



THE DARIU FOUNDATION
Investment In Empowerment

2014 ANNUAL REPORT

INVESTMENT IN EMPOWERMENT - IMPACTING 1 MILLION PEOPLE BY MICROFINANCE AND EDUCATION



IN THIS REPORT

02-03
IN THIS REPORT

04-05
OUR STORY

06-07
LETTER FROM THE PRESIDENT

08-17
MICROFINANCE
8-9: Opening pages
10-11: Our microfinance
12-17: Microfinance highlights

18-21
OUR CLIENTS
18-19: Opening pages
20-21: Our clients

22-37
PROJECTS AND ACHIEVEMENTS

22-23: Opening pages
24-25: Highlight Projects
and achievements
26-27: 2014 Financial positions
28-29: Consolidated statement of activities
30-31: 2014 financial position (Switzerland)
32-33: Consolidated statement of activities
(Switzerland)
34-35: Income
36-37: Expenses

38-41
KEY STATISTICS
38-39: Opening pages
40: 2014 key statistics
41: Support

42-43
CONTACT US

OUR STORY

THE DARIU FOUNDATION was founded in 2002 by **THOMAS TRÜB** with the support of **RINGIER AG**, Switzerland's largest international media house. The Swiss entrepreneur developed with Ringier AG multiple media businesses across **THREE CONTINENTS**.



OUR MISSION

Empower low income families with **MICROFINANCE** and **EDUCATION**



OUR VISION

Creating positive impact for **1 MILLION** people by **2025**



CORPORATE BODIES OF THE DARIU FOUNDATION, ZOFINGEN, SWITZERLAND

Members of the board of trustees:

Thomas Trüb | chairman

Ines Kaindl | member

Martin Werfeli | member

Caterina Ammann | member and secretary

Auditors of the Dariu Foundation, Zofingen, Switzerland:

Ernst & Young, Zurich, Switzerland

Auditors of the Dariu Foundation, Ho Chi Minh city, Vietnam:

DTL Auditing Company, Hanoi Of fice, Vietnam

General Manager of the Dariu Foundation in Vietnam and Myanmar:

Nguyen van Hanh

The Dariu Foundation in Vietnam is a project office of the Dariu Foundation in Switzerland.

Email:

Thomas.trueb@ringier.ch



Dear friends of the Dariu Foundation

As every year, we would like to share with you the growth and achievements of the Dariu Foundation (TDF) in the past months. As you well know the Dariu Foundation has the mission to empower low income families with microfinance services and education and the vision to impact one million people living in poverty by 2025.

After twelve years of operation about 150,000 people were directly or indirectly impacted by our microfinance program, about 25,000 students were trained in our mobile schools, and about 25,000 children and students received scholarships or visited one of the kindergartens built by the Dariu Foundation.

2014 is a landmark year for the Dariu Foundation. A loan value of more than USD 6.2 million was granted to micro-entrepreneurs, a record in our twelve years of operation and an increase of 25% over 2013. The Dariu Foundation also celebrates the geographical expansion of its programs to Myanmar by operating the first three mobile schools which provide computer and internet skills trainings to the local disadvantaged youth.

A new model of partnership has also been established for the mobile school project. Our partners in this project contribute part of the operating costs and make available voluntary trainers. This means, that we can operate the mobile school project with less costs and higher efficiency.

With your sustained support, we have reached all these remarkable results!

Led by our clear strategy, we will continue our microfinance and education projects and plan to put into practice newly-developed vocational training projects in Vietnam and Myanmar to fulfill our mission and vision with excellent quality.

We are very happy that we can count on our long term partners like Ringier AG, HSBC, Intel, Citi and Microsoft, and as well on new donators.

Thank you for contributing to our efforts! We very much appreciate all your support which makes it possible to fulfil our mission and vision and all the inputs of entrepreneurs and students who inspire our work.

THOMAS TRÜB



MICROFINANCE



OUR MICROFINANCE

IN 2002

The **Dariu Foundation** was established in **Switzerland** with its mission to empower low income families with **microfinance** and **education**. Our objectives include, but are not limited to, help the poor help themselves and enable them to lead a better life and to have a better **education** for their children

Providing clients with **microloans** and **savings services**,
TDF applied

GROUP LENDING

methodology. The group members meet on a weekly basis for group **discussions**, **loan repayments** and **savings deposit**.

IN 2003

We started our microfinance project in **Vietnam**, focusing on providing access to microfinance services for **the unbankable** and **education support** for their children through projects of **microfinance**, **scholarships**, **kindergartens** and **mobile schools**.

Basically, the clients get **step-by-step** loans ranging from

\$100 TO \$1500

in **8 rounds**, and depositing their compulsory savings of **25 cents** per week.

BY THE END OF 2014



TDF is serving **17,800 clients**, mainly **low income women** with an average age of **41**



In 2014, TDF granted **15,000 loans** with a total value of **US \$6.2 million**



Total outstanding loan is approximately **US \$4.0 million**



Of the disbursed loans, **31%** is used for **small trade** and **businesses** and the same percentage used for animal feeding by our clients.

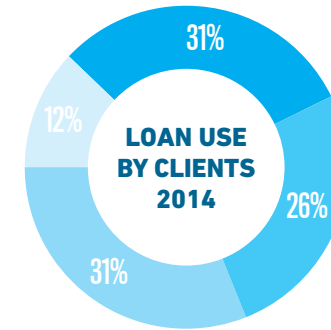
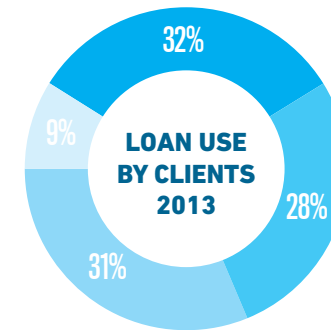


Another **26%** is used for **agriculture activities**.



As compared to the loan use structure in 2013 by our clients, we see an only small change. TDF plans to reach around **19,400 clients**





- Small trade and business
- Agriculture
- Animal feeding
- Edu, housing & others

CURRENTLY,
 TDF IS OPERATING
 ITS MICROFINANCE
 PROGRAM WITH



4 branch offices



38 loan officers



A total of 67 staff members



One head office
 in Ho Chi Minh city.

BY THE END OF 2015



16,600 disbursed loans with a
 total value **\$7.0 million**



The outstanding loan
 reaches **\$4.7 million**

MICROFINANCE HIGHLIGHTS

Total number of active clients	Total outstanding loan
17,800	\$4.0 MILLION
Total # loan disbursed	Total loan value disbursed
15,000	\$6,2 MILLION
Total value compulsory savings	Total value voluntary savings
\$364,000	\$205,000





CLIENTS

OUR CLIENTS



Mrs. **Le Thi Duong**

Born: 1956

Education: grade 2th (primary school)

Date of recruitment: may 2004

First loan value: \$25

Current loan value: \$1,500

› In 2004, she started joining TDF's microfinance program, getting her first loan with \$25, and together with the family's savings of \$100 invested in raising chicken and earned around \$400 that year. By 2011, she took a loan of \$1,000 to invest in expanding her business, by raising other animal – goats. In order to get food for the goats and chicken, she also invested in vegetable and pepper cultivation, which enabled the family to earn \$2,500 a year by then. Last year, her family made record income of \$4,200, of which profit is \$2,200. What impacts most to her family is her children's education. Thanks to the profit she made from income generating activities, she could be able to afford her children's education, and one of her child awarded with university degree.



Mrs. **Phan Thi Hong Tham**

Born: 1975

Education: secondary school

Date of recruitment: june 2008

First loan value: \$100

Current loan value: \$750

› In 2008, Mrs. Tham worked for a sedge workshop as a daily earner when she found that the owner had to purchase the raw material at higher price when she couldn't pay up front. And when the shop owner sold her raw products, she was paid at controlled price. She quitted her daily job and used her loan from TDF to purchase raw sedge and paid up front at a better price, and then could sell her semi-finished products at a better price, too. From this success, she expanded her business and generated employment for her 4-member family, and earning a profit of \$500 per annum in the first two years. Nowadays, she still maintains the business and also invest her loan and savings in farming activities, such as growing papaya, guava and dragon fruits, and earning an annual income of \$15,000.



Mrs. **Bui Thi Hang**

Born: 1975

Education: secondary school

Date of recruitment: may 2003

First loan value: \$25

Current loan value: \$2,500

› In 2003, she started her first loan with \$25, invested in farming and earned around \$50 that year. By 2008, she took a loan of \$500 to invest in farming and forestation, which enabled the family to earn \$1,500 a year by then. Her economic status really started to jump in 2009 when she found the new business, weaving bamboo and rattan. Nowadays, she earns a net profit of around \$450 per month from weaving bamboo and rattan. In addition, the family also has other incomes, including from cow raising, farming and forestation, with around another \$5,000 per year.



PROJECTS AND ACHIEVEMENTS

HIGHLIGHT PROJECTS AND ACHIEVEMENTS

MOBILE SCHOOLS

10 MOBILE SCHOOLS IN VIETNAM
 & 3 MOBILE SCHOOLS IN MYANMAR




29,000 STUDENTS TRAINED ON COMPUTER, INTERNET SKILLS AND FINANCIAL LITERACY

SCHOLARSHIPS

9,403

SCHOLARSHIPS GRANTED TO THE MOST DISADVANTAGED STUDENTS SINCE 2008



1300


SCHOLARSHIPS GRANTED IN 2014

TOTAL	9,403
2014	1300

KINDERGARTENS

21

KINDERGARTENS BUILT SINCE 2007



03

KINDERGARTENS BUILT IN 2014

TOTAL	21
2014	03

01

MOBILE CONTAINER LIBRARY OPENED IN 2014



2014 FINANCIAL POSITIONS

Unit: CHF

	AS AT 31/12/2014			AS AT 01/01/2014		
	MICROFINANCE ACTIVITIES	CHARITY ACTIVITIES	TOTAL	MICROFINANCE ACTIVITIES	CHARITY ACTIVITIES	TOTAL
ASSET						
Current assets						
Cash on hand	16,230	-	16,230	67,357	-	67,357
Cash at bank	547,205	-	547,205	155,538	-	155,538
Loan receivable	3,618,249	-	3,618,249	2,189,777	-	2,189,777
Provision for doubtful debts	(23,478)	-	(23,478)	(18,527)	-	(18,527)
Advance to suppliers	18,516	-	18,516	22,846	-	22,846
Receivables from Microfinance activities	-	717,676	-	-	468,391	-
Other receivables	72,923	-	72,923	71,201	-	71,201
Other current assets	36,672	-	36,672	15,838	-	15,838
TOTAL CURRENT ASSETS	4,286,317	717,676	4,286,317	2,504,030	468,391	2,504,030
Non-current assets						
Loan receivable	411,953	-	411,953	1,011,145	-	1,011,145
Property, plant and equipment	2,265	-	2,265	8,310	-	8,310
Construction in progress	-	-	-	-	-	-
Other non-current assets	28,600	-	28,600	15,147	-	15,147
TOTAL NON-CURRENT ASSETS	442,818		442,818	1,034,602		1,034,602
TOTAL ASSETS	4,729,135	717,676	4,729,135	3,538,632	468,391	3,538,632
EQUITY AND LIABILITIES						
Current liabilities						
Accounts payable - compulsory savings	375,294	-	375,294	325,299	-	325,299
Accounts payable - voluntary savings	236,075	-	236,075	174,729	-	174,729
Payables to employees	36,576	-	36,576	12,316	-	12,316
Payable for Charity activities	717,676	-	-	468,391	-	-
Payable to suppliers	4,467	-	4,467	2,375	-	2,375
Accrued liabilities	30,578	-	30,578	38,129	-	38,129
Other payable	119,286	-	119,286	88,633	-	88,633
TOTAL CURRENT LIABILITIES	1,519,952		802,276	1,109,872		641,481
Equity						
Paid-in capital of owners	1,599,968		1,599,968	1,307,071	-	1,307,071
Donations	172,436		172,436	172,436	-	172,436
Surplus from microfinance activities	1,436,779		1,436,779	949,253	-	949,253
Surplus from charity activities	-	717,676	717,676	-	468,391	468,391
TOTAL EQUITY	3,209,183	717,676	3,926,859	2,428,760	468,391	2,897,151
TOTAL EQUITY AND LIABILITIES	4,729,135	717,676	4,729,135	3,538,632	468,391	3,538,632

CONSOLIDATED STATEMENT OF ACTIVITIES

Unit: CHF

	2014			2013		
	MICROFINANCE ACTIVITIES	CHARITY ACTIVITIES	TOTAL	MICROFINANCE ACTIVITIES	CHARITY ACTIVITIES	TOTAL
INCOME						
Loan interest income	932,312	-	932,312	747,605	-	747,605
Donation from Dariu Switzerland	-	481,448	481,448	-	609,421	609,421
Bank interest	1,222	-	1,222	1,451	-	1,451
Foreign exchange gains	1,321	-	1,321	808	-	808
Other donations	-	260,231	260,231	-	248,705	248,705
Transfer from MF to Charity activities	-	-	-	(66,377)	66,377	-
Other income	34,791	34,237	69,028	26,246	12,574	38,820
TOTAL INCOME	969,646	775,916	1,745,562	709,733	937,077	1,646,810
EXPENSES						
Staff salary and benefits	342,344	80,937	423,281	273,158	69,422	342,580
Office rental	16,866	3,906	20,772	12,436	2,838	15,274
Telephone, fax and internet	8,877	728	9,605	7,617	1,812	9,429
Electricity and water	2,295	438	2,733	1,633	326	1,959
Travel and transportation	10,501	10,941	21,442	11,140	9,521	20,661
Car rental	9,289	17,721	27,010	8,330	9,297	17,627
Training and seminars	7,671	583	8,254	5,094	452	5,546
Scholarship granting	-	51,554	51,554	-	100,837	100,837
School building, mobile school	-	171,163	171,163	-	153,548	153,548
Expenses from other donations	-	165,820	165,820	-	335,907	335,907
Stationery and other office costs	9,205	1,687	10,892	9,119	3,118	12,237
Interest expenses	17,325	-	17,325	12,958	-	12,958
Foreign exchange losses	530	177	707	136	45	181
Bank charges	1,207	237	1,444	1,219	259	1,478
Depreciation expenses	7,547	461	8,008	8,015	520	8,535
Provision for doubtful debts	16,372	-	16,372	8,289	-	8,289
Other expenses	32,125	20,280	52,405	27,015	14,607	41,622
TOTAL EXPENSES	482,154	526,633	1,008,787	386,159	702,509	1,088,668
EXCESS OF INCOME OVER EXPENSES	487,492	249,283	736,775	323,574	234,568	558,142





2014 FINANCIAL POSITION

Unit: CHF

	AS AT 31/12/2014	AS AT 01/01/2014
ASSET		
Current assets		
Cash	963,474	1,389,520
Loan receivable	3,539,989	1,943,180
Other accounts receivable	271,934	63,809
Prepaid expenses	27,738	20,446
Other current assets	36,113	14,174
TOTAL CURRENT ASSETS	4,839,248	3,431,129
Fixed assets		
Property plant and equipment	2,231	7,437
Loans receivable, long-term	405,676	904,934
Other non current assets	27,164	12,556
TOTAL NON-CURRENT ASSETS	435,071	924,927
TOTAL ASSETS	5,274,319	4,356,056
EQUITY AND LIABILITIES		
Current liabilities		
Other current liabilities	759,937	539,975
Deferred income and accrued expenses	101,958	138,378
TOTAL CURRENT LIABILITIES	861,895	678,353
LONGTERM LOANS (INCL. CURRENT PORTIONS)	1,022,844	873,328
Equity prior year	2,804,375	1,339,226
Profit for the period	365,958	1,584,395
Translation differences current year	219,247	(119,246)
TOTAL EQUITY	3,389,580	2,804,375
TOTAL EQUITY AND LIABILITIES	5,274,319	4,356,056

CONSOLIDATED STATEMENT OF ACTIVITIES

Unit: CHF

	2014	2013
OPERATING REVENUES		
Loan interest	854,456	698,756
Donations	420,855	1,936,794
Other income	63,264	36,284
TOTAL INCOME	1,338,574	2,671,834
EXPENSES		
Personnel costs	439,871	361,164
Scholarship awarded	73,511	129,983
School building	282,580	421,738
General and administrative expenses	60,857	65,272
Write-off bad debts	15,005	7,747
Other expenses	48,029	38,903
Depreciation of fixed assets	7,339	7,977
TOTAL OPERATING EXPENSES	927,192	1,032,785
OPERATING PROFIT	411,382	1,639,049
OTHER INCOME (EXPENSE)		
Interest income	1,223	1,357
Interest expense	(60,254)	(56,595)
Foreign exchange differences	13,606	585
TOTAL -NETTO	(45,424)	(54,654)
NET INCOME (LOSS) FOR THE YEAR	365,958	1,584,395

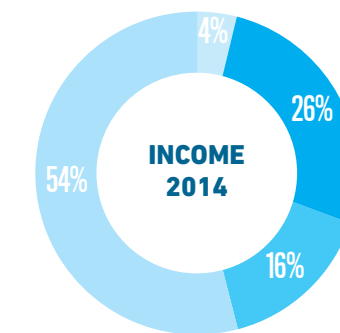
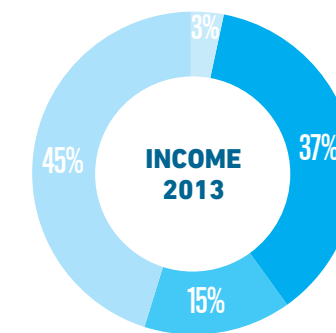




INCOME

Unit: USD

	2013	2014
Donation from Dariu Switzerland	605,424	478,290
Other donations	247,074	258,525
Loan interest income	742,701	926,196
Other income (Bank interest, Foreign exchange gains, Other income)	40,810	71,102
TOTAL	1,636,009	1,734,112



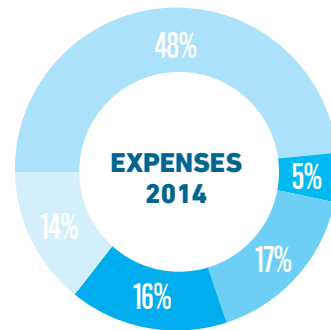
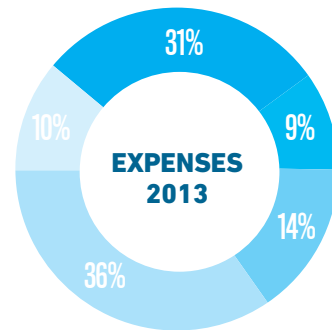
- Donation from **Dariu Switzerland**
- **Other** donations
- **Loan interest** income
- **Other** income

EXPENSES

Unit: USD

	2013	2014
Microfinance activities	383,626	478,957
Scholarship granting	100,175	51,216
School building, mobile school	152,540	170,040
Expenses from other donations	333,704	164,732
Operation expenses	111,483	137,224
TOTAL	1,081,528	1,002,169

- Expenses from other donations
- Scholarship granting
- School building, mobile school
- Microfinance activities
- Operation expenses













KEY STATISTICS






2014 KEY STATISTICS



SUPPORT

							
Active borrowers	Active loan portfolio	Total # loan disbursed	Total loan disbursed	Granted scholarships	Mobile schools operating	Students trained on computer, internet and financial education	Kindergartens built in 2014
17,800	\$3,98 MILLION	15,000	\$6,2 MILLION	9,403	10 IN VIETNAM 03 IN MYANMAR	9,500	03

THE DARIU FOUNDATION CALLS FOR SUPPORT BY BOTH **PRIVATE** AND **INSTITUTIONAL PARTNERS** TO GENERATE A MEASUREABLE SOCIAL IMPACT.

-  Make a grant of **\$50,000 in microfinance** → You can help create access to microfinancial services for **500 unbankable women**, creating job for **1000 families members** and impacting **2000 people** in all per annum.
-  Make a grant of **\$35,000 in mobile school** → You can help create **1 mobile school**, enabling **1,000 students** to join computer, internet skills training courses each year.
-  Make a grant of **\$10,000 in scholarships** → You can help **100 vulnerable students** to remain at school for a year, covering the costs of **uniforms, books, pens and/or a bicycle**.



CONTACT US

Despite the high self-sufficiency of the projects, The Dariu Foundation depends on partners to launch and develop its projects. With your involvement you can help us to break the circle of poverty.

For providing a donation contact our General Manager at hanh@dariu.org or use the bank account as shown below:

Bank: Joint Stock Commercial Bank for Foreign Trade of VietNam

Branch/address: Tan Binh Branch - 364 Cong Hoa Street, Ward 13, Tan Binh District, Ho Chi Minh City, Viet Nam

Account name: The Dariu Foundation

Account Number: 0441373703067 (USD)

SWIFT Code: BFTVNVX007

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 (USD): 0161.1162.7253 (IBAN: CH29 0076 1016 1116 2725 3)

SWIFT Code: KBAGCH22



THE DARIU FOUNDATION
Investment In Empowerment

General Manager | Nguyen Van Hanh
Email | hanh@dariu.org