

AUDITED FINANCIAL STATEMENTS AS AT 31ST DECEMBER 2024

Regulated by Central Bank of Kenya

Faulu

A MEMBER OF THE  OLD MUTUAL GROUP

A) STATEMENT OF COMPREHENSIVE INCOME	BANK		GROUP	
	AUDITED 31st Dec, 2024 KShs. '000'	AUDITED 31st Dec, 2023 KShs. '000'	AUDITED 31st Dec, 2024 KShs. '000'	AUDITED 31st Dec, 2023 KShs. '000'
1.0 Income				
1.1 Interest on Loan Portfolio	2,521,279	2,481,225	2,521,279	2,481,225
1.2 Fees and Commission on Loan Portfolio	104,649	230,974	128,411	230,974
1.3 Government Securities	422,885	424,137	424,059	425,307
1.4 Deposit and Balances with Banks and Financial Inst.	36,031	22,133	36,031	22,133
1.5 Other Investments	-	-	-	-
1.6 Other Operating Income	263,055	213,299	275,875	254,165
1.7 Non-Operating Income	2,246	4,694	2,246	4,694
1.8 Total Income	3,350,145	3,376,462	3,387,901	3,418,498
2.0 Expenses				
2.1 Interest and Fee Expense on Deposits	1,705,383	1,406,973	1,687,519	1,396,512
2.2 Other Fees and Commissions Expense	90,917	168,116	95,162	172,440
2.3 Provision for Loan Impairment	(70,671)	290,209	(70,671)	290,209
2.4 Staff Costs	1,243,025	1,025,517	1,251,111	1,033,085
2.5 Director's Emoluments	12,520	17,433	14,164	19,119
2.6 Rental Charges	122,244	113,553	122,607	113,553
2.7 Depreciation Charges	254,827	300,861	254,856	300,896
2.8 Amortization Charges	98,285	99,434	98,285	101,973
2.9 Other Administrative Expense	581,271	453,685	584,174	459,344
Total Expenses	4,037,801	3,875,781	4,037,207	3,887,131
3.0 Operating Profit/Loss	(687,656)	(499,319)	(649,306)	(468,633)
4.0 Interest and Fee Expense on Borrowings(Finance Costs)	348,877	219,990	348,877	219,990
5.0 Profit/ (Loss) before tax	(1,036,533)	(719,309)	(998,183)	(688,623)
6.0 Current Tax	-	(1,408)	(1,188)	(11,737)
6.1 Deferred Tax	-	(719,308)	(369)	(718,409)
7.0 Profit/(Loss) After Taxes and Before Donations	(1,036,533)	(1,440,025)	(1,009,740)	(1,418,769)
8.0 Donations for Operating Expense	-	-	-	-
9.0 Profit/(Loss) For the Year	(1,036,533)	(1,440,025)	(1,009,740)	(1,418,769)
Other Comprehensive Income	-	-	-	-
Deferred Tax on Revaluation Surplus	-	-	-	-
10.0 Total Comprehensive Profit/ (Loss)	(1,036,533)	(1,440,025)	(1,009,740)	(1,418,769)

B) STATEMENT OF FINANCIAL POSITION	AUDITED 31 Dec, 2024	AUDITED 31 Dec, 2023	AUDITED 31 Dec, 2024	AUDITED 31 Dec, 2023
1.0 ASSETS				
1.1 Cash and bank balances	150,384	275,892	150,384	275,892
1.2 Short term deposits with banks	1,884,780	1,305,834	1,884,780	1,305,834
1.3 Government securities	3,594,725	3,632,400	3,600,776	3,642,670
1.4 Advances to customers	11,243,326	12,384,123	11,243,326	12,384,123
1.5 Due from related organisations	18,959	11,050	3,760	1,100
1.6 Other receivables	885,715	625,402	900,300	633,557
1.7 Tax recoverable	391,368	365,816	401,995	377,755
1.8 Other investment	5,000	5,000	-	-
1.9 Investment in associate companies	66,405	64,159	66,405	64,159
1.10 Intangible assets	584,813	545,921	584,813	545,921
1.11 Property and equipment	1,295,048	1,284,020	1,295,219	1,284,219
1.12 Deferred Tax Assets	-	-	1,337	1,707
1.13 Total Assets	20,120,523	20,499,617	20,133,095	20,516,937
2.0 LIABILITIES				
2.1 Cash collaterals held	190,125	248,590	190,125	248,590
2.2 Customer deposits	15,229,370	15,508,555	15,065,745	15,385,603
2.3 Borrowings	1,532,500	1,495,000	1,532,500	1,495,000
2.4 Deferred tax liability	-	-	-	-
2.5 Due to related organisations	3,527	1,717	3,527	1,717
2.6 Other liabilities	1,477,463	1,451,491	1,491,428	1,456,324
2.7 Tax payable	-	-	-	-
3.0 Total Liabilities	18,432,985	18,705,353	18,283,325	18,587,234
4.0 SHARE CAPITAL & RESERVES				
4.1 Share capital	979,101	659,996	979,101	659,996
4.2 Share premium	4,380,465	3,769,763	4,380,465	3,769,763
4.3 Retained earnings	(3,952,095)	(2,915,562)	(3,789,863)	(2,780,123)
4.4 Revaluation reserve	280,067	280,067	280,067	280,067
4.5 Statutory reserve	-	-	-	-
4.6 Total Shareholders' funds	1,687,538	1,794,264	1,849,770	1,929,703
5.0 TOTAL LIABILITIES AND EQUITY	20,120,523	20,499,617	20,133,095	20,516,937

C) OTHER DISCLOSURES				
1 NON-PERFORMING LOANS AND ADVANCES				
(a) Gross Non-Performing Loans and Advances	3,250,030	3,351,498	3,250,030	3,351,498
Less:				
(b) Interest in Suspense	424,350	469,702	424,350	469,702
(c) Total Non-Performing Loans and Advances (a-b)	2,825,680	2,881,796	2,825,680	2,881,796
(d) Impairment Loss Allowance	1,536,241	2,321,771	1,536,241	2,321,771
(e) Net Non-Performing Loans (c-d)	1,289,439	560,025	1,289,439	560,025
(f) Realizable Value of Securities	1,289,439	560,025	1,289,439	560,025
(g) Net NPLs Exposure (e-f)	-	-	-	-
2 INSIDER LOANS AND ADVANCES				
(a) Directors, Shareholders and Associates	-	30	-	30
(b) Employees	160,037	252,350	160,037	252,350
(c) Total Insider Loans, Advances and Other Facilities	160,037	252,380	160,037	252,380
3 OFF-BALANCE SHEET ITEMS				
(a) Guarantees and Commitments	109,473	17,711	109,473	17,711
(b) Other Contingent Liabilities	65,935	63,650	65,935	63,650
(c) Total Contingent Liabilities	175,408	81,361	175,408	81,361
4 CAPITAL STRENGTH				
(a) Core Capital	1,336,066	1,445,039	1,336,066	1,445,039
(b) Minimum Statutory Capital	60,000	60,000	60,000	60,000
(c) Excess/(Deficiency) (a-b)	1,276,066	1,385,039	1,276,066	1,385,039
(d) Supplementary Capital	70,018	470,018	70,018	470,018
(e) Total Capital (a+b)	1,406,083	1,915,056	1,406,083	1,915,056
(f) Total Risk Weighted Assets	13,393,583	13,896,946	13,393,583	13,896,946
(g) Core Capital/ Total Deposit Liabilities	8.7%	9.2%	8.7%	9.2%
(h) Minimum Statutory Ratio	8.0%	8.0%	8.0%	8.0%
(i) Excess/(Deficiency) (g-h)	0.7%	1.2%	0.7%	1.2%
(j) Core Capital/ Total Risk Weighted Assets	10.0%	10.4%	10.0%	10.4%
(k) Minimum Statutory Ratio	10.0%	10.0%	10.0%	10.0%
(l) Excess/(Deficiency) (j-k)	0.0%	0.4%	0.0%	0.4%
(m) Total Capital/ Total Risk Weighted Assets	10.5%	13.8%	10.5%	13.8%
(n) Minimum Statutory Ratio	12.0%	12.0%	12.0%	12.0%
(o) Excess/(Deficiency) (m-n)	-1.5%	1.8%	-1.5%	1.8%
5 LIQUIDITY				
(a) Liquidity Ratio	28.6%	30.3%	28.6%	30.3%
(b) Minimum Statutory Ratio	20.0%	20.0%	20.0%	20.0%
(c) Excess/(Deficiency) (a-b)	8.6%	10.3%	8.6%	10.3%



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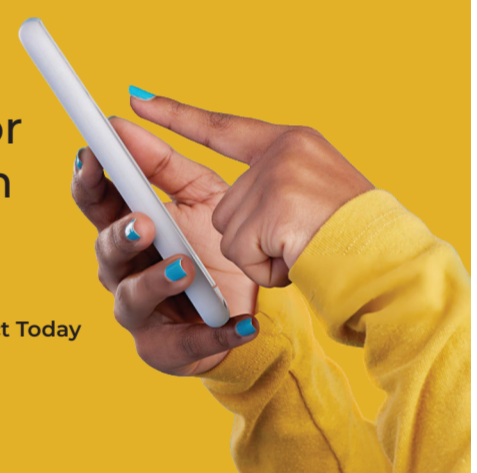
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MESSAGE FROM THE DIRECTORS

The above financial statements are extracts from the books of the institution as at 31st December 2024 as audited by Ernst & Young LLP and received unqualified opinion. These statements can be accessed on the institution's website www.faulukenya.com or the Head Office located along Ngong lane, off Ngong road.

The financial statements were approved by the Board on 17th March 2025. Signed on its behalf by:

George A Maina - Chairman
Michael Monari - Chairman Audit Committee
Julius Ouma Wamae - Chief Executive Officer

Faulu Microfinance Bank is regulated by Central Bank of Kenya and is part of the Old Mutual Group.