

AUDITED FINANCIAL STATEMENTS AND OTHER DISCLOSURES AS AT 31ST DECEMBER 2021

STATEMENT OF FINANCIAL POSITION

	BANK		GROUP	
	31st Dec. 2020 Shs. '000' Audited	31st Dec. 2021 Shs. '000' Audited	31st Dec. 2020 Shs. '000' Audited	31st Dec. 2021 Shs. '000' Audited
ASSETS				
Cash (both Local & Foreign)	489,147	461,053	490,935	458,979
Balances due from Central Bank of Kenya	4,749,202	5,500,719	4,749,202	5,500,719
Kenya Government and other securities held for dealing purposes	-	-	-	-
Financial Assets at fair value through profit and loss	-	-	-	-
Investment Securities:				
a) Held to Maturity:	42,160,461	53,377,489	43,194,552	54,438,437
a. Kenya Government securities	42,160,461	53,377,489	43,100,690	54,338,940
b. Other securities	-	-	93,862	99,497
b) Available for sale:	17,587,509	15,657,006	18,414,107	16,652,990
a. Kenya Government securities	16,280,552	11,329,320	17,014,694	12,221,117
b. Other securities	1,306,957	4,327,686	1,399,413	4,431,873
Deposits and balances due from local banking institutions	887,856	2,723,362	949,339	2,786,211
Deposits and balances due from banking institutions abroad	9,381,097	6,171,020	9,381,097	6,171,020
Tax recoverable	-	21,407	32,431	87,396
Loans and advances to customers (net)	35,968,295	38,019,516	36,036,557	38,076,442
Balances due from banking institutions in the group	-	-	-	-
Investments in associates	-	-	-	-
Investments in subsidiary companies	1,395,692	1,405,692	-	-
Investments in joint ventures	-	-	-	-
Investment properties	-	-	-	-
Property and equipment	2,171,056	2,001,745	2,508,605	2,331,366
Prepaid lease rentals	-	-	-	-
Intangible assets	125,956	137,390	783,638	796,198
Deferred tax asset	330,721	-	330,721	-
Retirement benefit asset	-	-	-	-
Other assets	956,599	1,005,824	1,382,183	1,528,081
TOTAL ASSETS	116,203,591	126,482,223	118,253,367	128,827,839
LIABILITIES				
Balances due to Central Bank of Kenya	-	-	-	-
Customer deposits	88,548,056	97,195,051	88,189,504	96,838,332
Deposits and balances due to local banking institutions	-	-	-	-
Deposits and balances due to foreign banking institutions	45,789	27,177	45,789	27,177
Other money market deposits	-	-	-	-
Borrowed funds	1,469,614	21,018	1,469,614	21,018
Balances due to banking institutions in the group	-	-	-	-
Tax payable	12,838	-	12,838	-
Dividends payable	-	-	-	-
Deferred tax liability	-	53,645	66,927	119,711
Retirement benefit liability	-	-	-	-
Other liabilities	1,225,693	1,074,295	2,325,975	2,248,685
TOTAL LIABILITIES	91,301,990	98,371,186	92,110,647	99,254,923
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	1,171,843	2,437,712	1,368,639	2,618,780
Retained earnings/Accumulated losses	10,958,636	13,440,804	11,605,209	14,304,353
Statutory loan loss reserves	353,022	353,022	353,022	353,022
Other Reserves	-	-	-	-
Proposed dividends	538,601	-	538,601	-
Capital grants	-	-	-	-
TOTAL SHAREHOLDERS' FUNDS	24,901,601	28,111,037	25,744,970	29,155,654
Minority Interest	-	-	397,750	417,262
TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS	116,203,591	126,482,223	118,253,367	128,827,839

OTHER DISCLOSURES

NON-PERFORMING LOANS AND ADVANCES				
(a) Gross Non-performing loans and advances	4,837,979	5,199,350	4,837,979	5,199,350
(b) Less: Interest in Suspense	886,870	842,320	886,870	842,320
(c) Total Non-Performing Loans and Advances (a-b)	3,951,109	4,357,030	3,951,109	4,357,030
(d) Less: Loan Loss Provision	2,040,658	2,617,398	2,040,658	2,617,398
(e) Net Non-Performing Loans and Advances (c-d)	1,910,451	1,739,632	1,910,451	1,739,632
(f) Discounted Value of Securities	1,746,412	1,714,692	1,746,412	1,714,692
(g) Net NPLs Exposure (e-f)	164,039	24,940	164,039	24,940
INSIDER LOANS AND ADVANCES				
(a) Directors, Shareholders and Associates	2,225,408	2,120,589	2,225,408	2,120,589
(b) Employees	394,976	436,338	394,976	436,338
(c) Total Insider Loans and Advances and other facilities	2,620,384	2,556,927	2,620,384	2,556,927
OFF-BALANCE SHEET ITEMS				
(a) Letters of credit, guarantees, acceptances	8,967,455	9,698,001	8,967,455	9,698,001
(b) Forwards, swaps and options	13,265,793	10,921,162	13,265,793	10,921,162
(c) Other contingent liabilities	1,294,883	2,268,112	1,294,883	2,268,112
(d) Total Contingent Liabilities	23,528,131	22,887,275	23,528,131	22,887,275
CAPITAL STRENGTH				
(a) Core capital	22,559,049	24,285,501	-	-
(b) Minimum Statutory Capital	1,000,000	1,000,000	-	-
(c) Excess/(Deficiency)(a-b)	21,559,049	23,285,501	-	-
(d) Supplementary Capital	353,022	353,022	-	-
(e) Total Capital (a+d)	22,912,071	24,638,523	-	-
(f) Total risk weighted assets	58,365,121	59,273,889	-	-
(g) Core Capital/Total deposits Liabilities	25.5%	25.0%	-	-
(h) Minimum statutory Ratio	8.0%	8.0%	-	-
(i) Excess/(Deficiency) (g-h)	17.5%	17.0%	-	-
(j) Core Capital / total risk weighted assets	38.7%	41.0%	-	-
(k) Minimum Statutory Ratio	10.5%	10.5%	-	-
(l) Excess (Deficiency) (j-k)	28.2%	30.5%	-	-
(m) Total Capital/total risk weighted assets	39.3%	41.6%	-	-
(n) Minimum statutory Ratio	14.5%	14.5%	-	-
(o) Excess/(Deficiency) (m-n)	24.8%	27.1%	-	-
(p) Adjusted Core Capital/Total Deposit Liabilities*	25.5%	25.0%	-	-
(q) Adjusted Core Capital/Total Risk Weighted Assets*	38.7%	41.0%	-	-
(r) Adjusted Total Capital/Total Risk Weighted Assets*	39.3%	41.6%	-	-
LIQUIDITY				
(a) Liquidity Ratio	80.5%	79.5%	-	-
(b) Minimum Statutory Ratio	20.0%	20.0%	-	-
(c) Excess (Deficiency) (a-b)	60.5%	59.5%	-	-

STATEMENT OF COMPREHENSIVE INCOME

	BANK		GROUP	
	31st Dec. 2020 Shs. '000' Audited	31st Dec. 2021 Shs. '000' Audited	31st Dec. 2020 Shs. '000' Audited	31st Dec. 2021 Shs. '000' Audited
INTEREST INCOME				
Loans and advances	3,749,880	3,797,384	3,749,880	3,797,384
Government securities	5,728,182	6,628,868	5,728,182	6,628,868
Deposits and placements with banking institutions	94,091	97,451	94,091	97,451
Other Interest Income	87,689	124,005	87,689	124,005
Total interest income	9,659,842	10,647,708	9,659,842	10,647,708
INTEREST EXPENSE				
Customer deposits	4,911,290	5,049,452	4,911,290	5,049,452
Deposits and placement from banking institutions	26,142	8,580	26,142	8,580
Other interest expenses	75,178	43,083	75,178	43,083
Total interest expenses	5,012,610	5,101,115	5,012,610	5,101,115
NET INTEREST INCOME/(LOSS)	4,647,232	5,546,593	4,647,232	5,546,593
NON-INTEREST INCOME				
Fees and commissions on loans and advances	167,874	151,785	167,874	151,785
Other fees and commissions	347,753	409,356	347,753	409,356
Foreign exchange trading income/(Loss)	411,483	323,056	411,483	323,056
Dividend Income	101,440	156,724	14,265	74,392
Other income	76,186	29,989	1,299,176	1,303,907
Total Non-interest income	1,104,736	1,070,910	2,240,551	2,262,496
TOTAL OPERATING INCOME	5,751,968	6,617,503	6,887,783	7,809,089
OTHER OPERATING EXPENSES				
Loan loss provision	1,158,133	856,067	1,159,953	857,562
Staff costs	1,369,794	1,518,327	1,369,794	1,672,931
Directors' emoluments	131,549	135,862	131,549	144,782
Rental charges	41,895	50,952	41,895	50,996
Depreciation charge on property and equipment	203,554	189,579	203,554	207,238
Amortisation charges	56,914	56,378	56,914	56,378
Other operating expenses	940,835	907,493	1,732,370	1,621,434
Total Other Operating Expenses	3,902,674	3,714,658	4,696,029	4,611,321
Profit/(Loss) Before Tax and Exceptional Items	1,849,294	2,902,845	2,191,754	3,197,768
Exceptional Items	-	-	-	-
Profit/(Loss) After Exceptional Items	1,849,294	2,902,845	2,191,754	3,197,768
Current Tax	115,274	158,952	185,441	209,424
Deferred Tax	(380,126)	(276,878)	(381,429)	(277,743)
Profit/(Loss) After Tax and Exceptional Items	2,114,146	3,020,771	2,387,742	3,266,087
Minority Interest	-	-	83,097	60,046
Profit/(loss) after tax, exceptional items and Minority Interest	2,114,146	3,020,771	2,304,645	3,206,041
Other Comprehensive Income				
Gains/(Losses) from translating the financial statements of foreign operations	-	-	-	-
Fair value changes in available for sale financial assets	(1,685,690)	1,927,111	(1,698,205)	1,921,078
Revaluation surplus on Property, plant and equipment	-	-	-	-
Share of other comprehensive income of associates	-	-	-	-
Income tax relating to components of other comprehensive income	469,941	(661,244)	469,941	(661,244)
Other Comprehensive Income for the year net of tax	(1,215,749)	1,265,867	(1,228,264)	1,259,834
Total comprehensive income for the year	898,397	4,286,638	1,159,478	4,525,921
EARNINGS PER SHARE- BASIC & DILUTED	318	454	347	482
DIVIDEND PER SHARE -DECLARED				

* 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.

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