

QUARTERLY FINANCIAL STATEMENTS AND OTHER DISCLOSURES AS AT 31ST MARCH 2017

I STATEMENT OF FINANCIAL POSITION	BANK	BANK	BANK
	March 2016 Shs. '000' Unaudited	December 2016 Shs. '000' Audited	March 2017 Shs. '000' Unaudited
A ASSETS			
1 Cash (both Local & Foreign)	104,390	151,354	132,499
2 Balances due from Central Bank of Kenya	266,946	686,139	469,150
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:	4,590,128	6,820,724	6,418,732
a. Kenya Government securities	4,590,128	6,820,724	6,418,732
b. Other securities	-	-	-
b) Available for sale:	-	-	-
a. Kenya Government securities	-	-	-
b. Other securities	-	-	-
6 Deposits and balances due from local banking institutions	-	-	-
7 Deposits and balances due from banking institutions abroad	71,355	649,901	601,479
8 Tax recoverable	-	58,829	58,829
9 Loans and advances to customers (net)	4,418,864	3,880,950	3,290,250
10 Balances due from banking institutions in the group	-	-	-
11 Investments in associates	-	-	-
12 Investments in subsidiary companies	-	-	-
13 Investments in joint ventures	-	-	-
14 Investment properties	-	-	-
15 Property and equipment	94,209	78,074	78,074
16 Prepaid lease rentals	1,859	22,558	17,197
17 Intangible assets	-	-	-
18 Deferred tax asset	75,269	86,234	86,234
19 Retirement benefit asset	-	-	-
20 Other assets	46,553	73,262	76,568
21 TOTAL ASSETS	9,669,573	12,508,025	11,229,012
B LIABILITIES			
22 Balances due to Central Bank of Kenya	-	-	-
23 Customer deposits	6,386,099	8,215,360	7,157,801
24 Deposits and balances due to local banking institutions	30,000	250,000	-
25 Deposits and balances due to foreign banking institutions	700,287	1,486,273	1,446,051
26 Other money market deposits	-	-	-
27 Borrowed funds	-	-	-
28 Balances due to banking institutions in the group	-	-	-
29 Tax payable	133,337	-	35,625
30 Dividends payable	-	-	-
31 Deferred tax liability	-	-	-
32 Retirement benefit liability	-	-	-
33 Other liabilities	179,122	102,776	97,500
34 TOTAL LIABILITIES	7,428,845	10,054,409	8,736,977
C SHAREHOLDERS' FUNDS			
35 Paid up /Assigned capital	1,044,226	1,044,226	1,044,226
36 Share premium/(discount)	-	-	-
37 Revaluation reserves	-	-	-
38 Retained earnings/Accumulated losses	905,164	1,094,301	1,132,720
39 Statutory loan loss reserves	291,338	315,089	315,089
40 Other Reserves	-	-	-
41 Proposed dividends	-	-	-
42 Capital grants	-	-	-
43 TOTAL SHAREHOLDERS' FUNDS	2,240,728	2,453,616	2,492,035
44 Minority Interest	-	-	-
45 TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS	9,669,573	12,508,025	11,229,012
II STATEMENT OF COMPREHENSIVE INCOME			
1.0 INTEREST INCOME			
1.1 Loans and advances	144,112	536,709	93,886
1.2 Government securities	154,605	662,141	180,845
1.3 Deposits and placements with banking institutions	183	12,260	4,202
1.4 Other Interest Income	-	-	-
1.5 Total interest income	298,900	1,211,110	278,933
2.0 INTEREST EXPENSE			
2.1 Customer deposits	96,165	446,252	118,154
2.2 Deposits and placement from banking institutions	3,706	22,562	8,268
2.3 Other interest expenses	-	-	-
2.4 Total interest expenses	99,871	468,814	126,422
3.0 NET INTEREST INCOME/(LOSS)	199,029	742,296	152,511
4.0 NON-INTEREST INCOME			
4.1 Fees and commissions on loans and advances	3,346	11,320	2,995
4.2 Other fees and commissions	5,118	19,383	4,630
4.3 Foreign exchange trading income/(Loss)	6,210	24,033	5,786
4.4 Dividend Income	-	-	-
4.5 Other income	6,488	36,920	5,715
4.6 Total Non-interest income	21,162	91,656	19,126
5.0 TOTAL OPERATING INCOME	220,191	833,952	171,637
6.0 OTHER OPERATING EXPENSES			
6.1 Loan loss provision	-	2,508	-
6.2 Staff costs	38,784	183,233	55,009
6.3 Directors' emoluments	-	-	-
6.4 Rental charges	8,547	42,507	10,098
6.5 Depreciation charge on property and equipment	5,834	25,463	6,481
6.6 Amortisation charges	-	-	-
6.7 Other operating expenses	21,250	87,271	26,006
6.8 Total Other Operating Expenses	74,415	340,982	97,594
7.0 Profit/(loss) Before Tax and Exceptional Items	145,776	492,970	74,043
8.0 Exceptional Items	-	-	-
9.0 Profit/(Loss) After Exceptional Items	145,776	492,970	74,043
10.0 Current Tax	52,500	186,805	35,625
11.0 Deferred Tax	-	-	-
12.0 Profit/(Loss) After Tax and Exceptional Items	93,276	306,165	38,418
13.0 Minority Interest	-	-	-
14.0 Profit/(loss) after tax, exceptional items and Minority Interest	93,276	306,165	38,418
15.0 Other Comprehensive Income			
15.1 Gains/(Losses) from translating the financial statements of foreign operations	-	-	-
15.2 Fair value changes in available for sale financial assets	-	-	-
15.3 Revaluation surplus on Property, plant and equipment	-	-	-
15.4 Share of other comprehensive income of associates	-	-	-
15.5 Income tax relating to components of other comprehensive income	-	-	-
16.0 Other Comprehensive income for the year net of tax	-	-	-
17.0 Total comprehensive income for the year	93,276	306,165	38,418
18.0 EARNINGS PER SHARE -BASIC & DILUTED			
19.0 DIVIDEND PER SHARE -DECLARED			
III OTHER DISCLOSURES			
1.0 NON-PERFORMING LOANS AND ADVANCES			
(a) Gross Non-performing loans and advances	769,160	815,986	815,081
(b) Less: Interest in Suspense	41,886	41,886	41,886
(c) Total Non-Performing Loans and Advances (a-b)	727,274	774,100	773,195
(d) Less: Loan Loss Provision	388,603	416,101	416,101
(e) Net Non-Performing Loans and Advances(c-d)	338,671	357,999	357,094
(f) Discounted Value of Securities	338,671	357,999	357,094
(g) Net NPLs Exposure (e-f)	-	-	-
2.0 INSIDER LOANS AND ADVANCES			
(a) Directors, Shareholders and Associates	-	-	-
(b) Employees	38,726	33,490	31,179
(c) Total Insider Loans and Advances and other facilities	38,726	33,490	31,179
3.0 OFF-BALANCE SHEET ITEMS			
(a) Letters of credit, guarantees, acceptances	518,977	764,473	835,955
(b) Forwards, swaps and options	-	-	-
(c) Other contingent liabilities	428,457	28,925	7,844
(d) Total Contingent Liabilities	947,434	793,398	843,799
4.0 CAPITAL STRENGTH			
(a) Core capital	1,902,752	2,138,528	2,157,736
(b) Minimum Statutory Capital	1,000,000	1,000,000	1,000,000
(c) Excess/(Deficiency)(a-b)	902,752	1,138,528	1,157,736
(d) Supplementary Capital	291,338	315,089	315,089
(e) Total Capital (a+d)	2,194,090	2,453,617	2,472,825
(f) Total risk weighted assets	5,591,244	5,411,510	4,988,832
(g) Core Capital/Total deposits Liabilities	29.8%	26.0%	30.1%
(h) Minimum statutory Ratio	8.0%	8.0%	8.0%
(i) Excess/(Deficiency) (g-h)	21.8%	18.0%	22.1%
(j) Core Capital / total risk weighted assets	34.0%	39.5%	43.3%
(k) Minimum Statutory Ratio	10.5%	10.5%	10.5%
(l) Excess (Deficiency) (j-k)	23.5%	29.0%	32.8%
(m) Total Capital/total risk weighted assets	39.2%	45.3%	49.6%
(n) Minimum statutory Ratio	14.5%	14.5%	14.5%
(o) Excess/(Deficiency) (m-n)	24.7%	30.8%	35.1%
14 LIQUIDITY			
14.1 (a) Liquidity Ratio	67.4%	80.0%	86.3%
14.2 (b) Minimum Statutory Ratio	20.0%	20.0%	20.0%
14.3 (c) Excess (Deficiency) (a-b)	47.4%	60.0%	66.3%

The above statement of financial position, statement of comprehensive income and disclosures are extracts from the books of the Bank. Complete set of the financial statements, statutory and qualitative disclosures can be accessed at the institutions Head Office at 15 Koinange st. Nairobi and can also be downloaded from our website www.hbl.com

Signed by: **Salman Malik-RGM Africa & Country Executive Kenya**

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