

HBL



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HBL



1. Introduction

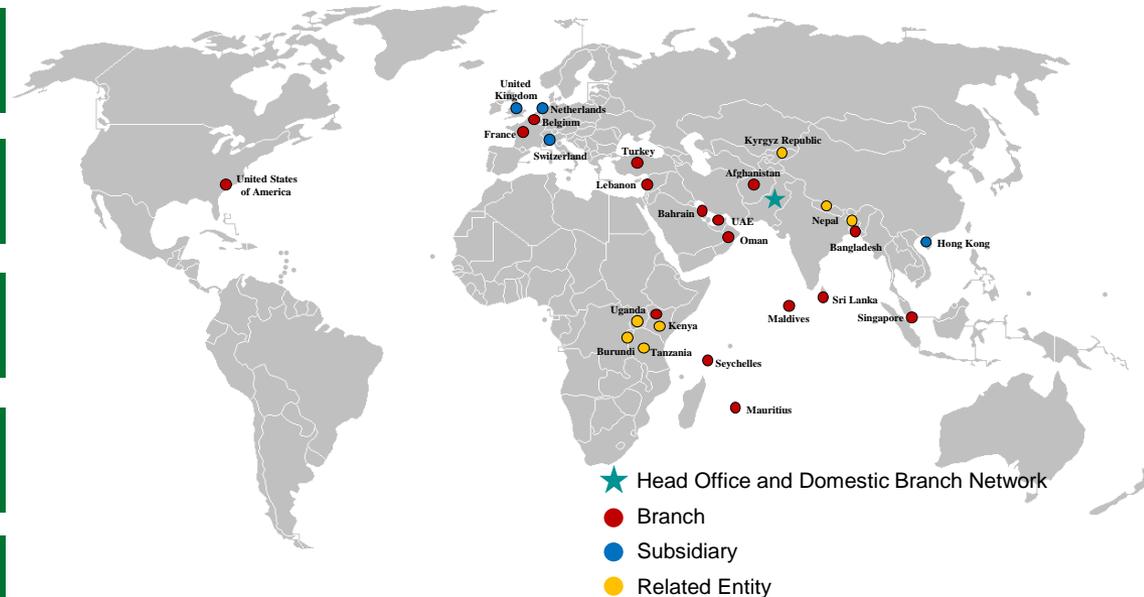
Pakistan's first commercial bank

1 bank in Pakistan by⁽¹⁾:

#1 Assets (bn)	PKR 1,867 (US\$ 18.4)
#1 Deposits (bn)	PKR 1,525 (US\$ 15.0)
#1 Net profit (mn)	PKR31,819 (US\$314)
#1 # of Domestic Branches	1,596
#1 # of ATMs	1,592
#1 # of Customers	> 8 million

- HBL maintains a AAA/A-1+ rating (JCR-VIS)⁽¹⁾ with a stable outlook
- Track record of 75 years
- Universal banking model across financial services including asset management and insurance segments

International footprint



- One of the largest banking networks in South Asia
- Overseas coverage in 25 countries
- Network of 58 international branches (including branches of subsidiaries)
- Presence in key financial hubs; London, New York, Brussels, Singapore, Dubai and Hong Kong
- Positioned as a regional player to increase market share in
 - Remittances
 - Trade finance
 - Investment banking
 - Islamic banking

Note: Based on US\$1.00: PKR 101.42.

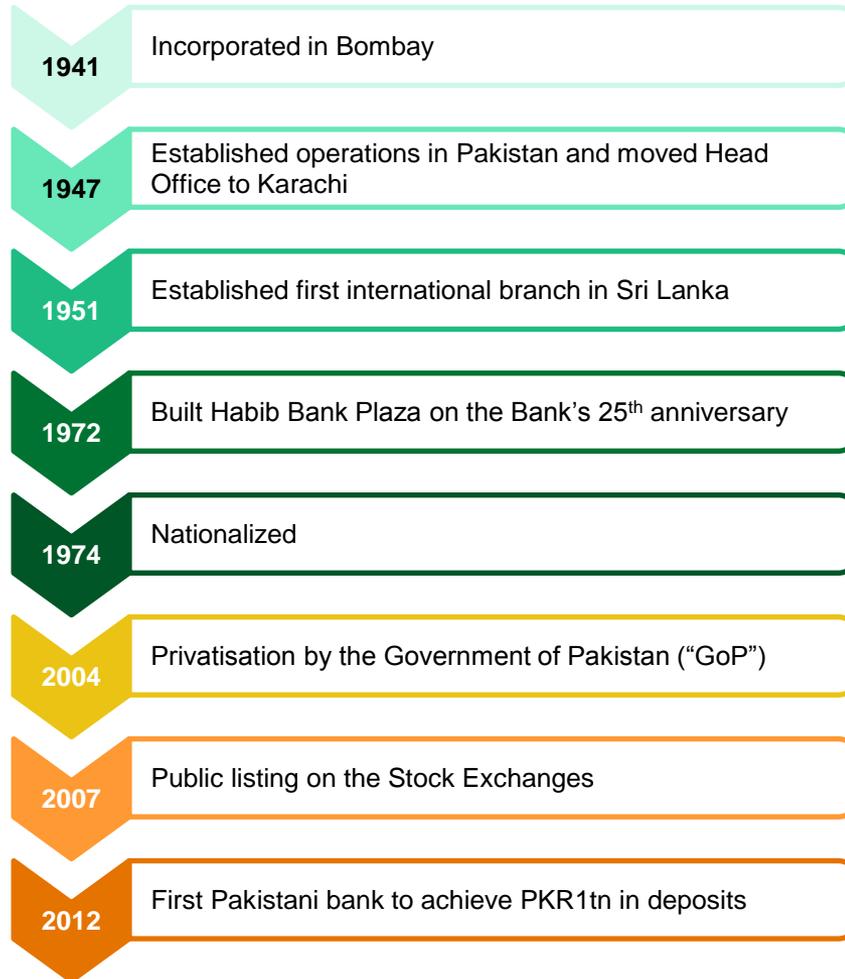
(1) As of 31 December 2014.

(2) Japan Credit Rating Agency - Vital Information Services.

HBL – the foundation of Pakistan’s financial sector



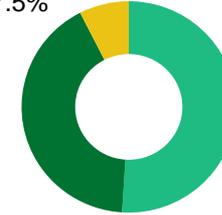
Corporate milestones



Current shareholders⁽¹⁾

Institutional and retail investors, 7.5%

GoP, 41.5%



Aga Khan Fund for Economic Development (“AKFED”), 51.0%

Major awards & innovations

Major awards



Innovations



Products tailored towards women in cooperation with GBA, IFC and Westpac

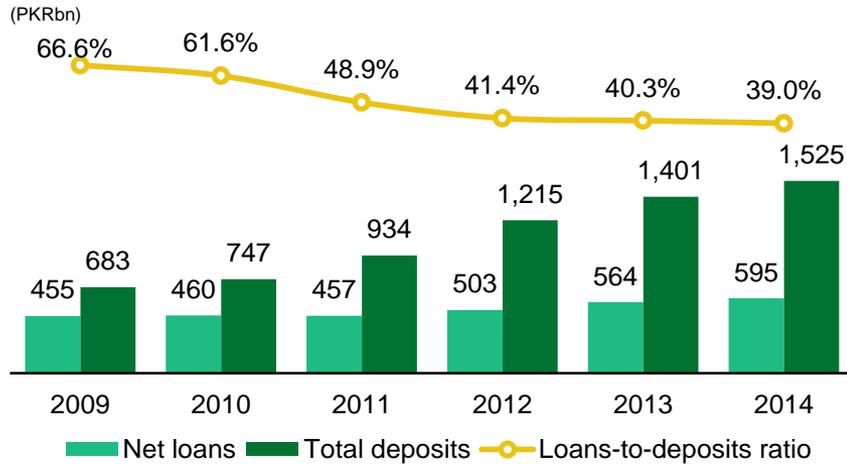


Products tailored towards youth to expand services to the underbanked

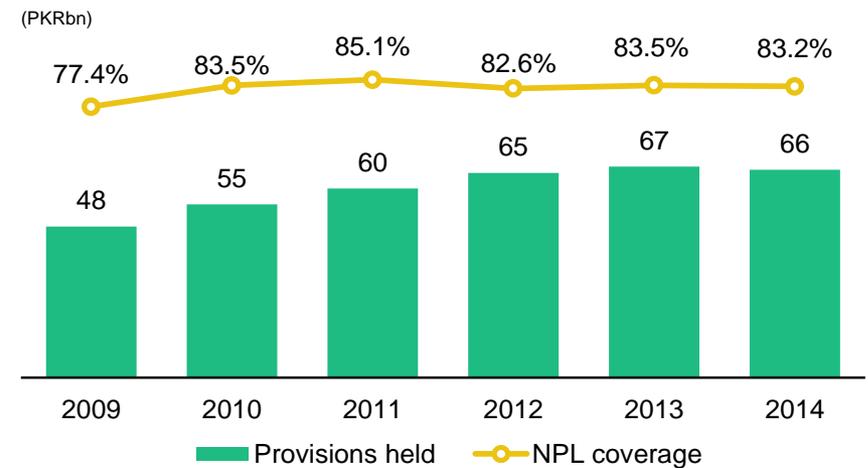
(1) Company data as of January 2015.

Track record of consistent growth and profitability

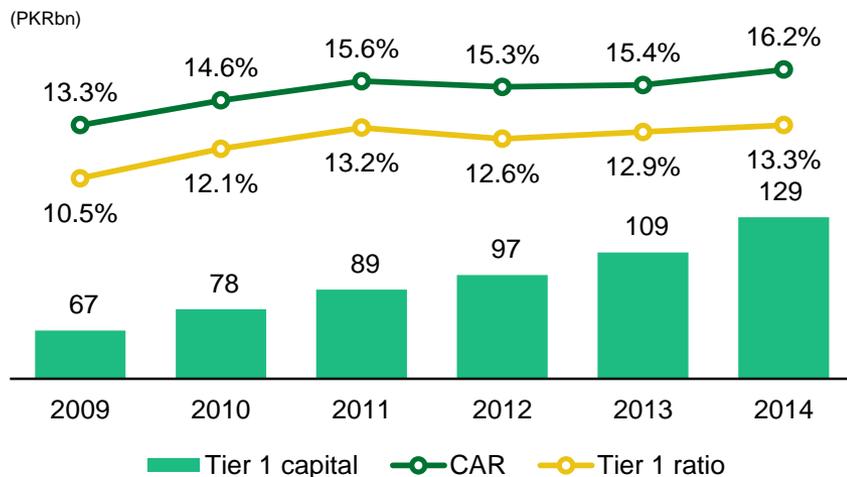
Strong deposit growth and selective loan expansion...



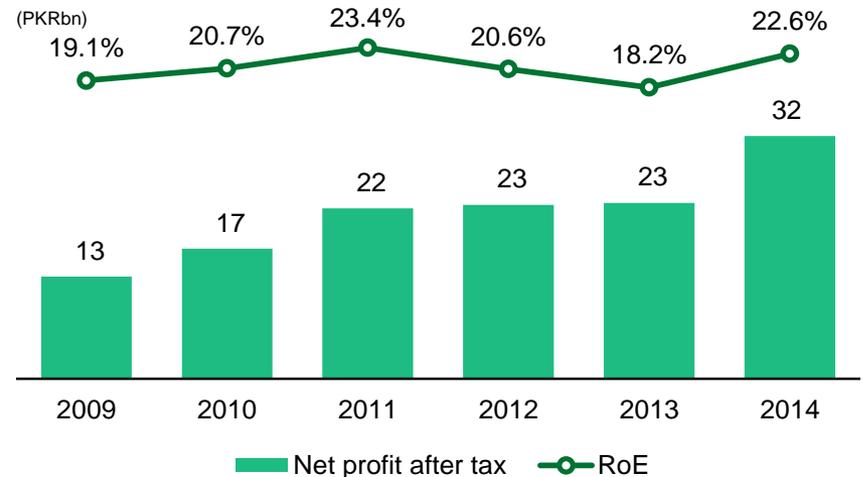
Adequately provided NPLs



Robust capital base...



...with consistent profitability⁽¹⁾



Source: Company filings

(1) ROE is calculated excluding Surplus on Revaluation of assets.

Strong earnings and Dividends

Strong set of earnings even with bonus shares issued

(PKR)

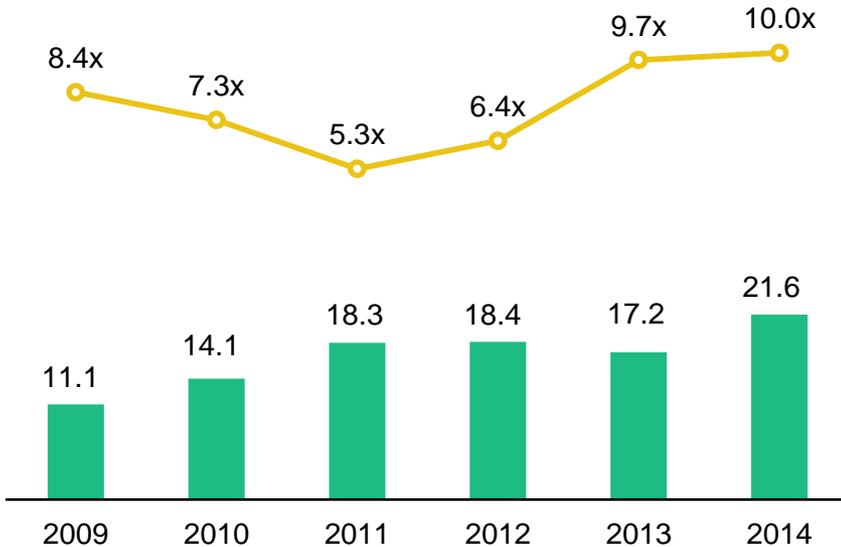
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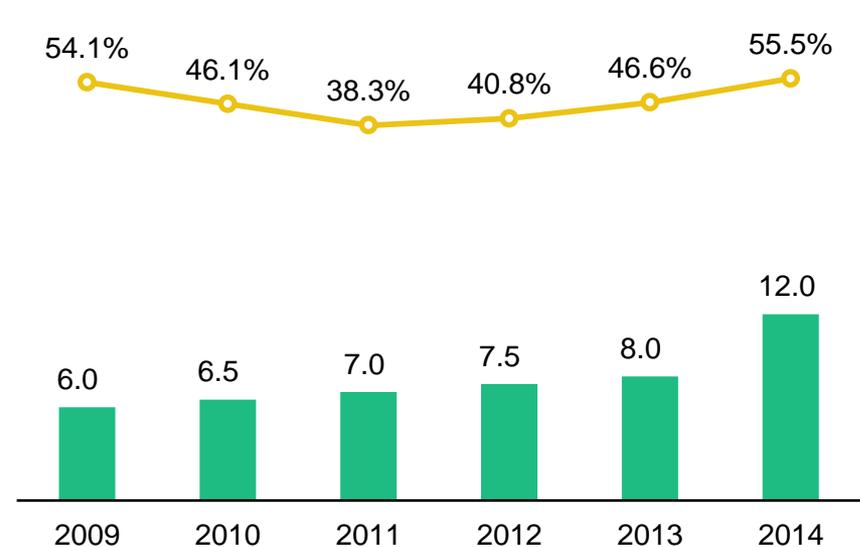
■ EPS

○— P/E⁽¹⁾

○ Bonus shares

Growing dividend payments

(PKR)



■ DPS

○— Dividend payout ratio

(1) Based on share price as at 31 December of respective year ends and full year EPS.

HBL



2. Highlights

Pakistan's leading bank poised for the next phase of expansion

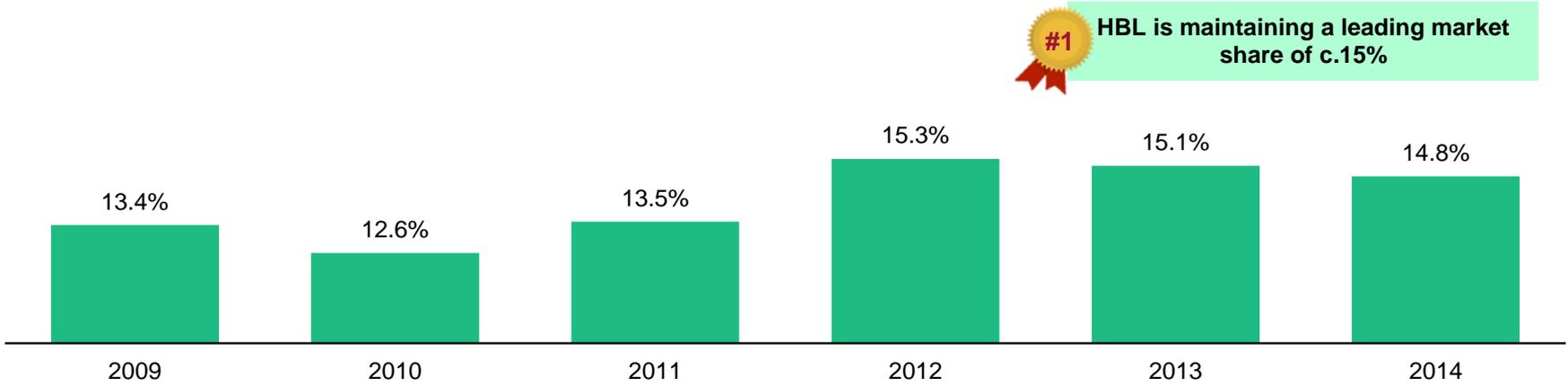


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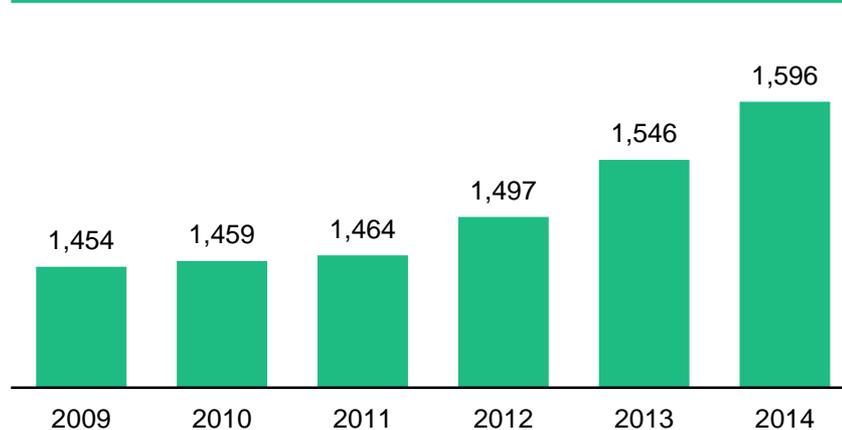
Brand positioning and largest branch network leading to strong deposit growth

HBL

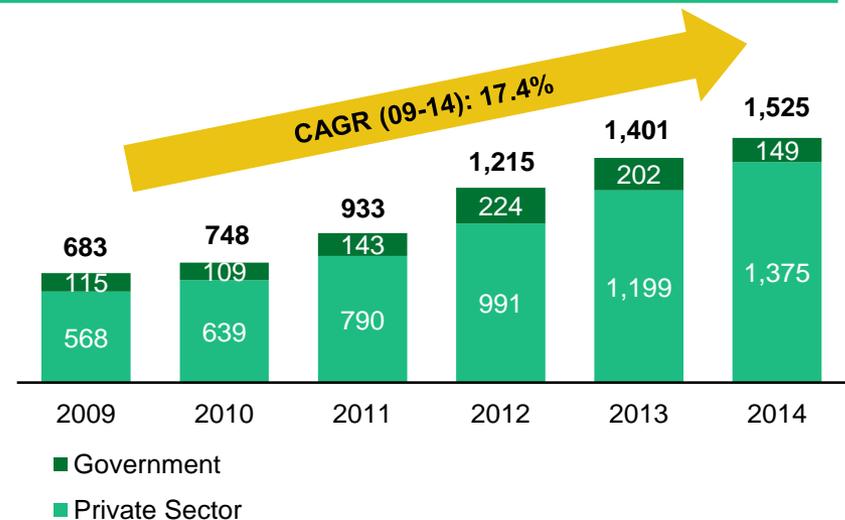
Historical market share by deposits



Domestic branches

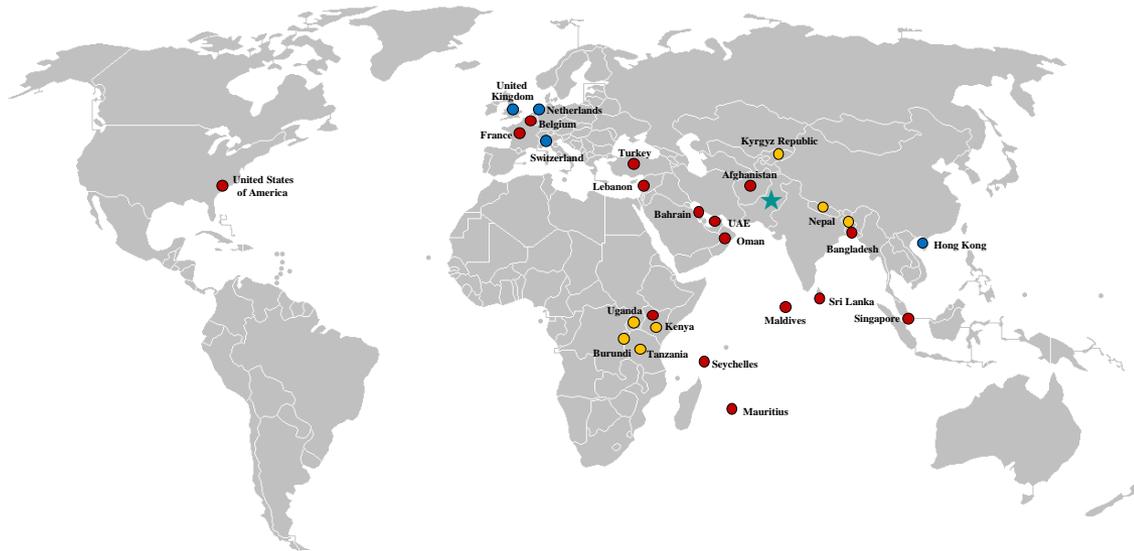


Total deposits growth has outpaced market



Large and diversified international presence which is unique among regional peers

International footprint

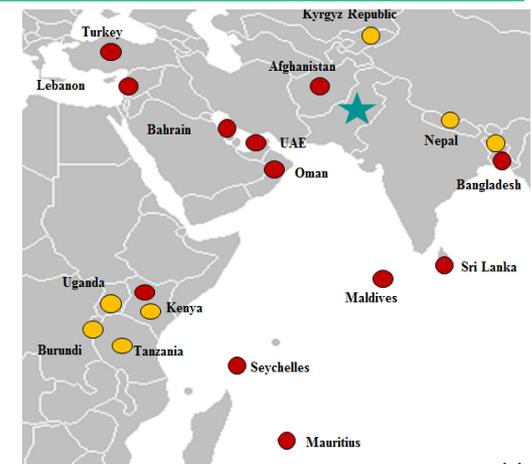


- Direct presence in 25 countries
- Network of 58 branches⁽¹⁾
- Presence in key financial hubs; London, New York, Brussels, Singapore, Dubai and Hong Kong
- Presence in 5 countries through associates and related entities

- ★ Head Office and Domestic Branch Network
- Branch
- Subsidiary
- Related Entity

Comprehensive regional coverage

- HBL currently holds complete banking licenses in key regional locations including Sri Lanka, Afghanistan, Oman, UAE, Bahrain and Bangladesh
- Well-positioned regional player to increase market share in:
 - Trade finance
 - Remittances
 - Investment banking



(1) Includes branches of HBL's subsidiaries.

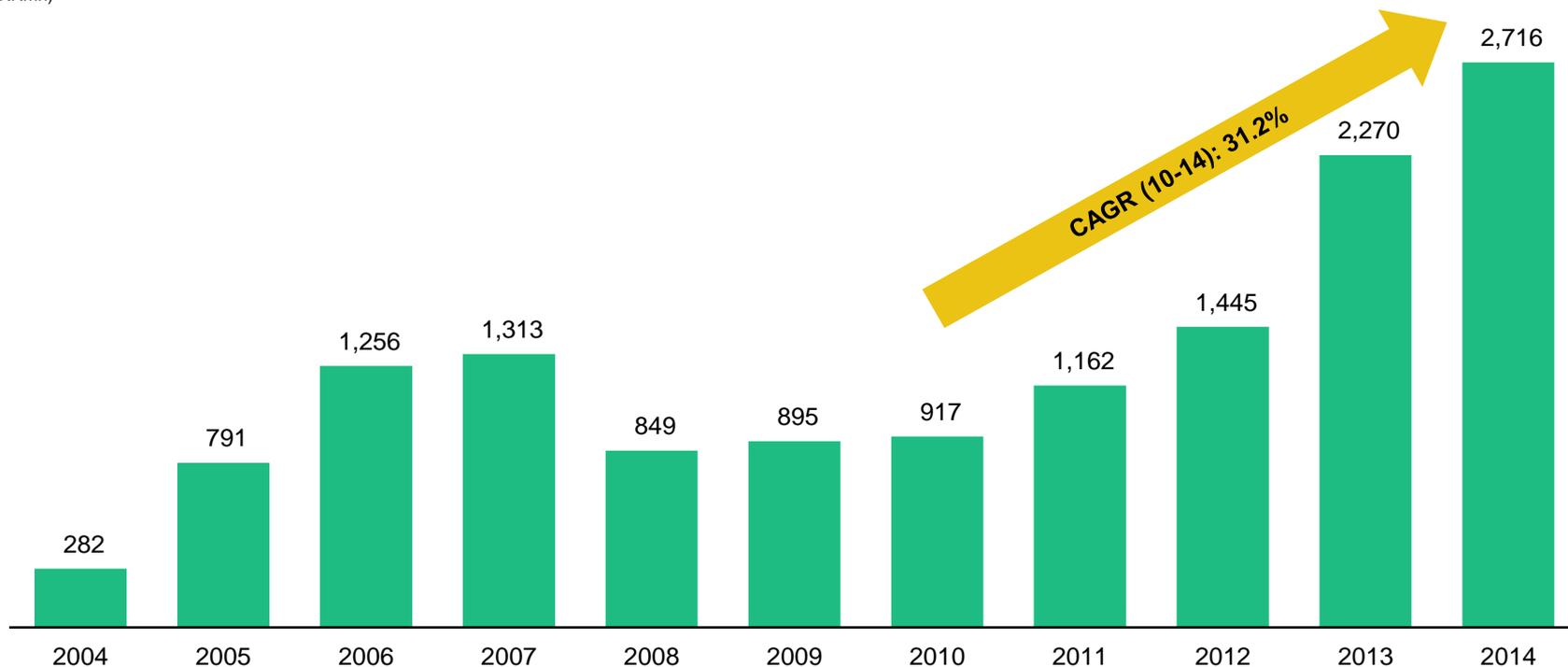
HBL

Branch Banking	Corporate & Investment Banking	Treasury	International Banking	Payment Services Group	Financial Institutions & Global Trade Services	Islamic Banking	Other businesses
<ul style="list-style-type: none"> Consists of Branch Banking deposits, Consumer Finance (credit cards, auto loans, personal loans), Commercial Banking (retail lending), Rural Banking and investment product sales primarily Bancassurance The largest branch network in Pakistan (1,596 branches) serving a customer base of over 8 million accounts with over PKR 1.25 trillion domestic deposits HBL represents ~22% of total bank branches and 20% of total bank accounts in Pakistan 	<ul style="list-style-type: none"> Corporate Banking Group offers a full range of credit products: <ul style="list-style-type: none"> (i) Funded products, including working capital and term loans (ii) Non-funded products, such as documentary credits and collections, stand-by letters of credit and guarantees. Investment banking offers services relating to advisory and equity capital markets, project finance and infrastructure advisory; and syndication and debt capital markets. 	<ul style="list-style-type: none"> Involves fixed income, equity, foreign exchange and proprietary trading The Bank offers multi-product support to customers, including access to local debt markets in the Bank's capacity as a Primary Dealer, providing liquidity for foreign exchange needs, and hedging of foreign exchange and interest rate exposures through structured solutions. 	<ul style="list-style-type: none"> Provides a range of wholesale and retail banking services, including trade finance and treasury, to customers throughout the international network of 58 branches in 25 countries. International operations are managed from the following regional hubs: UAE & Gulf, UK & Europe, South Asia, United States, Far East, Africa, Central Asia 	<ul style="list-style-type: none"> Consists of seven primary elements : <ul style="list-style-type: none"> (i) branchless banking; (ii) employee banking; (iii) alternative delivery channels (ATM and CDM); (iv) internet banking; (v) cash management; (vi) debit cards; and (vii) acquiring (POS and IPG) 	<ul style="list-style-type: none"> Responsible for relationships with domestic and international financial institutions (including non-bank financial institutions) Provides trade finance, cash management, treasury, bilateral loans, and nostro accounts. 	<ul style="list-style-type: none"> Provides Sharia Compliant products and services through Islamic windows in HBL's conventional branches and 43 dedicated Islamic Banking Branches Products offered include: <ul style="list-style-type: none"> (i) Murabaha (ii) Istisna (iii) Salam (iv) Ijarah (v) Diminishing Musharaka (vi) Islamic Export Refinance 	<ul style="list-style-type: none"> Global Remittances ensures delivery of real time integrated solutions, and innovative products to facilitate both remitters and their beneficiaries Asset Management: HBL Asset Management Limited is a wholly owned subsidiary of HBL. The company manages conventional and Islamic Mutual Funds and Pension Funds Insurance: HBL, through it's associate companies Jubilee General & Jubilee Life Insurance Company, has presence in the insurance sector

Strong investment in technology underpins commitment to the future

Investment in IT infrastructure

(PKRmn)



1

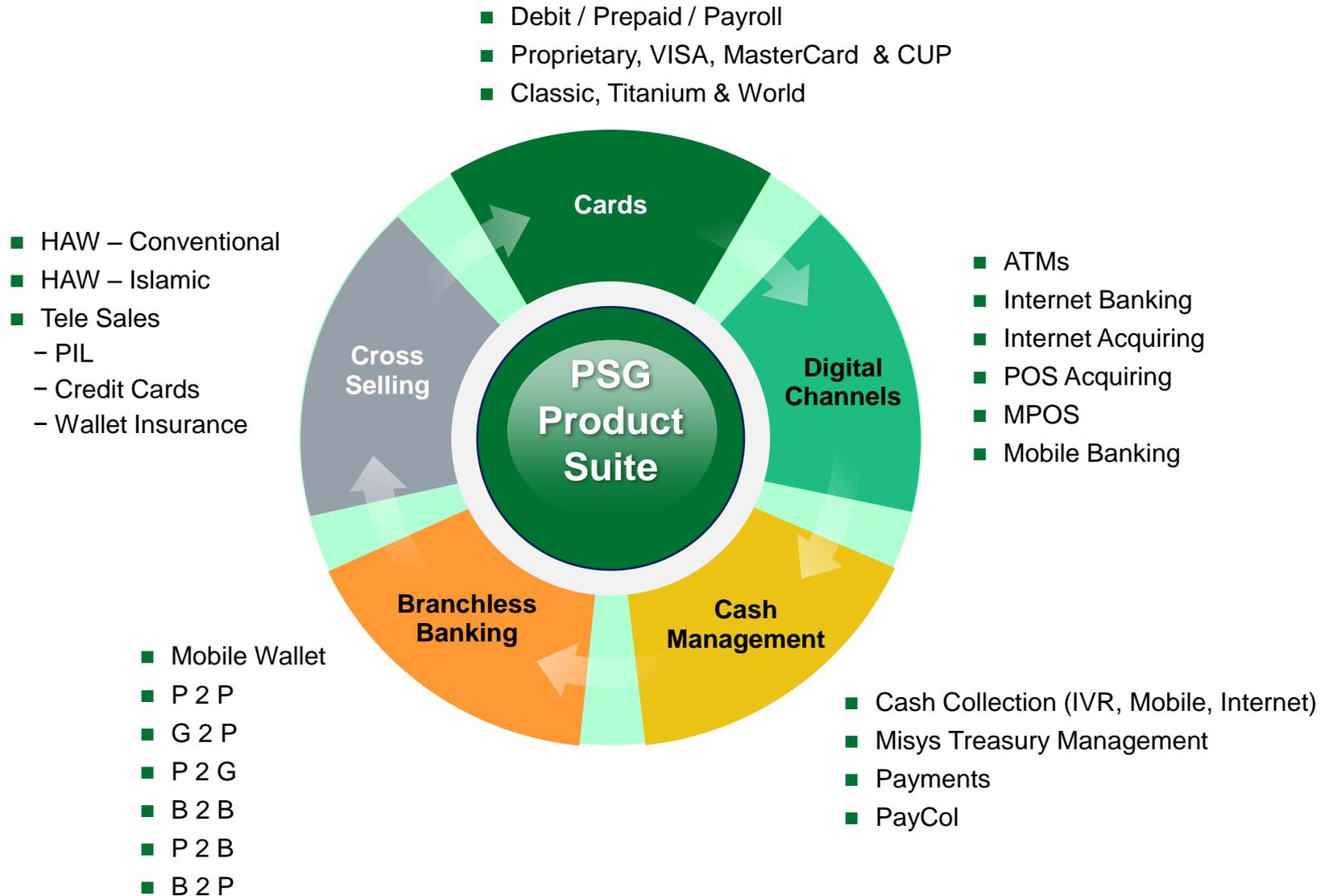
Development & implementation of core banking systems

2

Strengthening & consolidation of IT systems

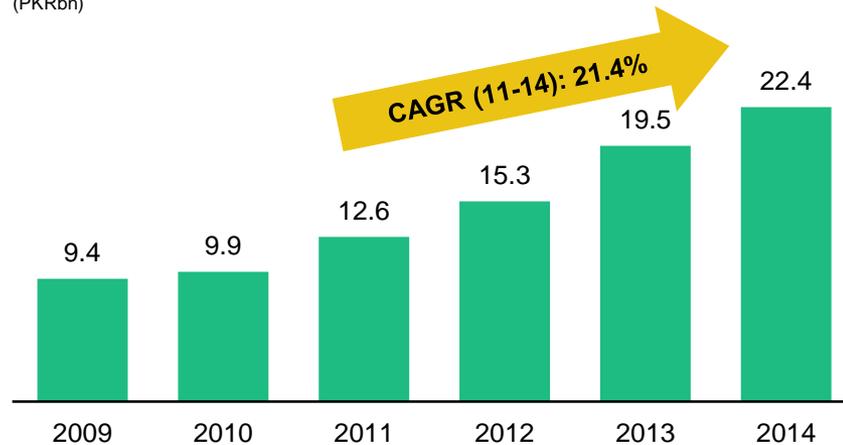
3

New systems for delivery channels & efficiency, system upgrades



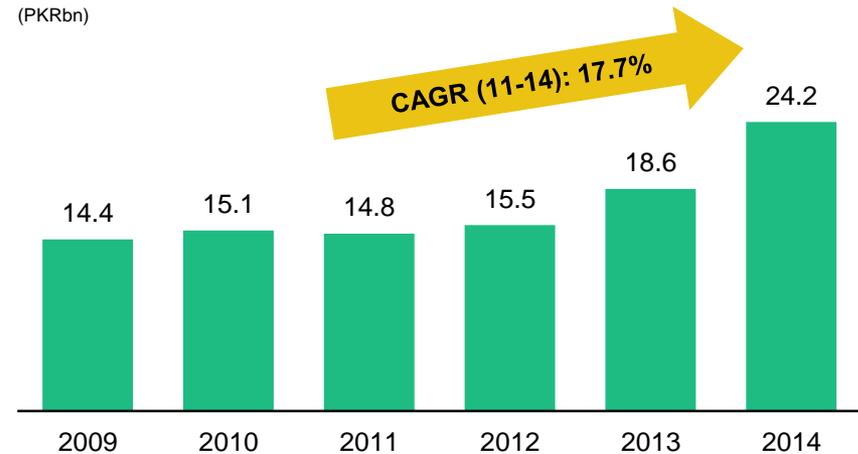
Growth in Consumer Lending

(PKRbn)



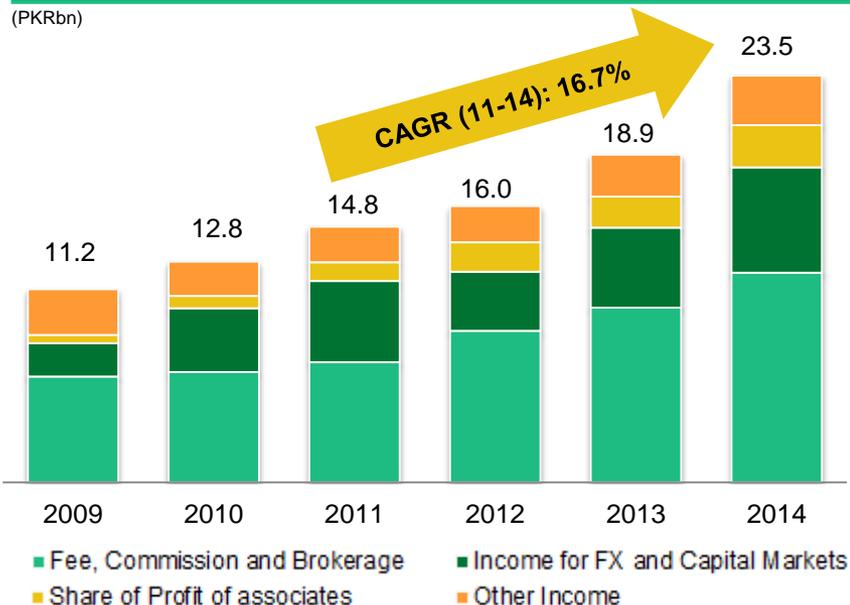
Growth in Agricultural Financing

(PKRbn)



Increasing fee and other non-interest income

(PKRbn)

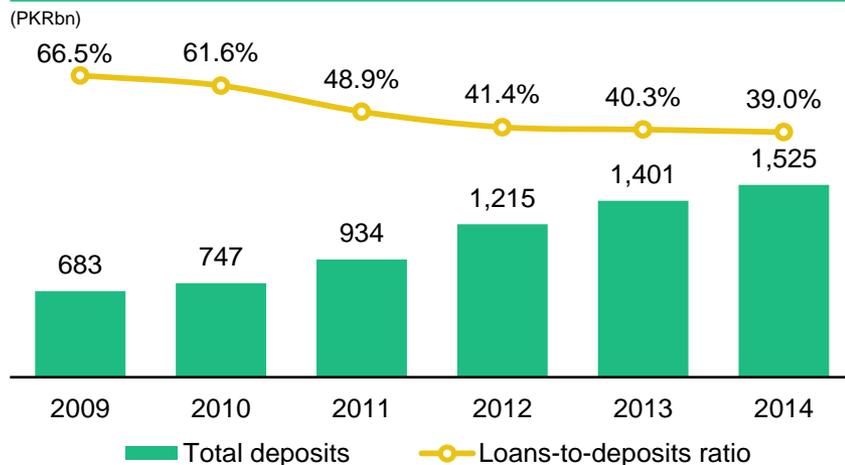


Other growth vectors

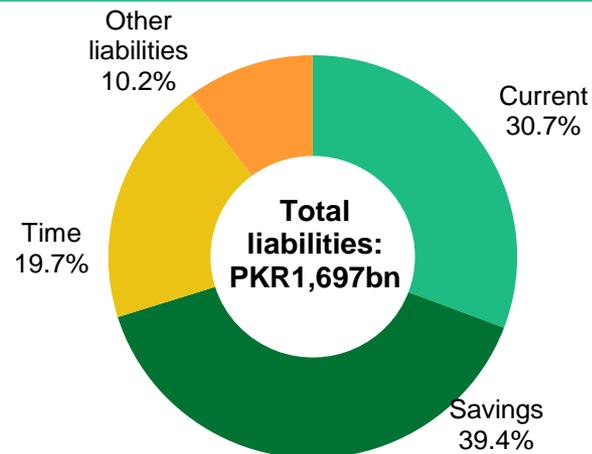
- Drive growth in agricultural / rural lending through unique sales force of Agriculture Field Officers. Expand product range to cover the entire value chain. Collaboration with ADB/DFID on an innovative financing product for milk producers
- Enhance presence in the Islamic Banking space, the fastest growing segment in the Pakistan market. HBL has grown Islamic deposits by 136% in 2014 and is now among the leading players
- Strengthen and fully leverage international network. Grow regional presence by investing in local brands (DTB, KICB)
- Working with IFC and Westpac to develop a unique product offering for women, both for individuals and for women owned businesses, to improve their access to financial services.

Strong balance sheet with ample liquidity, high capitalization and conservative risk management

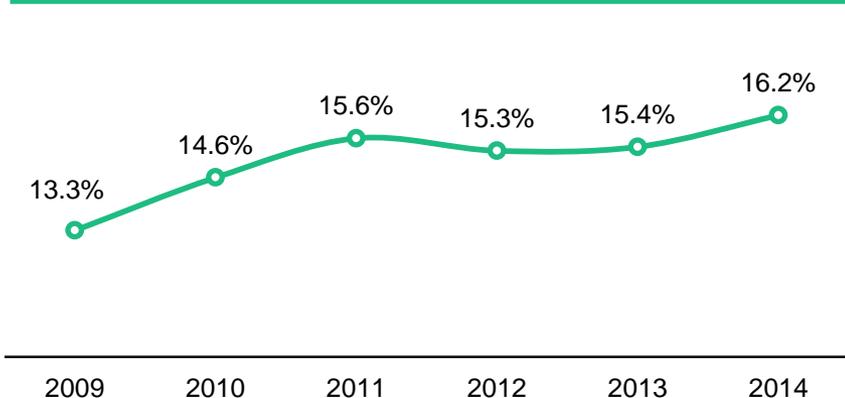
Strong deposit growth



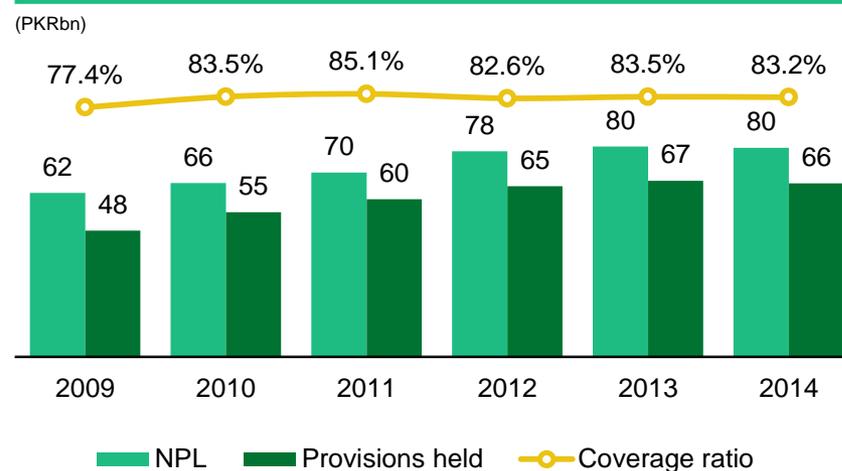
Liabilities composed mainly of sticky deposits



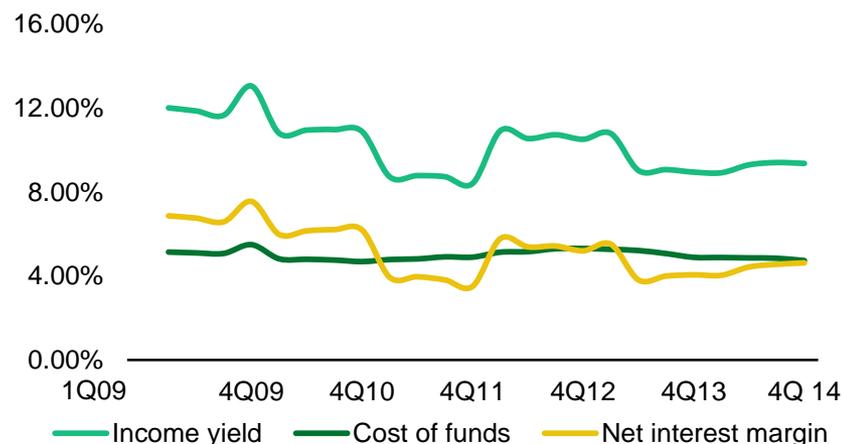
Robust capital adequacy ratio



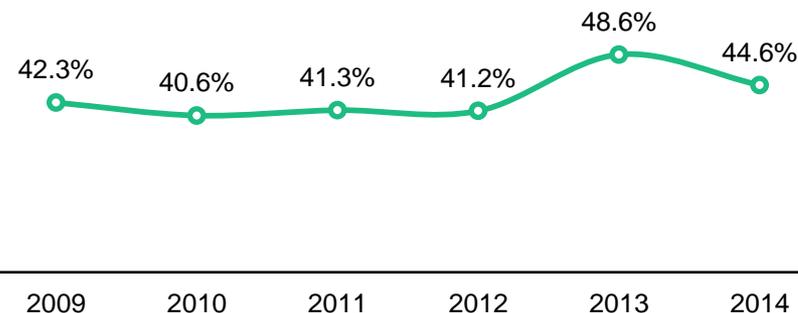
Conservative risk management practices



Net interest margin⁽¹⁾

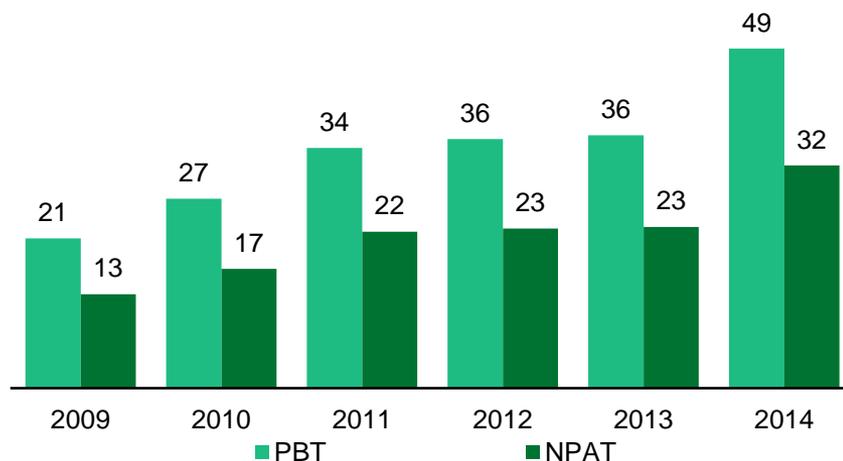


Cost to income ratio

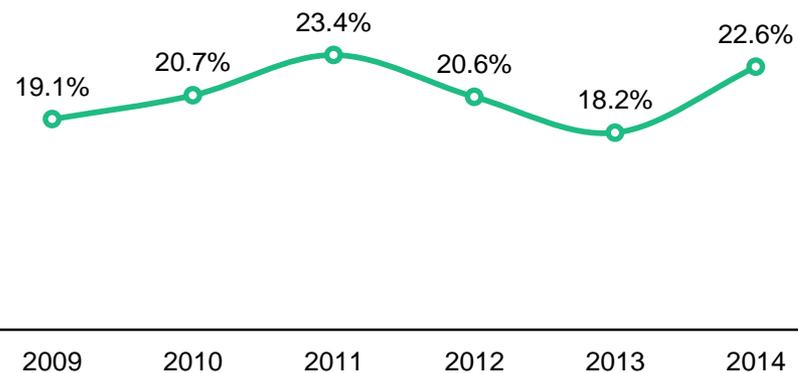


Profit before tax ("PBT") / Net profit after tax ("NPAT")

(PKRbn)



Return on Equity⁽²⁾



(1) Income Yield = (Interest Income + Investment Income) / Net Earning Assets.
 Cost of Funds = Interest Expense / Total Liabilities.
 Net Interest Margin = Income Yield – Cost of Funds.

(2) ROE is calculated excluding Surplus on Revaluation of assets.

Chairman



Sultan Ali Allana
Chairman
Chairman, HRRC⁽¹⁾

- Mr. Sultan Ali Allana has been Chairman of the Board of Directors of HBL since February 2004. He has over 30 years of experience in the financial and banking industry
- He also serves on the Boards of The Aga Khan Fund for Economic Development, Tourism Promotion Services Pakistan Ltd, Jubilee Holdings Ltd (East Africa), Jubilee Life Insurance Company Ltd and Industrial Promotion Services (Pakistan) Limited.
- In the past Mr. Allana has also held senior positions in NDLC-IFIC Bank Limited, Global Securities Pakistan Limited, Union Bank and Citibank.

President & CEO



Nauman K Dar
President & CEO
Member, BRMC & HRRC⁽¹⁾

- Mr Nauman K Dar, President & CEO of Habib Bank Ltd, is a banker with over 32 years of banking experience
- He also serves as Chairman of Habibsons Bank Ltd, UK and Chairman of Habib Finance International Ltd, Hong Kong. He is also a Director of Habib Allied International Bank plc, UK and is also a member of the Board of the Privatisation Commission.
- In the past Mr. Dar has also held senior positions in Habib Allied Bank Plc, Citibank and Bank of America.

Directors



Sajid Zahid
Director
Member, BAC & HRRC⁽¹⁾

- Mr. Sajid Zahid is a Barrister with over 39 years experience in Corporate and Commercial Law
- He is Joint Senior Partner at Orr, Dignam & Co.
- Mr. Zahid was previously Director of Pakistan Petroleum Limited.



R Zakir Mahmood
Director
Chairman, BRMC⁽¹⁾

- Mr. R. Zakir Mahmood has over 35 years of banking experience and retired as President & CEO of HBL in 2012, having served in that position for 12 years.
- He is also the Chairman of Habib Allied International Bank plc, UK and Kyrgyz Investment and Credit Bank, Kyrgyzstan. He also serves as Director of Diamond Trust Bank Kenya Ltd, Jubilee General Insurance Company Ltd, Jubilee Life Insurance Company Limited, AceFirst Consulting (FZE) and Aga Khan University.
- Mr. Mahmood has also held senior positions in Credit Agricole Indosuez and Bank of America.

Directors



Moez Ahamed Jamal
Director
Chairman, BAC & Member, HRRC⁽¹⁾

- Mr. Moez Ahamed Jamal has experience of over 36 years in the financial sector.
- He currently serves on the Boards of Diamond Trust Bank Kenya Ltd, Marcuard Family Office, Switzerland, Jubilee Holdings Limited (East Africa) and Global Finanz Agency. He is a Partner of JAAM AG, an investment advisory company in Switzerland.
- Mr. Jamal has also held senior positions in Credit Suisse and Lloyds Bank International.



Agha Sher Shah
Director
Member, BRMC⁽¹⁾

- Mr. Agha Sher Shah has over 28 years of experience in the financial sector
- He is currently Chairman and Chief Executive of Bandhi Sugar Mills. He also serves on the Boards of Attock Refinery Limited, Attock Cement Limited, Sui Southern Gas Company Limited, Thatta Cement Company Limited, Newport Containers Terminal (Private) Limited and Triton LPG (Private) Limited.
- Mr. Sher Shah has also held senior positions in the Abu Dhabi Investment Authority.



Dr Najeeb Samie
Director
Member, BAC⁽¹⁾

- Dr Najeeb Samie has over 34 years of experience in the corporate and financial sector
- He is currently the Managing Director of PIA Investments Ltd and is a Director of the Roosevelt Hotel Corporation and the Parisien Management Company Ltd, amongst other tourism related companies.
- Dr. Samie has also held senior positions in State Life Insurance Corporation of Pakistan, Alpha Insurance Company Limited and PICIC

Senior management profiles



Nauman K. Dar
President
& Chief Executive Officer
13 / 33 / 33⁽¹⁾



Rayomond Kotwal
Chief Financial Officer
1 / 18 / 29⁽¹⁾



Ayaz Ahmed
Head, Acquisitions &
Investments
15 / 23 / 33⁽¹⁾



Nausheen Ahmed
Company Secretary
& Head Legal
9 / 9 / 27⁽¹⁾



Sima Kamil
Head, Branch Banking
14 / 29 / 29⁽¹⁾



Aamir Irshad
Head, Corporate
& Investment Banking
10 / 24 / 27⁽¹⁾



Salahuddin Manzoor
Global Treasurer
5 / 32 / 32⁽¹⁾



Anwar Zaidi
Head, Financial Institutions
& Global Trade Services
13 / 34 / 34⁽¹⁾



Faiq Sadiq
Head, Payment Services
15 / 25 / 25⁽¹⁾



Mirza Saleem Baig
Head, Islamic Banking
14 / 30 / 32⁽¹⁾



Hassan Raza
Head, Structured Credits
3 / 23 / 23⁽¹⁾



Aman Aziz Siddiqui
Head, Strategy
& Investments
12 / 32 / 32⁽¹⁾



Tariq M. Akbar
Head, Global Operations
15 / 39 / 40⁽¹⁾



Rizwan Haider
Chief Risk Officer
13 / 34 / 35⁽¹⁾



Fareed Hosain
Chief Information Officer
2 / 28 / 33⁽¹⁾



Jamal Nasir
Global Head Human and
Organizational Development
1 / 18 / 28⁽¹⁾



Salim Amlani
Chief Internal Auditor
10 / 39 / 39⁽¹⁾



Faisal Anwar
Chief Compliance Officer
2 / 30 / 30⁽¹⁾

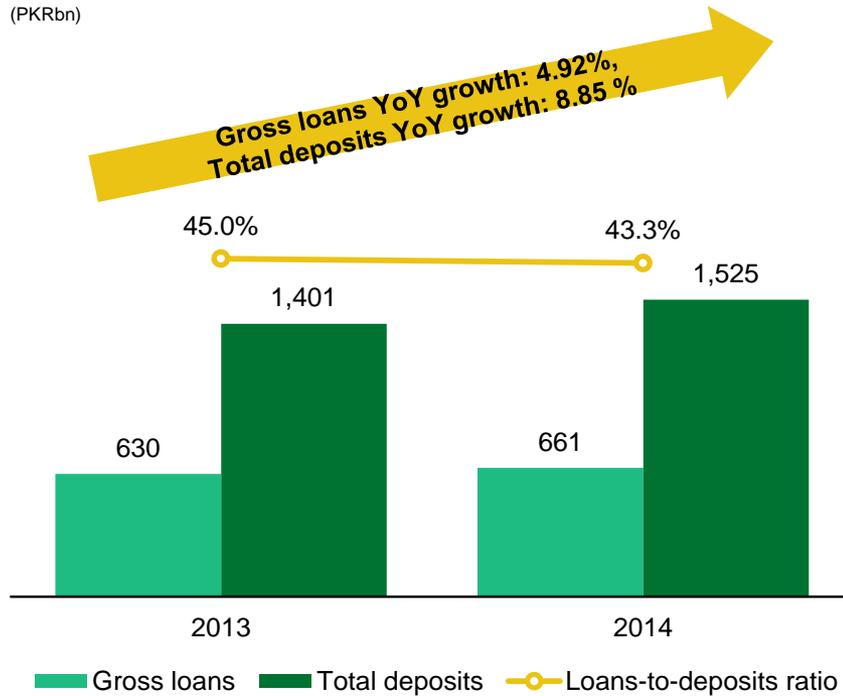
(1) Number of years in HBL / years in banking / Total work experience .



3. Financial performance

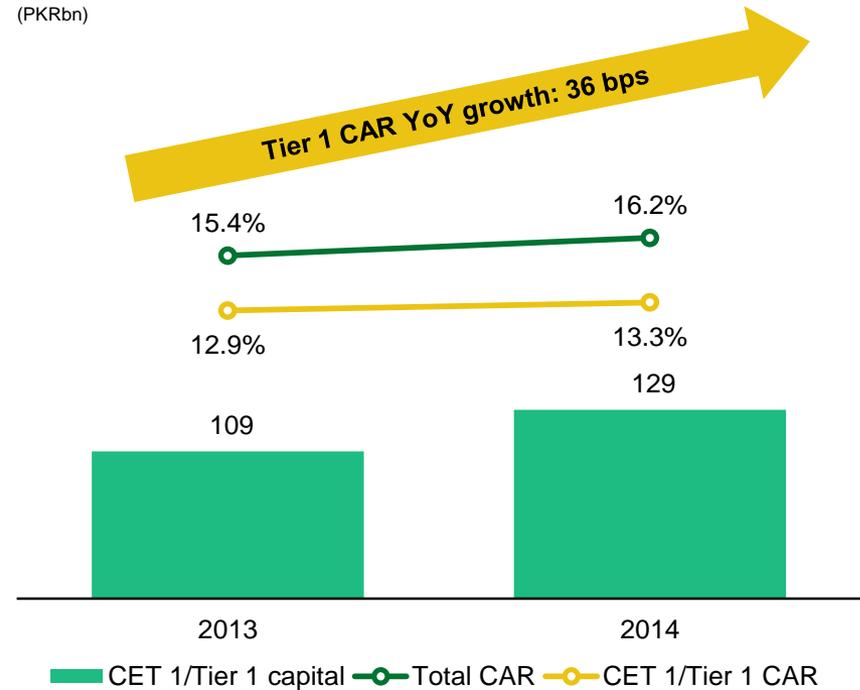
Stable loan and deposit growth with strong liquidity

(PKRbn)



Strong capitalization under Basel III regime

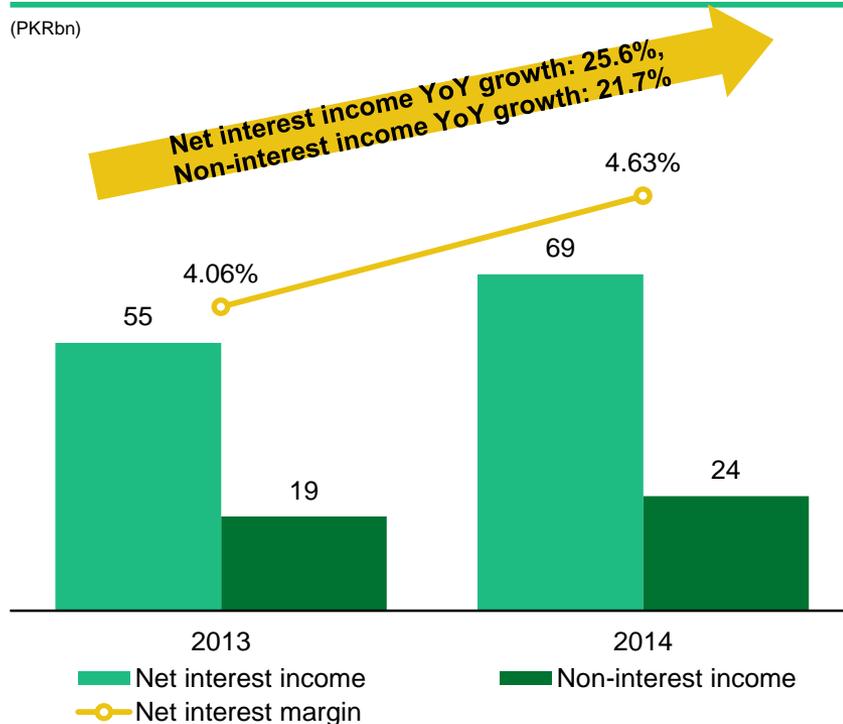
(PKRbn)



- Strong deposit growth of 8.9% in total deposits is led by a 26.8% growth in current account deposits further strengthening HBL's funding position
- HBL continues to go after quality credit accounts with a loan growth of 4.9% while NPL ratio decreased by 65bps
- A 36bps organic increase in CET 1 ratio gives HBL a strong capital position under Basel III standards
- HBL is well positioned in its liquidity and capital position should credit demand pick up in Pakistan

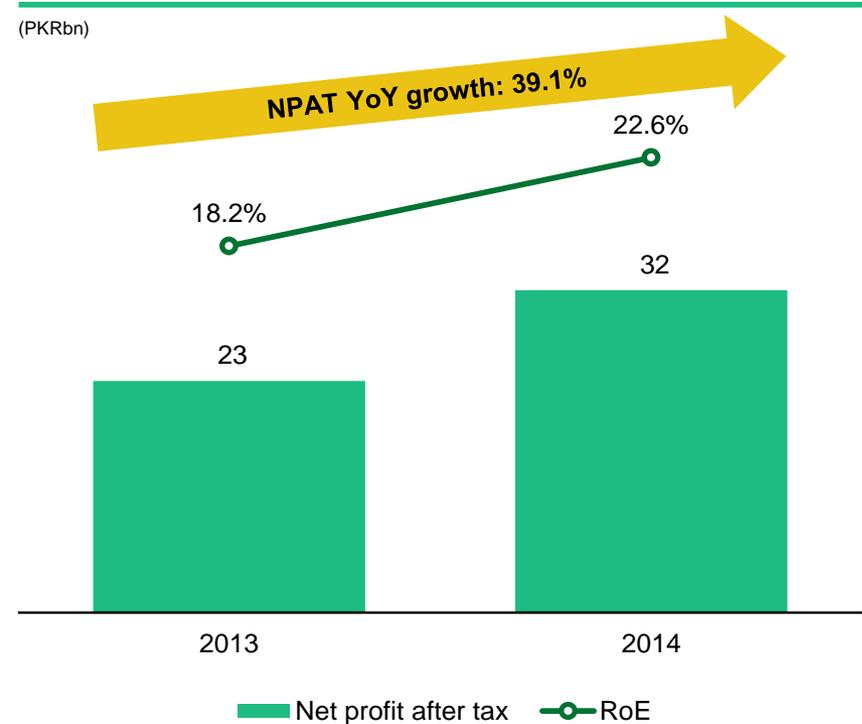
Strong growth in interest and non-interest income

(PKRbn)



High profitability and performance⁽¹⁾

(PKRbn)

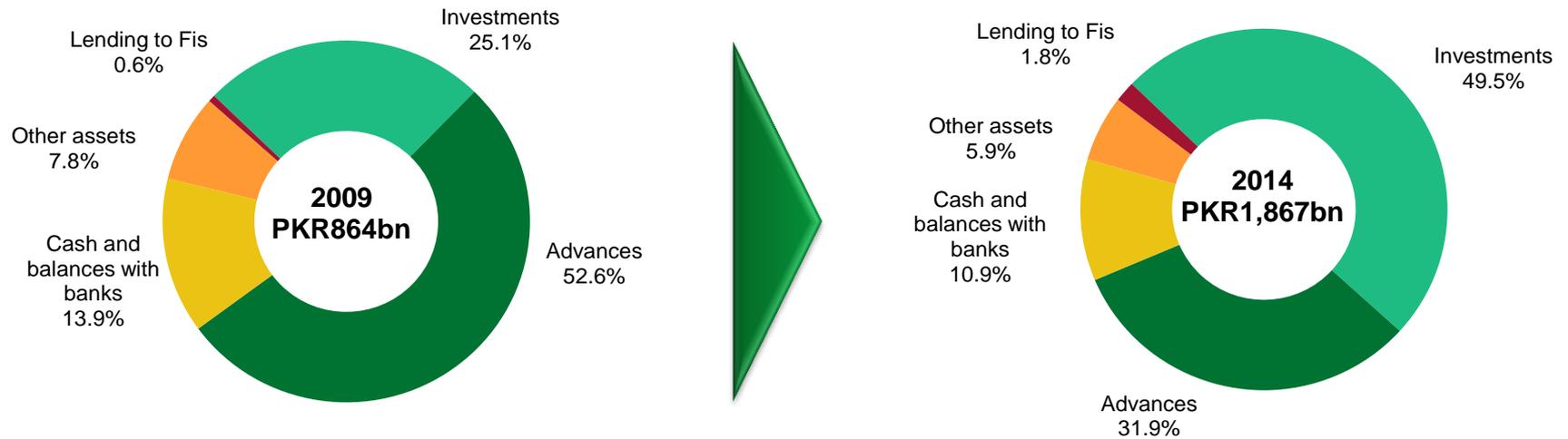


- Growth in current deposits and move to higher yielding PIBs led to a 57bps increase in NIM
- Fee and commission income increased by 20% as a result of strong payment services and investment banking revenues
- Despite the bank's growth initiatives, revenue growth outpaced cost growth resulting a 400bps lower cost-to-income ratio at 44.6%
- Overall, ROE for the bank increased by 440bps to 22.6%

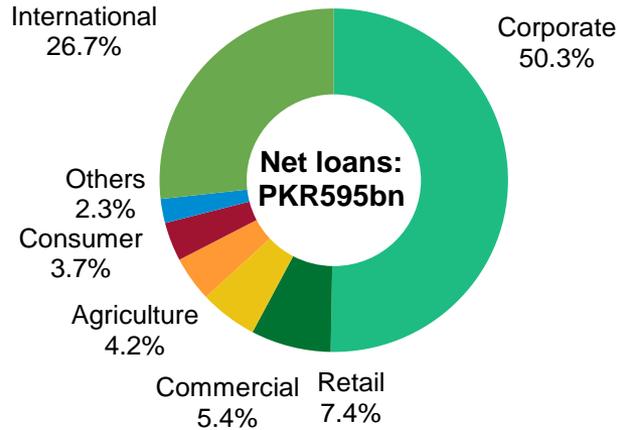
Source: Company filings.

(1) ROE is calculated excluding Surplus on Revaluation of assets.

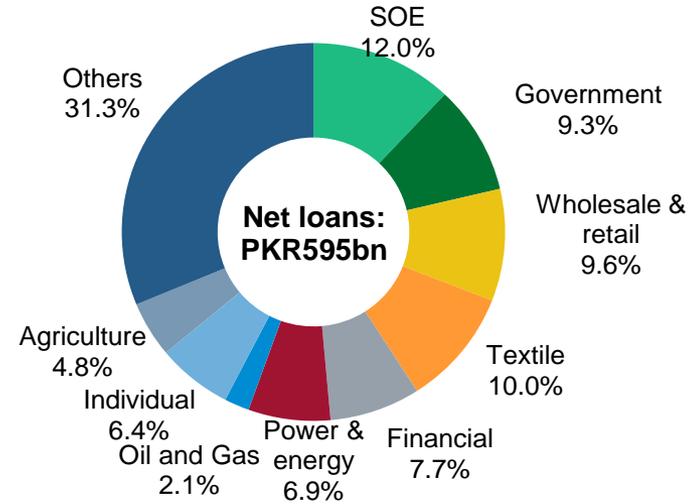
Evolution of asset composition



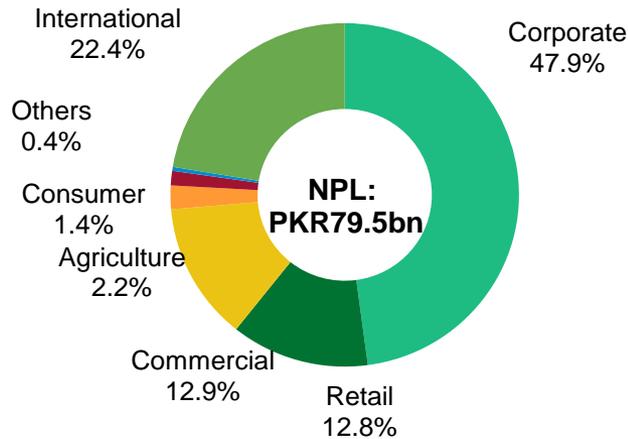
Loan portfolio composition by line of business



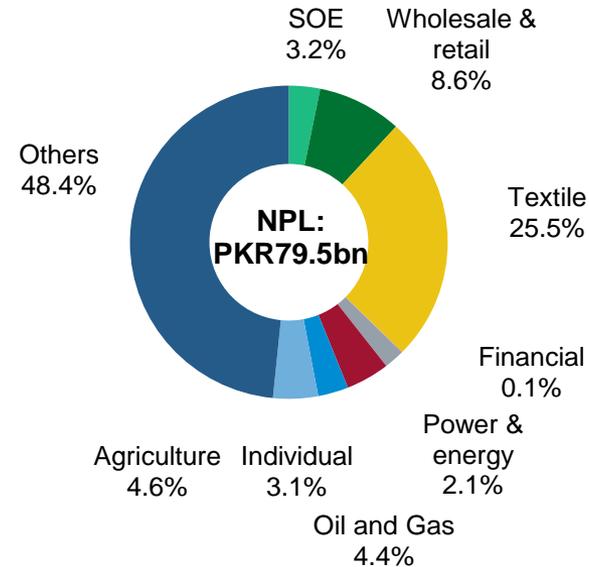
Loan portfolio composition by industry segments



NPL composition by line of business

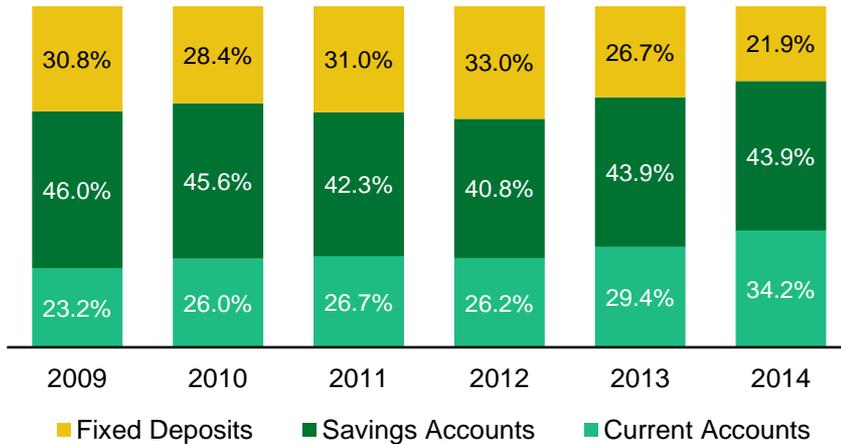


NPL composition by industry segments

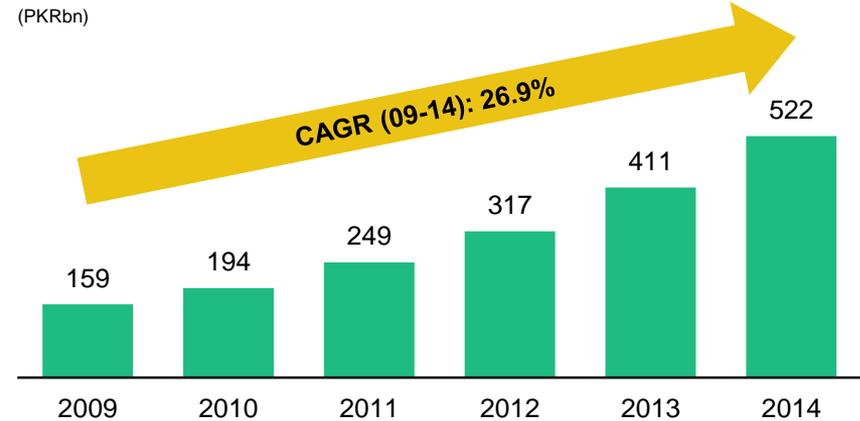


Deposits composition and rates

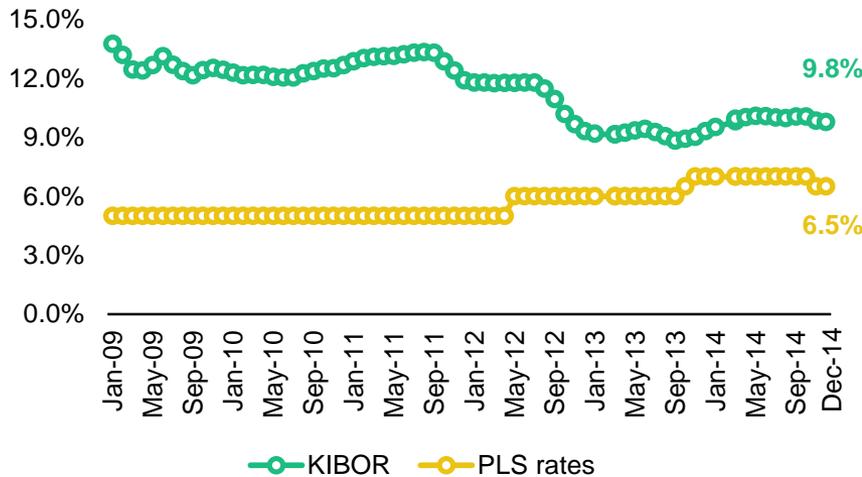
Deposit composition



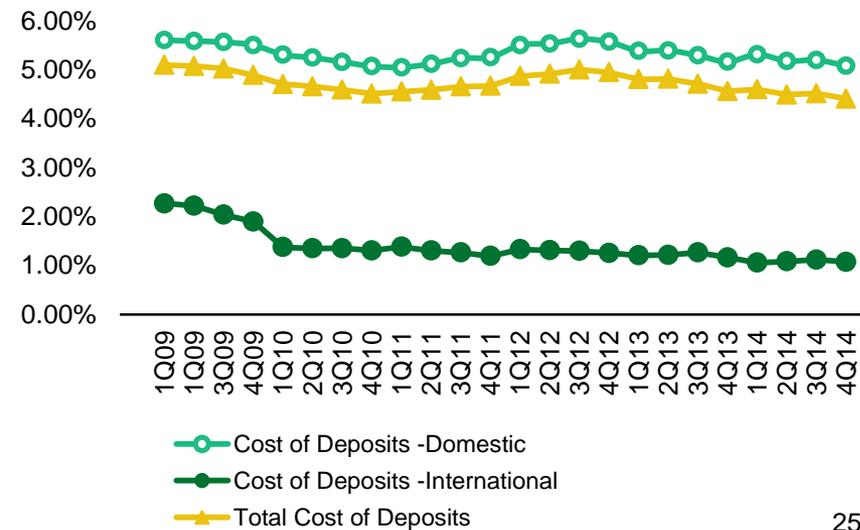
Growth in low cost current account deposits



Key rates



Cost of deposits



HBL



Appendix - Additional information

Consolidated balance sheet



(PKRmn)

FYE 31 December	2009	2010	2011	2012	2013	2014
Assets						
Cash and balances with banks	120,207	119,053	150,749	205,210	192,818	202,968
Lending to financial institutions	5,353	30,339	41,581	24,828	35,271	34,313
Investments	216,468	254,909	418,604	797,095	826,062	924,307
Advances	454,662	459,750	457,368	499,818	563,700	595,295
Other assets	67,235	60,648	71,252	83,524	97,418	110,118
Total assets	863,925	924,699	1,139,554	1,610,474	1,715,271	1,867,001
Liabilities						
Bills payable	10,042	9,775	13,895	18,943	19,422	21,989
Borrowings	52,543	40,460	39,474	196,588	107,864	103,411
Deposits and other accounts	682,750	747,375	933,632	1,214,964	1,401,230	1,524,537
Sub-ordinated loans	4,212	4,282	5,036	5,441	2,633	0
Other liabilities	30,008	26,557	37,931	41,809	41,687	46,962
Total liabilities	779,555	828,449	1,029,967	1,477,745	1,572,837	1,696,899
Shareholders' equity						
Share capital	9,108	10,019	11,021	12,123	13,335	14,669
Reserves	66,026	76,823	89,126	106,594	117,299	132,596
Equity attributable to the bank	75,134	86,842	100,147	118,717	130,634	147,265
Non-controlling interest	1,143	1,213	1,236	1,227	1,886	1,185
Surplus on revaluation of assets - net of deferred tax	8,093	8,196	8,204	12,785	9,914	21,651
Total equity	84,370	96,251	109,587	132,730	142,434	170,101

Consolidated statement of profit and loss



(PKRmn)

FYE 31 December	2009	2010	2011	2012	2013	2014
Mark-up / return / profit / interest earned	76,076	81,325	98,580	116,773	120,223	137,842
Mark-up / return / profit / interest expensed	33,406	34,330	42,182	59,012	65,207	68,755
Net mark-up / profit / interest income	42,671	46,995	56,398	57,760	55,016	69,087
Non mark-up / interest income						
Fee, commission and brokerage income	5,316	5,433	6,086	6,786	8,292	12,119
Income / gain on investments	597	1,380	2,021	3,566	4,845	5,680
Income from dealing in foreign currencies	1,913	3,189	3,756	2,568	2,299	2,847
Other income	3,333	2,760	2,920	3,040	3,887	2,865
Total non mark-up / interest income	11,160	12,762	14,783	15,960	19,323	23,511
Total income	53,830	59,757	71,181	73,720	74,339	92,598
Non mark-up / interest expense						
Administrative expenses	22,746	24,253	29,372	30,381	36,110	41,307
Other expenses	613	879	631	1,011	696	1,284
Total non mark-up / interest expenses	23,359	25,132	30,002	31,392	36,806	42,591
Profit before tax and provisions	30,471	34,626	41,179	42,328	37,533	50,007
Net provisions	9,090	7,586	6,857	6,767	1,400	1,493
Profit before taxation	21,382	27,040	34,321	35,562	36,133	48,514
Taxation	7,981	10,006	11,988	12,770	13,106	16,695
Profit after taxation	13,401	17,034	22,333	22,792	23,027	31,819

Net Advances (By line of business)



PKRmn, as at 31st December 2014

Group	Advances	Percent
Corporate	299,354	50%
Retail (excluding Agriculture)	44,300	7%
Commercial	32,003	5%
Agriculture	25,190	4%
Consumer	21,742	4%
Others (Islamic & FI)	13,527	2%
Domestic	436,116	73%
International banking	159,200	27%
Bank	595,316	100%

Gross advances (Segment wise)



PKRmn, as at 31st December 2014

Sectors	Advances	Percent
Public sector enterprises	73,092	11.05%
Government	55,448	8.38%
Wholesale & retail trade	62,797	9.49%
Textile	79,580	12.03%
Financial	45,637	6.90%
Power & energy	42,977	6.50%
Individual	40,181	6.07%
Agriculture business	23,384	3.54%
Chemical & pharmaceuticals	23,385	3.54%
Food, tobacco & beverages	14,802	2.24%
Automobiles & transportation equipment	13,297	2.01%
Telecommunication	11,794	1.78%
Electronics & electrical appliances	11,102	1.68%
Oil & gas	13,791	9.18%
Others	150,209	22.71%
Total	661,476	100.00%