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SATHAPANA LIMITED

ANNUAL REPORT
2019–2020

SATHAPANA Makes Your Life Better

SATHAPANA
Makes YOUR LIFE
BETTER



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SATHAPANA Limited Myanmar

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ABOUT COMPANY

VISION

To be the leading Financial Institution in entrepreneurship building in Myanmar.

MISSION

To empower entrepreneurs and to generate employments in order to upgrade their living standard through access to financial services in sustainable manner.

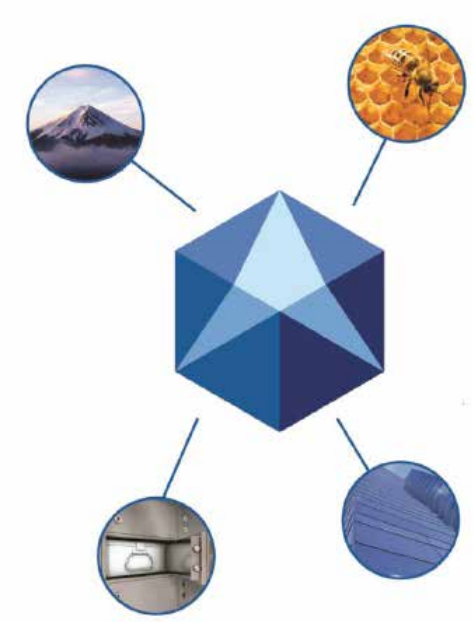

SATMAPANA LIMITED

COMPANY **PROFILE**

SATHAPANA Limited was founded in January 2015 by MARUHAN Investment Asia Pte. Ltd. and obtained Temporary Licence in June 2015 to operate Microfinance Business with 15 million US Dollars authorized capital.

The name "SATHAPANA", derived from SATHAPANA Bank Plc. which is one of the leading banks in Cambodia, born out of the merger between a bank (Maruhan Japan Bank Plc.) and a leading Microfinance Institution (SATHAPANA Limited, Cambodia). The word "SATHAPANA" means "to build or to construct" in Khmer language.

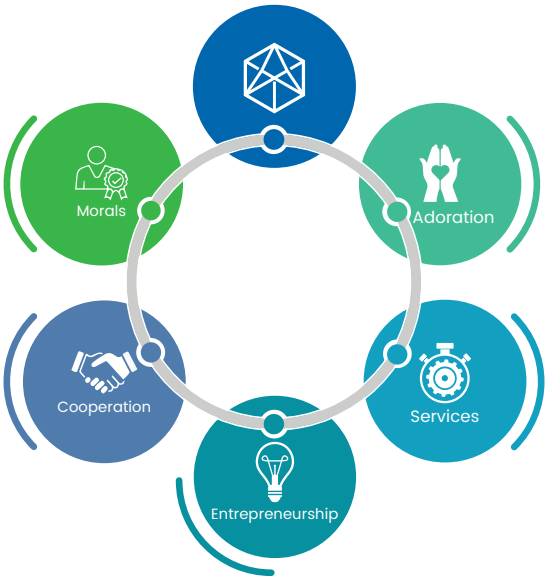
The subtle LOGO change is it represents mount Fuji, a widely recognized symbol of Japan, where our shareholder is, and as a source of solidity, and harmony. The Hexagon rim of crest represents the honeycomb structure of a beehive, nature of ideal storage of valuable assets. Its strength is reinforced when multiple hexagons are placed next to one another, dispatching the company's ability to service to its customers through its branch network. The crest also represents vault, or a safety deposit box and five shades of blue are the reflections of the blue sky, a sign of modernity and progress.



SATHAPANA began its microfinance operations in August 2015 and obtained a Permanent License in July 2016. Additional USD 5 million capital has been injected in January 2020 which has brought total capital of USD 20 million.

Since the start of its operations, SATHAPANA Limited has contributed greatly to the development of Myanmar's economy through financial inclusion and providing access to credit to more and more people, especially to the grassroots people living in the rural areas. SATHAPANA Limited has accomplished remarkable growth and achievements over the period and today, SATHAPANA Limited has reached to be the second and third largest microfinance institution in Myanmar in terms of the number of borrowers and loan portfolio.

CORE **VALUES**



CORE VALUES are the operating philosophies or principles that guide employee's internal conduct as well as their relationship with customers, partners and other stakeholders. SPNM has defined its own statement of core values as below:

MORALS - To be decent citizens, all SPNM's staffs are expected to abide by the local laws and regulations to avoid committing crimes, corruptions or any illegal activities. Staffs have to communicate with people in a kind and gentle manner at all circumstances in order to earn more recognition and respect of the societies.

ADORATION - SPNM's staffs should always show great love, admiration, and respect for people in general without discriminations or treating people unequally. They must be those who are honest and willing to forgive, encourage and look at each other's work and criticize it for better improvement.

COOPERATION - There must always be close cooperation between colleagues to achieve the common goals. Cooperation is to be built by SPNM's staffs in order to maintain good liaison with such targeted people as clients, local authorities, suppliers, and other stakeholders. Staffs are encouraged to participate in contributing ideas or making some decisions.

SERVICES - Service is a kind of invisible things that responds to the needs of customers, colleagues and other stakeholders. All stakeholders, especially customers shall be deserved professional service as possible as SPNM could do. The professional customer service training shall be delivered to all staff of SPNM.

ENTREPRENEURSHIP - Entrepreneurial spirit of either clients or employees shall be renovated from time to time. Capacity development, commitment, ambition and willingness to generate higher income are the spirits of entrepreneurship that SPNM's commit the best to mainstream into its operations in order to make all stakeholders succeed in sustainable manner.

COMPANY'S **MILESTONES**

Technology is vital and one of the key strategic pillars for SATHAPANA Limited. We have to have development in new technology if we want to have long-term sustainability of the company.

2019 – 2020

- Recognized as a signatory member of UN Global Compact
- Achieved Client Protection Certification from Inclusion (Social Rating)
- Achieved BBB status from MFR Financial Rating
- Achieved SPIR-3 Status from Inclusion (Social Rating)
- Achieved successful accomplishment of Oracle Flexcube Core Banking System

Loan Portfolio - 178,298,390,146
Number of Clients - 351,518

2019
April to September

- Obtained voluntary savings license

Loan Portfolio - 111,063,077,650
Number of Clients - 286,613

2018 – 2019

- Changed Logo

Loan Portfolio - 74,156,396,250
Number of Clients - 228,896

2017 – 2018

- Became Top 2 MFI in terms of loan portfolio

Loan Portfolio - 45,133,042,900
Number of Clients - 157,303

2016 – 2017

- Obtained permanent microfinance business operations license

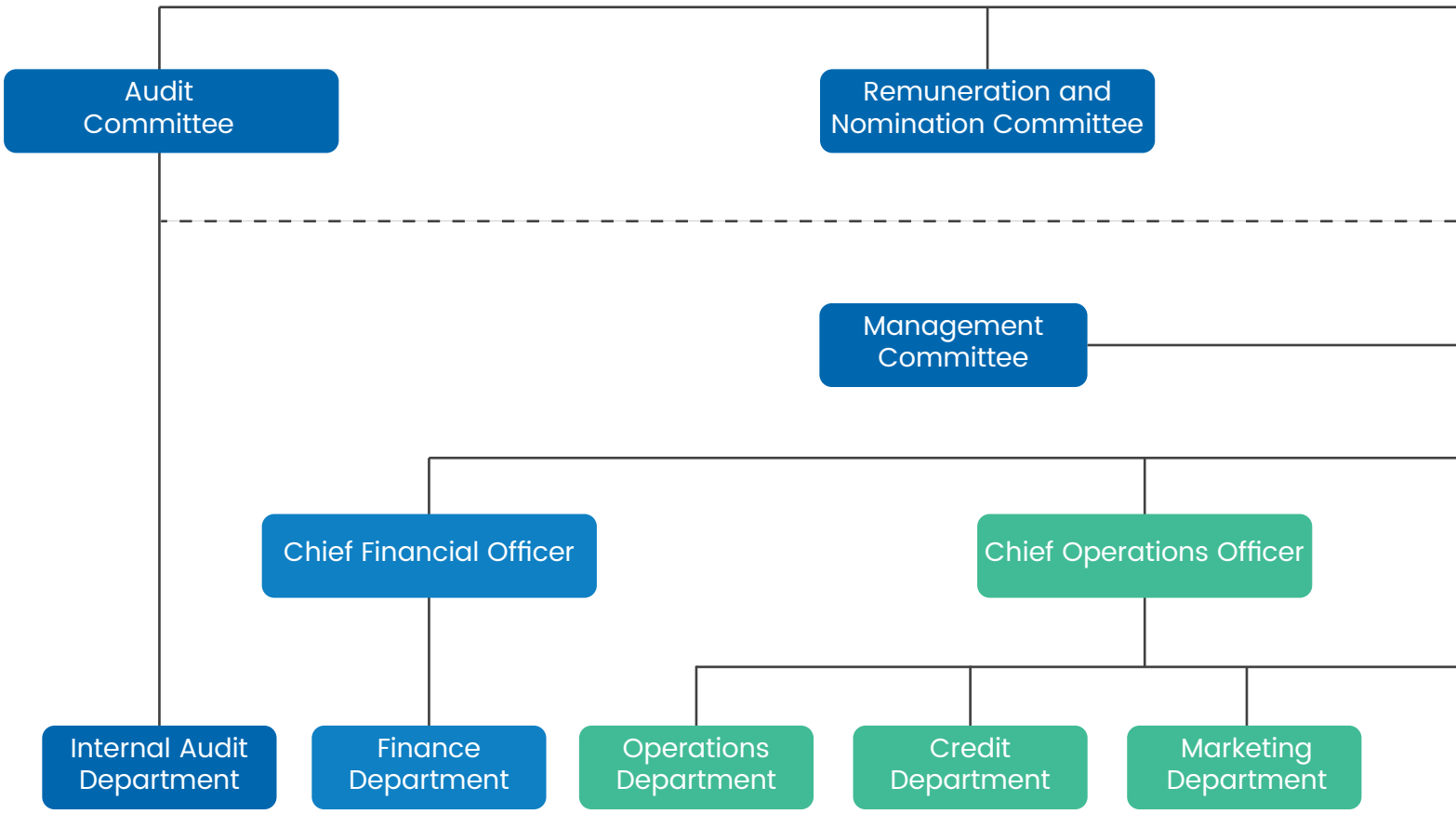
Loan Portfolio - 17,334,529,500
Number of Clients - 66,576

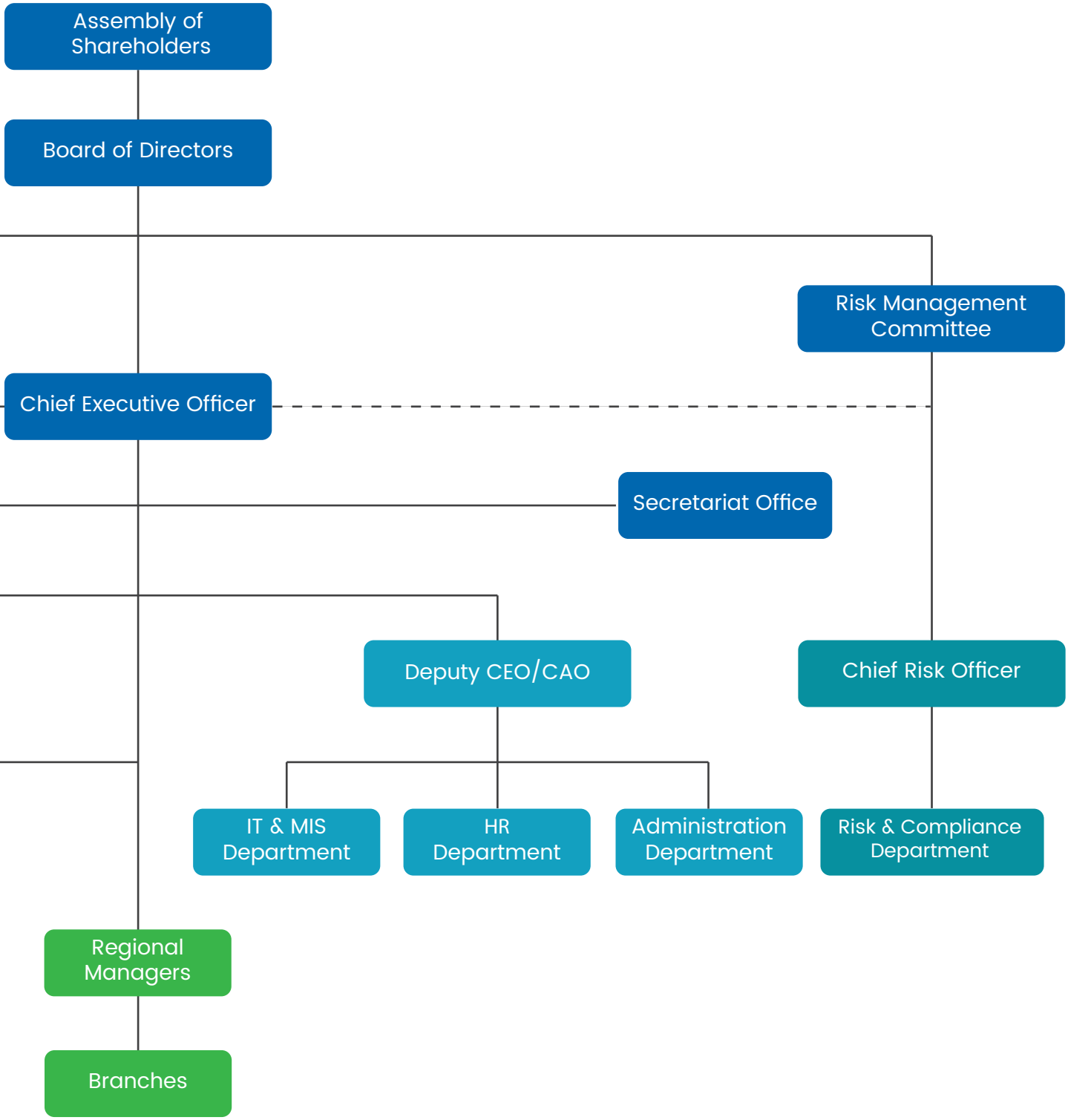
2015 – 2016

- Obtained temporary microfinance business operations license

Loan Portfolio - 3,305,741,600
Number of Clients - 10,261

ORGANIZATIONAL **CHART**




Assembly of Shareholders
Board of Directors
Risk Management Committee
Chief Executive Officer
Secretariat Office
Deputy CEO/CAO
Chief Risk Officer
IT & MIS Department
HR Department
Administration Department
Risk & Compliance Department
Regional Managers
Branches

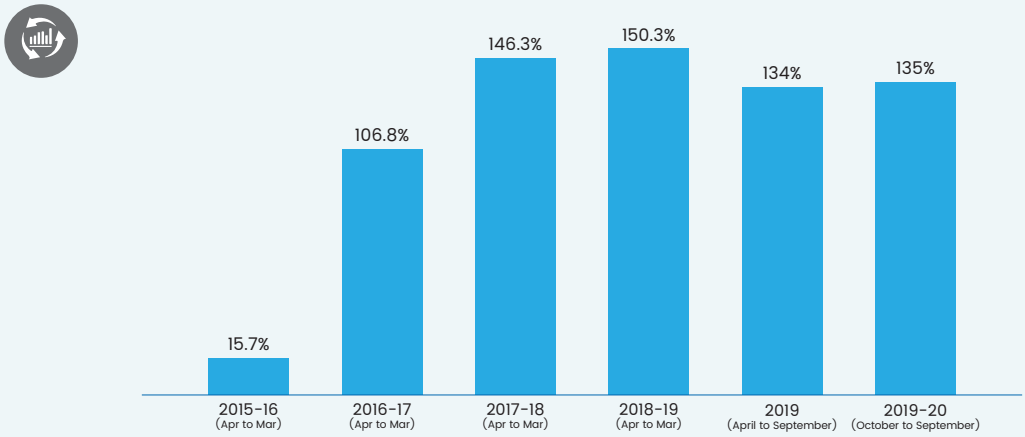
KEY HIGHLIGHTS

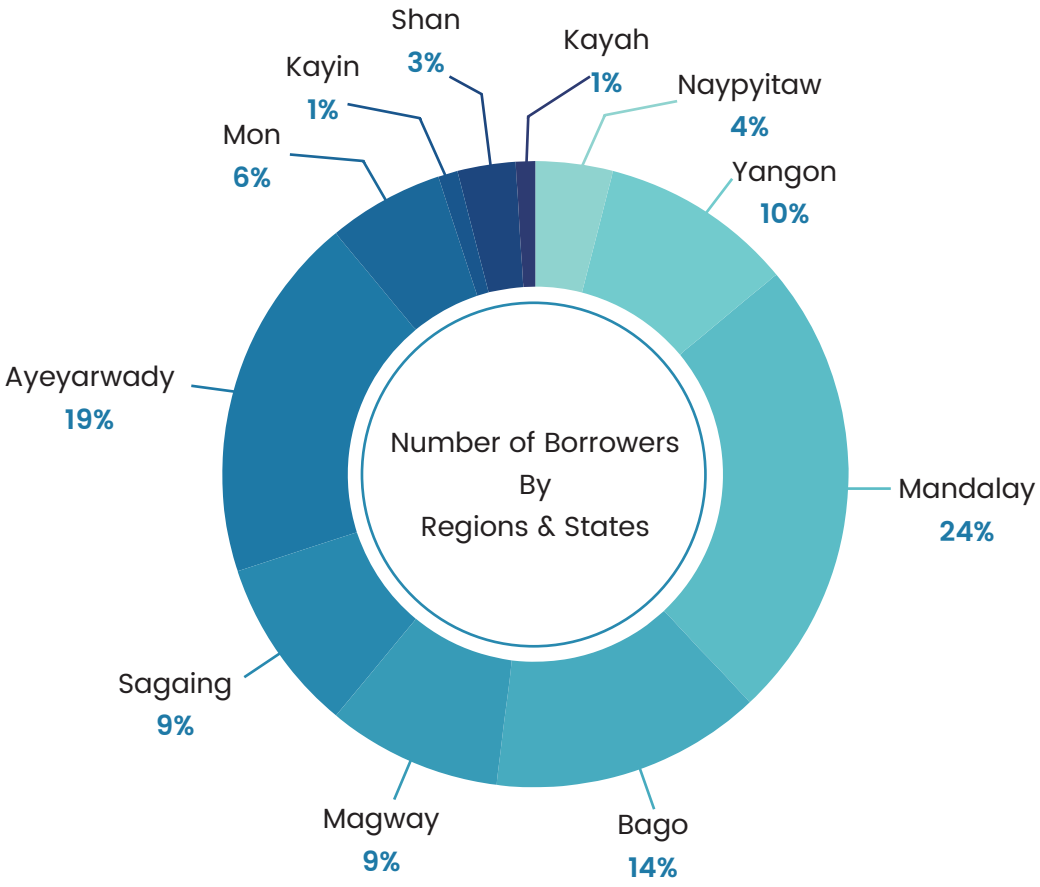
Operational Highlights

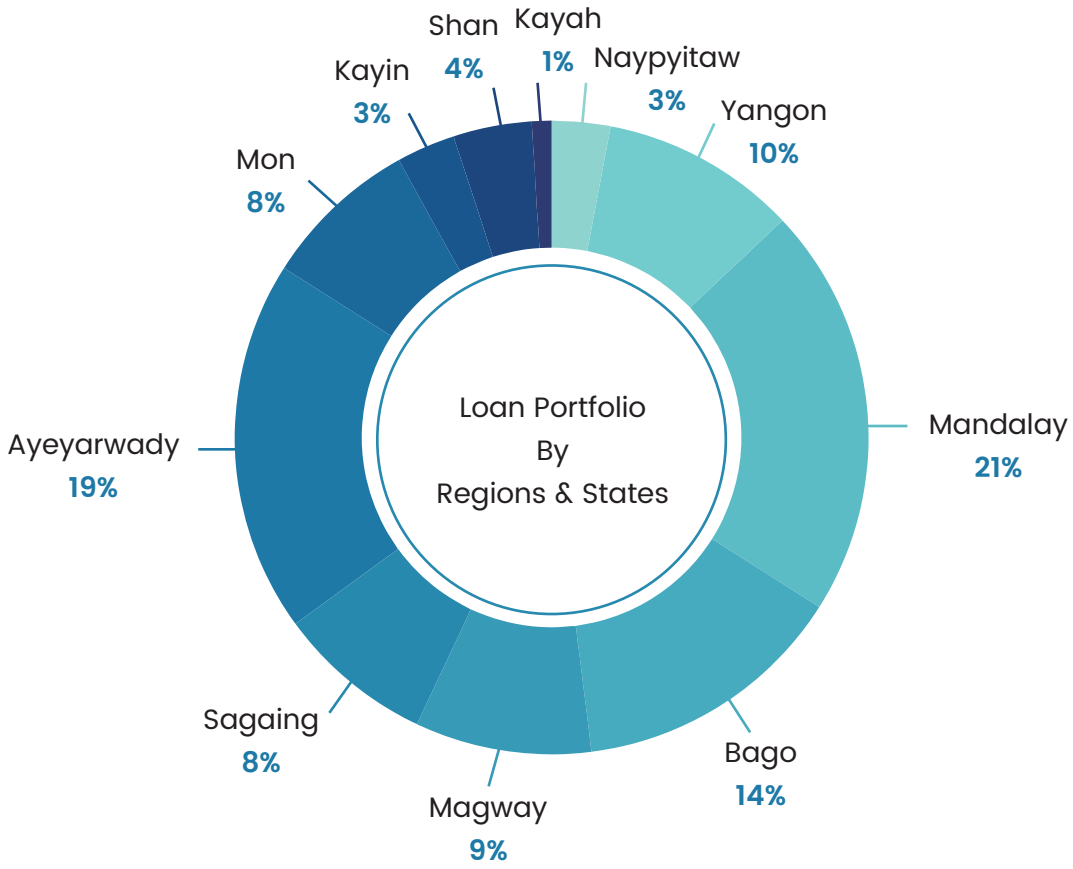
351,518
Number of Borrowers

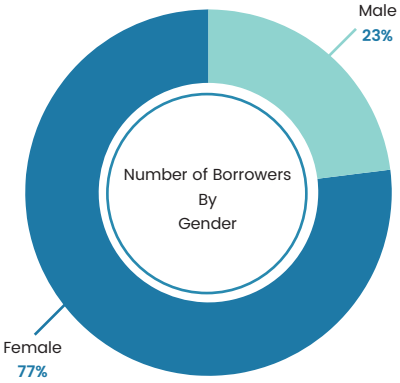
178,298,390,146
Loan Portfolio (MMK)

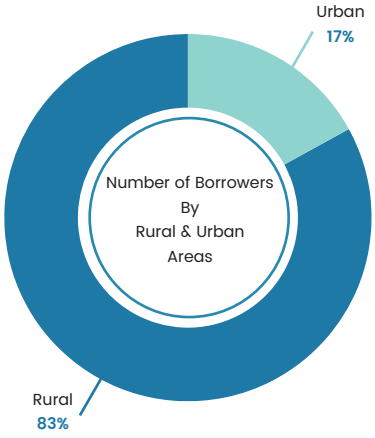
1,528
Number of Staff

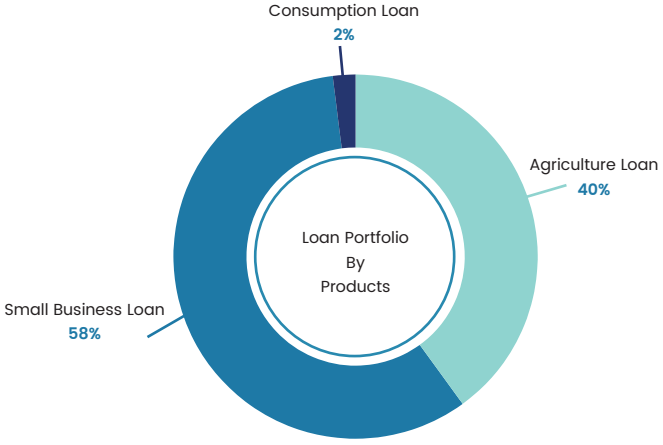


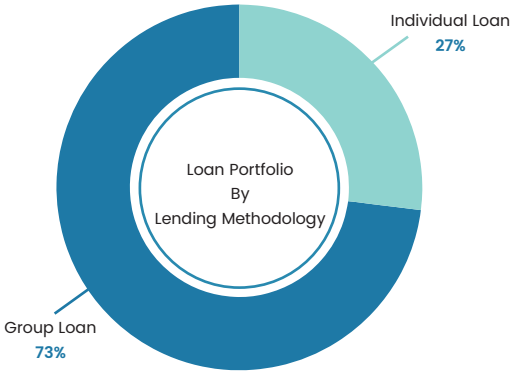



Loan Portfolio
By
Regions & States
Shan
4%
Kayah
1%
Naypyitaw
3%
Yangon
10%
Kayin
3%
Mon
8%
Mandalay
21%
Ayeyarwady
19%
Sagaing
8%
Bago
14%
Magway
9%


Number of Borrowers
By
Gender
Male
23%
Female
77%

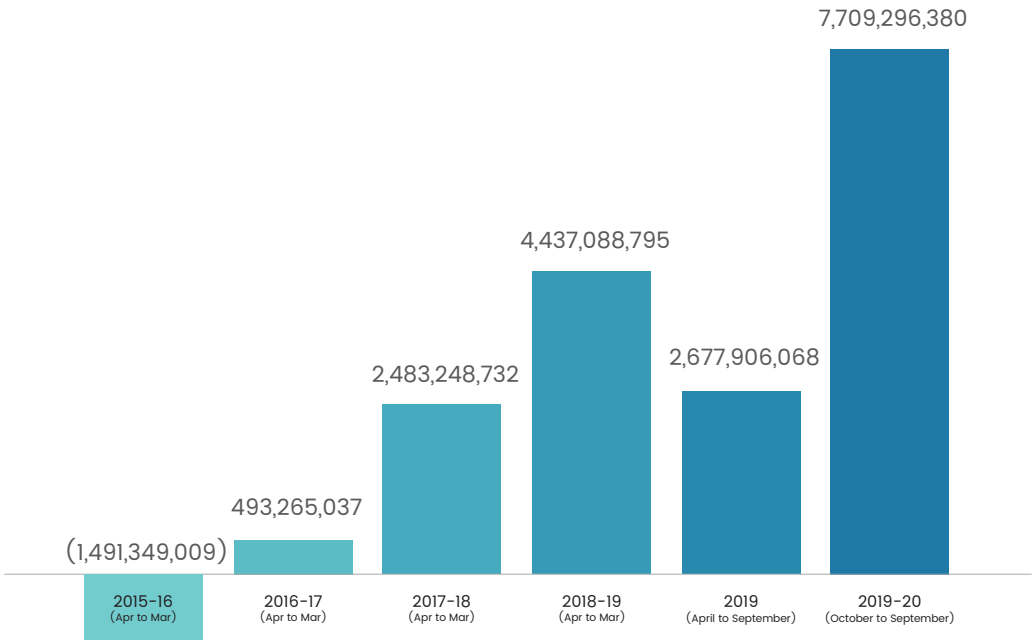

Number of Borrowers
By
Rural & Urban
Areas
Urban
17%
Rural
83%


Loan Portfolio
By
Products
Consumption Loan
2%
Agriculture Loan
40%
Small Business Loan
58%

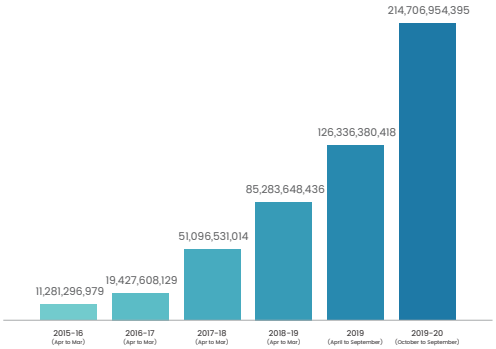

Loan Portfolio
By
Lending Methodology
Individual Loan
27%
Group Loan
73%

Financial Highlights

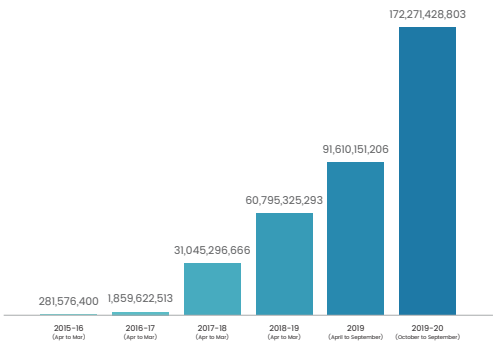
Net Profit (MMK)



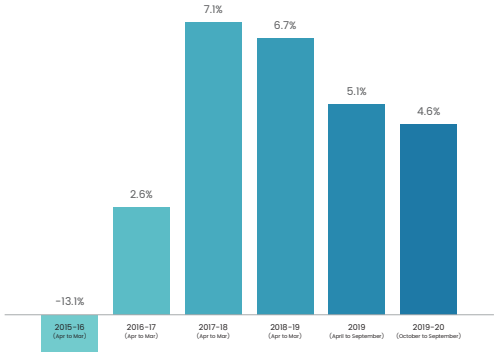
Total Assets (MMK)



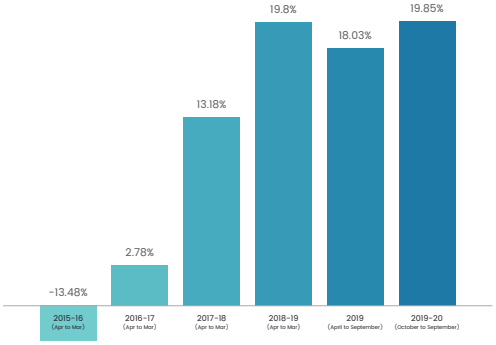
Total Liabilities (MMK)



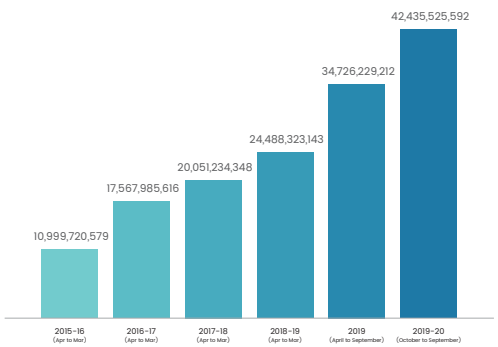
Return on Assets (ROA)



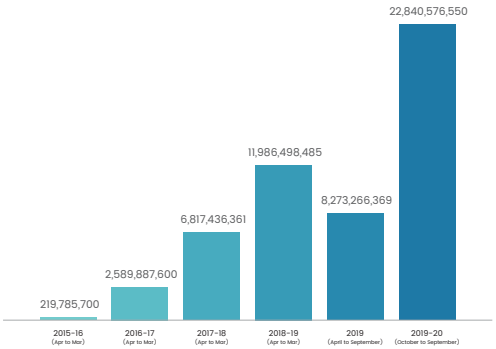
Return on Equity (ROE)



Total Equity (MMK)

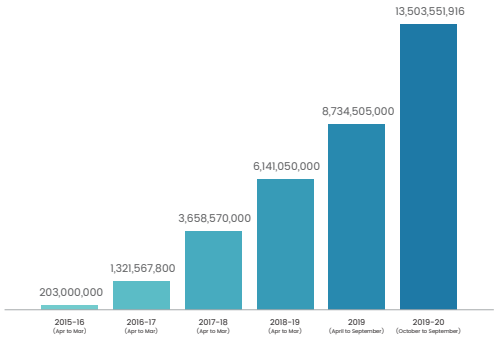


Net Interest Income (MMK)

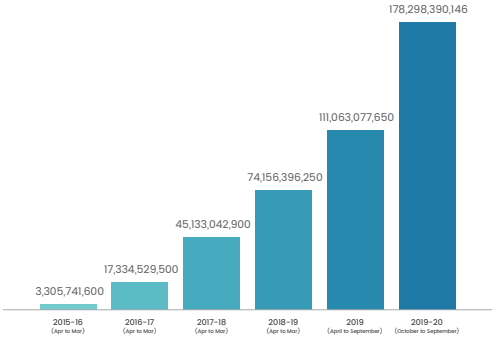


Financial Highlights

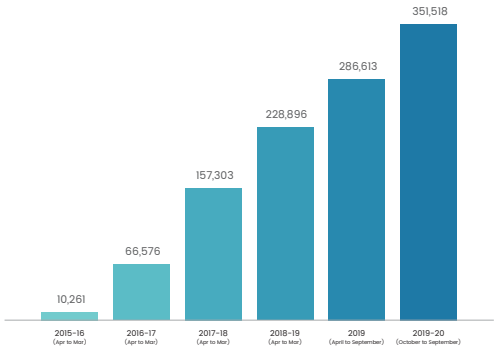
Clients Deposit (MMK)



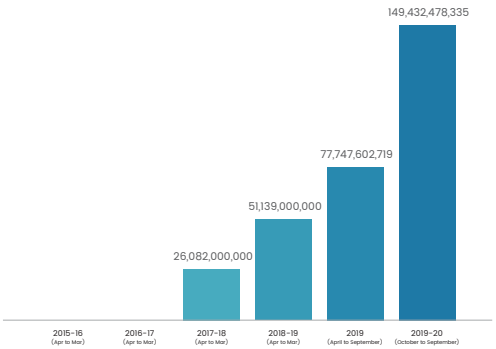
Loans to Clients (MMK)



Loan and Deposit Clients



Borrowing (MMK)



KEY PERFORMANCE INDICATORS

INDICATORS	2018-2019 MMK (Apr to Mar)	2019 MMK (Apr to Sept)	2019-2020 MMK (Oct to Sept)
Total disbursement each period	137,550,570,000	114,791,938,300	280,032,002,000
Loan outstanding	74,156,396,250	111,063,077,650	178,298,390,146
Portfolio growth rate	64%	50%	61%
Deposit balance	6,141,050,000	8,734,505,000	13,503,551,916
Deposit growth rate	68%	36%	55%
Liquidity (Cash on hand and at bank)	6,439,070,841	9,670,788,418	25,748,502,484
Net fixed assets	1,747,895,922	2,050,540,051	5,182,654,111
Total assets	85,283,648,436	126,336,380,418	214,706,954,395
Portfolio Quality			
Portfolio at risk ratio(<30 days)	0.07%	0.10%	9.07%
On-time repayment / Repayment rate	99.90%	99.89%	55%
Loan written-off ratio	0.03%	0%	0.06%
Cost Structure (Cost/Avg. Loan Portfolio)			
Salary & incentive cost ratio	7.29%	7.1%	6.2%
Admin cost ratio	3.40%	3.7%	3.2%
Finance cost ratio	8.90%	11.1%	11.3%
LLP ratio	0.58%	0.9%	0.5%
Total cost	21.68%	22.9%	21.3%
Productivity			
Loan portfolio per LO	186,791,930	238,845,328	281,225,077
Active borrower per LO	630	616	554
Profitability			
Return on equity (annualized)	19.8%	18.03%	19.9%
Return on assets (annualized)	6.7%	5.09%	4.6%
Operational self-sufficiency ratio	150.26%	134%	135%
Staff and Clients Information			
Staff	801	1054	1528
Staff growth rate	68%	32%	45%
Loan officers	354	465	671
Borrowers	228,896	286,613	351,518
Borrowers growth rate	46%	25%	22%
Depositors	228,896	286,613	351,518
Depositors growth rate	46%	25%	22%
Total income	18,621,689,750	14,085,145,700	42,101,904,574
Total equities	24,488,323,143	34,726,229,211	42,435,525,592
Average yield on loan portfolio (Excluding Fee)	28.8%	16.45%	25.9%
Women Client Participation	75%	76%	77%
Rural Client Participation	78%	80%	83%

MESSAGE FROM **MANAGING DIRECTOR**



Mr. Han Ken

Managing Director of the Board

SATHAPANA Limited has committed to support Myanmar people's welfare, entrepreneurship and living standard by way of providing high quality financial services through our widespread branch network in the country. SATHAPANA Limited will continue to invest in the development of the new products, human resources and cutting-edge information technology in order to provide better and convenient services to its customers.

As the Managing Director of the Board of SATHAPANA Limited and the representative of its shareholder, MARUHAN Investment Asia Pte. Ltd., I am delighted to report the excellent achievement of SATHAPANA Limited in the Financial Year 2019-2020. I appreciate strong commitment by the management and staff backed by continued economic and social development of the Republic of the Union of Myanmar.

SATHAPANA Limited was established in January 2015 with USD 15,000,000 authorized capital as a subsidiary of MARUHAN Investment Asia Pte. Ltd. for the purpose of conducting microfinance business in Myanmar. The Company obtained a temporary license from Myanmar Microfinance Supervisory Committee under the Ministry of Planning and Finance in June 2015 and started its operations in August 2015. MARUHAN Group decided to start microfinance business in Myanmar in order to help Myanmar people in accessing to financial services to develop their small businesses and enhance their entrepreneurship by utilizing the Group's abundant capital resources, its long business history and experience in microfinance industry, advanced technology and high quality human resources which the Group has developed in Cambodia for over the years.

SATHAPANA Limited has achieved excellent performance in FY 2019-2020 in spite of COVID-19 pandemic. The number of offices has increased to 51 as of September 2020 from 38 as of September 2019. The Company has served more than 351,126 customers in 141 townships in 11 regions/states with total 1,528 staff. The loan portfolio has reached to 178.30 billion kyats increased 64% from the previous year.

Board of SATHAPANA Limited is fully aware of the mission and the importance of microfinance for the people and economy of Myanmar and will continue to support the management to further develop the Company's operations and quality of service, invest in advanced technology and human resources, and strengthen internal control and compliance. Board of Directors also fully recognize the importance of complying to the laws and regulations by the relevant authorities in Myanmar.

We, Board of Directors would like to express our great appreciation to the management and staff of SATHAPANA Limited for their strong commitment and dedication to the work. We would also like to extend sincere gratitude to our valued customers, creditors and business partners for their support of our mission and particularly to Financial Regulatory Department under the Ministry of Planning and Finance for their advice, guidance and support.

Ken Han

Mr. Han Ken
MANAGING DIRECTOR

MESSAGE FROM CHIEF **EXECUTIVE OFFICER**



Mr. Seang Serey
Chief Executive Officer

Myanmar continues to undergo a difficult economic and political transition, from isolation and an authoritarian government to a democratic system of governance and open economy. Myanmar's economy is slowly picking up after volatile 2018, the Asian Development Bank economic outlook has Myanmar GDP growing at 6.6% in 2019 and 6.8% in 2020. However, the first case of Corona Virus Disease 2019 (COVID-19) started in March and has been severely impacting the development of Myanmar's economy of which actual GDP growth only 1.7% in 2020.

Microfinance sector is a key pillar in furthering financial inclusion in Myanmar and sector has been experienced rapid growth in 2012/13, with now 193 licensed microfinance institutions (MFIs) serving around 15 million individuals across the country. Despite of the growth potential of the sector, it has been particularly hard hit by the COVID-19 pandemic. Though response plans have been implemented, the suspension of loan repayment, ongoing operating costs, saving withdrawals and financing obligations are posing a pressing cash liquidity crisis to MFIs.

Despite facing great challenges, SATHAPANA Limited could manage to increase its loan portfolio by 64% to MMK 178.30 billion in 2020 from MMK 111,02 billion in 2019 with PAR 30 days at 4%. Active borrower increased by 23% to 351,126 from 286,613 in 2019. Over the year, saving balance increased by 55% to MMK 13.50 billion from MMK 8.74 billion in 2019. The strong performance over the year enabled us to post net profit after tax to MMK 7.86 billion an increase of 94% compared to MMK 2.68 billion last year with Return on Assets (ROA) of 4.65% and Return on Equity (ROE) of 20.24%. In addition, 12 new branches were created which has brought the total number of offices to 51, operating in 11 Regions/ States.

On top of good financial performance, SPNM was awarded financial rating "BBB" by Microfinanza, International Financial Rating Agency, the highest to date among MFIs in Myanmar, which clearly shows SATHAPANA Limited has consistently consolidated its financial position through sustained portfolio growth, excellent portfolio quality and strong and improving operational efficiency. In the same year, SATHAPANA Limited also obtained Client Protection Principles certificate

by INCLUSION which proves that the institution has successfully completed all requirements with the highest standards in the financial inclusion industry.

Our success this year would have been impossible without the dedication and professionalism of our staff, whose high engagement and clients focus continue to drive our results. We will ensure that we are creating a culture that nurtures innovation and collaboration, and is increasingly fast-paced, adaptive and execution-focused, in order to meet clients' needs, we are building a better workplace for our staff that harnesses diversity and inclusion and where everyone has the opportunity to realize their full potential.



Our strategy is focused and consistent to deliver high quality of customer experience, sustainable earning growth. To achieve these goals, we have invested on new core banking system with sophisticated functionalities that enable us to deliver digital financial services to customers and tie-up with digital financial service providers to provide customers with flexible, convenient and better choice for them to choose. This means that we will pursue not just growth but sustainable growth. It also means we will pursue opportunity that are aligned to our view of local and global trends, build on our strengths and deliver strong return to our shareholders.

Being an employer of choice is a key to our success. Our employees are our greatest asset. By attracting and retaining talent, offering our employees meaningful careers and helping them succeed, we can deliver the best for our clients each day. We have a strong culture, share pride in our performance, a successful story, and a unique footprint coveted by management, board of directors, and shareholders.

On behalf of management of SATHAPANA Limited, I would like to thank management and staff for their effort and contribution, the Board of Directors for their support and advice, and the Government of Republic of the Union of Myanmar, regulatory bodies, Financial Regulatory Department of Ministry of Planning and Finance, local authorities, and clients who always support us.



Mr. Seang Serey
Chief Executive Officer

CORPORATE GOVERNANCE

Numerous studies have confirmed the importance of good corporate governance on firm performance and access to finance. This is important for not only SATHAPANA Limited itself but also Stakeholders.

Understanding the importance of having good corporate governance, SATHAPANA Limited has well set up structures of Board of Director, Risk Management function as well as Management functions.

BOARD OF **DIRECTORS**



Mr. HAN Ken, Managing Director

Mr. HAN Ken joined MARUHAN Corporation in 2000 after working for Nomura Securities from 1998. Then he was appointed as Director of MARUHAN Corporation in 2007, Managing Director in 2014 and Representative Director in 2020 being responsible as Chief Financial Officer and MARUHAN Group's ASEAN Financial Business since 2007. He is the Director and CEO/President of MARUHAN Investment Asia Pte. Ltd., which is a Singapore-based financial headquarters, managing its financial subsidiaries such as SATHAPANA Bank Plc., SATHAPANA Limited in Myanmar and MARUHAN Japan Bank Lao. He obtained his Bachelor of Law degree from DOSHISHA University in 1997.

BOARD OF **DIRECTORS**

Mr. HAN Chang-Woo, Director



Japanese, Dr. HAN Chang-Woo is the founder, Chairman and CEO of MARUHAN Corporation of Japan, which operates and manages a variety of entertainment/amusement facilities such as golf courses, driving ranges, bowling alleys, game centers, restaurants and pachinko parlors (Japanese pinball). He founded MARUHAN Corporation in 1957 and made its business grow rapidly to earn over USD 25 billion of annual sales. MARUHAN Corporation is known as the leading company of the industry in Japan. The success in the company's business growth comes from his strong energy towards pursuing customer satisfaction and high challenging spirit. Currently, he has been actively participating in several associations and working as Administrative Director of Han Chang-Woo Tetsu Cultural Foundation, Director of the Kyoto UNESCO Association, Administrative Officer of the Kyoto Chapter United Nations Association of Japan, and Director of Tokyo Philharmonic. He obtained the Bachelor of Political Economics degree from Hosei University in 1953.



Mr. HAN Yu, Director

Japanese, Mr. HAN Yu is President/COO of MARUHAN Corporation, leading 15,000 employees, and keeps MARUHAN Corporation as the leading top company in the entertainment industry in Japan, and shares the vision of making MARUHAN Corporation as a world-class entertainment service company. He joined MARUHAN Corporation in 1990, working at several important posts such as Business Executive Chief and Managing Director, he was appointed as Vice President in 2006 and President in 2008. He obtained his Bachelor of Arts degree in English Literature from Hosei University in 1988.

BOARD OF **DIRECTORS**

Mr. KIM Vada, Director



Mr. KIM Vada has over 37 years of working experiences with National Bank of Cambodia (NBC), starting as Head of NBC Kandal Provincial Branch up to Director General of Banking Supervision Directorate. During his time at the Central Bank, he held several senior positions at the banking field such as risk management (market, credit, liquidity, operational risks...etc), corporate governance, and business strategy. He played a key role in restructuring the banking system successfully in Cambodia during the 2000s – developing a competitive, safe and sound banking system which has been well regulated and supervised. He has also effectively mobilize saving for financing to stimulate the growth of the Cambodia economy. Mr. Kim obtained a Bachelor degree of law in 1975, a Bachelor's degree in Banking in 1985, and an MBA degree majoring in Finance from Charles Sturt University, Australia in 2003. He has been a lecturer and a guest speaker at some of a well-known universities in Cambodia. Moreover, in the last 10 years, he has been actively participating as a prominent speaker in various conferences and seminars pertaining to the regulatory and supervisory framework, banking and microfinance supervision, mobile banking as well as financial inclusion both locally and internationally. At the international level, he held the position as a Chairman of Asia Pacific Rural and Agricultural Credit Association (APRACA) from July 2012 to June 2014 and as an executive member of Alliance for Financial Inclusion (AFI) from January 2015 to June 2017.



Mr. MASARU Suzuki, Director

Japanese, Mr. Suzuki joined Maruhan Corporation in April 2018 and currently serves as Expert of Overseas Financial Business Department. He had extensive banking experience at Mizuho Bank since 1982. He took position in Tokyo, Osaka, London and New York and was engaged in corporate banking, foreign exchange trading, internal control, risk management and audit. After working at a Japanese vinegar manufacturing company since 2011, he took his current job. He obtained his Bachelor of Law degree from Kyoto University.

BOARD OF **DIRECTORS**

Mr. HUN Monivann, Director



Graduated in 1997 from Maharishi Vedic University (MVU) in Cambodia, Monivann now is a Chairman of Audit Committee and an Independent Director of SATHAPANA BANK PLC. and a member of Australian Institute of Company Director (AICD). He has more than 20 years of professional business experiences, in which almost 15 years serving as Company Director for various local & international companies, by starting his career as an auditor of E&Y Cambodia for 3 years and 8 years as Finance Director and Board of Director of Sepakor Angkor Co., Ltd. In 2006, Monivann joined Sathapana Limited (SPN), the leading MFI in Cambodia, as Independent Director & Chairman of Audit Committee. Besides that, Monivann now is also an Independent Director and Head of Audit Committee of Sihanouk Ville Port Authority (PAS), a listed company in CSX, Chairman of Mega Leasing Plc., a financial leasing company, Chairman of Aplus Consulting Co., Ltd., a leading HR company, Chairman of MVU Investment Plc., Vice Chairman of CIC Investment Plc. (Cambodia Investor Club), and a Vice President of Siem Reap Oddar Meanchey Chamber of Commerce (SOCC).



Mr. SEANG Serey, Director

Cambodian, Mr. Seang Serey is currently serving as Chief Executive Officer of SATHAPANA Limited, Myanmar. He has over 20 years of professional working experience with Financial Institutions and Multinational companies. Prior to joining SATHAPANA Limited, Mr. Serey previously served as Assistant Operations Manager and Provincial Manager at leading Microfinance Institution from 2004 to 2008 having extensive experiences in especially Credit Operations and People Management. In 2008, he started working at MARUHAN Japan Bank Plc, the first Japanese bank in Cambodia, holding various managerial positions such as Branch Manager, Head of Main Office, Head of Sales Division, and lastly, Head of Financial Institution. He was then invited to work as Assistant President and Executive Officer in charge of Business Division and Finance of a specialized bank until his resignation in September 2014 and joined SATHAPANA Bank PLC as Chief Administrative Officer (CAO) in October 2014 and Chief Executive Officer of SATHAPANA Limited, Myanmar from January 2018. He obtained his Bachelor Degree from Maharishi Vedic University in 1997, and Master Degree from Charles Sturt University, Australia, in 2006.

BOARD OF DIRECTORS' REPORT

The directors are pleased to present their report to the members together with the audited financial statements of SATHAPANA LIMITED (the "Company") for the financial year ended 30 September 2020 under the Section 261 of the Myanmar Companies Law 2017.

DIRECTORS

The directors of the Company in office at the date of this report are:

- HAN Ken
- HAN Chang-Woo
- HAN Yu
- KIM Vada
- HUN Monivann
- SUZUKI Masaru
- SEANG Serey

State of the Company's affairs

The Company is engaged in the business to conduct microfinance business. There has been no change in the business of the Company during the financial year ended 30 September 2020.

Financial Performance

Financial results	1 October 2019 to 30 September 2020 (MMK)	1 April 2019 to 30 September 2019 (MMK)
Revenue (including other operating income)	42,101,904,574	14,085,145,700
Profit before depreciation & tax	**11,194,646,885**	**3,909,306,364**
Less: Depreciation and amortization	(751,431,407)	(241,285,202)
Profit after depreciation and amortization	**10,443,215,478**	**3,668,021,162**
Less: Income taxes	(2,733,919,097)	(990,115,094)
Total comprehensive income for the year/period	**7,709,296,381**	**2,677,906,068**

Transfer to reserve account

MMK 1,927,324,095 which represents 25% of the net profit after tax was transferred to the Reserve Account during the financial year ended 30 September 2020 in compliance with Section 33(b) of the Microfinance Law.

Dividend

No dividend is recommended for the current financial period.

Risks and uncertainties

The Company's operations were negatively affected by the advent of COVID-19 pandemic and the current political situation in Myanmar. These interrupted the Company's microfinance lending and resulted in the Company experiencing loan collection difficulties and a higher than projected loan overdue rate. The continuing presence of COVID 19 and the current political situation in Myanmar and its unknown effects present a material risk to the growth of the Company's operations, but the Directors do not expect such to threaten the Company's status as a sustainable going concern.

Auditor

UTW (Myanmar) Limited has expressed their willingness to accept reappointment as auditor.

On behalf of the board of directors:

Ken Han

Mr. Han Ken

Managing Director

Date: 07 May 2021

The Republic of the Union of Myanmar

SHAREHOLDERS

MARUHAN INVESTMENT ASIA PTE. LTD.

MARUHAN INVESTMENT ASIA PTE. LTD. (the "Company") was incorporated on 31st January 2012, having Company Registration No. 201202241N. The Company is a private limited company incorporated in the Republic of Singapore. The immediate and ultimate parent of the Company is MARUHAN Corporation, incorporated in Japan.

The registered office of the Company is located at 6 Temasek Boulevard, #29-00 Suntec Tower 4, Singapore 038986. The paid-up capital of the Company is USD 309.18 million as of 31st December 2020.

The principal activity of the Company is that of investment holding for commercial banking and microfinance business in the ASEAN region. The Company also provides management services to its subsidiaries and MARUHAN Group companies in the region. As of 31st December 2020, the Company had the following direct subsidiaries:

1. **SATHAPANA Limited Myanmar**
Microfinance Institution in the Republic of the Union of Myanmar. Paid-up capital USD 20 million (99.99%).

2. **SATHAPANA Bank Plc.**
Commercial bank in the Kingdom of Cambodia. Paid-up capital USD 193 million (100%). SATHAPANA Bank Plc. has a representative office in Yangon, the Republic of the Union of Myanmar.

3. **MARUHAN Japan Bank Lao Company Limited**
Commercial bank in the Lao People's Democratic Republic. Paid-up capital USD 46.6 million (90%).

4. **MARUHAN Myanmar Company Limited**
Consultancy services company in the Republic of the Union of Myanmar. Paid-up capital USD 3.5 million (99.99%).

5. **MARUHAN (Cambodia) Corporation**
Property investment company in the Kingdom of Cambodia. Paid-up capital USD 52.8 million (100%).

6. **MARUHAN Investment (Cambodia) Company Limited**
Land holding company in the Kingdom of Cambodia. Paid-up capital USD 20,000 (49%).

The Board of Directors of the Company were:

- Dr. HAN Chang-Woo
- Mr. HAN Ken
- Mr. HAN Yu
- Mr. HAN Koh
- Mr. MOHAMMAD ZIN Zuraidah Binte

MANAGEMENT **TEAM**



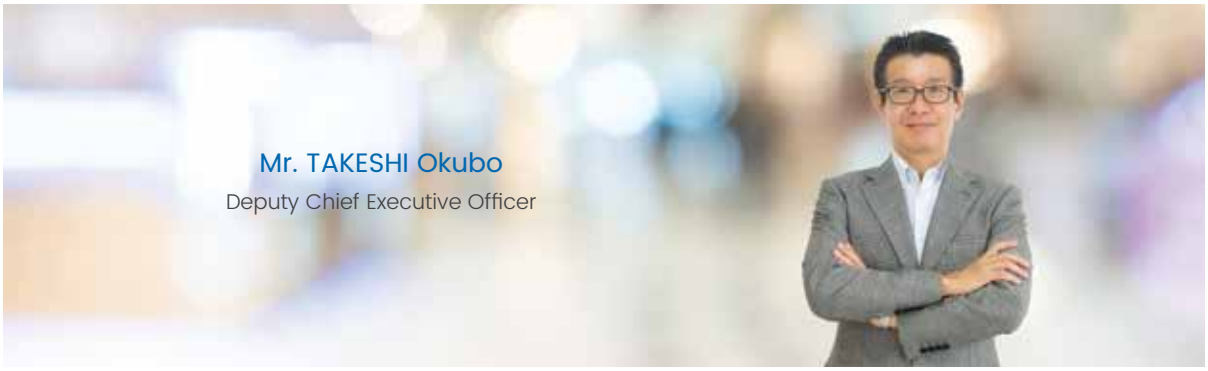
“ Management is doing things right,
Leadership is doing the right things ”

Peter F. Drucker

MANAGEMENT



Cambodian, Mr. Seang Serey is currently serving as Chief Executive Officer of SATHAPANA Limited, Myanmar. He has over 20 years of professional working experience with Financial Institutions and Multinational companies. Prior to joining SATHAPANA Limited, Mr. Serey previously served as Assistant Operations Manager and Provincial Manager at leading Microfinance Institution from 2004 to 2008 having extensive experiences in especially Credit Operations and People Management. In 2008, he started working at MARUHAN Japan Bank Plc. the first Japanese bank in Cambodia, holding various managerial positions such as Branch Manager, Head of Main Office, Head of Sales Division, and lastly, Head of Financial Institution. He was then invited to work as Assistant President and Executive Officer in charge of Business Division and Finance of a Specialized Bank until his resignation in September 2014 and joined SATHAPANA Bank Plc. as Chief Administrative Officer (CAO) in October 2014 and Chief Executive Officer of SATHAPANA Limited, Myanmar from January 2018. He obtained Bachelor Degree from Maharishi Vedic University in 1997, and Master Degree from Charles Sturt University, Australia, in 2006.

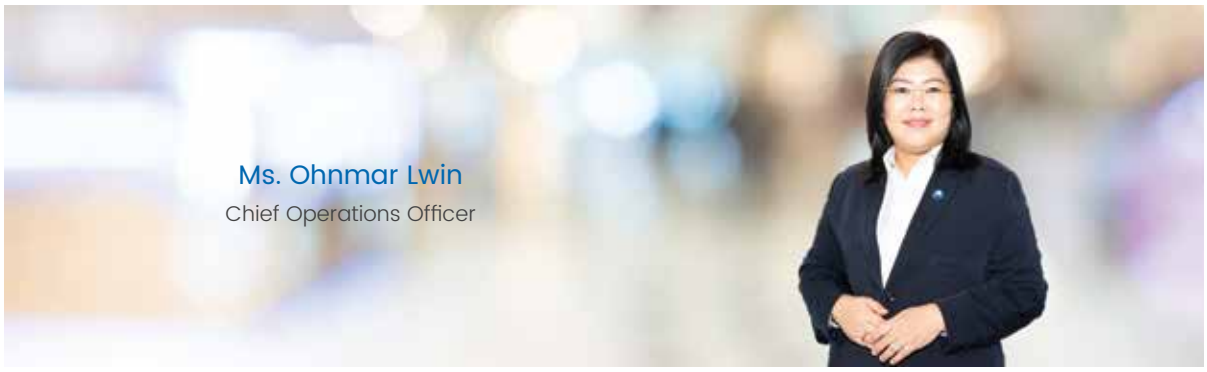


Japanese, Mr. Takeshi Okubo is currently serving as Deputy Chief Executive Officer of SATHAPANA Limited, Myanmar. He has over 25 years of professional working experience with International bank and Financial Institutions in Japan, US and India. Prior to joining SATHAPANA Limited, Mr. Takeshi Okubo previously served as Assistant Vice President, Corporate Planning Division at The Fuji Bank, Ltd., from 2001 to 2004. In 2004, he started working at Mizuho Bank, Ltd., holding various managerial positions such as Senior Vice President, Americas Corporate Banking Department, International Operation Planning Department, Joint General Manager, India Administration Department, Joint Project Manager, Global Core banking System Transformation Project Team. He obtained Bachelor Degree of Law from Waseda University in 1991, and Master Degree of Law from University of Illinois, USA, in 1995.

MANAGEMENT



Cambodian, born in August 1985, he obtained BBA in Business Economics from National University of Management (Cambodia), BSc in Computer Science from Western University (Cambodia), MBA in Finance, Banking and Insurance from NANTES University (France) and MBA of Risk Management in Insurance, Finance, and Banking from Royal University of Law and Economics (Cambodia). He also graduated the Association of Chartered Certified Accountant (ACCA) from UK in December 2012, became ACCA member in 2013, FCCA in 2018, and successfully passed the Tax Agent exam in Cambodia. He has many years of working experience by starting as a government tax officer around one and a half year, then left to work with international logistic company. In July 2010, he has joined with SATHAPANA Limited in Cambodia, now known as SATHAPANA Bank Plc. He has held various positions such as Financial Controller, Senior Financial Accounting Officer, Deputy Head of Finance Department, Deputy Head of Treasury Department, and Deputy Head of Internal Audit Department. In January 2018, he was chosen and transferred to work for SATHAPANA Limited in Myanmar as Chief Financial Officer.



Ms. Ohnmar Lwin, Myanmar, born in 1981, joined SATHAPANA Limited Myanmar in November 2017 as Head of Credit Department and she is currently serving as Chief Operations Officer. Among over 19 years of working experiences in Myanmar, she has more than 10 years of experience in Managing of Financing, Banking and Mobile Financial Services. She obtained Diploma in Accounting D.A (UK) and D.C.A (UK) in 2008, Diploma in English from Yangon University of Foreign Languages (Y.U.F.L), B.A (Economics) from Yangon University, in 2003, Executive MBA from Yangon University of Economics, (Y.U.E). She joined a lot of management training classes related to Leadership, Branch Operations Management from Central Bank of Myanmar and Sumitomo Mitsui Banking Corporation, Certified SME Lending Professional, Credit Risk and Delinquency Management (MIFA TAF), Core Banking, International Banking and Trade Finance Course from MIF, GIZ and Commerzbank (Germany), Microfinance Operations Management and other management courses.

MANAGEMENT



Ms. Thidar Hlaing Head of Admin Department

Ms. Thidar Hlaing, Myanmar, joined SATHAPANA Limited Myanmar in April 2018 as Head of Administration Department. She has more than 17 years of experience in Administration at different industries. She obtained Advanced Diploma in Business Administration from Association of Business Administration (ABE), UK in 2010. Diploma in English Language Proficiency from South East Asia Ministry of Education Organization (SEAMEO CHAT) in 2007, BSc. (Botany) from University of Yangon in 1994.



Mr. Htun Htun Head of Marketing Department

Myanmar, born in 1965, joined SATHAPANA Limited Myanmar in June 2018 as Head of Marketing Department. He got the Bachelor Degree in Economics from Yangon University in 1986. He has also got the Master of Public Administration from Yangon University of Economics in 2020. He has more than 20 years of experience in Marketing, Sales and Distribution of FMCG products in Myanmar. He has got an experience of working as a project-based consultant in part of the framework which aims to promote foreign direct investment from Japan and other countries to Myanmar through improvement of legal and regulatory business environment.



Ms. Hnin Wit Yee Head of Operations Department

Hnin Wit Yee, Myanmar, born in 1984, joined SATHAPANA Myanmar as Head of Operations Department. Before joining SATHAPANA Myanmar, she worked as Relationship Manager at United Amara Bank Limited and Executive at Ayeyarwady Bank Limited. She has more than 7 years of experience in Banking and Financial Institutions Sector. She holds Bachelor of Statistics, Master of Public Administration (MPA) from Yangon University of Economics, Master of Business Administration (MBA) from University of Thai Chamber of Commerce (UTCC, Thailand), Diploma of International Relationship from Yangon University, Diploma of Tourism Management from Temasek Polytechnic (Singapore) and Management Improvement for Executives from HIDA (Japan). She has got the trainings from international organizations such as International Trade Finance from GIZ, Trade Finance Program and Letter of Credit from Asian Development Bank (ADB) and Oversea Chinese Banking Corporation Bank (OCBC), International Financial Institutions Principles and guidelines for Investigation from Asian Development Bank (ADB), and Forex and Risk Management from Cathy United Bank and Central Bank of Myanmar.

MANAGEMENT



Mr. HAN Koemsreang Head of IT & MIS Department

Mr. Han Koemsreang was born on April 13th, 1985, he obtained Bachelor Degree in Computer Science and Engineering majoring in Information System from the Build Bright University in 2010. He has attended IT related trainings and workshops in various countries such as Cambodia, India and Vietnam. He has over 7 years of working experience in Banking and Microfinance sectors. Mr. Koemsreang served for many institutions such as SATHAPANA Limited Microfinance, KREDIT Microfinance Institution Plc, Maruhan Japan Bank Plc and SATHAPANA Bank Plc in variety of positions such as IT Technician and MIS Assistant, Core Banking System Manager, Senior Core Banking Officer and Core Banking System Manager. He joined SATHAPANA Limited Myanmar in July 2018 as Head of IT and MIS Department.



Ms. Kno Zin Win Head of Internal Audit Department

Myanmar, born in 1987, joined SATHAPANA Myanmar as Head of Internal Audit on 25th January 2019. She has more than 9 years of experience by starting in Auditor General of Yangon over four years and then left to work with Amazing Holiday Company Limited. Before joining SATHAPANA Myanmar, she worked as Head of Internal Audit at ASA Myanmar Microfinance Limited. She holds Bachelor of Commerce from Yangon Institute of Economics, Certified Public Accountant (Gold Medalist-first grade in Myanmar) from Myanmar Accountancy Council, Diploma in Business Law from Yangon University, Chartered Institute of Management Accountant-Strategic Level.



Ms. Larmalay Head of Finance Department

Myanmar, born in 1993. She holds the Bachelor Degree in Business Administration with Accountancy Major from Myanmar Union Adventist Seminary and Diploma in International Financial Reporting Standard (Dip IFR). She joined SATHAPANA Limited Myanmar in August 2015 as an accountant. She worked at SATHAPANA Limited with various positions such as Finance Officer, Accounting & Tax Unit Manager, Deputy Head of Finance Department and Assistant Regional Manager until April 2020 and at the end of April 2020, she was promoted as Head of Finance department at Sathapana Limited Myanmar.

MANAGEMENT



Ms. Shwe Sin Win Lei Phyo Head of HR Department

Ms. Shwe Sin Win Lei Phyo, Head of HR, Myanmar, a HR professional with a decade of experience working within the intricacies of people management especially in Sourcing, Learning and Development, started working at SATHAPANA in April 2020. She worked as a HR body for more than 10 years of her working span in FMCG, Insure-Tech and Service Industries and NGOs, etc. She was graduated from YUOE and IICSE Universities - Master of Education (2006) - majoring in Educational Psychology and Master of Business Administration (2017) - majoring in Human Resources. A very enthusiastic person regarding with people and a strong believer in the power of positive thinking in the workplace. She regularly develops internal wellness for the sake of employee retention. Result-oriented and hardworking person who fond of facilitating the employees and raising the employer's satisfaction with respect to achieve the company's business goals.



Mr. Mya Ko Head of Credit Department

Mr. Mya Ko is an accomplished person in various financial services over 8 years of distinguished performance in the financial institutions. Broad-based background encompasses exceptional work ethic and commitment to organizational objectives. As a Head of Credit Department at SATHAPANA Limited, his goals include building the strong portfolio quality of institution and performance management of its branches. He holds a Bachelor Degree in Economics from Monywa University of Economics and studied the Master of Banking and Finance at Yangon University of Economics.



Mr. Hein Nay Soe Company Lawyer

Mr. Hein Nay Soe, Myanmar, joined SATAPANA Limited Myanmar in March 2020 as Company Lawyer. He is a licensed Lawyer since 2015 and well-handled various litigation cases and counseling legal matters for several organizations and individuals. He has almost 7 years of experience as a lawyer and more than two and a half years in the MFIs field. He obtained Bachelor of Laws (LL. B) from the University of West Yangon in the year 2013, Advanced Diploma in Tech from CMC Academy India in 2011, General Course on Intellectual Property (DL-101) from WIPO Academy Switzerland in 2015, Diploma in Legal Studies from Alison in 2016 and Diploma in Business Law from the University of Yangon in 2018 and Verified Certificate of Contract Law Course from the Harvard University in 2020. He is a candidate for Master of Art in Business Law at the University of Yangon and he received the First Prize of Outstanding M.A(Business Law) Student award for the Academic Year 2018-2019 from the Department of Law, University of Yangon.

CORPORATE **ADMINISTRATION**



The administration is the process of running a business, organization, etc. defined by the Oxford dictionary. SATHAPANA Administration is about managing and controlling the process of reducing cost and risks, avoiding unnecessary expenses, promoting safety and hygiene working environment, and procurement and logistic activities as per the company's administration policy and procedure.

To contribute in maintaining environmental sustainability and reducing administrative costs, Administration Department is responsible for guidance and control of paper, electricity, and water usage, and effective waste management. SATHAPANA is implementing web-based and online workflow processes in business operations with aiming for a paper reduction strategy. Office buildings are also eco-friendly by means of using glass to reduce electricity. Furthermore, SATHAPANA is using modern and eco-friendly electronic products and equipment to save water and electricity.

SATHAPANA's sole purpose is to provide a safe and healthy working environment for all staff. Health, safety, and welfare of employees at work are top of the SATHAPANA's priorities. The coverage for health and safety includes providing a first aid kit and fire extinguishers at the offices. In case of an accident at the workplace, SATHAPANA takes the necessary arrangement for medical attention. Also, particular attention will be given and periodic inspection will be carried out to ensure that flammable materials are not being stored or close to fire/electric source and other precautions are consciously taken by all employees. Administration Department inspects and maintains office vehicles on a monthly basis for the safety of employees. Moreover, Administration Department supports whole business operations to run smoothly, including liaising with government departments such as Financial Regulatory Department (FRD) and General Administration Department (GAD). Effective and efficient administration management will ensure the sustainable growth of SPNM's business.

BUSINESS PERFORMANCE & ACHIEVEMENT

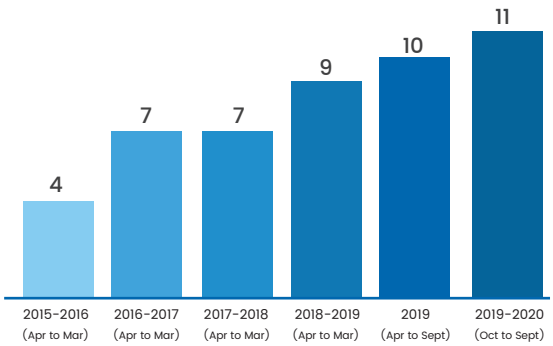


In the fiscal year 2019-2020, SATHAPANA Limited has achieved significantly in business growth and expansion of branch network to provide financial services to customers for start-up and expansion of their businesses.

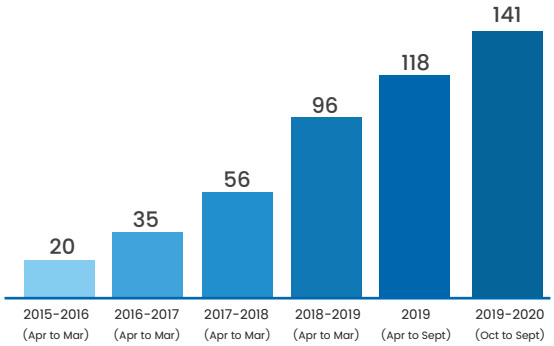
Main achievements are as below:

Operational outreach area	Operation Regions from **10** to **11** and Operation Townships from **118** to **141**
Number of Branches	From **38** to **50**
Number of Staff	From **1,054** to **1,528**
Number of Borrowers	From **286,613** to **351,518**
Loan Portfolio	From **111.06 Billions** MMK **to 178.29 Billions** MMK

Operational Outreach Area



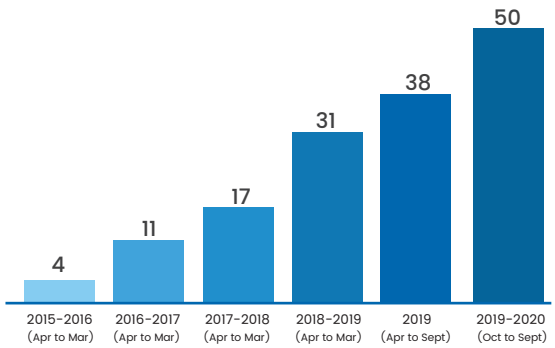
By Regions/States



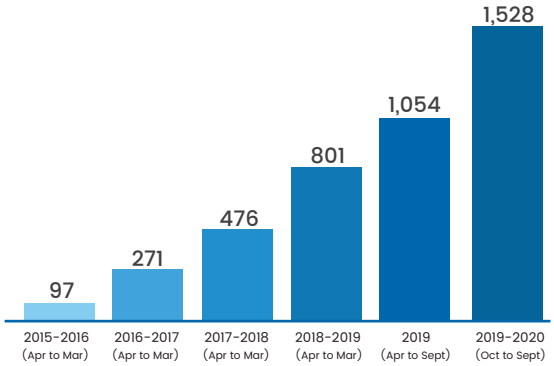
By Township

›› SATHAPANA always tries to expand operational outreach to both rural and urban areas so that our clients shall be able to access our financial service regardless of where they are living. SATHAPANA was able to expand the operational outreach area from 10 Regions to 11 Regions, and from 118 Townships to 141 Townships during the period of FY 2019-2020.

Number of Branches

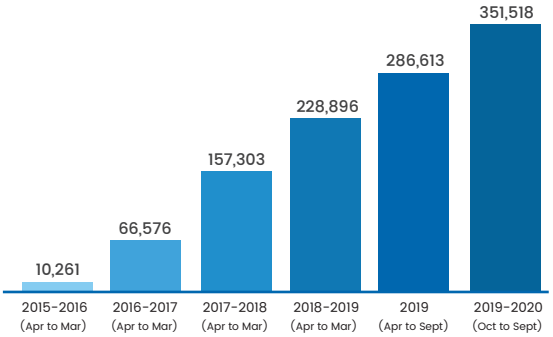


Number of Staff

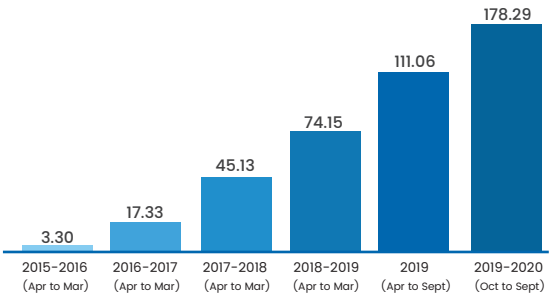


›› SATHAPANA Limited is very committed in providing affordable and sustainable financial services to more and more people. Infrastructure and manpower shall need to be extended in order to provide services to more clients. SATHAPANA opened 12 new branch offices although half of the year was affected by the outbreak of COVID-19 pandemic in FY 2019-2020. The increase in new branches needs more number of employees. SATHAPANA provided 474 employments in the last financial year, and trained new recruits to be skillful workforce and professionals in financial industry.

Number of Borrowers



Loan Portfolio (billions in MMK)



›› Although there are many aspects to evaluate the business performance of microfinance institutions, the number of borrowers and loan portfolio are still important criteria in measuring the achievement of microfinance business operations.

Compare to last financial year, SATHAPANA Limited achieved 22% growth in active borrower clients and 60% growth in loan portfolio in FY 2019-2020.

HUMAN CAPITAL DEVELOPMENT



1528
Total Number of Staff

678
Total Number of Female Staff

44%
Women Staff Participation

877
Number of Staff for Internal Training

97
Number of Staff for External Training

09
Number of Effective Branch Management Training

28
Number of New Recruit Training

An organization's ability to learn and translate that learning into action rapidly is the ultimate competitive advantage.

Human Capital Development is considered to be one of the most important elements of company success. Therefore, SATHAPANA Limited continuously invests for the personal and career development of its employees by establishment of separate learning and development unit in HR department, effective use of annual training budget, and creating the necessary environment in which employees can learn better and apply innovative ideas, acquire new competencies, develop skills, behaviors and attitudes. SATHAPANA provides both in-house training as well as training programs with outsourcing professionals.

There are different kinds of training programs such as **New Recruit Training, Refreshment Training, Effective Branch Management Training, Skill Development Training, Management Trainee Program and Talent Management Program**. All these programs are designed with an aim to meet the skills and requirements of different staff levels in the organization.

By the end of each training, Learning and Development Unit follows up by collecting training evaluation assessments and Training Needs Analysis in order to measure the effectiveness of each and individual training program.



RECRUIT Training

The New Recruits Training is provided to newly recruited employees by all relevant departments and branches in order to gain more confidence in carrying out their work duties and responsibilities since the very beginning, and become familiar with SATHAPANA's company policies, procedures, rules, practices and regulations so as to prevent unnecessary mistakes at the workplace.



REFRESHMENT Training

The refreshment training aims to upgrade employees' skills and knowledge by providing updates and new developments of the company's policies and procedures. In addition, this training provides leadership skills and other knowledge to become more productive at the workplace.

EFFECTIVE BRANCH MANAGEMENT Training

The Effective Branch Management Training is provided to supervisor level positions such as (BM, Sub-BM, CLO, DCLO, Accountant / Assistant Accountant) who are the potential successors of the company. It provides not only to build up management capacity but also to promote the comprehensive understanding of the employees on Microfinance industry with ethical and responsible manners.

SKILL DEVELOPMENT Training

This program is designed to improve the quality of internally-promoted first-line managers or trainers of our company with better training skills and knowledge.

The participants in training are equipped not only with required technical skills and soft skills but also with human skills in order to understand and develop broader concept.



CAREER Development

A career at SATHAPANA Limited is truly one-of-a-kind experience. Every person has the opportunity to create a long and successful career growth as well as personal growth.

SATHAPANA Limited shall support career planning by allowing staff to rotate jobs based on skills, talent, performance, experience and, etc.



Talent Management program aims for the potential employees among the staff at all levels from Branch and Head office. It is designed to attract, develop, motivate, retain productivity and energize employees to deal with any change in the future.

This program helps employees feel engaged, skilled, and motivated, allowing them to work in the direction of the company's business goals, which in turn, increases client satisfaction and business performance. Talent management also works to keep current employees and advance them to higher positions in the organization.

TALENT Management Program



MANAGEMENT Trainee Program

Management Trainees are important for SATHAPANA Limited in order to develop leaders and experts who bring new ideas and energy into the company. We want young professionals nationwide to take part in shaping the future of SPNM and be part of our management team and to grow rapidly within a fast-growing multinational company, SATHAPANA Limited Myanmar.

We provide unique opportunities for young professionals to take an internship in Finance, Operations, Marketing, Credit, Risk & Compliance, Human Resources, Administration, and IT & MIS department.

BUSINESS FUNCTIONS



Business functioning is of crucial and vital importance for survival and sustainablility of any commercial organizations. SATHAPANA's business functions are operated by Credit Department, Marketing Department and Operations Department, and consisting with engagement and promotion activities, pre-disbursement process and credit assessment activities, service counter operations activities, after sales service activities, and so on.

1 **ENGAGEMENT** MEETINGS





Engagement meetings are initiated to address the issues that impact the well-being of the communities where SATHAPANA has been doing its business operations. SATHAPANA always initiates for engagement meeting with local authorities and community leaders, especially in the time of entering into new territories, not only for its business operations but for local community development also.

It is the dynamic process of working collaboratively that involves communications, interactions; exchange of views, ideas, and concerns and learning from each other. The improvement of the well-being of community where we live and work is a part of our policies and commitments.

2 KYC and DUE DILIGENCE PROCESS

SATHAPANA is a responsible microfinance institution as it prevents clients from over indebtedness and provides loans that are adapted to the needs of the client. The loans are designed to be easily repayable and a long-term relationship with clients is promoted rather than a onetime loan.

SATHAPANA's decision-making criteria to grant a loan are primarily based on repayment capacity and characteristics such as character, morals, and willingness to repay of a borrower. Other aspects such as stability, both at the workplace and home, and experience of the applicant, investment plan, and risks involved are also taken into account in loan assessment process.

In order to assess this, SATHAPANA conducts a full analysis of the applicant's business such as home visit and collecting information from other reliable sources like other MFIs, market and local authorities, employees, spouse, other family members, neighbors, or others as needed.



The analysis of a borrower's business is predominantly based on its historical performance and current situation. Future potential risks or costs should also be considered.

The following elements are systematically analyzed:

- The existence of the activity
- The morality, stability and capacity of the entrepreneur
- The key factors of the business profitability
- The current debt and repayment capacity of the borrower

3 COUNTER SERVICE FOR DISBURSEMENT & REPAYMENT

As our company is a well-known service providing company, we focus on long-term value creation for our shareholders, customers, people and the community. Customer satisfaction is the best way to get the customer's loyalty which can bring benefits to the company. Customer service with high ethical standard is a key focus area of our company. Hence, the most important thing for all of the employees to do is providing the best courtesy service to the customers with integrity, respect, humility and responsibility. As employees of the banking and finance industry, we are also committed to building greater accountability, trust, transparency, service with advance technology to our customers. The trust in us from our stakeholders can achieve growth and sustainability for our business. We, operations and counter team, are committed to increase use of skills to provide instant services and convenience to the customers. Service counter operations team serves and warmly welcomes the customers with smiles as soon as they arrived the branch. We maintain the confidence on that aim to ensure our products and services are suitable for our customers and we care our customers fairly, always put our customers' needs first when we provide the service, listen to and act on customer complaints, avoid unnecessary barriers to have conflict with customers and acting with honesty and integrity and doing the right thing when delivering on our commitments.





4 AFTER-SALES SERVICES & CUSTOMER EXPERIENCES

After-sales service plays a vital role in SATHAPANA's selling process. After loan disbursement, SATHAPANA employees follow up and meet with clients regularly not only to review the use of loan and their business progress, but also to promote and strengthen mutual long-term relationship for future business opportunities.

The convenience on repayment schedule is taken care and SATHAPANA's credit related employees follow ethical debt collection practices and behavior. SATHAPANA seeks the customer feedback about its product design and delivery system in each and every process of business operations, and always alerts to any kind of illegal practices, breaching the laws and business operation procedures, or other malpractices in order to prevent misconduct, wrong behavior and corruption.

The client satisfaction is one of the key focuses in SATHAPANA's after sales service and, clients are encouraged to complain about their grievances, report about their concern, and suggest their ideas and view via hotline telephone, suggestion box, email, website and so on.

OUR PRODUCTS

1 PRODUCT DEVELOPMENT POLICY



SATHAPANA's financial service products are designed according to the company's business strategy, the requirement of clients, and market demand. Each product has its unique features on its own to meet the needs of clients in a different segment. The unique characteristics of each client category are considered and the following principles and guidelines are taken into account in reviewing each existing product and new product development. SATHAPANA's products shall:

- Be appropriate, suitable, safe in transaction, and no harm to clients.
- Respond to market demand and expectations of clients.
- Comply with all rules and regulations.
- Comply with core client protection principles.
- Sustain SATHAPANA's business operations.

The above guidelines are followed not only for the developing and selling of SATHAPANA's products and services but also for delivery channel and after-sales services. SATHAPANA Limited actively and spontaneously listens to the needs of the clients and seeks their feedback in various ways for further improvement of its products and services.

SATHAPANA's business team monitors and reviews the appropriateness and suitability of existing products, services, and delivery channels on a regular basis, and provides necessary recommendations for amendment and alternative directions. Market studies are conducted before the development of any new product. The feasibility and current market dynamics are studied comprehensively to make a prudent judgment on market potential and risks.

2 LOAN PRODUCTS



AGRICULTURE LOAN

Agriculture and husbandry promote not only food security of the country, but also enhance the household income level of the family, especially living in the rural area. SATHAPANA's agricultural loan is designed to provide financing to all kinds of investment for the business activities in agricultural productions (including husbandry, fishery and forestry) such as purchasing of seeds, fertilizers, agricultural equipment, paying labor charges, and so on.

SMALL BUSINESS LOAN

Micro, small, and medium size enterprises play vital role in the economic development of the country. It promotes income of the people through generation of various employment opportunities by initial start-up and business expansion of entrepreneurs. SATHAPANA Limited encourages and empowers entrepreneurs in both rural and urban areas by providing sustainable financial services for start-up and expansion of their businesses.

CONSUMPTION LOAN

Consumption loan is designed to provide to use in home and household appliances such as furniture, home improvement, purchasing motorbike and other compulsory household expenses. It can also be used in education and, health in the time of financial needs for clients. SATHAPANA aims to promote the socio-living standards and businesses of clients, and to generate higher income by providing this consumption loan.

3 SAVINGS PRODUCTS



Savings provides financial safeness in case of emergency and uncertainties in life. When you are financially secure, you will be free from worries for money and have more choices and options in life. SATHAPANA always encourages saving practice to clients, and provides two types of savings services; compulsory savings and voluntary savings.

COMPULSORY SAVINGS

Compulsory savings is mandatory for all loan clients, and maximum 5% of total disbursement must be deposited as compulsory savings at the time of disbursement itself. These savings deposit, both principal and savings interest, shall be paid back to clients when all repayments are fully settled and loan account is closed. At the time of closing the account, the compulsory savings balance can be transferred to voluntary savings account on clients' request.

VOLUNTARY SAVINGS

In order to offer wider range of savings service, SATHAPANA provides voluntary savings deposit with two different savings methodology; Passbook savings and Term Deposit. Passbook savings can be available as Normal Savings Account with regular interest rate 10% per annum, and Loyal Savings Account with higher interest rate up to 11% per annum based on savings deposit balance. The much higher interest rates (Up to 12% per annum) are paid back to those savings clients who have deposited their savings with fixed term period starting from 6 months to 24 months.

4 SOCIAL WELFARE PROGRAM



All loan customers are mandatorily required to participate in social welfare program. Membership shall be granted to customers immediately after they contribute funds to the program. All members of the program shall contribute 0.5% of loan disbursement amount per annum at the time of disbursement of each loan cycle. No partial contribution shall be accepted. The tenure of program membership shall be exactly as the loan tenure and the membership shall be expired if client does not continue their loan into new cycle after closing or maturing the existing loan.

SATHAPANA Limited has implemented social welfare program starting from FY 2019-2020 with aiming to protect the socio-economic life of clients in accordance with the direction of Financial Regulatory Department (FRD). SATHAPANA provides the social welfare benefits for childbirth, death, and disability according to the internal policy and procedure.

Social Welfare Fund Provided During FY 2019-2020

	No. of Clients	Written-Off Amount (MMK)	Fund Provided (MMK)	Total (MMK)
Borrower Death	372	183,021,501	37,200,000	220,221,501
Co-borrower Death	521	133,339,931	26,050,000	159,389,931
Borrower Childbirth	1,625	-	81,250,000	81,250,000
Co-borrower Childbirth	832	-	41,600,000	41,600,000
Borrower Disablement	4	1,184,810	300,000	1,484,810
Fired & Flood	174	8,921,778	3,200,000	12,121,778
Total	3,528	326,468,020	189,600,000	516,068,020

COVID-19 PANDEMIC & CRISIS MANAGEMENT

Started from Wuhan, China, the outbreak of coronavirus disease 2019 (Covid-19) has been happening and spreading across the world, and World Health Organization (WHO) declared it as pandemic on 11th March, 2020. The first positive case in Myanmar was reported on 23rd March 2020, and the number of cases increased thereafter. The impact of the pandemic has posed unprecedented challenges and threats to the people of Myanmar in terms of health, education, social relations, and economic life, which never happened before in the history.

The pandemic has totally changed the socio-economic life of the people. The paradigm was shifted from usual working, learning and normal life style to working from home, online learning, online shopping and online marketing etc. Most people in Myanmar are becoming to be accustomed to new normal life style and work culture.

BUSINESS CONTINGENCY PLAN

Covid-19 has created severe negative impact to almost all business sectors and whole economy of Myanmar. All companies and organizations from both public and private sectors need to reshape their policies and strategies in order to sustain their businesses and operations activities during and post Covid-19 period. SATHAPANA limited has designed and developed Business Contingency Plan to sustain its business operations during Covid-19 pandemic.





Occupational

The safety of staff and clients is the top of the priorities in SATHAPANA's business operations. SATHAPANA strictly follows the Occupational Health and Safety (OHS) guidelines and procedure from Ministry of Health and Sports (MOHS), and complies all regulations and instructions from local authorities at different level. The preventive measures such as systematic disinfections at SATHAPANA's all working places, measuring body temperature of staff and clients before entering into offices, keeping social distancing to avoid the mass crowed in the offices, and taking all feasible measures in fighting against Covid-19.

SATHAPANA Limited not only makes hygiene and safety working environment for staff and clients, but also aligns how and where employees work as situation demand. SATHAPANA has practiced remote working such as Work from Home (WFH) by segregating staff into team A, B, C, and encouraged online and virtual meeting and training to reduce the possible risks of transmission to each other.

Financial

The businesses of SATHAPANA's clients are badly affected due to Covid-19 and most of them have been facing challenges for financial support to continue and sustain their business operations. SATHAPANA Limited, with the sense of responsibility, is committed to provide continuity of its financial services to support the needs of clients in this difficult time as a true and reliable business partner.

Although the liquidity is a big challenge for microfinance sector in this time of pandemic, SATHAPANA is making every possible effort to provide sustainable financial services to its clients while following the guidelines and instructions from MOHS and Government of Myanmar, and simultaneously proving as a credible and creditworthy financial institution to its creditors.

Operational

Being as one of the organizations who always cares about the feedbacks from market and clients, SATHAPANA has realigned its operational activities according to ground reality and situations demand. Repayments are not collected aggressively. For those who are having genuine problems, repayment shall be collected by coordination and negotiation with clients in understanding that the economic condition of clients can be badly affected due to the impact of Covid-19 pandemic.

Loan rescheduling, restructuring, and refinancing services are also provided as necessary, with the consent of clients, in order to relieve the rigidity of repayment for clients. Repayments are collected in the field to remove the burden of clients to come to office. The clients can also make the repayment through digital mobile financial service providers.



SOCIAL CONTRIBUTION

Donations





Being as the social-conscious organization and aiming to contribute in fighting against Covid-19, SATHAPANA Limited has donated Ks-6,000,000/- (MMK-Six Millions Only) to National Level Central Committee on Prevention, Control and Treatment of Coronavirus Disease 2019. And Personal Protective Equipment such as Masks, PPE, Glove and other protective materials were also donated to respective Township Covid-19 Committees in Yangon and Ayeyarwady regions.

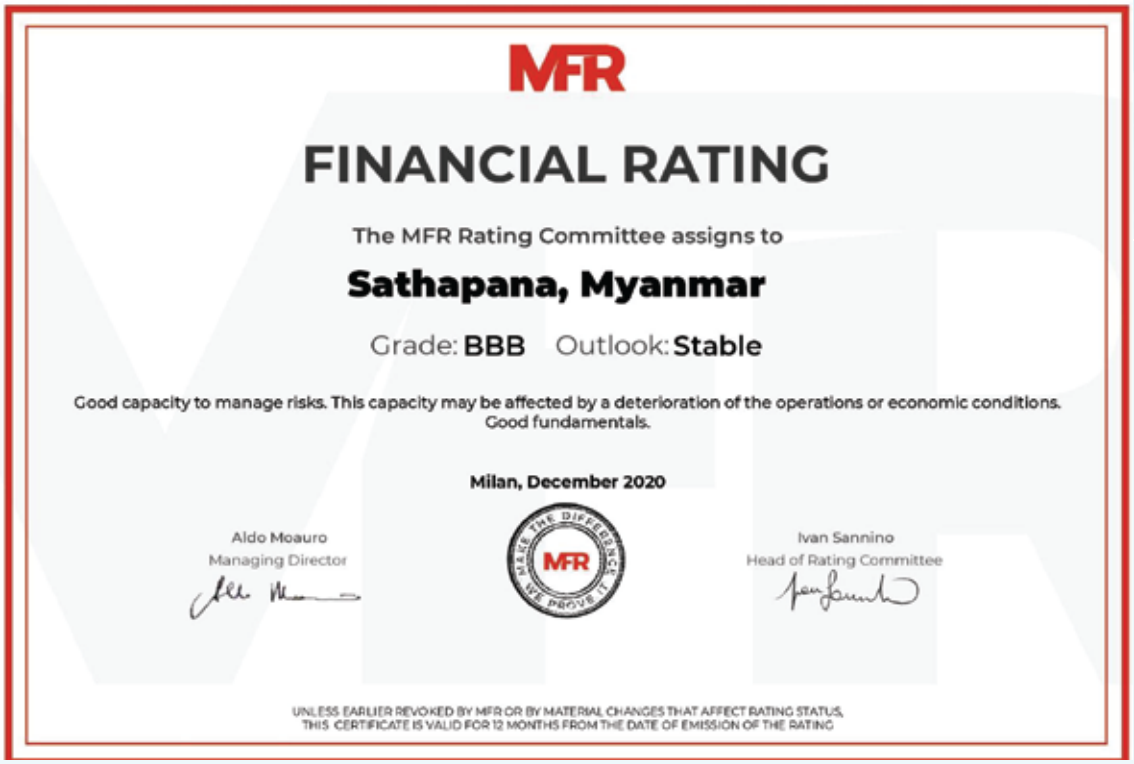
CERP Loan



The impact of COVID-19 pandemic on Myanmar Economy was so severe. Many business sectors are affected and some of them are almost stopped. The government of Myanmar has launched Covid-19 Economic Relief Plan (CERP) as an overall and broad range of fiscal and monetary measures by setting goals and action plans aiming to mitigate the negative impact and consequences of the pandemic. Increasing government spending and providing low-cost funds to improve the working capital of affected MSMEs are some of the measures to sustain small businesses. As a part of the plan, the short-term loan with a low-interest rate (2% per annum) has been provided to small and medium-size tea shops and restaurants across Myanmar to create jobs and stimulate business transactions. In this regard, SATHAPANA Limited has cooperated with Government of Myanmar in project implementation under the directions and guidelines by Financial Regulatory Department(FRD). SATHAPANA Limited has provided total 9 billion MMK short-term loans with a low-interest rate (2% per annum) to 2094 clients across Myanmar.

AWARDS, ACHIEVEMENTS AND RECOGNITIONS

FINANCIAL RATING



MFR

FINANCIAL RATING

The MFR Rating Committee assigns to

Sathapana, Myanmar

Grade: **BBB** Outlook: **Stable**

Good capacity to manage risks. This capacity may be affected by a deterioration of the operations or economic conditions. Good fundamentals.

Milan, December 2020

Aldo Moauro
Managing Director

Ivan Sannino
Head of Rating Committee

UNLESS EARLIER REVOKED BY MFR OR BY MATERIAL CHANGES THAT AFFECT RATING STATUS, THIS CERTIFICATE IS VALID FOR 12 MONTHS FROM THE DATE OF EMISSION OF THE RATING

SATHAPANA Limited has been recognized and certified as “BBB” Financial Rating Result by International Rating Agency, Microfinanza Rating (MFR).

The FR rating process was accomplished with a comprehensive assessment and thorough analysis of risks and performance, and this Rating Result is remarkable achievement and identified SATHAPANA as strong and reliable financial institution with good capacity to manage risks, having creditworthiness and good fundamentals for long-term sustainability.

ISR CLIENT PROTECTION CERTIFICATION



ISR CLIENT PROTECTION CERTIFICATION

Issue date:
August 2020

Issue to:
SATHAPANA Limited
No. (351/B), Pyay Road
Sanchaung Township, Yangon
Myanmar

This Certificate is awarded to SATHAPANA Limited for successfully completing the requirements for the **ISR Client Protection Certification** by meeting the highest client protection standards in the financial inclusion industry.

For more information on the standards and indicators considered in the analysis, go to www.inclusionsocialratings.org

Inclusion [Social Ratings]

Richard O. Wilson, Jr.
CEO Inclusion [Social Ratings]

This certificate is valid for five (5) years with a renewal required two years from the date of issuance, and monitoring conducted on an annual basis.

SATHAPANA Limited was awarded ISR Client Protection Certification for successfully completion of all requirements with highest standards in the financial inclusion industry.

ISR Client Protection Certification is the leading-edge certification offered to the microfinance sector to recognize financial institutions that meet the highest standards of quality in customer service and care. During the development process, numerous stakeholders, including microfinance networks, microfinance institutions, regulators, consumer financial protection expert and investors, were consulted by Inclusion (Social Ratings) to adapt the certification to current industry challenges.

Being as one of the responsible financial institutions and one of the leading microfinance organizations in Myanmar, SATHAPANA Limited practices the following core Client Protection Principles, the minimum standards that clients should expect to receive when doing business with a financial service provider.

1. Appropriate Product Designs and Delivery
2. Prevention of Over-Indebtedness
3. Transparency
4. Responsible Pricing
5. Fair and Respectful Treatment of Clients
6. Privacy of Client Data
7. Mechanism for Complaint Resolution

This remarkable achievement identified SATHAPANA Limited as not only is strong in commercial value but also protects its clients and microfinance industry as a responsible financial institution with good business ethics.

UN GLOBAL COMPACT MEMBERSHIP

SATHAPANA Limited has been accepted as a Signatory of the United Nations Global Compact, the world largest corporate sustainability initiative, and a global network of over 9,500 companies and 3,000 non-business participants that are committed to building a sustainable future.

Being as one of the leading microfinance institutions in Myanmar, this is an important step for SATHAPANA Limited in a sustainable journey and help to create the world that we all want, and joining thousands of businesses around the world in committing to UN Global 10 principles in the areas of Human Rights, Labor, Environment, and Anti-corruption.

Human Rights

1. SATHAPANA shall support and respect the Protection of Proclaimed Human Rights; and
2. SATHAPANA shall not be complicit in human rights abuses.

Labor

3. SATHAPANA shall uphold the freedom of association and the effective recognition of the rights to collective bargaining;
4. SATHAPANA shall uphold the elimination of all forms of forced and compulsory labor;
5. SATHAPANA shall uphold the effective abolition of child labor; and
6. SATHAPANA shall uphold the elimination of discrimination in respect of employment and occupation.

Environment

7. SATHAPANA shall support a precautionary approach to environmental challenges;
8. SATHAPANA shall undertake initiatives to promote greater environmental responsibility; and
9. SATHAPANA shall encourage the development and diffusion of environmentally friendly technologies.

Anti-Corruption

10. SATHAPANA shall work against corruption in all its forms, including extortion and bribery.

The above ten principles have been being practiced since SATHAPANA started its business operations in Myanmar. We are very proud to be a member of UN Global Compact and here again reaffirm our commitment that the ten principles shall always be practiced and incorporated into our corporate governance, management, business strategy and day-to-day business activities, and decision making at all level.

CORE BANKING ESTABLISHMENT & **FINANCIAL** TECHNOLOGY



SATHAPANA successfully launched the new core banking system, Oracle Flexcube with the efforts and endeavor of our dedicated staff. After the intensive efforts of parameter setting, customization, and testing at Head Office, SATHAPANA rolled out Flexcube to 50-plus branches in just six weeks in August 2020 amidst Covid-19 pandemic, even while daily serving approximately 350,000 customers across the country.

With the flexibility and scalability of Flexcube, SATHAPANA will be able to improve its operational efficiency while speeding the release of its products and service to its lending and depositing customers as well as the faster expansion of the branch network. The platform will also empower the institution to process real-time transactions, and access, track and manage information about lending, deposit, and fixed assets.

Together with the implementation of the new core banking system, SATHAPANA also established a fast, secured, and resilient data network among its Head Office and branches with the newly established data center and its backup site.

SATHAPANA would like to proudly express that the successful implementation of this project is a proof to reinforce our commitment to provide better financial service to our valuable clients.

Digital capability, adaptability, and a spirit of innovation will continue to guide SATHAPANA forward with the help of this new core banking system and robust data network, as the situation evolves around the globe toward financial technology solution.

ORACLE



SOCIAL PERFORMANCE



SATHAPANA limited operates its business activities focusing on not only commercial value and profits but also full considerations of social impacts. One of the social goals of SATHAPANA is to promote better socio-economic life in the communities where SATHAPANA undertakes its business operations. Since starting its operations in Myanmar, SATHAPANA has been putting all possible efforts to provide social benefits to people in the communities by promoting their general income level, health & safety, education, living standards, gender equality, women empowerment, and so on.

SOCIAL PERFORMANCE AND IMPACT RATING

SATHAPANA Limited was awarded Social Performance & Impact Rating Certificate (Level – SPIR3) by "Inclusion (Social Ratings)".



Inclusion
[Social Ratings]

I[SR]
SPIR

This document certifies that Inclusion [Social Ratings] has assigned

SATHAPANA Limited
No. (351/B), Pyay Road
Sanchaung Township, Yangon
Myanmar

a Social Performance & Impact Rating grade: **SPIR 3**

Issue date: **April 22, 2019**
Valid to date: **April 22, 2020**

Richard O. Wilson, Jr.
CEO Inclusion [Social Ratings]

-	SPIR5	SPIR4	SPIR 3	SPIR2	SPIR1	+

Social Performance & Impact Rating is the certification offered to recognize financial institutions that having significant positive impact on social performance while doing their business operations, and achieved required scores. During the evaluation process, all factors and aspects of SATHAPANA Limited such as its mission statement, staff hiring policies, staff training on social performance topics, financial products, loan assessment procedure, fair & respectful treatment to clients, proportion of women participation to staffing and clients, business practices related to environmental issues, and so on are fully taken into account comprehensively by "Inclusion (Social Ratings)" to adapt this certification.

CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES

For SATHAPANA, Corporate Social Responsibility (CSR) is a continuous commitment to behave ethically to improve the well-being of the communities where it undertakes business activities for achieving its commercial goal. This philosophy and ethics apply across SATHAPANA's business operations nationwide, and is incorporated into its corporate governance, management, business strategy and day-to-day activities, and decision-making at all level. The ethics contained in this philosophy also cover our business relations with creditors and other third parties.

Donation at Sagaing



One of the CSR focus areas of SATHAPANA is Community Engagement, which can create positive impact that enhances the well-being of the community where we live and work. Health is the fundamental and most important of all for human being and access to pure drinking water is of vital importance for healthy body and mind. Healthy mind helps learning and education, especially for students. With aiming to promote the advocacy in community health issues, SATHAPANA donated water purification system to Mya Yadanar Post Primary School of Shwe Min Won Ward, at Sagaing on 3rd March 2020. The Purification System is Reverse Osmosis Drinking Water Treatment System and the Capacity is of 500-gallons per day.

Donation to Kayin State Government



With aiming to contribute to the prevention, control, and treatment of Covid-19 in Kayin State, SATHAPANA Limited donated 5 sets of ROS Water Purification System (Kangaroo), 100-Sets of PPE (Including masks, gloves, socks), and 5 sets of Kangaroo Floor Cleaning Tools to Kayin State Government on 10th June 2020 at Zwekabin Hall, after regular weekly coordination meeting of the State level departments and the Kayin Government.

CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES

Donation for Fired Victims in Magway

Helping to those who are affected by natural disaster, especially in their needy situation, is the moral responsibility of the society. And it is the policy of SATHAPANA's Social Welfare Program as well. To honor its commitment on Social Welfare Policy and regard itself to be one of the organizations who provides social protection to its clients, SATHAPANA offsetted the loan outstanding of 13 clients who lost 100% of their houses by natural fire on 12th February 2020, at Oh Pyin Me Village, Minbu (Saku) Township of Magway Region.





Donation for Fired Victims in Monywa, Shwebo, Hinthada

To honor its commitment on Social Welfare Policy and aiming not to burden any longer for its clients, SATHAPANA offsetted the loan outstanding of 4 clients who are from Monywa, Shwe Bo, and Hinthada Township and they lost 100% of their houses by natural fire in April and May 2020.

Donation for Flooding Victims in Mandalay

SATHAPANA Mandalay Branch donated rice, oil, and other foods to clients who are facing flood due to the breakage of Shwe Ge pumping station's sluice-gate on 27th July 2020.



STAFF WELFARE

Thadingyut Festival



Thadingyut, seventh month in Myanmar calendar, is the end of Buddhist Lent. During Thadingyut festival, pagodas and homes are decorated and illuminated with colored electric lights, colorful paper lanterns, candles, and oil lamps (Consisting of small earthen bowls with oil and wick). Thadingyut lighting festival is celebrated for 3 days, and it is the second biggest festival in Myanmar after new year water festival.



In Thadingyut Festival, Myanmar pay homage not only to the three gems of Venerations (Buddha, Dhamma, Sangha), but also to parents, teachers and elder relatives. They visit and go round paying homage and respect to parents, and respectable elders and offer gifts. This is the good tradition of Myanmar Buddhist culture, and it has been maintained and practiced for many centuries.

Being as the Buddhist Myanmar people, SATHAPANA staff across Myanmar follow the good culture and tradition by paying homage and respect to the elders and seniors during the time of Thadingyut festival.

Theme Song



To getting know more about SATHAPANA to public and to communicate who we are, what we are doing, and for whom, SATHAPANA's Theme Song is launched in music video version which reflects our vision, mission, value, business ethics and practices.

STAFF WELFARE





SATHAPANA Cup 2019

With aiming to promote the motivation and team work of staff, SATHAPANA celebrated SATHAPANA CUP-2019 in 2nd and 3rd week of December 2019. Total 8 teams from regions and states across Myanmar participated.

The Trophies and Cash Prizes were rewarded to First, Second, and Third Winners by CEO and the event came to a successful conclusion with having lunch together by management team, players, and all fans who joined the event to cheer.

Htamane Festival



The Htamane Festival, also known as Glutinous Rice Festival, is the traditional festival and celebrated around full moon day of Tabodwe, the eleventh month in Buddhist Lunar Calendar. It is celebrated as the completion of harvest, by cooking glutinous rice together.

The ingredients are glutinous rice, roasted peanuts, sesame, fried coconut, ground nut oil, salt and ginger, and cooking of Htamane is a harmonious job that needs team spirit, unity, and of course coordination among participants. With aiming to encourage the unity and team spirit among employees, SATHAPANA celebrated its 1st Htamane Festival on 14th February 2020. CEO, management and all staff of Head Office participated in the event together.

CLIENTS CHAPTER

CLIENTS PROTECTION PRINCIPLES

SATHAPANA Limited has laid down seven chief principles to protect its clients aiming at honoring its vision and commitment as a responsible financial institution. The seven core principles are comprised of the followings:

1. Appropriate Product Designs and Delivery

Sustainability of SATHAPANA's business operations is secured providing that customer's interest is concerned. Mutual benefits can be guaranteed through appropriate product design and right delivery channel the company chooses to serve the customers.

2. Prevention of Over-Indebtedness

SATHAPANA always regards customer's financial success is its. To partake in guarantee of such success for its customers, SATHAPANA shall always be vigilant to its practices in order to prevent the customers from falling into over-indebtedness in any way.

3. Transparency

Long-lasting business relationship with stakeholders, especially customers, is what SATHAPANA always pursues. Developing such relationships requires mutual trust between the customers and the company. To win trust from our customers, we must take full consideration on maintaining transparency in doing our business with them.

4. Responsible Pricing

Pricing is one of the main factors which defines how long the business deals between SATHAPANA and its customers can last'. As SATHAPANA always wants to have long-term business relationships with all stakeholders, especially customers, SATHAPANA shall take great care about its pricing policy to make sure it is affordable, reasonable, and competitive in the market.

5. Fair and Respectful Treatment of Clients

The five core values of the company clearly imply how SATHAPANA builds and maintains business relationships with its customers. The core values guide the company to developing strategies, policies, and procedures where the process of service delivery must ensure the existence of fair and respectful treatment of its clients.

6. Privacy of Client Data

As SATHAPANA takes building trust for its customer into account, privacy and confidentiality of customer data shall receive full consideration from employees at all levels and circumstances. SATHAPANA has laid down the minimum standards to promote prevalence of such consideration in the company.

7. Mechanism for Complaint Resolution

SATHAPANA needs a proper mechanism for resolving complaints to promote customer satisfaction and to meet all the requirements of the above six principles. The standards have been set out to create a formal mechanism for processing complaints from the public.

CLIENTS RIGHTS & RESPONSIBILITIES

Clients Rights

- Both client and potential client have the right to be treated with fair and respect, without having any discrimination, regardless of race, religion, color and gender.
- Client has the right to enquire clear, truthful and timely information with transparency before taking any financial service and making any decision.
- Client has the right to decide which product or service he/she wants to use.
- Client has the right to refuse any kind of product and service.
- Client has the right to privacy of his/her personal and financial data. Such data will be respected and kept as confidential and it will only be used for specified purposes at the time of information is collected.
- SATHAPANA encourages client satisfaction. Client has the right to complain to the following address, telephone and email address for any inconveniences and dissatisfaction if occurred.

Clients Responsibilities

- Both client and potential client also have the responsibility to treat with fair and respect in dealing with loan officer and other client members.
- Client has the responsibility to provide the true and correct information honestly to loan officer to make proper assessment and judgment to protect client and his/her family from being over indebtedness.
- Client has the responsibility to evaluate the potential status of his/her business with the help of loan being provided and the cost of financial product thoroughly and make prudential decision.
- Client has the responsibility to comply with the terms and condition of the contract and follow strictly.
- Client has the responsibility to inform SATHAPANA head office for any kind of fraud, corruption and unethical behavior in the process of taking financial service.
- Client also has the responsibility to protect other group member's personal sensitive information and financial information.
- Client has the responsibility to make timely repayment as per the loan contract.

Address : **No. (351/B), Pyay Road, Sanchaung Township, Yangon, Myanmar.**
Telephone : **09964556204**
Email : **complaint@sathapana.com.mm**

FINANCIAL REPORTS

INDEPENDENT AUDITOR'S REPORT

To the members of SATHAPANA Limited

We have audited the accompanying financial statements of SATHAPANA LIMITED (the "Company"), which comprise the statement of financial position as at 30 September 2020, statement of comprehensive income, statement of changes in equity, and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

UTW (Myanmar) Limited
No.3A, Bogyoke Aung San Road,
Unit #20-60 to 10 Level 20
Junction City Tower, Pabedan
Township, Yangon, Myanmar.
Tel +95 1 9253493~9

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the Myanmar Financial Reporting Standards (MFRS) including the modification of the requirements of Myanmar Accounting Standards ("MAS") 39, Financial Instruments: Recognition and Measurement in respect of loan loss provisioning by the Microfinance Supervisory Committee Notification No. 5/2016 until 31 March 2020 and Notification No. Ka Ka 1/6 (318/2020) until 30 September 2020 which was issued during the COVID-19 outbreak period, and the provisions of the Myanmar Companies Law. This responsibility includes:

(a) designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error;

(b) selecting and applying appropriate accounting policies; and

(c) making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Myanmar Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

INDEPENDENT AUDITOR'S REPORT

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of SATHAPANA LIMITED as of 30 September 2020, and of its financial performance and its cash flows for the year then ended in accordance with Myanmar Financial Reporting Standards including the modification of the requirement of Myanmar Accounting Standards 39, Financial instruments: Recognition and Measurement in respect of loan loss provision by Microfinance Supervisory Committee Notification numbers 5/2016 until 31 March 2020 and Notification No. Ka Ka 1/6 (318/2020) until 30 September 2020 which was issued during COVID-19 outbreak period.

Report on Other Legal and Regulatory Requirements

In accordance with the provisions of the Myanmar Companies Law, we also report that:

(a) In accordance with Section 280 (a) and (b) of the Myanmar Companies Law, we have obtained all the information and explanations, we are required; and

(b) Books of account have been maintained by SATHAPANA LIMITED as required by Section 258 of the Myanmar Companies Law; and

(c) In accordance with section 37 of Microfinance Law, we report that financial statements of the Company adequately reflect the financial position of the Company and its solvency.



Daw Moe Moe Aye
(PA No.186)
UTW(Myanmar) Limited
Firm Registration No. ACC 006
Certified Public Accountants
The Republic of the Union of Myanmar

Date: 07 May 2021
The Republic of the Union of Myanmar

STATEMENT OF FINANCIAL POSITION

As at 30 September 2020

	30 September 2020 (MMK)	30 September 2019 (MMK)
Assets		
Cash and cash at banks	25,748,502,484	9,670,788,418
Interest receivables	3,267,787,168	1,750,828,200
Loan and advance to customers-net	176,385,442,112	109,853,061,616
Prepaid expenses	1,421,233,795	1,330,688,502
Other receivables	108,596,390	194,670,670
Property, plant and equipment-net	2,981,904,851	2,001,779,825
Intangible assets-net	2,200,749,260	48,760,226
Deferred tax assets	-	35,255,679
Total assets	**212,114,216,060**	**124,885,833,136**
Equity and liabilities		
Deposit from Customers	13,503,551,916	8,734,505,000
Accrued interest payable for depositor	930,978,378	502,325,300
Accrued expenses and other liabilities	4,484,086,538	2,435,491,081
Borrowings	149,432,478,335	77,747,602,719
Employee pension	1,272,380,220	720,685,715
Deferred tax liabilities	18,544,408	-
Deferred rent	36,670,673	18,994,110
Total liabilities	**169,678,690,468**	**90,159,603,925**
Equity		
Share capital	26,236,600,000	26,236,600,000
Retained earnings	11,872,040,581	6,090,068,295
Reserve	4,326,885,011	2,399,560,916
Total equity	**42,435,525,592**	**34,726,229,211**
Total equity and liabilities	**212,114,216,060**	**124,885,833,136**

STATEMENT OF COMPREHENSIVE INCOME

As at 30 September 2020

	1 October 2019 to 30 September 2020 (MMK)	1 April 2019 to 30 September 2019 (MMK)
Interest income	38,011,780,231	12,919,991,000
Interest expense	(15,171,203,681)	(4,646,724,631)
Net Interest income	**22,840,576,550**	**8,273,266,369**
Other items of income (expenses)		
General and administrative expenses	(13,762,568,724)	(4,974,653,722)
Provision for loan loss	(702,932,000)	(420,286,386)
Loan receivable (written off)/recovery	(88,254,650)	583,500
Other income-net	2,156,394,302	789,111,401
Profit before tax	**10,443,215,478**	**3,668,021,162**
Income tax expense	(2,733,919,097)	(990,115,094)
Profit for the year/period	**7,709,296,381**	**2,677,906,068**
Other comprehensive income	-	-
Other comprehensive income for the year/ period, net of tax	-	-
Total comprehensive income for the year/period	**7,709,296,381**	**2,677,906,068**

STATEMENT OF CHANGES IN EQUITY

As at 30 September 2020

	Share Capital (MMK)	Retained earnings (MMK)	Reserve (MMK)	Total equity (MMK)
As at 1 April 2019	18,676,600,000	4,081,638,744	1,730,084,399	24,488,323,143
Issuance of share during the period	7,560,000,000	-	-	7,560,000,000
Profit for the period	-	2,677,906,068		2,677,906,068
Transfer to reserve	-	(669,476,517)	669,476,517	-
As at 30 September 2019	**26,236,600,000**	**6,090,068,295**	**2,399,560,916**	**34,726,229,211**
Profit for the year	-	7,709,296,381	-	7,709,296,381
Transfer to reserve	-	(1,927,324,095)	1,927,324,095	-
As at 30 September 2020	**26,236,600,000**	**11,872,040,581**	**4,326,885,011**	**42,435,525,592**

STATEMENT OF CASH FLOW

As at 30 September 2020

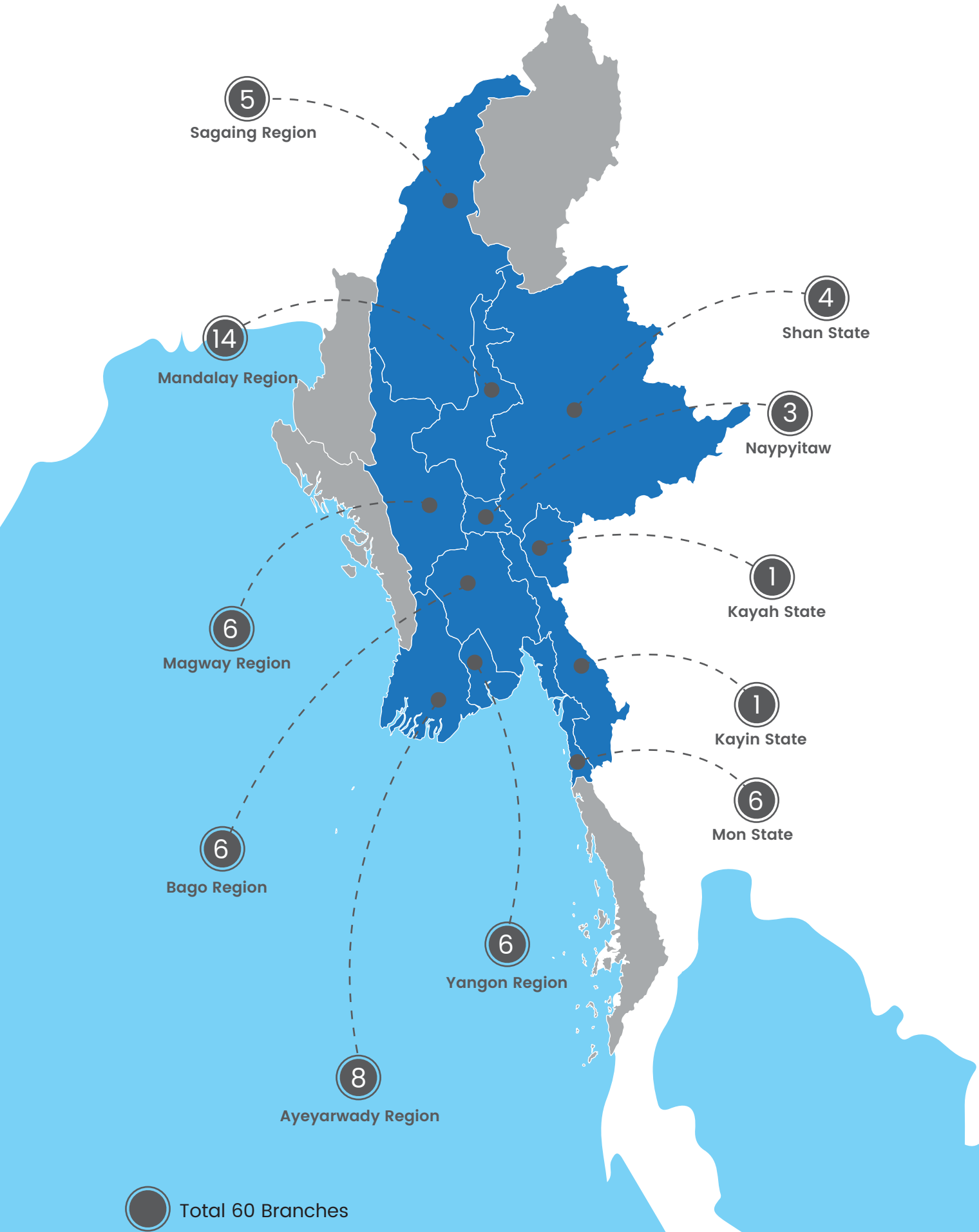
Operating activities	30 September 2020 (MMK)	31 March 2019 (MMK)
Profit before tax from continuing operation	10,443,215,478	3,668,021,162
Adjustments for:		
Depreciation of property, plant and equipment	694,424,291	233,212,909
Amortization of intangible assets	57,007,116	8,072,293
Provisions for loan loss and loan written off	791,186,650	420,286,386
Unrealized foreign exchange loss/(gain)-net	362,578,933	(55,743,912)
Amortization of discount on long term borrowing	1,400,178,607	409,123,389
Loss on fixed asset write off/Transfer	84,151,480	737,929
Operating cash flows before changes in working capital	**13,832,742,555**	**4,683,710,156**
Changes in working capital:		
Increase in loans and interest receivables	(68,840,526,114)	(37,376,658,200)
Decrease/(increase) in other receivables	86,074,280	(119,268,109)
(increase)/Decrease in prepaid expenses	(90,545,292)	1,271,442,658
Increase/(Decrease) in accrued expenses and other liabilities	1,647,538,601	(1,220,367,906)
Increase in customer savings and interest payable	5,197,699,994	2,719,549,000
Increase in pension payable	551,694,505	243,670,774
Increase in deferred rent	17,676,563	8,713,897
Cash used in operating activities	(47,597,644,908)	(29,789,207,730)
Tax paid	(2,279,062,155)	(869,147,601)
Net cash flows used in operating activities	**(49,876,707,063)**	**(30,658,355,331)**
Investing activities		
Purchase of property, plant and equipment	(1,688,661,533)	(533,164,835)
Purchase of intangible assets	(2,279,035,414)	(11,502,425)
Net cash flows used in investing activities	**(3,967,696,947)**	**(544,667,260)**

STATEMENT OF CASH FLOW

As at 30 September 2020

	30 September 2020 (MMK)	31 March 2019 (MMK)
Financing activities		
Proceeds from borrowings	94,835,150,000	29,078,400,000
Repayment of borrowings	(22,008,083,330)	(1,019,250,000)
Payment of loan transaction costs	(2,542,369,661)	(1,236,245,472)
Proceeds from share isssuance	-	7,560,000,000
Net cash flows from financing activities	**70,284,697,009**	**34,382,904,528**
Net increase in cash and cash at banks	**16,440,292,999**	**3,179,881,937**
Currency realignment	(362,578,933)	51,835,640
Cash and cash at bank at beginning year/period	**9,670,788,418**	**6,439,070,841**
Cash and cash at bank at end of year/period	**25,748,502,484**	**9,670,788,418**

BRANCH NETWORK



Yangon Region

Insein Branch
Hlegu Branch
Dala Branch
Taikkyi Branch
- Thongwa Branch
- Hlaingthaya Branch

Ayeyarwady Region

Pathein Branch
Myaungmya Branch
Hinthada Branch
Phyapon Branch
Maubin Branch
Yegyi Branch
Pantanaw Branch
Myanaung Branch

Mon State

Mawlamyine Branch
Thaton Branch
Mudon Branch
Kyaikto Branch
Chaungzon Branch
- Ye Branch

Mandalay Region

Mandalay 1 Branch
Kyaukse Branch
Meiktila Branch
Myingyan Branch
Yamethin Branch
Pyin Oo Lwin Branch
Tada-U Branch
Madaya Branch
Kume Branch
Nyaung-U Branch
Thazi Branch
- Mandalay 2 Branch
- Kyaukpadaung Branch
- Natogyi Branch

Magway Region

Magway Branch
Taungdwingyi Branch
Chauk Branch
Pwint Phyu Branch
Pakokku Branch
- Aunglan Branch

Shan State

Taunggyi Branch
Aungpan Branch
Phekon Branch
- Nanhsam Branch

Bago Region

Bago Branch
Daik-U Branch
Gyobingauk Branch
Indagaw Branch
Waw Branch
Nyaunglebin Branch

Sagaing Region

Monywa Branch
Shwebo Branch
Sagaing Branch
Chaung-U Branch
- Ye-U Branch

Kayin State

Hpa-an Branch

Kayah State

Loikaw Branch

Naypyitaw

Naypyitaw Branch
Lewe Branch
- Tatkone Branch

■ The branches shall be opened in 2020-2021

BRANCH LOCATIONS

HEAD OFFICE

No. (351/B), Pyay Road, Sanchaung Township, Yangon Region, Myanmar.
Phone: 01 7532796, 01 7532797, 01 7503137, 09 964556204

YANGON REGION

Insein Branch
No. (576), Hlaing River Road, Pauk Taw Ward, Insein Township, Yangon Region.
Tel: 09 977917180

Hlegu Branch
Holding No. (B/12/28), East Min Road, Aung Mingalar Ward, Hlegu Township, Yangon Region.
Tel: 09 969703034, 09 969703035

Dala Branch
No. (44-46), Shin Saw Pu Road, Aung Mingalar Ward, Dala Township, Yangon Region.
Tel: 09 951046325, 09 951046326

Taikkyi Branch
No. (390), Su Paung Yone Road, Bawdi Kone Ward, Taikkyi Township, Yangon Region.
Tel: 09 977272976

Thongwa Branch
Holding No. (77), Block No. (3), No. (175), Aung Zay Ya Road, (9) Ward, Thongwa Township, Yangon Region.
Tel: 09 940499452

Hlaingthaya Branch
No. (514-A), Anawyahtar Road, (11) Ward, Hlaingthaya Township, Yangon Region.
Tel: 09 940498731

MANDALAY REGION

Mandalay 1 Branch
Block No. (Ta-7), Holding No. (Za-38), Corner of (102-A) Street 70B, Chanmyatharzi Township, Mandalay Region. Tel: 09 977917200, 09 977917201

Kyaukse Branch
No. (35/D), Yangon-Mandalay Road, Pauk Taw Ward, Baw Ga Wadi Tract, Kyaukse Township, Mandalay Region.
Tel: 09969703024, 09969703025

Meiktila Branch
Saiktathuka Road, Wun Zinn Ward, Area (13), Meiktila Township, Mandalay Region.
Tel: 09 951046313, 09 951046314

Myingyan Branch
No. (45/A), Bogyoke Road, No. (19) Ward, Myingyan Township, Mandalay Region.
Tel: 09 969668108, 09 969668110

BRANCH LOCATIONS

Pyawbwe Branch
No. (33), Shwe Pyi Yan Aung (2) Street, Aung Mingalar Main Road, Shwe Pyi Yan Aung Ward, Pyawbwe Township, Mandalay Region. Tel: 09 977062789, 09 977062790

Pyin Oo Lwin Branch
No. (CC/7), Mandalay-Lashio Road, (10) Ward, Pyin Oo Lwin Township, Mandalay Region.
Tel: 09 969732303, 09 969732304

Tada-U Branch
No. (3), Tada-U Myothar Road, Tazee Shin Ward, Tada-U Township, Mandalay Region.
Tel: 09 977124163

Madaya Branch
No. (2/1543), Bogyoke Aung San Road, No. (2) Yankin Ward, Madaya Township, Mandalay Region.
Tel: 09 977124164

Kume Branch
Between KBZ Bank and A1 Warehouse, on Yangon to Mandalay Road, Tharyar Aye Ward, Kume Town, Myittha Township, Mandalay Region. Tel: 09 977272891

Nyaung-U Branch
No. (364), Thiri Pyitsayar Yat, Plot (5) Ward, Nyaung-U Township, Mandalay Region.
Tel: 09 977583438

Thazi Branch
No. (47), Nga Su Pagoda Road, Thayar Aye (1) Ward, Thazi Township, Mandalay Region.
Tel: 09 977540280, 09 977540281

Mandalay 2 Branch
No. (34), Corner of (131 x 60F) Street, (DaDa/9-G) Ward, Pyigyi Tagon Township, Mandalay Region.
Tel: 09 940498771, 09 940498772

Kyaukpadaung Branch
Corner of TanPaWaDi New Market, Thu Dhama Sari Street, Tharyaraye Ward, Kyaukpadaung Township, Mandalay Region. Tel: 09 940498726, 09 940498727

Natogyi Branch
No. (5-C/239), Myingyan-Yewon Road, No. (5) Ward, Natogyi Township, Mandalay Region.

BAGO REGION

Bago Branch
No. (738), Yangon-Mandalay Road, No. (7) Ward, Oaktha Myo Thit, Bago Township, Bago Region.
Tel: 052 2201318, 09 977917189

Daik-U Branch
Holding No. (12), No. (1) Min Road, Zay Paing Ward, Daik-U Township, Bago Region.
Tel: 052 40583, 09 969703003

BRANCH LOCATIONS

Gyobingauk Branch
No. (125/126), Ngwe Khwe Road, Ngwe Khwe Ward, Gyobingyouk Township, Bago Region.
Tel: 09 977272990, 09 9772 72992

Indagaw Branch
No. (3/38), Min Road, West Area Ward, Indagaw, Bago Township, Bago Region.
Tel: 09 977124156

Waw Branch
No. (336/A), Min Road, Aye Chan Thar Yar Ward, Waw Towship, Bago Region.
Tel: 09 977272401

Nyaunglebin Branch
No. (194), Mandalay Road, Chan Mya Thar Sei Ward, Nyaunglebin Township, Bago Region.
Tel: 09 977124369

AYEYARWADY REGION

Pathein Branch
No. (24), Tagaung Pagoda Road, No. (6) Ward, Pathein Township, Ayeyarwady Region.
Tel: 09 977917211

Myaungmya Branch
Room No. (7/8), High Way Main Road, Mya Kan Thar Quarter, Myaungmya Township, Ayeyarwady Region.
Tel: 09 969703014, 09 969703015

Hinthada Branch
No. (122), Maharbandula Road, Tar Kalay Ward, Hinthada Township, Ayeyarwady Region.
Tel: 09 951046305, 09 951046306

Phyapon Branch
No. (195), Chaung Twin Road, (14) Ward, Phaypon Township, Ayeyarwady Region.
Tel: 09 969893520, 09 969893521

Maubin Branch
No. (12), Yae Le Main Road, No. (5) Ward, Maubin Township, Ayeyarwady Region.
Tel: 09 969732286, 09 969732287

Yegyi Branch
No. (293), Corner of Kyaung Road and Ba Htoo(9) Road, Ba Htoo Ward, Yekyi Township, Ayeyarwady Region.
Tel: 09 977540354, 09 977540355

Pantanaw Branch
No. (35/36 + 37/38), Yangon-Pathein Main Road, Myo Kwat Thit Ward, Pantanaw Township, Ayeyarwady Region. Tel: 09 977583481

Myanaung Branch
No. (45), Sar Tike Tae Gyi Kone Road, No. (2) Quarter, Myanaung Township, Ayeyarwady Region.
Tel: 09 977540317, 09 977540318

BRANCH LOCATIONS

MAGWAY REGION

Magway Branch
No. (163), Pyi Taw Thar Road, Yan Way Ward, Aung Yadanar Compound, Magway Township, Magway Region.
Tel: 063 26786, 09 969752633

Taungdwingyi Branch
No.(88), Rakhine Pagoda Road, Shwe Oo (2) Ward, Taungdwingyi Township, Magway Region.
Tel: 09 969668086

Chauk Branch
No. (99), Mindon Street, Bandula Road, No. (8) Ward (West Kwat Thit), Chauk Township, Magway Region.
Tel: 09 969732179, 09 969732180

Pwint Phyu Branch
No. (7), Kantkaw Road, East Area Ward, Pwint Phyu Township, Magway Region.
Tel: 09 977272869

Pakokku Branch
No. (58), No. (6) Street, West of Shwe Road, No. (11) Ward, Pakokku Township, Magway Region.
Tel: 09 977540297, 09 977540298

Aunglan Branch
Block No. (508/964), Hloding No. (B/328), No. (5) Ward, Pyay Street, Industrial Zone, Aunglan Township, Magway Region. Tel: 09 940671186

SAGAING REGION

Monywa Branch
No. (8/15), Zatkukatoesate Street, Ayetharyar Ward, Monywa Township, Sagaing Region.
Tel: 09 969752653, 09 969752654

Shwebo Branch
No. (640), Shwe Bo- Myit Gyi Nar Road Side, Thuzar Kwat Thit, Shwe Bo Township, Sagaing Region.
Tel: 09 969732273, 09 969732274

Sagaing Branch
No. (7), Corner of Taryoe Road and Zay Road, Poetan Ward, Sagaing Township, Sagaing Region.
Tel: 09 977583520, 09 977583521

Chaung-U Branch
Bo Gyoke Road, National Ward, Chaung-U Township, Sagaing Region.
Tel: 09 969893575

Ye-U Branch
No. (520), Ye-U Kalay Wa Road, Bo Aung Zaya Ward, Ye-U Township, Sagaing Region.
Tel: 09 940671169, 09 940671170

BRANCH LOCATIONS

MON STATE

Mawlamyine Branch
No. (142), Bago Chaung Road, Shwe Myine Thiri Ward, Mawlamyine Township, Mon State.
Tel: 09 969752643, 09 969752644

Thaton Branch
No. (30/A), Min Road, Lakeinn Ward, Thaton Township, Mon State.
Tel: 09 969668079, 09 969668081

Mudon Branch
No. (3), Kyon Phite Street, Maw Than Road, Kyon Phite (5) Ward, Mudon Township, Mon State.
Tel: 09 969732330, 09 969732336

Kyaikto Branch
No. (879), Bo Gyok Road & Sit Taung Road, Cost San Naing Ward, Kyaikto Township, Mon State.
Tel: 09 977540301, 09 977540316

Chaungzon Branch
Beside of No. (106), Bo Gyoke Aung San Road, Chaungzon East Ward, Chaungzon Township, Mon State.
Tel: 09 977582054

Ye Branch
No. (5), Yazardarit Road, Thiri Kaymar Ward, Ye Township, Mon State.

SHAN STATE

Taunggyi Branch
No. (142), Rose Road, Pyi Taw Thar Ward, Taunggyi Township, Shan State.
Tel: 09 977272915, 09-977272916

Aungpan Branch
No. (A), Pinta Ya Road, Hleyoe Ward, Aungpan Township, Shan State.
Tel: 09 977272900, 09 977272901

Phekon Branch
No. (J-266), Inlay Street, Nyaungkone (3) Ward, Phekon Township, Shan State.
Tel: 09 977583467, 09 977583469

Nanhsam Branch
No. (1/747), Bayinnaung Road, No. (1) Ward, Nanhsam Township, Loilen District, Shan Sate.
Tel: 09 940498752, 09 940498753

KAYIN STATE

Hpa-an Branch
No. (9/1263), Mahawgani Street, Near Highway Bus Station, No. (9) Ward, Hpa-an Township, Kayin State.
Tel: 09 969893587, 09 969893588

BRANCH LOCATIONS

KAYAH STATE

Loikaw Branch

No. (344), Kandar Ya Wadi Street, Mine Lone Ward, Loikaw Township, Kayah State.
Tel: 09 969734145, 09 969734146

NAYPYITAW Union Territory

Naypyitaw Branch

No. (581), Yazahtarni Road, Poundloung (3) Ward, Pyinmana Township, Naypyitaw Union Territory.
Tel: 09 977061581, 09 977061582

Lewe Branch

No. (2-275-A), Myoe Twin Road, No. (2) ward, Lewe Township, Naypyitaw Union Territory.
Tel: 09 977583480, 09 977583420

Tatkone Branch

No. (2), Padauk Street, Myawaddy Ward, Tatkone Township, Naypyitaw Union Territory.
Tel: 09 940499431

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