



THE DARIU FOUNDATION
Investment In Empowerment

2016

ANNUAL REPORT

INVESTING IN
MICROFINANCE AND EDUCATION

-
EMPOWERING WOMEN AND
THEIR FAMILIES

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LETTER FROM THE PRESIDENT



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



TESTIMONIALS

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.



ALBERTO VENZAGO

Photojournalist, filmmaker and artist

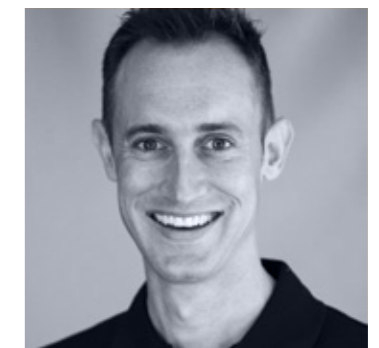
As a dedicated and committed world citizen and an international documentary filmmaker and photojournalist, I have seen enormous suffering and poverty around the world. The helplessness kept being overwhelming throughout my activities. I believed that a picture can change the world, because I was committed 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.



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.



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.



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 combatting poverty but also in strengthening women's rights worldwide.



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.





Education - The most **powerful investment** in our future



RAYMOND J. BÄR
Chairman Alpine Select Ltd.,
Honorary President Julius Bär
Group, Switzerland

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 those initiatives quickly to a self financing level is very effective. This is modern social entrepreneurship.



MUHAMMAD YUNUS
Professor, Nobel Peace Prize winner
and founder of the Grameen Bank
in Bangladesh

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.



CAROLINA MÜLLER-MÖHL

Swiss Entrepreneur and Philanthropist, Founder and President of the Müller-Möhl Group and former member of the Nestlé board of directors

Microcredit represents an efficient and effective method of combatting 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.



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.



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.

COUNTRIES

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 mobile 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.



PROJECTS

Families receiving microfinancing are **less likely** to pull their children out of school for economic reasons.



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.

Kindergartens

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. The total investment is around US\$70,000, which will be contributed 50%-50% by both TDF/its donors and the local partners. To date, 26 kindergartens have been constructed in such cooperation since 2004.

KEY STATISTICS

MICROFINANCE HIGHLIGHTS

VIETNAM

TOTAL
NUMBER OF
ACTIVE CLIENTS

17,145

TOTAL
OUTSTANDING
LOAN

US \$4.8
MILLION

TOTAL
LOAN
DISBURSED

15,095

TOTAL OF
LOAN VALUE
DISBURSED

US \$6.6
MILLION

TOTAL VALUE
COMPULSORY
SAVINGS

US \$384,790

TOTAL VALUE
VOLUNTARY
SAVINGS

US \$320,494

LOAN
REPAYMENT
RATE

99%

TOTAL
OUTSTANDING
LOAN
US \$616,992

TOTAL # LOAN
DISBURSED FROM
TDF'S FUNDING
2,359

INDIA

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

EDUCATION HIGHLIGHTS



MOBILE SCHOOLS/ LIBRARIES

20 MOBILE SCHOOLS IN VIETNAM

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

VIETNAM

TRAINING **52,393** STUDENTS SINCE 2011

OF WHICH **17,650** STUDENTS IN 2016

MYANMAR

TRAINING **16,000** STUDENTS SINCE 2013

OF WHICH **6,000** STUDENTS IN 2016



SCHOLARSHIPS

12,505 SCHOLARSHIPS GRANTED SINCE 2004

OF WHICH **2,505** SCHOLARSHIPS GRANTED IN 2016



KINDERGARTENS

26 KINDERGARTENS BUILT SINCE 2004

OF WHICH **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.





THUY NGUYEN

40 years old, Vinh Long province

Although the couple tried 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 mushrooms 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 first loans 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

Unit: CHF - Exchange rate 2016: 22,445
Exchange rate 2015: 22,646

	2016			2015		
	MICROFINANCE ACTIVITIES	CHARITY ACTIVITIES	TOTAL	MICROFINANCE ACTIVITIES	CHARITY ACTIVITIES	TOTAL
INCOME						
Loan interest income	1,078,256	-	1,078,256	1,013,428	-	1,013,428
Donation from Dariu Switzerland	-	500,317	500,317	-	187,759	187,759
Bank interest	9,385	-	9,385	2,448	-	2,448
Foreign exchange gains	1,331	-	1,331	1,659	-	1,659
Other donations	-	115,984	115,984	-	43,544	43,544
Transfer between Microfinance and Charity	-	211,066	211,066	108,881	-	108,881
Other income	40,257	-	40,257	33,781	1,471	35,252
TOTAL INCOME	1,129,228	827,367	1,956,595	1,160,197	232,774	1,392,971
EXPENSES						
Staff salary and benefits	440,169	88,927	529,096	398,632	94,425	493,056
Office rental	24,297	5,924	30,221	22,054	5,320	27,374
Telephone, fax and internet	5,840	4,762	10,602	8,822	683	9,506
Electricity and water	3,351	684	4,035	3,171	702	3,873
Travel and transportation	11,362	18,953	30,315	9,887	19,553	29,440
Car rental	9,210	12,400	21,610	9,134	14,294	23,428
Training and seminars	4,823	798	5,621	6,988	910	7,898
Scholarship granting	-	95,791	95,791	-	50,791	50,791
School building, mobile school	-	143,092	143,092	-	164,121	164,121
Expenses from other donations	-	86,532	86,532	-	160,317	160,317
Stationery and other office costs	9,696	1,138	10,834	9,728	1,111	10,839
Interest expenses	21,489	-	21,489	23,665	-	23,665
Foreign exchange losses	1,020	340	1,360	785	262	1,047
Bank charges	1,831	260	2,091	1,147	205	1,352
Depreciation expenses	11,002	1,553	12,554	11,890	1,564	13,454
Provision for doubtful debts	11,924	-	11,924	17,448	-	17,448
Commission for group leaders	20,794	-	20,794	23,584	-	23,584
Transfer between Microfinance and Charity	211,066	-	211,066	-	108,881	108,881
Other expenses	33,794	80,439	114,233	30,772	39,576	70,348
TOTAL EXPENSES	821,669	541,592	1,363,261	577,706	662,717	1,240,423
EXCESS OF INCOME OVER EXPENSES	307,560	285,775	593,334	582,491	-429,943	152,548

FINANCIAL POSITIONS 2016 VIETNAM



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

	AS AT 31/12/2016			AS AT 31/12/2015		
	MICROFINANCE ACTIVITIES	CHARITY ACTIVITIES	TOTAL	MICROFINANCE ACTIVITIES	CHARITY ACTIVITIES	TOTAL
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	4,375,773
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	4,578,575
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	59,908	-	59,908	34,021	-	34,021
Payable for Charity activities	522,094	-	-	270,677	-	-
Payable to suppliers	-	-	0	0	-	0
Accrued liabilities	19,230	-	19,230	14,963	35,652	50,615
Other payables	55,569	-	55,569	46,565	-	46,565
TOTAL CURRENT LIABILITIES	1,397,285	0	875,191	1,040,560	35,652	805,536
TOTAL NON-CURRENT LIABILITIES	13,721	-	13,721	5,397	-	5,397
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	522,094	-	235,025	235,025
TOTAL EQUITY	3,882,771	522,094	4,404,865	3,532,618	235,025	3,767,642
TOTAL EQUITY AND LIABILITIES	5,293,777	522,094	5,293,777	4,578,575	270,677	4,578,575

CONSOLIDATED BALANCE SHEET

DECEMBER 31, 2016

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

	AS AT 31/12/2016	AS AT 31/12/2015
ASSETS		
Current assets		
Cash	1,574,512	1,778,115
Loans receivable	4,510,878	3,739,250
Other accounts receivable	718	19,405
Prepaid expenses	30,386	145,741
Other current assets	24,156	55,122
TOTAL CURRENT ASSETS	6,140,650	5,737,633
Fixed assets		
Property plant and equipment	0	106
Loans receivable, long-term	524,867	193,310
Majority-owned subsidiary in construction	90,428	0
Other non current assets	14,113	9,386
TOTAL NON-CURRENT ASSETS	629,408	202,801
TOTAL ASSETS	6,770,058	5,940,435
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)	794,145	854,433
Equity prior year	4,206,340	3,390,580
Profit for the period	783,363	1,067,683
Translation differences current year	43,882	-251,923
TOTAL EQUITY	5,033,586	4,206,340
TOTAL EQUITY AND LIABILITIES	6,770,058	5,940,435





CONSOLIDATED PROFIT AND LOSS STATEMENT 2016

Unit: CHF - Exchange rate 2016: 22.445
Exchange rate 2015: 22.646

	2016	2015
OPERATING REVENUES		
Loan interests	1,078,263	1,013,428
Donations	904,604	1,376,365
Other income	40,257	35,252
TOTAL INCOME	2,023,124	2,425,045
EXPENSES		
Personnel costs	586,646	553,822
Scholarship awarded	95,791	79,696
School building	229,626	295,532
Expenses Myanmar	(0)	167,521
General and administrative expenses	106,570	71,235
Write-off bad debts	11,924	17,448
Other expenses	135,028	93,933
Depreciation of fixed assets	12,555	13,454
TOTAL OPERATING EXPENSES	1,178,140	1,292,643
OPERATING PROFIT	844,984	1,132,402
OTHER INCOME (EXPENSE)		
Interest income	9,385	2,448
Interest expense	(80,439)	(67,394)
Foreign exchange differences	9,434	226
TOTAL OTHER INCOME (EXPENSE)	(61,621)	(64,720)
NET INCOME (LOSS) FOR THE YEAR	783,363	1,067,683

BEYOND GOOD INTENTIONS

MEASURING THE SOCIAL PERFORMANCE OF OUR MICROFINANCE PROGRAM

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**.

We strongly believe that access to financial services can help clients improve their lives. Though financial sustainability is essential for us to expand our services, it does not automatically ensure that client-level benefits are realized.

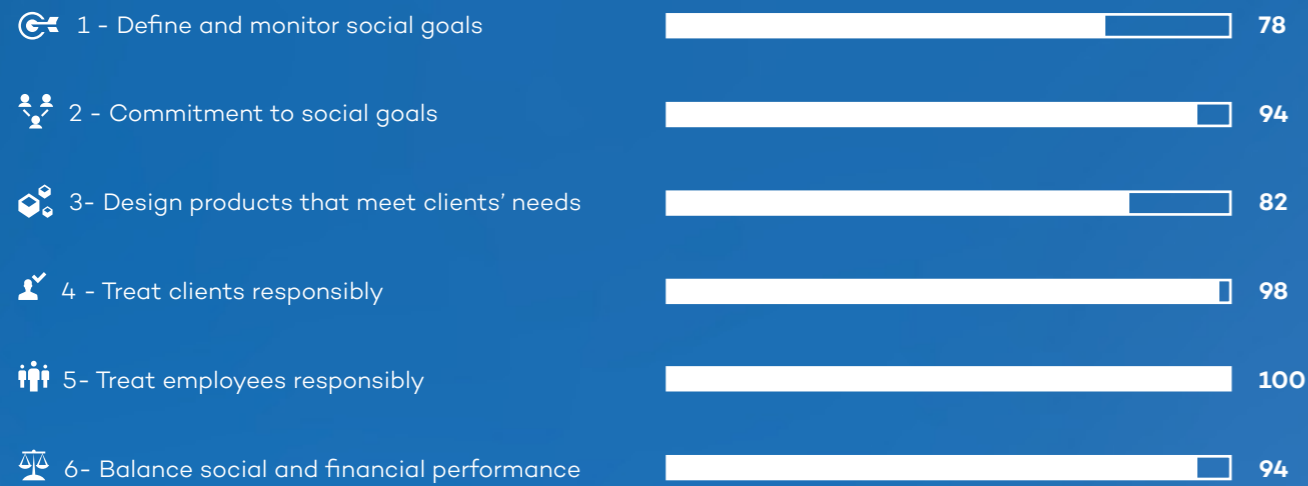
Our institutional and individual donors invest money in our projects, especially microfinance, with the belief that microfinance helps poor people. To be accountable to these funders, we record and report on how our stated goals are being achieved. In doing so, TDF uses the universal form of Social Performance Indicators (SPI 4.0), using six benchmarks to measure its social performance. As a self-evaluation tool, this framework helps us identify our own strengths and weaknesses and find innovative ways to improve

social performance. Because it exhaustively analyses the six key dimensions of social performance, the SPI 4.0 is precise in highlighting areas for improvement.

We start with an analysis of the declared social objectives of our organisation, and our foundation's social mission is then clearly defined. Our activities are directly linked to the achievement of the foundation's social goals. In addition, we also have appropriate systems in place to meet these objectives. However, we lack a system to routinely track the poverty index. The impact on clients is typically measured once every two years through an in-depth study of the clients' income improvement, employment, education (of their children), quality of life and empowerment; effected through a program of random interviews.



UNIVERSAL STANDARDS

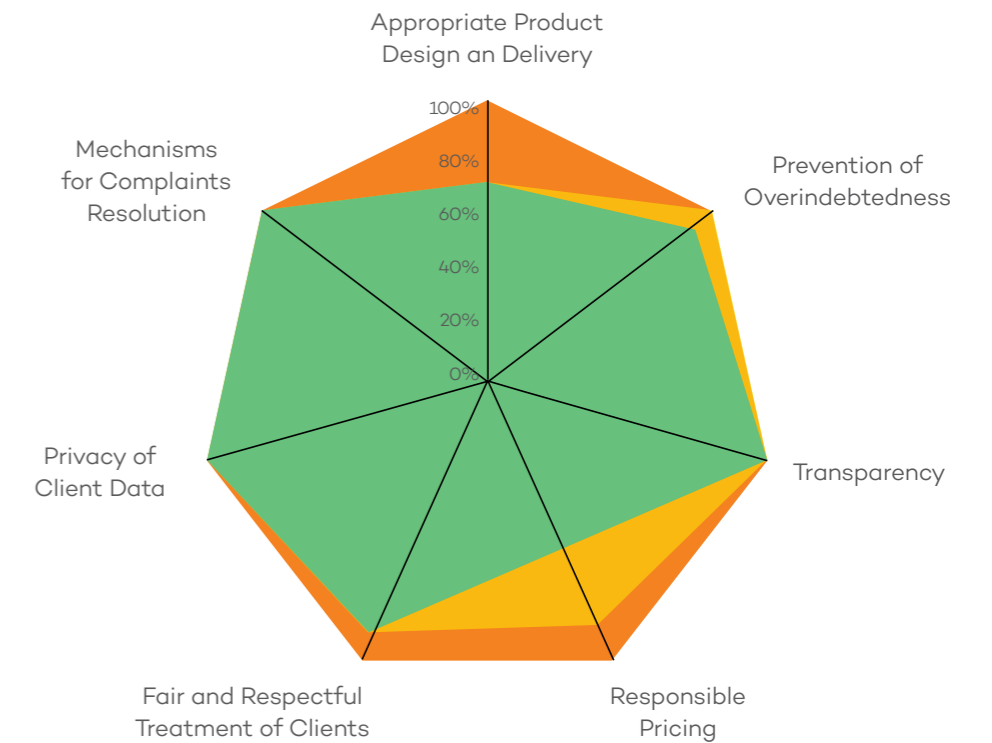


Category 3 (design products that meet clients' needs) scores 82 out of 100 points (82%), suggesting that we still have room for improvement. We are currently limited by the fact that we plan to give smaller loans to a larger number of clients, while clients are always in need of larger loans. Also, while 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.

CLIENTS' PROTECTION STANDARDS



CONTEXT & FINANCIAL INFORMATION		Financial data on the date of: 31/12/2016
Total number of clients		17,145
Number of branches		3
Number of branches in rural areas		3
Number of outstanding loans		15,106
Amount of Gross Loan Portfolio in USD		4,825,975
Number of voluntary savers		15,106
Number of women voluntary savers		14,982
Amount of voluntary deposit in USD		320,494
Amount of total deposits in USD		705,285
Total Assets, volume, USD		5,260,224
Return on Assets		6%
Return on Equity		8%
Operating Expense Ratio (as a % of average GLP)		13%
Operational Self-Sufficiency		185%
Nominal Portfolio Yield		24%

SUPPORT

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



WITH A GRANT OF
US \$35,000

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 PROVIDE A GRANT FOR A MOBILE SCHOOL ENABLING 1,000 STUDENTS TO JOIN THE COMPUTER INTERNET SKILLS TRAINING COURSES EVERY 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.





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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OUR PARTNERS





THE DARIU FOUNDATION
Investment In Empowerment