



# Prime Bank

## UNAUDITED FINANCIAL STATEMENTS AND OTHER DISCLOSURES AS AT 30TH SEPTEMBER 2019

STATEMENT OF FINANCIAL POSITION	BANK					GROUP		
	30/09/18 Unaudited Shs. '000'	31/12/18 Audited Shs. '000'	31/03/19 Unaudited Shs. '000'	30/06/19 Unaudited Shs. '000'	30/09/19 Unaudited Shs. '000'	30/09/18 Unaudited Shs. '000'	31/12/18 Audited Shs. '000'	30/09/19 Unaudited Shs. '000'
<b>ASSETS</b>								
Cash ( both Local & Foreign)	521,880	636,216	514,803	712,164	600,164	567,191	638,844	625,190
Balances due from Central Bank of Kenya	3,232,942	8,130,089	4,340,079	3,644,253	7,187,877	3,232,942	8,130,089	7,187,877
Kenya Government and other securities held for dealing purposes	-	-	-	-	-	-	-	-
Financial Assets at fair value through profit and loss	-	-	-	-	-	-	-	-
Investment Securities:								
a) Held to Maturity:	18,257,513	18,866,461	27,485,862	35,806,152	44,691,764	19,157,360	19,730,293	45,660,303
a. Kenya Government securities	18,257,513	18,866,461	27,485,862	35,806,152	44,691,764	19,146,190	19,723,281	45,656,683
b. Other securities	-	-	-	-	-	11,170	7,012	3,620
b) Available for sale:	21,112,309	18,868,125	18,997,573	15,630,328	9,766,631	21,583,794	19,368,590	10,420,774
a. Kenya Government securities	14,727,375	14,499,109	15,282,261	11,910,846	6,258,691	14,987,730	14,798,886	6,733,860
b. Other securities	6,384,934	4,369,016	3,715,312	3,719,482	3,507,940	6,596,064	4,569,704	3,686,914
Deposits and balances due from local banking institutions	1,433,728	2,058,428	854,061	855,029	854,288	1,698,607	2,121,815	1,138,900
Deposits and balances due from banking institutions abroad	5,578,243	9,527,227	10,002,697	11,499,726	5,471,619	5,578,243	9,527,227	5,471,619
Tax recoverable	-	22,285	-	-	-	13,656	14,529	-
Loans and advances to customers (net)	36,630,142	36,642,825	34,838,626	33,901,607	35,541,246	36,773,739	36,776,526	35,644,575
Balances due from banking institutions in the group	-	-	-	-	-	-	-	-
Investments in associates	-	-	-	-	-	-	-	-
Investments in subsidiary companies	1,443,291	1,337,575	1,337,575	1,395,692	1,395,692	-	-	-
Investments in joint ventures	-	-	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-	-	-
Property and equipment	1,498,344	1,547,688	1,506,080	1,467,678	1,480,306	1,820,988	1,869,129	1,803,511
Prepaid lease rentals	-	-	-	-	-	-	-	-
Intangible assets	147,935	89,279	93,739	97,329	96,850	792,189	733,376	744,662
Deferred tax asset	-	-	-	-	-	-	-	-
Retirement benefit asset	-	-	-	-	-	-	-	-
Other assets	869,414	808,257	1,011,843	1,039,156	1,034,150	1,568,669	1,225,541	1,680,288
<b>TOTAL ASSETS</b>	<b>90,725,741</b>	<b>98,534,455</b>	<b>100,982,938</b>	<b>106,049,114</b>	<b>108,120,587</b>	<b>92,787,378</b>	<b>100,135,959</b>	<b>110,377,699</b>
<b>LIABILITIES</b>								
Balances due to Central Bank of Kenya	-	-	-	-	-	-	-	-
Customer deposits	66,973,667	71,422,698	74,596,486	78,681,454	80,755,025	-	71,075,047	80,755,025
Deposits and balances due to local banking institutions	-	-	-	-	-	66,973,667	-	-
Deposits and balances due to foreign banking institutions	11,002	44,744	51,175	294,156	34,109	-	44,744	34,109
Other money market deposits	-	-	-	-	-	11,002	-	-
Borrowed funds	2,262,033	2,086,226	2,043,443	1,899,220	1,905,205	-	2,086,226	1,905,205
Balances due to banking institutions in the group	-	-	-	-	-	2,262,033	-	-
Tax payable	20,923	-	33,714	38,645	62,021	-	-	29,992
Dividends payable	-	-	-	-	-	20,923	-	-
Deferred tax liability	64,793	978,336	978,336	816,700	816,699	-	1,039,625	879,244
Retirement benefit liability	-	-	-	-	-	127,449	-	-
Other liabilities	476,984	963,478	256,665	456,252	339,766	1,893,144	2,056,054	1,724,217
<b>TOTAL LIABILITIES</b>	<b>69,809,402</b>	<b>75,495,482</b>	<b>77,959,819</b>	<b>82,186,427</b>	<b>83,912,825</b>	<b>71,288,218</b>	<b>76,301,696</b>	<b>85,327,792</b>
<b>SHAREHOLDERS' FUNDS</b>								
Paid up /Assigned capital	5,500,000	6,649,390	6,649,390	6,649,390	6,649,390	5,500,000	6,649,390	6,649,390
Share premium/(discount)	1,667,000	5,230,109	5,230,109	5,230,109	5,230,109	1,667,000	5,230,109	5,230,109
Revaluation reserves	6,130,451	3,124,641	2,516,827	2,747,490	2,745,270	6,128,094	3,299,249	2,926,319
Retained earnings/Accumulated losses	7,618,888	7,681,811	8,273,771	8,882,676	9,229,971	7,937,354	8,015,444	9,583,535
Statutory loan loss reserves	-	353,022	353,022	353,022	353,022	-	353,022	353,022
Other Reserves	-	-	-	-	-	-	-	-
Proposed dividends	-	-	-	-	-	-	-	-
Capital grants	-	-	-	-	-	-	-	-
<b>TOTAL SHAREHOLDERS' FUNDS</b>	<b>20,916,339</b>	<b>23,038,973</b>	<b>23,023,119</b>	<b>23,862,687</b>	<b>24,207,762</b>	<b>21,232,448</b>	<b>23,547,214</b>	<b>24,742,375</b>
Minority Interest	-	-	-	-	-	266,712	287,049	307,532
<b>TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS</b>	<b>90,725,741</b>	<b>98,534,455</b>	<b>100,982,938</b>	<b>106,049,114</b>	<b>108,120,587</b>	<b>92,787,378</b>	<b>100,135,959</b>	<b>110,377,699</b>

OTHER DISCLOSURES	BANK					GROUP		
	30/09/18 UUnaudited Shs. '000'	31/12/18 Audited Shs. '000'	31/03/19 Unaudited Shs. '000'	30/06/19 Unaudited Shs. '000'	30/09/19 Unaudited Shs. '000'	30/09/18 Unaudited Shs. '000'	31/12/18 Audited Shs. '000'	30/09/19 Unaudited Shs. '000'
<b>NON-PERFORMING LOANS AND ADVANCES</b>								
(a) Gross Non-performing loans and advances	3,222,971	2,820,997	3,080,498	3,762,445	4,554,395	3,222,971	2,820,997	4,554,395
(b) Less: Interest in Suspense	563,700	591,298	616,136	677,852	741,181	563,700	591,298	741,181
(c) <b>Total Non-Performing Loans and Advances (a-b)</b>	<b>2,659,271</b>	<b>2,229,699</b>	<b>2,464,362</b>	<b>3,084,593</b>	<b>3,813,214</b>	<b>2,659,271</b>	<b>2,229,699</b>	<b>3,813,214</b>
(d) Less: Loan Loss Provision	728,733	953,461	994,932	1,104,203	1,201,491	728,733	953,461	1,201,491
(e) <b>Net Non-Performing Loans and Advances(c-d)</b>	<b>1,930,538</b>	<b>1,276,238</b>	<b>1,469,430</b>	<b>1,980,390</b>	<b>2,611,723</b>	<b>1,930,538</b>	<b>1,276,238</b>	<b>2,611,723</b>
(f) Discounted Value of Securities	1,852,793	1,251,220	1,455,238	1,964,960	2,593,511	1,852,793	1,251,220	2,593,511
(g) <b>Net NPLs Exposure (e-f)</b>	<b>77,745</b>	<b>25,018</b>	<b>14,192</b>	<b>15,430</b>	<b>18,212</b>	<b>77,745</b>	<b>25,018</b>	<b>18,212</b>
<b>INSIDER LOANS AND ADVANCES</b>								
(a) Directors, Shareholders and Associates	1,635,708	1,657,853	1,648,562	1,564,735	1,493,860	1,635,708	1,657,853	1,493,860
(b) Employees	332,169	330,040	329,074	333,322	342,944	332,169	330,040	342,944
(c) <b>Total Insider Loans and Advances and other facilities</b>	<b>1,967,877</b>	<b>1,987,893</b>	<b>1,977,636</b>	<b>1,898,057</b>	<b>1,836,804</b>	<b>1,967,877</b>	<b>1,987,893</b>	<b>1,836,804</b>
<b>OFF-BALANCE SHEET ITEMS</b>								
(a) Letters of credit/guarantees, acceptances	7,190,684	6,795,279	6,747,682	7,213,770	6,784,821	7,190,684	6,795,279	6,784,821
(b) Forwards, swaps and options	5,239,759	8,610,465	10,024,827	23,234,605	14,491,628	5,239,759	8,610,465	14,491,628
(c) Other contingent liabilities	3,065,112	2,641,223	2,992,629	3,100,205	2,416,830	3,065,112	2,641,223	2,416,830
(d) <b>Total Contingent Liabilities</b>	<b>15,495,555</b>	<b>18,046,967</b>	<b>19,765,138</b>	<b>33,548,580</b>	<b>23,693,279</b>	<b>15,495,555</b>	<b>18,046,967</b>	<b>23,693,279</b>
<b>CAPITAL STRENGTH</b>								
(a) Core capital	13,790,578	19,313,389	19,612,047	19,864,057	19,869,129	-	-	-
(b) Minimum Statutory Capital	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	-	-	-
(c) Excess/(Deficiency)(a-b)	12,790,578	18,313,389	18,612,047	18,864,057	18,869,129	-	-	-
(d) Supplementary Capital	403,600	761,022	756,422	762,822	560,822	-	-	-
(e) Total Capital (a+d)	14,194,178	20,074,411	20,368,469	20,626,879	20,429,951	-	-	-
(f) Total risk weighted assets	52,711,351	53,829,261	52,312,699	51,298,991	51,294,265	-	-	-
(g) Core Capital/Total deposits Liabilities	20.6%	27.0%	26.3%	25.2%	24.6%	-	-	-
(h) Minimum statutory Ratio	8.0%	8.0%	8.0%	8.0%	8.0%	-	-	-
(i) Excess/(Deficiency) (g-h)	12.6%	19.0%	18.3%	17.2%	16.6%	-	-	-
(j) Core Capital / total risk weighted assets	26.2%	35.9%	37.5%	38.7%	38.7%	-	-	-
(k) Minimum Statutory Ratio	10.5%	10.5%	10.5%	10.5%	10.5%	-	-	-
(l) Excess (Deficiency) (j-k)	15.7%	25.4%	27.0%	28.2%	28.2%	-	-	-
(m) Total Capital/total risk weighted assets	26.9%	37.3%	38.9%	40.2%	39.8%	-	-	-
(n) Minimum statutory Ratio	14.5%	14.5%	14.5%	14.5%	14.5%	-	-	-
(o) Excess/(Deficiency) (m-n)	12.4%	22.8%	24.4%	25.7%	25.3%	-	-	-
(p) Adjusted Core Capital/Total Deposit Liabilities*	21.0%	27.5%	26.4%	25.3%	24.7%	-	-	-
(q) Adjusted Core Capital/Total Risk Weighted Assets*	26.7%	36.5%	37.7%	38.8%	38.8%	-	-	-
(r) Adjusted Total Capital/Total Risk Weighted Assets*	27.5%	37.9%	39.1%	40.3%	39.9%	-	-	-
<b>LIQUIDITY</b>								
(a) Liquidity Ratio	62.5%	71.5%	74.9%	79.1%	78.1%	-	-	-
(b) Minimum Statutory Ratio	20.0%	20.0%	20.0%	20.0%	20.0%	-	-	-
(c) Excess (Deficiency) (a-b)	42.5%	51.5%	54.9%	59.1%	58.1%	-	-	-

PROFIT AND LOSS ACCOUNT	BANK					GROUP		
	30/09/18 Unaudited Shs. '000'	31/12/18 Audited Shs. '000'	31/03/19 Unaudited Shs. '000'	30/06/19 Unaudited Shs. '000'	30/09/19 Unaudited Shs. '000'	30/09/18 Unaudited Shs. '000'	31/12/18 Audited Shs. '000'	30/09/19 Unaudited Shs. '000'
INTEREST INCOME								
Loans and advances	3,358,986	4,481,865	1,017,866	1,999,108	2,988,784	3,358,986	4,481,865	2,988,784
Government securities	2,344,972	3,244,050	1,029,656	2,226,861	3,536,763	2,344,972	3,244,050	3,536,763
Deposits and placements with banking institutions	144,456	212,957	97,405	176,736	233,232	144,456	212,957	233,232
Other Interest Income	51,488	68,491	20,124	34,186	73,901	51,488	68,491	73,901
Total interest income	5,899,902	8,007,363	2,165,051	4,436,891	6,832,680	5,899,902	8,007,363	6,832,680
INTEREST EXPENSE								
Customer deposits	3,027,103	4,090,267	1,100,950	2,280,574	3,500,141	3,027,103	4,090,267	3,500,141
Deposits and placement from banking institutions	57,883	83,744	11,945	25,143	37,763	57,883	83,744	37,763
Other interest expenses	53,090	71,133	17,445	35,190	53,505	53,090	71,133	53,505
Total interest expenses	3,138,076	4,245,144	1,130,340	2,340,907	3,591,409	3,138,076	4,245,144	3,591,409
NET INTEREST INCOME/(LOSS)	2,761,826	3,762,219	1,034,711	2,095,984	3,241,271	2,761,826	3,762,219	3,241,271
NON-INTEREST INCOME								
Fees and commissions on loans and advances	181,445	242,183	44,091	94,911	165,454	181,445	242,183	165,454
Other fees and commissions	272,481	361,976	91,065	182,497	272,445	272,481	361,976	272,445
Foreign exchange trading income/(Loss)	191,221	270,269	79,482	203,505	281,940	191,221	270,269	281,940
Dividend Income	1,380	1,973	-	58,488	97,757	1,380	1,973	896
Other income	117,055	12,009	5,936	8,997	11,525	599,637	1,101,410	631,955
Total Non-interest income	763,582	888,410	220,574	548,398	829,121	1,246,164	1,977,811	1,352,690
TOTAL OPERATING INCOME	3,525,408	4,650,629	1,255,285	2,644,382	4,070,392	4,007,990	5,740,030	4,593,961
OTHER OPERATING EXPENSES								
Loan loss provision	180,918	188,109	8,449	80,195	203,448	180,918	188,109	203,448
Staff costs	793,292	1,107,850	287,999	592,591	886,597	793,292	1,107,850	886,597
Directors' emoluments	91,022	134,245	28,223	61,044	92,385	91,022	134,245	92,385
Rental charges	100,349	134,901	33,681	68,002	103,721	100,349	134,901	103,721
Depreciation charge on property and equipment	192,914	146,376	62,500	125,000	187,500	192,914	146,376	187,500
Amortisation charges	-	74,696	-	-	-	-	74,696	-
Other operating expenses	523,011	775,976	186,473	396,685	600,607	941,844	1,534,796	1,042,242
Total Other Operating Expenses	1,881,506	2,562,153	607,325	1,323,517	2,074,258	2,300,339	3,320,973	2,515,893
Profit/(loss) Before Tax and Exceptional Items	1,643,902	2,088,476	647,960	1,320,865	1,996,134	1,707,651	2,419,057	2,078,068
Exceptional Items								
Profit/(Loss) After Exceptional Items	1,643,902	2,088,476	647,960	1,320,865	1,996,134	1,707,651	2,419,057	2,078,068
Current Tax	144,000	140,448	56,000	120,000	182,000	182,499	218,407	217,366
Deferred Tax		(73,298)	-	-	-	-	(73,402)	-
Profit/(Loss) After Tax and Exceptional Items	1,499,902	2,021,326	591,960	1,200,865	1,814,134	1,525,152	2,274,052	1,860,702
Minority Interest						25,250		
Profit/(loss) after tax, exceptional items and Minority Interest	1,499,902	2,021,326	591,960	1,200,865	1,814,134	1,499,902	2,274,052	1,860,702
Other Comprehensive Income								
Gains/(Losses) from translating the financial statements of foreign operations								
Fair value changes in available for sale financial assets		1,227,749	(607,815)	230,663	(2,220)	3,256,293	1,219,474	8,587
Revaluation surplus on Property, plant and equipment	3,246,719							
Share of other comprehensive income of associates								
Income tax relating to components of other comprehensive income		(368,325)		-			(365,842)	
Other Comprehensive Income for the year net of tax	3,246,719	859,424	(607,815)	230,663	(2,220)	3,256,293	853,632	8,587
Total comprehensive income for the year	4,746,621	2,880,750	(15,855)	1,431,528	1,811,914	4,756,195	3,127,684	1,869,289
EARNINGS PER SHARE- BASIC & DILUTED								
DIVIDEND PER SHARE -DECLARED								
* The adjusted capital ratios include the expected credit loss provisions added back to capital in line with the CBK Guidance Note issued in April 2019 on implementation of IFRS 9								