

HBL

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PSL

Pakistan Super League



Investor Presentation

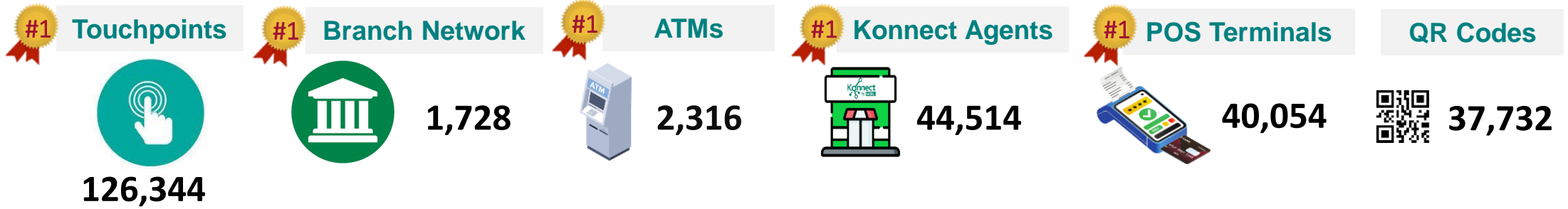
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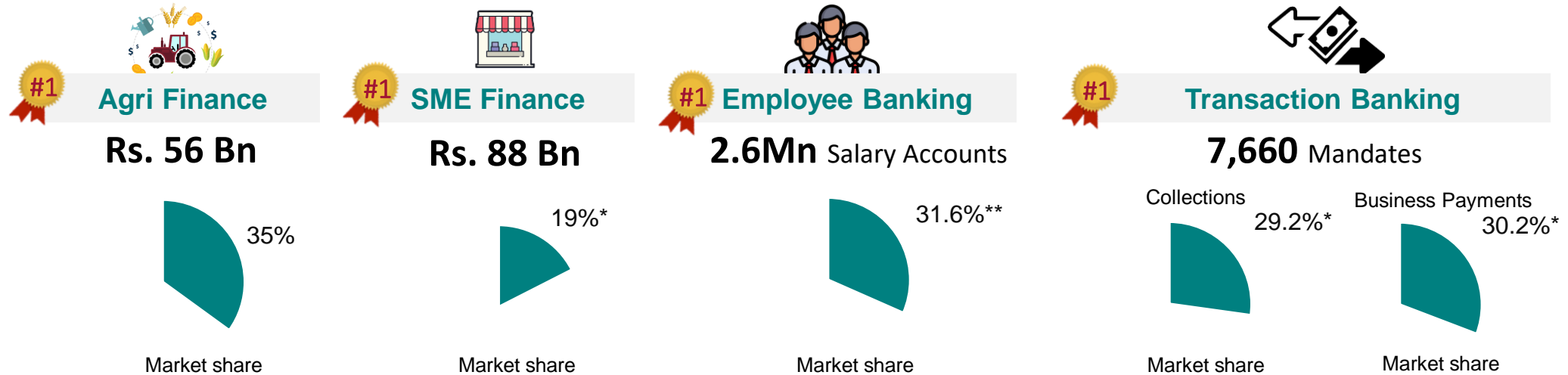
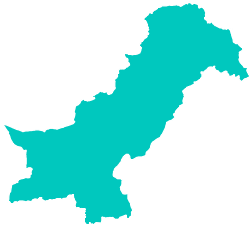
Q1'24

HBL continues to lead the pack across most metrics

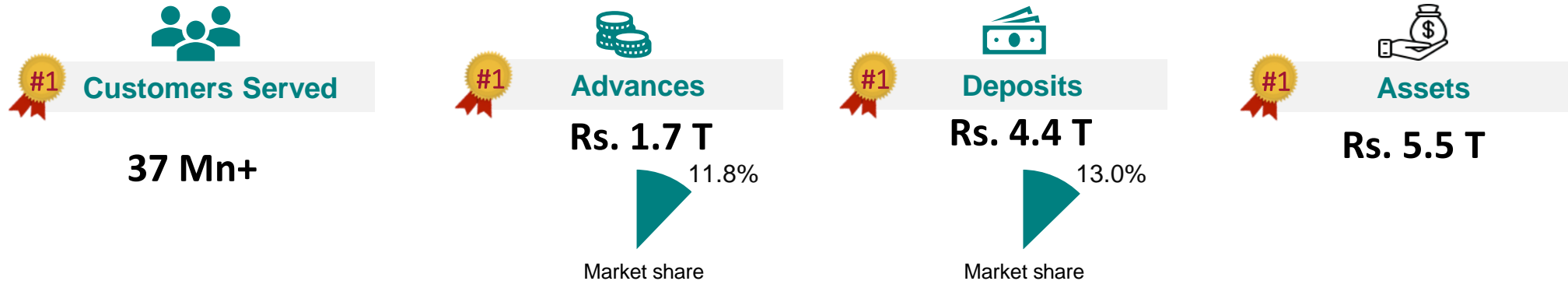
Expanding Reach



Contributing to development

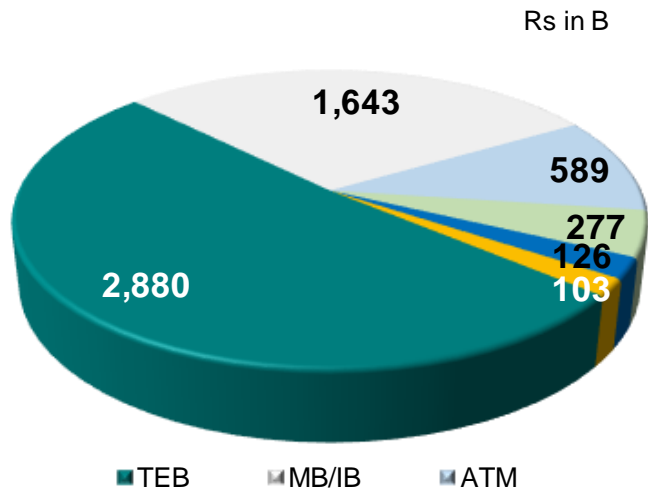


Financial Stability



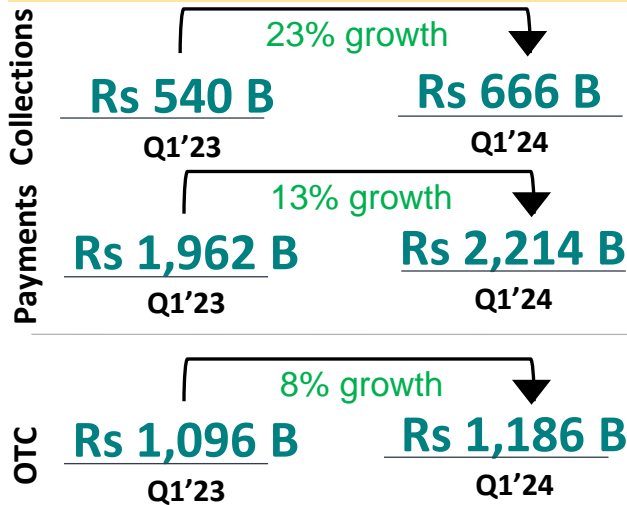
HBL Digital – Throughput up 29% YoY to Rs 5.6T

Digital throughput composition

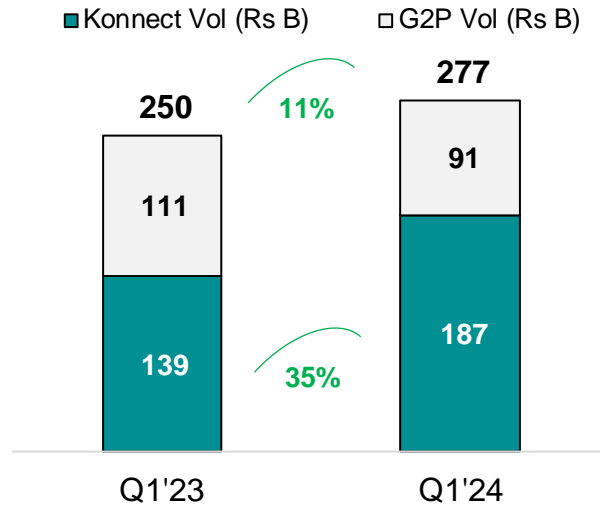


Cash management – Throughput up 13% to Rs 4T, **digital transactions** up 15%, to reach 2.8T

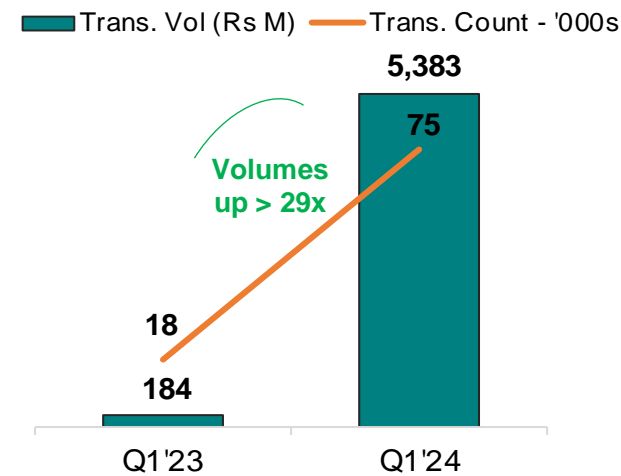
Digital



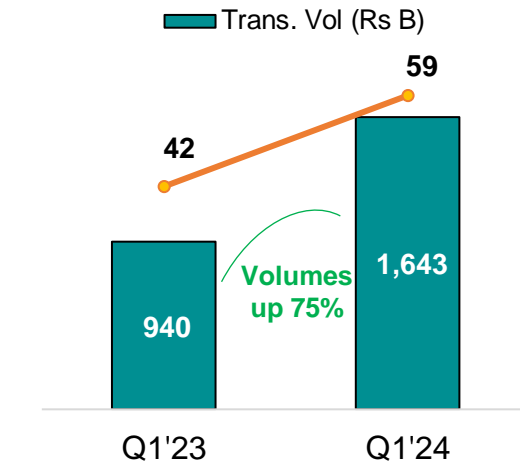
Konnect – Volumes cross the Rs 270B mark, primarily driven by core business



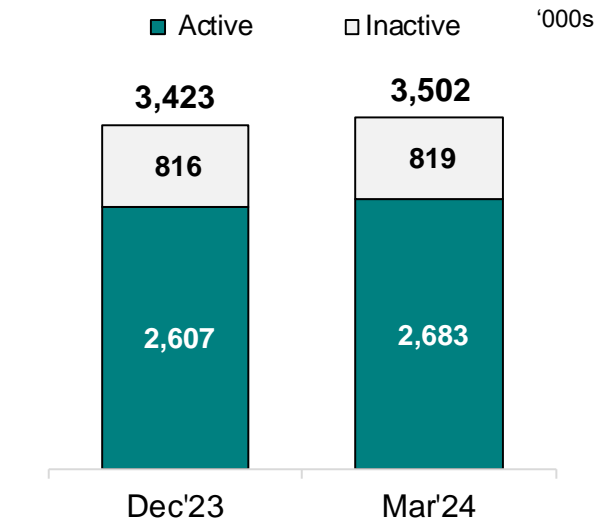
QR – Increasing acceptance continues to re-energize QR. Ticket sizes increase by 6x to uplift volumes



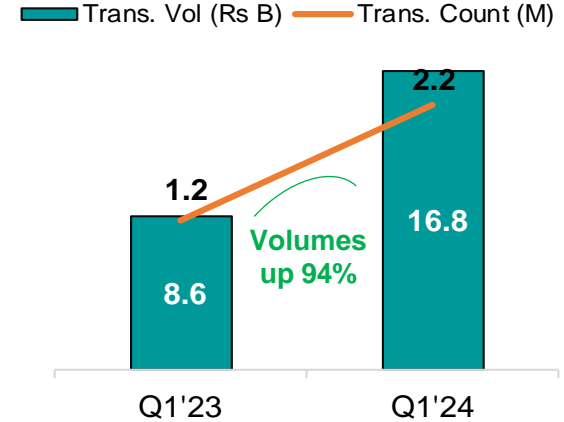
MB/IB – Growth in user base (>4m) and higher ticket size continue to drive volumes to over 1.6T



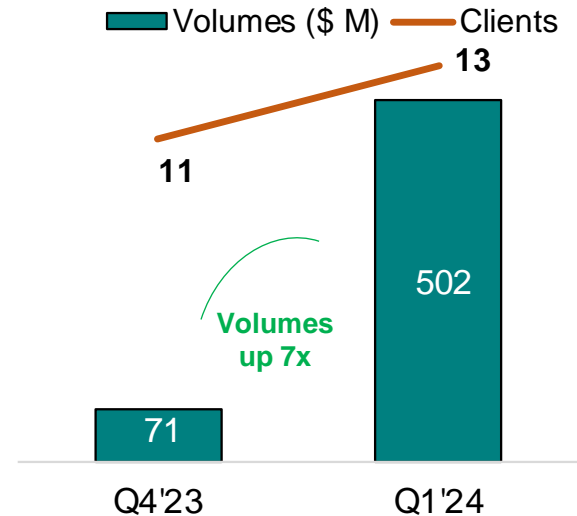
Monthly Active Users*
Mobile : stable at 77%



HBL Pay Checkout – higher transactions and growing ticket size almost double volumes

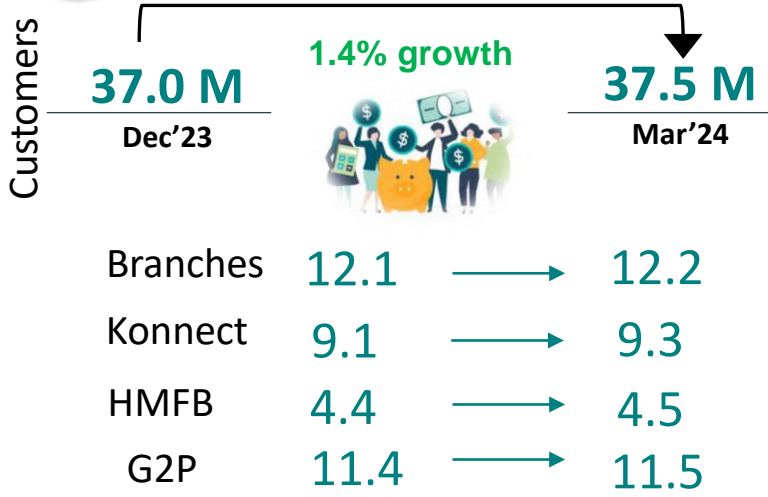


HBL Symphony® - Volumes picking up with new features in Phase 2

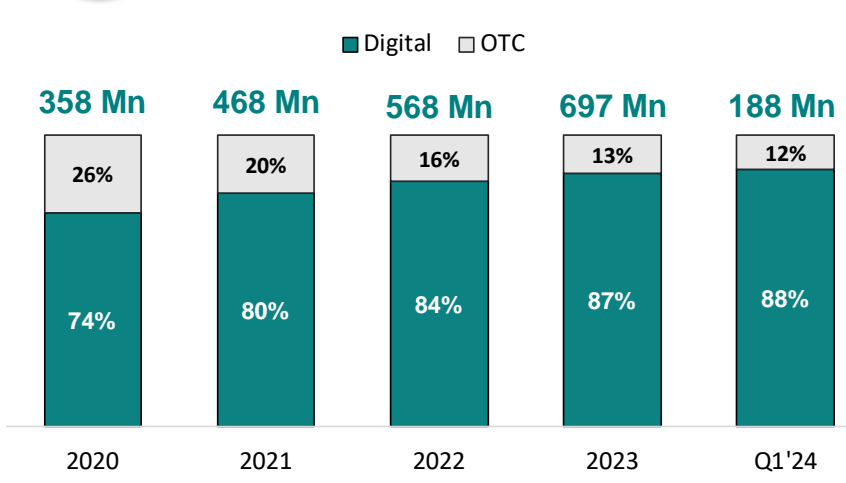


HBL continues its momentum in areas of strategic focus

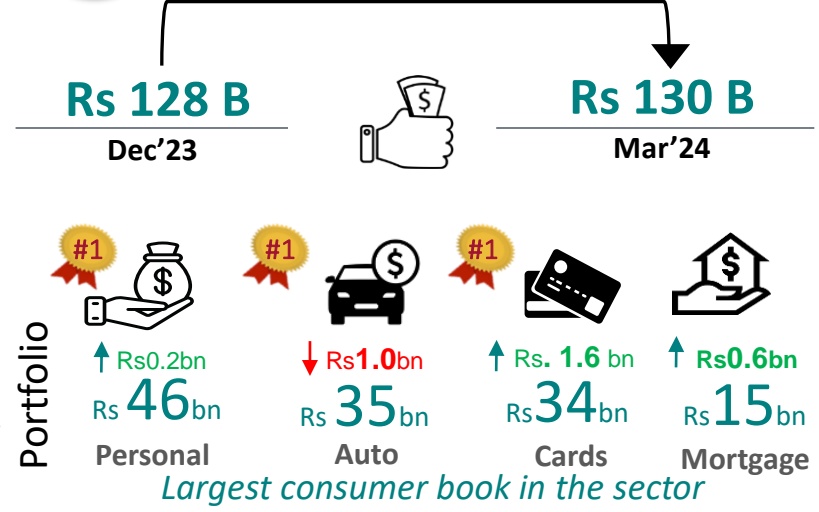
1 Non-branch channels continue to drive customer growth – **0.5 million customers** added....



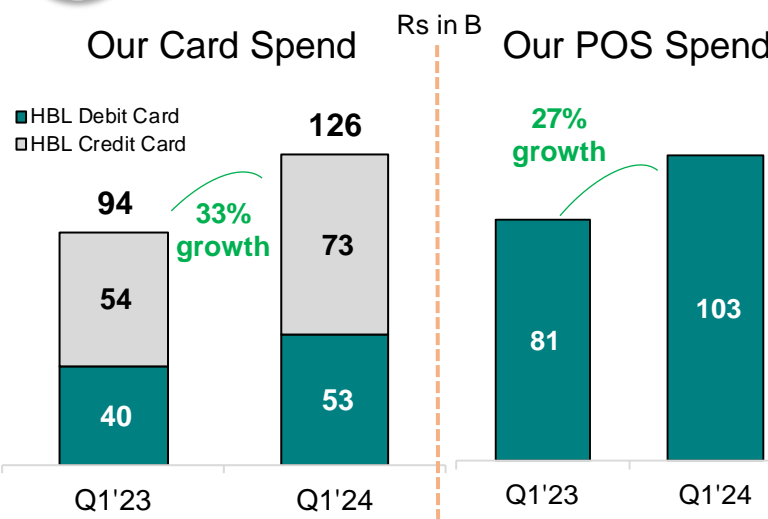
2 ...and we continue to digitize more and more customer transactions



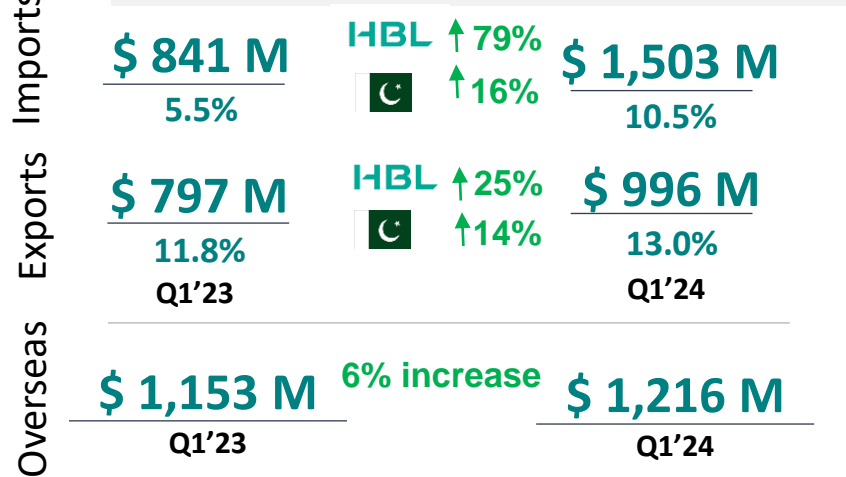
3 Cards spend leads the pack in **Consumer Lending** leading to an overall rise despite Autos drop



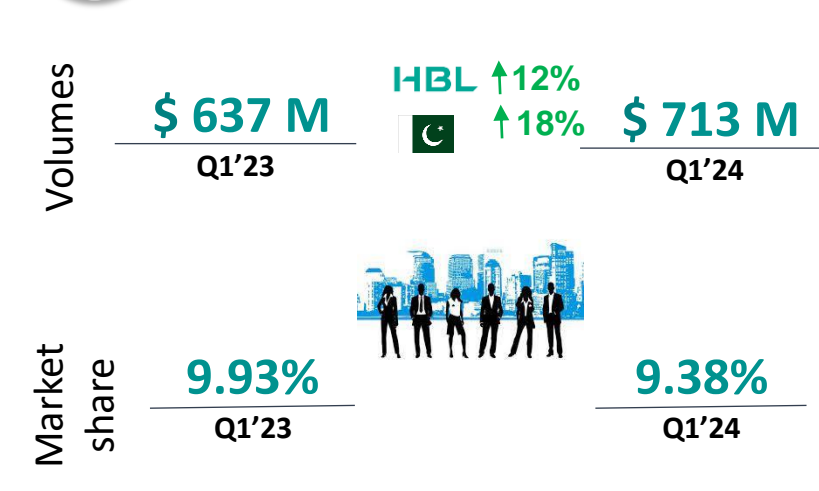
4 Cards base > 7.5 Mn. 1/3 of country's credit card volume / spend are on HBL



5 Trade Volumes – Import share rebounds from Q1'23 low, exports share continues growth. Overall market share up from 8.8% to 11.7%*



6 Remittances grow, albeit slower than country



*Market Shares are as of Feb'24

2023 Banking Awards



**Best Domestic Bank
Best Bank for Digital Solutions**



Best Digital Banking Services Award 2022



Best Microfinance Bank



Best Consumer Bank in Pakistan



Best Microfinance Bank



Best Bank for Agriculture Financing



Digital Leadership Award

Investment Banking Awards 2023 & 2024



- Best Islamic Finance Local Currency – Asia
- Best Corporate Bank – Large Corp & MNCs
- Best DCM House
- Best ECM House



- Best Syndicated Loan 2024
- Best Bond Advisor 2024
- Best Loan Advisor 2024
- Best Acquisition Financing 2024



- Project Finance House of the Year
- Telecom Deal of the Year
- Private Public Partnership (PPP) Deal of the Year
- Best Structured Finance Deal



- Best Infrastructure Project Finance Deal
- Largest Power Project Deal of Pakistan
- Best Telecom Deal of Pakistan
- Best Infrastructure Project Finance Deal of Pakistan



- Domestic Project Finance Bank of the Year
- Corporate & Investment Bank of the Year
- Equity Deal of the Year Pakistan.
- Mergers & Acquisition Deal of the year

Best Investment Bank



Business Awards 2023



- Analytics Initiative of the Year
- Digital Business Banking Initiative of the Year in Pakistan
- Digital Consumer Banking Initiative of the Year in Pakistan
- Domestic Cash Management Bank of the Year in Pakistan

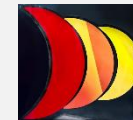
Other Awards



Excellence in Digital Transformation



Most Innovative Bank in Asia



Market Leader Digital Adoption



Best Social Media Marketing Campaign



Best Digital Payment Processor



Best Bank in Pakistan

Diversity & Inclusion Awards



Access to Finance Champion 2023



**HBL ranked #1
HBLMFB ranked #2**



HBL – The Most Inclusive Organization in 2023

HBLMFB also won an award in all 15 categories

#JahanFansWahanStadium

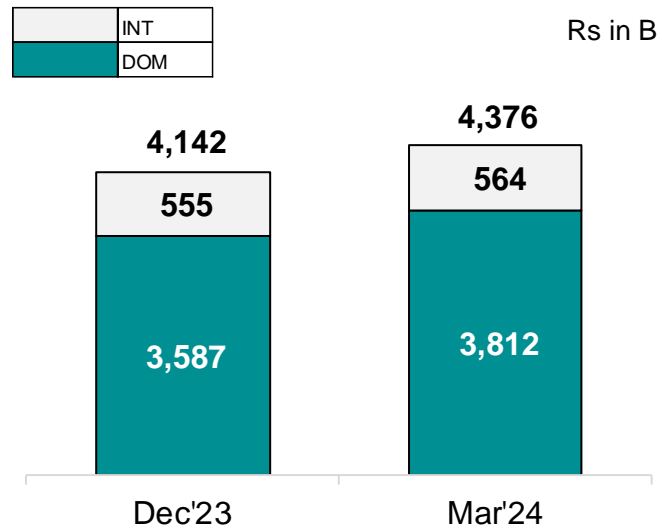
First Branded Hashtag Challenge by a Bank in Pakistan



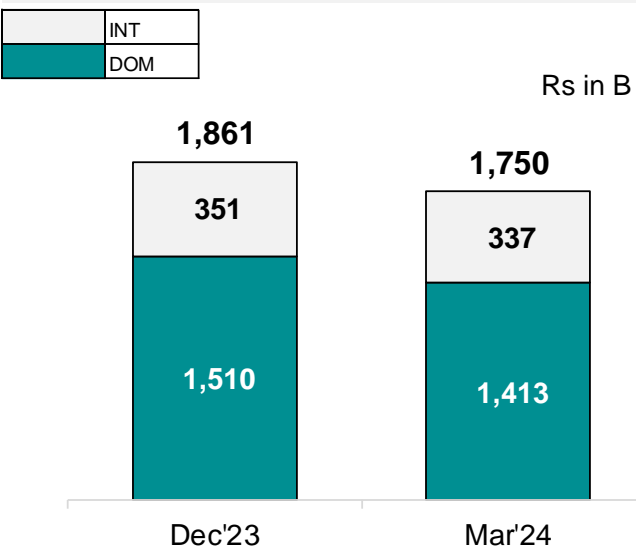
TikTok published a global case study on HBL PSL.

Q1 CA growth at highest in the last 5 years...

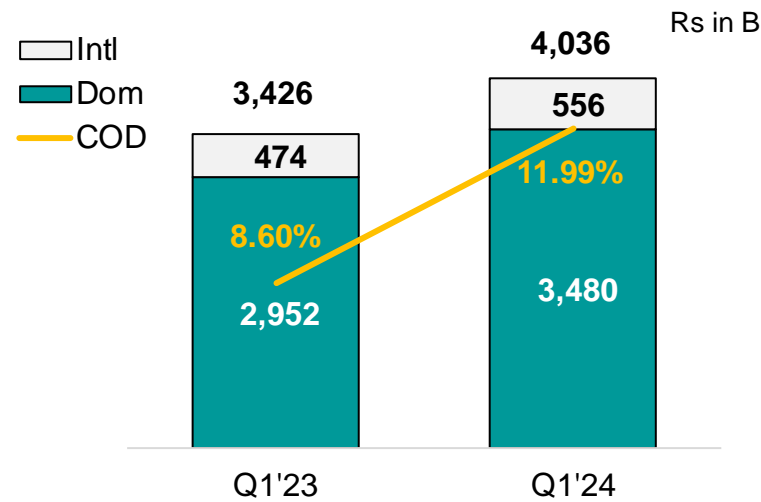
Deposits grew by 5.6%



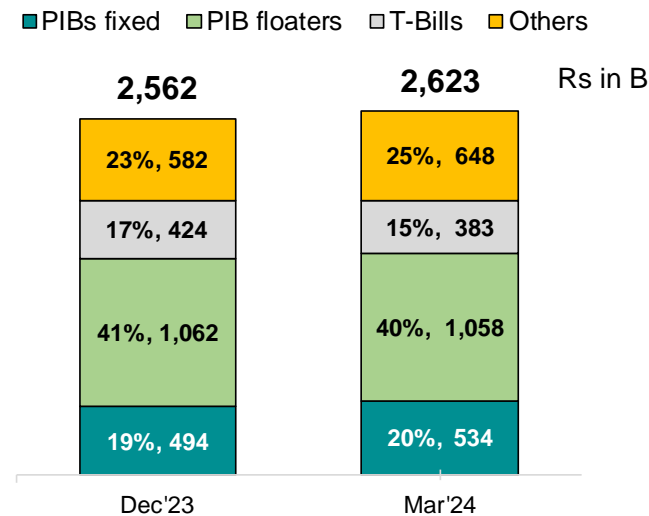
Advances – decline in line with the industry trend



Average domestic deposits up 17.8%; growth supported from low-cost deposits



Investment portfolio up 2%, portfolio mainly floating-rate PIBs



Deposits

- Total deposits grew by 5.6% to ~Rs 4.4T from Dec'23.
- Current accounts grew by Rs 80b, the highest Q1 growth in the last 5 years
- Total average deposits cross Rs 4.0T with growth of Rs 507b in average domestic deposits; supported by low-cost deposits (Current : Rs 73 B, low-cost savings : Rs 310 B).
- Total international deposits crossed \$2.0 billion, growing by 3% (\$61 million) over Dec' 23.

Advances

- Domestic advances have declined by Rs 97b to Rs 1.4T, as at Mar'24.
- Decline is broad based and led by corporate (Rs 52B) and Commercial lending (Rs 17B). Consumer lending continues to show growth
- Overseas advances declined by \$34M and are at \$1.21B.

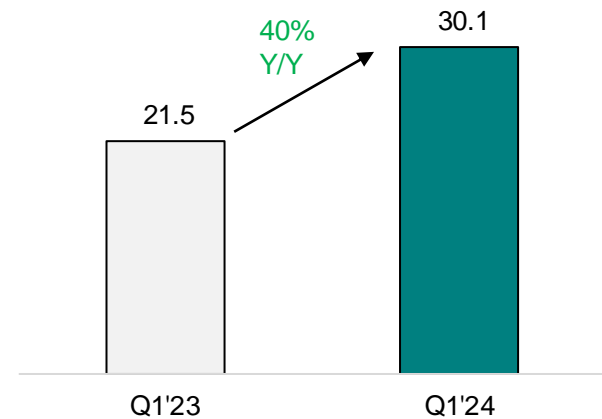
Investments

- Total investments crossed Rs 2.6T.
- The investments book has remained liquid, mainly in T-bills and floating rate PIBs.

Q1'24 - PBT up 40% to Rs 30.1B

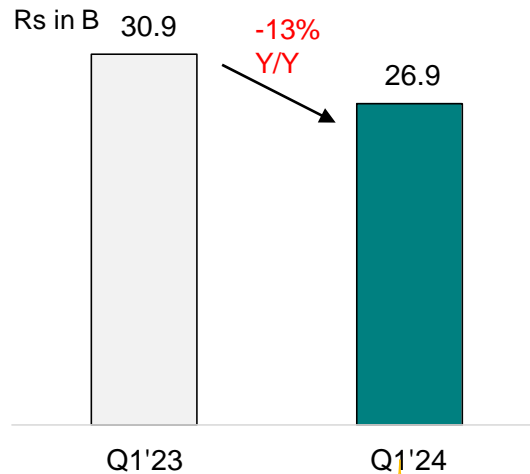
Group

Rs in B



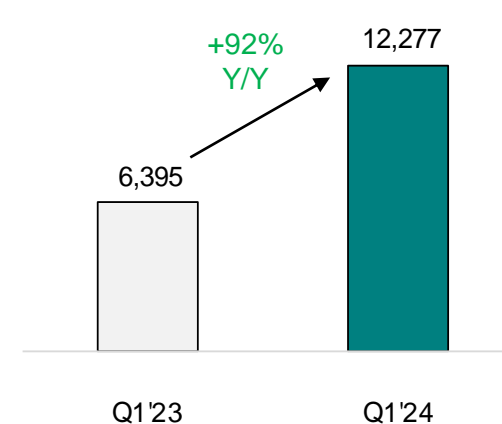
Core domestic business

Rs in B



Core International

\$ '000s

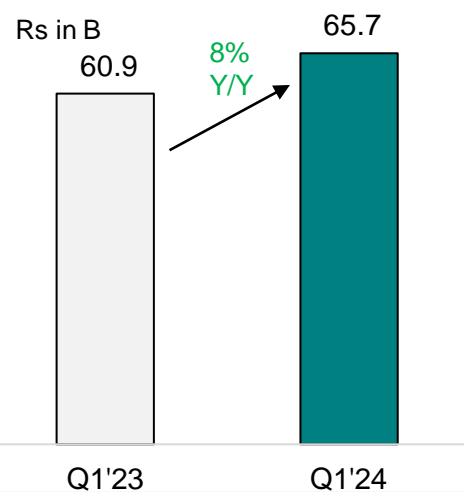


PBT up by 40% to Rs 30.1b

- Core domestic PBT of Rs 26.9b is down 13% YoY.
- Major international turnaround continues – Core PBT of \$12.3m vs \$6.4m in Q1'23.

Revenue growth driven by growth in both NII and NFI

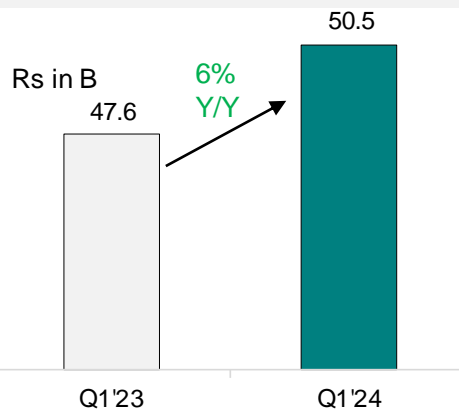
Rs in B



Revenue up 8% to Rs 65.7b

NII grew by 6% YoY to Rs 50.5b on volume growth

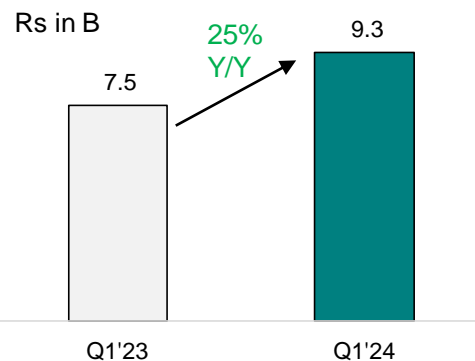
Rs in B



- NIM sinks by 9bps amid drag in asset yields.
- Avg balance sheet up 14.4% (Rs 522b).

Fee up 25% to Rs 9.3b, driven by Cards

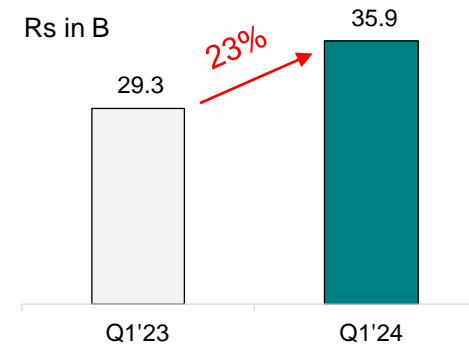
Rs in B



- Double-digit growth (>20%) in General Banking, and Trade while Remittance and Banca grew > 2x.
- Cards fee up 15%, contributing 35% of growth.

Admin. Expenses – up 23% amid persistent high inflation

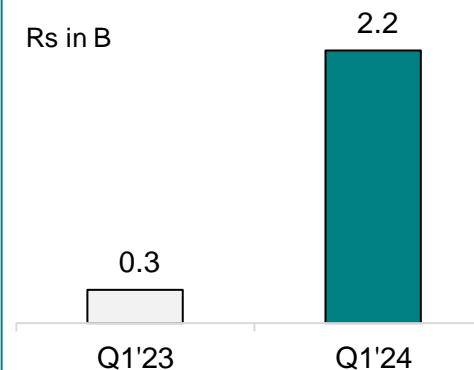
Rs in B



Admin expenses increased by 23% to Rs35.9b, driven by higher transaction driven variable cost.

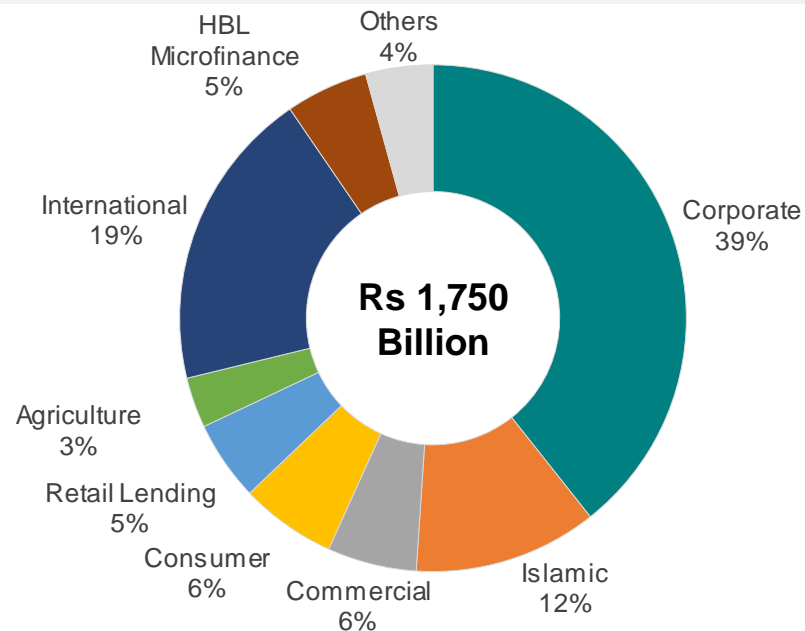
Provisions up Rs 1.9b YoY

Rs in B

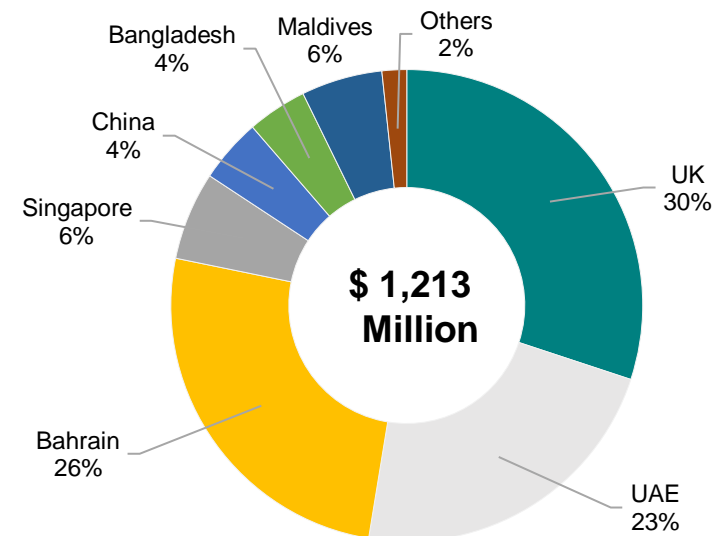


Lending Portfolio growth softens as credit demand remains subdued

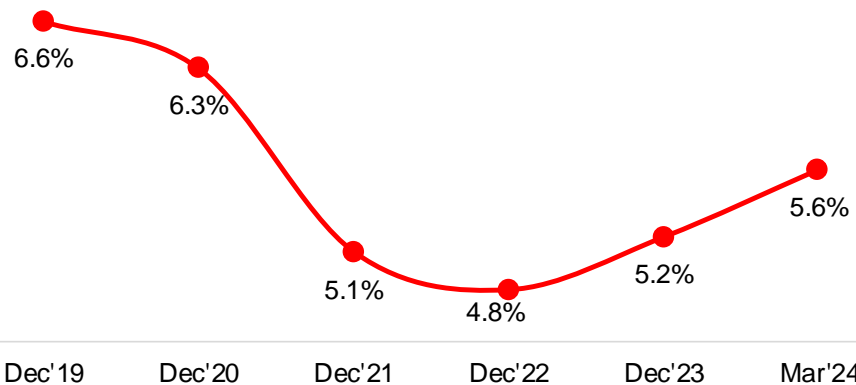
Loan Portfolio composition by line of business



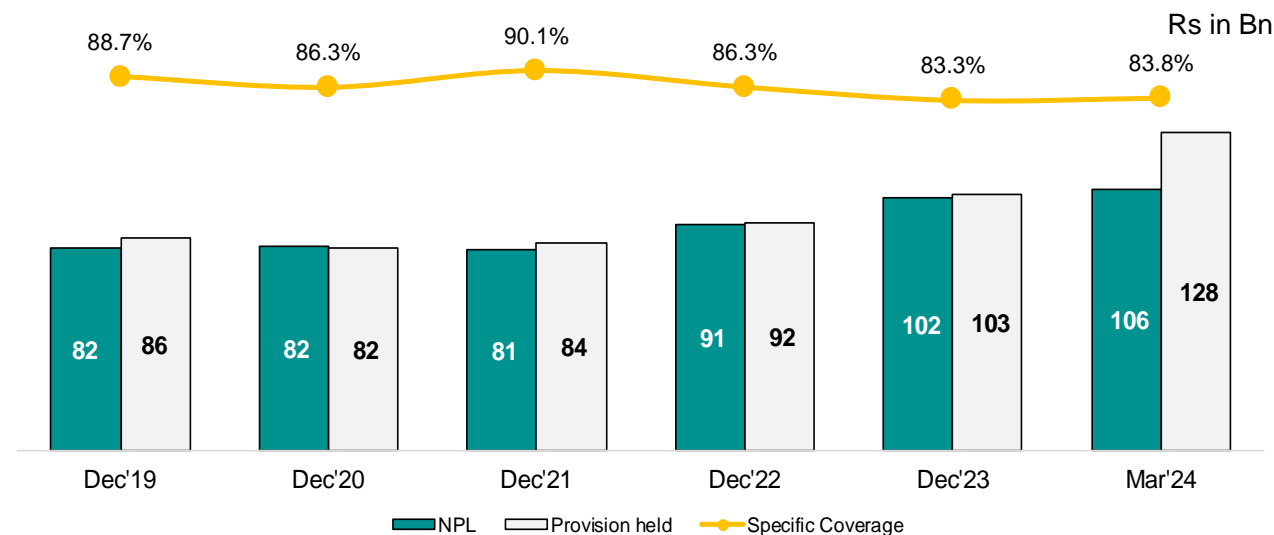
International Loan Portfolio – Location wise



Infection ratio – uptick in infection ratio as NPLs increase on a declining loan book

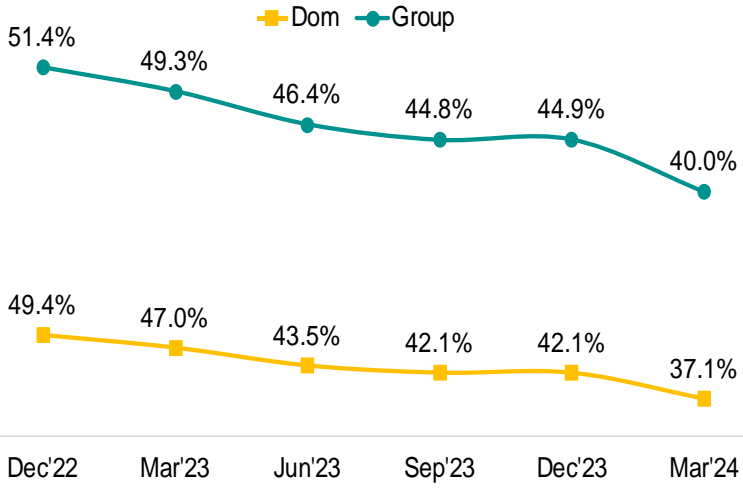


Specific coverage slightly increased to 84%



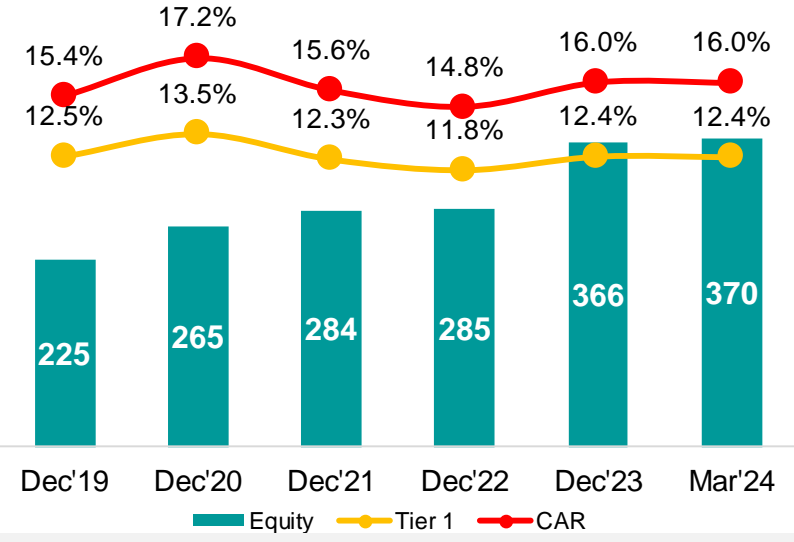
Key Performance Metrics

Slowdown in demand drops ADR to 40.0%

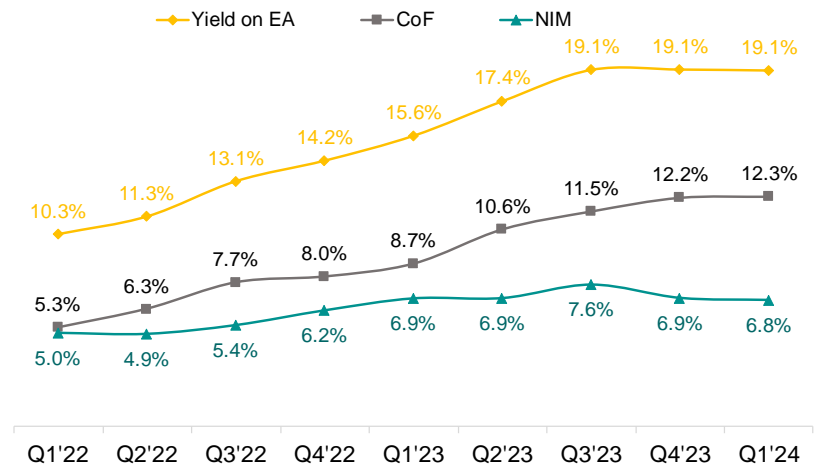


* Gross Advances / Deposits as per tax definition

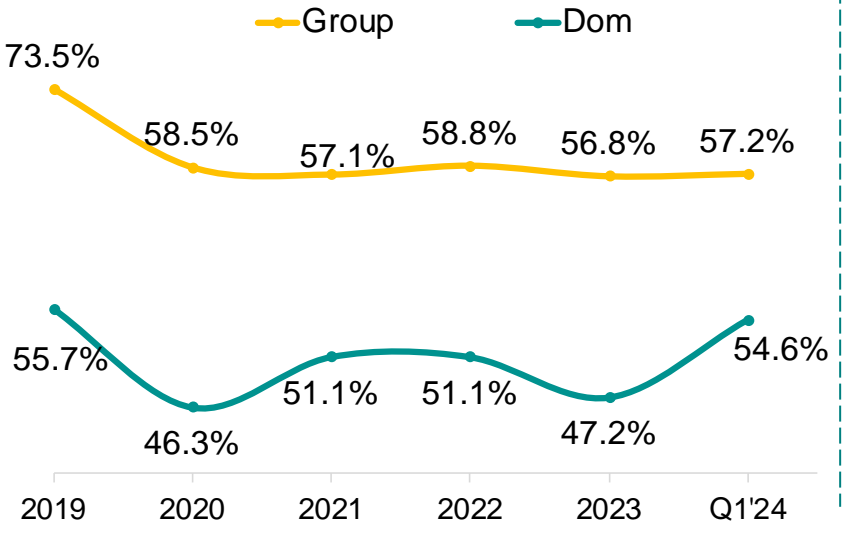
CAR – maintained at Dec'23 levels



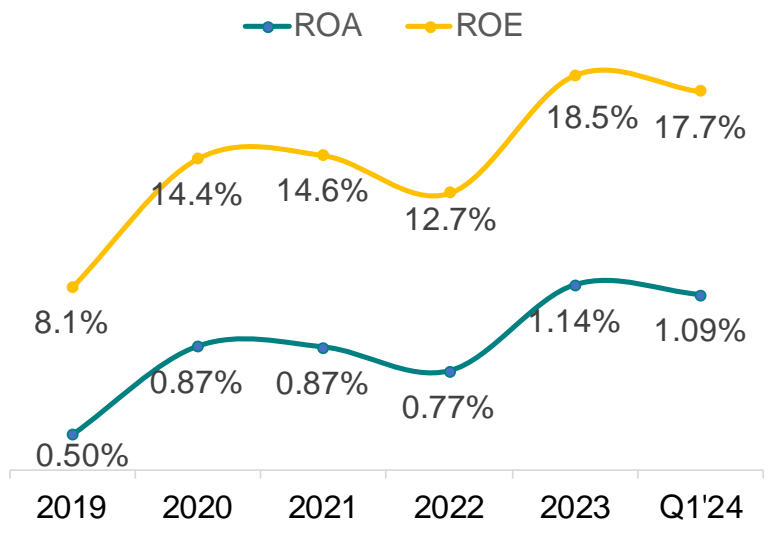
NIM – peaked as market rates soften on expectations of rate cut



Cost to income ratio – impacted by persistent inflation and flattish revenue



ROA & ROE – returns down from 2023 peak, but still robust and in high-teens target range



EPS and BVPS – consistent growth

