

Ref: 284 / O-35/ March 2022

## INDEPENDENT AUDITOR'S REPORT

### To the Members of Oversea-Chinese Banking Corporation Limited Report on the Financial Statements

#### *Opinion*

We have audited the financial statements of **Oversea-Chinese Banking Corporation Limited (Yangon Branch)** ("OCBC Bank (Yangon Branch)"), which comprise the statement of financial position of Yangon Branch as at 31 March 2022, the statement of cash flows of Yangon Branch for the period from 1 October 2021 to 31 March 2022 and a summary of significant accounting policies and other explanatory notes, as set out on pages 9 to 30.

In our opinion, the financial statements of Yangon Branch are properly drawn up in accordance with Myanmar Financial Reporting Standards (MFRS) as modified by Central Bank of Myanmar Guidelines and the provisions of Myanmar Companies Law 2017 ("the Law") so as to give a true and fair view of the state of affairs of Yangon Branch as at 31 March 2022 and of the results and cash flows of Yangon Branch for the period from 1 October 2021 to 31 March 2022.

#### *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 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 Statement of Management's Responsibilities as 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 or 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.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the provisions of Myanmar Companies Law 2017 ("the Law") and Myanmar Financial Report Standards (MFRS) and for such internal controls as management determines are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing Yangon Branch's ability to continue as going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate Yangon Branch or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing Yangon Branch's financial reporting process.

## ***Auditor's Responsibility***

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:

- 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 risks of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omission, misrepresentations, of the override of internal controls.
- Obtain an understanding of internal controls 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 Yangon Branch's internal controls.
- Evaluate the appropriateness of accounting policies use and the reasonableness of accounting estimates and related disclosures made by management.
- 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 Branch Office's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to bring to attention in our auditor's report to the related disclosures in the financial statements or if such disclosures are inadequate, 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 Yangon Branch to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within Yangon Branch to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of Yangon Branch audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control.

### ***Report on Other Legal and Regulatory Requirements***

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

- (i) we have obtained all the information and explanations we have required; and
- (ii) the financial records have been maintained by the Yangon Branch as required by Section 258 of the Law.

Also, in accordance with Section 89 of the Financial Institutions of Myanmar Law, we report in our opinion, the financial statements are complete and properly and fairly drawn up, and present fairly the operations of the Yangon Branch and that the information obtained from the officers and representatives of the Yangon Branch are satisfactory.



Khin Sandar Win (PAPP-437)  
B.Com., CPA, DBL  
Engagement Partner  
WIN THIN & ASSOCIATES  
CERTIFIED PUBLIC ACCOUNTANTS



24 June 2022



**Oversea-Chinese Banking Corporation Limited (Yangon Branch)**  
**Statement of Financial Position**  
**As at March 31, 2022**

	Note	MMK		US\$	
		31.3.2022	30.9.2021	31.3.2022	30.9.2021
<b>Assets</b>					
Cash and cash equivalents	5	528,752,598,714	609,150,954,250	297,386,238	316,097,200
Investment in securities	6	4,948,567,257	20,468,740,474	2,783,221	10,621,525
Loan and advances	7	286,433,645,891	365,239,935,118	161,098,828	189,528,260
Other assets	8	1,213,911,941	1,289,832,736	682,740	669,313
Current tax assets		2,236,664,249	4,506,219,558	1,257,966	2,338,342
Property and equipment	9	1,649,676,399	2,068,584,636	927,827	1,073,418
<b>Total assets</b>		<b>825,235,064,451</b>	<b>1,002,724,266,772</b>	<b>464,136,820</b>	<b>520,328,058</b>
<b>Liabilities</b>					
Deposits from customers	10	489,138,803,308	662,461,818,074	275,106,258	343,760,975
Deposits from banks	11	39,403,525,421	15,810,254,531	22,161,713	8,204,169
Other liabilities	12	1,702,831,942	3,229,576,420	957,724	1,675,874
General loan loss provision	13	9,231,504,567	10,005,642,548	5,192,072	5,192,072
Current Tax Payable		1,990,766,218	4,969,575,762	1,119,536	2,578,785
<b>Total liabilities</b>		<b>541,467,431,456</b>	<b>696,476,867,335</b>	<b>304,537,303</b>	<b>361,411,875</b>
<b>Equity</b>					
Regulatory capital	14	181,875,000,000	181,875,000,000	150,000,000	150,000,000
FX translation reserve		86,866,816,240	110,571,891,694	-	-
Reserves	15	8,192,189,264	7,885,862,011	5,512,002	5,341,168
Retained earnings		6,833,627,491	5,914,645,732	4,087,515	3,575,015
<b>Total equity</b>		<b>283,767,632,995</b>	<b>306,247,399,437</b>	<b>159,599,517</b>	<b>158,916,183</b>
<b>Total liabilities and equity</b>		<b>825,235,064,451</b>	<b>1,002,724,266,772</b>	<b>464,136,820</b>	<b>520,328,058</b>
Acceptances, Endorsement and Guarantee per Contra		28,138,839,618	35,708,630,426	15,826,119	18,529,724

*The accompanying accounting policies and explanatory information forms an integral part of the financial statements.*

Authenticated by:



Daniel Tan  
 General Manager  
 OCBC Bank, Yangon Branch

**Oversea-Chinese Banking Corporation Limited (Yangon Branch)**  
**Statement of Comprehensive Income**  
**For the period ended 31 March**

	Note	MMK		US\$	
		31.3.2022	30.9.2021	31.3.2022	30.9.2021
Interest income	16	6,360,220,817	18,095,600,000	3,546,989	12,145,245
Interest expense	17	(186,294,229)	(4,356,988,362)	(103,893)	(2,924,285)
<b>Net interest income</b>		<b>6,173,926,588</b>	<b>13,738,611,638</b>	<b>3,443,096</b>	<b>9,220,960</b>
Fee and commission income	18	1,766,561,369	2,366,830,279	985,182	1,588,548
Fee and commission expense	19	(410,080,006)	(696,163,046)	(228,695)	(467,245)
<b>Net fee and commission income</b>		<b>1,356,481,363</b>	<b>1,670,667,233</b>	<b>756,487</b>	<b>1,121,303</b>
Other income	20	333,848,984	1,734,417,530	186,182	1,164,091
<b>Total income</b>		<b>7,864,256,935</b>	<b>17,143,696,401</b>	<b>4,385,765</b>	<b>11,506,354</b>
<b>Expenses</b>					
Personal expenses	21	(3,478,012,036)	(5,375,417,054)	(1,939,629)	(3,607,825)
Premises and equipment expenses	22	(1,897,134,703)	(3,111,648,663)	(1,058,001)	(2,088,449)
Tax and duties		(1,930,755)	(3,981,443)	(1,077)	(2,672)
Other operating expenses	23	(1,058,322,012)	(2,126,270,760)	(590,209)	(1,427,092)
<b>Total operating expenses</b>		<b>(6,435,399,506)</b>	<b>(10,617,317,920)</b>	<b>(3,588,916)</b>	<b>(7,126,038)</b>
<b>Operating profit before allowances</b>		<b>1,428,857,429</b>	<b>6,526,378,481</b>	<b>796,849</b>	<b>4,380,316</b>
General loan loss provision	13	-	-	-	-
<b>Profit before income tax</b>		<b>1,428,857,429</b>	<b>6,526,378,481</b>	<b>796,849</b>	<b>4,380,316</b>
Less: Income tax expense	24	(203,548,417)	(1,777,171,939)	(113,515)	(1,192,787)
<b>Net profit for the period</b>		<b>1,225,309,012</b>	<b>4,749,206,542</b>	<b>683,334</b>	<b>3,187,529</b>
<b>Other comprehensive income</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income</b>		<b>1,225,309,012</b>	<b>4,749,206,542</b>	<b>683,334</b>	<b>3,187,529</b>

*The accompanying accounting policies and explanatory information forms an integral part of the financial statements.*

Authenticated by:

Daniel Tan  
 General Manager  
 OCBC Bank, Yangon Branch