

AUDITED FINANCIAL STATEMENTS AND OTHER DISCLOSURES AS AT 31ST DECEMBER 2020

STATEMENT OF FINANCIAL POSITION

	BANK		GROUP	
	31st Dec. 2019 Shs. '000' Audited	31st Dec. 2020 Shs. '000' Audited	31st Dec. 2019 Shs. '000' Audited	31st Dec. 2020 Shs. '000' Audited
ASSETS				
Cash (both Local & Foreign)	509,885	489,147	510,764	490,935
Balances due from Central Bank of Kenya	5,264,279	4,749,202	5,264,279	4,749,202
Kenya Government and other securities held for dealing purposes				
Financial Assets at fair value through profit and loss				
Investment Securities:				
a) Held to Maturity:	46,299,945	42,160,461	47,279,859	43,194,552
a. Kenya Government securities	46,299,945	42,160,461	47,163,180	43,100,690
b. Other securities	-	-	116,679	93,862
b) Available for sale:	10,094,301	17,587,509	10,784,703	18,414,107
a. Kenya Government securities	6,987,187	16,280,552	7,568,774	17,014,694
b. Other securities	3,107,114	1,306,957	3,215,929	1,399,413
Deposits and balances due from local banking institutions	853,862	887,856	931,768	949,339
Deposits and balances due from banking institutions abroad	4,706,050	9,381,097	4,706,050	9,381,097
Tax recoverable	29,570	-	57,668	32,431
Loans and advances to customers (net)	36,925,060	35,968,295	37,006,358	36,036,557
Balances due from banking institutions in the group				
Investments in associates				
Investments in subsidiary companies	1,395,692	1,395,692	-	-
Investments in joint ventures				
Investment properties				
Property and equipment	1,758,989	2,171,056	2,102,850	2,508,605
Prepaid lease rentals				
Intangible assets	70,953	125,956	718,413	783,638
Deferred tax asset		330,721		330,721
Retirement benefit asset				
Other assets	876,941	956,599	1,313,387	1,382,183
TOTAL ASSETS	108,785,527	116,203,591	110,676,099	118,253,367
LIABILITIES				
Balances due to Central Bank of Kenya				
Customer deposits	81,331,805	88,548,056	80,982,617	88,189,504
Deposits and balances due to local banking institutions	-	-	-	-
Deposits and balances due to foreign banking institutions	13,686	45,789	13,686	45,789
Other money market deposits				
Borrowed funds	1,692,552	1,469,614	1,692,552	1,469,614
Balances due to banking institutions in the group				
Tax payable	-	12,838	-	12,838
Dividends payable				
Deferred tax liability	570,441	-	638,671	66,927
Retirement benefit liability				
Other liabilities	721,680	1,225,693	1,892,346	2,325,975
TOTAL LIABILITIES	84,330,164	91,301,990	85,219,872	92,110,647
SHAREHOLDERS' FUNDS				
Paid up /Assigned capital	6,649,390	6,649,390	6,649,390	6,649,390
Share premium/(discount)	5,230,109	5,230,109	5,230,109	5,230,109
Revaluation reserves	2,387,590	1,171,843	2,601,269	1,368,639
Retained earnings/Accumulated losses	9,835,252	10,958,636	10,254,547	11,605,209
Statutory loan loss reserves	353,022	353,022	353,022	353,022
Other Reserves				
Proposed dividends	-	538,601	30,000	538,601
Capital grants				
TOTAL SHAREHOLDERS' FUNDS	24,455,363	24,901,601	25,118,337	25,744,970
Minority Interest			337,890	397,750
TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS	108,785,527	116,203,591	110,676,099	118,253,367

STATEMENT OF COMPREHENSIVE INCOME

INTEREST INCOME				
Loans and advances	4,015,497	3,749,880	4,015,497	3,749,880
Government securities	4,842,428	5,728,182	4,842,428	5,728,182
Deposits and placements with banking institutions	269,643	94,091	269,643	94,091
Other Interest Income	109,020	87,689	109,020	87,689
Total interest income	9,236,588	9,659,842	9,236,588	9,659,842
INTEREST EXPENSE				
Customer deposits	4,728,221	4,911,290	4,728,221	4,911,290
Deposits and placement from banking institutions	47,605	26,142	47,605	26,142
Other interest expenses	71,646	75,178	71,646	75,178
Total interest expenses	4,847,472	5,012,610	4,847,472	5,012,610
NET INTEREST INCOME/(LOSS)	4,389,116	4,647,232	4,389,116	4,647,232
NON-INTEREST INCOME				
Fees and commissions on loans and advances	238,245	167,874	238,245	167,874
Other fees and commissions	371,543	347,753	371,543	347,753
Foreign exchange trading income/(Loss)	346,962	411,483	346,962	411,483
Dividend Income	98,385	101,440	1,524	14,265
Other income	22,369	76,186	1,203,904	1,299,176
Total Non-interest income	1,077,504	1,104,736	2,162,178	2,240,551
TOTAL OPERATING INCOME	5,466,620	5,751,968	6,551,294	6,887,783
OTHER OPERATING EXPENSES				
Loan loss provision	351,743	1,158,133	351,743	1,159,953
Staff costs	1,297,943	1,369,794	1,297,943	1,369,794
Directors' emoluments	123,886	131,549	123,886	131,549
Rental charges	48,924	41,895	48,924	41,895
Depreciation charge on property and equipment	255,525	203,554	255,525	203,554
Amortisation charges	51,244	56,914	51,244	56,914
Other operating expenses	880,860	940,835	1,730,190	1,732,370
Total Other Operating Expenses	3,010,125	3,902,674	3,859,455	4,696,029
Profit/(loss) Before Tax and Exceptional Items	2,456,495	1,849,294	2,691,839	2,191,754
Exceptional Items				
Profit/(Loss) After Exceptional Items	2,456,495	1,849,294	2,691,839	2,191,754
Current Tax	104,919	115,274	166,315	185,441
Deferred Tax	(92,016)	(380,126)	(93,824)	(381,429)
Profit/(Loss) After Tax and Exceptional Items	2,443,592	2,114,146	2,619,348	2,387,742
Minority Interest			52,561	83,097
Profit/(loss) after tax, exceptional items and Minority Interest	2,443,592	2,114,146	2,566,787	2,304,645

	BANK		GROUP	
	31st Dec. 2019 Shs. '000' Audited	31st Dec. 2020 Shs. '000' Audited	31st Dec. 2019 Shs. '000' Audited	31st Dec. 2020 Shs. '000' Audited
Other Comprehensive Income				
Gains/(Losses) from translating the financial statements of foreign operations	(1,052,930)	(1,685,690)	(1,006,367)	(1,698,205)
Fair value changes in available for sale financial assets				
Revaluation surplus on Property, plant and equipment				
Share of other comprehensive income of associates				
Income tax relating to components of other comprehensive income	315,879	469,941	308,387	469,941
Other Comprehensive Income for the year net of tax	(737,051)	(1,215,749)	(697,980)	(1,228,264)
Total comprehensive income for the year	1,706,541	898,397	1,921,368	1,159,478
EARNINGS PER SHARE- BASIC & DILUTED	367	318	386	347
DIVIDEND PER SHARE -DECLARED				

OTHER DISCLOSURES

NON-PERFORMING LOANS AND ADVANCES

(a) Gross Non-performing loans and advances	4,554,770	4,837,979	4,554,770	4,837,979
(b) Less: Interest in Suspense	787,270	886,870	787,270	886,870
(c) Total Non-Performing Loans and Advances (a-b)	3,767,500	3,951,109	3,767,500	3,951,109
(d) Less: Loan Loss Provision	1,219,718	2,040,658	1,219,718	2,040,658
(e) Net Non-Performing Loans and Advances(c-d)	2,547,782	1,910,451	2,547,782	1,910,451
(f) Discounted Value of Securities	2,508,188	1,746,412	2,508,188	1,746,412
(g) Net NPLs Exposure (e-f)	39,594	164,039	39,594	164,039

INSIDER LOANS AND ADVANCES

(a) Directors, Shareholders and Associates	1,606,582	2,225,408	1,606,582	2,225,408
(b) Employees	336,685	394,976	336,685	394,976
(c) Total Insider Loans and Advances and other facilities	1,943,267	2,620,384	1,943,267	2,620,384

OFF-BALANCE SHEET ITEMS

(a) Letters of credit, guarantees, acceptances	8,042,484	8,967,455	8,042,484	8,967,455
(b) Forwards, swaps and options	14,626,691	13,265,793	14,626,691	13,265,793
(c) Other contingent liabilities	2,524,369	1,294,883	2,524,369	1,294,883
(d) Total Contingent Liabilities	25,193,544	23,528,131	25,193,544	23,528,131

CAPITAL STRENGTH

(a) Core capital	21,471,831	22,559,049		
(b) Minimum Statutory Capital	1,000,000	1,000,000		
(c) Excess/(Deficiency)(a-b)	20,471,831	21,559,049		
(d) Supplementary Capital	561,906	353,022		
(e) Total Capital (a+d)	22,033,737	22,912,071		
(f) Total risk weighted assets	53,266,941	58,365,121		
(g) Core Capital/Total deposits Liabilities	26.4%	25.5%		
(h) Minimum statutory Ratio	8.0%	8.0%		
(i) Excess/(Deficiency) (g-h)	18.4%	17.5%		
(j) Core Capital / total risk weighted assets	40.3%	38.7%		
(k) Minimum Statutory Ratio	10.5%	10.5%		
(l) Excess (Deficiency) (j-k)	29.8%	28.2%		
(m) Total Capital/total risk weighted assets	41.4%	39.3%		
(n) Minimum statutory Ratio	14.5%	14.5%		
(o) Excess/(Deficiency) (m-n)	26.9%	24.8%		
(p) Adjusted Core Capital/Total Deposit Liabilities*	26.5%	25.5%		
(q) Adjusted Core Capital/Total Risk Weighted Assets*	40.4%	38.7%		
(r) Adjusted Total Capital/Total Risk Weighted Assets*	41.4%	39.3%		

LIQUIDITY

(a) Liquidity Ratio	77.1%	80.5%
(b) Minimum Statutory Ratio	20.0%	20.0%
(c) Excess (Deficiency) (a-b)	57.1%	60.5%

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

MESSAGE FROM THE DIRECTORS

These financial statements are extracts from the books of the institution as audited by Deloitte and Touche and received unqualified opinion. The complete set of Audited Group and Bank financial statements, statutory and qualitative disclosures can be accessed on the institution's website www.primebank.co.ke. They may also be accessed at the institution's Head Office, Riverside Drive, Nairobi.

BHARAT JANI MANAGING DIRECTOR **AMAR KANTARIA** EXECUTIVE DIRECTOR **T.M. DAVIDSON** DIRECTOR **BINIAM YOHANNES** DIRECTOR

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