

# FAMILY BANK LIMITED

## UN-AUDITED FINANCIAL STATEMENTS AND OTHER DISCLOSURES FOR THE PERIOD ENDED 30TH JUNE 2020

### STATEMENT OF FINANCIAL POSITION

STATEMENT OF FINANCIAL POSITION			BANK		GROUP			
	June 2019 Un-Audited Shs. ` 000	Dec 2019 Audited Shs. ` 000	March 2020 Un-Audited Shs. ` 000	June 2020 Un-Audited Shs. ` 000	June 2019 Un-Audited Shs. ` 000	Dec 2019 Audited Shs. ` 000	June 2020 Un-Audited Shs. ` 000	
<b>A ASSETS</b>								
1 Cash (both Local & Foreign)	3,055,639	3,394,733	3,370,847	3,411,630	3,055,639	3,394,733	3,411,630	
2 Balances with Central Bank of Kenya Kenya Government & other Securities held for dealing purposes	4,641,821	3,566,591	4,642,858	8,953,328	4,641,821	3,566,591	8,953,328	
3 purposes	-	-	-	-	-	-	-	
4 Financial Assets at Fair Value through Profit & Loss	-	-	-	-	-	-	-	
5 Investment Securities:	-	-	-	-	-	-	-	
(i) Held to Maturity:	-	-	-	-	-	-	-	
(a) Kenya Government Securities	6,801,828	8,187,378	9,182,846	8,438,147	6,801,828	8,187,378	8,438,147	
(b) Other Securities	392,557	399,847	412,894	-	392,557	399,847	-	
(ii) Available for Sale:	-	-	-	-	-	-	-	
(a) Kenya Government Securities	2,300,000	1,662,515	2,066,109	2,000,000	2,300,000	1,662,515	2,000,000	
(b) Other Securities	-	-	-	-	-	-	-	
6 Deposits and balances due from local banking institutions	1,041,141	1,590,437	1,147,011	1,547,122	1,041,141	1,590,437	1,547,122	
7 Deposits and balances due from banking institutions abroad	142,516	1,188,937	839,324	321,771	142,516	1,188,937	321,771	
8 Tax recoverable	552,127	-	-	198,229	575,432	19,423	217,903	
9 Loans and advances to customers (net)	46,716,395	50,594,439	53,026,691	54,880,867	46,716,395	50,594,439	54,880,867	
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	-	-	-	
13 Investments in joint ventures	-	-	-	-	-	-	-	
14 Investment properties	18,200	23,400	23,400	23,400	18,200	23,400	23,400	
15 Property and equipment	2,599,763	4,027,944	3,838,034	3,636,454	2,603,063	4,030,367	3,638,395	
16 Prepaid lease rentals	141,573	139,220	140,668	139,509	141,573	139,220	139,509	
17 Intangible assets	521,490	467,573	442,089	418,233	542,945	486,843	435,402	
18 Deferred tax asset	382,734	885,542	885,542	885,542	382,735	885,542	885,542	
19 Retirement benefit asset	-	-	-	-	-	-	-	
20 Other assets	3,288,007	2,727,569	2,173,283	2,055,409	3,307,899	2,748,001	2,056,493	
<b>TOTAL ASSETS</b>	<b>72,596,791</b>	<b>78,857,125</b>	<b>82,192,596</b>	<b>86,910,641</b>	<b>72,663,744</b>	<b>78,917,672</b>	<b>86,949,509</b>	
<b>B LIABILITIES</b>								
21 Balances due to Central Bank of Kenya	-	-	-	-	-	-	-	
22 Customer deposits	54,169,813	58,275,571	61,362,696	66,946,300	54,002,936	58,054,485	66,695,476	
23 Deposits and balances due to local banking institutions	181,341	56,906	191,646	184,818	181,341	56,906	184,818	
24 Deposits and balances due to foreign banking institutions	-	-	-	-	-	-	-	
25 Other money market deposits	-	-	-	-	-	-	-	
26 Borrowed funds	4,518,722	3,954,679	3,620,868	3,579,348	4,518,722	3,954,679	3,579,348	
27 Balances due to Banking Institutions Group Companies	-	-	-	-	-	-	-	
28 Tax payable	-	290,095	408,623	-	-	290,095	-	
29 Dividends payable	1,378	1,079	1,079	23,494	1,378	1,079	23,494	
30 Deferred tax liability	-	-	-	-	535	1,421	1,421	
31 Retirement benefit liability	-	-	-	-	-	-	-	
32 Other liabilities	1,961,761	3,870,592	3,922,909	3,475,706	2,013,644.00	3,942,581	3,518,970	
<b>TOTAL LIABILITIES</b>	<b>60,833,015</b>	<b>66,448,922</b>	<b>69,507,821</b>	<b>74,209,666</b>	<b>60,718,556</b>	<b>66,301,246</b>	<b>74,003,527</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	
34 Share premium	5,874,662	5,874,662	5,874,662	5,874,662	5,874,662	5,874,662	5,874,662	
35 Revaluation reserves	192,624	278,424	278,424	278,424	192,624	278,424	278,424	
36 Retained Earnings	4,409,382	4,968,009	5,244,581	5,260,781	4,590,794	5,176,233	5,505,788	
37 Statutory loan reserves	-	-	-	-	-	-	-	
38 Other Reserves	-	-	-	-	-	-	-	
39 Proposed dividends	-	-	-	-	-	-	-	
40 Capital grants	-	-	-	-	-	-	-	
<b>TOTAL SHAREHOLDERS' FUNDS</b>	<b>11,763,776</b>	<b>12,408,203</b>	<b>12,684,775</b>	<b>12,700,975</b>	<b>11,945,188</b>	<b>12,616,426</b>	<b>12,945,982</b>	
42 Minority Interest	-	-	-	-	-	-	-	
<b>TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS</b>	<b>72,596,791</b>	<b>78,857,125</b>	<b>82,192,596</b>	<b>86,910,641</b>	<b>72,663,744</b>	<b>78,917,672</b>	<b>86,949,509</b>	

### STATEMENT OF COMPREHENSIVE INCOME

STATEMENT OF COMPREHENSIVE INCOME			BANK		GROUP		
	June 2019 Un-Audited Shs. ' 000	Dec 2019 Audited Shs. ' 000	March 2020 Un-Audited Shs. ' 000	June 2020 Un-Audited Shs. ' 000	June 2019 Un-Audited Shs. ' 000	Dec 2019 Audited Shs. ' 000	June 2020 Un-Audited Shs. ' 000
<b>INTEREST INCOME</b>							
1 Loans and advances	2,818,430	6,081,504	1,660,621	3,445,665	2,818,430	6,081,504	3,445,665
2 Government securities	417,799	817,790	309,513	631,851	417,799	817,790	631,851
3 Deposits and placements with banking institutions	33,549	180,012	14,599	45,584	33,549	180,012	45,584
4 Other interest income	25,951	52,333	13,046	22,797	25,951	52,333	22,797
<b>Total interest income</b>	<b>3,295,729</b>	<b>7,131,639</b>	<b>1,997,779</b>	<b>4,145,897</b>	<b>3,295,729</b>	<b>7,131,639</b>	<b>4,145,897</b>
<b>INTEREST EXPENSE</b>							
5 Customer deposits	750,695	1,651,326	464,027	964,434	746,696	1,640,403	956,256
6 Deposits and placement from banking institutions	8,395	11,840	6,784	13,164	8,395	11,840	13,164
7 Other interest expenses	248,857	475,619	111,420	231,823	248,857	475,619	231,823
<b>Total interest expenses</b>	<b>1,007,947</b>	<b>2,138,785</b>	<b>582,232</b>	<b>1,209,421</b>	<b>1,003,948</b>	<b>2,127,862</b>	<b>1,201,243</b>
<b>NET INTEREST INCOME</b>	<b>2,287,782</b>	<b>4,992,855</b>	<b>1,415,547</b>	<b>2,936,476</b>	<b>2,291,781</b>	<b>5,003,778</b>	<b>2,944,654</b>
<b>OTHER OPERATING INCOME</b>							
8 Fees and commissions on loans and advances	65,350	130,224	32,676	64,988	65,350	130,224	64,988
9 Other fees and commissions	905,781	1,868,308	466,499	825,459	905,781	1,868,308	825,459
10 Foreign exchange trading income	177,683	390,760	133,411	196,231	177,683	390,760	196,231
11 Dividend Income	-	-	-	-	-	-	-
12 Other income	106,087	297,017	37,113	125,769	161,223	412,289	204,732
<b>Total non-interest income</b>	<b>1,254,901</b>	<b>2,686,309</b>	<b>669,699</b>	<b>1,212,447</b>	<b>1,310,037</b>	<b>2,801,581</b>	<b>1,291,410</b>
<b>TOTAL OPERATING INCOME</b>	<b>3,542,683</b>	<b>7,679,164</b>	<b>2,085,246</b>	<b>4,148,923</b>	<b>3,601,818</b>	<b>7,805,359</b>	<b>4,236,065</b>
<b>OPERATING EXPENSES</b>							
13 Loan loss provision	341,369	734,307	277,675	451,351	341,369	734,307	451,351
14 Staff costs	914,712	1,989,359	557,447	1,215,123	930,238	2,029,860	1,241,254
15 Directors' emoluments	43,062	95,416	41,844	66,445	45,452	100,906	70,422
16 Rental charges	309,471	628,013	169,945	314,463	309,471	628,013	314,463
17 Depreciation charge on property and equipment	273,552	542,212	133,121	265,519	275,607	549,414	268,129
18 Amortisation charges	61,151	120,861	30,777	60,817	61,151	120,861	60,817
19 Other operating expenses	1,117,474	2,216,759	479,342	972,960	1,117,623	2,219,169	977,553
<b>Total operating expenses</b>	<b>3,060,791</b>	<b>6,326,927</b>	<b>1,690,151</b>	<b>3,346,678</b>	<b>3,080,911</b>	<b>6,382,530</b>	<b>3,383,989</b>
<b>Profit Before Tax and Exceptional Items</b>	<b>481,892</b>	<b>1,352,237</b>	<b>395,095</b>	<b>802,245</b>	<b>520,907</b>	<b>1,422,829</b>	<b>852,076</b>
20 Exceptional items	-	-	-	-	-	-	-
<b>Profit After Exceptional Items</b>	<b>481,892</b>	<b>1,352,237</b>	<b>395,095</b>	<b>802,245</b>	<b>520,907</b>	<b>1,422,829</b>	<b>852,076</b>
21 Current tax	(144,567)	(456,282)	(118,528)	(200,561)	(156,510)	(472,993)	(213,608)
22 Deferred tax	-	-	-	-	-	-	-
<b>Profit After Tax and Exceptional Items</b>	<b>337,325</b>	<b>895,955</b>	<b>276,567</b>	<b>601,684</b>	<b>364,397</b>	<b>949,836</b>	<b>638,468</b>
<b>Other Comprehensive Income:</b>							
Gains/(Losses) from Translating the Financial Statements of							
23 Foreign Operations	-	-	-	-	-	-	-
24 Fair Value changes in Available-fo-sale Financial Assets	-	-	-	-	-	-	-
25 Revaluation Surplus on Property, Plant and Equipment	-	85,800	-	-	-	85,800	-
26 Share of other Comprehensive Income of Associates	-	-	-	-	-	-	-
Income Tax Relating to Components of other	-	-	-	-	-	-	-
27 Comprehensive Income	-	-	-	-	-	-	-
<b>Other Comprehensive Income for the Year Net of Tax</b>	<b>-</b>	<b>85,800</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>85,800</b>	<b>-</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	<b>337,325</b>	<b>981,755</b>	<b>276,567</b>	<b>601,684</b>	<b>364,397</b>	<b>1,035,636</b>	<b>638,468</b>
<b>EARNINGS PER SHARE- BASIC &amp; DILUTED</b>	<b>0.3</b>	<b>0.76</b>	<b>0.21</b>	<b>0.47</b>	<b>0.3</b>	<b>0.80</b>	<b>0.50</b>

### OTHER DISCLOSURES

OTHER DISCLOSURES	BANK			GROUP			
	June 2019 Un-Audited Shs. ' 000	Dec 2019 Audited Shs. ' 000	March 2020 Un-Audited Shs. ' 000	June 2020 Un-Audited Shs. ' 000	June 2019 Un-Audited Shs. ' 000	Dec 2019 Audited Shs. ' 000	June 2020 Un-Audited Shs. ' 000
<b>1.0 NON-PERFORMING LOANS AND ADVANCES</b>							
1.1 (a) Gross Non-performing loans and advances	8,174,273.00	8,244,017	8,999,094.00	9,135,545	8,174,273	8,244,017	9,135,545
1.2 (b) Less Interest in Suspense	1,072,881	1,116,797	1,166,202	1,220,791	1,072,881	1,116,797	1,220,791
1.3 (c) <b>Total Non-Performing Loans and Advances (a-b)</b>	<b>7,101,392</b>	<b>7,127,220</b>	<b>7,832,892</b>	<b>7,914,754</b>	<b>7,101,392</b>	<b>7,127,220</b>	<b>7,914,754</b>
1.4 (d) Less Loan Loss Provision	2,323,578	2,677,764	3,011,813	3,403,457	2,323,578	2,677,764	3,403,457
1.5 (e) <b>Net Non-Performing Loans and Advances(c-d)</b>	<b>4,777,814</b>	<b>4,449,456</b>	<b>4,821,079</b>	<b>4,511,297</b>	<b>4,777,814</b>	<b>4,449,456</b>	<b>4,511,297</b>
1.6 (f) Discounted Value of Securities	4,542,430	4,146,827	4,494,273	4,327,878	4,542,430	4,146,827	4,327,878
1.7 (g) <b>Net NPLs Exposure (e-f)</b>	<b>235,384</b>	<b>302,629</b>	<b>326,806</b>	<b>183,419</b>	<b>235,384</b>	<b>302,629</b>	<b>183,419</b>
<b>2.0 INSIDER LOANS AND ADVANCES</b>							
2.1 (a) Directors, Shareholders and Associates	1,890,431	2,325,296	2,261,950	1,705,985	1,890,431	2,325,296	1,705,985
2.2 (b) Employees	1,174,085	1,184,169	1,202,616	1,068,380	1,174,085	1,184,169	1,068,380
2.3 (c) <b>Total Insider Loans and Advances and other facilities</b>	<b>3,064,516</b>	<b>3,509,465</b>	<b>3,464,566</b>	<b>2,774,365</b>	<b>3,064,516</b>	<b>3,509,465</b>	<b>2,774,365</b>
<b>3.0 OFF-BALANCE SHEET ITEMS</b>							
3.1 (a) Letters of credit, guarantees, acceptances	4,126,878	5,050,889	6,702,343	7,441,293	4,126,878	5,050,889	7,441,293
3.2 (b) Forwards Swaps & Options	4,010,876	4,599,890	3,028,759	3,081,302	4,010,876	4,599,890	3,081,302
3.3 (c) Other contingent liabilities	165,812	267,877	178,272	259,000	165,812	267,877	259,000
3.4 (d) <b>Total Contingent Liabilities</b>	<b>8,303,566</b>	<b>9,918,656</b>	<b>9,909,374</b>	<b>10,781,595</b>	<b>8,303,566</b>	<b>9,918,656</b>	<b>10,781,595</b>
<b>4.0 CAPITAL STRENGTH</b>							
4.1 (a) Core capital	11,019,755	11,244,237	11,382,523	11,236,168	11,019,755	11,244,237	11,236,168
4.2 (b) Minimum Statutory Capital	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
4.3 (c) Excess (a-b)	<b>10,019,755</b>	<b>10,244,237</b>	<b>10,382,523</b>	<b>10,236,168</b>	<b>10,019,755</b>	<b>10,244,237</b>	<b>10,236,168</b>
4.4 (d) Supplementary Capital	2,018,800	2,018,800	2,018,800	2,018,800	2,018,800	2,018,800	2,018,800
4.5 (e) <b>Total Capital (a+d)</b>	<b>13,038,555</b>	<b>13,263,037</b>	<b>13,401,323</b>	<b>13,254,968</b>	<b>13,038,555</b>	<b>13,263,037</b>	<b>13,254,968</b>
4.6 (f) Total risk weighted assets	66,026,631	70,978,185	71,801,040	73,487,930	66,026,631	70,978,185	71,801,040
4.7 (g) <b>Core Capital/Total deposits Liabilities</b>	<b>20.30%</b>	<b>19.3%</b>	<b>18.5%</b>	<b>18.8%</b>	<b>20.30%</b>	<b>19.3%</b>	<b>18.8%</b>
4.8 (h) Minimum statutory Ratio	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%
4.9 (i) Excess	12.3%	11.3%	10.5%	10.8%	12.3%	11.3%	10.8%
4.10 (j) <b>Core Capital / Total risk weighted assets</b>	<b>16.7%</b>	<b>15.8%</b>	<b>15.9%</b>	<b>15.3%</b>	<b>16.7%</b>	<b>15.8%</b>	<b>15.3%</b>
4.11 (k) Minimum Statutory Ratio	10.5%	10.5%	10.5%	10.5%	10.5%	10.5%	10.5%
4.12 (l) Excess (j-k)	6.2%	5.3%	5.4%	4.8%	6.2%	5.3%	4.8%
4.13 (m) <b>Total Capital/Total risk weighted assets</b>	<b>19.7%</b>	<b>18.7%</b>	<b>18.7%</b>	<b>18.0%</b>	<b>19.7%</b>	<b>18.7%</b>	<b>18.0%</b>
4.14 (n) Minimum statutory Ratio	14.5%	14.5%	14.5%	14.5%	14.5%	14.5%	14.5%
4.15 (o) Excess (m-n)	5.20%	4.2%	4.2%	3.5%	5.20%	4.2%	3.5%
4.16 (p) Core Capital/Total deposits Liabilities*	21.1%	19.9%	19.9%	17.2%	21.1%	19.9%	17.2%
4.17 (q) Core Capital /total risk weighted assets*	17.3%	16.3%	16.3%	15.7%	17.3%	16.3%	15.7%
4.18 (r) Total Capital/total risk weighted assets*	20.4%	19.2%	19.1%	18.4%	20.4%	19.2%	18.4%
<b>5.0 LIQUIDITY</b>							
5.1 (a) Liquidity Ratio	<b>32.9%</b>	<b>33.1%</b>	<b>34.0%</b>	<b>36.6%</b>	<b>32.9%</b>	<b>33.1%</b>	<b>36.6%</b>
5.2 (b) Minimum Statutory Ratio	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%
5.3 (c) Excess (a-b)	12.9%	13.1%	14.0%	16.6%	12.9%	13.1%	16.6%