

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 2025

(2024-2025 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 Aung Soe	Director
Daw Khin Mar Myint	Director
U Aung Aung	Director
Chief Executive Officer	Director
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

CONTENTS	Page
STATEMENT OF DIRECTORS' RESPONSIBILITY	1-2
INDEPENDENT AUDITOR'S REPORT	3-6
STATEMENT OF FINANCIAL POSITION	7
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	8
STATEMENT OF CHANGES IN EQUITY	9
STATEMENT OF CASH FLOWS	10
NOTES TO FINANCIAL STATEMENTS	11-40
ANNEXURE	41-42

MYANMAR CITIZENS BANK PUBLIC COMPANY LIMITED

(Incorporated in the Republic of the Union of Myanmar)

Directors' Statement

For the year ended 31 March 2025

The directors present their statement to the members together with the audited financial statements for the year ended 31 March 2025.

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 2025, 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.	Daw Khin Mar Myint	Director
5.	U Aung Aung	Director
6.	Chief Executive Officer	Director
7.	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 27, There is no other related party transactions were conducted by the Bank during the financial year ended 31 March 2025.

Effect of the natural disasters

On 28th March 2025, a 7.7 magnitude earthquake struck Myanmar with its epic center near Mandalay and Sagaing. Due to its impact, some of the buildings of the Bank were damaged and banking operations were disrupted for several days. While experts and technicians were carrying out damage assessments, estimated monetary provisions were recorded at the time the financial statements were issued. Adequate disclosure has been made in Note 30 to the financial statements, and the situation continues to be monitored.

On behalf of Board of directors,



Toe Aung Myint

Chairman

Myanmar Citizens Bank Public Company Limited

Date: June 27, 2025



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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 2025

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 2025, 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 2025, 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 Matter	How our audit address
General provision of loan loss	
As of 31 March 2025, the Bank reported total outstanding loans and advances to customers amounting to MMK 761,874.21 million. The Bank made a general provision of loan loss MMK 15,237.48. 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 was in compliance with Notification 17/2017 of the Central Bank of Myanmar and that the determination of non-impaired exposures was appropriate.
Specific provision for loans and advances to customers	
As of 31 March 2025, the Bank reported a total outstanding loans and advances to customers amounting to MMK 761,874.21 million and on which, a specific provision of MMK 3,680.57 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 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



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	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 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.

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 27, 2025

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 2025

	Notes	31.3.2025 MMK	31.3.2024 MMK
ASSETS			
Cash on hand and balances with Central Bank	6	137,546,990,559	159,224,684,888
Placements and balances with other banks	7	67,919,620,994	46,931,989,124
Government treasury bills and securities	8	73,472,648,742	81,692,010,061
Loans and advances	9	758,193,643,332	620,836,963,165
Investments	10	331,000,000	331,000,000
Property and equipment	11	21,541,576,575	18,636,535,164
Intangible assets	12	3,709,512,494	3,526,919,536
Other assets	13	65,817,891,673	50,332,253,678
TOTAL ASSETS		1,128,532,884,369	981,512,355,616
LIABILITIES			
Borrowings	14	32,333,860,000	65,385,360,000
Deposit from customers	15	942,230,800,563	772,250,031,441
Other liabilities	16	77,883,306,770	70,612,409,988
Total liabilities		1,052,447,967,333	908,247,801,429
EQUITY			
Paid-up share capital	17	57,124,662,800	57,124,662,800
Reserves	18	15,801,294,539	15,096,203,827
Retained earnings		3,158,959,697	1,043,687,560
Total equity		76,084,917,036	73,264,554,187
TOTAL LIABILITIES AND EQUITY		1,128,532,884,369	981,512,355,616

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, 27 June 2025

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 MRCH 2025

	Notes	2024-2025 MMK	2023-2024 MMK
Interest income	19	87,990,427,253	59,508,115,069
Interest expenses	20	(66,285,844,184)	(43,353,259,901)
Net interest income		21,704,583,069	16,154,855,168
Net fee and commission income	21	10,101,528,741	10,686,524,448
Other operating income	22	2,658,443,150	111,672,665
		34,464,554,960	26,953,052,281
Changes in specific provision for loan loss		231,320,167	519,500,196
Changes in general provision for loan loss		(2,738,612,773)	(5,127,170,524)
Income before operation expenses		31,957,262,354	22,345,381,953
Administration and general expenses	23, 24	(25,558,012,674)	(19,232,451,749)
Depreciation and amortization	11, 12	(2,464,654,912)	(2,205,226,586)
Profit before income tax		3,934,594,769	907,703,618
Income tax expenses	25	(1,114,231,920)	(150,120,232)
Profit for the year		2,820,362,849	757,583,386
Other comprehensive income		-	-
Total comprehensive income for the year		2,820,362,849	757,583,386
 Earnings per share	 26	 271	 73

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, 27 June 2025

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 2025

	Share Capital MMK	Reserves MMK	Retained Earnings MMK	Total Equity MMK
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
Provision for the year	-	705,090,712	(705,090,712)	-
Balance as at end of year	57,124,662,800	15,801,294,539	3,158,959,697	76,084,917,036
2023-2024				
Balance at beginning of year	57,124,662,800	14,906,807,981	475,500,020	72,506,970,801
Previous years adjustment	-	-	-	-
Restated balance	57,124,662,800	14,906,807,981	475,500,020	72,506,970,801
Net profit for the year	-	-	757,583,386	757,583,386
Provision for the year	-	189,395,846	(189,395,846)	-
Balance as at end of year	57,124,662,800	15,096,203,827	1,043,687,560	73,264,554,187

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 2025

		2024-2025	2023-2024
		MMK	MMK
Cash flows from operating activities			
Profit before tax		3,934,594,769	907,703,618
Adjustments for:			
Depreciation	11	1,795,667,800	1,567,450,898
Amortization	12	668,987,112	637,775,688
Changes in specific provision for loan loss		(231,320,167)	(519,500,196)
Changes in general provision for loan loss		2,738,612,773	5,127,170,524
(Gain)/loss on disposal of property and equipment		482,814	(149,752,080)
Written-off of property and equipment		72,438,756	1,905,952
Operating profit/(loss) before working capital changes		8,979,463,857	7,572,754,403
Working capital changes			
(Increase)/decrease in Interbank placement		(20,987,631,870)	(17,109,481,934)
(Increase)/decrease in Loans and advances		(137,125,360,000)	(256,358,526,179)
(Increase)/decrease in Other assets		(15,285,237,994)	(30,024,648,975)
(Increase)/decrease in Deposit from customers		169,980,769,122	247,445,795,157
(Increase)/decrease in Other liabilities		3,418,052,089	40,566,809,759
Cash generated from operation		8,980,055,204	(7,907,297,769)
Income tax paid		(200,400,000)	(800,000)
Net cash provided by/ (used in) operating activities		8,779,655,204	(7,908,097,769)
Cash flows from investing activities			
Purchase of property and equipment		(4,777,012,781)	(2,759,084,779)
Purchase of intangible assets		(851,580,071)	(160,718,847)
Proceeds from sale of property and equipment		3,382,000	158,832,629
Proceeds from maturity of government treasury bills		8,219,361,319	22,076,217,089
Net cash provided by/(used in) investing activities		2,594,150,467	19,315,246,090
Cash flows from financing activities			
Received/ (repayment) of borrowings		(33,051,500,000)	35,610,510,000
Dividends paid		-	-
Net cash provided by/(used in) financing activities		(33,051,500,000)	35,610,510,000
Net increase/(decrease) in cash and cash equivalents		(21,677,694,329)	47,017,658,321
Cash and cash equivalents at beginning of the year	6	159,224,684,888	112,207,026,567
Cash and cash equivalents at end of the year	6	137,546,990,559	159,224,684,888

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 2025**1. Corporate Information**

Myanmar Citizens Bank Public Company Limited ("the Bank") is incorporated and domiciled in Myanmar and has its registered office at No. 383, Mahabandoola Road, Kyauktada Township, Yangon Region, Myanmar. The Bank was established as a public company limited by shares on 30 October 1991 with Registration No. 274/1991-1992 under the Myanmar Companies Act 1914 and 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 2025	2,103.00	2,273.88	1,564.25	289.12	61.86
31 March 2024	2,103.00	2,281.20	1,580.50	305.11	61.33

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.

Deferred tax:

Deferred tax is recognized for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of an asset or liability that affects neither accounting nor taxable profit or loss at the time of the transaction. Deferred income tax is measured at the tax rates that are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the reporting date.

3.8 Income tax (continued)

Current and deferred income taxes are recognized as income or expenses in profit or loss, except to the extent that the tax arises from a transaction which is recognized directly in equity.

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.

(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".

3.9 Financial assets and financial liabilities (Continued)

(a) Initial recognition and subsequent measurement (Continued)

(4) Available-for-sale

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

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

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.

3.9 Financial assets and financial liabilities (Continued)

(d) Determination of fair value

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

3.10 Impairment of financial assets

(a) Loans and advances

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

Individual assessment

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

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

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.

3.10 Impairment of financial assets (Continued)

(a) Loans and advances(Continued)

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.

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.

3.10 Impairment of financial assets (Continued)

(d) Available-for-sale(Continued)

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.

3.12 Summary of significant accounting policies (continued)

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 2025 and 31 March 2024.

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.

3.22 Fair value measurement (Continued)

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

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

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

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

4. Significant accounting judgments, estimates and assumptions

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

4.1 Impairment of credit exposures

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

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

4.2 Fair value measurement

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

4.2 Fair value measurement(Continued)

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 2025 and 31 March 2024. 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.

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 2025
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 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 customers	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
For the year ended 31 March 2024							
Assets							
Cash	-	-	-	-	-	159,224.68	159,224.68
Interbank placements	18,000.00	-	-	-	18,000.00	28,931.99	46,931.99
Government treasury bills and securities	2,000.00	4,477.25	6,245.55	68,969.21	81,692.01		81,692.01
Loans and advances							
- Not impaired	52,034.37	56,124.16	246,123.84	257,116.76	611,399.13	9,200.81	620,599.94
- Impaired	4,182.14	-	41.13	32.90	4,256.17	87.46	4,343.63
Investments					-	331.00	331.00
Property and equipment	-	-	-	-	-	18,636.54	18,636.54
Intangible assets	-	-	-	-	-	3,526.92	3,526.92
Other assets	-	-	-	-	-	50,332.25	50,332.25
Total assets	76,216.51	60,601.41	252,410.52	326,118.87	715,347.31	270,271.65	985,618.96
Liabilities and equity							
Borrowings	1,000.00	41,000.00	-	-	42,000.00	23,385.36	65,385.36
Deposits from customers	453,975.96	169,120.10	117,386.75	0.70	740,483.51	31,766.52	772,250.03
Other liabilities	-	-	-	-	-	70,612.41	70,612.41
Total liabilities	454,975.96	210,120.10	117,386.75	0.70	782,483.51	125,764.29	908,247.80
Total interest sensitivity gap	(378,759.45)	(149,518.69)	135,023.77	326,118.17	(67,136.20)	144,507.36	77,371.16

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 2025			
Impact to profit before tax		(452.38)	452.38
Impact to profit after tax	17%	(375.47)	375.47
For the year ended 31 March 2024			
Impact to profit before tax		(671.36)	671.36
Impact to profit after tax	17%	(557.23)	557.23

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:

	2024-2025 MMK Mil	2023-2024 MMK Mil
Financial assets		
Cash	137,546.99	159,224.68
Government treasury bills (1)	73,472.65	81,692.01
Interbank placements	67,919.62	46,931.99
Loans and advances		
Neither past due nor impaired	680,380.62	577,468.22
Past due but not impaired (2)	78,047.54	43,131.72
Individually past due and impaired (3)	3,446.06	4,343.64
Investment Securities	331.00	331.00
Other financial assets	47,979.42	38,064.07
	1,089,123.90	951,187.34

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 2025**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 2025				
Assets				
Cash	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
	664,370.31	376,443.16	66,148.89	1,106,962.36
Liabilities				
Borrowings	32,333.86	-	-	32,333.86
Deposits from Customers	942,230.60	0.20	-	942,230.80
Other Liabilities	-	-	77,883.31	77,883.31
	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

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 2025

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 2024				
Assets				
Cash in hand and at bank	159,224.68	-	-	159,224.68
Interbank placements	46,931.99			46,931.99
Government treasury bills and securities	12,722.80	68,969.21		81,692.01
Loans and advances	367,793.91	257,149.66	-	624,943.57
Investments			331.00	331.00
Other assets			50,332.25	50,332.25
Total assets	586,673.39	326,118.87	50,663.25	963,455.50
Liabilities				
Borrowings	65,385.36	-	-	65,385.36
Deposits from Customers	772,249.33	0.70	-	772,250.03
Other Liabilities	-	-	70,612.41	70,612.41
Total liabilities	837,634.69	0.70	70,612.41	908,247.80
Net liquidity gap	(250,961.30)	326,118.17	(19,949.16)	55,207.70

The Bank's liquidity ratios as of 31 March 2025 and 31 March 2024 were 22.62% and 25.23% 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 2025 and 31 March 2024 by major currencies, which are mainly in Myanmar Kyats, US Dollars, Euros, Singapore Dollars, Chinese Yuan and Thai Baht.

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 2025

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	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							-
- 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 from	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

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 2025
5.4 Foreign exchange risk (Continued)

	Myanmar	US	Euro	Singapore	Chinese	Thai	Total
	<i>MMK</i> <i>(million)</i>	<i>MMK</i> <i>(million)</i>	<i>MMK</i> <i>(million)</i>	<i>MMK</i> <i>(million)</i>	<i>MMK</i> <i>(million)</i>	<i>MMK</i> <i>(million)</i>	<i>MMK</i> <i>(million)</i>
For the year ended 31 March 2024							
Assets							
Cash and	156,166.05	2,670.75	238.42	149.29	0.11	0.07	159,224.68
Interbank	19,096.28	27,189.70	22.48	23.08	545.78	54.66	46,931.99
Government	81,692.01						81,692.01
Loans and advances to customers							-
- Not impaired	620,599.94	-	-	-	-	-	620,599.94
- Impaired	4,343.64	-	-	-	-	-	4,343.64
Investment	331.00	-	-	-	-	-	331.00
SWAP Receivable		23,385.36					23,385.36
Total Assets	882,228.92	53,245.81	260.90	172.37	545.89	54.73	936,508.62
Liabilities							
Borrowing	42,000.00		-	-	-		42,000.00
Deposits from	756,461.95	15,599.19	28.70	0.86	159.25	0.07	772,250.02
SWAP-Payable		23,385.36					23,385.36
Total Liabilities	798,461.95	38,984.55	28.70	0.86	159.25	0.07	837,635.38
Net Open Position	83,766.97	14,261.26	232.20	171.51	386.64	54.66	98,873.24

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
	<i>MMK</i> <i>(million)</i>	<i>MMK</i> <i>(million)</i>	<i>MMK</i> <i>(million)</i>	<i>MMK</i> <i>(million)</i>	<i>MMK</i> <i>(million)</i>
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)
For the year ended 31 March 2024					
Strengthened by 10%	1,426.13	23.22	17.15	38.66	5.47
Weakened by 10%	(1,426.23)	(23.22)	(17.15)	(38.66)	(5.47)

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.

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 2025

5.7 Capital Management

"Capital Funds" is defined as listed below:

	31 March 2025	31 March 2024
	MMK	MMK
Share Capital	57,124,662,800	57,124,662,800
Reserves	15,801,294,539	15,096,203,827
Retained earnings	3,158,959,697	1,043,687,560
	76,084,917,036	73,264,554,187

The Bank's Regulatory Capital Adequacy Ratio as of 31 March 2025 and 31 March 2024 were 8.16% and 8.28% respectively, and hence more than 8% of regulatory capital adequacy and 4% minimum Tier 1's capital as prescribed by the Central Bank of Myanmar.

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 2025

6. Cash and cash equivalents

	31 March 2025	31 March 2024
	MMK	MMK
Cash in hand	34,898,234,632	34,031,466,239
Balance with Central Bank of Myanmar - Non-restricted	35,063,193,404	71,446,132,830
Balance with Central Bank of Myanmar - Restricted	28,797,074,523	22,290,829,819
Placement with Central Bank of Myanmar	38,788,488,000	31,456,256,000
	137,546,990,559	159,224,684,888

7. Placements and balances with other banks

	31 March 2025	31 March 2024
	MMK	MMK
Demand deposits with other banks	28,404,339,744	28,931,989,124
Placement with other banks	13,000,000,000	18,000,000,000
Fixed deposits with other banks <3 months	26,515,281,250	-
Fixed deposits with other banks >3 months	-	-
	67,919,620,994	46,931,989,124

8. Government treasury bills and securities

	31 March 2025	31 March 2024
	MMK	MMK
Government treasury bills	-	4,000,000,000
Government treasury bonds	73,472,648,742	77,692,010,061
	73,472,648,742	81,692,010,061
Due within 12 months	30,049,201,805	12,722,801,012
Due after 12 months	43,423,446,937	68,969,209,049
	73,472,648,743	81,692,010,061

9. Loans and advances to customers

	31 March 2025	31 March 2024
	MMK	MMK
Demand loans	538,110,409,318	368,084,611,024
Overdrafts	118,170,306,043	99,548,240,855
Hire purchase	20,684,992,200	25,360,824,971
SME loans	53,765,731,004	46,119,267,761
Trade guarantees	-	1,688,754
Home loans	29,864,046,664	83,746,060,003
Mortgage loans	-	898,880,665
Solar financing	500,000,000	-
Education loans	179,769,772	9,251,931
Staff loans	548,262,128	1,174,751,385
Credit cards	50,698,864	-
	761,874,215,993	624,943,577,348
Specific provision for loan loss	(3,680,572,660)	(4,106,614,183)
	758,193,643,332	620,836,963,165

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 2025

9. Loans and advances (continued)

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

	31 March 2025	31 March 2024
	MMK	MMK
Industrial Manufacturing	184,777,759,750	148,400,514,238
Transportation	5,229,386,101	4,630,239,369
Trading	362,534,366,939	266,097,611,777
Service	84,406,438,257	54,130,300,073
Construction	18,909,124,354	9,940,011,007
Agriculture	23,943,519,158	2,024,969,952
General	33,142,849,709	43,116,177,867
Financial	18,500,000,000	10,753,846,154
Staff Loan	566,725,061	1,204,966,243
Home Loan	29,864,046,664	84,644,940,668
	761,874,215,993	624,943,577,348

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

	31 March 2025	31 March 2024
	MMK	MMK
Industrial Manufacturing	16,658,208	8,273,255
Trading	7,790,431	3,666,667
Staff loan	630,977,716	734,728,245
Agriculture and Livestocks	-	132,978,380
General	3,025,146,305	3,226,967,636
	3,680,572,660	4,106,614,183

10. Investments

	31 March 2025	31 March 2024
	MMK	MMK
Investments in debt instruments	-	-
Investments in equity instruments		
<u>Unquoted equity share at cost:</u>		
Myanmar Payment Union	200,000,000	200,000,000
Myanmar Credit Bureau	130,000,000	130,000,000
Others	1,000,000	1,000,000
	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.

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 2025

12. Intangible assets

	31 March 2025	31 March 2024
	MMK	MMK
Softwares, licenses and rights		
Cost		
Balance at beginning of the year	6,464,083,417	6,303,364,570
Additions during the year	851,580,071	160,718,847
Balance at the end of the year	<u>7,315,663,488</u>	<u>6,464,083,417</u>
Accumulated amortization		
Balance at beginning of the year	2,937,163,881	2,299,388,193
Amortization during the year	668,987,112	637,775,688
Balance at the end of the year	<u>3,606,150,994</u>	<u>2,937,163,881</u>
Net book value		
Balance at the end of the year	<u><u>3,709,512,494</u></u>	<u><u>3,526,919,536</u></u>
Balance at beginning of the year	<u><u>3,526,919,536</u></u>	<u><u>4,003,976,377</u></u>

13. Other assets

	31 March 2025	31 March 2024
	MMK	MMK
Interest receivable on loans and advances	12,044,630,246	13,715,678,473
Interest receivable on treasury bill and coupon receivable	-	59,544,820
Interest receivable on deposit with banks	297,806,067	7,249,315
SWAP receivables	22,333,860,000	23,385,360,000
Prepayments and advances	18,106,256,478	10,066,871,861
Advance income tax	340,240,383	289,960,614
Advance interest paid of fixed deposit	955,372,636	51,498,685
Receivables from business partners	11,786,015,026	303,125,965
E-money deposit - Citizens Pay	80,000,000	282,000,000
Suspense - Money Gram and IME	1,437,104,772	370,658,956
Suspense - Others	(1,563,393,936)	1,800,304,989
	<u><u>65,817,891,673</u></u>	<u><u>50,332,253,678</u></u>

14. Borrowings

	31 March 2025	31 March 2024
	MMK	MMK
Borrowing from Central Bank of Myanmar	22,333,860,000	64,385,360,000
Borrowing from other financial institutions	10,000,000,000	1,000,000,000
	<u><u>32,333,860,000</u></u>	<u><u>65,385,360,000</u></u>

Borrowing from Central Bank of Myanmar at 31.3.2025 represents SWAP of USD 10.62 million (maturity 9 May 2025), in which the bank acts as an intermediary between CBM and customers, thus there is no impact to the Bank regarding interest of this SWAP deal.

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 2025

14. Borrowings (Continued)

Borrowing from other financial institutions at 31.3.2025 represents borrowing from Yoma bank MMK 5 billion with the interest rate of 9.5% p.a, matured on 2 April 2025; and from AYA bank with the interest rate of 10.15% p.a, MMK 3 billion matured on 4 April 2025 and MMK 2 billion matured on 2 April 2025.

15. Deposits from customers

	31 March 2025	31 March 2024
	MMK	MMK
Call deposits	247,067,430,295	302,643,875,390
Time deposits	518,343,716,892	289,470,999,334
Current deposits	46,921,021,284	31,766,520,032
Saving deposits	129,898,632,092	148,368,636,685
	942,230,800,563	772,250,031,441
Above include deposits from other banks	59,756,705,928	49,313,199,775

16. Other liabilities

	31 March 2025	31 March 2024
	MMK	MMK
Interest in suspense	10,219,646,973	12,687,456,603
Interest recovered in advance	(82,082,021)	(392,011,278)
Interest payable on deposits	10,049,283,749	6,543,060,731
Payment order	1,134,144,740	885,022,207
Other payables	2,385,317,222	8,822,237,195
Sundry deposit	1,958,268,151	1,509,780,668
Swap Payable MMK	38,788,488,000	31,456,256,000
Current year tax payable	1,164,231,920	150,120,232
General provision on loans and advances	10,741,173,988	8,002,561,215
Provision for cash shortage and others	1,510,981,331	884,042,751
Payable to business partners	13,852,717	63,883,664
	77,883,306,770	70,612,409,988

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 2025

17. Paid-up share capital

	31 March 2025	31 March 2024
	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.

18. Reserves

	Statutory reserve fund⁽¹⁾	General provision for loan loss⁽²⁾	Contingencies reserve fund	Total
	MMK	MMK	MMK	MMK
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>
Balances at 1-4-2023	10,398,497,649	4,496,310,332	12,000,000	14,906,807,981
Provision for the year	189,395,846	-	-	189,395,846
Balances at 31-3-2024	<u>10,587,893,495</u>	<u>4,496,310,332</u>	<u>12,000,000</u>	<u>15,096,203,827</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.

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 2025

19. Interest income

	2024-2025	2023-2024
	MMK	MMK
Interest income on hire purchase	2,083,659,476	3,131,062,574
Interest income on loans and overdrafts	64,245,630,267	37,001,326,968
Interest income on SME loan	3,201,008,832	2,431,705,057
Interest income on home loan	5,784,332,210	4,816,688,573
Interest income on staff loan	5,965,958	15,924,709
Interest income on trade guarantee	608,397	112,914
Interest on Mortgage Loan	41,628,941	79,572,870
Interest on Solar Financing	1,068,493	-
Interest on Visa Credit Card	173,749	-
Interest income on investment	12,626,350,930	12,031,721,404
	87,990,427,253	59,508,115,069

Note:

	2024-2025	2023-2024
Interest rate on loans and advances	7.5%~15%	5.5%~14.5%
Interest rate on Credit Card	16.5%	-
Interest rate on deposit with other banks	6%~12%	5.1%~9.5%

20. Interest expenses

	2024-2025	2023-2024
	MMK	MMK
Interest expense on saving deposit	7,183,721,004	6,404,136,691
Interest expense on fixed deposit	37,173,589,327	22,076,026,580
Interest expense on call deposit	20,317,340,702	14,469,624,212
Interest expense on inter bank borrowing	1,611,193,151	403,472,418
	66,285,844,184	43,353,259,901

Note:

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

20. Interest expenses (continued)

	2024-2025	2023-2024
Interest rates on fixed deposit were as follows:		
1 month	7%~11%	6.5%~7.5%
3 months	7.5%~12%	7.5%~9.25%
6 months	7.75%~12.5%	7.75%~9.5%
9 months	7.75%~12.75%	7.75%~9%
12 months	8%~13%	8%~9.8%
24 months	8.25%	8.25%

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

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 2025

21. Net fee and commission income

	2024-2025	2023-2024
	MMK	MMK
Fees and commission income		
Services fee income	7,686,153,441	6,886,964,747
Commission income	3,123,725,419	4,033,270,156
Card related income	233,800,626	351,872,604
Other fees income	1,423,400	1,713,390
	11,045,102,886	11,273,820,897
Fees and commission expense		
Bank commission and service charges	185,563,100	142,671,676
Card related expenses	740,079,045	435,418,773
Other fee expenses	17,932,000	9,206,000
	943,574,145	587,296,449
	10,101,528,741	10,686,524,448

22. Other operating income

	2024-2025	2023-2024
	MMK	MMK
Net income from foreign currency transactions	2,449,810,664	(28,121,574)
(Loss)/gain on revaluation	98,595,234	(41,721,217)
Miscellaneous income	110,037,252	181,515,456
	2,658,443,150	111,672,665

23. Personnel expenses

	2024-2025	2023-2024
	MMK	MMK
Salaries and wages (local)	9,194,142,761	8,558,010,620
Salaries and wages (foreign)	1,223,033,981	982,667,837
Overtime allowance	201,240,619	178,571,806
House allowance	200,459,250	127,873,478
Contribution to employee benefit	113,881,600	104,325,800
Compensation	28,000,000	
Other staff related expenses	1,315,894,042	1,186,432,023
	12,276,652,253	11,137,881,564

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 2025****24. Administration and general expenses**

	2024-2025	2023-2024
	MMK	MMK
Annual general meeting expense	23,188,349	12,160,367
Directors' meeting fees	137,300,000	113,700,000
Donation and entertainment	132,458,901	55,960,684
Insurance	137,088,901	116,971,668
Marketing and advertising	468,310,634	246,715,703
Miscellaneous expenses	336,608,933	111,837,720
Office supplies	481,501,723	311,525,409
Professional service fees	209,171,915	115,149,815
Rates and taxes	125,560,383	74,448,883
Registration and license	1,885,872,272	1,390,407,514
Rent	2,565,812,273	2,104,960,706
Repair and maintenance	2,764,069,189	1,329,002,079
Travel and transport	199,515,547	181,644,776
Utilities	2,785,562,501	1,948,282,279
Written off	1,028,856,087	131,554,662
(Gain) Loss on disposal	482,814	(149,752,080)
	13,281,360,421	8,094,570,185

25. Income tax expenses

	2024-2025	2023-2024
	MMK	MMK
Current tax - Corporate income tax	1,114,231,920	135,177,826
Current tax - Capital gain tax	-	14,942,406
	1,114,231,920	150,120,232

26. Earnings per share**Basic and diluted earnings per share**

	2024-2025	2023-2024
	MMK	MMK
Net profit attributable to equity holders of the Bank	2,820,362,849	757,583,386
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
	271	73

27. 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.

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 2025

27. Related party transactions (Continued)

(a) Sales and purchase of goods and services	31 March 2025	31 March 2024
	MMK	MMK
Rental expense charged to profit or loss under the contracts with related parties	619,297,836	591,335,496
(b) Outstanding balances		
Deposits with related parties	218,211,801,147	77,753,144,520
Loans and advances with related parties	13,001,565,714	23,094,185,268
Prepaid rental outstanding with related parties	454,138,475	248,363,750
(c) Key management personnel compensation	31 March 2025	31 March 2024
	MMK	MMK
Salaries and wages	1,461,413,332	1,664,627,603
Directors' meeting fees	137,300,000	113,700,000

28. Guarantees and commitments

(a) Bank guarantees	31 March 2025	31 March 2023
	MMK	MMK
Guarantees in local currency	30,260,961,246	16,153,333,913
Guarantees in foreign currency	-	-
	30,260,961,246	16,153,333,913

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 2025	31 March 2024
	MMK	MMK
Undrawn overdraft	17,404,365,812	8,680,974,003
Rental expense	5,444,110,214	5,810,580,565
	22,848,476,026	14,491,554,568

29. Acceptance, Endorsement and Guarantee

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

30. Events After Reporting Period

On 28 March 2025, an earthquake occurred in Mandalay, Sagaing, Naypyitaw, Shan and Bago Division affecting areas where the company operates.

As of the reporting date 31 March 2025, the Bank had preliminarily assessed, not thorough inspections, regarding the impact of the earthquake on its operations, assets and financial condition as follows:

1. Operation Impact

The earthquake caused temporary disruption to Bank's operations in a few branches in Mandalay Division affecting areas where the company operates.

2. Asset and Property Damage

Preliminary inspections indicate the number of branches damage are as follow:

Minor damage	2 branches
Moderate damage	3 branches
Significant damage	2 branches

The estimate cost of repairs is MMK 484 million, which is being evaluated. Provision had made for the estimate cost of repairs and included in current financial statements.

3. Customer impact on Credit Risk

The company is currently assessing the financial position of customers in the affected areas, particularly borrowers in retail, SME and other sectors. Provision for expected credit losses may be adjusted in subsequent periods based on detail loan reviews and the impact of the disaster.

4. Insurance Coverage

The company maintains insurance coverage for natural disasters. Due to the minor damage, Claims have not been made to insurance company.

5. Financial Statement impact

Based on available information, Board of Directors and Management believes the impact of the earthquake does not materially affect the financial statements as of 31 March 2025. However, the situation remains under review, and any affected will be disclosed in the next reporting period.

6. Going Concern

The earthquake does not affect the company's ability to continue as a going concern. Board of Directors and Management continues to monitor the situation and will provide future update as appropriate.

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 2025

Annexure -1

Property and equipment

	Land & Building	Leasehold improvement	Motor Vehicle	Furniture & Office Equipment	Plant & Machinery	TOTAL
	MMK	MMK	MMK	MMK	MMK	MMK
Original Cost						
At 1 April 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.

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 2025

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 2023	12,584,682,369	3,915,081,964	1,159,392,673	6,921,723,277	1,060,710,506	25,641,590,789	
Additions	140,012,275	1,164,191,927	206,300,000	1,140,487,127	108,093,450	2,759,084,779	
Disposals	-	-	(72,119,197)	(2,972,336)	-	(75,091,533)	
Write-off	-	-	(120,000)	(21,445,950)	-	(21,565,950)	
Adjustment	-	-	-	-	-	-	
At 31 March 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	
Accumulated depreciation							
At 1 April 2023	970,845,038	1,586,900,336	969,102,350	4,339,885,259	318,970,023	8,185,703,006	
For the year	147,656,513	454,926,032	90,771,662	803,708,888	70,387,803	1,567,450,898	
Disposals	-	-	(63,543,256)	(2,467,728)	-	(66,010,984)	
Write-off	-	-	(111,250)	(19,548,747)	-	(19,659,997)	
Adjustment	1,118,501,551	2,041,826,367	996,219,505	5,121,577,672	389,357,827	9,667,482,922	
At 31 March 2024							
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	
Net Book value as at 31 March 2023	11,613,837,331	2,328,181,629	190,290,323	2,581,838,018	741,740,482	17,455,887,783	

We hereby certify that above assets are the properties of the "Myanmar Citizens Bank Public Company Limited", in existence at 31 March 2024 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.