



Habib Bank AG Zurich Kenya Branches

Incorporated in Switzerland (1967)

(Head Office : 59 Weinbergstrasse, Zurich, Switzerland)

QUARTERLY FINANCIAL STATEMENTS AND OTHER DISCLOSURES AS AT 31ST MARCH 2017

I BALANCE SHEET IN KENYA SHS. '000		31.03.2016 (Un-audited)	31.12.2016 (Audited)	31.03.2017 (Un-audited)
A.	ASSETS			
1	Cash (both local and foreign)	72,728	78,349	93,065
2	Balances due from Central Bank of Kenya	667,193	319,297	727,328
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	9,788,281	10,802,180	9,903,821
	b. Other securities	49,010	35,680	36,757
	(b) Available for sale:			
	a. Kenya Government securities	-	-	-
	b. Other securities	-	-	-
6	Deposits and balances due from local banking institutions	101,334	-	-
7	Deposits and balances due from banking institutions abroad	215,454	118,315	92,182
8	Tax recoverable	-	-	-
9	Loans and advances to customers (Net)	5,184,248	5,242,175	5,546,108
10	Balances due from banking institutions in the group	67,331	67,398	51,226
11	Investment in associates	-	-	-
12	Investment in subsidiary companies	-	-	-
13	Investment in joint ventures	-	-	-
14	Investment properties	-	-	-
15	Property, plant and equipment	182,913	184,015	183,280
16	Prepaid lease rentals	17,183	17,034	16,737
17	Intangible assets	-	-	-
18	Deferred tax asset	51,629	74,639	74,639
19	Retirement benefit assets	-	-	-
20	Other assets	93,652	93,908	106,110
21	TOTAL ASSETS	16,490,956	17,032,990	16,831,253
B.	LIABILITIES			
22	Balances due to Central Bank of Kenya	-	-	-
23	Customer deposits	12,019,372	11,772,943	11,878,772
24	Deposits and balances due to local banking institutions	225,000	850,000	635,000
25	Deposits and balances due to banking institutions abroad	438	-	115
26	Other money market deposits	-	-	-
27	Borrowed funds	-	-	-
28	Balances due to banking institutions in the group	1,319,184	1,200,020	1,465,865
29	Tax Payable	12,756	15,412	67,973
30	Dividends payable	-	-	-
31	Deferred Tax liability	-	-	-
32	Retirement benefit liability	-	-	-
33	Other liabilities	48,534	53,078	35,418
34	TOTAL LIABILITIES	199,369	176,562	106,750
C.	SHAREHOLDERS' EQUITY			
35	Paid up/Assigned Capital	350,000	350,000	350,000
36	Share premium/(discount)	-	-	-
37	Revaluation reserves	-	-	-
38	Retained earnings/Accumulated losses	2,238,387	2,557,720	2,234,105
39	Statutory loan loss reserve	77,916	57,255	57,255
40	Other Reserves	-	-	-
41	Proposed dividends	-	-	-
42	Capital grants	-	-	-
43	TOTAL SHAREHOLDERS' EQUITY	2,666,303	2,964,975	2,641,360
44	TOTAL LIABILITIES & SHARE HOLDERS' EQUITY	16,490,956	17,032,990	16,831,253
II PROFIT & LOSS ACCOUNT IN KENYA SHS:'000		31.03.2016 (Un-audited)	31.12.2016 (Audited)	31.03.2017 (Un-audited)
1	INTEREST INCOME			
1.1	Loans and Advances	144,852	572,158	128,667
1.2	Government Securities	290,900	1,231,689	282,287
1.3	Deposits and placements with banking institution	4,516	5,687	57
1.4	Other interest income	54	72	-
1.5	Total interest income	440,322	1,809,606	411,011
2	INTEREST EXPENSE			
2.1	Customer deposits	175,883	675,268	160,938
2.2	Deposits and placements with banking institutions	929	21,092	7,968
2.3	Other interest expense	7,382	30,928	6,810
2.4	Total interest expense	184,194	727,288	175,716
3	NET INTEREST INCOME	256,128	1,082,320	235,295
4	OTHER OPERATING INCOME			
4.1	Fees and commissions on loans and advances	2,946	15,029	3,463
4.2	Other fees and commissions	7,987	27,799	8,489
4.3	Foreign exchange trading income/(loss)	4,636	22,142	5,673
4.4	Dividend income	-	-	-
4.5	Other income	9,382	40,841	10,720
4.6	Total non-interest income	24,951	105,811	28,345
5	TOTAL OPERATING INCOME	281,079	1,188,131	263,640
6	OPERATING EXPENSES			
6.1	Loan loss provision	3,211	49,420	8,849
6.2	Staff Costs	69,485	278,690	74,242
6.3	Directors' emoluments	-	-	-
6.4	Rental charges	4,189	16,875	4,540
6.5	Depreciation charge on property and equipment	5,908	24,762	6,624
6.6	Amortisation charges	49	199	87
6.7	Other operating expenses	44,434	196,657	54,929
6.8	Total operating expenses	127,276	566,603	149,271
7	Profit/(Loss) before tax and exceptional items	153,803	621,528	114,369
8	Exceptional items	-	-	-
9	Profit/(Loss) after exceptional items	153,803	621,528	114,369
10	Current Tax	(60,230)	(252,293)	(45,304)
11	Deferred Tax	-	23,010	-
12	Profit/(Loss) after tax and exceptional items	93,573	392,245	69,065
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	93,573	392,245	69,065
III OTHER DISCLOSURES		31.03.2016 (Un-audited)	31.12.2016 (Audited)	31.03.2017 (Un-audited)
1	NON PERFORMING LOANS AND ADVANCES			
a)	Gross non-performing loans and advances	119,723	157,794	222,091
	Less:			
b)	Interest in suspense	45,307	93,922	57,250
c)	Total non-performing loans and advances (a-b)	74,416	103,872	164,841
	Less:			
d)	Loan loss provisions	59,454	65,269	74,119
e)	Net Non-performing Loans (c-d)	14,962	38,603	90,722
f)	Realizable value of securities	14,962	38,603	90,722
g)	Net Non-Performing Loans Exposure (e-f)	0	0	0
2	INSIDER LOANS AND ADVANCES			
a)	Directors, Shareholders and associates	18,217	19,129	18,488
b)	Employees	60,649	67,595	68,187
c)	Total Insider Loans, Advances and Other Facilities	78,866	86,724	86,675
3	OFF BALANCE SHEET ITEMS			
a)	Letter of credits, guarantees, acceptances	801,085	601,514	642,994
b)	Forwards, swaps, and options	-	-	-
c)	Other Contingent Liabilities	587,856	671,682	351,347
d)	Total Contingent Liabilities	1,388,941	1,273,196	994,341
4	CAPITAL STRENGTH			
a)	Core Capital	2,541,601	2,907,720	2,549,573
b)	Minimum Statutory Capital	1,000,000	1,000,000	1,000,000
c)	Excess/(Deficiency) (a-b)	1,541,601	1,907,720	1,549,573
d)	Supplementary Capital	77,916	57,255	57,255
e)	Total Capital (a+d)	2,619,517	2,964,975	2,606,828
f)	Total Risk Weighted Assets	9,393,400	9,577,267	10,113,373
g)	Core Capital/Total Deposit liabilities	21.20%	24.70%	21.50%
h)	Minimum Statutory Ratio	8.00%	8.00%	8.00%
i)	Excess/(Deficiency) (g-h)	13.20%	16.70%	13.50%
j)	Core Capital/Total Risk Weighted Assets	27.10%	31.70%	25.20%
k)	Minimum Statutory Ratio	10.50%	10.50%	10.50%
l)	Excess/(Deficiency) (j-k)	16.60%	21.20%	14.70%
m)	Total Capital/Total Risk Weighted Assets	27.90%	32.30%	25.80%
n)	Minimum Statutory Ratio	14.50%	14.50%	14.50%
o)	Excess/(Deficiency) (m-n)	13.40%	17.80%	11.30%
5	LIQUIDITY			
a)	Liquidity Ratio	76.70%	78.10%	73.10%
b)	Minimum Statutory Ratio	20.00%	20.00%	20.00%
c)	Excess/(Deficiency) (a-b)	56.70%	58.10%	53.10%

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. They may also be accessed at the institutions head office located at Habib House, Koinange street, Nairobi.

Signed: **Mohammed Ali Hussain**
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Signed: **Simon K. Murigi**
Chief Finance Officer

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