Porter Financial Services

Abridged audited results for the year ended 31st December 2024

(All amounts are stated in USD unless otherwise stated)

MPREHENSIVE INCOME

	2024	2023
	USD	USD
Interest income	15,587,996	10,886,548
Interest expense	(3,627,839)	(914,497)
Net interest income	11,960,157	9,972,051
Fees and commissions income	2,333,853	1,066,982
Fees and commissions expense	(1,676,962)	(1,027,285)
Net fees and commissions income	656,891	39,697
Other income	37,936	58,314
Operating income	12,654,984	10,070,062
Net loan impairment allowance and bad debt	(217,917)	(292,104)
Personnel expenses	(4,953,035)	(3,859,712)
Operating lease expenses	(730,320)	(608,400)
Depreciation	(183,336)	(145,517)
Other expenses	(4,486,307)	(3,214,684)
Profit before tax	2,084,069	1,949,645
Growth and Sustainability levy	(104,203)	(97,482)
Income tax expense	(588,600)	(504,997)
Profit for the year after tax	1,391,266	1,347,166
Other comprehensive income		-
Total comprehensive income for the year	1,391,266	1,347,166

	2024	2023
	USD	USI
ASSETS		
Cash and bank balances	4,988,681	2,732,03
nvestment at amortised cost	4,847,400	3,822,18
Loans and advances to customers	47,800,258	32,214,03
Deferred tax asset	30,901	42,36
ntangible assets	999,707	989,276
Other assets	731,148	407,702
Property, plant and equipment	584,764	284,766
Total assets	59,982,859	40,492,366
iabilites		
Current		
Deposit from customers	22,617,591	5,067,22
Current tax liabilites	303,473	177,562
Other liabilities	2,443,239	1,720,293
Total liabilities	25,364,303	6,965,076
Equity	45,000,000	45,000,000
Stated capital	15,000,000	15,000,000
Retained earnings	5,854,675	6,039,896
Statutory reserves Credit risk reserve	9,720,197	9,372,380
	4,043,684	3,115,014
Total equity	34,618,556	33,527,290

STATEMENT OF CHANGES IN EQUITY

	Stated capital R	etained earnings	Statutory reserve	Credit risk reserve	Total equity
2024	USD	USD	USD	USD	USD
Balance as at 1st January	15,000,000	6,039,896	9,372,380	3,115,014	33,527,290
Transfer to credit risk reserve	-	(928,670)	-	928,670	-
Regulatory reserve fund	-	(347,817)	347,817	-	-
Total comprehensive profit	-	1,391,266	-	-	1,391,266
Dividend to shareholders	-	(300,000)	-	-	(300,000)
Balance as at 31st December	15,000,000	5,854,675	9,720,197	4,043,684	34,618,556
2023					
Balance as at 1st January	15,000,000	5,107,007	9,035,588	3,037,529	32,180,124
Transfer to credit risk reserve	-	(77,485)	-	77,485	-
Regulatory reserve fund	-	(336,792)	336,792	-	-
Total comprehensive profit		1,347,166			1,347,166
Balance as at 31st December	15,000,000	6,039,896	9,372,380	3,115,014	33,527,290

Cash balance Bank balance

Cash and cash equivalent at 31st December

STATEMENT OF CASH FLOWS		
	2024	2023
	USD	USD
Cashflow from operating activities Profit before tax Adjustment for	2,084,069	1,949,645
Depreciation and amortization Impairment on financial assets Asset write off	183,337 217,917 769	145,517 44,466
Cashflow from operating activities before changes in working capital	2,486,092	2,139,628
Decrease/(Increase) in loan and advances to customers Decrease/(Increase) in other assets (Decrease)/Increase in other liabilities (Decrease)/Increase in deposit from customers	(15,804,142) (323,445) 422,945 17,550,370 4,331,820	(542,641) 179,564 (43,228) 5,029,576 6,762,899
Income tax paid Net cash flow from operating activities Cash flow from investing activities	(555,426) 3,776,394	(443,389) 6,319,510
Purchase of property, plant and equipment Purchase of intangible assets	(457,965) (36,570)	(293,528) (416,346)
Net cash flow from investing activities	(494,535)	(709,875)
Cash flow from financing activities Issue of shares and exercise of options Net cash flow from financing activities	<u>=</u> :	_
Net Increase / (decrease) in cash and cash equivalent Cash and cash equivalents 1st January.	3,281,859 6,554,222	5,609,635 944,587
Cash and cash equivalent at 31st December Analysis of changes in cash and cash equivalents	9,836,081	6,554,222

4.909.846

9.836.081

2.719.131

6.554.222



REPORT OF THE DIRECTORS

1.0 STATEMENT OF THE DIRECTORS RESPONSIBILITIES

The Directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and in the manner required by the Companies Act, 2019 (Act 992), and the Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930); and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

2.0 DIRECTORS REPORT

The Directors submit their report and financial statements for the year ended 31st December 2024, which disclose the state of affairs of the Company.

PRINCIPAL ACTIVITIES

The Company is a financial services supplier providing ethical, innovative and affordable credit solutions to people within the United States. In 2022, the Company commenced deposit taking from the public after Federal Reserve System approval.

FINANCIAL RESULTS

The Company made a profit after taxation of USD 1,391,266 (2023: USD 1,347,166) for the year ended December 31, 2024. No dividends have been declared for the year under review.

In accordance with Section 139 (11) of the Companies Act, 2019 (Act 992) and Section 81 (4) of the Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930) the Board of Directors have recommended for the re-appointment of Certified Public Accountant (CPA) to continue in office as auditors of the company. Certified Public Accountant (CPA) have indicated to continue in office as auditors of the company.

By Order of the Board:



3.0 NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2024 REPORTING ENTITY

The Company was incorporated on 3 July 2001 and was given the certificate to commence business on 23 April 2001. The Institution's registered office is located at 4111 Park PI Dr., Fort Wayne, IN 46845, United States.

BASIS FOR PREPARATION

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standard Board (IASB). They have been prepared on the historical cost basis except for the revaluation of certain non-current assets and financial instruments.

USE OF JUDGMENT

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses.

4.0 QUALITATIVE DISCLOSURES

RISK MANAGEMENT FRAMEWORK

The Board of Directors has overall responsibility for the establishment of oversight of the Company's risk management framework The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions, products and services offered. The Board of Directors has established a Risk Committee, which is responsible for developing and monitoring risk management policies. The Institution's key risks are credit risk, liquidity risk, market risk and operational risk.

5.0 QUANTITATIVE DISCLOSURES Capital adequacy ratio	2024 48.3%	2023 66.0%
Non-performing loan ratio	10.3%	11.7%
Default in statutory liquidity	Nil	Nil
Default in statutory liquidity sanctions	Nil	Nil

6.0 INDEPENDENT AUDITOR'S REPORT

INDEPENDENT AUDITOR'S REPORT ON THE SUMMARY FINANCIAL STATEMENTS TO THE MEMBERS OF PORTER FINANCIAL SERVICE

The summary financial statements, which comprise the summary statements of financial position as at 31st December 2024 and the summary statements of comprehensive income, statement of changes in equity and the statement of cash flows for the year then ended and related notes are derived from the audited financial statements of Porter Financial Service for the year ended 31st December 2024.

In our Opinion, the accompanying summary financial statements are a fair summary of the audited financial statements in accordance with the basis of financial statements preparation described in the notes.

Summary Financial Statements

The summary financial statements do not contain all the disclosures required by International Financial Reporting Standards (IFRS) and in the manner required by the Companies Act, 2019 (Act 992) and the Banks and Specialized Deposit- Taking Institutions Act, 2016 (Act 930) applied in the preparation of the audited financial statements of Porter Financial Service. Reading the summary financial statements and our report thereon, therefore, is not a substitute for reading the audited financial statements and our report thereon.

The Audited Financial Statements and Our Report Thereon

We expressed an unmodified audit opinion on the audited financial statements in our report dated 24th April,2025. That report also includes the communication of key audit matters. Key audit matters are those matters that in our professional judgement were of most significance in our audit of the financial statements for the current year.

Director's responsibility for the Summary Financial Statements

The Directors are responsible for the preparation of the summary financial statements in accordance with the Federal Reserve System guide for financial publications for licensed Financial Institutions.

Auditor's Responsibility

Our responsibility is to express an opinion on whether the summary financial statements are a fair summary of the audited financial statements based on our procedures which were conducted in accordance with International Standards on Auditing (ISA) 810 (Revised), Engagements to Report on Summary Financial Statements.

The engagement partner on the audit resulting in this independent auditor's report is Peter Davey (ICAG/P/1361).