

## ANNUAL FINANCIAL STATEMENTS AND DISCLOSURES

I STATEMENT OF FINANCIAL POSITION AS AT 31ST DEC 2025	Group		Bank	
	31st Dec 24	31st Dec 25	31st Dec 24	31st Dec 25
	Previous Year	Current Year	Previous Year	Current Year
	Shs '000' Audited	Shs '000' Audited	Shs '000' Audited	Shs '000' Audited
<b>A ASSETS</b>				
1 Cash (both local & foreign)	187,297	139,368	187,297	139,368
2 Balances due from Central Bank of Kenya	1,421,114	1,773,837	1,421,114	1,773,837
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	4,459,399	3,941,658	4,449,163	3,931,717
b. Other Securities	-	-	-	-
b). Available for sale				
a. Kenya Government Securities	-	162,260	-	162,260
b. Other Securities	-	387,825	-	387,825
6 Deposits and balances due from local banking institutions	9,412	13,560	9,412	13,560
7 Deposits and balances due from banking institutions abroad	922,457	1,143,442	922,457	1,143,442
8 Tax Recoverable	43,765	43,810	42,951	42,951
9 Loans and advances to customers (net)	8,270,383	8,790,714	8,270,383	8,790,714
10 Balances due from group companies	-	-	-	-
11 Investments in associates	-	-	-	-
12 Investments in subsidiary companies	-	-	11,000	11,000
13 Investments in joint ventures	-	-	-	-
14 Investment properties	-	-	-	-
15 Property and Equipment	17,879	24,746	17,879	24,746
16 Prepaid lease rentals / Right of Use Assets	86,665	63,338	86,665	63,338
17 Intangible assets	9,378	6,220	9,367	6,220
18 Deferred Tax asset	234,281	298,304	234,246	298,224
19 Retirement benefit asset	-	-	-	-
20 Other assets	245,598	316,740	240,084	315,067
<b>21 TOTAL ASSETS</b>	<b>15,907,628</b>	<b>17,105,822</b>	<b>15,902,018</b>	<b>17,104,269</b>
<b>B LIABILITIES</b>				
22 Balances due to Central Bank of Kenya	-	-	-	-
23 Customer deposits	12,806,707	13,348,074	12,815,243	13,358,799
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	104,827	79,794	104,827	79,794
33 Other liabilities	72,000	51,549	67,089	49,673
<b>34 TOTAL LIABILITIES</b>	<b>12,983,534</b>	<b>13,479,417</b>	<b>12,987,159</b>	<b>13,488,266</b>
<b>C SHAREHOLDERS' EQUITY</b>				
35 Paid up/Assigned capital	1,000,000	1,332,000	1,000,000	1,332,000
36 Share premium/(discount)	-	-	-	-
37 Fair value reserve	-	-	-	-
38 Retained earnings/Accumulated losses	1,924,094	2,294,405	1,914,859	2,284,003
39 Statutory Reserves	-	-	-	-
40 Proposed dividends	-	-	-	-
41 Capital grants	-	-	-	-
<b>42 TOTAL SHAREHOLDERS' EQUITY</b>	<b>2,924,094</b>	<b>3,626,405</b>	<b>2,914,859</b>	<b>3,616,003</b>
<b>43 TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>15,907,628</b>	<b>17,105,822</b>	<b>15,902,018</b>	<b>17,104,269</b>

II STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31ST DEC 2025	Group		Bank	
	31st Dec 24	31st Dec 25	31st Dec 24	31st Dec 25
	Previous Year	Current Year	Previous Year	Current Year
	Shs '000' Audited	Shs '000' Audited	Shs '000' Audited	Shs '000' Audited
<b>1 INTEREST INCOME</b>				
1.1 Loans and advances	1,093,237	948,969	1,093,237	948,969
1.2 Government securities	759,880	783,109	758,680	781,909
1.3 Deposits and placements with banking institutions	48,207	51,113	48,207	51,113
1.4 Other Interest Income	1,183	1,676	1,183	1,676
<b>1.5 Total Interest Income</b>	<b>1,902,507</b>	<b>1,784,867</b>	<b>1,901,307</b>	<b>1,783,667</b>
<b>2 INTEREST EXPENSES</b>				
2.1 Customer deposits	1,249,824	1,103,814	1,249,824	1,103,814
2.2 Deposits and placements from banking Institutions	-	-	-	-
2.3 Other Interest Expenses	-	-	-	-
<b>2.4 Total Interest Expenses</b>	<b>1,249,824</b>	<b>1,103,814</b>	<b>1,249,824</b>	<b>1,103,814</b>
<b>3 NET INTEREST INCOME/(LOSS)</b>	<b>652,683</b>	<b>681,053</b>	<b>651,483</b>	<b>679,853</b>
<b>4 OTHER OPERATING INCOME</b>				
4.1 Fees and commissions on loans & advances	10,812	5,922	10,812	5,922
4.2 Other fees & commissions	11,611	15,072	6,521	10,619
4.3 Foreign exchange trading income/(Loss)	6,688	13,965	6,688	13,965
4.4 Other Income	177,811	272,966	177,811	272,928
4.5 Total Non-Interest Income	206,922	307,925	201,832	303,634
<b>5 TOTAL OPERATING INCOME</b>	<b>859,605</b>	<b>988,978</b>	<b>853,315</b>	<b>983,487</b>
<b>6 OTHER OPERATING EXPENSES</b>				
6.1 Loan loss provisions	40,095	144,003	40,095	144,003
6.2 Staff costs	177,890	189,094	177,890	189,094
6.3 Directors' emoluments	30,160	33,386	30,160	33,386
6.4 Rentals charges	11,385	10,769	11,385	10,769
6.5 Depreciation charge on property and equipment	5,474	5,519	5,474	5,519
6.6 Amortisation charges	3,451	3,451	3,451	3,451
6.7 Other operating expenses	280,349	296,464	276,403	292,094
<b>6.8 Total Other Operating expenses</b>	<b>548,804</b>	<b>682,686</b>	<b>544,858</b>	<b>678,316</b>
<b>7 Profit/(Loss) before tax and exceptional items</b>	<b>310,801</b>	<b>306,292</b>	<b>308,457</b>	<b>305,171</b>
<b>8 Exceptional items</b>				
<b>9 Profit/(Loss) after Exceptional Items</b>	<b>310,801</b>	<b>306,292</b>	<b>308,457</b>	<b>305,171</b>
10 Current tax	314,000	-	-	-
11 Deferred tax	(29,451)	(64,023)	(29,451)	(63,977)
<b>12 Profit/(Loss) after tax and exceptional items</b>	<b>339,938</b>	<b>370,315</b>	<b>337,908</b>	<b>369,148</b>
<b>13 Other Comprehensive Income :</b>				
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	-	-	-	-
<b>14 Other Comprehensive Income for the year net of tax</b>				
<b>15 Total Comprehensive income for the year</b>	<b>339,938</b>	<b>370,315</b>	<b>337,908</b>	<b>369,148</b>

III. OTHER DISCLOSURES	Group		Bank	
	31st Dec 24	31st Dec 25	31st Dec 24	31st Dec 25
	Previous Year	Current Year	Previous Year	Current Year
	Shs '000' Audited	Shs '000' Audited	Shs '000' Audited	Shs '000' Audited
<b>1) NON-PERFORMING LOANS AND ADVANCES</b>				
a) Gross Non-Performing loans and advances	1,892,925	2,065,007	1,892,925	2,065,007
Less:				
b) Interest in suspense	833,623	217,896	833,623	217,896
<b>c) Total Non-Performing Loans &amp; Advances (a-b)</b>	<b>1,059,302</b>	<b>1,847,111</b>	<b>1,059,302</b>	<b>1,847,111</b>
Less:				
d) Loan loss provisions	296,457	926,360	296,457	926,360
e) Net Non-Performing Loans (c-d)	762,845	920,751	762,845	920,751
f) Realizable Value of Securities	762,845	920,751	762,845	920,751
g) Net NPLs Exposure (e-f)	-	-	-	-
<b>2) INSIDER LOANS AND ADVANCES</b>				
a) Directors, shareholders and associates	555,602	539,035	555,602	539,035
b) Employees	68,223	62,610	68,223	62,610
c) Total Insider loans, advances & Other Facilities	623,825	601,645	623,825	601,645
<b>3) OFF-BALANCE SHEET ITEMS</b>				
a) Letters of credit, guarantees, acceptances	96,581	71,891	96,581	71,891
b) Other contingent liabilities	-	-	-	-
c) Total contingent Liabilities	96,581	71,891	96,581	71,891
<b>4) CAPITAL STRENGTH</b>				
a) Core capital	2,669,613	3,306,777	2,669,613	3,306,777
b) Minimum Statutory Capital	1,000,000	3,000,000	1,000,000	3,000,000
c) Excess/(Deficiency)	1,669,613	306,777	1,669,613	306,777
d) Supplementary capital	-	-	-	-
e) Total Capital (a+d)	2,669,613	3,306,777	2,669,613	3,306,777
f) Total risk weighted assets	8,593,380	9,674,694	8,593,380	9,674,694
g) Core Capital/total deposit liabilities	20.8%	24.8%	20.8%	24.8%
h) Minimum Statutory Ratio	8.0%	8.0%	8.0%	8.0%
i) Excess/(Deficiency)[g-h]	12.8%	16.8%	12.8%	16.8%
j) Core Capital/total risk weighted assets	31.1%	34.2%	31.1%	34.2%
k) Minimum Statutory Ratio	10.5%	10.5%	10.5%	10.5%
l) Excess/(Deficiency)[j-k]	20.6%	23.7%	20.6%	23.7%
m) Total Capital/total risk weighted assets	31.1%	34.2%	31.1%	34.2%
n) Minimum Statutory Ratio	14.5%	14.5%	14.5%	14.5%
o) Excess/(Deficiency)[m-n]	16.6%	19.7%	16.6%	19.7%
<b>5) Liquidity</b>				
a) Liquidity Ratio	54.3%	56.2%	54.3%	56.2%
b) Minimum Statutory Ratio	20.0%	20.0%	20.0%	20.0%
c) Excess/(Deficiency)[a-b]	34.3%	36.2%	34.3%	36.2%
<b>Notes</b>				
*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 <a href="http://www.paramountbank.co.ke">www.paramountbank.co.ke</a>				
They may also be accessed at the institutions head office at 4th Floor Sound Plaza, Woodvale Grove, Westlands, Nairobi				
<b>Ayaz Merali</b> Chief Executive		<b>A. N. Padany</b> Chairman/ Director		