

## HBL HABIB BANK விற் பிமன் P FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2021

STATEMENT OF FINANCIAL POSITION	BANK	BANK	GROUP (AUDITED)	
AS AT 30 SEPTEMBER 2021	LKR	(AUDITED) LKR	PK	
	LKN	LNn	FA	\n
In Rupees Thousand	30/09/2021	31/12/2020	31/12/2020	31/12/2019
Assets				
Cash and cash equivalents	910,269	818,568	223,977,669	216,935,356
Balances with central banks	139,752	30,570	151,302,451	150,658,361
Placements with banks	2,199,857	101,042	86,688,022	86,551,753
Derivative financial instruments		4,145	4,284,867	6,761,789
Financial assets at amortised cost - Investments	3,121,187	3,407,939	265,146,998	202,767,306
Financial assets at amortised cost - Loans & Advances	2,523,716	2,902,815	1,223,510,222	1,166,956,994
Financial assets measured at fair value through other comprehensive income	3,267,956	3,541,177	1,651,631,461	1,146,478,070
Income Tax Receivable		30,203		
Investments in associates and joint ventures			31,798,363	30,362,003
Property, plant and equipment	283,660	287,349	89,190,210	80,462,410
Goodwill and Intangible assets			10,412,880	9,089,345
ROU Asset	43,899	26,294		
Deferred tax assets				
Other assets	165,383	82,140	111,119,675	130,109,010
Total assets	12,655,679	11,232,242	3,849,062,818	3,227,132,397
Liabilities				
Due to banks	29,369	58,996		
Derivative financial instruments	27,291		-	
Due to other customers	4,879,507	4,081,192	2,830,371,390	2,437,597,169
Borrowing	1,022,435	562,041	544,107,826	382,206,306
Current tax liabilities	30,928		7,073,633	7,510,391
Deferred tax liabilities	56,917	56,917	10,387,859	6,189,687
Employee benefit liabilities	52,631	49,565	8,678,703	8,147,228
Subordinated loan			22,356,000	22,360,000
Other liabilities	117,342	104,012	160,592,160	138,370,104
Total liabilities	6,216,421	4,912,723	3,583,567,571	3,002,380,885
Equity				
Stated capital/Assigned capital	4,938,390	4,938,390	14,668,525	14,668,525
Statutory reserve fund	75,628	75,628	38,063,377	34,703,072
Retained earnings	1,202,940	1,078,071	138,208,223	114,550,097
Other reserves	222,301	227,430	70,003,562	56,432,822
Total shareholders' equity	6,439,259	6,319,519	260,943,687	220,354,516
Non Controlling Interest			4,551,560	4,396,996
Total equity	6,439,259	6,319,519	265,495,247	224,751,512
Total equity and liabilities	12,655,679	11,232,242	3,849,062,818	3,227,132,397
Contingent liabilities and commitments	2,105,299	2,942,991	998,195,047	1,002,271,021
1				
Memorandum Information				
Number of Employees	60	64	20,795	21,005
Number of Branches	5	5	1,697	1,712

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 SEPTEMBER 2021							
	Reserves						
BANK	Share capital	Assigned capital	Reserve fund	Revaluation reserve	Retained earnings	Other reserves	Total equity
Balance as at 01/01/2021 (Opening balance)	-	4,938,390	75,628	200,854	1,078,072	26,576	6,319,519
Total comprehensive income for the year Profit/(loss) for the year Other comprehensive income (net of tax)					124,869 -	(5,130)	124,869 (5,130)
Total comprehensive income for the year		-	-	-	124,869	(5,130)	119,740
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 30/09/2021 (Closing Balance)		4,938,390	75,628	200,854	1,202,941	21,446	6,439,259

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 DECEMBER 2020									
	Reserves								
GROUP (Audited)	Share capital	Assigned capital	Reserve fund	Revaluation reserve	Retained earnings	Other reserves	Total	Non controlling interest	Total equity
Balance as at 01/01/2020 (Opening balance)	14,668,525		34,703,072	21,345,233	114,550,097	35,087,589	220,354,516	4,396,996	224,751,512
Total comprehensive income for the year Profit/(loss) for the year Other comprehensive income (net of tax)				6,167,217	30,892,271 (149,326)	7,385,545	30,892,271 13,403,436	21,078 134,050	30,913,349 13,537,486
Total comprehensive income for the year	14,668,525		34,703,072	27,512,450	145,293,042	42,473,134	264,650,223	4,552,124	269,202,347
Transaction with equity holders, recognised directly in equity Transfers to reserves during the period Trasferred from surplus on revaluation of assets - net of tax Dividend to equity holders			3,360,305	(50,869)	(3,360,305) 51,433 (3,667,130)	l	564 (3,667,130)	(564)	(3,667,130)
Exchange gain realised on capital reduction in subsidiary under liquidation - net of tax Reversal of deferred tax asset recognised on subsidiary under liquidation Exchang translation realized on sale of Bank branches Total transaction with equity holders			3.360.305	(50.869)	(108,817)	(1,082,350) 1,151,197	(1,082,350) (108,817)		(1,082,350) (108,817) 1,151,197 ( <b>3,707,100</b> )
Balance as at 31/12/2020 (Closing Balance)	14,668,525		38,063,377	27,461,581	138,208,223	42,541,981		4,551,560	265,495,247

SELECTED PERFORMANCE INDICATORS (AS PER REGULATORY REPORTING) AS	S AT 30 SEPTE	MBER 2021	
	Bank - LKR		
Item	30/09/2021	31/12/2020 (Audited)	
Regulatory Capital Adequacy			
Common Equity Tier 1 Rs. '000	6,092,090	6,092,090	
Core Capital (Tier 1 Capital), Rs. '000	5,264,355	5,987,659	
Total Capital Base, Rs. '000	5,337,472	6,063,410	
Regulatory Capital Ratios			
Common Equity Tier 1 Capital (%), (Minimum Requirement - 7%)	81.62%	133.40%	
Tier 1 Capital Ratio (%), (Minimum Requirement - 8.5%)	81.62%	133.40%	
Total Capital Ratio (%), (Minimum Requirement - 12.5%)	82.75%	135.09%	
Leverage Ratio , (Minimum Requirement - 3% )	44%	51%	
Regulatory Liquidity			
Statutory Liquid Assets, Rs.'000	7 005 075	2 222 722	
Domestic Banking unit	7,685,275	6,863,706	
Off-Shore Banking Unit - USD	13,677	1,621	
Statutory Liquid Assets Ratio (%), (Minimum Requirement - 20%)	000/	4000/	
Domestic Banking unit	92%	163%	
Off-Shore Banking Unit	108%	42%	
Total Stock of High Quality Liquidity Assets , Rs.'000	5,675,355	7,153,540	
Liquidity Covereage Ratio (%) , (Minimum Requirement - 100% )	700%	2050/	
Rupee (%)	766%	635%	
All Currency (%)	690%	320%	
Net Stable Funding Ratio (%) - (Minimum Requirement - 100% )	206%	210%	
Assets Quality (Quality of Loan Portfolio)	70/	00/	
Gross Non - Performing Advances Ratio (%) (net of interest in suspense)	7%	6%	
Non - Performing Advances (%) (net of interest in suspense and provision)	0%	0%	
Impaired Loans (Stage 3) Ratio (%)	33%	27%	
Impairment (Stage 3) to Stage 3 Loans Ratio (%)	18%	17%	
Profitability	4.39%	4.91%	
Interest Margin (%)	4.39% 1.87%	4.91% 1.62%	
Return on Assets (before Tax) (%)	1.87% 2.59%	1.82%	
Return on Equity (%)	2.59%	1.89%	

INCOME STATEMENT FOR THE PERIOD ENDED 30 SEPTEMBER 2021	BAN		GROUP (AUDITED)		
LOW THE LEWIND EMDED 30 SELIEMIDEN 5051	LKR		PKR		
In Rupees Thousand	30/09/2021	30/09/2020	31/12/2020	31/12/2019	
Interest income	540,797	529,962	271,237,258	258,113,896	
Interest expenses	124,322	112,741	141,132,940	156,790,596	
Net interest income	416,475	417,221	130,104,318	101,323,300	
Fee and commission income	11,764	7,418	18,795,739	20,447,851	
Fee and commission expense					
Net fee and commission income	11,764	7,418	18,795,739	20,447,851	
Net gain/ (Loss) from trading	·	·	7,054,874	(2,657,256)	
Net fair value gain/ (Loss) from financial instruments					
Net gain/(loss) on derecognition of financial assets					
Other Operating Income (net)	78,600	9,307	4,744,247	6,370,984	
Total operating income	78,600	9,307	11,799,121	3,713,728	
Impairment for loans and other losses	(628)	(24,270)	12,219,614	3,314,081	
Net operating income	507,467	458,217	148,479,564	122,170,798	
Personnel expenses	155,410	150,705	33,639,523	29,757,054	
Depreciation and amortisation	19,216	26,950	9,405,619	8,261,992	
Other expenses	102,447	90,113	52,403,786	55,270,830	
Operating profit/(loss) before value added tax (VAT)	230,394	190,449	53,030,636	28,880,922	
Value added tax (VAT) on financial services	53,075	47,143		-	
Profit/(loss) before tax	177,319	143,305	53,030,636	28,880,922	
Tax expenses	52,450	44,962	22,117,287	13,381,127	
Profit/(loss) for the period	124,869	98,343	30,913,349	15,499,795	
Profit attributable to:					
Owners of the parent	124,869	98,343	30,892,271	15,332,792	
Non-controlling interests			21,078	167,003	
Earnings per share on profit					
Basic earnings per ordinary share			21.06	10.45	
Diluted earnings per ordinary share	.	-	21.06	10.45	

DITED)
31/12/2019
15,499,795
90,861
6,429,768
(99,367)
10,903,168
17,324,430
32,824,225
32,437,135
387,080

STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30 SEPTEMBER 2021	Ва	nk	Group (Audited)		
ltem	2021 LKR	2020 LKR	2020 PKR	2019 PKR	
Cash Flow from Operating Activities					
Profit before tax (Gain)/Loss on disposal of Property, plant & equipment	177,319 (9)	143,305 (258)	53,030,636 (89,080)	28,880,922 (266,807)	
Share of profit of associates & joint venture	(9)	(200)	(2,963,090)	(3,483,593)	
Depreciation & Amortisation	19,216	26,950	10,557,400	9,259,451	
Provision for gratuity	9,000	9,000			
Impairment charge for Loans & advances	(628)	(5,000)	12,059,829	3,376,099	
(Increase)/Decrease in Interest Receivable	30,551	(21,026)			
Increase/ (Decrease) in interest payable Increase/(Decrease) in accrued expenses	(12,164) 30,314	(55,647) 14.929			
Impairment charge for Unfunded facilities and Investments	30,314	14,020	1,005,352	124,577	
Gratuity payments made	(5,934)	(298)	1,000,000	,	
Other non cash items	32,810	1,528	1,989,759	1,857,860	
Dividend income	(640)	(2,560)	(489,303)	(586,353)	
Exchange loss on sub-ordinated loan/goodwill-net Reversal against dimunution in the value of investments			(185,219) (309,323)	(327,684) 553,086	
Workers Welfare Fund			1,109,73 <b>0</b>	573,492	
Operating Profit before changes in Operating Assets & Liabilities	279,835	110,924	75,716,691	39,961,050	
(Increase)/Decrease in Operating Assets and Liabilities	44 000 000	(0.400.400)	05.045.400	(000 500 000)	
(Increase)/Decrease in Operating Assets (Increase)/Decrease in Operating Liabilities	(1,389,069) 1,212,305	(3,169,103) 2,382,390	95,815,460 573,029,338	(388,987,363) 140,997,672	
Net Cash from Operating Activities before Income Tax	(176,764)	(786,713)	668,844,798	(247,989,691)	
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Income Tax (Paid) / Refunds		(899)	(14,560,805)	2,767,314	
Net Cash from Operating Activities	103,071	(676,689)	730,000,684	(205,261,327)	
Cash Flow from Investing Activities					
Dividends Received	640	2,560	474.277	590.796	
Purchase of Property & Equipment	(3,709)	(2,986)	(8,747,096)	(7,452,347)	
Proceeds form Sale of Property Plant & Equipment	9	2,626	251,130	2,006,836	
Net cash flows from purchase of financial investments			(694,609,653)	288,771,929	
Net cash flows on business combination Effect of translation of net investment in foreign branches, subsidiaries & associates			2,372,362	6,260,907	
Net investment in associates			1,584,070	2,130,167	
Net Cash from Investing Activities	(3,060)	2,200	(698,674,910)	292,308,288	
Cash Flow from Financing Activities				10 074 000	
Proceed from issuance of subordinated loans  Excahnge adjustment on translation of non-controlling interest in subsidiarry			76,720	12,374,000 168,861	
Issuance/ (Repayment) of surbordinated loan			(4,000)	(4,000)	
Payemnt of Lease Liability against right of use	(10,158)		(4,762,581)	(5,264,295)	
Dividend paid		-	(3,664,234)	(7,581,966)	
	(10,158)		(8,354,095)	(307,400)	
Net Increase/(Decrease) in Cash and Cash Equivalents	89,853	(674,489)	22,971,678	86,739,561	
Exchange difference in respect of cash & cash equivalent	1,848	5,369	5,147,244	12,745,914	
Cash and Cash Equivalents at Beginning of the year	818,568	1,594,367	403,695,027	309,356,796	
Cash and Cash Equivalents at end of the period	910,269	925,248	431,813,949	408,842,271	

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 audited (c) Bank figures are reported in SLRs. while the Group figures are in Pak Rs. (US\$ 1 = Pak. Rs. 159.8344 as at 31 Dec 2020)

(d) Habib Bank Limited Was assigned rating of 'A+'(A Plus) with a 'Stable' Outlook by ICRA Lanka

Wajid Ali Shah RGM Sri Lanka / Maldives 30 November 2021

Fathima Zahara Mohamed **Head of Finance** 30 November 2021