



VISIONFUND MYANMAR  
ANNUAL REPORT - FY19  
(OCTOBER 2018 ~ SEPTEMBER 2019)

# MISSION AND VISION

## OUR VISION

Our vision for every child, life in all its fullness;  
Our prayer for every heart, the will to make it so.

## OUR MISSION

We believe in brighter futures for children where  
they can experience the love of Christ, building  
lives free of need and full of promise.



# CONTENT

04 Leadership Message

05 Our Governance

06 Key Highlights

07 Area Coverage

08 Our Impact

15 Our People

16 Operations

19 Our Partners

20 Risk Management

22 Finance



# LEADERSHIP MESSAGE

To all our stakeholders,

In 2019, VisionFund delivered impact and value to over 300,000 borrowing and deposit taking clients to improve their businesses and increase their incomes.

Through our dedicated staff, who work with passion to serve the poor and the most vulnerable in the country, VisionFund ended the financial year with the following exceptional results:

- Focused on serving the most vulnerable (59% rural, 86% women clients)
- Continued development of technology tools in order to bring more efficient and effective service experience to the client base.
- Provided opportunities for families that positively impacted 400,000 children in the areas of more nutritious food, better clothing and opportunity to go to school.
- Ensured processes reflect the highest standards of client care: social performance ratings, call center development, Client Protection Principles(CPP), and client education. During 2019, we trained over 290,000 clients across all 51 branches. Over 16,000 client education sessions were conducted by our loan officers.
- Promoted staff development and safety as a top priority of the organisation through the provision of capacity building and e-learning activities (over 2,000 courses provided) which included the development of safety and security materials.

Last but not least, let us pray for our clients, staff and all stakeholders to be safe, healthy and successful in both their work and life in these difficult times.



**Michael Spingler**  
**Chief Operating Officer**  
**VisionFund Myanmar**

# OUR GOVERNANCE

## Board of Directors



### SURESH BARTLETT

Board Chair  
National Director of  
World Vision International -  
Myanmar



### CHRIS BRYAN

Board Member  
Director / Trustee of Several  
Businesses and Charitable  
Organisations



### ADRIAN MERRYMAN

Board Member  
Chief Development & Impact  
Investing Officer of  
VisionFund International



### DR SAW IVAN

Board Member  
Member of Advisory Council of  
World Vision International -  
Myanmar



### SOE KYAW KYAW

Board Member  
Operation Director of  
World Vision International -  
Myanmar



### AUDE SCHONBACHLER

Board Member  
Partner/ Finance & Risk  
Domain at Oliver Wyman



### DR. SUSU THATUN

Board Member  
Senior Advisor to the UN  
Resident Coordinator and Head of  
Peace Support Unit of United Nations

## Senior Executive Team



### ROMMEL CARINGAL

Chief Executive Officer  
BOD Member



### MICHAEL SPINGLER

Chief Operating Officer  
BOD Member



### MAI MYA MYA WIN

Chief Financial Officer



### SAW THA GAY

People & Culture Director



### RACHELYU

Programme Quality &  
Development Director



### TIM TEMPANY

Programme and Strategy  
Director



### THANDAR KYI

Senior Operations Manager



### SUDEEP GAI RHE

Internal Audit Manager



### THET HTWE HSU

Head of IT

# KEY HIGHLIGHTS



**Outstanding Portfolio**  
50,954,728 USD



**Number of Clients**  
303,993



**Female Clients**  
86%



**Children Impacted**  
403,208



**Rural Clients**  
59%



**Jobs Impacted**  
296,531

\* Facts and figures through this report as of 30 September 2019.

# AREA COVERAGE

## Geographic Coverage - 58 Townships

### 1 Mandalay

Madaya  
Aungmyaythazan  
Mahaaungmyay  
Chanmyathazan  
Chanayethazan  
Pyinoolwin  
Patheingyi  
Pyigyitagon  
Amarapura  
Kyaukse  
Sintgaing  
Tada-U

### 2 Ayeyarwaddy

Myanaung  
Kyangin  
Ingapu  
Hinthada  
Einme  
Pathein  
Myaungmya  
Wakema  
Maubin  
Pyapon

### 3 Yangon

Dagon Myothit (South)  
Dagon Myothit (North)  
Hlaingtharya  
Hmawbi  
Hlegu  
Taikkyi

### 4 Shan

Lashio  
Hsipaw  
Kengtung  
Monghyak  
Tarlay  
Tachileik  
Ayetharyar

### 5 Kayah

Loikaw  
Demoso

### 6 Kayin

Hpa-an  
Hlaingbwe

### 7 Mon

Mawlamyine  
Mudon  
Thaton  
Bilin  
Kyaikmaraw  
Thanbyuzayat

### 8 Kachin

Myitkyina  
Waingmaw

### 9 Sagaing

Sagaing  
Shwebo  
Monywa  
Wetlet



### 10 Magway

Chauk  
Seikphyu

### 11 Thanintharyi

Myeik  
Palaw

### 12 Rakhine

Sittwe  
Kyauktaw  
Mrauk-U

# OUR IMPACT

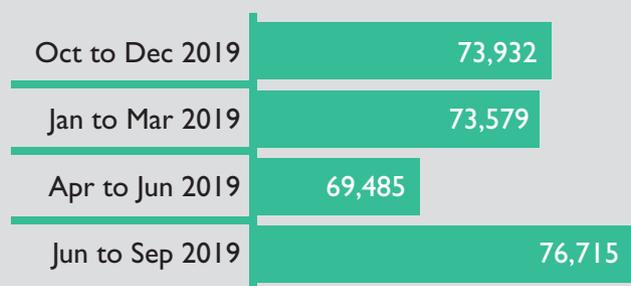
## Mission Driven Focus

As an impact-led organisation, we are committed to responding to the needs of the most vulnerable individuals and their children. During 2019, we helped over 300,000 clients improve their businesses and increase their incomes, which in turn improved their living conditions, their employees' conditions, and the well-being of over 400,000 children who had more nutritious food, better clothing, and the opportunity to go to school.

Social impact is at the heart of the work that we do. Collecting and analysing social impact data helps us stay focused on our goal of changing the lives of children and their families. We measure the poverty levels of new clients and changes in poverty over time; we monitor child numbers and the child well-being outcomes reported by parents/caregivers; we count the number of client education sessions delivered; we monitor the gender mix of clients; and we conduct regular client satisfaction surveys.

## We provide not only financial services, but also client education

Financial education is a vital part of our work as it helps to equip clients with the essential skills they need to manage and grow their business. Combining educational and financial services has been shown to lead to immediate benefits for clients such as increases in income, savings, knowledge and self-confidence.



### Clients Receiving Education - by quarter for FY19

Three years ago, VisionFund Myanmar (VFM) started to implement an innovative form of financial education, which delivers short education sessions as an integrated part of the loan cycle including loan application, disbursement, repayment meetings and branch visits. These 10-minute interactive sessions cover four topics: 1) Borrowing Wisely, 2) Savings, 3) Budgeting and 4) Insurance.

Topics are shared via specially-made flip charts that use illustrations to communicate key messages through stories. Our loan officers easily facilitate this education across various markets, in different languages, catering to all

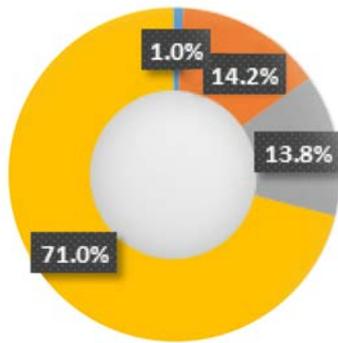
levels of literacy. Clients report that they enjoy this format, and our evaluations of the effectiveness of the sessions tell us that clients remember and employ the skills and disciplines that they have learned.

During 2019, we trained over 290,000 clients across all 51 branches. Over 16,000 client education sessions were conducted by our loan officers.

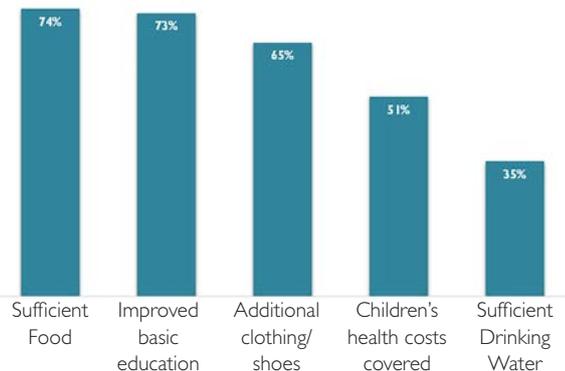


## Our Impact on Children

To build lasting change for vulnerable children, the global relief, development and advocacy organisation World Vision analyses child well-being outcomes to assess the impact of its development efforts in the field. As World Vision's microfinance arm, VFM gathers client data as we dive deeper to measure our effectiveness and better understand the impact of our services on clients' children.



■ No CWBO Reported    ■ 2 CWBO Reported  
■ 1 CWBO Reported    ■ 3 or more CWBOs Reported



We ask clients about the benefits their children experience, which we call Child Wellbeing Outcomes (CWBO). The percentage of clients telling us of the benefits to their children is noted to the left (with clients being able to name multiple benefits). We see that loans are helping clients to better support their children, which translates into greater resilience.

In 2019, a total of 99% of sampled clients reported some type of benefit for their children because of the loan the client had received. 71% of sampled clients reported three or more benefits. The top three benefits reported are improvements in sufficient food (74%), basic education (73%), and additional clothing/shoes (65%).

## Client Satisfaction and Protection

As a client-centric organisation, we aim to listen to and learn from our clients. We have started to carry out client satisfaction surveys for various products, and when a client no longer needs our services we carry out an exit interview.

All of the data gathered during these surveys is used to improve how we work with our clients and the services that we provide to them. We also have developed an effective procedure to address concerns or complaints our clients may have.

## SPI-4 Audit Result

This assessment of SPM practices at VFM was conducted using the SPI-4, which evaluates a microfinance institution's (MFI) performance against the Universal Standards of Social Performance Management (USSPM) and also against international standards for Client Protection. The assessment was completed in May 2019. The assessment results reveal that VFM is 89% compliant on the USSPM list of indicators overall. The MFI has a score of 90% and above on three Dimensions (1,5,6) of the USSPM and on one Dimension (2) VFM has a score of 88%.

## Benchmarks by region South and Southeast Asia (SEA)

By region SEA	Average of MFIs in SEA	VFM's Average Score
Dim 1: Define and monitor social goals	68	92
Dim 2: Commitment to social goals	57	88
Dim 3: Design products that meet clients' need	68	78
Dim 4: Treat clients responsibly	75	84
Dim 5: Treat employees responsibly	75	90
Dim 6: Balance social and financial performance	76	100
<b>Number of audits</b>	<b>81</b>	<b>1</b>

## Measuring Impact

We use the Poverty Probability Index (PPI) to ensure that we are reaching those most in need, and also to evaluate our clients' progress out of poverty over time. The PPI is a set of 10 country-specific questions, which VFM has incorporated into standard client documentation. The PPI was being used in all branches to gauge the level of poverty of our clients when we first engage with them, and through repeat questionnaires (at approximately two-year intervals), we can measure how they are moving out of poverty as we work with them.

Our research affirmed our focus on vulnerable clients. More than 50,000 new households reached by VFM (73.5%) are below the \$2.50/day 2011 Purchasing Power Parity (PPP) line.



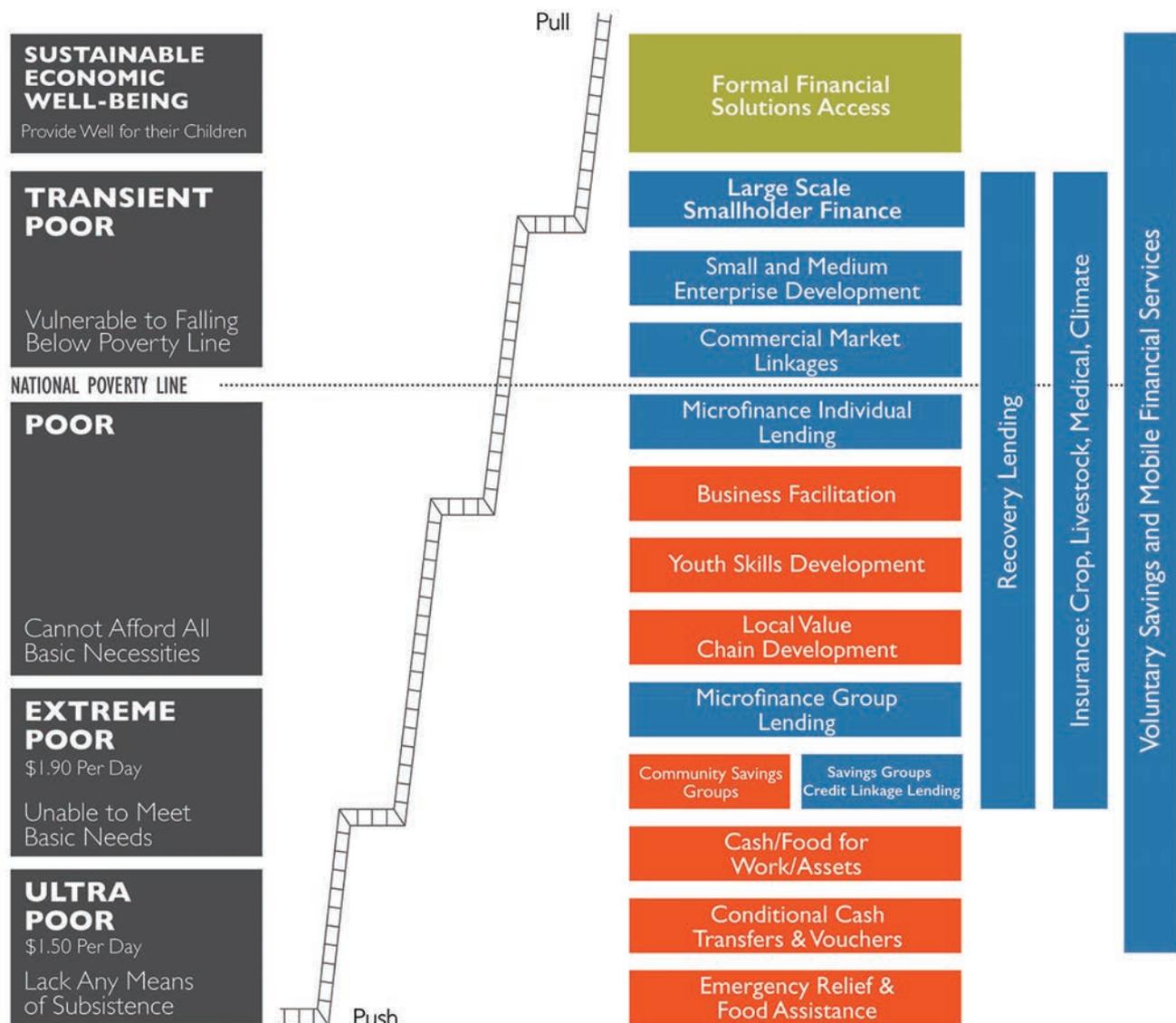
## VFM Social Performance Summary Report

Description	Balance
Children Impacted	403,208
Jobs Sustained	296,531
Jobs Created	24,085
% Women	85.80 %
% Rural	59.35 %
% Agriculture	31.57 %
Disabled in HH of Client	329
IDP Client	780
Savings Group Client	528

# Holistic Approach to Development

The provision of financial services to WorldVision's Area Programmes (APs) has always been an integral component of both organisations' approach to economic development, and is the very reason that VFM covers 80% of current or former WorldVision Myanmar (WVM) project areas are being operated in VFM areas. VFM's ability to continue to provide financial services even to phased-out APs allows communities to sustain the gains achieved from WVM's interventions even after WVM programming has ceased.

## ECONOMIC LADDER



The following are some of the special projects that continued during the reporting year in partnership with World Vision and other stakeholders:

### **Value Chain Development and Financial Inclusion for Inclusive Growth Project**

This project is funded by the Australian NGO Cooperation Program for a five-year programme between 2016-2021 to implement programming that aims to increase income, financial inclusion and nutrition in Hpa-An and Hlaing-Bwe townships in Karen State. It aims to target an estimated 11,600 households.

### **Tanintharyi Region Rural Income and Livelihoods Development**

Tanintharyi Region Rural Income and Livelihoods Development Project is funded by New Zealand's Ministry of Foreign Affairs and Trade (MFAT) and aims to increase household income through improved economic livelihoods and pro-poor and affordable financial services, for communities in Myeik and Palaw Townships at Tanintharyi state.

### **Partnership with the Livelihoods and Food Security Trust Fund (LIFT)**

Expansion to Rakhine is a major step for VFM and aligns with World Vision's increasing focus on conflict-affected areas. With the \$3.5m funding from LIFT, VFM will be able to provide access to inclusive and sustainable financial services for communities affected by conflict - Muslim and Buddhist Rakhine, as well as other minority groups such as Mro, Mramagyi, and Hindu who are often left out of development interventions.



## A Colourful Craft Paves the Way for a Bright Future



With seven years of experience in the traditional weaving industry, Ma Thin Thin Hlaing is leading the industry as a woman entrepreneur in her home town, Hpa An. Over the last five years, she has made woven fabric in the small cottage attached to her home and sold her fabric. With her efforts and VisionFund Myanmar's support, she managed to open three fabric shops in Hpa An.

Ma Thin Thin always listens to the voice of customer and market, so that she knows how to meet customer

demands with market trends. In order to give job opportunities for women, she plans to buy four or five weaving machines for producing her own designs, since she is aware that many local women have to leave their family and children for working in Thailand and other countries. Since she had many experiences of struggling for her living and raising children, she always wants to support underprivileged communities.

Our VisionFund Credit Relation Officer (CRO) often provided business coaching and gave advice in terms of customer service to grow her business since it is an important part of small and growing business (SGB) loans. Ma Thin Thin relies on her CRO's advice.

“  
Ma Thin Thin is  
grateful to VisionFund.  
“There is no one else  
like VisionFund”  
she said, giving 10  
out 10 likelihood of  
referring VFM  
to her friends.



# OUR PEOPLE



Our workforce is composed of four International Staff, four Locally Hired International Staff and 1078 National staff. We are in line with the Equal Employment Opportunity policy and do not discriminate against anyone regardless of their age, culture, disability, ethnicity, gender, marital status or religion. 56% of our staff are women, and in management positions, 44% are women.

## Capacity Building Trainings

A couple of years ago, VFM only had classroom training which incurred a high cost to the organisation. During the past two years, we have changed the way the trainings were conducted and now we have a hybrid of classrooms, WebEx or Skype, and the E-Learning Platform. We have nearly 2,000 different courses for all levels of staff in the organisation as of September 2019.

## Compensation and Benefits

We now have an international health insurance for all staff starting from 1st March 2019. We have tools such as the OurVoice Survey to ensure the voices of the staff are heard regularly and their concerns are address properly with concrete action plan.

## Performance Management

Our people managers have frequent conversations with their direct reports and receive feedback all throughout the year that enable their staff to learn, develop and achieve high performance. Hence, we successfully finished the year end performance evaluation process for FY19.

# OPERATIONS



## Business Operation Highlights

Our government aims to increase access to financial services and achieve a high degree of financial inclusion at a reasonable cost for everyone who needs them, provided by a diversity of sound and sustainable institutions operating in a competitive market environment. This goal complements VFM's operational objectives of extending services to more communities that lack access to financial services. During the reporting year, the MFI provided services to 12 of 14 provinces in Myanmar, with new branches opened in four more locations. A special focus was made to brand and revamped branches to make them more customer-friendly and inviting, with the aim of building our reputation as a 'social-bank for the poor'. As indicated by the charts, as at the end of September 2019, VFM served 190,999 clients with a portfolio of USD \$51 million.

## Major innovation / activities

- One Vision Technology (Musoni)
- Four new branches opened (three in Rakhine and one in Kayin)
- Promoted integration with World Vision
- Small and Growing Business product expanded to 37 branches
- Randomize Control Trial (RCT) Project
- E-learning
- Capacity Building Trainings

## Products and Services



### Capital Loan

Aimed at small informal and formal businesses.



### Asset Loan

For farmers and business to buy machines to enable them to accelerate improvements in agricultural (or) business production and processing.



### Child Well-Being Loan

For improving the welfare of children and targeted at low income households with at least one child.



### Casual Labour Loan

Aimed for improving the welfare of children or families with investment in several small tools, equipment, material, products and home improvement.



### SGB Loan

Small and Growing Business (SGB) loan provides a combination of increased loan capital, business advice.



### Worker Loan

Given to migrant women who are working in factories to cover business liquidity, to prevent using unauthorised money lenders at a high interest rate.



### Agriculture Loan

For farmers, seasonal planting, animal husbandry and fisheries.



### Education Loan

Intended for educational purposes, including non-formal education such as tuition, vocational training and apprenticeships.



### Social Express Loan

For women to cover business liquidity, to support their children and other fundamental needs.



### Refinancing Loan

For micro-entrepreneurs and farmers to be released from multiple borrowings and high cost debt.



### Agri Ahtoo Loan

For farmers with a good business model who are experienced and understanding about cultivation, a good credit history.



### Savings

The MFI promotes saving habits amongst clients and encourages them to save for future financial security.

## A Mother, Daughters and Dreams

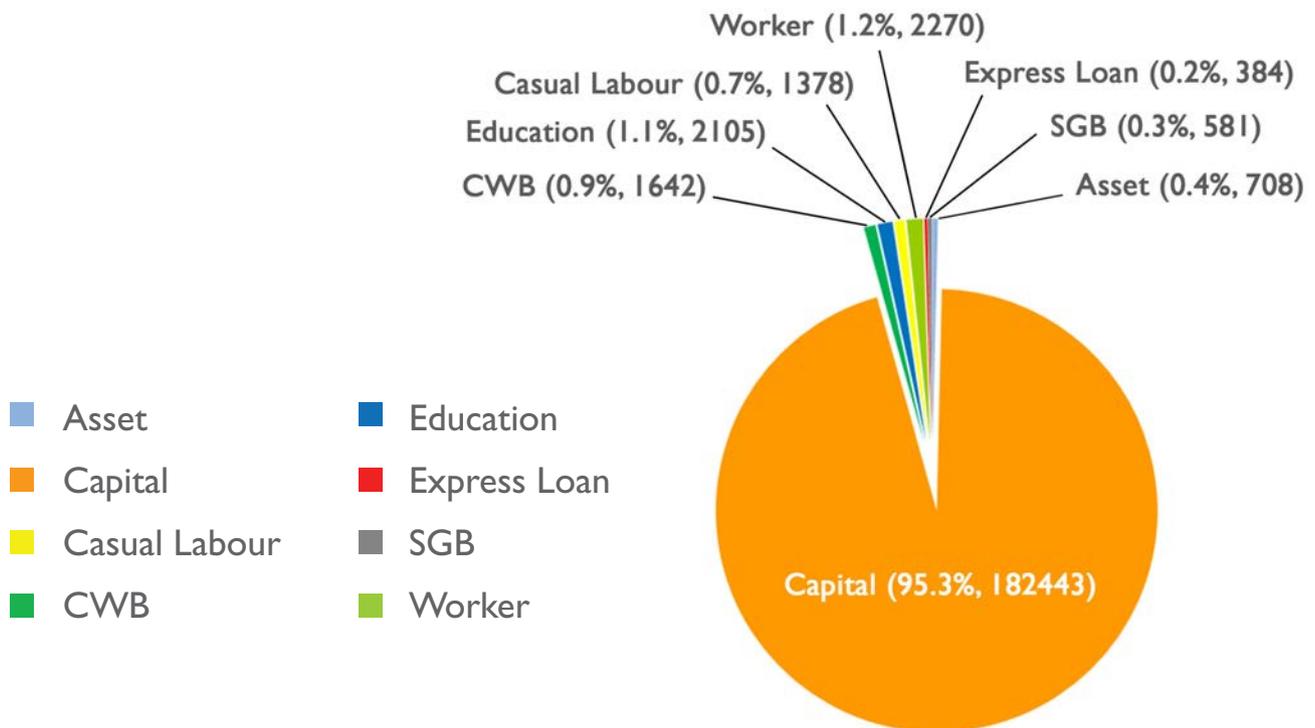


In 2018, Daw Min Min joined a VisionFund Myanmar meeting, and she applied for her first Commerce Loan of 400,000 Kyat (\$270) with a

12-month loan term. She bought a medium-size freezer to make popsicles to sell in her shop and added a variety of goods. Now, Daw Min Min Soe's shop can earn around 15,000 Kyat (\$10). After joining VisionFund, the family has extra income and has even managed to rebuild their home.

**Daw Min Min is grateful to VFM for supporting her dreams.**

## Product Portfolio



\*Product names with percentage and number of loan

# OUR PARTNERS

VFM pushed ahead with the first phase of its digital transformation in 2019. This first phase aimed to strengthen the organisation's digital foundation and included successfully replacing its core banking system to Musoni, a modern and flexible cloud based system.

Central to VisionFund Myanmar's plans to provide mobile financial services, is its partnership with MPT Money that was formed in late 2019. MPT Money is the digital financial services provider of MPT, the country's largest telecommunications provider with over 24 million subscribers. The partnership with MPT Money will allow VisionFund Myanmar clients to receive disbursements and make repayments via MPT Money's Agents. It will also allow clients to open new accounts, view account information, and make digital transactions via the MPT Money mobile wallet. This partnership will ultimately deliver more convenient and lower cost financial services to clients, and improved reach and operational efficiency for the organisation.

During FY19, VFM secured nine loans totaling USD \$17 million (approximately MMK 25.5 billion) from existing and new lenders. As of September 2019, VFM's panel of lenders includes six international lenders and two local lenders. Of the eight lenders, we welcomed two new international lenders from Belgium and Malaysia, and one local lender who have been supportive of our mission in the Microfinancing sector. To prepare for the growth in FY20, VFM has been building its pipeline with different strategies for local lenders and international lenders. Specifically, VFM has successfully secured over USD 30 million of funds from international lenders under the facility extended by Livelihoods and Food Security Multi-Donor Trust Fund ("LIFT").



# RISK MANAGEMENT



The risk management function plays an important role in managing the various risks inherent to the operations of any institution and in supporting the achievement of its business goal.

To build a strong risk culture within the institution to effectively mitigate risks, VFM adopts the three “lines of defense” against the risks faced by VFM in its day-to-day business operations and decision-making.

VFM’s Risk Management Framework (RMF) provides the organisation with a systematic means by which to manage risks. The RMF allows for an early warning system to potential problems that may occur as part of our day-to-day operations. This enables VFM to evaluate potential and emerging risks, measure its impact and put into place an action plan that clearly defines responsibility and accountability to mitigate these risks effectively and efficiently. Through the RMF, we encourage proactive and pre-emptive thinking to ease, if not completely eliminate the impact of risks.

For this purpose, VFM has a Risk Appetite Statement (RAS) that is developed with the different risk owners, proposed by management, reviewed by the Board’s Audit and Risk Committee (ARC) and approved by the Board on the endorsement of the ARC. Considering the changing operational environment as well as the growth of VFM’s operation, a revised RAS for 2019/2020 was approved by the Board in March 2019.

In addition to the RAS,VFM maintains a risk register and updates the risk heat map on a monthly basis. These risk assessment tools are discussed during the monthly Asset and Liabilities Committee Meeting where mitigating actions and controls are reviewed and evaluated and new mitigations identified, as needed, by the management team.

Moreover, fundamental to the success of risk management is a strong and functioning internal control system to safeguard assets, client deposits, guard against human errors and fraud, and likewise an internal audit function to ensure staff compliance to policies, processes and procedures.VFM has established policies, processes and procedures to mitigate risk in all areas of operations and it is the responsibility of all staff to ensure these are properly implemented and complied with.

The Board's Audit and Risk Committee and the Board of Directors determines risk policies and the effectiveness of VFM's risk management framework while the Risk Unit oversees the design and implementation of the VFM risk management processes. The Risk Unit monitors, rates/re-rates and reports on adherence to risk appetite thresholds and provides support to the Asset-Liability Committee (ALCO) and Asset Risk Consultants (ARC). There is also an internal audit unit tasked with monitoring the operations of risk controls and providing an independent appraisal on the adequacy, efficiency and effectiveness of the internal control systems implemented by management. The Internal Audit Manager reports directly to the Board Audit and Risk Committee and to the VFI Regional Audit Manager.

For FY19 covering the period October 2018 to September 2018, VFM's risk management activities included the following:

- Four Board of Directors meetings and four (4) Board Committee meetings (ARC, Social Performance and Governance and Nominations) each;
- 12 meetings of the Asset and Liabilities Committee which is held monthly;
- Site visits by the members of the Senior Management Team and the member of the Board of Directors to Branch and clients;
- 40 engagements were conducted during FY19, out of which 27 are regular branch audits, two are surprise audits of branches, nine are fraud investigations involving client and staffs, one thematic review on Whistleblowing and Client Protection and one VFI External Audit Engagement;
- Review of the RiskAppetite Statement for endorsement of the Audit and Risk Committee for FY20/21;
- Revision of the AML/CFT manual to incorporate relevant processes and procedures in a single document and planning the training and its implementation in FY20.

Looking forward,VFM will continue to build a robust risk control environment to ensure that business opportunities are effectively balanced within the framework of sound risk management and internal controls that is supported at all levels by a strong risk awareness and compliance culture,

# FINANCE

## Financial Highlights

Under Union Taxation Law 2018, the budget year has been changed from 1 April - 31 March to 1 October - 30 September starting from 1 October 2018.

Key Financial Highlights	April 2019 to September 2019	April 2018 to March 2019
Gross Income	6,264,342,607	9,821,691,589
Interest Expenses	3,436,512,340	5,643,145,158
Staff Cost	4,371,925,713	7,334,045,299
Administrative and Other expenses	1,237,101,967	2,028,735,434
Loan Loss Provision	5,746,710	510,379,421
PBT	2,423,214,140	2,510,829,420
PAT	1,917,875,117	2,510,829,420
ROE	12%	13%
Portfolio	77,960,734,500	59,977,333,631
Return on Assets	3%	4%
Operational Sustainability	113%	113%
Arrears > 1 day	0.1%	0.1%
Portfolio at risk > 1 day	0.1%	0.3%
Portfolio at risk > 30 day	0.1%	0.1%
Caseload per officer	314	339
Number of clients	190,999	186,252

## Financial Statement

### VISIONFUND MYANMAR COMPANY LIMITED

#### STATEMENT OF FINANCIAL POSITION

AS AT SEPTEMBER 30, 2019

Currency – Myanmar Kyats (MMK)

	September 30, 2019	March 31, 2019
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	9,267,746,062	10,089,069,985
Net loan portfolio	77,144,947,707	59,084,732,854
Other current assets	3,653,514,237	2,016,009,538
Total current assets	90,066,208,006	71,189,812,377
<b>Non-current assets</b>		
Property and equipment	1,546,428,046	1,134,836,773
Total non-current assets	1,546,428,046	1,134,836,773
<b>TOTAL ASSETS</b>	<b>91,612,636,052</b>	<b>72,324,649,150</b>

## Building Confidence for Mothers

Daw Su Nandar Hlaing struggled for her family daily expenses and school fees for her three children since it was not enough with her husband, U Mhann Myint's income only.



“  
Daw Su Nandar Hlaing is confident to provide school fees for her children. She was grateful to VFM for supporting their family.  
”

She applied for loans after joining the VFM loan presentation session, then she managed to open a convenience shop and start swine breeding business. With further VFM support, she is now running two businesses for her livelihood apart from her husband's income.

## LIABILITIES AND EQUITY

### LIABILITIES

	September 30, 2019	March 31, 2019
<b>Current liabilities</b>		
Other client liabilities	11,535,909,025	9,856,683,482
Other liabilities	2,106,966,401	1,235,740,178
Deferred revenue from fund	721,598,250	621,871,285
Short-term loan	20,312,393,750	7,768,950,000
	34,676,867,426	19,483,244,945
<b>Non-current liabilities</b>		
Employee benefits	735,678,690	656,400,583
Long-term loan	28,021,750,000	29,526,987,500
	28,757,428,690	30,183,388,083
<b>Total liabilities</b>	<b>63,434,296,116</b>	<b>49,666,633,028</b>

### EQUITY

	September 30, 2019	March 31, 2019
Issued and paid-up share capital	22,557,004,000	22,557,004,000
Advance share capital	4,187,290,936	584,842,239
Reserve	479,468,779	
Retained earning	954,576,221	(483,830,117)
<b>Total Equity</b>	<b>28,178,339,936</b>	<b>22,658,016,122</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>91,612,636,052</b>	<b>72,324,649,150</b>

# VISIONFUND MYANMAR COMPANY LIMITED

## STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED SEPTEMBER 30, 2019

Currency – Myanmar Kyats (MMK)

	April 1, 2019 to September 30, 2019	April 1, 2018 to March 31, 2019
<b>REVENUE</b>		
Interest income	9,700,854,947	15,464,836,747
Interest expense	(3,436,512,340)	(5,643,145,158)
Net interest income	6,264,342,607	9,821,691,589
Fee and commission income on loan	1,243,903,317	1,949,623,371
Other financial revenue	1,045,615,787	1,676,849,976
Other Income	30,092,279	47,528,732
Other income – Donation fund	582,978,754	728,265,283
Total income	9,166,932,744	14,223,958,951
Other gains/(losses)	7,903,671	(61,267,171)
Provision for loan losses	(5,746,710)	(510,379,421)
Total financial revenue	9,169,089,705	13,652,312,359
<b>EXPENSES</b>		
Operating leases	313,011,790	542,844,757
Operation fee on VFI	559,278,735	833,798,955
Depreciation expense	264,557,360	402,058,494
Personnel expense	4,371,925,713	7,334,045,299
General and administrative expense	1,020,702,922	1,624,233,393
Other expenses	216,399,045	404,502,041
Total operating expenses	(6,745,875,565)	(11,141,482,939)
Profit/(loss) before tax	2,423,214,140	2,510,829,420
Income tax expense	(505,339,023 )	–
Profit/(loss) for the period	1,917,875,117	2,510,829,420
Other comprehensive income		
Revaluation reserve		–
<b>Total comprehensive income for the year</b>	<b>1,917,875,117</b>	<b>2,510,829,420</b>

# VISIONFUND MYANMAR COMPANY LIMITED

## STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED SEPTEMBER 30, 2019

Currency – Myanmar Kyats (MMK)

	Share capital	Advance share capital	Retained profits/(losses)	Reserve	Total equity
<b>September 2019</b>					
Balance at April 1, 2019	22,557,004,000	584,842,239	(483,830,117)	–	22,658,016,122
Comprehensive income for the year					
Profit/(loss) for the year	–	–	1,917,875,117	–	1,917,875,117
Contributions from and distributions to owners					
Share issued	–	–	–	–	
Addition advance capital	–	3,602,448,697	–	–	3,602,448,697
Transfer from Retained Earning to Reserve	–	–	(479,468,779)	479,468,779	–
<b>Balance at September 30, 2019</b>	<b>22,557,004,000</b>	<b>4,187,290,936</b>	<b>954,576,221</b>	<b>479,468,779</b>	<b>28,178,339,936</b>
<b>March 2019</b>					
Balance at April 1, 2018	12,273,922,000	2,023,210,000	(2,994,659,537)	–	11,302,472,463
Comprehensive income for the year					
Profit/(loss) for the year	–	–	2,510,829,420	–	2,510,829,420
Contributions from and distributions to owners					
Share Issued	10,283,082,000	(10,283,082,000)	–	–	–
Addition advance capital	–	8,844,714,239	–	–	8,844,714,239
<b>Balance at March 31, 2019</b>	<b>22,557,004,000</b>	<b>584,842,239</b>	<b>(483,830,117)</b>	<b>–</b>	<b>22,658,016,122</b>

# VISIONFUND MYANMAR COMPANY LIMITED

## STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED SEPTEMBER 30, 2019

Currency – Myanmar Kyats (MMK)

	April 1, 2019 to September 30, 2019	April 1, 2018 to March 1, 2019
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net profit / (loss) for the year	2,423,214,140	2,510,829,420
Adjustments for non-cash items:		
Depreciation	264,557,360	402,058,494
Write off on fixed assets	18,111	4,162,799
Loan loss provision	5,746,710	510,379,421
Operating profit before working capital changes	2,693,536,321	3,427,430,134
Changes in current assets and current liabilities:		
(Increase)/ decrease in net loan portfolio	(18,065,961,563)	(17,458,599,738)
(Increase)/decrease in other current assets	(1,132,165,676)	(530,212,425)
Increase/(decrease) in other client liabilities	1,679,225,543	3,554,996,803
Increase/(decrease) in other liabilities	365,887,200	141,829,006
Cash generated from operations	(14,459,478,174)	(10,864,556,220)
Advance Tax paid	(505,339,023)	–
Net cash used in operating activities	(14,964,817,197)	(10,864,556,220)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Transferred of property and equipment		
Additions to property and equipment	(676,166,744)	(595,305,921)
Contributions to employee benefits	79,278,107	186,449,419
Net cash used in investing activities	(596,888,637)	(408,856,502)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of shares		10,283,082,000
Additional/decrease advanced share capital	3,602,448,697	(1,438,367,761)
Increase/(decrease) in short - term loan	12,543,443,750	(1,276,763,384)
Proceeds from long - term loan	(1,505,237,500)	11,183,512,500
Proceeds from Deferred revenue from fund	99,726,965	621,871,285
Net cash provided by financing activities	14,740,381,912	19,373,334,640
Net increase in cash and cash equivalents	(821,323,923)	8,099,921,918
Cash and cash equivalents at beginning of year	10,089,069,985	1,989,148,067
Cash and cash equivalents at end of year	9,267,746,062	10,089,069,985

# CONTACT

## Head Quarter :

No.95(A), 7<sup>th</sup> Floor, 8 Mile Business Center,  
Kyaik Wine Pagoda Road, 8 Mile,  
Mayangone Township, Yangon Region, Myanmar.

**Phone :** (+95) 9 750 067 003

**Email :** [info\\_visionfundmyanmar@wvi.org](mailto:info_visionfundmyanmar@wvi.org)

**Website :** [www.visionfundmyanmar.org](http://www.visionfundmyanmar.org)

