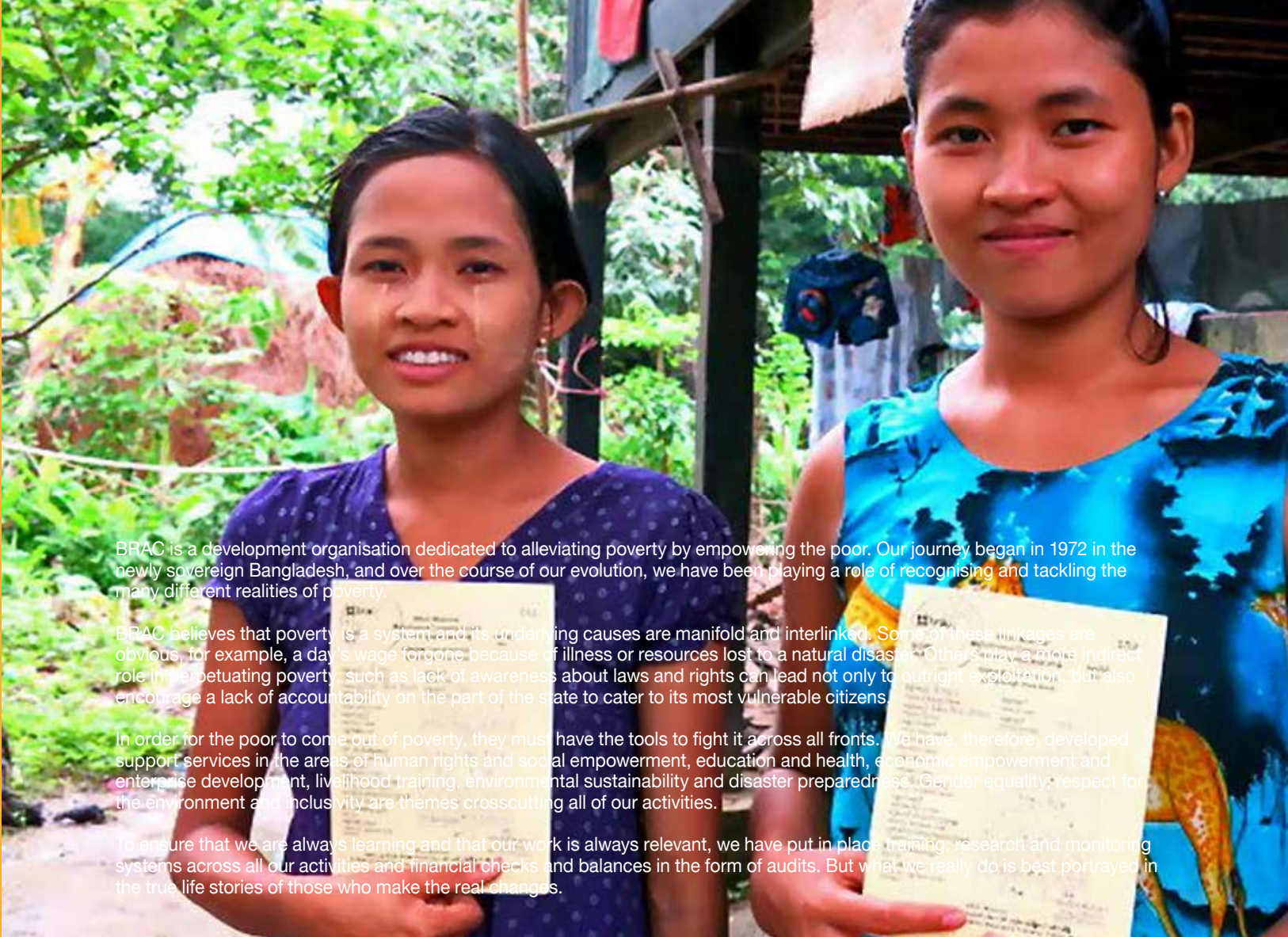


2015

ANNUAL REPORT

MYANMAR



BRAC is a development organisation dedicated to alleviating poverty by empowering the poor. Our journey began in 1972 in the newly sovereign Bangladesh, and over the course of our evolution, we have been playing a role of recognising and tackling the many different realities of poverty.

BRAC believes that poverty is a system and its underlying causes are manifold and interlinked. Some of these linkages are obvious, for example, a day's wage forgone because of illness or resources lost to a natural disaster. Others play a more indirect role in perpetuating poverty, such as lack of awareness about laws and rights can lead not only to outright exploitation, but also encourage a lack of accountability on the part of the state to cater to its most vulnerable citizens.

In order for the poor to come out of poverty, they must have the tools to fight it across all fronts. We have, therefore, developed support services in the areas of human rights and social empowerment, education and health, economic empowerment and enterprise development, livelihood training, environmental sustainability and disaster preparedness. Gender equality, respect for the environment and inclusivity are themes crosscutting all of our activities.

To ensure that we are always learning and that our work is always relevant, we have put in place training, research and monitoring systems across all our activities and financial checks and balances in the form of audits. But what we really do is best portrayed in the true life stories of those who make the real changes.

VISION

A world free from all forms of exploitation and discrimination where everyone has the opportunity to realise their potential.

MISSION

To empower people and communities in situation of poverty, illiteracy, disease and social injustice. Our interventions aim to achieve large-scale, positive changes through economic and social programmes that enable women and men to realise their potential.

VALUES

- Integrity
- Innovation
- Inclusiveness
- Effectiveness

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CHAIRPERSON'S STATEMENT

It gives me great pleasure to present the annual report and the audited financial statements for the year ending 31 December 2015.

This year's historic election turns a new page in the building of a democratic Myanmar, opening up many opportunities for its people. BRAC understood the need for financial inclusion to ensure that even the poorest members of the society can benefit from these opportunities. We launched our microfinance programme in Myanmar in 2013 to address this issue and alleviate poverty. In 2014, BRAC Myanmar Microfinance Company Limited received a licence to operate in the country.

BRAC has been able to reach over 20,000 clients in the Yangon and Bago regions, over the last two years, disbursing USD 3.39 million among them. I believe BRAC's operations in the coming years will significantly contribute to improving the living conditions of the 13 million people who still live below the poverty line in Myanmar.

I would like to thank our staff who work tirelessly to serve the people of Myanmar. I also express my gratitude to the government of Myanmar and our development partners for their continuous support. Finally, I thank our governing board for their guidance as we strive to make a change in the lives of the people of Myanmar.



Sir Fazle Hasan Abed, KCMG
Founder and Chairperson

GOVERNANCE AND MANAGEMENT

GOVERNANCE

THE LEGAL STATUS OF BRAC INTERNATIONAL

BRAC International is registered as Stichting BRAC International under the laws of the Netherlands, with its seat in The Hague. All of BRAC International's development entities operate under this umbrella. The programmes include health, education, agriculture, livelihoods, targeting the ultra poor, human rights and legal services. BRAC International Holdings BV is a wholly owned subsidiary of Stichting BRAC International and was incorporated in 2010. BRAC International's microfinance programmes, social enterprises and investment companies are consolidated under this wing. The social programmes currently supporting the enterprises include seed production, feed mills, training centres and tissue culture labs. BRAC International has introduced programmes in Afghanistan, Haiti, Pakistan, Uganda, Tanzania, South Sudan, Sierra Leone, Liberia, the Philippines, Myanmar and Nepal. It is legally registered with the relevant authorities in each of these countries.

GOVERNING BODY

BRAC International is governed by a governing body. The governing body is elected from amongst distinguished individuals with a sound reputation in the sector of social development, businesses or professions who have demonstrated their personal commitment to pro-poor causes. These individuals are elected in the governing body to bring their diverse skills, knowledge and experience to the governance of BRAC International. At present, there are 10 members in the governing body. The governing body usually meets four times a year, in accordance with the rules of Stichting BRAC International. The composition of the present governing body of Stichting BRAC International is as follows:

Members of the governing body

Chairperson:

Sir Fazle Hasan Abed, KCMG

Members:

Ahmed Mushtaque Raza Chowdhury
Dr Muhammad Musa
Ms Sylvia Borren
Dr Debapriyo Bhattacharya

Ms Shabana Azmi
Mr Shafiqul Hassan (Quais)
Ms Parveen Mahmud
Ms Irene Zubaida Khan
Dr Fawzia Rasheed

The composition of the present governing body of BRAC International Holdings BV is as follows:

Chairperson:

Sir Fazle Hasan Abed, KCMG

Members:

Ms Sylvia Borren
Dr Muhammad Musa
Ms Parveen Mahmud
Mr Hans Eskes

Details about the roles of the governing body are available in the Deed of Incorporation of Stichting BRAC International and BRAC International Holdings BV.

FINANCE AND AUDIT COMMITTEE

Composition of the present finance and audit committee is as follows:

1. Ms Parveen Mahmud, Chair
2. Dr Muhammad Musa, Member
3. Ms Sylvia Borren, Member
4. Mr Faruque Ahmed, Member
5. Mr SN Kairy, Secretary of the Committee
6. Mr Hans Eskes

The primary function of the finance and audit committee is to assist the governing board in fulfilling its responsibilities on:

- The financial reporting and budgeting processes
- The system of internal controls and risk assessment
- The compliance with legal and regulatory requirements
- The qualifications, independence, and performance of the external auditors
- The qualifications, independence, and performance of the internal audit function

LOCAL BOARDS

Each country's entities have a local board. We have aimed to pursue microfinance and development activities through separate entities in most of our countries. The local board members are appointed by Stichting BRAC International's board. The business of the local entities is managed by these local boards. Further details of the roles of the

local boards are available in the respective incorporation documents of these entities.

ADVISORY COMMITTEE

In 2015, BRAC International decided to source suitable candidates in its countries of operation to form an advisory committee. This was in part driven by the need to strengthen governance, support advocacy at the national level and enhance credibility with donors whose expectations around governance included setting up boards at the country level which comprise largely of members who are preferably nationals.

The committee members provide the country leadership with advice and support on standards and policies, overseeing the development and implementation of programmes. They are expected to advise on key external developments and trends nationally, and promote BRAC's mission. That means developing and maintaining effective and strategic working relationships with key stakeholders and civil society partners in the countries through information sharing and relevant advocacy on behalf of BRAC.

ACCOUNTABILITY AND TRANSPARENCY

The internal audit department normally conducts audits at all our cost centres on a sample basis. All departments or units in which irregularities are detected through the course of regular internal audit are then audited. Audits take place at least once a year and twice or more in locations and on programmes where a closer watch is warranted.

External audit of Stichting BRAC International, BRAC International Holdings BV and all of our legal entities are undertaken annually. Financial transparency is ensured by BRAC International's finance and accounts division, which prepares financial statements following the International Financial Reporting Standards and the laws of relevant countries.

MANAGEMENT

There is a clear-cut policy regarding the authority of each level of staff at all levels of BRAC International's management. Staff members are equipped and empowered to act as effective managers. This is clearly set out in BRAC international's human resources policies and procedures and the Table of Authority. Staff are empowered to take decisions at relevant levels and areas of management, including recruitment, deployment, capacity building, transfer, leave, financial transactions, purchase and procurement. These are described in detail to staff at the area, regional and country office levels.

The Human rights policies and procedures also contain all policies relating to staff salary, benefits, recruitment and promotion procedures, and payments. Every staff member receives orientation on the Human rights policy procedures. The Stichting board appoints officers, namely the executive director, directors, group chief financial officer, chief people officer and finance director to manage affairs from the secretariat in Dhaka. BRAC International's management policies clearly define the authority of each level of staff. Appropriate staff are empowered to take decisions at the area, regional, country levels and the head office. Procedural manuals and policy documents are available to staff. Day-to-day decisions are taken by area managers, regional coordinators and programme heads as appropriate. Larger policy decisions involve country representatives, executive director, senior directors, group chief financial officer, finance director and chief people officer, and in particular cases, the executive director, the chairperson and the governing body.

FINANCIAL MANAGEMENT

Matters relating to finance and accounts from branch offices to the country head offices are supervised and controlled by the country finance and accounts department. The branch offices prepare project-wise monthly cash requisitions, which are sent to the area/regional offices. The area/regional offices check and monitor the accuracy of the requisition and transmit them to the country office. The country office disburses funds as per the requisitions after checking. The area and branch offices send monthly expenditure statements along with bank statements to the country office's finance and accounts department. The country office then consolidates all the expenditure statements, prepares monthly financial statements and reports to BRAC International's head office (herein after secretariat) and donors, as required. A comprehensive accounting manual and statement of standard operating procedures guides the finance and accounts personnel to prepare the financial statements and reports in accordance with the accounting standards. It also guides in running the financial activities in a systematic and efficient way.

In consultation with different levels of stakeholders, the country office prepares project-wise budgets, which are then sent to the secretariat. The secretariat reviews and performs analytical procedures on the project budgets of its country offices, which are recommended by the finance director and finally approved by the group chief financial officer. The secretariat consolidates all BRAC International country financials and produces the BRAC International budget and consolidated audited financials.

The budget and the consolidations are submitted to the BRAC International governing body for approval.

INFORMATION TECHNOLOGY

The country IT department provides data to the country management information system and finance teams by managing financial and programme-related information. This data is used by country and head office personnel to prepare various financial and managerial reports and to monitor project progress. The IT team based in the secretariat also provides support relating to software update, troubleshooting and Enterprise Resource Planning development. The country IT team is reportable to the respective country management and the worldwide operations are centrally administered by the secretariat.

HUMAN RESOURCE MANAGEMENT

BRAC International's human resources and training department caters to about 7,110 employees across 10 operating countries. The team strengthens BRAC International's human resources capacity, visibility, and practices through strategic interventions and new initiatives. Following are some of the year's highlights:

Key recruitment: Significant changes to the upper management at BRAC International occurred in 2015 with the joining of new regional directors for the Africa and Asia regions, new chief people officer and research director, three new country representatives of Afghanistan, Liberia and Sierra Leone, and for the first time, a resident representative fundraiser in the Netherlands office. BRAC International established an emergency response coordination team with new emergency response coordinators joining in Uganda, Tanzania, Pakistan and South Sudan. More countries will recruit emergency response coordinators in 2016.

In keeping with BRAC's vision towards localisation of operations, local heads of department have joined in multiple countries. Some of these include local heads of finance, audit, monitoring, human resource development, research, agriculture and fundraising. The first chief executive officer of BRAC Uganda's microfinance is planning its transformation to a microfinance deposit-taking institution in 2016.

Performance management system:

To promote a high-performance culture, the performance management system has cascaded down to all employees, from country management to field staff. This has clear guidelines provided for more focused performance management, discussing performance-related rewards and developing low performers through a performance improvement process. Employees have become more attuned to key performance indicator-based achievements and rewards are linked to both performance and demonstration of BRAC values in the workplace.

Human resources management capacity:

In 2015, country-level HR departments were strengthened with improved automation of HR processes for better service delivery. The department aims to maximise

job satisfaction, enhance transparency and ensure procedural justice for all employees in accordance with the human resources policies and procedures manual. The manual provides all employees with an understanding of new policies, due benefits and the processes required to fulfil them. The human resources development further ensures employees' commitment to BRAC International's 15 policies under the code of conduct, particularly in regards to child protection and gender equality.

Staff motivation schemes: Full scholarships for higher studies are provided annually to high potential and committed staff to boost local capacity development. In 2015, four female employees were given full scholarships from BRAC to pursue postgraduate studies locally and overseas. In addition, seven female staff received the prestigious BRAC Values Award for their outstanding display of ethics and professionalism, after a rigorous screening of nominations from the entire BRAC workforce.

Organisational development: All representative job roles have been determined and placed within the organisational hierarchy. Roles have been evaluated using the Hay Method and accordingly, employees are being placed on a new salary structure. This year, all Bangladeshi staff on secondment underwent the re-grading process which took place at BRAC's headquarters. In the next phase, new country-specific salary structures, organograms and role-wise grading will come into practice for local employees next year.

Enterprise resource planning: A HR module in the new system has been designed and piloted in-house to streamline HR processes, enhance staff data management and analytic capacity. It will be implemented in phases across BRAC International, starting with BRAC South Sudan in the first quarter of 2016.

Training and development: With the vision of streamlining staff development activities, BRAC International HRD organised BRAC's first ever inclusion and diversity campaign to promote a culture of diversity, inclusion, gender sensitivity and BRAC values among its workforce. In October 2015, 16 employees from 10 operating countries participated in a 20-day training of trainers workshop at BRAC headquarters in Dhaka.

Training received on four modules:

A group of 16 trainers received training on BRAC values, inclusion and diversity, gender awareness and people leadership programme. They will develop a further pool of trainers who will execute this training programme throughout the country in 2016 to promote the 'one BRAC' culture. In addition to classroom-based training, the trainers also visited BRAC's field operations in Bangladesh and met the chairperson and BRAC International's senior management.

World Diversity Day was celebrated for the first time in May 2015, where employees took part together in cultural programmes, sports tournaments, and cooking events. This will continue to be an annual event to promote harmony and inclusiveness within the workplace.

MICROFINANCE



Over the last four decades, **BRAC microfinance** has grown to become one of the world's largest providers of financial services to the marginalised, who have limited access to formal financial institutions. It provides the necessary tools to enable the financial inclusion of millions of people across seven countries. Through its innovative, client-focused and sustainable approach, BRAC continues to show that microfinance can have a powerful impact on the lives of the marginalised. Our small enterprise loans are offered to entrepreneurs who seek to enlarge their businesses. The BRAC microfinance programme is a critical component of our holistic approach to supporting livelihoods.

STRIVING TO IMPROVE SOCIO- ECONOMIC CONDITIONS

Over the last few years Myanmar has undergone a series of political and economic reforms. Although the country is experiencing rapid economic growth, the microfinance industry remains in its early stages. BRAC started its microfinance

operations in Myanmar in 2014 with the goal to increase access to credit services for families living in poverty, and to strengthen national institutional structures for efficient and effective management of microcredit. The programme's approach focuses on women and aims to promote economic growth of households in both urban and rural areas. BRAC is now trying to reach more of the population by expanding its outreach to new states and regions.

We offer microloans ranging from USD 126 to USD1, 689 equivalent in local currency, accompanied by voluntary savings

services. We arrange exposure visits and provide scholarships to Myanmar nationals to enrol in post-graduate courses on governance and public health, as part of our capacity building commitment.

PROGRAMME HIGHLIGHTS

USD 3.39 million in loans was disbursed to **16,837** borrowers through **23** fully functional branch offices in the Yangon and Bago region. A total of **21,208** marginalised women from **904** village organisations from two regions of Myanmar became members of our microfinance programme.



To allow the management of the programme to gradually be handed over to national staff, our commitment to provide capacity building of

national staff remained a high priority. This year, we involved **222** national staff in all levels, from operational to management.

2014

2,483
borrowers

2015

16,837
borrowers

CASE STORY

THE MAKING OF A TRIPLE ENTREPRENEUR

The passbook belonging to 29-year-old Daw May Myat Kyae was the 5,078th to be distributed under BRAC Myanmar's microfinance programme. On 14 October 2014, she became the third member of the 42nd village organisation in the Bago region. As the organisation enters its second yearly term, Daw serves as the new president of the group.

Daw plans to use her second loan of USD 424 (Kyats 500,000) to invest in one of the three businesses she runs with the help of her husband and mother. Her two smaller businesses are the growing and selling of flowers, and the importing and selling of salt to markets around Bago. Her main venture is producing plastic pots to store dried fish.

Using one of the two plastic moulding machines that she bought from Yangon for USD 424 (Kyats 500,000), she is now able to produce 3,000 plastic pots a day. She sells them to a wholesaler, making USD 30 (Kyats 36,000) a day.

Bago, where Daw lives, is one of two regions that BRAC Myanmar works in, Yangon, with two additional regional offices planned for the first quarter of 2016.



SUPPORT PROGRAMMES

FINANCE AND ACCOUNTS DIVISION

The finance and accounts division is monitored by the country head of accounts, country accountants, and the branch accountants working in BRAC Myanmar. The division plays a crucial role in developing budgets, managing costs, analysing cash flows and profitability. The division ensures that all payments to government authorities comply with the laws of Myanmar. Other than the country head of accounts, all other accountants are recruited locally. So far nine local staff have been hired and trained as accountants.

INTERNAL AUDIT DEPARTMENT

The internal audit department is an independent support programme providing objective assurance and consulting services to add value and improve BRAC International's operations. It helps the organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of control and governance. It catalyses the efficiency of programmes by providing insights and recommendations based on data analysis. With a commitment to integrity and accountability, the internal audit department provides value to governing bodies and executive management as an objective source of independent opinion. The department also assists management by providing risk-based audit reports to accelerate efficiency and effectiveness, based on the internal audit charter, the terms of reference for the audit review committee, and the internal audit manual approved by the finance and audit committee.

An external quality assurance review was conducted in 2015 as per the requirement of the institute of internal auditors standards. The audit department implemented 81 per cent of their plans and reviewed 13 cost centres across all programmes in the same year. In 2016, a

full-fledged risk-based audit and system audit will be implemented. An information systems audit will also be initiated, incorporating information systems audit and control association guidelines and best practices.

COMPLIANCE SERVICES

Compliance services is committed to ensuring the compliance environment which helps the organisation to achieve specific goals. It ensures job responsibilities and assesses the role of all programmes in achieving the organisational goal. In 2015, the coverage of internal compliance questionnaire (ICQ) was expanded to all areas and regional levels of country programme management. This was only for branch level of management in the previous year and reported quarterly. The ICQ 'quick review' mechanism was initiated with the aim to strengthen the compliance culture by ensuring accountability and transparency. Compliance related to regulatory and donor affairs was also reviewed and reported bi-annually for each BI country. To strengthen the established compliance environment, plans were made for more review of the self compliance activities (e.g. ICQ audit) in the coming year.

RISK MANAGEMENT SERVICES

Risk management is at the core of the operating structure for BRAC International (BI) and its country operations. Risk management services seek to limit adverse variations in programme activities and outcomes by managing risk exposures within agreed levels of risk appetite. Risk management processes in BI continued to prove effective, along with developing a group risk register. Executive management remained closely involved in important risk management initiatives, which focused particularly on ensuring appropriate levels of funds, and effectively managing risk portfolios. Responsibility and accountability for risk management resides at all levels within the country, from the board to the country management

team, to each programme manager and risk focal. Risks are controlled at the level of individual exposures, as well as across all programmes and risk types.

The bi-annual assessment of overall risk management was carried out at a country level. The summary was discussed in the executive risk management committee meetings on 22 April and 4 November 2015, chaired by the executive director of BRAC International.

PROCUREMENT AND LOGISTICS

The procurement and logistics department purchases goods, equipment and related services. The department aims to operate in a timely manner and is responsive to the end users. The main duties carried out by the division are to take care of printing materials and stationery, deliver them to the destinations on time, ensure the safety of employees, and also protect BRAC's properties.

ADMINISTRATION

The administration department of BRAC Myanmar ensures all strategies; policies and operations are carried out in accordance with the country's rules and regulations. The department maintains liaisons with local and national government authorities. They make sure that all financial, operational and other reports are checked for consistency and transparency before submitted to relevant authorities. Additionally, they ensure that all legal requirements of immigration laws for expatriate staff are maintained.

HUMAN RESOURCES AND TRAINING DEPARTMENT

Since its inception in 2014, BRAC Myanmar has rapidly grown its workforce and currently has 243 employees, of which 91 per cent are local staff and 72 per cent are female. Under the leadership of the local head of human resources and training, the human resources and training department (HRD) conducts vigorous recruitment, pre-service orientation training, performance management orientation workshops and microfinance management courses. The team ensures employees' commitment to the 15 policies under the code of conduct of BRAC International, particularly in regards to child protection and gender equality. Expatriate staff continue to receive mandatory language and cultural training.

We developed a human resource policy and procedures (HRPP) manual in line with the country labour law. Orientation sessions for all employees on the HRPP have been finalised and will be executed in 2016, with the goal of maximising job satisfaction, enhancing transparency and ensuring procedural justice for all employees.

To promote a high-performance culture, the performance management system has cascaded down to all employees, from country management to field staff, with clear guidelines provided for focused performance management, discussing performance-related rewards and developing low performers through a new performance improvement process. Employees have become more attuned to KPI-based achievements, and rewards are linked to both performance and demonstration of BRAC values in the workplace.

With the aim to streamline staff development activities, BRAC International HRD organised BRAC's first-ever inclusion and diversity campaign, to promote a culture of diversity, inclusion, gender sensitivity and BRAC values among its workforce. In October 2015, 16 employees

from 10 operating countries participated in a 20-day training of trainers workshop at BRAC headquarters in Dhaka. Among the participants were two employees of BRAC Myanmar who received training on four modules: BRAC values, inclusion and diversity, gender awareness and people leadership programme. They will develop a further pool of trainers who will execute this mandatory training across the country in 2016 to promote the 'One BRAC' culture. In addition to conducting classroom-based training, the trainers also visited BRAC's field operations in Bangladesh and met the chairperson senior management of BRAC International.

To boost local capacity development, three employees from the Myanmar civil service were given full scholarships to complete their masters in governance studies at BRAC University's institute of governance studies in Bangladesh. They belong to the second cohort of scholarship recipients. The first cohort successfully completed their postgraduate studies earlier in the year.

INFORMATION TECHNOLOGY

The information technology division plays a crucial role in supporting both operational and financial staff to carry out their activities effectively and efficiently. Through the service pack software, the IT division supports the management to make effective decisions. The department also ensures availability of all required hardware and software for staff.

BRAC Myanmar rolled out a cloud-based, real-time enterprise resource planning system called sbi cloud, developed and managed by BRAC IT services. All operational and accounts staff and managers have been trained to use the software.

QUALITY CONTROL

The quality control department is responsible for internal monitoring and process auditing. The department also selects new branch office locations to support BRAC's expansion in Myanmar.

GOVERNANCE

BRAC MYANMAR

Board of Directors of BRAC Myanmar Microfinance Company Limited

Managing Director

Mr Shameran Abed

General Manager

Mr Kazi Faisal Bin Seraj

Directors

Mr Faruque Ahmed

Mr S N Kairy

MANAGEMENT

Kazi Faisal Bin Seraj • Country Representative, BRAC Myanmar

Kazi Faisal Bin Seraj • General Manager, BRAC Myanmar Microfinance Company Ltd

Mahbuba Yeasmin • Programme Manager, Microfinance

U Than Htay • Head of Administration and Liaison

Md Rafiqul Islam • Head of Accounts

Lian Huai • Head of Human Resource and Training

Mohsin Chowdhury • Head of Quality Control

Md Shariful Islam • Head of Internal Audit

Mahbub Hasan • Lead Country IT

Aung KoKo • Emergency Response Coordinator

Annaklara Eriksson • Lead Communications

Charles Artingstoll • Lead Researcher

DEVELOPMENT PARTNERS

We are grateful to our development partners for their continued support for our work:



This map illustrates the geographical context of Myanmar, showing its international borders and internal administrative divisions. Key features include:

- Neighboring Countries:** China to the north, Thailand to the east, and India and Bangladesh to the west.
- Major Water Bodies:** The Bay of Bengal to the south, the Andaman Sea to the southwest, and the Gulf of Thailand to the east.
- Internal Divisions:** The map shows various states and regions such as Chin, Sagaing, Kachin, Shan, and Bhamo.
- Major Cities and Towns:** Yangon, Mandalay, Bhamo, and other significant urban centers are marked.
- Rivers and Waterways:** The Irrawaddy River is a central feature, flowing from the north towards the south.
- Islands and Archipelagos:** The Mergui Archipelago and other islands in the Andaman Sea are shown.

Annual Report 2015 **11**

BRAC ACROSS THE WORLD

USA

Initiated: 2007

An independent charity to raise profile and funds for BRAC globally

UK

Initiated: 2006

An independent charity to raise profile and funds for BRAC globally

SIERRA LEONE

Initiated: 2008

Programme Focus:
MF, EHC, Ag, P&L, HRLE, ELA and FSN

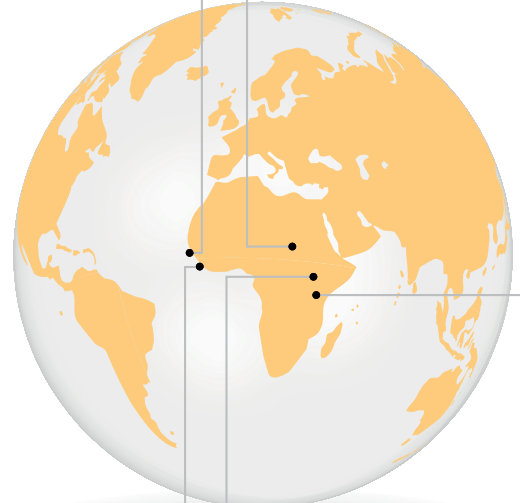
Population reached:
1.5 million

SOUTH SUDAN

Initiated: 2007

Programme Focus:
Ag, BEP, ELA, EHC, NP, PB, TB and TUP

Population reached:
1.5 million



HAITI

Initiated: 2010

Programme Focus:
BLBC

NETHERLANDS

Initiated: 2009

BRAC International registered as a charity (Stichting)

LIBERIA

Initiated: 2008

Programme Focus:
MF, SEP, Ag, P&L, EHC and ELA

Population reached:
0.7 million

UGANDA

Initiated: 2006

Programme Focus:
MF, SEP, BEP, SP, EHC, Ag, P&L, ELA, PB and KI

Population reached:
4.4 million

TANZANIA

Initiated: 2006

Programme Focus:
MF, SEP, Ag, P&L, BEP, LEAD and ELA

Population reached:
3.38 million

AFSP - Agriculture and Food Security Programme Ag - Agriculture Programme ARCs - Adolescent Reading Centres
DECC - Disaster, Environment and Climate Change EHC - Essential Health Care ELA - Empowerment and Livelihood for Adolescents FSN - Food Security and Nutrition
HRLS - Human Rights and Legal Aid Services IDP - Integrated Development Programme KI - Karamoja Initiative LEAD - Livelihood Enhancement through Agriculture Development
PB - Peace Building P&L - Poultry and Livestock RS - Road Safety SEP - Small Enterprise Programme SP - Scholarship Programme

AFGHANISTAN

Initiated: 2002

Programme Focus:
MF, SEP, BEP, ARCs, EHC, CDP,
NSP and TUP

Population reached:
4.65 million

PAKISTAN

Initiated: 2007

Programme Focus:
MF, SEP, BEP, TUP, EHC, and
Ag

Population reached:
0.7 million

NEPAL

Initiated : 2015

Programme Focus:
Rehabilitation Programme

Population reached
32,630 persons



MYANMAR

Initiated: 2013

Programme Focus:
MF

Population reached:
0.0326 million

PHILIPPINES

Initiated: 2012

Programme Focus:
BEP

Population reached:
0.06 million



BANGLADESH

Initiated: 1972

Programme Focus:
MF, BEP, HNPP, TUP, IDP, WASH, HRLS, CEP, AFSP, DECC, GJD, RS, MGP
and Enterprises

Population reached:
120 million

BEP - BRAC Education Programme BLBC - BRAC Limb and Brace Centre CDP - Capacity Development Programme CEP - Community Empowerment Programme
GJD - Gender Justice and Diversity HNPP - Health, Nutrition and Population Programme HRLE - Human Rights and Legal Empowerment
MF - Microfinance MGP - Migration Programme MLP - Malaria Programme NP - Nutrition Programme NSP - National Solidarity Programme
TB - Tuberculosis Control TUP - Targeting the Ultra Poor WASH - Water, Sanitation and Hygiene

FINANCIALS

1 Net Income

BRAC Myanmar Microfinance Company Limited completed its second years of operation in 2015. Net loss before tax was USD 386,109 as against USD 363,346 in 2014.

Interest income earned during the year is USD 294,227 as against USD 21,923 in 2014.

2 Provisions for Impairment Losses

This year amount charged for impairment of loans is USD 39,977 as against 6,237 in 2014 showing an increase of 541%. Total reserve as against impairment in 2015 was USD 44,396 and USD 6,237 in 2014 representing 2% of gross portfolio. Portfolio at Risk (PAR>30) is NIL.

3 Operating Expenses

Total operating expenses for the year was USD 825,234 as against USD 386,933 in 2014 showing an increase 113%. In 2015 an additional 18 branches were opened resulting the total number of branches to 24.

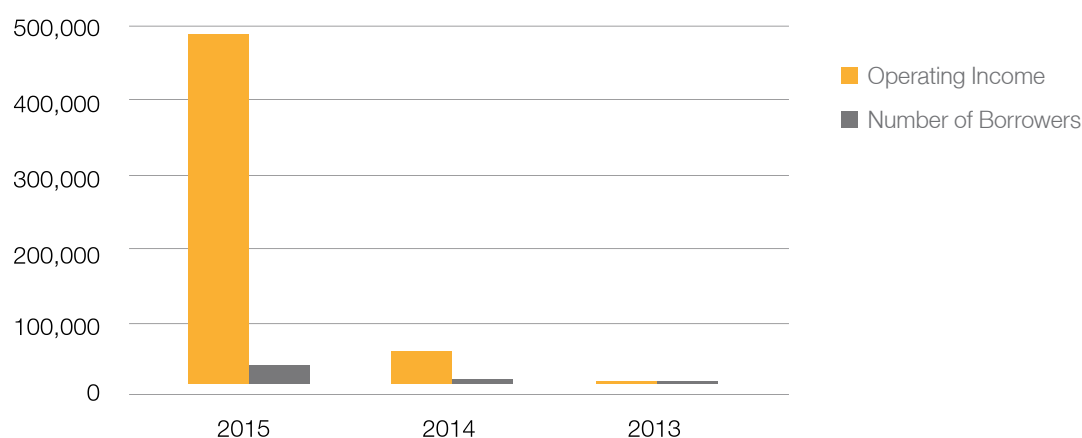
4 Financial Position

In 2015 the company's total assets increased by 371% to USD 3,497,796. Loans and advances to customers increased by 612% and is now 62% of total assets.

Performance Review

In USD	2015	2014	2013
Income Statement			
Operating Income	479,103	29,824	-
Net Profit/(Loss) Before Tax	(386,109)	(363,346)	(134,775)
Financial Position			
Total Asset	3,497,796	742,478	90,907
Net Equity	2,645,109	356,612	(30,175)
Loan to Customer (net)	2,178,298	306,042	-
Cash at Bank	1,132,377	370,110	8,317
Returns and ratio			
Return on Asset	-18%	-48%	-
Cost to Income	189%	1318%	-
Operational Statistics			
Total Borrowers	16,837	2,433	-
PAR>30	-	-	-

Operating Income Vs Number of borrowers



BRAC MYANMAR MICROFINANCE
COMPANY LIMITED
AUDITED FINANCIAL STATEMENTS

For the year ended 31 December 2015

REPORT OF THE INDEPENDENT AUDITOR'S TO THE MEMBERS OF
BRAC MYANMAR MICROFINANCE COMPANY LIMITED

Ref: Top/BMM/24022016
Date 24.2.2016

We have audited the accompanying financial statements of BRAC Myanmar Microfinance Company Limited which comprise the Statement of financial position as at 31 December 2015, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended and the notes to the financial statements.

We conducted our audit in accordance with Generally Accepted Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements, presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements give a true and fair view of the state of affairs of BRAC Myanmar Microfinance Company Limited as at 31 December 2015 and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and the Companies Act of Myanmar.



U Sein Win
Certified Public Accountant

U Sein Win
Certified Public Accountant
C.P.A. Registration. No. 495

BRAC MYANMAR MICROFINANCE COMPANY LIMITED

Audited Financial Statements

For The Year Ended 31 December 2015

DIRECTORS, OFFICE AND ADMINISTRATION

DIRECTORS

Mr. Shameran Abed	-	Managing Director
Mr. Faruque Ahmed	-	Director
Mr. Shih Narayan Kairy	-	Director

ADMINISTRATORS

Mr. Kazi Faisal Bin Seraj	-	Country Representative
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PRINCIPAL PLACE OF BUSINESS

168. Kyun Shwe Myaing Lane 2
Bogyoke Ywa, Thuwunna
Thingangyun Township
Yangon
Myanmar

AUDITORS

SEIN WIN & ASSOCIATES
Building (6), Room (223)
Kyaikkasan Housing, Marlarnwe Street
Tamwe Township
Yangon, Myanmar

BANKERS

KBZ BANK

No.33 to 49, Corner of Bank St &
Mahabandoola Garden St
Kyauktada Township
Yangon
Myanmar

MYANMA ECONOMIC BANK

Branch (1)
43-45 Pansodan St.
Kyauktada Township
Yangon
Myanmar

BRAC MYANMAR MICROFINANCE COMPANY LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2015

	Notes	2015 Kyats	2014 Kyats	2015 USD	2014 USD
ASSETS					
Cash and cash equivalents	11	1,482,281,535	379,732,806	1,132,377	370,110
Loan to customer	12	2,851,391,981	313,999,553	2,178,298	306,042
Other assets	13	77,130,000	37,473,800	58,923	36,524
Property & equipments	14	167,811,622	30,576,206	128,198	29,801
Total assets		4,578,615,138	761,782,365	3,497,796	742,478
LIABILITIES AND CAPITAL FUND					
Liabilities					
Related party payables	15	561,577,036	296,848,199	429,012	289,326
Members savings	16	467,366,578	61,555,726	357,041	59,996
Other liabilities	17	87,224,372	37,494,788	66,634	36,545
Total liabilities		1,116,167,986	395,898,713	852,688	385,866
Capital fund					
Share capital	18	4,287,880,000	871,700,000	3,275,691	849,610
Donor grant	19	238,313,436	-	182,058	-
Retained earnings		(1,063,746,284)	(505,816,348)	(812,640)	(492,998)
Total capital fund		3,462,447,152	365,883,652	2,645,109	356,612
Total liabilities and capital fund		4,578,615,138	761,782,365	3,497,796	742,478

The notes form an integral part of these financial statements



Director Finance
BRAC International



Director



Director

BRAC MYANMAR MICROFINANCE COMPANY LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2015

	Notes	2015 Kyats	2014 Kyats	2015 USD	2014 USD
Service charge on loans	4	385,143,738	22,492,886	294,227	21,923
Interest expense	5	32,439,760	1,865,966	24,782	1,819
Net income from service charge		352,703,978	20,626,920	269,445	20,104
Membership and other fees	6	75,263,600	9,619,800	57,497	9,376
Other Income	7	199,177,603	352,500	152,160	344
		274,441,203	9,972,300	209,657	9,720
Total operating income		627,145,181	30,599,220	479,103	29,824
Impairment loss on loan	8	52,330,431	6,398,933	39,977	6,237
Operating income after impairment charges		574,814,750	24,200,287	439,125	23,587
Staff costs	9	628,861,620	210,892,209	480,414	205,548
Other operating expenses	10	431,384,013	181,978,063	329,552	177,367
Depreciation	14	19,985,780	4,123,013	15,268	4,019
Total operating cost		1,080,231,413	396,993,285	825,234	386,933
Profit/ (loss) before tax		(505,416,663)	(372,792,998)	(386,109)	(363,346)
Other comprehensive Income					
Unrealized exchange gain/ (loss)		(52,513,273)	-	(40,117)	-
Net (loss)		(557,929,936)	(372,792,998)	(426,226)	(363,346)

The notes form an integral part of these financial statements



Director Finance
BRAC International



Director



Director

BRAC MYANMAR MICROFINANCE COMPANY LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2015

	Share Capital	Share money deposit	Retained Earnings	Donor Grant	Total Capital Fund	Total Capital Fund
	Kyats	Kyats	Kyats	Kyats	Kyats	USD
At 1 January 2014	48,000,000	55,240,200	(133,023,350)	-	(29,783,150)	(29,028)
Share money deposit	823,700,000	(55,240,200)	-	-	768,459,800	748,986
Net loss	-	-	(372,792,998)	-	(372,792,998)	(363,346)
Donor grants	-	-	-	-	-	-
At 31 December 2014	871,700,000	-	(505,816,348)	-	365,883,652	356,612
At 1 January 2015	871,700,000	-	(505,816,348)	-	365,883,652	279,514
Share capital	3,416,180,000	-	-	-	3,416,180,000	2,609,763
Net loss	-	-	(557,929,936)	-	(557,929,936)	(426,226)
Donor grants	-	-	-	238,313,436	238,313,436	182,058
At 31 December 2015	4,287,880,000	-	(1,063,746,284)	238,313,436	3,462,447,152	2,645,109

BRAC MYANMAR MICROFINANCE COMPANY LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2015

	Notes	2015 Kyats	2014 Kyats	2015 USD	2014 USD
Cash flow from operating activities					
Cash generated from operations	20	(214,143,014)	(112,490,046)	(163,593)	(109,639)
Loan disbursements		(4,432,215,000)	(412,400,000)	(3,385,955)	(401,949)
Loan collection		1,845,823,651	92,453,331	1,410,102	90,110
Net cash from operating activities		(2,800,534,363)	(432,436,715)	(2,139,446)	(421,478)
Cash flow from investing activities					
Acquisition of fixed assets		(157,221,196)	(26,054,850)	(120,108)	(25,395)
Net cash flow from investing activities		(157,221,196)	(26,054,850)	(120,108)	(25,395)
Cash flow from financing activities					
Members savings		405,810,852	61,555,726	310,016	59,996
Share capital		3,416,180,000	823,700,000	2,609,763	802,827
Grant received in advance		238,313,436	-	182,058	-
Share money deposit		-	(55,240,200)	-	(53,840)
Net cash from financing activities		4,060,304,288	830,015,526	3,101,837	808,982
Net (decrease)/increase in cash and Cash equivalents		1,102,548,729	371,523,961	842,283	362,109
Cash and cash equivalents at beginning					
Of the year		379,732,806	8,208,845	370,110	8,001
Translation adjustment		-	-	(80,016)	-
Cash and cash equivalents at End of the year	11	1,482,281,535	379,732,806	1,132,377	370,110

BRAC MYANMAR MICROFINANCE COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

1.00 THE REPORTING ENTITY

BRAC Myanmar Microfinance Company Limited is a wholly owned subsidiary company of BRAC International Holdings B. V., a private limited liability company registered under the laws of Netherlands, with its registered office in The Hague. BRAC Myanmar Microfinance Company Limited was incorporated as a limited liability company under the company Act on 15th October 2013 with its registration number 559 FC/13-14 and registered office in Yangon, Myanmar. The objectives of the company is to operate microfinance business in Myanmar with a mandate to contribute towards alleviating poverty and attaining Millennium Development Goals through promoting employment and income generating activities for the poor women.

2.00 BASIS OF PREPARATION

2.01 Statement of Compliance

The financial statements have been prepared in accordance with and comply with International Financial Reporting Standards (IFRS) and the requirements of the Myanmar Companies Act.

The financial statements were issued by the Board of Directors on March 8, 2016.

2.02 Basis of Measurement

The financial statements are prepared under the historical cost convention.

2.03 Functional and Presentation Currency

The financial statements are presented in Myanmar Kyats, which is the entity's functional currency.

The financial statements include figures, which have been translated from Myanmar Kyats (MMK) to United States Dollars (US \$) at the year end rate of US\$ 1: 1309 MMK. These figures are for memorandum purposes only and do not form part of the audited financial statements.

2.04 Use of estimation and Judgements

The preparation of financial statements in conformity with International Financial Reporting Standards (IFRS) requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of financial statements and reported amounts of revenues and expenses during the reported period. The estimates and associated assumptions are based on historical experiences, the results of which form the basis of making the judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results ultimately may differ from these estimates.

3.00 SIGNIFICANT ACCOUNTING POLICIES

The accounting policy set out below have been applied consistently to all period presented in this financial statements.

3.01 Property and Equipment

Property and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset.

The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located.

3.02 Depreciation

Depreciation is recognized in profit or loss and calculated to write off the cost of the property and equipment on a straight line basis over the expected useful life of the assets concerned.

The estimated useful life for the current and comparative periods are as follows: -

Furniture & Fixtures	10%
Computer/Laptop	20%
Equipments	33.33%
Vehicles	20%

Management and directors review the depreciation methods, residual value and useful life of an asset at the year end and any change considered to be appropriate in accounting estimate is recorded through the statement of comprehensive income.

Gains and losses on disposals are determined by comparing proceeds with carrying amounts and are included in the operating result for the reporting period.

3.03 Foreign currency Transactions.

Transactions in foreign currencies are translated to MMK at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated to MMK at the foreign exchange rate applicable for settlement. The foreign currency gain or loss on the monetary items is the difference between amortised cost in the functional currency at the beginning of the period, adjusted for the effective interest and payments during the period, and the amortised cost in the foreign currency translated at the exchange rate at the end of the period.

Non-monetary assets and liabilities denominated in foreign currencies, which are stated at historical cost, are translated to MMK at the foreign exchange rate ruling at the date of transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated to MMK at foreign exchange rates ruling at the dates the fair values were determined. Foreign exchange differences arising on translation are recognized in the statement of comprehensive income.

3.04 Loans and advances to customers

Loans and advances are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and that the company does not intend to sell immediately or in the near term. Loans and advances are shown at the gross amount adjusted for any provision for impairment losses.

Loans originated by the company by providing finance directly to borrowers is categorized as loans to group members and is carried at amortized cost, which is defined as fair value of the cash consideration given to originate those loans as is determinable by reference to market prices at origination date and subsequently measured at the original effective interest rate at reporting date. All loans and advances are recognized when cash is advanced to borrowers.

3.05 Impairment

Brac Myanmar Microfinance Co., Ltd generally provides for an allowance for loan impairment at 2% of loan disbursements made. Management regularly assesses the adequacy of allowance for impairment based on the age of the loan portfolio. At the year end Brac Myanmar Microfinance Co., Ltd calculate the required provision for loan losses based on loan classification and provisioning methodology which is shown note 12.01a and any adjustment, if required are made and accounted for in the financial statements for the year.

3.06 Revenue recognition

Revenue is recognized on an accruals basis.

(i) Interest income on Loans and Advances

Interest income on Loans and advances (Service charges) on regular loans that is, loans where no amounts are overdue as at the end of the reporting period are recognized on an accrual basis as income.

Service charge previously accrued but not received on loans subsequently classified as non-performing is reversed. Service charge is included in income thereafter only when its receipt becomes probable, generally when it is realized.

(ii) Membership fees and Other charges

Membership fees and other charges are recognized on an accrual basis when the service has been provided.

(iii) Other Income

Other income comprises of house rent received from local staff for using the office residence.

3.07 Other Assets

Other assets comprise prepayments, deposits and other recoverable which arise during the normal course of business; they are carried at original invoice amount less provision made for impairment losses. A provision for impairment of trade receivable is established when there is objective evidence that the Fund will not be able to collect all amounts due according to the original terms of receivables. The amount of the provisions is the difference between the carrying amount and the recoverable amount.

3.08 Cash and Cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents comprise balances with less than 90 days maturity from the balance sheet date and include: cash in hand, deposits held at call with banks, net of bank overdraft facilities subject to sweeping arrangements

3.09 Provisions and Other Liabilities

A provision is recognised if, as a result of a past event, Myanmar Microfinance Company Limited has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

Other accounts payable are carried at cost, which is the fair value of the consideration to be paid in the future for goods and services received.

3.10 Income Tax

Current income tax is the expected tax payable on taxable income for the year, using tax rates enacted at the balance sheet date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

3.11 Related Party Transactions

Related parties comprise directors, subsidiaries of BRAC International and key management personnel of the company and companies with common ownership and/or directors.

3.12 Comparatives

Where necessary comparative figures have been adjusted to conform to changes in presentation in the current year.

BRAC MYANMAR MICROFINANCE COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

	2015 Kyats	2014 Kyats	2015 USD	2014 USD
4.00 SERVICE CHARGE ON LOANS				
Service charge on loans	385,143,738	22,492,886	294,227	21,923
	385,143,738	22,492,886	294,227	21,923
5.00 INTEREST EXPENSES				
Interest expenses	32,439,760	1,865,966	24,782	1,819
	32,439,760	1,865,966	24,782	1,819
6.00 MEMBERSHIP & OTHERS FEE				
Membership fee	10,638,000	1,931,500	8,127	1,883
Loan appraisal fee	44,322,000	4,124,000	33,859	4,019
Sales of passbook	9,051,000	1,936,500	6,914	1,887
Death benefit fee	2,127,600	386,300	1,625	377
Insurance premium	9,125,000	1,241,500	6,971	1,210
Total	75,263,600	9,619,800	57,497	9,376
7.00 OTHER INCOME				
Non-operational (note-3.06.iii)	9,039,311	352,500	6,906	344
Foreign Exchange Gain (realized)	190,138,292	-	145,255	-
Total	199,177,603	352,500	152,160	344
8.00 IMPAIRMENT LOSS				
Charge for the year (12.01)	52,330,431	6,398,933	39,977	6,237
	52,330,431	6,398,933	39,977	6,237
9.00 STAFF COSTS				
Salaries and benefit	623,160,721	210,032,029	476,059	204,710
Per diem	143,650	125,470	110	122
Staff insurance expenses	1,378,119	340,960	1,053	332
Staff bonus	4,179,130	393,750	3,193	384
Total	628,861,620	210,892,209	480,414	205,548

BRAC MYANMAR MICROFINANCE COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

	2015	2014	2015	2014
	Kyats	Kyats	USD	USD
10.00 OTHER OPERATING EXPENSES				
Occupancy expenses (Note-10.01)	120,576,113	66,254,197	92,113	64,575
Travel and transportation (Note-10.02)	88,601,327	41,463,962	67,686	40,413
Maintenance and general expenses (Note-10.03)	137,866,757	55,899,268	105,322	54,483
Stationary expenses	23,044,942	6,032,214	17,605	5,879
Staff training cost	3,322,800	2,633,560	2,538	2,567
HO logistics expenses	52,578,924	6,746,462	40,167	6,575
Audit and Professional fee (Note-10.04)	5,393,150	2,948,400	4,120	2,874
Total	431,384,013	181,978,063	329,552	177,367
10.01 Occupancy expenses				
Rent	114,183,800	63,886,000	87,230	62,267
Utilities	6,392,313	2,368,197	4,883	2,308
Total	120,576,113	66,254,197	92,113	64,575
10.02 Travel & Transportation expenses				
Travel and transportation	45,438,608	17,523,602	34,712	17,080
Air Tickets & VISA cost at BD	43,162,719	23,940,360	32,974	23,334
Total	88,601,327	41,463,962	67,686	40,413
10.03 Maintenance and general expenses				
Wi-Fi and Mobile SIM & Bill	21,998,158	9,574,860	16,805	9,332
Maintenance and general expenses	43,062,262	14,451,063	32,897	14,085
Food & Beverage	29,293,300	13,446,583	22,378	13,106
Accommodation (Hotel fare)	6,302,137	-	4,814	-
Entertainment cost	7,036,299	2,463,474	5,375	2,401
Bank Charge	1,675,007	675,604	1,280	658
Uniform Cost	3,047,700	249,500	2,328	243
Exchange loss	-	9,399,648	-	9,161
Visibility & commu. expense	20,649,485	5,538,536	15,775	5,398
Vehicle maintenance & Fuel	2,952,409	-	2,255	-
Cash and bank write off	50,000	-	38	-
Member death benefit	1,800,000	100,000	1,375	97
Total	137,866,757	55,899,268	105,322	54,483
10.04 Audit and Professional fee				
Professional & consultancy fee	2,315,150	-	1,769	-
Audit fee	3,078,000	2,948,400	2,351	2,874
Total	5,393,150	2,948,400	4,120	2,874

BRAC MYANMAR MICROFINANCE COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

	2015 Kyats	2014 Kyats	2015 USD	2014 USD
11.00 CASH AND CASH EQUIVALENTS				
Cash in hand	17,882,189	3,491,870	13,661	3,403
Cash at Bank (KBZ Bank)	1,243,001,666	279,506,531	949,581	272,424
Cash at Bank (Myanma Economic Bank)	221,397,680	96,734,405	169,135	94,283
Total	1,482,281,535	379,732,806	1,132,377	370,110
12.00 LOAN TO CUSTOMERS				
Group Loans				
Opening balance	319,946,669	-	311,839	-
Loan disbursements	4,432,215,000	412,400,000	3,385,955	401,949
Loan realisation	(1,845,823,651)	(92,453,331)	(1,410,102)	(90,110)
Loans write off	(614,902)	-	(470)	-
Translation adjustment	-	-	(67,418)	-
Principal outstanding	2,905,723,116	319,946,669	2,219,804	311,839
Interest receivable	3,783,327	451,817	2,890	440
Impairment loss on loans (Note-12.01)	(58,114,462)	(6,398,933)	(44,396)	(6,237)
Net loan to customer	2,851,391,981	313,999,553	2,178,298	306,042
12.01 The movement on the impairment on loans accounts is shown below:				
Opening balance	6,398,933	-	6,237	-
Charge for the year	52,330,431	6,398,933	39,977	6,237
Loan write off	(614,902)	-	(470)	-
Interest receivable write off	-	-	-	-
Translation adjustment	-	-	(1,348)	-
	58,114,462	6,398,933	44,396	6,237
12.01a Analysis of impairment of loans:				
	Principal Outstanding (Kyats)	Provision Rate	Provision required (Kyats)	
For general provision				
No past due	2,905,723,116	2%	58,114,462	
For specific provision				
1-30 days	-	5%	-	
31-180 days	-	20%	-	
181-365 days	-	75%	-	
366-700 days	-	100%	-	
701 days and above past due	-	100%	-	
	2,905,723,116		58,114,462	
13.00 OTHER ASSETS				
Advance to House owner	77,130,000	37,473,800	58,923	36,524
	77,130,000	37,473,800	58,923	36,524

BRAC MYANMAR MICROFINANCE COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

Furniture & Fixtures	Computer & Peripherals	Equipment	Vehicles	Total	Total
Kyats	Kyats	Kyats	Kyats	Kyats	USD

14. PROPERTY AND EQUIPMENT

Cost

Opening balance	3,725,000	4,108,360	1,211,900	-	9,045,260	9,164
Additions	10,984,350	7,963,000	3,754,500	3,353,000	26,054,850	25,395
As at 31 December 2014	14,709,350	12,071,360	4,966,400	3,353,000	35,100,110	34,559
Additions	33,795,600	23,712,496	14,332,100	85,381,000	157,221,196	120,108
As at 31 December 2015	48,504,950	35,783,856	19,298,500	88,734,000	192,321,306	154,667

Depreciation

Opening balance	45,999	244,062	110,830	-	400,891	406
Charge for the year 2014	794,721	1,826,570	1,210,538	291,184	4,123,013	4,019
As at 31 December 2014	840,720	2,070,632	1,321,368	291,184	4,523,904	4,425
Charge for the year 2015	3,281,723	4,298,937	3,886,480	8,518,640	19,985,780	15,268
As at 31 December 2015	4,122,443	6,369,569	5,207,848	8,809,824	24,509,684	19,693
Net book value						
As at 31 December 2014	13,868,630	10,000,728	3,645,032	3,061,816	30,576,206	29,801
As at 31 December 2015	44,382,507	29,414,287	14,090,652	79,924,176	167,811,622	128,198

BRAC MYANMAR MICROFINANCE COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

	2015 Kyats	2014 Kyats	2015 USD	2014 USD
15.00 RELATED PARTY PAYABLES				
Payable to BRAC Bangladesh	398,641,407	186,297,838	304,539	181,577
Payable to BRAC Int. holdings B.V	50,143,171	49,913,680	38,306	48,649
Payable to Stichting BRAC Int.	112,792,458	60,636,681	86,167	59,100
Total	561,577,036	296,848,199	429,012	289,326

The amount is payable to BRAC International Holdings B. V, Stichting BRAC International and BRAC Bangladesh against expenses beared in favour of BRAC Myanmar Microfinance Co., Ltd.

16.00 MEMBER SAVINGS				
Member savings	434,926,818	59,689,760	332,259	58,177
Int. on members savings	32,439,760	1,865,966	24,782	1,819
	467,366,578	61,555,726	357,041	59,996

17.00 OTHER LIABILITIES				
Provision for salary	69,756,100	21,266,509	53,290	20,728
Liabilities for expenses	-	4,913,594	-	4,789
Withholding tax payable	13,275,343	8,499,875	10,142	8,284
Self Insurance provision	1,730,529	352,410	1,322	343
Provision for audit fee	2,462,400	2,462,400	1,881	2,400
Total	87,224,372	37,494,788	66,634	36,545

18.00 SHARE CAPITAL				
Paid-up share capital (18.01)	4,287,880,000	871,700,000	3,275,691	849,610
	4,287,880,000	871,700,000	3,275,691	849,610

18.01 Share Capital
428,788 ordinary shares of Kyats 10,000 each, issued and fully paid as detailed below;

	No. of Shares	2015 Kyats	2014 Kyats	2015 USD	2014 USD
BRAC Int. holdings B. V	428,787	4,287,870,000	871,690,000	3,275,684	849,600
Mr. Faruque Ahmed	1	10,000	10,000	8	10
Total	428,788	4,287,880,000	871,700,000	3,275,691	849,610

19.00 DONOR GRANT				
Grant received in advance (19.01)	223,013,436	-	170,369	-
Grant investment in loan (19.02)	15,300,000	-	11,688	-
Total	238,313,436	-	182,058	-

19.01 Grant received in advance				
Grant received during this year	238,313,436	-	182,058	-
Grant investment in loan	(15,300,000)	-	(11,688)	-
Total	223,013,436	-	170,369	-

BRAC MYANMAR MICROFINANCE COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

	2015	2014	2015	2014
	Kyats	Kyats	USD	USD
19.02 Grant investment in loan				
Opening balance	-	-	-	-
Transferred from grant, investment in loan	15,300,000	-	11,688	-
Total	15,300,000	-	11,688	-

20.00 CASH GENERATED FROM OPERATION

Net loss for the year	(557,929,936)	(372,792,998)	(426,226)	(363,346)
Depreciation	19,985,780	4,123,013	15,268	4,019
Loan loss provision	52,330,431	6,398,933	39,977	6,237
Cash flow before changes in working capital	(485,613,725)	(362,271,052)	(370,981)	(353,091)
Changes in working capital				
Decrease/(increase) of receivables and other current assets	(39,656,200)	35,398,600	(30,295)	34,502
Decrease/(increase) in interest receivable	(3,331,510)	(451,817)	(2,545)	(440)
Increase/(decrease) of related party Payables	264,728,837	189,649,932	202,237	184,844
Increase/(decrease) of current Liabilities	49,729,584	25,184,291	37,991	24,546
Net cash generated from operations	(214,143,014)	(112,490,046)	(163,593)	(109,639)

21.00 Contingent Liabilities

Contingent Liabilities are not recognised but disclosed in the financial statements unless the possibility of an outflow of resources embodying economic benefits is reliably estimated.

Contingent assets are not recognised in the financial statements as this may results in the recognition of income which may never be realised.

22.00 Subsequent Events

There were no significant subsequent events occurring in periods after the report date that came to our attention with a material effect on the financial statements at 31 December 2015.

23.00 Disclosure if any

At balance sheet date there is no contingent liability.

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