TrustGro SCA Limited

Annual Report and Financial Statements

for the year ended 31 December 2025

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Country of incorporation and domicile
Kenya

Nature of business and principal activities
Microfinance

Directors
Dr C M Munyua - Chairperson
I O Miencha
J M Mwirichia
T Mutesva*
S Gikonyo

* Zimbabwean

Registered office
1st Floor Avocado Towers
Muthithi Road, Westlands
Nairobi
Kenya

Postal address
P.O Box 5483-00100
Nairobi
Kenya

Parent company
Finclusion Group Limited

Principal Bankers
KCB Bank Limited
Stanbic Bank Kenya Limited
Ecobank Kenya Limited

Independent Auditor
PricewaterhouseCoopers LLP
PwC Tower, Waiyaki Way
P.O Box 43963-00100
Nairobi
Kenya

Secretary
Nile registrars

Company registration number
54186

Company highlights

Who we are

TrustGro SCA Limited trading as Fin Kenya is a financial services institution with a tech-based offering that includes financial wellness, embedded credit, insurance, and AI driven credit modeling solutions.

Fin Kenya is a wholly-owned subsidiary of Finclusion Group Limited, a Mauritius based high impact investment holding company. Fin Kenya was founded in 1993 and acquired by Finclusion Group Limited in 2020. In 2022, the institution rebranded from TrustGro SCA Limited to Fin Kenya.

Fin Kenya is strategically positioned to become Kenya's leading financial institution by delivering a comprehensive digital ecosystem that addresses all of its customers' financial needs.

Fin Kenya's objective is to serve the MSMEs and underserved populace.

Our Mission *What we are doing everyday.*

We enhance the quality of life of our customers through simple, convenient, and appropriate financial services.

Our Vision *What we will achieve in time as we continue to do what we do every day.*

We are creating an ecosystem where people and organisations can access financial solutions that help them meet their objectives.

Our Values *The lens through which we are doing what we do everyday.*

People

The building blocks of families, communities, and nations are people. We seek to connect with our stakeholders as people and create an environment where we share what motivates us to create lasting bonds.

Innovation

We are never satisfied with the status quo and relentlessly seek to improve. Innovation is a natural output when we understand people's motivations individually and work together as teams towards a shared vision.

Teamwork

When pursuing our mission and vision, our methodology is founded on collaboration and working as a team to solve the problems we all face.

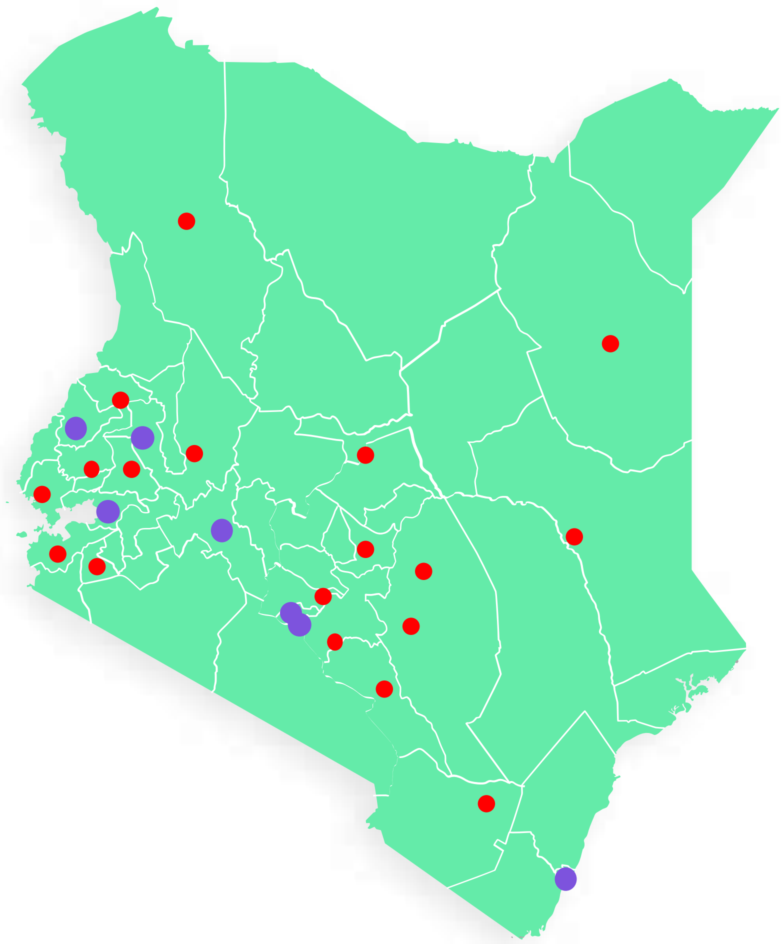
Integrity

We believe in being authentic.
We believe in standing for what is right.
What we say is what we do.

Who we are (continued)

Together with our partners, we provide credit, savings, insurance and more, in a fast, convenient and reliable manner.

- Fin Kenya runs a digitally-enabled lending model focused on servicing individual and MSMEs distribution through digital channels, partners and branches.
- Fin Kenya offers secured options such as vehicle logbook, asset finance and invoice discounting loans, and unsecured offerings, like government and private payroll loans, IPF along with salary advances.



Partners:	**Employees:**	**Agents:**
164	49	210
Customers:	**APR:**	**Loan Book:**
>9,000	55%	KES1.15B

Branches

Nairobi – CBD, Nairobi – Westlands, Nakuru, Eldoret, Kisumu, Bungoma, Mombasa.

Satellites

Kapsabet, Kitale, Kakamega, Kisii, Embu, Homabay, Kabarnet, Wajir, Isiolo, Mwingi, Thika, Garissa, Machakos, Kitui, Voi, Makueni, Lowdar.

Our people

Kenya

NUMBER OF EMPLOYEES

49 28 21

As of December 2025

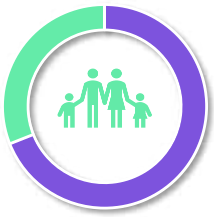
- A high-performance and value-driven culture
- A dedicated focus on diversity and inclusion
- Deepening digital skills and ways of ‘agile’ working
- Opportunities for growth, development, and mobility across the Group
- Significant investment into up-skilling our staff through education and higher learning initiatives.

Product information

Our products are designed to allow easy and efficient access to significant loan sizes, ensuring Fin Kenya is always present when and where our customers need us most.

Employee-based loan portfolio

Our unsecured product portfolio



GLB
KES 842m

Payroll Loans

- Family support
- Education
- Medical
- Farming

GLB
KES 28m

Salary Advance

- Helping employees
- Emergencies

Payroll Flexible long-term financing tailored for clients who want to scale their businesses or invest in their family's growth, education and overall well-being.

Salary advance For privately employed clients who are looking for immediate access to short term financing.

Our Target Market

Male/female: 50/50

Age: +25 years

Income bracket: +KES20k

Product information (continued)

Ensuring our customers can access what they need to take their businesses or personal life to the next level is a top priority.

Fin Kenya provides MSMEs and employed individuals with affordable vehicle financing, allowing businesses to gain much-needed mobility, allowing them to take their operations to the next level and thereafter, access working capital or project financing through the Vehicle Logbook loans.

Fin Kenya's largest customer segment comprises civil servants and other government union workers, to whom we provide credit products deducted via payroll deduction, allowing them access to education, medical support, financial support for their secondary income generating activities, including farming, whilst providing the much needed family support.

Our products are designed to allow easy and efficient access to significant loan sizes, ensuring Fin Kenya is always present when and where our customers need us most.

Embedded credit portfolio

Our secured product portfolio

Asset backed loans*

- **Vehicle Financing**
- **Productive Asset Financing**
- **Stimulate Business**
- **Working Capital Financing/Project Financing**

Gross loan book

KES 223M

***Secured on the back of a customer vehicle logbook**

Asset finance loans Fin Kenya provides MSMEs and employed individuals with affordable vehicle financing, allowing businesses to gain much-needed mobility, allowing them to take their operations to the next level and thereafter, working capital or project financing.

Vehicle logbook loans Once a client has paid off their vehicle, we recommend maintaining the collateral to enable easier processing of subsequent loans in funding working capital, contract finance or general business support.

Invoice Discounting, enabling us to support short-term liquidity needs for MSMEs while enhancing portfolio diversification.

Insurance Premium Financing The cover is provided through mTek's digital system, The mTek platform enables customers to buy insurance directly from the insurer, compare insurance policies, and file claims directly to the insurer from the convenience of their smart devices, all within seconds.

Our Target Market Our ideal customer is an MSME who makes use of vehicles in their day-to-day operations.

Male/female: 50/50

Age: +30 years

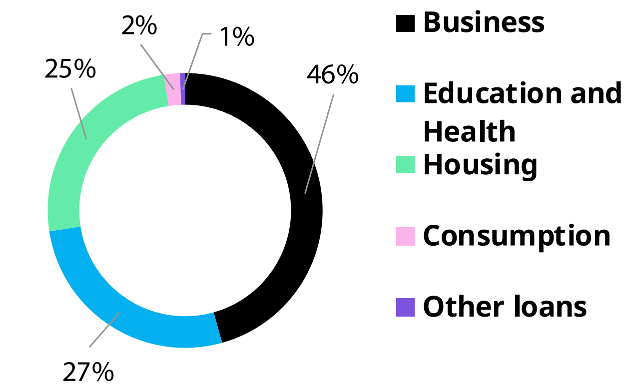
Income bracket: +KES80,000

Customer demographics

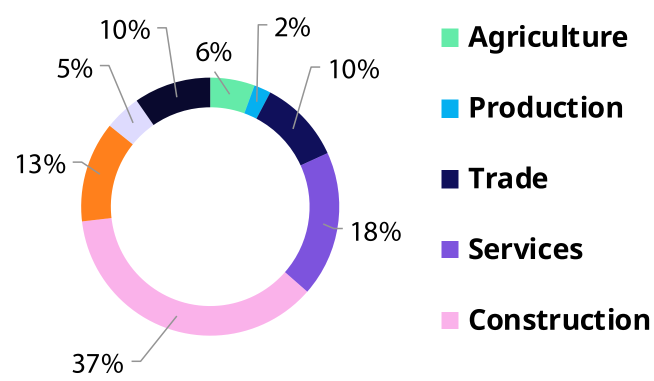
Fin Kenya's customer demographics

Customer use of funds (% of gross portfolio)

Employee portfolio

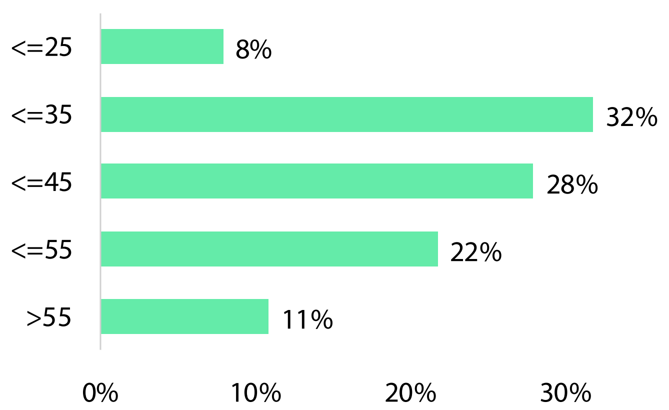


MSME portfolio

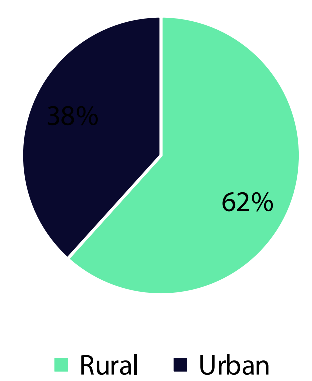


Customer profile

Age Split(%)



Geography split (%)



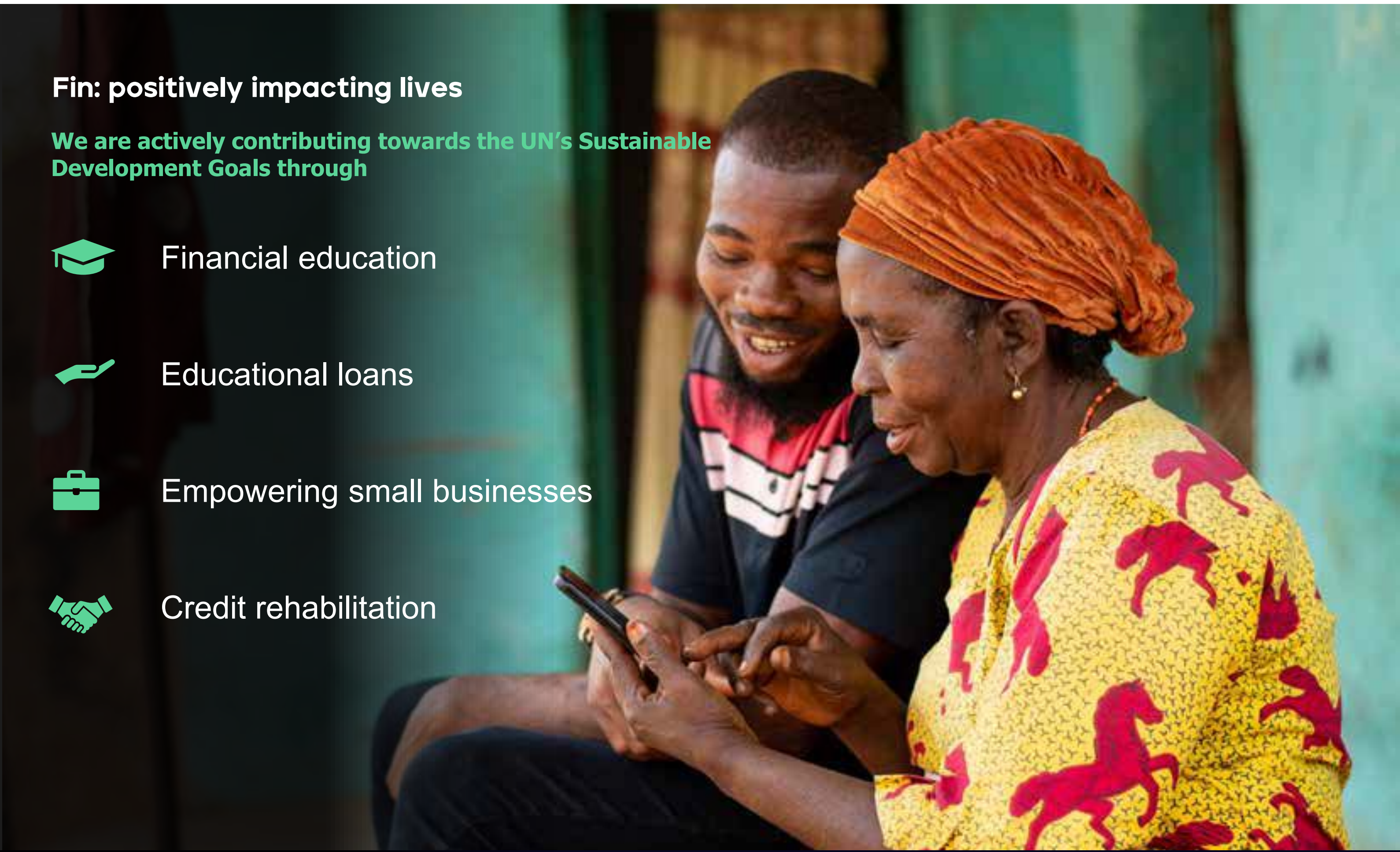
75%

25%

Average loan: KES 90k

Average income: KES 50k

Social Impact



Fin: positively impacting lives

We are actively contributing towards the UN's Sustainable Development Goals through

- Financial education
- Educational loans
- Empowering small businesses
- Credit rehabilitation

An MF Rating is the social rating that provides an expert opinion on the social performance management of a financial service provider and its capacity to put its mission into practice and achieve social goals.

Our MFR is BB-, meaning adequate social performance management and client protection systems and satisfactory alignment to the social mission.

To help achieve:

- No poverty
- Quality education
- Decent work & economic growth
- Reduced inequalities

SUSTAINABLE DEVELOPMENT GOALS

Note from the Managing Director

The 2025 financial year marked a pivotal stage in the Company's evolution as we strengthened our balance sheet, diversified our product offering, and secured key regulatory approvals that position the business for long-term, scalable growth. This was achieved against a backdrop of challenging macroeconomic conditions in Kenya, including tight liquidity, elevated inflation, and significant currency depreciation. The weakening of the Kenya Shilling against the Euro directly affected our foreign currency exposures and resulted in notable FX losses; however, the underlying fundamentals of the business continued to grow.

Financial Performance: We closed the year with total assets of KES 1.4 billion, supported by continued balance sheet optimisation and disciplined capital allocation. Our loan book grew from KES 921 million to KES 998 million, demonstrating sustained customer demand and continued strengthening of our credit selection. This growth was achieved alongside a stronger liquidity position, with the Company reducing external borrowings from KES 958 million to KES 892 million and significantly lowering overdraft utilisation—from KES 202 million to KES 43 million— reflecting stronger cash discipline and enhanced operational efficiency.

Net interest income rose to KES 393 million, driven by a healthier portfolio mix and more efficient funding structures. This strengthening of the core book was mirrored in asset quality, with loan impairment charges reducing by nearly 50% as enhanced underwriting and collections continued to take hold.

Despite the impact of KES/EUR fluctuations, which contributed to KES 87 million in FX losses, the Company remained profitable, delivering a KES 5 million profit after tax. This performance highlights the underlying strength of our operating model and reinforces the progress we are making in building a more resilient and well-positioned balance sheet.

Operational Efficiency and Governance: Management continued to strengthen operational discipline through enhanced collections, improved credit analytics, and cost optimisation. Operating and employee expenses were kept within controlled bands, enabling the Company to protect margins while investing in core systems and capabilities.

At the same time, governance and risk management remained central to execution, with the Board and executive team committed to maintaining a robust control environment.

Strategic Product Expansion: A key priority for the year was strengthening our value proposition to both salaried and SME customers. We successfully:

- Revamped the Asset Finance (AF) product to improve asset quality, repayment behaviour, and customer affordability.
- Introduced Insurance Premium Financing (IPF), opening a new recurring revenue stream and strengthening partnerships in the insurance ecosystem.
- Launched Invoice Discounting, enabling us to support short-term liquidity needs for MSMEs while enhancing portfolio diversification.

These product developments reflect our strategy of building a balanced and high-yielding portfolio positioned for scale.

Regulatory Milestone: One of the year's most defining achievements was securing of the Digital Credit Provider (DCP) Licence by the Central Bank of Kenya on 24 December 2025. This regulatory approval enhances our credibility, eliminates uncertainty around compliance, and positions the Company to unlock new digital channels, partnerships, and investor interest. The licence is expected to be a catalyst for medium-term growth and improved investor confidence.

Outlook: With a strengthened balance sheet, an expanded product suite, and CBK regulatory clearance, the Company enters 2026 in a stronger strategic position. Building on this momentum, our focus will remain on sustainable portfolio growth, digitisation of customer journeys, funding diversification, and enhancement of unit economics, and, while macroeconomic volatility is expected to persist, the Company is confident in its ability to deliver continued profitability and long-term value to shareholders.

On behalf of the Board and Management, we sincerely thank our investors, shareholders, partners, regulators, employees, and other stakeholders for their continued trust, support, and collaboration, which have been instrumental in strengthening the Company's resilience and driving sustainable, long-term growth.

Serah Gikonyo
Managing Director
26 February 2026

Finance Manager's Report

The 2025 financial year was characterized by deliberate balance-sheet restructuring, tighter credit discipline and strengthened governance as the company navigated a complex operating environment.

Elevated inflation, liquidity constraints and material depreciation of the Kenya Shilling created pressure on margins and foreign currency exposures.

These macroeconomic factors particularly the KES/EUR depreciation drove significant FX losses, which weighed on overall profitability despite improvements in operational performance and credit quality.

Risk Management and Portfolio Quality

The Company made meaningful progress in restoring asset quality.

Loan impairment charges declined from KES 167M to KES 88M reflecting better underwriting discipline, enhanced monitoring tools and strengthened early-stage collections.

Key credit metrics improved during the year:

- Gross Loan Book: KES 998M (up from KES 921M).
- Impairment Charge Reduction: 47% YoY.
- Cost of Risk: materially reduced in line with the lower provisioning requirement.

These improvements demonstrate a more resilient portfolio and a positive trajectory toward long-term credit sustainability.

Funding, Liquidity and Market Risk

The Company continued to manage liquidity conservatively, reducing overdraft utilization from KES 202M to KES 43M.

Borrowings decreased from KES 958M to KES 892M lowering leverage and foreign currency exposure.

However, FX volatility had a direct impact on the Company's Eurodenominated facilities, contributing to FX losses of KES 87M compared to gains of KES 187M in prior year.

Key ratios:

- Liquidity Ratio: Improved from 2.2x to 3.5x with higher cash discipline and reduced overdraft dependency.
- Debt-to-Equity: 2.2x (down from 2.4x), reflecting deleveraging.
- Interest Coverage: Remained positive despite FX losses due to stronger net interest income.

The Company will continue to prioritise hedging considerations, currency-matched funding and diversification of lenders in 2026.

Financial Performance Overview

Despite FX headwinds, profit after tax closed at KES 5M supported by:

- Growth in net interest income to KES 393M.
- Continued cost discipline, reducing operating expenses.
- Lower staff and operational costs without compromising capability.
- Selective asset growth aligned with risk appetite.

Equity increased to KES 408M reinforcing capital adequacy and creating headroom for future expansion.

Outlook and Strategic Priorities for 2026

The management will continue to focus on:

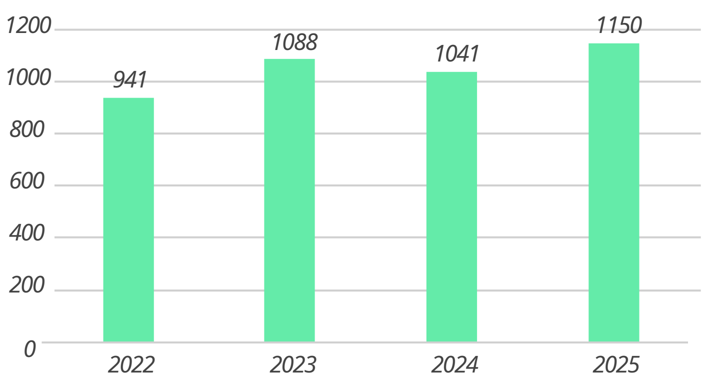
- Strengthening credit risk governance and maintaining a disciplined early-arrears posture.
- Diversifying funding and reducing FX exposure.
- Leveraging the DCP licence to improve digital risk controls and customer lifecycle oversight.
- Enhancing MIS, analytics and portfolio reporting accuracy.
- Consolidating improvements in cost-to-income performance.
- Further reducing impairments through proactive collections and data-driven underwriting.

The Company enters 2026 with a stronger governance base, a more resilient balance sheet and clearer risk appetite parameters positioning the Company to deliver sustainable financial performance.

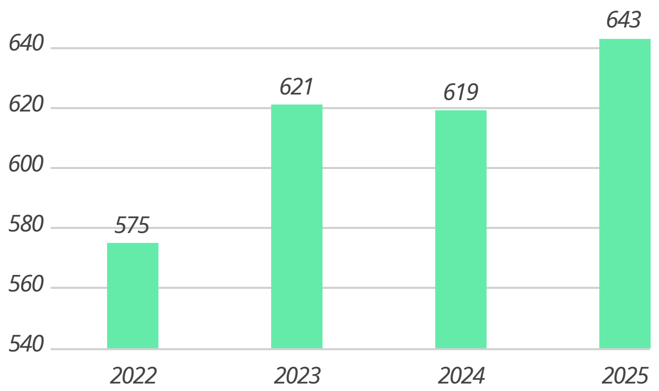
Financial Overview

Undertaking credit quality measures for sustainable profitability.

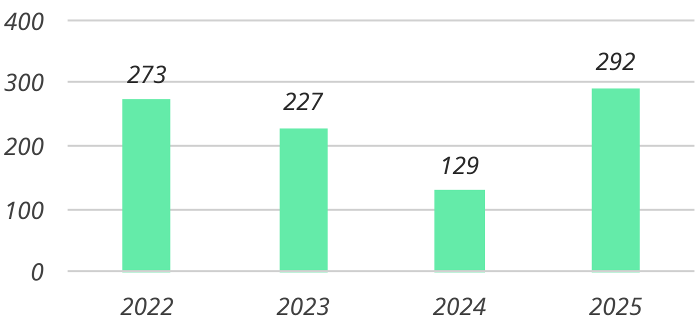
Gross loan book (KESm)



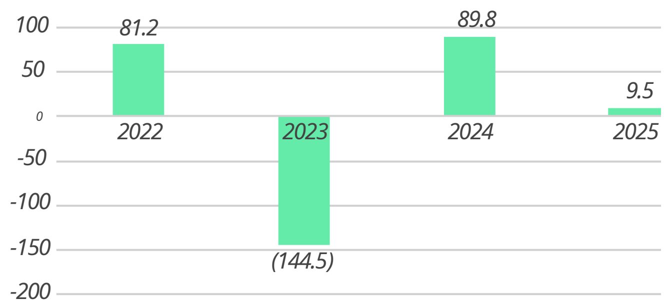
Revenue (KESm)



EBITDAFx (KESm)



Profit before tax (KESm)



- Through strengthened credit decisioning and disciplined portfolio management, we achieved a return to sustainable loan book growth in 2025, resulting in a 47% reduction in loan impairments.
- Adverse EUR/KES currency movements significantly impacted profitability. FX losses of KES 87m imply that, in a more favourable FX environment, the business would have been more profitable.
- Equity capitalisation of **2.2x D/E** which is below our **3x limit.**

Directors Report

1. Principal activities

TrustGro SCA Limited is incorporated and domiciled in Kenya with interests in the micro finance industry. The company operates principally in Kenya and is in the business of lending micro finance loans. There have been no material changes to the nature of the company's business from the prior year.

2. Business review

The Company recorded a profit before tax of Shs 10 million against a profit before tax of Shs 90 million recorded in the prior year. The decline in reported profitability was primarily driven by foreign exchange losses arising from the depreciation of the Kenya Shilling against the Euro by approximately 13% during the year, with the exchange rate moving from 133 to 151 compared to 2024 where the shilling appreciated against the Euro and USD by 23% and 17% respectively.

Kenya's inflationary environment remained relatively moderate in 2025, with consumer price inflation averaging approximately 4.0% for the year and closing at about 4.5% in December 2025, remaining within the Central Bank of Kenya's target range of 2.5%–7.5%.

Against this backdrop, management implemented prudent cost-containment initiatives, resulting in a 19% reduction in operating expenses compared to the prior year. These savings were achieved through disciplined cost management and operational efficiency measures, which helped offset inflationary pressures.

Credit quality improved significantly during the year, leading to a 47% reduction in impairments. This improvement was driven by strengthened underwriting standards, enhanced credit monitoring, and improved collections performance resulting in a healthier and more stable loan portfolio.

The loan book grew by 8% during the year, supported by increased loan sales driven by targeted origination strategies, deeper penetration within existing customer segments, and sustained demand for credit from borrowers, while maintaining a conservative risk appetite.

The total liabilities declined by 15% following aggressive debt repayment during the year. This deliberate balance sheet optimisation reduced leverage, strengthened the Company's financial position, and enhanced resilience against future market volatility.

3. Results and dividends

The profit for the year of Shs 5m (2024: Shs 36m) has been netted against previous accumulated losses. The directors do not recommend payment of any dividend for the year (2024: Nil).

4. Directorate

The directors who held office during the year and to the date of this report are disclosed on page 1.

5. Disclosures to auditors

With respect to each director at the time this report was approved:

a. there is, as far as each director is aware, no relevant audit information of which the Company's auditor is unaware; and
b. each director has taken all steps that ought to have been taken as a director to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

6. Terms of appointment of auditors

PricewaterhouseCoopers LLP continues in office in accordance with the Company's Articles of Association and Section 719 of the Companies Act, 2015.

The directors monitor the effectiveness, objectivity and independence of the auditor. The directors also approves the annual audit engagement contract which sets out the terms of the auditor's appointment and the related fees.

By order of the Board:

Company Secretary

26 February 2026

Statement of Directors' Responsibilities

The Companies Act, 2015 requires the directors to prepare financial statements for each financial year which give a true and fair view of the financial position of the Company as at the end of the financial year and of its financial performance for the year then ended. The directors are responsible for ensuring that the Company keeps proper accounting records that are sufficient to show and explain the transactions of the Company; disclose with reasonable accuracy at any time the financial position of the Company; and that enables them to prepare financial statements of the Company that comply with prescribed financial reporting standards and the requirements of the Companies Act, 2015. They are also responsible for safeguarding the assets of the Company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors accept responsibility for the preparation and presentation of these financial statements in accordance with IFRS Accounting Standards and in the manner required by the Companies Act, 2015. They also accept responsibility for:

- Designing, implementing and maintaining internal control as they determine necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error;
- Selecting suitable accounting policies and then apply them consistently; and
- Making judgements and accounting estimates that are reasonable in the circumstances.

Having assessed the Company's ability to continue as a going concern, the directors in note 1 (a) of the financial statements have disclosed matters relating to the use of going concern basis of preparation of the financial statements.

The directors acknowledge that the independent audit of the financial statements does not relieve them of their responsibility.

Approved by the Board of Directors on 26 February 2026 and signed on its behalf by:

T Mutesva
Director

I O Miencha
Director

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INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF TRUSTGRO SCA LIMITED

Report on the audit of the financial statements

Opinion

We have audited the accompanying financial statements of TrustGro SCA Limited (the "Company") set out on pages 17 to 51 which comprise the statement of financial position at 31 December 2025, the statements of profit or loss and other comprehensive income, changes in equity, and cash flows for the year then ended and the notes to the financial statements, comprising material accounting policies and other explanatory information.

In our opinion, the financial statements give a true and fair view of the financial position of TrustGro SCA Limited as at 31 December 2025 and of its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards and the requirements of the Companies Act, 2015.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). 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 independent of the company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Kenya. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF TRUSTGRO SCA LIMITED (CONTINUED)

Responsibilities of the directors for the financial statements

The directors are responsible for the preparation of financial statements that give a true and fair view in accordance with IFRS Accounting Standards and the requirements of the Companies Act, 2015 and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the 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 a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. 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.
- 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 the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

pwc

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Auditor's responsibilities for the audit of the financial statements (continued)

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on other matters prescribed by the Companies Act, 2015

In our opinion the information given in the report of the directors on page 12 is consistent with the financial statements.

Bernice Kimacia

CPA Bernice Kimacia, Practicing Certificate Number 1457
Engagement partner responsible for the audit

For and on behalf of PricewaterhouseCoopers LLP
Certified Public Accountants
Nairobi

27 February 2026

UNIQUE CODE: 98866260227


Innovate, Integrate, Elevate.

Statement of profit and loss and other comprehensive income

	Notes	Year ended 31 Dec 2025 Shs	Year ended 31 Dec 2024 Shs
Interest income	5	598,714,698	572,181,312
Interest expense	6	(175,061,728)	(206,145,014)
Net interest income		423,652,970	366,036,298
Loan impairment provisions	7	(88,074,787)	(166,858,769)
Net interest income after loan impairment charge		335,578,183	199,177,529
Fee and commission income	8	34,385,886	41,320,019
Fee and commission expense	8	(36,720,382)	(49,846,269)
Net fee and commission expense		(2,334,496)	(8,526,250)
Other income	9	9,763,318	5,295,707
Operating expenses	10	(96,287,440)	(133,091,989)
Employee costs	11	(129,288,810)	(140,331,116)
Foreign exchange (losses)/gains	12	(87,162,658)	186,997,329
Depreciation of right-of-use asset	19	(7,103,496)	(6,883,839)
Depreciation of property and equipment	18	(5,965,699)	(8,080,931)
Amortisation of intangible assets	20	(7,689,700)	(4,713,718)
		(323,734,485)	(100,808,555)
Profit before income tax		9,509,202	89,842,722
Income tax expense	13	(4,818,089)	(54,309,896)
Profit for the year		4,691,113	35,532,826
Other comprehensive income		-	-
Total comprehensive profit for the year		4,691,113	35,532,826

Statement of financial position

	Notes	2025 Shs	2024 Shs
Assets			
Cash and bank balances	14	15,234,853	14,022,109
Fixed deposit	14	52,480,868	212,526,365
Other receivables	15	141,630,485	168,002,755
Current income tax		-	34,633,911
Loans to customers	17	997,791,046	920,951,364
Loans to group companies	16	40,540,697	183,826,846
Property and equipment	18	18,867,815	21,792,485
Right-of-use asset	19	12,559,137	13,226,098
Intangible assets	20	72,521,596	59,244,986
Deferred income tax	25	43,420,226	4,475,955
Total assets		1,395,046,723	1,632,702,874
Liabilities			
Overdraft	14	43,160,620	201,996,641
Payables and accrued expenses	21	27,380,527	52,170,373
Current income tax		8,473,115	-
Borrowings	22	891,918,599	957,722,634
Lease liabilities	23	16,101,687	17,492,164
Total liabilities		987,034,548	1,229,381,812
Shareholders' equity			
Share capital	24	387,040,800	387,040,800
Share premium		193,980,887	193,980,887
Accumulated losses		(173,009,512)	(177,700,625)
		408,012,175	403,321,062
Total equity and liabilities		1,395,046,723	1,632,702,874

The financial statements on pages 17 to 51 were approved for issue by the board of directors on 26 February 2026 and signed on its behalf by:

T Mutesva
Director

I O Miencha
Director

Statement of changes in equity

	Notes	Share capital	Share premium	Accumulated loss	Total equity
		Shs	Shs	Shs	Shs
Year ended 31 Dec 2024					
At start of year	24	387,040,800	193,980,887	(213,233,451)	367,788,236
Total comprehensive income for the year		-	-	35,532,826	35,532,826
At end of year		387,040,800	193,980,887	(177,700,625)	403,321,062
Year ended 31 December 2025					
At start of year	24	387,040,800	193,980,887	(177,700,625)	403,321,062
Total comprehensive income for the year		-	-	4,691,113	4,691,113
At end of year		387,040,800	193,980,887	(173,009,512)	408,012,175

Statement of cash flows

	Notes	2025 Shs	2024 Shs
Cash flow from operating activities			
Cash generated from operations	26	196,037,471	121,569,359
Tax paid		(655,334)	17,871,471)
Net cash from operating activities		195,382,137	103,697,888
Cash flows from investing activities			
Purchase of property and equipment	18	(3,041,029)	(2,545,015)
Purchase of intangible assets	20	(20,966,310)	(33,523,930)
Repayment of loans from group companies	16	162,293,984	-
Lease additions and retirement	23	(6,436,535)	-
Net cash from investing activities		131,850,110	(36,068,945)
Cash flows used in financing activities			
Borrowings received	22	197,406,241	308,695,228
Borrowings repayments	22	(502,056,590)	(329,463,544)
Overdraft interest repayments		(18,387,094)	(38,360,058)
Payment of lease obligation	23	(4,191,536)	(9,925,775)
Net cash used in financing activities		(327,228,979)	(69,054,147)
Net movement in cash and cash equivalents		3,268	(1,425,206)
Cash and cash equivalents at start of the year		24,551,833	25,977,039
Cash and cash equivalents at end of the year	14	24,555,101	24,551,833


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Notes

1. Material accounting policies

The principal accounting policies applied in the preparation of these annual financial statements are set out below. These accounting policies are consistent with the previous period.

a) Basis of preparation

(i) Compliance with IFRS

The financial statements are prepared in compliance with IFRS Accounting Standards applicable to companies reporting under IFRS Accounting Standards and in accordance with the Companies Act, 2015. The financial statements are presented in Kenya shillings and are prepared under the historical cost convention except where otherwise stated in the accounting policies below.

Going concern

The company generated positive operating cash flows of Shs 195 million (2024 : Shs 104 million).

The underlying business continues to be strong, with a strong net interest margin, strong asset position of Shs 1,395 milion and is in a net current asset and net asset position.

Management have also performed a liquidity assessment and the Company has adequate cashflows to operate for more than 12 months from the date of the financial statements.

Based on the above, the directors believe that the going concern basis of preparing the financial statements is appropriate.

(ii) Use of estimates

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates and assumptions. It also requires the directors to exercise judgment in the process of applying the company's accounting policies. The areas involving a higher degree of judgment or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in note 4.

(iii) Changes in accounting policies and disclosures

New and amended standards and interpretations

Amendments to IAS 21 -Lack of Exchangeability (Amendments to IAS 21)

An entity is impacted by the amendments when it has a transaction or an operation in a foreign currency that is not exchangeable into another currency at a measurement date for a specified purpose. A currency is exchangeable when there is an ability to obtain the other currency (with a normal administrative delay), and the transaction would take place through a market or exchange mechanism that creates enforceable rights and obligations.

Effective from 1 January 2025 with no impact on the Company financial statements.

Standards and interpretations not yet effective

Amendment to IFRS 9 and IFRS 7-Classification and Measurement of Financial Instruments

These amendments:

- clarify the requirements for the timing of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;
- clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;
- add new disclosures for certain instruments with contractual terms that can change cash flows (such as some instruments with features linked to the achievement of environment, social and governance (ESG) targets); and
- make updates to the disclosures for equity instruments designated at Fair Value through Other Comprehensive Income (FVOCI).

Effective from 1 January 2026 with no impact expected on the Company financial statements.

Notes (continued)

Standards and interpretations not yet effective (continued)

IFRS 18 - Presentation and Disclosure in Financial Statements

The objective of IFRS 18 is to set out requirements for the presentation and disclosure of information in general purpose financial statements (financial statements) to help ensure they provide relevant information that faithfully represents an entity's assets, liabilities, equity, income and expenses.

IFRS 18 replaces IAS 1 'Presentation of Financial Statements' and focuses on updates to the statement of profit or loss with a focus on the structure of the statement of profit or loss; required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general.

Many of the other existing principles in IAS 1 are retained, with limited changes. IFRS 18 will not impact the recognition or measurement of items in the financial statements, but it might change what an entity reports as its 'operating profit or loss'.

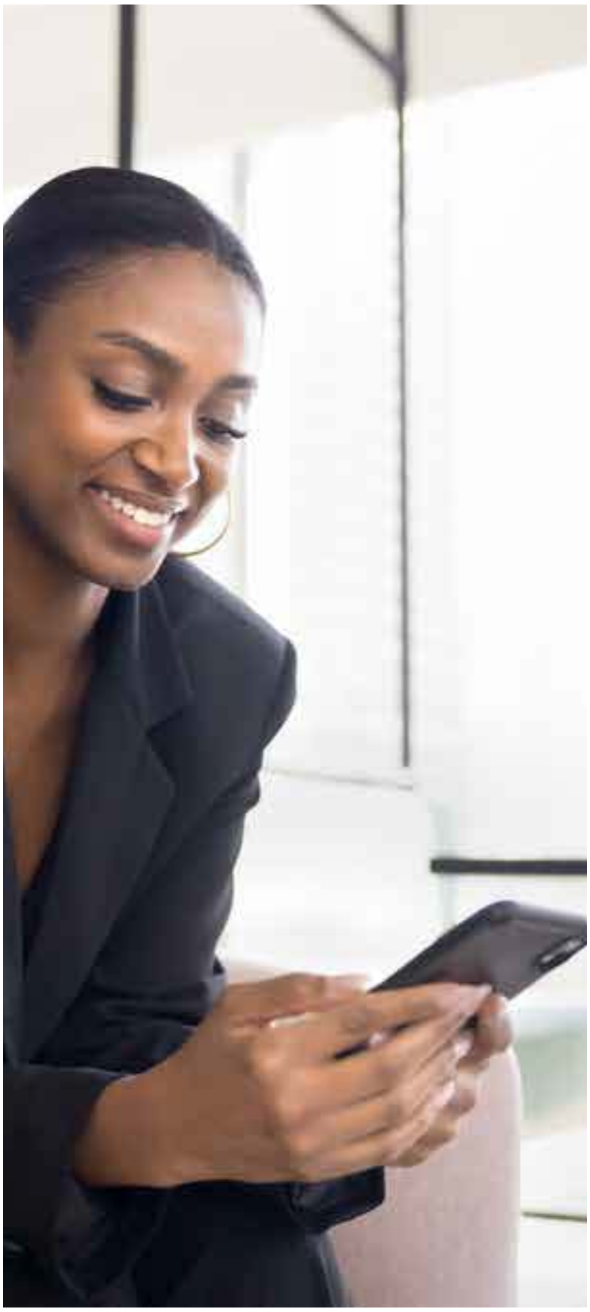
Effective from 1 January 2027 with an impact on the Company financial statements expected.

IFRS 19 - Subsidiaries without Public Accountability

The objective of IFRS 19 is to provide reduced disclosure requirements for subsidiaries, with a parent that applies the Accounting Standards in its consolidated financial statements.

IFRS 19 is a voluntary Accounting Standard that eligible subsidiaries can apply when preparing their own consolidated, separate or individual financial statements.

Effective from 1 January 2027 with no impact expected on the Company financial statements.



Notes (continued)

1. Material accounting policies (continued)

a) Foreign currency translation

(i) Foreign currency translation

The financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates (the "Functional Currency"). The financial statements are presented in Kenya Shillings, which is the Company's Functional and Presentation Currency.

(ii) Transactions and balances

Transactions in foreign currencies during the year are converted into the functional currency using the exchange rate prevailing at the transaction date. Monetary assets and liabilities at the balance sheet date denominated in foreign currencies are translated into the functional currency using the exchange rate prevailing as at that date. The resulting foreign exchange gains and losses from the settlement of such transactions and from year-end translation are recognised on a net basis in the profit and loss account in the year in which they arise, except for differences arising on translation of non-monetary available-for-sale financial assets, which are recognised in other comprehensive income.

Foreign currency exchange gains and losses resulting from the settlement of foreign currency transactions and balances and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

b) Revenue

(i) Interest income

Interest income is recorded using the effective interest rate (EIR) method for all financial assets measured at an amortised cost.

The EIR is the rate that exactly discounts estimated future cash flows through the expected life of the financial asset or liability or when appropriate, a shorter period, to the gross carrying amount of the financial asset or liability. The EIR (and therefore, the amortised cost of the financial asset) is calculated by taking into account transaction costs and any discount or premium on the acquisition of the financial asset. Fees and costs are also an integral part of the EIR.

(ii) Fee and commission income

The Company earns fees and commissions income from a diverse range of financial services it provides to its customers. Fees and commissions income is recognised at an amount that reflects the consideration to which the Company expects to be entitled in exchange for providing the services.

Other fees and commission income, including monthly service fees, administration and management fees, are recognised as the related services are performed.

When a fee or commission is charged in full at inception of transaction, the income and/ or expense is deferred over the life of the product it relates to and realised using effective interest rate method.

c) Interest expense

Interest expense is calculated using the EIR method for all financial liabilities held at amortised cost.

The EIR is the rate that exactly discounts estimated future cash payments through the expected life of the financial asset or liability or, when appropriate, a shorter period, to the gross carrying amount of the financial liability.

If expectations of fixed rate financial liabilities' cash flows are revised for reasons other than credit risk, then changes to future contractual cash flows are discounted at the original EIR with a consequential adjustment to the carrying amount.

The difference from the previous carrying amount is booked as a negative adjustment to the carrying amount of the financial liability on the balance sheet with a corresponding increase or decrease in interest expense calculated using the effective interest method.

Commission and interest paid directly attributable to the earnings of interest and fees are recognised as interest expense.

Notes (continued)

1. Material accounting policies (continued)

d) Property and equipment

Property and equipment are tangible assets which the company holds for its own use and which are expected to be used for more than one year. An item of property, plant and equipment is recognised as an asset when it is probable that future economic benefits associated with the item will flow to the company, and the cost of the item can be measured reliably.

Property and equipment is initially measured at cost. Cost includes all the expenditure which is directly attributable to the acquisition or construction of the asset, including the capitalisation of borrowing costs on qualifying assets and adjustments in respect of hedge accounting, where appropriate.

Property and equipment is subsequently stated at cost less accumulated depreciation and any accumulated impairment losses. Depreciation of an asset commences when the asset is available for use as intended by management. Depreciation is charged to write off the asset's carrying amount over its estimated useful life to its estimated residual value, using a method that best reflects the pattern in which the asset's economic benefits are consumed by the company. Leased assets are depreciated in a consistent manner over the shorter of their expected useful lives and the lease term. Depreciation is not charged to an asset if its estimated residual value exceeds or is equal to its carrying amount. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held-for-sale or derecognised.

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Depreciation Method	Average useful life
Furniture and fixtures	Straight line	6 years
Motor vehicles	Straight line	5 years
Office equipment	Straight line	3 years
Computer equipment	Straight line	3 years
Leasehold improvement	Straight line	Shorter of the useful life and
		the lease duration

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting year. If the expectations differ from previous estimates, the change is accounted for prospectively as a change in accounting estimate.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

Impairment tests are performed on property, plant and equipment when there is an indicator that they may be impaired. When the carrying amount of an item of property, plant and equipment is assessed to be higher than the estimated recoverable amount, an impairment loss is recognised immediately in profit or loss to bring the carrying amount in line with the recoverable amount. No aspect of impairment was noted in the year.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its continued use or disposal. Any gain or loss arising from the derecognition of an item of property, plant and equipment, determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item, is included in profit or loss when the item is derecognised.

Notes (continued)

1. Material accounting policies (continued)

e) Intangible assets

An intangible asset is recognised when it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the cost of the asset can be measured reliably.

Intangible assets are initially recognised at cost. Costs associated with maintaining computer software programs are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the company are recognised as intangible assets when the following criteria are met:

- It is technically feasible to complete the asset so that it will be available for use or sale;
- Management intends to complete the software product and use or sell it;
- There is an ability to use or sell it;
- It can be demonstrated how the software product will generate probable future economic benefits;
- Adequate technical, financial and other resources to complete the development and to use or sell the software product are available; and
- The expenditure attributable to the asset during its development can be measured reliably.

Directly attributable costs that are capitalised as part of the software product include the software development employee costs and an appropriate portion of relevant overheads. Intangible assets are carried at cost less any accumulated amortisation and any impairment losses. The amortisation period and the amortisation method for intangible assets are reviewed every period-end. Amortisation is provided to write down the intangible assets, on a straight-line basis, to their residual values as follows:

Item	Depreciation Method	Average useful life
Internally generated computer software	Straight line	10 years

f) Leases

Leases under which the Company is the lessee

On the commencement date of each lease (excluding leases with a term, on commencement, of 12 months or less and leases for which the underlying asset is of low value) the Company recognises a right-of-use asset and a lease liability.

The lease liability is measured at the present value of the lease payments that are not paid on that date. The lease payments include fixed payments, variable payments that depend on an index or a rate, amounts expected to be payable under residual value guarantees, and the exercise price of a purchase option if the Company is reasonably certain to exercise that option. The lease payments are discounted at the interest rate implicit in the lease. If that rate cannot be readily determined, the Company's incremental borrowing rate is used. For leases that contain non-lease components, the company allocates the consideration payable to the lease and non-lease components based on their relative stand-alone components.

The right-of-use asset is initially measured at cost comprising the initial measurement of the lease liability, any lease payments made on or before the commencement date, any initial direct costs incurred, and an estimate of the costs of restoring the underlying asset to the condition required under the terms of the lease. Subsequently the lease liability is measured at amortised cost, subject to remeasurement to reflect any reassessment, lease modifications, or revised fixed lease payments.

All right-of-use assets are subsequently measured at cost less accumulated depreciation and any accumulated impairment losses, adjusted for any remeasurement of the lease liabilities.

Depreciation is calculated using the straight-line method to write-down the cost of each asset to its residual value over its estimated useful life.

Notes (continued)

1. Material accounting policies (continued)

Leases (continued)

Leases under which the Company is the lessee (continued)

For leases with a term, on commencement, of 12 months or less and leases for which the underlying asset if of low value, the total lease payments are recognised in profit or loss on a straight-line basis over the lease period.

Leases under which the Company is the lessor

Leases that transfer substantially all the risks and rewards of ownership of the underlying asset to the lessee are classified as finance leases. All other leases are classified as operating leases. Payments received under operating leases are recognised as income in the profit or loss account on a straight-line basis over the lease term.

g) Share capital and equity

Ordinary shares are classified as equity.

h) Financial liabilities

The Company's holding in financial liabilities comprises of borrowings, payables and accrued expenses. These are initially recognised at fair value and subsequently measured at amortised cost. Financial liabilities are derecognised when they have been redeemed or otherwise extinguished.

i) Financial assets

i) Recognition and measurement

The Company determines the appropriate classification of its financial assets at initial recognition. It recognises a financial asset in its statement of financial position when it becomes party to the contractual provisions of the instrument.

The Company classifies and measures its financial assets at amortised cost. Financial assets are initially recognised in the financial statements at fair value plus transaction costs.

The Company's financial assets are classified on the basis of both:

- The Company's business model for managing the financial assets; and
- The contractual cash flow characteristics of the financial asset.

Company's business model: The business model reflects how the Company manages the assets in order to generate cash flows. That is, whether the Company's objective is solely to collect the contractual cash flows from the assets or is to collect both the contractual cash flows and cash flows arising from sale of assets.

Contractual cash flow characteristics of the financial asset: Where the business model is to hold assets to collect contractual cash flows or to collect contractual cash flows and sell, the Company assesses whether the financial instruments' cash flows represents solely payments of principal and interest (the "SPPI test"). In making this assessment, the Company considers whether the contractual cash flows are consistent with a basic lending arrangement i.e. interest includes only consideration for the time value of money, credit risk and a profit margin that is consistent with a basic lending arrangement.

The Company classifies its financial assets at amortised cost. Amortised cost assets are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest (SPPI) and are not designated at fair value through profit and loss (FVPL). The carrying amount of these assets is adjusted by any expected credit loss allowances. Interest income from financial assets is included in "interest and credit related income" using the effective interest rate method.

ii) Modification of loans

The Company may sometimes renegotiate or otherwise modify the contractual cash flows of loans to customers. When this happens, the Company assesses whether or not the new terms are substantially different to the original terms. The Company does this by considering, among others, the following factors:

- If the borrower is in financial difficulty, whether the modification merely reduces the contractual cash flows to amounts the borrower is expected to be able to pay;

Notes (continued)

1. Material accounting policies (continued)

Financial assets (continued)

Modification of loans (continued)

- Whether any substantial new terms are introduced, such as a profit share/equity-based return that substantially affects the risk profile of the loan;
- Significant extension of the loan term when the borrower is not in financial difficulty;
- Significant change is interest rate; and
- Change in the currency of the loan - Insertion of collateral, other security or credit enhancement that significantly affect the credit risk associated with the loan.

If the terms are substantially different, the Company derecognises the original financial asset and recognises a "new" asset at fair value and recalculates a new effective interest rate for the asset. The date of renegotiation is consequently considered to be the date of initial recognition for impairment calculation purposes, including for the purpose of determining whether a significant increase in credit risk has occurred.

Accordingly, the date of the modification is treated as the date of initial recognition of that financial asset when applying the impairment requirements to the modified financial asset. This typically means measuring the loss allowance at an amount equal to 12-month expected credit losses until the criteria for the recognition of lifetime expected credit losses is met.

However, in some unusual circumstances following a modification that results in derecognition of the original financial asset, there may be evidence that the modified financial asset is credit-impaired at initial recognition, and thus, the financial asset is recognised as an originated credit-impaired financial asset. This might occur, for example, in a situation in which there was a substantial modification of a distressed asset that resulted in the derecognition of the original financial asset. In such a case, it may be possible for the modification to result in a new financial asset which is credit-impaired at initial recognition. Differences in the carrying amount are recognised in profit or loss as a gain or loss on derecognition.

If the terms are not substantially different, the renegotiation or modification does not result in derecognition, the Company recalculates the gross carrying amount based on the revised cash flows of the financial asset and recognises a modification gain or loss in profit or loss. The new gross carrying amount is recalculated by discounting the modified cash flows at the original effective interest rate of credit-adjusted effective interest rate for POCI financial assets.

ii) Derecognition other than on a modification

Financial assets, or a portion thereof, are derecognised when the contractual rights to receive the cash flows from the assets have expired, or when they have been transferred and either (i) the Company transfers substantially all the risks and rewards of ownership, or (ii) the Company neither transfers nor retains substantially all the risks and rewards of ownership and the Company has not retained control.

iii) Impairment of financial assets

The measurement of impairment losses across all categories of financial assets in scope requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk.

These estimates are driven by a number of factors, changes in which can result in different levels of allowances. The Company's ECL calculations are outputs of complex models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL models that are considered accounting judgements and estimates include:

- The Company's internal credit grading model, which assigns PDs to the individual grades;
- The Company's criteria for assessing if there has been a significant increase in credit risk and so allowances for financial assets should be measured on an ECL basis and the qualitative assessment;
- The segmentation of financial assets when their ECL is assessed on a collective basis;
- Development of ECL models, including the various formulas and the choice of inputs;

Notes (continued)

1. Material accounting policies (continued)

Financial assets (continued)

iii) Impairment of financial assets (continued)

- Determination of associations between macroeconomic scenarios and, economic inputs, such as unemployment levels and collateral values, and the effect on PDs, EADs and LGDs; and
- Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into the ECL models.

j) Employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.

The expected cost of profit sharing and bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments because of past performance.

Termination benefits are payable when employment is terminated by the company before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The company recognises termination benefits at the earlier of the following dates:

a) when the company can no longer withdraw the offer of those benefits; and

b) when the entity recognises cost for a restructuring that is within the scope of IAS 37 and involves the payment of termination benefits.

In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits failing due more than 12 months after the end of the reporting period are discounted to present value.

k) Provisions and contingencies

Provisions are recognised when:

- the company has a present obligation because of a past event;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount of a provision is the present value of the expenditure expected to be required to settle the obligation. Where some or all the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement shall be recognised when, and only when, it is virtually certain that reimbursement will be received if the entity settles the obligation. The reimbursement shall be treated as a separate asset. The amount recognised for the reimbursement shall not exceed the amount of the provision.

Provisions are not recognised for future operating losses.

If an entity has a contract that is onerous, the present obligation under the contract shall be recognised and measured as a provision.

After their initial recognition contingent liabilities recognised in business combinations that are recognised separately are subsequently measured at the higher of:

- the amount that would be recognised as a provision; and
- the amount initially recognised less cumulative amortisation.

Contingent assets and contingent liabilities are not recognised.

Notes (continued)

1. Material accounting policies (continued)

l) Income tax

(i) Income tax expense

Income tax expense is the aggregate amount charged/(credited) in respect of current tax and deferred tax in determining the profit or loss for the year. Tax is recognised in the profit and loss account except when it relates to items recognised in other comprehensive income, in which case it is also recognised in other comprehensive income, or to items recognised directly in equity, in which case it is also recognised directly in equity.

(ii) Current income tax

The current income tax charge is calculated on the basis of tax laws enacted or substantively enacted at the reporting date. The directors periodically evaluate positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. They establish provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

(iii) Deferred income tax

Deferred tax is determined for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes, using tax rates and laws enacted or substantively enacted at the balance sheet date and expected to apply when the asset is recovered or the liability is settled.

The measurement of deferred tax assets and liabilities reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets or liabilities. However, for investment property that is measured using the fair value model, there is a rebuttable presumption that the carrying amount of the investment property will be recovered through sale.

Deferred tax liabilities are recognised for all taxable temporary differences except those arising on the initial recognition of an asset or liability, other than through a business combination, that at the time of the transaction affects neither the accounting nor taxable profit or loss.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which temporary differences can be utilised. Recognised and unrecognised deferred tax assets are reassessed at the end of each reporting period and, if appropriate, the recognised amount is adjusted to reflect the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

m) Comparatives

Where necessary, comparative figures are restated to conform to changes in presentation in the reporting period.

Notes (continued)

2. Financial risk management

The company's activities expose it to a variety of financial risks: liquidity risk, market risk (including currency risk, fair value interest rate risk and cash flow interest rate risk) and credit risk.

i) Liquidity risk

Liquidity risk is the risk that operations cannot be funded, and financial commitments cannot be met in a timely manner and cost effectively. Liquidity risk management deals with the overall profile of the statement of financial position, the funding requirements of the company and cash flows. In quantifying the liquidity risk, future cash flow projections are simulated, and necessary arrangements are put in place to ensure that all future cash flow commitments are met.

In these simulations the following factors are taken into consideration:

- Loan disbursements: Although longer loan tenures to customers have a positive impact on the revenue and the financial position, the cash is negatively impacted in the short term. To mitigate such impact, mix between longer term loan products and shorter-term loan products is managed to balance the net cash flows.
- Collections of loans to customers: Collection efficiency rates are used when projecting cash inflows. Efficiency rates are monitored monthly to optimise cash flows and based on historical experience. Disbursements will be adjusted in the case of lower than expected collections, since this is managed daily.
- Cost containment and budgeting: Costs are managed daily and any variance to budgets are investigated to ensure the accuracy of the cash flow simulations models.
- External debt repayments: External debt repayments are accounted for in the cash flow simulation models. Loans are renegotiated where applicable.
- Treasury function: The finance department monitors liquidity daily to ensure that the company bank accounts are funded to meet operational requirements. Bank account movements are monitored daily and are flagged for any issues requiring attention. Creditors are paid on a monthly or bi-weekly schedule.
- Debt facilities: The company is funded by facilities from its shareholder and third parties.

The tables below present the liabilities payable by the Company and assets held for managing liquidity risk by remaining contractual maturities at the reporting date. The amounts disclosed in the table are the contractual undiscounted cash flows.

The company's expected cash flows on these instruments may vary from this analysis. Regular updates are provided to the company's financiers to ensure that facilities and lines of credit remain open and that loan commitments are not drawn down unexpectedly.

Compliance with Loan Covenants

As at 31 December 2025, the Company was required to maintain a Non-Performing Loan ratio of not more than 15% under its loan agreement with Ecobank Kenya Limited. However, the NPL ratio stood at 23%, resulting in a non-compliance with this covenant.

The Company is in discussions with the lender regarding the non-compliance, and no changes to the terms of the facility are expected. As of the date of these financial statements, the lender has not exercised any rights to demand early repayment. Arising from the non-compliance, the loan balance of shs 146 million has been classified as a current liability.

Based on discussions between management and the bank, management believe that the facility is unlikely to be recalled as result of the above.

Notes (continued)

2. Financial risk management (continued)

i) Liquidity risk (continued)

At 31 December 2025	Up to 12 months Shs	1 year - 3 years Shs	Over 3 years Shs	Total Shs
Liabilities				
Borrowings	547,805,955	379,789,557	375,573,668	1,303,169,180
Overdraft	48,778,766	-	-	48,778,766
Payable and accrued expenses	27,380,527	-	-	27,380,527
Lease liabilities	10,065,593	7,715,173	5,842,497	23,623,263
Total liabilities	634,030,841	387,504,730	381,416,165	1,402,951,736
Assets held for managing liquidity risk				
Cash and bank balance	15,234,853	-	-	15,234,853
Fixed deposit	54,055,294	-	-	54,055,294
Loans to customers	688,142,593	818,992,064	1,019,212,311	2,526,346,969
Other receivables	135,161,145	-	-	135,161,145
Loans to group companies	43,196,707	-	-	43,196,707
Total assets	935,790,592	818,992,064	1,019,212,311	2,773,994,967
Net liquidity gap	301,759,751	431,487,334	637,796,146	1,371,043,231
At 31 December 2024				
Liabilities				
Borrowings	479,629,009	170,193,104	593,930,734	1,243,752,847
Overdraft	238,356,036	-	-	238,356,036
Payable and accrued expenses	52,170,373	-	-	52,170,373
Lease liabilities	12,732,212	19,434,548	-	32,166,760
Total liabilities	782,887,630	189,627,652	593,930,734	1,566,446,016
Assets held for managing liquidity risk				
Cash and bank balance	14,022,109	-	-	14,022,109
Fixed deposit	212,526,365	-	-	212,526,365
Loans to customers	708,595,792	1,204,439,719	721,044,659	2,634,080,170
Other receivables	162,959,264	-	-	162,959,264
Loans to group companies	65,075,732	163,568,731	-	228,644,463
Total assets	1,163,179,262	1,368,008,450	721,044,659	3,252,232,371
Net liquidity gap	380,291,632	1,178,380,798	127,113,925	1,685,786,355

Notes (continued)

2. Financial risk management (continued)

ii) Market risk

Market risk is the risk that changes in the market prices, such as interest rates and foreign currency exchange rates will affect the fair value and future cash flows of a financial instrument.

Market risk arises from open positions in interest rates and foreign currencies, both which are exposed to general and specific market movements and changes in the level of volatility. The objective of market risk management is to manage and control market risk exposure within acceptable parameters, while optimising the return on risk.

Overall responsibility for managing market risk rests with the directors Management is responsible for the development of detailed risk management policies (subject to reviews by the directors) and for the day-to-day implementation of those policies.

Interest rate risk

The Company is exposed to various risks associated with the effects of fluctuations in prevailing levels of market interest rates on both fair values and cash flows. Interest margins may increase as a result of such changes but may reduce or create losses in the event that unexpected movements arise.

The table below summarises the Company's exposure to interest rate risks. Included in the table are assets and liabilities at carrying amounts, categorised by the earlier of contractual repricing or maturity dates.

At 31 Dec 2025	**Up to 12 months**	**Over 1 year**	**Non- Interest bearing**	**Total**
	Shs	**Shs**	**Shs**	**Shs**
Assets				
Cash and bank balances	-	-	15,234,853	15,234,853
Fixed deposit	52,480,868	-	-	52,480,868
Other receivables	40,540,697	-	141,630,485	182,171,182
Loans to customers	225,613,400	772,177,646	-	997,791,046
Total assets	318,634,965	772,177,646	156,865,338	1,247,677,949
Liabilities				
Payables and accrued expenses	-	-	27,380,527	27,380,527
Overdraft	43,160,620	-	-	43,160,620
Borrowings	279,565,960	612,352,639	-	891,918,599
Lease liabilities	9,585,593	6,516,094	-	16,101,687
Total liabilities	332,312,173	618,868,733	27,380,527	978,561,433
Interest sensitivity gap	(13,677,207)	153,308,913	129,484,811	269,116,516

Notes (continued)

2. Financial risk management (continued)

ii) Market risk (continued)

Interest rate risk (continued)

At 31 Dec 2024	**Up to 12 months Shs**	**Over 1 year Shs**	**Non- Interest bearing Shs**	**Total Shs**
Assets				
Cash and bank balances	-	-	14,022,109	14,022,109
Fixed deposit	212,526,365	-	-	212,526,365
Other receivables	45,956,712	137,870,134	168,002,755	351,829,601
Loans to customers	170,175,935	750,775,429	-	920,951,364
Total assets	428,659,012	888,645,563	182,024,864	1,499,329,439
Liabilities				
Payables and accrued expenses	-	-	52,170,373	52,170,373
Overdraft	201,996,641	-	-	201,996,641
Borrowings	396,562,318	561,160,316	-	957,722,634
Lease liabilities	7,068,550	10,423,614	-	17,492,164
Total liabilities	605,627,509	571,583,930	52,170,373	1,229,381,812
Interest sensitivity gap	(176,968,497)	317,061,633	129,854,491	269,947,627

Had the interest rates been 1% higher or lower, with all other variables held constant, profit for the year would have been higher /lower by Shs 1,396,317 (2024: Shs 1,400,931)

Notes (continued)

2. Financial risk management (continued)

ii) Market risk (continued)

Currency risk

Currency risk arises on financial instruments denominated in foreign currency. The Company holds borrowings and bank balances that are denominated in foreign currency. Management sets limits on the level of exposure by currency, which are monitored daily.

The company's significant currency positions were:

At 31 Dec 2025	**USD Shs**	**EUR Shs**	**Total Shs**
Assets			
Cash and bank balances	55,678,839	8,466	55,687,305
Related party receivable	46,927,876	-	46,927,876
Loans to group company	40,540,697	-	40,540,697
Liabilities			
Borrowings	(84,724,780)	(660,832,475)	(745,557,255)
Net foreign currency exposure	58,422,632	(660,824,009)	(602,401,377)
As at 31 December 2024			
Assets			
Cash and bank balances	212,526,365	621,345	213,147,710
Loans to group company	183,826,846	-	183,826,846
Liabilities			
Borrowings	(196,877,608)	(683,876,865)	(880,754,473)
Net foreign currency exposure	199,475,603	(683,255,520)	(483,779,917)

The table below presents sensitivities of profit or loss to reasonably possible changes in exchange rate applied at the end of the reporting period relative to functional currency of the Company with all other variables held constant:

	At 31 Dec 2025 Shs	**At 31 Dec 2024 Shs**
USD strengthens/weakens by 5%	2,921,132	9,973,780
Euro strengthens/weakens by 5%	(33,041,624)	(34,162,776)

Notes (continued)

2. Financial risk management (continued)

iii) Credit risk

Credit risk is the risk of financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligation and arises principally from loans to customers, other receivables and bank balances.

The company uses IFRS 9 expected credit loss (ECL) approach as its loan impairment method. The ECL allowance is based on credit losses expected to arise over the life of the asset (the lifetime expected credit loss), unless there has been no significant increase in credit risk since origination, in which case the allowance is based on 12 months' expected credit loss.

Credit risk management

Credit risk management comprises of the following main aspects:

- Credit committees and credit policies: The company's credit products are governed by the credit policy document. Credit committee meetings are held on demand. The credit policy is the output document that the committee reviews and updates on monthly basis. Collections data is reviewed by the committee and analysed. This information is used to adjust the policy to reduce bad debt and maximise acceptable levels of disbursements versus risks. The credit committees report to management on a quarterly basis in terms of its charter.

- Credit philosophy: The credit philosophy of the company is to place primary emphasis of the credit decision on the borrower's ability to service the loan. It is therefore critical to establish the customer's ability and commitment to service their loan instalment for the applicable loan tenure.

  A borrower's ability (or affordability) to pay is dictated by their repayment to gross income and total existing internal and external financial obligation in relation to their net income. The willingness to repay is primarily based on the client's past payment history through information derived internally or externals sources including credit reference bureaus.

  The company utilises a risk scoring engine that analyses aggregated 'big data'.

The credit scoring engine is configured with the credit policy parameters and is embedded in the system, preventing human intervention which can result in breaches of policy. The company also make use of credit risk cover for its customers which covers the outstanding capital in the event of a customer's loss of income relating to death and disability. All credit approvals are governed by the company's credit policy. Business and product rules are incorporated into the operating system business and decisioning layer.

Credit Market Indicators – External credit bureau enquiries are used to establish outright application disqualifying factors such as fraud indicators, insolvency, debt review status as well as external exposure information relating to account handling, balances and client commitments.

- Deduction at source lending: The company provides loans to gainfully employed individuals that are employed by employers that are vetted by the company and that have concluded an agreement with the company. In terms of these agreements the employer deducts the loan instalments from the customer's salary and disburses these funds to the company. Loan size, terms, rates and customer affordability criteria are also agreed with the employer upon engagement. In this instance the company mitigates the direct customer risk and gears the risk towards the customer's employer. Employers are assessed monthly based on their collection's performance.

- Employer risk assessment: The company assesses the employer to determine if the employer will be able to honour its obligations in terms of the agreement. Criteria that the company uses are as follows:

  Checks
  - Industry type
  - Financial position (3 years signed annual financial statements)
  - KYC (know your customer)
  - Tax clearance
  - External references
  - Any litigation pending

  Documentation
  - Statutory documents
  - Directors KYC (know your customer)
  - Audited financial statement

Notes (continued)

2. Financial risk management (continued)

iii) Credit risk (continued)

Impairment assessment

IFRS 9 outlines a 'three-stage' model for impairment based on changes in credit quality since initial recognition as summarised below:

- Stage 1 – Where there has not been a significant increase in credit risk (SICR) since initial recognition of a financial asset, an amount equal to 12 months expected credit loss is recorded. The expected credit loss is computed using a probability of default occurring over the next 12 months. For those instruments with a remaining maturity of less than 12 months, a probability of default corresponding to remaining term to maturity is used.

- Stage 2 – When a financial instrument experiences a significant increase in credit risk (SICR) subsequent to origination but is not considered to be in default, it is included in Stage 2. This requires the computation of expected credit loss based on the probability of default over the remaining estimated life of the financial instrument.

- Stage 3 – Financial instruments that are considered to be in default are included in this stage. Similar to Stage 2, the allowance for credit losses captures the lifetime expected credit losses.

The guiding principle for ECL model is to reflect the general pattern of deterioration or improvement in the credit quality of financial instruments since initial recognition.

The ECL allowance is based on credit losses expected to arise over the life of the asset (life time expected credit loss), unless there has been no significant increase in credit risk since origination.

The company assesses the probability of default by referring to historical collection data. The historical collection data are reviewed monthly to reduce the difference between the impairment allowance estimate and actual loss experience.

Loans within the company comprise many small, homogenous assets. Statistical techniques are used to calculate impairment allowances collectively, based on historical default and recovery rates.

These statistical analyses use as primary inputs the extent to which accounts in the portfolio are in arrears and historical loss experience on the eventual losses encountered from similar delinquent portfolios.

Maximum exposure to credit risk

The Company's financial assets, on which there is credit risk exposure comprise of the loans to customers, intercompany receivables, other receivables and balances held with banks.

Management performed an assessment of the ECL on other receivables, intercompany receivables and balances held with other banks and the impact was not significant. No provisions have been made on the carrying amounts of these financial assets.

The financial assets that present the maximum exposure to credit risk are disclosed below:

Notes (continued)

2. Financial risk management (continued)

iii) Credit risk

Maximum exposure to credit risk (continued)

	2025 Shs	2024 Shs
Cash and bank balances	15,234,853	14,022,109
Fixed deposit	52,480,868	212,526,365
Other receivables	135,161,145	162,959,264
Loan to group companies	40,540,697	183,826,846
Loans to customers	997,791,046	920,951,364
Total assets	1,241,208,609	1,494,285,948

Collateral on loans and advances

The Company routinely obtains collateral and security to mitigate credit risk. The Company ensures that any collateral held is sufficiently liquid, legally effective, enforceable and regularly reassessed.

Before attaching value to collateral, the Company ensures that they are legally perfected and devoid of any encumbrances.

The principal collateral types held by the Company for loans and advances are motor vehicles. Valuation of collateral taken are within agreed parameters and are conservative in value. The valuation is performed only on origination or in the course of enforcement actions. Collateral for impaired loans is reviewed regularly to ensure that it is still enforceable and that the impairment allowance remains appropriate given the current valuation.

ECL on loans to customers

The following table contains an analysis of the credit risk exposure for loans to customers for which an ECL allowance applies.

	Stage 1 12-month	Stage 2 12-month ECL	Stage 3 12-month	Total
As at 31 December 2025	Shs	Shs	Shs	Shs
Gross carrying amount	828,637,745	59,806,842	261,841,039	1,150,285,626
Less: Loss allowance	(6,064,249)	(13,524,552)	(132,905,779)	(152,494,580)
	822,573,496	46,282,290	128,935,260	997,791,046
As at 31 December 2024				
Gross carrying amount	762,564,566	65,734,001	213,028,067	1,041,326,634
Less: Loss allowance	(12,598,168)	(24,059,263)	(83,717,840)	(120,375,271)
	749,966,398	41,674,738	129,310,227	920,951,363

Notes (continued)

3. Capital risk management

The company's objectives when managing capital are to safeguard the company's ability to continue as a going concern, to provide returns for shareholder and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The capital structure of the company consists of debt and equity. To maintain or adjust the capital structure, the company may adjust the amount of dividends paid to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the company monitors capital based on the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings as shown in the statement of financial position less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the statement of financial position plus net debt.

Valuation of collateral taken are within agreed parameters and are conservative in value. The valuation is performed only on origination or in the course of enforcement actions. Collateral for impaired loans is reviewed regularly to ensure that it is still enforceable and that the impairment allowance remains appropriate given the current valuation.

The gearing ratio at 2025 and 2024 respectively is as follows:

		2025 Shs	2024 Shs
Borrowings	22	891,918,599	957,722,634
Overdraft	14	43,160,620	201,996,641
Less: Cash and bank balances	14	(15,234,853)	(14,022,109)
Less: Fixed deposit	14	(52,480,868)	(212,526,365)
Net debt		867,363,498	933,170,801
Total equity		408,012,175	403,321,062
Total capital		1,275,375,673	1,336,491,863
Gearing ratio (net debt/total capital)		68%	70%

Notes (continued)

4. Critical accounting estimates and judgements in applying accounting policies

In preparing the annual financial statements, management is required to make estimates and assumptions that affect the amounts represented in the annual financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the annual financial statements.

Critical judgements in applying accounting policies

The critical judgements made by management in applying accounting policies, apart from those involving estimations, that have the most significant effect on the amounts recognised in the financial statements, are outlined as follows:

Measurement of expected credit losses

Assets accounted for at amortised cost are evaluated for impairment on a basis described in accounting policy note 1 (i) and 2 (iii).

The Company recognises loss allowance at an amount equal to either 12-month expected credit losses (ECLs) or lifetime ECLs. Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument, whereas 12-month ECLs are the portion of ECLs that result from default events that are within the 12 months after the reporting date.

For credit exposures where there have not been significant increases in credit risk since initial recognition, an entity is required to provide for 12-month ECLs. These are classified as Stage 1 assets.

For credit exposures where there have been significant increases in credit risk since initial recognition on an individual or collective basis, a loss allowance is required for lifetime ECLs. These are classified as Stage 2 assets.

For credit exposures that are credit impaired and in default, similar to stage 2 assets, a loss allowance is required for lifetime ECLs however the probability of default for these assets is presumed to be 100% less any determined recovery and cure rate.

A number of significant judgements are also required in applying the accounting requirements for measuring ECL, such as:

- Determining criteria for significant increase in credit risk;
- Choosing appropriate models and assumptions for the measurement of ECL;
- Establishing the number and relative weightings of forward-looking scenarios for each type of product/market and the associated ECL; and
- Establishing groups of similar financial assets for the purposes of measuring ECL.

Taxation

The Company is subject to taxation laws and regulations as per Kenyan laws. Significant estimates are required in determining the provision for income taxes. There may be transactions and calculations, during the normal course of business, whose ultimate tax impact determination has an element of uncertainty. In determining the interpretation and/or application of the various tax rules, disputes may arise with the relevant tax authorities, of which the outcome may not be favourable to the Company. In such cases, the Company relies on internal management expertise and where relevant, seeks expert advice to determine whether the unfavourable outcome is probable or possible.

Where objective estimates of the potential tax liabilities that may crystallise from such tax disputes are determinable, the Company recognises provision in line with IAS 37 - Provisions, Contingent Liabilities and Contingent Assets principles. In such cases, if the final tax determination is different from the amounts that were initially recorded, the difference will impact the current income tax and deferred income tax provisions in the period in which such determination is made.

Where payment is determined to be possible but not probable, the tax exposure is disclosed as a contingent liability.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Notes (Continued)

	2025 Shs	2024 Shs
5. Interest income		
Interest income on loans to customers	492,891,991	475,655,491
Credit related fees and commissions income	49,945,334	42,525,309
Penalty interest income	31,058,047	12,823,615
Intercompany interest income	19,221,935	29,982,114
Fixed deposit interest income	5,597,391	11,194,783
	598,714,698	572,181,312
6. Interest expense		
Interest on borrowings (Note 22)	153,873,575	164,993,361
Interest on overdraft	18,387,094	38,360,058
Interest expense on lease liability (Note 23)	2,801,059	2,791,595
	175,061,728	206,145,014
7. Impairment provisions		
Loans to customers		
Increase in impairment provision (Note 17)	32,119,309	20,707,512
Amounts written off directly	56,255,759	146,325,053
Recoveries in the year	(300,281)	(173,796)
	88,074,787	166,858,769
8. Net fees and commission income		
Fees and commission income		
Other fees and commission	34,385,886	41,320,019
Fees and commission expense		
Other fees and commission	(36,720,382)	(49,846,269)
Net fees and commission income	(2,334,496)	(8,526,250)
9. Other income		
Other income	9,763,318	5,295,707

Notes (Continued)

10. Operating expenses

	2025 Shs	2024 Shs
Expense by nature:		
Computer expenses	376,064	1,112,608
Bank charges	1,327,114	1,196,849
Communication	14,837,830	27,368,182
Collection cost	14,377,286	14,123,597
Consulting fees	11,528,530	14,210,571
Rental expenses	11,354,846	11,091,067
Travel and training expenses	1,089,509	3,172,539
Auditors remuneration	4,068,500	4,068,500
Accommodation	131,186	778,052
Directors fee	3,262,392	3,262,392
License	1,456,738	1,161,419
Office supplies	1,798,114	1,949,697
Withholding tax expense	4,379,472	29,810,968
Utilities	2,511,151	3,531,322
Printing and stationery	1,419,144	1,511,453
Repair and maintenance	418,755	322,158
Advertising	3,479,372	3,386,217
Legal fees	13,246,700	5,832,879
Other expenses	5,224,737	5,201,519
	96,287,440	133,091,989

11. Employee costs

	2025	2024
Salaries and wages	103,210,253	117,125,286
Medical insurance	9,603,578	9,810,158
Staff recruitment	462,123	442,584
Pension contribution to defined contribution plan	6,334,969	6,352,020
Other staff costs	9,677,887	6,601,068
	129,288,810	140,331,116

12. Foreign exchange losses/(gains)

	2025	2024
Net foreign exchange losses/(gains) on foreign currency denominated assets/liabilities	87,162,658	(186,997,329)

Notes (Continued)

13. Taxation

	2025 Shs	2024 Shs
Current income tax	43,762,360	-
Deferred income tax charge for the year (Note 25)	(38,944,271)	54,309,896
	4,818,089	54,309,896

Tax expense reconciliation

Tax on the company's profit before tax differs from the theoretical amount that would arise using the basic tax rate of the parent as follows:

	2025 Shs	2024 Shs
Profit before tax	9,509,202	89,842,722
Tax at the applicable rate of 30%	2,852,761	26,952,816
Tax impact of:		
Non-deductible expenses	2,055,413	27,409,219
Income not subject to tax	(90,085)	(52,139)
	4,818,089	54,309,896

14. Cash and deposits with bank

For the purposes of the statement of cashflows, cash and cash equivalents comprise the following:

Current	2025 Shs	2024 Shs
Bank balances	15,234,853	14,022,109
Fixed deposit	52,480,868	212,526,365
Overdraft	(43,160,620)	(201,996,641)
	24,555,101	24,551,833

15. Other receivables

Current	2025 Shs	2024 Shs
Employer receivables	65,336,088	74,190,838
Prepayments	6,469,340	5,043,491
Related party receivable (Note 27)	61,713,863	20,755,321
Other receivables	8,111,194	68,013,105
	141,630,485	168,002,755

In the opinion of the directors, the carrying amount of other receivables approximate to their fair value.

Notes (Continued)

16. Loans to group companies

	2025 Shs	2024 Shs
At start of year	183,826,846	188,723,299
Interest during the year	19,221,935	29,982,114
Repayments during the year	(162,293,984)	-
Foreign exchange (gains)/loss	(214,100)	(34,878,567)
At end of year	40,540,697	183,826,846

The loan to Fikia Finance Limited is up to a maximum principal amount of USD 1,100,000. The interest rate charged is 17% per annum and the currency of the loan is United State Dollars.

17. Loans to customers

	2025 Shs	2024 Shs
Gross loans to customers	1,150,285,626	1,041,326,634
Less: Impairment provisions	(152,494,580)	(120,375,270)
	997,791,046	920,951,364
Current	225,613,400	170,175,934
Non-current	772,177,646	750,775,430
	997,791,046	920,951,364
Reconciliation of impairment provisions on loans to customers		
At start of year	120,375,271	99,667,759
Increase in impairment provisions (Note 7)	32,119,309	20,707,512
	152,494,580	120,375,271

Notes (Continued)

17. Loans and advances to customers (continued)

	Stage 1 Shs	**Stage 2 Shs**	**Stage 3 Shs**	**Total Shs**
Year ended 31 December 2025				
Gross carrying amount at 1 Jan 2025	762,564,566	65,734,001	213,028,067	1,041,326,634
Changes in the gross carrying amount				
-Transfer from stage 1 to stage 2	(16,225,309)	16,225,309	-	-
-Transfer from stage 1 to stage 3	(21,949,372)	-	21,949,372	-
-Transfer from stage 2 to stage 3	-	(26,034,231)	26,034,231	-
-Transfer from stage 3 to stage 1	191,284	-	(191,284)	-
-Transfer from stage 3 to stage 2	-	1,738,441	(1,738,441)	-
-Transfer from stage 2 to stage 1	14,484,888	(14,484,888)	-	-
Changes in static loans				
New financial assets originated or purchased	384,855,952	37,201,990	32,637,260	454,695,202
Financial assets that have been derecognised	(310,046,371)	(20,573,780)	(29,878,166)	(360,498,317)
Changes in deferred costs and accrued fees	14,762,107	-	-	14,762,107
Gross carrying amount at 31 Dec 2025	828,637,745	59,806,842	261,841,039	1,150,285,626

Movement in provisions for expected credit losses is as follows:

Year ended 31 December 2025	**Stage 1 Shs**	**Stage 2 Shs**	**Stage 3 Shs**	**Total Shs**
ECL carrying amount as at 1 Jan 2025	12,598,168	24,059,263	83,717,840	120,375,271
-Transfer from stage 1 to stage 2	(294,604)	294,604	-	-
-Transfer from stage 1 to stage 3	(430,612)	-	430,612	-
-Transfer from stage 2 to stage 3	-	(11,608,455)	11,608,455	-
-Transfer from stage 3 to stage 1	140,226	-	(140,226)	-
-Transfer from stage 3 to stage 2	-	653,861	(653,861)	-
-Transfer from stage 2 to stage 1	4,814,670	(4,814,670)	-	-
Remeasurement of ECL	(10,317,911)	3,605,850	51,319,473	44,607,412
New financial assets originated or purchased	2,909,462	7,112,236	9,858,983	19,880,682
Financial assets that have been derecognised	(3,355,151)	(5,778,137)	(23,235,497)	(32,368,785)
ECL carrying amount as at 31 Dec 2025	6,064,249	13,524,552	132,905,779	152,494,580

Notes (Continued)

17. Loans and advances to customers (continued)

Year ended 31 December 2024	Stage 1 Shs	Stage 2 Shs	Stage 3 Shs	Total Shs
Gross carrying amount at 1 Jan 2024	716,421,931	140,072,637	231,961,038	1,088,455,606
Changes in the gross carrying amount				
-Transfer from stage 1 to stage 2	(15,697,876)	15,697,876	-	-
-Transfer from stage 1 to stage 3	(26,930,429)	-	26,930,429	-
-Transfer from stage 2 to stage 3	-	(26,088,558)	26,088,558	-
-Transfer from stage 3 to stage 1	10,180,539	-	(10,180,539)	-
-Transfer from stage 3 to stage 2	-	2,988,163	(2,988,163)	-
-Transfer from stage 2 to stage 1	22,999,144	(22,999,144)	-	-
Changes in static loans				
New financial assets originated or purchased	435,776,314	44,554,282	42,695,535	523,026,131
Financial assets that have been derecognised	(396,878,374)	(88,491,255)	(84,785,474)	(570,155,103)
Changes in deferred costs and accrued fees	16,693,317	-	(16,693,317)	-
Gross carrying amount at 31 Dec 2024	762,564,566	65,734,001	213,028,067	1,041,326,634

Movement in provisions for expected credit losses is as follows:

Year ended 31 December 2024	Stage 1 Shs	Stage 2 Shs	Stage 3 Shs	Total Shs
ECL carrying amount as at 1 Jan 2024	15,178,764	22,759,703	61,729,291	99,667,758
-Transfer from stage 1 to stage 2	(363,348)	363,348	-	-
-Transfer from stage 1 to stage 3	(1,138,259)	-	1,138,259	-
-Transfer from stage 2 to stage 3	-	(17,355,510)	17,355,510	-
-Transfer from stage 3 to stage 1	4,238,036	-	(4,238,036)	-
-Transfer from stage 3 to stage 2	-	1,033,299	(1,033,299)	-
-Transfer from stage 2 to stage 1	9,136,817	(9,136,817)	-	-
Remeasurement of ECL	(3,463,828)	27,469,565	18,591,481	42,597,218
Unwind of discount	(4,383,292)	(829,718)	-	(5,213,010)
New financial assets originated or purchased	6,463,314	14,847,940	21,985,569	43,296,823
Financial assets that have been derecognised	(13,070,036)	(15,092,547)	(31,810,935)	(59,973,518)
ECL carrying amount as at 31 Dec 2024	12,598,168	24,059,263	83,717,840	120,375,271

Notes (continued)

18. Property and equipment – Non-current

	Furniture and fixtures Shs	Office equipment Shs	IT equipment Shs	Leasehold improvements Shs	Total Shs
Year ended 31 Dec 2024					
Opening net book amount	5,741,161	3,872,529	7,492,391	10,222,320	27,328,401
Additions	104,700	148,214	2,292,100	-	2,545,014
Depreciation charge	(1,695,250)	(1,595,155)	(2,346,871)	(2,443,654)	(8,080,930)
Closing net book amount	4,150,611	2,425,588	7,437,620	7,778,666	21,792,485
At 31 Dec 2024					
Cost	22,133,775	11,620,994	21,193,428	23,956,796	78,904,993
Accumulated depreciation	(17,983,164)	(9,195,406)	(13,755,808)	(16,178,130)	(57,112,508)
Net book amount	4,150,611	2,425,588	7,437,620	7,778,666	21,792,485
Year ended 31 Dec 2025					
Opening net book amount	4,150,611	2,425,588	7,437,620	7,778,666	21,792,485
Additions	44,072	24,795	2,972,162	-	3,041,029
Depreciation charge	(1,664,820)	(175,411)	(1,957,453)	(2,168,015)	(5,965,699)
Closing net book amount	2,529,863	2,274,972	8,452,329	5,610,651	18,867,815
At 31 Dec 2025					
Cost	22,177,845	11,645,789	24,165,590	23,956,798	81,946,022
Accumulated depreciation	(19,647,985)	(9,370,817)	(15,713,260)	(18,346,145)	(63,078,207)
Net book amount	2,529,860	2,274,972	8,452,330	5,610,653	18,867,815


Unlocking Dreams for the unbanked population.

Notes (Continued)

19. Right-of-use asset – Non-current	2025 Shs	2024 Shs
At start of period	13,226,098	20,109,937
Add: Lease Recognition	7,599,501	-
Less: Depreciation charge	(7,103,496)	(6,883,839)
Less: Disposals	(1,162,966)	-
At end of period	12,559,137	13,226,098

The lease termination relates to the relocation of the Bungoma office, effective 1 January 2026.

20. Intangible assets – Computer software	2025 Shs	2024 Shs
Non-current		
At start of period		
Cost	66,135,434	34,563,609
Accumulated amortisation	(6,890,448)	(4,128,836)
Net book value	59,244,986	30,434,773
Year ended		
Opening net book amount	59,244,986	30,434,774
Additions*	20,966,310	33,523,930
Amortisation	(7,689,700)	(4,713,718)
Closing net book amount	72,521,596	59,244,986
At start of year		
Cost	87,101,745	66,135,434
Accumulated amortisation	(14,580,149)	(6,890,448)
Net book value	72,521,596	59,244,986

*Additions relate to development costs incurred in building Fin Connect, the Company's LMS and technology ecosystem that is an innovative multi-tenant platform, offering a robust architecture alongside an exceptional customer experience.

21. Payables and accrued expenses

	2025 Shs	2024 Shs
Current		
Accrued expenses	15,105,303	47,435,246
Other payables	12,275,224	4,735,127
Net book value	27,380,527	52,170,373

In the opinion of the directors, the carrying amount of the above payables and accrued expenses approximate their fair value.

Notes (Continued)

22. Borrowings

The borrowings are unsecured and carry interest rates of between 9% to 14% p.a. The loans are repayable within a period of 1 to 8 years.

	2025 Shs	2024 Shs
At start of year	957,722,634	1,035,373,483
Received during the year	197,406,241	308,695,228
Interest during the year	153,873,575	164,993,361
Repayments during the year	(502,056,590)	(329,463,544)
Foreign exchange loss/(gains)	84,972,739	(221,875,894)
At end of year	891,918,599	957,722,634
Current	279,565,960	396,562,318
Non-Current	612,352,639	561,160,316
At end of year	891,918,599	957,722,634

Note 2(i) includes details of the non-compliance with the NPL ratio prescribed by Ecobank Kenya Ltd.

23. Lease liabilities

	2025 Shs	2024 Shs
At start of the year	17,492,164	24,626,344
Add: Interest expense	2,801,059	2,791,595
Add: Additions	7,599,501	-
Less: Disposal	(1,482,464)	-
Less: Lease payments	(10,308,573)	(9,925,775)
	16,101,687	17,492,164

Lease liabilities can be classified as current or non-current liabilities depending on the expected date of settlement / cashoutflow as per the table below:

	2025	2024
Current	9,585,593	7,068,550
Non-current	6,516,094	10,423,614
	16,101,687	17,492,164

Notes (Continued)

24. Share capital

	Number of shares Shs	Ordinary shares Shs	Ordinary shares Shs
Balance as at 1 January 2024, 31 December 2024 and, 31 December 2025	3,870,408	387,040,800	193,980,887

The total authorised number of ordinary shares is 3,884,908 with a par value of Shs 100 per share. The total number of issued ordinary shares is 3,870,408. All issued shares are fully paid.

Dividends

The directors do not recommend payment of any dividend for the year (2024: Nil).

25. Deferred income tax

Deferred income tax is calculated using the enacted tax rate of 30% (2024: 30%). The movement on the deferred income tax account is as follows:

Deferred tax movement	2025 Shs	2024 Shs
At start of year	4,475,955	58,785,851
Taxable temporary differences	38,944,271	(54,309,896)
At end of year	43,420,226	4,475,955

The deferred tax assets are recognised to the extent that realisation of the related tax benefit is probable.

Notes (Continued)

25. Deferred income tax (continued)

Deferred tax assets/(liabilities), and the deferred tax charge/(credit) in the profit or loss account are attributable to the following items:

Year ended 31 December 2025	1 January Shs	Charged to profit or loss Shs	31 December Shs
Property and equipment	(4,616,090)	(4,923,702)	(9,539,792)
Loan book impairment provisions	36,112,581	9,635,793	45,748,374
Net foreign exchange losses/(gains)	(56,099,199)	61,833,661	5,734,462
Other temporary differences	1,147,831	(733,414)	414,417
Leases	1,279,820	(217,055)	1,062,765
Tax losses	26,651,012	(26,651,012)	-
	4,475,955	38,944,271	43,420,226

Year ended 31 December 2024			
Property and equipment	(820,877)	(3,795,213)	(4,616,090)
Loan book impairment provisions	29,900,327	6,212,254	36,112,581
Net foreign exchange losses/(gains)	26,734,055	(82,833,254)	(56,099,199)
Other temporary differences	1,617,424	(469,593)	1,147,831
Leases	1,354,922	(75,102)	1,279,820
Tax losses	-	26,651,012	26,651,012
	58,785,851	(54,309,896)	4,475,955

26. Cash generated from operations

	2025 Shs	2024 Shs
Accounting profit before taxation	9,509,202	89,842,722
Adjustments for:		
Depreciation and amortization	13,655,399	12,794,648
Depreciation of right-of-use asset (Note 19)	7,103,496	6,883,839
Interest expense on lease liability (Note 23)	2,801,059	2,791,595
Interest expense on borrowings (Note 22)	153,873,575	164,993,361
Interest expense on overdraft (Note 6)	18,387,094	38,360,058
Interest income on related party loan (Note 16)	(19,221,935)	(29,982,113)
Foreign exchange losses/(gains)	85,186,839	(186,997,329)
Changes in working capital		
Other receivables	26,372,270	(58,017,042)
Loans to customers	(76,839,682)	67,836,484
Payables and accrued expenses	(24,789,846)	13,063,136
	196,037,471	121,569,359

Notes (Continued)

27. Related party transactions

The immediate parent company is Finclusion Africa Holding Limited (FAHL) incorporated in Mauritius. The ultimate parent company is Finclusion Group Limited (FGL) incorporated in Mauritius. The Company is related to other companies through common shareholding or common directorship.

Loans to related parties:		**2025 Shs**	**2024 Shs**
Fikia Finance Limited	16	40,540,697	183,826,846

Receivables from related parties:		**2025 Shs**	**2024 Shs**
Finclusion Africa Holdings Limited (FAHL)	15	61,713,863	20,755,321

Key management compensation

Key management includes directors (executive and non-executive) and members of senior management. The compensation paid or payable to key management for employee services is shown below:

	2025 Shs	**2024 Shs**
Salaries and other short-term employee benefits	48,164,019	36,044,019
Directors' remuneration		
Fees for services as a director	3,262,392	3,262,392

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