



Prime Bank

AUDITED FINANCIAL STATEMENTS AND OTHER DISCLOSURES AS AT 31ST DECEMBER 2017

STATEMENT OF FINANCIAL POSITION		BANK		GROUP	
	Dec 2016 (Audited) Shs '000	Dec 2017 (Audited) Shs '000	Dec 2016 (Audited) Shs '000	Dec 2017 (Audited) Shs '000	
ASSETS					
Cash (both Local & Foreign)	543,618	613,231	-	621,725	
Balances due from Central Bank of Kenya	2,156,272	4,145,685	-	4,145,685	
Kenya Government and other securities held for dealing purposes					
Financial Assets at fair value through profit and loss					
Investment Securities:					
a) Held to Maturity:	13,286,139	19,430,527	-	20,323,794	
a. Kenya Government securities	13,286,139	19,430,527	-	20,309,348	
b. Other securities		-	-	14,446	
b) Available for sale:	4,391,846	6,415,312	-	6,751,228	
a. Kenya Government securities	3,280,792	3,328,019	-	3,427,080	
b. Other securities	1,111,054	3,087,293	-	3,324,148	
Deposits and balances due from local banking institutions	1,944,349	908,254	-	1,014,087	
Deposits and balances due from banking institutions abroad	820,438	2,126,601	-	2,126,601	
Tax recoverable	67,797	73,780	-	87,158	
Loans and advances to customers (net)	39,356,307	38,817,386	-	38,965,591	
Balances due from banking institutions in the group			-	-	
Investments in associates	372,647	-	-	-	
Investments in subsidiary companies		1,395,692	-	-	
Investments in joint ventures			-	-	
Investment properties			-	-	
Property and equipment	1,310,664	1,555,160	-	1,875,970	
Prepaid lease rentals			-	-	
Intangible assets	159,642	124,730	-	780,111	
Deferred tax asset	-	-	-	-	
Retirement benefit asset			-	-	
Other assets	928,496	831,841	-	1,306,620	
TOTAL ASSETS	65,338,215	76,438,199	-	77,998,570	
LIABILITIES					
Balances due to Central Bank of Kenya			-	-	
Customer deposits	49,312,801	57,554,721	-	57,283,242	
Deposits and balances due to local banking institutions	204,800	-	-	-	
Deposits and balances due to foreign banking institutions	1,539,223	1,396,420	-	1,403,785	
Other money market deposits			-	-	
Borrowed funds	2,866,399	2,511,616	-	2,511,616	
Balances due to banking institutions in the group			-	-	
Tax payable			-	-	
Dividends payable			-	-	
Deferred tax liability	74,030	64,793	-	127,449	
Retirement benefit liability			-	-	
Other liabilities	506,969	572,930	-	1,743,071	
TOTAL LIABILITIES	54,504,222	62,100,480	-	63,069,163	
SHAREHOLDERS' FUNDS					
Paid up /Assigned capital	5,000,000	5,000,000	-	5,000,000	
Share premium/(discount)			-	-	
Revaluation reserves	822,014	2,883,732	-	2,665,884	
Retained earnings/Accumulated losses	5,011,979	6,453,987	-	7,006,335	
Statutory loan loss reserves			-	-	
Other Reserves			-	-	
Proposed dividends			-	-	
Capital grants			-	-	
TOTAL SHAREHOLDERS' FUNDS	10,833,993	14,337,719	-	14,672,219	
Non Controlling Interest			-	257,188	
TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS	65,338,215	76,438,199	-	77,998,570	

OTHER DISCLOSURES		BANK		GROUP	
	Dec 2016 (Audited) Shs '000	Dec 2017 (Audited) Shs '000	Dec 2016 (Audited) Shs '000	Dec 2017 (Audited) Shs '000	
NON-PERFORMING LOANS AND ADVANCES					
(a) Gross Non-performing loans and advances	1,854,804	2,251,548	-	2,251,548	
(b) Less: Interest in Suspense	431,413	356,350	-	356,350	
(c) Total Non-Performing Loans and Advances (a-b)	1,423,391	1,895,198	-	1,895,198	
(d) Less: Loan Loss Provision	382,289	589,006	-	589,006	
(e) Net Non-Performing Loans and Advances(c-d)	1,041,102	1,306,192	-	1,306,192	
(f) Discounted Value of Securities	1,041,102	1,301,034	-	1,301,034	
(g) Net NPLs Exposure (e-f)	-	5,158	-	5,158	
INSIDER LOANS AND ADVANCES					
(a) Directors, Shareholders and Associates	1,528,649	1,670,278	-	1,670,278	
(b) Employees	296,034	288,195	-	288,195	
(c) Total Insider Loans and Advances and other facilities	1,824,683	1,958,473	-	1,958,473	
OFF-BALANCE SHEET ITEMS					
(a) Letters of credit, guarantees, acceptances	6,796,484	6,829,825	-	6,829,825	
(b) Forwards, swaps and options	5,550,330	7,251,034	-	7,251,034	
(c) Other contingent liabilities	3,657,321	2,808,404	-	2,808,404	
(d) Total Contingent Liabilities	16,004,135	16,889,263	-	16,889,263	
CAPITAL STRENGTH					
(a) Core capital	9,740,764	11,175,783			
(b) Minimum Statutory Capital	1,000,000	1,000,000			
(c) Excess/(Deficiency)(a-b)	8,740,764	10,175,783			
(d) Supplementary Capital	1,024,000	619,800			
(e) Total Capital (a+d)	10,764,764	11,795,583			
(f) Total risk weighted assets	51,216,067	52,477,994			
(g) Core Capital/Total deposits Liabilities	19.7%	19.4%			
(h) Minimum statutory Ratio	8.0%	8.0%			
(i) Excess/(Deficiency) (g-h)	11.7%	11.4%			
(j) Core Capital / total risk weighted assets	19.0%	21.3%			
(k) Minimum Statutory Ratio	10.5%	10.5%			
(l) Excess (Deficiency) (j-k)	8.5%	10.8%			
(m) Total Capital/total risk weighted assets	21.0%	22.5%			
(n) Minimum statutory Ratio	14.5%	14.5%			
(o) Excess/(Deficiency) (m-n)	6.5%	8.0%			
LIQUIDITY					
(a) Liquidity Ratio	39.5%	48.6%			
(b) Minimum Statutory Ratio	20.0%	20.0%			
(c) Excess (Deficiency) (a-b)	19.5%	28.6%			

STATEMENT OF COMPREHENSIVE INCOME		BANK		GROUP	
	Dec 2016 (Audited) Shs '000	Dec 2017 (Audited) Shs '000	Dec 2016 (Audited) Shs '000	Dec 2017 (Audited) Shs '000	
INTEREST INCOME					
Loans and advances	5,389,759	4,810,773	-	4,810,773	
Government securities	2,000,548	2,322,555	-	2,322,555	
Deposits and placements with banking institutions	48,488	123,748	-	123,748	
Other Interest Income	140,115	113,152	-	113,152	
Total interest income	7,578,910	7,370,228	-	7,370,228	
INTEREST EXPENSE					
Customer deposits	3,788,420	3,527,362	-	3,527,362	
Deposits and placement from banking institutions	171,611	141,480	-	141,480	
Other interest expenses(Prime bank MTN)	67,916	72,618	-	72,618	
Total interest expenses	4,027,947	3,741,460	-	3,741,460	
NET INTEREST INCOME/(LOSS)	3,550,963	3,628,768	-	3,628,768	
NON-INTEREST INCOME					
Fees and commissions on loans and advances	167,804	208,989	-	208,989	
Other fees and commissions	341,346	361,329	-	361,329	
Foreign exchange trading income/(Loss)	298,311	196,974	-	196,974	
Dividend Income	19,779	25,004	-	25,004	
Other income	165,561	216,876	-	569,279	
Total Non-interest income	992,801	1,009,172	-	1,361,575	
TOTAL OPERATING INCOME	4,543,764	4,637,940	-	4,990,343	
OTHER OPERATING EXPENSES					
Loan loss provision	209,484	340,588	-	340,588	
Staff costs	977,981	1,106,960	-	1,106,960	
Directors' emoluments	119,146	119,727	-	119,727	
Rental charges	103,424	129,953	-	129,953	
Depreciation charge on property and equipment	102,297	138,594	-	138,594	
Amortisation charges	74,780	80,595	-	80,595	
Other operating expenses	620,830	744,546	-	808,918	
Total Other Operating Expenses	2,207,942	2,660,963	-	2,725,335	
Profit/(loss) before tax and exceptional items	2,335,822	1,976,977	-	2,265,008	
Exceptional items			-	-	
Profit/(loss) after exceptional items	2,335,822	1,976,977	-	2,265,008	
Current tax	434,060	144,204	-	152,199	
Deferred tax	(2,944)	(9,236)	-	(9,236)	
Profit/(loss) after tax and exceptional items	1,904,706	1,842,009	-	2,122,045	
Other Comprehensive Income					
Gains/(Losses) from translating the financial statements of foreign operations			-	-	
Fair value changes in available for sale financial assets	162,074	2,061,716	-	2,121,506	
Revaluation surplus on Property, plant and equipment	542,007	-	-	-	
Share of other comprehensive income of associates	-		-	-	
Income tax relating to components of other comprehensive income			-	-	
Other Comprehensive Income for the year net of tax	704,081	2,061,716	-	2,121,506	
Total comprehensive income for the year	2,608,787	3,903,725	-	4,243,551	
EARNINGS PER SHARE- BASIC & DILUTED	380.9	368.4	-	424.4	
DIVIDEND PER SHARE -DECLARED					

MESSAGE FROM THE DIRECTORS

The Bank acquired a majority stake in Tausi Assurance Company Limited during the year necessitating the presentation of group accounts for the first time this year.

These financial statements are extracts from the books of the institution as audited by Ernst & Young LLP and received unqualified opinion. The complete set of Audited Group and Bank financial statements, statutory and qualitative disclosures can be accessed on the institutions website www.primebank.co.ke.

They may also be accessed at the institution's Head Office, Riverside Drive, Nairobi.

A.R Kantaria - Executive Director **Bharat Jani** - Managing Director
D.G.M Hutchison - Director **J.K Kibet** - Director

PRIME BANK & TAUSI ASSURANCE LTD

A Great Partnership Comes Together

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Prime Bank is regulated by the Central Bank of Kenya

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