

**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF  
AYEYARWADY BANK LIMITED**

**Report on the audit of the Financial Statements**

We have audited the accompanying financial statements of Ayeeyarwady Bank Limited (the "Bank"), which comprise the statement of financial position as at March 31, 2018, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 4 to 45.

**Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the Myanmar Companies Law (the "Law"), Myanmar Financial Reporting Standards ("MFRS"), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Myanmar Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF**

**AYEYARWADY BANK LIMITED**

**Opinion**

In our opinion, the financial statements present fairly, in all material aspects, the financial position of the Bank as at March 31, 2018 and its financial performance and cash flows for the year then ended in accordance with the provisions of Myanmar Companies Law (the "Law") and the Myanmar Financial Reporting Standards ("MFRS") including the modification of the requirements of Myanmar 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 the Section 39 of Financial Instruction Law ("FIL") 2016.

**Report on Other Legal and Regulatory Requirements**

In accordance with the provisions of the Law, we report that:

- (1) we have obtained all information and explanations we have required; and
- (2) books of account have been maintained by the Bank as required by Section 258 of the Law.

Also, in accordance with Section 89 of the Financial Institutions Law of Myanmar 2016, we report that the financial statements of the Bank adequately reflect in all material respects, the financial position of the Bank and its solvency.



Cho Cho Aung Tin  
Certified Public Accountant  
Yangon, Myanmar



Date : December 28, 2018



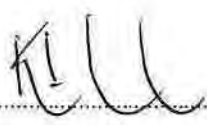
**AYEYARWADY BANK LIMITED****STATEMENT OF FINANCIAL POSITION  
March 31, 2018**

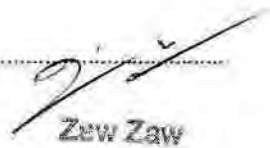
<i>In Kyats millions</i>	Note	<b>March 31, 2018</b>	<b>March 31, 2017</b>
<b>ASSETS</b>			
Cash and cash equivalents	8	774,706.3	726,604.8
Placement with other financial institutions	9	300,351.9	138,248.0
Investment securities	10	803,069.5	548,221.9
Loan and advances	11	2,574,328.5	2,348,082.2
Bills receivable		40,158.6	21,454.9
Other assets	13	118,820.5	64,677.3
Property, plant and equipment	12	353,734.5	319,670.9
<b>Total Assets</b>		<b>4,965,169.8</b>	<b>4,166,960.0</b>
<b>LIABILITIES</b>			
Deposits from banks	14	33,103.0	58,875.1
Deposits from customers	15	4,663,001.0	3,893,032.0
Other liabilities	16	107,291.6	86,276.9
<b>Total Liabilities</b>		<b>4,803,395.6</b>	<b>4,038,184.0</b>
<b>EQUITY</b>			
Share capital	17	120,000.0	100,000.0
Reserves	18	41,422.0	21,202.7
Retained earnings		352.2	7,573.3
<b>Total Equity</b>		<b>161,774.2</b>	<b>128,776.0</b>
<b>Total Liabilities and Equity</b>		<b>4,965,169.8</b>	<b>4,166,960.0</b>
<b>OFF-BALANCE SHEET</b>			
Contingent liabilities	26	291,636.7	177,001.3
Commitments	27	208,887.9	281,729.4

*The accompanying notes form part of the financial statements*

On behalf of the Board of Directors,

  
Myint Zaw  
Managing Director  
Ayeyarwady Bank Limited

  
Khin Ma Ma  
Executive Director  
Ayeyarwady Bank Ltd.

  
Zew Zaw  
Chairman  
Ayeyarwady Bank Limited



**AYEYARWADY BANK LIMITED**

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**Year ended March 31, 2018**

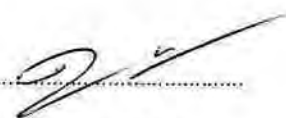
<i>In Kyats millions</i>	Note	April 1, 2017 to March 31, 2018	April 1, 2016 to March 31, 2017
Interest income	20	374,062.9	290,699.3
Interest expense	20	(313,691.1)	(257,437.0)
<b>Net interest income</b>		<b>60,371.8</b>	<b>33,262.3</b>
Fee and commission income	21	43,667.9	39,724.1
Fee and commission expense	21	(3,944.4)	(1,578.1)
Other (expense) income	22	(1,032.6)	9,492.5
<b>Net non-interest income</b>		<b>38,690.9</b>	<b>47,638.5</b>
<b>Income before operating expenses</b>		<b>99,062.7</b>	<b>80,900.8</b>
General and administrative expense	23	(56,325.6)	(43,869.6)
Operating lease expense	27	(7,403.3)	(5,617.7)
Depreciation and amortisation	12	(14,751.3)	(8,353.0)
Other operating expense	24	(1,853.3)	(2,826.4)
<b>Total expenses</b>		<b>(80,333.5)</b>	<b>(60,666.7)</b>
<b>Profit before tax</b>		<b>18,729.2</b>	<b>20,234.1</b>
Income tax expense	25	(5,731.0)	(5,419.3)
<b>Net profit for the year representing total comprehensive income for the year</b>		<b>12,998.2</b>	<b>14,814.8</b>

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

On behalf of the Board of Directors,

  
 Myint Zaw  
 Managing Director  
 Ayeyarwady Bank Limited.

  
 Khin Ma Ma  
 Executive Director  
 Ayeyarwady Bank Ltd.

  
 Zew Zaw  
 Chairman  
 Ayeyarwady Bank Limited.

