Annual Report for the year ended 31 December 2025

BRAC International Finance B.V.

Contents

Management Report

This management report is prepared voluntarily, and it is not required to meet the requirements of Article 391 of Title 9, Book 2 of the Dutch Civil Code.

BRAC International Finance B.V. (hereafter: 'BIFBV' or 'the Company') was set up in 2020 as a private limited liability company under the laws of the Netherlands and is a wholly owned subsidiary of BRAC International Holdings B.V. (hereafter: 'BIHBV'). The objective of the establishment of BIFBV was to secure reliable and consistent debt funding that would allow BIHBV to grow significantly in existing countries and expand into three new countries by 2026. As per the Growth for Impact Strategy 2019, BIHBV is expected to grow its client base by more than one million, the majority of whom will continue to be women living in poverty in rural and hard-to-reach areas.

The operations of BIFBV started in May 2022 when two investors, Global Partnerships and Proparco, worked closely with BIHBV and BIFBV to launch the debt programme and achieve a successful first issuance. In November 2024, BIFBV launched the second issuance with two new investors, the Belgian Investment Company for Developing Countries (BIO) and Ceniarth, who joined existing partners GP and Proparco.

The first series of the debt programme was linked to BIHBV's COVID-19 rebuilding efforts, making liquidity available to households living in poverty. BIFBV raised USD 40.7 million in Series 1 out of which USD 38.4 million was subsequently disbursed to the subsidiaries. The undrawn facility amount of Series 1 as of 31 December 2025 amounts to USD 2.3 million.

The second series of the debt programme focuses on strengthening the financial resilience of the African Microfinance Institutions of Brac International Microfinance. During the 2024 financial year, BIFBV raised external financing in the amount of USD 32.3 million under Series 2. All available amounts under the facility were fully drawn in 2025. Since Series 2 launch, out of USD 32.3 million raised financing, USD 12.3 million has been withdrawn by BIFBV and subsequently disbursed to the BIHBV Group entities (BRAC Liberia Microfinance Limited, BRAC Microfinance Sierra Leone Limited, BRAC Uganda Bank Limited), and the balance of USD 20 million was directly disbursed to the BIHBV Group entity, BRAC Tanzania Finance Limited. The latter one has been structured as direct external borrowing where BIFBV acts as a Facilitator.

Specifically in 2025, the withdrawal during the 2025 FY of Series 2 financing amounts to USD 23.3 million. Out of this USD 8.3 million has been withdrawn by BIFBV and subsequently disbursed to the BIHBV Group entities (BRAC Liberia Microfinance Limited, BRAC Microfinance Sierra Leone Limited and BRAC Uganda Bank Limited), and the balance of USD 15 million was directly disbursed to the BIHBV Group entity, BRAC Tanzania Finance Limited.

BIFBV follows the Code of Conduct set out by BIHBV, which is detailed in the BIHBV annual report. The Code of Conduct is mandatory for all staff. It includes HR policies and procedures applicable to the Company, including code of conduct on ethical behaviour, fraud management, and sexual harassment elimination in the organisation.

For the Management Board, BIFBV intends to maintain gender diversity in the future. Directors are selected and appointed based on their qualifications and professional experience.

The main risk that BIFBV faces is strategic, namely that BIFBV will not be able to raise funds in the future to support BIHBV's microfinance entities (sister companies of BIFBV). This risk would materialize as a result of an inability to pay amounts due on notes issued to investors (lenders), for example, if there was a failure of one or more of the BIHBV's microfinance entities funded by BIFBV or from operational failures of BIFBV itself, leading to a loss of reputation among investors.

The risk of failure of one or more of the BIHBV's microfinance entities is mitigated by close monitoring of the entities through reporting, regular visits, and coordination between BIFBV, BIHBV, and the microfinance entities' teams. BIFBV also maintains a cash reserve equivalent to one-quarter's worth of prospective interest payments due to investors in the notes. This enables BIFBV to still make interest payments to investors in the event there is a delay in receiving interest payments from the BIHBV microfinance entities. The amount has been fully funded by donors. In addition, BIFBV pursues proactive engagement with investors (lenders) to ensure they are fully apprised of any developments regarding the BIHBV microfinance entities.

BIFBV operational risk is mitigated through sound financial policy and internal control systems, and processes.

As borrowing from investors (lenders) and lending to BIHBV's microfinance entities is in USD, BIFBV does not face significant direct currency risk.

As a result of limited recourse and non-petition provisions in respect of BIFBV for investors (third-party lenders) in the notes (external borrowings), liquidity risk is largely mitigated for BIFBV.

Under the terms of the programme, BIHBV unconditionally and irrevocably guarantees particular amounts due by the Company in respect of debts received from external lenders.

As of 31 December 2025, the balance of the withdrawn facility under Series 1 amounts to USD 9 million (2024: USD 23.7 million). As of 31 December 2025, the amount guaranteed by the BIHBV to the third-party lenders is USD 2.3 million (2024: USD 4.9 million). The guaranteed amount is calculated as 100% of the loan receivable due from BRAC Rwanda Microfinance Company PLC and 15% of the loans outstanding to the other borrowers (i.e. BRAC Tanzania Finance Limited, BRAC Liberia Microfinance Limited, and BRAC Microfinance Sierra Leone Limited).

Under Series 2, BIHBV also provided a targeted guarantee to the third-party lenders. As of 31 December 2025, the withdrawn facility under Series 2 by BIFBV amounts USD 12.3 million (2024 USD 4 million), and the guaranteed amount by BIHBV is USD 1.75 million (25% of the outstanding loan balance due from the borrowers - BRAC Microfinance Sierra Leone limited and BRAC Liberia Microfinance limited).

The guarantees are provided by the parent company, BIHBV, and do not constitute an obligation or off-balance-sheet commitment of Company, as any payments under the guarantees would be made directly by the parent to the lenders.

Trading outlook

No new series is planned for 2026. BIFBV will continue to service existing debt as the parent is in the process of introducing direct borrowing facility in 2026. Under that facility BIHBV will raise debt in its own balance sheet and disburse to the subsidiaries without routing through BIFBV.

Governance

The Company adopted a one-tier governance structure. The Management Board, which is accountable to BIHBV in its capacity as shareholder.

Management Board’s responsibility statement

In the discharge of their duties, the Directors are guided by the interests of the Company and the business carried on by the Company.

The Management Board of the Company currently comprises of:

- Ms. Bridget Dougherty (Director) - appointed on 05 January 2021
- Mr. Abhijit Gupta (Director) - appointed on 26 January 2024

The Management Board is responsible for the preparation and fair presentation of the financial statements, comprising of the balance sheet as of 31 December 2025, the profit and loss account for the year then ended, and the notes to the financial statements.

The Management Board’s responsibility includes designing, implementing, and maintaining internal controls relevant to the preparation and fair presentation of these financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

The Management Board’s responsibility also includes maintaining adequate accounting records and an effective system of risk management.

The Company has open and constructive communication methods to inform all stakeholders on a regular and proactive basis.

Management has concluded that there are no events and conditions that may cast significant doubt on the Company’s ability to continue as a going concern. These financial statements of the Company have been prepared on the basis of the going concern assumption.

Signing-off by Management Board

The Management Board prepared the financial statements and recommended that the General Meeting of the shareholder adopt these financial statements.

The Hague, 30 April 2026

Ms. Bridget Dougherty

Mr. Abhijit Gupta

Balance sheet as at 31 December 2025

(before appropriation of results)

		2025		2024	
		USD	**USD**	USD	USD
Fixed assets					
Financial fixed assets					
Long-term loans receivable from related parties	*1*	13,304,443		13,074,797	
Contract costs		164,578		327,702	
			13,469,021		13,402,499
Current assets					
Receivables					
Current portion of loans receivable from related parties	*1*	8,070,247		14,650,433	
Other receivables	*2*	237,831		231,958	
Cash	*3*	2,830,666		2,346,216	
			11,138,744		17,228,607
			24,607,765		**30,631,106**
Shareholder's equity					
Issued and paid-up capital	*4*	400,100		400,100	
Other reserves	*4*	1,035,123		559,977	
Unappropriated result	*4*	519,381		475,146	
			1,954,604		**1,435,223**
Non-current liabilities	*5 and 6*		**13,470,185**		**13,402,499**
Current liabilities	*6*		**9,182,976**		**15,793,384**
			24,607,765		**30,631,106**

The notes on pages 8 to 21 are an integral part of these financial statements

Profit and loss account for the year ended 31 December 2025

		2025		2024	
		USD	USD	USD	USD
Interest income	*8*	2,607,644		2,638,511	
Interest expenses and similar charges	*9*	(2,267,305)		(2,446,119)	
Net interest income			**340,339**		**192,392**
Grant income	*10*	1,108,273		948,687	
Other operating income	*10*	47,165		69,010	
Total other operating income			**1,155,438**		**1,017,697**
Other operating expenses	*11,12,13*	(851,495)		(588,773)	
Total Operating Expenses			**(851,495)**		**(588,773)**
Profit before tax			**644,282**		**621,316**
Tax on result	*14*		**(124,901)**		**(146,170)**
Net profit			**519,381**		**475,146**

The notes on pages 8 to 21 are an integral part of these financial statements.

Notes to the 2025 financial statements

General

Reporting entity and relationship with parent company

BRAC International Finance B.V. ('the Company'), having its legal address in The Hague and its office address at Zuid Hollandlaan 7, 2596 AL, is a private limited liability company under Dutch law and is registered as a financial holdings company under number 81455518 in the Chamber of Commerce.

The Company is a wholly owned subsidiary of BRAC International Holdings B.V. ('BIHBV'), a financial holding company organized and existing under the laws of the Netherlands. BIHBV is a direct subsidiary of Stichting BRAC International, a foundation registered in the Netherlands that is ultimate parent.

Financial reporting period

These financial statements cover the year 2025, which ended on the balance sheet date of 31 December 2025. The comparatives consist of the year 2024, which ended as at 31 December 2024**.**

Basis of preparation

The financial statements have been prepared in accordance with Title 9, Book 2 of the Dutch Civil Code.

The accounting policies applied for the measurement of assets and liabilities and determination of results are based on the historical cost convention unless otherwise stated in further accounting principles.

Application of Section 396, Book 2 of the Netherlands Civil Code

The Company applies Section 396 of Book 2 of the Netherlands Civil Code as it qualifies as a "small entity". Especially, the Company has made use of the exemption under Article 396 (7) of the Netherlands Civil Code with respect to the preparation and inclusion of a management report as part of the financial statements and has not included a Directors' report as required by the Dutch Civil Code. The Management Board report has been prepared in free form and included to this annual report.

Going concern

The financial statements of the Company have been prepared on the basis of the going concern assumption.

Accounting policies for the measurement of assets and liabilities and the determination of the result

General

Assets and liabilities are measured at nominal value, unless otherwise stated in the further principles.

An asset is recognised in the balance sheet when it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the asset has a cost price or value of which the amount can be measured reliably. Assets that are not recognised in the balance sheet are considered as off-balance sheet assets.

A liability is recognised in the balance sheet when it is expected that the settlement of an existing obligation will result in an outflow of resources embodying economic benefits and the amount necessary to settle this obligation can be measured reliably. Provisions are included in the liabilities of the Company. Liabilities that are not recognised in the balance sheet are considered off-balance sheet liabilities.

An asset or liability that is recognised in the balance sheet, remains on the balance sheet if a transaction (with respect to the asset or liability) does not lead to a major change in the economic reality with respect to the asset or liability. Such transactions will not result in the recognition of results. When assessing whether there is a significant change in the economic circumstances, the economic benefits and risks that are likely to occur in practice are taken into account. The benefits and risks that are not reasonably expected to occur, are not taken into account in this assessment.

An asset or liability is no longer recognised in the balance sheet and thus derecognized, when a transaction results in all or substantially all rights to economic benefits and all or substantially all of the risks related to the asset or liability being transferred to a third party. Further, assets and liabilities are no longer recognised in the balance sheet if economic benefits are no longer probable and/or cannot be measured reliably anymore. In such cases, the results of the transaction are directly recognised in the profit and loss account, taking into account any provisions related to the transaction.

If assets are recognised of which the Company does not have the legal ownership, this fact is being disclosed.

Income is recognised in the profit and loss account when an increase in future economic potential related to an increase in an asset or a decrease of a liability has arisen, the size of which can be measured reliably. Expenses are recognised when a decrease in the economic potential related to a decrease in an asset or an increase of a liability has arisen, the size of which can be measured with sufficient reliability.

Revenues and expenses are allocated to the respective period to which they relate. Revenues are recognised when the Company has provided the services to the customer based upon the finance agreements.

Functional and presentation currency

The financial statements are presented in United States Dollars (USD), which is the Company's functional currency.

Use of estimates and judgments

The preparation of financial statements in conformity with the Dutch Civil Code requires management to make judgments, estimates, and assumptions that affect the application of policies and the reported amounts of assets and liabilities, income, and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgments about carrying values of assets and liabilities that are not apparent from other sources.

Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

Principles for the translation of foreign currency

Transactions in foreign currencies

At initial recognition, transactions denominated in foreign currency are translated into the functional currency at the exchange rate applying on the transaction date.

Monetary assets and liabilities denominated in foreign currency are translated at the balance sheet date into the functional currency at the exchange rate applying on that date. Exchange differences resulting from the settlement of monetary items or resulting from the translation of monetary items denominated in foreign currency, are recognised in the profit and loss account in the period in which the exchange difference arises.

Non-monetary assets and liabilities denominated in foreign currencies that are stated at historical cost, are translated into the functional currency at the exchange rates applying on the transaction date.

Non-monetary assets and liabilities denominated in foreign currencies that are stated at current value, are converted into the functional currency at the exchange rate at the time when the actual current value was determined. Exchange rate differences that arise from this translation are directly recognised in equity as part of the revaluation reserve.

Financial instruments

Financial instruments include trade and other receivables, cash items, loans, and other financing commitments, trade payables, and other amounts payable. These financial statements contain the following financial instruments: loans receivable, borrowings, other receivables and other financial liabilities.

Financial assets and liabilities are recognised in the balance sheet at the moment that the contractual risks or rewards with respect to that financial instrument originate.

Financial instruments are derecognized if a transaction results in a considerate part of the contractual risks or rewards with respect to that financial instrument being transferred to a third party.

Financial instruments (and individual components of financial instruments) are presented in the financial statements in accordance with the economic substance of the contractual terms. Presentation of the financial instruments is based on the individual components of financial instruments as a financial asset, financial liability, or equity instrument.

Financial instruments are initially measured at fair value, including discount or premium and directly attributable transaction costs. However, if financial instruments are subsequently measured at fair value through profit and loss, then directly attributable transaction costs are directly recognised in the profit and loss account at the initial recognition.

After initial recognition, financial instruments are valued in the manner described below.

Loans receivable from related parties and other receivables

Loans granted to the related parties and other receivables are carried at amortized cost based on the effective interest method, less impairment losses. The effective interest and impairment losses, if any, are directly recognised in the profit and loss account.

A financial asset, that is measured at amortised cost, is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset, with a negative impact on the estimated future cash flows of that asset, which can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset’s original effective interest rate.

Impairment losses are recognised in the profit and loss account and reflected in an allowance account against loans and receivables. Interest on the impaired asset continues to be recognised by using the asset's original effective interest rate.

Assets that are expected to mature within the next year, are presented under current assets.

Borrowings and other financial commitments

Borrowings that are presented as non-current and current liabilities, and other financial commitments are measured after their initial recognition at amortised cost on the basis of the effective interest rate method. The effective interest is directly recorded in the profit and loss account.

Redemption payments regarding non-current liabilities that are due next year are presented under current liabilities.

Offsetting financial instruments

A financial asset and a financial liability are offset when the entity has a legally enforceable right to set off the financial asset and financial liability and the Company has the firm intention to settle the balance on a net basis or to settle the asset and the liability simultaneously.

If there is a transfer of a financial asset that does not qualify for derecognition in the balance sheet, the transferred asset and the associated liability are not offset.

Cash

Cash includes cash on hand, positive balances on bank and giro accounts, bills of exchange and cheques. Deposits for a limited term that are available on demand, possibly with the sacrifice of interest income, are presented under cash.

Cash is stated at nominal value. If cash is not readily available, this fact is taken into account in the measurement.

Cash denominated in foreign currencies are translated at the balance sheet date in the functional currency at the exchange rate ruling at that date. Reference is made to the accounting policies for foreign currencies.

Shareholder’s equity

Financial instruments that are designated as equity instruments by virtue of the economic reality are presented under shareholder’s equity. Payments to holders of these instruments are deducted from the shareholder’s equity as part of the profit distribution.

Financial instruments that are designated as a financial liability by virtue of the economic reality are presented under liabilities. Interest, dividends, income, and expenditure with respect to these financial instruments are recognised in the profit and loss as financial income or expense.

Interest income and interest expenses and similar charges

Interest income is recognised in the profit and loss account on an accrual basis, using the effective interest rate method. Interest expenses and similar charges are recognised in the period to which they belong.

The allocation of transaction costs and the interest income on the loan is the effective interest rate that is recognised in the profit and loss account. On the balance sheet, the amortised value of the debt is recognised (on balance).

The amounts of the transaction costs that are not yet recognised in the profit and loss account are recognised as a reduction of the debt(s) to which they relate.

Donor grants and grant income

All donor grants received are initially recognised as grants received in advance at fair value and recorded as liabilities.

Donor grants are recognised if there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as grant income over the period necessary to match the grant on a systematic basis to the costs that it is intended to compensate for. When the grant relates to an asset, it is recognised as deferred income and released to income in equal amounts over the expected useful life of the related asset.

Other operating expenses

This includes costs incurred in order to generate operating income, insofar as these costs have been charged by third parties and are not to be regarded as costs of raw materials and consumables.

Corporate income tax

Corporate income tax comprises the current and deferred corporate income tax payable and deductible for the reporting period. Corporate income tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly to equity, in which case it is recognised in equity.

Current tax comprises the expected tax payable or recoverable on the taxable profit or loss for the financial year, calculated using tax rates enacted or substantively enacted at the reporting date, and any adjustments to tax payable in respect of previous years.

Related party transactions

Transactions with related parties (Note 1 and Note 2) are disclosed if they have not been entered into at arm's length. Disclosed are the nature and amounts involved with such transactions, and other information that is deemed necessary for an insight into the transactions.

Related parties comprise directors and shareholder(s) of BRAC International Finance B.V. (including related BRAC entities) and key management personnel of the Company and companies with common ownership and/or directors.

Contingent liabilities

The Company discloses a contingent liability where it has a possible obligation from past events, the existence of which will be confirmed only by the occurrence of one or more uncertain events not wholly within the control of the Company, or it is not probable that an outflow of resources will be required to settle the obligation, or the amount of the obligation cannot be measured with sufficient reliability. There were no contingent liabilities as at 31 December 2025.

Subsequent events

Events that provide further information on the actual situation at the balance sheet date and that appear before the financial statements are being prepared, are recognised in the financial statements.

Events that provide no information on the actual situation at the balance sheet date are not recognised in the financial statements. When those events are relevant to the economic decisions of users of the financial statements, the nature and the estimated financial effects of the events are disclosed in the financial statements.

1 Loans receivable from related parties

	2025 USD	2024 USD
Long-term loans receivable from related parties	13,304,443	13,074,797
Current portion of loans receivable from related parties	8,070,247	14,650,433
	21,374,690	**27,725,230**

The movement of the loans receivable from related parties during the year was as follows:

	2025 USD	2024 USD
Opening balance at 1 January	27,750,887	34,385,348
New Disbursements	8,300,000	4,000,000
Loan Repayments	(14,650,540)	(10,659,600)
Interest income accrued (Note 8)	2,064,130	2,300,712
Interest income received	(2,082,437)	(2,275,572)
	21,382,040	**27,750,887**
Interest receivable (Note 2)	(7,350)	(25,657)
Closing balance at 31 December	**21,374,690**	**27,725,230**

Loans receivable as at 31 December, including Interest income receivable (note 2), can be further disclosed as follows:

	2025 USD	2024 USD
Tanzania	4,538,895	16,217,486
Liberia	5,503,489	5,517,132
Uganda	5,302,341	-
Sierra Leone	4,969,880	4,416,944
Rwanda	1,067,435	1,599,325
	21,382,040	**27,750,887**

Loans have a term of 4 years with a 1-year grace period, and an interest rate of 6.85% - 8.10%.

At each reporting date, the Company performs a regular annual impairment test of its financial assets measured at amortized cost to determine whether there is any indication of impairment. No impairment triggers have been identified as of 31 December 2025 (2024: none).

2 Other receivables

	2025 USD	2024 USD
Current portion of Contract costs	163,123	159,998
Donor Grants receivable	10,703	19,858
Interest receivable from related parties (note 1)	7,350	25,657
Management fee receivable from related parties	3,032	13,307
VAT & Tax receivable	51,531	12,132
Other Receivables	2,093	1,007
	237,831	**231,959**

Contract costs denote expenses borne by BIFBV to facilitate the loan contract for the BRAC Tanzania entity under Series 2. The amortizable expenses within 1 year are presented as short-term.
All receivables are with a maturity within 1 year. There are no accounts receivable from shareholders as of 31 December 2025 (2024: nil).

3 Cash

	2025 USD	2024 USD
Cash at bank	2,830,666	2,346,216
	2,830,666	**2,346,216**

The cash balance includes an 'Issuer Reserve' in amount of USD 721,986. It is classified as restricted cash as it can be utilized by the Company solely to make an interest payment to prevent a default in the payment of interest to the lenders. The remaining balance is available on demand.

4 Shareholder's equity

	Issued capital	Other reserve	Unappropriated result	Total
	USD	USD	USD	USD
Balance as at 1 January 2024	**400,100**	**128,597**	**431,380**	**960,077**
Changes during 2024				
Appropriation of prior year result	-	431,380	(431,380)	-
Result for the year	-	-	475,146	475,146
Balance as at 31 December 2024	**400,100**	**559,977**	**475,146**	**1,435,223**
Balance as at 1 January 2025	**400,100**	**559,977**	**475,146**	**1,435,223**
Changes during 2025				
Appropriation of prior year result	-	475,146	(475,146)	-
Result for the year	-		519,381	519,381
Balance as at 31 December 2025	**400,100**	**1,035,123**	**519,381**	**1,954,604**

Issued capital

The Company's authorized capital, amounting to USD 400,100 (2024: USD 400,100), consists of 400,100 ordinary shares of USD 1 each. The issued and paid up capital amounts to USD 400,100 thousand and consists of 400,100 ordinary shares with a nominal value of USD 1 each.

Undistributed result

The result for the year (2025) is included in the item undistributed result within equity.

Appropriation of profit of 2024

The financial statements for the reporting year 2024 have been adopted by the General Meeting on 14 May 2025. The General Meeting has adopted the appropriation of profit after tax for the reporting year 2024 as proposed by the Board of Management to other reserves.

Proposal for profit appropriation 2025

The Management Board proposes to the General Meeting to appropriate the undistributed result in amount of USD 519,381 to the Other reserve.

5 Non-current liabilities

Non-current liabilities are presented by the borrowings obtained from the external parties (investors) amounting to USD 13,173,944 (2024: USD 12,812,636) and deferred grant income amounting to USD 296,241 (2024: USD 589,863).

The borrowings are measured at amortized costs, considering the transaction costs. Cash repayments to the lenders that are due within 12 months after 31 December 2025 amount to USD 8,070,247 (2024: USD 14,650,433) and are presented under current liabilities. The long-term borrowings have a maturity of more than one to four years.

	2025 **USD**	**2024** **USD**
Borrowings	21,374,690	27,725,230
Less: Transaction costs	(262,162)	(519,375)
	21,112,528	**27,205,855**
Current portion of the borrowings	7,938,584	14,393,219
Long-term borrowings	13,173,944	12,812,636
	21,112,528	**27,205,855**

The movement of the borrowings during the year is presented below:

	2025 **USD**	**2024** **USD**
Opening balance at 1 January	27,725,230	34,384,830
Drawdowns	8,300,000	4,000,000
Repayments	(14,650,540)	(10,659,600)
Closing balance at 31 December	**21,374,690**	**27,725,230**

6 Current liabilities

	2025 USD	2024 USD
Current portion of borrowings (Note 5)	7,938,584	14,393,219
Deferred grant	293,622	417,212
Accruals	91,726	73,126
Corporate income tax payable	-	38,421
Payables due to related parties	131,317	315,751
Interest payable on borrowings	5,741	22,209
Issuer reserve	721,986	533,446
	9,182,976	**15,793,384**

The deferred grant income amounts to USD 589,863 as of 31 December 2025 (2024: USD 1,007,075). The deferred income in amount of USD 293,622 is expected to be released within a year as from 31 December 2025 and presented as current liabilities (2024: USD 417,212). The deferred income in amount of USD 296,241 (2024: USD 589,863) will be released after a year and therefore presented as non-current liabilities.

Payables due to related parties include payable due to the shareholder, BIHBV, in amount of USD 131,059 (2024: USD 292,144) that has been accounted for against expenses borne on behalf of the Company.

7 Financial Instruments

Basic Principles

The Company's activities expose it to a variety of financial risks: market risks (primarily interest rate risks), credit risks, and liquidity risks. Management identifies, evaluates, and hedges financial risks, where appropriate.

Interest rate risk

Interest rate risks result from changes in interest rates, which could have a negative impact on the Company's financial position, cash flow, and earnings situation.

Interest rate developments are closely monitored by management. Interest rate risk is limited through the issuance of fixed-interest long-term notes (see Note 5) which are issued back-to-back with loans receivables to related companies at fixed rates. The conditions of the loan receivables from related parties (see Note 1) are aligned with the condition of the long-term borrowings. A change in the market rate of interest would therefore alter neither annual financial expenses nor shareholder's equity materially.

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's loans receivable from related parties.

Credit risks arise from the possibility that the counterparty to a transaction may not be able or willing to discharge its obligations, thereby causing the Company to suffer a financial loss. Counterparty risks are minimized by only concluding contracts with related party entities, namely BIHBV Group entities that provide microfinancing.

Credit risk is further mitigated through robust financial covenants to monitor the quality of microfinance entity operations and their performance, and to trigger early warnings of potential default.

The maximum amount of credit risk that the entity incurs is USD 24,607,765 (2024: USD 30,631,106) consisting of loans and receivables from related parties. The highest receivable in amount of USD 5,302,636 is from Brac Uganda Bank Limited (2024: USD 16,226,876 is from Brac Tanzania Finance Limited).

Currency risk

Financial assets of BIFBV are not directly exposed to currency risk as external borrowings and loans issued to related parties are nominated in USD.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's objective when managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Liquidity risk refers to the risk of the Company no longer being able to meet its financial obligations in full. Prudent liquidity management includes maintaining sufficient cash and cash equivalents and securing the availability of liquidity reserves which can be called upon at short notice. Management monitors the Company's liquidity reserve based on expected cash flows.

Furthermore, under the terms of the external borrowings, there are limited recourse and non-petition provisions in respect of BIFBV itself. This minimizes the liquidity risk to BIFBV in the event that it is unable to make payments under the borrowings as a result of not receiving corresponding payments from the microfinance entities. BIHBV issued the guarantee to the external lenders. The guaranteed amount as of 31 December 2025 is equal to USD 4.0 million (2024: USD 5.9 million).

Finally, the Company maintains a liquidity reserve ('Issuer Reserve' (refer to Note 6) equivalent to one full quarter of prospective interest due to investors to ensure interest payments can still be made to investors in case of any delay in receiving interest payments from the microfinance entities.

8 Interest income

The interest income is accounted for by the effective interest rate method and amounts to USD 2,607,644 for the 2025 reporting year (2024: USD 2,638,511).The transactions have been incurred at arm's length basis.

	2025	2024
	USD	USD
Interest income on loans from related parties	2,064,130	2,300,712
Management fee on loans from related parties	543,514	337,799
	2,607,644	**2,638,511**

The breakdown of interest income by country is as follows:

	2025	2024
	USD	USD
Tanzania	1,236,474	1,732,412
Liberia	548,375	350,012
Rwanda	114,182	295,996
Uganda	221,363	-
Sierra Leone	487,250	260,091
	2,607,644	**2,638,511**

9 Interest expenses and similar charges

	2025	2024
	USD	USD
Interest expense on borrowings (nominal)	1,850,093	2,030,870
Foreign exchange loss	-	10,600
Amortization of transaction costs on borrowings	417,212	404,649
	2,267,305	**2,446,119**

10 Grant Income

	2025	2024
	USD	USD
Grant income	**1,108,273**	**948,687**

Grant funds are provided by the Mastercard Foundation to cover the operating expenses and the costs to obtain the financing from the external lenders. The costs that are classified for the reimbursement by grant includes legal and advisory fees, staff salaries, training, travel and management costs. The grants received in advance are released to the profit and loss account as Grant income in line with the related costs. Grants received in relation to the transaction costs are deferred and released to the profit and loss account in line with the amortization of related costs.

Grant funds are required to be utilised in accordance with the approved budget agreed with the donor. The recipient is obligated to submit periodic reports in line with the grant agreement. In the event that the terms and conditions of the grant are not complied with, the donor may require repayment of the grant funds.

11 Other operating expenses

	2025 USD	2024 USD
Remuneration of outsourced work	390,470	357,860
Professional and consultancy fees	352,341	156,875
Audit fees	82,477	45,342
Office rent and utilities	11,794	10,117
Travel and transportation costs	6,938	7,332
Software maintenance costs	1,048	7,525
Bank Charges	4,070	2,687
Maintenance and general expenses	2,357	1,035
	851,495	**588,773**

Remuneration of outsourced work includes a portion of two directors' time, as well as two full-time staffs. All four are employed by BIHBV and therefore the Company itself is not liable to pay social security charges and pension charges.

12 Employee benefits and number of employees

There are no direct employees of the Company. There are therefore no wages and salaries, social security, and pension charges relating to employees of the Company. Staff consists of a portion of two directors' time, as well as one full-time manager and an associate all of whom are employed by BIHBV. Refer to Note 11 for details of remuneration relating to this outsourced work.

13 Auditor’s fees

The following fees were charged by KPMG Accountants N.V. to the Company, as referred to in Section 2:382a(1) and (2) of the Dutch Civil Code.

	KPMG Accountants N.V. USD	Other KPMG Network USD	Total USD
2025			
Audit of the financial statements	55,013	-	55,013
Tax-related advisory services	-	23,579	23,579
Other non-audit services	-	-	-
	55,013	**23,579**	**78,592**

2024			
Audit of the financial statements	45,342	-	45,342
Tax-related advisory services	-	40,691	40,691
Other non-audit services	-	-	
	45,342	**40,691**	**86,033**

The fees mentioned in the table for the audit of the financial statements 2025 (2024) relate to the total fees for the audit of the financial statements 2025 (2024), irrespective of whether the activities have been performed during the financial year 2025 (2024).

14 Tax on the result

The applicable statutory tax rate in 2025 and 2024 is 19% over the first €200,000 and 25.8% over the excess. The effective tax rate for the Company is 19.39% (2024: 23.53%).

	2025		**2024**	
	USD	**%**	**USD**	**%**
Result before tax	644,282		621,316	
Income tax using the applicable tax rate in the Netherlands	124,901	19.39%	146,170	23.53%
Tax expense	124,901	19.39%	146,170	23.53%

15 Remuneration of the Management Board

The emoluments, as referred to in Section 2:383(1) of the Dutch Civil Code, charged in the financial year to the Company amounted to USD 239,861 (2024: USD 207,154) for the two directors.

16 Subsequent Events

Since late February 2026, a military conflict has been ongoing between the US/Israel and Iran. The conflict has disrupted global oil and liquefied natural gas supply routes, particularly closure of the Strait of Hormuz, through which roughly 20% of global oil supply transits. This has driven an increase in crude price with a potential further spike. As a result, fuel costs have increased for Company's borrowers, bringing risks of recession, currency devaluation and higher inflation. The medium and long-term impacts remain unclear as of now.

The Hague, 30 April 2026

The Management Board of BRAC International Finance B.V.

Ms. Bridget Dougherty

Mr. Abhijit Gupta

Other information

Provisions in the Articles of Association governing the appropriation of profit.

In accordance with the Company’s Articles of Association, the profit is at the disposal of the General Meeting of Shareholders, who have the right to appropriate the profits reported in the adopted financial statements.

The Company can only make payments to the shareholder and other parties entitled to the distributable profit insofar as the shareholder’s equity exceeds the paid-up and called-up part of the capital plus the statutory reserves and exceeds the amounts resulting from the distribution test, performed by management at the date of each dividend payment.

Independent auditor’s report

The independent auditor’s report is set forth on the following pages.

Independent auditor's report

To: the General Meeting and the Management Board of BRAC International Finance B.V.

Report on the audit of the financial statements included in the annual report

Our opinion

We have audited the financial statements for the year ended 31 December 2025 of BRAC International Finance B.V., based in The Hague.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of BRAC International Finance B.V. as at 31 December 2025 and of its result for the year ended 31 December 2025 in accordance with Part 9 of Book 2 of the Dutch Civil Code.

The financial statements comprise:

1. the balance sheet as at 31 December 2025;
2. the profit and loss account for the year ended 31 December 2025; and
3. the notes comprising a summary of the accounting policies and other explanatory information.

Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the 'Our responsibilities for the audit of the financial statements' section of our report.

We are independent of BRAC International Finance B.V. in accordance with the 'Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten' (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore, we have complied with the 'Verordening gedrags- en beroepsregels accountants' (VGBA, Dutch Code of Ethics).

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Report on the other information included in the annual report

In addition to the financial statements and our auditor’s report thereon, the annual report contains other information.

Based on the following procedures performed, we conclude that the other information is consistent with the financial statements and does not contain material misstatements.

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing these procedures, we comply with the requirements of the Dutch Standard 720. The scope of the procedures performed is less than the scope of those performed in our audit of the financial statements.

The Management Board is responsible for the preparation of the other information.

Description of the responsibilities for the financial statements

Responsibilities of the Management Board for the financial statements

The Management Board is responsible for the preparation and fair presentation of the financial statements in accordance with Part 9 of Book 2 of the Dutch Civil Code. Furthermore, the Management Board is responsible for such internal control as the Management Board determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, the Management Board is responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting framework mentioned, the Management Board should prepare the financial statements using the going concern basis of accounting unless the Management Board either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. The Management Board should disclose events and circumstances that may cast significant doubt on the Company's ability to continue as a going concern in the financial statements.

Our responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not have detected all material errors and fraud during our audit.

Misstatements can arise from fraud or errors 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 the financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgement and have maintained professional scepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit included among others:

- identifying and assessing the risks of material misstatement of the financial statements, whether due to errors or fraud, designing and performing audit procedures responsive to those risks, and obtaining 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 errors, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtaining 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;
- evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management Board;

- concluding 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 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 ceasing to continue as a going concern;
- evaluating the overall presentation, structure and content of the financial statements, including the disclosures; and
- evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Amstelveen, 30 April 2026

KPMG Accountants N.V.

L.M.A. van Opzeeland RA