

## FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2019

STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2019	BANK LKR	BANK (AUDITED) LKR	GROUP (A	
In Rupees Thousand	9/30/2019	12/31/2018	12/31/2018	12/31/2017
Assets				
Cash and cash equivalents	238,198	2,223,464	165,119,955	130,203,020
Balances with central banks	63,060	70,797	156,982,755	156,644,279
Placements with banks	1,670,542	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	2,870,741	1,047,577	216,338,120	279,177,826
Financial assets at amortised cost - Loans & Advances	2,767,946	3,515,348	1,080,440,220	851,502,420
Financial assets measured at fair value through other comprehensive income	389,112	580	1,137,840,497	999,610,139
Income Tax Receivable	88,224	80,794		
Investments in associates and joint ventures			29,518,977	27,357,818
Property, plant and equipment	286,347	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	98,472	53,930	109,461,06 <b>5</b>	86,358,715
Total assets	8,541,916	8,469,379	3,025,853,150	2,696,218,064
Liabilities	44.004	40.040		
Due to banks	44,894	46,649	. 407 000 005	
Due to other customers	2,165,555	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	E0 000	40.000	0.010.501	F 700 F47
Employee benefit liabilities	53,063	49,898	6,016,581	5,706,547
Subordinated loan Other liabilities	00.054	00.050	9,990,000	9,994,000
	68,354	63,653	146,018,354	92,299,057
Total liabilities Equity	2,331,864	2,300,184	2,826,600,939	2,507,467,443
Stated capital/Assigned capital	4,938,390	4,938,390	14,668,525	14,668,525
Stated capital/Assigned capital Statutory reserve fund	4,936,390 68.122			
Retained earnings	848,757	68,122 652,570	32,965,428 101,606,320	31,537,231 96.909.270
Retained earnings  Other reserves	848,757 354,782	552,570 510.113	101,606,320 46.001,458	96,909,270 42,149,641
Total shareholders' equity	6,210,051	6.169.195	195.241.731	185.264.667
Non Controlling Interest	0,210,031	0,100,100	4.010.480	3.485.954
Total equity	6,210,051	6,169,195	199,252,211	188.750.621
Total equity and liabilities	8,541,916	8.469.379	3,025,853,150	2,696,218,064
Contingent liabilities and commitments	1,221,040	937,251	715,787,631	560,986,894
	1,221,340	557,251	710,707,001	000,000,004
Memorandum Information				
Number of Employees	62	60	20,093	18,129
Number of Branches	6	6	1,743	1,751

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 SEPTEMBER 2019							
	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	l					l .	
Profit/(loss) for the year		-	-	-	61,202	-	61,202
Other comprehensive income (net of tax)		-			134,985	(155,331)	(20,347)
Total comprehensive income for the year	<u> </u>				196.187	(155.331)	40.856
Total comprehensive income for the year					130,107	(100,001)	40,030
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 30/09/2019 (Closing Balance)	-	4,938,390	68,122	204,912	848,757	149,871	6,210,051

STATEMENT OF CHANGES I	IN EQU	ITY FOF	R THE	PERIOL	D ENDE	D 31S	T DECI	EMBER	2018
	Reserves								
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 Impact of adoptation of IFRS 09 - net of tax	14,668,525 14,668,525		31,537,231	21,420,450	96,974,143 (64,873)		(64,873)	3,485,954	188,815,494 (64,873)
Balance as at 01/01/2018 (Opening balance) - Restated Total comprehensive income for the year		-	31,537,231	21,420,450	96,909,270	20,729,191		3,485,954	188,750,621
Profit/(loss) for the year Other comprehensive income (net of tax)				(6,825,380)	12,055,571 (156,273)	10,740,626	12,055,571 3,758,973	385,372 139,756	12,440,943 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 Capital contribution to Statutory funds of associates Dividend to equity holders Gain on Business Combination			1,428,197		(1,428,197) 29,326 (5,867,408)		29,326 (5,867,408)		29,326 (5,867,408)
profit transferred to head office Transferred from surpuls on revaluatuation of fixed assets 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				(63,429)	64,031		602	(602)	- - - -
Total transaction with equity holders Balance as at 31/12/2018 (Closing Balance)	14,668,525	-	1,428,197 32,965,428	(63,429) 14,531,641	(7,202,248) 101,606,320	31,469,817	(5,837,480) 195,241,731	(602) 4,010,480	(5,838,082) 199,252,211

SELECTED PERFORMANCE INDICATORS (AS PER REGULATORY REPORTING) AS AT 30 SEPTEMBER 2019						
	Bank - LKR					
Item	9/30/2019	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 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%)	5,659,083 5,553,855 5,618,172 79.69% 79.69% 80.61% 65%	5,659,082 5,578,402 5,641,496 85.96% 85.96% 86.93% 58%				
Regulatory Liquidity Statutory Liquid Assets, Rs.'000 Domestic Banking Unit · USD Statutory Liquid Assets Ratio (%) , (Minimum Requirement · 20%) Domestic Banking Unit Off-Shore Banking Unit Off-Shore Banking Unit Total Stock of High Quality Liquidity Assets , Rs.'000 Liquidity Covereage Ratio (%) , (Minimum Requirement · 90% ) Ruppe (%) All Currency (%)	4,292,389 580 261 % 27% 2,648,283 3597% 2985%	2,350,490 1,381 113% 1170% 2,309,997 4945% 3646%				
Net Stable Funding Ratio (%) - (Minimum Requirement - 90% ) 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 Interest Margin (%) Return on Assets (before Tax) (%) Return on Equity (%)	184% 7.72% -0.89% 4.96% 0.72% 0.99%	150% 23.68% 17.95% 3.59% -1.82% -1.91%				

INCOME STATEMENT	BAN	IK	GROUP (AUDITED)			
FOR THE PERIOD ENDED 30 SEPTEMBER 2019	LK	R	PKR			
In Rupees Thousand	9/30/2019	9/30/2018	12/31/2018	12/31/2017		
Interest income	525,103	331,209	165,282,752	148,010,269		
Interest expenses	103,934	121,992	83,605,886	66,177,013		
Net interest income	421,168	209,217	81,676,866	81,833,256		
Fee and commission income	913	2,300	18,024,117	19,519,052		
Fee and commission expense		-		-		
Net fee and commission income	913	2,300	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)	15,708	(23,662)	840,048	6,831,915		
Total operating income	15,708	(23,662)	1,869,928	14,596,596		
Impairment for loans and other losses	43,260	44,053	5,008,578	373,557		
Net operating income	394,530	143,802	96,562,333	115,575,347		
Personnel expenses	152,029	147,885	29,238,784	29,109,331		
Depreciation and amortisation	33,419	31,470	1,324,753	1,703,703		
Other expenses	100,209	96,658	44,413,967	55,275,463		
Operating profit/(loss) before value added tax (VAT)	108,872	(132,211)	21,584,829	29,486,850		
Value added tax (VAT) on financial services	40,009	8,641		-		
Nation Building tax (NBT) on financial services	7,660	1,348	-	-		
Profit/(loss) before tax	61,202	(142,200)	21,584,829	29,486,850		
Tax expenses			9,143,886	20,638,576		
Profit/(loss) for the period	61,202	(142,200)	12,440,943	8,848,274		
Profit attributable to:						
Owners of the parent	61,202	(142,200)	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		

	BANK LKR		GROUP (AUDITED) PKR		
In Rupees Thousand	9/30/2019 9/30/2018		12/31/2018	12/31/2017	
Profit/(loss) for the period	61,202	(142,200)	12,440,943	8,848,274	
Other Comprehensive income, net of tax					
Changes in revaluation surpuls Actuarial gains and losses on defined benefit plans			(157,066)	(1,017,131)	
Gains and losses (arising from translating the financial statements of foreign operation)			10,927,231	3,925,685	
Excannge differences & realization of on translation of foreign currency capital & reserve	(157,157)	265,141		-	
Realisation of exchange equalisation of capital	134,985				
Income tax on Other comprehensive Income					
Share of surplus on revaluation of investments/operating fixed assets of associates			163,896	(878,697)	
Gain/ (Loss) on revaluation of Assets	1,826		(7,175,753)	(11,643,260)	
Deficit on revaluation of fixed assets			140,421	9,121,158	
Other comprehensive income for the period, net of taxes	(20,346)	265,141	3,898,729	(492,245)	
Total comprehensive income for the period	40,856	122,941	16,339,672	8,356,029	
Attributable to:					
Owners of the parent	40,856	122,941	15,814,544	7,876,250	
Non-Controlling interests			525,128	479,779	

STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30 SEPTEMBER 2019	Ва	nk	Group (Audited)		
ltem	2019 LKR			2017 PKR	
Cash Flow from Operating Activities					
Profit before tax	61,202	(142,200)	21,584,829	53,203,965	
(Gain)/Loss on disposal of Property, plant & equipment	(3)		(55,195)	(33,107)	
(Gain)/Loss on sale of securities Share of profit of associates & joint venture			(2,722,983)	(2.051.887)	
Depreciation & Amortisation	33.419	31,470	3,549,808	4,008,753	
Provision for gratuity	9,513	9,000	3,343,000	4,000,733	
Impairment charge for Loans & advances & Investements	43,260	44,053	1,961,357	463,899	
(Increase)/Decrease in Interest Receivable	(51,454)	20,391			
Increase/ (Decrease) in interest payable	(1,482)	(3,173)			
Increase/(Decrease) in accrued expenses	6,460	(7,016)			
Impairment charge for Unfunded facilities and Investments	(0.040)	(0.000)	3,599,570	601,848	
Gratuity payments made Other non cash items	(6,348)	(2,368)	·	(CEO E72)	
Other non cash items Dividend income	(2,139)	(1,802)	(985,867)	(659,573) (1,219,610)	
Exchange loss on sub-ordinated loan/goodwill-net	(2,130)	(1,002)	(343,173)	(253,239)	
Reversal against dimunution in the value of investments			(10,789)	73,353	
Workers Welfare Fund			(2,898,437)	1,039,582	
Operating Profit before changes in Operating Assets & Liabilities	92,429	(51,644)	23,679,120	55,173,984	
(Increase)/Decrease in Operating Assets and Liabilities (Increase)/Decrease in Operating Assets	(2,000,077)	100 007	(100 000 070)	/120 002 FF0\	
(Increase)/Decrease in Operating Assets (Increase)/Decrease in Operating Liabilities	(2,090,877) 34,579	132,227 (385,039)	(190,906,872) 319,075,254	(138,862,550) 187,367,091	
Net Cash from Operating Activities before Income Tax	(1,910,757)	(252,812)	128,168,382	48,504,541	
not can nom operating retained actions mounts tax	(1)010/101/	(202)012)	120/100/002	10/00 1/011	
Income Tax (Paid) / Refunds	(2,106)	(2,593)	(22,215,778)	(27,250,907)	
Net Cash from Operating Activities	(1.820.434)	(307.049)	129.631.724	76.427.618	
0.15.4 1 2.4 222					
Cash Flow from Investing Activities Dividends Received	2,139	1,802	1,021,434	1,259,924	
Purchase of Property & Equipment	(7,116)	(1,184)	(12,265,289)	(19,722,107)	
Proceeds form Sale of Property Plant & Equipment	121	(1,104)	81.042	83,110	
Net cash flows from purchase of financial investments			(88,610,750)	(20,200,958)	
Net cash flows on business combination					
Effect of translation of net investment in foreign branches, subsidiaries & associates			10,740,626	3,781,696	
Net Cash from Investing Activities	(4,856)	618	(89,032,937)	(34,798,335)	
Cash Flow from Financing Activities					
Acquisition of additional interest in a subsidiary from a minority shareholder				(441.933)	
Excannge adjustment on translation of non-controlling interest in subsidiarry			186,605	143,989	
Issuance/ (Repayment) of surbordinated loan	-		(4,000)	(4,000)	
Dividend paid		-	(5,525,981)	(15,160,303)	
			(5,343,376)	(15,462,247)	
Cash outflow for settlement payment to New York State Department of Financial Services	-		•	(23,717,115)	
Net Increase/(Decrease) in Cash and Cash Equivalents	(1,970,831)	(306,432)	35,255,411	2,449,921	
Exchange difference in respect of cash & cash equivalent	(1,970,631)	265.141	23,101,051	11.341.165	
Cash and Cash Equivalents at Beginning of the year	2,294,261	2,033,470	263,746,248	273,056,213	
Cash and Cash Equivalents at end of the period	301,258	1,992,179	322,102,710	286,847,299	

## CERTIFICATION:

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 -2019 'AAA / A-1+'(TripleA/A-One Plus) with a 'Stable' Outlook.

RGM Sri Lanka / Maldives 28 November 2019

Fathima Zahara Mohamed **Head of Finance** 28 November 2019