FAMILY BANK LIMITED

UN-AUDITED FINANCIAL STATEMENTS AND OTHER DISCLOSURES FOR THE PERIOD ENDED 30TH JUNE 2019

STATEMENT OF FINANCIAL POSITION

		GROUP			BANK			
		30-Jun-18 Un-Audited Shs.`000	31-Dec-18 Audited Shs.`000	30-Jun-19 Un-Audited Shs.`000	30-Jun-18 Un-Audited Shs.`000	31-Dec-18 Audited Shs.`000	31-Mar-19 Un-Audited Shs.`000	30-Jun-19 Un-Audited Shs.`000
A	**ASSETS**							
1	Cash (both Local & Foreign)	3,041,707	3,494,361	3,055,639	3,041,707	3,494,361	3,116,353	3,055,639
2	Balances with Central Bank of Kenya	3,573,851	2,787,339	4,641,821	3,573,851	2,787,339	4,307,906	4,641,821
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	7,298,643	6,946,277	6,801,828	7,298,643	6,946,277	7,214,919	6,801,828
	(b) Other Securities	842,245	392,772	392,557	842,245	392,772	405,676	392,557
	(ii) Available for Sale:	-			-			
	(a) Kenya Government Securities	-	-	2,300,000	-	-	-	2,300,000
	(b) Other Securities	-	-	-	-	-	-	-
6	Deposits and balances due from local banking institutions	2,385,521	861,162	1,041,141	2,385,521	861,162	1,503,801	1,041,141
7	Deposits and balances due from banking institutions abroad	60,681	361,576	142,516	60,681	361,576	171,023	142,516
8	Tax recoverable	786,634	587,095	575,432	755,209	551,846	552,023	552,127
9	Loans and advances to customers (net)	43,880,021	44,113,093	46,716,395	43,880,021	44,113,093	45,625,289	46,716,395
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
13	Investments in joint ventures	-	-	-	-	-	-	-
14	Investment properties	18,200	18,200	18,200	18,200	18,200	18,200	18,200
15	Property and equipment	3,278,772	2,841,773	2,603,063	3,273,191	2,837,332	2,708,228	2,599,763
16	Prepaid lease rentals	146,310	143,885	141,573	146,310	143,885	142,710	141,573
17	Intangible assets	421,313	597,692	542,945	408,893	575,323	330,419	521,490
18	Deferred tax asset	286,373	527,303	382,735	285,645	527,303	465,543	382,734
19	Retirement benefit asset	-		-		-		-
20	Other assets	3,107,571	3,338,537	3,307,899	3,062,374	3,298,369	3,586,642	3,288,007
	TOTAL ASSETS	**69,127,842**	**67,011,065**	**72,663,744**	**69,033,491**	**66,909,838**	**70,149,732**	**72,596,791**
B	**LIABILITIES**							
21	Balances due to Central Bank of Kenya	-	-	-	-	-	-	-
22	Customer deposits	47,774,871	48,483,189	54,002,936	47,841,061	48,558,691	52,104,096	54,169,813
23	Deposits and balances due to local banking institutions	100,035	247,051	181,341	100,035	247,051	179,150	181,341
24	Deposits and balances due to foreign banking institutions	-	-	-	-	-	-	-
25	Other money market deposits	-	-	-	-	-	-	-
26	Borrowed funds	8,070,707	4,903,207	4,518,722	8,070,707	4,903,207	4,542,635	4,518,722
27	Balances due to Banking Institutions Group Companies	-	-	-	-	-	-	-
28	Tax payable	-	-	-	-	-	-	-
29	Dividends payable	2,808	2,716	1,378	2,808	2,716	1,747	1,378
30	Deferred tax liability	-	535	535	-	-	-	-
31	Retirement benefit liability	-		-		-		-
32	Other liabilities	1,803,978	1,793,577	2,013,644	1,799,174	1,771,725	1,751,549	1,961,761
	TOTAL LIABILITIES	**57,752,399**	**55,430,275**	**60,718,556**	**57,813,785**	**55,483,390**	**58,579,177**	**60,833,015**
C	**SHAREHOLDERS' FUNDS**							
33	Paid up /Assigned capital	1,287,108	1,287,108	1,287,108	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	5,874,662	5,874,662	5,874,662
35	Revaluation reserves	192,624	192,624	192,624	192,624	192,624	192,624	192,624
36	Retained Earnings	3,652,890	4,226,396	4,590,794	3,497,154	4,072,054	4,216,161	4,409,382
37	Statutory loan reserves	368,160	-	-	368,160	-	-	-
38	Other Reserves	-	-	-	-	-	-	-
39	Proposed dividends	-	-	-	-	-	-	-
40	Capital grants	-	-	-	-	-	-	-
	TOTAL SHAREHOLDERS' FUNDS	**11,375,443**	**11,580,790**	**11,945,188**	**11,219,706**	**11,426,448**	**11,570,555**	**11,763,776**
42	Minority Interest							
	TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS	**69,127,842**	**67,011,065**	**72,663,744**	**69,033,491**	**66,909,838**	**70,149,732**	**72,596,791**

STATEMENT OF COMPREHENSIVE INCOME

		GROUP			BANK			
		30-Jun-18 Un-Audited Shs.`000	31-Dec-18 Audited Shs.`000	30-Jun-19 Un-Audited Shs.`000	30-Jun-18 Un-Audited Shs.`000	31-Dec-18 Audited Shs.`000	31-Mar-19 Un-Audited Shs.`000	30-Jun-19 Un-Audited Shs.`000
	INTEREST INCOME							
1	Loans and advances	2,777,999	5,668,863	2,818,430	2,777,999	5,668,863	1,401,667	2,818,430
2	Government securities	371,365	772,110	417,799	371,365	772,110	183,633	417,799
3	Deposits and placements with banking institutions	30,954	84,847	33,549	30,954	84,847	13,733	33,549
4	Other Interest Income	52,408	98,376	25,951	52,408	98,376	12,903	25,951
	Total interest income	**3,232,726**	**6,624,196**	**3,295,729**	**3,232,726**	**6,624,196**	**1,611,936**	**3,295,729**
	INTEREST EXPENSE							
5	Customer deposits	768,192	1,508,298	746,696	771,683	1,514,102	348,406	750,695
6	Deposits and placement from banking institutions	21,859	26,058	8,395	21,859	26,058	3,218	8,395
7	Other interest expenses	408,787	749,559	248,857	408,787	749,559	124,179	248,857
	Total interest expenses	**1,198,838**	**2,283,915**	**1,003,948**	**1,202,329**	**2,289,719**	**475,803**	**1,007,947**
	NET INTEREST INCOME	**2,033,888**	**4,340,281**	**2,291,781**	**2,030,397**	**4,334,477**	**1,136,133**	**2,287,782**
	OTHER OPERATING INCOME							
8	Fees and commissions on loans and advances	70,736	125,800	65,350	70,736	125,800	31,653	65,350
9	Other fees and commissions	900,752	1,838,951	905,781	900,752	1,838,951	457,802	905,781
10	Foreign exchange trading income	182,557	337,456	177,683	182,557	337,456	87,919	177,683
11	Dividend Income	-		-	-	-	-	-
12	Other income	99,768	196,766	161,223	56,764	132,485	41,674	106,087
	Total non-interest income	**1,253,813**	**2,498,973**	**1,310,037**	**1,210,809**	**2,434,692**	**619,048**	**1,254,901**
	TOTAL OPERATING INCOME	**3,287,702**	**6,839,254**	**3,601,818**	**3,241,206**	**6,769,169**	**1,755,181**	**3,542,683**
	OPERATING EXPENSES							
13	Loan loss provision	394,510	771,880	341,369	394,510	771,880	200,235	341,369
14	Staff costs	881,238	1,860,030	930,238	855,793	1,814,095	469,990	914,712
15	Directors' emoluments	56,733	74,035	45,452	52,664	71,215	16,898	43,062
16	Rental charges	326,927	621,385	309,471	326,927	621,385	157,976	309,471
17	Depreciation charge on property and equipment	362,453	638,814	275,607	360,463	634,705	138,666	273,552
18	Amortisation charges	64,658	129,747	61,151	64,658	129,747	31,063	61,151
19	Other operating expenses	1,055,462	2,308,431	1,117,623	1,056,689	2,306,262	534,491	1,117,474
	Total operating expenses	**3,141,981**	**6,404,322**	**3,080,911**	**3,111,704**	**6,349,289**	**1,549,319**	**3,060,791**
	Profit Before Tax and Exceptional Items	**145,719**	**434,932**	**520,907**	**129,502**	**419,880**	**205,861**	**481,892**
20	Exceptional items	-	-	-	-	-	-	-
	Profit After Exceptional Items	145,719	434,932	520,907	129,502	419,880	205,861	481,892
21	Current tax	(5,359)	(190,716)	(156,510)	-	(185,034)	(61,759)	(144,567)
22	Deferred tax	(38,851)	-	-	(38,851)	-	-	-
	Profit After Tax and Exceptional Items	**101,509**	**244,216**	**364,397**	**90,651**	**234,846**	**144,102**	**337,325**
	Other Comprehensive Income:							
23	Gains/(Losses) from Translating the Financial Statements of Foreign Operations	-	-	-	-	-	-	-
24	Fair Value changes in Available-fo-sale Financial Assets	-	-	-	-	-	-	-
25	Revaluatation Surplus on Property, Plant and Equipment	-	-	-	-	-	-	-
26	Share of other Comprehensive Income of Associates	-	-	-	-	-	-	-
27	Income Tax Relating to Components of other Comprehensive Income	-	-	-	-	-	-	-
	Other Comprehensive Income for the Year Net of Tax	-	-	-	-	-	-	-
	TOTAL COMPREHENSIVE INCOME FOR THE YEAR	**101,509**	**244,216**	**364,397**	**90,651**	**234,846**	**144,102**	**337,325**
	EARNINGS PER SHARE- BASIC & DILUTED	**0.08**	**0.20**	**0.3**	**0.07**	**0.20**	**0.11**	**0.3**
	DIVIDEND PER SHARE -DECLARED	-	-	-	-	-	-	-

OTHER DISCLOSURES

		GROUP			BANK			
		30-Jun-18 Un-Audited Shs.`000	31-Dec-18 Audited Shs.`000	30-Jun-19 Un-Audited Shs.`000	30-Jun-18 Un-Audited Shs.`000	31-Dec-18 Audited Shs.`000	31-Mar-19 Un-Audited Shs.`000	30-Jun-19 Un-Audited Shs.`000
1.0	**NON-PERFORMING LOANS AND ADVANCES**							
1.1	(a) Gross Non-performing loans and advances	8,252,914	8,137,866	8,174,273	8,252,914	8,137,866	8,160,397	8,174,273
1.2	(b) Less Interest in Suspense	947,479	1,002,544	1,072,881	947,479	1,002,544	1,028,345	1,072,881
1.3	**(c) Total Non-Performing Loans and Advances (a-b)**	**7,305,435**	**7,135,322**	**7,101,392**	**7,305,435**	**7,135,322**	**7,132,052**	**7,101,392**
1.4	(d) Less Loan Loss Provision	1,489,668	1,907,666	2,323,578	1,489,668	1,907,666	2,092,969	2,323,578
1.5	**(e) Net Non-Performing Loans and Advances(c-d)**	**5,815,767**	**5,227,656**	**4,777,814**	**5,815,767**	**5,227,656**	**5,039,083**	**4,777,814**
1.6	(f) Discounted Value of Securities	5,514,219	4,960,914	4,542,430	5,514,219	4,960,914	4,747,228	4,542,430
1.7	**(g) Net NPLs Exposure (e-f)**	**301,548**	**266,742**	**235,384**	**301,548**	**266,742**	**291,855**	**235,384**
2.0	**INSIDER LOANS AND ADVANCES**							
2.1	(a) Directors, Shareholders and Associates	2,245,302	2,427,378	1,890,431	2,245,302	2,427,378	2,401,140	1,890,431
2.2	(b) Employees	1,163,865	1,163,182	1,174,085	1,163,865	1,163,182	1,181,279	1,174,085
2.3	**(c) Total Insider Loans and Advances and other facilities**	**3,409,167**	**3,590,560**	**3,064,516**	**3,409,167**	**3,590,560**	**3,582,419**	**3,064,516**
3.0	**OFF-BALANCE SHEET ITEMS**							
3.1	(a) Letters of credit,guarantees, acceptances	3,920,366	3,570,381	4,126,878	3,920,366	3,570,381	3,685,618	4,126,878
3.2	(b) Forwards Swaps & Options	2,917,481	3,147,051	4,010,876	2,917,481	3,147,051	3,849,816	4,010,876
3.3	(c) Other contingent liabilities	237,018	182,071	165,812	237,018	182,071	231,018	165,812
3.4	**(d) Total Contingent Liabilities**	**7,074,865**	**6,899,503**	**8,303,566**	**7,074,865**	**6,899,503**	**7,766,452**	**8,303,566**
4.0	**CAPITAL STRENGTH**							
4.1	(a) Core capital				10,613,597	10,706,525	10,840,336	11,019,755
4.2	(b) Minimum Statutory Capital				1,000,000	1,000,000	1,000,000	1,000,000
4.3	(c) Excess (a-b)				9,613,597	9,706,525	9,840,336	10,019,755
4.4	(d) Supplementary Capital				2,386,960	2,018,800	2,018,800	2,018,800
4.5	**(e) Total Capital (a+d)**				**13,000,557**	**12,725,325**	**12,859,136**	**13,038,555**
4.6	(f) Total risk weighted assets				64,853,288	65,186,401	64,838,672	66,026,631
4.7	**(g) Core Capital/Total deposits Liabilities**				**22.2%**	**22.1%**	**20.8%**	**20.3%**
4.8	(h) Minimum statutory Ratio				8.0%	8.0%	8.0%	8.0%
4.9	(I) Excess				14.2%	14.1%	12.8%	12.3%
4.10	**(j) Core Capital / Total risk weighted assets**				**16.4%**	**16.4%**	**16.7%**	**16.7%**
4.11	(k) Minimum Statutory Ratio				10.5%	10.5%	10.5%	10.5%
4.12	(l) Excess (j-k)				5.9%	5.9%	6.2%	6.2%
4.13	**(m) Total Capital/Total risk weighted assets**				**20.0%**	**19.5%**	**19.8%**	**19.7%**
4.14	(n) Minimum statutory Ratio				14.5%	14.5%	14.5%	14.5%
4.15	(o) Excess (m-n)				5.5%	5.0%	5.3%	5.2%
4.16	(p) Core Capital/Total deposits Liabilities*				23.3%	23.2%	21.8%	20.6%
4.17	(q) Core Capital / total risk weighted assets*				17.2%	17.3%	17.5%	16.9%
4.18	(r) Total Capital/total risk weighted assets*				20.9%	20.4%	20.7%	20.0%
5.0	**LIQUIDITY**							
5.1	(a) Liquidity Ratio				34.6%	30.7%	31.2%	32.9%
5.2	(b) Minimum Statutory Ratio				20.0%	20.0%	20.0%	20.0%
5.3	(c) Excess (a-b)				14.6%	10.7%	11.2%	12.9%

SUMMARY CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share Capital	Share Premium	Revenue and other reserves	Total
	Sh'000	Sh'000	Sh'000	Sh'000
At 1 January 2019	1,287,108	5,874,662	4,419,020	11,580,790
Profit for the year			364,397	364,397
Other comprehensive income			-	-
Balance as at 30 June 2019	**1,287,108**	**5,874,662**	**4,783,417**	**11,945,188**

SUMMARY CONSOLIDATED STATEMENT OF CASHFLOWS

	30-Jun-19 Un-Audited Shs.`000	31-Dec-18 Audited Shs.`000	30-Jun-18 Un-Audited Shs.`000
Net cash generated from/(used in) operating activities	104,379	2,363,664	223,097
Net cash used in investing activities	37,189	48,091	23,446
Net cash generated from financing activities	479,282	3,621,548	587,800
Net decrease in cash and cash equivalents	(412,093)	(1,305,975)	(388,149)
Cash and cash equivalent at 1 January	4,470,048	5,776,023	5,776,023
Cash and cash equivalent at period end	**4,057,955**	**4,470,048**	**5,387,874**

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

Signed:

Lazarus Muema
Director

Dr. Wilfred D.Kiboro
Chairman

Family Bank
With you, for life

Family Bank is regulated by the Central Bank of Kenya