

PRESS RELEASE

FAMILY BANK REPORTS 15.4% PROFIT GROWTH IN Q1 2025.

NAIROBI, KENYA, MAY 21, 2025 – Family Bank Group has reported a 15.4% increase in Profit Before Tax to KES 1.5 billion for the first three months of 2025, up from KES 1.3 billion recorded last year.

The performance was driven by sustained growth in interest income, a strong balance sheet and prudent cost management.

Total assets rose by 19.2% to KES 174.0 billion, driven by a 10.1% growth in the loan book which stood at KES 96.2 billion and a 3.3% increase in investment in Government securities.

Net interest income on the other hand surged by 32.6% to KES 3.2 billion driven by a 50.6% growth in interest income on Government securities and a 14.1% increase in interest income on loans. Despite a 71.4% reduction in Forex trading income, total non-funded income grew by 32.1% on the back of strong performance in fees and commissions which surged by 22.2% to stand at KES. 34.0 million.

Speaking during the investor briefing forum, the Family Bank CEO Nancy Njau credited the strong first-quarter results to the Bank's commitment to building on the achievements of the previous strategy while responding to the evolving needs of our customers.

“These results are a reflection of our strategic clarity and the strong relationships we continue to build with our customers as we focus on sustaining long-term shareholder value,” she said.

“Our new 2025–2029 strategy prioritizes innovation, digital transformation, customer-centricity, data-driven decision-making, and sustainable growth. We are positioning Family Bank as the preferred financial partner for scaling businesses, an approach anchored in a refined segmentation strategy, with a strong focus on the retail and SME sectors, enabling us to meet our customers evolving needs,” she concluded.

Customer deposits grew by 19.8% to KES 132.3 billion, supported by the Bank's branch optimization strategy, which included the relocation of the Kisii and Kangemi branches, alongside continued investments in digitization and customer experience enhancements aimed at expanding financial access.

Operating expenses increased by 41.5%, primarily driven by a 59.6% rise in loan loss provisions and moderate growth of 10.9% in staff costs. The increase in staff costs was largely attributed to a higher headcount following the establishment of a Transformation Strategy Office, branch optimization initiatives and continued investments in employee training and capacity building.

"The increase in loan loss provisions reflects the Bank's prudent risk management strategy and forward-looking approach to asset quality. Proactively setting aside higher provisions has strengthened the Bank's buffers against potential defaults even as we slashed our interest rate," said Family Bank Chief Financial Officer Paul Ngaragari.

"This strategic move contributed to a 19.1% reduction in net non-performing loans over the quarter, highlighting improved asset quality, better recoveries and effective risk management practices. We however, remain focused on maintaining cost efficiency as we scale operations," he concluded

Core capital stood at KES 15.9 billion, up from KES 14.0 billion while core capital ratio stood well above regulatory thresholds at 13.22%, signalling strong capital adequacy in light of the progressive core capital requirements. This liquidity ratio also remained robust at 46.9% underscoring the Bank's strong balance sheet and capacity to meet short-term obligations.

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ABOUT FAMILY BANK

Family Bank is a financial institution that prides itself in growing a strong retail customer base, with a strong focus on SME banking, anchored on the positive transformation of people's lives in Africa. Family Bank is the eighth-largest bank in Kenya, in terms of branch

network with 95 branches across 32 counties. The Bank has over 1.2 million customers, 6,000 bank agents and 75,000 merchants across the country with total assets of KES.168.5 billion and a deposit base of KES 126.4 billion as of 31st December 2024.

A pioneer in digital banking innovation, Family Bank was the first in Kenya to introduce paperless banking through smart card technology, mobile banking, and PesaPap. It also made history as the first bank in Africa to launch the mVisa service, reinforcing its commitment to seamless and accessible financial solutions.

In 2024, Family Bank was recognized for its commitment to excellence, winning the Excellence in Customer Responsiveness award at the Innovation & Excellence Awards East Africa. The Bank was also voted the third-best overall bank and the best tier-two bank for the fifth consecutive year in the Kenya Bankers Association Customer Satisfaction and Digital Banking Experience Survey. Additionally, Family Bank emerged as the winner of the 2024 Banking on Women Awards and received the prestigious Service Excellence Award in the CX Social Impact & Sustainability category from the Institute of Customer Experience.

Previously, in 2021, Family Bank's highly successful Corporate Bond Campaign, which achieved a 147.3% subscription rate, raising KES 4.42 billion through public placement, earned the Financial Communication Campaign of the Year and Overall Public Relations Campaign of the Year at the Public Relations Society of Kenya Annual Awards for Excellence.

Other notable accolades include Best-Performing Young Bankers in Africa at the 2023 Battle of the Banks Africa Competition and Best in Internal Customer Experience at the 2023 Service Excellence Awards. In 2022, Family Bank was named Bank of the Year for high-impact agricultural lending to SMEs by Aceli Africa. The Bank also received the Best SME Bank in Kenya award at the 2017 Banker Africa East Africa Awards, a prestigious initiative recognizing excellence in African financial institutions. Additionally, Family Bank was honored with the Think Business Fastest Growing Bank Award for three consecutive years (2013-2015) and was the 1st Runner-Up for Best Bank in Microfinance at the Think Business Awards in 2013 and 2014.



For more information about Family Bank, please visit: www.familybank.co.ke