



Strategy and Business Plans

How is our restructured loan portfolio performing post-Covid? - CFO

We have started seeing a turnaround on the performance of our loan book. Our provisions for non-performing loans has continued to decrease from year 2020 to the end of last year. However, other factors have come into play with the prices of essential commodities rising this year, but, overall, we expect a much improved performance on the loan book this year.

We continue to make the best efforts both to support our customers and to collect outstanding loans.

How is the Bank positioning itself in the digital economy? - CEO

Our digital banking platform continues to be an efficient engine for all of our customers' transactions. About 87% of our customers' transactions are conducted on our digital platforms.

We would like to assure our customers of efficient and innovative systems and solutions. We believe that we will be able to drive value and competitively meet our customers' needs through improving the customer journey.

We will strive to ensure digital disruption by developing new & innovative partnerships, new products and services beyond 'banking'

We will then export the new efficient innovative model to new market segments

Are there plans to increase the credit limit on PesaPap? - CEO

We are currently revising our credit scoring model which will allow us to review the credit limits on PesaPap in the coming months.

What is the Bank's strategy moving forward? - CEO

The bank has an aggressive 5 year strategic plan to get to Tier1 (Top banks in Kenya) in asset base, customers and balance sheet.

Our strategy, dubbed '**take off**' is anchored on 3 drivers:

- **Creation of a customer-centric Bank** driven by unique customer profiling and an unmatched value offering that goes beyond banking services;



- **Unmatched capability in people, technology and infrastructure**
- For our people/ staff we are looking at building a high-performance team. The bank has invested in the creating an agile rationalized structure anchored on the right skills and capabilities
- We are also investing in our people to build a customer-oriented culture; This is important if we are to build a customer centric bank
- **Achieving operational excellence by improving systems reliability**, increasing internal efficiencies, speed of service and offering customized solutions to tap into the ecosystem and the value chain.

The objective is to position ourselves as the Bank of the future whilst delivering a strong value proposition to our customers, making it easy for them to transact wherever they are.

Capital Raising

How have we utilized the capital raised last year? - CEO

The funds raised by the Bank through the Corporate Bond and other debt instruments were primarily to strengthen our balance sheet through shoring up our capital base. The funds were to be deployed to upgrade our ICT systems. We have increased our server capacity and most our data center to an ultra-modern facility. We have also deployed to funds towards lending both in short term and MSME lending. Further, the funds will be utilized to implement our expansion strategy and already we have commenced studies to inform regional expansion.

Expansion

Is the Bank planning to open additional branches this year? - CEO

The Bank is considering opening a few more branches particularly in areas where it is not well presented. We want to take our services closer to our customers. Any new branches will be advised by business opportunities in the areas we are looking at.

Is the Bank planning to expand into the region any time soon? - CEO

Regional expansion remains part of our 2020 – 2024 Strategic Plan. We have commenced due diligence on the potential countries which can enhance return on investment.



How is the Bank planning on navigating the political season? - Chairman

The Bank will continue to support our customers during this period that comes with some level of uncertainty. We are however confident that Kenyans will maintain peace before, during and after the elections and that there will be minimal effects to the general economic environment.

Has the Bank identified a strategic investor for its growth plans? - Chairman

While there are no active discussions in 2022 with Equity Investors, we believe that in 2023 and 2024 the Bank will be in need of up to Kes 10 Billion in additional capital which will either be raised from existing shareholders via a rights issue and the balance from strategic investors. We'll start talking to potential investors after Q3 2022.

Are there any plans on listing? - Chairman

Listing is part of our 2020-2024 Strategic Plan. The Board supports the proposal on listing as it improves the profile of the Bank and liquidity of our shares. However, COVID-19 impacted on our listing plans. We also considered the upcoming elections in August this year. The Board has a fiduciary responsibility to protect shareholders' value and will consider the right timing to list our shares.

We were to get some bonus shares last year, what happened? When are we likely to get these bonus shares? - Chairman

The Board proposed to the shareholders during last year's AGM to increase the number of shares and approve the issue of bonus shares. Unfortunately, the proposal did not garner the required 75% vote and the resolution therefore failed. The Board is considering the available options to raise additional capital and depending on which option the Board settles for, bonus shares will be considered for issue at the right time.

When should we expect dividends to be paid? - Chairman

The company has declared a first and final dividend of Kshs. 0.83 per share, subject to withholding tax where applicable, on the issued and paid up capital of the Company and payable to shareholders registered as at 29th April 2022. The dividends will be paid upon approval by the shareholders within the month of May.

Board

Is the Board planning to increase the number of directors? - Chairman



The Board is in the process of recruiting at least two new directors to replace the two directors who retired in 2021.

Is it possible to sell the shares? - CS

Family Bank shares are traded Over the Counter by placing a sale order through any of our branches countrywide and thereafter processed by our Shares Department. You may get in touch with our Shares Department via email on shares@familybank.co.ke