



TUNAKUZA UTAJIRI WAKO

**ANNUAL DELEGATES MEETING
HELD ON
27TH FEBRUARY 2026
AT TWO OCEANS HOTEL - VOI.**



OUR VISION

To be a dynamic and vibrant Sacco championing socio-economic transformation of our customers.

OUR MISSION

Holistically transforming lives through mobilization of resources and provision of accessible financial services for sustainable growth.

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PROGRAMME

TIME	ACTIVITY/EVENT	PRESENTER
8.00 AM	ARRIVAL AND REGISTRATION	
8.45 AM	BREAKFAST	
9.00 AM	OPENING PRAYER	OPEN
9.10 AM	INTRODUCTION	CHAIRMAN
9.20 AM	READING OF NOTICE CONVENING THE MEETING	HON, SECRETARY
09.30 AM	READING AND CONFIRMATION OF THE PREVIOUS MINUTES AND MATTERS ARISING.	HON SECRETARY
10.00 AM	BOARD REPORT	CHAIRMAN
11.30 AM	SUPERVISORY REPORT	SUPERVISORY CHAIRPERSON.
11.00 AM	PRESENTATION OF THE AUDITED ACCOUNTS FOR THE 2025	EXTERNAL AUDITOR
12.30 AM	AMENDMENT OF BY LAWS ON QUALIFICATIONS FOR DELEGATES AND BOARD OF DIRETORS.	COUNTY COMMISSINER
11.45 AM	APPOINTMENT OF AUDITORS FOR THE YEAR 2026	CHAIRMAN AUDIT COM
12.00 PM	RENEWAL OF BORROWING POWERS	CHAIRMAN
12.15 PM	RESOLUTIONS	CHAIRMAN
12.30 PM	ELECTIONS OF BOARD AND SUPERVISORY MEMBERS	COUNTY C/COOPERATIVES
1.00 PM	SPEECHE BY INVITED GUEST	CHAIRMAN
1.15 PM	ANY OTHER BUSINESS	CHAIRMAN
END OF DAY'S PROGRAMME		



TUNAKUZA UTAJIRI WAKO

OUR REF: QWETUSACCO/ADM/FEB/2026/04

DATE: 12TH FEBRUARY, 2026

TO ALL DELEGATES.

RE: ANNUAL DELEGATES MEETING TO BE HELD ON 27TH FEBRUARY, 2026 AT TWO OCEANS HOTEL - VOI STARTING AT 9.00 AM.

Notice is hereby given that Annual Delegates Meeting will be held on **27th February, 2026** at **Two Oceans Hotel** starting at **9.00 am**.

All delegates are cordially invited.

AGENDA.

1. Prayer.
2. Introduction.
3. Reading and confirmation of the previous minutes and matters arising.
4. Board of director's report to the delegates.
5. Supervisory board report to delegates.
6. Receive audited accounts for the year 2025.
7. Amendment of by laws on qualifications for delegates and board of directors.
8. Appointment of Auditors for the year 2026.
9. Renewal of borrowing powers.
10. Resolutions
11. Elections of board and supervisory members.
12. A.O.B.

Kindly observe time.

Yours faithfully,

Dalmas M. Mzae.
Hon. Secretary



Board Members



Simon Mbashu
Chairman



Alfred Mlolwa
Vice Chairman



Dishon Mwale
Treasurer



Dalmas Mzae
Hon Secretary



Dickson Kaboko
Board Member



Crispus Njulu
Board Member



Darius Mwadime
Board Member



Phillip Mwangwale
Board Member



Jamila Matata
Board Member

Supervisory Members



Violet Nyambu
Chairperson



Joseph Kianda
Secretary



Mary Mshote
Member

Management



Charles Kaba
Chief Executive Officer



Amon Msagha
Finance Manager



Protus Senda, CPA
Internal Auditor



Lydiah Mwakodi
HR manager



Alphonse Chore
ICT Manager



Stephen Mutange
Credit Manager



Evans Otieno
Marketing Manager



Abigail Mwandoo
Branch Manager Wundanyi



Helder Kerubo
Branch Manager Voi



Hope Ndighila
Branch Manager Mwatate



Macarius Mrombo
Branch Manager Taveta



David Pongah
Branch Manager Mombasa

SPECIAL DELEGATES MEETING HELD AT TWO OCEANS HOTEL VOI ON 25TH OCTOBER, 2025.

IN ATTENDANCE.

1. ERUSTUS NGONZI – COOPERATIVE COUNTY COMMISSIONER TAITA TAITA COUNTY.
2. NICKSON MWADIME – VOI SUB COUNTY COOPERATIVE COMMISSIONER.
3. CHARLES KABA – C.E.O.
4. AMON MSAGHA – FINANCE MANAGER.
5. LYDIAH MWAKODI – HUMAN RESOURCE MANAGER.
6. PROTUS SENDA CPA – INTERNAL AUDITOR.
7. ALPHONCE CHORE – ICT MANAGER.
8. EVANS OTIENO – MARKETING MANAGER.
9. HELDAR KERUBO – BRANCH MANAGER VOI.
10. ABIGAEL MWANDOE – BRANCH MANAGER WUNDANYI
11. HOPE NDIGHILA – BRANCH MANAGER MWATATE.
12. MACARIUS MROMBO – BRANCH MANAGER TAVETA.
13. DAVID PONGAH – BRANCH MANAGER MOMBASA.
14. ANGELICA MGHOI – ASSISTANT CREDIT MANAGER.
15. ANNE MWANGEMI – COMMUNICATION SUPERVISOR.
16. LYDIAH MZERA – AG SECRETARY TO CEO.

AGENDA.

1. PRAYERS.
2. INTRODUCTIONS.
3. CHAIRMAN’S REMARKS.
4. READING AND CONFIRMATION OF THE PREVIOUS MINUTES.
5. MATTERS ARISING.

6. BOARD REPORT.
7. SUPERVISORY REPORT.
8. PRESENTATION OF THE BUDGET FOR THE FINANCIAL YEAR 2026.
9. ELECTION OF BOARD OF DIRECTOR (MWATATE SUB COUNTY)
10. A.O.B.

MIN 1/SDM/25.10.2025 PRAYER.

The meeting was opened with a word of prayer by Mr. Williamsom Mwangemi at 10.00 am.

MIN 2/SDM/25.10.2025 INTRODUCTION.

The treasurer took the members through introduction as follows.

1. Delegates from Taita Sub County.
2. Delegates from Mwatate Sub County.
3. Delegates from Taveta Sub County.
4. Delegates from Voi Sub County.
5. Delegate from Makueni.
6. Delegate from Mombasa.
7. Delegate from Kwale/Kilifi
8. Staff members present.
9. Board of Directors present.
10. Supervisory Board.
11. Cooperative County Commissioner Taita Taveta County.
12. Cooperative County Commissioner Voi Sub County.

MIN 3/SDM/25.10.2025 CHAIRMANS REMARKS.

The Chairman welcomed the delegates to the meeting and asked all present to pause for a minute in remembrance to the departed members.

The Chairman appreciated the roles being played by the delegates.

The new delegates were welcomed to the meeting.

The chairman highlighted the purpose of the meeting being ratification of the budget 2026.

The chairman assured members Qwetu Sacco has gone stronger compared to the previous year.

We are on the right track as far as the performance of the institution is concerned.

The delegates should understand what it means to budget.

Share capital contribution is going on well. Most members are already past the minimum of Ksh 25,000.00

Delegates should have the lead role in marketing Qwetu Sacco.

MIN 4/SDM/25.10.2025 READING AND CONFIRMATION OF THE PREVIOUS MINUTES.

MIN 5/SDM/25.10.2025 MATTERS ARISING

MIN 6/SDM/25.10.2025 BOARD REPORT.

The chairman took the members through board report.

The report covered mainly the following areas.

- A. **LOAN PORTFOLIO PERFORMANCE PER SECTOR.**
 - Measures implemented so far to increase efforts to recover loans.
 - Share capital performance.
 - External loans repayment.
- B. **SUMMARY INFORMATION AS AT 30TH SEPTEMBER, 2025.**
 - (I) Financial.
 - (II) External borrowing.
 - (III) Capital adequacy ratio.
 - (IV) Operations efficiency/loan quality ratios.
- C. MOMBASA OFFICE
- D. ICT and digital service update (2025)
- E. Education to members and review of our education centers.
- F. Kwetu Foundation Scholarship.

The board report was proposed by David Ngoma and seconded by Flora Mwachia.

MIN 7/SDM/SUPERVISORY REPORT.

Proposed by Alice Shitaya. Seconded by Gabriel Mshomi.

The supervisory report covered the following areas:-

1. Fosa.
2. Bosa.
3. Micro credit
4. ICT department.
5. Marketing
6. Mombasa Branch

MIN 8/SDM/25.10.2025 PRESENTATION OF THE BUDGET FOR THE FINANCIAL YEAR 2026.

As per attached report here in:-

Proposed by Mwanatumu Meja. Seconded by Emmanuel Mkoji.

The finance manager took the members through the budget as per attached report here in.

Income Kshs 1,007,292,993.57

Expenditure Kshs 638,064,630.28

Projected Surplus Kshs 369.228,363.29

Compliance to regulatory ratios and provisions to be made is key based on IFRS9 (SASRA regulatory framework)

RESOLUTIONS.

Budget approval Kshs 5,105,971,585.00

Nairobi satellite office Kshs 5M

Variations Qwetu Plaza Kshs 38,213,063.00

Supplementary budget Kshs 115,500,000.00

Purchase of motor vehicle Kshs 6,000,000.00

Delegates minimum share capital Kshs 100,000.00

Directors minimum share capital Kshs 200,000.00

The above resolutions were proposed by Phillip Mwangwale. Seconded by Manuel Mkoji.

Hence adopted for implementation.

MIN 9/SDM/25.10.2025 ELECTION OF BOARD OF DIRECTOR MWATATE SUB COUNTY)

The County Cooperative Commissioner conducted the elections.

The results were as follows.

CHAWIA AND MWATATE ZONE.

Aspirants. 1. Phillip Mwangwale.

Proposed by Alice Mwakangalu. Seconded by Antonina Mshai.

2. Douglas Mwamburi

Proposer Grantone Nyambu. Seconded by Clarice Fwaida.

3. Caroly Mwanyungu. Declined.

4. Nelson Kira. Declined.

RESULTS.

Phillip Mwangwale 11 votes.

Douglas Mwamburi 5 votes.

The incoming director for Chawia/Mwatate zone is Phillip Mwangwale.

ELECTION OF A DELEGATE TO THE NOMINATING COMMITTEE MEMBER.

The election was conducted by Mr Nickson Mwadime Voi Sub County Commissioner officer.

Aspirants.

1. Graftone Mzee.

Proposer – Caroly Mwanyungu. Seconder – Mshai Wandogho.

2. Duncan Mwarimbo

Proposer Ruphence Mghendi. Seconder Oliver Mkala.

3. Douglas Mwamburi

- Proposer Clarice Fwaida. Seconder Alexander Mlati.
4. Martinah Wachenje
Proposer Julius Mwakio. Seconder Dyness Mwakio

RESULTS.

Graftone Mzee 12 votes.

Duncan Mwarimbo 15 votes.

Douglas Mwamburi 19 votes.

Martinah Wachenje 26 votes.

The incoming delegate to the nominating committee is Martinah Wachenje – 26 votes.

MIN 10/SDM/25.10.2025 A.O.B.

There being no other business the meeting ended with a word of prayer from Mr Williamson Mwangemi at 13.43 pm.

Minutes were compiled by.



Dalmas Mzae
Hon Secretary



Confirmed by.



Simon Mbashu
Chairman

**BOARD OF DIRECTOR'S REPORT TO THE ANNUAL DELEGATE'S MEETING ON
27TH FEBRUARY 2026 AT TWO OCEANS HOTEL VOI**

Our Chief Guest Mr Baldwin Oluoch.

Dear delegates, board members, management team, members of staff present, invited guests, ladies and gentlemen. I take this opportunity to salute you all.

I take this opportunity to thank the Almighty God for his grace and protection to all of us since we last met for the special delegates meeting in October 2025. Since then a number of our members passed on and wish that in honour of them we take a moment of silence in their remembrance.

This meeting is very key in our calendar of events as it is here that we receive our audited books of accounts and deliberate on how to distribute the surplus and come up with other resolutions of importance to the growth on this institution.

BRIEF FINANCIAL LANDSCAPE OF KENYA

As Qwetu DT Sacco, we do not operate in isolation, but our performance is also affected by general economic variables and competition. As of mid-February 2026, the Kenyan financial landscape is defined by the Central Bank of Kenya's (CBK) aggressive easing cycle. Following the tenth consecutive interest rate cut on February 10, the benchmark Central Bank Rate (CBR) now stands at 8.75%.

Cost of Funds: Lending Rate Comparison

While the CBR has dropped significantly, commercial banks are adjusting their lending rates at varying speeds. Most Tier-1 banks have unified their base lending rates around the new CBR, but the "final" interest rate depends on your risk profile.

Bank	Base Lending Rate (Feb/26)	Trend vs. 2025
Commercial banks	8.75%	Down from ~10.75% in Feb 2025
Industry Average	~14.8%	Includes risk margins (spreads)

Note: Borrowing is getting cheaper, but banks remain cautious. You may find that while the *base* rate is 8.75%, the actual cost of a personal or business loan remains between 13% and 16% due to internal risk assessments.

Returns on Term Deposits (KES)

With the CBR falling, banks have less incentive to pay high interest on deposits. The 12%–15% returns seen in early 2024 are now a thing of the past.

Bank / Institution	Term Deposit Rate (p.a.)	Minimum Requirement
Commercial banks	5.83% – 7.30%	Higher rates for >KES 100M
Money Market Funds	8.50% – 11.50%	E.g., Cytonn, Nabo, Zimele (Net of fees)

The "Risk-Free" Alternative: Treasury Bills

If you are considering a term deposit, you should compare it against the government's short-term debt (T-Bills), which currently offers superior liquidity and competitive rates.

91-Day T-Bill: ~7.61%

182-Day T-Bill: ~7.79%

364-Day T-Bill: ~9.20%

As of February 16, 2026, the 364-day T-Bill is the "sweet spot" for many investors, offering nearly 9.2% with high security, which is significantly better than what most banks offer for a 1-year fixed deposit.

(Sources: www.centralbank.go.ke, www.kenyanwallstreet.com, www.kba.co.ke).

BUSINESS OF THE SACCO DURING THE YEAR UNDER REVIEW (2025)

STATISTICAL INFORMATION

Membership	2025	2024
Active	50,865	58,458
Dormant	5,652	3,355
Total	56,517	61,813

Employees of the Sacco

Male	37	37
Female	35	38
Total	72	75

Branches	5	4
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Financial	KShs	KShs
Total Assets	4,063,187,795	3,842,018,238
Cash and cash equivalents	222,761,404	120,931,396
Members' deposits	2,782,866,728	2,681,604,548
External Borrowing	261,067,447	396,576,097
Loans and advances to members	2,990,706,883	2,900,202,972
Investments	289,786,125	185,569,063
Core Capital	586,724,476	415,542,411
Share capital	301,876,164	223,973,746
Institutional Capital	284,848,312	191,568,665
Total Revenue	685,061,479	616,268,516
Total Interest Income	561,415,443	498,248,335
Total expenses	569,087,138	567,316,963

Capital Adequacy Ratio

Core Capital/Total Assets 10%	14.4%	10.8%
Core Capital/Total Deposits 8%	21.1%	15.5%
Institutional Capital/Total Assets 8%	7.0%	5.0%

Liquidity Ratio (15%)

Liquid Assets/Total deposits & liabilities	17.4%	8.7%
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Operating Efficiency/Loan quality ratios

Total Expenses / Total Revenue	83.1%	92.1%
External borrowing/Total assets	6.4%	10.3%
Interest on member deposits/Total revenue	11.5%	7.1%
Interest on Qwetu super deposits	10.0%	10.0%
Interest rate on member's deposits	5.0%	3.0%
Dividend rate on members share capital	6.0%	5.0%
Total Delinquency Loans/Gross loan portfolio	11.2%	28.0%

Overview:

- 1) Membership reduced to 56,517 in the year 2025 down from 61,813 in the year 2024, this being an 8.5% reduction. This has been occasioned by the clean-up of corporate membership arising from tax benefits of maintaining natural human beings as members envisaged in the primary co-operatives.
- 2) Total assets grew to Kshs 4,063,187,795 in the year 2025 up from Kshs 3,842,018,238 in the year 2024 thus recording a growth of 5.8%.
- 3) Member deposits grew to Kshs 2,782,866,728 in the year 2025 up from Kshs 2,681,604,548 in the year 2024 thus recording a growth of 3.8%.
- 4) Members loans grew to Kshs 2,990,706,883, in the year 2025 up from Kshs 2,900,202,972 in the year 2024 thus recording a growth of 3.1%.
- 5) External loans reduced to Kshs 261,067,447 in the year 2025 down from Kshs 396,576,097 in the year 2024 thus recording a net reduction of 34.2%.
- 6) Total revenue grew up to Kshs 685,061,479 in the year 2025 from Kshs 616,268,516 in the year 2024 thus recording an 11.2 % growth.
- 7) Total interest income grew to Kshs 561,415,443 in 2025 as compared to Kshs 498,248,335 in the year 2024 thus recording a growth of 12.7%.
- 8) Core capital grew to Kshs 586,724,476 in the year 2025 as compared to Kshs 415,542,411 the year 2024 thus recording a growth of 41.2%.
- 9) Share capital grew by to Kshs 301,876,164 in the year 2025 up from Kshs 223,973,746 in the year 2024 thus recording a growth of 34.8%.
- 10) Institutional capital grew to Kshs 284,848,312 in the year 2025 as compared to Kshs 191,568,665 in the year 2024 thus recording a growth of 48.7%.
- 11) The capital adequacy ratios have also improved, for example institutional capital has improved from 5% to 7%. The liquidity ratio was 8.7% in 2024 and has improved to 17.4%.
- 12) The directors have determined an interest rate of 5%, 2025 (2024, 3%) as interest on non-withdrawable deposits, and dividend on share capital of 6%, 2025 (2024, 5%) both computed on a pro-rata basis.

The performance as recorded in the analysis above summary shows all areas of growth recorded improvement.

We continue to impair KUSCCO investments of Kshs 130,211,224 for a period of ten years as highlighted in our 2024 books of accounts.

Our liquidity increased by a high margin due to improved recovery of loans and part payment of the pending remittances from the county government of Taita Taveta. Right now, the outstanding 2024 remittances are two months equivalent to Kshs 33,000,000 (Thirty-three million).

Mombasa branch.

The branch is now operational.

MOMBASA BRANCH 2025 FINANCIAL PERFORMANCE	
INCOMES	
Interest From Long Term Loans	9,613,921.50
Interest From Short Term Loans	609,460.93
Fees and Commissions	1,606,657.83
Other Operating Income	37,677.59
Accrued Interest Income	3,587,488.49
TOTAL INCOME	15,455,206.34
LESS: EXPENSES	
Governance Expense	6,500.00
Interest Expense	299,869.71
Personnel Expense	4,748,213.37
Operating and Other Expenses	1,165,510.00
Marketing Expenses	517,592.00
Public Relations & Advertisement Expenses	131,000.00
TOTAL EXPENSES	6,868,685.08
SURPLUS	<u>8,586,521.26</u>

VALUATION AND DISPOSAL OF IDLE LANDS

The Sacco holds several pieces of land across the county which lies idle and has not been indicated in our books, because initially it was acquired through allocation by the commissioner for lands and so didn't attract any cost to the Sacco. These lands are;

Taveta at Lessesia two acres

Wundanyi next to Tatecoh building ¼ acre

Voi 4 plots at Oslum plots (Kingston stadium) and

Voi 16 acres at Lebanon area (Taita Taveta teachers Sacco academy)

We request for the delegate's approval in order to dispose these parcels of land after valuation.

NOTE; The one in Wundanyi be retained for Sacco expansion when funds are available

Borrowing powers

Previously the delegates' approved our borrowing powers at Kshs 800,000,000.00 (eight hundred million only). We propose that we maintain them at that same figure of Kshs 800,000,000.00 million.

Though we are in the process of clearing our external loans so that we start dealing with members funds to facilitate growth. It should be noted that there is always need to maintain borrowing powers just in case they will be needed because unlike banks Sacco's do not have a lender of last resort.

DELEGATES TOOL KIT

As we think of growth we have to start with our delegates so that they can reach out to our members and have a conversation about increasing their shares and long-term deposit or other savings including Qwetu supper deposit, open Toto wa Qwetu accounts and new member's accounts. You can also seize the opportunity to help members update their next of kin, update telephone numbers and the like. Today we commission you with the aim of helping this institution to grow.

See share capital growth over the years:

YEAR	Opening share capital	Contribution for the year	Closing share capital
2019	48,902,635.62	8,892,909.52	57,795,545.14
2020	57,795,545.14	22,807,525.52	80,603,070.66
2021	80,603,070.66	23,313,201.17	103,916,271.83
2022	103,916,271.83	23,613,541.88	127,529,813.71
2023	127,529,813.71	31,134,424.25	158,664,237.96
2024	158,664,237.96	65,309,508.17	223,973,746.13
2025	223,973,746.13	77,902,418.21	301,876,164.34
31.01.2026	301,876,164.34	2,462,412.51	304,338,576.85

The growth in share capital has helped the institution to improve on the statutory ratios.

AMENDMENT OF BYLAWS

As agreed in the last special delegates' meeting on the increase of shareholding for board and delegates, we hereby move an amendment to the by-law number.

42.1 QUALIFICATION FOR A DELEGATE

42.1 (m). Has not attained the minimum shares of Kshs 25,000.00 as at the time of vetting

Will now read;

Has not attained the minimum shares of **Kshs 100,000.00** as at the time of vetting.

BYLAW 59 ELIGIBILITY FOR MEMBERSHIP INTO BOARD

59.1 (s). Has not attained the minimum shares of Kshs 25,000.00 as at the time of vetting

Will now read;

Has not attained the minimum shares of **Kshs 200,000.00** as at the time of vetting

NAIROBI BRANCH

We started our education to members Nairobi zone two years ago, which led to our members in that region insist on us opening a branch there. We presented budgets to the delegates last year October and requested for your permission to open a branch. The board of directors will move with speed to ensure us fast-track the process within the first half of the year so that we can bring Qwetu Sacco services closer to our members.

KWETU FOUNDATION

2026 REPORT

KWETU foundation started its operations in the year 2017.

With limited funding and partnership with Schupa Kenya a German organisation which has centralised its operation in Taita Sub County. We were able to sponsor various needy student who were pursuing their university and college education. Since we are in collaboration with the said organisation we are restricted to catchment of few schools located in Wundanyi i.e. SNR Chief Mwangeka, DR Aggrey and Kiwinda Secondary. Our current agreement with them is that they cater for 7/8 of the total costs and on our hand, we contribute 1/8 and one student full sponsorship.

The recruitment of the students is done by both parties from school level and proper background check is done to ensure that only needy students are enrolled. Interviews with the students is done during the final stages of enrolment.

The following shows the list of students we supported and have already graduated

	entry	exit	no	name	university	course
1	2017	2021	1	Dorcas Ade Mwashuma	Eldoret	Ba
2	2017	2021	2	Sabina Mshai Mbadi	Kemu	Dental
3	2018	2022	1	Marium Mghoi Kisaka	Baraton	BE
4	2018	2022	3	Jenifer Machocho	Kirinyagha	BA
5	2018	2022	4	Clinton Mwaghesha	Cit	Mechanical Engineering
6	2019	2023	1	Margret Langa	Tom Mboya	BA
7	2019	2023	2	Maryline Mwasi	Embu	BA
8	2019	2023	3	Beatrace Mwang'ombe	Moi	BE
9	2019	2023	4	Violet Chabalo	Tom Mboya	BE
10	2022	2025	1	Syliva Masagho	Laikipia	Mass Communication
11	2022	2025	2	Winnie Mutuku	Kemu	BE
12	2022	2025	3	Faith Mwanjala	Easa	Aeronautical Engineering
13	2021	2025	4	Venesa Mwachola	Kmtc	Lab Technology
14	2022	2025	5	Benjamin Mwanguma	Mku	BE

In the year 2025, we supported a total of 21 students, of whom five (5) successfully graduated by the end of December 2025, as indicated in the table above.

The remaining sixteen (16) students are continuing with their studies, as detailed in the table below.

KWETU FOUNDATION						
NO	NAME	SUB COUNTY	UNIVERSITY	START	END	REMARKS
1	Doris Mwakisaghu	Taveta	Egerton University	01/06/2022	30/11/2026	Graduating December 2026
2	Rehema Msinga	Taita	Egerton University	01/06/2022	30/11/2026	Graduating December 2026
3	Dontilah Mwakuli Bongoli	Taita	Laikipia University	01/06/2022	30/11/2026	Graduating December 2026
4	Michell Nzula Chando	Taita	Kirinyagha University	01/06/2023	30/11/2027	Graduating December 2027
5	Smart Karigu Njeru	Voi	MTU	01/06/2023	30/06/2027	Graduating December 2027
6	Moses Mbashu Mwamburi	Voi	Multi Media University	13/05/2023	30/11/2027	Graduating December 2027
7	Joseph Fumbu Kisanje	Mwatate	Co-operative University	13/05/2023	30/11/2027	Graduating December 2027
8	Constatine Mkala	Taita	TTU	13/05/2024	30/11/2028	Graduating December 2028
9	BAKARI FELIX IRINA	Taita	Masai Mara University	13/05/2024	30/11/2028	Graduating December 2028
10	GRACE MAKUMBI KAWUKI	Taita	embu university	13/05/2024	30/11/2028	Graduating December 2028
11	Everline Zala Njumwa	Voi	Meru University	13/05/2024	30/11/2028	Graduating December 2028
12	Margaret Kilola Kombo	Mwatate	Moi University	13/06/2025	30/11/2029	Graduating December 2029
13	Anangwe Purity Barasa	Voi	Kabarak University	13/06/2025	30/11/2029	Graduating December 2029
14	dishon nzighe Mwakina	Voi	JKUAT	13/06/2025	30/11/2029	Graduating December 2029
15	Agness Kalunde Nthenya	Taveta	TTU	13/06/2025	30/11/2029	Graduating December 2029
16	Anthony Jeremani Kazungu	Taita	Muranga university	13/06/2025	30/11/2029	Graduating December 2029

RETIREMENT OF 1/3 BOARD AND SUPERVISORY MEMBERS.

The following directors are retiring but eligible for election.

1. MWATATE SUB COUNTY. 2. TAITA SUB COUNTY. 3. TAVETA SUB COUNTY
 Mr Philip M. Mwangwale Mr. Crispus Njulu Mr. Darius Mwadime
4. SUPERVISORY BOARD MEMBER.
 VOI SUB COUNTY - KASIGAU ZONE.
 Mr. Joseph Kianda

CONCLUSION.

I take this opportunity to assure our members that we are working towards growing our Sacco to greater heights, and this can only happen if we work together towards this noble course.

Yours faithfully,

Simon Mbashu.

For. Board of Directors.

QWETU DT SACCO LTD

SUPERVISORY REPORT TO THE ANNUAL DELEGATES MEETING ON 27TH FEBRUARY, 2026 AT TWO OCEANS HOTEL (VOI)

Our Chief Guest **Mr. Baldwin Oluoch**, distinguished guest, members of the board of directors, esteemed delegates, management team, ladies and gentlemen we salute you,

Let me take, this opportunity to thank our Almighty God for taking us through the turbulent time. Our unity and dedication to our institution will always be rewarded.

In today's occasion of the annual delegates meeting, we will have a chance to evaluate our institution performance. Let us be keen in understanding the report and later positively react

Our today report will cover the following areas.

1. BOSA.
2. FOSA.
3. MICRO CREDIT.
4. MARKETING.
5. COMMUNICATION.

1.BOSA.

Loans remains the core business and asset of our institution, total BOSA loans disbursed upto 31st December 2025 is Kshs 1,235,172,200.00

Below is the performance of this activity as at 31st December, 2025 compared to the same duration in the year 2024.

S/NO	PRODUCT	YEAR 2024	YEAR 2025
1	QWETU DEVELOPMENT LOAN (AMORTISED)	234,946,000.00	413,436,300.00
2	QWETU SUPER LOAN (AMORTISED)	889,135,000.00	291,871,000.00
3	QWETU SMART LOAN (AMORTISED)	141,646,500.00	109,615,000.00
4	PREFERENTIAL LOAN	127,397,000.00	419,726,400.00
	TOTAL	1,393,124,500.00	1,235,172,200.00

The above performance shows a negative variance of Kshs 157,952,300.00. Reasons for the negative variance in the year 2025 is largely attributed to:-

- (i) Existing members loan saturation.
- (ii) Strict adherence to 1/3 rule of basic salary limiting ones ability to qualify and comfortably service the loan leading to low demand.

2. FOSA.

FOSA activity is constantly looking for new ways of providing members financial needs solution. Digital lending platform ie mobile banking loans has relieved members from the yoke of shylocks and some micro finance institutions.

Below is the loan uptake in this activity in the year ended 31st December, 2025 compared to the same duration in the year 2024.

S/NO	PRODUCT	YEAR 2024	YEAR 2025
1	SACCO EXPRESS (KARIBU	115,113,500.00	101,484,144.00
2	QWETU EXPRESS	119,938,200.00	101,320,333.00
3	QWETU EXPRESS PLUS	96,729,050.00	66,785,200.00
4	QWETU PERSONAL LOAN	62,039,600.00	38,418,500.00
5	PRE SALARY(SALARY IN ADVANCE)	42,681,721.00	36,468,767.00
6	M-QWETU ADVANCE	50,582,126.00	64,917,419.00
7	LOAN BUY OFF ADVANCE	33,633,905.00	28,318,648.56
8	SALARY ADVANCE	39,745,160.10	35,385,183.00
9	PRESTIGE ADVANCE	26,846,947.00	26,140,239.00
	TOTAL	587,312,233.99	499,238,433.55

The above performance shows a negative variance of Kshs 28,547,211.44.

This variance is due to saturation of loans to many sectors of our client base,

3. MICRO CREDIT.

Micro credit department has helped people in business, farming and transport sector to start and back up their business. Members in this sector are highly susceptible to weather, climate change and economic constrains.

The prevailing weather pattern in our area of operation the previous year greatly affected farming activity.

Below is the performance in in microcredit comparing year 2025 and 2024.

S/NO	PARAMETER	YEAR 2024	YEAR 2025
1	TOTAL NUMBER OF MICRO CREDIT MEMBERS	8918	9488
2	MICROCREDIT LOAN PORTFOLIO BALANCE	440,874,898.58	426,771,695.74
3	TOTAL MICRO PREMIUMS	91,454,657.92	101,982,947.45
4	LOANS ISSUED	238,936,317.00	226,695,709.00

4. MARKETING

Marketing department is the main driving force towards business success, Awareness of business and product existence is highly dependent on this department. To empower delegates on marketing, the department has developed a marketing tool to help in supporting delegates in the field of marketing.

We hope this tool will effectively assist delegates in:-

- (i) Taking a lead in member education.
- (ii) Actively promoting Sacco products within their area of operation.
- (iii) Build confidence to defend the Sacco in any challenging situation.

5. COMMUNICATION.

Communication in our institution needs to be improved between the board of directors and delegates, delegates and general membership and vice versa.

CONCLUSION.

We highly appreciate the delegates for your support and resilience. Let's continue to be strong committed and patriotic to our institution. Let's always remember good things, do not just come, they are made.

Report compiled by.

Violet Nyambu

Joseph Kianda

Mary Mshote

Chairperson

Secretary

Member

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**QWETU DT SACCO LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025**

SOCIETY INFORMATION

Board of Directors

Mr. Simon Mbashu - Chairman
Mr. Alfred Mlolwa - Vice Chairman/ Credit Chairman
Mr. Dalmas Mzae - Hon. Secretary
Mr. Dishon Mwale -Treasurer
Mr. Dickson Kaboko - Audit Committee Chairman
Mr. Darius Mwadime - Education Committee Chairman
Mr. Crispus Njulu - Finance/Credit Committee Member
Mr. Philip Mwangwale - Audit Committee Member
Ms. Jamila Matata - Credit/ Education Committee Member

Supervisory Committee

Ms. Violet Nyambu - Supervisory Chairperson
Mr. Joseph Kianda - Supervisory Secretary
Ms. Mary Mshote - Supervisory Member

Management Team

Mr. Charles Kaba - Chief Executive Officer
Mr. Amon Msagha - Finance Manager
CPA Protus Senda - Internal Auditor
Mr. Stephen Mutange - Credit Manager
Mr. Evans Otieno - Marketing Manager
Ms. Lydia Mwakodi - Human Resource Manager
Mr. Alphonse Chore - Information and Communications Technology Manager

Legal Advisers

Wanjohi & Wawuda Advocates
P.O Box 22109 - 00400 Nairobi
Tel: 0725 007 089
Email: info@wanjohiwawuda-advocates.co.ke

J.M Muthami and Co. Advocates
P.O Box 777-80300 Voi
Tel: 0713 841 010
Email: Ndoolegal@gmail.com

Registered Office

Qwetu SACCO Plaza
P.O Box 802-80300 Voi
Taita-Taveta County

Bankers

- (i) Co-operative Bank of Kenya Limited – Voi Branch. P.O Box 770 - 80300 Voi, Kenya.
- (ii) Kenya Commercial Bank Limited – Wundanyi Branch P.O Box 1067 - 80304 Wundanyi,
- (iii) Equity Bank Kenya Limited - Voi Branch. P.O Box 75104 - 00200 Nairobi, Kenya.

Independent Auditors

Ronalds LLP
Certified Public Accountants - Kenya (CPAK)
P.O.Box 41331 - 00100 Nairobi, Kenya
TEL. 0717 558212
EMAIL: info@ronalds.co.ke
WEBSITE: www.ronalds.co.ke

Tunakuza utajiri wako

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QWETU DT SACCO LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 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 31 December, 2025.

Registration

The Society is registered in Kenya under the Cooperative Societies Act, Cap 490 and licensed under the Sacco Societies Act No. 14 of 2008, and is domiciled in Kenya.

Principal Activity

The principal activity of the Society continued to be receiving savings from and provision of loans to its members.

The Society continue to operate front office banking services (FOSA) at the Wundanyi, Voi, Taveta, Mwatate, and Mombasa branches.

	2025 KShs	2024 KShs
Surplus before tax	115,974,340	5,400,000
Income Tax expense	(6,980,563)	(1,544,222)
Net surplus (deficit) after tax (but before donations)	108,993,777	3,855,778
Donations	-	(2,669,701)
Retained surplus for the year	108,993,777	1,186,077
Interest on members' deposits	79,001,432	43,551,553

The Board of Directors

The members of the Board of Directors who served during the period and to the date of this report is as listed on page 1.

Dividend/interest on members' deposits

- I. The directors have determined an interest rate of 5%, 2025 (2024, 3%) as interest on non-withdrawable deposits computed on a pro-rata basis.
- II. The board of directors recommends provision of dividend on share capital of 6% , 2025(2024, 5%)

Going Concern

The annual financial statements have been prepared on the basis of accounting policies applicable togoing concern.This basis presumes that funds will be available to finance future operations for at least the next (12) twelve months from the date of signing these financialstatements and that the realization of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business

Event After Reporting Period

The Board of Directors are not aware of any other material matter or circumstance arising since the end of thefinancial period upto the date of this report, which may require adjustment or disclosure in these annual financial statements

Independent Auditor

Ronalds LLP (Certified Public Accountants (CPAK) were appointed Auditors of theSociety for the year ended 31 December 2025 under the term of section 25(4)of theCo-operative Society Act CAP490 & the Sacco Societies Act No.14 of 2008, and being our we seek for reappointment.

By order of the Board

Signature:
Mr. Dalmas Mzae
Secretary

Date: 18/02/2026

PREPARED BY: HOD FINANCE: Amon Msagha: Signature:.....

COUNTER SIGNED BY: CEO: Charles Kaba Signature:.....

APPROVED BY:

CHAIRMAN: Simon Mbashu Signature:.....

TREASURER: Dishon Mwale Signature:.....

BOARD MEMBER: Signature:.....

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QWETU DT SACCO LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

STATISTICAL INFORMATION

Membership	2025	2024
Active	50,865	58,458
Dormant	5,652	3,355
Total (See: Note 34)	56,517	61,813

Employees of the Sacco

Male	37	37
Female	35	38
Total	72	75

Branches	5	4
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Financial	KShs	KShs
Total Assets	4,063,187,795	3,842,018,238
Cash and cash equivalents	222,761,404	120,931,396
Members' deposits	2,782,866,728	2,681,604,548
External Borrowing	261,067,447	396,576,097
Loans and advances to members	2,990,706,883	2,900,202,972
Investments	289,786,125	185,569,063
Core Capital	586,724,476	415,542,411
Share capital	301,876,164	223,973,746
Institutional Capital	284,848,312	191,568,665
Total Revenue	652,688,157	588,775,609
Total Interest Income	561,415,443	498,248,335
Total expenses	569,087,138	567,316,963

Capital Adequacy Ratio

Core Capital/Total Assets 10%	14.4%	10.8%
Core Capital/Total Deposits 8%	21.1%	15.5%
Institutional Capital/Total Assets 8%	7.0%	5.0%

Liquidity Ratio (15%)

Liquid Assets/Total deposits & liabilities	17.4%	8.7%
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Operating Efficiency/Loan quality ratios

Total Expenses / Total Revenue	87.2%	96.4%
External borrowing/Total assets	6.4%	10.3%
Interest on member deposits/Total revenue	12.1%	7.4%
Interest on Qwetu super deposits	10.0%	10.0%
Interest rate on member's deposits	5.0%	3.0%
Dividend rate on members share capital	6.0%	5.0%
Total Delinquency Loans/Gross loan portfolio	11.2%	28.0%

PREPARED BY: HOD FINANCE: Amon Msagha: Signature:.....

COUNTER SIGNED BY: CEO: Charles Kaba Signature:.....

APPROVED BY:
 CHAIRMAN: Simon Mbashu Signature:.....

TREASURER: Dishon Mwale Signature:.....

BOARD MEMBER: Signature:.....

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QWETU DT SACCO LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

STATEMENT OF BOARD OF DIRECTORS RESPONSIBILITIES

The Sacco Societies Act No. 14 of 2008 requires the directors to ensure that the management maintains proper and accurate records that reflect the true and fair position of the society's financial condition, establish adequate and effective internal control systems and policies, safeguard the assets of the society and take reasonable steps for the prevention and detection of fraud and other irregularities. The directors are also responsible for the production of annual audited financial statements.

The directors accept responsibility for the preparation and fair presentation of these financial statements in accordance with the International Financial Reporting Standards and in the manner required by the Sacco Societies Act No. 14 of 2008.

They also accept responsibility for:

- (i) Designing, implementing and maintaining such Internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error;
- (ii) Selecting and applying appropriate accounting policies; and
- (iii) Making accounting estimates and judgments that are reasonable in the circumstances.


The directors are of the opinion that the financial statements give a true and fair view of the financial position of the society as at 31 December 2025 and of the society's financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Sacco Societies Act No. 14 of 2008.

In preparing these Financial Statements the directors have assessed the society's ability to continue as a going concern. Nothing has come to the attention of the 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 directors acknowledge that the independent audit of the financial statements does not relieve them of their responsibilities.


Approved by the Board of Directors on..... 12/02/20262026 and signed on behalf its behalf by

PREPARED BY: HOD FINANCE: Amon Msagha: Signature:..... 

COUNTER SIGNED BY: CEO: Charles Kaba Signature:..... 

APPROVED BY:
CHAIRMAN: Simon Mbashu Signature:..... 

TREASURER: Dishon Mwale Signature:..... 

BOARD MEMBER: Dickson M. Kaboko Signature:..... 

REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF QWETU DT SACCO SOCIETY LIMITED**Report on the financial statements****Opinion.**

We have audited the accompanying financial statements of Qwetu Sacco Society Limited set out on pages 9 to 36 which comprise the statement of financial position as at 31 December 2025 and the 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 notes.

In our opinion, the financial statements give a true and fair view of the state of the society's financial affairs at 31 December 2025, the results of its operations and cashflows for the period then ended in accordance with International Financial Reporting Standards and the requirements of the Kenya Sacco Societies Act No. 14 of 2008, the Kenyan Co-operative Societies Act, Cap 490 and the Society's by-laws as applicable.

Basis for Opinion

We conducted our audit in accordance with the 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 Society in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) and other independence requirements applicable to performing audits of financial statements in Kenya.

We have fulfilled our other ethical responsibilities in accordance with IESBA code and in accordance with other ethical requirements applicable to performing the audit of financial statements in Kenya.

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

Emphasis of Matter

We draw attention to Note 22 to the financial statements, which discloses that the Society had interest-bearing liabilities amounting to Kshs:261,067,447 at year end, comprising borrowings from Co-operative Bank and MESPT facilities. A significant portion of these borrowings, amounting to Kshs:125,602,857 excluding the interest expense, is repayable within one year. The loans are subject to variable interest rates, exposing the Society to cash flow interest rate risk, and management has indicated that it is impracticable to reliably determine the fair value of the long-term borrowings due to uncertainty in forecasting future interest rate movements. Management has further disclosed its commitment to an aggressive structured repayment plan aimed at fully settling these obligations by 30 June 2027, through enhanced cash flow allocation, prioritization of high-interest facilities, and utilization of investment recoveries and operational efficiencies.



Emphasis of Matter (Cont'd)

In addition, as disclosed in Note 19 and 35, the Society holds proprietary interests in several parcels of land located in Taveta, Wundanyi, and Voi, which are not recognized in the Statement of Financial Position. These properties were previously allocated to the Society but have historically been omitted from the accounting records and are currently reflected at a nil carrying value, despite having potentially significant market value. We were unable to determine the fair value of these properties or assess the effect their recognition would have on the Society's financial position. This omission represents a departure from the applicable financial reporting framework with respect to asset recognition and measurement. However, as disclosed in the respective notes, the management has initiated the valuation process through a registered valuer to obtain the market values of these assets and incorporate in the books of accounts.

Our opinion is not modified in respect of these matters.

Key audit matters

Key audit matters are those matters that, in our professional judgement, 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 society financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matter described in the Emphasis of Matter Paragraph, we have determined the matters described below to be the key audit matters to be communicated in our report

Key audit matters	How the Audit addressed the Matter
<p>IFRS Compliance</p> <p>a) IFRS 9 –Financial Instruments</p> <p>Impairment of loans to members are determined under application of IFRS 9 Financial instruments and guidelines issued by SASRA.</p> <p>This was considered a key audit matter because significant judgement was involved in determining the impairment losses on loans since the society is yet to adopt the IFRS 9 expected credit loss model; Key areas of judgement included:</p> <ul style="list-style-type: none">• The interpretation of the requirements to determine impairment under application of IFRS 9• The need to apply additional overlays to reflect current or future external factors that are not correctly captured by introduction of IFRS 9• There is no IFRS model and supporting workings in place used to compute the expected credit loss and provision for the same. Therefore, there is complexity in determining the level of accuracy and reasonableness of the management estimates	<ul style="list-style-type: none">• Assessing the inherent default risk in the various loan products and other financial instruments.• Evaluation of the alternative measures taken by the management to mitigate accounting disclosure of any future losses.• We reviewed and assessed the reasonableness of management's estimates provided



<p>b) IFRS 16 - Leases The standard provides guidelines on the recognition, measurement, presentation and disclosure of leases as operating or financing leases. The adoption of IFRS 16 was considered to be of most significance to the current year audit due to the complexity of measurement calculations and implicit requirement for completeness, accuracy and reasonableness of data input since the Sacco has not yet adopted the IFRS 16 Model requirements</p>	<p>We tested the reasonableness and recognition of the provisions of the rent expense to make sure the financial statements are not misstated due to the non-compliance with this standard.</p> <p>We obtained management representation that the standard will be adopted in the subsequent year.</p>
<p>c) Information technology and system complexities The society is highly dependent on information systems and controls over access rights to such systems as well as completeness of information held in and derived from such system are critical and relevant to financial reporting. Additionally, the Society faces the elevated risk of cyber security due to the nature of its operations which may lead to financial loss.</p>	<p>Through support of our IT specialists, review the IT General Controls (ITGCs) and related application controls meant to support the financial statements audit.</p> <p>We tested the design and implementation of the society's controls around the information technology environment.</p>

Other Matters

1. Interest income receivable

As disclosed in Note 12 to the financial statements, the Society's interest receivables amounting to Kshs 98,599,914 relate to multiple prior periods and require recovery and reconciliation at the individual member level. The ageing of these balances, some of which relate to long-term defaults of between two to five years, indicates a significant impairment risk. This implies that interest income for previous periods and current period has been accrued beyond the 6 months' requirement as guided by the regulator. However, the management has confirmed that while these balances are aged, historical data indicates a unique recovery pattern where the members frequently resume payments.

In the circumstance, the realization of the interest receivable is dependent on the member's commitment to resume the individual loan repayments.

2. Deferred CAPEX/Indirect costs

The Property and equipment schedule as disclosed in note 19 reflects a balance of Kshs 39,905,494 (under the buildings) which relates to a balance reclassified to deferred expenses. The remaining balance of the same amounting to Kshs 12,737,688 will be cleared subsequently in financial year 2026. The management asserts that, reclassification of these previous indirect costs will ensure that the building i.e. Voi office reflects the correct balance and fair value.

Our opinion is not modified in respect of this matter.



Other information

The Board of Directors is responsible for the other information. The other information comprises the budget and the chairman's report included in the annual report but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and 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.

Board of Directors' Responsibility for the Financial Statements.

The Board of Directors is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and the requirements of the Sacco's Act. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

The Kenya Co-operatives Societies Act also requires the Board of Directors to ensure that the society maintains proper books of accounts which are in agreement with the statement of comprehensive income and statement of financial position.

Auditors' Responsibility for the audit of the financial statements

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (ISA's). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the annual report and financial statements are free from material misstatement.

As part of an audit in accordance with International Standards on Auditing (ISA's), we exercise professional judgement and maintain professional skepticism 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 controls.
- 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 Society's internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.



- Conclude on the appropriateness of the Board of Directors 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 Sacco'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 Society to cease to continue as a going concern.
- 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

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 Sacco Societies Act No.14 of 2008, we report to you based on our audit that:

- (i) We have obtained reasonable assurance that the Society is solvent and have not identified any significant concerns with respect to the financial condition of the Society's business;
- (ii) On compliance with the prudential standards we noted that the savings to total/Asset ratio is below the requirement of 70-80% since it stood at 67.8%. Hence a need to mobilize savings as they continue disbursing the loans. Also, delinquency ratio stood at 11.2% which was above the required rate of <5%, hence need for the society to enhance the recovery strategies in order to reduce the default rate.
- (iii) We have not obtained any evidence of irregularities or illegal acts that have been committed by directors, employees or the Sacco Society itself;
- (iv) We are not aware of any other contravention of the Sacco Societies Act No 14 of 2008.

As required by the Co-operative Society's Act No.12 (Amended),2004, we report to you based our audit that, in our opinion, the Society's business has been conducted:

- (i) in accordance with the provisions of this Act and, the books of accounts kept by the Society are in agreement therewith and give a true and fair view of the state of affairs of the Society.

The engagement partner responsible for the audit resulting in this independent auditor's opinion is CPA Festus Amukuyi, Practicing Certificate No 2895.

For and on behalf of Ronalds LLP
 Certified Public Accountants (K)
 Nairobi, Kenya

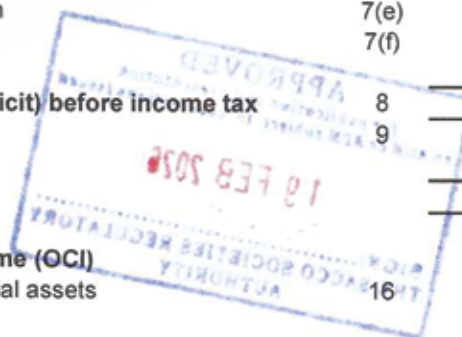


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QWETU DT SACCO LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025
STATEMENT OF PROFIT OR LOSS & OTHER COMPREHENSIVE INCOME

	Notes	2025 KShs	2024 KShs
Revenue:			
Interest on loans and advances	3(a)	561,415,443	498,248,335
Total interest		<u>561,415,443</u>	<u>498,248,335</u>
Interest expenses	4	(129,450,034)	(78,056,724)
Net interest income		<u>431,965,409</u>	<u>420,191,610</u>
Other operating income	5,6	91,272,714	90,527,274
Non-operating income	3(b)	32,373,321	27,492,907
Total Income		<u>555,611,445</u>	<u>538,211,792</u>
Administration expenses	7(a)	(100,488,251)	(80,155,500)
Financial expenses	7(b)	(61,540,831)	(84,768,240)
Personnel expenses	7(c)	(147,534,443)	(125,141,596)
Governance expenses	7(d)	(45,916,944)	(57,299,776)
Depreciation and amortization	7(e)	(72,629,123)	(174,414,602)
Marketing expenses	7(f)	(11,527,514)	(11,032,078)
Net operating surplus / (deficit) before income tax	8	<u>115,974,340</u>	<u>5,400,000</u>
Income tax expense	9	(6,980,563)	(1,544,222)
Donations		-	(2,669,701)
Net surplus for the year		<u>108,993,777</u>	<u>1,186,077</u>
Other Comprehensive Income (OCI)			
Change in fair value of financial assets	16	97,306,440	21,843,612
Deferred tax credit / (charge) thereon	15	(29,191,932)	-
Total Comprehensive Income		<u>177,108,285</u>	<u>23,029,689</u>


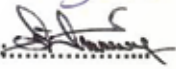


PREPARED BY: HOD FINANCE: Amon Msagha: Signature: 

COUNTER SIGNED BY: CEO: Charles Kaba Signature: 

APPROVED BY:
 CHAIRMAN: Simon Mbashu Signature: 

TREASURER: Dishon Mwale Signature: 

BOARD MEMBER:  M. KABUKO Signature: 

CS/2523

**QWETU DT SACCO LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025
STATEMENT OF FINANCIAL POSITION**

	Notes	2025 KShs	2024 KShs
Assets			
Cash and cash equivalents	10	222,761,404	120,931,396
Prepayments and sundry receivables	11	89,264,683	158,362,589
Trade and other receivables	12 (a-g)	255,243,566	224,698,050
Loans to members	13	2,990,706,883	2,900,202,972
Deferred income tax	15	-	2,277,722
Other financial assets	16	289,786,125	185,569,063
Intangible assets	18	12,493,137	5,809,277
Property plant and equipment	19	202,931,998	244,167,170
Total Assets		4,063,187,795	3,842,018,238
Liabilities			
Members' deposits	20	2,782,866,728	2,681,604,548
Deferred tax liability	15	33,457,980	1,544,222
Tax payable	9	1,707,704	-
Trade payables and accrued expenses	14	103,132,605	156,007,427
Dividends and Interest payable	21	79,001,432	52,927,594
Interest bearing liabilities	22	261,067,447	396,576,097
Total Liabilities		3,261,233,896	3,288,659,887
Equity			
Share capital	23	301,876,164	223,973,746
Reserves	24	500,077,735	329,384,605
Total Equity		801,953,899	553,358,351
Total Liabilities and Equity		4,063,187,795	3,842,018,238

APPROVED
 for publication and presentation
 to AGM or ADM subject to observations issued
 19 FEB 2026
 SIGN:.....
**THE SACCO SOCIETIES REGULATORY
AUTHORITY**

The financial statements were authorized for issue by the Board of Directors on 18/02 2026 and signed on its behalf by:

PREPARED BY: HOD FINANCE: Amon Msagha: Signature:.....

COUNTER SIGNED BY: CEO: Charles Kaba Signature:.....

APPROVED BY:
CHAIRMAN: Simon Mbashu Signature:.....

TREASURER: Dishon Mwale Signature:.....

BOARD MEMBER: DICKSON M KABAKA Signature:.....


CS/2523


QWETU DT SACCO LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025
STATEMENT OF CHANGES IN EQUITY

	Notes	Share capital KShs	Revaluation surplus KShs	Statutory reserve KShs	Retained earnings KShs	Proposed dividends KShs	Total KShs
At 1st January 2024		158,864,238	115,973,328	79,244,894	217,281,710	-	571,362,970
Prior period adjustment		-	-	-	(97,267,776)	-	(97,267,776)
Changes in equity in 2024		-	115,973,328	79,244,894	170,513,934	-	474,395,194
Profit/(loss) for the year		-	-	-	1,186,077	-	1,186,077
Change in fair value of Co-op bank shares measured at fair value	16	-	21,842,612	-	-	-	21,842,612
Shares issued for cash/Bonus issue of shares	23	65,309,508	-	-	(9,376,041)	-	65,309,508
- Proposed for 2024		-	-	(237,215)	237,215	9,376,041	-
Transfer to Statutory reserve		-	-	79,007,479	-	-	-
At 31st December 2024		223,973,746	137,815,940	79,007,479	112,561,186	9,376,041	553,358,351
	Note	Share capital KShs	Revaluation surplus KShs	Statutory reserve KShs	Retained earnings KShs	Proposed dividends KShs	Total KShs
At 1st January 2025		223,973,746	131,247,820	79,807,489	112,561,186	9,376,041	556,166,274
As previously reported		-	(8,553,984)	-	-	-	(8,553,984)
Prior period adjustment	15	-	(15,036)	-	-	-	(15,036)
Fair value opening balance variance		-	131,247,820	79,807,489	112,561,186	9,376,041	556,166,274
Changes in equity in 2025		-	-	-	108,993,777	-	108,993,777
Profit/(loss) for the year		-	-	-	-	-	-
Change in fair value of Co-op bank shares measured at fair value	16	-	68,114,508	-	-	-	68,114,508
Shares issued for cash/Bonus issue of shares	23, 16	77,902,418	152,964	-	-	-	78,055,382
Dividends		-	-	-	-	-	-
- Final Dividend paid for 2024		-	-	-	-	(9,376,041)	(9,376,041)
- Proposed for 2025		-	-	-	(15,714,131)	15,714,131	-
Proposed honoraria		-	-	-	-	-	-
Transfer to Statutory reserve		-	-	21,708,755	(21,708,755)	-	-
At 31st December 2025		301,876,164	199,515,292	100,806,235	184,842,677	15,714,131	801,953,900

KSh. 553,084 relates deferred income tax on gain in fair value asset (Co-op Holdings Ltd shares) which was not reported during the year 2024

PREPARED BY: HOD FINANCE: Amon Msaipha: Signature: 

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APPROVED BY:
CHAIRMAN: Simon Mbatia: Signature: 

TREASURER: Dishon Mwale: Signature: 

BOARD MEMBER: : Signature: 

C5/2523

QWETU DT SACCO LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

STATEMENT OF CASHFLOWS

	Note	2025 KShs	2024 KShs
Cash flows from operating activities			
Interest receipts	3	552,022,388	445,989,830
Other operating income	5	91,175,044	90,527,274
Interest payments	4	(94,000,155)	(212,023,546)
Bank charges	7b	(5,147,499)	-
Payments to employees and suppliers	7a, c, d, f	(305,467,151)	(279,407,219)
		238,582,604	44,486,340
<i>(increase) / decrease in operating assets</i>			
-Gross Loans to members	13	(109,749,111)	(294,701,347)
-Trade and other receivables	11 - 12	51,787,825	(232,417,590)
-Short term investments	16	(16,757,858)	-
<i>Increase / (decrease) in operating liabilities:</i>			
-deposits from members	20	101,262,180	404,622,388
-trade and accrued expenses	21	(52,874,822)	(42,463,130)
		212,251,018	(120,473,339)
Net cash from operating activities before income taxes			
Income tax paid	9	(749,702)	(1,335,992)
		211,501,316	(121,809,331)
Cash flow from investing activities			
Purchase of property and equipment	19	(8,303,128)	(6,510,991)
Proceeds on disposal of plant and equipment	19	124,800	-
Payment of honorarium and bonus	21	-	(3,125,010)
Purchase of intangibles assets	16	(1,405,282)	(342,000)
Purchase of investments securities		-	-
Dividends / interests received	3b	23,287,907	22,585,629
		13,704,297	12,607,628
Cash flow from financing activities			
Share capital contributions	23	77,902,418	65,309,508
Proceeds from short term borrowings	22	30,955,399	120,000,000
Repayment of long-term borrowings	22	(166,484,049)	(113,423,903)
Interest on long-term borrowings	7b	(56,353,332)	-
Dividends paid	21b	(9,376,041)	(20,626,351)
		(123,375,604)	51,259,254
Net (decrease) / increase in cash and cash equivalent			
		101,830,008	(57,942,449)
Cash and cash equivalent at the beginning of the year	10	120,931,396	178,873,846
Cash and cash equivalents at the end of the year	10	222,761,404	120,931,396
Cash and cash equivalents as per financial accounts	10	222,761,404	120,931,396

PREPARED BY: HOD FINANCE: Amon Msagha: Signature: 

COUNTER SIGNED BY: CEO: Charles Kaba

Signature: 

APPROVED BY:

CHAIRMAN: Simon Mbashu

Signature: 

TREASURER: Dishon Mwale

Signature: 

BOARD MEMBER: 

Signature: 

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