



FINCA[®] Microfinance Bank

PUBLICATION OF SEMI ANNUAL QUANTITATIVE INFORMATION ON CAPITAL ADEQUACY

ISSUED PURSUANT TO GUIDELINES 24 AND 25 OF THE MARKET DISCIPLINE GUIDELINES FOR BANKS AND FINANCIAL INSTITUTIONS 2023

PRUDENTIAL REGULATORY METRICS

A bank or financial institution is required to disclose each metric's value using the corresponding standard's specifications for the reporting period- end (designated by T in the template below) as well as the four previous quarter-end figures (T-1 to T-4).

(Amounts in million shillings)

S/n	Metric	a	b	c	d	e
		T Dec-2025	T-1 Sept-2025	T-2 Jun-2025	T-3 Mar-2025	T-4 Dec-2024
Available capital (amounts)						
1	Common Equity Tier 1 (CET1)	9,121	9,389	9,011	8,437	8,542
2	Tier 1	9,121	9,389	9,011	8,437	8,542
3	Total capital	11,324	11,587	11,367	8,437	8,542
Risk-weighted assets (amounts)						
4	Total risk-weighted assets (RWA)	68,150	68,540	69,603	60,811	65,606
Risk-based capital ratios as a percentage of RWA						
5	Common Equity Tier 1 ratio (%)	13.38%	13.70%	12.95%	13.87%	13.02%
6	Tier 1 ratio (%)	13.38%	13.70%	12.95%	13.87%	13.02%
7	Total capital ratio (%)	16.62%	16.91%	16.33%	13.87%	13.02%
Additional CET1 buffer requirements as a percentage of RWA						
8	Capital conservation buffer requirement (2.5%)	4.62%	4.91%	4.33%	1.87%	1.02%
9	Total of bank CET1 specific buffer requirements (%)	0.00	0.00	0.00	0.00	0.00
10	CET1 available after meeting the bank's minimum capital	4.88%	5.20%	4.45%	5.37%	4.52%
Basel III leverage ratio						
11	Total Basel III leverage ratio exposure measure	96,547	98,678	101,466	100,727	96,944
12	Basel III leverage ratio (%) (Tier 1 Capital / Exposure Measure)	9.45%	9.51%	8.88%	8.38%	8.81%
Liquidity Coverage Ratio						
13	Total high-quality liquid assets (HOLA)	16,927	33,004	31,569	22,813	18,531
14	Total net cash outflow	2,053	1,043	2,627	1,100	1,741
15	LCR (%)	824.45%	3163.05%	1201.79%	2074.45%	1064.58%
Net Stable Funding Ratio						
16	Total available stable funding	66,672	65,680	70,431	76,825	74,443
17	Total required stable funding	41,529	36,674	40,038	60,086	58,630
18	NSFR (%)	160.54%	179.09%	175.91%	127.86%	126.97%

COMPUTATION OF LIQUIDITY COVERAGE RATIO (LCR) AS AT 31ST DECEMBER 2025

(Amounts in million shillings)

S/NO	PARTICULARS	Outstanding Amount	Factor	Net Amount
a	b	c	d	e
1 Stock of High Quality Liquid Assets (HOLA)				
2	Cash (notes and coins)	859	100%	859
3	Balances with Bank of Tanzania to the extent that these balances can be drawn	2,734	100%	2,734
4	Balances with other banks and interbank loan receivable callable on demand or with a maturity of less than 30 days	13,334	100%	13,334
5	Interbank loans receivables	-	100%	-
6	Government securities maturing within 1 year	-	95%	-
7	Government securities maturing after 1 year	-	80%	-
8	Total high quality liquid assets	16,927		16,927
9 Cash Outflows				
10	Demand deposits	-	10%	0
11	Savings deposits	8,689	10%	869
12	Time deposits (maturing in 30 days)	5,344	100%	5,344
13	Deposits from banks and financial institutions (maturing in 30 days)	2,000	100%	2,000
14	Derivatives cash outflows (sum of all net cash outflows due within 30 days)	-	100%	0
15	All other contractual cash outflows (maturing in 30 days)	-	100%	0
16	Undrawn balances of loans and unexpired overdrafts	-	10%	0
17	Other contingent funding liabilities (such as guarantees and letters of credit)	-	5%	0
18	Total cash outflows	16,033		8,213
19 Cash Inflows				
20	Loans and advances (maturing within 30 days)	14,602	50%	7,301
21	Due from banks and financial institutions (maturing in 30 days)	3,064	100%	3,064
22	All other contractual cash inflows (maturing in 30 days)	-	100%	0
23	Net derivatives cash inflows	-	100%	0
24	Total cash inflows	17,665		10,364
25	Total net cash outflows = Total cash outflows minus the lower of total cash inflows and 75% of	-		2,053
26	Liquidity Coverage Ratio = (Total high quality liquid assets)/(Total net cash outflows)			824%
[1] Balances with Bank of Tanzania excluding SMR				

CAPITAL ADEQUACY RETURN AS OF 31ST DECEMBER 2025

(Amounts in million shillings)

S/n	Common Equity Tier 1 capital (CET1): Instruments and reserves	Current year 31.12.2025	Previous year 31.12.2024
		Amount	Amount
1	Fully Paid-up Ordinary shares Capital	37,895	37,895
2	Share Premium arising from Ordinary shares	-	-
3	Retained earnings less foreseeable dividends	(28,329)	(28,805)
4	Other disclosed reserves:	-	-
5	Year to date profits of:	-	-
6	Fifty per cent of the year to date profits less foreseeable dividends where accounts are unaudited or:	498	-
7	One hundred percent of the year to date profits, less foreseeable dividends, where accounts have been	-	475
8	CET1 before Regulatory Adjustments	10,064	9,565
9	Regulatory adjustments applied to CET1:	943	1,024
10	Year to date losses:	-	-
11	Goodwill:	-	-
12	Other intangible assets:	-	-
13	Deferred tax assets that rely on future profitability:	349	349
14	The amount of items where entities with which the bank has reciprocal cross holdings of Common Equity	-	-
15	The amount of items required to be deducted from Additional Tier 1 items that exceed the Additional Tier	-	-
16	Pre-paid expenses:	594	674
17	Pre-operating expenses:	-	-
18	Common Equity Tier 1	9,121	8,542
Additional Tier 1 Capital			
20	Non-cumulative Irredeemable Preference Shares	-	-
21	Share Premium arising from Non-cumulative Irredeemable Preference Shares	-	-
22	Other Qualifying Additional Tier-1 capital instruments plus any related share premium	-	-
23	Additional Tier 1 Capital before regulatory adjustments	-	-
24	Total regulatory adjustment applied to Additional Tier 1 capital	-	-
25	The amount of items required to be deducted from Tier 2 items that exceed the Tier 2 capital of the bank.	-	-
26	Other Items Qualifying to be deducted from Additional Tier-1 Capital.	-	-
27	Additional Tier 1 capital recognized for capital adequacy	9,121	8,542
Tier 2 Capital			
29	Qualifying Tier 2 capital instruments and subordinated loans that meet the conditions stipulated by the Bank.	2,203	-
30	Share premium arising from capital instruments and subordinated loans qualifying as Tier 2 Capital	-	-
31	Instruments issued by consolidate subsidiaries and held by third parties that met the criteria stipulated by	-	-
32	General provisions or general reserves for loan losses-up to maximum of 1.25% of Credit Risk Weighted	-	-
33	Total Tier 2 capital admissible for capital adequacy	2,203	-
34	TOTAL CAPITAL (Tier Capital plus Tier 2 Capital).	11,324	8,542
35	Total Risk Weighted Assets (RWA)	68,150	65,606
Capital Ratios and buffers (in percentage of risk weighted assets)			
37	CET1 to total RWA	13.38%	13.02%
38	Tier-1 capital to total RWA	13.38%	13.02%
39	Total capital to total RWA	16.62%	13.02%
40	Capital conservation buffer	4.62%	1.02%
National minimum capital requirements prescribed by the Bank of Tanzania			
42	CET1 to total RWA	8.50%	8.50%
43	Tier-1 capital to total RWA	10.00%	10.00%
44	Total capital to total RWA	12.00%	12.00%
45	Capital conservation buffer	2.50%	2.50%

COMPUTATION OF NET STABLE FUNDING RATIO (NSFR) AS AT 31ST DECEMBER 2025

(Amounts in million shillings)

S/NO	PARTICULARS	Carrying Amount	Factor	Weighted Amount (e)=(b)*(c)
a	b	c	d	e
A Available Stable Funding (ASF)				
1	Common equity Tier 1	9,121	100%	9,121
2	Additional Tier 1	-	100%	-
3	Tier 2 Capital (excluding Tier 2 instruments with residual maturity of less than one year)	-	100%	-
4	Borrowings and liabilities with maturities of one year or more	621	100%	621
5	Other capital instruments and liabilities with effective residual maturity of one year or more	-	100%	-
6	Stable demand and/or term deposits from retail and small business customers with residual maturity of less than one year.	51,327	95%	48,760
7	Less stable demand and/or term deposits from retail and small business customers with residual maturity of less than one year.	8,689	90%	7,820
8	Funding with residual maturity of less than one year provided by non-financial corporate customers	-	50%	-
9	Operational Deposits	-	50%	-
10	Funding with residual maturity of less than one year from sovereigns, public sector entities (PSEs), and multilateral and national development banks	-	50%	-
11	Other funding maturing within a period of six months to one year and not included in the line items above, including funding provided by central banks and financial institutions, including banks within the same cooperative network	-	50%	-
12	Deferred tax liabilities (if the effective maturity of the liability greater than one year).	349	100%	349
13	Deferred tax liabilities maturing within a period of six months to one year.	-	50%	-
14	Deferred tax liabilities maturing within six months.	-	50%	-
15	Minority Interest - If perpetual or with effective maturity of greater than or equal to one year	-	100%	-
16	Minority Interest with residual maturity between six months and less than one year.	-	50%	-
17	Minority Interest with effective maturity of less than six months.	-	0%	-
18	All other liabilities and equity not included in the above categories, including liabilities without a stated maturity.	35,561	0%	-
19	NSFR derivative liabilities net of NSFR derivative assets if NSFR derivative liabilities are greater than NSFR derivative assets	-	0%	-
20	NSFR derivative liabilities (derivative liabilities less total collateral posted as variation margin on derivative liabilities).	-	0%	-
21	"Trade date" payables arising from purchases of financial instruments, foreign currencies	-	0%	-
B Total Available Stable Funding (ASF) [sum (1)-(21)]				
C Required Stable Funding (RSF)				
On-balance sheet				
22	Cash	859	0%	-
23	Balances with Bank of Tanzania (All balances including Statutory Minimum Reserve).	2,734	0%	-
24	Claims on Bank of Tanzania with residual maturities of less than six months.	-	0%	-
25	Receivables arising from sales of financial instruments and foreign currencies.	-	0%	-
26	Unencumbered HOLA excluding cash and balance with the Bank of Tanzania.	26,332	5%	1,317
27	Unencumbered loans to banks and financial institutions with residual maturities of less than six months, where the loan is secured against Level 1 assets, where a bank or financial institution has the ability to freely rehypothecate the received collateral	-	10%	-
28	All other unencumbered loans to banks and financial institutions with residual maturities of less than six months not included in the above categories.	-	15%	-
29	HOLA encumbered for a period of six months or more and less than one year.	-	50%	-
30	Loans to Bank of Tanzania, banks and financial institutions with residual maturities between six months and less than one year.	-	50%	-
31	Deposits held at other banks and financial institutions for operational purposes	-	50%	-
32	All other assets not included in the above categories with residual maturity of less than one year.	45,898	50%	22,949
33	Unencumbered residential mortgages with a residual maturity of one year or more and with a risk weight of less than or equal to 75%.	-	65%	-
34	Other unencumbered loans not included in the above categories, excluding loans to banks and financial institutions, with a residual maturity of one year or more and with a risk weight of less than or equal to 50%.	9,885	65%	6,426
35	Cash, securities or other assets posted as initial margin for derivative contracts and cash or other assets provided to contribute to the default fund of a Central Counter Party.	-	85%	-
36	Other unencumbered performing loans with risk weights greater than 50% and residual maturities of one year or more, excluding loans to banks and financial institutions.	-	85%	-
37	Unencumbered securities that are not in default and do not qualify as HOLA with a remaining maturity of one year or more and exchange-traded equities	-	85%	-
38	Physical traded commodities, including gold	-	85%	-
39	All other assets that are encumbered for a period of one year or more	-	100%	-
40	Derivative assets net of derivative liabilities if derivative assets are greater than derivative liabilities.	-	100%	-
41	All other assets not included in the above categories, including non-performing loans, loans to banks and financial institutions with a residual maturity of one year or more, non-exchange-traded equities, fixed assets, items deducted from regulatory capital, retained interest, insurance assets, subsidiary interests and defaulted securities.	10,838	100%	10,838
Off-balance sheet				
42	Irrevocable and conditionally revocable credit and liquidity facilities to any client	-	5%	-
43	Unconditionally revocable credit and liquidity facilities	-	5%	-
44	Trade finance-related obligations (including guarantees and letters of credit)	-	1%	-
45	Guarantees and letters of credit unrelated to trade finance obligations	-	1%	-
46	Other non-contractual obligations	-	1%	-
47	All other off balance-sheet obligations not included in the above categories.	-	5%	-
D Total Required Stable Funding (RSF) [sum (22)-(47)]				
E Net Stable Funding Ratio = (Total available stable funding)/(Total required stable funding) [B/D]				
				161%