

ANNUAL REPORT 2018



About Cover: Educational Supplies Assistance Program. A program designed to give School Supply Assistance to the clients' children enrolled in either public elementary or secondary school. It aims to help loyal and performing clients to partly free them from their financial worries on the educational supplies of their children.



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Message of the President

I want to take this opportunity to thank everyone for all their efforts throughout year 2018. The success of our company is built on the efforts of our employees and in this past year, we have enjoyed many successes. Thank you for the dedication and commitment that each one of you has shown.

We've come through a year that was filled with both challenges and victories. How reassuring it's been to know that we can count on all of you regardless of what faces us. On behalf of the management, I would like to extend my personal and genuine appreciation to each and every one of you for your valuable contributions to the organization.

During our Christmas Party last December 8, 2018, I presented our directives for 2019 along with the new parameters. Our directives are as follows:

- *Strengthening of account management capacities to include load regularization, client retention, and collection efficiency and profitability.*

- i. Caseload regularization - Minimum 250 By EOY 300-350*
- ii. Minimum Clients Per Center 25*
- iii. Drop-out rate $\leq 5\%$*
- iv. PAR rate $< 1\%$*

v. PESO rating 90% - Cost per peso earned - Loan portfolio profitability

vi. Prompt Payment Rate

Ave. = 96%; KBH = 92.5%;

Ed = 95%; SOLAR = 99%

vii. Renewal rate (1st & 2nd cycle) 90% viii.

On-time renewal (processing) 100%

ix. Average loan balance 5,000-6,000

- *Strengthening, regularization and systematization of field operations and management including branch establishment and expansion.*
- *Institutionalize Social Performance Management across core systems of JMH.*

i. Implement use of Poverty Probability Index (PPI) tool

ii. Observe the universal standards for SPM

iii. Suitable products

○ SOLAR Loan - 7 Additional branches

○ Educational Loan - All branches

○ WASH Loan - 2 branches

○ SSS - 2 branches

○ Individual loan - 2 branches

○ Insurance to non-clients - 2 branches

○ Insurance to retiring clients - 2 branches

iv. SMART Campaign Certification

- Message of the President -

- *Strengthening of branch, unit, and department level management processes to include regular planning, monitoring, review and reporting for effective performance management.*
- *Implement policies and procedures in branding and quality customer service such that the JMH shall eventually be known for its unique brand.*
 - i. *Customer Service Standards*
 - ii. *Client Diary Module*
 - iii. *Launch new website*
- *Develop and implement the Research and Development “mind-set” in all work teams across the JMH.*
- *Improve the provision of timely and quality support for efficient front-service delivery performance.*
 - i. *Service rating*
 - ii. *Customer Satisfaction Survey Tool (by department)*
- *Full implementation of and compliance with JMH policies by all concerned teams and individuals across the organization, including the initial implementation of risk management policy and procedures.*
 - i. *DRRM Manual*
 - ii. *BM's Manual*
 - iii. *AO's Manual*

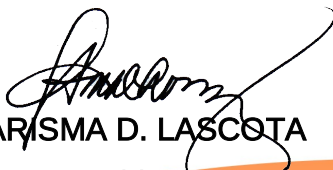
We believe that our directives for this year will help us improve the quality of service that we provide to our valued clients and to become the organization that we envision.

The new parameters we have set will help us monitor and prevent delinquency and drop-out of clients. With these, we can easily reduce our portfolio at risk and identify underlying issues in processing loan documents that we need to address to ensure that we provide quality service to our valued clients and maintain quality portfolio.

As we elevate our organization to new heights and work towards the achievement of our goal to become the MFI of choice of the region, we regularly enhance our policies and procedures and align it with the directives we set to reach the mentioned goal.

We appreciate the hard work and dedication that everyone has demonstrated in the past year and I am confident that everyone can overcome the challenges we will face and outperform our past performances.

As ONE TEAM and ONE FAMILY, we will make JMH the MFI of Choice!


CHARISMA D. LASCOTA
President

AREA OF OPERATION

Camarines Sur 1

- Iriga City
- Baao
- Goa
- San Jose-Lagonoy
- Tigaon
- Sagnay
- Ocampo

Camarines Sur 2

- San Fernando
- Pamplona
- Minalabac
- Calabanga
- Tinambac
- Libmanan
- Pili

Sorsogon 1

- Sorsogon City
- Bulan
- Casiguran
- Magallanes
- Bacon

Sorsogon 2

- Castilla 1
- Castilla 2
- Donsol
- Pilar

Albay

- Daraga
- Manito, Albay

Masbate

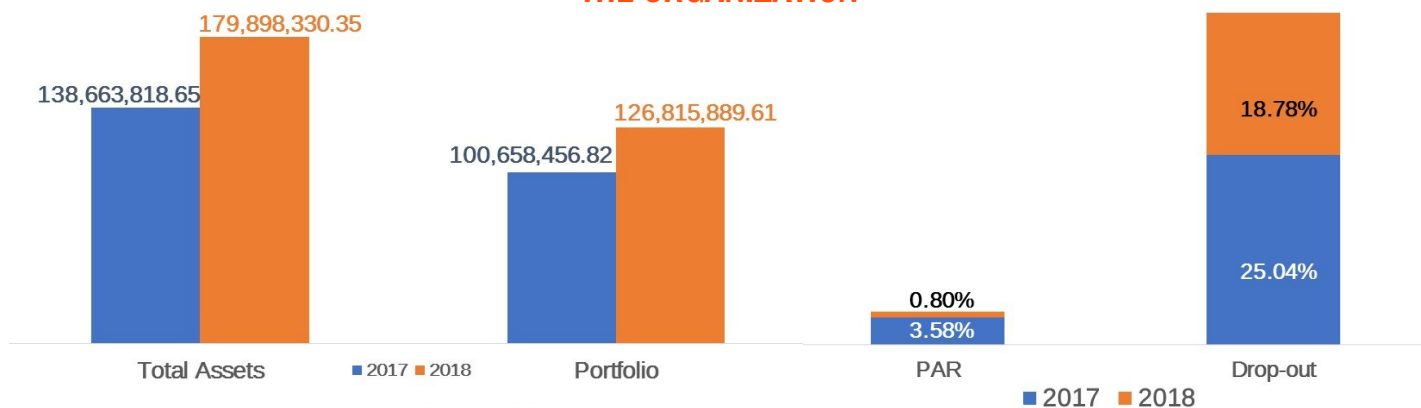
- | | |
|----------------|-------------|
| • Masbate City | San Jacinto |
| • San Fernando | Milagros |
| • Baleno | Mobo |

Bicol
REGION

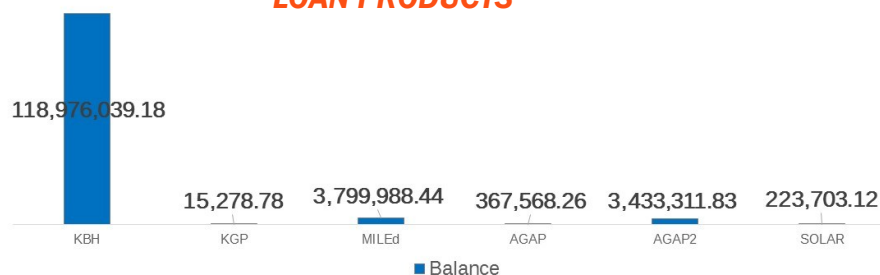


STATISTICS

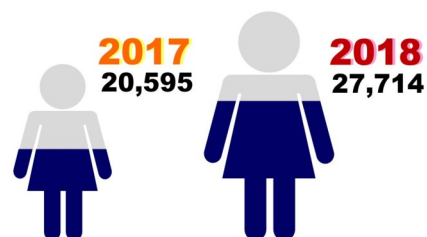
THE ORGANIZATION



LOAN PRODUCTS



NUMBER OF ACTIVE CLIENTS



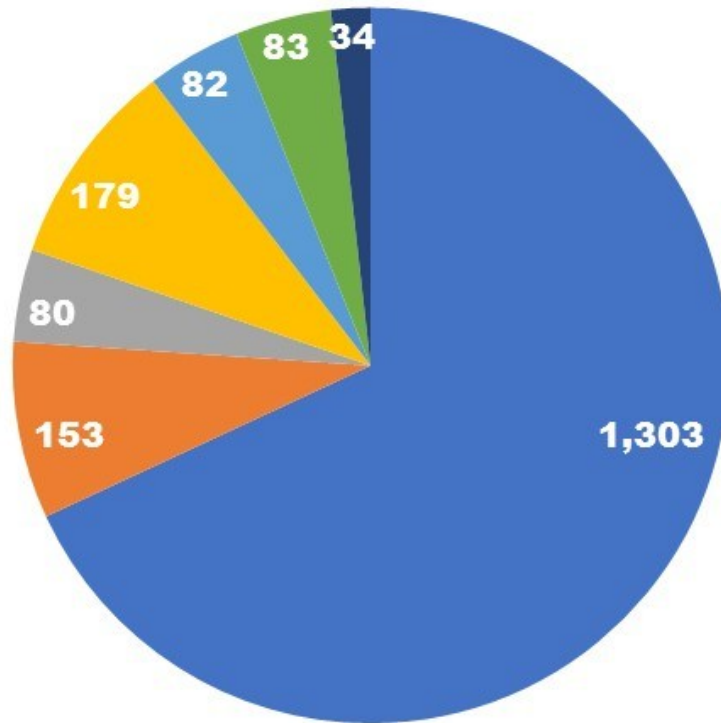
EMPLOYEE PROFILE

(As of December 31, 2018)



STATISTICS

CLIENT DEVELOPMENT AND SERVICES



- Community Activities
- Medical and Dental Services
- Scholarship Program
- School Supplies Assistance Program
- Capacity Building Training
- Skills/ Livelihood Training
- Rice Paraffle Promo



JMH SCHOLARS

12

Graduates for the
year 2018

81

Active
Scholars

PRODUCT AND SYSTEMS INNOVATION:

JMH Renews Contract with CBLIC

July 13, 2018 - JMH Microfinance, Inc. (JMH) renewed their partnership with Country Bankers Life Insurance Corporation (CBLIC).

Their contracts under CGL-MICRO and GYRT-MICRO, which came into effect in August 2018, grants member-clients of JMH with a loan protection, life insurance and hospitalization allowance.

The contract signing was led by Country Bankers Insurance Group (CBIG)'s SVP & GM, Geraldine Desiderio-Garcia and JMH's President, Charisma D. Lascota.



JMH Management headed by JMH Chairman of the Board, Paulo R. Honrado (2nd from left, 1st row) and JMH President, Charisma D. Lascota (3rd from left, 1st row) with CBIG's marketing team led by SVP&GM, Geraldine Desiderio-Garcia (4th from left, 1st row)

PARANGAL AT PAGALALA

As part of JMH Microfinance, Inc.'s commitment to provide products and services to their valued clients, JMH launched an additional extra benefit to provide death care services to its valued clients - the *PARANGAL at PAGALALA*.

The Parangal at Pag-alala is an additional extra benefit to its insurance program for qualified member-clients who has been in the program for more than one (1) year. It aims to express JMH's salutation and recognition to their valued clients who will pass away while being a member of their program.



MOA signing between JMH and St. Peter Life Plan, Inc. headed by JMH's President, Charisma Lascota (woman in blue) and St. Peter Life Plan's Vice President for Operations

This is in partnership with St. Peter Life Plan, Inc. and benefits include a decent memorial services and monetary benefit.

PRODUCT AND SYSTEMS INNOVATION:

JMH offers SOLAR loan

After final deliberation and assessment of submitted Green Inclusive Finance (GIF) initiative proposals and tentative budget plans of different microfinance institutions, the Microfinance Council of the Philippines, Inc. (MCPI) announced last April 2, 2018 that JMH Microfinance, Inc. (JMH) has been selected as one of the three (3) MFIs that will receive technical assistance from MCPI's GIF initiative.

The GIF initiative is a joint project among MCPI, Appui au Développement Autonome (ADA) of Luxembourg and Ministère du Développement durable et des Infrastructures (MDDI) of the Government of Luxembourg Promoting Renewable Energy in Microfinance Institutions called the Promoting Renewable Energy in Microfinance Institutions with the goal of providing clean energy access to households, micro and small businesses in energy-poor communities. The ultimate outcome of the project is to improve the economic and social well-being of small and micro-entrepreneurs while simultaneously benefiting the environment and mitigating the harmful effects of climate change.

JMH's proposed renewable energy loan is named *Sustainable Operations of Livelihood Activities and Residences Loan* or the JMH SOLAR Loan. The decision to target coastal communities for this loan product is strategic given the power situation in coastal communities, as well as the limitations in economic activities and opportunities brought about by the climatic and power access situation.



JMH SOLAR loan booth at Tinambac, Camarines Sur

Thus, this proposed product is pilot tested in the selected coastal barangays of the municipalities of Calabanga and Tinambac in Camarines Sur.

Last June 20, 2018, JMH, represented by its President, Ms. Charisma D. Lascota, signed a memorandum of agreement with MCPI, represented by its Executive Director, Mr. Allan Robert I. Sicat, to establish, manage and operate the project. This is also in partnership with Greenlight Planet, Hybrid Social Solutions, Inc. (HSSi) and Power4All, Inc. who were the chosen suppliers of the solar loan products.

The technical assistance includes support in the conduct of an energy needs assessment, business planning, pilot planning and implementation, and monitoring and evaluation. A direct grant amounting to EUR10,000 will be provided to support the implementation of JMH's green energy loan program.

SPM Technical Assistance



Ms. Lalaine Joyas (left) exploring JMH's RBSoftech system at Sorsogon City branch

After the social performance assessment conducted by Ms. Lalaine Joyas and Mr. Errol Villorente last December 2017, JMH Microfinance, Inc. qualified for the follow-up technical assistance.

From May 30 to June 1, 2018, JMH underwent a technical assistance with the aide of Ms. Lalaine Joyas. During three-day workshop, they developed an action plan based from the results of the social performance assessment. They have identified priority areas that need to be addressed. Identified areas also included underlying areas under the Client Protection Principles.

By addressing these issues and managing both the social and financial performance, JMH can effectively achieve their social and financial performance and effective in achieving their social mission and grow into a sustainable business.

Staff Recognition and Appreciation

JMH Microfinance, Inc. (JMH) has strengthened its recognition program for its field personnel. JMH has revised its current recognition program and is recognizing outstanding individual performances done by its account officers, branch managers and area managers. Aside from recognizing individual performances, they also give recognition to the branch and area's collaborative efforts. This recognition program helps JMH employees improve their productivity and satisfaction, become happier at work, cultivate a culture of self-improvement, boost their morale and increase their value to the JMH.



Awarding of Outstanding Branch (upper part), Branch Manager (lower left part) and Area Manager (lower right part) last December 8, 2018

JMH provides relief assistance for Mayon Volcano Eruption Evacuees

Last February 17, 2018, JMH Microfinance, Inc. has taken part in a feeding and relief assistance activity for families affected by the intensifying eruption threats of Mayon Volcano in Albay.

JMH visited affected families from far-flung barangays in Baligang, Camalig, Salugan, Camalig and Villa Hermosa, Daraga and were given breakfast and food packs. Member-clients from these barangays were also catered during this relief assistance activity.



JMH Staff distributing relief goods to affected families from Villa Hermosa, Daraga, Albay.

Mommy Chonie Scholarship Program

Mrs. Corazon “Mommy Chonie” R. Honrado, the late President and Chairman of JMH Microfinance, Inc., is known for her unselfish love and devotion for God and the church. Her undying love for God and compassion for others remains and will forever be remembered even now that she joined our Creator in heaven. In memory of her, a scholarship program was named after her - the Mommy Chonnie Scholarship Program.

The Mommy Chonnie scholarship program aims to give financial assistance to young men who want to pursue priesthood in a seminary. This year, JMH catered two (2) scholars from Guinobatan, Albay who are pursuing their Theology degree at the Holy Rosary Major Seminar, Naga City.



Mark Joseph Calbelo



Gil Odiver Jr.

CLIENT DEVELOPMENT AND SERVICES:

Medical and Dental Mission



Photos taken during the JMH Medical and Dental Services

The program aimed to provide free medical check-up, tooth check-up and extraction and provide medicines to the members and their beneficiaries who are underserved and with limited access to quality health care. It also helped create and foster a culture of service among JMH employees and partner organizations.

This is the first medical and dental services conducted by JMH Microfinance Inc.'s under its Client Development and Services Program and will be annually implemented.

One hundred fifty-three (153) JMH members and qualified beneficiaries were given free medical and dental services last August 25, 2018 at Brgy. Tinapian, Manito, Albay.

A team composed of 3 doctors, 3 nurses, 14 dentists and 2 medical students offered their services to the members for free.

PARTNERS AND VOLUNTEERS

- LANDBANK OF THE PHILIPPINES
- SMALL BUSINESS CORPORATION
- ST. PETER LIFE PLAN, INC.
- ALBAY PROVINCIAL HEALTH OFFICE
- ALBAY MEDICAL SOCIETY
- HARONG KAN SAGRADA FAMILIA
- MEDICAL STUDENT'S SOCIETY BUCM
- AMEC-BCCM COLLEGE OF DENTISTRY
- DISTRICT OFFICE OF CONGRESSMAN JOEY SALCEDA

CLIENT DEVELOPMENT AND SERVICES:

School Supplies Assistance Program



JMH Microfinance, Inc. has launched its School Supplies Assistance Program as an incentive to outstanding performing clients and to partly free them from their financial worries in providing educational supplies of their children.

This is given to qualified member clients who have been a member for at least one (1) year and with good performance and whose child is studying in a public school either in elementary or high school.

With this incentive, client-members are required to maintain the individual performance in terms of repayment and attendance, as well as the monitoring of the overall performance of her center and the student-beneficiaries should also maintain his/her school performance both in academic and attendance in school.



SUCCESS STORY

Nanay Lourdes: Green thumbs earns Greenbacks



Nanay Lourdes Gil showing her home grown mushrooms at Gil Mini Family Farm at Iriga City

Driven by her sense of curiosity, Nanay Lourdes Gil, a native of Santiago, Iriga City, decided to join JMH Microfinance, Inc. and has been a member since 2013. She availed JMH's Kabuhayan Loan Program with the intention of helping her husband to get additional capital for their backyard farming.

Gil Mini-Family Farm is owned and operated by Nanay Lourdes Gil together with her husband, Tatay Ruben Gil. The farm is 1,300 square meters and is located at Zone 3 Brgy. Santiago, Iriga City, Camarines Sur. In 1995, the lot used to be a coffee and coconut plantation owned by their family.

The lot was only developed to a multi-crop plantation when a family member was diagnosed with brain tumor. The family decided to plant some herbs and strawberries to serve as a natural way of preventing the tumor to become invasive and also to ensure a safe, clean, nutritious and sustainable food. Then later on, they saw an opportunity to turn these crops into an additional source of income for the family. From then on, their business went to a full blast.

To this day, the Mini-Family Farm has a variety of fruits, vegetables, mushrooms, and herbs. They also have a small fish pond, different kinds of domesticated animals and as well with backyard hog raising. Other value crops such as dragon fruits, grapes and strawberries, which are rich in antioxidants and are known as superfruits good for diagnosed persons, are also available. They also make by-products out of their home grown mushrooms like "atsarang mushroom" and mushroom sisig upon order. Whenever possible, they also participate in trade fairs in their area to promote their farm, their products and the benefits of using organic products.

SUCCESS STORY (Cont.)

Nanay Lourdes: Green thumbs earns Greenbacks

Despite the problems the farm is facing such as natural calamities and lack of funds, they are grateful to JMH for providing financial assistance through loans to sustain their needed capital in operating their business. According to the Gil Family, running this kind of business is never easy, especially in areas like the Bicol region, where typhoons are most likely to be experienced several times in a year, but with the help of microfinance institutions, like JMH, support of their family members, and their strong belief in the intervention of the Divine Providence, they are able to get through with all the challenges they encounter.

Though the Mini-Farm is not yet a certified organic farm due to the high cost and standards of organic certifying body in the country, the family practices and applies organic farming technology by making its own concoction and fertilizer to ensure the safety of those who patronizes and consumes the commodities the Mini-Farm produces. The family hopes to be recognized as a model farm in the community and an Agri-Tourism area to help surrounding communities to generate jobs and promote organic farming and methods which have more benefits than conventionally grown products.

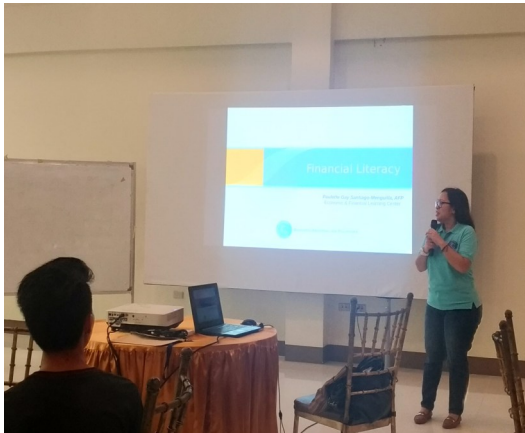


EVENTS: A GLIMPSE



***Awarding of School Supplies under the
School Supplies Assistance Program***

EVENTS: A GLIMPSE



***Financial Literacy Training of Employees facilitated by
Ms. Paulette Gaye S. Menguilla of Bangko Sentral ng Pilipinas***

EVENTS: A GLIMPSE



Medical and Dental Mission conducted at Brgy. Tinapian, Manito, Albay

EVENTS: A GLIMPSE



Christmas Party and Annual Recognition

Report of Independent Auditors

To the Board of Trustees and Members of
JMH MICROFINANCE INC.
(Formerly: J.M. Honrado Foundation, Inc.)
A non-stock, non-profit Organization
CRH Building, Salugan, Camalig, Albay

We have audited the financial statements of **JMH MICROFINANCE INC.** (Formerly: J.M. Honrado Foundation, Inc.) (the Association), which comprise the statements of assets, liabilities and fund balance as of December 31, 2018 and 2017 and the statements of revenues over expenses, changes in fund balance and cash flows for the years then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2018 and 2017, and its financial performance and its cash flows for the year then ended in accordance with Philippine Financial Reporting Standards for Small and Medium-sized Entities (PFRSs for SMEs).

Basis for Opinion

We conducted our audit in accordance with Philippine Standards on Auditing (PSAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the Philippines, the Code of Ethics for Professional Accountants in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

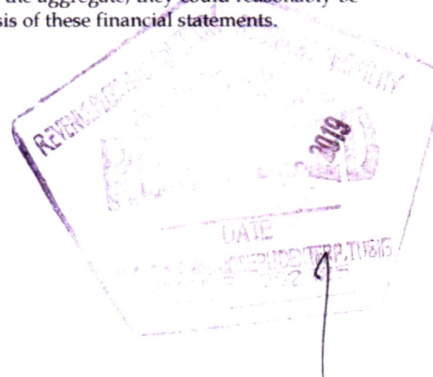
Management is responsible for the preparation and fair presentation of the financial statements in accordance with Philippine Financial Reporting Standards for Small and Medium-sized Entities (PFRSs for SMEs), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Association or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Association's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with PSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.



Independent Auditor's Report
JMH MICROFINANCE INC.
Page 2

As part of an audit in accordance with PSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

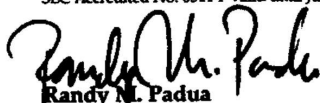
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Association to cease to continue as a going concern.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on the Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information required under Revenue Regulations 19-2011 and 15-2010 in Note 24 to the financial statements is presented for purposes of filing with the Bureau of Internal Revenue and is not a required part of the basic financial statements. Such information is the responsibility of the management of the Association. The information has been subjected to the auditing procedures applied in our audit of the basic financial statements. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statement taken as a whole.

A.R. SAYSON & ASSOCIATES, CPAs
TIN 005-716-970
BOA/ PRC No. 0511 valid until February 14, 2021
CDA A.N. CEA-0064-AF valid until January 21, 2020
SEC Accredited No. 0344-F valid until July 27, 2020



Randy M. Padua
Partner
CPA Certificate No. 90506
P.T.R. No. 2011079, January 3, 2018, Legaspi City, Albay
BOA/ PRC No. 0511 valid until February 14, 2021
BIR Acc. No. 10-002027-001-2019 valid until February 2022
SEC Accredited No. 1615-A valid until July 27, 2020
TIN 170-086-473

February 11, 2019
Legaspi City, Albay

JMH MICROFINANCE INC.
(Formerly: J.M. Honrado Foundation, Inc.)
A non-stock, non-profit Organization

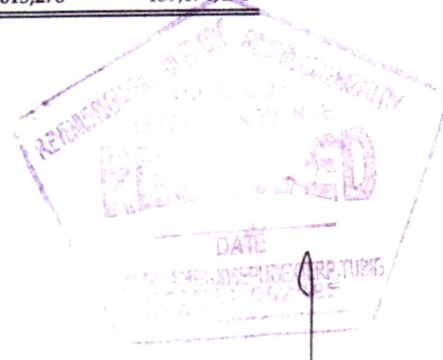
MAR 13 2019

STATEMENTS OF ASSETS, LIABILITIES & FUND BALANCE

As of December 31

(In Philippine Peso)	Notes	2018	2017
ASSETS			
<i>Current Assets</i>			
Cash and Cash Equivalents	2,5	15,210,017	15,865,870
Loans and Receivables	2,6	123,216,738	96,615,930
Accounts Receivable and Other Receivable	2,7	1,038,810	557,157
Other Current Assets	2,8	8,503,819	750,264
<i>Total</i>		147,969,383	113,789,221
<i>Non-current Assets</i>			
Loans Receivables	2,9	1,914,180	927,914
Property and Equipment, net	2,10	28,131,715	24,457,340
<i>Total</i>		30,045,895	25,385,254
TOTAL ASSETS		178,015,278	139,174,474
LIABILITIES AND FUND BALANCE			
<i>Current Liabilities</i>			
Savings Deposit	11	56,593,452	44,688,098
Accounts Payable and Other Payable	2,12	15,674,772	9,837,243
Advances from Trustees	2,20	6,000,000	8,000,000
Loans Payable	2,13	44,105,568	33,272,296
<i>Total current liabilities</i>		122,373,792	95,797,637
<i>Non-Current Liabilities</i>			
Loans Payable	14	7,655,852	-
Total Liabilities		130,029,644	95,797,637
Fund Balance	2,15	47,985,635	43,376,837
TOTAL LIABILITIES AND FUND BALANCE		178,015,278	139,174,474

(See accompanying notes to financial statements)



JMH MICROFINANCE INC.
(Formerly: J.M. Honrado Foundation, Inc.)
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STATEMENTS OF REVENUES OVER EXPENSES
For the years ended December 31

<i>(In Philippine Peso)</i>	<i>Notes</i>	2018	2017
REVENUES			
Interest Income	2	76,352,391	59,526,983
Interest Income on Bank Deposit		32,057	83,639
Other Income	2,16	209,142	297,058
<i>Total Receipts</i>		76,593,590	59,907,680
OPERATING AND ADMINISTRATIVE EXPENSES	2,17	(70,206,644)	(55,145,663)
EXCESS OF REVENUE OVER EXPENSES BEFORE			
OTHER INCOME AND EXPENSES		6,386,946	4,762,017
OTHER INCOME (EXPENSES) FROM NON-MICROFINANCE OPERATION			
Rental & Catering Services		3,411,289	-
Cost and Expenses		(3,329,722)	-
EXCESS OF REVENUE OVER EXPENSES BEFORE		6,468,513	4,762,017
INCOME TAX			
PROVISION FOR INCOME TAX	23	1,555,701	-
EXCESS OF REVENUE OVER EXPENSES		4,912,812	4,762,017
AFTER INCOME TAX		4,912,812	4,762,017

(See accompanying notes to financial statements)

STATEMENTS CHANGES IN FUND BALANCE
For the years ended December 31

<i>(In Philippine Peso)</i>	<i>Notes</i>	2018	2017
MEMBERS' CONTRIBUTION			
Balance at the beginning of the year		22,344,532	12,344,532
Additional Contribution		-	10,000,000
<i>Balance, December 31</i>	2,15	22,344,532	22,344,532
ACCUMULATED SAVINGS			
Balance at the beginning of the year		21,032,305	19,396,410
Excess of Revenues over Expense		4,912,812	4,762,017
Adjustments		(304,014)	(3,126,121)
<i>Balance, December 31</i>	2,15	25,641,103	21,032,305
FUND BALANCE, DECEMBER 31		47,985,635	43,376,837

(See accompanying Notes to Financial Statements)

JMH MICROFINANCE INC.
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STATEMENTS OF CASHFLOWS
As of December 31

<i>(In Philippine Peso)</i>	<i>Notes</i>	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES			
Excess of Revenues over Expense		4,912,812	4,762,017
Income from Deposit in Bank		(32,057)	(83,639)
Depreciation	2,10	5,257,357	2,160,539
Prior Years Adjustment	2,15	(304,014)	(3,126,121)
Operating income(loss) before working capital changes		9,834,097	3,712,795
Changes in operating assets and liabilities			
(Increase) decrease in:			
Loans and Receivables	2,6	(26,600,807)	5,519,832
Accounts Receivable and Other Receivables	2,7	(1,467,919)	(11,182)
Other Current Asset	2,8	(7,753,556)	186,335
Increase (decrease) in:			
Savings Deposit	11	11,905,354	(1,687,953)
Accounts Payable and Other Payable	2,12	5,837,529	(8,066,058)
Cash generated from operation		(8,245,302)	(346,231)
Interest Income Received		32,057	83,639
Net cash provided by operating activities		(8,213,244)	(262,592)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property and equipment	2,10	(8,931,732)	(22,574,186)
Net cash provided by investing activities		(8,931,732)	(22,574,186)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from (payments of):			
Loans payable	13,14	18,489,123	10,575,418
Advances from Trustees	2,20	(2,000,000)	(2,000,000)
Additional members contribution		-	10,000,000
Net cash provided by financing activities		16,489,123	18,575,418
INCREASE (DECREASE) IN CASH BALANCE		(655,853)	(4,261,360)
CASH BALANCE, JANUARY 01		15,865,870	20,127,230
CASH BALANCE, DECEMBER 31	2,5	15,210,017	15,865,870

(See accompanying notes to financial statements)



JMH
Microfinance, Inc.

