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We are unified by the desire to deliver the highest level of dedicated and personalized service.



### OVERVIEW

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### **ABOUT US**

### Who We Are

Since inception in 2013, AMI has been a leading insurer in Myanmar for both Life and General Insurance. AMI is committed to helping individuals and families in Myanmar to live in healthier and happier lives. We aim to deliver high quality service and innovative products through internal and external distribution channels to assist both individual and corporate customers to protect their lives and assets from the uncertainties of tomorrow.

We also engage in talented workforce with both domestic and international exposure, and maintain human capital development as our utmost priority in order to ensure long term sustainable growth of the company and the industry for the benefit of all stakeholders. As your Partner for Life, AMI aims to ensure the country's key lifelines by providing professional and reliable service, footed on a rock-solid financial background. Through our experience, we understand the needs of our clients and aim to play an integral role in assuring their futures. We are beyond an insurance company; we form a part of shaping Myanmar's future.

### What We Do

AMI provides a wide range of services nationwide through our business channels - Head Office in Yangon, Regional Offices in Mandalay and Nay Pyi Taw and at more than 50 AYA Bank Branches across Myanmar.

AMI aim to conduct our businesses based on 3 main pillars; innovation, capacity building and creating insurance awareness across Myanmar. We cater to all age groups and businesses, providing protection against uncertainties. We provide utmost **convenience** to customers by ensuring easy and simple underwriting processes. Premium payment can be made nationwide across all **AYA Bank branches** or through **mobile or internet banking anytime, anywhere**. For the convenience of our motor insurance customers, we provide our customers with a **wide range of workshops** at **different regions** in Myanmar. Our Customer Service Team is available 24 hours to assist with your needs, providing you with customer support 24/7.

### CHAIRMAN'S STATEMENT

Mingalarbar from AYA Myanmar Insurance, Your Partner for Life.

Since our inception in June 2013, AYA Myanmar Insurance has shown commitment to help make uncertainties better coped for both individuals and corporates alike. We aim to play a leadership role in driving social and economic development in Myanmar.

We believe that putting our values into practice creates long term benefits for customers, employees, shareholders and communities that we serve. As an emerging country with huge potential liberalization of the insurance industry, I believe that AMI will grow from strength to strength, and we will be able to better serve our customers through innovative products and channels.

At AMI, we are guided by our corporate values; Reliable, Innovative, Customer Centric and Ethical. We also believe that employees are our greatest asset and aim to develop our young workforce into future leaders in the industry.

In conclusion, I would like to convey my appreciation to our customers for their continuous trust and support, and also my sincere gratitude to the Board of Directors, Management, Employees, Strategic Partners and Shareholders who share AMI's vision to be recognized as your PARTNER FOR LIFE. Together, I hope we can achieve many more milestones in our exciting years ahead.



**66** We believe that putting our values into practice creates long term benefits for customers, employees, shareholders and communities that we serve.

Best Wishes.

Zaw Zaw Chairman

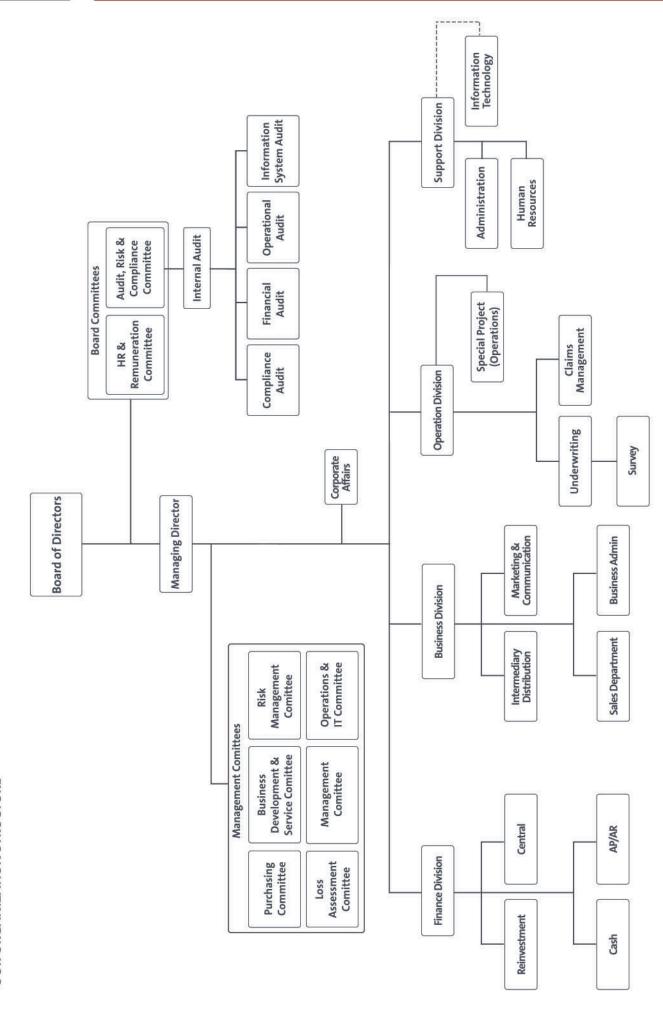


# **Brand Promise - Partner for Life**

AMI is the insurer of choice for individual and corporate customers who are looking for efficient, reliable and personalized service of utmost convenience. We aim to deliver high quality service and innovative products through internal and external distribution channels to assist both individual and corporate customers to protect their assets from the uncertainties of tomorrow. We also engage in talented workforce with both domestic and international exposure, and maintain human capital development as our utmost priority in order to ensure long term sustainable growth of the company and the industry for the benefit of all stakeholders.

As your Partner for Life, AMI aims to ensure the country's key lifelines by providing professional and reliable service, footed on a rock-solid financial background. AMI offers a diversified range of Life and General Insurance products approved by the industry regulator. Through our experience, we understand the needs of our clients and aim to play an integral role in assuring their futures.

We are beyond an insurance company - we are your Partner for Life.



### **OUR COMPANY PROFILE**

### Insurance Industry in Myanmar

Myanmar, the country was loaded with 51.5M of diverse market among local and foreign firms has been positive, with according to figures from the International Monetary Fund corresponding take-off in the insurance sector as well. (IMF). This has moderated in recent years, with GDP growth of growth rose to 7.2% in 2017 and will reach 7.6% in 2018 accordingly.

Since major economic reforms took place in early 2012, region, with all manner of products and lines of business developments of the country. The outlook for the Myanmar Insurance Business Supervisory Board.

population at its last census release in 2014, with a recent the country's promising huge potential returns. The size of its estimated figure closer to 54M. GDP grew at a compound population, geostrategic location, its natural and human annual growth rate of around 14.5% between 2006 and 2016, resources are set to ensure sustained GDP growth, with a

7% in 2015 and 6.1% in 2016. The IMF has estimated GDP In early 2013, the primary expansion phase on long existing insurance sector from government authorities was a crucial engagement on market competition, penetration of insurance coverage to promote local private and foreign firms were the major assets to accelerate capital development and Myanmar has settled up to perform a growth market of the hindered economics growth of the country. Together with the reforming outcomes, twelve local private insurance opening up whereas will encourage inclusive economic companies were granted in-principle licences by Myanmar

> The first signs of an opening to global insurers occurred in mid 2014, when three Japanese carriers were authorised to underwrite policies in the Thilawa Special Economic Zone (SEZ) near Yangon, targeting foreign firm to invest in Myanmar insurance industry. The year 2017 potentially freed local firms from the existing restrictions, and the market relatively welcomed to foreign firm with the consequent influx of highly needed expertise, underwriting capacity and product innovation as well as competitive pressures beneficial to the insurance sector's development.

USD 1579 MMK

**TOTAL POPULATION 2018** 

53.94 MILLION

LABOR FORCE PARTICIPATION RATE 2018

64.719

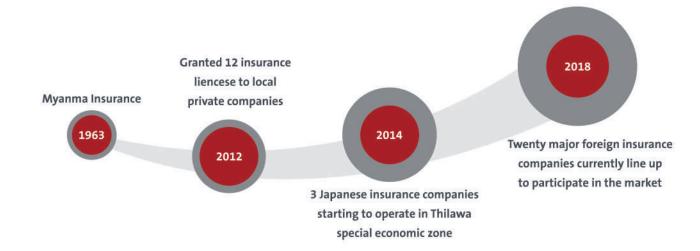
Source: https://tradingeconomics.com/myanmar

# In September 2017, **Myanmar Insurance sector** penetration rate was estimated that 0.07% of the country's GDP.

companies currently line up to participate in the insurance insurance companies, sector and collaborate with Myanmar insurance industry in independently, will provide the major long term advantages near future. In September 2017 Myanmar Insurance sector and will also inject much needed know-how and capital to penetration rate was estimated that 0.07% of the state's total enable the sector to meet the needs of the population. GDP.

The outlook of 2018 Myanmar insurance industry seems awaiting more of equitable regulations to free up the major positive as polices to liberalise the market that were not demands in end-state controlled pricing and range of implemented in 2017 could probably materialize by the end of products, two key areas that most local private insurers find this year. In the "Asian Insurance Market Report 2018", the challenging. While waiting for authorities to implement the global multinational risk management, insurance brokerage needed and liberalized laws for the industry, many players in and advisory company says that it is also expected, local the local market are now emphasizing on training staff, private insurers would be able to transact outward building up IT and management systems in preparation for reinsurance to manage their risk which will then create the sector's future gains. greater opportunities for the overseas market.

For this year 2018, twenty major foreign insurance The industry believes, the entry of foreign either as joint ventures or Despite the presence of numerous foreign and local players, the market stands in a stable-holding pattern presently,



### **Market Position**

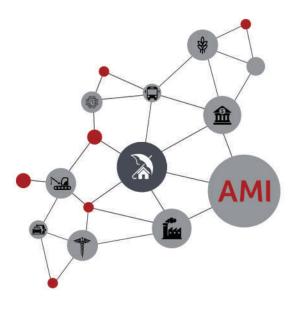


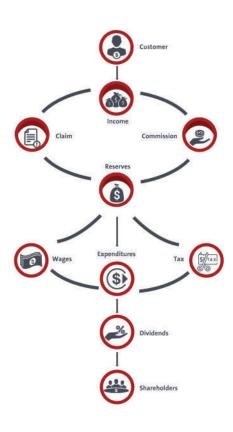
AMI currently ranked 3rd position among private insurance companies in Myanmar by offering a full range of insurance products, including Life and General insurance, Property & Casualty and Health for both Individual and Group customers. As AMI aims to fulfill our customers' needs and to be recognized as your Partner for Life, AMI now operates at more than 39 cities across Myanmar with equal and mobilized career opportunities to over 440 employees in service nationwide through our business channels. With a growing service offering, we are also looking for ways to reach customers more intellectually with the merit-based approach relying on full potential to access the targeted developments.

### **Business Cooperation**

As a leading insurer in Myanmar, AMI has registered healthy growth in the industry enabling the company to gain a competitive foothold. The company's vision, mission and core values steer everyone at AMI in our daily work, guiding us to serve our customers better and generate shareholders' return. As a partner for life, we have also protected and secured lives, businesses and futures of our customers through our annual claim payments.

Our Key objectives such as Human Capital Development, Digital Transformation and Creating Insurance Awareness has built a strong foundation for us to move forward into the future with great confidence in providing a competitive edge in this dynamic and customer- centric industry. At present, AMI is proud to be serving both corporate, retail sector and policyholders by providing peace of mind to safeguard them from the uncertainties of tomorrow. This in return will serve as a key value to our vision of driving the country's social and economic developments.





### **AMI Value Chain**

AMI's strategy is to deliver long-term competitive advantage focusing on human capital development and sustainability to increase consolidating and profitability of the company's position as a leading insurer for Life and General insurance in Myanmar. At the operating level, AMI ensures in reducing complexities and improves accountability to increase satisfaction by enhancing technical customer excellence and strengthen its personalized market approach for both commercial and retail customers.

AMI shareholders provide the financial capital that sustains the company business. In return, maintains a strong balance sheet by securing the company obligations between our stakeholders and customers, suppliers, regulators, government agencies and civil society organizations. AMI then focus on delivering consistent and sustainable business model for both to our policyholders and shareholders.



### **Our Corporate Values**

At AMI, we are guided by the following corporate values, RICE and they describe our company as we want it to be. Our decisions and actions reflect these values that are instilled in us and we believe that in putting these values into our practices, we create long term benefit for our shareholders, customers, employees and the communities that we serve.

### Reliable

We can be trusted to plan for your life and protect it against the uncertainties of tomorrow



### nnovative

We continuously strive to improve our products and services to serve customers better



### ustomer-Centric

We understand our customers' needs and provide them with the best solutions at the highest level of convenience to our customers



### thical

We conduct our businesses with the highest standard of behavior, acting in honesty and fairness in all our aspects of work. We fulfill our commitments as responsible citizens and employees. We will consistently treat our customers and company resources with the respect they deserve



# Our Corporate Commitments

At AMI, fair dealing is central to our corporate culture and we fully committed to providing our customers with the best possible service in a timely, fair, transparent, and professional manner.

**To our Customers:** We act fairly, reasonably and in their best interest when dealing with our customers.

**To the Community:** We behave in a socially responsible and environmentally conscious manner in conducting our business.

**To our Employees:** We promote human capital development through internal and external trainings and job enrichment

**To our Shareholders:** We practice corporate governance, provide appropriate disclosure of information and exert our utmost to enhance shareholders' value.

### **Our Key Milestones**

### 2013

June 2013, Granted License by Insurance Business Supervisory Board

### 2014

March 2014, Opened AMI Head Office in Yangon, Myanmar



June 2014, Opened AMI Regional Office in Mandalay, Myanmar

### 2015

May 2015, Sponsored Sportsman Life Insurance for athletes participating in 28th SEA Games 2015

July 2015, 2nd Anniversary, voluntary work at Yankin Pediatric Hospital and Blood Donation Campaign

August, 2015, Flood disaster relief efforts in Ayeyarwady Division

September 2015, Became a member of the United Nations Global Compact

### 2016

June 2016, MOU Signing Ceremony for Strategic Alliance with Sompo Japan Nipponkoa Insurance Inc



### 2017

February 2017, Opened AMI Regional Office in Nay Pyi Taw, Myanmar

May 2017, 1st private insurance company in Myanmar to migrate on Core Insurance System

July 2017, Awarded "Digital Insurance Initiative -Myanmar 2017" by Insurance Awards Asia, Asian Banking and Finance

October 2017, Awarded "Best Private Insurance Company Myanmar 2017" by Global Banking & Finance Review, UK









# 2018

May 2018, Opened Yangon Branch Offices (YGN 1) San Chaung Branch (YGN 2) Hlaing Branch

May 2018, Awarded "Best Insurance Company and Special Recognition for Innovation" by Emerging Asia Insurance Awards, India Chamber of Commerce

July 2018, Awarded "Digital Insurance Initiative – Myanmar 2018" by Insurance Awards Asia, Asian Banking and Finance

August 2018, 5th Anniversary, voluntary work at Yankin Pediatric Hospital and Blood Donation Campaign

August 2018, Opened Yangon Branch Office (YGN 3) Waizayantar Branch

Mandalay Branch Office
(MDY 1) Diamond Plaza Branch

Meiktila Branch Office











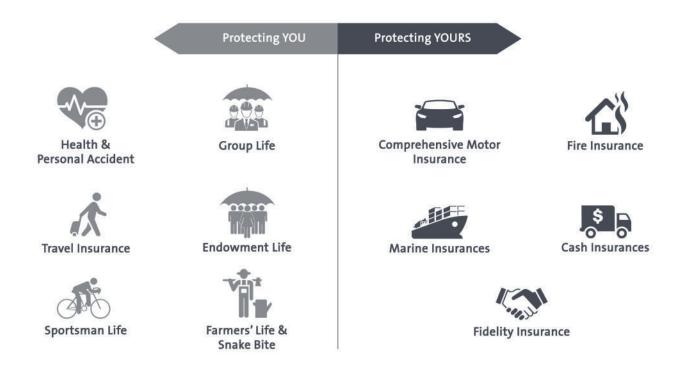
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### **BUSINESS REVIEW**

### **Our Products**

Since inception in 2013 AYA Myanmar Insurance has been a leading insurer in Myanmar for both Life and General Insurance. AMI's remarkable growth has earned the firm the reputation of being one of the most leading insurance companies in the industry. We are committed to help individuals and families in Myanmar to live in healthier and happier lives. We aim to deliver high quality service and innovative products through internal and external distribution channels to assist both individuals and corporate customers to protect their assets from the uncertainties of tomorrow. Throughout our experience, we understand the needs of our clients and aim to play an integral role in assuring their futures.



### We Protect You



Health insurance will provide you a financial protection in case you have a serious illness or accident. People who don't have health insurance receive less medical care, plus lack of health insurance plan is a fiscal burden for them and their families. AMI health insurance plan protects you against financial losses resulting from medical, surgical and hospitalization expenses for you and your love ones providing peace of mind.











# Fire Insurance

To protect your property from loss occurrence arising from fire and lightning, it is important that we insure our properties. Fire Insurance protects businesses and homeowners against unexpected losses of real and personal property due to fire or lightning. Owner, Joint Owner, Spouse of Owner, Mortgagee and Mortgager of the property are entitled to purchase this policy.



### We Protect Yours



### Comprehensive Motor Insurance



With the increase in number of cars on the road, it is vital that you have your vehicle insured to safeguard against loss resulting from unforeseen incidents and accidents. Comprehensive Motor Insurance package provides you with all the necessary coverage for you and your vehicle.

At AMI, we provide all the essential covers for different types of vehicles. These are private cars, commercial vehicles, buses & coaches, agriculture & forestry tractors.

### Marine Insurances



With the rapid development in Myanmar economy, transportation of goods between different places has increased due to the higher demand for goods. Thus, businesses are using both land and sea transport in order to deliver the goods and also facing increase pressure to minimize the loss of goods during transport. Marine cargo insurance policy insures businesses against loss of goods during transport due to unforeseen circumstances.

At AMI, we provides you with the coverage for unexpected loss of goods during transportation within the country. This policy covers loss of goods during transport due to natural disaster, accident, fire and loss of transport vehicles.

# Travel Insurance



The travel insurance is a very wise idea. It gives a worry free and peace of mind on the significant losses of life on your travelling period. AMI travel insurance policy is designed to protect you and your love ones from economic loss arising of unfortunate incidents and accidents while on the go.



# **Endowment Life**

There is no certain tomorrow and the most important thing in our life is "Life". Hence, it is most essential to have a financial plan for you and your love ones, and to ensure that their tomorrows are fully secured. At AMI, we put our utmost priority to guide you through your financial planning. We provide you with a comprehensive coverage package that is affordable and gives protection against economic loss caused by death or permanent disability.

### Sportsman Life



Sportsmen are prone to different types of injury while training or during a competition. Sometimes, these injuries can be fatal and may cause death. Thus, it is important to have a coverage to protect against negative financial impact which could result from medical expenses or even against unfortunate death. At AMI, we provide coverage for sportsmen not only at the competitions but also in trainings. We also provide coverage even if the competition or training is at the territory out of the country.



## Cash in Transit Insurance



For every businesses, it is important to safeguard their cash during a transit against uncertainties as it can disrupt the daily business operation and may incur losses. Thus, Cash in Transit Insurance can help the businesses to protect against any loss of cash due to theft or robbery during a transit.





### Group Life



Well-being of employees is extremely important for an organization to be successful. Organization must look after not only their employees but also their families so that employees will be motivated and resulting in higher productivity. At AMI, we provide coverage for your employees or members of your organization against any economic loss for their families caused by death, permanent disability or injury of the insured employees. You may provide this coverage to your employees as part of the benefits to enable them to perform their duties with a peace-of-mind.

### Cash in Safe Insurance



For every businesses, it is important to safeguard their assets from unforeseen risk as it can disrupt the daily business operation and may incur losses. Thus, Cash in Safe Insurance can help the businesses to protect against loss of money which is kept in the safe at own premises.

### Fidelity Insurance



In its simplest form the word 'Fidelity' implies the faithful or loyal performance of a duty. Losses arising from a lack of fidelity in the form of dishonesty of employee may cause disruption and losses to the company. However, it can be insured against in the form of Fidelity Insurance.







Convenience
Premium payment at any of
AYA Bank Branches



Mobile Payment

Premium payment on mobile or internet banking



24/7 Services
24 hours claims/ survey services



Premium Calculator Calculate your Insurance Premium at your fingertips



Nationwide Network We are available at more than 40 Cities across Myanmar



Workshops and Service Centers A wide range of workshops at different regions in Myanmar

### Our Innovation

Founded only five years ago, AMI is one of the first local insurers to embark on a digital journey which enables Underwriting, Customer Relationship Management, Claim Assessment, Product Innovation and Risk Management functions to run on a full digital platform. The newly migrated system provides high level of Customer Convenience, Efficient Operations and Effective Risk Management process.

As your Partner for Life, AMI aims to ensure the country's key lifelines by providing professional and reliable service, footed on a rock-solid financial background to manage environmental risks and opportunities through the progressive integration of environmental considerations into our core business processes, investment decisions and operations.

With the integration of core insurance system in 2017, AMI recognizes adoption of innovative Digital Technology is helping to make the difference. We have researched steadily increasing demand for digital distribution - a channel that will engage to transform the insurance industry significantly, also for the risk that issues such as climate change, the quality of life and so on. Mindful of that, AMI is looking beyond risk transfer to satisfying customers' expectations and needs in many ways. We are beyond an insurance company; we form a part of shaping Myanmar's future. In 2018, AYA Myanmar Insurance has been working on to enhance customer experience by adding features that would provide customer satisfaction and operational efficiency.

With this in mind, AMI is on course for launching 3 new features in 2018 -

66 These features will be a game-changer in the industry giving customers utmost convenience. "

AMI Health Mobile Application







Agent Portal





**Customer Self-Care Portal** 



### **AMI Health Mobile Application**

In early 2018, AMI has successfully developed its mobile app called "AMI HEALTH APP" that allows our Health Insurance policyholders to access to their policy in details. The ultimate mobile app is equipped with three main objectives of Simple, Smart and Seamless, which enable customers to access healthcare tips, hospitals and healthcare centres, a virtual E-Card that allows users to identify themselves at hospital upon admission, and many more features to advise emerging medical conditions to its user.



Together with the "AMI HEALTH APP", AMI has developed a self-care portal. This web-based self-care portal will speed up self-service capabilities enabling our customers to access and check their policy details anytime, anywhere privately. Besides providing utmost convenience, policyholders are able to eliminate time taken to commute to insurance company or to agents.



### **Agent Portal**

The distinctive Agent Portal will enable a simplified, easy approach for agents to access their policyholders' details in real-time by disabling bureaucratic steps. This digital portal is currently under developing process on an intuitive, user-friendly interface designed specifically for agents and brokers. From this external interface, AMI believes, agents will be able to generate a quote based on the lines of business and rates configured in the core insurance system and instantly convert the quote into a policy – all with seamless, automatic enforcement of AMI's underwriting standards.

### **OUR NETWORK**



### **BANCASSURANCE**



AYA Myanmar Insurance is one of the first insurers to obtain an approval from the regulators to initiate a 6 months Bancassurance pilot project, a provision of AMI distribution channels to sell insurance products through AYA banks in late 2018. Despite the natural convergence between AYA Bank and AMI service centers in all major cities across Myanmar, AMI believes the adoption of bancassurance as a distribution channel would boost a significant growth to Myanmar Insurance penetration and will bring comprehensive insurance and financial advisory services under one roof with an easy access for claims as customers visit banks regularly.

### **FINANCIAL REVIEW**

### Our Numbers at a Glance













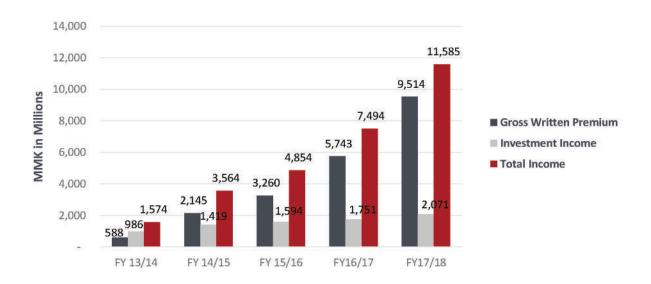


\*Data updated as at March 2018

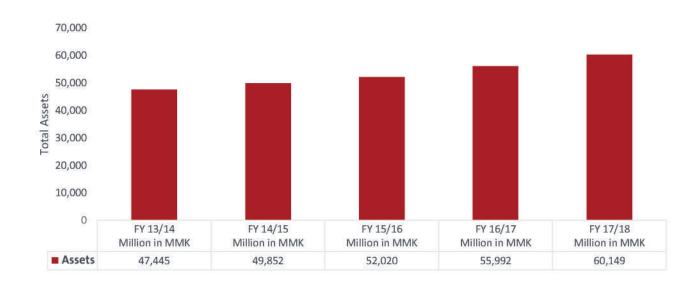
### Financial Highlights (FY 13/14 to 16/17)

Particulars	FY13/14 (Millions in MMK)	FY14/15 (Millions in MMK)	FY15/16 (Millions in MMK)	FY16/17 (Millions in MMK)	FY17/18 (Millions in MMK)
Total Assets	47,445	49,852	52,020	55,992	60,149
Gross Written Premium	589	2,145	3,260	5,743	9,514
Investment Income	987	1,419	1,594	1,752	2,071
Total Income	1,575	3,564	4,854	7,495	11,586

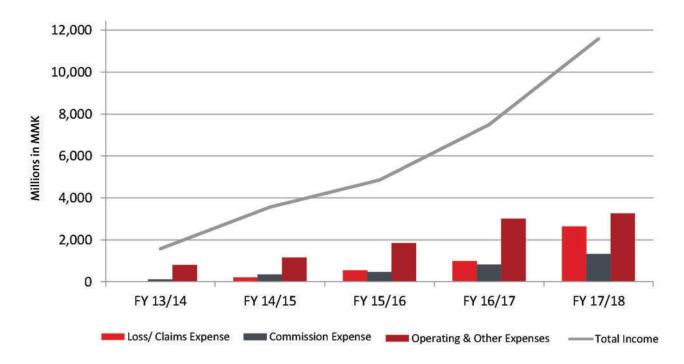
### Operating Income (FY 13/14 to 17/18)



### Total Assets (FY 13/14 to FY 17/18)



### Income and Expense (FY 13/14 to FY 17/18)



### YEAR IN REVIEW

### **Our People**

As growth of our organization, we create employment opportunities for young employees along with development programs to become talented and skilled human resource for insurance industry and with the vision of us as leading roles to drive social and economic development of Myanmar.

We use the strength of young and energetic employees combine with the guidance of well experienced management to achieve our employees' goals and to fulfill our organization corporate values.

We are committed to invest in the future of our employees, providing our employees with a supportive environment that enhances their performance and development. We provide our employees a propitious working environment that they can learn varieties of skills from different types of work functions. It is also important to us that we continue to evolve our people programs and processes to make AYA Myanmar Insurance (AMI) an even more progressive and inclusive company.



### **Learning and Development**

In 2018, we enhanced our learning and development programs, leadership training and performance management practices. We are focused on moving towards a workforce culture that truly values and rewards behaviors that drive business results, requiring an ongoing commitment to enhance and strengthen our leadership and human resource practices.

By giving effective training programs for all levels of employees, to fulfill one of our missions of excellency services, technology and best underwriting practices.





### YEAR IN REVIEW

### **Learning and Development**

- 1. Fresher's/Refresher Development Program (Junior Staff & Senior Staff)
  - 1.1 Overview of the Company
  - 1.2 HR / Admin Orientation
  - 1.3 Principles of Insurance
  - 1.4 Basic Underwriting Products
  - 1.5 Introduction to Claims Management
  - 1.6 Basic Office Administration
    - (i) Microsoft Word/ Excel / PowerPoint
    - (ii) Writing Office Letter
- 2. Refresher Development Program (Assistant Supervisor & Supervisor)
  - 2.1 Basic Risk Management
  - 2.2 Customer Service
  - 2.3 Basic Sales & Marketing
  - 2.4 Underwriting of Products
  - 2.5 Claims Management
- 3. Emerging Leaders (Supervisor to Manager)
  - 3.1 Risk Management & Decision Making
  - 3.2 Presentation Skills & Analytical Skills
  - 3.3 Contract Review and Legal Awareness Program
  - 3.4 Management & Leadership Skills
  - 3.5 Customer Service
  - 3.6 Financial Analysis & Reporting
- 4. Emerging Leaders (Only Selected Candidates)
  - 4.1 India Institutes of Insurance III (IC 01, IC 02, IC 11)
  - 4.2 Neuron Linguistic Programming (NLP)
- 5. Grooming Top Leaders (Senior Management)
  - 5.1 Management & Leadership Skills
  - 5.2 Business Law
  - 5.3 Other Professional Training Programs







### **Our Activities & Highlights**

### 5th Anniversary Dinner of AYA Myanmar Insurance [Saturday, July 28, 2018]

On 28th July 2018, AYA Myanmar Insurance (AMI) celebrated its 5th Anniversary Dinner at Novotel Hotel Yangon. Chairman U Zaw Zaw, Board of Directors, Directors, Management Staff from Max Myanmar Group and AYA Financial Group, and employees of AMI were present at the dinner. Chairman, U Zaw Zaw opened the celebration with an opening speech highlighting ongoing business, future business plans and to leverage on advancement of temporary in order to stay ahead in the competitive environment.



The night was followed by presentation of awards; Sales Performer of the year-Travel Insurance, Top Agents of the year, top performing employees and long service awards, live band performance by famous singers and ended with a lucky draw program.











### Opening Ceremonies of AYA Myanmar Insurance Branch Offices

AMI successfully opened its Yangon, Mandalay and Meiktila Branch Offices in late 2018. The representatives from private insurance companies, insurance agents, invited guests and the executives from AMI were present at the ceremony. With the opening of the branch offices, AMI will be able to provide value added services to the government, corporate and retail sectors. AMI provides a wide range of services nationwide through our business channels – Head office in Yangon, Regional offices in Mandalay and Nay Pyi Taw providing you with customer support 24/7.











### Coffee with AMI

Starting from 4th of May 2018, AMI launched knowledge sharing sessions, "Coffee with AMI". The purpose of monthly event is to build relationship with agents and also to share product or service knowledge with our agents. The sessions also help us on seeking feedback from agents to improve our customer service.













### **CSR Initiatives**

### **Speed Limit Campaign**

As part of our community initiative in Speed limit campaign, AMI in collaboration with Myanmar Ministry of Construction, organized speed limit and seat belt awareness campaign on February 23, 2018 to reduce road accidents at Yangon-Mandalay express way. The purpose of the campaign is to educate all drivers on express way to aware of their speed limit, together with the importance of wearing seat belts while driving. Staff from AMI wore safety campaign t shirts and participated in distrusting educational flyers, pamphlets, marketing materials and t shirts during this campaign.







### AMI 5th Anniversary CSR Activities

Management and staff adopt an objective and positive attitude and give their utmost cooperation for the common good when dealing with the governmental authorities or regulatory bodies. We are proactive to the needs of the community and also assist in society related programs in line with the aspirations of the concept of a "Caring Society".

On 28th July 2018, AMI celebrated its 5th Anniversary at Yankin Children Hospital by donating 75 Lakhs (MMK). AMI staff also actively involved in various activities such as blood donation, cleaning of hospital compound and providing lunchboxes to patients and their families.















### United Nation Global Compact

AYA Myanmar Insurance has been a member of United Nation Global Compact since September 2015, and AMI recognizes this is our 4th year as delighted member of UNGC to continue taking responsibilities and legitimate actions to commit condescending initiatives in socioeconomic developments of our country, Myanmar.

Since inception in 2013, AMI is committed to contribute to the society in which we operate in, in line with our corporate values and a principles-based approach in doing our business. This means we conduct our business in ways that meet fundamental responsibilities in the key areas of human rights, labour, environment and anti-corruption advocated by United Nations Global Compact.

AYA Myanmar Insurance recognizes that a key requirement for participation in the UN Global Compact is the annual submission of a Communication on Progress (COP) that describes AMI's capabilities of doing business in transparent ethical manners, that comes along with encouragements in engaging Corporate Responsibilities activities (CSR), which promotes a broader sustainable development of the country.

AYA Myanmar Insurance, at all times observes the highest principles of ethical behaviour, respect for society, the law and environment. We invest significant amount of time and funds into the social initiatives with the focus on contributing to the society that we operate in. We would like to express our appreciation to our shareholders for their confidence in the direction we are taking, their on-going support and encouragement and our gratitude to the management and employees for their efforts that have contributed to the growth in our performance, driving AMI to become a leading insurance company in Myanmar. We will continue to strive to uphold our core principles that enable us to protect our community, at the same time to strive to become a reputable financial institution looking at a long term sustainability of the organization.



Our Board of Directors		
Board and Management Comm	nittees	

#### **OUR BOARD OF DIRECTORS**



# **U ZAW ZAW** Founder and Chairman

U Zaw Zaw is the founder and Executive Chairman of AYA Myanmar Insurance, a role that he had held since the inception of the company in 2013. He is an established and well - connected entrepreneur and business leader in Myanmar, with 20 years of management experience. U Zaw Zaw graduated from the University of Yangon in 1988 with the major in Mathematics and had worked in Japan for several years prior to his return to Myanmar in 1995 and managed Max Myanmar Company, which is now known as Max Myanmar Group of Companies, a major conglomerate.

U Zaw Zaw is also the Chairman of the Myanmar Football Federation (MFF) and AYA Bank since 2005 and 2010 respectively, and is a believer of contributing to the society and helping the needy. Through the Ayeyarwady Foundation, he has donated to various philanthropic causes and carried out numerous Corporate Social Responsibility activities. He has also donated generously for the development of football in Myanmar.



# DAW NAN LIN LIN TUN Vice Chairman

Daw Nan Lin Lin Tun was appointed as the Vice Chairman of the Board since the company's inception in 2013. Daw Nan Lin Lin Tun holds the Bachelor of Science in Physics in 1995 awarded by the University of Yangon, and is also the Managing Director of Phyo Myanmar Co., Ltd, bringing along with her a wealth of experience within the Business Community in Myanmar.

# **U THAN ZAW** Vice Chairman

U Than Zaw served as the Managing Director to AYA Bank from 2011 to 2013 and during his tenure, he has led the fledging Bank to grow its brand and network in Myanmar. He also played a pivotal role in starting AYA Myanmar Insurance as the Managing Director. He now heads the company as the Vice Chairman and remains as the Executive Director of the Board at AYA Bank. U Than Zaw's vast experience includes eight-year tenure with the Olympics Committee as a Treasurer and another two years as the Chief Executive Officer of the Myanmar Football Federation.



# **U MYO MIN THU Managing Director**

U Myo Min Thu holds a Bachelor of Science (Hons) in Banking and Finance, awarded by the London School of Economics & Political Science, University of London. U Myo Min Thu joined AYA Myanmar Insurance (AMI) as the Managing Director in January 2015 and has spearheaded the company's progress within the industry. Prior to joining AMI, U Myo Min Thu had held various management positions in Singapore and overseas, bringing to the country his knowledge, international exposure and service experience. Possess corporate and field experience in the aviation and service industry.

#### **OUR BOARD OF DIRECTORS**



# DAW KHIN MA MA **Executive Director**

Daw Khin Ma Ma was appointed as the Executive Director of AYA Myanmar Insurance in 2014, overseeing the human resources matters and providing guidance for the capacity building of the employees at AMI. She is also the Executive Director of the Board at AYA Bank. Daw Khin Ma Ma brings along with her a wealth of experience gained through her 17 years of career in a service industry. With her passion for delivering quality service, she has brought the quality of service offered in AMI to a higher level.



# PROFESSOR DR. AUNG TUN THET Non-Executive Director

Professor Dr. Aung Tun Thet was appointed as a Non-Executive Director with AYA Myanmar Insurance in 2015, offering advice in areas of Management, Human Resources and the company's Corporate Social Responsibility activities. He also serves as a Non-Executive Director of the Board at AYA Bank. Professor Dr. Aung Tun Thet is distinguished International and National Civil Servant who has served in the United Nations as well as the Myanmar civil service. He is currently a visiting Professor at the Yangon Institute of Economics and Yangon University. He acts as a management consultant in areas of Management, Leadership, Human Resources, Organizational Development and Corporate Governance for various companies. He is also an advisor for the business community and the civil society. Professor Dr. Aung Tun Thet is a leading advocate of Corporate Social Responsibility (CSR) in Myanmar.



# DR. TIN LATT **Non-Executive Director**

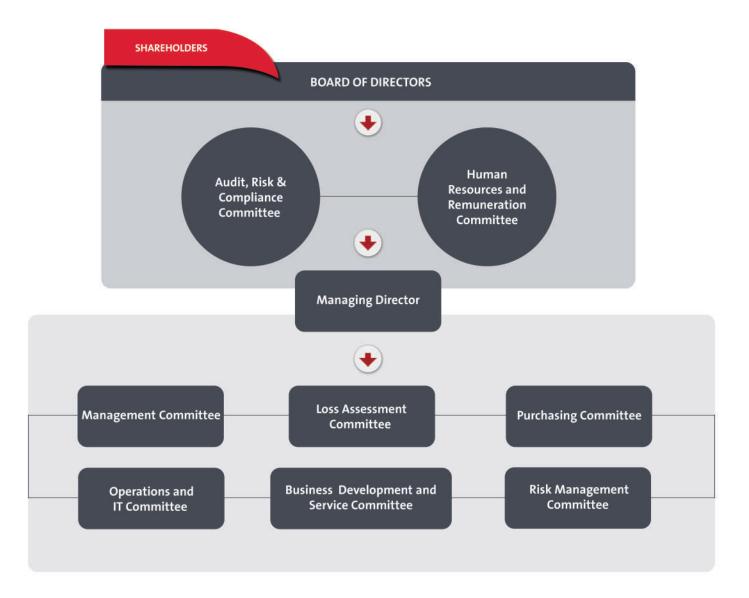
Dr. Tin Latt was appointed as a Non-Executive Director of AYA Myanmar Insurance in 2016. He also serves as a Non-Executive Director of the Board at AYA Bank. Dr. Tin Latt is a FCCA, ACMA and CPA-qualified accountant with more than 18 years of professional experience. He is also the owner and the Managing Director of Management & Accountancy Training Limited, which provides professional and vocational training courses in conjunction with international Professional Accountancy bodies such as ACCA and CIMA, and the Managing Partner of MAT Audit and Professional Services.

Dr. Tin Latt is a Certified Public Accountant of Myanmar and Chartered Accountant of Singapore and has completed many international professional services engagement in cooperation with Ernst & Young LLP Singapore. Dr. Tin Latt has been working as a visiting lecturer for CPA classes at the Myanmar Accountancy Council and is also a Central Executive Committee member of the Myanmar Institute of Certified Public Accountants.

#### **Board and Management Committees**

AMI corporate governance is considered as an essential factor that determines the accountability of the company to its shareholders and ensures that the company is transparent in dealing with its business activities. Accountability and transparency build trust and confidence with stakeholders. AMI Corporate Governance acts as a control in a corporate entity and broadly defines the relationship between the Shareholders, Board of Directors and Management. Within our corporate governance framework of its duties and responsibilities, including those prescribed by statute, regulations and the articles of association, the board has delegated authorities and powers to committees or individuals, including the Executive Chairman, as indicated in the company's discretionary powers guideline.

The corporate governance framework clearly defines the roles and responsibilities and accountability within AMI with built-in checks and balances to maintain the company's annual business plan and budget, long-term strategic plans and the principal issues.



Executive management committee may establish additional committees as necessary or appropriate. Board and management committee members shall be appointed by nomination committee after having consulted with the Executive Chairman and all BOD members. Each committee shall have its own written charter. The charters shall set out the purpose, authority and responsibilities of the committees as well as the membership, committee structure and meetings and operations and reporting to the Board. The charter of each committee shall be approved by the Board.

# **Audit, Risk & Compliance Committee**

Chaired by a Non-Executive and comprising majority of non-executive directors with the head of risk, compliance, legal and head of internal audit in attendance. External auditors may be invited as necessary. The committee approves the appointment of external auditors and oversees their relationship with the company. It monitors the effectiveness of, and receives regular reports from the internal audit risk and compliance and legal functions. The committee reviews financial statements and procedures and systems of internal control over financial reporting. The committee reviews arrangements for compliance with the requirements of regulators and receives reports on the operation of the company. The committee oversees the management of underwriting, credit, market, operational, legal and other risks. The committee recommends risk philosophy and tolerance for board approval, defines the company's risk appetite and reviews risk management processes used by the risk management department.



#### **Human Resources & Remuneration Committee**

Chaired by Non-Executive Director, HR. Comprise of senior management members including the Head of Human Resource, the HR committee has responsibility on behalf of the executive committee to ensure matters pertaining to staff compensation & benefits, manpower planning and recruitment, staff administration & discipline and training are managed in a way to ensure effective, efficient and uninterrupted operations, and to mitigate risk of loss resulting from human deficiencies or errors.

Human Resources and Remuneration Committee

#### **Management Committee**

Chaired by the Managing Director and comprising of Head of Divisions, Head of Departments and key managers. The committee supports the Managing Director and operation in the day-to-day management of the business. The committee develops strategies and policies for recommendation to the board and implements the strategy approved by the board.

#### **Loss Assessment Committee**

Comprise of senior management members including the Managing Director, Head of Claims Management, Head of Audit, Risk and Compliance, the committee reviews Claims Management Processes, evaluates Loss Adjustment procedures, including the quality in decision making on Claims Disbursements and the evaluation process on the need of External Loss Adjustment Teams. The committee also oversees the effectiveness and administration of Claims-related policies; Recommend enhancements to the policy/procedures and to approve larger claims.

# **Purchasing Committee**

Lead by Vice Chairman and comprising key members from finance, technical and operational departments. The committee prioritizes and implements purchase of default properties, servicing materials and equipment that are financially or otherwise advantages to the benefitting the company and its associates. The purchasing committee have the ultimate responsibilities to recommend to board committee in order to engage purchasing functions that are mutually advantageous to obtain accurate performances in doing business with full transparency.

#### **Risk Management Committee**

Lead by Principal Officer comprise of senior management members including the Head of Operations, the Risk Management Committee has responsibilities on behalf of the executive committee to ensure that the operations of the company are managed in a way to ensure effective, efficient and uninterrupted operations, and to mitigate risk of loss resulting from inadequate or failed internal processes, people and system or from external events. It is associated with human error, system failures and inadequate procedures and controls. Recommend enhancements to the policy/ procedures and to approve larger underwriting cases.



# **Business Development and Service Committee**

Lead by Managing Director and comprising of senior management members, Principal Officer, and Head of Business Development/ Commercial. This committee aims to represent and promote the interests of AYA Myanmar insurance with a conception to provide long term value and sustainability of the company. The committee is accountable to management and boardmembers and such is responsible for overall business growth and promote better customer services by adopting strategic plans in order to enhance the distributional expansion in businessat potential sectors in Myanmar insurance industry.

# Operations and IT Committee

Comprise of senior management members including the Managing Director and Principal Officer, the Operations & IT committee has responsibilities on behalf of the executive committee to ensure that the operations of the company are managed in a way to ensure effective, efficient and uninterrupted operations, and to mitigate risk of loss resulting from inadequate or failed internal processes, people and system or from external events. It is associated with human error, system failures and inadequate procedures and controls. It has responsibility to ensure that IT investments are protected and that the use of technology if prevalent and effectively used for the Company.

**Business Development** and Service Committee

> Operations and **IT Committee**

We are more than just an insurer.
We are your Partner for Life.



# FINANCIAL STATEMENTS

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(Incorporated in the Republic of the Union of Myanmar)
Statement of Directors' Responsibilities

The Directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Myanmar Companies Act requires the Directors to prepare financial statements for each financial year. The Directors are required to prepare the financial statements in accordance with Myanmar Financial Reporting Standards (MFRSs). In preparing the financial statements, the Directors have also elected to comply with MFRSs, as issued by the Myanmar Accountancy Council (MAC).

In preparing those financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state that financial statements comply with MFRSs as issued by the MAC, and subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the company's financial statements comply with the Myanmar Companies Act. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Each of the current Directors, whose names are listed in the Directors list section, confirms that, to the best of his or her knowledge:

- The financial statements, which have been prepared in accordance with MFRS as adopted and issued by the MAC, give a true and fair view of the assets, liabilities, financial position and result of the Company; and
- the accompanying financial statements are complete and correct and have been authenticated in accordance with Section 133 (1) & (2) of Myanmar Companies Act.

#### Disclosure of information to auditors

The Directors in office at the date of this Annual Report have each confirmed that: so far as he or she is aware, there is no relevant audit information of which the company's auditors are unaware; and

he or she has taken all the steps that he or she ought to have taken as a Director to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the Myanmar Companies Act.

#### Going concern basis

The Directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

#### **Annual report**

The annual report for year ended 31 March 2018, comprising the financial statements and additional information for investors, has been approved by the Board of Directors and signed on its behalf by.

On behalf of the Board of Directors,

(Vice Chairman)

(Managing Director)

Date: 24thAugust, 2018Yangon.

Independent Auditor's Report To the Members of AYA MYANMAR INSURANCE COMPANY LIMITED (Incorporated in the Republic of the Union of Myanmar) Report on the Audit of the Financial Statements

#### Opinion

We have audited the financial statements of AYA MYANMAR INSURANCE COMPANY LIMITED, which comprise the statement of financial position as at 31 March 2018, and 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.

In our opinion, the accompanying financial statements give a true and fair view of financial position of AYA MYANMAR INSURANCE COMPANY LIMITED as at 31 March 2018, and its performance and its cash flows for the year then ended, in accordance with Myanmar Financial Reporting Standards (MFRSs).

#### **Basis for Opinion**

We conducted our audit in accordance with Myanmar Standards on Auditing (MSA). 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 Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Myanmar, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basic for our opinion.

#### Other Information

Management is responsible for the other information. The other information comprises the Directors' statement, but does not include the financial statements and the auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this information; we are required to report that fact. We have nothing toreport 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 (MFRSs), 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 Company'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 Company or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Company's financial reporting process.

# Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not guarantee that an audit conducted in accordance with MSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statement.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

#### Report on Other Legal and Regulatory Requirements

In accordance with Section 145 of the Myanmar Companies Act 1914, We report that:

- (i) We have obtained all the information and explanations we have required; and
- (ii) The books and records required by the act to be kept by the Company, have been maintained in accordance with Section 130 of the Myanmar Companies Act.

Yangon

Date: 24th August 2018

Myat Noe Aung **Certified Public Accountant** PPA Registered No. 196 V Advisory Limited Bldg 14, # 306, MICT Park University of Yangon - Hlaing Campus, Yangon, Myanmar

(Incorporated in the Republic of the Union of Myanmar)

# **Statements of Financial Position**

An in paper.		For the year ende	ed 31, March
	Note	2018	2017
<u>ASSETS</u>		Kyat	Kyat
Non-Current Assets			
Property and equipment	9	5,940,917,243	5,604,988,369
Intangible asset	10	365,476,009	
Investment	11	13,800,000,000	13,800,000,000
Total Non - Current Assets	<del></del>	20;106,393,252	19,404,988,369
Current Assets			
Inventories	12 -	10,643,329	11,258,031
Account Receivables - insurance	13	5,631,644	272,281,450
Account receivables - other	14	23,011,426,095	22,719,703,226
Prepayment & advances	15	1,590,055,128	400,033,430
Advanced tax	16	486,795,706	839,134,789
Cash & Cash equivalents	17	14,938,230,432	12,343,946,297
Total Current Assets	- 00	40,042,782,334	36,586,357,223
Total Assets	-	60,149,175,586	55,991,345,592
EQUITY AND LIABILITIES			
Equity			
Authorized Capital		100,000,000,000	100,000,000,000
1,000,000 Shares of MMK 100,000 each			
Issued and paid-up capital	23	46,000,000,000	46,000,000,000
General reserve		650,000,000	650,000,000
Life assurance reserve		860,875,377	976,067,954
Fire and general insurance reserve		2,018,379,901	1,852,883,803
Comprehensive Motor and Marine Insurance reserve		1,380,562,733	1,439,262,795
General specific reserve		377,821,720	314,027,266
Retained Earnings/(lossess)		602,911,452	1,812,168,676
Total Equity		51,890,551,183	53,044,410,494
Current Liabilities			
35% unearned premium		3,097,323,066	*
Payable premium and claim	18	1,232,169,157	705,147,471
Payable agent's commission	19	1,572,356,983	1,077,622,957
Account payable	20	162,746,572	79,396,780
Accrued expenses	21	94,424,755	4,725,000
Provision for tax	22	287,435,194	1,080,042,890
Provision for dividend	-	1,812,168,676	:-
Total Current Liabilities	No.	0.000.004.400	
	9	8,258,624,403 60,149,175,586	2,946,935,098 55,991,345,592

See Accompanying Notes to Financial Statements **Authenticated by Directors**;

> **Than Zaw Vice Chairman**

Myo Min Thu **Managing Director** 

(Incorporated in the Republic of the Union of Myanmar)

**Statements of Comprehensive Income** 

	Notes	For the year	ended
		2017-18	2016-17
		Kyat	Kyat
Insurance Premium Income	3	5,977,415,405	5,485,753,471
Acquisition costs and direct expenses	4	(1,330,639,543)	(827,371,630)
Surrender Value		(11,044,532)	(1,738,787)
Insurance claimed and loss adjustment expenses	5	(2,638,411,762)	(979,787,611)
Net insurance income	2	1,997,319,568	3,676,855,443
Reinstatement & commission income	6	396,039,838	131,645,211
Other income	7	2,072,239,333	3,457,917,715
		4,465,598,739	7,266,418,369
Other operating expenses			
General & administrative expenses	8	(3,066,376,154)	(1,865,953,095)
Depreciation & amortization expenses	· ·	(194,448,497)	(132,325,915)
		(3,260,824,651)	(1,998,279,010)
Profit/(loss) for the year		1,204,774,088	5,268,139,359
Gain/(loss) on foreign exchange		(14,117,276)	88,944,294
Gain/(loss) on disposal of fixed asset		(24)	6,875,000
Profit/(loss) before corporate income tax		1,190,656,812	5,363,958,653
Corporate income tax	· ·	(284,303,066)	(822,487,568)
	15	906,353,746	4,541,471,085
Other comprehensive income	79	6 <del>7</del> 0	
		906,353,746	4,541,471,085

See Accompanying Notes to Financial Statements

Authenticated by Directors;

Than Zaw Vice Chairman Myo Min Thu Managing Director

(Incorporated in the Republic of the Union of Myanmar)

Statement of Changes in equity for the year ended March 31, 2018

	Issued & Paid-up capital	General Reserve	Life Insurance Reserve	Special Travelling Reserve	Fire & General Insurance Reserve	Comprehensive Motor Insurance Reserve	Marine Insurance Reserve	General Specific Reserve	Retained Earnings/ (Lossess)	Kyat Total
						-		*		
Balance at 1 April 2016	46,000,000,000 650,000,000	650,000,000	594,536,667	a	964,133,873	719,790,319	(6,715,187)	230,172,716	1,216,308,795	50,368,227,183
Provision For Reserves	ï	13	381,531,287	i i	888,749,930	717,539,868	8,647,795	83,854,550	(2,080,323,430)	
Provision For General Reserves		35	(10)	ST.		3			35	v
Profit for Year	ř	£	×	T		•		×	2,835,014,376	2,835,014,376
Under Provision For Income Tax		<b>#</b> 0	Iš	<b>₽</b> %	ě	•		è	(153,652,136)	(153,652,136)
Adjustment For Previous Year		1063	13	1368					(5,178,929)	(5,178,929)
Balance At 31 March 2017	46,000,000,000	650,000,000	976,067,954	9	1,852,883,803	1,437,330,187	1,932,608	314,027,266	1,812,168,676	53,044,410,494
Adjustment For Corporate Income Tax	•	108	(228,702,895)	26	(32,565,845)	(15,537,004)	1		∏∎	(276,805,744)
Adjustment For Special Travelling	300	2	(301,619,783)	301,619,783	*		ì		æ	<b></b>
Provision For Reserves		£	113,510,318	T.	198,061,943	(36,691,909)	(6,471,149)	63,794,454	(332,203,657)	## 1180
Profit For Year		E	<b>F</b>	e	: <b>1</b> 2				906,353,746	906,353,746
Over Provision For Income Tax		79.95	(0)	((4))	•	•	1	•	9,437,157	9,437,157
Provision for dividend		CM.	31	33	3	10 m	•	8	(1,812,168,676)	(1,812,168,676)
Adjustment For previous Year	*	*	æ	31	*	186	(P)	•	19,324,206	19,324,206
Balance At 31 March 2018	46,000,000,000	650,000,000	559,255,594	301,619,783	2,018,379,901	1,385,101,274	(4,538,541)	377,821,720	602,911,452	51,890,551,183

Authenticated by Directors;

Brunna Managing Director Myo Min Thu

Than Zaw

Vice Chairman

(Incorporated in the Republic of the Union of Myanmar)

# **Statement of Cash Flows**

Cash flow from operating activities	2018 Kyat	2017
Cash flow from operating activities	Kyat	
	Rydt	Kyat
Profit/(Loss) for the year	1,190,656,812	1,661,033,063
Prior Year Adjustments	16,738,830	(5,178,929)
Depreciation expense	153,840,052	132,325,915
Amortization expense	40,608,445	=
Gain on disposal of fixed assets	02 ±01 ₩	(6,875,000)
Provision for reserve	22	1,996,468,881
Operating profit/(Loss) before working capital changes	1,401,844,139	3,777,773,930
Working capital changes		
(Increase)/decrease in inventories	614,702	67,521
(Increase)/decrease in prepayment and advances	48,554,888	149,966,570
(Increase)/decrease in accounts receivable	(1,025,073,063)	(1,283,913,776)
Increase/(decrease) in accounts payable	3,948,005,379	867,922,330
Increase/(decrease)in accrued expenses	89,699,755	4,725,000
Cash Generated from Operation	4,463,645,800	3,516,541,575
Income -tax paid	(973,508,285)	(754,210,339)
Net cash used in operating activities	3,490,137,515	2,762,331,236
Cash flow from investing activities		20
Purchase of property and equipment	(489,768,926)	72,381,000
Purchase of intangible asset	(406,084,454)	(479,091,948)
Net cash provided by investing activities	(895,853,380)	(406,710,948)
Cash flow from financing activities		
Proceed from issue of share	<b>5</b>	70
Proceed from subscription in advance	*	-
Proceed from Shareholders' loan	22	2
Net cash used in financing activities		
Net increase/(decrease) in cash and cash equivalents	2,594,284,135	2,355,620,288
Cash and cash equivalents at beginning of year	12,343,946,297	9,988,326,009
Cash and cash equivalents at end of year	14,938,230,432	12,343,946,297

See Accompanying Notes to Financial Statements Authenticated by Directors;

Than Zaw Vice Chairman

Myo Min Thu Managing Director

(Incorporated in the Republic of the Union of Myanmar)

Notes to the Financial Statements for the year ended 31 March, 2018

#### 1. Corporate Information

"AYA MYANMAR INSURANCE COMPANY LIMITED" is a Private Company, formed under the Myanmar Companies Act. The Authorized Capital of the Company is MMK 100,000 Million divided into 1,000,000 ordinary shares of MMK 100,000 - each. Certificate of Incorporation No. 3417 of 2012-2013 dated 17th November 2015 was issued for 5 years valid to 18th November 2020 by the Directorate of Investment and Company Administration. The principal activities of the company are to carry out all kinds of insurance business services subject to the approval of Insurance Business Regulatory Board under Ministry of Planning & Finance.

#### 2. Summary of Significant Accounting Policies

#### (a) Basis of preparation

The accompanying financial statements have been prepared in accordance with Myanmar Financial Reporting Standards (MFRSs) and guidance issued by Insurance Business Regulatory Board under Ministry of Planning & Finance.

#### (i) Accounting Period

The accounting year is from 1 April 2017 to 31 March 2018, the mandatory income year end under the Myanmar Income Tax Law.

#### (ii) Opening Balances

Opening Balances as at 1 April 2017 are carried forward from the financial statements for the year ended 31 March 2017, audited by U Hla Tun & Associates Limited (Certified Public Accountants).

#### (b) Functional & Foreign currency transactions

(i) The accompanying financial statements are presented in Myanmar Kyats (MMK), which is the Company's functional currency.

#### (ii) Transactions and balances

Foreign currency transactions are translated into Myanmar Kyats using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the income statement.

#### (c) Use of estimates and judgement

The preparation of the financial statements in conformity with MFRSs 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 recognised in the period in which the estimate is revised and in any future periods affected.

#### (d) Revenue Recognition

Written premiums and earned premium revenue

Written premiums include premiums on contracts entered into during the period, irrespective of whether they relate in part to later financial periods. Written premiums are disclosed gross of commission payable and taxes levied on premium.

Premiums are first recognized as written on the date that the contract is incepted. Written premium is recognized based on estimates of ultimate premiums provided by the policyholders. Initial estimates of written premium are recognized in the period in which the underlying risks incept. Subsequent adjustments, based on reports of actual premium by the policyholders or revisions in estimates, are recorded in the period in which they are determined.

(Incorporated in the Republic of the Union of Myanmar)

Notes to the Financial Statements for the year ended 31 March, 2018

#### (e) Co-insurance Premium

The entity recognize the co-insurance premium as income at the time when cash is received and the whole or part of risk from cedant company is passed. The company had entered into Co-insurance agreement with Myanma Insurance and eight private companies for the purpose of limiting their net loss potential. Reinsurers are entitled to receive 10% commission on insurance premium sharing under the terms set out in the co-insurance agreement.

#### (f) Reinstatement fee

Reinstatement fee is recognized as income when insurance policy is extended to certain period under the terms and conditions set out in the policy.

#### (g) Interest income

Interest income from all interest bearing financial instruments are recognized in the income statement. This includes interest received from Treasury bonds, life assurance saving account, fire & general and fixed deposit.

#### (h) Agent Commission

Payment made to intermediaries for acquistion of insurance is recorded as agent commission. In compliance with insurance business supervisory board, agent comissions are paid as follow; fire insurance 20% for new business policy, 10% for extension policy, comprehensive motor insurance - 18% for first year and 10% for second year.

#### (i) Gross Claims paid

Claims and loss adjustment expenses are charged to profit and loss as incurred based on the estimated liability for compensation owed to policy holders or third parties damaged by the policy holders. Gross claim paid include all claims paid during the year and related external claims handling cost that are directly related to the processing and settlement of claims.

Estimated of salvage recoveries (damaged property acquired in settling a claim) are included as an allowance in the measurement of insurance liability for claims. The allowance is the amount that can be reasonably be recovered from the disposal of property.

Subrogation reimbursements are also considered as an allowance in the measurement of the insurance liability for claims. The allowance is the assessment of the amount that can be recovered from the third party.

#### (j) Receivables and payables

Receivables and payables are recognized when due. These include amounts due to and from agents, brokers and insurance policy holders.

#### (k) Property and equipment

All property and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is computed under the straight-line method over the estimated useful lives of these assets.

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Notes to the Financial Statements for the year ended 31 March, 2018

	Rate per annum
Generators and transformers	6.25%
Machinery	25%
Motor vehicle	12.5%
Telecommunication equipment	10%
Computer & accessories	20%
Office furniture & fitting	5%
Copier & other machines	10%
Office equipment	20%

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Property and equipment are periodically reviewed for impairment. Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount and the impairment loss is recognized in the income statement.

Gains and losses on disposal of property and equipment are the difference between the disposal proceeds and its carrying amount and are recognized in the income statement as a separate line item. Repairs and maintenances are charged to the income statement during the financial period in which they are incurred.

#### (I) Intangible asset

Software and licence that is integral to the business operation is recognized as intangible asset and amortized over it's estimated useful life using straight line method. They are initially recognized as costs that are directly attributable to the acquisition of asset and subsequently recognized as cost less accumulated amortization. The entity currently amortize it's intangible asset at the rate of 20% per annum and cost related to maintenance are recognized as expenses during the period in which they are incurred.

#### (m) Inventories

Inventories are carried at lower of cost and net realizable value. Cost is determined using the weighted average basis. The amount of any write-down of inventories to net realizable value shall be recognized as an expense in the period the write-down occurs.

#### (n) Leases

The determination of whether an arrangement is lease or it contains a lease, is based on the substance of the arrangement and requires an assessment of whehter the fulfillment of the arrangement is dependent on the use of specific asset or assets and the arrangement conveys a right to use the asset.

#### (o) Cash and cash equivalents

Cash and cash equivalents comprise of cash in hand, cash at banks and short-term deposits with original maturity one year or less. The cash equivalent is readily convertible to cash.

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Notes to the Financial Statements for the year ended 31 March, 2018

#### (p) Provisions

Provisions are recognized when the company 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. Provision for outstanding claims is the liability derived from claims and loss adjustment expenses estimated by independent loss adjuster and management.

#### (q) Income tax

All tax expenses are current taxes and recognized in the income statement. 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. Management periodically evaluates positions taken in tax interpretation. It establishes provision where appropriate on the basis of amounts expected to be paid to the tax authorities

#### OUR BRANCH OFFICES

#### YANGON (Head Office)

No.23, Kan Yeik Thar Road, Mingalar Taung Nyunt Township, Yangon, Myanmar.

Ph : 01 8619409, 8619410, 291797 Fax : 01 8619406

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Room No(BSH -05), Pun Hlaing Building, Coner of Baho Road & Pun Hlaing Road, Near Asia Royal Hospital, San Chaung Township, Yangon, Myanmar.

Ph : 09 40142511

#### YGN - 2 (Shwe Hinthar Branch Office)

Room No. 101/102, Building No.(1), Shwe Hinthar Condo, Hlaing Township, Yangon, Myanmar.

Ph : 09 40142512

#### YGN - 3 (Shwe Hinthar Branch Office)

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Yangon, Myanmar. Ph: 09 40142513

#### MANDALAY

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Ph : 02 67443, 09 250529730 Fax : 02 67443

# MDY (Diamond Plaza Branch Office)

U Paing No.( 21 Ka), Block No.(634), AYA Bank (Branch 18), 2<sup>nd</sup> Floor, Corner of (77\*34) Street, Kisna Mahi Quarter, Chan Aye Thar Zan Township, Mandalay, Myanmar.

Ph : 02

#### MEIKTILA

No.(7/KA), Yangon-Mandalay Road, Near Clock Tower, Thiri Mingalar(KA) Quarter, Meiktila Township, Mandalay, Myanmar.

Ph : 02

#### NAY PYI TAW

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# လက်တွဲတစ်သက်တာ ငြန်မာ



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