

## FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2019

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2019	BANK LKR	BANK (AUDITED) LKR	GROUP (A Pk	100
In Rupees Thousand	3/31/2019	12/31/2018	12/31/2018	12/31/2017
Assets				
Cash and cash equivalents	745,752	2,223,464	165,119,955	130,203,020
Balances with central banks	51,079	70,797	156,982,755	156,644,279
Placements with banks	1,148,004	1,126,898	51,277,336	33,900,345
Financial assets recognised through profit or loss measured at fair value			6,354,870	68,670,659
Financial assets at amortised cost - Investments	2,285,524	1,047,577	216,338,120	279,177,826
Financial assets at amortised cost - Loans & Advances	3,722,586	3,515,348	1,080,440,220	851 <b>,5</b> 02,420
Financial assets measured at fair value through other comprehensive income	580	580	1,137,840,497	999,610,139
Income Tax Receivable	83,880	80,794	0.0000000000000000000000000000000000000	
Investments in associates and joint ventures	10,000,000	0.000	29,518,977	27,357,818
Property, plant and equipment	272,825	280,718	64,915,168	57,098,390
Investment Properties	**			
Goodwill and Intangible assets			7,033,470	5,694,453
Deferred tax assets	69,273	69,273	570,717	
Other assets	103,159	53,930	109,4 <b>61</b> ,06 <b>5</b>	86,358,715
Total assets	8,482,663	8,469,379	3,025,853,150	2,696,218,064
Liabilities				
Due to banks	44,763	46,649	÷	
Due to other customers	2,157,380	2,139,983	2,137,293,065	1,998,935,057
Borrowing			523,319,055	397,802,667
Current tax liabilities			3,963,884	1,758,747
Deferred tax liabilities				971,368
Other provision				
Employee benefit liabilities	51,944	49,898	6,016,581	5,706,547
Subordinated loan			9,990,000	9,994,000
Other liabilities	69,550	63,653	146,018,354	92,299,057
Total liabilities	2,323,637	2,300,184	2,826,600,939	2,507,467,443
Equity				
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	689,045	652,570	101,606,320	96,909,270
Other reserves	463,468	510,113	46,001,458	42,149,641
Total shareholders' equity	6,159,025	6,169,195	195,241,731	185,264,667
Non Controlling Interest			4,010,480	3,485,954
Total equity	6,159,025	6,169,195	199,252,211	188,750,621
Total equity and liabilities	8,482,663	8,469,379	3,025,853,150	2,696,218,064
Contingent liabilities and commitments	743,813	937,251	715,787,631	560,986,894
Memorandum Information				
Number of Employees	58	69	20,093	18,129
Number of Branches	6	7	1,743	1,751

STATEMENT OF CHANGES IN EQUITY	FOR TH	IE PER	IOD EN	NDED 3	1 MAI	RCH 20	19	
		Reserves						
BANK	Share capital	Assigned capital	Reserve fund	Revaluation reserve	Retained earnings	Other reserves	Total equity	
Balance as at 01/01/2019 (Opening balance)		4,938,390	68,122	204,912	652,570	305,202	6,169,196	
Total comprehensive income for the year Profit/(loss) for the year Other comprehensive income (net of tax)	:	:		:	36,475	(46,645)	36,475 (46,645)	
Total comprehensive income for the year	-		-		36,475	(46,645)	(10,170)	
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 31/03/2019 (Closing Balance)		4,938,390	68,122	204,912	689,045	258,557	6,159,025	

STATEMENT OF CHANGES I	IN EQU	ITY FOR	THE	PERIO	D ENDE	D 31S	T DEC	<b>EMBER</b>	2018
			Res	erves					
GROUP (Audited)	Share capital	Assigned capital	Reserve fund	Revaluation reserve	Retained earnings	Other reserves	Total	Non controlling interest	Total equity
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	188,815,494
Impact of adoptation of IFRS 09 - net of tax	14,668,525				(64,873)		(64,873)		(64,873)
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	188,750,621
Total comprehensive income for the year								-	
Profit/(loss) for the year		×			12,055,571		12,055,571		12,440,943
Other comprehensive income (net of tax)				(6,825,380)	(156,273)	10,740,626	3,758,973	139,756	3,898,729
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	205,090,293
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			1,428,197		(1,428,197)				
Capital contribution to Statutory funds of associates					29,326		29,326	-	29,326
Dividend to equity holders					(5,867,408)		(5,867,408)	1-	(5,867,408)
Gain on Business Combination					l				
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	-		-	-	· ·	-		-	
Exchang translation realized on sale of Bank branches				l	I	-	9	I	
Non-controlling interest acquired in HABIB during the period									
Total transaction with equity holders			1,428,197	(63,429)	(7,202,248)		(5,837,480)	(602)	(5,838,082)
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	199,252,211

INCOME STATEMENT	BAN	IK	GROUP (A	UDITED)
FOR THE PERIOD ENDED 31 MARCH 2019	LK	R	PK	R
In Rupees Thousand	3/31/2019	3/31/2018	12/31/2018	12/31/2017
Interest income	175,924	104,259	165,282,752	148,010,269
Interest expenses	37,393	40,988	83,605,886	66,177,013
Net interest income	138,531	63,271	81,676,866	81,833,256
Fee and commission income	62	1,047	18,024,117	19,519,052
Fee and commission expense				
Net fee and commission income	62	1,047	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)	7,580	46,851	840,048	6,831,915
Total operating income	7,580	46,851	1,869,928	14,596,596
Impairment for loans and other losses	3,482	10,421	5,008,578	373,557
Net operating income	142,691	100,748	96,562,333	115,575,347
Personnel expenses	48,337	44,917	29,238,784	29,109,331
Depreciation and amortisation	6,779	12,560	1,324,753	1,703,703
Other expenses	32,470	36,439	44,413,967	55,275,463
Operating profit/(loss) before value added tax (VAT)	55,105	6,832	21,584,829	29,486,850
Value added tax (VAT) on financial services	14,438	7,234		
Nation Building tax (NBT) on financial services	4,191	1,161		
Profit/(loss) before tax	36,475	(1,563)	21,584,829	29,486,850
Tax expenses		, , , , , ,	9,143,886	20,638,576
Profit/(loss) for the period	36,475	(1,563)	12,440,943	8,848,274
Profit attributable to:				
Owners of the parent	36,475	(1,563)	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
The second of th				

STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31.03.2019						
	BANI LKR	(	GROUP (AU PKR			
In Rupees Thousand	3/31/2019	3/31/2018	12/31/2018	12/31/2017		
Profit/(loss) for the period Other Comprehensive Income, net of tax	36,475	(1,563)	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) Excalinge differences & realization of on translation of foreign currency capital & reserve Income tax on Other comprehensive Income	(46,643)	41,114	(157,066) 10,927,231	(1,017,131) 3,925, <b>68</b> 5		
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	(46,643)	41,114	163,896 (7,175,753) 140,421 <b>3,898,729</b>	(878,697) (11,643,260) 9,121,158 ( <b>492,245</b> )		
Total comprehensive income for the period	(10,168)	39,551	16,339,672	8,356,029		
Attributable to: Owners of the parent Non-Controlling interests	(10,168)	39,551	15,814,544 525,128	7,876,250 479,779		

	STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 31 MARCH 2019	Ва	nk	Group (	Audited)
	Item	2019 LKR	2018 LKR	2018 PKR	2017 PKR
	Cash Flow from Operating Activities Profit before tax (Gain)/Loss on disposal of Property, plant & equipment (Gain)/Loss on disposal 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)/Decrease) in interest payable Increase/(Decrease) in interest payable Increase/(Decrease) in accrued expenses Impairment charge for Unfunded facilities and Investments 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	36,475 7,893 3,513 4,118 (36,006) (1,221) (22,745) (637) (1,467)	(1,563) (5) 10,906 3,000 10,421 10,826 (5,248) (19,358) (2,131)	21,584,829 (55,195) (2,722,983) 3,549,808 1,961,357 3,599,570 (985,867) (343,173) (10,789) (2,898,437)	53,203,965 (33,107) (2,051,887) 4,008,753 463,899 601,848 (659,573) (1,219,610) (253,239) 73,353 1,039,582
1	Operating Profit before changes in Operating Assets & Liabilities	(10,077)	6,848	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 Income Tax (Paid) / Refunds Net Cash from Operating Activities	(1,485,485) 45,374 (1,440,111) (598) (1,450,785)	(48,173) (247,790) (295,964) (949) (289,116)	(190,906,872) 319,075,254 128,168,382 (22,215,778) 129,631,724	(138,862,550) 187,367,091 48,504,541 (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 Effect of translation of net investment in foreign branches, subsidiaries & associates Net Cash from Investing Activities		(803) - - (803)	1,021,434 (12,265,289) 81,042 (88,610,750) 10,740,626 (89,032,937)	1,259,924 (19,722,107) 83,110 (20,200,958) 3,781,696 (34,798,335)
	Cash Flow from Financing Activities Acquisition of additional interest in a subsidiary from a minority shareholder Excahnge 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  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	(1,450,785) (46,645) 2,294,261 796,831	(290,863) 41,113 2,033,470 1,783,720	35,255,411 23,101,051 263,746,248 <b>322,102,710</b>	(23,717,115) 2,449,921 11,341,165 273,056,213 286,847,299

## ADDITIONAL

Analysis of Loan & accordingencies				ts,	Analysis of Loan & advances, commitments, contingencies & impairment				ts,
		ANK .KR)		(Audited) PKR)		BA (LK	( <b>NK</b> (R)		(Audited) PKR)
In Rupees Thousand	3/31/2019	12/31/2018	12/31/2018	12/31/2017	In Rupees Thousand	3/31/2019	12/31/2018	12/31/2018	12/31/2017
Product-vise gross loans & advances By Product-Domestic Currency Overdraft Term loans Lease rentals receivable Credit cards Pawning Staff Loan Other Loan Sub total  By Product-Domestic Currency Overdraft Term loans Lease rentals receivable	996,499 1,367,032 52,972 532,504 2,949,007 64,665 923,541	541,720 1,561,171	235,087,568 414,288,634 18,911,379 7,267,612 12,065,423 247,950,942	179,628,303 328,608,068 17,127,061 5,765,646 9,318,284 189,794,790 730,242,752 53,238,579 68,838,895	Product - wise commitments & contingencies By product - Domestic Currency Guarantees Bonds Undrawn Credit Lines Acceptances Letter of Credit Forwards exchange contracts and derivatives Commitments for acquisition of fixed and intangible assets Sub total By product - Foreign Currency Guarantees Bonds Undrawn Credit Lines	33,708 1,227 334,955	48,808 1,227 497,470 	71,787,577 2,137,726 5,798,845 58,074,293 1,284,120 139,082,561	60,004,507 6,478,622 7,093,160 33,900,364 5,026,435
Credit cards Pawning Bills of exchange Other Loans Sub total Total	988,206 3,937,212	26,695 1,161,317 3,729,267	60,281,924 27,659,462 216,862,258 1,152,433,816	44,289,815 24,397,899 190,765,187 921,007,939	Acceptances Letter of Credit Forwards exchange contracts and derivatives Operating lease Commitments for acquisition of fixed and intangible assets Sub total	373,924 743,813		93,807,039 392,203,501 602,569 18,419 576,705,070 715,787,631	230,342,780 595,871 448,483,805

## **ANALYSIS OF FINANCIAL INSTRUMENTS ON MEASUREMENT BASIS AS AT 31.03.2019**

a. Bank - 2019					c. Group -2018				
In Rupees Thousand	AC	FVPL	FVOCI	Total	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	745,752 51,079 1,148,004 3,722,586 2,284,944 - 7,952,365	:	580 580	745,752 51,079 1,148,004 3,722,586 2,284,944 580 7,952,945	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	In Rupees Thousand	AC	FVPL	FVOCI	Total
LIABILITIES Due to banks Due to other customers Other borrowings Total financial liabilities	44,763 2,157,380 <b>2,202,143</b>			44,763 2,157,380 2,202,143	LIABILITIES Due to banks Due to other customers Other borrowings Total financial liabilities	2,137,293,065 523,319,055 <b>2,660,612,120</b>			2,137,293,065 523,319,055 <b>2,660,612,12</b> 0
b. Bank - 2018					d. Group -2017				
In Rupees Thousand	AC	FVPL	FVOCI	Total	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	2,223,464 70,797 1,126,898 3,515,348 1,046,997 0 7,983,504	: : : :		2,223,464 70,797 1,126,898 3,515,348 1,046,997 580 7,984,084	ASSETS Cash and cash equivalents Balances with central banks Placement with banks Loans and Advances Debt Instruments Equity Instruments Total financial assets	130,203,020 156,644,279 33,900,345 851,502,420 279,177,826 1,451,427,890	68,415,066 255,593 68,670,659	980,226,919 19,383,220 <b>999,610,139</b>	130,203,020 156,644,279 33,900,345 851,502,420 1,327,819,811 19,638,813 <b>2,519,708,688</b>
In Rupees Thousand	AC	FVPL	FVOCI	Total	In Rupees Thousand	AC	FVPL	FVOCI	Total
LIABILITIES  Due to banks  Due to other customers  Other borrowings  Total financial liabilities	46,649 2,139,983 - <b>2,186,633</b>			46,649 2,139,983 - 2,186,633	LIABILITIES  Due to banks  Due to other customers  Other borrowings  Total financial liabilities	1,998,935,057 397,802,667 <b>2,396,737,724</b>			1,998,935,057 397,802,667 <b>2,396,737,724</b>

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

DISCLOSURE							
Analysis of Loan & a contingencie				ts,	I		
BANK   GROUP (Audited)  (LKR)							
In Rupees Thousand	3/31/2019	12/31/2018	12/31/2018	12/31/2017			
Stage-wise impairment on Loans & Advances, commitments & Contingencies Gross Ioans and advances, commitments and contingencies Less: Accumulated impairment under stage 1 Accumulated impairment under stage 2 Accumulated impairment under stage 3 Collective Impairment Individual Impairment Net value of Ioans and advances, commitments and contingencies	11,226 47,878 170,888	60,003 165,992	3,528,347 68,465,249 68,465,249 3,528,347 143,987,192	3,088,343 66,417,176 66,417,176 3,088,343 <b>139,011,038</b>			
Under Stage 1 Opening Balance Chargel (write back) to income statement Write-off during the year Other movements Closing Balance	1,146 10,315 (236) 11,226						
Under Stage 2 / Collective Impairment Opening Balance Chargel (write back to income statement Write-off during the year Other movements Closing Balance	60,003 (12,125) 47,878	6,146 36,541	3,088,343 22,457 417,547 3,528,347	3,623,544 (632,842) 97,641 3,088,343			
Under Stage 3 / Individual Imapirment Opening Balance Charge! (write back) to income statement Write-off during the year Other movements Closing Balance as at Total Impairment	165,992 5,291 (395) 170,888 229,992	69,838 (10,909) 1,547		583,288 (352,587) 1,026,278			

	BA (LK	NK (R)		(Audited) PKR)
In Rupees Thousand	3/31/2019	12/31/2018	12/31/2018	
By product- Domestic Currency				
Demand deposits (Current accounts)	228,039		671,407,459	
Savings deposits	337,308		848,641,256	
Fixed deposits	1,228,043		261,216,780	240,077,107
Call Deposits	400	408		
Margin Balances	2,005			
Sub total	1,795,796	1,708,757	1,781,265,495	1,682,767,552
By product- Foreign Currency		0.000.000.00		
Demand deposits (Current accounts)	42,487	58,156	141,134,537	
Savings deposits	318,388		94,776,404	
Fixed deposits	710	52,811	120,116,629	90,020,790
Call Deposits	1			
Margin Balances				
Sub total	361,584		356,027,570	
Total	2,157,380	2,139,983	2,137,293,065	1,998,935,057
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**Analysis of Deposit** 

SELECTED PERFORMANCE INDICATORS (AS PER REGULATO		March 2019
Item	3/31/2019	12/31/2018 (Audited)
Regulatory Capital Adequacy Common Equity Tier 1 Rs. '000 Core Capital (Tier 1 Capital), Rs. '000 Total Capital Base, Rs. '000	5,659,083 5,572,399 5,636,543	5,659,082 5,578,402 5,641,496
Regulatory Capital Ratios Common Equity Tier 1 Capital (%), (Minimum Requirement - 7%) Tier 1 Capital Ratio (%), (Minimum Requirement - 8.5%) Total Capital Ratio (%), (Minimum Requirement - 12.5%) Leverage Ratio, (Minimum Requirement - 3.5%)	84.80% 85.78% 85.78%	85.96% 85.96% 86.93% 58%
Regulatory Liquidity Statutory Liquid Assets, Rs. 000 Domestic Banking unit Off-Shore Banking Unit USD	3,575,891 733	2,350,490 1,381
Statutory Liquid Assets Ratio (%), (Minimum Requirement · 20%) Domestic Banking unit Off-Shore Banking Unit Total Stock of High Quality Liquidity Assets, Rs.'000 Liquidity Coverage Ratio (%), (Minimum Requirement · 100%)	165% 120% 2,147,958	113% 1170% 2,309,997
Rupee (%) All Currency (%) Net Stable Funding Ratio (%) - (Minimum Requirement - 90% ) Assets Quality (Quality of Loan Portfolio)	2663% 2248% 144%	4945% 3646% 150%
Gross Non - Performing Advances Ratio (%) (net of interest in suspense) Non - Performing Advances (%) (net of interest in suspense and provision) Profitability	18.12% 12.67%	23.68% 17.95%
Interest Margin (%) Return on Assets (before Tax) (%) Return on Equity (%)	1.62% 0.43% 0.59%	3.59% -1.82% -1.91%

- 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 unaudited financial statements of the bank unless indicated as audited (c) Bank figures are reported in SLRs. 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+'(TripleA/A-One Plus) with a 'Stable' Outlook.

Wajid Ali Shah RGM Sri Lanka / Maldives

**Head of Finance**