



Incorporated in Switzerland (1967)

# Habib Bank AG Zurich Kenya Branches

(Head Office : 59 Weinbergstrasse, Zurich, Switzerland)

## QUARTERLY FINANCIAL STATEMENTS AND OTHER DISCLOSURES AS AT 30<sup>TH</sup> JUNE 2017

I BALANCE SHEET IN KENYA SHS.'000		30.06.2016 (Un-audited)	31.12.2016 (Audited)	31.03.2017 (Un-audited)	30.06.2017 (Un-audited)
<b>A. ASSETS</b>					
1 Cash (both local and foreign)		78,536	78,349	93,065	72,314
2 Balances due from Central Bank of Kenya		746,619	319,297	727,328	507,664
3 Kenya Government and other securities held for dealing purposes		-	-	-	-
4 Financial Assets at fair value through profit and loss		-	-	-	-
5 Investment securities:					
(a) Held to Maturity:					
a. Kenya Government securities		10,010,648	10,802,180	9,903,821	10,108,531
b. Other securities		41,585	35,680	36,757	29,713
(b) Available for sale:					
a. Kenya Government securities		-	-	-	-
b. Other securities		-	-	-	-
6 Deposits and balances due from local banking institutions		-	-	-	-
7 Deposits and balances due from banking institutions abroad		87,090	118,315	92,182	200,070
8 Tax recoverable		-	-	-	-
9 Loans and advances to customers (Net)		5,250,064	5,242,175	5,546,108	5,461,176
10 Balances due from banking institutions in the group		101,599	67,398	51,226	53,835
11 Investment in associates		-	-	-	-
12 Investment in subsidiary companies		-	-	-	-
13 Investment in joint ventures		-	-	-	-
14 Investment properties		-	-	-	-
15 Property, plant and equipment		178,017	184,015	183,280	178,238
16 Prepaid lease rentals		17,134	17,034	16,737	16,659
17 Intangible assets		-	-	-	-
18 Deferred tax asset		51,629	74,639	74,639	74,639
19 Retirement benefit assets		-	-	-	-
20 Other assets		202,513	93,908	106,110	196,928
<b>21 TOTAL ASSETS</b>		<b>16,765,434</b>	<b>17,032,990</b>	<b>16,831,253</b>	<b>16,899,767</b>
<b>B. LIABILITIES</b>					
22 Balances due to Central Bank of Kenya		-	-	-	-
23 Customer deposits		11,928,950	11,772,943	11,878,772	12,054,614
24 Deposits and balances due to local banking institutions		550,000	850,000	635,000	-
25 Deposits and balances due to banking institutions abroad		167	-	115	66,168
26 Other money market deposits		-	-	-	-
27 Borrowed funds		-	-	-	-
28 Balances due to banking institutions in the group		1,169,965	1,200,020	1,465,865	1,824,181
29 Tax Payable		81,983	15,412	67,973	87,959
30 Dividends payable		-	-	-	-
31 Deferred Tax liability		-	-	-	-
32 Retirement benefit liability		48,420	53,078	35,418	35,661
33 Other liabilities		211,089	176,562	106,750	135,801
<b>34 TOTAL LIABILITIES</b>		<b>13,990,574</b>	<b>14,068,015</b>	<b>14,189,893</b>	<b>14,204,384</b>
<b>C. SHAREHOLDERS' EQUITY</b>					
35 Paid up/Assigned Capital		350,000	350,000	350,000	350,000
36 Share premium/(discount)		-	-	-	-
37 Revaluation reserves		-	-	-	-
38 Retained earnings/Accumulated losses		2,346,944	2,557,720	2,234,105	2,288,128
39 Statutory loan loss reserve		77,916	57,255	57,255	57,255
40 Other Reserves		-	-	-	-
41 Proposed dividends		-	-	-	-
42 Capital grants		-	-	-	-
<b>43 TOTAL SHAREHOLDERS' EQUITY</b>		<b>2,774,860</b>	<b>2,964,975</b>	<b>2,641,360</b>	<b>2,695,383</b>
<b>44 TOTAL LIABILITIES &amp; SHARE HOLDERS' EQUITY</b>		<b>16,765,434</b>	<b>17,032,990</b>	<b>16,831,253</b>	<b>16,899,767</b>
<b>II PROFIT &amp; LOSS ACCOUNT IN KENYA SHS:'000</b>		<b>30.06.2016 (Un-audited)</b>	<b>31.12.2016 (Audited)</b>	<b>31.03.2017 (Un-audited)</b>	<b>30.06.2017 (Un-audited)</b>
<b>1 INTEREST INCOME</b>					
1.1 Loans and Advances		289,216	572,158	128,667	253,129
1.2 Government Securities		607,134	1,231,689	282,287	545,354
1.3 Deposits and placements with banking institution		5,246	5,687	57	57
1.4 Other interest income		54	72	-	-
<b>1.5 Total interest income</b>		<b>901,650</b>	<b>1,809,606</b>	<b>411,011</b>	<b>798,540</b>
<b>2 INTEREST EXPENSE</b>					
2.1 Customer deposits		347,185	675,268	160,938	317,906
2.2 Deposits and placements with banking institutions		3,591	21,092	7,968	13,290
2.3 Other interest expense		13,205	30,926	6,810	27,377
<b>2.4 Total interest expense</b>		<b>363,981</b>	<b>727,286</b>	<b>175,716</b>	<b>358,573</b>
<b>3 NET INTEREST INCOME</b>		<b>537,669</b>	<b>1,082,320</b>	<b>235,295</b>	<b>439,967</b>
<b>4 OTHER OPERATING INCOME</b>					
4.1 Fees and commissions on loans and advances		6,236	15,029	3,463	9,255
4.2 Other fees and commissions		15,065	27,799	8,489	12,500
4.3 Foreign exchange trading income/(loss)		4,636	22,142	5,673	11,085
4.4 Dividend income		-	-	-	-
4.5 Other income		24,430	40,841	10,720	20,590
<b>4.6 Total non-interest income</b>		<b>50,367</b>	<b>105,811</b>	<b>28,345</b>	<b>53,430</b>
<b>5 TOTAL OPERATING INCOME</b>		<b>588,036</b>	<b>1,188,131</b>	<b>263,640</b>	<b>493,397</b>
<b>6 OPERATING EXPENSES</b>					
6.1 Loan loss provision		6,374	49,420	8,849	17,292
6.2 Staff Costs		143,125	278,690	74,242	148,020
6.3 Directors' emoluments		-	-	-	-
6.4 Rental charges		8,459	16,875	4,540	9,083
6.5 Depreciation charge on property and equipment		11,425	24,762	6,624	13,720
6.6 Amortisation charges		98	199	87	174
6.7 Other operating expenses		86,936	196,657	54,929	100,718
<b>6.8 Total operating expenses</b>		<b>256,417</b>	<b>566,603</b>	<b>149,271</b>	<b>289,007</b>
<b>7 Profit/(Loss) before tax and exceptional items</b>		<b>331,619</b>	<b>621,528</b>	<b>114,369</b>	<b>204,390</b>
8 Exceptional items		-	-	-	-
<b>9 Profit/(Loss) after exceptional items</b>		<b>331,619</b>	<b>621,528</b>	<b>114,369</b>	<b>204,390</b>
10 Current Tax		(129,489)	(252,293)	(45,304)	(81,302)
11 Deferred Tax		-	23,010	-	-
<b>12 Profit/(Loss) after tax and exceptional items</b>		<b>202,130</b>	<b>392,245</b>	<b>69,065</b>	<b>123,088</b>
<b>13 Other comprehensive Income</b>					
13.1 Gains/(Losses) from translating the financial statements of foreign operations		-	-	-	-
13.2 Fair value changes In available-for sale financial assets		-	-	-	-
13.3 Revaluation Surplus on property, plant and Equipment		-	-	-	-
13.4 Share of other comprehensive income of associates		-	-	-	-
13.5 Income tax relating to components of other Comprehensive income		-	-	-	-
14 Other comprehensive Income for the year net of tax		-	-	-	-
<b>15 TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>202,130</b>	<b>392,245</b>	<b>69,065</b>	<b>123,088</b>
<b>III OTHER DISCLOSURES</b>		<b>30.06.2016 (Un-audited)</b>	<b>31.12.2016 (Audited)</b>	<b>31.03.2017 (Un-audited)</b>	<b>30.06.2017 (Un-audited)</b>
<b>1 NON PERFORMING LOANS AND ADVANCES</b>					
a) Gross non-performing loans and advances		123,246	157,794	222,091	555,120
Less:					
b) Interest in suspense		47,949	53,922	57,250	72,451
<b>c) Total non-performing loans and advances (a-b)</b>		<b>75,297</b>	<b>103,872</b>	<b>164,841</b>	<b>482,669</b>
Less:					
d) Loan loss provisions		62,743	65,269	74,119	82,561
e) Net Non-performing Loans (c-d)		12,554	38,603	90,722	400,108
f) Realizable value of securities		12,554	38,603	90,722	400,108
<b>g) Net Non-Performing Loans Exposure (e-f)</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>2 INSIDER LOANS AND ADVANCES</b>					
a) Directors, Shareholders and associates		20,542	19,129	18,488	18,842
b) Employees		62,548	67,595	68,187	66,461
c) Total Insider Loans, Advances and Other Facilities		83,090	86,724	86,675	85,303
<b>3 OFF BALANCE SHEET ITEMS</b>					
a) Letter of credits, guarantees, acceptances		724,625	601,514	642,994	697,016
b) Forwards, swaps, and options		-	-	-	-
c) Other Contingent Liabilities		671,975	671,682	351,347	410,669
<b>d) Total Contingent Liabilities</b>		<b>1,396,600</b>	<b>1,273,196</b>	<b>994,341</b>	<b>1,107,685</b>
<b>4 CAPITAL STRENGTH</b>					
a) Core Capital		2,595,879	2,907,720	2,549,573	2,576,584
b) Minimum Statutory Capital		1,000,000	1,000,000	1,000,000	1,000,000
c) Excess/(Deficiency) (a-b)		1,595,879	1,907,720	1,549,573	1,576,584
d) Supplementary Capital		77,916	57,255	57,255	57,255
e) Total Capital (a+d)		2,673,795	2,964,975	2,606,828	2,633,839
<b>f) Total Risk Weighted Assets</b>		<b>9,294,274</b>	<b>9,577,267</b>	<b>10,113,373</b>	<b>10,693,324</b>
g) Core Capital/Total Deposit liabilities		21.80%	24.70%	21.50%	21.40%
h) Minimum Statutory Ratio		8.00%	8.00%	8.00%	8.00%
i) Excess/(Deficiency) (g-h)		13.80%	16.70%	13.50%	13.40%
j) Core Capital/Total Risk Weighted Assets		27.90%	31.70%	25.20%	24.10%
k) Minimum Statutory Ratio		10.50%	10.50%	10.50%	10.50%
l) Excess/(Deficiency) (j-k)		17.40%	21.20%	14.70%	13.60%
m) Total Capital/Total Risk Weighted Assets		28.80%	32.30%	25.80%	24.60%
n) Minimum Statutory Ratio		14.50%	14.50%	14.50%	14.50%
o) Excess/(Deficiency) (m-n)		14.30%	17.80%	11.30%	10.10%
<b>5 LIQUIDITY</b>					
a) Liquidity Ratio		76.60%	78.10%	73.10%	74.30%
b) Minimum Statutory Ratio		20.00%	20.00%	20.00%	20.00%
c) Excess/(Deficiency) (a-b)		56.60%	58.10%	53.10%	54.30%

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 website [www.habibbank.com](http://www.habibbank.com). They may also be accessed at the institutions head office located at Habib House, Koinange street, Nairobi.

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