HOPE INTERNATIONAL

CONSOLIDATED FINANCIAL STATEMENTS AND
REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

DECEMBER 31, 2025 AND 2024

HOPE INTERNATIONAL

TABLE OF CONTENTS

	Page
REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS	1-3
FINANCIAL STATEMENTS	
Consolidated Statements of Financial Position, December 31, 2025 And 2024	4
Consolidated Statement of Activities, Year Ended December 31, 2025 With Summarized Information For 2024	5
Consolidated Statements of Changes In Net Assets Without Donor Restrictions, Years Ended December 31, 2025 And 2024	6
Consolidated Statements of Functional Expenses, Year Ended December 31, 2025	7
Year Ended December 31, 2024	8
Consolidated Statements of Cash Flows, Years Ended December 31, 2025 And 2024	9
Notes To Consolidated Financial Statements	10-29
SUPPLEMENTAL INFORMATION	
Consolidating Statement of Financial Position, December 31, 2025 With Summarized Information For 2024	30
Consolidating Statement of Activities, Year Ended December 31, 2025 With Summarized Information For 2024	31

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Board of Directors
HOPE International
Lancaster, Pennsylvania

Opinion

We have audited the accompanying consolidated financial statements of HOPE International (a nonprofit organization) which comprise the consolidated statement of financial position as of December 31, 2025, and the related consolidated statements of activities, changes in net assets without donor restriction, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, based on our audit and the reports of the other auditors, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of HOPE International as of December 31, 2025, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of HOPE Congo, Esperanza International, SMEP Microfinance Bank Limited and Urwego Finance CBC subsidiaries, which statements reflect total assets of $75,453,190 as of December 31, 2025 and total support and revenues of $20,320,680 for the year then ended. Those statements, which were prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board, were audited by other auditors, whose reports have been furnished to us. We have applied audit procedures on the conversion adjustments to the financial statements of HOPE Congo, Esperanza International, SMEP Microfinance Finance CBC and Urwego Finance CBC, which conform those financial statements to accounting principles generally accepted in the United States of America. Our opinion, insofar as it relates to the amounts included for HOPE Congo, Esperanza International, SMEP Microfinance Finance CBC and Urwego Finance CBC, prior to these conversion adjustments, is based solely on the report of the other auditors.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 required to be independent of HOPE International and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. 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 Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, 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 HOPE International's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Board of Directors
HOPE International
Lancaster, Pennsylvania

Auditor's Responsibility for the Audit of the 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 auditor's 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 generally accepted auditing standards 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, including omissions, 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 financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the 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 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 HOPE International'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 financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about HOPE International'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.

Report on Summarized Comparative Information

We have previously audited HOPE International's 2024 consolidated financial statements, and our report dated August 19, 2025, expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2024, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Board of Directors
HOPE International
Lancaster, Pennsylvania

Supplemental Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying supplemental consolidating statement of financial position and consolidating statement of activities, on pages 30 and 31, are presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Tait, Weller & Baker LLP

Philadelphia, Pennsylvania
July 16, 2026

HOPE INTERNATIONAL

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

December 31, 2025 And 2024

	2025	2024
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents		
Cash held in the US	$ 2,154,101	$ 3,633,824
Cash held in the field	8,798,741	12,696,248
Contribution receivable	1,942,991	3,940,609
Short-term investments	16,445,883	16,689,450
Microfinance loans receivable, net	52,419,351	42,575,855
Loans receivable, net	2,779,096	2,732,852
Interest receivable	1,208,977	1,742,614
Other receivables	4,199,949	4,957,530
Prepaid expenses and other assets	4,093,024	3,036,905
Total Current Assets	94,042,113	92,005,887
NONCURRENT ASSETS		
Investments	14,198,440	12,704,854
Property and equipment, net	8,829,795	8,852,584
Goodwill	651,316	781,579
Right of use asset	2,346,166	2,174,586
Other long-term assets	246,175	231,879
Loans receivable, net	8,467,552	4,294,763
Minority interest in net assets	450,667	340,220
Total Assets	$129,232,224	$121,386,352
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	$ 3,695,804	$ 5,149,625
Interest payable	422,916	216,617
Unearned revenue	3,566,202	2,131,249
Operating lease liability	560,778	454,362
Notes payable	1,542,147	3,761,883
Client deposits	41,979,516	39,235,605
Security deposits and other liabilities	22,521	59,611
Total Current Liabilities	51,789,884	51,008,952
NON-CURRENT LIABILITIES		
Operating lease liability	1,872,586	1,938,394
Notes payable	13,460,830	9,688,644
Total Liabilities	67,123,300	62,635,990
NET ASSETS		
Without donor restrictions		
Undesignated net assets	44,489,770	39,836,085
Board-designated reserve	7,777,136	6,640,583
Noncontrolling interest	1,356,374	2,367,784
Total Net Assets Without Donor Restrictions	53,623,280	48,844,452
Net assets with donor restrictions	8,485,644	9,905,910
Total Net Assets	62,108,924	58,750,362
Total Liabilities and Net Assets	$129,232,224	$121,386,352

HOPE INTERNATIONAL

CONSOLIDATED STATEMENT OF ACTIVITIES

Year Ended December 31, 2025 With Summarized Information For 2024

	Without Donor Restrictions	With Donor Restrictions	Total	2024
SUPPORT AND REVENUE				
Contributions and grants	$25,777,598	$ 10,734,631	$36,512,229	$35,075,374
Special events, net of direct expenses of $1,134,668 and $1,233,674 for 2025 and 2024	5,744,344	872,495	6,616,839	5,858,328
Investment return on endowment funds designated for current operations	85,984	140,378	226,362	199,333
Interest income – microfinance loans	17,721,737	-	17,721,737	16,687,725
Other investment income	1,314,336	-	1,314,336	1,366,947
Rental revenue	264,137	-	264,137	255,450
Less expenses (including depreciation)	(76,886)	-	(76,886)	(77,251)
Net rental income	187,251	-	187,251	178,199
Other income	1,014,901	-	1,014,901	673,784
Total support and revenue before net assets released from restrictions	51,846,151	11,747,504	63,593,655	60,039,690
Net assets released from restrictions	13,526,352	(13,526,352)	-	-
Total support and revenue	65,372,503	(1,778,848)	63,593,655	60,039,690
FUNCTIONAL EXPENSES				
Program services	52,289,043	-	52,289,043	48,864,744
Management and general	4,953,201	-	4,953,201	4,553,135
Fundraising	4,459,563	-	4,459,563	3,905,483
Total expenses	61,701,807	-	61,701,807	57,323,362
Excess of revenues over expenses	3,670,696	(1,778,848)	1,891,848	2,716,328
OTHER CHANGES				
Investment return on endowment funds in excess of amounts designated for current operations	511,617	358,582	870,199	603,904
Net realized gain on foreign currency transactions	(57,244)	-	(57,244)	(244,305)
Gain (loss) on foreign currency translation	605,915	-	605,915	(494,387)
Gain (loss) on disposal of assets	47,844	-	47,844	33,938
Total other changes	1,108,132	358,582	1,466,714	(100,850)
CHANGE IN NET ASSETS	4,778,828	(1,420,266)	3,358,562	2,615,478
NET ASSETS				
Beginning of year	48,844,452	9,905,910	58,750,362	56,134,884
End of year	$53,623,280	$ 8,485,644	$62,108,924	$58,750,362

HOPE INTERNATIONAL

CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS

Years Ended December 31, 2025 And 2024

	HOPE	Non-Controlling Interest In Microfinance Entities	Total
Net assets without donor restrictions, December 31, 2023	$ 41,515,434	$ 3,424,658	$ 44,940,092
Excess (deficit) of revenues over expenses	4,961,234	(1,056,874)	3,904,360
Change in net assets without donor restrictions	4,961,234	(1,056,874)	3,904,360
Net assets without donor restrictions, December 31, 2024	46,476,668	2,367,784	48,844,452
Excess (deficit) of revenues over expenses	5,790,238	(1,011,410)	4,778,828
Change in net assets without donor restrictions	5,790,238	(1,011,410)	4,778,828
Net assets without donor restrictions, December 31, 2025	$ 52,266,906	$ 1,356,374	$ 53,623,280

HOPE INTERNATIONAL

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

Year Ended December 31, 2025

	Program Services			Management And General	Fundraising	Total
	Overseas Entities	United States Entities	Total			
Salaries	$10,878,577	$ 7,151,163	$18,029,740	$ 2,597,672	$ 2,282,546	$22,909,958
Payroll taxes	1,121,378	507,341	1,628,719	188,332	170,716	1,987,767
Employee benefits	1,249,870	2,091,611	3,341,481	644,515	631,337	4,617,333
Other staff expenses	558,579	1,774,952	2,333,531	206,439	176,350	2,716,320
Insurance	390,732	42,752	433,484	10,364	720	444,568
Professional services	1,677,541	1,223,902	2,901,443	177,567	104,420	3,183,430
Office expenses	3,465,687	304,275	3,769,962	189,582	65,256	4,024,800
Marketing	-	191,535	191,535	234,499	721,207	1,147,241
Travel	1,461,953	1,123,432	2,585,385	98,301	156,034	2,839,720
Finance expenses – interest and fees	2,333,050	432,509	2,765,559	258,018	-	3,023,577
Depreciation	1,093,567	120,376	1,213,943	75,617	9,004	1,298,564
Printing and reproduction	471,268	10,069	481,337	8,400	99,246	588,983
Loan loss reserve/(recapture), net	1,100,402	284,469	1,384,871	-	-	1,384,871
Training and Retreats	1,003,427	912,975	1,916,402	165,048	9,469	2,090,919
Other expenses	582,795	150,350	733,145	41,347	33,258	807,750
Grants to partners	4,185,058	3,513,897	7,698,955	57,500	-	7,756,455
Tax expense, net	879,551	-	879,551	-	-	879,551
Total	$32,453,435	$19,835,608	$52,289,043	$ 4,953,201	$ 4,459,563	$61,701,807

The accompanying notes are an integral part of these financial statements.

HOPE INTERNATIONAL

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES – (Continued)

Year Ended December 31, 2024

	Program Services			Management And General	Fundraising	Total
	Overseas Entities	United States Entities	Total			
Salaries	$10,308,788	$ 6,812,634	$17,121,422	$ 2,465,549	$ 2,197,519	$21,784,490
Payroll taxes	893,725	473,243	1,366,968	184,134	166,130	1,717,232
Employee benefits	884,215	1,780,235	2,664,450	565,919	549,138	3,779,507
Other staff expenses	727,055	1,707,250	2,434,305	185,324	70,050	2,689,679
Insurance	340,031	38,424	378,455	8,945	661	388,061
Professional services	1,826,224	1,259,247	3,085,471	193,467	233,764	3,512,702
Office expenses	3,222,744	297,299	3,520,043	237,800	65,778	3,823,621
Marketing	-	196,758	196,758	192,746	218,564	608,068
Travel	1,349,677	1,079,751	2,429,428	53,025	169,702	2,652,155
Finance expenses – interest and fees	2,490,434	234,405	2,724,839	174,595	743	2,900,177
Depreciation	982,664	89,866	1,072,530	92,959	6,676	1,172,165
Printing and reproduction	592,473	12,875	605,348	7,417	161,604	774,369
Loan loss reserve/(recapture), net	1,158,546	(139,575)	1,018,971	-	-	1,018,971
Training and Retreats	833,796	1,170,887	2,004,683	165,903	31,568	2,202,154
Other expenses	357,482	148,004	505,486	25,352	33,586	564,424
Grants to partners	4,011,268	2,146,919	6,158,187	-	-	6,158,187
Tax expense, net	1,577,400	-	1,577,400	-	-	1,577,400
Total	$31,556,522	$17,308,222	$48,864,744	$ 4,553,135	$ 3,905,483	$57,323,362

The accompanying notes are an integral part of these financial statements.

HOPE INTERNATIONAL

CONSOLIDATED STATEMENTS OF CASH FLOWS

Years Ended December 31, 2025 And 2024

	2025	2024
OPERATING ACTIVITIES		
Change in net assets	$ 3,358,562	$ 2,615,478
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Net realized and unrealized gain on investments	(502,294)	(646,737)
Loan loss (recapture) reserve, net	1,588,268	1,064,558
Depreciation	1,375,030	1,248,631
Loss on disposal of fixed assets	(47,844)	(34,259)
Amortization of right of use asset, net of payments on operating lease liability	(130,972)	(10,552)
Amortization of goodwill	130,263	130,263
Contributions restricted for endowment	(50,000)	(50,000)
Contributions of securities	(631,017)	(14,240)
Minority interest in net assets	(110,447)	(25,201)
(Increase) decrease in operating assets		
Contributions receivable	1,997,618	(1,622,699)
Interest receivable	533,637	614,728
Other receivables	757,581	(3,027,777)
Prepaid expenses and other assets	(1,056,119)	(1,511,827)
Other long-term assets	(14,296)	(104,300)
Increase (decrease) in operating liabilities		
Accounts payable and accrued expenses	(1,453,821)	1,789,961
Interest payable	206,299	137,636
Unearned revenue	1,434,953	1,677,570
Security deposits and other	(37,090)	41,888
Client deposits	2,743,911	5,978,285
Net cash provided by operating activities	10,092,222	8,251,406
INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(1,389,003)	(2,256,632)
Proceeds from sale of fixed assets	84,606	42,895
Purchase of investments	(10,916,066)	(13,028,845)
Proceeds from sale of investments	10,799,358	11,980,761
Issuance of microfinance loans, net	(11,147,296)	(3,438,245)
Issuance of notes receivable	(5,761,793)	(3,676,442)
Repayment of notes receivable	1,258,272	2,274,227
Net cash used in investing activities	(17,071,902)	(8,102,281)
FINANCING ACTIVITIES		
Issuance and repayment of notes payable, net	1,552,450	3,301,270
Contributions restricted for endowments	50,000	50,000
Net cash provided by financing activities	1,602,450	3,351,270
Net (decrease) increase in cash and cash equivalents	(5,377,230)	3,500,395
CASH AND CASH EQUIVALENT		
Beginning of year	16,330,072	12,829,677
End of year	$ 10,952,842	$ 16,330,072
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash paid during the year for interest	$ 47,621	$ 92,594

(1) NATURE OF ORGANIZATION

HOPE International ***("HI")*** is a global, faith-based, 501(c)(3) non-profit organization focused on alleviating poverty through microenterprise development. HI's vision is to enable sustainable economic development that results in significant and lasting change in the lives of people living in poverty. HI accomplishes this vision by providing discipleship, biblically based business training, savings services, and small loans to families in poverty and by actively partnering with local churches. HI was incorporated in 1996 and through its network currently serves in Benin, Burundi, the Dominican Republic, El Salvador, Guatemala, Haiti, Indonesia, Kenya, Malawi, Moldova, Paraguay, Peru, Philippines, the Republic of Congo, Romania, Rwanda, South Asia, Tanzania, Thailand, Uganda, Ukraine, Zambia and Zimbabwe. HI has a branch office in Rwanda.

HI raises funds from several sources such as churches, foundations, and individuals to support its programs. In addition, HI offers multiple HOPE Trip opportunities each year.

HI has a controlling interest in the following subsidiaries:

HOPE Global Investments, LLC ***("HGI")*** is incorporated as a limited liability corporation in the state of Delaware. The mission of HGI is to support microenterprise development through offering unsecured notes to accredited investors to leverage lending activities in established microfinance institutions. HGI commenced operations in 2019.

Superior Land, LLC is ***("SL")*** is incorporated as a limited liability corporation in the state of Delaware. SL manages a large rental property that was received as a donation. The proceeds contribute to HOPE's work around the world.

HOPE Advancement, Inc. ***("HA")*** is incorporated as a non-profit in the state of Delaware and is a 501(c)(3) organization. HA was created for the purpose of holding investments in microfinance entities and savings group programs ***("SGP")***. A description of the type of legal entity and the percentage of HA's ownership interest in the microfinance entities and SGP included in the consolidation is as follows:

(i) HOPE Congo is a wholly owned microfinance institution registered in the Republic of Congo as a for-profit public limited company and is registered with the Central African Bank Commission.

(ii) HOPE Ukraine is a majority-owned (97.71% and 97.14% as of December 31, 2025 and 2024, respectively) microfinance institution registered in Ukraine as a Finance Company, a for-profit limited liability company, with the Ukraine State Regulatory Committee of Markets of Financial Services. HOPE Ukraine is controlled through equity holdings held directly by HA.

Dignity Builders, a subsidiary of Homes for HOPE **(Note 14)**, has a noncontrolling interest in HOPE Ukraine of 2.29% and 2.86% as of December 31, 2025 and 2024, respectively.

(iii) International Esperanza Association, Inc. (Asociación Esperanza Internacional) **("Esperanza")** is a wholly owned entity providing microfinance services, registered in the Dominican Republic as a financial services nonprofit.

(iv) SMEP Microfinance Bank Limited ***("SMEP")*** is a majority-owned (51.00%) microfinance institution registered in Kenya as a for-profit public limited company and is regulated by the Central Bank of Kenya.

(v) Urwego Finance CBC ***("Urwego")*** is a majority-owned (99.69%) microfinance institution registered in Rwanda as a for-profit public limited company and is regulated by the National Bank of Rwanda.

(vi) HOPE Burundi SGP is a wholly owned entity registered in Burundi as a non-governmental organization which provides training and oversight in the creation and execution of savings groups in Burundi.

(vii) HOPE Zambia SGP is a wholly owned entity registered in Zambia as a non-governmental organization which provides training and oversight in the creation and execution of savings groups in Zambia.

(viii) HOPE Haiti SGP is a wholly owned entity registered in Haiti as a non-governmental organization which provides training and oversight in the creation and execution of savings groups in Haiti.

(ix) HOPE Hong Kong is a wholly owned entity registered in Hong Kong as a non-governmental organization which raises funds from several sources such as churches, foundations, and individuals to support programs in HI's network.

(x) HOPE Advancement (Rwanda) is a wholly owned entity registered in Rwanda as a for-profit foreign company which provides IT support, professional services and consulting to HOPE's various programs and partners around the region and world.

(xi) HOPE Zimbabwe SGP is a wholly owned entity registered in Zimbabwe as a non-governmental organization which provides training and oversight in the creation and execution of savings groups in Zimbabwe.

(xii) HOPE Malawi SGP is a wholly owned entity registered in Malawi as a non-governmental organization which provides training and oversight in the creation and execution of savings groups in Malawi.

(xiii) HOPE Tanzania SGP is a wholly owned entity registered in Tanzania as a non-governmental organization which provides training and oversight in the creation and execution of savings groups in Tanzania.

(xiv) HOPE Benin SGP is a wholly owned entity registered in Benin as a non-governmental organization which provides training and oversight in the creation and execution of savings groups in Benin.

The consolidated financial statements include the accounts of HI, HGI, HA and SL (collectively ***"HOPE"***).

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF ACCOUNTING AND PRESENTATION

The financial statements of HOPE have been prepared on the accrual basis of accounting. All material intercompany accounts and transactions have been eliminated.

CASH AND CASH EQUIVALENTS

HOPE considers all unrestricted, highly liquid investments with an initial maturity of three months or less to be cash equivalents, except for money market funds or certificates of deposit which have been designated for long- term investment, including those funds reflected as board-designated endowment on the Statement of Financial Position.

INVESTMENTS

Marketable securities are stated at their market value.

MICROFINANCE LOANS RECEIVABLE, ALLOWANCE FOR LOAN LOSSES AND RELATED INCOME

Microfinance loans receivable are carried at amortized cost. Interest income on loans receivable is recognized using the effective interest rate method.

In general, the allowance for credit losses is based on the credit losses expected to arise over the life of the loan, unless there has been a significant increase in the credit risk since origination, in which case the allowance is based on the current expected credit loss. The microfinance entities review their loan portfolios to assess impairment regularly to determine whether an impairment loss should be recorded by making judgements based on observable data indicating that there is a reasonable decrease in the estimated future cash flows from a portfolio of loans on economic conditions that correlate net defaults on loans. These entities use estimates based on historical loss experienced for assets with credit risk characteristics and objective evidence of impairment similar to those in the portfolios when scheduling its future cash flows. The methodology and assumptions used for estimating both the amount and timing of future cash flows are reviewed regularly to reduce difference between loss estimates and actual loss experience. The allowance is calculated on either an individual or a collective basis on the loans, depending upon the nature of the underlying loans and their credit risk characteristics. The microfinance entities hold collateral in the form of property and equipment and cash against certain of its outstanding loans.

Fees and commission income earned on services are recognized at an amount that reflects the consideration to which the microfinance institution expects to be entitled in exchange for providing the service. Depending upon the time period of the service provided, the income can be recognized at a point in time or over a period of time.

Loan commitment fees are recognized as an adjustment to the effective interest rate over the life of the loan. If the loan is not drawn down, the commitment fee is recognized over the commitment period.

LOANS RECEIVABLE AND ALLOWANCE FOR DOUBTFUL ACCOUNTS

Loans receivable represent monies loaned to microfinance organizations in developing countries for the purpose of lending monies to individuals and business owners. These loans are unsecured. HOPE estimates the allowance balance using available information relating to past events, current conditions and reasonable and supportable forecasts. Historical credit loss experience provided the basis for the estimation of expected credit losses. Adjustments to historical loss information such as delinquency levels, change in environmental conditions (political, foreign exchange) or other relevant factors. HOPE measures its allowance for credit losses on a collective basis based on geographic location.

PROPERTY AND EQUIPMENT

Expenditures in the United States greater than $3,000 for the acquisition of property and equipment are capitalized at cost, and donated property and equipment are capitalized at fair value. Expenditures at HOPE's foreign operations are capitalized at differing levels depending on local statutory regulations. All depreciation is computed on the straight-line method over the estimated useful lives of the assets which range from 3 to 30 years.

IMPAIRMENT OF LONG-LIVED ASSETS

Long-lived assets, such as goodwill and other property, are reviewed for impairment whenever events or changes in circumstance indicate that the carrying amount of an asset may not be recoverable. If circumstances require a long-lived asset to be tested for possible impairment, HOPE first compares undiscounted cash flows expected to be generated by an asset to the carrying value of the assets. If the carrying value of the long-lived asset is not recoverable on an undiscounted cash flow basis, an impairment loss is recognized to the extent that the carrying value exceeds fair value. For goodwill, HOPE performs an impairment assessment annually or more frequently if triggering events occur. There were no impairments for the year ended December 31, 2025.

NET ASSETS

Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. All contributions are considered available for unrestricted use, unless specifically restricted by the donor. Accordingly, net assets of HOPE and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets available for use that are not subject to donor-imposed stipulations.

The Board of Directors designated $7,777,136 and $6,640,583 of funds for investment as of December 31, 2025 and 2024, respectively ***(Note 13)***. The investment income on board-designated endowment funds is to be used for operations.

Net Assets With Donor Restrictions – Net assets subject to donor-imposed stipulations. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed stipulations are perpetual in nature where the donor stipulated that they be maintained in perpetuity by HOPE. Those held in perpetuity include gifts for the HI Endowment ***(Note 13)*.**

INCOME TAXES

HOPE is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and has been classified as an organization that is not a private foundation under Section 509(a).

Management has reviewed the tax positions for each of the open tax years (2022 – 2024) as well as the expected position of HOPE's 2025 tax return and has concluded that there are no significant uncertain tax positions that would require recognition in the financial statements.

HOPE Congo, HOPE Advancement Rwanda, SMEP, HOPE Ukraine and Urwego, as for-profit entities, pay taxes in the respective countries in which they are registered. Esperanza, HOPE Benin SGP, HOPE Burundi SGP, HOPE Haiti SGP, HOPE Malawi SGP, HOPE Tanzania SGP, HOPE Zambia SGP, HOPE Zimbabwe SGP and HOPE Hong Kong are exempt from income taxes.

As of December 31, 2025 and 2024, several of the microfinance entities have net deferred tax assets of approximately $344,000 and $462,000, respectively, that may be used in future years to offset taxable income. Income tax provisions for the taxable entities amounted to approximately $770,000 in 2025 and $681,000 in 2024.

CONTRIBUTIONS

HOPE recognizes contributions when cash, securities or other assets or an unconditional promise to give are received. Conditional promises to give – that is, those with a measurable performance or other barrier and right of return – are not recognized until the conditions on which they depend have been met. HOPE reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as "net assets released from restriction". Restricted contributions and grants, whose restrictions expire in the year received are recorded as revenue without donor restrictions.

DONATED MATERIALS AND SERVICES

In-kind contributions are reflected as support in the financial statements at their estimated values on the date of donation. Donated services are recognized as contributions in accordance with accounting standards associated with recognition of contribution revenue, if the services (a) create or enhance nonfinancial assets or (b) involve specialized skills, are performed by people with those skills, and would otherwise be purchased by HOPE. Volunteer services provided to HOPE throughout the year are not recognized as contributions in the financial statements since the criteria for revenue recognition are not met in accordance with accounting standards for such donated services.

FUNCTIONAL EXPENSE ALLOCATION

The costs of providing HOPE's various programs and supporting services have been summarized on a functional basis in the statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services. Program expenses are allocated to overseas or United States entities. Costs are directly charged to a specific activity when the costs pertain solely to such activity. Certain salaries have been allocated to programs and supporting services based on level of effort attributable to programs and supporting services. In addition, certain other expenses that are attributable to both program and supporting activities are allocated based on the total of direct expenses, allocated salaries and related expenses charged to such functions.

ACCOUNTING ESTIMATES

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from the estimates.

CONCENTRATIONS OF CREDIT RISK AND OTHER RISKS

HOPE occasionally maintains cash in banks in excess of federally insured limits. The accounting standards associated with concentration of credit risk identifies uninsured cash as a concentration of credit risk requiring disclosure, regardless of the degree of risk. The risk is managed by monitoring the financial institutions in which deposits are made.

Concentration of credit risk with respect to loans receivable is the result of a small number of loans being made to third party microfinance organizations in developing countries. HOPE manages the risks through its underwriting process and the continued monitoring of the respective microfinance organization's financial condition and operating performance.

HOPE also issues microfinance loans through five subsidiaries and maintains net assets in nine other wholly-owned subsidiaries and in one branch office located in developing countries which from time to time do not have stable governments or economies to the extent that if negative events occur in these countries, HOPE may be at risk to recover and repatriate such assets from these countries. HOPE has net assets, including non-controlling interest of $1,356,374 and $2,367,784, in these developing countries totaling $24,420,486 and $23,881,803, respectively. These entities have microfinance loans of $52,419,351 and $42,575,855 at December 31, 2025 and 2024, respectively.

The microfinance institutions are exposed to a number of other risks. The following outlines some of these risks:

(a) Credit Risk

Credit risk is the risk of financial loss arising from the failure of a customer to settle financial obligations to the microfinance institution as they fall due. This is an inherent risk associated with the microfinance industry. HOPE's financial institutions manage exposure to credit risk on a regular basis by closely monitoring credit limits, loan portfolios and concentrations of exposure.

(b) Foreign Currency Risk

Foreign currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign currency exchange rates. The exposure to exchange rate risk is continually monitored by HOPE. HOPE hedges some of its foreign currency risk by entering into swap arrangements ***(Note 7)***.

(c) Interest Rate Risk

Interest rate risk is the risk that the value of financial instruments will fluctuate due to changes in the market interest rates. HOPE manages interest rate risk by monitoring market conditions and applying pricing based on the cost analysis of each product. Loans outstanding of the microfinance institutions as of December 31, 2025 and 2024 with an original loan term greater than one year were approximately $36,355,276 and $29,015,469, respectively.

(d) Liquidity Risk

Liquidity risk is the risk that the microfinance institutions will encounter difficulty in raising funds to meet the commitment associated with financial instruments. Each country has minimum capital requirements that the microfinance institutions must adhere to. Additionally, each institution monitors liquidity on a daily basis to meet its internal liquidity requirements.

FOREIGN CURRENCY TRANSLATION

The assets and liabilities of HOPE's subsidiary microfinance organizations, SGP entities and other foreign entities reflected in foreign currencies are translated into US dollars at the rate of exchange at the statement of financial position date. Accounts reflected in the statement of activities are translated at the average exchange rates during the year, and any gains or losses resulting from foreign currency translation are reflected in the statement of activities. The net effect of such translation adjustments for the year ending December 31, 2025 was an increase to net assets of $ 605,915. For the year ending December 31, 2024, there was a decrease to net assets of $494,387.

PRIOR YEAR INFORMATION

The financial statements include certain prior year summarized comparative information in total, but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with HOPE's audited financial statements for the year ended December 31, 2024, from which the summarized information was derived.

RECLASSIFICATIONS

Certain reclassifications were made to the 2024 financial statements to conform to the 2025 presentation.

(3) CONTRIBUTION RECEIVABLE

HOPE had pledges receivable totaling $1,942,991 and $3,940,609 at December 31, 2025 and 2024. The pledges receivable as of December 31, 2025 are expected to be collected within one year. The pledges receivable as of December 31, 2024 were all collected within one year.

(4) MICROFINANCE LOANS

HOPE provides microfinance loans through majority owned microfinance institutions operating separately in Ukraine, the Republic of Congo, Kenya, the Dominican Republic and Rwanda. These loans consist of funds lent to entrepreneurial individuals and groups for the purpose of furthering economic development in the communities served.

Microfinance loans receivable as of December 31, 2025 and 2024, by location consist of the following:

	2025	2024
Ukraine	$ 2,958,548	$ 2,838,291
Republic of Congo	10,116,719	7,099,752
Kenya	7,902,769	9,173,269
Dominican Republic	4,066,826	3,783,055
Rwanda	29,535,495	21,577,977
	54,580,357	44,472,344
Less: allowance for doubtful accounts	(2,161,006)	(1,896,489)
	$ 52,419,351	$ 42,575,855

HOPE's microfinance institutions will often make loans to borrowers who would be unable to secure financing through commercial sources. The ability of each borrower to repay their respective microfinance institution depends on the entrepreneurial success of each borrower. In addition, payments to the microfinance institutions depend on the economic and political environment of each locality in which loans are made.

The microfinance institutions in the Republic of Congo, Kenya, the Dominican Republic and Rwanda have a compulsory savings component. This savings requirement can be applied towards balances in default. The $41,979,516 and $39,235,605 of client deposits as of December 31, 2025 and 2024 includes voluntary and compulsory savings.

The loan value of microfinance loans that were classified as nonperforming was $904,921 and $1,127,986 at December 31, 2025 and 2024 and as such, interest income was not being accrued on these loans.

A summary of the activity in the allowance for loan losses for the year ended December 31, 2025 and 2024 is as follows:

	2025	2024
Balance at beginning of year	$ 1,896,489	$ 4,575,381
Provision for loan losses	1,327,822	1,382,558
Loans written off	(1,039,283)	(4,617,617)
Currency translation adjustment	(24,022)	556,167
	$ 2,161,006	$ 1,896,489

(5) LONG-TERM INVESTMENTS

A summary of investments at December 31, 2025 and 2024 is as follows:

	2025	2024
Money market funds	$ 48,290	$ 77,518
Fixed income:		
Domestic certificates of deposit	1,000,000	2,000,000
Foreign certificates of deposits	5,939,025	9,428,266
Foreign government bonds	1,084,848	1,139,825
Corporate bonds and commercial paper	869,839	1,186,943
Municipal bonds	309,795	301,830
U.S. government securities	123,750	120,171
Equities	30,486	10,450
Exchange traded funds	4,183,002	2,566,010
Mutual funds	16,755,288	12,263,291
Mortgage receivable	300,000	300,000
	30,644,323	29,394,304
Less: short-term	(16,445,883)	(16,689,450)
Long-term investment	$14,198,440	$12,704,854

Investments are comprised of the following net assets:

	2025	2024
Endowment assets:		
Board-designated for investment and operating reserve	$ 7,777,136	$ 6,640,583
Funds to be held in perpetuity	5,233,940	4,825,358
	13,011,076	11,465,941
General investments (short and long-term)	17,633,247	17,928,363
	$30,644,323	$29,394,304

The board-designated endowment consists of various investments and is included in noncurrent investments – board-designated reserve. The earnings from those assets designated for endowment increases the board-designated endowment, except for 50% of interest and dividends received in cash which are allocated for current year operations.

The overall investment objective is to further the advancement of HOPE's vision through providing the proper amount of liquidity while preserving capital and allowing for a return on investment in excess of investment costs and inflation. In order to achieve the investment objective, the board manages directly the investment strategy of the endowment funds with and without donor restrictions. The board-designated endowment funds represent the funds segregated and invested with one financial institution as of year-end. HOPE management in conjunction with the board monitors portfolio performance and the compliance of investment guidelines.

The following schedule summarizes total investment return:

	2025		
	Without Donor Restrictions	**With Donor Restrictions**	**Total**
Dividends and interest	$ 1,624,949	$ 283,654	$ 1,908,603
Net realized and unrealized gains (losses)	286,988	215,306	502,294
Return on investments	$ 1,911,937	$ 498,960	$ 2,410,897

Investment return for 2025 was comprised of the following:

Endowment	$ 1,096,561
General	1,314,336
	$ 2,410,897

	2024		
	Without Donor Restrictions	**With Donor Restrictions**	**Total**
Dividends and interest	$ 1,255,297	$ 268,150	$ 1,523,447
Net realized and unrealized gains (losses)	472,365	174,372	646,737
Return on investments	$ 1,727,662	$ 442,522	$ 2,170,184

Investment return for 2024 was comprised of the following:

Endowment	$ 803,237
General	1,366,947
	$ 2,170,184

(6) FAIR VALUE OF FINANCIAL INSTRUMENTS

HOPE follows financial accounting standards associated with fair value measurements which clarify the definition of fair value and require additional disclosures about the use of fair value measurements. Generally accepted accounting principles establish a hierarchy that prioritizes inputs to valuation methods. The three levels of the fair value hierarchy in accordance with financial accounting standards are described below:

Level 1 – unadjusted quoted prices in active markets for identical assets or liabilities that HOPE has the ability to access.

Level 2 – observable inputs other than quoted prices included in level 1 that are observable for the asset or liability, either directly or indirectly. These inputs may include quoted prices for the identical instrument on an inactive market, prices for similar instruments, interest rates, prepayment speeds, credit risk, yield curves, default rates and similar data.

Level 3 – unobservable inputs for the asset or liability, to the extent relevant observable inputs are not available, representing HOPE's own assumptions about the assumptions a market participant would use in valuing the asset or liability, would be based on the best information available.

The inputs methodology used for valuing securities is not necessarily an indication of risk associated with investing in those securities.

The summary of inputs used to value HOPE's investments as of December 31, 2025 and 2024, is as follows:

	2025		
	Total	Level 1 Quoted Prices	Level 2 Other Significant Observable Inputs
Investments			
Money market funds	$ 48,290	$ 48,290	$ -
Fixed income:			
Domestic certificates of deposit	1,000,000	-	1,000,000
Foreign certificates of deposits	5,939,025	-	5,939,025
Foreign government bonds	1,084,848	-	1,084,848
Corporate bonds and commercial paper	869,839	-	869,839
Municipal bonds	309,795	-	309,795
U.S. government securities	123,750	-	123,750
Equities	30,486	30,486	-
Exchange traded funds	4,183,002	4,183,002	-
Mutual funds	16,755,288	16,755,288	-
Mortgage receivable	300,000	-	300,000
	$30,644,323	$21,017,066	$ 9,627,257

	2024		
	Total	Level 1 Quoted Prices	Level 2 Other Significant Observable Inputs
Investments			
Money market funds	$ 77,518	$ 77,518	$ -
Fixed income:			
Domestic certificates of deposit	2,000,000	-	2,000,000
Foreign certificates of deposits	9,428,266	-	9,428,266
Foreign government bonds	1,139,825	-	1,139,825
Corporate bonds and commercial paper	1,186,943	-	1,186,943
Municipal bonds	301,830	-	301,830
U.S. government securities	120,171	-	120,171
Equities	10,450	10,450	-
Exchange traded funds	2,566,010	2,566,010	-
Mutual funds	12,263,291	12,263,291	-
Mortgage receivable	300,000	-	300,000
	$29,394,304	$14,917,269	$14,477,035

The carrying value of the mortgage receivable approximates fair value.

(7) DERIVATIVES

HOPE engages in derivative instruments, specifically swap arrangements to hedge against foreign currency risk. At December 31, 2025 and 2024, HOPE had 5 outstanding swap arrangements. The net difference between the unrealized appreciation (depreciation) of the swap arrangements are recorded in the financial statements. At December 31, 2025 and 2024, there was unrealized appreciation of approximately $256,000 and $318,000, respectively.

(8) PROPERTY

Property and equipment as of December 31, 2025 and 2024 consisted of the following:

	2025	2024
Land	$ 2,460,984	$ 2,455,090
Equipment and computer software	11,335,288	11,408,831
Leasehold improvements	1,447,122	1,383,946
Rental properties		
Land	460,000	460,000
Buildings and improvements	2,815,000	2,815,000
Other	44,703	51,441
	18,563,097	18,574,308
Less: accumulated depreciation	(9,733,302)	(9,721,724)
	$ 8,829,795	$ 8,852,584

In 2020, HOPE received a donation of a rental property for $3,275,000 which is reflected above as land and building under rental properties. The donation of the land and building was contributed in connection with an agreement for the donor to lease the building from HOPE. Effective January 3, 2020, the lease is for an initial period of 3 years with a tenant option to renew the lease annually for a maximum period of 17 years.

The annual rental amount is $255,450 for each year during the initial 3 year lease period. The lease grants the tenant the option to purchase the land and building for $3,275,000 at any time during the lease subsequent to the initial 3 year lease period. If the tenant makes any additional payments in excess of the annual rent amount, the excess payments will be held by the tenant as a credit towards the purchase option. In addition, the tenant has the right of first refusal to purchase the land and building in the event that HOPE receives another third party offer to purchase the property.

Depreciation expense was $1,375,030 for the year ended December 31, 2025, of which $76,466 is included within rental properties expense. Depreciation expense for the year ended December 31, 2024 was $1,248,631 of which $76,466 is included within rental properties.

(9) MINORITY INTEREST IN NET ASSETS

Minority interest in net assets represents HOPE's investment in microfinance institutions which are not majority owned. HOPE has a 14.99% interest in Turame Community Finance, S.A. which is carried at the equity basis of accounting. The carrying amount of the investment in Turame Community Finance, S.A. at equity was $450,667 and $340,220 as of December 31, 2025 and 2024, respectively.

(10) LOANS RECEIVABLE

Loans receivable as of December 31, 2025 and 2024 consisted of the following:

BORROWER	TERMS	Interest Rate	2025	2024
Turame Community Finance, S.A.	Principal and interest payment semi-annually with maturity at various dates through October 2030	Ranges from 2.50% to 10.50%	$ 3,337,956	$ 1,766,243
Turame Community Finance, S.A.	Due on Demand	0%	2,067,762	1,632,600
Societate de Microfinantare IFN ROMCOM SA	Interest paid semi-annually with principal due upon maturity in December 2027	Ranges from 4.50% to 5.50%	2,924,224	1,031,929
Invest Credit (Moldova)	Various repayments - semi-annually interest only due upon maturities, principal and interest semi-annually, and principal and interest due upon maturity through September 2028.	Ranges from 0% to 13.00%	4,202,003	3,597,672
			12,531,945	8,028,444
	Less: current portion		(2,779,096)	(2,732,852)
			9,752,849	5,295,592
	Less: allowance for doubtful accounts		(1,285,297)	(1,000,829)
			$ 8,467,552	$ 4,294,763

At December 31, 2025, loans receivable maturities were as follows:

Year Ending December 31,	Amounts
2026	$ 2,779,096
2027	3,048,020
2028	2,148,934
2029	4,526,386
2030	29,509
	$12,531,945

(11) CLIENT DEPOSITS

Client deposits at microfinance institutions as of December 31, 2025 and 2024 consist of:

	2025	2024
HOPE Congo	$ 4,170,073	$ 3,146,096
Urwego	21,644,046	19,013,098
SMEP	15,916,423	16,744,819
Esperanza	248,974	331,592
	$41,979,516	$39,235,605

Demand deposits consist of both interest and non-interest bearing accounts. The interest rates are variable based on the client account balance maintained.

(12) NOTES PAYABLE

Notes payable as of December 31, 2025 and 2024 consisted of the following:

LENDER	TERMS	2025	2024
HOPE Global Investments			
Various	Unsecured with rates varying from 0% to 10% with various due dates through October 2030.	$12,146,031	$9,184,294
HOPE Advancement			
Arise Foundation	Unsecured zero interest rate loan due upon demand.	150,000	150,000
Urwego			
Kiva	Unsecured zero interest rate loan due upon demand.	374,732	554,708
Bank of Kigali	Call money loan with a rate of 10.40% due March 2025.	-	723,072
Rwanda Development Bank	Loans with a rates of 7.50% due in 2033 and 2036.	2,064,588	-
Esperanza			
Kiva	Unsecured zero interest rate loan due upon demand.	54,491	87,659
Wofford College	Unsecured zero interest rate loan due in December 2030.	63,000	63,591
Edify	Unsecured zero interest rate loans due in December 2025 and December 2030.	68,516	71,462

LENDER	TERMS	2025	2024
SMEP			
Middle East Bank	Secured term loan with rate of 13.50% with various due dates through September 2028.	$ -	$ 693,635
Sight Savers Risk Fund	Unsecured zero interest rate loan due in March 2025.	4,085	4,076
Co-operative Bank of Kenya Ltd	Secured term loan with rate of 11% with various due dates through November 2028.	-	1,755,010
Danish Church Aid	Unsecured zero interest rate loans with due dates in November 2025 and December 2028.	69,964	110,541
Rose Women's Foundation	Unsecured zero interest rate loan due on demand.	7,570	52,479
Total loans payable		15,002,977	13,450,527
Less: current portion		(1,542,147)	(3,761,883)
		$13,460,830	$ 9,688,644

The notes payable of the microfinance organizations are the obligations of the individual institution.

At December 31, 2025, notes payable maturities were as follows:

Year Ending December 31,	Amounts
2026	$ 1,542,147
2027	1,210,614
2028	5,422,761
2029	4,601,863
2030 and thereafter	2,225,592
	$ 15,002,977

At December 31, 2025 and 2024, HOPE has a secured line of credit of $1,500,000 with a financial institution. The line of credit is secured by all assets of HOPE. There was no outstanding balance under the line of credit as of December 31, 2025 and 2024. The interest rate on the line of credit is the financial institution's prime rate minus .5% with a minimum interest rate of 4%. Any outstanding loan and interest are due on demand. The $1,500,000 line of credit is subject to renewal annually and has a maturity date of July 28, 2026.

(13) NET ASSETS

Net assets with donor restrictions are available for the following purposes as of December 31, 2025 and 2024:

	2025	2024
Subject to expenditure for a specified purpose:		
Programs		
Benin	$ 30,365	$ -
Dominican Republic	334,322	268,470
Paraguay	30,950	129,158
South Asia	10,000	-
Ukraine	2,273,922	4,161,627
Zimbabwe	-	35,000
Other Programs	572,145	486,297
	3,251,704	5,080,552
Perpetual in nature		
HI Endowment	5,233,940	4,825,358
Total	$ 8,485,644	$ 9,905,910

During the year ended December 31, 2025 and 2024, net assets were released from donor restrictions by incurring expenses satisfying the following purposes:

	2025	2024
Programs		
Africa Region	$ 51,500	$ 191,302
Benin	854,829	483,000
Burundi	922,788	593,992
Dominican Republic	804,993	813,278
Haiti	269,310	177,566
Kenya	170,200	20,000
Malawi	752,114	539,870
Paraguay	782,953	757,088
Peru	30,000	25,225
Philippines	148,640	31,323
Republic of Congo	1,730	5,000
Rwanda	1,382,080	403,118
South Asia	169,150	433,278
Tanzania	90,000	60,050
Ukraine	2,066,927	2,489,728
Zambia	8,250	27,700
Zimbabwe	250,000	183,250
Other Programs	4,243,603	3,492,152
HOPE Trips	155,490	88,534
Other	371,795	263,985
	$ 13,526,352	$ 11,079,439

Endowment net asset composition by type of fund as of December 31, 2025 and 2024:

	2025		
	Without Donor Restrictions	With Donor Restrictions	Total
Donor restricted endowment funds	$ -	$ 5,233,940	$ 5,233,940
Board-designated for endowment and operating reserve	7,777,136	-	7,777,136
	$ 7,777,136	$ 5,233,940	$ 13,011,076

	2024		
	Without Donor Restrictions	**With Donor Restrictions**	**Total**
Donor restricted endowment funds	$ -	$4,825,358	$ 4,825,358
Board-designated for endowment and operating reserve	6,640,583	-	6,640,583
	$6,640,583	$4,825,358	$ 11,465,941

HOPE includes the original value of gifts received with donor stipulations that require them to be held in perpetuity as donor restricted endowment funds. In 2025 and 2024, interest and dividends earned on donor restricted endowment funds which are paid in cash are allocated 50% to operating funds and 50% to be held in perpetuity as stipulated by the donors. In addition, realized and unrealized gains and losses are to be classified as donor restricted in perpetuity. HOPE's Board may also designate certain revenues without restrictions to function as endowment funds; such revenues are classified within net assets without restrictions as board-designated for endowment and operating reserve.

Changes in endowment net assets for the year ended December 31, 2025 and 2024:

	2025		
	Without Donor Restrictions	**With Donor Restrictions**	**Total**
Endowment net assets, beginning of year	$6,640,583	$4,825,358	$11,465,941
Investment return	597,601	498,960	1,096,561
Contributions	624,936	50,000	674,936
Less: Endowment income designated for current operations	(85,984)	(140,378)	(226,362)
	$7,777,136	$5,233,940	$13,011,076

	2024		
	Without Donor Restrictions	**With Donor Restrictions**	**Total**
Endowment net assets, beginning of year	$5,354,555	$4,466,041	$ 9,820,596
Investment return	360,715	442,522	803,237
Contributions	491,441	50,000	541,441
Transfers to Board-designated net assets	500,000	-	500,000
Less: Endowment income designated for current operations	(66,128)	(133,205)	(199,333)
	$6,640,583	$4,825,358	$11,465,941

In conjunction with an endowment gift received from a donor, HOPE pledged to contribute 2% of contributions without donor restrictions as board designated net assets. In accordance with this practice, HOPE Board-designated $624,936 and $491,441 of contributions without donor restrictions in 2025 and 2024, respectively.

(14) RELATED PARTY TRANSACTIONS

During the years ended December 31, 2025 and 2024, HOPE received $600,000 and $3,000,000, respectively, in operating grants from Homes for HOPE ***("H4H")***, and such amounts are included in contributions in the Statement of Activities for the years then ended. H4H is a related non-profit organization in which the chairman of the Board of Directors and the President of HOPE serve as Board members. Dignity Builders, a subsidiary of Homes for HOPE, has a noncontrolling interest in HOPE Ukraine of 2.29% and 2.86% as of December 31, 2025 and 2024, respectively.

During the year ended December 31, 2025, HOPE provided a grant of $987,000 to Dignity Builders for an investment in Turame Community Finance, S.A.

During the years ended December 31, 2025 and 2024, HOPE provided administrative services to H4H for which HOPE was reimbursed in the amount of $22,947.

(15) RETIREMENT PLAN

HOPE has a 401(k) plan that was a deferred salary arrangement under section 401(k) of the Internal Revenue Code. Under the plan, participating U.S. employees may defer a portion of their pre-tax earnings, up to the IRS annual contribution limits. HOPE matches each employee's contributions up to 5% of the employee eligible earnings or $5,000, whichever is less. HOPE's matching contributions to the plan were approximately $516,000 and $485,000 in 2025 and 2024, respectively.

(16) COMMITMENTS & CONTINGENCIES

OPERATING LEASES

HOPE leases various facilities and equipment under operating lease agreements which expire at various dates through fiscal year 2035. All leases are operating leases. The following is a quantitative data related to the Company's operating leases for the years ended December 31, 2025 and 2024:

	2025	2024
Operating Lease Amounts:		
Right-of-use asset	$2,346,166	$2,174,586
Lease liability	2,433,364	2,392,756
Other Information:		
Operating outgoing cash flows for operating leases	$1,146,730	$1,049,694
Weighted-average remaining lease term	5.39 years	3.10 years
Weighted average discount rate	11.38%	9.56%

Lease cost information for the years ended December 31, 2025 and 2024 are as follows:

Operating lease costs*	$1,281,428	$1,167,033

*includes approximately $40,000 of rent expense on month to month leases.

Future lease payments at December 31, 2025:

2026	$ 999,833
2027	689,590
2028	445,166
2029	308,449
2030	255,573
2031 and thereafter	616,365
Total undiscounted cash flows	3,314,976
Less: present value adjustment	(881,612)
Lease liability	$2,433,364

LEGAL

Certain of HOPE's microfinance institutions are involved in certain litigation arising out of the conduct of its business. In certain cases, the microfinance institutions have made provisions in the financial statements. For other pending matters, in the opinion of management and legal counsel, the resolution of such matters will not have a material adverse effect on the Organization's financial position.

GUARANTEES

In the ordinary course of operations, Urwego issues guarantees in the form of financial instruments including banker's acceptances, letters of credits and performance bonds. In connection with these financial instruments, Urwego will either hold collateral or has an enforceable right for repayment of the financial instrument from the customer.

RUSSIAN INVASION OF UKRAINE

The war in Ukraine has continued since it began on February 24, 2022 which has caused enormous disruption to the daily lives of the Ukrainians and to the economic activity of Ukraine. HOPE Ukraine, a subsidiary of HOPE Advancement, continues to operate and has pivoted to other regions of Ukraine where the fighting is less severe. These efforts have led to significant growth throughout 2024 and 2025, resulting in the loan portfolio exceeding pre-invasion levels as of December 31, 2025. HOPE Ukraine is also planning for post-war growth in the hope of aiding in the country's rebuilding effort, though HOPE has no ability to discern when the war will conclude or what its outcome will be.

(17) FINANCIAL ASSETS AND LIQUIDITY RESOURCES

The following table reflects HOPE's financial assets as of December 31, 2025 and 2024, reduced by amounts that are not available to meet general expenditures within one year of the statement of financial position date because of contractual restrictions or internal board designations.

	2025	2024
Financial Assets:		
Cash and cash equivalents	$ 10,952,842	$ 16,330,072
Contributions receivable	1,942,991	3,940,609
Short-term investments	16,445,883	16,689,450
Microfinance loans receivable and related interest	53,628,328	44,318,469
Current loans receivable	2,779,096	2,732,852
Other receivable	4,199,949	4,957,530
Investments – non-current	14,198,440	12,704,854
Total financial assets available	104,147,529	101,673,836
Less:		
Client deposits	41,979,516	39,235,605
Net assets with donor restrictions	8,485,644	9,905,910
Board-designated net assets	7,777,136	6,640,583
Total financial assets available within one year	$ 45,905,233	$ 45,891,738

As part of HOPE's liquidity management, it has a practice to structure its financial assets to be available as its general expenditure, liabilities and other obligations come due. HOPE has board-designated endowment and operating reserves in the amount of $7,777,136 and $6,640,583 as of December 31, 2025 and 2024, respectively, which could be made available, if necessary, with Board approval. In addition, HOPE maintains a line of credit with a bank in the amount of $1,500,000 which can be drawn upon if needed.

(18) SUBSEQUENT EVENTS

Subsequent events after the date of the statement of financial position through the date that the financial statements were available for issuance, July 16, 2026, have been evaluated in the preparation of the financial statements and management has determined that there are no events that would require disclosure or adjustment in the financial statements.

SUPPLEMENTAL INFORMATION

HOPE INTERNATIONAL

CONSOLIDATING STATEMENT OF FINANCIAL POSITION

December 31, 2025 With Summarized Information As Of December 31, 2024

		HOPE ADVANCEMENT											
	(a) HOPE International	HOPE Advancement	HGI	HOPE Congo	Esperanza	SMEP	HOPE Ukraine	Urwego	(b) SGP	(c) Other	Eliminating Entries	Consolidated	2024
CURRENT ASSETS													
Cash and cash equivalents – US	$ 1,842,244	$ 14,801	$ 297,056	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 2,154,101	$ 3,633,824
Cash and cash equivalents – field	215,585	-	-	352,417	178,276	1,616,823	656,387	4,076,255	1,184,329	518,669	-	8,798,741	12,696,248
Contribution receivable	1,942,991	-	-	-	-	-	-	-	-	-	-	1,942,991	3,940,609
Short-term investments	10,588,443	-	-	894,756	80	1,992,199	1,689,685	1,023,717	-	257,003	-	16,445,883	16,689,450
Microfinance loans receivable, net	-	(318,000)	-	9,958,270	3,931,038	7,282,537	2,876,811	28,688,695	-	-	-	52,419,351	42,575,855
Loans receivable, net	527,981	3,017,762	1,069,391	-	-	-	-	-	-	-	(1,836,038)	2,779,096	2,732,852
Interest receivable	236	13,939	173,197	188,842	60,967	285,550	66,691	456,731	-	-	(37,176)	1,208,977	1,742,614
Other receivables	582,047	(14,547)	31,646	19,054	11,301	3,142,611	14,476	671,008	56,789	167,531	(481,967)	4,199,949	4,957,530
Prepaid expenses and other assets	1,303,024	-	-	182,455	33,667	2,138,909	31,142	253,251	132,326	18,250	-	4,093,024	3,036,905
Total Curent Assets	17,002,551	2,713,955	1,571,290	11,595,794	4,215,329	16,458,629	5,335,192	35,169,657	1,373,444	961,453	(2,355,181)	94,042,113	92,005,887
NONCURRENT ASSETS													
Investments	13,032,007	-	-	-	-	81,585	-	1,084,848	-	-	-	14,198,440	12,704,854
Property and equipment, net	3,420,067	-	-	201,674	160,166	3,531,563	54,310	933,927	500,598	27,490	-	8,829,795	8,852,584
Goodwill	-	651,316	-	-	-	-	-	-	-	-	-	651,316	781,579
Right of use asset	178,660	-	-	311,811	137,028	457,851	21,720	889,592	211,781	137,723	-	2,346,166	2,174,586
Other long-term assets	1,486	-	-	73,334	27,945	122,457	-	-	20,718	235	-	246,175	231,879
Loans receivable	-	1,950,163	9,823,653	-	-	-	-	-	-	-	(3,306,264)	8,467,552	4,294,763
Investment in subsidiary	-	23,138,487	-	-	-	-	-	-	-	-	(23,138,487)	-	-
Minority Interest in net assets	-	450,667	-	-	-	-	-	-	-	-	-	450,667	340,220
Total Assets	$33,634,771	$28,904,588	$11,394,943	$ 12,182,613	$ 4,540,468	$ 20,652,085	$ 5,411,222	$ 38,078,024	$ 2,106,541	$ 1,126,901	$ (28,799,932)	$129,232,224	$121,386,352
CURRENT LIABILITIES													
Accounts payable and accrued expenses	$ 914,755	$ -	$ (3,559)	$ 657,682	$ 243,868	$ 899,812	$ 31,268	$ 1,055,749	$ 223,747	$ 154,449	$ (481,967)	$ 3,695,804	$ 5,149,625
Interest Payable	-	-	178,537	17,552	-	-	-	264,107	-	-	(37,280)	422,916	216,617
Unearned revenue	-	-	-	-	4,598	-	1,425	3,560,179	-	-	-	3,566,202	2,131,249
Operating lease liability	152,116	-	-	106,356	75,148	-	23,338	118,681	72,599	12,540	-	560,778	454,362
Current portion of notes payable	-	150,000	1,081,305	1,145,471	290,490	831,618	-	1,041,100	-	-	(2,997,837)	1,542,147	3,761,883
Client deposits	-	-	-	4,170,073	248,974	15,916,423	-	21,644,046	-	-	-	41,979,516	39,235,605
Security Deposits and other liabilities	-	-	-	-	-	-	-	22,521	-	-	-	22,521	59,611
Total Curent Liabilities	1,066,871	150,000	1,256,283	6,097,134	863,078	17,647,853	56,031	27,706,383	296,346	166,989	(3,517,084)	51,789,884	51,008,952
NON-CURRENT LIABILITIES													
Operating lease liability	34,774	-	-	245,230	84,651	521,654	-	705,108	144,871	136,298	-	1,872,586	1,938,394
Notes payable	-	-	11,465,679	1,465,947	131,516	-	-	3,333,912	-	-	(2,936,224)	13,460,830	9,688,644
Total Liabilities	1,101,645	150,000	12,721,962	7,808,311	1,079,245	18,169,507	56,031	31,745,403	441,217	303,287	(6,453,308)	67,123,300	62,635,990
NET ASSETS													
Without donor restrictions													
Undesignated net assets	16,270,346	28,754,588	(1,327,019)	4,374,302	3,461,223	1,266,115	5,232,479	6,315,422	1,665,324	823,614	(22,346,624)	44,489,770	39,836,085
Board-designated reserve	7,777,136	-	-	-	-	-	-	-	-	-	-	7,777,136	6,640,583
Noncontrolling interest	-	-	-	-	-	1,216,463	122,712	17,199	-	-	-	1,356,374	2,367,784
With donor restrictions	8,485,644	-	-	-	-	-	-	-	-	-	-	8,485,644	9,905,910
Total Net Assets	32,533,126	28,754,588	(1,327,019)	4,374,302	3,461,223	2,482,578	5,355,191	6,332,621	1,665,324	823,614	(22,346,624)	62,108,924	58,750,362
Total Liabilities and Net Assets	$33,634,771	$28,904,588	$11,394,943	$ 12,182,613	$ 4,540,468	$ 20,652,085	$ 5,411,222	$ 38,078,024	$ 2,106,541	$ 1,126,901	$ (28,799,932)	$129,232,224	$121,386,352

(a) Includes assets, liabilities and net assets of Rwanda SGP and Superior Land.
(b) Includes assets, liabilities and net assets of Benin SGP, Burundi SGP, Haiti SGP, Malawi SGP, Tanzania SGP, Zambia SGP and Zimbabwe SGP.
(c) Includes assets, liabilities and net assets of Hong Kong and HOPE Advancement (Rwanda).

HOPE INTERNATIONAL

CONSOLIDATING STATEMENT OF ACTIVITIES

December 31, 2025 With Summarized Information As Of December 31, 2024

	(a) HOPE International	HOPE ADVANCEMENT: HOPE Advancement	HOPE ADVANCEMENT: HGI	HOPE ADVANCEMENT: HOPE Congo	HOPE ADVANCEMENT: Esperanza	HOPE ADVANCEMENT: SMEP	HOPE ADVANCEMENT: HOPE Ukraine	HOPE ADVANCEMENT: Urwego	(B) SGP	(c) Other	Eliminating Entries	Consolidated	2024
SUPPORT AND REVENUE													
Contributions	$ 37,698,102	$ 9,859,920	$ -	$ 32,951	$ 1,372,146	$ 46,762	$ 234,130	$ 661,244	$ 6,577,881	$ 296,940	$ (20,267,847)	$ 36,512,229	$ 35,075,374
Special events, net of direct expenses	6,423,740	-	-	-	-	-	-	-	-	193,099	-	6,616,839	5,858,328
Investment return designated for current operations	226,362	-	-	-	-	-	-	-	-	-	-	226,362	199,333
Interest income – microfinance loans	-	-	-	3,918,815	1,323,478	5,035,600	647,248	6,794,405	-	2,191	-	17,721,737	16,687,725
Other investment income	(135,345)	(8,367,660)	582,450	83,538	-	611,326	19,047	167,590	-	-	8,353,390	1,314,336	1,366,947
Rental revenue	264,137	-	-	-	-	-	-	-	-	-	-	264,137	255,450
Less expenses (including depreciation)	(76,886)	-	-	-	-	-	-	-	-	-	-	(76,886)	(77,251)
Net rental income	187,251	-	-	-	-	-	-	-	-	-	-	187,251	178,199
Other income	680,509	1,098	8,816	231,873	55,712	-	9,086	(14,760)	31,304	1,524,264	(1,513,001)	1,014,901	673,784
Total support and revenue	45,080,619	1,493,358	591,266	4,267,177	2,751,336	5,693,688	909,511	7,608,479	6,609,185	2,016,494	(13,427,458)	63,593,655	60,039,690
FUNCTIONAL EXPENSES													
Program services	33,833,008	217,277	859,297	4,031,947	2,636,835	7,812,112	831,966	7,222,957	7,045,559	1,910,919	(14,112,834)	52,289,043	48,864,744
Management and general	5,152,771	1,644	2,998	-	-	-	-	-	-	61,856	(266,068)	4,953,201	4,553,135
Fundraising	4,347,171	-	-	-	-	-	-	-	-	112,392	-	4,459,563	3,905,483
Total expenses	43,332,950	218,921	862,295	4,031,947	2,636,835	7,812,112	831,966	7,222,957	7,045,559	2,085,167	(14,378,902)	61,701,807	57,323,362
Excess (deficit) of revenues over expenses	1,747,669	1,274,437	(271,029)	235,230	114,501	(2,118,424)	77,545	385,522	(436,374)	(68,673)	951,444	1,891,848	2,716,328
OTHER CHANGES													
Investment return in excess of amounts designated for operations	870,199	-	-	-	-	-	-	-	-	-	-	870,199	603,904
Gain/(loss) on foreign currency transactions	(11,458)	(3,705)	(39,900)	(39,988)	(49,711)	(4,144)	22,157	66,699	6,991	(4,185)	-	(57,244)	(244,305)
Gain/(loss) on foreign currency translation	(133,410)	174,072	565,723	458,444	(145,826)	3,508	(64,884)	(261,412)	28,157	(24,280)	5,823	605,915	(494,387)
Gain/((loss) on disposal of assets	33,805	-	-	-	-	28,242	(155)	(12,491)	(1,154)	(403)	-	47,844	33,938
Total other changes	759,136	170,367	525,823	418,456	(195,537)	27,606	(42,882)	(207,204)	33,994	(28,868)	5,823	1,466,714	(100,850)
CHANGE IN NET ASSETS BEFORE PURCHASE OF EQUITY INTERESTS	2,506,805	1,444,804	254,794	653,686	(81,036)	(2,090,818)	34,663	178,318	(402,380)	(97,541)	957,267	3,358,562	2,615,478
Equity contribution by controlling shareholder	-	-	-	-	-	-	1,332,196	1,052,709	-	-	(2,384,905)	-	-
CHANGE IN NET ASSETS	2,506,805	1,444,804	254,794	653,686	(81,036)	(2,090,818)	1,366,859	1,231,027	(402,380)	(97,541)	(1,427,632)	3,358,562	2,615,478
NET ASSETS													
Beginning of year	30,026,321	27,309,784	(1,581,813)	3,720,616	3,542,259	4,573,396	3,988,332	5,101,594	2,067,704	921,155	(20,918,986)	58,750,362	56,134,884
End of year	$ 32,533,126	$ 28,754,588	$(1,327,019)	$ 4,374,302	$ 3,461,223	$ 2,482,578	$ 5,355,191	$ 6,332,621	$ 1,665,324	$ 823,614	$ (22,346,624)	$ 62,108,924	$ 58,750,362

(a) Includes assets, liabilities and net assets of Rwanda SGP and Superior Land.
(b) Includes assets, liabilities and net assets of Benin SGP, Burundi SGP, Haiti SGP, Malawi SGP, Tanzania SGP, Zambia SGP and Zimbabwe SGP.
(c) Includes assets, liabilities and net assets of Hong Kong and HOPE Advancement (Rwanda).