

AUDITED FINANCIAL STATEMENTS AND OTHER DISCLOSURES FOR THE YEAR ENDED 31ST DECEMBER 2021

A) STATEMENT OF COMPREHENSIVE INCOME

	Audited 31-Dec-21 KShs. '000'	Audited 31-Dec-20 KShs. '000'
1.0 INCOME		
1.1 Interest on Loan Portfolio	645,378	619,937
1.2 Fees and Commission on Loan Portfolio	35,928	70,790
1.3 Government Securities	55,892	11,062
1.4 Deposit and Balances with bank and Financial Inst.	55,916	65,932
1.5 Other Investments	-	-
1.6 Other Operating Income	110,363	117,710
1.7 Non-Operating Income	-	-
1.8 Total Income	903,478	885,431
2.0 EXPENSES		
2.1 Interest and Fee Expense on Deposits	181,120	171,495
2.2 Other Fees and Commissions expense	24,065	3,791
2.3 Provision for Loan Impairment	5,574	54,824
2.4 Staff Costs	353,871	373,913
2.5 Director's Emoluments	6,765	5,034
2.6 Rent Charges	110,281	111,853
2.7 Depreciation Charges	84,403	86,809
2.8 Amortization Charges	2,471	2,386
2.9 Other Administrative Expense	233,723	181,051
2.10 Non-Operating Expense	-	-
2.11 Total Expenses	1,002,273	991,156
3.0 OPERATING PROFIT	(98,796)	(105,725)
4.0 Interest and Fee Expense on Borrowings (Finance Costs)	51,054	46,282
5.0 Profit/(loss) before tax	(149,849)	(152,007)
6.0 Current Tax	-	-
6.1 Deferred Tax	-	-
7.0 Net Profit (After Taxes and Before Donations)	(149,849)	(152,007)
8.0 Donations for Operating Expense	-	-
9.0 Net Profit After Taxes	(149,849)	(152,007)
Surplus on revaluation of government securities	(2,869)	(3,919)
Deferred tax on revaluation surplus	-	-
Total Comprehensive Income	(152,718)	(155,926)

B) STATEMENT OF FINANCIAL POSITION

1.0 ASSETS		
1.1 Cash and bank balances	160,048	135,041
1.2 Short term deposits with banks	887,501	790,370
1.3 Balance due from Central Bank	146,871	124,468
1.4 Government securities	611,538	302,581
1.5 Advances to customers	3,483,871	3,821,148
1.6 Due from related organisations	13,357	14,328
1.7 Other receivables	125,789	101,949
1.8 Tax recoverable	66,235	53,461
1.9 Deferred tax Asset	-	-
1.10 Other investment	26,604	-
1.11 Right of use Asset	199,565	157,429
1.12 Intangible assets	3,541	6,013
1.13 Property and equipment	164,322	225,468
1.14 Total Assets	5,889,242	5,732,256
2.0 LIABILITIES		
2.1 Cash collaterals held	1,952	2,079
2.2 Customer deposits	3,333,833	3,025,120
2.3 Balances due to Central Bank	-	-
2.4 Deposit & balances due to banking institutions	276,534	224,826
2.5 Borrowings	399,754	501,673
2.6 Deferred income	-	-
2.7 Deferred tax liability	-	-
2.8 Lease Liabilities	214,715	161,876
2.9 Due to related organisations	860,282	1,376,068
2.10 Other liabilities	137,264	122,988
2.11 Total Liabilities	5,224,334	5,414,630
3.0 SHARE CAPITAL & RESERVES		
3.1 Share capital	3,000,000	2,500,000
3.2 Share premium	-	-
3.3 Retained earnings	(2,392,445)	(2,235,425)
3.4 Revaluation reserve	-	-
3.5 Statutory reserve	57,353	53,051
3.6 Total shareholders' funds	664,908	317,626
4.0 TOTAL LIABILITIES AND EQUITY	5,889,242	5,732,256

C) OTHER DISCLOSURES

	Audited 31-Dec-21 KShs. '000'	Audited 31-Dec-20 KShs. '000'
1 NON-PERFORMING LOANS AND ADVANCES		
(a) Gross Non-Performing Loans and Advances	3,262,165	3,518,060
Less:		
(b) Interest in suspense	1,155,282	1,067,853
(c) Total Non-Performing Loans and advances (a-b)	2,106,883	2,450,207
(d) Impairment Loss Allowance	647,078	653,985
(e) Net Non-Performing Loans (c-d)	1,459,806	1,796,222
(f) Realizable Value of Securities	1,455,551	1,796,222
(g) Net NPLs Exposure (e-f)	4,255	-
2 INSIDER LOANS AND ADVANCES		
(a) Directors, shareholders and Associates	-	-
(b) Employees	30,376	34,665
(c) Total Insider Loans, Advances and Other Facilities	30,376	34,665
3 OFF-BALANCE SHEET ITEMS		
(a) Guarantees and Commitments	2,682,506	4,028,175
(b) Other Contingent Liabilities	-	-
(c) Total Contingent Liabilities	2,682,506	4,028,175
4 CAPITAL STRENGTH		
(a) Core Capital	607,555	263,980
(b) Minimum Statutory Capital	60,000	60,000
(c) Excess/(Deficiency)(a-b)	547,555	203,980
(d) Supplementary Capital	66,401	90,942
(e) Total Capital(a+d)	673,956	354,922
(f) Total Risk Weighted Assets	3,849,275	5,013,795
(g) Core Capital/Total Deposit Liabilities	18.2%	8.7%
(h) Minimum Statutory Ratio	8.0%	8.0%
(i) Excess/(Deficiency)(g-h)	10.2%	0.7%
(j) Core Capital/Total Risk Weighted Assets	15.8%	5.3%
(k) Minimum Statutory Ratio	10.0%	10.0%
(l) Excess/(Deficiency)(j-k)	5.8%	-4.7%
(m) Total Capital/Total Risk Weighted Assets	17.5%	7.1%
(n) Minimum Statutory Ratio	12.0%	12.0%
(o) Excess/(Deficiency)(m-n)	5.5%	-4.9%
(p) Adjusted Core Capital/ Total Deposit Liabilities*	18.3%	9.1%
(q) Adjusted Core Capital/ Total Risk Weighted Assets*	15.8%	5.5%
(r) Adjusted Total Capital/ Total Risk Weighted Assets*	17.6%	7.3%
5 LIQUIDITY		
(a) Liquidity Ratio	39.6%	31.5%
(b) Minimum Statutory Ratio	20.0%	20.0%
(c) Excess/(Deficiency)(a-b)	19.6%	11.5%

* The Adjusted Capital Ratios include the expected credit loss provisions added back to Capital in line with the CBK Guidance Note issued in April 2018 on implementation of IFRS 9.

These financial statements are extracts from the books of the institution as audited by Mazars LLP and received an unqualified opinion. They were approved by the Board of Directors on 23rd March 2022 and signed on its behalf by;

Daniel Mavindu - Chairman

Joseph Njuguna- Managing Director/CEO

Rafiki Microfinance Bank is regulated by Central Bank of Kenya.

Our Branch Network

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