



ပထမ ပုဂ္ဂလိက ဘဏ် လီမိတက်
FIRST PRIVATE BANK LIMITED

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 PABEDAN TOWNSHIP, YANGON, UNION OF MYANMAR.

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FIRST PRIVATE BANK LIMITED

2017-2018 (April-September)

Interim Results- Management discussion and Analysis

The Board of Director of First Private Bank Ltd(FPB), refers to the Bank unaudited interim financial statements for the six months ended 30September 2017.

FIRST PRIVATE BANK LIMITED STATEMENT OF INCOME FOR 30 SEPTEMBER 2017 (Summary)

(Unaudited)

(Ks in Thousands)

	2017-18 (Half Year)	2016-17 (Half Year)	% Change
Total interest Income	10,492,398	9,664,782	8.56
Total Interest Expenses	<u>-6,705,816</u>	<u>-6,311,038</u>	6.26
Net Interest Income	3,786,582	3,353,744	12.91
Other Operating Income	<u>1,556,873</u>	<u>1,749,324</u>	-11.00
Total Operating Income	<u>5,343,455</u>	<u>5,103,068</u>	4.71
Operating Expenses			
Staff Expenses	913,681	776,147	17.72
Other Operating Expenses	437,493	338,865	29.11
Total Operating Expenses	<u>1,351,174</u>	<u>1,115,012</u>	21.18
Net Income	<u>3,992,281</u>	<u>3,988,056</u>	0.11

Net income for the first half of 2017-18 FY exceeded slightly (0.11%) compared to the net income of the first half of 2016-17 FY. Total operating income increased 4.71 percent and total operating expenses increased by 21.18 percent. Total net interest income increased by 12.91 percent whereas other operating income decreased by 11.0 percent due to fall in remittance income and fall in foreign exchange earnings because of fluctuations in foreign exchange rates. The main reason for the increase in total operating income is due to 17.22 percent increase in loans and overdrafts. Total operating expenses increased because of increases in staff expenses of 17.72 percent, other operating

expenses of 29.11 percent, including opening of two new branches Tedim(Chin State) and Myitkyina (Kachin State) branches.

Overall, the financial situation of FPB is sound, stable and progressing in a sustainable way.

FIRST PRIVATE BANK LIMITED
STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2017

(Unaudited)

(Ks in Thousands)

ASSETS	2017-18 (Half Year)	2016-17 (Half Year)	% Change
Cash at Bank ¹	14,169,118	21,171,582	-33.07
Cash with Central Bank of Myanmar ²	9,612,561	15,661,586	-38.62
Cash with other banks ³	16,258,098	8,994,137	80.76
Loans & Overdrafts ⁴	158,463,617	135,180,480	17.22
Advances & Receivables ⁵	7,372,426	4,793,704	53.79
Stock (Stationary)	34,511	23,443	47.21
Investments ⁶	23,202,300	35,164,389	-34.02
Property ,Plant & Equipment	6,966,307	6,196,585	12.42
Acceptance, Endorsement & Guarantee	812,699	723,098	12.39
Total Assets	236,891,637	227,909,004	3.94
LIABILITIES			
Total Deposits	177,527,506	168,037,086	5.65
Other Liabilities ⁷	1,545,731	3,667,217	-57.85
Payment Orders	47,512	133,969	-64.54
Provision for Income Tax	0	2,137,197	
Borrowing from CBM	0	0	
Dividend Payable	82,636	144,255	-42.72
Acceptance, Endorsement & Guarantee	812,699	723,098	12.39
Total Liabilities	180,016,084	174,842,822	2.96
EQUITY			
Issued & Paid Up Capital	24,720,530	24,025,740	2.89
Share Premium	11,846,012	10,456,618	13.29
<u>Reserves & Retained Earnings</u>			
General Reserve (Statutory)	11,946,434	10,327,789	15.67
General Provision(Loans)	3,158,962	2,862,060	10.37
Reserves for Contingencies	223,261	201,347	10.88
Other Reserves	388,117	288,117	34.71
Retained Earnings ⁸	316,479	505,810	-37.43
Surplus Income	4,275,758	4,398,701	-2.79
Total Equity	56,875,552	53,066,182	7.18
Total Equity & Liabilities	236,891,637	227,909,004	3.94

Management Discussion and Analysis

1. In the first half of 2017-2018 FY FPB's consolidated **Cash at Bank** is decreased **33.07%** than 2016-2017.
2. Similarly FPB decreased **38.62 %** of its **Cash with Central Bank** Account to maintain minimum reserve requirement ratio.
3. For smooth cash flow and better liquidity, FPB increased **80.76%** its **Cash with other Banks** Account in the first half of 2017-2018 FY than 2016-2017 HY, especially with Foreign Bank Nostro Accounts in UOB, OCBC, UBI and other correspondence Banks.
4. In the first half of 2017-2018 FY FPB increased **17.22%** on its **loans & Overdraft** than 2016-2017 to generate more income.
5. According to BOD's decision to develop International Standard banking practices, FPB purchased Misys CORE Banking solution. Expenditures increased by **53.97 %** in the first half of 2017-2018 FY.
6. **Investments** Account for the first half of 2017-2018 FY decreased **34.02 %** than same period of 2016-2017 HY due to less short term investments at CBM's deposit auction and bill auction.
7. **Other liabilities** Account of the first half of 2017-2018 FY decreased **57.85 %** than 2016-2017 HY as the share capital and premium transfer to relevant accounts were credited temporarily in Sundry deposit Account before CBM's approval.
8. **Reserves and Retained Earnings** decreased **37.43 %** because Ks 189.33 Million (net) was supplemented to dividends paid for the first half of 2016-2017 FY.

By Order

Myint Zaw
Chief Executive Officer