FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2018

TATEMENT OF FINANCIAL POSITION S AT 31 DECEMBER 2018	BANK (AU	JDITED) KR	GROUP (AUDITED) PKR		
In Rupees Thousand	31/12/2018	31/12/2017	31/12/2018	31/12/2017	
Assets					
Cash and cash equivalents	2,223,464	674,754	165,119,955	130,203,020	
Balances with central banks	70,797	2,009,105	156,982,755	156,644,279	
Placements with banks	1,126,898	651,420	51,277,336	33,900,345	
inancial assets recognised through profit or loss measured at fair value			6,354,870	68,670,659	
inancial assets at amortised cost - Investments	1,047,577	885,798	216,338,120	279,177,826	
inancial assets at amortised cost - Loans & Advances	3,515,348	3,878,365	1,080,440,220	851,502,420	
inancial assets measured at fair value through other comprehensive income	580	580	1,137,840,497	999,610,139	
ncome Tax Receivable	80,794	65,204			
nvestments in associates and joint ventures			29,518,977	27,357,818	
Property, plant and equipment	280,718	319,121	64,915,168	57,098,390	
nvestment Properties			-	-	
Goodwill and Intangible assets			7,033,470	5,694,453	
Deferred tax assets	69,273	24,276	570,717		
Other assets	53,930	59,890	109,461,065	86,358,715	
Total assets	8,469,379	8,568,513	3,025,853,150	2,696,218,064	
Liabilities					
Due to banks	46,649	63,545	-		
Due to other customers	2,139,983	2,479,216	2,137,293,065	1,998,935,057	
Borrowing		30,022	523,319,055	397,802,667	
Current tax liabilities			3,963,884	1,758,747	
Deferred tax liabilities				971,368	
Other provision					
mployee benefit liabilities	49,898	45,228	6,016,581	5,706,547	
Subordinated loan			9,990,000	9,994,000	
Other liabilities	63,653	44,057	146,018,354	92,299,057	
Total liabilities	2,300,184	2,662,068	2,826,600,939	2,507,467,443	
quity					
Stated capital/Assigned capital	4,938,390	4,938,390	14,668,525	14,668,525	
Statutory reserve fund	68,122	68,122	32,965,428	31,537,231	
Retained earnings	652,570	109,931	101,606,320	96,909,270	
Other reserves	510,113	790,002	46,001,458	42,149,641	
Total shareholders' equity	6,169,195	5,906,445	195,241,731	185,264,667	
Non Controlling Interest			4,010,480	3,485,954	
Total equity	6,169,195	5,906,445	199,252,211	188,750,621	
Total equity and liabilities	8,469,379	8,568,513	3,025,853,150	2,696,218,064	
Contingent liabilities and commitments	937,251	1,915,092	715,787,631	560,986,894	
Memorandum Information					
Number of Employees	60	69	20,093	18,129	
Number of Branches	6	7	1,743	1,751	

STATEMENT OF CHANGES IN EQUITY F	OR THE	PERIO	D END	DED 31	DECE	MBER 2	2018
			Reser	ves			
BANK (Audited)	Share capital	Assigned capital	Reserve fund	Revaluation reserve	Retained earnings	Other reserves	Total equity
Balance as at 01/01/2018 (Opening balance)		4,938,390	68,122	222,649	109,931	567,352	5,906,444
Impact of adoptation of IFRS 09 Balance as at 01/01/2018	-	4,938,390	68,122	222,649	(28,234) 81,697	567,352	(28,234) 5,878,210
Total comprehensive income for the year Profit/(loss) for the year			-		(151,800)		(151,800)
Other comprehensive income (net of tax)		-	-	(17,737)	722,673	(262,150)	442,785
Total comprehensive income for the year		4,938,390	68,122	204,912	652,570	305,202	6,169,196
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 31/12/2018 (Closing Balance)	· ·	4,938,390	68,122	204,912	652,570	305,202	6,169,196

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31ST DECEMBER 2018									
STATEMENT OF CHANGES	IN EUU	Reserves				DECEMBEN 2010			
GROUP (Audited)	Share capital	Assigned capital	Reserve fund	Revaluation reserve	Retained earnings	Other reserves	Total	Non controlling interest	Total equit
Balance as at 31/12/2017 (Opening balance) - Restated	14,668,525	-	31,537,231	21,420,450	96,974,143	20,729,191	185,329,540	3,485,954	188,815,4
Impact of adoptation of IFRS 09 - net of tax	14,668,525				(64,873)		(64,873)		(64,87
Balance as at 31/12/2017 (Opening balance) - Restated		-	31,537,231	21,420,450	96,909,270	20,729,191	185,264,667	3,485,954	188,750,6
Total comprehensive income for the year									
Profit/(loss) for the year	-	-	-	-	12,055,571		12,055,571	385,372	12,440,9
Other comprehensive income (net of tax)	-	-	-	(6,825,380)	(156,273)	10,740,626	3,758,973	139,756	3,898,7
Total comprehensive income for the year	14,668,525		31,537,231	14,595,070	108,808,568	31,469,817	201,079,211	4,011,082	205,090,2
Transaction with equity holders, recognised directly in equity									
Share issue/increase of assigned capital		-	-			-	-	-	
Share options exercised		-	-	-	l .		-		
Bonus issue	-	-	-	-			-	-	
Right issue	-	-	-	-				-	
Transfers to reserves during the period	-	-	1,428,197	-	(1,428,197)			-	
Capital contribution to Statutory funds of associates					29,326		29,326	-	29,3
Dividend to equity holders		-	-	-	(5,867,408)	-	(5,867,408)	-	(5,867,4
Gain on Business Combination						-			
profit transferred to head office		-	-	-		-		-	
Transferred from surpuls on revaluatuation of fixed assets		-	-	(63,429)	64,031		602	(602)	
Exchang translation realized on sale of foreign operation		-	-	-	I -				
Exchang translation realized on sale of Bank branches						-			
Non-controlling interest acquired in HABIB during the period		-	-		<u> </u>				
Total transaction with equity holders		-	1,428,197	(63,429)	(7,202,248)	-	(5,837,480)	(602)	(5,838,0
Balance as at 31/12/2018 (Closing Balance)	14,668,525	-	32,965,428	14,531,641	101,606,320	31,469,817	195,241,731	4,010,480	199,252,2

Balance as at 31/12/2018 (Closing Balan	nce)		14,668,525		32,965,428 14,531,641 101,606
			A	DDITIO	NAL DISCLOSURE
Analysis of Loan & a				ts,	ANALYSIS OF
contingencie		(Audited)		(Audited)	MEASUREME
In Dunasa Thousand		KR)	(1	PKR) 12/31/2017	
In Rupees Thousand Product-wise gross loans & advances	12/31/2018	12/31/2017	12/31/2018	12/31/2017	a. Bank - 2018
By Product- Domestic Currency Overdraft	541,720	1,196,261	235,087,568	179,628,303	In Rupees Thousand
Term loans	1,561,171	1,018,971	414,288,634	328,608,068	ASSETS
Lease rentals receivable Credit cards			18,911,379 7,267,612	17,127,661 5,765,646	Cash and cash equivalents Balances with central banks
Pawning	F4 000	54.050			Placement with banks
Staff Loan Other Loan	51,209 413,850	51,353 498,302	12,065,423 247,950,942	9,318,284 189,794,790	Loans and Advances Debt Instruments
Sub total	2,567,950	2,764,887	935,571,558	730,242,752	Equity Instruments
By Product- Domestic Currency	00 500	05.000	F0 000 F40	F0 000 F70	Total financial assets
Overdraft Term loans	92,502 1,042,120	85,088 1,091,383	53,900,540 75,020,332	53,238,579 68,838,895	In Rupees Thousand
Lease rentals receivable Credit cards					LIABILITIES
Pawning					Due to banks
Bills of exchange Other Loans	26,695	41,531 18,309	60,281,924 27,659,462	44,289,815 24,397,899	Due to other customers Other borrowings
Sub total	1,161,317	1,236,311	216,862,258 1,152,433,816	190,765,187	Total financial liabilities
Total Product - wise commitments & contingencies	3,729,267	4,001,197	1,102,433,810	921,007,939	
By product - Domestic Currency	E0 00E	150.050	71 707 577	00 004 507	b. Bank - 2017
Guarantees Bonds	50,035 ·	158,353	71,787,577		In Rupees Thousand
Undrawn Credit Lines Acceptances	497,470	440,848	2,137,726	6,478,622	ASSETS
Letter of Credit			5,798,845	7,093,160	Cash and cash equivalents
Forwards exchange contracts and derivatives Commitments for acquisition of fixed and intangible assets			58,074,293 1,284,120	33,900,364 5,026,435	Balances with central banks Placement with banks
Sub total	547,504	599,201	139,082,561		Loans and Advances
By product - Foreign Currency					Debt Instruments
Guarantees Bonds	389,747	597,303	87,910,419	104,564,800	Equity Instruments Total financial assets
Undrawn Credit Lines		657,969	2,163,123		
Acceptances Letter of Credit	:	47,435 13,184	93.807.039	112,980,355	In Rupees Thousand
Forwards exchange contracts and derivatives		.,	392,203,501	230,342,780	LIABILITIES Due to banks
Opearating lease Commitments for acquisition of fixed and intangible assets			602,569 18,419		Due to banks Due to other customers
Sub total Total	389,747 937,251	1,315,891	576,705,070 715,787,631		Other borrowings
Stage-wise impairment on Loans & Advances,	007,201	1,010,002	710,707,001	300,000,004	Total financial liabilities
commitments & Contingencies Gross loans and advances, commitments and					c. Group -2018
contingencies					
Less : Accumulated impairment under stage 1 Accumulated impairment under stage 2	1,146 60,002		3,528,347	3,088,343	In Rupees Thousand
Accumulated impairment under stage 3 Collective Impairment	165,992	17,316	68,465,249 68,465,249	66,417,176 66,417,176	ASSETS
Individual Impairment		105,516		3,088,343	Cash and cash equivalents Balances with central banks
Net value of loans and advances, commitments and contingencies	227,141	122,832	143,987,192	139,011,038	Placement with banks
-		,	,		Loans and Advances Debt Instruments
Under Stage 1 Opening Balance					Equity Instruments
Charge/ (write back) to income statement Write-off during the year	(2,493)				Total financial assets
Other movements	3,640				In Rupees Thousand
Closing Balance	1,146				LIABILITIES
Under Stage 2 / Collective Impairment	17,316	21,486	3,088,343	3,623,544	Due to banks
Opening Balance Charge/ (write back) to income statement	6,146	(4,305)	22,457	(632,842)	Due to other customers
Write-off during the year Other movements	36,541	135	417,547	97,641	Other borrowings Total financial liabilities
Closing Balance	60,003	17,316	3,528,347	3,088,343	
Under Stage 3 / Individual Imapirment					d. Group -2017
Opening Balance Charge/ (write back) to income statement	105,516 69,838	34,338 76,454		65,160,197 583,288	In Rupees Thousand
Write-off during the year	(10,909)		(4,750,271)	(352,587)	
Other movements Closing Balance as at	1,547 165,992	(5,276) 105.516	4,859,444 68,465,249	1,026,278 66,417,176	ASSETS Cash and cash equivalents
Total Impairment	227,142				Balances with central banks
Analysis	of Dep	osit			Placement with banks Loans and Advances
	BANK	(Audited) LKR)		(Audited)	Debt Instruments
In Rupees Thousand		12/31/2017		PKR) 12/31/2017	Equity Instruments Total financial assets
By product- Domestic Currency					
Demand deposits (Current accounts) Savings deposits	233,375 331,250	265,559 361,368	671,407,459 848,641,256		In Rupees Thousand
Fixed deposits	1,140,233	1,314,089	261,216,780		LIABILITIES
Call Deposits Margin Balances	408 3,492	80,422 7,628	:		Due to banks Due to other customers
Sub total By product- Foreign Currency	1,708,757	2,029,067	1,781,265,495	1,682,767,552	Other borrowings
, ,					Total financial Unbilleting

92,344 295,987 61,819

431,227 450,149 356,027,570 316,167,50 2,139,983 2,479,216 2,137,293,065 1,998,935,05

141,134,537 137,018,669 94,776,404 89,128,046 120,116,629 90,020,790

	ANALYSIS OF FINANCIAL INSTRUMENTS ON
	MEASUREMENT BASIS AS AT 31.12.2018
a.	Bank - 2018

AC

2,223,464

FVPL

FVOCI

Total

2,223,464

63,545 2,479,216

2,542,761

Balances with central banks Placement with banks Loans and Advances Debt Instruments	70,797 1,126,898 3,515,348 1,046,997	· · ·	580	70,797 1,126,898 3,515,348 1,046,997 580
Equity Instruments Total financial assets	7,983,504		580	7,984,084
In Rupees Thousand	AC	FVPL	FVOCI	Total
LIABILITIES Due to banks Due to other customers Other borrowings	46,649 2,139,983			46,649 2,139,983
Total financial liabilities	2,186,633			2,186,633
Total financial liabilities	2,186,633			2,186,633
	2,186,633 AC	FVPL	FVOCI	2,186,633 Total
Total financial liabilities b. Bank - 2017	AC 674,754 2,009,105	FVPL	FVOCI	Total 674,754 2,009,105
b. Bank - 2017 In Rupees Thousand ASSETS Cash and cash equivalents Balances with central banks	AC 674,754	FVPL	FVOCI	Total 674,754

63,545 2,479,216

c. Group -2018				
In Rupees Thousand	AC	FVPL	FVOCI	Total
ASSETS Cash and cash equivalents Balances with central banks Placement with banks Loans and Advances Debt Instruments Equity Instruments Total financial assets	165,119,955 156,982,755 51,277,336 1,080,440,220 216,338,120	6,354,870	1,123,991,510 13,848,987 1,137,840,497	
In Rupees Thousand	AC	FVPL	FVOCI	Total
LIABILITIES Due to banks Due to other customers Other borrowings Total financial liabilities	2,137,293,065 523,319,055 2,660,612,120			2,137,293,065 523,319,055 2,660,612,120

In Rupees Thousand	AC	FVPL	FVOCI	Total
ASSETS				
Cash and cash equivalents	130,203,020			130,203,020
Balances with central banks	156,644,279			156,644,279
Placement with banks	33,900,345		-	33,900,345
Loans and Advances	851,502,420		-	851,502,420
Debt Instruments	279,177,826	68,415,066	980,226,919	1,327,819,811
Equity Instruments		255,593	19,383,220	19,638,813
Total financial assets	1,451,427,890	68,670,659	999,610,139	2,519,708,688
In Rupees Thousand	AC	FVPL	FVOCI	Total
LIABILITIES				
Due to banks				
Due to other customers	1,998,935,057			1,998,935,057
Other borrowings	397,802,667			397,802,667
	2,396,737,724			2,396,737,724

AC - Financial Assets/ liabilities measured at amortised cost FVPL - Financial Assets/ liabilities measured at fair value through Profit or loss FVOCI - Financial Assets measured at fair value through other comprehensive income

INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2018	BANK (AUDITED) LKR) GROUP (AUDITEI		
In Rupees Thousand	31/12/2018	31/12/2017	31/12/2018	31/12/2017	
Interest income	467,517	659,917	165,282,752	148,010,269	
Interest expenses	168,227	208,616	83,605,886	66,177,013	
Net interest income	296,289	451,300	81,676,866	81,833,256	
Fee and commission income	2,940	23,342	18,024,117	19,519,052	
Fee and commission expense					
Net fee and commission income	2,940	23,342	18,024,117	19,519,052	
Net gain/ (Loss) from trading			1,029,880	7,764,681	
Net fair value gain/ (Loss) from financial instruments				-	
Net gain/(loss) on derecognition of financial assets		-			
Other Operating Income (net)	(39,086)	56,574	840,048	6,831,915	
Total operating income	(39,086)	56,574	1,869,928	14,596,596	
Impairment for loans and other losses	73,491	72,148	5,008,578	373,557	
Net operating income	189,652	459,068	96,562,333	115,575,347	
Personnel expenses	229,852	237,663	29,238,784	29,109,331	
Depreciation and amortisation	38,930	45,631	1,324,753	1,703,703	
Other expenses	111,693	116,988	44,413,967	55,275,463	
Operating profit/(loss) before value added tax (VAT)	(190,823)	58,786	21,584,829	29,486,850	
Value added tax (VAT) on financial services	8,641	37,021			
Nation Building tax (NBT) on financial services	1,348	5,289		-	
Profit/(loss) before tax	(200,813)	16,477	21,584,829	29,486,850	
Tax expenses	(49,013)	11,241	9,143,886	20,638,576	
Profit/(loss) for the period	(151,800)	5,236	12,440,943	8,848,274	
Profit attributable to:					
Owners of the parent	(151,800)	5,236	12,055,571	8,495,211	
Non-controlling interests		-	385,372	353,063	
Earnings per share on profit					
Basic earnings per ordinary share		-	8.22	5.79	
Diluted earnings per ordinary share		-	8.22	5.79	

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2018						
1.0	BANK (AUDI LKR	TED)	GROUP (AU Pkr			
In Rupees Thousand	12/31/2018	31/12/2017	31/12/2018	31/12/2017		
Profit/(loss) for the period Other Comprehensive income, net of tax	(151,800)	5,236	12,440,943	8,848,274		
Changes in revaluation surpuls Actuarial gains and losses on defined benefit plans Gains and losses (arising from translating the financial statements of foreign operation) Excahnge differences & realization of on translation of foreign currency capital & reserve	(7,170) (262,150)	1,557 - 51.347	(157,066) 10,927,231	(1,017,131) 3,925,685		
Income tax on Other comprehensive Income Share of surplus on revaluation of investments/operating fixed assets of associates Gain/ (Loss) on revaluation of Assets Deficit on revaluation of fixed assets Other comprehensive income for the period, net of taxes	(15,730) (15,730)	(3,489) 121,600 1 71,014	163,896 (7,175,753) 140,421 3,898,729	(878,697) (11,643,260) 9,121,158 (492,245)		
Total comprehensive income for the period	(436,850)	176,250	16,339,672	8,356,029		
Attributable to: Owners of the parent Non-Controlling interests	(436,850)	176,250	15,814,544 525,128	7,876,250 479,779		

Non-controlling interests			525,125	4/5,//5
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2018	Bank (A			Audited)
ltem	2018 LKR	2017 LKR	2018 PKR	2017 PKR
Cash Flow from Operating Activities Profit before tax (Gain)/Loss on disposal of Property, plant & equipment (Gain)/Loss on sale of securities	(200,813) (2,344)	16,477 (5)	21,584,829 (55,195)	53,203,965 (33,107)
Share of profit of associates & joint venture Depreciation & Amortisation Provision for gratuity	38,930 7,878	45,631 _8,436	(2,722,983) 3,549,808	(2,051,887) 4,008,753
Impairment charge for Loans & advances (Increase)/Decrease in Interest Receivable Increase) (Decrease) in interest payable Increase)(Decrease) in accrued expenses	67,055 36,775 (16,455) 13,439	72,148 60,468 (17,933) (5,212)	1,961,357 - - -	463,899 - - -
Impairment charge for Unfunded facilities and Investments Gratuity payments made Other non cash items	6,436 (10,377)	(8,590)	3,599,570	601,848 - (659,573)
Dividend income Exchange loss on sub-ordinated loan/goodwill-net Reversal against dimunution in the value of investments Workers Welfare Fund	(1,802) - -	(1,564) - -	(985,867) (343,173) (10,789) (2,898,437)	(1,219,610) (253,239) 73,353 1,039,582
Operating Profit before changes in Operating Assets & Liabilities	(61,277)	169,858	23,679,120	55,173,984
(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	228,579 (375,814) (147,235)	2,165,073 (2,217,422) (52,349)	(190,906,872) 319,075,254 128,168,382	(138,862,550) 187,367,091 48,504,541
Income Tax (Paid) / Refunds Net Cash from Operating Activities	(208,512)	117,509	(22,215,778) 129,631,724	(27,250,907) 76,427,618
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	1,802 (1,183) 3,000	1,564 (7,460) 5	1,021,434 (12,265,289) 81,042 (88,610,750)	1,259,924 (19,722,107) 83,110 (20,200,958)
Effect of translation of net investment in foreign branches, subsidiaries & associates Net Cash from Investing Activities	3,618	(5,891)	10,740,626 (89,032,937)	3,781,696 (34,798,335)
Cash Flow from Financing Activities Acquisition of additional interest in a subsidiary from a minority shareholder Excahinge adjustment on translation of non-controlling interest in subsidiarry Issuance (Repayment) of surbordinated loan Dividend paid	- - - -	:	186,605 (4,000) (5,525,981) (5,343,376)	(441,933) 143,989 (4,000) (15,160,303) (15,462,247)
Cash outflow for settlement payment to New York State Department of Financial Services	-		(3,343,375)	(23,717,115)
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 Cash and Cash Equivalents at end of the period	(204,894) 465,685 2,033,470 2,294,261	111,618 51,347 1,870,506 2,033,470	35,255,411 23,101,051 263,746,248 322,102,710	2,449,921 11,341,165 273,056,213 286,847,299

SELECTED PERFORMANCE INDICATORS (AS PER REGULATORY REPORTING)	AS AT 31 DEC	EMBER 2018	
	Bank - LKR		
Item	31/12/2018 (Audited)	31/12/2017 (Audited)	
Regulatory Capital Adequacy Common Equity Tier 1 Rs. '000 Core Capital (Tier 1 Capital), Rs. '000 Total Capital Base, Rs. '000 Regulatory Capital Ratios	5,659,082 5,578,402 5,641,496	5,116,182 4,479,707 4,545,334	
Common Equity Tier 1 Capital (%) , (Minimum Requirement - 6.375%) Tier 1 Capital Ratio (%) , (Minimum Requirement - 7.875%) Total Capital Ratio (%) , (Minimum Requirement - 11.875%) Leverage Ratio , (Minimum Requirement - 3%) Regulatory Liquidity	85.96% 85.96% 86.93% 58%	23.74% 23.74% 24.09% 56%	
Statutory Liquid Assets, Rs.'000 Domestic Banking unit Off-Shore Banking Unit · USD Statutory Liquid Assets Ratio (%) , (Minimum Requirement · 20%)	2,350,490 1,381	2,514,205 1,286	
Domestic Banking unit Off-Shore Banking Unit Total Stock of High Quality Liquidity Assets , Rs.'000 Liquidity Covereage Ratio (%) , (Minimum Requirement - 90%)	113% 1170% 2,309,997	52% 24% 544,439	
Liquidity Covereage Natio (%) , (winimum Requirement - 90%) Rupee (%) All Currency (%) Net Stable Funding Ratio (%) - (Minimum Requirement - 90%) Assets Quality (Quality of Loan Portfolio)	4945% 3646% 150%	938% 589% N/A	
Assets duality (duality of coal Portfull) of Gross Non - Performing Advances Ratio (%) (net of interest in suspense) Non - Performing Advances (%) (net of interest in suspense and provision) Profitability	23.69% 25.13%	8.00% 8.25%	
Interest Margin (%) Return on Assets (before Tax) (%) Return on Equity (%)	3.55% -1.82% -1.91%	4.44% 0.05% 0.09%	

We, the undersigned, being the Regional General Manager Sri Lanka & Maldives and the Head of Finance 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 audited financial statements of the bank unless indicated as unaudited (c) Bank figures are reported in SL Rs. while the Group figures are in Pak Rs. (US\$ 1 – Pak. Rs. 138.8619 as at 31 Dec 2018) (d) Habib Bank Limited - Rating by JCR-VIS -2018 'AAA / A-1+ '(TripleAIA-One Plus) with a 'Stable' Outlook.

Wajid Ali Shah RGM Sri Lanka / Maldives Fathima Zahara Mohamed **Head of Finance** 28 March 2019 28 March 2019

Statement of Compliance-with Listed Comp nies (Code of Corporate Governance) Regulations, 2017

		Statement of G	mpnance-with Listen Com	ipaines (co
(Code of Corpora	te Gov	reinafter referred to as the Bank) has ernance) Regulations, 2017 ("the Regu Directors is 8 as shown in the following	complied with the requirements of the Listed Co lations") in the following manner: table:	ompanies d) Boa
		Categories	Number of Directors	
	a.	Male Director*	7	
	b.	Female Director	1	
3		at & CEO, who is an Executive Director the Board of Directors is as follows:		e) Boa
		Categories	Names of Directors	
		Independent Directors	Mr Salim Raza Dr. Najeeb Samie Mr. Agha Sher Shah	f) Boar
		Non-Executive Directors	Mr. Sultan Ali Allana Mr. Shaffiq Dharamshi Mr. Moez Ahamed Jamal Ms. Sadia Khan	g) Boa
		Executive Director	Mr Muhammad Aurangzeb	
				h) Pag

Executive Director The Directors have confirmed that none of them is serving as a Director of more than five (5) listed companies (excluding the listed subsidiaries of listed holding companies where applicable), including the Bank.

- 4. The Bank has prepared a 'Code of Conduct' and has ensured that appropriate steps have been taken to disseminate it throughout the Bank along with its supporting policies and procedures.
- 5. The Board has approved a Vision / Mission statement, overall corporate strategy and significant policies of the Bank. The Bank maintains a complete record / log of all policies along with the dates on which these were approved or amended including the dates when these are required to be updated All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by Board / shareholders as empowered by the relevant provisions of the Companies Act 2017 and the Regulations.
- 7. The meetings of the Board were presided over by the Chairman of the Board. The Board has complied with the requirements of Companies Act 2017 and the Regulations with respect to frequency, recording and circulating minutes of meetings of the Board
- 8. The Board of Directors have a formal policy and transparent procedures for remuneration of Directors in accordance with the Companies Act 2017 and the Regulations. A majority of the Directors have attended SECP approved Directors' Training Programs and are certified as Directors in accordance with the Code.
- 10. The Board has approved appointment of the President & CEO, the Chief Financial Officer, the Company Secretary and the Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with the relevant requirements of the Regulations.
- 11. The Chief Financial Officer and the Chief Executive Officer have duly endorsed the financial statements before the approval of the Board.

12. The Board has formulated the following committees comprising of the members listed against each committee as of December 31, 2018:

Composition
1. Dr. Najeeb Sarnie, Chairman
2. Mr. Moez Ahamed Jamal, Member 3. Ms. Sadia Khan, Member Mr. Moez Ahamed Jamal, Member
 Ms. Sadia Khan, Member
 Mr. Sagheer Mufti. Non-voting member b) Board Compliance and Conduct Committee (BCNC)

c) Board Development Finance Committee (BDFC) 1. Mr. Salim Raza, Chairman Mr. Sultan Ali Allana. Member
 Mr. Muhammad Aurangzeb, Member

oard Human Resource & Remuneration Committee (BHR&RC)

1. Mr. Agha Sher Shah, Chairman Mr. Sultan Ali Allana. Member
 Mr. Shaffiq Dharamshi, Member
 Ms. Sadia Khan, Member Mr. Agha Sher Shah, Member
 Mr. Muhammad Aurangzeb, Member Mr. Sultan Ali Allana, Chairman
 Dr. Najeeb Sarnie, Member
 Mr. Muhammad Aurangzeb, Member ard Oversight Committee — International Governance (BOC-IG)

1. Mr. Shaffig Dharamshi, Chairman g) Board Oversight Committee - New York (BOC-NY) 2. Dr. Najeeb Sarnie, Member 1. Mr. Salim Raza, Chairman 2. Mr. Shaffiq Dharamshi, Member 3. Mr. Muhammad Aurangzeb, Member h) Board Risk Management Committee (BRMC)

13. The Terms of Reference of the aforesaid committees have been formed, documented and advised to the committee for compliance. $14. \ \ The number of meetings of the committees held during the year were as per the following table:$ Name of Committee Name of Committee

Board Audit Committee (BAC)

b) Board Compliance and Conduct Committee (BCNC)

c) Board Development Finance Committee (BDFC)

d) Board Human Resource and Renuneration Committee (BHR&RC)

e) Board IT Committee (BITC)

f) Board Oversight Committee — International Governance (BOC-IG)*

g) Board Oversight Committee — New York (BOE-NY)

h) Board Risk Management Committee (BRMC)

 * The Committee was formed and its Terms of Reference were approved by the board in December 2018. Therefore, no meetings of this committee were held in 2018. 15. The Board has set up an effective internal Audit function. The internal Auditors are conversant with the policies and procedures of the Bank and considered suitably qualified and experienced for the purpose.

16. The Statutory Auditors of the Bank have confirmed that they have been given a satisfactory rating under the quality control review program of the Institute of Chartered Accountants of Pakistan (ICAP) and are registered with the Audit Oversight Board of Pakistan, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the Bank and that the timm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of thics as adopted by the ICAP.

17. The Statutory Auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Companies Act 2017, the regulations or any other regulatory requirement and the auditors have contirmed that they have observed ITA Guidelines in this regard. $18. \ We confirm that all other material requirements of the Regulations have been complied with.$

Dr. Najeeb Samie Director

Date: February 20, 2019