

FAMILY BANK LIMITED

AUDITED FINANCIAL STATEMENTS AND OTHER DISCLOSURES FOR THE YEAR ENDED 31ST DECEMBER 2016

STATEMENT OF FINANCIAL POSITION		GROUP		BANK	
	31-Dec-15 Audited Shs.'000	31-Dec-16 Audited Shs.'000	31-Dec-15 Audited Shs.'000	31-Dec-16 Audited Shs.'000	
A ASSETS					
1 Cash (both Local & Foreign)	2,779,634	3,391,886	2,779,634	3,391,886	
2 Balances with Central Bank of Kenya	3,387,458	2,100,529	3,387,458	2,100,529	
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	7,239,783	4,754,137	7,176,616	4,754,137	
(b) Other Securities	1,568,326	842,389	1,568,326	842,389	
(ii) Available for Sale:					
(a) Kenya Government Securities	450,000	251,007	450,000	251,007	
(b) Other Securities	-	-	-	-	
6 Deposits and balances due from local banking institutions	4,688,360	2,341	4,688,360	2,341	
7 Deposits and balances due from banking institutions abroad	203,999	184,451	203,999	184,451	
8 Tax recoverable	-	776,826	-	738,137	
9 Loans and advances to customers (net)	55,853,882	50,163,555	55,853,882	50,163,555	
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	108,200	18,200	108,200	18,200	
15 Property and equipment	3,175,595	4,167,845	3,169,491	4,158,968	
16 Prepaid lease rentals	157,969	153,359	157,969	153,359	
17 Intangible assets	318,801	451,121	317,624	445,469	
18 Deferred tax asset	2,767	-	2,581	-	
19 Retirement benefit asset	-	-	-	-	
20 Other assets	1,346,593	2,234,038	1,325,075	2,226,946	
TOTAL ASSETS	81,281,366	69,491,684	81,190,214	69,432,374	
B LIABILITIES					
21 Balances due to Central Bank of Kenya	-	4,393,608	-	4,393,608	
22 Customer deposits	62,710,859	41,395,232	62,730,867	41,473,321	
23 Deposits and balances due to local banking institutions	131,643	922,654	131,643	922,654	
24 Deposits and balances due to foreign banking institutions	-	-	-	-	
25 Other money market deposits	-	-	-	-	
26 Borrowed funds	5,587,720	8,933,191	5,587,720	8,933,191	
27 Balances due to Banking Institutions Group Companies	-	-	-	-	
28 Tax payable	30,441	-	36,951	-	
29 Dividends payable	28,589	4,720	28,589	4,720	
30 Deferred tax liability	-	24,844	-	24,883	
31 Retirement benefit liability	-	-	-	-	
32 Other liabilities	750,136	1,062,376	747,662	1,061,121	
TOTAL LIABILITIES	69,239,388	56,736,625	69,263,432	56,813,497	
C SHAREHOLDERS' FUNDS					
33 Paid up /Assigned capital	1,245,187	1,287,108	1,245,187	1,287,108	
34 Share premium	5,062,517	5,874,661	5,062,517	5,874,661	
35 Revaluation reserves	70,045	196,895	70,045	196,895	
36 Retained Earnings	5,136,746	4,954,666	5,021,549	4,818,484	
37 Statutory loan reserves	527,484	441,729	527,484	441,729	
38 Other Reserves	-	-	-	-	
39 Proposed dividends	-	-	-	-	
40 Capital grants	-	-	-	-	
TOTAL SHAREHOLDERS' FUNDS	12,041,979	12,755,059	11,926,782	12,618,877	
42 Minority Interest	-	-	-	-	
TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS	81,281,366	69,491,684	81,190,214	69,432,374	

STATEMENT OF COMPREHENSIVE INCOME		GROUP		BANK	
	31-Dec-15 Audited Shs.'000	31-Dec-16 Audited Shs.'000	31-Dec-15 Audited Shs.'000	31-Dec-16 Audited Shs.'000	
INTEREST INCOME					
1 Loans and advances	8,258,102	9,758,719	8,258,102	9,758,719	
2 Government securities	787,648	657,752	787,648	657,752	
3 Deposits and placements with banking institutions	764,346	211,707	764,346	211,707	
4 Other Interest Income	222,217	182,741	222,217	182,741	
Total interest income	10,032,314	10,810,919	10,032,314	10,810,919	
INTEREST EXPENSE					
5 Customer deposits	3,261,998	2,853,750	3,269,496	2,867,581	
6 Deposits and placement from banking institutions	-	219,246	-	219,246	
7 Other interest expenses	370,387	1,025,041	370,387	1,025,041	
Total interest expenses	3,632,385	4,098,037	3,639,883	4,111,868	
NET INTEREST INCOME	6,399,929	6,712,882	6,392,431	6,699,051	
OTHER OPERATING INCOME					
8 Fees and commissions on loans and advances	878,115	479,650	878,115	479,650	
9 Other fees and commissions	1,509,780	1,471,877	1,509,780	1,471,877	
10 Foreign exchange trading income	298,484	235,681	298,484	235,681	
11 Dividend Income	-	-	-	-	
12 Other income	290,650	225,872	127,739	111,924	
Total non-interest income	2,977,029	2,413,080	2,814,118	2,299,132	
TOTAL OPERATING INCOME	9,376,958	9,125,962	9,206,549	8,998,183	
OPERATING EXPENSES					
13 Loan loss provision	211,875	847,370	211,875	847,370	
14 Staff costs	2,640,640	2,936,936	2,590,411	2,870,912	
15 Directors' emoluments	229,653	154,676	223,390	151,016	
16 Rental charges	486,533	637,754	486,533	637,754	
17 Depreciation charge on property and equipment	556,568	693,466	555,008	690,270	
18 Amortisation charges	100,557	119,675	100,557	119,675	
19 Other operating expenses	2,194,005	3,071,443	2,155,289	3,047,766	
Total operating expenses	6,419,830	8,461,320	6,323,063	8,364,763	
Profit Before Tax and Exceptional Items	2,957,128	664,642	2,883,487	633,419	
20 Exceptional items	-	-	-	-	
Profit After Exceptional Items	2,957,128	664,642	2,883,487	633,419	
21 Current tax	982,531	313,955	954,992	303,864	
22 Deferred tax	(8,349)	(1,592)	(8,163)	(1,739)	
Profit After Tax and Exceptional Items	1,982,946	352,279	1,936,658	331,294	
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)	7,785	(6,778)	7,785	
25 Revaluation Surplus on Property, Plant and Equipment	-	121,545	-	121,545	
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)	129,330	(6,778)	129,330	
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	1,976,168	481,609	1,929,880	460,624	
EARNINGS PER SHARE- BASIC & DILUTED	1.59	0.28	1.55	0.27	
DIVIDEND PER SHARE -DECLARED					

OTHER DISCLOSURES		GROUP		BANK	
	31-Dec-15 Audited Shs.'000	31-Dec-16 Audited Shs.'000	31-Dec-15 Audited Shs.'000	31-Dec-16 Audited Shs.'000	
1.0 NON-PERFORMING LOANS AND ADVANCES					
1.1 (a) Gross Non-performing loans and advances	3,514,571	7,014,631	3,514,571	7,014,631	
1.2 (b) Less Interest in Suspense	635,346	1,011,792	635,346	1,011,792	
1.3 (c) Total Non-Performing Loans and Advances (a-b)	2,879,225	6,002,839	2,879,225	6,002,839	
1.4 (d) Less Loan Loss Provision	1,486,206	2,309,749	1,486,206	2,309,749	
1.5 (e) Net Non-Performing Loans and Advances(c-d)	1,393,019	3,693,090	1,393,019	3,693,090	
1.6 (f) Discounted Value of Securities	1,393,019	3,561,257	1,393,019	3,561,257	
1.7 (g) Net NPLs Exposure (e-f)	-	131,833	-	131,833	
2.0 INSIDER LOANS AND ADVANCES					
2.1 (a) Directors, Shareholders and Associates	1,267,619	2,113,068	1,267,619	2,113,068	
2.2 (b) Employees	1,849,722	1,715,285	1,849,722	1,715,285	
2.3 (c) Total Insider Loans and Advances and other facilities	3,117,341	3,828,353	3,117,341	3,828,353	
3.0 OFF-BALANCE SHEET ITEMS					
3.1 (a) Letters of credit, guarantees, acceptances	2,324,101	3,045,782	2,324,101	3,045,782	
3.2 (b) Forwards Swaps & Options	1,130,658	675,609	1,130,658	675,609	
3.3 (c) Other contingent liabilities	181,300	213,592	181,300	213,592	
3.4 (d) Total Contingent Liabilities	3,636,059	3,934,983	3,636,059	3,934,983	
4.0 CAPITAL STRENGTH					
4.1 (a) Core capital	-	-	11,329,253	11,980,252	
4.2 (b) Minimum Statutory Capital	-	-	1,000,000	1,000,000	
4.3 (c) Excess (a-b)	-	-	10,329,253	10,980,252	
4.4 (d) Supplementary Capital	-	-	2,555,116	2,469,361	
4.5 (e) Total Capital (a+d)	-	-	13,884,369	14,449,613	
4.6 (f) Total risk weighted assets	-	-	73,606,478	69,533,671	
4.7 (g) Core Capital/Total deposits Liabilities	-	-	18.1%	28.9%	
4.8 (h) Minimum statutory Ratio	-	-	8.0%	8.0%	
4.9 (i) Excess	-	-	10.1%	20.9%	
4.10 (j) Core Capital / Total risk weighted assets	-	-	15.4%	17.2%	
4.11 (k) Minimum Statutory Ratio	-	-	10.5%	10.5%	
4.12 (l) Excess (j-k)	-	-	4.9%	6.7%	
4.13 (m) Total Capital/Total risk weighted assets	-	-	18.9%	20.8%	
4.14 (n) Minimum statutory Ratio	-	-	14.5%	14.5%	
4.15 (o) Excess (m-n)	-	-	4.4%	6.3%	
5.0 LIQUIDITY					
5.1 (a) Liquidity Ratio	-	-	30.8%	*14.4%	
5.2 (b) Minimum Statutory Ratio	-	-	20.0%	20.0%	
5.3 (c) Excess (a-b)	-	-	10.8%	-5.6%	

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 Mbingu street, Nairobi.

*The malicious social media attack in November 2016, had an adverse impact on liquidity at the close of the year which has since recovered fully.

Signed: **Dr. David Thuku**
Managing Director & CEO

Dr. Wilfred Kiboro
Board Chairman

Paybill Number

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Our MPESA paybill 222111 allows you to conveniently deposit money to any Family Bank account, pay school fees, collect church offertory, pay utility bills such as water, rent, and many more. This service is available to both Family Bank customers and non- customers.

For more information, visit your nearest Family Bank branch.