



**Management Discussion and Analysis**  
**on Financial Conditions and Results of operation**  
**for the period of 30-September-2025**

## MANAGEMENT DISCUSSION AND ANALYSIS (MD & A)

This Management's Discussion and Analysis (MD&A), provides an overview of the financial performance and condition of Myanmar Citizens Bank Public Co., Ltd. (MCB Bank) for the six-month period ending September 30, 2025. The information herein should be read in conjunction with the Interim Condensed Financial Statements for FY 2025-26, which include comparative figures from the corresponding period in the prior year. All figures presented in this MD&A are denominated in Myanmar Kyat (MMK). The audited financial statements were prepared in accordance with Myanmar Financial Reporting Standards (MFRS).

## CORPORATE INFORMATION

Myanmar Citizens Bank Public Co., Ltd. (MCB) was incorporated as a public company limited by shares in accordance with Notification No. 21/91 of the Ministry of Commerce (formerly Ministry of Trade), dated September 30, 1991, and under the Special Company Act of 1950. It was duly registered under the Myanmar Companies Act of 1914 on October 30, 1991, with the company registration number 149169466. MCB is a licensed commercial bank and became publicly listed on the Yangon Stock Exchange (YSX) on August 26, 2016. The bank's paid-up capital is 52 billion Kyats. The bank's registered office is located at No. 383, Mahar Bandoola Road, Kyauktada Township, Yangon Region, Myanmar.

### Myanmar Citizens Bank Public Co., Ltd Summarized Statement of Comprehensive Income

MMK In Millions

Details	For the period ended		Increase/(Decrease)	
	30-09-2025 (Review Audited)	30-09-2024 (Review Audited)	Amount	%
Interest Income	60,480.56	38,559.27	21,921.29	57%
Interest Expense	(50,262.27)	(27,570.06)	(22,692.21)	82%
<b>Net Interest Income</b>	<b>10,218.29</b>	<b>10,989.21</b>	<b>(770.92)</b>	<b>(7%)</b>
Other Operating Income	11,346.88	4,462.78	6,884.10	154%
<b>Total Operating Income</b>	<b>21,565.17</b>	<b>15,451.99</b>	<b>6,113.18</b>	<b>40%</b>
<b>Total Operating Expense</b>	<b>(16,486.80)</b>	<b>(13,489.29)</b>	<b>(2,997.51)</b>	<b>22%</b>
<b>Profit before Income Tax</b>	<b>5,078.37</b>	<b>1,962.70</b>	<b>3,115.67</b>	<b>159%</b>
<b>Profit after Income Tax</b>	<b>3,776.58</b>	<b>1,504.28</b>	<b>2,272.30</b>	<b>151%</b>

**Myanmar Citizens Bank Public Co., Ltd**  
**Summarized Statement of Financial Position**

**MMK in Millions**

Details	Balance Sheet as at		Increase/(Decrease)	
	30-09-2025 (Review Audited)	30-09-2024 (Review Audited)	Amount	%
<b>Assets</b>				
Cash in Hand & at Bank	255,691.60	204,455.57	51,236.03	25%
Government Bonds	183,759.86	103,249.66	80,510.20	78%
Loans & Advances	823,708.07	641,922.02	181,786.05	28%
Investments	331.00	331.00	-	0%
Property & Equipment	20,100.50	19,834.03	266.47	1%
Intangible Assets	4,035.12	3,296.22	738.90	22%
Other Assets	76,901.53	54,160.32	22,741.21	42%
<b>Total Assets</b>	<b>1,364,527.68</b>	<b>1,027,248.82</b>	<b>337,278.86</b>	<b>33%</b>
<b>Liabilities</b>				
Borrowings	12,856.93	40,333.86	(27,476.93)	(68%)
Deposits	1,219,835.64	852,829.65	367,005.99	43%
Other Liabilities	52,701.69	59,316.48	(6,614.79)	(11%)
<b>Total Liabilities</b>	<b>1,285,394.26</b>	<b>952,479.99</b>	<b>332,914.27</b>	<b>35%</b>
<b>Equity</b>				
Share Capital	57,124.66	57,124.66	-	0%
Reserves	16,745.44	15,472.27	1,273.17	8%
Retained earnings	5,263.32	2,171.90	3,091.42	142%
<b>Total Equity</b>	<b>79,133.42</b>	<b>74,768.83</b>	<b>4,364.59</b>	<b>6%</b>
<b>Total Liabilities &amp; Equity</b>	<b>1,364,527.68</b>	<b>1,027,248.82</b>	<b>337,278.86</b>	<b>33%</b>

## BUSINESS PERFORMANCE AND GROWTH

At the start of the financial year, Central Myanmar—specifically Naypyidaw and Mandalay—was impacted by a significant earthquake. While some branches were seriously affected, we are pleased to report a swift recovery. Under the strategic direction of MCB Management and the unwavering dedication of our resilient staff, all affected branches were restored in a remarkably short period. Despite having these challenges, MCB achieved exceptional growth, with operating income significantly exceeding the previous interim period.

Throughout the financial period, Myanmar Citizens Bank (MCB) continued to advance its transformation journey, striving to become the bank of choice for customers in Myanmar. In alignment with our strategic plan, we have successfully identified and implemented five key growth drivers: People Development, Digital Transformation, Branch Expansion, Product Innovation, and Financial Profitability.

For the 2025–26 financial year, MCB continues to prioritize investments in human capital, infrastructure, and streamlined process workflows, all while maintaining strict regulatory compliance and robust risk assessments. We remain dedicated to fostering a performance-driven culture under our core motto of “The Citizens’ Choice”. By strengthening our brand identity and diversifying revenue streams, we are ensuring the achievement of our long-term strategic goals. The success of this diversification strategy is clearly reflected in the significant growth of our 'other operating income' during this period.

**Net Interest Margin:** Interest income increased by 57%, driven by the growth in the loan portfolio and the recovery of non-performing loans, Treasury investment of 110,350 Mn and interbank lending. Interest expense rose by 82%, primarily due to achievement of high volume of deposits, an increase in high interest-bearing deposits (such as Term Deposits), and the offering of competitive interest rates. Because deposit growth was higher than loan growth, net interest income amounted to only 93% compared with the previous period.

**Fees and Commission and Other Income:** representing a strong increase of 154% mainly driven by income from credit related income, treasury, trade and bancassurance. This significant growth reflects enhanced performance across non-interest income streams and indicates improved revenue diversification and operating momentum during the period.

**Operating Expenses:** Operating expenses increased by 22%, due to the impact of inflation on the bank's day-to-day operations. This includes rising costs due to technology, administration, personnel and marketing expense.

**Business Size** - The overall size of the bank's balance sheet increased by 33% compared to the previous period. Notable changes include 43% of increase in deposit, 25% increase in cash in hand and at bank, 28% rise in loans and advances, and 78% of increase in treasury investments.

To bolster the Capital Adequacy Ratio (CAR) and support our strategic expansion, the Bank has structured a 52 billion MMK rights issue to be executed in phases. The initial phase of 25 billion MMK is currently underway.

## REGULATORY COMPLIANCE

As a bank entrusted with the fiduciary responsibility of accepting and managing public funds, we fully recognize our obligation to ensure that these funds are deployed safely and prudently. We remain committed to utilizing these resources judiciously by extending loans and advances that are vital to the country's development.

The trust of our customers underpins our long-term sustainability. We uphold this trust through our strong commitment to full compliance with Myanmar's law and regulatory framework, and we are proud to adhere to all regulations and directives of the Central Bank of Myanmar (CBM).

We maintained sufficient buffers above the minimum standards stipulated by the Central Bank of Myanmar (CBM), demonstrating that it is profitable, liquid, solvent, and adequately capitalized, with sufficient capacity to support future growth.

Statutory Ratio	Minimum Requirement	MCB ratio as at 30 <sup>th</sup> September 2025
<u>Reserve Ratio</u>		
CAB-MMK	3.50%	4.09%
Cash-MMK	0.25%	3.24%
FCY	5.00%	7.48%
Liquidity Ratio	20.00%	32.58%
Capital Adequacy- Tier I	4.00%	6.59%
Capital Adequacy- Total	8.00%	8.48%

## **FUTURE OUTLOOK**

The near-future outlook for Myanmar's banking sector in 2025–2026 is a complex landscape defined by high-tech digital expansion on one hand and severe macroeconomic and environmental stressors on the other. While the sector is technically evolving through digitalization, it is currently operating in a recovery and survival mode following the March 2025 earthquake and ongoing internal instability.

Inflation remains a critical concern and maintains heavy pressure on the Kyat and forces the Central Bank of Myanmar (CBM) into frequent market interventions. As a Key Banking Trends & Strategic Shifts, Digitalization (launching MMQR), Agency Banking and Paperless Banking which most of the banks are implementing and developing eventually. The resilience of the banking sector will depend pivotally on the development of the interbank market.

The CBM is actively using administrative and monetary tools such as reserve requirements and foreign exchange controls to stabilize the financial system.

MCB remains resilient in the face of current market pressures, leveraging its strong foundations to maintain superior performance. Through continuous business expansion and keep trying to promoting of innovative products, we are actively supporting our customers through this uneasy period. We remain confident that the current environment presents unique opportunities for MCB to realize its strong growth potential.

Myanmar Citizens Bank Public Company Limited