

## A) STATEMENT OF COMPREHENSIVE INCOME

	Audited Dec-20 KShs. '000'	Audited Dec-19 KShs. '000'
<b>1.0 INCOME</b>		
1.1 Interest on Loan Portfolio	619,937	555,486
1.2 Fees and Commission on Loan Portfolio	70,790	55,848
1.3 Government Securities	11,062	-
1.4 Deposit and Balances with Banks and Financial Inst.	65,932	106,995
1.5 Other Investments	-	-
1.6 Other Operating Income	117,710	91,554
1.7 Non-Operating Income	-	-
<b>1.8 Total Income</b>	<b>885,431</b>	<b>809,883</b>
<b>2.0 Expenses</b>		
2.1 Interest and Fee Expense on Deposits	171,495	172,714
2.2 Other Fees and Commissions expense	3,791	3,946
2.3 Provision for Loan Impairment	54,824	43,153
2.4 Staff Costs	373,913	369,737
2.5 Director's Emolutes	5,034	4,285
2.6 Rent Charges	111,853	133,770
2.7 Depreciation Charges	86,809	92,351
2.8 Amortization Charges	2,386	5,839
2.9 Other Administrative Expense	181,051	184,562
2.10 Non-Operating Expense	-	-
<b>2.11 Total Expenses</b>	<b>991,156</b>	<b>1,010,357</b>
<b>3.0 Operating Profit</b>	<b>(105,725)</b>	<b>(200,474)</b>
4.0 Interest and Fee Expense on Borrowings ( Finance Costs)	46,282	45,319
<b>5.0 Profit/(loss) before tax</b>	<b>(152,007)</b>	<b>(245,993)</b>
6.0 Current Tax	-	-
6.1 Deferred Tax	-	-
<b>7.0 Net Profit (After Taxes and Before Donations)</b>	<b>(152,007)</b>	<b>(245,993)</b>
8.0 Donations for Operating Expense	-	-
<b>9.0 Net Profit After Taxes</b>	<b>(152,007)</b>	<b>(245,993)</b>
Surplus on revaluation of government securities	(3,919)	-
Deferred tax on revaluation surplus	-	-
<b>Total Comprehensive Income</b>	<b>(155,926)</b>	<b>(245,993)</b>

## B) STATEMENT OF FINANCIAL POSITION

	Audited Dec-20 KShs. '000'	Audited Dec-19 KShs. '000'
<b>1.0 ASSETS</b>		
1.1 Cash and bank balances	135,041	547,869
1.2 Short term deposits with banks	790,370	1,073,918
1.3 Balance due from Central Bank	124,468	125,086
1.4 Government securities	302,581	-
1.5 Advances to customers	3,821,148	3,109,778
1.6 Due from related organisations	14,328	13,200
1.7 Other receivables	101,949	98,908
1.8 Tax recoverable	53,461	40,722
1.9 Deferred tax Asset	-	-
1.10 Other investment	-	-
1.11 Right of use Asset	157,429	135,333
1.12 Intangible assets	6,013	3,570
1.13 Property and equipment	225,468	311,664
<b>1.14 Total Assets</b>	<b>5,732,256</b>	<b>5,460,048</b>
<b>2.0 LIABILITIES</b>		
2.1 Cash collaterals held	2,079	2,148
2.2 Customer deposits	3,025,120	2,602,035
2.3 Balances due to Central Bank	-	-
2.4 Deposit & balances due to banking institutions	224,826	-
2.5 Borrowings	501,673	649,247
2.6 Deferred income	-	-
2.7 Deferred tax liability	-	-
2.8 Lease Liabilities	161,876	144,853
2.9 Due to related organisations	1,376,068	1,410,217
2.10 Other liabilities	122,988	177,995
<b>2.11 Total Liabilities</b>	<b>5,414,630</b>	<b>4,986,496</b>
<b>3.0 SHARE CAPITAL &amp; RESERVES</b>		
3.1 Share capital	2,500,000	2,500,000
3.2 Share premium	-	-
3.3 Retained earnings	(2,235,425)	(2,027,099)
3.4 Revaluation reserve	-	-
3.5 Statutory reserve	53,051	651
<b>3.6 Total shareholders' funds</b>	<b>317,626</b>	<b>473,552</b>
<b>4.0 TOTAL LIABILITIES AND EQUITY</b>	<b>5,732,256</b>	<b>5,460,048</b>

## C) OTHER DISCLOSURES

	Audited Dec-20 KShs. '000'	Audited Dec-19 KShs. '000'
<b>1 NON-PERFORMING LOANS AND ADVANCES</b>		
(a) Gross Non-Performing Loans and Advances	3,518,060	2,959,110
Less:		
(b) Interest in suspense	1,067,853	895,430
(c) Total Non-Performing Loans and advances (a-b)	<b>2,450,207</b>	<b>2,063,680</b>
(d) Impairment Loss Allowance	653,985	595,744
(e) Net Non-Performing Loans (c-d)	1,796,222	1,467,936
(f) Realizable Value of Securities	1,796,222	1,467,936
(g) Net NPLs Exposure (e-f)	-	-
<b>2 INSIDER LOANS AND ADVANCES</b>		
(a) Directors, shareholders and Associates	-	-
(b) Employees	34,665	23,900
(c) Total Insider Loans, Advances and Other Facilities	<b>34,665</b>	<b>23,900</b>
<b>3 OFF-BALANCE SHEET ITEMS</b>		
(a) Guarantees and Commitments	4,028,175	2,470,251
(b) Other Contingent Liabilities	-	-
(c) Total Contingent Liabilities	<b>4,028,175</b>	<b>2,470,251</b>
<b>4 CAPITAL STRENGTH</b>		
(a) Core Capital	263,980	472,310
(b) Minimum Statutory Capital	60,000	60,000
(c) Excess/(Deficiency)(a-b)	203,980	412,310
(d) Supplementary Capital	90,942	57,487
(e) <b>Total Capital(a+d)</b>	<b>354,922</b>	<b>529,797</b>
(f) Total Risk Weighted Assets	5,013,795	4,445,555
(g) <b>Core Capital/Total Deposit Liabilities</b>	<b>9%</b>	<b>18%</b>
(h) Minimum Statutory Ratio	8%	8%
(i) Excess/(Deficiency)(g-h)	1%	10%
(j) <b>Core Capital/Total Risk Weighted Assets</b>	<b>5%</b>	<b>11%</b>
(k) Minimum Statutory Ratio	10%	10%
(l) Excess/(Deficiency)(j-k)	-5%	1%
(m) <b>Total Capital/Total Risk Weighted Assets</b>	<b>7%</b>	<b>12%</b>
(n) Minimum Statutory Ratio	12%	12%
(o) Excess/(Deficiency)(m-n)	-5%	0%
(a) Adjusted Core Capital/ Total Deposit Liabilities*	9%	19%
(a) Adjusted Core Capital/ Total Risk Weighted Assets*	6%	11%
(f) Adjusted Total Capital/ Total Risk Weighted Assets*	7%	12%
<b>5 LIQUIDITY</b>		
(a) <b>Liquidity Ratio</b>	<b>31%</b>	<b>39%</b>
(b) Minimum Statutory Ratio	20%	20%
(c) Excess/(Deficiency)(a-b)	11%	19%

\*The adjusted capital ratios include the expected credit loss provisions added back to capital in line with the Central Bank of Kenya Guidance note issued in April 2018 on implementation of IFRS 9.

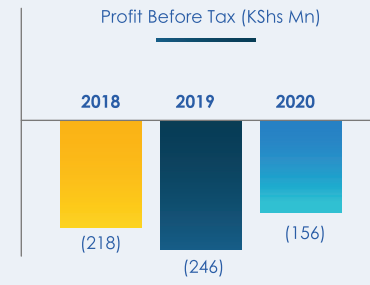
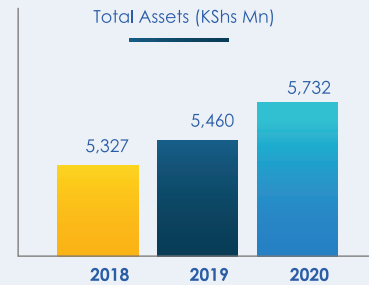
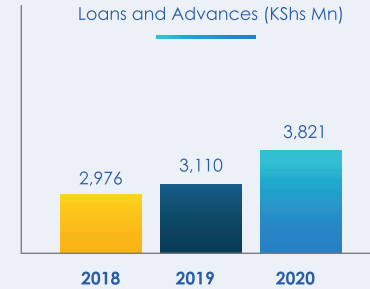
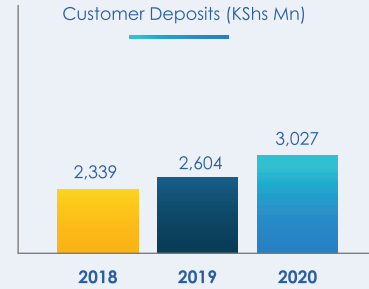
The above statements of Profit or Loss and other Comprehensive Income and Statement of Financial Position are extracts of the Company's Financial Statements as audited by Mazars and received an Unqualified opinion.

They were approved by the Board of Directors and signed on its behalf by:

**D. Mavindu** - Chairman

**S. Thuo** - Director

Rafiki Microfinance Bank is regulated by Central Bank of Kenya.




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