	For the year ended March 31, 2024
	MMK	MMK
Other welfare benefits	26,329.75	25,834.43
Salaries and wages	20,141.41	19,734.95
Employee bonuses	4,500.00	3,095.99
Employee allowance	1,167.26	1,384.24
Employer's contribution to defined contribution plan	591.85	588.02
Income tax and social security contribution	392.41	409.05
Share-based payment expense (Note 15)	147.46	889.68
	53,270.14	51,936.36

23. OTHER EXPENSES

In millions	For the year ended March 31, 2025	For the year ended March 31, 2024
	MMK	MMK
Special settlement discount (1)	15,940.99	117.18
Rates and taxes	11,741.52	9,234.67
Consultancy expenses	5,655.23	2,826.17
Other losses and write-off	5,307.34	126.76
Bad & Doubtful debts	1,845.28	-
Service fees on card	996.41	656.96
Insurance	653.58	667.29
Legal fees	310.57	641.52
Other fees and expenses	239.66	386.64
Merchant discount fees	223.21	185.05
Penalty fees	207.31	-
Auditor fees	66.95	262.60
Maintenance fees for correspondent bank	59.25	38.34
Refunds, discounts and interest	6.67	128.69
Commission expense for Home loans	3.90	40.98
	43,257.87	15,312.85

(1) The bank offered “Thank-you incentive” to Home Loan customer for early loan settlement, loan transfer to other banks and step-up program as part of Home Loan remediation program in order to maintain customer trust, and continue serving customers. The bank recorded the incentive as special settlement discounts under expenses category.

24. INCOME TAX EXPENSE

According to Union Tax Law 2024 issued on March 29, 2024 income tax rate is 22%, effective from the date of April 1, 2024.

The total charge for the year/ period can be reconciled to the accounting profit as follows:

24. INCOME TAX EXPENSE (CONT'D)

In millions	For the year ended March 31, 2025	For the year ended March 31, 2024
	MMK	MMK
Profit before tax	3,196.02	18,530.53
Income tax expense calculated at statutory rate	703.12	4,076.72
Tax effect on non-deductible expense (non-taxable income):		
2% general provision on loans and advances	-	5,517.08
Dividend income	(1.12)	(128.04)
Gain on disposal of property and equipment	(41.28)	(0.08)
Income tax expense	660.72	9,465.68

25. CONTINGENT LIABILITIES

The following sets out the Bank's contingent liabilities as at the end of the reporting period, based on the maximum amount the Bank would have to pay if the obligations of the instruments issued are called upon:

In millions	March 31, 2025	March 31, 2024
	MMK	MMK
Performance guarantees	22,381.33	29,281.54
Performance guarantees (foreign currency)	38.01	32.25
	22,419.34	29,313.79

26. COMMITMENTS

At the end of the reporting period, the Bank has the following commitments:

In millions	March 31, 2025	March 31, 2024
	MMK	MMK
a) Lease commitments:		
Within one year	352.05	607.65
In the second to fifth year	3,375.23	2,257.11
From the fifth year onwards	381.65	554.53
	4,108.93	3,419.29
b) Undrawn loan commitments		
Undrawn overdraft	76,003.16	95,840.69
Undrawn trade credit facilities	12,673.96	23,827.50
	88,677.12	119,668.19
	92,786.05	123,087.48

27. EVENTS AFTER REPORTING PERIOD

1. Supporting the customers

   Myanmar continues to face challenging situations that has resulted in disruption to a number of banking services particularly in respect to MMK cash availability and foreign exchange transactions. The Bank continues to work in a prudent and diligent manner within the evolving regulatory conditions to ensure it can support its customers by maintaining adequate liquidity and access to critical services. The Bank also continues to focus on ensuring the least possible hardships for customers in carrying out the day-to-day banking for its business.

2. Protecting the Bank and Managing risk

   The Bank continues to protect its balance sheet with measures such as factoring in an adequate provision, considering a potential increase in Non-Performing Loans. The Bank is working with customers who may be in financial hardship or stress by providing access to loan restructure support.

3. Managing Foreign Currency

   Challenges still remain in the local market due to external factors in terms of foreign currency and stability of exchange rate in the market. The Bank is proactive by promoting border trade to support customers and educating customers to transact with alternative currencies.

4. Improving Cost of Fund

   There is high competitiveness in the local deposit market with pricing. The Bank continues to find ways to reduce deposit cost of fund through better quality service and more varied product offerings instead of pricing on both consumer and enterprise customer segments.

5. Uplifting the Risk, Compliance and Audit Culture

   The Board and Leadership have recently amplified and increased its focus on uplifting the risk, compliance and audit culture within the Bank to cater for the ever-evolving complexity of the legislative and regulatory environment. This has been driven through implementation of a RED, AMBER, GREEN compliance gateway framework, extensive training, implementation of compulsory code of conduct attestations and improving control framework.

6. National Earthquake

   On March 28, 2025, Myanmar experienced a devastating 7.7 magnitude earthquake, one of the most powerful earthquakes in the region over a century. The epicenter was located near Mandalay, Myanmar's second largest city, along the active Sagaing Fault. As a result of the seismic event, some branches were severely damaged requiring complete demolition, while some branches required extensive renovations. The existing lease of five branches were terminated. The bank is still assessing the impairment on assets due to the earthquake. The bank assesed the impact on collaterals situated in the affected areas and appropriate provision were made as per guiding principles.