

FAMILY BANK LIMITED

AUDITED FINANCIAL STATEMENTS AND OTHER DISCLOSURES FOR THE PERIOD ENDED 31ST DECEMBER 2019

STATEMENT OF FINANCIAL POSITION	BANK		GROUP	
	31-Dec-18 Audited Shs. '000	31-Dec-19 Audited Shs. '000	31-Dec-18 Audited Shs. '000	31-Dec-19 Audited Shs. '000
A ASSETS				
1 Cash (both Local & Foreign)	3,494,361	3,394,733	3,494,361	3,394,733
2 Balances with Central Bank of Kenya	2,787,339	3,566,591	2,787,339	3,566,591
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	6,946,277	8,187,378	6,946,277	8,187,378
(b) Other Securities	392,772	399,847	392,772	399,847
(ii) Available for Sale:				
(a) Kenya Government Securities	-	1,662,515	-	1,662,515
(b) Other Securities	-	-	-	-
6 Deposits and balances due from local banking institutions	861,162	1,590,437	861,162	1,590,437
7 Deposits and balances due from banking institutions abroad	361,576	1,188,937	361,576	1,188,937
8 Tax recoverable	551,846	-	587,095	19,423
9 Loans and advances to customers (net)	44,113,093	50,594,439	44,113,093	50,594,439
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	18,200	23,400	18,200	23,400
15 Property and equipment	2,837,332	4,027,944	2,841,773	4,030,367
16 Prepaid lease rentals	143,885	139,220	143,885	139,220
17 Intangible assets	575,323	467,573	597,692	486,843
18 Deferred tax asset	527,303	885,542	527,303	885,542
19 Retirement benefit asset	-	-	-	-
20 Other assets	3,298,369	2,727,569	3,338,537	2,748,001
TOTAL ASSETS	66,909,838	78,857,125	67,011,065	78,917,672
B LIABILITIES				
21 Balances due to Central Bank of Kenya	-	-	-	-
22 Customer deposits	48,558,691	58,275,571	48,483,189	58,054,485
23 Deposits and balances due to local banking institutions	247,051	56,906	247,051	56,906
24 Deposits and balances due to foreign banking institutions	-	-	-	-
25 Other money market deposits	-	-	-	-
26 Borrowed funds	4,903,207	3,954,679	4,903,207	3,954,679
27 Balances due to Banking Institutions Group Companies	-	-	-	-
28 Tax payable	-	290,095	-	290,095
29 Dividends payable	2,716	1,079	2,716	1,079
30 Deferred tax liability	-	-	535	1,421
31 Retirement benefit liability	-	-	-	-
32 Other liabilities	1,771,725	3,870,592	1,793,577	3,942,581
TOTAL LIABILITIES	55,483,390	66,448,922	55,430,275	66,301,246
C SHAREHOLDERS' FUNDS				
33 Paid up / Assigned capital	1,287,108	1,287,108	1,287,108	1,287,108
34 Share premium	5,874,662	5,874,662	5,874,662	5,874,662
35 Revaluation reserves	192,624	278,424	192,624	278,424
36 Retained Earnings	4,072,054	4,968,009	4,226,396	5,176,233
37 Statutory loan reserves	-	-	-	-
38 Other Reserves	-	-	-	-
39 Proposed dividends	-	-	-	-
40 Capital grants	-	-	-	-
TOTAL SHAREHOLDERS' FUNDS	11,426,448	12,408,203	11,580,790	12,616,426
42 Minority Interest	-	-	-	-
TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS	66,909,838	78,857,125	67,011,065	78,917,672

STATEMENT OF COMPREHENSIVE INCOME	BANK		GROUP	
	31-Dec-18 Audited Shs. '000	31-Dec-19 Audited Shs. '000	31-Dec-18 Audited Shs. '000	31-Dec-19 Audited Shs. '000
INTEREST INCOME				
1 Loans and advances	5,668,863	6,081,504	5,668,863	6,081,504
2 Government securities	772,110	817,790	772,110	817,790
3 Deposits and placements with banking institutions	84,847	180,012	84,847	180,012
4 Other Interest Income	98,376	52,333	98,376	52,333
Total interest income	6,624,196	7,131,639	6,624,196	7,131,639
INTEREST EXPENSE				
5 Customer deposits	1,514,102	1,651,326	1,508,298	1,640,403
6 Deposits and placement from banking institutions	26,058	11,840	26,058	11,840
7 Other interest expenses	749,559	475,619	749,559	475,619
Total interest expenses	2,289,719	2,138,785	2,283,915	2,127,862
NET INTEREST INCOME	4,334,477	4,992,855	4,340,281	5,003,778
OTHER OPERATING INCOME				
8 Fees and commissions on loans and advances	125,800	130,224	125,800	130,224
9 Other fees and commissions	1,838,951	1,868,308	1,838,951	1,868,308
10 Foreign exchange trading income	337,456	390,760	337,456	390,760
11 Dividend Income	-	-	-	-
12 Other income	132,485	297,017	196,766	412,289
Total non-interest income	2,434,692	2,686,309	2,498,973	2,801,581
TOTAL OPERATING INCOME	6,769,169	7,679,164	6,839,254	7,805,359
OPERATING EXPENSES				
13 Loan loss provision	771,880	734,307	771,880	734,307
14 Staff costs	1,814,095	1,989,359	1,860,030	2,029,860
15 Directors' emoluments	71,215	95,416	74,035	100,906
16 Rental charges	621,385	628,013	621,385	628,013
17 Depreciation charge on property and equipment	634,705	542,212	638,814	549,414
18 Amortisation charges	129,747	120,861	129,747	120,861
19 Other operating expenses	2,306,262	2,216,759	2,308,431	2,219,169
Total operating expenses	6,349,289	6,326,927	6,404,322	6,382,530
Profit Before Tax and Exceptional Items	419,880	1,352,237	434,932	1,422,829
20 Exceptional items	-	-	-	-
Profit After Exceptional Items	419,880	1,352,237	434,932	1,422,829
21 Current tax	(185,034)	(456,282)	(190,716)	(472,993)
22 Deferred tax	-	-	-	-
Profit After Tax and Exceptional Items	234,846	895,955	244,216	949,836
Other Comprehensive Income:				
23 Gains/(Losses) from Translating the Financial Statements of Foreign Operations	-	-	-	-
24 Fair Value changes in Available-for-sale Financial Assets	-	-	-	-
25 Revaluation Surplus on Property, Plant and Equipment	-	85,800	-	85,800
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	-	85,800	-	85,800
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	234,846	981,755	244,216	1,035,636
EARNINGS PER SHARE - BASIC & DILUTED	0.19	0.76	0.20	0.80
DIVIDEND PER SHARE - DECLARED				

OTHER DISCLOSURES	BANK		GROUP	
	31-Dec-18 Audited Shs. '000	31-Dec-19 Audited Shs. '000	31-Dec-18 Audited Shs. '000	31-Dec-19 Audited Shs. '000
1.0 NON-PERFORMING LOANS AND ADVANCES				
1.1 (a) Gross Non-performing loans and advances	8,137,866	8,244,017	8,137,866	8,244,017
1.2 (b) Less Interest in Suspense	1,002,544	1,116,797	1,002,544	1,116,797
1.3 (c) Total Non-Performing Loans and Advances (a-b)	7,135,322	7,127,220	7,135,322	7,127,220
1.4 (d) Less Loan Loss Provision	1,907,666	2,677,764	1,907,666	2,677,764
1.5 (e) Net Non-Performing Loans and Advances(c-d)	5,227,656	4,449,456	5,227,656	4,449,456
1.6 (f) Discounted Value of Securities	4,960,914	4,146,827	4,960,914	4,146,827
1.7 (g) Net NPLs Exposure (e-f)	266,742	302,629	266,742	302,629
2.0 INSIDER LOANS AND ADVANCES				
2.1 (a) Directors, Shareholders and Associates	2,427,378	2,325,296	2,427,378	2,325,296
2.2 (b) Employees	1,163,182	1,184,169	1,163,182	1,184,169
2.3 (c) Total Insider Loans and Advances and other facilities	3,590,560	3,509,465	3,590,560	3,509,465
3.0 OFF-BALANCE SHEET ITEMS				
3.1 (a) Letters of credit, guarantees, acceptances	3,570,381	5,050,889	3,570,381	5,050,889
3.2 (b) Forwards Swaps & Options	3,147,051	4,599,890	3,147,051	4,599,890
3.3 (c) Other contingent liabilities	182,071	267,877	182,071	267,877
3.4 (d) Total Contingent Liabilities	6,899,503	9,918,656	6,899,503	9,918,656
4.0 CAPITAL STRENGTH				
4.1 (a) Core capital	10,706,525	11,244,237	10,706,525	11,244,237
4.2 (b) Minimum Statutory Capital	1,000,000	1,000,000	1,000,000	1,000,000
4.3 (c) Excess (a-b)	9,706,525	10,244,237	9,706,525	10,244,237
4.4 (d) Supplementary Capital	2,018,800	2,018,800	2,018,800	2,018,800
4.5 (e) Total Capital (a+d)	12,725,325	13,263,037	12,725,325	13,263,037
4.6 (f) Total risk weighted assets	65,186,401	70,978,185	65,186,401	70,978,185
4.7 (g) Core Capital / Total deposits Liabilities	22.1%	19.3%	22.1%	19.3%
4.8 (h) Minimum statutory Ratio	8.0%	8.0%	8.0%	8.0%
4.9 (i) Excess	14.1%	11.3%	14.1%	11.3%
4.10 (j) Core Capital / Total risk weighted assets	16.4%	15.8%	16.4%	15.8%
4.11 (k) Minimum Statutory Ratio	10.5%	10.5%	10.5%	10.5%
4.12 (l) Excess (j-k)	5.9%	5.3%	5.9%	5.3%
4.13 (m) Total Capital / Total risk weighted assets	19.5%	18.7%	19.5%	18.7%
4.14 (n) Minimum statutory Ratio	14.5%	14.5%	14.5%	14.5%
4.15 (o) Excess (m-n)	5.0%	4.2%	5.0%	4.2%
4.16 (p) Core Capital / Total deposits Liabilities*	23.2%	19.9%	23.2%	19.9%
4.17 (q) Core Capital / Total risk weighted assets*	17.3%	16.3%	17.3%	16.3%
4.18 (r) Total Capital / Total risk weighted assets*	20.4%	19.2%	20.4%	19.2%
5.0 LIQUIDITY				
5.1 (a) Liquidity Ratio	30.7%	33.1%	30.7%	33.1%
5.2 (b) Minimum Statutory Ratio	20.0%	20.0%	20.0%	20.0%
5.3 (c) Excess (a-b)	10.7%	13.1%	10.7%	13.1%

*The adjusted capital ratios include the expected credit loss provisions added back to capital in line with Central Bank of Kenya guidance note issued in April 2018 on implementation of IFRS 9.

The Directors have proposed to recommend to the shareholders at the forthcoming Annual General Meeting (AGM) a final dividend of Ksh 0.24 per each ordinary share for the year ended 31 December 2019. The Company will advise the date of the AGM at a later date.

The above consolidated statement of comprehensive income and statements of financial position are extracts from the Bank's books of the accounts as audited by PricewaterhouseCoopers LLP. The same have received an 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 institution's Head Office located at Family Bank Towers, Muindi Mbingu Street, Nairobi.

Signed **Rebecca Mbithi** Managing Director & CEO **Dr. Wilfred D. Kiboro** Chairman

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