



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 2018

I BALANCE SHEET IN KENYA SHS. '000		30.09.2017 (Un-audited)	31.12.2017 (Audited)	31.03.2018 (Un-audited)	30.06.2018 (Un-audited)	30.09.2018 (Un-audited)
A. ASSETS						
1 Cash (both local and foreign)		73,417	82,775	52,162	97,187	54,297
2 Balances due from Central Bank of Kenya		726,303	1,233,948	691,786	790,891	1,086,762
3 Kenya Government and other securities held for for dealing purposes		-	-	-	-	-
4 Financial Assets at fair value through profit and loss		-	-	-	-	-
5 Investment securities:						
(a) Held to Maturity:						
a. Kenya Government securities		10,690,429	11,273,295	11,496,006	11,799,598	12,739,746
b. Other securities		30,631	23,787	24,505	17,840	18,391
(b) Available for sale:						
a. Kenya Government securities		-	-	-	-	-
b. Other securities		-	-	-	-	-
6 Deposits and balances due from local banking institutions		-	-	398,335	50,525	-
7 Deposits and balances due from banking institutions abroad		218,207	178,725	119,978	711,431	79,404
8 Tax recoverable		-	38,164	38,164	38,164	38,164
9 Loans and advances to customers (Net)		5,478,931	5,495,946	5,639,481	6,335,201	5,976,493
10 Balances due from banking institutions in the group		46,744	57,695	42,781	379,607	585,923
11 Investment in associates		-	-	-	-	-
12 Investment in subsidiary companies		-	-	-	-	-
13 Investment in joint ventures		-	-	-	-	-
14 Investment properties		-	-	-	-	-
15 Property, plant and equipment		173,212	169,485	163,952	172,503	320,872
16 Prepaid lease rentals		18,526	18,386	18,249	15,229	15,179
17 Intangible assets		-	-	-	-	-
18 Deferred tax asset		74,639	91,031	91,031	91,031	91,031
19 Retirement benefit assets		-	-	-	-	-
20 Other assets		325,458	45,004	61,973	180,529	230,610
21 TOTAL ASSETS		17,856,497	18,708,241	18,838,403	20,679,736	21,236,872
B. LIABILITIES						
22 Balances due to Central Bank of Kenya		-	-	-	-	-
23 Customer deposits		12,481,565	12,467,675	13,285,217	14,843,274	14,925,653
24 Deposits and balances due to local banking institutions		400,000	1,340,000	851,338	992,580	1,001,975
25 Deposits and balances due to banking institutions abroad		13,800	287	23	23	23
26 Other money market deposits		-	-	-	-	-
27 Borrowed funds		-	-	-	-	-
28 Balances due to banking institutions in the group		1,865,873	1,919,493	1,729,632	1,733,247	2,057,150
29 Tax Payable		121,276	-	29,890	63,815	108,470
30 Dividends payable		-	-	-	-	-
31 Deferred tax liability		-	-	-	-	-
32 Retirement benefit liability		30,832	25,661	25,131	25,180	25,157
33 Other liabilities		188,028	112,793	136,068	192,759	211,191
34 TOTAL LIABILITIES		15,101,374	15,845,909	16,057,299	17,850,698	18,329,619
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		2,347,868	2,420,232	2,431,104	2,479,038	2,557,253
39 Statutory loan loss reserve		57,255	72,100	-	-	-
40 Other Reserves		-	-	-	-	-
41 Proposed dividends		-	-	-	-	-
42 Capital grants		-	-	-	-	-
43 TOTAL SHAREHOLDERS' EQUITY		2,755,123	2,842,332	2,781,104	2,829,038	2,907,253
44 TOTAL LIABILITIES & SHARE HOLDERS' EQUITY		17,856,497	18,708,241	18,838,403	20,679,736	21,236,872
II PROFIT & LOSS ACCOUNT IN KENYA SHS.'000						
		30.09.2017 (Un-audited)	31.12.2017 (Audited)	31.03.2018 (Un-audited)	30.06.2018 (Un-audited)	30.09.2018 (Un-audited)
1 INTEREST INCOME						
1.1 Loans and Advances		379,729	559,330	128,728	266,439	402,011
1.2 Government Securities		825,956	1,132,941	308,215	622,516	959,197
1.3 Deposits and placements with banking institution		1,083	1,591	-	-	-
1.4 Other interest income		229	460	582	1,686	2,920
1.5 Total interest income		1,206,997	1,694,322	437,525	890,641	1,364,128
2 INTEREST EXPENSE						
2.1 Customer deposits		490,085	677,020	189,870	382,658	590,524
2.2 Deposits and placements with banking institutions		16,791	24,792	14,242	23,994	34,826
2.3 Other interest expense		39,215	54,650	12,117	28,225	41,433
2.4 Total interest expense		546,091	756,462	216,229	434,877	666,783
3 NET INTEREST INCOME		660,906	937,860	221,296	455,764	697,345
4 OTHER OPERATING INCOME						
4.1 Fees and commissions on loans and advances		13,119	17,051	4,505	9,363	14,243
4.2 Other fees and commissions		21,554	25,514	4,398	8,192	14,281
4.3 Foreign exchange trading income/(loss)		16,641	21,570	4,225	8,877	15,104
4.4 Dividend income		-	-	-	-	-
4.5 Other income		28,998	38,997	12,293	29,050	76,107
4.6 Total non-interest income		80,312	103,132	25,421	55,482	119,735
5 TOTAL OPERATING INCOME		741,218	1,040,992	246,717	511,246	817,080
6 OPERATING EXPENSES						
6.1 Loan loss provision		25,668	69,375	11,092	16,682	34,332
6.2 Staff Costs		220,028	296,123	80,436	164,133	246,724
6.3 Directors' emoluments		-	-	-	-	-
6.4 Rental charges		13,742	18,200	5,045	10,211	15,241
6.5 Depreciation charge on property and equipment		20,830	27,623	7,291	15,326	24,158
6.6 Amortisation charges		255	648	136	276	520
6.7 Other operating expenses		156,560	220,246	68,178	148,221	227,690
6.8 Total operating expenses		437,083	632,215	172,178	354,849	548,665
7 Profit/(Loss) before tax and exceptional items		304,135	408,777	74,539	156,397	268,415
8 Exceptional items		-	-	-	-	-
9 Profit/(Loss) after exceptional items		304,135	408,777	74,539	156,397	268,415
10 Current Tax		(121,307)	(169,976)	(29,890)	(63,814)	(108,470)
11 Deferred Tax		-	16,391	-	-	-
12 Profit/(Loss) after tax and exceptional items		182,828	255,192	44,649	92,583	159,945
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		182,828	255,192	44,649	92,583	159,945
III OTHER DISCLOSURES						
		30.09.2017 (Un-audited)	31.12.2017 (Audited)	31.03.2018 (Un-audited)	30.06.2018 (Un-audited)	30.09.2018 (Un-audited)
1 NON PERFORMING LOANS AND ADVANCES						
a) Gross non-performing loans and advances		573,704	592,484	579,643	617,625	587,029
Less:						
b) Interest in suspense		89,206	106,402	118,515	134,102	111,930
c) Total non-performing loans and advances (a-b)		484,498	486,082	461,128	483,523	475,099
Less:						
d) Loan loss provisions		90,714	77,526	138,461	139,569	154,424
e) Net Non-performing Loans (c-d)		393,784	408,556	322,667	343,954	320,675
f) Realizable value of securities		393,784	408,556	322,667	343,954	320,675
g) Net Non-Performing Loans Exposure (e-f)		0	0	0	0	0
2 INSIDER LOANS AND ADVANCES						
a) Directors, Shareholders and associates		18,842	13,086	12,108	17,474	16,053
b) Employees		69,324	68,610	62,223	69,351	69,227
c) Total Insider Loans, Advances and Other Facilities		88,166	81,696	74,331	86,825	85,280
3 OFF BALANCE SHEET ITEMS						
a) Letter of credits, guarantees, acceptances		786,412	580,806	518,526	494,161	453,392
b) Forwards, swaps, and options		-	-	-	-	-
c) Other Contingent Liabilities		485,685	373,549	429,436	485,305	440,415
d) Total Contingent Liabilities		1,272,097	954,355	947,962	979,466	893,807
4 CAPITAL STRENGTH						
a) Core Capital		2,528,668	2,674,018	2,664,779	2,722,612	2,733,457
b) Minimum Statutory Capital		1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
c) Excess/(Deficiency) (a-b)		1,528,668	1,674,018	1,664,779	1,722,612	1,733,457
d) Supplementary Capital		57,255	72,100	-	-	-
e) Total Capital (a+d)		2,585,923	2,746,118	2,664,779	2,722,612	2,733,457
f) Total Risk Weighted Assets		10,888,293	10,469,767	10,389,196	11,701,110	11,838,326
g) Core Capital/Total Deposit liabilities		20.30%	21.50%	20.10%	18.40%	18.30%
h) Minimum Statutory Ratio		8.00%	8.00%	8.00%	8.00%	8.00%
i) Excess/(Deficiency) (g-h)		12.30%	13.50%	12.10%	10.40%	10.30%
j) Core Capital/Total Risk Weighted Assets		23.20%	25.50%	25.60%	23.30%	23.10%
k) Minimum Statutory Ratio		10.50%	10.50%	10.50%	10.50%	10.50%
l) Excess/(Deficiency) (j-k)		12.70%	15.00%	15.10%	12.80%	12.60%
m) Total Capital/Total Risk Weighted Assets		23.70%	26.20%	25.60%	23.30%	23.10%
n) Minimum Statutory Ratio		14.50%	14.50%	14.50%	14.50%	14.50%
o) Excess/(Deficiency) (m-n)		9.20%	11.70%	11.10%	8.80%	8.60%
p) Adjusted Core capital /Total deposit Liabilities*		-	-	-	18.40%	18.60%
q) Adjusted Core capital /Total Risk Weighted Assets*		-	-	-	23.40%	23.40%
r) Adjusted Total Capital /Total Risk Weighted Assets*		-	-	-	23.40%	23.40%
5 LIQUIDITY						
a) Liquidity Ratio		74.80%	76.00%	76.30%	73.90%	75.90%
b) Minimum Statutory Ratio		20.00%	20.00%	20.00%	20.00%	20.00%
c) Excess/(Deficiency) (a-b)		54.80%	56.00%	56.30%	53.90%	55.90%

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: **Mohammed Ali Hussain**
Country Manager

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

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