

HBL Islamic Banking

HBL

ISLAMIC BANKING
اسلامک بینکنگ

Modern Islamic banking can be traced back to the 1980s

1980s – Initial Attempt
Attempt at full scale conversion
Mandatory conversion
Rigid and standardized approach
Lack of clearly defined Shariah mechanism

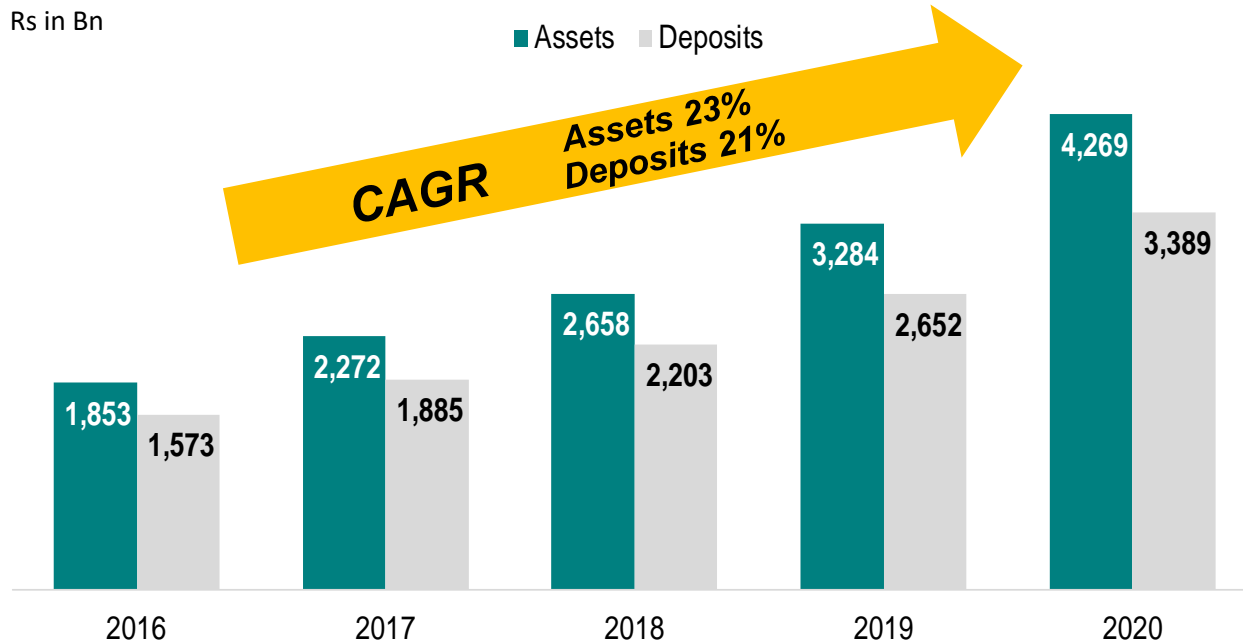


*Modern Islamic Banking
Parallel and gradual conversion approach
Market driven
Flexible approach
Comprehensive Shariah compliance in place

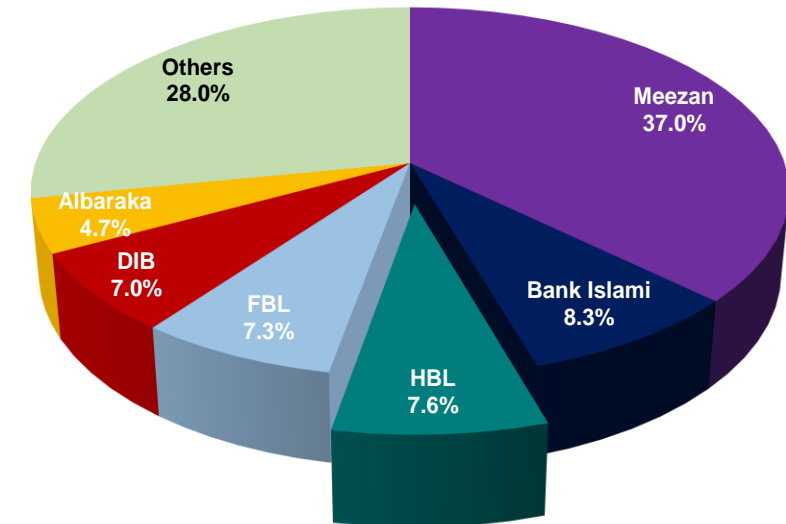
Industry Assets & Deposits

Rs in Bn

■ Assets ■ Deposits

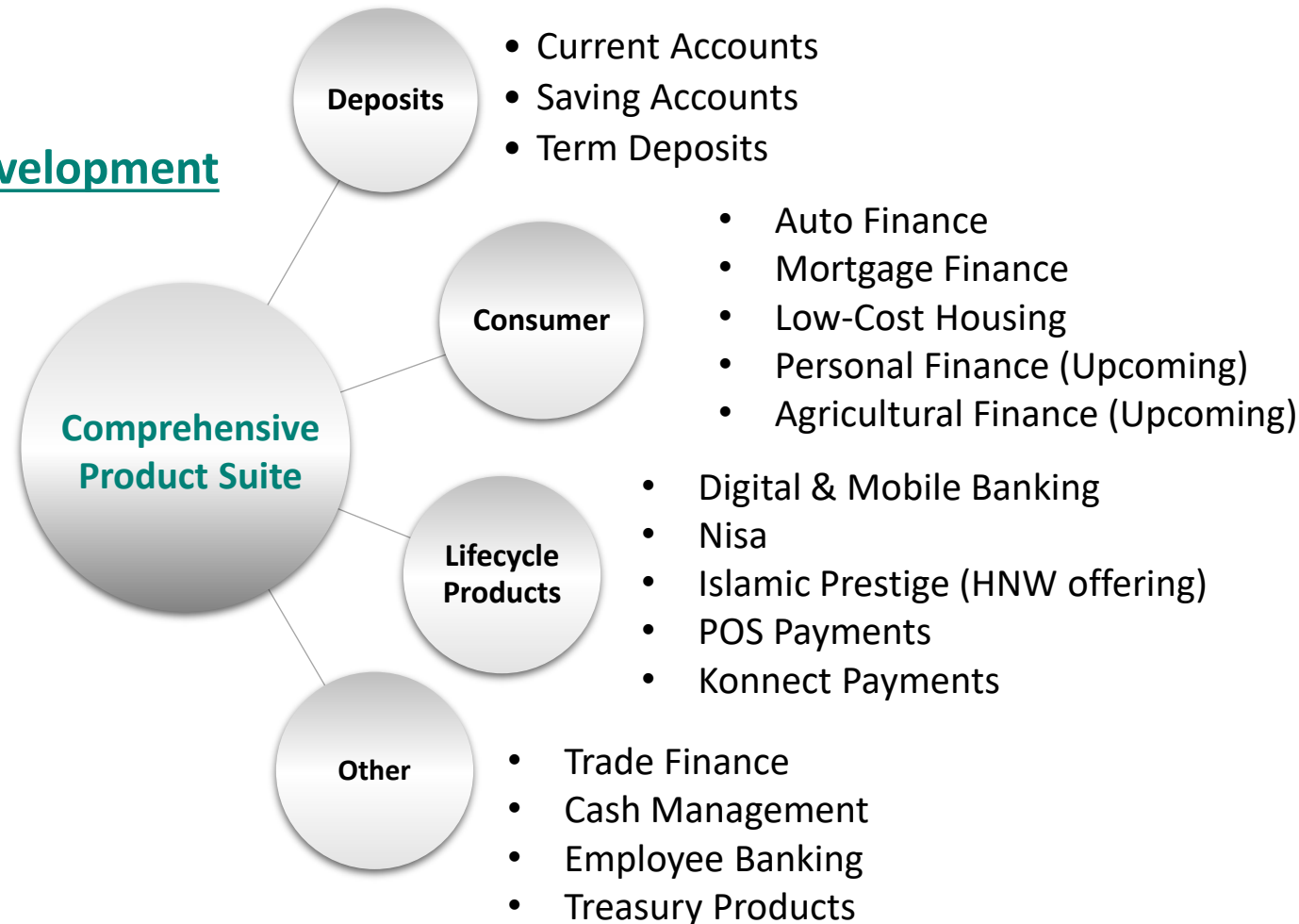


Islamic deposit market at Rs 3.4 Tn, 18.3% of total sector



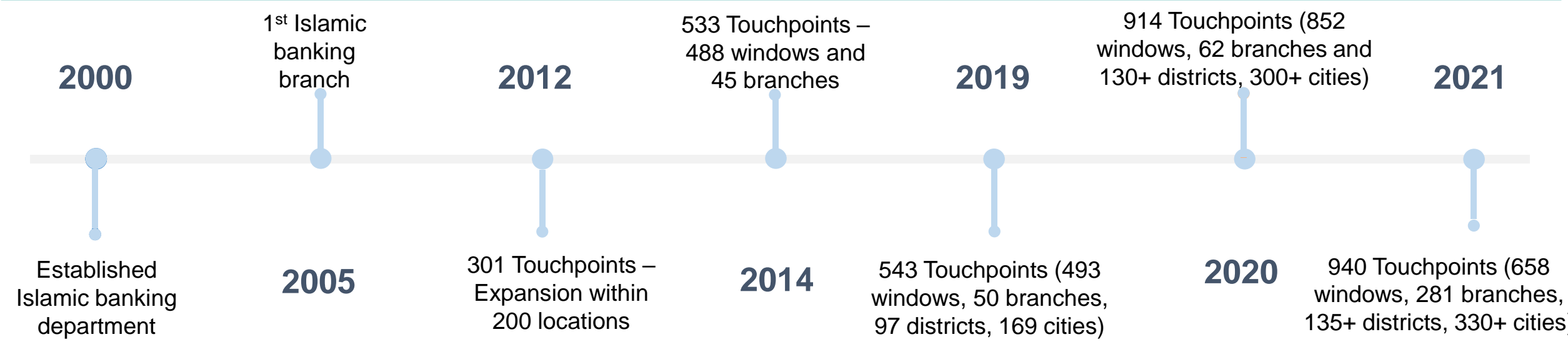
- In 2019, HBL Islamic Banking shifted its strategy from being a “Product” offering to being a client-led business with a complete banking solution across all segments.
- Retain existing & grow new relationships by providing a complete banking solution, vs being a booking unit.

Development



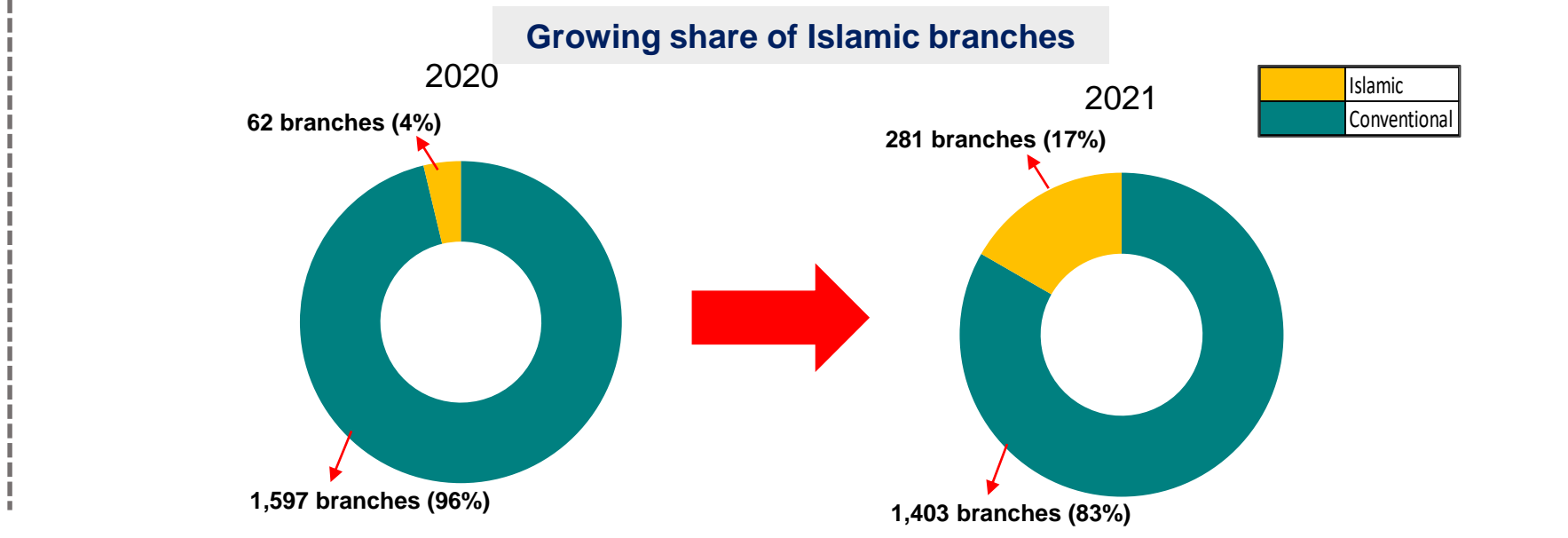
Segments

- Islamic Corporate Banking
- Islamic Commercial / SME
- Retail Banking
- Consumer Finance
- Islamic Treasury



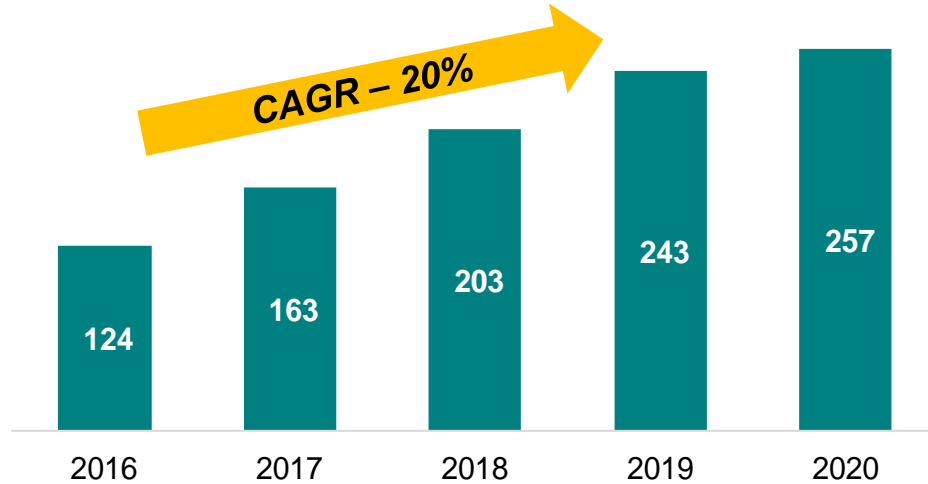
By end 2021, HBL Islamic Banking will have

- 940 touchpoints, maintaining the largest footprint in Pakistan
- The 3rd Largest Branch Network with 281 branches
- Presence in 300+ cities

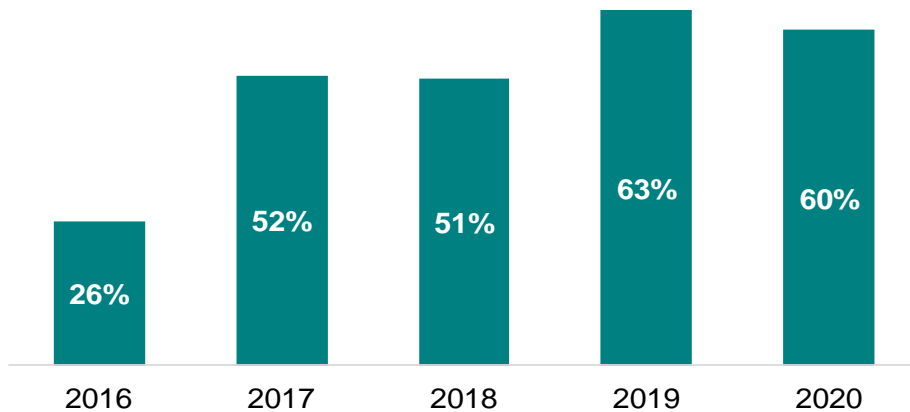


Rs in Bn

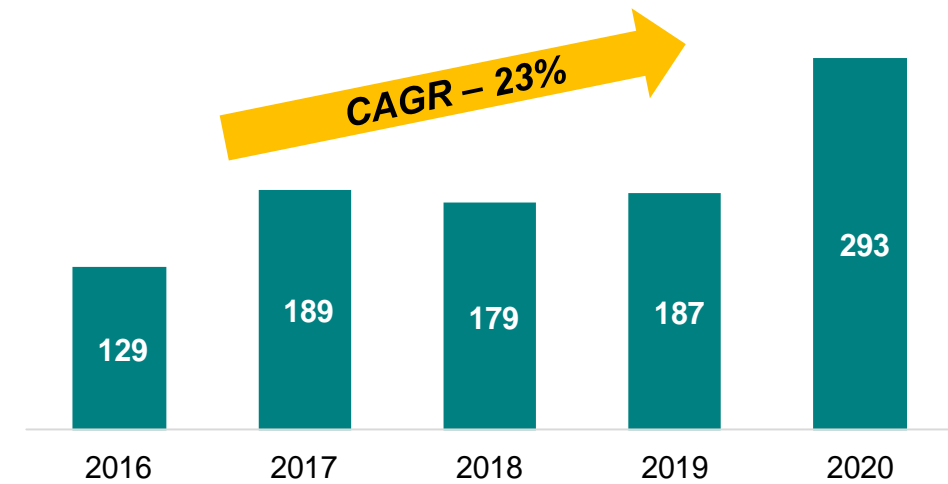
Deposit base



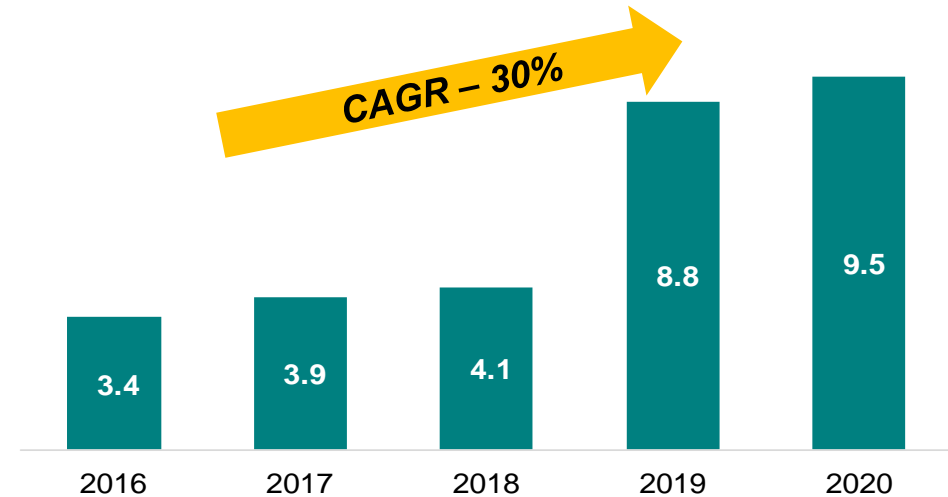
Advances to Deposits ratio



Financing and Investments

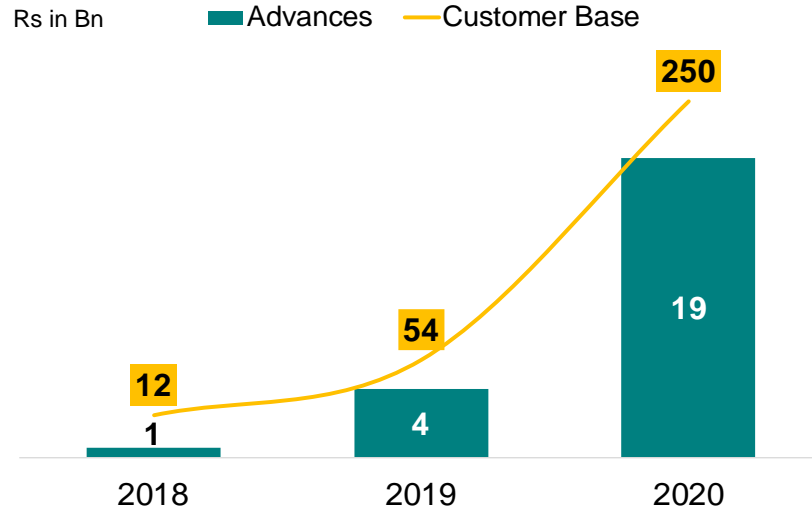


Profit before tax



Commercial and SME

Rs in Bn

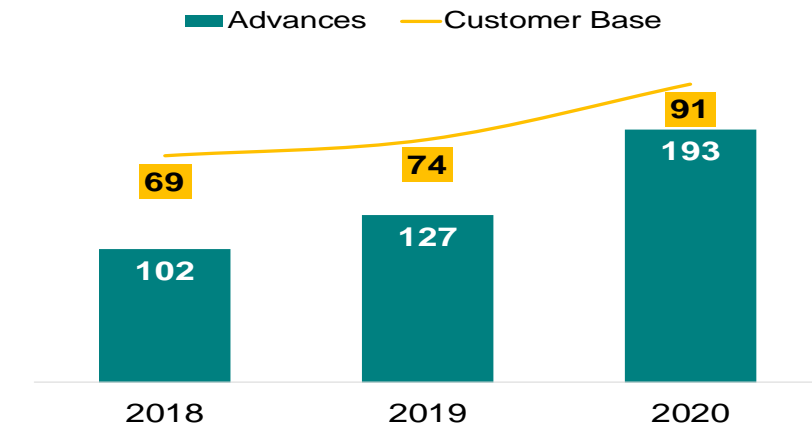


- Renewed focus on Commercial and SME.
- 70+ customers in the pipeline for 2021.
- Focus on trade led to 4x growth, with volumes reaching US \$ 154 M.
- One window solution for employee salary disbursements, cash management, foreign exchange portal.

Expanding coverage

New Centers	Coverage
KATI	SITE industrial area
JLI	South Karachi
Multan	South Punjab
Lahore	Upcoming
Islamabad	

Corporate



- In 2020, Trade volumes nearly doubled, to \$ 195 Mn .
- One window solution for employee salary disbursements and cash management solutions.

Consumer financing

Achievements – Dec'20

- 1 Mortgage loan disbursements of Rs 2.1 Bn.
- 2 Auto finance disbursements of Rs 1.2 Bn.

Upcoming launch of new consumer products such as Islamic personal finance, credit card.

Consumer Finance

Mortgage

HBL promoting mortgage & construction finance through Islamic Banking.



For the First Time in Pakistan, fixed rate home financing for up to 20 years.

- YTD Apr-21 business PKR 567M
- Last year business PKR 1,470 M

HBL Islamic - Low-cost housing (LCH) scheme

LCH provides home finance to low-income individuals at affordable rates.



Disbursements of over Rs 100 Mn since launch in Jan'21 (Industry Rs 1.3 b)

- HBL Islamic is facilitating the LCH scheme in every district of Pakistan through its network of 914 touchpoints .
- 2,400 applications valued at Rs 6 Bn, 12% of total industry

Roshan Digital Account (RDA)



2,300+ A/Cs with total inflows of \$ 23.3M since launch in Sep'20

Dedicated Relationship Managers are facilitating customers across channels, segments & geographies in Pakistan.

HBL Islamic banking has consistently taken steps to ensure best-in-class banking services

Work in Progress / Building Block
for Subsidiary

Brand
Identity

- Building a brand identity through above-the-line marketing, TVC launched 2020 with the tag line “For a Balanced Life”.

Product
Suite

- At par with the Islamic banking industry as well as with conventional banking
 - Transactional & Employee Banking
 - Branchless Banking (Islamic Konnect)
 - Digital Auto Finance (upcoming);
 - Credit Card (upcoming)
 - Islamic Personal Finance.

Process

- Digitization of processes;
- Digital migration of both existing & new customers;
- Islamic Mobile Banking Application

Regulatory and corporate approvals as required
Capital considerations

Determining appropriate brand for the entity enabling us to leverage the HBL brand while remaining an independent legal entity

Successful completion of Islamic branch conversion, currently underway

The refreshed strategy and the progress will prepare us towards the goal of launching a **subsidiary** in the 2022 / 2023 timeframe

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