

INDEPENDENT AUDITOR'S REPORT TO

MALAYAN BANKING BERHAD (MAYBANK) (YANGON BRANCH)

Report on the audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Malayan Banking Berhad (Maybank) (Yangon Branch) (the "Branch"), which comprise the statement of financial position as at September 30, 2020, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the financial year ended September 30, 2020, and notes to the financial statement, including a summary of significant accounting policies and other explanatory information, as set out on pages 9 to 35.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Branch as at September 30, 2020 and of the financial performance, changes in head office account and cash flows for the financial year ended September 30, 2020, 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 the FIL 2016.

Basis for Opinion

We conducted our audit in accordance with Myanmar Standards on Auditing ("MSAs"). 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 Company 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.

Other Matters

The financial statements of the Branch for the financial year ended September 30, 2019 were audited by another firm of auditors who expressed an unmodified opinion on those financial statements in their report dated December 23, 2019.

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

Management is responsible for the other information. The other information comprises the Report of the Management set out on page 1.

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.

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Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of financial statements in accordance with the provisions of the Law and MFRSs, instructions and guidance provided by CBM and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorized use or disposition; and transactions are properly authorized 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 Branch'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 Company or to cease operations, or has no realistic alternative but to do so.

The Branch's management's responsibilities include overseeing the Branch's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with MSAs 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 MSAs, 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 Company's internal control.
- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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- (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 Company'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 Company 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 directors 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.

Report on Other Legal and Regulatory Requirements

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

- (1) We had obtained all information and explanations we have required;
- (2) Books of account have been maintained by the Branch as required by Section 258 of the Law; and
- (3) Accounts and records have been maintained by the Branch including the preparation of financial statements in compliance with the regulations as required by Section 84 of the FIL 2016.

Also, in accordance with Section 89 of the FIL 2016, we report that the financial statements of the Branch adequately reflect the financial position of the Branch and its solvency.



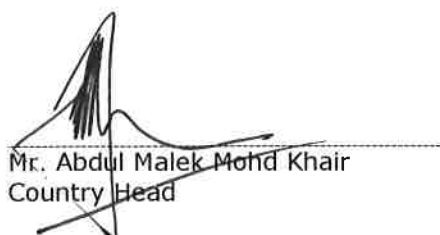

Cho Cho Aung Tin
Certified Public Accountant
Yangon, Myanmar

Date: December 23, 2020

MALAYAN BANKING BERHAD (MAYBANK) (YANGON BRANCH)

**STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2020**

	Note	September 30, 2020 USD	September 30, 2020 MMK in million	September 30, 2019 USD	September 30, 2019 MMK in million
ASSETS					
As reclassified – Note 23					
Cash on hand and in banks	8	42,037,849	55,006.52	29,088,752	44,587.24
Placements with other banks	9	52,479,550	68,669.49	48,799,550	74,799.95
Loans and advances	10	57,262,517	74,928.00	60,128,319	92,164.69
Property and equipment, net	11	18,959	24.81	101,476	155.54
Intangible assets	12	44,429	58.14	160,675	246.28
Other assets	13	585,263	765.82	940,549	1,441.68
Total assets		152,428,567	199,452.78	139,219,321	213,395.38
HEAD OFFICE ACCOUNT AND LIABILITIES					
Head office account					
Head office capital		76,840,109	95,096.42	76,840,109	95,096.42
Retained earnings		1,502,780	2,533.68	245,632	752.85
Cumulative translation adjustments		-	4,639.20	-	22,637.36
Reserves	14	2,767,265	3,863.34	2,348,216	3,269.74
Total head office account		81,110,154	106,132.64	79,433,957	121,756.37
LIABILITIES					
Demand deposits	15	38,074,864	49,820.96	19,189,539	29,413.73
Time deposits	16	30,291,770	39,636.78	37,215,816	57,044.40
Due to head office	7	2,630,110	3,441.50	2,438,235	3,737.33
Other liabilities	17	321,669	420.90	941,774	1,443.55
Total liabilities		71,318,413	93,320.14	59,785,364	91,639.01
Total head office account and liabilities		152,428,567	199,452.78	139,219,321	213,395.38


 Mr. Abdul Malek Mohd Khair
 Country Head

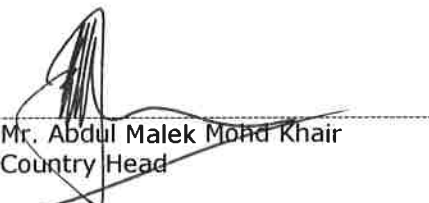
Date: December 23, 2020

See accompanying notes to financial statements

MALAYAN BANKING BERHAD (MAYBANK) (YANGON BRANCH)

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

	Note	September 30, 2020 USD	September 30, 2020 MMK in million	September 30, 2019 USD	September 30, 2019 MMK in million
Interest income	18	5,098,722	7,222.64	6,117,553	9,371.60
Interest expense	19	(1,819,246)	(2,577.07)	(1,922,340)	(2,944.87)
Net interest income		3,279,476	4,645.57	4,195,213	6,426.73
Service income		75,611	107.11	51,577	79.01
Other fees and commission		380,428	538.90	395,691	606.17
Net foreign exchange gain		261,307	370.16	160,975	246.60
Net non-interest income		717,346	1,016.17	608,243	931.78
Income before operating expenses		3,996,822	5,661.74	4,803,456	7,358.51
Operating expenses	20	(1,751,169)	(2,480.64)	(1,992,831)	(3052.88)
Profit before tax		2,245,653	3,181.10	2,810,625	4,305.65
Income tax expense	21	(569,456)	(806.67)	(733,704)	(1,123.98)
Profit for the year		1,676,197	2,374.43	2,076,921	3,181.67
Foreign exchange translation difference		-	(17,998.16)	-	(2,102.15)
Total comprehensive income for the year		1,676,197	(15,623.73)	2,076,921	1,079.52


 Mr. Abdul Malek Mohd Khair
 Country Head

Date: December 23, 2020

See accompanying notes to financial statements