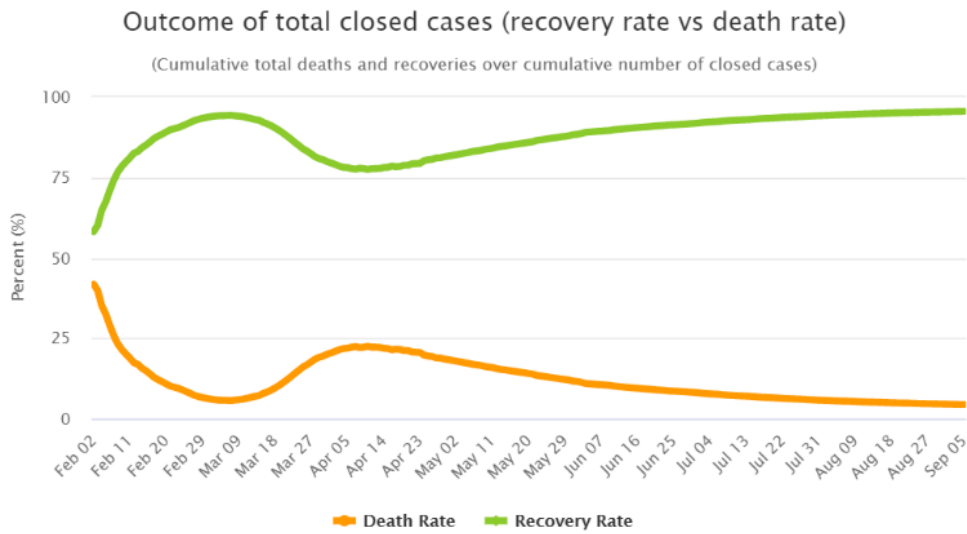


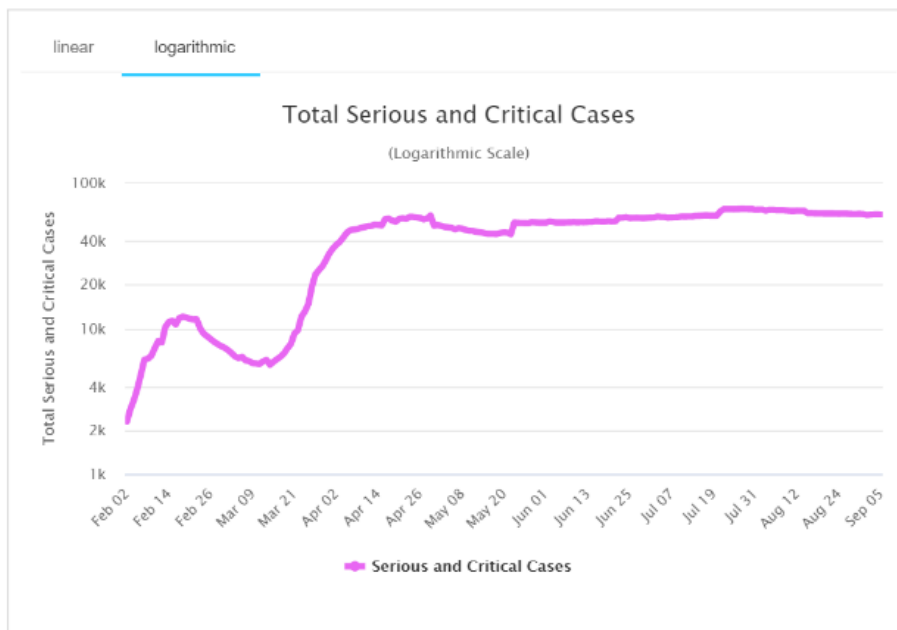
British Chamber Financial Services Working Group – Market Update #005

September 2020

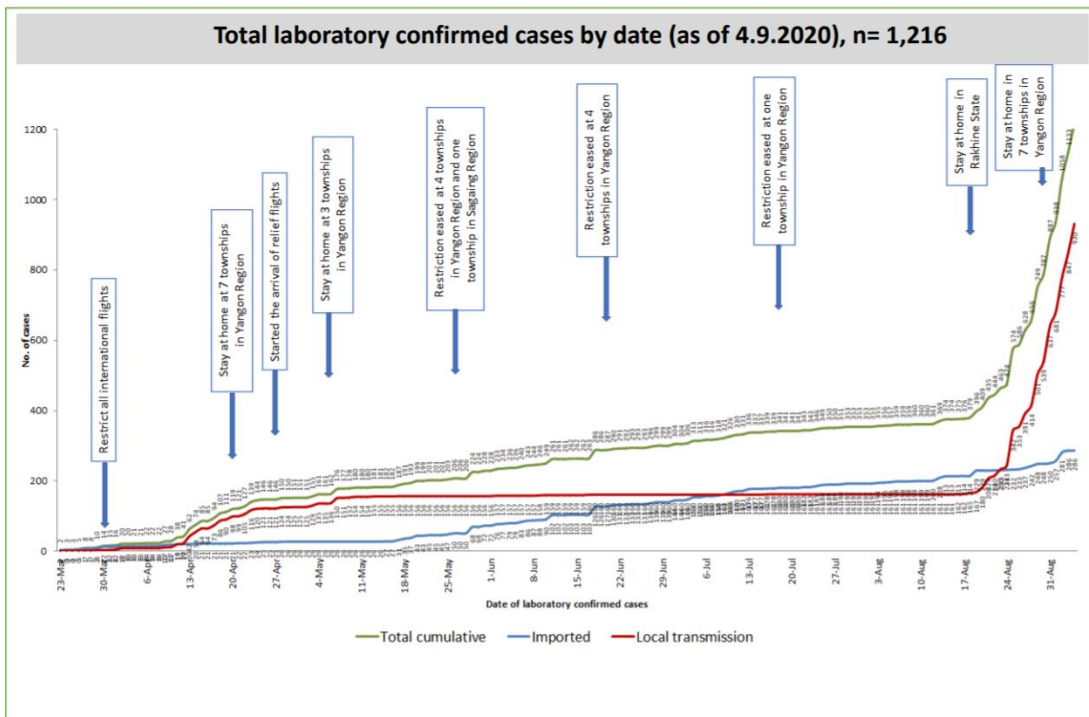
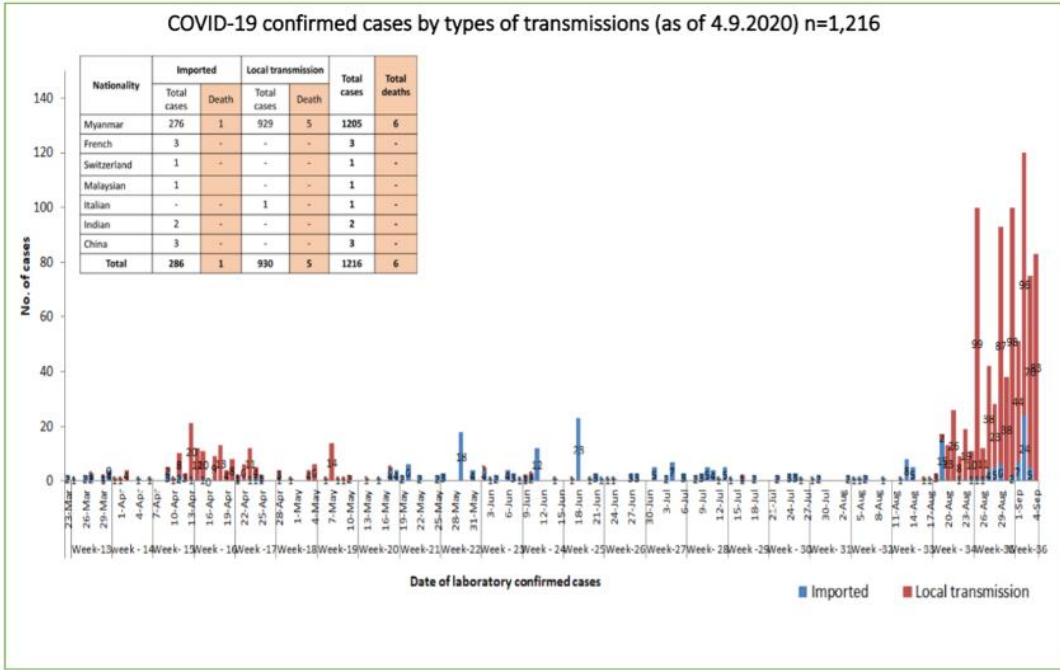
COVID-19 Update



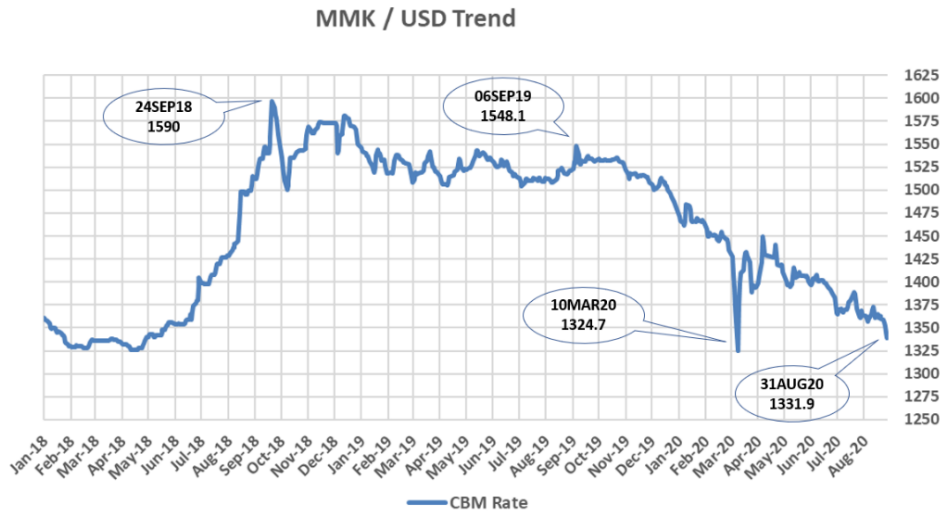
Source: Worldometer - www.worldometers.info 



Source: Worldometer - www.worldometers.info 



FX Rate (USD/MMK)



Gold vs USD Index



Economy and Regulations

New SEZ to catalyst investment

Myanmar is hoping to attract more Japanese investment in a new economic zone, according to local and international media reports.

State Counsellor Aung San Suu Kyi said on 29 July that the government would build a new special economic zone in Mon State that would help create jobs and boost foreign investment. Suu Kyi was speaking at an online Myanmar Japanese Investment Dialogue.

Authorities to act on MFI scammers

The Directorate of Investment and Company Administration (DICA) has warned that scammers using fake company registration certificates - many of them from microlenders - will face legal action under the Myanmar Companies Law.

Director General U Thant Sin Lwin of DICA said that scams were most commonly found in the microfinance sector.

Banking

Large banks lose their positions at top tax payers list

The annual ceremony honouring top taxpayers took place in Naypyitaw on 10 August. Several of the largest banks have dropped in the rankings, although not all. Some smaller lenders, meanwhile, have leapt up the rankings.

No.	Bank Name	FY18-19		FY 17-18	
		Ranking	Amount (Ks)	Ranking	Amount (Ks)
1	Myawaddy Bank	5	Over 10bn	2	Over 10bn
2	CB Bank	6	Over 10bn	8	Under 10bn
3	KBZ Bank	7	Over 10bn	1	Over 20bn
4	AYA Bank	9	Over 10bn	3	Under 10bn
5	YOMA Bank	17	Under 4bn	20	Under 3bn
6	CHIDB Bank	19	Under 3bn	24	Under 3bn
7	Global Treasure Bank	25	Under 3bn	18	Under 4bn
8	Naypyitaw Development Bank	30	Under 3bn	50	Under 2bn
9	First Private Bank	46	Under 2bn	27	Under 3bn
10	Myanmar Oriental Bank	60	Under 2bn	133	Under 700m
11	Yangon City Bank	72	Under 2bn	124	Under 800m
12	Innwa Bank	73	Under 2bn	51	Under 2bn
13	Myanmar Citizen Bank	97	Under 900m	32	Under 2bn

Microfinance

[TCX hits \\$100m milestone on MFI investments](#)

The Currency Exchange (TCX) announced on 24 August that it had hedged \$100m in international loans to Myanmar micro lenders under the second LIFT/TCX programme.

"Part of the funding has been facilitated through the COVID emergency facility that LIFT provided to TCX to immediately work to support the local microfinance sector," Ruurd Brouwer, CEO at TCX said. TCX cooperates with the Livelihoods and Food Security Multi-Donor Fund (LIFT) to help Myanmar MFIs access international funding.

[LOLC loan book up 94% YoY in 2019-20](#)

LOLC Microfinance Myanmar's loan book grew over 94% year-on-year over the 2019-20 financial year, according to Sri Lankan parent LOLC Group.

A statement accompanying the results said that LOLC Myanmar Microfinance remains the third largest microfinance firm in Myanmar with "an asset base" of \$109m. The lender's loan book had grown over 94% as of 31 March.

FinTech

[Mastercard expands Myanmar operation](#)

Mastercard is establishing a Myanmar office and will appoint a country business development manager.

The firm's entry into Myanmar comes amid a concerted push from the government to promote electronic payments and move the country away from cash amid the COVID-19 pandemic.

The announcement noted that Mastercard has been working for almost a decade with "government and key stakeholders" in Myanmar.

[Alibaba to help Yoma and Wave expand lending](#)

Yoma Group will use Alibaba credit analysis technology to expand lending to Myanmar's unbanked population.

The group will connect borrowers with lenders after analysing their credit risk based on public utility payments and online purchases via the Wave Money app.

[TrueMoney partners with Thunes on remittances](#)

TrueMoney has joined with international cross-border payment firm Thunes to expand its global remittance services, according to a joint release on 11 August.



“This partnership enables TrueMoney users to receive remittances from anywhere in the world via Thunes’ global partner network, which operates in more than 100 countries and in 60 currencies,” the release said.

Insurance

[GWI calls for crop insurance legislation](#)

Global World Insurance (GWI) has requested government leadership to implement a crop insurance system

A national crop insurance committee and a dedicated crop insurance law are needed for the country to implement a crop insurance system, according to the director of Global World Insurance, U Soe Win Thant.

Capital Markets

[MSH becomes shareholder in MIL](#)

Myanmar Strategic Holdings (MSH) is acquiring a 2.4% stake in fellow investor Myanmar Investments International Limited (MIL), MSH announced on the London Stock Exchange on 13 August.

MSH said it had exchanged contracts with Civetta Capital to purchase 897,500 shares in MIL at a price of \$0.68 per share for a total price of \$610,305. The two sides expect to complete the transaction by 31 October, at which point MSH will hold 2.4% of MIL’s issued shared capital.

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This market update is compiled from public sources for the Financial Services Working Group by Frontier Myanmar Research (FMR). It is intended to provide a high-level round up for members, with more detailed information available to Myanmar Financial Services Monitor subscribers.

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