

19th October 2023

Dear Shareholders,

Re: OPENING OF THE FAMILY BANK RIGHTS ISSUE 2023

The last four years have been characterised by impressive growth, many firsts and resilience in the face of market volatility. Through your unwavering support and commitment, Family Bank has seen growth over the industry average in terms of assets, deposits and loan book. This year also marks the fourth year of our 2020-2024 strategic plan where the Bank aspires to be a leading bank in digital transformation, customer experience and innovative products.

To achieve this, the Bank needs a strong capital base which will position the Bank to strategically continue to take advantage of market opportunities for expansion both in the local and regional market, digitally transform our business by revamping our core banking systems and reengineering business processes to improve turn around time and customer experiences.

This is why the Bank is issuing 800 million new shares through the Rights Issue approved at the Extra-Ordinary General Meeting on Wednesday, October 18th, 2023, to raise additional capital. The Rights Issue opened on Thursday October 19th, 2023, for existing shareholders in our register as at 5 p.m. on October 18th, 2023. Shareholders should return their allotment forms for the number of shares they are taking up by close of Thursday November 16th, 2023. The new shares are being issued at a discount of KES 14.50 under the ratio entitlement of 1 new share for every 2 ordinary shares on the Over-the-Counter platform and these new shares are also eligible to receive dividends at the end of the financial year ending December 31st, 2023.

The capital raised through this Rights Issue will be used for regional expansion, investment in Information Technology infrastructure and new product initiatives and to support Family Bank's onward lending activities.

To allow you to make an informed decision, kindly read the attached Information Memorandum.

We appreciate the unwavering support you have accorded us over the years in building the Family Bank brand and catapulting it to greater heights. We look forward to your support in making this capital raise a success.

Thank you and God bless you.



Dr. Wilfred D. Kiboro, EBS
Chairman