



DISCLOSURE DOCUMENT FOR LISTING

FIRST PRIVATE BANK LIMITED

The shares covered hereby may only be bought and sold by
Myanmar Citizens and Myanmar Companies

Dated 30 December 2016

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Financial Year ended March 31, 2015

- Report of the Independent Auditor

- Balance Sheet
- Statement of Income
- Statement of Cash Flows
- Statement of Changes in equity
- Notes to the Financial Statements

**To: The Yangon Stock Exchange Joint-Venture Company Limited,
Republic of the Union of Myanmar**

Date of Submission	22 September 2016
Issuer's Name	FIRST PRIVATE BANK LIMITED
Title and Name of Representative	U Myint Zaw Director Joint Secretary, Board of Directors
Location of the Registered Office	No (619/621), Merchant Street, (corner of Merchant street & Bo Soon Pat street) Pabedan township, Yangon, Myanmar.
Administrative Personnel to Contact	U Myint Zaw Director/Senior General Manager
Place to Contact	No (619/621), Merchant Street, (corner of Merchant street & BoSoon Pat street) Pabedan township, Yangon, Myanmar.
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Legal Advisor to the FPB	Daw Yin Yin Aye, No. (16-A), MayKha St. Mayangone township, Yangon.
Auditor to the FPB	U Maung Maung Aung U Hla Tun and Associates Limited No. 64(b), First Floor, Shwegon Plaza, Kominkochin Street, Bahan township, Yangon, Myanmar

Principal Bank

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No(619/621), Merchant Street,
(corner of Merchant & BoSoon Pat street)
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Listing

Type of Securities to list:

Ordinary Shares

Stock Exchange to be listed in:

Yangon Stock Exchange

Location where this Disclosure

First Private Bank Ltd.

Document will be publicly displayed:

No(619/621), Merchant Street,
(corner of Merchant & BoSoon Pat street)
Pabedan township, Yangon, Myanmar.

1. DEFINITIONS

FPB	First Private Bank Ltd.
CBM	Central Bank of Myanmar
MSEC	Myanmar Securities Exchange Centre Co., Ltd.
MFTB	Myanma Foreign Trade Bank
YSX	Yangon Stock Exchange
SECM	Securities and Exchange Commission of Myanmar
MOPF	Ministry of Planning and Finance
NPL	Non-Performing Loan
FY	Financial year (which begins on 1 April of one year and ends on March of the following year)
BOD	First Private Bank Board of Directors
Companies Act	Myanmar Companies Act (1914)
Listing	The Listing of the shares on the Yangon Stock Exchange
SE Law	Securities Exchange Law
SE Rules	Securities Exchange Rules
AML	Anti –Money Laundering
DDL	Disclosure Document for Listing

CBS	Core Banking System
Kyats/Ks	Myanmar Kyat
USD/US\$	United States Dollars

Unless otherwise marked hereunder, the following definitions are direct English translations of the definitions prescribed in the relevant securities-related laws, Rules and regulations of Myanmar including, but not limited to, the Securities Exchange Law and the Securities Exchange Rules.

Board of Directors: A committee elected by the company's shareholders at their Annual General meeting. The Board carries out task described in the company's charter (Articles of Association) such as appointing corporate officers, issuing shares stock and declaring dividends, among others .

Business Day: A measurement of time that typically refers to any day in which normal business is conducted. This generally considered to be Monday through Friday from 9:30AM to 4:30PM local time, and excludes weekends and public holiday in Myanmar.

Capitalization: The total market value of all of the company's outstanding shares. Market capitalization is calculated by multiplying a company's shares outstanding by the current market price of one share. This figure is used for determining a company's size, as opposed to sales or total asset figures.

2. LISTING SUMMARY

IMPORTANT NOTES

The Directors of FPB have approved this Disclosure Document (which is called this “Disclosure Document for Listing”), for all outstanding Shares to be listed on the Yangon Stock Exchange “YSX”. No new shares are also being offered for subscription or sale pursuant to this Disclosure Document for Listing (DDL).

Each of the Directors takes full responsibility for the accuracy and completeness of the information contained herein. Having made all reasonable enquires and to the best of his/her knowledge and belief, each of the Directors assures that there is no false or misleading statement in this Disclosure Document for Listing or other facts which if omitted would make statement false or misleading.

The approval of this DDL is not an indication that the YSX recommends the subscription of the shares offered or assumes responsibility for the accuracy of information, opinions or statements contained herein. The approval does not imply that the legal or regulatory requirements have been complied with.

The YSX is not liable for any non-disclosed information or the content of this DDL, and does not certify its accuracy or completeness. The YSX is not liable for any loss that investors may suffer from an investment in relation with the information contained in this DDL.

Shares may only be bought and sold by Myanmar citizens and Myanmar Companies

A prospective purchaser of Shares should rely on his/her own valuations and assess the risks related to purchasing Shares by considering his/her objective of the investment, risk profile and

financial position and so on. If you have any doubt about this Disclosure Document for Listing or in considering the purchase of Shares, you should consult with Securities firms, investment advisors or other professional advisers.

Copies of the Disclosure Document for Listing may be obtained on request, subject to availability, from First Private Bank Ltd, No 619-621 Merchant street, Pabedan township, Yangon, Myanmar.

A copy of this Disclosure Document for Listing is also available on the Bank website at www.firstprivatebank.com.mm.

Office at which copy of the DDL is made Available for Public Inspection

Name of Such Office:	First Private Bank Ltd
Location:	No (619/621), Merchant Street, (corner of Merchant street & BoSoon Pat street) Pabedan township, Yangon, Myanmar.

DISCLAIMER

This Disclosure Document for Listing is based on information and materials provided by the company and other sources that we believe to be reliable. The Financial Advisor makes no representation or warranty, express or implied, as to the accuracy or completeness of such information and materials, and nothing contained in this Disclosure Document for Listing is, or shall be relied upon or constructed as a promise, undertaking or representation by the underwriter. The Financial Advisor assumes no responsibility or liability for the accuracy or

completeness of information and the materials that are contained or referred to in this Disclosure Document for Listing.

Each person receiving or viewing this Disclosure Document acknowledges that such person has not relied on the Financial Advisor or any person affiliated with the Financial Advisor in connection with its investment decision or the investigation of the accuracy or completeness of the information or materials contained in this Disclosure Document for Listing.

The Financial Advisor is not making any representation to the aforementioned person regarding the legality of the bid, subscription and purchase of, or investment in shares by such person.

FORWARD-LOOKING STATEMENTS

This Disclosure Document for Listing includes forward-looking statements that reflect the Company's current views with respect to future events and future financial and operation performance, including, but not limited to, statements relating to the risks specific to the Company's business, the strength of the Company, and the implementation of strategic initiatives, as well as other statements relating to the Company's future business development and financial performance.

These forward-looking statements can be identified by the use of forward-looking terminology, including the terms "assumes", "projects", "forecasts", "estimates", "expects", "believes", "plans", "intends", "may", "might", "will", "would", "can", "could", "should" or in each case, their negative, or other variations or comparable terminology. These forward-looking statements are not historic facts. They appear in a number of beliefs or current expectation concerning, among other things, financial position, operating results, liquidity, prospects, growth, strategies and the industry in which the Company operates.

Prospective investors in the shares are cautioned that forward-looking statements are not guarantees of future performance and that the Company's actual financial position, operating results and liquidity, and the development of the industry in which the Company operates ,may differ materially from those made in or suggested by the forward-looking statements contained in this Prospective. The Company cannot guarantee that the intentions, beliefs or current expectations upon which its forward looking statements are based will occur.

Distribution

The Disclosure Document for Listing (DDL) in the electronic version can be viewed or downloaded from the YSX website at [<http://ysx-mm.com>]. The electronic DDL may also be delivered to prospective investors by email upon their request. By receiving this DDL in hard copy or soft copy through electronic transmission such as, but not necessarily limited to, as an attachment of an email that was dispatched or circulated by the Company or the financial advisor, the investors are deemed to have given their full acknowledgement and consent to all notices, disclaimers, conditions and statements contained or disclosed in this DDL. Such investors are reminded of the fact that this DDL and any of the content contained herein may subsequently be altered, changed or updated without informing or alerting such investors in advance.

3. SELECTED FINANCIAL DATA

The financial data shown below are compiled from our audited financial statements for financial years ending 31 March for the years 2015 and 2016, copies of which are set out in Appendix. You should read this information together with the section on “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and our audited financial statements and the related notes included in this Disclosure Document for Listing.

(Kyats in Million)	2016	2015	2014
Financial Summary			
<u>Balance Sheet</u>			
Cash and Cash Equivalents	30,048.76	26,294.40	19,828.77
Current Assets	172,004.74	155,326.27	136,538.61
Non-Current Assets	5,397.93	3,897.64	3,880.28
Total Assets	207,451.43	185,518.31	160,247.66
Current Liabilities	155,432.12	143,705.54	123,883.25
Total Liabilities	155,432.12	143,705.54	123,883.25
Total Equity	52,019.31	41,812.77	36,364.41
<u>Profit & Loss Statement</u>			
Total Revenue	22,646.19	20,850.56	18,327.39
Gross Profit	8,549.34	8,762.40	8,048.34
Gain Before Expenses	10,865.96	10,774.10	9,844.14
Administrative Expenses	2,110.00	1,697.50	1,513.41
Earning before Financial Costs and Taxes	8,755.96	9,076.60	8,330.73
Finance Costs	206.62	314.20	282.39
Income Tax	2,137.20	2,189.35	2,010.53
Net Profit	6,412.14	6,573.05	6,037.81

4. INFORMATION ON THE LISTING

LISTING

The Company has applied for the Shares to be listed on the YSX. The Company expects the Shares to be traded on the YSX within a month after the approval. No Shares are being offered for subscription or sale pursuant to this Disclosure Document for Listing. The Board of Directors shall ensure that the Company comply with all the requirements and rules of the YSX.

Estimate Expenses of the Listing

The aggregate expenses of the Listing will be paid by the Company and are estimated to be approximately 13,500,000 kyats.

(1) Listing Fees	1,500,000 Kyats
(2) Printing and Advertising Fees	1,000,000 Kyats
(3) Professional Advisory Fees	10,000,000 Kyats
(4) Others	1,000,000 Kyats

5. RISK FACTORS

Banking business in Myanmar is quite risky due to political instability, macroeconomic and financial uncertainty, and high prices of real estate among others. Basically, three categories of risk, credit risk, operational risk and market risk are faced by FPB. The following are major risks that are specific to the Company, FPB.

Credit Risk

Credit risk is the major risk factor for all private banks as interest income is the major source of income. Due to sound credit policy, systematic vetting of credit applications and effective supervision, non-performing loans are almost negligible. In FPB credit risk is currently under control. Currently, there is only one bad loan of K 30 million. The court has decided to auction the property (collateral) of the borrower, and one unsuccessful auction has been conducted. At the second auction, price would be reduced. FPB may not fully recover the principal, interest, fines and fees. To recover bad loans, banks in general, have to resort to judicial procedure which takes unduly long time. Credit risk is a reality FPB has to face because of so many factors related to borrower's business situation, fluctuation in real estate prices, high loan to value ratio of FPB and general domestic economic situation.

Interest Rate Risks

CBM fixes the deposit rates and lending rates. CBM fixes the ceiling on lending rates and floor on savings deposits. Banks have to operate accordingly within the framework of the interest rates imposed by CBM. Banks could not yet utilize effectively risk-based pricing regarding deposits and lending. CBM may alter the interest rates based on the economic and inflationary situation at short notice. Competitive reduction of deposit and lending rates is also another

serious risk to the profitability of banks. Thus banks are exposed to the fluctuation in interest rates and as such may impact the profitability of the bank.

Exchange Rate Risk

Currently, CBM practices managed floating rate regime. Banks are allowed to operate within narrow margins fixed by CBM. Banks are allowed to fix USD/Kyat rates between 0.8% above and below the reference rate fixed daily by CBM. When parallel informal market rates fluctuate significantly due to domestic and external political, economic and speculative factors banks are exposed to possible exchange losses. Kyat depreciation and US dollar appreciation are two major risks which causes fluctuation of USD/Kyat exchange rate. CBM is also not in a position to stabilize the USD/Kyat rate due to lack of sufficient foreign exchange reserves to intervene effectively in the market. FPB is not in a position to forecast the USD/Kyat rate, hence the exchange rate risk is high and hence the possibility of loss in buying and selling foreign currencies. Myanmar has yet to develop Foreign Exchange market and financial tools so that banks could hedge Foreign Exchange risks. Foreign Exchange risks would increase as financial products become more complex.

Liquidity Risk

Banks, including FPB needs to manage liquidity risks daily, monthly, quarterly, yearly to avoid disruption of payments to customers, withdrawal by depositors and other financial services. Basel III requires banks to meet short term and longer term liquidity ratios to avoid liquidity crises. FPB and banks in Myanmar face liquidity risk as money market does not exist and inter-bank market has not fully developed.

Operational Risk

The possibility of operational risk has to do with honesty, integrity, and capability of bank staff. From time to time, FPB has to solve the problem of customers' complaints about shortage of funds when disbursing funds to and accepting funds from customers. There is also the probability of collusion between staff and customers. Another type of operational risk rises out of lack of thorough understanding of bank's policies, procedures, and practices by the bank staff. Among other operational risks are natural disasters, such as floods and fires which occur periodically. Hence recovery plans are essential. In future, a recovery plan should be prepared so that we could resume our business as soon as possible. Another type of operational risk is the change in rules and regulations imposed by the regulatory authorities.

Risks Related Rules and Regulations

Myanmar is in the process of banking and financial sector reform, and the regulatory body finds it necessary to change rules and regulations. The new Financial Institution of Myanmar Law (FIML) was enacted and published in January 25, 2016. CBM will soon issue new rules and regulations, some are mentioned below.

- capital requirement
- reserve requirement
- provision and classification of non-performing loans
- credit risk management
- oversight and internal control
- related party transactions

Proposed new reserve requirement of five percent(5%) of total deposits definitely affects the profits of FPB as CBM does not pay interest on required reserves. Therefore, we could not predict the full impact of these new rules and regulations on the profitability of the bank. Banks would need more flexibility in setting interest rates to allow local banks to compete with foreign banks.

Market Related Risks

FPB faces keen competition from local banks. Now, 13(9+4) foreign banks have been given branch license to perform wholesale banking (Non kyat deposit and lending). In future, foreign banks would also become competitors. Local banks try to compete with each other in many areas. Particularly, attracting and recruiting FPB staff by paying higher salaries. Some banks even try to get customers by operating outside the rules and regulations framework. These practices could result in the loss of key management personal and loss of business which would affect seriously the functioning of FPB.

IT Risk

Banks in Myanmar are in the process of upgrading and modernizing IT infrastructure. FPB currently does not have serious IT risks, but with the adoption of mobile banking, internet banking, core banking solutions, IT risks would increase. Banks in Myanmar, including FPB, is not fully equipped and does not have capability to protect from cyber attacks and hacking. IT risks are very real and we need to find ways and means of preventing and protecting cyber attacks from sophisticated hackers. Hackers are always one step ahead of software developers.

The installation of IT systems to improve efficiency is therefore fraught with potential risks. Banks including investors should be aware of these risks while enjoying benefits. Most recently, one Asian Central Bank has been hacked. Security aspects of IT systems should be carefully

considered before installing IT systems. Investors should be aware of these risks before investing in any particular stock.

Regarding risk factors, a word of caution may be necessary. FPB is well-known as transparent and clean bank. Yet we cannot and could not describe, forecast, and predict all possible risks. Banking business is very risky, because of the complex and unpredictable political, economic and social behaviour of institutions, organizations and individual stakeholders at the domestic and international level. Natural and environment factors could also impact banks. Climate change is also a crucial factor. In short, banking business is a highly risky business for all stakeholders.

Risks Related to Joining YSX

FPB received the first Banking license in 1992, and has been selling shares since then(1992). FPB was able to sell shares at a premium and there are still willing buyers at 200% premium. Being a public company shares are sold to the public and no single individual and/or group is allowed to control the bank. Minority shareholders are fully protected. It is a very successful public company owned by shareholders. Now FPB can check the background of applicants and source of funds of potential buyers of shares. FPB has complete control over the sale of shares. Once FPB joins YSX, it would lose control and vetting sale of shares. It would become exposed to speculators and illegal black money.

The risks in joining YSX is that shares may change hands and speculators have the opportunity to buy a big chunk of shares and they might speculate which could result in fluctuation of share prices. This is a serious risk FPB may have to face, and is one of the major concerns of the Board of Directors. Another liability in joining YSX is additional costs in the form of fees and charges for both the issuer and the shareholder.

Risks Related to Internal and External Political and Economic Factors

Political stability is essential to Myanmar development. Myanmar internal political and economic situation need to be stabilized. Political unity and domestic peace need to be restored. All the parties involved are sincerely trying to bring about national unity and peace. This is sine qua non for economic and financial development of Myanmar.

Another important pre-requisite for development is the formulation and implementation of sound macro-economic, fiscal and monetary policies. Then, banks could function more successfully and perform better. Lacking the above-mentioned pre-requisites, banks including FPB face problems and risks. A good example is the 2008 world financial crisis which originated in sub-prime crisis in USA and spread to the world. FPB may have difficulties. A peaceful domestic situation and efficient economy could better prevent the spillover effect of external political, economic and financial crises. FPB has to face reality and operate and survive in the current domestic and international political, economic and financial contexts. But the risks are there. It is also expected that China's economic slowdown would have some impact on the countries in the region. The degree of impact would depend on the extent of economic, trade and financial relationship.

The new government is expected to continue the economic and financial reform process. The more Myanmar economy becomes integrated into the world economy, the risks from external shocks would become more frequent. This would impact local banks. Risk management needs to improve and protect against market risks and external shocks of various kinds. This is the real risk FPB needs to face and be prepared.

6. INDUSTRY INFORMATION

State of Banking Sector

Myanmar banking sector is developing but still needs to go a long way to become competitive with foreign banks. In spite of financial and banking sector reforms banking sector is still under-developed. Major constraints are highlighted below.

Regulatory Environment

Local banks are highly regulated in the sense that CBM still fixes the deposit and lending rates of local banks. Foreign exchange rates are still regulated by CBM within a narrow band of ± 0.8 percent. Local banks are required to submit to CBM reports regarding daily activities, quarterly reports on lending practices on top of site supervision visits periodically. CBM is in the process of rating banks' performance at the end of each fiscal year. Some of these supervisory activities, although they are essential, needs to be liberalized as banks become more accountable, responsible and capable. CBM should stress more on macro-prudential supervision rather than micro-management.

Myanmar Financial Institutions Law

The revised Myanmar Financial Institutions Law (MFIL) was enacted by Pyidaungsu Hluttaw on 25 January 2016. New and salient features of FIL are as follows-

1. It gives wide powers to CBM.
2. It is more comprehensive and includes provisions for E money, E banking and Mobile banking. (Section 128-132)
3. It allows merger and acquisition of banks (Section 48, 49, 50).

4. It explicitly prescribes capital, reserve and liquidity requirements based on BCBS requirements for domestic as well as foreign banks.

CBM is expected to issue new regulations under the new Financial Institution Law in the following areas; namely, capital requirement, reserve requirement, provision and classification of NPL, risk management, related party transactions, oversight and internal control to mention a few under the wide powers entrusted to CBM.

Local banks are awaiting with anxiety the issuance of new regulations. One in particular, the reserve requirement of 5% of deposits could impact the profits of banks.

Banking Sector Developments

Since the enactment of the first FIL in 1990, private sector banks have grown steadily. The number of private banks has increased to 30 as of 2016. Deposits with private sector banks have exceeded state-owned deposits. Deposits with private sector banks constitute about 77 percent of total deposits by end November 2015¹. Trust and confidence in private banks has increased.

Local banks are in the process of upgrading and modernizing IT infra-structures and adopting CORE banking solutions. Some banks have launched internet banking. ATMs are now seen in most of commercial sites. Still, banks need to adopt international standards and best practices. Movement toward implementation of International Financial Reporting Standard (IFRS) is now underway.

Competition among local banks is keen. Big banks with wide branch net-work are unilaterally cutting down remittance rates, hiking interest rates on deposits and cutting lending rates. Some banks even conduct activities by breaking rules and regulations prescribed by CBM. As a result,

some banks are incurring losses and profits of some banks have declined. Although healthy competition is desirable, unfair competition is hurting smaller banks.

Entry of Foreign banks

CBM has granted 4 new branch licenses to foreign banks. Now, 13 foreign banks have received branch licenses. Although foreign banks are restricted to conduct wholesale banking to serve their foreign corporate, they may become potential competitors to local banks. Local banks cannot compete with foreign banks in terms of capital, experience, skills and efficiency, scope and scale of operations. Local banks could only expect their cooperation and support in training staff of local banks and transferring their knowledge, skills and technology. The further development of Myanmar banking sector needs their active, willing cooperation and support.

Yangon Foreign Exchange market was established in April 2013 yet it is not fully operational. Formal Inter-bank market still need to be further developed. There are many constraints in the development of these two important institutions. Among others, limited capacity and capability of local banks hinders development. The scarcity of skilled human resources is a critical bottleneck. The un-willingness to participate and cooperate by foreign banks is limiting the progress of Foreign Exchange and Inter-bank markets. The participation of other financial institutions such as insurance companies is also necessary. Not least is the role of CBM in clearly laying down a framework of realistic guidelines.

¹ Source-Central statistical organization, Selected Monthly Economic Indicators, January 2016

Challenges and Opportunities

Local banks are facing many challenges in their effort to modernize, develop and survive fierce competition from domestic as well as foreign banks. Only efficient banks will survive.

Challenges also present opportunities and impetus for local banks to explore ways and means to become more competitive and efficient. “Survival of the fittest” will be the norm.

7. ISSUER INFORMATION

Profile of First Private Bank

Type of company	Public company
Company registration	Registration No.223, 1991/92
Date of registration	9 September 1991
Commencement certificate	5 March 1992
Commercial bank license	25 May 1992
License number	CBM/P-1/(5)1992
Investment bank license	10 November 1993
License number	CBM-BAN SIT-48-1
Date of opening	6 October 1992
Money changer license	24 October 2011
License number	CBM-FEMD-8/2011
Authorized dealer license	24 August 2012
License number	CBM-FEMD-93/2012
Mobile banking license	30 June 2014
License number	CBM-FEMD-53/2014
Number of branches	32 Branches
Number of staff	610

An Overview

Since the founding of FPB in 1992, FPB has grown steadily and made profits continuously. FPB started paying dividends to shareholders beginning with FY 1992-93 till to date, 31 March 2015. Likewise, FPB has paid corporate profit tax to the government continuously without fail and is one of the largest tax payers. It ranked 4th in FY 2012-13, 6th in FY 2013-14 and 8th in FY 2014-15 among banks. Nationally, among 500 largest taxpayers of corporate income tax and sales tax FPB ranked 15th in FY 2012-13, 16th in FY 2013-14 and 18th in FY 2014-2015.

Because of its performance and good reputation FPB has been able to sell its shares with a premium of 200 percent. The share capital of the bank (authorized capital) increased 100 times since it was established. As of (15-8-2016), FPB has 8,255 shareholders, No. of shares 2,472,053 shares all over the country. In terms of asset quality, NPL ratio is Zero percent of outstanding loans. In short, FPB is a model of good corporate governance in terms of responsibility, transparency and accountability. FPB enjoys public confidence, trust and is highly reputable.

Unique characteristics

The founders of the FPB set forth high and noble economic and social objectives in the Memorandum as follows;

- To mobilize internal and external financial resources for investment in productive enterprises especially in the private sector.
- To assist and facilitate the establishment of share, stock and security markets.

The founder and chairman sets high bars in terms of corporate governance as specifically stated in our vision, mission and core values, viz.-

- To set high ethical and moral standards in banking and finance.
- To contribute to reduction of poverty.
- To be accountable, responsible, transparent and trustworthy.

In short, FPB was established to serve the national and public interest.

Strength

FPB's strengths and achievements, among others, need to be mentioned.

1. The bank received the first banking license in the country on 25th May 1992, and since then maintains track record of paying annual dividends to its shareholders. FPB has achieved its objectives and performed efficiently to the satisfaction of its shareholders. People are buying FPB shares at a premium of 200 percent. FPB was able to increase authorised capital 100 times.
2. The bank has been supported by diversified shareholder and customer base. As of 31 March 2016, top 10 depositors consist 6.6% of the total deposit amount, which provide the bank with stable deposit base. At the same time, number of shareholders is 7,728 and provide the stable shareholder base.
3. The bank has rigorous credit analysis and monitoring throughout its loan cycle including thorough examination of justification for loan extension, and as a result, non-performing loans are less than 0.1% of outstanding loans which is the industry standard. At present, there is only one bad loan of Thirty million kyat which was written off. Loan loss coverage is Kyat 2,862 million. Most importantly, FPB enjoys public confidence and trust due to its honest and dedicated leadership, proven by its long standing profit growth record.

Our Growth Strategy

After successfully managing the bank for almost 25 years, our next steps are as follows:

1. To upgrade bank technology and IT.

FPB has already selected one software company to install core banking solution .It has already completed the construction of Data Centre

2. To modernize business practices by introducing international best practices and standards.

Card business will be expanded after core banking has been implemented.

3. To motivate and train bank staff to increase professional and technical skills.

FPB is already making preparations including training of senior staff to implement (IFRS).

Training of staff is an ongoing activity and includes in - house training programs as well as training outside by sending staff to attend training course conducted by Myanmar Institute of Banking and also to seminars and workshop.

4. To diversify financial products including consumer finance.

5. To motivate and seek active cooperation and participation of shareholders and stakeholders in bank's activities.

FPB is public company with around 8000 shareholders and such as active support and cooperation of shareholders could help the growth of the bank.

6. To expand the network and customer base.

With shareholders active cooperation customer base could also be expanded by opening new branches wherever appropriate and profitable opportunities exist.

In short, we need to step up, the skills, scale, scope and standards to update and bring up at least to regional level.

Risk Management

Operational Risk Management

FPB has written procedures for operation and reporting managed by Senior General Manager. The bank gives training to its employee when newly recruited, new products are introduced and whenever it is necessary.

Exchange Risk Management

According to the instruction of CBM, Net Open Position, which represents foreign exchange risk exposure of FPB, needs to be within the range not more than 30% and not less than minus 30% of Tier 1 capital. The bank daily watches Net Open Position carefully through Foreign Banking Department.

IT Risk Management

FPB has business partner for “myKyat” mobile money. If there is system failure in “myKyat” mobile money, its partner has good backup system. The back up process of “myKyat” was carefully reviewed by Mobile Banking Department, and will regularly be reviewed by the same department.

Two pillars

- **Branch Network**

Currently, we are planning to open branches in smaller towns and villages to provide access to financial services to low income groups. The objective is to help facilitate reduction of poverty and to realize financial inclusion. In FY 2016-2017, we plan to open seven (7) new branches. Patheingyi (Bassein) and Maubin in Irrawaddy division, Myaing in Magway division, Shwebo in Sagaing division, Myawaddy in Karen State, Tiddim in Chin State and Myittha in Kachin State.

- **Mobile banking (myKyat)**

CBM granted FPB mobile banking license on 30 June 2014. We are partnering with Frontier Technology Partners using SAP software. We launched mobile payment on 15 December 2015. Again, the objective is to reach out to lower income people in villages. Mobile phone ownership has now reached a wide section of the population. The second pillar of our growth strategy, mobile payment/banking, could become an effective strategy in alleviating poverty. We expect mobile payment/banking to supplement our branch network.

Future prospects

We are committed and determined to become a modern and developed bank in line with our vision, mission, core values and growth strategy. We will work hard to achieve our worthy goals. Our performance record of over 24 years convinces us that we would be able to achieve our goals. We expect our staff, shareholders and stakeholders to join hands with us, the Board of directors, to attain the goals we have set for ourselves.

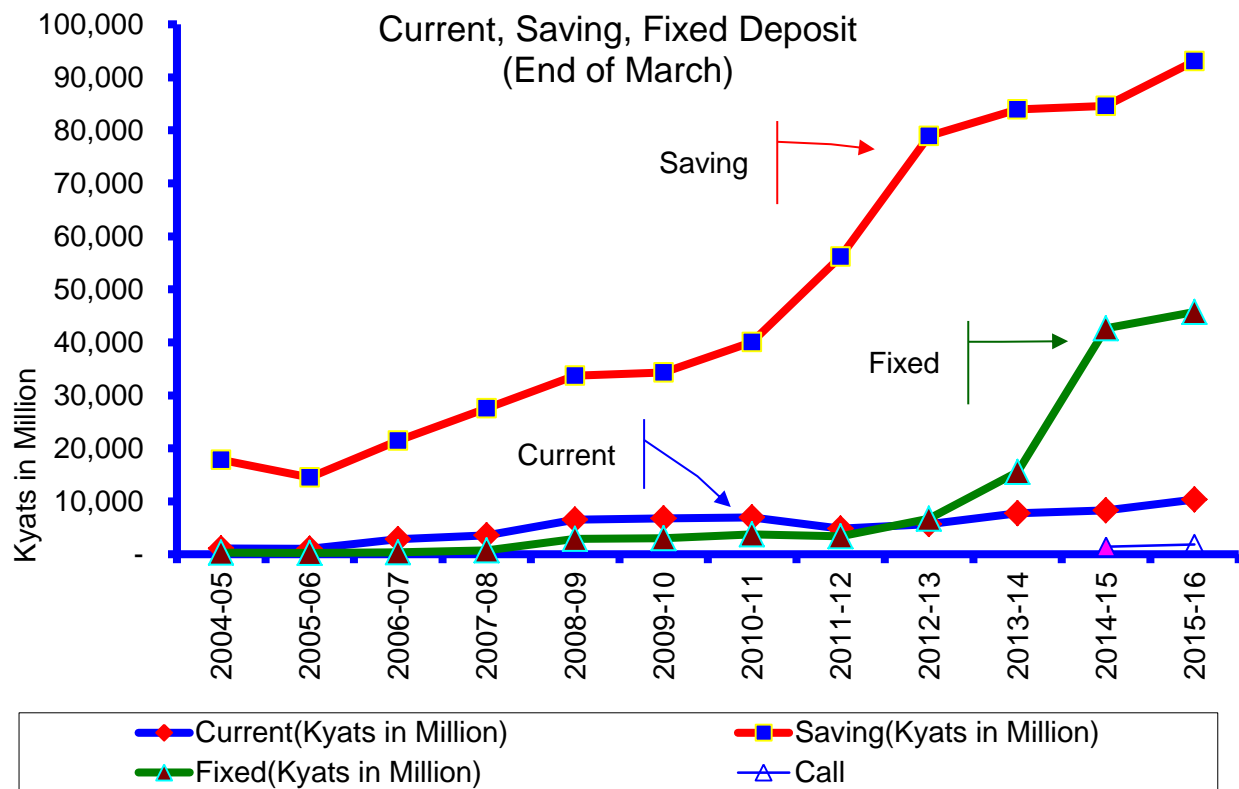
We are living in a competitive and digitized environment, to survive we must persevere and strive to achieve our goals. We are now in the process of upgrading bank technology, implementing core banking solution and setting up data center along with modernizing bank's business practices, processes, and standards. Key to the successful implementation of our strategy of modernization and upgrading is the training of bank staff to acquire necessary skills. We need to motivate and train them so that they become skilled knowledge-workers and skilled professionals.

Deposit growth

Myanmar is basically a cash society and only a small percentage of the population has bank accounts. Deposits growth depends on many factors. The existence of number of bank branches is a key determinant of the growth of deposits. FPB was able to open 32 branches up to the current date and 7 branches are planned to be opened in FY 2016-2017.

The interest on deposits and lending is fixed by CBM. The floor on saving deposit is fixed at 8% and the ceiling on lending is fixed at 13 percent. FPB's current interest rate structure is as follows;

<u>Deposit types</u>	<u>Interest rate</u>	<u>Remark</u>
Saving deposit	8.25%pa	Interest is paid every three months
Fixed deposit	9.25%pa	three months
	9.50% pa	six months
	9.75% pa	nine months
	10% pa	one year
Call deposit	4% pa	interest is calculated daily and paid monthly



Current, Saving, Fixed Deposit

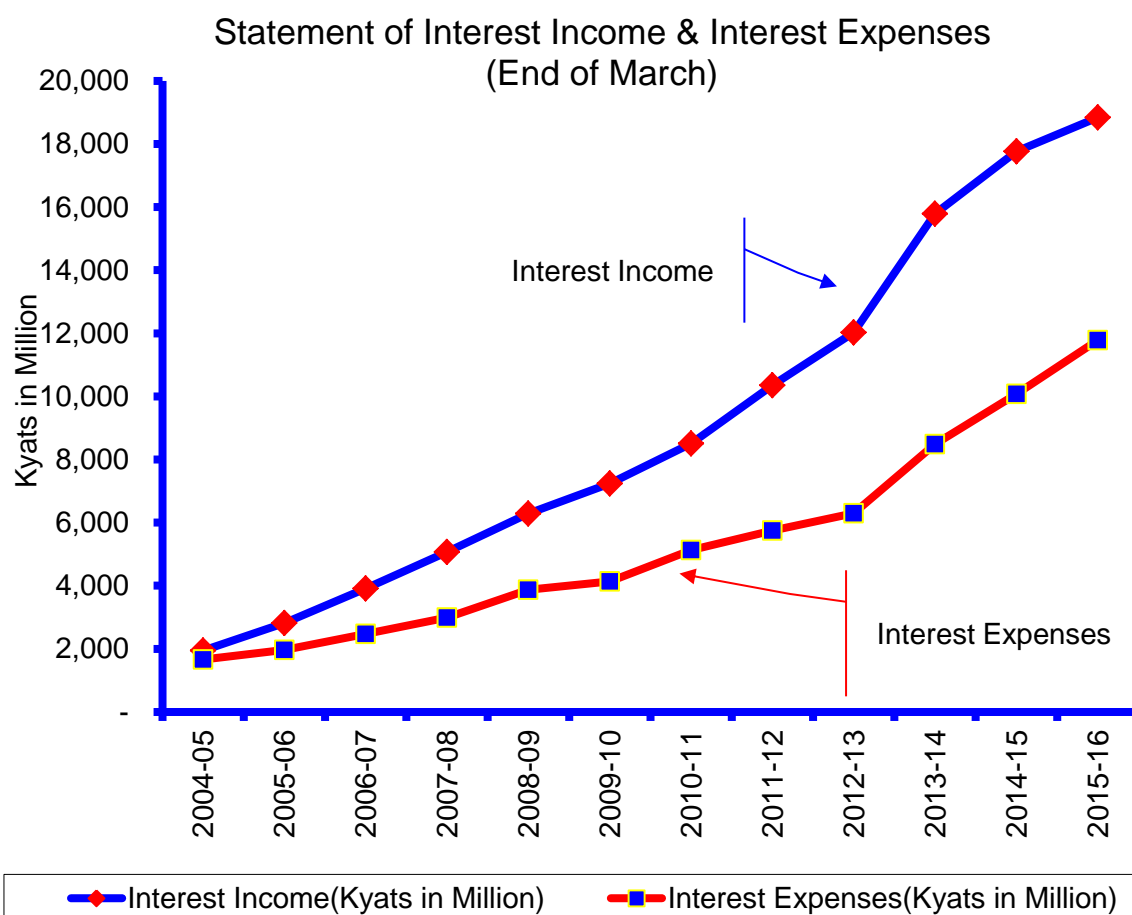
(Kyats in Million)

Year (March 31)	Call	Current	Saving	Fixed
2010-11		6,988.00	40,076.00	3,761.00
2011-12		4,850.00	56,174.00	3,383.00
2012-13		5,720.00	78,917.00	6,733.00
2013-14		7,742.00	83,921.00	15,534.00
2014-15	1,429.00	8,286.00	84,604.00	42,655.00
2015-16	1,887.75	10,325.49	93,062.33	45,722.63

Statement of Interest Income & Interest Expenses

(Kyats in Million)

Year (March 31)	Interest Income	Interest Expenses
2011-12	10,357	5,748
2012-13	12,029	6,293
2013-14	15,784	8,483
2014-15	17,763	10,077
2015-16	18,843	11,780



Deposit's Concentration

March 2016 (Top 10 Depositors)	Type of Deposit	Amount (Kyats in Milliion)	% of Total Deposit
Bank A	Fixed	3,000	1.99%
Organization A	Current AC	1,164	0.77%
Individual A	Saving AC	1,032	0.68%
Individual B	Saving AC	905	0.60%
Director A	Saving AC	794	0.53%
Organization B	Saving AC	787	0.52%
Individual C	Saving AC	707	0.47%
Company A	Saving AC	564	0.37%
Individual D	Saving AC	528	0.35%
Individual E	Saving AC	519	0.34%
Top 10 Total		10,000	6.62%

March 2015 (Top 10 Depositors)	Type of Deposit	Amount (Kyats in Milliion)	% of Total Deposit
Director A	Fixed and Saving	6,670	4.87%
Bank B	Fixed	5,000	3.65%
Bank C	Fixed	4,000	2.92%
Bank D	Fixed	3,000	2.19%
Individual F	Saving	1,226	0.90%
Organization A	Current	1,213	0.89%

Individual B	Saving	904	0.66%
Individual E	Saving	681	0.50%
Individual G	Saving	562	0.41%
Individual H	Saving	560	0.41%
Top 10 Total		23,816	17.39%

Deposit Classification by Amount

Deposit size (Kyats in Million)	No	Amount	Percentage of Total Deposit
0-0.5	44,706	5,573.31	3.69%
0.5-5	6,057	11,470.41	7.60%
5-10	1,485	10,275.75	6.81%
10-100	2,628	68,085.90	45.09%
>100	217	55,592.82	36.82%
Total	55,093	150,998.19	100.00%

Growth of Loans and Overdraft

Interest income from loans and overdraft is the main source of revenue for FPB. Non-interest income is not yet significant due to fierce competition among private banks and rapid growth in the number of private banks and branches. FPB has to rely mainly on interest income. Average growth rate of loans from March 2011 to March 2016 was 29.15 percent which is higher than the average deposit growth rate for the same period of 23.18 percent. This is due to the FPB's policy of special efforts and drive to increase lending to small and medium enterprise.

Growth of loans and overdraft

(percentage, yoy)		
Year (March 31)	Loan	Deposit
2010-11	31.01%	15.13%
2011-12	32.69%	26.72%
2012-13	41.75%	41.86%
2013-14	30.60%	17.32%
2014-15	20.74%	27.78%
2015-16	18.12%	10.24%
Average	29.15%	23.18%

Lending policy and practice

FPB extends loans to corporate, small and medium enterprises, retailers, traders and exporters based on real estate collateral, gold and other eligible collateral acceptable to the bank. Borrowers must satisfy the criteria set by the bank such as the integrity, capability and repayment capacity of the borrower.

FPB practices a conservative lending policy to manage credit risks and minimize non-performing loans. Borrowers have to meet triple A rating criteria, viz., (1) character, integrity and repayment capacity of the borrower, (2) marketable collateral and (3) sound and profitable business. For first time borrowers loan to value ratio is fixed at 30 percent of forced-sale value of collateral. The ratio is increased gradually based on the reliability and performance of the borrower in terms of loan repayment. The interest rate of loans is 12% per annum on the loan amount and a service charge of 1% per annum on the loan amount. The total interest rate is 13% per annum on the loan amount.

Loans

Loans are generally for a period of one year subject to extension provided there is assurance and guarantee that the loan will be repaid. A default penalty or an extension fee of one percent is charged in addition to extra guarantees and assurance of repayment.

Overdraft facility

Overdraft facility is also provided to businesses. Interest is charged only when the borrower withdraws from the overdraft facility. Interest is calculated on the amount drawn whereas in the case of conventional loan, interest is charged on the loan amount irrespective of utilization.

(Kyats in Million)			
Year	Loans	Overdraft	Total
2014-2015	14,353.41	106,796.39	121,149.80
Percentage	11.85%	88.15%	100.00%
2015-2016	14,444.37	128,658.63	143,103.00
Percentage	10.09%	89.91%	100.00%

As indicated in the table above, overdraft facility constitutes about 90% of total Loans and Overdraft facilities. Borrowers pay interest only on the amount drawn. FPB does not get interest on the total amount of overdraft facility.

Loan Concentration

March 2016 (Top 10 Borrowers)	Amount (Kyats in Milliion)	% of Total Deposit
Individual A	5,000	3.49%
Individual B	4,500	3.14%
Individual C	4,100	2.87%

Individual D	3,500	2.45%
Individual E	3,500	2.45%
Individual F	3,200	2.24%
Individual G	3,000	2.10%
Individual H	2,600	1.82%
Individual I	2,500	1.75%
Individual J	2,300	1.61%
Top 10 Total	34,200	23.90%

March 2015	Amount	% of
(Top 10 Borrowers)	(Kyats in Million)	Total Deposit
Individual A	5,000	4.13%
Individual B	4,500	3.71%
Individual C	4,100	3.38%
Individual F	3,200	2.64%
Individual E	2,900	2.39%
Individual I	2,500	2.06%
Individual K	2,100	1.73%
Individual L	2,000	1.65%
Individual G	2,000	1.65%
Individual J	1,800	1.49%
Top 10 Total	30,100	24.85%

Loan Classification by Amount

(31-3-2016)			
Loan Size (Kyats in Million)	No	Amount (Kyats in Million)	Percentage of Total Loan
0.5-5.0	54	95.25	0.07%
5.0-10	49	269.93	0.19%
10-50	321	9,288.28	6.49%
50-100	221	15,279.30	10.68%
> 100	329	118,170.24	82.58%
Total	974	143,103.00	100.00%

Average Size of Loan K 147 million

Minimum size of loan K1,000,000

Maximum size of loan K 5 billion

List of New Loans Issued and Loans repaid back over the last three years

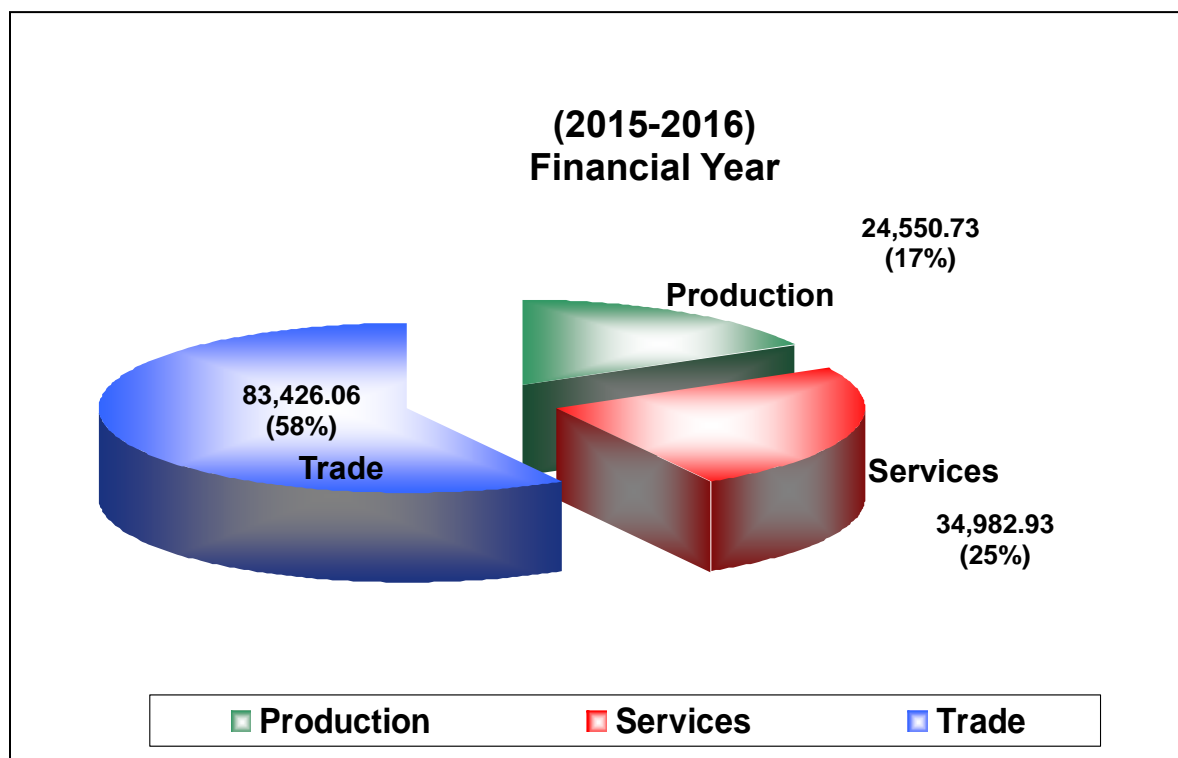
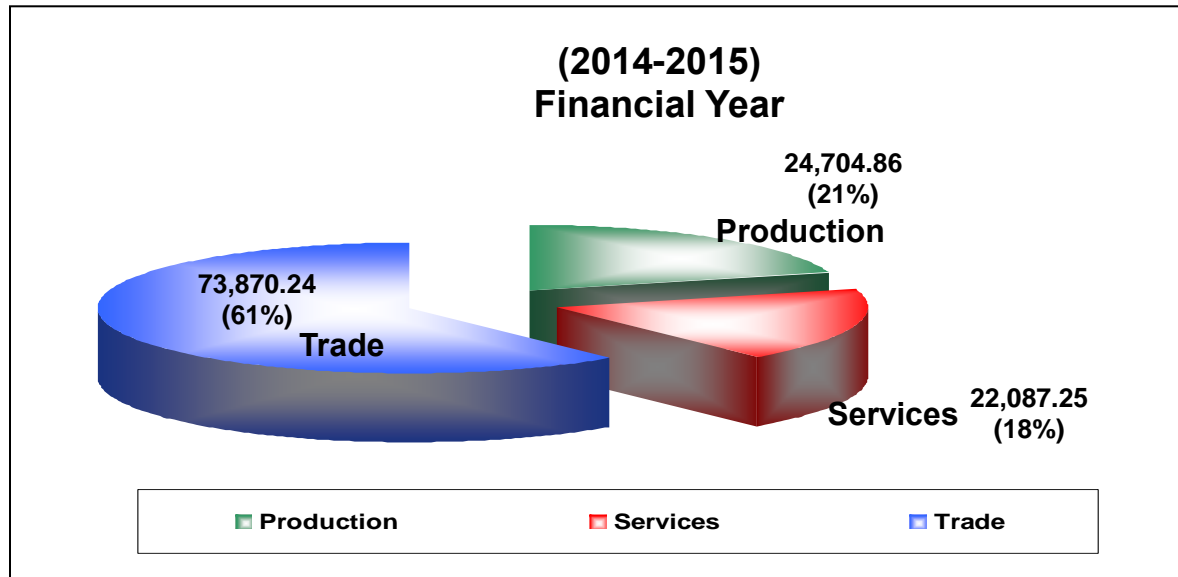
Financial Year	New Loans		Repayment of Loans	
	Number of accounts	Amount (Kyats in Million)	Number of Accounts	Amount (Kyats in Million)
2013-2014	526	18,853	674	18,135
2014-2015	213	23,690	697	37,548
2015-2016	176	22,933	646	40,365

Hire Purchase

FPB also provides hire purchase loans to consumers to enable them to purchase automobiles of their choice. Consumers have to put up 50% of the value of the automobile. The remaining 50% of the value of the automobile has to be paid in installments either in 12 months or 24 months. The interest rate is the same as loans or overdrafts at 13 percent, (12% being interest

rate and one percent is service charge). The ownership of the automobile is retained by the bank according to the terms of the lease until the entire amount is repaid.

Loans By Sector



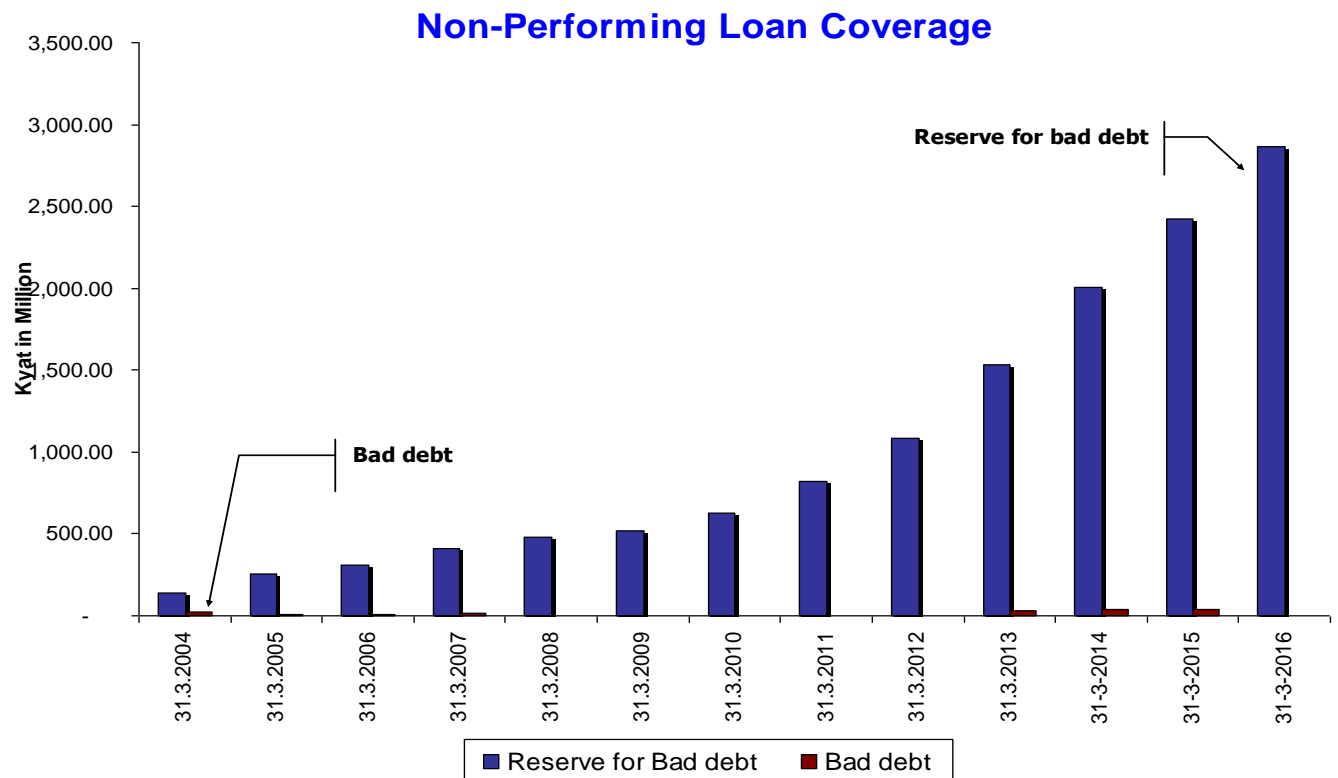
	(Kyats in Million)			
	Production	Trade	Services	Total
2014-2015	24,704.86	73,870.24	22,087.25	120,662.35
2015-2016	24,550.73	83,426.06	34,982.93	142,959.72

Asset Quality- Non-Performing Loan (NPL)

Effective and efficient lending policy and practice combined with thorough supervision and follow-up resulted in negligible NPL. Loan to value ratio is carefully considered and tailored to each customer's circumstance. All the above factors combined resulted in negligible NPLs. Risk of default is adequately covered by complying with CBM's loan loss provision of 2 percent of outstanding loans. As of FY 2016, loan loss coverage is kyat 2.86 billion.

Non-Performing Loan (NPL) Risk Management

As per the loan supervision, each FPB branch has its supervision committee, which consists of average (5) reputed local business persons in each branch area and a branch manager as a secretary of the committee. Each branch supervision committee member receives no remuneration on his or her service. For loan supervision, each branch supervision committee inspect borrowers quarterly and report to Loans department.



Non-Performing Loan Coverage

(Kyats in Million)

Year (March 31)	2016	2015	2014	2013	2012
Reserve for Bad debt amount	2,862.06	2,423.00	2,006.79	1,536.60	1,084.01
Bad debt	0.00	41.11	37.21	33.31	0.00

Loan and Deposit Ratio(Disbursement)



Loan and Deposit Ratio (Disbursement)

Year (March 31)	Loan & OD (Kyats in Million)	Total Deposit (Kyats in Million)	Loans / Deposit Ratio (%)
2011-12	54,200	64,407	84.15%
2012-13	76,830	91,369	84.09%
2013-14	100,340	107,197	93.60%
2014-15	121,150	136,975	88.45%
2015-16	143,103	150,998	94.77%

Type of Collateral or Security Accepted for the Loans as of (31.03.2016)

No	Type of Security	# of Account	Amount (Kyats in Million)
1	Immovable Property	891	142,882.63
2	Gold and Jewellery	8	29.90
3	Deposit	35	47.20
4	Hire Purchase	40	143.27
	Total	974	143,103.00

International Banking

CBM granted Money Changer License on 24 October 2011 and Authorized Dealer License on 24 August 2012 to FPB. Under the Money Changer License, FPB opened money changer counters in major branches and exchanges kyat with US dollars, Singapore dollars and Euro of EU as permitted by CBM. In accordance with the terms of the Dealer License, FPB is opening foreign currency accounts to both domestic and foreign customers. Customers can open import/export letters of credit, money transfers, telegraphic transfers etc. To date (31-3-2016), correspondence banks have been established.

Western Union

FPB signed an agreement with Western Union Money Transfer License on 12 January 2013. To date (8-4-2016) customers from 61 countries are transferring funds to their relatives in Myanmar. Funds transferred to Myanmar amounted to K 26.74 billion as of (19-2-2016). CBM approved outbound money transfers on 6 January 2016, and Western Union is currently processing the transfer of funds outbound.

Profitability of International Transactions

Income from international transactions is an additional source of profit for FPB. Annual Profits has gradually increased during its short period of operation. Profit had increased from its first year of operation K 213 million in FY 2013-2014 to K 1,316 million in FY 2015-2016.

Comparison of Profitability

	(kyat)	
(Fiscal Years)	2015-2016	2014-2015
Income		
Commission Income	108,535,184.25	75,172,037.91
Fees and Charges	128,856,847.50	46,989,890.29
Exchange, Loss/Gain	1,078,021,970.49	567,469,173.45
Miscellaneous	39,319,125.12	27,927,053.40
Total Income	1,354,733,127.36	717,558,155.05
Expenditure		
Fees and Expenses	3,805,204.09	3,391,194.47
Repairs and Maintenance	-	2,035,000.00
Telex/Swift	24,754,525.70	25,221,001.00
Total Expenditure	38,559,729.79	30,637,195.47
Profit	1,316,173,397.57	686,920,959.58

Progress with “myKyat”

Consumers, businesses have become familiar with the brand- “myKyat”. They are using “myKyat” mobile money in depositing, paying, withdrawing, cashing in/cashing out via agents, and paying bills. In Yangon, 40 townships are now billing electricity and telephone bills via “myKyat”. The progress in implementation of mobile payment is shown below:

	(15 th Sept 2016)	(19 th August 2016)
1. Deposit money with FPB bank	K 99.97 million	K 103.7 million
2. No. of transactions	39,615	36,163
3. Type of Users		
Consumers	12,736	12,425
Businesses	39	38
4. Agents including bank branches	117	113
5. Bill payment (electricity / telephone)		
Yangon	40 township	40 township
Mandalay	6 township	6 township
Bago	12 township -	12 township

Internal Audit

The bank has internal audit department which audits daily and shareholders audit committee sits once every three months in accordance with the Myanmar accounting and auditing standards and CBM requirements. The functions of internal audit department are as follows:

- To monitor compliance by the bank's departments and employees with the bank's internal policies and directives and with CBM's regulations and directives;
- To monitor employees to determine if there are any cases of fraud and of negligence or recklessness in carrying out their duties;
- To check if employees and management staff are following guidelines on expenditure and approval limits;
- To liaise with the external auditor;
- To conduct regular checks and spot checks on branches; and
- To conduct audits on the Bank's budget including expenditures.

Insurance

We have deposit insurance for our customers for deposits of Ks 500,000 and below based on guideline of Myanma Insurance. We also have cash in vault insurance and fire insurance in respect of our buildings.

Material Contracts

Currently FPB is one of the agents of Western Union on a commission basis for inward remittances. FPB also entered into an agreement with Frontier Technology Partners (FTP) for the use of mobile banking software solution for mobile payment and mobile banking on an operational cost and revenue sharing basis.

In short, FPB has no material financial commitment to either Western Union or FTP. As a matter of fact, FPB owes no financial obligation to any company or individuals. FPB is an independent public company formed in 1992 and has no parent holding company and subsidiaries. FPB relies on equity financing and has never resorted to debt financing.

HUMAN RESOURCES

The bank has, over the last 24 years, been operating its activities with experienced and skillful employees. The employee turnover ratio is also low and as at 31 March 2016, the bank has employed 610 personnel as follows:

EMPLOYEE STRUCTURE CHART (31-5-2016)

Sr.No.	Ranks	Strength at		
		Head Office	Branches	Total
1.	Senior General Manager	1	-	1
2.	General Manager	5	-	5

3.	Deputy General Manager	2	-	2
4.	Assistant General Manager (1)	3	6	9
5.	Assistant General Manager (2)	-	10	10
6.	Senior Manager	6	20	26
7.	Manager	3	49	52
8.	Deputy Manager	6	53	59
9.	Senior Accountant/ Cashier/Auditor Grade I	11	39	50
10.	Senior Accountant/ Cashier/Auditor Grade II	17	110	127
11.	Account / Cashier/ Auditor	18	114	132
12.	Admin/ Cash Assistant	1	4	5
13.	Daily wage Earners	1	6	7
14.	Driver	2	1	3
15.	Bank Guard	4	81	85
16.	Menial	3	34	37
Total		83	527	610

First Private Bank Senior Management Team

(1) Name Daw Nang Myat Mon

Date of birth 26th December 1968

Nationality Shan

Education M.B.F. (Yangon University of Economics) (2016)

 B.Com. Institute of Economics (1992)

 D.A Diploma of Accounting (1995)

Title General Manager (Account Department)

(2) Name Daw Mi Mi Naing

Date of birth	22 nd January 1970
Nationality	Myanmar
Education	M.B.F. (Yangon University of Economics) (2016) CDCS (UK) B.Econ.,(Stats.) Institute of Economics (1995)
Title	General Manager (Foreign Banking Department)

(3) Name	Daw Soe Soe Win
Date of birth	3rd October 1967
Nationality	Myanmar
Education	B.Com. Institute of Economics 1991
Title	General Manager (Loan Department)

(4) Name	U Myo Min Cho
Date of birth	4th May 1972
Nationality	Myanmar
Education	B.Sc (Maths) Q2,University of Yangon 1996
Title	General Manager (Mobile Banking Department)

(5) Name	Daw Su Su Lwin
Date of birth	5th February 1969
Nationality	Myanmar
Education	B.Econ.,(Eco)Q , Institute of Economics1992 D.A(Diploma of Accounting)1996
Title	Deputy General Manager (Account Department)

(6) Name	U Aung Myo Htut
Date of birth	8th September 1963
Nationality	Myanmar
Education	B.Econ.,(Stats.) Institute of Economics 1985
Title	General Manager (Cash Department)

FPB Head office and branches

- | | |
|-----------------------------------|---|
| 1.Naypyitaw Head Office | Block(4) , Ottara Thiri Town, Naypyitaw.
Tel: (067)417335,417336, (067)417090,417091, Fax:(067) 417334 |
| 2.Yangon Head Office | No(619/621), Merchant St., Pabedan township, Yangon.
Tel:01-246786, 388502, 251748 ~ 50,Fax: 01-242320, 250148. |
| 3.Bayint Naung-Branch (1) | No-59/60, Corner of Yin Mar St., & Yu Za Na St. Bayint Naung.
Yangon
Tel: 680586, 682027, 682330, Fax:680769. |
| 4.Mandalay-Branch (2) | No.180, 27/26(B), Main Road, Between 86th St., & 87th St.,
Mandalay.
Tel:(02) 39113, 39114, Fax:(02) 35644. |
| 5.Monywa-Branch(3) | No.11, Zay Street, Su Lay Gone Ward, Monywa.
Tel:(071) 22624,22520, Fax:(071) 22193. |
| 6.Theingyi Zay-Branch (4) | Thein Gyi Zay C Sheed, 3rd F, South-Wing, Shwe Dagon Pagoda
Road, Pabedan township, Yangon.
Tel: 256273, Fax: 240079. |
| 7.Pyay-Branch (5) | No.162, Lanmadaw St., Pyay.
Tel:(053) 24985-87, Fax:(053) 24988,24752. 09-49500565. |
| 8.Hinthada-Branch (6) | No.101, Myit Kwei Kyaung St., Youn Gyi Quarter, Hinthada.
Tel:(044) 21805-6, Fax:(044) 21860, 09-8581577 |
| 9.Kyauk Pa Daung-Branch(7) | Corner of Meiktila-Yenangyaung Main St. & Aung Thu Kha Road,
Aungmingalar Ward,
Tel:(061) 50411,50107,Fax:(061)50724, 51218 |
| 10.Pakokku-Branch (8) | No.92, Corner of Myo Ma St.,& Ahazarni St.,(7) Ward, Pakokku. |

	Tel:(062) 22174,22175, 09-6571512. Fax:(062) 22176,22098.
11.Magwe-Branch (9)	No.378-381, Thukhi Tar St., Yan Pe` Ward, Magwe. Tel:(063) 26596-7. Fax:(063) 23049, 23883
12.Dawei-Branch (10)	No.660, Ahazarni St., Myauk Ywa Quarter, Dawei. Tel:(059) 22336,21018, Fax:(059) 21010.
13.Myeik-Branch (11)	No.95, Bogyoke St., Seiknge Quarter, Myeik. Tel:(059) 41913, Fax:(059) 41916.
14.Latha-Branch (12)	Ground Floor, 119/121, Latha St., Latha township, Yangon. Tel: 252409, Fax: 252410.
15.Kawthaung-Branch (14)	Corner of Bogyoke St., & Pagoda St., Anawar Quarter, Kawthaung. Tel:(059) 51882, 51761. Fax:(059),51762, 51883
16.Aungban-Branch (15)	No.(187), Pyi Daung Su Main St., Nyaung Pin Taung Ward, Aungban. Tel:(081) 60501,60503, Fax:(081) 60802.
17.Ahlone-Branch (16)	Bldg 2, Rm 1-3, Ground Floor,Kyee Myin Daing Kannar Rd.Thiri Mingalar Housing, Alone township, Yangon. Tel: 211779, Fax:211996
18.Mawlamyaing-Branch (17)	No.58, Corner of Palea Street & Thandar Street, Yadanar Tun Pwe Yone Tan, Mon State Tel:(057) 25722, Ext(308) 27311, Fax: (057) 27312,27313
19.Kalay-Branch (18)	Bogyoke Street, PinLone Quarter, Ward (4), Kalay, Upper Sagaing Devision. Tel:(09) 6472298, (09) 4702289, Tel(073) 22686, Fax:(073)22687
20.Taunggyi-Branch (19)	No.192/ Yehtweoo Street, Kan East Ward, Taunggyi, Shan State. Tel (081) 201701-2-3, Fax:(081) 201704,05
21.Loikaw-Branch (20)	No.25/B Gandaryawady Street, Min Su Quarter, Loikaw, Kayar State. Tel:(083) 23057, 23058, Fax:(083)23057
22.Thiriyadanar-Branch (21)	Room No.H-3/H-4), Thiriyadanar Branch, South Okkalapa, Yangon Tel:(01) 9690383
23.Mandalay30 St, Branch (22)	Room No.G-1, Shwemyodaw Building,(30)Street, Between(78-79)Street, Mandalay

	Tel:(02)69639
24.Hpa-An-Branch (23)	No.23, Bogyoke street, Kounggalay Ward, PhaAn, Kayin State Tel:(058)23391
25.Gangaw-Branch (24)	No.380, Myitshaung Street, No(2) Quarter, Gangaw, Magwe Devision. Tel:(062)50734, 50735
26.Monywa-Branch (25)	No.3, Paypin Kyaung Street, Su Lay Gone Ward, Monywa. Sagaing Tel:(071) 26256, 226257, 26258
27.Butalin-Branch (26)	No.16, Myawaddy Quater, Monywa-Yay Oo Street, Butalin. Sagaing Tel:(071) 20346, 50347, 20348
28.Minhla-Branch (27)	No.33, Pyi Taw Thar Street, Myoma Yard, Minhla. Magwe Devision Tel:(065) 45635, 45636, 45637
29.Pathein-Branch (28)	No.(1), Zay Yard Tan St., No(5)Ward, Pathein, Ayeyarwadi Devision . Tel:(081) 60501,60503, Fax:(081) 60802.
30.Kamma-Branch (29)	No.333, Therapy Myaing Street, Pakokku. Magwe Devision Tel:(062) 60447, 60448, 60449
31.Thingangyun Mini Branch	No (19-20) Second Floor, AKK shopping Mall, Thingangyun township, Yangon.
32.Magwe Mini Branch	No (12), First Floor, Capital Market, Minkangyi Quarter, Magwe.

COMPETITION

The banking sector in Myanmar currently comprises state-owned banks, private and semigovernmental banks, representative offices of foreign banks and branches of foreign banks. As at 21 June 2016, there were four state owned banks, 24 private banks, representative offices of 24 foreign banks and branches of ten foreign banks. (Source: <http://www.cbm.gov.mm/>, accessed 21 June 2016).

As at 31 March 2014, the state-owned banks had a market share 64.3% in terms of assets and private and semi-governmental banks had the remaining 35.7%.

State owned and private and semi-governmental banks are restricted in the kind and characteristics of the products they can offer, leading to a very narrow range of financial products. Part of the current regulation is the sector-wide application of minimum and maximum interest rates set by CBM for saving and loan products, with a maximum spread of 5.0%. Therefore, banks distinguish themselves mainly by their reputation, level of service and physical presence in the market. In October 2014, the government announced that nine foreign banks will be allowed to provide banking services to foreign corporations and domestic banks.

As at 10 October 2015, all nine foreign banks had commenced operations. (Source: <http://www.cbm.gov.mm/>, accessed 10 October 2015). Each foreign bank is allowed to open a branch at only one location and is not permitted to offer retail banking services. The foreign banks are permitted to engage in wholesale banking, grant loans and take deposits from foreign corporates and domestic banks in international currency and kyats. They can also make loans to local companies in coordination with local banks by establishing a syndicated loan extension programme. (Source: GIZ Report).

For further information, see the section titled “Industry Information”.

8. MANAGEMENT'S DISCUSSION AND ANALYSIS

Financial Performance

Due to efficient and sound financial management, FPB makes profit every year since its establishment. Dividends are distributed to shareholders every year. Profits and return on equity had increased from year to year as shown in the table below.

Profitability

(Kyats in Million)	2015-2016	2014-2015	2013-2014
Net profit (before tax)	8,549.34	8,762.40	8,048.34
Net profit (after tax)	6,412.14	6,573.05	6,037.81
Return on equity (after tax)	13.67%	16.82%	18.71%

Explanation of Performance for FY 2015-2016

Overall, FPB's profit (before tax) declined from Kyat 8,762.40 million in FY2014-2015 to Kyat 8,549.34 million in FY 2015-2016. From the Shareholders' perspective return on equity decreased from 16.82 percent to 13.67 percent.

In terms of key financial ratios, FPB's net interest margin declined from 5.23 percent to 4.36 percent and cost to income ratio increased from 18.67 percent to 21.32 percent.

The decline in profitability is due to many factors. The following are main reasons;

1. Keener competition among local banks namely

Increase in the number of private banks and branches, competitive reduction of remittance fees, competitive increase in deposit rates, and decrease in lending rates, among others, resulted in only 6 percent increase in total interest income.

2. Increase in Expenditures

Total operating expenses had increased due to staff salary increases and other operating expenses. Moreover, total interest expenses increased by 16 percent whereas total interest income increased only 6 percent. Total operating expenses increased by 15 percent.

3. Branch Expansion

In FY 2015-2016, FPB opened five new branches; Gan Gaw, Minhla and Kanmma, all in Magwe Division, Monywa and Butalin in Sagaing Division.

The opening of new branches, although resulted in expansion of branch network, increased costs and was not profitable.

Capital Structure

The capital structure of FPB is shown below. CBM requires all banks to have an equity capital of twenty billion kyat (K 20,000,000,000) as per order 9/2014 dated 30 December 2014. The New Financial Institution Law (2015) confirms it under section 34. In 2016 March, Tier 1 Capital of FPB is over K 44 billion and Tier II Capital is over K 31 billion in 2016 September. Total Capital of FPB is K 76.29 billion which exceeds the capital requirement of K 20 billion.

	(Kyats in Million)	
	March 2016	March 2015
1. Tier 1 (Core) Capital		
Paid up capital	23,661.94	19,939.39
Share premium	9,852.19	5,323.20
Retained Earnings	505.81	503.26
Statutory Reserves	10,327.79	8,724.89
Total Tier 1(Core)Capital	44,347.73	34,490.74
2. Tier 2 (Supplementary) Capital		
Reserve for bad debts & contingencies	3,063.46	2,623.91
Computer fund	288.12	288.12
Revaluation Reserve on Fixed Assets (Land & Building) ²	24,273.25	8,311.93
Dividend	4,320.00	4,410.00
Total Tier 2(Supplementary)Capital	31,944.83	25,633.96
Total (Tier 1 + Tier 2)	76,292.56	60,124.70

²Source- Based on the Bank's Assessor Assessment as of 15th September 2016

Capitalization

The following table sets our capitalization on consolidated basis for financial year on ended of March 31, 2014, 2015 and 2016.

Particulars	31-3-2016	31-3-2015	31-3-2014
Shareholders Equity			
(Kyats in Million)			
Share Capital	23,661.94	19,939.39	18,420.18
Share Premium	9,852.19	5,323.20	3,964.62
Reserves	10,327.79	8,724.89	7,081.63
Retained Profit	505.81	503.26	455.74
Total	44,347.73	34,490.74	29,922.17

Key Ratios

	2015-2016	2014-2015	2013-2014
Capital Adequacy Ratio	1.66:1	1.75:1	1.73:1
Liquidity ratio	29.23%	30.47%	26.91%
Net Interest Margin	4.36%	5.23%	5.80%
Cost to income ratio	21.32%	18.67%	18.24%
Solvency ratio	1.33:1	1.25:1	1.29:1
(Total Assets/Total Liabilities)			

Lending Performance

	2015-2016	2014-2015	2013-2014
Non-Performing Loan (NPL)	0% *	0.03%	0.04%
NPL Coverage (Kyats in Million)	2,862.06	2,423.00	2,006.79
Deposit Growth	10.24%	27.78%	17.32%
Loan Growth	18.12%	20.74%	30.60%

* Bad loan of k 30 million was written off on 30 March 2016

Share Information

	2015-2016	2014-2015	2013-2014
Share Price (Kyat)	20,000 **	19,000	18,000
Increase in Shares	372,255	151,921	286,038
Percentage Increase	18.67%	8.25%	18.38%
Earnings per Share (Kyat)***	2,984	3,363	3,523
Book Value per Share (Kyat)	21,984	20,970	19,742
Price Earnings ratio	6.70	5.65	5.11

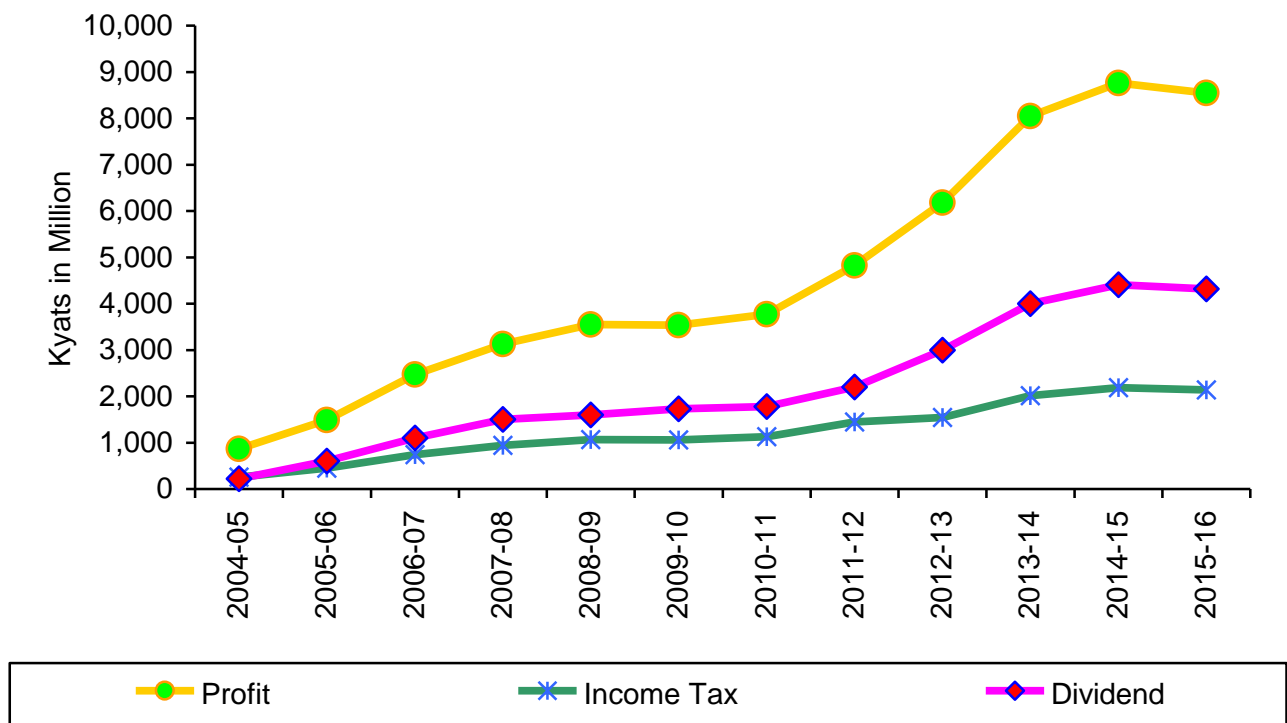
** Price per share was raised to K 30,000 on 2 May 2016

*** Earning per Share is calculated based on daily weighted average of actual share ownership.

Payment of Taxes and Dividends

Year	Tax	Dividend	Dividend as % of Net Profit
1992-1993	9,126.01	14,346.94	45.69%
to 2012-2013			
2013-2014	2,010.75	4,000.00	49.70%
2014-2015	2,189.35	4,410.00	50.33%
2015-2016	2,137.20	4,320.00	50.53%
Total	15,461.08	27,076.94	47.70%

PROFIT, INCOME TAX & DIVIDEND
(Financial Year)

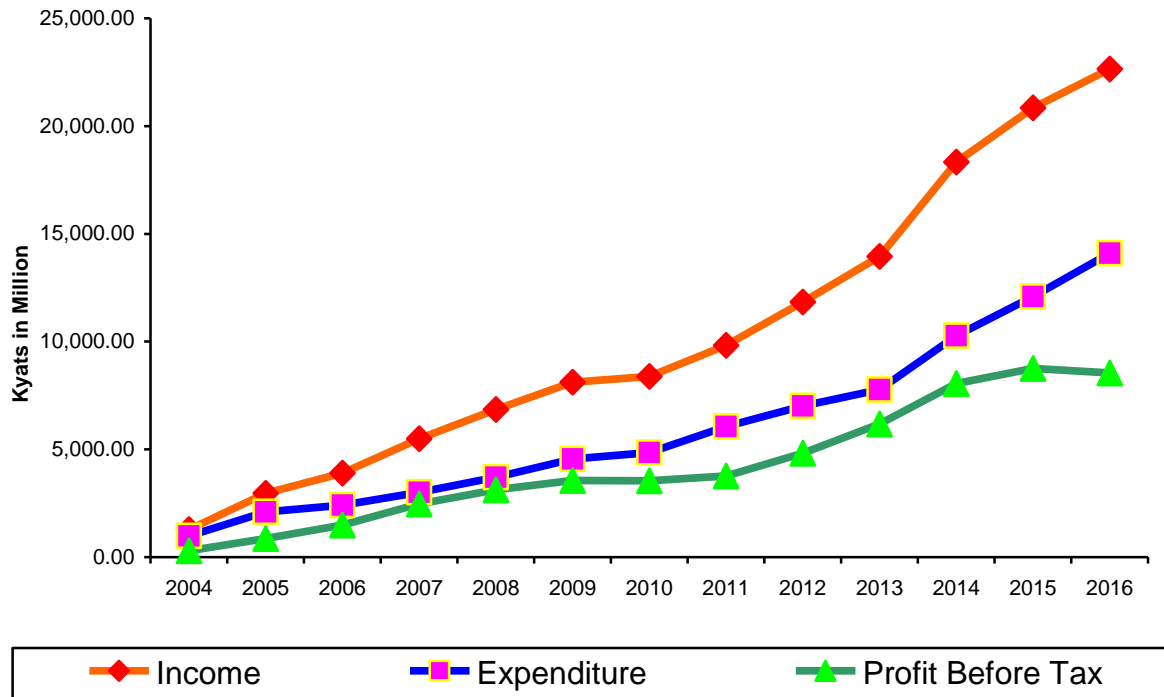


Profit, Income Tax & Dividend (Financial Year)

(Kyats in Million)

	2015-16	2014-15	2013-14	2012-13	2011-12
Profit	8,549	8,762	8,048	6,182	4,826
Income Tax	2,137	2,189	2,011	1,542	1,448
Dividend	4,320	4,410	4,000	3,000	2,200

Income, Expenditure, Profit Before Tax (Financial Year)

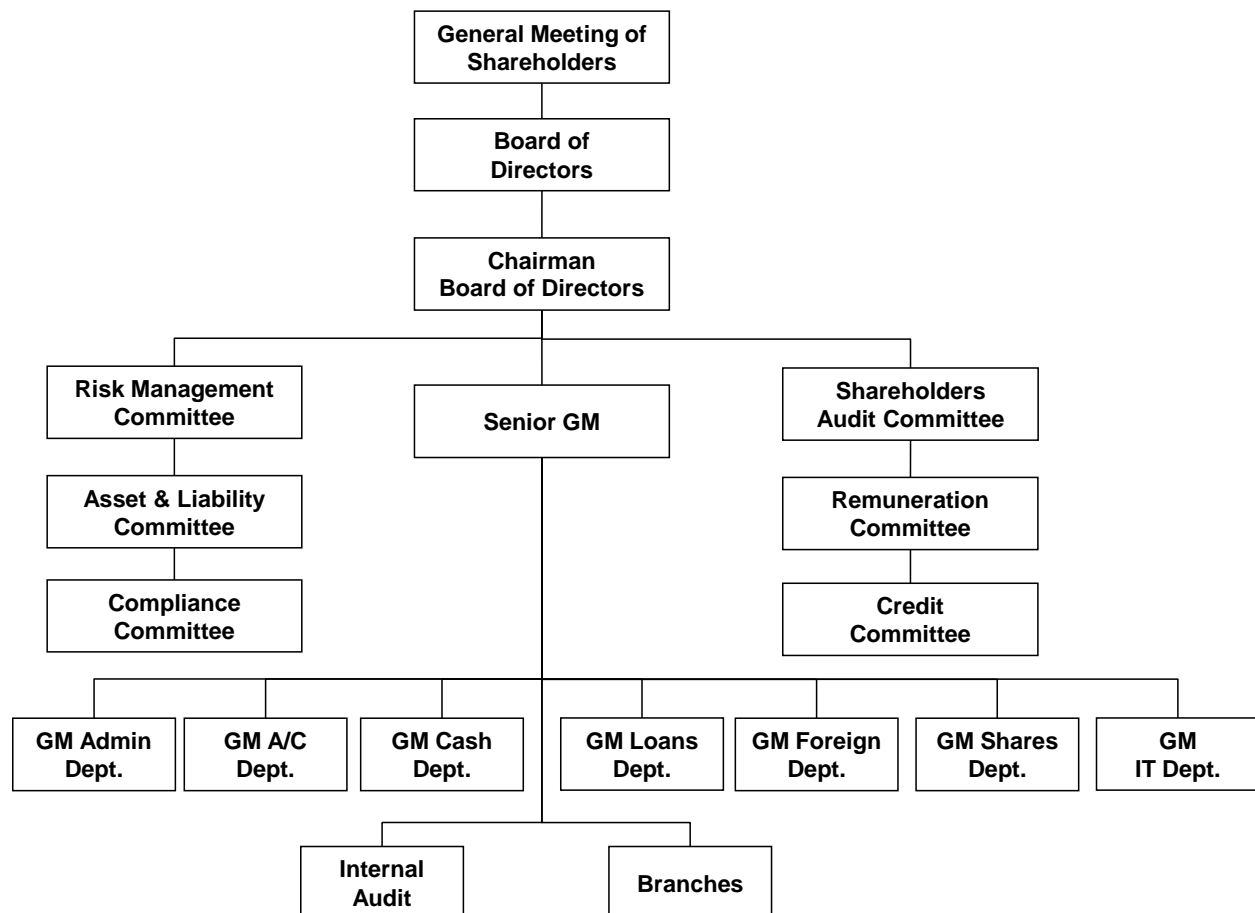


Income and Expenditure

	(Kyats in Million)					
	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11
Income	22,646.19	20,851.00	18,327.00	13,959.00	11,834.00	9,828.00
Expenditure	14,096.85	12,089.00	10,279.00	7,777.00	7,008.00	6,057.00
Profit Before Tax	8,549.34	8,762.00	8,048.00	6,182.00	4,826.00	3,771.00

9. INFORMATION ON THE ISSUER'S MANAGEMENT, SHAREHOLDERS & SHARES

Organization of the Bank



Organization of the Board of Directors

FPB boards of directors consist of 16 members and 4 independent Advisors and four directors who serve full time are as follows:

Chairman	- U Sein Maung
Secretary	- Daw Hla Hla Win
Joint-Secretary	- U Myint Zaw
IT Specialist	- U Aung Min

All directors are elected by shareholders at annual general meeting which is held annually.

Under section 85 of the Articles of Association one-third of directors retire every year in rotation.

The Board of Directors sets up the following key committees consisting of members and senior management to ensure good corporate governance.

1. Shareholders Audit Committee
2. Remuneration Committee
3. Credit Committee
4. Risk Management Committee
5. Compliance Committee
6. Asset and Liability Committee

The Board of Directors of FPB has appointed six key committees for the efficient operation and sound management of the bank as follows:

1. Shareholders Audit Committee

Myanmar Financial Institutions Law requires banks to set up shareholders Audit Committee consisting of three shareholders. FPB complied with this statutory requirement since its establishment in 1992.

At every annual general meeting (AGM) of shareholders, the shareholders elect three members.

Current incumbents are as follows;

1. Daw Hla Myint, University Professor.
2. Daw Khin Htay Yu, Financial Consultant.
3. Daw Khin Thida, Translator.

The Committee sits once every three months and examines and analyses the financial statements and performance of the bank and submits its report to the Board of directors

meeting. Shareholder audit committee is an additional layer on top of CBM audit, external audit, and internal bank audit. Its value lies in being an independent audit committee and is beneficial to shareholders and investors.

2. Credit Committee

The Board of Directors appoints the Credit Committee which includes all directors. The operational rule of the committee is that at least five directors must be present for its meetings. The decision and recommendations of the committee have to be submitted to the nearest board meeting for approval.

The credit committee is crucial in approving and rejecting loan applications. It thoroughly reviews and decides on all loan applications submitted by branch managers and HQ loan officers based on a set of loan criteria and scoring. It reviews loan policies and procedures from time to time. The credit committee is highly effective in analyzing, approving, supervising loans throughout the loan cycle. Currently there is no NPL.

3. Asset and Liability Committee

The new Financial Institution Law requires banks to set up the Asset and Liability Committee. The members are Senior General Manager, General Manager (Accounts), General Manager (Foreign Department), General Manager (Loan Department) and General Manager (Cash Department). The main responsibilities of the Committee are to meet the guidelines of the regulatory body regarding liquidity, solvency, reserve requirements and profitability etc.

4. Remuneration Committee

Remuneration Committee is headed by the most senior director and consists of seven directors. It decides on matters of directors' allowances and benefits. The Chairman does not participate in the deliberations of the committee. It is an independent committee appointed by the Board of Directors.

Duties and Responsibilities

The committee make recommendations concerning the principles by which members of the Board of Directors and senior managers are remunerated ,taking into consideration contribution and performance of directors and the achievement of the objectives of the Bank. The remuneration committee also advises and approves the salary and benefits of all staff members.

5. Risk Management Committee

Risk Management Committee is led by the Chairman, executive director, senior general manager and senior management including heads of operational departments. It needs to be strengthened as the bank grows. FPB has plans to set up an independent risk department reporting directly to the Board of Directors.

6. Compliance Committee

The compliance committee consists of Senior General Manager, Senior management and branch managers. The Committee reports to the Chairman for general compliance matters. The Committee is responsible to comply with all the FATF guidelines and the guidelines issued by CBM from time to time. The company's code of conduct and written compliance policies and procedures that guide the bank and the conduct of its staff day to day operations, and relevant education and training for the staff.

List of Directors Elected on 20 November 2016 Annual Meeting

1. Dr. Sein Maung	Chairman
2. Daw Hla Hla Win	Secretary
3. U Myint Zaw	Joint Secretary
4. U Tun Saing	Member
5. U Myint Lwin	Member
6. U Kaung	Member
7. U Han Myint	Member
8. U Htin Aung Kyaw Oo	Member
9. U Nay Lin Oo	Member
10.U Phyo Hla Wai	Member
11.U Myo Tun	Member
12.Dr. Tin Thein	Member
13.Dr. Tin Kyi	Member
14.Daw Hla Hla Yee	Member
15.Dr. Aung Min	Member
16.Dr.Tin Win	Independent Director

Corporate Governance

FPB was established as a public company on 9 September 1991. Our vision, mission statement and core values stated as follows;

Our Vision

To be a model in clean, efficient and honest corporate governance.

To set high ethical and moral standards in banking and finance.

Our Mission

To finance and give financial advice to private sector enterprises.

To contribute to economic, institutional, and social development.

To help promote the successful operation of equity and security markets.

To contribute to reduction of poverty.

To facilitate access to bank's financial services for all.

Our Core Values

To be accountable, responsible, transparent and trustworthy.

To give a fair deal to customers, staff, shareholders, and to protect the interest of all stakeholders.

Our Motto

'The Bank We Trust'

We tried to implement our vision, mission and core values to the best of our capacity and capability. As a result FPB enjoyed public trust. FPB is well-known in the country as well as outside the country as a clean bank. FPB is also the most transparent, trustworthy, responsible and accountable bank and as such enjoys public confidence and trust. FPB is steadily growing amidst keen competition from banks.

Corporate Social Responsibility (Taxation)

FPB is very conscious of its corporate social responsibility. Being a public company, it complies with all legal obligations to pay taxes fully as shown in the following table. To date FPB paid

K15.46 Billion in corporate tax to the state treasury. In 2015-2016 fiscal year FPB paid K 2,137.20 million.

Corporate Social Responsibility

(Kyats in Million)

Fiscal Year	Corporate Tax	Rank Among Bank
2008-2009	1,068.69	N.A.
2009-2010	1,060.97	N.A.
2010-2011	1,131.51	N.A.
2011-2012	1,447.48	N.A.
2012-2013	1,542.09	4
2013-2014	2,010.75	6
2014-2015	2,189.60	8
2015-2016	2,137.20	5

FPB also contributes to social causes, such as flood and fire victims as it happens. Although the contribution in terms of money is not huge it reflects the awareness of social responsibility. In FY2015-2016 FPB donated over K 14 million to fire and flood victims and other social causes.

FPB emphasizes and prioritizes its primary responsibility to the welfare of bank staff and family. The staff welfare fund patronizes primary school to colleague tuition fees of offspring of staff members annually. From 2009 to 2015, funds contributed to staff welfare amounted K 408 million. On average FPB contributes our K 51 million yearly on staff welfare.

Board of Directors

AOA 81 The number of Directors shall not be less than fifteen or more than twenty one including the Chairman.

AOA 82 A full time Chairman shall be elected by the directors for such periods as the Board may determine. The Chairman shall devote his full time attention to the affairs of the Bank, shall receive from the Bank such salary and allowances and the subject to such terms and conditions of service as may be determined by the board. Save as otherwise provided in the regulations made by the board under the section on the General Powers of the Directors, such full-time Chairman shall have full powers to transact all the business of the Bank which may be transacted by the Board.

Proceedings of Directors

AOA99 The Directors or any committee of directors may meet together for the dispatch of business, adjourned or otherwise regulate their meetings as they think fit, provided however that a meeting of the Board of Directors shall be held at least once every calendar month.

General Powers of Directors

AOA 109 The overall business of the Bank shall be managed by the Directors, who may pay all expenses incurred in forming and registering the Bank, and may exercise all such powers of the Bank as are not by the Statutes or by these presents required to exercise by the Bank in General Meeting, Subject, nevertheless, to any regulations of these presents, to the provisions of the Statutes, and to such regulations, being not inconsistent with the provisions of the statutes, and to such regulations, being not inconsistent with the aforesaid regulations or provisions, as may be prescribed by special resolution of the Bank, but no regulations so made by the Bank shall invalidate any prior act of the Directors which would have been valid if such

regulation had not been made. The general powers given by this Article shall not be limited or restricted by any special authority or power given to the Directors by any other Article.

Duties and responsibilities of Directors

- To determine whether the board of directors fully understands its duties and responsibilities
- To determine if the board of directors is discharging its responsibilities in an appropriate manner.
- To determine whether the board of directors has developed adequate objectives and policies.
- To determine the existence of any conflicts of interest or self-dealing.
- To determine compliance with laws and regulations.

Board of Directors

(1)	Name	Dr. Sein Maung
	ID	12/MaYa Ka(N)101556
	Title	Chairman
	Date of birth	4 th August 1936
	Nationality	Myanmar
	Education	B.A. (Honours), University of Yangon, 1958 M.P.A. (Maxwell Graduate School), Syracuse University, U.S.A., Ph.D., New York University, U.S.A., (1964)
	# of shares	41,751 shares
	Experience	1992-to date Founder and Chairman of First Private Bank Ltd.

	1965-1966	Assistant Lecturer, Institute of Economics, Yangon
	1966-1988	Served in the Ministry of Finance and Planning in various capacities; Additional Director, Deputy Secretary Member of official delegations, etc.
	1976-1977	Alternate Executive Director, International Monetary Experience Fund (IMF)
	1977-1980	Loan Officer/ Economist, International Bank for Reconstruction and Development (IBRD)
	1965-1968	Attended International Seminars and Conferences Annual IMF and World Bank Meetings United Nations Special Conference of Raw materials and Development United Nations Conference on Trade and Development (UNCTAD) General Agreement of Trade and Tariff (GATT) Economic Commission on Asia and the Far East (ECAFE)
	2002-to date	ASEAN Banking Council and Conference Meetings
Professional Association		Member of Myanmar Academy of Arts and Sciences Permanent Member, Committee on Finance, Investment and Trade, ASEAN Bankers Association Vice Chairman, Myanmar Banks Association Chairman, Myanmar Institute of Banking

(2) Name Daw Hla Hla Win

ID 9/Ma Ya Ma(N)022298

Title Secretary, Board of Directors /Executive Director

Date of birth 15th August 1954

Nationality Myanmar

Education B.Sc. (Physics) (University of Mandalay)
R.L. (Registered Lawyer)(1983)

of shares 7,756 shares

Profession Advocate (1983-to date)

Experience (2003-to date) Secretary, Board of Directors/Executive Director
(1984-1991) Advocate
(1992-1999) Bank Lawyer, Mandalay Branch, First Private Bank
(1999-2003) Director, First Private Bank

(3) Name U Myint Zaw

ID 12/Ah Sa Na(N)107222

Title Joint Secretary, Board of Directors
Director/ Senior General Manager

Date of birth 19 January 1956

Nationality Myanmar

Education M.Com. (Institute of Economics) (1979)

of shares 1,557 shares

Experience (2009-to date) Director, First Private Bank
(1986-1991) Tutor Institute of Economics

(1992-1999)	Assistant General Manager
(2000-2011)	General Manager
(2011-to date)	Senior General Manager

(4) Name Dr. Aung Min

ID 12/Ma Ya Ka(N)001697

Title Director

Date of birth 6th July 1975

Nationality Myanmar

Education Bachelor of Engineering (Process), Yangon Institute of Technology
Master of Engineering, University of Sydney (Australia)
Ph.D. University of Queensland (Australia)

Profession IT Business Analyst, Process Engineer

of shares 200 shares

Experience IT (7) years' Experience
Engineering (7)years' Experience

(5) Name U Phyo Hla Wai

ID 12/La Ma Na(N) 008272

Title Director

Date of birth 3rd July 1975

Nationality Myanmar

Education M.B.A, E.M.P.A(Candidate), BSc(Maths),

of shares 5,135 shares

Profession Livestocks, Agricultural, Trading, Hotel and Real Estate

(2005 to date) Member, Supervision Committee, Pyay Branch.

(30) years experience of Clinic

(2015 to date) Vice Chairman, Aung Khattayar Co., Ltd.

(8) Name U Kaung

ID 12/La Ma Ta(N)024039

Title Director

Date of birth 16th February1942

Nationality Myanmar

Education B.A, Dip E.D.

of shares 32,926 shares

Profession Retired Head Master (B.E.H.S(4)Yangon)

 Merchant.

Experience 2006-to date Director, First Private Bank.

 (30)years experience Service at Basic Education Dept.

 (15)years Director (JV-5)Trade Dept.

 (1) year experience of Yadana Myintmo Daimon & Pletinum Shop

(9) Name U Myint Lwin

ID 6/Ma Aha Ya(N)032711

Title Director

Date of birth 12th June1946

Nationality Myanmar

Education B.Sc.(Chemistry) Yangon University

of shares 12,414 shares

Profession Chairman of Nay Tu Yain Min Co,Ltd,

Chairman of Merchant Association Myiek.
 Owner of ShweLaMin Religious products and Birdnets shop
 Experience (1996-to date) Director, First Private Bank.
 (20) years experience in Trading.
 (15) years experience in Education service.

(10) Name U Myo Tun
 ID 13/Ka La Na(N)015725
 Title Director
 Date of birth 22nd December 1955
 Nationality Myanmar
 Education B.Sc (Geology), Mandalay University
 # of shares 13,192 shares
 Profession Jewellery & Gold Shop
 Owner of Kanbaw Za Education High School
 Experience (2000-to date) Director, First Private Bank.
 (2000-to date) Chairman, Supervision Committee , AungPan Branch, First
 Private Bank
 (30)years experience of Jewellery & Gold Shop.
 (30)years experience of transportation service.

(11) Name Daw Hla Hla Yi
 ID 12/Ba Ta Hta(N)023057
 Title Director

Date of birth	26 th November 1956
Nationality	Myanmar
Education	B.Sc (Botany), Yangon University
# of shares	14697 shares
Profession	Director, Maung Maung Than & Group Co. Ltd.
Experience	(1995 to date) Director, First Private Bank (20)years experience of Export Trading (20)years experience of Export Trading

(12)	Name	U Tun Saing
	ID	8/MaKaNa (N)022357
	Title	Director
	Date of birth	24 th December 1932
	Nationality	Myanmar
	Education	High School Level
	# of shares	3,093 shares
	Profession	Chairman, UMFCCL(Magway Division) Yada Nar Tun Oil Mill & Transportation
	Experience	(1992-to date) Director, First Private Bank. (1998-to date) Chairman of Supervision Committee Magway Branch (1990- to date) Chairman of U.M.F.C.C.I.(Magway Division) (Vice Chairman) J.V(4) (40)Years Experience Oil Mill
(13)	Name	U Han Myint
	ID	8/Pa Kha Ka(N)030451
	Title	Director
	Date of birth	16 th May 1952
	Nationality	Myanmar
	Education	High School Level
	# of shares	9,405 shares
	Profession	Myit Tar Oil Mill & Merchant.
	Experience	(2000-to date) Director, First Private Bank. (1998-to date) Vice Chairman of Supervision Committee Pakakku Branch,

First Private Bank

(30)Years Experience Oil Mill

(10)Years experience of Export Trading

(14) Name U Nay Lin Oo

ID 12/Ka Ma Ya(N) 028063

Title Director

Date of birth 29th April 1961

Nationality Myanmar

Education B.Sc.(Geology),Yangon University

of shares 60,060 shares

Profession A Wide Knowledge of Retail Industry,
Good Level of Commercial Awareness
Leadership Skills, Good Analytical & Problem-Solving Skills
Managing Director (Ga Mone Pwint Co,Ltd.)

Experience (2013- to date) Director, First Private Bank.
(2013- to date) Managing Director, Ga Mone Pwint Co., Ltd.

(15) Name U Htin Aung Kyaw Oo

ID 13/Ta Ka Na(N) 003197

Title Director

Date of birth 8th March 1975

Nationality Myanmar

Education B.E(Electronics),Yangon Institute of Technology.

of shares 23,399 shares

Profession Owner of Solar Drinking Water Factory
Sky Oxygen Plant

Experience	(2013- to date)	Director, First Private Bank.
	(2010-to date)	Member, Supervision Committee, Taunggyi Branch, First Private Bank.

(16)Name	Dr. Tin Win	
ID	12/La Ma Na(N) 106899	
Title	Independent Director	
Date of birth	4 th May 1961	
Father's name	U Maung Thi	
Nationality	Myanmar	
Education	Ph.D in Management (Keio University, Japan)	
# of shares	226 shares	
Profession	Rector, Meiktila University of Economics.	
Experience	Tutor	Yangon University of Economics
	Assistant Lecturer	Yangon University of Economics
	Lecturer	Yangon University of Economics
	Assist, Professor	Meiktila University of Economics
	Professor	Meiktila University of Economics
	Professor/	Meiktila University of Economics
	Pro Rector	Meiktila University of Economics
	Pro Rector	Monywa University of Economics
	Pro Rector	Meiktila University of Economics
	Rector	Meiktila University of Economics

Shareholders Audit Committee

(1) Name	Daw Hla Myint
ID	8/Ta Ta Ka(N) 002204
Date of birth	18 th November 1938
Nationality	Myanmar
Education	B.Com. (Hons), M.Com (YUE) FABE (UK), D.Litt (YUE)
Title	Shareholder's Audit Committee Member
Profession	University Professor
Experience	From 1958 – 1999 From Tutor to Professor/ Head of Department

(2) Name	Daw Khin Htay Yu
ID	12/Ya Ka Na (N) 030242
Date of birth	13 th July 1941
Nationality	Myanmar
Education	B.Com(A/C), RA (FN/ Fledged)
Title	Shareholder's Audit Committee Member
Profession	Financial Consultant
Experience	Audit 26 Years' Experience in Government Department, Mining, Trading & Services, construction & service Apartment

(2) Name	Daw Khin Thida
ID	12/Ma Ya Ka (N) 065650
Date of birth	13 th May 1955
Nationality	Myanmar
Education	B.V.S(Rgn)D.MA(YGN) Dip Thai(YUFL)
Title	Shareholder's Audit Committee Member
Profession	Husbandry, Translator
Experience	Worked under Ministry of Agriculture for Supervision of poultry Farms over 30 Years. Freelance Translator after retirement.

Remuneration to Directors

Set forth below is a table showing (a) the aggregate amount of remuneration and benefits in kind paid for each of the two most recent completed financial years and (b) the estimated aggregate amount of remuneration and benefits in kind paid and to be paid for the whole of the current financial year to Directors and Key Executives of the Company.

Kyats in Million	2016-2017 (Estimate)	2015-2016	2014-2015
Aggregate amount of remuneration and benefits in kind paid to Directors and Key Executives of the Company	32.37	30.84	14.73

SHARE INFORMATION

Ownership Structure

FPB was registered as a public company on 9 September 1991. To-date 31 March 2016, there are 7,728 shareholders from all over the country. Shareholders are from all social classes; students, business-people, religious groups, etc., but no individual or business group has majority control over the bank. All bank staffs are shareholders. It is truly a public company.

Shareholders by Type

(31-3-2016)

	Value (Kyats in Million)	No. of Shares	Percentage
Directors	2,700.35	270,035	11.41
Business groups	3,640.91	364,091	15.39
Individuals and others	17,320.68	1,732,068	73.20
Total	23,661.94	2,366,194	100.00

Face value of one share is K 10,000 and the current share price is K 30,000. Shares are sold at 200% premium. Since its establishment in 1992, FPB has been able to give dividends every year without any interruption. Shares are in great demand, because of its profitability, viability, good governance, transparency and accountability. The shareholders have complete trust in the founder and chairman and board of directors because of their integrity, capability and efficient management. FPB is now being listed in Yangon Stock Exchange. Ownership structure is shown in Table II below.

Sr.	Groups of shares	No. of shareholders	No. of shares	Kyats in Million	Percentage
1	1-10	3,494	177,266	1,772.66	7.49
2	11– 100	2,628	155,913	1,559.13	6.59
3	101–1000	1,199	378,146	3,781.46	15.98
4	1001–10000	356	869,399	8,693.99	36.74
5	10001>	51	785,470	7,854.70	33.20
	Total	7,728	2,366,194	23,661.94	100.00

Increase of Authorized Capital

The Authorized Capital of FPB is shown in the table below.

Year	Authorized Capital (Kyats)
1992	1,000,000,000
1999	2,000,000,000
2005	5,000,000,000
2008	10,000,000,000
2011	30,000,000,000
2014	100,000,000,000

Authorized Capital of the FPB is increased from time to time as required by the regulatory authority and the requirements of the bank.

Share Information

Potential investors may want information regarding return on investment. The following table provides basic data regarding book value per share, earning per share and dividend per share.

Share Information (End of March)

(Ks.)	2016	2015	2014	2013	2012
Dividend Per Share	2,005	2,197	2,306	2,690	2,499
Value Per Share	21,984	20,970	19,742	18,117	22,471
Earnings Per Share**	2,984	3,363	3,523	3,233	3,822

** Earning per Share is calculated based on daily weighted average of actual share ownership.

Dividend Policy

Our policy is to give dividends to shareholders after paying corporate profit tax to the Government and setting aside funds required by Law, statutory reserve of 25% and provision for bad debts (2% of outstanding loans) under CBM rules and regulations.

Since the establishment of FPB, dividends are paid to shareholders every year. At the end of every financial year, after audit, dividends are paid out in cash with the exception fiscal year 2005 and 2012 where about 50% of the dividends are distributed in shares.

FPB management gives priority to regular payment of dividends to shareholders. Because of this policy, FPB has been able to give dividends every year as the previous table indicates. So far FPB is able to pay dividends higher than saving deposit rates.

Ten Largest Shareholders

Ten Largest shareholders of FPB are shown in the following table

Top 10 Shareholders list as of 31 March 2016

Sr. No	Shareholder Name	No of shares	Ownership percentage
1	U Nay Lin Oo	60,060	2.54%
2	Dr. Sein Maung	41,751	1.76%
3	MGS (Beverages Co., Ltd)	39,540	1.67%
4	Daw Shwe Cynn	36,500	1.54%
5	U Tun Win Naing	35,240	1.49%
6	U Kaung	32,926	1.39%
7	U Sai Maung Myint	29,548	1.25%
8	U Tun Soe	26,200	1.11%
9	U Aung	24,190	1.02%

10	Daw San San Khine	24,227	1.02%
	Total	350,182	14.79%
	Others Shareholders	2,016,012	85.21%
	Issued and Paid up Capital	2,366,194	100.00%

Description of Company's Shares

Capital Structure

The share capital of our company as of 15 August 2016, is set forth below:

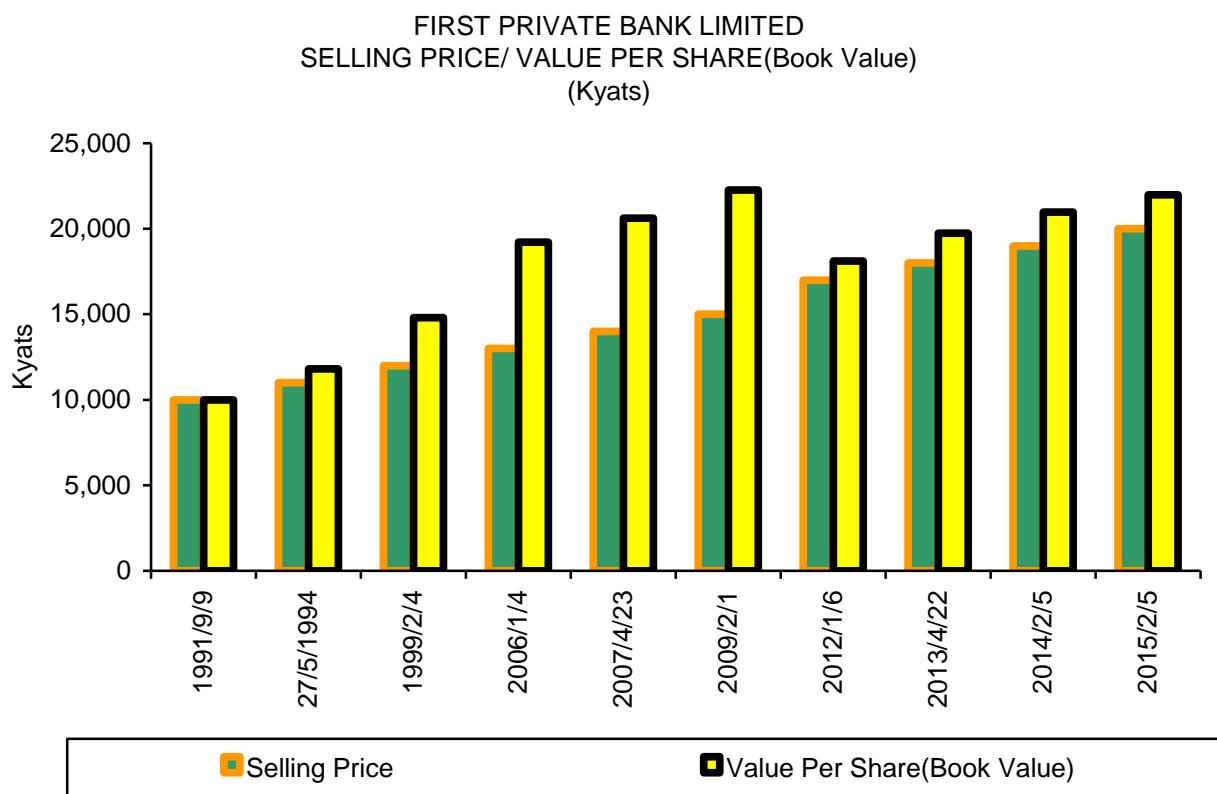
	Aggregate value at Par value
(A) Authorized Share Capital	
Par value of 10,000 kyats each divided into 10,000,000 shares	100,000,000,000
(B) Issued Subscribed And Paid –Up Share Capital	
2,472,053 shares of par value 10,000 kyats each	24,720,530,000
(C) Share Premium Account	11,846,197,597.06
(D) Total Paid up Capital	36,566,727,597

Share Pricing Policy

So far, the Board of Directors (BOD) fixed the share price based on the book value per share. Face value of shares is K 10,000 per share. As FPB becomes more profitable from year to year and book value increases, the share price is increased gradually. At the latest BOD meeting held on 26 March 2016 the Directors decided to increase the price to K 25,000 per share. Again on 2 May 2016, the price was raised to K 30,000 according to the BOD meeting held 30th April 2016.

FPB shares have been on demand, but the FPB management carefully screens the potential buyers. The potential shareholders need to provide tax clearance and guarantee of clean

money. Sale of shares is restricted also to maintain the public company character of the Bank. Cost of capital, the ability to earn revenue and pay dividend are important and relevant considerations in issuing new shares.



Senior management is concerned that once FPB joins YSX, the vetting and screening of potential investors would be lost. YSX could not screen and control the purchase of shares. More importantly, the price of shares will be determined by market forces, the interaction of supply and demand for shares. Price of shares would also fluctuate affecting the stability of share market.

Pricing Policy

Pre-listing

Before listing, FPB's current pricing policy is based on "price-to-book value". This approach resulted in underpricing of FPB shares. This is due mainly to purchase price costing of fixed assets, mainly, land and buildings. The book value of real estate, land and buildings is way below the market price. Another indication of underpricing of shares is reflected in the price earnings ratio which is about 6 times. The average price earnings ratio was about 6 times over the last three years compared to ASEAN bank's weighted average of 12.3 times³. This indicates the potential for increasing the price of FPB shares.

The main objective of this approach is partly to promote sale of shares to meet the capitalization requirement of CBM. Another objective is to give a satisfactory level of dividend to shareholders, return on equity (ROE). This is intended to promote share market for equities.

Share Price Information

	2015-2016	2014-2015	2013-2014
Book Value per Share (Kyat)	21,984	20,970	19,742
Earnings per Share (Kyat)**	2,984	3,363	3,523
Price Earnings Ratio	6.70x	5.65x	5.11x

** Earning per Share is calculated based on daily weighted average of actual share ownership.

³Source- Regional Industry Focus of ASEAN Banks 26th June 2014

10. RELATED PARTY TRANSACTIONS

FPB Insider trading policy and guidelines, this policy applies to all transactions in the Company's shares (securities), including its common shares and options to purchase common shares, and any other type of securities that the Company may issue in future, such as preferred stock, convertible debt, warrants, or other derivative securities. It applies to all directors, officers, employees, consultants and contractors (and their immediate family members) of the Company and its subsidiaries who receive or have access to Inside Information (as defined in Section B below) about the Company. Any person who possesses Inside Information regarding the Company is considered an "Insider" for so long as the information is not publicly known. This policy applies equally to Inside Information about other companies engaged in business transactions with FPB, including FPB's customers, partners, vendors, and suppliers ("Business Partners"), when that information is obtained in the course of employment or other service with the Company.

Regarding related party transactions FPB abide by CBM rule not to give loans to directors, their family members and related parties.

Loans and Overdraft to Related Persons

(31st March 2016)

(Kyats in Million)

	Loan /OD Amount	Outstanding	Remarks
Minimum	K 20	K 15.9	
Maximum	K 2,600	K 1,900	Only borrower
Total	K 20,280	K 17,885	

Average

K 338

K 298

The external Audit Report for the Financial Year ending on 31st March 2016 foot note 19.0 comment as follows.

“In the normal course of its banking business, the bank has carried out transactions with related parties on terms agreed between the parties. The Loans and overdraft to 60 related parties are amounting to Kyat 17,885 million as at March 31 2016, shown in the following table. The related party transactions are conducted on arm’s length basis and on normal commercial terms, which are not favorable than those generally available to the public.”

Related Party Transaction (Amount Kyats in Million)

No	Name	Designation	Relationship with Account Holder	Transaction Type	No. of Account	Amount
.						
1	U Kaung	Director	Son-in-law , Daughter	Overdraft	2	2,101
2	Daw Hla Hla Yi	Director	Elder sister, Brother-in-laws	Overdraft	4	2,352
3	U Tun Saing	Director	Son,Son-in-law, Company(included)	Overdraft	3	1,058
4	U Nay Lin Oo	Director	Brother-in-law	Overdraft	1	300
5	Daw Hla Hla Win	Director	Brother-in-law	Overdraft	1	238
6	U Sein Maung	Advisor	Brother	Overdraft	1	16
7	Mon Ywa Branch	Branch	Younger brother	Overdraft	1	40

	Manager	Manager				
8	Dr. Tin Thein	Director	Son	Overdraft	1	200
9	U Tin Win	Supervision Committee Member	Daughter	Loan	1	50
10	U Han Myint	Director	Son,Brother	Overdraft	2	747
11	U Myo Tun	Director	Mother	Overdraft	1	150
12	Bank Lawyer			Overdraft	1	91
13	Advisor			Overdraft	2	583
14	Bank's Valuation Assesser			Loan	1	50
15	Branch Supervision Committee Members			Overdraft, Loan	37	9,909
Total					59	17,885

11. FINANCIAL INFORMATION

Financial Statements and Auditor's Report

Please refer to Appendix.

Legal Proceedings

There are no legal or arbitration proceedings, including those relating to bankruptcy, receivership or similar proceedings which may have, or have had in the 12 months immediately preceding the date of this Disclosure Document, any significant effect on our financial position or profitability.

Subsequent Events

We issued further shares to some of our existing Shareholders as discussed under the section titled "Shareholders".

12. THE MYANMAR SECURITIES MARKET

OUTLINE OF THE LEGAL / REGULATORY SYSTEM IN MYANMAR

Securities Exchange Law (“SE Law”) was enacted on 31 July 2013 and came into force immediately. Under the SE Law, the Securities Exchange Rules (“SE Rules”) were promulgated on 27 July 2015 and certain notifications (a form of subordinate legislation in Myanmar) have been and will be issued to implement the SE Law and the SE Rules.

Regulators and Enforcement

Securities and Exchange Commission of Myanmar (“SECM”) was formed in August 2014. SECM is the principal regulator of the Myanmar capital markets. SECM has broad administrative power to, among other things, grant a licence for conducting any securities business, grant a permit to a stock exchange or an over-the-counter market, supervise the securities business, and approve a public offering. Ministry of Planning and Finance (formerly known as the Ministry of Finance) (the “MOF”) shares rule-making functions with SECM to implement SE Law. The MOF has the power, with the approval of the Union Government, to issue SE Rules and certain other stipulations after negotiation with SECM. In addition, MOF and SECM have the power to issue notifications and certain other stipulations. Furthermore, during the transitional period until the Union Government determines that the securities market can be distinctively established and systematically operated in MOF will supervise SECM and the securities business, and has the sole power to issue notifications and certain other stipulations. On the enforcement side, SECM is authorised to take administrative actions, such as revocation of a licence, and to impose administrative monetary penalties against offenders. SECM also has the right to summon, examine, and obtain evidence from any relevant person if there is a reason to believe an offence has been committed. However, its investigative power does not extend to arrest or seizure, which will be exercised by the police force or the Bureau of Special Investigation of Ministry of Home Affairs.

Securities Business

The securities businesses regulated by SE Law include securities dealing, securities brokerage, securities underwriting, securities investment advisory, and securities depository and clearing. Those terms are defined in SE Law. In addition, SECM has the power to add a category of securities business through a notification. A separate licence is generally required to operate each type of securities business. All persons are prohibited from carrying out any securities business without a licence. A violation will be subject to a criminal penalty. Each of securities dealing, securities brokerage, and securities underwriting can be conducted only by a licenced securities company. A securities company must be in a form of a limited company whose liability is limited by shares under Myanmar law. A securities company must also satisfy certain requirements in SE Rules, such as having authorised capital and a minimum paid-up capital. The scope of business that can be conducted by a securities company is provided in SE Rules. A securities company cannot allow any person other than its licenced representative to operate the securities business in its name. A violation will be subject to a criminal penalty. Accordingly, a securities company needs to ensure that its officers and employees who will handle securities transactions for the company with its customers will obtain licences for the securities company's representatives. Separately, any responsible person or staff of a securities company is prohibited from participating in any other securities company, any other company, or other economic enterprise without the permission of SECM. A licenced securities company may conduct the securities investment advisory business without a separate licence. Any other person who desires to carry out the securities investment advisory business needs to obtain a licence.

The SECM has the power to suspend a licence for a certain period of time or to revoke a licence if a licence-holder, for example, violates any of the terms and conditions of a licence, fails to

perform any of the functions and duties it must observe, or violates any of the prohibitions provided in SE Law or SE Rules.

Disclosure

A public company is required under SE Law to submit to SECM the procedure of a public offering, including a prospectus, before making a public offering of its securities, and to obtain the approval of SECM for the public offering. A public company is subject to the requirements provided in Companies Act, SE Law and SE Rules and notifications promulgated thereunder. In this regard, SECM had issued an instruction, Directive No.5/2016 dated 7 April 2016. Any non-compliance with, or contravention of, the requirements under the Companies Act subjects a person knowingly responsible for the issue of the relevant prospectus to a fine. Any person who violates any prohibition contained in the SE Rules could be punished with imprisonment, a fine, or both; non-compliance with, or contravention of, the prospectus requirements provided in SE Rules would be subject to the above-mentioned criminal penalty. In addition, if there is any false statement in a prospectus, a person who wilfully makes a false statement in any material particular required by Companies Act would be subject to imprisonment and a fine under Companies Act, while such false statement may constitute a prohibited act under Part IX of SE Law and could subject a responsible person to imprisonment and a fine. Although nothing is provided in SE Law about civil liabilities, if there is any misleading or untrue statement in a prospectus, directors at the time of issue of the prospectus and other persons who have authorised the issue of the prospectus will, subject to certain defences, be liable under Companies Act for all losses or damage incurred by subscribers for shares on the faith of the prospectus. As this Disclosure Document for Listing is not a prospectus, it is not subject to the above described laws and rules. SE Rules require a public company to file with SECM an annual report, a semi-annual report, and extraordinary reports for the benefit of investors buying

or selling shares in the secondary market and to also make copies of those documents available at the company's registered office or on its website.

Prohibited Fraudulent Conduct

The prohibited acts are provided in Chapter IX of SE Law, which are detrimental to the interests of the general public and to the protection of investors. Any person, including not only a securities company, but also an investor or a public company, is prohibited from conducting the prohibited acts and upon its violation will be subject to imprisonment for a term not exceeding 10 years and also possibly to a fine. The prohibited acts are:

- involvement in any act, such as cheating, deceiving, making false statements, or concealing important information, which seriously causes deception or influence on certain securities-related activities and securities market;
- disclosing incorrect information in order to incite or entice other persons to buy or sell securities, or disclosing insufficient or untimely information that seriously affects the price of the securities in the market;
- using internal information to buy or sell securities for its own account or for other persons, or disclosing or providing internal information or giving advice to other persons to buy or sell securities based on undisclosed internal information; and
- conspiracy in buying or selling securities by creating false demand and supply, or buying or selling continuously or using trading methods by conspiring with others or by enticing others in order to manipulate the price of securities.

OVERVIEW OF THE SECURITIES MARKET IN MYANMAR

YSX

YSX is owned by Yangon Stock Exchange Joint-Venture Company Limited, a joint venture company owned by Myanma Economic Bank, a state-owned bank, Daiwa Institute of Research, a Japanese company, and Japan Exchange Group, a Japanese company, and trading of shares on the YSX commenced on 25 March 2016. There are currently three listed companies on the YSX, being First Myanmar Investment Co. Ltd. Myanmar Thilawa SEZ Holdings Public Ltd. and Myanmar Citizen Bank Ltd.

MSEC

Until the trading of shares on YSX commences, the only public securities market in Myanmar is operated by MSEC. MSEC was established in 1996 as a joint venture company between Myanma Economic Bank and Daiwa Securities Group Inc., a Japanese company. The shares of only two public companies have been traded on this market since late 1990s.

Over the Counter Markets

In addition to the stock exchange described below, the SE Law also has provisions for an over-the-counter (“OTC”) market, or an organised market for trading of unlisted securities. It can be formed by not less than three securities companies with the permission of the SECM. The requirements and procedures for the permission, as well as organisational matters and its functions and duties, are provided in the SE Rules. However, during the transitional period, MSEC is allowed under the SE Law to operate the functions of a stock exchange and an over-the-counter market.

STOCK EXCHANGE SYSTEM

A stock exchange is the centrepiece of the Myanmar securities market. It can be formed as a limited liability company or a joint-venture under Myanmar law. Although it is not clear from the provisions of the SE Law, it is envisaged, in particular in relation to YSX, that trading participants who can trade on a stock exchange market are securities companies and that they are not necessarily shareholders of a stock exchange. A stock exchange must obtain a permit from the SECM and is subject to its supervisory and regulatory authority, including permission for any amendment of its charter or business rules. The details of the requirements and procedures for the permit will be prescribed in the SE Rules. A stock exchange has self-regulatory power, among other things, to determine listing criteria and matters relating to trading participants.

CLEARANCE AND SETTLEMENT

A stock exchange, such as YSX, is allowed to carry out the securities depository and clearing business without a permit from, but by giving notice to, the SECM. The book-entry transfer system will be introduced in Myanmar in respect of listed shares, and YSX will become the central securities depository. Since the Companies Act assumes that physical share certificates will be issued, the SECM released Notification No. 1/2015 on 7 August 2015 to bridge the Companies Act provisions and the book-entry transfer system. In addition, the MOF also released Notification No.86/2016 on 28 March 2016, allowing listed companies on the YSX to register electronic securities certificates and the rights thereto with the Directorate of Investment and Company Administration.

13. SUMMARY OF RELEVANT MYANMAR LAWS AND REGULATIONS

In Myanmar, the banking sector is overseen by CBM.

CENTRAL BANK OF MYANMAR LAW (JULY 2013) AND SUBSIDIARY LEGISLATION

CBM is an autonomous institution that acts as the licensing authority and regulator of all banks in Myanmar, state-owned and private and also has statutory responsibility for developing capital markets.

CBM is able to independently adjust interest rates, and to conduct currency and exchange operations.

CBM is empowered to end the earlier practice of discriminating against private banks and providing financial support and regulatory forbearance in favour of state banks. For example, capital/deposit ratios are currently applied only to private banks, not state banks. Deposit interest income from state banks is tax-free. State banks are not required to report their financial results as often as private banks. Private banks are effectively locked out from lending to agriculture.

Liquidity ratio: Banks are required to maintain the level of their liquid assets against their eligible liabilities at not less than 20%.

Minimum reserves: Banks are required to maintain 5% of demand deposits and 5% of time deposits as a minimum reserve requirement, all of which is required to be deposited with CBM at an interest rate of 0%.

Interest rates: Minimum interest rates payable on savings deposit, saving certificate and time deposit shall not be less than 2% below CBM rate. The maximum interest rate chargeable on loans and overdrafts shall not be more than 3% above CBM rate.

CBM circular (dated 3 July 2014) regulates all kinds of loans that are “free of restrictions direct or indirect”. This directive requires banks to seek CBM’s approval before accepting foreign loan payment and instructs the banks to “securitize payments for loans” transferred from overseas in a “systematic way” as prescribed by the directive before submitting it to CBM. Furthermore, it directs the concerned company or investor to obtain the approval from CBM for the loan payments.

Banks are required to submit the following reports to CBM:

1. Weekly:

(a) Weekly Reserve Position

(b) Liquidity Ratio

(c) Cash in Hand

2. Monthly:

(a) Monthly Balance Sheet

(b) Income and Expenditure Statement

(c) Capital Adequacy Ratio

3. Quarterly: Non-performing Loan Statement

4. Annually: Annual report

FOREIGN EXCHANGE MANAGEMENT LAW (AUGUST 2012) AND SUBSIDIARY LEGISLATION

These laws provide examples of current account remittances that require CBM permission for initial transactions. Capital account transactions always require CBM permission. The Notification No. 13/2012 and 15/2012 allows private banks to accept and open current accounts

in foreign currency but restricts withdrawals to a maximum of USD 10,000 or equivalent twice per week, and stipulates the kinds of currencies that the private banks are allowed to hold.

Foreign Exchange Management Regulation Notification No 7/2014 (30 September 2014)

The notification sets out the duties of authorized dealer licence holders that are allowed to carry out foreign exchange activities, which includes acceptance, exchange, purchase, sale in respect of foreign exchange whether inbound or outbound. It outlines the procedures for foreign currency remittances and transactions, particularly the documentary evidence requirements for accepting and remitting foreign exchange from or to abroad. The notification created a liquidity cap of USD 10,000 or equivalent foreign currency for most situations that relate to foreign currency transactions. In addition, it assigned the main responsibility for collecting and verifying the supporting documentation for foreign exchange transactions to authorised dealer licences.

SECURITIES EXCHANGE LAW (JULY 2013)

This law requires improved corporate governance and accountancy standards, a robust regulatory and reporting framework, and a level of transparency that will give investors adequate information for investment decisions.

FINANCIAL INSTITUTIONS LAW (JANUARY 2016)

This Financial Institution Law (“FIL”) was enacted by the Pyidaungsu Hluttaw on 25 January 2016 and replaced the old Financial Institution of Myanmar Law, 1990 and this law is intended to govern the whole banking and finance sector. It seeks to strengthen the oversight of CBM and requirements in areas such as lending to related parties, money laundering and measures ensuring liquidity and solvency. This law requires all existing banks to be authorised under the provisions contained in this law. This FIL sets out the licensing requirements for private banks,

corporate governance arrangements, and the conditions for foreign banks to operate in Myanmar. It has requirements for capital adequacy, liquidity, large exposure limits and other measures that are in keeping with international best practices, but also adapted to the particular circumstances and difficulties in Myanmar.

ANTI-MONEY LAUNDERING AND CUSTOMER DUE DILIGENCE

The legislation currently in force in Myanmar relating to anti-money laundering (“AML”) is the Anti-Money Laundering Law of 2014 (“AMLL”), which replaced the Control of Money Laundering Law of 2002. The Control of Money Laundering Rules of 2003 are still in force until the Anti-Money Laundering Rules are promulgated. CBM has examined all domestic private banks based on the AML requirements in its regular on-site inspections. It has also conducted special audit programmes for the state-owned banks on the compliance of AML rules and regulation since September 2004. The AMLL intends to bring Myanmar in line with international best practices by: criminalising the acquisition, possession or use of money and/or property known to be from illicit sources; as well as the conversion or concealment of such property in order to disguise its origin; or assistance in any acquisition, conversion or concealment of illicit funds and property. To combat these offenses, the AMLL establishes a two-tiered enforcement regime, at the head of which is the Anti-Money Laundering Central Body (the “Central Body”), which is responsible for high level policy, national reporting and executive action. Operating under the Central Body is the Financial Action Task Body (the “FATB”) responsible for ensuring compliance from covered institutions (called “Reporting Organisation”), situational assessments and direct interaction with Reporting Organisations as necessary. FPB is considered a Reporting Organisations under the AMLL.

Included in the AMLL is an obligation for Reporting Organisations to engage in Customer Due Diligence measures (“CDD Measures”) based upon a risk determination by the Central Body. CDD Measures are to be employed by Reporting Organisations prior to carrying out a

transaction of an amount equal to or greater than a forthcoming designated threshold, opening an account for a new customer, carrying out a money transfer via international wire or electronic transfers, or at any time should there be doubts concerning the veracity of previously obtained data or on suspicion of activity connected to money laundering or terrorism financing. CDD Measures include identifying and verifying a customer's identity using independent sources, identifying the beneficial owner of the entity or individual undertaking the transaction, verifying the authorisation of an agent acting on behalf of a third party, along with the true identity of the agent, and carrying out "enhanced versions of CDD Measures" in cases where the individual is known to have public functions or office domestically, or is a Director, Deputy Director, or Board Member of an international organisation. Additionally, Reporting Organisations will be required to maintain records, including documentary evidence and records obtained through CDD Measures, transaction records for five years from the date of transaction or attempted transaction, copies of transaction reports previously sent to the FATB for five years from the date of submission, and risk assessments for up to five years from their last modification. The AMLL empowers the Customs Department to arrest people accused of failure to declare earnings, money laundering, concealment or suspicious related cases involving money and transferrable instruments or valuables. The AMLL also provides a minimum prison sentence of three years, and suggests up to 10 years in jail and a Ks 500 million fine for money laundering convictions. While the AMLL sets out further monitoring and evaluation requirements (including the establishment of risk-management systems), it does not provide clear or in-depth detail on the exact operation of these systems.

ANTI-TERRORISM LAW

The Anti-Terrorism Law ("ATL") of 2014 creates criminal offences associated with countering the financing of terrorism. The ATL criminalises:

- Supporting or intending to commit:

- Dealing with funds intended for, used or knowing they would be used by terrorist(s);
- Illegal possession monies, property or services intended for, used or knowing they would be used by terrorist(s);
- Conceal, move or transfer property for terrorist(s);
- Aiding or abetting the above.
- Knowingly committing or with knowledge likely to be known:
- Trading or transferring terrorist property;
- Participating in or supporting trading activities related to terrorist property;
- Supporting services to gain profit for terrorists using terrorist property;
- Possessed or controlled terrorist property;
- Failure to report information related to trading or transferring terrorist property without reasonable excuse;
- Failure to report relationship between terrorist(s) and their property.
- Failure to report movement or attempted movement of terrorist property

ATL offences do not require actual occurrence (of dealing, movement, etc.) in order to constitute an offence.

The minimum sentence is 10 years imprisonment, while the maximum is life imprisonment or death penalty.

MYANMAR COMPANIES ACT AND SPECIAL COMPANIES ACT

All companies in Myanmar are subject to the provisions contained in the Myanmar Companies Act 1914 and for companies which are joint ventures with the government, the provisions contained in the Special Companies Act 1950.

These are administered by DICA. All companies in Myanmar must be registered with DICA and adhere to the instructions, notifications and directives issued by DICA.

14. TAXATION

The following is a description of Myanmar corporate income tax and the material Myanmar income tax, capital gains tax and stamp duty consequences of the subscription for, ownership, and disposal of the Shares. The discussion below is not intended to constitute a complete analysis of all tax consequences relating to ownership of the Shares and is not intended to be and does not constitute legal or tax advice. While this discussion is considered to be a correct interpretation of existing laws in force as at the Latest Practicable Date, no assurance can be given that courts or fiscal authorities responsible for the administration of such laws will agree with this interpretation or that changes in such laws will not occur. There may be laws and other rules, regulations or official notifications, or unofficial or internal guidelines, which exist but which are not published or which are not generally available to the public, and the existence of the same may affect the discussion below. Prospective investors should consult their own tax advisers regarding Myanmar tax consequences and other tax consequences of owning, and disposing of, the Shares. None of our Company, our Directors and any other persons involved in the Listing accepts responsibility for any tax effects or liabilities resulting from the purchase, holding or disposal of the Shares.

CORPORATE INCOME TAX

A company is considered a citizen of Myanmar for purposes of income taxes if it is formed under Companies Act or any other laws of Myanmar and where the entirety of its share capital is held exclusively by Myanmar citizens. Such companies, including FPB, are considered residents for purposes of income taxation, and are taxed on a global basis. Taxable income, in this case, includes all income from the conduct of business, from dealings with property, and from other sources. All resident companies are taxed at a rate of twenty-five per cent. (25%) of net taxable income.

DIVIDEND DISTRIBUTIONS

Dividends received from a resident Myanmar company, which includes FPB, are exempt from income tax in the hands of shareholders.

GAINS ON DISPOSAL OF SHARES

Gains on the disposal of Shares by Myanmar citizens are subject to capital gains taxes computed at the rate of 10 per cent. (10%). The taxable capital gain is calculated based on the difference between the sales proceeds and the cost of the Shares.

STAMP DUTY

Stamp duty is payable by a purchaser of Shares at the rate of 0.3 per cent. (0.3%) on the value of the Shares purchased.

15. OTHER INFORMATION

Except for the approval of YSX and CBM, the Company has obtained all necessary consents, approvals and authorisations in Myanmar in connection with the Listing. We are also further seeking CBM approval in respect of the issuance of new Shares in March 2016 as discussed under the section titled “Financial Information”.

Except as noted in “Management’s Discussion and Analysis”, there has been no material adverse change in the financial position or prospects of the Group since 31 March 2016.

For the period of 12 months starting on the date on which this Disclosure Document for Listing is made available to the public, copies of the following documents will be available, during usual business hours, for inspection at the office of the Company:

- English translations of the Memorandum and Articles of Association of the Company; and
- The auditors’ reports for the two financial years.

Appendix

AUDITED FINANCIAL STATEMENTS FOR FINANCIAL YEAR ENDING MARCH 2016

FIRST PRIVATE BANK LIMITED

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2016.**

Currency : Myanmar Kyats

**U HLA TUN & ASSOCIATES LIMITED
CERTIFIED PUBLIC ACCOUNTANTS**

COVER DPRCL 2015-16/160608

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**FIRST PRIVATE BANK LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2016.**

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Statement of Income	5
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**STATEMENT OF MANAGEMENT'S RESPONSIBILITY
FOR FIRST PRIVATE BANK LIMITED**

It is the responsibility of the management to prepare the financial statements for each financial year which give a true and fair view of the financial position of **First Private Bank Limited** (the Bank) as of March 31, 2016 and of its financial performance and its cash flows for the year then ended. In preparing these financial statements, the management is required to :

- select suitable accounting policies and then apply them consistently; and
- make judgments and estimates that are reasonable and prudent.

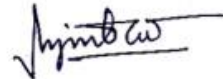
The management is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Bank. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Bank and to prevent and detect fraud and other irregularities.

We 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 Management



Dr. Sein Maung
Chairman
First Private Bank Limited



.....
Director
First Private Bank Limited

July 26 , 2016.

ls

INDEPENDENT AUDITOR'S REPORT

To the Members of First Private Bank Limited

We have audited the accompanying financial statements of First Private Bank Limited (the Bank), which comprise the Statement of Financial Position as at March 31, 2016 and Statement of 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 notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Myanmar Financial Reporting Standards ("MFRSs") and the provision of the Myanmar Companies Act. This responsibility includes; designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

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

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

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

Opinion

In our opinion,

- (i) the Bank's financial statements are properly drawn up in conformity with the provisions of the Myanmar Companies Act and the Myanmar Financial Reporting Standards so as to give a true and fair view of the financial position of the Bank as of March 31, 2016 and of its financial performance and its cash flows for the year then ended, according to the best of our information and explanations given to us and as shown by the books of the Bank.

- (ii) we have obtained all the information and explanations we have required and
- (iii) the books and records have been maintained by the Bank as required by Section 130 of the Myanmar Companies Act.

In accordance with Section 89(a) of the Financial Institutions Law, we also report that in our opinion the Financial Statements of the Bank adequately reflect the financial position of the Bank and its solvency.



A handwritten signature in blue ink, appearing to be "U Maung Maung Aung".

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

Dated : July 27, 2016.

A small handwritten mark or signature in the bottom right corner of the page.

FIRST PRIVATE BANK LIMITED
STATEMENT OF FINANCIAL POSITION AS AT MARCH 31, 2016

			(Kyat)
<u>ASSETS</u>	<u>Note</u>	<u>2016</u>	<u>2015</u>
Cash in hand and at Banks	3	30,048,761,037	26,294,398,079
Loans & Overdrafts	4	143,103,003,016	121,149,807,610
Advances & Receivable	5	5,586,715,466	3,044,803,965
Stock (Stationary)		27,247,660	18,684,105
Investments	6	23,202,300,000	30,611,100,000
Property, Plant & Equipment	7	5,397,930,728	3,897,639,671
Acceptance, Endorsement & Guarantee		85,469,814	501,877,100
Total Assets		207,451,427,721	185,518,310,530
<u>LIABILITIES</u>			
Total Deposits	8	151,070,203,580	136,986,499,092
Other Liabilities	9	2,026,743,457	3,919,609,008
Payment Orders		84,026,536	39,991,119
Provision for Income Tax		2,137,196,695	2,189,350,275
Dividend Payable (unclaimed)		28,480,859	68,213,793
Acceptance, Endorsement & Guarantee		85,469,814	501,877,100
Total Liabilities		155,432,120,941	143,705,540,387
<u>EQUITY</u>			
Issued & Paid Up Capital	10	23,661,940,000	19,939,390,000
Share Premium		9,852,187,597	5,323,195,097
<u>Reserves & Retained Earnings</u>	11		
General Reserve (Statutory)		10,327,789,403	8,724,891,882
General Provision (Loans)		2,862,060,060	2,423,004,683
Reserve for contingencies		201,402,034	200,909,672
Other Reserves		288,117,485	288,117,485
Provision for Dividend		4,320,000,000	4,410,000,000
Retained Earnings		505,810,201	503,261,324
Total Equity		52,019,306,780	41,812,770,143
Total Equity & Liabilities		207,451,427,721	185,518,310,530

See accompanying notes to the Financial Statements.

Authenticated by;

(Senior General Manager)

(Chief Accountant)

(Director)
(Chairman)

(Director)

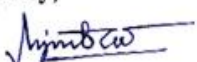
(Director)

FIRST PRIVATE BANK LIMITED
STATEMENT OF INCOME FOR THE YEAR ENDED MARCH 31, 2016

			(Kyat)
	Note	2016	2015
Total Interest income	12	18,842,600,886	17,763,476,766
Total Interest Expenses	13	(11,780,232,894)	(10,077,191,562)
Net Interest Income		7,062,367,992	7,686,285,204
Other Operating Income	14	3,801,835,490	3,082,082,378
Total Operating Income		10,864,203,482	10,768,367,582
Operating Expenses			
Staff Expenses	15	(1,567,852,029)	(1,261,715,715)
Other Operating Expenses	16	(747,564,674)	(749,250,768)
Total Operating Expenses		(2,315,416,703)	(2,010,966,483)
Net Profit Before Tax		8,548,786,779	8,757,401,099
Gain on Disposal of PPE		548,877	4,999,999
Provision for Income Tax		(2,137,196,695)	(2,189,350,275)
Net Profit After Tax		6,412,138,961	6,573,050,823
Reserves & Provisions			
General Reserve (Statutory)		(1,602,897,521)	(1,643,262,706)
General Provision (Loans)		(486,301,183)	(416,210,000)
Reserve for Contingencies		(391,380)	(3,578,117)
Other Reserves		-	(50,000,000)
Provision for Dividend		(4,320,000,000)	(4,410,000,000)
Profit for the year		2,548,877	50,000,000

See accompanying notes to the Financial Statements.

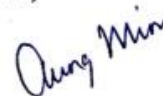
Authenticated by;


 (Senior General Manager)


 (Chief Accountant)


 (Director)
 (Chairman)


 (Director)


 (Director)

FIRST PRIVATE BANK LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2016

	<u>Issued & Paid Up Capital</u>	<u>Share Premium</u>	<u>General Reserve (Statutory)</u>	<u>General Provision (Loan)</u>	<u>Other Reserves</u>	<u>Reserve for Contingency</u>	<u>Provision for Dividend</u>	<u>Retained Earnings</u>	<u>Kyat Total</u>
Balances at (1.4.2014)	18,420,180,000	3,964,619,597	7,081,629,177	2,006,794,683	238,117,485	197,329,573	4,000,000,000	455,742,853	36,364,413,368
During the year changes									
- Issued of Shares	1,519,210,000	-	-	-	-	-	-	-	1,519,210,000
- Share Premium Received	-	1,358,575,500	-	-	-	-	-	-	1,358,575,500
- Provision for Reserves	-	-	1,643,262,705	416,210,000	50,000,000	3,578,117	-	-	2,113,050,822
- Provision for Dividend	-	-	-	-	-	-	4,410,000,000	-	4,410,000,000
- Transferred to Dividend Payable	-	-	-	-	-	-	(4,000,000,000)	-	(4,000,000,000)
- Adjustments	-	-	-	-	-	1,982	-	(2,481,529)	(2,479,547)
- Profit for the year	-	-	-	-	-	-	-	50,000,000	50,000,000
Balances at 31.3.2015	19,939,390,000	5,323,195,097	8,724,891,882	2,423,004,683	288,117,485	200,909,672	4,410,000,000	503,261,324	41,812,770,143
Changes during the year									
- Issued of Shares	3,722,550,000	-	-	-	-	-	-	-	3,722,550,000
- Share Premium Received	-	4,528,992,500	-	-	-	-	-	-	4,528,992,500
- Provision for Reserves	-	-	1,602,897,521	486,301,182	-	391,380	-	-	2,089,590,083
- Provision for Dividend	-	-	-	-	-	-	4,320,000,000	-	4,320,000,000
- Transferred to Dividend Payable	-	-	-	-	-	-	(4,410,000,000)	-	(4,410,000,000)
- Adjustments	-	-	-	(47,245,805)	-	100,982	-	-	(47,144,823)
- Profit for the year	-	-	-	-	-	-	-	2,548,877	2,548,877
Balances at 31.3.2016	23,661,940,000	9,852,187,597	10,327,789,403	2,862,060,060	288,117,485	201,402,034	4,320,000,000	505,810,201	52,019,306,780

See accompanying notes to the Financial Statements.

FIRST PRIVATE BANK LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2016

	<u>Kyat (in Thousand)</u>	
	<u>2016</u>	<u>2015</u>
(1) <u>Cash flows from operating activities</u>		
Interests and commission receipts	22,024,414	20,786,092
Interest payments	(11,692,654)	(9,461,191)
Cash payments to employees and suppliers	(2,176,436)	(1,812,339)
Operating Profit before working capital changes	8,155,324	9,512,562
<u>Changes in Operating Assets</u>		
Loans & Overdrafts	(21,983,195)	(20,810,155)
Receivable & Advances	(161,842)	552,154
<u>Changes in Operating Liabilities</u>		
Deposits from customers	14,022,687	29,789,134
Other Payable	126,387	(299,620)
Net cash from operating activities before income tax	159,361	18,744,075
Income taxes paid	(2,136,500)	(2,190,000)
Net cash from operating activities	(1,977,139)	16,554,075
(2) <u>Cash flows from Investing Activities</u>		
Treasury Bonds	7,610,000	1,392,000
Other Investment	(201,200)	-
Purchase of Property, Plant & Equipment	(3,462,684)	(401,193)
Sales Proceed from Property, Plant & Equipment	2,500	5,000
Net cash from investing activities	3,948,616	995,807
(3) <u>Cash flows from Financing Activities</u>		
Issue of shares	2,655,090	2,553,560
Premium Received from shares issued	3,577,970	2,295,247
Dividends paid	(4,449,632)	(3,932,142)
Bonus shares issued	(542)	(920)
CBM Borrowing/(Repayment)	-	(12,000,000)
Net cash from financing activities	1,782,886	(11,084,255)
Net increase in cash and cash equivalents (1+2+3)	3,754,363	6,465,627
Cash and cash equivalents at beginning of period (1 April)	26,294,398	19,828,771
Cash and cash equivalents at end of period (31 March)	30,048,761	26,294,398

See accompanying notes to the Financial Statements.

FIRST PRIVATE BANK LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2016

1.0 Corporate Information

First Private Bank Limited was incorporated as a Public Company, Limited by shares as per Certificate of incorporation No.223/1991-1992 dated September 9, 1991.

Banking License No.MaBaBa/P-1(5)1992 dated May 25, 1992 was issued by the Central Bank of Myanmar.

Twenty nine Branches were opened with an approval of the Central Bank of Myanmar.

2.0 Summary of Significant Accounting Policies

2.1 Basic of Preparation

The financial statements of the Bank have been prepared under the historical cost basis and in accordance with the Myanmar Financial Reporting Standards.

The financial statements are presented in Myanmar Kyats.

2.2 Foreign Currency Transactions

The financial statements are presented in "Kyats", which is the bank's functional and presentation currency. Foreign currency transactions are translated into Kyats using the prevailing exchange rates at the dates of the transactions.

Foreign exchange gains or losses resulting from such transactions are recognized in the Statement of Income.

2.3 Revenue Recognition

Interest income is recognized using the effective interest method.

Fee and commission income is recognized when the services are rendered.

Foreign exchange Profit is gain on sales and purchases of foreign currencies.

2.4 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.

2.5 Cash in hand and at banks

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

2.6 Property, Plant & Equipments

Property, Plant & Equipments are stated at cost less accumulated depreciation.

Depreciation is computed under the straight-line method over the estimated useful life of these assets other than land which is not depreciated. Rates of depreciation are as follows:

Building	1.25%
Office Furniture & Fixture	5%, 6.25%
Office Equipment	10%, 6.25%, 12.50%
Computer & Equipment	20%
Office Car	12.5%
Office Motor Cycle	12.5%
Office Bicycle	12.5%

2.7 **Investments**

Represent government treasury bonds and shares of other entities and are stated at Cost.

2.8 **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.
- * Available for sale
Non-derivative financial assets that are not classified in any of the other categories.

(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 recognises 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-recognised when the contractual right to cash flows and risks and rewards associated with the instruments are substantially transferred, cancelled or expired.

3.0 **Cash in hand and at banks**

	<u>2016</u> <u>Kvat</u>	<u>2015</u> <u>Kvat</u>
Cash in hand	13,444,008,114.81	15,147,303,781.42
Cash with Central Bank	5,762,306,323.80	6,244,202,087.23
Cash with other Banks	10,842,446,598.32	4,902,892,211.33
Total	<u>30,048,761,036.93</u>	<u>26,294,398,079.98</u>

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4.0 LOANS AND OVERDRAFTS

	<u>2016</u>		<u>2015</u>	
	<u>No.</u>	<u>Kvat</u>	<u>No.</u>	<u>Kvat</u>
Loans	247	14,444,370,833.39	381	14,353,413,541.26
Overdrafts	727	128,658,632,182.73	672	106,796,394,068.24
Total	974	143,103,003,016.12	1053	121,149,807,609.50

<u>Securities</u>	<u>2016</u>		<u>2015</u>	
	<u>No.</u>	<u>Kvat</u>	<u>No.</u>	<u>Kvat</u>
Land & Building	891	142,882,632,182.73	836	120,582,394,068.24
Fixed Deposits	35	47,200,000.00	31	35,700,000.00
Gold & Jewellery	8	29,900,000.00	17	44,255,000.00
Hire Purchases	40	143,270,833.39	169	487,458,541.26
Total	974	143,103,003,016.12	1053	121,149,807,609.50

Analysis of Ratios

	<u>2016</u>	<u>2015</u>
(a) Total loans to Total Deposits Ratios	95%	88%
(b) Total loans to Shareholders' Equity	275%	290%
(c) Total loans to Deposits & Shareholders' Equity	70%	68%
(d) Total loans to Total Assets Ratio	69%	65%

5.0 ADVANCES & RECEIVABLE

Details are as follows :

	<u>Kvat</u> <u>2016</u>	<u>Kvat</u> <u>2015</u>
Accrued Interest Income (Treasury Bond)	822,376,373.65	134,143,561.65
Accrued Interest Income (Loan)	204,218,717.00	271,226,113.52
Advance Income Tax paid	2,137,306,702.00	2,190,156,977.00
Prepaid Expenses & Deposits	2,093,477,668.81	287,274,591.72
Claimed Accounts	1,872,685.00	12,575,152.00
Inward Remittances	327,463,319.63	149,427,569.20
Total	5,586,715,466.09	3,044,803,965.09

6.0 INVESTMENTS

	<u>Kvat</u> <u>2016</u>	<u>Kvat</u> <u>2015</u>
Government Treasury Bonds	23,000,000,000	30,610,000,000
Other Investments - Shares	202,300,000	1,100,000
Total	23,202,300,000	30,611,100,000

7.0 PROPERTY, PLANT & EQUIPMENTS

Details are shown in Annexure (1).

8.0 TOTAL DEPOSITS

Details are as follows :

	<u>Kvat</u> <u>2016</u>	<u>Kvat</u> <u>2015</u>
(a) Current Deposits	10,325,485,735.19	8,286,464,647.18
(b) Saving Deposits	93,062,329,786.43	84,604,098,086.92
(c) Time - Deposits	45,722,627,145.11	42,655,457,723.57
(d) Call Deposits	1,887,745,397.99	1,429,480,631.64
(e) Mobile Money	72,015,515.33	10,998,003.00
Total	151,070,203,580.05	136,986,499,092.31

9.0 OTHER LIABILITIES

	<u>Kvat</u> <u>2016</u>	<u>Kvat</u> <u>2015</u>
Outward Remittance A/C	402,760,157.00	529,842,584.00
Bonus & Reward	131,123,950.00	84,222,200.00
Share purchased	15,250,000.00	2,057,149,000.00
Interest on fixed deposits	1,046,562,948.61	958,983,821.26
Banking Software Fee	-	50,256,120.00
Travelling charges	3,794,183.82	-
Insurance charges	-	651,439.00
Repair & Maintenance	36,000.00	36,000.00
Phone & Electric Charges	9,153,005.40	8,053,166.20
Licence Fees	3,722,550.00	-
Audit Fees	5,250,000.00	2,625,000.00
Y.C.D.C Tax	165,000.00	159,000.00
Training Fees	-	239,156.00
Doubtful Accrued Interest	17,245,804.89	11,112,317.00
Security Deposit	1,877,100.00	1,877,100.00
Surplus Cash	210,650.00	120,650.00
Advance Receipt	141,440.00	141,440.00
Unclaimed Deposit	727,609.48	445,626.06
Unclaimed Liability	2,776,034.33	2,222,444.60
Debit Note Issued	12,300,000.00	-
Computer Software Fee	500,314.34	-
Provident Fund	2,638,967.70	3,121,647.62
Social Welfare	37,080.00	78,680.00
FE Adjustment	123,548,875.33	208,271,616.23
Western Union (remittance)	223,726,574.56	-
Bank Charges	289,612.00	-
Share Premium	22,875,000.00	-
Clearing charges	30,600.00	-
Total	2,026,743,457.46	3,919,609,007.97

10.0 ISSUED & PAID UP CAPITAL

	<u>Kyat</u> <u>2016</u>	<u>Kyat</u> <u>2015</u>
2,366,194 shares of K 10,000 each	23,661,940,000	-
1,993,939 shares of K 10,000 each	-	19,939,390,000
Total	23,661,940,000	19,939,390,000

11.0 RESERVE AND RETAINED EARNINGS

Changes during the year are shown in the statement of changes in equity.

12.0 TOTAL INTEREST INCOME

Details are as follows :

	<u>Kyat</u> <u>2016</u>	<u>Kyat</u> <u>2015</u>
Interest on Loan & Overdrafts	15,721,335,200.28	14,527,679,073.89
Interest on Treasury Bond	3,120,959,184.14	3,235,797,643.83
Interest on Deposit (Other Bank)	138.35	48.66
Interest on Investment	306,363.00	-
Total	18,842,600,885.77	17,763,476,766.38

13.0 TOTAL INTEREST EXPENSE

It is observed that total interest expenses is 62% on total interest income, as compared with the previous year (2014-2015) of 57%.

14.0 OTHER OPERATING INCOME

Details are as follows :

	<u>Kyat</u> <u>2016</u>	<u>Kyat</u> <u>2015</u>
Commission on Mobile	1,185,644.25	-
Commission Fee & Remittance	346,113,700.23	349,382,027.03
Commission Fee (Fire Insurance)	52,690,057.27	68,285,411.21
Other Transactions	1,723,135,628.96	1,605,361,511.61
Commission on HP	7,013,000.00	-
Miscellaneous Income	438,931,762.89	476,142,863.02
Income on Foreign Exchange	1,104,581,813.07	582,661,447.23
Swift Commissions (L/C)	530,451.18	611,382.40
Bill collection charges	128,856,847.50	372,020.00
Foreign Ex: Loss	(1,203,414.93)	(734,284.51)
Total	3,801,835,490.42	3,082,082,377.99

15.0 STAFFS EXPENSES

Details are shown in Annexure (2).

Bonus provision of Kyat 124.70 million was approved as per the resolution of the meeting of the Management Committee.

16.0 OTHER OPERATING EXPENSES

Details are shown in Annexure (2).

17.0 REPORTING TO CENTRAL BANK OF MYANMAR

It is observed that the Bank submitted reports and statements to the Central Bank of Myanmar in accordance with the instructions and notifications of the Central Bank of Myanmar.

18.0 ANALYSIS AND RATIOS STATEMENTS

The following are attached to the Financial Statements :-

- | | | |
|-----|--|----------------|
| (a) | Balance Sheet Ratios - for liquidity Purposes | - Annexure (3) |
| (b) | Income Statement Ratios | - Annexure (4) |
| (c) | Statement of Cash Reserve Position
and Ratio (at 31.3.2016) | - Annexure (5) |

19.0 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 loans and overdraft to (60) related parties are amounting to Kyat 17,884 million as at March 31, 2016, shown in Annexure (6). The related party transactions are conducted on arm's length basis and on normal commercial terms, which are not favorable than those generally available to the public.

20.0 APPROVAL OF FINANCIAL STATEMENTS

The financial statements have been authorized for issue in accordance with the resolution of the Board of Directors on 30 April, 2016.

DTW:FPBLENG16/TTTH

FIRST PRIVATE BANK LIMITED
ANNEXURE TO THE BALANCE SHEET AS AT MARCH 31, 2016

3.0 Property, Plant and Equipment

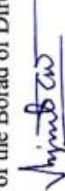
Annexure (1)
Kyat

	Total	Land & Building	Office Furniture & Fixture	Office Equipment	Computer & Equipment	Office Car	Office Motor Cycle	Office Bicycle
Original Cost								
(1-4-2015)	4,757,215,413.48	3,806,872,269.39	160,603,511.51	404,997,000.00	155,825,977.58	219,267,300.00	9,551,400.00	97,955.00
Purchases	1,642,426,071.00	1,406,030,521.00	90,720,795.00	97,163,800.00	35,230,955.00	12,500,000.00	780,000.00	-
Sales	(2,035,954.00)	(2,035,954.00)	-	-	-	-	-	-
Written-off	(19,268,636.11)	-	(570,721.11)	(13,038,050.00)	(5,659,865.00)	-	-	-
Transfer of A/C Head								
(31-3-2016)	6,378,336,894.37	5,210,866,836.39	250,753,585.40	489,122,750.00	185,397,067.58	231,767,300.00	10,331,400.00	97,955.00
Rate (%)								
Depreciation								
(1-4-2015)	859,575,742.73	366,275,440.09	57,202,080.36	253,203,055.70	85,119,244.58	91,002,305.00	6,675,667.00	97,950.00
Depreciation for year	138,797,836.29	33,931,591.63	13,080,942.00	31,531,987.16	30,460,028.00	28,970,912.50	822,375.00	-
Depreciation for Sales	(84,831.41)	(84,831.41)	-	-	-	-	-	-
Written-off	(17,882,581.42)	-	(509,791.42)	(11,712,944.00)	(5,659,846.00)	-	-	-
Transfer of A/C Head								
(31-3-2016)	980,406,166.19	400,122,200.31	69,773,230.94	273,022,098.86	109,919,426.58	119,973,217.50	7,498,042.00	97,950.00
Net Book Value								
(31-3-2016)	5,397,930,728.18	4,810,744,636.08	180,980,354.46	216,100,651.14	75,477,641.00	111,794,082.50	2,833,358.00	5.00
(31-3-2015)	3,897,639,670.75	3,440,596,829.30	103,401,431.15	151,793,944.30	70,706,733.00	128,264,995.00	2,875,733.00	5.00

CERTIFICATE

We hereby certify that the above Property, Plant & Equipment are the properties of First Private Bank Limited and in existence at March 31, 2016.
All the assets purchases, sales and written-off during the year were made with the proper sanction of the Board of Directors.


(Chief Accountant)


(General Manager)

Yangon.

Date: , 2016.

FIRST PRIVATE BANK LIMITED
ANNEXURE TO THE STATEMENT OF INCOME
FOR THE YEAR ENDED MARCH 31, 2016

	<u>Kvat</u> <u>2016</u>	<u>Kvat</u> <u>2015</u>
<u>Operating Expenses</u>		
<u>Staffs Expenses</u>		
Salaries	750,735,986.49	684,754,639.72
C.L.A	497,501,293.84	322,151,501.08
Overtime Charges	54,405,621.00	40,486,555.30
Uniform Expenses	16,069,250.67	14,823,505.66
Travelling Expenses	37,678,006.03	37,424,717.50
Degree Allowance	9,544,483.87	9,356,000.00
Field Allowance	26,053,385.78	25,596,236.54
Bonuses	124,700,000.00	80,000,000.00
Provident Fund & SSB	51,164,001.00	47,122,558.70
	<u>1,567,852,028.68</u>	<u>1,261,715,714.50</u>
	<u>Kvat</u> <u>2016</u>	<u>Kvat</u> <u>2015</u>
<u>Other Operating Expenses</u>		
Expenses & Honorarium Fee	85,634,071.07	110,143,221.49
Rent, Water, Electricity	112,140,734.00	88,720,583.00
Repairs & Maintenance	28,612,111.00	24,637,090.00
Annual General Meeting Expenses	10,145,718.00	15,096,310.00
Insurance	4,493,689.28	4,233,008.30
Taxes	12,877,835.40	3,031,254.40
Printing & Stationary	47,510,163.57	40,966,078.44
Communication	97,992,235.70	81,522,771.00
Transportation & Travelling	76,885,878.05	65,141,886.99
Written-off (PPE)	1,386,054.69	1,230,903.92
Depreciation	138,797,836.29	198,130,847.75
General Expenses	111,272,897.95	116,396,813.13
Discount on Treasury Bonds	19,815,449.55	-
	<u>747,564,674.55</u>	<u>749,250,768.42</u>

Annexure (3)

FIRST PRIVATE BANK LIMITED
Analysis and Ratios Statement
Balance Sheet Ratios - (For Liquidity and Solvency Position)
As at March 31, 2016

	KYAT (Million)	PERCENTAGE (%)	
		2016	2015
<u>ASSETS</u>			
Cash & Cash Equivalents	53,251	25.67	30.76
Loans & Overdrafts	143,103	68.98	65.48
Advances and Other Receivable	5,699	2.75	1.66
Property & Other Fixed Assets	5,398	2.60	2.11
Total Assets	207,451	100	100
<u>EQUITY & LIABILITIES</u>			
Capital - Paid up	23,662	11.41	10.78
Premium	9,852	4.75	2.88
Reserves & Retained Earning	18,505	8.92	6.56
Total Deposits	151,070	72.82	74.04
Other Liabilities, etc.	4,362	2.10	5.74
Total Equity & Liabilities	207,451	100	100

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Annexure (4)

FIRST PRIVATE BANK LIMITED INCOME STATEMENT-RATIOS YEAR ENDED 31 MARCH 2016				
	KYAT	KYAT	Percentage (%)	
	2016 (Million)	2015 (Million)	2016	2015
1.0 Total Operating Income			100.00	100.00
1.1 Interest Income				
Interest Income	18,843	17,763		
Less:				
Interest Expenses	(11,780)	(10,077)		
Net Interest Income	7,063	7,686	65.01	71.37
Add:				
1.2 Other Operating Income	3,802	3,083	34.99	28.63
Total Operating Income	10,865	10,769	100.00	100.00
2.0 Net Earnings per Share of K 10,000 each.	K. 2,984	K. 3363	30%	34%

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Annexure (5)

FIRST PRIVATE BANK LIMITED
STATEMENT OF CASH RESERVE POSITION & RATIOS
AS AT 31 MARCH 2016

		<u>2016</u>	<u>2015</u>
	<u>K (Million)</u>	<u>(%)</u>	<u>(%)</u>
1.0	Total Cash Balances to Total Deposits	30,049/151,070	20% 19%
2.0	Cash & Cash equivalent to Total Deposits (Cash Equivalent including securities investment)	53,250/151,070	35% 42%
3.0	Total Loans to Total Deposits	143,103/151,070	94.73% 88%
4.0	Total Loans to Shareholders' Equity	143,103/52,019	275% 290%
5.0	Total Loans to Deposit plus Shareholders' Equity	143,103/203,089	70% 68%
6.0	Total Deposits to Issued & Paid up Capital	151,070/23,662	6.38 times 6.87 times

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Appendix

AUDITED FINANCIAL STATEMENTS FOR FINANCIAL YEAR ENDING MARCH 2015

FIRST PRIVATE BANK LIMITED

FINANCIAL STATEMENTS:

- BALANCE SHEET AS AT MARCH 31, 2015
- REPORT OF THE INDEPENDENT AUDITOR
- STATEMENT OF INCOME FOR THE YEAR ENDED MARCH 31, 2015
- STATEMENT OF CHANGES IN EQUITY
- STATEMENT OF CASH FLOWS
- NOTES TO THE FINANCIAL STATEMENTS

PERIOD:

YEAR ENDED MARCH 31, 2015.

U HLA TUN & ASSOCIATES LIMITED
CERTIFIED PUBLIC ACCOUNTANTS
& FINANCIAL CONSULTANTS

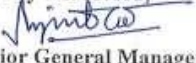
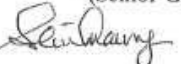
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FIRST PRIVATE BANK LIMITED
BALANCE SHEET AS AT MARCH 31, 2015

<u>ASSETS</u>	<u>Note</u>	<u>2015</u>	(Kyat) <u>2014</u>
Cash at Bank	3	15,147,303,781	10,685,847,509
Cash with Central Bank of Myanmar	4	6,244,202,087	2,830,326,776
Cash with Other Banks	5	4,902,892,211	6,312,596,295
Loans & Overdrafts	6	121,149,807,610	100,339,652,338
Advances & Receivable	7	3,044,803,965	3,172,844,373
Stock (Stationary)		18,684,105	21,140,949
Investments	8	30,611,100,000	32,003,100,000
Property, Plant & Equipment	9	3,897,639,671	3,880,276,980
Acceptance, Endorsement & Guarantee		501,877,100	1,001,877,100
Total Assets		185,518,310,530	160,247,662,319
 <u>LIABILITIES</u>			
Total Deposits	10	136,986,499,092	107,197,365,152
Other Liabilities	11	3,919,609,008	1,629,459,901
Payment Orders		39,991,119	43,659,234
Provision for Income Tax	12	2,189,350,275	2,010,531,361
Borrowing from CBM		-	12,000,000,000
Dividend Payable (unclaimed)		68,213,793	356,204
Acceptance, Endorsement & Guarantee		501,877,100	1,001,877,100
Total Liabilities		143,705,540,387	123,883,248,952
 <u>EQUITY</u>			
Issued & Paid Up Capital	13	19,939,390,000	18,420,180,000
Share Premium		5,323,195,097	3,964,619,597
<u>Reserves & Retained Earnings</u>	14		
General Reserve (Statutory)		8,724,891,882	7,081,629,177
General Provision (Loans)		2,423,004,683	2,006,794,683
Reserve for contingencies		200,909,672	197,329,573
Other Reserves		288,117,485	238,117,485
Provision for Dividend		4,410,000,000	4,000,000,000
Retained Earnings/(Loss)		503,261,324	455,742,853
Total Equity		41,812,770,143	36,364,413,367
Total Equity & Liabilities		185,518,310,530	160,247,662,319

See accompanying notes to the Financial Statements.

Authenticated by Directors;


 (Senior General Manager)

 (Director)
 (Chairman)


 (Director)


 (Chief Accountant)

 (Director)

**REPORT OF THE INDEPENDENT AUDITORS
TO THE MEMBERS OF FIRST PRIVATE BANK LIMITED**

We have audited the accompanying Financial Statements of the "FIRST PRIVATE BANK LIMITED", which comprise the Balance Sheet as at March 31, 2015 and the Statement of Income, Statement of Changes in Equity and Statement of Cash Flows for the year ended March 31, 2015.

These Financial Statements are the responsibility of the Bank's management. Our responsibility is to express an opinion on these Financial Statements based on our audit.

We conducted our audit in accordance with the Myanmar Standards on Auditing. These Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement. Our audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. Our audit also includes assessing the accounting policies used and the reasonableness of accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In accordance with Section 145 of the Myanmar Companies Act, we report that we have obtained all the information and explanations we have required.

In our opinion, the Bank's Financial Statements are properly drawn up in accordance with the provisions of the Myanmar Companies Act and Myanmar Financial Reporting Standards, so as to exhibit adequately a true and correct view of the state of affairs of the Bank as at March 31, 2015, and of the results of the Bank for the year ended on that date according to the best of our information and explanations given to us and as shown by the books of the Bank.

The books and records required by the Act to be kept by the Bank, have been maintained in accordance with Section 130 of the Myanmar Companies Act.

In accordance with Section 45 of the Financial Institutions of Myanmar Law (1990), we also report that in our opinion the Financial Statements of the Bank adequately reflect the financial position.



Yangon.
Dated : June , 2015.

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

FIRST PRIVATE BANK LIMITED
STATEMENT OF INCOME FOR THE YEAR ENDED MARCH 31, 2015

			(Kyat)
	<u>Note</u>	<u>2015</u>	<u>2014</u>
Total Interest income	15	17,763,476,766	15,783,754,917
Total Interest Expenses	16	(10,077,191,562)	(8,483,255,546)
Net Interest Income		7,686,285,204	7,300,499,371
Other Operating Income	17	3,082,082,378	2,532,456,196
Total Operating Income		10,768,367,582	9,832,955,567
Operating Expenses			
Staff Expenses	18	(1,261,715,715)	(1,128,855,389)
Other Operating Expenses	19	(749,250,768)	(666,118,054)
Total Operating Expenses		(2,010,966,483)	(1,794,973,443)
Net Profit Before Tax		8,757,401,099	8,037,982,124
Gain on Disposal of PPE		4,999,999	10,358,297
Provision for Income Tax		(2,189,350,275)	(2,010,531,361)
Net Profit After Tax		6,573,050,823	6,037,809,060
Reserves & Provisions			
General Reserve (Statutory)		(1,643,262,706)	(1,509,452,265)
General Provision (Loans)		(416,210,000)	(470,190,000)
Reserve for Contingencies		(3,578,117)	(10,000,000)
Other Reserves		(50,000,000)	(40,000,000)
Provision for Dividend		(4,410,000,000)	(4,000,000,000)
Profit for the year		50,000,000	8,166,795

See accompanying notes to the Financial Statements.

Authenticated by Directors;


(Senior General Manager)


(Chief Accountant)


(Director)
(Chairman)


(Director)


(Director)

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FIRST PRIVATE BANK LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2015

	Issued & Paid Up Capital	Share Premium	General Reserve (Statutory)	General Provision (Loan)	Other Reserves	Reserve for Contingency	Provision for Dividend	Retained Earnings	Kyat Total
Balances at (1.4.2013)	15,559,800,000	1,691,453,597	5,572,176,911	1,536,604,683	198,117,485	189,392,331	3,000,000,000	441,918,561	28,189,463,568
<u>During the year changes</u>									
- Issued of Shares	2,860,380,000	-	-	-	-	-	-	-	2,860,380,000
- Share Premium Received	-	2,273,166,000	-	-	-	-	-	-	2,273,166,000
- Provision for Reserves	-	-	1,509,452,266	470,190,000	40,000,000	10,000,000	-	-	2,029,642,266
- Provision for Dividend	-	-	-	-	-	-	4,000,000,000	-	4,000,000,000
- Transferred to Dividend Payable	-	-	-	-	-	-	(3,000,000,000)	-	(3,000,000,000)
- Adjustments	-	-	-	-	-	(2,062,758)	-	5,657,497	3,594,739
- Profit for the year	-	-	-	-	-	-	-	8,166,795	8,166,795
Balances at 31.3.2014.	18,420,180,000	3,964,619,597	7,081,629,177	2,006,794,683	238,117,485	197,329,573	4,000,000,000	455,742,853	36,364,413,368
<u>Changes during the year</u>									
- Issued of Shares	1,519,210,000	-	-	-	-	-	-	-	1,519,210,000
- Share Premium Received	-	1,358,575,500	-	-	-	-	-	-	1,358,575,500
- Provision for Reserves	-	-	1,643,262,705	416,210,000	50,000,000	3,578,117	-	-	2,113,050,822
- Provision for Dividend	-	-	-	-	-	-	4,410,000,000	-	4,410,000,000
- Transferred to Dividend Payable	-	-	-	-	-	-	(4,000,000,000)	-	(4,000,000,000)
- Adjustments	-	-	-	-	-	1,982	-	(2,481,529)	(2,479,547)
- Profit for the year	-	-	-	-	-	-	-	50,000,000	50,000,000
Balances at 31.3.2015	19,939,390,000	5,323,195,097	8,724,891,882	2,423,004,683	288,117,485	200,909,672	4,410,000,000	503,261,324	41,812,770,143

See accompanying notes to the Financial Statements.

FIRST PRIVATE BANK LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2015

	<u>Kvat (in Thousand)</u>	
	<u>2015</u>	<u>2014</u>
(1) <u>Cash flows from operating activities</u>		
Interests and commission receipts	20,786,092	18,352,012
Interest payments	(9,461,191)	(8,386,517)
Cash payments to employees and suppliers	(1,812,339)	(1,673,881)
Operating Profit before working capital changes	9,512,562	8,291,614
<u>Changes in Operating Assets</u>		
Loans & Overdrafts	(20,810,155)	(23,509,418)
Receivable & Advances	552,154	(200,483)
<u>Changes in Operating Liabilities</u>		
Deposits from customers	29,789,134	15,827,420
Other Payable	(299,620)	263,155
Net cash from operating activities before income tax	18,744,075	672,288
Income taxes paid	(2,190,000)	(2,003,000)
Net cash from operating activities	16,554,075	(1,330,712)
(2) <u>Cash flows from Investing Activities</u>		
Treasury Bonds	1,392,000	7,000,000
Dividend Received	-	200
Purchase of Property, Plant & Equipment	(401,193)	(965,328)
Disposal of Property, Plant & Equipment	5,000	10,358
Net cash from investing activities	995,807	6,045,230
(3) <u>Cash flows from Financing Activities</u>		
Issue of shares	2,553,560	2,782,600
Premium Received from shares issued	2,295,247	2,225,276
Dividends paid	(3,932,142)	(3,001,781)
Bonus shares issued	(920)	(1,720)
CBM Borrowing/(Repayment)	(12,000,000)	1,500,000
Net cash from financing activities	(11,084,255)	3,504,375
Net increase in cash and cash equivalents (1+2+3)	6,465,627	8,218,893
Cash and cash equivalents at beginning of period (1 April)	19,828,771	11,609,878
Cash and cash equivalents at end of period (31 March)	26,294,398	19,828,771

See accompanying notes to the Financial Statements.

FIRST PRIVATE BANK LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2015

1.0 Corporate Information

First Private Bank Limited was incorporated as a Public Company, Limited by shares as per Certificate of incorporation No.223/1991-1992 dated September 9, 1991.

Banking License No.MaBaBa/P-1(5)1992 dated May 25, 1992 was issued by the Central Bank of Myanmar.

Twenty four Branches were opened with an approval of the Central Bank of Myanmar.

2.0 Summary of Significant Accounting Policies

2.1 Basic of Preparation

The financial statements of the Bank have been prepared under the historical cost convention and in accordance with the Myanmar Financial Reporting Standards.

The financial statements are presented in Myanmar Kyats.

2.2 Foreign Currency Transactions

The financial statements are presented in "Kyats", which is the bank's functional and presentation currency. Foreign currency transactions are translated into Kyats using the prevailing exchange rates at the dates of the transactions.

Foreign exchange gains or losses resulting from such transactions are recognized in the Statement of Income.

2.3 Revenue Recognition

Interest income is recognized using the effective interest method.

Fee and commission income is recognized when services are rendered.

Foreign exchange Profit is gain on sales and purchases of foreign currencies.

2.4 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.

2.5 Property, Plant & Equipments

Property, Plant & Equipments are stated at cost less accumulated depreciation.

Depreciation is computed under the straight-line method over the estimated useful life of these assets other than land which is not depreciated. Rates of depreciation are as follows;

Building	1.5%, 2.5%
Office Furniture & Equipment	5%, 10%
Office Equipment	10%, 20%
Computer & Equipment	20%
Office Car	12.5%
Office Motor Cycle	12.5%
Office Bicycle	12.5%

2.6 Investments

Represent government treasury bonds and shares of other entities and are stated at Cost.

2.7 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.
- * Available for sale
Non-derivative financial assets that are not classified in any of the other categories.

(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 recognises 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-recognised when the contractual right to cash flows and risks and rewards associated with the instruments are substantially transferred, cancelled or expired.

3.0 Cash at Bank

	<u>2015</u> <u>Kyat</u>	<u>2014</u> <u>Kyat</u>
Head Office – Yangon	3,807,912,812.02	2,640,155,614.05
Nay Pyi Taw	111,765,893.69	120,341,162.12
Branches	11,227,625,075.71	7,925,350,732.49
Total	<u><u>15,147,303,781.42</u></u>	<u><u>10,685,847,508.66</u></u>

4.0 Cash with Central Bank of Myanmar

Details are as follows :

	<u>Kyat</u> <u>2015</u>	<u>Kyat</u> <u>2014</u>
Yangon (Head Office)	5,387,222,571.61	323,981,554.86
- Foreign Currency	206,586,185.00	2,218,317,276.00
Mandalay (Branch)	50,520,299.00	23,011,424.08
Bayintnaung (Branch)	-	249,102,388.54
Theingyizay (Branch)	-	61,100.50
Nay Pyi Taw (Branch)	599,873,031.62	15,853,031.62
Total	6,244,202,087.23	2,830,326,775.60

5.0 Cash with other banks

	<u>Kyat</u> <u>2015</u>	<u>Kyat</u> <u>2014</u>
- Deposits with Myanmar Economic Bank	926,894,379.51	167,000,805.16
- Deposits with Myanmar Foreign Trade Bank	1,033,137,352.00	136,875,959.64
- Deposits with Myanmar Investment & Commercial Bank	76,975.36	76,975.36
- Deposits with Foreign Correspondent Banks	2,355,054,934.40	5,081,700,437.03
- Deposit with MICB (FC)	438,027,400.62	685,158,369.74
- Deposits with Private Banks	149,701,169.44	241,783,747.86
Total	4,902,892,211.33	6,312,596,294.79

6.0 LOANS AND OVERDRAFTS

	<u>No.</u>	<u>2015</u> <u>Kyat</u>	<u>No.</u>	<u>2014</u> <u>Kyat</u>
Loans	381	14,353,413,541.26	655	14,005,697,235.05
Overdrafts	672	106,796,394,068.24	604	86,333,955,103.06
Total	1053	121,149,807,609.50	1259	100,339,652,338.11

<u>Securities</u>	<u>No.</u>	<u>2015</u> <u>Kyat</u>	<u>No.</u>	<u>2014</u> <u>Kyat</u>
Land & Building	836	120,582,394,068.24	776	97,431,455,103.06
Fixed Deposits	31	35,700,000.00	49	43,900,000.00
Gold & Jewellery	17	44,255,000.00	46	167,961,000.00
Hire Purchase	169	487,458,541.26	388	2,696,336,235.05
Total	1053	121,149,807,609.50	1259	100,339,652,338.11

As per report to the Central Bank of Myanmar, there was one non-performing loan as at March 31, 2015, and has taken legal action.

6.1 Analysis of Ratios

	<u>2015</u>	<u>2014</u>
(a) Total loans to Total Deposits Ratios	88%	94%
(b) Total loans to Shareholders' Equity	290%	276%
(c) Total loans to Deposits & Shareholders' Equity	68%	70%
(d) Total loans to Total Assets Ratio	65%	63%

7.0 ADVANCES & RECEIVABLE

Details are as follows :

	<u>Kyat</u> <u>2015</u>	<u>Kyat</u> <u>2014</u>
Accrued Interest Income (Treasury Bond)	134,143,561.65	149,732,383.55
Accrued Interest Income (Loan)	271,226,113.52	195,436,107.00
Advance Income Tax paid	2,190,156,977.00	2,013,169,867.00
Prepaid Expenses & Deposits	287,274,591.72	100,637,239.52
Claimed Accounts	12,575,152.00	8,293,456.00
Inward Remittances	149,427,569.20	705,575,319.58
Total	<u>3,044,803,965.09</u>	<u>3,172,844,372.65</u>

8.0 INVESTMENTS

	<u>Kyat</u> <u>2015</u>	<u>Kyat</u> <u>2014</u>
Government Treasury Bonds	30,610,000,000.00	32,002,000,000.00
Other Investments - Shares	1,100,000.00	1,100,000.00
Total	<u>30,611,100,000.00</u>	<u>32,003,100,000.00</u>

9.0 PROPERTY, PLANT & EQUIPMENTS

Details are shown in Annexure (1).

10.0 TOTAL DEPOSITS

Details are as follows :

	<u>Kyat</u> <u>2015</u>	<u>Kyat</u> <u>2014</u>
(a) Current Deposits	8,286,464,647.18	7,742,196,333.40
(b) Saving Deposits	84,604,098,086.92	83,920,975,313.82
(c) Time - Deposits	42,655,457,723.57	15,534,193,504.73
(d) Call Deposits	1,429,480,631.64	-
(e) Mobile Money	10,998,003.00	-
Total	<u>136,986,499,092.31</u>	<u>107,197,365,151.95</u>

11.0 OTHER LIABILITIES

	<u>Kvat</u> <u>2015</u>	<u>Kvat</u> <u>2014</u>
Outward Remittance A/C	529,842,584.00	644,761,955.00
Bonus & Reward	84,222,200.00	109,277,200.00
Share purchased	2,057,149,000.00	87,048,000.00
Interest on fixed deposits	958,983,821.26	280,791,712.84
Banking Software Fee	50,256,120.00	104,250,000.00
Travelling charges	-	20,000,000.00
Insurance charges	651,439.00	-
Repair & Maintenance	36,000.00	-
Phone & Electric Charges	8,053,166.20	7,414,140.00
Interest on Borrowing from CBM	-	62,191,780.82
Licence Fees	-	577,470.00
Audit Fees	2,625,000.00	1,890,000.00
Y.C.D.C Tax	159,000.00	125,000.00
Training Fees	239,156.00	-
Doubtful Accrued Interest	11,112,317.00	7,212,321.00
Security Deposit	1,877,100.00	1,877,100.00
Surplus Cash	120,650.00	340,750.00
Advance Receipt	141,440.00	141,440.00
Unclaimed Deposit	445,626.06	343,202.11
Unclaimed Liability	2,222,444.60	3,155,626.80
Debit Note Issued	-	20,000,000.00
Rent	-	15,000.00
Staff Income-tax	-	77,753.00
Provident Fund	3,121,647.62	1,264,883.88
Social Welfare	78,680.00	10,230.00
TFB & KBZ remittance	-	1,368,000.00
FE Adjustment	208,271,616.23	90,589,400.60
Western Union (remittance)	-	179,136,934.73
Compensations	-	3,400,000.00
Sale of old building at Hpa-an	-	2,200,000.00
Total	<u>3,919,609,007.97</u>	<u>1,629,459,900.78</u>

12.0 PROVISION FOR INCOME TAX

	<u>Kvat</u> <u>2015</u>	<u>Kvat</u> <u>2014</u>
Provision for 2013-2014 income year	-	2,010,531,360.63
Provision for 2014-2015 income year	2,189,350,274.79	-
Total	<u>2,189,350,274.79</u>	<u>2,010,531,360.63</u>

13.0 ISSUED & PAID UP CAPITAL

	<u>Kvat</u> <u>2015</u>	<u>Kvat</u> <u>2014</u>
K 10,000 value per share 1,842,018 shares	-	18,420,180,000.00
K 10,000 value per share 1,993,939 shares	19,939,390,000.00	-
Total	<u>19,939,390,000.00</u>	<u>18,420,180,000.00</u>

14.0 RESERVE AND RETAINED EARNINGS

Changes during the year are shown in the statement of changes in equity.

15.0 TOTAL INTEREST INCOME

Details are as follows :

	<u>Kyat</u> <u>2015</u>	<u>Kyat</u> <u>2014</u>
Interest on Loan & Overdrafts	14,527,679,073.89	11,963,998,571.42
Interest on Treasury Bond	3,235,797,643.83	3,819,756,301.44
Interest on Deposit (Other Bank)	48.66	43.89
Total	<u>17,763,476,766.38</u>	<u>15,783,754,916.75</u>

16.0 TOTAL INTEREST EXPENSE

It is observed that total interest expenses is 57% on total interest income, as compared with the previous year (2013-2014) of 54%.

17.0 OTHER OPERATING INCOME

Details are as follows :

	<u>Kyat</u> <u>2015</u>	<u>Kyat</u> <u>2014</u>
Commission Fee & Remittance	349,382,027.03	498,401,922.95
Commission Fee (Fire Insurance)	68,285,411.21	91,713,227.51
Other Transactions	1,605,361,511.61	1,236,255,886.27
Commitment Fee	-	124,995,223.88
Miscellaneous Income	476,142,863.02	359,408,024.85
Exchange on Foreign Exchange	582,661,447.23	220,367,744.77
Swift Commissions (L/C)	611,382.40	1,216,095.32
Bill collection charges	372,020.00	922,190.00
Foreign Ex: Loss	(734,284.51)	(824,119.51)
Total	<u>3,082,082,377.99</u>	<u>2,532,456,196.04</u>

18.0 STAFFS COST

Details are shown in Annexure (2).

Bonus provision of Kyat 80 million was approved as per the resolution of the meeting of the Management Committee.

19.0 OTHER OPERATION EXPENSES

Details are shown in Annexure (2).

20.0 REPORTING TO CENTRAL BANK OF MYANMAR

It is observed that the Bank submitted reports and statements to the Central Bank of Myanmar in accordance with the instructions and notifications of the Central Bank of Myanmar.

21.0 ANALYSIS AND RATIOS STATEMENTS

The following are attached to the Financial Statements :-

- | | | |
|-----|--|----------------|
| (a) | Balance Sheet Ratios - for liquidity Purposes | - Annexure (3) |
| (b) | Income Statement Ratios | - Annexure (4) |
| (c) | Statement of Cash Reserve Position
and Ratio (at 31.3.2015) | - Annexure (5) |

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FIRST PRIVATE BANK LIMITED
ANNEXURE TO THE BALANCE SHEET AS AT MARCH 31, 2015

3.0 Property, Plant and Equipment

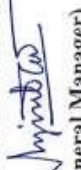
Annexure (1)
Kyat

	Total	Land & Building	Office Furniture & Equipment	Office Equipment	Computer & Equipment	Office Car	Office Motor Cycle	Office Bicycle
Original Cost								
(1-4-2014)	4,548,854,658.74	3,748,365,355.39	125,430,276.51	330,000,600.00	136,931,771.84	199,467,300.00	8,561,400.00	97,955.00
Purchases	216,724,444.00	58,506,914.00	35,783,560.00	77,787,450.00	23,156,520.00	20,500,000.00	990,000.00	-
Sales	(700,000.00)	-	-	-	-	(700,000.00)	-	-
Written-off	(7,663,689.26)	-	(610,325.00)	(2,791,050.00)	(4,262,314.26)	-	-	-
Transfer of A/C Head	-	-	-	-	-	-	-	-
(31-3-2015)	4,757,215,413.48	3,806,872,269.39	160,603,511.51	404,997,000.00	155,825,977.58	219,267,300.00	9,551,400.00	97,955.00
Rate (%)		2.5% , 1.5%	5% , 10%	10% , 20%	20%	12.5%	12.5%	12.5%
Depreciation								
(1-4-2014)	668,577,678.32	246,314,167.39	42,144,640.79	226,960,557.30	77,189,021.84	69,775,574.00	6,095,767.00	97,950.00
Depreciation for year	198,130,847.75	119,961,272.70	15,230,609.15	28,282,220.90	12,150,115.00	21,926,730.00	579,900.00	-
Depreciation for Sales	(699,999.00)	-	-	-	-	(699,999.00)	-	-
Written-off	(6,432,784.34)	-	(173,169.58)	(2,039,722.50)	(4,219,892.26)	-	-	-
Transfer of A/C Head	-	-	-	-	-	-	-	-
(31-3-2015)	859,575,742.73	366,275,440.09	57,202,080.36	253,203,055.70	85,119,244.58	91,002,305.00	6,675,667.00	97,950.00
Net Book Value								
(31-3-2015)	3,897,639,670.75	3,440,596,829.30	103,401,431.15	151,793,944.30	70,706,733.00	128,264,995.00	2,875,733.00	5.00
(31-3-2014)	3,880,276,980.42	3,502,051,188.00	83,285,635.72	103,040,042.70	59,742,750.00	129,691,726.00	2,465,633.00	5.00

CERTIFICATE

We hereby certify that the above Property, Plant & Equipment are the properties of First Private Bank Limited and in existence at March 31, 2015.
All the assets purchases, sales and written-off during the year were made with the proper sanction of the Board of Directors.


(Chief Accountant)


(General Manager)

Yangon.
Date: , 2015.

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Annexure (2)

FIRST PRIVATE BANK LIMITED
ANNEXURE TO THE STATEMENT OF INCOME
FOR THE YEAR ENDED MARCH 31, 2015

	<u>Kyat</u> <u>2015</u>	<u>Kyat</u> <u>2014</u>
<u>Operating Expenses</u>		
<u>Staffs Expenses</u>		
Salaries	684,754,639.72	686,522,469.43
C.L.A	322,151,501.08	198,883,484.37
Overtime Charges	40,486,555.30	26,038,408.28
Uniform Expenses	14,823,505.66	14,916,850.00
Travelling Expenses	37,424,717.50	37,287,263.70
Degree Allowance	9,356,000.00	9,110,000.00
Field Allowance	25,596,236.54	22,271,139.77
Bonuses	80,000,000.00	100,000,000.00
Provident Fund & SSB	47,122,558.70	33,825,773.00
	<u>1,261,715,714.50</u>	<u>1,128,855,388.55</u>
	<u>Kyat</u> <u>2015</u>	<u>Kyat</u> <u>2014</u>
<u>Other Operating Expenses</u>		
Expenses & Honorarium Fee	110,143,221.49	162,933,827.95
Rent, Water, Electricity	88,720,583.00	50,136,825.00
Repairs & Maintenance	24,637,090.00	34,666,426.80
Annual General Meeting Expenses	15,096,310.00	15,346,700.00
Insurance	4,233,008.30	6,358,050.38
Taxes	3,031,254.40	2,321,535.40
Printing & Stationary	40,966,078.44	42,082,287.41
Communication	81,522,771.00	75,479,118.18
Transportation & Travelling	65,141,886.99	91,562,882.41
Written-off (PPE)	1,230,903.92	988,764.57
Depreciation	198,130,847.75	120,927,837.37
General Expenses	116,396,813.13	63,313,799.00
	<u>749,250,768.42</u>	<u>666,118,054.47</u>

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Annexure (3)

FIRST PRIVATE BANK LIMITED
Analysis and Ratios Statement
Balance Sheet Ratios - (For Liquidity and Solvency Position)
As at March 31, 2015

	KYAT (Million)	PERCENTAGE (%)	
		2015	2014
<u>ASSETS</u>			
Cash & Cash Equivalents	56,905	30.76	32.55
Loans & Overdrafts	121,150	65.48	63.00
Advances and Other Receivable	3,064	1.66	2.01
Property & Other Fixed Assets	3,898	2.11	2.44
Total Assets	185,017	100	100
<u>EQUITY & LIABILITIES</u>			
Capital - Paid up	19,939	10.78	11.57
Premium	5,323	2.88	2.49
Reserves & Retained Earning	12,141	6.56	8.78
Total Deposits	136,986	74.04	67.31
Other Liabilities, etc.	10,628	5.74	9.85
Total Equity & Liabilities	185,017	100	100

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Annexure (4)

FIRST PRIVATE BANK LIMITED INCOME STATEMENT-RATIOS YEAR ENDED 31 MARCH 2015				
	KYAT	KYAT	Percentage (%)	
	2014 (Million)	2015 (Million)	2014	2015
1.0 Total Operating Income			100.00	100.00
1.1 Interest Income				
Interest Income	15,783.75	17,763.48		
Less:				
Interest Expenses	(8,483.26)	(10,077.19)		
Net Interest Income	7,300.49	7,686.29	74.24	71.37
Add:				
1.2 Other Operating Income	2,533.28	3,082.82	25.76	28.63
Total Operating Income	9,833.77	10,769.11	100.00	100.00
2.0 Net Earnings per Share				
of K 10,000 each.	K. 3523	K. 3363	35%	34%

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Annexure (5)

FIRST PRIVATE BANK LIMITED
STATEMENT OF CASH RESERVE POSITION & RATIOS
AS AT 31 MARCH 2015

		<u>2015</u>	<u>2014</u>
	<u>K (Million)</u>	<u>(%)</u>	<u>(%)</u>
1.0	Total Cash Balances to Total Deposits	26,294/136,986	19%
2.0	Cash & Cash equivalent to Total Deposits (Cash Equivalent including securities investment)	56,905/136,986	42%
3.0	Total Loans to Total Deposits	121,150/136,986	88%
4.0	Total Loans to Shareholders' Equity	121,150/41,813	290%
5.0	Total Loans to Deposit plus Shareholders' Equity	121,150/178,799	68%
6.0	Total Deposits to Issued & Paid up Capital	136,986/19,939	6.87 times

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