



# ANNUAL REPORT 2023

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# PËRMBLEDHJE

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## Message of Executive Director

Dear clients, partners, employees, and collaborators,

We have overcome days, weeks, and months full of challenges in the last three years, 2020-2022, and then began a 2023 filled with hopes, recognizing that recovery is essential and each of us must be there with maximum commitment.

As we know how to do well throughout the entire vertical chain of operations and hierarchy, we all engaged and put forth our efforts and energies to push forward the growth of the institution by developing our network of units where we meet and serve our most important asset – our esteemed client. We worked to crystalize and improve our presence, reviewed the services provided, and dedicated special energy to the continuous configuration of the training system with the goal of enhancing the expertise of each individual, whether in branches or the central office. We reinforced partnership relationships, identified new partners with whom we configured paths of cooperation, paving the way for achievements in the upcoming year/years.

During 2023, the loan portfolio marked a 13% increase compared to the previous year, reaching around 1,174 billion leke, and the clientele reached the level of 3,511 active clients. At ASF, throughout 2023, we provided quality service to 2,551 clients who disbursed around 917 million leke in the form of microloans, which primarily provided “oxygen” to small and medium-sized businesses (including self-employed individuals) and nurtured existing or new partnerships with individuals to meet their needs for consumption, education, capacity expansion, or quality health services.



We at ASF, with our achievements in 2023, continue to be proud of improving the quality of life for around 4,430 children, as well as 193 clients from marginalized groups, and also created the opportunity for 253 others to become entrepreneurs for the first time. We ensured that 53% of our total clients are concentrated in rural areas and 44% of our clients are women, reaching the end of 2023 with good achievements in fulfilling the social dimension of our mission.

Starting from 2023 and with clear action plans and planned investments, we have strongly aimed at improving the reliability and inviolability of our data system from any kind of cyber threat, in accordance with new standards and regulatory frameworks.

With faith in the good and professional people of Agro & Social Fund, establishing direct and active contact with every client or candidate to be one, with the cooperation and trust of every partner, I am very happy to confirm the ongoing commitment to support the continuous growth of the activity of this army of passionate and empathetic people, full of expertise and values in managing the needs of our target clients, with the ultimate goal of enabling more employment, especially for youth, women, and marginalized groups, and promoting sustainable development.

Thank you to everyone who believed in us and accepted to be our partner throughout all the activity of 2023; clients, partners, and collaborators in every aspect!



**Rozana OROZI**

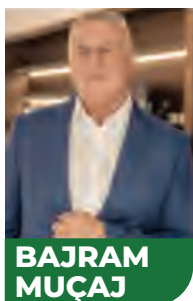
Executive Director

# MANAGEMENT STRUCTURE OF THE AGRO & SOCIAL FUND

Agro & Social Fund is organized, as follows:

- The highest governing body is the General Assembly of the Partner, who have elected a Representative Board.
- At the beginning of 2022, by decision of the Representative Board of the Single Partner of the Company, the Audit Committee was established.
- The Executive Director, implements policies adopted by the Single Associate and is responsible for institutional leadership and general administration.
- The manner of operation and the competencies they have are defined in law no. 9901, dated 14.04.2008 of the Commercial Companies as well as in the statute of Agro & Social Fund.

## *BOARD MEMBERS OF THE AGRO & SOCIAL FUND*



Graduated from the Faculty of Economics, holds a postgraduate Degree in Business Management and holds the title "Doctor of Science" with the topic "Microfinance Institutions in Albania and their perspective regarding policy development". He received the title of Associate Professor in July 2011. He has a long experience in the microfinance sector, since May 1999 he is the Executive Director of Fondi Besa. Since 2002 he has also been acting as Foreign Professor. Since September 2008 he has also held the position of Executive Director of the ABC Foundation. During September 2000- July 2005, he was a Member of the Board of the Supervisory Committee at the Bank of Albania.



Graduated from the Faculty of Economics in 1992. Until 2003 he worked as a professor at the Department of Marketing and Tourism of the Faculty of Economics, University of Tirana. In 2003 he joined Fondi Besa as Director of the Marketing Department. He has several qualifications from the U.S. State Department and the Japanese International Cooperation Agency. He has participated in several seminars on "International Trade Financing and International Marketing", for which he is certified. In September 2003 he received the academic title Doctor of Science and in July 2011 he received the academic title Associate Professor.



With a long experience in the Law sector, he graduated from the Faculty of Law in 1995. He has held the position of Director of the Legal Directorate at the Ministry of Agriculture and Food. In 2004 she received her Master's degree in Public Administration from the University of Nebraska. She joined the microfinance sector in 2007, in the position of Director of the Legal, Human Resources and Internal Administration Department at FAF. SHA (former MAFF). Since February 2016 she holds the position of Director of the Legal Department, Fund Besa. Other relevant professional experience: Lecturer of Banking Law and Insurance; Legal expert for GTZ; Licensed lawyer since 2013.

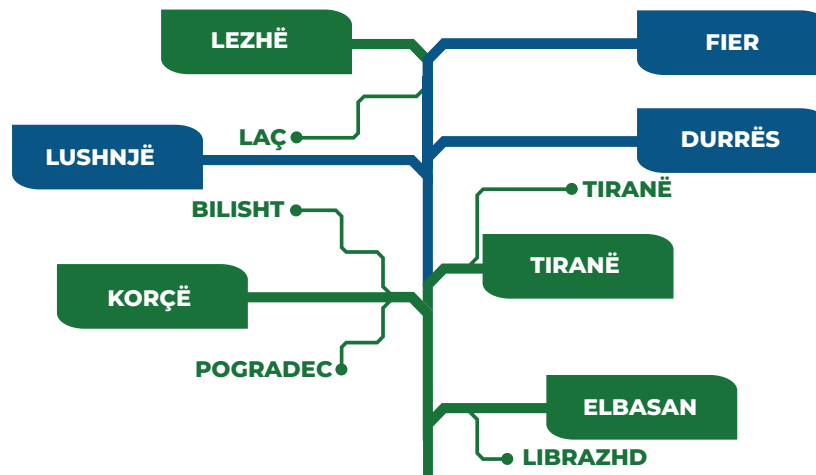


## Agro & Social Fund is organized in 5 departments:



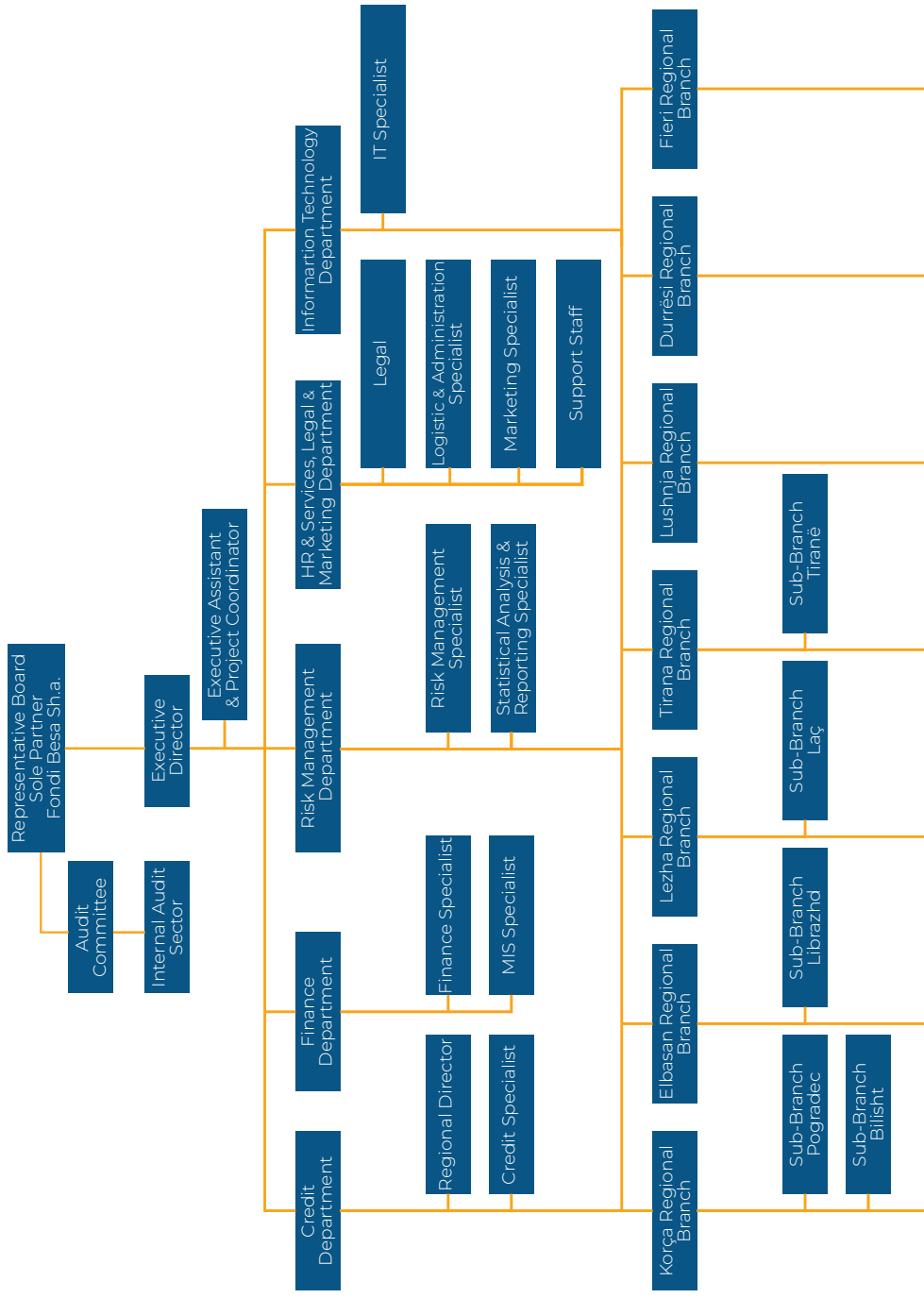
All department heads depend on the Executive Director and each of them has sub-staff that help to better the management of the work processes.

Agro & Social Fund operates in 7 Regional Branches (Tirana, Durrës, Lushnjë, Elbasan, Lezha, Korça, Fier) and 5 Subsidiary (Tirana, Laç, Bilisht, Pogradec, Librazhd).



At the branch management level, the structure is: Branch Director, Dege Responsible (according to assessment), Branch Assistant, Loan Officers and Assistant Staff.

# ORGANIZATIONAL CHART OF AGRO & SOCIAL FUND





# INSTITUTIONAL DEVELOPMENT

**DECEMBER  
2016  
UNTIL NOW**

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

**NOVEMBER  
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.

**DECEMBER  
2009**

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

**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.

**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.

# BRANCH NETWORK OF AGRO & SOCIAL FUND



**Lezha Regional Branch** – 2001

**Korça Regional Branch** – 2003

**Laç Sub-Branch** – 2007

**Librazhd Sub-Branch** – 2008

**Elbasan Regional Branch** – 2011

**Tirana Regional Branch** – 2018

**Tirana Sub-Branch** – 2020

**Pogradec Sub-Branch** – 2018

**Bilisht Sub-Branch** – 2018

**Lushnja Regional Branch** – 2020

**Durrës Regional Branch** – 2021

**Fier Regional Branch** – 2023

# OUR MISSION & VALUES

## *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.



We are committed to working with people, with the aim of encouraging the improvement of their lives.

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.








We value people, consider them equal, and prioritize them over traditional business goals, structures or systems.

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.

We value and promote transparency and ethical behaviour.

## CHALLENGES AND ACHIEVEMENTS 2023

Although 2023 was a difficult year, with economic instability where the effects of price increase on the one hand, or increased competition on the other hand were evident, the results of the Agro & Social Fund showed that the engagement of all links of the institution yielded positive results based on the long-term strategy of the institution. The financial result was satisfactory, we managed to sign cooperation with new national and international partners, extended cooperation with current partners. Summarized:

-  We managed a portfolio of about 1.174 billion ALL. In cumulative figures over the years, about 33,551 clients have been served, disbursing about 7.2 billion ALL.
-  Agro & Social Fund has been a positive growth trend for the past few years: 28% (2019), 19.3% (2020), 14% (2021) and 18% (2022), 13%(2023).
-  At the close of 2023, 53.2% of customers belonged to rural areas and 44% female customers.
-  A staff of 90 employees was in service to 3,511 customers.
-  Retention RATE (Client Retention Ratio) 71%.
-  From the data collected, we have impacted the lives of about 4,430 children, directly or indirectly.
-  During 2023, Agro & Social Fund in the content of the expansion plan, opened the Regional Branch Fier, thus extending our services and activity in this city.



The agreement with OTP Bank was renewed for the use of funds benefitted from the agreement with Frankfurt School.



Agro & Social Fund, fulfilled the audit of the half period for Code of Good Conduct, through the creation of a deducar space on the ASF web and publication of the material according to the pre-established format available.



The fund raising with KIVA has been followed, estimated due to the low funds by category, and during 2023, about \$1.06 million was disbursed through these funds.

## *“Member Engagement Award” Borrow Wisely*



Even in 2023 #Borrow Wisely, he continued the tradition of realizing the awareness campaign for smart borrowing. During this campaign, "Agro & Social Fund" followed the same format of education and awareness of staff, clients and the general public, online form and direct meetings and contacts in various activities. At the same time, ASF social networks were published with successive posts all the elements of a smart borrowing, which help individuals understand step by step what to look for in order to be borrow well informed before taking out a loan, gives them the opportunity to understand whether they effectively manage their income and expenses, whether they are resistant to unexpected financial shocks, and if they plan their families' financial future well, in a long-term perspective.

## STRATEGIC GOALS FOR 2024



ASF by the end of 2024 aims to have reached a loan portfolio of an absolute value of ALL 1.35 billion and an active clientele of about 4108 clients;



BY THE END OF 2024, as well as to have disbursed loans to about 3,026 clients, with a disbursed amount of 968 million ALL (about 9 million Euros).



ASF will use all its resources, in the best form, to keep portfolios at risk at the predicted level where PAR>30 no more than 5 % and PAR up to 30 not more than 12%.



ASF by the end of 2024 aims to expand the coverage and coverage with financial services in other rural and semi-urban areas, through consolidation of existing branches/offices, especially that of Fier opened in the end of 2023 and the addition of two new offices (within existing consolidated branches);



ASF aims to improve **its product offering** through product improvement, in consistency with developments, by designing temporary offers associated with specific seasons and adapting to client needs. ASF in the framework of the initiative to contribute to financial education will undertake initiatives to better combine finance with counselling, in order to convey the necessary knowledge for certain categories mainly of business and self-employed. This will be done by building borrow wisely similar campaigns with the aim of dissipating and expanding knowledge in this regard to certain client groups;The above will be intended to be realized through its own funds or support gained with technical assistance or projects supported by EU, MFC, ADGF, Swiss Contact or cooperation with the Frankfurt School of Finance & Management (FS) start-ups with German Development Bank (KfW) etc.





In order to achieve the goals on performance and growth, ASF plans growth focused on human resources by more than 18%;



ASF will aim to increase staff capacities through trainings and exchange of experiences both within the institution and in analogue institutions; local or international;



ASF will undertake a review of the chain of operations; evaluating and determined for possible changes in the benefit of improving and increasing the quality of operation and interoperability of the parties. The ultimate goal: to increase the quality of the portfolio as a matter of critical importance and increased attention after the successive chain of "crises" in the operating system;





ASF will aim to engage in activities of social character that include; donations for specific activities or target persons with specific needs, activities for the benefit of third ages, children, women in the village or other categories considered "in need" to increase the social awareness towards them. The budget for the above, for 2024, is planned to increase about 20%.


# ACHIEVEMENTS IN CREDIT

The increase in the credit level is the locomotive that leads,our strategic ambition to increase the number of clients by supporting small and medium businesses, which are the engine of the country's economy.In this aspect we have focused on diversifying our loan portofolio, through diversifying risk, we ensure the sustainability of our operations.


The year 2023 closed with these figures:

 The increase in the number of active loans results in 3,511 loans, with an increase of 6.2% for the year 2023.

 The growth of the gross portfolio of active loans results in the value of 1.174 billion ALL, with an increase of 13% or 136.8 million ALL for the year 2023.

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 The increase in the number of loans disbursed was 2,551 loans or 13% more than last year.

 The increase in disbursed volume was ALL 917,141,000 or 14% compared to last year.



No. of Loan Disbursement  
**2,551**



Volum of Loan Disbursed  
**917 mln lekë**



Active Portofolio  
**1.174 mld lekë**



Rural Loan  
**1,358**



Female customers  
**44%**

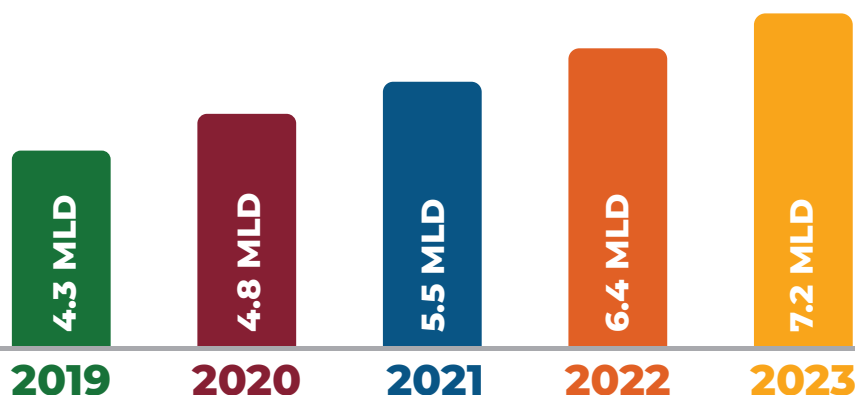


New Borrowers  
**44%**

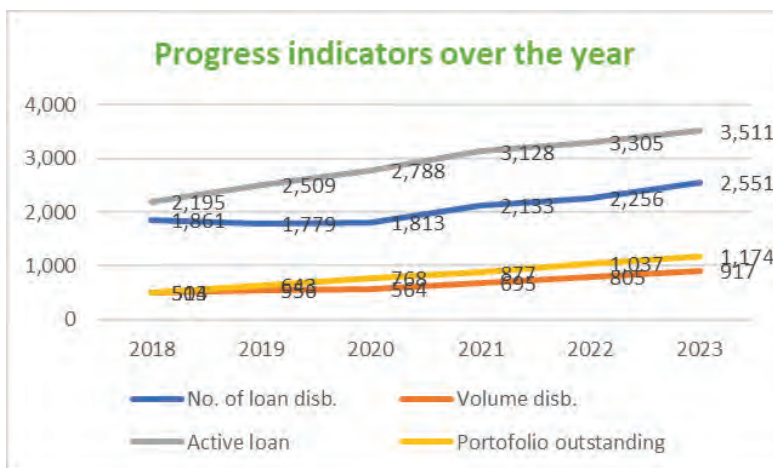
<b>2023</b>	<b>Nr.</b>	<b>Value</b>
Loans Disbursed	2,551	917,141,000
Active Portofolio	3,511	1,174,181,783
Rural Loan	1358	505,286,000
Vulnerable Clients	193	65,170,000
New Borrowers	44%	38%
Female Clients	44%	43%

	No. Loan Disbursement	Volume of Loan Disbursement (mln all)	Active Loan	Portfolio Outstanding (mln all)
<b>2019</b>	<b>1,779</b>	<b>556</b>	<b>2,509</b>	<b>643</b>
<b>2020</b>	<b>1,813</b>	<b>564</b>	<b>2,788</b>	<b>768</b>
<b>2021</b>	<b>2,133</b>	<b>695</b>	<b>3,128</b>	<b>877</b>
<b>2022</b>	<b>2,256</b>	<b>805</b>	<b>3,305</b>	<b>1,037</b>
<b>2023</b>	<b>2,551</b>	<b>917</b>	<b>3,511</b>	<b>1,174</b>

## Cumulative Disbursements



The increase in the number of active loans for the 5-year period results in a 60% increase in number and 133% in value.



## Our focus is the Client.

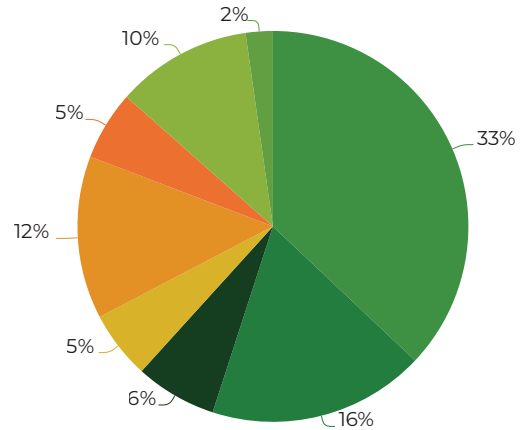
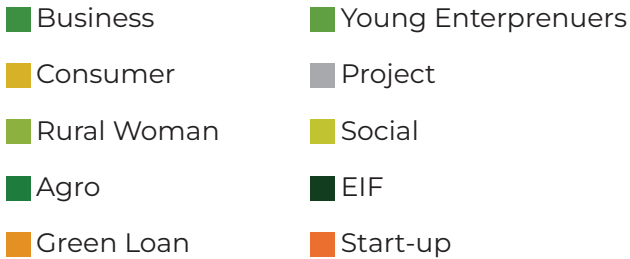
ASF has worked all these years to offer its customers not only a quality service, but also credit products that will meet their requirements and needs in the best possible way. Being aware of the changing needs of society, ASF continuously invests in the improvement of credit products or in launching new products on the market.

## Our loan products

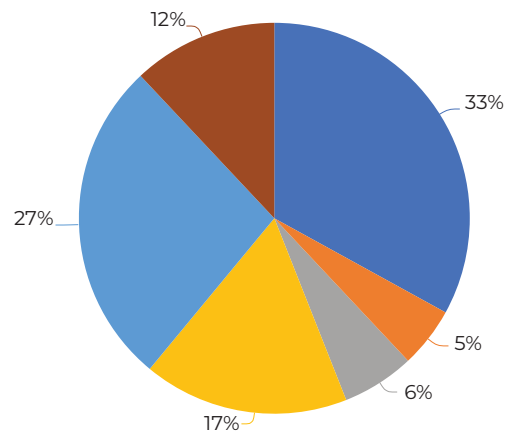
<b>START-UP</b>	AMOUNT UP TO 400,000 ALL MATURITY 36 MONTH INTEREST DETERMINED BY LOAN AMOUNT	<b>YOUNG ENTREPRENEURS</b>	AMOUNT UP TO 500,000 ALL MATURITY 36 MONTH INTEREST DETERMINED BY LOAN AMOUNT
<b>GREEN LOAN</b>	AMOUNT UP TO 1,000,000 ALL MATURITY 48 MONTH INTEREST DETERMINED BY LOAN AMOUNT	<b>BUSINESS LOAN</b>	AMOUNT UP TO 2,000,000 ALL MATURITY 72 MONTH INTEREST DETERMINED BY LOAN AMOUNT
<b>CONSUMER LOAN</b>	AMOUNT UP TO 600,000 ALL MATURITY 48 MONTH INTEREST DETERMINED BY LOAN AMOUNT	<b>AGRICULTURE LOAN</b>	AMOUNT UP TO 2,000,000 ALL MATURITY 84 MONTH INTEREST DETERMINED BY LOAN AMOUNT
<b>SOCIAL LOAN</b>	AMOUNT UP TO 600,000 ALL MATURITY 36 MONTH INTEREST DETERMINED BY LOAN AMOUNT	<b>FAST PRODUCT</b>	AMOUNT UP TO 200,000 ALL MATURITY 18 MONTH LOAN WITHIN 3 HOURS, WITHOUT GUARANTEE
<b>RURAL WOMAN</b>	AMOUNT UP TO 600,000 ALL MATURITY 48 MONTH INTEREST DETERMINED BY LOAN AMOUNT	<b>EIF PRODUCT</b>	AMOUNT UP TO 2,500,000 ALL MATURITY 84 MONTH INTEREST 19,5%

Another satisfactory achievement in this year's indicators is the performance of the Business product, which constitutes 33% of the Active Portfolio, marking a consistency year after year.

### Portfolio distribution by products



### Portfolio by sector



## PORTFOLIO MANAGEMENT IN RISK

The combination of values, attitudes, competencies, and shared organizational behaviors shapes the risk culture on which the ASF's philosophy and approach to risk are based. This also underpins risk-based management practices and decisions. This approach has allowed the development of our credit portfolio, always prioritizing transparency towards the client, as well as monitoring all procedures even after the credit issuance.

To ensure that the appropriate definitions are outlined, such as: risk measurement, limits, rules, guidelines, independent decision-making, controls, monitoring, testing, and reporting, an appropriate dedicated infrastructure has been created and maintained by the Risk Management Department, which enables:



Building, maintaining, and strengthening the risk culture;



Building and monitoring risk in the best form;



Establishing a management structure aimed at “systematizing” the entire functional chain, which includes: identification, measurement, continuous monitoring, and control of risk.

These parameters guide both strategic planning and daily decision-making, thereby avoiding excessive risk-taking and encouraging the development of strong controls to protect the institution's key resources.

The Risk Management Department is part of:



The Non-Performing Loans & Provisioning Committee



The Loans over 1 million Committee

As part of its normal business activities, the Risk Management Department has monitored the types of risks during the year 2023, categorized into the following category and sub-categories:

## RISK CATEGORIES

## SUB-CATEGORIES

Strategic

Governance Risk  
Reputational Risk  
Legal and Compliance Risk

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Financial

Credit Risk  
Social Mission Dimension Risk  
Market Risk  
Liquidity Risk  
Interest Rate Risk  
Exchange Rate Risk

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Operational risk

Human Capital Risk  
System/Technology Integrity Risk



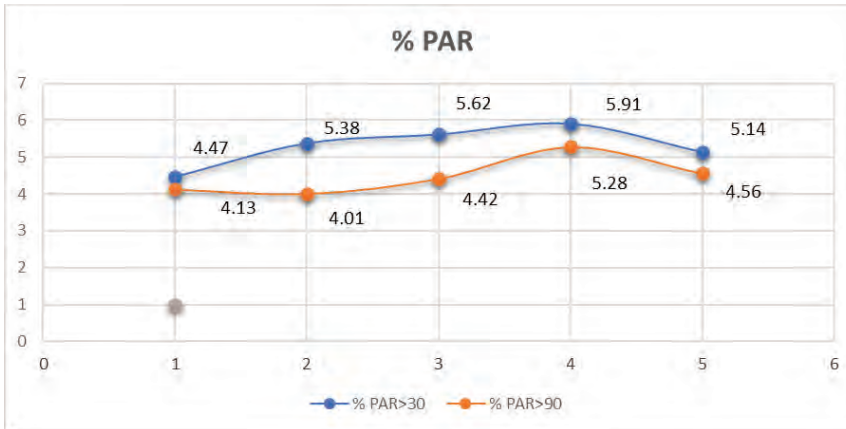
In 2023, economists anticipated various challenges. Economic growth was expected to remain moderate with significant variations across regions. Developing countries were expected to see more dynamic growth. Geopolitical developments, such as the war in Ukraine, continued to impact economies, creating uncertainty and potentially slowing down economic growth.

In the Albanian economy, inflation during 2023 has been at stable levels compared to 2022. The annual change in inflation for December 2023 was 4.0%, whereas a year earlier this change was 7.4%. The most significant contributors to inflation were food prices, fuels, and electricity, directly impacting household budgets.

For a microfinance institution like ASF operating in today's competitive environment, maintaining controlled risk is a primary concern. Ensuring a high-quality loan portfolio, maintaining necessary liquidity balances, and consistently reporting to regulatory frameworks regarding capital, currency usage changes, and standards misuse are fundamental conditions that impose various provisions for risk management.

Responsible risk management through a systematic and ongoing approach remains one of our top priorities. Using various analytical tools and reports, our management staff carefully identifies and assesses potential risks that could impact our economic unit, including price risk, credit risk, liquidity risk, and cash flow risk. Short-term contracts, portfolio diversification, and continuous monitoring are integral parts of our risk management strategies.

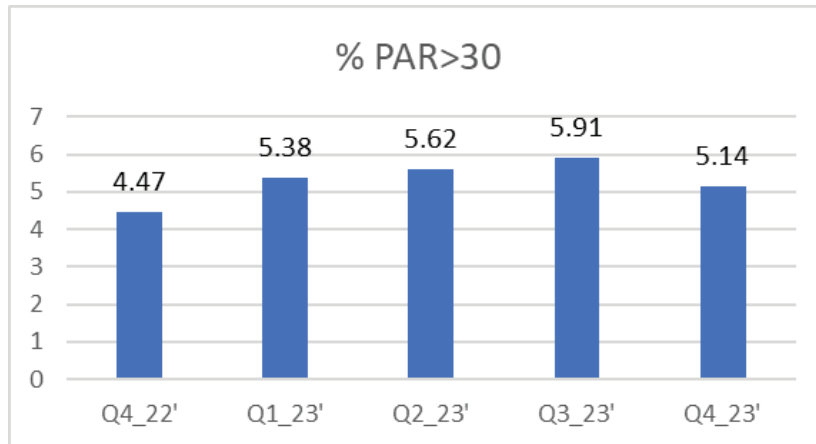
## Quality of the loan portfolio



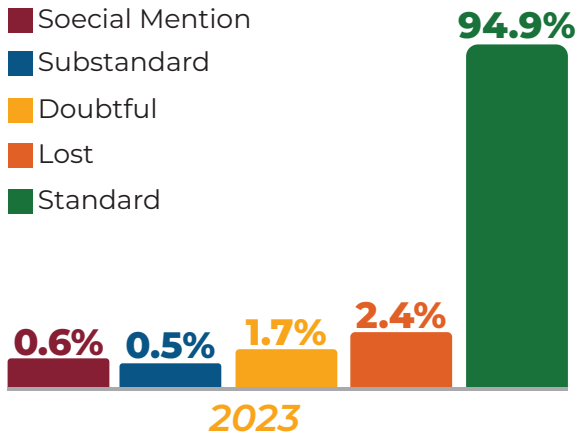
The growth of the loan portfolio was adequate during 2023, while the PAR (Portfolio at Risk) over 30 days closed at 5.14%.

Provisioning, which significantly impacts ASF's financial results, falls under the responsibility of the Risk Management Department. They rigorously follow the regulations of the Bank of Albania and International Financial Reporting Standards (IFRS) through the implementation of procedures and regulatory policies.

## Classification of the loan portfolio - December 2023



Regarding the active loan portfolio, 94.9% are classified as "Standard Loans," indicating stable quality of the portfolio. Moving forward, the focus will be on improving the ratio of loans classified as over 30 days past due.



As a priority for the Risk Management Department including this fiscal year, has been improving oversight in preventing fraud, financial crime, and terrorism financing. Necessary Workshops have been conducted by relevant entities in the field, alongside periodic training for our staff to ensure compliance with current regulatory requirements.

## HUMAN RESOURCE MANAGEMENT

Throughout 2023, the Agro & Social Fund has been actively active in order to meet its strategic and operational objectives. Despite the dynamics that accompanied us this year, 2023 was again accompanied by achievements in terms of the goals set out in advance.

### *Number of employees at 2023 closing*

**90**  
EMPLOYEES



**66%**  
FEMALE



**34%**  
MALE

On 09 -10 February, ASF organized the Annual Analysis of 2023!

Annual Analysis is considered a roundtable where 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 on enhancing the performance of the ongoing work. During the annual analysis, to assess the contribution given during 2023, several awards were awarded to the best Credit Officers, as well as Lezha Branch, awarded the prize as regional branch with the best performance.

Staff trainings start from orientation training for staff joining ASF for the first time, to webinars, workshops, trainings offered by both the institutions with whom we have partnerships and by state institutions or interest groups in the microfinance industry.



In 2023, ASF continued its cooperation with Swisscontact and Partners Albania, trainings focusing on sales techniques and customer behavior, where participants were staff from the branch and the Central Office.

The sum of all the trainings offered during 2023 to ASF staff, both from management and partners, reaches the number of 44 trainings.

## MARKETING 2023

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.



*Tirana, 16 November 2023*



*Fier, 21 December 2023*



*Budva, 25 May 2023*



*Tirana, 16 June 2023*

## SOCIAL PERFORMANCE

Agro & Social Fund values, monitors, and aims to improve social performance indicators by adhering to international definitions on their measurement and reporting. Agro & Social Fund measures and reports social performance indicators to all stakeholders:

➤ **Clients**, who may be concerned about the ethics and social impact of their purchases and investments, and who, during the difficult period we have gone through and are still experiencing, seek to feel our presence and closeness in challenging times.

➤ **Shareholders**, who want to consider social impact and environmental risks in their investment decisions, and who, in such difficult times, want to ensure that the institution does not lose its social focus.

➤ **Communities** in which it operates, who want to know the value we contribute to society, especially in such extraordinary situations, where the social focus of institutions is most reflected.

➤ **Employees**, who seek assurance that the company they work for cares about the social and environmental impact of its activities and shows increased care for the physical and mental well-being of staff when working under special conditions dictated by external factors.

➤ **Partners**, who want to be informed about the social impact of projects implemented in collaboration with ASF and to ensure that even if the institution may be working under unfavorable conditions, it does not violate the declared and contracted social principles.

*ASF operates in accordance with the Sustainable Development Goals (SDGs). In general terms, ASF's activities have 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**





## Social Impact

During the period January-December 2023, Agro & Social Fund has:

Served **2,561 clients** | Retained **5144 jobs** & created **520 new jobs** | Improved the lives of **4430 children**

Financed **253 new enterprises** | Served **53.4% rural clients** & **44% female clients**

Served **915 clients for education and healthcare** | Served **1002 new clients** (age group 18-35 years)

## Projects and Partners

**Kiva** - During 2023, a total of \$1,066,430.00 was financed through Kiva, thereby assisting investments in Agriculture, Education, Healthcare, Women in rural areas, New Businesses, Young Entrepreneurs, and Vulnerable Communities.

**Dorcas Aid International Albania** - The project "TO PROMOTE ENTREPRENEURSHIP IN THE TROPOJA AND PUKA REGIONS THROUGH CREDIT" was newly signed with the aim of providing a new fund, which will be used to continue supporting families in need; and on the other hand, to further encourage those families that were helped in the first phase to start a business. This agreement represents an innovation in terms of the regions it covers, including for the first time the region of Puka, in addition to Tropoja.

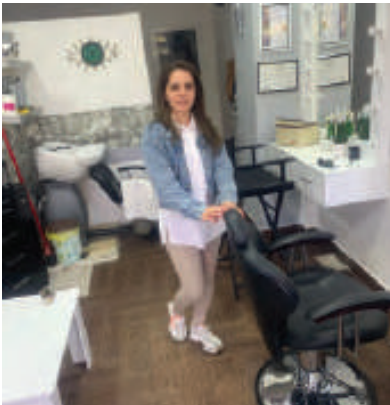
**Albanian Development Guarantee Foundation** - Throughout 2023, cooperation with ADGF continued, concretized with the signing of a new agreement, based on which ASF finances clients (within the "Green window" range) who invest in their activities, considering energy saving and reducing CO2 emissions by at least 20%. Through the "Regular window" range, we finance entrepreneurs to develop and expand their activities and, if possible, employ others, as well as support the category of new businesses (Start-Up).

**SwissContact** - During 2023, the cooperation with SwissContact continued, thanks to which ASF staff learned how to better serve young people who want to start new businesses. On the other hand, loan officers assisted young people in better understanding the loan process and preventing debt overload.

## OUR CLIENTS



**Flutura Rapush** is a retiree from Korça. She lives with her paralyzed husband. To secure their livelihood, in addition to her pension and her husband's disability allowance, Flutura engages in agriculture. Despite her age, she is a very hardworking lady, and thanks to the financing she has received over the years from ASF to cover necessary expenses for her agricultural activities, she has managed to secure additional income. This has helped both her and her husband cover their living costs. Flutura is very grateful for the opportunity provided during this delicate phase of her life.



**Nertila Beqari** is married and a mother of three children. She runs her own business, generating income for her family. Nertila is a highly ambitious woman, always seeking the best for herself and her family. She aimed to expand the range of services at her salon. To achieve this, she needed to attend a professional course, made possible through financing from ASF. Nertila is thankful for the opportunity provided, which contributed to increased revenue from her business.

## RAPORTI I AUDITUESIT TË PAVARUR

**Për Ortakun dhe Drejtimin e Shoqërisë Agro & Social Fund sh.p.k.**

**Raport mbi auditimin e pasqyrave financiare**

### **Opinion**

Ne kemi audituar pasqyrat financiare të Shoqërisë Agro & Social Fund sh.p.k ("Shoqëria"), që përfshijnë pasqyrën e pozicionit financiar më datë 31 dhjetor 2023, si dhe pasqyrën e fitimit ose humbjes dhe e të ardhurave të tjera gjithëpërfshirëse, pasqyrën e ndryshimeve në kapital si edhe pasqyrën e flukseve të mjeteve monetare për vitin e mbyllur në atë datë, si edhe shënimet për pasqyrat financiare, përfshirë një përmbledhje të politikave kontabël më të rëndësishme.

Sipas opinionit tonë, pasqyrat financiare bashkëlidhur paraqesin drejt, në të gjitha aspektet materiale, pozicionin financiar të Shoqërisë më 31 dhjetor 2023, dhe performancën financiare dhe fluksin e mjeteve monetare për për vitin që mbyllet në këtë datë, në përputhje me Standardet Ndërkombëtare të Raportimit Financiar (SNRF).

### **Baza për opinionin**

Ne kemi kryer auditimin tonë në përputhje me Standardet Ndërkombëtare të Auditimit (SNA-të). Përgjegjësitë tona sipas këtyre standardeve janë përshkruar në mënyrë më të detajuar në seksionin e raportit ku jepen Përgjegjësitë e Audituesit për Auditimin e Pasqyrave Financiare. Ne jemi të pavarur nga Shoqëria në përputhje me Kodin Ndërkombëtar të Etikës për Profesionistët Kontabël të Bordit të Standardeve Ndërkombëtare të Etikës të Kontabilisteve Profesionistë (duke përfshirë Standardet Ndërkombëtare të Pavarësisë) (Kodi i BSNEKP) së bashku me kërkesat etike që janë të zbatueshme për auditimin e pasqyrave financiare në Shqipëri, dhe kemi përmbushur përgjegjësitë e tjera etike në përputhje me këto kërkesa dhe me Kodin BSNEKP.

Ne besojmë se evidenca e auditimit që kemi siguruar është e mjaftueshme dhe e përshtatshme për të dhënë një bazë për opinionin tonë.

### **Çështje tjetër**

Pasqyrat financiare për vitin e mbyllur me 31 dhjetor 2022 janë audituar nga një auditues tjetër i cili shprehu një opinion pa rezervë mbi ato pasqyra financiare në 1 dhjetor 2023.

## Përgjegjësitë e Drejtimit dhe Personave të Ngarkuar me Qeverisjen për Pasqyrat Financiare

Drejtimi është përgjegjës për përgatitjen dhe paraqitjen e drejtë të pasqyrave financiare në përputhje me SNRF-të, dhe për ato kontrole të brendshme, që Drejtimi i l gjykon të nevojshme për të bërë të mundur përgatitjen e pasqyrave financiare që nuk përmbajnë anomali materiale, qoftë për shkak të mashtrimit apo gabimit.

Në përgatitjen e pasqyrave financiare, drejtimi është përgjegjës për të vlerësuar aftësinë e Shoqërisë për të vazhduar në vijimësi, duke dhënë informacion, nëse është e zbatueshme, për çështjet që kanë të bëjnë me vijimësinë dhe duke përdorur parimin kontabël të vijimësisë përveç se në rastin kur drejtimi synon ta likujdojë Shoqërinë ose të ndërpresë aktivitetet, ose nëse nuk ka alternativë tjetër reale përveç sa më sipër.

Personat e ngarkuar me Qeverisjen janë përgjegjës për mbikëqyrjen e procesit të raportimit financiar të Shoqërisë.

## Përgjegjësitë e Audituesit për Auditimin e Pasqyrave Financiare

Objektivat tona janë të marrim siguri të arsyeshme nëse pasqyrat financiare në tërësi nuk kanë anomali materiale, për shkak të mashtrimit apo gabimit, dhe të lëshojmë një raport auditimi që përfshin opinionin tonë. Siguria e arsyeshme është një siguri e nivelit të lartë, por nuk është një garanci që një auditim i kryer në përputhje me SNA-të do të identifikojë gjithmori një anomali materiale kur ajo ekziston.

Anomalitë mund të vijnë si rezultat i gabimit ose i mashtrimit dhe konsiderohen materiale nëse, individualisht ose të marra së bashku, pritet që në mënyrë të arsyeshme të influencojnë vendimet ekonomike të përdoruesve, të marra bazuar në këto pasqyra financiare.

Si pjesë e një auditimi në përputhje me SNA-të, ne ushtrojmë gjykimin profesional dhe mbajmë skepticizëm profesional gjatë auditimit. Ne gjithashtu:

- Identifikojmë dhe vlerësojmë rrezikun e anomalive materiale të pasqyrave financiare, qoftë për shkak të mashtrimit apo gabimit, projektojmë dhe kryejmë procedurat e auditimit që i përgjigjen këtyre rreziqeve, dhe marrim evidencat auditimi të mjaftueshme dhe të përshtatshme për të bazuar opinionin tonë. Rreziku i mos zbulimit të një anomalie materiale që rezultoi nga mashtrimi është më i lartë sesa një që rezultoi nga gabimi, pasi mashtrimi mund të përfshijë marrëveshje të fshehtë, falsifikim, mosdhënie e vetëdijshme e gjithë informacionit, keq-përfaqësim, apo shkelje të kontrollit të brendshëm.
- Marrim një kuptim të kontrollit të brendshëm të lidhur me auditimin me qëllim hartimin e procedurave të auditimit të cilat janë të përshtatshme për rrethanat, por jo për qëllimin e shprehjes së një opinionimi mbi efektivitetin e kontrollit të brendshëm të Shoqërisë.
- Vlerësojmë përshtatshmërinë e politikave kontabël të përdorura dhe arsyeshmërinë e përllogaritjeve kontabël dhe informacioneve të lidhura shpjeguese të bëra nga drejtimi.
- Duke u bazuar në evidencat e auditimit, nxjerrim përfundime mbi përshtatshmërinë e përdorimit nga ana e drejtimit të parimit të vijimësisë si bazë kontabël, nëse ekziston një pasiguri materiale në lidhje me ngjarjet ose kushtet që mund të hedhin dyshime domethënëse në aftësinë e Shoqërisë për të vazhduar në vijimësi. Nëse arrijmë në përfundimin se një pasiguri materiale ekziston, ne jemi të detyruar të tërheqim vëmendjen në raportin tonë të auditimit tek informacionet shpjeguese të pasqyrave financiare ose nëse këto informacione shpjeguese janë të pamjaftueshme, të ndryshojmë opinionin tonë. Përfundimet tona të auditimit bazohen në evidencat e auditimit të marra deri në datën e raportit tonë të auditimit. Megjithatë, ngjarje ose kushte të ardhshme mund të shkaktojnë që Shoqëria të ndalojë së vazhduari në vijimësi.
- Vlerësojmë prezantimin e përgjithshëm, strukturën dhe përmbajtjen e pasqyrave financiare, duke përfshirë

informacionet shpjeguese të dhëna, dhe rëse pasqyrat financiare paraqesin veprimet dhe ngjarjet e ndodhura në mënyrë që të arrijnë një prezantim të drejtë.

Ne komunikojmë me Drejtimin dhe personat e ngarkuar me qeverisjen e Shoqërisë, përveç të tjerave, lidhur me qëllimin dhe kohën e auditimit dhe gjetjet e rëndësishme të auditimit, përfshirë ndonjë mangësi të rëndësishme në kontrollin e brendshëm që ne mund të identifikojmë gjatë auditimit.

#### **Raport për Informacione të Tjera**

Informacione të tjera përfshijnë informacione përgatitur në përputhje me nenet 17, 18 dhe 19 të Ligjit Nr. 25\2018 Për Kontabilitetin dhe Pasqyrat Financiare, përveç pasqyrave financiare dhe këtij raporti të audituesit. Drejtimi është përgjegjës për informacionet e tjera. Informacionet e Tjera të Shoqërisë për vitin 2023 pritet të na vihen në dispozicion pas datës së këtij raporti të audituesit.

Opinionin ynë mbi pasqyrat financiare nuk mbulon informacionet e tjera dhe ne nuk shprehim ndonjë lloj konkluzioni që jep siguri në lidhje me këto informacione.

Në lidhje me auditimin tonë të pasqyrave financiare, ne kemi përgjegjësinë të lexojmë informacionet e tjera të identifikuar më lart kur ato të na vihen në dispozicion dhe të vlerësojmë nëse këto informacione kanë inkoherenca materiale me pasqyrat financiare apo me njohjen që ne kemi marrë gjatë auditimit ose përndryshe, nëse duket se ato janë me gabime materiale.

Nëse bazuar në punën e kryer ne arrijmë në përfundimin se këto informacione përmbajnë gabime materiale, atëherë ne duhet të raportojmë për këtë fakt.

Bujar Bendo  
Auditues Ligjor

RSM Albania

Tiranë, 26 qershor 2024





## BALANCE SHEET

(Amounts in thousands of Lek)

	2023	2022
<b>Assets</b>		
Cash and cash equivalents	75,356	100,775
Loans and advances to customers	1,097,365	964,730
Property and Equipment	11,509	11,572
Other assets	10,316	11,412
Right of use Assets	69,514	41,794
<b>Total assets</b>	<b>1,264,060</b>	<b>1,130,283</b>
<b>Liabilities and shareholder's equity</b>		
<b>Liabilities</b>		
Borrowings	765,090	722,545
Lease Liability	69,574	41,086
Other liabilities	29,856	16,852
	<b>864,520</b>	<b>780,483</b>
<b>Shareholder's equity</b>		
Share capital	289,375	289,375
Accumulated losses	60,425	31,667
Profit of the year	49,740	28,758
	<b>399,540</b>	<b>349,800</b>
<b>Total liabilities and shareholder's equity</b>	<b>1,264,060</b>	<b>1,130,283</b>

## CASH FLOW STATEMENT

(Amounts in thousands of Lek)

	2023	2022
<b>Cash flow from operating activities</b>		
Profit / (Loss) for the year	<b>60,258</b>	<b>35,147</b>
<i>Adjustments for:</i>		
Depreciation of property and equipment	2,724	3,381
Depreciation of Right of use Assets	16,717	16,716
Disposal of Fixed Assets	2,203	(87)
Impairment losses on loans to customers	12,965	25,150
Interest income	(279,157)	(245,434)
Interest expenses	47,832	29,940
<i>Changes in:</i>		
Loans to customers	(150,830)	(161,609)
Other assets	1,095	(5,150)
Other liabilities	9,005	(7,394)
	<b>(302,456)</b>	<b>(309,340)</b>
Interest received	280,084	247,281
Interest paid	(43,125)	(37,893)
Income tax paid	(6,519)	(8,953)
<b>Net cash from/ (used in) operating activities</b>	<b>(72,017)</b>	<b>(103,164)</b>

## INCOME STATEMENT

(Amounts in thousands of Lek)

	2023	2022
<b>Interest</b>		
Interest income	279,157	245,434
Interest expense	(47,832)	(39,230)
Net interest margin	<b>231,326</b>	<b>206,204</b>
Other income/(expenses)	2,246	1,191
<b>Operating expenses</b>		
Depreciation	(16,480)	(20,097)
Personnel	(116,892)	(106,061)
Impairment losses on loans to customers	(12,695)	(25,150)
Other expenses	(29,129)	(21,187)
Net foreign exchange gain/(loss)	1,884	247
<b>Total operating expense</b>	<b>(173,312)</b>	<b>(172,248)</b>
<b>Profit/(loss) before income tax</b>	<b>60,259</b>	<b>35,147</b>
Income tax	(10,519)	(6,389)
<b>Profit/ (loss) for the year</b>	<b>49,740</b>	<b>28,758</b>
Other comprehensive income, net of income tax	-	-
<b>Total comprehensive profit/ (loss) for the year</b>	<b>49,740</b>	<b>28,758</b>

	2023	2022
Net (additions)/disposals of property, equipment	(2,661)	(918)
<b>Net cash used in investing activities</b>	<b>(2,661)</b>	<b>(918)</b>
<b>Cash flows in financing activities</b>		
(Repayments)/proceeds from borrowings and lease	65,690	101,623
Repayment of lease liability	(16,432)	(17,146)
<b>Net cash used in financing activities</b>	<b>49,258</b>	<b>84,477</b>
Net increase/(decrease) in cash and cash equivalents	(25,419)	(19,605)
Cash and cash equivalents at the beginning of the year	100,775	120,380
<b>Cash and cash equivalents at the end of the year</b>	<b>75,356</b>	<b>100,775</b>

# OUR PARTNERS



## OUR SOCIALS



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