



KENYA USA DIASPORA **Non- WDT SACCO**



**Investing your
\$\$\$ Wisely**



2025 Annual Report and Audited Financial Statements



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KENYA USA DIASPORA
REGULATED NON-WDT
SACCO SOCIETY
LIMITED

**ANNUAL REPORT AND
FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED
31ST DECEMBER 2025**

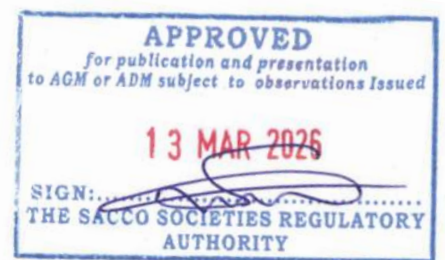


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2025 Annual Report and

Audited Financial Statements

OUR BUSINESS STRATEGY



Vision

To be the preferred Sacco for Kenyans in the Diaspora, renowned for exceptional service and sustainable financial solutions.



Mission

To empower our members through financial services that promote their economic well-being and growth.



Do not save what is left after spending, instead, spend what is left after saving



Core Values (MIFITA)

- **Member-Centricity:** Prioritizing the needs, satisfaction, and well-being of members in all decisions and actions.
- **Integrity:** Upholding honesty, transparency, and ethical behavior in all operations.
- **Financial Responsibility:** Managing resources prudently to ensure sustainability and accountability.
- **Innovation:** Embracing new ideas and solutions to improve services and outcomes.
- **Teamwork:** Collaborating effectively to achieve shared goals and deliver collective success.
- **Adaptability:** Responding flexibly to change and evolving circumstances to remain effective.

BACKGROUND AND PRINCIPAL ACTIVITY

Kenya USA Diaspora Regulated Non-WDT Sacco (KUDS) is a member-owned financial institution dedicated to mobilizing savings and providing affordable credit solutions to its members. Established on January 26, 2012, to serve Kenyans living in the diaspora, the Sacco bridges financial gaps by offering tailored financial services that align with members' unique needs.

KUDS is registered under the Co-operative Societies Act and regulated by the Sacco Societies Regulatory Authority (SASRA). The Sacco upholds the highest standards of financial integrity, transparency, and accountability. Its primary objective is to empower members by providing financial solutions that promote personal growth, business development, and investment opportunities.

KUDS' primary objective is to provide a dependable and structured platform for diaspora Kenyans to pursue viable investment opportunities, access affordable credit, undertake projects, engage in business ventures, and meet personal and familial needs in Kenya, among other endeavours.

In January 2012, KUDS established an office in Marietta, Georgia in Atlanta, serving as its operational hub. However, in 2017, as part of cost-saving measures and to expand its reach globally, the SACCO relocated its operations to Nairobi. Presently, the Kenyan office is situated at Crescent Business centre, 6th floor, Parklands road, Parklands.

KUDS has made significant strides in supporting the diaspora community by providing a reliable platform for aggregating savings, accessing credit facilities, and facilitating meaningful investments back home in Kenya. The Sacco currently boasts an asset base of over Kshs. 609 million, with a growing membership of approximately 1,630 individuals. This is a clear testament to the trust and confidence that members continue to place in our institution.

KUDS stands out as a premier diaspora Sacco, duly licensed and regulated by the Sacco Societies Regulatory Authority (SASRA). This regulatory approval not only affirms our compliance and sound governance practices but also strengthens member confidence and fosters loyalty within the diaspora community.



SACCO DEVELOPMENTS

2012

**Incorporation
in Kenya**

KUDS SACCO was established to organize and advance the welfare and economic interests of Kenyans residing in the USA who face numerous challenges in managing their finances, especially when it comes to making investment decisions related to Kenya.

2021

**SASRA
Certification**

KUDS SACCO was among the first diaspora SACCOs to be regulated by SASRA

2025

**Asset base
milestone**

KUDS SACCO boasts of an asset base of over Kshs. 609 million and membership total of 1,630.

First Sacco to offer Dollar denominated Savings and Loans.



***We are the regional
premier diaspora
SACCO efficiently
operating by the rule
of law and
fulfilling every
members dream
of a sound
investment.***

LEADERSHIP TEAM

Board of Directors



Paul Njogu
Chairman
-Cayman Islands



Albina Tissa
Board Vice Chairman
-Seychelles



Duke Mochama
Treasurer
-Minnesota



Karimi Igeria
Honorary Secretary
-Michigan



Lucas Mwangi
Board Member
-Kenya



Daniel Yusto
Board Member
-Texas



Gichana Manyara
Board Member
-Virginia



Levi Mburu
Board Member
-Colorado

Supervisory Committee



Rwamba Karanja
Chairman
-Pennsylvania



Kenneth Onyango
Secretary
-Texas



Pauline Oruya
Member
-New York

VNEC Committee



Kefa Otiso
Chairman
-Florida



Susan Ouko Mwaura
Secretary
-Georgia

Secretariat



Lucy Watari
Chief Executive Officer



Dominic Nyamweya
Finance Manager



Njeri Mwangi
Senior Accountant



Robert Muthee
Credit Officer



Sonia Achieng
Customer Care officer



Kevin Otieno
Finance & Credit Assistant

SOCIETY INFORMATION

Board of Directors

Board Chairman	Paul Njogu	
Board Vice Chairperson	Albina Tissa	
Board Treasurer	Duke Mochama	
Hon. Secretary	Karimi Igeria	
Board Member	Gichana Manyara	
Board Member	Lucas Mwangi	
Board Member	Daniel Yusto	
Board Member	Levi Mburu	From April, 2025

Supervisory Committee

Chairman	Rwamba Karanja	from April 2024
Secretary	Kenneth Onyango	from April 2025
Member	Pauline Oruya	from April 2025

Management

Chief Executive Officer	Lucy Watari
Finance Manager	Dominic Nyamweya

Registered office

Kenya USA Diaspora Regulated NON-WDT Sacco Society Limited Crescent Business Center
6th Floor Crescent Road, Parklands
P.O BOX 29800 -00100, Nairobi

Principal Bankers:

Co-operative Bank of Kenya Limited
Upperhill Branch

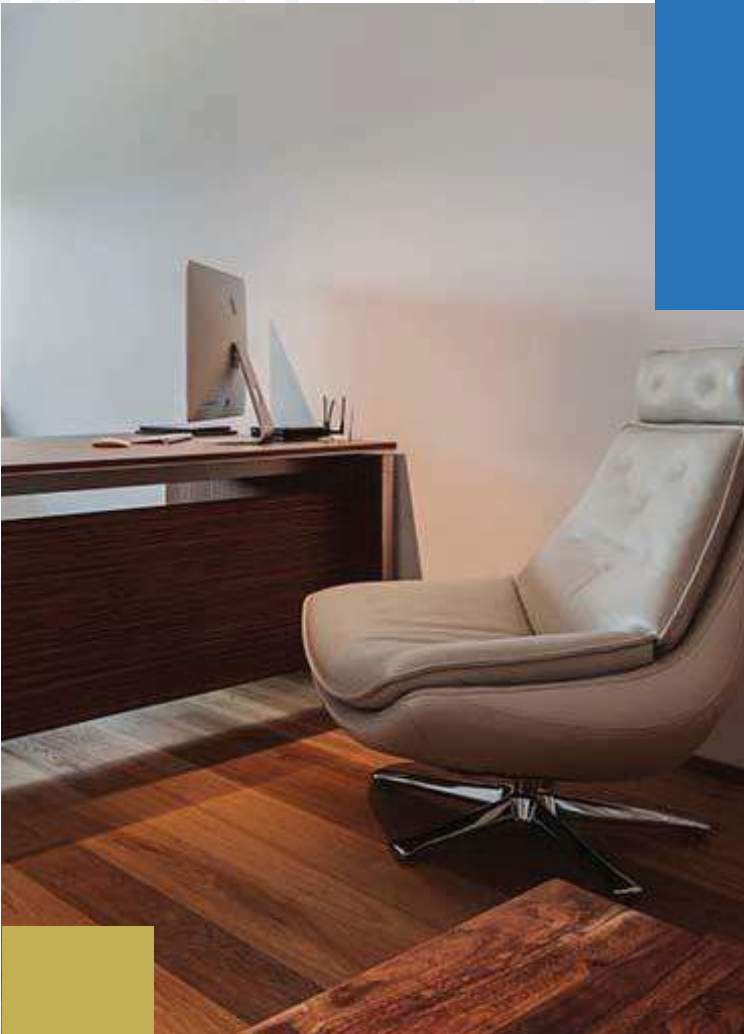
NCBA Bank Kenya Plc
Upper Hill

Auditors

Orwa & Company Associates
Certified Public Accountants
P. O. Box 9595 - 00100,
Nairobi

Chairman.....
Secretary.....
Treasurer.....

Chief Executive Officer.....
Finance Manager.....



Lucy Watari,
Chief Executive Officer,
**Kenya USA Diaspora Regulated
Non-WDT Sacco (KUDS)**

CEO'S **REPORT**

CEO'S REPORT



Lucy Watari,
Chief Executive Officer,
**Kenya USA Diaspora Regulated
Non-WDT Sacco (KUDS)**

To our Esteemed Members,

It is my great honor and privilege to welcome you all to the 12th Annual General Meeting of the Kenya USA Diaspora Regulated Non-WDT Sacco and to make a few remarks relating to the financial performance for the year ended 31st December 2025.

Financial performance Overview

Despite the increased tax demands and slow economic growth, the Sacco remained resilient and progressive. We recorded growth in membership, share capital, total assets, loan portfolio and total revenue. This performance reflects prudent management, strong governance, and most importantly, your commitment as members.

Active membership grew from 1,067 in the year 2024 to 1,151 in the year 2025 translating to 8% growth. This is an indicator of continued trust and confidence.

Total revenue grew by 8% in the year 2025. This is a positive indicator that we are steadily moving in the right direction and strengthening our financial position. However, despite this growth, we observed a decline in the number of loans disbursed during the year. This points to reduced uptake of our loan products. I would like to take this opportunity to remind all members that the Sacco offers loans at competitive and affordable interest rates. I encourage each of you to take advantage of these products and, importantly, to increase your monthly savings. Higher savings will not only strengthen the Sacco but also enhance your individual borrowing capacity.

I am glad to report that the Sacco maintained a liquidity ratio of 10%, which is in full compliance with regulatory requirements. While this is commendable, there is still room for improvement. I urge members to remain consistent and disciplined in their monthly contributions, as this will further strengthen our liquidity position and overall financial stability.

Strategic Focus:

We are guided by the strategic plan 2023 – 2027 which focuses on four pillars: Financial performance, membership growth, learning and growth and Internal efficiency. Our major focus for the year 2026 will be enhancing financial performance through membership growth, service excellence and establishing strategic partnerships and collaborations.

Strategic Partnerships:

Our Sacco exists to improve the economic well-being of members. We recognize the importance of collaborating with trusted suppliers to provide value to our members beyond the traditional financial services of savings and loans. We have therefore established partnership with several suppliers to allow members access products and services at discounted and competitive prices. Members can either pay for the products and services directly through the Sacco or apply for financing. Some of these suppliers are; Hotpoint, Frisco Engineering, Mabati Rolling Mills and Kentainers.

We remain committed to identifying and building partnerships with suppliers who share our values of quality, integrity and service to members. We encourage members to leverage on these partnerships for development projects back home.

Member Education and Training:

Sacco's operations are grounded in seven co-operative principles. The 5th principle is about education, training and information and will be our key focus for the year 2026. The aim is to promote financial literacy among members as it plays a vital role in empowering them make sound and informed financial decisions. The Sacco holds online member trainings every month. We encourage all members to plug in so that they can gain financial knowledge.

Governance and Leadership

The Sacco belongs to all of us. Its strength, stability and future depends with the quality of leaders we elect. Leadership in a Sacco is about loyalty, service and commitment. It is about safeguarding member's savings, guiding strategic growth, ensuring transparency and upholding the cooperative principles that define us. Capable leaders strengthen accountability, improve decision-making and build greater trust.

The future of this Sacco depends on members who are willing to take responsibility today. Let us step up and take up these leadership positions in the Board, Supervisory and VNEC so that together, we can build a culture where leadership is a shared duty not a distant role.

I want to make a clarion call specifically to the youth and Women to be confident and intentional about seeking leadership positions for inclusivity and posterity. Your voices are important in the decision-making spaces where strategies are shaped and the future of our Sacco is determined. We believe in your potential and welcome your participation so that together, we can build a Sacco that reflects diversity, talent and ambition of all members.

Role of Members in driving Sacco Growth:

Our Sacco is a member owned institution and its strength entirely depends on member loyalty and how actively we participate and patronize the products and services. As a member, you play a very critical role in the growth of the Sacco which in turn determines the return on member deposits and Share capital.

Key ways in which members drive Sacco growth:

1. Share Capital.

Share capital strengthens our financial base, determines our borrowing power and dividend potential. There are two ways of increasing share capital; progressively increasing individual share capital amount or introducing new members to inject new capital. When you increase your share capital, you increase both your individual capacity and the SACCO's financial stability.

2. Main Savings

Consistent savings helps improve liquidity, strengthen the Sacco ability to lend internally at relatively low interest and improve loan turnaround time. Regular savings also promotes a culture that enables an individual to build financial resilience and security over time.

In the year 2025, member deposits grew by 4.5%, which was a drop from the previous year's growth of 8.9%. I want to encourage all members to embrace the culture of consistent savings through the various savings products provided by the Sacco as a strategy of building wealth that will be supportive in achieving significant life goals.

3. Patronizing Sacco Loan products.

Loans are the primary income-generating activity of the Sacco. Members contribute to growth when they save, borrow prudently and repay on time. Responsible borrowing results to higher interest income and increased surplus. That surplus translates into dividends and rebates for the member. Loan discipline is not just a personal responsibility but a collective growth.

4. Member Recruitment.

Each member is an ambassador of the SACCO. Recruitment of new members helps expand the capital base and strengthen the future of the Sacco. Referrals is the most powerful and cost-effective expansion strategy that helps strengthen trust within the diaspora community. We encourage every member to refer their family and friends to join the Sacco, so that together we can grow.

5. Participation in Governance.

Strong SACCOs are built on active governance. Members support growth by attending AGMs, voting responsibly, and offering constructive feedback that ensures transparency, accountability, and supports strategic direction. Members are shareholders and when they engage, they ensure long-term sustainability.

Way Forward:

Looking ahead, our focus will be on strengthening our capital base, enhancing operational efficiency, diversifying loan and savings products, and promoting financial literacy among members. I call upon every member to actively participate so that together we can succeed.

I take this opportunity to thank all the members, for your trust and loyalty in the Sacco; The Board of directors for strategic guidance, the Supervisory Committee for oversight; and to all our staff for dedication and commitment in serving the members. Lastly, I want to appreciate the State department of Co-operatives and our regulator SASRA, for their support and guidance. The future of our SACCO is strong and bright, and it is in our hands.

Together, let's partner to grow and prosper, as we pursue our Vision of being the preferred Sacco for Diaspora members.

Thank you and may the Lord bless you all.



Lucy Watari,
Chief Executive Officer,
**Kenya USA Diaspora Regulated
Non-WDT Sacco (KUDS)**



Paul Njogu
Chairman,
**Kenya USA Diaspora
Non-WDT Sacco**

CHAIRMAN 'S **REPORT**

CHAIRMANS REPORT DURING THE 12TH AGM HELD ON 18TH APRIL 2026 (HYBRID)

Distinguished chief guest, honoured guests, fellow Board members, esteemed members, the Secretariat team, and valued partners: warm greetings to you all. I am privileged to welcome you to the 12th Annual General Meeting of the Kenya USA Diaspora Regulated Non-WDT Sacco. On behalf of the Board of Directors, I extend our sincere gratitude for your ongoing trust, commitment, and investment in our Sacco. Your engagement serves as a strong endorsement of our collective vision for financial empowerment and community advancement. It is my honour to present the Chairman's Report for the year ending December 31, 2025.

Economic Overview

The 2025 financial year was characterized by a complex global economic environment. Although inflationary pressures lessened progressively, fluctuations in interest rates influenced cross-border remittances, borrowing patterns, and investment strategies.

Nevertheless, our Sacco demonstrated resilience and adaptability, maintaining a strong commitment to delivering value for all members.

Financial Performance overview

The Sacco recorded steady growth for the year 2025 supported by strong member participation.

Key Performance Indicators:

Metric	2024 (Kes)	2025 (Kes)	Change
Share capital	78,996,076	86,541,889	+10 %
Member deposits	481,064,238	502,855,106	+5%
Total loan portfolio	375,322,231	416,675,167	+11 %
Total assets	568,216,874	609,803,387	+7 %
Total revenue	57,157,944	61,563,498	+8 %
Gross surplus before tax	10,530,830	15,418,224	+46%

The board of directors recommends payment of dividend on share capital at 8%, up from 7% paid in the year 2024. The board also recommends payment of interest on member deposits at 3%, up from 2% paid in the year 2024.

This recommendation reflects Sacco's solid performance and commitment to rewarding members. The board remains committed to safeguarding members' funds while ensuring sustainable growth and competitive returns.

Presented below is an overview of key metrics tracked over the past five years:

	2021	2022	2023	2024	2025
Interest on deposits	0%	1.2%	1.4%	2%	3%
Dividends on capital	0%	2%	4%	7%	8%
Active members	611	826	977	1,067	1,151
Dormant members	906	849	531	507	479
Net Profit after tax (KES)	(9,729,448)	4,397,959	4,017,600	9,349,036	14,558,419

Introduction of EcoFedha Savings Account

KUDS is honored to be among the five Sacco's in Kenya selected by World Council of Credit Unions (WOCCU) to pilot Climate Financing program which will be running for six months i.e between March and August 2026. KUDS met the stringent eligibility requirements to qualify to join this noble initiative which has resulted to the introduction of EcoFedha savings product. EcoFedha Savings offers members an innovative means of growing their savings while contributing to Climate Resilient Investments. This product aligns individual financial objectives with broader community resilience, delivering advantages that reach beyond personal accounts.

Through EcoFedha, members can save in the Sacco, with pooled funds directed toward climate-smart investments overseen by KUDS. These savings accrue competitive interest rates, while the investments strengthen resilience throughout the Sacco membership. Climate-resilient investment options include solar installations, water systems, and sustainable farming enhancements.

KUDS has partnered with reputable providers to ensure these solutions are available to members at discounted rates. Members are encouraged to participate in this new savings initiative and support climate-smart investments.

Governance, Risk and Compliance:

The Sacco continues to operate under strong governance structures and strict compliance.

The Board remains committed to:

- Strong corporate governance
- Transparency and accountability
- Compliance with regulatory requirements
- Robust risk management systems

Internal and external audits were conducted during the year, board oversight and policy reviews were enhanced, and the SACCO remains financially sound and compliant with statutory obligations. Additionally, we received authorization License from SASRA to continue with non-withdrawable deposit taking business.

Unidentified Deposits

The Sacco continues to hold deposits that remain unidentified due to insufficient remittance details, which hinders posting these funds to their rightful owners. Notably, integration with Co-operative Bank and Send-wave has resulted in improvements over the past year; however, deposits made in previous years still lack identification. We kindly urge all members to review their statements to confirm that each of their deposits has been properly recorded and to contact the Secretariat team, providing proof of deposit, should any discrepancies arise. In compliance with requirements from the Unclaimed Financial Assets Authority, all financial institutions must remit unidentified deposits, posing a risk for members to lose unclaimed savings. To facilitate accurate record updates, we further encourage members to include their membership details when making deposits.

Urban World Receivable Update

Following various unsuccessful initiatives aimed at recovering the money owed by Urban World, the board reached a unanimous decision to pursue KUDS' statutory rights as a lender through the court of law. These initiatives included negotiations with Urban World as well as an auction of the undeveloped land at Fadhili Homes.

KUDS has engaged a lawyer to present KUDS' case in court in pursuit of justice and the case was filed on March 6, 2026. Our case is very strong, and we are confident that the court will rule in our favour.

Capital Restoration Plan

In March 2025, SASRA approved the Capital Restoration Plan (CRP) submitted by KUDS. The CRP establishes a ten-year strategy aimed at addressing the deficit in the retained earnings account. Financial projections forecast growth in interest income, operating income, and surplus after taxation for the Sacco over the period from 2023 to 2033.

Upon completion of this ten-year period, the Sacco will have fully provided for the Urban World Loan amounting to KES 74 million and achieved robust retained earnings to core capital ratio of 46%. This trajectory is expected to enhance Sacco's long-term financial stability and ensure continued compliance with regulatory requirements.

2025 Ushirika Day Awards

I am pleased to announce the accomplishments of our Sacco as recognized in the Sacco sector. During the 2025 Ushirika Day celebrations, the Kenya USA Diaspora Non-WDT Sacco received distinguished recognition in three categories within the Non-Deposit Taking Community based Saccos:

- Best in Technology Optimization – 1st Place
- Best in Deposit Management – 3rd Place
- Best in Risk Management – 3rd Place

These achievements reflect the loyalty, trust, and sustained support of our members. This recognition further inspires us to pursue excellence as we continue to grow and enhance our service delivery.

We sincerely thank you for your ongoing collaboration. We encourage sustained engagement with our Sacco to realize even greater accomplishments together.

Appreciation

To our esteemed members, your engagement extends beyond monetary support, demonstrating patriotism, unity, and confidence in our shared pursuit of prosperity. We sincerely appreciate your trust in Sacco's leadership and strategic direction.

I extend my appreciation to the Board of Directors, Supervisory Committee, VNEC, and the Secretariat team for their unwavering dedication, commitment, and professionalism demonstrated over the past year.

I wish to express my sincere appreciation to the State Department of Co-operatives and SASRA for their invaluable guidance and support, as well as to all our partners for their steadfast support.

Way Forward

As we look to the future, we reaffirm our unwavering commitment to financial empowerment, innovation, and sustainable growth for our members. By leveraging technology and adhering to effective governance practices, we strive to make our services more accessible. Collectively, we aim to strengthen and enhance our SACCO's global connections and innovative capacity. I encourage all members to save consistently and utilize our range of loan products, thereby supporting the continued growth of our SACCO and securing long-term financial stability for all.

Thank you and God bless you all.



Signed.....
**Kenya USA Diaspora Non-WDT Sacco
Chairman's Report**



Kenya USA Diaspora
Non-WDT Sacco

CORPORATE GOVERNANCE **REPORT**

1. Introduction

2025 was another year of dedication for KUDS NWDT, as we continued to uphold governance principles grounded in transparency, accountability, integrity, and responsible leadership. Throughout the year, our focus was on strengthening oversight, improving internal controls, and ensuring that day-to-day operations align with the strategic objectives of the Sacco.

Our leadership team worked closely to ensure that every decision support member interests, institutional growth, and operational efficiency.

2. Governance Structure

KUDS NWDT operates within a clear governance framework that separates oversight from operations. The key pillars of our governance structure are:

a) Annual General Meeting

The AGM is the supreme decision-making body of the Sacco. Members exercise their ownership rights, review the Sacco's performance and make key governance decisions like electing leaders who are responsible and accountable.

b) Board of Directors

The Board sets the overall strategic direction, provides policy oversight, and ensures that KUDS NWDT operates within its mandate and complies with regulatory requirements.

c) Supervisory Committee

The Supervisory Committee acts as an independent check on the Board and management. It ensures compliance with governance policies, internal controls, and the integrity of our financial and operational systems.

d) Secretariat Team

Day-to-day management of the institution is handled by the Secretariat Team, led by the Chief Executive Officer (CEO). The CEO is an ex-officio member of the governance structure and does not have voting rights during board meetings, but plays a central role in co-ordinating the institution's activities.

Key responsibilities of the CEO include:

- Implementing Board-approved policies and decisions
- Coordinating programs and projects across the institution
- Supervising staff and day-to-day operations
- Managing financial and administrative functions
- Reporting performance and progress to the Board

The Secretariat Team ensures that operations run smoothly and that the institution stays on track to meet its strategic goals.

f) Board Committees

To handle specific areas of governance and operations more effectively, the Board operates through specialized committees covering finance, credit, investment, business development, and elections.

This layered structure supports accountability, transparency, and informed decision-making across the institution.

3. Members Representation and Participation

Our members are the heart of KUDS NWDT. Their active participation strengthens our governance and ensures that the institution remains responsive to the community it serves.

Members engage in governance through:

- Participating in Annual General Meetings (AGMs) to review and approve decisions, reports, and policies
- Electing Board members, supervisory committee members and VNEC members ensuring democratic leadership
- Providing feedback and raising concerns through forums and consultations
- Oversight via the Supervisory Committee, which monitors governance and financial management

These channels ensure that members have a voice in shaping the strategic direction and accountability of the Sacco.

4. Board Composition

Our Board is made up of experienced individuals elected by members to provide leadership and oversight. The following Board members served in the year 2025:

NO	Name	Position	Credit	Finance & Admin	BDEC	KUDSIC
1	Mr. Paul Njogu	Board Chair				
2	Ms. Albina Tissa	Vice Chair			X	
3	Mr. Karimi Igeria	Board Secretary		X		
4	Mr. Duke Mochama	Board Treasurer		X		
5	Mr. Daniel Yusto	Board Member			X	X
6	Mr. Lucas Mwangi	Board Member	X			X
7	Dr. Gichana Manyara	Board Member	X			
8	Mr. Levi Mburu	Board Member		X		X

This diverse mix of professional experience strengthens our governance and helps the Board make strategic decisions for the benefit of all members.

5. Board Skills Development and Strategic Planning

We understand that good governance requires continuous learning. In 2025, the Board focused on:

- Governance and leadership best practices
- Financial oversight and risk management
- Strategic planning for institutional sustainability
- Staying updated on regulatory compliance

These initiatives ensure that the Board is well-equipped to guide KUDS NWDT towards sustainable growth and long-term success. The Board also actively participated in strategic planning to align activities with our long-term objectives.

6. Board Committees

The Board uses committees to focus on specialized areas:

NO	Committee	Chairperson
1	Finance & Administration	Mr. Duke O Mochama
2	Credit	Dr. Charles Manyara
3	Business Development & Education	Ms. Albina Tissa
4	KUDS Investment	Mr. Lucas Mwangi
5	Supervisory Committee	Mr. Rwamba Karanja
6	Vetting, Nominations & Elections (VNEC)	Prof. Kefa Otiso

Committee Roles:

- Finance & Administration – Oversees budgets, audits, and financial reporting
- Credit Committee – Monitors lending practices and credit risk
- Business Development & Education (BDEC) – Promotes institutional growth and member education
- KUDS Investment Committee (KUDSIC) – Ensures investments align with long-term sustainability
- Vetting, Nominations & Elections Committee (VNEC) – Ensures fair and transparent leadership selection

7. Role of the Supervisory Committee

The Supervisory Committee strengthens governance by:

- Monitoring the Board and Management
- Ensuring compliance with policies and regulations
- Reviewing financial management and internal controls
- Protecting member interests through independent oversight
- Reporting findings to members during AGMs

8. Compliance and Regulatory Oversight

KUDS NWDT is committed to following all applicable laws and regulations as guided by the regulator SASRA, the Co-operative Societies Act, and other regulatory frameworks.

Board and management continually review policies and procedures to ensure they meet regulatory standards and best practices, keeping our operations transparent, compliant, and accountable.

9. Risk Management and Internal Controls

Strong internal controls are central to protecting member funds and institutional assets. Key focus areas in 2025 included:

- Monitoring loan portfolio performance
- Strengthening credit risk management
- Enhancing financial accountability
- Periodically reviewing operational risks

10. Conflict of Interest and Ethical Conduct

Integrity is the cornerstone of our operations and we've put in place measures that ensures ethical conduct for all board and staff and no conflict of interest. They include:

- Staff and Board Confidentiality: All staff sign secrecy bonds and Non-Disclosure Agreements to protect sensitive information.
- Conflict of Interest Disclosure: Board members and staff disclose potential conflicts and step aside from related decisions
- Procurement Integrity: We follow competitive bidding for all services to ensure fairness and objectivity.

These measures reinforce accountability and ethical conduct at every level of the institution.

11. Governance Achievements in 2025

Some of our key governance successes in 2025 were:

- Strengthened internal control systems
- Improved transparency in reporting
- Better monitoring of the credit portfolio
- Enhanced engagement between the Board and Management
- Sustained focus on member-centered decision-making

12. Stakeholder Engagement

We maintained strong communication with members and stakeholders through:

- Feedback mechanisms
- Member consultations and forums
- Regular performance updates

This ensures member's feel informed and engaged in the institution's growth.

13. Governance Priorities for 2026

Looking ahead, we aim to:

- Strengthening risk management
- Expand governance training for the Board
- Improve monitoring of credit portfolio performance
- Enhance operational efficiency
- Increase member engagement and communication

14. Conclusion

In 2025, KUDS NWDT's governance structures proved effective, responsive, and member focused. Collaboration among the Board, Supervisory Committee, Secretariat Team, and other committees ensured transparency, accountability, and operational excellence.

Our leadership remains committed to strengthening governance to support long-term sustainability and reinforce member confidence in the Sacco.



Kenya USA Diaspora
Non-WDT Sacco

BOARD OF DIRECTORS ' & VNEC **REPORTS**

VETTING, NOMINATION AND ELECTIONS **COMMITTEE (VNEC) REPORT**

The primary function of this committee is to vet any person interested in serving as a KUDS board or supervisory committee member:

The functions of the VNEC are guided by the regulations outlined in these documents.

- The SACCO By-laws
- The Board Charter (for the Board of Directors)
- The Co-operative Act (Laws of Kenya)
- The SACCO Societies Act
- The Kenya Constitution: Chapter 6 - Leadership and Integrity Section
- SASRA (Sacco Societies Regulatory Authority)

Following the certification of the SACCO by SASRA, the VNEC is tasked with reviewing and amending the VNEC Nomination and Election Policy to align with the directives of the regulatory authority and the updated SACCO by-laws.

The current VNEC members Kefa Otiso and Susan Mwaura are not eligible to run for re-election because they have served the maximum allowable uninterrupted term of office (2 three-year terms). All three VNEC positions remain vacant.

In the year since the last AGM in 2025, the following vacancies were announced by the board:

November 2025 – One (1) Board and Three (3) VNEC Committee

We sent out a call for applications to the general membership but did not receive any applications despite multiple deadline extensions.

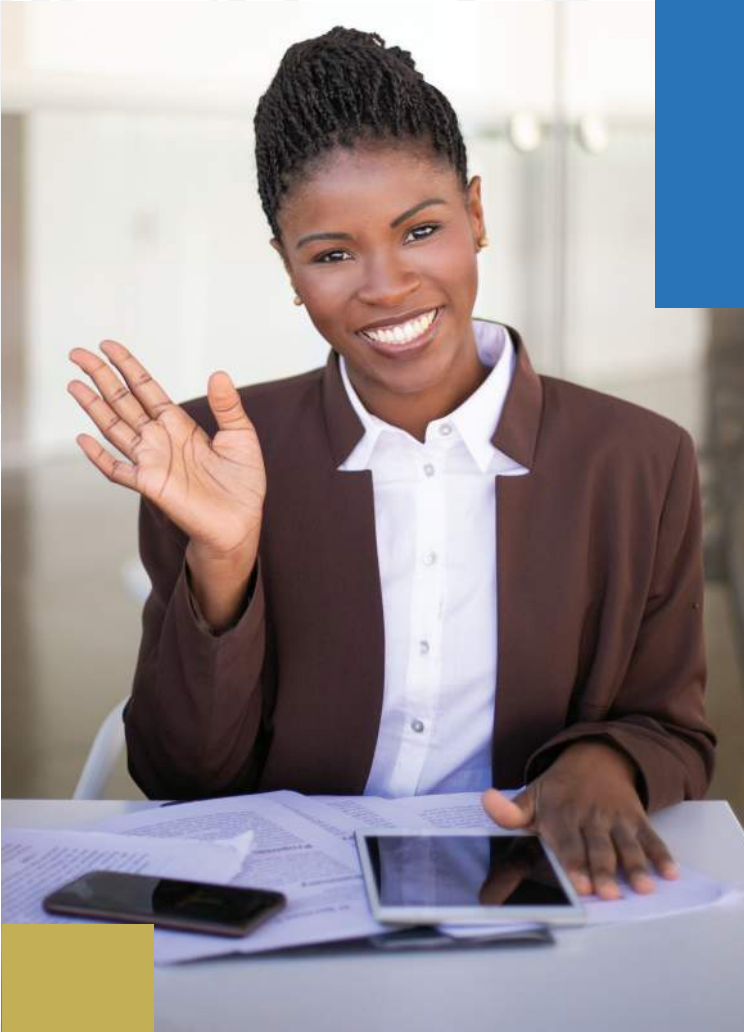
February 2026 – Four (4) Board and Three (3) VNEC Committee and (1) Supervisory were announced for the 2026 AGM. We received 7 applications.

As part of the vetting process:

- We check all the applications for completeness and allow candidates to send missing items or documents within the given deadline
- We obtain SACCO contribution/loan repayment histories/savings, and capital share balances from the Chief Executive Officer
- We check references from the list provided by the applicants (2 professional, 1 personal)
- We check and confirm other pertinent information provided by candidates

We have continued to fulfill our mandate to the best of our ability and look forward to assisting the next committee members in building the leadership that can continue to grow and develop this Sacco.

Thank You.
Vetting, Nomination and Elections Committee



Kenya USA Diaspora
Non-WDT Sacco

KUDS MEMBERSHIP

MEMBERSHIP AND SAVINGS

Membership Overview

KUDS membership is open to individuals committed to disciplined saving, investment growth, and long term financial empowerment. Membership is anchored on regular contributions that build financial strength and determine access to SACCO products.

Members are required to maintain active participation through registration fees, share capital contributions, and consistent monthly savings. These contributions form the foundation for financial eligibility and borrowing capacity within SACCO.

Membership Composition

KUDS has a diverse membership drawn from around the world including African countries, the USA, Canada, and the Middle East. This global base strengthens SACCO through varied income sources and investment participation.

The SACCO remains open to growth and continues to encourage member referrals to expand its network and strengthen collective financial capacity.

Savings Products

Main Savings Account

The Main Savings Account is the core savings structure of the SACCO. It is designed to encourage consistent saving habits among members while forming the basis for loan qualification. It reflects a member's financial discipline and directly determines borrowing power across all credit products.

Mavuno Fixed Deposit Account

The Mavuno Fixed Deposit Account is a structured investment savings product designed for members who wish to earn higher and more stable returns over a fixed period. Unlike regular savings, funds in this account are locked for a defined tenure, allowing the SACCO to invest more effectively on behalf of members.

This product is intended for members seeking wealth accumulation, capital growth, and disciplined long-term savings. It supports financial planning by encouraging members to set aside funds they do not need for immediate use while earning competitive returns.

Pamoja USD Savings Account

This is a foreign currency savings product designed for members earning or saving in USD, particularly those in the diaspora. It provides a secure way to save in dollars while still participating in SACCO investment opportunities.

It also supports members who prefer currency diversification and want to protect their savings from local currency fluctuations while maintaining access to SACCO financial services.

EcoFedha Savings Account

EcoFedha is an ESG-aligned savings product designed for members interested in environmental sustainability and impact investing. It allows members to contribute towards climate-friendly initiatives, green projects, and sustainable development goals.

This account is intended for members who want their savings to go beyond financial returns and actively support environmental responsibility and global climate action efforts.

Loan Products

KUDS loan products are designed to meet diverse members' needs including emergency funding, development projects, and long-term investments. All loans are structured based on savings, repayment capacity, and SACCO credit policy.

Normal Loan

This is a general-purpose loan designed to support members in personal and developmental financial needs. It is based on a member's savings and ability to repay and may require collateral depending on exposure level. It is intended for flexible use including business, education, and household development.

Special Normal Loan

This product is designed for members who require enhanced borrowing support with structured risk-sharing through guarantors. It strengthens accountability while still offering flexible access to credit. It is commonly used for medium-term financial needs.

Emergency Loan

The Emergency Loan is a fast-access facility designed for urgent and unforeseen financial needs. It is processed quickly and is primarily secured by member savings. It is intended to provide immediate relief during financial emergencies.

Development Loan

This loan is specifically structured for long-term asset creation such as land purchase, housing construction, and property development. It allows members to invest in wealth-building projects with extended repayment periods and structured collateral evaluation.

Loyalty Loan

The Loyalty Loan is a reward-based product designed for long-serving members with strong savings history. It recognizes member commitment and provides higher borrowing capacity for major investments such as property acquisition and development.

Msafiri Loan

This is a short-term loan designed to support travel and personal short-term financial needs. It is structured for quick repayment cycles and offers flexibility for members who require temporary financial support without long-term commitment.

Pamoja USD Loan

This is a foreign currency loan linked to USD savings, designed for members who save in dollars. It supports diaspora members and those with foreign income by providing flexible access to credit in line with their USD savings base.

Loan products summary table

Loan Product	Loan Duration	Interest	Repayment	Security
Normal Loan	48 Months	12% p.a	Medium term	Savings + collateral
Special Normal	36 Months	12% p.a	Medium term	Savings + guarantors
Emergency Loan	12 Months	11% p.a	Short term	Savings
Development Loan	60 Months	13% p.a	Long term	Savings + Collateral
Loyalty Loan	72 Months	14% p.a	Long term	Savings + Collateral
Msafiri Loan	9 Months	10% p.a	Short term	Savings
Pamoja USD Loan	24-60 Months	8-11.5% p.a	Medium term	USD savings

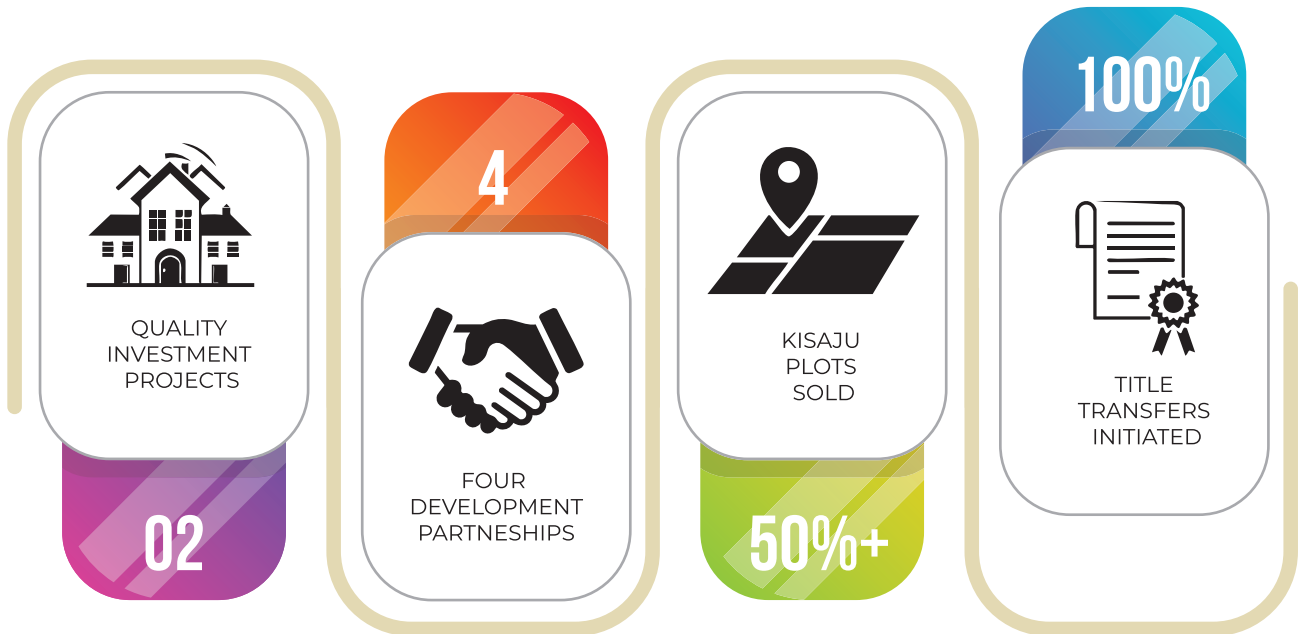
KUDSIC REPORT

Who We Are

Kenya USA Diaspora SACCO Investment Company (KUDSIC) Limited is a subsidiary of KUDS (Kenya USA Diaspora SACCO). Incorporated as a company, KUDSIC was established specifically to provide diversified investment services primarily to KUDS SACCO members — Kenya's vibrant diaspora community based in the United States.

Operating from the Crescent Business Center, 6th Floor, Parklands Road, Nairobi, KUDSIC bridges the gap between Kenyans living abroad and high-potential property investment opportunities back home. Our commitment is simple: Your Satisfaction, Our Priority.

Our Performance at a Glance



Our Projects

1. Kisaju Diaspora Meadows — Our Flagship Project

KUDSIC's first and flagship project, Kisaju Diaspora Meadows, set the foundation for what KUDSIC represents: accessible, transparent, and rewarding real estate investment for the diaspora community.

Location & Size

- 10-acre project in Kisaju area, Kajiado County
- 76 subdivided plots, each approximately 50×100 ft
- 50 km from Nairobi CBD, 2 km off the Nairobi–Namanga Highway

Infrastructure & Features

- Graded access roads and a fully fenced, gated community
- Borehole water provision and nearby electricity connection
- Well-drained soil — ideal for both residential and commercial development
- Freehold land tenure

Neighbourhood

- Mwalimu SACCO Housing Scheme, Fred's Ranch
- Islamic University & MUA University in close proximity



MILESTONE ACHIEVED

More than 50% of Kisaju plots have been sold, and title deed transfers to member names are already underway — a testament to the trust members have placed in KUDSIC and the strength of our delivery.

Strategic Partnership

KUDSIC STRATEGIC PARTNERSHIPS

KUDSIC has negotiated exclusive discounts with trusted partners so that members can access quality products and services as they build and settle into their new properties.



Kentainers Kenya

Kenya's leading manufacturer of plastic water tanks and products. As a KUDSIC member, you can purchase high-quality water storage tanks at special discounted prices — or access them on loan. Essential for your new plot or home. Visit www.kentainers.co.ke



Hotpoint Appliances Kenya

Kenya's largest home appliances and electronics retailer, stocking top brands including Samsung, LG, Bosch, Ariston, and more. Members get preferential pricing on everything from fridges and cookers to TVs and washing machines — ideal for furnishing your new home. Visit www.hotpoint.co.ke



Frisco Engineers

Specialists in borehole drilling, water pumps, solar systems, irrigation, and generators. If you're developing your Kisaju or Fadhili Homes plot, Frisco can handle all your water and energy infrastructure needs at member-discounted rates. Visit www.friscoengineers.com



Mabati Rolling Mills (MRM)

Kenya's premier steel roofing and building solutions provider, with over 60 years of excellence. Members access discounted roofing sheets, tiles, steel trusses, and building accessories — everything you need to put a roof over your investment. Visit www.mabati.com

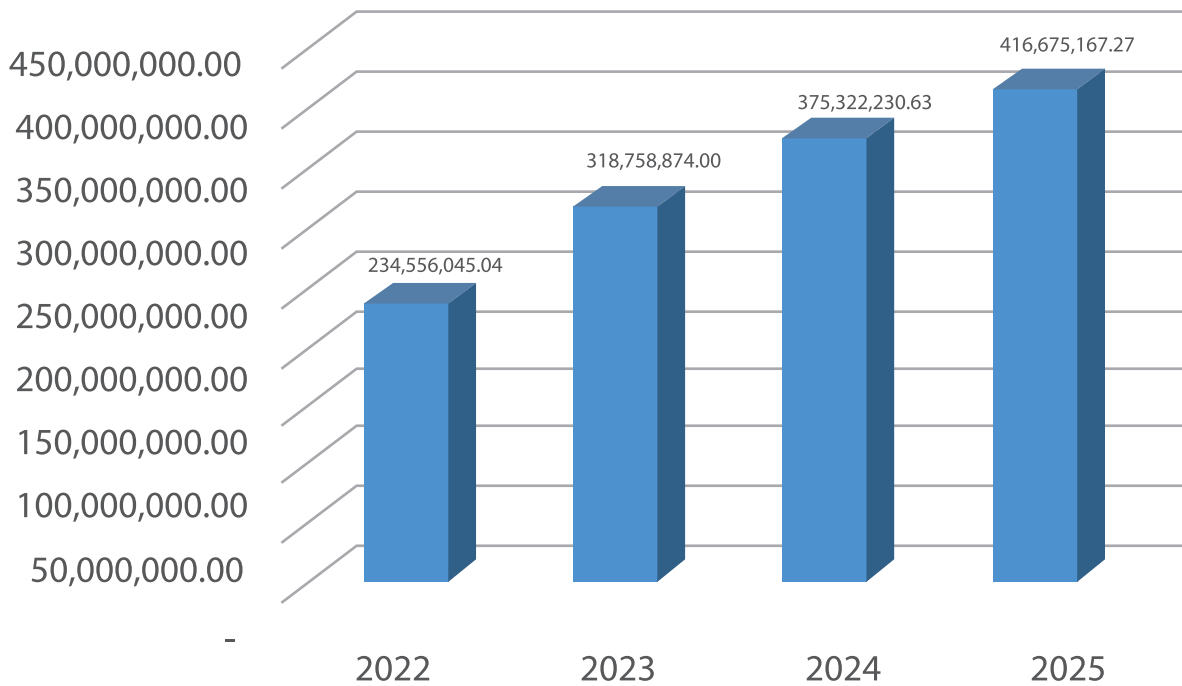


Kenya USA Diaspora
Non-WDT Sacco

FINANCIAL STATEMENTS

Loans to Members:

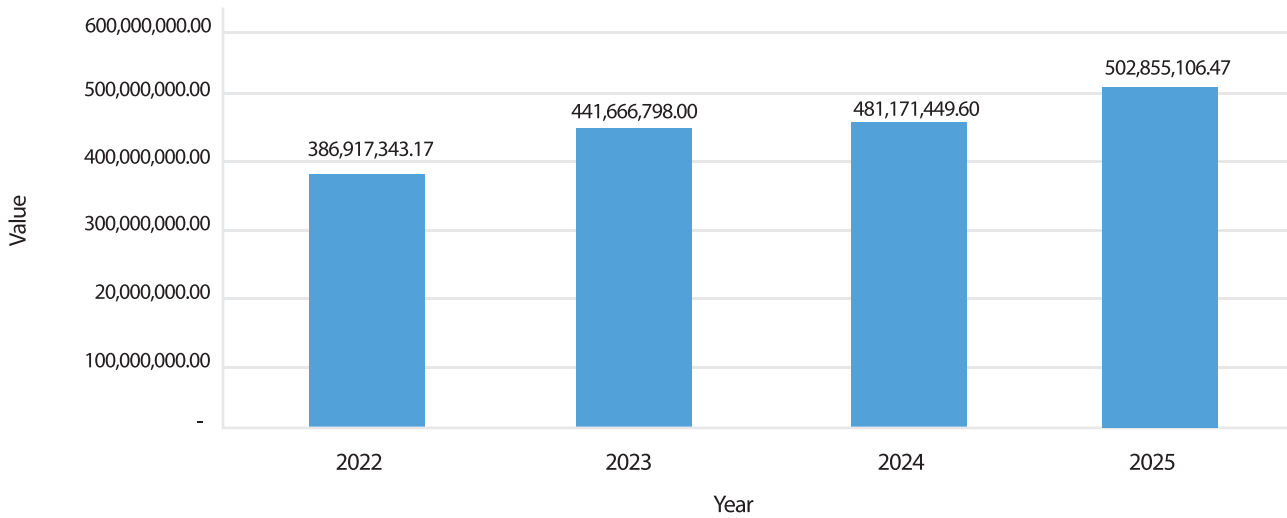
Loans to members



Loans to members recorded continuous growth though at a slower pace between the year 2024 and 2025. Loan portfolio grew by 29% in the year 2023, 21% in 2024 and 11% in 2025.

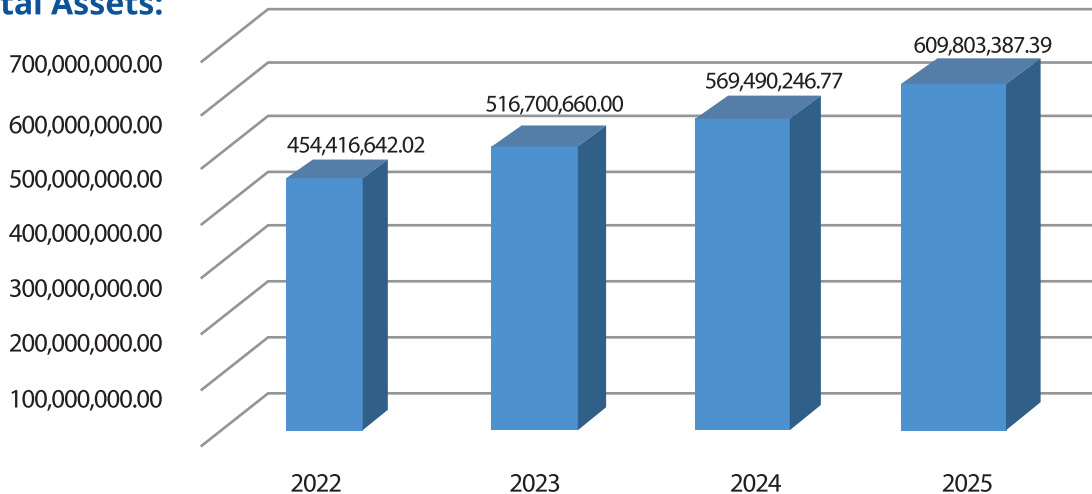
The decline in growth was occasioned by less demand for loans by members. The Sacco continues to offer loans at very affordable interest rates and members are encouraged to patronize the loan products. However, the non-performing loans rate declined to 3% indicating a healthier loan book as a result of better credit risk management.

Member Deposits:



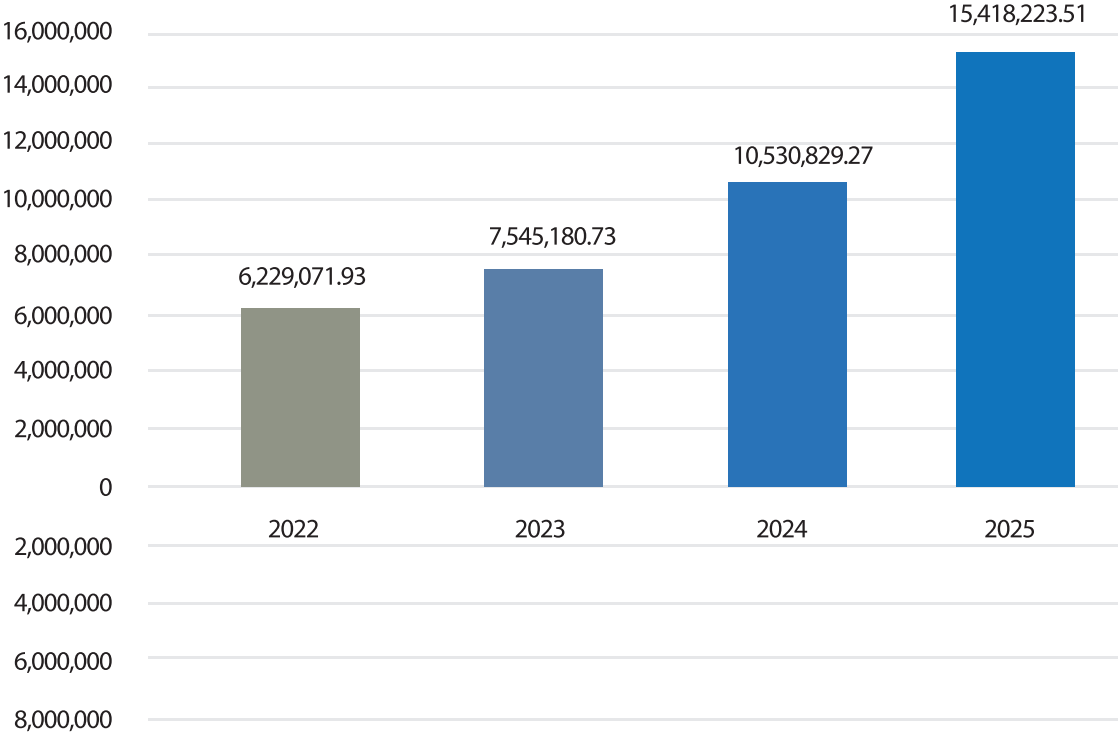
Member Deposits recorded continuous growth through the years but at a slower pace as well. Deposits grew by 14% in the year 2023, 9% in the year 2024 and 4.5% in the year 2025. Members are encouraged to save consistently to continuously grow their savings and enhance the borrowing capacity. Rebates and dividend plough back is also highly encouraged for continued deposits growth and growth of Sacco's Asset base.

Total Assets:



Total Assets growth is largely attributable to loans and deposits growth. As members grow their deposits, they increase their borrowing capacity which leads to increased loan book and revenue growth. The total assets recorded continuous growth, with a record of 14% growth in year 2023, 10% in year 2024 and 7% in year 2025 closing at Kshs.609million as at end of December 2025. This consistent growth signifies Sacco's stability and resilience.

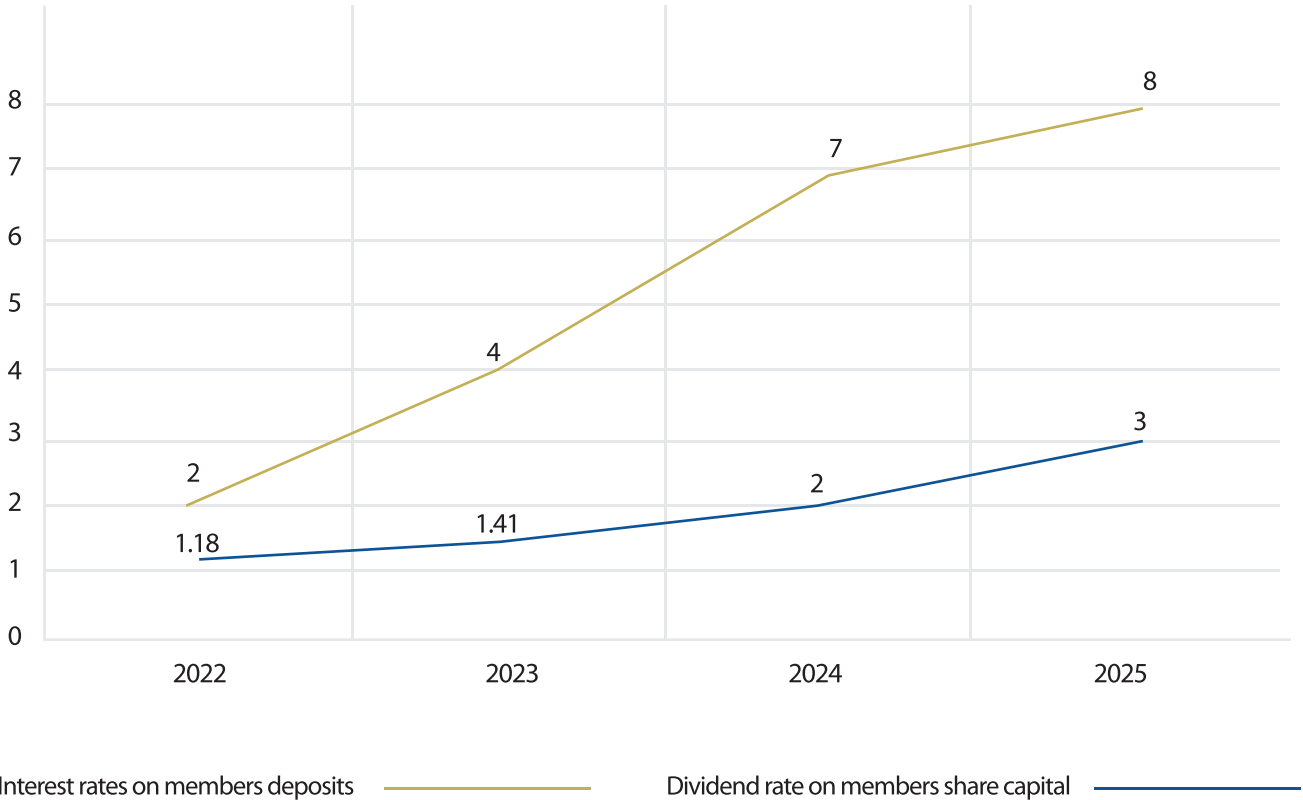
Profit for the Year Before Taxation:



Total income grew steadily over the last five years, increasing from Kshs.36.3million in the year 2022 to Kshs.61.5million in 2025. Profitability increased from Kshs.6.3million in 2022 to Kshs.15.4-million in 2025. This shift demonstrates Sacco’s strong financial performance resulting from enhanced recovery and cost management strategies and continued growth.



Interest on Deposits and Dividend Payouts



Conclusion

The Sacco's consistent growth in financial income, profitability, and loan performance has enabled increased returns for members through higher deposit interest and dividend rates. The sustained upward trajectory reflects strong financial management, enhanced member confidence, and a solid foundation for future growth.

Members can look forward to continued financial benefits as the Sacco strengthens its position, ensuring both stability and long-term prosperity.



Kenya USA Diaspora
Non-WDT Sacco

SUPERVISORY
COMMITTEE
REPORT

ANNUAL REPORT FOR THE YEAR ENDED 31ST DECEMBER 2025 TO BE PRESENTED AT THE **ANNUAL GENERAL MEETING (AGM) ON 18TH APRIL 2026**

Introduction:

The Supervisory Committee carries out its role in overseeing the operations of Kenya USA Diaspora SACCO (KUDS) in accordance with the by-laws and the regulatory authorities.

The present members, Rwamba Karanja (Chairperson), Kenneth Onyango (Secretary) and Pauline Oruya (Member) were duly elected in the April 2024 and April 2025 Annual General Meetings (AGM) respectively.

The Supervisory Committee (SC) performed its oversight duties with reference to the quarterly internal audit reports, management financial reports for KUDS and Kenya United States SACCO Investment Company (KUDSIC), Board minutes and members' comments on the KUDS WhatsApp wall. The SC held meetings with the Board and the Secretariat on a quarterly basis as mandated to deliberate on the SACCO matters. The deliberations were documented and quarterly reports submitted to the Board as required.

Most of the issues raised by the SC and the internal auditor were amicably addressed during the year with some being documented to be acted upon in the future.

Financial Performance for KUDS with reference to the final audited accounts for the financial year ended 31st December 2025.

- Membership - Number of active members increased from 1,067 in 2024 to 1,151 in 2025. The increase is commendable.
The SC is encouraging all members to introduce new members, an action that will spur growth for the benefit of the SACCO and personal benefit to members.
- Revenue - Total Operating Income was about the same in 2024 and 2025, with a notable decrease in Other Interest Income. This is income from Fixed & Call Deposits, Unit Trust and Government Securities.
The SC continues to urge the Secretariat and the Board to invest funds in low risk interest earning accounts and instruments on a best effort basis. It is noted that there would be times when the SACCO would be low on cash for such investments.
- Expenses - Although total expenses reduced from approximately Ksh 35.8 million in 2024 to approximately Ksh 31.1 million in 2025, Finance & Other Costs increased substantially. Of concern, and this has also been mentioned in our joint meeting with the Board and the Secretariat, is the increasing provision for bad debts.
SC recommends a robust review of the SACCO's process from disbursing loans, monitoring monthly repayments, recovery if in default and sale of collateral where necessary.
- Investment in Subsidiaries - It is noted that KUDS holds shares worth Ksh100,000 in KUDSIC.
SC recommends separate audit statements for KUDSIC to be made available to the members to promote better understanding of the KUDSIC's financial performance which ultimately affects members' investments.

SC also recommends the approval of one project at a time for KUDSIC. Until the Kisaju project is successfully completed, no other project should be started. All new future projects need approval by the majority of Sacco Members.

- Prepayments & Sundry Receivables - SC has had discussions with the Board and the Secretariat about the Trade Receivables Ksh4.86 million (>90 days old), KUDSIC Control A/C Ksh16.42 million (0-30 days), and Urban World Property Investment Ltd Loan Ksh 74.09 million (> 90 days old). The Board and the Secretariat are working to recover the receivables.
- Internal Audit Reports - Recommendations by the internal audit on matters such as update of KUDS policies, system audit/upgrade, compliance and others matters were discussed and acknowledged. Recommendations are recorded with target completion dates. The SC is in agreement with the Internal Auditor’s recommendations and will follow up with the Board to get these implemented.

Key among these recommendations include:

- Ensuring non-individual members enjoy the same saving and borrowing privileges as regular members.
- Update of existing and develop missing policies to meet current regulatory requirements.
- Compliance Risk – Membership and Tax Status: The inclusion of non-individual members exposes the SACCO to tax and regulatory risk, as it is inconsistent with the Income Tax Act’s definition of a primary SACCO.

Service Delivery and Customer Service to Members.:

Customer service delivery was wanting in the past, specifically in routine member transactions. We saw great improvement in 2025, with quick responses from the Secretariat on members' issues. However, SC had recommended a Service Delivery Document with delivery Timelines for Members. SC will follow up with the Board to have this implemented in 2026.

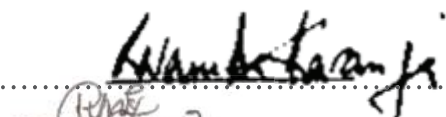
Communication on KUDS Progress.

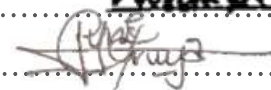
Timely quarterly communication on KUDS key progress to members by the Board Chairman is an effective way of disseminating valuable information to members. Throughout 2025, the Board chair shared information on WhatsApp. This enables members to be upto-date on the affairs of the SACCO. This is a step in the right direction and should be maintained throughout.

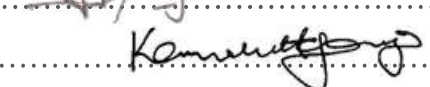
All in all, SC agrees that the SACCO has improved its operations in most areas, but there are still some weaknesses that need to be addressed. We have discussed these issues with the Internal Audit through the year and agree with the views they have expressed.

Finally, the new Bill in Parliament is an issue of concern to membership and will follow this development keenly to see how it affects our members.

Submitted by the Supervisory Committee.

Rwamba Karanja- Chairman..... 

Pauline Oruya - Member 

Kenneth Onyango - Secretary..... 



Kenya USA Diaspora
Non-WDT Sacco

TREASURER'S **REPORT**

TREASURER 'S REPORT DURING THE 12TH AGM HELD ON 18TH APRIL 2026 (HYBRID)

Dear Esteemed members, partners and Stakeholders,
It is my great pleasure to present the treasurer's report for the financial year ended 31st December 2025. This report outlines the financial performance, position, regulatory compliance and overall financial health of Kenya USA Diaspora regulated Non-WDT Sacco for the year under review.

Financial Performance overview

The Sacco recorded steady growth in the year 2025 despite prevailing economic challenges. Total assets increased by 7% to Kshs. 609.8 million, largely driven by expansion in the loan portfolio, which grew by 11% from Kshs. 388.0 million in 2024 to Kshs. 432.0 million in 2025.

Key Performance Indicators:

Item	2025 (Kes.)	2024 (Kes.)	% Change	Trend
Share Capital	86,541,889	78,996,076	10%	↑
Core Capital	78,829,448	62,284,343	27%	↑
Members Deposits	502,855,106	481,064,238	5%	↑
Total Assets	609,803,387	568,216,874	7%	↑
Loans to Members	431,967,626	387,984,045	11%	↑
Total Revenue	61,563,498	57,157,944	8%	↑
Net Surplus after Tax	14,558,419	9,349,036	56%	↑
Retained Earnings	(18,302,579)	(24,390,186)	-25%	↑
Statutory Reserve Fund	10,690,137	7,778,453	37%	↑
Active Members	1,151	1,067	8%	↑
Dormant Members	479	507	-6%	↓
Interest on Member deposits	3%	2%	50%	↑
Dividend on Members Share Capital	8%	7%	14%	↑

- **Capital Growth:** Share capital grew by 10%, from Kes. 78.9 million to Kes. 86.5 million, reinforcing the Sacco's capital base. Core capital registered a stronger growth of 27%, underscoring enhanced financial stability and compliance strength.
- **Member Savings:** Members' deposits increased by 5% to Kes. 502.9 million, demonstrating sustained member trust. The Sacco continues to encourage a savings culture to support future growth.
- **Loan Portfolio:** The loan book expanded by 11% to Kes. 432.0 million, reflecting increased access to credit and the Sacco's continued commitment to meeting members' financial needs.

- **Asset Base:** Total assets grew by 7% to Kes. 609.8 million, indicating steady institutional growth and improved balance sheet strength.
- **Revenue Performance:** Total revenue rose by 8% to Kes. 61.5 million, driven by growth in core income streams and improved operational performance.
- **Profitability:** Net surplus after tax increased significantly by 56%, from Kes. 9.3 million to Kes. 14.6 million, reflecting enhanced efficiency, cost management, and income growth.
- **Reserves and Retained Earnings:** The statutory reserve fund grew by 37% to Kes. 10.7 million, strengthening institutional resilience. Retained earnings improved by 25%, reducing the deficit position and signaling recovery towards positive reserves.
- **Membership Growth:** Active membership grew by 8% to 1,151 members, while dormant membership declined by 6%, indicating improved member engagement and participation.
- **Member Returns:** The Sacco enhanced member value through improved returns, with interest on member deposits increasing from 2% to 3% (50% growth) and dividends on share capital rising from 7% to 8% (14% growth).

Revenue Growth

Interest from loans increased from Kshs.49.2 million in 2024 to Kshs.55.8million in the year 2025. This was attributable to growth in loans disbursed and a clear demonstration of increased member loyalty. Other investment income dropped from Kshs.6,914,594 to Kshs.4,997,139 indicating more investments to members through loans. Overall, Total Revenue recorded 8.25% growth up to Kshs.61.5million from Kshs.57.1 million attained in the year 2024.

Loan Portfolio Performance

- Loans remain the main primary income generating asset and source of income.
- Loan portfolio recorded growth of 11% during the year 2025.
- Loan repayment performance improved from 96% in the year 2024 to 97% in the year 2025, whilst.
- non-performing remained at 3% which was within the regulatory guidelines.
- We continue to strengthen the credit appraisal process to maintain asset quality while supporting member borrowing needs.

Cost Control Measures:

Total expenses recorded a 13.26% decline to Kshs.31.1m in the year 2025 from Kshs.35.8 million recorded in the year 2024. The Sacco continues to apply cost control measures to ensure all costs are properly managed.

Ratio's and Compliance

The Sacco was compliant with Core capital adequacy and operating efficiency ratio's except for retained earnings ratio which stood at -10% against the required standard of at least 50%. However, this was a great improvement from -27% in the year 2024.

Liquidity ratio declined slightly from 13% in the year 2024 to 10% in the year 2025 which was within the regulatory requirement of 10%. However, members are encouraged to increase their monthly contribution in order to enhance liquidity.

Capital Adequacy Ratio	SASRA Standard	2025	2024	STATUS
Core Capital / Total Assets	Min-8%	13%	11%	Compliant
Core Capital / Total Deposits	Min-5%	16%	13%	Compliant
Retained earnings & other reserves/Core Capital	Min-50%	-10%	-27%	Not Compliant
Liquidity Ratio (10%)				
Liquid assets/Total deposits & Short-term liabilities	Min-10%	10%	13%	Compliant
Operating Efficiency / Loan quality ratio				
Total expenses / Total revenue	Max-70%	51%	63%	Compliant
Total Delinquency loan/Gross loan portfolio	Max-5%	3%	4%	Compliant

Performance Trend Analysis:

Item	2021 (Kes.)	2022 (Kes.)	2023 (Kes.)	2024 (Kes.)	2025 (Kes.)
Share Capital	37,299,991	69,235,070	73,674,525	78,996,076	86,541,889
Core Capital	18,863,150	51,702,157	57,212,131	62,284,343	78,829,448
Members Deposits	366,721,378	386,917,343	441,666,798	481,064,238	502,855,106
Total Assets	398,369,643	454,416,642	516,700,660	568,216,874	609,803,387
Loans to Members	176,010,016	246,611,522	318,758,874	387,984,045	431,967,626
Total Revenue	33,326,184	36,330,189	45,754,709	57,157,944	61,563,498
Net Surplus after Tax	-9,729,448	4,397,959	4,017,600	9,349,036	14,558,419
Retained Earnings	-22,662,375	-22,638,139	-22,371,040	-24,390,186	-18,302,579
Statutory Reserve Fund	4,225,534	5,105,126	5,908,646	7,778,453	10,690,137
Active Members	611	826	977	1,067	1,151
Dormant Members	906	849	531	507	479
Interest on Member deposits	0	1.18%	1.41%	2%	3%
Dividend on Members Share	0	2%	4%	7%	8%

Over the last 5 years, the Sacco has recorded tremendous growth in all aspects i.e Member Deposits, total Assets, loans to members, share capital, core capital, total revenue and growth in membership. This clearly demonstrates enhanced member confidence and improved Sacco's financial stability. The growth has been reflected in improved returns to members in terms of rebates and dividends.

Conclusion

The future is promising and more is attainable with support of the members. We encourage members to aggressively patronize Sacco products to support the continuous growth.

I would like to commend all our esteemed members, for their trust and loyalty to the Sacco. The board of Directors, Supervisory committee, VNEC and the staff for their commitment in the service to members and to our regulator and state department of co-operatives, for the unwavering support and guidance. Let's collaborate to make our Sacco great. God bless you all.



Duke Mochama
Treasurer
Kenya USA Diaspora Regulated Non-WDT Sacco Society Limited



Kenya USA Diaspora
Non-WDT Sacco

REPORT FROM
INDEPENDENT
AUDITORS



KENYA USA DIASPORA REGULATED NON-WDT SACCO SOCIETY LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 2025



REPORT OF THE BOARD OF DIRECTORS

The members of the board of directors submit their annual report together with the audited financial statements for the year ended 31st December 2025.

Incorporation

The society is incorporated in Kenya under the SACCO's Act No 14 of 2008 and is domiciled in Kenya.

Principal activity

The principal activity of the society is to promote thrift among its members by affording them the opportunity for accumulating their savings and to create thereby a source of funds from which loans can be made to them exclusively for provident and productive purposes at fair and reasonable rates of interest.

Operating Results

The operating results of the society is set up on page 7

Results	31.12.2025	31.12.2024
	Kshs.	Kshs.
Surplus before tax	15,418,224	10,530,829
Provision for tax	(859,804)	(1,181,793)
Net Surplus (deficit) after Tax	14,558,419	9,349,036
Interest on members' deposit	12,871,490	8,981,212

Dividend/Interest on Members' deposits

The board of directors recommends payment of the first and final dividend of 8% (2024, 7%) They also recommend interest on members' deposit of 3% (2024, 2%)


Board of Directors

The members of the board of directors who served during the year and to date of this report is as listed on page 09.

Auditors

The group's Auditor, Orwa & Company Associates, were appointed during the year in accordance with the provisions of SACCO Society's Act 14 of 2008. They have expressed their willingness to continue in office.

The financial statements on pages 7-22 were authorized for issue by the management committee on 23rd February, 2026, and were signed on their behalf by:

Chairman.....		Chief Executive Officer.....	
Secretary.....		Finance Manager.....	
Treasurer.....			

C/S 14163

**KENYA USA DIASPORA REGULATED NON-WDT SACCO SOCIETY LIMITED
ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2025.**

STATISTICAL INFORMATION

31.12.2025

31.12.2024

Number of members	Active	1,151	1,067
	Dormant	479	507
FINANCIAL			
		KSHS	KSHS
Share capital		86,541,889	78,996,076
Core Capital		78,829,448	62,284,343
Members Deposits		502,855,106	481,064,238
Taxation		13,493	15,784
Statutory reserve fund		10,690,137	7,778,453
Retained Earnings		(18,302,579)	(24,390,186)
Total Assets		609,803,387	568,216,874
Loans to members		431,967,626	387,984,045
Provision For Loan Loss		(15,292,459)	(12,661,814)
Current Liabilities		28,005,341	24,752,509
Shareholders' Fund		85,852,799	67,914,068
Current Assets		152,872,661	150,987,449
Turnover		61,563,498	57,157,944

KEY RATIOS

Employees of the Sacco	-Male	3	1
	-Female	2	4

Capital Adequacy Ratio

Required Ratio

Core Capital / Total Assets	Min-8%	13%	11%
Core Capital / Total Deposits	Min-5%	16%	13%
Retained earnings & other reserve/ Core Capital ratio	Min-50%	-10%	-27%

Liquidity Ratio (10%)

Liquid assets/Total deposits & Short-term liabilities	10%	10%	13%
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Operating Efficiency / Loan quality ratios

Total expenses / Total revenue	Max-70%	51%	63%
Interest on members deposit/Total revenue		21%	16%
Interest rate on members deposit		3%	2%
Dividend rate on members share capital		8%	7%
Total Delinquency loan/Gross loan portfolio	Max-5%	3%	4%

The financial statements on pages 7-22 were authorized for issue by the management committee on 23rd February, 2026, and were signed on their behalf by:

Chairman.....
Secretary.....
Treasurer.....
Chief Executive Officer.....
Finance Manager.....




STATEMENT OF DIRECTORS' RESPONSIBILITIES

The SACCO'S Act No.14 of 2008 requires Board of Directors to prepare accounts for each financial year, which give a true and fair view of the state of affairs of the Society at the end of the financial year and its operating results for that year in accordance with IFRS. It also requires the Board of Directors to ensure that the Society keeps proper accounting records, which disclose, with reasonable accuracy, at any time the financial position of the Society. They are also responsible for safeguarding the assets of the Society and ensuring that the business has been conducted in accordance to its objectives, bylaws, and any other resolutions made at the society's general meeting.

The Board of Directors accepts responsibility for the Annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with International Financial Reporting Standards and in a manner required by the SACCO's Act No.14 of 2008. The Board of Directors is of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the Society and its operating results in accordance with IFRS. The Board of Directors further accepts responsibility for the maintenance of accounting records which may be relied upon in the preparation of financial statements, as well as adequate systems of Internal Financial Control

Nothing has come to the attention of the Board of Directors to indicate that the Society will not remain a going concern for at least the next twelve months from the date of this statement.

The financial statements on pages 7-22 were authorized for issue by the management committee on 23rd February, 2026, and were signed on their behalf by:

Chairman.....  Secretary..... 
Treasurer..... 

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS KENYA USA DIASPORA REGULATED NON-WDT SACCO SOCIETY LIMITED

Opinion

We have audited the accompanying financial statements of Kenya USA Diaspora Regulated Non-WDT Sacco Society Limited, which comprise the statement of financial position as at 31 December 2025, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Society as at 31 December 2025 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Kenyan Sacco Societies Act.

Key Audit Matter

Key audit matters are those matters that in our professional judgments were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon and we do not provide a separate opinion on these matters Directors' responsibility for the financial statements.

The directors of the Society are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and in the manner required by the Sacco Societies Act, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free of material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an independent opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS KENYA USA DIASPORA REGULATED NON-WDT SACCO SOCIETY LIMITED

Other information (Continued)

On the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

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


Report on other legal requirements.

As required by the Kenyan Sacco Societies Act we report to you that the financial statements are in agreement with the books kept by the society and that, based on our audit, nothing has come to our attention that causes us to believe that the society's business has not been conducted:

- (A) In accordance with the provisions of the Sacco Societies Act.
- (B) In accordance with the Sacco objectives, by-laws, and any other resolutions made by the Society at a general meeting.

For and on behalf of

The engagement partner responsible for the audit resulting in this independent Auditors Report is CPA Caleb Odoyo Orwa - P/No. 1487


ORWA & COMPANY ASSOCIATES
(CPA(K))
13 FEB 2026
Sign: *Caleb Odoyo Orwa*
P.O. Box 9595 - 00100, NAIROBI.
Date:








UNIQUE CODE: 89232260224

STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED 31ST DECEMBER 2025

		12/31/2025	12/31/2024
REVENUE	NOTES	KSHS.	KSHS.
Interest Income			
Interest Income	2 (a)	55,831,469	49,279,322
Other interest income	2 (b)	4,997,139	6,914,594
Total Interest Income		60,828,608	56,193,916
Interest Expense	5	(15,043,904)	(10,773,552)
Net Interest Income		45,784,704	45,420,364
Other Operating Income	4	734,889	964,029
TOTAL OPERATING INCOME		46,519,593	46,384,393
EXPENSES			
Administrative Expenses	6	(1,975,607)	(5,903,733)
Marketing Expense	7	(686,979)	(1,076,392)
Personnel Expenses	9	(15,766,946)	(14,856,726)
Finance and other Costs	11	(4,741,992)	(2,364,830)
Governance Expenses	8 (a)	(7,482,315)	(10,881,576)
Depreciation	10	(447,531)	(770,307)
		(31,101,370)	(35,853,563)
NET OPERATING SURPLUS BEFORE INCOME TAX		15,418,224	10,530,830
Tax expense	3	(859,804)	(1,181,793)
NET SURPLUS FOR THE YEAR AFTER TAX		14,558,419	9,349,036
20% Transfer to statutory Reserve	22(a)	(2,911,684)	(1,869,807)
Surplus for the year available for distribution		11,646,735	7,479,229
Proposed Dividends	19	(6,923,351)	(5,529,725)
Retained Earnings		4,723,384	1,949,504

The financial statements on pages 7-22 were authorized for issue by the management committee on 23rd February, 2026, and were signed on their behalf by:

Chairman.....		Chief Executive Officer.....	
Secretary.....		Finance Manager.....	
Treasurer.....			

STATEMENT OF FINANCIAL POSITION AS AT 31ST DECEMBER 2025

	31/12/2025	31/12/2024
NOTES	KSHS.	KSHS.
ASSETS		
Cash and cash equivalent	14	12,408,853
Prepayments & Sundry receivables	15(a&b)	97,609,060
Loans to members	13	416,675,167
Other financial assets	12(a)	40,737,222
Investments in Subsidiary	12(b)	100,000
Fadhili Homes	16	40,155,559
Property and equipment	1	2,117,526
TOTAL ASSETS		609,803,387
LIABILITIES		
Members deposits	21 (a & b)	502,855,106
Taxation	3	13,493
Trade and other payables	17	7,890,969
Interest on members' deposits	18	13,191,021
TOTAL LIABILITIES		523,950,589
FINANCED BY		
Share capital	20	86,541,889
Statutory Reserves	22 (a)	10,690,137
General Reserves	22 (b)	(18,302,579)
Dividend Account	19	6,923,351
		85,852,799
TOTAL LIABILITIES & SHAREHOLDERS' FUND		609,803,387

The financial statements on pages 7-22 were authorized for issue by the management committee on 23rd February, 2026, and were signed on their behalf by:

Chairman..... Secretary..... Treasurer.....	Chief Executive Officer..... Finance Manager.....
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STATEMENT OF CHANGES IN EQUITY

	Share Capital	Retained earnings	Statutory Reserves	Proposed Dividends	Total Equity
As at 1st Jan 2024	73,674,250	(22,371,040)	5,908,646	2,946,981	60,159,112
Total recognized surplus 2024		9,349,036			9,349,036
Dividends Paid (final for 2023)				(2,946,981)	(2,946,981)
Provision for dividends		(5,529,725)		5,529,725	-
Transfer statutory reserve		(1,869,807)	1,869,807		-
Prior year adjustment		(3,968,650)			(3,968,650)
Issue of Share Capital	5,321,551				5,321,551
At the end of the year 2024	78,996,076	(24,390,186)	7,778,453	5,529,725	67,914,068
As at 1st Jan 2025	78,996,076	(24,390,186)	7,778,453	5,529,725	67,914,068
Total recognized surplus 2025		14,558,419			14,558,419
Dividends Paid (final for 2024)				(5,529,725)	(5,529,725)
Provision for dividends		(6,923,351)		6,923,351	-
Transfer statutory reserve		(2,911,684)	2,911,684		-
Prior year adjustment		1,364,223			1,364,223
Issue of Share Capital	7,545,813				7,545,813
At the end of the year 2025	86,541,889	(18,302,579)	10,690,137	6,923,351	85,852,799

The financial statements on pages 7-22 were authorized for issue by the management committee on 23rd February, 2026, and were signed on their behalf by:

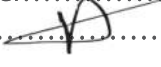

Chairman.....
 Secretary.....
 Treasurer.....

Chief Executive Officer.....
 Finance Manager.....

STATEMENT OF CASH FLOW

		31/12/2025	31/12/2024
	NOTES	KSHS.	KSHS.
CASH FLOW FROM OPERATING ACTIVITIES			
Interest receipts	2(a)	55,831,469	49,279,322
Other Operating Income	4	734,889	964,029
Interest Payments - Members deposits	18	(8,680,470)	(5,687,543)
Interest Payments- Mavuno	5	(2,172,414)	(1,792,340)
Payment to employees and suppliers	6,7,8a,9,11	(27,023,194)	(34,662,719)
		18,690,281	8,100,749
Increase /Decrease in Operating Assets			
Loans to members	13	(43,983,582)	(56,983,894)
Trade & other receivables	15&16	(11,458,230)	30,959
		(55,441,811)	(56,952,935)
Increase /Decrease in operating Liabilities			
Member deposits & savings	21(a&b)	21,790,869	39,397,440
Trade and Accrued Expenses	17	(2,331,815)	1,474,414
		19,459,054	40,871,853
NET CASHFLOW FROM OPERATING ACTIVITIES		(17,292,477)	(7,980,332)
Tax Paid	3	(862,096)	(1,586,058)
NET CASH FLOW FROM OPERATING ACTIVITIES		(18,154,573)	(9,566,390)
CASHFLOW FROM INVESTING ACTIVITIES			
Disposal of property & equipment			
Purchase of property & equipment	1	(349,300)	(76,829)
Interest Income from Bank Deposits	2(b)	4,997,139	6,914,594
Other Financial Investments	12(a)	4,351,588	10,090,049
Investments in Subsidiary	12(b)	-	(100,000)
NET CASH FLOW FROM INVESTING ACTIVITIES		8,999,426	16,827,814
CASHFLOW FROM FINANCING ACTIVITIES			
Share capital Contributions	20	7,545,813	5,321,551
Dividends Paid	19	(5,529,725)	(2,946,981)
Prior year adjustment	22(b)	1,364,224	(3,968,650)
NET CASHFLOW FROM FINANCING ACTIVITIES		3,380,311	(1,594,081)
NET (decrease) / increase in Cash and Cash Equivalents		(5,774,835)	5,667,343
CASH & CASH EQUIVALENT BEGINNING OF THE YEAR		18,183,688	12,516,345
CASH & CASH EQUIVALENT END OF THE YEAR		12,408,853	18,183,688

The financial statements on pages 7-22 were authorized for issue by the management committee on 23rd February, 2026, and were signed on their behalf by:

Chairman.......... Chief Executive Officer..........
Secretary.......... Finance Manager..........
Treasurer..........

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

NOTE

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these financial statements are set out below:

a) Statement of compliance and basis of preparation

The financial statements are prepared in accordance and comply with International Financial Reporting Standards. These financial statements are presented in Kenyan Shillings and are prepared under the historical cost convention as modified by revaluation of certain assets as prescribed by IFRSS.

b) Revenue recognition

Interest on loans to members is calculated on a reducing balance method at the monthly rate of 1%.

c) Tax

Current tax is provided on the basis of the results from the year as shown in the financial statements in compliance with the adjusted and in accordance with tax legislation.

d) Statutory Reserves

Transfers are made to the statutory reserve fund at a rate of 20% of net operating surplus after tax provision in compliance with the provision of Section 47 (1 & 2) of the Cooperative Societies Act Cap. 490.

e) Trade and other payables

Trade and other payables are recognized initially at fair values and subsequently measured at amortized cost using the effective interest rate method.

f) Financial Assets

Cash and cash equivalent comprises cash on hand and demand deposits and other short term highly liquid investments that are readily convertible to a known amount of cash and are subject to insignificant risk changes in value.

g) Property and Equipment

All property and equipment is initially recorded at cost and thereafter stated at historical cost less depreciation.

Depreciation is calculated on the reducing balance basis method to write down the cost.

	Rate per annum
Computer /Software	30%
Equipment	25%
Furniture	12.5%

NOTES FORMING PART OF THE FINANCIAL STATEMENTS(CONTINUED)

Cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents comprise cash in hand, deposits held at call with banks, and financial assets with maturities of less than 3 months, net of bank overdrafts and money market lines.

Restricted cash balances are those balances that the society cannot use for working capital purposes and are reduced from cash and cash equivalents

In the statement of financial position, bank overdrafts are included within borrowings in current liabilities

Investment shares

Member interest are classified as equity where the society has an unconditional right to refuse redemption of the members' shares.

Provisions in the Act, regulations or the Sacco by-laws impose unconditional prohibitions on the redemption of members' shares.

Reserves

Statutory reserve

Transfers are made to the statutory reserve fund at a rate of 20% of net operating surplus after tax in compliance with the provision of section 47 (1& 2) of the Co-operative Societies Act.

Regulatory reserve

Where impairment losses required by legislation or regulation exceed those calculated under International Financial Reporting Standards, the excess is recognized as a regulatory credit risk and accounted for as an appropriation of retained profits. These reserve is not distributable.

Dividends

Proposed dividends are disclosed as a separate component of equity until declared.

Dividends are recognized as a liabilities in the period in which they are approved by the society's shareholders.

Taxation

The tax expense for the period comprises current and deferred tax. Tax is recognized in profit or loss, except to the extent that it relates to items recognized in the comprehensive income or in equity. In this case, the tax is also recognized in other comprehensive income and equity.

Current tax

Current tax is provided on the results for the year, adjusted in accordance with tax legislation

Deferred tax

Deferred tax is provided using the liability method for all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. Currently enacted tax rates are used to determine deferred tax. Deferred tax assets are recognized only to the extent that it is probable that future taxable profits will be available against which temporary differences can be utilized

For the purposes of measuring deferred tax liabilities and deferred tax asset for investment properties that are measured using fair value model, the carrying amounts of such properties are presumed to be recoverable entirely through sale unless presumption is rebutted. The presumption is rebutted when the investment property is depreciable and held within a business model whose objective is to consume substantially all its economic benefits embodied in it over time rather than through sale.

Comparatives

Where necessary, comparative figures have been adjusted to conform with changes in presentation in the current year.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (CONTINUED)

Fixed Assets Schedule	Computer Hardware	Computer Software	Office Equipment	Furniture & Fittings	Total
COST	Kshs	Kshs	Kshs	Kshs	Kshs
As at 1.1.2024	1,018,961	2,766,803	3,365,507	-	7,151,271
Additions	-	-	76,829	1,701,900	76,829
Loss on assets	-	-	(1,156,559)	-	(1,156,559)
Transfers	-	-	(1,701,900)	-	(1,701,900)
As at 31.12.2024	1,018,961	2,766,803	583,877	1,701,900	6,071,541
DEPRECIATION					
As at 1.1.2024	722,143	2,628,631	891,263	-	4,242,037
Loss on assets	-	-	(973,679)	-	(973,679)
Transfers	-	-	(182,880)	-	(182,880)
Charge	62,237	138,172	387,018	182,880	770,307
As at 31.12.2024	784,380	2,766,803	121,722	182,880	3,855,785
NBV 31.12.2024	234,581	-	462,155	1,519,020	2,215,756
COST					
As at 1.1.2025	1,018,961	-	583,877	1,701,900	1,602,838
Additions	349,300	-	-	-	349,300
Loss on assets	-	-	-	-	-
Transfers	-	-	-	-	-
As at 31.12.2025	1,368,261	-	583,877	1,701,900	3,654,038
DEPRECIATION					
As at 1.1.2025	784,380	-	121,722	182,880	1,088,982
Transfers	-	-	-	-	-
Charge	148,401	-	112,197	186,933	447,531
As at 31.12.2025	932,781	-	233,919	369,813	1,536,513
NBV 31.12.2025	435,480	-	349,959	1,332,087	2,117,526

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (CONTINUED)

	31/12/2025	31/12/2024
2 (a) Interest Income	KSHS	KSHS
Interest on loans	52,978,789	47,396,005
Interest on loan refinancing	2,852,680	1,883,317
	55,831,469	49,279,322
2 (b) Other Interest Income		
Interest on Fixed and call deposits	4,236,995	5,561,761
Interest income-Unit trusts	669,632	1,158,495
Interest on Government Securities	90,511	194,338
	4,997,139	6,914,594
3 Tax computation		
Tax on Interest income From Bank	4,997,139	6,914,594
Total	4,997,139	6,914,594
Balance as at 1st January 2025	15,784	420,049
Tax calculated @15%	859,804	1,181,793
Less Withholding Tax Paid	(55,864)	(720,478)
Instalment Tax paid	(806,232)	(865,580)
Balance as at 31st December 2025	13,493	15,784
4 Other Operating Income		
Membership registration fee	408,574	524,598
Withdrawal fee	326,316	439,430
	734,889	964,029
5 Interest Expenses		
Interest on Member Deposits	12,871,490	8,981,212
Interest on Mavuno savings - Paid during the year	2,172,414	1,792,340
	15,043,904	10,773,552
6 Administrative Expenses		
Software maintenance	837,966	1,488,755
Audit fees	93,113	214,604
Rent	-	1,225,936
Telephone and Postage	-	1,019,560
Office expenses	-	248,730
Repairs and maintenance	30,456	43,547
Transport & Traveling expenses	205,477	164,582
Professional fee	-	521,900
Licenses & permits	396,772	592,267
Legal fee	312,465	282,576
Internet expenses	70,465	50,092
Printing and stationery	6,018	17,749
Subscriptions	22,875	33,435
	1,975,607	5,903,733
7 Marketing Expenses		
Marketing & advertisement	686,979	1,076,392

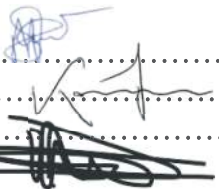
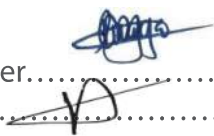
NOTES FORMING PART OF THE FINANCIAL STATEMENTS(CONTINUED)

	31/12/2025	31/12/2024
	KSHS.	KSHS.
8 (a) Governance Expenses		
Committee sitting allowance	6,022,172	4,917,712
AGM Expenses	1,123,520	5,877,353
Committee GPA Insurance	157,688	86,510
Travel cost	178,935	-
	7,482,315	10,881,576
8 (b) Sitting allowance		
Paul Njogu	650,223	605,498
Albina Tissa	590,235	565,514
Karimi Igeria	590,235	400,159
Duke Mochama	710,235	711,659
Susan Matindi	-	66,142
Kefa Otiso	160,064	40,016
Isaac Kasera	-	315,415
Rwamba Karanja	240,095	146,174
Susan Mwaura	120,048	73,087
Gichana Manyara	540,215	400,159
Michael Ndungu	-	132,284
Geoffrey Mburu	40,016	186,190
Levi Mburu	280,111	-
Beatrice Angalo	-	132,284
Lolita Sayi	60,024	60,024
Evelyn Olunja	440,080	542,636
Lucas Mwangi	590,235	565,514
Daniel Yusto	580,231	442,407
Patrick Mugun	-	46,017
Pauline Oruya	160,064	-
Kenneth Onyango	160,064	-
Dominic Nyamweya	110,000	-
Total Allowance	6,022,172	5,431,180
Less: Directors Allowance Kudsic shared expense	-	438,217
Over accruals	-	75,250
Net Amount	6,022,172	4,917,712
9 Personnel Expenses		
Salaries and Wages - Staff	12,995,601	12,584,235
Staff Pension	1,257,597	1,120,915
Staff Medical Expenses	840,321	796,322
Other Staff expenses	412,538	122,706
Housing Levy	260,889	232,548
	15,766,946	14,856,726
10 Depreciation		
Depreciation	447,531	632,135
Amortization Cost - Software	-	138,172
	447,531	770,307
11 Finance and other Costs		
Bank Charges	239,310	325,068
Exchange gain/Loss	25,168	252,036
Bad debts written off	846,869	867,189
Provision for bad debts	3,630,645	920,537
	4,741,992	2,364,830

NOTES FORMING PART OF THE FINANCIAL STATEMENTS(CONTINUED)

OTHER FINANCIAL ASSETS		31/12/2025	31/12/2024			
12(a)	Other Financial Assets	KSHS.	KSHS.			
	Coop Insurance Company (CIC(Unit Trust – MMF)	150,524	-			
	Coop Insurance Company (CIC(Unit trust- Fixed Acc.)	3,793,502	-			
	ABC Fixed Deposit	20,347,785	40,741,323			
	CEA-Money Market	10,834,002	609,119			
	CBK Treasury bills	-	3,738,368			
	NCBA MMF	5,611,409	-			
		40,737,222	45,088,810			
12(b)	Investments in Subsidiaries					
	KUDSIC Shares	100,000	100,000			
		100,000	100,000			
13	Loan To Members					
	Balance as at 1st January 2025	387,984,045	331,000,151			
	Loans Issued	335,391,486	264,294,197			
	Loan Payments	(291,407,904)	(207,310,303)			
	Balance as at 31st December 2025	431,967,626	387,984,045			
	Less: Provision for loan loss	(15,292,459)	(12,661,814)			
	Net total loans, advances, and accrued interest	416,675,167	375,322,231			
	Ledger & Listing variance					
	Loan and accrued interest as per control	431,967,626	387,984,045			
	Loan and accrued interest as per listing	431,966,452	387,979,545			
	Variance	1,175	4,500			
	Classification (No)	No	O/S Amount	(Rate)	Prov. Amount	Prov. Amount
	Performing	198	355,663,278	1%	3,556,633	3,211,020
	Watch	29	62,746,461	5%	3,137,323	2,581,524
	Substandard	4	5,108,860	25%	1,277,215	2,686,603
	Doubtful	3	2,253,130	50%	1,126,565	318,018
	Loss	5	6,194,723	100%	6,194,723	3,864,649
	Subtotal	239	431,966,452		15,292,459	12,661,814
14	Cash & Cash Equivalent					
	Cooperative Bank Kenya Limited - Current Account	1,588,726	3,677,329			
	Cooperative Bank Kenya Limited - Call Account	9,203,396	6,085,075			
	Cooperative Bank Kenya Limited - Current Account - USD	32,534	43,109			
	Cooperative Bank Kenya Limited - Settlement Account	50,001	-			
	NCBA Bank - Current Account - KES	363,053	868,072			
	NCBA Bank - Current Account - USD	49,207	5,359,307			
	ABC Bank - Current Account - KES	500	4,425			
	Petty Cash	10,304	17,426			
	M-Pesa Pay bill	1,111,131	2,128,944			
		12,408,853	18,183,688			

The financial statements on pages 7-22 were authorized for issue by the management committee on 23rd February, 2026, and were signed on their behalf by:

Chairman..... Chief Executive Officer.....
Secretary..... Finance Manager.....
Treasurer.....






NOTES FORMING PART OF THE FINANCIAL STATEMENTS(CONTINUED)

PREPAYMENTS & SUNDRY RECEIVABLES		31/12/2025	31/12/2024
	Ageing Category	KSHS.	KSHS.
15 (a) Prepayments & Sundry Receivables			
Interest receivables from loans	0-30	3,320,986	2,765,606
Trade receivables	>90	4,896,908	6,970,673
Rent security deposit	0-30	225,930	225,930
Kudsic Control Account	0-30	16,421,780	1,960,159
Prepayments	0-30	253,830	87,201
Receivable OVC sponsorship	>90	396,187	396,187
		25,515,621	12,405,756
15(b) Urban World Property Investment Ltd Loan			
	>90	74,093,439	74,093,439
		74,093,439	74,093,439
Less Provisions		(2,000,000)	(1,000,000)
Net Receivables		72,093,439	73,093,439
16 Fadhili Homes			
Balance as at 01st January 2025		41,807,195	38,516,629
Refunds/(Receipts) during the year		(1,651,635)	3,290,566
Balance as at 31st December 2025		40,155,559	41,807,195
17 Trade & Other Payable			
	Ageing Category		
Legal fees payable	0-30	337,499	337,499
Accrued payable		-	208,773
Techmate solutions	0-30	13,920	13,920
Audit fee	0-30	236,904	344,604
Accrued directors' allowances		-	83,116
Withholding tax payables	0-30	4,056	29,494
Member Refunds	0-30	1,606,633	2,555,295
Other payables	0-30	4,560,450	4,658,490
Kenstate valuation fees	0-30	-	21,738
Coretec solution	0-30	106,945	94,582
Payroll Liabilities	0-30	595,937	1,556,477
NCBA Bank Credit Card - USD	0-30	93,025	94,947
Garam Investment Auctioneers	0-30	307,374	195,622
Dollar Revaluation Account	0-30	28,150	28,150
		7,890,893	10,222,708
18 Interest On Members Deposits			
Balance as at 1st January 2025		9,000,000	5,706,331
Payments		(8,680,470)	(5,687,543)
Interest Charge for the Year		12,871,490	8,981,212
Balance as at 31st December 2025		13,191,021	9,000,000

NOTES FORMING PART OF THE FINANCIAL STATEMENTS(CONTINUED)

	31/12/2025	31/12/2024
	KSHS	KSHS
19 Provision for Dividends on Shares		
Balance as at 1st January 2025	5,529,725	2,946,981
Provision for the year	6,923,351	5,529,725
Dividends paid	(5,529,725)	(2,946,981)
Balance as at 31st December 2025	6,923,351	5,529,725
Share Capital		
20 Balance as at 1st January 2025	78,996,076	73,674,525
contributions for the year	7,545,813	5,321,551
Balance as at 31st December 2025	86,541,889	78,996,076
Members Deposits		
21 (a) Balance as at 1st January 2025	448,982,237	404,322,643
Contributions for the year	76,815,499	94,443,555
Refunds	(59,695,586)	(49,783,961)
Balance as at 31st December 2025	466,102,150	448,982,237
Members' Savings		
21 (b) Mavuno Savings Scheme	34,436,075	29,968,827
Plot savings	1,287,403	1,287,845
Fosa Savings	675,071	-
Pamoja savings	354,407	825,329
	36,752,956	32,082,001
Total Members Deposits	502,855,106	481,064,238
Statutory Reserves		
22 (a) Balance as at 1st January 2025	7,778,453	5,908,646
Movements account	2,911,684	1,869,807
Balance as at 31st December 2025	10,690,137	7,778,453
General Reserves		
22 (b) Balance as at 1st January 2025	(24,390,186)	(22,371,040)
Total recognized surplus	14,558,419	9,349,036
Provision for dividends	(6,923,351)	(5,529,725)
Statutory reserves	(2,911,684)	(1,869,807)
Prior period adjustment	1,364,223	(3,968,650)
Balance as at 31st December 2025	(18,302,579)	(24,390,186)

The financial statements on pages 7-22 were authorized for issue by the management committee on 23rd February, 2026, and were signed on their behalf by:

Chairman.......... Chief Executive Officer..........
Secretary.......... Finance Manager..........
Treasurer..........

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