



AUDITED FINANCIAL STATEMENTS AND OTHER DISCLOSURES AS AT 31ST DEC 2018

1. STATEMENT OF FINANCIAL POSITION

		31-Dec-17 Audited	31-Dec-18 Audited
A	ASSETS	Ksh'000'	Ksh'000'
1	Cash balances (both local & foreign)	1,398,124	1,019,888
2	Balances due from Central Bank of Kenya	602,941	1,252,991
3	Kenya Government and other securities held for dealing purposes	-	-
4	Financial Assets at Fair value through Profit and loss	-	-
5	Investment Securities	-	-
	a) Held to Maturity;	-	-
	i. Kenya Government securities	-	-
	i. Other securities	-	-
	a) Available for sale;	-	-
	i. Kenya Government securities	-	-
	i. Other securities	-	-
6	Deposits and balances due from local banking institutions	2,054,902	3,558,968
7	Deposits and balances due from banking institutions abroad	2,039,354	1,101,289
8	Tax recoverable	-	140,772
9	Financing Activities (net)	9,726,807	9,027,389
10	Balances due from Banking institution in the group	-	-
11	Investments in associates	-	-
12	Investments in subsidiary companies	94,400	94,400
13	Investment in joint ventures	-	-
14	Investment properties	-	-
15	Property and equipment	568,881	532,736
16	Prepaid operating rental leases	11,078	8,000
17	Intangible assets	71,302	46,108
18	Deferred tax asset	346,433	529,176
19	Retirement benefit asset	-	-
20	Other assets	445,745	568,746
21	TOTAL ASSETS	17,359,968	17,880,462
B	LIABILITIES		
22	Balances due to Central Bank of Kenya	-	-
23	Customer deposits	14,773,906	14,618,089
24	Deposits and balances due to local banking institutions	9,486	-
25	Deposits and balances due to foreign banking institutions	-	923,120
26	Other money market deposits	-	-
27	Borrowed funds	505,733	303,440
28	Balances due to Banking institution in the group	-	-
29	Tax payable	45,898	-
30	Dividends payable	-	-
31	Deferred tax liability	-	-
32	Retirement benefit liability	-	-
33	Other liabilities	315,740	764,711
34	TOTAL LIABILITIES	15,650,764	16,609,359
C	SHAREHOLDERS' EQUITY		
35	Paid up/Assigned capital	390,800	390,800
36	Share premium	1,172,401	1,172,401
37	Revaluation reserves	-	-
38	Retained earnings/ Accumulated losses	(61,594)	(292,098)
39	Statutory financing loss reserve	207,597	-
40	Other Reserves	-	-
41	Proposed dividends	-	-
42	Capital grants	-	-
43	TOTAL SHAREHOLDERS' FUNDS	1,709,205	1,271,103
44	TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS	17,359,968	17,880,462

2. STATEMENT OF COMPREHENSIVE INCOME

		Ksh'000'	Ksh'000'
I	OPERATING INCOME		
1.1	Financing Activities (Deals)	996,329	855,056
1.2	Government securities.	-	-
1.3	Deposits and placements with banking institutions	48,615	132,676
1.4	Other related income	-	-
1.5	Total Operating income	1,044,944	987,732
2	EXPENSES ON DEPOSITS		
2.1	Customer deposits	175,197	204,166
2.2	Deposits and placements from banking institutions	-	13,115
2.3	Other related expenses	67,500	50,634
2.4	Total Expenses on Deposits	242,697	267,915
3	NET OPERATING INCOME	802,248	719,817
4	NON- OPERATING INCOME		
4.1	Fees and commissions on financing activity's	76,808	48,109
4.2	Other fees and Commissions income	298,794	262,694
4.3	Foreign exchange income	97,126	132,893
4.4	Dividend Income	-	-
4.5	Other income.	11,226	16,168
4.6	Total Non Operating Income	483,953	459,864
5	TOTAL INCOME	1,286,201	1,179,681
6	OPERATING EXPENSES		
6.1	Financing loss provision	187,961	300,948
6.2	Staff costs	385,816	441,176
6.3	Directors' emoluments	-	5,000
6.4	Rental charges	68,649	68,083
6.5	Depreciation on property and equipment	72,174	66,731
6.6	Amortization charges	21,850	26,027
6.7	Other operating expenses	333,258	550,128
6.8	Total Other Operating Expenses	1,069,708	1,458,092
7	Profit/(loss) before tax and exceptional items	216,493	(278,411)
8	Exceptional items	-	-
9	Profit/(loss) before tax	216,493	(278,411)
10	Current tax	(64,696)	(17,520)
11	Deferred tax asset	-	83,869
12	Profit / (loss) after tax & exceptional items	151,797	(212,062)
13	Other Comprehensive Income	-	-
13.1	Gains/Losses from Translating the F/S of Foreign Operations	-	-
13.2	Fair Value changes in Available for sale Financial assets	-	-
13.3	Revaluation surplus on property, plant & equipments	-	-
13.4	Share of other comprehensive income of associates	-	-
13.5	Income tax relating to components of other comprehensive income	-	-
14	Other comprehensive Income for the year net of tax	-	-
15	Total Comprehensive Income for the year	151,797	(212,062)

3. OTHER DISCLOSURES

		Ksh'000'	Ksh'000'
1	NON PERFORMING FACILITIES		
a)	Gross Non-Performing Facilities	4,398,584	4,940,176
b)	Less suspended Income	431,897	533,283
c)	Total Non Performing Facilities (a-b)	3,966,687	4,406,893
d)	Less financing loss provisions	836,375	1,130,266
e)	Net NPLs (c-d)	3,130,312	3,276,627
f)	Discounted value of securities	2,155,664	3,266,669
g)	Net NPLs exposure (e-f)	974,648	(9,998)
2	INSIDER FACILITY		
a)	Directors, shareholders and associates	767,008	604,620
b)	Employees	309,349	317,312
c)	Total Insider Facility	1,076,356	921,931
3	OFF BALANCE SHEET ITEMS		
a)	Letter of Credit, guarantees, acceptances	540,316	205,620
b)	Forward, swaps & Options	-	-
c)	Other contingent Liabilities	-	-
d)	Total Contingent Liabilities	540,316	205,620
4	CAPITAL STRENGTH		
a)	Core Capital	1,407,208	774,637
b)	Minimum statutory capital	1,000,000	1,000,000
c)	Excess/ deficiency (a-b)	407,208	(225,363)
d)	Supplementary capital	613,330	303,440
e)	Total Capital (a+d)	2,020,538	1,078,077
f)	Total Risk Weighted Assets	13,173,341	11,828,591
g)	Core Capital/ Total Deposit Liabilities	9.5%	5.3%
h)	Minimum Statutory ratio	8.0%	8.0%
i)	Excess/deficiency (g-h)	1.5%	-2.7%
j)	Core Capital/ Total Risk Weighted Assets	10.7%	6.5%
k)	Minimum statutory ratio	10.5%	10.5%
l)	Excess/deficiency (j-k)	0.2%	-4.0%
m)	Total Capital/ Total Risk Weighted assets	15.3%	9.1%
n)	Minimum statutory ratio	14.5%	14.5%
o)	Excess/deficiency (m-n)	0.8%	-5.4%
p)	Adjusted Core Capital/Total Deposit Liabilities	-	7.6%
q)	Adjusted Core Capital/Total Risk Weighted Assets	-	9.3%
r)	Adjusted Total Capital/Total Risk Weighted Assets	-	11.9%
5	LIQUIDITY		
a)	Liquidity ratio	43.6%	41.1%
b)	Minimum statutory ratio	20.0%	20.0%
c)	Excess/deficiency (a-b)	23.6%	21.1%

The Adjusted Capital includes the expected credit loss provisions added back to Capital in line with CBK Guidance Note issued in April 2018 on implementation of IFRS 9.

MESSAGE FROM DIRECTORS

The above Statement of Financial Position and Statement of Comprehensive Income are extracts from the Bank's Audited Financial Statements as audited by PricewaterhouseCoopers, Certified Public Accountants and received an unqualified opinion. The complete set of the audited Statements, Statutory and qualitative disclosures can be accessed on the Institution's website www.firstcommunitybank.co.ke or at our Headoffice located at FCB Mihrab Building, Mezzanine 1, Lenana Road/Ring Road Kilimani, Nairobi.

Mohamed Mbaye : Chairman

Abdullatif Essajee : Director

Norbert Talam : Ag. Chief Executive Officer