OUR MISSION
We believe in brighter futures for children. Empowering families to create income and jobs. Unlocking economic potential for communities to thrive.

OUR VISION
Our vision for every child, life in all its fullness. Our prayer for every heart, the will to make it so.
"As my income increased, I saved up for emergency use."

"I was able to invest in more farming tools and hired more workers."

"I was pleased when VFM started offering digital loan payments through mobile money for its convenience and safety especially during the pandemic and political crisis."

"The business was started with 300,000 MMK and now the shop can be expanded. We are also preparing to build a house."

"Earlier, I always used to worry about the future and borrow money from others for food. Now I can manage my business peacefully."

"Make more investment in my farm business with the loan from VisionFund and getting more income."

"Thanks to VFM, I was able to support my child until he graduated."

"Our loan from VFM also enabled us to afford gas, oil, fertilizers and pesticides whose prices significantly increased these last few months."

Note: Adapted from Semi-Annual Standardized Impact Survey (Dec 2021) and Lean Data Study (Sep 2021)
MESSAGE FROM LEADERSHIP

The year 2021 was another watershed for Myanmar, with the country adapting to the impacts of the global pandemic. People and businesses in Myanmar have faced immense challenges during the past year because of the combination of conflict, stemming from the military takeover on 1 February 2021 and COVID-19. As a result, degradation of social services and economy have left many families impoverished, displaced, traumatized and cut-off from basic services such as banking and healthcare. Women and children are expected to bear the heaviest brunt of the combined impacts of the crises.

As an MFI, VisionFund Myanmar (VFM) is positioned between the banking and non-profit sectors, both of which have been paralyzed by the crisis in 2021. However, with our prior experience operating in conflict-affected areas, VFM continues operations as fully as possible to provide access to financial services to our over 170,000 clients.

With continued support and ongoing patience of our partners, donors, and staff, we remain committed in our work to help the most vulnerable children and communities in their darkest times. Due to our efforts and faith, since 1 February 2021, VFM has disbursed over US$ 23 million (MMK 45 billion) to over 54,000 clients with 85% female client and more than 281,000 children impacted even in high security risk areas such as Kachin, Kayah, Rakhine, Northern Shan and Sagaing.

By collaborating with World Vision Myanmar, we were able to provide 1,140 clients in five target townships with a disbursement of US$ 553,520 during the National Office Response Plan project of 1 July to 31 August 2021. The project sought to reduce deteriorating living conditions and enhance the resilience of crisis-affected households. This demonstrated the high demand for loans during this period and the capacity of VFM to meet this demand with available funding.

The events of 2021 were unprecedented, and the pandemic is not over. The heath crisis was further exacerbated by the political conflict and had an enormous impact on every aspect our clients’ lives. In a volatile environment, VFM employees stepped up to the challenges and brought our purpose and values to life.

We would like to thank our employees, particularly our frontline workers, for your outstanding commitment and hard work, our clients and the communities in which we operate for their support, and our donors and partners for your confidence in us.

Michael Spingler
Chief Executive Officer
VisionFund Myanmar
OUR GOVERNANCE

Board of Directors

GRENVILLE HOPKINSON
Board Chair
National Director of World Vision International - Myanmar

DR SAW IVAN
Board Member
Member of Advisory Council of World Vision International - Myanmar

LAUNCE MOSES
Board Member
Regional Head, Asia VisionFund International

CHRIS BRYAN
Board Member
Director / Trustee of Several Businesses and Charitable Organisations

SOE KYAW KYAW
Board Member
Operations Director of World Vision International - Myanmar

CHRISTINE LEE
Board Member
Regional Operations Director - Asia VisionFund International

ADRIAN MERRYMANN
Board Member
Chief Development & Impact Investing Officer of VisionFund International

AUDE SCHONBACHLER
Board Member
Partner/ Finance & Risk Domain at Oliver Wyman

AUNG MYAING HTAY
Board Member
Freelance Consultant

Senior Executive Team

MICHAEL SPINGLER
Chief Executive Officer
BOD Member

RACHEL YU
Chief Operating Officer

MAI MYA MYA WIN
Chief Financial Officer

LIAN HUAI
People & Culture Director

TIM TEMPANY
Programme and Strategy Director

ELIZABETH ABRERA
Risk and Compliance Manager

THANDAR KYI
Senior Operations Manager

SUDEEP GAIRHE
Internal Audit Manager

THET HTWE HSU
Head of IT
OUR PROFILE

VisionFund Myanmar (VFM) is one of the largest microfinance institutions (MFIs) in Myanmar, with the widest geographic footprint, covering 12 out of the 14 States and Regions of the country. With experience operating in fragile contexts as part of a global network of mission-focused MFIs, VFM is uniquely positioned at the intersection of banks and non-profit organizations to offer both financial and non-financial services to underserved and conflict-affected communities in the midst of ongoing and protracted humanitarian crises. Our goal is to support the livelihoods of Myanmar people, particularly for women and children most vulnerable to food insecurity.

Since the crisis that started 1 February 2021, VFM has been committed to serving the most vulnerable:

- **Over 1,000 staff** operated out of **nearly 60 branches, half of the branches** serving in conflict affected areas.

- **Worked in 70+ townships covering 95,000+ villages total.**

Despite external challenges, VFM continued to support clients and their families. Over **55,000 loans totaling 28 million** were disbursed between February 2021 to September 2021 providing much needed support and liquidity to farmers and businesses.

References:
reliefweb.int
2021 EXERA Weekly Security Review

*Country map highlighting VFM branch locations and key conflict areas in 2021*
OUR 2021 HIGHLIGHTS

Continuing loan disbursements with adjusted strategy for new environment, especially to the agriculture sector (over 50% of loans disbursed during the period) to ensure food security for communities across the country.

Rollout of mobile payments through agents and mobile wallets in September 2020 to ensure well-being of clients and staff. As of January 2021, 14% of total 171,337 clients made loan repayments through mobile money.

Work from home protocols and field operating procedures according to COVID-19 guidelines. Strictly monitoring infection cases among staff and in operation areas.

Eliminating advance notice for savings withdrawals to give our clients easier access to their funds during the pandemic.

Using Crisis Management Team approach, VFM has focused on:
1. Staff safety messages and reminders
2. Security approaches for HO, branch, and travel to field
3. Liquidity management
4. Disbursement approach under current environment.

VFM disbursed 123,629 loans totaling US$65M in FY 2021, providing 170,960 clients with much needed funding to continue their business operations.
OUR IMPACT

VF Myanmar is uniquely positioned to respond to the current crisis. Many banks and NGOs have struggled to operate during these crises. But VFM, as a microfinance institution, is neither a bank nor an NGO and can continue to operate, which makes it one of the few providers of capital to the poor and most vulnerable.

We believe it is critical to understand the insight of our clients, particularly in times of crisis, and to realize the effects our business and environment has on them. We took actions to meet the shifting customer needs as well as identifying and quickly addressing new opportunity areas being created by the changing landscape.

In June 2020, VFM conducted the first Lean Data Study with the support of 60 Decibels, a specialist impact measurement organization, performing in-depth interviews with over 300 clients, 85% of whom were women. The survey highlighted that 66% of clients reported at least some improvements in their ability to reduce the impact of COVID-19 because of VisionFund.

In September 2021, we conducted a second study to gather insight into the dual impact of the political and COVID-19 crisis on our clients, to compare the results from the previous year, and to pilot conducting the study on our own. We selected 300 clients, 83% women, who were likely to be poorer than those in June 2020 survey, based on their Poverty Probability Index Scores. The purpose was to determine whether we were making an impact, especially on the poorest of our clients. Because of uncontrollable external factors emerging from the 2021 crisis, most of the study’s results seem less than the June 2020 results; however, the willingness of clients to be resilient in the crisis time can be seen with 91% reporting higher ability to grow their business because of VFM.

VisionFund Myanmar Performance Snapshot 2021

<table>
<thead>
<tr>
<th>Indicators</th>
<th>Sep 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Profile % live in poverty (below US$3.2 line)</td>
<td>35%</td>
</tr>
<tr>
<td>Impact Quality of life improved¹</td>
<td>77%</td>
</tr>
<tr>
<td>Business Investment % used their loan to grow their business</td>
<td>91%</td>
</tr>
<tr>
<td>Income % increased income²</td>
<td>61%</td>
</tr>
<tr>
<td>VFM’s impact during COVID-19 % improved ability to reduce COVID-19 impact due to VFM</td>
<td>41%</td>
</tr>
</tbody>
</table>

¹Totaling the % reported slight improvement and % reported significant improvement
²Totaling the % reported very much improvement and % reported somewhat improvement
To gauge depth of impact, clients were asked to reflect on whether their quality of life has changed because of VisionFund. Of the total, 89% of clients who said their quality of life had improved very much and slightly in June 2020 decreased to 77% in September 2021. This may be because Myanmar recorded its highest number of COVID-19 cases between June to September 2021. Additionally, the political crisis has left every vulnerable household in Myanmar with no room to breathe.
VFM was having a significant positive financial impact on clients, with an overwhelming majority reporting an increased income and better ability to plan finances. The percentage of clients who increased their income and had control over their finances in June 2020 declined slightly in September 2021 because of the difficult circumstances caused in 2021. Most of the clients said no income change because of market closure and travel restrictions due to the given crisis.

According to the UNDP, the poverty rate in Myanmar had doubled by end of 2021. However, when we look at the income change and ability to control their finances, comparing June 2020 and September 2021, we can assume that overall VFM households have not deteriorated compared to the rest of the population. This is indicative of the importance of access to finances to support families and their livelihoods especially during this difficult time. Potentially, by targeting more vulnerable households, they can benefit more from increased access to financial services provided by VFM.

Child Well-Being Outcomes (CWBOs)

(Semi-Annual VFM Standardized Impact Survey 2021 Insights)

92% of clients reported improvements in child well-being for their children.

90% of the respondents can provide sufficient clothing, shoes, and school supplies to their children.

73% of the respondents can provide sufficient and varied nutritious food to their children.
I’m confident to continue my business with the support I receive from VFM. I’m going to do everything to be able to give my daughters a comfortable life and better future.

I am glad we didn’t rely on just one business. Our pig breeding and rice mill business, together with the continuing support of VFM, will see us through this crisis.
## OUR RESPONSE TO COVID-19

### Relief Phase
- Payment holidays for various durations
- **Eliminating advance notice for savings withdrawals**
  - According to the collaborating survey of VFM and Innovations for Poverty Action (IPA) in October 2020, the majority of the participants (76%) reported using their savings to cover living expenses during the COVID-19 pandemic.
- **Strengthening cash transfer capability**
  - Registered 8,522 pregnant women and disbursed 197,220,000 MMK to 6,574 through Ngwe Bike project
  - Disbursed MMK 209 million to 3,650 beneficiaries through ENRICH nutrition project partnership with World Vision
- **Response to COVID-19**
  - 160,000+ People reached through social media
  - 60+ Banners
  - 300+ Posters
  - 1,000,000+ Masks
  - 4,000+ Sets of gloves
  - 10,000+ Soap/Liquid soap
  - 100+ Handwashing stations
  - 2,000+ Hand sanitizers

### Recovery Phase
- Loan rescheduling process and tools
- Refinancing and Recovery loans
- **Innovation in loan collection channels (mobile money) and digitization efforts to reduce official cash receipt**
- **Life insurance for all children of clients and clients’ family spouses up to age 70**
  - 426,111 people (clients, spouses, and children) covered by credit life

### Rebuilding Phase
- Product adaptations and developments
- **Refreshing Client Education Strategy and approach, including new coaching script for business continuity/crisis management and digital literacy**
- Continuing efforts to secure voluntary savings license and offer health insurance
Staff protection and well-being

- Ongoing communication and reminders from Head Office on safety protocols
- Stockpiling of PPE (masks, sanitizer) at branches
- Branch safety protocols in place (cleaning, social distancing, capacity limitations)
- Working From Home protocols and tools in place
- Staff health insurance coverage in place
- Offered emergency staff loans and staff care benefits to support staff who needed financial assistance because of health and political crisis
- New leave system in place to better manage and monitor sick leave
- Engaging with local health services and MMFA regarding prioritized vaccination of staff.

Around 40% of the total staff got vaccinated as of September 2021.
OUR PEOPLE

VFM prioritizes building the capacity of our staff and developing women leaders in the organization. We had a total of 1,112 staff, the majority are female (58%), and 67% of the senior management team members are also women as of September 2021.

Continuing our investment in our e-learning platform, we have added new courses such as the Delinquency Management Module, Musoni Tablet Application Course, Anti-Money Laundering and Countering the Financing of Terrorism (AML/CFT), and COVID-19 Loan Rescheduling Materials. A total of 24,726 training sessions were completed by staff on modules such as new staff orientation, credit officer training, credit manual training, tablet training, mobile money training, security training, motorcycle training and multiple COVID-19 response training materials.
INNOVATIONS

Extending More Channels for Digital Mobile Payment

VFM partnered with Wave Money, KBZ Pay, and KBZ bank in 2021 to expand our channels to give more clients greater convenience and choice in making repayments. At the initial stage of the digital repayment project, VFM started with only MPT Pay. Now, VFM’s digital repayment is available in four mobile money channels and is offering a more effective and secure way of making repayment to clients.

Launching Digitalized Payroll Check and Leave Request System

To better manage and monitor sick leave, and to offer an accurate payroll system in remote working time, a new payroll check system and leave process was implemented for VFM staffs.

Unlocking Opportunities through Digital Tools

Read the story of Nwe Nwe
Our Partners

Lenders

During FY21, VFM secured nine loans which totaled MMK 39.1 billion (approximately US $22.1 million) from existing and new lenders. As of September 2021, VFM’s panel of lenders includes seven international lenders and two local lenders. For FY22, VFM has negotiated to roll-forward MMK 22.5 billion of existing loans from VisionFund International and two local lenders. Going forward, VFM is looking to diversify its source of funds amongst three pools of funds: local lenders, international lenders and savings. In addition, VFM has a ready credit line of US $1.5 million with our parent company for draw-down in the event of an emergency.

Donors

During FY21, VFM received grant funding of over US $6.9 million from partnerships with LIFT and Helvetas. LIFT has provided funding for two projects to support financial inclusion to underserved populations (including people and families with disabilities) in Shan, Kayin, Kachin, and Kayah; and to conflict affected areas in Rakhine respectively. VFM partnered with organizations shown on the right, to provide financial services for the population of communities and pilot the mobile wallet in some VFM branches.
# FINANCIAL STATEMENTS

## VISIONFUND MYANMAR COMPANY LIMITED

### STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED SEPTEMBER 30, 2021

Currency – Myanmar Kyats (MMK)

<table>
<thead>
<tr>
<th>Note</th>
<th>October 1, 2020 to September 30, 2021</th>
<th>October 1, 2019 to September 30, 2020</th>
</tr>
</thead>
</table>

### CASH FLOWS FROM OPERATING ACTIVITIES

- **Net profit / (loss) for the year**: 3,791,284,458
- **Adjustments for non-cash items:**
  - Depreciation: 616,093,050
  - Write off on fixed assets: 4,184,698
  - Loan loss provision: (42,826,956)
- **Operating profit before working capital changes**: (3,213,833,666)
- **Changes in current assets and current liabilities:**
  - (Increase)/decrease in net loan portfolio: 17,684,454,300
  - (Increase)/decrease in other current assets: (3,027,334,338)
  - Increase/(decrease) in other client liabilities: (3,368,297,568)
  - Increase/(decrease) in other liabilities: 3,349,703,151
- **Cash generated from operations**: 11,424,691,879
- **Advance Tax paid**: (574,030,019)
- **Net cash used in operating activities**: (10,850,661,860)

### CASH FLOWS FROM INVESTING ACTIVITIES

- **Transferred of property and equipment**: 78,277,064
- **Additions to property and equipment**: (276,486,794)
- **Contributions to employee benefits**: 354,763,858
- **Net cash used in investing activities**: (126,542,493)

### CASH FLOWS FROM FINANCING ACTIVITIES

- **Proceeds from issue of shares**: 4,477,328,000
- **Additional/decrease advanced share capital**: 647,001,000
- **Increase/(decrease) in short - term loan**: (2,655,307,143)
- **Proceeds from long - term loan**: 1,832,274,671
- **Proceeds from Deferred revenue from fund**: (689,462,254)
- **Net cash provided by financing activities**: 3,611,834,274
- **Net increase in cash and cash equivalents**: 14,540,773,198
- **Cash and cash equivalents at beginning of year**: 12,970,769,880
- **Cash and cash equivalents at end of year**: 27,511,543,078
VISIONFUND MYANMAR COMPANY LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED SEPTEMBER 30, 2021
Currency – Myanmar Kyats (MMK)

<table>
<thead>
<tr>
<th>Note</th>
<th>October 1, 2020 to September 30, 2021</th>
<th>October 1, 2019 to September 30, 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>REVENUE</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest income</td>
<td>17</td>
<td>18,983,905,068</td>
</tr>
<tr>
<td>Interest expense</td>
<td>18</td>
<td>(12,606,482,097)</td>
</tr>
<tr>
<td>Net interest income</td>
<td></td>
<td>6,377,422,971</td>
</tr>
<tr>
<td>Fee and commission income on loan</td>
<td></td>
<td>1,363,175,566</td>
</tr>
<tr>
<td>Other financial revenue</td>
<td></td>
<td>15,852,470</td>
</tr>
<tr>
<td>Other Income</td>
<td>19</td>
<td>16,869,000</td>
</tr>
<tr>
<td>Other income – Donation fund</td>
<td>12</td>
<td>1,908,765,210</td>
</tr>
<tr>
<td><strong>Total income</strong></td>
<td></td>
<td>9,682,085,217</td>
</tr>
<tr>
<td>Other gains/(losses)</td>
<td>20</td>
<td>(137,539,257)</td>
</tr>
<tr>
<td>Provision for loan losses</td>
<td>21</td>
<td>42,826,956</td>
</tr>
<tr>
<td><strong>Total financial revenue</strong></td>
<td></td>
<td>9,587,372,916</td>
</tr>
<tr>
<td><strong>EXPENSES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating leases</td>
<td></td>
<td>683,301,052</td>
</tr>
<tr>
<td>Operation fee on VFI</td>
<td>26</td>
<td>1,336,974,356</td>
</tr>
<tr>
<td>Depreciation expense</td>
<td></td>
<td>616,093,050</td>
</tr>
<tr>
<td>Personnel expense</td>
<td>22</td>
<td>9,045,680,343</td>
</tr>
<tr>
<td>General and administrative expense</td>
<td>23</td>
<td>1,273,187,738</td>
</tr>
<tr>
<td>Other expenses</td>
<td>24</td>
<td>423,419,835</td>
</tr>
<tr>
<td><strong>Total operating expenses</strong></td>
<td></td>
<td>(13,378,657,374)</td>
</tr>
<tr>
<td><strong>Profit/(loss) before tax</strong></td>
<td></td>
<td>(3,791,284,458)</td>
</tr>
<tr>
<td>Income tax expense</td>
<td>25</td>
<td>(10,033,013)</td>
</tr>
<tr>
<td><strong>Profit/(loss) for the period</strong></td>
<td></td>
<td>(3,801,287,471)</td>
</tr>
<tr>
<td><strong>Other comprehensive income</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revaluation reserve</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total comprehensive income for the year</strong></td>
<td></td>
<td>(3,801,287,471)</td>
</tr>
</tbody>
</table>

The accompanying notes are an integral part of these financial statements.
VISIONFUND MYANMAR COMPANY LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2021
Currency – Myanmar Kyats (MMK)

The accompanying notes are an integral part of these financial statements.

<table>
<thead>
<tr>
<th>Note</th>
<th>September 30, 2021</th>
<th>September 30, 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ASSETS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Current assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>6</td>
<td>27,511,543,078</td>
</tr>
<tr>
<td>Net loan portfolio</td>
<td>7</td>
<td>79,540,102,026</td>
</tr>
<tr>
<td>Other current assets</td>
<td>8</td>
<td>8,321,060,332</td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td></td>
<td>115,372,705,436</td>
</tr>
<tr>
<td><strong>Non-current assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property and equipment</td>
<td>9</td>
<td>1,090,836,697</td>
</tr>
<tr>
<td><strong>Total non-current assets</strong></td>
<td></td>
<td>1,090,836,697</td>
</tr>
<tr>
<td><strong>TOTAL ASSETS</strong></td>
<td></td>
<td>116,463,542,133</td>
</tr>
</tbody>
</table>

| **LIABILITIES AND EQUITY** | | |
| **LIABILITIES** | | |
| Current liabilities | | |
| Other client liabilities | 10 | 10,684,955,819 | 14,053,253,387 |
| Other liabilities | 11 | 8,531,839,462 | 5,182,136,311 |
| Deferred revenue from fund | 12 | 22,447,406 | 711,909,660 |
| Short-term loan | 13 | 31,962,312,579 | 34,617,619,722 |
| **Total current liabilities** | | 51,201,555,266 | 54,564,919,080 |
| Non-current liabilities | | |
| Employee benefits | | 1,500,725,674 | 1,145,961,816 |
| Long-term loan | 14 | 31,098,523,699 | 29,266,249,028 |
| **Total liabilities** | | 32,599,249,373 | 30,412,210,844 |
| **EQUITY** | | |
| Issued and paid-up share capital | 15 | 27,141,250,000 | 22,663,922,000 |
| Advance share capital | 16 | 5,422,281,000 | 4,775,280,000 |
| Reserve | | 1,096,081,020 | 1,096,081,020 |
| Retained earning | | (996,874,526) | 2,804,412,945 |
| **Total Equity** | | 32,662,737,494 | 31,339,695,965 |
| **TOTAL LIABILITIES AND EQUITY** | | 116,463,542,133 | 116,316,825,889 |
Head Quarters:

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

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Connect with Us