

Business Groups

Corporate Banking

The Corporate Banking Group (CBG) is the largest corporate lender in Pakistan. Our dedicated centers located in the major financial markets of Pakistan provide an array of funded and non-funded facilities to a wide spectrum of businesses.

The success of HBL's CBG is built on direct personal relationships between our clients and specialist financial managers. Our knowledge and experience are matched by an in depth understanding of the complexities of businesses in Pakistan's corporate environment.

CBG, in conjunction with our Investment Banking and Treasury Division, offers all forms of credit transactions including Working Capital Lines, Margin Loans, Trade Finance, Term Loans, Project Finance, Lease Finance and Corporate Cash Management Solutions.

CBG's customer base spans a wide range of industries from large groups in traditional textile related fields to new ventures in the cement, power and telecommunication sectors. The growing demand for electricity, communications equipment and building materials provided an impetus to



corporate funding requirements during 2007. Thus, the thrust of financing was largely for power projects, cement plants and the expansion of mobile telephony coverage.

Despite volatility in the markets during the last few months, 2007 was another year of record growth for CBG. The bank strengthened its leadership position in corporate loans, outstripping the market with a record growth of 24% in funded assets which reached PKR 238 billion (USD 3.8 billion).

The Trade Finance Business increased by 18% when the bank made PKR 319 billion (USD 5.1 billion) and the total Non Funded Income of the Group also grew by 18% to PKR 1.25 billion (USD 19.9 million).

HBL relaunched the Stock Market Broker Financing by transferring the Stock Exchange Branches under the umbrella

of CBG. HBL devised a cash management solution, which has been recognised as a viable and cost effective solution, for large corporate customers including utility companies, companies in the FMCG sector, oil marketing companies and national/regional distributors. The volume handled by the cash management division exceeded PKR 215 billion (USD 3.4 billion) during 2007.

In consultation with the HBL Treasury, active marketing of Treasury derivatives were offered during the second half of the year. In collaboration with the Treasury team, new and restructured derivative deals in FX Options and Interest Rate Derivatives totalling PKR 4 billion (USD 64 million) were concluded with corporate customers.

Investment Banking

HBL Investment Bank (IB) is the most active Corporate Finance outfit in Pakistan in terms of securing, structuring and executing transactions. Established in 2003, the Investment Bank offers a variety of cutting-edge IB products with the ability to structure globally offered products tailored to meet local requirements and regulations.

In 2007, IB successfully retained its leading position in Pakistan and intends to continue to do so through quality, aggression and innovation. IB closed a total of 42 transactions during the year, with a total value of over PKR 250 billion (USD 4 billion).

HBL structured the successful private placement of Term Finance Certificates that approximate the characteristics of a Payment-in-Kind Bond – a first of its kind transaction in Pakistan. HBL also structured a convertible debt note with a built-in Put feature for a US-based client selling agriculture technology and dairy solutions – also a first of its kind transaction in Pakistan. In addition, HBL arranged the first bond offering for any microfinance institution on the Asian mainland.

Our expertise includes advising and arranging a number of project finance transactions, including IPPs and fertilizers. IB intends to expand its scope regionally over the next few years and play an increasing role in directing investment into Pakistan.

Global Treasury

Treasury services play an integral role in today's global environment as interconnected economies are rapidly blurring physical boundaries in international trade. Our Treasury department is reflective of the changing culture of HBL with a dynamic outlook and a focus on improved customer service and increased profitability.

Our access to information is augmented by an overseas branch network located across time zones, from Hong Kong to New York. However, the mere collection of superior data

is not an aim in itself. Our real addition of value lies in our ability to analyse this data and extract and identify opportunities that can be capitalised upon.

HBL, in its capacity as the largest commercial bank in Pakistan, also has the largest Treasury in terms of volumes transacted. These increased volumes have been brought about by the professionalism and expertise of senior management, whereby operations have been streamlined and processes re-engineered to increase efficiency. The ability to manage risk effectively allows us to offer the most competitive rates to our clients on all facilities ranging from deposits to the encashment of export proceeds. Our global alliances, combined with local treasury expertise provide our clients with an informed overview of current events as they pertain to business. This gives the HBL Treasury the ability to take pro-active decisions with a reflexive response to evolving market conditions.

Commercial Banking

HBL's Commercial Banking Group targets medium sized companies with a turnover of at least PKR 50 million (USD 0.8 million). Our business units are located in Karachi,



Lahore, Faisalabad, Sialkot, Gujranwala and Peshawar. Each unit is dedicated to service business clusters located within these cities.

Our pro-active, responsive and experienced Relationship Managers are committed to understanding all types of businesses and are equipped to meet diverse business needs. HBL's Commercial Bank offers financing for Working Capital, Procurement of Inventory, Receivables, Procurement of Machinery, Expansion of production facilities, Import of raw materials, Exports and Guarantees.

HBL's most recent offering for commercial customers is the BusinessValue Account that earns interest while providing all the benefits of a transactional account. It acts as a mini cash management system for clients and is augmented by a team of dedicated Relationship Managers present at all commercial centers.



Retail and Consumer Banking

With 5 million relationships and a network of over 1,400 branches in Pakistan, HBL is the largest retail bank in the country. Our network means that we are geographically closer to our customers than any other bank. This gives us the insights needed to provide a variety of products that directly reflect customer needs. HBL caters to all market segments, offering products that are as diverse as the people we service. We remain resolute in our commitment to providing products that are competitive and services that are exemplary.

Being a bank for the masses, HBL focuses on small investors with its savings accounts. It was the first to launch hybrid accounts including Value Account and SuperValue Account that cater to small savers. Our current, term and foreign currency accounts are tailored to fit a variety of individual needs.

HBL's offering of personal loans and car loans are targeted to the middle income group and help bridge financial gaps in lifestyle. To further this offering, HBL Credit Card was launched in 2007 to open up a world of convenience, and flexibility for customers while the existing Debit Card remains a favorite with loyal clientele. Additionally, HBL has introduced Internet and PhoneBanking to provide 24/7 services to customers.

Recognising that customers want other products from their bank, HBL partnered with specialist organisations to ensure value and variety. Partnering with Bancassurance in the insurance sector, HBL now includes pension and child education plans, called Amaan and Tabeer respectively in its product repertoire.

