

REGISTRATION NUMBER: 102383451

**MINERAL DEVELOPMENT BANK  
(PUBLIC COMPANY LIMITED)  
AUDITED FINANCIAL STATEMENTS  
31 MARCH 2024**

**MINERAL DEVELOPMENT BANK (PCL)**  
**AUDITED FINANCIAL STATEMENTS**  
**AS AT 31 MARCH 2024**

**CONTENTS**

**Pages**

Directors' Statement	1-2
Independent Auditors' Report	3-5
Statement of Financial Position	6
Statement of Comprehensive Income	7
Statement of Changes In Shareholders' Equity	8
Statement of Cash Flows	9
Notes to the Financial Statements	10-40

**Mineral Development Bank (PCL)****Directors' Statement****For the year ended 31 March 2024**

The directors present their statement to the members together with the audited financial statements for the financial year ended 31 March 2024.

In the opinion of the directors,

The financial statements as set out on pages 6 to 40 are drawn up so as to give a true and fair view of the financial position of the Bank as at 31 March 2024 and the financial performance, changes in equity and cash flows of the Bank for the financial year covered by the financial statements; and at the date of this statement, there are reasonable grounds to believe that the Bank will be able to pay its debts and when they fall due.

**Directors**

The directors of the Bank according to list of Directors as per FORM D-1(23.1.2024) of this statement are as follows:

No.	Name	Position
1	U Yone Mu	Non-Executive Director/Patron
2	U Aik Sai	Non-Executive Director
3	U Thura Lwin	Non-Executive Director
4	U Mya Kyaw Swar Win @ U Kyaw Swar Win	Non-Executive Director
5	U Htun Htun Oo	Director/ Deputy Chief Executive Officer
6	U Than Htike Aung	Independent Non-Executive Director

**Arrangements to enable directors to acquire shares and debentures**

Neither at the end of nor at any time during the financial year was the Bank a party to any arrangement whose object was to enable the directors of the Bank to acquire benefits by means of the acquisition of share in, or debentures of, the Bank or any other body corporate.



### Directors' Interests in Shares

According to the directors' interests in shares, none of the directors holding office at the year end of March 2024 financial year had any interest in the shares of the Bank, except as follows:

No.	Name	No. of Ordinary Share	Amount (MMK'000)
1	U Yone Mu (Green Light Treasure Company Limited)	28,000	2,800,000
2	U Aik Sai	12,000	1,200,000
3	U Thura Lwin	8,000	800,000
4	U Mya Kyaw Swar Win @ U Kyaw Swar Win	6,000	600,000

On behalf of the directors.



**Thura Lwin**  
Director



**Htun Htun Oo**  
Deputy Chief Executive Officer



**Moe Myat Myat**  
Head of Finance

June 28, 2024





ဝင်းသင်နှင့်အဖွဲ့လီမိတက်

**WIN THIN & ASSOCIATES LTD**

**CERTIFIED PUBLIC ACCOUNTANTS**

Room (2B/2C) 1<sup>st</sup> 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

Ref: 255 / M-338/March-2024

## **INDEPENDENT AUDITOR'S REPORT**

**To the Members of Mineral Development Bank (PCL)**

### **Report on the Financial Statements**

#### ***Opinion***

We have audited the financial statements of **Mineral Development Bank (PCL)**, which comprise the statement of financial position as at March 31, 2024, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory notes, as set out on pages 10 to 40.

In our opinion, the financial statements of **Mineral Development Bank (PCL)** are properly drawn up in accordance with Myanmar Financial Reporting Standards (MFRS) as modified by Central Bank of Myanmar requirements and the provisions of Myanmar Companies Law 2017 ("the Law") so as to give a true and fair view of the state of affairs as at March 31, 2024 and of the results and cash flows for the year then ended.

#### ***Basis for opinion***

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). 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 International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code), 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 and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### ***Other Information***

Management is responsible for the other information. The other information comprises the information included in the Annual Report other than the Financial Statements and Independent 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 other 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 (MFRS) as modified by Central Bank of Myanmar requirements and the provisions of the Myanmar Companies Law 2017, 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 a guarantee that an audit conducted in accordance with ISAs 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 ISAs, 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, or 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 Bank's internal controls.
- 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 Bank'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 Bank 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.


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 Bank 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, they present fairly the operations of the Bank and the information obtained from the officers and representatives of the Bank are satisfactory.

  
Ya Min Than (PAPP-418)  
B.Com, CPA, DBL  
Engagement Partner  
WIN THIN & ASSOCIATES LTD  
CERTIFIED PUBLIC ACCOUNTANTS  
FIRM REGISTRATION NO. ACC 008  
June 28, 2024





**MINERAL DEVELOPMENT BANK (PCL)**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 March 2024**

	Notes	Mar' 2024 MMK'000	Mar' 2023 MMK'000
<b>Assets</b>			
Cash and Cash Equivalent	6	81,237,638	30,081,515
Investment Securities:	7		
- Myanmar Payment Union		200,000	200,000
- Government Securities		11,122,301	11,031,164
Loan and Advances	8	47,286,151	27,759,990
Other Assets	9	1,730,000	186,211
Property, Plant and Equipment	10	7,540,850	6,723,184
Intangible Assets	11	3,075,068	2,269,547
Right of Use Assets	12	160,732	286,495
<b>Total Assets</b>		<b>152,352,740</b>	<b>78,538,106</b>
<b>Liabilities</b>			
Lease Liabilities	12	45,153	41,239
Deposit from Bank	13	60,012,637	16,012,637
Deposits from Customers	14	36,352,118	22,419,468
Borrowing	15	25,000,000	8,000,000
Other Liabilities	16	1,262,116	985,288
Provision for Loan Loss	17	945,723	713,925
<b>Total Liabilities</b>		<b>123,617,747</b>	<b>48,172,557</b>
<b>Equity</b>			
Share Capital	18	31,900,000	31,900,000
Retained Earnings / (Deficits)		(3,255,435)	(1,624,879)
Reserves	19	90,428	90,428
<b>Total Equity</b>		<b>28,734,993</b>	<b>30,365,549</b>
<b>Total Liabilities and Equity</b>		<b>152,352,740</b>	<b>78,538,106</b>
<b>Acceptances, Endorsement and Guarantee per Contra</b>		<b>143,269</b>	<b>323,904</b>

See Accompanying Notes to the Financial Statements

Authenticated by:

  
**Thura Lwin**  
**Director**

  
**Htun Htun Oo**  
**Deputy Chief Executive Officer**

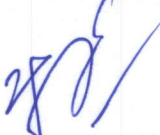
  
**Moe Myat Myat**  
**Head of Finance**

**MINERAL DEVELOPMENT BANK (PCL)**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**For The Year Ended 31 March 2024**


	Notes	Mar' 2024 MMK'000	Mar' 2023 MMK'000
Interest Income	20	7,610,216	4,679,822
Interest Expense	21	(5,127,171)	(2,309,433)
<b>Net Interest Income</b>		<b>2,483,045</b>	<b>2,370,389</b>
Fee and Commission Income	22	49,868	20,728
Other Income	23	430,467	216,937
<b>Total Income</b>		<b>2,963,380</b>	<b>2,608,054</b>
<b>Operating Expenses</b>			
Personnel Expenses	24	1,870,521	1,458,068
General and Administrative Expense	25	1,921,148	1,072,587
Depreciation & Amortization		570,469	384,331
<b>Total Operating Expenses</b>		<b>4,362,138</b>	<b>2,914,986</b>
<b>Loan Loss Provision</b>			
General Provision	17	231,798	-
Specific Provision		-	(41,805)
<b>Total Loan Loss Provision</b>		<b>231,798</b>	<b>(41,805)</b>
<b>Total Expenses</b>		<b>4,593,936</b>	<b>2,873,181</b>
<b>Profit/ (Loss) Before Income Tax</b>		<b>(1,630,556)</b>	<b>(265,128)</b>
Income Tax	26	-	114,126
<b>Net Profit /(Loss) for the year</b>		<b>(1,630,556)</b>	<b>(151,002)</b>
<b>Other Comprehensive Income</b>		<b>-</b>	<b>-</b>
<b>Total Comprehensive Income/(Loss)</b>		<b>(1,630,556)</b>	<b>(151,002)</b>

See Accompanying Notes to the Financial Statements

Authenticated by:

  
**Thura Lwin**  
**Director**

  
**Htun Htun Oo**  
**Deputy Chief Executive Officer**

  
**Moe Myat Myat**  
**Head of Finance**



**MINERAL DEVELOPMENT BANK (PCL)****STATEMENT OF CHANGES IN EQUITY****For The Year Ended 31 March 2024**

	Share Capital MMK'000	Retained Earnings/ (Deficits) MMK'000	Statutory Reserve MMK'000	Total MMK'000
Balance at 31 March, 2022	31,900,000	(1,473,878)	90,428	30,516,551
Total Comprehensive Income for the year	-	(151,002)	-	(151,002)
Balance at 31 March, 2023	31,900,000	(1,624,879)	90,428	30,365,549
Total Comprehensive Income for the year	-	(1,630,556)	-	(1,630,556)
Amount Transferred to Statutory Reserves	-	-	-	-
Balance at 31 March, 2024	31,900,000	(3,255,435)	90,428	28,734,993

See Accompanying Notes to the Financial Statements

Authenticated by:

**Thura Lwin**  
Director**Htun Htun Oo**  
Deputy Chief Executive Officer**Moe Myat Myat**  
Head of Finance

**MINERAL DEVELOPMENT BANK (PCL)****STATEMENT OF CASH FLOWS****For The Year Ended 31 March 2024**

	Mar' 2024 MMK'000	Mar' 2023 MMK'000
<b>Cash Flows from Operating Activities</b>		
Profit/ (Loss) Before Income Tax	(1,630,556)	(265,128)
Adjustment for:		
- Depreciation	421,632	253,390
- Amortization of Intangible Assets	23,075	28,421
- Amortization of Right of Use Assets	125,763	102,520
- Fixed Assets Write- off	5,044	-
- Adjustments of fixed assets	-	944
- Interest expense on lease liability	3,914	7,446
- Income Tax Adjustment	-	114,126
- Changes In General Provision	231,798	-
	<b>(819,330)</b>	<b>241,720</b>
Changes in Operating Assets and Liabilities:		
- Changes in Loan and Overdraft	(19,526,161)	6,366,368
- Changes in Other Assets	(1,543,789)	261,913
- Changes in Deposits from Bank	44,000,000	3,000,000
- Changes in Deposits from Customer	13,932,650	(3,281,231)
- Changes in Other Liabilities	276,828	(133,377)
<b>Cash Generated from Operating Activities</b>	<b>36,320,198</b>	<b>6,455,391</b>
Income Taxes Paid	-	(47,500)
<b>Net Cash Provided by Operating Activities</b>	<b>36,320,198</b>	<b>6,407,891</b>
<b>Cash Flow from Investing Activities</b>		
Investment in Government Securities Bond	(91,137)	(10,531,164)
Purchase of Intangible Assets	(828,596)	(2,239,592)
Purchase of Property, Plant and Equipment	(1,244,342)	(1,956,368)
Acquisition of Right of Use Assets	-	(245,222)
<b>Net Cash used in Investing Activities</b>	<b>(2,164,075)</b>	<b>(14,972,347)</b>
<b>Cash Flow from Financing Activities</b>		
Borrowing	17,000,000	8,000,000
<b>Net Cash Generated from Financing Activities</b>	<b>17,000,000</b>	<b>8,000,000</b>
<b>Net Increase / (Decrease) in Cash and Cash Equivalent</b>	<b>51,156,123</b>	<b>(564,455)</b>
<b>Cash and Cash Equivalent at 1 April</b>	<b>30,081,515</b>	<b>30,645,970</b>
<b>Cash and Cash Equivalent at 31 March</b>	<b>81,237,638</b>	<b>30,081,515</b>

See accompanying notes to financial statement.

Authenticated by:

  
Thura Lwin  
Director  
Htun Htun Oo  
Deputy Chief Executive Officer  
Moe Myat Myat  
Head of Finance

**MINERAL DEVELOPMENT BANK (PCL)**  
**FOR THE YEAR ENDED 31 MARCH 2024**  
**Notes to the Financial Statements**

---

**1. General**

Mineral Development Bank (Public Company Limited) ('The Bank') was established as a public bank company limited on January 20, 2016 as certificate by DICA new registration No. 102383451 under Myanmar Companies Law (2017) in place of former Registration No.3246/2015-2016 (Yangon).

The Bank was permitted to carry out banking business under license No. Ma Bha Ba / Pa Ba -26/07/2018 dated on 6<sup>th</sup> July, 2018 issued by the Central Bank of Myanmar (CBM) according to Section 57 of the Central Bank of Myanmar Law.

The principal activities of the Bank are to provide banking and financial services as prescribed by Section 52 of Financial Institution of Myanmar Law. There have been no significant changes in the nature of these principal activities during the financial year.

The registered office of the Bank is No.66, Kabaraye Road, Mayangone Township, Yangon Region, Republic of the Union of Myanmar.

Authorized Dealer License No. CBM, FEMD (128/2021) dated August 5, 2021 by the Central Bank of Myanmar is valid for (5) years from 29.7.2021 to 28.7.2026.

The Financial Statements were approved and authorized for issued by the Board of Directors on June 28, 2024.

---

**2. BASIC OF PREPARATION AND ACCOUNTING POLICIES**

**2.1 Basic of Preparation**

The financial statements of the bank have been prepared in accordance with Myanmar Financial Reporting Standards (MFRS) as modified by Central Bank of Myanmar requirements. In preparing these financial statements, certain reclassifications and rearrangements have been made in 2023 financial statements to conform to the classifications used in 2024. The financial statements have been prepared on the historical cost basis except for financial instruments that are measured at revalued amounts or fair values at the end of each reporting period.

**2.2 Functional and Presentation Currency**

The Bank's financial statements are presented in MMK, which is also the Bank's functional currency.

---



**MINERAL DEVELOPMENT BANK (PCL)**  
**FOR THE YEAR ENDED 31 MARCH 2024**  
**Notes to the Financial Statements**

---

**3. Summary of Significant Accounting Policies**

**3.1 Foreign Currencies**

**3.1.1 Foreign Currency Transactions**

Transactions in currencies other than the Bank's functional currency ("foreign currencies ") are recorded in the functional currency using the exchange rates prevailing at the dates of the transactions. At each reporting date, monetary items denominated in foreign currencies are translated at the rates prevailing on the reporting date.

Non- monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not translated. Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are included in profit or loss for the period.

Exchange differences arising on the translation of monetary items carried at fair value are included in profit or loss for the period except for the differences arising on the translation of non-monetary items in respect of which gains and losses are recognized directly in equity.

The closing foreign exchange rates used by the Bank were (in MMK):

<b>For Financial year ended</b>	<b>USD</b>	<b>EUR</b>	<b>SGD</b>	<b>THB</b>	<b>MYR</b>
<b>31 March, 2024</b>	3054.00	2262.00	1556.30	57.676	444.68
<b>31 March, 2023</b>	2422.00	2285.20	1579.20	61.439	475.92

**3.2 Interest Income and Expenses**

For all financial instruments measured at amortized cost and interest-bearing financial assets classified as held-for-trading and available-for-sale, interest and expenses are recognized under "interest income", "interest expenses" respectively in the statement of profit or loss using the effective interest method.

The effective interest method is a method of calculating the amortized cost of a financial asset or liability and of allocating the interest income over expense over the relevant period. The effective interest rate is the rate that exactly discounts the estimated future cash payment or receipts through the excepted life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or liability.

The calculation takes into account all contractual terms of the financial instrument but does not consider the future credit losses. Significant fees and transactions costs integral to the effective interest rate, as well as premiums or discounts are also considered.

For impaired financial assets where the value of the financial asset has been written down as a result of an impairment loss, interest income continues to be recognized using the rate of interest used to discount the future cash flows for the purpose of measuring impairment loss.

**MINERAL DEVELOPMENT BANK (PCL)**  
**FOR THE YEAR ENDED 31 MARCH 2024**  
**Notes to the Financial Statements**

---

**3.3 Fees and Commission Income**

Fees and commission income are generally recognized on an accrual basis when the service has been provided.

**3.4 Other Income**

Other income includes gains resulting from foreign exchange and other items of income from various sources.

**3.5 Current Tax**

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. Current tax is payable on the taxable profit for the financial year, using tax rates enacted or substantively enacted at the reporting date.

**3.6 Deferred Tax**

Deferred tax is provided using the liability method on temporary differences at the financial year end between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences, except for the deferred tax liability that arises from the initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred tax assets are recognized for all deductible temporary differences, recognized tax losses and unused tax credits, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, recognized tax losses and unused tax credits can be recognized except where the deferred tax asset arises from the initial recognition of an asset or liability in a transaction that at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred tax assets are reviewed at each financial year end and reduced to the extent that is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be recognized.

Unrecognized deferred tax assets are reassessed at each financial year end and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be recognized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is recognized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the financial year end.



# **MINERAL DEVELOPMENT BANK (PCL)**

**FOR THE YEAR ENDED 31 MARCH 2024**

## **Notes to the Financial Statements**

---

### **3.7 Financial Assets and Financial Liabilities**

#### **3.7.1 Initial Recognition and Subsequent Measurement**

Financial instruments are classified into the following categories-financial instruments at fair value through profit or loss, Loans and receivables, financial instruments held-to-maturity, financial investments available-for-sale and other non-derivative financial liabilities. Management determines the classification of financial instruments at initial recognition.

##### **(i) Financial Instruments as Fair Value through Profit or Loss**

Financial instruments classified in this category consist of financial assets held-for-trading. Financial assets are classified as held-for-trading if they are acquired principally for the purpose of selling or repurchasing it in the near term.

Financial instruments included in this category are recognized initially at fair value and transaction costs are taken directly to profit or loss. Gains and losses from changes in fair value and dividend income are included directly in "Net gains and losses on financial instruments" in the statement of profit or loss. Interest income is recognized as "interest income" in the statement of profit or loss. Regular purchase and sales of financial assets held-for- trading are recognized at settlement date.

##### **(ii) Loans and Receivables**

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are reported in the statement of financial position as loans and advances. Interest on loans is included in the income statement and is reported as "Interest Income".

##### **(iii) Held-to-Maturity**

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity dates that the Bank has the positive intent and ability to hold to maturity. Subsequent to initial recognition, held-to-maturity investments are measured at amortized cost using the effective interest method less any impairment.

##### **(iv) Available-for-Sale**

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. Dividend income on available-for-sale securities is recognized separately in other income. Net gains and losses arising from the sale of these securities are reported in the statement of comprehensive income. They are reported under investment securities in the statement of position.

##### **(v) Other Non-derivative Financial Liabilities**

Other non-derivative Financial Liabilities are initially recognized at the fair value of consideration received less directly attributable transaction costs. Subsequent to initial recognition, non-derivative financial liabilities are measured at amortized cost. The Bank does not have any non-derivative financial liabilities designated at fair value through profit or loss. Financial liabilities measured at amortized cost included deposits from customers, deposits from banks and other borrowed funds.

**MINERAL DEVELOPMENT BANK (PCL)**  
**FOR THE YEAR ENDED 31 MARCH 2024**  
**Notes to the Financial Statements**

---

**3.7.2 Recognition and Derecognition**

The Bank initially recognizes all financial assets and financial liabilities on the date that they are originated and measured initially at fair value.

The Bank derecognizes a financial asset when the contractual rights to the cash flows from the financial assets are expired or the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. The Bank derecognizes a financial liability when the contractual obligations are discharged, cancelled or expired.

**(i) Initial Measurement**

Financial assets are initially recognized at fair value plus transaction costs except for financial assets at fair value through profit or loss, which are recognized at fair value. Transaction costs for financial assets at fair value through profit or loss are recognized immediately as expenses

**(ii) Subsequent Measurement**

Available-for-sale financial assets are subsequently carried at fair value if the fair value can be reliably estimated using valuation on techniques supported by observable market data, otherwise, those assets will be carried at cost less impairment loss. Loans and receivables and held-for-maturity financial assets are subsequently carried at cost.

**3.7.3 Offsetting Financial Instruments**

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or to realize the asset and to settle the liability simultaneously. This is not generally the case for financial instruments with master netting agreements and therefore, the related assets and liabilities are presented on a gross basis in the statement of financial position.

**3.7.4 Determination of Fair Value**

All financial instruments are recognized initially at fair value. At initial recognition, the fair value of a financial instrument is generally the transaction price, i.e., the fair value of the consideration given or received. Subsequent to initial recognition, the fair value of financial instruments is measured in accordance with the valuation methodologies generally accepted in Myanmar.

Investments in unquoted equity instruments whose fair value cannot be reliably measured are measured at cost, and assessed for impairment at each reporting date.

**3.8 Impairment of Financial Assets**

**3.8.1 Loans and Advances**

Loans and advances of the Bank are classified as impaired when they fulfill any of the following criteria:



**MINERAL DEVELOPMENT BANK (PCL)**  
**FOR THE YEAR ENDED 31 MARCH 2024**  
**Notes to the Financial Statements**

---

Individual Assessment

- (a) Principal or interest or both are past due for ninety (90) days or more; or
- (b) Outstanding amount is in excess of approved limit for ninety (90) days or more in the case of overdraft facilities; or

Where a loan is in arrears or the outstanding amount has been in excess of the approved limit for less than ninety (90) days, the loan exhibits indications of significant credit weaknesses; or

- (c) Default occurs for repayments scheduled on more over (90) days for financially distressed customers.

For the determination of impairment on loans, the Bank assess at each reporting date whether there is any objective evidence that a loan is impaired. A loan is impaired and impairment losses are recognized only if there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset and that loss event has an impact on the estimated future cash flows of the loan that can be reliably estimated.

The criteria that the Bank use to determine that there is objective evidence of an impairment include:

- (a) Any significant financial difficulty of the borrower;
- (b) A breach of contract, such as a default or delinquency;
- (c) A high probability of bankruptcy or other financial reorganization of the borrower;
- (d) Concerns over the viability of the borrower's business operations and its capacity to trade successfully out if financial difficulties and to generate sufficient cash flows to service its debt obligations; or
- (e) Any adverse news or developments affecting the local economic conditions or business environment which will adversely affect the repayment capacity of the customer.

The Bank first assesses individually whether objective evidence of impairment exists for all loans. If there is objective evidence that an impairment loss has been incurred, the amount of loss is measured as the difference between the loan's carrying amount and the present value of the estimated future cash flows. The carrying amount of the loan is reduced through the use of an allowance account and the amount of loss is recognized in profit or loss. Where appropriate, the calculation of the present value of estimated future cash flows of a collateralized loan reflects the cash flows that may result from foreclosure less costs for obtaining and selling the collateral, whether or not foreclosure is probable.

Where a loan is uncollectible, it is written off against the related allowance for loan impairment. Such loans are written off after the necessary procedures have been completed and the amount of the loss has been determined. Subsequent recoveries of the amounts previously written off are recognized in profit or loss.

Collective Assessment

The Bank's collective assessment is currently maintained at 2% of the total outstanding loans, net of individual assessment allowance, being the arrangement prescribed under Central Bank of Myanmar guidelines and policy.

## **MINERAL DEVELOPMENT BANK (PCL)**

**FOR THE YEAR ENDED 31 MARCH 2024**

### **Notes to the Financial Statements**

#### **Rescheduled and Restructured Loans**

Where a loan shows evidence of credit weaknesses, the Bank may seek to renegotiate the loan rather than to take possession of collateral. This may involve an extension of the payment arrangements via rescheduling or the renegotiation of new loan terms and conditions via restructuring. Management monitors the renegotiated loan to ensure that all the revised terms are met and that the repayments are made promptly for a continuous period.

#### **3.8.2 Held-to-Maturity**

The Bank assess at each reporting date whether objective evidence of impairment of financial investments held-to-maturity exists as a result of one or more loss events and that loss event has an impact on the estimated future cash flows of the financial investment or group of financial investments that can be reliably estimated.

Where there is objective evidence of impairment, an impairment loss is recognized as the difference between the acquisition cost and the present value of the estimated future cash flows, less any impairment loss previously recognized. If, in a subsequent period, the amount of the impairment loss decrease and the decrease can be objectively related to an event occurring after the impairment loss was recognized, the impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

#### **3.8.3 Available-for-Sale**

In the case of equity investments classified as available-for-sale, objective evidence would include a significant or prolonged decline in the fair value of the investment below its cost, significant financial difficulties of the issuer or obligor, and the disappearance of an active trading market.

If an AFS financial asset is impaired, an amount comprising the difference between its cost (net of any principal payment and recognized or accretion) and its current fair value, less any impairment loss previously recognized in profit or loss, is transferred from equity to profit or loss.

Impairment losses on AFS equity investments are not reversed in profit or loss in the subsequent periods. Increase in fair value, if any, subsequent to impairment loss is recognized in other comprehensive income. For AFS debt investments, impairment losses are subsequently reversed in profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss in profit or loss.

#### **3.9 Cash and Cash Equivalents**

Cash and cash equivalents comprise cash at bank and on hand, demand deposits, and short-term, highly liquid investments that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value.

#### **3.10 Property, Plant and Equipment**

All items of property, plant and equipment are initially recorded at cost. The cost of an item of property, plant and equipment is recognized as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Bank and the cost of the item can be measured reliably. The carrying amounts of replaced parts are derecognized. All other repairs and maintenance are charged to profit or loss when they are incurred.



## MINERAL DEVELOPMENT BANK (PCL)

FOR THE YEAR ENDED 31 MARCH 2024

### Notes to the Financial Statements

When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment. Subsequent to initial recognition, property, plant and equipment other than freehold land and buildings are measured at cost less accumulated depreciation and any accumulated impairment losses, if any. Freehold land has an indefinite useful life and therefore it is not depreciated.

Depreciation is computed under the straight-line method over the estimated useful life of these assets other than freehold land which is not depreciated. The bank changes the estimated useful lives of the followings according to the bank's Instruction No (2/2023-2024) dated on 20 March, 2024.

#### Annual Rates

No.	Description	Depreciation Rate
1.	Land	-
2.	Building	1.25%
3.	Furniture, Fixture & Fitting	5.00%
4.	Electrical Equipment & Computer Accessories	20.00%
5.	Motor Car & Motorcycle	12.50%
6.	Office Machine and Other Machine	10.00%
7.	Leasehold Improvement	Over the Period of Lease

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. The policy for the recognition and measurement of impairment losses is in accordance with Note 4.3.

The residual value, useful life and depreciation method are reviewed at each financial year-end, and adjusted prospectively, if appropriate.

#### 3.11 Leases

For a lessee, a lease that is accounted for under IFRS 16 results in the recognition of:

- a right-of-use asset and lease liability
- interest expense (on the lease liability)
- depreciation expense (on the right-of-use asset).

The right-of-use asset and lease liability must be presented or disclosed separately from other, non-lease assets and liabilities.

Previously, each lease contract was qualified either as finance leases, or as operating lease, with accounting treatment appropriate for each category. In application of IFRS 16, all lease contracts are now recognized in right-of-use assets and in lease liabilities by a debt corresponding to the discounted value of future payments. Lease term is defined on a contract- by contract basis and corresponds to the firm period of the commitment taking into account any optional periods that are reasonably certain to be exercised. The discount rates applied is based on the Bank's lending rate for secured loan.

#### 3.12 Intangible Assets

Intangible assets acquired are measured at cost on initial recognition. Subsequent to initial recognition, they are measured at cost less accumulated amortization and impairment losses, if any. Intangible assets with finite useful lives are amortized on a straight-line basis over their estimated useful lives and assessed for impairment whenever there is an indication of impairment. The amortization charges are recognized in the income statement. The useful life and amortization method are reviewed annually.



## **MINERAL DEVELOPMENT BANK (PCL)**

**FOR THE YEAR ENDED 31 MARCH 2024**

### **Notes to the Financial Statements**

---

Intangible assets with finite useful lives include MIT ICBS New Product (VIP Saving & VIP Loan, Core Banking System, Facilities Guarantee), CBM NET PHASE II Application License fees, Upgrade Encoder Machine and ERS Software with an amortization period is three years.

Intangible assets with finite useful lives include CBM NET PHASE II-FI Gateway, Royal saving account product, MIS reporting system, Asset management system and Customized website development with an amortization period is ten years according to the bank's Instruction No (2/2023-2024) dated on 20 March 2024.

#### **3.13 Impairment of Non-financial Assets**

Non-financial assets, such as property, plant and equipment, investment properties and foreclosed properties, are reviewed for impairment annually, or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Where such indications exist, the carrying amount of the asset is written down to its recoverable amount, which is the higher of the fair value less costs to sell and the value-in-use. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount.

These assets that suffered impairment are reviewed for possible reversal of the impairment at each reporting date. No non-financial assets were impaired in March 31, 2024 and March 31, 2023.

#### **3.14 Share Capital**

Ordinary shares are classified as equity when there is no contractual obligation to transfer cash or other financial assets.

#### **3.15 Other Liabilities**

Other payables represent liabilities for services provided to the Bank prior to the end of financial year which are unpaid. They are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). Otherwise, they are presented as non-current liabilities. Other payables are initially recognized at fair value, and subsequently carried at cost.

#### **3.16 Provisions**

Provisions are recognized when the Bank has a present legal or constructive obligation as a result of past events. It is more likely than not that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

Provisions are reviewed at each financial year end adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

## **MINERAL DEVELOPMENT BANK (PCL)**

**FOR THE YEAR ENDED 31 MARCH 2024**

### **Notes to the Financial Statements**

---

#### **3.17 Contingent Liabilities**

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is not recognized in the statements of financial position and is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote. Contingent liabilities and assets are not recognized in the statements of financial position of the Bank in the current and previous financial year ends.

#### **3.18 Related Parties**

A related party is defined as follows:

- (a) A person or a close member of that person's family is related to the Bank if that person:
  - (i) Has control or joint control over the Bank;
  - (ii) Has significant influence over the Bank; or
  - (iii) Is a member of the Key Management Personnel of the Bank or of a parent of the Bank
- (b) An entity is related to the Bank if any of the following conditions applies:
  - (i) The entity and the Bank are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
  - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);
  - (iii) Both entities are joint ventures of the same third party;
  - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity;
  - (v) The entity is a post-employment defined benefit plan for the benefit of employees of either the Bank or an entity related to the Bank. If the Bank is itself such a plan, the sponsoring employers are also related to the Bank;
  - (vi) The entity is controlled or jointly controlled by a person identified in (a);
  - (vii) A person identified in (a) (i) has significant influence over the entity or is a member of the Key Management Personnel of the entity (or of a parent of the entity).

#### **3.19 Comparatives**

Where necessary, comparative figures have been adjusted to conform with changes in presentation in the current year.

#### **3.20 Fair Value Measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Bank.

The fair value of an asset or a liability is measured using the assumptions that market participants act in their economic best interest when pricing the asset or liability.



**MINERAL DEVELOPMENT BANK (PCL)**  
**FOR THE YEAR ENDED 31 MARCH 2024**  
**Notes to the Financial Statements**

---

The Bank uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy based on the lowest level input that is significant to the fair value measurement as a whole.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Bank determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the financial year end.

---

**4. Significant Accounting Judgments, Estimates and Assumptions**

The preparation of the Bank's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities at the end of each reporting period. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

In the process of applying the Bank's accounting policies, management has made the following judgements, apart from those involving estimations, which has the most significant effect on the amounts recognised in the financial statement.

**4.1 Impairment of Credit Exposures**

The Bank reviews its significant credit portfolios to assess impairment at each reporting date. In determining whether an impairment loss should be recognized, the Bank makes judgements as to whether there is any observable data indicating an impairment trigger. This evidence may include observable data indicating that there has been an adverse change in the credit quality or deterioration in the payment conduct of borrowers individually or as a group. These judgements are applied in line with its internal policy on determining impaired loans.

Judgement is required by management in the estimation of the amount and timing of future cash flows when determining an impairment loss for credit exposures. In estimating these cash flows, the Bank makes judgements about the borrower's financial situation and the net realisable value of collateral. These estimates are based on assumptions about a number of factors and actual results may differ, resulting in future changes to the impairment allowance.

**4.2 Fair Value Measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Where the classification of a financial asset or liability results in it being measured at fair value, wherever possible, the fair value is determined by reference to the quoted bid or offer price in the most advantageous active market to which the Bank has immediate access. An adjustment for credit risk is also incorporated into the fair value as appropriate.

## **MINERAL DEVELOPMENT BANK (PCL)**

### **FOR THE YEAR ENDED 31 MARCH 2024**

#### **Notes to the Financial Statements**

---

Where no active market exists for a particular asset or liability, the Bank uses a valuation technique to arrive at the fair value, including the use of transaction prices obtained in recent arm's length transactions, discounted cash flow analysis and other valuation techniques, based on market conditions and risks existing at reporting date. In doing so, fair value is estimated using a valuation technique that makes maximum use of observable market inputs and places minimal reliance upon entity-specific inputs.

#### **4.3 Depreciation of Property, Plant and Equipment**

The cost of property, plant and equipment is depreciated on a straight-line basis over the asset's estimated economic useful lives. Management estimates the useful lives of these property, plant and equipment to be within a range of 3 years to 80 years. These are common life expectancies applied in this industry.

Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets and therefore future depreciation charges could be revised. The carrying amount of the Bank's property, plant and equipment at the reporting date is disclosed in Note-10.

#### **4.4 Income Taxes**

There are certain transactions and computations for which the ultimate tax determination may be different from the initial estimate. The Bank recognised tax liabilities based on its understanding of the prevailing tax laws and estimates of whether such taxes will be due in the ordinary course of business. Where the final outcome of these matters is different from the amounts that were initially recognised, such difference will impact the income tax and deferred tax provisions in the year in which such determination is made.

---

### **5. Financial Risk Management**

The Bank's business activities involve the use of financial instruments. These activities expose the Bank to a variety of financial risks, mainly credit risk, foreign exchange risk, interest rate risk and liquidity risk. The Bank's financial risks are managed by the various management committees within the authority delegated by the Board of Directors. These management committees formulate, review and approve policies and limits to monitor and manage risk exposures under their respective supervision. The major policy decisions and proposals approved by these committees are subject to further review by the Board of Directors.

The main financial risks that the Bank is exposed to and how they are managed is set out below:

#### **(a) Interest Rate Risk**

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of the changes in market interest rate. Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate due to the changes in market rates.

The Bank is exposed to interest rate risk, through the impact of rate changes between the interest income and interest expenses at interest rates defined according to different types of deposits from customers with determinate or indeterminate maturities.

The table below summarizes the Bank's exposure to interest rate risk as at 31 March 2023 and as at 31 March 2024. The tables indicate effective average interest rates at the reporting date in which the financial instruments are reprised or mature, whichever is earlier.



**MINERAL DEVELOPMENT BANK (PCL)**  
**FOR THE YEAR ENDED 31 MARCH 2024**  
**Notes to the Financial Statements**

<b>31 March 2024</b>	<b>Interest sensitive MMK'000</b>	<b>Non-interest sensitive MMK'000</b>	<b>Total MMK'000</b>
<b><u>Assets</u></b>			
Cash and Cash Equivalent	79,000,843	2,236,795	81,237,638
Investment Securities:			
- Myanmar Payment Union (MPU)	-	200,000	200,000
- Government Securities	11,122,301	-	11,122,301
Loan and Advances	47,097,867		47,097,867
- Not Impaired	188,284	-	188,284
- Impaired	-	-	-
Other Assets	-	1,730,000	1,730,000
<b>Total Assets</b>	<b>137,409,295</b>	<b>4,166,795</b>	<b>141,576,090</b>
<b><u>Liabilities</u></b>			
Deposit from Bank	60,000,000	12,637	60,012,637
Deposits from Customers	35,877,148	474,970	36,352,118
Other Liabilities	-	1,262,116	1,262,116
Borrowing	25,000,000	-	25,000,000
<b>Total Liabilities</b>	<b>120,877,148</b>	<b>1,749,723</b>	<b>122,626,871</b>
<b>Net Assets</b>	<b>16,532,147</b>	<b>2,417,072</b>	<b>18,949,219</b>

<b>31 March 2023</b>	<b>Interest sensitive MMK'000</b>	<b>Non-interest sensitive MMK'000</b>	<b>Total MMK'000</b>
<b><u>Assets</u></b>			
Cash and Cash Equivalent	27,026,926	3,054,589	30,081,515
Investment Securities:			
- Myanmar Payment Union (MPU)	-	200,000	200,000
- Government Securities	11,031,164	-	11,031,164
Loan and Advances	26,273,005	-	26,273,005
- Not Impaired	1,486,985	-	1,486,985
- Impaired	-	-	-
Other Assets	-	186,211	186,211
<b>Total Assets</b>	<b>65,818,080</b>	<b>3,440,800</b>	<b>69,258,880</b>
<b><u>Liabilities</u></b>			
Deposit from Bank	16,000,000	12,637	16,012,637
Deposits from Customers	22,148,350	271,119	22,419,469
Other Liabilities	-	985,289	985,289
Borrowing	8,000,000	-	8,000,000
<b>Total Liabilities</b>	<b>46,148,350</b>	<b>1,269,045</b>	<b>47,417,395</b>
<b>Net Assets</b>	<b>19,669,730</b>	<b>2,171,755</b>	<b>21,841,485</b>



**MINERAL DEVELOPMENT BANK (PCL)**  
**FOR THE YEAR ENDED 31 MARCH 2024**  
**Notes to the Financial Statements**

**Sensitivity analysis of interest rate risk**

The tables below show the sensitivity of the Bank's profit after tax to an up and down 1%:

31 March 2024	<u>Tax rate (22%)</u>	<u>+ 1%</u> MMK'000	<u>- 1%</u> MMK'000
Impact to Profit Before Tax	-	165,321	(165,321)
Impact to Profit After Tax	22%	36,371	(36,371)

31 March 2023	<u>Tax rate (22%)</u>	<u>+ 1%</u> MMK'000	<u>- 1%</u> MMK'000
Impact to Profit Before Tax	-	196,697	(196,697)
Impact to Profit After Tax	22%	43,273	(43,273)

**(b) Credit Risk**

Credit risk is the risk that the Bank will incur a loss because its customers or counterparties fail to discharge their contractual obligations. The Bank manages and controls credit risk by setting limits on the amount of risk it is willing to accept for individual counterparties and for industry concentrations, and by monitoring exposures in relation to such limits.

The Bank has established a credit review process to provide early identification of possible changes in the credit worthiness of counterparties, including regular collateral revisions. The credit review process aims to allow the Bank to assess the potential loss as a result of the risks to which it is exposed and take corrective action.

The maximum exposure to credit risk for each class of financial instruments as represented by the categories of financial assets on the statement of financial position is limited to the carrying amounts on the reporting date, without taking into account the fair value of any collateral. For the statement of financial position financial assets, the maximum exposure to credit risk equals their carrying amount.

The table below sets out information about the financial assets held by the Bank:

	<b>Mar'2024</b> MMK'000		<b>Mar'2023</b> MMK'000	
	Loans and advances	Investment securities <sup>(1)</sup>	Loans and Advances	Investment securities <sup>(1)</sup>
Neither Past Due nor Impaired	47,097,867	11,322,301	26,273,005	11,231,164
Past Due but not Impaired	188,284	-	1,486,985	-
Individually Past Due and Impaired	-	-	-	-
	<b>47,286,151</b>	<b>11,322,301</b>	<b>27,759,990</b>	<b>11,231,164</b>

<sup>(1)</sup> Investment securities exclude equity securities which are not exposed to credit risk.

**MINERAL DEVELOPMENT BANK (PCL)**  
**FOR THE YEAR ENDED 31 MARCH 2024**  
**Notes to the Financial Statements**

The investment securities that are neither past due nor impaired includes government securities which are substantially with high credit-ratings in Myanmar. Loans and advances past due but not impaired: Certain loans and advances are past due but not impaired as the collateral values of these loans and advances are in excess of the principal and interest outstanding.

Loans and advances individually past due and impaired: Certain loans and advances are past due and considered impaired as the recoverable values of these loans and advances are likely to be lower than its carrying value.

**(c) Liquidity and Cash Flow Risk**

Liquidity risk is the risk that the Bank is unable to meet its obligations when they fall due as a result of customer deposits being withdrawn, cash requirements from contractual commitments, or other cash outflows, such as debt maturities or margin calls for derivatives. Such outflows would deplete available cash resources for client lending, trading activities and investments. In extreme circumstances, lack of liquidity could result in reductions in the statement of financial position and sales of assets, or potentially an inability to fulfill lending commitments. The risk that the Bank will be unable to do so is inherent in all banking operations and can be affected by a range of institution-specific and market-wide events including, but not limited to, credit events, merger and acquisition activity, systemic shocks and natural disasters.

The Bank monitors and maintains a level of bank balances deemed adequate by the directors to finance the operation and mitigate the effects of fluctuation in cash flow.

The tables below set out the remaining contractual maturities of the Bank's non-derivative financial assets and financial liabilities on an undiscounted basis.

<b>Balance at 31 March, 2024</b>	<b>Up to 1 Year MMK'000</b>	<b>Over 1 Year MMK'000</b>	<b>Total MMK'000</b>
<b><u>Non-derivative Financial Assets</u></b>			
Cash and Cash Equivalent	81,237,638	-	81,237,638
Investment Securities:			
-Myanmar Payment Union (MPU)	-	200,000	200,000
-Government Securities	122,301	11,000,000	11,122,301
Loan and Advances	46,342,096	944,055	47,286,151
<b>Total</b>	<b>127,702,035</b>	<b>12,144,055</b>	<b>139,846,090</b>
<b><u>Non-derivative financial liabilities</u></b>			
Deposit from Bank	60,012,637	-	60,012,637
Deposits from Customers	36,343,618	8,500	36,352,118
Borrowing	25,000,000	-	25,000,000
<b>Total</b>	<b>121,356,255</b>	<b>8,500</b>	<b>121,364,755</b>



**MINERAL DEVELOPMENT BANK (PCL)**  
**FOR THE YEAR ENDED 31 MARCH 2024**  
**Notes to the Financial Statements**

<b>Balance at 31 March, 2023</b>	<b>Up to 1 Year MMK'000</b>	<b>Over 1 Year MMK'000</b>	<b>Total MMK'000</b>
<b><u>Non-derivative Financial Assets</u></b>			
Cash and Cash Equivalent	30,081,515	-	30,081,515
Investment Securities:			
-Myanmar Payment Union (MPU)	-	200,000	200,000
-Government Securities	31,164	11,000,000	11,031,164
Loan and Advances	27,337,959	422,031	27,759,990
<b>Total</b>	<b>57,450,638</b>	<b>11,622,031</b>	<b>69,072,669</b>
<b><u>Non-derivative financial liabilities</u></b>			
Deposit from Bank	16,012,637	-	16,012,637
Deposits from Customers	22,408,318	11,150	22,419,468
Borrowing	8,000,000	-	8,000,000
<b>Total</b>	<b>46,420,955</b>	<b>11,150</b>	<b>46,432,105</b>

The Bank's liquidity ratio as of 31 March 2024 was 59.36% and hence more than 20% fixed by the Central Bank of Myanmar as per its instruction no. (19/2017).

**(d) Foreign Exchange Risk**

Foreign exchange risk is the risk to earnings and economic value of foreign currency assets, liabilities and financial derivatives caused by fluctuations in foreign exchange rates.

The Bank's foreign exchange exposures comprise banking (non-trading) foreign exchange exposures. Non-trading foreign exchange exposures are principally derived from investments and funding activities and customer businesses.

**(e) Operational Risk**

Operational risk, which is inherent in all business activities, is the potential for financial loss, and business instability arising from failures in internal controls, operational processes or the systems that support them.

The goal of operational risk management is to balance cost and risk within the constraints of the risk appetite of the Bank and to be consistent with the prudent management required of a large financial organization.

It is recognized that such risks can never be entirely eliminated and that the cost of controls in minimizing these risks may outweigh the potential benefits. Accordingly, the Bank continues to invest in risk management and mitigation such as business continuity management and incident management. In reinforcement of the implementation of the Bank's risk strategy, independent checks on risk issues are undertaken by the internal audit function.

**MINERAL DEVELOPMENT BANK (PCL)**  
**FOR THE YEAR ENDED 31 MARCH 2024**  
**Notes to the Financial Statements**

---

**(f) Legal and Compliance Risk**

Legal risk is the risk that the business activities of the Bank have with unintended or unexpected legal consequences. It includes risk arising from:

1. Inadequate documentation, legal or regulatory incapacity, insufficient authority of a counterparty and uncertainty about the validity or enforceability of a contract in counterparty insolvency;
2. Actual or potential violations of law or regulation (including activity unauthorized for a bank and which may attract a civil or criminal fine or penalty);
3. Failure to protect the Bank's property;
4. The possibility of civil claims (including acts or other events which may lead to litigation or other disputes); and
5. Loss or increased charges associated with changes in, or errors in the interpretation of, taxation rates or law.

Compliance risk arises from a failure or inability to comply with the laws, regulations or codes applicable to the financial services industry. Non-compliance can lead to fines, public reprimands, and enforced suspension of operations or, in extreme cases, withdrawal of authorization to operate.

The Bank identifies and manages legal and compliance risk through effective use of its internal and external legal and compliance advisers.

**(g) Capital Management**

The primary objectives of the Bank's capital management are to diversify its sources of capital, and to maintain an optimal level of capital which is adequate to support business activities and commensurate with the Bank's risk profile, and to meet its regulatory requirements.

	<b>Mar' 2024</b>	<b>Mar' 2023</b>
	<b>MMK'000</b>	<b>MMK'000</b>
Share Capital	31,900,000	31,900,000
Retained Earnings / (Deficits)	(3,255,435)	(1,624,879)
Reserves	90,428	90,428
	<b>28,734,993</b>	<b>30,365,549</b>

According to bank's letter submitted to CBM on dated 5 April 2024, the Bank's capital adequacy ratio as of 31 March 2024 was 27.19 % hence more than 8% of regulatory capital adequacy, and 25.94 % hence more than 4% minimum tier (1)'s capital as prescribed by the Central Bank of Myanmar Notification No. 16/2017.

---



**MINERAL DEVELOPMENT BANK (PCL)**  
**FOR THE YEAR ENDED 31 MARCH 2024**  
**Notes to the Financial Statements**

**6. Cash and Cash Equivalent**

	<b>Mar' 2024 MMK'000</b>	<b>Mar' 2023 MMK'000</b>
Cash In Hand – MMK	1,378,941	1,865,448
Cash In Hand – Foreign Currency	10,295	10,808
Cash at CBM	840,632	1,176,809
Account with Other Banks	51,007,770	17,028,450
Placement with Financial Institution	28,000,000	10,000,000
	<b>81,237,638</b>	<b>30,081,515</b>
<b>Current</b>	<b>81,237,638</b>	<b>30,081,515</b>
<b>Non-current</b>	<b>-</b>	<b>-</b>

**7. Investment Securities**

	<b>Mar' 2024 MMK'000</b>	<b>Mar' 2023 MMK'000</b>
Available-for-Sale – at Cost	-	-
Myanmar Payment Union (MPU Shares)	200,000	200,000
	<b>200,000</b>	<b>200,000</b>
Debt Securities:		
-Treasury Bill	-	-
-Treasury Bond	11,000,000	11,000,000
-Accrued Interest on Treasury Bills& Bond	122,301	31,164
	<b>11,122,301</b>	<b>11,031,164</b>
<b>Total investment securities</b>	<b>11,322,301</b>	<b>11,231,164</b>
<b>Current</b>	<b>122,301</b>	<b>31,164</b>
<b>Non-Current</b>	<b>11,200,000</b>	<b>11,200,000</b>

No impairment loss occurred in 31 March, 2024 and 31 March, 2023 for investment securities.

Unquoted equity investments classified as available-for-sale are carried at cost, less impairment because the fair value cannot be reliably estimated using valuation techniques supported by observable market data determined.

**MINERAL DEVELOPMENT BANK (PCL)**  
**FOR THE YEAR ENDED 31 MARCH 2024**  
**Notes to the Financial Statements**

**8. Loans and Overdraft**

	<b>Mar' 2024</b> <b>MMK'000</b>	<b>Mar' 2023</b> <b>MMK'000</b>
Loans & Advances A/C	26,605,200	18,353,500
Staff Loans A/C	132,430	58,250
Overdraft A/C	10,920,818	6,324,459
Hire Purchase A/C	301,994	27,953
Home Loan A/C	525,709	335,828
SME Loan A/C	1,900,000	1,110,000
VIP Customer Loans A/C (Savings)	-	150,000
Gold Loans A/C	3,000,000	900,000
Project Financing A/C	-	500,000
MFI Loans A/C	3,900,000	-
Gross Loan & Advance	47,286,151	27,759,990
Less: Specific Loan Loss Provision	-	-
<b>Net loans and advances</b>	<b>47,286,151</b>	<b>27,759,990</b>
<b>Current</b>	<b>46,342,096</b>	<b>27,337,959</b>
<b>Non-current</b>	<b>944,055</b>	<b>422,031</b>

(i) Loan and overdraft by types of the business purpose are as follow:

	<b>No. of</b> <b>Loan</b>	<b>Mar' 2024</b> <b>MMK'000</b>	<b>No. Of</b> <b>Loan</b>	<b>Mar' 2023</b> <b>MMK'000</b>
Service	11	7,307,498	9	2,697,407
Trading	27	25,843,337	26	16,057,800
Manufacturing/ Production	5	2,442,646	1	450,000
Transportation	2	370,000	3	750,000
General	62	132,430	57	58,250
Mining	3	9,500,000	4	6,681,595
Construction	3	1,349,962	3	750,000
Hire Purchase	13	301,994	1	27,953
TOD	-	38,284	-	286,985
	<b>126</b>	<b>47,286,151</b>	<b>104</b>	<b>27,759,990</b>



**MINERAL DEVELOPMENT BANK (PCL)**  
**FOR THE YEAR ENDED 31 MARCH 2024**  
**Notes to the Financial Statements**

(ii) Loan and overdraft by types of the insurance purpose are as follow:

	<b>No. of Loan</b>	<b>Mar' 2024 MMK'000</b>	<b>No. Of Loan</b>	<b>Mar' 2023 MMK'000</b>
Immovable Property	42	37,315,318	33	22,555,364
Gold Loan	1	3,000,000	1	900,000
Unsecured Loan	1	110,700	3	1,232,595
Other Security Guarantee & project loan	2	5,900,000	2	2,500,000
Deposit Mortgage	-	-	2	150,000
Staff Loan	62	132,430	57	58,250
Home Loan	5	525,709	5	335,828
Hire Purchase	13	301,994	1	27,953
	<b>126</b>	<b>47,286,151</b>	<b>104</b>	<b>27,759,990</b>

**9. Other Assets**

	<b>Mar' 2024 MMK'000</b>	<b>Mar' 2023 MMK'000</b>
Prepaid Expenses A/C	192,550	29,519
Accrued Interest Account	595,132	86,982
Advanced Expenses Account	812,736	2,039
Miscellaneous	-	1,562
Claim Expenses A/C	14,524	1,864
Prepaid Deposits A/C	40,093	10,593
Inventory	27,465	6,152
Prepaid Income Tax A/C- 2021-2022	36,000	36,000
Prepaid Income Tax A/C -2022-2023	11,500	11,500
	<b>1,730,000</b>	<b>186,211</b>
<b>Current</b>	<b>1,689,907</b>	<b>175,618</b>
<b>Non-Current</b>	<b>40,093</b>	<b>10,593</b>

**MINERAL DEVELOPMENT BANK (PCL)**  
**FOR THE YEAR ENDED 31 MARCH 2024**  
**Notes to the Financial Statements**

**10. Property, Plant and Equipment**

MMK'000	Land & Building	Furniture	Computer	Office Machinery & Equipment	Motor Vehicle	Work In Progress	Leasehold Improvement	Total
<u>Cost</u>								
As At 1 April, 2023	4,157,237	138,552	1,399,952	510,557	198,025	575,182	503,980	7,483,485
Addition-Purchase	7,400	5,400	1,199,647	6,219	2,856	12,600	10,220	1,244,342
Write-off	-	(2,553)	(12,583)	(3,430)	-	-	-	(18,566)
Adjustment	-	-	-	-	-	-	-	-
<b>As At 31 March, 2024</b>	<b>4,164,637</b>	<b>141,399</b>	<b>2,587,016</b>	<b>513,346</b>	<b>200,881</b>	<b>587,782</b>	<b>514,200</b>	<b>8,709,261</b>
As At 1 April, 2023	20,862	29,004	315,379	213,877	131,872	-	49,307	760,301
Charge for the Financial year	5,055	7,097	142,064	51,988	24,222	-	191,206	421,632
Write-off	-	(802)	(10,073)	(2,647)	-	-	-	(13,522)
Adjustment	-	-	-	-	-	-	-	-
<b>As At 31 March, 2024</b>	<b>25,917</b>	<b>35,299</b>	<b>447,370</b>	<b>263,218</b>	<b>156,094</b>	<b>-</b>	<b>240,513</b>	<b>1,168,411</b>
<b>Net book value as at 31 March, 2024</b>	<b>4,138,720</b>	<b>106,100</b>	<b>2,139,647</b>	<b>250,128</b>	<b>44,787</b>	<b>587,782</b>	<b>273,687</b>	<b>7,540,850</b>

In this year, Networks, Servers, Storage Devices cost MMK (1,625.72) million from the total cost of MMK (2,587.01) million of Computer, the depreciation is not recognized because there are not ready to use and it hasn't been go-live yet.



**MINERAL DEVELOPMENT BANK (PCL)**  
**FOR THE YEAR ENDED 31 MARCH 2024**  
**Notes to the Financial Statements**

MMK'000	Land & Building	Furniture	Computer	Office Machinery & Equipment	Motor Vehicle	Work In Progress	Leasehold Improvement	Total
<u>Cost</u>								
As At 1 April, 2022	4,120,627	122,980	572,233	443,334	198,025	71,018	-	5,528,217
Addition-Purchase	27,165	26,117	827,719	67,223	-	504,164	503,980	1,956,368
Adjustment	9,445	(10,545)	-	-	-	-	-	(1,100)
As At 31 March, 2023	4,157,237	138,552	1,399,952	510,557	198,025	575,182	503,980	7,483,485
As At 1 April, 2022	14,517	24,269	194,542	166,620	107,119	-	-	507,067
Charge for the Financial year	4,731	6,505	120,837	47,257	24,753	-	49,307	253,390
Adjustment	1,614	(1,769)	-	-	-	-	-	(156)
As At 31 March, 2023	20,862	29,004	315,379	213,877	131,872	-	49,307	760,301
Net book value as at 31 March, 2023	4,136,375	109,548	1,084,574	296,680	66,153	575,182	454,673	6,723,184

**MINERAL DEVELOPMENT BANK (PCL)****FOR THE YEAR ENDED 31 MARCH 2024****Notes to the Financial Statements****11. Intangible Assets**

	<b>Mar' 2024</b>	<b>Mar' 2023</b>
	<b>MMK'000</b>	<b>MMK'000</b>
<b>Cost</b>		
Opening Balance	2,437,239	197,647
Addition	828,596	2,239,592
<b>Total Cost</b>	<b>3,265,835</b>	<b>2,437,239</b>
<b>(Less) Amortization</b>		
Opening Balance	167,692	139,271
Amortization	23,075	28,421
<b>Total Amortization</b>	<b>190,767</b>	<b>167,692</b>
<b>Net Book Value</b>	<b>3,075,068</b>	<b>2,269,547</b>

In this year, Core Banking System (Oracle Data-Base and Intellect Icbs and Treasury system) MMK (2,926.37) million, SWIFT Professional Fees MMK (54.02) million and MPT-MPU B2B FIBER DPLC Circuit to use card system MMK (3.02) million, Total cost MMK (2,983.41) million from the total cost MMK (3,265.83) million, the amortization is not recognized because there are not ready to use and it hasn't been go-live yet.

**12. Right Of Use Assets**

	<b>Mar' 2024</b>	<b>Mar' 2023</b>
	<b>MMK'000</b>	<b>MMK'000</b>
<b>Cost</b>		
Opening Balance	444,015	165,000
Addition	-	279,015
<b>Total Cost</b>	<b>444,015</b>	<b>444,015</b>
<b>(Less) Amortization</b>		
Opening Balance	157,520	55,000
Amortization	125,763	102,520
<b>Total Amortization</b>	<b>283,283</b>	<b>157,520</b>
<b>Net Amount</b>	<b>160,732</b>	<b>286,495</b>

Right of use assets (Building) account has been paid the advance for Shwebonthar Branch for the period of 1 August'2020 to 31 July'2025 and MDY Branch for the period of 19 Sept'22 to 18 Sept' 25 and owed for JC Branch for 1 April'24 to 31 March'25.



**MINERAL DEVELOPMENT BANK (PCL)**  
**FOR THE YEAR ENDED 31 MARCH 2024**  
**Notes to the Financial Statements**

**Lease liability**

The following tables summaries the movement in the lease liabilities that corresponds to the ROU recognized by the Branch.

	<b>Mar' 2024 MMK'000</b>	<b>Mar' 2023 MMK'000</b>
Opening Balance as at 1 April 2023	41,239	-
Additions	-	33,793
Lease payment	-	-
Interest expense	3,914	7,446
<b>Balance at 31 March 2024</b>	<b>45,153</b>	<b>41,239</b>

The leased asset of the Branch on which ROU asset and lease liability were recognized pertains to the lease of branch office.

**13. Deposits from Bank**

	<b>Mar' 2024 MMK'000</b>	<b>Mar' 2023 MMK'000</b>
Current A/c	12,637	12,637
Fixed Deposit A/c	60,000,000	16,000,000
	<b>60,012,637</b>	<b>16,012,637</b>
<b>Current</b>	<b>60,012,637</b>	<b>12,637</b>
<b>Non-Current</b>	<b>-</b>	<b>16,000,000</b>

**14. Deposits from Customers**

	<b>Mar' 2024 MMK'000</b>	<b>Mar' 2023 MMK'000</b>
Payable to Non-banks		
- Current Deposits	474,970	271,119
- Saving Deposits	8,891,959	10,378,563
- Fixed Deposits	16,336,749	8,117,134
- Call Deposits	10,648,408	3,452,622
- VIP Saving Deposit	32	200,031
	<b>36,352,118</b>	<b>22,419,468</b>
<b>Current</b>	<b>36,343,618</b>	<b>22,408,318</b>
<b>Non-Current</b>	<b>8,500</b>	<b>11,150</b>

**MINERAL DEVELOPMENT BANK (PCL)****FOR THE YEAR ENDED 31 MARCH 2024****Notes to the Financial Statements****15. Borrowing**

	<b>Mar' 2024</b>	<b>Mar' 2023</b>
	<b>MMK'000</b>	<b>MMK'000</b>
Borrowing from CBM	5,000,000	8,000,000
Borrowing From Other Bank	20,000,000	-
	<b>25,000,000</b>	<b>8,000,000</b>
<b>Current</b>	<b>25,000,000</b>	<b>8,000,000</b>
<b>Non-Current</b>	<b>-</b>	<b>-</b>

**16. Other Liabilities**

	<b>Mar' 2024</b>	<b>Mar' 2023</b>
	<b>MMK'000</b>	<b>MMK'000</b>
Payment Order (Government)	2,046	4,681
Sundry Deposit	2,816	3,020
Items due and unpaid	337,391	594,362
Accrued Interest Payable	666,489	49,536
Interest on Suspense	38,284	283,827
Interest on Borrowing	212,326	49,863
Unclaimed Special Fixed Deposit A/c	2,764	-
	<b>1,262,116</b>	<b>985,288</b>
<b>Current</b>	<b>1,262,116</b>	<b>985,288</b>
<b>Non-Current</b>	<b>-</b>	<b>-</b>

**17. Provision for Loan Loss**

	<b>Mar' 2024</b>	<b>Mar' 2023</b>
	<b>MMK'000</b>	<b>MMK'000</b>
Provision for Loan Loss		
Opening balance	713,925	713,925
Additional for the year	231,798	-
<b>Closing balance</b>	<b>945,723</b>	<b>713,925</b>

\* In compliance with Central Bank Instruction (17/2017) dated on 7.7.2017 and Notification Letter No.2621 /KaKa (1)/3/507/2018-2019, dated on 10.5.2019, 2% of total balance of loans and advances have been set aside as provision for bad and doubtful debts.



**MINERAL DEVELOPMENT BANK (PCL)**  
**FOR THE YEAR ENDED 31 MARCH 2024**  
**Notes to the Financial Statements**

**18. Share Capital**

The total amounts of issued and paid-up capital were made in accordance with Section 71 of the Myanmar Companies Law.

	Number of ordinary shares		Amount	
	Mar' 2024	Mar' 2023	Mar' 2024	Mar' 2023
	Share	Share	MMK'000	MMK'000
Opening balance	319,000	319,000	31,900,000	31,900,000
Additional Capital	-	-	-	-
Closing balance	319,000	319,000	31,900,000	31,900,000

The issue share capital amount of MMK (9,300) million of the total of MMK (31,900) million is still being processed at the Directorate of Investment and Company Administration.

**19. Reserve**

The details of reserve are as follows:

	Mar' 2024 MMK'000	Mar' 2023 MMK'000
<b>Statutory Reserve Fund <sup>(1)</sup></b>		
Opening Balance	90,428	90,428
Additional for the year	-	-
Closing balance	90,428	90,428

In compliance with Section 35(a) of the Financial Institutions of Myanmar Law, 25% of the net profit after tax has been set aside as statutory reserve fund and is not distributable as cash dividends.

**MINERAL DEVELOPMENT BANK (PCL)**  
**FOR THE YEAR ENDED 31 MARCH 2024**  
**Notes to the Financial Statements**

**20. Interest Income**

	<b>Mar' 2024</b>	<b>Mar' 2023</b>
	<b>MMK'000</b>	<b>MMK'000</b>
<b>Operations:</b>		
Interest on Loans	2,726,059	2,162,352
Interest on Overdraft & Temporary	692,805	495,648
Income from Hire-Purchase	14,521	7,423
<b>Total Operating Interest Income</b>	<b>3,433,385</b>	<b>2,665,423</b>
<b>Investments:</b>		
Interest from investment	916,137	525,126
<b>Total investment interest income</b>	<b>916,137</b>	<b>525,126</b>
<b>Interest on Deposits:</b>		
Interest on Deposits & Lending	3,260,694	1,489,273
<b>Total Interest on Deposits</b>	<b>3,260,694</b>	<b>1,489,273</b>
<b>Total interest income</b>	<b>7,610,216</b>	<b>4,679,822</b>
Interest on Loan and overdraft	8.50% ~ 14.50% p.a	7.00% ~ 14.50% p.a
Deposit with Other Banks;	6.00% ~ 8.00% p.a	5.00% ~ 8.70% p.a
Bond Rate	8.67% ~ 8.68% p.a	7.50% ~ 8.68% p.a

**21. Interest Expenses**

	<b>Mar' 2024</b>	<b>Mar' 2023</b>
	<b>MMK'000</b>	<b>MMK'000</b>
Interest on Deposit	3,924,739	2,106,362
Interest on Borrowing	1,202,432	203,071
<b>Total</b>	<b>5,127,171</b>	<b>2,309,433</b>

**Note**

	<b>Mar' 2024</b>	<b>Mar' 2023</b>
<b><u>Rate of Deposit are as follows:</u></b>		
Fixed Deposit		
Fixed Deposit (1 month)	7.25%~7.50%	7.25%~7.50%
Fixed Deposit (3 month)	9.00%~9.00%	7.75%~8.00%
Fixed Deposit (5 month)	9.25%~9.50%	9.25%~9.50%
Fixed Deposit (6 month)	8.25%~8.50%	8.25%~8.50%
Fixed Deposit (9 month)	8.75%~9.00%	8.75%~9.00%
Fixed Deposit (12 month)	9.00%~9.25%	9.00%~9.25%
Fixed Deposit (24 month)	9.25%~9.50%	9.25%~9.50%
Saving Deposit	6.00%~8.60%	6.00%~7.50%
Call Deposit	6.00%~8.10%	5.50%~6.00%
Borrowing	4.50%~8.75%	7.00%



**MINERAL DEVELOPMENT BANK (PCL)**  
**FOR THE YEAR ENDED 31 MARCH 2024**  
**Notes to the Financial Statements**

**22. Fee and commission income**

	<b>Mar'2024</b> <b>MMK'000</b>	<b>Mar'2023</b> <b>MMK'000</b>
Commission on Guarantee	7,094	9,651
Service Fees	33,188	3,569
Commission on Remittances	5,989	4,707
Sales Commission on Hire Purchase	2,826	-
Exchange on IR Private Bank	771	2,801
	<b>49,868</b>	<b>20,728</b>

**23. Other Income**

	<b>Mar'2024</b> <b>MMK'000</b>	<b>Mar'2023</b> <b>MMK'000</b>
Late Fees	32,916	6,606
Services Charges for Loan & HP	194,327	76,672
Other Income	204,803	130,992
Foreign Currency Exchange Gain/ (Loss)	(1,579)	2,667
	<b>430,467</b>	<b>216,937</b>

**24. Personnel Expense**

	<b>Mar' 2024</b> <b>MMK'000</b>	<b>Mar' 2023</b> <b>MMK'000</b>
Staff Salaries	1,736,654	1,420,914
Staff Allowance	96,523	510
Social Security Contribution	19,744	18,545
Staff Recreation Expenses	17,600	18,100
	<b>1,870,521</b>	<b>1,458,068</b>

**MINERAL DEVELOPMENT BANK (PCL)**  
**FOR THE YEAR ENDED 31 MARCH 2024**  
**Notes to the Financial Statements**

**25. General and Administrative Expense**

	<b>Mar' 2024</b>	<b>Mar' 2023</b>
	<b>MMK'000</b>	<b>MMK'000</b>
Repair & Maintenance	304,460	161,795
Communication Expenses	93,868	74,173
Stationery & Supplies	28,086	14,272
Miscellaneous Expenses	210,255	70,995
Insurance	13,986	12,740
Rates & Taxes	104,408	71,387
Rent	542,239	391,018
Fees & Expenses	607,019	249,557
Annual Meeting	12,945	26,650
Loss and write off Disposal of Fixed Assets	3,882	-
	<b>1,921,148</b>	<b>1,072,587</b>

**26. Income Tax Expense**

All Taxes are Current Tax:

	<b>Mar' 2024</b>	<b>Mar' 2023</b>
	<b>MMK'000</b>	<b>MMK'000</b>
Current Tax on Ordinary Income for the year	-	-
Over provision for (2020-2021)	-	78,681
Over provision for (2021-2022-Mini Budget)	-	35,445
	<b>-</b>	<b>114,126</b>

Current tax is the expected tax payable on the taxable income for the year, using the tax rates enacted or substantively enacted at the reporting date. Tax assessments for FY 2022-2023 were received on August 22, 2023 with Nil assessments. The Bank's tax return for 2023-2024 has been submitted to IRD on June 17, 2024.



**MINERAL DEVELOPMENT BANK (PCL)**  
**FOR THE YEAR ENDED 31 MARCH 2024**  
**Notes to the Financial Statements**

**27. Related Parties**

Related parties include the Bank's key management personnel and their related parties. Key Management Personnel refers to the Bank's Directors and Members of its Management Executive Committee.

In addition to those disclosed elsewhere in the financial statements, the following significant related party transactions took place during the financial year, on terms agreed between the parties.

	Mar' 2024 MMK'000			Mar' 2023 MMK'000		
	Key Management Personnel	Other Related		Key Management Personnel	Other Related	
		Individual	Entity		Individual	Entity
Loan and Overdraft	-	4,399,946	7,996,597	-	5,901,789	1,998,312
Deposit	5,331,918	1,081,377	-	5,204,172	1,211,333	-
Building Rental	-	-	-	162,000	-	-
Director Fees & Expenses	195,645	-	-	30,459	-	-

- (i) The rental fee for the building owned by the director of the company is MMK (54) million kyat per year from September 19, 2022, to September 18, 2025. No. 438, Road (80), 27/28 Street, Plot No. 595, Housing No. 33-A, 33-B, Chanayetharzan Township, Mandalay is included in Right of Use Assets.
- (ii) The transaction amount of MMK (195.64) million is included in director's fees and expenses, and MMK (148.16) million for director's remuneration is included in the Accrued Liabilities (Items Due & Unpaid Account) balance.

**28. Fair Value of Financial Instruments**

Financial instruments comprise financial assets and financial liabilities. Fair value is the amount at which a financial asset could be exchanged or a financial liability settled, between knowledgeable and willing parties in an arm's length transaction.

Fair value information for non-financial assets and liabilities are excluded as they do not fall within the scope of MFRS 7 which requires the fair value information to be disclosed. These include property and equipment. The total fair value by each financial instrument is not materially different from the total carrying amount.

**MINERAL DEVELOPMENT BANK (PCL)**  
**FOR THE YEAR ENDED 31 MARCH 2024**  
**Notes to the Financial Statements**

---

**29. Guarantees and Commitments**

**Letter of Credit & Guarantees**

	<b>Mar' 2024</b>	<b>Mar' 2023</b>
	<b>MMK'000</b>	<b>MMK'000</b>
Performance Guarantee	143,269	323,904
	<b>143,269</b>	<b>323,904</b>

Guarantees are contracts that contingently require the Bank to make payments to a guaranteed party based on an event or change in an underlying asset and liability. Guarantees are taken into account in the general ledger on contra, which are not yet expired at the balance sheet date.

---

**30. Rounding of amounts**

Amounts in this report have been rounded off to the nearest thousand in MMK.

---