

Ref: 158/ O-35/ 2020-2021

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 30 September 2021, the statement of cash flows of Yangon Branch for the year from 1 October 2020 to 30 September 2021 and a summary of significant accounting policies and other explanatory notes, as set out on pages 9 to 32.

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 30 September 2021 and of the results and cash flows of Yangon Branch for the year from 1 October 2020 to 30 September 2021.

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



03 December 2021

Oversea-Chinese Banking Corporation Limited (Yangon Branch)
Statement of Financial Position

	Note	MMK		US\$	
		30.9.2021	30.9.2020	30.9.2021	30.9.2020
Assets					
Cash and cash equivalents	5	609,150,954,250	490,403,210,301	316,097,200	374,782,738
Investment in securities	6	20,468,740,474	14,854,603,170	10,621,525	11,352,391
Loan and advances	7	365,239,935,118	339,691,329,751	189,528,260	259,603,615
Other assets	8	1,289,832,736	2,193,489,976	669,313	1,676,339
Current tax assets		4,506,219,558	2,522,179,578	2,338,342	1,927,535
Property and equipment	9	2,068,584,636	1,245,319,072	1,073,418	951,715
Total assets		1,002,724,266,772	850,910,131,848	520,328,058	650,294,333
Liabilities					
Deposits from customers	10	662,461,818,074	545,481,215,958	343,760,975	416,875,214
Deposits from banks	11	15,810,254,531	89,321,049,385	8,204,169	68,262,170
Other liabilities	12	3,229,576,420	2,397,169,028	1,675,874	1,831,996
General loan loss provision	13	10,005,642,548	6,793,826,595	5,192,072	5,192,072
Current Tax Payable		4,969,575,762	3,145,931,426	2,578,785	2,404,227
Total liabilities		696,476,867,335	647,139,192,392	361,411,875	494,565,679
Equity					
Regulatory capital	14	181,875,000,000	181,875,000,000	150,000,000	150,000,000
FX translation reserve		110,571,891,694	12,844,638,255	-	-
Reserves	15	7,885,862,011	6,698,560,375	5,341,168	4,544,284
Retained earnings		5,914,645,732	2,352,740,826	3,575,015	1,184,370
Total equity		306,247,399,437	203,770,939,456	158,916,183	155,728,654
Total liabilities and equity		1,002,724,266,772	850,910,131,848	520,328,058	650,294,333
Acceptances, Endorsement and Guarantee per Contra		35,708,630,426	38,190,136,158	18,529,724	29,186,195

The accompanying accounting policies and explanatory information form 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

	Note	MMK		US\$	
		30.9.2021	30.9.2020	30.9.2021	30.9.2020
Interest income	16	18,095,600,000	26,726,236,666	12,145,245	18,702,501
Interest expense	17	(4,356,988,362)	(8,970,175,679)	(2,924,285)	(6,277,155)
Net interest income		13,738,611,638	17,756,060,987	9,220,960	12,425,346
Fee and commission income	18	2,366,830,279	3,261,631,102	1,588,548	2,282,426
Fee and commission expense	19	(696,163,046)	(572,932,946)	(467,245)	(400,927)
Net fee and commission income		1,670,667,233	2,688,698,156	1,121,303	1,881,499
Other income	20	1,734,417,530	1,996,948,241	1,164,091	1,392,327
Total income		17,143,696,401	22,441,707,384	11,506,354	15,699,172
Expenses					
Personal expenses	21	(5,375,417,054)	(5,461,144,080)	(3,607,825)	(3,821,602)
Premises and equipment expenses	22	(3,111,648,663)	(2,679,726,637)	(2,088,449)	(1,875,221)
Tax and duties		(3,981,443)	(3,844,148)	(2,672)	(2,690)
Other operating expenses	23	(2,126,270,760)	(1,647,795,678)	(1,427,092)	(1,153,095)
Total operating expenses		(10,617,317,920)	(9,792,510,543)	(7,126,038)	(6,852,608)
Operating profit before allowances		6,526,378,481	12,649,196,841	4,380,316	8,846,564
General loan loss provision	13	-	1,807,342,055	-	1,264,742
Profit before income tax		6,526,378,481	10,841,854,786	4,380,316	7,581,822
Less: Income tax expense	24	(1,777,171,939)	(3,142,296,664)	(1,192,787)	(2,198,918)
Net profit for the year		4,749,206,542	7,699,558,122	3,187,529	5,382,904
Other comprehensive income		-	-	-	-
Total comprehensive income		4,749,206,542	7,699,558,122	3,187,529	5,382,904

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

Authenticated by:



Daniel Tan

General Manager

OCBC Bank, Yangon Branch