



Habib Bank AG Zurich

Kenya Branches

Incorporated in Switzerland (1967)

(Head Office : 59 Weinbergstrasse, Zurich, Switzerland)

KENYA OPERATIONS AUDITED FINANCIAL STATEMENTS AND OTHER DISCLOSURES AS AT 31ST DECEMBER 2021

I STATEMENT OF FINANCIAL POSITION		31st Dec. 2021 Shs.000 (Audited)	31st Dec. 2020 Shs.000 (Audited)
A. ASSETS			
1 Cash (both local and foreign)		81,038	72,265
2 Balances due from Central Bank of Kenya		843,548	788,632
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		20,122,613	18,140,960
b. Other securities		-	-
(b) Available for sale			
a. Kenya Government securities		-	-
b. Other securities		-	-
6 Deposits and balances due from local banking institutions		123,017	-
7 Deposits and balances due from banking institutions abroad		262,161	638,940
8 Tax recoverable		190,664	125,346
9 Loans and advances to customers (net)		5,840,875	6,373,424
10 Balances due from banking institutions in the group		194,369	279,605
11 Investment in associates		-	-
12 Investment in subsidiary companies		-	-
13 Investment in joint ventures		-	-
14 Investment properties		-	-
15 Property, plant and equipment		370,762	311,116
16 Prepaid lease rentals		38,904	59,306
17 Intangible assets		-	-
18 Deferred tax asset		249,755	206,492
19 Retirement benefit asset		-	-
20 Other assets		236,257	215,798
21 TOTAL ASSETS		28,553,963	27,211,884
B. LIABILITIES			
22 Balances due to Central Bank of Kenya		-	-
23 Customer deposits		23,683,972	21,749,013
24 Deposits and balances due to local banking institutions		855,469	104
25 Deposits and balances due to banking institutions abroad		43,984	333,189
26 Other money market deposits		-	-
27 Borrowed funds		-	-
28 Balances due to banking institutions in the group		507,916	1,725,727
29 Tax payable		-	-
30 Dividends payable		-	-
31 Deferred tax liability		-	-
32 Retirement benefit liability		16,270	13,741
33 Other liabilities		118,885	186,448
34 TOTAL LIABILITY		25,226,496	24,008,222
C. SHAREHOLDERS' EQUITY			
35 Paid up/Assigned capital		350,000	350,000
36 Share premium/(discount)		-	-
37 Revaluation reserves		-	-
38 Retained earnings/Accumulated losses		2,658,046	2,684,058
39 Statutory loan loss reserve		319,421	169,604
40 Other Reserves		-	-
41 Proposed dividends		-	-
42 Capital grants		-	-
43 TOTAL SHAREHOLDERS' FUNDS		3,327,467	3,203,662
44 TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS		28,553,963	27,211,884
II STATEMENT OF COMPREHENSIVE INCOME		31st Dec. 2021 Shs.000 (Audited)	31st Dec. 2020 Shs.000 (Audited)
1 INTEREST INCOME			
1.1 Loans and advances		514,828	575,623
1.2 Government securities		1,840,029	1,626,902
1.3 Deposits and placements with banking institutions		1,585	8,222
1.4 Other Interest Income		-	-
1.5 Total Interest Income		2,356,442	2,210,747
2 INTEREST EXPENSES			
2.1 Customer deposits		1,052,043	1,002,581
2.2 Deposits and placements from banking institutions		39,953	51,049
2.3 Other Interest Expenses		3,707	5,334
2.4 Total Interest Expenses		1,095,703	1,058,964
3 NET INTEREST INCOME/(LOSS)		1,260,739	1,151,783
4 OTHER OPERATING INCOME			
4.1 Fees and Commissions on loans and advances		9,329	16,121
4.2 Other fees and Commissions		41,753	26,151
4.3 Foreign exchange trading income/(Loss)		46,807	34,783
4.4 Dividend income		-	-
4.5 Other income		19,704	27,194
4.6 Total Other Operating Income		117,593	104,249
5 TOTAL OPERATING INCOME		1,378,332	1,256,032
6 OPERATING EXPENSES			
6.1 Loan loss provision		44,055	65,950
6.2 Staff costs		330,178	330,789
6.3 Directors' emoluments		-	-
6.4 Rental charges		1,752	3,035
6.5 Depreciation charge on property and equipment		48,589	43,288
6.6 Amortisation charges		2,944	857
6.7 Other operating expenses		408,388	361,188
6.8 Total Operating Expenses		835,906	805,107
7 PROFIT/(LOSS) BEFORE TAX AND EXCEPTIONAL ITEMS		542,426	450,925
8 EXCEPTIONAL ITEMS			
9 PROFIT/(LOSS) AFTER EXCEPTIONAL ITEMS		542,426	450,925
10 Current tax		(162,054)	(206,701)
11 Deferred tax		43,263	62,830
12 PROFIT/(LOSS) AFTER TAX AND EXCEPTIONAL ITEMS		423,635	307,054
13 Other Comprehensive Income			
13.1 Gains/(Losses) from translating the financial statements of foreign operations		-	-
13.2 Fair value changes in available-for-sale financial assets		-	-
13.4 Revaluation Surplus on property, Plant and Equipment		-	-
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		423,635	307,054
III OTHER DISCLOSURES		31st Dec. 2021 Shs.000 (Audited)	31st Dec. 2020 Shs.000 (Audited)
1) NON-PERFORMING LOANS AND ADVANCES			
a) Gross Non-performing Loans and Advances		739,193	836,207
Less:			
b) Interest in suspense		174,357	180,487
c) Total Non-performing Loans and Advances (a-b)		564,836	655,720
Less:			
d) Loan loss provisions		266,745	215,335
e) Net Non-performing Loans (c-d)		298,091	440,385
f) Discounted Value of Securities		298,091	440,385
g) Net NPLs Exposure (e-f)		-	-
2) INSIDER LOANS AND ADVANCES			
a) Directors, shareholders and associates		10,548	16,273
b) Employees		101,005	90,902
c) Total Insider Loans, Advances and Other Facilities		111,553	107,175
3) OFF-BALANCE SHEET ITEMS			
a) Letters of credit, guarantees, acceptances		503,822	896,179
b) Forwards, swaps, and options		-	-
c) Other contingent liabilities		316,110	527,013
d) Total Contingent Liabilities		819,932	1,423,192
4) CAPITAL STRENGTH			
a) Core Capital		2,750,374	2,825,502
b) Minimum Statutory Capital		1,000,000	1,000,000
c) Excess/(Deficiency) [a-b]		1,750,374	1,825,502
d) Supplementary Capital		319,421	169,604
e) Total Capital (a+d)		3,069,796	2,995,106
f) Total Risk Weighted Assets		8,902,061	11,255,122
g) Core Capital/Total deposit liabilities		11.61%	12.99%
h) Minimum Statutory Ratio		8.00%	8.00%
i) Excess/(Deficiency) [g-h]		3.61%	4.99%
j) Core Capital/Total risk weighted assets		30.90%	25.10%
k) Minimum Statutory Ratio		10.50%	10.50%
l) Excess/(Deficiency) [j-k]		20.40%	14.60%
m) Total Capital/Total risk weighted assets		34.48%	26.61%
n) Minimum Statutory Ratio		14.50%	14.50%
o) Excess/(Deficiency) [m-n]		19.98%	12.11%
p) Adjusted Core capital /Total deposit Liabilities*		11.61%	12.85%
q) Adjusted Core capital /Total Risk Weighted Assets*		30.90%	24.83%
r) Adjusted Total Capital /Total Risk Weighted Assets*		34.48%	26.34%
5) LIQUIDITY			
a) Liquidity Ratio		84.98%	77.00%
b) Minimum Statutory Ratio		20.00%	20.00%
c) Excess/(Deficiency) [a-b]		64.98%	57.00%

* The adjusted capital ratios include the expected credit loss provisions added back to capital in line with CBK guidance issued in April 2018 on implementation of IFRS 9.

The above are extracts from the Bank's financial statement which have been audited by KPMG Kenya and have received an unqualified opinion. The complete set of the financial statements will be available on the bank's website: www.habibbank.com. They can also be accessed at the institutions head office located at Habib House, Koinange street, Nairobi.

Signed: Asim M Basharullah
Chief Executive Officer

Shahzad Sultan
Manager

Kenya Branches: Koinange Street, Industrial Area, Westlands Nairobi and Nkrumah Road Mombasa
Branches and Affiliates in other countries: Switzerland, Canada, Hong Kong, Pakistan, South Africa, United Kingdom & UAE

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