

MYANMAR CITIZENS BANK PUBLIC COMPANY LIMITED

(Incorporated in the Republic of the Union of Myanmar)

(Registration No. 149169466)

FINANCIAL REPORT

For the year ended 31 March 2026

(2025-2026 Financial Year)

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.	MaVaBa/PaBa(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.	MaVaBa/BanSiSit/Service(72/2015) dated 22.5.2015

DIRECTORS

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

REGISTERED OFFICE

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

AUDITOR

U Win Htut Aung
V Advisory Limited | Certified Public Accountants

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MYANMAR CITIZENS BANK PUBLIC COMPANY LIMITED

(Incorporated in the Republic of the Union of Myanmar)

Directors' Statement

For the year ended 31 March 2026

The directors present their statement to the members together with the audited financial statements for the year ended 31 March 2026.

In the opinion of the directors,

The financial statements are drawn up so as to give a true and fair view of the financial position of the Bank as at 31 March 2026, the statements of comprehensive income, changes in equity and cash flows of the Bank for the financial year covered by the financial statements, and at the date of this statement, there are reasonable grounds to believe that the Bank will be able to pay its debts as and when they fall due.

Directors

The patron of the Bank is U Tun Ohn, the Union Minister of the Ministry of Commerce.

The Board of Directors of the Bank at the date of this statement is as follows: -

<u>No.</u>	<u>Name</u>	<u>Position</u>
1.	U Toe Aung Myint	Chairman
2.	U Aung Thwin Oo	Deputy Chairman
3.	U Aung Soe	Director
4.	U Hla Oo	Director
5.	U Tun Lwin	Director
6.	U Ohn Saing	Director
7.	Daw Khin Mar Myint	Director
8.	U Aung Aung	Director
9.	Daw Su Myat Thu	Director
10.	Daw Cho Cho Aye	Chief Executive Officer/ Board Secretary
11.	U Htay Chun	Independent Director

Arrangements to enable directors to acquire shares and debentures

Neither at the end of nor at any time during the financial year was the Bank a party to any arrangement whose object was to enable the directors of the Bank to acquire benefits by means of the acquisition of shares in, or debentures of, the Bank or any other body corporate.

Share options

No options were granted during the financial year to subscribe for unissued shares of the Bank.

No shares were issued during the financial year by virtue of the exercise of options to take up unissued shares of the Bank.

There were no unissued shares of the Bank under an option at the end of the financial year.

Anti-Money Laundering (AML) and Countering the Financing of Terrorism (CFT)

The Directors confirm that the Bank has maintained its commitment to full compliance with applicable Anti-Money Laundering (AML) and Countering the Financing of Terrorism (CFT) laws, regulations, and guidelines as issued by the Financial Intelligence Unit (FIU).

Related Party Transactions

The board of directors confirm that, except as disclosed in Note 28, no other related party transactions were conducted by the Bank during the financial year ended 31 March 2026.

On behalf of Board of directors,



Toe Aung Myint
Chairman

Myanmar Citizens Bank Public Company Limited

Date: June 26, 2026



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INDEPENDENT AUDITOR'S REPORT

To the Members of Myanmar Citizens Bank Public Company Limited

(Incorporated in the Republic of the Union of Myanmar)

Report on the Audit of the Financial Statements

For the Year Ended 31 March 2026

Opinion

We have audited the financial statements of **Myanmar Citizens Bank Public Company Limited** (“**The Bank**” or “**the Company**”), which comprise the statement of financial position as at 31 March 2026, and the statements of profit or loss and other comprehensive income, statement of changes in equity, and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements of the Bank present fairly, in all material respects, the financial position of the Bank as at 31 March 2026, and its performance, its changes in equity and its cash flows for the year then ended in accordance with Myanmar Financial Reporting Standards (MFRSs), the provisions of Myanmar Companies Law and Financial Institutions Law 2016.

Basis for opinion

We conducted our audit in accordance with the International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Bank in accordance with the Myanmar Companies Law 2017 Section 279(d) and the ethical requirements that are relevant to our audit of the financial statements in Myanmar, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



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Key audit matters (continued ...)

Key Audit Matter	How our audit address
General provision of loan loss	
As of 31 March 2026, the Bank reported total outstanding loans and advances to customers amounting to MMK 1,126,265.80 million. We considered this area a key audit matter due to the significant judgment in assessing credit risk and whether in compliance with regulatory requirements or not. This includes evaluating credit risk associated upon recognition and non-impaired exposures, and credit risk determining whether a significant increase in credit risk has occurred or not.	We assessed the design and evaluated the operating effectiveness of key controls over the Bank's loan issue process and impairment assessment process. Our procedure focused on the involvement of governance structure, the completeness and accuracy of internal data inputs, and oversight of credit risk. Based on our reviews and tests, we concluded that we could rely on these controls for the purposes of our audit. We evaluated the assumptions used in determining the general provision, including the assessment of whether a significant increase in credit risk had occurred or not. Overall, we concluded that the general provision for loan losses MMK 22,525.32 – MMK 4,496.31 million under reserve and MMK 18,029.01 million under other liabilities – met the requirement under the Notification 17/2017 of the Central Bank of Myanmar.
Specific provision for loans and advances to customers	
As of 31 March 2026, the Bank reported a total outstanding loans and advances to customers amounting to MMK 1,126,265.80 million and on which, a specific provision of MMK 2,976.30 million was reserved on impaired loans and advances. We focused this area as a key audit matter due to the inherent subjectivity which might involve in management's assessment of credit impairment.	We assessed the design and evaluated the operating effectiveness of key controls over the process of identifying and measuring specific provisions for impaired loans and advances. These controls included oversight of credit risk, continuous monitoring of loan performance, timely identification of impairment indicators, and the valuation of collateral. This also included evaluation of whether the classification loans and advances were in compliance with Notification 17/2017 of the Central Bank of Myanmar and whether there was evidence of an impairment loss. We determined that we could rely on these controls for the

	purpose of our audit. Overall, we concluded that the specific provision for loan losses was in compliance with Notification 17/2017 of the Central Bank of Myanmar and that the determination of impaired exposures was appropriate.
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Information other than the financial statements and auditor's report thereon

The directors are responsible for the information other than the financial statements and auditor's report thereon ("the other information"). The other information comprises the information included in the Annual Report, but does not include the financial statements and the auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with 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 process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not guaranteed that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from



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fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant findings, including any significant deficiencies in internal control that we identify during our audit. From the matters communicated with the management and those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current year and are therefore the key audit matters.



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Report on other legal and regulatory requirements

In accordance with Section 280 (b) of the Myanmar Companies Law 2017, we report that: -

- We have obtained all the information and explanations we have required;
- In our opinion, the financial statements referred to in the report are drawn up in conformity with applicable law;
- To the best of our information and the explanations given to us, as shown by the books of the Bank, the financial statements exhibit a true and fair view of the state of the Bank's affairs; and
- In our opinion, the financial records have been kept by the Bank as required by Chapter 24 of the Myanmar Companies Law 2017.

In accordance with Section 89 of the Financial Institutions Law 2016, we also report that: -

- In our opinion, the statement of financial position (balance sheet) and the statement of profit or loss and other comprehensive income (profit and loss account) are, in all material respects, full and fair and properly drawn up;
- To the best of our information and the explanations given to us, as shown by the books of the Bank, the financial statements express completely and correctly the state of affairs of the Bank; and
- The information obtained from the officers and agents of the Bank is satisfactory.

Win Htut Aung

Certified Public Accountant

PAPP Registered No. 66

V Advisory Limited

Complex 45, Tower B, #B 406, 45 Street

Botahtaung Township, Yangon

June 26, 2026

Yangon, Myanmar

MYANMAR CITIZENS BANK PUBLIC COMPANY LIMITED
(Incorporated in the Republic of the Union of Myanmar)
STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2026

	Notes	31.3.2026 MMK	31.3.2025 MMK
ASSETS			
Cash on hand and balances with Central Bank	6	175,245,214,606	137,546,990,559
Placements and balances with other banks	7	281,563,655,519	67,919,620,994
Government treasury bills and securities	8	233,409,473,388	73,472,648,742
Loans and advances	9	1,123,289,497,860	758,193,643,332
Investments	10	331,000,000	331,000,000
Property and equipment	11	19,686,786,815	21,541,576,575
Intangible assets	12	4,385,387,775	3,709,512,494
Other assets	13	61,130,126,810	65,817,891,673
TOTAL ASSETS		1,899,041,142,773	1,128,532,884,369
LIABILITIES			
Borrowings	14	205,000,000,000	32,333,860,000
Deposit from other banks	15	217,606,604,803	59,756,705,928
Deposit from customers	16	1,310,231,163,554	882,474,094,635
Other liabilities	17	85,567,843,208	77,883,306,770
Total liabilities		1,818,405,611,565	1,052,447,967,333
EQUITY			
Paid-up share capital	18	57,124,662,800	57,124,662,800
Reserves	19	17,120,965,338	15,801,294,539
Retained earnings		6,389,903,070	3,158,959,697
Total equity		80,635,531,208	76,084,917,036
TOTAL LIABILITIES AND EQUITY		1,899,041,142,773	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.

MYANMAR CITIZENS BANK PUBLIC COMPANY LIMITED
(Incorporated in the Republic of the Union of Myanmar)
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2026

	Notes	2025-2026 MMK	2024-2025 MMK
Interest income	20	135,560,443,042	87,990,427,253
Interest expenses	21	(114,653,774,801)	(66,285,844,184)
Net interest income		20,906,668,241	21,704,583,069
Net fee and commission income	22	19,467,154,716	10,101,528,741
Other operating income	23	6,440,659,045	2,658,443,150
		46,814,482,002	34,464,554,960
Changes in specific provision for loan loss		704,269,300	231,320,167
Changes in general provision for loan loss		(7,287,831,705)	(2,738,612,773)
Income before operation expenses		40,230,919,598	31,957,262,354
Administration and general expenses	24, 25	(29,143,232,149)	(25,558,012,674)
Depreciation and amortization	11, 12	(2,771,610,568)	(2,464,654,912)
Net profit before income tax		8,316,076,881	3,934,594,769
Income tax expense	26	(3,037,393,689)	(1,114,231,920)
Net profit for the year		5,278,683,191	2,820,362,849
Other comprehensive income		-	-
Total comprehensive income for the year		5,278,683,191	2,820,362,849
Earnings per share	27	508	271

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, 26 June 2026

MYANMAR CITIZENS BANK PUBLIC COMPANY LIMITED

(Incorporated in the Republic of the Union of Myanmar)

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2026

	Share Capital	Reserves	Retained Earnings	Total Equity
	MMK	MMK	MMK	MMK
2025-2026				
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	-	-	5,278,683,191	5,278,683,191
Dividend paid	-	-	(728,069,020)	(728,069,020)
Statutory reserve	-	1,319,670,799	(1,319,670,799)	-
Balance as at end of year	57,124,662,800	17,120,965,338	6,389,903,069	80,635,531,208
2024-2025				
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
Dividend paid	-	-	-	-
Statutory reserve	-	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)

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2026

		2025-2026	2024-2025
		MMK	MMK
Cash flows from operating activities			
Profit before tax		8,316,076,881	3,934,594,769
Adjustments for:			
Depreciation	11	1,949,891,885	1,795,667,800
Amortization	12	821,718,683	668,987,112
Changes in specific provision for loan loss		(704,269,300)	(231,320,167)
Changes in general provision for loan loss		7,287,831,705	2,738,612,773
Loss on disposal of property and equipment		475,810	482,814
Written-off of property and equipment		10,049,843	72,438,756
Operating profit before working capital changes		17,681,775,507	8,979,463,857
Working capital changes (Increase)/decrease			
Interbank placement		(213,644,034,525)	(20,987,631,870)
Loans and advances		(364,391,585,228)	(137,125,360,000)
Other assets		7,287,366,813	(15,285,237,994)
Deposit from banks		157,849,898,875	10,443,506,153
Deposit from customers		427,757,068,919	159,537,262,969
Other liabilities		(2,640,688,955)	3,418,052,089
Cash generated from operation		29,899,801,405	8,980,055,204
Income tax paid		(2,599,601,951)	(200,400,000)
Net cash provided by operating activities		27,300,199,454	8,779,655,204
Cash flows from investing activities			
Purchase of property and equipment		(1,175,682,778)	(4,777,012,781)
Proceeds from sale of property and equipment		1,070,055,000	3,382,000
Purchase of intangible assets		(1,497,593,964)	(851,580,071)
Purchase of government treasury bond and swap		(188,436,824,646)	(780,638,681)
Proceeds from maturity of government treasury bills		28,500,000,000	9,000,000,000
Net cash provided by/(used in) investing activities		(161,540,046,387)	2,594,150,467
Cash flows from financing activities			
Received/ (repayment) of borrowings		172,666,140,000	(33,051,500,000)
Dividends paid		(728,069,020)	-
Net cash provided by/(used in) financing activities		171,938,070,980	(33,051,500,000)
Net increase/(decrease) in cash and cash equivalents		37,698,224,047	(21,677,694,329)
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	175,245,214,606	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 FINANCIAL STATEMENTS for the year ended 31 March 2026**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 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, provide merchant services, provide trade services, deal foreign currency, and operate mobile banking activities.

2. Basis of preparation and accounting policies

The financial statements of the Bank have been prepared in accordance with Myanmar Financial Reporting Standards (MFRSs), Myanmar Companies Law and Financial Institutions Law. 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 financial year.

3. Summary of significant accounting policies**3.1 Functional and presentation currency**

The Bank's financial statements are presented in local currency, 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.

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

	MMK/USD	MMK/EUR	MMK/SGD	MMK/CNY	MMK/THB
31 March 2026	2,103.00	2,414.37	1,628.73	303.85	63.90
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.

3.3 Interest income and expenses (Continued)

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, commission income from insurance, miscellaneous income from sale of old materials and gain from disposal of property and equipment.

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. Where amounts paid exceed the tax due for those periods, the excess is recognized as a current tax asset. The benefit arising from a tax loss that can be carried back to recover current tax of a prior period is recognized as a current tax asset. Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the 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.

3.9 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) 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 transactions 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.

3.9 Financial assets and financial liabilities (Continued)

(a) Initial recognition and subsequent measurement (Continued)

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.

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. 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 to 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.

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 obligations; or
- (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.

3.10 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 extension of the payment via rescheduling or restructuring through renegotiation of terms and conditions and make sure not to create the new loans or debt that obtained from the same bank.

(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.

(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 equivalent

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.

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
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. 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 impaired in the year ended 31 March 2026 and 31 March 2025.

3.16 Share Capital and share issuance expenses

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.

3.18 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.

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
 - (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) or (e); or
- (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.

3.22 Fair value measurement (Continued)

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. 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.

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.

4.5 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.

The table next summaries the Bank's exposure to interest rate risk as at 31 March 2026 and 31 March 2025. The tables indicate effective interest rates at the reporting date and the periods, in which the financial instruments are repriced or mature, whichever is earlier.

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NOTES TO FINANCIAL STATEMENTS for the year ended 31 March 2026

5.1 Interest rate risk(Continued)

	Up to 1 month	1 to 3 months	>3 months to 12 months	>1 year and above	Total interest sensitive	Non- interest sensitive	Total
	MMK (million)	MMK (million)	MMK (million)	MMK (million)	MMK (million)	MMK (million)	MMK (million)
For the year ended 31 March 2026							
Assets							
Cash and balance with CBM	134,874.90				134,874.90	40,370.32	175,245.22
Interbank placements	115,772.50	65,000.00	75,000.00		255,772.50	25,791.16	281,563.66
Government securities		2,605.98	34,760.11	196,043.38	233,409.47		233,409.47
Loans and advances					-		-
- Not impaired	92,695.29	101,272.06	446,372.24	473,364.23	1,113,703.82	9,572.80	1,123,276.62
- Impaired	2,707.44				2,707.44	281.75	2,989.19
Investments					-	331.00	331.00
Property and equipment						19,686.79	19,686.79
Intangible assets						4,385.39	4,385.39
Other assets					-	61,130.13	61,130.13
Total assets	346,050.13	168,878.04	556,132.35	669,407.61	1,740,468.13	161,549.34	1,902,017.47
Liabilities and equity							
Borrowings	140,000.00	65,000.00	-	-	205,000.00		205,000.00
Deposits	203,517.74	96,875.41	541,715.15	622,345.21	1,464,453.51	63,384.26	1,527,837.77
Other liabilities	-	-	-	-	-	85,567.84	85,567.84
Total liabilities	343,517.74	161,875.41	541,715.15	622,345.21	1,669,453.51	148,952.10	1,818,405.61
Total interest sensitivity gap	2,532.39	7,002.63	14,417.20	47,062.40	71,014.62	12,597.24	83,611.86
For the year ended 31 March 2025							
Assets							
Cash					-	137,546.99	137,546.99
Interbank placements	28,315.28	10,000.00	1,200.00		39,515.28	28,404.34	67,919.62
Government treasury bills and securities		18,084.95	11,964.26	43,423.45	73,472.65		73,472.65
Loans and advances							
- Not impaired	67,599.29	83,546.74	259,798.06	333,019.71	743,963.80	14,464.35	758,428.15
- Impaired	3,119.93	-	-	-	3,119.93	326.13	3,446.06
Investments					-	331.00	331.00
Property and equipment						21,541.58	21,541.58
Intangible assets						3,709.51	3,709.51
Other assets					-	65,817.89	65,817.89
Total assets	99,034.50	111,631.69	272,962.32	376,443.16	860,071.66	272,141.79	1,132,213.45
Liabilities and equity							
Borrowings	10,000.00	-	-	-	10,000.00	22,333.86	32,333.86
Deposits from	615,390.27	157,089.77	122,829.54	-	895,309.58	46,921.02	942,230.60
Other liabilities	-	-	-	-	-	77,883.31	77,883.31
Total liabilities	625,390.27	157,089.77	122,829.54	-	905,309.58	147,138.19	1,052,447.77
Total interest sensitivity gap	(526,355.77)	(45,458.08)	150,132.78	376,443.16	(45,237.92)	125,003.60	79,765.68

5.1 Interest rate risk(Continued)Sensitivity analysis of interest rate risk

The table below shows the sensitivity of the Bank's profit after tax to an up and down 1% : -

	Tax rate	+1% MMK Mil	-1% MMK Mil
For the year ended 31 March 2026			
Impact to profit before tax		710.15	(710.15)
Impact to profit after tax	17%	589.42	(589.42)
For the year ended 31 March 2025			
Impact to profit before tax		(452.38)	452.38
Impact to profit after tax	17%	(375.47)	375.47

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.

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.

The table below sets out information about the financial assets held by the Bank:

	2025-2026 MMK Mil	2024-2025 MMK Mil
Financial assets		
Cash	175,245.21	137,546.99
Government treasury bills (1)	233,409.47	73,472.65
Interbank placements	281,563.66	67,919.62
Loans and advances		
Neither past due nor impaired	1,098,206.28	680,380.62
Past due but not impaired (2)	25,070.33	78,047.54
Individually past due and impaired (3)	2,989.19	3,446.06
Investment Securities	331.00	331.00
Other financial assets	29,102.10	47,979.42
	<u>1,845,917.25</u>	<u>1,089,123.90</u>

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NOTES TO FINANCIAL STATEMENTS for the year ended 31 March 2026**5.2 Credit risk (Continued)**

(1) Government treasury bills and securities are neither past due nor impaired, and substantially with high credit-rating in Myanmar.

(2) Loans and advances past due but not impaired: Certain loans and advances are past due but no impaired as the collateral values of these loans and advances are in excess of the principal and interest outstanding.

(3) 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.

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 honouring 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 tables below set out the remaining contractual maturities of the Bank's assets and liabilities (inclusive of non-financial instruments) on an undiscounted basis.

	Less than 1 year	More than 1 year	No-specific maturity	Total
	MMK (million)	MMK (million)	MMK (million)	MMK (million)
Balance at 31 March 2026				
Assets				
Cash and balance with CBM	175,245.21	-	-	175,245.21
Interbank placements	281,563.66			281,563.66
Government securities	37,366.09	196,043.38		233,409.47
Loans and advances	652,901.57	473,364.23	-	1,126,265.80
Investments			331.00	331.00
Other assets			61,130.13	61,130.13
	1,147,076.53	669,407.61	61,461.13	1,877,945.27
Liabilities				
Borrowings	205,000.00	-	-	205,000.00
Deposits	905,492.56	622,345.21	-	1,527,837.77
Other Liabilities	-	-	85,567.84	85,567.84
	1,110,492.56	622,345.21	85,567.84	1,818,405.61
Net liquidity gap	36,583.97	47,062.40	(24,106.71)	59,539.66

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NOTES TO FINANCIAL STATEMENTS for the year ended 31 March 2026

5.3 Liquidity risk and cash flow risk (continued)

	Less than 1 year	More than 1 year	No-specific maturity	Total
	MMK (million)	MMK (million)	MMK (million)	MMK (million)
Balance at 31 March 2025				
Assets				
Cash in hand and at bank	137,546.99	-	-	137,546.99
Interbank placements	67,919.62			67,919.62
Government treasury bills and securities	30,049.20	43,423.45		73,472.65
Loans and advances	428,854.50	333,019.71	-	761,874.21
Investments			331.00	331.00
Other assets			65,817.89	65,817.89
Total assets	664,370.31	376,443.16	66,148.89	1,106,962.36
Liabilities				
Borrowings	32,333.86	-	-	32,333.86
Deposits	942,230.60	0.20	-	942,230.80
Other Liabilities	-	-	77,883.31	77,883.31
Total liabilities	974,564.46	0.20	77,883.31	1,052,447.97
Net liquidity gap	(310,194.15)	376,442.96	(11,734.42)	54,514.39

The Bank's liquidity ratios as of 31 March 2026 and 31 March 2025 were 29.34% and 22.62% respectively and hence maintaining above 20% minimum requirement of the Central Bank of Myanmar under Notification 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. The table below analyses the net foreign exchange positions of the Bank as at 31 March 2026 and 31 March 2025 by major currencies, which are mainly in Myanmar Kyats, US Dollars, Euros, Singapore Dollars, Chinese Yuan and Thai Baht.

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5.4 Foreign exchange risk (Continued)

	Myanmar	US	Euro	Singapore	Chinese	Thai	Total
	MMK (million)	MMK (million)	MMK (million)	MMK (million)	MMK (million)	MMK (million)	MMK (million)
For the year ended 31 March 2026							
Assets							
Cash and balance with	172,242.71	2,591.79	253.88	156.25	0.26	0.33	175,245.22
Interbank	247,742.97	32,309.93	23.94	24.30	1,373.94	88.57	281,563.65
Government	233,409.47						233,409.47
Loans and advances							-
- Not impaired	1,123,276.61						1,123,276.61
- Impaired	2,989.19						2,989.19
Investment	331.00						331.00
SWAP							-
Other Receivable		364.72					364.72
Total Assets	1,779,991.95	35,266.44	277.82	180.55	1,374.20	88.90	1,817,179.86
Liabilities							
Borrowing	205,000.00						205,000.00
Deposits from	1,500,947.04	26,401.56	30.57	1.23	457.01	0.36	1,527,837.77
SWAP Payable							-
Other Payable		755.72					755.72
Total Liabilities	1,705,947.04	27,157.28	30.57	1.23	457.01	0.36	1,733,593.49
Net Open Position	74,044.91	8,109.16	247.25	179.32	917.19	88.54	83,586.37

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5.4 Foreign exchange risk (Continued)

	Myanmar	US	Euro	Singapore	Chinese	Thai	Total
	MMK (million)	MMK (million)	MMK (million)	MMK (million)	MMK (million)	MMK (million)	MMK (million)
For the year ended 31 March 2025							
Assets							
Cash and balance	134,418.86	2,738.51	239.11	150.06	0.19	0.25	137,546.99
Interbank	40,522.80	25,903.50	22.55	23.34	1,310.75	136.68	67,919.62
Government	73,472.65						73,472.65
Loans and advances to customers							-
- Not impaired	758,428.16						758,428.16
- Impaired	3,446.06						3,446.06
Investment	331.00						331.00
SWAP Receivable		28,947.80					28,947.80
Other Receivable		368.14					368.14
Total Assets	1,010,619.54	57,957.94	261.66	173.40	1,310.94	136.94	1,070,460.42
Liabilities							
Borrowing	10,000.00		-	-			10,000.00
Deposits	917,488.65	24,327.07	28.79	1.18	371.00	14.12	942,230.81
SWAP-Payable		26,119.26					26,119.26
Other Payable		124.01					124.01
Total Liabilities	927,488.65	50,570.34	28.79	1.18	371.00	14.12	978,474.08
Net Open Position	83,130.89	7,387.60	232.87	172.22	939.94	122.82	91,986.34

Sensitivity analysis of foreign exchange risk

The following table demonstrates the sensitivity analysis of the Bank's pre-tax profit/(loss) to a reasonably possible change in the USD, Euro, SGD, CNY and THB against the respective functional currencies of the Bank, with all other variables held constant.

	US Dollar	Euro	Singapore Dollar	Chinese Yuan	Thailand Bath
	MMK (million)	MMK (million)	MMK (million)	MMK (million)	MMK (million)
For the year ended 31 March 2026					
Strengthened by 10%	810.92	24.73	17.93	91.72	8.85
Weakened by 10%	(810.92)	(24.73)	(17.93)	(91.72)	(8.85)
For the year ended 31 March 2025					
Strengthened by 10%	738.76	23.29	17.22	93.99	12.28
Weakened by 10%	(738.76)	(23.29)	(17.22)	(93.99)	(12.28)

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.

5.6 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)
- (v) Loss or increased charges associated with changes in, or errors in the interpretation of, taxation rate or law.

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 comply with regulations.

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 diversify 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.

5.7 Capital Management

"Capital Funds" is defined as listed below:

	31 March 2026	31 March 2025
	MMK	MMK
Share Capital	57,124,662,800	57,124,662,800
Reserves	17,120,965,338	15,801,294,539
Retained earnings	6,389,903,070	3,158,959,697
	80,635,531,208	76,084,917,036

The Bank's Regulatory Capital Adequacy Ratio as of 31 March 2026 and 31 March 2025 were 7.18% and 8.16% respectively, and hence less than 8% of regulatory capital adequacy and more than 4% minimum Tier 1's capital as prescribed by the Central Bank of Myanmar.

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6. Cash and cash equivalents

	31 March 2026	31 March 2025
	MMK	MMK
Cash in hand	40,370,317,520	34,898,234,632
Balance with Central Bank of Myanmar - Non-restricted	85,787,110,659	35,063,193,404
Balance with Central Bank of Myanmar - Restricted	49,087,786,427	28,797,074,523
Placement with Central Bank of Myanmar	-	38,788,488,000
	175,245,214,606	137,546,990,559

7. Placements and balances with other banks

	31 March 2026	31 March 2025
	MMK	MMK
Demand deposits with other banks	25,791,155,519	28,404,339,744
Placement with other banks	100,772,500,000	13,000,000,000
Fixed deposits with other banks <3 months	80,000,000,000	26,515,281,250
Fixed deposits with other banks >3 months	75,000,000,000	-
	281,563,655,519	67,919,620,994

8. Government treasury bills and securities

	31 March 2026	31 March 2025
	MMK	MMK
Government treasury bills	-	-
Government treasury bonds	233,409,473,388	73,472,648,742
	233,409,473,388	73,472,648,742
Due within 12 months	37,366,093,101	30,049,201,805
Due after 12 months	196,043,380,287	43,423,446,937
	233,409,473,388	73,472,648,743

9. Loans and advances to customers

	31 March 2026	31 March 2025
	MMK	MMK
Demand loans	859,601,269,588	538,110,409,318
Overdrafts	147,801,053,096	118,170,306,043
Hire purchase	24,194,129,822	20,684,992,200
SME loans	62,770,055,234	53,765,731,004
Home Loan	28,577,027,202	29,864,046,664
Solar financing	1,228,510,112	500,000,000
Education loans	315,606,785	179,769,772
Staff loans	732,318,788	548,262,128
Credit cards	1,045,830,592	50,698,864
	1,126,265,801,220	761,874,215,993
Specific provision for loan loss	(2,976,303,360)	(3,680,572,660)
	1,123,289,497,860	758,193,643,332

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NOTES TO FINANCIAL STATEMENTS for the year ended 31 March 2026**9. Loans and advances (continued)**

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

	31 March 2026	31 March 2025
	MMK	MMK
Industrial Manufacturing	225,775,840,556	184,777,759,750
Transportation	6,266,953,546	5,229,386,101
Trading	668,254,737,668	362,534,366,939
Service	104,657,326,862	84,406,438,257
Construction	25,263,606,323	18,909,124,354
Agriculture	12,186,219,234	23,943,519,158
General	29,251,356,937	33,142,849,709
Financial	25,300,000,000	18,500,000,000
Staff	732,318,841	566,725,061
Residential mortgage	28,577,441,253	29,864,046,664
	1,126,265,801,220	761,874,215,993

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

	31 March 2026	31 March 2025
	MMK	MMK
Industrial Manufacturing	1,993,389	16,658,208
Trading	7,790,431	7,790,431
Staff loan	26,036,882	630,977,716
General	2,940,482,658	3,025,146,305
	2,976,303,360	3,680,572,660

10. Investments

	31 Mar 2026	31 March 2025
	MMK	MMK
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
	331,000,000	331,000,000

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

	31 March 2026	31 March 2025
	MMK	MMK
Softwares, licenses and rights		
Cost		
Balance at beginning of the year	7,315,663,488	6,464,083,417
Additions during the year	1,497,593,964	851,580,071
Balance at the end of the year	<u>8,813,257,452</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	821,718,683	668,987,112
Balance at the end of the year	<u>4,427,869,676</u>	<u>3,606,150,994</u>
Net book value		
Balance at the end of the year	<u><u>4,385,387,775</u></u>	<u><u>3,709,512,494</u></u>
Balance at beginning of the year	<u><u>3,709,512,494</u></u>	<u><u>3,526,919,536</u></u>

13. Other assets

	31 March 2026	31 March 2025
	MMK	MMK
Interest receivable: loans and advances	9,567,895,748	12,044,630,246
Interest receivable: treasury bill and coupon receivable	32,805,000	-
Interest receivable: deposit with banks	1,874,109,242	297,806,067
Other receivable: SWAP	-	22,333,860,000
Other receivable: Business partners	16,539,287,915	11,786,015,026
Prepayments and advances	21,250,487,569	18,106,256,478
Advance income tax	1,326,008,463	340,240,383
Advance interest paid of fixed deposit	3,325,897,378	955,372,636
E-money deposit - Citizens Pay	50,000,000	80,000,000
Suspense - Money Gram, IME, Merchantrade and City Expre:	1,038,005,409	1,437,104,772
Suspense - Others	6,125,630,087	(1,563,393,936)
	<u><u>61,130,126,810</u></u>	<u><u>65,817,891,673</u></u>

14. Borrowings

	31 March 2026	31 March 2025
	MMK	MMK
Borrowing from Central Bank of Myanmar	30,000,000,000	22,333,860,000
Borrowing from other financial institutions	175,000,000,000	10,000,000,000
	<u><u>205,000,000,000</u></u>	<u><u>32,333,860,000</u></u>

Borrowings of MMK 30 million from the Central Bank of Myanmar represent short-term financing for a one-month period, bearing interest at 11% per annum and maturing on 24 April 2026.

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14. Borrowings (Continued)

Interbank borrowings were unsecured, primarily for short-term and were used for liquidity management purposes. As at 31 March 2026, interbank borrowings amounted to MMK 175 billion (2025: MMK 10 billion) and carried interest at floating rates ranging from 3.25% to 5% per annum, linked to CBM benchmark rates. The maturity profile of interbank borrowings were as follows: -

	31 March 2026	31 March 2025
- Less than 1 month	110,000,000,000	10,000,000,000
- 1–3 months	65,000,000,000	-
	<u>175,000,000,000</u>	<u>10,000,000,000</u>

15. Deposits from other banks

	31 March 2026 MMK	31 March 2025 MMK
Call deposits	2,478,207,413	2,700,252,920
Current deposits	576,123,965	239,486,965
Time deposits	156,250,000,000	55,250,000,000
Saving deposits	58,302,273,425	1,566,966,044
	<u>217,606,604,803</u>	<u>59,756,705,928</u>

16 Deposits from customers

	31 March 2026 MMK	31 March 2025 MMK
Call deposits	427,387,351,340	244,367,177,376
Current deposits	62,808,137,248	46,681,534,319
Time deposits	696,896,788,235	463,093,716,892
Saving deposits	123,138,886,731	128,331,666,049
	<u>1,310,231,163,554</u>	<u>882,474,094,635</u>

17 Other liabilities

	31 March 2026 MMK	31 March 2025 MMK
Interest payable on deposits	13,623,837,072	10,049,283,749
Interest income in suspense	6,856,876,867	10,219,646,973
Interest recovered in advance	-	(82,082,021)
Sundry deposit	26,407,730,239	1,958,268,151
Payment order	6,477,283,081	1,134,144,740
Other payables	10,648,167,315	2,385,317,222
Swap Payable MMK	-	38,788,488,000
Payable to business partners	103,108,452	13,852,717
Current year tax payable	2,537,791,738	1,164,231,920
General provision on loans and advances	18,029,005,693	10,741,173,988
Provision for cash shortage and others	884,042,751	1,510,981,331
	<u>85,567,843,208</u>	<u>77,883,306,770</u>

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18. Paid-up share capital

	31 March 2026	31 March 2025
	MMK	MMK
Share capital	<u>57,124,662,800</u>	<u>57,124,662,800</u>
Numbers of share	<u>10,400,986</u>	<u>10,400,986</u>

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	1,319,670,798	-	-	1,319,670,798
Balances at 31-3-2026	<u>12,612,655,006</u>	<u>4,496,310,332</u>	<u>12,000,000</u>	<u>17,120,965,338</u>
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	<u>11,292,984,207</u>	<u>4,496,310,332</u>	<u>12,000,000</u>	<u>15,801,294,539</u>

⁽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 which was set aside as reserve. Starting from 2018-2019 financial year, the above 2% general provisions were charged to profit or loss and respective credits were shown under other liabilities.

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20. Interest income

	2025-2026	2024-2025
	MMK	MMK
Interest income on hire purchase	3,261,096,181	2,083,659,476
Interest income on loans and overdrafts	100,614,459,658	64,245,630,267
Interest income on SME loan	4,495,256,012	3,201,008,832
Interest income on home loan	4,097,209,497	5,784,332,210
Interest income on staff loan	9,016,017	5,965,958
Interest income on trade guarantee	-	608,397
Interest on Mortgage Loan	-	41,628,941
Interest on Solar Financing	125,680,085	1,068,493
Interest on Visa Credit Card	84,769,273	173,749
Interest income on investment	22,872,956,318	12,626,350,930
	135,560,443,042	87,990,427,253

Note:

	2025-2026	2024-2025
Interest rate on loans and advances	3%~15%	7.5%~15%
Interest rate on Credit Card	16.5%	16.5%
Interest rate on deposit with other banks	4%~12.75%	6%~12%

21. Interest expenses

	2025-2026	2024-2025
	MMK	MMK
Interest expense on saving deposit	9,749,235,072	7,183,721,004
Interest expense on fixed deposit	78,341,960,204	37,173,589,327
Interest expense on call deposit	23,742,431,580	20,317,340,702
Interest expense on inter bank borrowing	2,820,147,945	1,611,193,151
	114,653,774,801	66,285,844,184

Note:

Interest on saving deposit was 7%~10.5% p.a. and calculated on the minimum balance of the account during the period from the 7th day to end of the month.

21. Interest expenses (continued)

	2025-2026	2024-2025
Interest rates on fixed deposit were as follows:		
1-2 month	7%~11%	7%~11%
3 months	7.5%~11.5%	7.5%~12%
6 months	7.75%~12%	7.75%~12.5%
9 months	7.75%~12.75%	7.75%~12.75%
12 months	8%~13.8%	8%~13%
24 months	8.25%	8.25%

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

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22. Net fee and commission income

	2025-2026	2024-2025
	MMK	MMK
Fees and commission income		
Services fee income	14,490,851,677	7,686,153,441
Commission income	5,184,644,209	3,123,725,419
Card related income	271,376,356	233,800,626
Other fees income	565,823,480	1,423,400
	<u>20,512,695,722</u>	<u>11,045,102,886</u>
Fees and commission expense		
Bank commission and service charges	145,849,773	185,563,100
Card related expenses	862,914,432	740,079,045
Other fee expenses	36,776,800	17,932,000
	<u>1,045,541,005</u>	<u>943,574,145</u>
	<u>19,467,154,716</u>	<u>10,101,528,741</u>

23. Other operating income

	2025-2026	2023-2024
	MMK	MMK
Net income from foreign currency transactions	6,067,608,280	2,449,810,664
(Loss)/gain on revaluation	(3,713,155)	98,595,234
Miscellaneous income	376,763,920	110,037,252
	<u>6,440,659,045</u>	<u>2,658,443,150</u>

24. Personnel expenses

	2025-2026	2024-2025
	MMK	MMK
Salaries and wages (local)	10,629,494,134	9,194,142,761
Salaries and wages (foreign)	894,543,152	1,223,033,981
Overtime allowance	183,719,682	201,240,619
House allowance	134,725,995	200,459,250
Contribution to employee benefit	121,445,700	113,881,600
Compensation	-	28,000,000
Other staff related expenses	1,628,405,517	1,315,894,042
	<u>13,592,334,178</u>	<u>12,276,652,253</u>

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25. Administration and general expenses

	2025-2026	2024-2025
	MMK	MMK
Annual general meeting expense	11,046,303	23,188,349
Directors' meeting fees	177,400,000	137,300,000
Donation and entertainment	45,667,753	132,458,901
Insurance	136,760,825	137,088,901
Marketing and advertising	1,133,709,899	468,310,634
Miscellaneous expenses	207,151,647	336,608,933
Office supplies	484,562,988	481,501,723
Professional service fees	793,194,600	209,171,915
Rates and taxes	142,532,850	125,560,383
Registration and license	2,337,781,987	1,885,872,272
Rent	2,936,533,455	2,565,812,273
Repair and maintenance	3,216,924,152	2,764,069,189
Travel and transport	202,361,370	199,515,547
Utilities	3,098,822,473	2,785,562,501
Written off	625,971,860	1,028,856,087
(Gain) Loss on disposal	475,810	482,814
	15,550,897,971	13,281,360,421

26. Income tax expenses

	2025-2026	2024-2025
	MMK	MMK
Current tax - Corporate income tax	3,037,393,689	1,114,231,920
Current tax - Capital gain tax	-	-
	3,037,393,689	1,114,231,920

27. Earnings per share

Basic and diluted earnings per share

	2025-2026	2024-2025
	MMK	MMK
Net profit attributable to equity holders of the Bank	5,278,683,191	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
	508	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.

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28. Related party transactions (Continued)

(a) Sales and purchase of goods and services	31 March 2026	31 March 2025
	MMK	MMK
Rental expense charged to profit or loss under the contracts with related parties	657,573,899	619,297,836
Renovation project management fee	71,192,625	
(b) Outstanding balances		
Deposits with related parties	406,936,299,436	218,211,801,147
Loans and advances with related parties	7,020,879,949	13,001,565,714
Bank guarantee with related parties	17,263,450,103	16,308,211,706
Prepaid rental outstanding with related parties	289,944,954	454,138,475
(c) Key management personnel compensation	31 March 2026	31 March 2025
	MMK	MMK
Salaries and wages	1,245,965,307	1,461,413,332
Directors' meeting fees	177,400,000	137,300,000

29. Guarantees and commitments

(a) Bank guarantees	31 March 2026	31 March 2025
	MMK	MMK
Guarantees in local currency	51,845,469,884	30,260,961,246
Guarantees in foreign currency	-	-
	51,845,469,884	30,260,961,246

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	31 March 2026	31 March 2025
	MMK	MMK
Undrawn overdraft	30,120,457,032	17,404,365,812
Rental expense	5,813,884,285	5,444,110,214
	35,934,341,317	22,848,476,026

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 FINANCIAL STATEMENTS for the year ended 31 March 2026

							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	67,372,991	37,142,800	294,000,000	774,843,237	2,323,750	1,175,682,778	
Disposals	(1,070,000,000)			(1,551,350)		(1,071,551,350)	
Write-off	(6,650,000)			(45,619,964)		(52,269,964)	
Adjustment				529,926	106,250	636,176	
At 31 March 2026	13,063,530,312	5,929,280,300	1,780,692,476	10,739,819,791	1,254,643,756	32,767,966,636	
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	152,304,841	568,483,235	88,517,956	1,061,614,571	78,971,282	1,949,891,885	
Disposals				(1,020,539)		(1,020,539)	
Write-off	(1,233,021)			(40,987,099)		(42,220,120)	
Adjustment	(279,524)			809,450	106,250	636,176	
At 31 March 2026	1,418,799,141	3,101,310,668	1,166,430,271	6,852,078,791	542,560,951	13,081,179,822	
Net Book value as at 31 March 2026	11,644,731,171	2,827,969,632	614,262,205	3,887,741,001	712,082,804	19,686,786,815	
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 31 March 2026 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
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NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

Property and equipment							Annexure -2
	Land & Building MMK	Leasehold improvement MMK	Motor Vehicle MMK	Furniture & Office Equipment MMK	Plant & Machinery MMK	TOTAL 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.