

AUDITED FINANCIAL STATEMENTS AS AT 31ST DECEMBER 2022

Regulated by the Central Bank of Kenya.

Faulu

A MEMBER OF THE OLDMUTUAL GROUP

	BANK		GROUP	
	AUDITED 31st Dec, 2022 KShs. '000'	AUDITED 31st Dec, 2021 KShs. '000'	AUDITED 31st Dec, 2022 KShs. '000'	AUDITED 31st Dec, 2021 KShs. '000'
A) STATEMENT OF COMPREHENSIVE INCOME				
1.0 Income				
1.1 Interest on Loan Portfolio	3,005,741	3,647,803	3,005,741	3,647,803
1.2 Fees and Commission on Loan Portfolio	345,296	393,451	345,296	393,451
1.3 Government Securities	497,368	548,941	498,495	550,108
1.4 Deposit and Balances with Banks and Financial Inst.	21,872	63,734	21,872	63,734
1.5 Other Investments	-	-	-	-
1.6 Other Operating Income	181,998	164,283	227,250	213,087
1.7 Non- Operating Income	3,856	3,174	3,856	3,174
1.8 Total Income	4,056,131	4,821,386	4,102,510	4,871,357
2.0 Expenses				
2.1 Interest and Fee Expense on Deposits	1,413,545	1,848,812	1,408,495	1,844,966
2.2 Other Fees and Commissions expense	226,867	236,395	232,864	241,494
2.3 Provision for Loan Impairment	(202,272)	518,235	(202,272)	516,915
2.4 Staff Costs	978,363	998,591	987,389	1,007,463
2.5 Director's Emoluments	16,281	14,562	17,817	18,168
2.6 Rental Charges	116,267	116,946	116,610	117,487
2.7 Depreciation Charges	335,648	337,277	335,691	337,330
2.8 Amortization Charges	73,891	79,551	76,665	82,009
2.9 Other Administrative Expense	949,294	876,341	952,016	878,941
Total Expenses	3,907,884	5,026,710	3,925,275	5,044,773
3.0 Operating Profit	148,247	(205,324)	177,235	(173,416)
4.0 Interest and Fee Expense on Borrowings(Finance Costs)	162,150	316,332	162,150	316,380
5.0 Profit/(Loss) before tax	(13,903)	(521,656)	15,085	(489,796)
6.0 Current Tax	11,722	139,734	19,770	149,324
6.1 Deferred Tax	295,232	(254,722)	296,699	(254,584)
7.0 Profit/(Loss) After Taxes and Before Donations	(320,857)	(406,668)	(301,384)	(384,536)
8.0 Donations for Operating Expense	-	-	-	-
9.0 Profit/(Loss) For the year	(320,857)	(406,668)	(301,384)	(384,536)
Other Comprehensive Income	5,000	-	5,000	-
Deferred tax on revaluation surplus	(250)	-	(250)	-
10.0 Total comprehensive Profit/(Loss)	(316,107)	(406,668)	(296,634)	(384,536)
B) STATEMENT OF FINANCIAL POSITION				
1.0 ASSETS				
1.1 Cash and bank balances	352,551	388,285	352,551	388,285
1.2 Short term deposits with banks	1,357,065	2,651,354	1,357,065	2,651,354
1.3 Government securities	4,148,845	4,997,463	4,158,849	5,008,746
1.4 Advances to customers	12,974,662	15,377,715	12,974,662	15,377,715
1.5 Due from related organisations	8,574	5,497	1,054	517
1.6 Other receivables	584,544	522,798	591,724	528,486
1.7 Tax recoverable	328,979	284,275	340,535	293,406
1.8 Other investment	5,000	5,000	-	-
1.9 Investment in associate companies	60,873	58,174	60,873	58,174
1.10 Intangible assets	569,256	544,444	571,795	549,757
1.11 Property and equipment	1,594,363	1,919,190	1,594,597	1,919,467
1.12 Deferred Tax Assets	719,309	1,025,356	720,116	1,025,586
1.13 Total Assets	22,704,021	27,779,551	22,723,821	27,801,493
2.0 LIABILITIES				
2.1 Cash collaterals held	393,027	449,996	393,027	449,996
2.2 Customer deposits	15,856,491	21,074,297	15,742,106	20,997,414
2.3 Borrowings	1,265,338	692,139	1,265,338	692,139
2.4 Deferred tax liability	-	-	-	-
2.5 Due to related organisations	330,100	37,802	330,100	37,802
2.6 Other liabilities	1,624,777	1,974,921	1,644,777	1,979,034
2.7 Tax payable	-	-	-	-
3.0 Total Liabilities	19,469,732	24,229,155	19,375,347	24,156,385
4.0 SHARE CAPITAL & RESERVES				
4.1 Share capital	659,996	659,996	659,996	659,996
4.2 Share premium	3,769,763	3,769,763	3,769,763	3,769,763
4.3 Retained earnings	(1,475,537)	(1,154,680)	(1,361,352)	(1,059,968)
4.4 Revaluation reserve	280,067	275,317	280,067	275,317
4.5 Statutory reserve	-	-	-	-
4.6 Total Shareholders' funds	3,234,289	3,550,396	3,348,474	3,645,108
5.0 TOTAL LIABILITIES AND EQUITY	22,704,021	27,779,551	22,723,821	27,801,493
C) OTHER DISCLOSURES				
1 NON-PERFORMING LOANS AND ADVANCES				
(a) Gross Non-Performing Loans and Advances	4,269,895	3,917,317	4,269,895	3,917,317
Less:				
(b) Interest in Suspense	948,693	674,630	948,693	674,630
(c) Total Non-Performing Loans and Advances (a-b)	3,321,202	3,242,687	3,321,202	3,242,687
(d) Impairment Loss Allowance	3,109,338	3,319,356	3,109,338	3,319,356
(e) Net Non-Performing Loans (c-d)	211,864	(76,669)	211,864	(76,669)
(f) Realizable Value of Securities	211,864	(76,669)	211,864	(76,669)
(g) Net NPLs Exposure (e-f)	-	-	-	-
2 INSIDER LOANS AND ADVANCES				
(a) Directors, Shareholders and Associates	17,765	19,615	17,765	19,615
(b) Employees	267,461	309,196	267,461	309,196
(c) Total Insider Loans, Advances and Other Facilities	285,226	328,811	285,226	328,811
3 OFF-BALANCE SHEET ITEMS				
(a) Guarantees and Commitments	11,000	515,044	11,000	515,044
(b) Other Contingent Liabilities	61,500	57,400	61,500	57,400
(c) Total Contingent Liabilities	72,500	572,444	72,500	572,444
4 CAPITAL STRENGTH				
(a) Core Capital	2,169,041	2,186,550	2,169,041	2,186,550
(b) Minimum Statutory Capital	60,000	60,000	60,000	60,000
(c) Excess/(Deficiency) (a-b)	2,109,041	2,126,550	2,109,041	2,126,550
(d) Supplementary Capital	470,018	468,830	470,018	468,830
(e) Total Capital (a+d)	2,639,059	2,655,380	2,639,059	2,655,381
(f) Total Risk Weighted Assets	14,943,053	17,885,295	14,943,053	17,885,295
(g) Core Capital/ Total Deposit Liabilities	13.3%	10.2%	13.3%	10.2%
(h) Minimum Statutory Ratio	8.0%	8.0%	8.0%	8.0%
(i) Excess/(Deficiency) (g-h)	5.3%	2.2%	5.3%	2.2%
(j) Core Capital/ Total Risk Weighted Assets	14.5%	12.2%	14.5%	12.2%
(k) Minimum Statutory Ratio	10.0%	10.0%	10.0%	10.0%
(l) Excess/(Deficiency) (j-k)	4.5%	2.2%	4.5%	2.2%
(m) Total Capital/ Total Risk Weighted Assets	17.7%	14.8%	17.7%	14.8%
(n) Minimum Statutory Ratio	12.0%	12.0%	12.0%	12.0%
(o) Excess/(Deficiency) (m-n)	5.7%	2.8%	5.7%	2.8%
(p) Adjusted Core Capital/ Total Deposit Liabilities*	14.0%	11.3%	14.0%	11.3%
(q) Adjusted Core Capital/Total Risk Weighted Assets*	15.2%	13.5%	15.2%	13.5%
(r) Adjusted Total Capital/ Total Risk Weighted Assets*	18.4%	16.2%	18.4%	16.2%
5 LIQUIDITY				
(a) Liquidity Ratio	30.1%	34.2%	30.1%	34.2%
(b) Minimum Statutory Ratio	20.0%	20.0%	20.0%	20.0%
(c) Excess/(Deficiency) (a-b)	10.1%	14.2%	10.1%	14.2%

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Biashara Banking | Digital Banking | Personal Banking
Chama Banking | Trade Banking | Insurance Solutions

With one account that manages my salary and also lends me money to continue pursuing my side passion

Mimi NinaFAULU

Biashara Banking | Digital Banking | Personal Banking
Chama Banking | Trade Banking | Insurance Solutions

With an account that ensures cashflow and helps me borrow cash for my fast paced business expansion

Hapa TunaFAULU

Biashara Banking | Digital Banking | Personal Banking
Chama Banking | Trade Banking | Insurance Solutions

MESSAGE FROM THE DIRECTORS

The Board of Directors notes that the group reported profit before tax for the year. The bank wrote off deferred tax asset attributable to temporary differences resulting to a significant increase in corporate tax expense. The above statement of comprehensive income, statement of financial position and other disclosures are extracts from the books of the institution as at 31st December 2022 which were audited by Ernst & Young LLP and received unqualified opinion. They were approved by the Board on 30th March 2023. Signed on its behalf by: **George A Maina** - Chairman, **Sophia Mukoba** - Chairman Audit Committee, **Apollo N. Njoroge** - Managing Director