

**YANGON UNIVERSITY OF ECONOMICS
MASTER OF ECONOMICS**

**A STUDY ON PERFORMANCE OF MYANMAR ECONOMIC
BANK BRANCH (3)**

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YANGON UNIVERSITY OF ECONOMICS

MASTER OF ECONOMICS

**A STUDY ON PERFORMANCE OF
MYANMAR ECONOMIC BANK BRANCH (3)**

A thesis submitted as a partial fulfillment towards the requirements for the Master of
Economics, M.Econ (Economics) Degree

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ABSTRACT

The financial system plays a significant role in the development of a country's economy. It also contributes towards a large number of employment, and provides necessary funds to various economic agents to enjoy sustainable economic growth. MEB branch (3) services between respective department and their staff. And then another service is between the Central bank and respective department for fund. This research paper studied the role of Myanmar Economic Bank Branch (3) and activities of MEB branch (3). MEB branch (3), state-owned bank, is one of the MEB branches under the provision of Central Bank. MEB branch (3) can play to harmonize services like State Fund Accounts services, commercial banking and development policy loan services and to issue of pension salary. MEB branch (3)'s interest rate is lower than the other private banks. Housing loan of MEB branch (3) does not charge the interest rate so that the housing loan can make the staff of 14 department's home ownership affordable. MEB branch (3) plays an important role in the banking sector of Myanmar as Myanmar citizen response on government banks for having more confidence in the reliability of these banks than private banks.

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LIST OF ABBREVIATIONS

ASEAN	-	Association of South East Asian Nation
ATM	-	Automated Teller Machines
AYA	-	Ayeyarwady Bank
B/D	-	Cheque
CB	-	Co-operation Bank
CBM	-	Central Bank of Myanmar
DC	-	Development Committee
FA	-	Financial Adjustment
FY	-	Fiscal Year
KBZ	-	Kanbawza Bank
MAB	-	Myanmar Agricultural Bank
MD	-	Ministries & Departments
MEB	-	Myanmar Economic Bank
MFTB	-	Myanmar Foreign Trade Bank
MPU	-	Myanmar Payment Union
NGOs	-	Non-Government Organizations
NRC	-	National Registration Card
OA	-	Other Account
POS	-	Point of Sale
RF	-	Revolving Fund
SCB	-	State Commercial Bank
SEE	-	State Economic Enterprises
SFA	-	State Fund Accounts
ST	-	Bank Sub-Treasury
UBB	-	Union of Burma Bank

CHAPTER 1

INTRODUCTION

1.1 Rationale of the Study

Banks are one of the most important parts of any country. In this modern time, money and its necessity is very important. A developed financial system of the country can approve possibility for attaining economic development. A modern bank affords valuable services to a country. To attain development there should be a good developed financial system to support not only the economic but also the society. So, a modern bank plays an important role in the socio economic matters of the country.

Bank attracts depositors by attractive deposit patterns and providing rewards or return in the form of interest. Banks are providing different kinds of deposit schemes to its customers. It supports to create banking habits or saving habits among people. Capital is one of the most important parts of any business or industry. It is the principle of business. Banks are helpful to increase capital formation by collecting deposits from depositors and converting these deposits in to loans and advances to industries. In this modern era trade and commerce plays vital role between any countries. So, the money transaction should be user friendly. A modern bank helps its customers to show funds to anywhere and receive funds from anywhere of the world. A developed banking system affords various attractive services like mobile banking, internet banking, debit cards, credit cards etc. These kinds of services are the fast and easy transactions. So bank helps to develop trade and commerce. The importance of bank system is the facilities for companies and production and necessary for economically system, also controlled for the money circle and inflation. Banking is financial institution that accepts deposits and channels that deposit into lending activities.

Myanmar Economic Bank (MEB) was initially established in 1976. Nowadays, MEB mainly conducts commercial banking services across Myanmar through its network consisted of (307) bank branches, (14) State and Divisional Banking Offices and (6) Head Office Departments. Hence, the purpose of this study is to learn the role of Myanmar Economic Bank branches in the banking system.

1.2 Objectives of the Study

The objective is to explore the role of Myanmar Economic Bank branch (3) and activities of MEB branch (3).

1.3 Method of Study

In this study the descriptive research method is used. The primary data are collected from the MEB branch (3) of staffs. The secondary data are selected from the MEB branch (3) office.

1.4 Scope and Limitations of the Study

The main period is from 2011-2012 to 2016-2017. The scope is limited on the area of during a research study with MEB branch (3).

1.5 Organization of the Study

This thesis is organized with five chapters. Chapter 1 consists of the introduction, rationale of the study, objectives of the study, method of study, scope and limits of the study and the organization of the study. Chapter 2 mentions literature the importance of banking sector in economic growth and the important role of branch in banking. Chapter 3 includes overview of banking industry in Myanmar. Chapter 4 mentions Myanmar Economic Bank and performance of MEB branch (3). Chapter 5 describes the conclusion consists of findings and suggestions.

CHAPTER 2

LITERATURE REVIEW

Gunhild J. Ecklund (2008) examined the creating a new role for an old central bank: The Bank of Norway 1945-1954. In this thesis, the author collected the secondary data from Ministry of finance official website, Ministry of commerce official website, previous research, internet, and other websites. The author realizes that how the role of the Bank of Norway developed during the first post-World War II decade, and the complex nature of the interaction between the central bank and the political authorities during this period.

Katarzyna Burzynska (2009) studied financial development and economic growth: the case of Chinese Banking sector. In this research, the writer used the secondary data from China Financial and China Statistical Yearbooks. The writer find out that within the financial sector and the most of financial intermediation between savings and investment has been channeled through the banking sector, the impact of different banking institutions on economic growth and assess the compatibility of state financial policies with country's economic performance, and to sustain the growth is important to further develop financial services, ensure better credit allocation and improve access to financing for private as well as small and medium-sized enterprises.

Henry Sseggujja (2010) examined the relationship lending, transaction costs and the lending interest rates of commercial banks in Uganda. In this paper, the author accumulated the primary data from 14 commercial banks in Uganda and their borrowers. And he collected from the population of 566 medium and large sized borrowing enterprises and bank employees of credit departments. The author realize that the commercial bank lending interest rates in Uganda have persistently remained high, a transaction cost approach in terms of opportunism, assets specificity, frequency, uncertainty, governance set-up costs and relational lending technology in terms of duration, multiple banking, pre-existence and trust were examined to determine their effect on lending interest rates, and relationship lending has a significant negative effect on lending interest rates and transaction costs.

Nguyen Thi Thanh huong Hue (2010) analyzed credit market segmentation in rural areas; A case study in Phu Thuong Commune, Phu Vang District, Thua Thein Hua Province. In this study, the researcher collected the primary data from 932 rural households. The researcher make out that the viewpoint of both the lenders and the borrowers to see how their particular characteristics influence their credit transactions as

well as market segmentation and many credit programs and project have been implemented in rural areas by Government as well as Non-Government Organizations (NGOs), especial the subsidized credit programs for the poor

Hnin Hnin Aung (2012) studied customer satisfaction on service quality of KBZ bank in Yangon. In this paper, the author gathered the primary data from 240 customers by using structure questionnaire and the secondary data from previous research, internet, textbook, and website. The author apprehend that the findings reveal that the KBZ Bank users' perceptions of the actual service are higher than those of expectations in reliability, tangible and assurance dimensions which indicate that customers are satisfied with the bank's quality services.

Prakash Dhakal (2012) researched customer satisfaction research of Nepal SBI bank Ltd. In this thesis, the writer accumulated the primary data from 108 people and 38 SBI staffs. The writer comprehend that working staffs plays an important role to create quality service, to find out employees' motivational factors, to service quality created by satisfied employee to meet up customers' expectations.

Phyo Pont Pont Thu (2014) analyzed the study on performance of saving bank in Myanmar(Case Study-Saving Bank 3) during time period from 2005-2006 to 2012-2013. In this study, the researcher used the secondary data from the department of saving bank 3. And she analyzed the descriptive method. The researcher find out that banking sector shows an important role for the economic development of a country by mobilizing financing resources and allocating these financial resources thought their main functions of financial intermediation.

Bc. Rrezarta Halili (2014) studied the impact of online banking on bank performance during time period from 1999-2010 to adoption of online banking is the core idea of this study. In this research, the author gathered the primary data from 22 commercial banks from the following countries: United Kingdom, Germany, Czech Republic, Latvia, and Poland. The author recognize that the performance of commercial banks is changing due to the technology improving day by day, and the application of the Instrumental Variable concludes that adoption of online banking is negatively related with three bank performance indicators as: Return on Equity (Roe), Return on Asset (Roa) and Margin (Mrg) as a main fault to global finance crisis.

Parastou Dehnabi (2014) analyzed the role of banking sector on economic growth in European Union and East Asia: Evidence from Panel data analysis during time period 2000-2010. In this thesis, the writer collected the primary data from the World Bank

which included the four Eastern Asian countries; Malaysia, Hong Kong, Singapore and Southern Korea and four Western European countries; Germany, France, Belgium and England. The writer note that European countries are more successful in adapting banking system by using money supply as well as domestic credit than East Asia countries, East Asia countries are more successful in adapting labor and capital policies in short run than European countries, and East Asia countries need to adapt monetary policies effectively in order to increase efficiency through expansion in banking sectors.

Eugene Bempong Nyantakyi and Mouhamadou Sy (2015) studied the banking system in Africa: Main Facts and Challenges. In this study, the author used the secondary data from journal of money, journal of financial economic policy, journal of economic growth, journal of banking and journal of finance, and so on, and papers. The author observe that Africa's banking environment is relatively shallow and less penetrated, it is as competitive as those in other developing and high income regions and a safe banking environment that has emerged from financial regulations and improved overall governance.

San San Myint (2016) analyzed an analysis of employee satisfaction of private banks in Myanmar. In this paper, the researcher accumulated the primary data from 364 employees working in 12 private banks located in Yangon and Mandalay of Myanmar. She notice that this study investigated the factors affecting job satisfaction among employees working in the private banking sector of Myanmar, and female employees expressed more favorable satisfaction towards their jobs contents than did male employees.

Sophie B. Blasig (2017) examined does the banking system affect banks' performance? during time period from 2007-2008 to 2014-2015. In this study, the author used the secondary data from annual reports of the banks. The author discover that both bank types are compared in terms of profitability, efficiency, liquidity, solvency and credit risk based on financial ratios, and there are differences in performance across countries.

2.1 The Importance of Banking Sector in Economic Growth

A bank is a financial institution which deals with deposits and advances and other related services. It accepts money from those who want to save in the form of deposits and it lends money to those who need it. Finance is the life blood of trade, commerce and industry. The economic development of most countries can be traced back to the use of

money as a medium, transforming from Barter System. Development of any country mainly builds on the banking system. Along with the economic development, banking has main role in every economic sectors while wholesales banking has come to be essential for industries, transportation, telecommunication, and agriculture and livestock sectors, customer credit(such as Hire Purchase, Credit and Debit Cards, Master Cards and Visa Cards) have become certain in modern human society.

The banks help in financing both internal and external trade. The banks provide loans to retailers and wholesalers to stock goods in which they deal. They also help in the movement of goods from one place to another by providing all types of facilities such as discounting and accepting bills of exchange, providing overdraft facilities, etc. Moreover, they finance both exports and imports of developing countries by providing foreign exchange facilities to importers and exporters of goods. Big banks also undertake foreign exchange business. They help in concluding deferred payments, arrangements between the domestic industrial undertakings and foreign firms to enable the former import machinery and other essential equipment.

The banking sector plays an important role for the economic development of a country by financing resources and allocating these financial resources through their main functions of financial intermediation. Therefore, the efficiency of banks can affect the financial system and the entire economy. Banks in developing countries play an effective role in their economic development.

2.2 The Important role of Branch in banking

Branch bank is a type of banking system under which the banking operations are carried with the help of branch network and the branches are controlled by the Head Office of the bank through their regional offices. Each branch of a bank will be managed by a responsible person called branch manager who will be assisted by the officers, clerks, and staff. Head office has the overall control over the working of various branches.

Bank branch is considered as one of the most important channel of the bank and is generally the most preferred channel from the customer's point of view. In reality, the bank branch is the sales and service channel of a bank and the bank branch employees are generally responsible for both sales and service of bank's products.

Banks are opening branches somewhat substantially. That makes function because the convenience that banking contributes is majorly popular brings up

interactions and drives revenue for banks and could help increase overall loyalty. But the importance of having a branch in a convenient location is as important as ever for consumers. On average, they did generally for functions like checking balances, paying bills, and transferring money, withdraw cash and deposit checks.

Some people have coming to branches every month. Some need it to transact, but a lot of them come in for advice and we want them to do that. So we need a certain footprint of financial centers. There are customer segments who value the customer experience associated with familiar faces and working with people you know. Branches banking are essentially irreplaceable for banks.

Sales in terms of branch banking could be any of the bank's deposits, products, retail or other investment products of other approved organizations, such as life insurance, general insurance, and mutual fund. Deposit products of a bank branch are savings bank account, current accounts, fixed deposit accounts and recurring deposit accounts. The customers or the prospects desiring to open any of these accounts have to fill an account opening form.

A bank's asset products include personal loan, home loan, car loan, and credit card. When a customer approaches the branch for any of the loan products of the bank, the branch employee takes down the contact details of the customer and the record of the lead generated are kept with the bank for follow up action.

CHAPTER 3

OVERVIEW OF BANKING INDUSTRY IN MYANMAR

3.1 History of Banking in Myanmar

Myanmar's banking history has been to the 19th century, when Myanmar was under British colonial rule and the Indian Presidency Bank of Bengal opened its Yangon branch in 1861. The Yangon branch office of the Reserve Bank of India became the first Central Bank in Myanmar (1939-1947). After Myanmar's independence in 1948, the banking sector, including domestic and foreign banks developed quickly under the democratic government and accounted for at least one-third of Myanmar's GDP. But after the Revolutionary Council had taken state power, all banks (10 domestic and 14 foreign) were nationalized in 1963.

New financial laws such as the Central Bank of Myanmar Law and the Financial Institutions of Myanmar Law were broadcasted in July 1990. Subsequently, the first private bank licenses were issued in 1992. In early 2003, informal finance companies, which took advantages of a weak interest rate policy at that time, led to banking, a financial, and an economic crisis in Myanmar. Most monetary transactions through the banks stopped which involved the payment of employees and business operations. While private banks tried to get liquidity through selling their properties, they also recollected their loans, which in turn forced individuals and companies to sell assets and suspend or close down their business operations to meet their loan obligations. Trust in the banking and financial sector, already upset by the waves of demonstration, has been strictly affected by this banking crisis.

To take back public confidence, private banks put much effort into providing good customer services. Since the FY 2006-2007 their efforts showed successful with loan and deposit cases growing progressively. However, Myanmar's banking sector remains underdeveloped and the economy functions in large on a cash basis.

3.2 Banking Structure of Myanmar

There are 28 domestic banks operating in Myanmar. Government owns 4 state-owned banks, 3 banks are owned by municipal governments, 7 semi-private banks that trade privately but are partially owned by government agencies, and the other 14 banks are owned by private.

Among the privately owned banks, the so-called “Big Three” dominate the market. They are Kanbawza Bank (KBZ), Ayeyarwady Bank (AYA), and Co-operative Bank (CB) because they control about two-thirds of all loans, two-thirds of all deposits. And then, they have many branch banks. These branches are more than 50 percent of other banks in the country. The Big Three are also expanding more rapidly than smaller banks, adding 60 new branches as a group between August 2014 and May 2016, compared to only 7 new branches for the rest of banking industry combined. Although banking-sector concentration is typical in ASEAN, the limited absolute size of Myanmar’s overall banking market makes it difficult for the country’s smaller banks to become competitive.

The four state-owned banks are Myanmar Economic Bank, Myanmar Foreign Trade Bank, Myanmar Investment and Commercial Bank, and Myanmar Agricultural Development Bank. The case with their privately owned competitors, state-owned banks require major investments in information technology and human capital.

Table 3.1 Domestic Banks in Myanmar

Government Banks (State-Owned)	Government Banks (Municipality- Owned)	Semi-Private Banks	Privately Owned Banks
Myanmar Agricultural Development Bank	Naypyitaw Sabin Bank Ltd.	Global Treasure Bank Ltd.	Asia Green Development Bank Ltd.
Myanmar Economic Bank	Yadanabon Bank Ltd.	Innwa Bank Ltd.	Asia Yangon Bank Ltd.
Myanmar Foreign Trade Bank	Yangon City Bank Ltd.	Myanmar Citizens Bank Ltd.	Ayeyarwaddy Bank Ltd.
Myanmar Investment and Commercial Bank		Myanmar Microfinance Bank Limited	Ayeyarwaddy Farmers Development Bank Limited
		Myawaddy Bank Ltd.	Co-operative Bank Ltd
		Rural Development Bank Ltd.	Construction and Housing Development Bank Limited
		Small & Medium Industrial Development Bank Ltd.	First Private Bank Ltd.
			Kanbawza Bank Ltd.
			Myanma Apex Bank Ltd.
			Myanmar Oriental Bank Ltd.
			Shwe Rural and Urban Development Bank Limited.
			Tun Foundation Bank Ltd.
			United Amara Bank Ltd.
			Yoma Bank Ltd.

Source: CBM, USAID 2016 *Denotes military ownership

3.3 Current Banking Situation

Myanmar has 4 state owned banks, 7 semi-government banks, 14 private enterprises, 13 foreign bank branches, and 49 representative office of foreign banks. Due to the vast untapped potential of the financial sector, banks are becoming more competitive in developing their innovative services, such as online payment system, mobile banking and other related applications.

Myanmar remains a predominantly cash-based economy. The Myanmar people have less trust on the banking system compared to other countries in the region since they had previously experienced a banking and currency crisis. For this reason, most people prefer to keep cash in hand, or buy property to secure their financial position.

However, in the past couple of years, the financial sector took important steps to reduce cash transactions: 21 out of 28 banks joined the SWIFT system, whereby local banks can make financial transactions to foreign correspondent banks. In 2011, the Myanmar Payment Union (MPU) was established by Myanmar banks to serve as a national payment switch for Myanmar. MPU provides electronic channels such as the Automated Teller Machines (ATM), Point of Sale (POS) terminal, and mobile banking to support non-cash payments. MPU membership consists of 3 state-owned banks and 14 non state-owned banks. In 2015, MPU became a public company, and 23 out of 28 Myanmar Banks joined as members. MPU cardholders can access almost 1,700 ATMs nationwide and use almost 3,500 POS terminals in Myanmar. In addition, the cardholder can also purchase products on 32 e-commerce websites.

It is the first time in 50 years that foreign banks are allowed to support the country's economy with their extensive international experience and worldwide networks. In 2016, the Central Bank of Myanmar granted licenses to 13 foreign banks to open a branch in Yangon. Foreign bank branches are limited to wholesale banking and are not permitted to engage in retail banking, even though they are expected to contribute to the development of the domestic banking sector by participating in the interbank market, lending to domestic banks, and engaging in foreign exchange business.

Foreign banks are allowed to grant loans, to take deposits from foreign corporations and domestic banks in both international currency and Myanmar Kyat. According to the regulation from CBM, each foreign bank needs to provide 75 million dollar as minimum investment capital. Therefore, the arrival of foreign banks has brought substantial benefits to both foreign investors and local businesses, such as faster transactions in foreign trade and the opportunity for local investors to expand their export market.

3.4 Mobile Financial Service

The growth of mobile phone users' reached 62% in early 2016, of which 80% are using smartphones. As such, investment in mobile banking technology is one area of focus in Myanmar. Nowadays, several banks are entering the market in mobile financial

services to development mobile applications, which include bulk disbursements, airtime top-ups, e-commerce and remittances.

The Central Bank of Myanmar issued a regulation on mobile financial services on 30 March 2016, to create an enabling regulatory environment for efficient and safe mobile financial services. The regulation allows mobile financial service providers to offer a number of services including cash transfers and domestic payments. However, in order for the banking sector to grow, many factors need to be improved, such as good services, trust building, and a wide distribution network.

In conclusion, although Myanmar's banking sector has remained one of the most underdeveloped when compared to other ASEAN member states and other countries worldwide, the potential development of this sector is huge, and needs strong government action and effective regulations to contribute towards the national economy. Therefore, analysts and economists recommend the government to take steps towards improving regulations, to help the banking sector to move further towards international standards and a stronger banking system in the future.

CHAPTER 4

MYANMAR ECONOMIC BANK AND PERFORMANCE OF MYANMAR ECONOMIC BANK BRANCH (3)

4.1 A Brief History of Myanmar Economic Bank

Myanmar Economic Bank (MEB), which was established on 2 April 1976, has descended from the State Commercial Bank (SCB) established in 1954, which provided a wide range of commercial banking services across the country. In 1963, all banks were nationalized as a result of the Burmese Way to Socialism.

By the People's Bank of the Union of Burma Act of 1967, merging of all the nationalized banks was called People's Bank of the Union of Burma. Under the Bank Act of 1975, the People's Bank was re-established into four state-owned banks, namely, the Union of Burma Bank (UBB), the Myanmar Economic Bank (MEB), the Myanmar Foreign Trade Bank (MFTB) and the Myanmar Agricultural Bank (MAB) in 1976. Then the MEB operated domestic commercial banking businesses. In 1988, in accordance with the new economic system, the financial sector was reformed. Myanmar Central Bank Law(1990), Myanmar Financial Institution Law(1990), Myanmar Agricultural and Rural Development Bank Law(1990), Myanmar Central Bank Rules(1991), Myanmar Financial Rules(1991), Myanmar Financial Institution Rules and Regulation(1992), Myanmar Financial Institution Amendment Law(1994) and Central Bank Amendment Law were enacted. The Financial Institutions of Myanmar Law recognized MEB as an existing state-owned commercial bank.

MEB Head Office was started to open in Nay Pyi Taw in February 2006 and Administration Department and respective sections of head office departments were moved from Yangon to Nay Pyi Taw since 2006. The grand opening of the new Myanmar Economic Bank building was held on 21 October 2008 and MEB Bank Branch at Nay Pyi Taw was started its banking operations on the same day.

4.2 Functions of Myanmar Economic Bank

MEB's major functions are accepting money on current and time deposit account; current account benefits are unlimited amount and frequency of deposits and withdrawals, auto link system with Savings Deposit Account allows the account holders to withdraw money from Savings Deposit Account by using cheque, cheques make money transactions easier for people, current account holders have privilege to apply for

Safe Deposit Locker for their valuables, and fast deposits and withdrawals time by using online system. Customers will be able to make deposits and withdrawals anytime. A unique combination of domestic banking features of the current account and global trade services where exporters and importers can have composite banking solution. Opening current account is today to enable you to utilize customer's financial resources more effectively. Lending money, collecting and dealing in cheques and other instruments; if bank doesn't trust customers or think they are an honest person, they will not approve their loan request. It doesn't matter how much collateral they have, it will not be enough to offset a lack of trust. The lender needs the confidence that the borrower has the experience, education and industry knowledge to successfully manage the business. The borrower's reputation plays a significant part in getting a bank loan. Their credit history will show their track record for repaying debts. When a bank makes a loan, it determines a plan of how the borrower will repay the loan. If the borrower defaults on the loan, then the bank falls back on the collateral. Sometime a lender never wants to use the collateral to repay a loan because the sale of the collateral may not be enough to pay off the loan. Banks like to take property and assets as collateral as a way to recover their loan in the event the borrower fails to pay as planned.

Granting and issuing of letters of credit and traveller's cheques; the traveller cheque were generally used by people on vacation in foreign countries instead of cash, as many businesses used to accept traveller cheques as currency. If a traveller cheque was lost or stolen, it can be replaced by the issuing financial institution. The financial institutions issuing traveller cheques earn income in a number of ways. Dealing in foreign exchange; MEB is authorized to deal in foreign exchange. It facilities trade activities in border areas as well. At present, MEB undertakes the services for border trade and normal trade settlements. These services are opening foreign currency demand deposit accounts both in Head Office and its authorized branches, foreign currency accounts transfer services, foreign currency remittances, both inward and outward, collection of foreign currency cheque, bills and payment orders, letter of credit facilities for overseas trade, sales and purchases of foreign currencies to government department in township areas and border areas, and MEB branches on border areas undertake border trade settlements by using the United State dollar and bank drafts. Moreover, collection and transmitting money securities, disbursing pension payments to retired government employees, purchasing and selling of bonds or other forms of securities on behalf of customers, acting as agent of the Central bank of Myanmar in the state fund/currency

management, acquiring shares in a licensed financial institution or acquiring an equity interest in other institution, providing guarantee and trustee services and other financial services, facilitating trade activities also in border areas, sharing borders with China, Thailand, Bangladesh and India; and undertaking the operation of the Government Employees Bank are also MEB's major functions.

4.3 Objectives of Myanmar Economic Bank

The objectives of MEB are to sustain public trust on MEB, to correspond services like State Fund Accounts services, commercial banking and development policy loan services, to promotion banking services with modern technology in accordance with international banking standard, to improve financial services among public, to offer people centered financial services effectively by using modern technology under the guidance of the Ministry of Planning and Finance for successfully implementation of the State's economic policy, to contribute in financial sector for implementation of the State's policy successfully, to increase income by promoting financial services, to develop human resources, research and public relations.

4.4 History of Myanmar Economic Branch (3)

Myanmar Economic Bank Branch (3) is located in No (1/19), Sule Pagoda Rd., Lower Block, Kyauktada township, Yangon. In 1914, this bank was performed the name of Hong Kong and Shanghai Banking Coporation, Imperial Bank of India in 1920, the State Bank of India in 1955 and then in 1963 Civil Bank No (7/8) was changed from above the name of banks where the place of ground building according to banking in nationalization of the plan. The name of Myanmar Economic Bank Branch 3 was opened from the Civil Bank on (1.4.1976). The fact that Technical Bank Branch reformed as office written order No (1) of MEB in Nay Pyi Taw on (1.4.2008). From (2.10.2010) MEB Branch (3) renamed according to accountant department of written order No (176) of MEB in Nay Pyi Taw.

4.5 Organization of Myanmar Economic Bank Branch (3)

The organization of MEB branch (3) is referred to as the following.

Table 4.1 Organization of Myanmar Economic Bank Branch (3)

No.	Position	Permitted Force	Present Force	Surplus Number	Deficit Number	Remark
1.	Manager	1	1	-	-	
2.	Assistant Manager	5	6	1	-	
3.	Supervisor	5	4	-	1	
4.	Cashier-1	1	1	-	-	
5.	Deputy Supervisor	13	13	-	-	
6.	Cashier-2	2	2	-	-	
7.	Senior Clerk	39	38	-	1	
8.	Senior Clerk (La Na Sa)	-	-	-	-	
9.	Cashier-3	5	5	-	-	
10.	Junior Clerk	18	8	-	10	
11.	Junior Clerk (La Na Sa)	-	-	-	-	
12.	Cashier-4	8	7	-	1	
13.	Office Helper	2	2	-	-	
14.	Office Helper (daily wages)	1	1	-	-	
15.	Security	2	-	-	2	
16.	Cleaner	1	2	1	-	
17.	Guard	1	1	-	-	
	Total	104	91	2	15	

Source: Yearly Report of Myanmar Economic Bank Branch (3)

MEB of head office in Nay Pyi Taw permitted 104 staffs for branch (3). But according to the notification-185 of head office of MEB bank, the MEB Branch (3) has 91 staffs at present. There are 1 manager, 6 assistant managers, 4 supervisor, 1 cashiers-1, 13 deputy supervisors, 2 cashiers-2, 38 senior clerks, 5 cashiers-3, 8 junior clerks, 7 cashiers-4, 3 office helpers, 1 guard, 2 cleaners. Salary of manager gets 280,000-300,000 and salary of assistant manager gets 250,000-270,000. Supervisor and cashier-1 get the same salary 195,000-205,000 and deputy supervisor and cashier-2 get the same 180,000-190,000. Senior clerk and cashier-3 get the salaries 165,000-175,000 and junior clerk and

cashier-4 get the same salary 150,000-160,000. Office helper, guard and cleaner get the salaries 120,000-130,000.

Table 4.2 List of office salary

No	Position	Salary (Kyats)
1.	Manager	280,000-4000-300,000
2.	Assistant Manager	250,000-4000-270,000
3.	Supervisor	195,000-2000-205,000
4.	Cashier-1	195,000-2000-205,000
5.	Deputy Supervisor	180,000-2000-190,000
6.	Cashier-2	180,000-2000-190,000
7.	Senior Clerk	165,000-2000-175,000
8.	Senior Clerk (La Na Sa)	165,000-2000-175,000
9.	Cashier-3	165,000-2000-175,000
10.	Junior Clerk	150,000-2000-160,000
11.	Junior Clerk (La Na Sa)	150,000-2000-160,000
12.	Cashier-4	150,000-2000-160,000
13.	Office Helper	120,000-2000-130,000
14.	Office Helper (daily wages)	-
15.	Security	120,000-2000-130,000
16.	Cleaner	120,000-2000-130,000
17.	Guard	120,000-2000-130,000

Source: Yearly Report of Myanmar Economic Bank Branch (3)

4.6 Department of Myanmar Economic Bank Branch (3)

There have 91 staffs that perform at the following 7 departments of the branch (3). The each department from MEB bank (3) is management department, account department, currency department, loan department, pension department, remittance department, and staff housing loan department.

Management department acts leave, salary, record, and pension for staff of MEB branch (3). This department makes the expenditure of MEB branch (3), and the ordinance. The assign transactions, and distribution form and stationery is performed this department. The duties of the account department perform the maintaining, opening and

closing account, and sending of monthly accounts of state fund accounts and issue of national staff salary. Account department makes giving above of 100,000,000kyats of deposit and withdraw accounts and cash balance accounts every day. This department does the permitting to the head office for over the limitation of cash balance.

Two main functions of currency department are (1) receipt of cash from the customers and (2) payment of cash to the customers. For this purpose, the Cash Receiving Counter and Cash Payment Counter are separately opened. The functions of receiving and drawing cash are performed by the cashiers. The staffs are required to declare the amount of their own money before entering into the vault. Therefore, the shabby money can change the new one at this department. The aims of loan department are to get profit by lending surplus money from current account in MEB branch (3), to get profit and more successful by helping from bank to businessmen, to develop the individual state of country in which the enterprises are the improvement, to promote the employment when the enterprises are the improvement.

There have civilian pensioners, defense pensioners, and political pensioners at pension department. These pension salaries are drawn pensioners from pension department every month. Pension department drew E-pension cards by computer to pensioners since October 2012. If pensioner wants to draw pension salary from E-pension card, they will draw from ATM card. Moreover, they don't want to draw pension salary from E-pension card, they will draw from pension book. There were 3 times to raise pension salaries.

There have 307 branches of the whole country. 264 branches will make by fax and 42 branches will do by telecom. Some branches remit another branches with fax, 5 branches perform by online system. Among all MEB branch can quickly remit with 3 types of remittance. The respective ministries give the lands to their staff to build the house. This department lends staff of department for housing. This department does not charge the interest rate from the staff. So the staff can quickly repay the housing loan.

4.7 Functions of Myanmar Economic Bank Branch (3)

MEB branch (3) makes the employment, promotion and for the individual staff of duty distribution. It services Controlling and using of budget list. MEB branch (3) performs MEB ATM card, opens of current account, issue of salary pensioners, input to MEB ATM card for issue of salary of department staffs, issue of money functions. The following are the main functions of MEB branch (3). Opening of current account at

the branch (3) is to do the transactions of MEB branch (3) and to borrow the money from the MEB branch (3). Opening current account is today to enable you to utilize customer's financial resources more effectively. It makes to receive salary or other payments for their customers, access all banking services and be able to make payments easily. Customers will be able to withdraw at any branch with a cheque book and they will be able to perform transactions using their cheque book. It is an easy for customers to have access to their funds from any of the bank's branches and ATMs across the country. Most people need to open some sort of current account to manage their day-to-day banking. It is easy to open a current account. Customers go to the near branch to open the new account. The new account is straightforward and only takes a few minutes to complete. Most banks and building societies carry out a credit check when you apply to open a current account because using an overdraft is a form of borrowing. Customer's application could be turned down if you haven't the clear credit history. Collecting of special cheques means that staffs of branch (3) collect their cheques that cannot do the clearing system everywhere. The cheque is delivered by the drawer to the payee. Accepting of security things indicates that MEB Branch (3) accepts the things that the organization of special things. This facility provides the customer a highly secure environment for the safe keeping of items and documents the customer consider valuable and difficult to replace if lost or damaged. If the customers want to safe their things to MEB branch (3), this bank will accept it but they need to take the original National Registration Card (NRC). The customer have the opportunity to rent a safe deposit box in a top security vault to store items such as jewelry, family treasures, gold or silver, wills, certificates and etc. Keeping of security things is the peace of mind knowing that the customer valuables are stored in a safe, secure place and protected from loss, theft, floods and/or fire.

Maintaining of State Fund Accounts (SFA) means that the business organizations, the ministries and other accounts are managed to draw the funds. There have 7 types of SFA – State Economic Enterprises (SEE), Ministries & Departments (MD), Development Committee (DC), Revolving Fund (RF), Bank Sub-Treasury (ST), Financial Adjustment (FA), and Other Account (OA). But branch (3) has only 3 types of SFA. There are SEE, MD, and OA. SEE has 69 enterprises, MD has also 10 ministries and departments, and OA has 31 accounts. Lending of staff housing loan is the only 14 departments of staff are lent to build the house. Housing loan increases the probability of acquiring a house. This is where housing loan creates an opportunity for low-class and

middle-class community to have a home of their own. Making for drawing cash at the present indicates that the customers take out of remitting and lending. Drawing salary pension means that the pension department draws illness pensioners, compensation pensioners, injury pensioners, full-year pensioners, special pensioners and so on. A pension fund is the guarantee for pensioners. After reaching the age of 60 years, the staff has completed their 40th year is entitled to full pension benefits. This is usually based on the person's average salary and the number of years the pensioners worked at their company.

Performing of local remittance functions indicates that customers can remit their money to all branches of MEB throughout the country. Advantages of remittance for customer are transfer of funds within a matter of minutes, fully secure, save time, no physical loss, and convenience. Customers don't need a bank account. Non-customers can also receive money from any of their networked branches. National identification required from all recipients, money transfer control number, test question and its answer, sender's full name, bank branch from which the money was sent, and amount expected must be correctly completed on a money remittance form before transaction is performed. Clearing of payment orders means that clearing system can be transferred the cheques, the payment orders, the transfer certificates, payment vouchers from telegram and post office, dividends and shares, and debit vouchers. The payment orders are marked in the system and when customer gets the bank statement back from the bank they will clear. They are not cleared yet until the customer gets the bank statement back confirming that payment has been transferred to vendor. The bank will send the customer a statement file with reference to the orders that were sent to them for vendor payment. Details in the bank statement will have the reference numbers that were in the payment file generated. Lending of loan is lent everyone who wants to develop their businesses. To facilitate the development of businesses in private sector, banks have been granting loans and advances to businesses in various industries such as manufacturing, trading, services, construction, transportation and etc. For loans, banks have to follow the central bank policy on collateral. There are 4 types of loans that loans, overdrafts, industrial and agricultural loans, and personal loans (use savings and fixed deposit account as collateral of guarantee). Under the central bank regulations, banks accept the collaterals such as immovable property, government bonds/securities, machinery, and fixed deposit passbooks (or) saving account passbooks.

Table 4.3 Pension

(Million Kyats)

Fiscal Year	Type	Number of People	Volume
2011-2012	1.Defense Pension	9509	781.392
	2.Civilian Pension	26433	1788.101
	3.Political Pension	757	35.252
	Total	36699	2604.745
2012-2013	1.Defense Pension	11009	1011.824
	2.Civilian Pension	30157	2544.75
	3.Political Pension	1022	59.478
	Total	42188	3616.052
2013-2014	1.Defense Pension	14767	1247.444
	2.Civilian Pension	41893	3272.301
	3.Political Pension	1244	76.261
	Total	57904	4596.006
2014-2015	1.Defense Pension	15244	1464.411
	2.Civilian Pension	46150	4004.647
	3.Political Pension	1416	89.861
	Total	62810	5558.919
2015-2016	1.Defense Pension	15819	1948.055
	2.Civilian Pension	51700	5993.192
	3.Political Pension	1468	174.37
	Total	68987	8115.617
2016-2017	1.Defense Pension	13905	1961.302
	2.Civilian Pension	47212	6422.699
	3.Political Pension	1260	158.718
	Total	62377	8542.719

Source: Yearly Report of Myanmar Economic Bank Branch (3)

4.8 Pension

There have defense pension, civilian pension and political pension in above the table (4.3). Defense pension means the people who retired from the ministry of defense. Civilian pension is ministry of health, ministry of education (primary and high), minister for immigration and population, new & periodical enterprise, motion picture enterprise, ministry of electricity and energy, ministry of hotel and tourism, jute factory, ministry of

trade and commerce and ministry of transport (inland water). Political pension is the former People's Council in the different levels of authorities.

In the above table, the number of people and volume increased year by year from 2011-2012 to 2016-2017. In FY (2011-2012), MEB branch (3) has (9509) defense pensioners, (26433) civilian pensioners, (757) political pensioners. Pensioners are drawn (781.392) million kyats for defense pensioners, (1788.101) million kyats for civilian pensioners, and (35.252) million kyats for political pensioners. In FY (2016-2017), MEB branch (3) has (13905) defense pensioners, (47212) civilian pensioners, (1260) political pensioners. Pensioners are drawn (1961.302) million kyats for defense pensioners, (6422.699) million kyats for civilian pensioners, and (158.718) million kyats for political pensioners. According to table (4.3), when number of people is compared (2011-2012) FY and (2016-2017), (4396) defense pensioners increase, (20779) civilian pensioners increase, and (503) political pensioners also increase. Drawing pension for defense pensioners increase (1179.91) million kyats, drawing pension for civilian pensioners increase (4634.598) million kyats, and drawing pension for political pensioners increase (123.466) million kyats.

As the pension salary rate has been raised, the amount of providing salary for the retired-employees has also increased from July, 2011. The pension is intended to ensure that everyone receives a basic standard of living in retirement. The pension salary is sufficient for some people. But it is insufficient for some people.

Table 4.4 Loan

Fiscal Year	Below 40,000,000 kyats	40,000,000 - 100,000,000 kyats	Above 100,000,000 kyats	Total
2010-2011	1	-	-	1
2011-2012	2	1	-	3
2012-2013	2	2	1	5
2013-2014	1	2	1	4
2014-2015	1	4	4	9
2015-2016	2	15	8	25
2016-2017	8	30	25	63

Source: Yearly Report of Myanmar Economic Bank Branch (3)

4.9 Loan

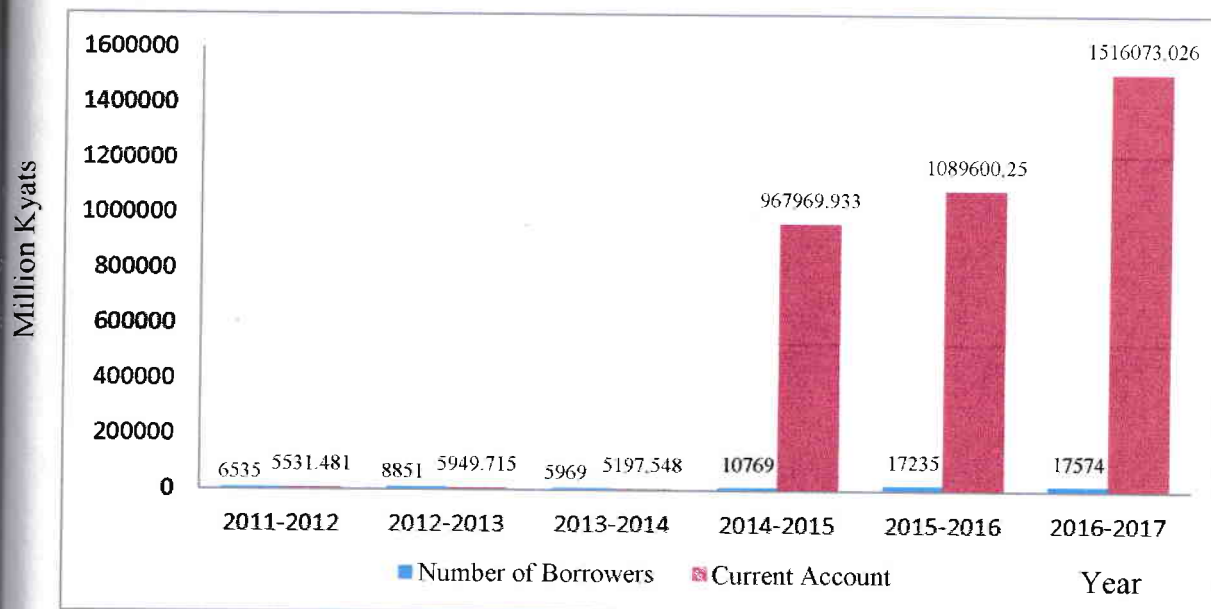
Loan department issues loans to everyone who wants to borrow the loan. When borrowers get the loan, they keep their collateral that is the immobile things. If they cannot repay the loan, they lose their collateral. This department has 3types of loan. There are long-term loan, middle-term loan and overdraft loan. Long-term loan is 8.25% interest rate during 15years. Middle-term loan is 12.25% interest rate during 5years. Overdraft is 13% interest rate during 1year.

The producing the raw material and primary production, producing finished product, construction, transportation and trade, distribution, selling and buying product, service company can lent the loans. The loans are lent to private businessmen, to cooperatives, to housing staff construction, to government of departments, to Myanmar Agriculture Development Bank, to mutual bank, to national business organizations.

The lower interest rates of bank loans will definitely save the borrowers money. As above table (4.4), when number of borrower is compared (2011-2012) FY and (2012-2013), total borrower increases (2). When number of borrowers is compared (2012-2013) FY and (2013-2014), total borrower increases (2). This is because of lower interest rate and government banks have got more trust by the public. When number of borrowers is compared (2013-2014) FY and (2014-2015), total borrower decreases (1).

This is because of lower interest rate and government banks have got more trust by the public. When number of borrowers is compared (2014-2015) FY and (2015-2016), total borrower increases (5). When number of borrowers is compared (2015-2016) FY and (2016-2017), total borrower increases (16). When number of borrowers is compared (2011-2012) and (2016-2017) FY, total borrower increases (62). This is because of lower interest rate and government banks have got more trust by the public.

Figure 4.1 Opening Current Account



Source: Yearly Report of Myanmar Economic Bank Branch (3)

4.10 Opening Current Account

As above figure (4.1), the condition of receiving current account is mentioned. Figure shows the variation of opening current account by the yearly report of MEB branch (3). Individuals, business persons, companies, Social and Community Groups can open current accounts at all MEB Branches. The current accounts are opened by 10,000 kyats. Current accounts of MEB branch (3) are not the saving. The current account of MEB branch (3) is to do the all transactions of MEB branch (3).

When opening current accounts is compared (2011-2012) and (2012-2013) FY, the number of people who open the current account increased to (2316) and total current account increased by (418.234) million kyats. This increasing is because of an increase in number of customers who opened the accounts for short-term overdrafts and to do the other transactions.

However, in FY (2012-2013) to (2013-2014), the number of people who open the current account decreased to (2882) and total current account decreased by (752.167) million kyats. This decreasing is because of a decrease in number of customers who borrowed the short-term loan and opened the accounts to do the other transactions.

Anyhow, when opening current accounts is compared (2013-2014) and (2014-2015) FY, the number of people who open the current account increased to (4800) and total current account increased by (962772.385) million kyats. This increasing is because of an increase in number of customers who opened the accounts for short-term overdrafts and to do the other transactions.

In FY (2014-2015) to (2015-2016), the number of people who open the current account increased to (6466) and total current account increased by (121630.317) million kyats. This increasing is because of an increase in number of customers who opened the accounts for short-term overdrafts and to do the other transactions.

This increasing is because of an increase in number of customers who opened the accounts for short-term overdrafts and to do the other transactions. When opening current accounts is compared (2015-2016) and (2016-2017) FY, the number of people who open the current account increased to (339) and total current account increased by (426472.776) million kyats.

In FY (2011-2012) to (2016-2017), the number of people who open the current account increased to (11039) and total current account increased by (1510541.545) million kyats. This increasing is because of an increase in number of customers who opened the accounts for short-term overdrafts and to do the other transactions.

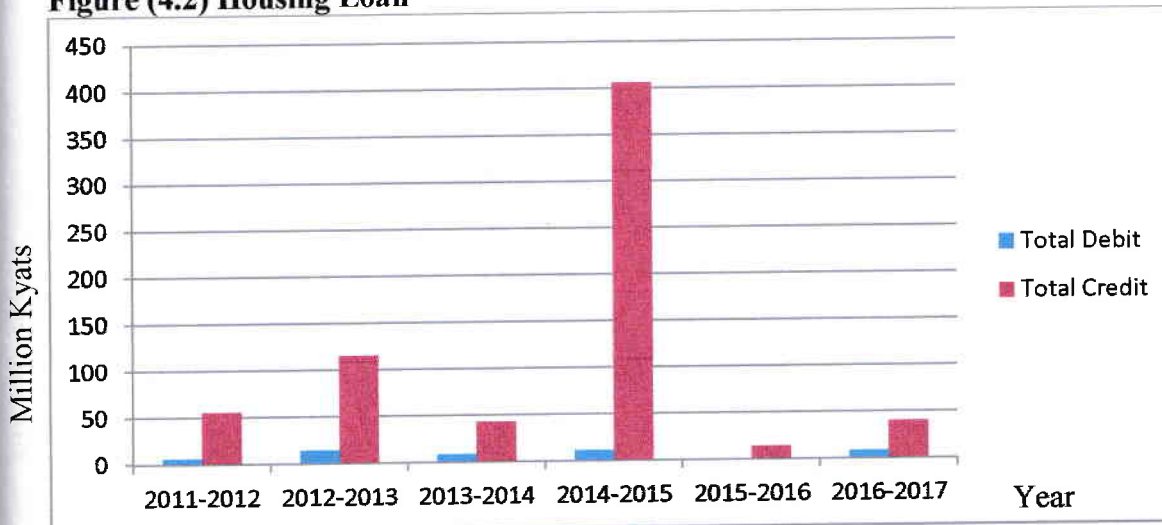
Table 4.5 Housing Loan

(Million Kyats)

Fiscal Year	Total Number of People	Total Debit	Total Credit
2011-2012	21427	6.087	55.941
2012-2013	17591	14.184	116.007
2013-2014	14619	8.33	43.269
2014-2015	11118	11.089	406.449
2015-2016	9235	0.623	13.913
2016-2017	7171	8.483	40.275

Source: Yearly Report of Myanmar Economic Bank Branch (3)

Figure (4.2) Housing Loan



Source: Yearly Report of Myanmar Economic Bank Branch (3)

4.11 Housing Loan

Housing loan department borrows only 14 departments of staff. This department does not get the interest rate to the staff. 14 departments are Industry Loan Bank, Regional Industry, Ministry of No(1) Industry, General Industry, Machinery Performance Department, Department of Industrial Administration, Paper and Chemical Enterprise, Myanmar Metal Production Enterprise, Myanmar Ceramic Enterprise, Myanmar Textile and Garment Enterprise, Myanmar Pharmaceutical Enterprise, Myanmar Food and Beverage Enterprise, Myanmar Jute Enterprise, and Myanmar Heavy Industrial Enterprise.

The housing loan of MEB branch (3) describes in figure (4.2). Figure shows the variation of housing loan by the yearly report of MEB branch (3). The staff quickly repaid the loan because it does not get interest rate. If the repayment of debts has been finished, the respective ministry will give the ownership to the staff.

MEB branch (3)' housing loan is compared (2011-2012) to (2012-2013), total number of borrowers (3836) decrease and debit number (8.097) increase and credit number (60.066) increase. This decreasing is because of an increase in number of people who repaid the loan.

MEB branch (3)' housing loan is compared (2012-2013) to (2013-2014), total number of borrowers (3071) decrease and debit number (5.854) decrease and credit number (72.738) decrease. This decreasing is because of an increase in number of people who repaid the loan.

MEB branch (3)' housing loan is compared (2013-2014) to (2014-2015), total number of borrowers (3501) decrease and debit number (2.759) increase and credit number (363.18) increase. This decreasing is because of an increase in number of people who repaid the loan.

MEB branch (3)' housing loan is compared (2014-2015) to (2015-2016), total number of borrowers (1883) decrease and debit number (10.466) decrease and credit number (392.536) decrease. This decreasing is because of an increase in number of people who repaid the loan.

MEB branch (3)' housing loan is compared (2015-2016) to (2016-2017), total number of borrowers (2064) decrease and debit number (7.86) increase and credit number (26.362) increase. This decreasing is because of an increase in number of people who repaid the loan.

MEB branch (3)' housing loan is compared (2011-2012) to (2016-2017), total number of borrowers (14256) decrease and debit number (2.396) increase and credit number (15.666) decrease. This decreasing is because of an increase in number of people who repaid the loan.

Table 4.6 Local Remittance from MEB Branch (3)

(Million Kyats)

Fiscal Year	Type	Number of remittance	Volume	Remittance Charge
2011-2012	1. Fax	10544	27508.076	31.283
	2. Telecom	985	917.949	1.103
	3. B/D	1102	7723.986	8.091
	Total	12631	36150.011	40.477
2012-2013	1. Fax	12701	33684.345	60.175
	2. Telecom	866	958.94	1.386
	3. B/D	952	7688.502	9.369
	Total	14519	42331.787	70.93
2013-2014	1. Fax	16733	33088.347	46.474
	2. Telecom	768	1688.265	2.5
	3. B/D	499	3738.065	5.42
	Total	18000	38514.677	54.394
2014-2015	1. Fax	12940	34349.556	35.715
	2. Telecom	633	2027.117	2.692
	3. B/D	477	2736.117	2.899
	Total	14050	39112.79	41.306
2015-2016	1. Fax	9167	326373.111	21.196
	2. Telecom	497	1147.74	1.245
	3. B/D	806	47978.529	0.974
	Total	10470	375499.38	23.415
2016-2017	1. Fax	8998	86359.146	47.461
	2. Telecom	409	482.529	0.482
	3. B/D	698	2564.756	1.284
	Total	10105	89406.431	29.227

Source: Yearly Report of Myanmar Economic Bank Branch (3)

4.12 Local Remittance from MEB Branch (3)

Remittance service is fax remittance system, telecom remittance system, and B/D remittance is shown in table (4.4). Customers can remit their money to all MEB branches throughout the country. Telecom can be made to MEB branches which doesn't have fax services. Fax remittance can be made among MEB branches, between MEB branches

and Myanmar Investment and Commercial Bank, and some selected MEB branches. Cash can be transferred easily from one place to another and from one branch to another by the help of a bank. This expanded the internal trade and market.

MEB branch (3) does the local remittance in (2011-2012) to (2012-2013), there is number of remittance (1888) increase, totally (6181.776) million kyats increase and remitted fees (30.45) million kyats increase. So, remittance charges increased as customers became more trust in government banks as well as their remittance can be made faster by fax.

MEB branch (3) does the local remittance in (2012-2013) to (2013-2014), there is number of remittance (3481) increase, totally (3817.11) million kyats decrease and remitted fees (16.536) million kyats decrease. The reason for decreasing remittance is an increase in the number of private banks and faster services by using online system.

MEB branch (3) does the local remittance in (2013-2014) to (2014-2015), there is number of remittance (3950) decrease, totally (598.113) million kyats increase and remitted fees (13.088) million kyats decrease. The reason for decreasing remittance is an increase in the number of private banks and faster services by using online system.

MEB branch (3) does the local remittance in (2014-2015) to (2015-2016), there is number of remittance (3580) decrease, totally (336386.59) million kyats increase and remitted fees (17.891) million kyats decrease. The reason for decreasing remittance is an increase in the number of private banks and faster services by using online system.

MEB branch (3) does the local remittance in (2015-2016) to (2016-2017), there is number of remittance (365) decrease, totally (286092.949) million kyats decrease and remitted fees (5.812) million kyats increase. So, remittance charges increased as customers became more trust in government banks as well as their remittance can be made faster by fax.

According to the table (4.6), the number of local remittances failed from (12631) numbers to (10105) numbers. But the volume raised (53256.42) million kyats in FY (2016-2017). The remittance charges are not the same collecting over fax, telecom, and B/D. So MEB branch (3) collects charges the number of fax and the amount of telecom and B/D. So that remittance charge declined (11.25) million kyats.

Table 4.7 Local Remittance to MEB Branch (3)

(Million Kyats)

Fiscal Year	Type	Number of Remittance	Volume
2011-2012	1. Fax	27048	120264.955
	2. Telecom	997	1126.628
	3. B/D	4630	3667.463
	Total	32675	125059.046
2012-2013	1. Fax	33272	228099.795
	2. Telecom	1024	84335.299
	3. B/D	2223	11665.29
	Total	36519	324100.384
2013-2014	1. Fax	32188	299341.296
	2. Telecom	1034	1905.491
	3. B/D	2191	7385.4
	Total	35413	308632.187
2014-2015	1. Fax	3317	392737.866
	2. Telecom	1522	2512.945
	3. B/D	1529	4293.555
	Total	36230	399544.366
2015-2016	1. Fax	31957	333275.371
	2. Telecom	945	1442.177
	3. B/D	1178	12248.769
	Total	34080	346966.317
2016-2017	1. Fax	30364	265734.709
	2. Telecom	642	634.269
	3. B/D	915	3435.813
	Total	31921	269804.791

Source: Yearly Report of Myanmar Economic Bank Branch (3)

4.13 Local Remittance to MEB Branch (3)

Remittance service is simple remittance certificate and fax remittance system is shown in table (4.5). For MEB branch (3), when domestic remittance in (2011-2012) is compared with (2012-2013), remittance of (3844) units increase, total (199041.338) million kyats increases due to more trust on government bank.

However, For MEB branch (3), when domestic remittance in (2012-2013) is compared with (2013-2014), remittance of (1106) units decrease, total (15468.197) million kyats decreases due to money private bank and online remittance.

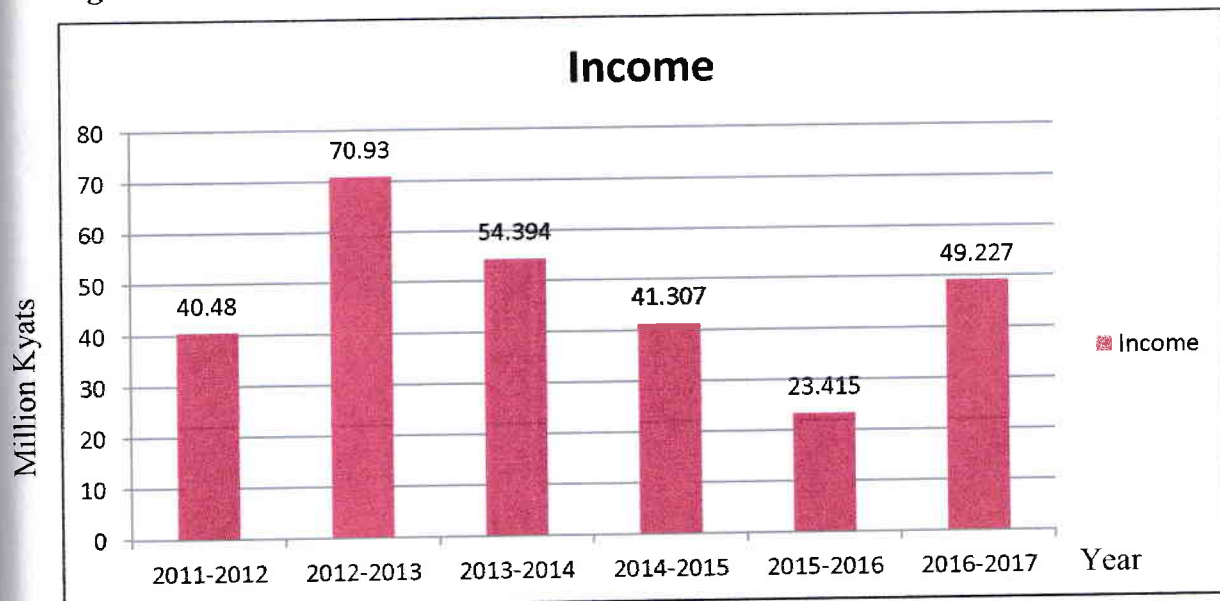
For MEB branch (3), when domestic remittance in (2013-2014) is compared with (2014-2015), remittance of (817) units increase, total (90912.179) million kyats increases due to more trust on government bank.

However, For MEB branch (3), when domestic remittance in (2014-2015) is compared with (2015-2016), remittance of (2150) units decrease, total (52578.049) million kyats decreases due to money private bank and online remittance.

For MEB branch (3), when domestic remittance in (2015-2016) is compared with (2016-2017), remittance of (2159) units decrease, total (77161.526) million kyats decreases due to money private bank and online remittance.

However, For MEB branch (3), when domestic remittance in (2011-2012) is compared with (2016-2017), remittance of (754) units decrease, total (144745.745) million kyats increases due to more trust on government bank.

Figure 4.3 Income from Remittance



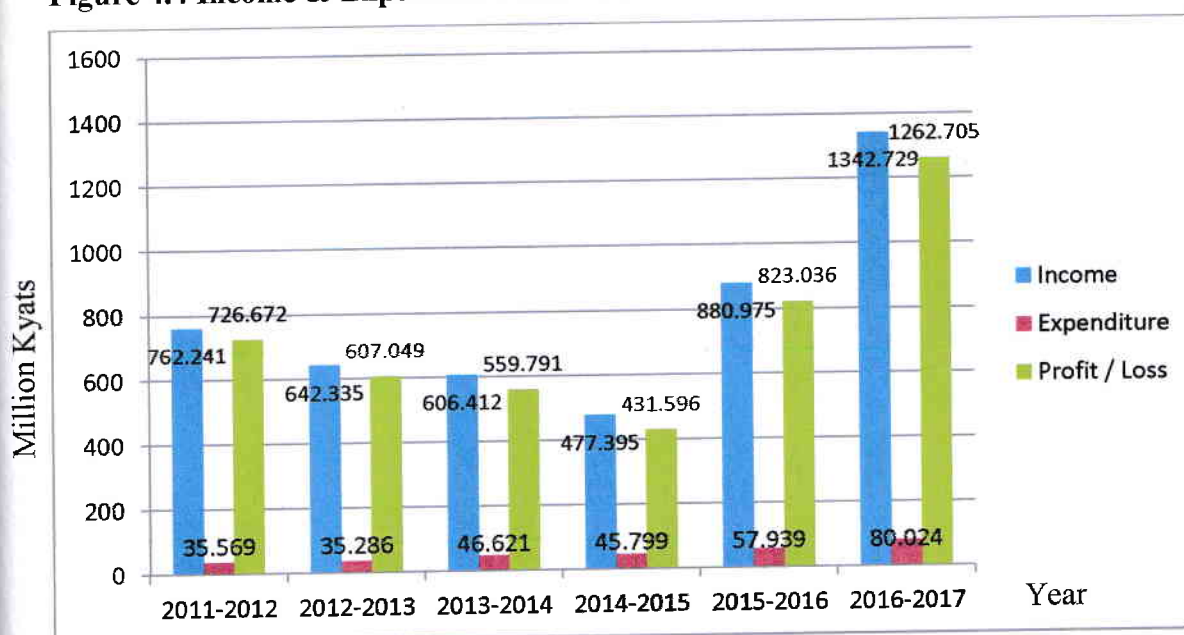
Source: Yearly Report of Myanmar Economic Bank Branch (3)

4.14 Income from Remittance

Figure (4.3) describes income from remittance of MEB branch 3. Figure shows the variation of income from remittance by the yearly report of MEB branch (3). In MEB branch (3), compare (2011-2012) with (2012-2013), total income (30.45) million kyats

increased due to many trust government. As MEB branch (3) remittance charges compare (2012-2013) and (2013-2014), total income (16.536) million kyats, down due to district banking, online banking and poor charge. As MEB branch (3) remittance charges compare (2013-2014) to (2014-2015), total income (13.087) million kyats, down due to district banking, online banking and poor charge. As MEB branch (3) remittance charges compare (2014-2015) to (2015-2016), total income (17.892) million kyats, down due to district banking, online banking and poor charge. In MEB branch (3), compare (2015-2016) with (2016-2017), total income (25.812) million kyats increased due to many trust government. There is because customers put more trust in government banks and its faster services.

Figure 4.4 Income & Expenditure and Profit & Loss Account



Source: Yearly Report of Myanmar Economic Bank Branch (3)

4.15 Income & Expenditure and Profit & Loss Account

In 2011-2012, MEB branch (3) income & expenditure, income is (762.241) million kyats, expenditure is (35.569) million kyats and profit is (726.672) million kyats. In 2012-2013, MEB branch (3) income & expenditure, income is (642.335) million kyats, expenditure is (35.286) million kyats and profit is (607.049) million kyats. In 2013-2014, MEB branch (3) income & expenditure, income is (606.412) million kyats, expenditure is (46.621) million kyats and profit is (559.791) million kyats. In 2014-2015, MEB branch (3) income & expenditure, income is (477.395) million kyats, expenditure is (45.799) million kyats and profit is (431.596) million kyats. In 2015-2016, MEB

branch (3) income & expenditure, income is (880.975) million kyats, expenditure is (57.939) million kyats and profit is (823.036) million kyats. In 2016-2017, MEB branch (3) income & expenditure, income is (1342.729) million kyats, expenditure is (80.024) million kyats and profit is (1262.705) million kyats.

CONCLUSION

5.1 Findings

The banking sector shows an important role for the economic development of a country by mobilizing financing resources and allocating these financial resources through their main functions of financial intermediation. Myanmar government has undertaken a series of reforms to strengthen and modernize the banking sector as part of the country's move toward a more open and market-oriented economy. Banks have focused a great deal of time and energy on improving service quality.

MEB branch (3) is intermediate because MEB branch (3) services between respective department and their staff. And then another service is between the Central bank and respective department for fund. MEB branch (3) emphasizes quality for every level of staff. Therefore MEB branch (3) gives training and staff development program. When pensioners come to issue the salary, MEB branch (3)' staff will service to be more convenient. The sick pensioners are serviced from door to door by MEB branch (3). Many people recommended that their service make them fulfilling. The housing loan department does not charge the interest rate from the staff of 14 departments.

To develop the economy, business will borrow the money with low interest rate. By borrowing with low interest rate, businessmen can quickly repay the debt. Government staff will also borrow the money with low interest rate for housing. At MEB branch (3), shabby money is exchanged the new one.

Thus, it is quite reasonable to say that the bank has been contributing to the economy, both in private and government sectors, through its very big nationwide branch network. It is contributing to regional development, particularly to the remote and less developed border areas of the country, making advantages for the profits, but creating social benefits.

5.2 Suggestions

Both state-owned banks and private-owned banks are involving in providing services to the public. Banks should make decisions and take actions in creating and sustaining competitive advantages in the market. Continuous training and staff development programs provided by the bank will keep the achievement to be upheld in the competition. Without competition, progress maybe slow. Due to the flat interest rates

of 8% on deposits and 13% on loans for every bank in the country, the competition in the banking sector is limited.

MEB branch (3) plays an important role in the banking sector of Myanmar as Myanmar citizen response on government banks for having more confidence in the reliability of these banks than private banks. Thus, the services provided by the MEB branch (3) are easing the customers with fulfilling. Nevertheless, MEB branch (3) still needs to improve its services with computerization equipment etc. If other services concerning electronic services are to be provided at all banks, the functioning of these bank's services will be more efficient.

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