ASF
INSTITUCION FINANCIAR ®

ANNUAL REPORT 2025
ENGLISH VERSION

www.asf.al

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MESSAGE FROM THE CHIEF EXECUTIVE OFFICER

Dear clients, partners, employees, and collaborators, The year 2025 was a significant one for Agro Social Fund—a year that challenged us to stay closer to our clients, make more resilient decisions, and remain even more committed to our mission of supporting the economic and social development of the communities we serve. In an economic environment characterized by challenges and uncertainty, we continued to stand alongside individuals, families, and entrepreneurs by providing financing, support, and confidence to those seeking to grow their businesses or improve their quality of life. During 2025, ASF disbursed approximately ALL 2.386 million in loans, while its active loan portfolio reached approximately ALL 1.4 million, serving 3,690 clients. These figures reflect not only the growth of our operations but, above all, the continued trust that our clients place in our institution. Our impact is measured beyond financial results. Through our work, we have contributed to improving the well-being of thousands of families, positively influencing the lives of 6,768 children, supporting 118 clients from marginalized groups, and creating opportunities for young entrepreneurs to build their future with ASF's support. Remaining true to our mission, we have continued to support the development of the rural economy, which remains one of the core pillars of our activities. By the end of the year, 54% of our clients were connected to activities carried out in rural areas, reflecting our ongoing commitment to being a trusted partner for farmers and rural businesses. At the same time, we have continued to promote women's financial inclusion, with women representing approximately 41% of our client base.

The year 2025 also marked important milestones in strengthening ASF's institutional capacity. The consolidation of the Shkodër branch, investments in technology and cybersecurity, as well as the expansion of cooperation with local and international partners, have laid a solid foundation for sustainable growth and the institution's continued development in the years ahead. None of these achievements would have been possible without the trust of our clients, the support of our financial partners, the guidance of the Supervisory Board, and the unwavering dedication of the ASF team. Every member of our staff has contributed to building a stronger, more professional, and more capable institution, better equipped to respond to the needs of the communities we serve. As we look toward 2026, we remain guided by the same vision: to create opportunities, support development, and build long-term relationships founded on trust, integrity, and responsibility.

Thank you for your continued trust and partnership.
We look forward to what lies ahead!

Rozana Orozi
Chief Executive Officer

ASF MANAGEMENT STRUCTURE

On 28 July 2025, the transformation of the company's legal form was finalized, changing from a Limited Liability Company (LLC) to a Joint Stock Company (JSC), in accordance with the requirements of Article 32, paragraph 5, of the Regulation on the Licensing, Conduct of Business, Revocation of Licenses and Liquidation of Loan Portfolios Created from Financial Activities by Non-Bank Financial Institutions, approved by Decision No. 42 of the Supervisory Council of the Bank of Albania, dated 08 July 2024, and supported by Law No. 9901, dated 14 April 2008, "On Entrepreneurs and Commercial Companies," as amended.

Following this transformation, the Company adopted a two-tier governance model, consisting of:

- The General Meeting of the Sole Shareholder, as the highest governing body;
- The Supervisory Board, as the supervisory body.

The executive management of the institution is carried out by the Chief Executive Officer (CEO), in accordance with the powers defined in the Company's Articles of Association.
The operating procedures and competencies of these governing bodies are defined by Law No. 9901, dated 14 April 2008, "On Entrepreneurs and Commercial Companies," as well as by the Articles of Association of ASF JSC.
ASF JSC maintains the same organizational structure, consisting of five departments:

- Credit Department;
- Finance Department;
- Risk Management Department;
- Human Resources, Legal Services and Marketing Department;
- Information Technology (IT) Department.

In addition, ASF's organizational structure includes the Internal Audit Unit, which reports directly to the Chief Executive Officer and is subject to oversight by the Audit Committee, established by Supervisory Board Decision No. 13, dated 29 September 2025.
All department heads report to the Chief Executive Officer. Each department includes specialists with clearly defined responsibilities who contribute to the efficient administration of the institution's operational processes. At the branch level, the management structure consists of: Branch Manager, Branch Supervisor (where applicable), Branch Assistant, Loan Officers, and support staff.

MEMBERS OF THE ASF SUPERVISORY BOARD

Chairman of the Supervisory Board

Assoc. Prof. Dr. Altin Muça graduated from the Faculty of Economics in 1992. Until 2003, he served as a lecturer in the Department of Marketing and Tourism at the Faculty of Economics, University of Tirana. In 2003, he joined Besa Fund as Director of the Marketing Department. He has completed several professional training programs organized by the U.S. Department of State and the Japan International Cooperation Agency (JICA). He has also participated in a number of seminars on "International Trade Finance and International Marketing," for which he holds professional certifications.

Member of the Supervisory Board

Ms. Luiza Shehu with extensive experience in the legal sector, graduated from the Faculty of Law in 1995. She served as Director of the Legal Department at the Ministry of Agriculture and Food. In 2004, she earned a Master's Degree in Public Administration from the University of Nebraska.She joined the microfinance sector in 2007, serving as Director of the Legal, Human Resources, and Internal Administration Department at FAF JSC (formerly MAFF). Since 2016, she has held the position of Director of the Legal Department at Besa Fund.Her additional professional experience includes serving as a Banking Law Lecturer, GTZ Legal Expert, and licensed attorney since 2013.

Përparim Xhafa – Member of the Supervisory Board

Mr. Përparim Xhafa graduated from the Agricultural Institute, Faculty of Economics, in 1990. His banking career began in 1994 as a Credit Specialist at BKT Bank.

In 1998, he was appointed Branch Manager at the Ministry of Finance Treasury Branch, and in 2004 he joined the Internal Audit Sector of the same ministry.

His professional career has also included positions as Dean at the European University of Tirana, Director of Internal Audit at the General Directorate of Road Transport Services, and he currently serves as Director of Internal Audit at Albanian Radio Television (RTSH).

He has participated in numerous seminars on internal auditing and, since 2023, has been certified as a Technical Assessor for ISO/IEC 17021:2015.

Bajram Korsita – Member of the Supervisory Board

Mr. Bajram Korsita graduated from the University of Tirana, majoring in Industrial Economics, in 1987. In 1993, he served as a Loan Officer at the National Commercial Agrarian Bank. His professional career includes positions as Regional Credit Officer at Besa Fund, Chief Executive Officer of the First Financial Development Company, and Chief Executive Officer of the Albanian Guarantee Foundation. Mr. Korsita has also had a long-standing career in academia and is currently a lecturer at Aleksandër Moisiu University.

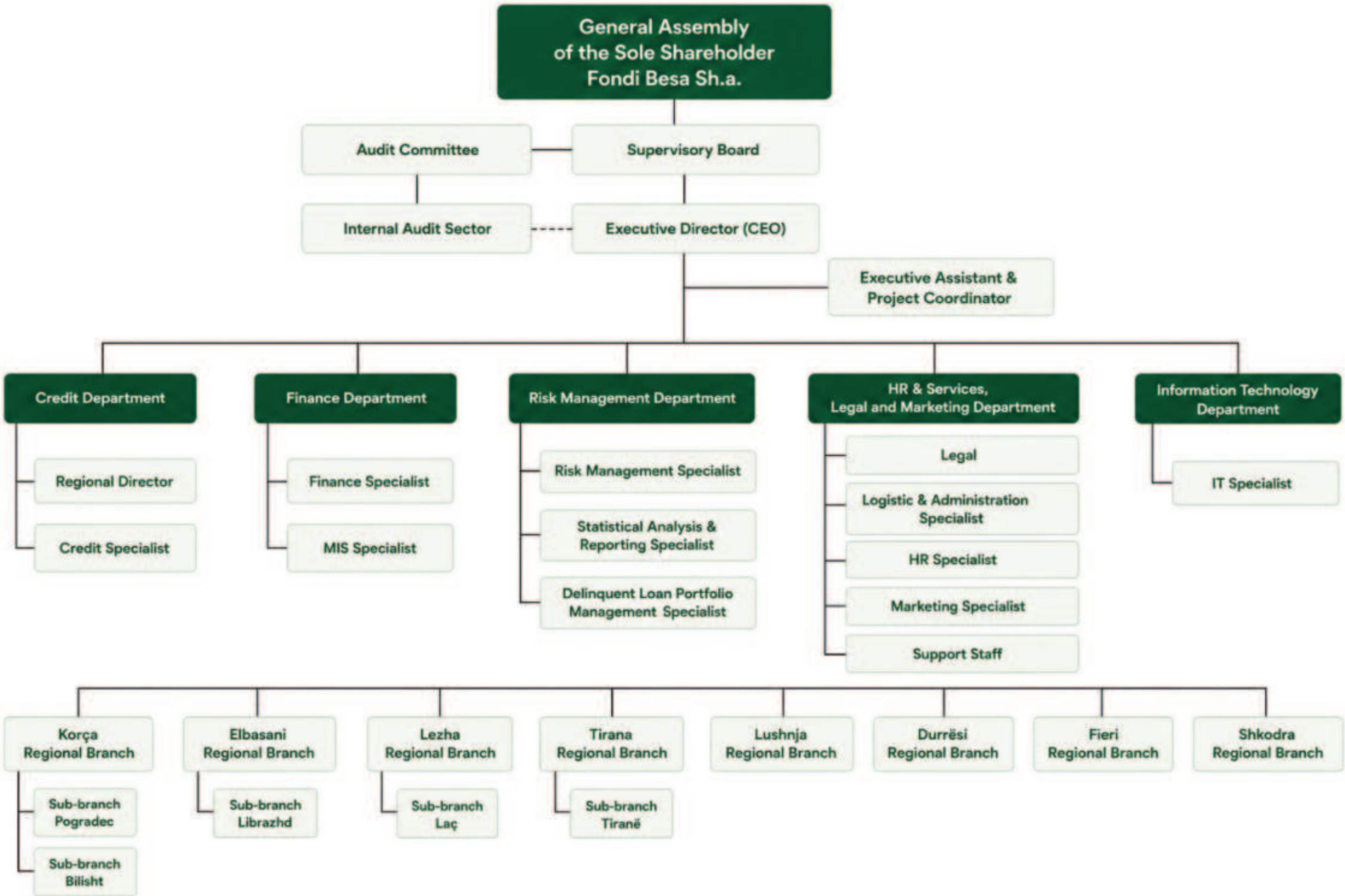
Besnik Bani – Member of the Supervisory Board

Mr. Besnik Bani graduated from the University of Tirana, majoring in Economics, in 1986. His banking career began in 1992 as a Credit Specialist, and in 2005 he was appointed Branch Manager.

From 2006 to 2020, Mr. Bani served as a Regional Credit Officer at Besa Fund.

He currently holds the position of Head of the Human Resources Management Department at UBA Bank.

ASF ORGANIZATIONAL CHART:



INSTITUTIONAL HISTORY

2001 – Building Future was established as a microfinance program of World Vision Albania, initially opening its first office in the Lezhë region.
2009 – The microfinance institution was incorporated as a Limited Liability Company (LLC) under the name Vision Fund Albania, fully owned and controlled by VisionFund International, a branch of World Vision International.
December 2009 – Agro & Social Fund was licensed by the Bank of Albania (License No. 17) as a Non-Bank Financial Institution and Microcredit Institution.
November 2016 – VisionFund International decided to withdraw its representation from Albania. Consequently, in December 2016, an agreement was reached for the acquisition of the institution by Besa Fund JSC, the largest non-bank financial institution in Albania.
December 2016 – Present – Besa Fund has remained the sole shareholder and owner of the institution, holding 100% of its shares.
July 2025 – The institution completed its legal transformation into a Joint Stock Company (JSC) under the name Agro Social Fund JSC (ASF). Besa Fund continues to be the sole owner and shareholder, holding 100% of the shares.

AGRO SOCIAL FUND BRANCH NETWORK

- Lezhë Regional Branch – operating since 2001
- Korçë Regional Branch – operating since 2003
- Laç Sub-Branch – operating since 2007
- Librazhd Sub-Branch – operating since 2008
- Elbasan Regional Branch – operating since 2011
- Tirana Regional Branch – operating since 2018
- Tirana Sub-Branch – operating since 2020
- Pogradec Sub-Branch – operating since 2018
- Bilisht Sub-Branch – operating since 2018
- Shkodër Sub-Branch – operating since 2024
- Lushnjë Regional Branch – operating since 2020
- Durrës Regional Branch – operating since 2021
- Fier Regional Branch – operating since 2023
- Shkodër Regional Branch – established in 2025 through the upgrade of the Shkodër Sub-Branch to a Regional Branch

MISSION & CORE VALUES

Mission of Agro Social Fund

Agro Social Fund JSC promotes sustainable development, financial inclusion, and social cohesion through responsible financial services, primarily supporting micro and small enterprises as well as individuals. Its mission is to improve livelihoods, expand employment and entrepreneurial opportunities for women, youth, and other vulnerable groups, with a particular focus on rural and semi-urban communities.

Agro Social Fund's Core Values

Agro Social Fund JSC is committed to improving the quality, accessibility, and responsiveness of the services it provides to its clients. This is achieved through the continuous adaptation of its services to clients' evolving needs, creating opportunities for clients, families, and communities to enhance their well-being, reduce poverty and vulnerability, improve access to finance, generate new employment opportunities, and increase the value of existing businesses. As we pursue our mission, we remain committed to preserving and strengthening our core values.

We strive to uphold these values to ensure a motivated workforce focused on achieving sustainable results while safeguarding the institution's mission. We are committed to creating an environment where employees can grow professionally and work in full alignment with the institution's objectives.

OUR CORE VALUES

- We are committed to working alongside people, with the goal of improving their quality of life.
- We are committed to our mission and act responsibly in managing the resources entrusted to us, ensuring they generate maximum value for both our institution and our clients.
- We value people, treat everyone with respect and equality, and recognize those who are dedicated to achieving our mission, preserving our traditions, strengthening our business, and improving our systems.
- We are a trusted and reliable institution, committed to integrity and setting high standards by inspiring others to be dependable, honest, and accountable.
- We value and promote transparency and ethical conduct in everything we do.

CHALLENGES & ACHIEVEMENTS 2025

The year 2025 marked a significant milestone for ASF JSC, characterized by institutional transformation, strengthened corporate governance, and strategic decisions that laid a solid foundation for the institution's long-term development. Operating in a challenging yet opportunity-rich environment, amid new regulatory requirements, the institution demonstrated resilience, discipline, adaptability, and a clear vision for the future. One of the most significant achievements of the year was the transformation of the Company's legal status from a Limited Liability Company (LLC) to a Joint Stock Company (JSC), in compliance with the requirements of the Bank of Albania. This milestone represents a key step in the institution's maturity and reflects its commitment to sustainable growth and enhanced corporate governance. At the same time, the strengthening of the Supervisory Board, through the appointment of experienced professionals with strong expertise, has improved the quality of decision-making and reinforced the confidence of partners and stakeholders. During this period, the institution also initiated and advanced its rebranding process, reflecting the evolution of its institutional identity and long-term vision. This initiative aims to communicate more clearly the institution's values, ambitions, and high standards of professionalism and governance. To improve operational efficiency and security, ASF made significant investments in modernizing its data management systems and technological infrastructure. In parallel, the institution launched the certification process in accordance with ISO standards for Information Security, reinforcing its commitment to data protection and transparency. The institution's commitment to regulatory compliance was further demonstrated through the successful completion of the second ASKS audit, achieving a high implementation rate of the recommended actions and confirming the continuous improvement of its internal processes.

The institution's territorial expansion continued as part of its growth strategy through the full operational establishment of the Shkodër Regional Branch, which now operates independently and contributes to expanding clients' access to high-quality financial services. At the same time, the year was marked by significant progress in strengthening the institution. With a clear vision, stronger organizational structures, and a dedicated team, the Company is entering its next phase of development with confidence, renewed energy, and a stronger commitment to building a sustainable future and creating long-term value.

Member Engagement Award – Borrow Wisely
Throughout 2025, the #BorrowWisely campaign continued its tradition of implementing awareness-raising initiatives for responsible borrowing. Through this campaign, Agro Social Fund remained committed to educating and raising awareness among its staff, clients, and the wider public through online activities, direct meetings, and various outreach initiatives. As a result of this long-term commitment and its successful implementation, Agro Social Fund was recognized at the MFC Annual Conference, held in Tbilisi, Georgia, where ASF received the Member Engagement Award for its outstanding contribution to the Borrow Wisely campaign.

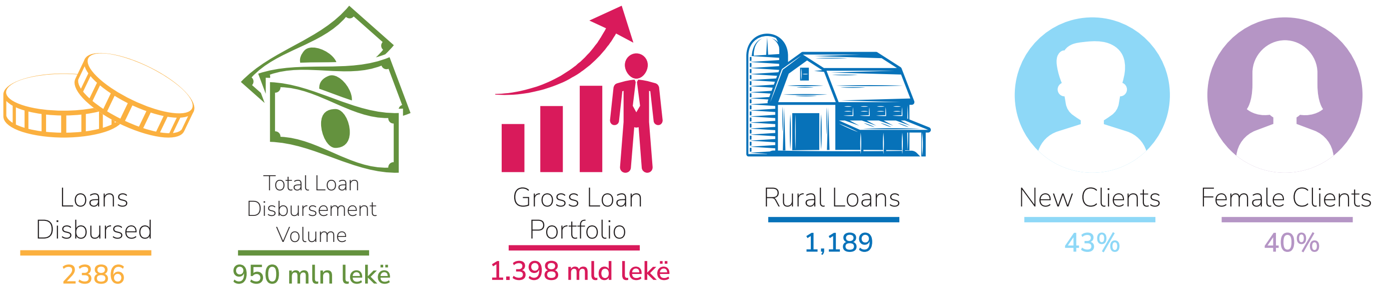
STRATEGIC OBJECTIVES FOR 2026

- By the end of 2026, **ASF** aims to build a gross loan portfolio of ALL 1.59 million (approximately EUR 16.2 million, subject to exchange rate fluctuations) and serve an active client base of approximately 4,140 borrowers.
- By the end of 2026, **ASF** aims to disburse loans to approximately 2,860 clients, with total loan disbursements amounting to ALL 1.076 million (approximately EUR 11 million).
- **ASF** will continue to optimize the use of its financial resources to maintain portfolio quality within the approved risk appetite, targeting Portfolio at Risk (PAR >30 days) of approximately 7% and PAR up to 30 days of approximately 12%.
- **ASF** will further strengthen its risk management framework by fully integrating risk considerations into strategic and operational decision-making, enhancing portfolio monitoring through advanced analytical tools (including Vintage Analysis and Early Warning Indicators), and improving the institution's capacity for financial forecasting and scenario analysis.
- **ASF** will safeguard the institution's financial sustainability through prudent liquidity management, full compliance with the regulatory framework, reliable financial reporting, and proactive management of financial risks.
- **ASF** will complete the consolidation of its new corporate identity by fully implementing the new visual identity across all institutional communication, branding, promotional, and informational materials.
- **ASF** swill continue to strengthen organizational performance by investing in human capital development, increasing employee engagement, and reinforcing a performance-driven organizational culture built on accountability, collaboration, and excellence.
- Obtaining ISO/IEC 27001 certification is one of **ASF**'s key strategic priorities for 2026, aimed at strengthening information security, increasing stakeholder confidence, and ensuring compliance with internationally recognized Information Security Management System (ISMS) standards.
- During 2026, **ASF** plans to undertake a Private Credit Rating and an ESG Assessment in cooperation with MFR, with the objective of enhancing institutional transparency, improving access to impact investment opportunities, facilitating benchmarking against international peers, and promoting sustainable and responsible business practices in line with international standards.

LENDING PERFORMANCE

The year 2025 was marked by the successful implementation of the institution's strategic priorities, with a strong focus on the key drivers of sustainable growth and institutional consolidation. The institution remained committed to supporting micro and small enterprises by facilitating investment, expanding access to finance, and increasing its client base. This approach reflects ASF's strategic ambition not only to contribute to the country's economic development but also to remain a leading institution in the microfinance sector.
Throughout the year, ASF continued to diversify its loan portfolio while maintaining a prudent approach to portfolio quality and long-term sustainability.
As of year-end 2025, the institution achieved the following results:

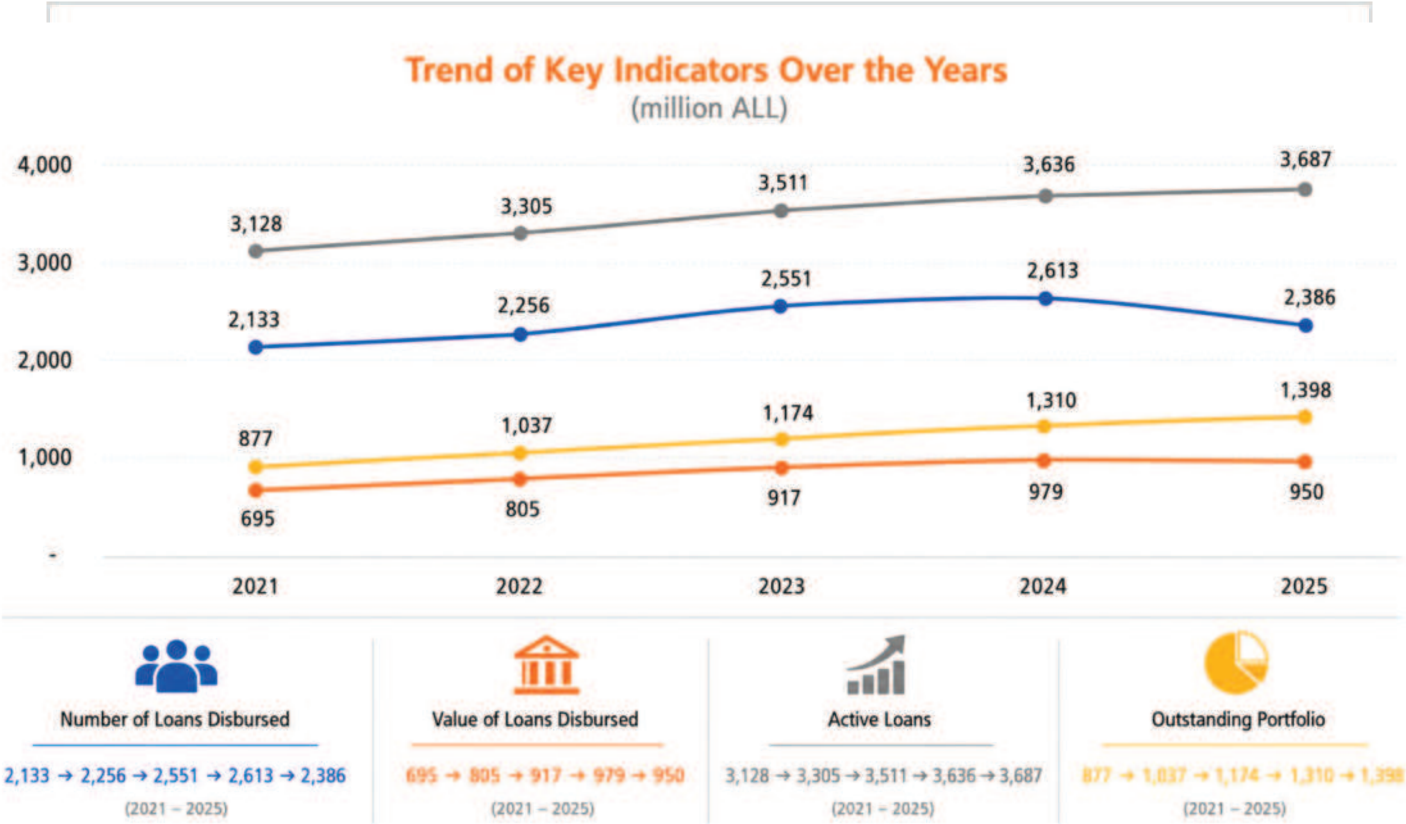
- The number of active loans increased to 3,687, representing a 1.4% increase compared to 2024.
- The gross loan portfolio reached ALL 1.398 billion, reflecting an annual growth of 6.6%, or approximately ALL 87 million.
- A total of 2,386 loans were disbursed during 2025, representing an 8.7% decrease compared to the previous year.
- The total value of loan disbursements amounted to ALL 950.3 million, a decrease of approximately 3% compared to 2024.



ANNUAL DATA (million ALL)	Number of Loans Disbursed	Value of Loans Disbursed (million ALL)	Active Loans	Outstanding Portfolio (million ALL)
2020	1,813	564	2,788	768
2021	2,133	695	3,128	877
2022	2,256	805	3,305	1,037
2023	2,551	917	3,511	1,174
2024	2,613	979	3,636	1,310
2025	2,386	950	3,687	1,398

CUMULATIVE DISBURSEMENTS (million ALL)	2020	2021	2022	2023	2024	2025
	4.8 Billion	5.5 Billion	6.4 Billion	7.2 Billion	8.2 Billion	9.2 Billion

The number of active loans increased by 3% over the five-year period, while the value of the active loan portfolio grew by 67.3%.



Our Focus Is Our Clients

Agro Social Fund JSC continues to strengthen its presence in the market by expanding its operations and achieving sustainable growth through streamlined procedures designed to better respond to evolving market needs. Our clients remain at the heart of everything we do. To retain existing clients while attracting new ones, ASF places particular emphasis on continuously improving its lending processes by adapting procedures and standards, while developing innovative financial products that respond to the changing needs and demands of the markets in which it operates.

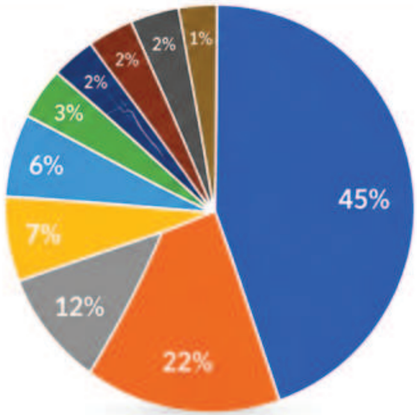
CREDIT PRODUCTS

START-UP	MAXIMUM AMOUNT **400,000 ALL**	MAXIMUM TERM **36 MONTHS**	INTEREST CALCULATED ON THE AMOUNT OF THE LOAN
HOUSING LOAN	MAXIMUM AMOUNT **1,000,000 ALL**	MAXIMUM TERM **48 MONTHS**	INTEREST CALCULATED ON THE AMOUNT OF THE LOAN
CONSUMER LOAN	MAXIMUM AMOUNT **1,000,000 ALL**	MAXIMUM TERM **48 MONTHS**	INTEREST CALCULATED ON THE AMOUNT OF THE LOAN
SOCIAL LOAN	MAXIMUM AMOUNT **400,000 ALL**	MAXIMUM TERM **36 MONTHS**	INTEREST CALCULATED ON THE AMOUNT OF THE LOAN
RURAL LOAN	MAXIMUM AMOUNT **600,000 ALL**	MAXIMUM TERM **48 MONTHS**	INTEREST CALCULATED ON THE AMOUNT OF THE LOAN
OVERSEAS REMITTANCE LOAN	MAXIMUM AMOUNT **500,000 ALL**	MAXIMUM TERM **36 MONTHS**	INTEREST CALCULATED ON THE AMOUNT OF THE LOAN
BUSINESS LOAN	MAXIMUM AMOUNT **2,000,000 ALL**	MAXIMUM TERM **72 MONTHS**	INTEREST CALCULATED ON THE AMOUNT OF THE LOAN
AGRICULTURAL LOAN	MAXIMUM AMOUNT **2,000,000 ALL**	MAXIMUM TERM **84 MONTHS**	INTEREST CALCULATED ON THE AMOUNT OF THE LOAN
FAST PRODUCT LOAN	MAXIMUM AMOUNT **600,000 ALL**	MAXIMUM TERM **18 MONTHS**	DISBURSEMENT WITHIN 3 HOURS, NO GUARANTOR REQUIRED
EIF PRODUCT LOAN	MAXIMUM AMOUNT **2,500,000 ALL**	MAXIMUM TERM **84 MONTHS**	INTEREST CALCULATED ON THE AMOUNT OF THE LOAN

INDUSTRY SECTORS

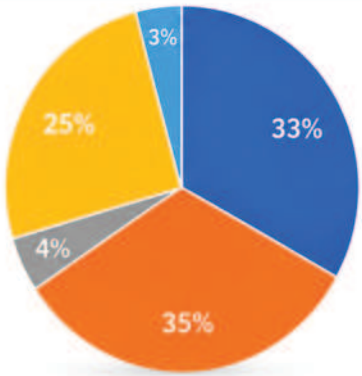
PORTFOLIO DISTRIBUTION BY PRODUCT

Business	45%	Housing Loan	3%
Agro	22%	Social	2%
Projects	12%	Start-up	2%
EIF	7%	Rural Loan	2%
Consumer	6%	Overseas Remittance	1%



PORTFOLIO DISTRIBUTION BY SECTORS

Trade	33%
Services & Other	35%
Industry	4%
Individuals	25%
Production	3%



RISK PORTFOLIO MANAGEMENT

The Institution continues to operate on the basis of a well-established risk management culture, built upon shared organizational values and standards, and reflected in the way day-to-day lending activities are carried out. This culture supports the sustainable development of the loan portfolio and ensures a careful balance between business growth and risk exposure control, while maintaining a strong focus on transparency and accountability throughout the entire customer lending relationship. The Risk Management Department has played a key role in ensuring the effective implementation of the internal regulatory framework through structured processes covering risk identification, assessment, control, and reporting. In this context, the existing risk management infrastructure has been continuously strengthened by enhancing monitoring capabilities and improving the effectiveness of internal controls.

This approach has contributed to:

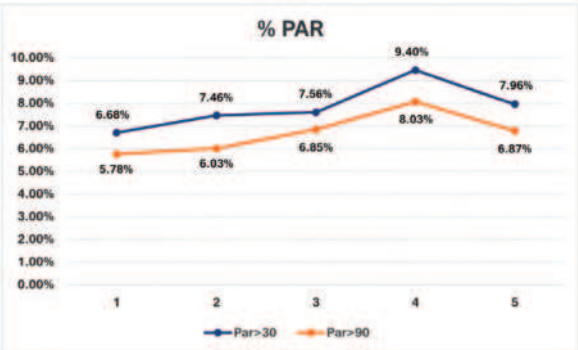
- strengthening internal discipline in risk management;
- improving the quality of risk exposure analysis and assessment;
- increasing the effectiveness of risk- and data-driven decision-making processes;
- establishing an integrated risk management framework that covers the entire risk management cycle, including risk identification, measurement, monitoring, and ongoing control.

As a result, risk management remains an integral component of the Institution's strategic and operational processes, supporting its long-term sustainability and safeguarding the quality of the loan portfolio. As part of its regular business activities, throughout 2025 the Risk Management Department monitored the various types of risks, classified according to the following categories and sub-categories:

CATEGORY	SUB-CATEGORY
Strategic	Business / Governance Risk
	Reputational Risk
	Legal Compliance Risk / Anti-Money Laundering
Financial	Credit Risk
	Social & Environmental Risk
	Liquidity Risk
	Market Risk
	Interest Rate Risk
	Currency Risk
	Concentration Risk
Operational	Operational Risk

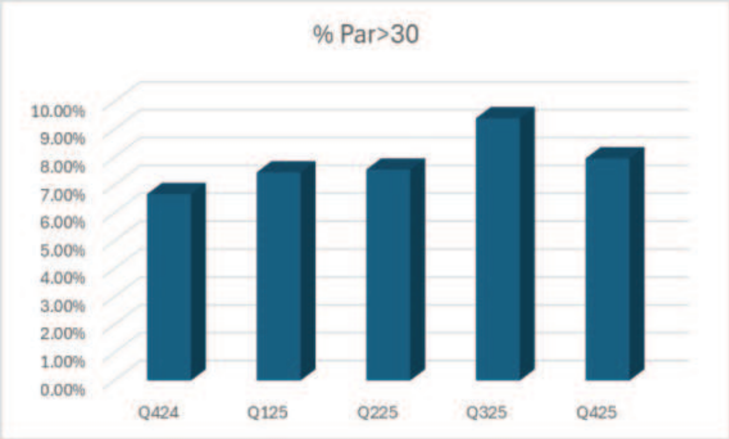
Throughout 2025, the Albanian economy continued to demonstrate positive performance, supported by the expansion of economic activity and the consolidation of macroeconomic stability. Gross Domestic Product (GDP) maintained steady growth, while inflation remained at low levels and close to the target, reflecting a better balance between demand and supply within the economy. The Consumer Price Index (CPI) recorded moderate growth, driven primarily by food and services, while energy prices remained relatively stable compared to previous periods. Economic growth continued to be supported mainly by the trade, construction, and real estate sectors, which remained significant contributors to the country's overall economic performance. The labor market remained broadly stable, with unemployment maintained at controlled levels. Sectoral developments varied, with industry and construction showing stronger performance, while certain segments of the services and agriculture sectors experienced more moderate growth. Overall, the macroeconomic environment remained stable and resilient, creating relatively favorable conditions for the development of financial and lending activities while supporting stability over both the short and medium term. In this environment, for a microfinance institution such as ASF, operating in a competitive market that is sensitive to economic developments requires a disciplined and well-structured approach to risk management. Maintaining the quality of the loan portfolio, ensuring adequate liquidity management, complying with capital adequacy requirements, and managing exposure to interest rate and foreign exchange risks constitute the fundamental pillars of the Institution's overall risk management framework, in accordance with regulatory requirements and internal policies. Risk management is implemented through a systematic and continuous approach, supported by periodic analysis, reporting, monitoring, and control mechanisms aimed at identifying, measuring, and assessing potential risk exposures. Within this framework, particular attention is given to credit risk, liquidity risk, market risk, and operational risk. The strategies applied include portfolio diversification, maturity management, and the continuous monitoring of risk exposures, with the objective of maintaining financial sustainability and minimizing the impact of external factors on the Institution's operations.

LOAN PORTFOLIO QUALITY

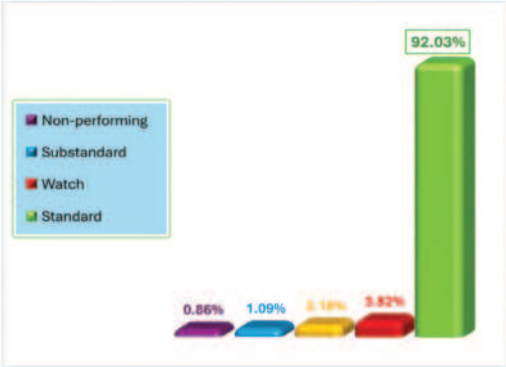


The quality of the loan portfolio remained at acceptable levels throughout 2025, with the PAR level above 30 days standing at 7.96%.

This achievement, reflected in the strong financial results of ASF, is the outcome of the continuous efforts of the Risk Management Department, which ensures strict compliance with the regulations of the Bank of Albania and the IFRS 9 standards, as well as with internal procedures and regulatory policies.



Loan Portfolio Classification
December 2025



With regard to the composition of the active loan portfolio, 92.03% is classified as “Standard Loans”, demonstrating the stable quality of the portfolio. Going forward, the Institution’s focus will be on improving the proportion of loan classes with arrears exceeding 30 days.

The Risk Management Department continued to strengthen measures and vigilance in the areas of Anti-Money Laundering (AML) and Counter-Terrorist Financing (CTF) throughout the reporting year. In this regard, staff actively participated in workshops and training programs organized by relevant institutions and industry bodies, while regular internal training sessions were conducted to ensure full compliance with the applicable regulatory requirements in force.

HUMAN RESOURCES MANAGEMENT

Throughout 2025, the Human Resources Department continued to support the Institution's development through effective workforce management and the strengthening of employees' professional capabilities. Particular emphasis was placed on creating a motivating and professional working environment, where the contribution of every employee is valued and collaboration among teams is actively encouraged.

In support of the Institution's strategic objectives, initiatives were undertaken to enhance recruitment processes, professional development, and performance management, with the aim of increasing operational efficiency and employee engagement. Special attention was also devoted to strengthening the organizational culture and maintaining high ethical and professional standards.

The Institution's commitment to the continuous development of its human resources has contributed to reinforcing institutional stability and fostering a positive working environment that supports the long-term growth and development of ASF.
Number of employees at year-end 2025: 96 employees


40% - male

60% - female

On 13 February 2026, ASF conducted its Annual Review for the 2025 financial year, which served as an important platform for evaluating the results achieved and the challenges encountered during the year. The review provides a collaborative forum where management structures and organizational levels present their achievements, projects, and challenges, while identifying future needs and objectives. The process is based on an inclusive approach and professional discussion, with the objective of continuously improving performance and enhancing the Institution's overall effectiveness.

Throughout 2025, the professional development of employees remained a key priority of the Human Resources Department, with the objective of strengthening technical capabilities and enhancing managerial competencies, particularly for the staff of the Head Office (HO).

During the year, ASF's management and specialist staff participated in 20 training programs, professional certification courses, and webinars, aimed at enhancing professional competencies, strengthening the culture of risk management, security and regulatory compliance, cybersecurity, personal data protection, human capital development, and digital transformation.

In parallel, induction and orientation training sessions were organized by ASF's departments for newly recruited employees, facilitating their effective integration into the Institution's organizational structure, operational processes, and working environment.

Marketing

Agro Social Fund SHA operated for nearly a decade under the name and brand Agro & Social Fund sh.p.k. During this period, the Institution achieved significant growth, including a substantial expansion of its loan portfolio, the diversification of its products, and an extended geographical presence across both rural and urban areas. These developments, together with the legal transformation of the Institution, created the need to review its visual identity and market positioning.
In this context, the Institution undertook a comprehensive rebranding process by adopting the commercial name ASF and introducing a new, modern, and representative visual identity. The rebranding was implemented across all branches and included improvements to the physical appearance of the premises, promotional materials, and vehicle branding, with the objective of strengthening the Institution's market presence and creating a consistent corporate image. At the same time, during the period September–November 2025, ASF outsourced the management of its social media channels to a specialized marketing agency. This initiative significantly enhanced the Institution's digital visibility and reinforced public perception of ASF as a modern, professional, and trustworthy financial institution. During October 2025, ASF launched the #BorrowWisely awareness campaign to promote responsible borrowing. The campaign was preceded by dedicated training sessions for branch staff to equip them with the knowledge and communication skills necessary to effectively convey the campaign's key messages. At the same time, ASF's social media channels published a series of informative posts explaining every aspect of responsible borrowing, helping individuals understand, step by step, what to consider in order to make informed decisions before applying for a loan. In November 2025, ASF joined the campaign "Microfinance for Entrepreneurs Aged 50–64", an initiative aimed at strengthening the role of microfinance in supporting older entrepreneurs and fostering a more inclusive ecosystem for small businesses. According to the OECD report "The Missing Entrepreneurs", more than 5 million people aged 50–64 across the European Union have the potential to become entrepreneurs—representing a significant untapped opportunity for economic growth.

Activities

Participation in activities organized both within Albania and internationally remained another important institutional priority, serving as an effective means of increasing the Institution's visibility, facilitating knowledge exchange, and strengthening partnerships and collaborations that contribute to its long-term development.

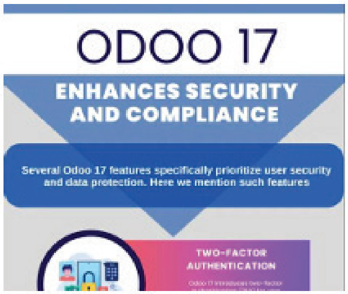
On 27–29 May 2025, ASF participated in the 27th MFC Annual Conference, held under the theme "Shifts, Shocks and Solutions: Microfinance in the Shadow of Geopolitics." During the conference, ASF representatives held meetings to strengthen existing partnerships and expand their professional network with organizations including Triple Jump, Enabling Qapital, Inpulse, Frankfurt School Financial Services, ResponsAbility, MCE Social Capital, Grameen Crédit Agricole, Blue Orchard, and others. They also took part in meetings and discussions focused on key strategic issues affecting the microfinance sector.


During 15–17 October 2025, ASF participated in the European Microfinance Network (EMN) Annual Conference, held in Cagliari, Italy, under the theme "Roadmap to Sustainability and Inclusive Development: Microfinance as a Catalyst for Building Stronger Local Communities." The conference brought together microfinance institutions, development organizations, and European partners, providing an important platform for exchanging best practices, innovative ideas, and approaches regarding the role of microfinance in promoting sustainable development, financial inclusion, and social innovation. ASF's participation in this conference reaffirmed the Institution's commitment to these strategic priorities. It also provided an opportunity for its representatives to share their experience in the field of microfinance, discuss the sector's current challenges, and strengthen cooperation with European institutions.

IT

IT Empowering Growth and Security
In 2025, the IT Department further strengthened its role as a key pillar in the Institution's digital transformation and long-term sustainability. With a strong focus on security, innovation, and user experience, significant progress was made in aligning documentation with the international ISO/IEC 27001:2022 standard, establishing a solid foundation for full implementation and the forthcoming certification process, while further enhancing regulatory compliance. Investments in cybersecurity and the implementation of a Security Information and Event Management (SIEM) solution significantly strengthened the Institution's resilience against cyber threats. At the same time, the transformation of the core banking system, Odoo ProBank, entered an advanced phase of testing and optimization, marking an important milestone toward a faster, more efficient, and user-oriented platform. The IT infrastructure was further enhanced to ensure maximum system availability and sustainable performance, supporting uninterrupted business operations. In parallel, innovation continued to be promoted through the adoption of new technologies and the continuous professional development of IT staff.

Investing in People and Expertise. As part of the Institution's ongoing efforts to strengthen professional capabilities and information security, members of the IT team successfully obtained key professional certifications, including CompTIA Security+ and Data Protection Officer (DPO). These achievements further enhanced the Institution's expertise in network and systems security, risk and incident management, while ensuring full compliance with GDPR requirements and reinforcing the protection of customer and employee data. Looking ahead, the IT Department also contributed to initiatives aimed at improving sustainability and energy efficiency, supporting the development of a secure, intelligent, and sustainable technology ecosystem.



SOCIAL PERFORMANCE

ASF measures, monitors, and continuously strives to improve its Social Performance indicators in accordance with internationally recognized standards for their measurement and reporting. Agro & Social Fund measures and reports its social performance indicators to all key stakeholders, including:

• Clients, who increasingly value the ethical standards and social impact of the institutions with which they engage and invest. Particularly during challenging periods, they seek to feel the Institution's presence, support, and commitment when they need it most.
• Shareholders, who expect social impact and environmental risks to be taken into account in investment decisions and seek assurance that, even during difficult periods, the Institution remains committed to its social mission.
• Communities in which ASF operates, which expect to understand the value the Institution creates for society, especially during extraordinary situations where the social responsibility of financial institutions becomes even more significant.
• Employees, who want to work for an organization that genuinely cares about the social and environmental impact of its operations and demonstrates a strong commitment to the physical and mental well-being of its staff, particularly during periods shaped by external challenges.
•Partners, who seek transparency regarding the social impact of projects implemented in cooperation with ASF and assurance that, even when operating under demanding conditions, the Institution continues to uphold its declared social principles and contractual commitments.
ASF operates in alignment with the United Nations Sustainable Development Goals (SDGs). Overall, the Institution's activities contribute, to varying degrees, to the achievement of thirteen Sustainable Development Goals (SDGs).

#1: No Poverty
#2: Zero Hunger
#3: Good Health and ell-Being
#4: Quality Education
#5: Gender Equality
#7: Affordable and Clean Energy
#8: Decent ork and Economic Groth
#9: Industry, Innovation, and Infrastructure
#10: Reduced Inequalities
#11: Sustainable Cities and Communities
#14: Life Belo ater
#15: Life on Land
#17: Partnerships for the Goals

INDEPENDENT AUDITOR'S REPORT

To the Shareholder and Management of Agro Social Fund Sh.a.

Opinion

We have audited the financial statements of Agro Social Fund Sh.a. ("the Company"), which comprise the statement of financial position as at December 31, 2025, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2025, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). 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 International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), together with the ethical requirements that are relevant to our audit of the financial statements in Albania, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

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 IFRSs, 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 Company'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 Company or cease operations, or has no realistic alternative but to do so.

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

Those charged with governance are also responsible for ensuring that management's financial reporting process is appropriate and effective.

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 misstatement, 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 it is not a guarantee that an audit conducted in accordance with ISAs 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.

As part of an audit in accordance with ISAs, 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 that 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 Company'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 audit evidence obtained, determine whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company'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 Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with Management and 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 Other Legal and Regulatory Requirements

The accompanying information as required by Law No. 25/2018 "On Accounting and Financial Statements", on the financial statements and this auditor's report is the responsibility of Management. Our responsibility is to express an opinion on the financial statements based on our audit. The accompanying information for the year ended 31 December 2024 is presented in the separate section and does not form part of the financial statements and this auditor's report. Our opinion on the financial statements does not cover the accompanying information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the accompanying information and, in doing so, consider whether the accompanying information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this accompanying information, we are required to report that fact. We have nothing to report in this regard.

Bujar Bendo
Statutory Auditor
RSM Albania
Tirana, 17 April 2025

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Social Impact

During the January–December 2025 period, ASF has:

Served 2,400 clients
Retained 7,070 jobs and created 143 new jobs
Improved the lives of 6,768 children
Financed 89 new businesses
Served 54% rural clients and 41% female clients
Served 574 young clients (aged 18–35)

Projects and Partners

Kiva – During 2025, USD 281,480.00 was financed through Kiva, supporting investments in Agriculture, Education, Healthcare, Women in Rural Areas, New Businesses, Young Entrepreneurs, and Vulnerable Communities.

Dorcas Aid International Albania – The project "PROMOTING ENTREPRENEURSHIP IN THE TROPOJË AND PUKË REGIONS THROUGH LENDING" was approved in September with the objective of providing a new fund to support the continued financing of families in these regions.

BALANCE SHEET

(Amounts in thousand ALL)	2025	2024
Assets		
Cash and Cash Equivalents	521,628	346,227
Loans and Advances to Customers	1,285,481	1,217,601
Property and Equipment	11,011	11,652
Right-of-Use Assets	86,426	49,044
Other Assets	16,843	13,551
Total Assets	1,921,389	1,638,075
Liabilities and Equity		
Liabilities	1,358,855	1,131,153
Borrowings	89,125	49,065
Lease Liabilities	17,195	27,435
Other Liabilities	1,465,175	1,207,653
Equity	400,000	289,375
Share Capital	1,290	-
Legal Reserve	29,132	110,166
Retained Earnings	25,792	30,881
Profit for the Year	456,214	430,422
Total Liabilities and Equity	1,921,389	1,638,075

STATEMENT OF PROFIT OR LOSS

(Amounts in thousand ALL)	2025	2024
Interest		
Interest Income	353,817	330,034
Interest Expense	-84,275	-64,275
Net Interest Income	269,542	265,759
Other Income/(Expenses)	7,733	2,715
Operating Expenses		
Depreciation and Amortization	-20,739	-20,376
Personnel Expenses	-151,174	-139,305
Loan Impairment Losses	-31,636	-23,042
Other Expenses	-45,819	-45,288
Net Foreign Exchange Gain/(Loss)	5,219	237
Total Operating Expenses	-244,149	-227,774
Profit/(Loss) Before Tax	33,126	40,700
Income Tax Expense	-7,334	-9,819
Profit/(Loss) for the Year	25,792	30,881
Other Comprehensive Income, Net of Tax	-	-
Total Comprehensive Income/(Loss) for the Year	25,792	30,881

STATEMENT OF CASH FLOWS

	2025	2024
(Amounts in thousand ALL)		
Cash Flows from Operating Activities		
Profit Before Tax	33,126	40,700
Adjustments for:		
Depreciation of Property and Equipment	3,418	2,800
Depreciation of Right-of-Use Assets	17,310	17,682
Loan Impairment Losses	31,636	23,042
Loss on Disposal of Property and Equipment	73	
Interest Income	-353,817	-330,034
Interest Expense	84,275	64,275
Changes in:		
Loans and Advances to Customers	-98,822	-143,254
Other Assets	-3,292	-6,812
Other Liabilities	-4,423	-2,430
	-290,517	-334,031
Interest Received	352,794	330,010
Interest Paid	-80,523	-58,403
Income Tax Paid	-10,485	-6,270
Net Cash Used in Operating Activities	-28,730	-68,695
Cash Flows from Investing Activities		
Proceeds from Disposal of Property and Equipment	80	
Purchase of Property and Equipment	-3,062	-2,943
Net Cash Used in Investing Activities	-2,982	-2,943
Cash Flows from Financing Activities		
Proceeds from Borrowings	1,047,570	1,443,617
Repayment of Borrowings	-820,923	-1,082,117
Repayment of Lease Liabilities	-19,534	-18,991
Net Cash from Financing Activities	207,113	342,509
Net Increase/(Decrease) in Cash and Cash Equivalents	175,402	270,871
Cash and Cash Equivalents at the Beginning of the Year	346,226	75,356
Cash and Cash Equivalents at the End of the Year	521,628	346,227

OUR PARTNERS

FONDATION GRAMEEN CRÉDIT AGRICOLE
Microfinance & Social Business

gruppo bancaetica

Inpulse

RSM

Raiffeisen Bank

swisscontact

EIF #BelieveInSmall

TIRANA BANK

otpbank


OUR SOCIAL NETWORKS
www.asf.al
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ASF- Agro Social Fund
ASF SHA