

***Habib Bank Limited***

***Investor Presentation***

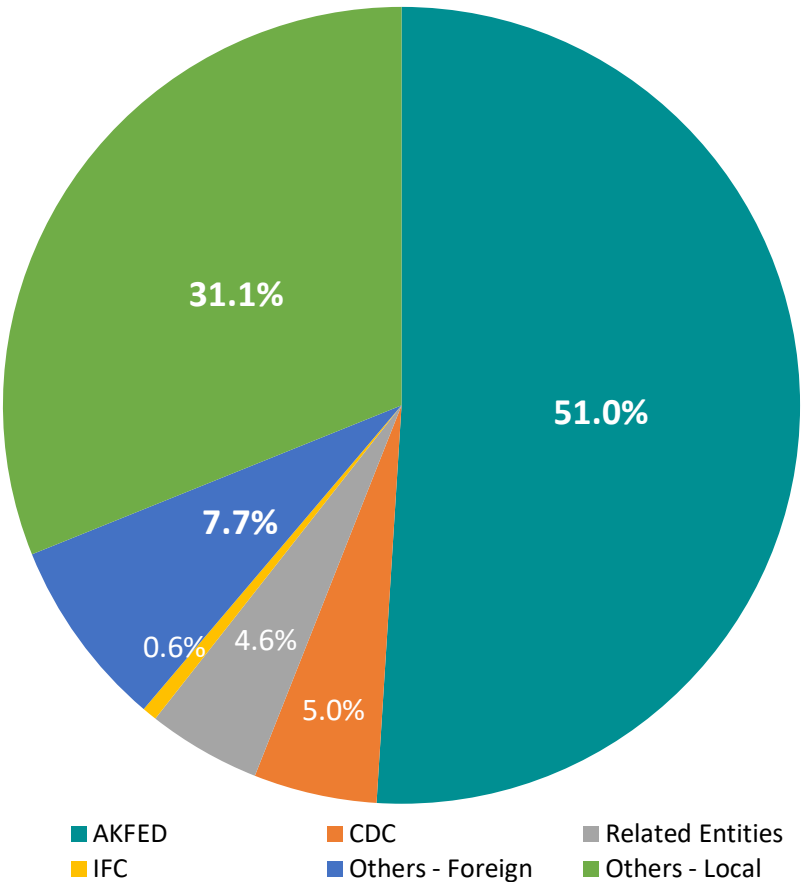
***Blackrock Investment Forum***

***March 31, 2022***

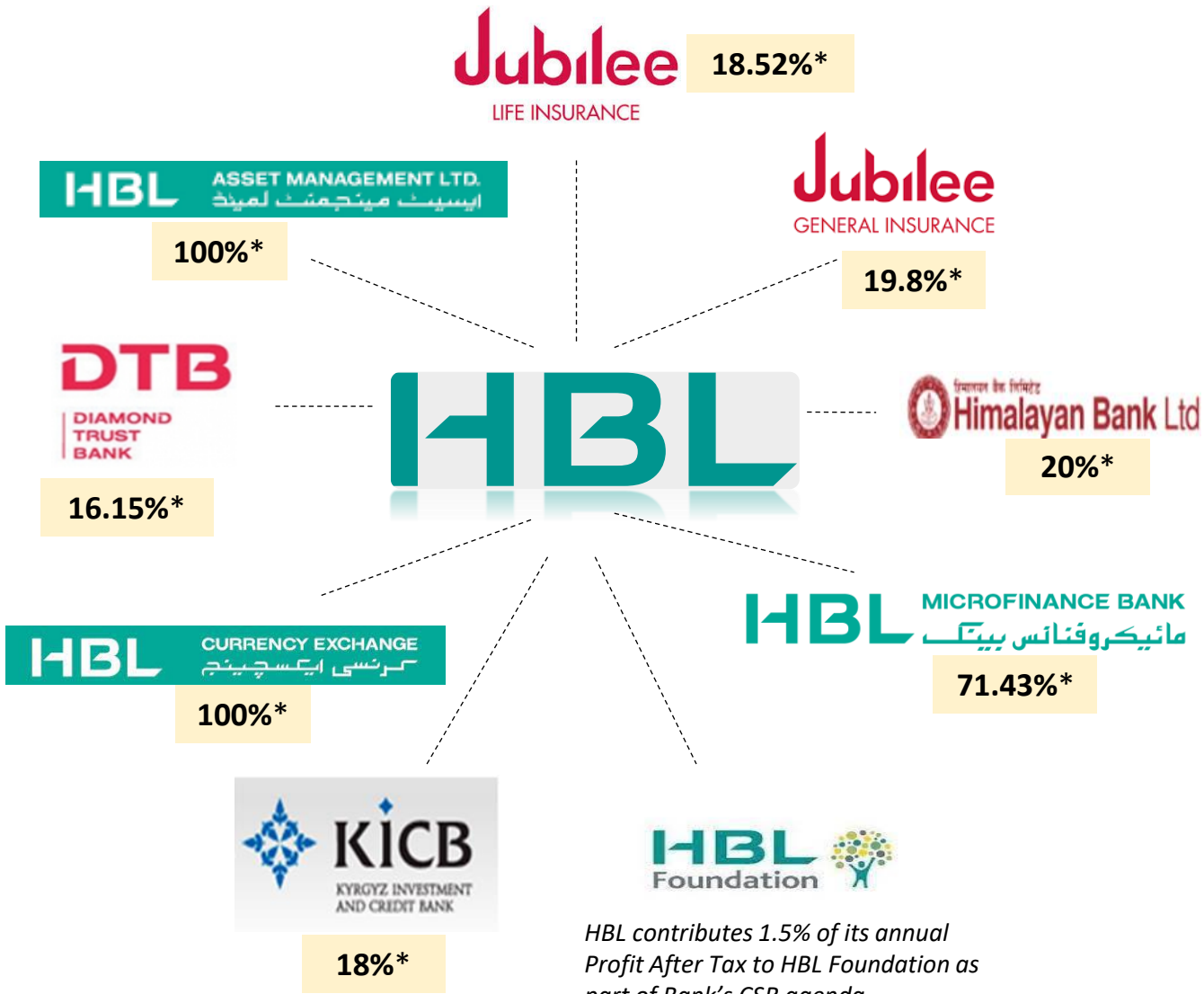


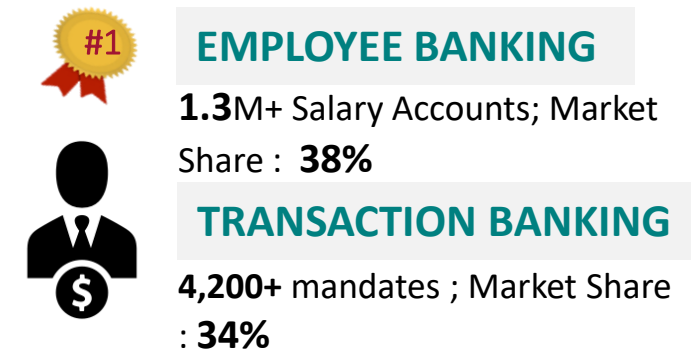
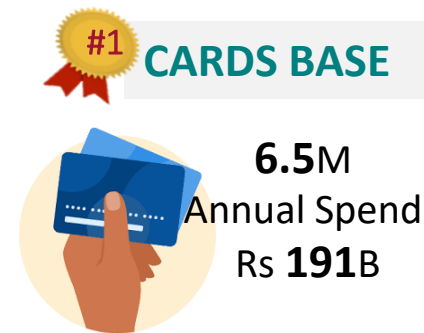
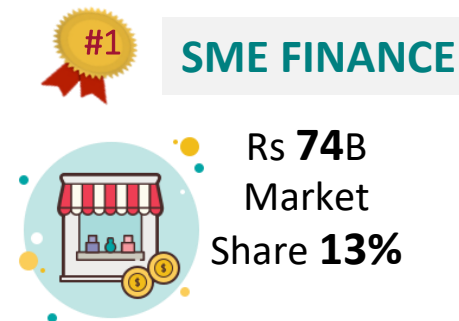
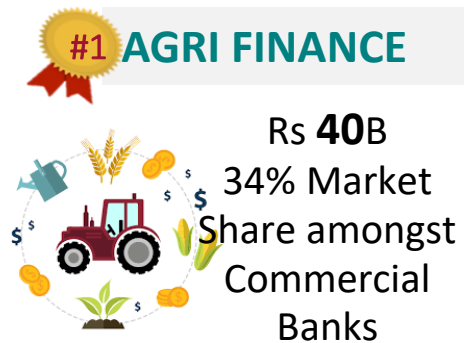
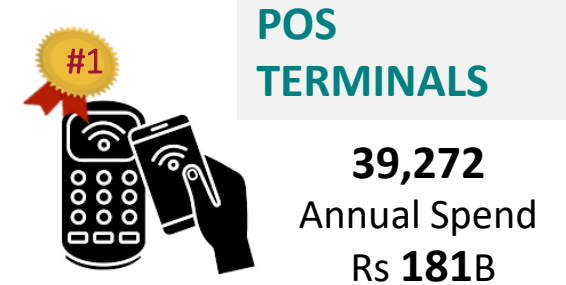
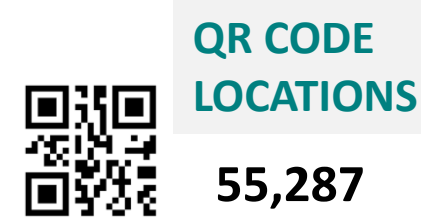
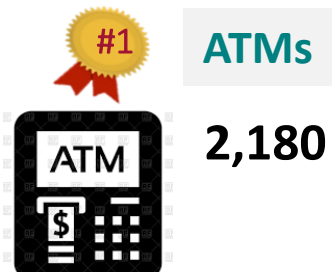
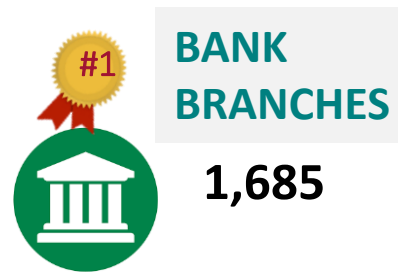
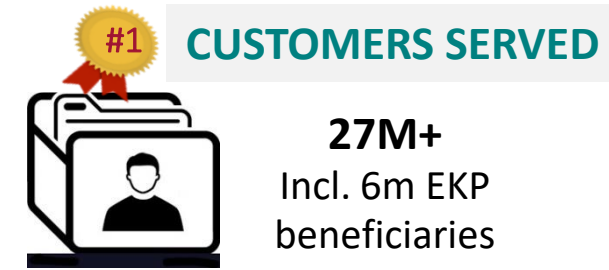
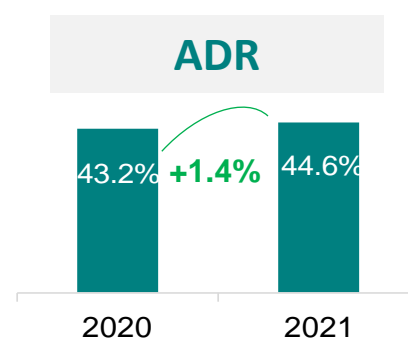
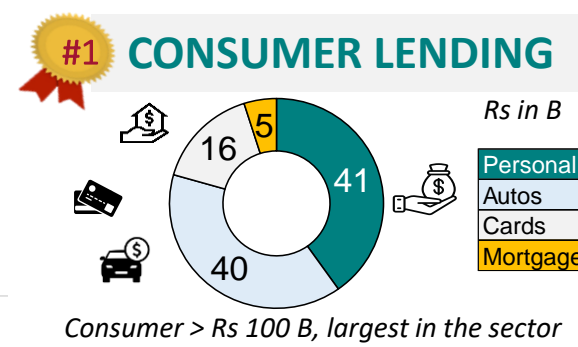
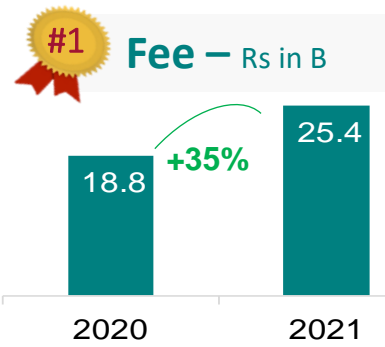
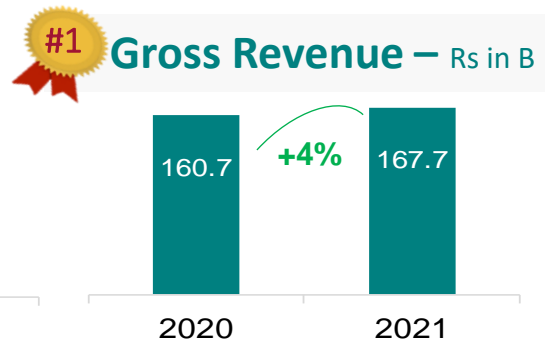
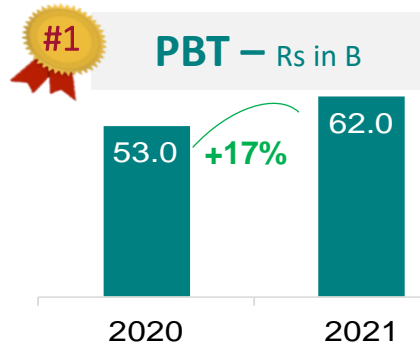
A WORLD OF  
— DIGITAL POSSIBILITIES

Shareholding Pattern



More than just a Bank

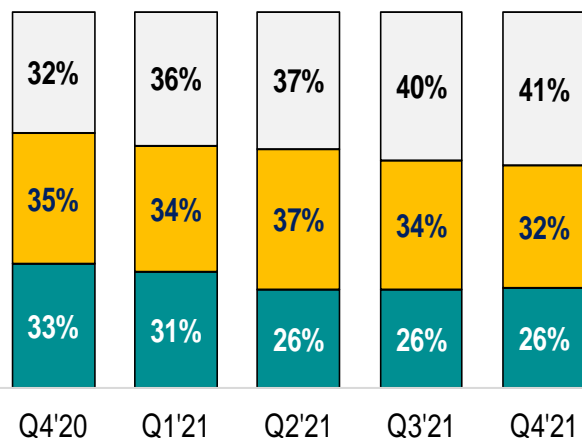




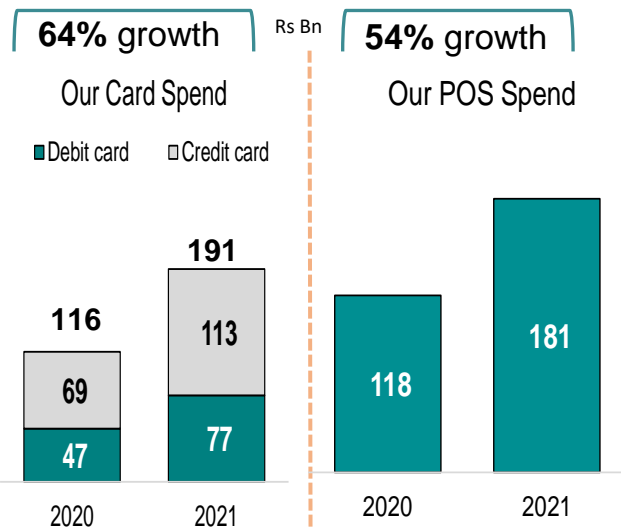
# Digital channels usage depicting exponential growth - Won 6 awards globally and in Pakistan

OTC trx. mix maintained at target level of ~25%

■ OTC ■ ATM □ IB/MB/Konnect

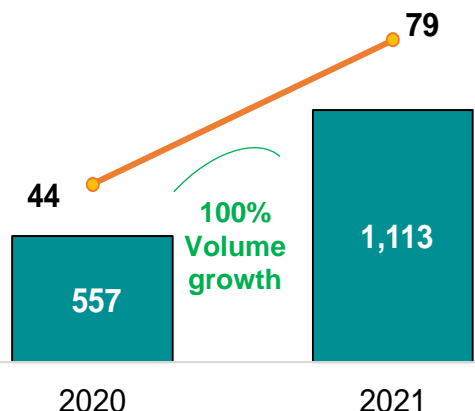


Cards base up by 7% YoY to 6.5M



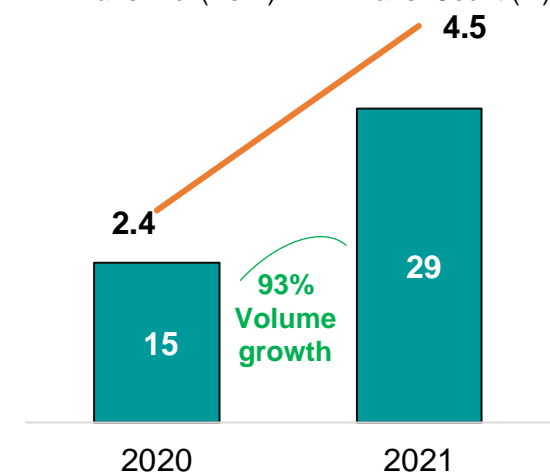
Mobile/IB user base up nearly 40% YoY to 2.5m – volumes up 2x YoY

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



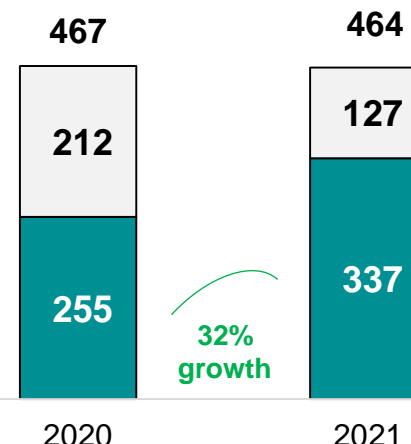
HBL Pay Checkout – 2x growth in both transaction count and volumes

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



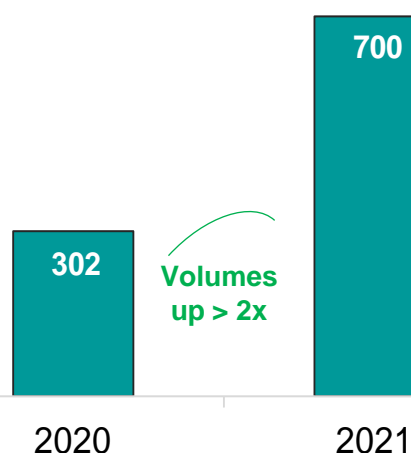
HBL Konnect accounts up 1.3x to 7.1m. Volumes +32% to Rs 337b

■ Konnect Vol (Rs B) □ G2P Vol (Rs B)



QR Code locations – volumes more than doubled to Rs 700m

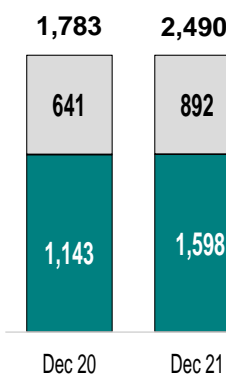
■ Trans. Vol (Rs M)



Monthly Active Users Mix  
MobileApp – at 64% on par with Dec'20  
Konnect App – from 10.8% to 20.4%

MB/IB

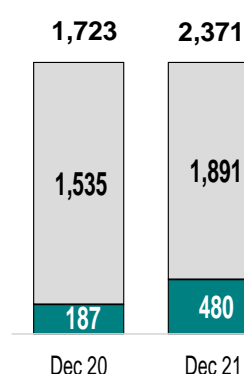
■ \*Active □ Inactive



\*Financial trx. past 30 days

Konnect '000s

■ \*Active □ Inactive

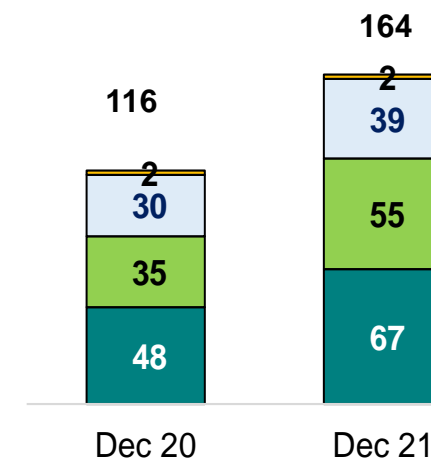


\*Login in past 90 days.

ADCs growing: +47k touchpoints added in 2021

In '000s

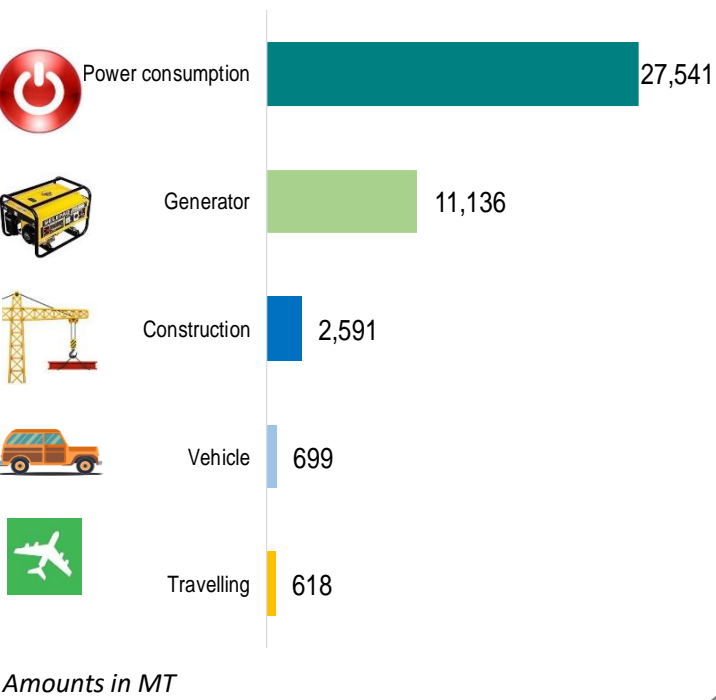
■ Konnect ■ QR □ POS ■ ATM



Reduce carbon footprint and mitigate risks

In recognition of its effort towards reducing Own carbon footprint, HBL was awarded the Environmental Excellence Award by National Forum for Environment and Health and Health and Fire Safety Award from the Fire Protection Association

Green House Gas (GHG) Emissions Break-up (2021)



Forefront of utilizing SBP's renewable energy financing, over Rs 5.5 bn disbursed

163 Branches with Solar panels  
26 Solar panels installed at offsite ATMs

Co2 Reduction of 373MT/yr

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

AUDIT  
Energy Audits conducted at HBL facilities for load optimization

Procurement via Fuel Cards  
Co2 Reduction 411.7 MT /yr

Gensets : Reduction 80L / Branch / Month  
Vehicles : Reduction of 10L /Vehicle/ Month

HBL MICROFINANCE BANK  
مانی کروفنانس بینک  
Formerly - The First MicroFinance Bank Ltd

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

People and community

Health & Wellbeing

- Industry leading COVID response: 100% medical expenses covered for employees and dependents. Medical loan for non-dependent family members.
- Vaccination facility for employees and family.
- First bank to launch flexi-work and flexi-rewards & benefits in Pakistan – employees to choose how they want to work. and what benefits suit their life-stage needs
- Introduced HBL Raabta – Individual and group-based counseling and awareness for employees' well being.

Diversity Agenda

- Women in HBL now make up 19.7% of the workforce. Targeting 25% by 2025.
- Targeted batch hiring for women and mentoring for senior women employees.

Inclusion of PWDs (Together We Are Strong)

- Onboarding and training of PWDs and sensitization training for employees – 80 PWDs serving in various roles.
- 1,200 branches with ramps, 175+ Talking ATMs, Braille forms at RHQs.

HBL and Art

- Promoting public awareness of Pakistani art and artists - sponsoring exhibitions of internationally recognized artists

Fuel sustainable industries

Zhenfa Solar Project  
Initiated in 2021 having capacity of 100 MW

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

Executed WAPDA's USD 500m Green Bond – Pakistan's 1<sup>st</sup>

The Bank has announced that it would cease to do business with industries that contribute towards deforestation



## Improving Financial Health of Women

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

**110K+**

Accounts

**Rs 16bn**

Deposits



**Higher Savings rate** – Making NISA the most competitive savings product

**FINANCIAL ALLIANCE FOR WOMEN**

Strategic Alliances

**24%**

NISA share—of total women accounts in HBL


**37%**

Female Accountholders in Bank (2020: 36%)


**Rs 557bn**

Deposits in women's accounts (2020: Rs 520bn)

**Asaan Accounts**

**2021**
**Rs 15bn+**

2020: 13 Bn Deposits (Rs)

**+1mn**

↑11% Y/Y

**2021**
**100k+**

2020: 115k NTB Accounts

## Investment in Finja

Supporting digital financial inclusion



HBL invested in Finja a digital lending platform for SMEs.

## Ehsaas Kafalat Program

**2021**
**5.7mn**

2020: 12mn\*

Beneficiaries

\*Includes emergency funds disbursed for Covid relief

**2021**
**Rs 127bn**

2020: Rs 212bn\*

Amount disbursed

## Digital Savings Account

Launched Konnect Micro Savings Product

“Gulak”, enabling people to earn

bonuses.



## Leading the Agri Landscape

- Market leading Agri portfolio reaches record Rs 40 bn – market share at 34%.
- Kissan Ki Awaz - facilitating farmers with innovative product development and advisory.
- In 2020, HBL invested in Naymat Collateral Management\*. 1st Bank in Pakistan to fund an EWR (Rs 400 mn).

## Deploying HBL MFB to create opportunities for the marginalized

### Deposits

**Rs 91bn**

↑48% Y/Y

21.6% Market Share

1.77mn customers (↑26% Y/Y)

### Loan Book

**30%**

Borrowing by Women

**Rs 59bn**

↑36% Y/Y

15.1% Market Share

↑200bps Y/Y

**555k**

Active Borrowers

**74%**

Rural Financing

Branchless Banking Solution – 330K wallets opened in 2021

Launched tablet-based loan approval system for instant decision making (implemented in 127 branches) - 238K+ loans processed with 90% loans processed in 48 hours

Mobile App – users now > 26 K ( 16 K in 2020)

Largest MFB PayPak card issuer - 448K+ cards issued since inception

## Double Down on 'S'

Booked **3000+ NTB** Small Business Loans in **2021** compared to 860 NTB in 2020

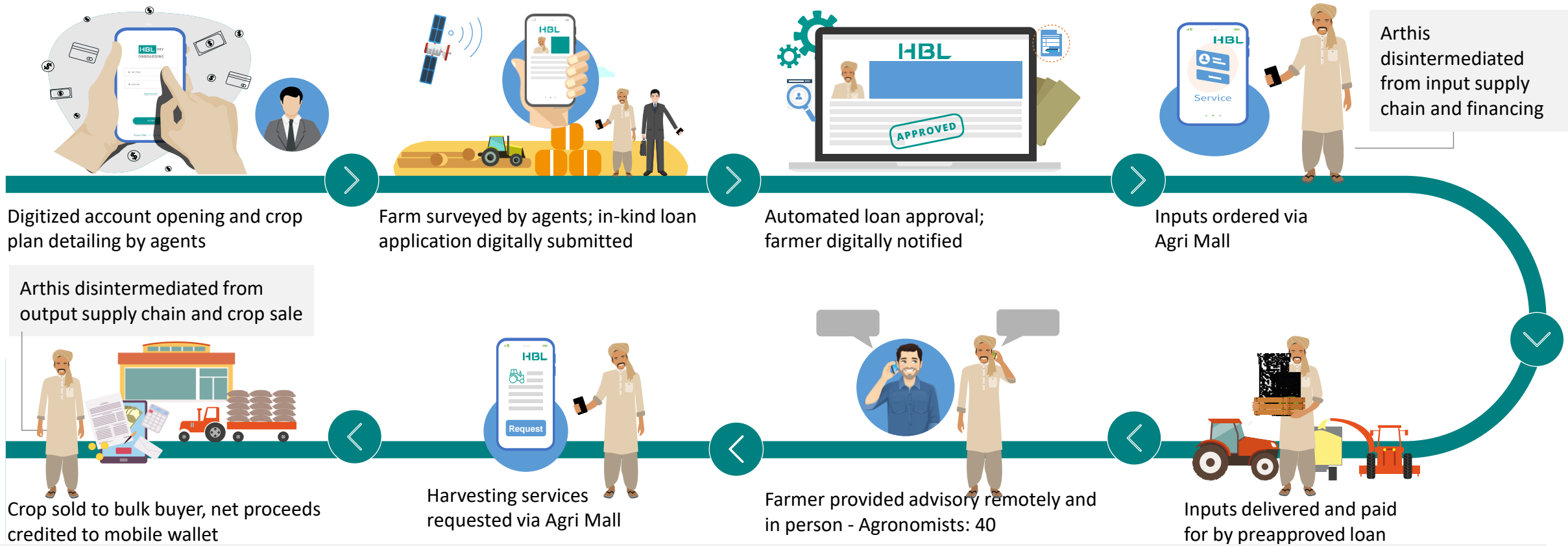
**2021**
**Rs 74bn**

↑17% Y/Y


**2021**
**14%**

SME Market Share

Helping small farmers grow by disintermediating Arthis (middlemen) and connecting farmers directly to markets



...Doubling the bottom-line impact for both the Bank and the farmers

Net income per acre

**Rs 44K**

↑253%

Crop Acres

**20,148**

↑45x Y/Y

Portfolio volume

**Rs1.0bn**

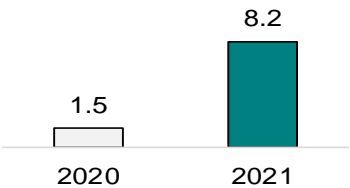
↑68x Y/Y

Farmers

**397**

↑26x Y/Y

HBL Pay/Konnect -  
Volumes in Bn



Leveraging **HBL Pay/Konnect** platform for unified digital onboarding

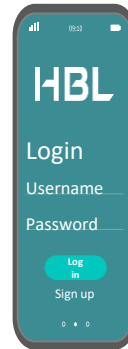
\*Revalidated by Princeton University

## HBL Mobile

- HBL Mobile rolled out to 6 international locations



- 31% of new credit cards and 20% of fresh personal loan disbursements made through HBL MobileApp
- Processed > Rs 1.0 trillion transactions in 2021, representing >30% transaction market share
- Largest customer base of > 2.5m with 18%+ market share



## Konnect

- Banking solution outside bank branches using agent locations
- Customer base of > 7 million with ~ 25% women
- Leading the G2P payment space –
  - Disbursed Rs 127b to 5.7m beneficiaries under EKP program
  - Digitized subsidy payments to farmers in Punjab and KPK – disbursed > Rs 11b to 1.0m+ farmers
  - Opened 750k farmers' accounts – all given Kisaan cards, making HBL the largest issuer of PayPak cards
- Providing collection services to corporates and microfinance institutions – monthly volumes > Rs 6 b

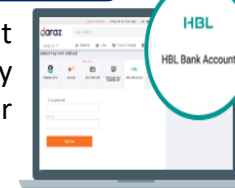
## Merchant Acquiring

- Transactions volume exceeded Rs 180b, up 53% YoY and representing 1/3<sup>rd</sup> of the country's total sales volume
- "Tap n Pay acceptance" launched and enabled on > 10k POS terminals



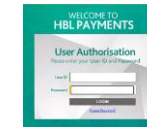
## IPG

- Partnered with leading fintechs to accept payments from millions of customers directly through bank accounts without the need for a debit or credit card.
- Expanding partnership base – 500k+ merchants, up 31% YoY
- Enabled cardless transactions for customers of some local banks and locally operated digital wallets



## Business Payments

- RAAST: Mobile Banking, Internet Banking and Konnect rolled out as per SBP directives for P2P payments
- CDC: API Integration for processing dividends.
- HBL Pay Business Banking Platform:
  - Launched in Pakistan in 2020 and is being introduced in 6 international locations
  - Digital payments up >100% to Rs 3.4T



## Conversational Banking



Whatsapp, a convenient **24/7 digital channel** to chat, inquire balance and for other nonfinancial usage.

Users

475k+

Hits

640k+



Facebook Chatbox introduced with banking features such as **Bill Payment, Mobile Top Up, Account balance view, Transaction History** and **Swift Code Information**

## QR Code

**Dynamic QR** – HBL became the first bank in Pakistan to launch the Dynamic QR code transaction process in partnership with Visa

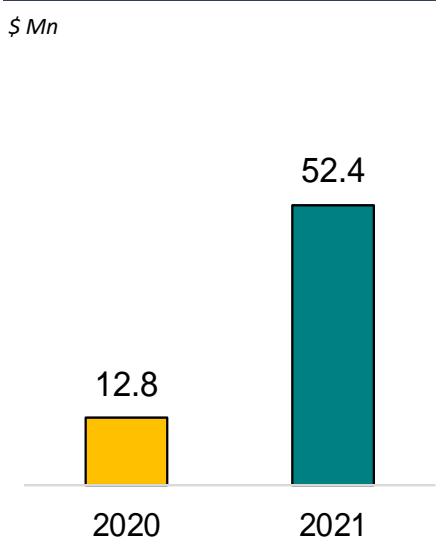


The new transaction process offers a seamless, safe, and convenient payment mechanism.

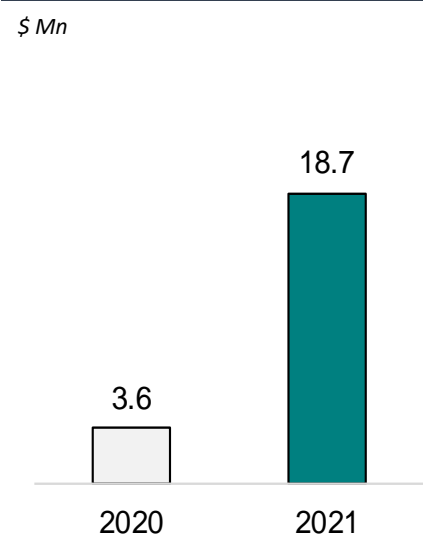


China – Key Performance Indicators

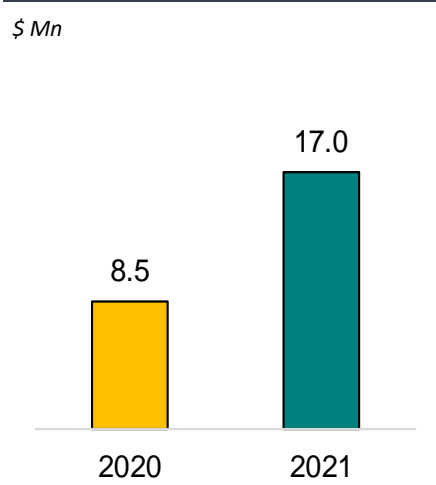
Advances – 4x growth



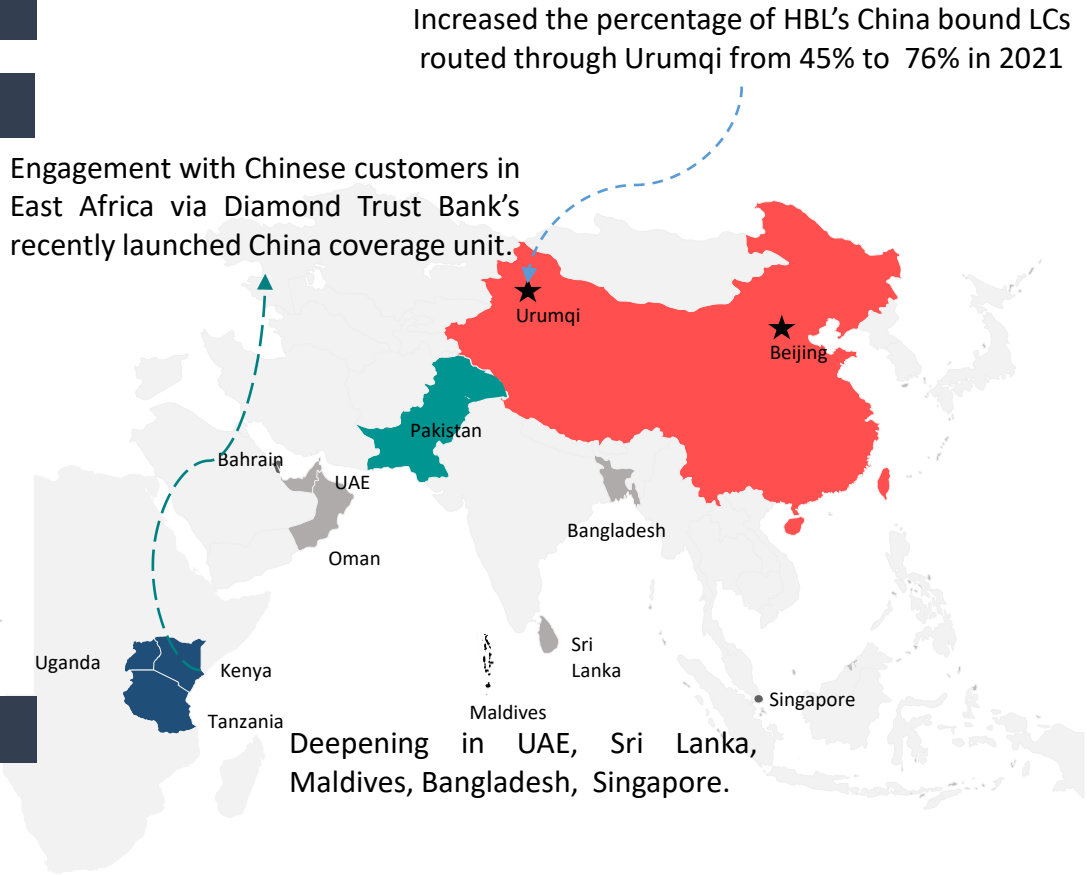
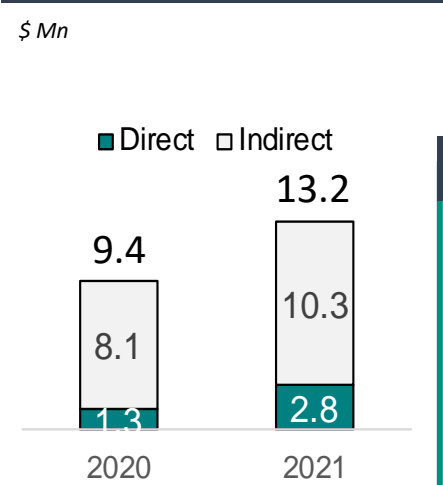
Deposits – 5x growth



Trade volumes – up 2x



Revenue – up 39%



RMB Intermediation

CNY ready deals routed through HBL China

46%

4% in 2020

Focused on increasing CNY based transactions. Worked with business segments in Pakistan to route cross border CNY transactions through China



>4x

Remittance Transactions

3,190 in 2021

702 in 2020

**China Coverage**

- **Specialized Coverage Team** – A dedicated Coverage team of 28 seasoned bankers (13 Chinese nationals fluent in Mandarin), catering to Chinese clients' needs.
- **Growing Customer Base in Pakistan** – Market leader in servicing Chinese clients with 14,000+ individuals' accounts.
- **Replicating Model Internationally** - Already established in UAE; being established in Bangladesh, Sri Lanka and Maldives.