



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 DECEMBER 2020

I STATEMENT OF FINANCIAL POSITION	Audited 31.12.2020 KSh's '000	Audited 31.12.2019 KSh's '000
A. ASSETS		
1 Cash (both local and foreign)	72,265	86,426
2 Balances due from Central Bank of Kenya	788,632	669,507
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	18,140,960	16,040,030
b. Other securities	-	-
(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	638,940	145,297
8 Tax recoverable	125,346	134,599
9 Loans and advances to customers (Net)	6,373,424	6,698,672
10 Balances due from banking institutions in the group	279,605	421,080
11 Investment in associates	-	-
12 Investment in subsidiary companies	-	-
13 Investment in joint ventures	-	-
14 Investment properties	-	-
15 Property, plant and equipment	311,116	283,217
16 Prepaid lease rentals	59,306	69,644
17 Intangible assets	-	-
18 Deferred tax asset	206,492	143,662
19 Retirement benefit assets	-	-
20 Other assets	215,798	131,325
21 TOTAL ASSETS	27,211,884	24,823,459
B. LIABILITIES		
22 Balances due to Central Bank of Kenya	-	-
23 Customer deposits	21,749,013	19,581,053
24 Deposits and balances due to local banking institutions	104	950,924
25 Deposits and balances due to banking institutions abroad	333,189	24
26 Other money market deposits	-	-
27 Borrowed funds	-	-
28 Balances due to banking institutions in the group	1,725,727	1,021,844
29 Tax Payable	-	-
30 Dividends payable	-	-
31 Deferred Tax liability	-	-
32 Retirement benefit liability	13,741	19,643
33 Other liabilities	186,448	172,652
34 TOTAL LIABILITIES	24,008,222	21,746,140
C. SHAREHOLDERS' EQUITY		
35 Paid up/Assigned Capital	350,000	350,000
36 Share premium/(discount)	-	-
37 Revaluation reserves	-	-
38 Retained earnings/Accumulated losses	2,684,058	2,674,270
39 Statutory loan loss reserve	169,604	53,049
40 Other Reserves	-	-
41 Proposed dividends	-	-
42 Capital grants	-	-
43 TOTAL SHAREHOLDERS' EQUITY	3,203,662	3,077,319
44 TOTAL LIABILITIES & SHARE HOLDERS' EQUITY	27,211,884	24,823,459

II STATEMENT OF COMPREHENSIVE INCOME	Audited 31.12.2020 KSh's '000	Audited 31.12.2019 KSh's '000
1 INTEREST INCOME		
1.1 Loans and Advances	575,623	613,028
1.2 Government Securities	1,626,902	1,477,596
1.3 Deposits and placements with banking institution	8,222	15,433
1.4 Other interest income	-	846
1.5 Total interest income	2,210,747	2,106,903
2 INTEREST EXPENSE		
2.1 Customer deposits	1,002,581	907,497
2.2 Deposits and placements with banking institutions	51,049	36,016
2.3 Other interest expense	5,334	54,108
2.4 Total interest expense	1,058,964	997,621
3 NET INTEREST INCOME	1,151,783	1,109,282
4 OTHER OPERATING INCOME		
4.1 Fees and commissions on loans and advances	16,121	14,389
4.2 Other fees and commissions	26,151	35,072
4.3 Foreign exchange trading income/(loss)	34,783	22,470
4.4 Dividend income	-	-
4.5 Other income	27,194	19,794
4.6 Total non-interest income	104,249	91,725
5 TOTAL OPERATING INCOME	1,256,032	1,201,007
6 OPERATING EXPENSES		
6.1 Loan loss provision	65,950	43,715
6.2 Staff Costs	330,789	356,616
6.3 Directors' emoluments	-	4,499
6.4 Rental charges	3,035	50,028
6.5 Depreciation charge on property and equipment	43,288	898
6.6 Amortisation charges	857	359,982
6.7 Other operating expenses	361,188	815,738
6.8 Total operating expenses	805,107	815,738
7 Profit/(Loss) before tax and exceptional items	450,925	385,269
8 Exceptional items	-	-
9 Profit/(Loss) after exceptional items	450,925	385,269
10 Current Tax	(206,701)	(179,498)
11 Deferred Tax	62,830	34,178
12 Profit/(Loss) after tax and exceptional items	307,054	239,949
13 Other comprehensive income		
13.1 Gains/(Losses) from translating the financial statements of foreign op.	-	-
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	307,054	239,949

III OTHER DISCLOSURES	Audited 31.12.2020 KSh's '000	Audited 31.12.2019 KSh's '000
1 NON PERFORMING LOANS AND ADVANCES		
a) Gross non-performing loans and advances	836,207	787,312
Less:		
b) Interest in suspense	180,420	169,652
c) Total non-performing loans and advances (a-b)	655,787	617,660
Less:		
d) Loan loss provisions	397,331	132,108
e) Net Non-performing Loans (c-d)	258,389	485,552
f) Realizable value of securities	258,389	485,552
g) Net Non-Performing Loans Exposure (e-f)	-	-
2 INSIDER LOANS AND ADVANCES		
a) Directors, Shareholders and associates	16,273	35,758
b) Employees	90,902	114,356
c) Total Insider Loans, Advances and Other Facilities	107,175	150,114
3 OFF BALANCE SHEET ITEMS		
a) Letter of credits, guarantees, acceptances	896,179	716,114
b) Forwards, swaps, and options	-	-
c) Other Contingent Liabilities	527,013	362,189
d) Total Contingent Liabilities	1,423,192	1,078,303
4 CAPITAL STRENGTH		
a) Core Capital	2,825,502	2,875,701
b) Minimum Statutory Capital	1,000,000	1,000,000
c) Excess/(Deficiency) (a-b)	1,825,502	1,875,701
d) Supplementary Capital	169,604	53,049
e) Total Capital (a+d)	2,995,106	2,928,750
f) Total Risk Weighted Assets	11,255,122	10,731,752
g) Core Capital/Total Deposit liabilities	12.99%	14.70%
h) Minimum Statutory Ratio	8.00%	8.00%
i) Excess/(Deficiency) (g-h)	4.99%	6.70%
j) Core Capital/Total Risk Weighted Assets	25.10%	26.80%
k) Minimum Statutory Ratio	10.50%	10.50%
l) Excess/(Deficiency) (j-k)	14.60%	16.30%
m) Total Capital/Total Risk Weighted Assets	26.61%	27.30%
n) Minimum Statutory Ratio	14.50%	14.50%
o) Excess/(Deficiency) (m-n)	12.11%	12.80%
p) Adjusted Core capital /Total deposit Liabilities*	12.85%	14.70%
q) Adjusted Core capital /Total Risk Weighted Assets*	24.83%	26.80%
r) Adjusted Total Capital /Total Risk Weighted Assets*	26.34%	27.30%
5 LIQUIDITY		
a) Liquidity Ratio	77.00%	77.90%
b) Minimum Statutory Ratio	20.00%	20.00%
c) Excess/(Deficiency) (a-b)	57.00%	57.90%

* 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. 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: **Asim M Basharullah**
Chief Executive Officer

Signed: **Shahzad Sultan**
Main Branch Manager

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

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