



Habib Bank AG Zurich Kenya Branches

(Head Office : 59 Weinbergstrasse, Zurich, Switzerland)

Incorporated in Switzerland (1967)

QUARTERLY FINANCIAL STATEMENTS AND OTHER DISCLOSURES AS AT 30TH SEPTEMBER 2019

I BALANCE SHEET IN KENYA SHS.'000		30.09.2018 (Un-audited)	31.12.2018 (Audited)	31.03.2019 (Un-audited)	30.06.2019 (Un-audited)	30.09.2019 (Un-audited)
A. ASSETS						
1 Cash (both local and foreign)		54,297	74,656	75,864	103,299	86,355
2 Balances due from Central Bank of Kenya		1,086,762	618,561	718,380	883,178	1,018,891
3 Kenya Government and other securities held for dealing purposes		-	-	-	-	85,000
4 Financial Assets at fair value through profit and loss		-	-	-	-	-
5 Investment securities:						
(a) Held to Maturity:						
a. Kenya Government securities		12,739,746	13,291,553	13,642,133	14,643,388	14,978,316
b. Other securities		18,391	11,650	12,252	5,825	6,130
(b) Available for sale:						
a. Kenya Government securities		-	-	-	-	-
b. Other securities		-	-	-	-	-
6 Deposits and balances due from local banking institutions		-	-	-	297,238	-
7 Deposits and balances due from banking institutions abroad		79,404	104,592	75,007	106,125	95,039
8 Tax recoverable		38,164	91,389	91,389	56,684	75,097
9 Loans and advances to customers (Net)		5,976,493	6,286,399	6,663,437	6,608,360	6,767,207
10 Balances due from banking institutions in the group		585,923	533,707	463,177	536,676	431,921
11 Investment in associates		-	-	-	-	-
12 Investment in subsidiary companies		-	-	-	-	-
13 Investment in joint ventures		-	-	-	-	-
14 Investment properties		-	-	-	-	-
15 Property, plant and equipment		320,872	316,024	310,219	304,000	289,759
16 Prepaid lease rentals		15,179	17,489	17,137	16,961	19,514
17 Intangible assets		-	-	-	-	-
18 Deferred tax asset		91,031	109,484	109,484	109,484	109,484
19 Retirement benefit assets		-	-	-	-	-
20 Other assets		230,610	65,162	44,076	216,226	242,216
21 TOTAL ASSETS		21,236,872	21,520,666	22,222,555	23,887,444	24,204,929
B. LIABILITIES						
22 Balances due to Central Bank of Kenya		-	-	-	-	-
23 Customer deposits		14,925,653	15,605,428	16,452,615	18,531,151	19,463,130
24 Deposits and balances due to local banking institutions		1,001,975	763,887	678,521	650,524	519,951
25 Deposits and balances due to banking institutions abroad		23	20,283	23	28	32,078
26 Other money market deposits		-	-	-	-	-
27 Borrowed funds		-	-	-	-	-
28 Balances due to banking institutions in the group		2,057,150	1,931,467	1,808,000	1,528,536	965,608
29 Tax Payable		108,470	-	33,936	62,211	85,194
30 Dividends payable		-	-	-	-	-
31 Deferred Tax liability		-	-	-	-	-
32 Retirement benefit liability		25,157	29,110	28,798	29,238	29,692
33 Other liabilities		211,191	151,741	132,146	158,474	137,207
34 TOTAL LIABILITIES		18,329,619	18,481,916	19,134,039	20,960,162	21,232,860
C. SHAREHOLDERS' EQUITY						
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		2,557,253	2,624,966	2,674,732	2,513,498	2,558,285
39 Statutory loan loss reserve		-	63,784	63,784	63,784	63,784
40 Other Reserves		-	-	-	-	-
41 Proposed dividends		-	-	-	-	-
42 Capital grants		-	-	-	-	-
43 TOTAL SHAREHOLDERS' EQUITY		2,907,253	3,038,750	3,088,516	2,927,282	2,972,069
44 TOTAL LIABILITIES & SHARE HOLDERS' EQUITY		21,236,872	21,520,666	22,222,555	23,887,444	24,204,929
II PROFIT & LOSS ACCOUNT IN KENYA SHS.'000						
		30.09.2018 (Un-audited)	31.12.2018 (Audited)	31.03.2019 (Un-audited)	30.06.2019 (Un-audited)	30.09.2019 (Un-audited)
1 INTEREST INCOME						
1.1 Loans and Advances		402,011	585,984	133,481	269,346	404,400
1.2 Government Securities		959,197	1,304,360	335,159	685,689	1,097,310
1.3 Deposits and placements with banking institution		-	1,250	2,197	3,549	4,943
1.4 Other interest income		2,920	2,957	359	601	783
1.5 Total interest income		1,364,128	1,894,551	471,196	959,185	1,507,436
2 INTEREST EXPENSE						
2.1 Customer deposits		590,524	800,570	197,193	409,564	650,230
2.2 Deposits and placements with banking institutions		34,826	44,831	10,438	20,755	28,901
2.3 Other interest expense		41,433	56,660	13,807	27,135	37,395
2.4 Total interest expense		666,783	902,061	221,438	457,454	716,526
3 NET INTEREST INCOME		697,345	992,490	249,758	501,731	790,910
4 OTHER OPERATING INCOME						
4.1 Fees and commissions on loans and advances		14,243	17,092	2,731	8,679	11,111
4.2 Other fees and commissions		14,281	15,709	5,800	9,785	14,408
4.3 Foreign exchange trading income/(loss)		15,104	20,387	5,621	12,087	18,955
4.4 Dividend income		-	-	-	-	-
4.5 Other income		31,375	40,054	8,561	14,893	24,778
4.6 Total non-interest income		75,003	93,242	22,713	45,444	69,252
5 TOTAL OPERATING INCOME		772,348	1,085,732	272,471	547,175	860,162
6 OPERATING EXPENSES						
6.1 Loan loss provision		(10,400)	36,122	20,300	46,428	53,996
6.2 Staff Costs		246,724	320,549	78,498	165,321	259,875
6.3 Directors' emoluments		-	-	-	-	-
6.4 Rental charges		15,241	20,336	5,171	10,425	13,427
6.5 Depreciation charge on property and equipment		24,158	32,538	7,918	15,560	24,669
6.6 Amortisation charges		520	898	176	352	528
6.7 Other operating expenses		227,690	316,249	76,706	156,966	287,774
6.8 Total operating expenses		503,933	726,692	188,769	395,052	640,269
7 Profit/(Loss) before tax and exceptional items		268,415	359,040	83,702	152,123	219,893
8 Exceptional items		-	-	-	-	-
9 Profit/(Loss) after exceptional items		268,415	359,040	83,702	152,123	219,893
10 Current Tax		(108,470)	(133,750)	(33,936)	(62,211)	(85,194)
11 Deferred Tax		-	706	-	-	-
12 Profit/(Loss) after tax and exceptional items		159,945	225,996	49,766	89,912	134,699
13 Other comprehensive Income						
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		-	-	-	-	-
14 Other comprehensive Income for the year net of tax		-	-	-	-	-
15 TOTAL COMPREHENSIVE INCOME FOR THE YEAR		159,945	225,996	49,766	89,912	134,699
III OTHER DISCLOSURES						
		30.09.2018 (Un-audited)	31.12.2018 (Audited)	31.03.2019 (Un-audited)	30.06.2019 (Un-audited)	30.09.2019 (Un-audited)
1 NON PERFORMING LOANS AND ADVANCES						
a) Gross non-performing loans and advances		587,029	581,154	757,100	779,056	762,809
Less:						
b) Interest in suspense		111,930	112,822	124,078	143,174	151,942
c) Total non-performing loans and advances (a-b)		475,099	468,332	633,022	635,882	610,867
Less:						
d) Loan loss provisions		154,424	51,508	99,853	75,988	104,581
e) Net Non-performing Loans (c-d)		320,675	416,824	533,169	559,894	506,286
f) Realizable value of securities		320,675	416,824	533,169	559,894	506,286
g) Net Non-Performing Loans Exposure (e-f)		0	0	0	0	0
2 INSIDER LOANS AND ADVANCES						
a) Directors, Shareholders and associates		16,053	34,839	34,031	33,432	32,112
b) Employees		69,227	101,991	113,277	108,266	116,025
c) Total Insider Loans, Advances and Other Facilities		85,280	136,830	147,308	141,698	148,137
3 OFF BALANCE SHEET ITEMS						
a) Letter of credits, guarantees, acceptances		453,392	463,971	528,663	657,136	601,841
b) Forwards, swaps, and options		-	-	-	-	-
c) Other Contingent Liabilities		440,415	363,052	310,772	519,591	628,643
d) Total Contingent Liabilities		893,807	827,023	839,435	1,176,727	1,230,484
4 CAPITAL STRENGTH						
a) Core Capital		2,733,457	2,862,779	2,887,750	2,706,548	2,729,077
b) Minimum Statutory Capital		1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
c) Excess/(Deficiency) (a-b)		1,733,457	1,862,779	1,887,750	1,706,548	1,729,077
d) Supplementary Capital		0	63,785	63,784	63,784	63,784
e) Total Capital (a+d)		2,733,457	2,926,564	2,951,534	2,770,332	2,792,861
f) Total Risk Weighted Assets		11,838,326	11,880,588	11,433,800	11,278,488	10,469,710
g) Core Capital/Total Deposit liabilities		18.30%	18.50%	17.60%	14.60%	14.00%
h) Minimum Statutory Ratio		8.00%	8.00%	8.00%	8.00%	8.00%
i) Excess/(Deficiency) (g-h)		10.30%	10.50%	9.60%	6.60%	6.00%
j) Core Capital/Total Risk Weighted Assets		23.10%	24.10%	25.30%	24.00%	26.10%
k) Minimum Statutory Ratio		10.50%	10.50%	10.50%	10.50%	10.50%
l) Excess/(Deficiency) (j-k)		12.60%	13.60%	14.80%	13.50%	15.60%
m) Total Capital/Total Risk Weighted Assets		23.10%	24.60%	25.80%	24.60%	26.70%
n) Minimum Statutory Ratio		14.50%	14.50%	14.50%	14.50%	14.50%
o) Excess/(Deficiency) (m-n)		8.60%	10.10%	11.30%	10.10%	12.20%
p) Adjusted Core capital /Total deposit Liabilities*		18.60%	18.50%	17.40%	14.80%	13.90%
q) Adjusted Core capital /Total Risk Weighted Assets*		23.40%	24.30%	25.10%	24.30%	25.80%
r) Adjusted Total Capital /Total Risk Weighted Assets*		23.40%	24.80%	25.60%	24.80%	26.40%
5 LIQUIDITY						
a) Liquidity Ratio		75.90%	75.70%	75.30%	77.00%	77.00%
b) Minimum Statutory Ratio		20.00%	20.00%	20.00%	20.00%	20.00%
c) Excess/(Deficiency) (a-b)		55.90%	55.70%	55.30%	57.00%	57.00%

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.

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CEO - Kenya

Signed: **Simon K Murigi**
Chief Finance Officer

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