

PARAMOUNT BANK LTD

ANNUAL FINANCIAL STATEMENTS AND DISCLOSURES

I STATEMENT OF FINANCIAL POSITION AS AT 31ST DEC 2018	Group		Bank	
	31st Dec 18	31st Dec 17	31st Dec 18	31st Dec 17
	Current Year Shs '000' Audited	Previous Year Shs '000' Audited	Current Year Shs '000' Audited	Previous Year Shs '000' Audited
A ASSETS				
1 Cash (both local & foreign)	145,440	109,453	145,440	109,453
2 Balances due from Central Bank of Kenya	1,088,998	990,821	1,088,998	990,821
3 Kenya Government and other securities held for dealing purposes	-	-	-	-
4 Financial Assets at fair value through the profit and loss	-	-	-	-
5 Investment Securities:				
a. Held to Maturity :				
a. Kenya Government Securities	2,571,380	2,167,645	2,571,380	2,167,645
b. Other Securities	35,695	74,681	35,695	74,681
b. Available for sale	-	-	-	-
a. Kenya Government Securities	-	-	-	-
b. Other Securities	-	-	-	-
6 Deposits and balances due from local banking institutions	326	10,258	326	10,258
7 Deposits and balances due from banking institutions abroad	64,897	45,242	64,897	45,242
8 Tax Recoverable	17,479	17,645	17,418	17,418
9 Loans and advances to customers (net)	5,642,627	5,902,051	5,642,627	5,902,051
10 Balances due from group companies	-	-	-	-
11 Investments in associates	-	-	-	-
12 Investments in subsidiary companies	-	-	1,000	1,000
13 Investments in joint ventures	-	-	-	-
14 Investment properties	-	-	-	-
15 Property and Equipment	58,669	57,572	58,669	57,572
16 Prepaid lease rentals	-	-	-	-
17 Intangible assets	10,924	11,279	10,825	11,219
18 Deferred Tax asset	112,523	27,534	112,521	27,534
19 Retirement benefit asset	-	-	-	-
20 Other assets	137,615	126,924	137,611	126,377
21 TOTAL ASSETS	9,886,573	9,541,085	9,887,407	9,541,251
B LIABILITIES				
22 Balances due to Central Bank of Kenya	-	-	-	-
23 Customer deposits	8,121,434	7,725,963	8,126,183	7,729,302
24 Deposits and balances due to banking institutions	-	-	-	-
25 Deposits and balances due to foreign banking institutions	-	-	-	-
26 Other money market deposits	-	-	-	-
27 Borrowed funds	-	-	-	-
28 Balances due to group companies	-	-	-	-
29 Tax payable	-	-	-	-
30 Dividends payable	-	-	-	-
31 Deferred Tax liability	-	-	-	-
32 Retirement Benefit liability	-	-	-	-
33 Other liabilities	77,294	55,368	73,956	52,256
34 TOTAL LIABILITIES	8,198,728	7,781,331	8,200,139	7,781,558
C SHAREHOLDERS' EQUITY				
35 Paid up/Assigned capital	1,000,000	1,000,000	1,000,000	1,000,000
36 Share premium/(discount)	-	-	-	-
37 Fair value reserve	-	-	-	-
38 Retained earnings/Accumulated losses	687,845	689,160	687,268	689,099
39 Statutory Reserves	-	70,594	-	70,594
40 Proposed dividends	-	-	-	-
41 Capital grants	-	-	-	-
42 TOTAL SHAREHOLDERS' EQUITY	1,687,845	1,759,754	1,687,268	1,759,693
43 TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	9,886,573	9,541,085	9,887,407	9,541,251

II STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31ST DEC 2018	Group		Bank	
	31st Dec 18	31st Dec 17	31st Dec 18	31st Dec 17
	Current Year Shs '000' Audited	Previous Year Shs '000' Audited	Current Year Shs '000' Audited	Previous Year Shs '000' Audited
1 INTEREST INCOME				
1.1 Loans and advances	742,780	768,036	742,780	768,036
1.2 Government securities	241,814	225,348	241,814	225,348
1.3 Deposits and placements with banking institutions	7,424	16,651	7,424	16,651
1.4 Other Interest Income	5,270	6,911	5,270	6,911
1.5 Total Interest Income	997,288	1,016,946	997,288	1,016,946
2 INTEREST EXPENSES				
2.1 Customer deposits	634,351	641,354	634,351	641,354
2.2 Deposits and placements from banking institutions	-	1,986	-	1,986
2.3 Other Interest Expenses	-	-	-	-
2.4 Total Interest Expenses	634,351	643,340	634,351	643,340
3 NET INTEREST INCOME/(LOSS)	362,937	373,606	362,937	373,606
4 OTHER OPERATING INCOME				
4.1 Fees and commissions on loans & advances	13,873	13,795	10,460	10,403
4.2 Other fees & commissions	33,244	21,552	33,244	21,352
4.3 Foreign exchange trading income(Loss)	6,614	10,260	6,614	10,260
4.4 Other Income	66,423	54,804	66,423	54,804
4.5 Total Non-Interest Income	120,154	100,211	116,741	96,819
5 TOTAL OPERATING INCOME	483,091	473,817	479,678	470,425
6 OTHER OPERATING EXPENSES				
6.1 Loan loss provisions	(16,276)	48,110	(16,276)	48,110
6.2 Staff costs	139,428	140,275	139,428	140,275
6.3 Directors' emoluments	28,960	26,293	28,960	26,293
6.4 Rentals charges	36,874	40,493	36,874	40,493
6.5 Depreciation charge on property and equipment	19,665	19,108	19,665	19,108
6.6 Amortisation charges	3,976	3,471	3,976	3,471
6.7 Other operating expenses	118,934	99,560	116,262	96,711
6.8 Total Other Operating expenses	331,561	377,310	328,889	374,661
7 Profit/(Loss) before tax and exceptional items	151,530	96,507	150,789	95,964
8 Exceptional items	-	-	-	-
9 Profit/(Loss) after Exceptional items	151,530	96,507	150,789	95,964
10 Current tax	(84,762)	(20,991)	(84,987)	(21,154)
11 Deferred tax	-	-	-	-
12 Profit/(Loss) after tax and exceptional items	236,292	117,498	235,776	117,118
13 Other Comprehensive Income :				
13.1 Gains/ (Losses) from translating Financial statements of foreign operations	-	-	-	-
13.2 Fair value changes in available for sale financial assets	-	-	-	-
13.4 Revaluation Surplus on Property, plant and equipments	-	-	-	-
13.5 Share of other comprehensive income of associates	-	-	-	-
13.6 Income tax relating to components of other comprehensive income	-	-	-	-
14 Other Comprehensive Income for the year net of tax	-	-	-	-
15 Total Comprehensive income for the year	236,292	117,498	235,776	117,118

III. OTHER DISCLOSURES	Group		Bank	
	31st Dec 18	31st Dec 17	31st Dec 18	31st Dec 17
	Current Year Shs '000' Audited	Previous Year Shs '000' Audited	Current Year Shs '000' Audited	Previous Year Shs '000' Audited
1) NON-PERFORMING LOANS AND ADVANCES				
a) Gross Non-Performing loans and advances	1,069,283	928,435	1,069,283	928,435
Less:				
b) Interest in suspense	325,361	305,120	325,361	305,120
c) Total Non-Performing Loans & Advances (a-b)	743,922	623,315	743,922	623,315
Less:				
d) Loan loss provisions	204,227	134,747	204,227	134,747
e) Net Non-Performing Loans (c-d)	539,695	488,568	539,695	488,568
f) Realizable Value of Securities	539,695	488,568	539,695	488,568
g) Net NPLs Exposure (e-f)	-	-	-	-
2) INSIDER LOANS AND ADVANCES				
a) Directors, shareholders and associates	516,389	568,265	516,389	568,265
b) Employees	67,924	71,983	67,924	71,983
c) Total Insider loans, advances & Other Facilities	584,313	640,248	584,313	640,248
3) OFF-BALANCE SHEET ITEMS				
a) Letters of credit, guarantees, acceptances	529,080	518,335	529,080	518,335
b) Other contingent liabilities	-	-	-	-
c) Total contingent liabilities	529,080	518,335	529,080	518,335
4) CAPITAL STRENGTH				
a) Core capital	1,574,544	1,661,565	1,574,544	1,661,565
b) Minimum Statutory Capital	1,000,000	1,000,000	1,000,000	1,000,000
c) Excess/(Deficiency)	574,544	661,565	574,544	661,565
d) Supplementary capital	70,594	-	70,594	-
e) Total Capital (a+d)	1,574,544	1,732,159	1,574,544	1,732,159
f) Total risk weighted assets	5,517,940	5,879,372	5,517,940	5,879,538
g) Core capital/total deposit liabilities	19.4%	21.5%	19.4%	21.5%
h) Minimum Statutory Ratio	8.0%	8.0%	8.0%	8.0%
i) Excess/(Deficiency)(g-h)	11.4%	13.5%	11.4%	13.5%
j) Core Capital/total risk weighted assets	28.5%	28.3%	28.5%	28.3%
k) Minimum Statutory Ratio	10.5%	10.5%	10.5%	10.5%
l) Excess/(Deficiency)(j-k)	18.0%	17.8%	18.0%	17.8%
m) Total Capital/total risk weighted assets	28.5%	29.5%	28.5%	29.5%
n) Minimum Statutory Ratio	14.5%	14.5%	14.5%	14.5%
o) Excess/(Deficiency)(m-n)	14.0%	15.0%	14.0%	15.0%
p) Adjusted Core Capital / total Deposit Liabilities	23.3%	23.3%	23.3%	23.3%
q) Adjusted Core Capital / total Risk Weighted Assets	34.4%	34.4%	34.4%	34.4%
r) Adjusted Total Capital / total Risk Weighted Assets	35.7%	35.7%	35.7%	35.7%
5) Liquidity				
a) Liquidity Ratio	47.2%	40.9%	47.2%	40.9%
b) Minimum Statutory Ratio	20.0%	20.0%	20.0%	20.0%
c) Excess/(Deficiency)(a-b)	27.2%	20.9%	27.2%	20.9%

Notes

*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

These financial statements are extracts from the books of the institution as audited by Deloitte & Touche and received an unqualified opinion. The complete set of annual financial statements, statutory and qualitative disclosures can be accessed on the institution's website on www.paramountbank.co.ke

They may also be accessed at the institution's head office at 4th Floor Sound Plaza, Woodvale Grove, Westlands, Nairobi

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