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PROGRAMME**

**THE EFFECT OF EXPANSION OF BANK BRANCHES
ON PERFORMANCE OF UAB BANK**

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**“THE EFFECT OF EXPANSION OF BANK BRANCHES
ON PERFORMANCE OF UAB BANK”**

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for the Degree of Master of Banking and Finance.

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ABSTRACT

Bank branch expansion are not happening due to external economic factors affecting but also internal factor include the organization's performance, return on investment (ROI), bank provision ratio, amount of loan losses (NPL), growth of business such as deposit and loan growth and the ratio of capital to risk-weighted assets of the bank and cost management strategy.

Findings of this study concluded that bank branch expansion influence on performance of UAB bank such as deposit, loan, overhead cost, profit, shareholder fund and ROI. It is also conclude that UAB banks still have opportunities to have business growth by adding more branches and more service points. UAB bank will have business and financial performance growth as more bank branch expansion.

Until now, UAB bank has opened 77 branches across the country and provided development of the concern region and its people. It is clear that opening branches helps to make faster economic transaction which contributes the progress of the economy of the countries as a whole.

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CHAPTER 1

INTRODUCTION

This chapter provided an overview of the study. It briefly discussed the background of the study, rationale of the study, the objective of the study, scope and method of the study which has dependent and independent variables of study, the scope and the structure of the study.

The development of banking sector is vital for the soundness of the economic development of a nation. Our country Myanmar is already being in the middle of economic transition period and slowly moved from the centralized economy system to market oriented system. But financial sector of Myanmar is still lagged behind if this study compare with other ASEAN neighborhood countries because banks and financial services in our country cannot take fully financial intermediary role and can perform only for limited extent.

However, local banks which are leader of financial sector in Myanmar are trying to fulfill better banking service to public by expanding branch network in regional level and performing for developing of nation. Accordingly, the banking sector now plays significant role in improving the social economic wellbeing of the country through mobilization from savings, investment, setting the price and keeping financial assets, monitoring borrowers, managing financial risk and organizing the payment system in the economy.

Nowadays, banking financial service and bank branch expansions of local banks are intensification only for convenience of their customer and public. Customers are choosing their preferred bank branch based on better access for deposit and withdrawal and remittance services, and swift and more variety of business banking service, and based on in-time service need can be fulfilled and provided. Branch network means full service, permanent branches held by the organization, including both stand-alone and in-store Mini branches and ATM machine.

Convenience means sometime branch location, bank branch location is how far from customer's place or residence are important consideration for the bank. Especially, whether bank branches are located nearby their residential environment, such as nearby street, within cities, district and regional are also important factor for customer to have easy access to bank branch.

Most of the local bank are using new bank branch expansion as the best vehicle to enter into targeted regional market or getting target customer market for many. Bank branches expansion is the act of doing one's banking business at a location that is separated from the bank's head office location which are in the same region or out of different region or out of different country.

Therefore local and international bank in Myanmar are opening new full service branch or mini bank as a competition in order to get major market share of targeted region until today. As 2017 report, 24 state own bank, 3 municipality owned bank and 21 commercial bank has over 1800 bank branches, over 2000 ATMs and over 3000 POS in local banking industry. And also 13 foreign banks are waiting to have full flag banking license granted by Central Bank of Myanmar (CBM) to launch their whole sales and retail banking service into Myanmar.

1.1 Rationale of the Study

Recent innovations in the delivery of retail financial services have raised questions about the role of bricks-and-mortar branches in the banking industry. The advent of Internet banking, the proliferation of automatic teller machines (ATMs), and the increasing reliance on centralized call centers, combined with post-merger pushes for efficiency, all seemed to challenge the traditional branch method of delivering banking services. Yet, in fact, the number of full-service branches in Myanmar has increased steadily since the early 2010 when the Central Bank of Myanmar permit new banking license.

The implications of these branching trends for bank customers and for banking institutions have been relatively unexplored. In particular, it has been argued that bricks-and-mortar branches are a comparatively expensive means of delivering retail financial services, particularly deposit-based services. To the extent this is the case, and then the creation of extensive branch networks could impose a significant cost structure on banking organizations. This need not result in reduced profitability, however, if there are economies of scale in the operation of branch networks or if the revenue-generating performance of branches is otherwise enhanced when they are part of large branch networks.

The purpose of this paper is to study factors effect on bank branches expansion and the effect of bank branches expansion on performance bank branches. On the one hand, the another purpose of this study is to find out whether branch

expansion may allow efficiently managed institutions to generate income and profit; take advantage of network economies; and exploit the benefits of geographic risk diversification because the extension of branch networks causes additional challenges for banks concerning the management of their bank business performance.

And also operating a far-flung banking empire may reduce efficiency as senior management stray into regional markets in which they have less core competence; as organizational diseconomies arise (such as agency problems in monitoring junior managers in a distant locale); and as distance makes providing relationship-based services to local customers more difficult and high overhead cost. Branch banking size is defined as the number of full service, permanent branches held by the organization, including both stand-alone and in-store mini branches.

1.2 Objective of the Study

The objective of the study is to analyze the effect of expansion of bank branches on performance of UAB bank

1.3 Scope and Method of the Study

This paper addresses the implications of recent developments in branch banking by examining a series of simple branch performance measures for a large sample of United Amara Bank Limited (UAB bank). As financial factor, we would like to examine both the costs of operating branch networks and the profit generated through this business to study the profit and cost efficiency of branch networks of different sizes. The variables examined are bank- deposits and business loans and overhead costs and branch profit.

This thesis is based secondary data of financial information received from reliable sources of internal data of United Amara Bank Limited (UAB bank). Statistical linear regression models are used to study the relationship between number of bank branches growth and bank financial performance of UAB bank. Simple linear regression analysis is applied to carry out the best fitted regression model to determine the effect of branch network size on performance of UAB bank.

Secondary data used in this paper are derived from bank income statement and yearly profit & loss data from financial year 2011to 2018 of UAB Bank, which provide coverage of a wide scope of institutions. Specifically, summary of deposit data contain information about all type of deposit amounts at all Branch.

1.4 Organization structure of the study

This paper includes 5 Chapters. In Chapter I include overview of the study, introduction of paper, rational of the study, objective of the study, scope and method of the study and the structure of the study. The remainder of this paper is organized as follows. The next section Chapter II is literature review which has brief history of branch banking in Myanmar, the rational for performance measurement, the definition and design of performance measurement and theoretical foundation of the research. Chapter III presents an overview of UAB Bank in branch banking which includes brief history of UAB bank, function and definition of UAB branch banking, the factor influence on expansion of bank branches in UAB bank and financial factor of bank branch expansion in UAB bank. Chapter IV is Data analysis by presenting research design of the secondary data analysis, no of bank branch expansion influencing on performance of UAB bank, effectiveness of bank branched expansion on performance of UAB bank by regression analysis and Chapter V - Conclusion contain finding and discussion and suggestion.

1.5 Summary of the Chapter

The study was intended to research the effect of branch network size on performance of UAB Bank by addressing the effect of expansion of branches on performance of UAB Bank

CHAPTER 2

LITERATURE REVIEW

This chapter discussed regarding the liberalization of the financial system and the banking business environment in Myanmar, the rational for performance measurement, the definition and design of performance measurement and theoretical foundation of the research in former study.

2.1 Brief History of Branch Banking in Myanmar

The first opening bank in Myanmar was the presidency bank of Bengal. The presidency bank of Bengal was established in 1809 to manage the financial operation of the East Indian Company. The first bank branch of Yangon was opened at 1861. Therefore banking and financial service was emerged in Myanmar due to trading and commercial matter. After British occupied lower Myanmar, domestic and international trading was dramatically improved and as the result, basic economic infrastructures such as water way and transportation industry are developed during this period.

In 1861, the bank branch of the Presidency Bank of Bangal was opened and one branch was opened in Maw La Myine city in 1863, and one branch was opened in Sittway in 1865. Therefore after British colonization established banking business in Myanmar, the Presidency Bank of Bangal was very first bank in Myanmar.

Among Myanmar territory, Rakhine and Thanin Thar Yee was under British Rules firstly at 1826. Therefore people of those region was most interact with British Economy System. So Myanmar National Owned bank U Ye Kyaw Thu Bank at Sittway was emerged first in Myanmar.

Myanmar got independent from British at 1948, so there were many business opportunities was happened. Therefore other business industries were successful and many commercial banks were opening.

The union of Myanmar government established Central Bank of Myanmar by step by step enacting central bank law and successfully established the Union of Myanmar Bank Law in 1952 and established fully operated central bank.

Commercials Bank are - Burmese National Bank Ltd. (1948), Yangon Bank Lit (1957), Ava Bank Ltd (1959), Myanmar Economic Bank Ltd (1959),

Export/Import Bank Ltd (1960), Cooperative Bank – The Union of Myanmar Cooperative Bank (1955), State Own Bank – The Union of Burma (Myanmar) Bank (1952), State Agricultural Bank (1953), State Commercial bank (1954).

At 2 March 1962, revolutionary committee government control nation and start socialist economy system. Therefore private business industry must be stated own to implement socialist economy system was the most important.

Therefore Commercial banks which are very important for economy can be operate privately, and all commercial become state owned at 23 February 1963. At the time of nationalization, there are 10 Myanmar National Owned bank and 14 foreign banks.

State Peace and Development Council took national authority at 1988 result changed in economic system. Private sector becomes important to transform Myanmar to market economy. Due to transformation of economic policy, central bank law was enacted in 1990 and permit commercial bank business in Myanmar.

Central Bank of Myanmar granted Bank license to commercial bank and Myanmar Citizen Bank become first licensing bank in Myanmar. Myanmar Commercial banks which was dead end due to nationalization at 1963 was Resurrection of Private Bank in Myanmar again.

However, after a decade of Stellar growth (inflation adjusted, deposits grew by 2,100% and loans by 1,600% from 1992 to 2002), the Myanmar banking industry experienced a severe crisis in early 2003 (Turnell, 2009). This crisis originated in the collapse of a number of trading companies that were acting as informal financial institutions. The contagion spread to the banks, which were subsequently instructed to retract all their loans to increase their own liquidity. This, in turn, created a real-sector depression that further eroded the value of financial sector assets (Nehru, 2014). This crisis was aggravated further by sanctions of the United States brought about by Myanmar's continuing failure to address major deficiencies in its antimoney laundering regime. After three major banks (Asia Wealth Bank, Mayflower Bank, and Myanmar Universal Bank) had been closed down and the crisis eventually subsided, the Central Bank issued stringent prudential measures, such as a high capital-to-deposit ratio and strict collateral requirements, which impeded credit growth for the next decade (True, 2015 & Turnell, 2009).

After the quasi-civilian government headed by President Thein Sein took office in 2011, Myanmar and the financial sector have embarked on a comprehensive

set of reforms. With respect to the financial sector, the main thrust of the government reform measures has focused on relaxing the controls over private banks and legislating the Central Bank into an autonomous body (Than, 2014). New licenses were awarded to establish private banks while prudential regulations were eased. Reforms did not stop there, however; they rather resulted, amongst other things, in the establishment of the legal basis for a microfinance sector, a new banking law, the breakup of the state insurance monopoly, the unification of the exchange rate regime, and the establishment of the Yangon Stock Exchange.

The reform emphasis of the government gave rise to an easing of international sanctions and the reintegration of Myanmar into the global economy. International financial institutions have started to re-engage with the country, foreign banks started operations, and international payments and credit cards came back to Myanmar.

In April 2016, a newly elected government, under the National League for Democracy and headed by President Htin Kyaw, came into power. According to the party's election manifesto and economic plan, the continuing liberalization of the financial sector will be a cornerstone of their future political agenda. Nevertheless, Myanmar's financial sector is still at a rudimentary level and has a long way to go to meet international standards.

There are 4 State owned Bank, 18 commercial bank, 3 municipality owned bank, 4 State owned (less than 100% owned), 13 international bank, are already operated in Myanmar and spread their branch network as the for whole country as the following -

State owned (100% Owned)

1. Myanmar Agricultural Development Bank
2. Myanmar Economic Bank
3. Myanmar Foreign Trade Bank
4. Myanmar Investment and Commercial Bank

Municipality Owned

1. Naypyitaw Sibin Bank Ltd (NPTDC)
2. Yadanabon Bank Ltd (MCDC)
3. Yangon City Bank Ltd (YCDC)

State owned (Less than 100% Owned)

1. A Bank Ltd.
2. Construction and Housing Development Bank Ltd

3. Myanmar Citizens Bank Ltd
4. Rural Development Bank Ltd

Commercial Bank

1. Myawaddy Bank Ltd
2. Innwa Bank Ltd
3. Asia Yangon Bank Ltd
4. AYA Bank Ltd
5. Kanbawza Bank Ltd
6. Myanma Apex Bank Ltd
7. Myanmar Oriental Bank Ltd
8. Shwe Rural and Urban
Development Bank Ltd.
9. Tun Foundation Bank Ltd.
10. United Amara Bank Ltd.
11. Yoma Bank Ltd.
12. Global Treasure Bank Ltd
13. Myanmar Microfinance Bank Ltd
14. Small & Medium Industrial Development Bank Ltd
15. Asia Green Development Bank Ltd
16. Co-operative Bank Ltd
17. First Private Bank Ltd

Above banks are opening bank branches at main business cities and established their branch network about total 1800 bank branches till today.

2.2 The Rationale for Performance Measurement

Performance measurement system serves a firm as a key factor in alignment to strategies, goals and objectives (Teeratansirikool, Siengthai, Badir, & Charoenngam, 2013). Performance measurement frameworks are designed in response to the ever-changing business environment within which a firm operates. Yet performance measurement systems must be effective so as to be able to accurately reflect a business situation and gear employees towards the right directions that help achieve organizational objectives. Neely (1999) argues the need for measures of performance as emerging due to: the changing nature of work; the increasing competitive business environment; the development of innovative initiatives; national and international

quality requirements; changing organisational roles; changing external demands; and the development of information technology.

Ifeoma and Ijeoma (2012) identify the reasons for organizations to use performance measurement systems as to:

- 1) Monitor and control,
- 2) Drive improvement,
- 3) Improve the effectiveness,
- 4) Align goals with objectives and strategies, and
- 5) Reward and discipline.

Kellen (2003), views business performance measurement as a tool to balance within the firm for:

- 1) Profit, growth and control;
- 2) Comparison of short term results with future capabilities and growth opportunities;
- 3) Comparison of actual performance with planned performance;
- 4) Opportunities and attention; and
- 5) Motives of human behavior.

2.3 The Definition and Design of Performance Measurement

The significance of performance measurement has long been recognized by researchers and practitioners of various disciplinary backgrounds (Neely, Gregory, & Platts, 2005). As a management control tool, performance measurement is concerned with data collection, setting procedures related to the formation of a firm's core competency and supporting managers to put strategy into operation (Theriou, Loukas, Maditinos, & Theriou, 2007). But, what is performance measurement?, and how is performance measured?

The literature on performance measurement identifies different definitions for performance dimension and these differences have facilitated to the development of a large number performance measure. Besides, the literature indicates some of the difficulties in the selection of performance measures that are appropriate for academics and practitioners. DeBusk, Brown, & Killough, (2003) state that the mix and number of performance measurements used differ from one organization to another due to the differences in the strategies adopted by different organizations.

Neely, et al. (2005) define a performance measurement system as a concise set of financial and/or non-financial metrics that supports management in their course of decision-making processes of an organization by gathering, processing and analyzing quantified data about its performance and presenting it in the form of a concise summary.

Performance measures can also be defined as the course of measuring the efficiency and effectiveness of accomplishment quantitatively (Neely, et al., 2005, Lisiecka & Czyż-Gwiazda, 2013). They referred effectiveness as the extent to which customer expectations are met and efficiency as a measure of how economically the firm's resources are utilized to customers' level of satisfaction. Gimbert, Bisbe and Mendoza, (2010) suggest performance measurement as the use of multi-dimensional and causal-oriented set of performance measures.

Franco-Santos, Kennerley, Micheli, Martinz, Mason, Marr, Gray, & Neely (2007), based on the Social Science Citation Index; Scopus and Google Scholar databases, make citation analysis of the approaches of Atkinson (1998), Atkinson, Waterhouse & Wells (1997), Bititci, Carrie & Mcdevitt (1997), Bourne, Neely, Mills & Platts, (2003), Forza & Salvador (2000), Gates, (1999), Ittner, Larcker & Randall, (2003), Kaplan & Norton, (1984), Kerssens-van Drongelen & Fisscher (2003), Lebas, (1995), Lynch & Cross, (1991), Maisel (2001), McGee, (1992), Neely, Gregory & Plat, (2005), Rogers (1990), and Otley (1999) in order to identify the key characteristics that researchers might include as necessary and sufficient conditions when defining performance measurement systems.

Opas Kitkamhang (2018), Faculty of Business Administration, Siam Technology College, Thailand study to conducted to analyze the effect of leadership style and the marketing factors to the bank branch expansion performance According to the research's results and data analysis, suggested that the performance of bank branch expansion does not have any significantly effect to the bank's target As the matter of fact, the performance of banking regarding branch expansion was significantly affected by leadership style, inspiration and job satisfaction. Therefore, it proved that the efficiency in banking industry which is considered as one of the banking performance indicators was not the main effect caused by the increased number of branches and size. On the other hand, the psychological factors that largely pushed up the employee's motivation to achieve the goal setup by the bank executives were employee inspiration, job satisfaction and especially the viewpoint of leadership

for the prospective future. These results compile with the theory of transformational leadership (1970) that the way people interact with others is able to create a strong relationship.

Finally, in a statistical cost accounting study of large cross-sectional samples of Italian banks, Calcagnini and Hester (1997) reported that there was no relation between a bank's profits and number of branches, after the effects of portfolio composition has been taken into account.

On the basis of the definitions given by various scholars cited by above, the basics of performance measurement system are features, roles, and processes (Franco-Santos et al. 2007). Features of a performance measurement system are properties which make up the performance measurement system. Roles are the functions that are performed by the performance measurement system, and processes are the series actions that combine together to constitute the performance measurement systems.

From the perspective of the content analysis of Franco-Santos et al. (2007), performance metrics considered provision of improved information system, properly designed data capturing system, and using relevant data as the necessary condition of the measurement process. They also classified performance measures as objective or subjective; financial or non-financial; leading or lagging, complete or incomplete, responsive or non-responsive; critical or key performance indicators; tangible or intangible; etc.

2.4 Theoretical Foundation of the Research

Business performance measurement is a dynamic research agenda of academics and practitioners. In spite of the growing need in the drivers of sustainable performance measures in the operational domain, there is a growing concern over the robustness of the theoretical foundations of measuring and managing performance within the academic community. According to Franco-Santos et al., (2012), while there is abundant research within specific disciplines, such as management accounting, production and operations management, strategic management, human resource management, marketing and organizational behavior, a unified theory for performance measurement and management has failed to emerge. This is due to the multidisciplinary nature of the field.

The purpose of this sub-topic is, thus, to assemble the contributions that conceptualize the theoretical basis of performance measurement from, among the others the strategic, motivational and accounting perspectives.

With regard to the impact of bank branch expansion, there are many studies discussing these phenomenal situations. In particular, the study of Harimaya and Kondo which examined the efficiency of cost and profit for the Japanese bank branch expansion. They found that, without branch expansion, local activities aligned with the improvement of cost efficiency. In addition, expanding branch in certain level exhibited higher cost efficiency. On the other hands, an excessive branch expansion would ruin bank's cost efficiency. Considering the bank profit efficiency, they suggested that focusing on the central activities and excessive branch expansion would lower the bank's profit efficiency. As results, they proposed that focusing on an adequate level of commercial bank branch expansion would significantly improve both cost and profit efficiencies through portfolio diversification.

In Thailand, Prasetyo and Sunaryo (2015) also studied the effect of Indonesia bank branch expansion and their performances. Even though, Indonesia banking business is not fully efficient which they still have room to grow up. Many banks in Indonesia mainly prioritize their policy on enlarging their size and expanding their products to public. Thus, networking more branches would easily improve the accessibility to public. However, their study found that employing more staffs and increasing number of branches did not significantly influence the performance of their banks which it is considered as the key indicator of banking. This is an evidence supported that increasing the number of bank's branches and employees may not sufficiently be the determinants of bank efficiency level.

Meesrichan and Fongsuwan (2014) from Thailand also studied various factors including leadership, location, cost and economic factors to the Thai commercial banks branch expansion. The main focus of this paper was on the influence of foreigner on Thai commercial bank as of the globalization regime. This would change the management, operating style, company's size and branches of Thai commercial bank. In this paper they suggested that scheduled branch opening may be affected by various factors. The return on investment (ROI), organization's performance, amount of loan losses, and ratio of capital to risk-weighted assets, gross national product, export, ratio of saving and spending level, bank strategic planning, staff expansion, location, branch cost and size are considered as external factors. Their finding

suggested that branch expansion was not influenced by the location and cost but the corporate leaders provide largely affect to add branches and increase more service points.

This study was extended in a year after by Meesrichan and Fongsuwan. They further suggested that a major bank revision on 2013 for the licensing of new foreign commercial bank in the kingdom of Thailand largely influenced the bank environmental management. This studied supported the discovering that corporate leadership and economic factors strongly related to bank branch expansion. In addition, the economic factors also highly related with the leadership in setting up their strategic plan. Importantly, technology strongly influenced the customers in term of building relationship, which the technologies such as mobile phone and internet are considered as relationship marketing tools.

2.5 Summary of the Chapter

This chapter started its discussions with the structural measures that have been undertaken by the government to liberalize the financial sector after the demise of the military regime. The chapter then continued with the discussion on the definition and justification for performance measurement. The theoretical foundations of performance measurement were discussed in detail sub classifications under the basic classifications of strategic theory, management theory. The need to integrate non-financial measures of performance with the financial measures of performance was underscored by focusing on the conceptual frameworks for performance measurement related to the study.

CHAPTER 3

OVERVIEW OF UAB BANK IN BRANCH BANKING

This chapter covered the brief history of UAB bank. The chapter explains about the financial factors of bank branch expansion in UAB. This chapter define function and definition of branch banking, regulatory and supervisory framework in branch expansion which UAB bank comply and pro and cons of bank branch expansions which UAB bank encounter.

3.1 Brief History of UAB Bank

United Amara Bank was established in 2010 as a fully-fledged Domestic private bank. On 16th August 2010, we opened our first branch in Nay Pyi Taw and the branch network has since grown to 78 branches across Myanmar. It is envisaged that the network will further expand to 100 branches by end 2020.

In 2011, an Authorized Dealer License was obtained allowing the Bank to do foreign exchange transactions through its Money Changer Counters and subsequently on 9th July 2012, a Foreign Banking License was obtained which enabled the Bank to perform foreign banking transactions. The Bank is now fully licensed to make International money transfers and issue Letters of Credit.

On 27th December 2012, the Bank began inbound money remittance through its partnership with Western Union Payment Inc and in 2013, a principal license was obtained from VISA and MasterCard for the acquiring business.

Apart from the traditional branches which are presently linked on-line via a modern Core Banking system, the Bank currently deploys a number of ATMs across the country and provides an Internet Banking facility for 24/7 access for its Customers.

United Amara Bank now operates a fully-fledged banking business both in domestic and foreign currencies serving its customers through its branches and electronic platform across Myanmar.

Risk management and corporate governance is a key component of the bank's culture and the bank holds a strong commitment to its Motto of "Safe, Sound and Trustworthy". Commitment to training of its employees is also a critical component in ensuring that the Bank is able to deliver quality services to customers.

To reflect its growing maturity, the Bank received a number of awards over 2016 and 2017 and recognition both domestically and internationally continues to grow. UAB banks total 77 bank branches, 300 ATM machines as branch network around Myanmar.

3.2 Function and Definition of Bank Branching

Bank Branch Expansion allows a financial institution to expand services to an area outside of the home location, functioning as an extension of the home location. This can be a more cost-effective approach because not all locations are required to offer the same levels of services as the home location, allowing smaller offices to provide key services while larger locations provide additional services.

Bank Branch Expansion (Branch banking)

Bank Branch Expansion (Branch banking) is engaging in banking activities such as accepting deposits or making loans at facilities away from a bank's home office. Branch banking has gone through significant changes since the 1980s in response to a more competitive nationwide financial services market. Financial innovation such as internet banking will greatly influence the future of branch banking by potentially reducing the need to maintain extensive branch networks to service consumers.

The literature on the economics of bank branching is fragmentary and diffuse. It views banks as competing in two dimensions: (1) expanding a network of branches and (2) varying interest rates. In the first stage, a bank is assumed to choose the size of the network and, in the second, set interest rates. Using very strong assumptions about the frequency distribution of the cost of establishing branches in a static model and the elasticity of profits with respect to branches we were able to construct a log-likelihood function that allowed them to draw the following conclusions about the Myanmar banking industry: (1) the industry is segmented across regions, relative to the degree of competition that prevails in each region, (2) the marginal profitability of a branch has increased over time, (3) banking regulation has had the effect of increasing competition, and (4) costs of a branch rise with the distance between a province and the location where the bulk of a bank's business is conducted.

As of 2018, banking customers reported of worldwide, completing more than 80% of their needed transactions through a self-service option, leaving approximately

20% of a retail banking customer's activities being directed through a physical banking location. Self-service options include, but are not limited to, the use of ATMs, mobile check deposit and automated balance inquiries processed over the phone. As internet banking has increased, certain banks have closed many branch facilities, estimated at 1,700 closures in 2018. Certain banks assert that additional branches are underperforming, likely due to the increase in online banking options, but will likely remain.

But many customers still prefer the personal attention and personal service that contact with bank employees provides in Myanmar. Moreover, for those services where problems can arise that require detailed information and explanation. For example, when a customer discovers that his or her account is overdrawn, or if he or she suspects an account is being victimized by identity theft, or when the customer's estimate of an account balance does not agree with the institution that holds that account, and checks or charges begin to bounce, the presence of a nearby service facility may become important

Establishing Full Service Bank

When an established financial institution wishes to enter new markets or when its valued customers move, an important vehicle for market entry in the modern era has been the creation of new branch offices, offering many, if not all, the services also available from the home office. Branches are usually much cheaper to establish than chartering whole new financial-service corporations. Less capital is required, the application for new branch offices is less detailed than usually required for a new corporate charter, and there is usually much less duplication of staff because a new branch doesn't normally require a full slate of officers and operations personnel as would a whole new corporation.

The location, design, and services offered by a branch office depend, first, upon the preferences of customers and, secondly, on the preferences of management and employees. Marketing research suggests that most customers rate an atmosphere of confidentiality, "hominess", and privacy in carrying out their personal transactions as the most important features of new branch offices. And customers and employees seem also to rank efficiency high in describing the arrangement of an ideal branch office—service departments and workstations should be easily reachable for both customers and employees.

BancOne based in Chicago (now a part of J. P. Morgan Chase Corp.) has been an industry leader in testing out new ideas for the design of branch offices and other customer service facilities. When the customer enters one of its newer branches, he or she may be confronted with such eye-catching features as neon lights that highlight what financial services each department offers and direct customers' attention to merchandising graphics. To further ease customer anxiety, there may be an information desk near the entrance to help confused customers find the service counters that best meet their needs. Visually attractive advertisements may confront customers waiting in the lobby to meet with financial-service representatives.

More recently, BancOne developed both full-service branches, providing traditional services (such as loans and deposits), and specialized branches ("boutiques") that supply services specifically geared to their local area (such as savings and investment products for retired customers). Other branch-office innovators include Wells Fargo, Bank of America, Washington Mutual Inc., and Charter One Financial Inc. (Recent research at Washington Mutual Inc. suggests that branch offices for that company cost about \$1 million each to open and reach the break-even point in as little as 18 months, on average.) The message of these recent innovations seems clear: Customers (particularly new customers) need guidance on where to go and what services are available inside each branch office. Otherwise, they may become frustrated and go elsewhere.

Desirable Sites for New Branches

UAB bank chooses the branch location to operate the full-service branch as per following characteristics:

- Heavy traffic count (for example, 30,000 to 40,000 cars per day), indicating a large flow of vehicular traffic (and potential customers) passing near the proposed site, but even at peak times (e.g., on Friday afternoons) customers must be able to easily see and access the office and its drive-up windows.
- Large numbers of retail shops and stores present in the surrounding neighborhood, which usually generate a substantial volume of loan and deposit business.

- Populations that are of above-average age (particularly those individuals 45 years of age and older) who often have substantial amounts of savings and need advice on how to invest those savings.
- A surrounding area that encompasses substantial numbers of business owners, managers, and professional men and women at work or in residence.
- A steady or declining number of service facilities operated by financial-service competitors, leaving a substantial volume of business that a new branch might be able to attract.
- Above-average population growth, usually favorable to establishing a branch office in an area.
- Above-average population density (i.e., a greater number of persons per square mile around the proposed site).
- Above-average levels of household income, with higher-income groups usually offering branch offices the opportunity to sell more services.

For bank branches setup, primarily created to generate loan demand from household customers, residential areas with a heavy proportion of young families and substantial new home construction, along with concentrations of retail stores and high traffic flow, are particularly desirable locations. In contrast, commercial loan demand is usually focused upon central city office locations where a lending institution's credit analysts and loan approval committees are normally housed.

Challenges of Branch Banking Activities in the Future

Despite continually advancing technology, most experts seem to agree that the total number of financial-service outlets industry wide will probably not decline significantly; indeed, the total of all financial-service facilities may continue to grow in the future if the population desiring to use these services continues to increase. However, the design and function of most financial-service facilities are likely to evolve into new configurations—more wholly or partially automated facilities with broader self-service capability and adjacent to other stores and shops. Future facilities will also likely include information-accessing equipments that is so portable that financial-service outlets will be able to visit or accompany the customer, wherever he or she goes, rather than requiring the customer to visit them.

The use of “digital cash” will permit customers to be their own financial-service branches for certain transactions. Customers will be able to carry a pocket-size computer terminal to register payments for goods and services and to transfer funds as needed or carry a “smart card,” which is an electronic purse holding a specified amount of electronic money to spend. When all the customer’s electronic money is spent on purchases of goods and services, the card can be electronically “refilled” again with digital cash in order to support future purchases. But even with these service innovations, there is still likely to be a significant role for traditional full-service branch offices geared to the special service needs of the neighborhoods and communities they serve, helping customers plan for the future with the aid of a broad menu of service offerings and expert financial advice.

Whatever form future service facilities take, however, each branch office and limited-service facility will have to continually prove its worth in generating revenues and net earnings for financial firms. Service-providers of the future are likely to follow the lead of many retail stores in evaluating the success of their branch offices and limited-service facilities in terms of profits and costs per square foot. Future service facilities will have to combine retail, sales-oriented environment with customer-friendly automation and still be flexible enough to deal with continuing product innovation. No longer can branches and limited-service facilities be just deposit gatherers; they must also be aggressive fee generators, selling credit, money management, and planning services to businesses and individuals as well as traditional savings plans. And the roles of branch managers will change as well; they must spend more time generating new business (i.e., becoming highly sales oriented) by calling regularly on prospective clients and building stronger links to their client base.

3.3 Regulatory and Supervisory Framework in Branch Expansion

If a banking institution in Myanmar, wants to open a new branch, it must comply with guidelines from the Central Bank of Myanmar (CBM) and submit them once a year. They must also request to permission to open the branch from the Central Bank of Myanmar (CBM) and qualify in accordance with the rules and regulations. The plan must include the branches that are going to be established, their location, reasons for opening, when will the branch be open, clear financial data concerning both the bank and the branches and a map showing the location of the branch.

Supervision of Banks - The Central Bank of Myanmar (CBM)

The Central Bank of Myanmar (CBM) has taken over the role as the regulator and supervisor of the banking sector. In the case of a new branch expansion in Myanmar, financial institution shall comply with the financial ratios set for the purposes of calculating its capital adequacy ratio prescribed by the Central Bank from time to time in accordance with Financial Institutions Law 2016 and Central Bank of Myanmar Law 2013

The Central Bank of Myanmar is established under this law as a legal entity having perpetual succession, capable of suing and being sued in its own name. The aim of the Central Bank shall be to preserve and maintain the domestic price stability. The Central Bank of Myanmar shall, in accordance with its aim, also endeavor to attain the following objectives: (a) to promote monetary stability (b) to enhance financial system stability; (c) to develop efficient payments and settlement system, (d) to support the general economic policy of the Government conducive to the sustained economic development.

For the successful achievement of its aim and objectives, the CBM shall have autonomy and may exercise all the powers conferred upon in carrying out the functions under Central Bank of Myanmar Law. Enacted on July 11, 2013, the revised Central Bank of Myanmar Law (CBML) has far-reaching consequences. It gives the CBM the authority and responsibility to carry out all central-banking functions including the independent implementation of the country's monetary policy and exchange-rate policy. With the new law, the Central Bank is no longer under the control of the Ministry of Finance but has become an independent institution with its governor being at the minister level. In order to ensure accountability and transparency, it is the mandatory responsibility of the CBM to submit its reports to the government as well as to the parliament at least twice a year, and the CBM's monetary reports must be published quarterly.

Banks which wants to open new Branch in Myanmar must have strong financial standing, with good operating performance and expertise in international financial transactions. It outlines various banking functions that have to be approved by the CBM before becoming effective⁸. Moreover, the FIL also requires the banks to meet the following key ratios and limits.

- Regarding the single exposure limit, no customer's borrowing should exceed 20% of core capital.

- With regard to the maintenance of a reserve fund, 25% of the net profits must be transferred to the reserve fund every year until it reaches 100% of the total paid-up capital.
- The minimum liquidity ratio (liquid assets to current liabilities) is to be specified by the CBM (currently 20%).
- The minimum paid-up capital is set at MMK 20 billion for domestic banks and USD 75 million for foreign bank branches.
- The minimum capital adequacy ratio is to be specified by the CBM (currently 10% of risk-weighted assets), NPL ratio not exceeding 5%

The Central Bank may impose on and collect from any bank or financial institution which fails to maintain required reserves in the appropriate ratio determined, a levy fine prescribed on the shortfall of required reserves in such bank or financial institution, as the case may be.

Any person or financial institution which fails to comply with the financial ratios set by the Central Bank shall be subject to administrative penalties including imposing fines under the provisions of this Law or under any other laws relating to financial institutions. Any action taken by the Central Bank shall be applicable uniformly to all financial institutions of a particular type without discrimination, and no action taken shall have retrospective effect. Complementary to these efforts, the Bank of Myanmar has also engaged in dramatic internal reforms that resulted in the realignment of its organization structure with the new risk-based supervisory framework.

Classification of Bank in Myanmar

Government-owned Banks - The Myanmar Economic Bank (MEB), the Myanmar Foreign Trade Bank (MFTB) and the Myanmar Agricultural Development Bank (MADB) were all established in 1976. A fourth state bank, the Myanma Investment and Commercial Bank (MICB), was set up in 1990 in order to stimulate the growth of industry and production in the country.

Private and semi-governmental banks - Private and semi-governmental banks play the leading role in terms of innovation (e.g. introduction of debit cards, credit cards and cobrand cards or installation of ATMs). However, existing rules and regulations limit the ways banks can distinguish themselves from another via products

or prices. A number of new institutions have (re)joined the existing banks over the past six years. In 2010, four new banks (MAB, UAB, AGD and AYA) were founded, and one bank (Yoma Bank) regained its full banking license in 2012. Also established in 2013 were two new banks: the Myanmar Microfinance Bank (MMB) and the Construction and Housing Development Bank (CHDB) 45 controlled and partly owned by the Ministry of Construction.

The Shwe Rural and Urban Development Bank (Shwe Bank), owned by Shwe Than Lwin group, was also granted license in 2014. Furthermore, the Ayeyarwaddy Farmers Development Bank (A Bank) received its banking license in November 2015, and its headquarters is located in Patheingyi, Ayeyarwaddy Region. Further entities interested in acquiring a banking license include the Myanmar Gems and Jewellery Entrepreneurs Association and the Myanmar Tourism Federation.

Foreign Banks - For the first time in five decades, foreign banks are allowed to play a role in supporting the economy with their strong international experience and world-wide network. The Financial Institutions of Myanmar Law of 1990 allowed foreign banks to maintain representative offices in the country. Ever since 1994, foreign banks have started opening their representative offices in the country, but they were not permitted to conduct banking business in Myanmar. Most of them are primarily engaged in gathering information for their foreign customers trading with Myanmar. Currently, there are over 40 representative offices of foreign banks in Myanmar.

Pro and cons of Bank Branch Expansions

UAB bank also needs to consider the advantages and disadvantages of bank branch expansion. Branch banking system has the following advantages:

Economies of Large Scale operations: Branch banking enjoys the advantages and economies of large scale operations. Under branch banking system economies can be maintained through large scale of operations and wider geographical coverage increase public confidence in the banking system.

Economy of cash reserves: Under branch banking system a particular branch can operate without keeping large amounts of reserves. In time of need, resources can be transferred from one branch to another. It is not easy for a unit bank to draw on another unit bank.

Proper use of capital: There is a proper use of capital under the branch banking system. Since the resources are transferred from one branch to another. So the capital can be properly used by investing in the profitable branches.

Economy of costs: Branch banking has the advantage of effecting remittances of funds from one place to another with greater ease and at a lesser cost than unit banking, for inter-office indebtedness can be far more easily adjusted.

Risks-spreading economy: The spreading of risks geographically is another major advantage of the branch banking system. In branch banking, losses incurred one branch can be offset by profits earned by the profit making branches which is not possible in case of unit banking.

Easy and cheaper transfer of funds: Since the branches of bank under branch banking are spread all over the country, it is easier and cheaper, for it to transfer funds from one place to another.

Greater safety and liquidity: Branch banking also offers a wider scope for the selection of diverse securities and varied investments, so that a higher degree of safety and liquidity can be maintained.

Balanced economic growth: Under branch banking, the banking facilities can be made available to all cities, towns, and even backward areas in the country. Thus, branch banking is very helpful in achieving a balanced growth of the country's economy.

Convenient for the Central Bank's Supervision: Under a system of branch banking it is more convenient for the central bank or the government to regulate and supervise the activities of banks, as control becomes more effective and easier since only the head office is to be dealt with for the purpose.

Provision for Training the Personnel: Finally, branch banking provides the best training ground for personnel. A person may be trained in a small branch Where the pressure of work is less and he may be transferred later to an active branch.

Branch banking generally suffers from the following limitations:

Danger of mismanagement: Under the branch banking system a number of difficulties as regards management, supervision and control, a number of branches undue expansions lead the danger of mismanagement.

Delays in decision-making: The system of branch banking also suffers from red tape and delay on account of the inadequate authority of branch managers.

Usually, application for big credits has to be referred to the head office by the branch manager. This causes delay and gives little initiative to branch managers.

Lack of personal contact: A large bank tends to become more and more impersonal in its dealings. The general managers have hardly any personal contact with the local people or the staff of different branches.

High operating and maintenance expenses: Branch banking is very expensive, because with the opening of too many branches, establishment and maintenance charges of the branches are bound to be high and, as a result, profits may shrink.

Concentration of monopoly power in the hands of few bankers: Branch banking sometimes creates monopoly power in the hands of few large bankers. Such a monopoly power in the hands of a few big bankers is a source of danger to the community whose goal is a socialistic pattern of society.

Lack of initiative: Branch banking lacks initiative. No branch office can take independent decisions and also branch manager has limited powers.

Regional imbalances: Branch banking encourages regional imbalances. The financial resources of economically backward areas tend to get transferred to industrial and business centers. Due to which backward areas continue to be neglected and remain over backward.

A challenging Environment for banks branch in future

The Myanmar banking sector is particularly facing challenges in the pace and nature of the regulatory reform process, in developing human resources, and in re-establishing public trust in the banking sector.

For the time being, four major challenges for the banking sector should be highlighted: (i) the well sequenced and carefully-managed implementation of the new Financial Institutions Law and other relevant rules, regulations and instructions, (ii) the development of human resources, (iii) the development of technology and infrastructure, and (iv) the gaining of public trust.

With the new CBM Law (2013) and the new Financial Institutions law (2016) as well as other relevant laws such as the new MAC Law (2015), the legal framework under which banks operate is changing on a large scale and at a fast pace. The direction of the legal reform process is clear: Myanmar is heading towards international good practices and increasing competition in the financial sector. At the same time, it has to be noted that these laws remain rather general and will still be

further specified with the help of secondary rules and regulations. During the recent reform process, the banking sector in Myanmar has already undergone tremendous changes. The upcoming years will continue to bring about changes under the newly enacted Financial Institutions Law.

Most of the successful commercial bank in Myanmar hires foreign expat as CEO and Special Advisor to chairman. As a result, the operating policies of the banks, such as the number of bank branches, the branch formation, branch staffing and limited services with smaller staffs such as 10 to 20 people have become common. Additionally, these smaller bank branches are located in non-traditional locations such as malls and are given limited customer support capability and instead are told to focus on getting customers and increasing market share. Full service operations such as loans are reserved for the larger, more traditional bank locations.

In addition, when consumers were asked about their knowledge of banking services, most respondents knew and understood basic financial services such as deposits, various types of loans, ATM card usage, money orders, fund transfers at tellers. Yet they still lacked understanding of more complex financial services such as bonds, financial securities, promissory notes, telephone/internet fund transfers and financial advisory services. They also expected to have service branches convenient to their homes and place of work. So, if commercial banks want to increase market share, one factor affecting this increase is the number of locations and convenience for customers to support the demand and needs of the users.

With Myanmar's entry into the ASEAN community, with a unified market and production base, the movement of goods, services, investment, capital and skilled labor has become freer and more open. Myanmar's commercial banks need to accelerate their preparedness at providing quality, comprehensive and thorough preparations in both quantity and quality.

However, data from the Central Bank of Myanmar (CBM) found that the bank branch expansion in Myanmar between 2014 to July, 2018 happened at a slower pace than what was planned. Some commercial banks fail to achieve their financial target as planned, thus leading to these researchers wishing to undertake more research about 'An analysis of Myanmar commercial banks branch expansion factors including leadership, location, cost and economics'.

The aim of this research was to study the composition and format in relation to the leadership, location, costing and economic factors influencing the expansion of

UAB bank branches across Myanmar. The researchers expect these research results to be useful to policy makers in identifying problem areas in Myanmar's commercial banking sector branch expansion efforts.

Additional knowledge is hopefully gained about the development and effectiveness of potential expansion of commercial banks. It can also help these commercial banks achieve their goals and increase their market share. Banking convenience also affects the financial results of banks.

3.4 Performance of Bank Branch Expansion in UAB

The study of Haslem (1968; 1969) showed that most of the calculated balance sheet and income statement ratios were significantly related to profitability in particular capital ratios, salaries, wages, interest paid and received. The data were for all the member banks of the US Federal Reserve System in a two year study. He also stated that a guide for improved management should first emphasize expense management, fund source management and lastly funds use management.

Wall (1985) concludes that a bank's asset and liability management, its funding management and the non-interest cost controls all have a significant effect on the profitability record. There is an abundant number of studies concluding that one of the primary factors influencing the bank profitability is the control on the expenses. The profitability can be improved through the expense management making this an opportunity for the banks to control it.

The level staff expenses (include in Overhead Cost) appears to have a negative impact on banks ROA in the study of Bourke (1989) even though Molyneux (1993) found a positive relationship between total profits and staff expenses. The financial measures are discussed within the perspectives of bank deposit, loan, overhead cost and profit. The study will focus relationship between the number of bank branch expansion/ growth and those financial factors in UAB.

Deposit

Deposits are a key element in defining what UAB bank really does and what critical roles it really plans in the economy. The ability of management and staff to attract transaction (Checkable) and savings deposit from businesses and consumers is an important measure of UAB Bank's acceptance by the public. Deposit provides

much of the raw material for making loans and thus may represent the ultimate source of profits and growth for a depository institution.

Important indicators of management's effectiveness are whether or not funds deposited by the public have been raised at the lowest possible cost and whether sufficient deposits are available to fund all those loan and project management wish to pursue

This last point highlights two key issues UAB bank deal with in managing the public's deposits: (1) where can funds be raised at lowest possible cost? And (2) how can management ensure that the institution always has enough deposit to support lending and other services public demand. Both the cost and amount of deposits that UAB bank sells the public are heavily influenced by the pricing schedules.

So challenging has it become today to attract significant new deposits that many financial firms have created and innovated in the form of new types of deposit, new service delivery methods such as electronic in design, and new pricing schemes is accelerating today.

Type of deposit UAB Bank Offer

Current Account (with cheque book) - A current account, also called a demand deposit account, is a basic checking account. Consumers deposit money which they can withdraw as desired on demand. These accounts often allow the account holder to withdraw funds using bank cards, checks or over-the-counter withdrawal slips. In some cases, banks charge monthly fees for current accounts, but they may waive the fee if the account holder meets other requirements such as setting up direct deposit or making a certain number of monthly transfers to a savings account. Types of Current Account in UAB Bank are as the following -

- E-Wallet Card Account (MPU)
- Teenager E-Wallet Card (MPU)
- USD E-Wallet Card (MPU)
- Foreign Currency Account (USD/EURO/SGD)

Savings Deposit - Savings accounts offer account holders interest on their deposits. However, in some cases, account holders may incur a monthly fee if they do not maintain a set balance or a certain number of deposits. Although savings accounts are not linked to paper checks or cards like current accounts, their funds are relatively

easy for account holders to access. In contrast, money market accounts offer slightly higher interest rates than savings accounts, but account holders face more limitations on the number of checks or transfers they can make from these accounts. Types of Savings Account in UAB Bank are as the following-

- Savings Plan
- Children's and Teenagers Account
- Children Saving Plan
- Smart Saver Account
- Super Call Deposit Account

Fixed Deposit - Like a savings account, fixed deposit account is an investment vehicle for consumers. Also known as certificates of deposit (CD), fixed deposit accounts tend to offer a higher rate of return than traditional savings accounts, but the money must stay in the account for a set period of time. In other countries, time deposit accounts feature alternative names such as term deposits, time deposit accounts and savings bonds. Types of Fixed Deposit Account in UAB Bank are as the following -

- Fixed Deposit Account
- Children Fixed Deposit Account
- Charitable Foundation Fixed Deposit
- Senior Citizens Account
- Junior Citizens Account

Loan

Making loans to fund consumption and investing spending is the principal economic function of UAB bank and their closest competitors. How well a lender performs in fulfilling the lending function has a great deal to do with economic health of country, because loan support the growth of new businesses and jobs within the lender's market area. More over loans frequently convey information to the market place about a borrower's credit quality, often enabling a borrower whose loan is approved to obtain more and some cheaper fund from other sources as well.

Despite all the benefits of lending for both lender and their customers, the lending process bears careful monitoring at all times. When a lender gets into serious financial trouble, its problem usually spring from loans that have become

uncollectible due to mismanagement, illegal manipulation, misguided policies, or an expected economic down run.

UAB bank make a wide variety of loans to a wide variety of customers for many different purposes from purchasing automobiles and buying new furniture, taking dream vacation, or to construct home and office building.

Type of Loan Facilities UAB Bank offer

Term Loan - A term loan is a loan from a bank for a specific amount that has a specified repayment schedule and a fixed or floating interest rate. For example, many banks have term-loan programs that can offer small businesses the cash they need to operate from month to month. Often, a small business uses the cash from a term loan to purchase fixed assets such as equipment for its production process. A term loan is for equipment, real estate or working capital paid off between one and 5 years in Myanmar. The loan carries a fixed or variable interest rate, monthly or quarterly repayment schedule and a set maturity date. The loan requires collateral and a rigorous approval process to reduce the risk of default. A term loan is appropriate for an established small business with sound financial statements and a substantial down payment to minimize payment amounts and total loan cost.

Short Term Loan - A short-term loan is where the amount borrowed and the interest are paid back in less than a year. The borrowing amount is usually low, just for short period financial shortage. Short term loans may be appropriate for people who all of a sudden find themselves with a big financing they feel they can't avoid, like cash shortage of too much inventories and stocks or to pay staff salaries or emergency cash shortage in business transaction. They might also be helpful for people who don't get regular work and need something to tide them over until their next pay cheque, when they can pay back the loan and the interest.

Overdraft - An overdraft is an extension of credit from a lending institution when an account reaches zero. An overdraft allows the individual to continue withdrawing money even if the account has no funds in it or not enough to cover the withdrawal. Basically, overdraft means that the bank allows customers to borrow a set amount of money. An overdraft facility allows Customer to write cheques or withdraw cash from Customer's current account up to the overdraft limit approved. It is a short-term (usually up to 12 months) standby credit facility which is usually renewable on a yearly basis. It is repayable on demand by the bank at any time. Overdraft facility allows Customer the flexibility of drawing and repaying Customer's

loan according to Customer's needs. Overdraft is recommended for business clients not certain of their funding needs or requiring flexibility for their working capital needs in a constantly changing business environment. The loan must be supported by eligible collateral, and has a maximum one-year tenor. The UAB Bank Overdraft facility includes an annual interest charge for any drawn portion and fees during the approved period.

Temporary Extended Overdraft – Customer can use the Account to borrow money on overdraft. The maximum amount of credit available under the temporary overdraft facility on the Account and outstanding at any one time shall NOT exceed the Credit Limit (specified in the Bank's letter forming part of the disclosure statement) or such other amount as notified to Customer by the Bank from time to time. If for any reason there are insufficient funds available to meet debits to the Account, debits may be paid, or not paid, at the Bank's discretion. Temporary Overdraft loan supports Customer's short term financing needs. It is an essential product for businesses in need of short term funding, allowing Customer to seize unexpected business opportunities and stay flexible and competitive in a changing economic environment. In order to make it possible for Customer to seize any upcoming opportunity, this product is especially structured to ensure rapid processing and service to key clients.

Pledge Loan - For customers who need working capital during the period while their investment is tied up in stocks, they can receive UAB banks' Pledge Loan. To receive this loan, the customer must pledge agricultural produce, various goods, and machinery as collateral against their loan.

Loan against Deposit (Lien on Deposit) - Lien loan is a short-term loan backed by UAB Bank Savings or Fixed Deposit account. It gives Customer quick access to Customer's deposits, using Customer's account as a short-term loan collateral. UAB Bank's Lien Loan lets Customer borrow up to 80% of Customer's savings balance. The loan may be used for both personal and business purposes.

Hire Purchase - Hire purchase is an arrangement for buying expensive consumer goods or home or vehicles or machinery on credit, where the buyer makes an initial down payment, with the balance being paid in installments plus interest. It is similar to an installment plan, except unlike installment plans, where the buyer gets the ownership rights as soon as the contract is signed with the seller, the ownership of the merchandise is not officially transferred to the buyer until all the payments have

been made. Hire Purchase is a system by which a customer pays for goods in part or a percentage over a period of time, while enjoying the use of the product. After the full payment of the product, the customer can obtain the ownership of that item. UAB Bank participates as financial support between customer and seller. The Hire Purchase agreement contract is signed between the customer and the bank, and, after selling the product the seller transfers ownership of the product to the bank, which in turn transfers ownership to the customer on completion of the payment plan.

Over Head Cost

Overhead cost includes all ongoing business expenses not including or related to direct labor or direct materials used in creating a product or service. A company must pay overhead on an ongoing basis, regardless of how much or how little the company is selling. It is important for budgeting purposes, but also for determining how much a company must charge for its products or services to make a profit.

Overhead expenses can be fixed, meaning they are the same amount every time, or variable, meaning they increase or decrease depending on the business's activity level. For example, a business's rent payment may be fixed, while shipping and mailing may be variable.

Overhead expenses can also be semi-variable, meaning the company incurs some portion of the expense no matter what, and the other portion depends on the level of business activity. For example, many utility costs are semi-variable with a base charge and the remainder of the charges being based on usage.

Overhead can also be general, referred to as company overhead, meaning it applies to the company's operations as a whole. A company can allocate overhead to a specific project or department as well. For example, a service-based business may allocate overhead expenses based on the activities completed within each department, such as printing or office supplies. Depending on the nature of the UAB Bank's business, overhead cost categories are as the following –

Personnel Expense - it comprise wages and salaries subject to withholding of tax and comparable expenses, as well as expenses determined direct based on wage or salary, such as social security contributions, statutory and voluntary personal insurance contributions performance bonus and pension expenses. Often, faced by a bleak economic outlook, organizations adopt a knee-jerk reaction aimed at short-term cost-cutting. This could involve pruning the workforce, hiving off businesses, cutting

down employee benefits etc. However, these measures can end up being counter-productive once the organization recovers from the downturn, since these very measures can impede economic growth. Hence, the response to diminishing profits should not be ad hoc and reactive, instead it should be a proactive organization-wide attempt at improving cost efficiency

IT expenses - It is the amount of money spent on an organization's information technology systems and services and equipment, including compensation for IT professionals and expenses related to the construction and maintenance of enterprise-wide systems and services. Expenditure associated with acquisition or development, implementation, deployment, and maintenance of technology assets, including depreciation of R&D equipment and amortization of know how. A key cost component in the banking and financial services industry is IT expenditure. Worldwide IT spending is forecast to be flat in 2016, totaling \$3.41 trillion, according to Gartner, Inc. This is up from last quarter's forecast of negative 0.5 percent growth. The change in the forecast is mainly due to currency fluctuations. For instance, working with a technology firm is fundamentally different than what banks do today with traditional outsourced service providers. However, firms that have decided to invest in their in-house infrastructure and talent will look to maximize their value by sharing and monetizing these resources with others in the ecosystem, akin to the many examples we see today in the sharing economy. Hence, optimizing IT expenditure can help banks manage costs and consequently improve profitability.

Marketing & promotion expense – Promotion expense is a cost that a business incurs to make its products or services better known to consumers, usually in the form of giveaways. Promotion expense to be tax-deductible as business expenses provided they are ordinary and necessary. When writing off promotion expenses on their tax returns, companies should take care to ensure that these expenses would not more accurately be classified as advertising expenses or charitable contributions. Marketing Expense covers expenses associated with promoting an industry, entity, brand, product or service. They cover ads in print media and online venues, broadcast time, radio time and direct mail advertising.

Today, driven by evolving customer expectations, banks are tailoring their product and service offerings to suit individual customer needs. With increasing competition from within and from non-banking players, banks need to provide multiple value-added services to clients with targeted marketing campaigns based on

rich CRM data. Such initiatives will increase high quality leads and the conversion of prospects into new customers. Banks will increasingly need to offer different brands delivering unique value to attract different customer sub-segments. All these initiatives entail significant expenses on market research, brand management, marketing campaigns etc. With online and mobile banking gaining traction, banks now have the option to apply predictive analytics for focused marketing efforts. Efficient data analytics and the optimum use of social media to build the bank's brand can be cost-effective measures that banks can adopt to optimize marketing expenses.

General administrative expense - General and administrative expenses (G&A) are expenditures related to the day-to-day operations of a business. General and administrative expenses pertain to operation expenses rather than to expenses that can be directly related to the production of any goods or services, including rent, utilities, insurance, and managerial salaries. On the company's income statement, these expenses generally appear under operating expenses.

Other Expense (Non-Operating Expense) - A non-operating expense is an expense incurred by a business that is unrelated to the business' core operations. The most common types of non-operating expenses are depreciation, amortization, interest charges or other costs of borrowing. Accountants sometimes remove non-operating expenses and non-operating revenues in order to examine the performance of the business, ignoring effects of financing and other irrelevant issues.

Profit

UAB Bank's income statement provides an overview of income and expense, as forms of intermediate results, over a specified period of time, bordered with two successive balance sheets. Positions of regular income and expense are shown in a specific way with the purpose of pointing to their significance. Therefore, interest income and interest expense are presented in the first place, followed by fee and commission income and expense and net fee and commission income and expense.

Net income and expense from exchange rate differences are given a special place in the income statement. These are followed by income from dividend and stake, other operating income and net income and expense arising from loan write-off and provision. Income statement shows operating expenses and groups them into "salaries, wages and other personal expenses", "amortization expenses" and

"operating and other expenses". Income and expense arising from revaluation of assets and liabilities are presented at the end of the income statement.

Figure (3.1) Profit and Loss Statement of UAB Bank

| Profit & Loss Statement of Bank | | MMK |
|--|--|--------------------------|
| Total Interest Income | | 187,685,925,548 |
| Interest on Loans (MMK) | | 145,734,216,448 |
| Interest on Loans (USD) | | 8,108,792,897 |
| Interest on T-bonds Investment | | 22,244,803,442 |
| Interest on Money Market | | 11,598,112,761 |
| Total Interest Expenses | | (137,819,575,001) |
| Interest on Saving | | (38,893,396,140) |
| Interest on FD | | (78,667,384,806) |
| Interest on Call | | (17,456,706,104) |
| Interest on Borrowing | | (2,099,703,767) |
| Interest on Inter-bank | | (702,384,183) |
| Total Net Interest Income | | 49,866,350,547 |
| Total Non-interest Income | | 21,871,347,789 |
| Fees and commission income | | 1,400,977,176 |
| Service charges | | 4,000,604,140 |
| Commitment fees | | 1,194,402,824 |
| Commission on trade finance | | 6,031,385,755 |
| Treasury (Forex) Income | | 4,745,015,907 |
| Other operating income | | 4,498,961,988 |
| TOTAL OPERATING INCOME | | 71,737,698,336 |
| Personnel Expense | | (29,653,916,148) |
| IT expenses | | (1,935,089,340) |
| Marketing & promotion expense | | (132,047,892) |
| General administrative expense | | (10,506,087,841) |
| Other Expense | | (2,105,387,566) |
| TOTAL OVERHEAD COSTS | | (44,332,528,788) |
| TOTAL MAINTAINABLE OPERATING PROFIT | | 27,405,169,549 |
| Loan Loss Provision | | (884,141,507) |
| Exchange Gain & Loss Foreign Currency (Adjustment) | | 4,448,952,070 |
| NET PROFIT BEFORE TAX | | 28,289,311,056 |
| Corporate Income Tax (25%) | | - |
| NET PROFIT AFTER TAX | | 28,289,311,056 |

Source: UAB Bank

Contemporary business environment imposed the need for monitoring the efficiency of banking operations, is the basis of balance sheets and income statements,

which include main items Deposit, Loan, Overhead cost, Profit and Income. Therefore we would like to examine both the costs of operating branch networks and the revenues generated through this business to study Deposit, Loan, Overhead cost, Profit and Income of branch networks of different sizes. The variables examined are bank- deposits, business loans per branch and overhead cost and deposit-related fees and branch profit and income. Finally, we also examine the effect of branch network size on overall profitability for the institutions.

Shareholder Fund (Owner Equity)

Owner equity also referred to as the owner's residual claim after debts have been paid, is equal to a firm's total assets minus its total liabilities. Found on a company's balance sheet, it is one of the most common financial metrics employed by analysts to assess the financial health of a company. Shareholders' equity represents the net or book value of a company.

Shareholders' equity, also known as stockholders' equity, can be either negative or positive. If positive, the company has enough assets to cover its liabilities. If negative, the company's liabilities exceed its assets; if prolonged, this is considered balance sheet insolvency. For this reason, many investors view companies with negative shareholders' equity as risky or unsafe investments. Shareholders' equity alone is not a definitive indicator of a company's financial health; used in conjunction with other tools and metrics, the investor can accurately analyze the health of an organization.

Return on Investment (ROI)

Return on Investment (ROI) is a performance measure used to evaluate the efficiency of an investment or compare the efficiency of a number of different investments. ROI tries to directly measure the amount of return on a particular investment, relative to the investment's cost. To calculate ROI, the benefit (or return) of an investment is divided by the cost of the investment. The result is expressed as a percentage or a ratio.

ROI is a popular metric because of its versatility and simplicity. Essentially, ROI can be used as a rudimentary gauge of an investment's profitability. This could be the ROI on a stock investment, the ROI a company expects on expanding a factory, or the ROI generated in a real estate transaction. The calculation itself is not too

complicated, and it is relatively easy to interpret for its wide range of applications. If an investment's ROI is net positive, it is probably worthwhile. But if other opportunities with higher ROIs are available, these signals can help investors eliminate or select the best options. Likewise, investors should avoid negative ROIs, which imply a net a loss.

3.5 Summary of the Chapter

Chapter 3 started its describe about UAB bank and it's the function and definition of branch banking, what is full service bank, how UAB bank choose for location for new branches, challenge of branch banking activities in the future which will be impact on branch banking, regulatory and supervisory framework in branch expansion which need to comply by UAB bank which include supervision body – Central Bank of Myanmar (CBM) and its key ratio and regulatory limitation, type of bank in Myanmar. There is also pro and cons of bank branch expansions UAB bank facing related to financial, economical, and banking industrial and future challenge in branch banking of UAB bank.

This chapter also outline on the performance of UAB Bank on bank branch expansion by defining type of deposit and loan UAB offer to public, structure of overhead cost, and detail of bank' profit & loss statement, and explain about performance factors of UAB Bank.

CHAPTER 4

THE EFFECT OF BANK BRANCHES EXPANSION ON PERFORMANCE OF UAB BANK

Data analysis for this study was undertaken the secondary data analysis. The secondary data involved mainly measure the simple linear regression models for deposit on number of bank branch opening, loan on number of bank branch opening, overhead cost on number of bank branch opening, profit on number of bank branch opening, shareholder funds on number of bank branch opening and ROI on number of bank branch opening are constructed for assessment of the effect of expansion of branches on performance of UAB Bank. Secondary data analysis by the multiple linear regression models will be processed by statistical package for Social Sciences (SPSS) software program version 22.

4.1 Research Design of the Data Analysis

In this study the regression analysis was conducted, secondary data of information received from reliable sources of internal data of United Amara Bank Limited from 2011 to 2018. Statistical descriptive analysis for no of branches opening, deposit conditions, loan conditions, overhead cost condition, profit condition, shareholder fund and ROI of UAB bank are illustrated.

Statistical regression models are used to study the financial factor influence on expansion of branch on Bank performance. Regression analysis is applied to carry out the best fitted regression model to determine the effect of branch network Size on Bank Branch Performance of United Amara Bank Limited such as deposit, loan, Overhead cost and Profit.

Simple linear Regression model for deposit on number of opening branches, loan on number of opening branches, Overhead cost on number of opening branches ,profit on number of opening branches, owner equity on number of branch opening and ROI on number of branch opening

Highlights of financial performance of UAB Bank in figure (4.6) and it's shown that deposit, loan, total asset and shareholders fund of UAB Bank increase year by year. As Figure (4.6) highlights of financial performance of UAB Bank, not only deposit and loan from customer are important, but also, total asset which include

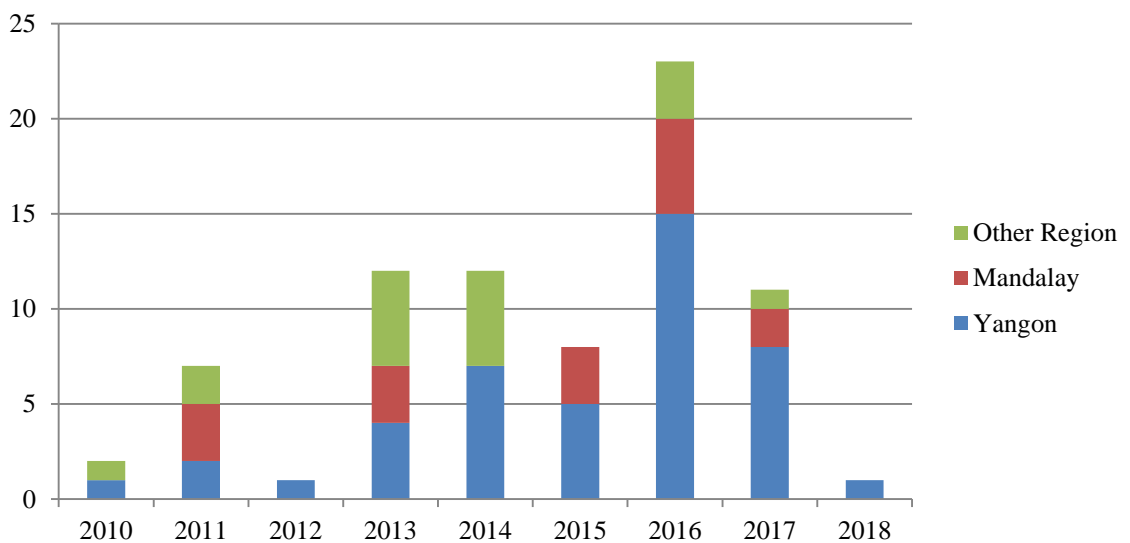
share holder fund is important to growth of bank. Therefore bank need to create and maintain good banking relationship with the entire stake holder.

Figure (4.1) Highlights of financial performance of UAB Bank



Source: <https://www.unitedamarabank.com>

Figure (4.2) Branch opening years and no of bank branches of UAB Bank



Source: UAB Bank

According to the table (4.2), UAB bank open 77 bank branched from 16.8.2010 to 3.8.2018. Branch location zone is divided by Yangon, Mandalay, and Other Regions. Most of the bank branch concentration is mainly in Yangon is 44 bank branches. 16 bank branches in Mandalay and 17 bank branches in other region.

Figure (4.2) illustrate the no of additional bank branch opening of UAB bank year by year from 2010 to 2018. It found that most banks branches opening are in Yangon from 2012 to 2018. So that can be conclude that management team of UAB bank prefer to do new bank branch expansion at capital and business cities such as Yangon and Mandalay due to economic factor of regions.

Deposit condition of UAB Bank

UAB aims to provide as many financial services as possible to attract customer by offering convenience and satisfactions of their financial needs. Deposit condition is one of the important factors of UAB bank. Currently there are four main type of deposit available as per table (4.16) – Current deposit, Savings deposit, fixed deposit and Call deposit.

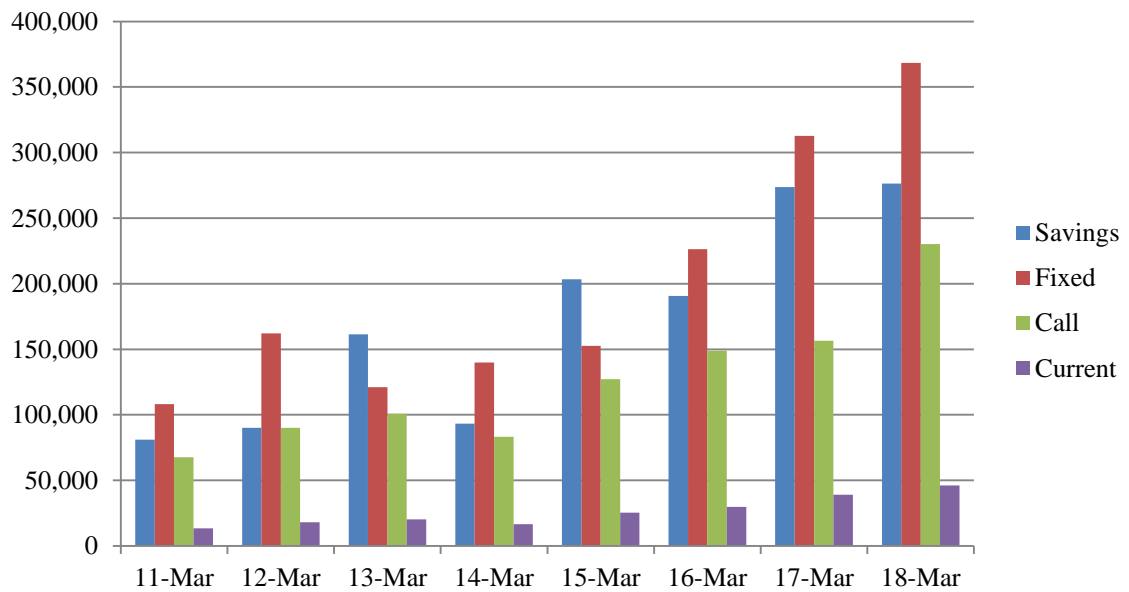
Table (4.1) Yearly Deposit Condition of UAB Bank

| Deposit (Kyats in Millions) | Mar 2011 | Mar 2012 | Mar 2013 | Mar 2014 | Mar 2015 | Mar 2016 | Mar 2017 | Mar 2018 |
|-----------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Savings | 81,057 | 90,063 | 161,303 | 93,257 | 203,375 | 190,548 | 273,642 | 276,298 |
| Fixed | 108,076 | 162,113 | 120,977 | 139,885 | 152,531 | 226,276 | 312,734 | 368,397 |
| Call | 67,547 | 90,063 | 100,815 | 83,265 | 127,110 | 148,866 | 156,367 | 230,248 |
| Current | 13,509 | 18,013 | 20,163 | 16,653 | 25,422 | 29,773 | 39,092 | 46,050 |
| Total Deposit | 270,189 | 360,252 | 403,258 | 333,060 | 508,438 | 595,464 | 781,835 | 920,993 |

Source: UAB Bank

According to the table (4.17), Total deposit (sum of savings, fixed, call and current deposit) of UAB bank is increases year from year. The highest total deposit is found in Mar 18 is Kyats 920,993 million and lowest deposit values are found in Mar 11 is Kyat 270,189 million. In general, it can be concluded that total deposit of UAB bank is rapidly increase in studying period from Mar 11 to Mar 18. It is clear to see that deposit of UAB bank has increase from year to year.

Figure (4.3) Yearly Deposit Condition of UAB Bank (Kyats in Millions)



Source: UAB Bank

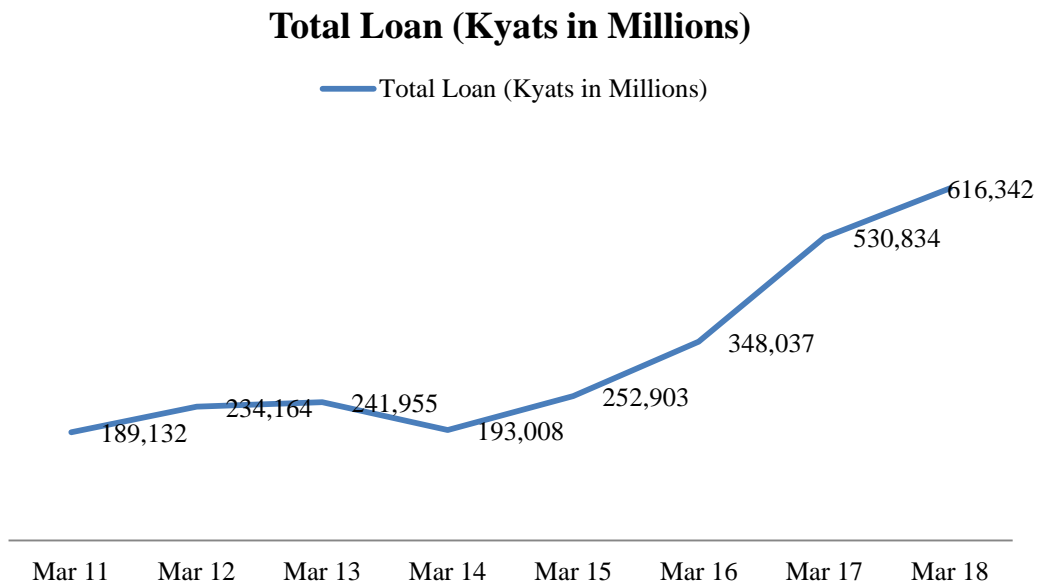
Figure (4.3) make easy to see that the total deposit amount of UAB bank is increased from year to year. According to the four types of deposit group in figure, fixed deposit is more than other three type of deposit groups because it spikes bar is at the top of year by year comparison in chart. So that can be conclude that customer of UAB bank prefer the fixed deposit group.

Loan condition of UAB Bank

Loan is main source of business income of bank. UAB bank make a wide variety of loans to a wide variety of customers for many different purposes from purchasing automobiles and buying new furniture, taking dream vacation, or to construct home and office building.

Types of Loan Facilities UAB offer are Term Loan, Short Term Loan, Overdraft, Temporary Extended Overdraft, Pledge Loan, Loan against Deposit (Lien on Deposit) and Hire Purchase. UAB bank serve loan service to various loan customer such as General Traders, Importers, Industrial / SME Units, Exporters, Construction, Real estate contractors, Service Providers, Project Contractors, Other business enterprises.

Figure (4.4) Yearly Loan Condition of UAB Bank (Kyats in Millions)

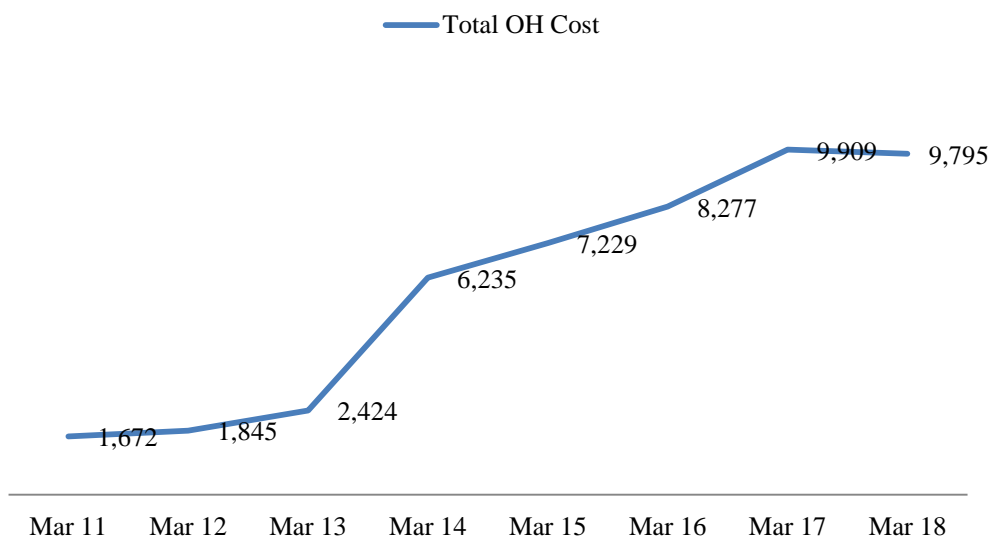


Source: UAB Bank

According to Figure (4.4), the total loan of UAB Bank increased from year to year. The highest total loan is found in Mar 18 is 616,342 Kyats in millions. In general it can be concluded that the total loan of UAB Bank is gradually increase in study period from Mar 11 to Mar 18 as the no of bank branch growth.

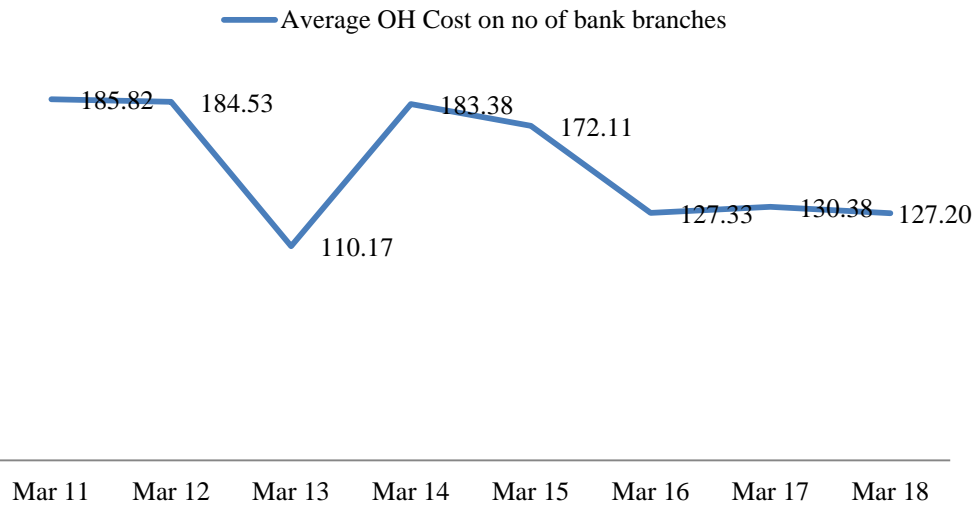
Overhead cost condition of UAB Bank

Figure (4.5) Yearly Overhead Condition of UAB Bank (Kyats in Millions)



Source: UAB Bank

Figure (4.6) Average overhead cost on no of UAB bank branch (Kyats in Millions)



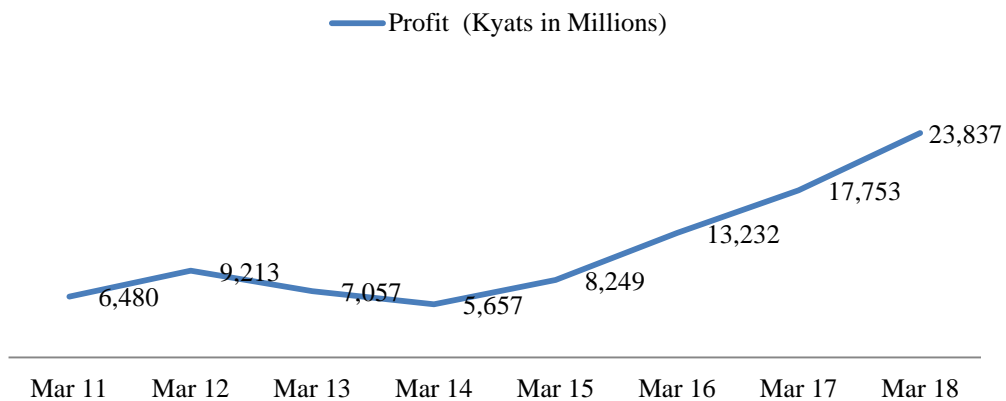
Source: UAB Bank

According to Figure (4.5), the total overhead cost of UAB Bank increased from year to year. The highest overhead cost is found in Mar 18 is 9,909 Kyats in millions. But figure (4.6) shows that Average overhead cost on no of UAB bank branch decrease year from year as no of branch growth from 9 in 2011 to 77 in 2018.

In general, it can be concluded that even the overhead cost of UAB Bank is gradually increase but bank got economy of scale by size of branch network because overhead cost of each branch decline steadily from 185.82 Kyats in millions at Mar 2011 to 127.20 Kyats in millions at Mar 18 in study period from Mar 11 to Mar 18 as the no of bank branch growth.

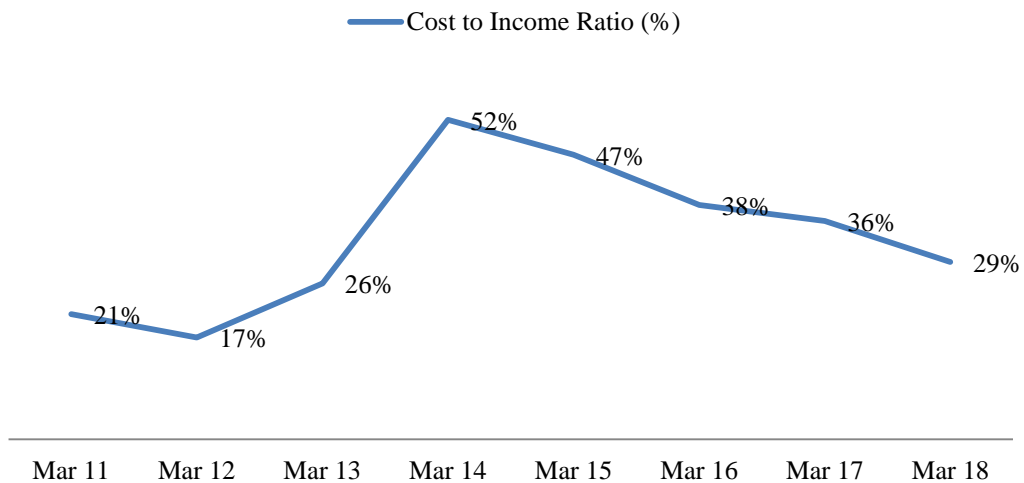
Profit condition of UAB Bank

Figure (4.7) Yearly profit condition of UAB Bank (Kyats in Millions)



Source: UAB Bank

Figure (4.8) Cost to Income Ratio of UAB bank branch (Percentage)



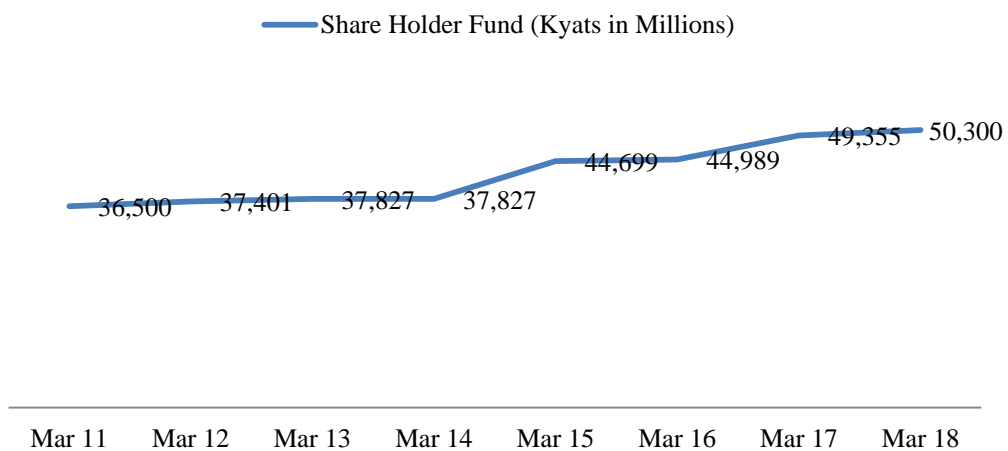
Source: UAB Bank

According to Figure (4.7), the total profit of UAB Bank increased from year to year. The highest profit is found in Mar 18 is 23,837 Kyats in millions. Figure (4.8) shows that Cost to income ratio is highest in Mar 14 but it decrease year from year as no of branch growth from 9 in 2011 to 77 in 2018.

It can be concluded that the profit of UAB Bank is gradually increase and cost to income ratio decline steadily to 29% at Mar 18 in study period from Mar 11 to Mar 18 as the no of bank branch growth.

Share Holders fund condition of UAB Bank

Figure (4.9) Share Holder Fund condition of UAB bank

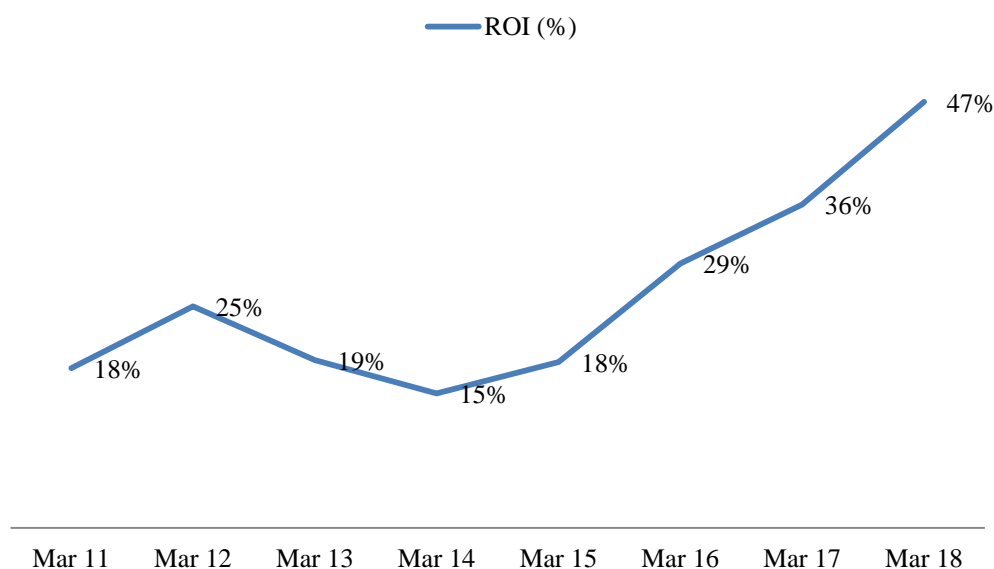


Source: UAB Bank

According to Figure (4.9), the shareholder fund of UAB Bank increased from year to year. The highest total shareholder fund is found in Mar 18 is 50,300 Kyats in millions. In general it can be concluded that shareholder fund of UAB Bank is gradually increase in study period from Mar 11 to Mar 18 as the no of bank branch growth.

Return on investment (ROI) of UAB Bank

Figure (4.10) Return on investment (ROI) of UAB bank



Source: UAB Bank

According to Figure (4.10), the ROI of UAB Bank increased from year to year. The highest ROI is found in Mar 18 is 47%. In general it can be concluded that ROI of UAB Bank is gradually increase in study period from Mar 11 to Mar 18 as the no of bank branch growth.

4.2 No. of Bank Branch expansion on Performance of UAB Bank

A correlation analysis was run to investigate the relationship between variables. Finally a simple regression analysis was run to test the relationship between the independent variable and the dependent variable.

| Correlations | | | | | | | | |
|-----------------------|----------------------------|----------------------|-------------------|----------------|-------------------|------------------|-----------------------|--------|
| | | Number_o f_Branch | Total_Dep osit | Total_Loa n | Total_OH_ Cost | Total_Profi t | Share_Hol der_Fund | ROI |
| Number_o f_Branch | Pearson Correlatio n | 1 | .955** | .924** | .958** | .882** | .965** | .815* |
| | Sig. (2- tailed) | | .000 | .001 | .000 | .004 | .000 | .014 |
| | N | 8 | 8 | 8 | 8 | 8 | 8 | 8 |
| Total_Dep osit | Pearson Correlatio n | .955** | 1 | .979** | .857** | .963** | .966** | .923** |
| | Sig. (2- tailed) | .000 | | .000 | .007 | .000 | .000 | .001 |
| | N | 8 | 8 | 8 | 8 | 8 | 8 | 8 |
| Total_Loa n | Pearson Correlatio n | .924** | .979** | 1 | .785* | .985** | .913** | .963** |
| | Sig. (2- tailed) | .001 | .000 | | .021 | .000 | .002 | .000 |
| | N | 8 | 8 | 8 | 8 | 8 | 8 | 8 |
| Total_OH_ Cost | Pearson Correlatio n | .958** | .857** | .785* | 1 | .745* | .922** | .658 |
| | Sig. (2- tailed) | .000 | .007 | .021 | | .034 | .001 | .076 |
| | N | 8 | 8 | 8 | 8 | 8 | 8 | 8 |
| Total_Profi t | Pearson Correlatio n | .882** | .963** | .985** | .745* | 1 | .887** | .990** |
| | Sig. (2- tailed) | .004 | .000 | .000 | .034 | | .003 | .000 |
| | N | 8 | 8 | 8 | 8 | 8 | 8 | 8 |
| Share_Hol der_Fund | Pearson Correlatio n | .965** | .966** | .913** | .922** | .887** | 1 | .823* |
| | Sig. (2- tailed) | .000 | .000 | .002 | .001 | .003 | | .012 |
| | N | 8 | 8 | 8 | 8 | 8 | 8 | 8 |
| ROI | Pearson Correlatio n | .815* | .923** | .963** | .658 | .990** | .823* | 1 |
| | Sig. (2- tailed) | .014 | .001 | .000 | .076 | .000 | .012 | |
| | N | 8 | 8 | 8 | 8 | 8 | 8 | 8 |

** . Correlation is significant at the 0.01 level (2-tailed).

* . Correlation is significant at the 0.05 level (2-tailed).

Source: SPSS output

- There is strong and positive relationship between no. of bank branch expansion and deposit. No of bank branch expansions and deposit correlation is .955.

- There is strong and positive relationship between no. of bank branch expansion and loan. No of bank branch expansions and loan correlation is .924.
- There is strong and positive relationship between no. of bank branch expansion and profit. No of bank branch expansions and profit correlation is .882.
- There is strong and positive relationship between no. of bank branch expansion and overhead cost. No of bank branch expansions and overhead correlation is .958.
- There is strong and positive relationship between no. of bank branch expansion and shareholder fund. No of bank branch expansions and shareholder fund correlation is .965.
- There is strong and positive relationship between no. of bank branch expansion and Return on investment (ROI). No of bank branch expansions and shareholder fund correlation is .815.

Therefore we conclude that there is strong and positive relationship between no of bank branch expansion and Deposit, Loan, Profit, Overhead cost, Share Holder Fund and ROI.

4.3 The Effect of Bank Branches Expansion on Performance of UAB Bank

One of the basic function (or) factors in the development of economic theories is the grouping relationship to form a model. The number of relationship included in an economic model depend on the objective for which the model is constructed and degree of explanation that is being sought. In some real world problems, basic statistical tool of bivariate relationship were developed.

This section is the estimated simple linear regression models of deposit, Loan, Overhead cost and profit of UAB bank. The independent variable that is no of bank branches expansion are used to each model to obtain the better picture of effectiveness of bank branched expansion on performance of UAB bank.

Estimated linear Regression Model of Deposit and No of Bank Branches

Expansion

In this sub section, the estimated simple regression model of total deposit condition (kyats in millions) on the no of bank branch expansion of UAB Bank are constructed. The estimated regression model of deposit and no of bank branch expansion of UAB bank are as the following -

Regression

Variables Entered/Removed^a

| Model | Variables Entered | Variables Removed | Method |
|-------|---------------------------|-------------------|--------|
| 1 | No_of_Branch ^b | . | Enter |

a. Dependent Variable: Deposit

b. All requested variables entered.

Model Summary

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate |
|-------|-------------------|----------|-------------------|----------------------------|
| 1 | .955 ^a | .911 | .897 | 74110.33073 |

a. Predictors: (Constant), No_of_Branch

ANOVA^a

| Model | | Sum of Squares | df | Mean Square | F | Sig. |
|-------|------------|------------------|----|------------------|--------|-------------------|
| 1 | Regression | 338704874934.319 | 1 | 338704874934.319 | 61.669 | .000 ^b |
| | Residual | 32954046728.556 | 6 | 5492341121.426 | | |
| | Total | 371658921662.875 | 7 | | | |

a. Dependent Variable: Deposit

b. Predictors: (Constant), No_of_Branch

Coefficients^a

| Model | | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. |
|-------|--------------|-----------------------------|------------|---------------------------|-------|------|
| | | B | Std. Error | Beta | | |
| 1 | (Constant) | 209364.428 | 47626.692 | | 4.396 | .005 |
| | No_of_Branch | 8218.992 | 1046.614 | .955 | 7.853 | .000 |

a. Dependent Variable: Deposit

Source: SPSS output

Model

$$\text{Deposit} = 209364.428 + 8218.992 (\text{no of bank branch expansion})$$

Based on the above estimated regression model select, it could be conclude that significantly determine the factors of deposit of UAB bank is no of bank branch expansion. Then it is found that with an increase of 1 new branch are open in that year, it is expected that there would be increase of 8218.992 Kyats in millions deposit of UAB Bank. Since coefficient of determination is .911, 91% of the variation of deposit is explained by the change in no of bank branch expansion. The higher coefficient of determination is the more explanatory power of this model.

Estimated regression model of loan and no of bank branches expansion

In this sub section, the estimated simple regression model of total loan condition (kyats in millions) on the no of bank branch expansion of UAB Bank are constructed. The estimated regression model of deposit and no of bank branch expansion of UAB bank are as the following –

Regression

Variables Entered/Removed^a

| Model | Variables Entered | Variables Removed | Method |
|-------|---------------------------|-------------------|--------|
| 1 | No_of_Branch ^b | . | Enter |

a. Dependent Variable: Loan

b. All requested variables entered.

Model Summary

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate |
|-------|-------------------|----------|-------------------|----------------------------|
| 1 | .924 ^a | .853 | .829 | 67055.28153 |

a. Predictors: (Constant), No_of_Branch

ANOVA^a

| Model | | Sum of Squares | df | Mean Square | F | Sig. |
|-------|------------|------------------|----|------------------|--------|-------------------|
| 1 | Regression | 157022584944.254 | 1 | 157022584944.254 | 34.922 | .001 ^b |
| | Residual | 26978464684.621 | 6 | 4496410780.770 | | |
| | Total | 184001049628.875 | 7 | | | |

a. Dependent Variable: Loan

b. Predictors: (Constant), No_of_Branch

Coefficients^a

| Model | | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. |
|-------|--------------|-----------------------------|------------|---------------------------|-------|------|
| | | B | Std. Error | Beta | | |
| 1 | (Constant) | 113143.396 | 43092.795 | | 2.626 | .039 |
| | No_of_Branch | 5596.144 | 946.980 | .924 | 5.909 | .001 |

a. Dependent Variable: Loan

Source: SPSS output

Model

$$\text{Loan} = 113143.396 + 5596.144 (\text{no of bank branch expansion})$$

Based on the above estimated regression model select, it could be conclude that significantly determine the factors of loan of UAB bank is no of bank branch expansion. Then it is found that with an increase of 1 new branch are open in that year, it is expected that there would be increase of 5596.144 Kyats in millions deposit of UAB Bank. Since coefficient of determination is .853, 85% of the variation of loan is explained by the change in no of bank branch expansion. The higher coefficient of determination is the more explanatory power of this model.

Estimated Regression Model of Overhead Cost and no of Bank Branches

Expansion

In this sub section, the estimated simple regression model of total Overhead cost condition (kyats in millions) on the no of bank branch expansion of UAB Bank are constructed. The estimated regression model of Overhead cost and no of bank branch expansion of UAB bank are as the following -

Regression

Variables Entered/Removed^a

| Model | Variables Entered | Variables Removed | Method |
|-------|---------------------------|-------------------|--------|
| 1 | No_of_Branch ^b | . | Enter |

a. Dependent Variable: Overhead_Cost

b. All requested variables entered.

Model Summary

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate |
|-------|-------------------|----------|-------------------|----------------------------|
| 1 | .958 ^a | .917 | .903 | 1085.81871 |

a. Predictors: (Constant), No_of_Branch

ANOVA^a

| Model | | Sum of Squares | df | Mean Square | F | Sig. |
|-------|------------|----------------|----|--------------|--------|-------------------|
| 1 | Regression | 78094947.849 | 1 | 78094947.849 | 66.238 | .000 ^b |
| | Residual | 7074013.651 | 6 | 1179002.275 | | |
| | Total | 85168961.500 | 7 | | | |

a. Dependent Variable: Overhead_Cost

b. Predictors: (Constant), No_of_Branch

Coefficients^a

| Model | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. | |
|-------|-----------------------------|------------|---------------------------|------|-------|------|
| | B | Std. Error | Beta | | | |
| 1 | (Constant) | 1180.798 | 697.797 | | 1.692 | .142 |
| | No_of_Branch | 124.801 | 15.334 | .958 | 8.139 | .000 |

a. Dependent Variable: Overhead_Cost

Source: SPSS output

Model

$$\text{Overhead cost} = 1180.798 + 124.801 (\text{no of bank branch expansion})$$

Based on the above estimated regression model select, it could be conclude that significantly determine the factors of Overhead cost of UAB bank is no of bank branch expansion. Then it is found that with an increase of 1 new branch are open in that year, it is expected that there would be increase of 124.80 Kyats in millions Overhead cost of UAB Bank. Since coefficient of determination is .917, 92% of the variation of Overhead cost is explained by the change in no of bank branch expansion. The higher coefficient of determination is the more explanatory power of this model.

Estimated Regression Model of Profit and no of Bank Branches Expansion

In this sub section, the estimated simple regression model of total profit condition (kyats in millions) on the no of bank branch expansion of UAB Bank are constructed. The estimated regression model of profit and no of bank branch expansion of UAB bank are as the following –

Regression

Variables Entered/Removed^a

| Model | Variables Entered | Variables Removed | Method |
|-------|---------------------------|-------------------|--------|
| 1 | No_of_Branch ^b | . | Enter |

a. Dependent Variable: Profit

b. All requested variables entered.

Model Summary

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate |
|-------|-------------------|----------|-------------------|----------------------------|
| 1 | .882 ^a | .779 | .742 | 3266.90911 |

a. Predictors: (Constant), No_of_Branch

ANOVA^a

| Model | | Sum of Squares | df | Mean Square | F | Sig. |
|-------|------------|----------------|----|---------------|--------|-------------------|
| 1 | Regression | 225111838.545 | 1 | 225111838.545 | 21.092 | .004 ^b |
| | Residual | 64036170.955 | 6 | 10672695.159 | | |
| | Total | 289148009.500 | 7 | | | |

a. Dependent Variable: Profit

b. Predictors: (Constant), No_of_Branch

Coefficients^a

| Model | | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. |
|-------|--------------|-----------------------------|------------|---------------------------|-------|------|
| | | B | Std. Error | Beta | | |
| 1 | (Constant) | 3382.994 | 2099.465 | | 1.611 | .158 |
| | No_of_Branch | 211.888 | 46.137 | .882 | 4.593 | .004 |

a. Dependent Variable: Profit

Source: SPSS output

Model

$$\text{Profit} = 3382.994 + 211.888 (\text{no of bank branch expansion})$$

Based on the above estimated regression model select, it could be conclude that significantly determine the factors of profit of UAB bank is no of bank branch expansion. Then it is found that with an increase of 1 new branch are open in that year, it is expected that there would be increase of 211.888 Kyats in millions profit of UAB Bank. Since coefficient of determination is .779, 78% of the variation of profit is explained by the change in no of bank branch expansion. The higher coefficient of determination is the more explanatory power of this model.

Estimated Regression Model of Share Holder Fund and no of Bank Branches Expansion

In this sub section, the estimated simple regression model of shareholder fund condition (kyats in millions) on the no of bank branch expansion of UAB Bank are

constructed. The estimated regression model of shareholder fund and no of bank branch expansion of UAB bank are as the following –

Regression

Variables Entered/Removed^a

| Model | Variables Entered | Variables Removed | Method |
|-------|-------------------------------|-------------------|--------|
| 1 | Number_of_Branch ^b | | Enter |

a. Dependent Variable: Share_Holder_Fund

b. All requested variables entered.

Model Summary

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate |
|-------|-------------------|----------|-------------------|----------------------------|
| 1 | .965 ^a | .931 | .919 | 1611.53335 |

a. Predictors: (Constant), Number_of_Branch

ANOVA^a

| Model | | Sum of Squares | df | Mean Square | F | Sig. |
|-------|------------|----------------|----|---------------|--------|-------------------|
| 1 | Regression | 208801367.055 | 1 | 208801367.055 | 80.400 | .000 ^b |
| | Residual | 15582238.445 | 6 | 2597039.741 | | |
| | Total | 224383605.500 | 7 | | | |

a. Dependent Variable: Share_Holder_Fund

b. Predictors: (Constant), Number_of_Branch

Coefficients^a

| Model | | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. |
|-------|------------------|-----------------------------|------------|---------------------------|--------|------|
| | | B | Std. Error | Beta | | |
| 1 | (Constant) | 34607.673 | 1035.645 | | 33.417 | .000 |
| | Number_of_Branch | 204.068 | 22.759 | .965 | 8.967 | .000 |

a. Dependent Variable: Share_Holder_Fund

Source: SPSS output

Model

Share holder fund = 34607.673+ 204.068 (no of bank branch expansion)

Based on the above estimated regression model select, it could be conclude that significantly determine the factors of Shareholder fund of UAB bank is no of bank branch expansion. Then it is found that with an increase of 1 new branch are open in that year, it is expected that there would be increase of 204.068 Kyats in millions profit of UAB Bank. Since coefficient of determination is .931, 93% of the variation of Shareholder fund is explained by the change in no of bank branch expansion. The higher coefficient of determination is the more explanatory power of this model.

Estimated Regression Model of Return on Investment and no of Bank Branches Expansion

In this sub section, the estimated simple regression model of return on investment (ROI) condition (%) on the no of bank branch expansion of UAB Bank are constructed. The estimated regression model of return on investment (ROI) and no of bank branch expansion of UAB bank are as the following –

Regression

Variables Entered/Removed^a

| Model | Variables Entered | Variables Removed | Method |
|-------|-------------------------------|-------------------|--------|
| 1 | Number_of_Branch ^b | . | Enter |

a. Dependent Variable: ROI

b. All requested variables entered.

Model Summary

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate |
|-------|-------------------|----------|-------------------|----------------------------|
| 1 | .815 ^a | .665 | .609 | .06888 |

a. Predictors: (Constant), Number_of_Branch

ANOVA^a

| Model | | Sum of Squares | df | Mean Square | F | Sig. |
|-------|------------|----------------|----|-------------|--------|-------------------|
| 1 | Regression | .056 | 1 | .056 | 11.894 | .014 ^b |
| | Residual | .028 | 6 | .005 | | |
| | Total | .085 | 7 | | | |

a. Dependent Variable: ROI

b. Predictors: (Constant), Number_of_Branch

Coefficients^a

| Model | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. |
|------------------|-----------------------------|------------|---------------------------|-------|------|
| | B | Std. Error | Beta | | |
| 1 (Constant) | .131 | .044 | | 2.966 | .025 |
| Number_of_Branch | .003 | .001 | .815 | 3.449 | .014 |

a. Dependent Variable: ROI

Source: SPSS output

Model

Share holder fund = 13.1% + 0.03% (no of bank branch expansion)

Based on the above estimated regression model select, it could be conclude that significantly determine the factors of ROI of UAB bank is no of bank branch expansion. Then it is found that with an increase of 1 new branch are open in that year, it is expected that there would be increase of 0.03% ROI of UAB Bank. Since coefficient of determination is .665, 65%% of the variation of ROI is explained by the change in no of bank branch expansion. The higher coefficient of determination is the more explanatory power of this model.

CHAPTER 5

CONCLUSION

This chapter presents the finding of the study. It also discusses the major theoretical implication and suggestions. The implication of findings, limitations and future directions for future research are put forward

5.1 Finding and Discussion

The development of banking sector is vital for the soundness of the economic development of Myanmar. Our country Myanmar is already being in the middle of economic transition period and slowly moved from the centralized economy system to market orientated system. Local banks which are leader of Financial Sector in Myanmar are trying to fulfill better banking service to public by expanding Branch network in regional level and performing for developing of nation. Accordingly, the banking sector now plays significant role in improving the social economic wellbeing of the country through mobilization from savings, investment, setting the price and keeping financial assets, monitoring borrowers, managing financial risk and organizing the payment system in the economy.

It is essential for bank to know how to do bank branch expansion most effectively and efficiently. The challenge of bank branch expansion is to minimized cost and maximized profit while improving the quality of bank service to customer by enhancing customer satisfaction. Banks in Myanmar including UAB bank still need to expand branch network to improved customer accessibility of banking services.

The main purpose of this study was to analysis the effect of expansion of branches on performance of UAB Bank. Therefore analysis the effect of expansion of branches on performance of UAB Bank by analysis relationship between number of bank branch expansion and four financial factors such as loan, deposit, overhead cost, profit shareholder equity and ROI. In this study, as the number of bank branch increase, the volume of deposit larger from year to year, which provide to create more loan. Actually loan is major income source of bank which generates bank profit. Future more income of the bank can be generated not only net interest income from loan also noninterest income such as remittance fee, service charges, trade commission. As the no of bank branch growth, total profit can increased from year to

year. As the business size growth, UAB bank also gets the economy of scale in Overhead cost. It is also conclude that UAB banks still have opportunities to have business growth by adding more branches and more service points. UAB bank will have business and financial performance growth as more bank branch expansion.

Bank branch expansion also helps to the extension of business and by smoothing economic functions. Moreover they can be providing financial aid for entrepreneur in the concern regions and to help developing of the economic growth of the country.

As the highlights of study, financial performance of UAB Bank such as not only deposit and loan from customer are important, but also, total asset which include share holder fund is important to growth of bank. Therefore bank need to create and maintain good banking relationship with the entire stake holder. Service marketing needs to be creative and initiative to fulfill the needs and wants of the target customer. At present the competition is become more intense in Myanmar banking industry along with development of the country. UAB bank target to become one of the best performing bank in Myanmar at year 2023 by it' strong mission, vision and internal & external collaboration.

5.2 Suggestions

Organizational leadership, location, costing and economic factor are important fact for consideration of bank branch expansion plan. It is important to study the following point if bank want to be successful in bank branch expansion activities.

Leadership includes strategic planning and team performance factors that affect the bank branch expansion rate in Myanmar. This is consistent with the research of Hind et al. (2009) which noted that a potential leader will set the strategic direction for corporate business (Kalafatis et al., 2000). The value created by marketing manifests itself in the effect of marketing actions on customer perceptions, behavior and ultimately the components of CLV, namely revenues, costs, risk and retention, as well as additional components of customer equity, such as customer acquisition (Persson, 2012). Leadership must plan for the short term, medium term and long term (Brock, 2000) and banks need to prepare a database of information about each type of client (Edris, 1997) and provide an analysis of opportunities and threats to the organization which is to determine the market position of the bank (Zineldin, 1996) and organizational leaders need to define and inspire their staff in

order to have a positive attitude to work together to achieve the common goals (Tang et al., 2010)

Economic factors are composed of both internal and external factors and affect Myanmar branch expansion. This is consistent with the research of Ma (2012) that after the economic crisis in Asia, foreign banks had to expand and take on the risks of these risky markets because when the economy is good, the consumer base is large and growing with higher spending, leading to more investments. As this process increases, the need for more retail banking outlets increases, thus contributing to the growth in market share for the commercial institutions

Location factors are influenced by leadership and economic factors including branch/store format, customer awareness and population. This is consistent with the research of Moutinho et al. (1997), who noted that businesses need to focus marketing strategy on the needs of the customer so, if the consumer population requires more services, equipment and technology tools have to be available to support the bank branch. And banks have to develop a culture focused on the needs of the consumer. The existence of technological tools, including the recognition of marketing communications and the targeting of customer data, will result in an increase in market share and affect bank branch profitability (Mullineaux and Pyles, 2010)

Costing factors are influenced by leadership and economic factors as well as location. Location includes other components such as size and equipment/technology. This is consistent with the research of Giokas (2008) which noted that the size of the branch affects the sustainability of bank branches and large branches are efficient business operations. Small community banks with 8-10 employees can grow but they must have a strategic plan in a highly competitive market (Timmons, 1996). Using technology for banking services will result in limitless administrative service ability (Tom, 2006) and affects the building of relationships with customers as well as creating a competitive, low cost advantage (Durkin and Howcroft, 2003) which also creates confidence among the investors and service users (Reynolds and Wood, 2010)

In overall, getting the chance to analysis this study will be easier to determine bank branch expansion on financial performance of UAB bank. This study results suggest that certain levels of branch expansion does not have negative impacts on cost efficiency and they have positive impacts on profit efficiency. The findings in this paper suggest that an adequate levels of branch expansion have positive impacts on both cost and profit efficiencies for UAB banks.

It is also conclude that UAB banks still have opportunities to have business growth by adding more branches and more service points. UAB bank will have business and financial performance growth as more bank branch expansion.

Bank branch expansion also helps to the extension of business and by smoothing economic functions. Moreover they can be providing financial aid for entrepreneur in the concern regions and to help developing of the economic growth of the country. It is concluded that UAB bank has opportunities to get bank business growth by doing bank branch expansion to have bigger branch network size.

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APPENDIX

Table (4.2) UAB Bank Branch Opening List

| No | Opening Date | Branch Name | Location | Zone |
|----|--------------|-------------------|----------|--------------|
| 1 | 16.08.2010 | NAYPYITAW | NPT | Other Region |
| 2 | 31.12.2010 | LATHA | YGN | Yangon |
| 3 | 27.01.2011 | SAI TAN | MDY | Mandalay |
| 4 | 18.11.2011 | KYWESEKAN | MDY | Mandalay |
| 5 | 06.01.2011 | TAMWE | YGN | Yangon |
| 6 | 17.01.2011 | TAUNGGYI | OTHER | Other Region |
| 7 | 09.02.2011 | MUSE | OTHER | Other Region |
| 8 | 17.02.2011 | BAYINTNAUNG | YGN | Yangon |
| 9 | 27.04.2011 | DIAMOND | MDY | Mandalay |
| 10 | 12.06.2012 | THIN GAN GYUN | YGN | Yangon |
| 11 | 09.01.2013 | PATHEIN | OTHER | Other Region |
| 12 | 21.01.2013 | PAKOKKU | OTHER | Other Region |
| 13 | 04.02.2013 | PYAY | OTHER | Other Region |
| 14 | 04.03.2013 | MONYWA | OTHER | Other Region |
| 15 | 03.05.2013 | MEIKHTILA | OTHER | Other Region |
| 16 | 03.05.2013 | SANCHAUNG | YGN | Yangon |
| 17 | 03.06.2013 | MANDALAY (84) St: | MDY | Mandalay |
| 18 | 04.06.2013 | MANDALAY (19) St: | MDY | Mandalay |
| 19 | 04.07.2013 | MANDALAY (12) St: | MDY | Mandalay |
| 20 | 25.09.2013 | BOGYOKE MARKET | YGN | Yangon |
| 21 | 03.10.2013 | KYIMYINDINE | YGN | Yangon |
| 22 | 08.10.2013 | MYINPYAINGKWIN | YGN | Yangon |
| 23 | 30.01.2014 | NORTH DAGON | YGN | Yangon |
| 24 | 04.02.2014 | PHONE GYI ST | YGN | Yangon |
| 25 | 20.02.2014 | SHWE GONE DINE | YGN | Yangon |
| 26 | 20.03.2014 | HLAING | YGN | Yangon |
| 27 | 27.03.2014 | THEIN PHYU | YGN | Yangon |
| 28 | 07.04.2014 | SAW BWAR GYI KONE | YGN | Yangon |
| 29 | 05.05.2014 | MONYWAR MINI | OTHER | Other Region |
| 30 | 28.07.2014 | KYOUK PA DAUNG | OTHER | Other Region |
| 31 | 04.08.2014 | MAGWAY | OTHER | Other Region |

| | | | | |
|----|------------|-----------------------------|-------|--------------|
| 32 | 10.08.2014 | MYIN CHAN | OTHER | Other Region |
| 33 | 10.12.2014 | LASHIO | OTHER | Other Region |
| 34 | 22.12.2014 | SHWE OHN PIN | YGN | Yangon |
| 35 | 12.01.2015 | WAI PONE LA | YGN | Yangon |
| 36 | 15.01.2015 | PAZONDAUNG | YGN | Yangon |
| 37 | 03.02.2015 | 35th | MDY | Mandalay |
| 38 | 04.02.2015 | 73th | MDY | Mandalay |
| 39 | 05.02.2015 | PYI GYI MINGALAR | MDY | Mandalay |
| 40 | 05.10.2015 | SOUTH DAGON | YGN | Yangon |
| 41 | 06.11.2015 | KYOUK KONE | YGN | Yangon |
| 42 | 18.12.2015 | Pabedan | YGN | Yangon |
| 43 | 16.2.2016 | 62 (MDY) | MDY | Mandalay |
| 44 | 18.2.2016 | (MDY) Amarapura | MDY | Mandalay |
| 45 | 24.03.2016 | Thiriyadanar | YGN | Yangon |
| 46 | 30.03.2016 | Taungoo | OTHER | Other Region |
| 47 | 30.03.2016 | Aung Pan | OTHER | Other Region |
| 48 | 21.06.2016 | Ahlong | YGN | Yangon |
| 49 | 22.06.2016 | Thamine | YGN | Yangon |
| 50 | 28.06.2016 | Myanma Gone Yi | YGN | Yangon |
| 51 | 08.07.2016 | Thuwana | YGN | Yangon |
| 52 | 11.07.2016 | Yazardiyit | YGN | Yangon |
| 53 | 17.08.2016 | Hledan(Kamayut) | YGN | Yangon |
| 54 | 19.08.2016 | South Okkalar (Thanthumar) | YGN | Yangon |
| 55 | 24.08.2016 | Sinmalite(Kamayut) | YGN | Yangon |
| 56 | 05.09.2016 | Sule (Kyauktada) | YGN | Yangon |
| 57 | 29.09.2016 | Pann Pin Gyi (Kyeemyindine) | YGN | Yangon |
| 58 | 3.11.2016 | Nawaday (Dagon) | YGN | Yangon |
| 59 | 4.11.2016 | Lanmadaw(Wartan) | YGN | Yangon |
| 60 | 28.11.2016 | BoMyatHtun | YGN | Yangon |
| 61 | 30.11.2016 | 83 st (MDY) | MDY | Mandalay |
| 62 | 02.12.2016 | Kyauksittan (MDY) | MDY | Mandalay |
| 63 | 07.12.2016 | Pyin Oo Lwin | OTHER | Other Region |
| 64 | 16.12.2016 | Zawana (Thingangyun) | YGN | Yangon |
| 65 | 23.12.2016 | Industry Zone (Mdy) | MDY | Mandalay |
| 66 | 2.1.2017 | TharKeta (Ayarwun) | YGN | Yangon |

| | | | | |
|----|------------|-------------------------------|-------|--------------|
| 67 | 5.1.2017 | 19th Street (Latha) | YGN | Yangon |
| 68 | 12.1.2017 | 80th Street (Mdy-China Town) | MDY | Mandalay |
| 69 | 13.1.2017 | Manawhari (Mdy) | MDY | Mandalay |
| 70 | 19.1.2017 | Banyardala (YGN) | YGN | Yangon |
| 71 | 2.2.2017 | MahaBandoola 54th St | YGN | Yangon |
| 72 | 9.2.2017 | New University Avenue | YGN | Yangon |
| 73 | 8.3.2017 | ShweDagon Pagoda Street | YGN | Yangon |
| 74 | 24.03.2017 | NanDaWun Market | YGN | Yangon |
| 75 | 8.06.2017 | TatKone (NPT) | Other | Other Region |
| 76 | 17.07.2017 | PanSoeDan(KTDA) | YGN | Yangon |
| 77 | 3.8.2018 | InSein (PaukTaWa) | YGN | Yangon |

Source: UAB Bank