



# 2025 ANNUAL REPORT

**RENEW MICROFINANCE PRIVATE LIMITED**



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# MESSAGE FROM THE DESK





## MESSAGE FROM THE CHAIRPERSON



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**Chairperson**

**T**he year 2025 marked another important milestone for RENEW Microfinance Private Limited as we continued to expand our outreach and deepen our impact in advancing financial inclusion across Bhutan.

During the year, RMF demonstrated resilience and responsible growth, with a total loan portfolio of Nu. 358,375,486.58. At the same time, we successfully mobilized savings amounting to Nu. 423,957,731.00, including the YDPS program, highlighting the growing trust of our clients and their commitment to financial discipline.

Our outreach continued to expand, serving 33,726 clients across 13 dzongkhags through 516 service access points. Women remain at the heart of our mission, representing 90% of our client base, reaffirming our strong

commitment to gender empowerment and inclusive economic participation.

This progress has been made possible by the dedication of our team, comprising 20 Head Office staff and 34 branch staff, who work tirelessly to ensure that our services reach even the most remote communities.

Beyond financial services, RMF has continued to promote financial literacy and community engagement initiatives, equipping clients with the knowledge and skills to make informed financial decisions. We have also taken steps toward strengthening our operational efficiency through improved systems and processes to better serve our clients.

As we look ahead, RMF remains committed to deepening its outreach, strengthening

institutional capacity, and contributing to sustainable socio-economic development. We will continue to focus on building resilient communities, fostering entrepreneurship, and delivering meaningful financial services that create lasting impact.

I extend my sincere appreciation to the Board of Directors, management, staff, and partners for their unwavering dedication and support. Above all, I express my deepest gratitude to our clients, whose trust and resilience continue to inspire our work.

A handwritten signature in blue ink, appearing to read 'Tshering Uden Penjor', with a horizontal line underneath.

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



## MESSAGE FROM THE CEO



Chief Executive Officer

**D**ear Shareholders, Board Members, Clients, Partners, and Colleagues,

It is my privilege to present the Annual Report of RENEW Microfinance Private Limited for the year ended 31<sup>st</sup> December 2025. This report reflects RMF's financial performance and the deeper purpose that defines us: expanding access to finance for low-income women and their families, especially in rural Bhutan, in a way that is responsible, inclusive, and sustainable. RMF serves communities across 516 outreach centers in 125 gewogs under 13 dzongkhags, with around 90% of our client base being women.

The year 2025 was one of continuity, service delivery, and institutional relevance. RMF continued

to provide financial products that address our clients' daily realities alongside savings products that encourage financial discipline. These services are instruments through which households manage shocks, invest in livelihoods, support education, strengthen food security, and build dignity over time.

Financial literacy remained central to our model. RMF continued community-based engagement to help clients strengthen budgeting, savings habits, goal setting, and responsible borrowing. Our work during World Savings Day on 31<sup>st</sup> October including sensitization, savings promotion, client recognition, and referral based mobilization reflects our belief that sustainable inclusion requires both access and awareness.

From a financial standpoint, 2025 shows RMF remains operationally active and financially relevant. Loans and advances to customers increased to Nu 358.37 million from Nu. 278.90 million in 2024, reflecting strong credit outreach and continued demand. Cash and cash equivalents rose to Nu. 130.47 million from Nu. 95.79 million, while total assets grew to Nu. 575.65 million from Nu. 469.16 million. Total equity increased to Nu. 137.93 million, indicating that RMF continues to strengthen its capital base. The annual report highlights include total loans of approximately Nu. 358 million and total savings of approximately Nu. 423 million.

At the income level, RMF recorded interest income

of Nu. 81.63 million and net operating income of Nu. 57.69 million for 2025. After accounting for personnel costs, operating expenses, loan provision expenses, depreciation, and tax, the institution reported a net profit of Nu. 5.36 million. While profitability was lower than the previous year, the institution remained profitable and financially sound.

Equally significant, the independent auditors issued an opinion that the financial statements present a true and fair view in accordance with Bhutanese Accounting Standards. The auditors also stated they had no reason to believe the Company is not a going concern. The audit highlighted specific matters requiring management attention, particularly around prior period tax amounts and related documentation. These observations do not modify the audit opinion but remind us that sound governance requires continuous strengthening of financial controls, documentation, and reporting discipline. We take these matters seriously as part of our institutional maturation.

2025 was also a year of leadership transition. I assumed office as Chief Executive Officer on 1<sup>st</sup> November 2025. I step into this role with deep respect for RMF's legacy, gratitude to those who built this institution before me, and strong belief in what RMF can become. Our task now is to strengthen our institutional capacity so our mission endures with greater discipline, professionalism, and scale.

Looking ahead, my commitment is clear. RMF must grow in strength, not just size. We must improve

governance, sharpen operational discipline, invest in systems and people, strengthen risk management, and ensure every Ngultrum entrusted to us is deployed with purpose and prudence. We must remain close to the communities we serve while becoming a more robust and future ready institution. This means deepening client trust, safeguarding portfolio quality, strengthening savings mobilization, improving internal controls, and building a culture where social impact and financial sustainability reinforce one another.

I express sincere gratitude to our Royal Patron, Board of Directors, shareholders, regulators, development partners, staff, and above all, our clients. The confidence you place in RMF is both a responsibility and an inspiration. Our clients' resilience, discipline, and aspirations give meaning to our work. Every account opened, every loan used responsibly, and every livelihood strengthened reminds us why RMF exists.

RMF was established to widen opportunity for those too often excluded from formal finance. That purpose remains unchanged. What must evolve is our ability to serve that purpose with greater excellence. With the support of our stakeholders and the commitment of our team, I am confident RMF will continue to build lasting value for the women, families, and communities of Bhutan.



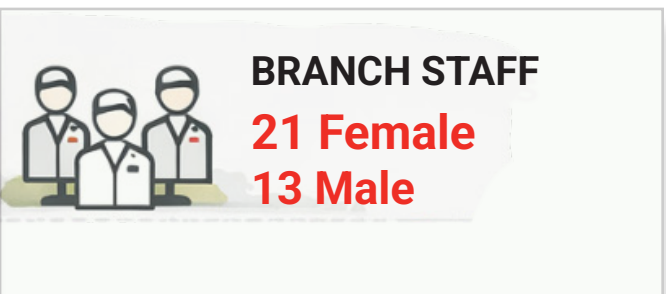
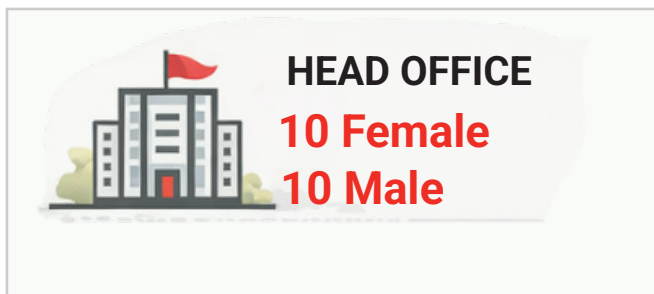
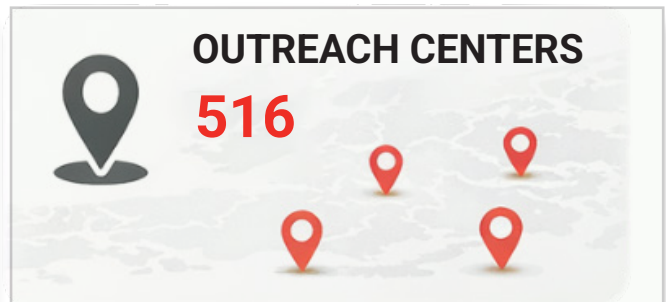
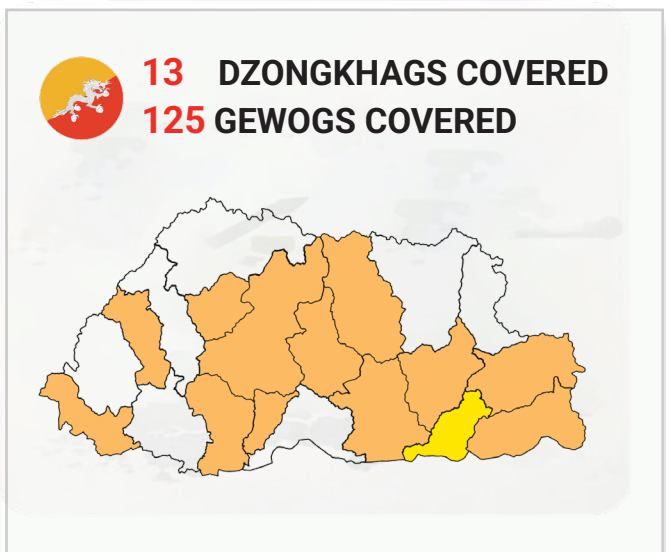
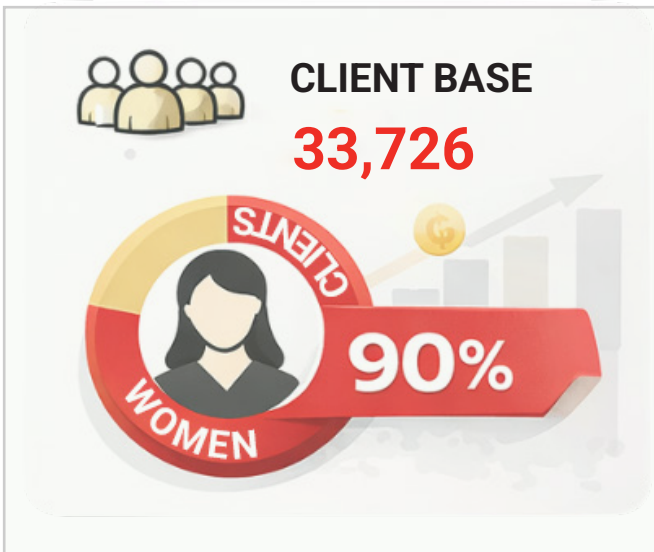
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**Chief Executive Officer**



# HIGHLIGHTS OF 2025









## WHO WE ARE





## OUR STORY, OUR PURPOSE

**R**ENEW Microfinance Private Limited (RMF) was established in 2011 as a collaborative initiative between the RENEW Foundation and Deutsche Sparkassenstiftung für internationale Kooperation (DSIK), with support from the German Federal Ministry for Economic Cooperation and Development. This partnership was founded on a clear and enduring purpose: to build a sustainable microfinance institution that expands access to financial services for women and their families, particularly in rural communities across Bhutan.

Established under the blessings of Her Majesty Gyalyum Sangay Choden Wangchuck, RMF was envisioned not merely as a financial institution, but as a development partner committed to improving the dignity, resilience, and quality of life of low-income and vulnerable women and their families. From the outset, RMF has represented more than finance; it has represented opportunity, confidence, and the belief that empowered women can transform households, communities, and futures.

RMF's vision remains steadfast: to be the leading provider of financial services to low-income women and their families in the Kingdom of Bhutan. Its mission is to improve



Her Majesty the Gyalyum Sangay Choden Wangchuck

lives through appropriate, responsible, and inclusive financial services, primarily in rural areas, while promoting confidence, accountability, and economic self-reliance.

At the heart of RMF's work is empowerment over dependency. Beyond providing saving and credit services, RMF promotes financial literacy, responsible financial behaviour, and informed decision-making. Through agriculture, business, farm machinery, multipurpose, and emergency loans, complemented by savings products and collateral-free microloans, RMF continues to strengthen livelihood security, deepen financial inclusion, and support a more secure and inclusive future for communities across 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 savings and credit products



## OUR OBJECTIVE

- To promote a long-term and sustainable approach to delivering financial services to underserved and needy people in remote areas.
- To enhance awareness and understanding of financial products and services among rural communities.
- To build the knowledge and capacity of low-income households in income management, financial planning, and responsible financial behaviour.
- To ensure continued access to financial services by organizing, empowering, and supporting women as active participants in the financial system.



# PRODUCTS & SERVICES

## A. SAVINGS SCHEME

RMF encourages a culture of saving which is central to empowering our clients and promoting financial security. RMF offers the following savings options:

### **Standard Savings**

RMF's Standard Savings product is designed to promote a culture of regular saving and strengthen financial security among clients. It offers a safe and accessible means for individuals and families to build reserves for future needs, manage unexpected expenses, and plan with greater confidence. By encouraging disciplined saving habits, the product helps foster self-reliance, and better household planning.

### **Yeshey Dawa Premium Savings**

RMF's Yeshey Dawa Premium Savings product is designed to promote disciplined and purposeful saving among clients seeking to build stronger financial security over time. As a premium savings product, it provides a safe, reliable, and accessible avenue for individuals and families to accumulate funds for future needs, aspirations, and unexpected challenges.

## B. LOANS

RMF offers a range of loan products tailored to support clients in improving livelihoods, growing businesses, and addressing personal needs.

### **Agriculture Loan**

This loan product is designed to support farming households with financing for crops, livestock, agricultural inputs, and related livelihood activities. It helps rural clients improve productivity, strengthen income, and sustain their livelihoods.

By responding to the realities of rural production cycles, this product helps strengthen productivity, support income generation, and improve household resilience. Through the Agriculture Loan, RMF continues to play an important role in promoting sustainable rural livelihoods and advancing financial inclusion among farming communities across Bhutan.

## **Business Loan**

This loan product is designed to support clients in establishing, maintaining, and expanding small-scale business and income-generating activities. It provides timely and accessible financing for services and entrepreneurial ventures that contribute to household income and local economic development. By helping clients meet working capital requirements, purchase essential inputs, and invest in business growth, the product supports entrepreneurship, income diversification, and greater financial stability. Through this loan, RMF continues to strengthen economic self-reliance and expand opportunities for women and families to build sustainable livelihoods.

## **Multipurpose Loan**

This loan product is designed to support clients in meeting important household and family needs that contribute to overall wellbeing and stability. It provides accessible and flexible financing for purposes such as children's education, home improvement, household assets, vehicle maintenance, and other essential expenditures. By helping clients manage significant but necessary expenses in a timely manner, the product reduces financial pressure and supports better household planning. Through this loan, RMF continues to strengthen family resilience, enhance financial security, and provide practical support to women and households across the communities it serves.

## **Emergency Loan**

RMF's Emergency Loan is designed to support clients during unforeseen situations that place sudden financial pressure on households. It provides timely and accessible financing to help families respond to emergencies such as illness, accidents, fire, bereavement, and other urgent hardships. By enabling clients to manage immediate needs with dignity and stability, the product helps reduce distress, protect household resilience, and prevent financial setbacks from becoming deeper vulnerabilities. Through this loan, RMF reaffirms its commitment to standing with women and families not only in their aspirations for progress, but also in their moments of greatest need.

## **Farm Machinery Loan**

This loan product is designed to help farming households invest in essential agricultural equipment that improves efficiency and productivity. It provides accessible financing for machinery such as power tillers and other farm tools that reduce labour intensity, support timely cultivation, and strengthen overall farm operations. By promoting access to mechanization, the product helps clients enhance productivity, reduce physical hardship, and improve livelihood outcomes. Through this loan, RMF continues to support more resilient and modern agricultural practices while advancing financial inclusion in rural communities across Bhutan.



# FINANCIAL LITERACY



Trashigang Branch - Merak Center - 3<sup>rd</sup> November 2025

**A**t RMF, we believe that true financial empowerment begins with understanding. That is why we are deeply committed to advancing financial literacy across rural communities—transforming not only how financial services are accessed, but how they are understood, used, and owned by the people we serve. Through patient education and meaningful engagement, we equip individuals and families with the clarity, confidence, and practical skills they need to navigate their financial lives with independence and foresight.

Our approach is rooted in the belief that

knowledge is the most powerful tool for lasting change. To that end, we offer a range of foundational financial literacy modules, each carefully designed to address the real-world needs of our clients. These include:

Setting meaningful financial goals – Helping individuals envision a more secure future and break down long-term aspirations into achievable, actionable steps.

Building consistent saving habits – Introducing practical saving techniques that make regular



Zhemgang Branch - Kagtong Center - 31<sup>st</sup> October 2025

saving feel not only possible but empowering, regardless of income level.

Managing budgets with intention – Guiding clients to track income and expenses in ways that reveal opportunities, reduce financial stress, and support thoughtful decision-making.

Borrowing with responsibility and discipline – Encouraging a thoughtful approach to credit, where clients learn to assess loan options carefully, understand terms, and honor repayment commitments with confidence and dignity.

By embedding financial awareness into the

fabric of community life, RMF nurtures a culture of self-reliance and resilience. We witness, time and again, how informed individuals become advocates within their own families and neighbors—multiplying the impact of every lesson shared.

Ultimately, our work in financial literacy reflects a deeper commitment: to be more than a financial service provider. We strive to be a trusted community institution—one that walks alongside the people we serve, honoring their aspirations, strengthening their capabilities, and contributing to the long-term wellbeing and prosperity of the communities that inspire everything we do.



## CELEBRATING WORLD SAVINGS DAY



Pemagatshel Branch - (Gooyum Center)

**G**uided by the belief that educating a woman strengthens an entire family, RMF observed World Savings Day on 31st October 2025, as an important opportunity to promote responsible saving, and long-term financial planning among women, children, and communities.

To mark the occasion, RMF organized community sensitization and financial literacy activities aimed at encouraging good saving habits and a better understanding of responsible financial behaviour. These initiatives emphasized the importance of regular saving, prudent borrowing, and wise financial decision-making, with the broader goal of empowering women and their families to build greater economic resilience.

As part of the celebration, RMF introduced a referral programme under which clients who referred new members were rewarded Nu. 100 for each new member introduced. The incentive was credited to the client's savings account at the end of the month. This initiative was designed to encourage more women to open savings accounts and begin cultivating the habit of saving.

RMF also took the opportunity to recognize and appreciate its most loyal clients by awarding cash prizes to the top three clients with the highest loan cycles. Through such initiatives, RMF continues to reinforce the value of savings, responsible finance, and client engagement within the communities it serves.



Bumthang Branch



SamdrupJongkhar Branch



Thimphu Branch



Dagana Branch



Trashigang Branch



Mongar Branch



Samtse Branch



Tsirang Branch

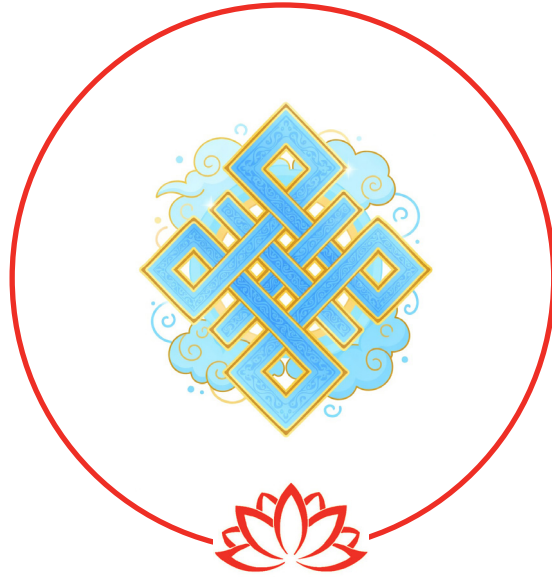


Punakha Branch



WangduePhodrang Branch





# OUR NATIONWIDE PRESENCE



**PUNAKHA**  
Branch Opened: 2017  
Female: 3,442  
Male: 439

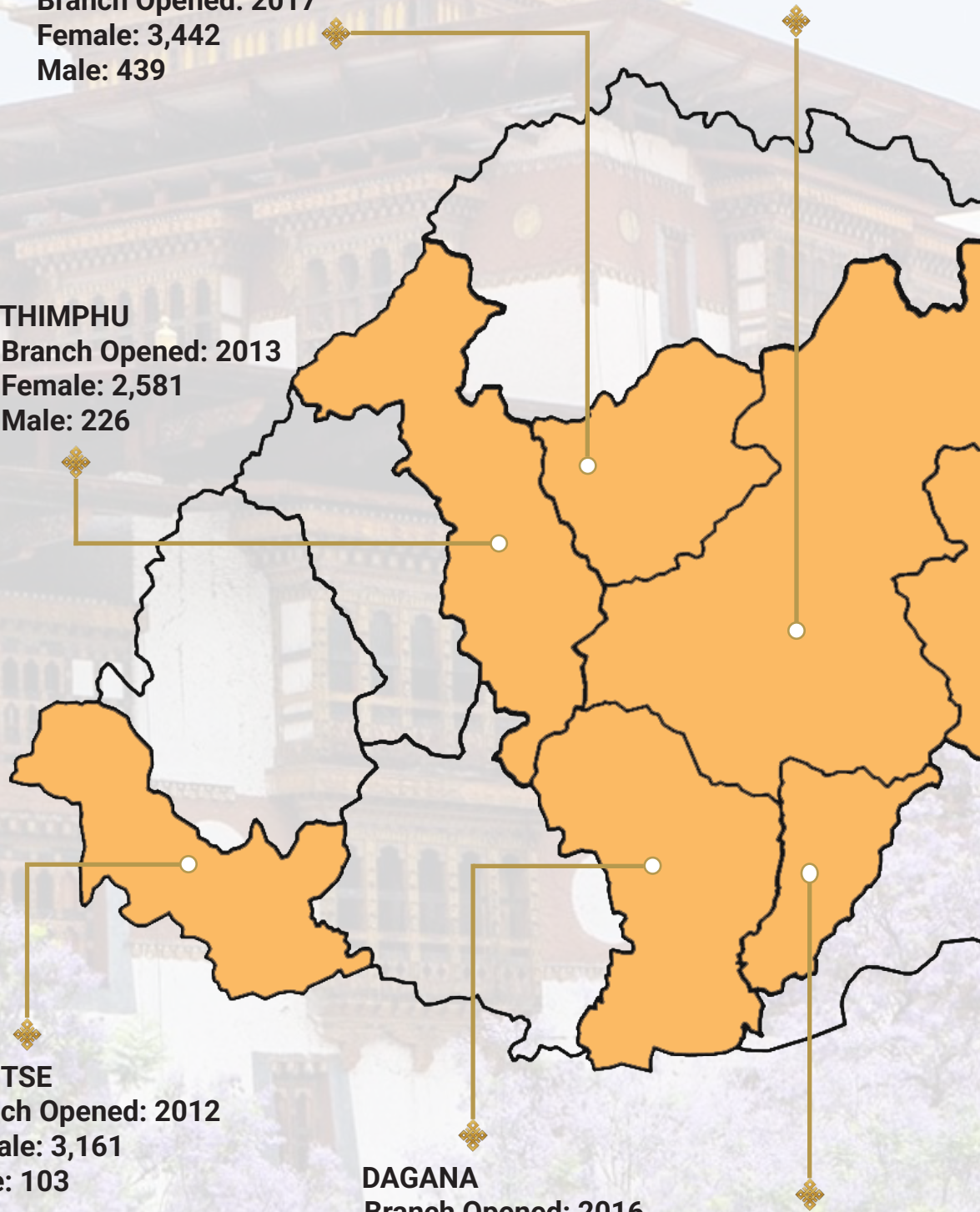
**WANGDUEPHODRANG**  
Branch Opened: 2018  
Female: 2,928  
Male: 323

**THIMPHU**  
Branch Opened: 2013  
Female: 2,581  
Male: 226

**SAMTSE**  
Branch Opened: 2012  
Female: 3,161  
Male: 103

**DAGANA**  
Branch Opened: 2016  
Female: 1,914  
Male: 181

**TSIRANG**  
Branch Opened: 2015  
Female: 3,322  
Male: 294



◆ 33,726 TOTAL CLIENTS

◆ 13 DZONKGHAGS COVERED

**BUMTHANG**

Branch Opened: 2012

Female: 1,649

Male: 173

**MONGAR**

Branch Opened: 2019

Female: 2,747

Male: 308

**TRASHIGANG**

Branch Opened: 2013

Female: 3,304

Male: 254

**TRONGSA**

Branch Opened: 2012

Female: 1,381

Male: 115

**PEMAGATSHEL**

Branch Opened: 2025

Female: 1,011

Male: 279

**SAMDRUPJONGKHAR**

Branch Opened: 2024

Female: 1,272

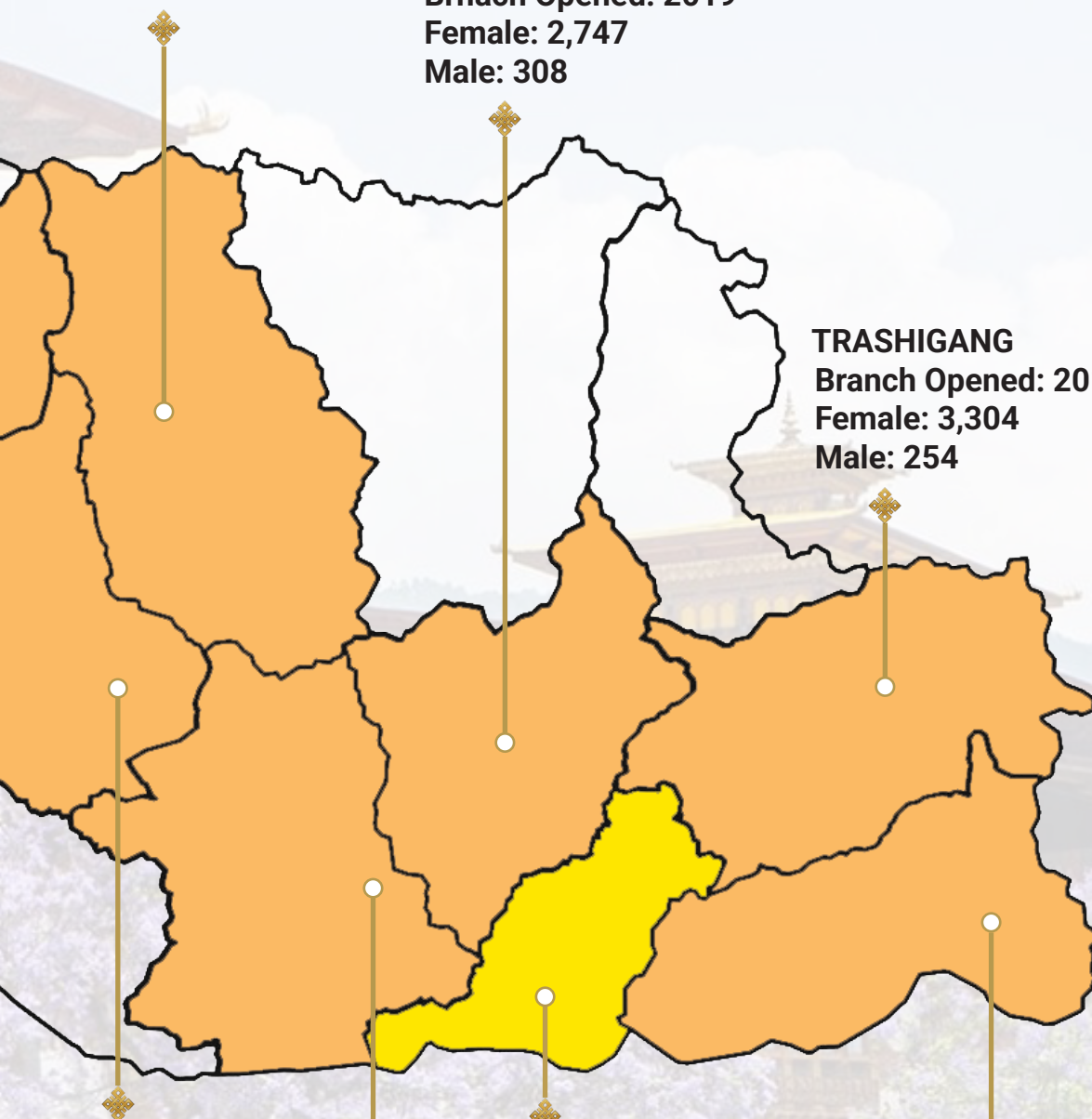
Male: 477

**ZHEMGANG**

Branch Opened: 2022

Female: 1,492

Male: 350







## OUR IMPACT





# INVESTING WHERE IT MATTERS MOST



WangduePhodrang Branch - Sephu Center

**R**MF's legacy has always been defined by one clear conviction: the most important investments are not only made in markets or institutions, but in people, especially those whose strength holds communities together, yet whose potential remains underserved. Guided by this belief, RMF remains unwavering in its commitment to empowering vulnerable and low-income women across Bhutan.

Across the country, many women continue to face structural barriers that limit economic opportunity, including insecure employment, informal work, and restricted access to formal financial services. In rural Bhutan, women are the backbone of household resilience and agricultural livelihoods, yet they are too often excluded

from leadership, recognition, and economic opportunity. RMF exists to change that reality.

What distinguishes RMF from other financial service providers is not simply the products we offer, but the purpose that drives us. RMF was created to reach those who are often overlooked by conventional finance and to serve them with empathy, trust, and relevance. Our microfinance model is built around the lived realities of women, enabling them to strengthen livelihoods, support household stability, enhance productivity, and participate more fully in local economic growth.

Our commitment extends well beyond access to finance. Through financial literacy, community outreach, and sustained engagement, RMF



Tsirang Branch - Thakorling Center

equips women with the practical knowledge and confidence to make sound financial decisions, manage resources responsibly, and build healthier financial futures. We promote savings not merely as a transaction, but as a pathway to resilience, security, and independence.

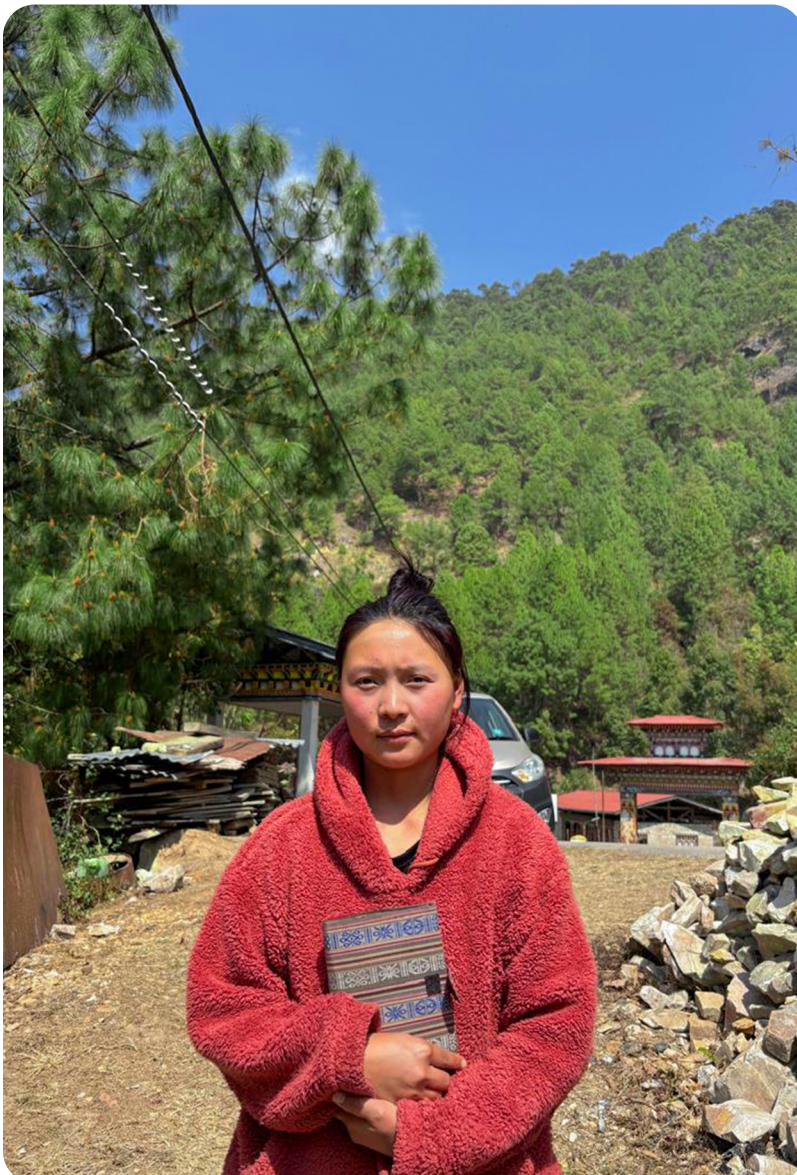
In doing so, RMF continues to fulfill a role that is both financial and transformational. We invest in women not only because they are underserved, but because they are central to the wellbeing and progress of families, communities, and the nation. This enduring focus is what gives RMF its unique place in Bhutan's financial landscape.

At RMF, investing where it matters most means investing in women, in resilience, in dignity, and in the future of Bhutan.

# ✔ SUCCESS STORIES

“Empowering Rural Women Through Microfinance”

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## From Scrap to Success: One Woman's Journey of Grit and Green Enterprise



Mrs. Dago Wangmo with her husband



Mr. Gyem Tshering

**M**rs. Dago Wangmo, a 44-year-old entrepreneur from Thimphu, runs a successful scrap business with her husband, Mr. Gyem Tshering. A long-time client of Renew Microfinance, Thimphu, she has taken seven loans to grow her venture. Her latest loan of Nu. 250,000 helped purchase a second-hand scrap pressing machine, boosting efficiency and income.

The machine now supports her family's daily needs, funds her two daughters' education, and creates local jobs by hiring unemployed youth.

The couple is also diversifying income

through areca nut plantations and building a shelter in Samtse.

A trusted client who always meets her commitments, Mrs. Dago Wangmo's recycling work keeps Thimphu clean. With her husband's full support, she embodies the resilience and social impact that RENEW Microfinance champions.

“

**My husband and I have always worked together. We are a true team.**

”



## From village roots to Community Leader: Sonam's Story of Empowerment



Mrs. Sonam Zangmo weaving

**“As Center Leader, I’ve learned my success is not just my own. Encouraging other women to save and grow their businesses builds their confidence. RMF gave me the tools, but together we are weaving a stronger future for our families.”**

**— Sonam Zangmo, Center Leader,  
Boauchhoeling Centre, Mongar**

**F**or Sonam Zangmo, the journey from Khar village to her home in Mongar has been one of quiet determination. For the Boauchhoeling Center, her journey is a powerful example of what is possible with support

As Center Leader, Sonam motivates peers to attend meetings and save regularly, ensuring the centre remains a community pillar. Her warm encouragement and steady guidance have helped many women in the group take their first steps toward financial independence. While her husband is employed, Sonam envisioned a more secure future. She availed multiple RMF loans to expand her weaving business. What began as a simple skill now provides a steady income through handcrafted garments that blend traditional Bhutanese patterns with modern appeal, drawing customers from nearby towns.

Her business drives her family’s well-being. Sonam repays her loans on time while supporting her immediate family, siblings, and aging parents. Her success lifts those closest to her, creating a ripple of hope that extends beyond her household. Sonam’s story is a testament to empowering one woman.

Through hard work and RMF, she has become a community leader and family pillar — a living reminder that small, consistent steps, backed by the right support, can transform lives across generations.



## From a small shop to strong future: The Story of Karma Dem



“ Although the world is full of suffering, it is also full of the overcoming of it. ”

**K**arma Dem’s journey began with a simple dream—to serve her community while building a better life for her family. From her small shop in the village, she now offers daily essentials along with her own homemade delicacies: pickles infused with tradition, savory snacks, and sweets that carry the warmth of her kitchen.

With the support of timely loans, Karma was able to stock her shelves, upgrade her cooking equipment, and steadily nurture her vision into a thriving source of income. What once was a quiet hope has grown into a steady rhythm of livelihood—one that sustains, strengthens, and uplifts.

These loans did more than fund a business; they fortified a family’s future. Through her determination and thoughtful planning, Karma

now sends her children to school with pride, manages her household with ease, and faces tomorrow with confidence.

Her story is a beautiful reminder of what is possible when opportunity meets effort. Today Karma Dem is not just running a shop—she is shaping a legacy of resilience, one jar of pickles, one sweet, one dream at a time.



## Seeds of Opportunity: Samten's Story



Samten - Samdrupjongkar

Located just a stone's throw from Martshala School, Samten's shop has long been a familiar and trusted stop for students, parents, and teachers alike. For years, her presence in the neighborhood has been a small but steady thread in the daily life of the community—a place where quick snacks, essential supplies, and a warm smile were always within reach. Yet, behind the counter, Samten carried a quiet ambition. She knew her shop held the potential for so much more.

With a clear vision of what her business could

become and a deep drive to grow, Samten took a courageous step forward. She reached out to us for a small business loan, seeking the financial support needed to transform her long-held dreams into reality. Her request was not just for additional inventory or shelf space—it was an investment in her future and in the community she serves.

Since receiving the loan, Samten's journey has been nothing short of inspiring. She has expanded her stock to better meet the growing and diverse needs of the neighborhood—offering a wider variety of goods, from everyday essentials to special items that bring convenience right to the community's doorstep. Beyond the products themselves, she has breathed new life into the shopping experience, creating a more vibrant, welcoming space that reflects her dedication and care.

We are truly honored to have played a supporting role in her growth. Samten's story is a powerful reminder that when local women are empowered with the right resources—timely support, trust, and opportunity—the impact extends far beyond a single shop. Her success fuels local commerce, strengthens community ties, and shows that investing in one determined woman can help an entire neighborhood thrive.



## Empowered by Opportunity: Dorji Mindu Zangmo's Success with RMF Support

A 43-year-old woman from Phangkhar in Zhemgang, is a strong example of courage, determination, and hard work. She studied up to Class Six and, around the year 2000, moved to Thimphu in search of a job to support her family back in the village. Life was not always easy for her. She got married to an army personnel and had four children.

However, after many years of marriage, she went through a difficult time and got divorced in 2019. As a single mother with four children to take care of, life became even more challenging. Her eldest child is now 23 years old and studying in the final year at Sherubtse College.

Despite the challenges, Dorji Mindu Zangmo did not give up. She worked in a chips production factory owned by a well-known entrepreneur for about four years. During this time, she learned valuable skills and gained experience in making and managing a chips production business.

With determination to build a better future for her children, she decided to start her own business. With the support of a loan from RMF Thimphu Branch, she purchased a fryer worth Nu. 120,000 and started her own chips production business.

Today, she runs her business at the Startup Center in Changzamtog.



Dorji Mindu Zangmo - Zhemgang

Through her hard work and dedication, Dorji is able to earn income to support her family and provide for her four children. She is also managing to repay her loan responsibly while continuing to grow her business.

Her journey is a powerful example of resilience and determination. Dorji's story shows that even in the face of hardship, women can rise, become independent, and create better opportunities for their families. She stands as an inspiration to many women, proving that with courage, hard work, and the right support, it is possible to rebuild life and achieve success.



## From Dream to Reality: Tshering Wangmo's Story of Growth



Tshering Wangmo - Trongsa

“

**I always believed my shop could be more than just a small stop. With the right support, I was able to turn that belief into reality—not just for myself, but for my community**

”

**T**shering Wangmo, a client of RENEW Microfinance in Trongsa Dzongkhag, is a shining example of how RMF empowers individuals to achieve their dreams.

Initially, her dream of expanding her shop was hindered by lack of financial resources. However, RMF stepped in, providing her with the necessary loan to launch her business expansion. With RMF's support, she acquired the equipment and supplies needed to grow her shop, quickly establishing a loyal customer base.

Tshering Wangmo's success story is not just about her personal triumph but also about her commitment to empower others. She recognized the value of RMF's services and became a vocal advocate for financial inclusion in her community. She shared her positive experiences with RMF's loan products and saving programs, inspiring her friends and neighbors to take control of their finances and pursue their own dreams.

Tshering Wangmo's story demonstrates the profound impact of financial inclusion on individuals and communities. Her shop is a testament to the power of RMF, and her dedication to sharing her success with others makes her a true champion of RMF's mission.





**EXPANDING OUR REACH**





## NEW BRANCH OPENING



Pemagatshel Branch - Initial Branch Opening

**R**MF is excited to announce that our new branch in Pemagatshel, opened in May 2025, is now fully operational. This milestone in extending our financial services to underserved communities. This branch brings accessible loans, flexible savings options, and practical financial education closer to those who need it most, helping individuals and families improve livelihoods and build sustainable futures.

Pemagatshel Dzongkhag comprises 11 Gewogs – Chimung, Choekhorling, Chongshing, Dechheling, Dungmin, Khar, Nanong, Norbugang, Shumar, Yurung, and Zobel – and 55 Chiwogs (village clusters). RMF has already covered 8 Gewogs, reaching all accessible villages, and is actively planning to expand into the remaining areas to ensure

inclusive financial access.

Within the first year, the branch has successfully reached Zobel, Yurung, Shumar, Nanong, Khar, Dungmin, Chongshing, and Chimung, registering 1,290 clients. This rapid uptake reflects the strong demand for financial services and literacy in rural areas.

Through this expansion, RMF is not just growing its network, it is deepening its impact, empowering individuals, supporting local entrepreneurship, and contributing to sustainable community development across Pemagatshel.





**PEMAGATSHEL**



**TOTAL 1290 CLIENTS**



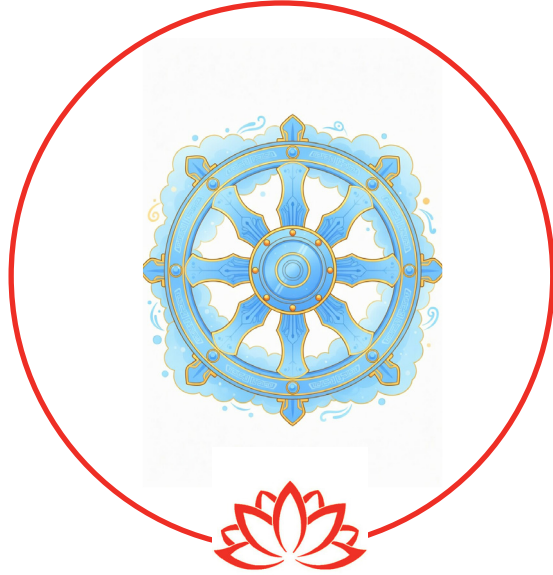
**TOTAL 11 GEWOGS**



**8 GEWOGS COVERED**







# **FUTURE OUTLOOK**





**A**s RMF enters 2026, the institution does so with a renewed sense of purpose and a clear ambition to strengthen itself for the future. The year ahead represents more than a continuation of existing work; it marks the beginning of a new phase of institutional development shaped by sharper strategy, stronger governance, clearer accountability, and a deeper commitment to sustainable impact.

At the heart of this next phase is RMF's emerging five-year strategic direction, which will provide the framework for building a stronger, more disciplined, and more future-ready institution. The focus will be on ensuring that RMF's growth is supported by sound systems, robust governance, professional management, and a culture of performance and re-sponsibility. The institution's aim is not only to expand access to financial services, but to do so through an organization that is better aligned, more resilient, and better equipped to serve its mission over the long term.

In 2026, RMF will prioritize the strengthening of its organizational architecture through improved management systems, shared governance committees, clearer roles and responsibilities,

revised performance frameworks, and stronger operational discipline across Head Office and branches. These reforms are intended to reinforce accountability, improve decision making, enhance risk management, and cultivate an institution-led culture grounded in systems and stewardship.

Credit quality, internal controls, administrative discipline, and service effectiveness will remain central to RMF's path forward. At the same time, the institution will continue to invest in its people, strengthen collaboration across teams, and foster a culture that combines empathy with professionalism and mission with execution.

RMF's outlook for 2026 is therefore both ambitious and grounded: to build an institution that is financially sustainable, operationally strong, socially relevant, and worthy of the trust placed in it by women, families, communities, and stakeholders across Bhutan. The direction is clear: RMF seeks not simply to grow bigger, but to grow stronger, wiser, and more enduring in the service of inclusive development.

## THE APPOINTMENT OF NEW CEO

In 2025, RMF entered an important new chapter with the appointment of Mr. Sonam Rinzin as its third Chief Executive Officer, marking a significant milestone in the institution's continuing journey of growth and transformation. This leadership transition reflects RMF's ongoing evolution as a purpose-driven institution committed to financial inclusion, women's empowerment, and sustainable community development across Bhutan.

Mr. Sonam Rinzin brings over 13 years of diverse professional experience across Bhutan's financial, insurance, corporate, and development sectors, with a strong track record in corporate strategy and governance, financial regulation and supervision, risk management, and project leadership. He holds a Master of Business Administration from the University of Canberra and a Bachelor of Civil Engineering from the College of Science and Technology under Royal University of Bhutan. He is also a Fellow of the Insurance Institute of India, reflecting a distinctive combination of technical, financial, and strategic expertise.

Prior to joining RMF, he served in key roles at the United Nations Development Programme (UNDP), Druk Holding and Investments (DHI), the Royal Monetary Authority of Bhutan (RMA), and the Royal Insurance Corporation of Bhutan Limited (RICBL). Across these roles, he contributed to climate-



New CEO with Azhi Gyalyum Sangay Choden Wanghchuck

resilient development, corporate performance management, financial sector strategy, green finance, insurance and risk management.

His appointment comes at a pivotal time for RMF as the institution builds on its legacy while preparing for a future that demands stronger systems, sharper strategic direction, and greater institutional resilience. The Board, management, and staff warmly welcomed him and look forward to working collectively under his leadership to further strengthen RMF's mission, governance, and service to the communities it exists to support. With this transition, RMF reaffirms its commitment to building a stronger, more responsive, and future-ready institution that continues to serve women and families across Bhutan with purpose, integrity, and care.





# **FINANCIAL REVIEW**



## STATEMENT OF FINANCIAL POSITION

### RENEW Microfinance Private Limited Statement of Financial Position as at 31 December 2025 (All in Ngultrums)

Particulars	Notes	31.12.2025	31.12.2024
<b>ASSETS</b>			
Cash and Cash Equivalents	3	130,474,705.88	95,787,988.76
Loans and Advances to Customers	4	353,207,929.20	276,251,233.84
Financial Investments	5	77,900,000.00	77,900,000.00
Non-Current Assets	6	10,396,096.21	14,646,232.20
Short-term Advances	7	269,213.00	55,779.84
Current Assets	8	60,562.84	23,299.00
Property, Plant & Equipment	2	3,287,559.94	3,950,205.92
Intangible Assets	2	58,921.05	548,501.25
<b>TOTAL ASSETS</b>		<b><u>575,654,988.12</u></b>	<b><u>469,163,240.79</u></b>
<b>LIABILITIES AND EQUITY</b>			
<b>Liabilities</b>			
Current Liabilities	9	425,857,043.57	324,428,029.29
Other Liabilities	10	3,075,058.81	1,375,709.16
Non-Current Liabilities	11	3,510,249.18	2,727,309.27
Employee Benefit Liabilities	12	5,286,337.00	4,625,011.00
<b>Total Liabilities</b>		<b><u>437,728,688.56</u></b>	<b><u>333,156,058.72</u></b>
<b>Equity</b>			
Paid up capital	13	25,000,000.00	25,000,000.00
General Reserve		9,584,531.07	8,245,430.31
Retained Earnings		103,341,768.49	102,761,751.76
<b>Total Equity</b>		<b><u>137,926,299.56</u></b>	<b><u>136,007,182.07</u></b>
<b>TOTAL LIABILITIES &amp; EQUITY</b>		<b><u>575,654,988.12</u></b>	<b><u>469,163,240.79</u></b>

For JIGMI Audit &amp; Financials Pvt Ltd.

For RENEW Microfinance Private Limited




Jigmi Rinzin FCCA  
(Membership No. 0283308)

Partner

Date: 24 March 2026



Sonam Pelzom  
Acting Head, FAD  
Head of Finance & Accounts  
RENEW Microfinance Pvt. Ltd  
Head Office, Thimphu



Sonam Rinzin  
Chief Executive Officer  
Chief Executive Officer  
RENEW Microfinance Pvt. Ltd.  
Head Office, Thimphu



Tshering Uden Penjor  
Chairperson



## STATEMENT OF COMPREHENSIVE INCOME

**RENEW Microfinance Private Limited**  
Statement of Comprehensive Income for the year ended 31 December 2025  
(All in Ngultrums)

Particulars	Notes	31.12.2025	31.12.2024
Interest Income	14	81,630,853.83	70,110,922.52
Interest Expense	15	<u>18,019,854.59</u>	<u>15,320,650.88</u>
<b>NET INTEREST INCOME</b>		<b><u>63,610,999.24</u></b>	<b><u>54,790,271.64</u></b>
Fees and commission Income	16	4,133,670.29	3,206,681.54
Fees and commission Expense	17	<u>10,059,400.13</u>	<u>8,820,679.14</u>
<b>NET NON-INTEREST INCOME</b>		<b><u>(5,925,729.84)</u></b>	<b><u>(5,613,997.60)</u></b>
<b>Net Operating Income</b>		<b><u>57,685,260.40</u></b>	<b><u>49,176,274.04</u></b>
<b>Expenditures</b>			
Personnel Expenses	18	33,878,467.50	29,899,498.00
Other Operating Expenses	19	9,514,591.15	8,278,020.56
Tax Assessed for the previous Year		2,741,950.96	40,232.73
Loan Provision Expenses	20	1,546,265.56	(1,198,561.89)
Depreciation	2	<u>1,790,011.12</u>	<u>2,580,894.90</u>
<b>Total Operating Expenses</b>		<b><u>49,471,286.29</u></b>	<b><u>39,600,081.30</u></b>
<b>Profit Before Tax</b>		<b><u>8,213,983.11</u></b>	<b><u>9,576,189.74</u></b>
Tax Expenses for the Current Year	21	<u>2,857,580.07</u>	<u>2,406,183.74</u>
<b>Net Profit for the year</b>		<b><u>5,356,403.04</u></b>	<b><u>7,170,006.00</u></b>
<b>Other Comprehensive Income</b>			
Actuarial (Gain)/Losses on Retirement Benefits		-	78,091.00
Unrealized (Gain)/Losses on Foreign Exchange		<u>(82,544.46)</u>	<u>(12,918.20)</u>
<b>Total Comprehensive Income for the year</b>		<b><u>5,438,947.50</u></b>	<b><u>7,104,833.20</u></b>

For JIGMI Audit &amp; Financials Pvt Ltd.

For RENEW Microfinance Private Limited



Jigmi Rinzin FCCA  
(Membership No. 0283308)  
Partner

Date: 24 March 2026




Sonam Pelzom  
Acting Head, FAD  
Head of Finance & Accounts  
RENEW Microfinance Pvt. Ltd  
Head Office, Thimphu



Sonam Rinzin  
Chief Executive Officer  
Chief Executive Officer  
RENEW Microfinance Pvt. Ltd.  
Head Office, Thimphu



Tshering Uden Penjor  
Chairperson



## STATEMENT OF CASH FLOW

### RENEW Microfinance Private Limited Cash Flow Statement for the year ended 31 December 2025 (All in Ngultrums)

Particulars	31.12.2025	31.12.2024
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit from Operating Operations (i)	<u>5,356,403.04</u>	<u>7,170,006.00</u>
<b>Adjustment for:</b>		
Depreciation	1,790,011.12	2,580,894.90
OCI	82,544.46	(65,172.80)
Tax Expenses	2,857,580.07	2,406,183.74
Prior Period Tax Adjustments	<u>(1,238,238.84)</u>	<u>(302,780.79)</u>
<b>Net Cash flows before change in Working Capital (ii)</b>	<u><b>3,491,896.81</b></u>	<u><b>4,619,125.05</b></u>
<b>Net Cash flows changes in Working Capital</b>		
(Increase)/Decrease on loans and Advances to customers	(76,956,695.36)	(14,730,151.98)
Increase/(Decrease) in operating liabilities	101,429,014.28	37,484,045.83
(Increase)/Decrease in other operating assets	3,999,438.99	(3,933,561.93)
Increase/(Decrease) in other operating liabilities	3,143,615.56	(1,035,336.42)
Income Tax	<u>(2,857,580.07)</u>	<u>(2,406,183.74)</u>
<b>Net cash flows from changes in Working Capital (iii)</b>	<u><b>28,757,793.40</b></u>	<u><b>15,378,811.76</b></u>
<b>Net cash flows from operating activities (A=ii+iii)</b>	<u><b>37,606,093.25</b></u>	<u><b>27,167,942.81</b></u>
<b>B. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Dividends paid to equity holders	<u>(2,281,591.17)</u>	<u>(2,925,000.00)</u>
<b>Net Cash Flows from financing activities (B)</b>	<u><b>(2,281,591.17)</b></u>	<u><b>(2,925,000.00)</b></u>
<b>C. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of property and equipment	(662,121.00)	(366,708.10)
Proceeds from sale/damage of property and equipment	60,990.00	217,700.00
<b>Net Cash Flow from investing activities (C)</b>	<u><b>(637,784.94)</b></u>	<u><b>(149,008.10)</b></u>
<b>CHANGE IN CASH AND CASH EQUIVALENTS (A+B+C)</b>	<u><b>34,686,717.12</b></u>	<u><b>24,045,914.22</b></u>
<b>Opening Cash and cash equivalents</b>	<u><b>95,787,988.46</b></u>	<u><b>71,742,074.24</b></u>
<b>Closing Cash and cash equivalents</b>	<u><b>130,474,705.88</b></u>	<u><b>95,787,988.46</b></u>


For JIGMI Audit &amp; Financials Pvt Ltd.

For RENEW Microfinance Private Limited




Jigmi Rinzin FCCA  
(Membership No. 0283308)  
Partner

Date: 24 March 2026

  
 Sonam Pelzom  
 Acting Head, FAD  
 Head of Finance & Accounts  
 RENEW Microfinance Pvt. Ltd  
 Head Office, Thimphu

  
 Sonam Rinzin  
 Chief Executive Officer  
 Chief Executive Officer  
 RENEW Microfinance Pvt. Ltd.  
 Head Office, Thimphu

  
 Tshering Uden Penjor  
 Chairperson



## STATEMENT OF CHANGES IN EQUITY

### RENEW Microfinance Private Limited Statement of Changes in Equity for the year ended 31 December 2025

*(All in Ngultrums)*

Particulars	Issued Capital	General Reserve (Statutory Reserve)	Retained Earnings	Total Equity
<b>As at 1 January 2024</b>	<b>25,000,000.00</b>		<b>107,130,129.66</b>	<b>132,130,129.66</b>
Net Profit for the year			7,170,006.00	7,170,006.00
Prior Period Adjustments			(302,780.79)	(302,780.79)
Dividends paid for 2024			(2,925,000.00)	(2,925,000.00)
Transfer to General Reserves		4,660,427.31	(4,660,427.31)	-
Transfer to General Reserves		3,585,003.00	(3,585,003.00)	-
Other Comprehensive income	-	-	(65,172.80)	<b>(65,172.80)</b>
<b>As at 31 December 2024</b>	<b>25,000,000.00</b>	<b>8,245,430.31</b>	<b>102,761,751.76</b>	<b>136,007,182.07</b>
Net Profit for the year			5,356,403.04	5,356,403.04
Dividends paid for 2025			(2,281,591.17)	(2,281,591.17)
<i>Prior Period Adjustment Tax*</i>			(1,238,238.84)	<b>(1,238,238.84)</b>
Transfer to General Reserves		1,339,100.76	(1,339,100.76)	-
Other Comprehensive income	-	-	82,544.46	<b>82,544.46</b>
<b>At 31 December 2025</b>	<b>25,000,000.00</b>	<b>9,584,531.07</b>	<b>103,341,768.49</b>	<b>137,926,299.56</b>

\* Prior Year Tax Adjustment of Nu. 1,238,238.84 was the tax liability for IYs 2021-2023 as per the Tax Assessment Report dated

For JIGMI Audit & Financials Pvt Ltd.

For RENEW Microfinance Private Limited


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Tshering Uden Penjor  
Chairperson







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