

# FAMILY BANK LIMITED

## UN-AUDITED FINANCIAL STATEMENTS AND OTHER DISCLOSURES FOR THE PERIOD ENDED 30TH SEPTEMBER 2016

STATEMENT OF FINANCIAL POSITION	GROUP			BANK			OTHER DISCLOSURES	GROUP			BANK						
	30-Sep-15 Un-Audited Shs. '000	31-Dec-15 Audited Shs. '000	30-Sep-16 Un-Audited Shs. '000	30-Sep-15 Un-Audited Shs. '000	31-Dec-15 Audited Shs. '000	31-Mar-16 Un-Audited Shs. '000		30-Jun-16 Un-Audited Shs. '000	30-Sep-16 Un-Audited Shs. '000	30-Sep-15 Un-Audited Shs. '000	31-Dec-15 Audited Shs. '000	30-Sep-16 Un-Audited Shs. '000	30-Sep-15 Un-Audited Shs. '000	31-Dec-15 Audited Shs. '000	30-Jun-16 Un-Audited Shs. '000	30-Sep-16 Un-Audited Shs. '000	
<b>A ASSETS</b>																	
1 Cash (both Local & Foreign)	2,696,128	2,779,634	3,119,495	2,696,128	2,779,634	2,800,379	3,051,672	3,119,495	3,131,713	3,514,571	6,463,697	3,131,713	3,514,571	4,321,072	5,165,816	6,463,697	
2 Balances with Central Bank of Kenya	3,283,819	3,387,458	4,471,372	3,283,819	3,387,458	6,636,782	4,778,805	4,471,372	609,091	635,346	959,941	609,091	635,346	796,238	959,941	959,941	
3 Kenya Government & other Securities held for dealing purposes	-	-	-	-	-	-	-	-	(c) Total Non-Performing Loans and Advances (a-b)	2,522,622	2,879,225	5,503,756	2,522,622	2,879,225	3,498,617	4,369,579	5,503,756
4 Financial Assets at Fair Value through Profit & Loss	-	-	-	-	-	-	-	-	(d) Less Loan Loss Provision	1,406,600	1,486,206	2,054,416	1,406,600	1,486,206	1,555,213	1,768,858	2,054,416
5 Investment Securities:									(e) Net Non-Performing Loans and Advances (c-d)	1,116,022	1,393,019	3,449,340	1,116,022	1,393,019	1,943,404	2,600,720	3,449,340
(i) Held to Maturity:									(f) Discounted Value of Securities	1,116,022	1,393,019	3,359,454	1,116,022	1,393,019	1,943,404	2,584,213	3,359,454
(a) Kenya Government Securities	7,391,451	7,239,783	5,645,865	7,391,451	7,176,616	5,852,201	5,654,092	5,594,870	(g) Net NPLs Exposure (e-f)	-	-	89,886	-	-	-	-	89,886
(b) Other Securities	1,981,572	1,568,326	926,985	1,981,572	1,568,326	938,961	1,485,752	926,985									
(ii) Available for Sale:																	
(a) Kenya Government Securities	450,000	450,000	450,000	450,000	450,000	450,000	450,000	450,000									
(b) Other Securities	-	-	-	-	-	-	-	-									
6 Deposits and balances due from local banking institutions	7,023,424	4,688,360	2,346	7,023,424	4,688,360	4,011,834	1,090,781	2,346									
7 Deposits and balances due from banking institutions abroad	315,001	203,999	883,786	315,001	203,999	850,416	77,053	883,786									
8 Tax recoverable	-	-	314,561	-	-	-	-	297,902									
9 Loans and advances to customers (net)	52,775,003	55,853,882	55,767,387	52,775,003	55,853,882	58,691,557	57,751,958	55,767,387									
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	1,000									
13 Investments in joint ventures	-	-	-	-	-	-	-	-									
14 Investment properties	127,400	108,200	18,200	127,400	108,200	18,200	18,200	18,200									
15 Property and equipment	2,806,038	3,175,595	4,009,797	2,799,423	3,169,491	3,354,038	3,780,682	4,000,496									
16 Prepaid lease rentals	159,131	157,969	154,508	159,131	157,969	156,819	155,760	154,508									
17 Intangible assets	311,092	318,801	421,269	310,638	317,624	310,785	440,336	416,132									
18 Deferred tax asset	48,600	2,767	2,709	48,600	2,581	2,581	2,581	2,581									
19 Retirement benefit asset	-	-	-	-	-	-	-	-									
20 Other assets	1,233,275	1,346,593	2,657,162	1,192,329	1,325,075	1,864,417	1,200,161	2,627,271									
<b>TOTAL ASSETS</b>	<b>80,601,935</b>	<b>81,281,366</b>	<b>78,845,443</b>	<b>80,554,920</b>	<b>81,190,214</b>	<b>85,939,969</b>	<b>80,104,753</b>	<b>78,734,331</b>									
<b>B LIABILITIES</b>																	
21 Balances due to Central Bank of Kenya	-	-	2,279,199	-	-	-	-	2,279,199									
22 Customer deposits	63,485,789	62,710,859	53,473,867	63,561,947	62,730,867	65,872,792	54,837,309	53,515,421									
23 Deposits and balances due to local banking institutions	591,455	131,643	257,443	591,455	131,643	1,094,483	296,688	257,443									
24 Deposits and balances due to foreign banking institutions	-	-	-	-	-	-	-	-									
25 Other money market deposits	-	-	-	-	-	-	-	-									
26 Borrowed funds	3,505,030	5,587,720	8,862,182	3,505,030	5,587,720	5,608,000	11,136,828	8,862,182									
27 Balances due to Banking Institutions Group Companies	-	-	-	-	-	-	-	-									
28 Tax payable	217,849	30,441	-	210,225	36,951	214,635	-	-									
29 Dividends payable	28,954	28,589	5,789	28,954	28,589	5,164	350,117	5,789									
30 Deferred tax liability	-	-	-	-	-	-	-	-									
31 Retirement benefit liability	-	-	-	-	-	-	-	-									
32 Other liabilities	888,214	750,136	706,517	886,511	747,662	873,870	1,472,132	700,509									
<b>TOTAL LIABILITIES</b>	<b>68,717,292</b>	<b>69,239,388</b>	<b>65,584,997</b>	<b>68,784,121</b>	<b>69,263,432</b>	<b>73,668,944</b>	<b>68,093,073</b>	<b>65,620,543</b>									
<b>C SHAREHOLDERS' FUNDS</b>																	
33 Paid up / Assigned capital	1,245,187	1,245,187	1,287,108	1,245,187	1,245,187	1,245,187	1,245,187	1,287,108									
34 Share premium	5,062,517	5,062,517	5,875,686	5,062,517	5,062,517	5,062,517	5,062,517	5,875,686									
35 Revaluation reserves	47,656	70,045	83,034	47,656	70,045	71,615	82,699	83,034									
36 Retained Earnings	5,026,047	5,136,746	5,510,109	4,912,202	5,021,549	5,345,168	5,092,219	5,363,451									
37 Statutory loan reserves	503,236	527,484	504,509	503,236	527,484	546,537	529,056	504,509									
38 Other Reserves	-	-	-	-	-	-	-	-									
39 Proposed dividends	-	-	-	-	-	-	-	-									
40 Capital grants	-	-	-	-	-	-	-	-									
<b>TOTAL SHAREHOLDERS' FUNDS</b>	<b>11,884,643</b>	<b>12,041,979</b>	<b>13,260,446</b>	<b>11,770,798</b>	<b>11,926,782</b>	<b>12,271,025</b>	<b>12,011,680</b>	<b>13,113,788</b>									
42 Minority Interest	-	-	-	-	-	-	-	-									
<b>TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS</b>	<b>80,601,935</b>	<b>81,281,366</b>	<b>78,845,443</b>	<b>80,554,920</b>	<b>81,190,214</b>	<b>85,939,969</b>	<b>80,104,753</b>	<b>78,734,331</b>									

OTHER DISCLOSURES	30-Sep-15 Un-Audited Shs. '000	31-Dec-15 Audited Shs. '000	30-Sep-16 Un-Audited Shs. '000	30-Sep-15 Un-Audited Shs. '000	31-Dec-15 Audited Shs. '000	30-Jun-16 Un-Audited Shs. '000	30-Sep-16 Un-Audited Shs. '000
<b>1.0 NON-PERFORMING LOANS AND ADVANCES</b>							
1.1 (a) Gross Non-performing loans and advances	3,131,713	3,514,571	6,463,697	3,131,713	3,514,571	4,321,072	5,165,816
1.2 (b) Less Interest in Suspense	609,091	635,346	959,941	609,091	635,346	796,238	959,941
1.3 (c) Total Non-Performing Loans and Advances (a-b)	2,522,622	2,879,225	5,503,756	2,522,622	2,879,225	3,498,617	4,369,579
1.4 (d) Less Loan Loss Provision	1,406,600	1,486,206	2,054,416	1,406,600	1,486,206	1,555,213	1,768,858
1.5 (e) Net Non-Performing Loans and Advances (c-d)	1,116,022	1,393,019	3,449,340	1,116,022	1,393,019	1,943,404	2,600,720
1.6 (f) Discounted Value of Securities	1,116,022	1,393,019	3,359,454	1,116,022	1,393,019	1,943,404	2,584,213
1.7 (g) Net NPLs Exposure (e-f)	-	-	89,886	-	-	-	89,886
<b>2.0 INSIDER LOANS AND ADVANCES</b>							
2.1 (a) Directors, Shareholders and Associates	1,300,361	1,267,619	2,187,457	1,300,361	1,267,619	2,203,083	2,215,458
2.2 (b) Employees	1,814,076	1,849,722	2,187,444	1,814,076	1,849,722	2,312,847	1,920,157
2.3 (c) Total Insider Loans and Advances and other facilities	3,114,437	3,117,341	4,059,901	3,114,437	3,117,341	4,515,930	4,135,616
<b>3.0 OFF-BALANCE SHEET ITEMS</b>							
3.1 (a) Letters of credit, guarantees, acceptances	3,251,771	2,324,101	2,926,494	3,251,771	2,324,101	2,341,195	2,720,087
3.2 (b) Forwards Swaps & Options	5,168,342	1,130,658	1,811,104	5,168,342	1,130,658	4,283,095	1,811,104
3.3 (c) Other contingent liabilities	230,398	181,300	181,300	230,398	181,300	181,300	181,300
3.4 (d) Total Contingent Liabilities	8,650,511	3,636,059	4,918,898	8,650,511	3,636,059	6,805,590	4,624,771
<b>4.0 CAPITAL STRENGTH</b>							
4.1 (a) Core capital	-	-	10,317,308	-	-	11,329,253	11,052,505
4.2 (b) Minimum Statutory Capital	-	-	1,000,000	-	-	1,000,000	1,000,000
4.3 (c) Excess (a-b)	-	-	9,317,308	-	-	10,329,253	10,052,505
4.4 (d) Supplementary Capital	-	-	512,068	-	-	2,555,116	2,556,688
4.5 (e) Total Capital (a+d)	-	-	10,829,376	-	-	13,884,369	14,055,705
4.6 (f) Total risk weighted assets	-	-	70,235,641	-	-	73,606,478	79,311,307
4.7 (g) Core Capital/Total deposits Liabilities	-	-	16.2%	-	-	18.1%	17.4%
4.8 (h) Minimum statutory Ratio	-	-	8.0%	-	-	8.0%	8.0%
4.9 (i) Excess	-	-	8.2%	-	-	10.1%	9.4%
4.10 (j) Core Capital / Total risk weighted assets	-	-	14.7%	-	-	15.4%	14.5%
4.11 (k) Minimum Statutory Ratio	-	-	10.5%	-	-	10.5%	10.5%
4.12 (l) Excess (j-k)	-	-	4.2%	-	-	4.9%	4.0%
4.13 (m) Total Capital/Total risk weighted assets	-	-	15.4%	-	-	18.9%	17.7%
4.14 (n) Minimum statutory Ratio	-	-	14.5%	-	-	14.5%	14.5%
4.15 (o) Excess (m-n)	-	-	0.9%	-	-	4.4%	3.2%
<b>5.0 LIQUIDITY</b>							
5.1 (a) Liquidity Ratio	-	-	33.2%	-	-	30.8%	30.1%
5.2 (b) Minimum Statutory Ratio	-	-	20.0%	-	-	20.0%	20.0%
5.3 (c) Excess (a-b)	-	-	13.2%	-	-	10.8%	4.7%

The above statement of financial position, statement of comprehensive income and disclosures are extracts from the Bank's financial statements.

Signed: **David Thuku**  
Managing Director & CEO

**Wilfred D. Kiboro**  
Board Chairman