HABIB BANK
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ஹபீப் வங்கி

FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2022

STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2022

In Rupees Thousand	BANK LKR 30/09/2022	BANK (AUDITED) LKR 31/12/2021	GROUP (AUDITED) PKR 31/12/2021	GROUP (AUDITED) PKR 31/12/2020
Assets				
Cash and cash equivalents	2,212,253	437,136	264,559,692	223,977,669
Balances with central banks	116,853	111,707	176,692,554	151,302,451
Placements with banks	1,809,474	1,204,596	158,180,507	86,688,022
Derivative financial instruments	-	-	8,951,592	4,284,867
Financial assets at amortised cost - Investments	3,046,574	3,135,779	337,642,414	265,146,998
Financial assets at amortised cost - Loans & Advances	5,386,264	2,442,816	1,507,047,097	1,223,510,222
Financial assets measured at fair value through other comprehensive income	3,788,409	5,972,039	1,576,225,204	1,651,631,461
Income Tax Receivable	-	91,365		
Investments in associates and joint ventures			35,088,360	31,798,363
Property, plant and equipment	287,493	280,803	98,676,342	89,190,210
Goodwill and Intangible assets			12,630,475	10,412,880
ROU Asset	27,146	37,539		
Deferred tax assets	-	-		-
Other assets	366,917	90,025	141,773,908	111,119,675
Total assets	**17,041,383**	**13,803,805**	**4,317,468,145**	**3,849,062,818**
Liabilities				
Due to banks	80,991	142,334	-	-
Derivative financial instruments	26,245	22,704	-	-
Due to other customers	9,089,381	5,670,668	3,381,998,398	2,830,371,390
Borrowing	347,009	1,103,203	436,258,005	544,107,826
Current tax liabilities	56,100	-	7,690,809	7,073,633
Deferred tax liabilities	58,148	58,148	5,082,602	10,387,859
Employee benefit liabilities	42,970	43,969	9,422,452	8,678,703
Subordinated loan			12,374,000	22,356,000
Other liabilities	196,780	229,367	180,956,077	160,592,160
Total liabilities	**9,897,624**	**7,270,392**	**4,033,782,343**	**3,583,567,571**
Equity				
Stated capital/Assigned capital	4,938,390	4,938,390	14,668,525	14,668,525
Statutory reserve fund	85,226	85,226	42,159,040	38,063,377
Retained earnings	1,921,079	1,265,705	158,441,418	138,208,223
Other reserves	199,064	244,092	64,375,850	70,003,562
Total shareholders' equity	**7,143,759**	**6,533,413**	**279,644,833**	**260,943,687**
Non Controlling Interest	-	-	4,040,969	4,551,560
Total equity	**7,143,759**	**6,533,413**	**283,685,802**	**265,495,247**
Total equity and liabilities	**17,041,383**	**13,803,805**	**4,317,468,145**	**3,849,062,818**
Contingent liabilities and commitments	**5,357,018**	**7,677,972**	**1,380,523,022**	**998,195,047**
Memorandum Information				
Number of Employees	60	60	20,795	20,795
Number of Branches	4	4	1,697	1,697

INCOME STATEMENT FOR THE PERIOD ENDED 30 SEPTEMBER 2022

In Rupees Thousand	BANK LKR 30/09/2022	BANK LKR 30/09/2021	GROUP (AUDITED) PKR 31/12/2021	GROUP (AUDITED) PKR 31/12/2020
Interest income	1,048,612	540,797	262,253,962	271,237,258
Interest expenses	211,484	124,322	130,834,913	141,132,940
Net interest income	**837,128**	**416,475**	**131,419,049**	**130,104,318**
Fee and commission income	59,991	11,764	25,433,355	18,795,739
Fee and commission expense	1,125	-	-	-
Net fee and commission income	**58,867**	**11,764**	**25,433,355**	**18,795,739**
Net gain/ (Loss) from trading	-	-	1,024,384	7,054,874
Net fair value gain/ (Loss) from financial instruments	-	-	-	-
Net gain/(loss) on derecognition of financial assets	-	-	-	-
Other Operating Income (net)	447,138	78,600	9,853,621	4,744,247
Total operating income	**447,138**	**78,600**	**10,878,005**	**11,799,121**
Impairment for loans and other losses	(11,947)	628	8,087,105	12,219,614
Net operating income	**1,331,185**	**507,467**	**159,643,304**	**148,479,564**
Personnel expenses	191,768	155,410	41,580,457	33,639,523
Depreciation and amortisation	18,052	19,216	10,353,966	9,405,619
Other expenses	132,962	102,447	45,680,970	52,403,786
Operating profit/(loss) before value added tax (VAT)	**988,402**	**230,394**	**62,027,911**	**53,030,636**
Value added tax (VAT) on financial services	187,029	53,075	-	-
Nation Building tax (NBT) on financial services	-	-	-	-
Profit/(loss) before tax	**801,373**	**177,319**	**62,027,911**	**53,030,636**
Tax expenses	146,000	52,450	26,521,038	22,117,287
Profit/(loss) for the period	**655,373**	**124,869**	**35,506,873**	**30,913,349**
Profit attributable to:				
Owners of the parent	655,373	124,869	35,021,853	30,892,271
Non-controlling interests	-	-	485,020	21,078
Earnings per share on profit				
Basic earnings per ordinary share	-	-	23.88	21.06
Diluted earnings per ordinary share	-	-	23.88	21.06

STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30 SEPTEMBER 2022

In Rupees Thousand	BANK LKR 30/09/2022	BANK LKR 30.09.2021	GROUP (AUDITED) PKR 31/12/2021	GROUP (AUDITED) PKR 31/12/2020
Profit/(loss) for the period	655,373	124,869	35,506,873	30,913,349
Other Comprehensive income, net of tax	-	-		
Changes in revaluation surpuls Actuarial gains and losses on defined benefit plans	-	-	207,054	(148,840)
Gains and losses (arising from translating the financial statements of foreign operation)	-	-	5,550,804	2,449,082
Excahnge differences & realization of on translation of foreign currency capital & reserve	22,119	1,848	-	-
Realisation of exchange equalisation of capital	-	-		
Income tax on Other comprehensive Income	-	-	-	-
Share of surplus on revaluation of investments/operating fixed assets of associates	-	-	132,680	6,204,914
Gain/ (Loss) on revaluation of Investments	(67,146)	(6,978)	(10,857,466)	5,032,330
Deficit on revaluation of fixed assets	-	-	-	-
Other comprehensive income for the period, net of taxes	**(45,028)**	**(5,130)**	**(4,966,928)**	**13,537,486**
Total comprehensive income for the period	**610,346**	**119,740**	**30,539,945**	**44,450,835**
Attributable to:				
Owners of the parent	610,346	119,740	30,539,945	44,450,835
Non-Controlling interests	-	-	494,626	155,128

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 SEPTEMBER 2022

BANK	Share capital	Reserves: Assigned capital	Reserves: Reserve fund	Reserves: Revaluation reserve	Reserves: Retained earnings	Reserves: Other reserves	Total equity
Balance as at 01/01/2022 (Opening balance)	-	**4,938,390**	**85,226**	**211,452**	**1,265,705**	**32,640**	**6,533,413**
Total comprehensive income for the year							
Profit/(loss) for the year	-	-	-	-	655,373	-	655,373
Other comprehensive income (net of tax)	-	-	-	-	-	(45,028)	(45,028)
Total comprehensive income for the year	-	-	-	-	**655,373**	**(45,028)**	**610,346**
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 30/09/2022 (Closing Balance)	-	**4,938,390**	**85,226**	**211,452**	**1,921,079**	**(12,387)**	**7,143,759**

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 DECEMBER 2021

GROUP (Audited)	Share capital	Reserves: Assigned capital	Reserves: Reserve fund	Reserves: Revaluation reserve	Reserves: Retained earnings	Reserves: Other reserves	Total	Non controlling interest	Total equity
Balance as at 01/01/2021 (Opening balance)	14,668,525	-	38,063,377	27,461,581	138,208,223	42,541,981	260,943,687	4,551,560	265,495,247
Total comprehensive income for the year						-	-	-	-
Profit/(loss) for the year	-	-	-	-	35,021,853	-	35,021,853	485,020	35,506,873
Other comprehensive income (net of tax)	-	-	-	146,997	208,206	(5,331,737)	(4,976,534)	9,606	(4,966,928)
Total comprehensive income for the year	**14,668,525**	-	**38,063,377**	**27,608,578**	**173,438,282**	**37,210,244**	**290,989,006**	**5,046,186**	**296,035,192**
Transaction with equity holders, recognised directly in equity									
Transfers to reserves during the period	-	-	3,840,971	-	(3,840,971)	-	-	-	-
Trasferred from surplus on revaluation of assets - net of tax				-	196,608	(195,114)	1,494	(1,494)	-
Dividend to equity holders	-	-	-	-	(12,101,532)		(12,101,532)	-	(12,101,532)
Exchange gain realised on capital reduction in subsidiary under liquidation - net of tax	-		-	-	-	(1,369)	(1,369)	-	(1,369)
Exchange gain realised on partial repatriation of branch capital - net of tax	-	-	-	-	-	(246,489)	(246,489)	-	(246,489)
Acquisition of additional interest in subsidiary	-		254,692		749,031		1,003,723	(1,003,723)	-
Total transaction with equity holders	-	-	**4,095,663**	-	**(14,996,864)**	**(442,972)**	**(11,344,173)**	**(1,005,217)**	**(12,349,390)**
Balance as at 31/12/2021(Closing Balance)	**14,668,525**	-	**42,159,040**	**27,608,578**	**158,441,418**	**36,767,272**	**279,644,833**	**4,040,969**	**283,685,802**

STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30 SEPTEMBER 2022

Item	Bank 2022 LKR	Bank 2021 LKR	Group (Audited) 2021 PKR	Group (Audited) 2020 PKR
Cash Flow from Operating Activities				
Profit before tax	801,373	294,661	62,027,911	53,030,636
(Gain)/Loss on disposal of Property, plant & equipment	(1,209)	(1,084)	(95,639)	(89,080)
Share of profit of associates & joint venture	-	-	(2,585,595)	(2,963,090)
Depreciation & Amortisation	18,052	25,252	11,415,001	10,557,400
Provision for gratuity	5,850	7,633		
Impairment charge for Loans & advances	11,947	(26,491)	7,645,044	12,059,829
(Increase)/Decrease in Interest Receivable	23,125	(21,972)		
Increase/ (Decrease) in interest payable	52,238	(3,871)		
Increase/(Decrease) in accrued expenses	12,723	12,452		
Impairment charge for Unfunded facilities and Investments	-	-	1,663,398	1,005,352
Gratuity payments made	(6,850)	(6,292)		
Other non cash items	1,484	28,817	4,490,500	1,989,759
Dividend income	-	-	(913,769)	(489,303)
Exchange loss on sub-ordinated loan/goodwill-net	-	-	(491,239)	(185,219)
Reversal against dimunution in the value of investments	-	-	(1,258,723)	(309,323)
Workers Welfare Fund	-	-	1,273,226	1,109,730
Operating Profit before changes in Operating Assets & Liabilities	**918,735**	**309,106**	**83,170,115**	**75,716,691**
(Increase)/Decrease in Operating Assets and Liabilities				
(Increase)/Decrease in Operating Assets	(1,556,703)	(2,838,541)	(462,055,167)	95,815,460
(Increase)/Decrease in Operating Liabilities	2,563,270	2,187,675	457,546,605	573,029,338
Net Cash from Operating Activities before Income Tax	**1,006,567**	**(650,866)**	**(4,508,562)**	**668,844,798**
Income Tax (Paid) / Refunds	(143,831)	(20,000)	(26,199,570)	(14,560,805)
Net Cash from Operating Activities	**1,781,470**	**(361,759)**	**52,461,983**	**730,000,684**
Cash Flow from Investing Activities				
Dividends Received	-	-	743,582	474,277
Purchase of Property & Equipment	(14,350)	(4,309)	(16,573,306)	(8,747,096)
Proceeds form Sale of Property Plant & Equipment	1,209	2,177	344,881	251,130
Net cash flows from purchase of financial investments	-	-	59,674,749	(694,609,653)
Net cash flows on business combination	-	-	-	-
Effect of translation of net investment in foreign branches, subsidiaries & associates	-	-	5,465,689	2,372,362
Net investment in associates	-	-	(857,866)	1,584,070
Net Cash from Investing Activities	**(13,141)**	**(2,132)**	**48,797,729**	**(698,674,910)**
Cash Flow from Financing Activities				
Proceed from issuance of subordinated loans	-	-	-	-
Excahnge adjustment on translation of non-controlling interest in subsidiarry	-	-	85,115	76,720
Issuance/ (Repayment) of surbordinated loan	-	-	(9,982,000)	(4,000)
Payment of Lease Liability against right of use	(15,331)	(19,451)	(6,631,300)	(4,762,581)
Dividend paid	-	-	(10,855,155)	(3,664,234)
	(15,331)	**(19,451)**	**(27,383,340)**	**(8,354,095)**
Net Increase/(Decrease) in Cash and Cash Equivalents	1,752,998	(383,342)	73,876,371	22,971,678
Exchange difference on translation of foreign currency reserves	22,119	1,909	9,212,126	5,147,244
Cash and Cash Equivalents at Beginning of the year	437,136	818,568	422,601,823	403,695,027
Cash and Cash Equivalents at end of the period	**2,212,253**	**437,136**	**505,690,321**	**431,813,949**

SELECTED PERFORMANCE INDICATORS (AS PER REGULATORY REPORTING) AS AT 30 SEPTEMBER 2022

Item	Bank - LKR 30/09/2022 (Unaudited)	Bank - LKR 31/12/2021 (Audited)
Regulatory Capital Adequacy		
Common Equity Tier 1 Rs. '000	4,651,673	6,229,717
Core Capital (Tier 1 Capital), Rs. '000	6,302,481	6,289,322
Total Capital Base, Rs. '000	4,741,559	6,279,278
Regulatory Capital Ratios		
Common Equity Tier 1 Capital (%) , (Minimum Requirement - 7%)	40.02%	106.45%
Tier 1 Capital Ratio (%) , (Minimum Requirement - 8.5%)	40.02%	106.45%
Total Capital Ratio (%) , (Minimum Requirement - 12.5%)	40.80%	107.30%
Leverage Ratio , (Minimum Requirement - 3%)	29%	43%
Regulatory Liquidity		
Statutory Liquid Assets, Rs.'000		
Domestic Banking unit	9,219,742	8,488,738
Off-Shore Banking Unit - USD	5,530	17,909
Statutory Liquid Assets Ratio (%) , (Minimum Requirement - 20%)		
Domestic Banking unit	172%	81%
Off-Shore Banking Unit	57%	126%
Total Stock of High Quality Liquidity Assets , Rs.'000	6,619,870	8,611,038
Liquidity Covereage Ratio (%) , (Minimum Requirement - 100%)		
Rupee (%)	693%	3440%
All Currency (%)	534%	783%
Net Stable Funding Ratio (%) - (Minimum Requirement - 100%)	177%	240%
Assets Quality (Quality of Loan Portfolio)		
Gross Non - Performing Advances Ratio (%) (net of interest in suspense)	4.32%	7.54%
Non - Performing Advances (%) (net of interest in suspense and provision)	0.94%	0.51%
Profitability		
Interest Margin (%)	7.52%	4.20%
Return on Assets (before Tax) (%)	7.20%	2.70%
Return on Equity (%)	12.87%	5.70%

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. 178.2426 as at 31 December 2021)

Wajid Ali Shah
RGM Sri Lanka / Maldives
22 November 2022

Fathima Zahara Mohamed
Head of Finance
22 November 2022