

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

### Statement of profit or loss and other comprehensive income

	2023 Shs'000	2022 Shs'000
Interest income calculated using the effective interest rate method	1,715,965	1,628,237
Interest and similar expense	(836,650)	(753,746)
<b>Net interest income</b>	879,315	874,491
Other income	160,514	134,950
Fair value gain on investment property	3,800	-
Credit impairment reversal	30,926	101,404
	195,240	236,354
<b>Net operating income</b>	1,074,555	1,110,845
Employee benefits	(141,419)	(135,947)
Administration expenses	(178,576)	(149,262)
Governance expenses (member related costs)	(105,201)	(96,032)
Marketing expenses	(28,787)	(25,869)
Depreciation and amortisation	(30,708)	(19,239)
<b>Operating expenses</b>	(484,691)	(426,349)
<b>Surplus before income tax</b>	589,864	684,496
Income tax expense	(40,632)	(44,844)
<b>Surplus for the year</b>	549,232	639,652
<b>Other comprehensive income</b>		
Fair value (loss) on equity instruments at FVOCI	(27,263)	(20,780)
Fair value (loss) on debt instruments at FVOCI	(23,045)	-
Revaluation surplus on building	2,117	4,892
Other comprehensive income	(48,191)	(15,888)
<b>Total comprehensive income for the year</b>	501,041	623,764

### Statement of financial position


	2023 Shs'000	2022 Shs'000
<b>Assets</b>		
Cash and bank balances	1,287,921	1,471,319
Short-term deposits	587,775	916,288
Other assets and prepayments	398,430	345,508
Income tax recoverable	10,165	9,037
Loans to members	10,462,608	9,122,098
Equity instruments at FVOCI	622,495	625,541
Debt instruments at FVOCI	176,689	-
Inventories	3,579	2,319
Investment property	311,600	307,800
Intangible assets	51,773	13,028
Right-of-use assets	10,769	11,406
Property and equipment	134,412	133,617
<b>Total assets</b>	14,058,216	12,957,961
<b>Equity and liabilities</b>		
<b>Liabilities</b>		
Members' deposits	7,737,385	7,044,649
Interest payable to members	807,138	728,058
Lease liabilities	14,084	15,612
Other liabilities and accrued expenses	59,010	70,807
<b>Total liabilities</b>	8,617,617	7,859,126
<b>Equity</b>		
Share capital	1,256,808	1,188,205
Investment shares	117,128	117,036
Retained earnings	2,059,650	1,971,219
Statutory reserve	1,101,970	983,997
Statutory loan loss reserve	115,575	79,896
Fair value reserve	76,413	126,720
Other reserves	481,828	412,212
Proposed dividends	231,227	219,550
<b>Total equity</b>	5,440,599	5,098,835
<b>Total equity and liabilities</b>	14,058,216	12,957,961




### Key ratios

	Minimum statutory requirement	2023	2022
Capital adequacy ratio:			
Core capital/total assets	10%	36%	36%
Core capital/total deposits	8%	65%	66%
Institutional capital/total assets	8%	26%	26%
Liquidity ratio:			
Liquid assets/total deposits and long-term liabilities	15%	29%	34%
Operating efficiency/loan quality ratios:			
Total expenses/Total income		71%	65%
Operating expenses/net operating income		45%	38%
Interest on members' deposits/total income		42%	39%
Interest rate on members' deposits		12.2%	12.2%
Dividend rate on members' share capital		17%	17%
Total delinquency loans/Gross loan portfolio		3.4%	5%

The financial statements were audited by Ernst & Young (EY) LLP Certified Public Accountants. They were approved and authorized for publication by the ADM on 27<sup>th</sup> February 2024.

  
Kennedy Lidanya Keya  
Chairman

  
David Kalachi Moyia  
Treasurer

  
David Chimasia Okwemba  
Honorary Secretary

  
Juma Shikokoti  
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