

# MYANMAR INVESTMENTS

Press Release

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## Myanmar Investments International Limited

### MFIL secures second loan from Maybank

Myanmar Investments International Limited [AIM: MIL] (“MIL” or the “Company”), the AIM-quoted, Myanmar focused investment company with existing investments in the telecom and microfinance sectors and a well-developed pipeline of opportunities, today announces that Myanmar Finance International Limited (“MFIL”), MIL’s microfinance joint venture, has signed an additional US\$1 million, local-currency denominated loan agreement with Malayan Banking Berhad (“Maybank”), the only Malaysian bank to be granted a banking license from the Central Bank of Myanmar. In total, MFIL now has US\$2 million in Kyat-denominated debt facilities in place.

This debt financing from Maybank allows MFIL to further increase its outreach and expand its loan portfolio, which has grown to over 42,000 borrowers and 7.8 billion kyats (US\$5.7 million at current exchange rates) as of February 2017; a compound annual growth rate (“CAGR”) of 78% and 148% respectively since MIL’s initial investment in September 2014. The average loan size provided by MFIL has increased by 129% to MMK 183,000 (US\$135) from MMK 80,000 at the time of the initial investment.

MFIL has now launched a new micro-business product to complement the strong growth in group loans. Seven branches are now open; four in Yangon, three in Bago and an additional Yangon branch is scheduled to open in May 2017.

Microfinance is a sector prioritised by the Myanmar Government to reduce poverty in Myanmar through the provision of financial services to individuals who do not have access to conventional and/or legitimate sources of funding. Through the loans offered by MFIL, the un-banked population is provided with the necessary funding to start or expand their own small business ventures. MFIL, along with other microfinance companies, has facilitated and made possible small businesses such as the cultivation of vegetables and flowers; the production of handicrafts; woodwork furnishings and various plastic products; food sellers; repair services and the establishment of small grocery stores, clothing/textile shops and pharmacy stores. Moreover, MFIL aims to support and empower the women of Myanmar, who make up 80% of MFIL’s borrowers.

Aung Htun, MIL’s Managing Director said, “This is the second in a series of debt financing initiatives that are planned for MFIL in the near term, allowing MFIL to continue to consolidate its position as one of the leading microfinance operators in Myanmar. For the past two years, MFIL has had no non-performing loans and its profits have consistently grown. This additional leverage enhances profitability and return on equity.”

MFIL is a joint venture between MIL (37.5%), Myanmar Finance Company Limited (37.5%) and the Norwegian Investment Fund for Developing Countries (“Norfund”) (25%), with total paid up capital of nearly US\$5 million.

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**Notes to Editors:**

Myanmar Investments International Limited (AIM: MIL) is the first Myanmar-focused investment company to be admitted to trading on the AIM market of the London Stock Exchange. MIL was established in 2013 with the intention of building long term shareholder value by proactively investing in a diversified portfolio of Myanmar businesses that will benefit from the country's re-emergence and ongoing economic development. The Company is led by an experienced and entrepreneurial team who between them have considerable industrial, corporate and financial management experience.

MIL aims to identify investments with strong growth which if necessary can be "de-risked" through the introduction of experienced senior line-management, mentors and / or strategic partners sourced by MIL's management board. The Company's main focus is on opportunities that are experiencing acute supply and demand imbalances, such as within the consumer and capacity-constrained sectors.

With its strong proprietary investment pipeline of deals, MIL provides investors with a highly disciplined and conservative investment process into one of the most promising growth opportunities of this era.

MIL's largest investment (\$21m cost for a 9.3% shareholding) is in Apollo Towers, one of Myanmar's top telecom towers companies with 1,800 towers. Apollo operates in the high growth telecom sector with a strong management that is growing the number of co-locations (ie multiple tenancies) on its portfolio of towers. In June 2016, the US Government's Overseas Private Investment Corporation ("OPIC") provided a \$250m debt facility to Apollo Towers.

MIL's first investment in August 2014 was into Myanmar Finance International Limited ("MFIL") which today is one of the top 10 microfinance companies in Myanmar. Since MIL invested, MFIL's business has expanded rapidly; it's loan portfolio has a CAGR of 148% since investment. The business is profitable with zero NPLs and a sustainable expansion plan for long term growth. In November 2015, the Norwegian Government's Norwegian Investment Fund for Developing

Countries ("Norfund"), the Norwegian development finance institution, also became a 25% shareholder in MFIL.

Myanmar, a country of approximately 51.4 million people and roughly the size of France, has been isolated for much of the last 50 years. Once it was one of the more prosperous countries in Southeast Asia as it has an abundance of natural resources (oil, natural gas, arable land, tourist attractions and a long coastline), it is now one of the least developed countries in the world.

The country has undergone an unprecedented and peaceful transformational reform process, initiated by U Thein Sein's Administration in 2011. This is now continuing under the elected civilian administration led by Daw Aung San Suu Kyi which came to power in April 2016 as a result of the first democratic elections in 50 years. While the process is still evolving, the new government has broad support and significant progress has been made to the economic prospects of the country.

In October 2016, the United States government lifted all remaining sanctions against Myanmar and re-admitted the country into its preferred tariff system.

*MMK 1,358 = US\$1 (as of 28 April 2017)*

**For more information about MIL, please visit [www.myanmarinvestments.com](http://www.myanmarinvestments.com)**