



# 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 30<sup>th</sup> SEPTEMBER 2021

I STATEMENT OF FINANCIAL POSITION	30.09.2020	31.12.2020	31.03.2021	30.06.2021	30.09.2021
	Kshs '000 Unaudited	Kshs '000 Audited	Kshs '000 Unaudited	Kshs '000 Unaudited	Kshs '000 Unaudited
<b>A. ASSETS</b>					
1 Cash (both local and foreign)	78,798	72,265	65,514	63,175	70,132
2 Balances due from Central Bank of Kenya	806,719	788,632	1,031,641	805,675	1,122,897
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	17,329,771	18,140,960	18,689,262	19,445,909	19,625,060
ii. Other securities	-	-	-	-	-
(b) Available for sale					
a. Kenya Government securities	-	-	-	-	-
b. Other securities	-	-	-	-	-
6 Deposits and balances due from local banking institutions	25,420	-	-	-	113,527
7 Deposits and balances due from banking institutions abroad	360,108	638,940	588,611	220,534	144,890
8 Tax recoverable	122,116	125,346	125,346	125,346	125,346
9 Loans and advances to customers (net)	6,273,628	6,373,424	6,259,212	5,956,309	5,788,699
10 Balances due from banking institutions in the group	227,285	279,605	267,090	380,015	242,825
11 Investment in associates	-	-	-	-	-
12 Investment in subsidiary companies	-	-	-	-	-
13 Investment in joint ventures	-	-	-	-	-
14 Investment properties	-	-	-	-	-
15 Property, plant and equipment	287,348	311,116	325,291	318,349	310,063
16 Prepaid lease rentals	68,969	59,306	57,912	39,445	39,446
17 Intangible assets	-	-	-	-	-
18 Deferred tax asset	143,662	206,492	206,492	206,492	206,492
19 Retirement benefit asset	-	-	-	-	-
20 Other assets	170,898	255,798	154,573	233,033	346,479
<b>21 TOTAL ASSETS</b>	<b>25,894,922</b>	<b>27,211,884</b>	<b>27,771,004</b>	<b>27,794,282</b>	<b>28,135,856</b>
<b>B. LIABILITIES</b>					
22 Balances due to Central Bank of Kenya	-	-	-	-	-
23 Customer deposits	20,461,788	21,749,013	22,412,638	22,911,168	23,423,154
24 Deposits and balances due to local banking institutions	700,982	104	328,535	300,425	355,883
25 Deposits and balances due to banking institutions abroad	264,056	333,189	18,631	15,550	15,699
26 Other money market deposits	-	-	-	-	-
27 Borrowed funds	-	-	-	-	-
28 Balances due to banking institutions in the group	1,235,052	1,725,727	1,598,308	955,695	917,189
29 Tax payable	-	-	-	-	-
30 Dividends payable	-	-	-	-	-
31 Deferred tax liability	-	-	-	-	-
32 Retirement benefit liability	9,557	13,741	11,545	11,370	11,648
33 Other liabilities	158,768	186,448	137,938	262,908	299,111
<b>34 TOTAL LIABILITY</b>	<b>22,830,203</b>	<b>24,008,222</b>	<b>24,507,595</b>	<b>24,457,116</b>	<b>25,022,684</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	2,661,670	2,684,058	2,712,858	2,786,615	2,562,619
39 Statutory loan loss reserve	53,049	169,604	200,551	200,552	200,552
40 Other Reserves	-	-	-	-	-
41 Proposed dividends	-	-	-	-	-
42 Capital grants	-	-	-	-	-
<b>43 TOTAL SHAREHOLDERS' FUNDS</b>	<b>3,064,719</b>	<b>3,203,662</b>	<b>3,263,409</b>	<b>3,337,167</b>	<b>3,113,171</b>
<b>44 TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS</b>	<b>25,894,922</b>	<b>27,211,884</b>	<b>27,771,004</b>	<b>27,794,282</b>	<b>28,135,856</b>
<b>II STATEMENT OF COMPREHENSIVE INCOME</b>	<b>30.09.2020</b>	<b>31.12.2020</b>	<b>31.03.2021</b>	<b>30.06.2021</b>	<b>30.09.2021</b>
	<b>Kshs '000</b>	<b>Kshs '000</b>	<b>Kshs '000</b>	<b>Kshs '000</b>	<b>Kshs '000</b>
	Unaudited	Audited	Unaudited	Unaudited	Unaudited
<b>1 INTEREST INCOME</b>					
1.1 Loans and advances	371,550	575,623	113,458	223,681	328,231
1.2 Government securities	1,167,005	1,626,902	432,551	890,547	1,367,209
1.3 Deposits and placements with banking institutions	7,828	8,222	156	657	991
1.4 Other interest income	-	-	-	-	-
<b>1.5 Total Interest Income</b>	<b>1,546,383</b>	<b>2,210,747</b>	<b>546,165</b>	<b>1,114,885</b>	<b>1,696,430</b>
<b>2 INTEREST EXPENSES</b>					
2.1 Customer deposits	775,798	1,002,581	252,030	507,950	776,424
2.2 Deposits and placements from banking institutions	26,972	51,049	9,979	19,562	28,267
2.3 Other Interest Expenses	4,010	5,334	1,334	1,334	1,334
<b>2.4 Total Interest Expenses</b>	<b>806,780</b>	<b>1,058,964</b>	<b>263,343</b>	<b>528,845</b>	<b>806,024</b>
<b>3 NET INTEREST INCOME/(LOSS)</b>	<b>739,603</b>	<b>1,151,783</b>	<b>282,822</b>	<b>586,040</b>	<b>890,406</b>
<b>4 OTHER OPERATING INCOME</b>					
4.1 Fees and Commissions on loans and advances	9,644	16,121	879	2,594	5,223
4.2 Other fees and Commissions	24,255	26,151	7,627	15,783	23,186
4.3 Foreign exchange trading income/(Loss)	16,181	34,783	6,620	14,675	25,035
4.4 Dividend income	-	-	-	-	-
4.5 Other income	14,028	27,194	5,519	8,189	12,201
<b>4.6 Total Other Operating Income</b>	<b>64,108</b>	<b>104,249</b>	<b>20,645</b>	<b>41,242</b>	<b>65,644</b>
<b>5 TOTAL OPERATING INCOME</b>	<b>803,711</b>	<b>1,256,032</b>	<b>303,467</b>	<b>627,281</b>	<b>956,050</b>
<b>6 OPERATING EXPENSES</b>					
6.1 Loan loss provision	11,711	65,950	10,950	21,372	32,139
6.2 Staff costs	247,922	330,789	83,552	163,635	245,082
6.3 Directors' emoluments	-	-	-	-	-
6.4 Rental charges	7,500	13,035	2,794	5,769	8,266
6.5 Depreciation charge on property and equipment	25,591	33,288	10,171	20,013	29,214
6.6 Amortisation charges	675	857	225	354	541
6.7 Other operating expenses	246,057	361,188	101,767	202,532	305,875
<b>6.8 Total Operating Expenses</b>	<b>539,456</b>	<b>805,107</b>	<b>209,459</b>	<b>413,676</b>	<b>621,116</b>
<b>7 PROFIT/(LOSS) BEFORE TAX AND EXCEPTIONAL ITEMS</b>	<b>264,255</b>	<b>450,925</b>	<b>94,008</b>	<b>213,606</b>	<b>334,934</b>
<b>8 EXCEPTIONAL ITEMS</b>					
<b>9 PROFIT/(LOSS) AFTER EXCEPTIONAL ITEMS</b>	<b>264,255</b>	<b>450,925</b>	<b>94,008</b>	<b>213,606</b>	<b>334,934</b>
10 Current tax (99,096)	(99,096)	(205,701)	(34,261)	(80,102)	(125,600)
11 Deferred tax	-	62,830	-	-	-
<b>12 PROFIT/(LOSS) AFTER TAX AND EXCEPTIONAL ITEMS</b>	<b>165,159</b>	<b>307,054</b>	<b>59,747</b>	<b>133,504</b>	<b>209,334</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	-	-	-	-	-
13.4 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	-	-	-	-	-
<b>14 Other comprehensive Income for the year net of tax</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>15 TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	<b>165,159</b>	<b>307,054</b>	<b>59,747</b>	<b>133,504</b>	<b>209,334</b>
<b>III OTHER DISCLOSURES</b>	<b>30.09.2020</b>	<b>31.12.2020</b>	<b>31.03.2021</b>	<b>30.06.2021</b>	<b>30.09.2021</b>
	<b>Kshs '000</b>	<b>Kshs '000</b>	<b>Kshs '000</b>	<b>Kshs '000</b>	<b>Kshs '000</b>
	Unaudited	Audited	Unaudited	Unaudited	Unaudited
<b>1 NON-PERFORMING LOANS AND ADVANCES</b>					
a) Gross Non-performing Loans and Advances	782,244	836,207	831,541	837,370	798,590
Less:					
b) Interest in suspense	201,077	190,487	194,415	208,357	225,583
<b>c) Total Non-performing Loans and Advances (a-b)</b>	<b>571,167</b>	<b>657,220</b>	<b>637,126</b>	<b>629,013</b>	<b>573,006</b>
Less:					
d) Loan loss provisions	247,897	215,335	228,482	242,245	257,797
<b>e) Net Non-performing Loans (c-d)</b>	<b>323,270</b>	<b>440,385</b>	<b>408,644</b>	<b>386,768</b>	<b>315,209</b>
f) Discounted Value of Securities	323,270	440,385	408,644	386,768	315,209
<b>g) Net NPLs Exposure (e-f)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>2 INSIDER LOANS AND ADVANCES</b>					
a) Directors, shareholders and associates	14,653	16,273	13,901	13,291	12,964
b) Employees	85,100	90,902	86,846	92,367	94,384
<b>c) Total Insider Loans, Advances and Other Facilities</b>	<b>99,753</b>	<b>107,175</b>	<b>100,547</b>	<b>105,658</b>	<b>107,348</b>
<b>3 OFF-BALANCE SHEET ITEMS</b>					
a) Letters of credit, guarantees, acceptances	971,600	896,179	736,346	715,569	662,208
b) Forwards, swaps, and options	-	-	-	-	-
c) Other contingent liabilities	341,921	527,013	29,085	21,093	16,222
<b>d) Total Contingent Liabilities</b>	<b>1,313,521</b>	<b>1,423,192</b>	<b>765,431</b>	<b>736,662</b>	<b>678,430</b>
<b>4 CAPITAL STRENGTH</b>					
a) Core Capital	2,781,832	2,825,502	2,824,467	2,856,338	2,593,544
b) Minimum Statutory Capital	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
<b>c) Excess/(Deficiency) [a-b]</b>	<b>1,781,832</b>	<b>1,825,502</b>	<b>1,824,467</b>	<b>1,856,338</b>	<b>1,593,544</b>
d) Supplementary Capital	53,049	169,604	200,551	200,552	200,552
<b>e) Total Capital [a+d]</b>	<b>2,834,881</b>	<b>2,995,106</b>	<b>3,025,018</b>	<b>3,056,890</b>	<b>2,794,096</b>
<b>f) Total Risk Weighted Assets</b>	<b>10,802,385</b>	<b>11,255,122</b>	<b>10,539,523</b>	<b>9,788,139</b>	<b>9,507,089</b>
g) Core Capital/Total deposit liabilities	13.60%	12.99%	12.61%	12.48%	11.07%
h) Minimum Statutory Ratio	8.00%	8.00%	8.00%	8.00%	8.00%
<b>i) Excess/(Deficiency) [g-h]</b>	<b>5.60%</b>	<b>4.99%</b>	<b>4.61%</b>	<b>4.48%</b>	<b>3.07%</b>
j) Core Capital/Total risk weighted assets	25.80%	25.10%	26.80%	29.18%	27.28%
k) Minimum Statutory Ratio	10.50%	10.50%	10.50%	10.50%	10.50%
<b>l) Excess/(Deficiency) [j-k]</b>	<b>15.30%</b>	<b>14.60%</b>	<b>16.30%</b>	<b>18.68%</b>	<b>16.78%</b>
m) Total Capital/Total risk weighted assets	26.20%	26.20%	28.70%	31.23%	29.39%
n) Minimum Statutory Ratio	14.50%	14.50%	14.50%	14.50%	14.50%
<b>o) Excess/(Deficiency) [m-n]</b>	<b>11.70%</b>	<b>11.70%</b>	<b>14.20%</b>	<b>16.73%</b>	<b>14.89%</b>
<b>p) Adjusted Core Capital/Total Deposit Liabilities*</b>	<b>13.50%</b>	<b>12.85%</b>	<b>12.51%</b>	<b>12.37%</b>	<b>10.97%</b>
<b>q) Adjusted Core Capital/Total Risk Weighted Assets*</b>	<b>25.50%</b>	<b>24.83%</b>	<b>26.59%</b>	<b>28.94%</b>	<b>27.03%</b>
<b>r) Adjusted Total Capital/Total Risk Weighted Assets*</b>	<b>26.00%</b>	<b>26.34%</b>	<b>28.20%</b>	<b>30.99%</b>	<b>29.14%</b>
<b>5 LIQUIDITY</b>					
a) Liquidity Ratio	80.60%	77.00%	82.91%	84.77%	84.58%
b) Minimum Statutory Ratio	20.00%	20.00%	20.00%	20.00%	20.00%
<b>c) Excess/(Deficiency) [a-b]</b>	<b>60.60%</b>	<b>57.00%</b>	<b>62.91%</b>	<b>64.77%</b>	<b>64.58%</b>

The financial statements are extracts from the books of the institution. The complete set of quarterly financial statements, statutory and qualitative disclosures can be accessed at the institution's head office located at Habib House Koinange street, Nairobi.

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

**Shahzad Sultan**  
Manager

Kenya Branches: Koinange Street, Industrial Area, Westlands Nairobi and Nkurumah Road Mombasa  
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Service with Security