

FINANCIAL STATEMENTS AS AT 31ST DECEMBER 2025



A MEMBER OF THE OLDMUTUAL GROUP

A) STATEMENT OF COMPREHENSIVE INCOME	BANK		GROUP	
	AUDITED	AUDITED	AUDITED	AUDITED
	31st December, 2025 KShs. '000'	31st December, 2024 KShs. '000'	31st December, 2025 KShs. '000'	31st December, 2024 KShs. '000'
1.0 Income				
1.1 Interest on Loan Portfolio	2,197,259	2,521,279	2,197,259	2,521,279
1.2 Fees and Commission on Loan Portfolio	166,021	104,649	142,691	128,411
1.3 Government Securities	374,641	422,885	375,665	424,059
1.4 Deposit and Balances with Banks and Financial Inst.	38,426	36,031	38,426	36,031
1.5 Other Investments	-	-	-	-
1.6 Other Operating Income	398,376	263,055	334,502	275,875
1.7 Non- Operating Income	2,497	2,246	2,497	2,246
1.8 Total Income	3,177,220	3,350,145	3,091,040	3,387,901
2.0 Expenses				
2.1 Interest and Fee Expense on Deposits	1,528,329	1,705,383	1,512,900	1,687,519
2.2 Other Fees and Commissions expense	74,993	90,917	79,627	95,162
2.3 Provision for Loan Impairment	(47,967)	(70,671)	(47,967)	(70,671)
2.4 Staff Costs	879,249	1,243,025	889,215	1,251,111
2.5 Director's Emoluments	14,852	12,520	17,008	14,164
2.6 Rental Charges	83,637	122,244	83,990	122,607
2.7 Depreciation Charges	176,468	254,827	176,496	254,856
2.8 Amortization Charges	120,038	98,285	120,038	98,285
2.9 Other Administrative Expense	633,479	581,271	637,598	584,174
Total Expenses	3,463,078	4,037,801	3,468,905	4,037,207
3.0 Operating Profit/Loss	(285,859)	(687,656)	(377,865)	(649,306)
4.0 Interest and Fee Expense on Borrowings(Finance Costs)	101,026	348,877	101,026	348,877
5.0 Loss Before tax	(386,885)	(1,036,533)	(478,891)	(998,183)
6.0 Current Tax	-	-	(17,519)	(11,188)
6.1 Deferred Tax	-	-	51	(369)
7.0 Losses After Taxes and Before Deductions	(386,885)	(1,036,533)	(496,359)	(1,009,740)
8.0 Donations for Operating Expense	-	-	-	-
9.0 Loss for the Year	(386,885)	(1,036,533)	(496,359)	(1,009,740)
Other Comprehensive Income	-	-	-	-
Deferred tax on revaluation surplus	-	-	-	-
10.0 Total Comprehensive Loss	(386,885)	(1,036,533)	(496,359)	(1,009,740)
B) STATEMENT OF FINANCIAL POSITION				
	BANK		GROUP	
	AUDITED	AUDITED	AUDITED	AUDITED
	31st December, 2025 KShs. '000'	31st December, 2024 KShs. '000'	31st December, 2025 KShs. '000'	31st December, 2024 KShs. '000'
1.0 ASSETS				
1.1 Cash and bank balances	167,263	150,384	167,263	150,384
1.2 Short term deposits with banks	1,223,196	1,884,780	1,223,196	1,884,780
1.3 Government securities	2,616,281	3,594,725	2,623,755	3,600,776
1.4 Advances to customers	10,572,785	11,243,326	10,572,785	11,243,326
1.5 Due from related organisations	-	18,959	-	3,760
1.6 Other receivables	718,814	885,715	744,055	900,300
1.7 Tax recoverable	405,600	391,368	413,495	401,995
1.8 Other investment	5,000	5,000	-	-
1.9 Investment in associate companies	68,902	66,405	68,902	66,405
1.10 Intangible assets	489,162	584,813	489,162	584,813
1.11 Property and equipment	1,122,612	1,295,048	1,122,754	1,295,219
1.12 Deferred Tax Assets	-	-	1,390	1,337
1.13 Total Assets	17,389,615	20,120,523	17,426,757	20,133,095
2.0 LIABILITIES				
2.1 Cash collaterals held	140,255	190,125	140,255	190,125
2.2 Customer deposits	15,075,558	15,229,370	15,062,235	15,065,745
2.3 Borrowings	-	1,532,500	-	1,532,500
2.4 Deferred tax liability	-	-	-	-
2.5 Due to related organisations	12,135	3,527	9,247	3,527
2.6 Other liabilities	853,228	1,477,463	853,820	1,491,425
2.7 Tax payable	-	-	-	-
3.0 Total Liabilities	16,081,176	18,432,985	16,065,557	18,283,322
4.0 SHARE CAPITAL AND RESERVES				
4.1 Share capital	979,101	979,101	979,101	979,101
4.2 Share premium	4,380,465	4,380,465	4,380,465	4,380,465
4.3 Retained earnings	(4,338,980)	(3,952,095)	(4,286,219)	(3,789,863)
4.4 Revaluation reserve	287,853	280,067	287,853	280,067
4.5 Statutory reserve	-	-	-	-
4.6 Total Shareholders' funds	1,308,439	1,687,538	1,361,200	1,849,770
5.0 TOTAL LIABILITIES & EQUITIES	17,389,615	20,120,523	17,426,757	20,133,095
C) OTHER DISCLOSURES				
	BANK		GROUP	
	AUDITED	AUDITED	AUDITED	AUDITED
	31st December, 2025 KShs. '000'	31st December, 2024 KShs. '000'	31st December, 2025 KShs. '000'	31st December, 2024 KShs. '000'
1.0 NON-PERFORMING LOANS AND ADVANCES				
(a) Gross Non-Performing Loans and Advances	3,113,624	3,250,030	3,113,624	3,250,030
Less:				
(b) Interest in Suspense	425,473	424,350	425,473	424,350
(c) Total Non-Performing Loans and Advances (a-b)	2,688,151	2,825,680	2,688,151	2,825,680
(d) Impairment Loss Allowance	1,266,859	1,536,241	1,266,859	1,536,241
(e) Net Non-Performing Loans (c-d)	1,421,292	1,289,439	1,421,292	1,289,439
(f) Realizable Value of Securities	1,421,292	1,289,439	1,421,292	1,289,439
(g) Net NPLs Exposure (e-f)	-	-	-	-
2.0 INSIDER LOANS AND ADVANCES				
(a) Directors, Shareholders and Associates	-	-	-	-
(b) Employees	190,929	160,037	190,929	160,037
(c) Total Insider Loans, Advances and Other Facilities	190,929	160,037	190,929	160,037
3.0 OFF BALANCE SHEET ITEMS				
(a) Guarantees and Commitments	84,126	109,473	84,126	109,473
(b) Other Contingent Liabilities	53,800	65,935	53,800	65,935
(c) Total Contingent Liabilities	137,926	175,408	137,926	175,408
4.0 CAPITAL STRENGTH				
(a) Core Capital	1,020,586	1,336,066	1,020,586	1,336,066
(b) Minimum Statutory Capital	60,000	60,000	60,000	60,000
(c) Excess/(Deficiency) (a-b)	960,586	1,276,066	960,586	1,276,066
(d) Supplementary Capital	70,018	70,018	70,018	70,018
(e) Total Capital (a+d)	1,090,604	1,406,083	1,090,604	1,406,083
(f) Total Risk Weighted Assets	11,662,151	13,393,583	11,662,151	13,393,583
(g) Core Capital/ Total Deposit Liabilities	6.7%	8.7%	6.7%	8.7%
(h) Minimum Statutory Ratio	8.0%	8.0%	8.0%	8.0%
(i) Excess/(Deficiency) (g-h)	-1.3%	0.7%	-1.3%	0.7%
(j) Core Capital/ Total Risk Weighted Assets	8.8%	10.0%	8.8%	10.0%
(k) Minimum Statutory Ratio	10.0%	10.0%	10.0%	10.0%
(l) Excess/(Deficiency) (j-k)	-1.2%	0.0%	-1.2%	0.0%
(m) Total Capital/ Total Risk Weighted Assets	9.4%	10.5%	9.4%	10.5%
(n) Minimum Statutory Ratio	12.0%	12.0%	12.0%	12.0%
(o) Excess/(Deficiency) (m-n)	-2.6%	-1.5%	-2.6%	-1.5%
5.0 LIQUIDITY				
(a) Liquidity Ratio	25.0%	28.6%	25.0%	28.6%
(b) Minimum Statutory Ratio	20.0%	20.0%	20.0%	20.0%
(c) Excess/(Deficiency) (a-b)	5.0%	8.6%	5.0%	8.6%

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MESSAGE FROM THE DIRECTORS

The above financial statement are extracts from the books of the institution as at 31st December 2025 as audited by Ernst & Young LLP and received unqualified opinion. These statements can be accessed on the institution's website www.faulukenya.com as well as the HEAD OFFICE located along Ngong lane, off Ngong road.

Faulu Microfinance bank is regulated by Central Bank of Kenya and is part of the Old Mutual Group. The financial statements were approved by the Board on 25th March 2026. Signed on its behalf by:

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