



# KHIN SU HTAY & ASSOCIATES LIMITED

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Certified Public Accountants

(Company Registration Number: 100124548)

# C1 / 005, Ground Floor, Hninnsi Street, Yuzana Highway Complex,  
Narnat Taw Road, Kamayut Township, Yangon, Myanmar

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## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AUSTRALIA AND NEW ZEALAND BANKING GROUP LIMITED (MYANMAR BRANCH) FOR THE YEAR ENDED 30 SEPTEMBER 2021

### Opinion

We have audited the financial statements of **Australia and New Zealand Banking Group Limited (Myanmar Branch)**, which comprise the statement of financial position of the Myanmar Branch as at 30 September 2021, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows of the Myanmar Branch for the year then ended and a summary of significant accounting policies and other explanatory notes, as set out on pages 9 to 22.

In our opinion, the financial statements of the 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 the Myanmar Branch as at 30 September 2021 and of the results and cash flows of the Myanmar Branch for the year then ended.

### Basis for opinion

We conducted our audit in accordance with Myanmar Standards on Auditing. 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 Myanmar Branch in accordance 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.

### Responsibilities of Management 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 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.

In preparing the financial statements, management is responsible for assessing the Myanmar 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 Myanmar Branch or to cease operations, or has no realistic alternative but to do so.

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

### Auditor's responsibility 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 scepticism throughout the audit. We also:



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- 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.
- 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 Myanmar Branch's internal control.
- Evaluate the appropriateness of accounting policies used 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 Myanmar Branch's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required 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 the 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 of the 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

### Report on other legal and regulatory requirements

- (a) The proper books of account have been kept by the Myanmar Branch in accordance with the provisions of the Law.
- (b) In accordance with the provisions of the Law:
  - we have obtained all the information and explanations we have required; and
  - the financial statements are drawn up in conformity with the provisions of the Law.

Zin Mar Phy  
CPA (P.A.1092)  
Director



**KHIN SU HTAY & ASSOCIATES LIMITED**

Myanmar,  
Date: 15 December 2021



**STATEMENT OF FINANCIAL POSITION**

		Current Period		Previous Period	
		30/09/2021	30/09/2021	30/09/2020	30/09/2020
Note		USD	Kyats	USD	Kyats
Assets					
Cash	6	49,143,839.95	94,705,093,967.65	40,488,203.72	52,978,814,567.62
Net loans and advances	7	48,475,052.08	93,416,272,863.37	85,883,961.96	112,379,164,224.66
Due from related parties	8	82,009,175.83	158,039,882,741.99	105,333,561.76	137,828,965,562.96
Other assets	9	244,653.03	471,470,854.11	846,699.87	1,107,906,779.90
Premises and equipment	10	537,295.84	1,035,422,813.26	669,996.36	876,690,237.06
Total assets		180,410,016.73	347,668,143,240.38	233,222,423.67	305,171,541,372.20
Liabilities					
Deposits and other borrowings	11	99,084,161.52	190,945,087,665.19	152,438,989.67	199,466,417,983.20
Due to related parties	8	83,896.87	161,677,658.18	826,197.08	1,081,078,879.18
Payables and other liabilities	12	2,172,316.80	4,186,271,705.28	1,501,661.67	1,964,924,295.20
Total liabilities		101,340,375.19	195,293,037,028.65	154,766,848.42	202,512,421,157.57
Net assets		79,069,641.54	152,375,106,211.73	78,455,575.25	102,659,120,214.63
Equity					
Head office fixed capital	13	85,725,000.00	110,545,150,000.00	85,725,000.00	110,545,150,000.00
Statutory Reserve	14	575,510.99	861,290,522.78	421,994.42	631,987,641.30
General loan loss reserve	15	1,434,332.21	1,968,208,979.97	1,434,332.21	1,968,208,979.97
Foreign currency translation reserve		-	49,922,932,560.01	-	1,124,158,088.81
Retained earnings		(8,665,201.66)	(10,922,475,851.03)	(9,125,751.38)	(11,610,384,495.46)
Total equity		79,069,641.54	152,375,106,211.73	78,455,575.25	102,659,120,214.62

Authenticated by :


Country Head  
15 December 2021

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

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

	Note	30/09/2021 USD	30/09/2021 Kyats	30/09/2020 USD	30/09/2020 Kyats
Net interest income	2	3,117,679.17	4,656,779,431.44	4,266,848.85	6,084,332,345.95
Other operating income	3	1,135,167.15	1,695,563,509.63	1,058,847.95	1,509,869,005.93
Operating income		4,252,846.32	6,352,342,941.07	5,325,696.80	7,594,201,351.88
Operating expenses	4	3,463,556.56	5,173,405,622.81	4,687,294.06	6,683,868,087.86
Profit before tax		789,289.76	1,178,937,318.26	638,402.74	910,333,264.02
Income tax	5	175,223.47	261,725,792.33	-	-
Profit for the year/Period		614,066.29	917,211,525.92	638,402.74	910,333,264.02
Statutory reserve (25% of Net Profit after Tax)	14	(153,516.57)	(229,302,881.48)	(88,763.92)	(126,573,311.73)
General loan loss reserve (2%)	15	-	-	(283,347.03)	(404,039,974.31)
Foreign currency translation reserve movement net of tax		-	48,798,774,471.20	-	(17,559,649,666.41)
Total Comprehensive Income for the year/Period		460,549.72	49,486,683,115.65	266,291.79	(17,179,929,688.43)

Authenticated by :



Country Head  
15 December 2021

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