

**INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED
(YANGON BRANCH)**

(REGISTERED IN THE REPUBLIC OF THE UNION OF MYANMAR)

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2017

***Khin Su Htay & Associates Limited
Certified Public Accountants***

**INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED
(YANGON BRANCH)
(REGISTERED IN THE REPUBLIC OF THE UNION OF MYANMAR)**

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

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STATEMENT BY THE BRANCH MANAGEMENT
OF
INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED
(YANGON BRANCH)

(REGISTERED IN THE REPUBLIC OF THE UNION OF MYANMAR)

FOR THE YEAR ENDED 31 MARCH 2017

I, being the General Manager of **INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED (YANGON BRANCH)**, do hereby state that, in my opinion: -

- (1) the accompanying financial statements are drawn up in accordance with the Myanmar Financial Reporting Standards (MFRS) and the provisions of Myanmar Companies Act ("the Act") so as to give a true and fair view of the state of affairs of Industrial and Commercial Bank of China Limited, Yangon Branch for the year ended 31 March 2017 and of the results and cash flows of the Yangon Branch for the year ended 31 March 2017; and
- (2) at the date of this statement there are reasonable grounds to believe that Industrial and Commercial Bank of China Limited, Yangon Branch will be able to pay its debts as and when they fall due.
- (3) the statement of financial position and the statement of comprehensive income were signed by me as authentication.





On behalf of
The Industrial and Commercial Bank of China Limited (Yangon Branch)

Date: 27.6.17

AUDITORS' REPORT TO THE MEMBERS
OF
INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED
(YANGON BRANCH)
(REGISTERED IN THE REPUBLIC OF THE UNION OF MYANMAR)
FOR THE YEAR ENDED 31 MARCH 2017

We have audited the financial statements of **INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED (YANGON BRANCH)** which comprise the financial position of the Yangon Branch as at 31 March 2017, the statement of comprehensive income and statement of cash flows of the Yangon Branch for the year ended 31 March 2017, and a summary of significant accounting policies and other explanatory notes, as set out on pages 7 to 18.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the provisions of Myanmar Companies Act ("the Act") and Myanmar Financial Reporting Standards ("MFRS"), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Myanmar Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion:

the financial statements of Industrial and Commercial Bank of China Limited, Yangon Branch are properly drawn up in accordance with the Myanmar Financial Reporting (MFRS) and the provisions of Myanmar Companies Act ("the Act") so as to give a true and fair view of the state of affairs of Industrial and Commercial Bank of China Limited, Yangon Branch as at 31 March 2017 and results and cash flows of Industrial and Commercial Bank of China Limited, Yangon Branch for the year ended 31 March 2017.

Report on Myanmar Companies Act requirements

Further to our above opinion we report as follows:

- (a) The books of account have been kept by the Yangon Branch in accordance with the provisions of Section 130 of the Act.
- (b) In accordance with the provisions of Section 145 (1) and (2) of the Act:
 - we have obtained all the information and explanations we have required;
 - the financial statements are drawn up in conformity with the provisions of the Act.
- (c) The Statement of Financial Position and the Statement of Comprehensive Income were signed by the Country Manager as authentication.

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



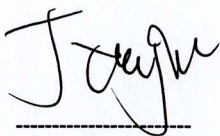
KHIN SU HTAY & ASSOCIATES LIMITED

Yangon,

Date: **27 JUN 2017**

INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED
(YANGON BRANCH)
(REGISTERED IN THE REPUBLIC OF THE UNION OF MYANMAR)
STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2017

	Notes	31-Mar-17		31-Mar-16	
		USD	MMK	USD	MMK
ASSETS					
Cash on hand		8,549,892	11,644,953,217	5,440,276	6,615,375,671
Current accounts with Central Bank of Myanmar	5	52,488,012	71,488,671,782	43,384,867	52,755,997,950
Demand deposits with banks	6	62,777,956	85,503,575,740	111,383,046	135,441,784,111
Time deposits with banks	7	565,795,945	770,614,077,731	69,700,000	84,755,200,000
Loan to other banks and other clients	8	143,724,214	195,752,380,000	5,000,000	6,080,000,000
Less : Allowance for impairment losses	9	(1,674,484)	(2,280,647,600)	(750,000)	(912,000,000)
Fixed Assets	10	398,132	542,255,525	563,865	685,660,193
Other current assets	11	4,785,386	6,517,696,173	937,236	1,139,678,636
TOTAL ASSETS		836,845,053	1,139,782,962,568	235,659,290	286,561,696,561
HEAD OFFICE AND LIABILITIES					
Head Office					
Head office fixed capital		75,000,000	81,150,000,000	75,000,000	81,150,000,000
Cumulative foreign exchange translation adjustment		50,521	20,993,493,871	-	9,969,168,822
Cash Flow Hedging		(121,479)	(165,454,053)	-	-
Statutory Reserve	21	787,131	998,082,161	-	-
General Reserve for Loan Loss		1,060,191	1,443,979,706	-	-
Head office current account		(688,157)	(787,963,118)	(1,989,359)	(2,338,229,894)
Total Head Office Account		76,088,207	103,632,138,568	73,010,641	88,780,938,928
Current Liabilities					
Demand deposits	12	353,077,738	480,891,878,638	47,000,904	57,153,099,218
Time deposits	13	25,050,000	34,118,100,000	15,100,000	18,361,600,000
Short-term Inter-bank borrowing	14	344,515,921	469,230,684,924	100,000,000	121,600,000,000
Long-term borrowing from banks	15	30,000,000	40,860,000,000	-	-
Other liabilities	16	8,113,187	11,050,160,438	547,745	666,058,415
Total Liabilities		760,756,846	1,036,150,824,001	162,648,649	197,780,757,633
Total Head Office Account and Liabilities					
		836,845,053	1,139,782,962,568	235,659,290	286,561,696,561



Date: 27.6.17

INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED

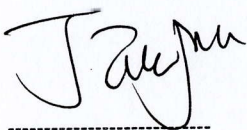
(YANGON BRANCH)

(REGISTERED IN THE REPUBLIC OF THE UNION OF MYANMAR)

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2017

	<i>Notes</i>	31-Mar-17		31-Mar-16	
		USD	MMK	USD	MMK
Income and expense from operations					
Interest income	17	9,557,079	12,118,376,248	623,213.00	712,333,024
Interest expenses	18	(3,764,808)	(4,773,776,576)	(125,025.00)	(142,903,604)
Net Interest Income		5,792,271	7,344,599,672	498,188	569,429,420
Non-Interest Income					
Service Income		456,687	579,078,951	60,993.00	69,715,090
Other fees and commission		1,204,864	1,527,766,943	861.00	984,134
Gain/(Losses) on Assets		761,503	965,585,563	-	-
Foreign Exchange Income		2,557	3,242,086	-	-
Total Non- Interest Income		2,425,610	3,075,673,543	61,854	70,699,224
Provision for Impairment Losses		(924,484)	(1,172,246,067)	(750,000.00)	(912,000,000)
Total Provision for Impairment Losses		(924,484)	(1,172,246,067)	(750,000)	(912,000,000)
Less: Other operating expenses					
Salaries and employee benefits	19	(2,466,058)	(3,126,961,278)	(854,038.00)	(976,165,240)
Depreciation		(183,268)	(232,384,242)	(132,033.00)	(160,552,663)
Rent Expenses		(447,692)	(567,672,885)	(300,408.00)	(343,366,858)
General and administrative expense	20	(571,517)	(724,683,604)	(624,748.00)	(714,091,306)
Total other operating expenses		(3,668,535)	(4,651,702,010)	(1,911,227)	(2,194,176,067)
Net foreign exchange gain				111,826.00	127,817,529
Profit / (Loss) from Operations		3,624,862	4,596,325,139	(1,989,359)	(2,338,229,894)
Current income tax expense		(476,338)	(603,996,495)	-	-
Other comprehensive income		-	-	-	-
Total comprehensive Income/(loss) for the year		3,148,524	3,992,328,644	(1,989,359)	(2,338,229,894.00)
STATEMENT OF RETAINED EARNINGS					
Balance as per 01 April 2016		(1,989,359)	(2,338,229,894)	-	-
Profit/(Loss) for the year		3,148,524	3,992,328,644	(1,989,359.00)	(2,338,229,894.00)
Statutory Reserve		(787,131)	(998,082,161)	-	-
General Reserve for Loan Loss		(1,060,191)	(1,443,979,706)	-	-
Balance as per 31 March 2017		(688,157)	(787,963,118)	(1,989,359.00)	(2,338,229,894.00)



Date: 27.6.17

The annexed accounting policies and explanatory notes form an integral part of the financial statements

INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED
(YANGON BRANCH)
(REGISTERED IN THE REPUBLIC OF THE UNION OF MYANMAR)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2017

	Notes	31-Mar-17		31-Mar-16	
		USD	MMK	USD	MMK
Cash flows from operating activities					
Net Profit/(loss) before Taxation and Extraordinary Item		3,148,524	3,992,328,644	(1,989,359)	(2,338,229,894)
Adjustments for:					
Depreciations		183,268	232,384,242	132,033	160,552,663
Movements in provisions		924,484	1,368,647,600	750,000	912,000,000
Operating cash flow before working capital changes		4,256,276	5,593,360,486	(1,107,326)	(1,265,677,231)
Working Capital Adjustment:					
(Increase)/Decrease in current accounts with Central Bank of Myanmar			(5,840,000,000)	(40,000,000)	(48,640,000,000)
(Increase)/ Decrease in inter-branch time deposits		(496,095,945)	(685,858,877,731)	(69,700,000)	(84,755,200,000)
(Increase)/ Decrease in loans to other banks		(138,724,214)	(189,672,380,000)	(5,000,000)	(6,080,000,000)
(Increase)/ Decrease in other current assets		(3,848,150)	(5,378,017,537)	(937,236)	(1,139,678,636)
Increase /(Decrease) in demand deposits		306,076,834	423,738,779,420	47,000,904	57,153,099,218
Increase /(Decrease) in time deposits		9,950,000	15,756,500,000	15,100,000	18,361,600,000
Increase /(Decrease) in short-term inter-bank borrowing		244,515,922	347,630,684,924	100,000,000	121,600,000,000
Increase /(Decrease) in long-term inter-bank borrowing		30,000,000	40,860,000,000		666,058,415
Increase /(Decrease) in other liabilities		7,565,441	10,384,102,023	547,745	
Net cash from operating activities		(36,303,836)	(42,785,848,414)	45,904,087	55,900,201,766
Cash flows from investing activities					
Purchase of property, plant and equipment	9	(17,535)	(23,822,466)	(695,898)	(846,212,856)
Effect on exchange rate difference			(65,157,108)		
Net cash provided (used) in investing activities		(17,535)	(88,979,574)	(695,898)	(846,212,856)
Cash flows from financing activities					
Capital received from Head Office		-	-	75,000,000	81,150,000,000
Net cash provided (used) in financing activities		-	-	75,000,000	81,150,000,000
Net Increase/(Decrease) in cash and cash equivalents		(36,321,371)	(42,874,827,988)	120,208,189	136,203,988,910
Net foreign exchange difference		(70,958)	10,858,870,995	-	9,969,168,822
Cash and cash equivalents at the beginning of the year		120,208,189	146,173,157,732	-	-
Cash and cash equivalents at the end of the year	4	83,815,860	114,157,200,739	120,208,189	146,173,157,732

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

These notes form an integral part of the accompanying financial statements.

These financial statements were authorised for issued by the Management.

1. General Information

INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED(Yangon Branch) is domiciled and registered in the Republic of the Union of Myanmar with its registered office at No.459, Pyay Road, KamayutTownship, Yangon, Myanmar. The Yangon Branch was registered in the Republic of the Union of Myanmarunder Permit No. 1211FCof 2014-2015 dated 10 March 2015and Registration Certificate No.1054 FC of 2014-2015 dated 10 March 2015.Industrial and Commercial Bank of ChinaLimited's incorporation in China is the Head Office of the Yangon Branch with its registered office at No.55, Fuxingmennel Avenue, Xicheng District, Beijing, People's Republic of China.

The Bank obtained foreign banking license from Central Bank of Myanmar to carry out banking services in the Republic of the Union of Myanmar on 26 May 2015 for operations commencement from the 2nd day of June 2015.

The principal activities of the Yangon Branch are to provide wholesale banking services only to foreign corporate, financial institutions, both local and foreign, and local corporate in partnership with local financial institutionsin Republic of the Union of Myanmar.

2. Basis of Preparation

(a) Statement of Compliance

The financial statements have been prepared in compliance with the applicable standards of Myanmar Financial Reporting Standards (MFRS) and the provisions of Myanmar Companies Act.

(b) Basis of Measurement

The financial statements have been prepared on the historical cost basis.

(c) Use of estimates and judgements

The preparation of financial statements in conformity with MFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

There are no accounting estimates and judgement made by the management that has a significant effect on the financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

(d) Going Concern

The management of the Bank has made an assessment of its ability to continue as a going concern. Management is not aware of any material uncertainties related to event or conditions which may cast significant doubt upon the Bank's ability to continue as a going concern, so that the financial statements are prepared on a going concern basis.

3. Significant Accounting Policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

3.1 Foreign Currency Translation

The financial statements are presented in Myanmar Kyats which is the reporting currency of the Yangon Branch statutory accounts. Management of the Yangon Branch determined USD is the functional currency of the Branch.

The assets and liabilities denominated in USD at the date of balance sheet has been translated into Kyats at the exchange rate as published by the Central Bank of Myanmar as of 31 March 2017. (i.e. US\$ 1 = Ks 1,362)

The income and expense in the Statement of Comprehensive has been translated into Kyats at the average exchange rate published by the Central Bank of Myanmar.(US\$ 1=Ks 1,268)

The amount of exchange differences is presented in a separate component of head office account.

3.2 Financial Assets and Liabilities

Financial Assets are classified as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investment and available-for-sale financial assets. The classification depends on the purpose for which the assets were acquired. Branch management determines the classification of its financial assets at initial recognition.

Financial assets at fair value through profit or loss, held-to-maturity and available-for-sale are recognized on trade-date, the date on which the Branch commits to purchase or sell the asset. Loans and receivables are recognized when cash is advanced to the borrower.

Financial assets are derecognized when the rights to receive cash flows from the financial assets have been transferred and the Branch has transferred substantially all risks and rewards of ownership.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

Financial assets are initially recognized at fair value plus transactions costs except for financial assets at fair value through profit or loss, which are recognized at fair value.

Financial Liabilities are classified as financial liabilities at amortized cost and financial liabilities at fair value through profit or loss. Financial liabilities are recognized when an obligation arises and derecognized when it is discharged.

Financial assets and liabilities are offset and the net amount reported in the statement of assets and liabilities when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle liability simultaneously.

3.3 Loans

Loans are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans are measured at amortized cost using the effective interest method less allowance for impairment losses. Amortized cost is calculated by taking into account any discount or premium on the acquisition and cost that are an integral part of the effective interest rate. The amortization is recognized in the statement of comprehensive income.

3.4 Cash and Cash Equivalents

Cash and cash equivalents comprise of cash in hand and cash at banks and other highly liquid financial assets which are held for the purpose of meeting short-term cash commitments with original maturities of less than three months which are subject to insignificant risk of changes in their fair value.

3.5 Property, Plant and Equipment

Property, plant and equipment is stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items. Dismantlement, removal or restoration costs are included as part of the cost of property and equipment if the obligation for dismantlement, removal or restoration is incurred as consequences of acquiring or using the asset.

Depreciation is calculated using the straight line method to allocate the depreciable amounts over their estimated useful lives as follows:

Electronic equipment	5 years
Office furniture	5 years
Leasehold improvements	3 years

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

3.6 Operating Lease Payments

Payments made under operating leases (net of any incentives received from the lessor) are taken to the income statement on a straight-line basis over the period of the lease.

3.7 Deposits

Deposits are deposits of customers with the Bank and it includes demand deposits and time deposits. Deposits are initially measured at fair value and such deposits are subsequently measured at amortized cost using the effective interest rate method.

3.8 Provisions and Other Liabilities

Provisions are recognized when the Bank has a present legal or constructive obligation as a result of past events that it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. Provisions are not recognized for the future operating losses.

3.9 Interest Income and Expenses

Interest income and expense are recognized on a time-proportionate basis using the effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, the Bank estimates cash flows considering all contractual terms of the financial instrument but does not consider future credit losses.

3.10 Fees and Commission Income

Fee income relating to loans and guarantees is recognized over the period during which the related service is provided or credit risk is undertaken. Fee and commission income from providing transaction-type services is recognized when the services has been performed.

3.11 Taxation

Tax expense is determined on the accounting profit for the year.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

3.12 Related Party

A related party is a person or entity that is related to the entity that is preparing its financial statements.

(a) A person or a close member of that person's family is related to a Branch if that person:

- (i) Is a member of the key management personnel of the Branch or of a parent of the Branch
- (ii) Has control over the Branch; or
- (iii) Has joint control or significant influence over the Branch or has significant voting power in it.

(b) An entity is related to a Branch if any of the following conditions applies:

- (i) The entity and the Branch are members of the same group.
- (ii) One entity is an associate or joint venture of the other entity.
- (iii) Both entities are joint ventures of a third entity.
- (iv) One entity is a joint venture of a third party and the other entity is an associate of the third entity.
- (v) The entity is a post-employment benefit plan for the benefit of employee of either the Branch or an entity related to the Branch. If the reporting entity is itself such a plan, the sponsoring employers are also related to the plan.
- (vi) The entity is controlled or jointly control by a person identified in (a).
- (vii) A person identified in (a) (i) has significant voting power in the entity.
- (viii) A person identified in (a) (ii) has significant influence over the entity or significant voting power in it.
- (ix) A person or a close member of that person's family has both significant influence over the entity or significant voting power in it and joint control over the Branch.
- (x) A member of the key management personnel of the entity or of a parent of the entity, or a close member of that member's family, has control or joint control over the Branch or has significant voting power in it.

INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED (YANGON BRANCH)
(REGISTERED IN THE REPUBLIC OF THE UNION OF MYANMAR)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

4 Cash and Cash Equivalents

Details are as follows:

	31-Mar-17		31-Mar-16	
	USD	MMK	USD	MMK
Cash on hand	8,549,892	11,644,953,217	5,440,276	6,615,375,671
Current account with CBM (Note 5)	12,488,012	17,008,671,782	3,384,867	4,115,997,950
Demand deposits with banks (Note 5)	62,777,956	85,503,575,740	111,383,046	135,441,784,111
Total	83,815,860	114,157,200,739	120,208,189	146,173,157,732

5 Current Accounts with Central Bank of Myanmar

Details are as follows:

	31-Mar-17		31-Mar-16	
	USD	MMK	USD	MMK
Deposits with Central Bank of Myanmar	40,000,000	54,480,000,000	40,000,000	48,640,000,000
Current accounts with Central Bank of Myanmar	12,488,012	17,008,671,782	3,384,867	4,115,997,950
Total current accounts with CBM	52,488,012	71,488,671,782	43,384,867	52,755,997,950

6 Demand Deposit with Banks

Details are as follows:

	31-Mar-17		31-Mar-16	
	USD	MMK	USD	MMK
Third parties (Myanmar Kyat)				
KBZ Bank	367,195	500,119,100	102,072	124,119,100
Sub-total third parties (Myanmar Kyat)	367,195	500,119,100	102,072	124,119,100
Third parties (Foreign Currencies)				
UOB Bank	9,885,887	13,464,577,931	2,279,770	2,772,200,016
KBZ Bank	3,958,077	5,390,900,370	40,000,000	48,640,000,000
ReservesDueFromCentral Bank - Singapore	221	301,279	-	-
ReservesDueFromCentralBank-China	515	701,005	-	-
Sub-total third parties (Foreign Currencies)	13,844,699	18,856,480,585	42,279,770	51,412,200,016
Related parties (Foreign currencies)				
ICBC Singapore Branch	8,051,263	10,965,820,720	66,338,321	80,667,398,742
ICBC Frankfurt Branch	1,721	2,344,660	7,288	8,862,478
ICBC New York Branch	36,460,780	49,659,581,883	2,536,678	3,084,600,609
ICBC Head Office	4,052,297	5,519,228,792	118,917	144,603,169
Sub-total related parties (Foreign Currencies)	48,566,062	66,146,976,055	69,001,205	83,905,464,998
Total	62,777,956	85,503,575,740	111,383,046	135,441,784,114

INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED (YANGON BRANCH)
(REGISTERED IN THE REPUBLIC OF THE UNION OF MYANMAR)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

7 Time Deposits with Banks

Details are as follows:

Related parties (Foreign currencies)	31-Mar-17		31-Mar-16	
	USD	MMK	USD	MMK
ICBC, HO	106,343,954	144,840,465,906	-	-
ICBC, Guang Dong Branch	16,991,937	23,143,018,531	-	-
ICBC, Henan Branch	33,770,000	45,994,740,000	-	-
ICBC, Xia Men Branch	123,686,765	168,461,374,169	-	-
ICBC, Phnom Penh Branch	72,000,000	98,064,000,000	36,900,000	44,870,400,000
ICBC, Fujian Branch	58,003,289	79,000,479,125	-	-
ICBC, Guang Xi	15,000,000	20,430,000,000	-	-
ICBC, Milan	25,000,000	34,050,000,000	32,800,000	39,884,800,000
ICBC, New York	60,000,000	81,720,000,000	-	-
Sub-total related parties (Foreign Currencies)	510,795,945	695,704,077,731	69,700,000	84,755,200,000
Third parties (Foreign currencies)				
KBZ Bank	55,000,000	74,910,000,000	-	-
Sub-total third parties (Foreign currencies)	55,000,000	74,910,000,000	-	-
Total	565,795,945	770,614,077,731	69,700,000	84,755,200,000

8 Loans to Banks and Other Clients

Details are as follows:

	31-Mar-17		31-Mar-16	
	USD	MMK	USD	MMK
Loans to other banks	98,234,214	133,795,000,000	5,000,000	6,080,000,000
Commercial Real Estate or Construction	29,990,000	40,846,380,000	-	-
Other Commercial Loans	15,500,000	21,111,000,000	-	-
Total	143,724,214	195,752,380,000	5,000,000	6,080,000,000

9 Allowance for Impairment Losses

Details are as follows:

	31-Mar-17		31-Mar-16	
	USD	MMK	USD	MMK
Beginning Balance	750,000	912,000,000	-	-
Provision during the year	924,484	1,259,147,600	750,000	912,000,000
Exchange Rate Adjustment	-	109,500,000	-	-
Ending Balance	1,674,484	2,280,647,600	750,000	912,000,000

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10 Fixed Assets

	Electronic Equipment	Office Furniture	Leasehold Improvement	Total
MMK				
Cost				
At 01 April 2016	383,346,432	80,629,884	382,236,540	846,212,856
Additions	23,822,466	-	-	23,822,466
Exchange rate Adjustment	46,086,792	9,680,890	45,893,532	101,661,214
As at 31 March 2017	453,255,690	90,310,774	428,130,072	971,696,536
Accumulated Depreciation				
At 01 April 2016	54,613,539	10,029,860	95,909,264	160,552,663
Depreciation	82,719,831	16,923,007	132,741,404	232,384,242
Exchange rate adjustment	12,689,445	2,458,788	21,355,873	36,504,106
As at 31 March 2017	150,022,815	29,411,655	250,006,541	429,441,011
Net Carrying Amount	303,232,875	60,899,119	178,123,531	542,255,525

	Electronic Equipment	Office Furniture	Leasehold Improvement	Total
USD				
Cost				
At 01 April 2016	315,252	66,307	314,339	695,898
Additions	17,535	-	-	17,535
As at 31 March 2017	332,787	66,307	314,339	713,433
Accumulated Depreciation				
At 01 April 2016	44,912	8,248	78,873	132,033
Depreciation	65,237	13,346	104,685	183,268
As at 31 March 2017	110,149	21,594	183,558	315,301
Net Carrying Amount	222,638	44,713	130,781	398,132

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11 Other Current Assets

Details are as follows:

	31-Mar-17		31-Mar-16	
	USD	MMK	USD	MMK
Prepaid rent	311,466	424,217,299	344,091	418,415,158
Accrued interest receivable	3,195,255	4,351,937,448	411,500	500,383,903
Refundable deposits	110,955	151,120,710	110,955	134,921,280
Others	478,884	652,240,385	70,689	85,958,296
Current Tax Assets	688,826	938,180,331	-	-
Total	4,785,386	6,517,696,173	937,236	1,139,678,636

12 Demand Deposits

Details are as follows:

	31-Mar-17		31-Mar-16	
	USD	MMK	USD	MMK
Demand deposits of banks	126,735,982	172,614,407,712		
Demand deposits of others (Foreign currencies)	209,226,080	284,965,921,570	43,689,413	53,126,325,667
Demand deposits of others (MMK)	17,115,675	23,311,549,356	3,311,491	4,026,773,551
Total	353,077,738	480,891,878,638	47,000,904	57,153,099,218

13 Time Deposit

Details are as follows:

	31-Mar-17		31-Mar-16	
	USD	MMK	USD	MMK
Time deposits due to banks	50,000	68,100,000	1,100,000	1,337,600,000
Time deposits due to related party	25,000,000	34,050,000,000	14,000,000	17,024,000,000
Total	25,050,000	34,118,100,000	15,100,000	18,361,600,000

14 Short-term Inter Bank Borrowing

Details are as follows:

	31-Mar-17		31-Mar-16	
	USD	MMK	USD	MMK
ICBC, Hongkong Branch			100,000,000	121,600,000,000
ICBC Singapore Branch	60,000,000	81,720,000,000	-	-
ICBC, Shang Hai Branch	130,000,000	177,060,000,000	-	-
ICBC, Fujian Branch	54,126,115	73,719,768,997	-	-
ICBC, Xia Men Branch	100,389,806	136,730,915,927	-	-
Total	344,515,921	469,230,684,924	100,000,000	121,600,000,000

15 Long-term Borrowing from Bank

Details are as follows

	31-Mar-17		31-Mar-16	
	USD	MMK	USD	MMK
ICBC London Branch	30,000,000	40,860,000,000	-	-
Total	30,000,000	40,860,000,000	-	-

16 Other Current Liabilities

Details are as follows:

	31-Mar-17		31-Mar-16	
	USD	MMK	USD	MMK
Interest Payable	1,588,207	2,163,138,061		-
Other Financial Payable	75,788	103,222,575	456,186	554,722,176
Accrued Expenses	243,432	331,554,167	89,059	108,296,239
Others	5,762,297	7,848,249,140	2,500	3,040,000
Corporate Income Tax Provision	443,463	603,996,495	-	-
Total	8,113,187	11,050,160,438	547,745	666,058,415

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17 Interest Income

Details are as follows:

	31-Mar-17		31-Mar-16	
	USD	MMK	USD	MMK
Deposits with banks	7,218,311	9,152,818,903	3,013	3,443,387
Loans to financial institution	1,297,571	1,645,319,774	620,201	708,889,637
Myanmar Government Obligations	40,198	50,970,747	-	-
Demand Loan	1,000,999	1,269,266,824	-	-
Total	9,557,079	12,118,376,248	623,213	712,333,024

18 Interest Expense

Details are as follows:

	31-Mar-17		31-Mar-16	
	USD	MMK	USD	MMK
Deposits by Banks	170,412	216,082,911	125,025	142,903,604
Fixed Deposits	22,541	28,582,178		
Borrowing from other sources	3,571,854	4,529,111,487		
Total	3,764,808	4,773,776,576	125,025	142,903,604

19 Salaries and Employee Benefit

Details are as follows:

	31-Mar-17		31-Mar-16	
	USD	MMK	USD	MMK
Staff Salaries	1,960,041	2,485,331,367	515,293	588,980,162
Insurance	4,364	5,533,907	18,060	20,642,134
Other employee benefits	501,653	636,096,004	320,685	366,542,944
Total	2,466,058	3,126,961,278	854,038	976,165,240

20 General and Administrative Expenses

Details are as follows:

	31-Mar-17		31-Mar-16	
	USD	MMK	USD	MMK
Lease expense	38,040	48,235,253	160,040	182,925,720
Office supplies	40,177	50,944,778	77,602	88,699,577
Advertising expense	2,628	3,332,050	76,398	87,322,491
Travel expense	81,705	103,601,344	73,683	84,219,669
Professional fees	70,289	89,126,439	58,873	67,291,679
Telecommunication	87,945	111,513,905	53,902	61,610,180
Entertainment	-	-	30,910	35,330,004
Taxes	5,311	6,733,841	17,320	19,796,337
Other non-interest expenses	245,423	311,195,994	76,024	86,895,649
Total	571,517	724,683,604	624,752	714,091,306

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21. Statutory Reserve

The Bank creates statutory reserve fund according to the Section-35 (a) of Myanmar Financial Institution Law which requires the Bank to set aside 25% of its annual profit to this reserve until it is equivalent to 100% of deposited Fixed Capital.

22. Financial Risk Management

The Bank has exposure to the following risks from its use of financial instruments:

- credit risk
- liquidity risk
- market risk

This note presents information about the Bank's exposure to each of the above risks and the Company's objectives, policies and processes for measuring and managing risk.

Risk management framework

Risk management is integral to the whole business of the Bank. The Bank has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risk. Management continually monitors the Bank's risk management process to ensure an appropriate balance between risk and control is achieved.

Credit risk

Credit risk is the financial loss to the Bank if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Bank's receivables from related corporations. The Bank monitors these balances on an on going basis.

At the reporting date, there were no significant concentrations of credit risk. The Bank places its cash and cash equivalents with financial institutions which are regulated. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position.

Liquidity risk

Liquidity risk is the risk that the Bank will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Bank monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the bank's operations and to mitigate the effects of fluctuations in cash flow. The Bank's Head Office has undertaken to provide financial and other support, as necessary, to enable the Company to continue its operations as a going concern and to meet its liabilities as and when they fall due.

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Majority of the Bank's financial assets and liabilities are expected to be realized, or settled in the near term.

Market risk

Market risk consists of two types currency risk and interest rate risk.

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument because of changes in foreign exchange rates. The Bank's management has monitored its exchange rate fluctuations is minimal

Interest rate risk

The Bank has insignificant financial assets or liabilities that are exposed to interest rate risks.