



CARD Myanmar COMPANY LIMITED ANNUAL REPORT 2017

VISION

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



MISSION

CARD Myanmar CO., LTD.
is committed to:

- Empower socially-and-economically challenged women and families through continuous access to financial, microinsurance, educational, livelihood, health and other capacity-building services that eventually transform them into responsible citizens for their community and the environment;
- Enable the women members to gain control and ownership of financial and social development institutions;
- and Partner with appropriate agencies, private institutions, and people and community organizations to facilitate achievement of mutual goals.





DR. JAIME ARISTOTLE B. ALIP
Founder & Chairman Emeritus, CARD MRI

Microfinance plays a significant role in poverty eradication. With the desire to help the marginalized community be lifted up from poverty, we started the microfinance operations in the Philippines in 1986. Now we were able to reach neighboring countries, including the Republic of the Union of Myanmar.

As we reach the age of information technology, countless of lives have been empowered. In 2017, CARD MRI has and will continue to make use of various technology advancements to better serve our every growing clients, and further reach new horizons. We have steadily integrated information technology to upgrade and optimize our operations and services.

In the near future, we aim to fully transform CARD MRI, including CARD Myanmar, so that our member-clients and partners will have full access to our products and services through the use of technology. I hope this transition will allow us to reinvent ourselves and to innovate our unique practice of social development in order to fulfill our ultimate goal of eradicating poverty.

With today's dynamic and digital environment, the need to catch up, specifically with the rapid flow of technology in our society is essential or any organization. We at CARD MRI, together with CARD Myanmar CO., LTD., continue to innovate and simplify our products and services so that they become more accessible to our growing clients.

As we journey across monumental waves of the transformative digital space, CARD MRI will make sure to effectively and responsively utilize the available innovations we have in order for us to reach new frontiers and higher standards of service. We stand focused and steady in this undertaking for we take inspiration from our clients and their families, who themselves are also determined in reaching their destination of upliftment. Together, we will embark on this journey, hand-in-hand, towards a brighter future.



FLORDELIZA L. SARMIENTO
Managing Director, CARD MRI

From April 2017 to March 2018, CARD Myanmar CO., LTD. had an amazing rollercoaster ride as the company has been undergone transitioning from the manual system to the automated system. Indeed, it has been a challenge for everyone with all the sleepless nights because of migration and transcriptions which will be accompanied by the frequent electricity power off. However, the desire of each and everyone to give efficient services to the impoverished shed a light which pushed us to do our best. With all the efforts, we successfully did all endeavors and challenges we have faced in this financial year.

In the succeeding years, the whole team is ready to take a quantum leap towards the optimization of technology to better serve the clientele. With all this endeavor, CARD MRI will continue to be at CARD Myanmar CO., LTD., side in reaching its goals.



JEAN PAULINE B. LANDICHO
Chairman of the Board
CARD Myanmar CO., LTD.



JOSEF M. LERON
Managing Director
CARD Myanmar CO., LTD.

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 twelve branches, we already served 13,475 clients. It may seem we have already reached many, but we will not stop here. Being able to reach more clients gives us more desire to 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 path to create a huge impact in the communities we serve. We will remain committed in delivering greater innovation, quality and genuine services to the marginalized community in Myanmar.

Journey towards Reaching Greater Heights

Driven by the heart burning passion to sail across the neighboring countries to further reach and help in uplifting the lives of more marginalized communities who have been oppressed by poverty, the CARD Mutually Reinforcing Institutions (CARD MRI) has never ceased in supporting CARD Myanmar CO., LTD in all its endeavors towards a poverty-free world with greater opportunities for one another.

Focusing on its Mission : **Stepping up against the Current**

Though Myanmar just opened its doors for foreign investments and development works, a total of 172 registered Microfinance Institutions (MFIs) have already been saturating the area and districts of Myanmar as of 2017. Nevertheless, with the great number of MFIs being present in the market, a great portion of the country's marginalized sector is still unreached in terms of services being offered as well as the location. That's where CARD Myanmar CO. LTD. positions itself - in assisting the underserved low income people to improve their livelihood and exercise free control over productive resources through the delivering appropriate products and services to cater the needs of the impoverished in Myanmar. This will empower clients and will enable them to manage and start their own businesses.

Stepping Up for a Breakthrough

In more than three (3) years of its operation in Myanmar, CARD Myanmar CO., LTD. has already experienced a roller coaster ride as it braves the path in taking part in poverty eradication. From the time that CARD Myanmar CO., LTD got its temporary license to operate as a microfinance institution until year 2017, the company has been gearing up and developing strategies to better serve

the marginalized community. Year 2017 may seem to be a smooth sailing ride as compared with the previous years, but still, the road toward success has never been easy for the company.

As the company continues to develop its operations and focuses on expansion across the hard to reach areas in Myanmar, CARD Myanmar CO., LTD has gained its reputation in the field of the Microfinance Industry in the country as well as the trust of the locals. This leads to the increase of membership of the company. With the increase in membership, the company has the urge to hire more locals who will handle the members. However, during early 2017, the company was still practicing the manual system thus, many staff were having a hard time coping up with the demand in terms of workload, and staff resignation became one of the major concerns of the company. Despite the shortage of manpower, CARD Myanmar CO., LTD did not lose hope; seeing the unfaltering increase in the membership, the company was motivated to move forward and better serve its members.

Keeping in mind the desire to efficiently serve more clients, and to address the increase in the staff turnover, CARD Myanmar CO., LTD decided to take a leap and focus on the system enhancements which could be a possible resolution to both concern. The CARD Myanmar CO., LTD has invested in a technology called the CARD E-System which helped in addressing the company's concerns in the recording and tracking client's records and histories. In addition, the CARD E-System help in addressing the Management Information System issues as the Company have more reliable data with automation as compared from manual system.



Furthermore, the CARD E-System helped CARD Myanmar CO., LTD in terms of the staff retention. With the system being implemented, the staff no longer consume much time using the manual system which will give them less work load. The staff have more time to look for new clients, they are more focus on field operations/ expansion, while the Microfinance Specialists can focus more in training the new Branch Managers/ Team Leaders who are promoted from local employees. The Company continues to support its staff through the implementation of Training Program for the Employees; and the exposure programs in the Philippines, other Asian Countries, as well as Germany, in partnership with the Savings Banks Foundation for International Cooperation (SBFIC).

Apart from the automation system, CARD Myanmar CO., LTD. did improvements in some of its processes and guidelines without sacrificing the quality, not only to keep pace with other financial institutions, but to better cater the needs of its clients. The company implemented a Bi-Monthly Center Meeting for the centers with good repayment record. Also, the company introduced the Small Business Loan (SBL) which is designed to support the small and medium entrepreneurs who wish to grow and expand their businesses by providing

them with additional capital help them improve their businesses and have better income. It also aims to extend services through creation of job and employment opportunities.

Through the Technical Assistance (TA), CARD Myanmar CO., LTD. has acquired an image of its own and which helped promoting its best practices and services offered to its clients and employees. CARD Myanmar CO., LTD. continues to provide information and educate its clients through the Credit with Education. At the same time, the company strengthens its individual lending campaign as compared with other MFIs that practice group lending.

As CARD Myanmar CO., LTD. continues to embrace how the technology can greatly help in the improvement of the company, it invested in the development of a Company Website where the clients and stakeholders could easily view the products and services being offered as well as the latest financial and operations update.



Gearing Up for Innovations

Through its 2017 journey towards digitization, CARD Myanmar CO., LTD. has learned to appreciate its humble beginnings. Though they have experienced highs and lows as they started from the basic manual system, its experiences had made the company resilient and innovative in developing its products and service. Also, the company's manual system experience gave the management and staff enough understanding about the microfinance operation, thus, making the digitization transition smooth. Being able to experience great challenges, CARD Myanmar CO., LTD. will remain strong and carry on to reach its goal.

»» ACCOMPLISHMENTS for FY 2017 ««



CLIENTS

13,475



BRANCHES

12



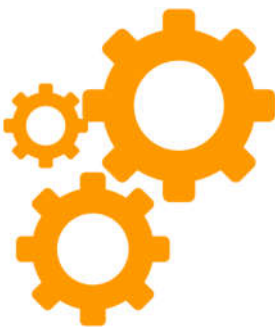
LOANS

430,195



SAVINGS

189,112



**OPERATING
SELF
SUFFICIENCY**

143%



**FINANCIAL SELF
SUFFICIENCY**

134%



STAFFING

59



REPAYMENT

100%

»» Where We Are



CARD Myanmar CO., LTD. Branches / Offices

Yangon Division:

- Thingangyun 1
- Thingangyun 2
- North Okkalapa 1
- Mingaladon
- Hlegu

Bago Division:

- Bago 1
- Bago 2
- Waw
- Thantpin
- Hpa Yar Gyi
- Daik U
- Inn Ta KAw



Empowering People, Transforming Lives

CLIENT STORIES



Family Spirit and Camaraderie

Myanmar, formerly known as Burma, is known to have a vast resources of jades and other stunning gemstones; thus, it is the norm in Myanmar that the locals has been accustomed to wear jewelries – from fancy ones to the most exquisite and expensive ones. With this tradition and custom, it is not surprising that the jewelry business in Myanmar is booming.

Ms. Aye Aye Mar, 58 years old and a resident in North Okkalapa, is one of the people who decided to venture in the jewelry shop business. Ms. Aye Aye Mar and her husband started the jewelry business since they started their own family in 1977. They got the inspiration from the parents of Aye Aye Mar's husband - they do polishing of gemstones for a living. Seeing the rapid expansion of the gemstone business across the country, they believed that it would help to meet the needs of their future family.

Keeping the vision in mind, Ms. Aye Aye Mar and her husband used the money they inherited from their parents in the jewelry business. From the capital of MMK1,500,000, they have grown their operating capital to MMK10,000,000. The couple has expanded their business and also engaged in lottery and a grocery store.

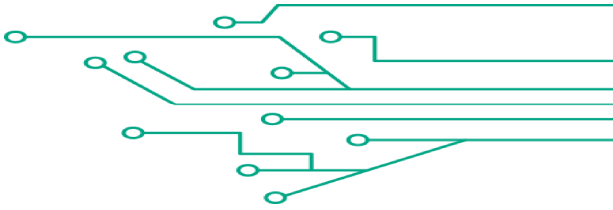
The business of Ms. Aye Aye Mar has been running well, until she realized that they do not have much savings to invest further in their business expansion because of the expenses of their growing family, having four (4) children. After she was able to provide education to her children, she decided to expand her business. However, she does not have enough savings for business expansion. Thus, when she heard about the products and services being offered by CARD Myanmar CO., LTD., she did not



had second thoughts and immediately showed interest.

Ms. Aye Aye Mar started being a member of CARD Myanmar CO., LTD. Since May 2016. Showing her trustworthiness and credit discipline, from the MMK130,000 loan availment, she was given the privilege to increase her loanable amount to MMK330,000; all of which she used in her business (and mostly in the jewelry shop).

“Joining the CARD Myanmar CO., LTD. is a great privilege because we were able to expand our business through the loans we availed. Through the loan we were also able to buy materials, equipment for polishing gems and even machines. Also, as our business expands, we were able to give opportunities to other people to help up with our growing business.”



Though Ms. Aye Aye Mar may seem to look problem free, she admits that having a business is never easy. According to her,

“Problems and challenges are inevitable. Sales are unstable or inconsistent but having a positive outlook helps our family to think and strategize better. Also, CARD Myanmar make us feel that we are all in this problem together – that we are a family, and that they are always in our side to support us in our undertakings. CARD Myanmar CO., LTD. is a great help to us, the services they give are very satisfying and I am encouraging others to join and be a part of CARD family. Joining the company enabled me to increase my savings through regular savings. I can save some money before through the rental income but it was not regularly done.”



With the success that Ms. Aye Aye Mar is experiencing, she still has the heart to help and encourage other businessmen to continue their businesses. She advised, “For other businessmen to succeed, they need to keep the quality of their products, be persistent, more perseverance, don’t forget the power of prayer, the importance of friendship and always consider the needs of others.”



Spreading Kindness



bit far from the market, thus, there is a demand for the supplies that are vital for everyday living. She started the grocery store with an initial capital of MMK2,000,000, and at present, it has reached MMK10,000,000.

The grocery store has been a great help in the income generation not only to Ms. Than's family, but also to her employees. She was able to employ four (4) staff which has been very helpful and very trust worthy when it comes to managing the grocery shop.

Being a business minded person, Ms. Than knew that it will be good to further expand the business. Thus when she heard about CARD Myanmar Co., Ltd., she grabbed the opportunity and joined.

"A little thought and a little kindness are often worth more than a great deal of money." These words stayed in the heart and mind of Ms. Daw Than Htay, a 53 year old businesswoman in Bago.

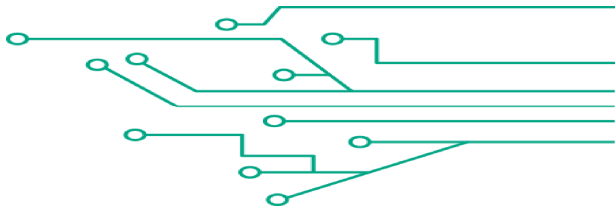
Ms. Daw Than Htay, 53 years old married to Li Khin Kyi, and is gifted with three (3) children ages 30,25, and 20 respectively where the oldest and the second one were already married and got business of their own. Together with her husband, Ms. Than established a grocery store eighteen years ago. Aside from the grocery store, Ms. Chy's husband engaged in trading woods and supplying wood to some contractors to meet their daily needs.

The family's main source of income came from supplying construction materials. However, with the growing family, they chose to invest in other business which is the grocery store. The area is a

"I heard many good things about CARD Myanmar CO., LTD. from people in the market. I always tell myself that I wanted to be a part of that company with the desire to help other people, and in September 2017 I became an official member of it. What I like most about CARD, Myanmar is the systematic way of collecting money; plus, it gives us an opportunity to save on regular basis."

Ms. Than was granted loan twice. The first loan amounted to MMK200,000, while the second loan was raised to MMK270,000 which were all invested in her business for expansion.

"Through CARD Myanmar CO., LTD., we were able to double our investment because it offers a low interest. It has a very systematic way of monitoring of records and



the policies are very comfortable for us. The staff are strict in implementing policy and punctuality which I also like. Through the center meetings, I was able to have new friends at the same time, learn and share experiences with them."

Through the years that Ms. Than has been managing their business, it is not new that they have experienced challenges along the way. However, Ms. Than has been very optimistic and has always find strategies to better improve their business.

"We maintain our sales because we extend credits to other employees from the nearby factories. They immediately pay their credits after they get their salary. By allowing them to have credits, the customers feel that they are given trust.

About our competitors, to get ahead of them we never fail on showing kindness to our costumers especially to our workers who are our regular customers and we always encouraged them to build a better life. We also join community services to show the people that we have the heart to help others as well."

Ms. Than shared that in order to be successful in business, the people should have great discipline in keeping the business. Also, it is important to always think of what is best for others, and be people oriented.



United as a Family



Ms. San San Oo, 44 years old and a resident in Hpa Yar Gyi, who owns a Grocery Store. She and her husband has been gifted with two (2) children a twenty- two and seventeen year-old respectively. The eldest is a graduate of Physics while the youngest is still studying in the university.

Though Ms.San was not able to go to a university, she strived (together with her husband), to provide the needs of their children. However, her husband works in a brick making business which is seasonal. As the family needs to generate income on a regular basis, they decided to establish a grocery store in 2010 thinking that it could sustain the education of their children.

Ms. San and her husband started their grocery store with an initial capital of MMK700,000. With the initial capital, they were able to rent a small space and buy a few grocery items to sell to their

customers. Seeing the need for business expansion, they decided to join CARD Myanmar Co., Ltd.

"It was a perfect timing that when we decided to expand our business, I was invited to hear about what CARD Myanmar CO., LTD. offers. Upon hearing about the products and services, I told myself that this is the opportunity that I have been waiting for."

Ms. San became a member of CARD Myanmar CO., LTD. In December 2016 where she was able to avail MMK100,000 loan amount. She is currently on her third cycle with the loan amount of MMK400,000.

"I can testify that since I became a member of CARD Myanmar CO., LTD. in December 2016, our businesses has prosper. The loans we availed from CARD Myanmar have been very helpful to our



businesses expansion. Not only does the company the business helped us in our capital. It was helped us to have financial discipline. The regular savings it offer is very vital to us and help us to secure our finances for the future.”

At present, the family of Ms. San was able to increase their business capital to MMK45,000,000. With the continuing effort of the family, they were able to rent a much bigger space for their business at the same time, buy many items and stocks for their grocery.”

Our secret to success it the family team work. Every problems we experience, we face those as a family. We also have passion for people and work. Our family personally run the business, and see to it that we offer low prices so we can help other people.



»» The Importance of Building Relationships ««

Once a businessman will always be a businessman. Ms. Thein Thein Oo, 46 years old, is an owner of a grocery store in Waw District. Before she established her very own grocery store, she was engaged in trading. However, with the growing family that she has, she realized that the income they get from trading is not enough to survive the living.

“My husband and I have five children ages 30, 27, 24 19 and 13 respectively. My eldest and only son together with the next two eldest daughter are already married and the other two are still studying. All in all we are ten in the household. We are engaged in trading fish and crickets which is seasonal. That’s why our family needs to think of a way to generate income on a regular basis.”

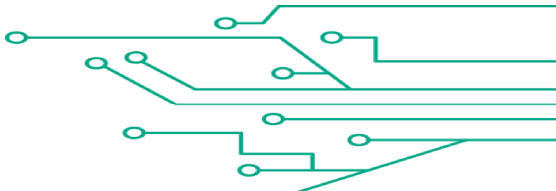
Seeing the need for a nearby place where the people can conveniently get their basic needs given that the areas is a bit far from the market, Ms. Thein’s family decided to venture on a grocery store business in 2012. She decided to partner with a friend to start the business with a capital of 3 million in form of stocks/items from her partner from Thailand. She continued selling the items from Thailand until after quite some time, she was able to save money to operate the grocery by herself.

In mind 2017, CARD Myanmar CO., LTD.’s Branch Manager in Waw, Min Thura Win, approached Ms. Thein and shared about the CARD Myanmar’s products and services, as well as the mission of the company. Having the desire for continuous business expansion, she was motivated to join the group in June 2017.



“CARD, Myanmar was able to help me financially in my business expansion. I was able to avail two loan cycles which started from MMK 150,000, while my current is MMK 300,000 loan. Also, through CARD Myanmar CO., LTD., I was taught to have a discipline when it comes to saving. At present, I was able to save on a regular basis. What I like in CARD Myanmar as well is that the staff is very punctual, friendly, professional looking. The policies and guidelines are very clear.”

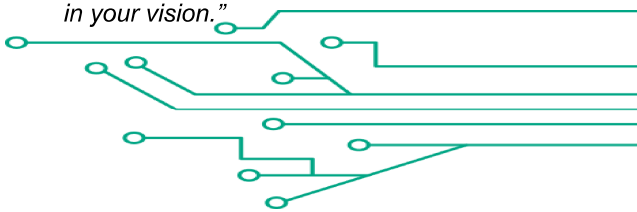
With the continuous effort of Ms.Daw Thein in improving her grocery store business, from zero investment (the MMK3,000,000 is her partner’s investment), she now has a capital of MMK2,000,000 and was able to manage the grocery shop all by herself. She now has the capacity to buy bulk of items from the nearby market.



At present, Ms. Daw Thein's grocery store is the largest in their area. Her family members assist her in the business.

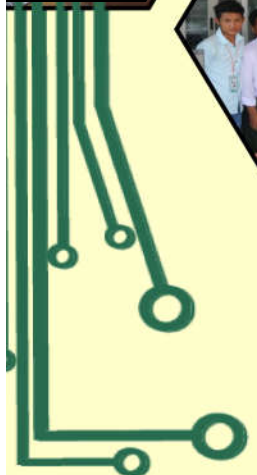
According to her problems are unavoidable in the business, however they were able to deal with it easily because they are already experienced and they have already learned from the past. They keep positive and so not worry about competitors because as they offer the customers variety of supplies than the competitors, which the customers prefer.

“For others who want to succeed in the business, I encourage you to have a good communication with the people around. The customers are the ones who sustain your business, so it is important to build relationship with them. Also, the key is if you want something and you do not have enough resources to fund it, think of partnering with people who trust and believe in your vision.”





OUR MOST VALUED ASSETS



Board of Directors / Officers

Jean Pauline B. Landicho
Chairman/Member

Marilyn M. Manila
Member

Marjorie A. Marasigan
Member

Dr. Edzel A. Ramos
Member

Josef M. Leron
Member/Managing Director

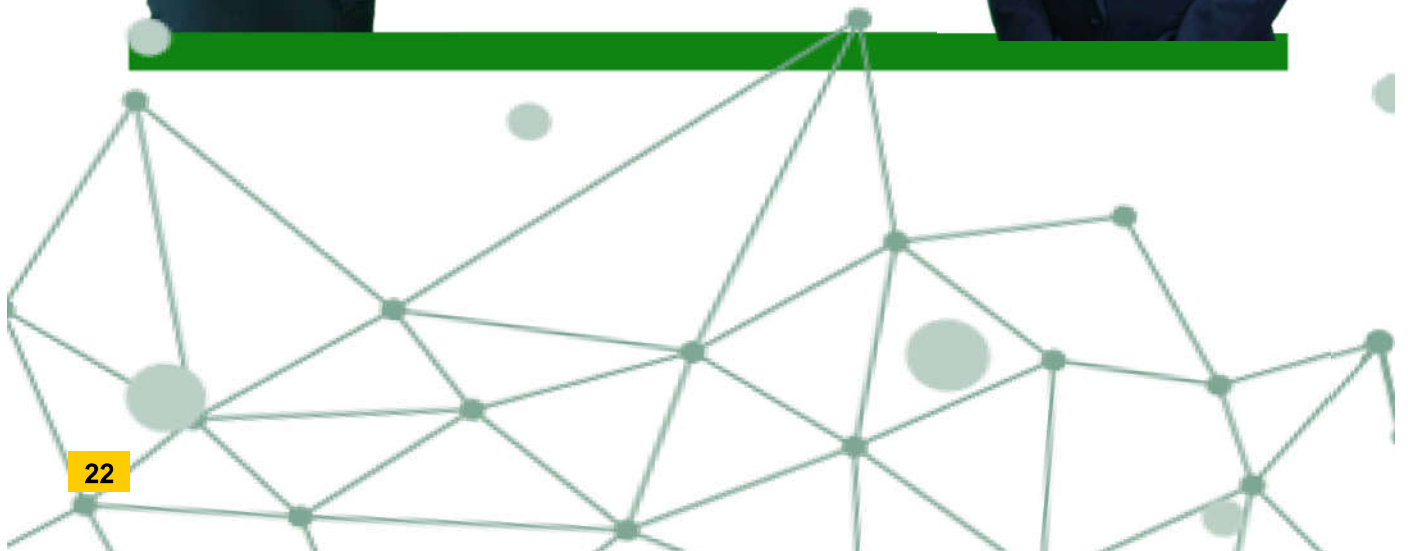
Roxanne Faye V. Ochoa
Corporate Secretary



Advisers

Dr. Jaime Aristotle B. Alip
Founder and Chairman Emeritus, CARD MRI

Flordeliza L. Sarmiento
Managing Director, CARD MRI



Management Team

Carl Pagayunan
General Manager / TA

Kathleen Joy Almazan
Internal Auditor / TA

Ruel Cortes
Branch Manager
Bago 1 & 2, Inn Ta Kaw

Bengie Buenviaje
Branch Manager
Thingangyun 1 & 2, North Okkalapa

Reynilyn Roda
Branch Manager
Mingaladon, Hlegu

Cesar Magcawile
Finance & Admin Manager / TA



Melanie Villareal
Branch Manager
Thanatpin, Waw

Rose Ann Constantino
Branch Manager
Hpa Yar Gyi, Daik U

Thida Myint
Branch Manager
North Okkalapa

Yupar Aung
Branch Manager
Bago 2

Complaint Management Committee

Josef Leron
Chairperson

Carl Pagayunan
Member

Cesar Magcawile
Member

Kathleen Joy Almazan
Member

Thida Myint
Member

Ruel Cortes
Member

Melanie Villareal
Member

Bengie Buenviaje
Member

Rose Ann Constantino
Member

Reynilyn Roda
Member

Yupar Aung
Member





Financial Statement and Audit Report

CARD Myanmar COMPANY LIMITED

**FINANCIAL STATEMENT
&
AUDIT REPORT**

(April' 2017 to March' 2018)

CARD Myanmar COMPANY LIMITED

FINANCIAL STATEMENT

- ❖ STATEMENT OF DIRECTORS
- ❖ REPORT OF AUDITORS
- ❖ STATEMENT OF FINANCIAL POSITION as at year end
- ❖ PROFIT AND LOSS STATEMENT for the year ended
- ❖ STATEMENT OF CHANGES IN EQUITIES as at year end
- ❖ STATEMENT OF CASH FLOWS as at year end
- ❖ NOTES TO ACCOUNTS for the year ended
- ❖ SCHEDULES for the year ended

Period..... From April 1st 2017 to March 31st 2018

CARD Myanmar COMPANY LIMITED

STATEMENT OF FINANCIAL POSITION as at 31st March 2018

		Note	2017-2018	2016-2017
			MMK	MMK
1	ASSETS			
1.1	NON-CURRENT ASSETS			
	Property, plant and equipment	Sch-1	14,210,922	4,839,694
	Total Non-Current Assets		14,210,922	4,839,694
1.2	CURRENT ASSETS			
	Business Loan Portfolio	4	1,431,427,166	644,753,128
	Receivable and Others	5	42,379,544	73,943,554
	Cash and Cash equivalents	6	239,440,262	941,602,055
	Total Current Assets		1,713,246,972	1,660,298,737
	TOTAL ASSETS		1,727,457,894	1,665,138,432
	EQUITY AND LIABILITIES			
2	SHAREHOLDERS' EQUITY			
	Paid Up Capital		644,534,841	224,550,000
	Grant Capital		31,814,138	419,984,841
	Retained Earnings	7	(44,783,840)	(55,962,253)
	Total Equity		631,565,139	588,572,588
3	LIABILITIES			
3.1	CURRENT LIABILITIES			
	Customer Saving Interest		252,465,101	186,498,030
	Payables and Others	8	134,002,654	180,642,814
			386,467,755	367,140,843
3.2	LONG-TERM LIABILITIES			
	Long-term Loan		709,425,000	709,425,000
			709,425,000	709,425,000
	Total Liabilities		1,095,892,755	1,076,565,843
	TOTAL EQUITY AND LIABILITIES		1,727,457,894	1,665,138,432

The annexed accounting policies and explanatory notes form an integral part of the financial statements.

On behalf of the Board of Directors

CARD Myanmar COMPANY LIMITED

STATEMENT OF PROFIT (OR) LOSS for the year ended 31st March 2018

Sr No.		Note	2017-2018	2016-2017
			MMK	MMK
1	REVENUE	9	368,918,926	134,242,984
2	DIRECT OPERATING EXPENSES	10	(96,906,423)	(28,650,708)
	Gross Profit		272,012,503	105,592,276
3	EXPENSES	-	-	-
	Administrative & General Expenses	11	(252,685,582)	(112,765,334)
	Depreciation Expense	12	(4,364,902)	(2,515,167)
	Profit / (Loss) from Operating		14,962,019	(9,688,225)
4	NON-OPERATING ITEM			
	Other Income		-	-
	Other Expenses		-	-
	Difference on Foreign Exchange		(57,468)	17,721,679
	Profit / (Loss) before Finance Cost		14,904,551	8,033,454
5	FINANCE COST		-	-
	Profit / (Loss) before Taxation		14,904,551	8,033,454
6	TAXATION		(3,726,138)	(2,008,364)
	NET PROFIT / (LOSS) FOR THE YEAR		11,178,413	6,025,091

The annexed accounting policies and explanatory notes form an integral part of the financial statements

On behalf of the Board of Directors

CARD Myanmar COMPANY LIMITED**STATEMENT OF CHANGES IN EQUITIES as at 31st March 2018**

MMK

	Paid Up Capital	Grant Capital	Accumulated Profit/(Loss)	Total
Balance at 1, April 2017	224,550,000	419,984,841	(55,962,253)	588,572,588
Adjustment-Previous Year	-	-	-	-
Adjustment-Current Year	-	(419,984,841)	-	(419,984,841)
	224,550,000	-	(55,962,253)	168,587,747
Addition/(Adjust)	419,984,841	31,814,138	-	451,798,979
Net Profit / (Loss) for the Period			11,178,413	11,178,413
Balance at 31, March 2018	644,534,841	31,814,138	(44,783,840)	631,565,139

The annexed accounting policies and explanatory notes form an integral part of the financial statements

On behalf of the Board of Directors

CARD Myanmar COMPANY LIMITED**STATEMENT OF CASH FLOWS as at 31st March 2018**

	<u>MMK</u>
<u>Cash Flow from Operating Activities</u>	
Profit Before Tax	11,178,413
Adjustment for;	
Depreciation and Amortization	4,364,902
Operating Cash flow before Working Capital Changes	15,543,315
Changes in Operating Assets and Liabilities	
(Increased) / Decreased Business Loan Portfolio	(786,674,038)
(Increased) / Decreased Receivable & Other	31,564,010
Increased / (Decreased) in Customer Saving Interest	65,967,071
Increased / (Decreased) in Payables and Others	(46,640,159)
Cash Generated from Operation	(720,239,801)
Advanced Income Tax (WT) Paid for 2017-18	(2,628,735)
Net Cash From/ (Used in) Operating Activities	(404,934,092)
<u>Cash Flow from Investing Activities</u>	
Purchased of Fixed Assets	(13,736,130)
Net Cash From/ (Used in) Investing Activities	(13,736,130)
<u>Cash Flow from Financing Activities</u>	
Increase / (Decrease) of Grant Capital	31,814,138
Net Cash From/ (Used in) Financing Activities	31,814,138
Net Increased/(Decreased) in Cash Held	(702,161,793)
Cash and Cash equivalents at Beginning of Period	941,602,055
Cash and Cash equivalents at End of Period	239,440,262

The annexed accounting policies and explanatory notes form an integral part of the financial statements

On behalf of the Board of Directors

CARD Myanmar COMPANY LIMITED

NOTES TO ACCOUNTS for the year ended 31st March 2018

These notes form an integral part of the accompanying financial statements.

The financial statements were authorised for issue by the Board of Directors.

1 Domicile and Principal activities

CARD Myanmar COMPANY LIMITED is domiciled and incorporated in the Republic of the Union of Myanmar with its registered office at No. 363, Bo Min Yaung Street, (2) Block, Mingalardon Township, Yangon, Myanmar.

The principal activities of the company consist of Microfinance.

2 Basis of preparation

2.1 Statement of compliance

The financial statements have been prepared in compliance with the provisions of Myanmar Companies Act (“the Act”) and the applicable standards of Myanmar Financial Reporting Standards (MFRS).

2.2 Basis of measurement

The financial statements have been prepared on the historical cost basis.

2.3 Use of estimates and judgements

The preparation of financial statements in conformity with Myanmar Financial Reporting Standards (MFRS) requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

There are no accounting estimates and judgments made by the management that has a significant effect on the financial statements.

CARD Myanmar COMPANY LIMITED

NOTES TO ACCOUNTS for the year ended 31st March 2018

These notes form an integral part of the accompanying financial statements.

3 Summary of Significant Accounting Policies

3.1 Property, plant and equipment

Tangible Assets are stated at cost less depreciation. Rate of depreciation are shown in Schedule-1.

No Revaluation was made in the accounts.

4 Business Loan Portfolio

	<u>2017-2018</u>
	<i>(MMK)</i>
Regular Business Loan	1,445,886,026
Less: Allowance for Probable Loss	(14,458,860)
	<hr/> 1,431,427,166 <hr/>

5 Receivable and Others

	<u>2017-2018</u>
	<i>(MMK)</i>
Office Rental Cost	1,445,886,026
Other Receivable	18,045
Supplies Inventory	2,282,000
	<hr/> 42,379,544 <hr/>

6 Cash and cash equivalents

	<u>2017-2018</u>
	<i>(MMK)</i>
Cash at Bank	239,184,397
Cash in Hand	255,865
	<hr/> 239,440,262 <hr/>

CARD Myanmar COMPANY LIMITED

NOTES TO ACCOUNTS for the year ended 31st March 2018

7 Retained earnings

	<u>2017-2018</u>
	<i>(MMK)</i>
Balance at beginning of the year	(55,962,253.07)
Net profit / (Loss) for the year	11,178,412.99
Balance at end of the year	<u>(44,783,840)</u>

8 Payables and Others

	<u>2017-2018</u>
	<i>(MMK)</i>
Accounts Payable-Others	92,018,554
Accrued Expense	41,984,100
	<u>134,002,654</u>

9 Revenue

	<u>2017-2018</u>
	<i>(MMK)</i>
Regular Business Loan	284,109,177
Income from other finance related services	84,809,749
	<u>368,918,926</u>

10 Direct Operating Expenses

	<u>2017-2018</u>
	<i>(MMK)</i>
Interest on Borrowing	77,115,004
Interest on Savings	11,845,216
Loan Loss Provisions	7,946,202
	<u>96,906,423</u>

CARD Myanmar COMPANY LIMITED

NOTES TO ACCOUNTS for the year ended 31st March 2018

11 Administrative & General Expenses

	<u>2017-2018</u> (MMK)
Salaries and Wages	85,750,601
Employee Benefits	18,251,566
Stationery and Supplies	15,082,360
Printing and Forms	983,500
Office Equipment & Accssories	322,500
Transportation and Travel	59,218,591
Repair and Maintenance	3,684,200
Utilities	2,201,195
Communication and Postage	1,248,650
Business Meals and Entertainment	423,651
Office Rental	53,688,150
Incorporate & Licenses	2,415,035
Employee Training-Work Related	5,534,775
Professional Services	3,392,761
Miscellaneous Expenses	488,047
	<u>252,685,582</u>

12 Depreciation Expenses

	<u>2017-2018</u> (MMK)
Depreciation Expense-Furniture and Fixtures	2,580,883
Depreciation Expense-Office Equipment	437,000
Depreciation Expense-Office Computer	1,347,019
	<u>4,364,902</u>

SCHEDULES TO ACCOUNT for the year ended 31st March 2018Schedule - 01 : Property, Plant and Equipment

Particular	%	Cost			Accumulated Depreciation			Book Value
		Opening	Additions	Closing	Opening	Depreciation	Closing	
<u>Production</u>								
Furnitures & Fixtures	33.33%	6,456,000	3,099,000	9,555,000	2,727,056	2,580,883	5,307,939	4,247,061
Office Equipment	33.33%	818,000	718,000	1,536,000	243,750	437,000	680,750	855,250
Office Computers	33.33%	1,389,000	9,919,130	11,308,130	852,500	1,347,019	2,199,519	9,108,611
		8,663,000	13,736,130	22,399,130	3,823,306	4,364,902	8,188,208	14,210,922

END OF REPORT



**#363 Bo Min Yaung St.,
(2) Block, Mingaladon Township,
Yangon, Myanmar**