

FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT

FINCA KOSOVO

31 DECEMBER 2024

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors and Management of FINCA Kosovo

Opinion

We have audited the financial statements of Finca Kosovo ("the Organization"), which comprise the statement of financial position as at 31 December 2024, and the statement of surplus or deficit and other comprehensive income, statement of fund balance and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policies.

In our opinion, the accompanying financial statements of the Organization are prepared, in all material respects, in accordance with the Article 102, of the Law NO. 04/L-093, dated 11 May 2012, "Law on banks, microfinance institutions and non-bank financial institutions" as described in Note 2 to the financial statements, and rules and regulations of the Central Bank of the Republic of Kosovo.

Basis for Opinion

We conducted our audit in accordance with the 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 Organization in accordance with the International Ethics Standards Board for Accountants' 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 the Republic of Kosovo, 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.

Other matter

The financial statements of Finca Kosovo for the year ended 31 December 2023, were audited by another auditor who expressed an unmodified opinion on those financial statements on 29 March 2024.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance in accordance with Article 102, of the Law No. 04/L-093 "Law on banks, microfinance institutions and non-bank financial institutions" as detailed in Note 2 to the financial statements, 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 Organization'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 Bank or to cease operations, or has no realistic alternative but to do so.

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

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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 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 scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization'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, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Organization'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 Organization 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.

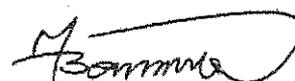
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

RSM Kosovo Sh.p.k.

RSM Kosovo Sh.p.k.

Prishtina, Republic of Kosovo

28 April 2025



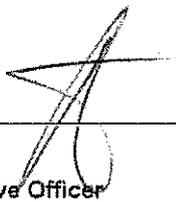
Sadik Berisha

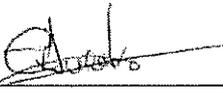
Statutory Auditor

FINCA Kosovo
Statement of Financial Position
As at December 31, 2024

	Note	As at December 31 2024 (in EUR)	As at December 31 2023 (in EUR)
ASSETS			
Cash and cash equivalents	6	8,320,066	3,519,559
Loans to customers	7	106,568,440	83,064,362
Prepayments and other assets	8	134,251	157,135
Intangible assets	9	281,970	392,686
Property and equipment	10	399,588	374,657
Right of use assets	11	2,101,462	1,832,549
Total assets		117,805,777	89,340,948
LIABILITIES			
Borrowings	12	78,850,357	56,163,331
Other liabilities	13	3,355,777	2,620,390
Lease liabilities	11	2,143,129	1,866,189
Total liabilities		84,349,263	60,649,910
FUND BALANCES			
Donated equity	14	4,656,887	4,656,887
Retained surplus		28,799,627	24,034,151
Total fund balances		33,456,514	28,691,038
Total liabilities and fund balances		117,805,777	89,340,948

Authorized for issue by the Board of Directors of FINCA Kosovo on 25 April 2025, and signed on their behalf from:


Ardian Kastrati
Chief Executive Officer


Endrit Duraku
Chief Financial Officer

The accompanying notes from 1 to 22 form an integral part of these financial statements.

FINCA Kosovo**Statement of Surplus or Deficit and Other Comprehensive Income**

For the year ended December 31, 2024

	Note	Year ended December 31, 2024 (in EUR)	Year ended December 31, 2023 (in EUR)
Interest income	15	17,664,727	14,319,881
Interest expense	15	(4,019,209)	(2,503,749)
Net interest income		13,645,518	11,816,132
Charge of credit losses on loans to customers	7	(1,129,282)	(951,163)
Net interest income after credit loss charge		12,516,236	10,864,969
Other operating income	16	759,704	671,594
Personnel expenses	17	(4,432,071)	(3,911,152)
General and administrative expenses	18	(3,503,410)	(3,125,361)
Depreciation and amortization expenses	9,10,11	(650,132)	(589,606)
Net other non-operating income	19	75,149	25,570
Surplus for the year		4,765,476	3,936,014
Other comprehensive income		-	-
Total comprehensive income for the year		4,765,476	3,936,014

The accompanying notes from 1 to 22 form an integral part of these financial statements

FINCA Kosovo**Statement of Fund Balances**

For the year ended December 31, 2024

	Donated equity	Retained surplus	Total Fund Balances
	(in EUR)	(in EUR)	(in EUR)
Balance at January 1, 2023	4,656,887	20,098,137	24,755,024
Surplus for the year	-	3,936,014	3,936,014
Other comprehensive income	-	-	-
Balance at December 31, 2023	4,656,887	24,034,151	28,691,038
Surplus for the year	-	4,765,476	4,765,476
Other comprehensive income	-	-	-
Balance at December 31, 2024	4,656,887	28,799,627	33,456,514

The accompanying notes from 1 to 22 form an integral part of these financial statements

FINCA Kosovo**Statement of Cash Flows**

For the year ended December 31, 2024

	Notes	2024	2023
Cash flows from operating activities			
Surplus for the year		4,765,476	3,936,014
<i>Adjustment for:</i>			
Depreciation and amortization	9,10,11	650,132	589,609
Charge/(Release) of credit losses on loans	7	1,129,282	951,163
Interest income	15	(17,664,727)	(14,319,881)
Interest expense	15	4,019,209	2,503,749
Net other non-operating income		-	(357)
Loss from forex transactions		135	(13,240)
Cash flow from operating activities before changes in operating assets and liabilities		(7,100,493)	(6,352,943)
Loans to customers, net of recoveries	7	(24,410,766)	(19,166,644)
Prepayments and other assets		(22,884)	385,778
Other liabilities	13	735,252	373,804
Interest received		17,430,446	14,113,466
Interest paid		(3,599,221)	(1,803,260)
Net cash flow used in operating activities		(16,967,666)	(12,449,799)
Cash flows from investing activities			
Purchase of property and equipment and intangible assets	9,10	(224,175)	(322,174)
Net cash used in investing activities		(224,175)	(322,174)
Cash flows from financing activities			
Proceeds from borrowings	12	40,625,828	23,500,000
Repayment of borrowings	12	(18,356,540)	(10,213,266)
Lease liabilities	11	(276,940)	(271,293)
Net cash flow generated from financing activities		21,992,348	13,015,441
Net increase in cash and cash equivalents		4,800,507	243,468
Cash and cash equivalents at the beginning of year		3,519,559	3,276,091
Cash and cash equivalents as at 31 December	6	8,320,066	3,519,559

The accompanying notes from 1 to 22 form an integral part of these financial statements