

Habib Bank Limited
H1'21 performance review

Investor presentation – July 30, 2021

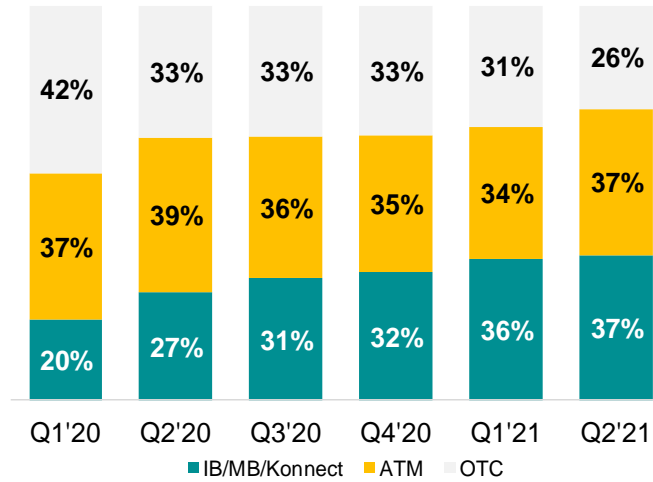
HBL

CONNECTING LIVES DIGITALLY

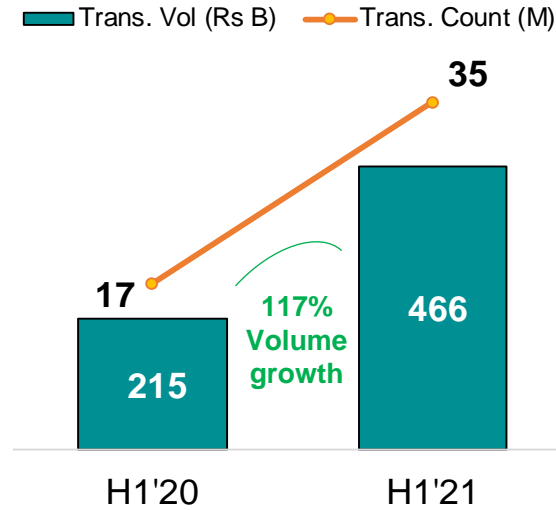


Digital adoption continues to accelerate...

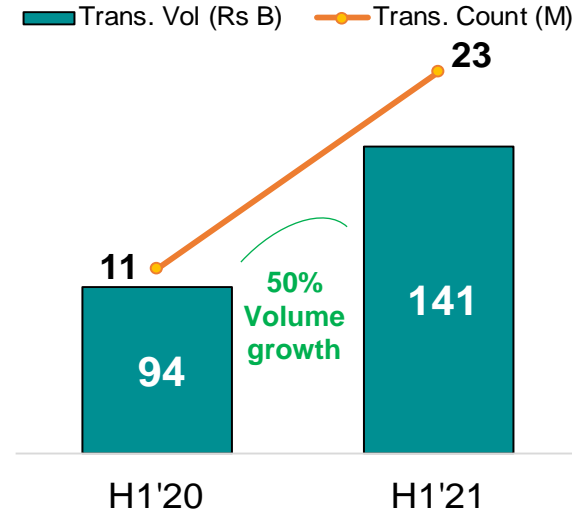
Continued progress towards shifting transactions away from OTC – now at 26%



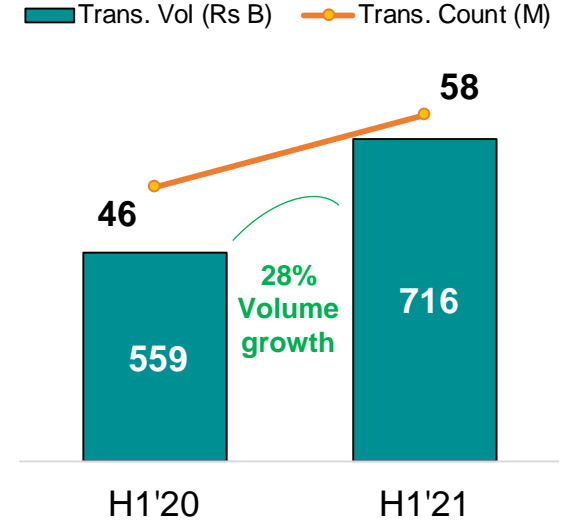
MB/IB – volumes and counts doubling, users topped 2 Mn, mobile app rating: 4.5



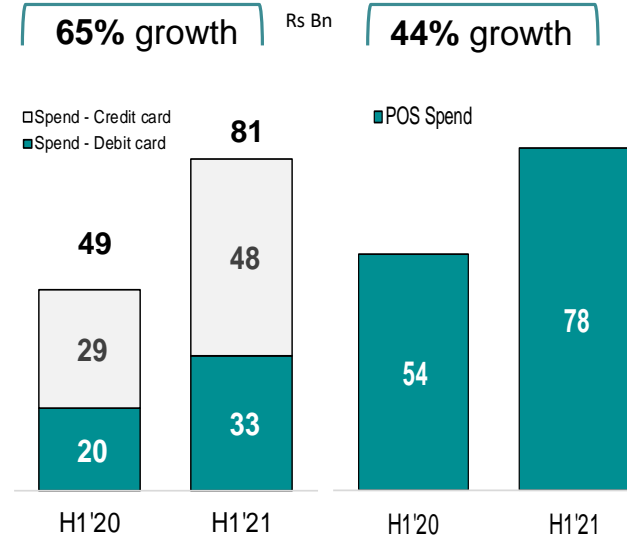
HBL Konnect – App users: 1.9 Mn, volumes up 50%,



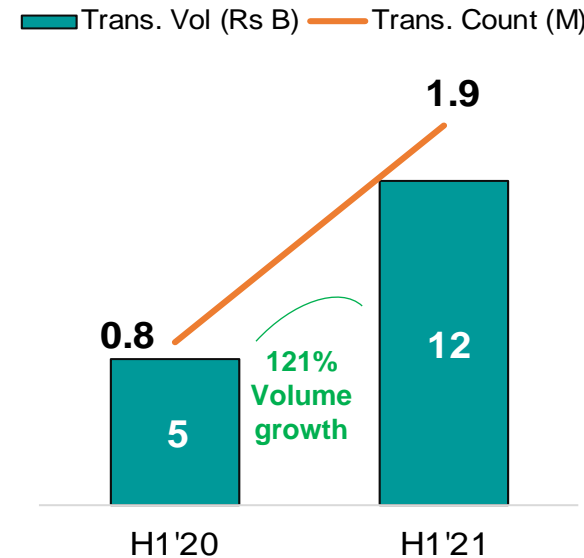
ATMs: volumes and transactions both up 25+%



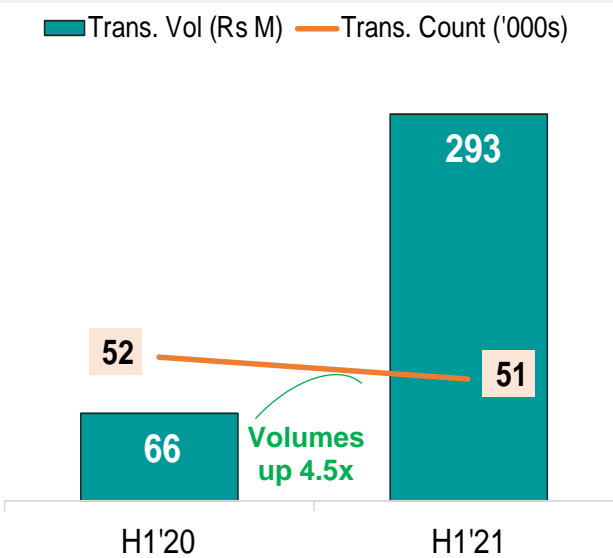
Cards base 5.8 Mn to 6.3 Mn (Credit cards 178k to 213k)



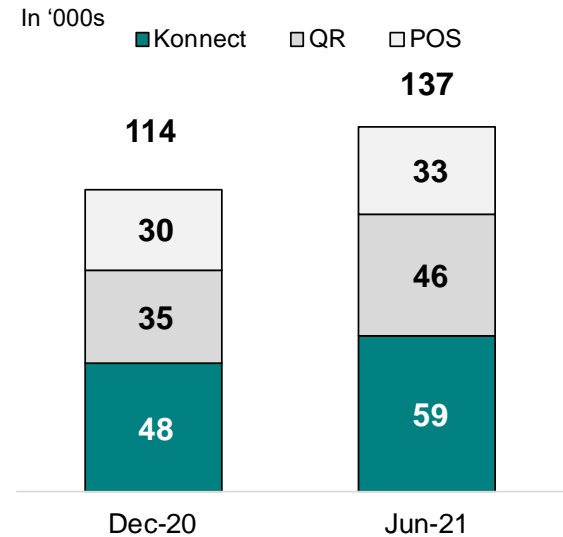
E-commerce usage increasing. Volumes and transactions more than doubled



QR Codes – volumes up 4.5x YoY to nearly Rs 300 M

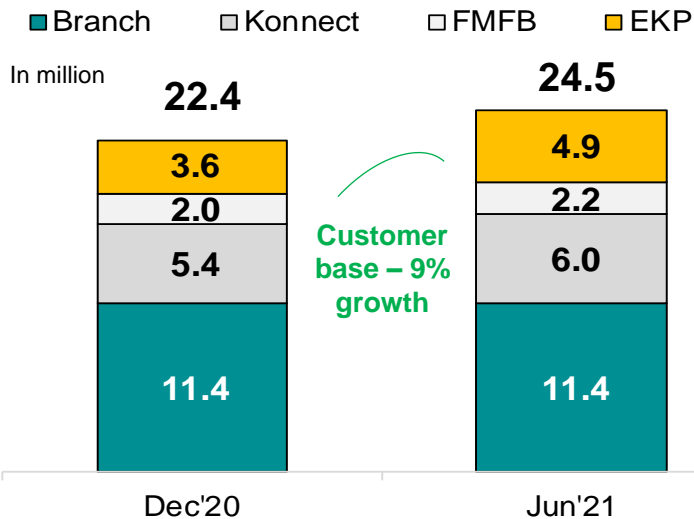


Digital channels – growth of 23k+ over Dec'20 to 140k at Jun'21

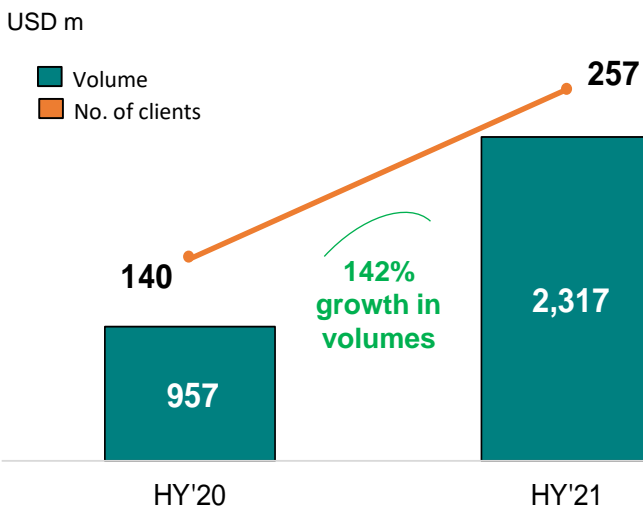


...and the Bank's core franchise continues to deliver on all activity drivers

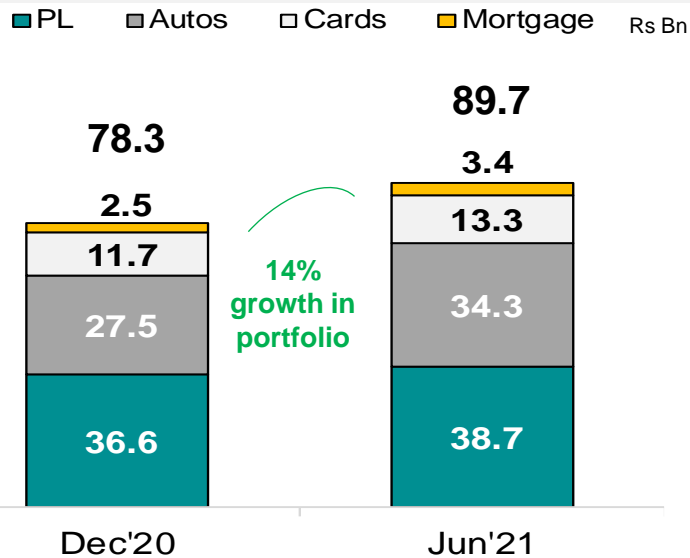
Customer base – added 2.1m customers in 6 months



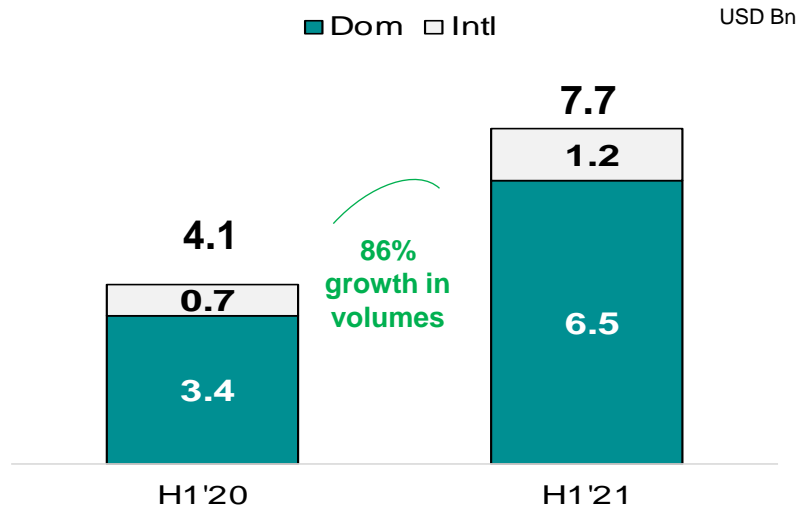
HBL Infinity – Rolled out to 250+ counterparties. Volumes up 2.4x YoY to \$ 2.3b



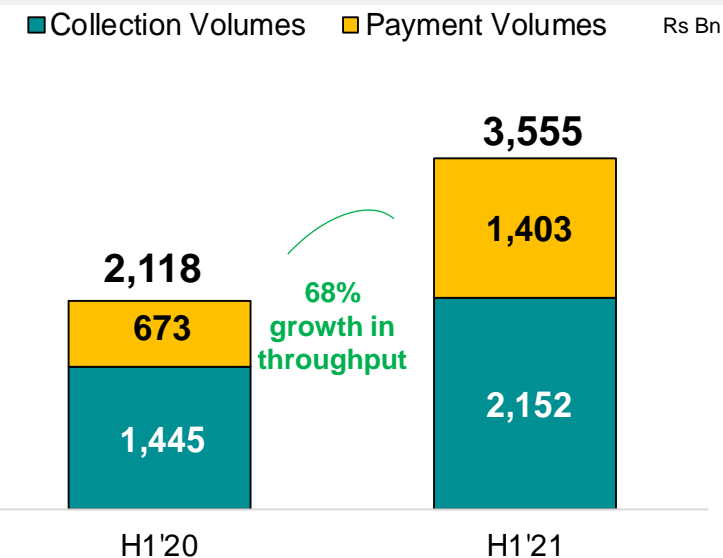
Consumer financing grew by 14% and reached Rs 90 billion, the highest in the industry



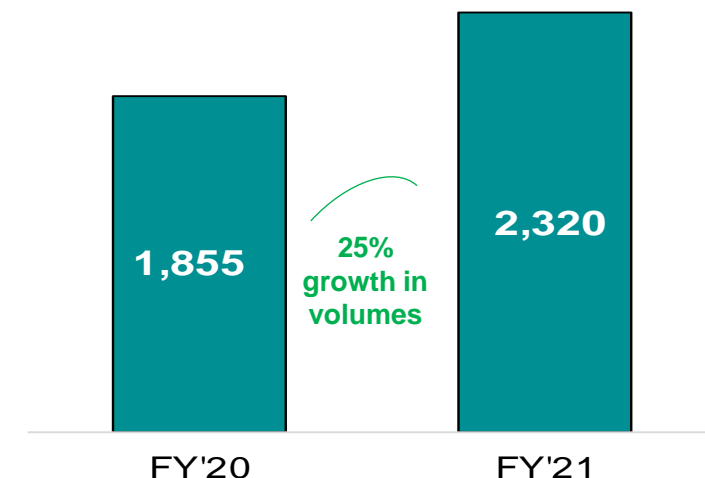
Trade volumes – Dom volumes nearly doubled to USD 6.5B, with market share improving from 9.8% to 12.7% in 6M'21



Cash Management – Collections up 49% to Rs 2.2T, Payments more than doubled to Rs 1.4T



Home remittances – volumes up 25% YoY to \$ 2.3B, Market share at ~8%





Q2'21



EUROMONEY

Best Bank in Pakistan

PDA PAKISTAN
DIGITAL AWARDS

Best Website of the Year
Best Mobile Bank Application
Web Series of the Year – HBLPSL Jang Ki Jeet
Best Digital Payment Processor



Power Deal of the Year
(Punjab Thermal)



Best Influencer
Marketing Campaign – HBLPSL 6



1 Primary Dealer in Government
Securities



Global Diversity & Inclusion Benchmarks Award-
Progressive in Recruitment & Development



2nd Prize for contributing in
achieving USD 1 Bn landmark

Q1'21

ASIAMONEY

Best Domestic Bank in Pakistan

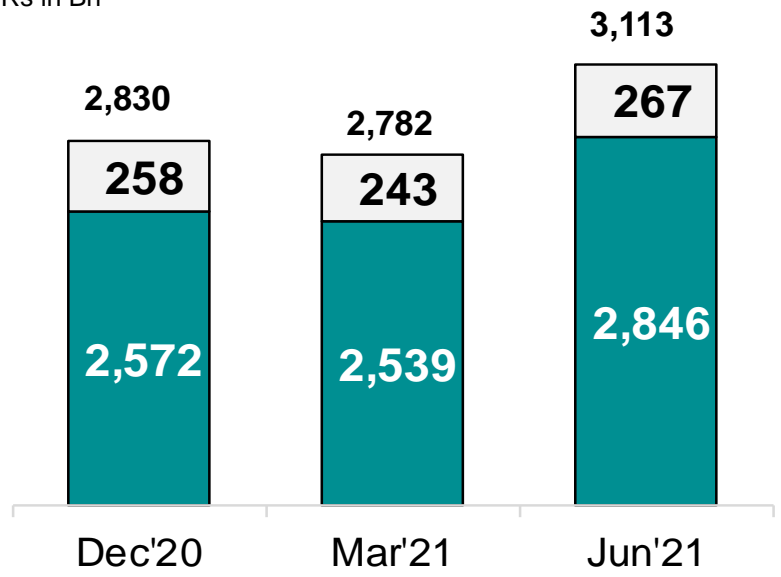


Pakistan Banking Awards
Best Customer Franchise
Best Investment Bank
Best Bank for Small and Medium Businesses

Extraordinary half-year, with broad-based growth momentum

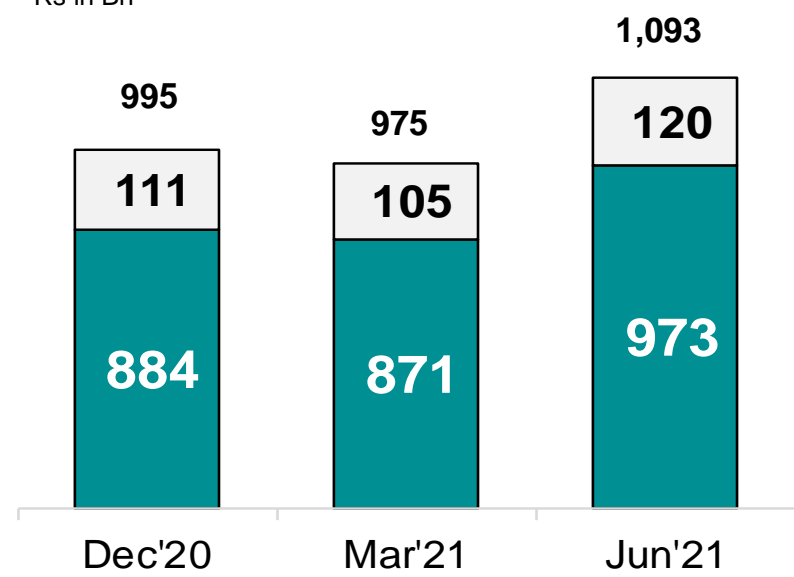
Deposits +10% vs. Dec'20 to Rs 3.1 T

Rs in Bn



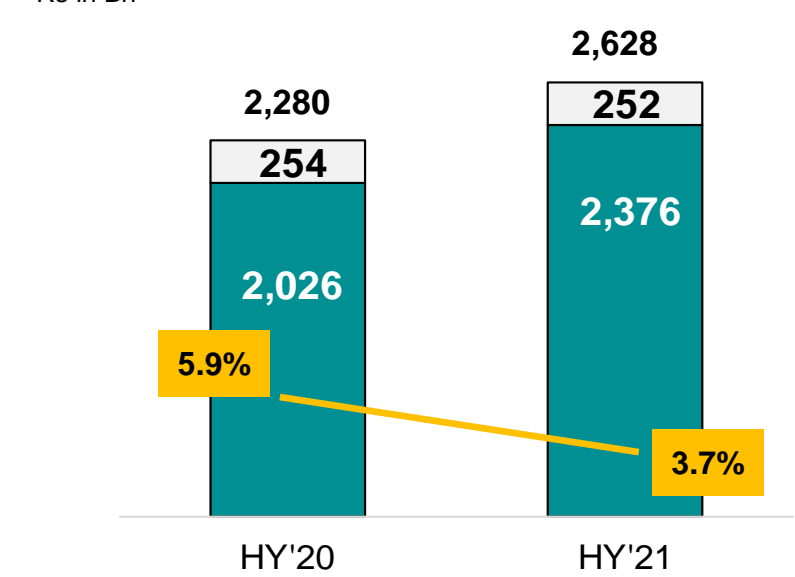
Current deposits up 10% over Dec'20 to Rs 1.1 T

Rs in Bn



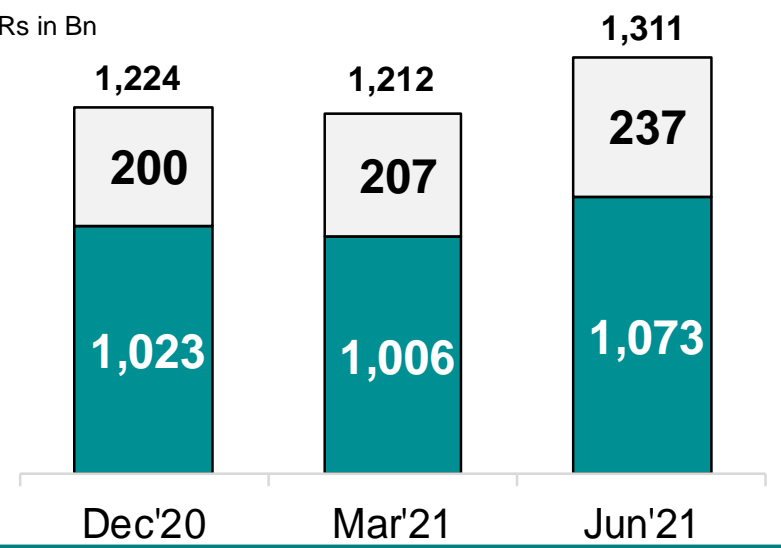
Average deposits – Up Rs 348b (15%) to Rs 2.6 T

Rs in Bn



Advances at Rs 1.3 T, with broad-based growth across segments and geographies

Rs in Bn



Key milestones achieved

- #1 Balance sheet > Rs 4 T.
- #1 Deposit base > Rs 3 T.
- #1 Current accounts > Rs 1 T.
- #1 Domestic advances > Rs 1 T.
- #1 Investment book > Rs 2 T.

Results Summary

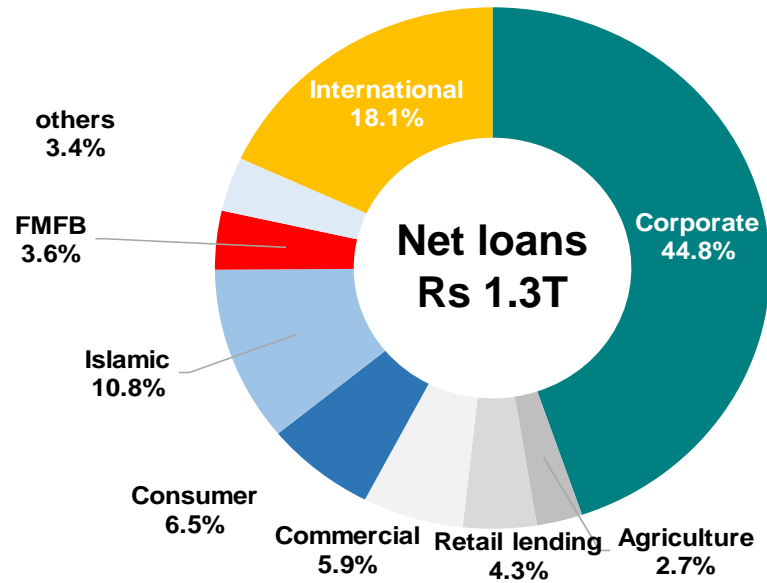
Particulars - Rs in Mn	H1-21	H1-20	Var%
Net Interest Income	64,863	63,075	3%
Fees and Commissions	11,778	8,900	32%
Treasury related NFI	2,490	2,621	-5%
Affiliates Income	1,236	1,227	1%
Other Income	416	97	328%
Core NFI	15,920	12,845	24%
FX reval on open position	208	(2,908)	107%
Capital gains	1,482	6,707	-78%
Total NFI	17,609	16,644	6%
Gross Revenue	82,472	79,719	3%
Admin Expenses	(46,851)	(47,672)	2%
Total Expenses	(47,538)	(48,421)	2%
Pre Prov. Operating Profit	34,934	31,298	12%
Credit Provisions	(4,661)	(5,440)	14%
Impairment	924	(28)	3387%
Profit Before Tax	31,197	25,829	21%
Tax	(13,167)	(10,641)	-24%
Profit After Tax	18,030	15,189	19%

Key highlights

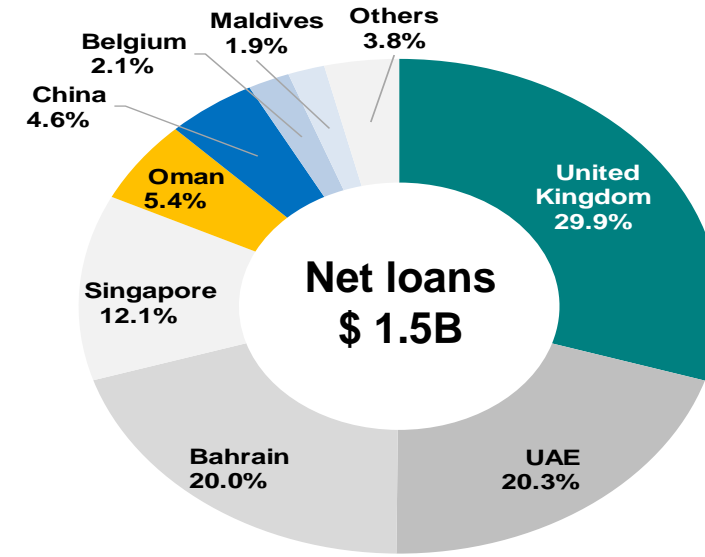
PBT of Rs 31.2b in H1'21 is 21% higher than in H1'20, while PAT is 19% higher at Rs 18.0 billion

- NII up 3% over H1'20 to Rs 64.9b – Impact of NIM compression (77bps) is more than offset by a Rs 400b+ growth in the average balance sheet
- Core NFI up 24% to Rs 15.9b
 - Fee income up 32%, to Rs 11.8b. Most key lines showed double digit increases, but the primary leaders were cards, consumer finance and trade.
- Administrative expenses reduced by 2% over H1'20.
 - The cost to income ratio (ex capital gains) reduced from 65.3% in H1'20 to 57.8% in H1'21.
- Provisions reduced by 32% (Rs 1.7b) to Rs 3.7b in H1'21
 - Credit provisions reduced by Rs 0.8b to Rs 4.7b. Provisions in H1'21 are mainly driven from a) subjective provisioning of Rs 2.5b in Domestic and b) 2 large customers in International amounting to Rs 1.1b.
 - Swing of Rs 0.9b in impairment – reversal on sale of previously impaired equities is Rs 0.7b higher.

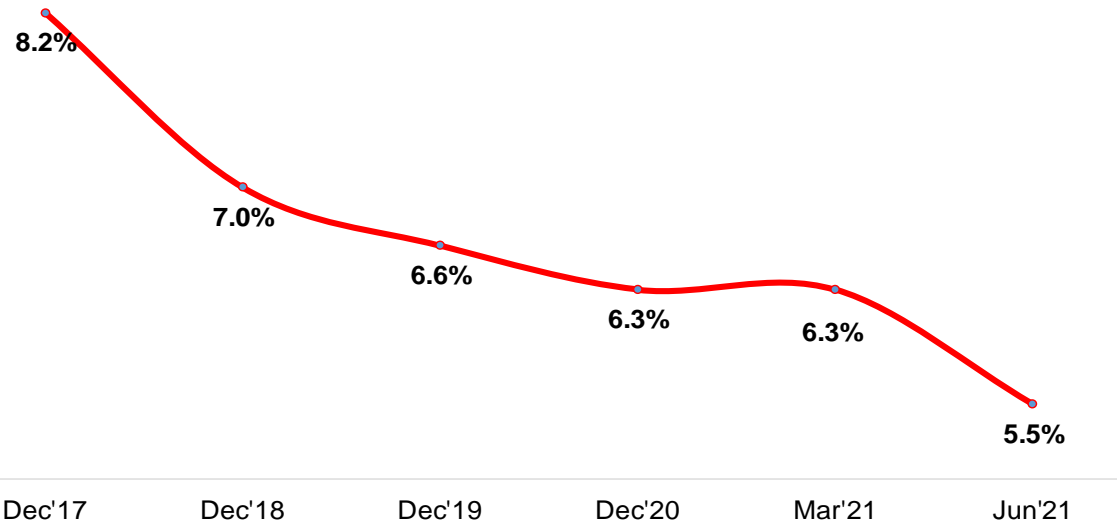
Loan portfolio composition by line of business



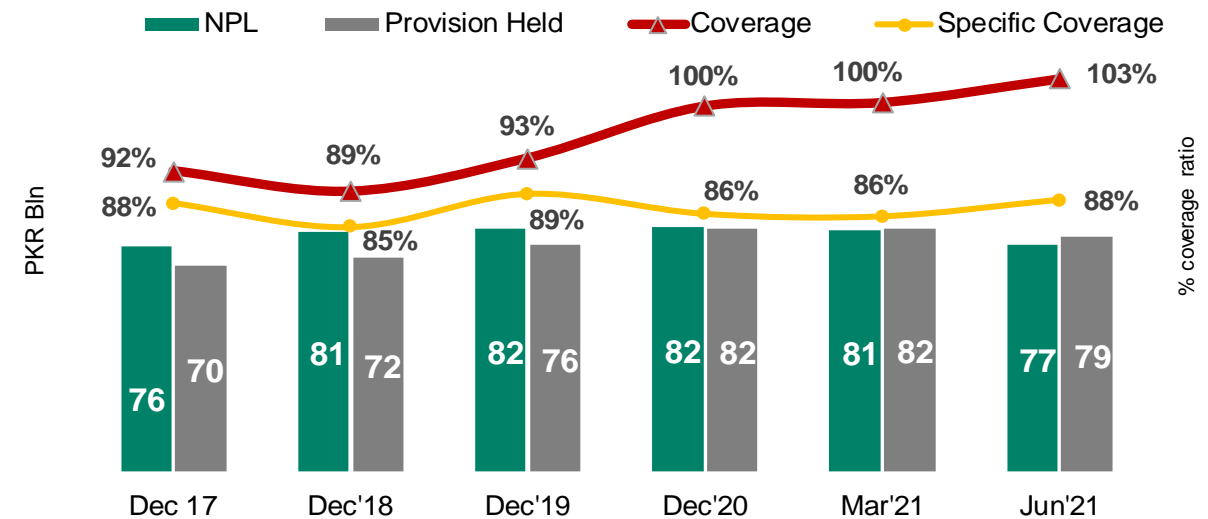
International loan portfolio – location wise



Infection ratio trending downwards and is now at 5.5%...

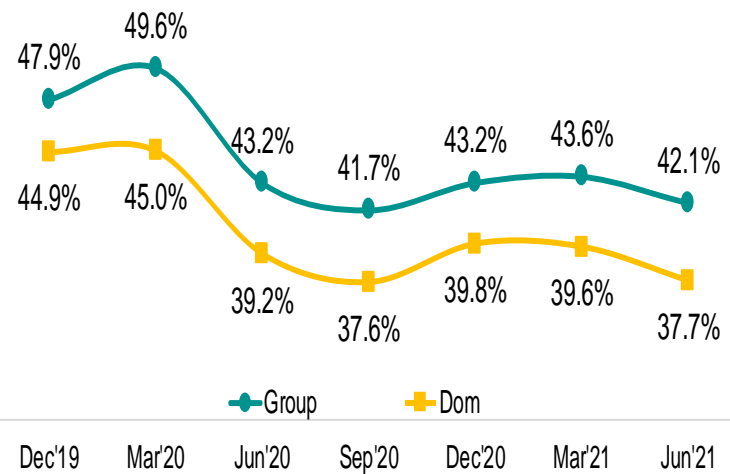


...while coverage further strengthens

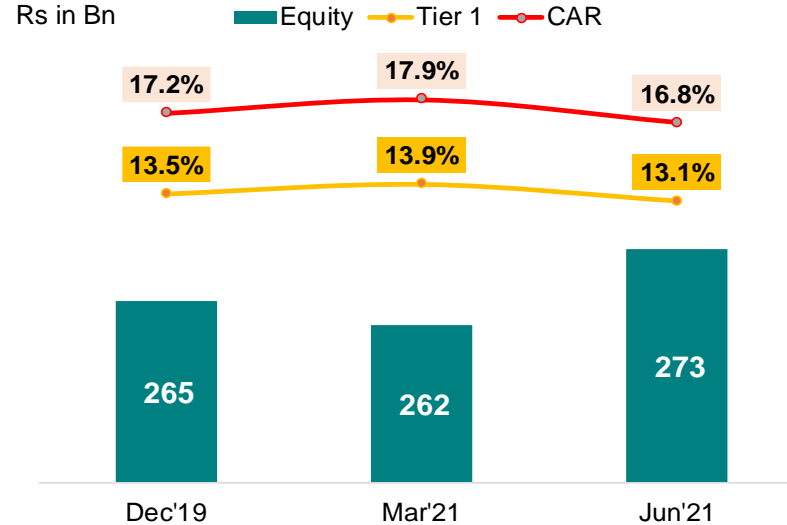


Key performance indicators

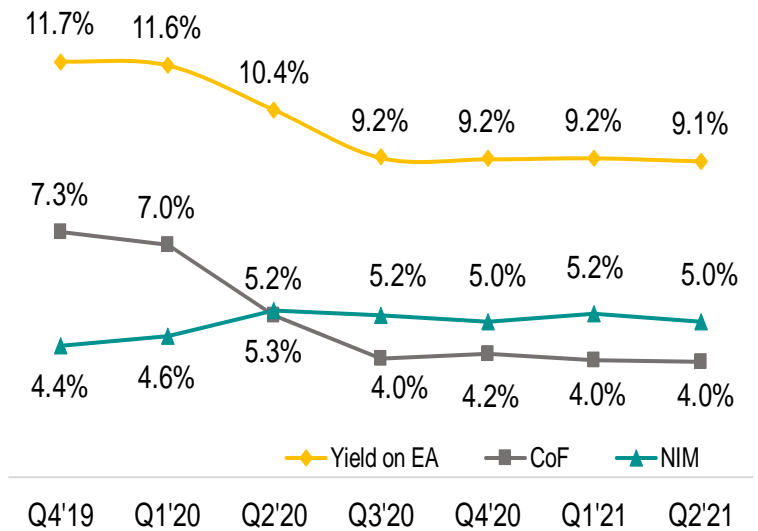
ADR reduced to 42% due to higher growth in deposits



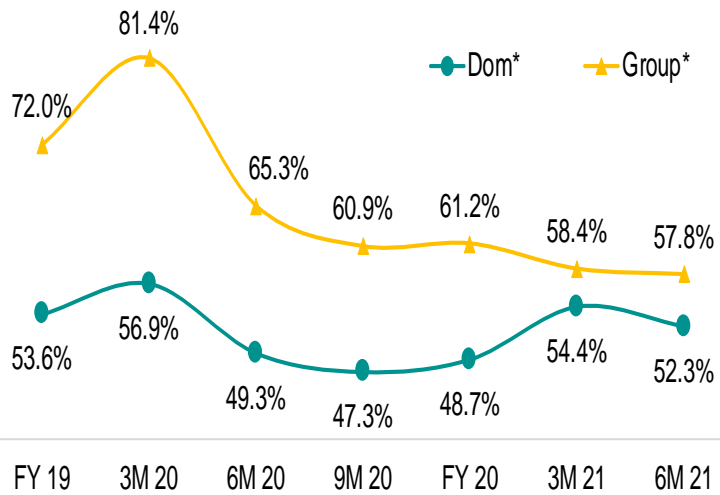
CAR declined over Mar'21 due to rupee devaluation and higher RWAs



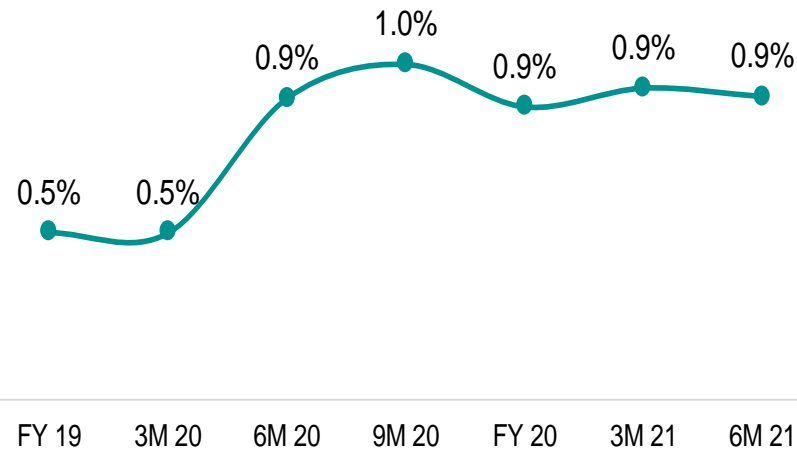
NIMs reduced by 16bps in Q2 with downward repricing of T-Bills



Cost to income – trending downwards



ROA – stable near the 1% mark



ROE gradually improving towards longer term targets

