



**Shape the  
*FUTURE***



**AYA Bank PCL**  
Annual Report FY2024-2025

Your Trusted Partner

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# Corporate Overview

## Who We Are

AYA Bank PCL is one of Myanmar's leading private sector banks. We are committed to leveraging digital technology to reimagine banking and deliver a full range of consumer and business banking services. Beyond banking, we embrace a broader purpose—supporting our customers, employees, and communities in building a sustainable future. Guided by a customer-centric, digital-first culture, we strive to create seamless, personalized experiences, enhance efficiency, and remain competitive in an ever-evolving financial landscape.

### Business Highlights

Income	Assets	Paid Up Capital
MMK <b>326.8</b> Billion	MMK <b>9.5</b> Trillion	MMK <b>217</b> Billion
Net Profit	Equity	Branches
MMK <b>83.6</b> Billion	MMK <b>500.3</b> Billion	Over <b>260</b>

### Sustainability Highlights

Transformed to Digital Banking

**56.5%** of active customers are on digital platform

Commitment for donation/ philanthropy / environmental/ social / ethical practices

MMK **2** Billion

Honored with Four Prestigious Awards from the Central Bank of Myanmar

Best Bank Award (Workers' Remittance) – Third Prize

Best Performance Award (MMQR) – AYA Pay

Best Performance Award – CEO, AYA Bank

Best Participation Award (MMQR) - Deputy CEO, AYA Pay



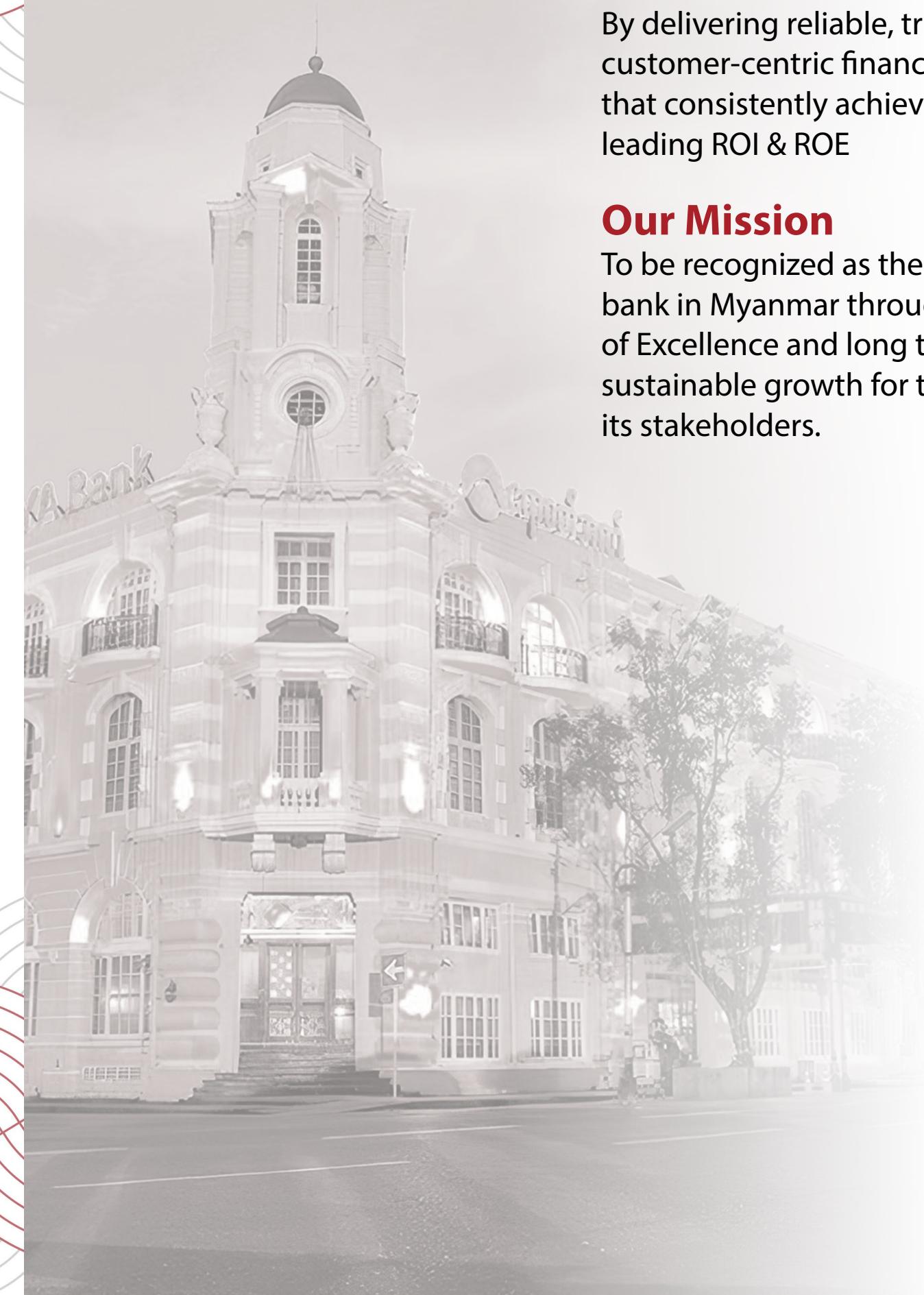
# **Vision, Mission Core Value**

## **Vision**

To be #1 in customer service  
By delivering reliable, trusted, and  
customer-centric financial services  
that consistently achieve industry-  
leading ROI & ROE

## **Our Mission**

To be recognized as the leading  
bank in Myanmar through pursuit  
of Excellence and long term  
sustainable growth for the bank and  
its stakeholders.



## Our Corporate Values

We pursue our objectives with **EXCELLENCE**

We progress as a **TEAM** with Transparency

We think and act in all **HONESTY** & Accountability

We maintain **INTEGRITY** in all our dealings

We **CARE** for our customers, our colleagues and the people we interact with and in all our actions

We always act with **SINCERITY**

### 1 Excellence

We shall strive to deliver the highest quality in every aspect of our business and approach every challenge with a determination to succeed. Improvement can occur at all levels within the Bank. We go beyond good quality and acceptable products, into delivering excellence to our customers in everything we do.

### 2 Team

We represent AYA bank as a team "One Team, One Goal". The best teamwork comes from team members who are working independently towards one goal in unison. We break down silos and collaborate across boundaries. In AYA, everyone is given equal opportunity for participation. By being open to different ideas from our colleagues, customers and the world around us, we will find more ways to win.

### 3 Honesty

We affirm that honesty is essential in building trust between us, and our valued customers and stakeholders as stated in our Brand Promise "Your trusted Partner". We believe 'honesty' strengthens trust and brand loyalty. Being honest in the workplace fosters open communication and constructive feedback. We adhere to the highest standards of accuracy and sincerity in advancing the interests of those we represent and in communicating with the public.

### 4 Integrity

We describe integrity as one of the fundamental values and the act of conducting ourselves in an honest, loyal, reliable and ethical way with everyone we do business with. We seek to maintain the highest standards of integrity and independence through a set of strong values and principles. Strengthening resilience, integrity and efficiency of our financial service infrastructure with focus on deepening technology advances.

### 5 Care

**WE CARE ABOUT OUR CUSTOMERS** - To create a Solid Brand Story, we must show customers that we care about their experience and treat them with genuine respect.

**WE CARE ABOUT OUR COMMUNITIES** - We aim to make a difference in the communities where we work and live. Our commitment to corporate social responsibility makes a positive impact by strengthening our connections.

### 6 Sincerity

It is embedded in our values that sincerity is a strength which allows us to build credibility in the workplace. It is a tremendous asset for an organization, and we always urge employees to portray their sincerity at the workplace. Employees are empowered to find the best and most sincere path to handle tasks and solve issues. This allows us to always see our relationships as collaborative and never adversarial.



## Founder and Chairman's Message

**As we close the Financial Year 2024–2025, I extend my sincere appreciation to our shareholders, customers, regulators, partners, and staff for their continued trust and steadfast support of AYA Bank Public Company Limited.**

This past year has once again tested the resilience of financial institutions operating in a challenging and uncertain environment. Myanmar's banking sector continued to navigate macroeconomic pressures, liquidity constraints, and evolving regulatory expectations. Against this backdrop, AYA Bank remained focused on prudence, discipline, and long-term sustainability. Our ability to remain stable and operationally sound reflects the strength of our governance framework, the commitment of our management team, and the professionalism of our employees across the country.

Throughout FY 2024–2025, the Board and Management prioritized balance sheet stability, risk containment, and responsible growth. We strengthened our internal controls, enhanced credit risk management, and reinforced compliance practices in line with regulatory requirements and international banking standards. These efforts were undertaken not only to safeguard the Bank, but also to protect our depositors and uphold confidence in the

financial system.

At the same time, we continued to advance our strategic transformation agenda. Digitalization remains a key pillar of our long-term vision. During the year, we further invested in core banking capabilities, payment solutions, and operational automation to improve service reliability, efficiency, and customer experience. While progress is necessarily measured and cautious in the current environment, we remain firmly committed to building a modern, resilient, and technology-enabled bank.

AYA Bank also continued to play its role as a responsible corporate citizen. Our environmental, social, and governance (ESG) initiatives are guided by the belief that sustainable banking must support not only economic activity, but also communities and the broader society. Through targeted CSR programmes, financial inclusion efforts, and support for national development priorities, we reaffirm our commitment to contributing positively to Myanmar's future.

Good governance remains central to everything we do. The Board maintained active oversight of strategy, risk, audit, human resources, and compliance through its committees, ensuring accountability and transparency in decision-making. We continue to place strong emphasis on

leadership development, ethical conduct, and a culture of integrity across the organization. Looking ahead, the operating environment will remain complex and unpredictable. Nevertheless, I am confident that AYA Bank is well-positioned to navigate these challenges with caution, resilience, and purpose. Our strategy will remain anchored in financial soundness, customer trust, regulatory compliance, and sustainable value creation for our shareholders.

On behalf of the Board of Directors, I would like to express my heartfelt thanks to our management team and all AYA Bank employees for their dedication, professionalism, and unwavering commitment during the year. I also thank our shareholders for their patience and continued confidence, and our regulators and stakeholders for their guidance and cooperation.

Together, we will continue to strengthen AYA Bank as a trusted, responsible, and forward-looking financial institution serving the people and businesses of Myanmar.

**Zaw Zaw**  
Founder and Chairman  
Ayeyarwady Bank Public  
Company Limited

# Generating Meaningful Returns for Our Customers

We are committed to creating values that go beyond financial gains. By combining forward-thinking ideas, industry insights, and personalized solutions, we help customers achieve sustainable growth and long-term success. Our focus remains on delivering measurable benefits and strengthening trust, ensuring every engagement contributes to shared progress.

## Powering a Sustainable Future through Accessible Financing

As part of its ongoing commitment to environmental responsibility and promoting a sustainable, eco-friendly future, the Bank provides solar financing to customers through partnerships with approximately 19 authorized solar dealers. In FY2024-2025, the Bank actively supported community development by facilitating 150

solar financing to retail customers with a total disbursement of MMK 7 billion, contributing to cleaner energy adoption and sustainable growth.

Furthermore, our solar financing initiatives go beyond supporting individuals. They aim to foster healthier communities. The solar projects amounting to MMK 108 billion worth we supported for manufacturing factories in Shwe Than Lwin Industrial Zone, Ngwe

Pin Lae Industrial Zone, Shwe Pin Lae Industrial Zone in Hlaing Thayar, Thingangyun in Yangon Division, Taung Taw Gwin, Thar Si, Nay Pyi Taw, have brought meaningful changes to the way these factories operate, creating positive ripple effects across society. Improved air quality inside and around the factory areas has enhanced working conditions for employees and contributed to their overall well-being.

## Towards Energy Independence and Efficiency in AYA Bank's Operations

In addition to this, we have taken a step by integrating solar energy systems into our branch operations. This strategic move aims to reduce our

dependency on conventional electricity sources and fossil fuels, promoting a long-term investment that benefits both the environment, improves operational efficiency, and delivers substantial cost savings over time. In the fiscal year 2024 - 2025, the Bank implemented solar power systems in four of

our branches as part of a pilot initiative.

Encouraged by the positive results and operational stability of the pilot branches, we plan to expand this initiative in the upcoming financial year to additional branches across our network.

## Royal Banking Services

AYA Bank's Premium Banking segment is dedicated to serving high-net-worth and affluent customers through personalized financial solutions, exclusive privileges, and priority services. This segment reflects AYA Bank's commitment to delivering excellence, convenience, and trust through a relationship-driven approach.

During FY2024 - 2025, AYA Royal Banking Services continued to strengthen its position as the preferred choice for affluent customers by expanding its client base and enriching its suite of financial and lifestyle offerings. Dedicated Relationship Managers provide professional advisory services in financial management to help clients achieve their long-term financial management advising service.



The Bank enhanced its delivery service by offering the privileged digital channels usage for Royal banking customers, ensuring faster and secure transaction Lounge, located at Novotel Yangon Max hotel in key district, is refined to provide a comfortable, private, and exclusive environment, experiences. Royal Banking reflecting AYA's high service standards and attention to client needs.

In recognition of customer loyalty, AYA Bank continued to offer high-end lifestyle privileges in their travel, health care, insurance, dining and lifestyle, priority access to new banking products, and personalized event experiences. These initiatives reinforce the Bank's commitment to deepening client relationships and providing added value beyond traditional banking.

## Performance Highlights for FY2024 – 2025

Royal Banking's deposit contribution recorded a 3% year-on-year increase in FY2024-2025 compared to FY2023-2024, reinforcing our growth trajectory and competitive positioning.

This upward trend has sustained momentum, culminating in a

cumulative improvement of 61% to date. The consistent performance reflects strong customer engagement and effective deposit strategies, positioning us well for continued expansion in the coming years. Through continuous innovation, personalized service, and

strategic engagement, AYA Royal Banking remains a key pillar of the Bank's retail growth, reinforcing its vision of delivering exceptional value to high-net-worth customers.

## Expanding Customer Convenience with AYA Pay xCounters

Starting in May 2024, AYA Bank introduced AYA Pay xCounters, a new customer touchpoint designed to deliver a wide range of banking and payment services under one roof. These counters operate daily to provide greater accessibility and convenience for customers across major regions. At AYA Pay xCounters, customers can access multiple services, including:

- Opening AYA Pay accounts and bank accounts
- Updating personal information
- Bill payment services
- Credit card applications and linking cards to accounts
- Activation of mobile banking services
- Application for Buy Now, Pay Later (BNPL) services



- Refilling transport payment cards
- Services related to MMQR
- Application for merchant loans

As of year-end, 25 AYA Pay xCounters have been opened, strategically located in Yangon, Mandalay, and Nay Pyi Taw Divisions, ensuring

coverage in key commercial and administrative hubs. This initiative reflects AYA Bank's commitment to enhancing customer experience, promoting financial inclusion, and supporting digital transformation by integrating banking and payment solutions into a single, convenient platform



## Expanding Protection through Strong Partnerships



The Bank continues to enhance its customer value proposition by integrating insurance coverage within its banking network through strong bancassurance partnerships. This initiative underscores our commitment to providing customers with convenient, comprehensive financial solutions that combine banking and insurance under one roof ensuring greater financial protection and peace of mind.

Since the inception of our bancassurance business in December 2019, the Bank has partnered with two leading insurance providers – AYA SOMPO insurance and AIA Insurance, to offer both life and general insurance products tailored to diverse customer

needs. The journey began with 5 branches in Yangon, expanded to 21 branches by October 2021, and by FY2024-2025, bancassurance services have been successfully rolled out to 212 branches nationwide. This rapid growth reflects our strong focus on accessibility, customer convenience, and financial inclusion.

In 2024 Calendar year, the Bank successfully provided Insurance policies count 17166 for AYA SOMPO Insurance and 8039 for AIA Insurance to customers across the country. The Bank achieved more than the targets for both bancassurance in AYA SOMPO and AIA and achieved 23billion MMK.

Both partnerships exceeded their respective performance targets, highlighting the effectiveness of our collaborative approach and the growing customer trust in our bancassurance services.

Through these partnerships, customers benefit from enhanced financial security, improved awareness of risk protection, and seamless access to insurance products at their local branches. Our dedicated bancassurance teams continue to work closely with partners to strengthen training, streamline processes, and ensure customers receive reliable service and tailored protection solutions.

As we progress, the Bank remains dedicated to expanding its bancassurance portfolio through digital enablement, innovative product offerings, and capacity building among frontline staff. These efforts will ensure sustainable growth while empowering more individuals and communities to protect what matters most.

## Banking without Borders

In today's interconnected world, the ability to move money across borders quickly and securely is more important than ever. We recognize this need and continue to expand our international remittance network to better serve customers both within Myanmar and abroad.

### Expanding Global Partnerships

During the 2024 - 2025 financial year, the Bank significantly broadened its international reach by partnering with 12 leading

customers now benefit from faster, more reliable, and cost-effective transfer options. Whether supporting families abroad or facilitating business transactions, AYA Bank's

- DeeMoney (Thailand)
- GME (Korea)
- SMJ (Malaysia)
- Queen Bee (Japan)
- MoneyMatch (Malaysia)
- Akbar (Q-Remit) (Malaysia)
- Intersend (Thailand)

### Seamless Digital Integration

AYA Bank continues to integrate remittance services into its digital platforms, allowing customers to initiate and track transfers through mobile and online banking channels. This digital-first approach enhances accessibility and transparency, especially for customers in remote areas or overseas.



remittance and cross-border payment service providers. These strategic collaborations have expanded our remittance corridors, enabling Myanmar nationals working overseas to send money home more conveniently and helping businesses manage international payments with greater efficiency. With more partners onboard,

strengthened global network ensures secure and seamless processing across multiple countries and regions.

#### Our Remittance Partners:

- DBS Bank (Singapore)
- Western Union (Global Connectivity)
- RIA (Global Connectivity)
- Lightnet (Singapore)
- Krung Thai Bank (Thailand)

# Driving Innovation Through the Digital Channels

In FY2024–2025, AYA Bank's Digital Channels are leveraged to achieve significant strides in enhancing customer experience, operational efficiency, and revenue growth. Through a series of innovative digital initiatives, the team played a pivotal role in strengthening the Bank's position as a leader in digital banking, reinforcing our commitment to delivering seamless, secure, and customer-focused solutions.

## 1 Launch of Myanmar's First Secure Digital Balance Confirmation

On 22 May 2024, AYA Bank introduced Myanmar's first-ever secure digital balance confirmation, available through AYA Internet Banking. This groundbreaking service allows customers to independently generate authenticated balance confirmations online, enhancing convenience, improving security, and reducing reliance on branch visits. The initiative marks a step forward in AYA Bank's mission to digitize core banking services and deliver value through innovation.

## 2 AYA Mobile Banking New Version – Beta Launch

In line with our commitment to innovation and customer-centric banking, AYA Bank successfully launched its new version of Mobile Banking Application for internal pilot testing. This latest version features a modernized user interface, advanced security enhancements, and significantly improved performance.

The full public rollout is planned for FY2025–2026 and represents a major leap forward in our digital transformation journey. With this release, AYA Bank reaffirms its dedication to delivering seamless, secure, and future-ready digital banking experiences for all customers.

## 3 Revenue Optimization through Fee Structure Revision

In FY2024, the Digital Channels Department undertook a comprehensive Pareto Analysis of transaction data across mobile and internet banking platforms. The findings highlighted that AYA-to-AYA account transfers accounted for the largest share of both transaction volume and value. This insight reinforces the strategic significance of internal transfers within AYA Bank's digital ecosystem and informs our continued focus on optimizing and enhancing this core service for greater customer convenience and engagement.

Building on insights from transaction analysis, AYA Bank introduced a volume-based fee structure for AYA-to-AYA transfers, replacing the previous flat fee model. This strategic adjustment aligned pricing more closely with actual usage patterns, resulting in a 137% increase in fee income compared to the previous fiscal year. The initiative underscores AYA Bank's commitment to harnessing data analytics to drive sustainable revenue growth while continuing to deliver value through customer-centric innovation.

## 4 Launch of Digitally Verifiable Credit Advice Statement

On 13<sup>th</sup> December 2024, the Bank introduced a Digitally Verifiable Credit Advice Statement, marking another milestone in our digital transformation journey. This innovation enhances the authenticity, integrity, and security of credit transaction documents, offering customers a tamper-proof and trustworthy means of verification.

By embedding advanced digital verification features, the new system ensures that credit advice statements are both secure and easily authenticated, aligning with international standards in digital banking and cybersecurity. This initiative not only reinforces our commitment to technological excellence but also builds greater confidence and convenience for our customers in managing their financial transactions.

# Shaping Better Future FOR SOCIETY

At AYA Bank, our mission extends beyond traditional banking. We believe that financial institutions have a vital role to play in building a more inclusive, sustainable, and prosperous future. In alignment with our core values and long-term vision, we have continued to focus on empowering communities, supporting businesses, and protecting our environment. Our strategic initiatives in SME Financing, Green Financing, and Corporate Social Responsibility (CSR) demonstrate our unwavering commitment to shaping a better society.

## Empowering Growth through SME Financing

Small and Medium Enterprises (SMEs) form the backbone of Myanmar's economy, representing a significant share of employment and contributing to economic resilience and innovation. AYA Bank has remained a strong partner to SMEs, enabling entrepreneurs to access the capital they need to grow, innovate, and compete. In FY2024-2025, AYA Bank disbursed over MMK 708.5 billion in SME loans across diverse sectors including agriculture, manufacturing, logistics, healthcare, retail and food and beverage. Our financing programs are designed not

only to provide working capital and asset-based lending, but also to offer financial advisory and capacity-building support through our SME partner networks.

Compared to FY2023–2024, the Bank achieved a loan growth of 31% and a profit growth of 44%. During the year, a total of 37 engagements were conducted across eight regions - including Yangon, Ayeyarwady, and other key areas - covering microloans, cashflow financing, asset financing, and warehouse financing.

Key highlights of the year

include:

- Partnered with international development agencies to expand access to concessional financing.
- Introduced a Digital SME Loan Platform, streamlining loan applications and approvals for faster access to funds.
- Launched women-led business financing packages, promoting gender equality and economic inclusion.

These efforts have helped thousands of small businesses scale their operations, create local employment, and contribute positively to their communities.



## Leading the Way to Green Environment

As part of our commitment to environmental stewardship and sustainable development, AYA Bank has significantly scaled up its Green Financing initiatives for SMEs and Corporates. Recognizing the urgent need to address climate change and environmental degradation, we have aligned our financing strategies with national sustainability goals, UNGC (United Nations Global Compact) commitment and global ESG (Environmental, Social, and Governance) principles.

In the past year, we funded green projects totaling MMK 70 billion, supporting:

- Renewable energy installations (solar and biogas),
- Energy-efficient technologies for SMEs and manufacturers,
- Sustainable agriculture and water conservation initiatives.

We also launched our Green Loan Framework, which provides structured guidance on eligible green projects,

ensuring transparency, impact measurement, and alignment with international standards. This framework enables AYA Bank to attract climate-focused investors and develop sustainable finance products for the future.

In addition, internal capacity building on environmental risk assessment has been strengthened, ensuring that our credit decisions contribute to a low-carbon, renewable energy and climate-resilient economy.



## Corporate Social Responsibility (CSR): Supporting Communities, Enriching Lives

AYA Bank continues to play an active role in uplifting the communities in which we operate. Our Corporate Social Responsibility (CSR) efforts reflect a holistic approach that addresses healthy lifestyle, gender equality, corporate digital responsibility, financial inclusion and community engagement.

In FY2024-2025, our CSR contributions reached MMK 2 billion, including:

- Sponsorship for National Sports Teams of Myanmar in football and futsal
- Emergency aid and recovery efforts during natural disasters such as floods and earthquakes
- Empowering people with disabilities to build a more inclusive society
- Donations to local hospitals to uplift healthy lifestyle and engagement with community
- Financial literacy programs

reaching over 10,000 youth and rural populations.

We have also collaborated with non-profits and local organizations to ensure our contributions are impactful and sustainable. Our employees play a central role in CSR activities, volunteering time and resources to serve their communities, reflecting the heart of AYA Bank's values.



## Compassionate Support for Flood-Affected Communities

### Supporting Communities

In early September 2024, severe rainfall caused by Typhoon Yagi resulted in widespread flooding across several regions of the country. AYA Bank pledged its support in the early days of the

floods and donated total one billion Kyat (MMK 1,000,000,000) in cash and emergency supplies, including non-perishable food items, rice, oil, medicine, clean water, clothing and other

essential necessities. The support was extended to flood-affected communities in Taungoo, Naypyidaw, Tatkon, Yamethin, and Kyaukse Townships.

### Restoration Efforts

Under the program "AYA Helping Hands", AYA Bank employees actively participated in post-flood restoration activities through volunteerism. In collaboration with the Irrawaddy Foundation, restoration works

were carried out using flood recovery equipment in PainTaw Village and MaGyiPin Village, Tatkon Township - areas severely impacted by Typhoon Yagi. Caring for the communities we serve remains central to AYA

Bank's values. The Bank remains committed to expanding its support and assistance to affected communities and will continue to stand alongside them during times of need.



### Looking Ahead

Our efforts in SME support, green initiatives, and community engagement are not short-term responses-they are long-term investments in a stronger, more equitable society. As we move forward, AYA Bank remains deeply committed to integrating sustainability into every facet of our operations. We believe that by empowering entrepreneurs, protecting the environment, and supporting communities, we are truly shaping a better future for society.



# **Governance at a Glance**

Building Trust Through  
Transparent Accountability

Our Board of Directors sets the tone at the top by overseeing our corporate strategy. The Board of Directors is accountable to the shareholders and comprises professionals with different backgrounds and qualifications. In addition, the heads of our lines of business, and key leadership for our control functions, make up our Executive Management Team. AYA Bank abides strictly by the laws and regulations of the Country and observes internationally accepted guidelines, principles, standards and rules pertaining to its business.

# Board Of Directors



**Professor**  
**Dr. Aung Tun Thet**  
Independent  
Non-Executive Director

**Daw Htay Htay Khaing**  
Vice Chairman

**U Zaw Zaw**  
Founder and Chairman

**Daw Khin Saw Oo**  
Executive Chairman

**U Than Zaw**  
Vice Chairman



**Daw Khin Ma Ma**  
Vice Chairman

**U Myint Zaw**  
Vice Chairman

**Daw Thazin Aung @**  
Chief Executive Officer

**U Min Sein**  
Non-Executive Director

**U Aung Naing**  
**Maung Maung**  
Independent  
Non-Executive Director

## Strategic

Our Board is composed of individuals with strong strategic thinking and judgment who understand macro-trends including market, technology, regulatory changes, provide strategic guidance, evaluate opportunities and risks objectively.

## Highly Experienced

Board members bring experience that makes the Bank remain a leading private sector bank in the country - Industry expertise; Executive leadership experience; Governance experience and Functional expertise

## Ethical Standards

Demonstrate high ethical judgment, uphold fiduciary duties - care, loyalty, good faith, avoid conflicts of interest and promote transparency and accountability

## Diversity

We have a strong mix of diversity across gender, ethnicity, age, professional background, and cultural perspectives, which supports better decision-making, innovation, and stakeholder alignment.



## U Zaw Zaw

### Founder and Chairman

U Zaw Zaw is a renowned business magnate, banker, investor, and philanthropist. He is an established and well-connected entrepreneur with more than three decades of experience in leading the business successfully. He is best known as the Founder and Chairman of AYA Bank Public Company Limited (PCL), one of Myanmar's leading financial institutions.

#### Strategic Roles:

As the Chairman of the Board of Directors, he oversees and guides the bank's board of directors, ensuring effective governance and strategic direction. He takes the primary role for the Board's management, development, performance, and provide leadership in all aspects of its work. He leads the bank's strategic goals and objectives, ensuring they align with the bank's long-term vision and values.

#### Key Accomplishments:

Under his leadership, the bank has been successfully incorporated as Public Company Limited (PCL) and a smooth transition towards the structure for public sector bank. He managed to change the landscape of banking to go beyond business and build the Bank to benefit people.

#### External Appointments:

Founder and Patron of Max Myanmar Group

Founder and Executive Chairman of AYA SOMPO Insurance Company Limited

President of Myanmar Football Federation (MFF)

Senior Vice President of ASEAN Football Confederation (AFC)

Founder and Chairman of Ayeyarwady Foundation



## Daw Khin Saw Oo

### Executive Chairman

Daw Khin Saw Oo is the Executive Chairman of AYA Bank PCL, a position to which she brings over 40 years of experience in financial sector. She has had an illustrious career as the Deputy Governor of the Central Bank of Myanmar with the vast exposure to numerous ASEAN and International financial platforms. She is one of the driving forces of the Bank's move towards a more accountable, responsible, and transparent organization.

#### Strategic Roles:

She provides advice, support and leadership to the key senior management across the Bank; oversees the development of the Bank's business culture and standards in relation to the conduct of business and the behavior of employees. As the Executive Chairman of the Bank, she takes the leading position in reshaping the bank to meet the present and future challenges and a relentless focus on delivering results.

#### Key Accomplishments:

Over her tenure, the bank reaped significant strategic gains through enhanced treasury management. She has prioritized a more agile institution—one that is customer-centric and set regulatory compliance at the highest level.

#### External Appointments:

Chairperson of the Myanmar Banks Association



## Daw Htay Htay Khaing

### Vice Chairman (Non-Executive)

Daw Htay Htay Khaing is the Co-Founder and Vice-Chairman of the Board of Directors since the Bank's inception in 2010. She contributes to high-level strategic decisions and maintain strategic oversight for over 15 years.

#### Strategic Roles:

As Co-Founder and Vice-Chairman, Daw Htay Htay Khaing has played a pivotal role in AYA Bank's growth and development. Her strong commitment has been instrumental in shaping the bank's strategic direction and governance.

#### Key Accomplishments:

Beyond her banking career, Daw Htay Htay Khaing actively involves in promoting women's participation in sports. As part of the community development, she participates in various philanthropic activities, including substantial donations to religious and community causes through the Ayeyarwady Foundation. Her contributions to both the financial sector and community development underscore her commitment to the growth and well-being of Myanmar's society.

#### External Appointments:

Trustee of the Myanmar Women Sports Association  
Co-Founder and Vice Chairman of Ayeyarwady Foundation



## U Than Zaw

### Vice Chairman (Executive)

U Than Zaw is a Vice-Chairman of AYA Bank PCL, and since taking office, he has led in shaping the Bank's risk and compliance landscape. With extensive experience in banking and insurance, he plays a pivotal role to enhance robust systems and procedures to ensure the bank's compliance with regulatory requirements.

#### Strategic Roles:

In his current position, he relentlessly provides strategic oversight, particularly in risk management and compliance, ensuring that the bank adheres to both local and international banking standards.

#### Key Accomplishments:

His unwavering dedication and approach reflects a fundamental shift: clear vision for risk management, cultivates a risk-aware culture, and effectively engages with senior leadership and stakeholders. He leverages cutting-edge data, analytics and technologies to gain insights into emerging risks and develop more effective risk strategies.

#### External Appointments:

Chairman of AYA Myanmar Insurance (AMI) Company Limited  
Vice Chairman of AYA SOMPO Insurance Company Limited  
Treasurer of Myanmar Football Federation (MFF)



## Daw Khin Ma Ma

### Vice Chairman (Executive)

Daw Khin Ma Ma, Vice Chairman of AYA Bank PCL, is a visionary leader focused on building a robust, people-centered banking organization. Beyond banking, her work in gender equity exemplifies her wider commitment to social impact.

#### Strategic Roles:

Her oversight of HR, procurement, credit, and executive operations backed by deep service-sector experience has strengthened both internal governance and customer service at AYA Bank.

#### Key Accomplishments:

Her strategic approach resulted in, People Strategy Champion: Leads initiatives to align human capital with business objectives overseeing HR policies, compliance with labor laws, and Diversity, Equity and Inclusion (DE & I) efforts.

**Service Quality Leadership:** Drawing on over 17 years in the service industry, she has significantly elevated customer experience across AYA Bank's branch network.

**DE&I Advocate:** Actively works to embed gender equality, diversity, equity, and inclusion into the bank's culture and operations

#### External Appointments:

Vice Chairperson of Business Coalition for Gender Equality Association



## U Myint Zaw

### Vice Chairman (Executive)

U Myint Zaw is a Vice-Chairman of AYA Bank PCL with over 25 years of cross-sector experience spanning marketing, consultancy, education, CSR, and banking. Since joining AYA Bank in 2017, he has driven transformative culture, growth, and corporate social responsibility initiatives.

#### Strategic Roles:

With deep expertise in marketing and operations, he plays a pivotal role to cultivate a strong, customer-centric culture within the Bank. His leadership reflects a blend of strategic vision and operational excellence.

#### Key Accomplishments:

He has launched partnerships and services that boosted the bank's visibility and reach in recent years. As an experienced executive and strategic leader, he led successfully expansion into new customer segments to strengthen the bank's competitive position.

His tenure was marked by growth-focused sustainable business transformation and built a data-driven marketing culture has enhanced service quality. He strengthened customer experience, aligning people, processes, and brand to support scalability and consistency.

#### External Appointments:

Member of the Board of Directors of MIOD (Myanmar Institute of Directors)  
Founder of Professional Marketers Associations (PMA)



## Daw Thazin Aung @ Jasmine Chief Executive Officer

Daw Thazin Aung, Chief Executive Officer of AYA Bank PCL, plays a pivotal role in steering AYA Bank's strategic direction and operations. She was appointed as CEO in April 2024 and became the member of the Board. She has over twenty years of proven professional experience in banking, investment, consulting, and maritime with leading global and domestic institutions.

### **Management Roles:**

In her capacity as CEO, she takes charge of business development management and making strategic decisions to ensure the Bank's sustainable and profitable growth. Leading four major business units, over 260 branches across the country and a team of more than 6,500 employees, she focuses on driving responsible growth for customers, communities, and shareholders.

### **Key Accomplishments:**

She successfully positioned strategic vision for the bank and then brought in talented people who can make that vision a reality. This included managing the branch transformation that is much more reliant on digital and mobile going forward, aligned with the Board.

### **External Appointments:**

Vice Chairman of AYA Myanmar Insurance Co., Ltd.

Managing Director of AYA Trust Securities Co., Ltd.

Non-Executive Director of the Board at AYA SOMPO Insurance Co. Ltd.



## Professor Dr. Aung Tun Thet Independent Non-Executive Director

Professor Dr. Aung Tun Thet is an Independent Non-Executive Director of the Board of AYA Bank PCL. He is a renowned economist and brings a rare combination of academic rigor, public-sector insight, and international experience.

### **Strategic Roles:**

At AYA Bank, he is a cornerstone of the board's efforts to uphold exemplary governance and ethical leadership. His wider national and global roles further amplify his impact, reinforcing the bank's credibility and societal contributions.

### **Key Accomplishments:**

He has been a guiding voice in embedding rigorous governance standards, ethical culture, and board accountability across the bank's operations. He is frequently invited to speak on internal programs, offering strategic insights to middle management to strengthen mentorship and capacity building.

### **External Appointments:**

Honorary Professor at University of British Columbia, Vancouver, Canada

Visiting Professor at Yangon University of Economics and Yangon University

Member of Myanmar Investment Commission

Advisor to the Republic of the Union of Myanmar Federation of Chambers of Commerce and Industry (UMFCCI)

Advisor of Myanmar Institute of Directors (MIoD)

Chairman of UN Global Compact Network Myanmar



## U Min Sein

### Independent Non-Executive Director

U Min Sein is an Independent Non-Executive Director of the Board of AYA Bank PCL. His legal acumen has been instrumental in guiding AYA Bank's governance and regulatory frameworks.

#### Strategic Roles:

At the core of his agenda is adding a layer of legal foresight, ethical rigor, and governance strength to the Bank's board. He is dedicated to identifying legal risks in credit, operational, compliance, and reputational areas. His counsel helped AYA Bank achieve corporate transparency and operational maturity suited for a PCL.

#### Key Accomplishments:

He played a key advisory role in the structuring and incorporation of AYA Bank as a Public Company Limited, ensuring regulatory compliance with the Myanmar Companies Law and Central Bank directives.

#### External Appointments:

Managing partner of U Min Sein Law Firm

Member of Asia Law Alliance, in association with Christopher Bridges (Singapore)

Legal advisor to the Embassy of The Republic of France



## U Aung Naing Maung Maung

### Independent Non-Executive Director

U Aung Naing Maung Maung, an Independent Non-Executive Director of the Board of AYA Bank PCL, brings his wealth of experience in financial consultancy and auditing to banking institution.

#### Strategic Roles:

He ensures the Bank's financial integrity by monitoring regulatory compliance, guiding accounting policies, and advising on audit best practices. He assesses the effectiveness of internal controls, reducing operational and financial risks.

#### Key Accomplishments:

He uplifted Board Independence and Integrity by strengthening the credibility of the board in the eyes of regulators, investors, and shareholders. His tenure at AYA Bank reflects his commitment to delivering high-impact audit services and financial advisory rooted in excellence and reliability.

#### External Appointments:

Owner and Rector of the Excellent Choice Institute of Finance and Management

Non-Executive Director of Asia Royal Hospital

Secretary of Myanmar Institute of Certified Public Accountants (MICPA)

# Executive Committee

The Executive Committee is led by an Executive Chairman of the Bank and serves as steering committee for the rest of the Management Committees. It drives business performance, proposes strategic plans to the board, operational oversight, financial management and risk management. Its role includes handling major business decisions that fall within its powers between full board meetings. Our Executive Committee members, appointed by the Board, meet more frequently than the full board in order for smoother, seamless decision making on a regular basis.

Executive Committee comprised of 12 members

30% of our Executive Committee members are women, with the Chair of the Committee among them

Majority have more than 20 years of experience



**Daw Khin Saw Oo**  
Executive Chairman

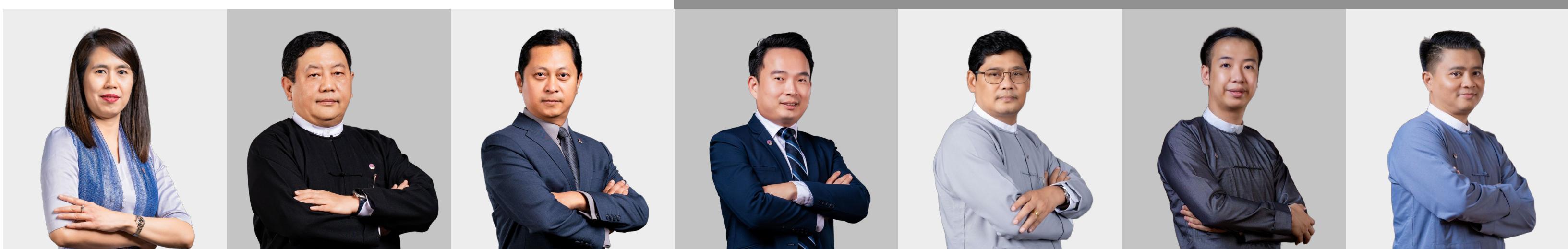


**U Than Zaw**  
Vice Chairman

**Daw Khin Ma Ma**  
Vice Chairman

**U Myint Zaw**  
Vice Chairman

**Daw Thazin Aung @ Jasmine**  
Chief Executive Officer



**Daw Lwin Lwin Aung**  
Chief Financial Officer

**U Ko Ko Oo**  
Chief Compliance Officer, Chief Risk Management Officer (Concurrent)

**U Minn Wint Oo**  
Chief Operating Officer

**U Nay Lin Htut**  
Chief Business Officer

**U Tin Maung Htay**  
Chief Credit Officer

**U Myat Min Htin Kyaw**  
Deputy CEO, AYA Pay and Head of Digital Banking

**U Soe Htaik Aung**  
Director, Head of IT

## Daw Lwin Lwin Aung Chief Financial Officer

Daw Lwin Lwin Aung serves as the Chief Financial Officer of AYA Bank PCL, where she is also a member of the Executive Committee and the Co-Chairperson of the Asset-Liability Committee. As CFO, she oversees the Bank's full spectrum of financial management functions, driving financial strategy, transparency, and operational effectiveness across the organization.

### **Roles and Responsibilities:**

- In her role as Chief Financial Officer, Daw Lwin Lwin Aung is responsible for:
- Overall financial management and stewardship of the Bank
- Financial reporting, budgetary control, and performance monitoring
- Overseeing the Bank's statutory audits
- Supporting and monitoring strategic execution in collaboration with senior management
- Guiding the Finance and Accounts Team and the Treasury Team on finance and treasury-related functions

Through her leadership, she ensures financial discipline, compliance, and strategic alignment across all financial operations of the Bank.

### **Past Experience:**

More than 10 years in leadership roles including Chief Financial Officer role of a Singapore Stock Exchange (SGX) listed Group

### **Education and Professional Qualifications:**

Master of Business Administration (Nanyang Technological University), Singapore

Professional qualification from the Association of Chartered Certified Accountants (ACCA), UK

A member of the Institute of Singapore Chartered Accountants (CA Singapore)

Bachelor of Arts in English

## U Ko Ko Oo Chief Compliance Officer, Chief Risk Management Officer (Concurrent)

U Ko Ko Oo serves as the Chief Compliance Officer, Chief Risk Management Officer (Concurrent) at AYA Bank PCL, a role he assumed in 2022 in recognition of his strong strategic capabilities and his consistent delivery in strengthening the Bank's governance, risk, and compliance frameworks.

As a member of the Bank's Executive Committee and Co-Chairperson of both the HR Committee and the Purchasing Committee, he plays a central role in the Bank's oversight and decision-making processes.

### **Roles and Responsibilities:**

In his current capacity, he is responsible for:

- Developing, enhancing, and implementing the Bank's Risk and Compliance Management System
- Overseeing all aspects of organizational risk, including risks related to employees, clients, reputation, assets, and stakeholder interests
- Ensuring alignment with regulatory requirements and strengthening risk culture across the institution
- Providing strategic leadership on governance and compliance matters
- Supporting administrative oversight and managing the Bank's branch network expansion, including new branch openings across Myanmar

U Ko Ko Oo is widely recognized for his deep commitment to operational integrity, regulatory compliance, and organizational resilience.

### **Past Experience:**

U Ko Ko Oo joined AYA Bank in 2010, at its inception, and has held multiple leadership roles throughout his career with the institution;

Deputy Managing Director, appointed in 2014

Senior Chief Risk and Compliance Officer, appointed in 2018

### **Education and Professional Qualifications:**

Master of Public Administration

## **U Minn Wint Oo**

### **Chief Operating Officer**

U Minn Wint Oo serves as the Chief Operating Officer (COO) of AYA Bank PCL. As a member of the Executive Committee and Co-Chairperson of the Product and Business Development Committee, he plays a key role in shaping the Bank's strategic direction.

#### **Roles and Responsibilities:**

As Chief Operating Officer (COO) of AYA Bank PCL, U Minn Wint Oo oversees the Bank's daily operations, ensuring efficiency and operational excellence in support of its strategic objectives. He leads a workforce of more than 4,500 employees delivering banking services across over 260 branches nationwide. His responsibilities include supervising centralized and currency operations, branch operations systems support, and retail banking functions. He is also a central driver of AYA Bank's digital transformation, integrating technology across all business areas to enhance operational efficiency and customer value.

#### **Past Experience:**

U Minn Wint Oo joined AYA Bank since 2011, initially serving as Chief Technology Officer. In that role, his strong expertise in both technology and banking has enabled him to lead major modernization initiatives, positioning AYA Bank at the forefront of industry transformation and customer-centric innovation.

#### **Education and Professional Qualifications**

He graduated from Yangon Technological University

## **U Nay Lin Htut**

### **Chief Business Officer**

U Nay Lin Htut serves as the Chief Business Officer of AYA Bank PCL and is a member of the Bank's Executive Committee. He also co-chairs the Bank's Product and Business Development Committee. With more than a decade of service at AYA Bank, he plays a pivotal role in driving business growth, steering strategic initiatives, and ensuring alignment between the Bank's strategic goals and emerging market opportunities.

#### **Roles and Responsibilities:**

In his current capacity as Chief Business Officer, U Nay Lin Htut oversees the development and execution of business strategies that support the Bank's long-term objectives. His responsibilities include managing strategic partnerships, guiding cross-functional collaboration, and leading the Bank's business development efforts. He is committed to fostering innovation and resilience, ensuring that the Bank navigates market challenges effectively while delivering value to customers and stakeholders.

#### **Past Experience:**

Chief Credit Officer at AYA Bank  
Deputy Head of Corporate Banking Unit at AYA Bank  
Head of Domestic Corporate Banking Department  
In these roles, he managed a broad portfolio of corporate clients, strengthened credit quality, and expanded transactional banking services through improved customer experience.

#### **Education and Professional Qualifications:**

Bachelor's degree in Business Management (Finance), Royal Melbourne Institute of Technology (RMIT) University  
Chartered Financial Analyst (CFA) Level 1

## **U Tin Maung Htay**

### **Chief Credit Officer**

U Tin Maung Htay serves as the Chief Credit Officer and Deputy Managing Director of AYA Bank PCL. He is a member of the Bank's Executive Committee and co-chairs the NPL Management Committee. In these leadership roles, he oversees the Bank's end-to-end credit functions while also providing operational guidance to ensure the Bank's administrative and infrastructural capabilities effectively support its business needs.

#### **Roles and Responsibilities:**

As Chief Credit Officer, U Tin Maung Htay is responsible for credit underwriting, assessment, administration, monitoring, recovery, and reporting across the Bank's entire credit portfolio. He plays a vital role in maintaining credit quality, strengthening credit governance, and ensuring disciplined portfolio management.

In his capacity as Deputy Managing Director, he provides operational leadership across key support functions. His responsibilities include enhancing administrative efficiency, supervising currency and ATM management, and ensuring the effective management of the Bank's assets and properties. His leadership focuses on optimizing operational models, supporting business expansion, and ensuring the Bank's operational readiness.

#### **Past Experience:**

Began career at AYA Bank in 2015 as Head of Division (Upper Myanmar), and held several senior management roles including Head of Administration, Head of Loan and Head of Currency. Prior experience includes five years in the banking industry and ten years in financial institutions across government and private sectors

#### **Education and Professional Qualifications:**

Bachelor of Economics (Statistics), Yangon University of Economics

## **U Myat Min Htin Kyaw**

### **Deputy CEO, AYA Pay and Head of Digital Banking**

U Myat Min Htin Kyaw serves as the Deputy Chief Executive Officer of AYA Pay and is a member of the AYA Bank Executive Committee. He also acts as Co-Chairperson of the Bank's Product and Business Development Committee.

#### **Roles and Responsibilities:**

In his current role, he oversees the development and operations of AYA Bank's digital products and leads the AYA Innovation Labs, the Bank's in-house technology development arm focused on delivering customer-centric digital solutions. His responsibilities expand in

- Overseeing the strategy, operations, and growth of AYA Pay and the Bank's broader digital products.
- Leads product innovation, feature development, and customer experience enhancement across digital channels.
- Supervises AYA Innovation Labs, responsible for software development, technology deployment, and digital transformation initiatives.
- Contributes to industry-level digital payment initiatives as a member of the Myanmar Payment Switch business committee.

#### **Past Experience:**

Chief Business Officer at a major downstream and midstream energy distribution company. Worked at a Big Four advisory firm in Singapore, specializing in business, asset, and intellectual property valuation across diverse industries and global markets

#### **Education and Professional Qualifications**

Bachelor's Degree in Economics, Pepperdine University, Malibu, California  
Member of Myanmar Payment Switch Business Committee

## **U Soe Htaik Aung**

### **Director, Head of IT**

U Soe Htaik Aung serves as the Director, Head of the IT Division at AYA Bank PCL and is a member of the Bank's Executive Committee. He leads the Bank's technology strategy, overseeing secure, efficient, and resilient IT operations that support business objectives and drive enterprise-wide digital transformation.

#### **Roles and Responsibilities:**

- As the primary architect of the Bank's technology ecosystem, his roles encompasses
- Leading the development and execution of AYA Bank's technological vision and strategy.
- Managing critical areas including Data Centers, Network Architecture, Software System, Enterprise IT, and Information Security.
- Overseeing all IT operations, infrastructure, and digital platforms for operational stability and excellence.
- Driving innovation and digital transformation initiatives across the Bank.

#### **Past Experience:**

Over 25 years of technical experience, including

8 years at AYA Bank - Head of IT Infrastructure Department, Head of IT Division

10 years of overseas work across diverse markets & technology environments

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#### **Education and Professional Qualifications:**

Master's Degree in Business Administration

Bachelor's Degree in Business Management

Professional certifications in Systems Administration, Cybersecurity, Risk Management,

Networks and Network Security (Awarded by Microsoft, Google, and the New York Institute of Finance)

# Corporate Governance

Strong corporate governance is critical to ensuring the Bank's long-term success, stability, and reputation. It provides a clear structure for decision-making, accountability, and control, ensuring that operations are conducted responsibly and transparently in compliance with regulatory standards and stakeholder expectations. Robust governance enables us to manage risks effectively, protect

customer deposits, and uphold ethical practices throughout the organization. It also strengthens shareholder and public confidence, critical foundations for a trusted financial institution. AYA Bank remains fully committed to maintaining the highest standards of corporate governance through a well-structured framework comprising the Board of Directors, specialized committees, and independent

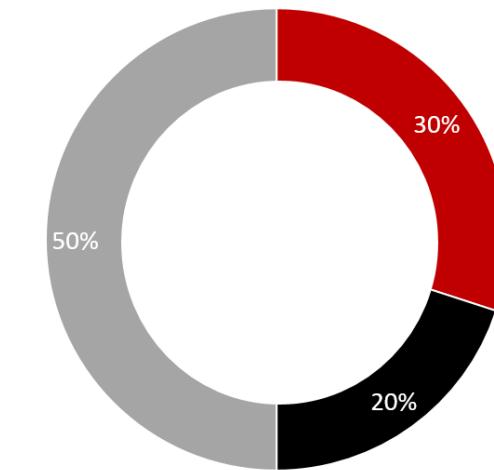
oversight functions. Regular reviews, compliance checks, and strong internal controls ensure that policies and practices stay transparent, sound, and aligned with strategic objectives. Through these measures, the Bank continuously works to enhance governance, reinforce accountability, and preserve its reputation for excellence and trust in the financial sector.



## Board Composition

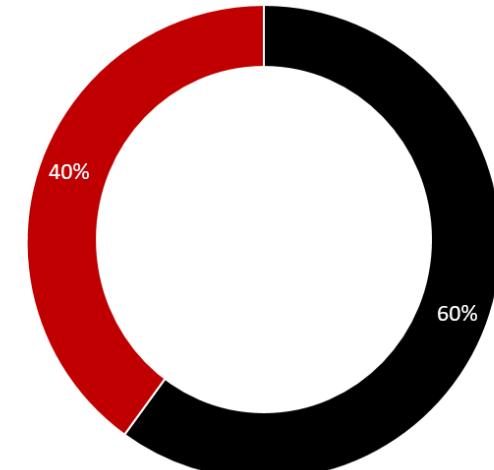
AYA Bank Board of Directors includes a fair mix of executive and non-executive directors, with a diversity in gender and backgrounds. Our BOD comprises ten individuals who collectively bring broad industry knowledge, strategic insight, and strong governance experience. Together, they provide balanced leadership and oversight to guide AYA Bank's continued growth and commitment to responsible banking.

### Independence



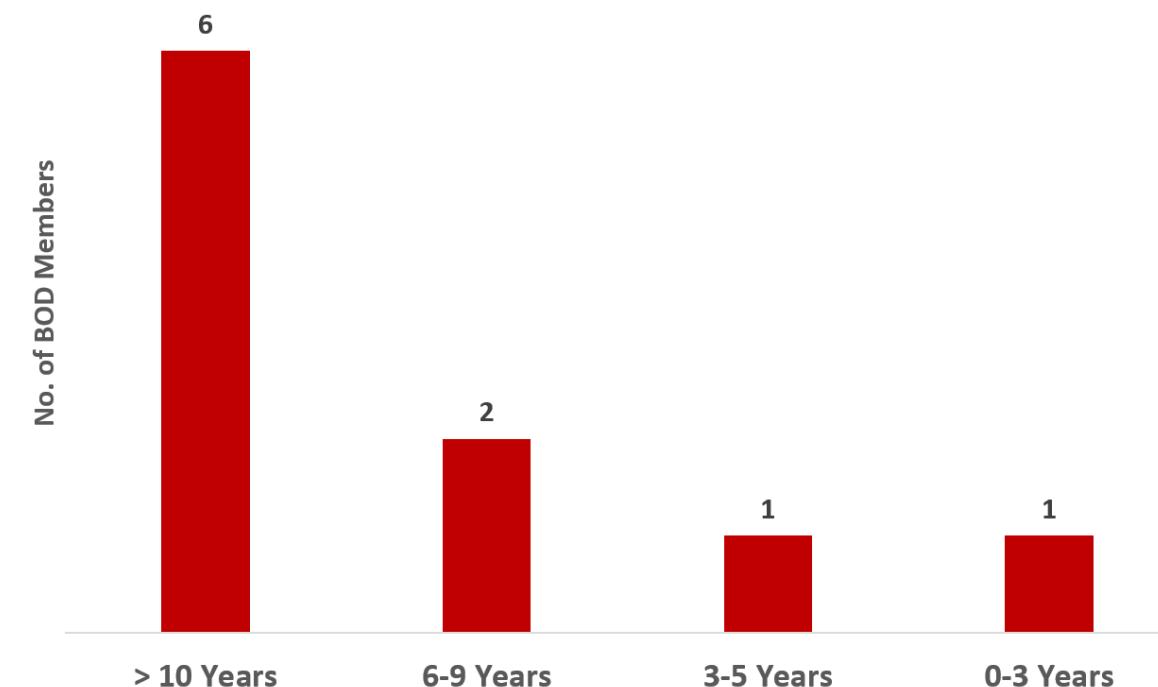
- Independent & Non-Executive Directors
- Non-Independent & Non-Executive Directors (Including Chairman)
- Executive Directors (Including VCM, CEO)

### Gender Diversity



- Male
- Female

### Length of Tenure



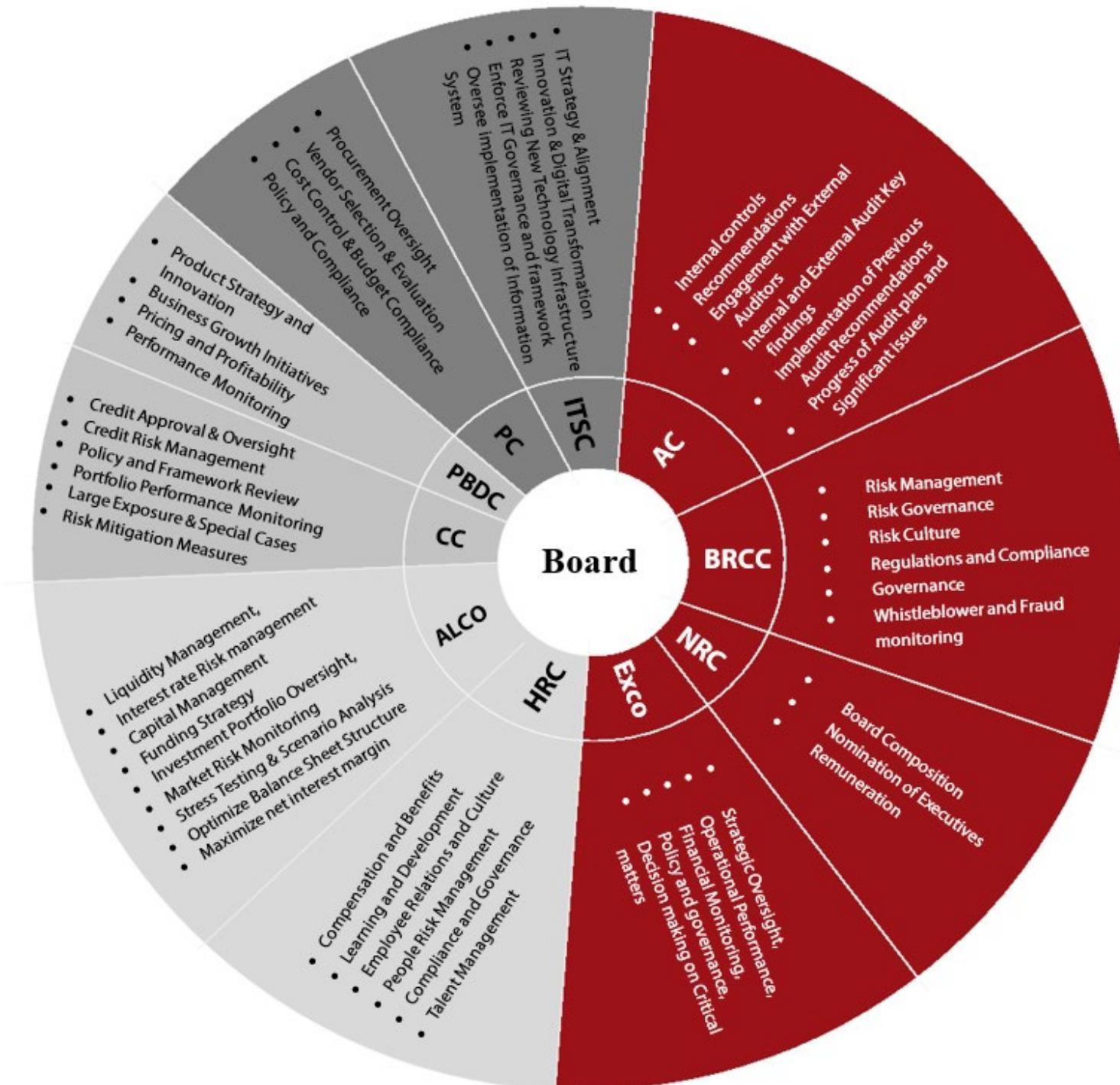
## Roles of Committees

AYA Bank is committed to complying with the letter and the spirit of the regulatory standards to support sustainable growth and ensure safe and sound banking practices. The Bank's governance structure comprises three Board Committees - the Board Audit Committee, the Board Risk and Compliance Committee, and the Board Nomination and Remuneration Committee - along with nine Management Committees. These committees enable the Board of Directors to exercise more effective and in-depth oversight of specialized and complex areas, including risk management, financial reporting, and executive compensation.

Committee	Roles and Responsibilities	Executive Committee	
Board Audit Committee	<p>The Board Audit Committee, chaired by an Independent Non-Executive Director, is composed of members with expertise in areas such as risk and compliance, legal, finance, and audit. The Committee provides ongoing advice to the Board on the effectiveness and independence of the Bank's internal audit function, as well as the overall risk governance framework and internal control system.</p> <p>The Audit Committee is responsible for ensuring that senior management takes timely and appropriate corrective actions to address control weaknesses, instances of non-compliance with policies, laws, and regulations, and other issues identified by auditors and control functions.</p>	Human Resources Committee	<p>The Executive Committee, led by the Executive Chairperson, serves as the steering committee for the Board. It is empowered to facilitate decision-making between Board meetings, particularly in urgent or crisis situations. Reporting directly to the Board, the Committee is responsible for ensuring that the Board's policies and directives are effectively implemented in day-to-day operations and that sound corporate governance practices are upheld.</p> <p>In addition, the Executive Committee oversees the Bank's ethics policies, human resources matters, security guidelines, quality management, financial stewardship, and regulatory compliance.</p>
Board Risk and Compliance Committee	<p>The Board Risk and Compliance Committee (BRCC), chaired by an Independent Non-Executive Director, advises the Board on the Bank's overall risk appetite and strategy, and oversees the management of key risk areas, including credit, market, and operational risks.</p> <p>The BRCC is responsible for the Bank's risk management framework and policies, risk assessment and monitoring, compliance oversight, governance and accountability, regulatory and ethical standards, and reporting and disclosure.</p>	Assets and Liabilities Committee	<p>The Human Resources Committee, chaired by the Vice Chairperson of the Bank, is responsible for assisting the Board in fulfilling its oversight responsibilities for employee-related policies and strategies. The Committee oversees employee compensation, benefits, and performance management, and ensures that the Bank adheres to government regulations as well as international and local best practices.</p> <p>The committee's objectives are to retain qualified and high-performing employees, ensure that human resources risks are properly identified and mitigated, and foster an attractive and supportive environment for both current and prospective employees of AYA Bank.</p>
Board Nomination and Remuneration Committee	<p>The Board Nomination and Remuneration Committee, chaired by an Independent Non-Executive Director, identifies and recommends candidates for the Board and senior executive positions, oversees corporate governance practices, and manages succession planning.</p> <p>The main role of the Committee is to establish succession and compensation policies for the Bank, identify directors and senior management in accordance with the established criteria, and recommend their appointment to the Board. The Committee is responsible for the overall oversight of the Bank's compensation system. In addition, it shall regularly monitor and review outcomes to ensure that the bank-wide remuneration framework is operating as intended.</p>	Credit Committee	<p>The Assets and Liabilities Committee (ALCO), chaired by the Executive Chairperson, is responsible for overseeing the management of the Bank's assets and liabilities. ALCO plays a key role in evaluating both on- and off-balance-sheet risks to ensure effective risk management. One of its primary objectives is to maintain adequate liquidity while managing the spread between interest income and interest expense. The Committee also considers investment-related matters and operational risks.</p> <p>ALCO's responsibilities include managing market risk tolerances, establishing appropriate management information systems, and reviewing and approving the Bank's liquidity and funds management policies. This includes developing and maintaining a contingency funding plan, assessing immediate funding needs and available sources, and determining liquidity risk exposures under adverse scenarios of varying probability and severity.</p>

Product and Business Development Committee	The Product and Business Development Committee, led by the Chief Executive Officer, is comprised of the Heads of Business Units and the Product Development Department. The Committee is responsible for overseeing and managing the processes and procedures for product design and development in alignment with the Bank's strategy and regulatory requirements. Its responsibilities also include reviewing product performance and competitiveness in the market to ensure continued relevance and justification.
Purchasing Committee	The Purchasing Committee, overseen by the Vice Chairperson of the Bank, is established to conduct independent reviews and evaluations of purchasing documentation. The Committee is responsible for selecting the most appropriate suppliers or service providers for the Bank and is ultimately accountable for the integrity and outcome of the evaluation process. All Committee members must remain entirely independent and have no relationship or association with any suppliers under consideration.
Information Technology Steering Committee	The Information Technology Steering Committee, led by the Chief Executive Officer, is tasked with managing IT resources and implementing IT governance in alignment with the Board's strategic direction. Its responsibilities include the development, acquisition, and implementation of the Bank's IT infrastructure, applications, and services. Additionally, the Committee supports IT projects as defined in its mandate and is responsible for evaluating and assessing the performance, compliance, and effectiveness of all IT-related processes, practices, and activities.
Corporate Social Responsibility Committee	The Corporate Social Responsibility (CSR) Committee, chaired by an Independent Non-Executive Director, is responsible for defining the Bank's CSR strategy and ensuring its effective implementation in alignment with the Bank's CSR pillars. The Committee periodically determines and recommends various aspects of CSR initiatives, including the Bank's culture, employment practices, health and safety, human rights, workforce diversity and inclusion, environmental stewardship, community and social investment, compliance with ethical trading and business practices.
Health and Safety Committee	<p>The Health and Safety Committee, chaired by the Chief Executive Officer, is established to address occupational health and safety concerns of employees. Its responsibilities include identifying workplace hazards, responding effectively to health issues such as pandemics, implementing new safety procedures, and reviewing training requirements.</p> <p>The Committee aims to foster communication between employees and management to enhance workplace safety and minimize risks. The Committee meets quarterly to discuss health and safety matters, develop plans and procedures to address identified issues, recommend corrective actions, and evaluate reports submitted to the Committee.</p>

## Matters discussed by the Board Committees, and Management Committees



## Board Meetings and Activities

Board and Board committee meetings are scheduled in advance each financial year. Prior to each Board meeting, the Chairman works closely with the Board Secretary to finalize the agenda, ensuring that adequate information and time are allocated for all items.	The agenda is designed to be comprehensive yet adaptable to accommodate any necessary changes. Board members receive complete and timely information on all agenda topics, and meeting materials are uploaded for easy access to the tablets during the sessions.	At every monthly Board meeting, the Chairperson of each committee shares updates on key issues discussed in their respective meetings, which are generally held before the monthly Board meeting. CEO provides an overview of the bank's business performance, operational updates, and insights into industry trends and developments. CFO presents the financial results for the preceding months along with major financial highlights. The Board Chairman encourages open and constructive discussions among all directors during these meetings.	Directors have unrestricted access to the Board Secretary, who ensures that minutes are accurately recorded to capture significant deliberations and decisions. The Board Secretary also plays a vital role in facilitating communication between the Board, its committees, and management.
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## Board Members Attendance in Committees

Board of Directors		Committee Meetings												
		Board Committee	Executive Committee	Board Audit Committee	Board Risk and Compliance Committee	Board Nomination and Remuneration Committee	HR Committee	Asset-Liability Committee	Credit Committee	Product and Business Development Committee	Purchasing Committee	Information Technology Steering Committee	CSR Committee	Health and Safety Committee
		Number of Meetings Held in FY2024-2025												
		10	7	10	7	0	12	2	5	4	4	5	2	2
1.	<b>U Zaw Zaw</b> Founder and Chairman	10												
2.	<b>Daw Khin Saw Oo</b> Executive Chairman	10	7					2						
3.	<b>Daw Htay Htay Khaing</b> Vice Chairman	10												
4.	<b>U Than Zaw</b> Vice Chairman	10	7		7		11	2						
5.	<b>Daw Khin Ma Ma</b> Vice Chairman	8	4		7		12		2		4	3	2	
6.	<b>U Myint Zaw</b> Vice Chairman	10	7		7			2	5			2	2	
7.	<b>Daw Jasmine Thazin Aung</b> Chief Executive Officer	3	7	7	7		11	2	5	4		5	2	2
8.	<b>Prof Dr Aung Tun Thet</b> Independent Non-Executive Director	7					9						2	
9.	<b>U Min Sein</b> Independent Non-Executive Director	9		8	7									
10.	<b>U Aung Naing Maung Maung</b> Independent Non-Executive Director	8		10										

# Reflections From The Top

## CEO Reflections

*Together, we move forward building a future defined by resilience, powered by technology, and inspired by trust.*



### A Future Built on Innovation

As we conclude this year, I wish to extend my sincere appreciation to every member of AYA Bank. Your unwavering commitment, professionalism, and resilience have been instrumental in achieving the progress we celebrate today.

This financial year tested our resilience and rewarded clear vision. In the face of economic volatility, rising credit risks, and operational challenges, our Bank stood firm, guided by an unwavering commitment to innovation, sound governance, and financial inclusion. We navigated these challenges with determination and purpose. Our accomplishments, from advancing innovative solutions to strengthening customer

relationships, reflect the collective effort, discipline, and dedication of our entire team.

Innovation, in our journey, is inseparable from sustainability. We continue to engage in green financing initiatives, supporting clean energy

adoption and climate resilience. Our commitment to responsible growth extends to SME financing, warehouse-receipt lending, and recovery-focused credit solutions, enabling businesses and households to rebuild, grow, and adapt in a changing environment.

Looking ahead, our strategy and focus are clear: delivering superior customer service, accelerating digital innovation, deepening client partnerships,

and championing sustainable growth. With cloud-ready platforms, API-driven ecosystems, and next-generation mobile banking solutions on the horizon, we are shaping a future where banking is seamless, secure, and accessible to all.

As we move forward, I remain confident in our people, our strategy, and our shared purpose. Together, we will continue to build a stronger, more resilient AYA Bank for the long term.

**Jasmine Thazin Aung**  
Chief Executive Officer

## FY 2024-2025 Annual Financial Review: Chief Financial Officer Statement

*FY2024–2025 was a year of resilient, disciplined growth in which we strengthened capital, delivered record profitability, and expanded our loan and deposit portfolios while preserving asset quality and accelerating diversification to reinforce our strategic position in Myanmar's banking sector and further solidify our standing as a trusted financial institution.*



### Strategic Strength and Resilient Growth

I am proud to report that Fiscal Year 2024–2025 marks a period of exceptional resilience, disciplined execution, and strong financial performance for our Bank. In a dynamic and challenging operating environment, our sustained focus on core banking fundamentals allowed us not only to maintain stability but also to achieve record growth, strengthening our position as a leading pillar of Myanmar's financial industry.

Our primary challenge was ensuring that we could effectively manage liquidity and preserve asset quality while continuing to expand access to finance. This operating environment became a catalyst for sharper agility and more disciplined decision-making. Our success is a testament to our ability to transform economic challenges

into operational strength, enabling us to accelerate diversification and maintain a rigorous focus on asset and liability management across all portfolios.

Structurally, our profitability performance has been exceptional. This success is reflected in our Net Profit After Tax (NPAT), which increased significantly to MMK 82,500 million in FY 2024–2025, continuing a strong upward

trajectory (up from MMK 57,772 million in FY 2023–2024). This

profit growth demonstrates our ability to convert revenue expansion into sustainable bottom-line results. Our Net Interest Margin (NIM) was maintained at a healthy 2.83%, reflecting optimised asset pricing and disciplined management of funding costs. Crucially, we

achieved a remarkable 71.35% year-on-year growth in Fee Income, validating our successful diversification strategy and the development of high-quality, non-interest revenue streams that enhance financial stability and provide a natural hedge against traditional credit cycles. Our strong financial performance is further underscored by a record-high Return on Equity (ROE) of 21.17%, reflecting an 18.95% improvement in capital efficiency and shareholder value creation.

Our commitment to supporting the real economy translated into robust balance sheet expansion. We achieved a 37.04% growth in our loan portfolio, reflecting successful market share expansion and a continued commitment to financing

business and commercial activities nationwide. This growth was responsibly supported by a 21.59% increase in total deposits, a clear validation of sustained public confidence and the effectiveness of our deposit mobilisation strategy.

This expansion of the loan book was underpinned by disciplined and proactive risk management. We successfully improved asset quality, with the Non-Performing Loan (NPL) ratio declining from double-digit levels to a single-digit ratio of 6.89% at year-end. This represents a substantial and consistent improvement over the past three financial years (down from 21.80% in FY 2022–2023 and 12.90% in FY 2023–2024), validating the strength of our underwriting standards, recovery initiatives, and overall

NPL management strategies—even amid accelerated portfolio growth.

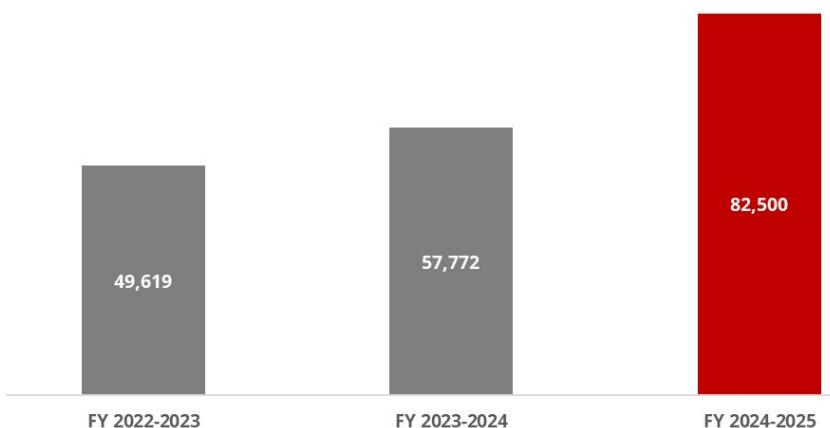
Interest income increased by 32.09% year-on-year, supported by a structurally sound earnings mix. Approximately 75% of total interest income was generated from our core loan portfolio, reaffirming the scale and quality of our primary lending activities. The remaining 25% contribution from investment income provided additional liquidity support and earnings diversification.

The most significant outcome of the year was the further strengthening of our capital foundation. Our commitment to prudent growth is evidenced by a 19.96% increase in Regulatory Capital (Tier 1 and Tier 2), driven by profitable operations and

effective capital retention. Even as we expanded lending activities, we maintained a Capital Adequacy Ratio (CAR) of 9.25%, comfortably above the regulatory minimum of 8%. This deliberate capital buffer positions the Bank to sustain growth momentum, absorb future risks, and seize emerging opportunities. Our performance in FY 2024–2025 clearly demonstrates our ability to deliver strong growth while upholding the highest standards of financial prudence and resilience.

#### Net Profit After Tax (MMK Millions)

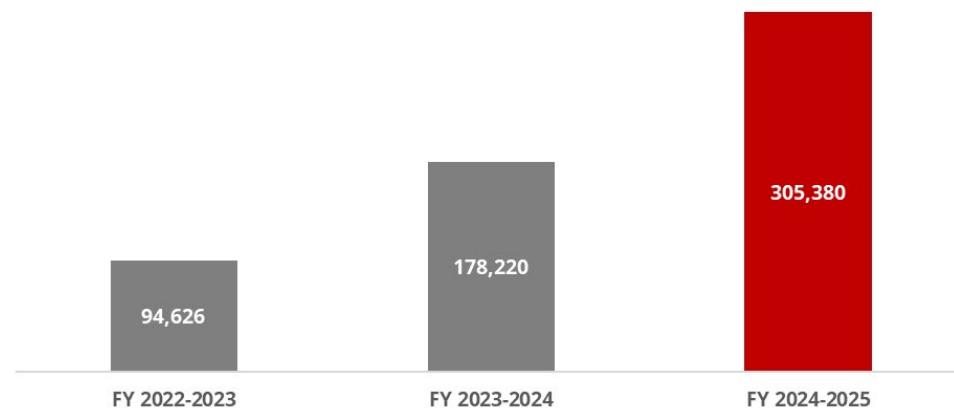
2-Year Compounded Annual Growth Rate (CAGR): 28.94%



**Strategic Significance:** Demonstrates superior conversion of revenue into bottom-line profit

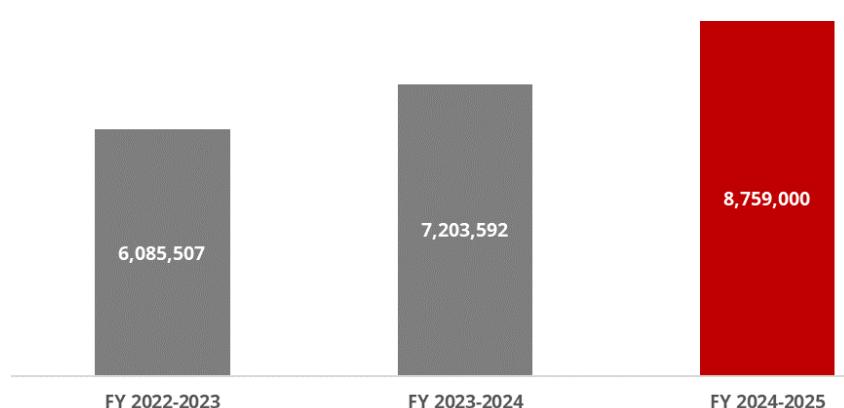
### Fee Income (MMK Millions)

2-Year Compounded Annual Growth Rate (CAGR): 79.64%



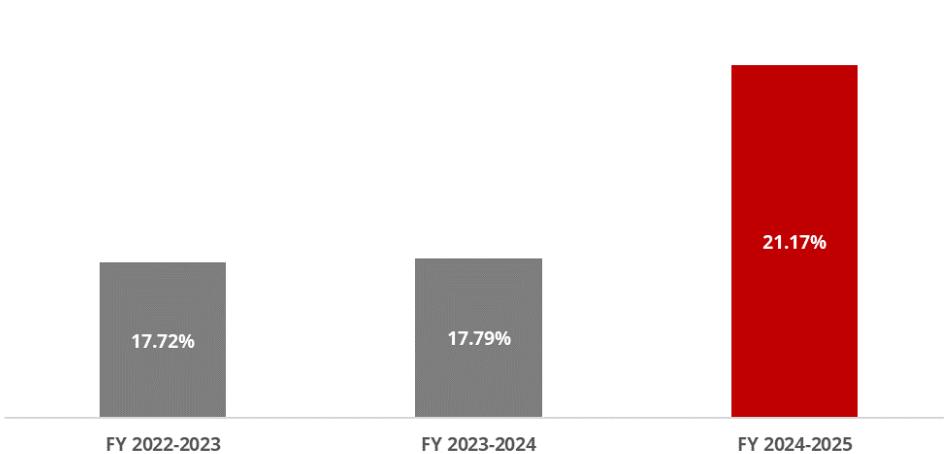
**Strategic Significance:** Diversification accelerates non-lending resilience

Total Deposits (MMK Millions)



**Strategic Significance:** Remarkable public trust and secure funding

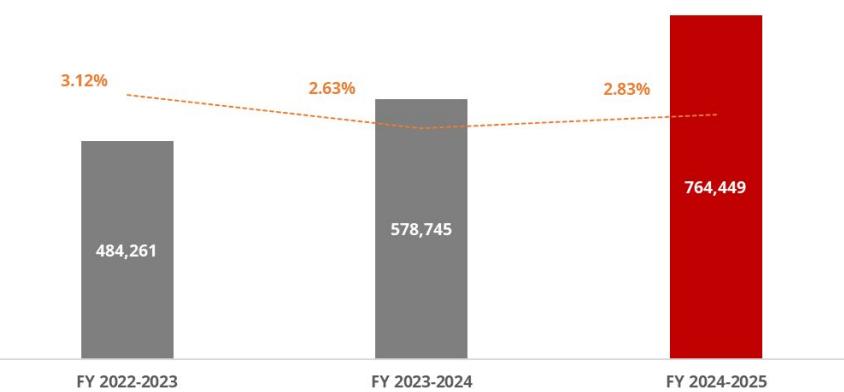
### ROE (Return on Equity)



**Strategic Significance:** Remarkable value generation from shareholder

### Interest Income (MMK Millions) and Net Interest Margin (NIM%)

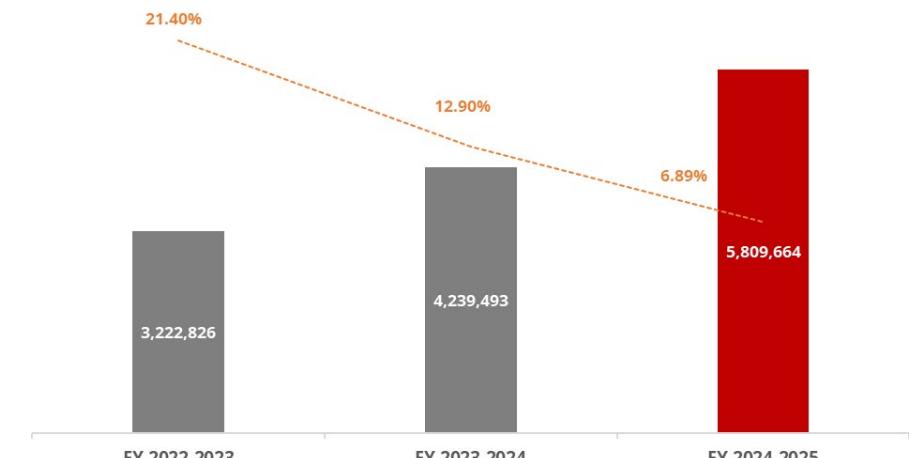
2-Year Compounded Annual Growth Rate (CAGR): 25.64%



**Strategic Significance:** Overall strength in earning assets and core profitability stabilized

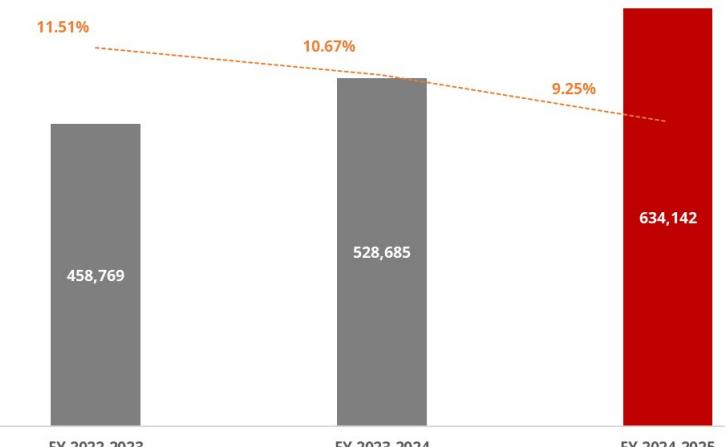
### Loan Portfolio (MMK Millions) & Non- Performing Loan (NPL%)

2-Year Compounded Annual Growth Rate (CAGR): 34.26%



**Strategic Significance:** Significant improvement in asset quality and risk management

### Regulatory Capital (MMK millions) and Capital Adequacy Ratio (CAR %)



**Strategic Significance:** A deliberate and robust capital buffer has been maintained through strong profit retention and capital base build-up.

**Lwin Lwin Aung**

Chief Financial Officer

# Chief Compliance Officer, Chief Risk Management Officer (Concurrent) Statement

The past year has been marked by proactive measures to strengthen our risk governance, enhance operational resilience, and foster a culture of integrity across the organization. AYA Bank PCL remains committed to robust risk management and ethical governance.

Over the past year, we have strengthened our framework, enhanced operational resilience, and fostered a culture of integrity, ensuring risks are effectively managed while supporting the Bank's strategic goals.



We are embedding a technology-enabled and data-driven risk and compliance framework, operationalizing our risk appetite with real-time monitoring, early-warning indicators, and forward-looking analytics to safeguard resilience while enabling responsible and sustainable growth.

As Chief Compliance Officer and Chief Risk Management Officer (Concurrent), my mandate is to safeguard AYA Bank PCL's resilience while enabling responsible, client-centred growth. In FY 2024–2025, we advanced a bank-wide risk governance framework that integrates disciplined credit oversight, robust operational controls, and ethical conduct, anchored by the Board Risk & Compliance Committee (BRCC) and the active involvement of the Chief Compliance Officer / Chief Risk Management Officer (Concurrent) in key credit governance and decision-making processes. We strengthened portfolio monitoring, credit trend analysis, and loss diagnostics by product and sector, and embedded monthly enterprise-wide risk assessments across customers, delivery channels, products, and geographies to ensure timely, data-driven, and

risk-informed actions. Operationally, we intensified monitoring and surveillance of social media platforms and digital channels to deter fraud and misuse, reinforced Suspicious Transaction Reporting (STR) processes, and enhanced transaction monitoring, internal reporting, and whistleblowing mechanisms. On the compliance front, we maintained strict adherence to AML/CFT frameworks, sanctions screening requirements, national risk assessments, and regulatory directives through clear policies, targeted knowledge-sharing and training programmes, proactive branch engagement, compliance checklists, and reinforced accountability across the organization. As we position the Bank for sustainable and resilient growth, our priorities for FY 2025–2026 include operationalizing the Bank's Risk Appetite Statement-

finalized with defined KRIIs and KPIs-into frontline decision-making, expanding dynamic risk monitoring supported by real-time dashboards, and deploying technology-enabled solutions, including advanced analytics, automation, and AI-assisted tools, to strengthen early-warning capabilities, portfolio surveillance, and regulatory reporting. Above all, we will continue to partner closely with business units to align growth ambitions with our risk appetite-ensuring prudent credit expansion, efficient collections, and unwavering regulatory compliance-so that AYA Bank remains resilient, trusted, and well-positioned to support Myanmar's economy through uncertainty and recovery.

**Ko Ko Oo**

Chief Compliance Officer (CCO),  
Chief Risk Management Officer  
(CRMO) (Concurrent)

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# Chief Operating Officer Statement

*This past year, we took deliberate and meaningful steps to transform our operations in ways that drive greater efficiency and measurable impact, while empowering communities and enabling inclusive growth through innovation, accountability, and consistent performance.*



As we close the 2024–2025 financial year, I am proud to present a year marked by significant operational transformation, renewed discipline, and continued service excellence. At AYA Bank, our core mission remains clear: to be recognized as a leading bank in Myanmar through the pursuit of operational excellence and long-term sustainable growth for the Bank and its stakeholders.

## Optimizing Branch Operations through Performance-Based Sizing

In alignment with our vision of a more agile, efficient, and scalable branch network, we undertook a major operational restructuring initiative through Performance-Based Branch Sizing. By introducing a structured and data-driven approach to evaluating branch performance, customer footfall, and market dynamics, we were able to recalibrate branch classifications and staff allocations more accurately. This ensured that every branch—whether in a metropolitan center or a rural township—is sized and resourced in line with its strategic importance and contribution. This initiative has not only improved cost efficiency,

workforce productivity, and resource utilization, but also reinforced a culture of performance accountability across our 260+ branch network. Our teams are now better aligned, more focused, and better equipped to serve customers with excellence, speed, and consistency.

## Driving Motivation Through a Two-Tier Incentive Framework

To embed a performance-driven culture and recognize the efforts of our frontline teams, we rolled out a Two-Tier Incentive Programme designed to reward both individual excellence and team-based success. This framework recognizes that sustainable performance is driven by strong leadership,

collaboration, and shared accountability, and ensures that achievements are celebrated both individually and collectively.

The first tier of this programme rewards high-performing employees for surpassing individual KPIs, while the second tier incentivizes branch teams for achieving collective goals such as customer satisfaction, deposit mobilization, loan growth, and compliance excellence. The programme has already begun to deliver positive behavioral changes, stronger engagement, and improved morale across the branch network.

## Celebrating Excellence Through the AYA Star Awards Programme

Building on our belief that excellence deserves recognition, we also launched the AYA Star

Awards Programme, celebrating the top-performing branches across regions and business categories. These awards serve not only as a symbol of pride for the winning branches but also as powerful motivation benchmarks across the organization. Through a robust, transparent, and merit-based evaluation process, the programme recognizes excellence in areas such as business growth, customer experience, digital adoption, operational compliance, and community impact. Award recipients receive both formal recognition and development opportunities, ensuring that success is celebrated, shared, and reinvested.

## Operational Discipline and Customer Commitment

These initiatives reflect more than standalone programmes; they represent a new operating rhythm and mindset at AYA Bank. We are focused on measurable outcomes, data-driven decision-making, and customer-centric innovation. During the year, we strengthened operational controls, empowered regional offices with clearer mandates and accountability, and

made significant progress in streamlining SOPs across retail banking, operations, and risk management. Throughout the year, our operational teams demonstrated resilience, agility, and unwavering commitment to upholding service standards, often under challenging macroeconomic conditions. I would like to express my sincere appreciation and gratitude to all our teams for their dedication and professionalism.

## Looking Ahead

As we look to FY 2025–2026, we remain firmly committed to operational excellence as the foundation of sustainable growth. We will continue to invest in digital transformation, employee upskilling, and performance transparency across all levels of the organization. Together with our leadership team, I am confident that AYA Bank is well-positioned to navigate the evolving banking landscape, while staying true to our mission, values, and long-term strategic objectives.

### Minn Wint Oo

Chief Operating Officer

# Chief Business Officer Statement

*Despite a challenging year marked by liquidity constraints and market uncertainty, we remained steadfast in supporting Myanmar's real economy through disciplined lending and innovative financial solutions.*



FY 2024–2025 was a demanding year for Myanmar's financial sector, marked by tight liquidity conditions, rising credit risks, persistent inflationary pressures, and significant operational challenges. Volatility in global gold prices further affected household savings behavior, reinforcing uncertainty across the market.

Despite these conditions and sector-wide pressures on deposit confidence, the Bank remained committed to supporting the real economy through disciplined and targeted lending, evidenced by a total disbursement of MMK 2.7 trillion, enhanced client engagement, and sector-focused financial solutions. This balanced approach enabled us to sustain responsible loan growth, including continued support for home loans, while maintaining improved asset quality and strong, long-standing relationships with business, SME, and trade clients.

Amid a challenging operating landscape, we continued to extend essential financing across working capital requirements,

export-linked agribusiness, and the importation of critical goods such as food, fuel, and medical supplies. Our USD 114 million in SWAP financing further accelerated import flows, supporting market demand and ensuring timely and uninterrupted delivery of essential commodities. Through enhanced risk assessment, closer collateral monitoring, and proactive portfolio management, we safeguarded loan quality and kept NPLs stable, with particular attention to flood-affected regions, SMEs, and the agricultural sector.

In FY 2024–2025, the Bank strengthened its commitment to clean and sustainable energy financing by providing solar

financing to both retail customers and industrial clients. This included MMK 7 billion in retail solar loans and MMK 108 billion for large-scale industrial solar projects, contributing to cleaner energy adoption, improved working environments, and broader community well-being. The severe nationwide floods last year had a profound impact on borrowers in Nay Pyi Taw, Bago, Mandalay, Kayin, and Shan States, disrupting production cycles and placing additional pressure on households and businesses. We responded with swift financial assistance, flexible repayment arrangements, and community-focused engagement, helping to restore livelihoods and reinforce economic recovery. These efforts strengthened our outreach in

rural and agrarian segments and reaffirmed our mission of standing by our customers during periods of national hardship.

External sector dynamics also shaped the operating environment. Beans and corn exports performed strongly, while rice export prices declined by nearly half, creating mixed outcomes for agricultural borrowers and traders. Overall trade activity remained resilient but constrained by foreign exchange regulations and settlement delays. To support our clients, the Bank focused on secured trade finance and export-backed transactions, maintaining cross-border trade

flows with a total financing turnover of MMK 218 billion.

Meanwhile, the acceleration of digital payments, QR collections, and agent banking created new opportunities for customer acquisition and fee-income growth, which we pursued while strengthening cybersecurity controls and fraud prevention measures.

As we move into FY 2025–2026, we recognize an operating environment that remains complex, yet increasingly opportunity-rich. Demand continues to grow for agriculture financing, warehouse-receipt lending, and SME programme lending, while climate-resilient and recovery-focused financing

presents meaningful long-term growth potential.

Our Bank enters the new fiscal year with disciplined optimism and strategic clarity. By deepening client partnerships, strengthening our presence across both urban and rural markets, and maintaining a sustainable, risk-aligned growth strategy, we remain firmly committed to contributing to Myanmar's economic stability, resilience, and long-term recovery.

**Nay Lin Htut**  
Chief Business Officer

## Chief Credit Officer Statement

We strengthened credit quality and reduced non-performing loans through rigorous governance, disciplined oversight, and proactive risk management, ensuring a healthier and more resilient credit portfolio. Looking ahead, we remain firmly committed to responsible and sustainable growth by expanding SME lending and leveraging technology to enhance credit efficiency, transparency, and risk control.



The Credit Unit plays a critical role in ensuring that the Bank does not incur significant loan losses. At the same time, it diligently complies with all credit-related regulations set by the Central Bank of Myanmar (CBM) and strives to make the loan application process efficient, transparent, and customer-friendly. The Credit Unit operates through four core functional departments:

- Credit Underwriting Department
- Credit Administration Department
- Credit Risk Monitoring Department
- Credit Collection Department

Going forward, the Bank is prioritizing the expansion of SME and MSME lending, recognizing its importance in supporting entrepreneurship, job creation, and economic recovery. In parallel, digital enablement initiatives are underway to allow

customers to conveniently apply for small-ticket and retail loans through a secure digital loan platform.

AYA Bank has established robust and well-defined credit policies, and to reduce Non-Performing Loans (NPLs), it enforces strict and structured collection policies. Furthermore, the Bank places strong emphasis on NPL reduction through dedicated governance bodies such as the NPL Management Committee and the Asset Management Committee, ensuring accountability and timely decision-making.

During the financial year, the Bank remained focused on strengthening credit quality and reducing non-performing loans through rigorous oversight and proactive corrective measures. Guided by the NPL Management Committee, we implemented a

comprehensive NPL reduction strategy aligned with regulatory directives, resulting in a notable improvement in asset quality and the overall health of the loan portfolio.

Our Credit Unit also continued to drive business growth responsibly, exceeding initial disbursement expectations and expanding the loan portfolio across corporate, SME, and consumer segments. This achievement reflects our commitment to supporting businesses and individuals while maintaining prudent underwriting standards and disciplined risk management practices.

Moving forward, we will continue to enhance credit processes, leverage data-driven insights, and collaborate closely across business units to sustain healthy portfolio growth and

deliver long-term value for our stakeholders. To meet the FY 2025–2026 lending targets, maintain the NPL ratio below 5%, and enhance debt recovery efficiency, the following key initiatives are being implemented:

1. Setting individual performance targets for each relevant staff member
2. Providing structured training and capacity-building programmes for officers and staff
3. Developing qualified credit personnel and implementing KPIs for continuous performance monitoring
4. Utilizing advanced technology, including specialized collection software, for effective NPL management and oversight
5. Issuing, standardizing, and enforcing debt collection process guidelines across all relevant units

These measures are actively being executed to ensure sustainable NPL reduction, stronger recovery outcomes, and continuous improvement in credit portfolio quality.

### Managing Credit Risk for Sustainable Growth

Furthermore, in 2024, AYA Bank formally established a dedicated

Risk Management Department, marking a significant milestone in strengthening the Bank's credit oversight and enterprise risk governance framework. The newly formed department launched comprehensive credit risk monitoring functions, with a strong focus on portfolio-level risk management, dynamic risk assessment, early identification of emerging risks, and continuous evaluation of market developments to proactively manage the Bank's credit exposure.

Core functions include risk limit monitoring, account surveillance for early detection of potential defaults, disaster-risk exposure monitoring, and structured renewal-tracking mechanisms to prevent lapses in insurance coverage and ensure full protection in the event of incidents. The department also introduced rigorous quality control reviews of credit files, strengthening credit discipline and mitigating operational risks.

Supporting these efforts, the team enhanced risk management reporting capabilities and implemented a suite of digital and innovative solutions, ranging from system enhancements and operational tools to real-time dashboards and AI-powered

chatbot services that assist branches with loan-related queries. Collectively, these initiatives reflect the Bank's commitment to building a forward-looking, technology-enabled, and resilient credit risk management culture.

**Tin Maung Htay**  
Chief Credit Officer

# Deputy CEO, AYA Pay and Head of Digital Banking

*Digital strategy, product innovation and development of Myanmar's next-generation financial infrastructure are key focuses of AYA Bank PCL. Our work focuses on building an interoperable, AI-enabled, secure, and inclusive digital banking ecosystem that reaches customers across the country. We remain committed to our vision of creating products that every Myanmar people should aspire to use.*



This year AYA Digital Bank's key strategic programs, including MMQR implementation, the expansion of xCounters, financial inclusion, and the development of the Bank's new cloud-based, microservice-driven Mobile Banking platform.

In December 2024, we received recognition at the Co-Creation Pitch Competition at the ASEAN-Japan Future Generation Business Leaders' Summit, earning an award for presenting AYA Pay's vision for inclusive digital financial ecosystem. This achievement reflects both personal leadership and AYA Bank's influence in shaping the future of digital finance in the region.

## FY2024 - 2025 Year in Review

The year 2024 - 2025 was a defining period for AYA Digital Bank as we continued to strengthen the foundations

of Myanmar's digital financial ecosystem. Our focus remained clear: build a modern, accessible, and intelligent digital bank that meets the evolving needs of our customers and supports the nation's digital economy.

## Pioneering Interoperable Payments with MMQR

One of our most significant achievements this year was becoming one of the first four institutions in Myanmar to go live on MMQR, the new national interoperable QR payment grid. As a unified QR standard connecting banks, e-wallets, and merchants across the country, MMQR enables:

- Seamless cross-platform QR payments
- Low-cost digital acceptance for SMEs and micro-merchants
- Improved interoperability across the financial sector
- Broader reach for digital payments nationwide

AYA Pay is one of the earliest participants for MMQR which places us at the center of Myanmar's fast-growing interoperable payments landscape.

## Scaling Digital Access Through xCounters

To expand financial access beyond traditional branches, we expanded xCounters, our digitally enabled servicing outlets. These outlets serve as last-mile access points for digital banking, offering:

- Assisted digital transactions
- AYA Pay services and cash-in/cash-out
- Account opening and digital onboarding
- Convenient access for underserved communities
- Credit Card, Debit Card, Prepaid Card and BNPL (Buy Now Pay Later) applications.

xCounters are central to our goal of ensuring that every person

in Myanmar can engage with the digital economy, regardless of location or prior digital familiarity.

## Driving Financial Inclusion

AYA Digital Bank has expanded in outreach for the rural and grass-root communities. With the digitization of government payrolls, one of the largest national transitions from cash to digital in recent years. Through our platform, hundreds of thousands of public sector employees now receive salaries securely and efficiently.

This initiative has:

- Increased trust in formal digital banking
- Boosted daily active users across our ecosystem
- Encouraged long-term digital habits such as savings and digital payments
- Supported national objectives for transparency and efficiency

This program continues to be one of the strongest drivers of digital adoption in the country.

## Embedding AI Across AYA Digital Bank

This year marked the beginning of AYA Digital Bank's transition into an AI-powered organization. We implemented intelligent

automation and AI solutions across key functions, including:

- AI-powered support for faster and more consistent service
- Automated back-office operations, reducing manual workload and error rates
- Intelligent fraud and risk monitoring, enabling proactive threat detection
- Data-driven insights leading to more personalized digital service
- AI assisted in software development to increase efficiency

These developments represent the foundation of our long-term ambition to build Myanmar's intelligent, scalable, and digital bank.

## Future Outlook

Our progress in 2024 - 2025 reinforces AYA Digital Bank's commitment to delivering meaningful, accessible digital financial services on the national scale. As we look ahead, we are focused on building the next generation of AYA's digital banking experience.

A major strategic priority will be the development and launch of our new Mobile Banking platform, built on microservices architecture and cloud-ready infrastructure. This next-generation platform will replace

the existing mobile banking system, delivering:

- Faster and more reliable performance
- Greater scalability and security
- A flexible foundation for new products and features
- A seamless digital experience for millions of users.

This will become the core digital channel of AYA Digital Bank.

In addition, our forward-looking priorities include:

- Deepening interoperability across Myanmar's financial ecosystem
- Expanding inclusive digital access through xCounters and partner networks
- Strengthening safety, resilience, and uptime across all digital services
- Scaling AI and automation throughout the bank
- Positioning AYA Digital Bank as the trusted, default platform for everyday financial needs

With a strong foundation and a clear roadmap, AYA Bank PCL is prepared to lead Myanmar into the next era of digital banking modern, interoperable, intelligent, and built for everyone.

## Myat Min Htin Kyaw

Deputy CEO, AYA Pay and Head of Digital Banking

# Director, Head Of IT Statement

We are building a future-ready bank, powered by cloud technology, API-driven integration, robust cybersecurity, and advanced digital payment solutions. Our goal is to accelerate Myanmar's financial system, making it faster, more secure, and inclusive for all.



## A Strategic Foundation for Digital Resilience

The FY2024- 2025 strategy was executed across three interconnected pillars, focused on ensuring operational continuity, securing our digital perimeter, and driving efficiency across the organization.

### Fortifying the Core

This is sub title This pillar focused on eliminating legacy dependencies and ensuring our mission-critical systems meet modern standards for performance, scalability, and disaster recovery. The successful migration of core platforms out of aging data centers was a critical achievement, directly addressing single points of failure and improving overall system stability.

- We completed the full migration of core card services to the new enterprise data center, enhancing

System Stability and improving disaster recovery posture.

- The successful migration of the Digital Banking Platform Improved Performance and reliability for retail digital channels.
- Upgrading the Data Center Network Fabric delivered Network Agility and a modern, high-speed backbone for all services.
- Implemented new, robust backup solutions for critical collaboration platforms, ensuring Superior Data Protection and rapid recovery capabilities.

### Security Posture Advancement

A commitment to preemptive security was paramount. We focused on achieving the highest levels of industry compliance and enhancing our preemptive defense mechanisms,

establishing a solid Zero Trust Security foundation.

- Achieved full, bank-wide compliance with the new Payment Card Industry Data Security Standard (PCI DSS 4.0.1), securing cardholder environments and maintaining partner trust.
- Successfully deployed advanced security defense systems, significantly improving network Threat Mitigation capabilities against zero-day exploits.
- Implemented a unified log aggregation and security event management solution, enabling Real-Time Visibility and proactive threat detection across all IT domains.

### Driving Operational Excellence and Strategic Enablement

Technology investments were carefully designed to enable new business and optimize

internal efficiency, showcasing our commitment to disciplined execution and Financial Stewardship.

- Provided essential infrastructure support for the bank's highest priority digital initiative, the MBX (Mobile X) program, accelerating time-to-market.
- Successfully launched a robust online channel for a critical new business vertical, enabling Business Enablement.
- Streamlined the process for secure delivery of card statements via email, improving Customer Experience (CX) and communication reliability.
- Revamped the IT Service Management (ITSM) Change Management framework, drastically reducing the risk of service disruption and enhancing Risk Reduction.
- Delivered significant operational savings across technology infrastructure and licensing, demonstrating Financial Stewardship.

### FY 2025 - 2026 Technology Outlook

The successful completion of the 2025 program portfolio has created a low-risk, high-performance platform. Our immediate focus for the

coming year will pivot toward acceleration and customer-centric innovation.

### Key Focus Areas

- API & Open Banking Strategy: Invest in the next generation of our API gateway to drive ecosystem partnerships and transactional efficiency, unlocking new revenue streams.
- Cloud Readiness: Initiate formal planning for strategic workload migration to hybrid cloud environments to further enhance agility, scalability, and cost efficiency.
- AI Integration: Explore integrating predictive analytics and machine learning models into core banking processes to enhance fraud detection, streamline operations, and personalize customer journeys.

### Soe Htaik Aung

Director, Head of IT

# ***Sustainability***

## **Sustainability as a Core Business Imperative**

The broader economic landscape of Myanmar in FY 2024-2025 remained highly volatile, resulting in subdued economic activity across multiple key sectors. Although the banking industry continues to play a critical role in mobilizing financial resources and supporting business growth, its capacity to accelerate Myanmar's economic development was comparatively constrained when measured against regional counterparts. Despite these challenges, we continue to anchor our business decisions in long-term strategic priorities and responsible banking practices. We remain firmly committed to creating sustainable value for all stakeholders while contributing to financial inclusion, social well-being, and robust governance standards. Through resilience, discipline, and forward-looking planning, we aim to support the country's economic progress and strengthen trust within the communities we serve.

# Maturing New Ways for Sustainable Growth

With the Board's leadership, AYA Bank is committed to creating a durable and sustainable competitive advantage by focusing on three strategic pillars:

## 1 Enhancing Financial Performance

We aim to strengthen our financial foundation by improving Return on Equity, maximizing profitability, and driving greater operational and cost efficiency. At the same time, we prioritize robust risk management practices by mitigating Non-Performing Assets and Loans, ensuring long-term financial stability and institutional resilience.

## 2 Driving Digital Advancement

Embracing digital transformation is central to our sustainability strategy. By streamlining operations and leveraging innovative and scalable technologies, we enhance efficiency and deliver consistent, secure, and superior customer experiences, positioning AYA Bank for the future evolution of banking.

## 3 Achieving Customer-Centric Excellence

Our goal is to expand market share through exceptional customer service and deepen relationships by growing our active customer base. This approach not only increases funds and transactional engagement but also reinforces trust, loyalty, and long-term partnerships, which are essential for sustainable success.

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## Building a Future-Ready Digital Bank

In FY 2024-2025, the banking sector continued to advance its digital maturity, with leading institutions prioritizing core systems modernization and enhanced digital functionalities.

Reflecting this trend, AYA Bank intensified its efforts on personalization, platform enhancement, and the redesign of digital channels to elevate the overall customer experience.

As we advance towards a more integrated and fully digital banking experience, our focus remains on innovation and accessibility. We aspire to be the bank of choice for every Burmese individual and business, enabling their hopes and ambitions through seamless, secure, and inclusive financial solutions.

Through targeted upgrades, process simplification, and strengthened digital capabilities, our Digital Banking Unit has played an instrumental role in driving transformation, ensuring the Bank remains agile, customer-centric, and aligned with evolving digital trends and customer expectations.

Our flagship offerings - AYA Pay, an everyday digital wallet, and AYA Mobile Banking are designed to provide convenient, secure,

and reliable services for daily transactions. By integrating these solutions into routine activities, we are building a future where banking is not merely a service, but an integral part of everyday life.

This year, we explored new and innovative ways to embed AYA's digital products into our

AYA Pay has evolved into a trusted and reliable solution for everyday financial needs. It offers a comprehensive suite of electronic bill payment services, delivering greater convenience, speed, and security compared to traditional cash-based methods, while eliminating the need to visit bank branches or government offices.



customers' everyday lives, making banking simpler, faster, and more inclusive. Supported by strong executive sponsorship and cross-functional collaboration, AYA New Mobile Banking successfully achieved its beta release by the close of the financial year and is now fully prepared for broader deployment in the year ahead.

With 24/7 accessibility, seamless transactions, enhanced security, and improved financial inclusion,

## Driving Growth and Innovation

In line with our strategic vision, we have accelerated our digital transformation journey to deliver seamless, customer-centric experiences and strengthen our market position. Our initiatives are guided by five key strategic pillars:

### 1 Growth through Distribution Innovation

We are expanding the reach of our existing products by leveraging digital distribution channels and strategic partnerships. This approach enables us to connect with new customer segments and previously untapped markets, ensuring greater accessibility and convenience.

### 2 Customer Retention and Engagement

Retaining our valued customers and merchant partners remains a top priority. Through personalized digital experiences, targeted engagement, and enhanced service capabilities, we aim to deepen relationships and foster long-term loyalty and trust.

### 3 End-to-End Digitization

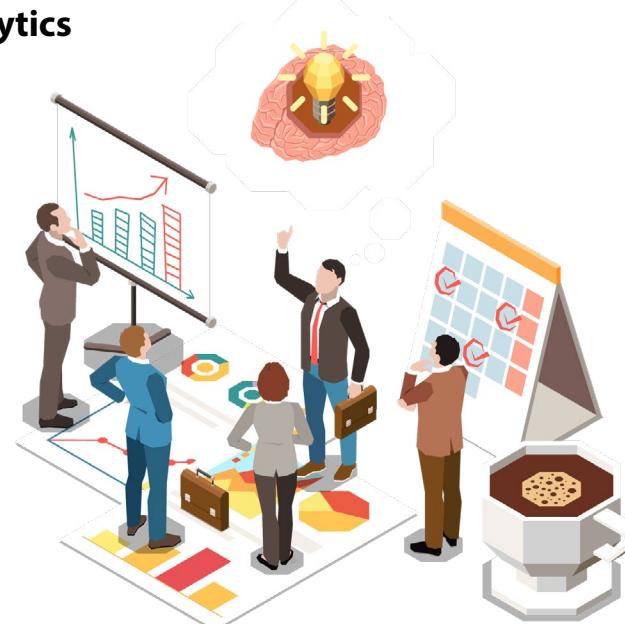
We have initiated end-to-end (E2E) digitization across critical processes, streamlining operations to achieve higher efficiency, faster turnaround times, and improved customer satisfaction.

### 4 Embedding Digital Products in Everyday Life

Our goal is to make digital banking an integral and intuitive part of daily life. By creating simple, emotionally engaging, and customer-focused solutions, we strengthen the bond between customers and AYA Bank, driving adoption, usage, and long-term trust.

### 5 Advanced Analytics for Predictive Insights

We are building a robust foundation for data-driven decision-making through advanced analytics. This capability will empower us to anticipate customer needs, deliver proactive and personalized solutions, and unlock new and sustainable growth opportunities.



## Value Creation Framework

### Our Resources



#### Brand Promise

We aspire to be the bank of choice for individuals and businesses seeking fast, reliable, and trustworthy banking relationships. AYA Bank offers a comprehensive range of retail and commercial banking products and services, while remaining deeply attuned to domestic customs and fully aligned with international standards in governance and operations.



#### Our Motto

Your Trusted Partner.



#### Our Core Values

Core Values (ETHICS): Excellence, Teamwork, Honesty, Integrity, Care, and Sincerity; principles that guide our decisions, behaviors, and long-term relationships with stakeholders.



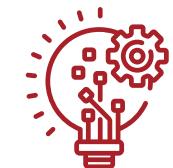
#### Customer Commitment

We are committed to delivering secure, convenient, and personalized digital banking solutions that simplify everyday financial management for our customers. Our goal is to make banking accessible anytime and anywhere, while offering innovative tools and value-added benefits that enhance overall financial well-being.



#### Future-Ready Infrastructure

We combine a nationwide physical network with cutting-edge technology to deliver a hybrid banking experience. From strategically located 260 branches nationwide to advanced digital and online banking platforms, our infrastructure is designed for security, scalability, and customer convenience, providing a strong foundation that supports innovation and reinforces customer confidence.



#### Innovation and Digital Enablement

We deliver next-generation digital solutions, including AYA Mobile Banking new version, AYA Pay digital wallets, QR payments, and contactless transactions, integrated with lifestyle platforms to create a seamless, intuitive, and holistic customer experience.

### How We Create Value

### Our Resources



#### Strategic Strength and Resilience

We continuously review and refine our strategy to remain aligned with evolving market trends, shifts in the operating environment, and insights from our stakeholders. These factors represent material strategic considerations that influence our ability to sustain performance and create long-term value.



#### Security and Trust

Advanced encryption, multi-factor authentication, and continuous system monitoring safeguard customer data and funds, ensuring uncompromised security, operational integrity, and customer peace of mind.



#### Effective Internal Controls

We maintain a comprehensive and robust internal control framework covering financial, operational, compliance, and technology risks, reinforced by strong enterprise-wide risk management practices. Our three lines of defense model ensures resilience through frontline risk ownership, independent oversight and assurance, and external audits, including regulatory inspections by the Central Bank of Myanmar.



#### Employees

Our people are at the heart of our success. With a dynamic and future-ready workforce, largely composed of Generation Y professionals, employees are fully aligned with the Bank's strategic direction. Their adaptability, industry expertise, and customer-centric mindset enable us to consistently deliver superior value and sustain long-term growth.



#### Corporate Social Responsibility and Sustainability

Corporate Social Responsibility is embedded within our business strategy, guided by five fundamental pillars: Healthy Lifestyle, Gender Equality, Corporate Digital Responsibility, Financial Inclusion, and Community Engagement. These pillars reflect our commitment to inclusive growth, social impact, and sustainable development.



## What's New and Better in FY2024-2025



### 1 Strengthening Account Security through Viber OTP in AYA Pay

AYA Pay's Viber OTP feature strengthens authentication by enabling delivery of one-time passwords (OTPs) through Viber in addition to traditional SMS. This dual-channel authentication method improves security resilience and ensures reliable transaction verification even under network constraints.

### 2 Customer Retention and Engagement

AYA Pay introduced the MMQR feature as part of its digital payment services, enabling users to make real-time merchant payments through QR code scanning. By integrating with issuing banks, this feature ensures seamless transactions and promotes secure, efficient digital payments for both merchants and consumers. As one of the first pilot participants for Myanmar Pay (MMQR), AYA Pay demonstrated early adoption and leadership in driving digital payment innovation.

### 3 End-to-End Digitization

Enhancements throughout the fiscal years FY2024 - 2025, AYA Pay and AYA Pay Partner App have undergone significant enhancements to deliver a more seamless, secure, and user-friendly experience. These updates introduced new payment capabilities, improved onboarding processes, optimized user interfaces, and expanded language support. By continuously refining features and integrating advanced functionalities, AYA Pay reaffirmed its commitment to driving digital innovation and empowering merchants and consumers across Myanmar.

#### AYA Pay Version Releases

- Version 1.0.8 >> Introduced Meter Bill Payment, Added Agent Location Update
- Version 1.1.0 >> KYC Auto-Population for faster onboarding, Cash Collection Feature for agents
- Version 1.1.2 >> Revamped UI for improved user experience, Service Separation for better navigation, Mobile Top-Up Enhancements, Direct Telco Integration, Clear Commission Communication, Added Language Options, Code Refactoring for performance optimization
- Version 1.1.3 >> Added Burmese Language Support in Bill Payment, Other minor enhancements
- Version 1.1.8 >> Expanded Mobile Top-Up Denominations, Added Town Data in Address Selection, Introducing Mandatory Fields (GRN, DICA, RCDC, Postal Code) for merchant onboarding.
- Version 1.1.9 >> Improved UI with Real-Time Commission Display for Agents and DTR

## 4 Admin Portal Capability: Compliance & Fraud Prevention

The AYA Pay Operations Team leverages the admin portal to review OTC transactions by accessing agent-submitted customer documents, including photo identification and NRC front and back images. This capability ensures robust compliance verification, strengthens fraud detection mechanisms, and maintains high standards of transaction integrity through centralized document validation.

## 7 Optimized Bill Payment Experience for Enhanced Usability

The Billers Optimization update enhances the bill payment workflow by introducing a restructured and re-ordered biller list for intuitive navigation, along with advanced management options for saved and recent billers, including edit and remove functionality. The system now auto-saves online bill payment details for convenience, while success and notification screens display complete biller information for improved transparency and user confidence. These enhancements collectively deliver a streamlined, secure, and user-centric bill payment experience.

## 5 Merchant Wallet Cash-Out: Secure Transfers to Corporate Wallet

The Merchant Wallet Cash-Out feature enables merchants to securely transfer funds from their merchant wallet to their corporate wallet through an integrated system workflow. This enhancement improves liquidity management, streamline settlement processes, and ensures real-time fund availability for corporate operations.

## 8 Smart Meter Billing: Instant Alerts & One-Click Payment

Enable real-time push notifications to alert customers when their meter bill is generated and ready for payment. Each notification includes essential billing details and a secure, deep-linked payment option. With a single tap, users can complete transactions through an optimized, frictionless payment flow. This feature enhances customer convenience, accelerates collections, and improves operational efficiency for billers.

## 6 Secure Access with Single Device Login Policy

To strengthen account security and mitigate fraud risks, AYA Pay now enforces a Single Wallet, Single Device login policy ensuring that only one device can access an account at any given time. Any new login attempt triggers a multi-layered verification process, including SMS authentication and in-app alerts for passcode reset requests. This proactive security mechanism provides users with real-time notifications, enabling immediate response and reporting of unauthorized activity.

## 9 Simplifying Data Retrieval: Grab Report Tool with Excel Export

The Grab Report Tool provides business teams with a centralized platform to access and analyze Grab transaction data efficiently, enabling faster and more informed decision-making. Designed with an intuitive user interface, the tool simplifies data navigation while offering Excel export functionality for advanced reporting and analysis. This enhancement ensures secure, real-time data availability and streamline operational workflows for improved business insights.

## 10 Points System Revamp: Enhanced Structure and Tier Benefits

The points revamp introduces a fully restructured rewards framework, featuring optimized point allocation and the addition of a new Diamond Tier for premium benefits. The update includes a redesigned UI/UX for improved navigation, clear visibility of tier-specific advantages, and transparent definitions of tier progression and point reset cycles. These enhancements deliver a more intuitive, rewarding, and data-driven loyalty experience for users.

# Financial Statement



AYEYARWADY BANK PUBLIC COMPANY LIMITED

## REPORT OF THE DIRECTORS

The directors present their report together with the audited financial statements of Ayeyarwady Bank Public Company Limited (the "Bank") for the year ended March 31, 2025.

### 1. Directors

The directors of the Bank in office at the date of March 31, 2025 are

- U Zaw Zaw
- Daw Htay Htay Khaing
- Daw Khin Saw Oo
- Daw Khin Ma Ma
- U Than Zaw
- U Myint Zaw
- Daw Thazin Aung
- Dr. Aung Tun Thet
- U Min Sein @ Balawonikaykaray
- U Aung Naing Maung Maung

### 2. Principal Activities

The principal activity of the Bank is to provide full banking services with two hundred and sixty-one branches across Myanmar.

### 3. Directors' Interest in Shares or Debentures

The directors holding office at the end of the financial year had no interests in the share capital of the Bank as recorded in the register of directors' shareholdings kept by the Bank, except as follows:

Shareholdings registered in name of director		
Name of directors	At beginning of Year or date of appointment, if later	At end of year
U Zaw Zaw	1,036,000	1,655,638
Daw Htay Htay Khaing	170,000	265,003
U Than Zaw	34,000	52,846
Daw Khin Saw Oo	30	35
Daw Khin Ma Ma	30	35
U Myint Zaw	30	35

### 4. Results of the Bank

The financial position of the Bank as at March 31, 2025 and the financial performance of the Bank for the year then ended are set out on pages 7 and page 8, respectively.

### 5. Dividends

No dividend has been proposed by the Board of Directors of the Bank for the year ended March 31, 2025.

Pursuant to the issuance by CBM of their Directive 5/2017 on March 7, 2017 and 4/2018 on September 4, 2018, Board of Directors of the Bank approved to issue the bonus shares by capitalising 77,000,000,000 Kyats from retained earnings for the financial year 2019-2020 to 2021-2022 on December 26, 2023. Subsequently, the Bank sought approval from CBM and it was approved on April 2, 2024.

#### AYA Bank Head Office:

No. 416 Mahabandoola Road, Kyauktada Township, Yangon, Myanmar.

RiverView Point Condominium, Corner of Strand Road & Thit Taw Road, Ahlone Township, Yangon, Myanmar.

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+951 231 7777 +951 825 2345 info@ayabank.com www.ayabank.com facebook/ayabank

**AYEYARWADY BANK PUBLIC COMPANY LIMITED****REPORT OF THE DIRECTORS (CONT'D)****6. Auditors**

The financial statements have been audited by Khin Saw Yu, Certified Public Accountant and Engagement Partner of JF Group Certified Public Accountants & Auditors.

On behalf of the Board of Directors,



Thazin Aung  
Chief Executive Officer  
AYA Bank PCL



Than Zaw  
Vice Chairman  
AYA Bank PCL

Date: September 30, 2025

**AYEYARWADY BANK PUBLIC COMPANY LIMITED****STATEMENT BY DIRECTORS**

The Directors are pleased to submit their statement to the members, together with the audited statement of financial position of Ayeyarwady Bank Public Company Limited (the "Bank"), the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows together with the notes to the financial statements for the year ended March 31, 2025. These have been prepared in accordance with the provisions of Myanmar Companies Law (the "Law") and the International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB").

In case of IFRS 9 Financial Instruments: Impairment of Financial Asset, the Bank continues to apply International Accounting Standards 39, Financial Instruments: Recognition and Measurement in respect of loan loss provisioning by the Central Bank of Myanmar ("CBM") Notification No. 17/2017, Asset Classification and Provisioning Regulations, and CBM Instruction Letter (No.9/2024) dated August 30, 2024 to all financial institutions for extension period till August 31, 2025 for full compliance and the Section 39 of Financial Institution Law ("FIL") 2016.

In the opinion of the Directors, the statement of financial position of the Bank and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows, together with the notes thereon, as set out on pages 7 to 56, are drawn up so as to give a true and fair view of the financial position of the Bank as at March 31, 2025, and the financial performance, changes in equity and cash flows of the Bank for the year then ended and at the date of this statement, there are reasonable grounds to believe that the Bank will be able to pay its debts when they fall due.

On behalf of the Board of Directors,



Thazin Aung  
Chief Executive Officer  
AYA Bank PCL



Than Zaw  
Vice Chairman  
AYA Bank PCL



Khin Saw Oo  
Executive Chairman  
AYA Bank PCL

Date: September 30, 2025

## JF Group - Certified Public Accountants & Auditors

Room No.(503), (5<sup>th</sup> Floor), No. 33-49, Strand Condo, Mahabandoola Garden Street, Corner of Bank Street & Mahabandoola Garden Street, Kyauktada Township, Yangon Region, The Republic of the Union of Myanmar.  
Office Tel Ph : 95 – 1 377822, HP : 95 – 9 73015141, 95 – 9 250285506, 95 – 9 73241656, 95 – 9 5027387,  
95 – 9 43089223, 95 – 9 250285065, 09 – 36704086, 09 – 36704087, 09 – 36704088

Email: [wantin2008@gmail.com](mailto:wantin2008@gmail.com), [jfgroupaudit@gmail.com](mailto:jfgroupaudit@gmail.com), [jfgroupadvisory@gmail.com](mailto:jfgroupadvisory@gmail.com)

### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF "AYEYARWADY BANK PUBLIC COMPANY LIMITED"

#### Report on the Audit of the Financial Statements

##### **Audit opinion**

We have audited the financial statements of "Ayeyarwady Bank Public Company Limited" (the "Bank"), which comprise the statement of financial position as at 31 March 2025 of the Bank, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows of the Bank for the year then ended, and notes to the financial statements, including a summary of material accounting policy information, as set out on pages 7 to 56.

In our opinion, the accompanying financial statements of the Bank are properly drawn up in accordance with the provisions of the Myanmar Companies Law 2017 (the "Law") and International Financial Reporting Standards ("IFRS") as modified by Central Bank of Myanmar-CBM Regulations, so as to give a true and fair view of the financial position of the Bank as at 31 March 2025 and of the financial performance, changes in equity and cash flows of the Bank for the year ended on that date, except for the potential impact of the matters described in the management letter.

##### **Basis for Opinion**

We conducted our audit in accordance with 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 together with 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.

##### **Information Other than the Financial Statements and Auditor's Report Thereon**

Management is responsible for the other information. The other information comprises the annual Report of the Directors.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

##### **Responsibilities of Management and Those Charged with Governance for the Financial Statements**

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Myanmar Companies Law Section - 261 & 262 and IFRS, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

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.

## JF Group

Certified Public Accountants & Auditor

### INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF "AYEYARWADY BANK PUBLIC COMPANY LIMITED" (continued)

#### **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 a guarantee that an audit conducted in accordance with International Standards on Auditing (ISA) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the 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 judgement and maintain professional skepticism throughout the audit. We also:

- (a) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- (b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank's internal control.
- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- (d) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern.
- (e) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

#### **Other matter**

The financial statements of the Ayeyarwady Bank Public Company Limited for the financial year ended 31 March 2024 were audited by another audit firm of Certified Public Accountant in accordance with provisions of Myanmar Companies Law and International Financial Reporting Standards and the audited report dated 20 August 2024 expressed an unqualified opinion on those statements.

**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF "AYEYARWADY BANK PUBLIC COMPANY LIMITED" (continued)**

**Report on Other Legal and Regulatory Requirements**

In accordance with Myanmar Companies Law (2017) Section – 280 and Financial Institution Law of Myanmar the Section 89 (a) and 90 (a), we also report that:

- (i) we have obtained all information and explanations, we have required to perform the routine, procedures, analytical and verification audit for our forming of audit opinion.
- (ii) the books of account have been maintained by the Bank as required by Myanmar Companies Law Section - 257 and 258.

In our opinion, the accounting and other records required by the Law to be kept by the Bank have been properly kept in accordance with the provisions of the Law.

Khin Saw Yu – Audit Engagement Partner  
JF Group – Certified Public Accountants and Auditors

Yangon, Republic of the Union of Myanmar  
Date: September 30, 2025



**AYEYARWADY BANK PUBLIC COMPANY LIMITED**

**STATEMENT OF FINANCIAL POSITION  
As at March 31, 2025**

	<i>Kyats in million</i>	<b>Note</b>	<b>March 31, 2025</b>	<b>March 31, 2024 (Restated)</b>
<b>ASSETS</b>				
Cash and cash equivalents	9	1,144,373.3	678,369.7	
Placement with financial institution	10	449,868.0	220,350.0	
Investment securities	11	1,204,861.4	2,335,056.8	
Loan and advances	12	5,742,716.8	4,172,106.5	
Bill receivables		-	1,474.3	
Other assets	13	653,656.5	630,346.7	
Investment Property	15	5,295.1	3,412.4	
Property, plant and equipment	16	343,986.5	336,112.6	
Right-of-use (ROU) asset	17	16,402.4	15,629.8	
Intangible asset	18	11,366.2	13,544.7	
<b>Total Assets</b>			<b>9,572,526.2</b>	<b>8,406,403.5</b>
<b>LIABILITIES</b>				
Borrowing from State Banks	19	182,755.5	568,448.1	
Deposit from banks	20	37,614.0	36,009.6	
Deposit from customers	21	8,722,053.3	7,167,582.4	
Repurchase agreement	22	-	32,123.8	
Other liabilities	23	38,909.9	94,936.3	
Deferred Tax Liabilities-Net	14	375.5	837.0	
Lease Liabilities	24	6,500.0	5,846.8	
Subordinated Debt	25	84,000.0	84,000.0	
<b>Total Liabilities</b>			<b>9,072,208.1</b>	<b>7,989,784.0</b>
<b>EQUITY</b>				
Share capital	26	217,009.0	140,009.0	
Reserves	27	137,726.2	116,801.5	
Retained earnings		145,582.9	159,809.0	
<b>Total Equity</b>			<b>500,318.1</b>	<b>416,619.5</b>
<b>Total Liabilities and Equity</b>			<b>9,572,526.2</b>	<b>8,406,403.5</b>
<b>OFF-BALANCE SHEET</b>				
Contingent liabilities	28	65,033.1	94,799.8	
Commitments	29	645,925.5	404,675.8	

*The accompanying notes form part of the financial statements*

On behalf of the Board of Directors,

Thazin Aung  
Chief Executive Officer  
AYA Bank PCL  
Date: September 30, 2025

Than Zaw  
Vice Chairman  
AYA Bank PCL

Khin Saw Oo  
Executive Chairman  
AYA Bank PCL

**AYEYARWADY BANK PUBLIC COMPANY LIMITED**

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
For The Year Ended March 31, 2025

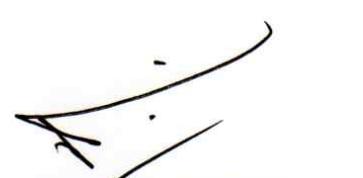
<i>Kyats in million</i>	<i>Note</i>	<b>April 1, 2024 to March 31, 2025</b>	<b>April 1, 2023 to March 31, 2024</b>
Interest income	30	766,156.8	578,258.2
Interest expense	30	(631,572.8)	(453,700.1)
<b>Net interest income</b>		<b>134,584.0</b>	<b>124,558.1</b>
Fee and commission income-Net	31	104,579.8	57,878.9
Other income	32	87,639.8	58,716.4
<b>Net non-interest income</b>		<b>192,219.6</b>	<b>116,595.3</b>
<b>Total income</b>		<b>326,803.6</b>	<b>241,153.4</b>
General and administration expenses	33	(141,031.9)	(108,732.1)
Operating lease expenses	34	(348.6)	(804.9)
Depreciation and amortisation	16-18	(24,624.2)	(22,048.2)
Other operating expenses	35	(19,259.6)	(9,686.0)
Provision for doubtful debts/ Specific allowance	12	(6,531.3)	-
2 % general loan loss provision		(26,308.3)	(24,006.7)
<b>Total expenses</b>		<b>(218,103.9)</b>	<b>(165,277.9)</b>
<b>Profit before tax</b>		<b>108,699.7</b>	<b>75,875.5</b>
Income tax expense	36	(25,001.1)	(17,740.4)
<b>Net profit and total comprehensive income for the year</b>		<b>83,698.6</b>	<b>58,135.1</b>

*The accompanying notes form part of the financial statements.*

On behalf of the Board of Directors,



Thazin Aung  
Chief Executive Officer  
AYA Bank PCL



Than Zaw  
Vice Chairman  
AYA Bank PCL



Khin Saw Oo  
Executive Chairman  
AYA Bank PCL

Date: September 30, 2025

**AYEYARWADY BANK PUBLIC COMPANY LIMITED**

**STATEMENT OF CHANGES IN EQUITY**  
For The Year Ended March 31, 2025

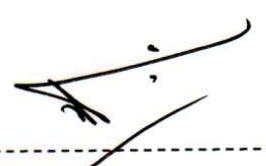
<i>Kyats in million</i>	<i>Note</i>	<b>Share Capital</b>	<b>Reserves</b>	<b>Retained Earnings</b>	<b>Total</b>
Balance at March 31, 2023		140,009.0	102,403.8	116,619.6	359,032.4
Prior Year Adjustments		-	(137.0)	(411.0)	(548.0)
Total comprehensive income for the year		-	-	58,135.1	58,135.1
Transfer to Statutory Reserves	27	-	14,534.7	(14,534.7)	-
Transfer to General Reserves	27	-	-	-	-
<b>Balance at March 31, 2024 (Restate)</b>		<b>140,009.0</b>	<b>116,801.5</b>	<b>159,809.0</b>	<b>416,619.5</b>
Issued bonus shares	26	77,000.0	-	(77,000.0)	-
Total comprehensive income for the year		-	-	83,698.6	83,698.6
Transfer to Statutory Reserves	27	-	20,924.7	(20,924.7)	-
Transfer to General Reserves	27	-	-	-	-
<b>Balance at March 31, 2025</b>		<b>217,009.0</b>	<b>137,726.2</b>	<b>145,582.9</b>	<b>500,318.1</b>

*The accompanying notes form part of the financial statements.*

On behalf of the Board of Directors,



Thazin Aung  
Chief Executive Officer  
AYA Bank PCL



Than Zaw  
Vice Chairman  
AYA Bank PCL



Khin Saw Oo  
Executive Chairman  
AYA Bank PCL

Date: September 30, 2025

**AYEYAWDY BANK PUBLIC COMPANY LIMITED**
**STATEMENT OF CASH FLOWS**  
**For The Year Ended March 31, 2025**

<i>Kyats in million</i>	<i>Note</i>	<b>April 1, 2024 to March 31, 2025</b>	<b>April 1, 2023 to March 31, 2024 (Restated)</b>
<b>Cash flows from operating activities</b>			
Profit before tax		108,699.7	75,875.5
Prior Year Adjustments			(3,278.9)
Adjustment for:			
- Depreciation of investment property	15	143.8	71.7
- Depreciation of property, plant and equipment	16	11,520.0	11,686.8
- Depreciation of right-of-use assets	17	8,996.1	6,693.5
- Amortization of intangible assets	18	3,964.3	3,596.1
- Adjustment of property, plant and equipment	16	(2,026.4)	(42.3)
- Adjustment of intangible assets		25.3	42.3
- Adjustment of Investment property		2,026.4	-
- Interest expense on lease liabilities		1,090.6	604.8
- 2% general loan loss reserve		26,308.3	24,006.7
- Specific allowance		6,531.2	(6,666.1)
- Provision for operational risk		3,006.6	4,993.3
- Utilization from operational risk provision		(209.4)	-
- Capital loss from sale of bonds		5,988.2	-
- Effects of fixed assets written off	16	10.0	26.6
- (Gain)/ Loss on disposal of property, plant and equipment		(517.6)	80.7
		175,557.1	117,690.7
<b>Changes in</b>			
- Cash and balances with central bank/ related corporations- restricted		(60,989.9)	(67,717.9)
- Placement with other financial institutions		(229,518.0)	(67,150.0)
- Loan and advances		(1,577,141.6)	(952,056.5)
- Bills receivable		1,474.2	12,983.8
- Other assets		6,159.6	(432,549.1)
- Deposits from banks		1,604.5	14,653.3
- Deposits from customers		1,554,471.0	1,103,431.4
- Other operational fundings		(65,492.6)	203,464.4
- Other liabilities		(109,795.2)	(85,521.0)
- Deferred tax liabilities		(799.5)	-
Income tax paid		(304,470.4)	(152,770.9)
		(30,317.2)	(12,594.0)
<b>Net cash inflows from/ (outflows to) operating activities <sup>(1)</sup></b>		<b>(334,787.6)</b>	<b>(165,364.9)</b>
<b>Cash flows from investing activities</b>			
Acquisition of property, plant and equipment		(22,704.1)	(26,394.4)
Redemption/(acquisition) of Government T-Bonds/Bills		1,124,207.2	(276,667.9)
Acquisition of intangible assets		(1,811.0)	(3,593.1)
Proceeds from disposal of property, plant and equipment		1,791.4	16,112.7
<b>Net cash used in investing activities</b>		<b>1,101,483.5</b>	<b>(290,542.7)</b>

**AYEYAWDY BANK PUBLIC COMPANY LIMITED**
**STATEMENT OF CASH FLOWS**  
**For The Year Ended March 31, 2025 (Cont'd)**

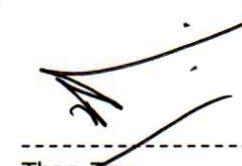
<i>Kyats in million</i>	<i>Note</i>	<b>April 1, 2024 to March 31, 2025</b>	<b>April 1, 2023 to March 31, 2024 (Restated)</b>
<b>Cash flows from financing activities</b>			
Payment of lease liabilities		(9,358.5)	(4,459.5)
Receipts/(Repayment) of Repurchase agreement		(32,123.8)	32,123.8
Borrowing from Banks		(320,200.0)	278,200.0
<b>Net cash (outflows to)/inflows from financing activities</b>		<b>(361,682.3)</b>	<b>305,864.3</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>			
Cash and cash equivalents at beginning of the year		405,013.6	(150,043.3)
Cash and cash equivalents at end of the year (Note 9)		435,438.7	585,481.9
		<b>840,452.3</b>	<b>435,438.7</b>

<sup>(1)</sup> Customer deposits represent the Bank's principal source of funds and are presented within operating activities in the statement of cash flows. One of the primary uses of these funds is investment in treasury bonds and bills, which are classified under investing activities in accordance with International Financial Reporting Standards (IFRS).

*The accompanying notes form part of the financial statements.*

On behalf of the Board of Directors,

  
 Thazin Aung  
 Chief Executive Officer  
 Ayeyarwady Bank PCL

  
 Than Zaw  
 Vice Chairman  
 Ayeyarwady Bank PCL

  
 Khin Saw Oo  
 Executive Chairman  
 Ayeyarwady Bank PCL

Date: September 30, 2025

**AYEYARWADY BANK PUBLIC COMPANY LIMITED****NOTES TO THE FINANCIAL STATEMENTS  
For The Year Ended March 31, 2025****1. GENERAL**

Ayeyarwady Bank Public Company Limited was a private limited company registered by Ministry of National Planning and Economic Development, Directorate of Investment and Company Administration by its Registration No. 110312156 (former Registration No. 397 of 2010-2011) incorporated on June 14, 2010. Ayeyarwady Bank Public Company Limited changed its type of Company to Public Company Limited on December 30, 2022 with Directorate of Investment and Company Administration ("DICA") and it was approved by Central Bank of Myanmar ("CBM") as per CBM Letter No. မော်/ဘဏ်စံစံ/ ကွ/ (142/ 2023) dated March 9, 2023.

A Banking License No. MaPaBa/P-23/(7) 2010 was issued on July 2, 2010 by the Central Bank of Myanmar ("CBM") to perform the functions initially restricted to item (a), (b), (h) and (i) of Section 25 of The Financial Institutions of Myanmar Law (1990) with provision that any additional functions will have to be applied for and approved in advance by the CBM.

The Bank was granted an Authorized Dealer Licence No. CBM, FE MD (77/2011) dated November 25, 2011. The Bank can therefore provide all banking services and transactions in both local and foreign currencies at the same time.

Pursuant to the enactment of the Financial Institutions Law in January 2016 ("FIL 2016"), the CBM issued Instruction 6/2016 dated June 30, 2016, directing all banks to surrender their licenses under Section 176, and to apply for a new one under Section 11 of the FIL 2016.

As directed by the CBM, the Bank also surrendered the license mentioned in paragraphs above and simultaneously reapplied for the new license under FIL 2016. The new license number MA BA BA / PA BA (R)-13/08/2016 was issued under FIL 2016 on August 24, 2016. The new license for Commercial Banking Business is unconditional and more wide-ranging than the license surrendered by the Bank.

The Bank had established two hundred and sixty (260) branches across the country as of March 31, 2024. The Bank has opened one new branch in the current financial year. As at March 31, 2025, the Bank has maintained two hundred and sixty-one (261) branches across the country.

**2. MATERIAL ACCOUNTING POLICY INFORMATION****2.1 Statement of Compliance**

The financial statements have been prepared to assist the Bank in complying with the financial reporting provisions required by its shareholders and business partners. The financial statements have been prepared in accordance with the provisions of Myanmar Companies Law (the "Law") and the International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

**Use of Regulatory Regulations for Loan loss provision and Non-Adoption of IFRS 9**

In case of IFRS 9 Financial Instruments: Impairment of Financial Assets, the Bank continues to apply International Accounting Standards 39, Financial Instruments: Recognition and Measurement with loan loss provisioning modified by the Central Bank of Myanmar ("CBM") Notification No. 17/2017, Asset Classification and Provisioning Regulations, and CBM Instruction Letter No.9/2024 dated August 30, 2024 to all financial institutions for extension period till August 31, 2025 for full compliance and the Section 39 of Financial Institution Law ("FIL") 2016 issued by the Central Bank of Myanmar ("CBM").

**2.2 Basis of Preparation of Financial Statements**

The financial statements have been prepared on the historical cost basis except for financial instruments that are measured at revalued amounts or fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

**AYEYARWADY BANK PUBLIC COMPANY LIMITED****NOTES TO THE FINANCIAL STATEMENTS  
For The Year Ended March 31, 2025****2. MATERIAL ACCOUNTING POLICY INFORMATION (Cont'd)****2.2 Basis of Preparation of Financial Statements (Cont'd)**

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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Bank takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

**2.3 Adoption of new IFRS, amendments to IFRS during the current financial year**

The Bank has adopted the following applicable new IFRS and amendments to IFRSs that are effective for annual periods beginning on or after 1 January 2025, for the current financial year:

**Amendments to IFRSs/IASs**

IFRS 16	Leases (Lease Liability in a Sale and Leaseback)
IAS 1	Presentation of Financial Statements (Classification of Liabilities as Current or Non-current)
IAS 1	Presentation of Financial Statements (Non-Current Liabilities with Covenants)
IAS 7 and IFRS 7	Statements of Cash Flows and Financial Instruments: Disclosure (Supplier Finance Arrangements)

The adoption of the abovementioned amended standards did not have any significant effect on the financial statements of the Bank.

***Standards issued but not adopted and Standards issued but not effective***

The standards that are issued but not yet adopted or effective up to the date of issuance of the financial statements are disclosed below. The Bank intends to adopt these standards, if applicable, when they become effective.

**Amendments to IFRSs/IASs**

		<b>Effective Date</b>
IAS 21	The Effects of Changes in Foreign Exchange Rates (Lack of Exchangeability)	1 January 2025
IFRS 9 & 7	Financial Instruments: Disclosures – Classification and Measurement of Financial Instruments	1 January 2026
IFRSs/IASs	Annual Improvements to IFRSs 1, 7, 9, 10 & IAS 7	1 January 2026
IFRS 10	Consolidated Financial Statements: Sale of Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred
IAS 28	Investments in Associates and Joint Ventures: Sale or Contribution of Assets between an investor and its Associate or Joint Venture	Deferred

## 2. MATERIAL ACCOUNTING POLICY INFORMATION (Cont'd)

## 2.3 Adoption of new IFRS, amendments to IFRS during the current financial year (continued)

New Standards

IFRS 18	Presentation and Disclosures in Financial Statements	1 January 2027
IFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027

The Bank plans to adopt the above applicable amendments to IFRSs when they become effective. The initial application of the applicable amendments to IFRSs is not expected to have material impact to the current and prior periods financial statements.

The Bank is currently assessing the impact of IFRS 18, particularly with respect to the structure of the statements of comprehensive income, the statements of cash flows, and the additional disclosures required for Management – defined Performance Measures. The Bank is also assessing the impact on aggregation and disaggregation on how information is grouped in the financial statements.

## 2.4 Financial Instruments

Financial assets and financial liabilities are recognised when the Bank becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

## 2.5 Financial Assets

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income, and fair value through profit or loss. The categories of financial assets are determined on initial recognition and are not reclassified subsequent to their initial recognition unless the Bank changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change of the business model.

## 2.5.1 Amortised Cost

Financial assets are measured at amortised cost if the financial assets are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding.

Subsequent to initial recognition, these financial assets are measured at amortised cost using the effective interest method. Gains and/or losses are recognised in profit or loss upon derecognition, reclassification or Impairment, and through the amortisation process. Interest Income calculated using the effective interest method is recognised in profit or loss. A modification gain or loss is recognised in profit or loss when the contractual cash flows of a financial asset are renegotiated or otherwise modified and the renegotiation or modification does not result in the derecognition of that financial asset.

Financial assets measured at amortised cost are classified as current assets, except for those having maturity later than 12 months after the reporting date which are classified as non-current.

## 2. MATERIAL ACCOUNTING POLICY INFORMATION (Cont'd)

## 2.5 Financial Assets (Cont'd)

2.5.2 Fair Value Through Other Comprehensive Income (FVOCI)

Assets that are held within a business model whose objective is achieved by both collecting contractual cash flows and for selling the financial assets, where those cash flows represent SPPI, are measured at FVOCI. Subsequent to initial recognition, financial assets at FVOCI are measured at fair value. Any gains or losses from changes in fair value of the financial assets are recognised in other comprehensive income, except that impairment losses and interest Income are recognized in profit or loss. The cumulative gain or loss previously recognised in other comprehensive Income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is derecognised.

2.5.3 Fair Value Through Profit or Loss (FVTPL)

Financial assets measured at FVTPL are financial assets that do not meet the criteria for amortised cost or FVOCI. On initial recognition, the Bank may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI or at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise. Financial assets categorised as FVTPL are subsequently measured at their fair value with gains or losses recognised in the profit or loss.

2.5.4 Debt Instruments

Debt instruments are those instruments that meet the definition of financial liability from the issuers' perspective. The classification and subsequent measurement of debt instruments depend on the Bank's business model for managing the asset and the contractual cash flow characteristics of the asset.

2.5.5 Equity Instruments

Equity instruments are financial assets that meet the definition of equity, that is, instruments that do not contain a contractual obligation to pay and that evidence a residual Interest. The Bank subsequently measures all equity Instruments at FVTPL, except where the Bank has elected, at Initial recognition, to irrevocably designate an equity Instrument at FVOCI. When the election to FVOCI is made, fair value gains or losses are recognised in other comprehensive income and are not subsequently reclassified to profit or loss, including on disposal. Dividend representing the returns on such investments, continues to be recognised in profit or loss when the Bank's right to receive such payments is established.

2.5.6 Impairment of Financial Assets

From April 1, 2018, the Bank continues to apply International Accounting Standards 39, Financial Instruments: Recognition and Measurement with loan loss provisioning modified by the Central Bank of Myanmar ("CBM") Notification No. 17/2017, Asset Classification and Provisioning Regulations, and the Section 39 of Financial Institution Law ("FIL") 2016.

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected, and an impairment loss recognised.

For financial assets measured at amortised cost, If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised 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 amortised cost would have been had the Impairment not been recognized.

## 2. MATERIAL ACCOUNTING POLICY INFORMATION (Cont'd)

## 2.5 Financial Assets (Cont'd)

2.5.6 Impairment of Financial Assets (Cont'd)

Objective evidence of Impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- breach of contract, such as a default or delinquency in Interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation; or
- the disappearance of an active market for that financial asset because of financial difficulties.

For financial assets carried at amortised cost, the amount of the Impairment loss recognised is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets that are carried at cost, the amount of the Impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of loans and advances, where the carrying amount is reduced through the use of an allowance account. When a loans and advances is considered uncollectable, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

Credit quality - Classification of loans and advances, specific provisions and general provisions

*Classification of loans and advances*

The Bank categorises its loans and advance in accordance to IFRS 7 Financial Instruments: Disclosures to be categorised into "impaired", "past due but not impaired" and "current, standard and not impaired". Past due loans refer to loans that are overdue by one day or more. Impaired loans are non-performing loans with specific allowances made.

Furthermore, the Bank also categorises their loans past due in accordance with CBM Notification No. 17/2017 Asset Classification and Provisioning Regulations.

The Bank categorises its loans and advances in accordance with CBM's regulation No. 17/2017 on Loan Grading and Provisioning. In additional, loans and advances are required under IFRS 7 to be categorised into "impaired", "past due but not impaired" and "current, standard and not impaired". Past due loans refer to loans that are overdue by one day or more. Impaired loans are non-performing loans with specific allowances made.

(i) Performing loans

Current and Standard grades indicate that the timely repayment of the outstanding credit facilities is not in doubt and the credit facility does not exhibit any potential weakness in repayment capability, business, cash flow or financial position of the borrower.

Watch grade indicates that the borrower exhibits potential weaknesses that, if not corrected in a timely manner, may affect future repayments and warrant close attention by the Bank.

Sub-standard grade indicates that the credit facilities exhibit definable weaknesses either in respect of business, cash flow or financial position of the borrower that may jeopardize repayment on existing terms.

## 2. MATERIAL ACCOUNTING POLICY INFORMATION (Cont'd)

## 2.5 Financial Assets (Cont'd)

2.5.6 Impairment of Financial Assets (Cont'd)

(ii) Non-performing loans

In accordance with CBM Notification No. 17/2017 *Asset Classification and Provisioning Regulations*, "non-performing" means a loan or advance that is no longer generating income and which is classified as doubtful or loss.

In determining if the loan is non-performing, management also considers several factors such as expected future cash flows, the financial ability of the borrower to meet its obligations, and business and economic conditions.

Doubtful grade indicates that the credit facilities exhibit severe weaknesses such that the prospect of full recovery of the outstanding credit facilities is questionable and the prospect of a loss is high, but the exact amount remains undeterminable.

Loss grade indicates the amount of loan recovery is assessed to be insignificant. As per the CBM's Instruction, all loans with repayments over 180 days past due are classified as "Loss".

*Specific Provisions*

The Bank makes specific provision for impairment of loans and advances and other assets on and off-balance sheet in accordance with CBM Notification No. 17/2017 *Asset Classification and Provisioning Regulations*.

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

The specific provision shall be recorded in the Bank's accounts and charged to the profit and loss account in the month in which it occurs and shall not be spread over future periods. The Bank can however stagger the shortfall in the specific provisioning in equal amounts over a period of three years from the date of the Notification as prescribed in CBM Notification No. 17/2017 *Assets Classification and Provisioning Regulations*, and CBM Instruction Letter No.9/2024 dated August 30, 2024 to all financial institutions for extension period till August 31, 2025 for full compliance. Collaterals and credit enhancements are disclosed in Note 5.1.1.1.

*General Provisions*

Banks are required to maintain general loan loss reserve by making general loan provision of 2% (March 2024: 2%) of total outstanding of loans and advances in accordance to CBM Notification No. 17/2017, *Assets Classification and Provisioning Regulations* and Letter No.2621/ Ka Ka (1)/3/507/ 2018-2019 dated May 10, 2019 to charge as expense in the statement of profit or loss and other comprehensive income.

2.5.7 Derecognition of Financial Assets

The Bank derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Bank neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Bank recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Bank retains substantially all the risks and rewards of ownership of a transferred financial asset, the Bank continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

**AYEYARWADY BANK PUBLIC COMPANY LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For The Year Ended March 31, 2025**

**2. MATERIAL ACCOUNTING POLICY INFORMATION (Cont'd)**

**2.6 Financial Liabilities and Equity Instruments**

**2.6.1 Classification as Debt or Equity**

Debt and equity instruments issued by the Bank are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

**2.6.2 Equity Instruments**

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Bank are recognised at the proceeds received, net of direct issue costs. Repurchase of the Bank's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Bank's own equity instruments.

**2.7 Financial Liabilities**

Financial liabilities are classified as either financial liabilities "at FVTPL" or "other financial liabilities".

**Financial liabilities**

All financial liabilities are measured subsequently at amortised cost using the effective interest method or at FVTPL. However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, and financial guarantee contracts issued by the Bank, are measured in accordance with the specific accounting policies set out below.

**2.7.1 Financial Liabilities at FVTPL**

Financial liabilities are classified as at FVTPL when the financial liability is either held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Bank manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Bank's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and IFRS 9 permits the entire combined contract to be designated as at FVTPL.

Financial liabilities at FVTPL are measured at fair value, with any gains or losses arising on changes in fair value recognised in profit or loss to the extent that they are not part of a designated hedging.

**AYEYARWADY BANK PUBLIC COMPANY LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For The Year Ended March 31, 2025**

**2. MATERIAL ACCOUNTING POLICY INFORMATION (Cont'd)**

**2.7 Financial Liabilities (Cont'd)**

**2.7.1 Financial Liabilities at FVTPL (Cont'd)**

The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'other income' and 'other expenses' line item in profit or loss.

However, for financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. The remaining amount of change in the fair value of liability is recognised in profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognised in other comprehensive income are not subsequently reclassified to profit or loss; instead, they are transferred to retained earnings upon derecognition of the financial liability.

Gains or losses on financial guarantee contracts issued by the Bank that are designated by the Bank as at FVTPL are recognised in profit or loss. Fair value is determined in the manner described financial liabilities measured subsequently at amortised cost. Financial liabilities that are not (i) contingent consideration of an acquirer in a business combination, (ii) held for trading, or (iii) designated as at FVTPL, are measured subsequently at amortised cost using the effective interest method. The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating Interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (Including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

**2.7.2 Financial Guarantee Contracts**

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it Incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument. Financial guarantee contract liabilities are measured initially at their fair values and, if not designated as at FVTPL and do not arise from a transfer of an asset, are measured subsequently at the higher of:

- the amount of the loss allowance determined in accordance with the Bank's credit policy (see financial assets above); and
- the amount recognised initially less, where appropriate, cumulative amortisation recognised in accordance with the revenue recognition policies set out above.

**2.7.3 Derecognition of Financial Liabilities**

The Bank derecognises financial liabilities when, and only when, the Bank's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

When the Bank exchanges with the existing lender one debt instrument into another one with the substantially different terms, such exchange is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, the Bank accounts for substantial modification of terms of an existing liability or part of it as an extinguishment of the original financial liability and the recognition of a new liability. It is assumed that the terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective rate is at least 10 per cent different from the discounted present value of the remaining cash flows of the original financial liability. If the modification is not substantial, the difference between:

(1) the carrying amount of the liability before the modification; and

(2) the present value of the cash flows

after modification Is recognised in profit or loss as the modification gain or loss within other gains.

## 2. MATERIAL ACCOUNTING POLICY INFORMATION (Cont'd)

## 2.8 Revenue Recognition

2.8.1 Interest Income and Expense

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial instrument, or where appropriate, a shorter period. Income and expense are recognised on an effective interest basis for debt instruments other than those financial instruments "at Fair Value Through Profit or Loss".

In case of loan and advances, in accordance to the CBM Notification No. 17/2017 *Assets Classification and Provisioning Regulations*, all interest income from non-performing loans are suspended under Loans and advances (Note 12) and shall only be recognized as income when the interest has been collected by the Bank.

2.8.2 Fees and Commission Income

The Bank's fee and commission income includes fee and commission income as following:

- Service charges
- Exchange fees
- Commission fees
- Commitment fees
- Default fees
- SWIFT & Telex charges

Income is earned from a diverse range of services provided by the Bank to its customers. Fee income is accounted for as follows:

- Income earned on the execution of a significant act is recognised as revenue when the act is completed (for example, commission arising from issuance of Payment Orders, Telegraphic Transfer and remittance and other services);
- income earned from the provision of financial facilities to customers is recognised as revenue as the services are provided (for example, default fees on loans, service charges and commitment fee for loans overdrafts), usually on a time - apportion basis as per the contracts wherever it is possible.

## 2.9 Leases

## (a) Right-of-use assets

The right-of-use assets are initially measured at cost, which comprise the initial amount of the lease liabilities, reduced for any lease incentives received and increased for any lease payments made at or before the commencement date of the leases, initial direct costs incurred and provision for dismantling of leased assets.

Subsequent to initial recognition, the right-of-use assets are measured at cost less accumulated amortisation and accumulated impairment losses, if any, and adjusted for any remeasurement of the lease liabilities.

## 2. MATERIAL ACCOUNTING POLICY INFORMATION (Cont'd)

## 2.9 Leases (Cont'd)

## (a) Right-of-use assets (Cont'd)

The right-of-use assets are amortised on the straight-line basis over the lease terms/ useful life of the underlying assets. The principal amortisation period is as follows:

Land and building	Over period of the lease
Motor Vehicle	3 years

## (b) Lease liabilities

The lease liabilities are initially measured at the present value of the lease payments that are not paid at the commencement date. The lease payments comprise fixed payments, variable lease payments, residual value guarantees, exercise price of purchase option and termination option. The lease payments are discounted using the Company's weighted average incremental borrowing rates of 8.5 % to 10.54 %.

Subsequent to initial recognition, lease liabilities are measured by increasing the carrying amount to reflect interest on the lease liabilities, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications.

The Bank determines the lease term of a lease as the non-cancellable period of the lease, together with periods covered by an option to extend or to terminate the lease if the Bank is reasonably certain to exercise the relevant options. Management has considered the relevant facts and circumstances that create an economic incentive for the Bank to either exercise the option to extend the lease, or to exercise the option to terminate the lease. Any differences in expectations from the original estimates would impact the carrying amounts of the lease liabilities of the Company.

The lease payments associated with short term leases and low value assets are recognised as an expense on a straight-line basis over the remaining lease terms.

## 2.10 Foreign currencies

The financial statements of the Bank are measured and presented in the currency of the primary economic environment in which the Bank operates (its functional currency). The functional currency of the Bank is assessed to be the Myanmar Kyat by management.

In preparing the financial statements for the Bank, transactions in currencies other than the Bank's functional currency (foreign currencies) are recognised at the exchange rates on the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the exchange rates on that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the exchange rates 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 retranslated.

Exchange differences on monetary items are recognised in profit or loss in the period.

## 2.11 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

## 2.11.1 Current Tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statement of profit or loss and other comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or tax deductible. The Bank's liability for current tax is calculated using tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. Current tax is recognised as an expense or income in profit or loss.

## 2. MATERIAL ACCOUNTING POLICY INFORMATION (Cont'd)

## 2.11 Taxation (Cont'd)

2.11.2 Deferred Tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

The carrying amount of deferred tax assets is reviewed by the end of each financial year and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Bank expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

2.11.3 Current and Deferred Tax for the Year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

## 2.12 Property, Plant and Equipment

Properties in the course of construction are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Bank's accounting policy. Such properties are classified and included in the respective categories of property, plant and equipment. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Freehold land is not depreciated.

Buildings, fixtures and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

• Buildings	50 years
• Leasehold improvements	Over period of the lease
• Office machine and other equipment	10 years
• Furniture, fixtures and fittings	10 years
• Electrical equipment and computer accessories	5 years
• Motor vehicles	10 years

## 2. MATERIAL ACCOUNTING POLICY INFORMATION (Cont'd)

## 2.12 Property, Plant and Equipment (Cont'd)

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss. The estimated useful lives, residual values and depreciation method are reviewed at end of each year-end, with the effect of any changes in estimate accounted for on a prospective basis.

## 2.13 Intangible Assets

Intangible assets acquired separately are reported at cost less accumulated amortisation and accumulated impairment losses. Intangible assets are amortised on a straight-line basis over their estimated useful life of 5 years or licensing period. The estimated useful life and amortisation method are reviewed at the end of each annual reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

## 2.14 Investment Properties

Investment properties include office building and a shopping centre that are held for long-term rental yields and/or for capital appreciation. Investment properties are initially recognised at cost and subsequently carried at carrying value. Depreciation is computed annually and it is recognized in profit or loss. Investment properties are subject to renovations or improvements at regular intervals. The costs of major renovations and improvements are capitalised. The costs of maintenance, repairs and minor improvements are recognised in profit or loss when incurred. On the disposal of an investment property, the difference between the disposal proceeds and the carrying amount is recognised in profit or loss.

## 2.15 Impairment of Tangible and Intangible Assets other than Goodwill

At the end of each reporting period, the Bank reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Bank estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised in profit or loss.

## 2. MATERIAL ACCOUNTING POLICY INFORMATION (Cont'd)

## 2.16 Repurchase Agreements

Securities sold under agreements to repurchase at a specified future date are not derecognized from the statement of financial position as the Bank retains substantially all the risk and rewards of ownership. The corresponding cash received is recognized in the statement of financial position as an asset with a corresponding obligation to return it, including accrued interest as a liability within "repurchase agreements". Reflecting the transaction's economic substance as a loan to the bank. The difference between the sale and repurchase prices is treated as interest expense and is accrued over the life of agreement using the effective interest rate.

Conversely, securities purchased under agreements to resell at a specified future date are not recognized in the statement of financial position. The consideration paid, including accrued interest, is recorded in the statement of financial position within 'repurchase agreements', reflecting the transaction's economic substance as a loan by the Bank. The difference between the purchase and resale prices is treated as interest income and is accrued over the life of agreement using the effective interest rate.

## 2.17 Provisions

Provisions are recognised when the Bank has a present obligation (legal or constructive) as a result of a past event, it is probable that the Bank will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

## 3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Bank's accounting policies, which are described in Note 2, the directors of the Bank are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

## 3.1 Critical Judgements in Applying Accounting Policies

In the process of applying the Bank's accounting policies, which are described in Note 2 to the financial statements, the management did not make any critical judgements that have a significant effect on the amount recognised in the financial statements.

## 3.2 Key Sources of Estimation Uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Impairment losses on loans and advances

The Bank reviews individually significant loans and advances at each reporting date to assess whether an impairment loss should be recorded in the income statement. The Bank recognizes an impairment loss equivalent to the security shortfall of each individual loan, in accordance with the requirement under the CBM Notification No. 17/2017, *Asset Classification and Provisioning Regulations* including its annexure on the criteria for the valuation of security and collateral and the impairment methodology is disclosed in more detail in Note 2.5.6 and CBM Instruction Letter No.9/2024 dated August 30, 2024 to all financial institutions for extension period till August 31, 2025 for full compliance.

A loan is impaired when there is objective evidence that events since the loan was granted, have affected expected cash flows from the loan. The impairment loss is the difference between the carrying value of the loan and the present value of estimated future cash flows at the loan's original effective interest rate. The Bank reviews its loans and advances to assess impairment on a regular basis. In determining whether an impairment loss should be recorded in profit or loss, management exercises judgement on whether there is any observable data indicating that there is a measurable decrease in the estimated future cash flows from the loan before the decrease can be identified within an individual loan.

All impaired loans that exceed specific thresholds are individually assessed for impairment. Impairment losses are recognized in line with its internal policy on determining impaired loans as set out in Note 2.5.6. These estimates take into account the customer's debt capacity and financial flexibility; the amount and sources of cash flows; and the realizable value of any security held. Estimating the quantum and timing of future recoveries involves significant judgement. The size of receipts will depend on the future performance of the borrower and the value of security, both of which will be affected by future economic conditions. Additionally, collateral may not be readily marketable. The actual amount of future cash flows and the date they are received may differ from these estimates. Consequently, actual losses incurred may differ from those recognized in these financial statements.

The Bank currently comply with the CBM Notification No. 17/2017, *Asset Classification and Provisioning Regulations* since regulatory requirements take precedence over IFRS 9 Expected Credit Loss. Should the Bank adopt IFRS 9, it is likely to have some impact to financial statements.

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**3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY  
(Cont'd)**

**3.2 Key sources of estimation uncertainty (Cont'd)**

**Foreign Currency Exchangeability and Measurement Risk**

As of the reporting date, the Bank holds financial assets and liabilities denominated in foreign currencies, primarily United States Dollar (USD), Thai Baht (THB), and Chinese Yuan (CNY). These are translated into the Bank's reporting currency, Myanmar Kyat (MMK), using the reference exchange rate set by the regulatory authority.

The Bank has identified that, under prevailing market conditions, these foreign currencies may not be fully exchangeable into MMK within a normal administrative timeframe. This introduces estimation uncertainty regarding the appropriateness of the exchange rate used for measurement purposes.

Although the Bank has not yet adopted the amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates (effective for annual periods beginning on or after 1 January 2025), management has performed a preliminary assessment of the potential impact. If the Bank were to apply estimated spot exchange rates under current economic conditions, the MMK equivalent of foreign currency-denominated assets and liabilities could significantly differ from amounts reported using the regulatory reference rate.

The estimated net revaluation impact, based on preliminary analysis, ranges between MMK 30 billion and MMK 40 billion-revaluation loss. This range is subject to change depending on future exchange rate movements, regulatory developments, and the final methodology adopted upon implementation of the IAS 21 amendment.

Management continues to monitor developments and will reassess its recognition and measurement policies in line with applicable IFRS guidance and regulatory requirements.

**Business model assessment**

Classification and measurement of financial assets depends on the results of the SPPI and the business model test (please see financial assets sections of Note 2.5). The Bank determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance is measured, the risks that affect the performance of the assets and how these are managed. The Bank monitors financial assets measured at amortised cost or fair value through other comprehensive income that are derecognized prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Bank's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to reclassification of those assets.

**Useful life of property, plant and equipment and intangible assets**

Property, plant and equipment and intangible assets with finite useful lives are depreciated and amortised over their useful lives, using the straight-line method. Management estimates the useful lives of property, plant and equipment and intangible assets based on expected usage and industry norms. Changes in the expected level of maintenance, usage and technological developments could impact the useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

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**4. FINANCIAL INSTRUMENTS**

**4.1 Categories of Financial Instruments**

The following table sets out the financial instruments as at the end of the reporting period.

<i>Kyats in million</i>	<b>March 31, 2025</b>	<b>March 31, 2024</b>
<b>Financial assets</b>		
<i>Loans and receivables</i>		
Cash and cash equivalents	1,144,373.3	678,369.7
Placement with other financial institutions	449,868.0	220,350.0
Loan and advances, net	5,742,716.8	4,172,106.5
Bills receivable	-	1,474.3
Other assets	359,678.6	341,296.9
<i>Held-to-maturity investments</i>		
Government securities	1,202,467.8	2,293,794.8
<i>Available-for-sale financial assets</i>		
Unquoted equity share	2,393.6	2,393.6
	<u>8,901,498.1</u>	<u>7,709,785.7</u>
<b>Financial liabilities</b>		
<i>At amortised cost:</i>		
Borrowing from State Banks	182,755.5	568,448.1
Deposit from banks	37,614.0	36,009.6
Deposit from customers	8,722,053.3	7,167,582.4
Repurchase agreement	-	32,123.8
Other liabilities	(63,084.9)	26,766.9
Subordinated debt	84,000.0	84,000.0
	<u>8,963,337.9</u>	<u>7,914,930.7</u>

**4.2 Fair Value of Financial Assets and Liabilities**

Financial instruments comprise financial assets and financial liabilities. The fair value of a financial instrument is the amount at which the instrument could be exchanged or settled between knowledgeable and willing parties in an arm's length transaction, other than in a forced or liquidation sale.

As at the end of each reporting period, the Bank did not hold any financial instruments which are measured at fair value on a recurring basis. The unquoted equity investments classified as available-for-sale, are carried at cost, less impairment because the fair value cannot be reliably estimated using valuation techniques supported by observable market data determined.

Except for long term Government treasury bonds which are classified as held-to-maturity, management considers that the carrying amounts of the financial assets and liabilities of the Bank recorded as amortised cost in the financial statements approximates their fair value, due to the relative short-term maturity of those financial instruments.

As quoted prices are not available from active markets, the fair value of the Government treasury bonds was determined using a discounted cash flow method, based on the contractual cash flows and current coupon rates as at the end of each reporting period. As at the end of the financial year, these instruments which are recorded at amortised cost approximates the fair value.

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**5. FINANCIAL RISK MANAGEMENT**

The Bank's activities are principally related to extending loans and advances, accepting deposits and carrying out transactions. These expose the Bank to a variety of financial risks, including foreign exchange risk, interest rate risk, credit risk and liquidity risk.

Managing these financial risks forms an integral part of the Bank's business. The Bank adopts the risk management set out in accordance to the risk appetite of the Bank, which encompass a variety of controls and reporting processes. These not only include risk parameters for the various financial instruments that the Bank may undertake, but also directions on the types of business that the Bank may engage in, guidelines for the acceptance of customers for all types of financial instruments and terms under which customer business is conducted.

The Bank believes that it has effective processes in place to identify, measure, monitor and ultimately, mitigate these financial risks.

A discussion on the main financial risks that the Bank is exposed to and how these risks are managed, is set out below.

**5.1 Credit Risk**

Credit risk is considered to be the risk of loss due to inability or unwillingness of the counterparty to fulfil its payment obligations to the Bank. Management has a credit policy in place. The Bank generally holds full collaterals against the credit facilities granted and the right to dispose of the collaterals when certain exposure thresholds are exceeded. The Bank generally accepts land and buildings and other assets as collaterals. Credit evaluations to derive the Bank's risk exposures according to internal policies are performed on all clients at the inception of the loans and at loan roll over dates.

The Bank employs a range of policies and practices to mitigate credit risk. The most traditional of these is the taking of security for loans and advances, which is a common practice. The Bank implements guidelines on the acceptability of specific classes of collateral or credit risk mitigation. The principal collateral types for loans and advances include charges over land and buildings, equipment, contract financing, guarantees, project contracting and residential properties.

All credit lending to non-bank customers are generally secured. In addition, in order to minimise credit loss, the Bank will seek additional collateral from the counterparty as soon as impairment indicators are noticed for the relevant individual loans and advances.

The fair value of collateral is valued by an independent assessor based on valuation techniques commonly used for the corresponding assets, done before the inception of the Loan. Loans are usually given between the range of 30% to 80% of the Forced Sale Value, which is also independently estimated. There is periodic review of the collaterals in subsequent periods and at the renewal/roll-over of a loan, the customer is questioned about any changes to the collateral at which point the need for a reappraisal will be decided.

The credit risk management and control are centralized with the Credit Committee, which reports to the Board of Directors on a monthly basis. Exposure to credit risk is also managed through regular analysis of the ability of borrowers and potential borrowers to meet interest and capital repayment obligations and by changing these lending limits where appropriate.

The Bank's policy requires the review of individual credit facility on a periodic basis or when individual circumstances require. Impairment allowances on individually assessed accounts are determined by an evaluation of the incurred loss on a case-by-case basis and subject to the approval of Credit Committee.

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**5. FINANCIAL RISK MANAGEMENT (Cont'd)**

**5.1.1 Maximum Exposure to Credit Risk**

The following table presents the Bank's maximum exposure to credit risk at the end of the reporting period in respect of on-balance sheet and off-balance sheet financial instruments, without taking into account the value of any collateral or other security held, in the event the counterparties fail to perform their obligations. The maximum exposure to credit risk to on-balance sheet is the carrying amount of these instruments as reported in the statement of financial position. For contingent liabilities, the maximum exposure to credit risk is the maximum amount the Bank would have to pay if the obligations of the instruments issued are called upon. For commitments, the maximum exposure to credit risk is the full amount of undrawn credit facilities granted to customers.

	<b>March 31, 2025</b>	<b>Mar 31, 2024 (Restated)</b>
<i>Kyats in million</i>		
Cash and cash equivalents	879,625.2	443,356.4
Placement with other financial institutions	449,868.0	220,350.0
Investment securities	1,204,861.4	2,335,056.8
Loan and advances	5,742,716.8	4,172,106.5
Bill receivable	-	1,474.3
Other assets	359,678.6	341,296.9
	<b>8,636,750.0</b>	<b>7,513,640.9</b>
<b>Off Balance Sheet</b>		
Contingent Liabilities	65,033.1	94,799.8
Undrawn Loan Commitments	645,925.5	404,675.8
	<b>710,958.6</b>	<b>499,475.6</b>
Total maximum exposure to credit risk	<b>9,347,708.6</b>	<b>8,013,116.5</b>

**5.1.1.1 Collateral and other credit enhancements**

In respect of the Bank's deposits with other banks, the Bank considers the exposure to credit risk to be low as these deposits are placed with credit-worthy financial institutions. The financial effect of collateral or credit enhancements obtained for Other Assets are not expected to be significant.

For the loans and advances granted by the Bank, the following types of collateral and credit enhancements are obtained, consistent with CBM Notification No. 17/2017 Annexure:

- Charges over land and buildings
- Charges over machines
- Mortgages over residential properties
- Gold
- Guarantees
- Charges over receivables

Where collaterals are repossessed, the Bank's policy is to determine whether a repossessed asset can be best used for its internal operations or should be sold. Assets determined to be useful for the internal operations are transferred to their relevant asset category at the lower of their repossessed value or the carrying value of the original secured asset wherever it is available. Assets for which selling is determined to be a better option are transferred to Foreclosed Properties under the categories of other assets (Repossessed Assets) at their fair value or fair value less cost to sell for non-financial assets at the repossession date in line with the Bank's policy.

As at March 31, 2025: 67.74% (March 31, 2024: 80.58%) of the carrying amount of loans and overdrafts as disclosed in Note 12 are backed by tangible, realisable collateral and credit enhancements.

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**5. FINANCIAL RISK MANAGEMENT (Cont'd)**

**5.1.2 Credit Risk by Industry**

The following table sets out the Bank's Loan and Advances based on the exposure by industry as at the end of the reporting period:

	<b>March 31, 2025</b>	<b>March 31, 2024 (Restated)</b>
<i>Kyats in million</i>		
Agricultural	50,564.0	21,172.7
Construction	653,715.0	544,563.4
Livestock	51,816.8	78,587.7
Manufacturing	1,333,105.6	911,663.2
Service	896,377.0	657,803.7
Trading	2,070,381.5	1,299,395.7
Transportation	74,905.0	71,590.1
	<b>5,130,864.9</b>	<b>3,584,776.5</b>
<b>General</b>		
Hire Purchase	347,755.8	231,796.8
Mortgage Loan	220,231.4	305,997.9
Staff Loans	5,722.0	6,157.8
Trade Loan (overdraft)	74,800.5	39,337.8
Credit Cards to Customers	29,914.2	19,775.6
Others	375.4	51,650.9
	<b>678,799.3</b>	<b>654,716.8</b>
<b>TOTAL</b>	<b>5,809,664.2</b>	<b>4,239,493.3</b>

**5.1.3 Credit quality of loans and advances**

The Bank adopts an internally developed credit rating scale, which generally corresponds to the classification set out in the CBM Notification No. 17/2017 *Asset Classification and Provisioning Regulations* (Note 2.5.6). The following tables sets out the credit classification of the Bank's loans and advances as at March 31, 2025.

<i>Kyats in million</i>	<b>March 31, 2025</b>	<b>March 31, 2024 (Restated)</b>
Standard	5,338,174.2	3,647,560.4
Watch	32,756.6	17,522.7
Substandard	38,064.4	3,509.5
Doubtful	30,084.5	40,262.5
Loss	370,584.5	530,638.2
	<b>5,809,664.2</b>	<b>4,239,493.3</b>
Specific allowance	(66,947.4)	(67,386.8)
	<b>5,742,716.8</b>	<b>4,172,106.5</b>

Details of specific allowances by collectability are as follows:

<i>Kyats in million</i>	<b>March 31, 2025</b>	<b>March 31, 2024</b>
Current and Standard	68.9	642.0
Watch	189.9	237.2
Sub-standard	527.4	242.6
Doubtful	1,674.3	1,553.0
Loss	64,486.9	64,712.0
Balance at end of the year	<b>66,947.4</b>	<b>67,386.8</b>

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**5. FINANCIAL RISK MANAGEMENT (Cont'd)**

**5.1.3 Credit quality of loans and advances (Cont'd)**

A reconciliation for the movement in specific allowance for impairment losses for the loans and advances is presented below.

<i>Kyats in million</i>	<b>March 31, 2025</b>	<b>March 31, 2024</b>
Balance at beginning of year	67,386.8	74,853.1
Specific allowance recognised in profit or loss	13,010.4	11,453.8
Write-back of specific allowance recognized in profit or loss	(6,479.1)	(18,119.9)
Write-off from specific allowance	(6,970.7)	(800.2)
Balance at end of year	<b>66,947.4</b>	<b>67,386.8</b>

The table below sets out information about the loans and advances held by the Bank required under IFRS 7 *Financial Instruments: Disclosures*:

<i>Kyats in million</i>	<b>March 31, 2025</b>	<b>March 31, 2024 (Restated)</b>
Current, Standard and not impaired	5,403,744.3	3,658,895.8
Past due but not impaired	405,919.9	580,597.5
Specific allowance	(66,947.4)	(67,386.8)
	<b>5,742,716.8</b>	<b>4,172,106.5</b>

Current, Standard and not impaired includes current loans with regular repayment and standard loans with repayment between 1 to 30 days. The past due loans and advances are not impaired as they are secured by tangible realizable collateral (referred to Note 5.1.1.1).

**5.2 Liquidity Risk**

Liquidity risk is the risk that the Bank is unable to meet its cash flows obligations when they are due, such as upon the maturity of deposits or arising from loan draw-downs.

It is unusual for any bank to completely match the maturity profile of its assets and liabilities since business transacted is often of different terms and of different types. Therefore, controlled mismatching of the maturities of assets and liabilities is fundamental to the management of liquidity of the Bank.

The objective of liquidity risk management is to ensure that the Bank has the ability to generate sufficient cash or its equivalents, in a timely and cost effectively manner, to meet its commitments as they fall due.

The management of liquidity risk is centralised in the Treasury Department who reports to the Management and Asset/Liability Committee ("ALCO"). ALCO meeting is usually held on a regular basis as required to oversee liquidity risk management of the Bank and is supplemented by a "Funds Meeting" which is held weekly in addition to any meetings called by the Executive Management on a need to basis. The Bank has in place Business Contingency Plan ("BCP") which includes disaster situation faced by the Bank. The BCP covers operational steps and procedure of how to handle disaster situation The BCP is formulated to meet all contingencies arising not only from the ordinary course of business but also on crisis situation.

As part of its liquidity risk management framework set by CBM regulations and the Bank strive to maintain adequate liquid assets to manage its short-term liquidity. The Bank relies for its short-term liquidity on investments in government securities, borrowings from CBM, Repurchase Agreements ("Repo") of government securities and holding cash reserves. This serves to ensure full cash inflows are available to meet customer withdrawals upon maturity or earlier.

The Bank's liquidity ratios as of March 31, 2025 and March 31, 2024 were 31.45% and 36.89% respectively and hence, they are more than 20% set by the CBM as per CBM Notification No. 19/2017 Liquidity Ratio.

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**5. FINANCIAL RISK MANAGEMENT (Cont'd)**

**5.2 Liquidity Risk (Cont'd)**

**5.2.1 Maturity Analysis**

The table below analyses the Bank's financial assets and liabilities on a contractual undiscounted cash flow basis, grouped based on the remaining contractual maturities as at the end of the reporting period. The adjustment column includes items which are part of the contractual undiscounted cash flows, such as interest payable or receivable, but are not included in the carrying amount of the financial instruments in the statement of financial position.

On a behavioral basis, the expected cash flows of some of these financial liabilities could vary significantly from the disclosures below. The deposit from customers has been a source of funding for the Bank. Similarly, while undrawn loan commitments are contractually available on demand, these are not all expected to be drawn upon immediately, and, available at the discretion of the Bank which has the right to cancel the availability of the drawdown portion of loans.

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**5. FINANCIAL RISK MANAGEMENT (Cont'd)**

**5.2 Liquidity Risk (Cont'd)**

**5.2.1 Maturity Analysis (Cont'd)**

<i>Kyats in million</i>	<i>On demand or less than 3 months</i>	<i>3 months to 12 months</i>	<i>Over 1 year</i>	<i>No specific maturity</i>	<i>Total</i>
<b><i>As at March 31, 2025</i></b>					
<b>ASSETS</b>					
Cash and cash equivalents	1,144,373.3	-	-	-	1,144,373.3
Placement with other financial institutions	444,019.5	5,848.5	-	-	449,868.0
Investment securities	128,365.8	570,116.6	503,985.5	2,393.6	1,204,861.5
Loan and advances	1,400,607.8	2,174,025.2	3,424,913.3	(1,256,829.5)	5,742,716.8
Other assets	359,678.6	-	-	-	359,678.6
<b>Total</b>	<b>3,477,045.0</b>	<b>2,749,990.3</b>	<b>3,928,898.8</b>	<b>(1,254,435.9)</b>	<b>8,901,498.2</b>
<b>LIABILITIES</b>					
Borrowing from Bank	(174,228.1)	(8,527.3)	-	-	(182,755.4)
Deposit from banks	(37,614.0)	-	-	-	(37,614.0)
Deposit from customers	(6,643,917.0)	(2,698,783.5)	(252,903.1)	873,550.40	(8,722,053.2)
Other liabilities	63,084.9	-	-	-	63,084.9
Subordinated debt	-	-	(84,000.0)	-	(84,000.0)
<b>Total</b>	<b>(6,792,674.2)</b>	<b>(2,707,310.8)</b>	<b>(336,903.1)</b>	<b>873,550.4</b>	<b>(8,963,337.7)</b>
<b>On-Balance Sheet Liquidity Gap</b>	<b>(3,315,629.4)</b>	<b>42,679.5</b>	<b>3,591,995.7</b>	<b>(380,885.6)</b>	<b>(61,839.8)</b>
<b>OFF-BALANCE SHEET</b>					
Contingent liabilities	(33,130.1)	(30,718.8)	(1,184.2)	-	(65,033.1)
Commitments	(156,836.2)	(243,865.7)	(245,223.6)	-	(645,925.5)
<b>Off-Balance Sheet Liquidity Gap</b>	<b>(189,966.3)</b>	<b>(274,584.5)</b>	<b>(246,407.8)</b>	<b>-</b>	<b>(710,958.6)</b>
<b>NET LIQUIDITY GAP</b>	<b>(3,505,595.5)</b>	<b>(231,905.0)</b>	<b>3,345,587.9</b>	<b>(380,885.5)</b>	<b>(772,798.1)</b>

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**AYEYARWADY BANK PUBLIC COMPANY LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For The Year Ended March 31, 2025**

**5. FINANCIAL RISK MANAGEMENT (Cont'd)**

**5.2 Liquidity Risk (Cont'd)**

**5.2.1 Maturity Analysis (Cont'd)**

<i>Kyats in million</i>	<i>On demand or less than 3 months</i>	<i>3 months to 12 months</i>	<i>Over 1 year</i>	<i>No specific maturity</i>	<i>Total</i>
<b><i>As at March 31, 2024</i></b>					
<b>ASSETS</b>					
Cash and cash equivalents	678,369.7	-	-	-	678,369.7
Placement with other financial institutions	220,350.0	-	-	-	220,350.0
Investment securities	92,216.3	672,815.9	1,567,631.1	2,393.6	2,335,056.9
Loan and advances	1,086,274.9	1,499,925.1	2,361,729.3	(775,822.7)	4,172,106.6
Bills receivable	1,474.3	-	-	-	1,474.3
Other assets	341,296.9	-	-	-	341,296.6
<b>Total</b>	<b>2,419,982.1</b>	<b>2,172,741.0</b>	<b>3,929,360.4</b>	<b>(773,429.1)</b>	<b>7,748,654.4</b>
<b>LIABILITIES</b>					
Borrowing from Bank	(528,915.8)	(39,532.3)	-	-	(568,448.1)
Deposit from banks	(36,009.5)	-	-	-	(36,009.5)
Deposit from customers	(5,411,238.1)	(1,993,949.5)	(275,322.2)	512,927.5	(7,167,582.3)
Repurchase agreement	(32,123.8)	-	-	-	(32,123.8)
Other liabilities	(26,766.9)	-	-	-	(26,766.9)
Subordinated debt	-	-	(84,000.0)	-	(84,000.0)
<b>Total</b>	<b>(6,035,054.1)</b>	<b>(2,033,481.8)</b>	<b>(359,322.2)</b>	<b>512,927.5</b>	<b>(7,914,930.6)</b>
<b>On-Balance Sheet Liquidity Gap</b>	<b>(3,615,072.0)</b>	<b>139,259.2</b>	<b>3,570,038.2</b>	<b>(260,501.6)</b>	<b>(166,276.2)</b>
<b>OFF-BALANCE SHEET</b>					
Contingent liabilities	(71,310.9)	(22,147.7)	(1,341.2)	-	(94,799.8)
Commitments	(74,405.6)	(202,062.1)	(128,208.1)	-	(404,675.8)
<b>Off-Balance Sheet Liquidity Gap</b>	<b>(145,716.5)</b>	<b>(224,209.8)</b>	<b>(129,549.3)</b>	<b>-</b>	<b>(499,475.6)</b>
<b>NET LIQUIDITY GAP</b>	<b>(3,760,788.5)</b>	<b>(84,950.6)</b>	<b>3,440,488.9</b>	<b>(260,501.6)</b>	<b>(665,751.8)</b>

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**AYEYARWADY BANK PUBLIC COMPANY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**  
**For The Year Ended March 31, 2025**

**5. FINANCIAL RISK MANAGEMENT (Cont'd)**

**5.3 Interest Rate Risk**

Sensitivity to interest rates in banking activities arises from mismatches in the interest rate characteristics of the assets and their corresponding liability funding. One of the major causes of these mismatches is timing differences in the repricing of the assets and the liabilities.

Financial instruments which are issued at fixed rates expose the Bank to fair value interest rate risk. However, changes in market interest rates will not have an impact on the statement of profit or loss and other comprehensive income as all financial instruments are accounted for on an amortised cost basis.

The interest rates charged or granted by the Bank are determined by relevant committees with oversight by Board of Directors. These interest rates are set within a band determined by the Central Bank of Myanmar. As of March 31, 2025, the interest rates on loans are subject to the following maximum caps:

- Loans and advances: 5.5% - 16.5% per annum (Mar 2024: 5.5% - 14.5% per annum)
- Overdraft: 10% - 15% per annum (Mar 2024: 8% - 14.5% per annum)

As at March 31, 2025, the interest rates on deposits are subject to the following minimums:

- Saving deposits: 8% - 11% per annum (Mar 2024: 6% - 9.5% per annum)
- Fixed deposits: 11% - 13.5% per annum (Mar 2024: 7% - 9.75% per annum)
- Call deposits: 3% - 8% per annum (Mar 2024: 2% - 6% per annum)

The tables below summarises the Bank's exposure to interest rate repricing risks. Included in the table are the Bank's assets and liabilities at carrying amounts, categorised by the earlier of contractual repricing or maturity dates.

**AYEYARWADY BANK PUBLIC COMPANY LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For The Year Ended March 31, 2025**

**5. FINANCIAL RISK MANAGEMENT (Cont'd)**

**5.3 Interest Rate Risk (Cont'd)**

Kyats in million	Weighted average interest rate (in %)	Interest Rate Sensitivity Analysis				
		Within 3 months	3 months to 12 months	Over 1 year	Non-interest sensitive	Total
<b>As at March 31, 2025</b>						
<b>ASSETS</b>						
Placement with other financial institutions	5.33%	441,468.0	8,400.0	-	-	449,868.0
Investment securities	7.76%	81,122.1	617,360.6	503,985.5	2,393.6	1,204,861.8
Loan and advances	12.01%	1,150,874.2	1,877,054.6	2,714,787.9	-	5,742,716.8
<b>Total</b>		<b>1,673,464.4</b>	<b>2,502,815.2</b>	<b>3,218,773.5</b>	<b>2,393.6</b>	<b>7,397,446.6</b>
<b>LIABILITIES</b>						
Borrowing from State Banks	5.78%	(182,755.5)	-	-	-	(182,755.5)
Deposit from customers	8.78%	(7,028,950.4)	(858,185.3)	(200,203.3)	(634,714.2)	(8,722,053.2)
Subordinated debt	3 months SOFR rate+0.26161%+3% Margin	-	-	(84,000.0)	-	(84,000.0)
Lease Liabilities	9.41%	(80.1)	(1,860.0)	(4,560.1)	-	(6,500.0)
<b>Total</b>		<b>(7,211,786.0)</b>	<b>(860,045.3)</b>	<b>(288,763.4)</b>	<b>(634,714.2)</b>	<b>(8,995,308.7)</b>
<b>NET INTEREST RATE GAP</b>						
		<b>(5,538,321.7)</b>	<b>1,642,769.9</b>	<b>2,930,010.0</b>	<b>(632,320.6)</b>	<b>(1,597,862.1)</b>

**AYEYARWADY BANK PUBLIC COMPANY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**  
**For The Year Ended March 31, 2025**

**5. FINANCIAL RISK MANAGEMENT (Cont'd)**

**5.4 Currency Risk**

Currency risk is the potential adverse impact on the Bank's earnings and economic value due to currency rate movement. The Bank is exposed to currency risk in the spot foreign exchange markets. The Bank mitigates currency risk by monitoring its Net Open Position on a daily basis through active trading.

Kyats in million <b>As at March 31, 2025</b>	USD	EUR	SGD	CNY	THB	JPY	INR	Total	
<b>Assets</b>									
Cash and cash equivalents	129,604.6	7,770.3	6,373.5	12,819.5	7,131.8	1,471.4	0.1	165,171.2	
Placement with other financial institutions	338,100.0	-	-	-	24,768.0	-	-	362,868.0	
Other assets	143,042.6	-	313.0	20,494.7	24.6	-	-	163,874.9	
	<b>610,747.2</b>	<b>7,770.3</b>	<b>6,686.5</b>	<b>33,314.2</b>	<b>31,924.4</b>	<b>1,471.4</b>	<b>0.1</b>	<b>691,914.1</b>	
<b>Liabilities</b>									
Borrowing from banks	(120,861.9)	-	-	(19,893.6)	-	-	-	(140,755.5)	
Deposits from banks	(2,371.5)	(6.3)	(0.2)	-	-	-	-	(2,378.0)	
Deposits from customers	(165,129.2)	(1,968.7)	(158.7)	(6,273.6)	(3,450.3)	-	(0.1)	(176,980.6)	
Other liabilities	(25,199.7)	(598.3)	(752.7)	(681.9)	(9.1)	(246.2)	-	(27,487.9)	
Subordinated debt	(84,000.0)	-	-	-	-	-	-	(84,000.0)	
	<b>(397,562.3)</b>	<b>(2,573.3)</b>	<b>(911.6)</b>	<b>(26,849.1)</b>	<b>(3,459.4)</b>	<b>(246.2)</b>	<b>(0.1)</b>	<b>(431,602.0)</b>	
<b>Net Currency Gap</b>									
	<b>213,184.9</b>	<b>5,197.0</b>	<b>5,774.9</b>	<b>6,465.1</b>	<b>28,465.0</b>	<b>1,225.2</b>	-	<b>260,312.1</b>	

**AYEYARWADY BANK PUBLIC COMPANY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**  
**For The Year Ended March 31, 2025**

**5. FINANCIAL RISK MANAGEMENT (Cont'd)**

**5.3 Interest Rate Risk (Cont'd)**

Kyats in million	Weighted average interest rate (in %)	Interest Rate Sensitivity Analysis				
		Within 3 months	3 months to 12 months	Over 1 year	Non-interest sensitive	Total
<b>As at March 31, 2024 (Restated)</b>						
<b>ASSETS</b>						
Placement with other financial institutions	4.85%	220,350.0	-	-	-	220,350.0
Investment securities	7.73%	91,267.1	673,764.6	1,567,631.1	2,393.6	2,335,056.3
Loan and advances	10.25%	985,478.1	1,297,005.1	1,889,623.4	-	4,172,106.5
<b>Total</b>		<b>1,297,095.2</b>	<b>1,970,769.7</b>	<b>3,457,254.5</b>	<b>2,393.6</b>	<b>6,727,512.8</b>
<b>LIABILITIES</b>						
Borrowing from State Banks	6.81%	(568,448.1)	-	-	-	(568,448.1)
Deposit from customers	6.35%	(4,571,204.7)	(1,792,937.2)	(230,395.1)	(573,045.2)	(7,167,582.3)
Repurchase agreement		(32,123.8)	-	-	-	(32,123.8)
Subordinated debt	3 months SOFR rate+0.26161%+3% Margin	-	-	(84,000.0)	-	(84,000.0)
Lease Liabilities	8.50%	(11.2)	(422.6)	(5,413.0)	-	(5,846.8)
<b>Total</b>		<b>(5,171,787.8)</b>	<b>(1,793,359.9)</b>	<b>(319,808.1)</b>	<b>(573,045.2)</b>	<b>(7,858,001.0)</b>
<b>NET INTEREST RATE GAP</b>						
		<b>(3,874,692.6)</b>	<b>177,409.9</b>	<b>3,137,446.4</b>	<b>(570,651.6)</b>	<b>(1,130,488.2)</b>

**AYEYARWADY BANK PUBLIC COMPANY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**  
**For The Year Ended March 31, 2025**

**5. FINANCIAL RISK MANAGEMENT (Cont'd)**

**5.4 Currency Risk (Cont'd)**

Kyats in million <b>As at March 31, 2024</b>	USD	EUR	SGD	CNY	THB	JPY	INR	Total	
<b>Assets</b>									
Cash and cash equivalents	150,207.0	5,778.4	9,402.2	6,404.3	7,329.4	462.7	179,584.0		
Placement with other financial institutions	217,350.0	-	-	-	-	-	-	217,350.0	
Loan and advances	176,504.9	-	-	40,912.6	-	-	-	217,417.5	
Other assets	7,263.9	-	-	878.6	-	-	-	8,142.5	
	<b>551,325.8</b>	<b>5,778.4</b>	<b>9,402.2</b>	<b>48,195.5</b>	<b>7,329.4</b>	<b>462.7</b>	<b>622,494.0</b>		
<b>Liabilities</b>									

## AYEYARWADY BANK PUBLIC COMPANY LIMITED

### NOTES TO THE FINANCIAL STATEMENTS For The Year Ended March 31, 2025

#### 5. FINANCIAL RISK MANAGEMENT (Cont'd)

##### 5.4 Currency Risk (Cont'd)

###### 5.4.1 Currency Sensitivity

The following table details the sensitivity to a change in the relevant foreign currencies against the functional currency of the Bank, Myanmar Kyat. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusted for their translation at the period end for the change in foreign currency rates below.

The following table sets out the increase (decrease) to the Bank's profit before income tax arising from a 10% appreciation of the relevant foreign currency against the functional currency of the Bank. A 10% depreciation will have the opposite impact to the Bank's profit before income tax.

	<b>March 31, 2025</b>	<b>March 31, 2024</b>
<i>Kyats in million</i>		
USD	21,318.5	11,275.5
EUR	519.7	300.8
SGD	577.5	728.4
CNY	646.5	372.8
THB	2,846.5	280.9
JPY	122.5	46.3
INR	NS*	NS*
	<b>26,031.2</b>	<b>13,004.6</b>

\* Not Significant

#### 6. CAPITAL MANAGEMENT

The objectives of the Bank's capital management are to maintain an optimal level of capital, which is adequate to support business growth, commensurate with the Bank's risk profile and meet the regulatory requirements. The management of capital funds is centralised in the Treasury department and monitored daily by the Finance department.

The Bank has adopted the revised computation method in accordance to CBM Notification No. 16/2017 *Capital Adequacy Regulation (CAR)* issued on July 7, 2017, effective from the date of issuance. The revised computation of the capital adequacy ratios are based on the Bank's core capital and risk weighted assets. According to the new regulation, the Bank considers its core capital (Tier 1 capital) to include issued and paid-up capital, statutory reserves and retained earnings. Supplementary capital (Tier 2 capital) includes general loan loss reserves on credits and Subordinated Debt (approved by CBM in accordance with their Directive 12/2019 issued on March 25, 2019). The Bank's risk weighted assets include loans and advances, all other assets and off-balance-sheet items as required by the regulations.

As at March 31, 2025, the Bank reported a Tier 1 Capital Ratio of 6.77% (4% fixed by CBM, March 31, 2024: 7.72%) and Regulatory Capital Ratio of 9.25% (8% fixed by CBM, March 31, 2024: 10.67%) based on the computation method stipulated by CBM.

#### 7. RELATED PARTY TRANSACTIONS

The Bank's shareholders are disclosed in Note 25. U Zaw Zaw is the Major shareholder with 76.29% of total shares in the bank. The Bank is managed by ten members of Board of directors including three Independent Non-Executive Directors. The Bank's related parties are determined based on the CBM Directive 11/2019 dated March 25, 2019 and International Accounting Standard (IAS) 24 Related party disclosures.

## AYEYARWADY BANK PUBLIC COMPANY LIMITED

### NOTES TO THE FINANCIAL STATEMENTS For The Year Ended March 31, 2025

#### 7. RELATED PARTY TRANSACTIONS (Cont'd)

##### 7.1 Compensation of Key Management Personnel

Key Management Personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Bank, directly or indirectly, including any director (whether executive or otherwise) of the Bank. The following table sets out the compensation for Key Management Personnel of the Bank in exchange for services rendered to the Bank for the period they served during the year:

	<b>April 01, 2024 to March 31, 2025</b>	<b>April 01, 2023 to March 31, 2024</b>
<i>Kyats in million</i>		
Key Management's remuneration	4,646.0	4,122.9
	<b>4,646.0</b>	<b>4,122.9</b>

##### 7.2 Transactions with Related Parties and Balances

All related party transactions were made in the ordinary course of business on an arm's length basis. In addition to information disclosed elsewhere in the financial statements, the following table sets out other significant transactions and balances with related parties:

	<b>April 01, 2024 to March 31, 2025</b>	<b>April 01, 2023 to March 31, 2024 (Restated)</b>
<i>Kyats in million</i>		
<b>Transactions with related parties during the financial year:</b>		
Interest/ Expenses paid / accrued	14,885.6	9,688.8

##### Other payments to related parties during the financial year:

<i>Kyats in million</i>	<b>March 31, 2025</b>	<b>March 31, 2024 (Restated)</b>
Renovation of property, plant-and equipment	934.9	2,641.1

##### Balances from related parties as at the end of financial year:

<b>Deposits held</b>		
Ayeyar Myanmar Insurance Co., Ltd	0.1	0.1
Max (Myanmar) Construction Co., Ltd	4,651.4	360.3
Max (Myanmar) Hotel Co., Ltd	207.2	67.9
Max Cement	12.3	16.3
Max Energy Company Ltd	109,785.2	106,144.7
Max Highway Company Ltd	244.3	192.0
Max Logistic Co., Ltd	510.3	106.8
Max Myanmar Holding Co., Ltd	557.5	604.9
Max Well Trading Co., Ltd	317.7	42.2
Shwe Yaung Pya Agro Company Limited	642.6	602.2

##### Deposit for Rent

Max (Myanmar) Hotel Co., Ltd	3.0	3.0
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##### Investment with related parties as at the end of financial year:

AYA Trust Securities Co., Ltd	1,500.0	1,500.0
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**AYEYARWADY BANK PUBLIC COMPANY LIMITED**
**NOTES TO THE FINANCIAL STATEMENTS**  
**For The Year Ended March 31, 2025**
**7. RELATED PARTY TRANSACTIONS (Cont'd)**  
**7.2 Transactions with Related Parties and Balances (Cont'd)**
**Receivable from related parties as at the end of financial year:**

AYA Trust Securities Co., Ltd *	2,894.3	3,000.8
AYA SOMPO Insurance Co., Ltd **	434.8	141.5
Max Energy Company Ltd ***	69,044.1	97,040.9

\* During the financial year, the bank received Kyats 600.0 million from AYA Trust Securities and the bank made payment on behalf of Kyats 493.5 million for its operating expenses. Therefore, as of March 31, 2025, the outstanding balance became Kyats 2,894.3 million.

\*\* It is related to net accrued income arising from sales of insurance products during the financial year and receivable rental fee. Net accrued income was fully received subsequently in April 2025.

\*\*\* It is related to currency swap which are backed by Kyats-denominated deposits held as earmarked balances. These deposits are maintained in relevant deposit accounts as security and are presented under "Deposits Held".

**8. RECLASSIFICATION OF COMPARATIVE INFORMATION**

Certain reclassification has been made to the prior year's financial statements to enhance comparability with the current year's financial statements. As a result, certain line items have been amended in the statement of financial position, statement of changes in equity and statement of cash flows and the related notes to the financial statements. Comparative figures have been adjusted to conform to the current year presentation.

In addition, an adjustment has been made relating to the measurement of investment securities in the prior year. This resulted in changes to the carrying amount of investment securities and the retained earnings Comparative figures have been restated accordingly.

The effects of the restatement on the prior year's financial statements are as per follows:

<i>Kyats in million</i>	<b>As previously reported</b>	<b>Restatement</b>	<b>As restated</b>
<b>Statement of Financial Position</b>			
Investment securities	2,296,943.1	37,080.6	2,334,023.7
Loan and advances	4,427,738.7	(255,632.2)	4,172,106.5
Other assets	414,527.5	215,819.2	630,346.7
Borrowing from banks	521,006.1	47,442.0	568,448.1
Other liabilities	144,366.7	(49,430.4)	94,936.3
Deferred Tax Liabilities-Net	-	609.7	609.7
Reserves	116,938.5	(338.4)	116,600.1
Retained earnings	160,220.0	(1,015.4)	159,204.6
<b>Statement of Cash Flows</b>			
<i>Operating Activities</i>			
Adjustment for Interest expense on lease liabilities	-	604.8	604.8
Changes in Investment securities	(277,388.2)	277,388.2	-
Changes in Loan and advances	(1,207,688.8)	255,632.3	(952,056.5)
Changes in Other assets	(179,160.6)	(253,388.5)	(432,549.1)
Changes in Repurchase agreement	32,123.8	(32,123.8)	-
Changes in Other operational fundings	-	203,464.4	203,464.4
Changes in Other liabilities	(38,079.0)	(47,442.0)	(85,521.0)
<i>Investing Activities</i>			
Acquisition of Investment securities	-	(276,668.0)	(276,668.0)

**AYEYARWADY BANK PUBLIC COMPANY LIMITED**
**NOTES TO THE FINANCIAL STATEMENTS**  
**For The Year Ended March 31, 2025**
**8. RECLASSIFICATION OF COMPARATIVE INFORMATION (Cont'd)**

<i>Kyats in million</i>	<b>As previously reported</b>	<b>Restatement</b>	<b>As restated</b>
<b>Financing Activities</b>			
Payment of lease liabilities	(168.8)	(4,290.7)	(4,459.5)
Receipts of Repurchase agreement	-	32,123.8	32,123.8
Borrowing from Banks	434,222.4	(156,022.4)	278,200.0

**9. CASH AND CASH EQUIVALENTS**

<i>Kyats in million</i>	<b>March 31, 2025</b>	<b>March 31, 2024</b>
Cash on hand	264,748.0	235,013.3
Account with central bank of Myanmar	456,990.7	234,226.9
Account with foreign banks	130,983.2	142,776.9
Account with state-owned banks	5,171.4	5,689.7
Account with private and other banks	286,480.0	60,662.9
	<b>1,144,373.3</b>	<b>678,369.7</b>

Less: Cash and balances with central bank of Myanmar (CBM)- restricted for 3.5% on Myanmar Currency (3.0% on Mar 31, 2024 and 5% on Foreign Currency for minimum reserve<sup>(a,b)</sup>

(303,921.0) (242,931.0)

**840,452.3** **435,438.7**

**Minimum reserve requirement**

<i>Kyats in million</i>	<b>March 31, 2025</b>	<b>March 31, 2024</b>
Myanmar Currency requirement		
Bank's deposit at Central Bank- CAB	236,707.6	202,431.3
Cash on hand	59,176.9	33,738.6
Total Myanmar currency	295,884.5	236,169.9
Foreign Currency requirement		
(As of March 31, 2025 USD 3,826,901.3 @ 2100, As of March 31, 2024 USD 3,219,609.8 @ 2100)	8,036.5	6,761.2
Total minimum reserve requirement	<b>303,921.0<sup>a</sup></b>	<b>242,931.0<sup>b</sup></b>

<sup>a</sup> The Central Bank of Myanmar ("CBM") letter No. Mababa MP/FIR/ကြော်မူလုပ် 5/ 705/2024-2025 dated March 21, 2025.

<sup>b</sup> The Central Bank of Myanmar ("CBM") letter No. Mababa MP/FIR/ကြော်မူလုပ် 5/ 619/2023-2024 dated March 22, 2024.

The Bank maintained Cash on Hand- Kyats 264,748.0 million, Account with central bank of Myanmar- CAB- Kyats 437,157.3 million and Account with central bank of Myanmar -United State Dollars 9.4 million, equivalent to Kyats 19,833.4 million which results in total of Kyats 456,990.7 million in deposit at central bank (March 31, 2024: Cash on Hand- Kyats 235,013.3 million, Account with central bank of Myanmar- CAB- Kyats 214,592.5 million and Account with Central Bank of Myanmar -United State Dollars 9.3 million, equivalent to Kyats 19,634.4 million which results in total of Kyats 234,226.9 million in deposit at central bank).

**10. PLACEMENT WITH OTHER FINANCIAL INSTITUTIONS**

<i>Kyats in million</i>	<b>March 31, 2025</b>	<b>March 31, 2024</b>
Placement with foreign banks	369,868.0	220,350.0
Placement with domestic private bank	80,000.0	-
	<b>449,868.0</b>	<b>220,350.0</b>

**AYEYARWADY BANK PUBLIC COMPANY LIMITED**
**NOTES TO THE FINANCIAL STATEMENTS**  
**For The Year Ended March 31, 2025**
**11. INVESTMENT SECURITIES**
*Kyats in million*

	<b>Mar 31, 2025</b>	<b>Mar 31, 2024</b>
Government treasury bonds	1,155,224.2	2,141,965.9
Government treasury bill	47,243.6	190,697.4
	<b>1,202,467.8</b>	<b>2,332,663.3</b>
Unquoted equity shares		
- Securities-AYA Trust securities	1,500.0	1,500.0
-Securities-Myanmar Payment Union (Institutions MPU card)	200.0	200.0
-Securities-MB Investment Ltd	693.6	693.6
<b>Total</b>	<b>1,204,861.4</b>	<b>2,335,056.8</b>

**12. LOANS AND ADVANCES**
*Kyats in million*

	<b>March 31, 2025</b>	<b>March 31, 2024 (Restated)</b>
Demand loans	4,214,659.8	2,943,669.5
Overdrafts	916,580.4	692,757.9
Hire purchase	347,615.9	231,796.8
Mortgage loans	220,371.3	305,997.9
Trade Financing	74,800.5	39,337.8
Staff loans	5,722.0	6,157.8
Credit card receivables from customers	29,914.2	19,775.6
Loans and advances, gross	5,809,664.1	4,239,493.3
Less: Specific allowance	(66,947.3)	(67,386.8)
Loans and advances, net	<b>5,742,716.8</b>	<b>4,172,106.5</b>

**13. OTHER ASSETS**
*Kyats in million*

	<b>March 31, 2025</b>	<b>March 31, 2024 (Restated)</b>
Interest receivable	389,113.7	389,096.1
Interest in suspense (interest only)	(162,922.3)	(192,532.4)
Interest in suspense (penalty fees only)	(135,449.9)	(136,177.6)
Prepayments	11,633.5	15,653.7
Advance tax (FY 2024)	5.3	8.1
Advance tax (FY 2025)	21,262.2	8,584.0
Foreclosed properties*	99,517.3	42,127.0
Other receivables	267,622.4	279,685.1
Currency swap receivable	152,348.8	217,417.5
Stock	9,210.9	5,259.4
Receivable from card associations	1,314.8	1,225.8
	<b>653,656.5</b>	<b>630,346.7</b>

\*The Bank took possession of properties which were held as security for defaulted loan with the intention for sale. The foreclosed properties (repossessed properties) were recorded at the transacted price and perform fair value exercise at the end of reporting period.

**AYEYARWADY BANK PUBLIC COMPANY LIMITED**
**NOTES TO THE FINANCIAL STATEMENTS**  
**For The Year Ended March 31, 2025**
**14. DEFERRED TAX**
*Kyats in million*

	<b>March 31, 2025</b>	<b>March 31, 2024</b>
Deferred Tax Assets	2,184.7	1,099.9
Deferred Tax Liabilities	(2,560.2)	(1,936.9)
	<b>(375.5)</b>	<b>(837.0)</b>

**15. INVESTMENT PROPERTY**
*Kyats in million*
**Cost**

At the acquisition and balance at April 1, 2023	-	3,585.7	3,585.7
Additions	-	-	-
Transfer	-	-	-
Balance at Mar 31, 2024	-	3,585.7	3,585.7
Additions	-	-	-
Transfer	653.5	1580.2	2,233.7
Balance at March 31, 2025	<b>653.5</b>	<b>5,165.9</b>	<b>5,819.4</b>

**Accumulated depreciation**

At the acquisition and balance at April 1, 2023	-	101.6	101.6
Depreciation for the year	-	71.7	71.7
Balance at March 31, 2024	-	173.3	173.3
Depreciation for the year	-	71.7	71.7
Transfer	-	207.2	207.2
Current Year Adjustment of Depreciation	-	72.1	72.1
Balance at March 31, 2025	<b>524.3</b>	<b>524.3</b>	<b>524.3</b>

**Accumulated impairment loss**

At the acquisition and balance at April 1, 2023	-	-	-
Impairment loss for the year	-	-	-
Balance at March 31, 2024	-	-	-
Impairment for the year	-	-	-
Balance at March 31, 2025	<b>653.5</b>	<b>4,641.6</b>	<b>5,295.1</b>

**Carrying amount**
*As at March 31, 2024*
*As at March 31, 2025*

**AYEYARWADY BANK PUBLIC COMPANY LIMITED**
**NOTES TO THE FINANCIAL STATEMENTS**  
**For Year Ended March 31, 2025**
**16. PROPERTY, PLANT AND EQUIPMENT**

<i>Kyats in million</i>	<b>Land</b>	<b>Building</b>	<b>Office machine and other equipment</b>	<b>Furniture, fixtures and fittings</b>	<b>Electrical equipment and computer accessories</b>	<b>Motor vehicles</b>	<b>Total</b>
<b><u>Cost</u></b>							
Balance at April 1, 2023	<b>167,553.7</b>	<b>175,273.4</b>	<b>34,857.3</b>	<b>6,913.2</b>	<b>55,925.7</b>	<b>11,248.9</b>	<b>451,772.4</b>
Additions	1,975.6	18,899.0	1,324.0	130.1	3,102.8	962.7	26,394.4
Disposals	(15,335.9)	(612.8)	(35.8)	-	-	(774.8)	(16,759.4)
Write offs	-	-	(107.9)	(38.9)	(196.3)	-	(343.1)
Reclassifications	-	(3,477.6)	35.8	5.6	105.8	150.7	(3,179.8)
Previous Year adjustment	-	-	(42.3)	-	-	-	(42.3)
Balance at March 31, 2024	<b>154,193.4</b>	<b>190,082.0</b>	<b>36,031.1</b>	<b>7,010.0</b>	<b>58,938.0</b>	<b>11,587.5</b>	<b>457,841.9</b>
Additions	1,525.6	10,793.5	4,969.1	320.0	3,626.0	1,470.0	22,704.1
Transfer	(905.6)	(1,328.0)	(80.7)	-	80.7	-	(2,233.6)
Disposals	-	(1,195.0)	-	-	(5.7)	(393.0)	(1,593.7)
Write offs	-	-	(68.4)	(31.0)	(168.9)	-	(268.4)
Prior year reclassifications	-	(261.9)	-	-	-	-	(261.8)
Balance at March 31, 2025	<b>154,813.4</b>	<b>198,090.5</b>	<b>40,851.1</b>	<b>7,299.0</b>	<b>62,470.1</b>	<b>12,664.5</b>	<b>476,188.5</b>
<b><u>Accumulated depreciation</u></b>							
Balance at March 31, 2023	-	<b>32,337.8</b>	<b>22,661.7</b>	<b>3,979.2</b>	<b>48,136.9</b>	<b>7,008.1</b>	<b>114,123.7</b>
Depreciation for the year	-	3,643.5	3,252.2	672.7	3,060.4	1,058.0	11,686.8
Disposals	-	(1.1)	(35.4)	-	-	(529.7)	(566.1)
Write offs	-	-	(98.8)	(30.4)	(187.3)	-	(316.5)
Reclassifications	-	(3,477.6)	35.8	5.6	105.8	150.7	(3,179.8)
Prior year adjustment	-	-	(18.6)	-	-	-	(18.6)
Balance at March 31, 2024	-	<b>32,502.6</b>	<b>25,796.9</b>	<b>4,627.1</b>	<b>51,115.8</b>	<b>7,687.1</b>	<b>121,729.3</b>
Depreciation for the year	-	3,689.6	3,360.7	665.2	2,787.7	1,016.9	11,520.0
Depreciation of Transfer	-	(207.2)	(33.0)	-	33.0	-	(207.2)
Disposals	-	(213.1)	-	-	(3.3)	(103.5)	(319.9)
Write offs	-	-	(64.4)	(25.9)	(168.1)	-	(258.4)
Prior year adjustment of depreciation	-	(261.9)	-	-	-	-	(261.9)
Balance at March 31, 2025	-	<b>35,510.1</b>	<b>29,060.2</b>	<b>5,266.4</b>	<b>53,765.1</b>	<b>8,600.5</b>	<b>132,201.9</b>
<b><u>Carrying amount</u></b>							
<b>As at March 31, 2024</b>	<b>154,193.4</b>	<b>157,579.4</b>	<b>10,234.2</b>	<b>2,382.9</b>	<b>7,822.2</b>	<b>3,900.4</b>	<b>336,112.6</b>
<b>As at March 31, 2025</b>	<b>154,813.4</b>	<b>162,580.5</b>	<b>11,791.0</b>	<b>2,032.6</b>	<b>8,705.0</b>	<b>4,064.0</b>	<b>343,986.5</b>

## 17. RIGHT-OF-USE ASSETS

Due to adoption of IFRS 16, the movement of the Right-Of-Use Assets is as follows:

	<i>Kyats in million</i>
<b>Cost</b>	
Balance at March 31, 2023	60,234.2
Additions	4,000.8
Balance at March 31, 2024	64,235.0
Additions	9,768.7
Balance at March 31, 2025	<u>74,003.8</u>
<b>Accumulated depreciation</b>	
Balance at March 31, 2023	41,911.7
Amortization for the year	6,693.5
Balance at March 31, 2024	48,605.3
Amortization for the year	8,996.1
Balance at March 31, 2025	<u>57,601.4</u>
<b>Carrying amount</b>	
Balance at March 31, 2024	<u>15,629.8</u>
Balance at March 31, 2025	<u>16,402.4</u>

The Bank leases mainly lands, buildings and motor vehicles for its head office and branches.

## 18. INTANGIBLE ASSETS

	<i>Software</i>
<b>Cost</b>	
At the acquisition and balance at April 1, 2023	<b>23,005.4</b>
Additions	3,593.2
Current Year Reclassification	42.3
Balance at March 31, 2024	<b>26,640.9</b>
Additions	1,811.0
Current Year Reclassification	(25.3)
Prior Year Reclassifications	-
Balance at March 31, 2025	<b>28,426.6</b>
<b>Accumulated depreciation</b>	
At the acquisition and balance at April 1, 2023	<b>9,481.4</b>
Amortization for the year	3,596.1
Prior Year Adjustment of Depreciation	18.6
Balance at March 31, 2024	<b>13,096.1</b>
Amortization for the year	3,964.3
Balance at March 31, 2025	<b>17,060.4</b>
<b>Carrying amount</b>	
As at March 31, 2024	<b>13,544.7</b>
As at March 31, 2025	<b>11,366.2</b>

## 19. BORROWING FROM BANKS

	<i>Kyats in million</i>
Borrowing from CBM	140,755.5
Interbank borrowing money market	42,000.0

<b>March 31, 2025</b>	<b>March 31, 2024 (Restated)</b>
140,755.5	521,006.1
42,000.0	47,442.0
<b>182,755.5</b>	<b>568,448.1</b>

## 20. DEPOSITS FROM BANK

	<i>Kyats in million</i>
Current deposits of state banks	29,673.8
Current deposits of foreign banks	6,792.8
Current deposits of private banks	1,147.4

<b>March 31, 2025</b>	<b>March 31, 2024</b>
29,673.8	32,287.3
6,792.8	2,777.4
1,147.4	944.9
<b>37,614.0</b>	<b>36,009.6</b>

## 21. DEPOSITS FROM CUSTOMERS

	<i>Kyats in million</i>
Saving deposits of customers	824,068.7
Fixed deposits of customers	3,276,034.7
Call deposits of customers	3,987,235.7
Current deposits of customers	634,714.2

<b>March 31, 2025</b>	<b>March 31, 2024</b>
824,068.7	962,390.2
3,276,034.7	2,037,575.8
3,987,235.7	3,594,571.1
634,714.2	573,045.3
<b>8,722,053.3</b>	<b>7,167,582.4</b>

## 22. REPURCHASE AGREEMENT

	<i>Kyats in million</i>
Repurchase agreements	-

<b>March 31, 2025</b>	<b>March 31, 2024</b>
-	32,123.8
-	<b>32,123.8</b>

## 23. OTHER LIABILITIES

	<i>Kyats in million</i>
Accrued interest payable	44,496.4
Sundry deposits	35,695.5
FE Equivalent Account	(213,000.9)
Payment order account	(69,680.2)
Card payables	16,643.7
2% General provision GLLR (Note 23.1)	24,836.6
Provision for operational risk	75,219.6
Income tax payable (Note 23.2)	7,790.6
Wages and salary payable	25,462.6
Unearned income	7,775.6
Sundry creditors	1,312.5
Unclaimed liabilities	11,923.0

<b>March 31, 2025</b>	<b>March 31, 2024 (Restated)</b>
44,496.4	39,124.1
35,695.5	10,849.9
(213,000.9)	(69,680.2)
16,643.7	8,026.2
24,836.6	24,308.5
75,219.6	48,911.3
7,790.6	4,993.3
25,462.6	17,641.8
7,775.6	5,175.6
1,312.5	1,616.3
11,923.0	3,375.4
754.7	594.1
<b>38,909.9</b>	<b>94,936.3</b>

**AYEYAWADY BANK PUBLIC COMPANY LIMITED**
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**23. OTHER LIABILITIES (Cont'd)**  
**23.1 2% General Provision GLLR**

Kyats in million	March 31, 2025	March 31, 2024
Balance at	48,911.3	24,904.6
Provision for the year	26,308.3	24,006.7
Balance at	<b>75,219.6</b>	<b>48,911.3</b>

**Total amount of 2% General provision GLLR**

Kyats in million	General Reserves	2% General provision	Total
<b>As at April 1, 2023</b>	<b>41,095.4</b>	<b>24,904.6</b>	<b>66,000.0</b>
Addition	-	24,006.7	24,006.7
<b>As at March 31, 2024</b>	<b>41,095.4</b>	<b>48,911.3</b>	<b>90,006.7</b>
Addition	-	26,308.3	26,308.3
<b>As at March 31, 2025</b>	<b>41,095.4</b>	<b>75,219.6</b>	<b>116,315.0</b>

**23.2 Income Tax Payable**

Kyats in million	March 31, 2025	March 31, 2024
Income tax payable (FY 2023-2024)	-	17,641.8
Income tax payable (FY 2024-2025)	25,462.6	-
	<b>25,462.6</b>	<b>17,641.8</b>

As of March 31, 2025, the bank had settled income tax Kyats 17,641.8 million for FY 2023-2024. In April 2025, the bank has paid total amount Kyat 25,462.6 million for FY 2024-2025.

**24. LEASE LIABILITIES**

The Bank leases mainly land and buildings for its head office and branches, ATM's places and foreign exchange counter.

Kyats in million	March 31, 2025	March 31, 2024
Lease liabilities - building	6,440.9	5,629.3
Lease liabilities - ATM & exchange counter	59.1	217.5
	<b>6,500.0</b>	<b>5,846.8</b>

**25. SUBORDINATED DEBT**

Kyats in million	March 31, 2025	March 31, 2024
Subordinated Debt (US\$ 40M @2100 in 2025)	84,000.0	84,000.0
	<b>84,000.0</b>	<b>84,000.0</b>

Pursuant to the issuance by CBM of their Directive 3/2019 on January 24, 2019, the Bank had entered into an agreement to take the subordinated facility from Mizuho Bank. Following the receipt of the requisite approval from CBM, the Bank received the the Subordinated Debt on November 8, 2019. The Subordinated Debt is in the amount of USD 40 million for a tenor of 10 years. The Investor may not call for the repayment any time earlier, however, the bank may prepay any time after 2 years. The interest is payable on quarterly basis at the rate of 3 months SOFR rate+0.26161% plus 3.00% margin.

**AYEYAWADY BANK PUBLIC COMPANY LIMITED**
**NOTES TO THE FINANCIAL STATEMENTS**  
**For The Year Ended March 31, 2025**
**26. SHARE CAPITAL**

Kyats in million	Number of Ordinary Shares	Share Capital (Kyats in million)
<b>Issued and paid up:</b>		
As at April 1, 2023	1,400,090	140,009.0
Issued in the period	-	-
<b>As at March 31, 2024</b>	<b>1,400,090</b>	<b>140,009.0</b>
Issued bonus shares*	770,000	77,000
<b>As at March 31, 2025</b>	<b>2,170,090</b>	<b>217,009.0</b>

\* In the current financial year, the Bank issued 770,000 bonus shares of 100,000 Kyats each with no change in total equity. As of March 31, 2025, the Bank's issued and fully paid-up share capital comprised 2,170,090 shares of 100,000 Kyats each, totaling 217,009,000,000 Kyats.

The following table sets out the shareholders of the Bank as at the end of the reporting period:

S/N	Shareholder	Kyats in million	March 31, 2025		March 31, 2024		
			Number of Ordinary Shares held	Percentage	Bonus Shares Issue	Share Transfer	Number of Ordinary Shares held
1	U Zaw Zaw	1,655,638	76.3%	585,638	34,000	1,036,000	74.0%
2	Daw Htay Htay Khaing	265,003	12.2%	95,003	-	170,000	12.2%
3	U Than Zaw	52,846	2.4%	18,846	-	34,000	2.4%
4	U Soe Tint	98,249	4.5%	35,249	-	63,000	4.5%
5	U Ohn Kyaw @ U Aye Thwin	98,249	4.5%	35,249	-	63,000	4.5%
6	Daw San San	-	-	-	(34,000)	34,000	2.4%
7	Daw Khin Saw Oo	35	NS*	5	-	30	NS*
8	U Myint Zaw	35	NS*	5	-	30	NS*
9	Daw Khin Ma Ma	35	NS*	5	-	30	NS*
		<b>2,170,090</b>	<b>100.0%</b>	<b>770,000</b>	<b>-</b>	<b>1,400,090</b>	<b>100.0%</b>

\* Not significant

**27. RESERVES**

Kyats in million	Statutory Reserves <sup>1</sup>	General Reserves <sup>2</sup>	Total
Balance as at March 31, 2023	61,308.6	41,095.3	102,403.9
Addition	14,534.7	-	14,534.7
Prior year adjustment	(137.0)	-	(137.0)
Balance as at March 31, 2024 (Restated)	75,706.3	41,095.2	116,801.5
Addition	20,924.7	-	20,924.7
Balance as at Mar 31, 2025	<b>96,631.0</b>	<b>41,095.2</b>	<b>137,726.2</b>

<sup>1</sup> Section 35(a) of the Financial Institutions Law of Myanmar 2016 requires, the Bank to provide 25% of Net Profit after Tax in a Statutory Reserve account until the account reaches 100% of paid-up capital of the Bank.

<sup>2</sup> The Central Bank of Myanmar ("CBM") Notification No. 17/2017 requires the Bank to set aside 2% (March 31, 2024 -2%) of the total balance of Loans and advances as General Reserves.

## 28. CONTINGENT LIABILITIES

The following sets out the Bank's contingent liabilities as at the end of the reporting period, based on the maximum amount the Bank would have to pay if the obligations of the instruments issued are called upon:

Kyats in million	March 31, 2025	March 31, 2024
Bank guarantees	65,033.1	94,799.8
	<b>65,033.1</b>	<b>94,799.8</b>

## 29. COMMITMENTS

## 29.1 Outstanding Commitments

At the end of the reporting period, the Bank has the following commitments:

Kyats in million	March 31, 2025	March 31, 2024
Undrawn loan commitments	645,925.5	404,675.8
	<b>645,925.5</b>	<b>404,675.8</b>

## 29.2 Minimum Lease Payments

Kyats in million	April 1, 2024 to March 31, 2025	April 1, 2023 to March 31, 2024
Minimum lease payments paid under operating leases recognised as an expense during the year	348.6	804.9

## 30. NET INTEREST INCOME

Interest income comprises interest arising from various types of lending and investment activities. Interest expense comprises all interest incurred on deposits and borrowings from bank and non-bank customers.

Interest income and expense include the following:

Kyats in million	April 1, 2024 to March 31, 2025	April 1, 2023 to March 31, 2024
<b>Interest income arising from:</b>		
Loans and advances	572,312.7	346,058.0
Investment securities	150,466.7	194,147.9
Deposits with banks	32,523.5	19,212.6
Trade finance	10,853.9	18,839.7
	<b>766,156.8</b>	<b>578,258.2</b>
<b>Interest expense arising from:</b>		
Deposits from bank and non-bank customers	(535,353.8)	(413,538.7)
Borrowings from banks	(95,128.4)	(39,556.6)
Financing Cost	(1,090.6)	(604.8)
	<b>(631,572.8)</b>	<b>(453,700.1)</b>
<b>Net interest income</b>	<b>134,584.0</b>	<b>124,558.1</b>

## 31. FEE AND COMMISSION INCOME, NET

Fees, commission and service charges income are generated from the range of activities that the Bank provides. Below is the breakdown on fees on commission income and expense.

Kyats in million	April 1, 2024 to March 31, 2025	April 1, 2023 to March 31, 2024
<b>Fee and commission income:</b>		
Service charges	159,191.3	89,153.3
Commission fees	29,573.3	6,740.4
Commission fees (Bancassurance)	7,715.0	4,291.4
Exchange fees	9,126.7	9,163.8
Commitment fees	406.8	178.2
Default fees	12,270.5	9,923.1
SWIFT/Telex charges	13.9	53.8
	<b>218,297.5</b>	<b>119,504.0</b>
<b>Fee and commission expense:</b>		
Bank charges	(242.9)	(304.7)
Fees expenses	(113,474.8)	(61,320.4)
<b>Net fee and commission income</b>	<b>104,579.8</b>	<b>57,878.9</b>

## 32. OTHER INCOME

Kyats in million	April 1, 2024 to March 31, 2025	April 1, 2023 to March 31, 2024
Foreign exchange gain	516.5	1,164.5
Foreign exchange transaction gain	90,479.6	48,475.7
Specific allowance recovery (Note 12)	-	6,666.1
Miscellaneous	(5,213.2)	1,401.2
Others	1,856.9	1,008.9
	<b>87,639.8</b>	<b>58,716.4</b>

## 33. GENERAL AND ADMINISTRATIVE EXPENSE

Kyats in million	April 1, 2024 to March 31, 2025	April 1, 2023 to March 31, 2024
Wages and salaries	60,049.0	47,072.4
Supplies and services	32,446.8	20,507.8
Maintenance and repair	16,770.0	14,999.7
Professional fees	7,269.1	7,106.0
Other personnel costs	8,761.0	9,526.5
Rates and taxes	3,325.5	2,012.3
Advertising and branding	11,082.2	6,262.6
Travel and entertainment	180.7	116.8
Social security contributions	697.4	644.2
Insurance	450.2	483.8
	<b>141,031.9</b>	<b>108,732.1</b>

## 34. OPERATING LEASE EXPENSES

Kyats in million	April 1, 2024 to March 31, 2025	April 1, 2023 to March 31, 2024
Minimum lease payments paid under operating leases recognised as an expense during the year	<b>348.6</b>	<b>804.9</b>

Operating lease payments represent rentals payable by the Bank for its leases of land and buildings for its head office and branches, ATM's places and foreign exchange counter with lease term less than a year.

## 35. OTHER OPERATING EXPENSE

Kyats in million	April 1, 2024 to March 31, 2025	April 1, 2023 to March 31, 2024
Miscellaneous expenses	15,978.3	3,106.7
Provision for Operational risk	3,006.7	4,993.3
Others	274.6	1,586.0
<b>19,259.6</b>	<b>9,686.0</b>	

## 36. INCOME TAX EXPENSE

The Bank estimates income tax expense on profit to approximate Myanmar's corporate tax rate of 22% (March 31, 2024: 22%) of profit before tax, net of tax adjustments.

Kyats in million	April 1, 2024 to March 31, 2025	April 1, 2023 to March 31, 2024
<b>Profit before tax</b>	<b>108,699.7</b>	<b>75,875.5</b>
Adjustment for FX revaluation loss / (gain)	(516.6)	(1,164.5)
Adjustment of net gain of disposal	(1,513.6)	(238.7)
Operational risk provision	3,006.7	5,000.0
Write off	(209.4)	
Capital loss from sale of bonds	6,545.2	
10% Tax Provision for Capital Gain of FY (2024-2025)/ (2023-2024)	119.6	99.8
Tax adjustment upon different depreciation for per book & LTO (2024-2025)	1,143.8	
<b>Taxable income</b>	<b>117,275.3</b>	<b>79,572.2</b>
Income Tax expenses at statutory rate 22%	25,800.6	17,505.9
Effect of expenses that are not deductible in determining taxable profit	-	238.2
Deferred tax liabilities due to temporary differences	(799.5)	-
Over provision for income tax of FY (2021-2022)	-	(3.7)
Income Tax expenses recognised in profit or loss	<b>25,001.1</b>	<b>17,740.4</b>

The Bank has provided the tax expenses based on the guideline set by Myanmar tax authority.

## 37. CURRENT AND NON-CURRENT ASSETS AND LIABILITIES

Kyats in million	Current	Non-current	Total
<u>As at March 31, 2025</u>			
<b>ASSETS</b>			
Cash and cash equivalents			
Cash and cash equivalents	1,144,373.3	-	1,144,373.3
Placement with financial institution	449,868.0	-	449,868.0
Investment securities	724,767.0	480,094.4	1,204,861.4
Loan and advances	3,574,633.1	2,168,083.7	5,742,716.8
Other assets	653,656.5	-	653,656.5
Investment Property	-	5,295.1	5,295.1
Property, plant and equipment	-	343,986.5	343,986.5
Right of Use	7,312.1	9,090.3	16,402.4
Intangibles	-	11,366.2	11,366.2
	<b>6,554,610.0</b>	<b>3,017,916.2</b>	<b>9,572,526.2</b>
<b>LIABILITIES</b>			
Borrowing from State Banks			
Borrowing from State Banks	182,755.5	-	182,755.5
Deposits from banks	37,614.0	-	37,614.0
Deposits from customers	8,521,849.9	200,203.3	8,722,053.2
Other liabilities	38,909.9	-	38,909.9
Deferred Tax Assets	-	375.5	375.5
Lease liabilities	1,939.9	4,560.1	6,500.0
Subordinated debt	-	84,000.0	84,000.0
	<b>8,783,069.2</b>	<b>289,138.9</b>	<b>9,072,208.1</b>
Kyats in million	Current	Non-current	Total
<u>As at March 31, 2024</u>			
<b>ASSETS</b>			
Cash and cash equivalents			
Cash and cash equivalents	678,369.7	-	678,369.7
Placement with financial institution	220,350.0	-	220,350.0
Investment securities	801,697.6	1,533,359.2	2,335,056.8
Loan and advances	2,439,153.6	1,732,952.9	4,172,106.5
Bills receivable	1,474.3	-	1,474.3
Other assets	631,291.3	(944.6)	630,346.7
Investment Property	-	3,412.4	3,412.4
Property, plant and equipment	-	336,112.6	336,112.6
Right of Use	5,329.2	10,300.5	15,629.8
Intangibles	-	13,544.7	13,544.7
	<b>4,777,665.7</b>	<b>3,628,737.7</b>	<b>8,406,403.4</b>
<b>LIABILITIES</b>			
Borrowing from State Banks			
Borrowing from State Banks	568,448.1	-	568,448.1
Deposits from banks	36,009.6	-	36,009.6
Deposits from customers	6,937,187.1	230,395.1	7,167,582.3
Repurchase agreement	32,123.8	-	32,123.8
Other liabilities	96,924.8	(1,988.4)	94,936.4
Deferred Tax Assets	-	837.0	837.0
Lease liabilities	433.9	5,413.0	5,846.8
Subordinated debt	-	84,000.0	84,000.0
	<b>7,671,127.3</b>	<b>318,656.7</b>	<b>7,989,784.0</b>

**38. ROUNDING OF AMOUNTS**

Amounts in this report have been rounded off to the nearest million currency units, or in certain cases, the nearest MMK.

**39. EVENTS DURING AND AFTER REPORTING PERIOD**

All business environment comes with certain level of challenges depending on the industry and we are not exceptional. Despite the challenges, the Bank strives to maintain the balance between the business continuity and compliance with rules and regulations by setting proper risk management and internal controls.

The bank's internal policies and Standard Operating Procedures (SOPs) are reviewed regularly to ensure the bank stays competitive in the industry and effectively manage the business and operations.

**Natural Disaster and Business Continuity**

One of the major events during the year is the earthquake that occurred on the 28th of March 2025 that affected the Regions where some of the Bank's branches operate.

Since the Bank has Business Continuity Plans (BCP) in place, despite the impact caused by the unexpected natural disaster, the Bank managed the situation according to implemented Business Continuity Plans (BCP). The disaster affected some of the operating branches within the affected region and there was interruption on its operation. However, as soon as the situation is stable, the Bank took necessary actions to resume the banking services to the customers by getting necessary repairs or relocate them to other locations especially for the rented branches.

The Bank also engaged the independent third party to review the impact of the disaster on the bank's assets and the collateralized assets of the borrowers and quantify the damages wherever applicable. The evaluation reports show that no major impact that can lead to foreseeable impairment loss.

The Bank is also looking into serving customers in the affected areas for the redevelopment of their assets and businesses. In addition, it is also paying attention to the other services that it can offer during the region.

**Customer First**

Customer is the top priority, and our main focus is to providing quality services and giving good customer's journey. For the purpose of enhancing the customer's journey, technologies and digitalization play vital roles, and we invest in it. It continuously monitors and reviews the ways it serves the customers and the rooms for improvement in delivering better customer experience. Understanding the customers' needs and providing customized solutions to suit the demands of the customers has always been one of the key purposes of the Bank and we will continue maintaining the quality of services.

**Treasuring Human Resources**

The Bank was aiming to get everyone to be familiar with performance driven culture and it has proven some progress during and after the financial year. It always treasures Human Resources as one of the most valuable resources of the Bank, and it cares about employees' well-being and personal development by setting the roadmap for the career development of the employees and implementing the Key Performance Indicators (KPI) for performance monitoring and improvement purposes. Since we encourage continuous learning, Internal and external training programs for technical and inter-personal skills are regularly provided to the employees to upgrade the knowledge and skill set required for career development.

**39. EVENTS DURING AND AFTER REPORTING PERIOD (Cont'd)****Managing Assets and Liabilities**

In coping with the growth in sources of funds, efficient utilization of assets and maintaining the appropriate amount of liabilities became more important for sustainable business growth. The Bank's Assets & Liabilities Management Committee ("ALCO") regularly monitors the utilization of funds in the pursuit of its business objectives despite the market condition remain challenging as at the reporting date. The bank is also monitoring closely the foreign currency management to mitigate the currency risk exposure.

One of the key earning assets to the Bank is loans to the customers and Credit Committee oversees the loans positions to monitor the recoverability and any potential risk exposures in accordance with the regulators' guidelines.

**Maintaining Strong Liquidity**

The Bank continues to have a strong liquidity position mainly impacted by the growth in sources and utilization of fund. The effective management of liquidity ensures that the bank can fulfil the needs of the customers to the best of its ability as and when it is due.

The Bank loan to deposit ratio (LDR) as of March 31, 2025 was 66.32% (March 31, 2024 62.4%) and the Liquidity Ratio as at March 31, 2025 was 31.45% (March 31, 2024 36.89%).

**Balancing business growth and risk management**

While the Bank pursues the growth in business, it puts in the best efforts to keep the right balance between the business growth and managing the calculated risk under the guidance of Board's Risk and Compliance Committee ("BRCC"). It sets the risk management frameworks to have effective risk management framework. According to the framework, Head of Departments are the risk managers who to keep the risk register of the respective departments, put in the control measures in mitigation of risk and monitoring the risk exposures. They keep the risk and compliance team updated with the progress and BRCC reviews the effectiveness of the risk management framework. In addition, the internal audit team performs its audit in line with the risk-based approaches to focus more on significant risk areas under the guidance of Audit Committee. ion purposes.

**40. AUTHORIZATION OF FINANCIAL STATEMENTS**

The Financial Statements of the Bank for the year ended March 31, 2025 have been authorized for issue on September 30, 2025.



# Audit, Risk And Compliance Oversight

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## The Committee's Commentary on the Year

The Audit Committee is pleased to acknowledge the vital contributions of the Internal Audit Department during the past financial year. In an increasingly complex and dynamic banking environment, the role of internal audit has never been more critical.

Throughout the year, the Internal Audit Department has upheld the highest standards of integrity, objectivity, and professionalism. Its independent assessments have provided valuable insights into AYA Bank's risk management framework, internal control systems, and compliance processes reinforcing the Bank's commitment to transparency and accountability.

Key achievements during the year include:

- Completion of risk-based audit plans aligned with the Bank's strategic priorities
- Identification of control enhancements across key operational areas
- Timely reporting and follow-up on audit recommendations
- Strengthened collaboration with business units to foster a culture of continuous improvement

The Committee commends the department's proactive approach and dedication to excellence. We remain confident in its ability to support the Bank's long-term resilience and sustainable growth.

On behalf of the Board, we extend our sincere appreciation to the Internal Audit team for their professionalism and impact. We look forward to their continued contributions in the year ahead.

Audit Committee  
AYA Bank PCL

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## Internal Audit's Value Contribution

The Internal Audit Department plays a critical role in ensuring the sound governance and internal control framework of the Bank. It operates as an independent and objective assurance function, providing the Board and senior management with insights to strengthen the effectiveness and efficiency of operations.

The primary responsibility of the Internal Audit function is to evaluate the adequacy and effectiveness of the Bank's internal control systems and governance processes. Through a risk-based

audit approach, the department reviews the Bank's operational, financial, and compliance activities to ensure they are conducted in accordance with regulatory requirements, internal policies, and industry's best practices.

The Internal Audit Department reports functionally to the Audit Committee of the Board and administratively to the Managing Director (Governance, Risk and Compliance). This reporting structure ensures independence and objectivity in audit execution and reporting.



## FY2024-2025 Overview

During the financial year FY2024-2025, the Internal Audit function continued to:

- Conduct regular and special audits covering branches and departments in Head office.
- Provide independent assurance on key risk areas, including credit, operations, IT, and compliance.
- Support management in strengthening internal controls and improving operational efficiency.
- Monitor the implementation status of audit recommendations and report progress to the Audit Committee.

Enhance audit quality through staff capacity building and the adoption of digital audit tools and analytics.

### Covering a fully Cycle of Audits

During the financial year, the Internal Audit Department successfully completed a full cycle of audits covering all 240 branches nationwide which are in full operation. This comprehensive coverage ensured that every branch was reviewed for operational soundness, regulatory compliance, and risk management practices.

The completion of this full audit has delivered significant benefits, including:

- Strengthening internal control and compliance culture across the branch network.

• Early identification and mitigation of operational and credit risks.

- Improved process efficiency and adherence to standard operating procedures.
- Enhanced accountability and awareness among branch management and staff.

Timely reporting and follow-up on audit recommendations, ensuring corrective actions are effectively implemented.

### Strengthening Governance Through Enhanced Audit Practices

In the fiscal year 2024–2025, the Internal Audit Department of AYA Bank reinforced its position as a cornerstone of the Bank's governance and assurance framework. A key milestone during the year was the comprehensive revision of Standard Operating Procedures (SOPs), undertaken to ensure alignment with evolving internal workflows and the dynamic regulatory landscape. These enhancements were designed to improve the effectiveness of internal controls and bolster the Bank's operational resilience.

### Advancing Audit Capabilities Through Technology

In recognition of the increasing role of technology in the banking sector, the Internal Audit Department invested in specialized training for IT audit and successfully initiated its

implementation across critical systems. This strategic initiative has enhanced the department's ability to assess technology-related risks and controls with greater precision.

## Enhancing Regulatory Alignment and Audit Methodology

In parallel, the Internal Audit Department ensured full compliance with the regulatory requirements of the Central Bank of Myanmar (CBM), reaffirming the Bank's steadfast commitment to regulatory integrity. In addition, the audit methodology was further strengthened through the integration of a risk-based assessment framework, enabling more focused, data-driven, and impactful audit engagements.

These initiatives collectively reflect AYA Bank's ongoing dedication to continuous improvement, effective risk mitigation, and the creation of long-term value for all stakeholders.

## Governance Leadership Message

### Board Risk and Compliance Committee

In the fiscal year 2024-2025, despite facing changes in the economic and financial environment, AYA Bank PCL was able to continue advancing its operations through stable business processes, grounded in effective risk management and robust compliance frameworks. The fiscal years 2024-2025 was marked by significant global and domestic uncertainties, rapid technological innovations, and evolving regulatory frameworks. Despite these challenges, the Board Risk & Compliance Committee effectively fulfilled its core responsibilities and consistently provided the Board with necessary oversight,

support, and advisory inputs. As the Board Risk & Compliance Committee, it has diligently overseen the Bank's strategic business operations to ensure they are conducted in full compliance with applicable laws and regulations, while also minimizing potential risks. Furthermore, in the area of risk management, the Committee has enhanced the organization-wide early warning systems, audit and review processes, and internal control mechanisms to strengthen overall resilience.

In line with the policies of the Board of Risk & Compliance Committee:

- Efforts were made to promote risk culture awareness across all business operations
- Role-based training programs and awareness initiatives were conducted to foster a strong compliance culture
- Measures were taken to ensure adherence to laws and regulations set forth by the government and the Central Bank

The enhancement of AYA Bank PCL's information systems, the implementation of an Automated Transaction Monitoring System, and the regular both annual and as-needed-review of policies and standard operating procedures (SOPs) have played a critical role in reducing risks and strengthening operational stability.

We extend our sincere gratitude for the unwavering support and commitment of the Board of Directors and the Senior Management team. Additionally, the relentless efforts of the Compliance Department and the Enterprise Risk Management Department have been instrumental in achieving the Bank's goals to date. AYA Bank PCL will continue to strive forward as a "Trusted Partner in Progress," grounded in trust and accountability.

Board Risk & Compliance Committee  
AYA Bank PCL



## Risk Management

### Strengthening Risk Oversight Through BRCC

At AYA Bank, the Board ensures strong governance by delegating specific oversight responsibilities to its committees, each operating under clearly defined terms of reference. Among these, the Board of Risk and Compliance Committee (BRCC) play a pivotal role in shaping the Bank's risk strategy.

The BRCC is responsible for setting the Bank's risk appetite and ensuring that robust risk management frameworks, policies, and processes are in place. It works closely with the CEO and senior management, offering strategic guidance to support sound decision-making across the organization.

Throughout the year, the BRCC actively monitors how well the Bank adheres to its risk appetite and oversees the identification, evaluation, and management of key risk categories including credit, market, liquidity, operational, technology, and reputational risks. This structured approach helps ensure that risk-taking remains aligned with the Bank's strategic goals and regulatory obligations.

To maintain a proactive stance, the BRCC promotes regular assessments of significant risks and ensures that effective mitigation plans are in place, particularly for high-risk

exposures. This ongoing vigilance supports the Bank's commitment to resilience, transparency, and long-term sustainability.

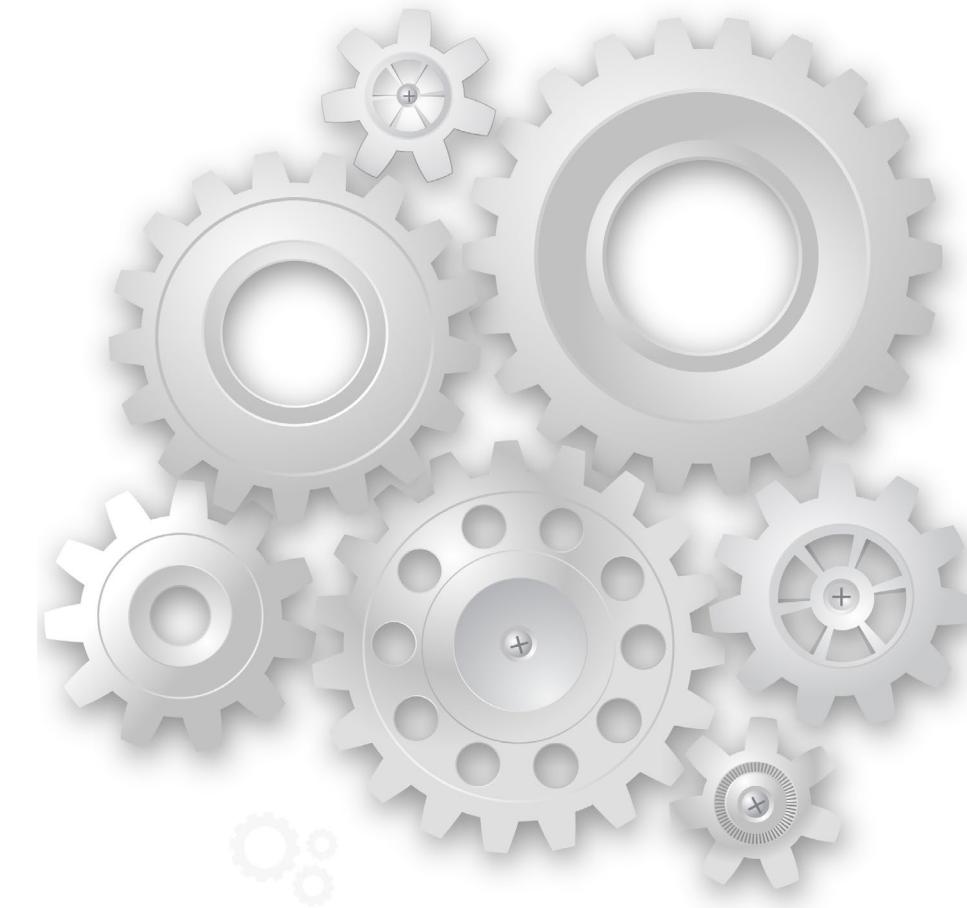
### How BRCC Meetings Drive Risk Management

Since its formation on May 24, 2018, the Board Risk and Compliance Committee (BRCC) at AYA Bank PCL has played a key role in strengthening enterprise-level risk management across the organization.

The committee meets regularly to openly discuss risk-related matters. These meetings bring together Risk Owners and Risk Managers from various

departments, who present current and potential risks. The BRCC Chairperson and Senior Management actively engage in these discussions, offering insights and recommendations to help guide the bank's next steps.

Throughout the 2024 - 2025 financial year, the BRCC held seven meetings, each focused on reviewing risks, sharing ideas, and planning future actions to ensure the bank remains resilient and well-prepared.



## Enterprise Risk Management (ERM)

The Enterprise Risk Management (ERM) Department of AYA Bank PCL continues to uphold a robust risk governance framework aligned with the Bank's Risk Management Framework and the Guideline on Risk Management Practices of Banks issued by the Central Bank of Myanmar on November 20, 2020.

Throughout the financial year 2024 - 2025, the ERM Department ensured that all internal and departmental processes were effectively implemented in compliance with regulatory requirements and the Bank's internal policies. This comprehensive approach reinforces the Bank's commitment to sound risk management practices, proactive risk identification, and mitigation measures, thereby safeguarding the Bank's stability and resilience.

## Strengthening the Whistleblowing Mechanism

In line with AYA Bank PCL's commitment to fostering a culture of integrity, accountability, and transparency, the Bank maintains the robust whistleblowing framework to enable the reporting of any misconduct, unethical behavior, or regulatory breaches. This mechanism is accessible to employees, customers, and business partners, ensuring that concerns related to workplace ethics, inappropriate conduct, or legal violations can be raised in a

confidential and secure manner. During the financial year, the whistleblowing posters and user manual were reviewed to enhance clarity and usability. The updated instructions were disseminated to all branches and Head Office departments on November 12, 2024, reinforcing the Bank's emphasis on awareness and compliance across all operational levels.

### Anti-Fraud Policy

The Bank established an Anti-Fraud Policy designed to prevent, detect, and respond to fraudulent activities, whether committed by an individual employee or a group. To reinforce awareness and understanding among employees regarding the actions and consequences of fraudulent behavior, in collaboration with the People Department, a comprehensive review of the policy was conducted, and it was officially issued on June 4, 2024.

### Risk Data Collection

In alignment with the requirements outlined in the "Guideline on Risk Management Practices of Banks" issued by the Central Bank of Myanmar, the Bank has taken proactive steps to strengthen risk identification and monitoring across the organization. The Bank developed a Risk Data collection to capture risk-related information from all departments and branches in December 2024. This initiative enhances the Bank's capability to identify, assess, and manage risks effectively, supporting a

more robust enterprise-wide risk management framework. Appointment of Risk Managers and their responsibilities In order to ensure the effective and smooth implementation of risk management processes, an instruction was issued on 12 March 2029 to appoint Risk Managers across Head Office departments and respective Regions/States. Regular updates have been maintained, and on 6 December 2024, departments were requested to submit updated lists of Risk Managers. Furthermore, during December 2024, the roles and responsibilities of Risk Owners and Risk Managers were reviewed and updated and subsequently communicated to the relevant stakeholders.

In addition to the Credit Committee, both MD GRC and Head of ERM actively took part in the Non-Performing Loans (NPL) Reduction Meetings led by the Vice Chair of BRCC, contributing to strategic initiatives aimed at improving loan portfolio quality and in cross-functional meetings relating to legal case management and process streamlining.



## Credit Risk Management

To ensure the effective governance and sound management of AYA Bank PCL's credit operations, the Managing Director for Governance, Risk and Compliance (MD GRC) continued to serve as a member of the Credit Committee and the Head of Enterprise Risk Management (ERM) participated as an invited attendee. Their involvement focused on strengthening credit risk oversight by providing independent risk assessments, raising necessary objections, and submitting recommendations and insights from a Risk Management perspective to support balanced and well-informed credit decisions.

In addition, to prevent the misuse of AYA Bank's services and accounts for gambling activities, support the Suspicious Transaction Report (STR) process, and enhance customer confidence, the Bank regularly monitors online gambling accounts and maintains records, with updates and reports submitted to the Compliance Department and AYA Pay Department.

Under the Credit Risk Management function, the Bank continuously monitors its lending portfolio, tracks default and Non-Performing Loan (NPL) trends, and conducts analyses of losses by loan products and business sectors. Regular reports on these observations are submitted to MD GRC and the Bank Risk & Credit Committee

(BRCC) to support informed decision-making and effective risk oversight.

## Operational Risk & Reputational Risk Management

As part of AYA Bank PCL's operational risk management, the Bank continuously monitors social networking platforms and other social media channels to identify unusual financial service announcements or potentially fraudulent activities involving customers. Suspicious transactions or accounts are investigated and monitored, and relevant findings are reported to the appropriate authorities to mitigate potential financial crime risks.

In addition, to prevent the misuse of AYA Bank's services and accounts for gambling activities, support the Suspicious Transaction Report (STR) process, and enhance customer confidence, the Bank regularly monitors online gambling accounts and maintains records, with updates and reports submitted to the Compliance Department and AYA Pay Department.

The Bank conducts analyses on monthly findings related to internal financial irregularities and submits reports to the Bank Risk & Credit Committee (BRCC). Relevant departments are informed about risk preventive measures and are engaged to coordinate and implement

them. Market risk is monitored, with necessary reports prepared as needed. Recommendations are provided from a Risk and Compliance perspective for new and existing products. Whistleblowing reports received from both internal and external sources are recorded, and the responsible parties are notified and coordinated to ensure necessary actions are taken.

In addition, monitoring and inspections are conducted on ATM cash withdrawals, deposits, cash in transit, and money transfers/withdrawals, with recommendations provided from a Risk perspective based on the findings.

Furthermore, based on current political, economic, and social developments, lists of branches with higher potential risk exposure are maintained by region. The collected information is consolidated and presented for discussion in the regularly held Bank Risk & Credit Committee (BRCC) meetings.

## Strategic Risk Management

Since August 2023, the Enterprise Risk Assessment Program has been implemented. Necessary data has been collected through collaboration and coordination with relevant departments, and monthly assessments are being conducted to estimate the overall risk level of the bank.

As part of this process:

- Risk levels are calculated based on relevant areas such as Customer, Delivery Channel, Product, and Geographical Region.
- Monthly departmental reporting is being carried out accordingly.

Additionally, to provide strategic recommendations from a Risk & Compliance perspective, a member from the Enterprise Risk Management (ERM) Department is actively participating in the Bank's Strategy Office Team. This involvement supports the effective implementation of the Bank's future business strategies.

## Risk Appetite Statement

In accordance with the Central Bank of Myanmar's guidelines on banks' loss absorbency management processes, the ERM team conducted presentations, meetings, and data collection with relevant stakeholders to support the implementation of the Risk Appetite Statement. Progress updates were reported during BRCC meetings.

As part of the initial steps in the Risk Appetite Implementation process, a draft Risk Appetite Statement was developed in 2024, along with the identification of Key Risk Indicators (KRIs) and Key Performance Indicators (KPIs).

## Business Continuity Plan (BCP)

As part of governance oversight, in order to ensure uninterrupted operations and resilience in the face of unexpected disruptions, to respond effectively to a wide range of potential risks, including natural disasters, pandemics, political or economic instability, operational disruptions, and regulatory changes, the Bank's BCP, developed the framework in 2016, was comprehensively reviewed in October and received guidance and approval from the Board Risk and Compliance Committee on 12th November 2024.

## Progress in Development of Business Continuity Plan (BCP)

No.	Date	Document Title	Document Owner
1.	November 2016	Develop Framework of Business Continuity Plan	Banking Operations
2.	March 2020	Covid - 19 Prevention Measures and Control	Enterprise Risk Management
3.	May 2023	Natural disaster Management	Admin Department
4.	July 2023	Emergency plans for natural disasters and System Breakdowns	Banking Operations
5.	August 2023	Security Measures	Admin Department
6.	November 2023	Emergency plans for branches in high-risk areas	Enterprise Risk Management
7.	November 2024	Comprehensive Business Continuity Framework	Enterprise Risk Management

## Training related to Enterprise Risk Management

During the 2024 - 2025 financial year, training sessions related to Risk Management and Fraud were conducted across the Bank to help identify potential loss areas. These sessions included

explanations of current internal processes, key risk awareness points, compliance guidelines, dos and don'ts, and roles and responsibilities using real examples from within the Bank to

enhance understanding. To support continuous learning on Risk Management topics, the ERM Portal has been equipped with relevant documents and video clips related to Risk Management.

## Compliance

### Oversight on Compliance and Regulatory Adherence

For effective compliance oversight, BRCC provides strategic direction on compliance with laws, regulations, and internal policies and guides the development and enforcement of anti-money laundering (AML), counter-terrorist financing (CFT), and sanctions compliance programs.

Furthermore, to ensure governance & accountability, BRCC sets clear governance structures for compliance management, guidance on maintaining ethical standards and promoting a strong compliance culture, oversee whistleblowing mechanisms and integrity frameworks.

For reporting & disclosure, it instructs on timely reporting of regulatory submissions, and significant compliance breaches.

### Compliance Overview

During the 2024 - 2025 financial year, AYA Bank PCL's Compliance Department continued to uphold the highest standards of regulatory compliance and ethical conduct. The Department remains committed to full adherence with the laws and regulations of the Republic of the Union of Myanmar, including the Central Bank of Myanmar Law, its directives, and all applicable banking regulations.

In accordance with the Anti-Money Laundering and

Countering the Financing of Terrorism (AML/CFT) laws and regulations, the Department has diligently implemented measures in line with the guidance provided by the Central Bank of Myanmar, the Central Committee for Countering Money Laundering, and the Financial Intelligence Unit.

The Compliance Department has also worked in close coordination with Head Office Divisions and Branch Offices to strengthen awareness, ensure consistent application of internal policies and procedures, and prevent any regulatory or policy breaches. Through these efforts, AYA Bank continues to foster a culture of compliance and integrity across all levels of the organization.

### Compliance with Regulatory Standards

AYA Bank remains committed to upholding all laws and regulations issued by the Government of Myanmar, including directives from the Central Bank of Myanmar, the Financial Intelligence Unit, and the Financial Investigation Bureau. To ensure consistent compliance across the organization, the Bank has established clear standards and regularly issues internal guidelines and instructions.

These directives are communicated to all branches and head office departments, reinforcing the importance

of adhering to regulatory requirements. During the 2024 - 2025 financial year, the Bank issued several policies, standards, and operational guidelines to support this effort, ensuring that all units remain aligned with national and sector-specific compliance expectations.

### Customer Due Diligence (CDD) and Enhanced Reviews

During the 2024 - 2025 financial year, AYA Bank PCL continued its commitment to responsible banking by conducting enhanced due diligence on its customers. As part of this process, branches across the country reviewed and updated the risk levels of their customers, ensuring alignment with the Bank's risk management standards.

This included a thorough Customer Due Diligence (CDD) review, where branches reached out to their customers to verify and update personal and business information. The goal was to ensure that all customer data remained accurate and current within the Bank's core system, supporting both regulatory compliance and effective risk monitoring.

### Threshold Transaction Reporting (TTR)

AYA Bank PCL maintained strict compliance with regulatory requirements for Threshold Transaction Reporting (TTR). Transactions exceeding the prescribed limits were systematically reported by branches and relevant Head Office departments to the Financial Investigation Unit, following the Bank's established procedures. This process reinforces transparency, regulatory adherence, and proactive monitoring of large-value transactions.

### Suspicious Transaction Reporting (STR) and Enhanced Monitoring

The Bank strengthened its framework for identifying and reporting suspicious transactions. Branch-submitted STRs were

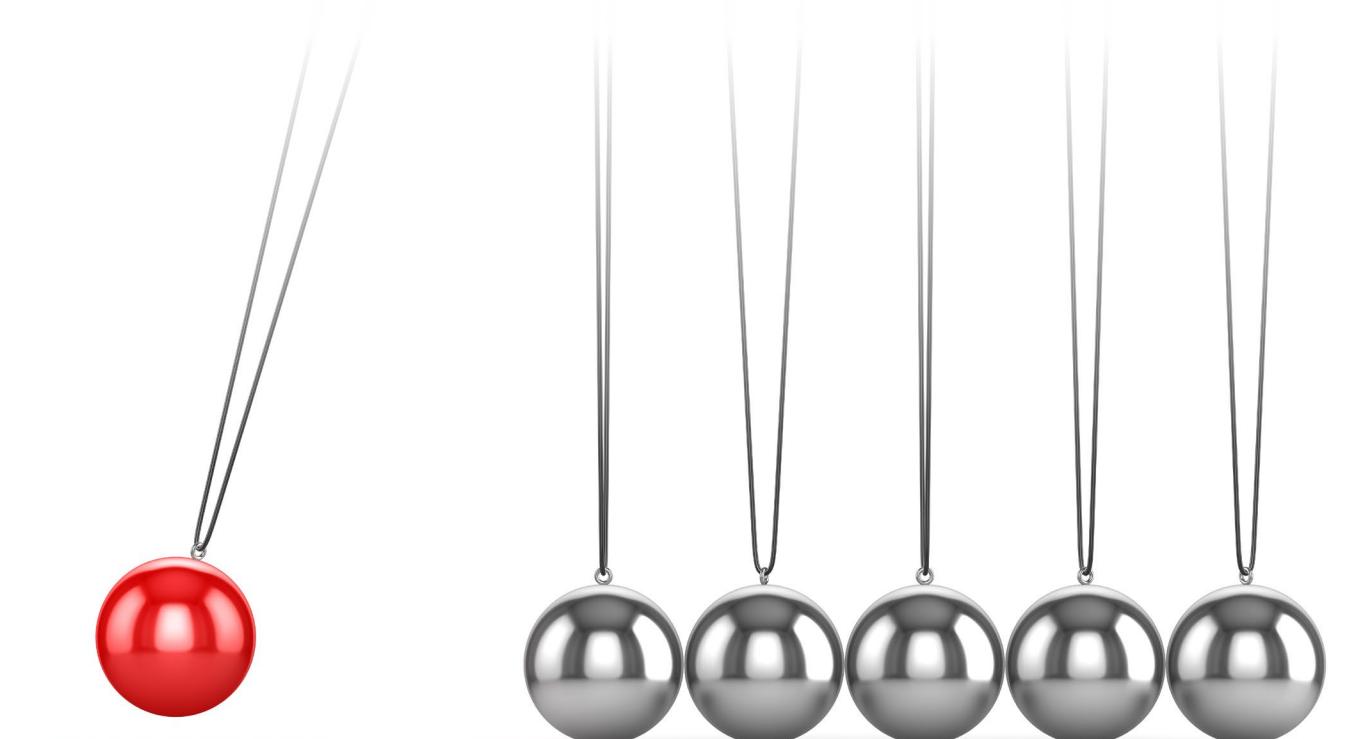
thoroughly reviewed by the Head Office Compliance Department, which monitored customer transactions and verified relevant information before submission to the Central Bank of Myanmar and the Financial Investigation Unit.

Reported cases included suspicious activities detected through social media, attempted fraudulent transactions, high-risk customers identified through transaction monitoring, and branch-reported potential suspicious activities. Following STR submission, Enhanced Customer Due Diligence (ECDD) was conducted where necessary, high-risk customers were duly classified, and continuous monitoring was maintained. Any subsequent information discovered was promptly reported as follow-up, ensuring robust oversight and proactive risk management.

### Monitoring Customer Transactions and Regulatory Compliance

The Bank consistently improves its compliance practices by closely monitoring customer accounting activities and transaction patterns. During the 2024 - 2025 financial year, branches regularly reviewed customer account openings and transaction behaviors particularly focusing on transaction amounts and frequency. Any findings requiring further attention were reported to the Head Office Compliance Department, which consolidated the data through the core banking system for centralized monitoring.

The Compliance Department actively tracks customer transactions to ensure they align with regulatory expectations. This includes monitoring Threshold Transactions (TTRs) that exceed



predefined limits, especially those involving shareholders, senior management, and individuals listed as Politically Exposed Persons (PEPs). Alerts are generated when such transactions occur, enabling timely reporting and follow-up.

Additionally, International Banking Department (IBD) oversees Overseas Telegraphic Transfers (OTT), ensuring they do not involve individuals, entities, or account numbers restricted by the Central Bank of Myanmar. These transactions are screened against global databases such as Thomson Reuters World-Check One and other international compliance platforms. The Bank also ensures alignment with the Foreign Exchange Management Department (FEMD) guidelines and fulfills reporting obligations through the Electronic Reporting System.

### Enhanced Due Diligence for High-Risk Customers

AYA Bank PCL continues to strengthen its customer risk management practices by categorizing customers based on key indicators such as occupation, business type, and nationality. Customers identified as high-risk are maintained in a dedicated list by the Compliance Department for closer monitoring.

For these high-risk customers, the Bank conducts enhanced verification procedures to confirm their identity and background. This includes updating and reviewing Enhanced Customer

Due Diligence (ECDD) forms, as well as actively monitoring their transaction activities to ensure compliance with internal policies and regulatory standards.

### AML/CFT Screening and Monitoring System

In line with the directives of the Central Bank of Myanmar, since December 2021, the Bank has collaborated with the software service provider and relevant departments to implement an AML system capable of automatically conducting customer screening and transaction monitoring through the system. Onboarding Monitoring, Transaction Screening, Transaction Monitoring and Watchlist Monitoring services were successfully brought live.

To further enhance transaction monitoring, testing was conducted to implement an additional five complex rules, which successfully went live on 5 February 2025. Currently, the AML system is capable of monitoring account-based transactions only and ongoing effort to enable monitoring of NRC-based transactions, to enable real-time screening of NRC-to-NRC local remittance transactions and SWIFT transactions through the AML system.

### Implementation of TTR Report Automation System

The Bank strengthened its oversight of financial activities through the AML

System, applying predefined rules to monitor all local and international transactions by performing Enhanced Customer Due Diligence (ECDD) where necessary and submitting Suspicious Transaction Reports (STR) to the relevant authorities in cases of identified suspicious activity.

During the financial year 2024 - 2025, in line with the regulatory requirements of the Central Bank of Myanmar and the Financial Intelligence Unit, we introduced the Threshold Transaction Report (TTR) Automation System to enhance efficiency and accuracy in reporting high-value transactions. This system, implemented in September 2023, ensures timely submission of TTRs and eliminates the risk of reporting backlogs, reinforcing the Bank's commitment to compliance and operational excellence.

### Correspondent Banking

AYA Bank PCL actively manages its correspondent banking relationships by conducting regular reciprocal Due Diligence with both domestic and international partner banks. In line with regulatory requirements and the guidelines of the Central Bank of Myanmar, the Bank prepares and submits semi-annual reports on correspondent banking activities, ensuring transparency, risk mitigation, and compliance with international banking standards.

### Compliance Officer Reporting

The Bank maintains a robust compliance framework by appointing Compliance Officers across relevant departments, regional offices, and branches. Detailed information, including the names, qualifications, and contact addresses of these officers, is regularly compiled and submitted to the Central Bank of Myanmar and the Financial Intelligence Unit, demonstrating the Bank's commitment to regulatory compliance and transparency.



### Meeting Reference:

1. "Identification of High-Risk Cases Related to Potential Financial Losses" held under the leadership of the Governor of the Central Bank of Myanmar on 9 April 2024 and 24 April 2024.
2. "AML/CFT Coordination Meeting" led by the Deputy Governor of the Central Bank of Myanmar on 6 June 2024.
3. Strategic plans related to the National-Level Strategy (2024 - 2028) for Combating Money Laundering and Countering the Financing of Terrorism,

& Mitigation Measures Awareness Seminar for a total of 287 participants, including Branch Compliance Officers and Deputy Branch Compliance Officers, to enhance their understanding and awareness of risk assessment practices.

- AML/CFT/CDD/KYC and Risk Management training sessions continue to be delivered to new employees, with eight sessions conducted under training batches 123 to 130, attended by a total of 389 participants.

under the leadership of the Deputy Governor of the Central Bank of Myanmar on 15 January 2025.

### Compliance and AML/CFT Training Initiatives

In collaboration with the Compliance Department and the Learning & Development Department, comprehensive training programs were implemented to enhance staff awareness and competency.

- On 11 May 2024, AYA Bank PCL organized Money Laundering Risk Assessment

In addition, nine training sessions under batches 1 to 9 were conducted for staff currently serving in Head Office departments, with a total of 375 participants in attendance.

- The Anti-Fraud Awareness Seminar was conducted in three sessions for a total of 201 participants, including Branch Managers or Deputy Branch Managers from various regions, states, and branches.
- A training program on key Compliance, AML/CFT, and

Fraud Risk Management requirements to be followed during international remittance services was delivered to Branch Managers or Deputy Branch Managers, along with one Front Line Associate responsible for handling international remittance services, from various regions, states, and branches. A total of 580 participants attended the training.

- As part of a special training program, the Certified Branch Managers Program was conducted on 1 February 2025, in which 111 Deputy Branch Managers from various branches attended online. The session covered key Compliance and AML/CFT requirements that must be adhered to.

## Internal Audit of Compliance Functions

For the financial year 2024 - 2025, the Internal Audit Department, in accordance with the approved Annual Internal Audit Plan, conducted a comprehensive review of the Compliance Department's operations. The audit assessed the effectiveness of ongoing compliance processes, internal controls, and adherence to regulatory requirements, providing assurance on the department's risk management and governance practices.

The findings and recommendations from the audit have been incorporated

into continuous improvement initiatives to strengthen the Compliance Department's oversight and operational efficiency.

### Regulatory Reporting

AYA Bank PCL maintains a strong commitment to regulatory compliance in the areas of Anti-Money Laundering (AML) and Counter-Financing of Terrorism (CFT). During the financial year 2024 - 2025, the Bank submitted quarterly reports to the Central Bank of Myanmar, ensuring full adherence to applicable laws, regulations, and supervisory guidelines.

Reporting processes were carried out systematically across relevant departments, reinforcing transparency, accountability, and the Bank's proactive approach to regulatory compliance.

### Summary

During the financial year 2024 - 2025, AYA Bank PCL remained committed to strengthening its compliance framework in line with regulatory requirements and international standards. The Compliance Department actively monitored and implemented measures addressing Anti-Money Laundering (AML) and Counter-Financing of Terrorism (CFT) obligations, ensuring robust governance and risk management across the organization.

## Key Actions and Achievements

- Conducted continuous assessments and reviews to ensure strict adherence to compliance regulations.
- Implemented policy enhancements and process improvements to mitigate financial crime risks.
- Strengthened monitoring mechanisms and internal controls for early detection and prevention of non-compliance issues.

A detailed summary of compliance activities, sector-specific developments, and improvement initiatives has been documented and presented to the Board Risk and Compliance Committee (BRCC) and the Board of Directors (BOD) as part of the annual review. This ensures that all compliance-related updates, progress, and key findings are effectively communicated and overseen at the highest governance level.

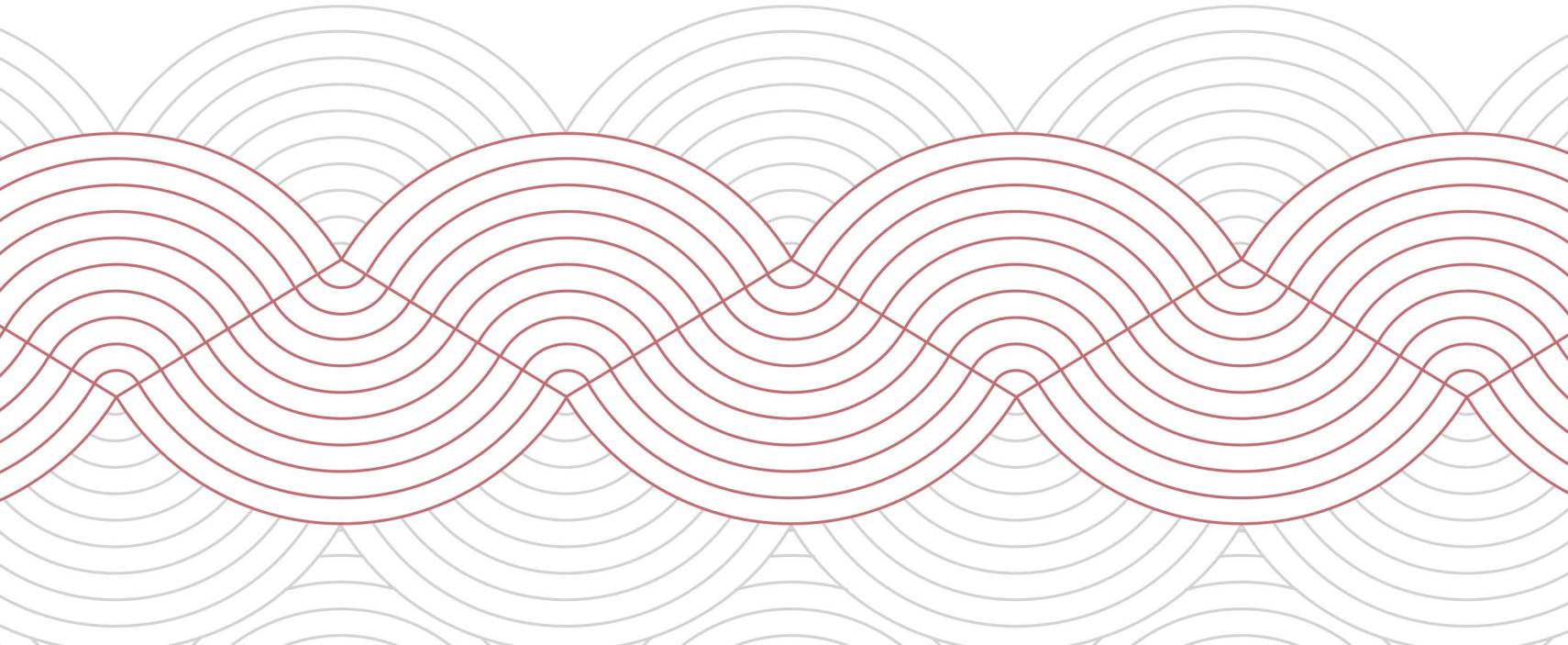
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## PEOPLE-FIRST ORGANIZATION

### Strengthening Our People

Looking ahead to 2025, AYA Bank has identified several people strategies aimed at further driving business growth in an increasingly challenging economic environment. One of these initiatives is to enhance diversity and inclusion within the organization by implementing targeted Talent Acquisition Strategies and creating a more inclusive work environment. Another key initiative is to focus on employee well-being and emotional resilience by offering support services and resources for employees facing personal or professional challenges. Furthermore, the People Department plans to continue investing in technology solutions that streamline HR processes and improve data analytics capabilities.



# DEI Awareness Talk The Culture of Inclusivity



## Fostering Inclusivity and Empowerment

### AYA Bank Hosts Panel Discussion on Workplace Inclusivity

AYA Bank proudly led conversations that inspire change and strengthen our commitment to diversity, equity, and inclusion (DE&I). On 26th November 2024, we hosted "Cultivating the Culture of Inclusivity" at AYA Bank's Rowe Head Office, a panel discussion streamed live to branches nationwide. This event brought together diverse voices and perspectives to explore how inclusivity drives collaboration, creativity, and long-term organizational growth. Through open dialogue, AYA Bank reaffirmed its commitment to building a workplace where everyone feels respected, valued, and empowered to reach their fullest potential.

### International Women's Day Celebration

In commemoration of International Women's Day (IWD) 2025, AYA Bank hosted an event in early March with the global theme "Accelerate Action". The Bank honored the contributions of women and emphasized diversity, equity, and inclusion. A Personal Grooming Training session, attended by approximately hundreds of employees onsite and online, was conducted to enhance professional confidence. As part of the Bank's CSR commitment, handmade pouches crafted by the Women's Development Center were gifted to all female employees, supporting women-led enterprises nationwide. AYA Bank remains committed to fostering an inclusive, empowering environment where every woman can thrive both personally and professionally.



## Recognizing Excellence and Commitment

### AYA Bank's Employee Appreciation Day 2025: Celebrating Our Shining Stars

At AYA Bank PCL, our people are our greatest asset. On the first Friday of March 2025, we proudly celebrated Employee Appreciation Day, dedicated to recognizing the dedication, passion, and hard work of our 6,500+ team members across Myanmar. The day was filled with gratitude, joy, and celebration - a heartfelt expression of appreciation for the people who make AYA Bank extraordinary. Highlight of the day was the AYA Town Hall, held at Rowe Head Office in Yangon and streamed live

### Celebrating Togetherness and Shared Values

### AYA Bank Family Spending Quality Time Together for Christmas Celebration

AYA Bank's annual Christmas celebration on 20th December 2024 was a heartwarming success, uniting colleagues across departments in the spirit of joy, generosity, and togetherness. The festivities began early in the morning with breakfast feasts hosted by our Christian colleagues at both the Rowe and River View Head Offices. The celebration was a true feast for the eyes and the taste buds - a joyful reminder of our diverse and connected AYA Family. Events like this highlight our belief that shared moments of happiness strengthen bonds and foster harmony as well as our dedication to respecting diverse cultures and embracing inclusivity within our organization.

to our entire workforce nationwide. Our Chief Executive Officer, Daw Jasmine Thazin Aung, delivered an inspiring address on "Empowering Excellence: Celebrating Our People", emphasized to uplift one another and foster a strong, collaborative and performance-based culture and to push beyond our limits - "AYA-Maxima!" - to maximize our potential and achieve excellence. More than an event, Employee Appreciation Day reflected our enduring commitment to fostering a positive, engaging, and rewarding workplace culture - truly a Day of Delight and Recognition.

### Honoring Traditions, Embracing Values, Reflecting Gratitude, Respect, and Togetherness

On 3rd October 2025, AYA Bank held a Paying Homage Ceremony as part of the Thadingyut celebrations. Head Office staff gathered in person at Rowe Office and River View Head Office, while other members of the AYA Bank family joined virtually, making this occasion a truly meaningful and unifying moment. At AYA Bank, we believe traditions are not only about honoring the past but also about inspiring our journey forward. Through this ceremony, we reaffirm the values of respect, unity, and gratitude that continue to guide us in serving our customers and communities.



## Empowering Innovation and Knowledge Sharing

### AYA Tech Talk – Digital Innovation, Technology & Cyber Security

On 23rd January 2025, AYA Bank hosted the "AYA Tech Talk" under the theme "Digital Innovation, Technology & Cyber Security" at the River View Office, Atrium Hall. The session featured insightful discussions led by U Myat Min Htin Kyaw (Deputy CEO, AYA Pay and Head of Digital Banking) and U Soe Htike Aung (Director, Head of IT Unit), together with the Idea Lab Winner Teams. This knowledge-sharing platform brought together AYA Family members from across the organization, fostering innovation, digital literacy, and collaboration. It was a testament to AYA Bank's initiatives to building a future-ready workforce empowered by technology and creativity.



### At AYA Bank, growing our people means growing together.

We believe that our people are the driving force behind our continued growth and success. Through meaningful engagement, inclusive dialogue, and continuous learning, we strive to nurture a workplace culture where every individual can thrive, contribute, and grow. In FY2024-2025, AYA Bank continued to invest in our people through a series of initiatives designed to enhance belonging, celebrate achievements, and cultivate innovation. By nurturing inclusivity, celebrating achievements, and inspiring innovation, we continue to build a resilient and empowered workforce - ready to shape the future of banking in Myanmar and beyond.

## Workforce Learning and Skills Advancement

At AYA Bank, employees are at the heart of every success story. With a deep commitment to nurturing talent and cultivating a culture of innovation and lifelong learning, the Bank stands as a proud example of how investing in people can lead to sustainable growth and operational excellence.

Every learning initiative at AYA Bank is carefully aligned with a well-defined competency framework, tailored to the needs and responsibilities of each staff level. We prioritize the growth and capability enhancement of our workforce through a comprehensive and future-ready Learning & Development (L&D) framework.

In FY2024-2025, we delivered a series of structured training initiatives designed to strengthen employee competencies, support performance appraisal outcomes, and foster a culture of continuous learning across the organization. Training programs were systematically linked with the Bank's performance appraisal system to ensure that learning outcomes translated into measurable productivity and service-quality improvements.





### New Employee Orientation (NEO) Program

The Bank's New Employee Orientation (NEO) Program was conducted twice monthly through interactive face-to-face sessions. Over the three-day program, new joiners were introduced to the overview of the Bank's brand identity, core values, culture, risks and compliances, HR policies, IT setups, products and services of the bank. NEO ensures that new employees integrate smoothly and quickly into the Bank's operational and cultural environment.

### Basic Banking Training

To equip newly appointed branch employees with the knowledge and skills required to perform effectively from day one, AYA Bank offered weekly Basic Banking Training across branch locations nationwide. Delivered over five weeks through both theoretical and practical sessions, the foundational training ensures that frontline staff are fully prepared to serve customers with confidence and professionalism.



### The Future Banker Programme

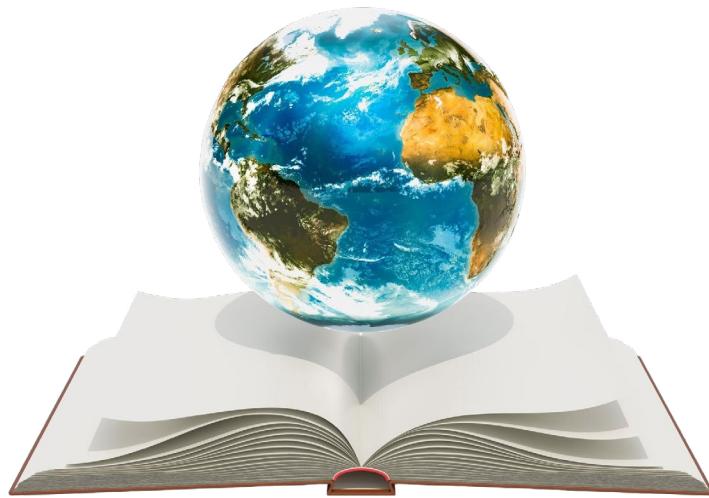
The Future Banker Programme, AYA Bank's flagship talent acceleration initiative, was designed to attract and develop high-potential fresh graduates and young professionals. The one-year accelerated programme offers:

- Structured rotations providing an end-to-end understanding of banking operations
- Direct mentorship and networking opportunities with senior leaders
- Leadership-ready skill development
- Opportunities to innovate and contribute to the Bank's transformation journey

Our Learning and Development Team played a pivotal role in designing the curriculum, coordinating cross-functional exposure, and ensuring a holistic learning experience that prepares participants for long-term success within the Bank.

### Rising Star Program

For executive-level branch staff, AYA Bank introduced the Rising Star Program, an online learning initiative that allows employees to learn anytime, anywhere. The program provides targeted knowledge and skills development for emerging leaders, supporting career progression and strengthening management capabilities within the branch network.



### Online Refresher Program

To ensure continual knowledge renewal, the Bank implemented an online refresher program for executives and above. Participants accessed learning videos covering:

- Business & Management Direction
- Department Processes and Procedures
- Updated AYA Bank Products

The "Learn at Your Own Space" setup allowed employees to complete modules and quizzes at their convenience through the Bank's Digital Training Library.

### "Learn and Win Rewards" Learning Campaign

L&D continued its commitment to providing engaging learning experiences through the nationwide "Learn & Win Rewards" Campaign, now in its fourth season. Employees participated by watching curated learning videos and completing assessments, with opportunities to win incentives. Key themes included Human Skills in Management, Work-Life Balance, Relationship Management, Motivation, Reflective and Strategic Thinking. This campaign has become one of the Bank's most anticipated learning activities, fostering self-development in a fun and interactive way.

### Advanced Excel Training

To address skill gaps in data analysis and strengthen analytical capabilities, the Bank conducted Advanced Excel Training for Head Office employees through an intensive two-day program. Participants practiced real-world data sets and learned advanced functions to enhance accuracy and efficiency in reporting and decision-making.

### AI Integration Workshop

In response to the rapidly evolving digital landscape, AYA Bank organized AI Integration Workshops for Head Office staff. Conducted in batches, the two-day program introduced practical digital tools, hands-on exercises, interactive group activities, and real-life use cases. Employees gained practical insights into how AI can enhance daily work efficiency and drive digital transformation across the organization.



## Anti-Fraud Awareness Session

AYA Bank held high-level Anti-Fraud Awareness Seminars led by the Executive Chairman, Daw Khin Saw Oo, to reinforce the Bank's zero-tolerance stance on fraud. Zone heads, regional managers, branch managers, and deputy managers participated in sessions covering:

- Recent fraud cases and lessons learned
- Management expectations and responsibilities
- Regulatory and internal policy compliance
- SOPs, Code of Ethical Conduct, whistle-blowing procedures
- Legal consequences of misconduct
- Case studies highlighting preventive measures

These seminars strengthened organizational vigilance and reinforced ethical conduct across all regions.



## Balance & Well-Being Session

To support employee well-being, the Bank delivered a one-day Stress Management Session every month focused on physical and emotional resilience. The program included understanding causes and impacts of stress, guided breathing exercises, office-based stretching and creative relaxation activities such as painting clay pots. The initiative contributed to improving employees' emotional resilience, focus, and overall productivity.

Through these diverse and impactful learning initiatives, AYA Bank PCL continued to strengthen the skills, integrity, leadership potential, and well-being of its workforce during FY 2024-2025. All development and training programs were closely aligned with the Bank's performance appraisal framework, ensuring that employee development directly contributes to organizational excellence and sustainable growth.

With a commitment to serving millions of customers across the nation, we foster a supportive environment that empowers employees to thrive in both professional and personal life.



### Rowe Head Office:

No. 416, Corner of Maharbandoola Road & Maharbandoola Garden Street, Kyauktada Township, Yangon, Myanmar.

### River View Head Office:

Block No. (3/B), Quarter No. 23 (G-1), Corner Of Strand Road & Thit Taw Road, River View Point Condominium, Ahlone Township, Yangon, Myanmar.