

AUDITED FINANCIAL STATEMENTS AND OTHER DISCLOSURES FOR THE YEAR ENDED 31ST DECEMBER 2022



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to achieve your goals with our
**9% p.a. interest rate on your
Mradi Savings Account.**

A) STATEMENT OF COMPREHENSIVE INCOME

	BANK		GROUP	
	Audited Dec-21 KShs. '000'	Audited Dec-22 KShs. '000'	Audited Dec-21 KShs. '000'	Audited Dec-22 KShs. '000'
1.0 INCOME				
1.1 Interest on Loan Portfolio	645,378	597,090	645,378	597,090
1.2 Fees and Commission on Loan Portfolio	35,928	45,462	35,928	45,462
1.3 Government Securities	55,892	86,600	56,600	87,909
1.4 Deposit and Balances with bank and Financial Inst.	55,916	59,301	55,916	59,783
1.5 Other Investments	-	-	-	-
1.6 Other Operating Income	110,363	82,479	136,105	108,040
1.7 Non-Operating Income	-	-	-	-
1.8 Total Income	903,478	870,933	929,388	898,285
2.0 EXPENSES				
2.1 Interest and Fee Expense on Deposits	181,120	192,115	179,077	191,290
2.2 Other Fees and Commissions expense	24,065	52,638	24,065	52,883
2.3 Provision for Loan Impairment	5,574	60,207	5,574	61,055
2.4 Staff Costs	353,871	383,087	368,989	401,856
2.5 Director's Emoluments	6,765	5,865	6,765	5,865
2.6 Rent Charges	110,281	92,522	110,281	92,522
2.7 Depreciation Charges	84,403	82,997	84,610	83,144
2.8 Amortization Charges	2,471	2,232	2,906	2,667
2.9 Other Administrative Expense	233,723	238,616	241,919	242,252
2.10 Non-Operating Expense	-	-	-	-
2.11 Total Expenses	1,002,273	1,110,279	1,024,186	1,133,534
3.0 OPERATING PROFIT	(98,796)	(239,346)	(94,798)	(235,249)
4.0 Interest and Fee Expense on Borrowings (Finance Costs)	51,054	50,017	51,054	50,017
5.0 Profit/(loss) before tax	(149,849)	(289,363)	(145,852)	(285,266)
6.0 Current Tax	-	-	(3,029)	(1,820)
6.1 Deferred Tax	-	-	-	-
7.0 Net Profit (After Taxes and Before Donations)	(149,849)	(289,363)	(148,881)	(287,086)
8.0 Donations for Operating Expense	-	-	-	-
9.0 Net Profit After Taxes	(149,849)	(289,363)	(148,881)	(287,086)
Surplus on revaluation of government securities	(2,869)	(24,848)	(2,784)	(24,933)
Deferred tax on revaluation surplus	-	-	-	-
Total Comprehensive income	(152,718)	(314,211)	(151,665)	(312,020)

B) STATEMENT OF FINANCIAL POSITION

1.0 ASSETS				
1.1 Cash and bank balances	160,048	136,712	160,048	136,712
1.2 Short term deposits with banks	887,501	639,324	887,501	639,324
1.3 Balance due from Central Bank	146,871	157,374	146,871	157,374
1.4 Government securities	611,538	379,707	621,913	391,291
1.5 Advances to customers	3,483,871	3,473,103	3,483,871	3,473,103
1.6 Investment in associate companies	-	15,000	-	15,000
1.7 Due from related organisations	13,357	26,924	15,080	16,549
1.8 Other receivables	125,789	146,612	144,722	156,805
1.9 Tax recoverable	66,235	79,904	66,235	79,904
1.10 Deferred tax Asset	-	-	1,212	926
1.11 Other investment	26,604	30,833	26,604	30,833
1.12 Right of use Asset	199,565	149,022	199,565	149,022
1.13 Intangible assets	3,541	4,213	5,789	6,026
1.14 Property and equipment	164,322	107,706	164,446	107,773
1.15 Total Assets	5,889,242	5,346,434	5,923,857	5,345,245

2.0 LIABILITIES				
2.1 Cash collaterals held	1,952	1,952	1,952	1,952
2.2 Customer deposits	3,333,833	3,321,704	3,303,614	3,295,735
2.3 Balances due to Central Bank	-	-	-	-
2.4 Deposit & balances due to banking institutions	276,534	250,759	276,534	250,759
2.5 Borrowings	399,754	274,112	399,754	274,112
2.6 Deferred income	-	-	-	-
2.7 Deferred tax liability	-	-	-	-
2.8 Lease Liabilities	214,715	173,191	214,715	173,191
2.9 Due to related organisations	860,282	882,405	892,473	882,405
2.10 Other liabilities	137,264	91,614	165,806	110,102
2.11 Total Liabilities	5,224,334	4,995,737	5,254,848	4,988,256

3.0 SHARE CAPITAL & RESERVES				
3.1 Share capital	3,000,000	3,000,000	3,000,000	3,000,000
3.2 Share premium	-	-	-	-
3.3 Retained earnings	(2,385,657)	(2,668,367)	(2,381,641)	(2,662,075)
3.4 Revaluation reserve	(6,788)	(31,636)	(6,703)	(31,636)
3.5 Statutory reserve	57,353	50,700	57,353	50,700
3.6 Total shareholders' funds	664,908	350,697	669,009	356,989
4.0 TOTAL LIABILITIES AND EQUITY	5,889,242	5,346,434	5,923,857	5,345,245

C) OTHER DISCLOSURES

	BANK	
	Audited Dec-21 KShs. '000'	Audited Dec-22 KShs. '000'
1 NON-PERFORMING LOANS AND ADVANCES		
(a) Gross Non-Performing Loans and Advances	3,262,165	2,161,673
(b) Less:		
(b) Interest in suspense	1,155,282	439,663
(c) Total Non-Performing Loans and advances (a-b)	2,106,883	1,722,010
(d) Impairment Loss Allowance	647,078	267,573
(e) Net Non-Performing Loans (c-d)	1,459,806	1,454,437
(f) Realizable Value of Securities	1,455,551	1,450,626
(g) Net NPLs Exposure (e-f)	4,255	3,811
2 INSIDER LOANS AND ADVANCES		
(a) Directors, shareholders and Associates	-	-
(b) Employees	30,376	50,880
(c) Total Insider Loans, Advances and Other Facilities	30,376	50,880
3 OFF-BALANCE SHEET ITEMS		
(a) Guarantees and Commitments	2,682,506	2,349,051
(b) Other Contingent Liabilities	-	-
(c) Total Contingent Liabilities	2,682,506	2,349,051
4 CAPITAL STRENGTH		
(a) Core Capital	607,555	331,629
(b) Minimum Statutory Capital	60,000	60,000
(c) Excess/(Deficiency)(a-b)	547,555	271,629
(d) Supplementary Capital	66,401	50,700
(e) Total Capital(a+d)	673,956	382,329
(f) Total Risk Weighted Assets	3,849,275	4,063,672
(g) Core Capital/Total Deposit Liabilities	18.2%	10.0%
(h) Minimum Statutory Ratio	8.0%	8.0%
(i) Excess/(Deficiency)(g-h)	10.2%	2.0%
(j) Core Capital/Total Risk Weighted Assets	15.8%	8.2%
(k) Minimum Statutory Ratio	10.0%	10.0%
(l) Excess/(Deficiency)(j-k)	5.8%	-1.8%
(m) Total Capital/Total Risk Weighted Assets	17.5%	9.4%
(n) Minimum Statutory Ratio	12.0%	12.0%
(o) Excess/(Deficiency)(m-n)	5.5%	-2.6%
(p) Adjusted Core Capital/ Total Deposit Liabilities*	18.3%	10.0%
(q) Adjusted Core Capital/ Total Risk Weighted Assets*	15.8%	8.2%
(r) Adjusted Total Capital/ Total Risk Weighted Assets*	17.6%	9.4%
5) LIQUIDITY		
(a) Liquidity Ratio	39.6%	28.2%
(b) Minimum Statutory Ratio	20.0%	20.0%
(c) Excess/(Deficiency)(a-b)	19.6%	8.2%

* 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 7th March 2023 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

Nairobi, Mombasa, Kisumu, Nakuru, Uasin Gishu, Kiambu, Kajiado, Machakos, Makueni and Vihiga.

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