



ANNUAL REPORT

2022

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INSTITUTIONAL DEVELOPMENT

2001



“Building Future” is established as a microfinance program of World Vision Albania, initially with the opening of its first office in the Lezha region

2009



It transformed into an institution with legal status “Limited Liability Company” - Vision Fund. Albania. 100% in ownership and control of Vision Fund International, a subsidiary of World Vision International.

DHJETOR
2009



AGRO & SOCIAL FUND received the license from Bank of Albania Nr. 17, as a Microcredit Financial Institution.

NENTOR
2016



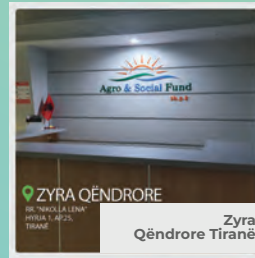
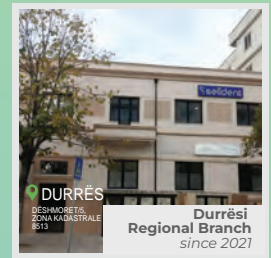
Vision Fund International decides to withdraw their representation from Albania, so in December 2016, the Institution’s sale agreement was reached with **BESA FUND**, the largest non-bank financial institution in Albania.

DHJETOR
2016



until now Besa Fund is the sole owner and partner of this institution with 100% ownership.

BRANCH NETWORK OF AGRO & SOCIAL FUND



OUR MISSION

Agro & Social Fund supports sustainable development, financial inclusion and social cohesion, through responsible financial assistance, mainly of micro and small enterprises and individuals, with the aim of facilitating and improving living conditions, expanding opportunities for entrepreneurship and employment in communities such as women, young people, or various vulnerable groups, with focus on rural and semi-urban areas.

OUR VALUES

Agro & Social Fund is focused on improving the quality and suitability of services offered to its target clients, mainly through the continuous assessment of their needs, creating opportunities for clients, families and communities to increase welfare, reduce poverty or vulnerability, increasing access to finance, creating new jobs or adding value to existing ones.

In our mission-driven journey, we preserve and enrich our values.

We strive to use these values in order to provide motivated employees and oriented towards increasing results and protecting them from mission deviation, employees who will be able to develop and act in full harmony with the line for increasing the objectives of the institution.

- V** We are committed to working with people, with the aim of encouraging the improvement of their lives.
- A** We are loyal to the purpose and responsible for the resources entrusted to us, managing them in a lively manner, to bring maximum return to our company and customers.
- L** We value people, consider them equal, and prioritize them over traditional business goals, structures or systems.
- U** We are employees and a trusted company in the marketplace - one that stands for integrity and sets a standard for it, inspiring others to always be trustworthy and honest.
- E** We value and promote transparency and ethical behaviour.

Executive Director (Agro & Social Fund sh.p.k)

Dear clients, partners, employees and collaborators,

After 2 years of efforts to cope with the consequences of COVID 19, the need to create a coherence between the objective of a sustainable financial activity and the social responsibility to minimize any unfavorable circumstances for individual clients, we started a new year hoping that the recovery is necessity and each of us must be there with maximum commitment. With this objective, the efforts and energies of everyone, from the individual or the smallest unit to the specialized structures in the Head Office, were engaged and deployed. We raised the "voice" and, wherever we identified the need for our presence - we increased it, improved the products served and increased the professionalism of the staff through a continuous training system, re-strengthened partnership relations with existing partners and continued to identify new ones on the way. During this year we improved the managerial structure and expanded the network of employees in ASF.

Of course, the start of the Russian-Ukrainian conflict, which during 2022 brought to the tables of governments and rather to the tables of citizens the price crisis of vital products, igniting an uncontrolled inflation which was reflected and affected the Agro Social Fund, due to the positioning of consumers and providers of products and services in difficult positions. This position was reflected in the level of demand for financing and the need for consumption, in the quality of the portfolio and above all; in increasing the cost of debt. Beyond obstacles and unfavorable situations, during 2022, the loan portfolio recorded an increase of 18% compared to the previous year, reaching about 1,037 billion ALL and the clientele reached the level of 3,305 active customers. We provided quality service to 2,256 customers, who disbursed around ALL 805 million; in the form of small loans mainly to help small and medium-sized businesses, including the self-employed, as well as individuals.

We are proud that during the year we enabled the improvement of the quality of life of around 5,600 children, as well as 160 clients from marginalized groups and also created the opportunity for another 200 to be entrepreneurs of a business for the first time. We ensured that 57% of the total customers are concentrated in rural areas and 47% of the number of customers are female customers, arriving at the end of 2022 with good achievements in fulfilling the social dimension of our mission

During this year, we also secured the support of several strategic partners or sold new tranches of previously established collaborations, improving the process of securing funds and cash flow; increase the level of trust and cooperation with important financial institutions at the national and international level.

With trust in the good and professional people of Agro & Social Fund, establishing a direct and active contact with every client or candidate to be such, with the cooperation and trust of every partner, I am very happy to confirm the continuous commitment to support more clients, enable more employment, in particular for youth, women and marginalized groups, and promote sustainable development.

Thank you!



Rozana OROZI
Executive Director

CHALLENGES AND ACHIEVEMENTS 2022

The year 2022 was expected to be a year of recovery and "healing" from the pandemic that was fading. However, the beginning of the year started with increased problems. The Russian invasion of Ukraine and the chain effects it brought about in the increase in the price of hydrocarbons, in the increase in production costs, and in general, in inflation levels not seen in decades, had a significant impact on the economic life of families, small and medium enterprises in Albania.

Despite the difficulties encountered, overall, 2022 turned out to be a positive year for the Agro & Social Fund. The financial result was satisfactory, we managed to sign cooperation with new national and international partners, we expanded cooperation with current partners. In summary:

- We managed a portfolio of 1.037 billion lekë. In cumulative figures during these years, about 30,973 clients have been served, disbursing a total of 6.3 billion Lekë
- Agro & Social Fund, over the years presents a positive trend of portfolio growth: 28% (2019), 19.3% (2020), 14% (2021) and 18% (2022)..
- At the end of 2022, 60% of customers belonged to rural areas and 47% to female customers.
- A staff of 84 employees was at the service of 3,305 clients.
- Retention RATE 71% .
- As per our data, results that with our loans we have positively affected, directly or indirectly the quality of life of about 5600 children's.
- During the beginning of the year, after successfully passing all the foreseen processes, we signed the agreement with EIF, for the amount of 1 million Euro, and during the same period the first tranche was disbursed, and we make these funds available for our clients through dedicated product.
- We concluded the agreement with OTP Bank for the use of the funds benefited from the agreement with Frankfurt School.

- During 2022, we reached 2 agreements, with Easy Pay and Unionnet Western Union, giving our customers the opportunity to make payments at the nearest points near them

- The fundraising with Kiva continued during the entire year (estimated due to low funding fees by categories) and during 2022 evaluating the cooperation between us as successful, Kiva decided to increase the limit of funds up to 1.5 million euros.

Borrow Wisely “Member Engagement Award”

Borrow Wisely

As per our tradition, during the month of October was launched the Borrow Wisely campaign, this time under the initiative of ASF itself, after MFC informed that this year due to the reformation that is being done to this campaign, the initiative would be based on the will and possibility of the institution itself. ASF decided to continue the tradition of lending awareness and financial education for our customers, and not only.

Due to our several years of work in this campaign, during the MFC Conference, held in Istanbul, ASF was awarded for participation and commitment in the promotion of global consumer protection standards, through the Borrow Wisely campaign!



ACHIEVEMENTS IN LENDING

The constant increase of lending levels has reflected our strategic ambition to increase the number of customers and to support the small and medium-sized enterprises that are crucial for local economic development

Therefore, our work was mainly oriented in the diversification of the loan portfolio, which leads to the diversification of the portfolio risk and keeping a stable activity.

Some figures for 2022:

- The increase in the number of active loans results in 3,305 loans, with an increase of 6% for 2022
- The increase value of gross loan portfolio at 1.037 billion lekë, with an increase of 18% or 160 million lekë for 2022.
- The increase in the number of loans disbursed was 2,256 loans or 6% more than last year
- The increase in the disbursed volume was ALL 805,306,000 or 16% compared to last year
- The increase in the number of active loans for the 5-year period results in a 51% increase in number and 106% in value

Viti 2022 në shifra:



Nr of
disbursed Loans



2,256

Rural Loans

1,281

Value of
Disbursed Loans



805 mln lekë

Female Clinet

47%

Portfolio
outstanding



1.037 mld lekë

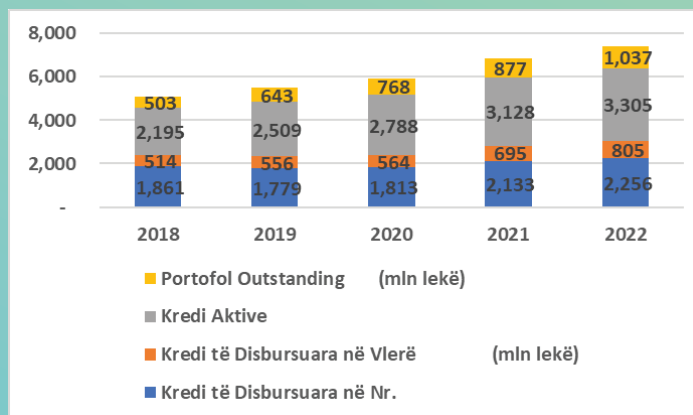
New Client

48

2022	Nr.	Value
Disbursed loans	2,256	805,306,000
Active Portfolio	3,305	1,037,330,530
Rural Loans	1,281	444,916,000
Vulnerable Customers	161	51,460,000
New Customers	48 %	43 %
Female Customers	47 %	45 %

	Nr of disbursed Loans	Value of disbursed loans (mln lekë)	Active Loans	Portofol Outstanding (mln lekë)
2018	1,861	514	2,195	503
2019	1,779	556	2,509	643
2020	1,813	564	2,788	768
2021	2,133	695	3,128	877
2022	2,256	805	3,305	1,037

Paraqitje grafike për të gjithë te dhenat



Cumulative Disbursements

3.7 MLD
2018

4.3 MLD
2019

4.8 MLD
2020

5.5 MLD
2021

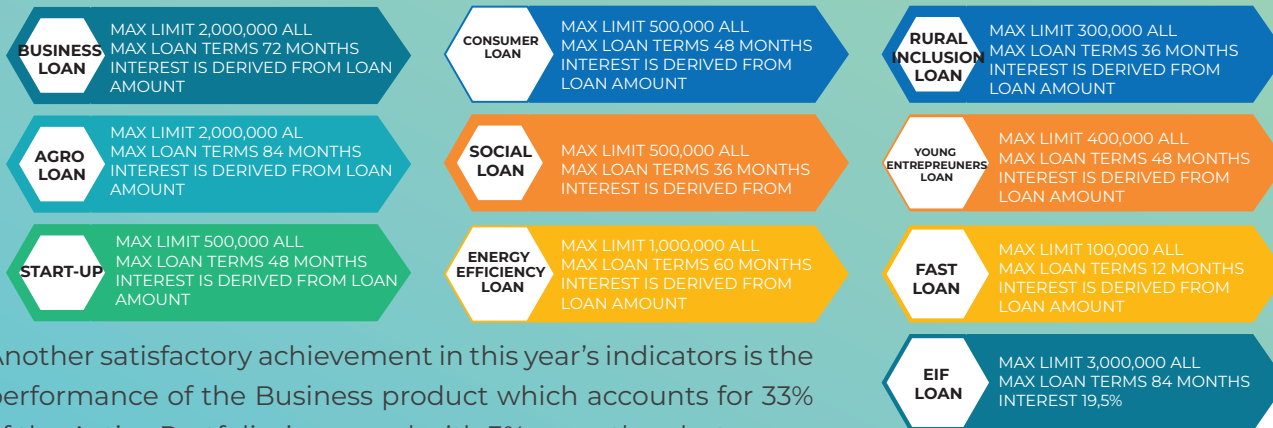
6.4 MLD
2022

Our focus is the Client.

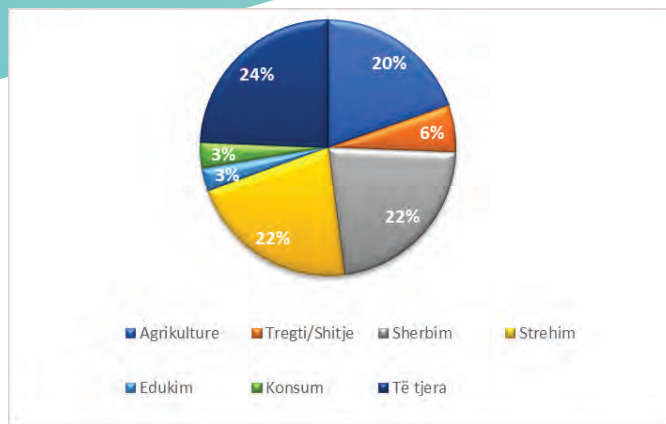
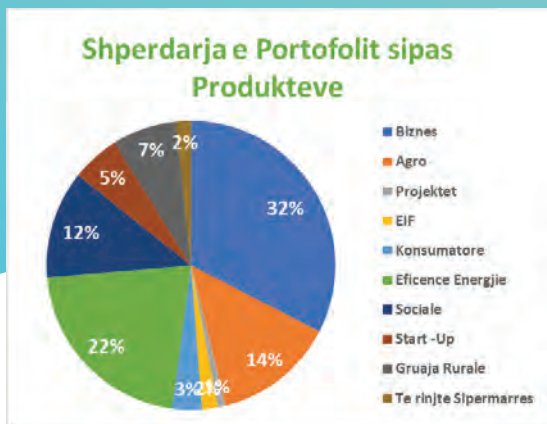
ASF has worked all these years to offer its customers not only a qualitative service, but also loan products that meet their requirements and needs in the best ways possible. Being aware of the changing needs of society, ASF continuously invests in improving loan products and launching new ones.

An innovation during 2022 was the beginning of cooperation with the "European Investment Fund" and the launch of the EIF product, a product oriented towards the financing and support of formalized businesses and agricultural/livestock activities, with preferential interests and fees, making it possible for borrowers to develop their business and therefore to occupy 2% of the total value of loans disbursed for the year 2022

Loan Products



Another satisfactory achievement in this year's indicators is the performance of the Business product which accounts for 33% of the Active Portfolio, increased with 3% more than last year.



RISK PORTFOLIO MANAGEMENT

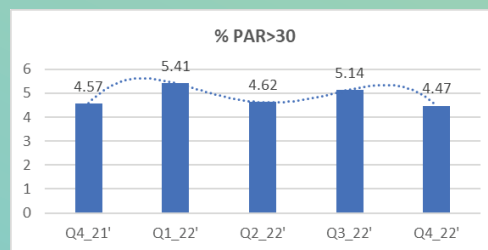
Our strong culture and the willingness to undertake challenges for the entire company's continuous improvement have enabled compliance with our business model, closely linked to effective credit risk management methods.

This approach has allowed the development of our loan portfolio, always keeping transparency towards the client at the forefront, but also the monitoring of all procedures, even after the loan disbursement.

ASF's risk management policies are designed based on analytical reports and are constantly reviewed, to respect the adequate limits of the risks to which the institution is exposed. The growth of the loan portfolio has reached satisfactory levels during 2022, while the PAR level over 30 days was concluded at 4.47%.

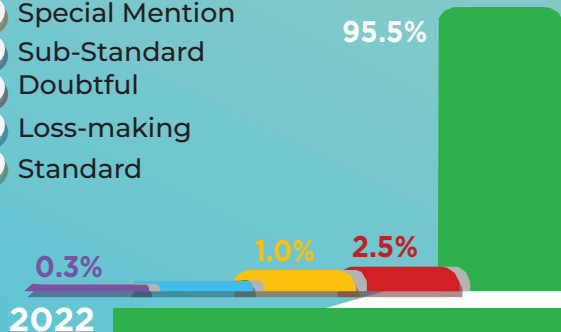
Having a key influence on the financial result of ASF, provisioning is under the responsibility of the Risk Management Department, strictly following the rules of the Bank of Albania and IFRS standards, through materialization in regulatory procedures and policies.

QUALITY OF THE LOAN PORTFOLIO



Classification of the Loan Portfolio December 2022

- Special Mention
- Sub-Standard
- Doubtful
- Loss-making
- Standard



Regarding the composition of the active loans' portfolio, 95.5% of them are classified as "Standard", which proves a stable quality of the portfolio. Furthermore, our focus will be the improvement of classes over 30 days.

Even for this financial year, the focus of the Risk Management Department has been increasing vigilance against fraud, financial crime, and terrorist financing. All the necessary workshops held by the relevant entities of the field and the periodic training of our staff have been attended, with the aim of operating in accordance with the regulatory requirements in force.

HUMAN RESOURCE MANAGEMENT

During the year 2022, Agro & Social Fund exercised its activity in order to fulfill its strategic and operational objectives. Even this year there were events that had a significant impact on the achievement of these objectives, such as the beginning of the war in Ukraine that followed with the high increase in the prices of fuel, consumer goods, etc.; throughout the market, both local and foreign. Despite the conditions in which we had to work, the year 2022 was once again accompanied by achievements that correspond to the objectives defined in advance.

On February 10-12, ASF organized the 2022 Annual Review! This forum is considered as a working table where the structures and levels of management present achievements, projects and challenges, needs and objectives for the future through a participation process and through a professional debate to increase the performance of the ongoing work. During the annual analysis, in order to evaluate the contribution made throughout the year 2022, several awards were distributed for the best Loan Officers, and Lezha Branch was awarded as the Regional Branch with the best performance.

Number of employees at the end of 2022: 84 employees



The trainings at ASF started in February and continued throughout the year, including the orientation trainings for new staff, as well as individual and group trainings to increase and strengthen the knowledge in specific issues of the staff, both in the branch and in the head office.

Even during 2022, ASF continued cooperation with Swisscontact and Partners Albania, trainings that focus on sales techniques and customer behavior.

The trainings offered during 2022 for our staff reach the number of 33 trainings in total.

MARKETING 2022

The year 2022 had a fundamental change in the life style, since the Covid Pandemic, although with some still tangible consequences, took an important turn. The numbers of infected people were not at high levels, despite the fact that we still had cases of Covid, thus causing people to return to normal activities, although with the fear that the situation could worsen again. During 2022, ASF re-started using different marketing methods, including physical marketing, always following the appropriate measures to preserve the health of employees and others.

For the first time, during the month of October 2022, ASF undertook a publicity campaign on Top Albania Radio, where throughout the month of October, through a spot, ASF was heard by thousands of listeners. Also, during the year, in addition to the individual and group marketing designed by each regional branch, several Fairs were targeted and participated in, with the aim of reaching as many potential customers as possible at the same time.

The website and social networks were in focus, with various posts, and in all measurable indicators, the data trend has been positive in the upward direction.

Lushnje,
19 - 21 May 2022

Lezhe, Arte & Zeje
20 May 2022

Gramsh,
29 October 2022

Korçë,



Social Performance

MFI portfolios often have a significant share of the informal sector, a predominance of agro/commercial activities, and vulnerable clients who have few resources to "mitigate" the impacts of crises. These populations generally save little, and invest all their resources in their daily economic activity. Many of these urban and rural micro-entrepreneurs rely on these daily sources of income for their basic needs. Significant increases in the prices of basic basket products may mean that they cannot afford to pay for food, shelter, health care, etc. During the year 2022, ASF has been with clients with the possibility of refinancing or rescheduling so that the situation of their monthly payments became more comfortable for them and at the same time they continued to be profitable in their daily activities. ASF once again showed that the main virtue of microfinance is that "it is not only possible and necessary to implement services adapted for the most vulnerable ones - but they can also be profitable".



Social impact During the year Asf has:

Served 2300 customers

Sustained 4300 & Created 420 jobs

Improved the lives of 5600 children

Funded 250 new ventures

Financed 60% rural customers and 50% female customers

Provided 900 loans to customers for Education and Health

Underwrite 300 customers for Energy Efficiency

Served 900 young customers (age group 18-35 years old)

ASF operates in accordance with the Sustainable Development Goals (SDG). In general terms, ASF's activity has an impact, to varying degrees, on thirteen SDGs.

#1: No Poverty

#2: Zero Hunger

#3: Good Health and Well-Being

#4: Quality Education

#5: Gender Equality

#7: Affordable and Clean Energy

#8: Decent Work and Economic Growth

#9: Industry, Innovation, and Infrastructure

#10: Reduced Inequalities

#11: Sustainable Cities and Communities

#14: Life Below Water

#15: Life on Land

#17: Partnerships for the Goals

Projects and Partners

Kiva During 2022, \$ 1,364,870.00 was financed in Kiva. Supporting investments in Agriculture, Education, Health, Women in rural areas, New Businesses, Young Entrepreneurs and Vulnerable Communities **"Dorcas Aid International" Albania** - The project "TO PROMOTE ENTREPRENEURSHIP IN THE REGION OF TROPOJA THROUGH CREDIT" will be extended for a period of 3 years, in order to continue supporting families in need; and on the other hand, to further encourage those families who in the first phase were helped to start a business.

Albanian Development Guarantee Foundation During 2022, \$ 1,364,870.00 was financed in Kiva. Supporting investments in Agriculture, Education, Health, Women in rural areas, New Businesses, Young Entrepreneurs and Vulnerable Communities **"Dorcas Aid International" Albania** - The project "TO PROMOTE ENTREPRENEURSHIP IN THE REGION OF TROPOJA THROUGH CREDIT" will be extended for a period of 3 years, in order to continue supporting families in need; and on the other hand, to further encourage those families who in the first phase were helped to start a business.

European Investment Fund (Fond i Komisionit Europian) During the month of May 2022, the agreement with the EIF was finalized. Under this agreement ASF can finance clients who have a licensed business, according to some specific terms. For certain amounts, this product has made ASF competitive in the Albanian financial market.

The EIF product supports formalized business, with specific conditions for environmental protection and the exclusion of businesses that may use child labor, exploit prohibited resources, pollute the environment, etc.

SwissContact During 2022, the cooperation with SwissContact continued, thanks to which ASF's staff learned how to better serve young people who want to start a new business. On the other hand, loan officers assisted young entrepreneurs to better understand credit and how to prevent overindebtedness.

Frankfurt School During 2022, continued the cooperation with Frankfurt School, thanks to which is provided the financing of ASF activities and the training of managerial staff.

Our clients

Klajdi Purikis

Klajdi is a young entrepreneur from Korca city. He is married and the happy father of a little child. To provide for his family he works as a plumber. Lately he has started to offer services also for installing solar panels. Besides the fact that this is a totally new field for him, he feared the fact that he must work at height. For this Klajdi decided to enroll in a training course on how to be secure while working at height constructions and installations. Thanks to ASF's loan he could pay for the course's fee and is now more secure while working as well as providing better service to his clients.



Dile Margjini

Dile is an entrepreneur from the city of Lezha. She works together with her husband in their business and they are very satisfied with the work they do. Due to increased demand from customers, she had to add inventory to her workshop in order to cope with all the demands received. Through the financing that ASF enabled to her, Dile was able to fulfill all the orders of its customers. Dile is grateful for the opportunity that was given to her, which influenced the increase in income from the business that she and her husband run.

RAPORTI I AUDITORËVE TË PAVARUR

BILANCI

(Shuma në mij lek)

Aktivitet	2021	2020
Mjete monetare dhe ekuivalentet me to	120,380	51,205
Hua dhe paradhënie për klientët	830,119	15,014
Aktivitet afatgjata materiale	14,035	10,710
Aktive të tjera	3,698	45,769
Të drejtat mbi Asetet	45,714	858,814
Totali i aktiveve	1,013,946	
Detyrimet dhe Kapitali i vet		
Detyrimet	622,126	515,141
Huate	46,533	46,661
Detyrimet mbi Qeratë	24,245	16,126
Detyrime të tjera	692,903	577,928
Kapitali i vet		
Kapitali aksionar	289,375	289,375
Humbje të mbartura	(8,488)	(29,147)
Fitimi i vitit	40,156	20,658
	321,043	280,886
	1,013,946	858,814

BALANCE SHEET

(Amounts in thousands of Lek)

Assets
Cash and cash equivalents
Loans and advances to customers
Property and Equipment
Other assets
Right of use Assets
Total assets
Liabilities and shareholder's equity
Liabilities
Borroëings
Lease Liability
Other liabilities
Shareholder's equity
Share capital
Accumulated losses
Profit of the year
Total liabilities and shareholder's equity

PASQYRA E TË ARDHURAVE / INCOME STATEMENT

(Shumat në mijë Lek)

(Amounts in thousands of Lek)

PASQYRA E TË ARDHURAVE

(Shumat në mijë Lekë)

	2021	2020
Interesa		
Të ardhura nga interesi	221,519	184,982
Shpenzime për interesa	(36,084)	(30,015)
Të ardhura neto nga interesi	185,435	154,967
Të ardhura/(Shpenzime) të tjera	1,652	1,481
Detyrimet dhe Kapitali i vet		
Shpenzime operative		
Zhvlërësimi	(17,483)	(17,204)
Shpenzime personeli	(85,177)	(77,104)
Humbje nga zhvlërësimi i huave	(23,140)	(20,050)
Shpenzime të tjera	(17,300)	(17,000)
Fitim/(humbje) neto nga kurset e këmbimit	4,929	(66)
Totali i shpenzimeve operative	(138,172)	(131,424)
Fitim/(humbja) përpara tatimit	48,916	25,024
Tatim fitimi	(8,760)	(4,366)
Fitim/(humbja) për vitin	40,156	20,658
Të ardhura të tjera gjithëpërfshirëse, pas tatimit	-	-
Totali i të ardhurave/(humbjes) gjithëpërfshirëse për vitin	40,156	20,658

PASQYRA E FLUKSEVE TË PARASË

(Shumat në mijë Lekë)

	2021	2020
Flukset monetare nga aktivite operacionale		
Fitimi / (Humbja) për vitin	31,395	25,024
<i>Korrigjime për:</i>		
Zhvlerësimi	3,714	4,174
Zhvlerësimi në Të drejtat mbi Asetet	13,769	13,030
Pakësime neto në Aktivet Afatgjata	-	-
Humbje nga zhvlerësimi i huave	23,140	20,050
Të ardhura nga interesi	(221,519)	(184,982)
Shpenzime për interesa	37,061	30,015
<i>Ndryshime në:</i>		
Hua dhe paradhënie për klientët	(119,663)	(124,015)
Aktive të tjera	20,793	(8,893)
Detyrime të tjera	8,119	(1,064)
	(202,637)	(226,661)
Interesi i arkëtuar	(224,040)	(176,355)
Interesi i paguar	(40,080)	(36,950)
Tatimi mbi të ardhurat i paguar	(5,022)	4,967
Flukset monetare nga / (të përdorura) në aktivite operacionale	(23,699)	(82,289)
(Shtesa)/ pakësime neto në aktivet afatgjata materiale	(2,735)	(1,374)
Flukset monetare përdorur në aktivite investuese	(2,735)	(1,374)
Flukset monetare nga aktivite financuese		
Fonde të (paguara)/ marra si hua dhe qira financiare	110,819	84,533
Pagesa në Detyrimet mbi Qeratë	(15,210)	(12,555)
Flukset monetare përdorur në aktivite financuese	95,610	71,978
Rritja/ (rënia) neto e mjeteve monetare dhe ekuivalente me to	69,175	(11,685)
Mjete monetare dhe ekuivalentet me to në fillim të vitit	51,205	62,890
Mjete monetare dhe ekuivalentet me to në fund të vitit	120,380	51,205

BASHKËPUNETORËT TANË





KONTAKTET TONA:



www.asf.al



[agrosocialfund_shpk](https://www.instagram.com/agrosocialfund_shpk)



[Agro Social Fund](https://www.linkedin.com/company/agro-social-fund)



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