

ANNUAL REPORT 2023



RENEW MICROFINANCE PVT. LTD.



We care for your future

ANNUAL REPORT 2023



Tshering Uden Penjor

Foreword from the Chair

Reflecting on the achievements and milestones of RENEW Microfinance over the past year, I am filled with a profound sense of gratitude and pride. Our evolution from modest beginnings to becoming a beacon of hope and empowerment for financially vulnerable women in rural areas is a testament to our unwavering dedication and commitment to our mission.

One of the most significant accomplishments of the past year has been the remarkable increase in our impact. The notable rise in loan disbursements from Nu. 499,000 to Nu. 266,023,000 and Nu. 2,974,000 to Nu. 286.9 million in savings represent not just financial transactions, but stories of empowerment, resilience, and hope. These numbers demonstrate the tangible difference we are making in the lives of individuals and communities across the nation.

At the heart of our work lies our commitment to serving financially vulnerable women in rural Bhutan. Through targeted initiatives focused on financial literacy and collateral-free loans,

we are empowering women to take control of their financial futures and chart a course toward economic independence. It is heartening to note that 91% of the savings accounts opened are by women, underscoring the impact of our efforts in fostering gender equality and inclusion.

Moreover, our dedication to environmental sustainability is reflected in our Green Finance activities. From exploring hydroponics, formulating index-based insurance proposals, attending Green Finance Workshops, and participating in the National Consultative Workshop on Green Bond Framework and Green Taxonomy, we are proactively contributing to the global fight against climate change. Our engagement in workshops and consultations further underscores our commitment to driving meaningful change and innovation in this critical area.

To highlight the value of savings and create awareness about its positive impact on women and communities, we conducted an awareness program in 11 dzongkhags. This initiative involved providing comprehensive savings strategies, teaching the importance of budget management, and introducing investment opportunities such as the Yeshey Dawa Premium Savings plan. By equipping individuals with the necessary financial knowledge and tools, we are empowering them to make informed decisions and secure their financial futures.

As we look ahead, our focus remains on expansion and innovation. We are determined to reach even more individuals in need, broadening our impact and supporting more women on their journey toward financial independence and stability. Through continued collaboration and partnership, I am confident we can achieve even greater heights and create a brighter, more inclusive future for all.

I extend my heartfelt gratitude to our dedicated team, partners, and supporters who have played a pivotal role in our success. Together, we will continue transforming lives and empowering communities, one step at a time.

With warm regards,

A handwritten signature in black ink, appearing to read 'Tshering Uden Penjor'. The signature is stylized with a large initial 'T' and a long horizontal stroke at the end.

Tshering Uden Penjor (Mrs.)
Chairperson,
RENEW Microfinance Private Ltd.



Tshering Dema

Foreword from the CEO

2023 presented its share of obstacles, yet RMF emerged stronger. While economic recovery from the pandemic's impact lingered, we witnessed growth. Savings accounts saw an impressive 8% increase, and our loan portfolio expanded by 4%.

A key focus area for us was managing Non-Performing Loans (NPLs) that had risen due to COVID-19 loan deferments. Through a multi-pronged approach, we capped new loan disbursements, offered restructuring options, diligently monitored NPLs, and implemented strategic collection efforts. These measures proved highly successful, with NPLs dropping significantly to 4.15% by year-end.

Financial literacy remains a cornerstone of RMF's mission. We continued our commitment to World Savings Day, albeit with a slightly scaled-down format. Throughout our 11 operating dzongkhags (districts), we delivered financial literacy and product awareness programs, empowering rural clients to manage

their finances effectively and achieve long-term financial security.

Today, RMF proudly serves over 28,000 clients through our vast network of 435 access points, covering more than half of Bhutan. It's noteworthy that most of our clients are women residing in remote areas.

A heartfelt thank you goes to Deutsche Sparkassenstiftung fuer internationale Kooperation (DSIK) and Whole Planet Foundation for their decade-long support in building a sustainable Microfinance Institution (MFI) and equipping our Bhutanese team with the expertise to excel. We also recognize RENEW Organization and our Board of Directors for their unwavering trust and extend our sincere gratitude to our valued clients for their trust and our dedicated staff for their unwavering commitment.

Thank you.

2023

Nu. 387,292,115

Total Loan

28,197

Client Base

**Serving
11**

Dzongkhags

**About 95%
women
clients**

**More than
435 Access
points**

32

**Field
Officers**

18

**Head Office
staff**

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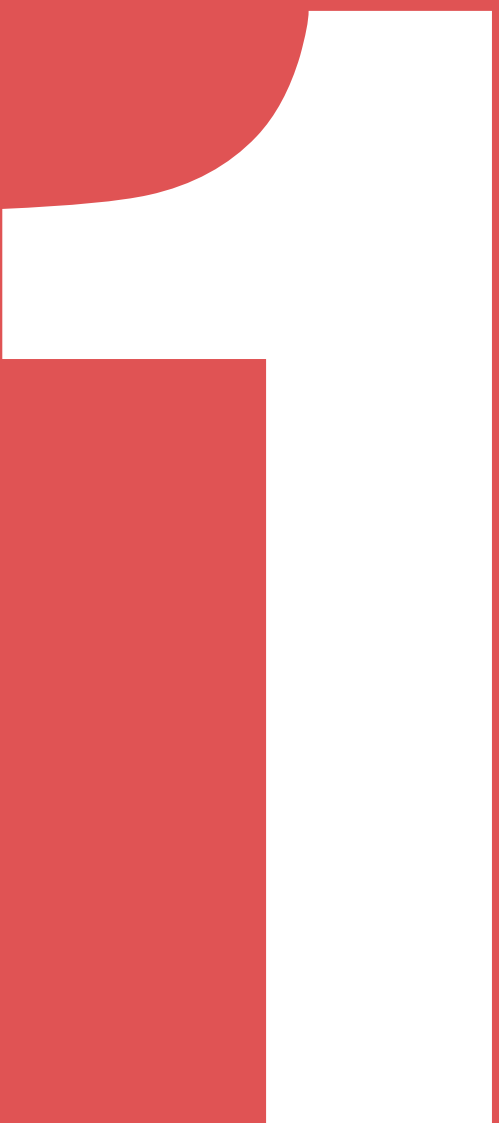
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Who We Are



Brief Establishment History



RENEW Microfinance Private Limited (RMF) was founded in 2011 as a cooperation project between RENEW Organization and Deutsche Sparkassenstiftung für internationale Kooperation. RMF is the first and the largest microfinance institution in Bhutan to have received a Deposit Taking Microfinance Institution License and was later incorporated as a Private Limited Company under the Companies Act of Bhutan 2016. With the blessings of Her Majesty Gyalyum Sangay Choden Wangchuck, RMF to date covers 11 Dzongkhags and 108 Gewogs. With 435 access points, RMF offers vulnerable and low-income women and their families the facilities to save money and avail of loans and financial literacy.



Why we exist?

RMF is a pioneering institution committed to fostering financial empowerment and inclusion in Bhutan.



Our Vision

To become a leading provider of financial services to low-income women and their families in the kingdom of Bhutan.



Our Mission

Improving the quality of life and the status of vulnerable women and their families, mainly in rural areas by providing credit products and savings.

Why we want to make an impact?



We are driven by a profound belief in the transformative power of financial empowerment. Financially vulnerable women in rural areas often face barriers that hinder their economic advancement, such as low financial literacy rates, traditional gender roles, and lack of access to financial services. By empowering these women with the tools and resources they need to achieve financial independence, we can catalyze a ripple effect of positive change throughout their communities and also contribute to the economic development of our nation.

When women are economically empowered, they can contribute financially to their families and community, and be independent. Investment of their income back into their families and communities drives economic growth and stability. Financially empowered women will also be able to contribute to essentials such as healthcare, education, and nutrition, which not only improve the quality of life for their families but also contribute to the overall well-being of the community.

Furthermore, empowering financially vulnerable women can lead to greater gender equality and social cohesion. When women have control over their finances, they are more likely to participate in decision-making processes, challenge gender norms, and advocate for their rights. This leads to more inclusive and resilient communities where everyone can thrive.

Our commitment to helping financially vulnerable women in rural areas is rooted in the belief that by uplifting those vulnerable members of society, we can create a more just, equitable, and prosperous future for all.

Operations

What we offer:

Loans

Loans, as an essential product of microfinance, are one basis for entrepreneurship, and livelihood. We provide various loans namely:



Agricultural loan: The Agriculture loan seeks to assist the clients in implementing subsistence agriculture and agriculture-related business such as livestock and farming.



Business loan: The business loan is to assist clients in starting small businesses or expanding their existing business. This includes the loan for production, trading, services, and diversification of income.



Multipurpose loan: The multipurpose loan intends to assist clients by providing finance for children's educational expenses and house renovation.



Emergency loan: The emergency loan is provided to the clients during unforeseen circumstances such as fire, accident, hospitalization, death/funeral, and other crises.



Farm Machinery Loan: The Farm Machinery Loan is designed to assist clients in acquiring essential agricultural equipment and machinery including power tillers and other farm machinery. This loan aims to enhance farming efficiency and productivity by providing financial support for purchasing various types of farm machinery.

Savings Scheme

RMF believes in incorporating a culture of savings, whereby the clients will be strongly motivated to have a long-term source of capital for their own better future.

Savings

All clients of RMF are required to save a minimum amount of monthly Nu.100. This is done to instill savings habits among our clients.

Yeshey Dawa Premium Savings

For those clients who want to save for longer periods, we provide high premiums on savings.

Financial Education

For the clients of RMF, basic financial literacy modules have been developed. The modules encompass topics such as setting financial goals, saving methods and techniques, expenditure management, borrowing decisions, and budgeting. The briefings are conducted during the center meetings.

Staff composition:

63% Field Officers

We have 31 Field Officers placed in the 11 Dzongkhags. They interact directly with our clients and provide services such as opening savings accounts and loan products, delivering financial literacy programs, dealing with operational transactions, and monitoring Non-Performing Loans.

37% Head Office Staff

We have 18 staff working at the Head Office, Thimphu. They oversee the operations in the field, deal with strategic management of the company, provide the necessary support to the Field Officers, and equip Field Officers with better infrastructure, equipment, and intelligence.

Employee Values

Respect for all clients: We uphold a deep respect for all our clients, recognizing their inherent dignity and worth as individuals. We prioritize understanding their unique needs, aspirations, and challenges, fostering a culture of empathy and compassion in every interaction. By treating each client with respect, we cultivate trust and mutual understanding, laying the foundation for meaningful and sustainable relationships.

Teamwork: We recognize that collaboration and cooperation among our team members are crucial for achieving our mission and serving our clients effectively.

Integrity: We are committed to conducting ourselves with honesty, transparency, and accountability in all our dealings, both internally and externally. We adhere to ethical standards and principles, ensuring that our actions align with our values and commitments.



**Whom We
2
serve**

General Client Profile



Our clients primarily consist of resilient and resourceful women residing in rural areas, where access to face-to-face financial services may be limited. Many of these women face financial vulnerability due to various factors such as low literacy rates, being financially uninformed, and economic challenges within their communities. Despite these obstacles, they exhibit determination and a strong desire to improve their financial well-being and uplift their families.

Our client profile includes women who are keen to build their wealth and secure a better future for themselves and their families. Additionally, our client base comprises women who currently have no stable source of income or rely on minimal sources of income, such as agriculture and small-scale entrepreneurship. These women recognize the importance of financial literacy and empowerment in achieving their goals and are eager to take proactive steps toward financial stability and independence.

What do they intend to achieve financially in the future?

Many of our married clients, who currently rely on their husband's income, aspire to be financially independent. They envision a future where, as mothers, they can actively contribute to and provide for their family's financial well-being. Our clients want to make sure that their family has a bright future. They want to be able to afford their children's education without any constraints and be financially secure during old age and unforeseen circumstances. Furthermore, they aspire to build wealth to live a comfortable and fulfilling life.



What problems do they face that hinder their achievement of financial goals?

Our clients encounter various challenges in managing their finances, including low income, increasing expenses, and not being comfortable with digital banking due to low literacy rates. Many also face the inconvenience of traveling long distances to access face-to-face financial services from banks. Additionally, poor budget management and lack of financial literacy compound these difficulties.



What are the worries and concerns about their finance?

Our clients express concerns regarding their financial future, particularly about their ability to afford their children's education and meet the rising costs of living. They also grapple with fears of potential defaulting and accumulating debts, as well as concerns about sustaining a sufficient income during retirement.



How are they benefited by RMF?

To help our clients overcome their obstacles and achieve their financial goals we are committed to providing the best financial services tailored to our clients. Through our comprehensive face-to-face financial literacy programs, we equip our clients with the knowledge and skills necessary to navigate the complexities of personal finance and make informed decisions.

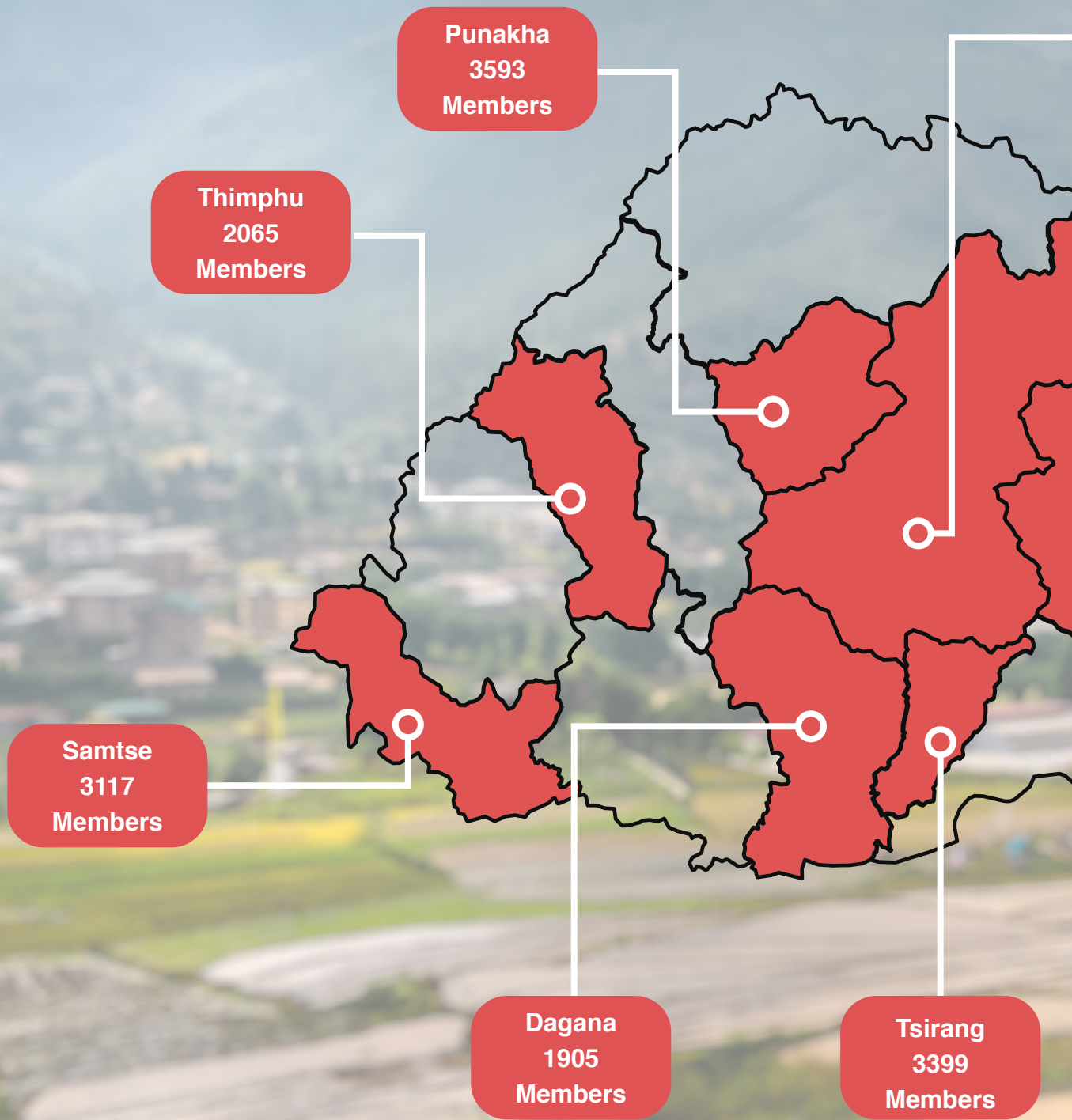
Additionally, we provide suitable loan structures and repayment schemes, ensuring that all suitable individuals have access to opportunities for improvement. Our dedicated loan officers go the extra mile by visiting clients in their home areas, eliminating the need for long journeys to access financial services.

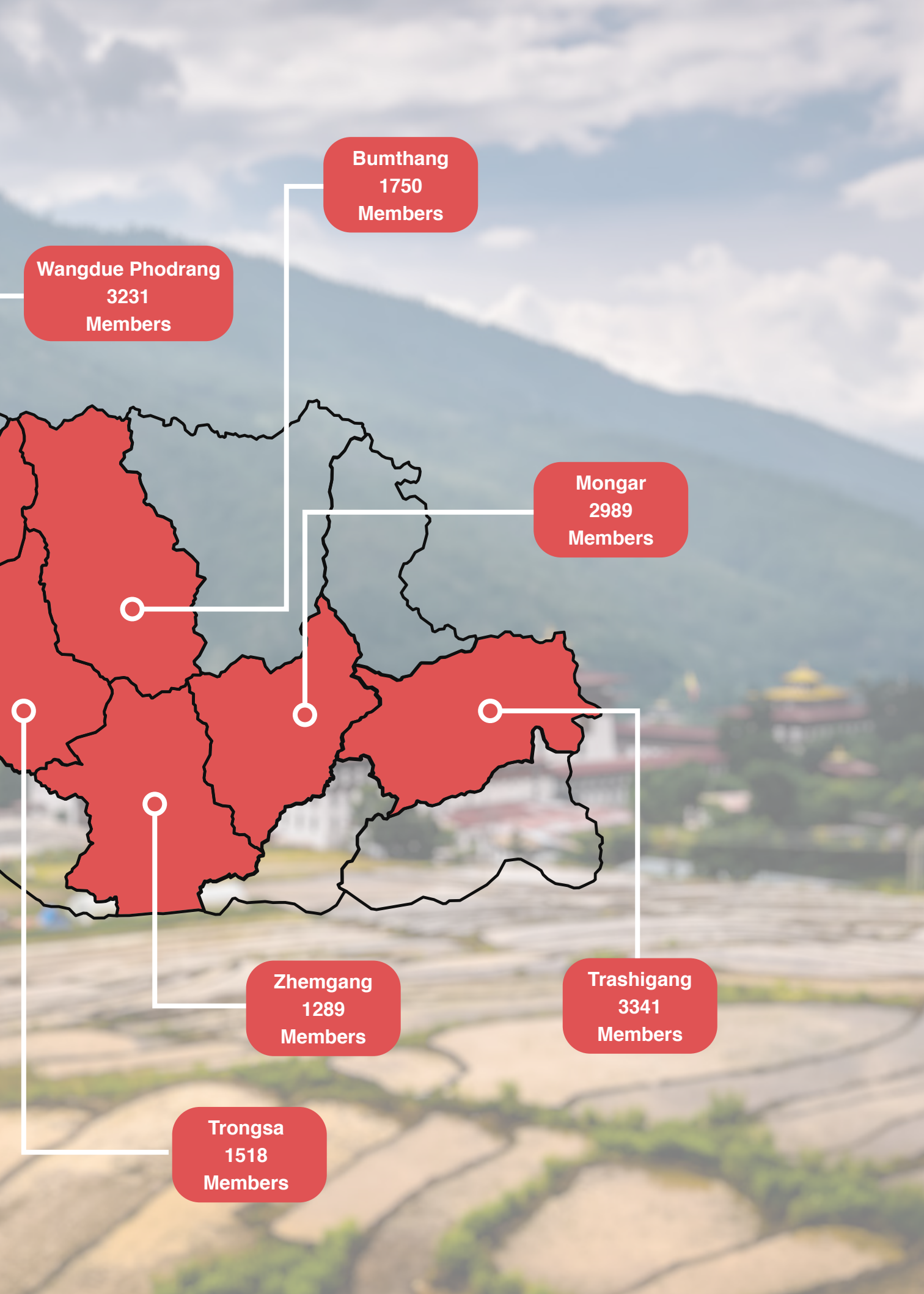
Furthermore, we prioritize the safety and premium management of our client's funds, offering peace of mind and reliability. By minimizing formalities and streamlining processes, we save our clients valuable time and effort, making it easier for them to focus on their financial growth.



Number of clients in each Dzongkhag

Our company has experienced a stable growth in the number of clients each year. We attribute this to the increased awareness of our services among the public in rural areas, accessibility, tailored services, and evolving financial needs.





Bumthang
1750
Members

Wangdue Phodrang
3231
Members

Mongar
2989
Members

Trashigang
3341
Members

Zhemgang
1289
Members

Trongsa
1518
Members

Our Impact

3

Total Loan Distribution

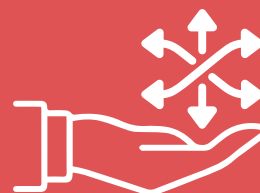
Nu. 238M

In Loans to serve and aid small businesses



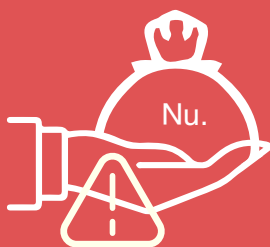
Nu. 49.5M

In farm machinery and agriculture loans to promote agriculture



Nu. 36.3M

In multipurpose loan to support livelihood



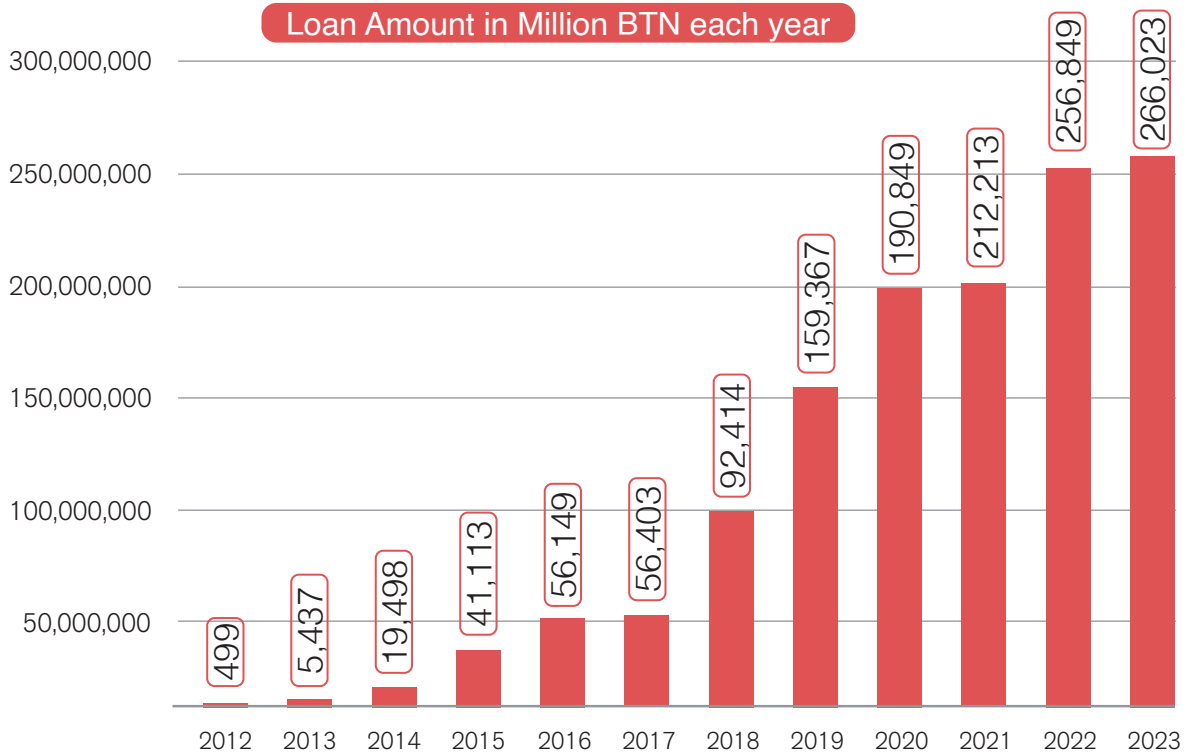
Nu. 1M

In individual loan



97.2%

of capital to women



Why our clients choose us:

In our pursuit of fostering financial empowerment and societal progress, we are honored to witness our clients embarking on transformative journeys toward financial freedom through valuable investments facilitated by our loans and financial literacy services. Many of our clients have directed our loans towards ventures in valuable sectors such as businesses, agriculture, and education, laying the foundation for both individual prosperity and national economic advancement.





Amidst Bhutan's esteemed banking fraternity, our company distinguishes itself through a steadfast commitment to serving vulnerable women in rural areas with utmost convenience. We prioritize convenience in accessibility by extending our services directly to remote communities, relieving our clients of the burden of traveling long journeys for financial assistance. Our efforts include simplified registration procedures, and financial literacy programs tailored to the unique needs and literacy levels of rural populations.





Central to our ethos of inclusivity is our provision of collateral-free loans, ensuring equitable opportunities for all individuals aspiring for financial freedom. By eliminating the barrier of collateral, we empower individuals, especially financially vulnerable women in rural areas, to seize opportunities for economic advancement.

The increasing trend in our loan clients each year can be attributed to the convenience we provide. Our tailored services, including convenient accessibility, simplified registration procedures, and collateral-free loan offerings, resonate deeply with individuals, particularly women in rural areas.



Total savings

The savings volume has increased substantially from Nu. 2,947,000 in 2012 to Nu. 286,943,983.46 in 2023.



of savings account opened by women



in total savings by our clients

Why do our clients save with us?

One of the fundamental foundations of achieving financial freedom is financial literacy, an essential cornerstone that we cultivate through our comprehensive financial literacy programs.

As part of our service, we require our clients to save money to instil savings habits among our clients, a habit that not only lays the groundwork for seizing future investment opportunities but also ensures financial preparedness for emergent needs, securing their children's future, and fostering overall financial stability.

The consistent rise in savings among our clients is attributed to several key factors. Firstly, we strive to provide accessible and convenient services, allowing clients to seamlessly incorporate savings into their financial habits. Secondly, our long-term savings plans offer competitive interest rates, providing an additional incentive for sustained saving effort.





Additionally, the endorsement of our service by satisfied peers, alongside the guidance offered by our dedicated branch staff, fosters a sense of trust and confidence in our savings initiatives.

By nurturing a culture of saving, we empower our clients to navigate unforeseen financial exigencies with confidence while also positioning them to capitalize on investment opportunities as they arise.

Success Stories

1. The inspiring journey of Indra Maya Tamang



Dear women and young girls let us never underestimate the power of our dreams. We have the potential to achieve anything we set our mind to. I am deeply grateful to RMF for providing me collateral-free loans and helping me at my lowest point. Dhanyavad to RMF.

A few years ago, Indra Maya Tamang, found herself confronting the harsh realities of high living expenses in Thimphu. Dependent solely on her husband's income, the couple, with two children, struggled to make ends meet. Indra Maya quickly recognized the necessity of improving her family's financial situation. From that moment onward, she made a firm commitment to pursue financial empowerment and stability.

Her journey toward financial well-being began when she learned about RMF through her friends who were already clients. With a humble beginning, Indra Maya deposited Nu.500 each month in her RMF savings account hoping for a better future. Later, she availed a small loan from RMF to establish a small pan shop. However, despite her efforts, the venture proved unfruitful, with often empty shelves and minimal profit to cover expenses.

Undiscouraged, Indra Maya turned to RMF once more, this time to set up a grocery store. Yet, similar challenges persisted, and the store struggled to stay stocked due to financial constraints. The onset of the Covid-19 lockdown further posed unbearable challenges, adding further hurdles to her entrepreneurial journey.

Following the lifting of the COVID-19 lockdown, Indra Maya remained dedicated to her pursuit of financial stability. Gradually, she began to witness the fruits of her labor as profits from her grocery shop began to increase. With her earnings on the rise, she adopted a strategic approach, incrementally restocking her store and expanding her inventory. As customers increased substantially, she opened another grocery shop along with a hair salon.



Despite those setbacks, Indra Maya persevered. Today, she stands as the proud owner of two thriving grocery stores, Nana 1 and 2, alongside a flourishing hair salon. Employing a total of 15 individuals, many of whom are young women, she aims to provide opportunities to those facing financial vulnerability, which reminds her of her past struggles.

Indra Maya Tamang says that she has immense gratitude towards RMF for supporting her during the lowest point in her life. RMF provided her with collateral-free loans which proved instrumental in not only kickstarting her business but also igniting her entrepreneurial journey. RMF's assistance enabled her to establish her enterprise and set her on a path toward success, marking a transformative turning point in her life.

2. From Small Loan to Successful Grocery Shop



I want to share this message with all women who dream of establishing their own business but feel held back because they don't have collateral for loans: RMF can be a stepping stone to your dreams.

In the village of Sirigang, Dawa Dem began her journey towards self-reliance and economic independence by starting her grocery shop. Her initial step into entrepreneurship was made possible with the support of a loan from RMF which provided the necessary funds to launch her business.

From the outset, Dawa faced numerous challenges, but her commitment to her goal and her ability to manage her resources efficiently helped her overcome these obstacles. Her grocery store started small but steadily grew as it became a popular destination for the local community. Dawa stocked a variety of essential items, from food staples to household goods, ensuring her shop catered to the everyday needs of her customers.

Dawa's success is a testament to the positive impact that targeted financial support can have on individual lives. Her

story highlights the transformation that is possible when ambition is matched with the right opportunities and resources. RMF takes pride in having played a role in Dawa Dem's journey and celebrates her ongoing success as a beacon of entrepreneurial spirit and community development.

Dawa's friendly approach and exceptional customer service earned her the trust and loyalty of her customers, which in turn contributed to the shop's growing success. As the business prospered, although not exponentially but gradually, it supported Dawa's livelihood and also brought stability to her financial situation. With time, the revenue generated from the shop allowed Dawa to repay her loan from RMF. Her achievement in paying off the debt marked a significant milestone in her path to financial independence.

3. A Small Loan and a Big Dream



“With the assistance of RMF’s loan I established my shop, which now sustains my livelihood and stands as proof that the path to independence begins with the courage to take the first small steps. My first small step was becoming a client of RMF.”

Kinzang Lhamo, an entrepreneur with a clear vision, started her small shop with the help of a loan from RMF. This support was crucial for her to begin her business, which she hoped would thrive and benefit her local community.

Her shop began with a simple offering but quickly grew essential, providing everyday goods and services to the people around her. Kinzang’s dedication to quality and service drew in many customers, helping her business not just survive but prosper.

Beyond just making a profit, Kinzang’s shop has become a key part of the community, boosting the local economy. Her success shows how microfinance can empower people to achieve their dreams and build stable, successful businesses.

Kinzang Lhamo dreams of growing and expanding her business so that she can serve more communities.

RMF is proud to have supported Kinzang in her venture. Her story is a great example of the positive change that thoughtful financial support can bring, helping individuals succeed and communities grow stronger.

and many more



Green 4 Finance

Green Finance

Given the contemporary global challenges arising from social, ecological, and economic spheres, with climate change being the foremost concern, the notion of ‘Corporate Sustainability’ holds utmost importance. As a company operating in one of the most environmentally friendly nations, we are dedicated to addressing these challenges proactively.

A transition plan has been formulated to enable RMF to foster our corporate sustainability and hence be a part of the global effort to make the world a sustainable place. In addition, regardless of our position in the transformation and individual efforts toward sustainability, there will be catastrophes that shall affect not only us but also our clients. Client’s losses shall further affect their ability to pack back their financing – risks to banks. For this matter, the link between “Green Finance” and financial institutions becomes more important.

Why do we uphold this concept?

As a responsible participant in the financial sector, RMF is aware of its role in contributing to the global endeavor of fostering a more sustainable and equitable world. We recognize that sustainability transcends mere ethical considerations; it is an imperative that fundamentally shapes the stability and well-being of societies and markets.

We acknowledge that disruptions arising from such transformations as climate change can potentially jeopardize the financial stability of individuals and businesses, thereby impeding their capacity to fulfill financial obligations, including loan repayments. Consequently, this presents a dual challenge for financial institutions and microfinance entities like RMF, wherein the financial well-being of clients directly impacts the operations of the companies.

Upholding green finance principles is imperative for microfinance institutions for several reasons such as:

- **Environmental impact:** RMF’s operations intersect with rural and agricultural communities, which are disproportionately vulnerable to the adverse effects of environmental degradation, such as climate change, deforestation, and pollution. By promoting green finance initiatives, we can mitigate environmental risks and contribute to sustainable resource management, thereby safeguarding the livelihoods and resilience of their clientele.
- **Risk mitigation:** Environmental risks may pose significant financial threats to microfinance portfolios. For instance, climate-related disasters can devastate agricultural yields, disrupt supply chains, and undermine borrowers’ repayment capacities. By incorporating environmental considerations into our risk assessment frameworks, we can proactively identify and mitigate potential risks, enhancing the resilience and sustainability of our operations.

- **Social impact:** Green finance initiatives not only benefit the environment but also yield tangible social benefits for microfinance clients. For example, investments in renewable energy projects can improve access to clean energy sources, enhance energy efficiency, and reduce reliance on fossil fuels, thereby promoting environmental sustainability and enhancing the well-being of underserved communities.

What do we intend to achieve?

RMF intends to be a part of the global initiative towards environmental sustainability. No matter how small our effort may seem in comparison to other large-scale companies, we believe that greater outcomes come from collective efforts, and we want to be a contributor to that effort. Our efforts in green finance are geared toward achieving multiple objectives such as promoting environmental sustainability, promoting the future well-being of our clients, and mitigating risks.

Operations in Green Finance so far

RMF has undertaken a comprehensive array of initiatives to advance green finance, incorporating innovative strategies and collaborations across various sectors. In addition to exploring hydroponics and formulating index-based insurance proposals, the organization conducted Savings Day and Climate Savings Awareness programs for the Branches, promoting financial literacy and environmental consciousness. Attendance at workshops on Green Finance and participation in a National Consultative Workshop on Green Bond Framework and Green Taxonomy underscored a commitment to staying abreast of evolving strategies. Initiatives like an online Microsoft Form for Agricultural Loan Client Survey and Climate Change Awareness Surveys for agricultural clients demonstrated a proactive approach to gathering valuable insights, aiding in tailoring services to address climate challenges.

In Trongsa, dedicated efforts involved compiling, analyzing, and completing reports for the Agriculture Loan Client-Centered Survey and Climate Awareness Survey, ensuring a continual focus on quality and relevance. Productive meetings on Climate Resilience Management, engagements with the International Finance Corporation (IFC) and UNDP, and the identification of potential branches for expanding agricultural services highlight a multifaceted commitment to sustainable practices, reinforcing the organization's dedication to green finance and environmental stewardship.



Events and **Highlights**



World Savings Day



World Savings Day holds great significance as a global initiative to promote savings and financial security. This observance serves as a reminder of the importance of saving for future needs, emergencies, and long-term goals. RMF has been celebrating World Savings Day since 2020. Through our planned activities, we intend to highlight the value of savings and create awareness about its positive impact on women and communities.

To celebrate World Savings Day for the year 2023 we conducted an awareness program in 11 dzongkhags to promote financial literacy. The program aimed to educate and empower individuals on the importance of saving, equipping them with essential financial knowledge and tools for a secure future. Our initiatives encompassed various aspects of financial management, catering to individuals at different stages of their financial journey.



The program commenced with providing savings strategies for beginners, where practical tips and techniques were shared, emphasizing the significance of consistent, small efforts in building a savings habit. Additionally, one of the program topics “Savings Challenges for World Savings Day” encouraged client participation in savings activities, to help foster a culture of saving within our community.

Recognizing the importance of budget management, we trained clients how to create and manage budgets effectively, providing them with essential skills for financial planning and control. Furthermore, we advocated on the topic “Saving vs. Investing: Balancing Financial Goals” which sheds light on the difference between saving and investing, illustrating how both are integral to achieving financial objectives.

Moreover, we introduced investment opportunities such as the Yeshey Dawa Premium Savings, empowering individuals to make informed investment decisions. By providing comprehensive education and practical guidance, RMF aimed to instill a culture of financial literacy and responsibility, ultimately contributing to the financial well-being and stability of our clients and communities.

Future Outlook

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Future Outlook

In our ongoing commitment to serve and empower financially vulnerable women in rural areas, our future outlook is focused on expansion and innovation. As we strive to reach a greater number of individuals in need, we plan to grow and extend our operations to the remaining Dzongkhags when feasible. This expansion will enable us to broaden our impact and support more women on their journey towards financial independence and stability.

Moreover, recognizing the dynamic nature of financial needs and circumstances, we remain dedicated to continually adapting and evolving our products and services. By introducing new offerings tailored to the evolving requirements of our clients, we aim to provide comprehensive and effective financial solutions that address their unique challenges and aspirations.

Through these strategic initiatives, we are poised to not only extend our reach and impact but also enhance the depth and relevance of our support for vulnerable women in rural communities. As we look ahead, we remain committed to our mission to promote financial inclusion, empowerment, and resilience among those we serve.

Financial

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Review

Statement of Financial Position

PARTICULARS	2023	2022
ASSETS		
Cash and Cash Equivalents	71,742,074.54	58,960,867.92
Loans and Advances to Customers	261,521,081.86	253,964,050.65
Financial Invesments	77,900,000.00	67,900,000.00
Non-Current Assets	10,494,067.15	6,949,423.31
Short-term Advances	85,517.40	59,073.27
Current Assets	212,164.56	249,891.71
Property, Plant & Equipment	5,159,403.85	5,914,629.01
Intangible Assets	1,723,169.61	3,181,199.29
Total Assets	428,837,478.97	397,179,135.16
LIABLITIES		
Current Liabilities	286,943,983.46	266,174,199.61
Other Liabilities	3,887,805.03	22,870,879.56
Non-Current Liabilities	2,562,206.33	2,495,028.00
Employee Benefit Liabilities	3,313,354.49	3,213,525.00
Total Liabilities	296,707,349.31	294,753,632.17
Equity		
Paid up capital	25,000,000.00	25,000,000.00
General Reserve	-	-
Retained Earnings	107,130,129.66	77,425,502.98
Total Equity	132,130,129.66	102,425,502.98
Total Liabilities & Equity	428,837,478.97	397,179,135.15
	(0.00)	(0.00)

Statement of Comprehensive Income

PARTICULARS	2023	2022
Interest Income	61,454,091.25	55,521,760.71
Interest Expense	12,623,823.21	12,943,953.28
NET INTEREST INCOME	48,830,268.04	42,577,807.43
Fees and commission Income	3,036,096.15	88,643,438.24
Fees and commission Expense	7,048,191.63	5,249,062.44
NET NON-INTEREST INCOME	(4,012,095.48)	83,394,375.80
Total Operating Income	44,818,172.56	125,972,183.23
Net Operating Income	44,818,172.56	125,972,183.23
Personnel Expense	23,835,917.76	20,718,312.73
Other Operating Expenses	8,507,769.31	13,202,459.38
Depreciation on Property, Plant & Equipment	2,815,030.57	2,452,568.46
Total Operating Expenses	35,158,717.64	36,373,340.57
Profit Before Tax from continuing Operations	9,659,454.92	89,598,842.66
PROFIT BEFORE TAX	9,659,454.92	89,598,842.66
Tax Expenses for the Current Year	2,414,863.73	22,399,710.66
Net Profit for the year	7,244,591.19	67,199,131.99
Other Comprehensive Income	-	-
Actuarial (Gain)/Losses on Retirement Benefits	(943,569.97)	(212,238.00)
Unrealized (Gain)/Losses on Foreign Exchange	(8,813.50)	(38,388.48)
Total Comprehensive Income for the year	6,292,207.72	66,948,505.51

Statement of Cash Flow

PARTICULARS	2023	2022
A. Operating Activities		
Profit from Operating Operations (i)	7,244,591.19	67,199,131.99
Adjustment for:		
Depreciation	2,826,728.84	2,452,568.46
Tax Expenses	2,414,863.73	22,399,710.66
Prior Period Adjustments	22,460,035.48	-
Net Cash flows before change in Working Capital (ii)	27,701,628.05	24,852,279.13
Net Cash flows changes in Working Capital		
(Increase)/Decrease on loans and Advances to customers	(7,557,031.21)	(42,663,294.13)
Change in operating liabilities	20,769,783.85	11,430,610.63
Change in other operating assets	(3,533,360.82)	4,213,325.90
Change in other operating liabilities	(18,816,066.71)	(64,332,331.92)
Income Tax	(2,414,863.73)	(22,399,710.66)
Net cash flows from changes in Working Capital (iii)	(11,551,538.62)	(113,751,400.19)
Net cash flows from operating activities (A=i+ii+iii)	23,394,680.62	(21,699,989.07)
B. Financing Activities		
Proceeds from Issue of share capital	-	(2,906,221.47)
Dividends paid to equity holders	-	-
Increase in Financial Investments	(10,000,000.00)	69,000,000.00
Net cash flows from/(used in) financing activities (B)	(10,000,000.00)	66,093,778.53
C. Cash Flow from Investing Activity		
Purchase of property and equipment	(732,723.00)	(4,339,253.40)
Proceeds from sale/damage of property and equipment	119,249.01	11,235.76
Net cash flows from/(used in) investing activities (C)	(613,473.99)	(4,328,017.64)
Change in Cash and cash equivalents (A+B+C)	12,781,206.63	40,065,771.82
Opening Cash and cash equivalents	58,960,867.92	18,895,096.10
Closing Cash and cash equivalents	71,742,074.54	58,960,867.92



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