



# Habib Bank AG Zurich

## Kenya Branches

Incorporated in Switzerland (1967)

(Head Office : 59 Weinbergstrasse, Zurich, Switzerland )

### UN-AUDITED FINANCIAL STATEMENTS AND OTHER DISCLOSURES FOR THE PERIOD ENDED 30TH JUNE 2023

| I. STATEMENT OF FINANCIAL POSITION           |  | 30th June 2022    | 31st Dec. 2022    | 31st March 2023   | 30th June 2023    |
|--|--|-------------------|-------------------|-------------------|-------------------|
|  |  | Shs. '000         | Shs. '000         | Shs. '000         | Shs. '000         |
|  |  | (Unaudited)       | (Audited)         | (Unaudited)       | (Unaudited)       |
| <b>ASSETS</b>                                |  |                   |                   |                   |                   |
| 1  | Cash (both local and foreign)  | 73,415            | 99,065            | 138,669           | 112,588           |
| 2  | Balances due from Central Bank of Kenya  | 963,182           | 1,084,084         | 1,071,536         | 975,145           |
| 3  | Kenya Government and other securities held for dealing purposes                  | -                 | -                 | -                 | -                 |
| 4  | Financial Assets at fair value through profit and loss                           | -                 | -                 | -                 | -                 |
| 5  | <b>Investment securities:</b>  | <b>20,340,646</b> | <b>20,406,899</b> | <b>19,999,071</b> | <b>19,391,091</b> |
|  | <b>(a) Amortised cost:</b>   |                   |                   |                   |                   |
|  | a. Kenya Government securities   | 20,340,646        | 20,406,899        | 19,999,071        | 19,391,091        |
|  | b. Other securities  | 20,340,646        | 20,406,899        | 19,999,071        | 19,391,091        |
|  | <b>(b) Fair value through OCI:</b>   |                   |                   |                   |                   |
|  | a. Kenya Government securities   | -                 | -                 | -                 | -                 |
|  | b. Other securities  | -                 | -                 | -                 | -                 |
| 6  | Deposits and balances due from local banking institutions                        | 56,168            | 857,644           | 529,472           | 562,230           |
| 7  | Deposits and balances due from banking institutions abroad                       | 96,944            | 305,616           | 1,571,839         | 2,919,606         |
| 8  | Tax recoverable  | 281,681           | 181,618           | 133,816           | 215,072           |
| 9  | Loans and advances to customers (net)  | 6,421,976         | 6,835,168         | 7,521,218         | 8,658,388         |
| 10   | Balances due from banking institutions in the group                              | 591,988           | 160,102           | 386,287           | 550,835           |
| 11   | Investment in associates   | -                 | -                 | -                 | -                 |
| 12   | Investment in subsidiary companies   | -                 | -                 | -                 | -                 |
| 13   | Investment in joint ventures   | -                 | -                 | -                 | -                 |
| 14   | Investment properties  | -                 | -                 | -                 | -                 |
| 15   | Property and equipment   | 385,388           | 531,686           | 541,158           | 508,961           |
| 16   | Prepaid lease rentals  | -                 | 42,659            | 39,871            | 44,156            |
| 17   | Intangible assets  | -                 | -                 | -                 | -                 |
| 18   | Deferred tax asset   | 249,756           | 245,838           | 245,838           | 245,838           |
| 19   | Retirement benefit asset   | -                 | -                 | -                 | -                 |
| 20   | Other assets   | 328,698           | 105,145           | 157,828           | 350,717           |
| 21   | <b>TOTAL ASSETS</b>  | <b>29,789,842</b> | <b>30,855,524</b> | <b>32,336,603</b> | <b>34,534,627</b> |
| <b>B. LIABILITIES</b>                        |  |                   |                   |                   |                   |
| 22   | Balances due to Central Bank of Kenya  | -                 | 199,980           | -                 | -                 |
| 23   | Customer deposits  | 24,726,131        | 25,721,721        | 27,308,317        | 28,601,807        |
| 24   | Deposits and balances due to local banking institutions                          | 790,000           | 1,285,016         | 950,000           | 1,330,000         |
| 25   | Deposits and balances due to banking institutions abroad                         | -                 | 87,960            | 322,023           | 492,247           |
| 26   | Other money market deposits  | -                 | -                 | -                 | -                 |
| 27   | Borrowed funds   | -                 | -                 | -                 | -                 |
| 28   | Balances due to banking institutions in the group                                | 284,950           | 275,228           | 280,278           | 352,634           |
| 29   | Tax payable  | -                 | -                 | -                 | -                 |
| 30   | Dividends payable  | -                 | -                 | -                 | -                 |
| 31   | Deferred tax liability   | -                 | -                 | -                 | -                 |
| 32   | Retirement benefit liability   | 8,714             | 4,956             | 5,314             | 5,641             |
| 33   | Other liabilities  | 393,004           | 114,384           | 245,454           | 463,625           |
| 34   | <b>TOTAL LIABILITIES</b>   | <b>26,202,799</b> | <b>27,689,245</b> | <b>29,111,386</b> | <b>31,245,954</b> |
| <b>C. SHAREHOLDERS' EQUITY</b>               |  |                   |                   |                   |                   |
| 35   | Paid up / assigned capital   | 350,000           | 350,000           | 350,000           | 350,000           |
| 36   | Share premium / (discount)   | -                 | -                 | -                 | -                 |
| 37   | Revaluation reserve  | -                 | -                 | -                 | -                 |
| 38   | Retained earnings / (accumulated losses)   | 3,050,837         | 2,663,357         | 2,743,273         | 2,848,115         |
| 39   | Statutory loan loss reserve  | 186,206           | 152,922           | 131,944           | 90,558            |
| 40   | Other reserves   | -                 | -                 | -                 | -                 |
| 41   | Proposed dividends   | -                 | -                 | -                 | -                 |
| 42   | Capital grants   | -                 | -                 | -                 | -                 |
| 43   | <b>TOTAL SHAREHOLDERS' FUNDS</b>   | <b>3,587,043</b>  | <b>3,166,279</b>  | <b>3,225,217</b>  | <b>3,288,673</b>  |
| 44   | <b>TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS</b>                                 | <b>29,789,842</b> | <b>30,855,524</b> | <b>32,336,603</b> | <b>34,534,627</b> |
| <b>II. STATEMENT OF COMPREHENSIVE INCOME</b> |  |                   |                   |                   |                   |
| 1  | <b>INTEREST INCOME</b>   |                   |                   |                   |                   |
| 1.1  | Loans and advances   | 231,952           | 572,667           | 165,794           | 361,128           |
| 1.2  | Government securities  | 953,332           | 1,978,458         | 506,584           | 1,025,030         |
| 1.3  | Deposits and placements with banking institutions                                | 1,254             | 11,558            | 11,231            | 44,436            |
| 1.4  | Other interest income  | -                 | -                 | -                 | -                 |
| 1.5  | <b>Total interest income</b>   | <b>1,186,538</b>  | <b>2,562,683</b>  | <b>683,609</b>    | <b>1,430,594</b>  |
| 2  | <b>INTEREST EXPENSE</b>  |                   |                   |                   |                   |
| 2.1  | Customer deposits  | 600,987           | 1,240,267         | 326,250           | 672,139           |
| 2.2  | Deposits and placements from banking institutions                                | 25,689            | 57,279            | 25,670            | 59,376            |
| 2.3  | Other interest expense   | 1,126             | 5,137             | 983               | 2,777             |
| 2.4  | <b>Total interest expense</b>  | <b>627,802</b>    | <b>1,302,683</b>  | <b>352,903</b>    | <b>734,292</b>    |
| 3  | <b>NET INTEREST INCOME / (LOSS)</b>  | <b>558,736</b>    | <b>1,260,000</b>  | <b>330,706</b>    | <b>696,302</b>    |
| 4  | <b>OTHER OPERATING INCOME</b>  |                   |                   |                   |                   |
| 4.1  | Fees and commissions on loans and advances                                       | 11,187            | 14,374            | 6,746             | 7,536             |
| 4.2  | Other fees and Commissions   | 26,493            | 22,757            | 7,166             | 21,695            |
| 4.3  | Foreign exchange trading income / (loss)   | 51,708            | 114,619           | 33,229            | 62,324            |
| 4.4  | Dividend income  | -                 | -                 | -                 | -                 |
| 4.5  | Other income   | 2,987             | 48,645            | 11,030            | 25,497            |
| 4.6  | <b>Total other operating income</b>  | <b>92,375</b>     | <b>200,395</b>    | <b>58,171</b>     | <b>117,052</b>    |
| 5  | <b>TOTAL OPERATING INCOME</b>  | <b>651,111</b>    | <b>1,460,395</b>  | <b>388,877</b>    | <b>813,354</b>    |
| 6  | <b>OPERATING EXPENSES</b>  |                   |                   |                   |                   |
| 6.1  | Loan loss provision  | 27,911            | 126,645           | 1,953             | 6,997             |
| 6.2  | Staff costs  | 179,604           | 355,163           | 105,574           | 212,696           |
| 6.3  | Directors' emoluments  | -                 | -                 | -                 | -                 |
| 6.4  | Rental charges   | -                 | 7,085             | 1,799             | 1,851             |
| 6.5  | Depreciation charge on property and equipment                                    | 20,778            | 43,588            | 11,281            | 25,302            |
| 6.6  | Amortisation charges   | 798               | 932               | 262               | 798               |
| 6.7  | Other operating expenses   | 222,747           | 445,337           | 140,142           | 275,074           |
| 6.8  | <b>Total operating expenses</b>  | <b>451,838</b>    | <b>978,770</b>    | <b>261,011</b>    | <b>522,718</b>    |
| 7  | <b>Profit / (loss) before tax and exceptional items</b>                          | <b>199,273</b>    | <b>481,625</b>    | <b>127,866</b>    | <b>290,636</b>    |
| 8  | Exceptional items  | -                 | -                 | -                 | -                 |
| 9  | <b>Profit / (loss) after exceptional items</b>                                   | <b>199,273</b>    | <b>481,625</b>    | <b>127,866</b>    | <b>290,636</b>    |
| 10   | Current tax  | (74,727)          | (182,001)         | (47,950)          | (105,878)         |
| 11   | Deferred tax   | -                 | (3,918)           | -                 | -                 |
| 12   | <b>Profit / (loss) after tax and exceptional items</b>                           | <b>124,546</b>    | <b>295,706</b>    | <b>79,916</b>     | <b>184,758</b>    |
| 13   | <b>Other comprehensive income</b>  |                   |                   |                   |                   |
| 13.1   | Gains / (losses) from translating the financial statements of foreign operations | -                 | -                 | -                 | -                 |
| 13.2   | Fair value changes in FVOCI financial assets                                     | -                 | -                 | -                 | -                 |
| 13.4   | Revaluation surplus on property and equipment                                    | -                 | -                 | -                 | -                 |
| 13.5   | Share of other comprehensive income of associates                                | -                 | -                 | -                 | -                 |
| 13.6   | Income tax relating to components of other comprehensive income                  | -                 | -                 | -                 | -                 |
| 14   | <b>Other comprehensive income for the year net of tax</b>                        | <b>-</b>          | <b>-</b>          | <b>-</b>          | <b>-</b>          |
| 15   | <b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>                                   | <b>124,546</b>    | <b>295,706</b>    | <b>79,916</b>     | <b>184,758</b>    |
| <b>III. OTHER DISCLOSURES</b>                |  |                   |                   |                   |                   |
| <b>1 NON-PERFORMING LOANS AND ADVANCES</b>   |  |                   |                   |                   |                   |
| a)   | <b>Gross non-performing loans and advances</b>                                   | <b>770,478</b>    | <b>740,322</b>    | <b>525,603</b>    | <b>631,327</b>    |
| b)   | Less: Interest in suspense   | 208,050           | 182,115           | 134,106           | 152,419           |
| c)   | <b>Total non-performing loans and advances (a-b)</b>                             | <b>562,428</b>    | <b>558,207</b>    | <b>391,497</b>    | <b>478,908</b>    |
| d)   | Less: Loan loss provisions   | 349,586           | 367,747           | 267,087           | 265,824           |
| e)   | <b>Net non-performing loans (c-d)</b>  | <b>212,842</b>    | <b>190,460</b>    | <b>129,410</b>    | <b>213,084</b>    |
| f)   | Discounted value of securities   | 212,842           | 190,460           | 129,410           | 213,084           |
| g)   | <b>Net NPLs exposure (e-f)</b>   | <b>-</b>          | <b>-</b>          | <b>-</b>          | <b>-</b>          |
| <b>2 INSIDER LOANS AND ADVANCES</b>          |  |                   |                   |                   |                   |
| a)   | Directors, shareholders and associates   | 14,026            | 25,414            | 42,887            | 39,129            |
| b)   | Employees  | 117,272           | 120,402           | 171,827           | 204,253           |
| c)   | <b>Total insider loans, advances and other facilities</b>                        | <b>131,298</b>    | <b>145,816</b>    | <b>214,714</b>    | <b>243,382</b>    |
| <b>3 OFF-BALANCE SHEET ITEMS</b>             |  |                   |                   |                   |                   |
| a)   | Letters of credit, guarantees, acceptances                                       | 575,604           | 614,621           | 822,504           | 791,632           |
| b)   | Forwards, swaps, and options   | -                 | -                 | -                 | -                 |
| c)   | Other contingent liabilities   | 152,878           | 245,667           | 33,855            | 34,779            |
| d)   | <b>Total contingent liabilities</b>  | <b>728,482</b>    | <b>860,288</b>    | <b>856,359</b>    | <b>826,411</b>    |
| <b>4 CAPITAL STRENGTH</b>                    |  |                   |                   |                   |                   |
| a)   | <b>Core capital</b>  | <b>3,080,894</b>  | <b>2,767,519</b>  | <b>2,807,477</b>  | <b>2,859,898</b>  |
| b)   | Minimum statutory capital  | 1,000,000         | 1,000,000         | 1,000,000         | 1,000,000         |
| c)   | <b>Excess / (deficiency) [a-b]</b>   | <b>2,080,894</b>  | <b>1,767,519</b>  | <b>1,807,477</b>  | <b>1,859,898</b>  |
| d)   | Supplementary capital  | 186,206           | 182,322           | 131,944           | 90,558            |
| e)   | <b>Total capital [a+d]</b>   | <b>3,267,100</b>  | <b>2,949,841</b>  | <b>2,939,421</b>  | <b>2,950,456</b>  |
| f)   | <b>Total risk weighted assets</b>  | <b>9,505,256</b>  | <b>9,456,369</b>  | <b>10,305,819</b> | <b>11,320,630</b> |
| g)   | <b>Core capital / Total deposit liabilities</b>                                  | <b>12.5%</b>      | <b>10.8%</b>      | <b>10.3%</b>      | <b>10.0%</b>      |
| h)   | Minimum statutory ratio  | 8.0%              | 8.0%              | 8.0%              | 8.0%              |
| i)   | <b>Excess / (deficiency) [g-h]</b>   | <b>4.5%</b>       | <b>2.8%</b>       | <b>2.3%</b>       | <b>2.0%</b>       |
| j)   | <b>Core capital / Total risk weighted assets</b>                                 | <b>32.4%</b>      | <b>29.3%</b>      | <b>27.2%</b>      | <b>25.3%</b>      |
| k)   | Minimum statutory ratio  | 10.5%             | 10.5%             | 10.5%             | 10.5%             |
| l)   | <b>Excess / (deficiency) [j-k]</b>   | <b>21.9%</b>      | <b>18.8%</b>      | <b>16.7%</b>      | <b>14.8%</b>      |
| m)   | <b>Total capital / Total risk weighted assets</b>                                | <b>34.4%</b>      | <b>30.9%</b>      | <b>28.5%</b>      | <b>26.1%</b>      |
| n)   | Minimum statutory ratio  | 14.5%             | 14.5%             | 14.5%             | 14.5%             |
| o)   | <b>Excess / (deficiency) [m-n]</b>   | <b>19.9%</b>      | <b>16.4%</b>      | <b>14.0%</b>      | <b>11.6%</b>      |
| <b>5 LIQUIDITY</b>                           |  |                   |                   |                   |                   |
| a)   | <b>Liquidity ratio</b>   | <b>83.9%</b>      | <b>85.0%</b>      | <b>85.2%</b>      | <b>77.0%</b>      |
| b)   | Minimum statutory ratio  | 20.0%             | 20.0%             | 20.0%             | 20.0%             |
| c)   | <b>Excess / (deficiency) [a-b]</b>   | <b>63.9%</b>      | <b>65.0%</b>      | <b>65.2%</b>      | <b>57.0%</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 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: **Asim M Basharullah**  
CHIEF EXECUTIVE OFFICER

**Joseph Ngei**  
CHIEF FINANCE OFFICER