

HABIB BANK நிறு நிறு FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2019

TATEMENT OF FINANCIAL POSITION S AT 30 JUNE 2019	BANK LKR	BANK (AUDITED) LKR	GROUP (A Pk	
In Rupees Thousand	6/30/2019	12/31/2018	12/31/2018	12/31/2017
Assets				
Cash and cash equivalents	427,342	2,223,464	165,119,955	130,203,020
Balances with central banks	51,101	70,797	156,982,755	156,644,279
Placements with banks	1,338,253	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
-inancial assets at amortised cost - Investments	2,625,184	1,047,577	216,338,120	279,177,826
Financial assets at amortised cost - Loans & Advances	3,118,988	3,515,348	1,080,440,220	851,502,420
Financial assets measured at fair value through other comprehensive income	376,804	580	1,137,840,497	999,610,139
Income Tax Receivable	86,062	80,794		
Investments in associates and joint ventures			29,518,977	27,357,818
Property, plant and equipment	267,913	280,718	64,915,168	57,098,390
nvestment Properties		,	, , , , , , , , , , , , , , , , , , , ,	, ,
Goodwill and Intangible assets			7,033,470	5,694,453
Deferred tax assets	69,273	69,273	570,717	2,00 1,100
Other assets	175,911	53,930	109,461,06 5	86,358,715
Total assets	8,536,831	8,469,379	3,025,853,150	2,696,218,064
Liabilities	0,000,001	0,100,070	0,020,000,100	2,000,210,001
Due to banks	45,322	46,649		
Due to other customers	1,846,113	2,139,983	2,137,293,065	1,998,935,057
Borrowing	353,200	2,100,000	523,319,055	397,802,667
Current tax liabilities	330,200		3,963,884	1,758,747
Deferred tax liabilities			0,300,004	971,368
Other provision			·	371,300
	E1 00/	40.000	C 01C E01	E 700 E47
Employee benefit liabilities	51,084	49,898	6,016,581	5,706,547
Subordinated loan	07.005	00.050	9,990,000	9,994,000
Other liabilities	67,995	63,653	146,018,354	92,299,057
Total liabilities	2,363,713	2,300,184	2,826,600,939	2,507,467,443
Equity	4 020 200	4 020 200	1/ 000 505	14 000 505
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	828,756	652,570	101,606,320	96,909,270
Other reserves	337,850	510,113	46,001,458	42,149,641
Total shareholders' equity	6,173,118	6,169,195	195,241,731	185,264,667
Non Controlling Interest			4,010,480	3,485,954
Total equity	6,173,118	6,169,195	199,252,211	188,750,621
Total equity and liabilities	8,536,831	8,469,379	3,025,853,150	2,696,218,064
Contingent liabilities and commitments	929,387	937,251	715,787,631	560,986,894
Memorandum Information		 		
Number of Employees	63	60	20,093	18,129
Number of Branches	6	6	1,743	1,751

STATEMENT OF CHANGES IN EQUITY	FOR T	HE PEI	RIOD E	NDED	30 JU	NE 201	9
			Reser	ves			
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						l	
Profit/(loss) for the year	-	-		-	41,201	-	41,201
Other comprehensive income (net of tax)					134,985	(172,263)	(37,279)
Total comprehensive income for the year					176,186	(172,263)	3,922
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	-	-				l	
Dividend to equity holders	-	-				-	
profit transferred to head office							
Profit capitalisation during the year	-					-	
Total transaction with equity holders	_				-	-	-
Balance as at 30/06/2019 (Closing Balance)	-	4,938,390	68,122	204,912	828,756	132,939	6,173,118

Balance as at 30/00/2019 (Closing Balance)			4,938,390	00,122	204,312	020,700	132,333	0,1/3,118	
STATEMENT OF CHANGES	IN EQU	ITY FOR	RTHE	PERIO	D ENDE	D 31S	T DEC	EMBER	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 01/01/2018 (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									40.440.44
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		29,320
Dividend to equity holders		•			(5,867,408)		(5,867,408)		(5,867,408
Gain on Business Combination								l	
profit transferred to head office				(63 430)	64,031			16037	1
Transferred from surpuls on revaluatuation of fixed assets		•	•	(63,429)	04,031		602	(602)	
Exchang translation realized on sale of foreign operation Exchang translation realized on sale of Bank branches									
Non-controlling interest acquired in HABIB during the period						1			
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
Data not do de o 1/12/2010 (otobing Data not)	14,000,020	0	02,000,720	14,001,041	101,000,020	01,400,017	100,241,701	4,010,400	100,202,21

INCOME STATEMENT FOR THE PERIOD ENDED 30 JUNE 2019	BAN LK		GROUP (A	
In Rupees Thousand	6/30/2019	6/30/2018	12/31/2018	12/31/2017
Interest income	348,412	214,718	165,282,752	148,010,269
Interest expenses	72,239	82,326	83,605,886	66,177,013
Net interest income	276,173	132,392	81,676,866	81,833,256
Fee and commission income	696	1,160	18,024,117	19,519,052
Fee and commission expense				
Net fee and commission income	696	1,160	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)	10,647	(23,118)	840,048	6,831,915
Total operating income	10,647	(23,118)	1,869,928	14,596,596
Impairment for loans and other losses	33,573	74,135	5,008,578	373,557
Net operating income	253,944	36,299	96,562,333	115,575,347
Personnel expenses	101,479	93,220	29,238,784	29,109,331
Depreciation and amortisation	14,543	21,371	1,324,753	1,703,703
Other expenses	66,158.98	70,986	44,413,967	55,275,463
Operating profit/(loss) before value added tax (VAT)	71,763	(149,278)	21,584,829	29,486,850
Value added tax (VAT) on financial services	24,948	8,641		
Nation Building tax (NBT) on financial services	5,614	1,348	-	
Profit/(loss) before tax	41,201	(159,267)	21,584,829	29,486,850
Tax expenses	-		9,143,886	20,638,576
Profit/(loss) for the period	41,201	(159,267)	12,440,943	8,848,274
Profit attributable to:				
Owners of the parent	41,201	(159,267)	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 IN	STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30 JUNE 2019					
	BANK LKR	(GROUP (AU PKR			
In Rupees Thousand	6/30/2019	6/30/2018	12/31/2018	12/31/2017		
Profit/(loss) for the period	41,201	(159,267)	12,440,943	8,848,274		
Other Comprehensive income, net of tax 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 Income tax on Other comprehensive Income	(172,263)	82,229	(157,066) 10,927,231	(1,017,131) 3,925,685 -		
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	2,266 (169,997)	82,229	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	(128,796)	(77,038)	16,339,672	8,356,029		
Attributable to: Owners of the parent Non-Controlling interests	(128,796)	(77,038) -	15,814,544 525,128	7,876,250 479,779		

STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30 JUNE 2019	Ba	nk	Group (A	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 sale of securities	41,201 (1)	(159,266)	21,584,829 (55,195)	53,203,965 (33,107)
Share of profit of associates & joint venture Depreciation & Amortisation Provision for gratuity	14,543 6,513	21,371 6,000	(2,722,983) 3,549,808 -	(2,051,887) 4,008,753 -
Impairment charge for Loans & advances & Investements (Increase)/Decrease in Interest Receivable Increase/ (Decrease) in interest payable Increase/(Decrease) in accrued expenses	44,614 (64,852) 2,189 (83)	74,135 11,558 (3,930) (23,270)	1,961,357 - -	463,899 - -
Impairment charge for Unfunded facilities and Investments Gratuity payments made Other non cash items	(11,041) (5,327)	(2,185)	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		: : :	(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	27,756	(75,587)	23,679,120	55,173,984
(Increase)/Decrease in Operating Assets and Liabilities (Increase)/Decrease in Operating Assets (Increase)/Decrease in Operating Liabilities	(1,872,384) 71,278	180,555 (337,784)	(190,906,872) 319,075,254	(138,862,550) 187,367,091
Net Cash from Operating Activities before Income Tax Income Tax (Paid) / Refunds Net Cash from Operating Activities	(1,801,105) (1,188) (1,774,537)	(157,228) (2,593) (235,408)	128,168,382 (22,215,778) 129,631,724	48,504,541 (27,250,907) 76,427,618
Cash Flow from Investing Activities Dividends Received	(1,752)	(1,078)	1,021,434 (12,265,289)	1,259,924 (19,722,107)
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	15 - -	(1,076)	(12,263,269) 81,042 (88,610,750)	(19,722,107) 83,110 (20,200,958)
Effect of translation of net investment in foreign branches, subsidiaries & associates Net Cash from Investing Activities	(1,737)	(1,078)	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 Excahnge adjustment on translation of non-controlling interest in subsidiarry Issuance/ (Repayment) of surbordinated loan Dividend paid			186,605 (4,000) (5,525,981)	(441,933) 143,989 (4,000) (15,160,303)
Cash outflow for settlement payment to New York State Department of Financial Services	-	-	(5,343,376)	(15,462,247) (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	(1,776,274) (39,544) 2,294,261 478,443	(236,486) 82,229 2,033,470 1,879,213	35,255,411 23,101,051 263,746,248 322,102,710	2,449,921 11,341,165 273,056,213 286,847,299

DDITIONAL	DIGGL COURT
ADDIIIUNAL	DISCLOSURE

In Rupees Thousand

commitments & Contingencies

Stage-wise impairment on Loans & Advances,

Analysis of Loan & a contingencie				ts,	Analysis of Loan & accontingencies				ts,
		ank LKR)		(Audited) PKR)			NK Kr)		(Audited) PKR)
In Rupees Thousand	6/30/2019	12/31/2018	12/31/2018	12/31/2017	In Rupees Thousand	6/30/2019	12/31/2018	12/31/2018	12/31/2017
Product-wise gross loans & advances By Product- Domestic Currency Overdraft Term loans Lease rentals receivable Credit cards Staff Loan Other Loan Sub total	710,142 1,176,476 - 58,649 510,767 2,456,034	1,561,171 51,209 413,850	414,288,634 18,911,379 7,267,612 12,065,423 247,950,942	328,608,068 17,127,661 5,765,646 9,318,284 189,794,790	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		48,808 1,227 497,470	5,798,845 58,074,293 1,284,120	7,093,160 33,900,364 5,026,435
By Product- Foreign Currency Overdraft Term loans Bills of exchange Other Loans Sub total Total	63,119 851,307 - - - - - - - - - - - - - - - - - - -	1,042,120 - 26,695 1,161,317	75,020,332 60,281,924 27,659,462	190,765,187	Sub total By product - Foreign Currency Guarantees Bonds Undrawn Credit Lines Acceptances Letter of Credit Forwards exchange contracts and derivatives Opearating lease Commitments for acquisition of fixed and intangible assets Sub total		315,947 73,800	87,910,419 2,163,123 93,807,039 392,203,501 602,569 18,419	104,564,800 - - - - 112,980,355 230,342,780 595,871
					Total	374,699 929,387		576,705,070 715,787,631	

ANALYSIS OF FINANCIAL INSTRUMENTS ON

					AT 30 JUNE 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	427,342 51,101 1,338,253 3,118,988 2,625,184 - 7,560,868		376,804	427,342 51,101 1,338,253 3,118,988 2,625,184 376,804 7,937,672	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	13,848,987	
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	45,322 1,846,113 353,200 2,244,635			45,322 1,846,113 353,200 2,244,635	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 2,660,612,12 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	2,223,464 70,797 1,126,898 3,515,348 1,047,577		580	2,223,464 70,797 1,126,898 3,515,348 1,047,577 580	ASSETS Cash and cash equivalents Balances with central banks Placement with banks Loans and Advances Debt Instruments Equity Instruments	130,203,020 156,644,279 33,900,345 851,502,420 279,177,826	68,415,066 255,593	19,383,220	130,203,020 156,644,279 33,900,345 851,502,420 1,327,819,811 19,638,813
Total financial assets	7,984,084		580	7,984,664	Total financial assets	1,451,427,890	68,670,659		2,519,708,688

,507	Ш	Gross loans and advances, commitments and contingencies				
,622	Ш	Less : Accumulated impairment under stage 1 Accumulated impairment under stage 2	16,329 48,545	1,146 60,003	3,528,347	3,088,343
,160 ,364		Accumulated impairment under stage 3 Collective Impairment Individual Impairment	193,955 - -	165,992	68,465,249 68,465,249 3,528,347	66,417,176 66,417,176 3,088,343
,435 , 088	Н	Net value of loans and advances, commitments and contingencies	258,830	227,142	143,987,192	139,011,038
,000	П	Under Stage 1				
	П	Opening Balance	1,146			
,800	П	Charge (write back) to income statement Write-off during the year	15,388	(2,493)		:
	П	Other movements	(205)	3,640		
	П	Closing Balance	16,329	1,146		-
,355	П	Under Stage 2				
,780	П	Opening Balance	60,003	17,316	3,088,343	3,623,544
,871	П	Charge (write back) to income statement	(11,458)	6,146	22,457	(632,842)
005	П	Write-off during the year Other movements		36,541	417,547	97,641
,805 ,894	Н	Closing Balance	48,545	60,003	3,528,347	3,088,343
,034	וי					
	-	Under Stage 3 Opening Balance	165.992	105,516	66,417,176	65,160,197
	- 1	Charge/ (write back) to income statement	29,640	69,838		
	- 1	Write-off during the year		(10,909)	(4,750,271)	(352,587)
	- 1	Other movements	(1,677)	1,547		1,026,278
_		Closing Balance as at	193,955	165,992		66,417,176
		Total İmpairment	258,830	227,142	71,993,596	69,505,519
_						
		SELECTED PERFORM	ANCE II	NDICAT	'ORS (A	S PER
٠.						
955		Item				
755		10111				
336		Regulatory Capital Adequacy				
220	1	negulatory capital Aucquacy				

Analysis of Loan & advances, commitments, contingencies & impairment

BANK

6/30/2019 | 12/31/2018 | 12/31/2018 | 12/31/201

	nitment It	ts,	Analysis	of D	eposi	it	
		(Audited) PKR)			. NK (R)		(Audited) PKR)
	12/31/2018	12/31/2017	In Rupees Thousand	6/30/2019	12/31/2018	12/31/2018	12/31/2017
	3,528,347 68,465,249 68,465,249	3,088,343 66,417,176 66,417,176	By product- Domestic Currency Demand deposits (Current accounts) Savings deposits Fixed deposits Call Deposits Margin Balances Sub total	243,699 320,147 913,710 400 1,454	331,250 1,140,233 408 3,492	671,407,459 848,641,256 261,216,780	846,505,070
•	3,528,347	3,088,343	By product- Foreign Currency				
)	143,987,192	139,011,038	Demand deposits (Current accounts) Savings deposits Fixed deposits Call Deposits Margin Balances	42,437 323,573 693	320,260	141,134,537 94,776,404 120,116,629 -	89,128,046
			Sub total	366,703		356,027,570	
	-		Total	1.846.113	2.139.983	2,137,293,065	1.998.935.057
	3,088,343 22,457 417,547	3,623,544 (632,842) 97,641					
1	3,528,347	3,088,343					
	66,417,176 1,938,900 (4,750,271) 4,859,444 68,465,249 71,993,596	65,160,197 583,288 (352,587) 1,026,278 66,417,176 69,505,519					

SELECTED PERFORMANCE INDICATORS (AS PER REGULATO		
	Bank	- LKR
Item	6/30/2019	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 5,516,661 5,580,836	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%) Regulatory Liquidity	105.93% 107.16% 107.16% 65%	85.96% 85.96% 86.93% 58%
Statutory Liquid Assets, Rs.'000 Domestic Banking unit Off-Shore Banking Unit - USD Statutory Liquid Assets Ratio (%), (Minimum Requirement - 20%)	4,209,972 206	2,350,490 1,381
Domestic Banking unit Off-Shore Banking Unit Total Stock of High Quality Liquidity Assets , Rs.'000	243% 181% 2,727,706	113% 1170% 2,309,997
Liquidity Covereage Ratio (%) , (Minimum Requirement - 100%) Rupee (%) All Currency (%) Net Stable Funding Ratio (%) - (Minimum Requirement - 90%)	6396% 3418% 163%	4945% 3646% 150%
Assets Quality (Quality of Loan Portfolio) Gross Non - Performing Advances Ratio (%) (net of interest in suspense) Non - Performing Advances (%) (net of interest in suspense and provision) Profitability	16.97% 9.51%	23.68% 17.95%
Interest Margin (%) Return on Assets (before Tax) (%) Return on Equity (%)	3.28% 0.49% 0.67%	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)

1,998,935,057 (d) Habib Bank Limited - Rating by JCR-VIS -2019 'AAA / A-1+'(TripleA/A-One Plus) with a 'Stable' Outlook. 397,802,667 **2,396,737,724**

Wajid Ali Shah RGM Sri Lanka / Maldives 29 August 2019

Fathima Zahara Mohamed **Head of Finance** 29 August 2019

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

46,649

2,139,983

2,186,633

In Rupees Thousand

Due to other customers

Total financial liabilities

LIABILITIES

Due to banks

Other borrowings

1,998,935,057

397,802,667

2,396,737,724

FVPL

FVOCI

Total

In Rupees Thousand

Due to other customers

Other borrowings Total financial liabilities

LIABILITIES

Due to banks

46,649 2,139,983

2,186,633

FVPL