



Habib Bank AG Zurich

Kenya Branches

Incorporated in Switzerland (1967)

(Head Office : 59 Weinbergstrasse, Zurich, Switzerland)

KENYA OPERATIONS QUARTERLY FINANCIAL STATEMENTS AND OTHER DISCLOSURES AS AT 31st MARCH 2021

I STATEMENT OF FINANCIAL POSITION		Unaudited 31.03.2020 Kshs '000	Audited 31.12.2020 Kshs '000	Unaudited 31.03.2021 Kshs '000
A. ASSETS				
1 Cash (both local and foreign)		89,165	72,265	65,514
2 Balances due from Central Bank of Kenya		872,780	788,632	1,031,641
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:				
i. Kenya Government securities		16,417,369	18,140,960	18,689,262
ii. Other securities		-	-	-
(b) Available for sale:				
i. Kenya Government securities		-	-	-
ii. Other securities		-	-	-
6 Deposits and balances due from local banking institutions		-	-	-
7 Deposits and balances due from banking institutions abroad		152,460	638,940	588,611
8 Tax recoverable		134,599	125,346	125,346
9 Loans and advances to customers (net)		6,477,766	6,373,424	6,259,212
10 Balances due from banking institutions in the group		415,680	279,605	267,090
11 Investment in associates		-	-	-
12 Investment in subsidiary companies		-	-	-
13 Investment in joint ventures		-	-	-
14 Investment properties		-	-	-
15 Property, plant and equipment		295,015	311,116	325,291
16 Prepaid lease rentals		69,419	59,306	57,972
17 Intangible assets		-	-	-
18 Deferred tax asset		143,662	206,492	206,492
19 Retirement benefit assets		-	-	-
20 Other assets		89,458	215,798	154,573
21 TOTAL ASSETS		25,157,373	27,211,884	27,771,004
B. LIABILITIES				
22 Balances due to Central Bank of Kenya		-	-	-
23 Customer Deposits		19,776,769	21,749,013	22,412,638
24 Deposits and balances due to local banking institutions		335,558	104	328,535
25 Deposits and balances due to banking institutions abroad		774	333,189	18,631
26 Other money market deposits		-	-	-
27 Borrowed funds		-	-	-
28 Balances due to banking institutions in the group		1,776,755	1,725,727	1,598,308
29 Tax Payable		-	-	-
30 Dividends payable		-	-	-
31 Deferred tax liability		-	-	-
32 Retirement benefit liability		20,260	13,741	11,545
33 Other liabilities		129,236	186,448	137,938
34 TOTAL LIABILITIES		22,039,352	24,008,222	24,507,595
C. SHAREHOLDERS' EQUITY				
35 Paid up/ Assigned Capital		350,000	350,000	350,000
36 Share premium/(discount)		-	-	-
37 Revaluation reserve		-	-	-
38 Retained earnings/Accumulated losses		2,714,972	2,684,058	2,712,858
39 Statutory loan loss reserve		53,049	169,604	200,551
40 Other Reserves		-	-	-
41 Proposed dividends		-	-	-
42 Capital grants		-	-	-
43 TOTAL SHAREHOLDERS' FUNDS		3,118,021	3,203,662	3,263,409
44 TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS		25,157,373	27,211,884	27,771,004
II STATEMENT OF COMPREHENSIVE INCOME				
1 INTEREST INCOME				
1.1 Loans and advances		127,882	575,623	113,458
1.2 Government Securities		403,621	1,626,902	432,551
1.3 Deposits and placements with banking institutions		678	8,222	156
1.4 Other interest income		-	-	-
1.5 Total Interest Income		532,181	2,210,747	546,165
2 INTEREST EXPENSES				
2.1 Customer deposits		268,225	1,002,581	252,030
2.2 Deposits and placements from banking institutions		10,018	51,049	9,979
2.3 Other interest expenses		7,808	5,334	1,334
2.4 Total interest expenses		286,051	1,058,964	263,343
3 NET INTEREST INCOME/(LOSS)		246,130	1,151,783	282,822
4 OTHER OPERATING INCOME				
4.1 Fees and commissions on loans and advances		6,150	16,121	879
4.2 Other fees and commissions		9,037	26,151	7,627
4.3 Foreign exchange trading income/(loss)		4,872	34,783	6,620
4.4 Dividend income		-	-	-
4.5 Other income		4,222	27,194	5,519
4.6 Total Other Operating Income		24,281	104,249	20,645
5 TOTAL OPERATING INCOME		270,411	1,256,032	303,467
6 OPERATING EXPENSES				
6.1 Loan loss provision		10,708	65,950	10,950
6.2 Staff costs		95,805	330,789	83,552
6.3 Directors' emoluments		-	-	-
6.4 Rental charges		4,426	3,035	2,794
6.5 Depreciation charge on property and equipment		12,552	43,288	10,171
6.6 Amortisation charges		225	857	225
6.7 Other operating expenses		81,570	361,188	101,767
6.8 Total Operating Expenses		205,286	805,107	209,459
7 Profit/(Loss) before tax and exceptional items		65,125	450,925	94,008
8 Exceptional items		-	-	-
9 Profit/(loss) after exceptional items		65,125	450,925	94,008
10 Current Tax		(24,423)	(206,701)	(34,261)
11 Profit/(loss) after tax and exceptional items		40,702	307,054	59,747
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		-	-	-
13.4 Revaluation surplus on property, plant and equipment		-	-	-
13.5 Share of other comprehensive income of associates		-	-	-
13.6 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		40,702	307,054	59,747
III OTHER DISCLOSURES				
1 NON PERFORMING LOANS AND ADVANCES				
a) Gross non-performing loans and advances		811,491	836,207	831,541
Less:				
b) Interest in suspense		189,168	180,487	194,415
c) Total non-performing loans and advances (a-b)		622,323	655,720	637,126
Less:				
d) Loan loss provisions		214,627	215,335	228,482
e) Net Non-performing Loans (c-d)		407,696	440,385	408,644
f) Discounted value of securities		407,696	440,385	408,644
g) Net Non-Performing Loans Exposure (e-f)		-	-	-
2 INSIDER LOANS AND ADVANCES				
a) Directors, Shareholders and associates		34,705	16,273	13,901
b) Employees		108,814	90,902	86,646
c) Total Insider Loans, Advances and Other Facilities		143,519	107,175	100,547
3 OFF BALANCE SHEET ITEMS				
a) Letter of credits, guarantees, acceptances		679,486	896,179	736,346
b) Forwards, swaps, and options		-	-	-
c) Other Contingent Liabilities		346,739	527,013	29,085
d) Total Contingent Liabilities		1,026,225	1,423,192	765,431
4 CAPITAL STRENGTH				
a) Core Capital		2,898,724	2,825,502	2,824,467
b) Minimum Statutory Capital		1,000,000	1,000,000	1,000,000
c) Excess/(Deficiency) (a-b)		1,898,724	1,825,502	1,824,467
d) Supplementary Capital		53,049	169,604	200,551
e) Total Capital (a+d)		2,951,773	2,995,106	3,025,018
f) Total Risk Weighted Assets		11,566,945	11,255,122	10,539,523
g) Core Capital/Total Deposit liabilities		14.70%	12.99%	12.61%
h) Minimum Statutory Ratio		8.00%	8.00%	8.00%
i) Excess/(Deficiency) (g-h)		6.70%	4.99%	4.61%
j) Core Capital/Total Risk Weighted Assets		25.10%	25.10%	26.80%
k) Minimum Statutory Ratio		10.50%	10.50%	10.50%
l) Excess/(Deficiency) (j-k)		14.60%	14.60%	16.30%
m) Total Capital/Total Risk Weighted Assets		25.50%	26.61%	28.70%
n) Minimum Statutory Ratio		14.50%	14.50%	14.50%
o) Excess/(Deficiency) (m-n)		11.00%	12.11%	14.20%
q) Adjusted Core capital /Total deposit Liabilities*		14.70%	12.85%	12.51%
r) Adjusted Core capital /Total Risk Weighted Assets*		25.10%	24.83%	26.59%
r) Adjusted Total Capital /Total Risk Weighted Assets*		25.50%	26.34%	28.20%
5 LIQUIDITY				
a) Liquidity Ratio		79.50%	77.00%	82.91%
b) Minimum Statutory Ratio		20.00%	20.00%	20.00%
c) Excess/(Deficiency) (a-b)		59.50%	57.00%	62.91%

* 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

Shahzad Sultan
Main Branch Manager

Kenya Branches: Koinange Street, Industrial Area, Westlands Nairobi and Nkrumah Road Mombasa
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