

Earthquake Occurrence Report

DISCLOSURE TO SHAREHOLDERS

Regarding the Occurrence of the 28 March 2025 Earthquake

Dear Valued Shareholders,

The Management of MCB is providing this update regarding the earthquake that struck Myanmar on 28 March 2025, significantly impacting several of our operational regions, including Mandalay, Nay Pyi Taw, Sagaing, and Shan. While this event caused temporary disruptions to our services and infrastructure, we have taken swift action to restore operations and mitigate risks. Below is a transparent overview of the incident's impact, our response efforts, and our recovery strategy.

1. Incident Overview

- **Date:** 28 March 2025
- **Affected Areas:** Regions along the Sagaing Fault Line (a high-risk seismic zone).
- **Key Impacts:**
 - Infrastructure Damage: Partial or total damage to some branches, light impact on some of the collateral properties, and IT systems.
 - Service Disruptions: Temporary interruptions to financial services, customer transactions, and liquidity management.

2. Summary of Damages and Financial Impact

A. Physical and Operational Damages

1. Branch Infrastructure:

- MDY-6 Branch (Mandalay): Complete structural collapse; operations suspended indefinitely. Currently, MDY-6 Branch is temporarily relocating operations at MDY-1 Branch.
- Partially Damaged Branches: Mandalay-3, Mandalay-5, Kyawl Sel Kan (under safety inspection and repair).
- Critical Losses: Servers, CCTV systems, and furniture damaged at MDY-6.

Name of assets (Location)	Description of assets	Estimated Loss (million Kyat)
Property, Plant and Equipment (Mandalay)	Leasehold, Office Equipment, Computer and Furniture	66.38

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2. Insurance Status:

- Claims Under Review: Our insurer is currently assessing earthquake-related claims.
- Remedial Action: Earthquake insurance is now mandatory for all collateral properties.

3. Immediate Response and Recovery Measures

A. Crisis Management

- Business Continuity Plan (BCP) Activated: Emergency teams deployed within 48 hours.
- Service Restoration: Core banking and mobile services resumed within 72 hours for most branches.

B. Financial Stability Measures

1. Liquidity Management:

- Increased cash reserves to meet customer withdrawal demands.
- Daily Vault Audits: Strict monitoring of branch cash levels to prevent excess exposure and ensure compliance.

2. Customer Support:

- Loan Relief: Extended grace periods and flexible collateral terms.
- Community Aid: Launched CSR programs to assist affected staff and local communities.

3. IT Recovery:

- Restored data from backups, upgraded cybersecurity, and migrated critical systems to secure cloud storage.

4. Recovery Plan and Future Preparedness

A. Short-Term Priorities (Next 3–6 Months)

- Relocate Operations: Transitioning services from heavily damaged branches (e.g., MDY-6).
- Infrastructure Redundancy: Adding backup internet lines to minimize downtime.
- Staff Training: Disaster response workshops for all employees.

B. Long-Term Resilience (2025–2026)

- Enhanced Insurance: Full earthquake coverage for all assets and collateral.
- BCP Strengthening: Regular disaster drills and updated security protocols.

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- Infrastructure Upgrades: Safety audits for buildings and IT hardware.

C. Financial Outlook

- Q1 2025 Impact: Short-term earnings volatility expected, but our strong LTV ratio (36%) and collateral buffers ensure stability.
- Liquidity Management: Proactive measures in place to address potential risks.

5. Financial Context (2024-2025 Fiscal Year)

	Consolidated revenue	Consolidated operating income	Net Income attributable (NIA) to parent company
Earnings for the previous year (31.3.2024)	59,508,115,069.00	26,953,052,281.00	-

Commitment to Transparency

We appreciate your trust as we navigate this challenge. MCB remains focused on restoring full operations, supporting our stakeholders, and strengthening resilience against future risks.

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