

AYEYARWADDY FARMERS DEVELOPMENT BANK
PUBLIC COMPANY LIMITED (A BANK)
(Incorporated in the Republic of the Union of Myanmar)

FINANCIAL STATEMENTS AND OTHER FINANCIAL INFORMATION
FOR THE PERIOD ENDED 31st March 2022

V ADVISORY LIMITED
CERTIFIED PUBLIC ACCOUNTANTS

Independent Auditor's Report

To the Members of Ayeyarwaddy Farmers Development Bank Public Company Limited

(Incorporated in the Republic of the Union of Myanmar)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Ayeyarwaddy Farmers Development Bank Public Company Limited (the Bank), which comprise the statement of financial position as at 31st March 2022, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the period then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Bank as at 31st March 2022, and its performance and its cash flows for the period ended, in accordance with Myanmar Financial Reporting Standards (MFRSs).

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 in accordance with the ethical requirements that are relevant to our audit of the financial statements in Myanmar, and we have fulfilled 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.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Other Information

Management is responsible for the other information. The other information comprises the Directors' statement, but does not include the financial statements and the auditor's report thereon. 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 information; we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Myanmar Financial Reporting Standards, 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 Bank'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 Bank or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Bank'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 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 statement.

As part of an audit in accordance with MSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant findings, including any significant deficiencies in internal control that we identify during our audit. 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe those matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In accordance with Section 280 (b) of the Myanmar Companies Law 2017, we report that:

- (i) We have obtained all the necessary information and explanations we have required
- (ii) The books and records required by the law to be kept by the bank, have been maintained in accordance with section 258 of the Myanmar Companies Law 2017.
- (iii) The financial statements exhibit a true and fair view of the state of the bank's affair according to the best of our information and the explanations given to us, as shown by the books of the bank, and
- (iv) The financial statements referred to in the report are drawn up conformity with applicable law.

Also, in accordance with Section 89(A) of the Financial Institutions Law, we report that the financial statements of the Bank adequately reflect the financial position of the Bank and its solvency.

The engagement partner on the audit resulting in this independent auditor's report is U Win Htut Aung.



Win Htut Aung
Certified Public Accountant
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Complex 45, Tower B, #B 406, 45 Street,
Botahtaung, Yangon 11161, Myanmar

AYEYARWADDY FARMERS DEVELOPMENT BANK PUBLIC COMPANY LIMITED

(Incorporated in the Republic of the Union Of Myanmar)

Statement of Financial Positions

	Notes	31 st March 2022 (MMK in thousand)	30 th September 2021 (MMK in thousand)
Assets			
Cash and cash equivalents	8	367,806,250	150,309,513
Government securities and treasury bills	9	147,130,000	44,000,000
Inter-bank lending	10	11,668,000	8,922,000
Loans and advances to customers	11	658,973,017	464,720,976
Trade financing		143,801,446	120,605,341
Investment securities		200,000	200,000
Investment property	12	350,000	350,000
Deferred tax	13	-	4,837
Other assets	14	48,413,968	21,527,311
Leasehold improvement	15	1,669,735	1,426,760
Property and equipment	16	7,210,504	5,654,968
Repossessed property		1,207,260	1,207,260
Intangible asset	17	1,259,016	1,175,925
Total assets		1,389,689,196	820,104,891
Liabilities			
Inter-bank borrowings	18	-	10,688,000
Deposits from customers	19	1,275,274,402	727,335,785
Other liabilities	20	43,490,248	18,331,950
Total liabilities		1,318,764,650	756,355,735
Net assets		70,924,546	63,749,156

See accompanying notes to the financial statements

Authenticated by Directors



Vice Chairman

Ye Myat Soe
Vice Chairman

Ayeyarwaddy Farmers Development Bank



Vice Chairman

R Yudh
Vice Chairman
Ayeyarwaddy Farmers Development Bank

Chief Financial Officer

Mi Mi Sein
Chief Financial Officer
Ayeyarwaddy Farmers Development Bank

Date: 21 June 2022
Yangon

AYEYARWADDY FARMERS DEVELOPMENT BANK PUBLIC COMPANY LIMITED

(Incorporated in the Republic of the Union Of Myanmar)

Statement of Financial Positions

	Notes	31 st March 2022 (MMK in thousand)	30 th September 2021 (MMK in thousand)
Equity			
Share capital	21	45,000,000	40,000,000
General reserve	22	8,172,895	6,379,047
General provision		10,691,000	8,000,000
Development reserve		52,200	52,200
Exchange rate fluctuation reserve		-	2,000,000
Dividend equalization reserve		-	5,000,000
Retained earnings (loss)		7,008,451	2,317,909
Total equity		<u>70,924,546</u>	<u>63,749,156</u>
Off-Balance Sheet			
Contingent liabilities			
Guarantees	31	32,045,959	28,201,899
Commitments	32	<u>12,026,547</u>	<u>10,056,641</u>

See accompanying notes to the financial statements.

Authenticated by the Directors:


Vice ChairmanYe Myat Soe
Vice Chairman
Ayeyarwaddy Farmers Development Bank
Vice ChairmanR Yudh
Vice Chairman
Ayeyarwaddy Farmers Development Bank
Chief Financial OfficerMi Mi Sein
Chief Financial Officer
Ayeyarwaddy Farmers Development Bank

Date: 21 June 2022

Yangon

AYEYARWADDY FARMERS DEVELOPMENT BANK PUBLIC COMPANY LIMITED

(Incorporated in the Republic of the Union Of Myanmar)

Statement of Profit or Loss and Other Comprehensive Income

	Notes	1 st October 2021 to 31 st March 2022 (MMK in thousand)	2020-2021 (MMK in thousand)
Interest income	23	38,889,545	53,319,173
Interest expense	23	(30,016,115)	(41,673,012)
Net interest income		8,873,430	11,646,161
Fee and commission income	24	8,876,122	10,712,183
Fee and commission expense	24	(1,414,616)	(694,235)
Other income	25	90,808	70,984
FX Revaluation Gain		470,818	12,833,610
Net non-interest income		8,023,132	22,922,542
Income before operating expenses		16,896,562	34,568,703
General and administrative expenses	26	(5,844,444)	(7,423,858)
Operating lease expenses	27	(646,553)	(2,067,359)
Depreciation and amortization	28	(689,527)	(1,073,595)
Other expenses	29	(190,007)	(156,281)
FX Revaluation Loss		(115,783)	(548,987)
Total expenses		(7,486,314)	(11,270,080)
Profit before tax		9,410,248	23,298,623
Income tax expense	30	(2,234,858)	(2,753,500)
Net profit after tax		7,175,390	20,545,123

See accompanying notes to the financial statements.

Authenticated by the Directors :


Vice Chairman


Vice Chairman

Ye Myat Soe
Vice Chairman
Ayeyarwaddy Farmers Development Bank

R Yudh
Vice Chairman
Ayeyarwaddy Farmers Development Bank


Chief Financial Officer

Mi Mi Sein
Chief Financial Officer
Ayeyarwaddy Farmers Development Bank

Date: 2 June 2022

Yangon

AVEYARWADDY FARMERS DEVELOPMENT BANK PUBLIC COMPANY LIMITED
(Incorporated in the Republic of the Union of Myanmar)

Statement of Changes in Equity

	Share Capital	Statutory Reserve	General Loan Loss Provision	Development Reserve	Forex Rate Fluctuation Reserve	Dividend Equalisation Reserve	Retained Earnings (Losses)	Total Equity
								(MMK in thousand)
Balance at 1st October 2021	40,000,000	6,379,047	8,000,000	52,200	2,000,000	5,000,000	2,317,909	63,749,156
Changes during the year								
Shares issued during the year	-	-	-	-	-	-	-	-
Net profit (loss) for the year	-	-	-	-	-	-	7,175,390	7,175,390
Transfers	5,000,000	1,793,848	2,691,000	-	(2,000,000)	(5,000,000)	(2,484,848)	-
Dividend equalization fund	-	-	-	-	-	-	-	-
Balance at 31st March 2022	45,000,000	8,172,895	10,691,000	52,200	-	-	7,008,451	70,924,546

	Share Capital	Statutory Reserve	General Loan Loss Provision	Development Reserve	Forex Rate Fluctuation Reserve	Dividend Equalization Reserve	Retained Earnings (Losses)	Total Equity
Balance at 1st October 2020	40,000,000	1,242,767	3,700,000	52,200	-	-	(1,790,935)	43,204,032
Changes during the year								
Shares issued during the year	-	-	-	-	-	-	-	-
Net profit (loss) for the year	-	-	-	-	-	-	20,545,124	20,545,124
Transfers	-	5,136,280	4,300,000	-	2,000,000.00	-	(11,436,280)	-
Dividend equalization fund	-	-	-	-	-	5,000,000.00	(5,000,000)	-
Balance at 30th September 2021	40,000,000	6,379,047	8,000,000	52,200	2,000,000	5,000,000	2,317,909	63,749,156

See accompanying notes to the financial statements.

Statement of Cash Flows

	31 st March 2022 (MMK in thousand)	30 th September 2021 (MMK in thousand)
Cashflows from operating activities		
Profit before tax	9,410,248	23,298,623
Adjustment for:		
Depreciation and amortization expenses	689,527	1,073,595
Fixed asset write-off	247	15,754
Adjustment for Transfer PPE	487	-
Disposal gain	(19,793)	-
	<u>10,080,716</u>	<u>24,387,972</u>
Changes in		
Loans and advances	(194,252,041)	(140,696,468)
Trade financing	(23,196,105)	(91,518,686)
Inter-bank lending	(2,746,000)	27,847,000
Other assets	(23,526,658)	15,472,546
Deposit from customers	547,938,617	251,641,900
Inter-bank borrowing	(10,688,000)	(12,150,000)
Other liabilities	22,928,277	6,060,324
	<u>326,538,806</u>	<u>81,044,587</u>
Income tax paid	(3,360,000)	(180,000)
Net cash used in operating activities	<u>323,178,806</u>	<u>80,864,587</u>
Cashflows from investing activities		
Acquisition of property and equipment	(2,118,620)	(1,121,601)
Acquisition of intangible asset	(266,601)	(284,688)
Acquisition of leasehold improvement	(368,348)	(730,656)
Proceeds from sales of property and equipment	201,500	-
Government securities and treasury bill	(103,130,000)	(1,000,000)
Net cash used in investing activities	<u>(105,682,069)</u>	<u>(3,136,945)</u>
Cashflows from financing activities		
Issue of share capital	5,000,000	-
Dividend paid	(5,000,000)	-
Net cash used in financing activities	<u>-</u>	<u>-</u>
Net increase in cash and cash equivalents	<u>217,496,737</u>	<u>77,727,642</u>
Cash and cash equivalents at beginning of the year	150,309,513	72,581,870
Cash and cash equivalents at end of the year	<u>367,806,250</u>	<u>150,309,512</u>

See accompanying notes to the financial statements