

MYANMAR CITIZENS BANK PUBLIC COMPANY LIMITED
(Incorporated in the Republic of the Union of Myanmar)

Interim Condensed Financial Statements
(1 April 2025 To 30 September 2025)

V ADVISORY LIMITED
CERTIFIED PUBLIC ACCOUNTANTS

MYANMAR CITIZENS BANK PUBLIC COMPANY LIMITED
(Incorporated in the Republic of the Union of Myanmar)
CORPORATE INFORMATION

REGISTRATION AND LICENSE

Company Registration No.	149169466
Bank License No.	Ma Va Ba/Pa Ba (R)-01/08/2016 dated 10.8.2016
Foreign Exchange Dealer License No.	CBM - FEMD - 92/2012 dated 24.8.2012
Money Changer License No.	CBM- FEMD - 7/2011 dated 24.10.2011
Mobile Banking Licence No.	Ma Va Ba/BanSiSit/Service(72/2015) dated 22.3.2015

DIRECTORS

U Toe Aung Myint	Chairman
U Aung Thwin Oo	Deputy Chairman
U Aung Soe	Director
U Tun Lwin	Director
Daw Khin Mar Myint	Director
Daw Su Myat Thu	Director
U Aung Aung	Director
U Hla Oo	Director
U Ohn Saing	Director
Chief Executive Officer	Director
U Htay Chun	Independent Director

REGISTERED OFFICE

No. 383, Maha Bandoola Road
Kyaughtada Township, Yangon Region
Myanmar

AUDITOR

U Win Htut Aung
V Advisory Limited |Certified Public Accountants

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**STATEMENT OF MANAGEMENT'S RESPONSIBILITY
FOR THE FINANCIAL STATEMENTS OF
MYANMAR CITIZENS BANK PUBLIC COMPANY LIMITED**

The management of the MYANMAR CITIZENS BANK PUBLIC COMPANY LIMITED (the Bank) is responsible for the preparation and fair presentation of the financial statements, including the disclosure notes attached therein, for the six-month period ended 30 September 2025, in accordance with the Myanmar Companies Law, and applicable Myanmar Financial Reporting Standards and Myanmar Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to cease operation, or has no realistic alternative but to do so.

The Audit Committee of the bank is responsible for overseeing the Bank's financial reporting process.

The Board of Directors reviews and approves the financial statements including the disclosure notes attached therein and submits the same to the stakeholders.

On behalf of the Management,

U Toe Aung Myint

Chairman

(On behalf of Board of Directors)

Myanmar Citizens Bank Public Company Limited

Date : 30. December 2025

Review Report of the Interim Condensed Financial Statements

To the Members of MYANMAR CITIZENS BANK PUBLIC COMPANY LIMITED

We have reviewed the accompanying interim condensed financial statements of MYANMAR CITIZENS BANK PUBLIC COMPANY LIMITED, which comprise the statement of financial position as at 30 September 2025, and the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the six-month period then ended, and disclosure notes to the financial statements, including a summary of significant accounting policies.

Responsibilities of the management and those charged with governance for the financial statements

The management and those charged with governance is responsible for the preparation and fair presentation of these interim condensed financial statements in accordance with Myanmar Companies Law and Myanmar Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Bank's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Bank's financial reporting.

Auditor's responsibilities

Our Responsibility is to express a Conclusion on the accompanying interim condensed financial statements based on our review. We have conducted our review in accordance with Myanmar Standard on Review Engagements (MSRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", in order to conclude whether anything has come to our attention that causes us to believe that the financial statements, taken as a whole, are not prepared in all material respects in accordance with Myanmar Financial Reporting Standards. This standard also requires us to comply with relevant ethical requirements.

A review of interim condensed financial statements in accordance with MSRE 2410 is a limited assurance engagement. We perform procedures, primarily consisting of making inquiries of management and others within the Bank, as appropriate, and applying analytical procedures, and evaluate the evidence obtained.



V ADVISORY

CREATING BETTER BUSINESS

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The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with Myanmar Standards on Auditing. Accordingly, we do not express an audit opinion on these interim condensed financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that these accompanying interim condensed financial statements do not present fairly, in all material respects, the financial position of the Bank as at 30 September 2025, and its financial performance and cash flows for the six-month period then ended, in accordance with Myanmar Financial Reporting Standards.



Win Htut Aung

Certified Public Accountant

PAPP Registration No. 66

V Advisory Limited

#406, Tower B, Complex 45, 45 Street

Botahtaung, Yangon 11161, Myanmar

Date: 30 December 2025

Yangon, Myanmar

MYANMAR CITIZENS BANK PUBLIC COMPANY LIMITED

(Incorporated in the Republic of the Union of Myanmar)

INTERIM CONDENSED STATEMENT OF FINANCIAL POSITIONS AS AT 30 SEPTEMBER 2025

	Notes	30.9.2025	31.3.2025
		MMK	MMK
ASSETS			
Cash on hand and balances with Central Bank	6	88,006,656,167	137,546,990,559
Placements and balances with other banks	7	167,684,939,541	67,919,620,994
Government treasury bills and securities	8	183,759,861,619	73,472,648,742
Loans and advances	9	823,708,073,365	758,193,643,332
Investments	10	331,000,000	331,000,000
Property and equipment	11	20,100,497,119	21,541,576,575
Intangible assets	12	4,035,121,407	3,709,512,494
Other assets	13	76,901,530,208	65,817,891,673
TOTAL ASSETS		1,364,527,679,426	1,128,532,884,369
LIABILITIES			
Borrowings	14	12,856,933,675	32,333,860,000
Deposits from other banks	15	62,026,429,210	59,756,705,928
Deposits from customers	16	1,157,809,205,264	882,474,094,635
Other liabilities	17	52,701,687,103	77,883,306,770
Total liabilities		1,285,394,255,253	1,052,447,967,333
EQUITY			
Paid-up share capital	18	57,124,662,800	57,124,662,800
Reserves	19	16,745,438,578	15,801,294,539
Retained earnings		5,263,322,795	3,158,959,697
Total equity		79,133,424,173	76,084,917,036
TOTAL LIABILITIES AND EQUITY		1,364,527,679,426	1,128,532,884,369

See accompanying Notes to Financial Statements

Authenticated by Directors: -

Khin Chaw Su Win

KHIN CHAW SU WIN
CHIEF FINANCIAL OFFICER
MYANMAR CITIZENS BANK LTD.

Toe Aung Myint
TOE AUNG MYINT
Chairman (Board of Directors)
Myanmar Citizens Bank Ltd.

Yangon, 30 December 2025

MYANMAR CITIZENS BANK PUBLIC COMPANY LIMITED

(Incorporated in the Republic of the Union of Myanmar)

INTERIM CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE PERIOD ENDED 30 SEPTEMBER 2025

	Notes	6-month ending 30-Sep-25	12-month ending 31-Mar-2025
		MMK	MMK
Interest income	20	60,480,560,105	87,990,427,253
Interest expenses	21	(50,262,274,409)	(66,285,844,184)
Net interest income		10,218,285,697	21,704,583,069
Net fee and commission income	22	8,098,974,064	10,101,528,741
Other operating income	23	3,247,906,091	2,658,443,150
		21,565,165,851	34,464,554,960
Changes in specific provision for loan loss		92,832,152	231,320,167
Changes in general provision for loan loss		(1,308,431,958)	(2,738,612,773)
Income before operation expenses		20,349,566,046	31,957,262,354
Administration and general expenses	24, 25	(13,923,443,870)	(25,558,012,674)
Depreciation and amortization	11, 12	(1,347,758,802)	(2,464,654,912)
Profit before income tax		5,078,363,375	3,934,594,769
Income tax expenses	26	(1,301,787,217)	(1,114,231,920)
Profit for the year		3,776,576,157	2,820,362,849
Other comprehensive income		-	-
Total comprehensive income for the year		3,776,576,157	2,820,362,849
 Earnings per share	27	363	271

See accompanying Notes to Financial Statements

Authenticated by Directors: -


 KHIN CHAW SU WIN
 CHIEF FINANCIAL OFFICER
 MYANMAR CITIZENS BANK LTD.


 TOE AUNG MYINT
 Chairman (Board of Directors)
 Myanmar Citizens Bank Ltd.

MYANMAR CITIZENS BANK PUBLIC COMPANY LIMITED

(Incorporated in the Republic of the Union of Myanmar)

INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 SEPTEMBER 2025

	Share Capital	Reserves	Retained	
	MMK	MMK	Earnings	Total Equity
	MMK	MMK	MMK	MMK
1 April 2025 to 30 September 2025				
Balance at beginning of year	57,124,662,800	15,801,294,539	3,158,959,697	76,084,917,036
Previous years adjustment	-	-	-	-
Restated balance	57,124,662,800	15,801,294,539	3,158,959,697	76,084,917,036
Net profit for the year	-	-	3,776,576,157	3,776,576,157
Dividends			(728,069,020)	(728,069,020)
Transfer for the year	-	944,144,039	(944,144,039)	-
Balance as at end of year	57,124,662,800	16,745,438,578	5,263,322,795	79,133,424,173
 1 April 2024 to 31 March 2025				
Balance at beginning of year	57,124,662,800	15,096,203,827	1,043,687,560	73,264,554,187
Previous years adjustment	-	-	-	-
Restated balance	57,124,662,800	15,096,203,827	1,043,687,560	73,264,554,187
Net profit for the year	-	-	2,820,362,849	2,820,362,849
Dividends			-	-
Transfer for the year	-	705,090,712	(705,090,712)	-
Balance as at end of year	57,124,662,800	15,801,294,539	3,158,959,697	76,084,917,036

See Accompanying Notes to Financial Statements

MYANMAR CITIZENS BANK PUBLIC COMPANY LIMITED

(Incorporated in the Republic of the Union of Myanmar)

INTERIM CONDENSED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30 SEPTEMBER 2025

	6-month ending 30-Sep-25 MMK	12-month ending 31-Mar-2025 MMK
Cash flows from operating activities		
Profit before tax	5,078,363,375	3,934,594,769
Adjustments for:		
Depreciation	11 955,736,579	1,795,667,800
Amortization	12 392,022,223	668,987,112
Changes in specific provision for loan loss	(92,832,152)	(231,320,167)
Changes in general provision for loan loss	1,308,431,958	2,738,612,773
(Gain)/loss on disposal of property and equipment	475,810	482,814
Written-off of property and equipment	1,625,183	72,438,756
Operating profit/(loss) before working capital changes	<u>7,643,822,975</u>	<u>8,979,463,857</u>
Working capital changes		
(Increase)/decrease in Interbank placement	(99,765,318,547)	(20,987,631,870)
(Increase)/decrease in Loans and advances	(65,421,597,881)	(137,125,360,000)
(Increase)/decrease in Other assets	(9,584,036,584)	(15,285,237,994)
Increase/(decrease) in Deposits from other banks	2,269,723,282	10,443,506,153
Increase/(decrease) in Deposit from customers	275,335,110,629	159,537,262,969
Increase/(decrease) in Other liabilities	(27,791,838,842)	3,418,052,089
Cash generated from operation	82,685,865,033	8,980,055,204
Income tax paid	(1,499,601,951)	(200,400,000)
Net cash provided by/ (used in) operating activities	<u>81,186,263,082</u>	<u>8,779,655,204</u>
Cash flows from investing activities		
Purchase of property and equipment	(586,813,116)	(4,777,012,781)
Purchase of intangible assets	(717,631,136)	(851,580,071)
Purchase of government treasury bonds	(119,787,212,877)	(780,638,681)
Proceeds from sale of property and equipment	1,070,055,000	3,382,000
Proceeds from maturity of government treasury bills	9,500,000,000	9,000,000,000
Net cash provided by/(used in) investing activities	<u>(110,521,602,129)</u>	<u>2,594,150,467</u>
Cash flows from financing activities		
Received/ (repayment) of borrowings	(19,476,926,325)	(33,051,500,000)
Dividends paid	(728,069,020)	
Net cash provided by/(used in) financing activities	<u>(20,204,995,345)</u>	<u>(33,051,500,000)</u>
Net increase/(decrease) in cash and cash equivalents	(49,540,334,392)	(21,677,694,328)
Cash and cash equivalents at beginning of the year	6 137,546,990,559	159,224,684,888
Cash and cash equivalents at end of the year	6 88,006,656,167	137,546,990,559

See Accompanying Notes to Financial Statements

MYANMAR CITIZENS BANK PUBLIC COMPANY LIMITED

(Incorporated in the Republic of the Union of Myanmar)

NOTES TO INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 September 2025

1. Corporate Information

Myanmar Citizens Bank Public Company Limited ("the Bank") is incorporated and domiciled in Myanmar and has its registered office at No. 383, Mahabandoola Road, Kyauktada Township, Yangon Region, Myanmar. The Bank was established as a public company limited by shares on 30 October 1991 with Registration No. 274/1991-1992 under The Myanmar Companies Act 1914 and under the Special Company Act 1950. The Bank has been re-registered under new Myanmar Companies Law 2017 and obtained new Registration No. 149169466. The Bank was permitted to carry out commercial banking activities under License No. Ma Va Ba/Pa Ba (R)-01/08/2016 issued by the Central Bank of Myanmar (CBM) which was issued under Section 176 of the Financial Institution Law 2016. The principal activities approved by CBM include to accept deposits, issue loans and advances, to provide merchant services to provide trade services, to deal foreign currency, and to operate mobile banking activities.

2. Basis of preparation and accounting policies

The interim condensed financial statements for the six months period ended 30 September 2025, have been prepared in accordance with Myanmar Accounting Standards 34 Interim Financial Reporting, Myanmar Financial Reporting Standards (MFRSs) and Directives of the CBM. The financial statements have been prepared under the historical cost basis. The accounting policy adopted by the Bank are consistent with those adopted in the previous year.

3. Summary of significant accounting policies

3.1 Functional and presentation currency

The Bank's financial statements are presented in Myanmar Kyat (MMK), which is also the Bank's functional currency.

3.2 Foreign currency translations

Transactions in currencies other than the Bank's functional currency ("foreign currencies") are recorded in the functional currency, MMK using actual rate or the exchange rates prevailing at the date of the transaction. At each reporting date, monetary items denominated in foreign currencies are translated at the rate prevailing on the reporting date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rate prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not translated. Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are included in profit or loss.

3. Summary of significant accounting policies (continued)

3.2 Foreign currency translations (continued)

The foreign exchange rates applied by the Bank at the reporting dates were: -

	MMK/USD	MMK/EUR	MMK/SGD	MMK/CNY	MMK/THB
30 September 2025	2,103.00	2,462.15	1,628.48	295.02	65.12
31 March 2025	2,103.00	2,273.88	1,564.25	289.12	61.86

3.3 Interest income and expenses

For all financial instruments measured at amortized cost and interest bearing financial assets classified as held-for-trading and available-for-sale, interest are recognized under "interest income" and "interest expense" respectively in the statement of profit or loss using the effective interest method. The effective interest method is a method of calculating the amortized cost of a financial asset or liability and of allocating the interest income over expense over the relevant period. The effective interest rate is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or liability. The calculation takes into account all contractual terms of the financial instrument but does not consider the future credit losses. Significant fees and transactions costs integral to the effective interest rate, as well as premiums or discounts are also considered.

For impaired financial assets where the value of the financial asset has been written down as a result of an impairment loss, interest income continues to be recognized using the rate of interest used to discount the future cash flows for the purpose of measuring impairment loss.

3.4 Fees and commission income

Fees and commission income are generally recognized when services are rendered.

3.5 Dividend income

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

3.6 Other operating income

Other income includes gains or losses resulting from foreign exchange transactions and miscellaneous income from sale of old materials.

3. Summary of significant accounting policies (continued)

3.7 Employee benefits

Bonus:

The Bank recognizes a liability and an expense for bonuses, based on a formula approved by the management of the Bank, which takes into consideration the profit attributable to the Bank's shareholders and after certain adjustments. The Bank recognizes a provision when contractually obliged to pay or where there is a past practice that has created a constructive obligation to pay.

3.8 Income tax

Current tax:

Current tax is payable on the taxable profit for the year, using tax rates enacted or substantively enacted at the reporting date.

Current tax assets and liabilities:

Current tax for the current and prior periods is recognized as a liability to the extent that it has not yet been settled, and as an asset to the extent that the amounts already paid exceed the amount due. The benefit of a tax loss which can be carried back to recover current tax of a prior period is recognized as an asset. Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the tax authority (Internal Revenue Department) using the rates that have been enacted or substantively enacted by the reporting date.

3.9 Financial assets and financial liabilities

(a) Initial recognition and subsequent measurement

Financial instruments are classified into the following categories - financial instruments at fair value through profit or loss, loans and receivables, financial investments held-to-maturity, financial investments available-for-sale and other non-derivative financial liabilities. Management determines the classification of financial instruments at initial recognition.

3. Summary of significant accounting policies (continued)

3.9 Financial assets and financial liabilities (continued)

(a) Initial recognition and subsequent measurement (continued)

(1) Financial instruments at fair value through profit or loss

Financial instruments are classified in this category consist of financial assets held-for-trading.

Financial assets are classified as held-for-trading if they are acquired principally for the purposes of selling or repurchasing it in the near term. Financial instruments included in this category are recognized initially at fair value and transaction costs are taken directly to profit or loss. Gains and losses from changes in fair value and dividend income are included directly in "Net gains and losses on financial instruments" in the statement of profit or loss. Interest income is recognized as "interest income" in the statement of profit or loss. Regular purchases and sales of financial assets held-for-trading are recognized at settlement date.

(2) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Financial assets classified into this category include cash and balances with Banks, and loans and advances. They are presented as current assets except for those expected to be realized later than 12 months after the statement of financial position date which are non-current assets. These financial assets are initially recognized at fair value, including direct and incremental transaction costs, and subsequently measured at amortized cost using the effective interest method.

Interest income on loans and receivables is recognized in "interest income" in the statement of profit or loss. Impairment losses on loans and advances are recognized in the statement of profit or loss as "allowance for impairment loans and advances".

3. Summary of significant accounting policies (continued)

3.9 Financial assets and financial liabilities (continued)

(a) Initial recognition and subsequent measurement (continued)

(3) Held-to-maturity

Held-to-maturity financial assets are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Bank's management has the positive intention and ability to hold to maturity. If the Bank was to sell other than an insignificant amount of held-to-maturity financial assets, the whole category would be tainted and reclassified as available-for-sale. They are presented as non-current assets, except for those maturing within 12 months after the statement of financial position date which are presented as current assets. These financial assets are initially recognized at fair value including direct and incremental transaction costs, and subsequently measured at amortized cost using the effective interest method. Interest on investment held-to-maturity is included in the statement of profit or loss and is reported as "Interest income". Impairment losses, if any, are recognized in the statement of profit or loss as "Impairment on other assets".

(4) Available-for-sale

Available-for-sale financial assets are financial assets that are designated as such or are not classified in any of the three preceding categories.

After initial recognition, available-for-sale financial assets are measured at fair value. Any gains or losses from changes in fair value of the financial assets are recognized in other comprehensive income, except that impairment losses, foreign exchange gains and losses on monetary instruments and interest calculated using the effective interest method are recognized in profit or loss. The cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is derecognized. Interest income calculated using the effective interest method is recognized in profit or loss. Dividends on an available-for-sale equity instrument are recognized in profit or loss when the Bank's right to receive payment is established.

3. Summary of significant accounting policies (continued)

3.9 Financial assets and financial liabilities (continued)

(a) Initial recognition and subsequent measurement (continued)

(4) Available-for-sale (continued)

Available-for-sale financial assets which are not expected to be realized within 12 months after the financial year end are classified as non-current assets.

The Bank's available-for-sale financial assets comprise investment in unquoted shares. Investments in unquoted shares whose fair value cannot be reliably measured are measured at cost less impairment loss.

(5) Other non-derivative financial liabilities

Other non-derivative financial liabilities are initially recognized at the fair value of consideration received less directly attributable transaction costs. Subsequent to initial recognition, non-derivative financial liabilities are measured at amortized cost. The Bank does not have any non-derivative financial liabilities designated at fair value through profit or loss. Financial liabilities measured at amortized cost included deposits from customers, deposits from Banks, and other borrowed funds.

(b) Recognition and de-recognition

The Bank initially recognizes all financial assets and financial liabilities on the date that they are originated and measured initially at fair value. The Bank derecognizes a financial asset when the contractual rights to the cash flows from the financial asset are expired or the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. The Bank derecognized a financial liability when the contractual obligations are discharged, cancelled or expired.

(c) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or to realize the asset and to settle the liability simultaneously.

3. Summary of significant accounting policies (continued)

3.9 Financial assets and financial liabilities (continued)

(c) Offsetting financial instruments (continued)

This is not generally the case for financial instruments with master netting agreements and therefore, the related assets and liabilities are presented on a gross basis in the statement of financial position.

(d) Determination of fair value

All financial instruments are recognized initially at fair value. At initial recognition, the fair value of a financial instrument is generally the transaction price, i.e. the fair value of the consideration given or received. Subsequent to initial recognition, the fair value of financial instruments is measured in accordance with the valuation methodologies generally accepted in Myanmar. Investments in unquoted equity instruments whose fair value cannot be reliably measured are measured at cost, and assessed for impairment at each reporting date.

3.10 Impairment of financial assets

(a) Loans and advances

Loans and advances of the Bank are classified as impaired when they fulfill any of the following criteria:

Individual assessment

- (i) Principal or interest or both are past due for ninety(90)days or more; or
- (ii) Outstanding amount is in excess of approved limit for ninety (90)days or more in the case of overdraft facilities; or
- (iii) Where a loan is in arrears or the outstanding amount has been in excess of the approved limit for less than ninety (90) days, the loan exhibits indications of significant credit weaknesses.

For the determination of impairment on loans, the Bank assess at each reporting date whether there is any objective evidence that a loan is impaired. A loan is impaired and impairment losses are recognized only if there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset and that loss event has an impact on the estimated future cash flows of the loan that can be reliably estimated.

3. Summary of significant accounting policies (continued)

3.10 Impairment of financial assets (continued)

(a) Loans and advances (continued)

The criteria that the Bank use to determine that there is objective evidence of impairment include:

- (i) Any significant financial difficulty of the borrower;
- (ii) A breach of contract, such as a default or delinquency;
- (iii) A high probability of bankruptcy or other financial reorganization of the borrower;
- (iv) Concerns over the viability of the borrower's business operations and its capacity to trade successfully out of financial difficulties and to generate sufficient cash flows to service its debt
- (v) Any adverse news or developments affecting the local economic conditions or business environment which will adversely affect the repayment capacity of the customer.

The Bank first assesses individually whether objective evidence of impairment exists for all loans. If there is objective evidence that an impairment loss has been incurred, the amount of loss is measured as the difference between the loans' carrying amount and the present value of the estimated future cash flows. The carrying amount of the loan is reduced through the use of an allowance account and the amount of loss is recognized in profit or loss. Where appropriate, the calculation of the present value of estimated future cash flows of a collateralized loan reflects the cash flows that may result from foreclosure less costs for obtaining and selling the collateral, whether or not foreclosure is probable.

Where a loan is uncollectible, it is written off against the related allowance for loan impairment. Such loans are written off after the necessary procedures have been completed and the amount of the loss has been determined. Subsequent recoveries of the amounts previously written off are recognized in profit or loss.

Collective assessment

The Bank's collective assessment is currently maintained at 2% of the total outstanding loans, net of individual assessment allowance, being the arrangement prescribed under Central Bank of Myanmar guidelines and policy.

Specific provision

The Bank makes specific provision for loan and advances in accordance with CBM Notification No.17/2017 Assets Classification and Provision Regulations.

3. Summary of significant accounting policies (continued)

3.10 Impairment of financial assets (continued)

(a) Loans and advances (continued)

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

(b) Rescheduled and restructured loans

Where a loan shows evidence of credit weaknesses, the Bank may seek to renegotiate the loan rather than to take possession of collateral. This may involve an extension of the payment arrangements via rescheduling or the renegotiation of new loan terms and conditions via restructuring. Management monitors the renegotiated loan to ensure that all the revised terms are met and that the repayments are made promptly for a continuous period.

(c) Held-to-maturity

The Bank assess at each reporting date whether objective evidence of impairment of financial investments held-to-maturity exists as a result of one or more loss events and that loss event has an impact on the estimated future cash flows of the financial investment or group of financial investments that can be reliably estimated.

Where there is objective evidence of impairment, an impairment loss is recognized as the difference between the acquisition cost and the present value of the estimated future cash flows, less any impairment loss previously recognized. If in a subsequent period, the amount of the impairment loss decrease and the decrease can be objectively related to an event occurring after the impairment loss was recognized, the impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

3. Summary of significant accounting policies (continued)

3.10 Impairment of financial assets (continued)

(d) Available-for-sale

In the case of equity investments classified as available-for-sale (AFS), objective evidence would include a significant or prolonged decline in the fair value of the investment below its cost, significant financial difficulties of the issuer or obligor, and the disappearance of an active trading market.

If an AFS financial asset is impaired, an amount comprising the difference between its cost (net of any principal payment and amortization or accretion) and its current fair value, less any impairment loss previously recognized in profit or loss, is transferred from equity to profit or loss.

Impairment losses on AFS equity investments are not reversed in profit or loss in the subsequent periods, increase in fair value, if any, subsequent to impairment loss is recognized in other comprehensive income. For AFS debt investments, impairment losses are subsequently reversed in profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss in profit or loss.

3.11 Cash and cash equivalents

Cash and cash equivalents comprise cash at banks and on hand, demand deposits, and short-term, highly liquid investments that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value.

3.12 Property and equipment and depreciation

All items of property and equipment are initially recorded at cost. The cost of an item of property and equipment is recognized as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Bank and the cost of the item can be measured reliably. The carrying amount of replaced parts is derecognized. All other repairs and maintenance are charged to profit or loss when they are incurred.

When significant parts of an item of property and equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment.

3. Summary of significant accounting policies (continued)

3.12 Property and equipment and depreciation (continued)

Subsequent to initial recognition, property and equipment other than freehold land and buildings are measured at cost less accumulated depreciation and any accumulated impairment losses, if any.

Freehold land has an unlimited useful life and therefore is not depreciated.

Depreciation is computed on a straight-line basis calculated to write off the cost of each asset to its residual value over the term of its estimated useful lives as follows:

	Years
Building	40~80
Leasehold improvement	5~10
Motor vehicle	8
Furniture and office equipment	5~20
Plant and machinery	16

The carrying values of property and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. The policy for the recognition and measurement of impairment losses is in accordance with Note 3.15.

The residual value, useful life and depreciation method are reviewed at each financial year-end. And adjusted prospectively, if appropriate.

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected from its use. Any gain or loss on de-recognition of the asset is included in profit or loss in the year the asset is de-recognized.

3.13 Intangible assets

Intangible assets acquired are measured at cost on initial recognition. Subsequent to initial recognition, they are measured at cost less accumulated amortization and impairment losses, if any. Intangible assets with finite useful lives are amortized on a straight-line basis over their estimated useful lives and assessed for impairment whenever there is an indication of impairment. The amortization charges are recognized in the profit or loss.

3. Summary of significant accounting policies (continued)

3.13 Intangible assets (continued)

The useful life and amortization method are reviewed annually. Software licenses and rights have an estimated useful life of 10 years and are amortized over that period.

3.14 Foreclosed properties

Foreclosed properties are those acquired in full or partial satisfaction of debts and are stated at the lower of cost and fair value.

3.15 Impairment of non-financial assets

Non-financial assets, such as property and equipment, investment properties and foreclosed properties, are reviewed for impairment annually, or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Where such indications exist, the carrying amount of the asset is written down to its recoverable amount, which is the higher of the fair value less costs to sell and the value-in-use. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. These assets that suffered impairment are reviewed for possible reversal of the impairment at each reporting date. No non-financial assets were materially impaired in the period ended 30 September 2025 and 31 March 2025.

3.16 Share Capital

An equity instrument is any contract that evidences a residual interest in the assets of the Bank after deducting all of its liabilities. Ordinary shares are equity instruments. Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Ordinary shares are classified as equity. Dividends on ordinary shares are recognized in equity in the period in which they are declared.

3.17 Other liabilities

Other liabilities represent liabilities for services provided to the Bank prior to the end of financial year which are unpaid. They are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). Otherwise, they are presented as non-current liabilities. Other liabilities are initially recognized at fair value, and subsequently carried at cost.

3. Summary of significant accounting policies (continued)

3.18 Borrowings

Borrowings are presented as current liabilities unless the Bank has an unconditional right to defer settlement for at least 12 months after the balance sheet date, in which case they are presented as non-current liabilities. Borrowings are initially recognised at fair value (net of transaction costs) and subsequently carried at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

3.19 Provisions

Provisions are recognised when the Bank has a present legal or constructive obligation as a result of past events. It is more likely than not that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. Provisions are reviewed at each financial year end adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

3.20 Contingent liabilities

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is not recognised in the statements of financial position and is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote. Contingent liabilities and assets are not recognised in the statements of financial position of the Bank in the current and previous financial year ends.

3.21 Related parties

A party is related to the Bank if:

- (a) directly, or indirectly through one or more intermediaries, the party:
 - (i) controls, is controlled by, or is under common control with, the Bank (this includes parents, subsidiaries and fellow subsidiaries);
 - (ii) has an interest in the Bank that gives it significant influence over the Bank; or

3. Summary of significant accounting policies (continued)

3.21 Related parties (continued)

- (iii) has joint control over the Bank;
- (b) the party is an associate of the Bank;
- (c) the party is a joint venture in which the Bank is a venture;
- (d) the party is a member of key management personnel of the Bank or its parents;
- (e) the party is a close member of the family of any individual referred to in (a) or (d);
- (f) the party is an entity that is controlled, jointly controlled or significantly influenced by, or for which significant voting power in such resides, directly or indirectly, with any individual referred to in (d)
- (g) the party is a post-employment benefit plan for the benefit of employees of the Bank, or of any entity that is a related party of the Bank.

3.22 Fair value measurement

Fair value is a price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Bank.

The fair value of an asset or a liability is measured using the assumptions that market participants act in their economic best interest when pricing the asset or liability.

The Bank uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy based on the lowest level input that is significant to the fair value measurement as a whole.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Bank determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the financial year end.

4. Significant accounting judgments, estimates and assumptions

The preparation of the Bank's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities at the end of each reporting period. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods. In the process of applying the Bank's accounting policies, management has made the following judgements, apart from those involving estimations, which has the most significant effect on the amounts recognised in the financial statements.

4.1 Impairment of credit exposures

The Bank reviews its significant credit portfolios to assess impairment at each reporting date. In determining whether an impairment loss should be recognized, the Bank makes judgements as to whether there is any observable data indicating an impairment trigger. This evidence may include observable data indicating that there has been an adverse change in the credit quality or deterioration in the payment conduct of borrowers individually or as a group. These judgements are applied in line with its internal policy on determining impaired loans.

Judgement is required by management in the estimation of the amount and timing of future cash flows when determining an impairment loss for credit exposures. In estimating these cash flows, the Bank makes judgements about the borrowers' financial situation and the net realisable value of collateral. These estimates are based on assumptions about a number of factors and actual results may differ, resulting in future changes to the impairment allowance.

4.2 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Where the classification of a financial asset or liability results in it being measured at fair value, wherever possible, the fair value is determined by reference to the quoted bid or offer price in the most advantageous active market to which the Bank has immediate access.

4. Significant accounting judgments, estimates and assumptions (continued)

4.2 Fair value measurement (continued)

An adjustment for credit risk is also incorporated into the fair value as appropriate. Where no active market exists for a particular asset or liability, the Bank uses a valuation technique to arrive at the fair value, including the use of transaction prices obtained in recent arm's length transactions, discounted cash flow analysis and other valuation techniques, based on market conditions and risks existing at reporting date. In doing so, fair value is estimated using a valuation technique that makes maximum use of observable market inputs and places minimal reliance upon entity-specific inputs.

4.3 Depreciation of property and equipment

The cost of property and equipment is depreciated on a straight-line basis over the asset's estimated economic useful lives. Management estimates the useful lives of these property and equipment to be within a range of 5 to 80 years. These are common life expectancies applied in this industry. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets and therefore future depreciation charges could be revised. The carrying amount of the Bank's property and equipment at the reporting date is disclosed in Note 11.

4.4 Deferred and current income tax

There are certain transactions and computations for which the ultimate tax determination may be different from the initial estimate. The Bank recognized tax liabilities based on its understanding of the prevailing tax laws and estimates of whether such taxes will be due in the ordinary course of business. Where the final outcome of these matters is different from the amounts that were initially recognised, such difference will impact the income tax and deferred tax provisions in the year in which such determination is made. Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets are recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences or unutilized tax losses can be utilized. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred tax relates to the same tax authority.

4. Significant accounting judgments, estimates and assumptions (continued)

4.5 Impairment of non-financial assets

When recoverable amount of an asset is determined based on the estimate of the value-in-use of the cash generating unit to which the asset is allocated, the management is required to make an estimate of the expected future cash flows from the cash generating unit and also to apply a suitable discount rate in order to determine the present value of those cash flows.

5. Financial risk management

The Bank's business activities involve the use of financial instruments. These activities expose the Bank to a variety of financial risks, mainly credit risk, foreign exchange risk, interest rate risk and liquidity risk. The Bank's financial risks are managed by the various management committees within the authority delegated by the Board of Directors. These management committees formulate, review and approve policies and limits to monitor and manage risk exposures under their respective supervision. The major policy decisions and proposals approved by these committees are subject to further review by the Board of Directors.

The main financial risks that the Bank is exposed to and how they are managed is set out below:

5.1 Interest rate risk

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of the changes in market interest rate. Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate due to the changes in market rates. The Bank is exposed to interest rate risk, through the impact of rate changes between the interest income and interest expenses at interest rates defined according to different types of deposits from customers with determinate or indeterminate maturities.

5.2 Credit risk

Credit risk is the risk that the Bank will incur a loss because its customers or counterparties fail to discharge their contractual obligations. The Bank manages and controls credit risk by setting limits on the amount of risk it is willing to accept for individual counterparties and for industry concentrations, and by monitoring exposures in relation to such limits.

5. Financial risk management (continued)

5.2 Credit risk (continued)

During the year under review, the Bank revised its Credit Policy which gives directions on the Credit related of the bank which establishes lending criteria, credit risk identification, mitigation and monitoring activities. The credit review process provides early identification of possible changes in the creditworthiness of counterparties, including regular collateral revision. The credit review process aims to allow the Bank to assess the potential loss as a result of the risks to which it is exposed and take corrective action.

The maximum exposure to credit risk for each class of financial instruments as represented by the categories of financial asset on the statement of financial position is limited to the carrying amounts on the reporting date, without taking into account the fair value of any collateral. For the statement of financial position financial assets, the maximum exposure to credit risk equals their carrying amount.

Investment securities exclude equity securities which are not exposed to credit risk. The investment securities that are neither past due nor impaired includes government securities which are substantially with high credit-rating in Myanmar.

Loans and advances past due but not impaired: Certain loans and advances are past due but not impaired as the collateral values of these loans and advances are in excess of the principal and interest

Loans and advances individually past due and impaired: Certain loans and advances are past due and considered impaired as the recoverable values of these loans and advances are likely to be lower than its carrying value.

5.3 Liquidity risk and cash flow risk

Liquidity risk is the risk that the Bank is unable to meet its financial obligations as and when they fall due, such as upon maturity of deposits and draw-down of loans.

The Bank manages liquidity risk in accordance with the Board approved Asset and Liability Management policy framework. This framework comprises policies, controls and limits. These controls and policies include setting of cash flow mismatch limits, monitoring of liquidity early warning indicators, stress-test analysis of cash flow in liquidity crisis scenarios and establishment of a comprehensive contingency funding plan.

5. Financial risk management (continued)

5.3 Liquidity risk and cash flow risk (continued)

The Bank is also required by regulators to maintain a certain percentage of its liability base in the form of cash and other liquid assets as a buffer against unforeseen liquidity requirements. The main objectives are honoring all cash outflow commitments on an on-going basis, satisfying statutory liquidity and reserve requirements, and avoiding raising funds at market premiums or through forced sale of assets.

The Bank's liquidity ratios as of 30 September 2025 and 31 March 2025 were 32.58% and 22.62% respectively and hence more than 20% fixed by the Central Bank of Myanmar as per its instruction (19/2017).

5.4 Foreign exchange risk

Foreign exchange risk is the risk to earnings and economic value of foreign currency assets, liabilities and financial derivatives caused by fluctuations in foreign exchange rates. The Bank's foreign exchange exposures comprise banking (non-trading) foreign exchange exposures. Non-trading foreign exchange exposures are principally derived from investments and funding activities and customer businesses.

5.5 Operational risk

Operational risk, which is inherent in all business activities, is the potential for financial loss, and business instability arising from failures in internal controls, operational processes or the system that support them.

The goal of operational risk management is to balance cost and risk within the constraints of the risk appetite of the Bank as established by Board approved Operational Risk Management Framework and to be consistent with the prudent management required of a large financial organization.

It is recognized that such risks can never be entirely eliminated and that the cost of controls in minimizing these risks may outweigh the potential benefits. Accordingly, the Bank continues to invest in risk management and mitigation such as business continuity management and incident management. In reinforcement of the implementation of the Bank's risk strategy, independent checks on risk issues are undertaken by the internal audit function.

5. Financial risk management (continued)

5.6 Legal and compliance risk

Legal risk is the risk that the business activities of the Bank have with unintended or unexpected legal consequences. It includes risk arising from: -

- (i) Inadequate documentation, legal or regulatory incapacity, insufficient authority of a counterparty and uncertainty about the validity or enforceability of a contract in counterparty insolvency;
- (ii) Actual or potential violations of law or regulation (including activity unauthorized for a bank and which may attract a civil or criminal fine or penalty);
- (iii) Failure to protect the Bank's property;
- (iv) The possibility of civil claims (including acts or other events which may lead to litigation or other disputes) and
- (v) Loss or increased charges associated with changes in, or errors in the interpretation of, taxation

Compliance risk arises from a failure or inability to comply with the laws, by-laws, rules, notifications, directives, regulations, forward letters or codes applicable to the financial service industry. Non-Compliance can lead to fines, public reprimands, and enforced suspension of operation or, in extreme cases, withdrawal of authorization to operate.

The Bank identifies and manages legal and compliance risk through effective use of its internal and external legal and compliance advisers. The Compliance function is formulated to ensure that the bank

The Bank has complied and followed all by-laws, rules, notifications, directives, forward letters and guidance of the Central Bank of Myanmar.

5.7 Capital Management

The primary objectives of the Bank's capital management are to diversity its sources of capital, and to maintain an optimal level of capital which is adequate to support business activities and commensurate with the Bank's risk profile, and to meet its regulatory requirements.

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5. Financial risk management (continued)

5.7 Capital Management (continued)

"Capital Funds" is defined as listed below:

	30 September 2025	31 March 2025
	MMK	MMK
Share Capital	57,124,662,800	57,124,662,800
Reserves	16,745,438,578	15,801,294,539
Retained earnings	5,263,322,795	3,158,959,697
	79,133,424,173	76,084,917,036

The Bank's Regulatory Capital Adequacy Ratio as of 30 September 2025 and 31 March 2025 were 8.48% and 8.16% respectively, and hence more than 8% of regulatory capital adequacy and 4% minimum Tier 1's capital as prescribed by the Central Bank of Myanmar.

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6. Cash and cash equivalents

	30 September 2025	31 March 2025
	MMK	MMK
Cash in hand	35,805,016,019	34,898,234,632
Balance with Central Bank of Myanmar - Non-restricted	543,735,628	35,063,193,404
Balance with Central Bank of Myanmar - Restricted	39,612,100,642	28,797,074,523
Placement with Central Bank of Myanmar	12,045,803,878	38,788,488,000
	<hr/> <u>88,006,656,167</u>	<hr/> <u>137,546,990,559</u>

7. Placements and balances with other banks

	30 September 2025	31 March 2025
	MMK	MMK
Demand deposits with other banks	45,581,939,541	28,404,339,744
Placement with other banks	67,103,000,000	13,000,000,000
Fixed deposits with other banks <3 months	55,000,000,000	26,515,281,250
Fixed deposits with other banks >3 months	-	-
	<hr/> <u>167,684,939,541</u>	<hr/> <u>67,919,620,994</u>

8. Government treasury bills and securities

	30 September 2025	31 March 2025
	MMK	MMK
Government treasury bills	-	-
Government treasury bonds	183,759,861,619	73,472,648,742
	<hr/> <u>183,759,861,619</u>	<hr/> <u>73,472,648,742</u>
Due within 12 months	22,254,808,830	30,049,201,805
Due after 12 months	161,505,052,788	43,423,446,937
	<hr/> <u>183,759,861,618</u>	<hr/> <u>73,472,648,742</u>

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9. Loans and advances

	30 September 2025	31 March 2025
	MMK	MMK
Demand loans	615,680,895,162	538,110,409,318
Overdrafts	98,152,969,796	118,170,306,043
Hire purchase	19,452,278,049	20,684,992,200
SME loans	57,134,778,433	53,765,731,004
Home loans	33,698,834,670	29,864,046,664
Solar financing	1,283,451,560	500,000,000
Education loans	218,936,608	179,769,772
Staff loans	1,024,003,417	548,262,128
Credit cards	649,666,178	50,698,864
	827,295,813,873	761,874,215,993
Specific provision for loan loss	(3,587,740,508)	(3,680,572,660)
	823,708,073,365	758,193,643,332

(i) Loans and advances by types of industry provided are as follows:

	30 September 2025	31 March 2025
	MMK	MMK
Industrial Manufacturing	201,785,012,556	184,777,759,750
Transportation	5,964,517,638	5,229,386,101
Trading	435,808,969,153	362,534,366,939
Service	88,247,284,638	84,406,438,257
Construction	10,031,210,525	18,909,124,354
Agriculture	10,524,940,187	23,943,519,158
General	23,697,916,116	33,142,849,709
Financial	16,500,000,000	18,500,000,000
Staff Loan	1,037,128,392	566,725,061
Home Loan	33,698,834,670	29,864,046,664
	827,295,813,873	761,874,215,993

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9. Loans and advances (continued)

(ii) Specific provisions for loan loss by type of industry are as follows:

	30 September 2025	31 March 2025
	MMK	MMK
Industrial Manufacturing	1,993,389	16,658,208
Trading	7,790,431	7,790,431
Staff loan	623,427,677	630,977,716
General	2,954,529,010	3,025,146,305
	<hr/> <u>3,587,740,507</u>	<hr/> <u>3,680,572,660</u>

10. Investments

	30 September 2025	31 March 2025
	MMK	MMK
Investments in debt instruments		
Investments in equity instruments		
<u>Unquoted equity share at cost:</u>		
Myanmar Payment Union	200,000,000	200,000,000
Myanmar Credit Bureau	130,000,000	130,000,000
Others	1,000,000	1,000,000
	<hr/> <u>331,000,000</u>	<hr/> <u>331,000,000</u>

The equity instruments were unquoted, held for strategic reason and not for sale. At each reporting date, the Bank conducted an impairment review of the equity instruments held. Following the review, as no indicators of impairment were observed and the impact of changes under the equity method was deemed immaterial, the Bank decided that these investments continue to be measured at historical cost.

11. Property and equipment

Details of property and equipment were presented in Annexure 1.

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12. Intangible assets

	30 September 2025	31 March 2025
	MMK	MMK
Software, licenses and rights		
Cost		
Balance at beginning of the year	7,315,663,488	6,464,083,417
Additions during the year	717,631,136	851,580,071
Balance at the end of the year	<u>8,033,294,624</u>	<u>7,315,663,488</u>
Accumulated amortization		
Balance at beginning of the year	3,606,150,994	2,937,163,881
Amortization during the year	392,022,223	668,987,112
Balance at the end of the year	<u>3,998,173,217</u>	<u>3,606,150,994</u>
Net book value		
Balance at the end of the year	<u>4,035,121,407</u>	<u>3,709,512,494</u>
Balance at beginning of the year	<u>3,709,512,494</u>	<u>3,526,919,536</u>

13. Other assets

	30 September 2025	31 March 2025
	MMK	MMK
Interest receivable on loans and advances	9,172,358,861	12,044,630,246
Interest receivable on deposit with banks	1,938,144,432	297,806,067
SWAP receivables	7,856,933,675	22,333,860,000
Prepayments and advances	22,622,564,799	17,594,595,018
Card, Stationery, Promotion materials & ATM	471,116,345	142,183,876
Advance income tax	1,609,842,334	340,240,383
Advance interest paid of fixed deposit	5,296,566,901	955,372,636
Receivables from business partners	397,218,331	643,143,041
Other receivables	25,417,404,039	11,512,349,569
E-money deposit - Citizens Pay	50,000,000	80,000,000
Suspense - Money Gram and IME	1,290,797,335	1,437,104,772
Suspense - Others	778,583,154	(1,563,393,936)
	<u>76,901,530,208</u>	<u>65,817,891,673</u>

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14. Borrowings

	30 September 2025	31 March 2025
	MMK	MMK
Borrowing from Central Bank of Myanmar	7,856,933,675	22,333,860,000
Borrowing from other financial institutions	5,000,000,000	10,000,000,000
	<hr/>	<hr/>
	12,856,933,675	32,333,860,000
	<hr/>	<hr/>

Borrowing from Central Bank of Myanmar at 30.9.2025 represents SWAP of USD 3.74 million (maturity 5 November 2025), in which the bank acts as an intermediary between CBM and client, thus there is no impact to the Bank regarding interest of this SWAP deal.

Borrowing from other financial institutions at 30.9.2025 represents borrowing from AYA bank MMK 5 billion with the interest rate of 1.5% p.a, matured on 3 October 2025.

15 Deposits from other banks

	30 September 2025	31 March 2025
	MMK	MMK
Call deposits	3,422,640,865	2,700,252,920.00
Time deposits	4,900,000,000	55,250,000,000.00
Current deposits	239,484,965	239,486,965.00
Saving deposits	53,464,303,381	1,566,966,044.00
	<hr/>	<hr/>
	62,026,429,210	59,756,705,928.00
	<hr/>	<hr/>

16 Deposits from customers

	30 September 2025	31 March 2025
	MMK	MMK
Call deposits	344,272,357,555	244,367,177,376
Time deposits	647,923,446,744	463,093,716,892
Current deposits	56,727,760,547	46,681,534,319
Saving deposits	108,885,640,419	128,331,666,049
	<hr/>	<hr/>
	1,157,809,205,264	882,474,094,635
	<hr/>	<hr/>

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NOTES TO INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 September 2025

17 Other liabilities

	30 September 2025	31 March 2025
	MMK	MMK
Interest in suspense	7,837,193,552	10,219,646,973
Interest recovered in advance	(75,938,670)	(82,082,021)
Interest payable on deposits	9,819,946,468	10,049,283,749
Payment order	2,548,318,161	1,134,144,740
Other payables	3,546,014,700	2,385,317,222
Sundry deposit	1,703,888,419	1,958,268,151
Swap Payable MMK	12,045,803,878	38,788,488,000
Current year tax payable	2,186,019,138	1,164,231,920
General provision on loans and advances	12,049,605,946	10,741,173,988
Provision for cash shortage and others	993,281,781	1,510,981,331
Payable to business partners	47,553,730	13,852,717
	<hr/> 52,701,687,103	<hr/> 77,883,306,770
	<hr/> <hr/>	<hr/> <hr/>

MYANMAR CITIZENS BANK PUBLIC COMPANY LIMITED

(Incorporated in the Republic of the Union of Myanmar)

NOTES TO INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 September 2025

18 Paid-up share capital

	30 September 2025	31 March 2025
	MMK	MMK
Share capital	57,124,662,800	57,124,662,800
Numbers of share	10,400,986	10,400,986

The share capital amount includes share premium MMK 5,119,732,800 and shares are not with par value as per Myanmar Companies Law 2017.

19 Reserves

	Statutory reserve fund ⁽¹⁾	General provision for loan loss ⁽²⁾	Contingencies reserve fund	Total
	MMK	MMK	MMK	MMK
Balances at 1-4-2025	11,292,984,207	4,496,310,332	12,000,000	15,801,294,539
Provision for the year	944,144,039	-	-	944,144,039
Balances at 30-9-2025	12,237,128,246	4,496,310,332	12,000,000	16,745,438,578
Balances at 1-4-2024	10,587,893,495	4,496,310,332	12,000,000	15,096,203,827
Provision for the year	705,090,712	-	-	705,090,712
Balances at 31-3-2025	11,292,984,207	4,496,310,332	12,000,000	15,801,294,539

⁽¹⁾Statutory reserve represents reserve fund equal to 25% of net profit after tax which has been set aside in accordance with Section 35(a) of Financial Institutions Law and not distributable as cash dividend.

⁽²⁾General provision for loan loss represents provision of 2% on total loans and advances, both principal and interest receivables and before specific provision, which was set aside as reserve. Nevertheless, starting from 2018-2019 financial year, the above 2% general provision were charged to profit or loss and respective credits were shown under other liabilities.

MYANMAR CITIZENS BANK PUBLIC COMPANY LIMITED

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NOTES TO INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 September 2025

20 Interest income

	6-month ending 30 Sep 2025 MMK	12-month ending 31 Mar 2025 MMK
Interest income on hire purchase	1,452,163,837	2,083,659,476
Interest income on loans and overdrafts	46,016,480,538	64,245,630,267
Interest income on SME loan	2,152,185,619	3,201,008,832
Interest income on home loan	2,104,632,910	5,784,332,210
Interest income on staff loan	4,688,742	5,965,958
Interest income on trade guarantee	-	608,397
Interest on Mortgage Loan	-	41,628,941
Interest on Solar Financing	43,086,242	1,068,493
Interest on Visa Credit Card	22,118,245	173,749
Interest income on investment	8,685,203,973	12,626,350,930
	<u>60,480,560,105</u>	<u>87,990,427,253</u>

Note:

Interest rate on loans and advances	7.5%~15%	7.5%~15%
Interest rate on Credit Card	16.5%	16.50%
Interest rate on deposit with other banks	3.75%~12.75%	6%~12%

21 Interest expenses

	6-month ending 30 Sep 2025 MMK	12-month ending 31 Mar 2025 MMK
Interest expense on saving deposit	3,935,207,269	7,183,721,004
Interest expense on fixed deposit	36,573,925,899	37,173,589,327
Interest expense on call deposit	9,709,096,035	20,317,340,702
Interest expense on inter bank borrowing	44,045,205	1,611,193,151
	<u>50,262,274,409</u>	<u>66,285,844,184</u>

Note:

Interest on saving deposit was 7%~11% p.a. and calculated on the minimum balance of the account during the period from the 5th day to end of the month.

MYANMAR CITIZENS BANK PUBLIC COMPANY LIMITED

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NOTES TO INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 September 2025

21 Interest expenses (continued)

	6-month ending 30 Sep 2025	12-month ending 31 Mar 2025
Interest rates on fixed deposit were as follows:		
1 month	7%~12%	8%~12%
2 month	8.25%~12.3%	8.15%~8.25%
3 months	7.5%~13%	7.5%~9.25%
6 months	7.75%~13%	7.75%~9.25%
9 months	7.75%~9%	7.75%~9%
12 months	8%~14%	8%~9.5%
24 months	8.25%	8.25%

Interest on call deposit was 6~7% p.a. and calculated based on minimum daily balance.

22 Net fee and commission income

	6-month ending 30 Sep 2025 MMK	12-month ending 31 Mar 2025 MMK
Fees and commission income		
Services fee income	6,090,969,907	7,686,153,441
Commission income	2,465,457,076	3,123,725,419
Card related income	105,558,306	233,800,626
Other fees income	838,000	1,423,400
	<u>8,662,823,289</u>	<u>11,045,102,886</u>
Fees and commission expense		
Bank commission and service charges	82,474,817	185,563,100
Card related expenses	468,603,409	740,079,045
Other fee expenses	12,771,000	17,932,000
	<u>563,849,225</u>	<u>943,574,145</u>
	<u><u>8,098,974,064</u></u>	<u><u>10,101,528,741</u></u>

MYANMAR CITIZENS BANK PUBLIC COMPANY LIMITED

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NOTES TO INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 September 2025

23 Other operating income

	6-month ending 30 Sep 2025	12-month ending 31 Mar 2025
	MMK	MMK
Net income from foreign currency transactions	2,889,374,495	2,449,810,664
(Loss)/gain on revaluation	74,953,317	98,595,234
Miscellaneous income	283,578,279	110,037,252
	<hr/> <u>3,247,906,091</u>	<hr/> <u>2,658,443,150</u>

24 Personnel expenses

	6-month ending 30 Sep 2025	12-month ending 31 Mar 2025
	MMK	MMK
Salaries and wages (local)	5,031,571,279	9,194,142,761
Salaries and wages (foreign)	460,074,941	1,223,033,981
Overtime allowance	94,233,323	201,240,619
House allowance	73,221,763	200,459,250
Contribution to employee benefit	57,552,000	113,881,600
Compensation	-	28,000,000
Other staff related expenses	<hr/> <u>614,768,636</u>	<hr/> <u>1,315,894,042</u>
	<hr/> <u>6,331,421,941</u>	<hr/> <u>12,276,652,253</u>

MYANMAR CITIZENS BANK PUBLIC COMPANY LIMITED

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NOTES TO INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 September 2025

25 Administration and general expenses

	6-month ending	12-month ending
	30 Sep 2025	31 Mar 2025
	MMK	MMK
Annual general meeting expense	-	23,188,349
Directors' meeting fees	82,200,000	137,300,000
Donation and entertainment	17,216,955	132,458,901
Insurance	67,740,897	137,088,901
Marketing and advertising	680,803,557	468,310,634
Miscellaneous expenses	104,280,733	336,608,933
Office supplies	240,590,126	481,501,723
Professional service fees	434,021,600	209,171,915
Rates and taxes	69,068,264	125,560,383
Registration and license	1,130,116,128	1,885,872,272
Rent	1,423,043,821	2,565,812,273
Repair and maintenance	1,486,476,899	2,764,069,189
Travel and transport	94,700,485	199,515,547
Utilities	1,562,491,133	2,785,562,501
Written off	198,795,518	1,028,856,087
(Gain) Loss on disposal	475,810	482,814
	<hr/> <u>7,592,021,928</u>	<hr/> <u>13,281,360,421</u>

26 Income tax expenses

	6-month ending	12-month ending
	30 Sep 2025	31 Mar 2025
	MMK	MMK
Current tax - Corporate income tax	1,071,787,217	1,114,231,920
Current tax - Previous years corporate income tax	230,000,000	-
	<hr/> <u>1,301,787,217</u>	<hr/> <u>1,114,231,920</u>

MYANMAR CITIZENS BANK PUBLIC COMPANY LIMITED

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NOTES TO INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 September 2025

27 Earnings per share

Basic and diluted earnings per share

	6-month ending	12-month ending
	30 Sep 2025	31 Mar 2025
	MMK	MMK
Net profit attributable to equity holders of the Bank	3,776,576,157	2,820,362,849
Weighted average number of ordinary shares in issue	10,400,986	10,400,986
Effects of dilution		-
Adjusted weighted average number of ordinary shares in issue	10,400,986	10,400,986
	363	271

28 Related party transactions

Related parties include the Bank's key management personnel and their related parties. Key management personnel refer to the Bank's directors and members of its Management Executive Committee and C-level officers.

In addition to those disclosed elsewhere in the financial statements, the following significant related party transactions took place during the financial year, on terms agreed between the parties.

(a) Items included in profit or loss	30 September 2025	31 March 2025
	MMK	MMK
Rental expense charged to profit or loss under the contracts with related parties	317,564,430	619,297,836

(b) Outstanding balances

Deposits with related parties	354,478,656,176	218,211,801,147
Loans and advances with related parties	7,461,701,635	13,001,565,714
Prepaid rental outstanding with related parties	278,444,425	454,138,475

MYANMAR CITIZENS BANK PUBLIC COMPANY LIMITED

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NOTES TO INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 September 2025

28 Related party transactions (Continued)

(c) Key management personnel compensation	30 September 2025	31 March 2025
	MMK	MMK
Salaries and wages	647,318,291	1,461,413,332
Directors' meeting fees	82,200,000	137,300,000

29 Guarantees and commitments

(a) Bank guarantees	30 September 2025	31 March 2025
	MMK	MMK
Guarantees in local currency	43,713,864,818	30,260,961,246
Guarantees in foreign currency	-	-
	<hr/> <u>43,713,864,818</u>	<hr/> <u>30,260,961,246</u>

Guarantees are contracts that contingently require the Bank to make payments to a guaranteed party based on an event or a change in an underlying asset and liability. Guarantees are taken into account in the general ledger on contra, at the reporting date.

(b) Commitments	30 September 2025	31 March 2025
	MMK	MMK
Undrawn overdraft	25,932,131,365	17,404,365,812
Rental expense	5,277,245,987	5,444,110,214
	<hr/> <u>31,209,377,352</u>	<hr/> <u>22,848,476,026</u>

30 Acceptance, Endorsement and Guarantee

Receivable and payable of Acceptance, Endorsement and Guarantee were offset in the statement of financial position.

MYANMAR CITIZENS BANK PUBLIC COMPANY LIMITED
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NOTES TO INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 September 2025

							Annexure -1
Property and equipment	Land & Building	Leasehold improvement	Motor Vehicle	Furniture & Office Equipment	Plant & Machinery	TOTAL	
	MMK	MMK	MMK	MMK	MMK	MMK	
Original Cost							
At 1 April 2025	14,072,807,322	5,892,137,500	1,486,692,476	10,011,617,942	1,252,213,756	32,715,468,996	
Additions	15,922,500	32,042,800	294,000,000	244,954,066	(106,250)	586,813,116	
Disposals	(1,070,000,000)			(1,551,350)		(1,071,551,350)	
Write-off				(2,099,000)		(2,099,000)	
Adjustment	-	-	-	529,926	106,250	636,176	
At 30 September 2025	13,018,729,822	5,924,180,300	1,780,692,476	10,253,451,584	1,252,213,756	32,229,267,938	
Accumulated depreciation							
At 1 April 2025	1,268,006,846	2,532,827,433	1,077,912,315	5,831,662,408	463,483,419	11,173,892,421	
For the year	75,645,680	283,390,788	38,686,375	518,540,751	39,472,985	955,736,579	
Disposals				(1,020,539)		(1,020,539)	
Write-off				(473,817)		(473,817)	
Adjustment	-	-	-	529,926	106,250	636,176	
At 30 September 2025	1,343,652,525	2,816,218,221	1,116,598,690	6,349,238,729	503,062,654	12,128,770,820	
Net Book value as at 30 September 2025	11,675,077,297	3,107,962,079	664,093,786	3,904,212,856	749,151,102	20,100,497,119	
Net Book value as at 31 March 2025	12,804,800,476	3,359,310,068	408,780,161	4,179,955,534	788,730,336	21,541,576,575	

We hereby certify that above assets are the properties of the "Myanmar Citizens Bank Public Company Limited", in existence at 30 September 2025 and agreed with the details as per Assets Register. All assets were purchased or acquired with proper approvals either of the board of directors or the authorised officials of the Bank.

MYANMAR CITIZENS BANK PUBLIC COMPANY LIMITED

(Incorporated in the Republic of the Union of Myanmar)

NOTES TO FINANCIAL STATEMENTS for the year ended 30 September 2025

Annexure -1

Property and equipment		Land & Building	Leasehold improvement	Motor Vehicle	Furniture & Office Equipment	Plant & Machinery	TOTAL
	MMK	MMK	MMK	MMK	MMK	MMK	MMK
Original Cost							
At 1 April 2024	12,724,694,644	5,079,273,891	1,293,453,476	8,037,792,119	1,168,803,956	28,304,018,086	
Additions	1,356,681,178	900,568,259	193,829,000	2,240,104,344	85,830,000	4,777,012,781	
Disposals	-	-	-	(75,235,913)	(959,000)	(76,194,913)	
Write-off	(8,568,500)	(87,704,650)	(590,000)	(191,042,607)	(1,461,200)	(289,366,957)	
Adjustment	-	-	-	-	-	-	
At 31 March 2025	14,072,807,322	5,892,137,500	1,486,692,476	10,011,617,942	1,252,213,756	32,715,468,996	
Accumulated depreciation							
At 1 April 2024	1,118,501,551	2,041,826,367	996,219,505	5,121,577,672	389,357,827	9,667,482,922	
For the year	150,350,233	542,731,306	82,282,809	944,416,111	75,887,341	1,795,667,800	
Disposals	-	-	-	(71,656,642)	(673,458)	(72,330,100)	
Write-off	(844,939)	(51,730,241)	(589,999)	(162,674,733)	(1,088,290)	(216,928,201)	
Adjustment	-	-	-	-	-	-	
At 31 March 2025	1,268,006,846	2,532,827,433	1,077,912,315	5,831,662,408	463,483,419	11,173,892,421	
Net Book value as at 31 March 2025	12,804,800,476	3,359,310,068	408,780,161	4,179,955,534	788,730,336	21,541,576,575	
Net Book value as at 31 March 2024	11,606,193,093	3,037,447,524	297,233,971	2,916,214,447	779,446,129	18,636,535,164	

We hereby certify that above assets are the properties of the "Myanmar Citizens Bank Public Company Limited", in existence at 31 March 2025 and agreed with the details as per Assets Register. All assets were purchased or acquired with proper approvals either of the board of directors or the authorised officials of the Bank.