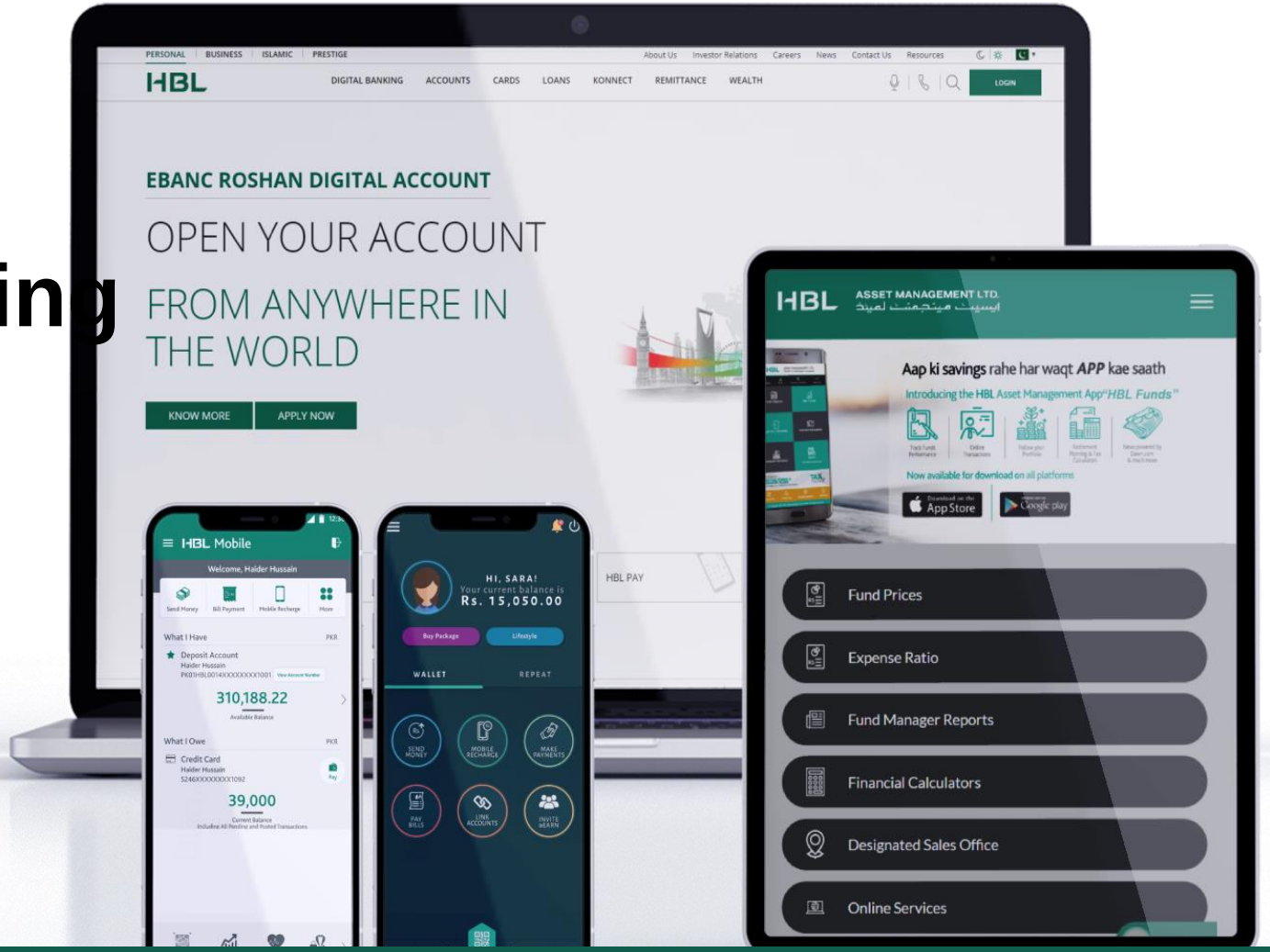
HBL Corporate Briefing

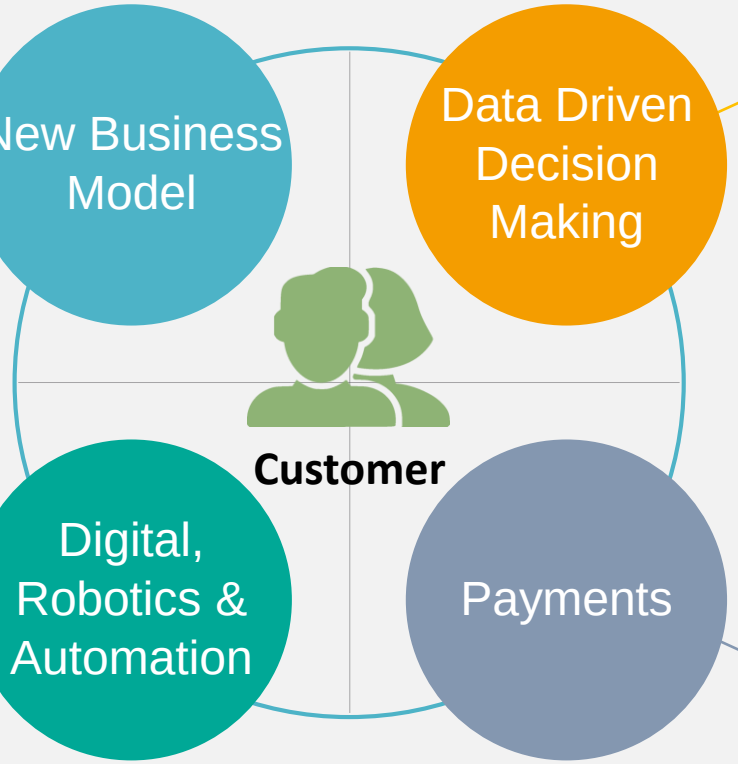
DIGITAL OVERVIEW



25 Nov 2021

BANK OF THE FUTURE …

- Financial Inclusion
- Mobile first
- Solutions NOT products
- Collaborative & transparent
- Open APIs
- New organization structures



- Machine learning & AI
- IoT
- Advice and contextual suggestions
- Ecosystem play
- Data monetization
- Analytics
- Real time decisioning

- Speed, efficiency, flexibility and scalability of front and back-end processes
- Risk management & audit
- Compliance
- Cognitive Process Automation (CPA & RPA)

- Payments & Lending
- Alliances & Partnerships
- Fintechs & Startups
- Modern Age Access Channels 24/7
- Contribution towards incubation

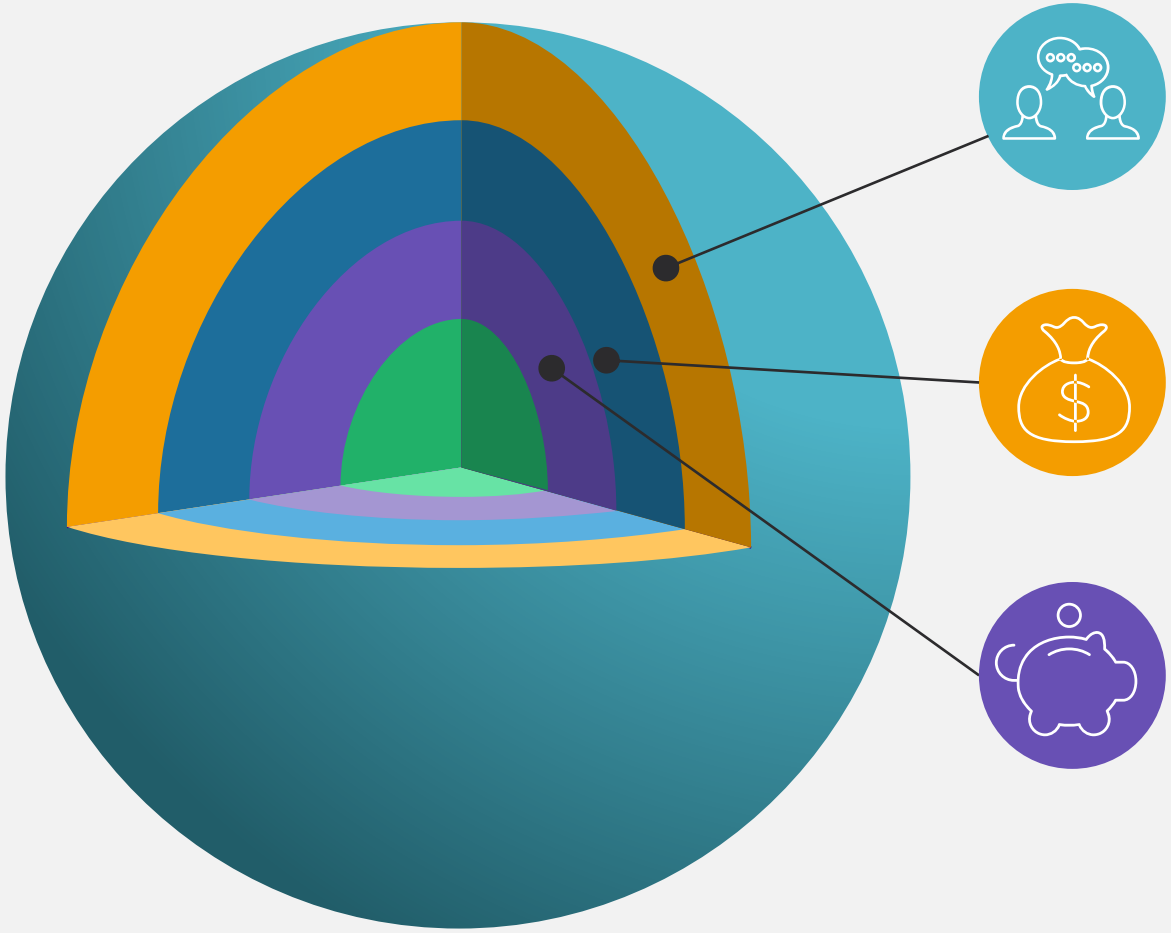
INDIVIDUAL SOLE PROPERIETORS

SME MERCHANTS

CORPORATES

AGRI

HBL STRATEGY KEY PILLARS …



Accelerate Financial Services in Pakistan

Bank the unbanked 100 Mn adults in Pakistan are unbanked

Regional Relevance

Double down on Pakistan corridor
Move towards cross regional business

Innovation & Technology

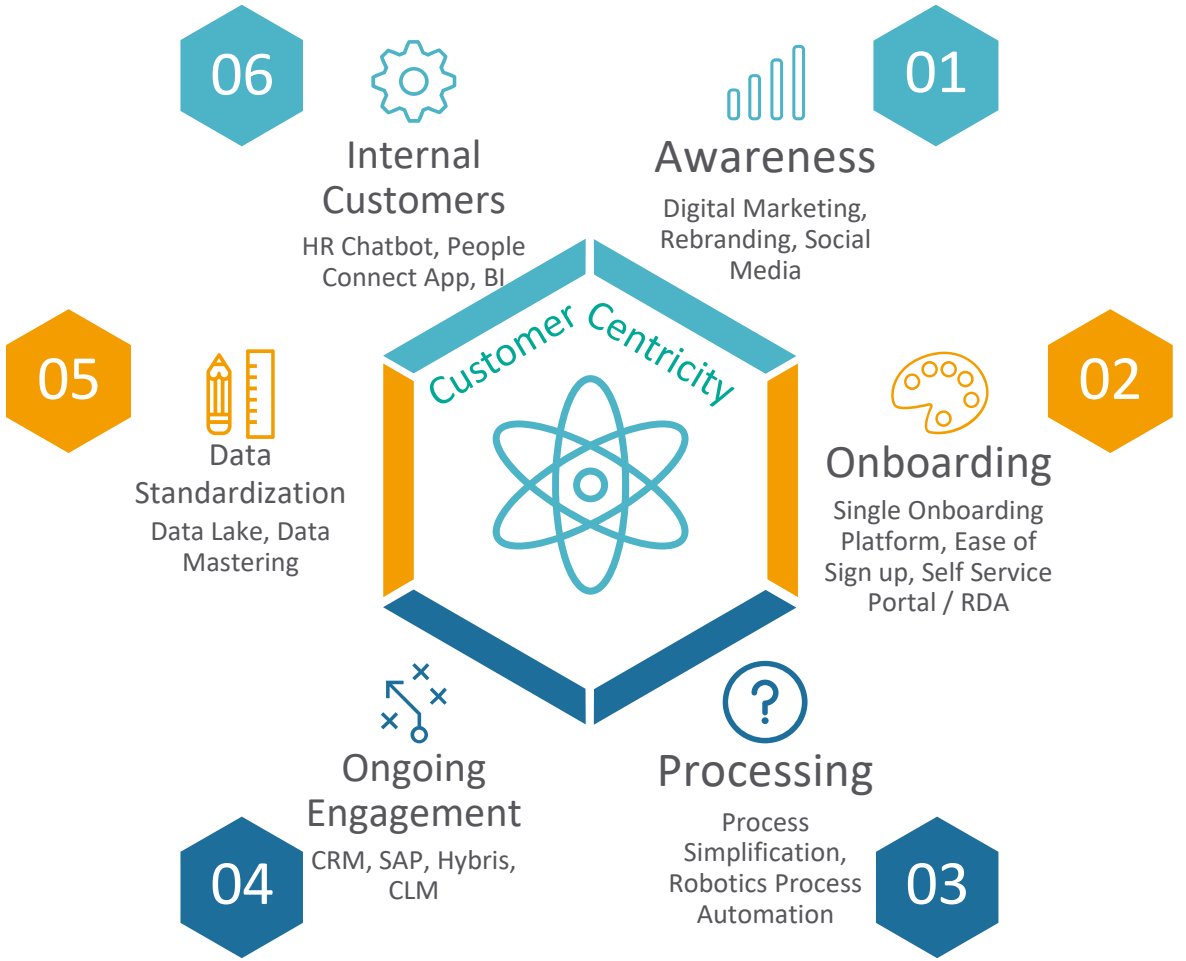
Pivot to a technology company with a banking license

MULTIPRONGED APPROACH TOWARDS DIGITAL …

Digital Culture

Driving Principles

- Data Driven Decisioning
- Customer Empowerment
- Think Solutions not Products
- Scalable Solutions
- Ensure compliance with regulatory standards



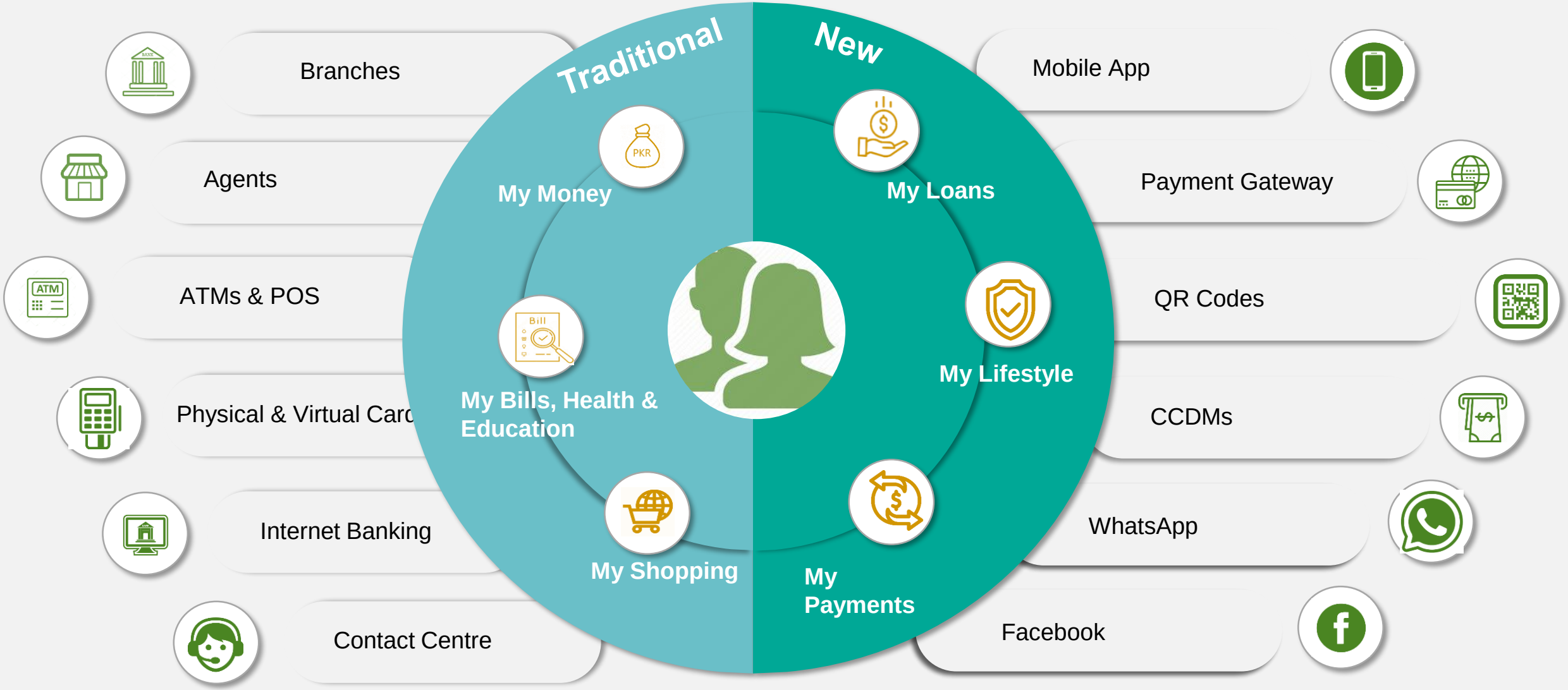
Digital Enablers

- Strategically Aligned Organization & Gov.
- Digital Operating Model
- Agility
- Cyber Security
- Risk Management

Data Enablement

Unified Data & Processes	Robust Analytics & Data Infrastructure	Comprehensive Data Ecosystem	360-degree single customer view	Flexible Banking Architecture

ENABLING EASY & 24/7 INTERACTION WITH MONEY …



Digital Channels – Some Statistics

Konnect

- **7.2Mn** account base, **22%** women & **750k+** financial active accounts.
- Avg. **5.3Mn** transactions, **PKR 59Bn** turnover monthly.
- Agent network of **65k.**
- **13%** branchless banking market share by volume.
- Eco-system partnerships for Food, Fashion, Travel, Health, Entertainment and Education

HBL Mobile

- **16%** share of commercial bank **users**, **32%** share of mobile banking payments
- **6.5 Mn+ (PKR 80 Bn.)** financial txns/month
- **900+ Billers on-boarded:** increase payment options through further company sign-ups .
- Monthly Active Users **>1.3Mn** (**64%** of registered base); Daily Active Users > **350K**

E-Commerce

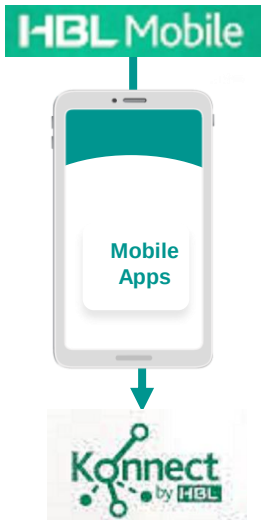
- Partnered with leading fintech's, to accept payments from millions of customers directly through bank accounts, wallets without the need for a debit or credit card.
- Over **370K txns/month**, valuing **Rs 2.5Bn**
- Market leader with over **35%** share of e-Commerce transaction value.
- Highest number of payment methods offered, Debit/Credit Cards, Account, Wallets.

Conversational Banking

- Continuing focus on customer centric approach and digitization, HBL introduced Conversational Banking through WhatsApp channel in May 2021
- Engaged with **over 350k users**.

HBL PAY – Self service digital portal for all transaction banking needs

HBL Mobile – for all your Lifestyle needs



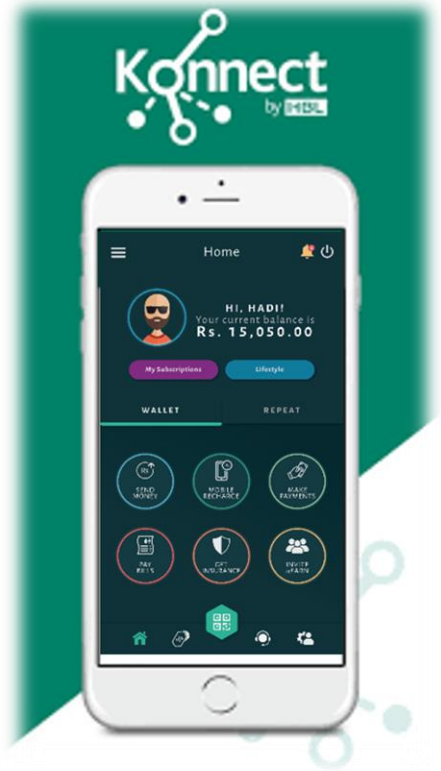
Request Additional Payment Services

Financial Inclusion …

Banking solutions outside bank branches using agent locations and other digital channels

- Extended Distribution network – 65k+
- Easy Access, Increased Touch Points, Leveraging Digital Payment Infrastructure

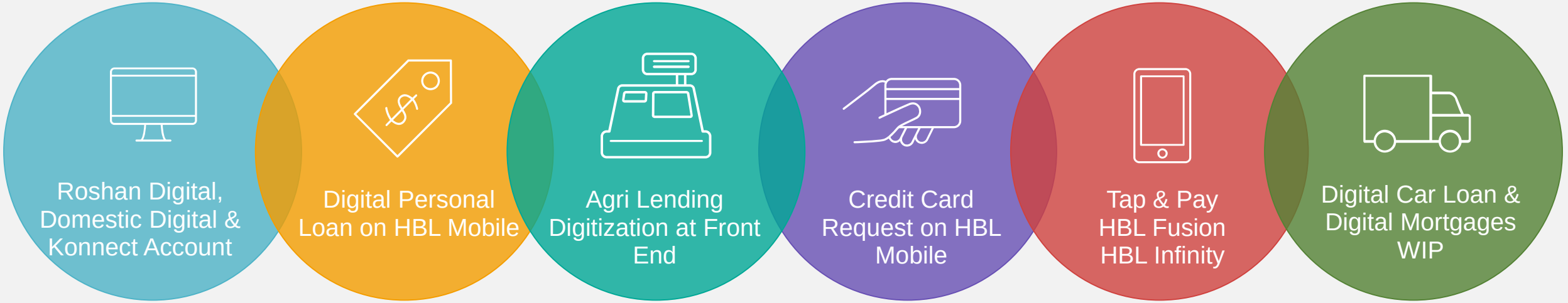
- 7.2 Mn Konnect Accounts
- 22% **Female** Customers
- Monthly Avg Financial Throughput PKR 90 Bn



- Kissan Card (Punjab & KPK)- 655K
- Agri Subsidy (PKR 11 Bn & Farmers Served >800k)
- Agri distribution shops onboarded as Konnect agents
- Agri Mart

- EHSAAS Program - 12.4 Mn+ EKP Beneficiaries – 4Mn+ Repeat & 8.4Mn one time)
- WHO
- World Food Program
- BOP

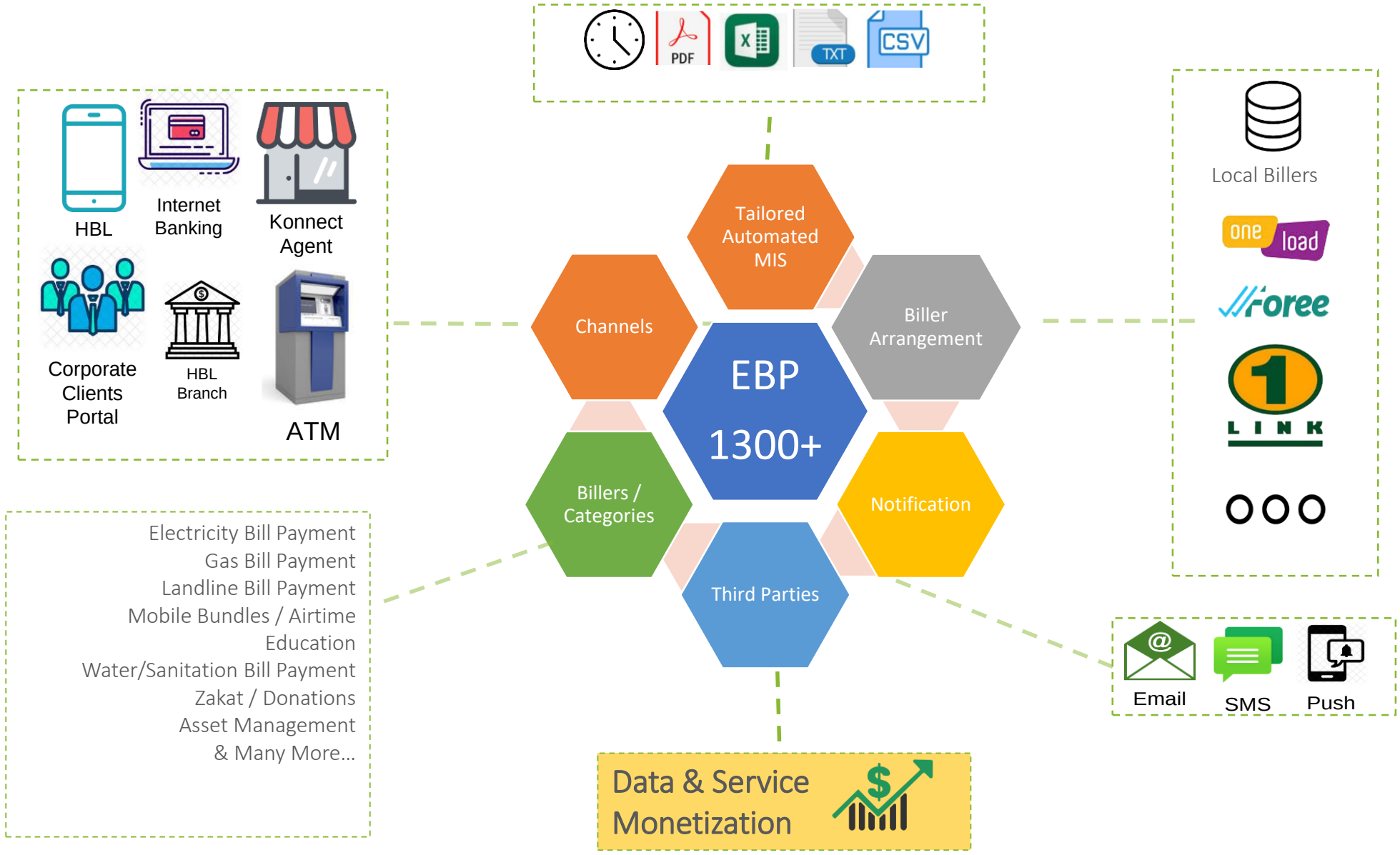
DIGITAL PRODUCTS …



Key Enablers

Data Lake | CRM | CLM | Hybris & Robotics | Process Automation

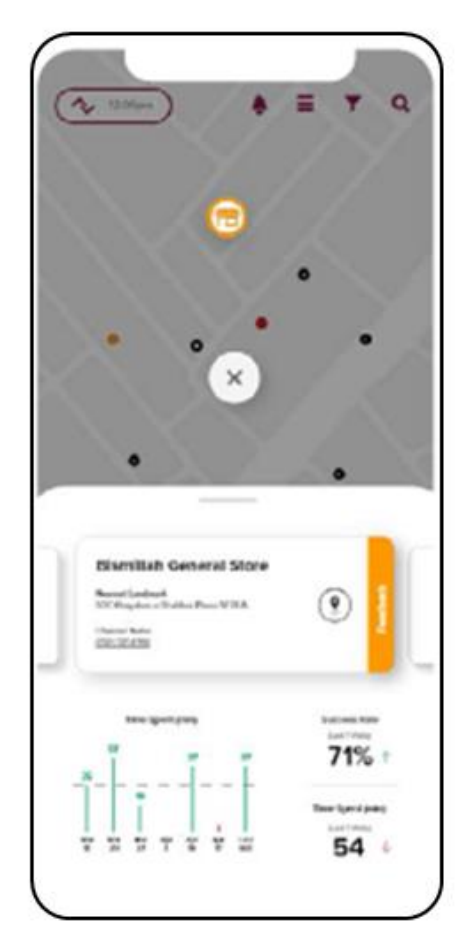
Electronic Bill Presentment- Enable Digital Payments/Collections



EMPOWERING THE STAFF (SALES MANAGEMENT TOOLS)

Objective

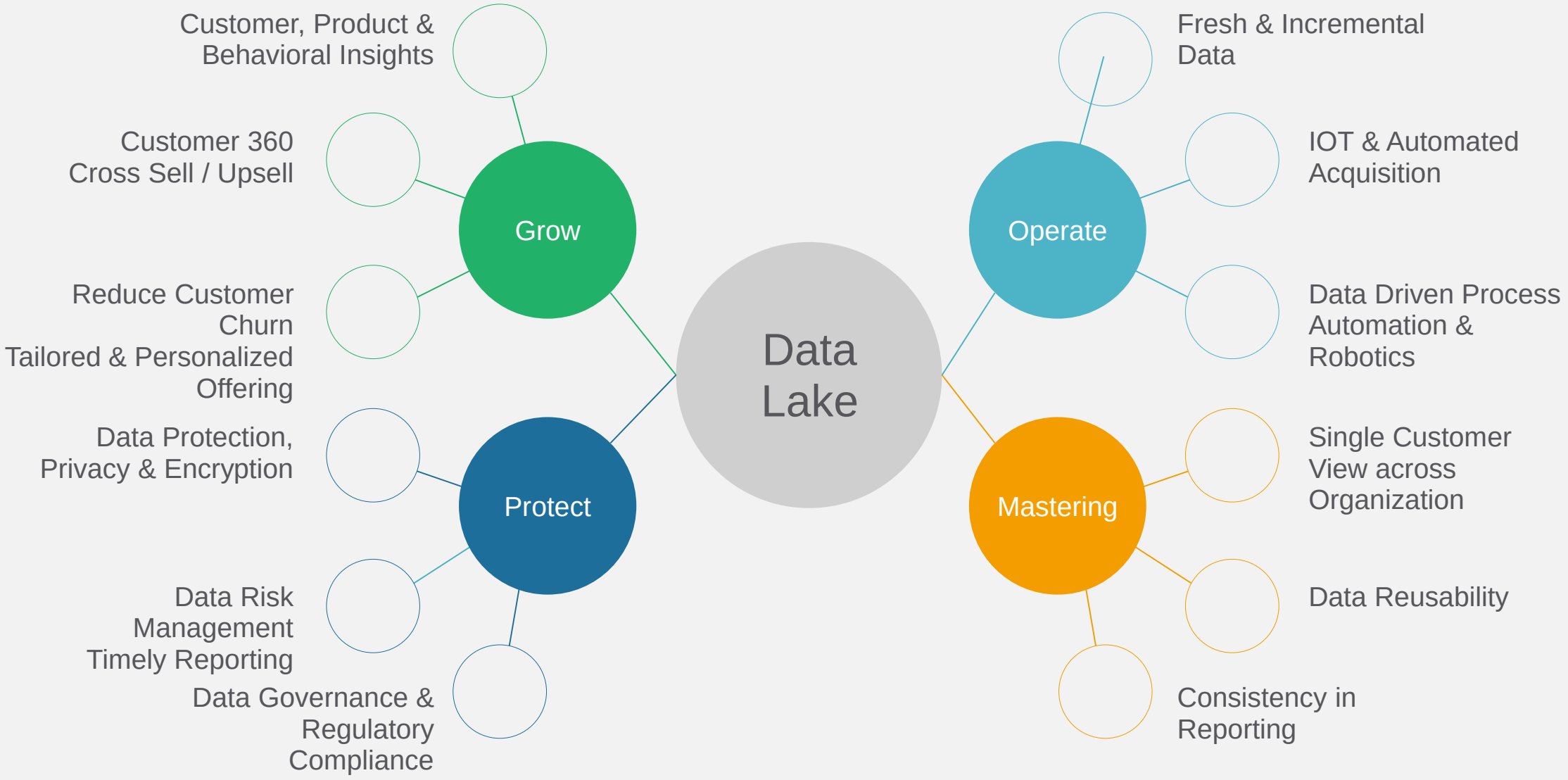
Provide **data led transparency** and **accountability** for sales and field force staff and managers to **enhance efficiency** and enable a structured and progressive **digital** mindset



Value Proposition

- **Attendance authentication**
- **Time management – customer facing (uptime) / travelling / breaks (down time)**
- **GPS tracking and retailer / business facia capturing**
- **Customer journey cycle**
- **Work journey cycle**
- **Average time per customer interaction / sales call**
- **Alerts for irregularities**
- **Asset / collateral tracking and evidence**
- **Quantifying opportunity losses**

DATA – THE NEW OIL (PROTECT AND GROW) …



HBL Pay – Unified Onboarding & Self Servicing Portal roadmap

Retail Banking | AGRI | Corporates | Branchless Agents | Merchants | Consumer / SMEl Loans

Assisted

- Unified Application
- Reusability of Data
- Single source of truth
- Minimizing physical documentation
- Operational Efficiency
- Process Digitization

UNIFIED ASSISTED ONBOARDING APPLICATION

Customer Self Service

- Cash Management
- Trade
- Reporting
- Digital Account Opening
- Transaction Management
- Service Requests

SINGLE SIGN ON
ROLE BASED ACCESS

SmartLoan | MISYS | Konnect by HBL | CTL PRIME | IRIS PCMS | cybersource A Visa Solution | Euronet WORLDWIDE

Data Driven Robotic Process Automation – Journey has started

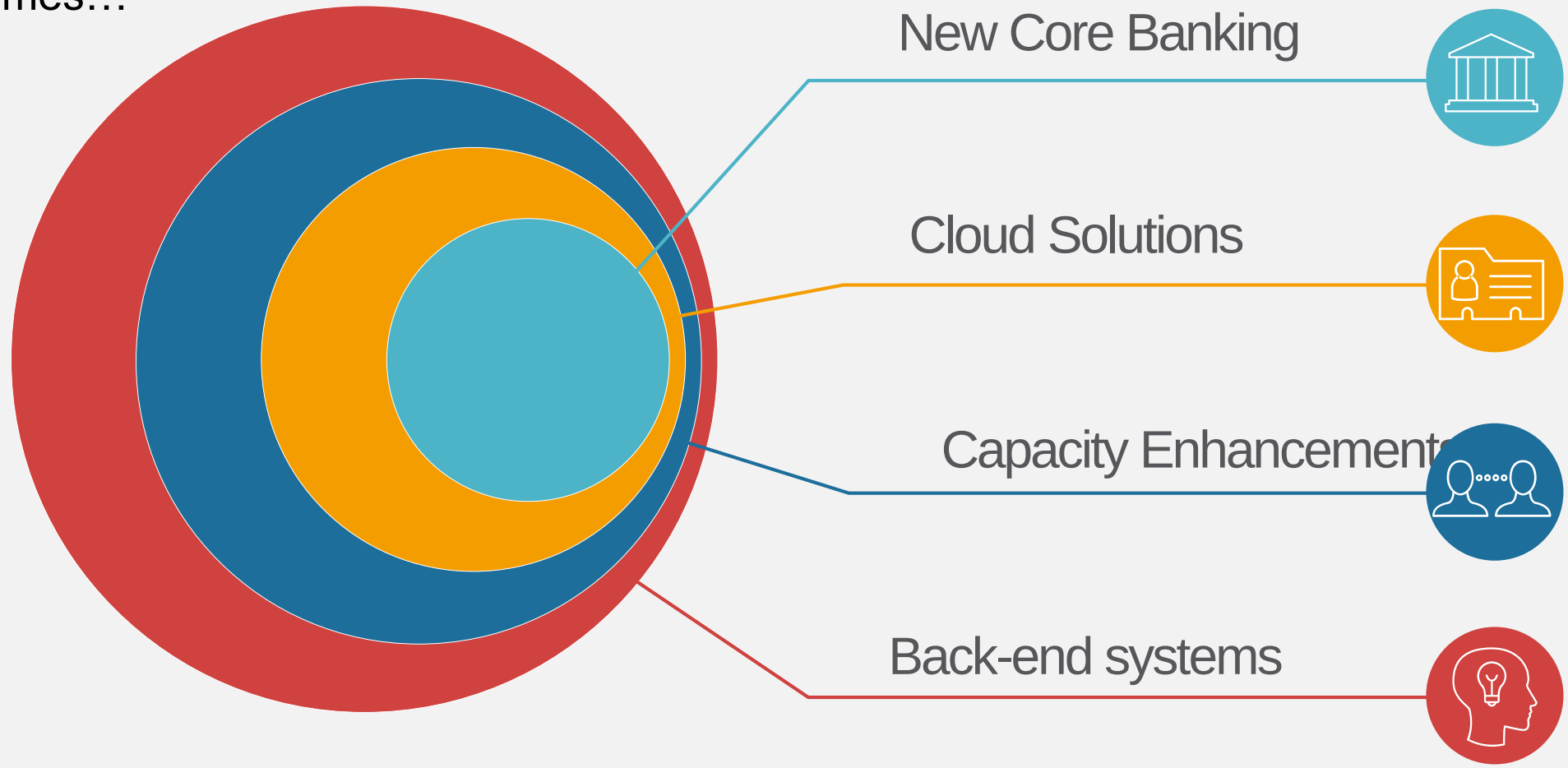
- Value Proposition:
  - Deliver 24 *7 operations capability
  - Eliminate manual element of process
  - Deliver Reusability of same Robotic capability through orchestration across different process domains
  - Enable Cognitive enabled processing & decisioning
  - ROI in the form of
    - ✓ Efficiency gains
    - ✓ Capacity enhancement
    - ✓ Customer experience(CX) / centricity enhancement
    - ✓ Better activity trail, logs and Data access controls
    - ✓ Much higher level of integrity in terms of quality, consistency and accuracy of activity

AWARENESS & ENGAGEMENT IN THE DIGITAL WORLD …

Goals		Enablers
Unified Social Media vision	AWARENESS & CONSIDERATION	Audience led channel strategy
Target high value audience	ACQUISITION	Acquisition/lead generation campaigns
Personalize user experience	ACTIVATION & ENGAGEMENT	Audience tailored content
Simplify user journeys	USAGE & SPENDING	User data tracking
Continuous customer support	RETENTION & REFFERAL	Social Media cell User sentiment analysis

ENABLEMENT & INFRASTRUCTURE UPGRADES …

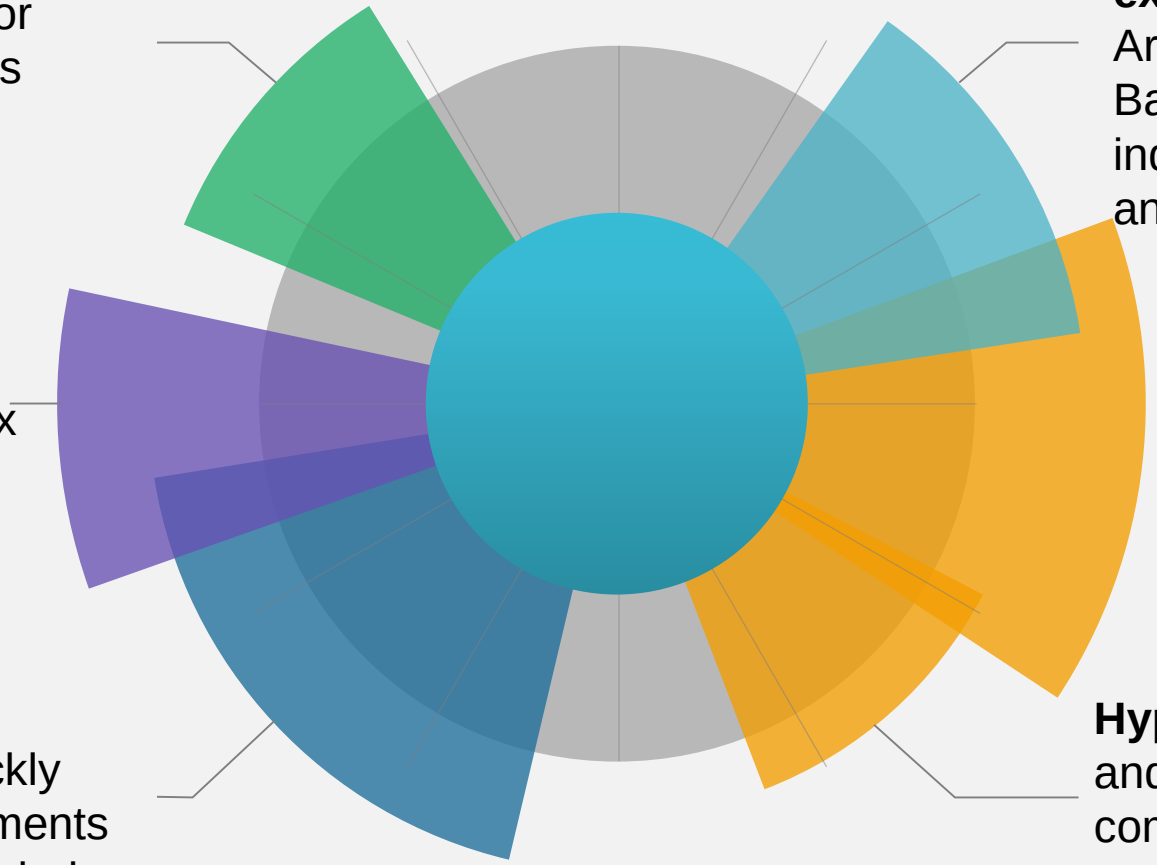
Digitization leads to Microtization of transactions eventually leads to large transactional volumes…



MODERN CORE BANKING WILL ENABLE FIVE STRATEGIC CAPABILITIES FOR HBL …

Agility - Build the engine for faster reaction to customers across all channels

Individualized customer experiences - build and embed Artificial Intelligence into the Core Banking platform to provide individualised customer engagement and high efficiency at reduced cost



Competence - Reduce Operational Risk due to complex and archaic IT landscape

Resilience & Controls - Quickly respond to regulatory requirements and improve compliance to global frameworks

Hyperscale - Improve operations and IT cost efficiency through componentization, microservices and cloud-native architecture

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