

PARAMOUNT BANK LTD

ANNUAL FINANCIAL STATEMENTS AND DISCLOSURES

I STATEMENT OF FINANCIAL POSITION AS AT 31 st DEC 2019	Group		Bank	
	31 st Dec 19	31 st Dec 18	31 st Dec 19	31 st Dec 18
	Current Year	Previous Year	Current Year	Previous Year
	Shs '000'	Shs '000'	Shs '000'	Shs '000'
	Audited	Audited	Audited	Audited
A ASSETS				
1 Cash (both local & foreign)	124,949	145,440	124,949	145,440
2 Balances due from Central Bank of Kenya	779,350	1,088,998	779,350	1,088,998
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	2,231,232	2,571,380	2,231,232	2,571,380
b. Other Securities	-	35,695	-	35,695
b. Available for sale	-	-	-	-
a. Kenya Government Securities	-	-	-	-
b. Other Securities	-	-	-	-
6 Deposits and balances due from local banking institutions	926	326	926	326
7 Deposits and balances due from banking institutions abroad	382,769	64,897	382,769	64,897
8 Tax Recoverable	17,454	17,479	17,418	17,418
9 Loans and advances to customers (net)	6,462,964	5,642,627	6,462,964	5,642,627
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	45,263	58,669	45,263	58,669
16 Prepaid lease rentals / Right of Use Assets	112,088	-	112,088	-
17 Intangible assets	7,450	10,924	7,324	10,825
18 Deferred tax asset	117,833	112,523	117,827	112,521
19 Retirement benefit asset	-	-	-	-
20 Other assets	159,911	137,615	160,186	137,611
21 TOTAL ASSETS	10,442,189	9,886,573	10,443,296	9,887,407
B LIABILITIES				
22 Balances due to Central Bank of Kenya	-	-	-	-
23 Customer deposits	8,472,836	8,121,434	8,478,885	8,126,183
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 Lease Obligation	118,694	-	118,694	-
33 Other liabilities	71,214	77,294	67,500	73,956
34 TOTAL LIABILITIES	8,662,744	8,198,728	8,665,079	8,200,139
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	779,445	687,845	778,217	687,268
39 Statutory Reserves	-	-	-	-
40 Proposed dividends	-	-	-	-
41 Capital grants	-	-	-	-
42 TOTAL SHAREHOLDERS' EQUITY	1,779,445	1,687,845	1,778,217	1,687,268
43 TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	10,442,189	9,886,573	10,443,296	9,887,407

II STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31 st DEC 2019	Group		Bank	
	31 st Dec 19	31 st Dec 18	31 st Dec 19	31 st Dec 18
	Current Year	Previous Year	Current Year	Previous Year
	Shs '000'	Shs '000'	Shs '000'	Shs '000'
	Audited	Audited	Audited	Audited
1 INTEREST INCOME				
1.1 Loans and advances	808,625	742,780	808,625	742,780
1.2 Government securities	225,061	241,814	225,061	241,814
1.3 Deposits and placements with banking institutions	4,483	7,424	4,483	7,424
1.4 Other Interest Income	1,497	5,270	1,497	5,270
1.5 Total Interest Income	1,039,666	997,288	1,039,666	997,288
2 INTEREST EXPENSES				
2.1 Customer deposits	633,320	634,351	633,320	634,351
2.2 Deposits and placements from banking Institutions	-	-	-	-
2.3 Other Interest Expenses	-	-	-	-
2.4 Total Interest Expenses	633,320	634,351	633,320	634,351
3 NET INTEREST INCOME/(LOSS)	406,346	362,937	406,346	362,937
4 OTHER OPERATING INCOME				
4.1 Fees and commissions on loans & advances	14,449	13,875	10,660	10,460
4.2 Other fees & commissions	31,073	33,244	31,073	33,244
4.3 Foreign exchange trading income/(Loss)	8,930	6,614	8,930	6,614
4.4 Other Income	9,087	66,423	9,087	66,423
4.5 Total Non-Interest Income	63,539	120,154	59,750	116,741
5 TOTAL OPERATING INCOME	469,885	483,091	466,096	479,678
6 OTHER OPERATING EXPENSES				
6.1 Loan loss provisions	12,321	(16,276)	12,321	(16,276)
6.2 Staff costs	146,605	139,428	146,605	139,428
6.3 Directors' emoluments	31,096	28,960	31,096	28,960
6.4 Rentals charges	47,672	36,874	47,672	36,874
6.5 Depreciation charge on property and equipment	19,142	19,665	19,142	19,665
6.6 Amortisation charges	3,501	3,976	3,501	3,976
6.7 Other operating expenses	122,976	118,934	120,116	116,262
6.8 Total Other Operating expenses	383,313	331,561	380,453	328,889
7 Profit/(Loss) before tax and exceptional items	86,572	151,530	85,643	150,789
8 Exceptional items	-	-	-	-
9 Profit/(Loss) after Exceptional items	86,572	151,530	85,643	150,789
10 Current tax	(5,029)	(84,762)	(5,306)	(84,987)
11 Deferred tax	-	-	-	-
12 Profit/(Loss) after tax and exceptional items	91,601	236,292	90,949	235,776
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	91,601	236,292	90,949	235,776

III. OTHER DISCLOSURES	Group		Bank	
	31 st Dec 19	31 st Dec 18	31 st Dec 19	31 st Dec 18
	Current Year	Previous Year	Current Year	Previous Year
	Shs '000'	Shs '000'	Shs '000'	Shs '000'
	Audited	Audited	Audited	Audited
1) NON-PERFORMING LOANS AND ADVANCES				
a) Gross Non-Performing loans and advances	1,262,847	1,069,283	1,262,847	1,069,283
Less:				
b) Interest in suspense	479,916	325,361	479,916	325,361
c) Total Non-Performing Loans & Advances (a-b)	782,931	743,922	782,931	743,922
Less:				
d) Loan loss provisions	234,013	204,227	234,013	204,227
e) Net Non-Performing Loans (c-d)	548,918	539,695	548,918	539,695
f) Realizable Value of Securities	548,918	539,695	548,918	539,695
g) Net NPLs Exposure (e-f)	-	-	-	-
2) INSIDER LOANS AND ADVANCES				
a) Directors, shareholders and associates	684,549	516,389	684,549	516,389
b) Employees	59,844	67,924	59,844	67,924
c) Total Insider loans, advances & Other Facilities	744,393	584,313	744,393	584,313
3) OFF-BALANCE SHEET ITEMS				
a) Letters of credit, guarantees, acceptances	679,031	529,080	679,031	529,080
b) Other contingent liabilities	-	-	-	-
c) Total contingent Liabilities	679,031	529,080	679,031	529,080
4) CAPITAL STRENGTH				
a) Core capital	1,660,390	1,574,544	1,660,390	1,574,544
b) Minimum Statutory Capital	1,000,000	1,000,000	1,000,000	1,000,000
c) Excess/(Deficiency)	660,390	574,544	660,390	574,544
d) Supplementary capital	-	-	-	-
e) Total Capital (a+d)	1,660,390	1,574,544	1,660,390	1,574,544
f) Total risk weighted assets	6,778,436	5,517,940	6,776,085	5,517,940
g) Core capital/total deposit liabilities	19.4%	19.4%	19.4%	19.4%
h) Minimum Statutory Ratio	8.0%	8.0%	8.0%	8.0%
i) Excess/(Deficiency)(g-h)	11.4%	11.4%	11.4%	11.4%
j) Core Capital/total risk weighted assets	24.5%	28.5%	24.5%	28.5%
k) Minimum Statutory Ratio	10.5%	10.5%	10.5%	10.5%
l) Excess/(Deficiency)(j-k)	14.0%	18.0%	14.0%	18.0%
m) Total Capital/total risk weighted assets	24.5%	28.5%	24.5%	28.5%
n) Minimum Statutory Ratio	14.5%	14.5%	14.5%	14.5%
o) Excess/(Deficiency)(m-n)	10.0%	14.0%	10.0%	14.0%
p) Adjusted Core Capital / total Deposit Liabilities	22.8%	23.3%	22.8%	23.3%
q) Adjusted Core Capital / total Risk Weighted Assets	28.0%	34.4%	28.0%	34.4%
r) Adjusted Total Capital / total Risk Weighted Assets	28.0%	35.7%	28.0%	35.7%
5) Liquidity				
a) Liquidity Ratio	41.3%	47.2%	41.3%	47.2%
b) Minimum Statutory Ratio	20.0%	20.0%	20.0%	20.0%
c) Excess/(Deficiency)(a-b)	21.3%	27.2%	21.3%	27.2%

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 institutions website on www.paramountbank.co.ke.

They may also be accessed at the institutions head office at 4th Floor Sound Plaza, Woodvale Groove, Westlands, Nairobi.

Ayaz Merali
Chief Executive

A.N.Padany
Chairman