



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 2016

I BALANCE SHEET IN KENYA SHS. '000		31.12.2015 (Audited)	31.12.2016 (Audited)
A. ASSETS			
1 Cash (both local and foreign)		88,292	78,349
2 Balances due from Central Bank of Kenya		520,002	319,297
3 Kenya Government and other securities held for for dealing purposes		-	-
4 Financial Assets at fair value through profit and loss		-	-
5 Investment securities:			
(a) Held to Maturity:			
a. Kenya Government securities		7,753,751	10,802,180
b. Other securities		47,558	35,680
(b) Available for sale:			
a. Kenya Government securities		-	-
b. Other securities		-	-
6 Deposits and balances due from local banking institutions		202,403	-
7 Deposits and balances due from banking institutions abroad		150,781	118,315
8 Tax recoverable		47,546	-
9 Loans and advances to customers (Net)		5,227,349	5,242,175
10 Balances due from banking institutions in the group		53,484	67,398
11 Investment in associates		-	-
12 Investment in subsidiary companies		-	-
13 Investment in joint ventures		-	-
14 Investment properties		-	-
15 Property ,plant and equipment		185,561	184,015
16 Prepaid lease rentals		17,232	17,034
17 Intangible assets		-	-
18 Deferred tax asset		51,629	74,639
19 Retirement benefit assets		-	-
20 Other assets		94,363	93,908
21 TOTAL ASSETS		14,439,951	17,032,990
B. LIABILITIES			
22 Balances due to Central Bank of Kenya		-	-
23 Customer deposits		10,115,568	11,772,943
24 Deposits and balances due to local banking institutions		-	850,000
25 Deposits and balances due to banking institutions abroad		673	-
26 Other money market deposits		1,500	-
27 Borrowed funds		-	-
28 Balances due to banking institutions in the group		1,560,598	1,200,020
29 Tax Payable		-	15,412
30 Dividends payable		-	-
31 Deferred Tax liability		-	-
32 Retirement benefit liability		49,043	53,078
33 Other liabilities		139,839	176,562
34 TOTAL LIABILITIES		11,867,221	14,068,015
C. SHAREHOLDERS' EQUITY			
35 Paid up/Assigned Capital		350,000	350,000
36 Share premium/(discount)		-	-
37 Revaluation reserves		-	-
38 Retained earnings/Accumulated losses		2,144,814	2,557,720
39 Statutory loan loss reserve		77,916	57,255
40 Other Reserves		-	-
41 Proposed dividends		-	-
42 Capital grants		-	-
43 TOTAL SHAREHOLDERS' EQUITY		2,572,730	2,964,975
44 TOTAL LIABILITIES & SHARE HOLDERS' EQUITY		14,439,951	17,032,990
II PROFIT & LOSS ACCOUNT IN KENYA SHS.'000		31.12.2015 (Audited)	31.12.2016 (Audited)
1 INTEREST INCOME			
1.1 Loans and Advances		488,874	572,158
1.2 Government Securities		825,356	1,231,689
1.3 Deposits and placements with banking institution		29,692	5,687
1.4 Other interest income		-	-
1.5 Total interest income		1,343,922	1,809,606
2 INTEREST EXPENSE			
2.1 Customer deposits		469,150	675,268
2.2 Deposits and placements with banking institutions		8,296	21,092
2.3 Other interest expense		11,777	30,926
2.4 Total interest expense		489,223	727,286
3 NET INTEREST INCOME		854,699	1,082,320
4 OTHER OPERATING INCOME			
4.1 Fees and commissions on loans and advances		17,239	15,029
4.2 Other fees and commissions		28,736	27,799
4.3 Foreign exchange trading income/(loss)		24,976	22,142
4.4 Dividend income		-	-
4.5 Other income		35,002	40,841
4.6 Total non-interest income		105,953	105,811
5 TOTAL OPERATING INCOME		960,652	1,188,131
6 OPERATING EXPENSES			
6.1 Loan loss provision		16,234	49,420
6.2 Staff Costs		248,205	278,690
6.3 Directors' emoluments		-	-
6.4 Rental charges		14,266	16,875
6.5 Depreciation charge on property and equipment		21,024	24,762
6.6 Amortisation charges		199	199
6.7 Other operating expenses		150,889	196,657
6.8 Total operating expenses		450,817	566,603
7 Profit/(Loss) before tax and exceptional items		509,835	621,528
8 Exceptional items		-	-
9 Profit/(Loss) after exceptional items		509,835	621,528
10 Current Tax		(212,341)	(252,293)
11 Deferred Tax		31,794	23,010
12 Profit/(Loss) after tax and exceptional items		329,288	392,245
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		-	-
13.3 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		-	-
15 TOTAL COMPREHENSIVE INCOME FOR THE YEAR		329,288	392,245
III OTHER DISCLOSURES		31.12.2015 (Audited)	31.12.2016 (Audited)
1 NON PERFORMING LOANS AND ADVANCES			
a) Gross non-performing loans and advances		115,605	157,794
Less:			
b) Interest in suspense		43,062	53,922
c) Total non-performing loans and advances (a-b)		72,543	103,872
Less:			
d) Loan loss provisions		58,570	65,269
e) Net Non-performing Loans (c-d)		13,973	38,603
f) Realizable value of securities		13,973	38,603
g) Net Non-Performing Loans Exposure (e-f)		0	0
2 INSIDER LOANS AND ADVANCES			
a) Directors, Shareholders and associates		18,998	19,129
b) Employees		61,246	67,595
c) Total Insider Loans, Advances and Other Facilities		80,244	86,724
3 OFF BALANCE SHEET ITEMS			
a) Letter of credits, guarantees, acceptances		798,174	601,514
b) Forwards, swaps, and options		-	-
c) Other Contingent Liabilities		586,803	671,682
d) Total Contingent Liabilities		1,384,977	1,273,196
4 CAPITAL STRENGTH			
a) Core Capital		2,491,809	2,907,720
b) Minimum Statutory Capital		1,000,000	1,000,000
c) Excess/(Deficiency) (a-b)		1,491,809	1,907,720
d) Supplementary Capital		77,916	57,255
e) Total Capital (a+d)		2,569,725	2,964,975
f) Total Risk Weighted Assets		9,566,298	9,577,267
g) Core Capital/Total Deposit liabilities		24.70%	24.70%
h) Minimum Statutory Ratio		8.00%	8.00%
i) Excess/(Deficiency) (g-h)		16.70%	16.70%
j) Core Capital/Total Risk Weighted Assets		26.00%	31.70%
k) Minimum Statutory Ratio		10.50%	10.50%
l) Excess/(Deficiency) (j-k)		15.50%	21.20%
m) Total Capital/Total Risk Weighted Assets		26.90%	32.30%
n) Minimum Statutory Ratio		14.50%	14.50%
o) Excess/(Deficiency) (m-n)		12.40%	17.80%
5 LIQUIDITY			
a) Liquidity Ratio		70.30%	78.10%
b) Minimum Statutory Ratio		20.00%	20.00%
c) Excess/(Deficiency) (a-b)		50.30%	58.10%

The above are extracts from the bank's financial statements as audited by KPMG and received an unqualified opinion. The complete set of audited financial statements, Statutory and qualitative disclosures can be accessed on the institutions website www.habibbank.com. They may also be accessed at the institutions head office located at Habib House, Koinange street, Nairobi.

Signed: **Mohammed Ali Hussain**
Country Manager

Signed: **Simon K. Murigi**
Chief Finance Officer

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

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