



# Habib Bank AG Zurich Kenya Branches

(Head Office : 59 Weinbergstrasse, Zurich, Switzerland)

Incorporated in Switzerland (1967)

## KENYA OPERATIONS AUDITED FINANCIAL STATEMENTS AND OTHER DISCLOSURES AS AT 31<sup>ST</sup> DECEMBER 2017

I BALANCE SHEET IN KENYA SHS. '000		31.12.2016 (Audited)	31.12.2017 (Audited)
<b>A. ASSETS</b>			
1	Cash (both local and foreign)	78,349	82,775
2	Balances due from Central Bank of Kenya	319,297	1,233,948
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	10,802,180	11,273,295
	b. Other securities	35,680	23,787
	(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	118,315	178,725
8	Tax recoverable	-	38,164
9	Loans and advances to customers (Net)	5,242,175	5,495,946
10	Balances due from banking institutions in the group	67,398	57,695
11	Investment in associates	-	-
12	Investment in subsidiary companies	-	-
13	Investment in joint ventures	-	-
14	Investment properties	-	-
15	Property, plant and equipment	184,015	169,485
16	Prepaid lease rentals	17,034	18,386
17	Intangible assets	-	-
18	Deferred tax asset	-	-
19	Retirement benefit assets	74,639	91,031
20	Other assets	-	-
		93,908	45,004
<b>21</b>	<b>TOTAL ASSETS</b>	<b>17,032,990</b>	<b>18,708,241</b>
<b>B. LIABILITIES</b>			
22	Balances due to Central Bank of Kenya	-	-
23	Customer deposits	11,772,943	12,467,675
24	Deposits and balances due to local banking institutions	850,000	1,340,000
25	Deposits and balances due to banking institutions abroad	-	287
26	Other money market deposits	-	-
27	Borrowed funds	-	-
28	Balances due to banking institutions in the group	1,200,020	1,919,493
29	Tax Payable	15,412	-
30	Dividends payable	-	-
31	Deferred Tax liability	-	-
32	Retirement benefit liability	53,078	25,661
33	Other liabilities	176,562	112,793
<b>34</b>	<b>TOTAL LIABILITIES</b>	<b>14,068,015</b>	<b>15,865,909</b>
<b>C. SHAREHOLDERS' EQUITY</b>			
35	Paid up/Assigned Capital	350,000	350,000
36	Share premium/(discount)	-	-
37	Revaluation reserves	-	-
38	Retained earnings/Accumulated losses	2,557,720	2,420,232
39	Statutory loan loss reserve	57,255	72,100
40	Other Reserves	-	-
41	Proposed dividends	-	-
42	Capital grants	-	-
<b>43</b>	<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>2,964,975</b>	<b>2,842,332</b>
<b>44</b>	<b>TOTAL LIABILITIES &amp; SHARE HOLDERS' EQUITY</b>	<b>17,032,990</b>	<b>18,708,241</b>
<b>II PROFIT &amp; LOSS ACCOUNT IN KENYA SHS.'000</b>			
		<b>31.12.2016 (Audited)</b>	<b>31.12.2017 (Audited)</b>
<b>1</b>	<b>INTEREST INCOME</b>		
1.1	Loans and Advances	572,158	559,330
1.2	Government Securities	1,231,689	1,132,941
1.3	Deposits and placements with banking institution	5,687	1,591
1.4	Other interest income	72	460
<b>1.5</b>	<b>Total interest income</b>	<b>1,809,606</b>	<b>1,694,322</b>
<b>2</b>	<b>INTEREST EXPENSE</b>		
2.1	Customer deposits	675,268	677,020
2.2	Deposits and placements with banking institutions	21,092	24,792
2.3	Other interest expense	30,926	54,650
<b>2.4</b>	<b>Total interest expense</b>	<b>727,286</b>	<b>756,462</b>
<b>3</b>	<b>NET INTEREST INCOME</b>	<b>1,082,320</b>	<b>937,860</b>
<b>OTHER OPERATING INCOME</b>			
4.1	Fees and commissions on loans and advances	15,029	17,051
4.2	Other fees and commissions	27,799	25,514
4.3	Foreign exchange trading income/(loss)	22,142	21,570
4.4	Dividend income	-	-
4.5	Other income	40,841	38,997
<b>4.6</b>	<b>Total non-interest income</b>	<b>105,811</b>	<b>103,132</b>
<b>5</b>	<b>TOTAL OPERATING INCOME</b>	<b>1,188,131</b>	<b>1,040,992</b>
<b>OPERATING EXPENSES</b>			
6.1	Loan loss provision	49,420	69,375
6.2	Staff Costs	278,690	296,123
6.3	Directors' emoluments	-	-
6.4	Rental charges	16,875	18,200
6.5	Depreciation charge on property and equipment	24,762	27,623
6.6	Amortisation charges	199	648
6.7	Other operating expenses	196,657	220,246
<b>6.8</b>	<b>Total operating expenses</b>	<b>566,603</b>	<b>632,215</b>
<b>7</b>	<b>Profit/(Loss) before tax and exceptional items</b>	<b>621,528</b>	<b>408,777</b>
8	Exceptional items	-	-
<b>9</b>	<b>Profit/(Loss) after exceptional items</b>	<b>621,528</b>	<b>408,777</b>
10	Current Tax	(252,293)	(169,976)
11	Deferred Tax	23,010	16,391
<b>12</b>	<b>Profit/(Loss) after tax and exceptional items</b>	<b>392,245</b>	<b>255,192</b>
<b>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	-	-
<b>14</b>	<b>Other comprehensive income for the year net of tax</b>	<b>-</b>	<b>-</b>
<b>15</b>	<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	<b>392,245</b>	<b>255,192</b>
<b>III OTHER DISCLOSURES</b>			
		<b>31.12.2016 (Audited)</b>	<b>31.12.2017 (Audited)</b>
<b>1</b>	<b>NON PERFORMING LOANS AND ADVANCES</b>		
a)	<b>Gross non-performing loans and advances</b>	<b>157,794</b>	<b>592,484</b>
	Less:		
b)	Interest in suspense	53,922	106,402
c)	Total non-performing loans and advances (a-b)	103,872	486,082
	Less:		
d)	Loan loss provisions	65,269	77,526
e)	Net Non-performing Loans (c-d)	38,603	408,556
f)	Realizable value of securities	38,603	408,556
<b>g)</b>	<b>Net Non-Performing Loans Exposure (e-f)</b>	<b>0</b>	<b>0</b>
<b>2</b>	<b>INSIDER LOANS AND ADVANCES</b>		
a)	Directors, Shareholders and associates	19,129	13,086
b)	Employees	67,595	68,610
<b>c)</b>	<b>Total Insider Loans, Advances and Other Facilities</b>	<b>86,724</b>	<b>81,696</b>
<b>3 OFF BALANCE SHEET ITEMS</b>			
a)	Letter of credits, guarantees, acceptances	601,514	580,806
b)	Forwards, swaps, and options	-	-
c)	Other Contingent Liabilities	671,682	373,549
<b>d)</b>	<b>Total Contingent Liabilities</b>	<b>1,273,196</b>	<b>954,355</b>
<b>4 CAPITAL STRENGTH</b>			
a)	Core Capital	2,907,720	2,770,232
b)	Minimum Statutory Capital	1,000,000	1,000,000
c)	Excess/(Deficiency) (a-b)	1,907,720	1,770,232
d)	Supplementary Capital	57,255	72,100
e)	Total Capital (a+d)	2,964,975	2,842,332
f)	Total Risk Weighted Assets	9,577,267	10,505,194
g)	Core Capital/Total Deposit liabilities	24.70%	22.20%
h)	Minimum Statutory Ratio	8.00%	8.00%
i)	Excess/(Deficiency) (g-h)	16.70%	14.20%
j)	Core Capital/Total Risk Weighted Assets	31.70%	26.40%
k)	Minimum Statutory Ratio	10.50%	10.50%
l)	Excess/(Deficiency) (j-k)	21.20%	15.90%
m)	Total Capital/Total Risk Weighted Assets	32.30%	27.10%
n)	Minimum Statutory Ratio	14.50%	14.50%
o)	Excess/(Deficiency) (m-n)	17.80%	12.60%
<b>5 LIQUIDITY</b>			
a)	Liquidity Ratio	78.10%	76.00%
b)	Minimum Statutory Ratio	20.00%	20.00%
c)	Excess/(Deficiency) (a-b)	58.10%	56.00%

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](http://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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