Dear friends,

As a premature Christmas gift, we received our microfinance license early December, to start our microfinance activities in Myanmar. We are very pleased to be able to use our know-how, which we have developed in Vietnam over the last 15 years in Myanmar as well. The demand is there and it is high. We remain faithful to our philosophy and start our activities in remote rural areas around Mandalay, where people have no access to loans helping them build a modest existence.

We have a committed team of 20 employees on site, with the aim of satisfying the credit needs of 4000 - 5000 families by the end of 2017 and supporting 500 children with school grants.

As a result, the Dariu Foundation’s team has grown to over one hundred employees. I would like to take this opportunity to thank them all for their great commitment, without which the Dariu Foundation could not write their success story.

The highlights of 2016 in a nutshell: 20,000 microfinance customers in Vietnam and India, microfinance license for Myanmar received, over nine million US$ loans disbursed, 12,505 scholarships issued in the last years, a total of 26 kindergartens built. We now operate eight mobile libraries and 35 mobile schools, which have trained more than 23,000 children in the past year.

Last summer, during a three-day workshop, we dealt intensively with the goals of our foundation which we have set five years ago: To get one million people out of the poverty trap in a sustained matter with microfinance and education by 2025.

The good news is: we are positive that we are on the right track with our mission. And even better - that we will most likely reach our goals in 2021/22 already.

In order to achieve this, we will expand our microfinance activities in Vietnam, Myanmar and India massively, and we expect fifty thousand customers by the end of 2019 at the latest.

We also have aspiring goals for our mobile schools. This model, which we developed, is very efficient and shows great results. Today, we offer basic computer skills courses for children in rural areas that do not normally have access to computers and the Internet. To ensure that these children do not miss out on the connection to digital development, we will also offer basic courses for programming. Our ambitious goal is to train 150,000 to 200,000 children through such courses over the next three years.

I would like to thank you all for your interest and your ongoing support for our projects. I wish you an exciting read and look forward to seeing you again.

Thank you for your continued support.

THOMAS TRÜB
President of The Dariu Foundation
The Dariu Foundation is committed to delivering financial services at affordable costs to sections of disadvantaged and low-income segments of society.
“Financial inclusion is a key enabler to reducing poverty and boosting prosperity.”
- by World Bank

CHAI SCHNYDER
Founder Rolf Schnyder Foundation, Former Chair Ulysse Nardin, Switzerland

Watching the quiet confidence with which the micro-financed ladies manage their livelihood, their pride when showing us their produce; and seeing the happiness in their eyes when greeting visitors from TDF, it is clear to me that Dariu’s efforts in Vietnam (and now Myanmar and India) is well targeted and most timely - being at the cusp of a developmental boom; bringing much benefits to the people in the provinces not served by conventional financial institutions.

MICHAEL RINGIER
Chairman Ringier AG, Switzerland

Dariu foundation does not do any development aid - it does investments. Believing into people’s own motivation and encouraging their declared intention to improve their own position in life, is by far the most efficient start-up aid for a change.

DANIEL SIEGFRIED
Co-Founder Child’s Dream Foundation

Dariu Foundation is a successful hybrid between the not-for-profit and the for-profit sector. By applying business concepts to its development model, it makes the foundation’s interventions not only more sustainable but also strongly rooted in their communities. Having met the team behind Dariu Foundation on multiple occasions I can vouch for their personal commitment, dedication and professionalism. The team is ideally equipped with the skills, knowledge and the network to harmonically bridge the social and the corporate sector in order to empower the children and communities in Vietnam, India and Myanmar.

ALBERTO VENZAGO
Photojournalist, filmmaker and artist

As a dedicated and committed world citizen and an international documentary filmmaker and photojournalist, I have seen enormous suffering and poverty around the world. The helplessness kept being overwhelming throughout my activities. I believed that a picture can change the world, because I was committed to the truth. But ultimately it is just a picture. An organization like the Dariu Foundation is giving hope. Where the media and politics cease, passionate individuals step in. Schools instead of swords. Education rather than banal ideologies.

“Financial inclusion is a key enabler to reducing poverty and boosting prosperity.”
- by World Bank
ULI BURGERSTEIN
Chairman Burgerstein Vitamine, Switzerland

Microfinance may be one of the world’s most powerful solutions to poverty. Small loans fuel economic self-sufficiency. Microcredits increase household consumption and give women more clout in their communities. Considering nearly half the world survives on less than US$2 a day, microfinance is a vital solution. The Dariu Foundation’s key strategy is in helping people living in poverty to become financially independent, which helps them become more resilient and better able to provide for their families. On top of that, The Dariu Foundation builds their own schools and combines a mandatory school-visit with the grant of microcredits – a unique model and sensible solution.

INES KAINDL
President of the Board, Swiss Krono Group, Switzerland

The Dariu Foundation focuses on microfinance and scholarships for low income families. Borrowers are usually women and the foundation links the issuance of a credit to an obligatory school attendance. By doing so, The Dariu Foundation empowers the most vulnerable and marginalized class in society: Women and children! I believe that empowering women and supporting them to send their children to school is a key factor not only in combating poverty but also in strengthening women’s rights worldwide.

TRAN CONG THANH
Deputy head of Vung Liem District, Department of Education, Vietnam

I have been working with The Dariu Foundation since 2008 and mobile schools/libraries are among the most successful projects. The mobile schools enabled thousand of our rural youth to access to computer literacy and internet skills. Without TDF’s support, the district Department of Education could not fulfill the need by our students. We expect that TDF will expand with more mobile schools to benefit more and more needy students.
Having visited some projects of The Dariu Foundation in Kolkata and Myanmar, I was most impressed by the passionate and pragmatic approach, combining microfinance and innovative educational modules to help people to get out of the poverty trap. The application of proven business principles to bring these initiatives quickly to a self-financing level is very effective. This is modern social entrepreneurship.

The Dariu Foundation works on the principles of the Grameen Bank and is therefore extremely successful in Vietnam. The fact that the issuing of microcredits is linked to the obligatory school attendance of the children from respective beneficiary families is an interesting experiment. I wish the foundation much success in the future and, who knows, maybe one day we will even be able to take on a collective project.
Microcredit represents an efficient and effective method of combating poverty. It’s known to us through the UNO microcredit year, Nobel Prize award and the Max Schmidheiny independence award to the Grameen Bank founder, Muhammad Yunus, from Bangladesh. Microcredit institutions provide credit to the poor through self-organized networks. And they do so at interest rates and against securities which no normal bank can possibly accept or compete with. Borrowers are chiefly women, and success in Vietnam is backed by promoters such as Yunus or The Dariu Foundation. I have been closely following activities of The Dariu Foundation since it was first established, and have also studied the results close at hand in Vietnam. I am particularly fascinated by the fact that microcredit is closely linked with education, thus tackling two problems associated with poverty at the same time.
URS WIETLISBACH  
Co-Founder Partners Group, Switzerland

The Dariu Foundation, with its unique model – combining the grant of micro-credits with mandatory school attendance for the children – impressed us greatly by its efficient structure and the clearly visible impact it has on education and the well-being and lives of the participants. The rural areas of Vietnam and Myanmar are home to some of the poorest people, it is therefore crucial to step in and break the vicious circle of poverty and non-education. That is where The Dariu Foundation excels.

ULI SIGG  
Swiss businessman, art collector, former Swiss Ambassador to China

Microfinance is an emerging phenomenon that opens access to capital for individuals previously shut out from financial services. In its direct engagement with the poor, microfinance represents a new way for financial capital to potentially stimulate economic growth in developing countries. The way The Dariu Foundation links the allocation of microcredits to a mandatory school attendance is not only very smart – but helps the children, who are the most vulnerable, to step out of the poverty trap at an early age.

GERHARD SCHröDER  
Former German Chancellor

I visit Vietnam regularly and I have known about The Dariu Foundation projects for many years. The people there are doing a top job, with a high degree of professionalism and efficiency. It surprises me time and time again to see just how little money it takes to help the poorest of the poor get on their own two feet and secure a better future under their own steam.
Even a small loan of US $200 can be enough to launch a small business by a low income family that could help the beneficiaries pull themselves and their family out of poverty.

**Vietnam**

Microfinance and education are the key pillars. While microfinance program helps roughly 17,000 low-income women, the education projects benefit more than 30,000 children among these families each year. We are operating in the southern provinces of Dong Nai, Tien Giang and Vinh Long with projects of microfinance, scholarships for the disadvantaged students, kindergarten building and computer literacy via mobiles schools.

**Myanmar**

Dariu Microfinance Company Limited, officially licensed in the country in 2016, aimed to create access to financial services for the rural low-income women. The first branch was launched in the remote township Yamethin, like most of the rural areas where almost 90 percent of the population lacks access to official financial services. In addition, we have launched our operations since 2013 with the project of mobile schools, creating access to computer and internet for thousands of rural youth.

**India**

Sampurna Training and Entrepreneurship Program (STEP) is a non-profit microfinance organization. It works dominantly in Kolkata’s slum areas, offering a range of services, including financial, business development and social services to meet individual needs. STEP currently serves 6,545 low-income families with microfinance services, impacting more than ten thousand participants in the last year with its services.
Families receiving microfinancing are less likely to pull their children out of school for economic reasons.
Kinder gartens

Unlike primary, secondary and high school education, kindergarten schooling for children under 5 is not regulated as compulsory education under the Constitution of the S.R. of Vietnam. The number of kindergartens, both public and private, currently only meet 25 per cent of total demand. The average State spending for a child at kindergarten level is about US$250 per year, of which 83 per cent is spent on teachers’ salaries. Only 17 per cent goes to facilities, educational programs and other investments.

In such context, solidly-built kindergarten classrooms for children are severely lacking in many rural areas. Our kindergarten project helps to build new schools in these areas. Each kindergarten usually consists of three classrooms and required facilities, accommodating around 120-200 children. By the end of 2016, we have 20 mobile kindergartens in Vietnam and 14 in Myanmar, training 68,393 students in total since 2011.

Microfinance

Our microfinance program involves extending small loans and savings services to the rural low-income women who don’t currently have access to capital. The program helps people living in poverty to become financially independent, enabling them to become more resilient and better able to provide for their families in times of economic difficulty.

We provide low-income clients with affordable microloans and convenient savings services via groups of 5-9 members. Basically, the clients get step-by-step loans ranging from US$200 to US$2,500 in 8 rounds, and depositing their compulsory savings of 25 cents per week. By the end of 2016, we are serving 17,145 clients with the total outstanding loan of US$4.80 million.

Mobile schools/libraries

In such developing countries like Vietnam and Myanmar, access to computers remains big challenges for the disadvantaged children, especially in the rural and mountainous areas where computer literacy remains an unaffordable luxury for most of them. Our aim is to narrow the gap of computer skills between kids in the urban and rural areas.

It is said that we have given foot for the schools, so that they do not stand still in one place like a normal school, but moving to reach out to the students - that’s what we call mobile schools, including containers, foldable houses, and 36-seat cruisers as a floating school. By the end of 2016, we have 20 mobile schools in Vietnam and 14 in Myanmar, training 68,393 students in total since 2011.

Scholarships

The Scholarships for Disadvantaged Students program provides scholarships to primary and secondary students from disadvantaged backgrounds, whose mothers are involved in microfinance programs. The program provides the students with school utensils (notebooks, pens, uniforms) and/or bicycles, which costs on average US$100 per student per year.

In order to qualify for this scholarship program, the mothers must be microfinance clients. The students must also characterize their financial situation as low income or very low income, are recommended by both loan officers and local partners’ representatives. 12,505 scholarships have been awarded to the financially needy students since 2007, thus contributing to the prevention of school drop-outs among children of the poor and poorest families.
KEY STATISTICS

MICROFINANCE HIGHLIGHTS

VIETNAM

**Total Number of Active Clients**: 17,145

**Total Loan Disbursed**: 15,095

**Total Value Disbursed**: US $6.6 million

**Total Value Compulsory Savings**: US $320,494

**Total Value Voluntary Savings**: US $384,790

**Loan Repayment Rate**: 99%

**Total Outstanding Loan**: US $4.8 million

**Total Outstanding Outstanding Loan**: US $4.8 million

**Total Outstanding Loan**: US $4.8 million
India

- Total outstanding loan: US $616,992
- Total # loan disbursed from TDF’s funding: 2,359
- Total number of clients: 6,545
- Total of loan value disbursed: US $415,564

Myanmar

- Company license registered in March 2016
- Company’s microfinance license registered in October 2016
- Total outstanding loan:
  - Myanmar: US $X
- Total # loan disbursed from TDF’s funding: 2,359
- Total of loan value disbursed: US $X
- Total number of clients: 6,545
EDUCATION HIGHLIGHTS

**MOBILE SCHOOLS/ LIBRARIES**

- **Vietnam**: 20 mobile schools in Vietnam
- **Myanmar**: 14 mobile schools in Myanmar
- **29,000** students trained on financial literacy between 2012-2015
- **8 mobile container libraries opened since 2014, of which 5 mobile libraries launched in 2016**

**Training**

- **Vietnam**: 52,393 students trained since 2011
  - **17,650** students in 2016
- **Myanmar**: 16,000 students trained since 2013
  - **6,000** students in 2016

**Scholarships**

- **12,505** scholarships granted since 2004
  - **2,505** scholarships granted in 2016
- **26** kindergartens built since 2004
  - **02** kindergartens built in 2016

**Training**

- **Vietnam**: 52,393 students trained since 2011
  - **17,650** students in 2016
- **Myanmar**: 16,000 students trained since 2013
  - **6,000** students in 2016

**Scholarships**

- **12,505** scholarships granted since 2004
  - **2,505** scholarships granted in 2016
- **26** kindergartens built since 2004
  - **02** kindergartens built in 2016
OUR CLIENTS
NIEM NGUYEN
48 years old, Vinh Long province

Her economic situation was good enough until her two out of three sons went to University, and the parents had not earned enough to finance their needs. As a bad penny always turns up, they both had serious health problems and needed hospital treatment, yet they had no more income and savings. So they decided to first sell their lands, valuable properties and then borrow money from the loan sharks. It was that time she joined Dariu’s microfinance program and got the first loan of US$265 to invest in chicken farming. After six months, she earned a profit of US$110. She continued to invest her profit and another loan, and earned more than US$350 of profit in the same year. “My last son was granted a bicycle by the Dariu Foundation in August 2016. We just rented three thousand square meters of land to cultivate guava and beans. My husband just got a job as a driver. I am so excited with the progress,” boasted Nien.
Although the couple had a number of jobs, they still faced numerous difficulties and uncertainties. In 2014, they were referred to a training program organized by the local government on guiding the farmers to grow mushrooms. After the training program, she was referred to Dariu's microfinance program and got the first loan to invest in 4,000 mushroom grain spawns in 2014. The business grew well and she could earn on average US$7 each day. With more loans from Dariu, her business has increased four times to 16,000 mushroom grain spawns. She now earns around US$30 per day from mushrooms. The good thing is I have a daily income while I can pay the loan on weekly basis. It helps us with the first loan and builds up savings gradually, said Thuy.
MUOI PHAN
45 years old, Vinh Long province

With a family of five members, including three children at school, the couple could not earn enough for their food and education. They were unable to get loans from any bank at the time in 2010. Then she joined Dariu’s microfinance program in the same year. With US$88, she rented a hectare of land and invested in growing corn. After four and a half months, she earned US$220. She gradually grew her farm into 10 hectares of corns, vegetables nowadays. “With each hectare we can earn US$3,000–$3,500, and the profit per hectare is around US$850 per year,” said Tam. “I also utilize corn leaves, corns and vegetables as food for four cows, chickens and pigs,” she added. After seven years with Dariu, they could send all the kids to school, building a new house for US$15,000 and have an annual profit of at least US$8,000 per year.
SUONG TRAN
44 years old, Vinh Long province

Suong tried several kinds of jobs but her family’s incomes remained unstable. She also produced incense by hand, but on the small scale and that was not enough. One day, when she visited a friend who produced incense by machine, she realized that the quality and productivity was absolutely much better than hers. While she was looking for capital, she was recommended to join a group of Dariu’s microfinance program in 2014. She invested her loan and savings into two incense-making machines. By the end of 2016, she already had 4 machines, creating jobs for the whole family of 5 members and hiring three more. “Thanks to the profit we made, we can build a new house and ready for expansion of our business,” SUONG said. She earned a total income of US$30,000 and profit of US$3,200 in 2016.
STATEMENT OF ACTIVITIES 2016 VIETNAM

<table>
<thead>
<tr>
<th>Income</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Income</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loan interest income</td>
<td>1,078,256</td>
<td>1,078,256</td>
</tr>
<tr>
<td>Donation from Daru Switzerland</td>
<td>-</td>
<td>500,317</td>
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<tr>
<td>Bank interest</td>
<td>9,385</td>
<td>-</td>
</tr>
<tr>
<td>Foreign exchange gains</td>
<td>1,331</td>
<td>-</td>
</tr>
<tr>
<td>Other donations</td>
<td>-</td>
<td>115,984</td>
</tr>
<tr>
<td>Transfer between Microfinance and Charity</td>
<td>-</td>
<td>211,066</td>
</tr>
<tr>
<td>Other income</td>
<td>40,257</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Income</strong></td>
<td>1,129,228</td>
<td>827,367</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Expenses</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Expenses</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Staff salary and benefits</td>
<td>440,169</td>
<td>88,927</td>
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<tr>
<td>Office rental</td>
<td>24,207</td>
<td>5,094</td>
</tr>
<tr>
<td>Telephone, fax and internet</td>
<td>5,840</td>
<td>4,762</td>
</tr>
<tr>
<td>Electricity and water</td>
<td>3,351</td>
<td>684</td>
</tr>
<tr>
<td>Travel and transportation</td>
<td>11,362</td>
<td>18,053</td>
</tr>
<tr>
<td>Car rental</td>
<td>9,210</td>
<td>12,400</td>
</tr>
<tr>
<td>Training and seminars</td>
<td>4,823</td>
<td>798</td>
</tr>
<tr>
<td>Scholarship granting</td>
<td>-</td>
<td>95,791</td>
</tr>
<tr>
<td>School building, mobile school</td>
<td>-</td>
<td>143,092</td>
</tr>
<tr>
<td>Expenses from other donations</td>
<td>-</td>
<td>86,532</td>
</tr>
<tr>
<td>Stationery and other office costs</td>
<td>9,696</td>
<td>1,138</td>
</tr>
<tr>
<td>Interest expenses</td>
<td>21,489</td>
<td>-</td>
</tr>
<tr>
<td>Foreign exchange losses</td>
<td>1,000</td>
<td>340</td>
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<tr>
<td>Bank charges</td>
<td>1,831</td>
<td>260</td>
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<tr>
<td>Depreciation expenses</td>
<td>11,002</td>
<td>1,553</td>
</tr>
<tr>
<td>Provision for doubtful debts</td>
<td>11,924</td>
<td>-</td>
</tr>
<tr>
<td>Commission for group leaders</td>
<td>20,794</td>
<td>-</td>
</tr>
<tr>
<td>Transfer between Microfinance and Charity</td>
<td>-</td>
<td>211,066</td>
</tr>
<tr>
<td>Other expenses</td>
<td>33,794</td>
<td>80,439</td>
</tr>
<tr>
<td><strong>Total Expenses</strong></td>
<td>821,669</td>
<td>542,792</td>
</tr>
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</table>

EXCESS OF INCOME OVER EXPENSES

<table>
<thead>
<tr>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>307,560</td>
<td>285,775</td>
</tr>
</tbody>
</table>

**TOTAL**

<table>
<thead>
<tr>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>1,437,788</td>
<td>1,165,142</td>
</tr>
</tbody>
</table>
FINANCIAL
POSITIONS
2016 VIETNAM

ANNUAL REPORT

MICROFINANCE ACTIVITIES  CHARITY ACTIVITIES  TOTAL
MICROFINANCE ACTIVITIES  CHARITY ACTIVITIES  TOTAL

AS AT 31/12/2016

AS AT 31/12/2015

ASSETS

Current assets
Cash on hand  7,122  -  7,122  28,427  -  28,427
Cash at bank  414,746  -  414,746  527,953  -  527,953
Loan receivable  4,549,204  -  4,549,204  3,772,407  -  3,772,407
Provision for doubtful debts  -38,324  -  -38,324  -33,157  -  -33,157
Advance to suppliers  14,488  -  14,488  5,741  -  5,741
Receivables from Microfinance activities  -  522,094  -  -  270,677  -
Other receivables  718  -  718  19,280  -  19,280
Other current assets  24,156  -  24,156  55,122  -  55,122
TOTAL CURRENT ASSETS  4,972,110  522,094  4,972,110  4,375,773  270,677  4,646,450

Non-current assets
Loan receivable  307,553  -  307,553  193,310  -  193,310
Property, plant and equipment  -  -  0  106  -  106
Construction in progress  -  -  0  -  -  0
Other non-current assets  14,113  -  14,113  9,386  -  9,386
TOTAL NON-CURRENT ASSETS  321,666  0  321,666  202,801  0  202,801
TOTAL ASSETS  5,293,777  522,094  5,293,777  4,578,575  270,677  4,849,252

EQUITY AND LIABILITIES

Current liabilities
Accounts payable - voluntary savings  398,382  -  398,382  382,711  -  382,711
Accounts payable - compulsory savings  342,102  -  342,102  291,623  -  291,623
Payables to employees  59,008  -  59,008  34,021  -  34,021
Payable for Charity activities  522,094  -  522,094  270,677  -  270,677
Payable to suppliers  -  -  0  -  -  0
Accrued liabilities  19,230  -  19,230  14,963  -  14,963
Other payables  55,122  -  55,122  28,427  -  28,427
TOTAL CURRENT LIABILITIES  1,397,285  0  1,397,285  1,040,567  0  1,040,567

TOTAL NON-CURRENT LIABILITIES  13,721  -  13,721  5,397  -  5,397
TOTAL LIABILITIES  1,411,006  0  1,411,006  1,040,567  0  1,040,567

Equity
Paid-in capital of owners  1,492,032  -  1,492,032  1,473,521  -  1,473,521
Donations  160,804  -  160,804  158,809  -  158,809
Surplus from Microfinance activities  2,229,935  -  2,229,935  1,900,288  -  1,900,288
Surplus from charity activities  -  522,094  -  -  235,025  -
TOTAL EQUITY  3,882,771  522,094  4,404,865  3,322,618  235,025  3,557,643

TOTAL EQUITY AND LIABILITIES  5,293,777  522,094  5,293,777  4,578,575  270,677  4,849,252

Unit: CHF - Exchange rate 2016: 22.576
Exchange rate 2015: 22.860

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### CONSOLIDATED BALANCE SHEET

**DECEMBER 31, 2016**

**Unit:** CHF - Exchange rate 2016: 22.576
Exchange rate 2015: 22.860

<table>
<thead>
<tr>
<th>ASSETS</th>
<th>AS AT 31/12/2016</th>
<th>AS AT 31/12/2015</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash</td>
<td>1,574,512</td>
<td>1,778,115</td>
</tr>
<tr>
<td>Loans receivable</td>
<td>4,510,878</td>
<td>3,739,250</td>
</tr>
<tr>
<td>Other accounts receivable</td>
<td>718</td>
<td>194,055</td>
</tr>
<tr>
<td>Prepaid expenses</td>
<td>30,386</td>
<td>145,741</td>
</tr>
<tr>
<td>Other current assets</td>
<td>24,156</td>
<td>55,122</td>
</tr>
<tr>
<td><strong>TOTAL CURRENT ASSETS</strong></td>
<td>6,140,650</td>
<td>5,737,633</td>
</tr>
<tr>
<td><strong>Fixed assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property plant and equipment</td>
<td>0</td>
<td>106</td>
</tr>
<tr>
<td>Loans receivable, long-term</td>
<td>524,867</td>
<td>193,310</td>
</tr>
<tr>
<td>Majority-owned subsidiary in construction</td>
<td>90,428</td>
<td>0</td>
</tr>
<tr>
<td>Other non current assets</td>
<td>14,113</td>
<td>9,386</td>
</tr>
<tr>
<td><strong>TOTAL NON-CURRENT ASSETS</strong></td>
<td>629,408</td>
<td>202,801</td>
</tr>
<tr>
<td><strong>TOTAL ASSETS</strong></td>
<td>6,770,058</td>
<td>5,940,435</td>
</tr>
</tbody>
</table>

| EQUITY AND LIABILITIES | | |
| **Current liabilities** | | |
| Other current liabilities | 855,961 | 754,921 |
| Deferred income and accrued expenses | 86,367 | 124,741 |
| **TOTAL CURRENT LIABILITIES** | 942,327 | 879,662 |

| LONGTERM LOANS/PAYABLES (INCL CURRENT PORTIONS) | | |
| Equity prior year | 4,206,340 | 3,900,580 |
| Profit for the period | 783,363 | 1,047,883 |
| Translation differences current year | 43,882 | -251,923 |
| **TOTAL EQUITY** | 5,033,586 | 4,204,340 |
| **TOTAL EQUITY AND LIABILITIES** | 6,770,058 | 5,940,435 |
## CONSOLIDATED PROFIT AND LOSS STATEMENT 2016

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>OPERATING REVENUES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loan interests</td>
<td>1,078,263</td>
<td>1,013,428</td>
</tr>
<tr>
<td>Donations</td>
<td>904,604</td>
<td>1,376,365</td>
</tr>
<tr>
<td>Other income</td>
<td>40,257</td>
<td>15,252</td>
</tr>
<tr>
<td><strong>TOTAL INCOME</strong></td>
<td>2,023,124</td>
<td>2,425,045</td>
</tr>
<tr>
<td><strong>EXPENSES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Personnel costs</td>
<td>586,646</td>
<td>553,822</td>
</tr>
<tr>
<td>Scholarship awarded</td>
<td>95,791</td>
<td>70,696</td>
</tr>
<tr>
<td>School building</td>
<td>229,626</td>
<td>295,532</td>
</tr>
<tr>
<td>Expenses Myanmar</td>
<td>(0)</td>
<td>167,521</td>
</tr>
<tr>
<td>General and administrative expenses</td>
<td>106,570</td>
<td>71,235</td>
</tr>
<tr>
<td>Write-off bad debts</td>
<td>11,904</td>
<td>17,448</td>
</tr>
<tr>
<td>Other expenses</td>
<td>135,028</td>
<td>93,933</td>
</tr>
<tr>
<td>Depreciation of fixed assets</td>
<td>12,555</td>
<td>13,454</td>
</tr>
<tr>
<td><strong>TOTAL OPERATING EXPENSES</strong></td>
<td>1,178,140</td>
<td>1,292,643</td>
</tr>
<tr>
<td><strong>OPERATING PROFIT</strong></td>
<td>844,984</td>
<td>1,132,402</td>
</tr>
<tr>
<td><strong>OTHER INCOME (EXPENSE)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest income</td>
<td>9385</td>
<td>2448</td>
</tr>
<tr>
<td>Interest expense</td>
<td>(80,439)</td>
<td>(67,304)</td>
</tr>
<tr>
<td>Foreign exchange differences</td>
<td>9434</td>
<td>226</td>
</tr>
<tr>
<td><strong>TOTAL OTHER INCOME (EXPENSE)</strong></td>
<td>(81,421)</td>
<td>(64,720)</td>
</tr>
<tr>
<td><strong>NET INCOME (LOSS) FOR THE YEAR</strong></td>
<td>783,363</td>
<td>1,067,683</td>
</tr>
</tbody>
</table>

Unit: CHF - Exchange rate 2016: 22.445
Exchange rate 2015: 22.646
Financial sustainability is a crucial indicator of the success of our microfinance program. After all, a program that can cover its costs can also grow, serving more and more clients. But for us, like most other microfinance institutions and funders, it is also important to reach poor and very poor people, to provide quality services and most importantly, to improve the lives of our clients.
Category 3 (design products that meet clients’ needs) scores 82 out of 100 points (82%), suggesting that we still have room for improvement. We are currently limited by the fact that we plan to give smaller loans to a larger number of clients, while clients are always in need of larger loans. Also, while our loan products are designed only for weekly repayments and income generating activities, there are clients who want loans for monthly/annual repayments with more varied purposes. TDF has increased loan sizes to a maximum of VND50 million, while still adhering to the principle of offering at least 50% of small loans (less than VND15 million) to newly-recruited and very poor clients.

With other indicators scoring over 94%, we believe that our foundation is moving in the right direction in terms of commitment to our social goals, treating clients and employees responsibly and especially balancing social and financial performance.
SUPPORT

The Dariu Foundation calls for support by both private and institutional partners to generate a measurable social impact.

YOU HELP 175 LOW-INCOME WOMEN ACCESS TO LOANS, IMPACTING 600 FAMILY MEMBERS IN ONE YEAR.

WITH A GRANT OF US $35,000

YOU HELP BUILD A SCHOOL OR KINDERGARTEN ENABLING ACCESS FOR OVER 200 CHILDREN EACH YEAR IN AREAS WHERE THERE IS NO SCHOOL OR ACCESS IS DIFFICULT. EACH KINDERGARTEN CONSISTS OF 3 CLASSROOMS AND REQUIRED FACILITIES.

WITH A GRANT OF US $35,000

YOU HELP PROVIDE SCHOLARSHIPS TO 350 VULNERABLE CHILDREN, ENABLING THEM TO ATTEND SCHOOL FOR ONE YEAR COVERING THE COSTS FOR UNIFORMS, PENS, BOOKS ETC OR A BIKE.

WITH A GRANT OF US $35,000

YOU HELP PROVIDE A GRANT FOR A MOBILE SCHOOL ENABLING 1,000 STUDENTS TO JOIN THE COMPUTER INTERNET SKILLS TRAINING COURSES EVERY YEAR.
We are a Swiss Foundation incorporated under Swiss law, tax-exempted, with offices in Vietnam and Myanmar. Your involvement can help us break the circle of poverty. If you would like to make a donation please contact:

MANUELA NIETH, Communication & Fundraising of The Dariu Foundation, at MANUELA@DARIU.COM, or please use one of the following bank accounts:

**VIETNAM ACCOUNT**
- Account name: The Dariu Foundation
- Account number (US$): 044 137 3703067
- Bank name: Vietcombank – Tan Binh branch
- Bank address: 364 Cong Hoa, ward 13, Tan Binh district, Ho Chi Minh city
- Swift code: BFTVVNVX007

**SWITZERLAND ACCOUNTS**
- Bank: Aargauische Kantonalbank
- Branch/address: Lindenplatz 18, CH-4800 Zofingen, Switzerland
- Account name: Dariu Foundation, c/o Ringier AG, Brühlstrasse 5, CH-4800 Zofingen, Switzerland
- Account number (CHF): 0160 9256 2057 (IBAN: CH42 0076 1016 0925 62057)
- Account number (US$): 0161 1162 7253 (IBAN: CH29 0076 1016 1116 2725 3)
- Swift Code: KBAGCH22
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Kolkata 700030
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