

PARAMOUNT BANK LTD

ANNUAL FINANCIAL STATEMENTS AND DISCLOSURES

I STATEMENT OF FINANCIAL POSITION AS AT 31st Dec 2017	GROUP		BANK	
	31st Dec 17	31st Dec 16	31st Dec 17	31st Dec 16
	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)	109,453	104,398	109,453	104,398
2 Balances due from Central Bank of Kenya	990,821	661,020	990,821	661,020
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	2,167,645	2,213,025	2,167,645	2,213,025
b. Other Securities	74,681	114,445	74,681	114,445
b. Available for sale:				
a. Kenya Government Securities	-	91,294	-	91,294
b. Other Securities	-	-	-	-
6 Deposits and balances due from local banking institutions	10,258	10,258	10,258	51,318
7 Deposits and balances due from banking institutions abroad	45,242	133,965	45,242	133,965
8 Tax Recoverable	17,645	17,453	17,418	17,418
9 Loans and advances to customers (net)	5,902,051	5,799,443	5,902,051	5,799,443
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	57,572	71,785	57,572	71,785
16 Prepaid lease rentals	-	-	-	-
17 Intangible assets	11,279	13,961	11,219	13,872
18 Deferred Tax asset	27,535	6,517	27,534	6,380
19 Retirement benefit asset	-	-	-	-
20 Other assets	126,924	149,217	126,377	147,568
21 TOTAL ASSETS	9,541,086	9,427,841	9,541,251	9,426,931
B LIABILITIES				
22 Balances due to Central Bank of Kenya	-	-	-	-
23 Customer deposits	7,725,963	7,665,713	7,729,302	7,667,902
24 Deposits and balances due to banking institutions	-	51,334	-	51,334
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	55,368	66,904	52,256	63,486
34 TOTAL LIABILITIES	7,781,331	7,783,951	7,781,558	7,782,722
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 Revaluation reserves	-	1,636	-	1,636
38 Retained earnings/Accumulated losses	689,160	559,770	689,099	560,089
39 Statutory Reserves	70,594	82,484	70,594	82,484
40 Proposed dividends	-	-	-	-
41 Capital grants	-	-	-	-
42 TOTAL SHAREHOLDERS' EQUITY	1,759,754	1,643,890	1,759,693	1,644,209
43 TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	9,541,085	9,427,841	9,541,251	9,426,931

II STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD END 31ST DEC 2017	GROUP		BANK	
	31st Dec 17	31st Dec 16	31st Dec 17	31st Dec 16
	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	768,036	941,906	768,036	941,906
1.2 Government securities	225,348	218,431	225,348	218,431
1.3 Deposits and placements with banking institutions	16,651	12,030	16,651	12,030
1.4 Other Interest Income	6,911	9,802	6,911	9,802
1.5 Total Interest Income	1,016,946	1,182,169	1,016,946	1,182,169
2 INTEREST EXPENSES				
2.1 Customer deposits	641,354	868,091	641,354	868,091
2.2 Deposits and placements from banking Institutions	1,986	18,230	1,986	18,230
2.3 Other Interest Expenses	-	-	-	-
2.4 Total Interest Expenses	643,340	886,321	643,340	886,321
3 NET INTEREST INCOME/(LOSS)	373,606	295,848	373,606	295,848
4 OTHER OPERATING INCOME				
4.1 Fees and commissions on loans & advances	13,795	13,364	10,403	10,414
4.2 Other fees & commissions	21,352	30,982	21,352	30,982
4.3 Foreign exchange trading income(Loss)	10,260	12,242	10,260	12,242
4.4 Other Income	54,804	128,833	54,804	128,833
4.5 Total Non-Interest Income	100,211	185,421	96,819	182,471
5 TOTAL OPERATING INCOME	473,817	481,269	470,425	478,319
6 OTHER OPERATING EXPENSES				
6.1 Loan loss provisions	48,110	60,333	48,110	60,333
6.2 Staff costs	140,275	141,102	140,275	141,102
6.3 Directors' emoluments	26,293	26,192	26,293	26,192
6.4 Rentals charges	40,493	37,920	40,493	37,920
6.5 Depreciation charge on property and equipment	19,108	21,153	19,108	21,153
6.6 Amortisation charges	3,471	1,525	3,471	1,525
6.7 Other operating expenses	99,560	88,162	96,711	85,428
6.8 Total Other Operating expenses	377,310	376,387	374,461	373,653
7 Profit/(Loss) before tax and exceptional items	96,507	104,882	95,964	104,666
8 Exceptional items	-	-	-	-
9 Profit/(Loss) after Exceptional Items	96,507	104,882	95,964	104,666
10 Current tax	(20,991)	(1,557)	(21,154)	(1,622)
11 Deferred tax	-	-	-	-
12 Profit/(Loss) after tax and exceptional items	117,498	106,439	117,118	106,288
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	-	1,636	-	1,636
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	117,498	108,075	117,118	107,924

III. OTHER DISCLOSURES	GROUP		BANK	
	31st Dec 17	31st Dec 16	31st Dec 17	31st Dec 16
	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	928,435	778,375	928,435	778,375
Less:				
b) Interest in suspense	305,120	298,414	305,120	298,414
c) Total Non-Performing Loans & Advances (a-b)	623,315	479,961	623,315	479,961
Less:				
d) Loan loss provisions	134,747	144,991	134,747	144,991
e) Net Non-Performing Loans (c-d)	488,568	334,970	488,568	334,970
f) Realizable Value of Securities	488,568	334,970	488,568	334,970
g) Net NPLs Exposure (e-f)	-	-	-	-
2) INSIDER LOANS AND ADVANCES				
a) Directors, shareholders and associates	568,265	363,687	568,265	363,687
b) Employees	71,983	72,994	71,983	72,994
c) Total Insider loans, advances & Other Facilities	640,248	436,681	640,248	436,681
3) OFF-BALANCE SHEET ITEMS				
a) Letters of credit, guarantees, acceptances	518,335	375,277	518,335	375,277
b) Other contingent liabilities	-	-	-	-
c) Total contingent Liabilities	518,335	375,277	518,335	375,277
4) CAPITAL STRENGTH				
a) Core capital	1,661,565	1,555,345	1,661,565	1,555,345
b) Minimum Statutory Capital	1,000,000	1,000,000	1,000,000	1,000,000
c) Excess/(Deficiency)	661,565	555,345	661,565	555,345
d) Supplementary capital	70,594	82,484	70,594	82,484
e) Total Capital (a+d)	1,732,159	1,637,829	1,732,159	1,637,829
f) Total risk weighted assets	5,879,372	5,974,525	5,879,538	5,973,615
g) Core capital/total deposit liabilities	21.5%	20.3%	21.5%	20.3%
h) Minimum Statutory Ratio	10.5%	10.5%	10.5%	10.5%
i) Excess/(Deficiency)(g-h)	11.0%	9.8%	11.0%	9.8%
j) Core Capital/total risk weighted assets	28.3%	26.0%	28.3%	26.0%
k) Minimum Statutory Ratio	10.5%	10.5%	10.5%	10.5%
l) Excess/(Deficiency)(j-k)	17.8%	15.5%	17.8%	15.5%
m) Total Capital/total risk weighted assets	29.5%	27.4%	29.5%	27.4%
n) Minimum Statutory Ratio	14.5%	14.5%	14.5%	14.5%
o) Excess/(Deficiency)(m-n)	15.0%	12.9%	15.0%	12.9%
5) Liquidity				
a) Liquidity Ratio	40.9%	43.0%	40.9%	43.0%
b) Minimum Statutory Ratio	20.0%	20.0%	20.0%	20.0%
c) Excess/(Deficiency)(a-b)	20.9%	23.0%	20.9%	23.0%

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

They may also be accessed at the institutions head office.

Ayaz Merali,
Chief Executive

A.N. Padany,
Chairman