

INCOME STATEMENT FOR THE PERIOD ENDED 31 MARCH 2017	BANK	BANK	GROUP (AUDITED)	
	LKR	LKR	PKR	
In Rupees Thousand	31/3/2017	31/3/2016	31/12/2016	31/12/2015
Interest income	170,055	126,765	141,089,244	141,101,285
Interest expenses	43,443	28,621	59,137,882	62,932,509
Net interest income	126,612	98,144	81,951,362	78,168,776
Fee and commission income	8,797	6,500	18,652,985	17,193,896
Fee and commission expense	-	-	-	-
Net fee and commission income	8,797	6,500	18,652,985	17,193,896
Net gain/ (Loss) from trading	-	-	5,329,667	11,060,255
Net gain/ (Loss) from financial instruments designated at fair value through profits or loss	-	-	-	-
Net gain/(loss) from financial investments	-	-	-	-
Other Operating Income (net)	8,986	8,880	7,079,114	8,329,814
Total operating income	8,986	8,880	12,408,781	19,390,069
Impairment for loans and other losses	15,648	5,643	717,563	4,507,906
Individual impairment	15,920	2,216	209,973	4,285,776
Collective impairment	(272)	3,427	281,182	567,779
Other	-	-	226,408	(345,649)
Net operating income	128,747	107,881	112,295,565	110,244,835
Personnel expenses	59,176	50,803	25,774,279	23,617,152
Depreciation and amortisation	11,349	10,671	3,529,577	3,100,254
Other expenses	36,003	25,429	26,466,798	23,241,191
Operating profit/(loss) before value added tax (VAT)	22,219	20,978	56,524,911	60,286,238
Value added tax (VAT) on financial services	11,319	8,257	-	-
Profit/(loss) before tax	10,900	12,721	56,524,911	60,286,238
Tax expenses	-	-	22,318,657	25,184,647
Profit/(loss) for the period	10,900	12,721	34,206,254	35,101,591
Profit attributable to:				
Owners of the parent	10,900	12,721	34,070,145	35,108,659
Non-controlling interests	-	-	136,109	(7,068)
Earnings per share on profit				
Basic earnings per ordinary share	-	-	23.23	23.93
Diluted earnings per ordinary share	-	-	23.23	23.93

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2017	Bank	Bank (Audited)	Group (Audited)	
Item	2017 LKR	2016 LKR	2016 PKR	2015 PKR
Cash Flow from Operating Activities				
Profit before tax	10,900	105,830	56,524,911	60,286,238
(Gain)/Loss on disposal of Property, plant & equipment	-	(50)	(60,028)	(49,432)
(Gain)/Loss on sale of securities	-	-	-	-
Share of profit of associates & joint venture	-	-	(3,768,085)	(3,399,078)
Depreciation & Amortisation	11,349	43,726	3,529,577	3,100,254
Provision for gratuity	1,500	7,022	-	-
Impairment charge for Loans & advances	15,648	14,207	491,155	4,853,555
Increase / (Decrease) in interest receivable	(29,383)	(67,287)	-	-
Increase / (Decrease) in interest payable	16,610	32,310	-	-
Decrease in accrued expenses	(7,407)	21,417	-	-
Increase in financial liabilities	-	(3,587)	-	-
Gratuity payments made	-	(2,980)	-	-
Other non cash items	-	(3,138)	164,010	264,338
Dividend income	-	(558)	(1,286,488)	(1,542,947)
Exchange loss on sub-ordinated loan/goodwill-net	-	-	329,478	15,978
Reversal against diminution in the value of investments	-	-	248,616	(382,393)
Workers Welfare Fund	-	-	1,073,521	1,183,462
Operating Profit before changes in Operating Assets & Liabilities	19,217	146,903	57,246,667	64,329,975
(Increase)/Decrease in Operating Assets and Liabilities				
(Increase)/Decrease in Operating Assets	1,209,581	(1,614,248)	(119,867,595)	15,755,731
(Increase)/Decrease in Operating Liabilities	(1,557,442)	1,515,048	262,784,631	293,317,965
Net Cash from Operating Activities before Income Tax	(347,862)	(99,200)	142,917,036	309,073,696
Income Tax (Paid) / Refunds	(8,709)	(10,608)	(27,319,492)	(22,493,474)
Net Cash from Operating Activities	(337,354)	37,095	172,844,211	350,910,197
Cash Flow from Investing Activities				
Dividends Received	-	558	1,230,935	1,660,111
Purchase of Property & Equipment	(467)	(15,468)	(4,151,831)	(5,763,273)
Proceeds from Sale of Property Plant & Equipment	-	74	74,238	70,580
Net cash flows from purchase of financial investments	-	-	(66,575,800)	(328,668,081)
Net cash flows on business combination	-	-	(3,160,125)	236,259
Effect of translation of net investment in foreign branches, subsidiaries & associates	-	-	(2,361,119)	(502,945)
Net Cash from Investing Activities	(467)	(14,836)	(74,944,302)	(332,567,349)
Cash Flow from Financing Activities				
Funds from Head Office	-	-	-	-
Exchange adjustment on translation of non-controlling interest in subsidiary	-	-	(204,863)	(10,970)
Issuance/ (Repayment) of subordinated loan	-	-	(2,000)	10,000,000
Dividend paid	-	-	(21,016,417)	(22,772,763)
	-	-	(21,223,280)	(12,783,733)
Net Increase/(Decrease) in Cash and Cash Equivalents	(337,821)	22,259	76,676,629	5,159,115
Exchange difference in respect of cash & cash equivalent	95,443	97,073	(5,033,235)	3,706,019
Cash and Cash Equivalents at Beginning of the year	1,870,506	1,751,174	212,753,984	198,855,615
Cash and Cash Equivalents at end of the year	1,628,128	1,870,506	284,397,378	207,720,749

3) Movements in Individual and Collective Impairment during the period for Loans and Receivables to Other Customers				
	BANK (LKR)	BANK (Audited) (LKR)	GROUP (Audited) (PKR)	
In Rupees Thousand	31/03/2017	31/12/2016	31/12/2016	31/12/2015
Individual Impairment				
Opening balance	34,338	26,807	65,881,113	63,506,975
Charge/(Write back) to income statement	15,920	9,477	141,158	3,549,795
Write off during the year	-	1,946	(262,906)	(2,180,691)
Other movements			(599,578)	1,005,034
Closing balance	50,258	34,338	65,160,197	65,881,113
Collective impairment				
Opening balance	21,486	16,428	3,298,099	2,674,082
Charge/(Write back) to income statement	(272)	4,730	281,182	567,779
Other movements	81	328	44,263	56,238
Closing balance	21,295	21,486	3,623,544	3,298,099
Total impairment	71,553	55,824	68,783,741	69,179,212

4) Due to Other Customers - By Product				
	BANK (LKR)	BANK (Audited) (LKR)	GROUP (Audited) (PKR)	
In Rupees Thousand	31/03/2017	31/12/2016	31/12/2016	31/12/2015
By product- Domestic Currency				
Demand deposits (Current accounts)	260,291	295,256	514,159,572	443,349,184
Savings deposits	426,278	328,959	749,709,177	648,068,852
Fixed deposits	1,383,135	1,439,135	216,154,521	174,524,140
Call Deposits	163,400	170,181	-	-
Margin Balances	2,879	10,088	-	-
Sub total	2,236,084	2,245,809	1,483,003,280	1,265,943,176
By product- Foreign Currency				
Demand deposits (Current accounts)	276,741	291,589	183,421,485	156,164,294
Savings deposits	456,852	491,205	105,308,221	100,512,000
Fixed deposits	188,076	323,524	114,226,040	112,325,000
Call Deposits	-	-	-	-
Margin Balances	-	-	-	-
Sub total	919,769	1,106,318	402,855,746	369,001,294
Total	3,155,853	3,352,127	1,885,859,026	1,634,944,470

ANALYSIS OF FINANCIAL INSTRUMENTS AS AT 31 MARCH 2016							
d. Group (Audited) -2015							
In PKR Thousand	Held for Trading	Designated at FVTPL	Held to Maturity	Amotised cost	Available for sale	Others	Total
ASSETS							
Cash and cash equivalents	-	-	-	93,983,739	-	-	93,983,739
Balances with central banks	-	-	-	113,737,010	-	-	113,737,010
Placement with banks	-	-	-	2,813,925	-	-	2,813,925
Loans and receivables to bank	-	-	-	15,567,708	-	-	15,567,708
Loans and receivables to other customers	-	-	-	637,393,859	-	-	637,393,859
Financial investments	43,012,059	-	225,603,253	-	983,146,118	-	1,251,761,430
Total financial assets	43,012,059	-	225,603,253	863,486,241	983,146,118	-	2,115,247,671
In PKR Thousand	Heald for Trading	Designated at FVTPL	Amortised cost	Others	Total		
LIABILITIES							
Due to banks	-	-	-	-	-	-	-
Due to other customers	-	-	1,634,944,470	-	1,634,944,470	-	1,634,944,470
Other borrowings	-	-	314,319,089	-	314,319,089	-	314,319,089
Total financial liabilities	-	-	1,949,263,569	-	1,949,263,569	-	1,949,263,569

SELECTED PERFORMANCE INDICATORS (AS PER REGULATORY REPORTING) AS AT 31 MARCH 2017				
Item	31/3/2017	31/12/2016 (Audited)	31/12/2016 (Audited)	31/12/2015 (Audited)
	Bank - LKR		Group - PKR	
Regulatory Capital Adequacy				
Core Capital (Tier 1 Capital), Rs. '000	5,110,088	5,110,088	160,028,759	146,400,097
Total Capital Base, Rs. '000	5,028,957	4,759,399	188,074,159	180,079,337
Core Capital Adequacy Ratio, % of Risk Weighted Assets (Minimum Requirement, 5%)	66.51%	64.85%	12.02%	13.14%
Total Capital Adequacy Ratio, % of Risk Weighted Assets (Minimum Requirement, 10%)	67.44%	65.61%	15.53%	16.19%
Assets Quality (Quality of Loan Portfolio)				
Gross Non - Performing Advances Ratio, % (Without Interest in Suspense)	5.13%	4.58%	10.08%	12.05%
Net Non - Performing Advances Ratio, % (net of interest in suspense and provision)	3.76%	3.47%	1.37%	1.71%
Profitability				
Interest Margin, %	5.09%	4.60%	3.47%	3.83%
Return on Assets (Before Tax), %	0.44%	1.02%	1.44%	1.72%
Return on Equity, %	0.76%	1.97%	17.98%	19.94%

Regulatory Liquidity				
Statutory Liquid Assets, Rs.'000				
Domestic Banking unit		1,174,159	1,043,459	
Off-Shore Banking Unit		4,110	9,208	
Statutory Liquid Assets Ratio, % (Minimum Requirement, 20%)				
Domestic Banking unit		25.34%	30.20%	
Off-Shore Banking Unit		31.63%	86.88%	

We, the undersigned, being the Regional General Manager Sri Lanka & Maldives and the Financial Controller of Habib Bank Limited certify jointly that :-

(a) The above statements have been prepared in compliance with the format and definitions prescribed by the Central Bank of Sri Lanka

(b) The information contained in these statements have been extracted from the unaudited financial statements of the bank unless indicated as audited

(c) Bank figures are reported in SL Rs. while the Group figures are in Pak Rs. (US\$ 1 = Pak. Rs. 104.60 as at 31 Dec 2016)

(d) Habib Bank Limited - Rating by JCR-VIS - 2016 'AAA / A-1 + (TripleA/A-One Plus) with a 'Stable' Outlook.

Arif Mahmood Ali
RGM Sri Lanka / Maldives
29 May 2017

Fathima Zahara Mohamed
Manager- Financial Control
29 May 2017