



# Habib Bank AG Zurich Kenya Branches

(Head Office : 59 Weinbergstrasse, Zurich, Switzerland)

Incorporated in Switzerland (1967)

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

I BALANCE SHEET IN KENYA SHS. '000		30.09.2016 (Un-audited)	31.12.2016 (Audited)	31.03.2017 (Un-audited)	30.06.2017 (Un-audited)	30.09.2017 (Un-audited)
<b>A. ASSETS</b>						
1	Cash (both local and foreign)	78,426	78,549	93,065	72,314	73,417
2	Balances due from Central Bank of Kenya	879,451	319,297	727,328	507,664	726,303
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	10,571,798	10,802,180	9,903,821	10,108,531	10,690,429
	b. Other securities	42,870	35,680	36,757	29,713	30,631
	(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	144,286	118,135	92,182	200,070	218,207
8	Tax recoverable	-	-	-	-	-
9	Loans and advances to customers (Net)	5,202,078	5,242,175	5,546,108	5,461,176	5,478,931
10	Balances due from banking institutions in the group	87,879	67,398	51,226	53,835	46,744
11	Investment in associates	-	-	-	-	-
12	Investment in subsidiary companies	-	-	-	-	-
13	Investment in joint ventures	-	-	-	-	-
14	Investment properties	-	-	-	-	-
15	Property, plant and equipment	184,939	184,015	183,280	178,238	173,212
16	Prepaid lease rentals	17,085	17,034	16,737	16,659	18,526
17	Intangible assets	-	-	-	-	-
18	Deferred tax asset	51,629	74,639	74,639	74,639	74,639
19	Retirement benefit assets	-	-	-	-	-
20	Other assets	317,622	93,908	106,110	196,928	325,458
<b>21</b>	<b>TOTAL ASSETS</b>	<b>17,578,063</b>	<b>17,032,990</b>	<b>16,831,253</b>	<b>16,899,767</b>	<b>17,856,497</b>
<b>B. LIABILITIES</b>						
22	Balances due to Central Bank of Kenya	-	-	-	-	-
23	Customer deposits	12,587,754	11,772,943	11,878,772	12,054,614	12,481,565
24	Deposits and balances due to local banking institutions	300,000	850,000	635,000	-	400,000
25	Deposits and balances due to banking institutions abroad	-	-	115	66,168	13,800
26	Other money market deposits	-	-	-	-	-
27	Borrowed funds	-	-	-	-	-
28	Balances due to banking institutions in the group	1,303,985	1,200,020	1,465,865	1,824,181	1,865,873
29	Tax Payable	203,418	15,412	67,973	87,959	121,276
30	Dividends payable	-	-	-	-	-
31	Deferred Tax liability	-	-	-	-	-
32	Retirement benefit liability	48,495	53,078	35,418	35,661	30,832
33	Other liabilities	239,441	176,562	106,750	135,801	188,028
<b>34</b>	<b>TOTAL LIABILITIES</b>	<b>14,685,093</b>	<b>14,068,015</b>	<b>14,189,893</b>	<b>14,204,384</b>	<b>15,101,374</b>
<b>C. SHAREHOLDERS' EQUITY</b>						
35	Paid up/Assigned Capital	350,000	350,000	350,000	350,000	350,000
36	Share premium/(discount)	-	-	-	-	-
37	Revaluation reserves	-	-	-	-	-
38	Retained earnings/Accumulated losses	2,467,054	2,557,720	2,234,105	2,288,128	2,347,868
39	Statutory loan loss reserve	77,916	57,255	57,255	57,255	57,255
40	Other Reserves	-	-	-	-	-
41	Proposed dividends	-	-	-	-	-
42	Capital grants	-	-	-	-	-
<b>43</b>	<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>2,894,970</b>	<b>2,964,975</b>	<b>2,641,360</b>	<b>2,695,383</b>	<b>2,755,123</b>
<b>44</b>	<b>TOTAL LIABILITIES &amp; SHARE HOLDERS' EQUITY</b>	<b>17,578,063</b>	<b>17,032,990</b>	<b>16,831,253</b>	<b>16,899,767</b>	<b>17,856,497</b>
<b>II PROFIT &amp; LOSS ACCOUNT IN KENYA SHS. '000</b>						
		<b>30.09.2016 (Un-audited)</b>	<b>31.12.2016 (Audited)</b>	<b>31.03.2017 (Un-audited)</b>	<b>30.06.2017 (Un-audited)</b>	<b>30.09.2017 (Un-audited)</b>
<b>1 INTEREST INCOME</b>						
1.1	Loans and Advances	432,257	572,158	128,667	253,129	379,729
1.2	Government Securities	921,492	1,231,689	282,287	545,354	825,956
1.3	Deposits and placements with banking institution	5,687	5,687	57	57	1,083
1.4	Other interest income	54	72	-	-	229
<b>1.5</b>	<b>Total interest income</b>	<b>1,359,490</b>	<b>1,809,606</b>	<b>411,011</b>	<b>798,540</b>	<b>1,206,997</b>
<b>2 INTEREST EXPENSE</b>						
2.1	Customer deposits	504,771	675,268	160,938	317,906	490,085
2.2	Deposits and placements with banking institutions	6,003	21,092	7,968	13,290	16,791
2.3	Other interest expense	19,802	30,926	6,810	27,377	39,215
<b>2.4</b>	<b>Total interest expense</b>	<b>530,576</b>	<b>727,286</b>	<b>175,716</b>	<b>358,573</b>	<b>546,091</b>
<b>3</b>	<b>NET INTEREST INCOME</b>	<b>828,914</b>	<b>1,082,320</b>	<b>235,295</b>	<b>439,967</b>	<b>660,906</b>
<b>4 OTHER OPERATING INCOME</b>						
4.1	Fees and commissions on loans and advances	9,890	15,029	3,463	9,255	13,119
4.2	Other fees and commissions	22,682	27,799	8,489	12,500	21,554
4.3	Foreign exchange trading income/(loss)	16,221	22,142	5,673	11,085	16,641
4.4	Dividend income	-	-	-	-	-
4.5	Other income	28,442	40,841	10,720	20,590	28,998
<b>4.6</b>	<b>Total non-interest income</b>	<b>77,235</b>	<b>105,811</b>	<b>28,345</b>	<b>53,430</b>	<b>80,312</b>
<b>5</b>	<b>TOTAL OPERATING INCOME</b>	<b>906,149</b>	<b>1,188,131</b>	<b>263,640</b>	<b>493,397</b>	<b>741,218</b>
<b>6 OPERATING EXPENSES</b>						
6.1	Loan loss provision	8,429	49,420	8,849	17,292	25,668
6.2	Staff Costs	206,740	278,690	74,242	148,020	220,028
6.3	Directors' emoluments	-	-	-	-	-
6.4	Rental charges	12,648	16,875	4,540	9,083	13,742
6.5	Depreciation charge on property and equipment	18,071	24,762	6,624	13,720	20,830
6.6	Amortisation charges	147	199	87	174	255
6.7	Other operating expenses	132,034	196,657	54,929	100,718	156,560
<b>6.8</b>	<b>Total operating expenses</b>	<b>378,069</b>	<b>596,603</b>	<b>149,271</b>	<b>289,007</b>	<b>437,083</b>
<b>7</b>	<b>Profit/(Loss) before tax and exceptional items</b>	<b>528,080</b>	<b>621,528</b>	<b>114,369</b>	<b>204,390</b>	<b>304,135</b>
8	Exceptional items	-	-	-	-	-
<b>9</b>	<b>Profit/(Loss) after exceptional items</b>	<b>528,080</b>	<b>621,528</b>	<b>114,369</b>	<b>204,390</b>	<b>304,135</b>
10	Current Tax	(205,840)	(252,293)	(45,304)	(81,302)	(121,307)
11	Deferred Tax	-	23,010	-	-	-
<b>12</b>	<b>Profit/(Loss) after tax and exceptional items</b>	<b>322,240</b>	<b>392,245</b>	<b>69,065</b>	<b>123,088</b>	<b>182,828</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	-	-	-	-	-
<b>14</b>	<b>Other comprehensive income for the year net of tax</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>15</b>	<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	<b>322,240</b>	<b>392,245</b>	<b>69,065</b>	<b>123,088</b>	<b>182,828</b>
<b>III OTHER DISCLOSURES</b>						
		<b>30.09.2016 (Un-audited)</b>	<b>31.12.2016 (Audited)</b>	<b>31.03.2017 (Un-audited)</b>	<b>30.06.2017 (Un-audited)</b>	<b>30.09.2017 (Un-audited)</b>
<b>1 NON PERFORMING LOANS AND ADVANCES</b>						
a)	<b>Gross non-performing loans and advances</b>	<b>158,895</b>	<b>157,794</b>	<b>222,091</b>	<b>555,120</b>	<b>573,704</b>
	Less:					
b)	Interest in suspense	50,898	53,922	57,250	72,451	89,206
c)	<b>Total non-performing loans and advances (a-b)</b>	<b>107,997</b>	<b>103,872</b>	<b>164,841</b>	<b>482,669</b>	<b>484,498</b>
	Less:					
d)	Loan loss provisions	64,796	65,269	74,119	82,561	90,714
e)	Net Non-performing Loans (c-d)	43,201	38,603	90,722	400,108	393,784
f)	Realizable value of securities	41,407	38,603	90,722	400,108	393,784
<b>g)</b>	<b>Net Non-Performing Loans Exposure (e-f)</b>	<b>1,794</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	20,184	19,129	18,488	18,842	18,842
b)	Employees	65,634	67,595	68,187	66,461	69,324
<b>c)</b>	<b>Total Insider Loans, Advances and Other Facilities</b>	<b>85,818</b>	<b>86,724</b>	<b>86,675</b>	<b>85,303</b>	<b>88,166</b>
<b>3 OFF BALANCE SHEET ITEMS</b>						
a)	Letter of credits, guarantees, acceptances	800,981	601,514	642,994	697,016	786,412
b)	Forwards, swaps, and options	-	-	-	-	-
c)	Other Contingent Liabilities	764,723	671,682	351,347	410,669	485,685
<b>d)</b>	<b>Total Contingent Liabilities</b>	<b>1,565,704</b>	<b>1,273,196</b>	<b>994,341</b>	<b>1,107,685</b>	<b>1,272,097</b>
<b>4 CAPITAL STRENGTH</b>						
a)	Core Capital	2,655,934	2,907,720	2,549,573	2,576,584	2,606,454
b)	Minimum Statutory Capital	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
c)	Excess/(Deficiency) (a-b)	1,655,934	1,907,720	1,549,573	1,576,584	1,606,454
d)	Supplementary Capital	77,916	57,255	57,255	57,255	57,255
e)	Total Capital (a+d)	2,733,850	2,964,975	2,606,828	2,633,839	2,663,709
f)	Total Risk Weighted Assets	9,669,318	9,577,267	10,113,373	10,693,324	10,888,293
g)	Core Capital/Total Deposit liabilities	21.10%	24.70%	21.50%	21.40%	20.90%
h)	Minimum Statutory Ratio	8.00%	8.00%	8.00%	8.00%	8.00%
i)	Excess/(Deficiency) (g-h)	13.10%	16.70%	13.50%	13.40%	12.90%
j)	Core Capital/Total Risk Weighted Assets	27.50%	31.70%	25.20%	24.10%	23.90%
k)	Minimum Statutory Ratio	10.50%	10.50%	10.50%	10.50%	10.50%
l)	Excess/(Deficiency) (j-k)	17.00%	21.20%	14.70%	13.60%	13.40%
m)	Total Capital/Total Risk Weighted Assets	28.30%	32.30%	25.80%	24.60%	24.50%
n)	Minimum Statutory Ratio	14.50%	14.50%	14.50%	14.50%	14.50%
o)	Excess/(Deficiency) (m-n)	13.80%	17.80%	11.30%	10.10%	10.00%
<b>5 LIQUIDITY</b>						
a)	Liquidity Ratio	79.20%	78.10%	73.10%	74.30%	74.80%
b)	Minimum Statutory Ratio	20.00%	20.00%	20.00%	20.00%	20.00%
c)	Excess/(Deficiency) (a-b)	59.20%	58.10%	53.10%	54.30%	54.80%

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.

Signed: **Mohammed Ali Hussain**  
Country Manager

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

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