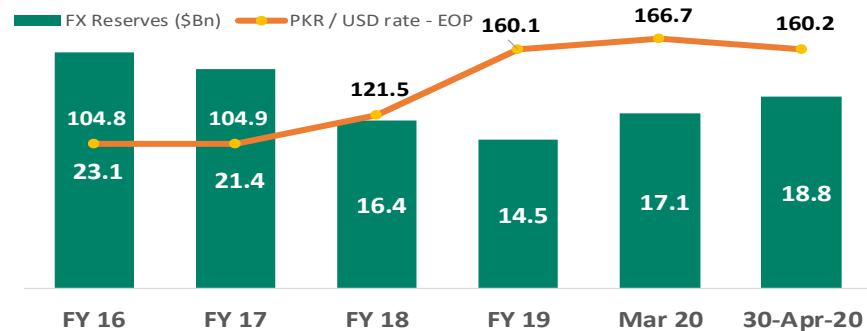


**Doing First Class business
in a First Class way**

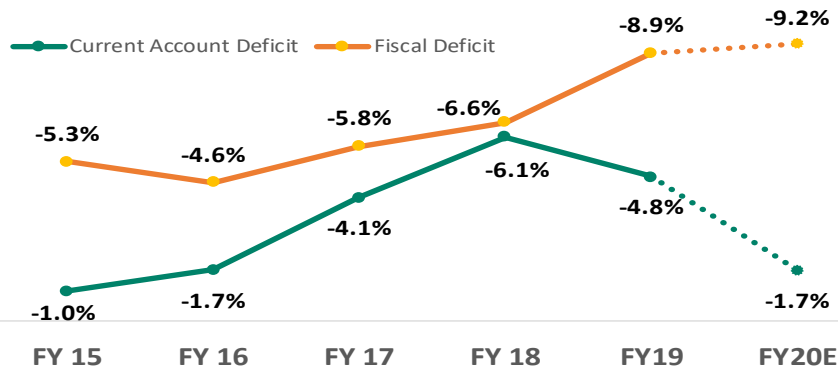
**CITI's PAN-ASIA Regional
Investor Conference**
19-20 May, 2019



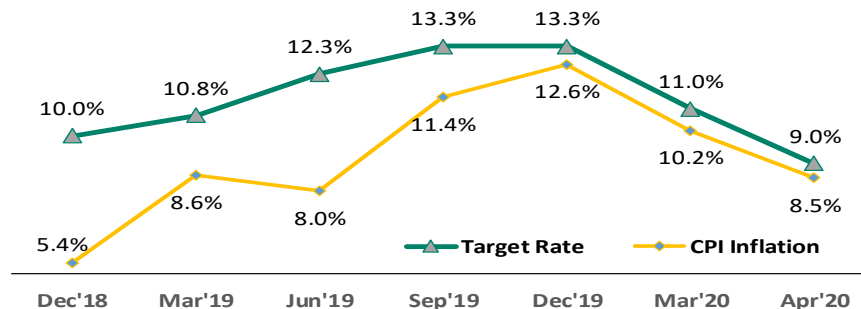
FX reserves / FX rate



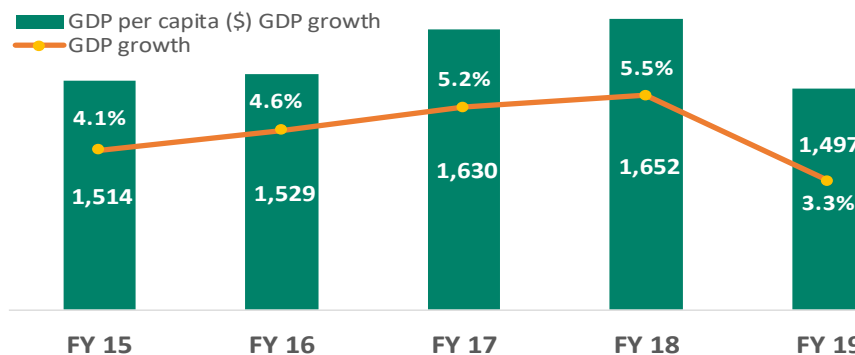
C/A & Fiscal Deficit



Policy rate / Inflation



GDP per capita / GDP Growth



- Inflation receded to 8.5% in Apr'20 amid reduced fuel and food prices. Average inflation for 10MFY'20 rose to 11.2% compared to 6.5% in 10MFY'19. SBP's forecast for average inflation in FY'20 remains at 11.0%-12.0%
- Trade deficit narrowed 31% YoY during 9MFY20, primarily led by 16% import contraction (marginal growth of 1% in exports). With remittances increasing 6.0%, the current account deficit has contracted by 73% YoY to \$2.8b (1.3% of GDP).
- A Rs 1.2t stimulus package has been announced. This, coupled with lower tax collection expected in 4QFY'20, will likely push the fiscal deficit to above 9% (FY19: 8.9%).
- The IMF has disbursed \$1.4b under a Rapid Financing Instrument program. The World Bank and ADB have committed \$1b and \$1.5b respectively.
- The investor search for safe havens in the pandemic and the consequent heavy outflow of portfolio investment resulted in an 8% depreciation in the during Mar'20. Since then, it has recovered 4%.
- The SBP has cut the Policy Rate by a cumulative 425bps in March/April '20, with the Policy Rate currently at 9.0%.
- Despite earlier rate cuts, the PSX-100 index had declined by 28% in Q1'20. There has been some recovery with market now trading around 32k-34k

Refinance Facilities

- Temporary Economic Refinance Facility (TERF), to provide financing at 7% for 10 years for setting up new industrial units. Total size of the scheme is Rs 100 billion, with availability till Mar'21.
- Refinance Facility for Combating COVID-19 (RFCC), to provide financing at 3% for 5 years to hospitals/medical centers for purchase of equipment to detect, contain & treat the disease. The total size of the scheme is Rs 5 billion, with availability till Sep'20.
- Refinance Scheme for payment of Wages/Salaries, to provide financing to businesses for payment of salaries for 3 months (Apr-Jun'20). Mark-up rate will be 5% (4% for tax filers), with a 6-month grace period & repayment in 2 years.

Relief Package (SBP & PBA)

- Reduction in Capital Conservation Buffer (CCB) from 2.5% to 1.5%, reducing CAR requirements across all tiers of capital.
- Debt Burden Ratio enhanced from 50% to 60% for consumer loans for a period of 1 year, allowing about 2.3 million people to borrow more from banks.
- Banks to allow deferment of principal payment on loans by up to 1 year. Regulatory criteria for restructuring / rescheduling of loans have been temporarily relaxed till 31 Mar'21.
- Margin call requirement on financing against listed shares has been reduced from 30% to 10%.
- Phased recognition (quarterly) of impairment on listed equities has been allowed, 100% coverage as at Dec 31, 2020.
- The SBP has restricted the banking sector from announcing dividends for 2 quarters to conserve capital to enhance sector's lending and loss absorption capacities.

Continued banking services

- Measures in place to protect staff and customers for continued banking services.
- Majority of the branch network operational for customer dealing.
- Enhanced digital banking platform / ATMs / Phone Banking fully functional for 24/7 customer services.

Supporting customers and the economy at large

- Continue to lend money and provide liquidity to customers while maintaining credit discipline.
- Medium-term support in repayments to customers – Rs 53billion principal deferred for affected clients, Rs 5b disbursed for salary payment support.
- Priority is to extend support to customers for their longer term stability – any short term impact on profitability will be managed.

Helping the vulnerable

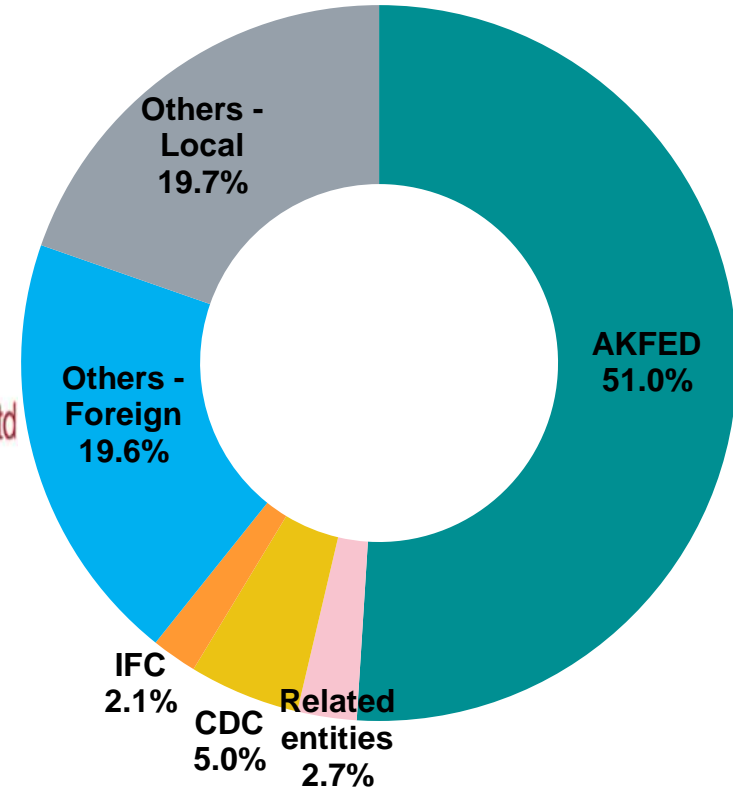
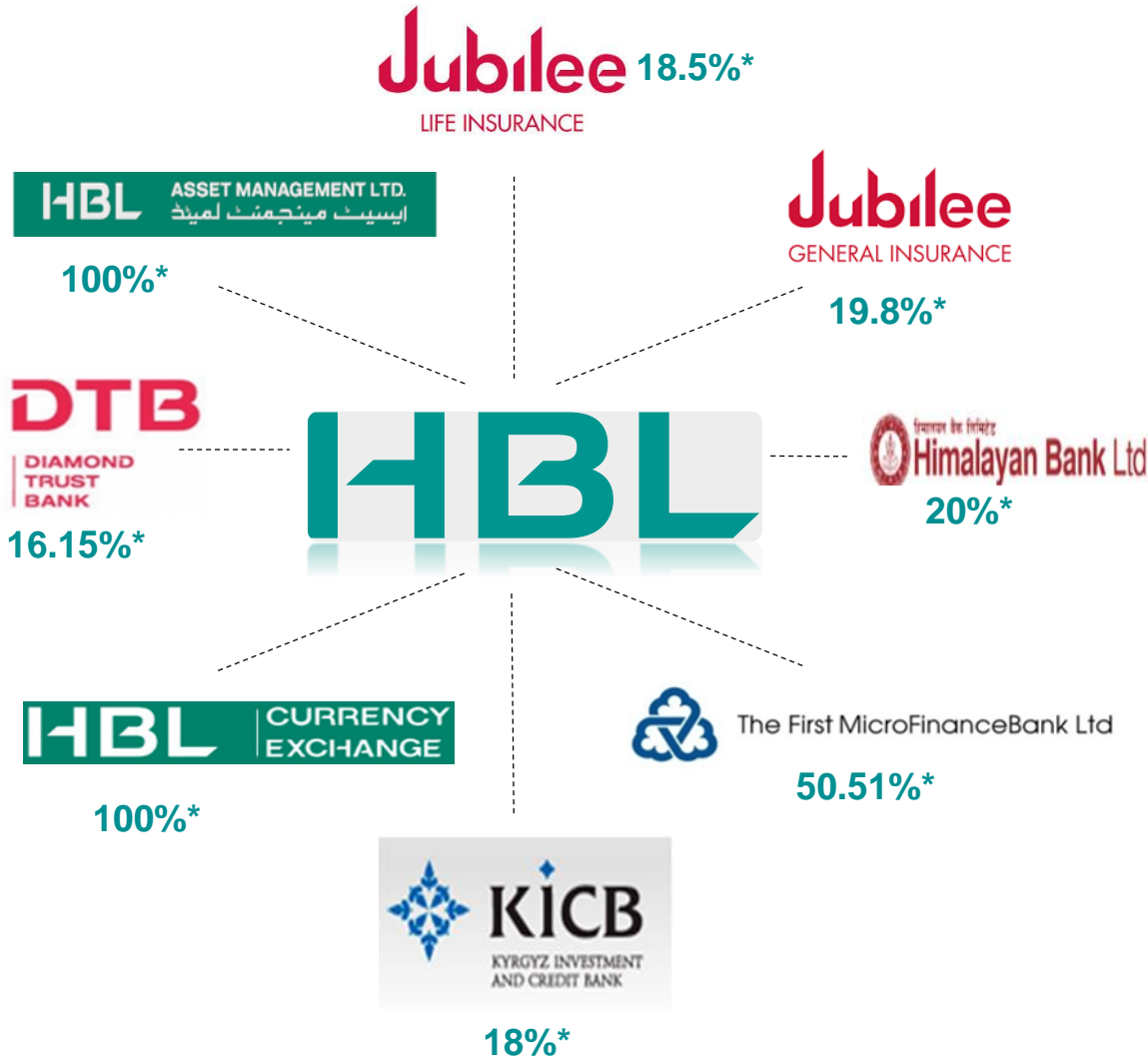
- Leading the efforts in Sindh, Balochistan, Punjab and Islamabad to enable delivery of the Ehsaas Emergency Cash program, the largest social security initiative in Pakistan's history, in collaboration with the Government of Pakistan.
- PKR 122 billion+ disbursed till date to around 6.9 million beneficiaries.

Giving back to the community

- Utilizing its presence across the country, distributed 12,000 food ration bags to deserving families across Pakistan. Entire effort undertaken by HBL staff volunteers.
- Partnered with Serena Hotels to provide 30,000 meal-boxes across 7 cities to medical professionals battling at the frontline of the COVID-19 crisis.

More than just a bank

Shareholding Pattern



* HBL holding



#1 ASSETS

Rs 3.2 Trillion



#1 ADVANCES

Rs 1.2 Trillion
Market share of **11.8%**



#1 DEPOSITS

Rs 2.4 Trillion
Market share of **13.8%**



#1 CUSTOMER BASE

23M+
Incl. **4M+** Konnect customers & **6.9M** EKP beneficiaries



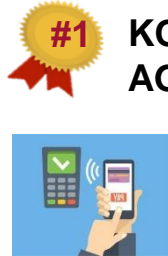
#1 BANK BRANCHES

1,712



#1 ATMs

2,124



#1 KONNECT AGENTS

42,318



QR Codes

27,028



#1 POS TERMINALS

26,477

ANNUAL SPEND
Rs 116B



#1 AGRI FINANCE
Rs 31B

Market share amongst Commercial Banks **28%**



#1 SME FINANCE
Rs 56B

Market share **12.4%**



#1 CARDS BASE
5.8M

ANNUAL SPEND
Rs 102B



#1 EMPLOYEE BANKING

1M+ Salary Accounts,
Market share of **57%**

TRANSACTION BANKING

1,500+ mandates,
41% market share

Major awards and accolades – 2019 / 20



**Best Investment Bank
in Pakistan 2020**



Project Finance House of the Year

Utility deal of the Year

Power deal of the Year

Transport deal of the Year

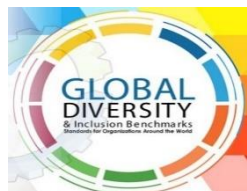


Pakistan's Best Bank



**Brand of the Year,
Banking – Pakistan**

Global Innovators Award 2020
(Invite and Earn Lifestyle
Partnerships – Personal Banking)



**Global Diversity and Inclusion
Benchmarks Awards 2020 for
Recruitment, Retention,
Development and Advancement**



**Best Investment Banking
Best Bank for Small &
Medium Business**

VISA
**#1 Credit Card in
Pakistan**
(in terms of payment volumes)



Excellence in Retail Financial Services



Best Domestic Bank for 2020

**Best Corporate and Investment Bank
Best Bank for CSR**

Best Local Bank in South Asia for BRI

**Best Individual BRI Project or Initiative in
South Asia**



- Pakistan Domestic -

Cash Management Bank of the year

Trade Finance Bank of the year

Project Finance Bank of the year

Debt Deal of the Year

Best Corporate & Investment Bank

HBL

Major Certifications



HBL is Pakistan's
first bank to have
its Business
Continuity
Management
System (BCMS)
certified as ISO
22301:2012
compliant



HBL is the only
Bank in Pakistan
to be ISO 27001
certified



HBL is the only
bank in Pakistan
to have achieved
and maintained
PCI DSS*
certification, the
security standard
for the payment
cards industry

*Payment Card Industry Data
Security Standard

A Seasoned Board

HBL

Chairman



Sultan Ali Allana
Chairman

- Mr. Sultan Ali Allana has been the Chairman of the Board of Directors of HBL since February 2004. He has over 35 years of experience in the financial and banking sector.
- Mr. Allana also serves on the Boards of the Aga Khan Fund for Economic Development S.A, AQA Holding S.p.A, Geasar S.p.A, Alisarda S.p.A, Jubilee Holdings Limited (East Africa), Jubilee Life Insurance Company Limited, Industrial Promotion Services (Pakistan) Limited and Tourism Promotion Services (Pakistan) Limited.

President & CEO



Muhammad Aurangzeb
President & CEO

- Mr. Muhammad Aurangzeb joined HBL on April 30, 2018 as the President & CEO of HBL. He received his BSc and MBA from The Wharton School, University of Pennsylvania, USA. Mr. Aurangzeb possesses an overall banking experience of more than 30 years in both domestic and international locations.
- He has held senior positions in ABN AMRO Bank and RBS and was CEO – Global Corporate Bank, Asia Pacific at JP Morgan prior to joining HBL. Mr. Muhammad Aurangzeb serves on the Boards of Pakistan Business Council, The Institute of Bankers Pakistan, Pakistan Corporate Restructuring Company Limited and also is the Chairman of Pakistan Banks Association, Habib Allied Holding Limited and HBL Foundation.

Directors



Salim Chinoy
Independent Director

- Mr. Salim Yahya Chinoy joined the Board in February 2020. Mr. Chinoy is a seasoned chartered accountant and remained associated with EY Ford Rhodes since many years and retired as Country Managing Partner in 2017. He has extensive exposure of auditing local, multinational companies and banks.



Shaffiq Dharamshi
Non-Executive Director

- Mr. Dharamshi joined the Board in 2015. He is a banker with over 25 years of banking experience in the Middle East and Africa.
- He also currently serves on the Boards of Diamond Trust Bank, Tanzania, Diamond Trust Bank, Uganda, Diamond Trust Bank, Kenya, DCB Bank Limited, India, Kyrgyz Investment and Credit Bank, Kyrgyzstan and First Microfinance Bank, Tajikistan.

Directors



Moez Ahamed Jamal
Non-Executive Director

- Mr. Moez Ahamed Jamal has been on the Board of HBL since 2009. He has over 39 years of experience in the financial sector.
- He currently serves on the Boards of Diamond Trust Bank Kenya, Marcuard Family Office, Switzerland, Pension Fund for Aga Khan Foundation.



Diane Moore
Independent Director

- Ms. Diane Elizabeth Moore is an experienced professional and executive coach with diversified experience of more than 23 years in various Banking and regulatory positions in UK as well as serving in various Boards including fintech, investment banking, commercial banking.
- She currently serves on the Boards of Cantor Fitzgerald Ireland, Cantor Fitzgerald Europe, Axis Bank UK Limited, and Habib Bank Limited Pakistan, as a non-executive director, and, until recently, was the independent Chair of fintech start-up SteadyPay, UK.



Salim Raza
Independent Director

- Mr. Salim Raza joined the Board of HBL in 2017. He has over 40 years of experience in the banking and financial sector. He has held various positions at Citibank NA in Pakistan and abroad and has also held the position of Governor of the State Bank of Pakistan.
- He currently serves on the Boards of Karandaaz Pakistan, Manzil Pakistan, Indus Earth Trust, Habib University, the Layton Rahmatulla Benevolent Trust and is an adjunct professor at the Institute of Business Administration (IBA), Karachi for Political Economy.



Dr Najeeb Samie
Independent Director

- Dr. Najeeb Samie was appointed to the HBL Board in 2013. He has over 37 years of experience in the corporate and financial sector.
- He is currently the Managing Director of PIA Investments Limited and Roosevelt Hotel Corporation N.V., and is a Director of Minhal France, S.A., Minhal Incorporated, Parisien Management Company B.V., Roosevelt Hotel Corporation LLC, and Avant Hotels (Pvt.) Limited.

Strengthened Governance



Committee	Chairman	Member	Secretary
Board Audit Committee	Dr. Najeeb Samie (Independent)	Mr. Salim Chinoy Mr. Moez Jamal	Chief Internal Auditor
Board Risk Management Committee	Mr. Salim Raza (Independent)	Mr. Shaffiq Dharamshi Mr. Muhammad Aurangzeb	Chief Risk Officer
Board Human Resource & Remuneration Committee	Dr. Najeeb Samie (Independent)	Mr. Sultan Ali Allana Mr. Shaffiq Dharamshi	Chief Human Resources Officer
Board Compliance and Conduct Committee	Mr. Moez Jamal	Mr. Salim Chinoy Ms. Diane Moore	Chief Compliance Officer
Board Development Finance Committee	Mr. Salim Raza (Independent)	Mr. Sultan Ali Allana Mr. Muhammad Aurangzeb	Head Development Finance
Board IT Committee	Mr. Salim Raza (Independent)	Ms. Diane Moore Mr. Muhammad Aurangzeb	Chief Operating Officer
Board Oversight Committee – International Governance	Mr. Sultan Allana	Dr. Najeeb Samie Mr. Muhammad Aurangzeb	Company Secretary
Board Remuneration Committee	-	Mr. Salim Raza Dr. Najeeb Samie	Company Secretary

Most Board Committee Chairs are Independent Directors

An experienced Executive Committee



The senior team represents a good balance between continuity and fresh blood



Muhammad Aurangzeb
President & CEO
2 / 34 / 34 ⁽¹⁾

Front Office



Mohammad Ali
Head Branch Banking
19 / 38 / 38 ⁽¹⁾



Amer Aziz
Head Development
Finance
1 / 33 / 33 ⁽¹⁾



Aamir Irshad
Head Corporate, Commercial
& Investment Banking
16 / 30 / 33 ⁽¹⁾



Muhammad Afaq Khan
Head Islamic Banking
1 / 27 / 31 ⁽¹⁾



Aamir Kureshi
Head Consumer, Rural &
SME Banking
13 / 30 / 30 ⁽¹⁾



Faisal Lalani
Head International Banking
2 / 31 / 31 ⁽¹⁾



Risha A. Mohyeddin
Global Treasurer
2 / 24 / 24 ⁽¹⁾



Khalid Mohsin Shaikh
Head Remedial & Structured
Credits
7 / 26 / 35 ⁽¹⁾



Farhan Talib
Regional General Manager
China & Singapore
10 / 23 / 23 ⁽¹⁾



Neelofar Hameed
Company Secretary
2 / 32 / 36 ⁽¹⁾

Reporting to Chairman / Board



Armughan Ahmed Kausar
Chief Internal Auditor
2 / 23 / 23 ⁽¹⁾

Reporting to BAC

Business Support



Naeem Bashir Ahmed
Head Business
Transformation
2 / 19 / 34 ⁽¹⁾



Rizwan Haider
Chief Risk Officer
18 / 39 / 40 ⁽¹⁾



Rayomond Kotwal
Chief Financial Officer
5 / 22 / 33 ⁽¹⁾



Dr. Aamir Matin
Head Technology
4 / 4 / 40 ⁽¹⁾



Sagheer Mufti
Chief Operating Officer
2 / 38 / 38 ⁽¹⁾



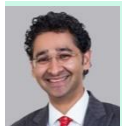
Jamal Nasir
Chief Human Resources
Officer
5 / 22 / 32 ⁽¹⁾



Nauman Riaz
Chief Compliance Officer
3 / 26 / 26 ⁽¹⁾



Muhammad Nassir Salim
Head Global Operations
2 / 32 / 32 ⁽¹⁾



Adnan Pasha Siddiqui
Chief of Staff
2 / 25 / 25 ⁽¹⁾

(1) Number of Years in HBL / Years in Financial Industry / Total Work Experience

1

Commitment to deliver on P&L

- Sustainable revenue growth on the back of top league table positions
- Strict cost discipline including cost initiatives
- Optimal deployment of Balance Sheet, with enhanced focus on cross-sell
- Maintain high portfolio quality

2

Relentless focus on customer experience

- “Delighting our clients” has to become the rallying cry
- Mindset needs to get embedded into the DNA of the organization, front-to-back

3

People Agenda to be our top priority

- Skilled Development– Increase investment in training and development
- Staff Engagement – Frequent interaction with teams across the network
- Succession Planning – Nurture and retain top talent, improve bench strength
- Gender Diversity – Make HBL the employer of choice for women, with greater participation at senior management level

4

Embedding Risk, Compliance and Control in our Business Principles

- Successful completion of Business Transformation Program - *Doing first class business in a first class way*
- Strengthening our first, second and third lines of defense across all disciplines

5

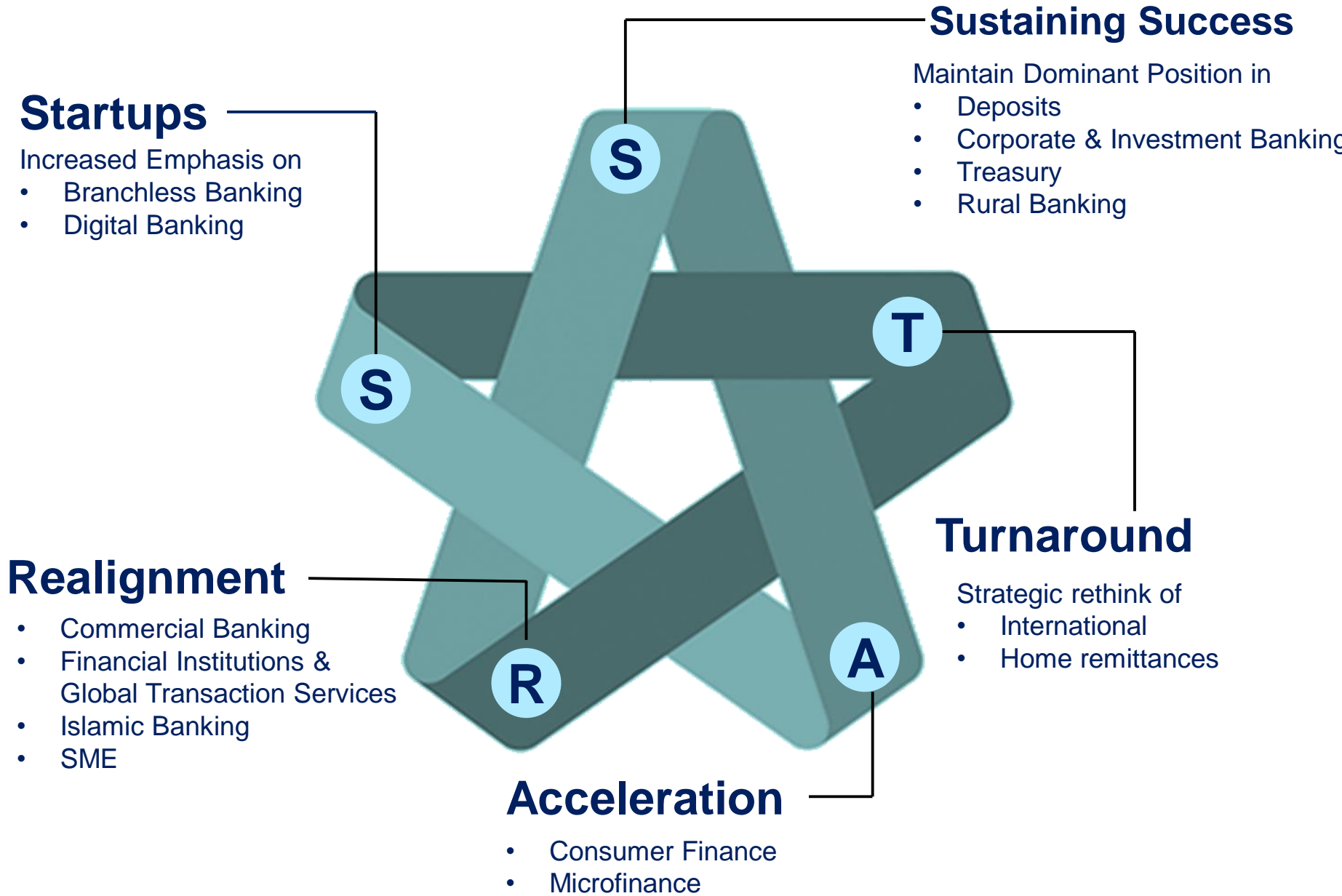
Making Innovation the Driving Force

- Proactively reinvent - *We are a technology company with a Banking License*
- Continuous process improvement – *good is never good enough*

6

Giving back to the Country and the Communities that we Serve

- Robust Development Finance agenda, driven by Board level Committee
- Strong CSR agenda backed by proactive employee volunteerism



Key Initiatives Underway

Value Proposition: Payments, Collections & Disbursement, E-commerce, Investments, Account Opening, Fee & Insurance

Impact:



4.2M+ Konnect Accounts

25.5% Female Customers

PKR 84B* Monthly Turnover

**Excluding Social Security Payment*

Market Leader in G2P Disbursements

Ehsaas Kafalat Program (EKP) – Social Cash Transfer Initiative providing financial assistance to underprivileged especially women

- ✓ **PKR 122B+** EKP Disbursements to date
- ✓ **6.9M** EKP Beneficiaries in Punjab, Sindh & Baluchistan

- ✓ PKR 2000 monthly payment

Punjab Agri Farmers Subsidy (pilot phase)

- ✓ Integrated system consuming APIs for disbursements on CNIC and mobile wallet
- ✓ **4.5M** farmers to serve
- ✓ **PKR 4B** Subsidy Payments



**Social
Protection
Payments**

Customer Acquisition Vehicles

- Banking solutions outside branches: Agents / Digital channels
- **40k+ Agent Network** in Pakistan
- High-impact & cost-effective alternate solutions:
 - **Salary Disbursement, HAW Konnect** product in collaboration with HBL TEB
 - In- App Integrations for **Food, Travel, Entertainment, Health, Fashion & Shopping**
 - **QR Payments:** Visa QR Solutions
 - **Debit card:** PayPak, Tokenization, E-commerce enablement
 - **Mobile Top-up:** Direct API Integration with telcos to offer bundles



**Digital
Product**



**Digital
Payments &
Ecosystem**

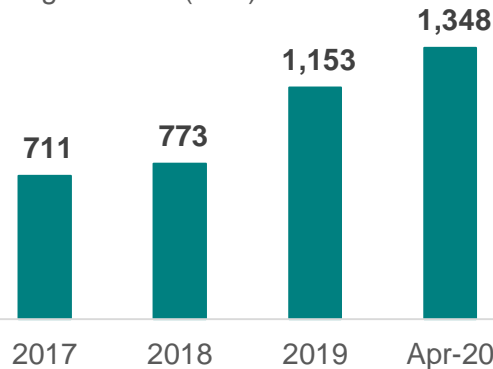


**Corporate
& SME's**

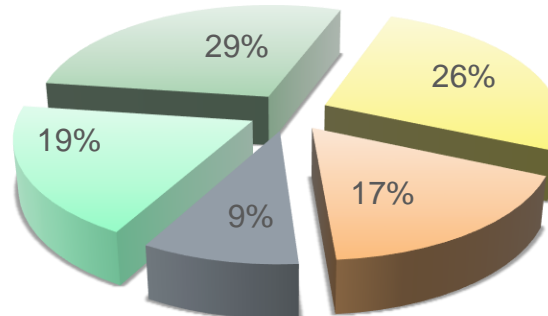
Digital Channels & Payments

- Most number of digital users among commercial banks 1.3+m (17% market share).
- 40% market share of e-Commerce payments.
- 33% market share of all Mobile Banking payments
- First bank to offer instant consumer products through digital channels - 15.5k Credit cards approved and Rs 3.4b in Personal Loans disbursed to date. Car Loan lead generation through digital channels.
- Open API has been deployed for digital payments ecosystem development.
- Partnerships with food, clothing, travel and entertainment merchants.
- Real-time Term Deposit Investments.

Digital users ('000)



Age 20 - 25 Age 26 - 30 Age 31 - 35
Age 36 - 45 Age 46 - 60



Data office

- Aligned with business functions
- Data Lake now operational. Initial reports being generated

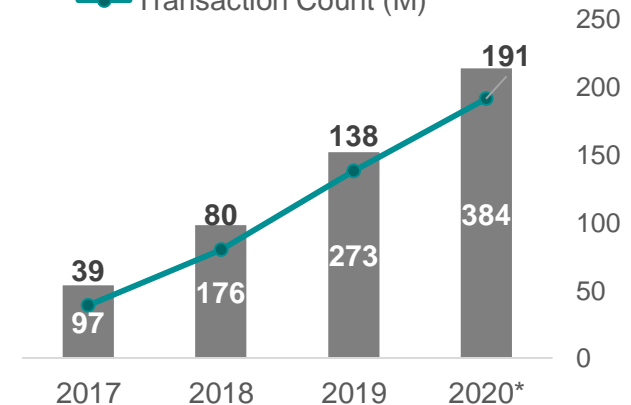
2020 focus

- Centralization of enterprise data
- Data inventory and ownership
- Data driven use cases

Long term goals

- Mainstream Data Lake
- Data analytics driven decisions

Transaction Value (Rs B)
Transaction Count (M)

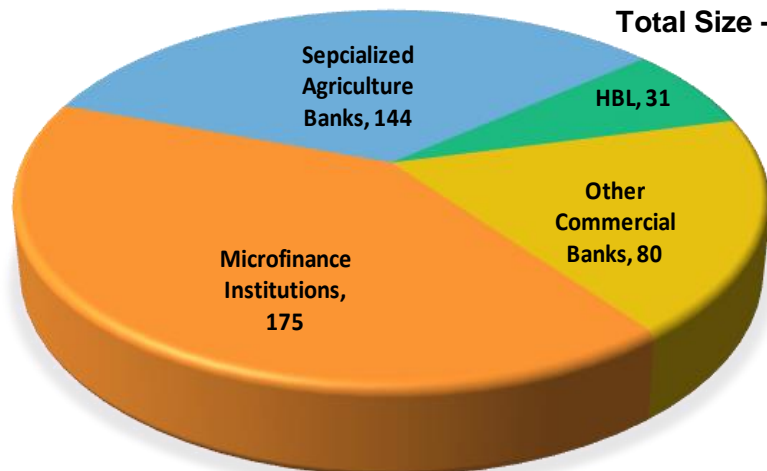


* YTD 2020 numbers have been annualized

Rural Banking

Agriculture Finance Market (Rs B)

Total Size - Rs 430B



HBL serves over **45,000** farmers through more than **650** Agri designated branches with a field force of **550+**

Voice of the Farmer - Kisaan Ke Awaz

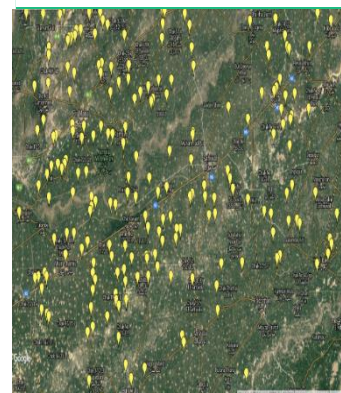
- Focus group platform connecting HBL and the farmer – **15** sessions conducted with **900+** farmers participated
- Enhanced and direct communication aimed at understanding farmers' needs and perspective
- Brainstorming on best agronomic practices through collaboration with leading Agriculture Input providers



Digitizing Agriculture Finance

- Geotagging of farms, with aerial view accessed from Google Maps
- Image of farmer and farm to evaluate condition of agricultural lands
- Centralized storage of important data points along with time and date stamp
- Loan repayment through Konnect agents is made available to farmers
- HBL is the first bank in the industry to have integrated its system with Punjab Land Record Authority. Will enable on-line extraction of title documents to improve turnaround and risk management

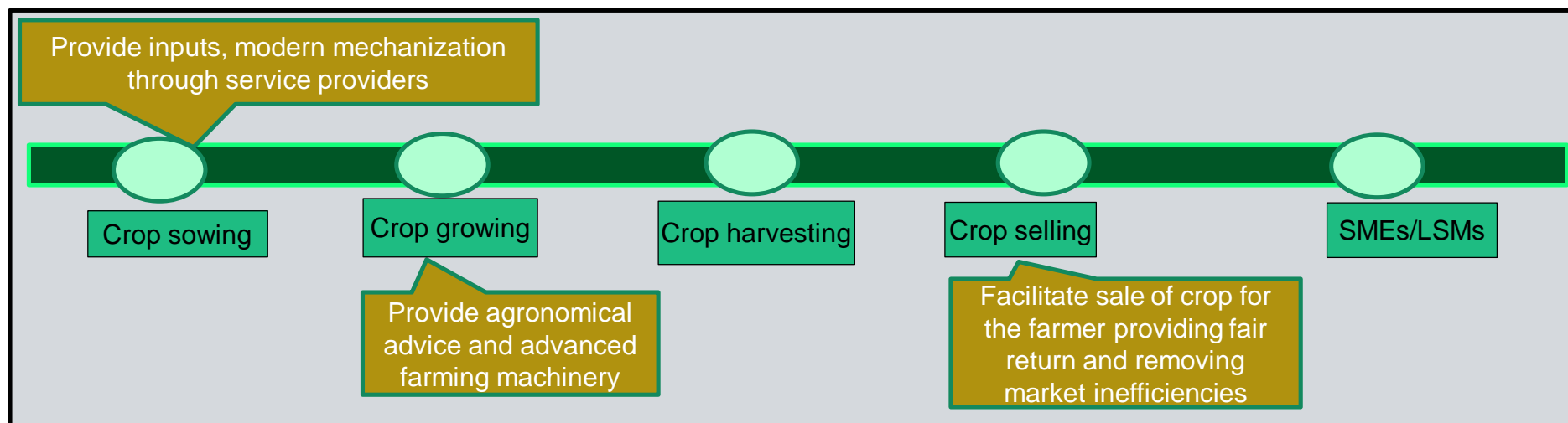
Geotagging of Farms



Farmer and Farm image



HBL aims to support the entire Rural Banking value chain



Purview of Development Finance Committee

- Create research repositories
- Create linkages within the existing loan books
- Leverage Islamic finance – greater acceptability
- Develop technology-based monitoring and access channels
- Promote and develop the “right” SMEs
- Provide developmental finance with longer term returns

HBL is also running advocacy campaigns

Onboarding farmers:

- Multiple farmer ‘outreach and advocacy’ meetings
- In close proximity of the partnered Bulk Buyers

Understanding the Value Chains:

- Processing Units visits – Chicken Feed, Rice Husking, Ginning, Spinning
- Learning about problems at each step of the value chain

1st Pilot on Maize is well underway

- Partners on-boarded
- 7 farmers financed [with ~200 Acres]
- Activities Timeline – Week 10 of the crop underway

Pilot on Rice is about to start

- Partners on-boarded
- 15 – 20 farmers identified [with ~500 Acres]
- Farmer outreach and onboarding has commenced

The largest Corporate & Investment Bank in the country with total credit exposure of over Rs 870B to over 600 corporate customers. At the forefront of all major transactions

Major Deals




ThalNova Power Thar (Pvt.) Ltd
Exclusive Financial Advisor & LCY Mandated Lead Arranger
Rs 84B
Project Finance Advisory & Arrangement
2020



Liberty Wind Power 2 Private Limited
LCY Mandated Lead Arranger
Rs 5B
Project Financing Debt Arrangement
2020




Shifa International Hospitals Ltd.
Exclusive Financial Advisor
Rs 2B
Equity Arrangement
2020



Indus Wind Energy Limited
LCY Mandated Lead Arranger
Rs 5B
Project Financing Debt Arrangement
2020



Pakistan Mobile Communications Limited
Mandated Lead Arranger and financier
Rs 14B
Bilateral Term Loan Facility
2019




Panda Bond Issue
Joint Lead Manager
Rs 155B
Inaugural Panda Bond Issue by Government of Pakistan
Ongoing




The SEARLE Company Limited
MLAA and Shariah Structuring Advisor
Rs 12B
Syndicated Term Finance Facility (Islamic)
Ongoing



K-Electric Limited
Structuring Agent and Shariah Structuring Advisor
Rs 25B
Largest Retail Sukuk in Pakistan
Ongoing



Mitchell's Fruit Farms Limited
Financial Advisor
Amount Undisclosed
Financial advisor for equity arrangement to a strategic investor
Ongoing



Pakistan Oxygen Limited
Exclusive Mandated Lead Advisor and Arranger
Rs 5B
Term Finance Facility
Ongoing

Digitization initiatives

Digitizing corporate collections, payments, and salary disbursements by offering multiple solutions over TEB's digital platform and branchless banking. 73% of the clients have been digitized till date.

Providing customized solutions to educational institutions, digitizing collections and payments - 120 institutions on-boarded

Sharia-compliant collections and payments products developed and being cross-sold

Digitization of the entire value chain for TEB clients. Segment based focus on agri clients through creation of accounts and digitization of manual disbursements to farmers. Pilot project will be for rice procurement expected for June 2020.

Structured collections, repayments and reporting of capital market transactions, including collections against Rights Issues, IPOs, book building mandates, and dividend payments

TEB Landscape

Cash Management:

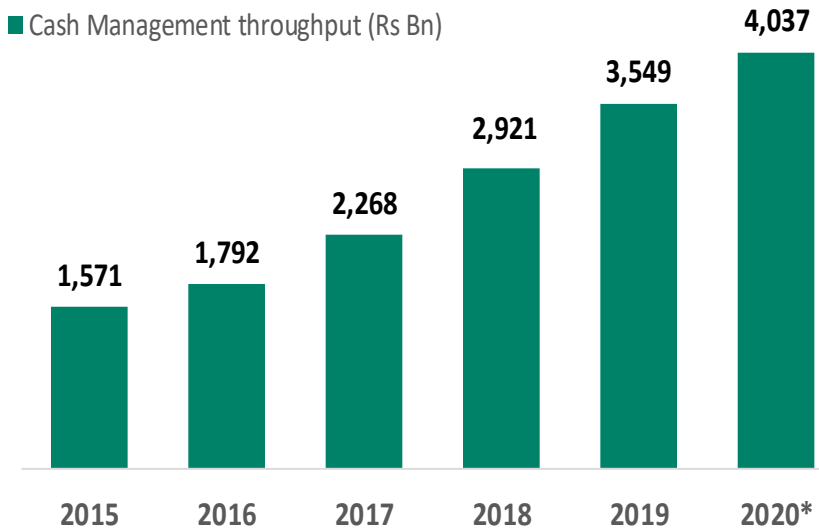
- Collection active mandates – 861
- Payment active mandates – 650
- Market share – 41%

Employee Banking / HBL At Work (HAW):

- Total mandates – 1,615
- Market share – 57%

Throughput – Cash Management

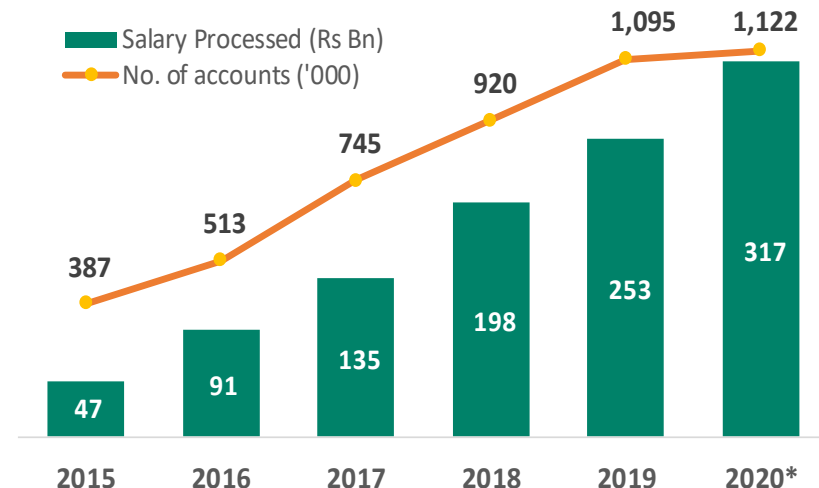
■ Cash Management throughput (Rs Bn)



Employee Banking – 1.1 Mn Salary Accounts

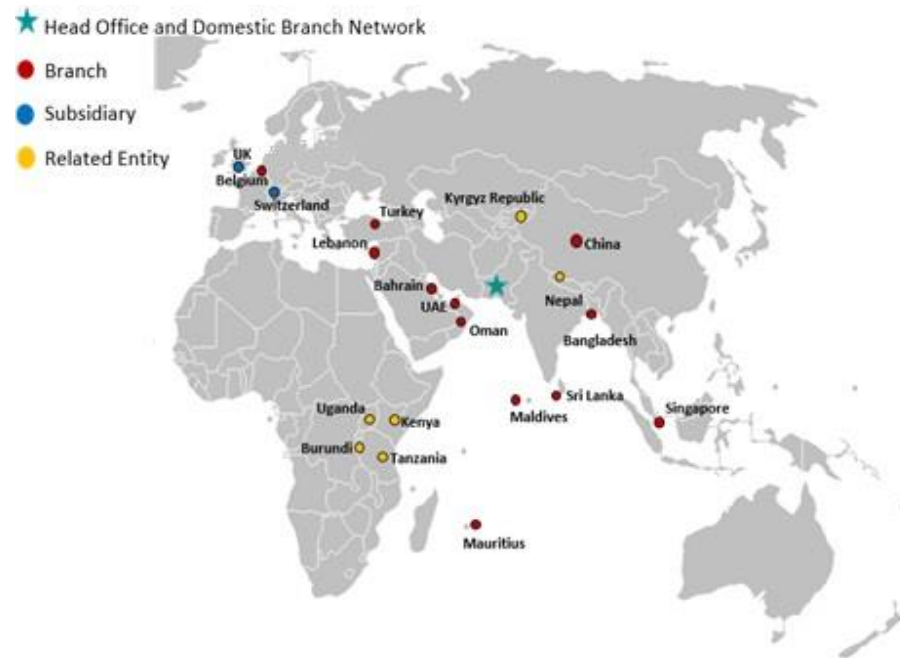
■ Salary Processed (Rs Bn)

—● No. of accounts ('000)



* YTD Apr'20 numbers have been annualized

International Footprint



Strategic Focus

Economic currents moving eastwards - with China and the emergence of Central Asia
HBL footprint - opportunity to gain relevant share in these markets and flows between these corridors.

We aim to be:

- In the top 5 foreign banks for trade volumes between China & Central Asia, the GCC, Turkey and South Asia.
- No.1 bank for Pakistan Inbound and Outbound flows from these corridors / markets

Strategy

Follow domestic clients internationally and vice versa

Corporate, Trade Finance and Financial Institutions (FI)

- Double digit revenue growth in 2019, the first year of refreshed strategy, driven by network connectivity and client relationships across multiple locations
- Focus on upgrading global trade finance capability, servicing trade and working capital needs of clients, and cross-sell of deposits and treasury products
- Embed Belt and Road initiative to capture GCC and SAARC flows to and from Pakistan, China and Central Asia
- Grow FI as a global business with strong sell-side offering

Liabilities and Remittances

- Build liabilities and cash management proposition to grow sustainable balance sheet
- Enhance customer experience through digital roll-out
- Recapture lost space in remittances and become go-to Bank for non-resident Pakistanis

People

- Increase indigenization, improve diversity

Right-size core locations, exit non-core

Internal Initiatives

- Diversity Council set-up with cross functional members
- Champions identified to drive the diversity agenda
- HBL 'Beacon'- engagement sessions with female colleagues sharing their journey to success
- HBL 'Elevate' - leadership training for high potential women
- HBL 'Falak' - mentoring program for women seniors
- Continuing mandatory Anti-Harassment e-Learning; clear communication on Zero tolerance
- Piloting part-time & flexible-time options
- Gender sensitization training for all employees pan-Pakistan

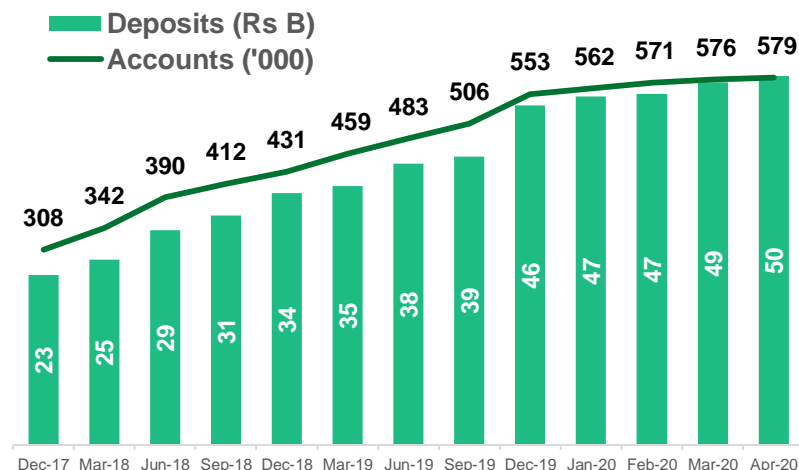
External Focus

- Batch hiring of all women software developers and IT interns
- Key sponsors for women-centric business and technology conferences
- Campus drives with senior HBL women presenters, career fairs, to increase female intake

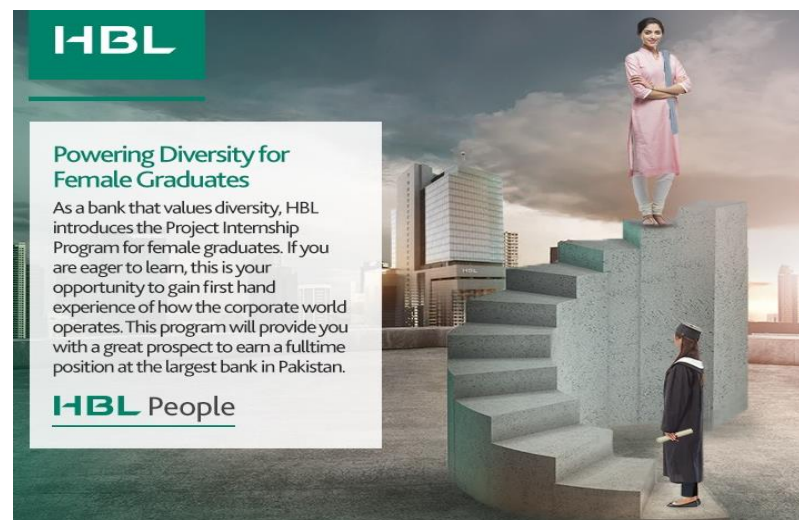
Diversity initiatives recognized externally

- Employer of choice award for gender balance from IFC and Pakistan Banking Council (PBC)
- IFC / PBC partnering with HBL on peer learning for family friendly workplaces
- CFA Institute award for Gender Diversity
- Gender Champion Award from Asian Development Bank

HBL Nisa – Banking platform for women



Target to get to 20% women employees by 2020 vs. 17.5% today



Environmental & Social (E&S)

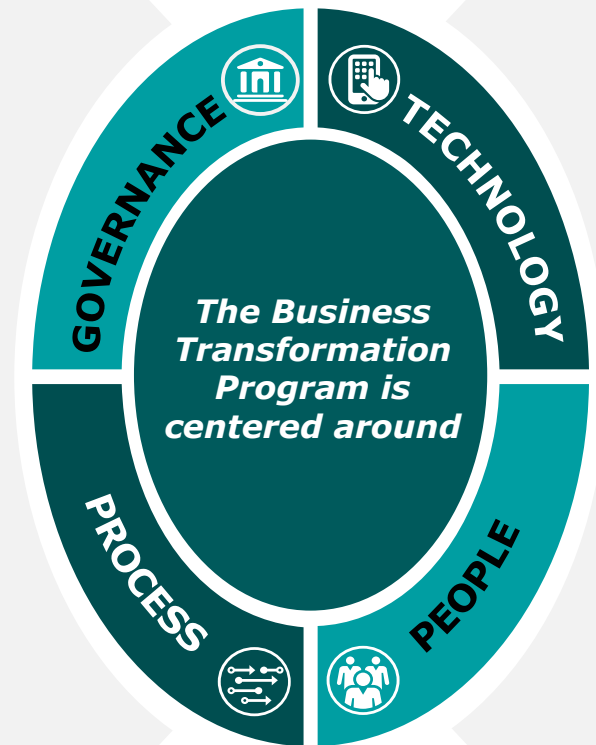
- Worked proactively with CDC to ensure that the Bank's environmental and social risk management policies are compliant with international best practices
- Product development and client workshops for E&S being pursued in collaboration with CDC – one workshop on renewable energy already conducted
- Social and Environmental Management System (SEMS) developed and implemented since 2014, compliant with UK and IFC standards
- Played a leading role in development of the Green Banking Guidelines in Pakistan. HBL continues to be the lead bank in the SBP Consultative Committee on the Implementation of the guidelines
- ESG due diligence process embedded in all Corporate & Commercial Banking credit approvals
- Environment Committee formed to create focus on Green Finance and environmental risks in lending
- HBL is the only Pakistani Bank to have signed up to the voluntary Green Investment Principles to promote green investments in the Belt and Road region

Governance

- Organized trainings on Financial Crime Governance and Risk Appetite for the Board and Management
- Strengthened policy for Prohibition of Insider Trading
- Policy for Prohibition of Bribery and Corrupt practices implemented – mandatory e-learning module developed, 98% staff certified
- Two dedicated management committees for oversight of the control environment - Compliance Committee and Controls Committee

Current Focus & Progress

- ✓ **Transaction Monitoring System** – Capabilities are being further upgraded for enhanced monitoring of **Trade** transactions
- ✓ **Trade Finance** – All countries to be **upgraded** to the new Trade system with enhanced controls by **Q3 2020**
- ✓ **Sanctions** – Functionalities are being further enhanced to upgrade **Trade, Portfolio & Delta** Sanctions Screening
- ✓ **Remediation** – Upgradation of **AML/KYC standards** for Medium & Low Risk customers in Pakistan. **Completed in GCC and UK**
- ✓ **International Transformation** – Transformation in **UK & GCC** has been completed successfully
- ✓ **Transformation Implementation** – Fast-track the next phase of transformation starting with **Singapore and Sri Lanka**



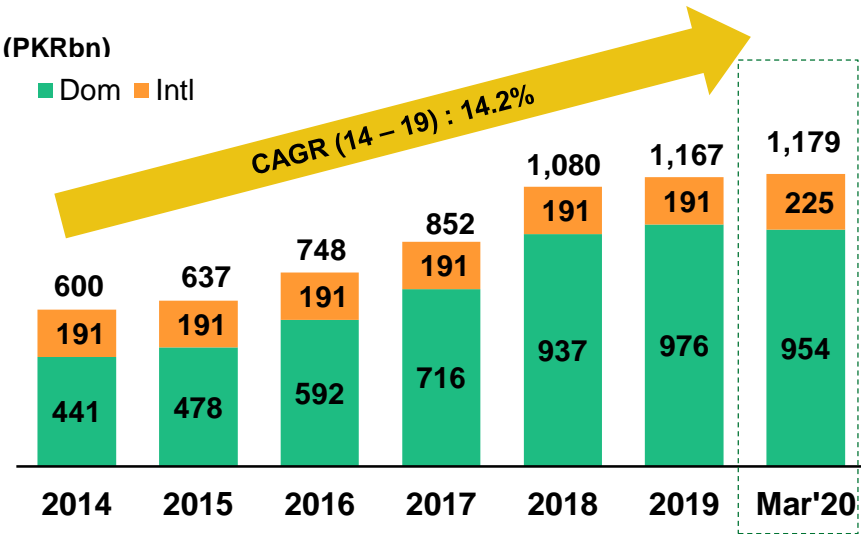
Remotely working to deploy enhanced standards & embed sustainability in remaining international location despite current lockdown condition

Financial Performance

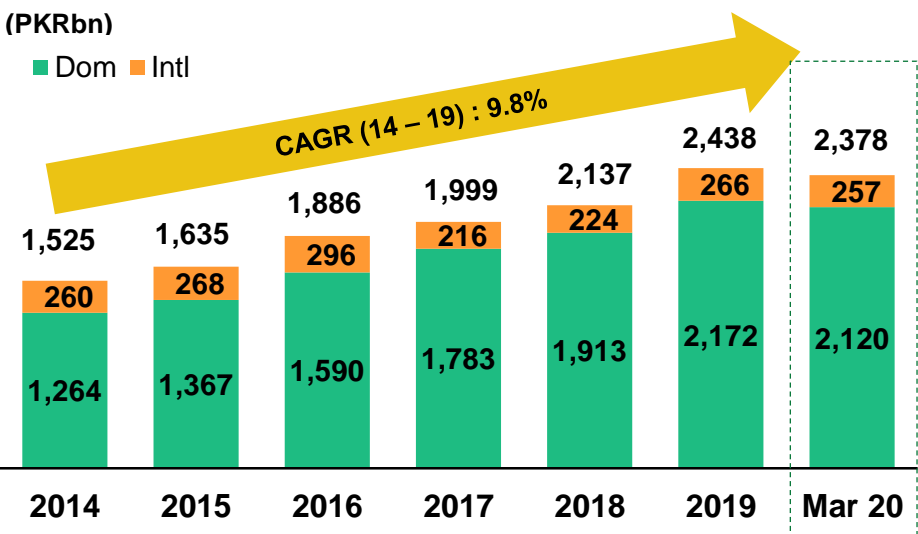
HBL's Fortress Balance Sheet



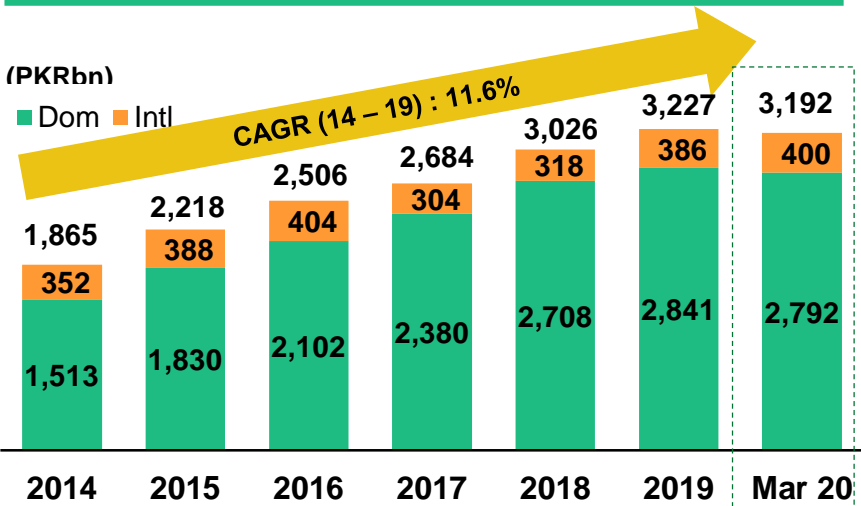
Net Advances



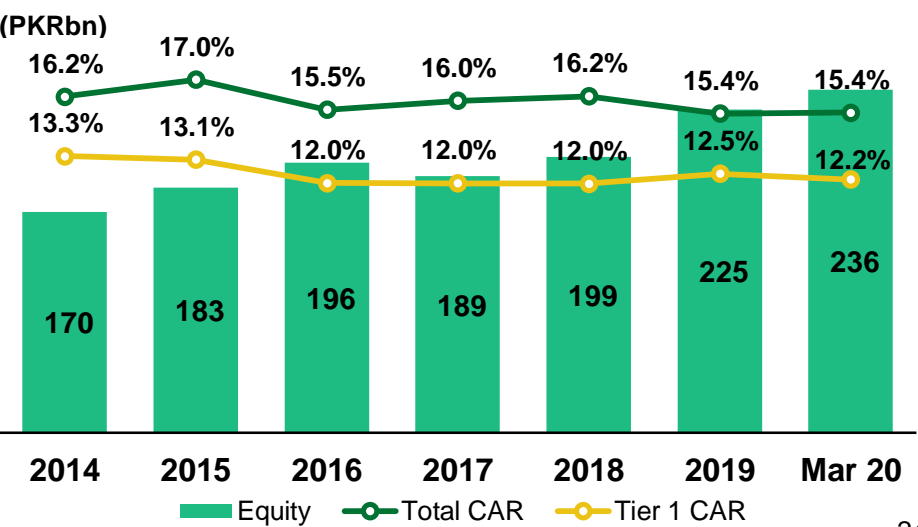
Deposits



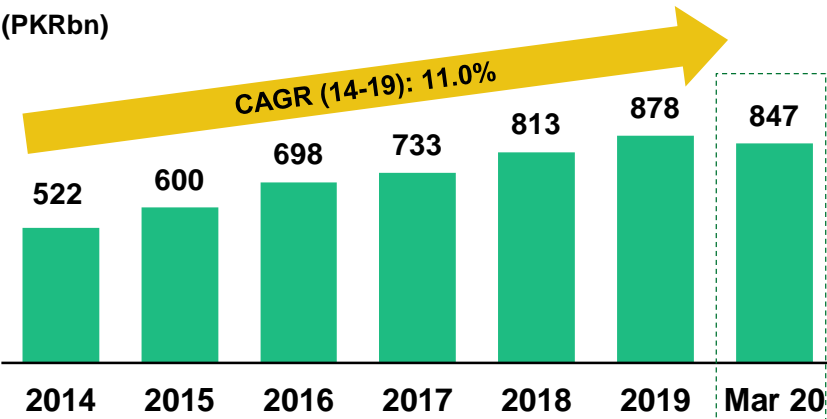
Total Assets



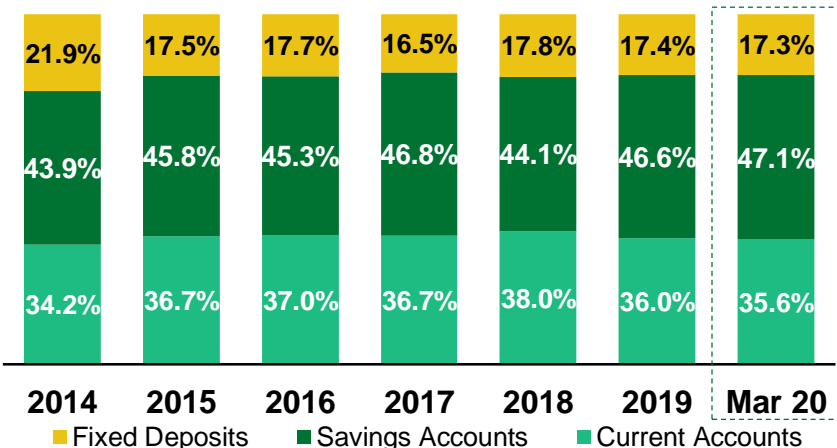
Capital and CAR



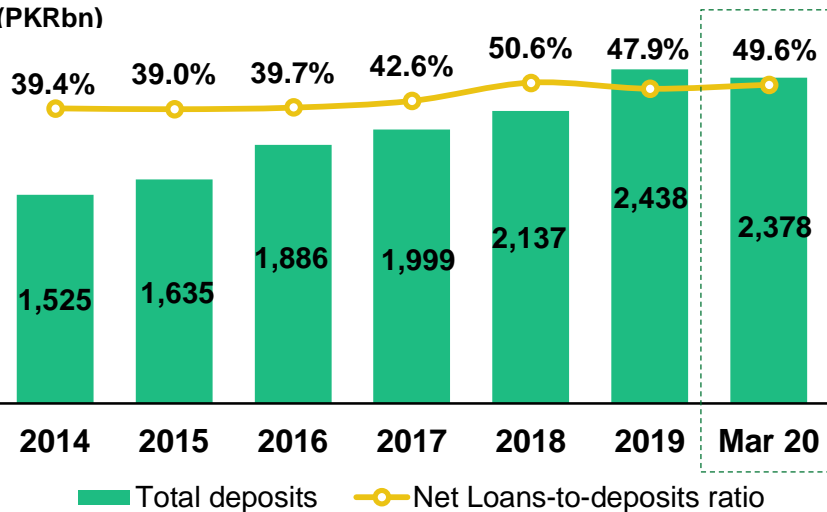
Robust growth in current deposits



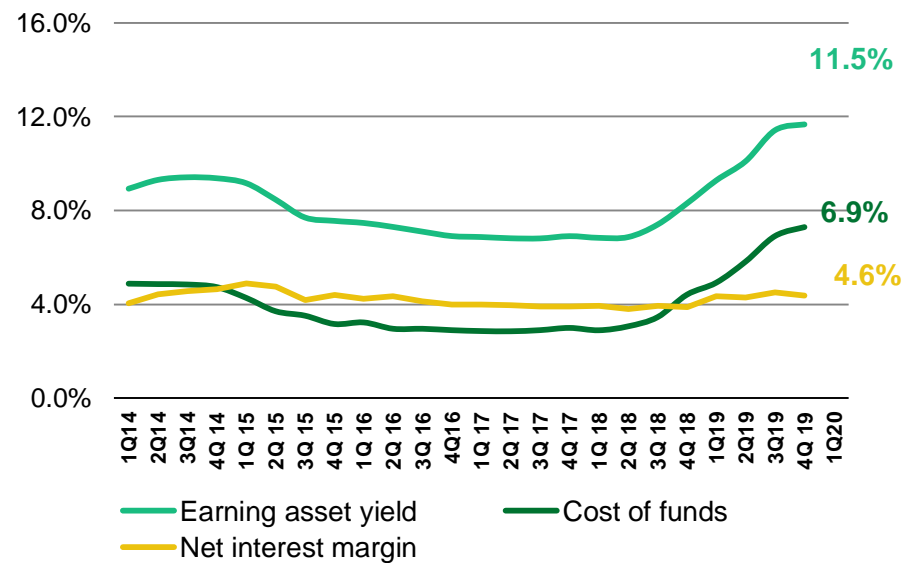
Deposit mix



Advances to Deposits ratio

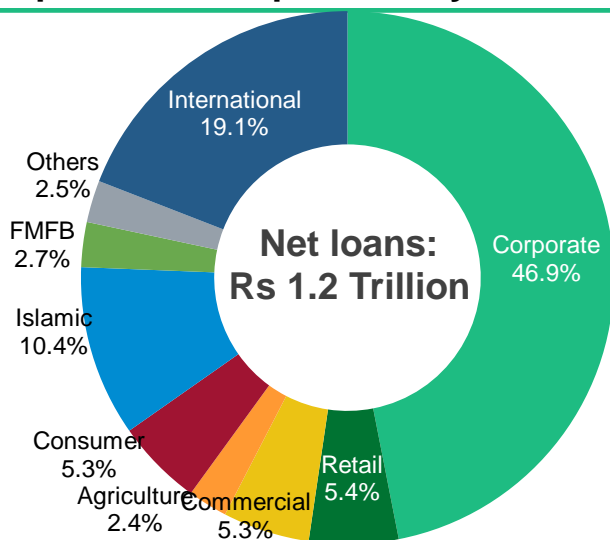


Net interest margin

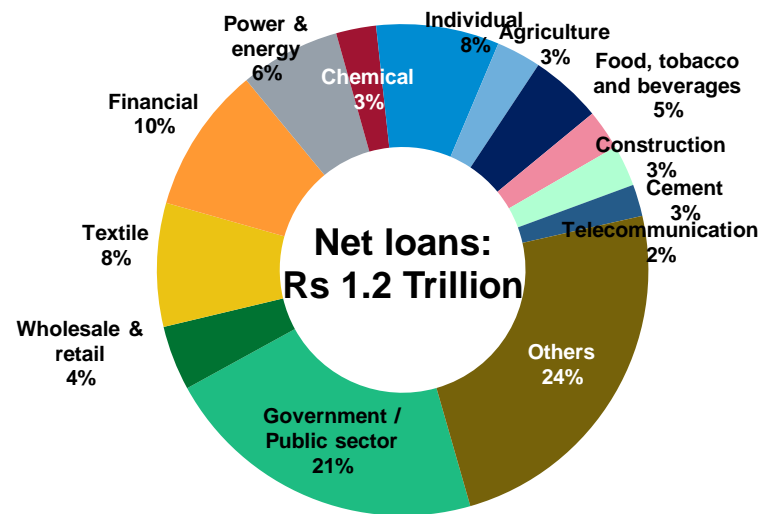


A diversified loan portfolio...

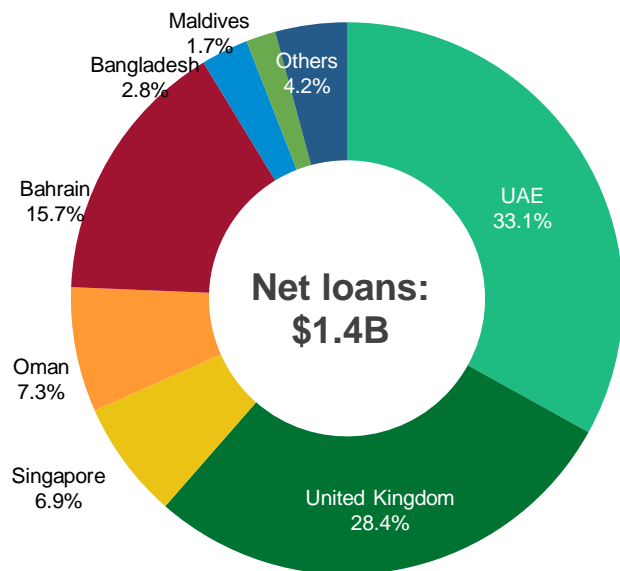
Loan portfolio composition by line of business



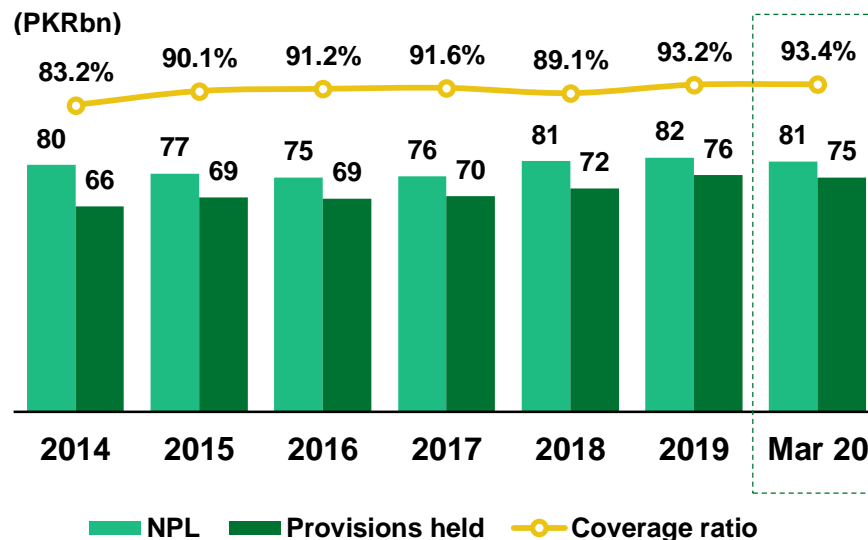
Loan portfolio composition by industry segments



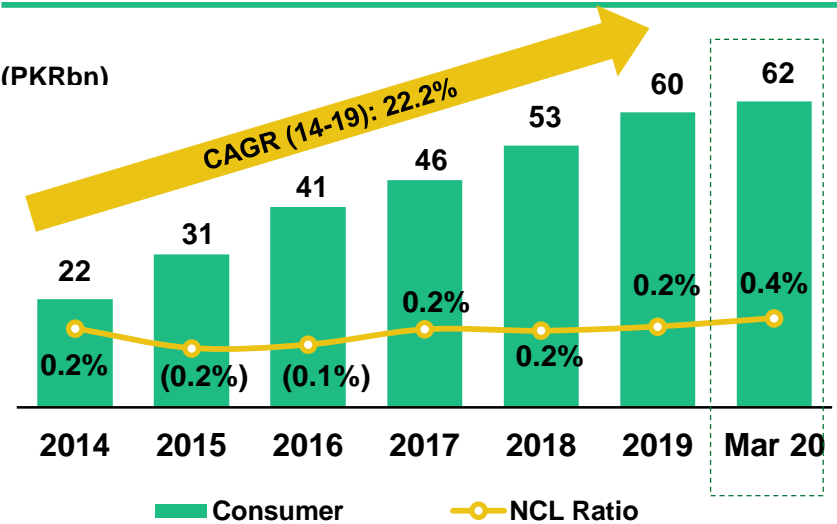
International advances composition by location



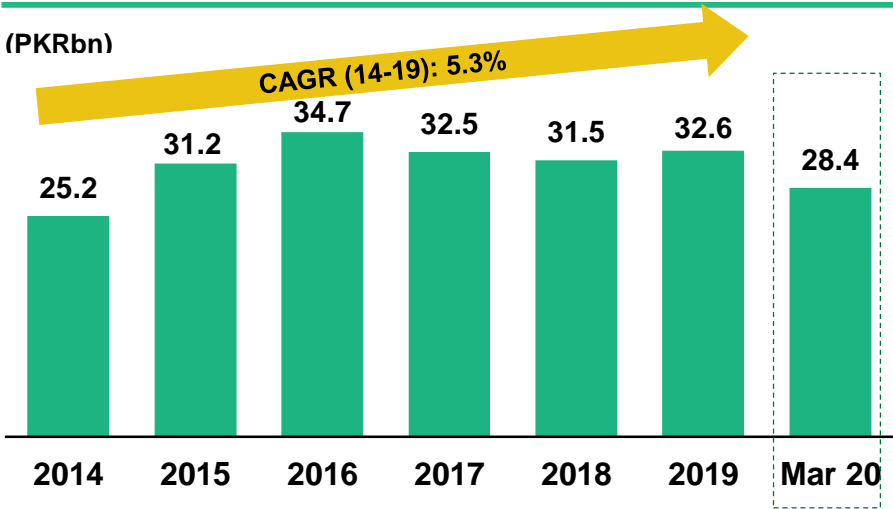
Conservative risk management



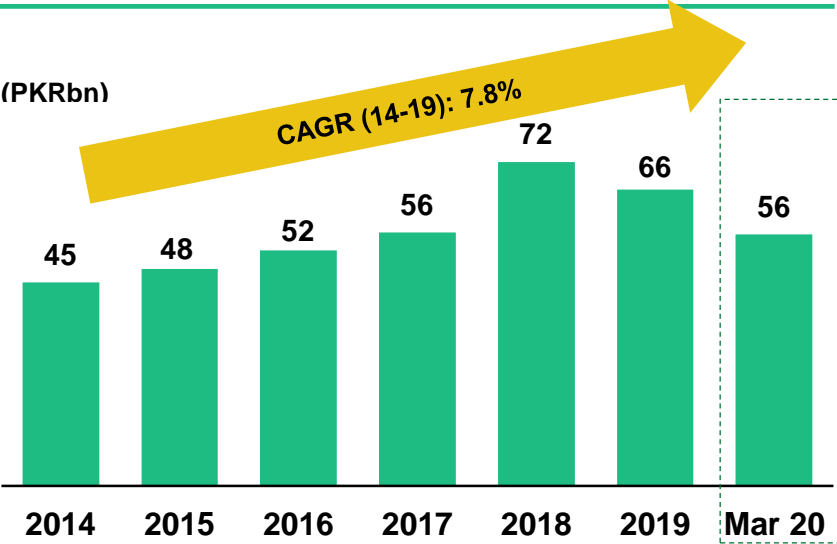
Growth in Consumer Lending



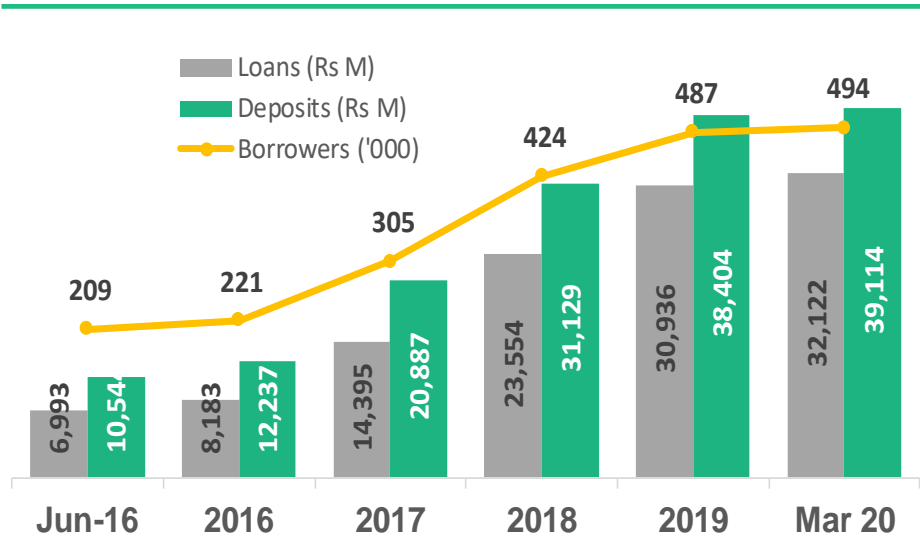
Agriculture Financing



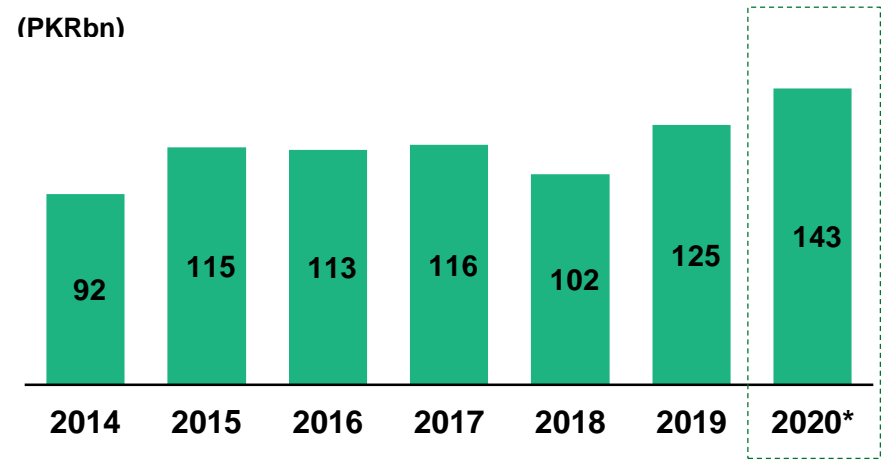
SME Portfolio



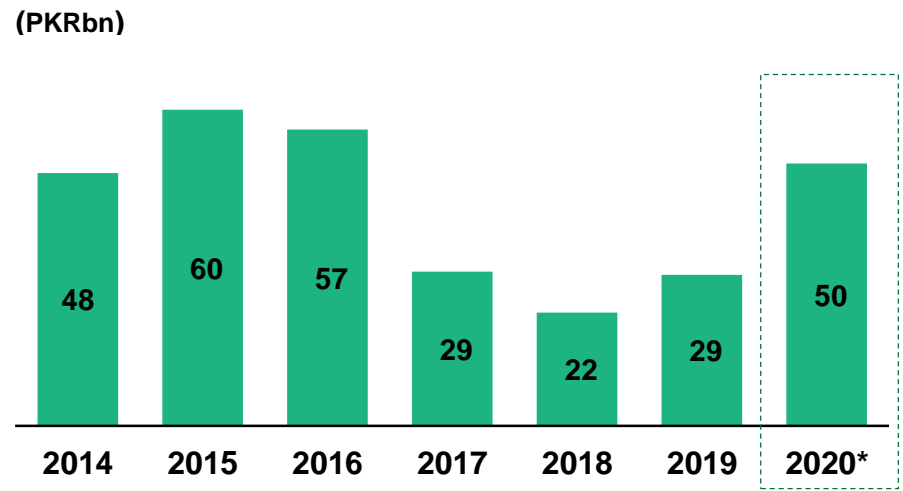
The First MicroFinanceBank (multifold growth since acquisition)



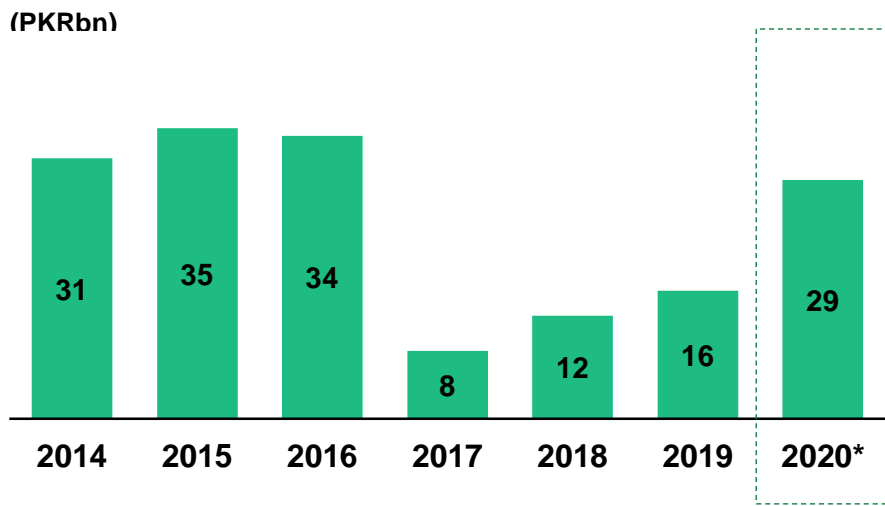
Total Revenue – 1st Bank to cross Rs 100b in NII in 2019



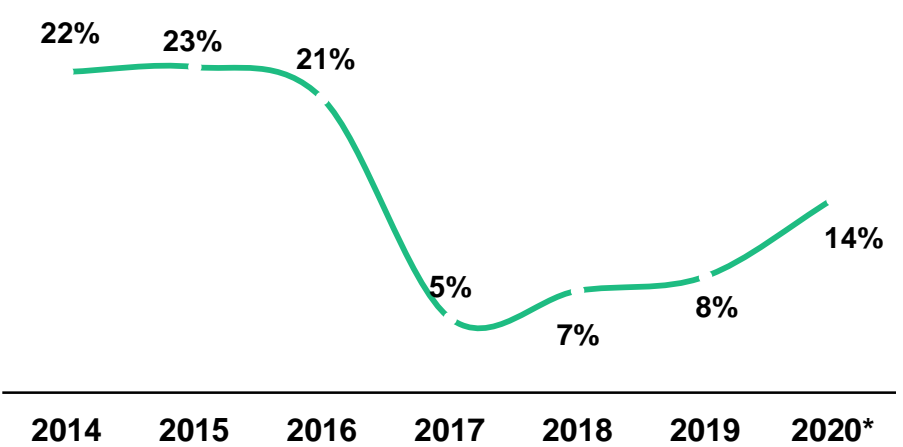
Profit before tax



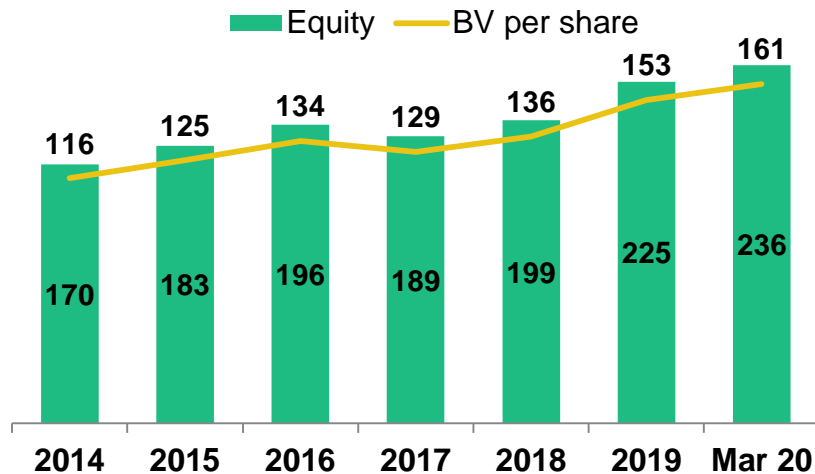
Profit after tax



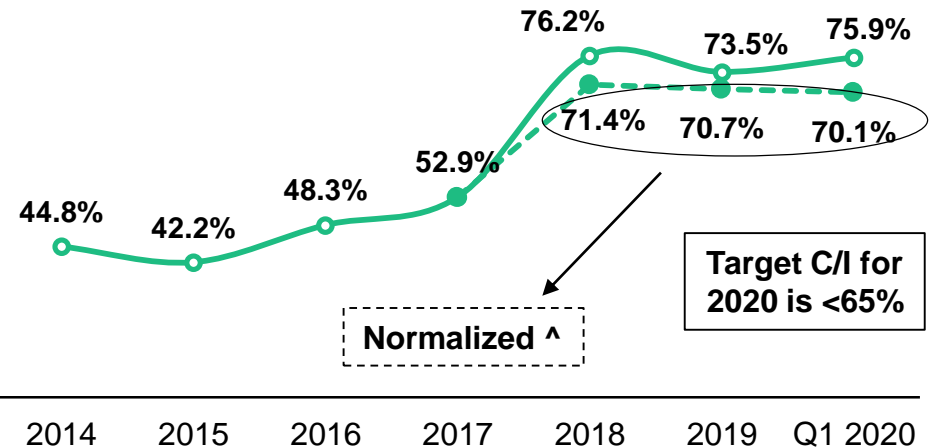
Return on Equity



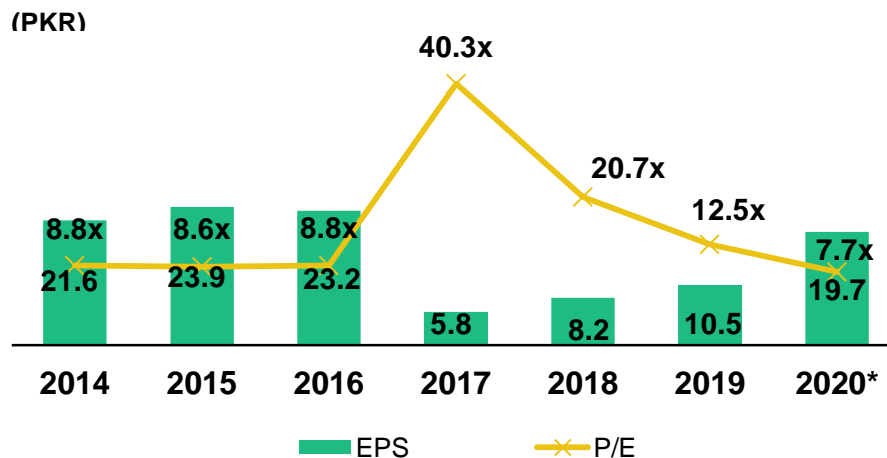
Book Value Per Share



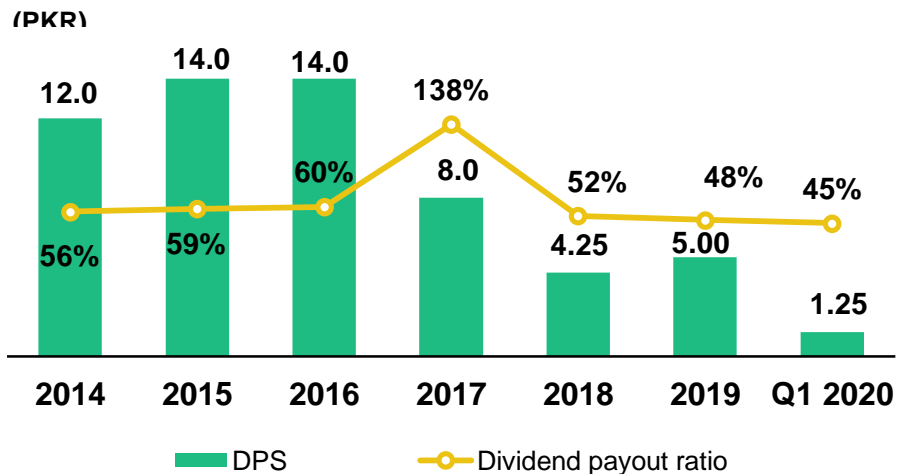
Cost to income ratio



Earnings



Dividend payout



* Q1 20 numbers have been annualized except for revaluation loss on open position and NY costs

^ Normalized for revaluation loss on open position

Appendix

PKR Bn	2014	2015	2016	2017	2018	2019	Mar-20
Assets							
Cash & Bank Balances	203	208	284	287	322	409	308
Lendings to financial institutions	34	18	34	34	51	45	50
Investments	923	1,271	1,344	1,375	1,390	1,380	1,438
Advances	600	637	749	852	1,080	1,167	1,179
Others	105	84	96	149	182	226	217
Total Assets	1,865	2,218	2,507	2,696	3,026	3,227	3,192
Liabilities							
Bills payable	22	28	31	34	42	30	30
Borrowings	103	314	333	398	523	382	375
Deposits and other accounts	1,525	1,635	1,886	1,999	2,137	2,438	2,378
Subordinated loan	-	10	10	10	10	22	22
Other liabilities	45	48	51	67	114	131	151
Total Liabilities	1,695	2,036	2,311	2,507	2,827	3,002	2,956
Equity	170	183	196	189	199	225	236
Total Liabilities + Equity	1,865	2,218	2,507	2,696	3,026	3,227	3,192

PKR Mn	2014	2015	2016	2017	2018	2019	Q1 2020
Interest Income	137,416	141,101	141,089	148,010	165,283	258,114	72,646
Interest Expensed	68,833	62,933	59,138	66,177	83,606	156,791	44,632
Net Interest Income	68,583	78,169	81,951	81,833	81,677	101,323	28,013
Fee and commission income	14,025	17,194	19,026	19,519	18,024	20,448	4,731
Dividends + Capital Gains / (Loss)	2,359	12,603	6,616	8,984	2,016	(2,071)	2,359
Share of profit from associates	3,267	3,399	3,768	2,052	2,723	3,484	255
FX Income	2,847	2,749	1,399	3,880	4,437	6,620	1,579
Reval. loss on open FX position	-	-	-	(1,127)	(6,835)	(4,962)	(2,772)
Other income	926	639	625	808	(471)	643	(374)
Non Fund Income	23,425	36,584	31,435	34,116	19,894	24,162	5,778
Gross Revenue	92,008	114,753	113,387	115,949	101,571	125,485	33,791
Administrative expenses	41,254	48,400	54,790	61,300	77,380	92,236	25,639
Other expenses	973	1,312	1,180	1,071	(2,403)	1,054	394
Total Expenses	42,227	49,713	55,970	62,371	74,978	93,290	26,033
Operating profit	49,781	65,040	57,417	53,578	26,593	32,195	7,758
Provisions - net	1,531	4,754	892	374	5,009	3,314	625
Profit before extraordinary item	48,250	60,286	56,525	53,204	21,585	28,881	7,133
Extra ordinary / unusual item	-	-	-	23,717	-	-	-
Profit before tax	48,250	60,286	56,525	29,487	21,585	28,881	7,133
Taxation	16,768	25,185	22,319	20,639	9,144	13,381	3,025
Profit after tax	31,483	35,102	34,206	8,848	12,441	15,500	4,108

	2014	2015	2016	2017	2018	2019	Mar-20
Profitability							
Return on average assets (RoA)	1.8%	1.7%	1.4%	0.3%	0.4%	0.5%	0.5%
Return on shareholders' equity (RoE)	20.2%	19.9%	18.1%	5.2%	7.1%	8.1%	8.1%
Cost : Income ratio	44.8%	42.2%	48.3%	52.9%	76.2%	73.5%	75.9%
NFI : Gross revenue	25.5%	31.9%	27.7%	29.4%	19.6%	19.3%	17.1%
Asset Quality & Liquidity							
Advances to deposits ratio	36.4%	38.7%	39.7%	42.6%	50.6%	47.9%	49.6%
CA %	34.2%	36.7%	37.0%	36.7%	38.0%	36.0%	35.6%
CASA %	78.1%	82.5%	82.3%	83.5%	82.2%	82.6%	82.7%
NPLs to Gross Advances	11.9%	10.9%	9.2%	8.2%	7.0%	6.6%	6.4%
Coverage - Specific	79.9%	85.8%	86.4%	87.6%	84.7%	88.7%	88.2%
Coverage - Total	83.2%	90.1%	91.2%	91.6%	89.1%	93.2%	93.4%
Capital Adequacy							
Tier I CAR	13.3%	13.1%	12.0%	12.0%	12.0%	12.5%	12.2%
Total CAR	16.2%	17.0%	15.5%	16.0%	16.2%	15.4%	15.4%
Industry Share							
Deposits	14.8%	14.1%	14.1%	14.3%	13.9%	13.9%	13.8%
Advances	11.0%	10.7%	11.3%	11.6%	12.2%	12.4%	11.8%