



how we came to be

CARD
Myanmar
Company,
Limited
Annual
Report
FY 2016

Vision

A world class leader in microfinance and community-based social development undertakings that improve the quality of life of socially- and economically-challenged women and families towards nation building.

Mission

CARD Myanmar Company, Limited is committed to:

Empower socially- and economically-challenged women and their families through continuous access to financial, educational, livelihood, health, micro-insurance and other capacity-building services that eventually transform them into responsible citizens for their community and environment;

Enable the women members to gain control and ownership of financial and social development enterprises; and

Partner with appropriate government agencies, private institutions, and people and community organizations to facilitate achievement of mutual goals.



Microfinance plays a vital role in transforming lives of the unserved and underserved communities. We have done this in the Southeast Asian countries especially in the Philippines. This is proven by the number of families we have assisted who already improved their way of living.

With CARD Myanmar Company, Limited, I am certain that it will have a positive ripple effect to the lives of the socioeconomically challenged families in Myanmar. What we have achieved for many poor communities in the Philippines will also be realized for the people of the Republic of the Union of Myanmar.

DR. JAIME ARISTOTLE B. ALIP
Founder and Chairman, CARD MRI

We stay committed to empower the poor. We have seen how poverty poisons many lives and we are one of those who fight it through microfinance service.

CARD Myanmar Company, Limited will do its mission to break the chains of poverty in the poor communities. We are determined to eradicate poverty not only in Myanmar, but also in the poor global communities. CARD Myanmar Company, Limited will continue to innovate new products and services to address the needs of the deprived communities in the country.



FLORDELIZA L. SARMIENTO
Managing Director, CARD MRI

CARD Mutually Reinforcing Institutions (CARD MRI) remains true to its mission in eradicating poverty. Aside from its nationwide operations in the Philippines, CARD MRI widens its reach in the Southeast Asia and other neighboring countries. CARD MRI strengthens its presence in Myanmar through the CARD Myanmar Company, Limited.

CARD MRI fully supports CARD Myanmar Company, Limited to provide heartfelt service and products that will definitely help them rise from the vicious cycle of poverty.



JEAN PAULINE B. LANDICHO
*Chairman of the Board,
CARD Myanmar Co., Ltd.*

We will realize our goals. Whatever hindrances may come in our way, we will continue our mission in the Republic of the Union of Myanmar and to its people in realizing an improve quality of life for the poor.

As we open seven branches, we already served 7,768 clients. We will not stop here. We will open more doors to cater the financial and non-financial needs of the unserved and hard to reach communities.

We are accepting the challenge and we will brave the storm to create a huge impact in the communities we serve. Our commitment and determination to help will never cease because our desire is to see our clients getting better and more empowered individuals.



JOSEF M. LERON
Managing Director, CARD Myanmar Co., Ltd.

In its thrust to reach more marginalized communities in the neighboring countries of the Philippines, CARD Mutually Reinforcing Institutions (CARD MRI) fully support CARD Myanmar Company, Limited to realize its mission in Myanmar – an improved quality of life for every families who are oppressed by the viciousness of poverty.

Extending our reach

Looking at the number of financial institutions in Myanmar, there are still communities unreached by their products and services. The financial institutions in the country mostly focus on SME clients. CARD Myanmar Company, Limited is filling this gap. The company extended its products and services to those who are unserved and underserved. It aims to help them start their own enterprise and assist them in growing their existing business.

Accepting the challenge

In its more than two years of journey to eradicate poverty in the country, CARD Myanmar Company, Limited also experienced breaks and even

challenges. The company used these as their motivations to never stop carrying out its mission in helping more socioeconomically challenged families and eventually see them rise from poverty.

Looking for support from different financial institutions who have the capacity to fuel the operations is never an easy task.



Proving its genuine service to assist the poorest of the poor, more companies are trusting CARD Myanmar Company, Limited. More partnerships are established to facilitate achievement of its goal in empowering the poor.

In response to the advancement of technology, to efficiently serve its clients, and to increase

its outreach, CARD Myanmar Company, Limited is investing in automation. As it promises to offer the best, it continually improves its products and services that will fit to the needs of its clients.

To keep pace with the other financial institutions, CARD Myanmar Company, Limited is also increasing its loan size to assist more untapped potential clients. It is now offering Small Business Loan to address the needs of those who need bigger additional capital for their business. The company will also offer client protection program to insure the life of its clients and their dependents.

While the staff play as the heart of the operations of CARD Myanmar Company, Limited, the company supports its staff to further their studies in the university by giving them study leave.

We also provide international training and exposure study in the CARD-MRI Development Institute in the Philippines, other Asian countries such as Vietnam,



Laos, Cambodia, Indonesia and in Germany in partnership with the Savings Bank Foundation for International Cooperation (SBFIC).

Embracing the CARD culture

As CARD MRI attributes its success to its core values, these were also induced in CARD Myanmar Company, Limited. They are guided with

competence, family spirit, integrity, simplicity, humility, excellence, and stewardship.

There is no shortcut to success and the journey of CARD Myanmar Company, Limited in zeroing the poverty will never be easy but it could be accomplished by group of staff who are keeping the fire burning to reach more and help more.

CARD Myanmar Accomplishments



LOAN OUTSTANDING
US \$476,356
MMK 644,753,128



SAVINGS BALANCE
US \$136,410
MMK 186,498,030



CLIENTS SERVED
7,768



LOAN RELEASES
US \$1,433,515
MMK 1,959,840,000



HEAD OFFICE
1



BRANCHES
7



STAFF
27



REPAYMENT RATE
100%



OPERATING
SELF-SUFFICIENCY
130%



FINANCIAL
SELF-SUFFICIENCY
122%



Republic of the Union of Myanmar

Head Office
Yangon

Branches
Yangon Division
Thingangyun
North Okkalapa

Bago Division
Bago 1
Bago 2
Waw
Hpa Yar Gyi
Thanatpin





Empowering and transforming lives

Bringing the hope to a better life

The story of Ma Thi Thi Moa



do the job orders. They are doing this livelihood for about ten years now.

They get raw materials from the factory, produce the cigars, and deliver the finished cheroots to the factory.

Cheroots, a cigar, have been part of the Myanmar tradition especially in the village areas. They are fond of smoking their native cigars. Their love for cigars gave an opportunity to a community of women in Bago to start their income-generating activity.

Ma Thi Thi Moa, 43, formed this community. She earned her experience in making cigars in a cigarette factory where she used to work. When she got married, she resigned and started making cheroots ordered by a cigar distributor. The small community, which is composed of 24 women,

The factory then delivers the cigars to different parts of Myanmar. They can make 20,000 cigar sticks per day. They earn MMK 5,000.00 for every 1,000 sticks they make.

Ma Thi Thi Moa already started working right after finishing 4th grade. At an early age, she worked in a garment factory for three years to help in the daily expenses of her family. Afterwards, she started making cigars. Her husband is a carpenter and has no direct involvement in their livelihood, but his work provides additional funds to pay for their daily expenses.

It was only eight months ago from the time of interview, Ma Thi Thi Moa joined as a client of CARD Myanmar Co., Ltd. (CARD). In this short period of time, she is already thankful to the institution. "CARD is assisting our livelihood. Paying our weekly obligation in CARD is not a burden to us," she said.

She has MMK 150,000 loan in the institution. She invests all her loans to their livelihood. They do not have plans of having a child of their own at the moment. Aside from making cheroots, they are taking care of livestock. Through CARD, she is also able to save. All of the women working with her are also members of CARD.

Their small community of cheroots maker has become one big family that they can lean on. It is a community that continues to dream of a better life.

When they have enough savings, they plan to finish the construction of their house and grow their livelihood to generate more income.

Continuing the legacy

The story of Daw Thida Myo



Coming from a well-off family, Daw Thida Myo and her four siblings were able to finish their degrees in universities in Myanmar. Their parents were businessmen selling jewelries and slippers and had a cigar making business, which they inherited from their parents.

Daw Thida Myo is a graduate of Bachelors of Law, but she is not able to pursue her profession. Her knowledge in law helps them on how to protect their business. She and her siblings chose to continue the business of their parents. They have different manufacturing areas.

Daw Thida Myo, 43 and single, is staying with her mother at home. Her mother named their cigar brand *Loma Shein*. She has been managing her place for 15 years. They are distributing the goods in the upper part of Myanmar because the aroma and taste of their cigar fits the preference of the locals.

Overall, their business capitalization including her siblings' is already MMK 100 million. She has two full time employees and has several daily wage earners. She gives

MMK 45,000.00 to her two regular workers per month while she gives MMK 6,000.00 for 1,000 sticks for each daily wage earner.

Because of her exposure to her parents' business when they were still young, she is

able to manage the business very well. There are different brands of cigarettes smoked by Myanmar people, but she is confident that their products are at par with the other brands.

Daw Thida Myo is a client of CARD Myanmar Co., Ltd. (CARD) for two years. Her workers are also members of the institution. Being stable in her finances, she also acts as guarantor for her workers so they too can access loans in CARD.

Her loan in CARD is MMK 300,000.00. Like the other clients of the institution, she prefers CARD

because they can pay back their weekly obligations with no burden and the center meeting schedule is convenient for them.

Because of her busy schedule, she decided to hold their weekly center meeting in her cigarette factory so that she and her worker would not fail to attend the meeting.

"As long as CARD works with me and it helps my workers, I would continue to be a client," she said. She wishes that CARD would continue and last forever to help more people in need of financial assistance.

Pursuing growth

The story of Ma That That Linn

It is hard to live without your parents' guidance. Ma Htat Htat Linn stopped schooling when her parents died when she was in 8th grade. She lived with their grandparents with her other sibling. She started trading jewelries after she stopped schooling to help in their daily expenses.

When she got married 15 years ago, they lived in the world's old but most accepted standard – a husband as the breadwinner and a wife as the light of the home. For seven years, she is a full time wife and a mother to her six-year old daughter.

Her husband works as a driver delivering raw materials used in cheroot making since he finished his pre-university. He is providing MMK 40,000.00 a week for the family just enough to provide for their daily needs. Ma Htat Htat Linn, 35, thought she is still able and can help her husband while still being a wife and a mother.

She started her own small restaurant in front of their house eight years ago. She chose this kind

of business because she learned cooking various viands from her Chinese and Indian neighbors when she was still a child. She is preparing food for lunch and dinner.

Her husband helped her in serving customers during his free time.

Aside from the income her husband gets from driving and the earnings of her small restaurant, they are also renting a small house beside their house.

With the encouragement of her friend, she became a client of CARD Myanmar Co., Ltd. (CARD). She is one of the pioneering clients of the institution. She joined a week before the center in her area opened. She was easily convinced because of its affordable loan products and convenient weekly meetings and payment. From MMK

100,000.00 initial loan, she now has MMK 330,000.00 loan that she invests in her small restaurant.

Ma Htat Htat Linn takes care of her record in CARD. She asks her neighbor to look over her business while she is attending their weekly center meeting. She always pay on time and never had an excuse to skip its weekly meeting despite her busy schedule with the trust that CARD can provide higher loan for her plan to expand her business in the near future.

From being just a housewife, Ma That Thant Linn feels more empowered with the assistance of CARD to her business.



Having good education is the right of everyone, a right but still a choice if we want to have it or not.

Daw Kyi Kyi Khing is the second among five siblings. Only one of them finished university. If Daw Kyi Kyi Khing, now 43, will be given a chance to continue her study in the university she would grab it. She wishes to finish Economics because she thinks it could help in growing her business.

After her pre-university, she used to sell vegetables on the road to contribute in paying daily expenses of the family. She was not able to finish studying in a university because she got married early.



Her husband's family has a duck blood business where their current business originated.

Daw Kyi Kyi Khing has five children who are all attending school; two are in the university, and the other three are in 9th grade, 5th grade, and in primary school. With the good run of their business, they are able to send them all to school. They are generating an income of MMK 70,000.00 per day, which is enough to provide for the needs of their children.

Like many other businesses, she also experienced some challenges. There are times they experience shortage of laborer causing delayed delivery of orders. Three of her children are already helping in their business whenever they are on vacation. They have seven regular employees who earn MMK 120,000.00 a month. She also provides

Right Investment

The story of Daw Kyi Kyi Khing

free meal to them. To address the shortage of laborer, they hire several daily wage earners whom she gives MMK 6,000.00 per day.

Aside from her business, she is also investing in other people's business like car rental to earn extra profit. With her experience, she learned where to invest that will give her higher return.

She is a client of CARD Myanmar Co., Ltd. (CARD) for three years. Her MMK 380,000.00 present loan in the institution goes to the salary of her workers. Though she needed a bigger capital more than the first loans the institution is providing to its clients, she chooses to stay as a client of CARD. "I don't want to quit because of the good relationship I have built with the staff and the institution," she shared.

When CARD started to operate in their area and formed a center or group of women to help, she became the first center chief of her group. I do it voluntarily. I am just happy that I can help my officers and the other clients of CARD to have financial assistance from the institution," she said.

Making the right choice

The story of Daw San Dar Win & Hla Hla Win



There was a time when healthcare services are in demand in the market. With the hope that they will land in a job with better pay and compensation, many students aspire to finish healthcare courses in colleges or universities.

While many schools give opportunities to choose who and what profession they want to take in the future, the Myanmar education system defines the course a student must take when they enter university. Courses related to English and Economics were the courses delimited by the examination results of Daw San Dar Win and Hla Hla Win when they took the examination to enter a university.

Daw San Dar and Hla Hla are siblings and finished their courses determined by their examinations' result and not by their choice or passion.

The siblings finished their university and took up nursing aid vocation after graduation and both opened their own pharmacy later.

Growing together

Daw San Dar, 37, is already in the pharmaceutical business for more than a decade. After finishing her vocation, she worked in a factory for three years and then became a freelance caregiver. When she had saved enough money, she started her own pharmacy.

When she started in 2006, she used to rent a space for her pharmacy. Her initial capital was MMK 3 million. It was after a year when she bought her own place and house.

Her profit per day is MMK 15,000.00 plus the monthly income of her husband in a photo studio is enough to provide the needs of their two children and meet their daily expenses.

When she heard about CARD Myanmar Co., Ltd. (CARD) three years ago, she was easily convinced to join because of the convenient weekly payment and it could help her business to grow. From her MMK 90,000.00 first loan in the institution, she managed to increase her loan to MMK 500,000.00 in her third cycle.

More than the financial assistance CARD offers, it also provides financial literacy on where to invest their loans. "Our account officers teaches us on where we should utilize our loans, to grow it and not to waste it to worthless stuff," said Daw San Dar. "CARD has helped

me financially and personally," she added.

Her pharmacy is open from 8:00AM-12:00MN. When her husband is done with his duty in the studio, he helps her in her business. The couple is working together to raise their family well.

Realizing dreams

Their father's death when they were still young forced their mother to work abroad to provide for their needs. They grew up without their parents beside them.

Their mother, who is just visiting them from time to time, now has a new family in Malaysia. Despite this, their mother continued to provide for their needs. Hla Hla took up nursing aid vocation for her to open a pharmacy. She borrowed MMK 3 million capital from her mother when she established her own business in 2010.

When still in school, Hla Hla never planned to be an employee because she thought it will not give much income to her. When she took up her vocations, she already planned

to have her own pharmacy.

She handles her business well. Recently, she bought a house and she plans to buy a car next year. "When you manage your own business, you can earn faster than being an employee,"

said Hla Hla. She has been married for more than a year and has no child yet. She is 100% focused on her pharmacy.

She is just renting her space for MMK 60,000.00 per month but she plans to buy her own place where she can operate her pharmacy.

When she learned about CARD through her sister Daw San Dar, she joined even if she needed to start only with MMK 80,000.00 initial loan, far from the amount she needed to grow her business. Her sister told her that CARD can provide higher amount of loan if



she will continue her relationship with the institution.

Hla Hla has already MMK 300,000.00 loan in her one year and four months in the institution. She trusts the institution will provide her bigger loan amount to help her expand her business. "CARD does what it promised. They will release the loan immediately once approved," said Hla Hla.

Aside from their pharmaceutical business, the siblings offer services like blood pressure monitoring, which they provide in their pharmacies.

Working with your passion

The story of Daw Win Mey

Working with your interest is definitely the most satisfying work one could ever have.

During the childhood of Daw Win Mey, now 58 years old, she used to play badminton. It's her past time. When her parents died, she stopped schooling and worked as a daily wage earner in a shuttlecock factory for 15 years to help her family.

When she already raised her own

family, Daw Win Mey and her co-worker resigned and started their own shuttlecock making business. Her partner has named their product Pyit Taing Htaung shuttlecock.

When her partner got old and was not able to help manage their business, all the rights of their business was passed unto her.

She is managing this business for a long time and learned how to improve their product. "Once you know how to play badminton, you will know how to improve the quality of your shuttlecock," she shared. She has three classes of shuttlecock depending on its quality.

A three year client of CARD Myanmar

Co., Ltd., (CARD), Daw Win Mey commends the products and services of the institution. "They work effectively and accurately. They also give us financial literacy trainings during center meetings," she said. Today, she has MMK 300,000.00 loan in CARD, which she uses in their continuous production.

She is also recommending CARD to her friends because it truly helps small businesses and because its staff are working professionally. "I am thankful to CARD for supporting our small business," she said.

Her children are helping her in the process of making shuttlecocks. She just wanted a small business that she can easily manage and they do not need to employ.

She hopes that people will someday recognize their brand. "In everything I do, I do it with all my heart. I am grateful that some people appreciate our products because they last longer than they think," she shared.



Embracing success

The story of Yin Kha

At a young age, Yin Kha, now 59 years old, already learned to take responsibilities when her father died early and her mother was sick then. She makes and sells rice cakes in the market. Because of their hard situation before, she was not able to finish her school.

She may have a tough experience before but Yin Kha is now the finance manager of their own slippery business.

Yin Kha has two sons. Her eldest son is very much inclined in making slippers. When he learned to make slippers in his pre-university, he turned it as their livelihood. They have been in the business for 15 years now. Her son is in-charge of designing and monitoring the quality of their products while she is managing the financial cash flow of their business.

From their MMK 500,000.00 capital in establishing the business, they are now using MMK 10 million capital for their continuous production. They are distributing their footwear in different footwear shops in Yangon. They are using the power of social media and website to market their

products and reach more of their potential clients.

Their business generated jobs in their local community. She has already ten employees.

"When we were just starting, looking for potential clients is a tough job. We have to make a strategy to earn their trust in our footwear products. When we already established a strong relationship with our clients, we make sure that they will continue to be with us," shared Yin Kha. They don't put much interest on their products to retain the good relationship with their clients.

As a businesswoman, she learned to accept criticisms from her clients to raise the quality of their footwear products.

With their existing business, Yin Kha became a client of CARD Myanmar Co., Ltd. (CARD) to grow their business capital. She has been a member of CARD for three years now with MMK 300,000.00 loan. She uses it in their

business and she looks forward, having a good performance as a client of CARD, to have a higher loan in the institution in the near future.

Yin Kha is also the center treasurer of their group. "More than the loan I get from CARD, the relationship I build with my fellow clients and staff is already valuable enough to continue my membership in CARD," she said.

Yin Kha is saving to buy a bigger machine that they can use in their business. She also advises her fellow members to be responsible enough when taking loans. "They have to stay focused on their business for them to achieve success," she shared.





Our most valuable asset

Board of Directors / Officers



Advisers



Management Team



Complaint Management Committee

Josef M. Leron
Chairperson

Carl B. Pagayunan
Member

Bengie L. Buenviaje
Member

Yupar Aung
Member

Ivy M. Reblando
Member

Mariecon M. Dawey
Minute taker

Thida Myint
Member

Fernan A. Estorba
Member

Reynilyn Roda
Member

Ruel T. Cortes
Member

Kathleen Joy D. Almazan
Observer

Our Partners

CARD Mutually Reinforcing Institutions (CARD MRI)
Philippines

Center for Agriculture and Rural Development (CARD), Inc.
Philippines

Savings Bank Foundation for International Cooperation
Germany

Catholic Organization for Relief and Development Aid
Netherlands

Livelihood and Food Security Trust Fund



Financial Statement & Audit Report

STATEMENT OF DIRECTORS

We, being the Director of "CARD MYANMAR COMPANY LIMITED" do here by state that, in the opinion of the Directors, the accompanying accounts of the Company and to the Financial Statements and schedules are drawn up so as to give a true and fair view of the state of affairs to the Company and of the results of the company for the Period of the Date this statements.

We believe that the Company will able to pay its debts as and when they fall due.

We support that the facts above mentioned are true and correct according to section 133(1) (2) of Myanmar Companies Act.

On behalf of Board of Directors

CARD MYANMAR COMPANY, LIMITED
INCOME STATEMENT for the year ended 31st March 2017

REPORT OF AUDITORS

I have audited of the accounts of "CARD MYANMAR COMPANY LIMITED" in accordance with generally accepted auditing principles.

In accordance with section 145 of the Myanmar Companies Act, I report that I have obtained all the information and explanation which the best of my knowledge and belief were necessary for the purpose of my audit.

In my opinion the Business's accounts schedules are properly drawn up in accordance with the provisions of the Act and Generally Accepted Accounting Standards, so as to exhibit a fair view according to the best of information and explanation given to me as shown by the books of Business of:

- (a) The State of Affairs as at March 31, 2017 and of the result of the Business for the period ended on that date and
- (b) The Books and records required by to be kept by the Business has been mentioned in accordance section 130 of the Act.

Sr No.		Note	2016-2017 (MMK)	2015-2016 (MMK)
1	REVENUE	4	134,242,984	31,991,159
2	DIRECT OPERATING EXPENSES	5	(28,650,708)	(5,737,827)
	GROSS PROFIT / (LOSS)		105,592,276	26,253,333
3	OPERATING EXPENSES	-		
	Personnel Expenses	6	(46,101,781)	(25,194,725)
	Administrative Expenses	7	(51,457,041)	(66,444,975)
	OPERATING PROFIT / (LOSS)		8,033,454	(65,386,367)
4	NON-OPERATING ITEMS			
	NET PROFIT / (LOSS) BEFORE TAXATION		8,033,454	(65,386,367)
5	TAXATION		(2,008,364)	-
	NET PROFIT / (LOSS) FOR THE YEAR		6,025,091	(65,386,367)

CARD MYANMAR COMPANY, LIMITED
STATEMENT OF FINANCIAL POSITION as at 31st March 2017

Sr No.	Note	2016-2017 (MMK)	2015-2016 (MMK)
1 ASSETS			
1.1 NON-CURRENT ASSETS			
Property, plant and equipment	8	4,839,694	5,241,861
		4,839,694	5,241,861
1.2 CURRENT ASSETS			
Cash and Cash Equivalents	9	941,602,055	190,083,045
Business Loan Portfolio	10	644,753,128	228,842,950
Receivable and Others	11	73,943,554	41,244,623
		1,660,298,737	460,170,618
TOTAL ASSETS		1,665,138,432	465,412,479
EQUITY AND LIABILITIES			
2 SHAREHOLDERS' EQUITY			
Paid Up Capital		224,550,000	166,350,000
Grant Capital		478,401,507	312,940,922
Retain Earning		(120,404,009)	(55,017,642)
Profit / (Loss) for the year		6,025,091	(65,386,367)
		588,572,588	358,886,913
3 LIABILITIES			
3.1 NON-CURRENT LIABILITIES			
Borrowings		709,425,000	-
		709,425,000	
3.2 CURRENT LIABILITIES			
Customer Saving Interest		188,498,030	44,602,552
Payables and Others	12	180,642,814	61,923,014
		369,140,843	106,525,566
TOTAL EQUITY & LIABILITIES		1,665,138,432	465,412,479

CARD MYANMAR COMPANY, LIMITED
STATEMENT OF CHANGES IN EQUITIES as at 31st March 2017

	Paid Up Capital	Grant Capital	Accumulated Profit/(Loss)	Total
Balance at 1, April 2017	166,350,000	312,940,922	(120,404,009)	358,886,912
Adjustment-Previous Year	-	-	-	-
Adjustment-Current Year	-	-	-	-
	166,350,000	312,940,922	(120,404,009)	358,886,912
Addition/(Adjust)	58,200,000	165,460,585	-	223,660,585
Net Profit / (Loss) for the Period			6,025,091	6,025,091
Balance at 31, March 2017	224,550,000	478,401,507	(114,378,919)	588,572,588

1 CORPORATE INFORMATION

1.1 Capital Equity

Card Myanmar Company Limited, as a Foreign Company Limited, was formed under the Company Act, 1950.

1.2 Company Incorporation Certificate

Certificate of Incorporation No.691FC of 2013-2014 dated 04 December 2013 was issued by the Director General, Companies Registration Office, Directorate of Investment and Company Administration, Ministry of National Planning & Economic Development.

2 PRINCIPAL ACTIVITIES

The principal activities of the company consist of Microfinance.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) **Accounting Period**

Accounts are prepared for the year ended March 31, 2017 as Statutory Accounting Year in Myanmar mandates.

(b) **Basis of Accounting**

The Financial Statements are prepared in accordance with the historical cost convention and Myanmar Financial Reporting Standards for MFIs.

(c) **Property, Plant & Equipment**

Property, Plant & Equipment is stated at cost less depreciation. Rates of depreciation are shown in Annexure (A). No revaluation was made in the Accounts.

4 REVENUE

	2016-2017 (Kyat Total)
Interest Income from Loans	117,168,423
Other Income	17,074,561
	134,242,984

5 DIRECT OPERATING EXPENSES

	2016-2017 (Kyat Total)
Interest on Borrowing	17,735,625
Interest on Savings	8,418,232
Loan Loss Provisions	2,496,851
	28,650,708

6 PERSONNEL EXPENSES

	2016-2017 (Kyat Total)
Salaries and Wages	41,349,771
Employee Benefits	4,752,010
	46,101,781

7 ADMINISTRATIVE EXPENSES

	2016-2017
	(Kyat Total)
Stationery and Supplies	7,675,856
Transportation and Travel	18,092,844
Repair and Maintenance	692,950
Utilities	1,441,730
Communication and Postage	319,715
Business Meals and Entertainment	197,800
Office Rental	32,933,650
Taxes & Licenses	626,100
Employee Training-Work Related	1,475,343
Professional Services	3,055,500
Miscellaneous Expenses	152,066
Depreciation Expense-Furniture and Fixtures	1,849,583
Depreciation Expense-Office Equipment	202,583
Depreciation Expense-Office Computer	463,000
Loss/(Gain) on Foreign Exchange	(17,721,679)
	51,457,041

8 PROPERTIES, PLANT AND EQUIPMENT

	2016-2017
	(Kyat Total)
Office Furniture & Fixtures	6,456,000
Office Equipment	818,000
Office Computers	1,389,000
Accumulated Depreciation-Furniture and Fixtures	(2,727,096)
Accumulated Depreciation-Office Equipment	(243,750)
Accumulated Depreciation-Office Computer	(852,500)
	4,839,694

9 CASH AND CASH EQUIVALENTS

	2016-2017
	(Kyat Total)
Cash at bank	941,254,175
Cash in hand	347,880
	941,602,055

10 BUSINESS LOAN PORTFOLIO

	2016-2017
	(Kyat Total)
Business Loan - 6 months	651,265,786
Less: Allowance for Probable Loss	(8,512,658)
	644,753,128

11 RECEIVABLE AND OTHERS

	<u>2016-2017</u>
	<i>(Kyat Total)</i>
Office Rental Cost	24,513,650
Internet Installation & Annual Fees	93,333
Prepaid Income Tax	491,636
Interest Receivable on Loans-6 months	48,844,934
	<u>73,943,554</u>

12 PAYABLE AND OTHERS

	<u>2016-2017</u>
	<i>(Kyat Total)</i>
Accounts Payable-Others	110,588,905
Accrued Expense	21,208,975
Un-Earned Interest Income-6 months	48,844,934
	<u>180,642,814</u>



RH. N-6, Weizayandar Garden
Housing, Thingangyun Township,
Yangon, Myanmar

