



VISIONFUND INTERNATIONAL AND SUBSIDIARIES

Consolidated Financial Statements

September 30, 2025 and 2024

(With Independent Auditors' Report Thereon)



KPMG LLP
Suite 1500
550 South Hope Street
Los Angeles, CA 90071-2629

Independent Auditors' Report

The Board of Directors
VisionFund International:

Opinion

We have audited the consolidated financial statements of VisionFund International and its subsidiaries (the Organization), which comprise the consolidated statements of financial position as of September 30, 2025 and 2024, and the related consolidated statements of activities and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, based on our audits and the reports of the other auditors, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Organization as of September 30, 2025 and 2024, and the results of its operations and its cash flows for the years then ended in accordance with U.S. generally accepted accounting principles.

We did not audit the consolidated financial statements of Banco VisionFund Ecuador S.A. (Banco VF Ecuador), a wholly owned subsidiary, which statements reflect total assets constituting 32.3 percent and 31.8 percent, respectively, of consolidated total assets as of September 30, 2025 and 2024, and total revenues constituting 19.2 percent and 19.0 percent, respectively, of consolidated total revenues for the years then ended. Those statements were audited by other auditors, whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for Banco VF Ecuador, is based solely on the reports of the other auditors.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with U.S. generally accepted accounting principles, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for one year after the date that the consolidated financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that



includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. 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. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

KPMG LLP

Los Angeles, California
March 20, 2026

VISIONFUND INTERNATIONAL AND SUBSIDIARIES

Consolidated Statements of Financial Position

September 30, 2025 and 2024

(In thousands)

Assets	2025	2024
Cash and cash equivalents (note 13)	\$ 74,345	70,858
Investments (notes 3, 4 and 13)	3,914	7,584
Interest receivable	10,618	8,201
Accounts receivable	1,310	3,773
Loans to affiliated microfinance institutions, net of allowance for loan losses of \$785 and \$746 as of September 30, 2025 and 2024, respectively (note 5a)	21,334	20,101
Loans to microfinance institution clients, net of allowance for credit losses of \$7,919 and \$7,369 as of September 30, 2025 and 2024, respectively (note 5b)	365,326	310,410
Restricted investments (notes 3, 4 and 13)	2,551	4,059
Operating lease right-of-use assets	5,004	4,870
Property, plant and equipment, net (note 6)	12,700	9,426
Other assets	12,434	10,097
Total assets	\$ 509,536	449,379
Liabilities		
Accounts payable and accrued expenses	\$ 17,648	16,383
Operating lease liabilities (note 12)	4,898	4,781
Interest payable	5,103	3,497
Deposits from microfinance institution clients	74,201	39,701
Notes payable (note 7)	228,074	215,772
Other liabilities	19,000	13,926
Total liabilities	348,924	294,060
Net Assets		
Net assets without donor restrictions – controlling interest (note 8)	140,180	136,327
Net assets without donor restrictions – non-controlling interest (note 8)	4,146	3,870
Total net assets without donor restrictions	144,326	140,197
Net assets with donor restrictions	16,286	15,122
Total net assets	160,612	155,319
Total liabilities and net assets	\$ 509,536	449,379

See accompanying notes to consolidated financial statements.

VISIONFUND INTERNATIONAL AND SUBSIDIARIES

Consolidated Statements of Activities

Years ended September 30, 2025 and 2024

(In thousands)

	2025	2024
Net assets without donor restrictions:		
Operating revenue:		
Interest, fees, and commission revenue	\$ 138,983	127,225
Interest, fees, and commission expense (note 9)	(25,782)	(21,731)
Net financial income	113,201	105,494
Provision for loan losses (notes 5a, 5b and 9)	(7,352)	(8,421)
Net financial income after provision for loan losses	105,849	97,073
Other operating income	2,138	1,359
Total revenue from operations	107,987	98,432
Operating expenses (note 9):		
Salaries and benefits	68,059	61,877
Supplies, copying, and printing	2,473	3,210
Professional fees	8,831	8,016
Communication expense	2,338	2,069
Occupancy expense	3,794	2,377
Lease expense (note 12)	2,934	3,373
Travel and transportation	6,645	6,400
Depreciation	2,951	2,521
Training and technical assistance	1,326	1,310
Other operating expenses	7,210	6,667
Total operating expenses	106,561	97,820
Operating gain before taxes and other non-operating changes in net assets without donor restrictions	1,426	612
Tax expense (note 9)	4,421	2,976
Net operating loss	(2,995)	(2,364)
Other non-operating changes in net assets without donor restrictions:		
Unrestricted contributions (note 10)	2,228	3,199
Amounts granted to affiliated microfinance institutions	(6,267)	(5,297)
Foreign currency transaction losses (note 2)	(58)	(2,853)
Foreign currency translation losses (note 2)	(3,924)	(6,297)
Net assets released from restriction (note 8)	13,642	10,309
Other non-operating gains	1,503	1,329
Net change in net assets without donor restrictions	4,129	(1,974)
Net assets with donor restrictions:		
Restricted contributions (note 10)	14,806	13,029
Net assets released from restriction (note 8)	(13,642)	(10,309)
Net change in net assets with donor restrictions	1,164	2,720
Change in net assets	5,293	746
Net assets, beginning of year	155,319	154,573
Net assets, end of year	\$ 160,612	155,319

See accompanying notes to consolidated financial statements.

VISIONFUND INTERNATIONAL AND SUBSIDIARIES

Consolidated Statements of Cash Flows

Years ended September 30, 2025 and 2024

(In thousands)

	2025	2024
Cash flows from operating activities:		
Change in net assets	\$ 5,293	746
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation expense	2,951	2,521
Amortization of operating lease right-of-use assets	2,495	2,693
Provision for loan losses	7,352	8,421
Recoveries collected	3,291	3,510
Foreign currency revaluation	(690)	15,312
Loss (Gain) on forward contracts	772	(2,732)
Loss on disposal of equipment	11	88
Change in assets and liabilities:		
Interest receivable	(2,417)	(350)
Accounts receivable	2,463	(2,131)
Other assets	(2,337)	(1,152)
Accounts payable and accrued expenses	1,265	(439)
Operating lease liabilities	(2,830)	(2,851)
Interest payable	1,606	588
Other liabilities	4,302	673
Net cash provided by operating activities	23,527	24,897
Cash flows from investing activities:		
Purchase of equipment	(6,139)	(4,571)
Proceeds from sales of equipment	68	91
Distribution of loans	(558,056)	(504,010)
Proceeds from loan portfolio repayment	498,541	463,958
Purchases of investments	(16,069)	(20,619)
Proceeds from sales of investments	18,778	22,125
Net cash used in investing activities	(62,877)	(43,026)
Cash flows from financing activities:		
Debt issuance cost	(40)	(116)
Proceeds from notes payable	97,890	82,335
Payments on notes payable	(89,513)	(53,111)
Deposits from microfinance institution clients	34,500	5,010
Net cash provided by financing activities	42,837	34,118
Net increase in cash and cash equivalents	3,487	15,989
Cash and cash equivalents, beginning of year	70,858	54,869
Cash and cash equivalents, end of year	\$ 74,345	70,858
Supplemental disclosures of cash flow information:		
Cash paid during the year for interest	\$ 24,404	16,659
Cash paid during the year for taxes	3,456	6,637

See accompanying notes to consolidated financial statements.

VISIONFUND INTERNATIONAL AND SUBSIDIARIES

Notes to Consolidated Financial Statements

Years ended September 30, 2025 and 2024

(In thousands)

(1) Organization and principal activities

VisionFund International (VFI) and its consolidated subsidiaries (collectively, the Organization) is a wholly controlled subsidiary of World Vision International (World Vision), a corporation that is organized exclusively for purposes that are both religious and charitable, namely, to witness to Jesus Christ by life, deed, word, and sign by rendering holistic Christian service throughout the world among the poor without regard to race, color, creed, or sex.

To deliver sustainable development, World Vision began the microenterprise development loan program through local microfinance institutions (MFIs). World Vision established VFI for the purpose of providing central governance, financial, and technical support for all affiliated MFIs. These MFIs serve micro-entrepreneurs, smallholder farmers, and small businesses in disadvantaged and typically rural markets through the provision of basic financial services, such as credit, savings, and insurance, predominantly to women.

The majority of World Vision's affiliated MFIs are directly owned and controlled by VFI. These consolidated financial statements include the following entities:

<u>Name</u>	<u>Country</u>
VisionFund DRC	Democratic Republic of the Congo
VisionFund Republica Dominicana, SAS	Dominican Republic
Banco VisionFund Ecuador S.A.	Ecuador
VFC Foundation	Georgia
VisionFund Caucasus LLC	Georgia
VisionFund Ghana Micro Credit Limited	Ghana
VisionFund Guatemala, S.A.	Guatemala
FUNED Vision Fund OPDF	Honduras
VisionFund India Private Limited	India
VisionFund Kenya Limited	Kenya
VisionFund Malawi Ltd.	Malawi
VisionFund Mexico S.A. de C.V., SOFOM E.N.R.	Mexico
VisionFund NBFi LLC	Mongolia
VisionFund AgrolInvest LLC	Montenegro
MFI Monte Credit LLC	Montenegro
VisionFund Myanmar Company Limited	Myanmar
EDPYME Credivision S.A.	Peru
VisionFund Rwanda PLC	Rwanda
Visionfund Sénégal Microfinance, SA	Senegal

VISIONFUND INTERNATIONAL AND SUBSIDIARIES

Notes to Consolidated Financial Statements

Years ended September 30, 2025 and 2024

(In thousands)

Name	Country
VisionFund Holdings (Private) Limited	Sri Lanka
VisionFund Lanka Limited	Sri Lanka
VisionFund Tanzania MFB Limited	Tanzania
VisionFund Uganda Limited	Uganda
VisionFund Ukraine	Ukraine
VisionFund Zambia Ltd.	Zambia

The primary activity of the subsidiaries is to provide commercially oriented microfinance services aiming to alleviate poverty and stimulate the creation of employment opportunities and economic growth for the poor and their surrounding communities, particularly in areas of World Vision ministry.

(2) Summary of significant accounting policies

(a) *Basis of consolidation*

The consolidated financial statements of the Organization include the accounts of VFI and its subsidiaries, which are controlled and majority owned by VFI. All significant intercompany accounts and transactions have been eliminated.

(b) *Basis of presentation*

The consolidated financial statements of the Organization are prepared on the accrual basis of accounting. Net assets of the Organization are reported within the following categories:

Net Assets without donor restrictions, controlling interest – represent those resources of the Organization that are not subject to donor-imposed restrictions. The only limits on net assets without donor restrictions are broad limits that are consistent with the nature of the Organization and the purposes specified in its articles of incorporation or bylaws.

Net Assets without donor restrictions, non-controlling interest – represent the portion of the Organization's resources attributable to non-controlling shareholders of consolidated subsidiaries. The value of the non-controlling interest is based on the ownership percentage of the non-controlling shareholders in the respective subsidiaries.

Net Assets with donor restrictions – represent contributions and other inflows of assets which are subject to donor-imposed restrictions that can be fulfilled by actions of the Organization or by the passage of time. As of September 30, 2025 and 2024, net assets with donor restrictions relate to project use restrictions on contributions received.

Expenses are reported as decreases in net assets without donor restrictions. Expiration of donor-imposed restrictions that simultaneously increase one class of net assets and decrease another are reported as reclassifications between the applicable classes of net assets. A restriction expires when the stipulated time period has elapsed, when the purpose for which the resource was restricted has been fulfilled, or both.

VISIONFUND INTERNATIONAL AND SUBSIDIARIES

Notes to Consolidated Financial Statements

Years ended September 30, 2025 and 2024

(In thousands)

(c) Revenue recognition and net asset contributions

Revenue is recognized when it is realized or realizable, and earned. This concept is applied to the key revenue generating activities of the Organization as follows:

Interest, Fees and Commissions – interest from interest-bearing assets is recognized on the accrual basis over the life of the asset based on an effective-interest rate. Fees and commissions are recognized as income using the effective-interest method.

Contributions – contributions and unconditional promises to give are recognized as revenues in the period received. Contributions that contain donor-imposed conditions are recorded within restricted contributions until the conditions are substantially met or when the possibility that the conditions will not be met is remote. A donor-imposed condition must include both a barrier and a right of asset return or pledge cancellation.

Contributed Net Assets – contributed net assets result from contributions or transfers of ownership of World Vision affiliated MFIs to VFI. The net asset contribution is recorded at carrying value on the date of acquisition or transfer. VFI reflects the net carrying value of these contributed MFIs as non-operating increases to net assets in the accompanying consolidated statements of activities. There were no contributed net assets during the years ended September 30, 2025 and 2024.

(d) Amounts granted to affiliated MFIs

VFI contributes funds to unconsolidated affiliated MFIs for the purpose of funding lending activities, operations, and acquisition of capital assets by the MFIs. These expenses are recognized when the funds are contributed.

(e) Geographic area of operations

VFI's mission of providing financial services to the poor involves the Organization operating in various foreign geographic regions. Included in the accompanying consolidated statements of financial position are the net assets of each entity, which are located in the following countries with the following net asset/(deficit) balances as of September 30, 2025 and 2024:

Country	2025	2024
United States (VFI registered office)	\$ 63,712	65,820
Ecuador	27,723	24,831
Mexico	14,264	13,095
Tanzania	12,654	9,570
Uganda	7,103	5,370
Serbia & Montenegro	5,749	4,768
Ghana	4,872	2,970

VISIONFUND INTERNATIONAL AND SUBSIDIARIES

Notes to Consolidated Financial Statements

Years ended September 30, 2025 and 2024

(In thousands)

<u>Country</u>	<u>2025</u>	<u>2024</u>
Senegal	4,775	4,712
Kenya	4,296	4,063
Mongolia	4,084	3,829
Malawi	4,062	3,112
Zambia	3,933	2,834
Dominican Republic	3,174	2,890
Honduras	2,876	3,092
Guatemala	2,520	2,298
Rwanda	2,323	2,092
Ukraine	278	426
India	42	2,788
Sri Lanka	37	47
Georgia	10	11
Peru	1	(2)
Myanmar	(129)	(480)
Democratic Republic of the Congo	(7,747)	(2,817)
	<u>\$ 160,612</u>	<u>155,319</u>

Legal, regulatory, tax, foreign currency or other limitations and risks may exist in many of these countries and if changes occur, they may materially impact amounts reported and investment values. The ability to liquidate, realize or transfer net assets from one country to another or to the parent company is typically limited.

(f) Tax status

VFI is organized as a nonprofit corporation under the laws of the State of California and is a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and Section 23701d of the California Revenue and Taxation Code. However, VFI remains subject to income taxes on any net income that is derived from a trade or business, regularly carried on and not in furtherance of the purpose for which it was granted exemption. No income tax provision has been recorded as the net income, if any, from any unrelated trade or business, in the opinion of management, is not material to the consolidated financial statements as a whole.

Accounting Standards Codification (ASC) Topic 740 (ASC740), Income Taxes, prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return, and provides guidance on derecognition, classification, interest and penalties, disclosure, and transition. Management believes there are no such uncertain tax positions for the Organization for the years ended September 30, 2025 and 2024.

The consolidated subsidiaries are subject to their respective local tax laws. Taxes recorded in the accompanying consolidated financial statements consist entirely of non-United States (U.S.) taxes related to the operations of the foreign subsidiaries.

VISIONFUND INTERNATIONAL AND SUBSIDIARIES

Notes to Consolidated Financial Statements

Years ended September 30, 2025 and 2024

(In thousands)

(g) Cash, cash equivalents and restricted cash

For the purposes of reporting cash flows, the Organization considers all highly liquid investments with an original maturity of three months or less at date of purchase to be cash and cash equivalents. This includes cash and cash equivalents which are subject to restrictions.

As of September 30, 2025 and 2024, there was no restricted cash.

(h) Investments

Investments are recorded at fair value. Gains and losses on investments are recorded as increases or decreases in net assets without donor restrictions unless their use is limited by donor-imposed restrictions.

As of September 30, 2025 and 2024, the total restricted investment amount held as guarantee for loans totaled \$2,551 and \$4,059, respectively, while the unrestricted investment amount totaled \$3,914 and \$7,584, respectively.

(i) Loans

The loan balances consist of loans made by VFI to affiliated independent MFIs, as well as loans made by VFI to the entrepreneurial poor through subsidiaries in their respective areas of operation.

For loans to affiliated unconsolidated MFIs, management evaluates the adequacy of the allowance for loan loss annually and determines the amount, if any, of the provision for loan losses to be recorded. The evaluation of the adequacy of the allowance includes a review of the respective MFIs' delinquency rates, historic write-offs, liquidity, and financial and operational strength.

The Organization adopted the Accounting Standards Update (ASU) No. 2016-13, *Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments* effective October 1, 2023. For loans to MFI clients, the management of the Organization determines the allowance for credit losses annually using the loss rate approach under which the loss rate is derived from analysis of historic credit losses for each MFI and then adjusted for current conditions, relevant macro-economic factors and other reasonable and supportable forecasts, as applicable. Loans deemed uncollectible (write-offs) are removed from the outstanding loan portfolio and their likelihood of recovery is reflected in the allowance. The ultimate recovery of all loans is susceptible to future market factors often beyond the Organization's control. These factors may result in losses or recoveries differing significantly from those provided in the accompanying consolidated financial statements.

The Organization has elected to treat each MFI's total loans to their clients as separate pools of assets, assessed separately. The Organization maintains an allowance for credit losses that reflects management's judgment and estimation of expected losses in the portfolio. The Organization reviews its allowance for loan losses for adequacy considering economic conditions and trends and credit quality indicators, including past write-off experience, historic recovery of loans and the level of past due loans. The Organization elects not to measure an allowance for loan losses for accrued interest receivables since the Organization has a policy of writing off accrued interest on all loans that are past due by 90 days or more.

VISIONFUND INTERNATIONAL AND SUBSIDIARIES

Notes to Consolidated Financial Statements

Years ended September 30, 2025 and 2024

(In thousands)

The Organization evaluates the credit quality of its loan portfolio based on local regulatory requirements and on the aging of loans. Loans over 30 days past due are considered to be nonperforming. Loans aged over 91 days are considered to be impaired and are placed on nonaccrual status. Loans on nonaccrual status are not restored to accrual status unless they become current and full payment is expected. The Organization evaluates its loans receivable collectively for impairment.

(j) Property, plant and equipment, net

Property, plant and equipment are recorded at historical cost less accumulated depreciation. Depreciation is provided on the straight-line basis over the estimated useful life of the assets. Equipment is depreciated over 3 to 10 years for motor vehicles, 3 to 5 years for computers and communications equipment, and 3 to 10 years for furniture and equipment. Repair and maintenance costs of property, plant, and equipment are capitalized if they result in substantial improvement in value or extend the useful life of the asset. Other repair and maintenance costs are charged as expenses as incurred.

(k) Leases

A contract is determined to be a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Organization does not have any finance leases but does have operating leases which are included in the consolidated statements of financial position.

Operating lease right-of-use assets represent the right to use the leased asset for the lease term and operating lease liabilities are the present value of remaining lease payments owed over such term.

Right-of-use assets and liabilities are recognized at the commencement date based on the lease term and extension options reasonably certain to be exercised, discounted by the risk-free rate to determine present value. Lease expenses for minimum operating lease payments are amortized on a straight-line basis over the lease term. The Organization elected to combine lease and non-lease components as a single lease component and to exclude short term leases with an original term of 12 months or less, from its consolidated statements of financial position. Non-lease components are distinct elements of a contract that are not related to securing the use of the leased asset. These are common in real estate transactions like the common area maintenance for the leased property such as cleaning services that a lessor would provide.

(l) Foreign currency adjustments

(i) Foreign currency translations

The assets and liabilities of the subsidiaries are generally denominated in each country's local currency and translated into U.S. dollars at period-end exchange rates, where applicable. The accompanying consolidated statements of activities and cash flows are translated using average exchange rates during the respective periods. The resulting translation adjustments are recorded as non-operating changes in unrestricted net assets in the accompanying consolidated statements of activities. As of September 30, 2025 and 2024, the net assets of subsidiaries denominated in local currency and subject to translation adjustments totaled \$69,177 and \$64,668, respectively. For the years ended September 30, 2025 and 2024, due to the general fluctuation in the exchange

VISIONFUND INTERNATIONAL AND SUBSIDIARIES

Notes to Consolidated Financial Statements

Years ended September 30, 2025 and 2024

(In thousands)

rate of the U.S. dollar against the local currencies of the subsidiaries, foreign currency translation losses totaled \$3,924 and \$6,297, respectively.

(ii) Foreign currency transactions

Foreign currency transaction gains or losses result from transactions in foreign currencies. Fluctuations in the exchange rate between the foreign currency and the local currency result in foreign currency transaction gains or losses. For the years ended September 30, 2025 and 2024, foreign currency transaction losses totaled \$58 and \$2,853, respectively.

(m) Foreign exchange currency contracts

VFI has a number of loans denominated in foreign currencies. In order to protect against fluctuations in such currencies, VFI has entered into certain foreign currency forward contracts, which provide for the future exchange of funds at agreed-upon rates. Unrealized gains or losses on forward currency derivatives recorded at fair value are based on current market exchange rates for foreign currencies.

At September 30, 2025 and 2024, VFI had in place foreign currency contracts with a notional value totalling \$101,510 and \$78,687, respectively. As of September 30, 2025 and 2024, VFI recorded the fair value of liabilities of \$2,642 and \$869, respectively, as part of other liabilities. The resulting losses are recorded as foreign currency transaction losses in the accompanying consolidated statements of activities as described in note 2(l)(ii).

(n) Use of estimates

The preparation of consolidated financial statements in accordance with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Material estimates relate primarily to the determination of the allowance for loan losses.

(o) Risks and uncertainties related to investments

Investments are exposed to various risks, such as interest rate, market, currency, and credit risks. Due to the level of risk associated with investment, it is possible that changes in the values of investment securities could occur in the near term and that such changes could materially affect the amounts reported.

(p) Concentration of credit risk

FDIC Insurance insures U.S. regulated bank deposits up to \$250. As of September 30, 2025 and 2024, the total deposits at institutions exceeded the amount covered by the bank deposit insurance by \$27,386 and \$28,765, respectively. For deposits outside the U.S., the Organization is exposed to a maximum of \$42,732 and \$39,054 in the event of non-performance of banks as of September 30, 2025 and 2024, respectively.

VISIONFUND INTERNATIONAL AND SUBSIDIARIES

Notes to Consolidated Financial Statements

Years ended September 30, 2025 and 2024

(In thousands)

(3) Investments

Investments consist primarily of foreign currency time deposits for short-term lending and funding needs. As of September 30, 2025 and 2024, the fair value of investments is as follows:

Foreign currency time deposits	2025	2024
Unrestricted	\$ 3,914	7,584
Restricted (note 13)	2,551	4,059
Total investments	\$ 6,465	11,643

(4) Fair value measurements

ASC Topic 820, Fair Value Measurement, establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Organization has the ability to access at the measurement date.
- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for the asset or liability.

The level in the fair value hierarchy within which a fair value measurement in its entirety falls is based on the lowest-level input that is significant to the fair value measurement in its entirety.

The following table presents the placement in the fair value hierarchy of assets that are measured at fair value on a recurring basis:

	2025	2024
Significant other observable inputs (Level 2):		
Assets:		
Foreign currency time deposits:		
Ecuador	\$ 2,861	2,175
Kenya	1,262	2,663
Tanzania	652	2,885
Senegal	461	234
Myanmar	429	762
Guatemala	400	400

VISIONFUND INTERNATIONAL AND SUBSIDIARIES

Notes to Consolidated Financial Statements

Years ended September 30, 2025 and 2024

(In thousands)

	<u>2025</u>	<u>2024</u>
India	392	1,510
Honduras	8	5
Ghana	—	633
Rwanda	—	375
Serbia & Montenegro	—	1
	<hr/>	<hr/>
Total investments	\$ <u>6,465</u>	<u>11,643</u>
Liabilities:		
Foreign exchange currency contracts	\$ <u>2,642</u>	<u>869</u>

For the valuation of foreign currency time deposits, the Organization used significant other observable inputs, particularly pricing for similar investments with the same maturities (Level 2).

The fair value of assets related to foreign exchange currency contracts is determined through the use of models or other valuation methodologies (including observation of prevailing market exchange rates for foreign currencies). Accordingly, these contracts are classified within Level 2 and presented within other liabilities in the consolidated statements of financial position.

(5) Loan portfolio

(a) Loans to affiliated MFIs

Amounts in loans to affiliated MFIs represent funds lent by VFI to affiliated, independent (unconsolidated) MFIs for further lending to micro-entrepreneurs. As of September 30, 2025 and 2024, these loans totaled \$22,119 and \$20,847, respectively. Interest rates for loans to affiliated MFIs by VFI range from 0% to 10%, depending on the current interest rates in the U.S., the currency of the loan, hedge costs and any donor related commitments.

VISIONFUND INTERNATIONAL AND SUBSIDIARIES

Notes to Consolidated Financial Statements

Years ended September 30, 2025 and 2024

(In thousands)

As of September 30, 2025, these loans are scheduled for repayment as follows:

	<u>Principal Repayment Schedule</u>
Fiscal year:	
2026	\$ 9,226
2027	7,952
2028	340
2029	2,780
2030	<u>1,821</u>
	22,119
Allowance for loan losses	<u>(785)</u>
	<u>\$ 21,334</u>

Changes in the allowance for loan losses for the years ended September 30, 2025 and 2024 are as follows:

<u>Allowance for loan losses</u>	<u>2025</u>	<u>2024</u>
Beginning of Year	\$ 746	606
Provision for loan losses	<u>39</u>	<u>140</u>
End of Year	<u>\$ 785</u>	<u>746</u>

Loans to affiliated MFIs were concentrated in the following regions as of September 30, 2025 and 2024:

<u>Region of operations</u>	<u>2025</u>	<u>2024</u>
Africa	\$ 14,397	14,951
Middle East/Eastern Europe	6,192	3,252
Latin America/Caribbean	1,530	1,530
Asia/Pacific	<u>—</u>	<u>1,114</u>
	<u>\$ 22,119</u>	<u>20,847</u>

The Organization evaluates its loans receivable using conforming or non-conforming as the primary credit quality indicator. Non-conforming refers to those loans that are internally classified by the Organization as substandard. These assets pose higher risk and elevated probability of default.

VISIONFUND INTERNATIONAL AND SUBSIDIARIES

Notes to Consolidated Financial Statements

Years ended September 30, 2025 and 2024

(In thousands)

Conforming refers to all loans not considered non-conforming. The Organization evaluates various criteria for determining whether a loan is conforming or non-conforming on an annual basis. There are no non-conforming loans to affiliated MFIs as at September 30, 2025 and 2024.

(b) Loans to MFI clients

Amounts in loans to MFI clients represent funds lent to the entrepreneurial poor in the subsidiaries' respective areas of operation. At September 30, 2025 and 2024, the Organization's loans to MFI clients totaled \$373,245 and \$317,779, respectively. The allowance for credit loss as of September 30, 2025 and 2024 was \$7,919 and \$7,369, respectively. These loans consist of funds lent to entrepreneurial individuals, solidarity groups, and community banks for the purpose of furthering economic development in the communities served. The average loan amount varies by country from two hundred sixty-four dollars to sixteen thousand thirty-six dollars. These loans have terms commonly ranging from three to forty-five months, their weighted average maturities being approximately twenty-four months. Interest rates on the outstanding loans vary by country due to varying inflation rates and operating environments. For the years ended September 30, 2025 and 2024, the weighted average annual interest rates charged were 33% and 30%, respectively.

Loans to MFI clients were made in the following regions as of September 30, 2025 and 2024:

Region of operations	2025	2024
Latin America/Caribbean	\$ 227,273	204,028
Africa	109,273	83,984
Asia/Pacific	22,491	21,123
Middle East/Eastern Europe	14,208	8,644
	\$ 373,245	317,779

An aging analysis of loans to MFI clients as of September 30, 2025 is as follows:

	Outstanding balance	Allowance for loan losses
Current or less than 30 days past due	\$ 363,981	2,325
31-60 days past due	2,240	1,159
61-90 days past due	1,827	1,149
91 days or more past due	5,197	3,286
	\$ 373,245	7,919

VISIONFUND INTERNATIONAL AND SUBSIDIARIES

Notes to Consolidated Financial Statements

Years ended September 30, 2025 and 2024

(In thousands)

An aging analysis of loans to MFI clients as of September 30, 2024 is as follows:

	<u>Outstanding balance</u>	<u>Allowance for loan losses</u>
Current or less than 30 days past due	\$ 308,750	2,637
31-60 days past due	2,455	1,054
61-90 days past due	1,694	993
91 days or more past due	4,880	2,685
	<u>\$ 317,779</u>	<u>7,369</u>

As of September 30, 2025 and 2024, loans greater than 90 days past due totaling \$5,197 and \$4,880, respectively, were not accruing interest.

Loans are written off when they become 180 days or more past due. Operational collection efforts continue past the point of write-off. Any recoveries of loans previously written-off are netted against the provision for loan losses within the consolidated statement of activities. For the years ending September 30, 2025 and 2024, recoveries collected totaled \$3,291 and \$3,510, respectively.

Collateral is held by certain MFIs against certain loans to their clients. Such collateral is in the form of land, buildings, vehicles and chattels and covers 29% and 19% of the total balance of the loans to MFI clients for years ended September 30, 2025 and 2024.

Each MFI's loans to MFI clients share similar risk characteristics and so have been treated as distinct pools of assets and collectively assessed for the purposes of determining an appropriate allowance for loan losses. There have been no material sales of loans to MFI clients in the year.

Changes in the allowance for credit losses for the years ended September 30, 2025 and 2024, respectively:

<u>Allowance for credit losses</u>	<u>2025</u>	<u>2024</u>
Beginning of year	\$ 7,369	10,657
Adoption of credit loss standard	—	(4,611)
Beginning of year, as restated	7,369	6,046
Current period provision for expected credit losses	7,313	8,281
Recoveries collected	3,291	3,510
Write-offs charged against allowance	(10,567)	(6,875)
Currency revaluation	513	(3,593)
	<u>\$ 7,919</u>	<u>7,369</u>

VISIONFUND INTERNATIONAL AND SUBSIDIARIES

Notes to Consolidated Financial Statements

Years ended September 30, 2025 and 2024

(In thousands)

(6) Property, plant and equipment

Property, plant and equipment are located primarily at the sites of operations of the subsidiaries and consist of the following at September 30, 2025 and 2024:

	2025	2024
Land and buildings	\$ 3,096	2,712
Equipment	6,411	5,535
Vehicles	6,420	4,747
Computers and software	14,958	13,086
	30,885	26,080
Less accumulated depreciation	(18,185)	(16,654)
Total	\$ 12,700	9,426

(7) Notes payable

Notes payable represent funding from various foundations, individuals, affiliates and banking organizations, which have extended loans to the Organization to provide support for its activities. Interest rates on notes payable vary by country and currency.

The following are the interest rates on these loans as of September 30, 2025 and 2024:

September 30, 2025			September 30, 2024		
Number of loans	Total loan value	Interest rates	Number of loans	Total loan value	Interest rates
68	\$ 37,178	0% to 5%	78	\$ 53,573	0% to 5%
162	130,915	5.1% to 10%	181	106,273	5.1% to 10%
39	22,490	10.1% to 15%	61	27,368	10.1% to 15%
46	37,491	over 15%	62	28,558	over 15%
	\$ 228,074			\$ 215,772	

VISIONFUND INTERNATIONAL AND SUBSIDIARIES

Notes to Consolidated Financial Statements

Years ended September 30, 2025 and 2024

(In thousands)

The loans outstanding as of September 30, 2025 are scheduled for repayment as follows:

	Principal Repayment Schedule
Fiscal year:	
2026	\$ 107,713
2027	63,596
2028	40,797
2029	6,214
2030	2,018
2031 and beyond	7,736
	\$ 228,074

As of September 30, 2025, notes payable are unsecured with the exception of \$8,555 in loans that have been collateralized by the assets of individual subsidiaries.

VFI had drawings of \$5,000 on a line of credit of \$15,000, resulting in \$10,000 of undrawn availability as of September 30, 2025. The line of credit is in place to address liquidity needs for the Organization. At September 30, 2024, VFI had one available unused line of credit of \$5,000.

(8) Net assets without donor restrictions

Changes in net assets without donor restrictions for the year ended September 30, 2025 and 2024 are as follows:

	Total	Controlling interest	Non-controlling interest
Balance, October 1, 2024	\$ 140,197	136,327	3,870
Transfers to noncontrolling interest	—	(278)	278
Excess of expenses over revenues	(9,513)	(9,511)	(2)
Net assets released from restriction	13,642	13,642	—
Change in net assets	4,129	3,853	276
Balance, September 30, 2025	\$ 144,326	140,180	4,146

VISIONFUND INTERNATIONAL AND SUBSIDIARIES

Notes to Consolidated Financial Statements

Years ended September 30, 2025 and 2024

(In thousands)

	Total	Controlling interest	Non-controlling interest
Balance, October 1, 2023	\$ 137,560	133,267	4,293
Transfers to noncontrolling interest	—	(314)	314
Deficiency of revenues over expenses	(7,672)	(6,935)	(737)
Net assets released from restriction	10,309	10,309	—
Change in net assets	2,637	3,060	(423)
Balance, September 30, 2024	\$ 140,197	136,327	3,870

As of September 30, 2025 and 2024, the non-controlling interest was \$4,146 and \$3,870, respectively. The non-controlling interest is primarily concentrated in VisionFund Tanzania (66% ownership by VFI) and VisionFund DRC (80% ownership by VFI).

(9) Program and Supporting Expenses

To help users assess the Organization's service efforts, operating expenses are reported into functional categories of program services and supporting services. Program services are expenses incurred in the course of VFI's primary activities of coordinating and funding MFIs and providing commercially oriented microfinance services to alleviate poverty. Allocation of expenses to program services or supporting services is determined by how directly the expense supports the operations of subsidiaries which deliver the services. All other expenses are designated as supporting services.

The following are the program and support expenses for September 30, 2025 and 2024:

	2025			2024		
	Program	Supporting	Total	Program	Supporting	Total
Interest, fees, and commission expense	\$ 25,782	—	25,782	21,731	—	21,731
Provision for loan losses	7,352	—	7,352	8,421	—	8,421
Tax expense	4,421	—	4,421	2,976	—	2,976
Salaries and benefits	55,773	12,286	68,059	51,333	10,544	61,877
Professional fees	7,968	863	8,831	7,092	924	8,016
Travel and transportation	5,694	951	6,645	5,162	1,238	6,400
Occupancy expense	3,515	279	3,794	2,140	237	2,377
Depreciation	2,951	—	2,951	2,521	—	2,521
Lease expense	2,934	—	2,934	3,373	—	3,373
Supplies, copying, and printing	2,001	472	2,473	2,626	584	3,210
Communication expense	2,289	49	2,338	2,020	49	2,069
Training and technical assistance	1,224	102	1,326	1,235	75	1,310
Other operating expenses	7,032	178	7,210	6,330	337	6,667
Total	\$ 128,936	15,180	144,116	116,960	13,988	130,948

VISIONFUND INTERNATIONAL AND SUBSIDIARIES

Notes to Consolidated Financial Statements

Years ended September 30, 2025 and 2024

(In thousands)

(10) Contributions

Contributions for the years ended September 30, 2025 and 2024 totaled \$17,034 and \$16,228, respectively.

Contributions, classified as non-operating changes in net assets, were from the following:

	2025	2024
Unrestricted:		
World Vision United States	\$ 1,951	2,540
World Vision Singapore	90	—
World Vision Kenya	67	12
World Vision Hong Kong	49	—
World Vision United Kingdom	47	—
World Vision New Zealand	23	—
World Vision Germany	—	23
World Vision Netherlands	—	2
Non-affiliated Agencies	1	622
Total unrestricted	2,228	3,199
Restricted:		
World Vision United States	14,337	10,342
World Vision Austria	215	138
World Vision Australia	118	—
World Vision Ukraine	—	2,325
World Vision Canada	—	86
Non-affiliated Aid Agencies	136	138
Total restricted	14,806	13,029
Total contributions	\$ 17,034	16,228

(11) Related-party transactions

Many of the transactions of VFI are with related entities, as discussed elsewhere in these consolidated financial statements. Such transactions include contributions, loans with affiliates and investments in affiliates. Certain items are further described below.

As of September 30, 2025 and 2024, VFI had accounts payable to World Vision totaling \$1,092 and \$1,709, respectively. These amounts were for operating expenses paid by World Vision on behalf of VFI.

VISIONFUND INTERNATIONAL AND SUBSIDIARIES

Notes to Consolidated Financial Statements

Years ended September 30, 2025 and 2024

(In thousands)

(12) Leases

The Organization had commitments related to operating leases for building facilities and vehicles at September 30, 2025 and 2024. All leases are non-cancellable and expire on various dates through October 2033.

Lease costs and other related information were as follows for the years ended September 30:

	<u>2025</u>	<u>2024</u>
Lease cost:		
Operating lease costs	\$ 2,934	3,373
Other information:		
	<u>2025</u>	<u>2024</u>
Weighted-average discount rate - operating leases	7.39 %	6.61 %
Weighted-average remaining lease term - operating leases	3.50 yrs	3.89 yrs

Supplemental cash flow information related to the leases is as follows at September 30:

	<u>2025</u>	<u>2024</u>
Cash paid for operating leases	\$ 2,830	3,039
Right-of-use assets obtained in exchange for new operating lease liabilities	2,237	1,814

As of September 30, 2025, the future maturities of operating lease liabilities were as follows:

Total undiscounted cash flows		
2026	\$	2,209
2027		1,491
2028		875
2029		459
2030		229
2031 and thereafter		<u>303</u>
Total minimum lease payments		5,566
Present value of the cash flows		<u>4,898</u>
Difference between undiscounted and discounted cash flows	\$	<u>668</u>

VISIONFUND INTERNATIONAL AND SUBSIDIARIES

Notes to Consolidated Financial Statements

Years ended September 30, 2025 and 2024

(In thousands)

As of September 30, 2024, the future maturities of operating lease liabilities were as follows:

Total undiscounted cash flows		
2025	\$	2,142
2026		1,297
2027		772
2028		456
2029		231
2030 and thereafter		516
Total minimum lease payments		5,414
Present value of the cash flows		4,781
Difference between undiscounted and discounted cash flows	\$	633

(13) Liquidity and Availability

The Organization manages liquidity to fund operations, assets and obligations as necessary in the most cost-effective way without unduly jeopardizing income potential or risking loss, and to establish a minimum level of liquidity for emergency funding of MFIs and operational needs. As a consolidated organization, liquidity is dispersed across 19 separate countries, where funds are managed and held for local use. Generally, management distinguishes the Organization's liquidity and availability between VFI's central liquidity, and the subsidiary MFIs' local liquidity. During the years ended September 30, 2025 and 2024, the overall level of liquidity was managed within the Organization's policy requirements.

(a) VFI liquidity and availability

The principal use of funds for VFI are for net operating cash flows, loans to MFIs, investments in MFIs, payments on notes payable, and capital expenditures. Annually, each MFI submits a business plan to VFI detailing debt and equity needs, which are integrated with VFI's funding needs. VFI maintains liquidity sufficient to cover approved and expected MFI investment activity as well as all contractual payments of interest and principal on debt. For ongoing liquidity management, the maturity dates of loans receivable by VFI are generally managed to match or precede the maturity dates of VFI's notes payable to various lenders. The following shows the VFI liquidity as of September 30, 2025 and 2024.

	2025	2024
Current financial assets at year end:		
Cash and cash equivalents	\$ 27,636	29,015
Total current financial assets available to meet cash needs for general expenditures within one year	\$ 27,636	29,015

VISIONFUND INTERNATIONAL AND SUBSIDIARIES

Notes to Consolidated Financial Statements

Years ended September 30, 2025 and 2024

(In thousands)

(b) MFI liquidity and availability

The principal use of funds for MFIs is for loans to clients, net operating cash flows, debt repayments, demand deposits repayments and capital expenditures. Each MFI is bound by the Organization's liquidity policy; however, each MFI also must adhere to their respective in-country regulatory environment and operating model requirements, which vary by country. If an MFI needs additional liquidity, they will typically disburse fewer loans in order to increase liquidity and cover their liabilities.

However, if necessary, management and VFI will work together to find a suitable solution, which can include providing a loan or equity from VFI to the MFI as well as other strategic solutions. The maturity dates of the MFI loans to clients are generally managed to match or precede the maturity dates of notes payable to various lenders.

The following shows the MFI liquidity as of September 30, 2025 and 2024.

	<u>2025</u>	<u>2024</u>
Current financial assets at year end:		
Cash and cash equivalents	\$ 46,709	41,843
Investments	3,914	7,584
Restricted investments	<u>2,551</u>	<u>4,059</u>
Total cash and investments	53,174	53,486
Less restricted funds not available to be used within one year:		
Restricted investments	<u>(2,551)</u>	<u>(4,059)</u>
Total current financial assets available to meet cash needs for general expenditures within one year	<u>\$ 50,623</u>	<u>49,427</u>

(14) Subsequent events

Subsequent events have been evaluated from September 30, 2025 through March 20, 2026, which is the date these consolidated financial statements were available to be used.

In February 2026, DreamStart Labs, Inc., a financial technology company, was gifted to VisionFund International as a majority owned subsidiary. DreamStart Labs, Inc., will therefore be consolidated as a subsidiary in next year's financial statement.

In March 2026, VFI completed the sale of VisionFund DRC to an unrelated third party. As of September 30, 2025, VisionFund DRC had total assets of \$3,265 and total liabilities of \$11,014. At this date, the planned sale did not meet the held-for-sale criteria under ASC 360, *Property, Plant, and Equipment*. The sale is not material to the Organization's consolidated financial statements. Under the negotiated terms, VFI made a one-off cash payment of \$3,800 to the buyer to support transition activities and strengthen the subsidiary's balance sheet at transfer. VFI is evaluating the financial reporting impact of this transaction for fiscal year 2026.