



# Donating foodstuff

The General Manager, Prime Bank Ltd, Mr. Bharat Jani leads the Prime Bank Team in donating foodstuff to the Kenya Red Cross.

This donation will be used to provide assistance to the victims who were affected by the post-election chaos.



Issue 001 | April 2008

# PRIME NEWS *It's Prime Time!*

## Product News

### PRIME BANK OPENS ITS 10TH BRANCH AT CAPITAL CENTRE, MOMBASA ROAD



Prime Bank Ltd has opened its eighth branch in Nairobi in the busy Capital Centre Arcade, a popular shopping mall on Mombasa road. This brings its total branches to ten with one in Mombasa and one in Kisumu. Banking service offering, along the Mombasa Road a major highway leading to the Jomo Kenyatta International Airport, will be an advantage to several businesses mainly around the Industrial Area and individual customers in the predominantly residential neighborhood.

The ultra modern shopping complex housing supermarkets, restaurants, banks and entertainment spots offers easy access, coupled with ample parking and security to our customers. The bank will be open seven days a week with extended banking hours for the convenience of its customers.

#### CUSTODIAL SERVICES

In its untiring effort to expand and diversify, Prime Bank has delved into the world of custodial services providers. The bank has put in place the necessary requirements by way of experienced technical staff as well as special software, and is well prepared to start offering the new product. The key features of the Custodial Services product are:

- To hold in custody funds, securities, financial instruments or documents of title to assets registered in the name of local investors, East African investors and/or foreign investors or of an investment portfolio.

## Forward

We are pleased to welcome both new and existing readers to our first issue of this year's Prime News. The aim of the newsletter has been to keep the Bank's customers and staff members more widely interested in the growth and developments of the Bank through quarterly information updates.

I trust that you will find this issue pretty informative. Enjoy Prime News!

*Editor*

## In this issue...

- Launch of the Capital Centre Branch*
- Launch of Prime Bank Custody Services*
- Consolidation of Prime Bank LTD and Prime Capital & Credit LTD*
- Financial Highlights at the close of the year December 31st, 2007*
- CSR Activities*
- On a Lighter but Wiser note*

## On a lighter but wiser note

"Associate only with positive, focused people who you can learn from and who will not drain your valuable energy with complaining and uninspiring attitudes. By developing relationships with those committed to constant improvement and the pursuit of the best that life has to offer, you will have plenty of company on your path to the top of whatever mountain you seek to climb."

*Robin S. Sharma*

"Chasing a snake that bites you will only drive the poison through your system. It is better to take measures to get the poison out! (Accept mistakes and then immediately proceed to correct them)"

*Steve Covey*

## Info Scope

As reported in the dailies...



## Contact Details

This is an in-house publication by Prime Bank LTD

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## EXTENDED BANKING HOURS

Bank	Weekdays	Saturday	Sunday
Parklands	9.30am - 5.00pm	10.30am - 3pm	10.30am - 1.00pm
Riverside Drive	9.00am - 4.00pm	9.00am - 12noon	Closed
Hurlingham	9.30am - 5.00pm	9.30am - 12noon	Closed

- To carry out settlements for the custody clients' trades spanning the local market as well as beyond the clients' base currencies.
- To provide the clients with the ease that goes with outsourcing services of a professional custodian to enable them concentrate on their core business and maximize on revenue generation as the custodian takes care of the safety and income entitlements of their diversified investments, and provide the holdings and valuation/performance reports as frequently as may be desired by the clients.
- To avail any other value-added-service to foster growth of the clients' investments.

The department is being spear-headed by Mr. Charles Maloba, a seasoned banker with over 20 years of banking experience, 10 of which having been have been spent in custodial services at Stanbic Bank Kenya, a member of the Standard Bank Group, and one of the pioneer custodial banks in Kenya.

**BUSINESS GROWTH AND DEVELOPMENT**

**PRIME BANK LTD AND PRIME CAPITAL & CREDIT LTD CONSOLIDATE THEIR OPERATIONS**

**United we Stand Stronger...  
to Serve you even Better**



are pleased to inform you that we have now

**MERGED**

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In line with Bank's corporate strategic plan to strengthen its capital adequacy, improve its corporate governance and reduce the "perceived" over concentration of financial institutions in Kenya, Prime Bank LTD and Prime Capital and Credit LTD effected their consolidation plan on 1st of January 2008, with the approval of the Ministry of Finance through a gazetted notice.

Prime Capital and Credit Ltd was licensed by CBK as a financial institution with the authority of receiving deposits and lending money. However, it was restricted in operating as a fully fledged bank as it was not a member of the clearing house and therefore could not issue cheques or offer foreign exchange services. The merged entities have since forged ahead under Prime Bank LTD, with a stronger financial base to provide a wider range of competitive financial services, increase efficiency from the integration of resources, and reduce operational costs.

Mergers and Acquisitions have in recent times been the evolving landscape in the financial industry in Kenya. Reports show that through this, there has been a remarkable transformation in corporate governance, with high revenue growth through increased deposits and advances. "The deal, as agreed late last year, proceeded without any setback. After having analyzed all relevant financial information pertaining to both companies, we were convinced that a consolidation plan would propel the bank further into sustainable growth and healthy profitability", stated Mr. Vasant Shetty, Prime Bank's Chief Executive.

An analysis of the financial reports of Prime Bank LTD between 2002 and 2007 shows that the bank has experienced a robust growth in sync with the general economic growth trend. The Bank indeed has been able to derive substantial benefits as a result of the consolidation.

**THE BANK'S PRE-TAX PROFIT RISES TO KSHS 316MILLION**

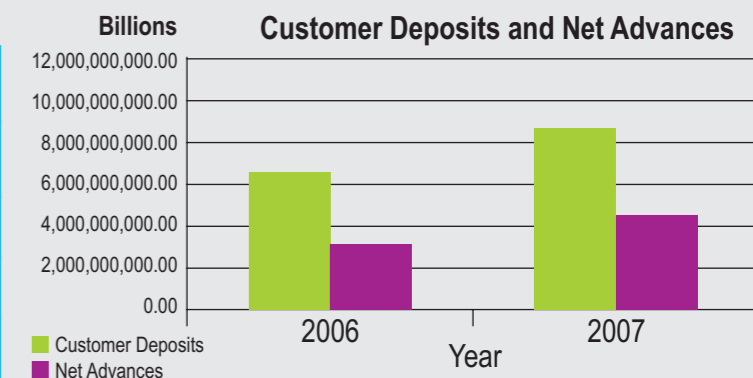
The bank's pre-tax profit rose last year by 66% to KShs 316.77million, up from the KShs 191million it recorded in December 2006. Most of its earnings were derived from interest income, which soared from KShs 760.7million in 2006 to KShs 1billion in 2007.

The interest income came mainly from loans and advances to customers, which brought in KShs 788.8million up from KShs 568million. Customer deposit rose by 26% to KShs 10.5billion from KShs 8.2billion at the end of 2006, while advances increased from KShs 4.8billion to KShs 6.2billion.

**PRIME BANK LTD AUDITED FINANCIAL COMPARISON 2006 AND 2007**

**TOTAL DEPOSITS AND ADVANCES**

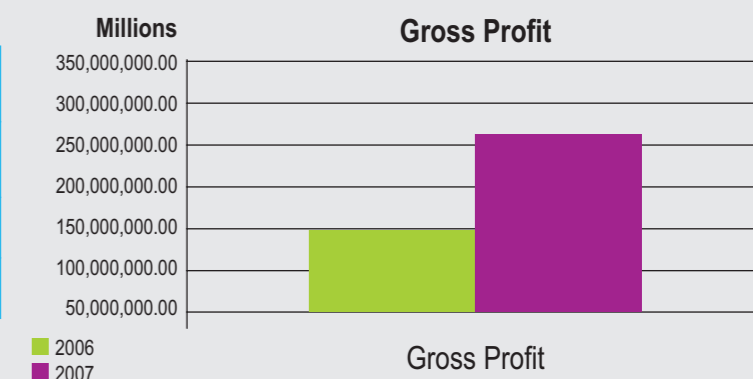
	2006	2007
Customer Deposits	8,289,498,000.00	10,357,691,000.00
Net Advances	8,289,498,000.00	6,298,203,000.00



**PRIME BANK LTD AUDITED FINANCIAL COMPARISON 2006 AND 2007**

**GROSS PROFIT**

	2006	2007
Gross Profit	191,198,000.00	316,719,000.00

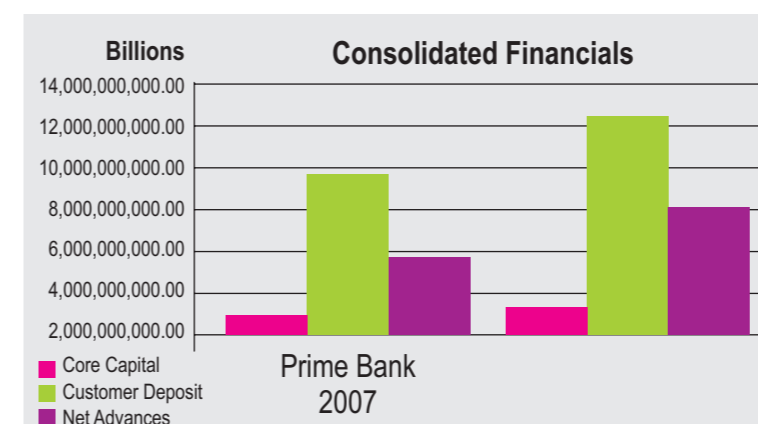


**CONSOLIDATED FINANCIALS**

With the consolidation of Prime Bank LTD and Prime Capital and Credit LTD, the bank has derived the following financial strength:

- An increase in the Core Capital from KShs 1.088bn as at 31st December 2007 to KShs 1.434bn with the consolidation.

- An increase in the Shareholders' Funds from KShs 1.926bn as at 31st December 2007 to KShs 2.272bn with the consolidation.
- An increase in Customer Deposits from KShs 10.358bn as at 31st December 2007 to KShs 13.061bn with consolidation
- An increase in Net Advances from KShs 6.298bn as at 31st December 2007 to KShs 8.487bn with consolidation



Charles Maloba  
Custodial Services Manager