

# FAMILY BANK LIMITED

## AUDITED FINANCIAL STATEMENTS AND OTHER DISCLOSURES FOR THE PERIOD ENDED 31<sup>ST</sup> DECEMBER 2020

### STATEMENT OF FINANCIAL POSITION

	BANK		GROUP	
	31-Dec-19 Audited Shs. '000	31-Dec-20 Audited Shs. '000	31-Dec-19 Audited Shs. '000	31-Dec-20 Audited Shs. '000
<b>A ASSETS</b>				
1 Cash (both Local & Foreign)	3,394,733	4,038,445	3,394,733	4,038,445
2 Balances with Central Bank of Kenya	3,566,591	4,841,075	3,566,591	4,841,075
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	8,187,378	8,901,395	8,187,378	8,901,395
(b) Other Securities	399,847	-	399,847	-
(ii) Available for Sale:	-	-	-	-
(a) Kenya Government Securities	1,662,515	8,099,803	1,662,515	8,099,803
(b) Other Securities	-	-	-	-
6 Deposits and balances due from local banking institutions	1,590,437	501,404	1,590,437	501,404
7 Deposits and balances due from banking institutions abroad	1,188,937	318,003	1,188,937	318,003
8 Tax recoverable	-	-	19,423	27,904
9 Loans and advances to customers (net)	50,594,439	56,579,798	50,594,439	56,579,798
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	23,400	23,400	23,400	23,400
15 Property and equipment	4,027,944	3,693,494	4,030,367	3,694,604
16 Prepaid lease rentals	139,220	134,583	139,220	134,583
17 Intangible assets	467,573	384,289	486,843	399,355
18 Deferred tax asset	885,542	1,552,679	885,542	1,552,679
19 Retirement benefit asset	-	-	-	-
20 Other assets	2,727,569	1,521,258	2,748,001	1,548,349
<b>TOTAL ASSETS</b>	<b>78,857,125</b>	<b>90,590,626</b>	<b>78,917,672</b>	<b>90,660,797</b>
<b>B LIABILITIES</b>				
21 Balances due to Central Bank of Kenya	-	-	-	-
22 Customer deposits	58,275,571	70,125,378	58,054,485	69,756,770
23 Deposits and balances due to local banking institutions	56,906	451,741	56,906	451,741
24 Deposits and balances due to foreign banking institutions	-	-	-	-
25 Other money market deposits	-	-	-	-
26 Borrowed funds	3,954,679	3,017,148	3,954,679	3,017,148
27 Balances due to Banking Institutions Group Companies	-	-	-	-
28 Tax payable	290,095	126,975	290,095	126,975
29 Dividends payable	1,079	5,904	1,079	5,904
30 Deferred tax liability	-	-	1,421	1,126
31 Retirement benefit liability	-	-	-	-
32 Other liabilities	3,870,592	3,701,915	3,942,581	3,844,872
<b>TOTAL LIABILITIES</b>	<b>66,448,922</b>	<b>77,429,061</b>	<b>66,301,246</b>	<b>77,204,536</b>
<b>C SHAREHOLDERS' FUNDS</b>				
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	278,424	264,647	278,424	264,647
36 Retained Earnings	4,968,009	5,735,148	5,176,233	6,029,844
37 Statutory loan reserves	-	-	-	-
38 Other Reserves	-	-	-	-
39 Proposed dividends	-	-	-	-
40 Capital grants	-	-	-	-
<b>TOTAL SHAREHOLDERS' FUNDS</b>	<b>12,408,203</b>	<b>13,161,565</b>	<b>12,616,426</b>	<b>13,456,261</b>
42 Minority Interest	-	-	-	-
<b>TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS</b>	<b>78,857,125</b>	<b>90,590,626</b>	<b>78,917,672</b>	<b>90,660,797</b>

### STATEMENT OF COMPREHENSIVE INCOME

	BANK		GROUP	
	31-Dec-19 Audited Shs. '000	31-Dec-20 Audited Shs. '000	31-Dec-19 Audited Shs. '000	31-Dec-20 Audited Shs. '000
<b>INTEREST INCOME</b>				
1 Loans and advances	6,081,504	7,303,236	6,081,504	7,303,236
2 Government securities	817,790	1,464,830	817,790	1,464,830
3 Deposits and placements with banking institutions	180,012	102,556	180,012	102,556
4 Other Interest Income	52,333	22,797	52,333	22,797
<b>Total interest income</b>	<b>7,131,639</b>	<b>8,893,419</b>	<b>7,131,639</b>	<b>8,893,419</b>
<b>INTEREST EXPENSE</b>				
5 Customer deposits	1,651,326	2,015,431	1,640,403	1,996,304
6 Deposits and placement from banking institutions	11,840	24,814	11,840	24,814
7 Other interest expenses	475,619	447,131	475,619	447,131
<b>Total interest expenses</b>	<b>2,138,785</b>	<b>2,487,376</b>	<b>2,127,862</b>	<b>2,468,249</b>
<b>NET INTEREST INCOME</b>	<b>4,992,855</b>	<b>6,406,043</b>	<b>5,003,778</b>	<b>6,425,170</b>
<b>OTHER OPERATING INCOME</b>				
8 Fees and commissions on loans and advances	130,224	141,635	130,224	141,635
9 Other fees and commissions	1,868,308	1,723,999	1,868,308	1,723,999
10 Foreign exchange trading income	390,760	341,362	390,760	341,362
11 Dividend Income	-	-	-	-
12 Other income	297,017	314,433	412,289	482,412
<b>Total non-interest income</b>	<b>2,686,309</b>	<b>2,521,429</b>	<b>2,801,581</b>	<b>2,689,408</b>
<b>TOTAL OPERATING INCOME</b>	<b>7,679,164</b>	<b>8,927,472</b>	<b>7,805,359</b>	<b>9,114,578</b>
<b>OPERATING EXPENSES</b>				
13 Loan loss provision	734,307	1,616,303	734,307	1,616,303
14 Staff costs	1,989,359	2,339,382	2,029,860	2,398,354
15 Directors' emoluments	95,416	118,606	100,906	132,133
16 Rental charges	628,013	614,006	628,013	614,006
17 Depreciation charge on property and equipment	542,212	505,652	549,414	511,349
18 Amortisation charges	120,861	124,204	120,861	124,204
19 Other operating expenses	2,216,759	2,283,706	2,219,169	2,287,576
<b>Total operating expenses</b>	<b>6,326,927</b>	<b>7,601,859</b>	<b>6,382,530</b>	<b>7,673,925</b>
<b>Profit Before Tax and Exceptional Items</b>	<b>1,352,237</b>	<b>1,325,613</b>	<b>1,422,829</b>	<b>1,440,653</b>
20 Exceptional items	-	-	-	-
<b>Profit After Exceptional Items</b>	<b>1,352,237</b>	<b>1,325,613</b>	<b>1,422,829</b>	<b>1,440,653</b>
21 Current tax	(712,576)	(916,703)	(725,903)	(945,804)
22 Deferred tax	256,294	667,137	252,910	667,671
<b>Profit After Tax and Exceptional Items</b>	<b>895,955</b>	<b>1,076,047</b>	<b>949,836</b>	<b>1,162,520</b>
<b>Other Comprehensive Income:</b>				
23 Gains/(Losses) from Translating the Financial Statements of Foreign Operations	-	-	-	-
24 Fair Value changes in Available-fo-sale Financial Assets	-	(13,777)	-	(13,777)
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	-	-	-	-
<b>Other Comprehensive Income for the Year Net of Tax</b>	<b>85,800</b>	<b>(13,777)</b>	<b>85,800</b>	<b>(13,777)</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	<b>981,755</b>	<b>1,062,270</b>	<b>1,035,636</b>	<b>1,148,743</b>
<b>EARNINGS PER SHARE- BASIC &amp; DILUTED</b>	<b>0.76</b>	<b>0.84</b>	<b>0.80</b>	<b>0.90</b>
<b>DIVIDEND PER SHARE -DECLARED</b>	<b>0.24</b>	<b>-</b>	<b>0.24</b>	<b>-</b>

### OTHER DISCLOSURES

	BANK		GROUP	
	31-Dec-19 Audited Shs. '000	31-Dec-20 Audited Shs. '000	31-Dec-19 Audited Shs. '000	31-Dec-20 Audited Shs. '000
<b>1.0 NON-PERFORMING LOANS AND ADVANCES</b>				
1.1 (a) Gross Non-performing loans and advances	8,244,017	9,390,878	8,244,017	9,390,878
1.2 (b) Less Interest in Suspense	1,116,797	1,309,838	1,116,797	1,309,838
1.3 <b>(c) Total Non-Performing Loans and Advances (a-b)</b>	<b>7,127,220</b>	<b>8,081,040</b>	<b>7,127,220</b>	<b>8,081,040</b>
1.4 (d) Less Loan Loss Provision	2,677,764	4,137,787	2,677,764	4,137,787
1.5 <b>(e) Net Non-Performing Loans and Advances(c-d)</b>	<b>4,449,456</b>	<b>3,943,252</b>	<b>4,449,456</b>	<b>3,943,252</b>
1.6 (f) Discounted Value of Securities	4,146,827	3,747,237	4,146,827	3,747,237
1.7 <b>(g) Net NPLs Exposure (e-f)</b>	<b>302,629</b>	<b>196,016</b>	<b>302,629</b>	<b>196,016</b>
<b>2.0 INSIDER LOANS AND ADVANCES</b>				
2.1 (a) Directors, Shareholders and Associates	2,325,296	1,710,385	2,325,296	1,710,385
2.2 (b) Employees	1,184,169	1,222,296	1,184,169	1,222,296
2.3 <b>(c) Total Insider Loans and Advances and other facilities</b>	<b>3,509,465</b>	<b>2,932,681</b>	<b>3,509,465</b>	<b>2,932,681</b>
<b>3.0 OFF-BALANCE SHEET ITEMS</b>				
3.1 (a) Letters of credit, guarantees, acceptances	5,050,889	8,073,825	5,050,889	8,073,825
3.2 (b) Forwards Swaps & Options	4,599,890	1,904,553	4,599,890	1,904,553
3.3 (c) Other contingent liabilities	267,877	264,694	267,877	264,694
3.4 <b>(d) Total Contingent Liabilities</b>	<b>9,918,656</b>	<b>10,243,072</b>	<b>9,918,656</b>	<b>10,243,072</b>
<b>4.0 CAPITAL STRENGTH</b>				
4.1 (a) Core capital	11,244,237	11,344,238	11,244,237	11,344,238
4.2 (b) Minimum Statutory Capital	1,000,000	1,000,000	1,000,000	1,000,000
4.3 (c) Excess (a-b)	10,244,237	10,344,238	10,244,237	10,344,238
4.4 (d) Supplementary Capital	2,018,800	2,018,800	2,018,800	2,018,800
4.5 <b>(e) Total Capital (a+d)</b>	<b>13,263,037</b>	<b>13,363,038</b>	<b>13,263,037</b>	<b>13,363,038</b>
4.6 (f) Total risk weighted assets	70,978,185	74,824,096	70,978,185	74,824,096
4.7 <b>(g) Core Capital/Total deposits Liabilities</b>	<b>19.3%</b>	<b>16.2%</b>	<b>19.3%</b>	<b>16.2%</b>
4.8 (h) Minimum statutory Ratio	8.0%	8.0%	8.0%	8.0%
4.9 (i) Excess	11.3%	8.2%	11.3%	8.2%
4.10 <b>(j) Core Capital / Total risk weighted assets</b>	<b>15.8%</b>	<b>15.2%</b>	<b>15.8%</b>	<b>15.2%</b>
4.11 (k) Minimum Statutory Ratio	10.5%	10.5%	10.5%	10.5%
4.12 (l) Excess (j-k)	5.3%	4.7%	5.3%	4.7%
4.13 <b>(m) Total Capital/Total risk weighted assets</b>	<b>18.7%</b>	<b>17.9%</b>	<b>18.7%</b>	<b>17.9%</b>
4.14 (n) Minimum statutory Ratio	14.5%	14.5%	14.5%	14.5%
4.15 (o) Excess (m-n)	4.2%	3.4%	4.2%	3.4%
4.16 (p) Core Capital/Total deposits Liabilities*	19.9%	16.5%	19.9%	16.5%
4.17 (q) Core Capital / total risk weighted assets*	16.3%	15.5%	16.3%	15.5%
4.18 (r) Total Capital/total risk weighted assets*	19.2%	18.2%	19.2%	18.2%
<b>5.0 LIQUIDITY</b>				
5.1 (a) Liquidity Ratio	33.1%	37.1%	33.1%	37.1%
5.2 (b) Minimum Statutory Ratio	20.0%	20.0%	20.0%	20.0%
5.3 (c) Excess (a-b)	13.1%	17.1%	13.1%	17.1%

\* The adjusted capital ratios include the expected credit loss provisions added back to capital in line with CBK guidance note issued in April 2018 on implementation of IFRS9.

The above Consolidated Statement of Comprehensive Income and Statement of Financial Position are extracts from the Bank's Financial Statements as audited by PricewaterhouseCoopers LLP and received unqualified opinion. A full set of these Financial Statements will be available at our registered office at Family Bank Towers and online at [www.familybank.co.ke](http://www.familybank.co.ke) for inspection after approval by members at the Annual General Meeting.

Signed: Lazarus Muema  
Director

Rebecca Mbithi  
Managing Director & CEO

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