

MYANMAR CITIZENS BANK LTD

Unaudited Financial Statements

PERIOD ENDED 30 SEPTEMBER, 2016

MYANMAR CITIZENS BANK LTD
UNAUDITED FINANCIAL STATEMENTS
FOR PERIOD ENDED 30 SEPTEMBER, 2016

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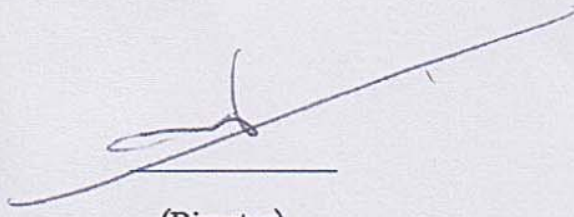
Myanmar Citizens Bank Limited

STATEMENT BY DIRECTORS

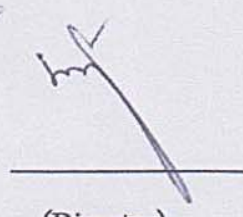
We, U Tun Lwin, U Ohn Saing and U Myint Win being three Directors of the "Myanmar Citizens Bank Limited", do hereby state that, in the opinion of the Directors, the accompanying Unaudited Financial Statements made up to September 2016 and Notes are drawn up so as to give a true and fair view of the state of affairs of the Bank and of the results of the Bank for the period then ended on the date of this Statement.

At the date of this statement, there are reasonable grounds to believe that the Bank will be able to pay its debts as and when they fall due and all accounts receivable are good and recoverable.


On behalf of the Board,



(Director)



(Director)



(Director)

Yangon Region,

Dated: November 2016



INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF MYANMAR CITIZENS BANK LIMITED

We have reviewed the accompanying Financial Statements of the MYANMAR CITIZENS BANK LIMITED which comprise the Statement of Financial Positions as at September 30, 2016, and Statement of Income, Statement of Changes in Equity and Statement of Cash Flows for the period then ended. These financial statements are the responsibility of the Bank's Management. Our responsibility is to issue a review report on these financial statements based on our review.

We conducted our review in accordance with the International Standards on Review Engagements. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying financial statements do not present fairly the financial position of the bank as at September 30, 2016 and of the results of the bank for the period then ended, in accordance with the Myanmar Financial Reporting Standards.



U Maung Maung Aung
Certified Public Accountant
U HlaTun & Associates Limited
Shwegon Plaza, 64(B), 1st Floor,
Komin Kochin Road, Bahan Township,
Yangon.

Yangon Region,

Dated: November 2016

MYANMAR CITIZENS BANK LIMITED

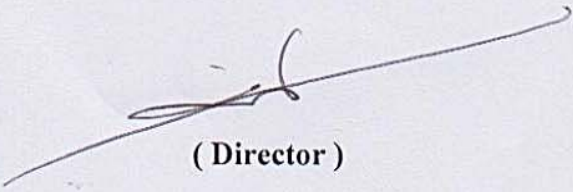
UNAUDITED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2016

Kyat (In Million)

<u>ASSETS</u>	<u>Note</u>	<u>30 Sep'2016</u>	<u>31 March'2016</u>
Cash in hand and at Bank	3	41,636	40,417
Loans & Overdrafts	4	137,195	115,275
Investments & T-bonds	5	52,329	50,852
Property, Plant & Equipment	6	8,566	8,056
Other Assets	7	16,227	7,628
AEG		3,157	7,584
Total Assets		259,110	229,812
 <u>IABILITIES</u>			
Deposits from customers	8	170,013	144,370
Other Liabilities	9	18,897	16,392
AEG		3,157	7,584
Total Liabilities		192,067	168,346
 <u>EQUITY</u>			
Issued & Paid Up Capital		52,005	49,870
Reserves	10	6,735	6,713
Share Premium		5,119	4,799
Retained Earnings		3,184	84
Total Equity		67,043	61,466
Total Equity & Liabilities		259,110	229,812

See accompanying notes to the Financial Statements.

Authenticated by Directors;


(Director)


(Director)


(Director)

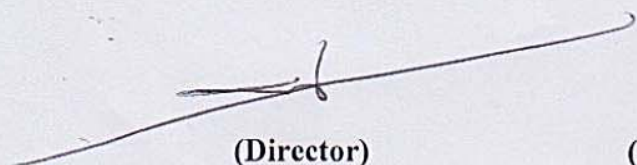
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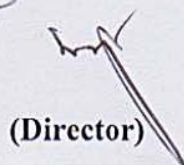
MYANMAR CITIZENS BANK LIMITED
UNAUDITED STATEMENT OF INCOME
FOR THE PERIOD ENDED 30 SEPTEMBER 2016

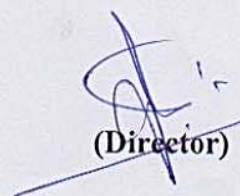
		Kyat (In Million)	
	<u>Note</u>	<u>Period ended</u> <u>30-Sep-16</u>	<u>Period ended</u> <u>30-Sep-15</u>
Interest Income	11	9,680	7,154
Interest Expenses	12	(5,371)	(3,947)
Net Interest Income		4,309	3,207
Fee & Comission Income	13	1,851	1,457
Other Income	14	582	1,193
Total Revenue		6,742	5,857
Personnel expense	15	(1,373)	(1,068)
General and administrative expense	16	(476)	(259)
Depreciation expense		(174)	(115)
Other Expenses	17	(585)	(608)
Total Expenses		(2,608)	(2,050)
Profit Before Income tax		4,134	3,807
Provision for Income-tax		(1,034)	(952)
Net Profit After Tax		3,100	2,855

See accompanying notes to the Financial Statements.

Authenticated by Directors;


(Director)


(Director)


(Director)

MYANMAR CITIZENS BANK LIMITED
UNAUDITED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 SEPTEMBER 2016

Kyat (In Million)

Particular	Issued & Paid Up Capital	Share Premium	General Reserve (Statutory)	General Provision (Loan)	Other Reserve	Retained Earnings	Total
Balances at (1.4.2016)	49,870	4,799	4,323	2,305	85	84	61,466
Issue of Shares	2,135	-	-	-	-	-	2,135
Adjustments	-	-	-	-	22	-	22
Share Premium	-	320	-	-	-	-	320
Profit for the year	-	-	-	-	-	3,100	3,100
Provision for Reserves	-	-	-	-	-	-	-
Provision for Dividend	-	-	-	-	-	-	-
Balances at (30.9.2016)	52,005	5,119	4,323	2,305	107	3,184	67,043

See accompanying notes to the Financial Statements.

Authenticated by Directors;



(Director)



(Director)

MYANMAR CITIZENS BANK LIMITED
UNAUDITED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30 SEPTEMBER 2016

	<u>Kyat (In Million)</u>	
	<u>Period ended</u>	<u>Period ended</u>
	<u>30 Sep'2016</u>	<u>30 Sep'2015</u>
<u>Cash flows from operating activities</u>		
Net profit after tax	3,100	2,855
Depreciation	174	115
Exchange Gain	22	-
	<u>3,296</u>	<u>2,970</u>
<u>Changes in operating activities</u>		
(Increase)/decrease Loans & Overdrafts	(21,920)	(12,006)
(Increase)/decrease Receivable & Advances	(8,599)	(15,064)
Increase/(decrease) deposit from customers	25,643	48,522
Increase/(decrease) other payable	5,970	18,541
Net cash from operating activities	<u>4,390</u>	<u>42,963</u>
<u>Cash flows from Investing Activities</u>		
Purchase of Treasury Bonds, Investments	(1,477)	(11,191)
Purchase of Property, Plant & Equipment	(684)	(80)
Proceed of Property, Plant and Equipment	-	-
Net cash from investing activities	<u>(2,161)</u>	<u>(11,271)</u>
<u>Cash flows from Financing Activities</u>		
Issue of share	2,135	-
Share Premium	320	-
Dividends paid	(3,465)	(1,801)
Net cash from financing activities	<u>(1,010)</u>	<u>(1,801)</u>
Net increase/(decrease) in cash and cash equivalents	1,219	29,891
Cash and cash equivalents at beginning of period	<u>40,417</u>	<u>25,598</u>
Cash and cash equivalents at end of period	<u>41,636</u>	<u>55,489</u>

See accompanying notes to the Financial Statements.

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Myanmar Citizens Bank Limited

Notes to the financial statements

1. General

Myanmar Citizens Bank Ltd (MCB) was established in 1991 (registration no. 274/1991-92, dated 30 October 1991 and banking license no. Ma Ba Ba/J(i)-1(5)1992). MCB started activities on 2nd June, 1992 in downtown Yangon, No.383, MaharBandoola Road, Kyauktada Township. MCB is a public bank, among the 18 banks, partially owned by government (Ministry of Commerce). MCB is a medium standard size bank and already listed on Yangon Stock Exchange (YSX).

2. Summary of significant accounting policies

(a) Basis of preparation

The accompanying financial statements have been prepared in accordance with Myanmar Financial Reporting Standard (MFRS).

The accompanying financial statements are presented in Myanmar Kyats (MMK), which is the Bank's functional currency. All financial information is presented in MMK.

(b) Foreign currency transactions

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

(c) Interest income and expenses

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

(d) Fees and commission income

Fees and commission are generally recognized when the service has been provided.

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(e) Property and Equipment

All property and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is computed under the straight-line method over the estimated useful lives of these assets other than freehold land which is not depreciated. Details are shown in ANNEXURE-1.

(f) Cash in hand and at banks

Cash in hand and at banks comprises of cash in hand, cash with the Central Bank of Myanmar, state banks and other banks.

(g) Investments

Represent government treasury bonds and other investments and are stated at cost.

(h) Corporate Income Tax

All tax expenses are current taxes and recognized in the Statement of Income. Current tax is the amount, expected to be paid on the taxable income for the year. The tax rate and tax laws applied are those that are enacted or substantively enacted by the Balance Sheet date.

(i) Financial Assets and Financial Liabilities

(i) Classification

Financial assets and financial liabilities are classified as follows :

*** Loans & Receivables**

Non-derivative financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables.

*** Held-to-maturity**

Non-derivative financial assets with fixed or determinable payments and fixed maturity are classified as held to-maturity when the bank has the intention and ability to hold the assets till maturity.

(ii) Measurement

Financial assets and financial liabilities are initially measured at fair value plus transaction costs, directly attributable to their acquisition or issue.

(iii) Recognition and De-recognition

The Bank recognizes all financial assets and financial liabilities, including all regular way purchases and sales of financial assets on the date of transactions. Financial instruments are de-recognized when the contractual right to cash flows and risks and rewards associated with the instruments are substantially transferred, cancelled or expired.

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Notes to the Statement of Financial Position	30 Sept'2016 Kyat (in Million)	31 March 2016 Kyat (in Million)
3 Cash in hand and at banks		
Cash in hand	11,052	8,989
Cash and balances with central banks	11,102	9,709
Cash with banks & Other financial institution	3,766	9,960
Deposits with Foreign Correspondent Bank	15,716	11,759
	<u>41,636</u>	<u>40,417</u>
4 Loans & Overdrafts		
Demand loans	91,045	112,746
Hire Purchase	37,176	-
Trade Guarantee	1,189	-
SME TSL Funding	3,500	-
Overdraft	4,285	2,529
	<u>137,195</u>	<u>115,275</u>
5 Investment & Treasury Bonds		
Treasury Bonds	24,500	26,300
Treasury Bills	982	-
Fixed Deposits	26,517	24,222
Myanmar Payment Union	200	200
Credit Bureau	130	130
	<u>52,329</u>	<u>50,852</u>
6 Property, Plant & Equipment		
Details are shown in ANNEXURE-1		
7 Other Assets		
Prepaid	2,450	1,868
Suspense	3,415	4,160
Current Asset	100	100
Stock	1	1
Deferred Expenses	42	59
Current Account with Inter Bank	8,890	-
Other Assets(Int: receivable)	1,213	1,394
Leasehold Improvement	19	21
Others	97	25
	<u>16,227</u>	<u>7,628</u>
8 Deposits from customers		
Current Deposits	27,531	32,534
Saving Deposits	66,453	54,657
Time Deposits	55,342	46,774
Current (ATM)	1,127	740
Current (Citizen Card)	237	228
Call Deposits	15,823	9,437
Idle Deposits	3,500	-
	<u>170,013</u>	<u>144,370</u>

	30 Sept'2016 Kyat (in Million)	31 March 2016 Kyat (in Million)
9 Other Liabilities		
Sundry Deposits	4,433	8,886
Payment Order	512	298
Internal Remittance	130	54
Accrued Liabilities	1,643	4,619
Unclaimed Liabilities	47	154
Staff Fund	428	513
Provision for Income Tax	2,822	1,788
Current Accounts with Inter Bank	8,857	-
Debit Note Issue	25	80
	<u>18,897</u>	<u>16,392</u>
10 Reserves		
General Reserve	4,323	4,323
Other Reserve	107	85
General Provision(Loan)	2,305	2,305
	<u>6,735</u>	<u>6,713</u>

	30 Sept'2016 Kyat (in Million)	30 Sept'2015 Kyat (in Million)	
Notes to the Statement of Income			
11	Interest Income		
	Interest on Loans & Overdrafts	5,356	4,272
	Interest on Hire Purchase	1,886	1,100
	Interest on Trade Guarantee	77	25
	Interest on Investment	553	1,757
	Interest on Deposits (Other Bank)	1,808	-
		9,680	7,154
12	Interest Expenses		
	Interest on Deposits	5,371	3,918
	Interest on Borrowing	-	29
		5,371	3,947
13	Fees & Commission Income		
	Commission on Internal Remittance	52	59
	Commission	1,098	611
	Service Charges	700	785
	Opening & Registration Fees for ATM	1	2
		1,851	1,457
14	Other Income		
	Gain on FE transaction	1	8
	Income IB	545	1,177
	Miscellaneous	36	8
		582	1,193
15	Personnel Expenses		
	Salaries & Wages	1,009	797
	Overtime Allowance	26	22
	Director's Remuneration	14	10
	Others	13	239
	Expert Salaries & Wages	311	-
		1,373	1,068
16	General & Administrative expenses		
	Licence Fees	50	37
	Printing & Stationery	27	15
	Postage, Telephone & Telex	47	33
	Travelling & Conveyance	38	19
	Lighting & Power	33	22
	Transportation & Handling charges	10	11
	Rent	56	30
	Insurance	17	6
	Repair & Maintenance	197	83
	Others	1	3
		476	259

	30 Sept'2016 Kyat (in Million)	30 Sept'2015 Kyat (in Million)
17 Other Expenses		
Petro Oil & Lubricants	50	50
Advertisement	1	2
Uniform Allowance	17	15
Entertainment	31	23
Rates & Taxes	7	3
Directors Meeting sitting fees	5	9
Meal Allowance	189	170
Other Items	42	21
Annual General Meeting	-	11
Charity & Donation	15	12
Expenditure IB	115	274
Bank Commissions & Service Charges	8	14
Consultant Fees	12	1
Research & Development	11	4
Loss on Exchange transaction	11	-
CBM Net MCH Fees	2	-
Listing fees	69	-
	585	608

18 Related Parties

In the normal course of its banking business, the Bank has carried out transactions with related parties on terms agreed between the parties. The related party transactions are conducted on arm's length basis and on normal commercial terms, which are not favourable than those generally available to the public.

Details are as follows ;

No	Related Parties	Type of transactions	Balance as at 30.9.2016
1	Good Brother Co., Ltd.	Hire purchase	Kyat 21,587,919,668.25
2	Capital Automotive Co., Ltd.	Hire purchase	Kyat 2,691,504,905.00
3	Farmer Phoe Yarzar Co., Ltd.	Hire purchase	Kyat 757,871,250.00
4	Zeya & Associates Co., Ltd.	Bank Guarantee	Kyat 1,647,102,982.00
5	Good Brother Co., Ltd.	Trade Guarantee	Kyat 823,025,630.00
6	U Hla Oo	Prepaid-rental	Kyat 10,600,000.00
7	Dr. Ko Ko Gyi	Prepaid-rental	Kyat 162,000,000.00
8	Dr. Ko Ko Gyi	Prepaid-rental	USD 216,000.00
9	Ministry of Commerce (MOC)	Prepaid-rental	Kyat 11,110,000.00

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MYANMAR CITIZENS BANK LIMITED
PROPERTY PLANT & EQUIPMENT
ANNEXURE TO THE STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2016

Annexure-1

Kyat (In Million)

<u>Cost</u>	<u>Land & building</u>	<u>Motor Transport</u>	<u>Office Equipment</u>	<u>Furniture & Fixture</u>	<u>Total</u>
As at 1.4.2016	7,202	650	1,031	143	9,026
Additions	275	166	221	22	684
As at 30.9.2016	7,477	816	1,252	165	9,710
<u>Depreciation</u>					
As at 1.4.2016	219	257	469	25	970
During the year	38	45	87	4	174
As at 30.9.2016	257	302	556	29	1,144
Net Book Value (30 Sept 2016)	7,220	514	696	136	8,566
Net Book Value (31 March 2016)	6,983	393	562	118	8,056