

HABIB BANK ชาติสิติ เมื่อสุดิ FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST MARCH 2017

STATEMENT OF FINANCIAL POSITION IS AT 31 MARCH 2017	BANK LKR	BANK (AUDITED) LKR	GROUP (A Pk	
In Rupees Thousand	31/03/2017	31/12/2016	31/12/2016	31/12/2015
Assets			Ĭ	
Cash and cash equivalents	294,918	1,247,249	115,822,169	93,983,739
Balances with central banks	1,333,210	1,306,271	168,575,209	113,737,010
Placements with banks	545,697	209,875	1,184,128	2,813,925
Other financial assets held-for-trading			41,305,459	43,012,059
Loans and receivables to bank	2	300,123	32,863,803	15,567,708
Loans and receivables to customers	5.151.762	4,971,237	748,466,297	637,383,859
Financial Investment – Available -for-sale		,,,	1,022,980,450	983,146,118
Financial Investment – Held-to-maturity	488,838	496,843	256,433,520	225,603,253
Other Financial Assets	963,880	2,361,981		,,
Income Tax Receivable	39,458	48,167		
Investments in associates and joint ventures		10,107	23,685,342	19,062,356
Property, plant and equipment	217,330	228,212	30,763,913	28,848,763
Investment Properties	217,000	220,212	00,700,010	20,040,700
Goodwill and Intangible assets		1 1	5.323.596	2,492,746
Deferred tax assets	33,163	33,163	3,323,330	2,402,740
Other assets	159,549	106,952	59,778,445	52,781,447
Total assets	9.227.805	11,310,073	2,507,182,331	2,218,432,983
Liabilities	5,227,000	11,310,073	2,307,102,331	2,210,432,303
Due to banks	152,099	778,076		
Due to other customers	3,155,853	3.350.124	1,885,959,026	1,634,944,470
Other borrowing	3,100,003	1,354,453	332,822,846	314,319,099
Current tax liabilities		1,354,453		
			1,563,854	1,497,799
Deferred tax liabilities	•		6,090,983	5,671,128
Other provision	40.500	40,000	4 004 000	4 004 070
Employee benefit liabilities	48,560	46,938	4,334,366	4,061,372
Subordinated loan	400 55:		9,998,000	10,000,000
Other liabilities	102,504	57,767	70,144,386	65,319,064
Total liabilities	3,459,016	5,587,358	2,310,913,461	2,035,812,932
Equity	4 000 000		44.000 55-	
Stated capital/Assigned capital	4,938,390	4,938,390	14,668,525	14,668,525
Statutory reserve fund	67,860	67,860	30,654,465	27,365,776
Retained earnings	114,737	103,837	106,142,374	96,495,448
Other reserves	647,802	612,628	41,367,796	42,391,860
Total shareholders' equity	5,779,689	5,722,715	192,833,160	180,921,609
Non Controlling Interest			3,435,710	1,698,442
Total equity			196,268,870	182,620,051
Total equity and liabilities	9,227,805	11,310,073	2,507,182,331	2,218,432,983
Contingent liabilities and commitments	2,667,014	2,415,994	334,995,522	305,143,124
Memorandum Information				
Number of Employees	73	73	17,303	15,060
INCHING OF CHINIO4669	/3	/3	17,000	10,000

BANK In Rupees Thousand (LKR)	Share capital	Assigned	Reser	ves			
In Rupees Thousand (LKR)	0.000	Assigned					
D. 1	2000 C.	capital	Reserve fund	Revaluation reserve	Retained earnings	Other reserves	Total equity
Balance as at 01/01/2017 (Opening balance) Total comprehensive income for the year		4,938,390	67,860	96,623	103,837	516,006	5,722,716
Profit/(loss) for the year Other comprehensive income (net of tax)		-			10,900	35,173	10,900 35,173
Total comprehensive income for the year		4,938,390	67,860	96,623	114,737	551,179	5.768.789
Transaction with equity holders, recognised directly in equity Share issue/increase of assigned capital Share options exercised Bonus issue Right issue Transfers to reserves during the period Dividend to equity holders profit transferred to head office Profit capitalisation during the year Total transaction with equity holders							
Balance as at 31/03/2017 (Closing Balance)	•	4,938,390	67,860	96,623	114,737	551,179	5,768,789

Group (Audited)	Reserves								
In Rupees Thousand (PKR)	Share capital	Assigned capital	Reserve fund	Revaluation reserve	Retained earnings	Other reserves	Total	Non controlling interest	Total equit
Balance as at 01/01/2016 (Opening balance)	14,668,525		27,365,776	22,569,486	96,495,448	19,822,374	180,921,609	1,698,442	182,620,051
Total comprehensive income for the year			0.00						
Profit/(loss) for the year	140				34,070,145		34,070,145	136,109	34,206,254
Other comprehensive income (net of tax)					(636,687)	(2,361,719)	(2,998,406)	(204,863)	(3,203,269
Total comprehensive income for the year	14,668,525		27,365,776	22,569,486	129,928,906	17,460,655	211,993,348	1,629,688	213,623,03
Transaction with equity holders, recognised directly in equity								l	l .
Share issue/increase of assigned capital									
Share options exercised									
Bonus issue									
Right issue					(0.000.000)				
Transfers to reserves during the period			3,288,689		(3,288,689)				
Capital contribution to Statutory funds of associates					,00 F0F 000		(00 505 000)		100 505 001
Dividend to equity holders					(20,535,936)		(20,535,936)		(20,535,936
Gain on Business Combination								l	
profit transferred to head office				1 404 004			1 500 454		1 500 454
Transferred from surpuls on revaluatuation of fixed assets				1,494,361	38,093		1,532,454		1,532,454
Exchang translation realized on sale of foreign operation									4 000 000
Non-controlling interest acquired in HABIB during the period						450 700		1,806,022	1,806,022
Excess of consideration paid over net assets of acquired entity						(156,706)	(156,706)	4 000 000	(156,706
Total transaction with equity holders	44 000 505		3,288,689	1,494,361	(23,786,532)		(19,160,188)	1,806,022	(17,354,16)
Balance as at 31/12/2016 (Closing Balance)	14,668,525		30,654,465	24,063,847	106,142,374	17,303,949	192,833,160	3,435,710	196,268,87

INCOME STATEMENT FOR THE PERIOD ENDED 31 MARCH 2017	BANK LKR	BANK LKR	GROUP (A	
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 Fee and commission income Fee and commission expense	126,612	98,144	81,951,362	78,168,776
	8,797	6,500	18,652,985	17,193,896
Net fee and commission income Net gain/ (Loss) from trading Net gain/ (Loss) from financial instruments designated at fair	8,797	6,500	18,652,985	17,193,896
			5,329,667	11,060,255
value through profits or loss Net gain/(loss) from financial investments Other Operating Income (net)	8,986	8,880	7,079,114	s,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 Collective impairment Other	15,920 (272)	2,216 3,427	209,973 281,182 226,408	4,285,776 567,779 (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 Other expenses Operating profit/(loss) before value added tax (VAT)	11,349	10,671	3,529,577	3,100,254
	36,003	25,429	26,466,798	23,241,191
	22,219	20,978	56,524,911	60,286,238
Value added tax (VAT)on financial services Profit/(loss) before tax	11,319 10,900	8,257 12,721	56,524,911	60,286,238
Tax expenses Profit/(loss) for the period Profit attributable to:	10,900	12,721	22,318,657 34,206,254	25,184,647 35,101,591
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

HBL SRI LANKA STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31 MARCH 2017								
	BANK LKR	BANK LKR	GROUP (AUI PKR	DITED)				
In Rupees Thousand	31/03/2017	31/03/2016	31/12/2016	31/12/2015				
Profit/(loss) for the period Other Comprehensive income, net of tax	10,900	12,721	34,206,254	35,101,591				
Changes in revaluation surpuls Actuarial gains and losses on defined benefit plans Gains and losses (arising from translating the financial statements of foreign operation) Excahinge differences on translation of foreign currency capital & reserve Income tax on Other comprehensive Income	35,173	- 63,206	(624,497) (2,566,582)	(281,560) (513,915)				
Capital contribution to Statutory funds of associates Gain (Loss) on revaluation of Assets Deficit on revaluation of fixed assets Other comprehensive income for the period, net of taxes	35.173	63,206	(12,190) 583,551 948,903 (1,670,815)	(37,050) (383,542) 1,529,866 313,799				
Total comprehensive income for the period	46,073	75,927	32,535,439	35,415,390				
Attributable to: Owners of the parent Non-Controlling interests	46,073	75,927	32,584,467 (49,028)	35,441,670 (26,280)				

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 (Gain)/Loss on disposal of Property, plant & equipment (Gain)/Loss on sale of securities Share of profit of associates & joint venture Depreciation & Amortisation Provision for gratuity Impairment charge for Loans & advances Increase / (Decrease) in interest receivable Increase in accrued expenses	10,900 11,349 1,500 15,648 (29,383) 16,610 (7,407)	105,830 (50) - 43,726 7,022 14,207 (67,287) 32,310 21,417	56,524,911 (60,028) (3,768,085) 3,529,577 491,155	60,286,238 (49,432) (3,399,078) 3,100,254 4,853,555
Increase in financial liabilities Gratuity payments made Other non cash items Dividend income Exchange loss on sub-ordinated loan/goodwill-net Reversal against dimunution in the value of investments Workers Welfare Fund Operating Profit before changes in Operating Assets & Liabilities	19,217	(3,597) (2,980) (3,138) (558) - - - - 146,903	164,010 (1,286,488) 329,478 248,616 1,073,521 57,246,667	264,338 (1,542,947) 15,978 (382,393) 1,183,462 64,329,975
(Increase)/Decrease in Operating Assets and Liabilities (Increase)/Decrease in Operating Assets (Increase)/Decrease in Operating Liabilities Net Cash from Operating Activities before Income Tax Income Tax (Paid) / Refunds Net Cash from Operating Activities	1,209,581 (1.557,442) (347,862) (8,709) (337,354)	(1,614,248) 1,515,048 (99,200) (10,608) 37,095	(119,867,595) 262,784,631 142,917,036 (27,319,492) 172,844,211	15,755,731 293,317,965 309,073,696 (22,493,474) 350,910,197
Cash Flow from Investing Activities Dividends Received Purchase of Property & Equipment Proceeds form Sale of Property Plant & Equipment Net cash flows from purchase of financial investments Net cash flows on business combination Effect of translation of net investment in foreign branches, subsidiaries & associates Net Cash from Investing Activities	(467) (467)	558 (15,468) 74 	1,230,935 (4,151,831) 74,238 (66,575,800) (3,160,125) (2,361,719) (74,944,302)	1,660,111 (5,763,273) 70,580 (328,668,081) 236,259 (502,945) (332,967,349)
Cash Flow from Financing Activities Funds from Head Office Excahnge adjustment on translation of non-controlling interest in subsidiarry Issuance/ (Repayment) of surbordinated loan Dividend paid		:	(204,863) (2,000) (21,016,417) (21,223,280)	(10,970) 10,000,000 (22,772,763) (12,783,733)
Net Increase/(Decrease) in Cash and Cash Equivalents Exchange difference in respect of cash & cash equivalent Cash and Cash Equivalents at Beginning of the year	(337,821) 95,443 1.870.506	22,259 97,073 1,751,174	76,676,629 (5,033,235) 212.753.984	5,159,115 3,706,019 198,855,615

ADDITIONAL	DISCLOSURE

Total

1,885,959,026 332,822,846 **2,218,781,872**

	BANK (LKR)	BANK (Audited) (LKR)	GROUP (PKF	(Audited) R)	L
In Rupees Thousand	31/03/2017	31/12/2016	31/12/2016	31/12/2015	<u> </u>
Gross loans & receivables	5,223,315	5.027.062	817.250.038	706,563,071	By Prod Overdra
(Less): Individual Impairment	50,258	34.338	65,160,197	65,881,113	Term lo Lease re
Collective Impairment	21,295	21,486	3,623,544	3,298,099	Credit c Bills of Loans to
Net loans and receivables including those					Staff lo Pawnin
designated at fair value through profit or loss	5,151,762	4,971,238	748,466,297	637,383,859	Other lo Sub to
(Less): Loans and receivables designated at					By prod Overdra Term lo Bills of
fair vale through profit or loss		i :	^		Other lo Sub tot
Net loans and receivables	5,151,762	4,971,238	748,466,297	637,383,859	Total Less: S Less; A

In PKR Thousand

Due to banks Due to other customers Other borrowings Total financial liabilities

LIABILITIES

	BANK (LKR)	BANK (Audited) (LKR)	GROUP (PK	(Audited)
In Rupees Thousand	31/03/2017	31/12/2016	31/12/2016	31/12/2015
By Product- Domestic Currency Overdraft Term loans ease rentals receivable credit cards	1,387,323 1,307,495	1,176,697 1,142,342	135,343,419 265,667,544 16,571,941 4,519,239	134,760,605 203,490,601 10,478,123 3,429,154
Bills of exchange Loans to financial institusions Staff loans	300,000 72,352	99,995 56,061	9,922,184 81,386,115 7,963,685	6,156,106 54,276,535 7,912,161
Pawning Other loans Sub total	76,391 3,143,560	247,075 2,722,170	66,116,399 587,490,526	85,746,419 506,249,704
By product- Foreign Currency Overdraft [grm loans Bills of exchange Uther loans Sub total Lotal	796.318 713.724 196.075 387.403 2.093.520 5,237.080	750,499 421,377 144,163 1,002,619 2,318,657 5,049,827	43,944,712 81,518,407 75,336,638 28,959,755 229,759,512 817,250,038	40,128,555 68,224,250 60,832,319 31,128,243 200,313,367 706,563,071
Less: Satff loan fair value adjustment Less; Allowance for impairment losses	13.765 71.553 5.151.762	13,765 55,824 4,971,238	68,783,741 748,466,297	69,179,212 637,383,859

3) Movements in Individual and Collective Impairment during the period for Loans and Receivables to Other Customers								
BANK (Audited) GROUP (Audite								
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	63,506,795				
Charge/(Write back) to income statement	15,920	9,477	141,568	3,549,975				
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	77		71					
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 (PK	(Audited) R)				
In Rupees Thousand	31/03/2017	31/12/2016	31/12/2016	31/12/2015				
By product- Domestic Currency Demand deposits (Current accounts) Savings deposits Fixed deposits Call Deposits Margin Balances Sub total	260,291 426,378 1,383,135 163,400 2,879 2,236,084	295,256 328,959 1,439,322 170,181 10,088 2,243,806	514,159,572 749,709,177 219,134,531	443,349,184 648,069,852 174,524,140				
By product Foreign Currency Demand deposits (Current accounts) Savings deposits Fixed deposits Call Deposits Margin Balances Sub total	276,741 456,952 186,076 919,769 3,155,853	291,589 491,205 323,524 - 1,106,318 3,350,124	183,421,485 105,308,221 114,226,040 402,955,746 1,885,959,026	156,164,294 100,512,000 112,325,000 369,001,294 1,634,944,470				

23.93

ANALYSIS OF FINANCIAL INSTRUMENTS BY MEASUREMENT BASIS AS AT 31 MARCH 2017

a. Bank -2017							
In Rupees Thousand	Held for Trading	Designated at FVTPL	Held to Maturity	Amotised cost	Available for sale	Others	Total
ASSETS Cash and cash equivalents Balances with central banks Placement with banks Loans and receivables to bank Loans and receivables to other customers Financial investments Total financial assets			488.838 488,838	294,918 1,333,210 545,697 5,151,762 963,880 8,289,467	:		294,918 1,333,210 545,697 5,151,762 1,452,718 8,778,305
In Rupees Thousand			Heald for Trading	Designated at FVTPL	Amortised cost	Others	Total
LIABILITIES Due to banks Due to other customers Other borrowings Total financial liabilities					152,099 3,155,853 	:	152,099 3,155,853 - 3,307,952
b. Bank (Audited) -201	16						
In Runees Thousand	Held for Trading	Designated at FVTPL	Held to Maturity	Amotised cost	Available for sale	Others	Total

Total financial assets			488,838	8,289,467	1.4		8,778,305
In Rupees Thousand	н			Designated at FVTPL	Amortised cost	Others	Total
LIABILITIES Due to banks Due to other customers Other borrowings Total financial liabilities			:		152,099 3,155,853 	:	152,099 3,155,853 - 3,307,952
b. Bank (Audited) -2016							
In Rupees Thousand	Held for Trading	Designated at FVTPL	Held to Maturity	Amotised cost	Available for sale	Others	Total
ASSETS Cash and cash equivalents Balances with central banks Placement with banks Loans and receivables to bank Loans and receivables to other customers Financial investments Total financial assets			496,843 496,843	1,247,249 1,306,271 209,875 300,123 4,971,237 2,361,981 10,396,736			1,247,249 1,306,271 209,875 300,123 4,971,237 2,858,825 10,893,579
In Rupees Thousand			Heald for Trading	Designated at FVTPL	Amortised cost	Others	Total
LIABILITIES Due to banks Due to other customers Other borrowings Total financial liabilities					778,076 3,350,124 1,354,453 5,482,653		778,076 3,350,124 1,354,453 5,482,653
c. Group (Audited) -201	16						
In PKR Thousand	Held for Trading	Designated at FVTPL	Held to Maturity	Amotised cost	Available for sale	Others	Total
ASSETS Cash and cash equivalents Balances with central banks Placement with banks Loans and receivables to bank Loans and receivables to other customers Financial investments Total financial assets	41,305,459 41,305,459	:	256,433,520 256,433,520	115,822,169 168,575,209 1,184,128 32,863,803 748,466,297 1,066,911,606	1,022,980,450 1,022,980,450		115,822,169 168,575,209 1,184,128 32,863,803 748,466,297 1,320,719,429 2,387,631,035
				Docianated			

Designated at FVTPL

Amortised cost

Heald for Trading

ANALYSIS OF FINANCIAL INSTRUMENTS BY 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 Balances with central banks Placement with banks Loans and receivables to bank Loans and receivables to other customers Financial investments Total financial assets	43,012,059 43,012,059	:	225,603,253 225,603,253	93,983,739 113,737,010 2,813,925 15,567,708 637,383,859	983,146,118 983,146,118	:	93,983,739 113,737,010 2,813,925 15,567,708 637,383,859 1,251,761,430 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 Other borrowings Total financial liabilities					1,634,944,470 314,319,099 1,949,263,569	1 20 1	1,634,944,470 314,319,099 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 Total Capital Base, Rs. '000 Core Capital Adequacy Ratio, % of Risk Weighted Assets (Minimum Requirement, 5%) Total Capital Adequacy Ratio, % of Risk Weighted Assets (Minimum Requirement, 10%) Assets Quality (Quality of Loan Portfolio) Gross Non - Performing Advances Ratio, % (Without Interest in Suspense) Net Non - Performing Advances Ratio, % (net of interest in suspense and provision) Profitability Interest Margin, % Return on Assets (Before Tax). % Return on Equity, %	5,110,088 5,028,957 66,51% 67.44% 5.13% 3.76% 5.09% 0.44% 0.76%	5,110,088 4,759,399 64.65% 65.61% 4.58% 3.47% 4.60% 1.02% 1.97%	160,028,759 188,074,159 12.02% 15.53% 10.08% 1.37% 3.47% 1.44% 17.98%	146,400,097 180,079,337 13,14% 16,98% 12,05% 1,71% 3,83% 1,72% 19,94%	
Regulatory Liquidity Statutory Liquid Assets, Rs. '000 Domestic Banking unit Off-Shore Banking Unit Statutory Liquid Assets Ratio,* (Minimum Requirement, 20%) Domestic Banking unit Off-Shore Banking Unit	1,174,159 4,110 25.34% 31.63%	1,043,459 9,208 30.20% 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

Fathima Zahara Mohamed Manager -Financial Control 29 May 2017

Arif Mahmood Ali RGM Sri Lanka / Maldives 29 May 2017