



PRESS RELEASE

FAMILY BANK CORPORATE BOND STARTS TRADING AT THE NAIROBI SECURITIES EXCHANGE

Nairobi, Kenya, November 12th 2015 – The first tranche of the Family Bank Ksh10Billion shilling corporate bond has begun trading on the Nairobi Securities Exchange after a successful listing that will see the lender’s financial instruments traded publicly for the first time.

This is the first time that the Bank has tapped the public for cash to bolster its lending activities as well as fuel its aggressive expansion driven by a strong desire to become a home grown regional powerhouse in the banking sector. The bond is expected to become a public barometer of the company’s performance as it expands the local footprint while eyeing regional opportunities.

The Chairman – Mr Wilfred Kiboro observed that the bank’s bond unlike previous ones floated in the past – came at a time when the financial sector was going through a very turbulent time arising from difficulties experienced by Imperial Bank and liquidation of Dubai Bank – both within a period of two months.

“Despite the turbulence and uncertainty in the market – institutional and individual investors had the faith, courage and confidence to invest in Family Bank bond and to keep their deposits firmly in the Bank”, observed Mr Kiboro.

Family Bank Managing Director Peter Munyiri reiterated that as part of the capital raising strategy the Bank had decided to cap the local component to Ksh2Billion. The balance of Ksh 2Billion of the first tranche would be targeting dollar investors.

“ Our growth agenda is driven by our customers’ needs. They are demanding more of us and we have to be innovative, increase our capacity to serve them better hence the need to ensure we have adequate muscle to do that. We are determined to maintain a trajectory of sustainable profit-growth – delivering returns above our cost of

capital”, said Mr. Munyiri.

The NSE Vice-Chairman, Mr. Bob Karina remarked “The successful listing of the Family Bank Bond confirms the strength of the Capital Markets as a channel for raising of medium to long term funds. The NSE remains committed to supporting the government and private sector in raising capital for their projects. In line with this we shall shortly be launching M-Akiba, the first-ever Government bond to be offered exclusively to the retail market via mobile phone.”

Mr. Geoffrey Odundo, the Chief Executive of the NSE urged other Corporates to look no further than the **Fixed Income Securities Market Segment** of the Exchange as they seek to raise funds for implementation of their various growth plans.

The bond which was on sale for 10 working days closed on 21st October 2015. The medium term note – which is by way of a public offer of debt securities – has been structured in such a way that the bank can continuously raise funds for the next five years for its strategic initiatives. The bank will direct the bond proceeds to create capacity for investment in areas of high growth potential – bolster its capital base, improve the banks overall IT infrastructure, assert its local presence whilst pursuing regional opportunities as well as lending activities.

The bank is riding on the emerging business opportunities in the country – as it races to grow shareholders’ value and get into the top tier space. It has opened seven new branches – including Migori, Chuka, Utawala, Thika Makongeni, Ruaka, Gateway Mall and Bamburi. Another four more outlets will be rolled out in two weeks’ time.

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