



Credit Suisse – Investor Conference, NY
Company Presentation
25 - 26 February 2016

Pakistan's No. 1 commercial bank

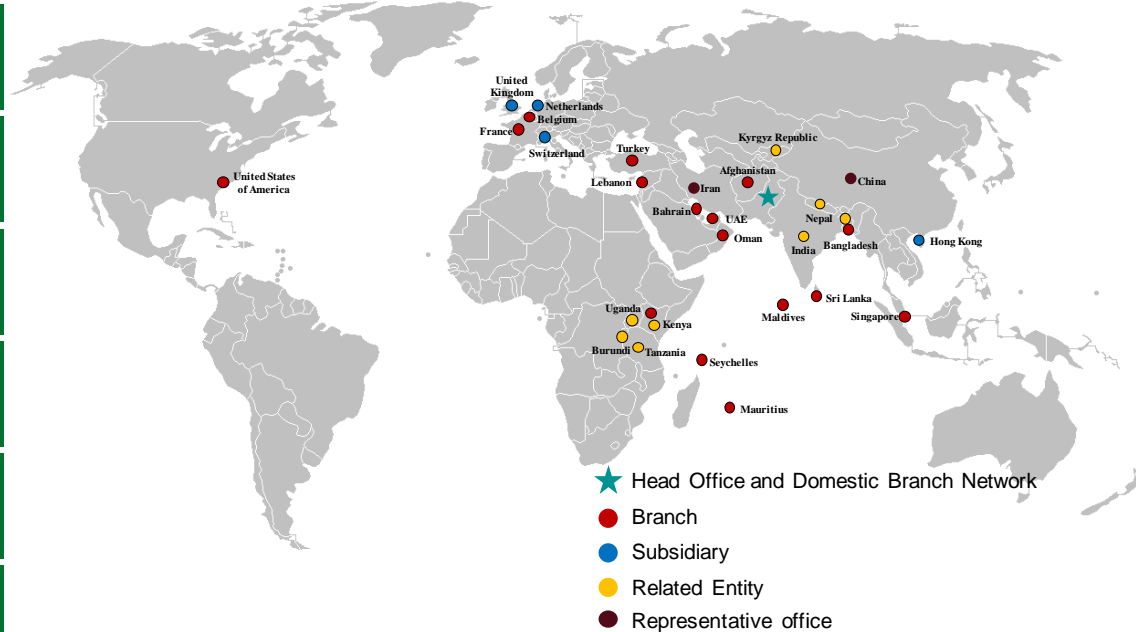


1 bank in Pakistan by⁽¹⁾:

#1	Assets	PKR 2,218bn (US\$ 21bn)
#1	Deposits	PKR 1,635bn (US\$ 16bn)
#1	Net profit	PKR 35bn (US\$ 335mn)
#1	# of Domestic Branches	1,663
#1	# of ATMs	1,947
#1	# of Customers	11mn +
#1	Market capitalization	PKR 269bn (US\$ 2.6bn)

- HBL maintains a AAA/A-1+ rating (JCR-VIS)⁽²⁾ 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 28 countries
- Network covers financial major hubs; London, New York, Brussels, Singapore, Dubai, Hong Kong and 65 international branches (including branches of subsidiaries)
- Positioned as a regional player to increase market share in
 - Remittances
 - Trade finance
 - Investment banking

Note: Based on US\$1.00: PKR 104.74

(1) As of 31 December 2015 except

- Market capitalization as of February 22, 2016

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

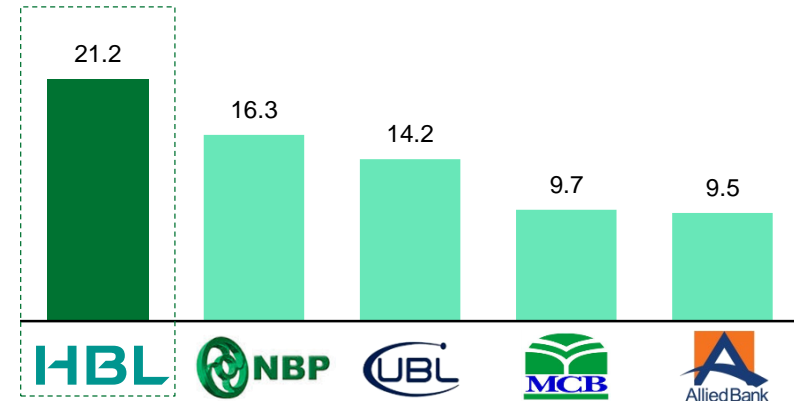
Pakistan's banking sector today

Sector overview

- Pakistan has a total of 44 banks including Government Owned Banks, Privatized Banks, Development Financial Institutions, Private Banks and Foreign Banks
- Since 1991, 4 of the top 5 banks (HBL, UBL, MCB, and ABL) in Pakistan have been privatized
- State Bank of Pakistan, the main regulator is generally viewed as one of the most prudent regulators in the region
- All banks in Pakistan are currently under transitional Basel III regime
- A strong public central credit information bureau and four private credit bureaus allow for effective credit origination and monitoring

The five largest banks in Pakistan by total assets⁽¹⁾

(US\$bn)



Privatisation of Pakistan banks

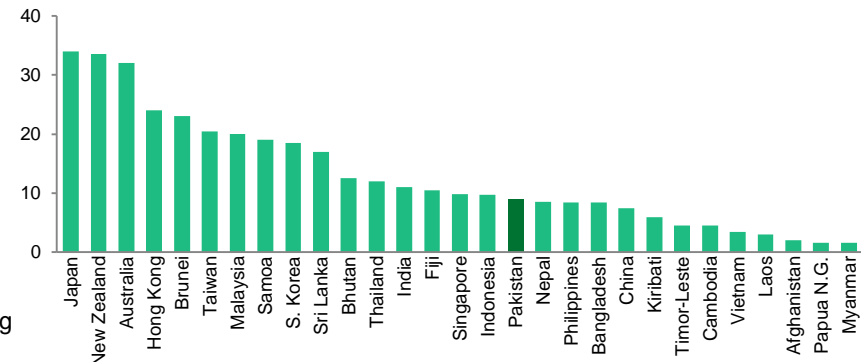
Divestments by the GoP of holdings in Pakistan banks

	HBL	UBL	Allied Bank
Sale date	Apr 2015	Jun 2014	Dec 2014
% stake sold	41.5%	19.8%	10.1%
Proceeds raised (US\$m)	1,010	388	143

Secondary Public offering of HBL

- Secondary sale of HBL shares by the GoP was the largest ever equity offering in Asian Frontier Markets
- Oversubscribed by 1.6 times at the final offer price
- 76% of the offering size allocated to foreign investors
- CDC and IFC came in as “anchor” investors
- Many major global institutional investors participated, taking a >1% stake

One of the lowest bank penetrations offers room for growth



Source: Business Monitor

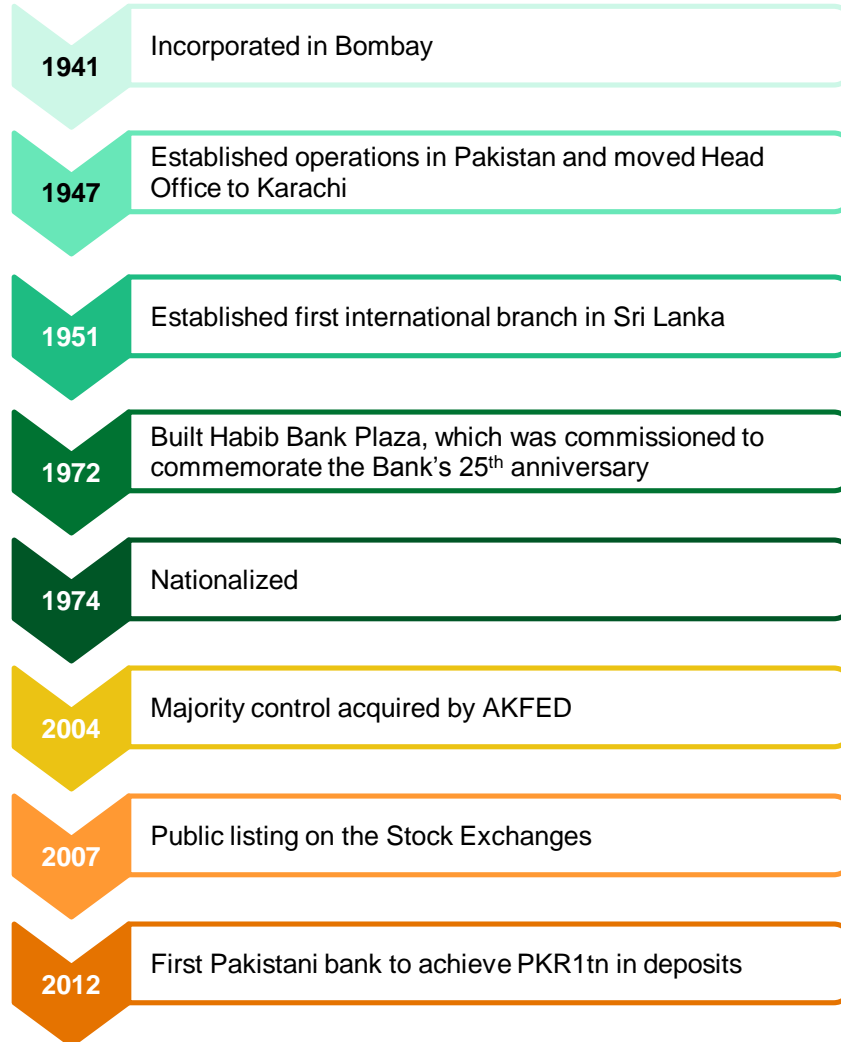
Note: Selected Asian countries only

(1) Based on 31 December 2015 financials

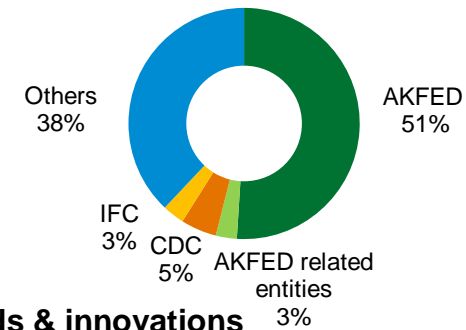
HBL – the foundation of Pakistan’s financial sector



Corporate milestones



Current shareholders⁽¹⁾



Major awards & innovations

Major awards



Innovations

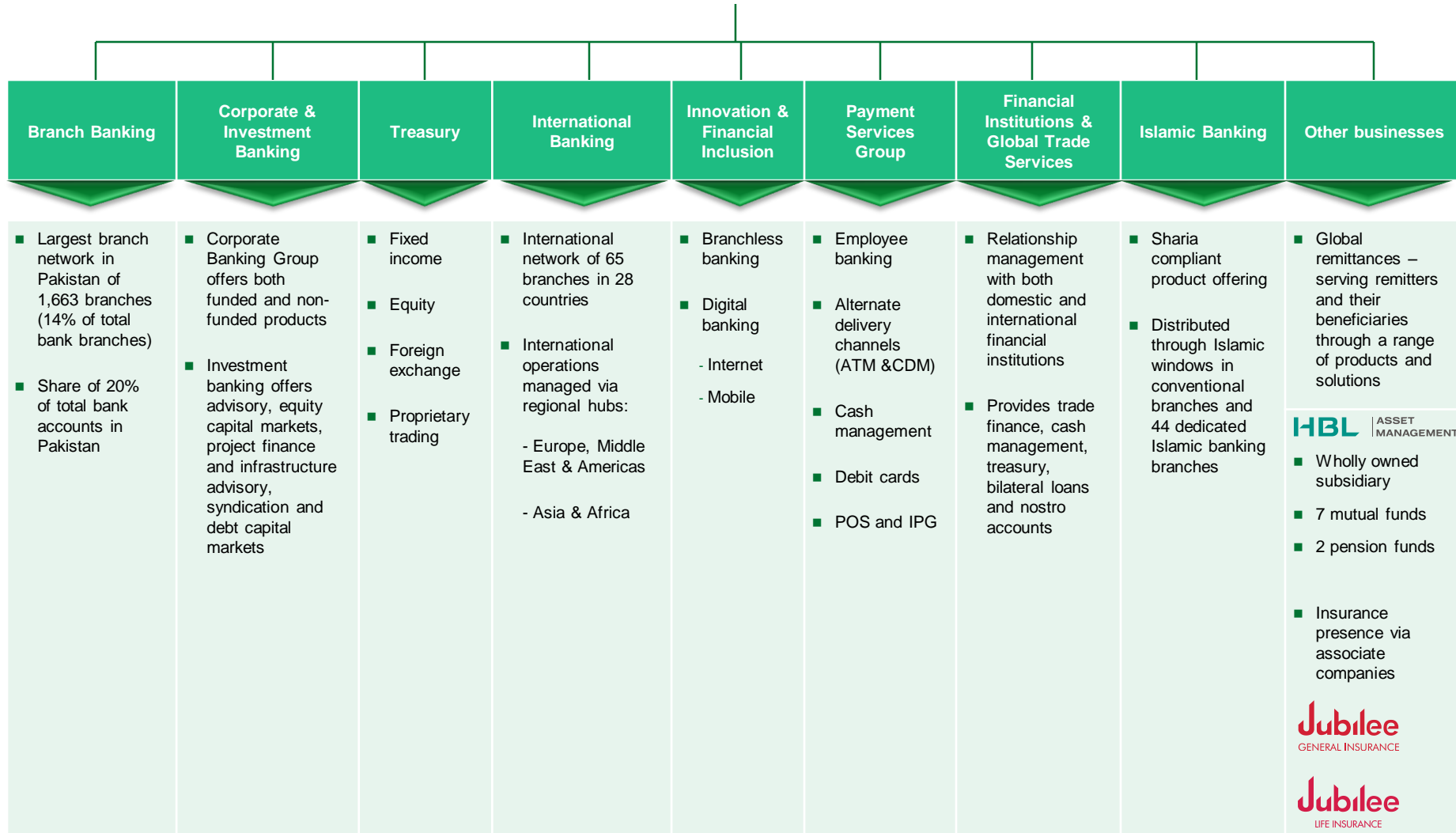


Products tailored towards women in cooperation with GBA, IFC and Westpac

(1) Data as of 31 December 2015



Products tailored towards youth to expand services to the underbanked



Visionary and accomplished Board

Chairman



Sultan Ali Allana
Chairman

- 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.
- Mr. Allana has also served as the Chairman of the First Microfinance Bank and been a member of the Executive Committee of the Aga Khan Agency for Microfinance.

President & CEO



Nauman K Dar
President & CEO

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

Directors



Sajid Zahid
Director

- 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 has previously served as a Director on the Boards of various companies including Pakistan Petroleum Limited.



Moez Ahamed Jamal
Director

- 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 Limited, Marcuard Family Office, Switzerland, Jubilee Holdings Limited (East Africa) and Global Finanz Agency AG. 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.

Directors



Shaffiq Dharamshi
Director

- Mr. Dharamshi is a banker with over 23 years of banking experience in the Middle East and Africa
- He currently holds the position of Head of Banking at AKFED, and is responsible for overseeing the operations of banks in AKFED's portfolio across Asia and Africa
- He also currently serves on the Boards of Diamond Trust Bank Tanzania Limited, Diamond Trust Bank Uganda Limited, Diamond Trust Bank Kenya Limited, Kyrgyz Investment and Credit Bank and DCB Bank Limited, India.



Agha Sher Shah
Director

- 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 (Pvt) Limited. He also serves on the Boards of Attock Cement Limited, Attock Refinery 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 the position of Senior Portfolio Manager at the Abu Dhabi Investment Authority.























Dr Najeel Samie
Director

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

First class senior management team



- Experienced management team with significant experience with HBL and other local and international banks
- Strong track record of growth and profitability overseeing HBL's net profit increasing from PKR17bn to PKR35bn between 2010 and 2015 (+16% CAGR)
- Acquired Barclays' Pakistan business to add high-quality talent to the Bank, similar to that experienced following the Bank's purchase of Citi Pakistan's consumer business.

 <p>Nausheen Ahmad Company Secretary & Head Legal 10 / 10 / 28⁽¹⁾</p>	 <p>Ayaz Ahmed Head, Acquisitions & Investments 16 / 24 / 34⁽¹⁾</p>	 <p>Tariq M. Akbar Head, Global Operations 16 / 40 / 41⁽¹⁾</p>	 <p>Salim Amlani Chief Internal Auditor 11 / 40 / 40⁽¹⁾</p>
 <p>Faisal Anwar Chief Compliance Officer 3 / 31 / 31⁽¹⁾</p>	 <p>Naveed Asghar Chief Marketing Officer 2 / 2 / 23⁽¹⁾</p>	 <p>Mirza Saleem Baig Head, Islamic Banking 15 / 31 / 33⁽¹⁾</p>	 <p>Rizwan Haider Chief Risk Officer 14 / 35 / 36⁽¹⁾</p>
 <p>Abbas Hasan Head International Banking Europe, Middle East & Americas 4 / 31 / 32⁽¹⁾</p>	 <p>Aamir Irshad Head, Corporate & Investment Banking 11 / 25 / 28⁽¹⁾</p>	 <p>Sima Kamil Head, Branch Banking 15 / 30 / 30⁽¹⁾</p>	 <p>Rayomond Kotwal Chief Financial Officer 2 / 19 / 30⁽¹⁾</p>
 <p>Salahuddin Manzoor Global Treasurer 6 / 33 / 33⁽¹⁾</p>	 <p>Dr. Aamir Matin Head Technology Strategy 1 / 5 / 30⁽¹⁾</p>	 <p>Abrar Mir Chief Innovation & Financial Inclusion Officer 1 / 15 / 21⁽¹⁾</p>	 <p>Jamal Nasir Global Head Human and Organizational Development 2 / 19 / 29⁽¹⁾</p>
 <p>Hassan Raza Head, Structured Credits 4 / 24 / 24⁽¹⁾</p>	 <p>Faiq Sadiq Head, Payment Services 16 / 26 / 26⁽¹⁾</p>	 <p>Abid Sattar Head International Banking Asia & Africa 11 / 33 / 33⁽¹⁾</p>	 <p>Anwar Zaidi Head, Financial Institutions & Global Trade Services 14 / 35 / 35⁽¹⁾</p>

HBL's management team is highly experienced in managing domestic and international banks

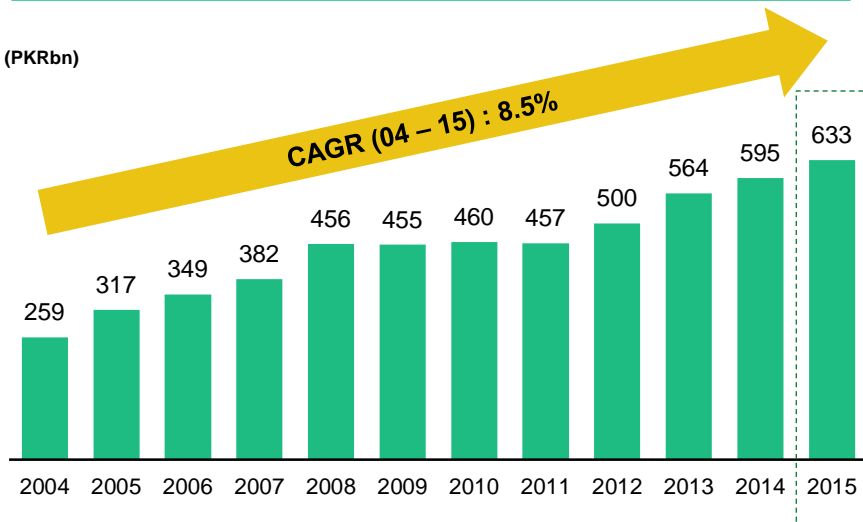
(1) Number of years in HBL / years in banking / Total work experience .

Progress since privatization – Balance sheet



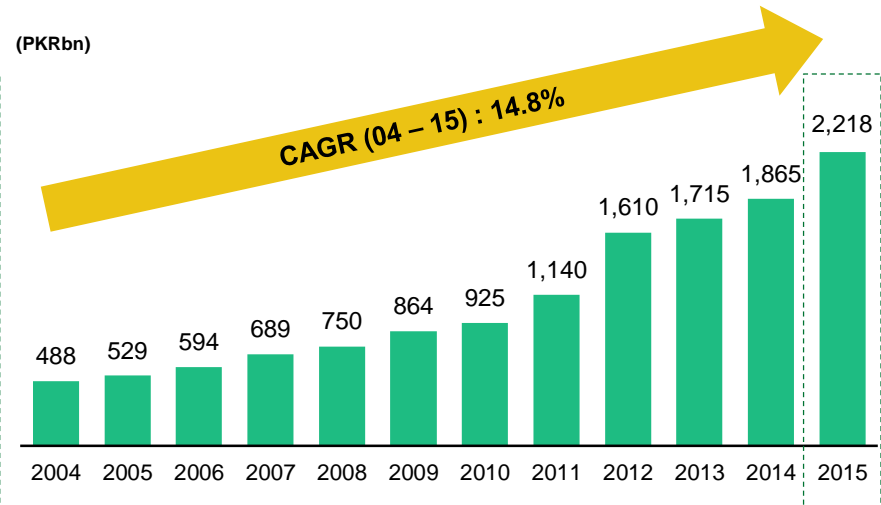
Net Advances

(PKRbn)



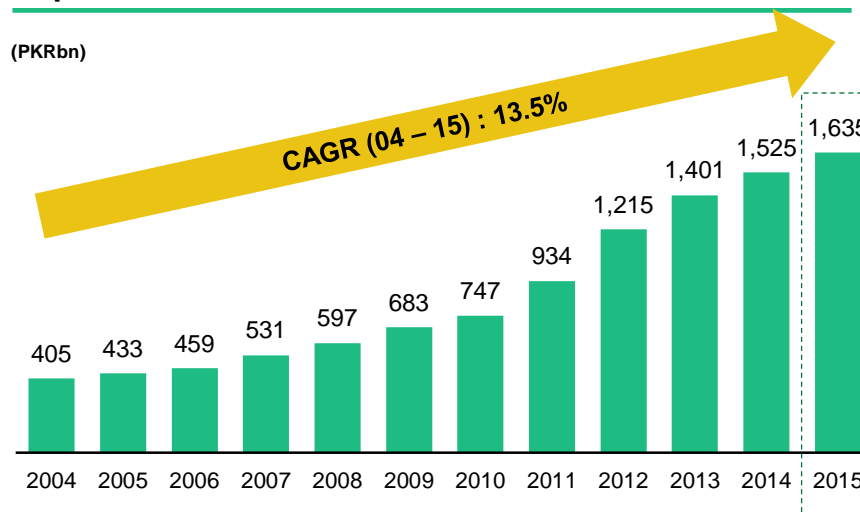
Total assets

(PKRbn)



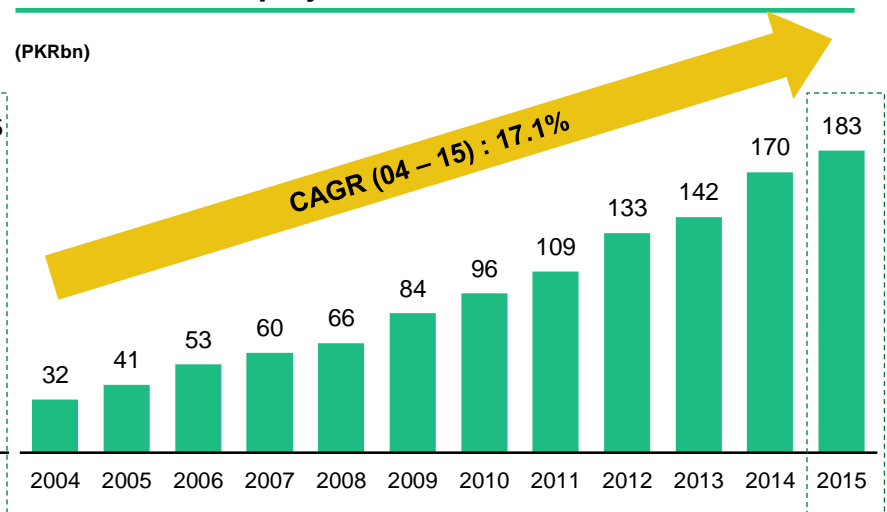
Deposits

(PKRbn)



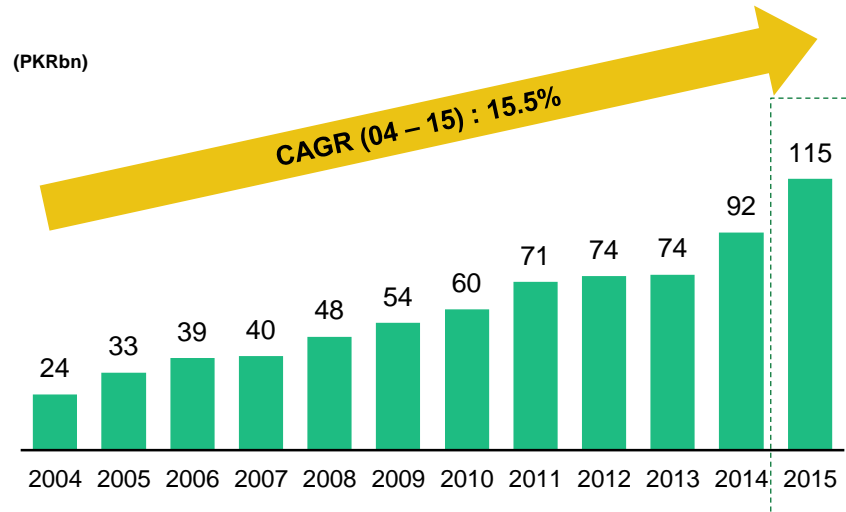
Shareholders equity

(PKRbn)

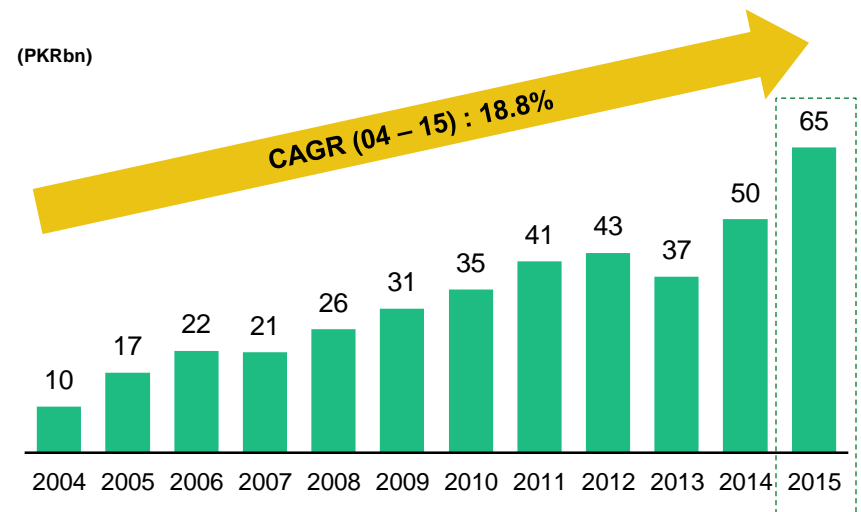


Progress since privatization – Operating results HBL

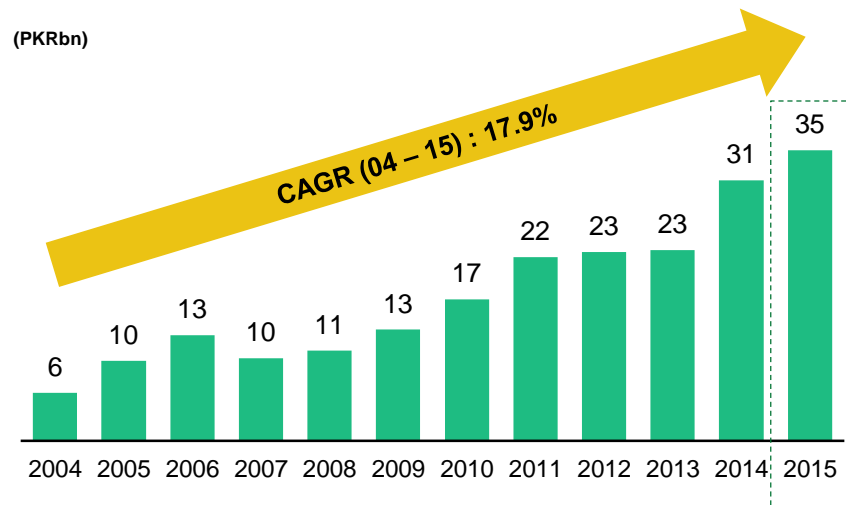
Total Revenue



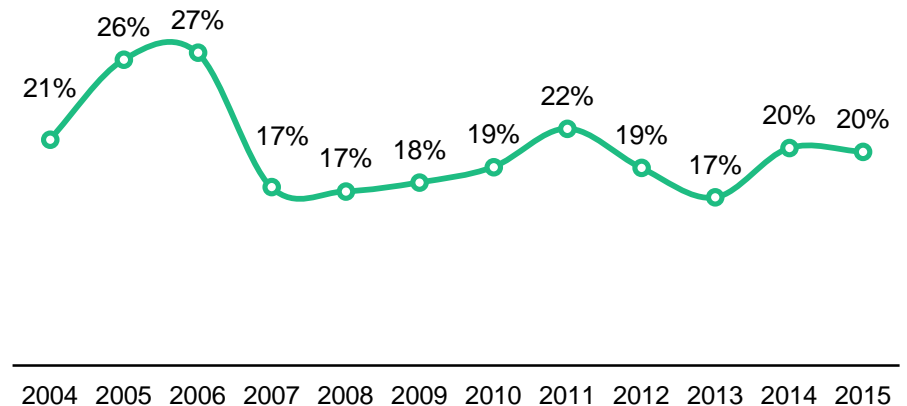
Operating profit



Profit after taxation

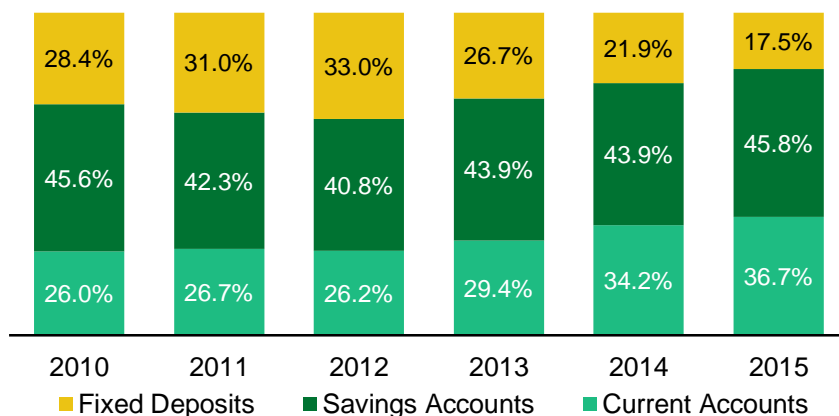


Return on Equity

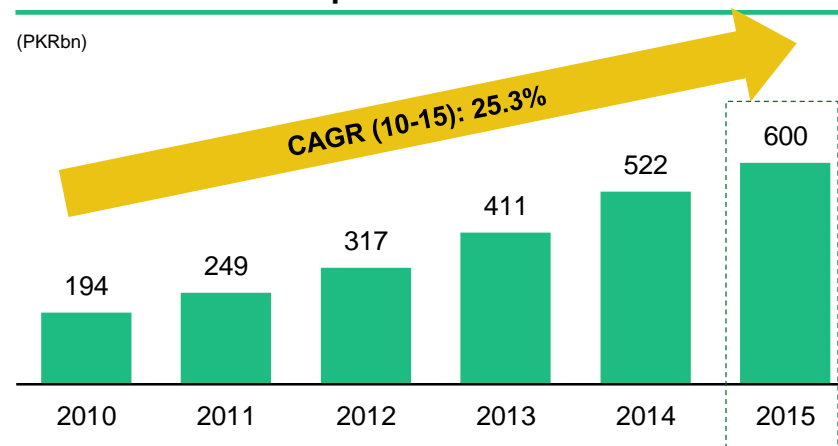


Deposits remain the growth engine

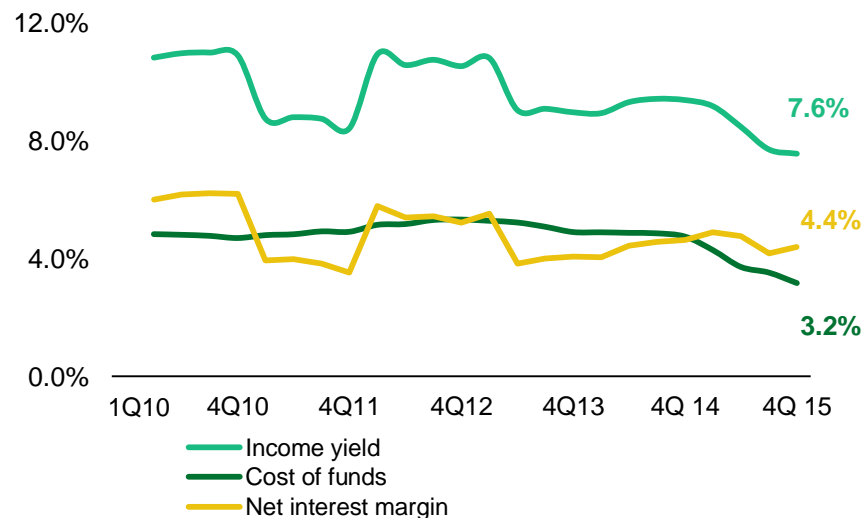
Deposit composition



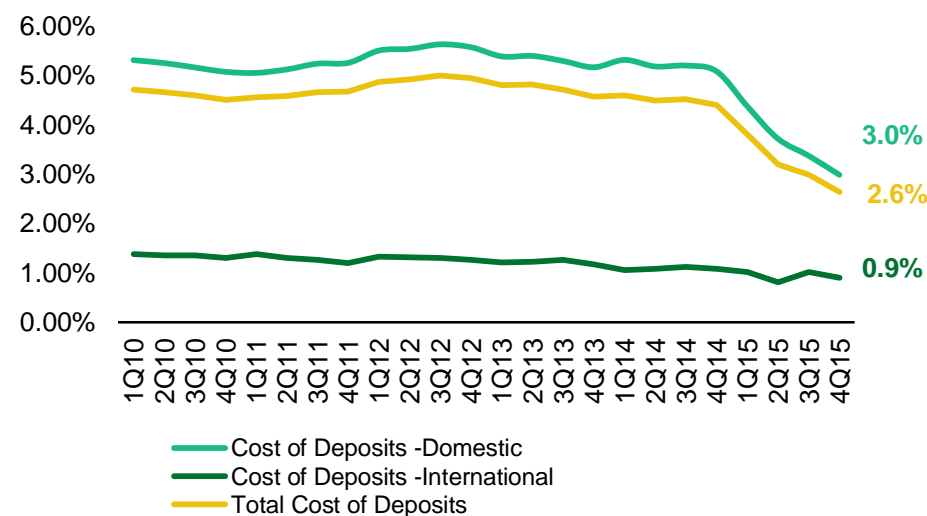
Growth in current deposits



Net interest margin⁽¹⁾

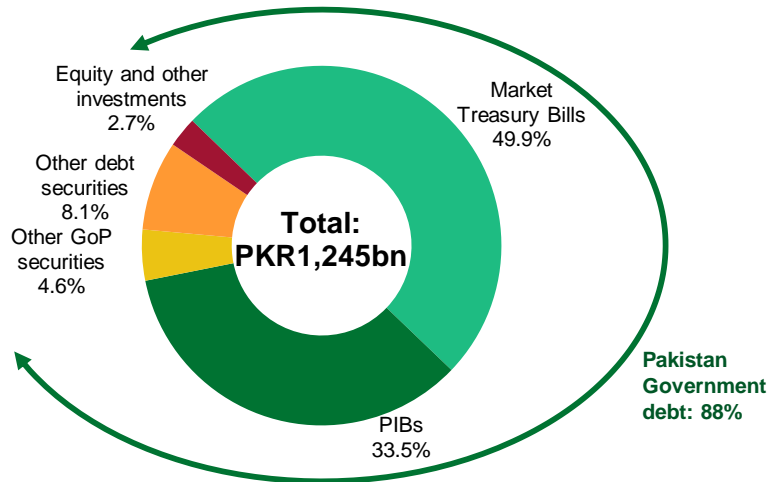


Cost of deposits

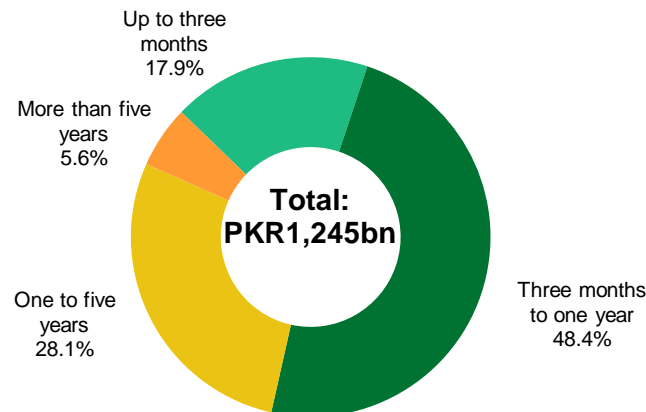


(1) Income Yield = (Interest Income + Investment Income) / Net Earning Assets.
Cost of Funds = Interest Expense / Total Liabilities.
Net Interest Margin = Income Yield – Cost of Funds.

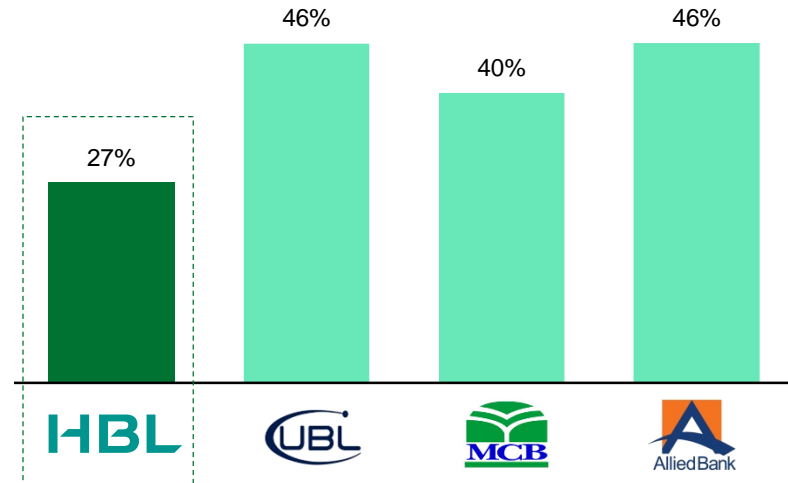
Split of investment by type



Split of government and other debt securities by maturity



PIBs vs Total deposits

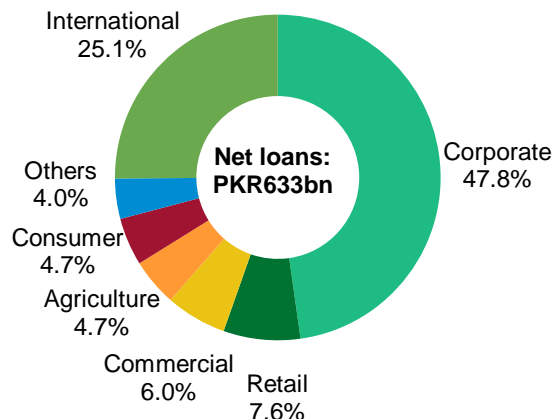


Increasing investments in PIBs

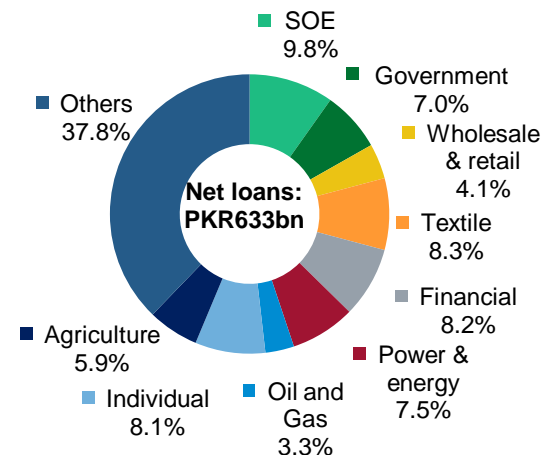
- GoP securities have historically remained an attractive investment due to their spread over the cost of deposits.
- Since 2013, banks have been building their PIB portfolios in anticipation of falling interest rates. This has helped to alleviate the severe spread compression.
- HBL has the lowest relative PIB holdings due to conservative market risk limits.

A diversified loan portfolio...

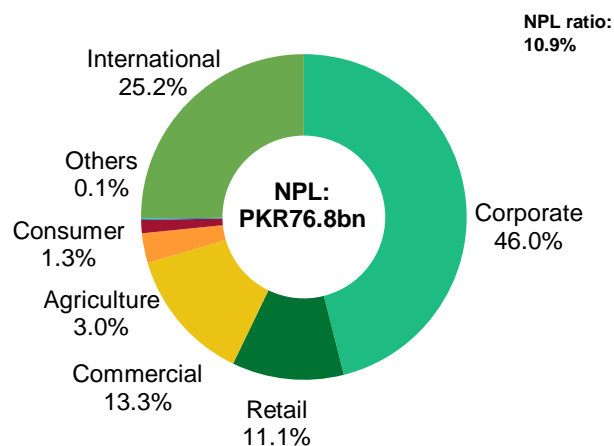
Loan portfolio composition by line of business



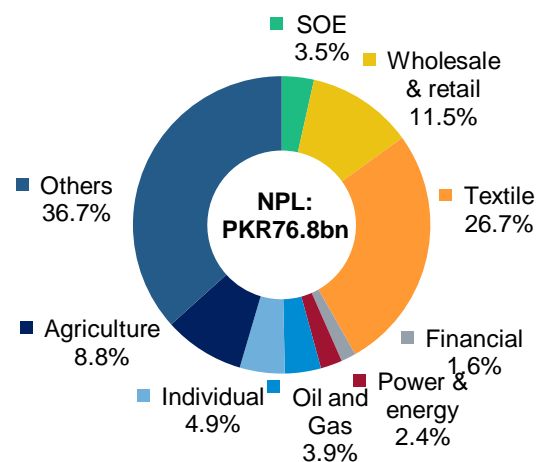
Loan portfolio composition by industry segments



NPL composition by line of business

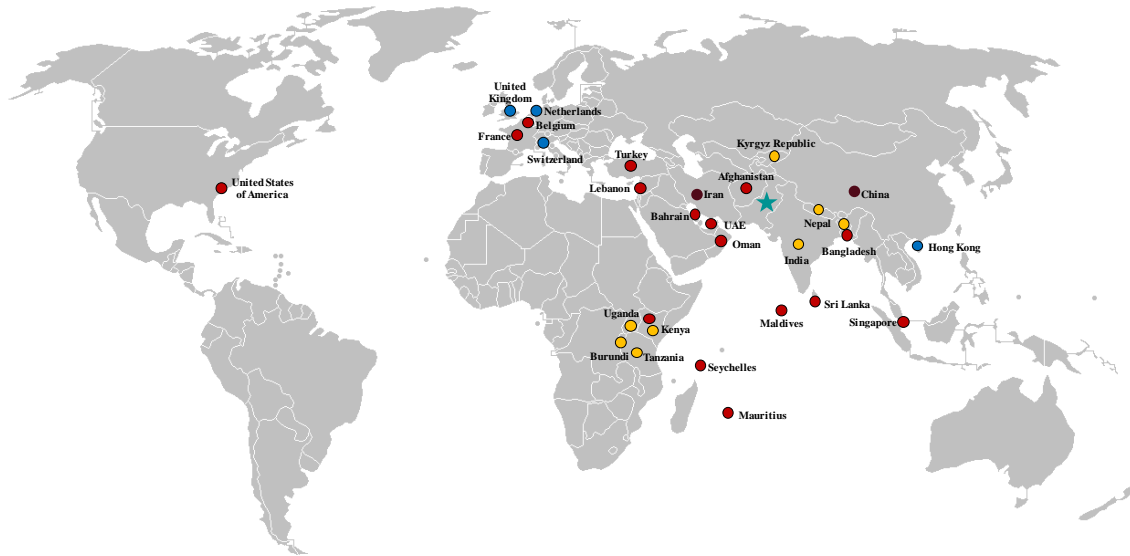


NPL composition by industry segments



Large and diversified international presence which is unique among regional peers

International footprint

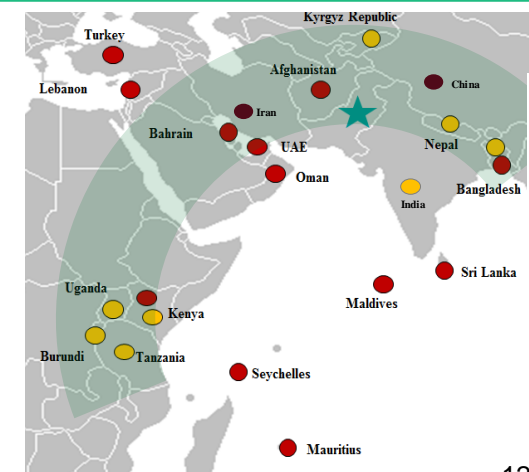


- Direct presence in 22 countries
- Network of 65 branches⁽¹⁾
- Presence in key financial hubs; London, New York, Brussels, Singapore, Dubai and Hong Kong
- Presence in 6 countries through associates and related entities

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

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:
 - Remittances
 - Trade finance
 - Investment banking
- First Pakistani bank to have applied for a banking license in China. Branch expected to be operational by end of 2016



(1) Includes branches of HBL's subsidiaries.

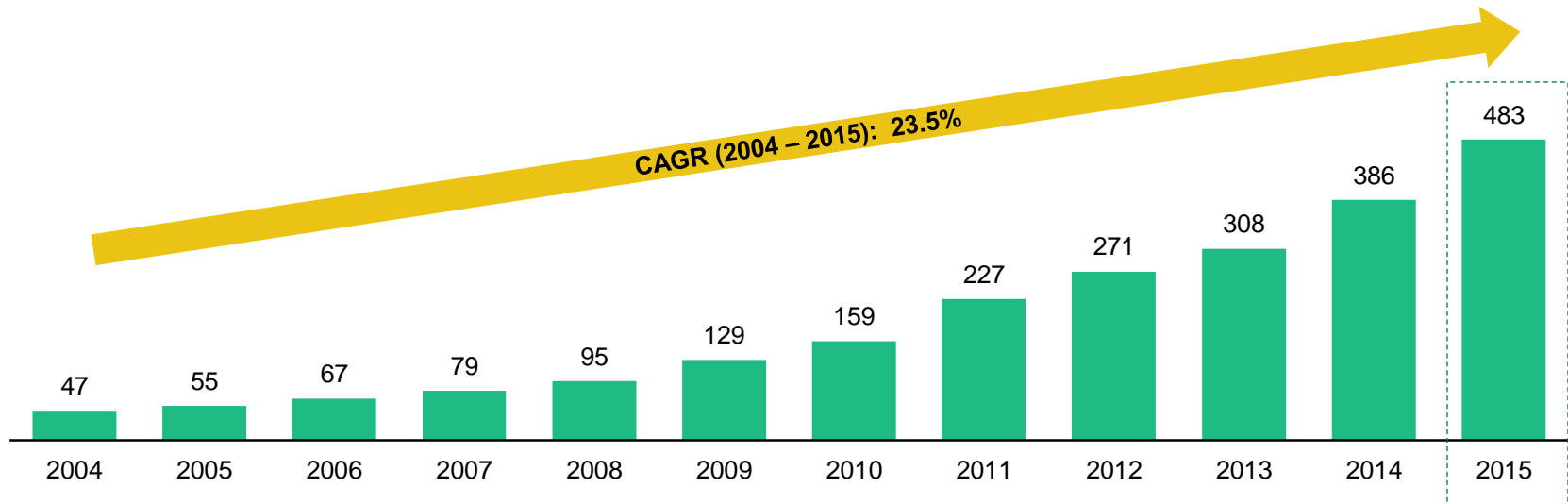
Strategic development area for the bank

Well positioned to serve a growing remittance market

Pakistani remittance market

- International remittances form the mainstay of Pakistan's Balance of Payments with double digit growth over the last several years
- In the 7 months of FY16, overseas workers remitted more than US\$11bn back to Pakistan, up 6% year-on-year
- Of this amount, the leading source nations are Saudi Arabia (30%), UAE (22%), USA (14%) and UK (13%)
- Given its strong international network, HBL is well placed to serve the home remittance market and as of Dec'15 had a 24.0% (Dec'14 22.5%) market share
- Home remittances provide a plethora of opportunities for cross-selling (deposits, loans etc.). Banks are also incentivized by the SBP for remittances channeled through their counters.

HBL home remittance volumes (2004 – 2015), PKRbn



Strong investment in technology underpins commitment to the future

1

Investing in building house capability for development of customer facing solutions that are required to meet fast changing customer requirements and evolving business models

2

Continuous investment in strong relationship management with existing Global vendors

3

Increasing investment in technologies to enable increased level of Digitization of processes and products

4

Investment decisions in major technology solutions to be guided by the principle of “Appropriate” technology at the right price instead of aiming for the “cutting” edge technology at a significant premium which may not be relevant to the maturity level of our markets

5

I.T Governance structure being revamped to make it more responsive to the fast evolving needs and new business models

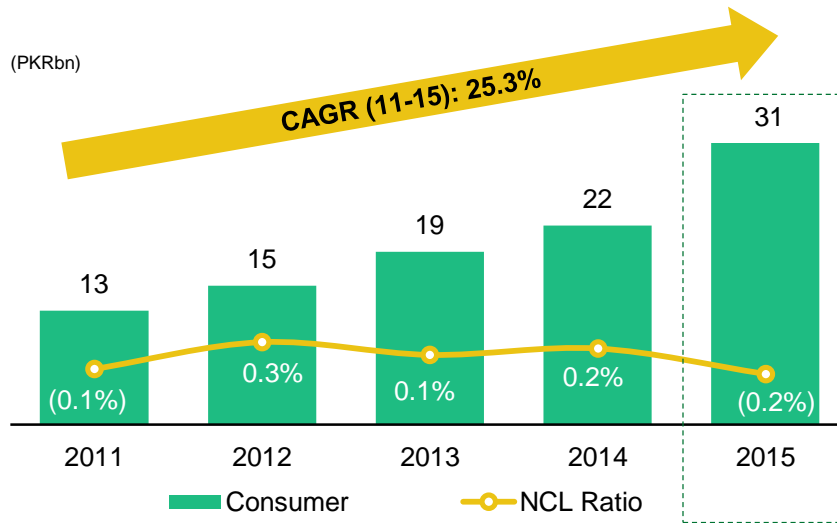
6

A very strong focus on building “Mobile” based solutions for various customer segments

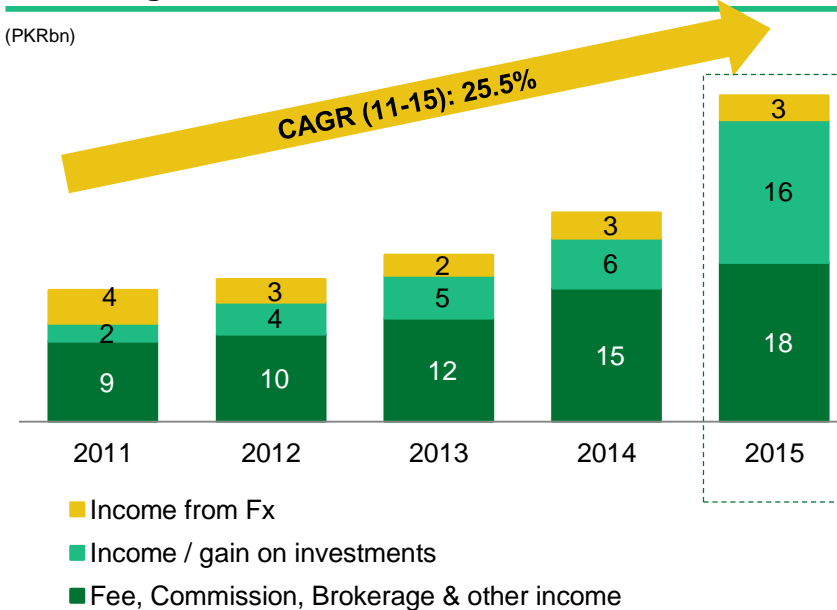
Strategic initiatives to continue driving growth



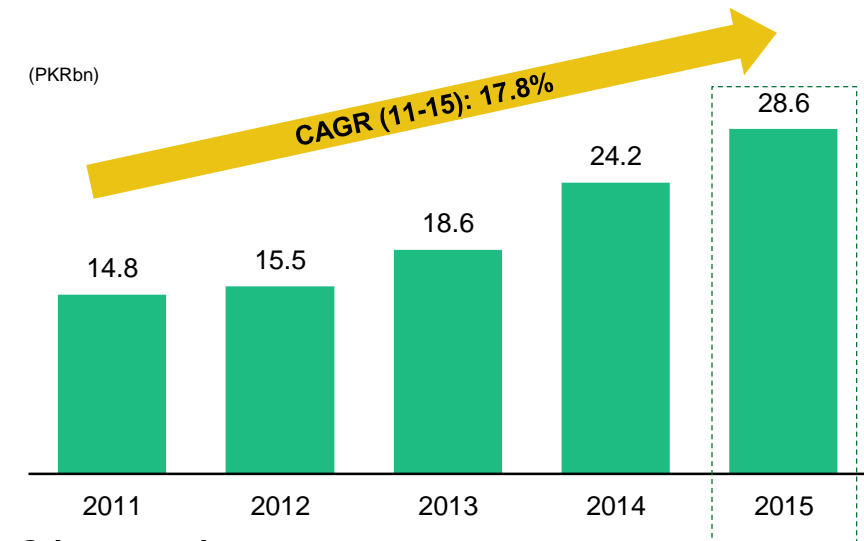
Growth in Consumer Lending



Increasing fee and other non-interest income



Growth in Agricultural Financing



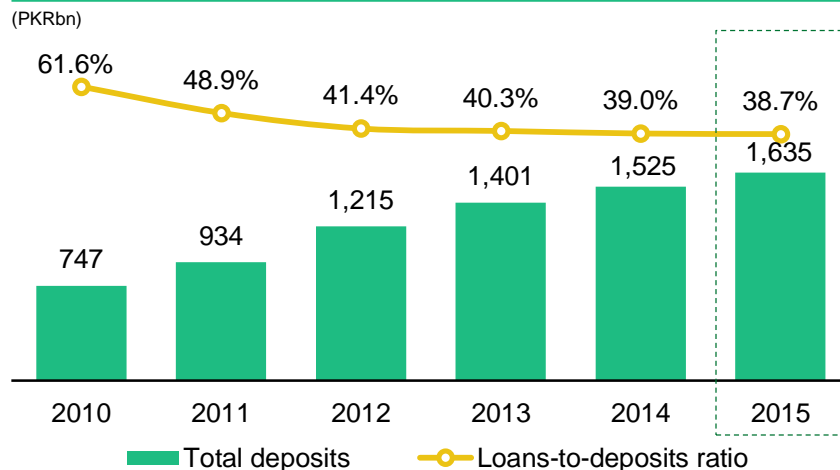
Other growth vectors

- Drive growth in agricultural / rural lending through unique sales force of Agriculture Field Officers. Expand product range to cover entire value chain.
- Launch a unique product offering for women and women-owned businesses, to improve their access to financial services
- Enhance cross-sell of savings and investment products as fee driver:
 - Bancassurance where we have market leadership with estimated 45% share
 - Asset management – acquisition of PICIC AMC will double AUMs
- Enter microfinance space through acquisition of First MicroFinance Bank
- Strengthen and fully leverage international network. Grow regional presence by investing in local brands (DTB, KICB, Himalayan Bank)

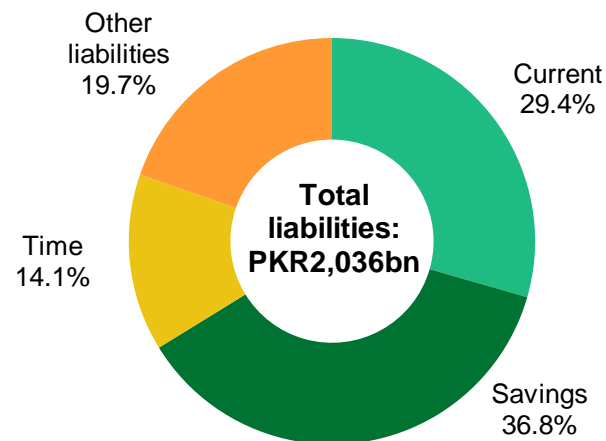
Strong balance sheet with ample liquidity, high capitalization and conservative risk management



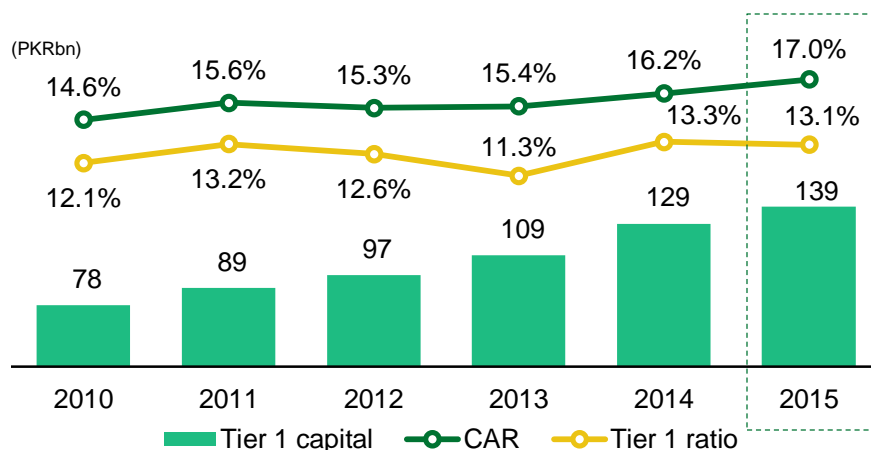
Strong deposit growth



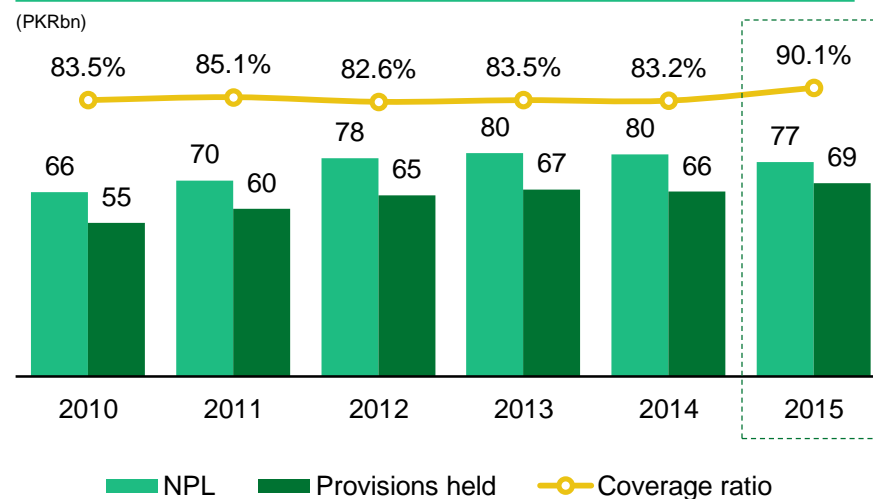
Liabilities composed mainly of sticky deposits



Robust capital base...



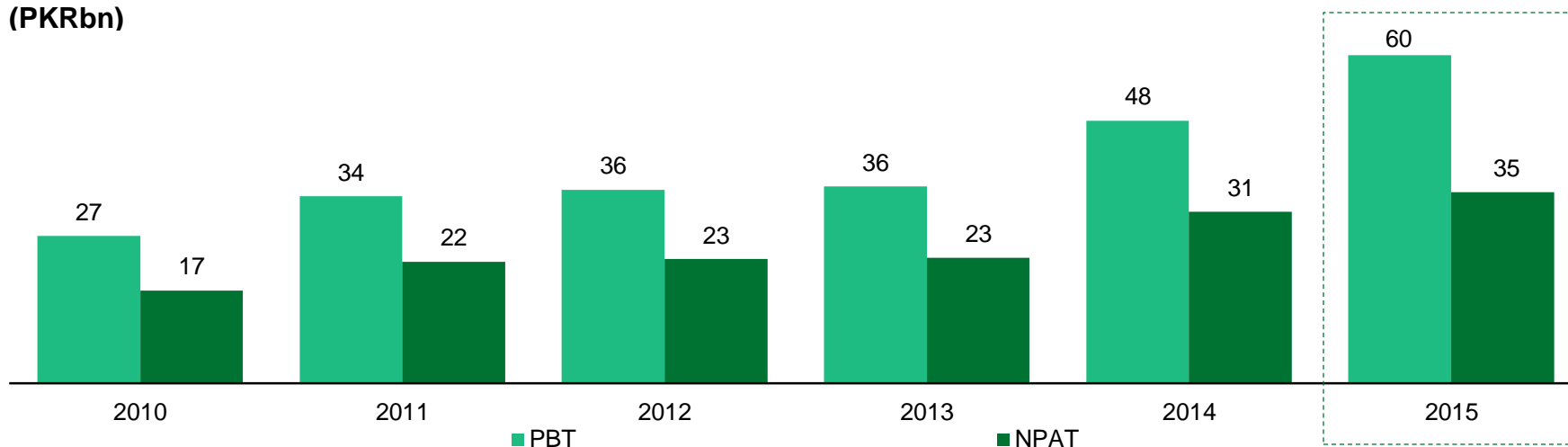
Conservative risk management practices



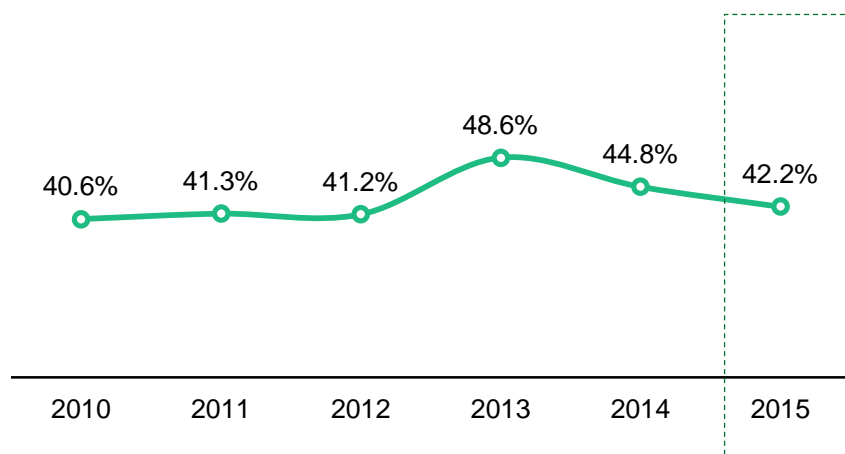
Delivering consistently strong profitability

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

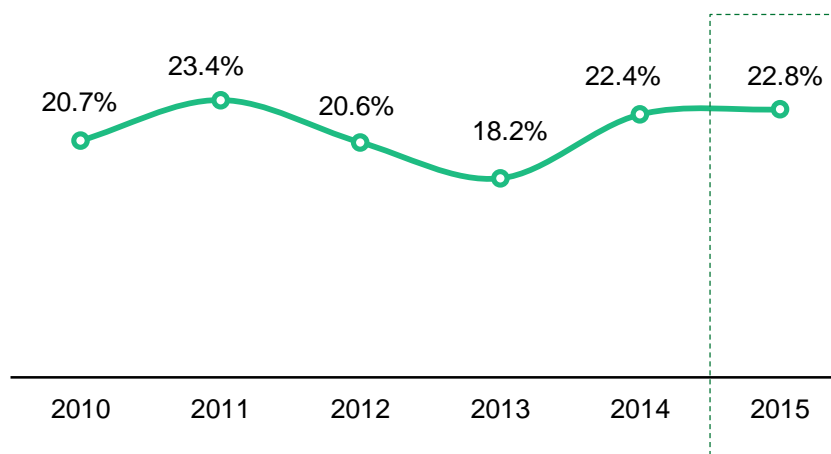
(PKRbn)



Cost to income ratio



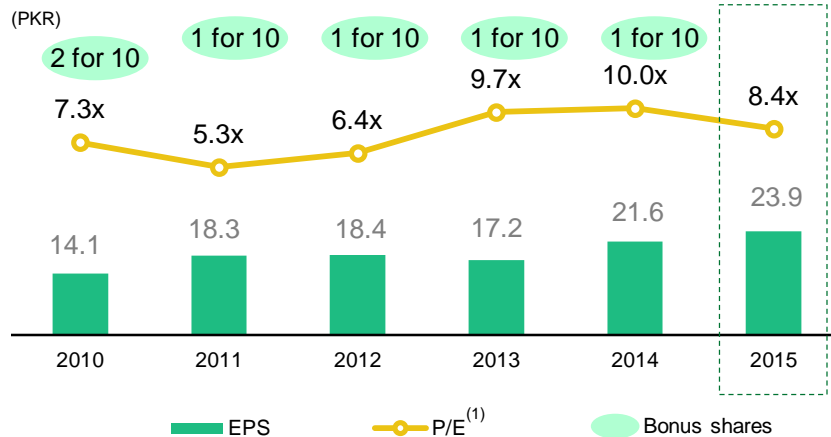
Return on Equity⁽¹⁾



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

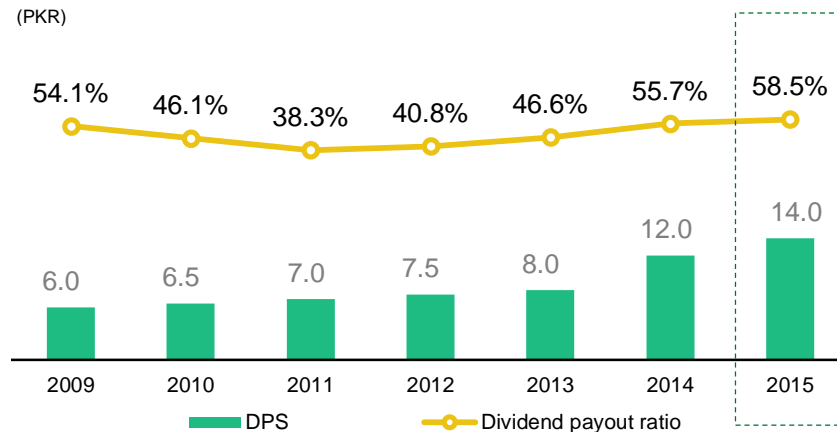
Strong earnings and dividends

Strong set of earnings even with bonus shares issued



- HBL's net profit has grown at a CAGR of 11% from 2010 to 2015
- The return on equity and return on assets for HBL were 22.8% and 1.7% respectively for 2015 vs 15.7% and 1.5% respectively for the Pakistani banking sector

Growing dividend payments



- The Board will determine future dividend payments while striking a balance between:
 - ensuring that sufficient capital is available for HBL to achieve its strategic objectives and
 - providing shareholders with an attractive return on investment

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

Appendix

Consolidated balance sheet



 (PKR Mln)					
	2010	2011	2012	2013	2014	2015
Assets						
Cash & Bank Balances	119,053	150,749	205,210	192,818	202,562	207,721
Lending to Financial Institutions	30,339	41,581	24,828	35,271	34,314	44,318
Investments	254,909	418,604	797,095	826,062	922,691	1,244,887
Advances	459,750	457,368	499,818	563,700	595,295	633,383
Others	60,649	71,253	83,523	97,419	109,756	88,114
Total Assets	924,700	1,139,555	1,610,474	1,715,270	1,864,618	2,218,423
Liabilities						
Bills payable	9,775	13,895	18,943	19,422	21,990	28,082
Borrowings	40,460	39,474	196,588	107,864	103,411	314,319
Deposit and other accounts	747,375	933,632	1,214,964	1,401,230	1,524,645	1,634,944
Sub-ordinated loans	4,282	5,036	5,441	2,633	-	10,000
Other liabilities	26,557	37,931	41,809	41,687	44,977	48,458
Total liabilities	828,449	1,029,968	1,477,745	1,572,836	1,695,023	2,035,803
Shareholders' equity						
Share capital	10,019	11,021	12,123	13,335	14,669	14,669
Reserves	76,823	89,126	106,594	117,299	132,265	143,684
Equity attributable to the bank	86,842	100,147	118,717	130,634	146,934	158,352
Non controlling interest	1,213	1,236	1,227	1,886	1,185	1,692
Surplus on revaluation of assets - net of deferred tax	8,196	8,204	12,785	9,914	21,476	22,576
Total equity	96,251	109,587	132,729	142,434	169,595	182,620

Consolidated statement of profit and loss



	(PKR Mln)					
	2010	2011	2012	2013	2014	2015
Mark-up/ return/ profit/ interest earned	81,325	98,580	116,773	120,605	137,416	144,232
Mark-up/ return/ profit/ interest expensed	34,330	42,182	59,012	65,207	68,833	66,064
Net mark-up/ profit/ interest income	46,995	56,398	57,761	55,398	68,583	78,169
Non mark-up/ interest income						
Fee, commission, brokerage and other income	8,041	8,971	9,794	11,561	14,951	17,832
Income / gain on investments	1,380	2,021	3,566	4,846	5,627	16,002
Income from dealing in foreign currencies	3,189	3,756	2,568	2,299	2,847	2,749
Total non mark-up / interest income	12,611	14,748	15,928	18,706	23,425	36,584
Total income	59,606	71,146	73,689	74,103	92,008	114,753
Non mark-up/ interest expense						
Administrative expenses	24,253	29,372	30,381	36,110	41,254	48,400
Other expenses	700	743	733	744	973	1,312
Total non mark-up / interest expenses	24,953	30,114	31,114	36,854	42,227	49,713
Profit before tax and provisions	34,653	41,032	42,575	37,249	49,781	65,040
Net provisions	7,613	6,711	7,013	1,115	1,531	4,754
Profit before tax	27,040	34,321	35,562	36,134	48,250	60,286
Taxation	10,006	11,988	12,770	13,106	16,768	25,185
Profit after tax	17,034	22,333	22,792	23,027	31,483	35,102

Net Advances (By Line of Business)



PKR Mln

Group	31-Dec-14	%	31-Dec-15	%
Corporate	299,244	50%	302,539	48%
Retail (excluding Agriculture)	44,406	7%	48,334	8%
Commercial	32,003	5%	38,247	6%
Agriculture	25,190	4%	29,929	5%
Consumer	21,742	4%	30,026	5%
Others (Islamic&FI)	13,510	2%	25,344	4%
Domestic	436,095	73%	474,418	75%
International banking	159,200	27%	158,965	25%
Bank	595,295	100%	633,383	100%

US\$ Mln

International banking	31-Dec-14	%	31-Dec-15	%
Gulf	795	50%	890	59%
South Asia	112	7%	116	8%
UK / Europe	375	24%	275	18%
Others	302	19%	237	16%
International banking	1,584	100%	1,518	100%