

AUDITED FINANCIAL STATEMENTS AND OTHER DISCLOSURES AS AT 31ST DECEMBER 2022

STATEMENT OF FINANCIAL POSITION

	BANK		GROUP	
	31st Dec. 2021 Shs. '000' Audited	31st Dec. 2022 Shs. '000' Audited	31st Dec. 2021 Shs. '000' Audited	31st Dec. 2022 Shs. '000' Audited
ASSETS				
Cash (both Local & Foreign)	461,053	598,971	458,979	597,367
Balances due from Central Bank of Kenya	5,500,719	5,319,643	5,500,719	5,319,643
Kenya Government and other securities held for dealing purposes				
Financial Assets at fair value through profit and loss				
Investment Securities:				
a) Held to Maturity:	53,377,489	44,439,485	54,438,437	45,830,535
a. Kenya Government securities	53,377,489	44,439,485	54,338,940	45,830,535
b. Other securities			99,497	
b) Available for sale:	15,657,006	31,445,670	16,652,990	32,348,600
a. Kenya Government securities	11,329,320	26,174,792	12,221,117	27,007,748
b. Other securities	4,327,686	5,270,878	4,431,873	5,340,852
Deposits and balances due from local banking institutions	2,723,362	3,625,701	2,786,211	3,671,510
Deposits and balances due from banking institutions abroad	6,171,020	7,389,282	6,171,020	7,389,282
Tax recoverable	21,407	12,755	87,396	65,049
Loans and advances to customers (net)	38,019,516	40,923,643	38,076,442	40,950,360
Balances due from banking institutions in the group				
Investments in associates				
Investments in subsidiary companies	1,405,692	1,405,692		
Investments in joint ventures				
Investment properties				
Property and equipment	2,001,745	2,319,254	2,331,366	2,636,432
Prepaid lease rentals				
Intangible assets	137,390	107,504	796,198	766,622
Deferred tax asset		1,141,467		1,141,467
Retirement benefit asset				
Other assets	1,005,824	1,673,828	1,528,081	2,258,656
TOTAL ASSETS	126,482,223	140,402,895	128,827,839	142,975,523
LIABILITIES				
Balances due to Central Bank of Kenya				
Customer deposits	97,195,051	107,582,199	96,838,332	107,185,228
Deposits and balances due to local banking institutions				
Deposits and balances due to foreign banking institutions	27,177	4,485	27,177	4,485
Other money market deposits				
Borrowed funds	21,018		21,018	
Balances due to banking institutions in the group				
Tax payable				
Dividends payable				
Deferred tax liability	53,645		119,711	68,767
Retirement benefit liability				
Other liabilities	1,074,295	1,432,472	2,248,685	2,753,536
TOTAL LIABILITIES	98,371,186	109,019,156	99,254,923	110,012,016
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	2,437,712	3,665,376	2,618,780	4,750,952
Retained earnings/Accumulated losses	13,440,804	14,388,693	14,304,353	14,443,754
Statutory loan loss reserves	353,022	353,022	353,022	353,022
Other Reserves				
Proposed dividends		1,097,149		1,097,149
Capital grants				
TOTAL SHAREHOLDERS' FUNDS	28,111,037	31,383,739	29,155,654	32,524,376
Minority Interest			417,262	439,131
TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS	126,482,223	140,402,895	128,827,839	142,975,523

STATEMENT OF COMPREHENSIVE INCOME

	31st Dec. 2021	31st Dec. 2022	31st Dec. 2021	31st Dec. 2022
INTEREST INCOME				
Loans and advances	3,797,384	4,177,259	3,797,384	4,177,259
Government securities	6,628,868	7,232,535	6,628,868	7,232,535
Deposits and placements with banking institutions	97,451	302,097	97,451	302,097
Other Interest Income	124,005	86,551	124,005	86,551
Total interest income	10,647,708	11,798,442	10,647,708	11,798,442
INTEREST EXPENSE				
Customer deposits	5,049,452	5,900,348	5,049,452	5,900,348
Deposits and placement from banking institutions	8,580	798	8,580	798
Other interest expenses	43,083		43,083	
Total interest expenses	5,101,115	5,901,146	5,101,115	5,901,146
NET INTEREST INCOME/(LOSS)	5,546,593	5,897,296	5,546,593	5,897,296
NON-INTEREST INCOME				
Fees and commissions on loans and advances	151,785	146,745	151,785	146,745
Other fees and commissions	409,356	324,148	409,356	324,148
Foreign exchange trading income/(Loss)	323,056	504,265	323,056	504,265
Dividend Income	156,724	322,589	74,392	162,769
Other income	29,989	75,167	1,303,907	1,555,309
Total Non-interest income	1,070,910	1,372,914	2,262,496	2,693,236
TOTAL OPERATING INCOME	6,617,503	7,270,210	7,809,089	8,590,532
OTHER OPERATING EXPENSES				
Loan loss provision	856,067	638,411	857,562	635,415
Staff costs	1,518,327	1,614,725	1,672,931	1,820,636
Directors' emoluments	135,862	148,294	144,782	155,530
Rental charges	50,952	51,033	50,996	51,076
Depreciation charge on property and equipment	189,579	180,128	207,238	199,436
Amortisation charges	56,378	51,580	56,378	51,580
Other operating expenses	907,493	1,062,996	1,621,434	1,874,689
Total Other Operating Expenses	3,714,658	3,747,167	4,611,321	4,788,362
Profit/(Loss) Before Tax and Exceptional Items	2,902,845	3,523,043	3,197,768	3,802,170
Exceptional Items				
Profit/(Loss) After Exceptional Items	2,902,845	3,523,043	3,197,768	3,802,170
Current Tax	158,952	172,399	209,424	105,064
Deferred Tax	(276,878)	(190,503)	(277,743)	(54,000)
Profit/(Loss) After Tax and Exceptional Items	3,020,771	3,541,147	3,266,087	3,751,106
Minority Interest			60,046	69,348
Profit/(loss) after tax, exceptional items and Minority Interest	3,020,771	3,541,147	3,206,041	3,681,758

	BANK		GROUP	
	31st Dec. 2021 Shs. '000' Audited	31st Dec. 2022 Shs. '000' Audited	31st Dec. 2021 Shs. '000' Audited	31st Dec. 2022 Shs. '000' Audited
Other Comprehensive Income				
Gains/(Losses) from translating the financial statements of foreign operations				
Fair value changes in available for sale financial assets	1,927,111	991,751	1,921,078	1,448,868
Revaluation surplus on Property, plant and equipment		117,350		124,850
Share of other comprehensive income of associates				
Income tax relating to components of other comprehensive income	(661,244)	118,564	(661,244)	(548,082)
Other Comprehensive Income for the year net of tax	1,265,867	1,227,665	1,259,834	1,025,636
Total comprehensive income for the year	4,286,638	4,768,812	4,525,921	4,776,742
EARNINGS PER SHARE - BASIC & DILUTED	454	554	482	533
DIVIDEND PER SHARE -DECLARED				

OTHER DISCLOSURES

NON-PERFORMING LOANS AND ADVANCES

	31st Dec. 2021	31st Dec. 2022	31st Dec. 2021	31st Dec. 2022
(a) Gross Non-performing loans and advances	5,199,350	5,870,236	5,199,350	5,870,236
(b) Less: Interest in Suspense	842,320	852,797	842,320	852,797
(c) Total Non-Performing Loans and Advances (a-b)	4,357,030	5,017,439	4,357,030	5,017,439
(d) Less: Loan Loss Provision	2,617,398	2,692,902	2,617,398	2,692,502
(e) Net Non-Performing Loans and Advances(c-d)	1,739,632	2,324,937	1,739,632	2,324,937
(f) Discounted Value of Securities	1,714,692	2,324,937	1,714,692	2,324,937
(g) Net NPLs Exposure (e-f)	24,940	24,940	24,940	24,940

INSIDER LOANS AND ADVANCES

	31st Dec. 2021	31st Dec. 2022	31st Dec. 2021	31st Dec. 2022
(a) Directors, Shareholders and Associates	2,120,589	3,880,753	2,120,589	3,880,753
(b) Employees	436,338	481,905	436,338	481,905
(c) Total Insider Loans and Advances and other facilities	2,556,927	4,362,658	2,556,927	4,362,658

OFF-BALANCE SHEET ITEMS

	31st Dec. 2021	31st Dec. 2022	31st Dec. 2021	31st Dec. 2022
(a) Letters of Credit, guarantees, acceptances	9,698,001	10,321,504	9,698,001	10,321,504
(b) Forwards, swaps and options	10,921,162	7,695,643	10,921,162	7,695,643
(c) Other contingent liabilities	2,268,112	2,060,223	2,268,112	2,060,223
(d) Total Contingent Liabilities	22,887,275	20,077,370	22,887,275	20,077,370

CAPITAL STRENGTH

	31st Dec. 2021	31st Dec. 2022	31st Dec. 2021	31st Dec. 2022
(a) Core capital	24,285,501	25,221,433	24,285,501	25,221,433
(b) Minimum Statutory Capital	1,000,000	1,000,000	1,000,000	1,000,000
(c) Excess/(Deficiency)(a-b)	23,285,501	24,221,433	23,285,501	24,221,433
(d) Supplementary Capital	353,022	353,022	353,022	353,022
(e) Total Capital (a+d)	24,638,523	25,574,455	24,638,523	25,574,455
(f) Total risk weighted assets	59,273,889	72,071,335	59,273,889	72,071,335
(g) Core Capital/Total deposits Liabilities	25.0%	23.4%	25.0%	23.4%
(h) Minimum statutory Ratio	8.0%	8.0%	8.0%	8.0%
(i) Excess/(Deficiency) (g-h)	17.0%	15.4%	17.0%	15.4%
(j) Core Capital / total risk weighted assets	41.0%	35.0%	41.0%	35.0%
(k) Minimum Statutory Ratio	10.5%	10.5%	10.5%	10.5%
(l) Excess (Deficiency) (j-k)	30.5%	24.5%	30.5%	24.5%
(m) Total Capital/total risk weighted assets	41.6%	35.5%	41.6%	35.5%
(n) Minimum statutory Ratio	14.5%	14.5%	14.5%	14.5%
(o) Excess/(Deficiency) (m-n)	27.1%	21.0%	27.1%	21.0%
(p) Adjusted Core Capital/Total Deposit Liabilities*	25.0%	23.5%	25.0%	23.5%
(q) Adjusted Core Capital/Total Risk Weighted Assets*	41.0%	35.0%	41.0%	35.0%
(r) Adjusted Total Capital/Total Risk Weighted Assets*	41.6%	35.5%	41.6%	35.5%

LIQUIDITY

	31st Dec. 2021	31st Dec. 2022	31st Dec. 2021	31st Dec. 2022
(a) Liquidity Ratio	79.5%	79.7%	79.5%	79.7%
(b) Minimum Statutory Ratio	20.0%	20.0%	20.0%	20.0%
(c) Excess (Deficiency) (a-b)	59.5%	59.7%	59.5%	59.7%

* 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.

RAJEEV PANT CHIEF EXECUTIVE OFFICER	AMAR KANTARIA EXECUTIVE DIRECTOR	S.K. SHAH VICE CHAIRMAN	JINARO KIBET DIRECTOR
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