

# FAMILY BANK LIMITED

## UN-AUDITED FINANCIAL STATEMENTS AND OTHER DISCLOSURES FOR THE PERIOD ENDED 30<sup>TH</sup> SEPTEMBER 2018

STATEMENT OF FINANCIAL POSITION	GROUP				BANK			
	30-Sep-17 Un-Audited Shs.' 000	31-Dec-17 Audited Shs.' 000	30-Sep-18 Un-Audited Shs.' 000	30-Sep-17 Un-Audited Shs.' 000	31-Dec-17 Audited Shs.' 000	31-Mar-18 Un-Audited Shs.' 000	30-Jun-18 Un-Audited Shs.' 000	30-Sep-18 Un-Audited Shs.' 000
<b>A ASSETS</b>								
1 Cash (both Local & Foreign)	2,956,921	3,482,434	2,963,220	2,956,921	3,482,434	3,269,407	3,041,707	2,963,220
2 Balances with Central Bank of Kenya	3,950,442	2,159,276	2,798,087	3,950,442	2,159,276	1,722,707	3,573,851	2,798,087
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	9,369,153	7,692,403	7,246,156	9,369,153	7,692,403	7,996,680	7,298,643	7,246,156
(b) Other Securities	841,917	842,679	842,207	841,917	842,679	842,062	842,245	842,207
(ii) Available for Sale:	-	-	-	-	-	-	-	-
(a) Kenya Government Securities	-	-	-	-	-	-	-	-
(b) Other Securities	-	-	-	-	-	-	-	-
6 Deposits and balances due from local banking institutions	203,991	1,870,153	2,214,420	203,991	1,870,153	1,517,458	2,385,521	2,214,420
7 Deposits and balances due from banking institutions abroad	827,746	625,145	307,745	827,746	625,145	173,219	60,681	307,745
8 Tax recoverable	773,065	788,944	710,191	773,065	788,944	755,013	743,034	755,013
9 Loans and advances to customers (net)	44,395,986	43,471,853	44,586,803	44,395,986	43,471,853	44,256,362	43,880,021	44,586,803
10 Balances due from Banking Institutions in the Group	-	-	-	-	-	-	-	-
11 Investments in associates	-	-	-	-	-	-	-	-
12 Investments in subsidiary companies	-	-	-	1,000	1,000	1,000	1,000	1,000
13 Investments in joint ventures	-	-	-	-	-	-	-	-
14 Investment properties	18,200	18,200	18,200	18,200	18,200	18,200	18,200	18,200
15 Property and equipment	3,763,835	3,622,587	3,038,974	3,756,432	3,615,785	3,442,723	3,273,191	3,033,963
16 Prepaid lease rentals	149,898	148,736	145,098	149,898	148,736	147,523	146,310	145,098
17 Intangible assets	487,631	470,887	402,504	481,862	465,526	433,664	408,893	390,966
18 Deferred tax asset	-	324,879	324,880	-	324,495	324,495	285,645	324,495
19 Retirement benefit asset	-	-	-	-	-	-	-	-
20 Other assets	3,827,350	3,616,759	3,221,884	3,787,666	3,578,245	2,836,001	3,062,374	3,179,011
<b>TOTAL ASSETS</b>	<b>71,566,135</b>	<b>69,134,935</b>	<b>68,820,368</b>	<b>71,479,580</b>	<b>69,050,943</b>	<b>67,724,535</b>	<b>69,033,491</b>	<b>68,730,617</b>
<b>B LIABILITIES</b>								
21 Balances due to Central Bank of Kenya	2,148,782	-	-	2,148,782	-	-	-	-
22 Customer deposits	48,156,089	47,362,130	47,889,754	48,212,565	47,425,108	46,914,842	47,841,061	47,913,300
23 Deposits and balances due to local banking institutions	-	201,708	125,409	-	201,708	62,224	100,035	125,409
24 Deposits and balances due to foreign banking institutions	-	-	-	-	-	-	-	-
25 Other money market deposits	-	-	-	-	-	-	-	-
26 Borrowed funds	8,305,459	8,362,529	7,204,901	8,305,459	8,362,529	8,025,583	8,070,707	7,204,901
27 Balances due to Banking Institutions Group Companies	-	-	-	-	-	-	-	-
28 Tax payable	-	-	-	-	-	-	-	-
29 Dividends payable	2,947	2,808	2,798	2,947	2,808	2,808	2,808	2,798
30 Deferred tax liability	24,843	-	-	24,883	-	-	-	-
31 Retirement benefit liability	-	-	-	-	-	-	-	-
32 Other liabilities	920,214	1,452,496	1,655,967	919,528	1,450,495	1,561,824	1,799,174	1,698,346
<b>TOTAL LIABILITIES</b>	<b>59,558,334</b>	<b>57,381,671</b>	<b>56,878,829</b>	<b>59,614,164</b>	<b>57,442,648</b>	<b>56,567,281</b>	<b>57,813,785</b>	<b>56,944,754</b>
<b>C SHAREHOLDERS' FUNDS</b>								
33 Paid up/Assigned capital	1,287,108	1,287,108	1,287,108	1,287,108	1,287,108	1,287,108	1,287,108	1,287,108
34 Share premium	5,870,700	5,874,662	5,874,661	5,870,700	5,874,662	5,874,662	5,874,661	5,874,661
35 Revaluation reserves	195,889	192,624	192,624	195,889	192,624	192,624	192,624	192,624
36 Retained Earnings	4,279,143	4,102,941	4,167,408	4,136,758	3,957,972	3,654,795	3,497,154	4,011,732
37 Statutory loan reserves	374,961	295,929	419,738	374,961	295,929	148,065	368,160	419,738
38 Other Reserves	-	-	-	-	-	-	-	-
39 Proposed dividends	-	-	-	-	-	-	-	-
40 Capital grants	-	-	-	-	-	-	-	-
<b>TOTAL SHAREHOLDERS' FUNDS</b>	<b>12,007,801</b>	<b>11,753,264</b>	<b>11,941,539</b>	<b>11,865,416</b>	<b>11,608,295</b>	<b>11,157,254</b>	<b>11,219,706</b>	<b>11,785,863</b>
42 Minority Interest	-	-	-	-	-	-	-	-
<b>TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS</b>	<b>71,566,135</b>	<b>69,134,935</b>	<b>68,820,368</b>	<b>71,479,580</b>	<b>69,050,943</b>	<b>67,724,535</b>	<b>69,033,491</b>	<b>68,730,617</b>

STATEMENT OF COMPREHENSIVE INCOME	GROUP				BANK			
	30-Sep-17 Un-Audited Shs.' 000	31-Dec-17 Audited Shs.' 000	30-Sep-18 Un-Audited Shs.' 000	30-Sep-17 Un-Audited Shs.' 000	31-Dec-17 Audited Shs.' 000	31-Mar-18 Un-Audited Shs.' 000	30-Jun-18 Un-Audited Shs.' 000	30-Sep-18 Un-Audited Shs.' 000
<b>INTEREST INCOME</b>								
1 Loans and advances	4,349,352	6,124,518	4,177,408	4,349,352	6,124,518	1,382,763	2,777,999	4,177,408
2 Government securities	524,972	778,517	567,911	524,972	778,517	187,150	371,365	567,911
3 Deposits and placements with banking institutions	22,308	38,879	57,414	22,308	38,879	10,299	30,954	57,414
4 Other Interest Income	79,046	105,765	79,046	79,046	105,765	26,059	52,408	79,046
<b>Total interest income</b>	<b>4,975,678</b>	<b>7,047,889</b>	<b>4,881,779</b>	<b>4,975,678</b>	<b>7,047,889</b>	<b>1,606,271</b>	<b>3,232,726</b>	<b>4,881,779</b>
<b>INTEREST EXPENSE</b>								
5 Customer deposits	1,168,452	1,578,032	1,152,955	1,168,967	1,584,269	384,262	771,683	1,157,893
6 Deposits and placement from banking institutions	86,052	101,141	23,140	86,052	101,141	18,095	21,859	23,140
7 Other interest expenses	781,102	988,708	602,973	781,102	988,708	209,735	408,787	602,973
<b>Total interest expenses</b>	<b>2,035,606</b>	<b>2,667,881</b>	<b>1,779,068</b>	<b>2,036,121</b>	<b>2,674,118</b>	<b>612,092</b>	<b>1,202,329</b>	<b>1,784,006</b>
<b>NET INTEREST INCOME</b>	<b>2,940,072</b>	<b>4,380,008</b>	<b>3,102,711</b>	<b>2,939,557</b>	<b>4,373,771</b>	<b>994,179</b>	<b>2,030,397</b>	<b>3,097,773</b>
<b>OTHER OPERATING INCOME</b>								
8 Fees and commissions on loans and advances	347,547	108,907	95,515	347,547	108,907	32,684	70,736	95,515
9 Other fees and commissions	1,133,479	1,577,602	1,348,215	1,133,479	1,577,602	415,282	900,752	1,348,215
10 Foreign exchange trading income	230,997	288,762	259,918	230,997	288,760	92,752	182,557	259,918
11 Dividend Income	-	-	-	-	-	-	-	-
12 Other income	156,435	198,260	154,382	101,106	126,570	25,219	56,764	99,469
<b>Total non-interest income</b>	<b>1,868,458</b>	<b>2,173,531</b>	<b>1,858,030</b>	<b>1,813,129</b>	<b>2,101,839</b>	<b>565,937</b>	<b>1,210,809</b>	<b>1,803,117</b>
<b>TOTAL OPERATING INCOME</b>	<b>4,808,530</b>	<b>6,553,539</b>	<b>4,960,741</b>	<b>4,752,686</b>	<b>6,475,610</b>	<b>1,560,116</b>	<b>3,241,206</b>	<b>4,900,890</b>
<b>OPERATING EXPENSES</b>								
13 Loan loss provision	569,543	931,430	595,167	569,543	931,430	200,829	394,510	595,167
14 Staff costs	1,652,789	2,289,793	1,333,722	1,617,428	2,240,850	429,953	855,793	1,298,658
15 Directors' emoluments	93,966	124,196	84,653	91,777	120,127	25,958	52,664	82,713
16 Rental charges	501,151	686,953	466,785	501,151	686,953	162,519	326,927	466,785
17 Depreciation charge on property and equipment	567,406	756,267	522,229	564,383	752,158	179,954	360,463	518,304
18 Amortisation charges	106,820	146,071	95,855	106,820	146,071	33,075	64,658	95,855
19 Other operating expenses	2,055,877	2,976,467	1,592,452	2,050,076	2,968,862	487,547	1,056,689	1,589,740
<b>Total operating expenses</b>	<b>5,547,552</b>	<b>7,911,177</b>	<b>4,690,863</b>	<b>5,501,178</b>	<b>7,846,451</b>	<b>1,519,835</b>	<b>3,111,704</b>	<b>4,647,222</b>
<b>Profit Before Tax and Exceptional Items</b>	<b>(739,022)</b>	<b>(1,357,638)</b>	<b>269,878</b>	<b>(748,492)</b>	<b>(1,370,841)</b>	<b>40,281</b>	<b>129,502</b>	<b>253,668</b>
20 Exceptional items	-	-	-	-	-	-	-	-
<b>Profit After Exceptional Items</b>	<b>(739,022)</b>	<b>(1,357,638)</b>	<b>269,878</b>	<b>(748,492)</b>	<b>(1,370,841)</b>	<b>40,281</b>	<b>129,502</b>	<b>253,668</b>
21 Current tax	-	(82,117)	361,264	-	(82,117)	(12,084)	(38,851)	(76,100)
22 Deferred tax	-	-	-	-	-	-	-	-
<b>Profit After Tax and Exceptional Items</b>	<b>(743,092)</b>	<b>(1,000,788)</b>	<b>187,761</b>	<b>(748,492)</b>	<b>(1,009,577)</b>	<b>28,197</b>	<b>90,651</b>	<b>177,568</b>
<b>Other Comprehensive Income:</b>								
23 Gains/(Losses) from Translating the Financial Statements of Foreign Operations	-	-	-	-	-	-	-	-
24 Fair Value changes in Available-for-sale Financial Assets	-	1,007	-	-	1,007	-	-	-
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	-	-	-	-	-	-	-	-
<b>Other Comprehensive Income for the Year Net of Tax</b>	<b>-</b>	<b>1,007</b>	<b>-</b>	<b>-</b>	<b>1,007</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	<b>(743,092)</b>	<b>(999,781)</b>	<b>187,761</b>	<b>(748,492)</b>	<b>(1,008,570)</b>	<b>28,197</b>	<b>90,651</b>	<b>177,568</b>
<b>EARNINGS PER SHARE- BASIC &amp; DILUTED</b>	<b>(0.58)</b>	<b>(0.80)</b>	<b>0.15</b>	<b>(0.58)</b>	<b>(0.80)</b>	<b>0.02</b>	<b>0.07</b>	<b>0.14</b>
<b>DIVIDEND PER SHARE -DECLARED</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

OTHER DISCLOSURES	GROUP				BANK			
	30-Sep-17 Un-Audited Shs.' 000	31-Dec-17 Audited Shs.' 000	30-Sep-18 Un-Audited Shs.' 000	30-Sep-17 Un-Audited Shs.' 000	31-Dec-17 Audited Shs.' 000	31-Mar-18 Un-Audited Shs.' 000	30-Jun-18 Un-Audited Shs.' 000	30-Sep-18 Un-Audited Shs.' 000
<b>1.0 NON-PERFORMING LOANS AND ADVANCES</b>								
1.1 (a) Gross Non-performing loans and advances	8,193,382	9,477,932	8,186,909	8,193,382	9,477,932	10,036,332	8,252,914	8,186,909
1.2 (b) Less Interest in Suspense	1,055,088	1,117,824	990,997	1,055,088	1,117,824	1,195,267	947,479	990,997
1.3 (c) <b>Total Non-Performing Loans and Advances (a-b)</b>	<b>7,138,294</b>	<b>8,360,108</b>	<b>7,195,912</b>	<b>7,138,294</b>	<b>8,360,108</b>	<b>8,841,064</b>	<b>7,305,435</b>	<b>7,195,912</b>
1.4 (d) Less Loan Loss Provision	2,147,341	2,338,464	1,688,637	2,147,341	2,338,464	2,551,040	1,489,668	1,688,637
1.5 (e) <b>Net Non-Performing Loans and Advances (c-d)</b>	<b>4,990,953</b>	<b>6,021,644</b>	<b>5,507,275</b>	<b>4,990,953</b>	<b>6,021,644</b>	<b>6,290,025</b>	<b>5,815,767</b>	<b>5,507,275</b>
1.6 (f) Discounted Value of Securities	4,990,953	5,842,101	5,200,944	4,990,953	5,842,101	5,878,602	5,514,219	5,200,944
1.7 (g) <b>Net NPLs Exposure (e-f)</b>	<b>-</b>	<b>179,543</b>	<b>306,331</b>	<b>-</b>	<b>179,543</b>	<b>411,423</b>	<b>301,548</b>	<b>306,331</b>
<b>2.0 INSIDER LOANS AND ADVANCES</b>								
2.1 (a) Directors, Shareholders and Associates	1,924,156	1,868,527	2,220,558	1,924,156	1,868,527	1,850,387	2,245,302	2,22