

Habib Bank Limited

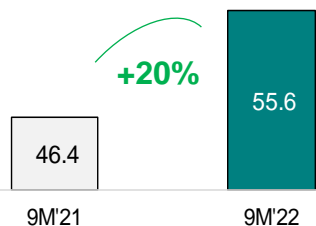
Corporate Briefing

28th November 2022

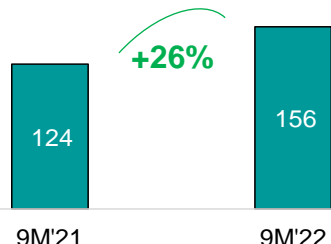


Expanding digital outreach by delivering innovative client solutions

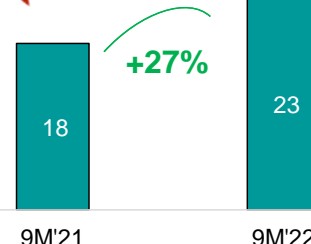
#2 PBT — Rs in B



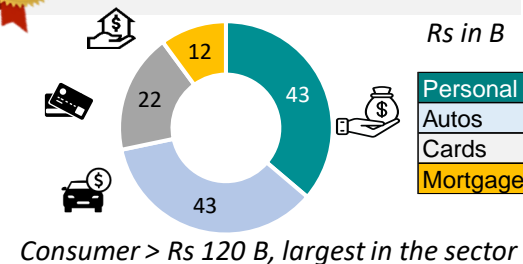
#1 Gross Revenue — Rs in B



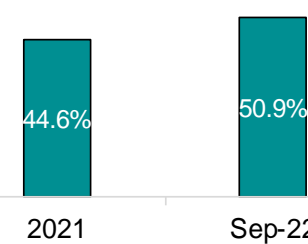
#1 Fee — Rs in B



#1 Consumer Lending



ADR



#2 ASSETS



Rs **4.5** Trillion

#1 ADVANCES



Rs **1.7** Trillion
Market share of
~**12.7%**

#1 DEPOSITS



Rs **3.4** Trillion
Market share of
12.5%

#1 CUSTOMERS SERVED



32M+
Incl. 9m+ BISP
beneficiaries

#1 BRANCHES



1,729

#1 ATMs



2,245

#1 KONNECT AGENTS



63,396

QR CODE LOCATIONS



54,768

#1 POS TERMINALS



45,047
9M'22 spend
Rs **186B**

#1 AGRI FINANCE



Rs **45B**
35% Market
Share amongst
Commercial
Banks

#1 SME FINANCE



Rs **72B**
Market
Share ~**16%**

#1 CARDS BASE



6.8M+
9M'22 spend
Rs **212B**

#1 EMPLOYEE BANKING



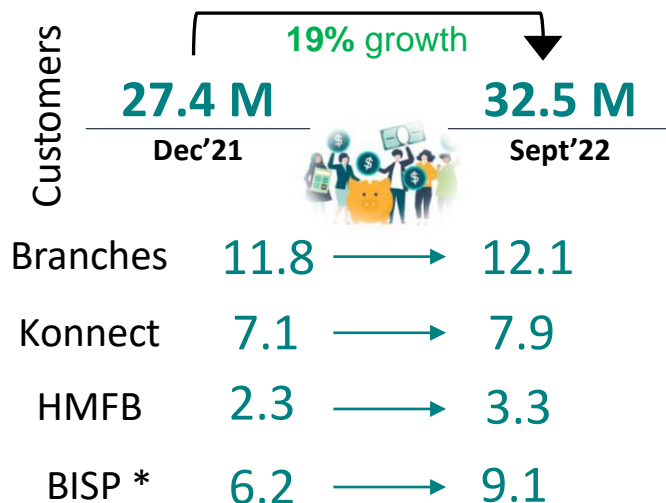
1.4M+ Salary Accounts; Market
Share : **38%**

TRANSACTION BANKING

Collections market share : **33.8%**
Business payments : **34.3%**
8,000+ mandates

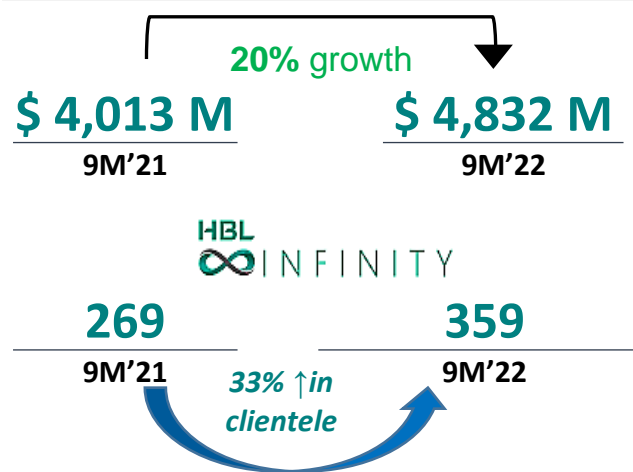
1

5.1 million **customers** added



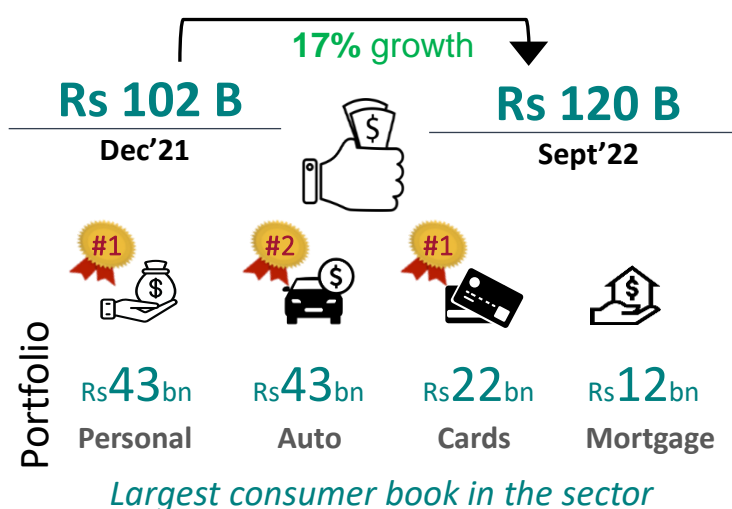
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HBL Infinity growing clients and volumes.
HBL Symphony (Fixed Income platform)
being rolled out



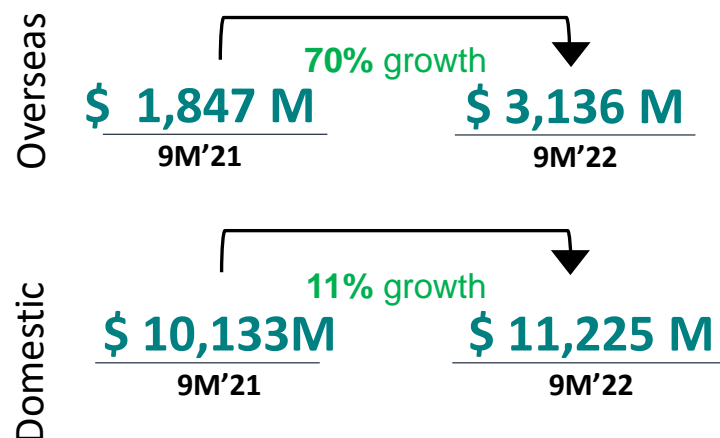
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Strong **Consumer lending** momentum



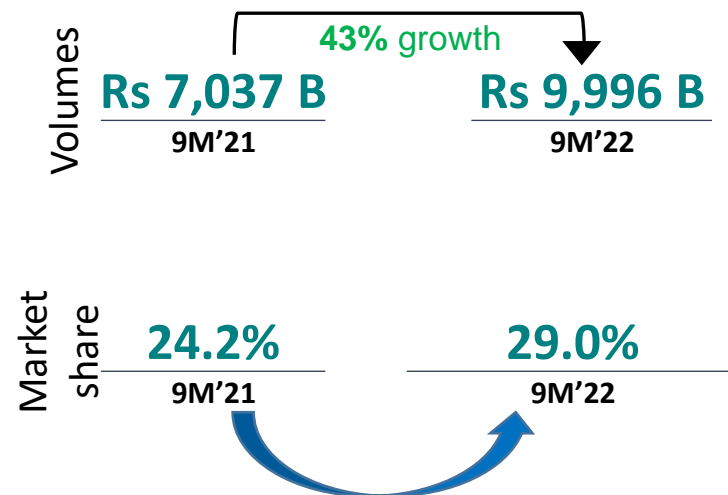
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Trade Volumes – up 20% to \$ 14.3 B,
domestic share up at ~12.9%



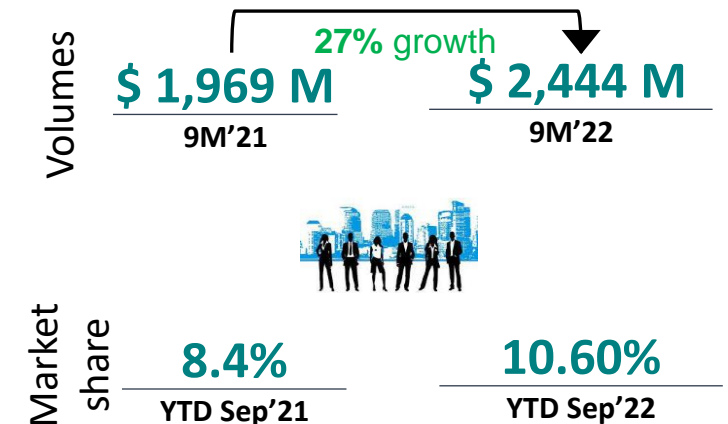
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Secondary Market Volumes up 43% with
share increased from 24% to 29%



6

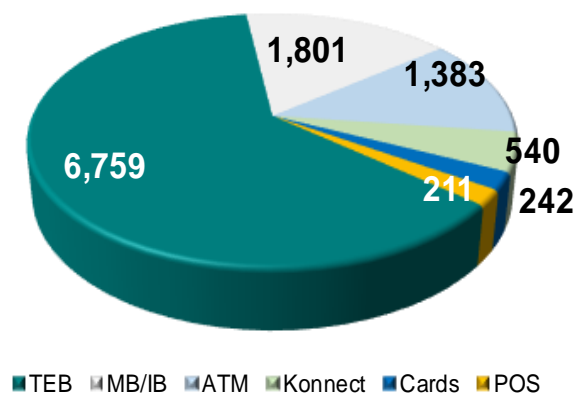
Remittance – volumes up 27% to \$2.4 B;
share improved from 8.4% to 10.6%



Digital throughput for 10M'22 nearly at a record 11T – up 75% YoY

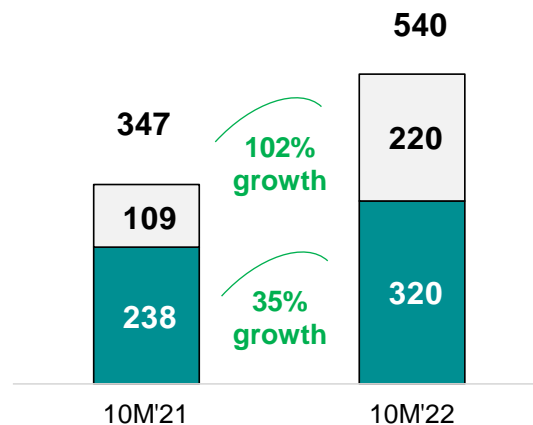
Digital throughput composition

Rs in B



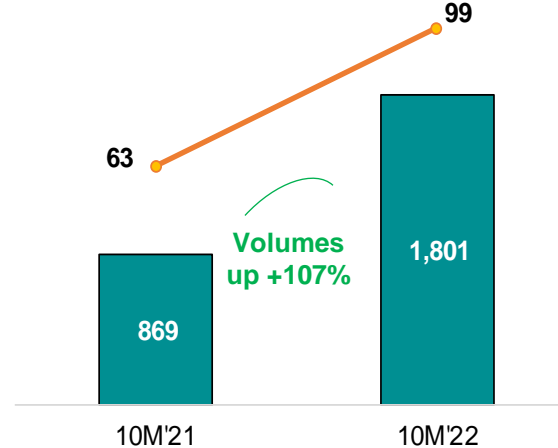
Konnect – volumes up 56% YoY

■ Konnect Vol (Rs B) □ G2P Vol (Rs B)



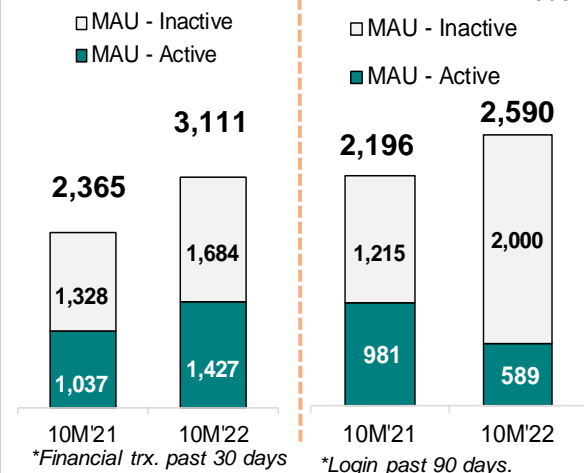
MB/IB – volumes more than doubled to Rs 1.8T. Subscribers > 3.0m

■ Trans. Vol (Rs B) — Trans. Count (M)



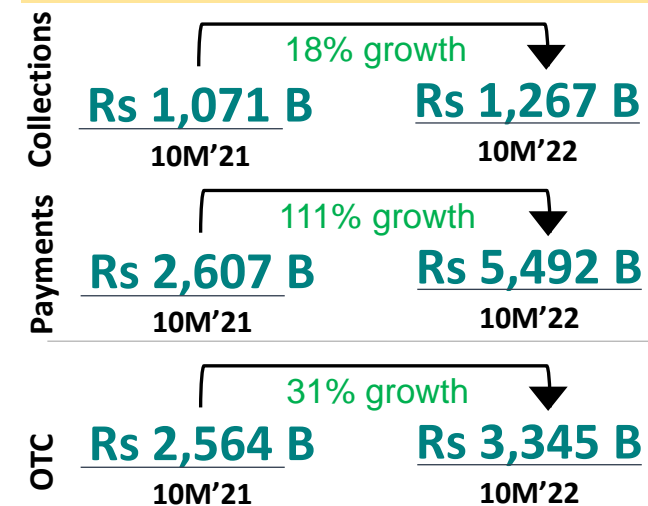
Monthly Active Users Mobile : 46%, Konnect App : 23%

■ MAU - Inactive □ MAU - Active



Cash management – Total throughput crosses 10T, digital channels up by 84%

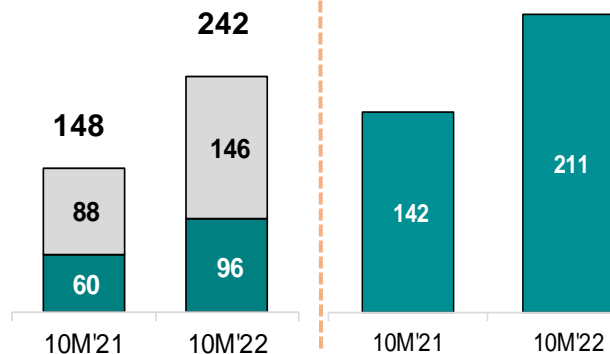
Digital



Card base > 6.5 Mn. 1/3 of country's credit card volume / spend are on HBL

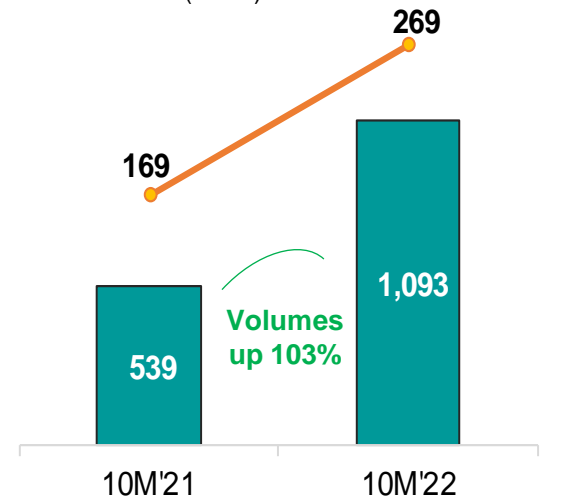
64% growth Our Card Spend 48% growth

■ Debit card □ Credit card



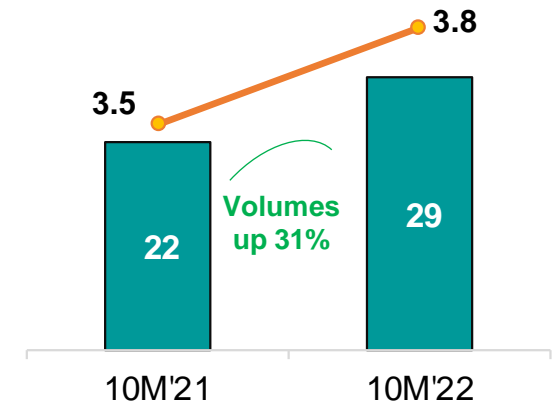
QR Codes – increasing ticket size has doubled volumes

■ Trans. Vol (Rs M) — Trans. Count - '000s



HBL Pay Checkout – volume up by ~31% to Rs 29b

■ Trans. Vol (Rs B) — Trans. Count (M)



Best bank awards



Best Bank in Pakistan



Best Domestic Bank



Best Investment Bank



Safest Bank in Pakistan

Business awards



- Best Project Finance Bank Pakistan 2022
- Infrastructure Project Finance Deal
- Syndicated Loan Deal of Pakistan
- Power Project Finance Deal of Pakistan
- Equity Deal of the Year
- Power/Utilities Project Finance Deal of the Year



- Domestic Trade Finance Bank of the Year
- Domestic Cash Management Bank of the Year
- Domestic Project Finance Bank of the Year
- Corporate & Investment Bank of the Year
- Equity Deal of the Year Pakistan.
- Green Deal of the Year Pakistan
- Point of Sale Initiative for the year



- Project Finance House of the Year
- Renewable Energy Deal of the Year
- Power/Utilities Deal of the Year
- Transport Deal of the Year
- Water Deal of the Year

Other awards



- Best Green Bond
- Best Structured Finance Deal



Best Emerging Technology



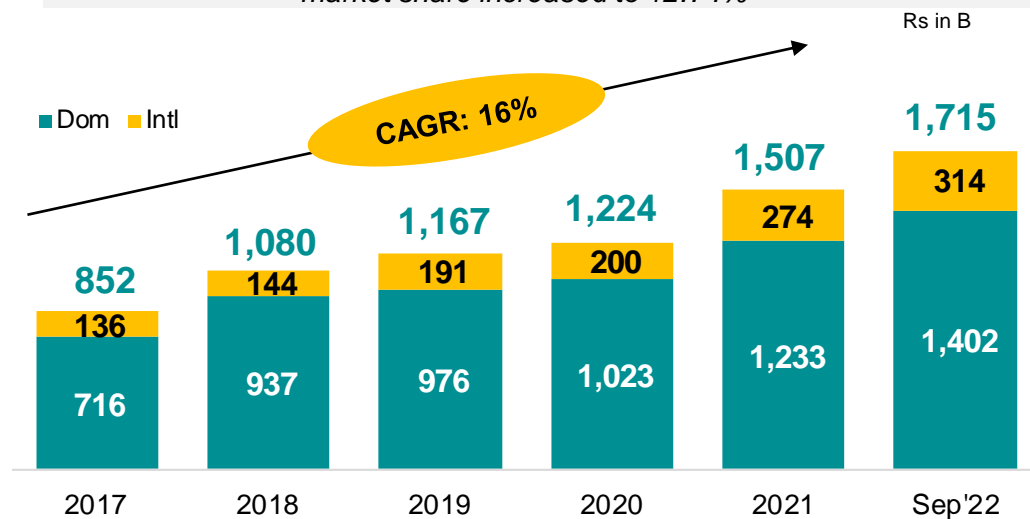
Best Social Media Marketing Campaign



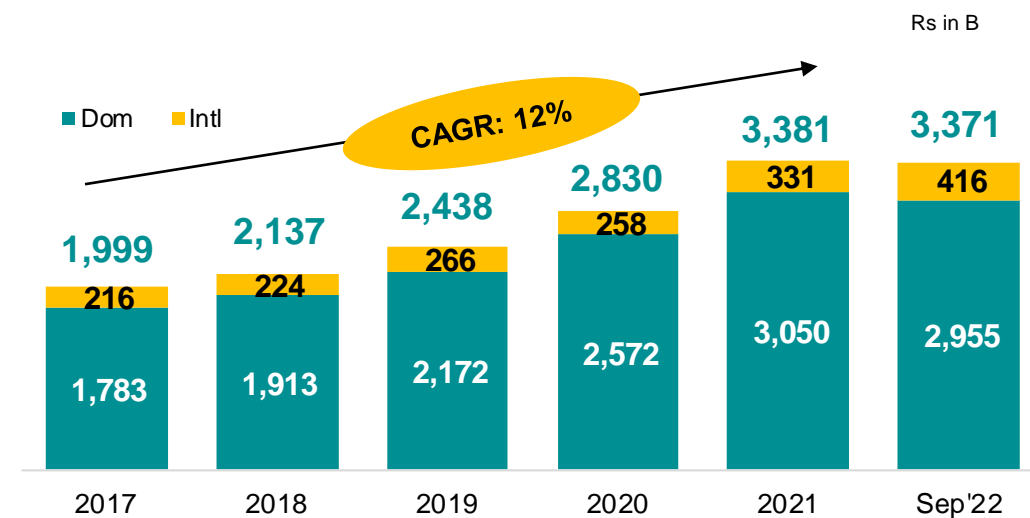
Best practice in Pakistan for Diversity, Equity and Inclusion

Financial Performance – Sep'22

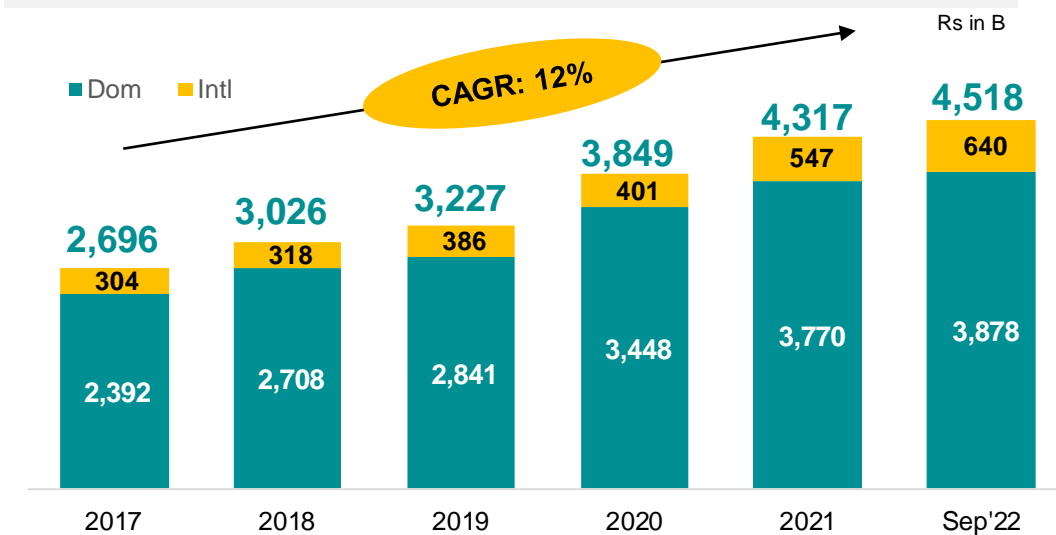
Advances | Supporting economic growth amid difficult times - market share increased to 12.74%



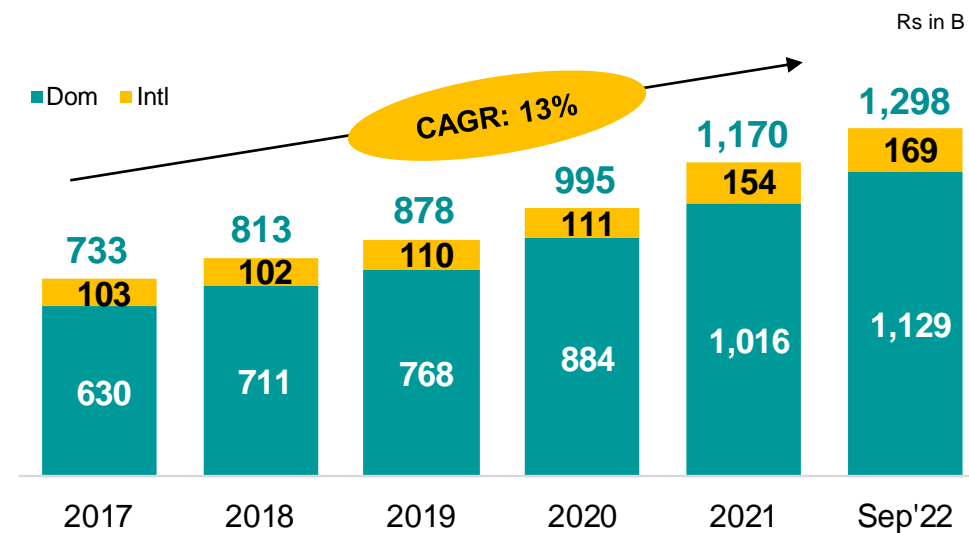
Total Deposits | ... Double digit deposit growth...



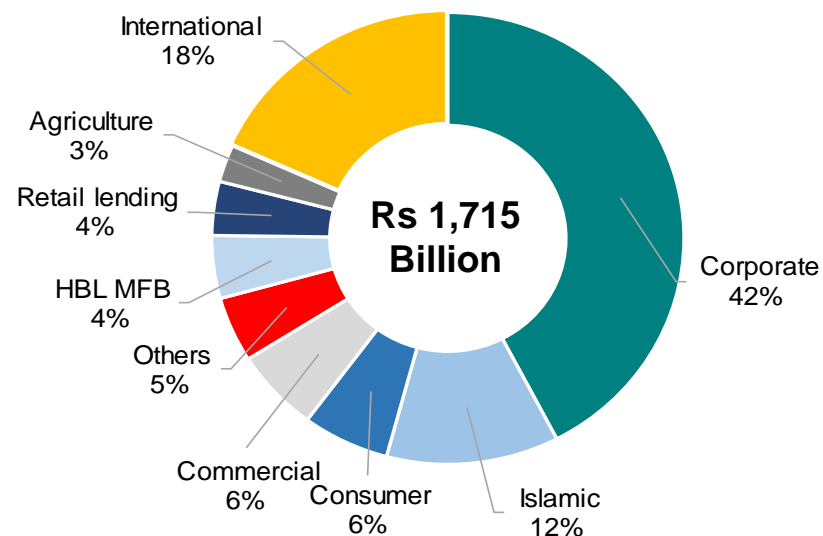
Total Assets | Balance sheet footing at Rs 4.5 T backed by...



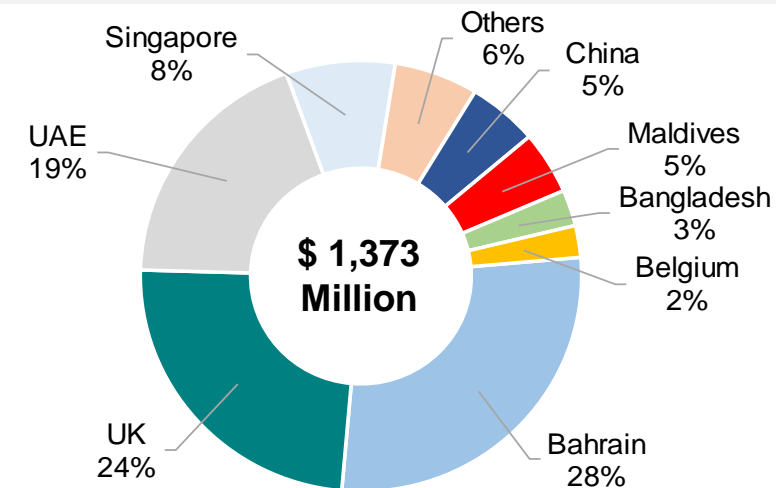
Current Deposits | with strong focus on Current Accounts



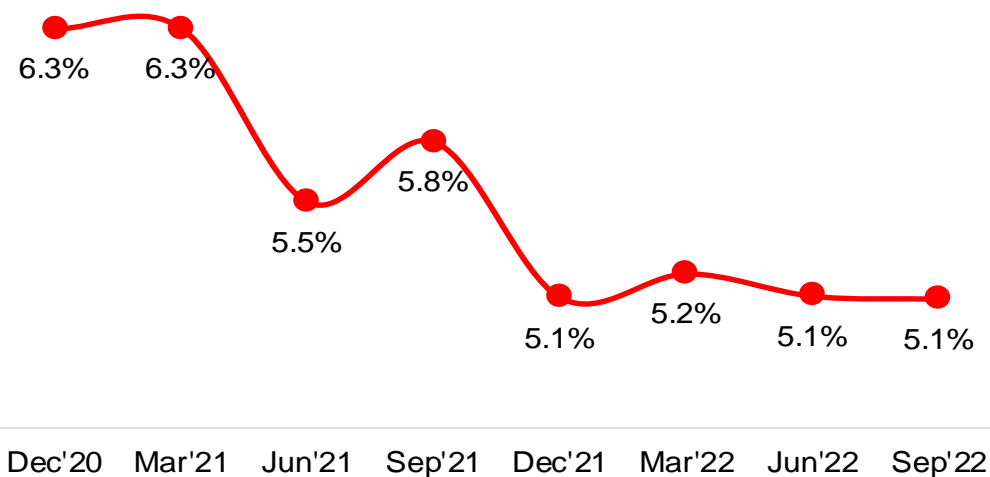
Loan Portfolio composition by line of business



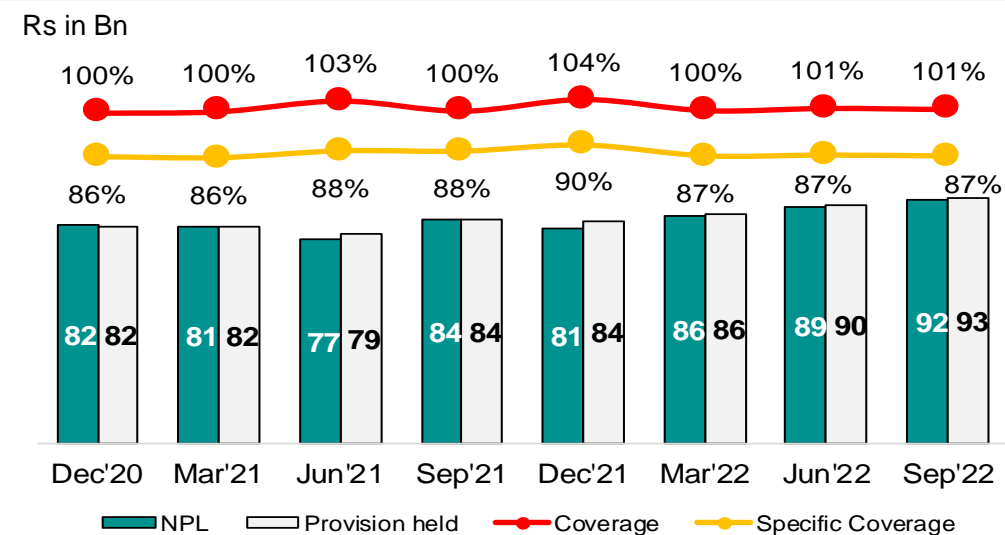
International Loan Portfolio – Location wise



Infection ratio remains steady at historical low of 5.1% from Dec'21

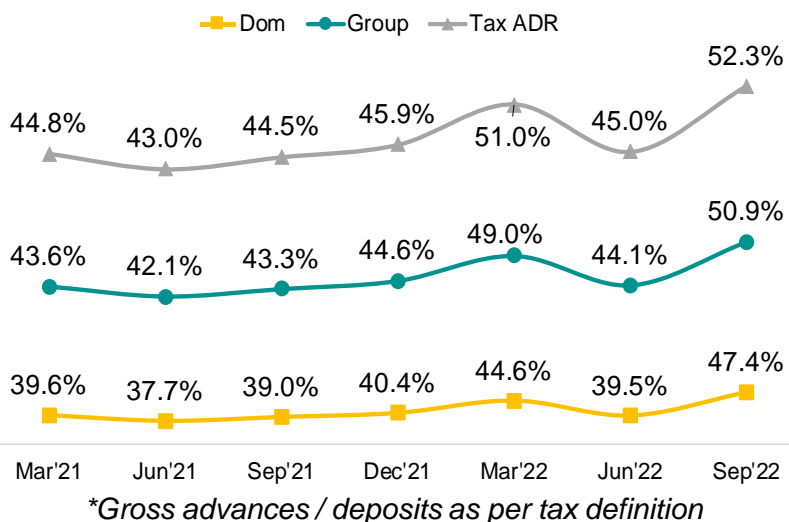


Specific coverage maintained at 87% and total coverage > 100%

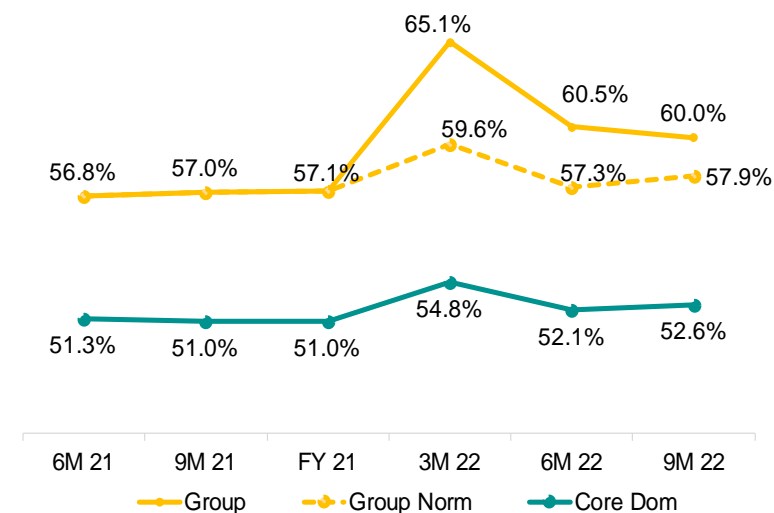


Key Performance Metrics

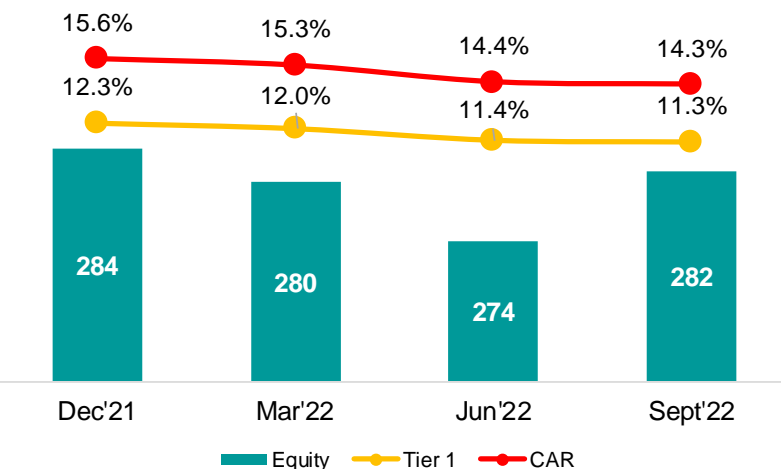
ADR above 50% in Sep'22 backed by strong growth in advances and focus on low-cost deposits



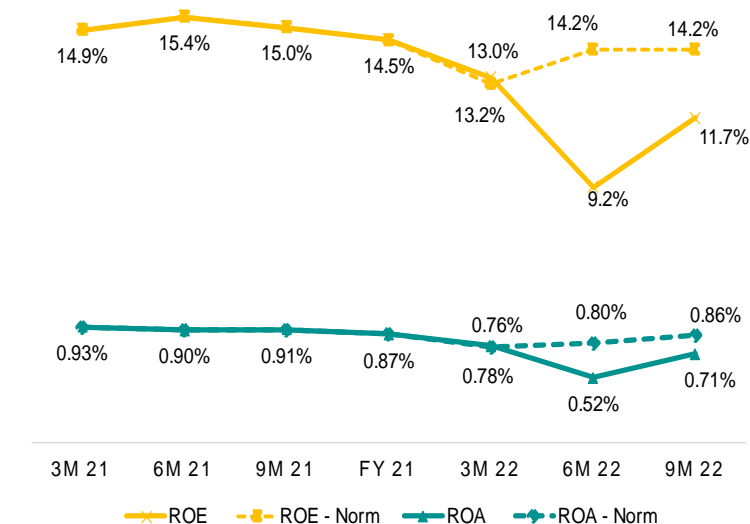
Cost to income ratio – impacted by high inflation and Rupee devaluation



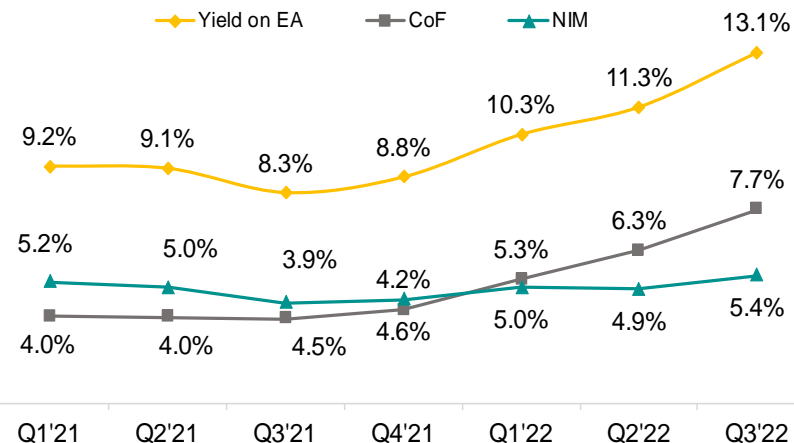
CAR heavily impacted by steep PKR devaluation and higher tax charge, but mitigated by internal generation



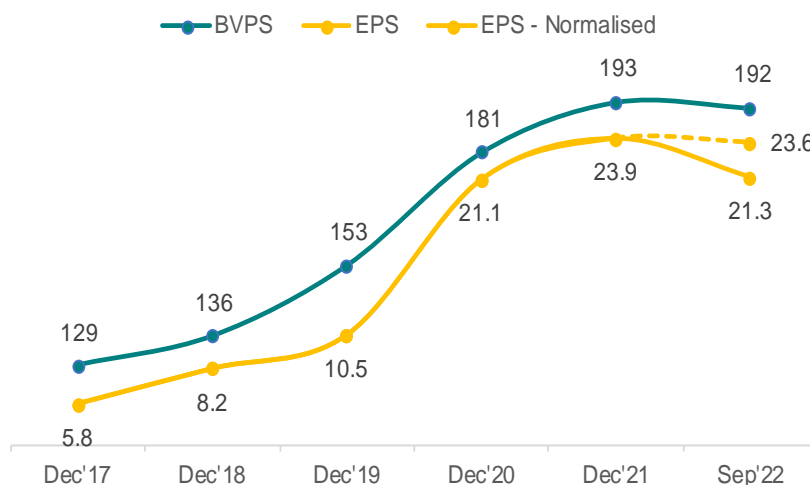
ROA & ROE – rebounding despite a 10% increase in tax rates



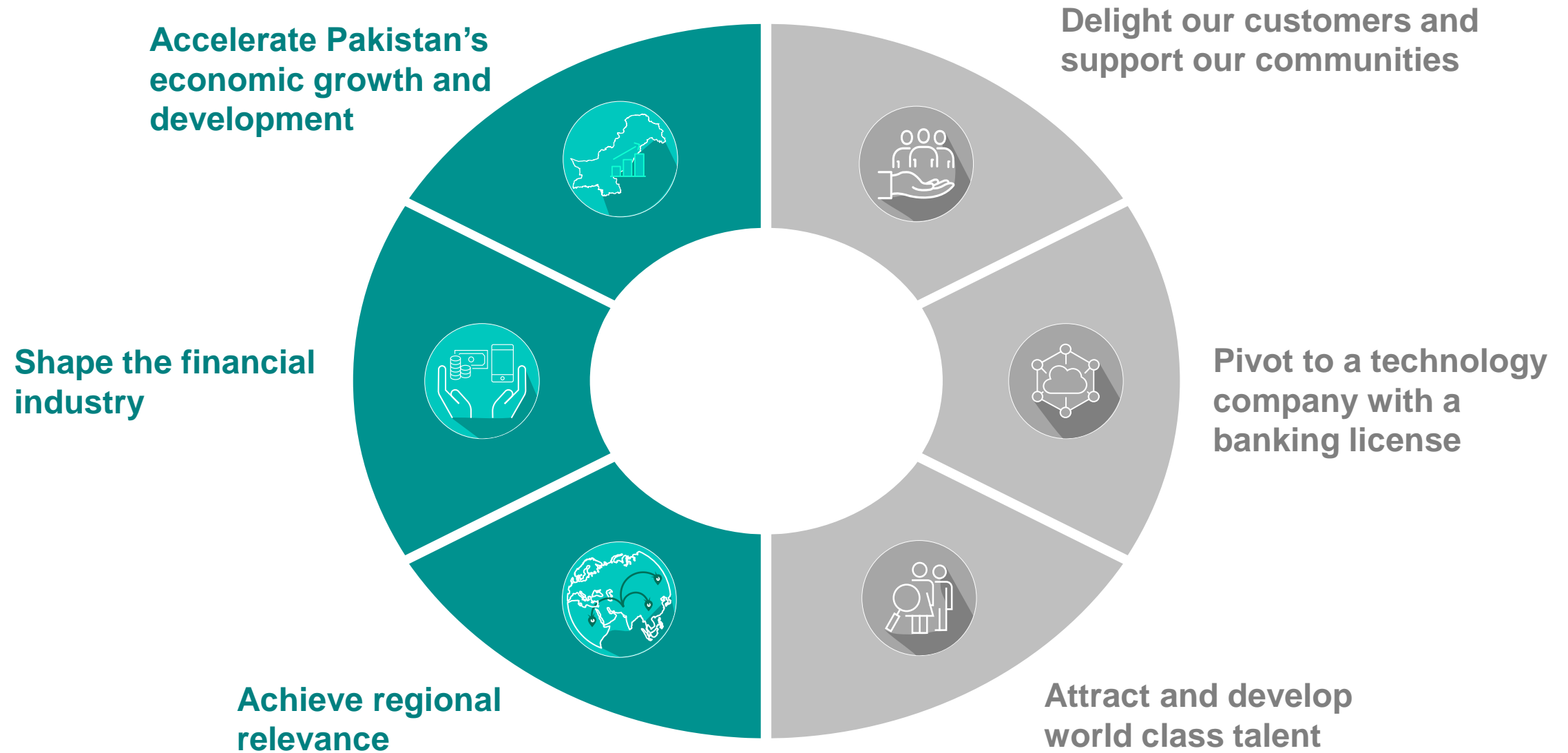
NIM – improves to 5.4% as lagged asset repricing begins to catch up



Retrospective tax impacted EPS by Rs 2.30



Our Strategic Pillars



Improving Financial Health of Women



27%

Of account holders are women



Rs 481bn

Deposits in women's accounts

Refreshed product suite launched under HBL NISA to provide tailored-financial solutions for the unique needs of women

228K+

Accounts

Rs 45bn

Deposits



6%

NISA share of total women accounts in HBL

22%

Konnect share Women share of Konnect accounts

Asaan Accounts



Deposits

Rs 16bn

2021: Rs 15 Bn

>1mn

↑11% YTD

NTB Accounts

97k+

9M'21: 121k+

HBL MFB continues to lead in the microfinance space



1.2M+
Wallet accounts



83K+
Mobile Users
Dec'21: 26K



550K+
PayPak Debit Cards
issued since inception

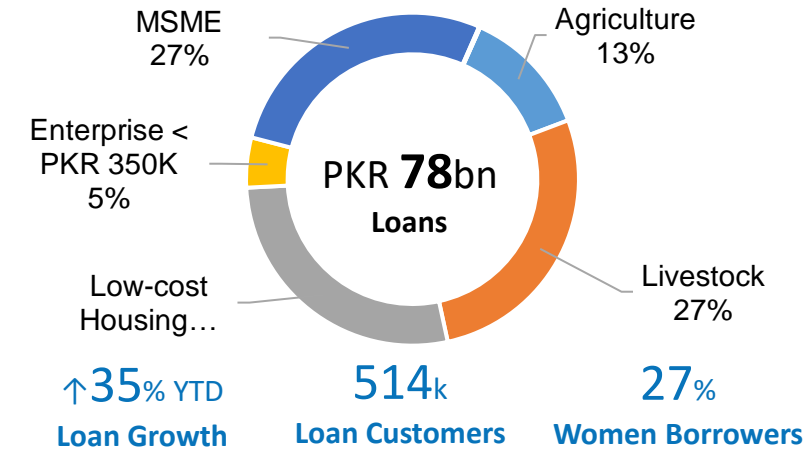
Deposits

Rs 98bn

↑8% YTD

21.9% Market Share

2.8mn Customers
(↑59% YTD)



Customer Management Solution

Digital Customer Onboarding

- Onboarding of loan customers
- Realtime connectivity with NADRA & Credit Bureaus
- ↑ loan officers' efficiency

Collection Management System

- Real time collections management system
- Monitoring Promise-to-Pay accounts

Performance Management

- Real time dashboards for monitoring customers
- Branch level TAT monitoring
- Staff workload and performance management

Geo Tracking

- Marking geo coordinates of branches + field teams
- Tagging and imaging of clients' key locations + assets

SME Banking – fueling the Economy

NTB accounts > 2,300 as of 9M'22 , ↑22% SPLY

Loan Book

Rs 72bn

2021: Rs 74 Bn



Largest market share of 15.6%

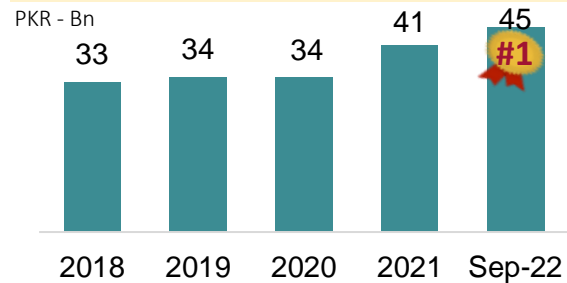
- HBL has been awarded "Best Bank for Small & Medium Businesses" by the Pakistan Banking Awards for the last 3 years.
- First bank to launch Digital Lending in collaboration with FINJA
- Leading in supply chain finance, book size of Rs 8.5 billion, up 37% YTD.
- In 2022, launched unsecured financing products (SAAF & ASAAN). Disbursed Rs 5+bn to 1,100+ customers in 9 months since launch

Leading Pakistan's agricultural landscape

Maintaining market leadership with 35% market share, serving over 46,000 households, via a dedicated field force spread over 630 branches

Agriculture Portfolio

Market share of farmer financing at 35%



Greater than next 2 competitors combined

Rated Top Bank in Agriculture by SBP



- HBL ranked #1 by SBP among large banks
- HBL MfB ranked #1 among microfinance banks

Dairy & Livestock Financing



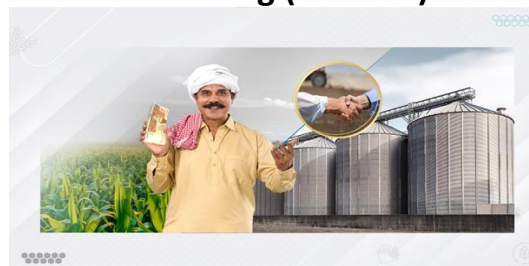
- Portfolio > PKR 3 Bn in 2yrs from start
- ~2k dairy farmers and > 125k animals financed
- Launched livestock loan insurance

Agriculture Value Chain



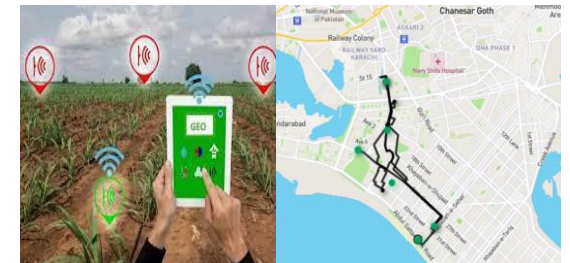
- New business vertical initiated in 2021
- PKR 3 Bn portfolio of loans to ancillary businesses in the agriculture value chain such as storage, traders and processors

Electronic Warehouse Receipt Financing ("EWR")



- Invested in Naymat Collateral Management which accredits warehouses – enables better storage of produce and ability to finance against secure collateral
- 1st bank to fund EWR in Pakistan. 70+% share of EWR financing for Maize

Mobile App - Salesflo



- Agri field team provided with Handheld devices with 4G connectivity
- Used to digitally capture field visit data
- This has improved sales management & monitoring of field activities

HBL

Holistic support to agriculture value chain | Ecosystem alliances and partnerships increasing 4x

Input suppliers

To give farmers access to high quality crop inputs



Mechanization service providers

For agricultural mechanization, HBL has engaged organizations to provide latest machines to farmers



Bulk buyers

Engaged with bulk buyers to insulate the farmer from market inefficiencies at the time of crop selling



Technology partners

Digital solutions such as remote sensing and advisory to eliminate inefficiencies



Integrated Remote Sensing to Monitor Crops

Using satellite data to identify low-performing plots

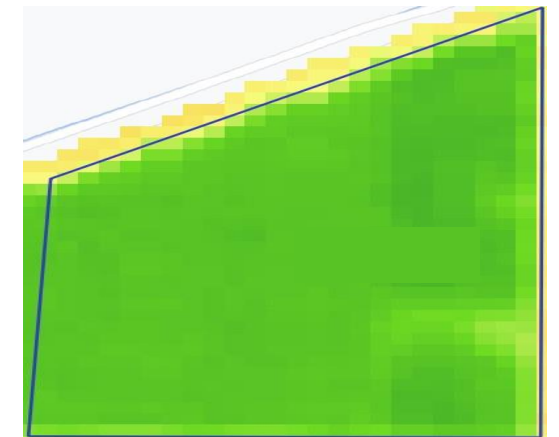
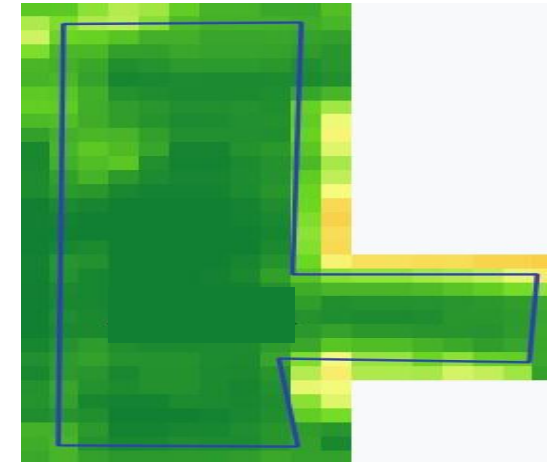
Why use satellites to monitor farms?

- Tracking 3,500 acres weekly using only agronomists is not viable
 - Costly
 - Time consuming
- Satellite data is an effective tool for monitoring crop health in near-real time
 - Targeted advisory service
 - Enables surveillance of crops' progress
- Data from European Space Agency's Sentinel-2 satellites
 - Refreshed every 5 days
 - Open-source computational infrastructure
 - Tailored to meet HBL's requirements

On-Ground Images

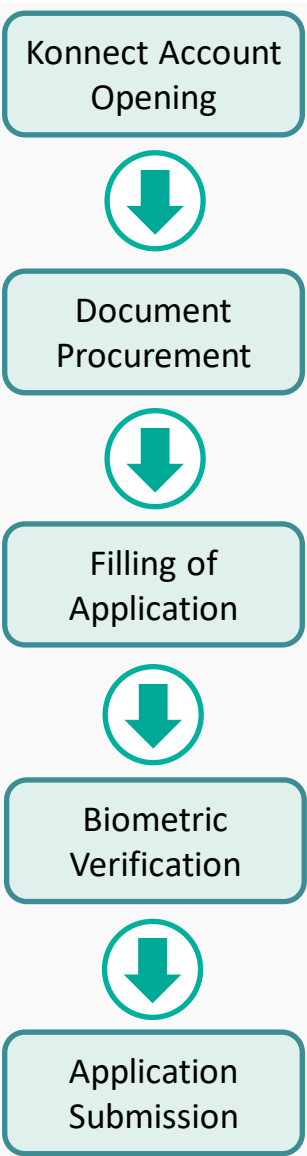
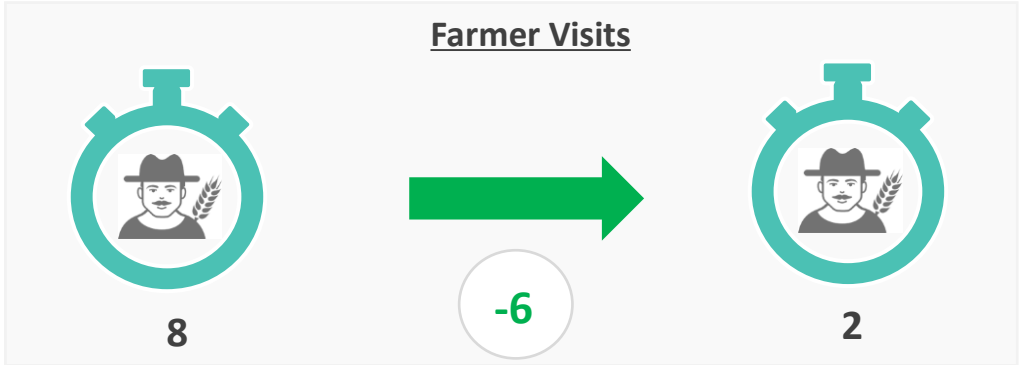
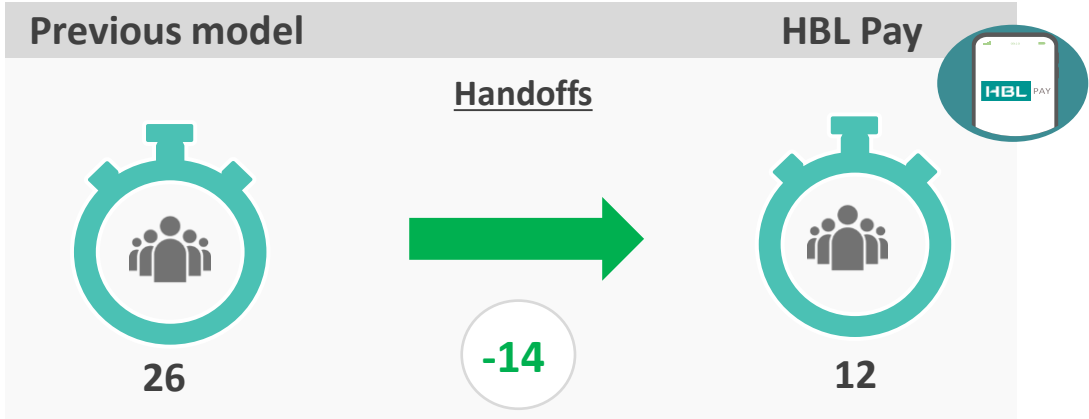


Remote Sensing Index Heatmap



AgriTech | Solving customers' use cases by facilitating end-to-end digital journey

Cross-functional team led by technologists and HBL agronomists along with simplifying processes that reduce hand-offs by leveraging technology from the time a farmer opens his account **'IN THE FIELD'** to loan approval and disbursement.



We continue to innovate and transform farmers' lives via upscaling interventions in 2022

After a successful proof of concept in 2020, HBL's engagement with farmers increased manifold



Farmer count up **35x** to 550



Portfolio volumes up **86x** to Rs 1,296 M



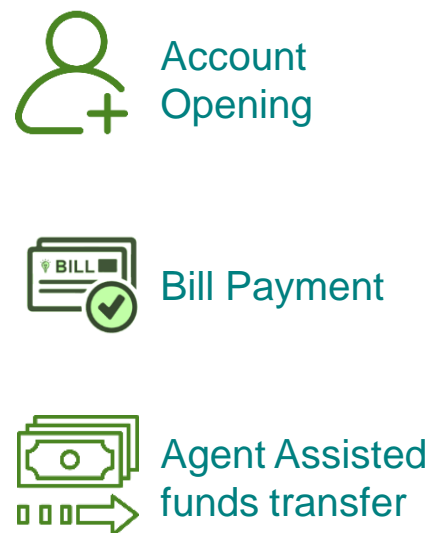
60x growth in crop acres to 26,512

Princeton/Yale/CERP Impact Assessment		Yield per acre	Total cost	Farmers' profit
Quantitative Impact	Maize	↑ 22%	↓ 28%	↑ 117%
	Basmati Rice	↑ 56%	↑ 2%	↑ >100%
	Hybrid Rice	↑ 118%	↑ 10%	↑ 611%
	Coarse Rice	↑ 19%	↑ 1%	↑ 131%

Qualitative Impact	<ul style="list-style-type: none"> ➤ HBL continues to provide farmers with high quality inputs resulting in high quality yield. ➤ Digital onboarding remains well received by farmers compared to old paper-based process. ➤ Farmers continue to work with HBL in successive crop cycles indicating that the bank has successfully delivered on its commitment to improving farmers' outcomes and welfare.
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2018 | Beginning the Konnect journey...

2022 | ...Substantially enriching services, products and partnerships throughout the years

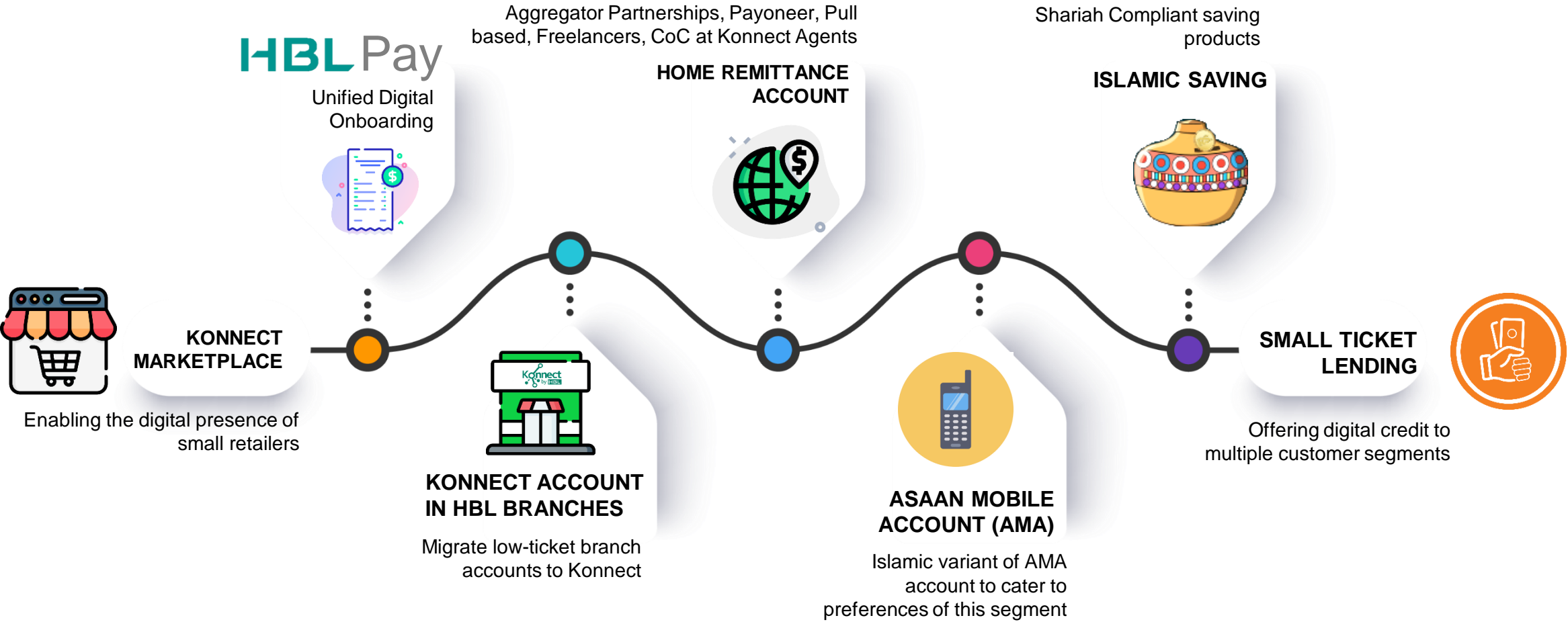


Segments we serve across the nation...



And...our strategic partnerships





Internet Payments

Total merchants

600+



Market share

30%

Q1'22

Supporting an array of payment methods...



Banks



Cards



Wallets



WhatsApp – Conversational Banking



24/7 **WhatsApp channel** for chat, balance inquiry and other non-financial usage, launched in 2021.



Payment services enabled in Q2, 2022 including Funds Transfer, Bill Payments, Mobile Top up, a **first** in Pakistan

Users

250k+

Transactions

2.0Mn+

Pakistan's first mPOS – Converting the mobile to a POS



Cities

4

Daraz Hubs

10

Daraz Riders

700+



CHUGHTAI LAB
HOMECARE 24/7

Paramedical Staff

150+

With merchants in pipeline remaining strong....



HBL Mobile integration with Payoneer



- Strategic partnership with Payoneer to enable digital FCY accounts with Payoneer in currency / location of customer's choice.
- Businesses and individuals receive PKR remittances from these accounts directly to their linked HBL account.

Users

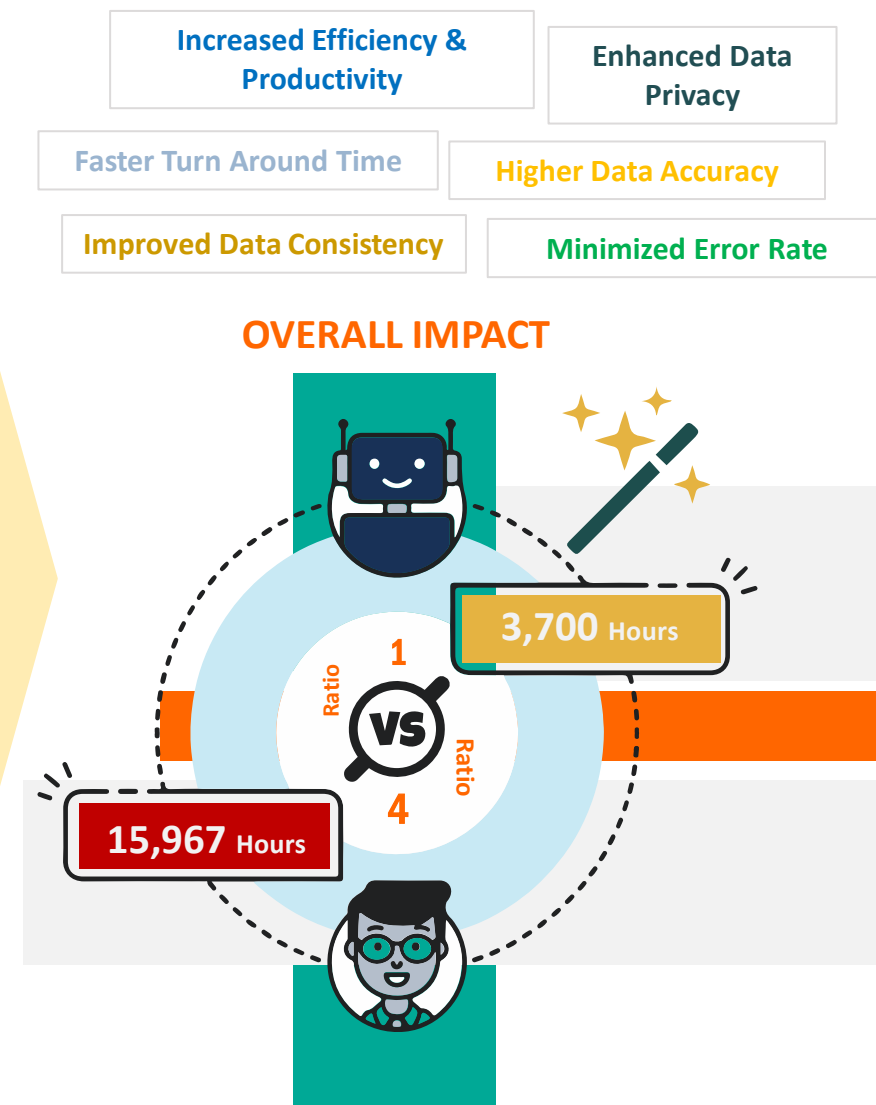
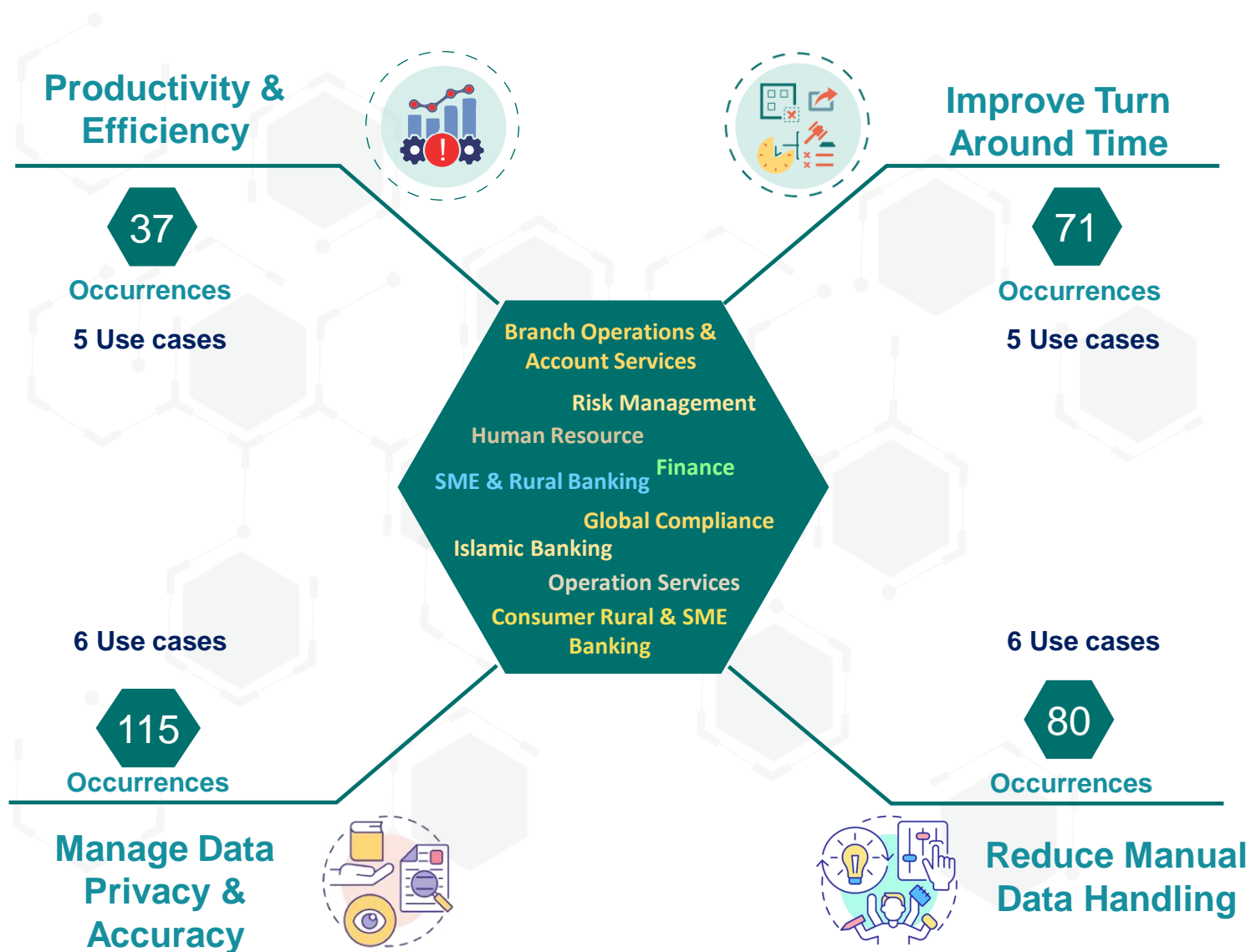
10k+

Transactions

43k+

Volume

US \$ 2.5Mn+



- More than 12k man hours saving in processing, freeing up ~60 FTE.
- Bots eliminate the limitations of a 9 to 5 work environment, enabling optimal usage of the 5-to-9-time band.

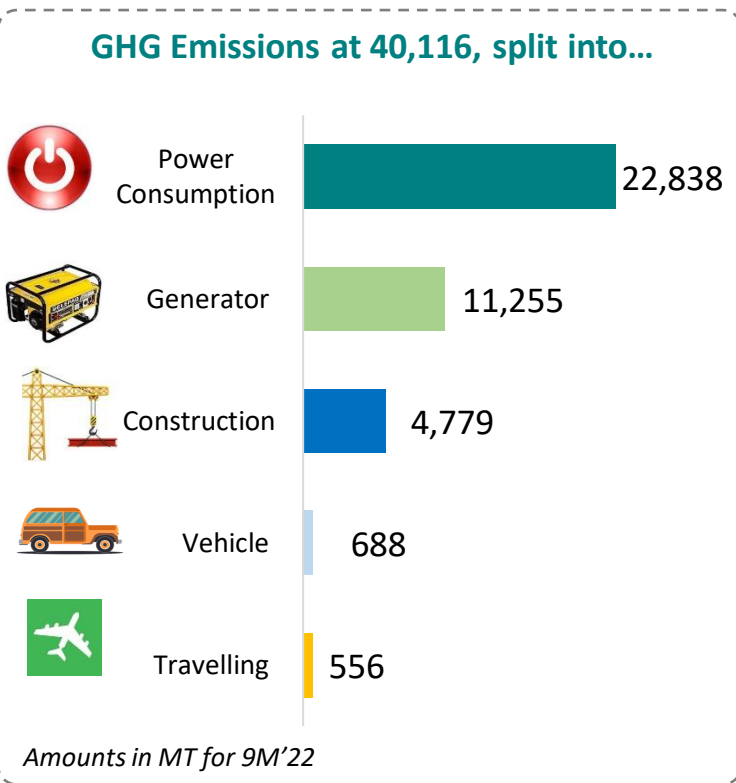
Reduce carbon footprint and mitigate risks




Awarded the Best Progress Award by the Green Investment Principles (GIPs) for the Belt and Road Initiative.

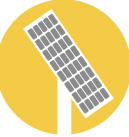


Won Renewable Energy Deal of the Year for a US\$50 Mn Solar Project Financing under The Asset Triple A Sustainable Infrastructure Awards 2022







- Forefront of utilizing SBP's renewable energy financing.
- Disbursed over Rs 7.8 bn.




203 Branches with Solar panels
29 Solar panels installed at offsite ATMs
Co2 Reduction of 513 MT/yr



Light Automation System for energy conservation during off-peak non-operating hours




Launched first Impact and Sustainability Report




HBL MFB's Gilgit RHQ is LEED & EDGE certified. First building in AKDN network globally.


Initiatives and HBL Firsts




Net Zero by 2030 Initiated journey to Net Zero by 2030 for scope 1 & 2 (Own Impact) and by 2040 for scope 3 (borrowers, suppliers etc.)




HBL Green Taxonomy Launched its own Green Taxonomy as a first step towards a sustainable financial framework




No further exposure being undertaken by HBL for new coal mining and coal-based power projects (2020)




Phasing out existing coal projects by 2030.




Sustainable Tourism Partnering with WWF and Serena to promote sustainable tourism.



HBL Plantation Drive 2022 - 25,700 trees across 9 locations. Contributed to Urban Forest, engaged in reforestation efforts in Karachi.



Green Climate Fund (GCF) Applied for accreditation by and access to GCF



HBL has announced that it would **cease to do business** with industries that contribute towards **deforestation**



Health, wellbeing and valuing our people

- **1st Bank in Pakistan to raise retirement age to 65 – valuing experience and providing employees continuity.**
- First bank to launch flexi-work and flexi-rewards & benefits in Pakistan – employees can choose how they want to work and what benefits suit their life-stage needs.
- Provided interim ad-hoc monetary assistance for 6 months to over 15,000 employees to alleviate cost of living crisis.
- HBL Raabta – provides individual counselling as well as group-based awareness for employees' well being.
- Online 24*7 doctors' consultation with Sehat Kahani
- Industry leading COVID response for employees and their family members - 100% staff vaccinated and medical loan for non-dependent family members.
- Supported Sindh Government by establishing drive-through vaccination center for the public.
- Share Sawari – a secured in house carpool app launched for employees to facilitate fuel saving and share travel costs
- Mercer Employee Survey repeated after a 3-year period. Response rate > 83%. Employee engagement score : 86% (2020 : 78%). 90% say they are Very Proud to work for HBL.



Values and Ethics

- 360-degree feedback on “How” HBL's values have been lived by the top executives.
- Values rating introduced as part of performance evaluation in 2021 to drive cultural change. In 2022 will be part of compensation decisions.
- “Global Ethics Week” spreads awareness on creating an ethical culture, including an annual Ethics Town Hall.



Diversity Agenda

Gender Diversity

- Women in HBL now make up 21% of the workforce. Targeting 25% by 2025.
- Paternity, miscarriage and mourning leaves Introduced to accommodate staff during these important times.
- ‘Female Returnship Program’ - HBL Waapsi launched to facilitate women who took a career pause due to family and personal commitments
- Targeted batch hiring for women
- Mentoring program to increase women in senior roles.

Inclusion of PWDs (*Together We Are Strong*)

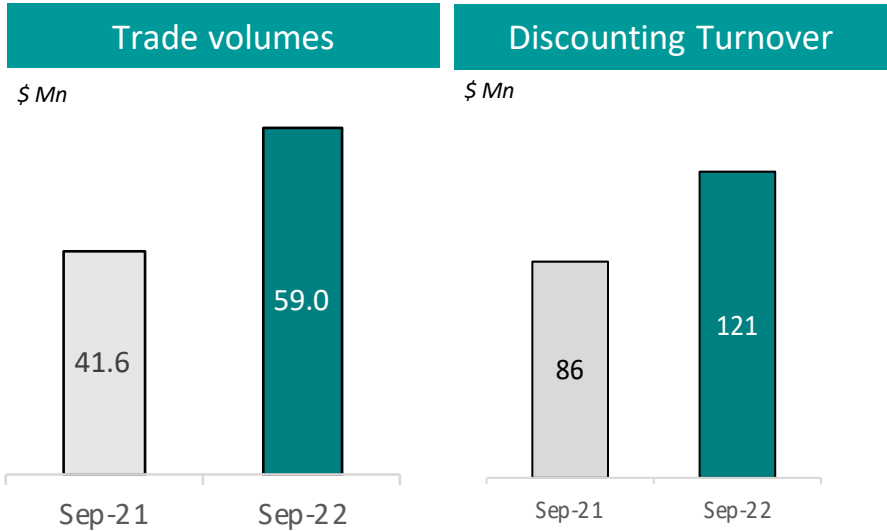
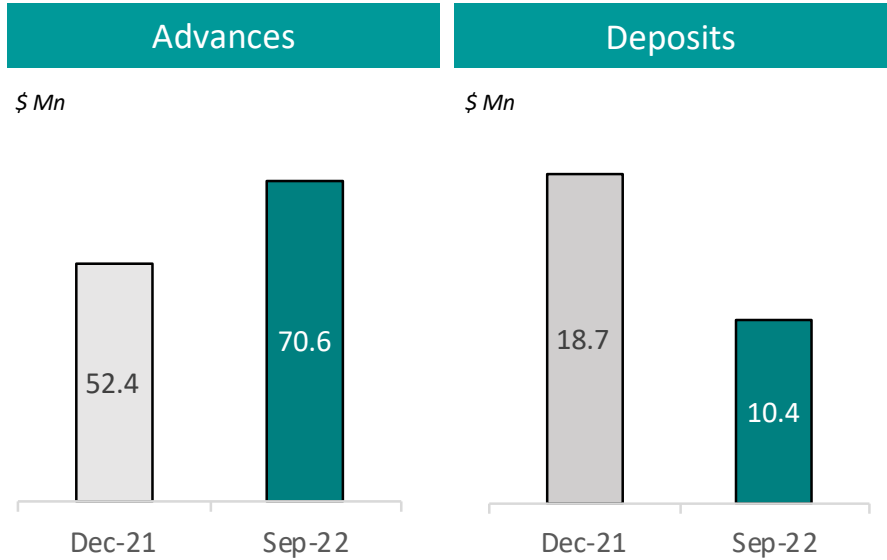
- Onboarding and training of PWDs and sensitization training for employees – 50+ PWDs serving in various roles.
- Buddy program to facilitate inclusion
- Accessible infrastructure / services – 1,200 branches with ramps, 400+ ‘Talking’ ATMs, Braille forms and stationery.
- Sensitization training for employees to facilitate inclusion

HBL and Art

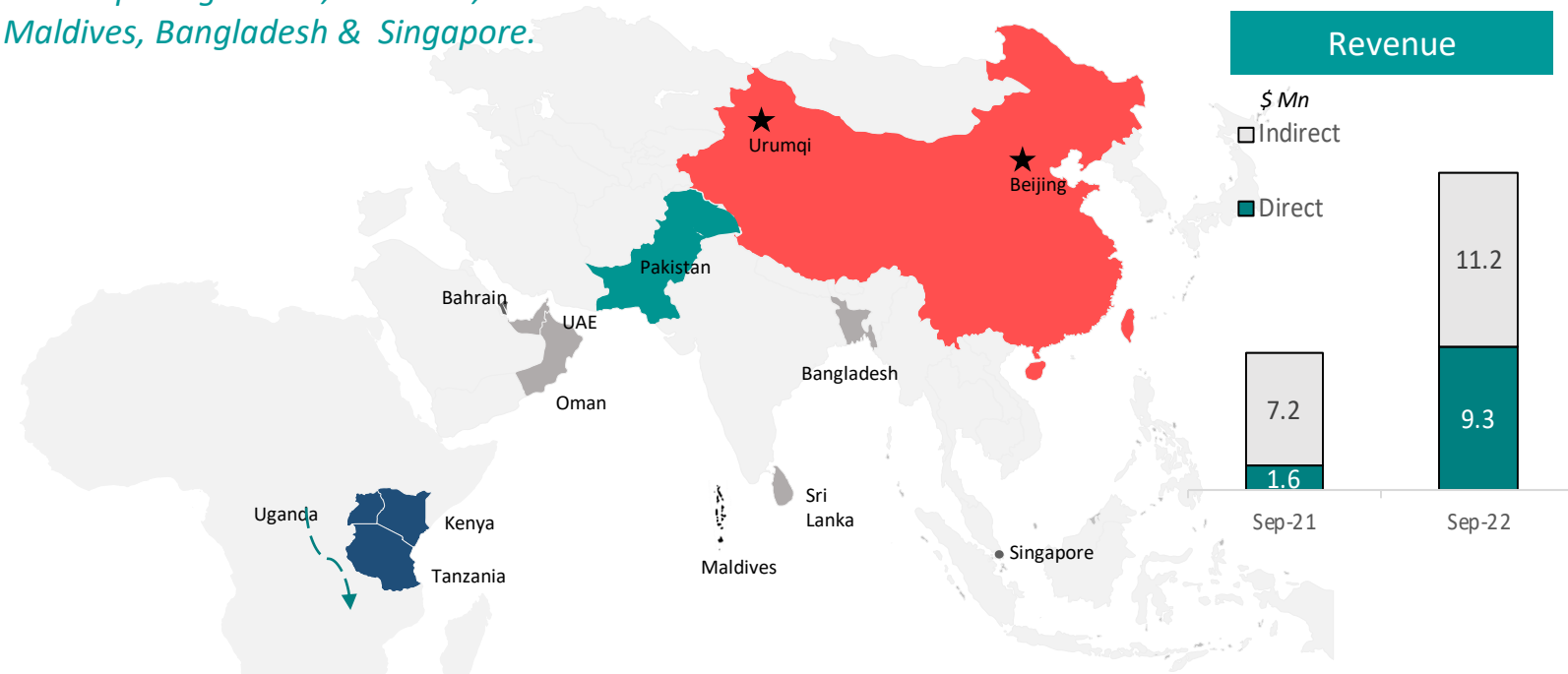
- HBL is committed to celebrating the outstanding artists of the country and to being a “patron” of art.
- Promoting public awareness of Pakistani art and artists through sponsoring exhibitions of internationally recognized artists.
- Supported restoration and renovation of the Galerie Sadequain, enable it to become a permanent, international standard, public exhibition space



China – Key Performance Indicators



Deepening in UAE, Sri Lanka, Maldives, Bangladesh & Singapore.



Engagement with Chinese customers in East Africa via Diamond Trust Bank's recently launched China Coverage unit.

- Initiatives
- Successfully implemented China Coverage Model in Bangladesh. 7 Bangladeshi FIs onboarded for LC advising rebate program; discussions ongoing with 4 banks on RMB proposition.
 - Agricultural collaborations with Chinese SOEs being discussed to provide agronomy support in corporate farming, mechanization and seed research.
 - Collaboration with Tsinghua University and Dr. Ma Jun critical in developing HBL's Green Taxonomy.
 - Risk allocation structure for international branches developed to support Chinese customers in multiple countries using the credit limits of China branches.

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