U & I MICROFINANCE BANK LTD

AUDITED FINANCIAL STATEMENTS AND OTHER DISCLOSURES FOR THE YEAR ENDED 31st DECEMBER 2025

A) STATEMENT OF COMPREHENSIVE INCOME

		Group Audited 31-Dec-25 KShs. '000'	Group Audited 31-Dec-24 KShs. '000'	Bank Audited 31-Dec-25 KShs. '000'	Bank Audited 31-Dec-24 KShs. '000'
1.0	**Income**				
1.1	Interest on Loan Portfolio	363,899	332,184	363,899	332,184
1.2	Fees and Commission on Loan Portfolio	62,376	53,842	54,207	47,736
1.3	Government Securities				
1.4	Deposit and Balances with Banks and Financial Inst.	-	4,170	2,283	4,170
1.5	Other Investments	-	-	-	-
1.6	Other Operating Income	-	-	-	-
1.7	Non- Operating Income	2,283	13,565	-	13,565
1.8	**Total Income**	**428,558**	**403,761**	**420,389**	**397,655**
2.0	**Expenses**				
2.1	Interest and Fee Expense on Deposits	55,480	57,443	55,480	57,443
2.2	Other Fees and Commissions expense	-	-	-	-
2.3	Provision for Loan Impairment	12,990	16,767	12,990	16,767
2.4	Staff Costs	64,197	57,881	62,962	56,865
2.5	Director's Emoluments	14,180	11,341	13,894	11,115
2.6	Rental Charges	737	804	737	804
2.7	Depreciation Charges	5,071	3,011	5,048	3,002
2.8	Amortization Charges	474	348	474	348
2.9	Depreciation on right-of-use assets	6,314	5,867	6,314	5,867
2.10	Other Administrative Expense	82,749	12,726	81,968	11,893
2.11	Non-Operating Expense	5,926	7,148	5,897	6,903
2.11	**Total Expenses**	**248,118**	**173,336**	**245,764**	**171,007**
3.0	**Operating Profit**	**180,440**	**230,425**	**174,625**	**226,648**
4.0	Interest and Fee Expense on Borrowings(-Finance Costs)	(79,110)	(84,232)	(79,110)	(84,136)
5.0	**Profit/(Loss) before tax**	**101,330**	**146,193**	**95,515**	**142,512**
6.0	Current Tax	(29,805)	(59,558)	(28,059)	(58,459)
6.1	Deferred Tax	-	-	-	-
7.0	**Net Profit (After Taxes and Before Donations)**	**71,525**	**86,635**	**67,456**	**84,053**
8.0	Donations for Operating Expense	-	-	-	-
9.0	**Net Profit After Taxes**	**71,525**	**86,635**	**67,456**	**84,053**
	Other Comprehensive Income				
	Surplus on revaluation of building	-	-	-	-
	Deferred tax on revaluation surplus				
	Total Comprehensive Income	**71,525**	**86,635**	**67,456**	**84,053**

B) STATEMENT OF FINANCIAL POSITION

		Group Audited 31-Dec-25 KShs. '000'	Group Audited 31-Dec-24 KShs. '000'	Bank Audited 31-Dec-25 KShs. '000'	Bank Audited 31-Dec-24 KShs. '000'
1.0	**ASSETS**				
1.1	Cash and bank balances	157,510	115,970	142,268	109,125
1.2	Short term deposits with banks	-	-	-	-
1.3	Government securities	-	-	-	-
1.4	Advances to customers	1,691,719	1,475,756	1,691,719	1,475,756
1.5	Due from related organisations	103	103	103	103
1.6	Other receivables	58,926	75,662	18,914	41,109
1.7	Deferred Tax	16,690	525	16,690	525
1.8	Other investment	-	-	-	-
1.9	Investment in associate companies	-	-	5,000	5,000
1.10	Intangible assets	1,895	2,369	1,895	2,369
	Right-of-use asset	26,443	10,774	26,443	10,774
1.11	Property and equipment	24,891	25,614	24,861	25,561
1.12	Tax Refundable	519	518	-	-
1.13	**Total Assets**	**1,978,696**	**1,707,291**	**1,927,893**	**1,670,322**
2.0	**LIABILITIES**				
2.1	Cash collaterals held	13,456	13,052	13,456	13,052
2.2	Customer deposits	562,675	546,580	562,675	546,580
2.3	Borrowings	842,261	687,292	842,261	687,292
2.4	Deferred income	-	-	-	-
2.5	Deferred tax liability	-	-	-	-
2.6	Tax Payable	23,531	25,622	21,830	25,000
2.7	Due to related organisations	-	-	-	-
2.8	Other liabilities	47,410	48,734	10,695	20,704
2.9	Lease Liability	25,282	10,206	25,282	10,206
2.1	**Total Liabilities**	**1,514,615**	**1,331,486**	**1,476,199**	**1,302,834**
3.0	**SHARE CAPITAL & RESERVES**				
3.1	Share capital	312,943	273,888	312,942	273,888
3.2	Share premium	-	-	-	-
3.3	Retained earnings	151,138	101,917	138,752	93,600
3.4	Revaluation reserve	-	-	-	-
3.5	Statutory reserve	-	-	-	-
3.6	**Total Shareholders' funds**	**464,081**	**375,805**	**451,694**	**367,488**
	TOTAL LIABILITIES AND EQUITY	**1,978,696**	**1,707,291**	**1,927,893**	**1,670,322**

C) OTHER DISCLOSURES

		Group 31-Dec-25 KShs. '000'	Group 31-Dec-24 KShs. '000'	Bank 31-Dec-25 KShs. '000'	Bank 31-Dec-24 KShs. '000'
1	**NON-PERFORMING LOANS AND ADVANCES**				
(a)	Gross Non-Performing Loans and Advances	555,559	635,491	555,559	635,491
	Less:				
(b)	Interest in Suspense	61,535	38,178	61,535	38,178
(c)	Total Non-Performing Loans and Advances (a-b)	494,024	597,313	494,024	597,313
(d)	Impairment Loss Allowance	54,337	41,303	54,337	41,303
(e)	Net Non-Performing Loans (c-d)	439,687	556,010	439,687	556,010
(f)	Realizable Value of Securities	439,687	556,010	439,687	556,010
(g)	Net NPLs Exposure (e-f)	-	-	-	-
2	**INSIDER LOANS AND ADVANCES**				
(a)	Directors, Shareholders and Associates	5,205	6,300	5,205	6,300
(b)	Employees	23,414	29,552	23,414	29,552
(c)	Total Insider Loans, Advances and Other Facilities	28,619	35,852	28,619	35,852
3	**OFF-BALANCE SHEET ITEMS**				
(a)	Guarantees and Commitments	-	-	-	-
(b)	Other Contingent Liabilities	-	-	-	-
(c)	Total Contigent Liabilities	-	-	-	-
4	**CAPITAL STRENGTH**				
(a)	Core Capital	435,004	366,962	435,004	366,962
(b)	Minimum Statutory Capital	60,000	60,000	60,000	60,000
(c)	Excess/(Deficiency) (a-b)	375,004	306,962	375,004	306,962
(d)	Supplementary Capital	-	-	-	-
(e)	**Total Capital (a+d)**	**435,004**	**366,962**	**435,004**	**366,962**
(f)	Total Risk Weighted Assets	1,791,293	1,576,839	1,791,293	1,576,839
(g)	Core Capital/ Total Deposit Liabilities	75.5%	65.6%	75.5%	65.6%
(h)	Minimum Statutory Ratio	8.0%	8.0%	8.0%	8.0%
(i)	Excess/(Deficiency) (g-h)	67.5%	57.6%	67.5%	57.6%
(j)	Core Capital/ Total Risk Weighted Assets	24.3%	23.3%	24.3%	23.3%
(k)	Minimum Statutory Ratio	10.0%	10.0%	10.0%	10.0%
(l)	Excess/(Deficiency) (j-k)	14.3%	13.3%	14.3%	13.3%
(m)	Total Capital/ Total Risk Weighted Assets	24.3%	23.3%	24.3%	23.3%
(n)	Minimum Statutory Ratio	12.0%	12.0%	12.0%	12.0%
(O)	Excess/(Deficiency) (m-n)	12.3%	11.3%	12.3%	11.3%
5	**LIQUIDITY**				
(a)	Liquidity Ratio	24.7%	18.2%	24.7%	18.2%
(b)	Minimum Statutory Ratio	20.0%	20.0%	20.0%	20.0%
(c)	Excess/(Deficiency) (a-b)	4.7%	-1.8%	4.7%	-1.8%

The above statements of Profit or Loss and other Comprehensive Income and Statement of Financial Position are extracts of the Company's Financial Statements as audited by Kreston KM & Company LL and received an Unqualified opinion.

They were approved by the Board of Directors on 25th February 2026 and signed on its behalf by;

Mr. Muturi Kamande	**Dr. Joseph Kaniaru**	**Mr. Mwangi Ngigi**
Chairman	***Director***	***Chief Executive Officer***

U & I Microfinance Bank Ltd is Licensed and regulated by Central Bank of Kenya and a Member of Kenya Deposit Insurance Corporation.