



HEAD OFFICE:- Room (2B/2C) 1st Floor, Rose Condominium, No.182/194, Botahtaung Pagoda Road, Pazundaung Township, Yangon Region, Myanmar. Tel: 95-1-8201798, 8296164, Fax: 95-1-8245671 Email: info@winthinassociates.com

MANDALAY BRANCH:- Room (9/10), East Wing of Bahtoo Stadium, 70th Street (Between 29th & 30th Street),
OFFICE Mandalay Region, Myanmar. Tel: 95-2-4034451, Fax: 95-2-4034498

Ref: 32 /A-171/Sept-2020

INDEPENDENT AUDITOR'S REPORT

To the Members of Australia and New Zealand Banking Group Limited (Myanmar Branch) Report on the Financial Statements

Opinion

We have audited the financial statements **Australia and New Zealand Banking Group Limited (Myanmar Branch)**, which comprise the statement of financial position of Myanmar Branch as at 30 September 2020, the statement of cash flows of Myanmar Branch for the year from 1 October 2019 to 30 September 2020 and a summary of significant accounting policies and other explanatory notes, as set out on pages 5 to 24.

In our opinion, the financial statements of Myanmar Branch are properly drawn up in accordance with Myanmar Financial Reporting Standards (MFRS) 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 Myanmar Branch as at 30 September 2020 and of the results and cash flows of Myanmar Branch for the year from 1 October 2019 to 30 September 2020.

Other Matters

The financial statements of the Myanmar 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 January 08, 2020.

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 set out on page 2.

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 statement, 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 Myanmar 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 Myanmar Branch or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing Myanmar 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 judgment 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 Myanmar 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 Myanmar 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 Myanmar Branch to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of Myanmar 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 Myanmar Branch as required by Section 258 of the Law.

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



Nay Min Thant (PAPP-466)
B.Com. (Q), CPA, DBL
Engagement Partner
WIN THIN & ASSOCIATES
CERTIFIED PUBLIC ACCOUNTANTS
11th January 2021



STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTENBR 2020

		Current Year 30/09/2020	Previous Year 30/09/2019 ¹	Current Year 30/09/2020	Previous Year 30/09/2019 ¹
	Note	MMK	MMK	USD	USD
Assets					
Cash and cash equivalents	5	52,978,814,567.62	23,201,037,546.66	40,488,203.72	15,136,376.27
Loans and advances	6	113,119,169,349.91	156,628,836,148.80	86,449,498.93	102,184,783.50
Other assets	7	367,901,654.65	387,635,999.84	281,162.90	252,894.05
Intangible assets	8		887,549,231.81		579,037.86
Premises and equipment	9	876,690,237.06	1,065,402,345.66	669,996.36	695,069.38
Due from related parties	10	137,828,965,562.96	146,860,567,061.15	105,333,561.76	95,811,956.59
Total assets		305,171,541,372.20	329,031,028,333.92	233,222,423.67	214,660,117.65
Liabilities					
Deposits from Banks and customers	11	199,470,553,497.45	208,533,307,325.95	152,442,150.17	136,047,303.84
Payables and other liabilities	12	1,960,788,780.95	701,940,533.15	1,498,501.17	457,946.59
Due to related parties	13	1,081,078,879.18	83,300,675.10	826,197.08	54,345.43
Total liabilities		202,512,421,157.58	209,318,548,534.20	154,766,848.42	136,559,595.86
Equity					
Regulatory capital	14	110,545,150,000.00	110,545,150,000.00	85,725,000.00	85,725,000.00
Reserve	15	2,600,196,621.27	2,473,626,517.94	1,856,326.63	1,767,564.96
Exchange currency translation reserve		1,124,158,088.81	18,683,807,755.22	-	-
Retained earnings		(11,610,384,495.46)	(11,990,104,473.44)	(9,125,751.38)	(9,392,043.17)
Total equity		102,659,120,214.62	119,712,479,799.72	78,455,575.25	78,100,521.79
Total liabilities and equity		305,171,541,372.20	329,031,028,333.92	233,222,423.67	214,660,117.65
Acceptance Endorsement and Guarantees		3,614,062,067.66	3,813,537.99	2,761,988.59	2,487.96

¹ Comparative amounts have changed. Refer to note 25 for details

Authenticated by :



Country Head
11th January 2021

The notes to the financial statements form part of and should be read in conjunction with these financial statements.

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 SEPTEMBER 2020

	Note	30.9.2020 MMK	30/09/2019 ¹ MMK	30.9.2020 USD	30/09/2019 ¹ USD
Interest income	16	12,914,554,201.44	13,632,132,727.52	9,056,778.56	8,899,149.65
Interest expense	17	6,830,221,855.49	6,884,661,086.49	4,789,929.71	4,494,353.93
Net interest income		6,084,332,345.95	6,747,471,641.03	4,266,848.85	4,404,795.72
Fee and commission income	18	653,206,216.89	685,299,853.59	458,083.49	447,368.44
Other income	19	856,662,789.04	667,048,712.43	600,764.46	435,453.97
Other Operating income		1,509,869,005.93	1,352,348,566.02	1,058,847.95	882,822.41
Total operating income		7,594,201,351.88	8,099,820,207.05	5,325,696.80	5,287,618.13
Expenses					
Personnel		2,409,248,615.05	3,140,798,421.70	1,689,569.06	2,050,334.72
Premises		712,491,601.63	843,761,379.69	499,659.42	550,813.21
Technology Expenses		1,306,029,194.25	1,347,524,045.58	915,898.22	879,672.93
Other operating expenses		2,256,098,676.93	984,973,393.23	1,582,167.37	642,997.39
Total operating expenses	20	6,683,868,087.86	6,317,057,240.21	4,687,294.06	4,123,818.25
General Reserve		404,039,974.31	-	283,347.03	-
Profit before income tax		506,293,289.71	1,782,762,966.84	355,055.71	1,163,799.88
Less: Income tax		-	-	-	-
Net Profit after tax		506,293,289.71	1,782,762,966.84	355,055.71	1,163,799.88
Foreign Currency Translation Reserve		(17,559,649,666.41)	(2,091,569,346.71)	-	-
Net profit for the year		(17,053,356,376.70)	(308,806,379.87)	355,055.71	1,163,799.88
Other comprehensive income		-	-	-	-
Total comprehensive income		(17,053,356,376.70)	(308,806,379.87)	355,055.71	1,163,799.88

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