

The HBL logo consists of the letters 'HBL' in a bold, white, sans-serif font, centered within a teal rectangular background.

HBL

9M 2015 Financial Results

Investors Presentation

Consolidated PBT up 44% YoY to Rs. 47.9 Bn, PAT 26% higher YoY at Rs 27.5Bn

- Growth in PAT is lower due to the retrospective tax charge taken earlier this year

Net interest income has increased by 18% to Rs. 58.5Bn

- Average balance sheet has grown by 20% compared to 9M'14.
- Average domestic current deposits have grown by 23% YoY
- Significantly higher average PIB volumes (up 80% YoY) and a 6% growth in average domestic loans
- Overall margins are slightly down by 6bps to 3.7% in 9M'15 as impact of 300 bps rate cuts in 2015 now being fully felt

Non markup income at Rs 29.4 Bn up by 74%

- Fees and commissions have grown by 30% YoY to Rs 11.7Bn. Primary drivers remained home remittances, Bancassurance, cards related revenues and investment banking
- Capital gains stood at Rs 11.5Bn with sale of government bonds accounting for Rs 7.9Bn.
- Dividend income doubled to Rs 1.3Bn
- FX income down by 21% on YoY basis to Rs 1.7Bn, as swap arbitrage spreads have come off sharply and the relatively stable exchange rate has resulted in fewer trading opportunities

Administrative expenses are up 16%YoY to Rs 36.0Bn, but down 6% QoQ

- Expense drivers remain staff and IT costs
- However, cost to income ratio has improved to 41.0% in 9M'15 (9M'14: 46.8%) as a result of the strong revenue delivery

Provisions

- Gross NPLs have reduced by Rs 1.6 Bn in the nine months of 2015, both in domestic as well as for international.
- Provisions are Rs 3.0 Bn for 9M'15 (9M'14: Rs 1.2 Bn) primarily due to aging of previously classified names as well as a conservative view taken by the Bank on certain borrowers.
- Provisions in the international business are up by Rs 1 Bn YoY
- However, the overall cost of credit remained at half yearly levels of 0.6%
- Consequently, the coverage ratio has improved to 87.8% in Sep'15 (Dec'14: 83.2%)

In Sep'15, the Balance Sheet has grown by 11% over Dec'14 to Rs 2.1 trillion

Deposits increased to Rs 1.6 trillion, up 2% from Dec'14

- Total current accounts grew by 5% over Dec'14, current account mix now 35.3% (Dec'14: 34.2%)
- Average domestic current deposits have grown by 23% YoY
- Consequently, the cost of domestic deposits reduced to 3.8% in 9M'15 from 5.1% in 9M'14
- Domestic CASA ratio has improved to 85.6% in Sep'15 (Dec'14: 80.8%)
- Domestic market share has reduced to 14.1% in Sep'15 (Dec'14: 14.8%) primarily due to targeted reduction in expensive term deposits. However, market share is flat on QoQ basis.

Net advances reduced by 2% over Dec'14 to Rs 583Bn in Sep'15

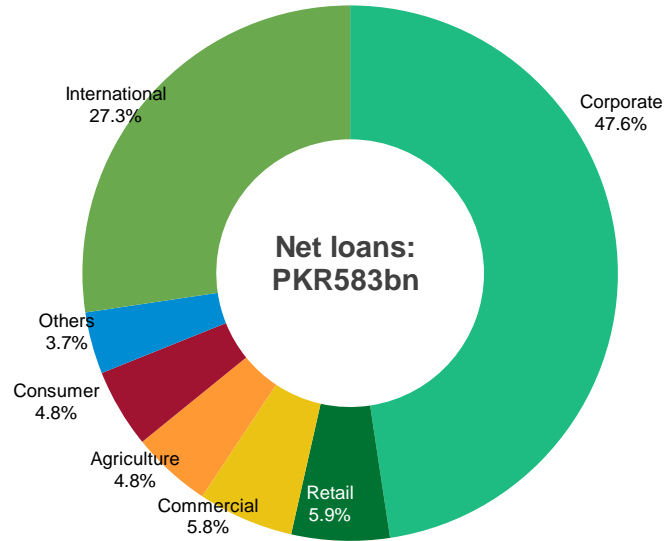
- Domestic advances have reduced by 2% (Rs 8Bn), primarily due to reduction in seasonal financing. However, investment in corporate paper is up by Rs 12 Bn.
- International advances are also down by Rs 2% (Rs 3 Bn) as compared to Dec'14

Consolidated Financials - Balance Sheet

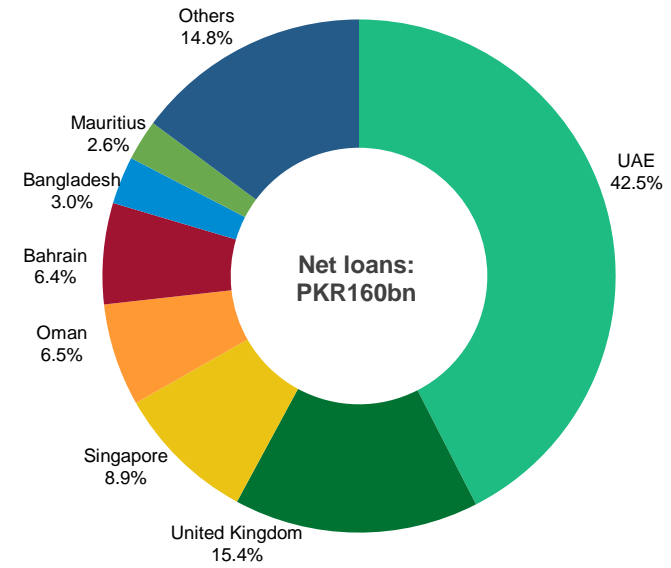
PKR Bln	Dec'14	Sep'15	Var%
Cash & Bank Balances	203.0	185.7	-8%
Lending to Financial Institutions	34.3	42.8	25%
Investments	924.3	1,182.1	28%
Performing Advances	579.3	570.6	-1%
Non Performing advances - net of provision	16.0	12.7	-21%
Others	110.1	87.5	-21%
Total Assets	1,867.0	2,081.5	11%

Deposits - Domestic	1,256.2	1,290.6	3%
Deposits - International	268.3	260.5	-3%
Total Deposits	1,524.5	1,551.2	2%
Borrowings	103.4	259.8	151%
Others	69.0	90.1	31%
Total Liabilities	1,696.9	1,901.0	12%
Shareholders' equity	147.3	156.0	6%
Non - controlling interest	1.2	1.6	35%
Surplus on revaluation of assets - net of tax	21.7	22.9	6%
Total Liabilities & Equity	1,867.0	2,081.5	11%

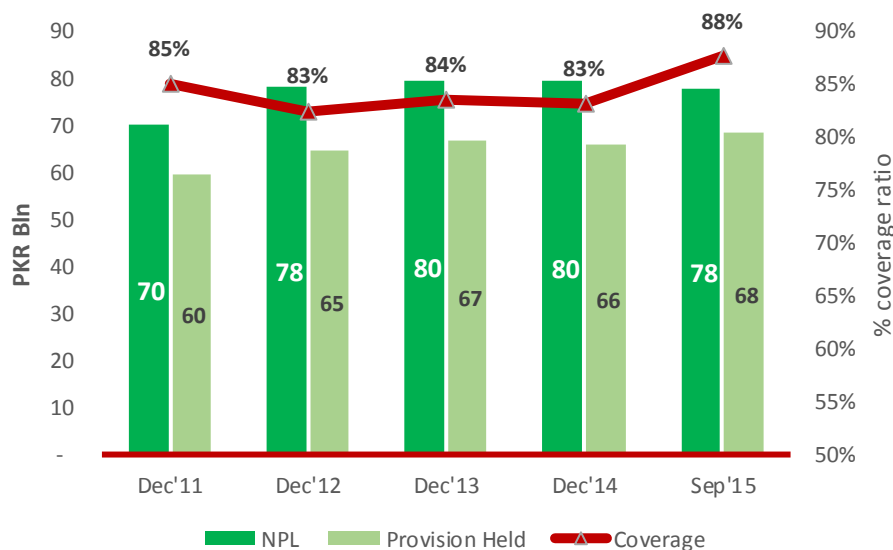
Loan portfolio composition by line of business



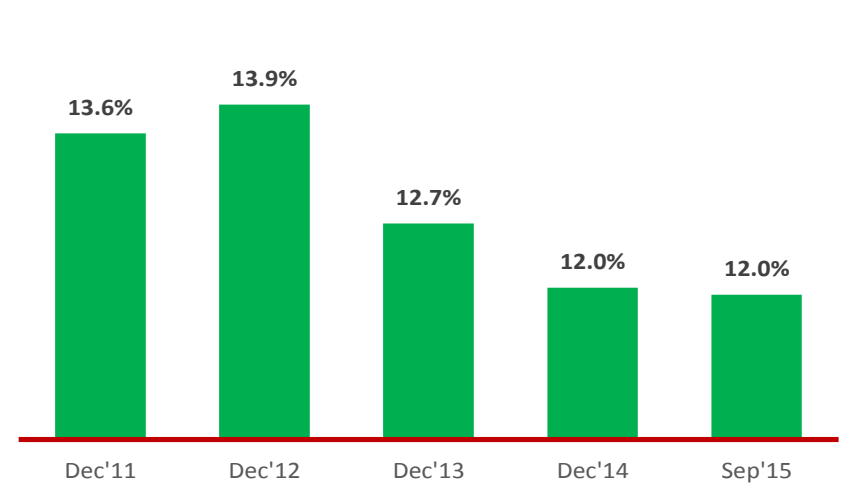
International Advances – Location wise



Coverage ratio



Asset quality



Deposits

Growth in Period End Deposits

PKR Bn	Dec'14			Jun'15	
	Dec'14	Sep'15	Var %	Jun'15	Var %
Current	395	420	6%	454	-7%
Savings	620	685	10%	679	1%
Fixed	242	186	-23%	209	-11%
Domestic	1,256	1,291	3%	1,341	-4%
International	268	261	-3%	262	-1%
Group	1,525	1,551	2%	1,603	-3%

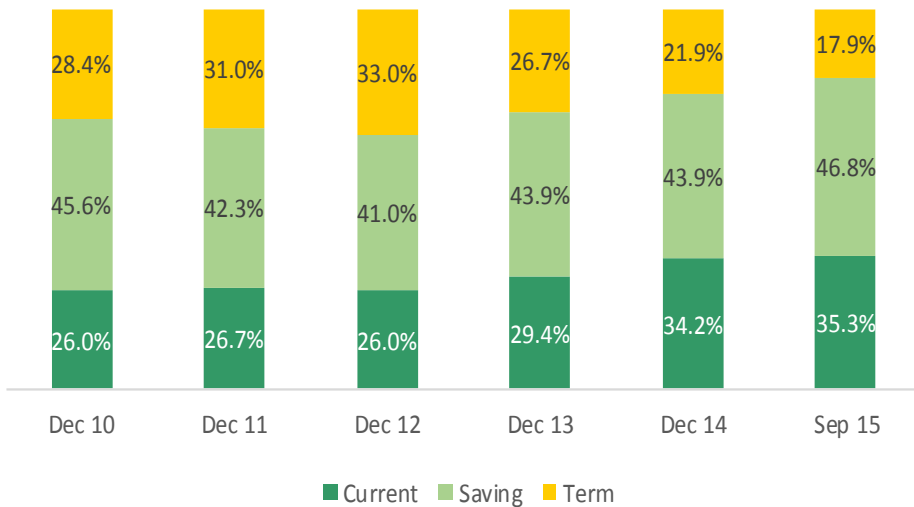
Growth in Average Deposits

PKR Bn	YoY		
	9M'14	9M'15	Var %
Current	308	380	23%
Savings	576	656	14%
Fixed	237	219	-8%
Domestic	1,121	1,254	12%
International	227	254	12%
Group	1,348	1,509	12%

CASA Ratio	78.1%	82.1%	4.0%	81.5%	0.6%
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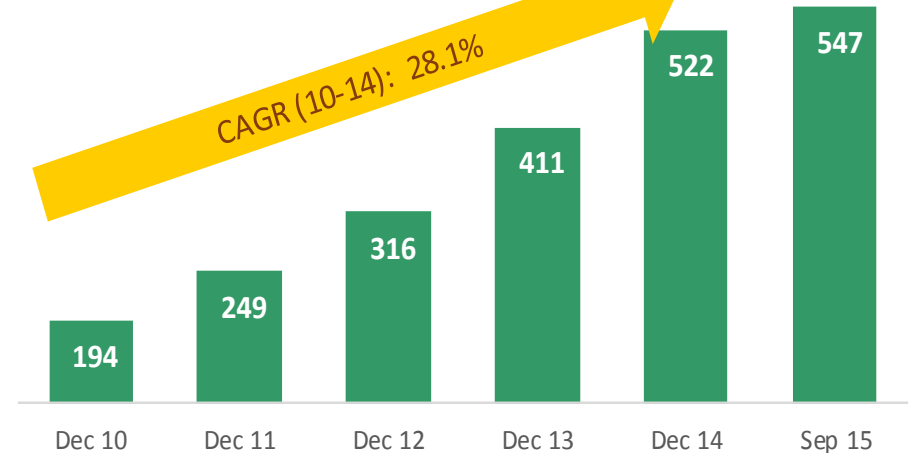
Cost of Deposits	4.5%	3.3%	-1.2%
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Deposits Composition



Growth in current deposits

PKR Bln



Income Statement

PKR Bn	9M'15	9M'14	Var%
Interest Income	109.2	101.1	8%
Interest expensed	(50.7)	(51.7)	2%
Net Interest Income	58.5	49.3	18%
Non Interest Income	29.4	16.9	74%
Gross Revenue	87.9	66.2	33%
Admin Expenses	(36.0)	(31.0)	-16%
Operating Expenses	(37.0)	(31.7)	-17%
Pre Provision Operating Profit	50.8	34.5	47%
Provisions	(3.0)	(1.2)	-137%
Profit Before Tax	47.9	33.3	44%
Tax	(20.4)	(11.4)	-79%
Profit After Tax	27.5	21.9	26%

Non Fund Income

PKR Mln	9M'15	9M'14	Var%
Fee, commission and brokerage income	11,706	9,020	30%
Gain on sale of securities	11,486	1,457	688%
Dividend income	1,338	701	91%
Share of profit of associates and joint venture	1,849	1,907	-3%
Income from dealing in foreign currencies	1,701	2,141	-21%
Other income	1,316	1,629	-19%
Total non interest income	29,397	16,853	74%

Key Ratios

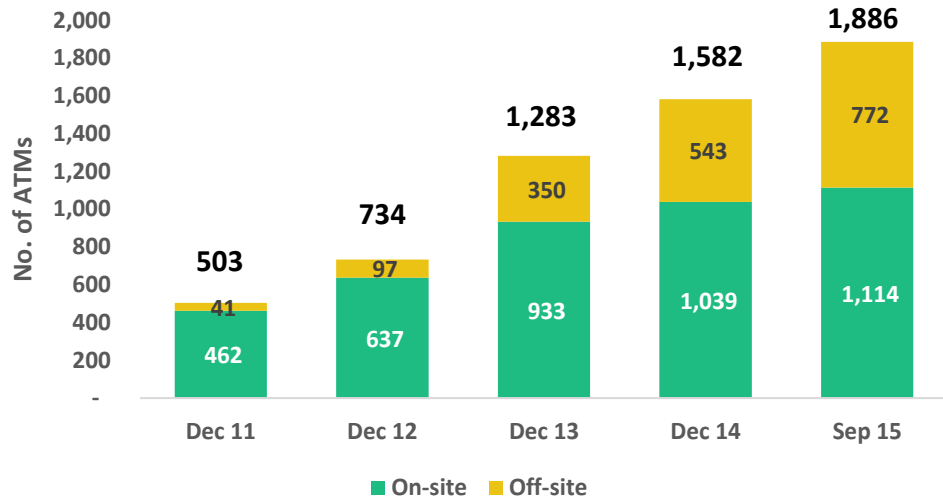
Ratios	Dec'14	Sep'15
Advances : Deposits	43.4%	42.0%
Asset Quality	12.0%	12.0%
Coverage	83.2%	87.8%
Capital Adequacy	16.2%	16.6%

Ratios	9M-14	9M-15
Yield on advances	9.9%	8.6%
Cost of deposits	4.5%	3.3%
Net Interest Margin	4.8%	4.6%
NCL ratio	0.3%	0.6%
Return on average assets	1.7%	1.9%
Return on shareholders' equity*	21.1%	24.0%
Cost : Income ratio	46.8%	41.0%
NFI : Gross revenue	25.5%	33.5%

**excluding surplus on revaluation*

Non Branch Channels

Number of ATMs



ATM Transactions

Particulars	9M-14	9M-15	Var %
No. of ATMs	1,463	1,886	28.9%
No. of Transactions (in million)	30.1	40.6	34.8%
Total Cash withdrawal (PKR million)	250,185	362,640	44.9%
Average transaction size (PKR)	8,306	8,934	7.6%
Average monthly no. of transactions per ATM	2,288	2,391	4.5%

Phone Banking

Particulars	9M-14	9M-15	Var %
No. of Users (in million)	9,450	13,695	44.9%
Total no. of financial transactions (excl. IVR)	15,768	23,225	47.3%
Total transaction amount (PKR million)	340	603	77.4%
Average transaction size	21,563	25,963	20.4%

Internet Banking

Particulars	9M-14	9M-15	Var %
No. of Users	98,535	198,273	101.2%
Total No. of transactions (in million)	0.560	0.772	37.8%
Total transaction amount (PKR million)	10,652	15,636	46.8%
Average transaction size	19,011	20,247	6.5%