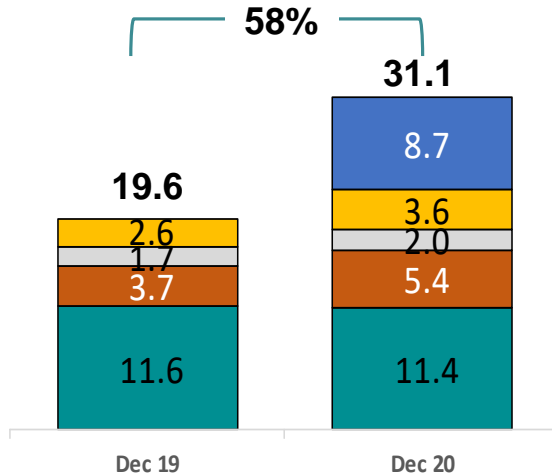




Investor Presentation – December 2020

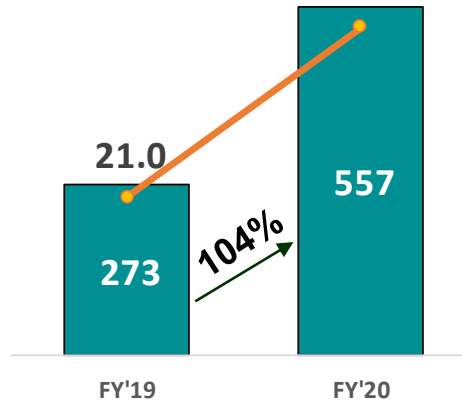
In 2020, we served over 30m customers

Branch Konnect FMFB EKP EKP - Emergency cash



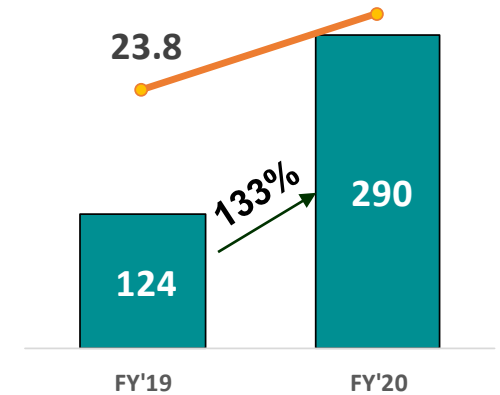
Mobile & Internet Banking volumes more than double - 1.8M users

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



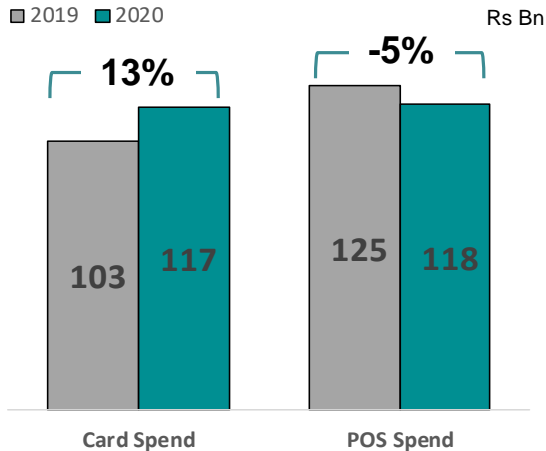
HBL Konnect – 48k agents 1.6m App Users

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



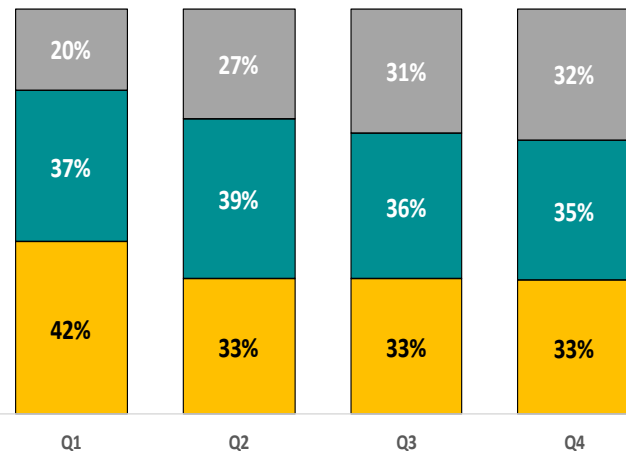
Cards base 5.7m to 6.1m (Credit cards 170k to 196k) POS terminals 25k to 30k

2019 2020



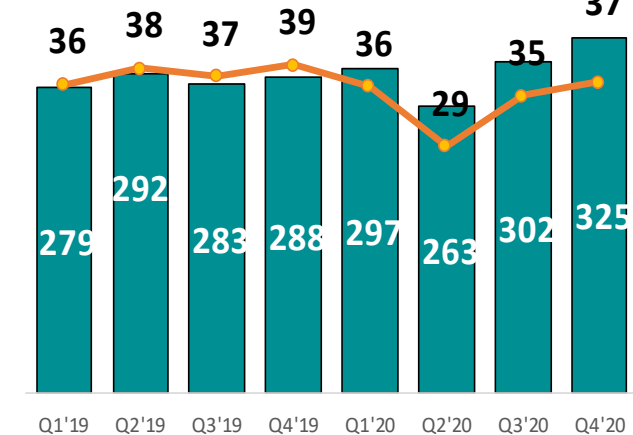
Channel migration accelerates – OTC txn mix reduced from 42% to 33%

OTC ATM IB/MB/Konnect

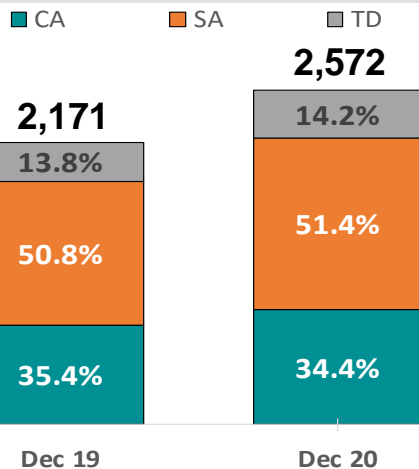


2,157 ATMs countrywide – txns back to normal level following the drop in Q2'20

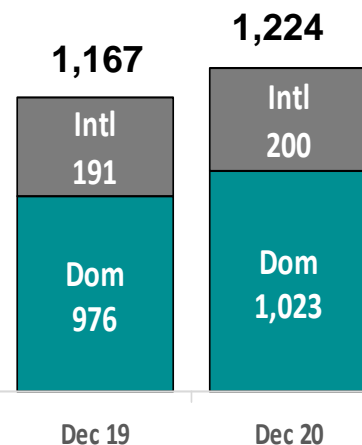
Trans. Vol (Rs B) Trans. Count (M)



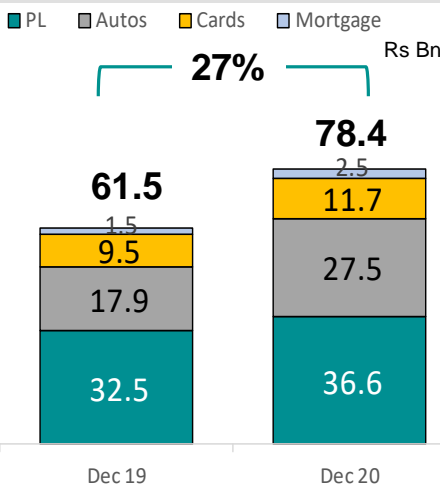
Domestic Deposits increased to Rs 2.6t, up 18% - highest growth in 8 years



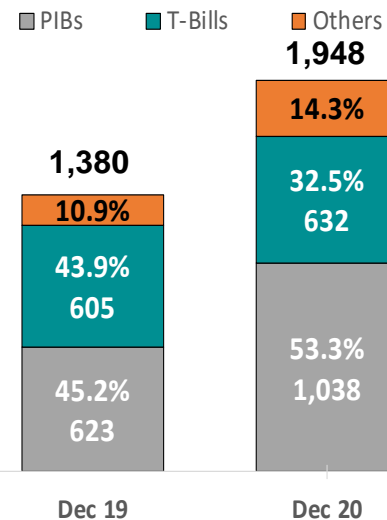
Advances - domestic portfolio crossed Rs 1.0t



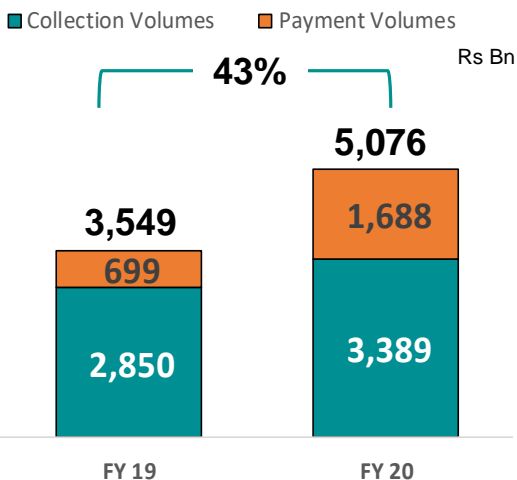
Consumer Lending, 27% growth, crossed Rs 75b, now 2nd in Autos



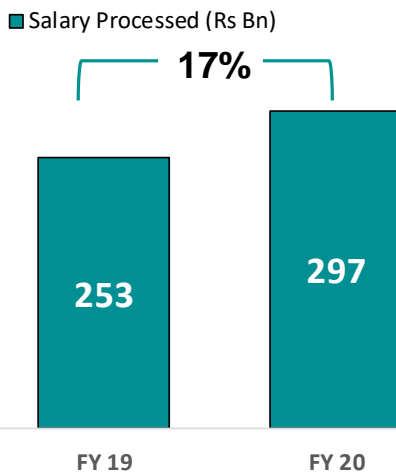
Investments up 41%, to Rs 1.9 Trillion



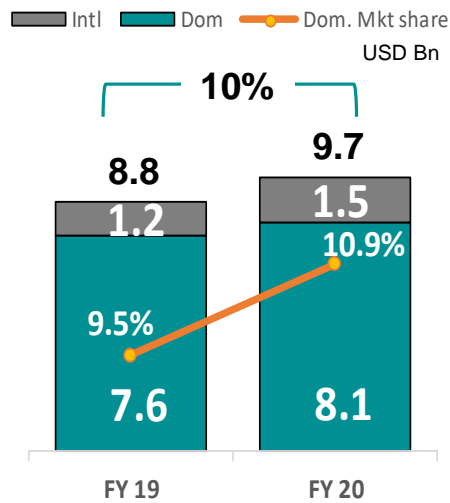
Cash Management, throughput tops 5 trillion



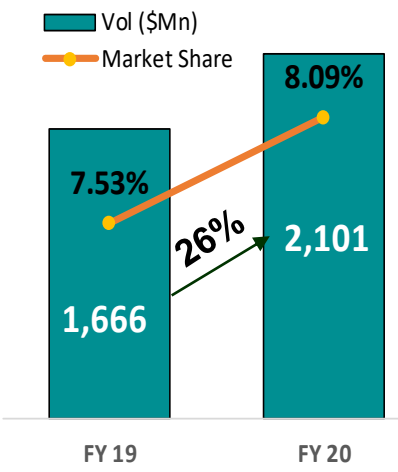
Employee Banking's dominance continues, now with 1.2m accounts



Trade Volumes – Market share increased from 9.5% to 10.9%



Home Remittances – New partnerships and channels starting to contribute



Profitability

- Profit before tax for 2020 is Rs 53.0 billion, 84% higher than the Rs 28.9 billion in 2019
- Profit after tax for 2020 is Rs 30.9 billion, double the profit of Rs 15.5 billion in 2019.

Revenue increased by 28% over 2019, to a record Rs 161 billion

- Net Interest Income up 28% to Rs 130 billion
 - Domestic NII rose by 32% over 2019 to Rs 122 billion
 - NIMs improved by 52bps over 2019 to 5.7% - mainly due to immediate downward repricing of interest-bearing liabilities compared to lagged repricing of assets, which only started to reprice from Q3'20
 - The average balance sheet, at Rs 2.7 trillion, has grown by nearly Rs 400 billion due to strong deposit growth
- Total non-fund income of Rs 31 billion in 2020 is 28% higher than in 2019
 - Swing of Rs 9.7 billion in capital gains – Rs 8.1 billion realized gains on fixed income securities in 2020. Loss from sale of impaired equities is Rs 1.6 billion lower
 - Fees have rebounded since Q3'20, growing 21% in Q4'20 but declined by 8% (Rs 1.7 billion) YoY – mainly Bancassurance, investment banking and general banking charges. However, wealth management, trade and consumer finance fees have grown over 2019.

Administrative expense growth contained to only 2%, as costs related to New York and the Business Transformation program have now subsided.

- Consequently, the cost to income ratio reduced from 73.5% in 2019 to 58.5% in 2020
- The domestic cost to income ratio (excluding Capital Gains) reduced from 54.5% in 2019 to 49.7% in 2020

Provisions

- Provisions for 2020 are Rs 12.2 billion, Rs 8.9 billion higher than in 2019
 - 2020 includes discretionary general provision of Rs 6.4 billion to absorb future losses that may arise when the SBP-provided relief schemes expire in 2021
 - International provisions, at \$ 33.3 million, are \$ 31.0 million (Rs 5.0 billion) higher than 2019 – specific provisions up \$ 22.6 million while general provisions (including IFRS 9 ECL) have increased by \$ 8.4 million.
 - Domestic provisions of Rs 0.4 billion in 2020 are Rs 2.6 billion lower YoY – credit provisions are Rs 1.2 billion lower while impairment on listed equities (net of reversals) reduced by Rs 1.3 billion.
- Total NPLs increased marginally by Rs 0.2 billion over Dec'19. The infection ratio has now improved to an all-time low of 6.3% in Dec'20 (Dec'19: 6.6%) as a result of strong loan growth in Q4'20.
- Total coverage ratio has increased from 93.2% in Dec'19 to 100% in Dec'20. However, specific coverage reduced slightly from 88.7% to 86.3% due to fresh NPLs with lower coverage.

Balance Sheet has increased by 19% to Rs 3.8 trillion**Total deposits have grown by 16.1% to Rs 2.8 trillion; current accounts at nearly 1 trillion**

- Domestic deposits grew by > Rs 400 billion to Rs 2.6 trillion, market share increased to 14.05%.
 - Domestic current accounts increased by 15% (Rs 116 billion) to Rs 884 billion.
 - Saving deposits grew by 20% to Rs 1.3 trillion, with CASA ratio at 85.8% (Dec'19: 86.2%)
- Average domestic deposits grew by nearly Rs 300 billion to 2.2 trillion, with double digit growth across all categories.
- International deposits have declined by 6% to \$ 1.6 billion

Advances have grown by 4.8% over Dec'19 to Rs 1.2 trillion

- With 10% growth in Q4'20, domestic advances increased by 4.9% to over Rs 1.1 trillion with growth across all segments
- International advances up 1.4% over Dec'19 to \$ 1.3 billion



Best Customer Franchise
Best Investment Bank
Best Bank for Small and Medium Businesses



Best Mobile Banking App
Best Digital Consumer Bank 2020
Best Use of Social Media



Best Banking Tech of the Year
Best Digital Campaign for Konnect by HBL



Asia's Best Bank Transformation
Pakistan's Best Bank



Best Islamic Bank for Trade Finance 2020



Best Commercial Bank Pakistan 2020



#1 Primary Dealer in Government Securities



Best Domestic Bank



Best Investment Bank



Best Investment Bank



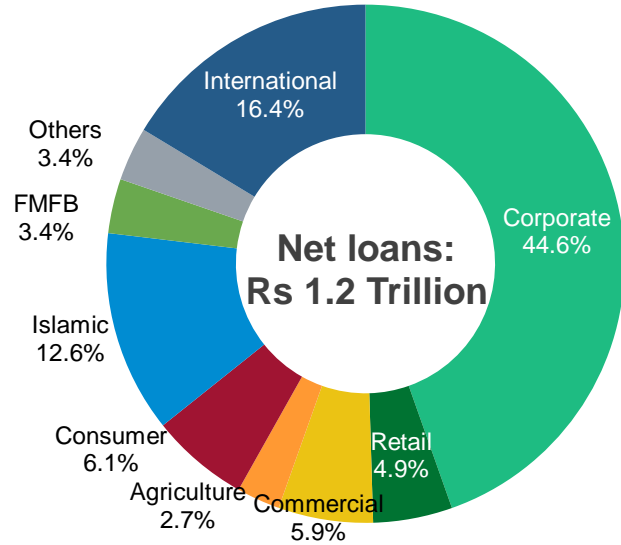
Best Local Bank in the Region for BRI (South Asia)
Best Bank for BRI-related financing in the Region (South Asia)
Best Bank for Infrastructure/Project Finance in the Region (South Asia)



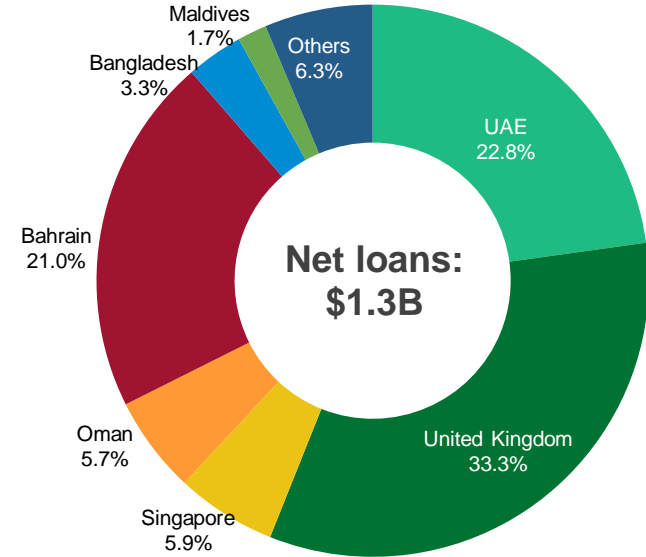
Best Project Finance House – Pakistan

PKR Bln	Dec 20	Dec 19	Var%
Cash & Bank Balances	431.8	408.8	6%
Lending to Financial Institutions	30.2	45.3	-33%
Investments	1,948.6	1,379.6	41%
Net Advances	1,223.5	1,167.0	5%
Others	215.0	226.4	-5%
Total Assets	3,849.1	3,227.1	19%
Deposits - Domestic	2,572.0	2,171.2	18%
Deposits - International	258.3	266.4	-3%
Total Deposits	2,830.4	2,437.6	16%
Borrowings	544.1	382.2	42%
Subordinated loan	22.4	22.4	0%
Others	186.8	160.2	17%
Total Liabilities	3,583.6	3,002.4	19%
Shareholders' equity	229.5	199.9	15%
Surplus on revaluation (Net)	36.0	24.9	45%
Total Liabilities & Equity	3,849.1	3,227.1	19%

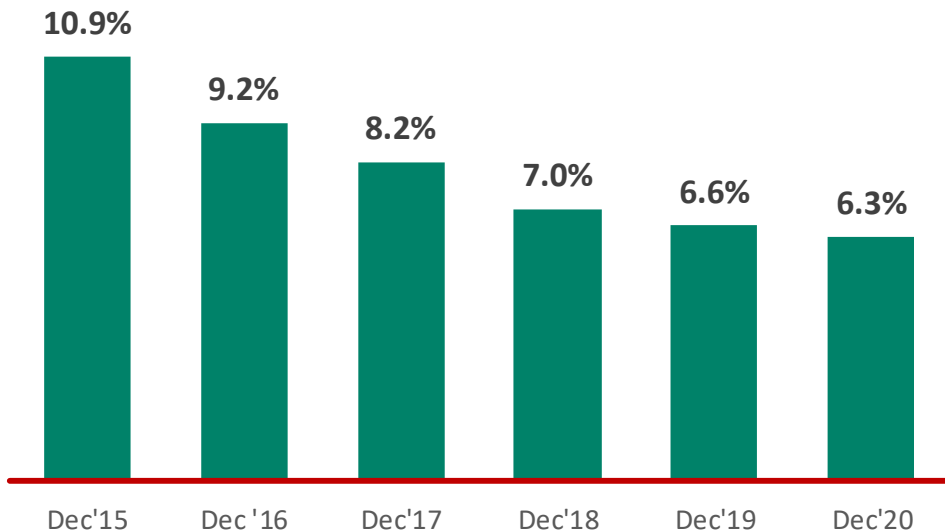
Loan portfolio composition by line of business



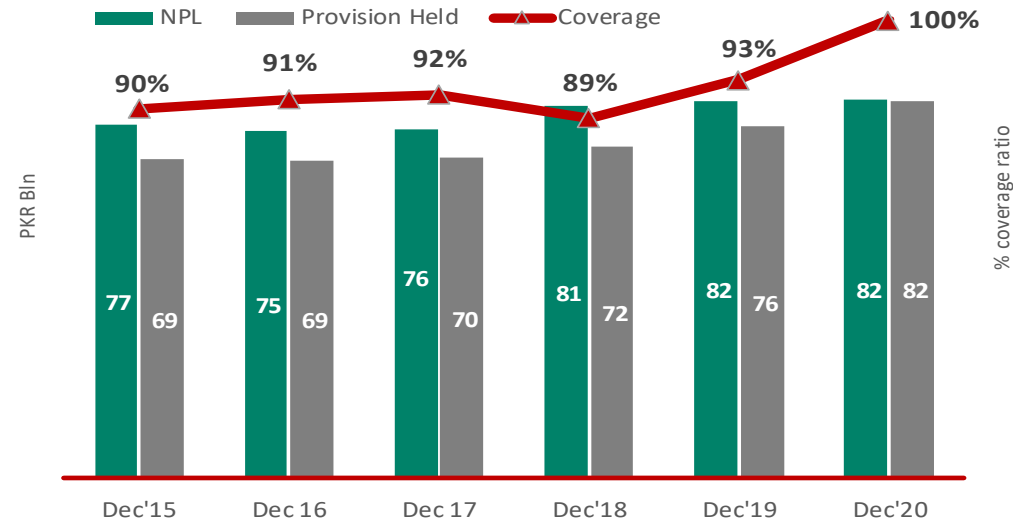
International Advances – Location wise



Asset quality



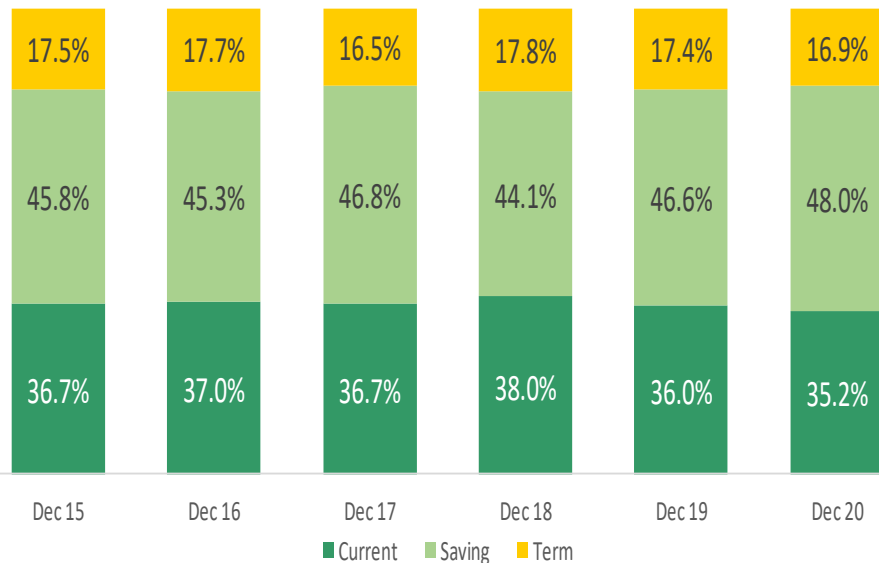
Coverage ratio



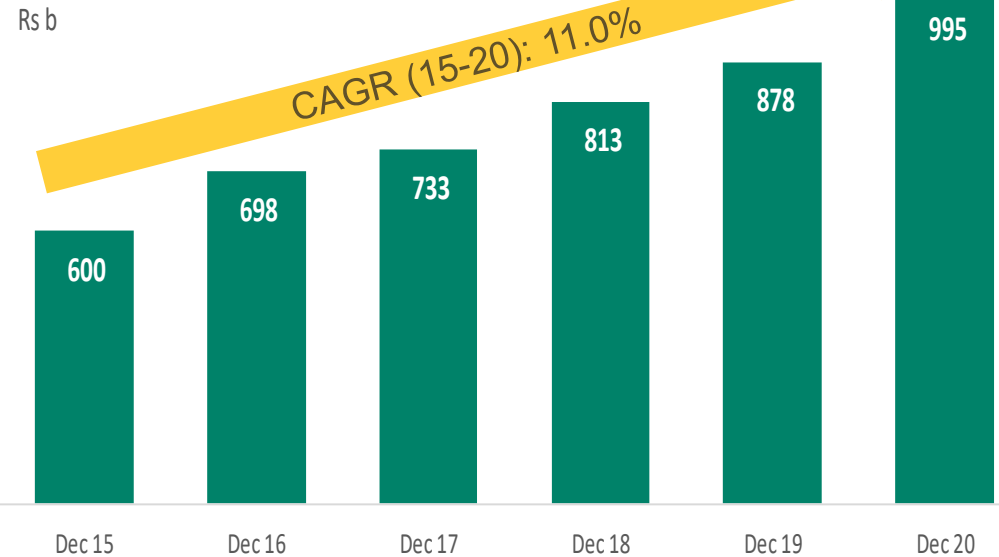
Period End Deposits			
PKR Bln	Dec 20	Dec 19	Var%
Current	884.2	768.4	15%
Saving	1,321.4	1,102.9	20%
Term	366.5	299.9	22%
Domestic	2,572.0	2,171.2	18%
International	258.3	266.4	-3%
Group	2,830.4	2,437.6	16%
CASA - Domestic	85.8%	86.2%	-0.4%
CASA - Group	83.1%	82.6%	0.5%

Average Deposits			
PKR Bln	FY 20	FY 19	Var%
Current	756.6	673.1	12%
Saving	1,077.8	914.9	18%
Term	323.5	275.2	18%
Domestic	2,158.0	1,863.2	16%
International	257.2	237.7	8%
Group	2,415.2	2,100.9	15%
CoD - Dom	4.75%	5.86%	- 111 bps
CoD - Group	4.49%	5.44%	- 95 bps

Deposits Composition

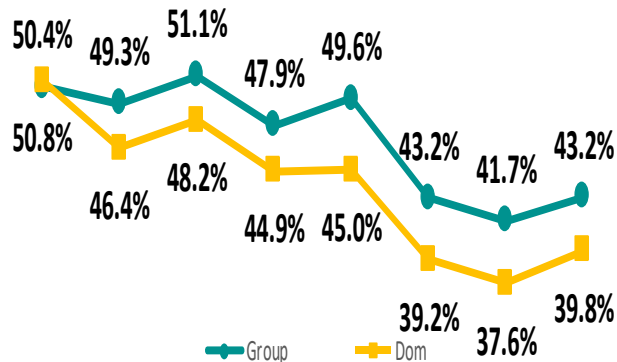


Growth in current deposits



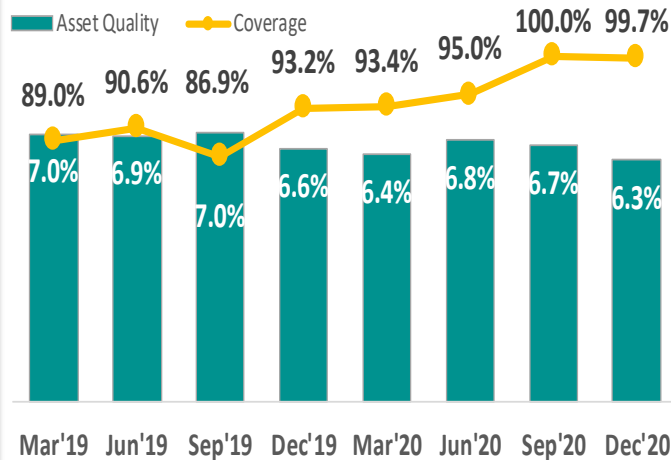
PKR Mn	FY 20	FY 19	Var%
Net Interest Income	130,104	101,323	28%
Core Non Fund Income	32,512	29,124	12%
Reval. loss on open position	(1,918)	(4,962)	61%
Total Non Fund Income	30,595	24,162	27%
Gross Revenue	160,699	125,485	28%
Operating Expenses	(95,449)	(93,290)	-2%
Pre Provision Operating Profit	65,250	32,195	103%
Provisions	(12,220)	(3,314)	-269%
Profit Before Tax	53,031	28,881	84%
Tax	(22,117)	(13,381)	-65%
Profit After Tax	30,913	15,500	99%

ADR improved on the back of strong loan growth in Q4'20



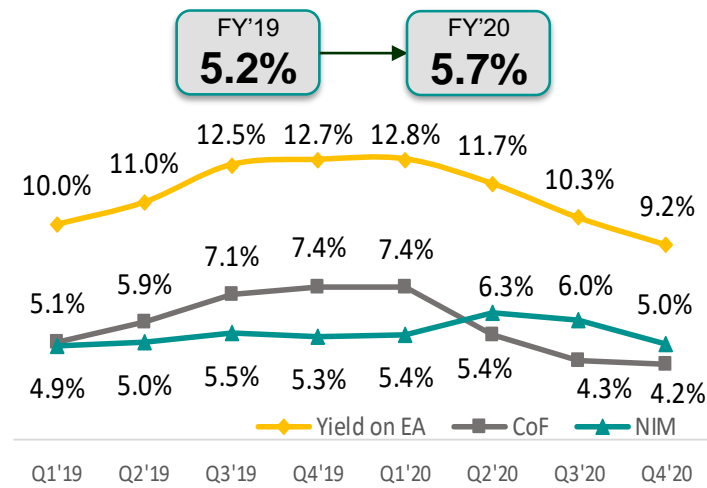
Mar'19 Jun'19 Sep'19 Dec'19 Mar'20 Jun'20 Sep'20 Dec'20

General reserve of Rs 6.4b, Infection Ratio at historic lows



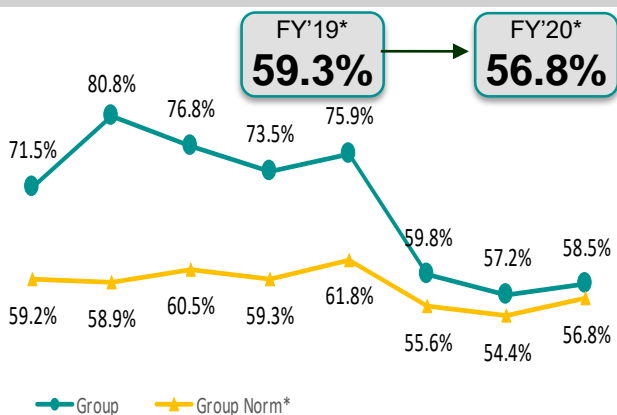
Mar'19 Jun'19 Sep'19 Dec'19 Mar'20 Jun'20 Sep'20 Dec'20

As expected, Domestic NIM compression in Q4 – due to investment repricing



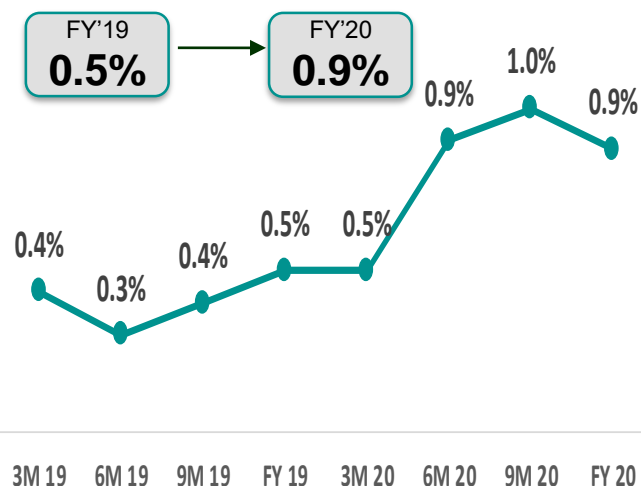
Q1'19 Q2'19 Q3'19 Q4'19 Q1'20 Q2'20 Q3'20 Q4'20

Workstreams underway to continue improving Cost to Income ratio



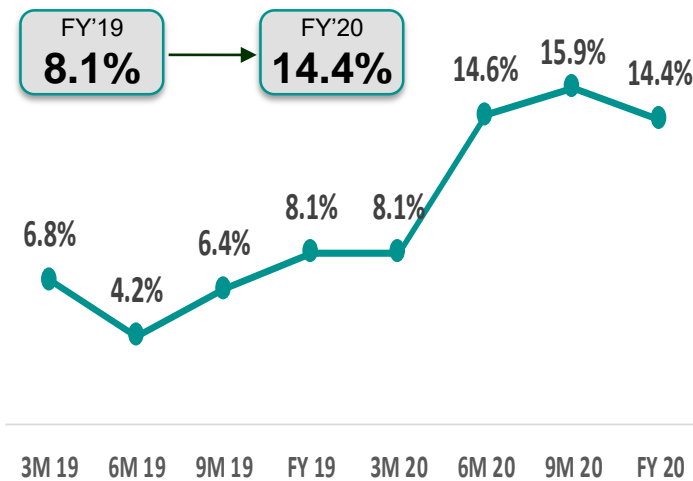
3M'19 6M'19 9M'19 FY'19 3M'20 6M'20 9M'20 FY'20

Strong profits have improved ROA



3M'19 6M'19 9M'19 FY'19 3M'20 6M'20 9M'20 FY'20

Leading to higher ROE



3M'19 6M'19 9M'19 FY'19 3M'20 6M'20 9M'20 FY'20