

FAMILY BANK LIMITED

AUDITED FINANCIAL STATEMENTS AND OTHER DISCLOSURES FOR THE YEAR ENDED 31ST DECEMBER 2015

STATEMENT OF FINANCIAL POSITION	GROUP		BANK	
	31-Dec-14 Audited Shs.'000	31-Dec-15 Audited Shs.'000	31-Dec-14 Audited Shs.'000	31-Dec-15 Audited Shs.'000
A ASSETS				
1 Cash (both Local & Foreign)	2,297,220	2,779,634	2,297,220	2,779,634
2 Balances with Central Bank of Kenya	3,235,391	3,387,458	3,235,391	3,387,458
3 Kenya Government & other Securities held for dealing purposes	-	-	-	-
4 Financial Assets at Fair Value through Profit & Loss	-	-	-	-
5 Investment Securities:				
(i) Held to Maturity:				
(a) Kenya Government Securities	5,901,181	7,239,783	5,901,181	7,176,616
(b) Other Securities	1,254,829	1,568,326	1,254,829	1,568,326
(ii) Available for Sale:				
(a) Kenya Government Securities	150,000	450,000	150,000	450,000
(b) Other Securities	-	-	-	-
6 Deposits and balances due from local banking institutions	7,240,953	4,688,360	7,240,953	4,688,360
7 Deposits and balances due from banking institutions abroad	137,098	203,999	137,098	203,999
8 Tax recoverable	-	-	-	-
9 Loans and advances to customers (net)	37,925,476	55,853,882	37,925,476	55,853,882
10 Balances due from Banking Institutions in the Group	-	-	-	-
11 Investments in associates	-	-	-	-
12 Investments in subsidiary companies	-	-	1,000	1,000
13 Investments in joint ventures	-	-	-	-
14 Investment properties	127,400	108,200	127,400	108,200
15 Property and equipment	2,083,099	3,175,595	2,080,202	3,169,491
16 Prepaid lease rentals	162,579	157,969	162,579	157,969
17 Intangible assets	317,621	318,801	316,530	317,624
18 Deferred tax asset	-	2,767	-	2,581
19 Retirement benefit asset	-	-	-	-
20 Other assets	1,001,555	1,346,593	982,802	1,325,075
TOTAL ASSETS	61,834,403	81,281,366	61,812,663	81,190,214
B LIABILITIES				
21 Balances due to Central Bank of Kenya	-	-	-	-
22 Customer deposits	47,136,480	62,710,859	47,186,425	62,730,867
23 Deposits and balances due to local banking institutions	209,291	131,643	209,291	131,643
24 Deposits and balances due to foreign banking institutions	-	-	-	-
25 Other money market deposits	-	-	-	-
26 Borrowed funds	2,900,334	5,587,720	2,900,334	5,587,720
27 Balances due to Banking Institutions Group Companies	-	-	-	-
28 Tax payable	222,607	30,441	221,970	36,951
29 Dividends payable	12,587	28,589	12,587	28,589
30 Deferred tax liability	5,427	-	5,582	-
31 Retirement benefit liability	-	-	-	-
32 Other liabilities	658,116	750,136	655,822	747,662
TOTAL LIABILITIES	51,144,843	69,239,388	51,192,012	69,263,432
C SHAREHOLDERS' FUNDS				
33 Paid up /Assigned capital	1,245,187	1,245,187	1,245,187	1,245,187
34 Share premium	5,063,673	5,062,517	5,063,673	5,062,517
35 Revaluation reserves	78,956	70,045	78,956	70,045
36 Retained Earnings	3,944,241	5,136,746	3,875,332	5,021,549
37 Statutory loan reserves	357,503	527,484	357,503	527,484
38 Other Reserves	-	-	-	-
39 Proposed dividends	-	-	-	-
40 Capital grants	-	-	-	-
TOTAL SHAREHOLDERS' FUNDS	10,689,560	12,041,979	10,620,650	11,926,782
42 Minority Interest	-	-	-	-
TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS	61,834,403	81,281,366	61,812,663	81,190,214

STATEMENT OF COMPREHENSIVE INCOME	GROUP		BANK	
	31-Dec-14 Audited Shs.'000	31-Dec-15 Audited Shs.'000	31-Dec-14 Audited Shs.'000	31-Dec-15 Audited Shs.'000
INTEREST INCOME				
1 Loans and advances	6,216,205	8,258,102	6,216,205	8,258,102
2 Government securities	527,148	787,648	527,148	787,648
3 Deposits and placements with banking institutions	243,377	764,346	243,377	764,346
4 Other interest income	134,845	222,217	134,845	222,217
Total interest income	7,121,576	10,032,314	7,121,576	10,032,314
INTEREST EXPENSE				
5 Customer deposits	1,544,940	3,261,998	1,547,577	3,269,496
6 Deposits and placement from banking institutions	-	-	-	-
7 Other interest expenses	203,280	370,387	203,280	370,387
Total interest expenses	1,748,220	3,632,385	1,750,857	3,639,883
NET INTEREST INCOME	5,373,356	6,399,929	5,370,718	6,392,431
OTHER OPERATING INCOME				
8 Fees and commissions on loans and advances	703,886	878,115	703,886	878,115
9 Other fees and commissions	1,480,970	1,509,780	1,480,970	1,509,780
10 Foreign exchange trading income	111,444	298,484	111,444	298,484
11 Dividend Income	-	-	-	-
12 Other income	342,815	290,650	258,484	127,739
Total non-interest income	2,639,115	2,977,929	2,558,484	2,814,118
TOTAL OPERATING INCOME	8,012,471	9,376,958	7,925,503	9,206,549
OPERATING EXPENSES				
13 Loan loss provision	389,944	211,875	389,944	211,875
14 Staff costs	2,306,323	2,640,640	2,273,638	2,590,411
15 Directors' emoluments	191,490	229,653	188,880	223,390
16 Rental charges	371,002	486,533	371,002	486,533
17 Depreciation charge on property and equipment	372,186	556,568	371,360	555,008
18 Amortisation charges	94,634	100,557	94,634	100,557
19 Other operating expenses	1,621,831	2,194,005	1,617,686	2,155,289
Total operating expenses	5,347,410	6,419,830	5,307,144	6,323,063
Profit Before Tax and Exceptional Items	2,665,060	2,957,128	2,618,359	2,883,487
20 Exceptional items	-	-	-	-
Profit After Exceptional Items	2,665,060	2,957,128	2,618,359	2,883,487
21 Current tax	851,930	982,531	834,257	954,992
22 Deferred tax	3,345	(8,349)	3,500	(8,163)
Profit After Tax and Exceptional Items	1,809,785	1,982,946	1,780,602	1,936,658
Other Comprehensive Income:				
23 Gains/(Losses) from Translating the Financial Statements of Foreign Operations	-	-	-	-
24 Fair Value changes in Available-for-sale Financial Assets	-	(6,778)	-	(6,778)
25 Revaluation Surplus on Property, Plant and Equipment	-	-	-	-
26 Share of other Comprehensive Income of Associates	-	-	-	-
27 Income Tax Relating to Components of other Comprehensive Income	-	-	-	-
Other Comprehensive Income for the Year Net of Tax	-	(6,778)	-	(6,778)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	1,809,785	1,976,168	1,780,602	1,929,880
EARNINGS PER SHARE- BASIC & DILUTED	1.94	1.59	1.43	1.55
DIVIDEND PER SHARE -DECLARED	0.5	0.5	0.5	0.5

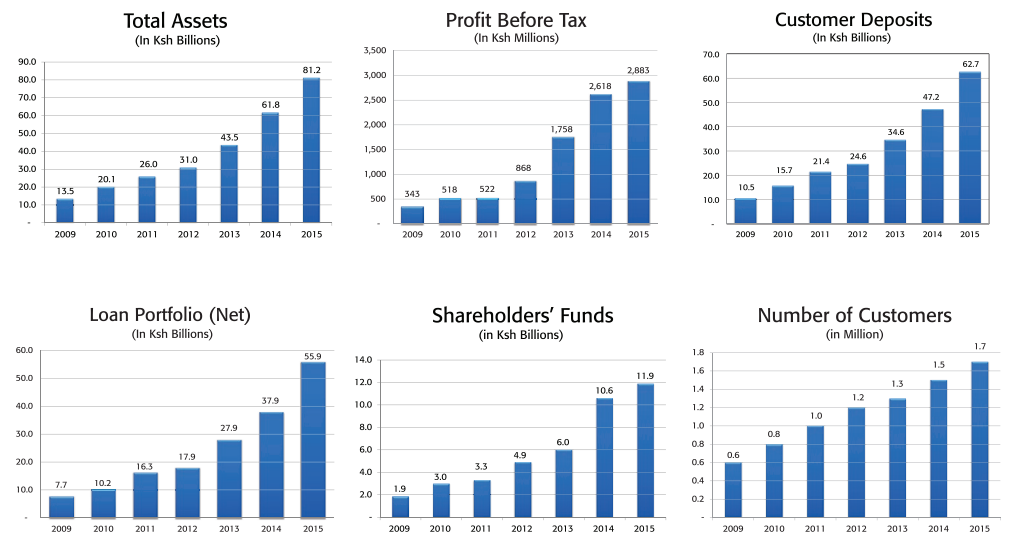
OTHER DISCLOSURES	GROUP		BANK	
	31-Dec-14 Audited Shs.'000	31-Dec-15 Audited Shs.'000	31-Dec-14 Audited Shs.'000	31-Dec-15 Audited Shs.'000
1.0 NON-PERFORMING LOANS AND ADVANCES				
1.1 (a) Gross Non-performing loans and advances	2,847,219	3,514,571	2,847,219	3,514,571
1.2 (b) Less Interest in Suspense	457,545	635,346	457,545	635,346
1.3 (c) Total Non-Performing Loans and Advances (a-b)	2,389,674	2,879,225	2,389,674	2,879,225
1.4 (d) Less Loan Loss Provision	1,298,423	1,486,206	1,298,423	1,486,206
1.5 (e) Net Non-Performing Loans and Advances (c-d)	1,091,251	1,393,019	1,091,251	1,393,019
1.6 (f) Discounted Value of Securities	1,091,251	1,393,019	1,091,251	1,393,019
1.7 (g) Net NPLs Exposure (e-f)	-	-	-	-
2.0 INSIDER LOANS AND ADVANCES				
2.1 (a) Directors, Shareholders and Associates	662,950	1,267,619	662,950	1,267,619
2.2 (b) Employees	1,643,962	1,849,722	1,643,962	1,849,722
2.3 (c) Total Insider Loans and Advances and other facilities	2,306,912	3,117,341	2,306,912	3,117,341
3.0 OFF-BALANCE SHEET ITEMS				
3.1 (a) Letters of credit/guarantees, acceptances	2,737,651	2,324,101	2,737,651	2,324,101
3.2 (b) Forwards Swaps & Options	1,348,514	1,130,658	1,348,514	1,130,658
3.3 (c) Other contingent liabilities	230,398	181,300	230,398	181,300
3.4 (d) Total Contingent Liabilities	4,316,563	3,636,059	4,316,563	3,636,059
4.0 CAPITAL STRENGTH				
4.1 (a) Core capital	-	-	10,184,192	11,329,253
4.2 (b) Minimum Statutory Capital	-	-	1,000,000	1,000,000
4.3 (c) Excess (a-b)	-	-	9,184,192	10,329,253
4.4 (d) Supplementary Capital	-	-	366,335	2,555,116
4.5 (e) Total Capital (a+d)	-	-	10,550,526	13,884,369
4.6 (f) Total risk weighted assets	-	-	52,067,367	73,606,478
4.7 (g) Core Capital/Total deposits Liabilities	-	-	21.6%	18.1%
4.8 (h) Minimum statutory Ratio	-	-	8.0%	8.0%
4.9 (i) Excess	-	-	13.6%	10.1%
4.10 (j) Core Capital / Total risk weighted assets	-	-	19.6%	15.4%
4.11 (k) Minimum Statutory Ratio	-	-	10.5%	10.5%
4.12 (l) Excess (j-k)	-	-	9.1%	4.9%
4.13 (m) Total Capital/Total risk weighted assets	-	-	20.3%	18.9%
4.14 (n) Minimum statutory Ratio	-	-	14.5%	14.50%
4.15 (o) Excess (m-n)	-	-	5.8%	4.4%
5.0 LIQUIDITY				
5.1 (a) Liquidity Ratio	-	-	40.8%	30.8%
5.2 (b) Minimum Statutory Ratio	-	-	20.0%	20.0%
5.3 (c) Excess (a-b)	-	-	20.8%	10.8%

The above statement of financial position, statement of comprehensive income and disclosures are extracts from the books of the Bank as audited by Deloitte & Touche, Certified Public Accountants and received unqualified opinion.

The complete set of audited financial statements, statutory and qualitative disclosures can be accessed on the Institution's website www.familybank.co.ke. They may also be accessed at the institutions Head office located at Family Bank Towers, Muindi Bbingu street, Nairobi.

KEY FINANCIAL PERFORMANCE HIGHLIGHTS-BANK

- Profit Before Tax increased by 10% from Ksh.2.62B for the year ended 31st December 2014 to Ksh.2.88B for the year ended 31st December 2015.
- Total Shareholders' funds grew by 12% from Ksh.10.62B as at December 2014 to Ksh. 11.93B as at December 2015.
- Deposits grew by 33% from Ksh.47.2B as at December 2014 to Ksh.62.7B as at December 2015.
- Total assets grew by 31% from Ksh.61.8B as at December 2014 to Ksh.81.2B as at December 2015.
- Loans grew by 47% from Ksh.37.9B as at December 2014 to Ksh.55.9B as at December 2015.
- The bank has over 1.7 Million customers.



Signed: **Peter Munyiri**
Managing Director & CEO

Wilfred D. Kiboro
Chairman