

Regulated by the Central Bank of Kenya

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## PARAMOUNT BANK LTD

### QUARTERLY FINANCIAL STATEMENTS AND DISCLOSURES

I STATEMENT OF FINANCIAL POSITION AS AT 30 <sup>TH</sup> JUNE 2016	Previous Year	31 <sup>ST</sup> Dec 15	1 <sup>ST</sup> Quarter	2 <sup>ND</sup> Quarter
	Same Quarter	Current Year	Current Year	Current Year
	Shs '000' Un-Audited	Shs '000' Audited	Shs '000' Un-Audited	Shs '000' Un-Audited
<b>A ASSETS</b>				
1 Cash (both local & foreign)	115,974	73,166	144,582	129,436
2 Balances due from Central Bank of Kenya	472,556	934,707	870,867	453,275
3 Kenya Government and other securities held for dealing purposes				
4 Financial Assets at fair value through the profit and loss	392,467	1,521,596	1,285,346	1,055,916
5 Investment Securities:				
a. Held to Maturity:				
a. Kenya Government Securities	3,566,128	1,375,057	1,154,606	1,141,211
b. Other Securities	176,859	155,701	158,416	134,905
b). Available for sale				
a. Kenya Government Securities	-	-	-	-
b. Other Securities	-	-	-	-
6 Deposits and balances due from local banking institutions	651,334	133,952	636	186,546
7 Deposits and balances due from banking institutions abroad	151,560	244,990	122,933	255,270
8 Tax Recoverable	8,789	3,195	2,503	16,678
9 Loans and advances to customers (net)	5,092,261	5,871,717	5,905,413	5,866,468
10 Balances due from group companies				
11 Investments in associates				
12 Investments in subsidiary companies				
13 Investments in joint ventures				
14 Investment properties				
15 Property and Equipment	83,060	76,384	73,943	72,600
16 Prepaid lease rentals				
17 Intangible assets	5,066	4,573	4,192	3,810
18 Deferred Tax asset	2,679	4,758	4,758	4,758
19 Retirement benefit asset				
20 Other assets	100,025	125,913	125,522	134,783
<b>21 TOTAL ASSETS</b>	<b>10,818,758</b>	<b>10,525,709</b>	<b>9,853,717</b>	<b>9,455,656</b>
<b>B LIABILITIES</b>				
22 Balances due to Central Bank of Kenya		199,522	99,134	99,801
23 Customer deposits	9,163,134	8,067,107	7,558,140	7,586,960
24 Deposits and balances due to banking institutions	144,012	684,515	581,792	134,845
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	42,376	38,280	38,720	28,223
<b>34 TOTAL LIABILITIES</b>	<b>9,349,522</b>	<b>8,989,424</b>	<b>8,278,586</b>	<b>7,849,829</b>
<b>C SHAREHOLDERS' EQUITY</b>				
35 Paid up/Assigned capital	1,000,000	1,000,000	1,000,000	1,000,000
36 Share premium/(discount)				
37 Revaluation reserves				
38 Retained earnings/Accumulated losses	405,206	454,588	504,329	533,470
39 Statutory Reserves	64,030	81,697	70,802	72,357
40 Proposed dividends				
41 Capital grants				
<b>42 TOTAL SHAREHOLDERS' EQUITY</b>	<b>1,469,236</b>	<b>1,536,285</b>	<b>1,575,131</b>	<b>1,605,827</b>
<b>43 TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>10,818,758</b>	<b>10,525,709</b>	<b>9,853,717</b>	<b>9,455,656</b>

II STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD END 30 <sup>TH</sup> JUNE 2016	Previous Year	31 <sup>ST</sup> Dec 15	1 <sup>ST</sup> Quarter	2 <sup>ND</sup> Quarter
	Same Quarter	Current Year	Current Year	Current Year
	Shs '000' Un-Audited	Shs '000' Audited	Shs '000' Un-Audited	Shs '000' Un-Audited
<b>1 INTEREST INCOME</b>				
1.1 Loans and advances	413,781	945,037	275,973	524,377
1.2 Government securities	181,896	346,667	65,453	118,796
1.3 Deposits and placements with banking institutions	12,422	36,723	789	2,289
1.4 Other Interest Income	6,687	12,775	2,732	5,251
<b>1.5 Total Interest Income</b>	<b>614,786</b>	<b>1,341,202</b>	<b>344,947</b>	<b>650,713</b>
<b>2 INTEREST EXPENSES</b>				
2.1 Customer deposits	391,523	757,044	251,739	469,289
2.2 Deposits and placements from banking Institutions	4,071	27,726	9,216	15,605
2.3 Other Interest Expenses				
<b>2.4 Total Interest Expenses</b>	<b>395,594</b>	<b>784,770</b>	<b>260,955</b>	<b>484,894</b>
<b>3 NET INTEREST INCOME/(LOSS)</b>	<b>219,192</b>	<b>556,432</b>	<b>83,992</b>	<b>165,819</b>
<b>4 OTHER OPERATING INCOME</b>				
4.1 Fees and commissions on loans & advances	5,269	9,806	2,692	5,216
4.2 Other fees & commissions	13,531	38,686	9,592	16,461
4.3 Foreign exchange trading income(Loss)	4,803	13,251	3,105	6,418
4.4 Other Income	9,292	(105,904)	38,252	61,899
4.5 Total Non-Interest Income	32,895	(44,161)	53,641	89,994
<b>5 TOTAL OPERATING INCOME</b>	<b>252,087</b>	<b>512,271</b>	<b>137,633</b>	<b>255,813</b>
<b>6 OTHER OPERATING EXPENSES</b>				
6.1 Loan loss provisions	0	12,345	6,280	6,320
6.2 Staff costs	62,286	126,210	33,059	67,379
6.3 Directors' emoluments	10,286	21,407	6,448	12,896
6.4 Rentals charges	22,286	46,701	11,191	19,355
6.5 Depreciation charge on property and equipment	10,314	20,546	5,288	10,576
6.6 Amortisation charges	787	1,574	381	763
6.7 Other operating expenses	47,687	114,612	35,448	75,352
<b>6.8 Total Other Operating expenses</b>	<b>153,646</b>	<b>343,395</b>	<b>98,095</b>	<b>192,641</b>
<b>7 Profit/(Loss) before tax and exceptional items</b>	<b>98,441</b>	<b>168,876</b>	<b>39,538</b>	<b>63,172</b>
8 Exceptional items				
<b>9 Profit/(Loss) after Exceptional items</b>	<b>98,441</b>	<b>168,876</b>	<b>39,538</b>	<b>63,172</b>
10 Current tax	7,337	10,851	692	(6,371)
11 Deferred tax				
<b>12 Profit/(Loss) after tax and exceptional items</b>	<b>91,104</b>	<b>158,025</b>	<b>38,846</b>	<b>69,543</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>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>15 Total Comprehensive income for the year</b>	<b>91,104</b>	<b>158,025</b>	<b>38,846</b>	<b>69,543</b>

III. OTHER DISCLOSURES	Previous Year	31 <sup>ST</sup> Dec 15	1 <sup>ST</sup> Quarter	2 <sup>ND</sup> Quarter
	Same Quarter	Current Year	Current Year	Current Year
	Shs '000' Un-Audited	Shs '000' Audited	Shs '000' Un-Audited	Shs '000' Un-Audited
<b>1) NON-PERFORMING LOANS AND ADVANCES</b>				
a) Gross Non-Performing loans and advances	679,876	814,626	964,033	999,230
Less:				
b) Interest in suspense	463,353	509,735	244,995	292,430
<b>c) Total Non-Performing Loans &amp; Advances</b>	<b>216,523</b>	<b>304,891</b>	<b>719,038</b>	<b>706,800</b>
Less:				
d) Loan loss provisions	91,971	103,692	109,972	107,935
e) Net Non-Performing Loans (c-d)	124,552	201,199	609,066	598,865
f) Realizable Value of Securities	124,552	201,199	609,066	598,861
g) Net NPLs Exposure (e-f)	-	-	-	-
<b>2) INSIDER LOANS AND ADVANCES</b>				
a) Directors, shareholders and associates	551,388	448,080	432,673	421,927
b) Employees	50,280	43,352	43,578	73,567
<b>c) Total Insider loans, advances &amp; Other Facilities</b>	<b>601,668</b>	<b>491,432</b>	<b>476,251</b>	<b>495,494</b>
<b>3) OFF-BALANCE SHEET ITEMS</b>				
a) Letters of credit, guarantees, acceptances	481,908	470,601	494,620	491,427
b) Other contingent liabilities				
<b>c) Total contingent Liabilities</b>	<b>481,908</b>	<b>470,601</b>	<b>494,620</b>	<b>491,427</b>
<b>4) CAPITAL STRENGTH</b>				
a) Core capital	1,351,126	1,449,830	1,480,148	1,488,845
b) Minimum Statutory Capital	1,000,000	1,000,000	1,000,000	1,000,000
c) Excess/(Deficiency)	351,126	449,830	480,148	488,845
d) Supplemental capital	69,879	81,697	70,802	72,357
<b>e) Total Capital (a+d)</b>	<b>1,421,005</b>	<b>1,531,527</b>	<b>1,550,950</b>	<b>1,561,202</b>
<b>f) Total risk weighted assets</b>	<b>5,132,309</b>	<b>6,349,081</b>	<b>6,360,020</b>	<b>6,394,877</b>
<b>g) Core capital/total deposit liabilities</b>	<b>14.7%</b>	<b>18.0%</b>	<b>19.6%</b>	<b>19.6%</b>
h) Minimum Statutory Ratio	8.0%	8.0%	8.0%	8.0%
i) Excess/(Deficiency)(g-h)	6.7%	10.0%	11.6%	11.6%
<b>j) Core Capital/total risk weighted assets</b>	<b>26.3%</b>	<b>22.8%</b>	<b>23.3%</b>	<b>23.3%</b>
k) Minimum Statutory Ratio	10.5%	10.5%	10.5%	10.5%
l) Excess/(Deficiency)(j-k)	15.8%	12.3%	12.8%	12.8%
<b>m) Total Capital/total risk weighted assets</b>	<b>27.7%</b>	<b>24.1%</b>	<b>24.4%</b>	<b>24.4%</b>
n) Minimum Statutory Ratio	14.5%	14.5%	14.5%	14.5%
o) Excess/(Deficiency)(m-n)	13.2%	9.6%	9.9%	9.9%
<b>5) Liquidity</b>				
a) Liquidity Ratio	56.6%	42.0%	40.2%	40.9%
b) Minimum Statutory Ratio	20.0%	20.0%	20.0%	20.0%
c) Excess/(Deficiency)(a-b)	36.6%	22.0%	20.2%	20.9%

These financial statements are extracts from the books of the institution. The complete set of quarterly financial statements, statutory and qualitative disclosures can be accessed on the institutions They may also be accessed at the institutions head office.

Ayaz Merali,  
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