Chapter 5

A MACRO-PRUDENTIAL ASSESSMENT FOR MYANMAR

By
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1. Introduction

The financial sector of a country can drive and accelerate the economic growth. Financial instability can destroy the economic growth of the country. Other countries can also be impacted in the process. Most of the crises stemmed from weakness in the financial sector and they give rise to economic recessions around the world. The recent financial crisis has highlighted the need to go beyond a purely micro-based approach to financial regulation and supervision. There is a growing consensus among policymakers that a macro-prudential approach to regulation and supervision should be adopted.

Therefore, we should maintain the stability, soundness and sustainable growth of the financial sector. For that purpose, macro-prudential policies become the key issues for countries. Macro-prudential indicators can be defined as indicators of the health and stability of the financial system.

In the past, the regional and global financial crises did not pose any challenges for Myanmar because its financial sector has not been fully integrated into the world's financial markets. With the formation of the new government in 2010, Myanmar initiated many reforms in the economic and financial sector to stimulate economic development. Therefore, Myanmar needs to maintain stability in the financial sector in line with the growing economy.

Regarding banking regulations, most countries of ASEAN conform to the international standards set in the framework of Basel Committee of Banking Supervision, notably Basel II. In some countries, their soundness indicators follow CAMELS. In order to maintain the stability, soundness and sustainable growth of its financial sector, Myanmar has adopted the CAMEL framework.

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This paper outlines the financial sector of Myanmar and examines the supervisory and regulatory framework of the banking sector in Myanmar. Following the introduction, Section 2 analyses the background of the Myanmar economy. Then, Section 3 traces the financial sector development in Myanmar. Section 4 describes the elements of the macro-prudential policy framework. Section 5 covers the analysis of Private Banks in Myanmar. Section 6 presents the findings of the soundness of the Private Banks. The conclusion follows with some suggestions for the improvement of the framework for macro-prudential policies in Myanmar.

2. Background on the Myanmar Economy

2.1 Background

Myanmar is the largest country in mainland Southeast Asia with a total land area of 676,577 sq.km. (261,228 sq.miles.) sharing total international borders of 5,858 km (3,640 miles) with Bangladesh and India on the north-west, China on the north-east and Laos and Thailand on the south-east. It has a total coastline of 2,276 km (1,414 miles).

Three parallel chains of mountain ranges run from north to south in Myanmar, namely, the Western Yoma or Rakhine Yoma, the Bago Yoma and the Shan Plateau. The peak of the Hkakabo Razi at 5,881 meters is the highest in Southeast Asia.

These mountain chains divide the country into three river systems, the Ayeyarwady, the Sittaung and the Thanlwin. The Ayeyarwady, the most important river about 2,170 km. (1,350 miles) long, and its major tributary, the Chindwin, 960 km. (600 miles), constitute the greatest riverine system in the country. As it enters the sea, the Ayeyarwady forms a vast delta of 240 km. (150 miles) by 210 km. (130 miles).

As Myanmar is mainly in the Tropical Region, it has a tropical monsoon climate with three seasons: the hot season from mid-February to mid-May, the rainy season from mid-May to mid-October and the cool season from mid-October to mid-February. Annual rainfalls vary from 500 cm in the coastal regions to 75 cm and less in the central dry zone. Mean temperature ranges from 32° c in the coastal and delta areas and 21° c in the North Lowlands. During the hot season, temperature can run considerably high in the central dry zone.

Myanmar's population, spread over seven states and seven divisions, is estimated at over 40 million in 1996-97, an increase of 1.85% over the previous year. Myanmar is inhabited by many ethnic nationalities. The Bamars form the largest group comprising about 68.96% of the population. They live mainly in the lowlands. Other nationalities live mainly in the seven states. About 89.4% of the population comprising mainly Bamars, Shans, Mons, Rakhines and some Kayins are Buddhists, while the rest are Christians, Muslims and Hindus.

There are many ethnic groups living together and they have their own costumes, customs and festivals. About 89.4% of the population are Buddhists.

Agriculture is the mainstay of the Myanmar economy. This sector accounts for much of the income and employment in the country. About 60% of GDP comes from agriculture and as much as 65% of the labour force is employed in this sector alone.

2.2 Overview of Economic Development

Myanmar gained its independence on January 4, 1948, and adopted a market economic system until 1962. However, a complete change in the political system transformed Myanmar's economy into a centrally planned economic system in March 1962. The State Law and Order Restoration Council (SLORC) assumed political power in September 1988 and the centrally planned economic system was officially abandoned. Myanmar was redirected towards a market-oriented economic system once again.

The financial, industrial and foreign trade sectors came under the complete control of the state under the socialist economic system. Even in domestic trade, the state and cooperative sector played a dominant role. However, during the transition to a market economy, the private sector has been given an opportunity to engage extensively in the various sectors of the economy. Since the 1988 policy change, the government has been carrying out economic reforms in various areas so as to strive for economic development based on a market economy. In implementing these economic reforms, Myanmar renews its target and has been carrying out reforms ranging from fiscal and financial affairs to state-owned enterprises.

Due to a deterioration of economic conditions since the mid-1980, economic reforms have been introduced to encourage foreign direct investment, promote exports, and encourage the development of the private and cooperative sectors while evolving a market-oriented economic structure. Moreover, the government removed the laws, orders, rules, regulations, and notifications, which have prohibited or restricted private sector participation in economic activities and replaced them with new legal instruments giving the private sector, including foreign investors, the opportunity to do business and make investments. Participation by the private sector in the economy has increased significantly with the implementation of these reform measures.

However, Myanmar did not achieve significant growth in GDP in the period after starting the reforms. The growth rate in 1988/89 Fiscal Year (FY)[2] fell significantly to 11.4%, followed by 3.7% in 1989/90, 2.8% in 1990/91, and negative growth again in 1991/92. Although many reforms were carried out during this period, significant change has not yet been achieved.

The Myanmar government formulated a short-term "Four-Year Plan" (for the fiscal period 1992/93 to 1995/96) as soon as economic stability was restored, with a view of enhancing production, particularly in agriculture and export promotion. Implementation of the short-term plan was completed with remarkable success in all four years, attaining an annual growth rate of 7% compared with the target of 6%. This result was achieved through the efforts to obtain high levels of investment from development programmes and also through a doubling in the value of exports. Moreover, Myanmar has seen an improvement in investment at an average annual rate of 30%, of which more than 50% was underwritten by the private sector, including foreign direct investment.

After the short-term four-year plan, the government continued to implement a further five-year plan, for the fiscal period 1996/97 to the 2000/01. The main objective of the short-term five-year plan is the creation of a more diversified structure conducive to the emergence of a modern market economy. Hence, while the shares of mining, processing and manufacturing sectors are expected to improve, the share of the agriculture sector in total GDP is projected to decline. However, the economy slowed down after the introduction of the "Five-Year Plan", because of sluggish agricultural production and the negative effect of the Asia financial crisis.

In 1996/97, the first year of the Five-Year Plan, the annual GDP growth rate decreased to 6.4% compared with annual growth rate of 6.9% in 1995/96. After the first Five-year plan, the government implemented another short-term Five-year plan and the average annual growth rate achieved 10%.

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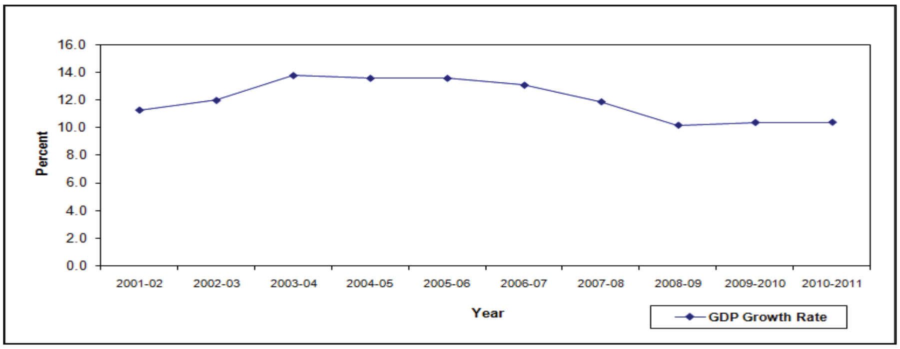
2. Fiscal Year (FY) runs from the beginning of April to the end of March.

The agricultural, livestock, fishery and forestry sectors are the main contributors to GDP with the share of about 38%, followed by services and other sectors, and industrial sector, respectively.

The Republic of the Union of Myanmar is now implementing its short-term Five-year plan for the period 2011/2012 to 2015/2016 with great momentum in order to maintain the rapid economic growth achieved in the previous years. During 2000/2001 to 2010/2011, the annual growth rate increased to double digit. Figure 1 shows the annual real GDP growth in Myanmar during the fiscal period 2001/2002 to 2010/2011.

Figure 1
Myanmar: GDP Growth Rate
(FY Period 2001/2002 to 2010/2011)

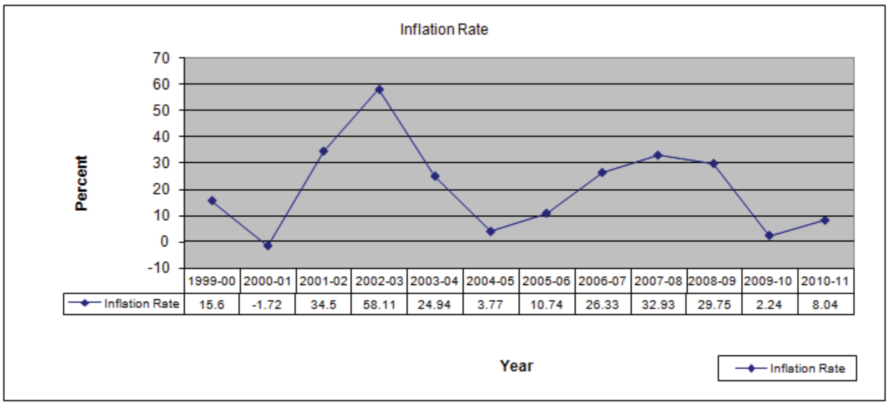


Source: Statistical Year Book, Myanmar and www.csostat.gov.mm

2.2.1 Price Trend

Inflation in Myanmar was over 10% until FY 2008/09. Figure 2 shows the inflation rate during the period 1999/2000 to 2009/2010 in Myanmar. From 2001/2001 to 2008/2009, the inflation stood at over 10%. However, starting from 2009/2010, CPI inflation had fallen below 10%, partly due to indirect impact of the global crisis. The inflation rate measured by the Consumer Price Index (CPI) significantly decreased from 2.40% in FY 2009/2010 to 8.22% in FY 2010/2011. This was due to prudent fiscal and monetary policies and to the decline of global oil prices.

Figure 2
Myanmar: Inflation Rate (FY 1999/2000 to 2010/2011)
(In Percent)



Source: Statistical Year Book, Myanmar and www.csostat.gov.mm

2.2.2 Fiscal Sector

The government placed emphasis on economic and social infrastructure development. This will help create a favourable business environment that is conducive in promoting better economic performance in the coming years.

Looking at the revenue side, various tax reform measures have been undertaken since March 2006. Previously, tax law amendments including changes in tax coverage and tax rates were made by the State Budget Law. The government revenue has been offset by the increase in government expenditure resulting in rising fiscal imbalances.

2.2.3 Monetary Sector

The main objective in formulating monetary policy in Myanmar is to maintain macroeconomic stability in the economy and to promote domestic savings. It is also purposed to promote the efficiency of the payment mechanism, thereby enhancing the conduct of the banking system. Currently, the Central Bank of Myanmar (CBM) uses interest rate policy as its main monetary policy instrument while reserve requirements and open market operations have also been used to a certain extent. The Central Bank rate, as at January 2012, is 10.00% and the maximum interest rate for bank deposit and maximum interest rate for bank lending are 10.00% and 15.00%, respectively.

In the FY 2010/2011, money supply increased from 33.75% to 37.73% compared to the previous year. This was due to the increase in domestic credit to the private banks.

2.3 Financial Sector Reforms in Myanmar

Financial sector reform is very important for the economic development of Myanmar. Therefore, the Myanmar government is trying to achieve improvement in financial sector development that will support the changing needs of the economy. The financial sector in Myanmar consists essentially of the banking sector and, to a much lesser extent, the non-banking sector comprising insurance business, finance companies and small loan enterprises.

From 1948 to 1962, the financial sector consisted of the Central Bank, state-owned banks, private-owned domestic banks, branches of foreign banks and insurance institutions. Foreign insurance companies made much progress with branches expanding their business three times between 1953 and 1961.

Following the change over to a socialist system in 1963, all the financial institutions were nationalised and restructured into a monolithic bank which discharged both central and commercial banking functions as well as undertaking insurance operations beginning from 1969.

In 1976, the Myanmar government reorganised its financial system, replacing the monolithic banking system with a basic functional system for more effective management of financial activities. Under the new financial system, the Union of Myanmar Bank undertook central banking functions, while the Myanma Foreign Trade Bank took over foreign exchange operations. The Myanma Economic Bank served as a financer of economic enterprises, including those of the state, and the Myanma Agricultural Bank undertook crop financing as well as medium- and long-term lending for agricultural development. The insurance function was separated from the reorganised banking system to be taken over by the newly created Myanmar Insurance Corporation.

In 1988, when Myanmar set out to forge a market-oriented system, the existing financial system based on socialist economic principles was reformed to accommodate the new economic system. In order therefore for the financial sector to assume the appropriate responsibilities, new laws, namely, the Foreign

Investment Law, 1988; the Central Bank of Myanmar Law, 1990; the Financial Institutions of Myanmar Law, 1990; the Myanmar Agricultural and Rural Development Law, 1990; the New Saving Bank Law, 1992; and Myanmar Insurance Law, 1993 were passed.

The CBM Law provides for the Central Bank to aim at attaining objectives that would contribute to the functioning of a soundly based financial system that would foster monetary, credit and financial conditions conducive to orderly, balanced and sustainable economic development. The Financial Institutions of Myanmar Law provides the legal framework for the establishment of financial institutions, whether state-owned or jointly owned by the state and private sectors, to conduct financial activities with the permission of the Central Bank.

Another important reform in the financial sector concerns the deregulation of foreign exchange controls to conserve much needed scare resources. At the same time liberalisation of foreign exchange transactions was carried out. For example, foreign exchange earners from the private sector are permitted to retain their foreign exchange, open foreign accounts and operate them under prescribed conditions. Moreover, the government introduced Foreign Exchange Certificates (FEC) in 1993, with the aim of facilitating the use of foreign exchange by tourists. FECs have become quite popular and even the Myanmar people are making use of them for certain transactions.

While developing its banking sector, Myanmar also implemented some policy measures to develop the domestic capital market. On behalf of the government, the CBM issued 3-year and 5-year Government Treasury Bonds since December 1, 1993, to finance government deficit from savings of the public. Furthermore, in order to develop a bond market in Myanmar and to promote the short-term investment of the public and banks, the CBM introduced a new Government Treasury Bond with 2-year maturity, effective January 1, 2010. Currently, the interest rates on Government Treasury Bonds for 2-year, 3-year and 5-year maturities are 8.75%, 9.00% and 9.50%, respectively.

The Myanmar Securities Exchange Center Ltd. (MSEC), a joint venture firm between the Myanma Economic Bank and the Daiwa Institute of Research Co., Ltd. of Japan (DIR) was formed in June 1996, and it has laid the ground work for the establishment of a capital market.

The Capital Market Development Committee led by the Minister of Finance and Revenue was established on July 1, 2008 in order to facilitate the raising of long-term capital for economic enterprises, companies and government projects and also to develop a securities market. Moreover, this committee further created six sub-committees on September 17, 2008, to provide support and assistance to the main committee.

In addition, a road map for the development of a capital market is currently being implemented accommodating the time frame for the development of the ASEAN Integrated Capital Market. There are three phases in the implementation of the capital market in Myanmar. The work plan for the first phase has been successfully carried out in the scheduled period of 2008/2009. The second phase will run from 2010 through 2012 and the third phase will be implemented from 2012 to 2015.

3. Financial Sector Development in Myanmar

In Myanmar, the financial system consists of the banking sector and non-banking sector.

3.1 Banking System in Myanmar

The banking system in Myanmar forms the core of its financial system and is the fulcrum of monetary policy. The institutional framework of the banking institutions, along with the CBM, constitutes the monetary system in Myanmar. The basic purpose of the banks is to facilitate the effective mobilisation and allocation of financial resources in the economy in order to help promote economic growth, safeguard stability and raise the living standard of the people.

The banking sector in Myanmar comprises the CBM, four state-owned banks and 19 private banks. The main responsibilities of the CBM are acting as the sole issuer of domestic currency, acting as advisor to the government on economic and financial matters, acting as a banker for the financial institutions, inspecting and supervising the financial institutions, and managing the international reserves of the state.

The state-owned banks include Myanma Economic Bank (MEB), Myanma Foreign trade Bank (MFTB), Myanma Investment and Commercial Bank (MICB) and Myanma Agricultural Development Bank (MADB).

The MEB is the largest state-owned bank and it provides nationwide commercial banking services through its network. The MFTB provides international banking services for the state as well as the co-operative and private sectors. The MICB conducts domestic and foreign banking business serving as investment and development bank to local and foreign investors, joint venture companies, local and foreign business enterprises. The MADB provides credit to a large network of village banks that act as MADB's agents in channeling loans to the village residents.

The CBM supervises the private banks to oversee they are operating on sound banking principles as prescribed under the Financial Institution of Myanmar Laws, rules and regulations.

The CBM has granted licences for the operation of domestic private banks since May 1993. As at the end of February, 2012, 19 domestic private banks are in operation offering domestic commercial banking services. Some private banks are opening their branches in major cities.

At present, foreign banks are permitted to open only representative offices in Myanmar. As at the end of February, 2012, 16 foreign banks have established representative offices in Myanmar.

The CBM has issued money changer licences to six private banks starting from September, 2011. On November 25, 2011, the CBM has issued Authorised Dealers Licences to 11 private banks to engage in the foreign banking business.

3.2 Banking Policy

The CBM is working on a banking sector development strategy with three phases as follows:

Phase 1 - promoting the institutional development, promoting the skills and efficiency among the domestic banks within the medium term, while allowing foreign banks to open their representative offices in Myanmar.
- Initially foreign banks are allowed to open representative offices which may work only as liaison office of their headquarters.

Phase 2 - permitting selected domestic banks to run joint venture bank with foreign banks

Phase 3 - permitting foreign banks to open bank branches and operate banking activities in Myanmar.

3.3 Non-banking Financial Institutions

In the non-banking sector, there is one state-owned finance company, the Myanma Small Loan Enterprise (MSLE); one private finance company, the Myanmar Oriental Leasing Co., Ltd.; one state-owned insurance enterprise, the Myanma Insurance (MI); one private insurance company, the Myanmar International Insurance Company (MIIC); and four foreign insurance company representative offices. The MSLE was separated from the Myanmar Economic Bank and established as a finance company since August 1992. At present, the MSLE has a network of about 182 branches throughout the country. It facilitates and caters to the financial needs of private individuals and small scale enterprises. A private-owned finance company, namely, the Oriental Leasing Company, has already started its operation since January 1996.

The MI underwrites all types of insurance for companies and individuals with a network of 38 branches. In June 1996, the Insurance Business Law was enacted to promote foreign and local investments and to encourage participation of private entrepreneurs in insurance schemes. Pursuant to this law, four representative offices of foreign insurance companies have been opened. There is also a separate insurance institution, the MIIC, which is owned by the MEC and which began its operation in 1997.

The role of the banking sector is more prominent at the moment. Though the non-banking sector is essential to the economy, it has not yet been developed to a stage to assume responsibilities comparable to that of the banking sector.

4. Elements of Macro-Prudential Policy Framework

4.1 Supervisory and Regulatory Framework in Myanmar

In Myanmar, the CBM assumes the responsibility for both monetary stability and financial sector stability under to the Central Bank of Myanmar Law, 1990. Regarding the management of financial stability, the CBM uses the CAMEL framework which looks at the six major aspects of a financial institution.

The CAMEL framework is an effective and simple supervisory framework comprising the following components:

C - Capital adequacy;

A - Asset quality;

M - Management soundness;

E - Earnings;

L - Liquidity; and

S - Sensitivity to market risk.

The Banking Supervision Department undertakes on-site examination and off-site monitoring. The CBM take regulatory action on the operations of banks by applying the following provisions:

4.1.1 Minimum Reserve Requirement

1. 10% of total deposits is required to be maintained by each bank as the minimum reserve requirement,
2. 75% of the required reserve is to be deposited with the Central Bank and 25% of the reserve may be maintained in the form of cash.
3. Required reserve for a bank to be maintained with the Central Bank must not exceed 35% of the total liabilities of the bank. However, in event of serious inflationary pressure, the Central Bank may increase the 35% ceiling requirement.

4.1.2 Liquidity Control

Banks are required to maintain the level of their liquid assets against their eligible liabilities at not less than 20%.

4.1.3 Capital Adequacy Ratio

The risk weighted assets of a bank shall not exceed ten times the combined total of its capital and reserves.

4.1.4 Legal Lending Limit

Banks shall not lend more than 20% of their capital plus reserves to single individual or to an enterprise of an economic group.

The operations of banks are covered in the following reports which are required to be submitted to the CBM:

1. Weekly (a) Weekly Reserve Position
   (b) Liquidity Ratio
   (c) Cash in Hand

2. Monthly (a) Monthly Balance Sheet
   (b) Income and Expenditure Statement
   (c) Capital Adequacy Ratio

3. Quarterly - Non-performing Loan Statement

4. Annually - Annual report

The banks are taking appropriate measures to cover the loans as much as possible and the CBM is also issuing banks instructions and guidance on the matter.

All banks are required to build up and maintain general provision account amounting to at least 2% of total outstanding loans and advances as at the end of the year and they are also required to maintain specific provision for doubtful and/or bad loans on a case-by-case basis.

Also, according to the Financial Institutions of Myanmar Law, a bank cannot lend more than 20% of its capital plus reserves to a single individual or to an enterprise of an economic group.

4.2 Current Banking, Regulatory and Supervisory Practices

In order to reinforce the regulatory and supervisory framework and anti-money laundering, the CBM has issued a series of instructions and guidelines for inspection to review bank compliance with AML/CFT requirements according to the Control of Money Laundering Law and Rules enacted in June 2002 and December 2003, respectively.

The CBM has examined all domestic private banks based on the AML/CFT requirements in its regular on-site inspections. It has also conducted special audit programmes for the state-owned banks on the compliance of AML/CFT rules and regulation since September 2004.

Under the guidance of the Central Supervision Committee (CSC), led by the Minister of Finance and Revenue, the CBM is continuously strengthening the supervisory and regulatory controls and taking necessary actions. The CBM also closely monitors the banking activities and encourages banks to be in compliance with international standards and norms.

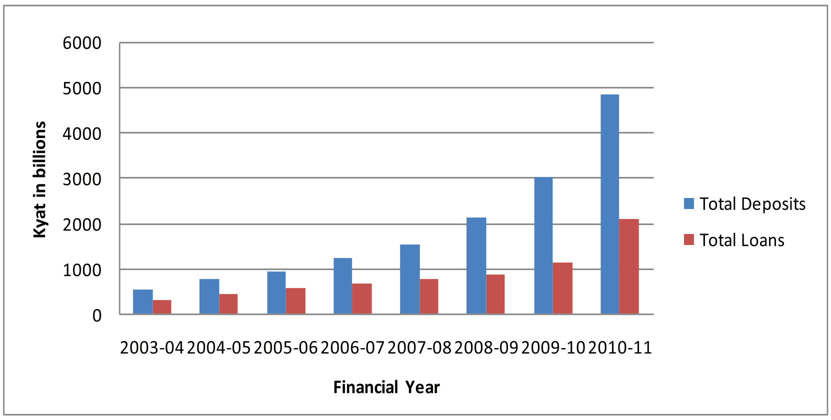
5. Analysis of Private Banks in Myanmar

In this section, we shall examine the soundness of 19 private banks in Myanmar during the FY period 2003/2004 to 2010/2011. The list of private banks in Myanmar is provided in Appendix A.

5.1 Deposits and Loans

The deposits and loans of Myanmar banks increased during the FY period from 2003/2004 to 2010/2011. The total deposits of the banking sector increased 9 times during the period from March 2004 to March 2011. The total loans of the banking sector increased 6.9 times during the period from March 2004 to March 2011 while the total loan amount of state-owned bank decreased during the period.

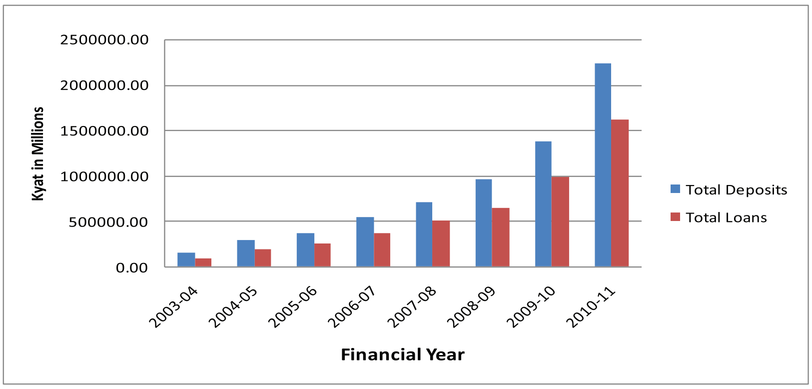
Figure 3
State-owned Banks and Private Banks' Deposits and Loans
(FY Period 2003/2004 to 2010/2011)



Source: Central Bank of Myanmar.

Figure 4 shows the private banks' deposits and loans for the FY period from 2003/2004 to 2010/2011. The growth rate of deposits of private banks increased 15 times and the growth of loans also expanded 18 times during the study period.

Figure 4
Private Banks' Deposits and Loans
(FY Period 2003/2004 to 2010/2011)

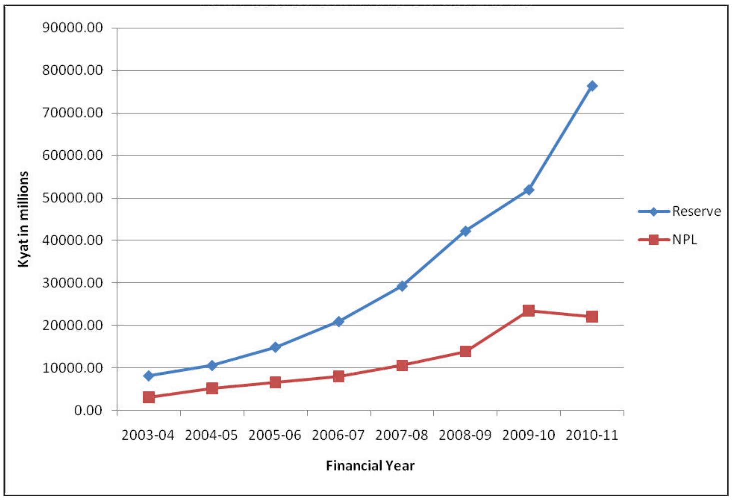


Source: Central Bank of Myanmar.

5.2 Non-performing Loan (NPL) Position

Figure 5 shows the non-performing loans of private banks for the FY period from 2003/2004 to 2010/2011. The dominant business of private banks is domestic banking and the management of credit risk is important for private banks. Therefore, the NPL is a crucial indicator for the soundness of private banks. During the study period, the NPL of private banks were covered by the reserves of these banks.

Figure 5
NPL Position of Private-owned Banks
(FY2003/2004 to 2010/2011)

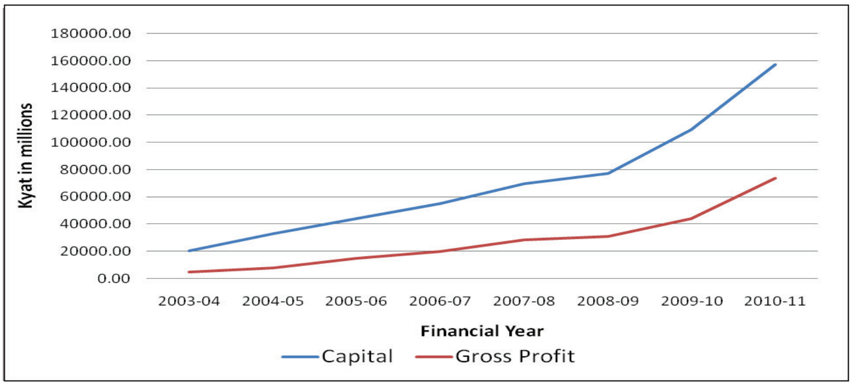


Source: Central Bank of Myanmar.

5.3 Financial Position

Figure 6 shows the financial position of private banks for the FY period from 2003/2004 to 2010/2011. Capital injection is necessary for the soundness of the banks. In Myanmar, the paid-up capital of private banks increased 15 times within 8 years from 2003/04 to 2010/2011.

Figure 6
Financial Position of Private Banks
(FY Period 2003/2004 to 2010/2011)

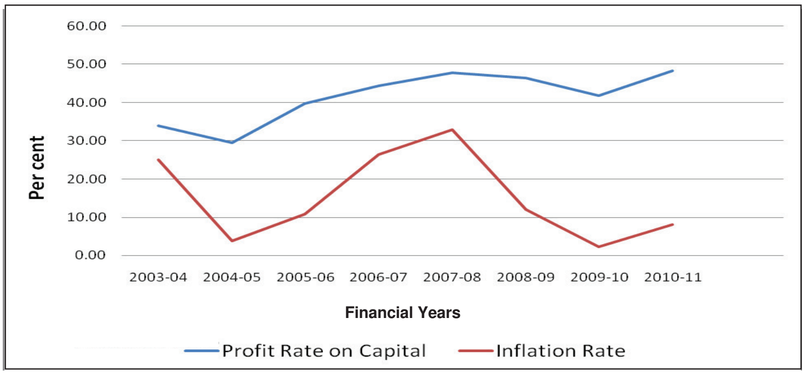


Source: Central Bank of Myanmar.

5.4 Profit Rates of Private Banks

Figure 7 shows the profit rates of private banks for the FY period from 2003/2004 to 2010/2011. The private banks recorded profits every year through the period.

Figure 7
Profit Rates of Private Banks
(FY Period 2003/2004 to 2010/2011)



Source: Central Bank of Myanmar.

6. Findings and Discussions

The nature of the state-owned banks and private banks are a little different in Myanmar. Even though the private banks can operate commercially, some state-owned banks are more restricted commercially. For example, the Myanma Economic Bank, the largest of the commercial banks, has to perform commercial banking and the government treasury function. Therefore, we shall only analyse the health and soundness of the private banks.

During the FY period from 2003/2004 to 2010/2011, we find that the paid-up capital of private banks increased by 15 times. The deposits and loans of private banks increased by 15 times and 18 times, respectively.

During the FY period from 2003/2004 to 2010/2011, we find that all the private banks recorded profits every year. Article 11(d) of the Financial Institutions of Myanmar Law, 1990, stipulates that "A financial institution shall aside 25% of its net profits, as prescribed by the Central Bank, in a general reserve account until it reaches 100% of its paid-up capital." Pursuant to this requirement, the general reserve of private banks has increased year by year.

Even though there is some NPL in private banks, their reserves covered their outstanding NPLs.

From the results our study, looking at the FY period from 2003/2004 to 2010/2011, we find that the paid-up capital and deposits and loans of private banks increased every year. In addition, all private banks reported making profits every year. The outstanding NPLs of the private banks are low. Therefore, we can conclude that the health and soundness of the private banks is generally strong.

7. Conclusion

The financial sector plays a vital role in a country's economic development. It is important for the financial sector to be stable. Instability in the financial sector can not only destroy the economic growth of the country, but also its repercussions can impact other countries.

In the past, the global and regional crises did not pose any challenges for Myanmar because the financial sector of Myanmar had not been integrated fully into the world's financial markets.

However, as Myanmar moves forward towards a market economy and its financial sector becomes integrated into the world's financial markets, its financial sector will be exposed and vulnerable to external forces. Myanmar should maintain financial sector stability in line with the growing economy and put into practice banking operation, supervision and regulations that are in line with international practices.

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Abbreviations

ASEAN	Association of Southeast Asian Nations
ATM	Automatic Teller Machines
CBM	Central Bank of Myanmar
CPI	Consumer Price Index
CSC	Central Supervision Committee
FDI	Foreign Direct Investment
FEC	Foreign Exchange Certificates
GDP	Growth Domestic Product
MADB	Myanma Agricultural Development Bank
MEB	Myanma Economic Bank
MEC	Myanma Economic Corporation
MFR	Ministry of Finance and Revenue
MFTB	Myanma Foreign Trade Bank
MI	Myanma Insurance
MICB	Myanma Investment and Commercial Bank
MSEC	Myanma Securities Exchange Center
MSLE	Myanma Small Loan Enterprise
MIIC	Myanma International Insurance Company
SEACEN	The Southeast Asian Central Banks (SEACEN) Research and Training Centre

Appendix 1

List of Private Banks

Sr.	Bank Name
1	Yoma Bank Ltd
2	Myanmar Oriental Bank
3	Kanbawza Bank
4	First Private Bank
5	Tun Foundation Bank
6	Asia Yangon Bank
7	Cooperative Bank
8	Innwa Bank
9	Myawaddy Bank
10	Myanmar Industrial Development Bank
11	Myanmar Livestock & Fisheries Development Bank
12	Sibin Tharyar Yay Bank
13	Myanmar Citizen Bank
14	Yangon City Bank
15	Yadanabon Bank
16	Asia Green Development Bank
17	Myanma Apex Bank
18	United Amara Bank Ltd
19	Ayeyarwady Bank Ltd