BRAC LIBERIA MICROFINANCE COMPANY LIMITED

Independent Auditor's Report and Financial Statements
For the year ended December 31, 2025

Contents **Page**

CORPORATE INFORMATION

Board of Directors	:	Ms. Bridget Dougherty	-	Chairperson
		Mr. Johannes Maria Antonius Eskes	-	Director
		Mr. Tapan Kumar Karmaker	-	Director
		Ms. Anna M. Mutta	-	Director
Chief Executive Officer	:	Mr. Dyson Ziviso Mandivenga		
Registered Office	:	Divine Town, Old Road Monrovia		
Bankers	:	**Ecobank Liberia Limited** 11th Street, Sinkor, Monrovia **International Bank (Liberia) Limited** 12th Street, Sinkor, Monrovia **The Liberian Bank for Development and Investment** 9th Street, Sinkor, Monrovia **Guaranty Trust Bank** 13th Street, Sinkor, Monrovia **Access Bank Liberia Limited** 20th Street, Sinkor, Monrovia **United Bank of Africa** Broad & Nelson Sts., Monrovia **Afriland First Bank Liberia** Head Office P.O. Box 1935 1000 Monrovia 10, Liberia		
Auditors	:	**Baker Tilly Liberia** ***(Certified Public Accountants)*** 21st Street & Gibson Avenue Fiamah, Sinkor Monrovia		
Legal Counsel	:	**Henries Law Firm** 31 Benson Street Monrovia, Liberia		

Report of the Board of Directors

The Board of Directors presents its report and the audited financial statements for the year ended December 31, 2025

The Board of Directors' Responsibility Statement

The Company's Board of Directors is responsible for the preparation and fair presentation of the financial statements, comprising the statement of financial position as at December 31, 2025, the statement of profit and loss and other comprehensive income, the statement of changes in equity and statement of cash flows for the year then ended, and the notes to the financial statements. The notes to the financial statements include a summary of Material accounting policy information and other explanatory notes, in accordance with IFRS® Accounting Standards, the Disclosure Guidelines for Financial Reporting by Microfinance Institutions, the Prudential Regulations for Microfinance Institutions issued by the Central Bank of Liberia, and the requirements of Title 5 of the Associations Law of Liberia. The Disclosure Guidelines for Financial Reporting by Microfinance Institutions are voluntary norms recommended by a consultative group of international donors, including the Consultative Group to Assist the Poor (CGAP) and the members of the Small Enterprise Education and Promotion Network (SEP).

The Directors' responsibilities include designing, implementing, and maintaining internal controls relevant to the preparation and fair presentation of 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 Directors are also responsible for maintaining adequate accounting records and an effective system of risk management.

The Directors have assessed the Company's ability to continue as a going concern and have no reason to believe the Company will not be a going concern in the foreseeable future.

Principal Activities

The Company's principal activities continue to be the provision of micro-finance to low-income and economically active members of Liberian communities who manage small and micro businesses and are interested in credit financing to expand and improve their activities.

Results

The results for the year and the state of the Company's affairs are shown in the attached financial statements.

Approval of the financial statements

The Board approved the financial statements on March 26, 2026.

Report of the Board of Directors *(continued)*

Going concern

The financial statements have been prepared on the going concern basis of accounting, which assumes that the Company can, and will, continue to exist as a going concern, and that the assets will be realized in the normal course of the Company's business for at least the values contained in the financial statements. The Company will continue to meet its obligations in the normal conduct of its business.

Board members

The following members served during the year:

Ms. Bridget Dougherty	-	Chairperson
Mr. Johannes Maria Antonius Eskes	-	Member
Mr. Tapan Kumar Karmaker	-	Member
Ms. Anna M. Mutta *****	-	Member (Appointed April 29, 2025)
Mr. Dyson Ziviso Mandivenga	-	Chief Executive Officer (Ex officio member)

*****Approved by the Central Bank of Liberia (CBL) on August 5, 2025.

Auditors

Baker Tilly Liberia, the auditors, have indicated their availability to continue as auditors of the Company for the financial year 2026.

Signed for, and on behalf of, the Board of Directors:

Dyson Ziviso Mandivenga
Chief Executive Officer
BRAC Liberia Microfinance Company Limited

Board Member,
BRAC Liberia Microfinance Company Limited

Bridget Dougherty
Board Member,
BRAC Liberia Microfinance Company Limited

21st Street & Gibson Avenue
Fiamah, Sinkor
P.O. Box 10-0011
1000 Monrovia 10,beria

T: +231 (0) 886 514 965
F: + 1 905 469 0986

info@bakertillyliberia.com
www.bakertillyliberia.com

To: The Members of BRAC Liberia Microfinance Company Limited

Independent Auditor’s Report

Opinion

We have audited the financial statements of BRAC Liberia Microfinance Company Limited ("BRAC" or "the Company"), which comprise the statement of financial position as at December 31, 2025, and the statement of profit and loss and other 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 BRAC Liberia Microfinance Company Limited as at December 31, 2025, and of its financial performance and its cash flows for the year then ended in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board (IASB), the Disclosure Guidelines for financial reporting by Microfinance Institutions, the Prudential Regulations for financial institutions issued by the Central Bank of Liberia (“CBL”), and in the manner required by Title 5 of the Associations Law of Liberia.

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 Company in accordance with ethical requirements that are relevant to our audit of the financial statements in Liberia, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matter(s)

Key audit matters are those matters that, in the auditor's professional judgment, were of most significance in the audit of the financial statements of the current period. These matters were addressed in the context of the audit of the financial statements, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter(s)	How the matter was addressed in our audit
Impairment of loans and advances The impairment of loans and advances to customers is considered significant in the audit due to the level of subjectivity inherent in estimating loan loss provisions. The Company's provision for losses on financial assets is calculated using the expected credit loss (ECL) model rather than the incurred loss model. The determination of provisions for credit losses using the ECL approach requires complex financial quantitative models as well as qualitative data, the latter of which employs a significant amount of management judgment. Impairment allowance on loan facilities that have shown a significant increase in credit risk is based on the Company's estimate of losses expected to result from default events over the lives of the facilities. Impairment allowance on other facilities that have not shown a significant increase in credit risks is recognized based on an estimate of losses expected as a result of default events within 12 months after the reporting date. These estimates are also an output of models which includes the evaluation of past-due information. The Company incorporates forward-looking information into both the assessment of whether credit risks have increased significantly and in the measurement of ECL. Management has used significant judgment in the classification of loans into stages, as well as in estimating the key assumptions applied to the recoverability of loan balances. See Notes 8 & 13 to the financial statements for further information.	We assessed the design and implementation as well as the operating effectiveness of controls over the Company's procedures used in the classification of loan assets. Key controls evaluated include management's review of input data and use of forward-looking macroeconomic data. We performed procedures to assess the reliability of qualitative factors used by management in the determination of loan asset stage classification. We documented management's judgment criteria and assessed the validity of management's judgment criteria to underlying supporting information. We performed substantive tests of details in assessing key data and assumptions for data input into the ECL model used by the Company. Our procedures included the following: • We challenged the reasonableness of the Company's ECL methodology by considering whether it reflects unbiased and probability-weighted amounts that are determined by evaluation of a range of possible outcomes, the time value of money, and reasonable and supportable information as at the reporting date about past events, current conditions and forecasts of future economic conditions. Information considered includes historical credit default rates, foreign exchange rates, and Gross Domestic Product growth rates. • We evaluated the appropriateness of management's basis used in the determination of exposure at default, including the contractual cash flows, outstanding loan balances, loan repayment types, loan tenor, and effective interest rates.

Key audit matter(s)	How the matter was addressed in our audit
	• For the probability of default, we tested the reasonableness of assumptions and the methodology used in determining the probability. • We tested the reasonableness of the estimation of loss-given defaults, which includes an assessment of haircut adjustments. • We re-performed the calculation of impairment allowance for loans and advances using the Company's impairment model and reviewed IFRS® 9 disclosures for reasonableness.
Related party balances and transactions The Company has large volumes of transactions with related parties in the normal course of business. Related party balances and transactions are assessed as a key audit matter, as the large volume of transactions increases the potential risk of misstatements. Additionally, the Company entered into agreements with related parties that were quite complex and that involved material balances in the financial statements. Refer to Notes 18 and 22 of the financial statements for further information. Refer to Notes 18, 19.06, and 19.07 in the financial statements for further information	The Company has large volumes of transactions with related parties in the normal course of business. Related party balances and transactions are assessed as a key audit matter, as the large volume of transactions increases the potential risk of misstatements. Additionally, the Company entered into agreements with related parties that were quite complex and that involved material balances in the financial statements. Refer to Notes 18 and 22 of the financial statements for further information. We performed the following procedures: • Determined if the related party balances and transactions that existed or occurred were accurate and complete. • Evaluated the business rationale of significant transactions including any non-routine transactions. • Obtained direct confirmations of the related party balances and/or performed alternate procedures; and • Determined that the disclosures in the financial statements relating to related parties were in accordance with IFRS® Accounting Standards.

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 IFRS® Accounting Standards, the Disclosure Guidelines for financial reporting by Microfinance Institutions, the Prudential Regulations for Microfinance issued by the Central Bank of Liberia, and the requirements of Title 5 of the Associations Law of Liberia; and for such controls as management determines 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 to 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.

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 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 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 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, 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 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are, therefore, the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

In accordance with the provisions of the Association's Law Title 5 of the Liberian Code of Laws Revised, we also report that:

I. We have obtained all the information and explanations which, to the best of our knowledge and belief, were required for the purposes of our audit; and,
II. The Company's statement of financial position is properly drawn up so as to exhibit a true and fair view of the state of the Company's affairs according to the best of the information and the explanations given to us and as shown by the books of the Company.

Baker Tilly Liberia

(Certified Public Accountants)
Monrovia
March 26, 2026

Statement of financial position

As of December 31, 2025

Assets	Notes	2025 LRD	2024 LRD	2025 USD	2024 USD
Cash and bank	12	215,163,078	198,104,861	1,212,801	1,085,923
Short-term investments	12.10	1,462,426,544	915,891,653	8,243,202	5,020,510
Loans and advances to customers	13	5,516,167,217	4,116,377,282	31,092,764	22,564,147
Other assets	14	38,764,187	26,583,450	218,501	145,718
Related party receivables	14.10	4,152,815	-	23,408	-
Right of use (ROU) assets	24(a)	5,798,482	8,596,487	32,684	47,122
Property and equipment	16	109,035,961	76,929,743	614,599	421,695
Intangible Asset	15	83,633,473	15,042,654	471,414	82,457
Total Assets		**7,435,141,757**	**5,357,526,130**	**41,909,373**	**29,367,572**
Liabilities and capital fund					
Liabilities					
Loan security funds	17	1,269,781,571	920,565,602	7,157,328	5,046,131
Related party payables	18	79,374,831	99,241,686	447,409	543,999
Borrowings	19	3,183,447,839	2,122,262,213	17,944,016	11,633,296
Deferred tax Liabilities	11	14,314,190	4,650,506	80,684	25,491
Taxes payable	11	138,939,725	111,970,901	783,156	613,775
Donor Funds	21	22,487,390	19,328,180	126,754	105,948
Dividend payable	22.1	84,736,694	-	477,632	-
Lease liabilities	25(b)	19,039,959	17,088,857	107,322	93,674
Other liabilities & provisions	20	224,953,489	135,790,333	1,267,987	744,342
Total Liabilities		**5,037,075,688**	**3,430,898,278**	**28,392,288**	**18,806,656**
Capital fund					
Share capital	22	339,339,071	339,339,071	4,076,145	4,076,145
Share premium	22	120,755,662	120,755,662	889,529	889,529
Retained earnings	23	1,937,971,336	1,466,533,119	10,923,687	8,944,745
Cumulative translation reserve	27	-	-	(2,372,276)	(3,349,503)
Total capital fund		**2,398,066,069**	**1,926,627,852**	**13,517,085**	**10,560,916**
Total liabilities and capital fund		**7,435,141,757**	**5,357,526,130**	**41,909,373**	**29,367,572**

The notes on pages 14 to 37 are an integral part of these financial statements.

The Board of Directors approved the financial statements on pages 9 - 13 on March 26, 2026.

Head of Finance
BRAC Liberia Microfinance Company Limited

Chief Executive Officer
BRAC Liberia Microfinance Company Limited

Board Member
BRAC Liberia Microfinance Company Limited

Bridget Dougherty
Board Member
BRAC Liberia Microfinance Company Limited

Statement of profit and loss and other comprehensive income

For the year ended December 31, 2025

Income	Notes	2025 LRD	2024 LRD	2025 USD	2024 USD
Service charge on loans	5	2,611,618,372	1,868,849,346	13,610,804	9,828,377
Interest and other financial expenses	10.2	(313,754,846)	(126,459,152)	(1,635,176)	(665,055)
Net income from service charge		**2,297,863,526**	**1,742,390,194**	**11,975,628**	**9,163,322**
Membership fees and other charges	6	175,661,450	140,088,061	915,484	736,730
Grant Income	7	141,568,982	122,670,467	737,806	645,130
Other income	7	55,803,200	24,459,735	290,826	128,635
		373,033,632	**287,218,263**	**1,944,116**	**1,510,495**
Total operating income		**2,670,897,158**	**2,029,608,457**	**13,919,744**	**10,673,817**
Expenditures:					
Impairment losses on loans and advances to customers	8	(46,901,954)	(44,987,266)	(244,436)	(236,590)
Operating income after impairment charges		**2,623,995,204**	**1,984,621,191**	**13,675,308**	**10,437,227**
Staff costs	9	(1,006,651,342)	(836,832,915)	(5,246,300)	(4,400,948)
Other operating expenses	10	(846,598,314)	(694,810,517)	(4,412,162)	(3,654,045)
Depreciation & Amortization	16 & 25 (c)	(37,592,294)	(30,424,083)	(195,917)	(130,170)
Foreign translation gain/(loss)		(26,497,274)	(2,913,874)	(138,095)	(15,324)
Total operating expenses		**(1,917,339,224)**	**(1,564,981,389)**	**(9,992,474)**	**(8,200,487)**
Profit before tax		706,655,980	419,639,802	**3,682,834**	**2,236,740**
Income tax expense	11	(150,481,069)	(110,113,393)	(784,253)	(580,185)
Net Profit for the year		**556,174,911**	**309,526,409**	**2,898,581**	**1,656,555**
Other comprehensive income					
Unrealized exchange gains/(loss)		-	-	-	-
Total comprehensive income		**556,174,911**	**309,526,409**	**2,898,581**	**1,656,555**

The notes on pages 14 to 37 are an integral part of these financial statements.

Statement of changes in equity

For the year ended December 31, 2025

	Share Capital LRD	Share Premium LRD	Retained Earnings LRD	Total Capital Fund LRD	Total Capital Fund USD
At January 1, 2024	339,339,071	120,755,662	1,227,420,524	1,687,515,257	9,013,946
Profit/ (Loss) for the year	-	-	309,526,409	309,526,409	1,697,242
Transferred to Retained Earnings	-	-	-	-	-
Dividend Paid***	-	-	(70,026,511)	(70,026,511)	(364,510)
Translation difference	-	-	(387,303)	(387,303)	214,238
As at December 31, 2024	**339,339,071**	**120,755,662**	**1,466,533,119**	**1,926,627,852**	**10,560,916**
At January 1, 2025	**339,339,071**	**120,755,662**	**1,466,533,119**	**1,926,627,852**	**10,560,916**
Profit/ (Loss) for the year	**-**	-	**556,174,911**	**556,174,911**	**2,898,581**
Transferred to Retained Earnings	**-**	-	**-**	**-**	**-**
Dividend Paid***	**-**	-	**(84,736,694)**	**(84,736,694)**	**(463,768)**
Translation difference	**-**	-	**-**	**-**	**521,356**
As at December 31, 2025	**339,339,071**	**120,755,662**	**1,937,971,336**	**2,398,066,069**	**13,517,085**

*** The company declared the final dividend for 2024 in April 2025. The company paid the dividend of LRD84M (US$464K) on February 13, 2026 to common shareholders. The payments comprised USD 394,202 remitted to shareholders, with the balance paid to the Liberia Revenue Authority (LRA), representing withholding tax at a rate of 15%. Refer to Note 23 for more details.

The notes on pages 14 to 37 are an integral part of these financial statements.

Statement of cash flows

For the year ended December 31, 2025

	2025 LRD	2024 LRD	2025 USD	2024 USD
Cash flow from operating activities				
Total Comprehensive Income	556,174,911	309,250,456	2,898,581	1,695,791
Depreciation	37,592,294	30,424,083	195,917	130,170
Depreciation adjustment	(22,011,086)	-	(119,795)	-
Cash flow before changes in working capital	**571,756,119**	**339,674,539**	**2,974,703**	**1,825,961**
Increase/(decrease) in provision for taxation	140,817,386	90,617,970	759,826	476,565
Changes in working capital				
Decrease/(increase) in receivables and other current assets	(16,333,551)	(5,726,554)	(85,125)	(30,116)
Decrease/ (Increase) in short-term investments	(546,534,891)	(106,660,145)	(3,222,692)	(696,999)
Decreased/(increase) in deferred tax assets/liability	9,663,684	(2,615,485)	55,192	(13,755)
Decrease/(increase) in interest receivables	(24,644,037)	(52,957,229)	(138,910)	(278,505)
Increase/(decrease) in current liabilities	89,163,155	75,934,659	464,686	399,344
Increase/(decrease) in related party payables	(19,866,856)	37,580,244	(103,539)	197,636
Tax payment in the year (previous and current year)	(113,848,561)	(144,918,717)	(590,445)	(762,135)
Net cash from operations	**90,172,448**	**230,929,282**	**113,696**	**1,117,996**
Loan disbursements	(14,401,124,976)	(11,121,631,080)	(75,053,419)	(58,489,238)
Loan collections	12,982,866,157	9,849,794,995	67,661,971	51,800,585
Loan loss reserve movements	17,878,368	34,288,409	108,005	182,281
Loan written off	25,234,553	(3,252,061)	142,239	(17,103)
Net cash flow from Operating Activities	**(1,284,973,450)**	**(1,009,870,455)**	**(7,027,508)**	**(5,405,479)**
Cash flow from Investing Activities				
Acquisition of fixed assets	(35,501,816)	(48,785,081)	(185,023)	(256,563)
Acquisition of intangible assets	(76,060,928)	(1,184,068)	(428,730)	(6,227)
(Acquisition)/disposal of leased assets	(1,917,495)	-	(13,961)	-
Net cash flow from Investing Activities	**(113,480,239)**	**(49,969,149)**	**(627,714)**	**(262,790)**

The notes on pages 14 to 37 are an integral part of these financial statements.

Statement of cash flows *(Continued)*

For the year ended December 31, 2025

Cash flow from Financing Activities	**2025 LRD**	**2024 LRD**	**2025 USD**	**2024 USD**
Term loans increase/(decrease)	1,061,185,626	764,050,105	5,530,513	4,018,179
Loan security fund increase/(decrease)	349,215,969	265,811,303	1,819,986	1,397,916
Lease liabilities increase/ (decrease)	1,951,101	(776,105)	10,170	(4,082)
Donor fund increase/(decrease)	3,159,210	5,557,320	17,807	30,463
Share capital increase/(decrease)	-	-	-	-
Net cash flow from financing activities	**1,415,511,906**	**1,034,642,623**	**7,378,476**	**5,442,476**
Net (decrease)/increase in cash and cash equivalents	**17,058,217**	**(25,196,981)**	**(276,746)**	**(225,793)**
Cash and cash equivalents at beginning of the year	**198,104,861**	**253,191,356**	**1,085,923**	**1,352,735**
Convenience translation reserve	-	(29,889,514)	403,624	(41,019)
Cash and cash equivalents at end of the year	**215,163,078**	**198,104,861**	**1,212,801**	**1,085,923**

The notes on pages 14 to 37 are an integral part of these financial statements.

Notes to the financial statement

1. Reporting Company

BRAC Liberia Microfinance Company Limited was established in February of 2009. It is a microfinance institution incorporated and domiciled in Liberia. Its main objective is to contribute to the economic rebuilding of Liberia by providing financial services to low-income entrepreneurs, mostly women while serving as a means to improve the agriculture sector through micro businesses. The Company began operations in April 2009 with five (5) branches in Monrovia - Sinkor, Paynesville, Barnersville, Caldwell, and New Kru Town. Currently, the Company has Fifty-five (55) branches and covers all fifteen (15) counties of Liberia.

2. Basis of preparation

(a) Basis of presentation of the financial statements

These financial statements have been prepared in accordance with IFRS® Accounting Standards and the Prudential Regulations for Microfinance issued by the Central Bank of Liberia ("CBL"); and in the manner required by Title 5 of the Associations Law of Liberia.

(b) Basis of measurement

The financial statements have been prepared on a historical cost basis except otherwise stated.

(c) Functional and reporting currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates. Significant transactions and activities are measured in Liberian dollars and translated to United States dollars. The exchange rates used in the financial statements are as follows: 2025 (**1 USD: 177.41 LRD as Closing Rate; and 191.88 LRD Average Rate**) and 2024 (1 USD: 182.43 LRD as Closing Rate; and 190.15 LRD Average Rate).

(d) Use of estimates and judgments

The preparation of financial statements requires management to make judgments, estimates, and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income, and expenses. Actual results may differ from these estimates, and those differences may be material.

Notes to the financial statements *(continued)*

Basis of preparation *(continued)*

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in future periods affected.

In particular, information about significant areas of estimation, uncertainty, and critical judgment in applying accounting policies, which can have a significant effect on the amounts recognized in the financial statements, are described in the following notes:

Note 8 Impairment losses on loans and advances

Notes 16 Depreciation

Notes 20 Provisions and other liabilities

3. Material accounting policy information

The accounting policies set out below have been applied consistently to all years presented in these financial statements.

(a) Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of the Company at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the presentation currency at the exchange rate at the statement of financial position date.

(b) Revenue recognition

Service charge on loans

Service charge on loans is recognized in the income statement on all operational loans on an accrual basis. The recognition of interest ceases when a loan is transferred to a Non-Interest-Bearing Loan (NIBL).

(c) Provisions and other liabilities

Provisions for legal claims are recognized when the Company has a present legal or constructive obligation because of past events, and it is more likely than not that an outflow of resources will be required to settle the obligation, and the amount has been reliably estimated. Provisions are not recognized for future operating losses.

Where there are several similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognized even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

(d) Loan administration fees

These are fees paid by each respective group/client on approval of their loan application(s). The fee is charged by the Company to cover loan processing costs and does not form an integral part of the contract with the client. The amounts are usually paid before the loans are disbursed.

Notes to the financial statements *(continued)*

Material Accounting Policy Information *(continued)*

(e) Fixed assets (operating assets)

Recognition and measurement

Items of operating assets are measured at cost less accumulated depreciation and impairment losses.

Cost includes expenditures that are directly attributable to the acquisition of the assets. The cost of self-constructed assets includes the cost of materials and direct labor, any other costs directly attributable to bringing the assets to a working condition for its intended use, and any costs of dismantling and removing the items and restoring the site on which they are located at the end of the assets' use. Purchased software that is integral to the functionality of the related equipment is capitalized as part of that equipment.

When parts of an item of fixed assets have different useful lives, they are accounted for as separate items (major components) of fixed assets.

Subsequent costs

The cost of replacing part of an item of fixed assets is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The cost of the day-to-day servicing of fixed assets is recognized in profit or loss as incurred.

Depreciation

Depreciation is recognized in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of fixed assets. Leasehold improvements are amortized over the life of the improvement or the life of the lease, whichever is shorter. Land is not depreciated.

The estimated useful lives for the current and comparative periods are as follows:

- Vehicles, including motorcycles 5 years
- Furniture 10 years
- Equipment 5 years
- Computers 3 years

Assets' residual values and useful lives are reviewed and adjusted, if appropriate, at each balance sheet date.

Disposals

Gains or losses on the disposal or scrapping of fixed assets are determined as the difference between the sales price less the cost of dismantling, selling, and re-establishing the assets and the carrying amount. Any gains or losses are recognized in the income statement as other operating income or expenses, respectively.

(f) Intangible (operating assets)

Accounting software

Accounting Software is shown at historic cost. The software has a finite useful life and is carried at cost less accumulated amortization. Amortization is calculated using the straight-line method to allocate the cost of the licenses over their useful lives.

The expected useful life of Software is four years.

Notes to the financial statements *(continued)*

Material Accounting Policy Information *(continued)*

(g) Financial Instruments assets and liabilities

(i) Recognition and measurement

Financial assets and financial liabilities are recognized in the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

Recognized financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss (FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognized immediately in profit or loss.

If the transaction price differs from fair value at initial recognition, the Company will account for such difference as follows:

- if fair value is evidenced by a quoted price in an active market for an identical asset or liability or based on a valuation technique that uses only data from observable markets, then the difference is recognized in profit or loss on initial recognition (i.e., day 1 profit or loss);
- in all other cases, the fair value will be adjusted to bring it in line with the transaction price (i.e., day 1 profit or loss will be deferred by including it in the initial carrying amount of the asset or liability).

After initial recognition, the deferred gain or loss will be released to profit or loss on a rational basis, only to the extent that it arises from a change in a factor (including time) that market participants would take into account when pricing the asset or liability.

(ii) *Classification and subsequent measurement of financial assets and financial liabilities*

Financial assets

All financial assets are recognized and derecognized on a trade date where the purchase or sale of a financial asset is under a contract whose terms require delivery of the financial asset within the timeframe established by the market concerned, and are initially measured at fair value, plus transaction costs, except for those financial assets classified as at FVTPL.

Transaction costs directly attributable to the acquisition of financial assets classified as at FVTPL are recognized immediately in profit or loss. For all financial assets, the amount presented on the statement of financial position represents all amounts receivable, including interest accruals. All recognized financial assets that are within the scope of IFRS 9 are required to be subsequently measured at amortized cost or fair value on the basis of the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

IFRS 9 specifically requires:

- debt instruments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding (SPPI), are subsequently measured at amortized cost;
- debt instruments that are held within a business model whose objective is both to collect the contractual cash flows and to sell the debt instruments, and that have contractual cash flows that are SPPI, are subsequently measured at Fair Value Through Other Comprehensive Income (FVTOCI); However, the Company may make the following irrevocable election/designation at initial recognition of a financial asset on an asset- by-asset basis:

Notes to the financial statements *(continued)*

Material Accounting Policy Information *(continued)*

- The Company may irrevocably elect to present subsequent changes in fair value of an equity investment that is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which IFRS 3 applies, in other comprehensive income; and
- The Company may irrevocably designate a debt instrument that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch (referred to as the fair value option).

Debt instruments at amortized cost or at FVTOCI

The Company assesses the classification and measurement of a financial asset based on the contractual cash flow characteristics of the asset and the Company's business model for managing the asset.

For an asset to be classified and measured at amortized cost or at FVTOCI, its contractual terms should give rise to cash flows that are SPPI.

For the purpose of SPPI test, principal is the fair value of the financial asset at initial recognition. That principal amount may change over the life of the financial asset (e.g., if there are repayments of principal). Interest consists of consideration for the time value of money, for the credit risk associated with the principal amount outstanding during a particular period of time, and for other basic lending risks and costs, as well as a profit margin. The SPPI assessment is made in the currency in which the financial asset is denominated.

Contractual cash flows that are SPPI are consistent with a basic lending arrangement. An originated or an acquired financial asset can be a basic lending arrangement, irrespective of whether it is a loan in its legal form.

An assessment of business models for managing financial assets is fundamental to the classification of a financial asset. The Company determines the business models at a level that reflects how the company's financial assets are managed together to achieve a particular business objective.

The Company's business model does not depend on management's intentions for an individual instrument; therefore, the business model assessment is performed at a higher level of aggregation rather than on an instrument-by-instrument basis.

Financial assets at fair value through profit or loss (FVTPL)

Financial assets at FVTPL are:

- assets with contractual cash flows that are not SPPI; or/ and
- assets that are held in a business model other than held to collect contractual cash flows or held to collect and sell; or
- assets designated at FVTPL using the fair value option.
- derivative financial assets

These assets are measured at fair value, with any gains/ losses arising on remeasurement recognized in profit or loss. Fair value is determined in the manner described in note 5- Fair value of financial instruments.

Notes to the financial statements *(continued)*

Material Accounting Policy Information *(continued)*

(iii) ***Reclassifications***

If the business model under which the Company holds financial assets changes, the financial assets affected are reclassified. The classification and measurement requirements related to the new category apply prospectively from the first day of the first reporting period following the change in business model that results in reclassifying the Company's financial assets. During the current financial year and previous accounting period there was no change in the business model under which the Company holds financial assets and therefore no reclassifications were made. Changes in contractual cash flows are considered under the accounting policy on Modification and derecognition of financial assets described below.

(iv) ***Impairment of financial assets***

The Company recognizes loss allowances for ECLs on the following financial instruments that are not measured at FVTPL:

- loans and advances to banks;
- loans and advances to customers;
- debt investment securities;
- loan commitments issued; and
- financial guarantee contracts issued.

No impairment loss is recognized on equity investments.

Except for Purchased Originated Credit Impaired (POCI) financial assets (which are considered separately below), ECLs are required to be measured through a loss allowance at an amount equal to:

- 12-month ECL, i.e., lifetime ECL that results from those default events on the financial instrument that are possible within 12 months after the reporting date (referred to as Stage 1); or
- full lifetime ECL, i.e., lifetime ECL that results from all possible default events over the life of the financial instrument (referred to as Stage 2 and Stage 3).
- A loss allowance for full lifetime ECL is required for a financial instrument if the credit risk on that financial instrument has increased significantly since initial recognition. For all other financial instruments, ECLs are measured at an amount equal to the 12-month ECL.

ECLs are a probability-weighted estimate of the present value of credit losses. These are measured as the present value of the difference between the cash flows due to the Company under the contract and the cash flows that the Company expects to receive arising from the weighting of multiple future economic scenarios, discounted at the asset's EIR.

- for undrawn loan commitments, the ECL is the difference between the present value of the difference between the contractual cash flows that are due to the Company if the holder of the commitment draws down the loan and the cash flows that the Company expects to receive if the loan is drawn down; and
- for financial guarantee contracts, the ECL is the difference between the expected payments to reimburse the holder of the guaranteed debt instrument, less any amounts that the Company expects to receive from the holder, the debtor, or any other party.

Notes to the financial statements *(continued)*

Material Accounting Policy Information *(continued)*

The Company measures ECL on an individual basis or on a collective basis for portfolios of loans that share similar economic risk characteristics. The measurement of the loss allowance is based on the present value of the asset's expected cash flows using the asset's original EIR, regardless of whether it is measured on an individual basis or a collective basis.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e., the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive).

Credit-impaired financial assets

At each reporting date, the Company assesses whether financial assets carried at amortized costs are credit-impaired. Financial assets are 'credit-impaired' when one or more events that have detrimental impacts on the estimated future cash flows of the financial assets have occurred.

Presentation of impairment

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.
Impairment losses related to loans and advances to customers are presented in the statement of profit or loss under "Net movement in impairment losses on loans and advances.

Write-offs

Loans and debt securities are written off when the Company has no reasonable expectation of recovering the financial asset (either in its entirety or partially). This is the case when the Company determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. A write-off constitutes a derecognition event. The Company may apply enforcement activities to financial assets written off. Recoveries resulting from the Company's enforcement activities will result in impairment gains, which will be presented in 'net impairment loss on financial assets' in the statement of profit or loss.

Financial liabilities

Fair value changes are generally presented as follows:

- the amount of change in the fair value that is attributable to changes in the credit risk of the liability is presented in OCI; and
- the remaining amount of change in the fair value is presented in profit or loss. Financial liabilities are classified as either financial liabilities 'at FVTPL' or 'other financial liabilities. For all financial liabilities, the amount presented on the statement of financial position represents all amounts payable, including interest accruals. Financial liabilities are classified as at FVTPL when the financial liability is (i) held for trading, or (ii) it is designated as at FVTPL. A financial liability is classified as held for trading if:
- it has been incurred principally for the purpose of repurchasing it in the near term; or

Notes to the financial statements *(continued)*

Material Accounting Policy Information *(continued)*

- on initial recognition, it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading or contingent consideration that may be paid by an acquirer as part of a business combination may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial liability forms part of a Company of financial assets or financial liabilities or both, which is managed, and its performance is evaluated on a fair value basis, in accordance with the Company's documented risk management or investment strategy, and information about the ranking is provided internally on that basis; or
- it forms part of a hybrid (combined) contract, containing one or more embedded derivatives that significantly modify the cash flows of the contract, or it is clear with little or no analysis that separation of the embedded derivative is not prohibited.

Financial liabilities at fair value through profit and loss (FVTPL) are stated at fair value, with any gains/losses arising on remeasurement recognized in profit or loss to the extent that they are not part of a designated hedging relationship. The net gain/loss recognized in profit or loss incorporates any interest paid on the financial liability and is included in the 'net income from other financial instruments at FVTPL' line item in the profit or loss account.

However, for non-derivative financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognized in OCI, unless the recognition of the effects of changes in the liability's credit risk in OCI would create or enlarge an accounting mismatch in profit or loss. The remaining amount of change in the fair value of liability is recognized in profit or loss.

Changes in fair value attributable to a financial liability's credit risk that are recognized in OCI are not subsequently reclassified to profit or loss; instead, they are transferred to retained earnings upon derecognition of the financial liability.

For issued loan commitments and financial guarantee contracts that are designated as at FVTPL, all gains and losses are recognized in profit or loss

Other financial liabilities:

Other financial liabilities, including deposits and borrowings, are initially measured at fair value, net of transaction costs. Other financial liabilities are subsequently measured at amortized cost using the effective interest method.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The EIR is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Notes to the financial statements *(continued)*

Material Accounting Policy Information *(continued)*

Offsetting financial assets and liabilities

Financial assets and financial liabilities are offset, and the net amount presented in the statement of financial position when, and only when, the Company currently has a legally enforceable right to set off the amounts, and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously. Income and expenses are presented on a net basis only when permitted under IFRS Standards, or for gains and losses arising from a Company of similar transactions such as in the Company's trading activity.

(h) IFRS 16 – Leases

The Company recognizes liabilities in respect of leases that had previously been classified as operating leases under IAS 17. These liabilities are initially measured as the present value of the remaining lease payments, discounted using the Company's incremental borrowing rate. The associated right-of-use assets are measured at the amount equal to the lease liability, adjusted by the amount of prepaid lease payments recognized in the statement of financial position at the reporting date.

The lease liability is subsequently measured at amortized cost using the effective interest rate method. The right-of-use assets are depreciated on a straight-line basis over the lease term as this method most closely reflects the expected pattern of consumption of future economic benefits. The right-of-use assets are reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

Payments associated with short-term leases are recognized on a straight-line basis as an expense in the profit and loss account.

(i) *Other Liabilities*

Other liabilities include self-insurance funds. BRAC started to set aside a monthly amount equivalent to 1% of the basic salary of local employees from November 2012 to constitute this fund. This fund is to cover liabilities arising out of death and other permanent injuries suffered by all the local employees. Payments in the event of death or permanent injuries range from twelve months' equivalent of basic salary in the first year of employment, up to fifty months' equivalent of basic salary for ten years of employment and onwards.

(j) *Employee benefits*

Pension obligations

The Company operates a defined contribution scheme. A defined contribution plan is a pension plan under which BRAC pays fixed contributions into a separate entity. The scheme is generally funded through payments to the National Social Security and Welfare Corporation (NASSCORP) on a mandatory basis.

The Company has no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employees, the benefits relating to employee services in the current and prior periods. The contributions are recognized as employee benefit expenses when due. Prepaid contributions are recognized as assets to the extent that a cash refund or a reduction in future payments is available.

Notes to the financial statements *(continued)*

Material Accounting Policy Information *(continued)*

End-of-service benefits

The Company provides end-of-service benefits to its retirees. The entitlement to these benefits is usually conditional on the completion of a minimum service period.

Medical benefit

The Company provides medical insurance to all its staff. The insurance cover is outsourced to a third Party.

(k) Inventory

Inventory items are stated at a lower cost and net realizable value.

(l) Finance income and expenses

Finance income comprises interest received on deposits.

Finance expenses comprise foreign currency losses. All foreign exchange losses and gains are recognized in profit or loss.

(m) Administrative expenses

Administrative expenses comprise expenses relating to administrative staff and management, including office expenses, salaries, and depreciation, as well as other indirect costs.

(n) Borrowings

Borrowings are recognized initially at fair value, being the proceeds net of transaction costs incurred. If the amount borrowed is denominated in Liberian dollars, which is the Company's functional and reporting currency, it is maintained at the initial amount recorded, less any repayments made as at the reporting date. If the amount is denominated in a currency other than the reporting currency of the Company, it is revalued and adjusted through the income statement at each reporting date.

Borrowings are classified as current liabilities unless when the Company has an unconditional right to defer settlement of the liability for at least twelve months after the statement of financial position date.

(o) New Standards and Interpretations

Standards and interpretations effective and adopted in the current year.

In the current year, the company has adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations:

Standard/ Interpretation:	**Effective date: Years beginning on or After**
Supplier finance arrangements - amendments to IAS 7 and IFRS 7	January 1, 2025
Non-current liabilities with covenants - amendments to IAS 1	January 1, 2025
Lease liability in a sale and leaseback	January 1, 2025
Classification of Liabilities as Current or Non-Current - Amendment to IAS 1	January 1, 2025

The impact of the above amendments is not material.

Notes to the financial statements *(continued)*

Material Accounting Policy Information *(continued)*

Standards, amendments, and interpretations that are not yet effective and have not been early adopted

A number of new standards, amendments to standards, and interpretations are effective for annual reporting periods beginning on or after January 1, 2026, and have not been applied in preparing the financial statements. The company's assessment of the impact of these new standards, amendments to standards, and interpretations is set out below.

Standard/ Interpretation:	**Effective date:** **Years beginning on or After**
IFRS 19 Subsidiaries without Public Accountability: Disclosures	January 1, 2027
IFRS 18 Presentation and Disclosure in Financial Statements	January 1, 2027
Amendments to IFRS 7 Financial Instruments: Disclosures	January 1, 2026
Amendments to IFRS 9 Financial Instruments	January 1, 2026
Amendments to IAS 10 Statement of Cash Flows	January 1, 2026
Amendments to IFRS 9 and IFRS 7: Amendments to the Classification and Measurement of Financial Instruments	January 1, 2026

The company does not expect the above to have a significant impact on the company's annual financial statements.

Several other amendments to standards and interpretations will apply on or after January 1, 2025, and have not yet been applied. However, they are not expected to have a material impact on the company's financial statements.

4. Financial risk factors

The Company's activities expose it to a variety of financial risks, including:

(a) *Credit risk*

The Company takes on exposures to credit risk, which is the risk that clients will be unable to pay amounts in full when due. Credit risk is managed by obtaining collateral in the form of mortgages, personal guarantees, shareholder guarantees, liens on inventories and/or receivables, and assignments of contracts and/or insurance. Impairment provisions are provided for expected losses during the duration of the loans. The portfolio at Risk (PAR) as an indicator of credit risk as at reporting date is as tabulated below:

Credit risk analysis:

Portfolio at risk (PAR) 30 days	**2025**	**2024**
Total loans in arrears over 30 days	46,428,987	17,489,546
Total loans outstanding	5,459,186,567	4,066,162,301
Portfolio at risk	0.85%	0.43%

The PAR 30 figure denotes the amount of loans outstanding greater than 30 days, which may not be fully recoverable. Provisions have been taken against these loans in the financial statements based on Company policy.

Notes to the financial statements *(continued)*

Material Accounting Policy Information *(continued)*

(b) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding facilities to adequately meet committed obligations. The Company manages this risk by maintaining sufficient cash and investing any excess cash over its anticipated requirements.

(c) Currency risk

BRAC's foreign exchange risks comprise transaction risks that arise from loans received and invoiced in currencies other than the local currency. BRAC also maintains minimal foreign currency deposits and its cash at the bank is placed with licensed financial institutions.

Foreign exchange exposures in transactional currencies other than the local currencies are monitored via periodic cash flow and budget forecasts, hedging for foreign loans against foreign deposits with local financial banks, and are kept to an acceptable level

	2025 LRD	2024 LRD	2025 USD	2024 USD
5. Service charge on loans				
Group Loans (Microfinance)	1,755,836,847	1,604,839,675	9,150,782	8,439,936
Small Enterprise Program	641,868,836	240,371,630	3,345,187	1,264,127
Job Holders' Loan	213,912,689	23,638,041	1,114,835	124,314
Total	**2,611,618,372**	1,868,849,346	**13,610,804**	9,828,377
6. Membership fees and other charges				
Membership fees	27,969,400	26,001,400	145,766	136,743
Loan appraisal fees	144,011,250	111,213,661	750,534	584,878
Loan application fees	3,680,800	2,873,000	19,184	15,109
Total	**175,661,450**	140,088,061	**915,484**	736,730
7. Other income				
Grant income	141,568,982	122,670,467	737,806	645,130
Sub-Total	**141,568,982**	122,670,467	**737,806**	645,130
Other Income	20,161,049	242,489	105,072	1,275
Interest Income from Other Investments	35,590,362	24,051,539	185,484	126,488
Gain due to early repayment	51,789	165,707	270	872
Sub-Total	**55,803,200**	24,459,735	**290,826**	128,635
Total	**197,372,182**	147,130,202	**1,028,632**	773,765
8. Impairment losses on loans and advances				
General provision	46,901,954	44,987,266	244,436	236,590
Total	**46,901,954**	44,987,266	**244,436**	236,590

Notes to the financial statements (continued)

	2025	2024	2025	2024
9. Staff costs	**LRD**	**LRD**	**USD**	**USD**
Salary & benefits	827,455,157	563,515,707	4,312,395	2,963,558
Bonus	61,850,305	47,055,561	322,341	247,468
NASSCORP	73,080,184	181,156,631	380,867	952,712
Staff medical and insurance	44,265,696	45,105,016	230,697	237,210
Total	**1,006,651,342**	836,832,915	**5,246,300**	4,400,948

10. Other Operating Expenses				
Occupancy expenses (Note - 10.01)	72,930,715	59,290,834	380,088	311,814
Staff training and development	45,798,709	53,255,283	238,686	280,072
Travel and transportation	232,209,403	210,599,965	1,210,191	1,107,556
Board and regional meetings	1,477,518	2,014,499	7,700	10,594
Digitalization expenses	12,617,102	13,416,374	65,756	70,557
Maintenance & general expenses	86,570,186	39,901,569	451,172	209,844
Regulatory and Related Expenses	6,571,896	4,837,278	34,250	25,439
ERP Maintenance cost	119,506,213	130,549,488	622,823	686,567
Printing and office stationeries	37,578,690	18,213,211	195,846	95,784
Legal & other professional fees	8,762,130	12,602,971	45,667	66,280
Audit fees	2,622,677	1,958,383	13,668	10,299
Insurance claim	2,250,000	2,550,000	11,726	13,411
Internet Expense	65,791,394	51,388,149	342,881	270,253
Bank Charges	13,278,750	14,047,646	69,204	73,877
Withholding Tax Expenses	11,337,737	2,300,317	59,088	12,097
Research and Survey cost	7,882,075	-	41,079	-
Security costs	5,706,895	5,507,980	29,742	28,967
Fuel & Vehicle expenses	13,655,595	11,404,355	71,168	59,978
Management fees	68,346,487	50,602,718	356,197	266,122
Impairment for Depreciation Expense	31,704,142	-	165,230	-
Withholding and local taxes on Management fees	-	10,369,497	-	54,534
Total	**846,598,314**	**694,810,517**	**4,412,162**	**3,654,045**

10.1 Occupancy Expenses				
Rent	51,651,804	38,128,838	269,190	200,522
Utilities	21,278,911	21,161,996	110,898	111,292
Total	**72,930,715**	**59,290,834**	**380,088**	**311,814**

10.2 Interest expenses on borrowings				
Interest expense on local bank loans	154,113,944	51,171,141	803,186	269,112
Interest expense on BIFBV loans	93,164,990	66,554,592	485,542	350,014
Interest expense on BIHBV loans	8,644,055	6,338,277	45,050	33,333
Interest expense on Incofin loan	5,223,312	-	27,222	-
Fund management fees	16,421,668	1,244,284	85,584	6,544
Interest on Lease liability	2,170,939	1,150,858	11,313	6,052
Technical Fees on loan BIFBV	12,056,291	-	62,833	-
Interest expense on KIVA	21,959,647	-	114,446	-
Total	**313,754,846**	**126,459,152**	**1,635,176**	**665,055**

Notes to the financial statements *(continued)*

11. Taxation

a) Income tax expenses	2025 LRD	2024 LRD	2025 USD	2024 USD
Charge for the period	175,816,150	102,584,594	916,290	539,498
Prior year over provision	(34,998,765)	-	(182,401)	-
Deferred tax expense	1,861,278	2,615,485	9,701	13,755
Deferred tax income	7,802,406	4,913,314	40,663	26,932
Tax (Credit)/ expense	**150,481,069**	**110,113,393**	**784,253**	**580,185**

b) Deferred tax assets/(liabilities)

	2025 LRD	2024 LRD	2025 USD	2024 USD
Deferred tax assets	3,801,896	5,663,174	21,430	31,043
Deferred tax Liabilities	(18,116,086)	(10,313,680)	(102,114)	(56,535)
Deferred tax assets/(liabilities)	**(14,314,190)**	**(4,650,506)**	**(80,684)**	**(25,492)**

c) Tax Payable / (Advance Tax)

	2025 LRD	2024 LRD	2025 USD	2024 USD
Opening balance	111,970,901	142,338,400	613,775	760,477
Adjustment for opening balance	(34,998,765)	-	(197,276)	-
Tax payable for the period	175,816,150	102,584,594	916,290	539,498
Advance tax paid during the year	(36,876,425)	(49,569,773)	(202,218)	(209,936)
Tax payment for previous years	(76,972,136)	(95,348,944)	(388,226)	(491,264)
Translation difference	-	11,966,624	40,811	15,000
Tax Payable / (Advance Tax)	**138,939,725**	**111,970,901**	**783,156**	**613,775**

12. Cash and bank

	2025 LRD	2024 LRD	2025 USD	2024 USD
Cash in hand	**30,015,310**	**22,940,084**	**169,186**	**125,747**
Cash at banks:				
Access Bank	-	794,754	-	4,356
Afriland First Bank Ltd	166,961	435,132	941	2,385
Community Bank (Ganta, Voinjama)	29,297,107	21,049,330	165,138	115,383
ECO Bank	17,312,438	17,482,849	97,584	95,833
Guaranty Trust Bank	30,396,914	25,315,518	171,337	138,768
International Bank	7,679,882	808,835	43,289	4,434
Liberian Bank for Development & Investment	17,648,519	6,432,966	99,479	35,263
GN Bank	-	10,100,993	-	55,369
UBA Bank	68,529,516	87,359,613	386,278	478,866
SIB	13,000,287	4,319,510	73,278	23,678
Lonestar Mobile Money	1,116,144	1,065,277	6,291	5,839
	185,147,768	**175,164,777**	**1,043,615**	**960,175**
Total	**215,163,078**	**198,104,861**	**1,212,801**	**1,085,923**

12.10 Short-term Investment with the Bank

	2025 LRD	2024 LRD	2025 USD	2024 USD
Term deposit with UBA & GT Bank	1,419,280,000	912,150,000	8,000,000	5,000,000
Interest on term deposit	43,146,544	3,741,653	243,202	20,510
Total	**1,462,426,544**	**915,891,653**	**8,243,202**	**5,020,510**

Notes to the financial statements *(continued)*

Term deposits with UBA Bank (Liberia) and Guarantee Trust Bank (Liberia)

Term deposit with UBA amounts to USD 2,000,000 and is carried at an interest rate of 2.80%, maturing on December 12, 2026. The remaining deposit of USD 6,000,000 is invested with GT Bank in four installments, each of USD 1,500,000 at an interest rate of 2% and 3.10% per annum, maturing on April 29, 2026, and December 10, 2026. It is expected that BLMCL will receive the principal and accrued interest upon maturity. USD 2,000,000 of UBA term deposits and USD 6,000,000 of GT term deposits are used as collateral against overdraft facilities from the respective banks.

13. LOANS AND ADVANCES TO CUSTOMERS

	2025 LRD	2024 LRD	2025 USD	2024 USD
Group loan (Microfinance)	3,296,038,359	3,468,266,215	18,578,650	19,011,491
Small Enterprise Program (SEP)	1,569,628,422	572,558,740	8,847,464	3,138,512
Agrifinance loans	618,754,339	51,692,353	3,487,708	283,354
Loan written off	(25,234,553)	(26,355,007)	(142,239)	(144,466)
Interest receivable	125,267,153	100,086,144	706,088	548,628
Interest receivable written-off	(3,789,033)	(3,252,061)	(21,357)	(17,826)
Impairment loss on loan advances	(64,497,470)	(46,619,102)	(363,550)	(255,545)
Total	**5,516,167,217**	**4,116,377,282**	**31,092,764**	**22,564,148**

Advances to customers are carried at amortized cost. It is estimated that the fair values of advances to customers are approximately the same as the carrying values.

Interest receivable is the amount of interest outstanding on loans that have passed their due dates.

Loan write-offs: All loans in the category of Non-Interest-Bearing Loans (NIBL) are referred to the Board for approval to write-off. Other Loans can also be written off subject to the Board's approval, where the Board is convinced that the loans are not realizable due to death, relocation of the borrowers, or any other natural or humanitarian disasters that affect the livelihood of the borrowers.

13.1 The movements on the loan account are analyzed as shown below:

At January 1	4,066,162,301	2,820,681,223	22,288,891	15,070,157
Loans disbursed	14,401,124,976	11,121,631,080	75,053,419	58,489,238
Less: Loan repayments	(12,982,866,157)	(9,849,794,995)	(67,661,971)	(51,800,585)
Translation difference	-	-	1,233,483	674,548
	5,484,421,120	**4,092,517,308**	**30,913,822**	**22,433,358**
Less: Loans written-of (P)	(25,234,553)	(26,355,007)	(142,239)	(144,466)
Gross advances to customer	**5,459,186,567**	**4,066,162,301**	**30,771,583**	**22,288,892**
Interest receivable	125,267,153	100,086,144	706,088	548,628
Interest receivable written off	(3,789,033)	(3,252,061)	(21,357)	(17,826)
Less: Expected Credit loss on loans advanced (13.2)	(64,497,470)	(46,619,102)	(363,550)	(255,545)
Net advances to customers	**5,516,167,217**	**4,116,377,282**	**31,092,764**	**22,564,149**

Notes to the financial statements *(continued)*

13.2: The movement on the Expected Credit loss on loan account is shown below (With IFRS 9 impact on opening figures):

	2025 LRD	2024 LRD	2025 USD	2024 USD
At January 1	46,619,102	31,238,904	255,545	166,901
Charge for the year	46,901,954	44,987,266	244,436	236,590
Loans written off - Principal	(25,234,553)	(26,355,007)	(142,239)	(144,466)
Interest receivable written off	(3,789,033)	(3,252,061)	(21,357)	(17,826)
Translation difference	-	-	27,165	14,346
At December 31	**64,497,470**	**46,619,102**	**(363,550)**	**255,545**

14. Other assets

	2025 LRD	2024 LRD	2025 USD	2024 USD
Advance to third parties/Employees	32,111	-	181	-
Prepaid rent	21,787,341	16,850,980	122,808	92,369
Other current assets	2,966	-	17	-
Inventory-passbooks	16,941,769	9,732,470	95,495	53,349
Total	**38,764,187**	**26,583,450**	**218,501**	**145,718**

14.1 Related Party Receivables

	2025 LRD	2024 LRD	2025 USD	2024 USD
Receivable from BRAC Liberia	4,152,815	-	23,408	-
Total	**4,152,815**	**-**	**23,408**	**-**

15. Intangible assets:

	2025 LRD	2024 LRD	2025 USD	2024 USD
Cost				
As at December 31, 2024	46,634,575	45,450,507	255,630	297445
Software cost added in the year	76,060,928	1,184,068	428,730	6,491
Translation reserve	-	-	7,233	(48,306)
As at December 31, 2025	**122,695,503**	**46,634,575**	**691,593**	**255,630**
Accumulated Amortization				
As at December 31, 2024	31,591,921	21,616,204	173,173	170,105
Amortized for the year	6,495,089	9,971,913	33,850	52,443
Adjustment on opening accumulated amortization	975,020	3,804	5,496	20
Translation difference	-	-	7,660	(49,395)
As at December 31, 2025	**39,062,030**	**31,591,921**	**220,179**	**173,173**
Net Book Value				
As at December 31, 2024	**-**	**15,042,654**	**-**	**82,457**
As at December 31, 2025	**83,633,473**	**-**	**471,414**	**-**

Intangible assets include sbiCloud software, Payroll software, Digital Field Application software and Temenos T24 CBS Software adopted in March 2025. The Temenos T24 system is expected to help BRAC Liberia Microfinance field operations run smoothly.

Notes to the financial statements *(continued)*

16. Property and equipment

	Furniture	Computer & Peripherals	Equipment	Motor Vehicles	Total	Total
	LRD	LRD	LRD	LRD	LRD	USD
Cost						
At January 1, 2024	**19,989,571**	**35,013,330**	**8,592,949**	**24,812,847**	**88,408,697**	**472,344**
Additions	18,563,114	27,241,219	2,980,748	-	48,785,081	256,563
Disposal	(1,382,548)	(7,040,937)	(1,076,928)	(418,752)	(9,919,165)	(52,165)
Translation difference	-	-	-	-	-	20,920
As at December 31, 2024	**37,170,137**	**55,213,612**	**10,496,769**	**24,394,095**	**127,274,613**	**697,662**
Additions	6,058,513	19,073,213	2,029,271	8,340,819	35,501,816	185,023
Disposal	-	-	-	-	-	-
Translation difference	-	-	-	-	-	34,831
As at December 31, 2025	**43,228,650**	**74,286,825**	**12,526,040**	**32,734,914**	**162,776,429**	**917,516**
Accumulated depreciation						
At January 1, 2024	**9,289,438**	**9,506,181**	**6,366,970**	**14,753,823**	**39,916,412**	**213,264**
Charge for the year	2,644,566	4,450,263	5,299,010	2,385,787	14,779,626	77,727
Disposal	(690,263)	(2,512,986)	(795,191)	(352,728)	(4,351,168)	(22,883)
Translation difference	-		-	-	-	7,861
As at December 31, 2024	**11,243,741**	**11,443,458**	**10,870,789**	**16,786,882**	**50,344,870**	**275,968**
Charge for the year	5,892,144	4,351,556	7,376,772	8,761,233	26,381,705	137,492
Disposal/Adjustment	(8,406,542)	5,441,962	(12,758,512)	(7,263,015)	(22,986,107)	(119,795)
Translation difference	-	-	-	-	-	9,252
As at December 31, 2025	**8,729,342**	**21,236,976**	**5,489,050**	**18,285,100**	**53,740,468**	**302,917**
Written down Value						
As at December 31, 2024	**25,926,397**	**43,770,154**	**(374,020)**	**7,607,213**	**76,929,742**	**421,695**
As at December 31, 2025	**34,499,308**	**53,049,849**	**7,036,990**	**14,449,814**	**109,035,961**	**614,599**

Notes to the financial statements *(continued)*

17. Loan security fund

	2025 LRD	2024 LRD	2025 USD	2024 USD
Opening balance	920,565,602	654,754,299	5,046,131	3,498,180
Received during the year	549,292,461	415,277,369	2,862,712	2,183,965
Paid off /Adjusted during the year	(200,076,492)	(149,466,066)	(1,127,763)	(819,306)
Translation difference	-	-	376,248	183,292
Closing balance	**1,269,781,571**	**920,565,602**	**7,157,328**	**5,046,131**

The Loan Security Fund acts as collateral for the customers' loan obligations to BRAC. This is computed as 10% of the customers' approved loans. In the event of defaults, the clients forfeit all or part of the loan security fund to the extent of the amount at risk.

18. Related party payables

	2025 LRD	2024 LRD	2025 USD	2024 USD
Payable to BRAC International Holdings B. V	35,996,844	48,762,444	202,902	267,294
Payable to Bangladesh	30,259,582	26,604,524	170,563	145,834
Payable to Stichting BRAC International	13,118,405	11,406,801	73,944	62,527
Payable to other projects in BRAC Liberia	-	12,467,917	-	68,344
Total	**79,374,831**	**99,241,686**	**447,409**	**543,999**

The organization has related party relationships with BRAC International Holding BV (BIHBV), Stichting BRAC International, and BRAC Bangladesh. BIHBV provides management services to the organization as per the agreed Memorandum of Understanding (MOU).

The organization's relationship with BRAC Liberia NGO is based on the training facility, which is managed by BRAC NGO and which BRAC Liberia Microfinance Company Ltd uses for various training activities.

19. Borrowings	**Interest rate**	**2025 LRD**	**2024 LRD**	**2025 USD**	**2024 USD**
Loan from KIVA (19.1)	3%	119,626,933	93,938,903	674,296	514,931
Loan from Central Bank of Liberia (19.2)	2%	65,001,228	64,257,753	366,390	352,232
Loan from Whole Planet Foundation (19.3)	0%	70,835,876	70,835,876	381,259	400,000
Loan from UBA (Overdraft 19.4)	17%	280,855,875	174,634,842	1,583,089	810,363
Loan from GT Bank (Overdraft 19.5)	15 &16%	1,088,895,468	575,300,191	6,137,734	3,153,539
Loan from BRAC International Finance BV (19.6)	5.85%, 6.85%, 7.6% and 8.1%	976,373,983	1,006,472,148	5,503,489	5,501,000
Loan from BRAC International Holdings B.V.(19.7)	8%	133,503,982	136,822,500	752,517	750,000
Borrowings from Incofin	8%	448,354,494	-	2,527,222	-
Foreign Translation reserve		-	-	18,020	151,231
Total		**3,183,447,839**	**2,122,262,213**	**17,944,016**	**11,633,296**

Notes to the financial statements *(continued)*

Movements in borrowings:

		2025 LRD	2024 LRD	2025 USD	2024 USD
19.1	**KIVA @ 3% interest**				
	Opening Balance	93,938,903	108,864,869	514,931	581,636
	Received during the year	57,356,492	23,857,503	323,299	130,776
	Interest payable	11,288,279	-	62,163	-
	Paid during the year	(42,956,741)	(24,741,735)	(242,133)	(135,623)
	FX loss/ (gain)	-	(14,041,734)	16,036	(61,858)
	Total	**119,626,933**	**93,938,903**	**674,296**	**514,931**

The Company received loans from KIVA at a 3% interest rate. These loans were received from individual lenders through the KIVA website. These short-term loans are to be repaid as per the collection status of borrowers, which is usually within one year. The current facility limit is $1,000,000.

		2025 LRD	2024 LRD	2025 USD	2024 USD
19.2	**Central Bank of Liberia @ 2%**				
	Opening Balance	63,939,120	64,257,757	350,436	343,312
	Opening Interest accrued	318,633	-	1,796	-
	Received during the year	-	-	-	-
	Interest accrued in the year	1,699,377	1,274,532	7,184	6,986
	Interest paid during the year	(955,902)	(1,274,536)	(5,388)	(6,986)
	FX loss/ (gain)	-	-	12,362	8,920
	Total	**65,001,228**	**64,257,753**	**366,390**	**352,232**

The Company received US$ 325,000 on October 19, 2017, and US$ 228,712 on May 31, 2018, at a 2% interest rate, payable on a quarterly basis. The principal amounts for the loans were scheduled for repayment to the Central Bank of Liberia on an installment basis starting from December 2024, in equivalent local currency (LRD) as per the amended agreement, at a rate of LRD 115.09/USD 1. The renewal process is underway and the Central Bank of Liberia is not expected to call back for the loan, but rather, to continue supporting the medium and small businesses in Liberia through BRAC Liberia Microfinance Company Limited.

		2025 LRD	2024 LRD	2025 USD	2024 USD
19.3	**Whole Planet Foundation @ 0%**				
	Opening Balance	70,835,876	70,835,876	400,000	400,000
	Received during the year	-	-	-	-
	Principal repaid	-	-	-	-
	Interest payable	-	-	-	-
	Paid during the year	-	-	-	-
	FX loss/ (gain)	-	-	(18,741)	-
		70,835,876	**70,835,876**	**381,259**	**400,000**

The Company received loan amounts for LRD 13,698,378 on June 27, 2018; LRD 32,611,836 on April 9, 2019; and LRD 37,188,795 on January 16, 2020, from Whole Planet Foundation at a 0% interest rate. In 2022, Whole Planet Foundation reinvested the installment that was due in July 2021, amounting to USD 100,000 for one year to July 2022. The organization paid back to Whole Planet LRD 13,698,378, which is equivalent to USD 100,000 in July 2022. The remaining USD381,259 has been rescheduled and paid on January 27, 2026.

Notes to the financial statements *(continued)*

19.4 UBA overdraft

	2025 LRD	2024 LRD	2025 USD	2024 USD
Opening Balance	174,634,837	94,995,378	810,363	507,535
Received during the year	288,804,372	197,636,088	1,627,892	1,039,378
Paid during the year	(182,583,334)	(117,996,629)	(951,557)	(736,550)
Interest payable	-	-	-	-
Paid during the year	-	-	-	-
FX loss/ (gain)	-	-	96,391	-
	280,855,875	**174,634,837**	**1,583,089**	**810,363**

The organization secured an overdraft facility at UBA amounting to LRD 343 million in December 2025 (2024: LRD 343 million), being an enhancement from the previous by 343 m LRD, which runs through December 2026. The facility has an interest of 17% per annum. It is 110% covered by cash cover placed with the bank in USD, amounting to USD 2 million. The facility is for 1 year, subject to renewal on a merit basis. The collateral of USD 2 million is part of the total investment of USD 2 million with UBA Bank Liberia.

19.5 GT Bank overdraft

	2025 LRD	2024 LRD	2025 USD	2024 USD
Opening Balance	575,300,191	239,333,077	3,120,316	1,278,694
Received during the year	692,898,274	429,740,770	3,905,633	2,355,647
Paid during the year	(179,302,997)	(93,773,656)	(1,010,671)	(514,025)
Interest payable	-	-	-	-
Paid during the year	-	-	-	-
FX loss/ (gain)	-	-	122,456	-
	1,088,895,468	**575,300,191**	**6,137,734**	**3,120,316**

The organization secured an overdraft facility amounting to LRD 1,122.75 million in 2025 from GT Bank Liberia (2024: LRD 586.5 million). The facility has an interest of 15% for three deals and 16% for one deal per annum. It is 100% covered by cash cover placed with the bank in USD, amounting to USD 6 million (Four deals each of 1.5m USD). The facility is for 1 year, subject to renewal on a merit basis. The renewal anniversary are April 2026, September 2026, and November 2026.

19.6 BRAC International Finance B.V @5.85%, 6.85%, 7.60% and 8.1%

	2025 LRD	2024 LRD	2025 USD	2024 USD
Opening Balance	1,006,472,148	779,925,152	5,517,032	4,167,000
Received during the year	296,190,000	357,080,000	1,500,000	2,000,000
Principal repayment in the year	(299,115,645)	(129,616,920)	(1,499,500)	(666,000)
Interest payable	105,052,574	61,166,273	592,146	335,286
Interest paid during the year	(65,026,325)	(58,672,017)	(366,531)	(321,614)
FX loss/ (gain)	(67,198,769)	(3,410,340)	(239,658)	2,360
	976,373,983	**1,006,472,148**	**5,503,489**	**5,517,032**

Notes to the financial statements *(continued)*

The organization secured USD 1 million in May 2022 at an interest rate of 5.85%; USD 1 million in September 2022 at an interest rate of 6.85%; USD 1.5 million in April 2023 at an interest rate of 7.60%; USD 1 million in September 2023 at an interest rate of 7.60%; USD 2 million in December 2024 and 1.5 million in February 2025 at an interest rate of 8.1% per annum, making a total of receipt being USD 8,000,000 over for the three years. Each loan has a technical fee of 1% per year. The facilities are for 3 years. In June 2025 and September 2025, BLMCL repaid 33% of the first four loans (the first loan, May 2022, was the final installment of $334,000), total amounting to USD 1,499,500. The total outstanding balance is USD 5,503,489 as of December 31, 2025.

19.7 BRAC International Holding B.V @7.55%

	2025 LRD	2024 LRD	2025 USD	2024 USD
Opening Balance	136,822,500	-	750,000	-
Received during the year	390,685,000	291,930,000	2,000,000	1,500,000
Principal repayment in the year	(372,047,500)	(133,905,000)	(2,000,000)	(750,000)
Interest payable	8,168,860	6,168,083	44,778	33,811
Paid during the year	(1,908,648)	(6,308,354)	(9,666)	(35,333)
FX loss/ (gain)	(28,216,230)	(21,062,230)	(32,595)	1,522
	133,503,982	**136,822,500**	**752,517**	**750,000**

The organization secured USD 2 million and USD 1.5 million in September 2025 and 0.5 million in November 2025 as a short-term fund from BRAC International Holding B.V. (a shareholder) at an interest rate of 7.55% per annum. The facility is for 6 months (1.5 m), running from September 2025 to March 2026, and 0.5 m just for 5 (five) business days without any interest. BLMCL has already repaid the total loan amounting to USD 2,000,000 (USD 750,000 for the outstanding loan balance for 2024, and 1,250,000 is for 2025). The total outstanding balance is USD 752,517 as of December 31, 2025, and is due for settlement in March 2026.

19.8 Borrowing from Incofin @8%

	2025 LRD	2024 LRD	2025 USD	2024 USD
Opening Balance	-	-	-	-
Received during the year	443,525,000	-	2,500,000	-
Principal repayment in the year	-	-	-	-
Interest payable	4,829,494	-	27,222	-
Paid during the year	-	-	-	-
FX loss/ (gain)	-	-	-	-
	448,354,494	**-**	**2,527,222**	**-**

The company received US$ 2,500,000 from Incofin on November 13, 2025, at an 8% interest rate with half-yearly interest repayments. Loan Tenor: thirty-six (36) months, and repayment of the Loan shall be made in semi-annual instalments.

20. Other liabilities and provisions

	2025 LRD	2024 LRD	2025 USD	2024 USD
Customer advances	(564,878)	-	(3,184)	-
Provision for Medical Benefits	7,766,594	7,669,745	43,778	42,042
Provision for audit fees	808,331	687,891	4,556	3,771
Professional & Consultancy Fees Payable	614,049	1,630,164	3,461	8,936
Tax withholdings	30,689,166	15,767,433	172,984	86,430
Payable to BRAC IT Services Limited	24,530,648	36,846,847	138,271	201,978
Salary provision	3,220,518	2,265,900	18,153	12,421

Notes to the financial statements
(continued)

Technical Fees Payable on loan from BIFBV	43,709	359,752	246	1,972
Gratuity Payable	77,402,764	55,612,176	436,295	304,841
Other provisions	49,711,936	14,950,427	280,209	81,952
Impairment provision for Fixed assets	30,730,652	-	173,218	-
Total	**224,953,489**	**135,790,333**	**1,267,987**	**744,342**

21. Donor funds

	2025 LRD	2024 LRD	2025 USD	2024 USD
Donor funds received in advance (Note-21.1)	11,334,193	5,056,182	63,887	27,716
Donor funds investment in fixed assets (Note-21.2)	11,153,197	14,271,998	62,867	78,233
Total	**22,487,390**	**19,328,180**	**126,754**	**105,948**

21.1 Donor funds received in advance

Opening balance	5,056,182	(321,456)	27,716	(1,717)
Donations received during the year (Note-21.1.1)	150,887,855	125,677,931	759,337	688,910
Transferred to deferred income - investment in fixed assets (Note 21.1.2)	-	-	-	-
Transferred to the statement of income and expenses	(139,012,832)	(120,124,726)	(724,484)	(631,175)
Fx: adjustment	(5,597,012)	(175,567)	1,318	(27,212)
Closing balance	**11,334,193**	**5,056,182**	**63,887**	**27,716**

21.1.1 Donations received during the year

MasterCard Foundation – AIM project	150,887,855	125,677,931	759,337	688,910
Total	**150,887,855**	**125,677,931**	**759,337**	**688,910**

21.1.2 Deferred Income – Fixed Assets

Opening balance	14,271,998	16,817,739	75,898	89,852
Transferred from donor funds received in Advance	-	-	-	-
Depreciation charged during the year	(2,556,150)	(2,545,741)	(13,322)	(13,955)
Transferred to Donated equity/ Income to P&L	(562,651)	-	291	-
Closing balance	**11,153,197**	**14,271,998**	**62,867**	**75,898**

22. Share Capital

Name of shareholder	**% of holding**				
BRAC International Holdings BV	100%	339,339,071	339,339,071	4,076,145	4,076,145
Total		**339,339,071**	**339,339,071**	**4,076,145**	**4,076,145**

The subscribed shares have share premium as tabled below: -

Share premium	120,755,662	120,755,662	889,529	889,529
Total	**120,755,662**	**120,755,662**	**889,529**	**889,529**

Notes to the financial statements *(continued)*

22.1 Dividend payable to shareholders

Activity	2025 LRD	2024 LRD	2025 USD	2024 USD
Final Net dividend amount 2024** declared in April 2025 (Excluding the Interim dividend amount) Ex. rate 1 USD=190.43	84,736,694	-	464,489	-
Interim dividend declared in October 2024	-	70,026,511	-	364,510
Payment to Shareholder in November 2024	-	(59,522,534)	-	(309,834)
Tax paid on dividend	-	(10,503,977)	-	(54,676)
Fx : adjustment	-	-	13,143	-
Dividend payable as at 31 Dec 2025	**84,736,694**	**-**	**477,632**	**-**

The Company declared the final dividend for 2024 at the Annual General Meeting (AGM) held in April 2025 and paid the dividend on 13 February 2026 to common shareholders of LRD 84m ($464K) of which USD 394,202 was remitted to shareholders and the difference to Liberia Revenue Authority (LRA) as withholding tax at a rate of 15%.

23. Retained Earnings

	2025 LRD	2024 LRD	2025 USD	2024 USD
Opening balance	1,466,533,119	1,227,420,524	8,944,745	7,672,044
Profit for the year	556,174,911	309,526,409	2,898,581	1,656,555
Dividend declared and paid	(84,736,694)	(70,026,511)	(463,768)	(383,854)
FX adjustment	-	(387,303)	(455,871)	-
Closing balance	**1,937,971,336**	**1,466,533,119**	**10,923,687**	**8,944,745**

24. Right of Use (ROU) assets

(a) ROU (Right of use) asset				
Opening balance	22,244,988	20,327,493	125,387	111,426
Additions during the year	-	-	-	-
Accumulated Depreciation of ROU assets	(16,446,506)	(11,731,006)	(92,703)	(64,304)
Translation difference	-	-	-	-
Net ROU assets	**5,798,482**	**8,596,487**	**32,684**	**47,122**
(b) Lease liability	**19,039,959**	17,088,857	**107,322**	93,674
(c) Expenses				
Depreciation expense (ROU)	4,715,500	5,672,544	24,575	29,832
Interest on lease liability	2,170,939	1,150,858	11,315	6,052
Total Lease expenses	**6,886,439**	**6,823,402**	**35,890**	**35,884**

Notes to the financial statements *(continued)*

25. Contingent liabilities

Three former employees brought actions for Unfair Labor Practices and Wrongful Dismissal against the Company in 2020, 2021, and 2024, respectively. The maximum exposure from these cases is LRD 599,904 (Five hundred ninety-nine thousand nine hundred four Liberian dollars). Currently, the cases are pending, one at the National Labor Court on appeal, one at the Supreme Court, and the other at the Ministry of Labor.

Per the court proceedings and legal opinion, BRAC has more than an 80% likelihood of having the ruling of the Labor Ministry reversed in its favor in respect of the cases for two former employees. This reversal will clear BRAC of liability for wrongful dismissal hence no provision has been taken against the claim in the books.

26. Translation reserve adjustment

The translation reserve adjustments reported in the statement of changes in equity relate to a devaluation of the Liberian Dollar in relation to the United States Dollar, affecting the prior period closing balance and movements in translation reserves in the current year.

27. Capital expenditure commitments

There were no material capital expenditure commitments either authorized or contracted as at December 31, 2025 (2024: Nil).

28. Subsequent events

Events subsequent to the balance sheet date are disclosed only to the extent that they relate directly to the financial statements and the effect is material. There were no such events as at the date the financial statements were approved.