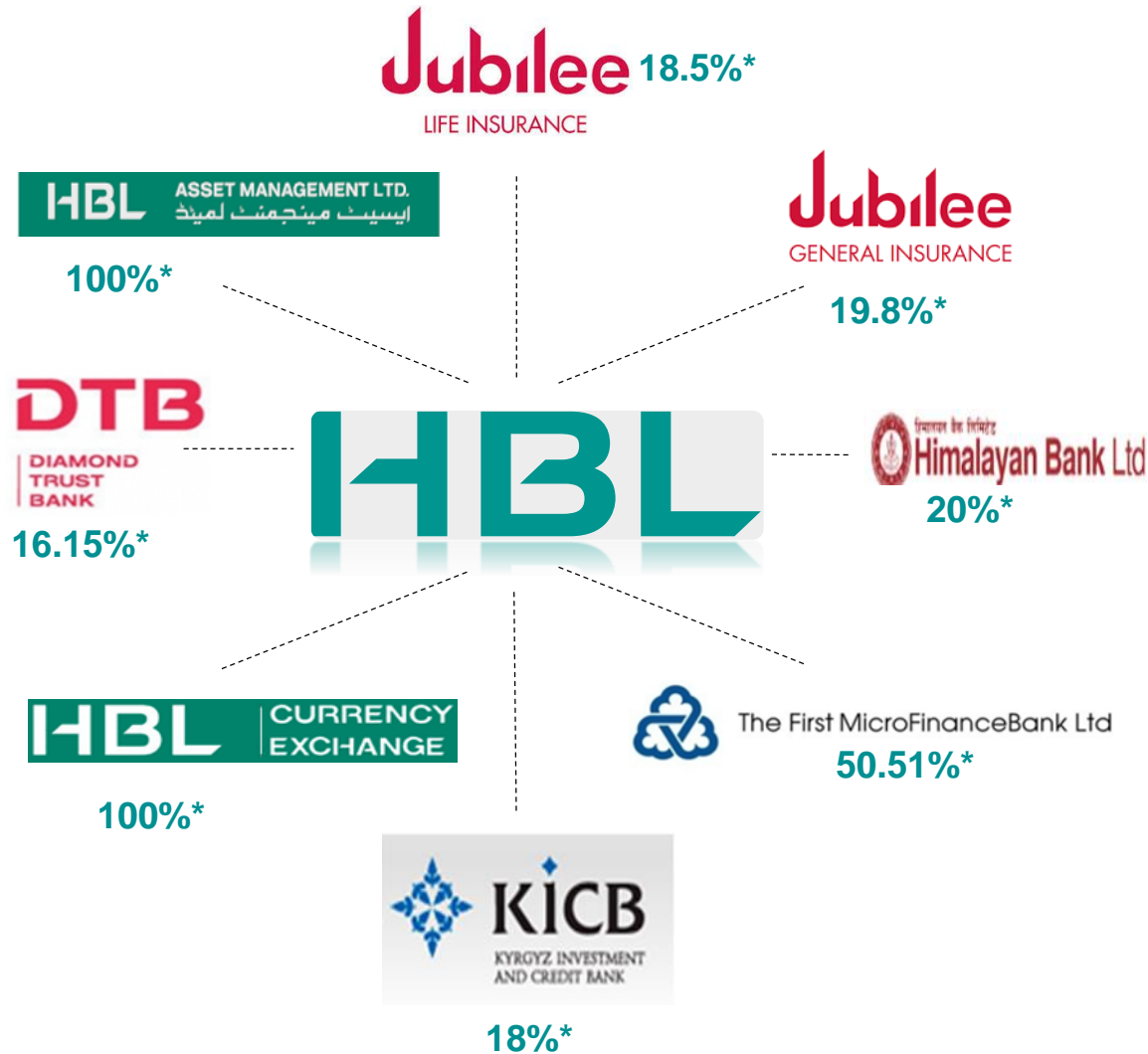


A tall, modern skyscraper with a glass facade and a grey concrete base, featuring the HBL logo at the top and on the side. The building is set against a dramatic sunset sky with orange and blue clouds. The surrounding area includes a cityscape with various residential and commercial buildings.

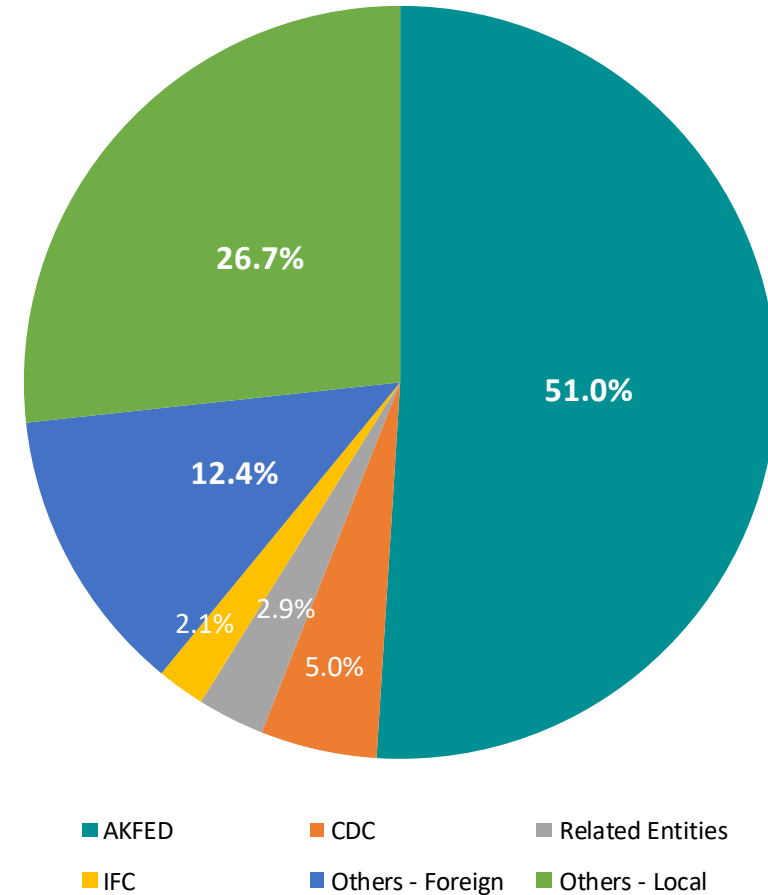
**Doing First Class Business  
in a First Class way**

**Investor Presentation**  
1<sup>st</sup> March, 2021

## More than just a Bank



## Shareholding Pattern





**#1 ASSETS**  
**Rs 3.8 Trillion**



**#1 ADVANCES**  
**Rs 1.2 Trillion**  
Market share of **12.5%**



**#1 DEPOSITS**  
**Rs 2.8 Trillion**  
Market share of **14.0%**



**#1 CUSTOMERS SERVED**  
**31M+**  
Incl. **8.7M** beneficiaries under Ehsaas emergency cash program



**#1 BANK BRANCHES**  
**1,697**



**#1 ATMs**  
**2,157**



**#1 KONNECT AGENTS**  
**48,038**



**QR Codes**  
**35,320**



**#1 POS TERMINALS**  
**30,459**  
**ANNUAL SPEND**  
**Rs 118B**



**#1 AGRI FINANCE**  
**Rs 33B**  
Market share amongst Commercial Banks **31%**



**#1 SME FINANCE**  
**Rs 63B**  
Market share **13%**



**#1 CARDS BASE**  
**6.1M**  
**ANNUAL SPEND**  
**Rs 117B**



**#1 EMPLOYEE BANKING**  
**1M+** Salary Accounts with Market share of **43%**  
**TRANSACTION BANKING**  
**1,800+** mandates, Market share **34%**





**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**



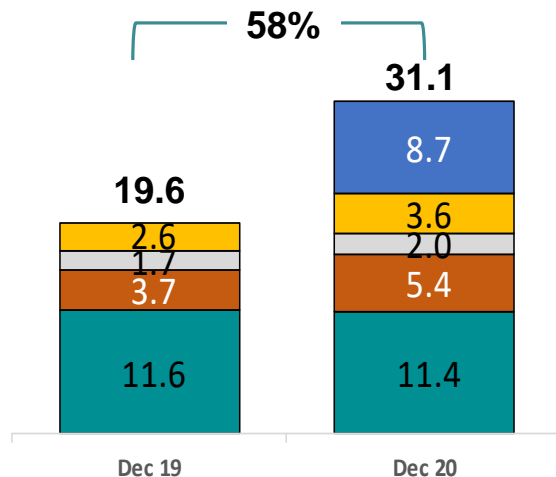
**Best Local Bank in the Region for BRI (South Asia)**  
**Best Bank for BRI-related financing in the Region (South Asia)**  
**Best Bank for Infrastructure/Project Finance in the Region (South Asia)**



**Best Project Finance House – Pakistan**

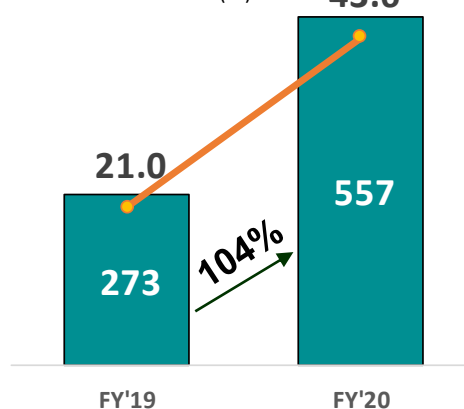
### In 2020, we served over 30m customers

Branch Konnect FMFB EKP EKP - Emergency cash



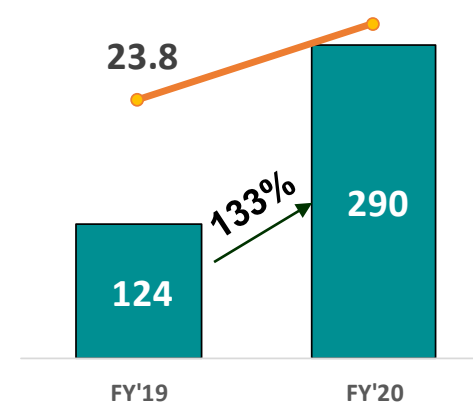
### Mobile & Internet Banking volumes more than double - 1.8M users

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



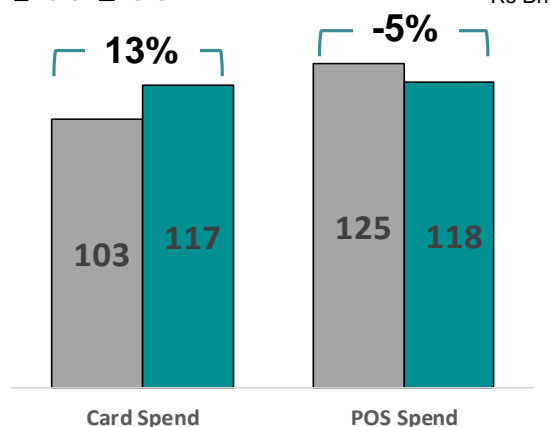
### HBL Konnect – 48k agents 1.6m App Users

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



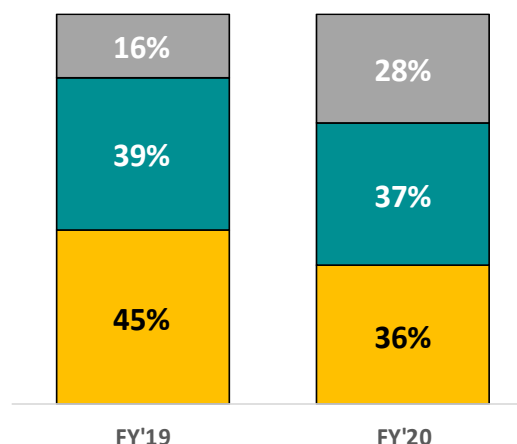
### Cards base 5.7m to 6.1m (Credit cards 170k to 196k) POS terminals 25k to 30k

2019 2020 Rs Bn



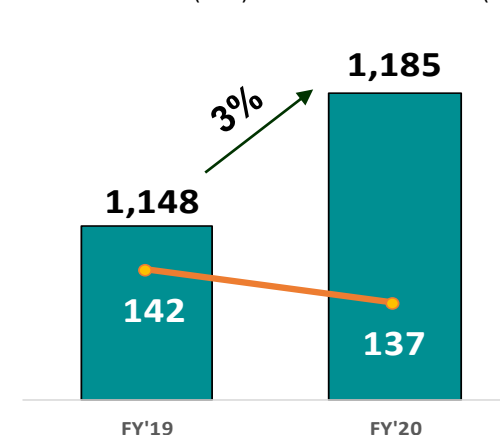
### Channel migration efforts – OTC transaction mix reduced from 45% to 36%

OTC ATM IB/MB/Konnect

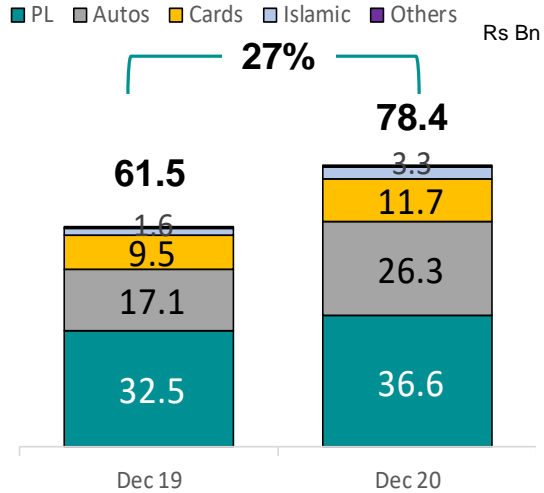


### 2,157 ATMs countrywide Volumes up 3% YoY, despite pandemic related lockdowns

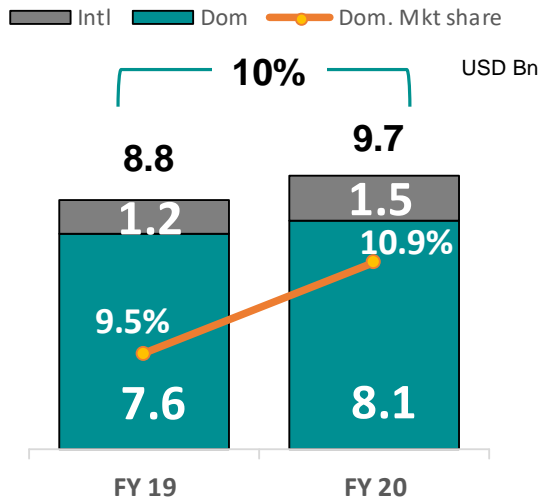
Trans. Vol (Rs B)  
Trans. Count (M)



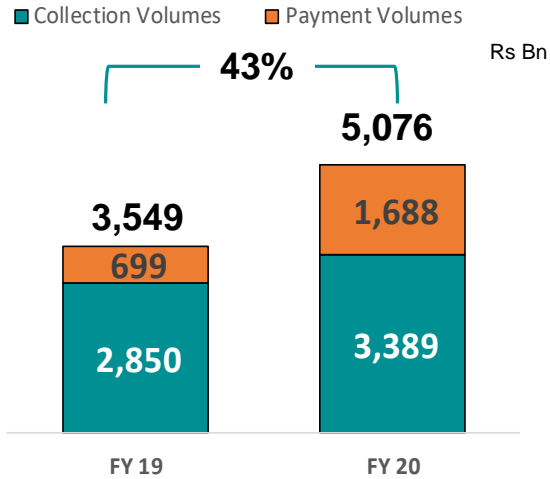
### Consumer Lending, 27% growth, crossed Rs 75b, now 2<sup>nd</sup> in Autos



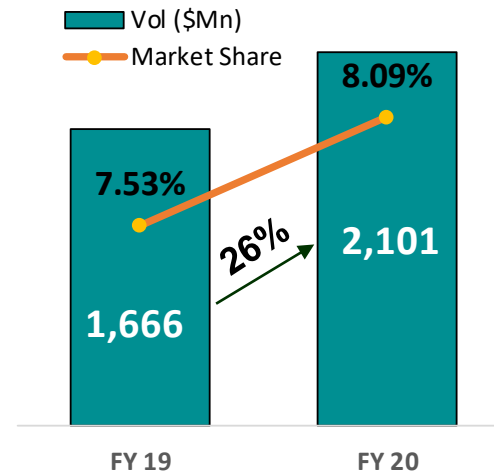
### Trade Volumes – Market share increased from 9.5% to 10.9%



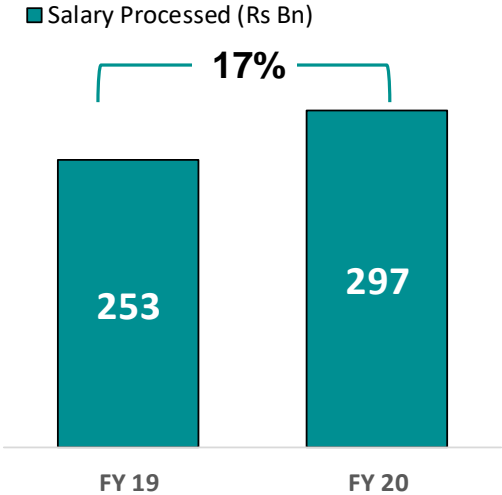
### Cash Management, throughput tops 5 trillion



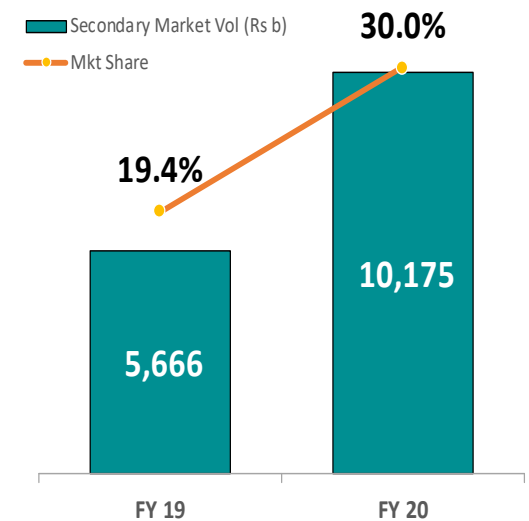
### Home Remittances – New partnerships and channels starting to contribute



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

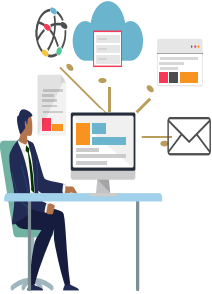


### HBL Treasury fixed income volumes up 80%, share increased to 30%



### Supporting Pakistan's digital efforts

- HBL Ventures to invest in FinTechs and incubate upcoming start-ups
- Recently hosted a webinar on Agri-Food and Tech with Singapore Business Federation to promote Pakistan
- Partnering with Naymat Collateral Management Company for development of Electronic Warehouse Receipts



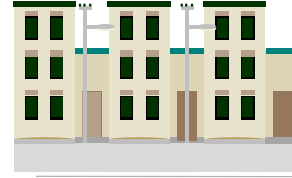
### Critical partner to GoP's Ehsaas program

Disbursed Ehsaas Kafaalat and Emergency Cash Funds of ~PKR 176 Bn to ~12 Mn beneficiaries on the lowest rung of economic ladder



### Investment banking pioneer

- Introduced market auction-based pricing for debt instruments
- Supporting GoP in launching first Panda Bond
- Lead financier in Pakistan's first private transmission line



### Core partner to GoP on housing

Thought leader for Naya Pakistan HDA on design of low-cost housing scheme

### Roshan Digital – Attracting flows

- Awarded for 'Highest Amount of Investment in Naya Pakistan Certificates'
- Inflows crossed USD 500 million, HBL's share 18%



### Agri sector innovator

- Implemented farm-to-processor interventions to disintermediate arthis
- Helping small-holder farmers improve crop yield



### Technology and Security partner

- Leading the **Cyber Threat Intelligence** conference for 3<sup>rd</sup> year running
- Sponsored Pakistan's leading IS conference – the **International Information Security Conference 2020**
- Lead sponsor of the 4<sup>th</sup> edition of **021DISRUPT**, Pakistan's premier technology and entrepreneurship conference.





## Fuel sustainable industries

- Set **targets** for financing to **sustainable industries**
- **No New Coal** policy in place
- Phasing out **ESG negative industries** over the medium term
- Implement Green Banking Guidelines (GBG) and embed **ESG considerations** in credit assessment

## Reduce carbon footprint and mitigate risks

- Shift towards **renewable energy**
- Reduce and **recycle waste**
- Integrate ESG criteria in **vendor selection**
- FMFB's Gilgit RHQ building to conform to **LEED and EDGE standards**
- **Develop Business Continuity Plans** to counter drastic changes in environment

## Enable customers and employees

- **Advise customers** on sustainable operations
- **Train employees** on GBG and how to reduce personal footprint



## Pandemic – Catalyst for Change

- Leaders in implementing flexible work arrangements including work from home and split teams
- Medical assistance to employees and their families – industry benchmark.
- Continued to drive training by virtualizing the entire learning portfolio.
- Enhanced communication / engagement

## Diversity Agenda – Utmost Priority

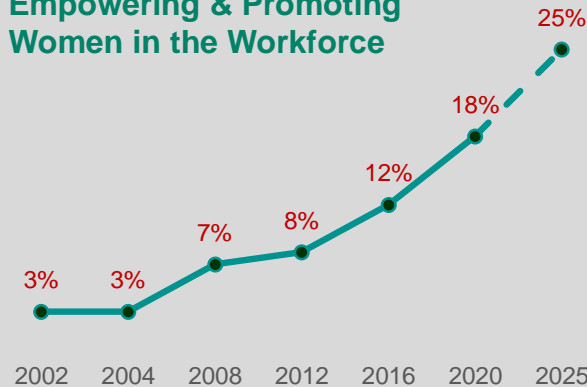
- Targeted entry-level hiring programs for women – in IT, Operations
- Diversity champions continue to lead the diversity agenda and initiatives.
- Training initiated on eliminating unconscious gender bias
- Hired a batch of 22 differently abled persons as cash tellers
- Sign language interpreter engaged for facilitating training to employees

## Cultural Transformation

- Refreshed HBL Values and associated behaviors cascaded throughout organization
- Continued emphasis on ethical conduct and practices through the Ethics and Conduct function
- Gamified and virtual modes of interacting and recruiting
- Continuing employee digital journey through employee app and chatbot



### Empowering & Promoting Women in the Workforce



### Award 2020

**Category:** Progressive in Recruitment & Development

**Forum:** Global Diversity Inclusion & Benefits – HR Metrics





# Business Development

## Konnect

- **5.4Mn** account base, 25% women.
- **3.6Mn** monthly txns, **PKR 48Bn** turnover.
- Agent network of 48k.
- **9%** branchless banking txns market share.
- Eco-system partnerships for Food, Fashion, Travel, Health, Entertainment and Education

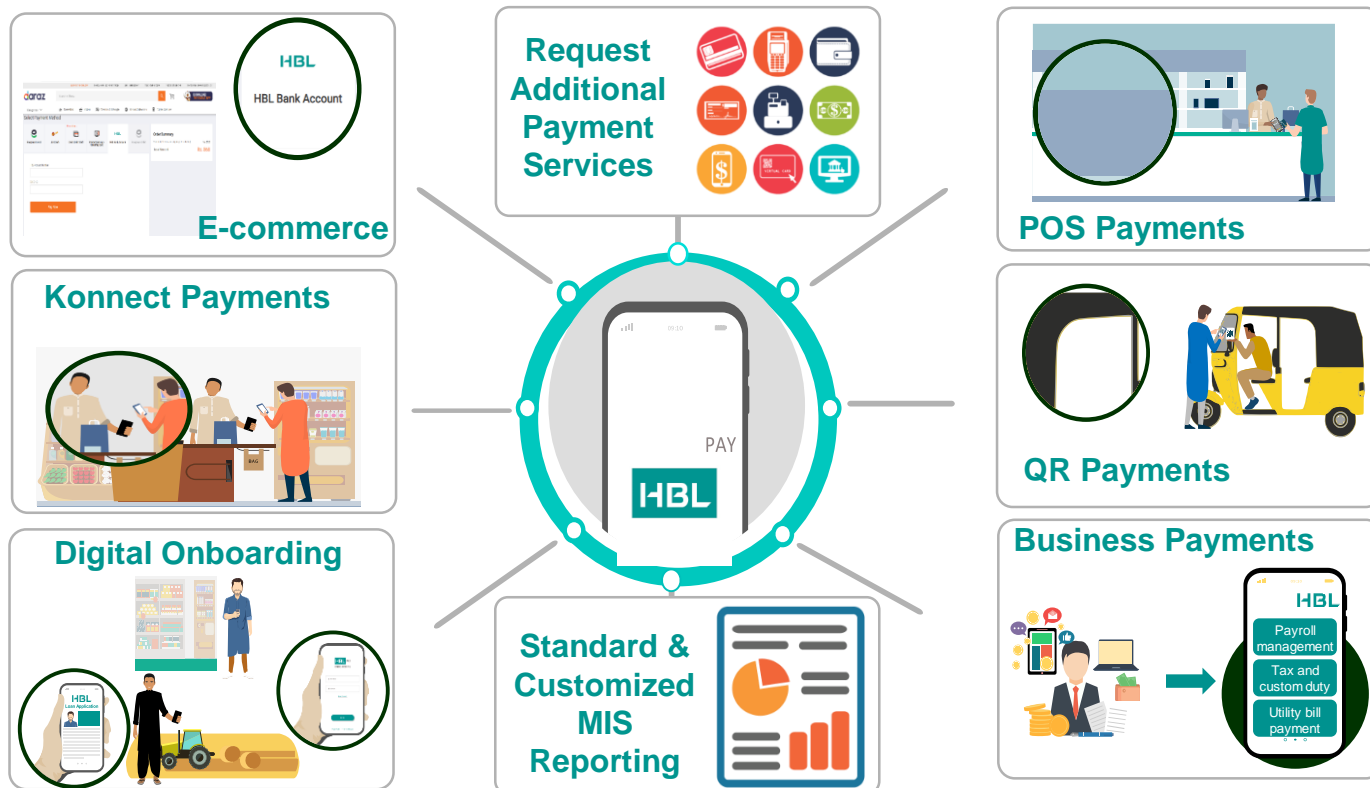
## HBL Mobile – for more than just banking

- **16%** share of commercial bank **users**, **32%** share of mobile banking payments
- **5 Mn** financial txns/month, value **Rs 60Bn**
- **650+ Billers on-boarded:** increase payment options through further company sign-ups
- Monthly Active Users **>1Mn** (**62%** of registered base); Daily Active Users **> 280K**

## E-Commerce

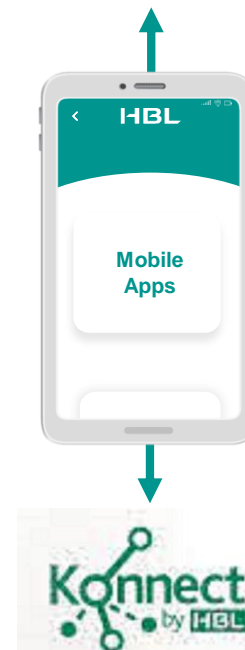
- One stop solution for all e-Commerce business needs.
- Over **320K txns/month**, valuing **Rs 1.6Bn**
- Market leader with over **30%** share of e-Commerce transaction value
- Highest number of payment methods offered, Debit/Credit Cards, Account, Wallets.

## HBL PAY – Self service digital portal for all transaction banking needs



## HBL Mobile – for all your Lifestyle needs

**HBL Mobile**



## Financial services even in remote areas

Targeted mobile marketing



Fully digitized loan application and automated approval



App enabled communication



Digital repayments and monitoring



## Transform agriculture and farmer's lives

Digitized account opening, loan application and approval



In-kind loan disbursed



Farmer provided advisory remotely & in-person



Harvesting services requested digitally and sold to HBL bulk buyer



## Digitize branches for world-class experience

Universal bankers to help with digital services



Wait time minimized via self service



Instant Debit card issued



One visit processing of loan applications



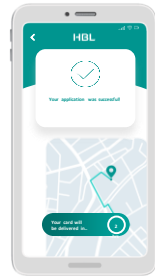
## Customers can apply for loans on phones



Customer applies from home



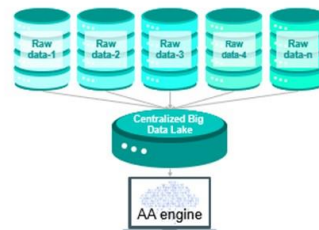
Convenient verification process



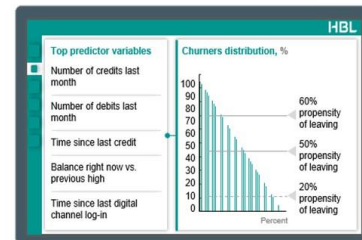
Fast approval and delivery



## Advanced analytics to help reduce churn



Feed raw customer data into AA engine



Identify customers at risk of leaving using AA pattern recognition

Good morning Ali		HBL
Customer	Call status	Script for call if >50% probability of churn
Customer-1	Ongoing	Hello Mr. Ahmed. My name is Ali and I am calling from Habib Bank Limited. I am calling to Thank you, Ali
Customer-2	Pending	
Customer-3	Pending	

Call at-risk customers and address potential dissatisfactions

Good morning Ali		HBL
Customer	Churn probability	Potential reason
Customer-1	60%	Price sensitivity
Customer-2	45%	Need for finance
Customer-3	40%	Customer experience

RM receives list of at-risk customers with potential cause of attrition



As a result of concerted efforts, the % of ADC transactions increased from 55% in 2019 to 64% in 2020

### Branches Trained



- Scripts outlining different scenarios circulated
- Mandatory E- learning modules on ADCs
- Workshops conducted for feedback & clarity on ADCs.

### Customer Awareness



- HBL Mobile, Konnect and ATM awareness spread through social media.
- Marketing collateral placed in branches.
- Banners, posters, fascia and 'Available Here' signs installed at Konnect agents.

### Other Steps Taken



- Incentive Campaign to drive staff behaviour.
- Phone banking engaged to drive HBL Mobile registrations and transactions.
- Wi-Fi devices installed in 250 branches for demonstrating HBL Mobile usage to walk-in customers.

### Way Forward for 2021:

**Target of 70% ADC : 30% OTC Transaction Mix**



#### Enhance Migration

- Increasing number of migratable processes / transactions.
- Addition of IVR as an ADC
- Expand suite of digital capabilities on ADCs by increasing features as well as bill aggregators



#### Focused Strategies:

- Data analysis for 245 high traffic branches to understand customer demographics and develop targets.
- Incentivize customers to use ADCs through pricing differential
- Refresher training sessions on ADCs for staff
- Improve customer awareness; promote features available on digital channels through focused campaigns

## Cards



- Most sought-after card in Pakistan
- Consistently ranked as Pakistan's **No.1 VISA credit card** (by spend)
- Contactless – Bringing convenience
- **28k+** credit cards issued via HBL Mobile since launch
- Portfolio: **Rs 12.0bn**, with total cards base of **216k**
- Total debit cards base of **5.9m** – industry highest

## Merchant Acquiring

- Largest POS network and highest spend volume
- Contactless functionality deployment initiated. Plans to convert 37% of network in 2021



## Housing Finance – Developing a new asset class

- First bank to become advisor to Naya Pakistan Housing Authority
- Launched the first 20-year fixed rate mortgage in Pakistan
- Underwritten PKR 34.5 Bn for mega projects
- Full product range to purchase/ renovate/ construct houses and refinance loans
- Housing and construction exposure at **PKR 30b+** in Dec'20, achieving SBP targets.
- Signed a Credit Guarantee Agreement with Pakistan Mortgage Refinance Company (PMRC) for promoting low-cost housing.



## Personal Loans – retaining leadership

- Total portfolio: **Rs37.0bn**
- To date, **~37k loans** disbursed through HBL Mobile



## Car Loans – gaining market share

- Improved position from 4<sup>th</sup> to 2<sup>nd</sup>
- Value added propositions/alliances with leading manufacturers
- Portfolio: **Rs 26.4bn**



HBL continues its leadership in farmer financing amongst private commercial banks, serving more than 46,000 farmers through a dedicated field force spread over 650+ Rural branches.

## HBL - Punjab Land Record Authority (PLRA) Partnership

### Leading the Market

- 145+ PLRA's live locations in Punjab
- 4,500+ Fard extractions
- 1,500+ Documents verified
- 350+ Charges created

## Kisaan Ke Awaz goes virtual

HBL's unique program of farmer feedback and advisory now being conducted virtually

## Digitizing Agriculture Finance

- Improved App with refreshed features and ease of use
- The only Bank in the industry using this technology; now built repository of more than 12,000 images.
- Centralized storage of data coordinates along with time and date stamp
- 500+ devices provided with 3G/4G connectivity
- Leveraging HBL Konnect for loan repayments and cash withdrawals

**Development Finance Pilot Interventions** - To reach out to economically significant yet marginalized and underserved sectors of the economy, leading to a more financially inclusive population

- Two pilot interventions designed and implemented
- Engages complete value chain.
- Encompasses in-kind loans to farmers, high quality inputs, modern mechanization and expert agronomic advisory to help farmers become better producers
- Employed 20 Agronomists & field officers
- Connects farmers with bulk processor who purchases their crop harvest
- Disintermediates the exploitative "arthi" middleman system, both at the input and selling stages
- Engaged mechanization service providers on a rental model
- Benefits: high quality crops, increase in yield, increased profitability for farmers.



## Corporate Banking

- Largest Corporate banking book in the country – portfolio of nearly Rs 700b.
- Extensive and rapid support provided during the pandemic.
  - **Rs 12b** disbursed under the SBP's TERF scheme.
  - **Rs 23b** loans restructured, 11% of industry
  - **Rs 90b** principal deferred, 14% of industry
  - **Rs 31b** salary / wages loans approved, 13% of industry

## Treasury

- #1 Ranked Primary Dealer in Government Securities with 30% market share of secondary market activity.
- **HBL Infinity** – the first online FX platform by a Pakistani bank and the only one in the world offering live streaming PKR pricing – 200+ clients
- Provided economic advisory to clients through seminars with leading economists / industry leaders

Research & Conferences  
Thought Leadership

Going digital with HBL  
Infinity®



## Leading Investment Bank

- Largest investment banking franchise that has undertaken 230+ transactions worth more than USD 41b.
- Reinforced position within capital markets, through notable Corporate Finance Advisory, Rights Issues, Equity Underwritings and IPOs.
- Continue to lead in M&As and acquisition financing.
- Forefront of driving construction sector lending (national priority) through the roll-out of developer finance initiatives.
- Enhanced engagement with International Financial Institutions (IFIs) / Development Finance Institutions on renewable projects.



**Shell**  
**Shell Pakistan Limited**  
Exclusive Financial Advisor for  
Corporate Finance Advisory and  
Rights Issue

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**PKR 42.5 Bn**  
**K - Electric**  
Lead Advisor & Arranger for local  
currency financing required for a  
900MW RLNG plant to be setup at  
Port Qasim, Karachi

**PKR 10 Bn**  
**SEARLE**  
**Searle Pakistan Limited**  
Exclusive Structuring Agent &  
Mandated Lead Advisor and  
Arranger for the acquisition of OBS  
Pakistan

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*Ongoing* **PKR 140 Bn**



**Panda Bond Issue**  
Joint Lead Manager for the  
inaugural Panda Bond Issue by  
Government of Pakistan

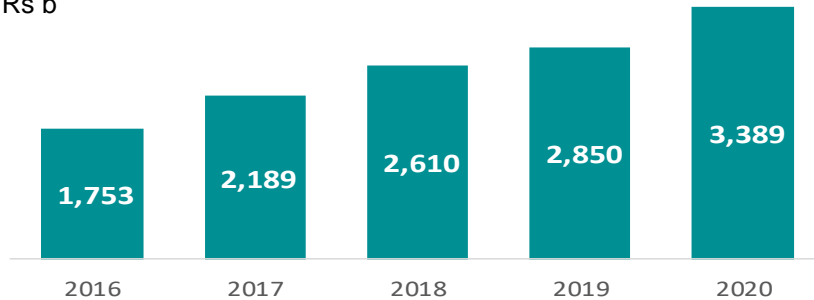
Partner of choice for global financial institutions





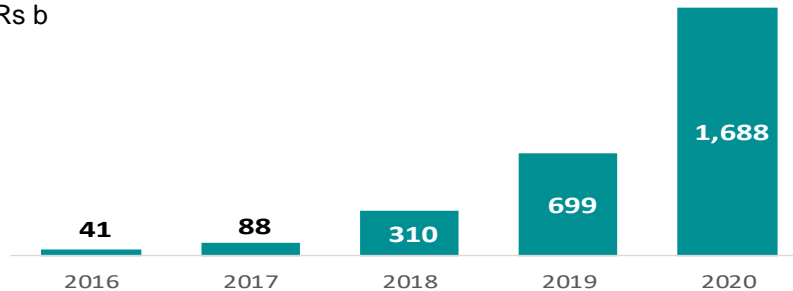
## Cash Management - Collections

Rs b



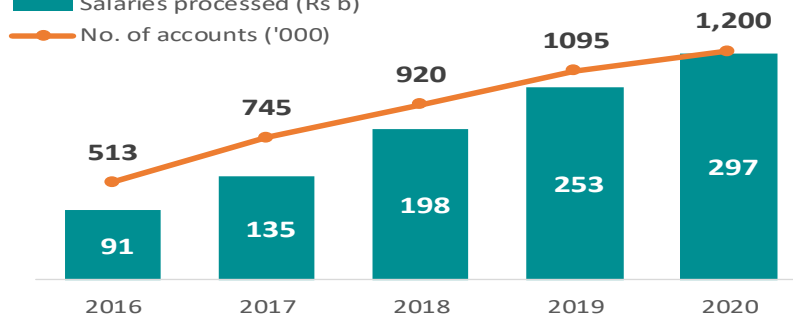
## HBL Pay

Rs b



## Employee Banking (HAW)

Salaries processed (Rs b)  
No. of accounts ('000)



## Key Initiatives

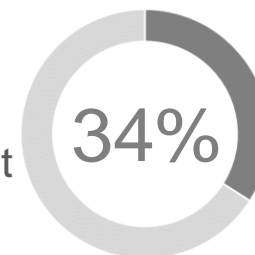
- API based connectivity between HBL Pay Business Banking and multiple client ERPs developed for automated processing and real time reporting to clients.
- Connectivity with SBP developed National Micro Payment Gateway (RAAST) established – phase 1 for dividend payments already implemented.

## The Way Forward

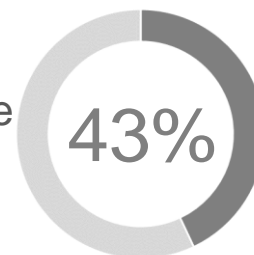
- Implementation of new global-standard single sign-on digital platform in completion phase.
- Full suite of collections and receivables related products to be made available initially.
- Consolidation of other products including treasury, trade etc, to be implemented in second phase.

## Market Share

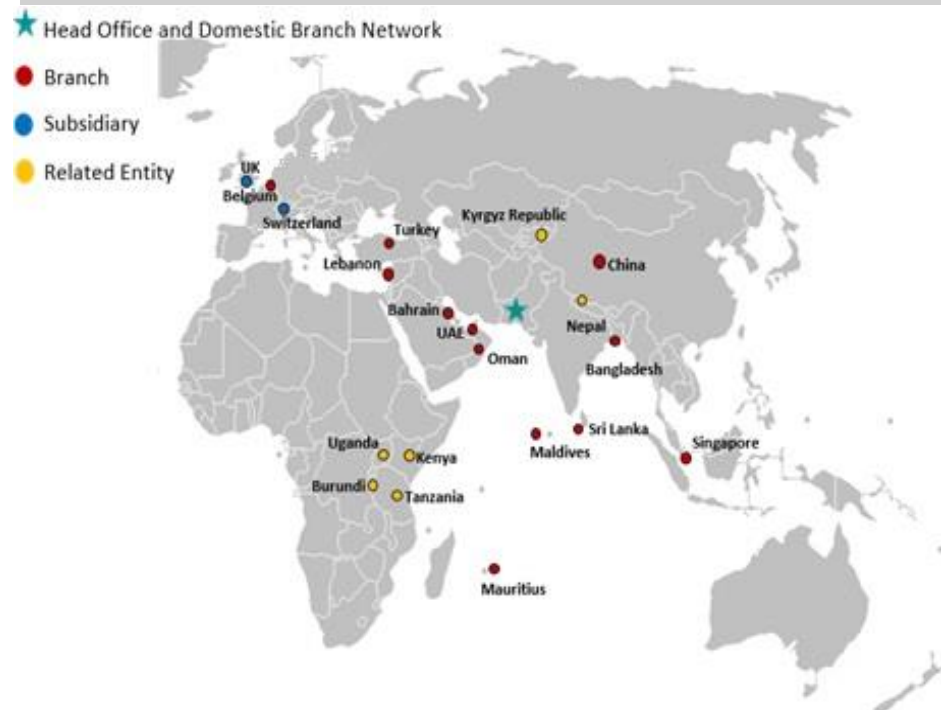
Cash Management



Employee Banking



## International Footprint



## Strategy

- Shift from retail to wholesale model across markets.
- Business growth to come from network clients, financial institutions and trade finance, supported by a strong transaction banking proposition
- Roll-out digital as hygiene across all key locations
- Grow FI as a global business with strong sell-side offering.
- Leverage position as one of only 3 banks in SEA/MENA with end-to-end RMB clearing capability
- Recapture historical remittance share of >20%; digitize remittances for remitters and beneficiaries, seamlessly integrate with partners.

## Business trajectory aligned to Strategy

- Inbound & outbound business within the HBL network has more than doubled over the last year.
- Embedded network connectivity - in 2020, 55% of HBL trade origination handled within the network vs < 20% in 2019.
- Redefined target market in each international location.
- Strong buildup in Transaction Banking volumes in GCC and South Asia; international wealth management fees doubled.
- Remittance volumes increased by 27%, market share increased to 8.2%

## Aspirational Target

- In the top 5 foreign banks for trade volumes between China & Central Asia, the GCC, Turkey and South Asia
- No.1 bank for Pakistan Inbound and Outbound flows from these corridors / markets

## Positioning

- Accelerate growth in China-centric flows by leveraging our presence in Beijing and Urumqi
- Leverage our relationship with Chinese SOEs to market our capacity in China along with our reach along the BRI countries. Mutli-location relationships will allow more embedding with clients.
- Clients include key China players in telecoms, construction, power and manufacturing
- Concentration will be on trade business, remittances, salary transactions and Investment Banking
- Capitalize our RMB license for FX conversion, remittances and trade flows and market RMB-centric trade flows. Scale up our share of financing / advisory deals for CPEC-II investments and focus on Gwadar expansion projects to capture investors through our Gwadar Free Zone Branch.

## Value Proposition

## China Coverage

- A dedicated team of mostly Chinese bankers, managing end-to-end China business related relationships.
- In place for Pakistan and UAE, serving 400+ corporates and 2700+ individuals.
- Expansion to Sri Lanka and Bangladesh planned during 2021

## Beijing Branch

- Beijing Branch opening in Mar 2021 – serve as origination engine for Trade, Corporate & Investment banking business
- Market network capability along with lending capacity to enter into relationships with entities working under BRI, Greater Bay Area, & CPEC

## Urumqi Branch

- Urumqi Branch opened in 2017.
- Focus on capturing end-to-end trade business within network customers and utilize RMB license for FX conversion.
- Leverage Beijing branch to drive corporate business in Urumqi by cross-referrals of clients

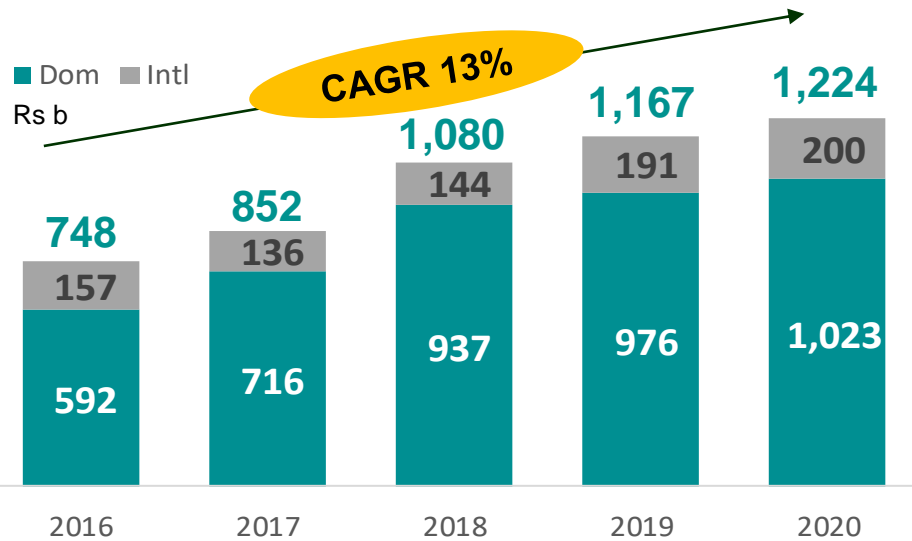
**Become a regionally relevant bank for entities operating in CPEC and BRI countries**



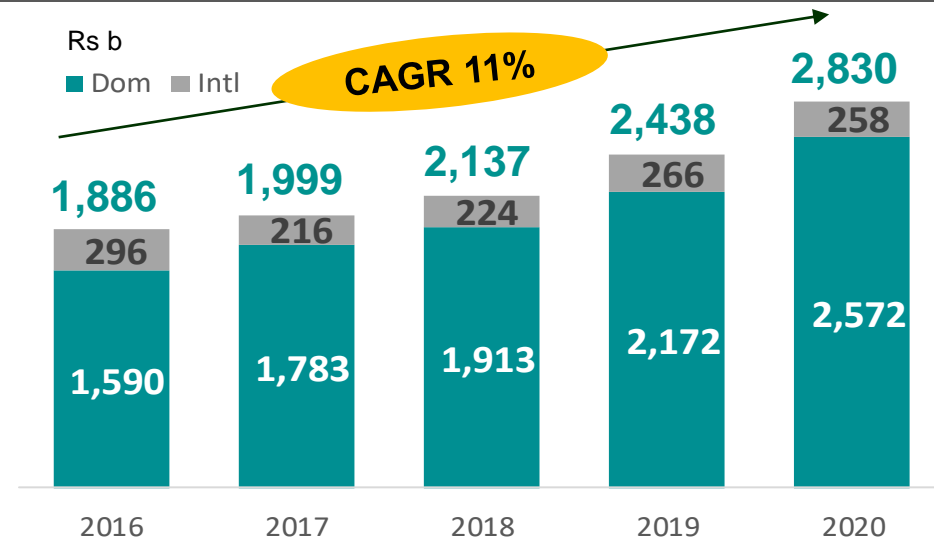
# Financial Performance



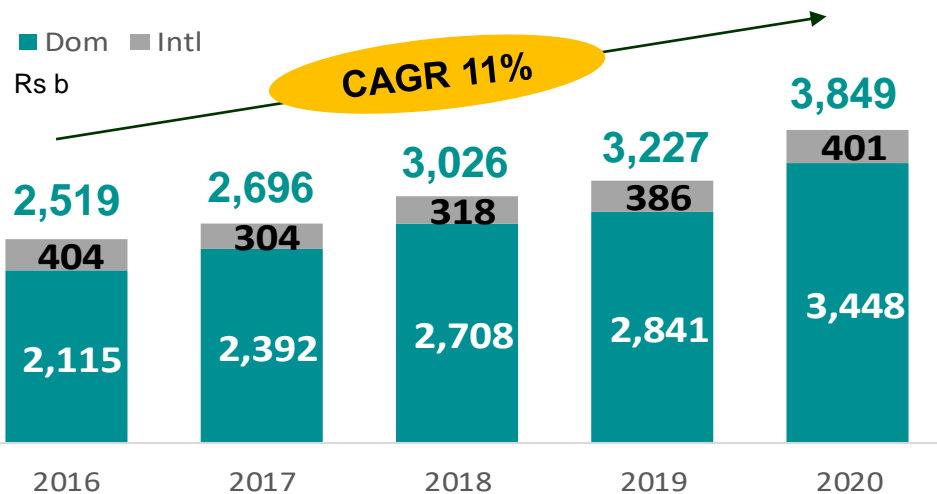
### Net Advances



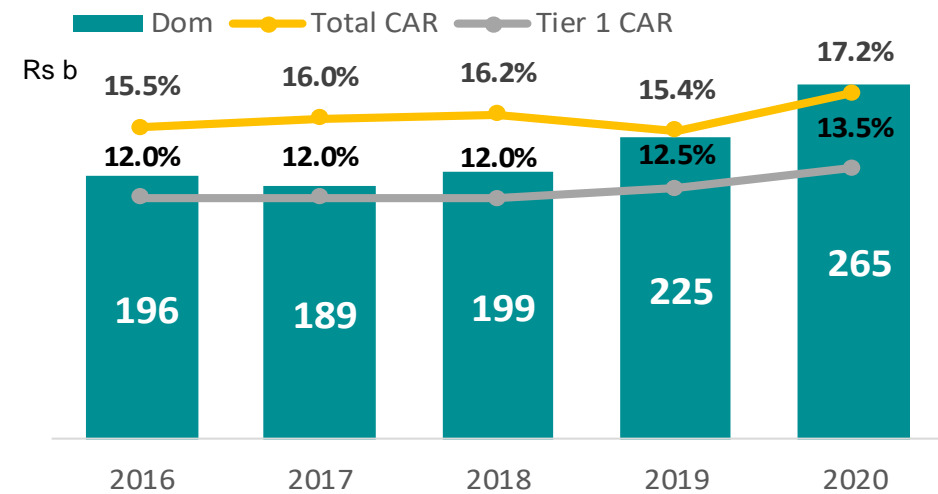
### Deposits



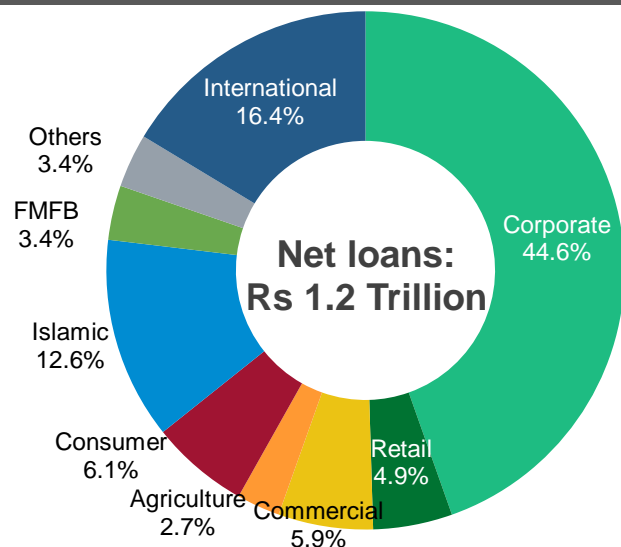
### Total Assets



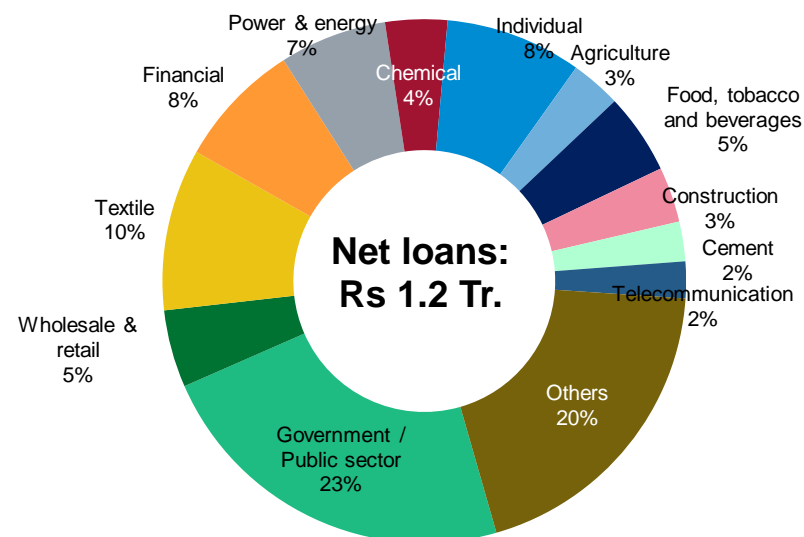
### Strong capital position – buffers being enhanced



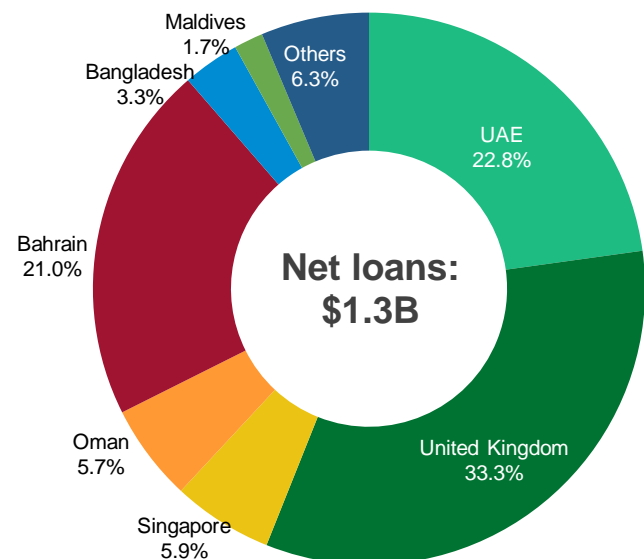
## Loan portfolio by line of business



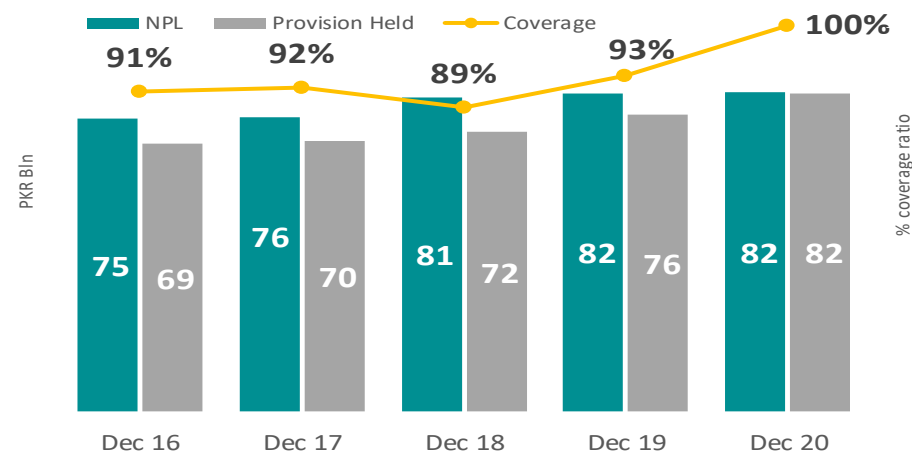
## Loan portfolio by industry segments



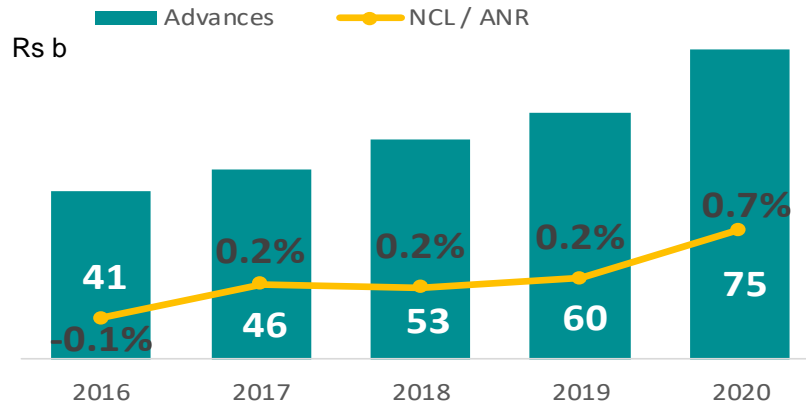
## International advances by location



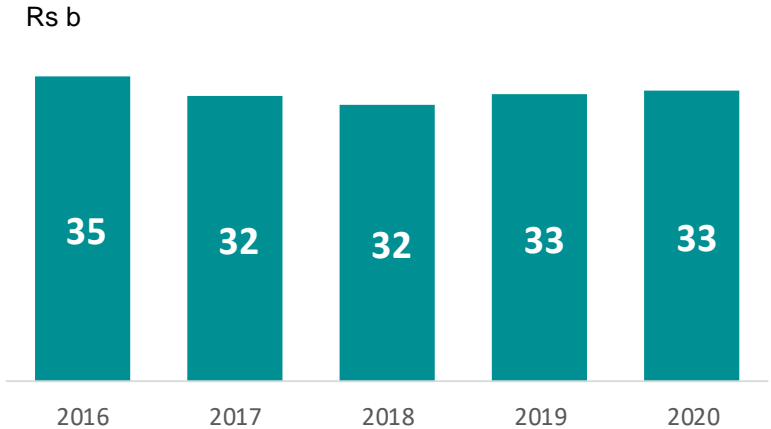
## Stable NPLs despite challenges; Coverage strengthened



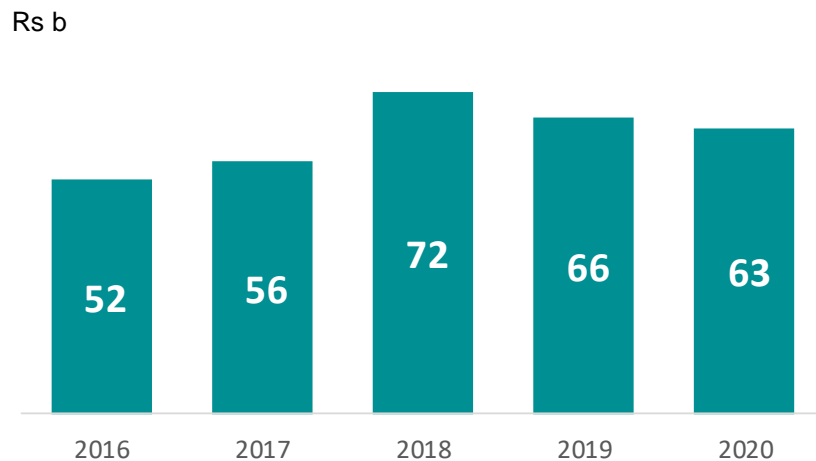
### Strong Consumer Lending growth; Portfolio quality remains strong



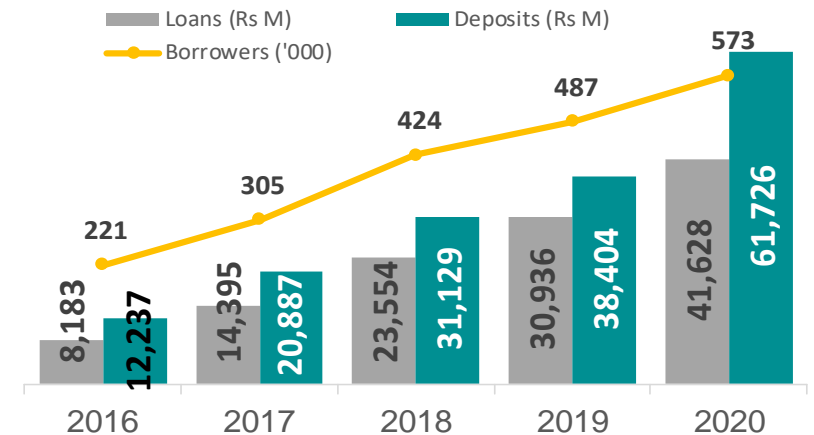
### Leadership in Rural Lending



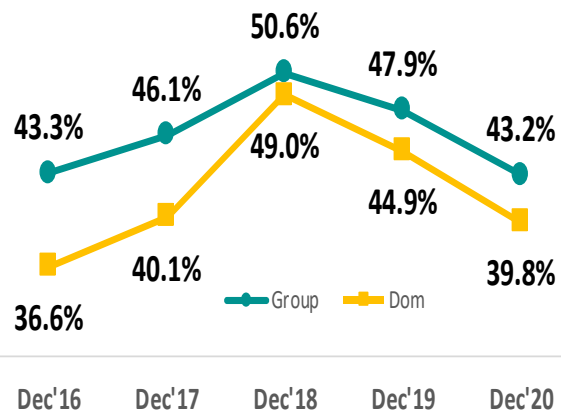
### SME Lending



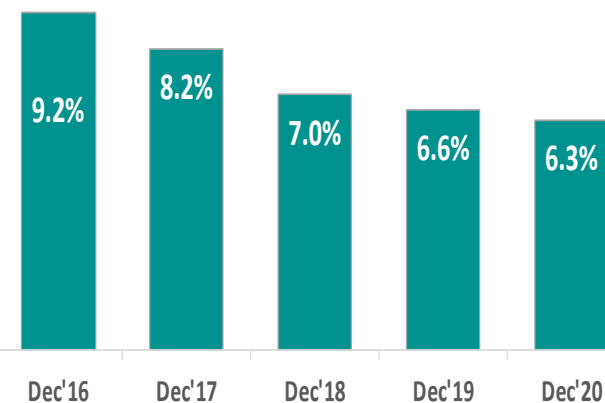
### Steady growth in microfinance through FMFB



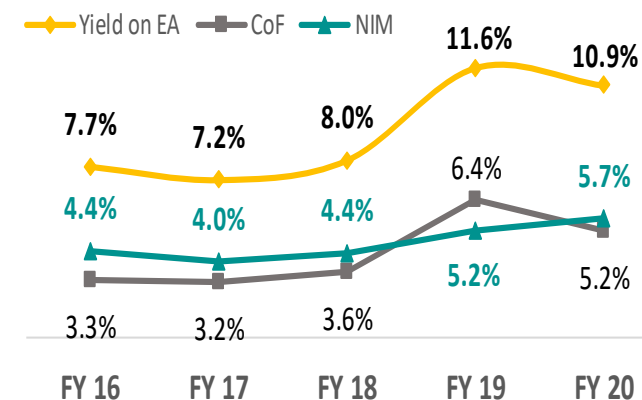
Continuing deposit growth and low credit demand reducing **ADR**



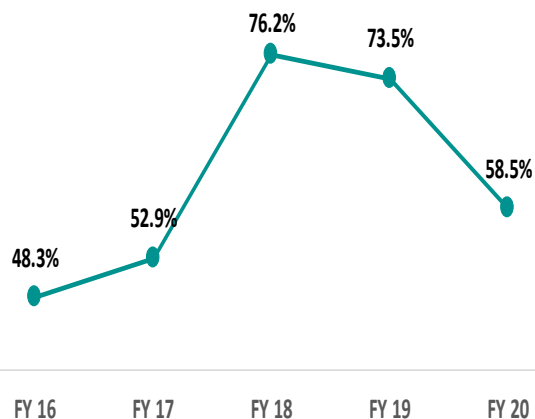
**Infection Ratio** at historic lows



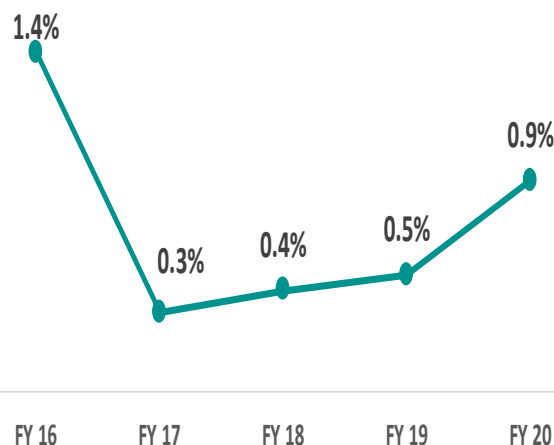
**Domestic NIMs**, reached 5-year high of 5.7%, now trending down (Q4'20 : 5.0%)



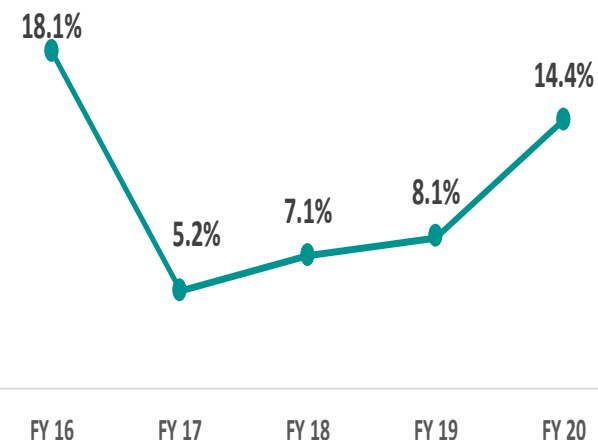
Workstreams underway to continue improving **Cost to Income ratio**



Strong profits have improved **ROA**

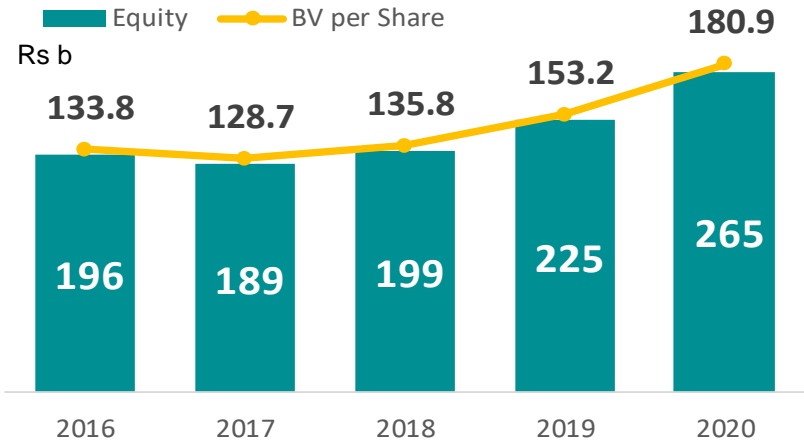


Leading to higher **ROE**

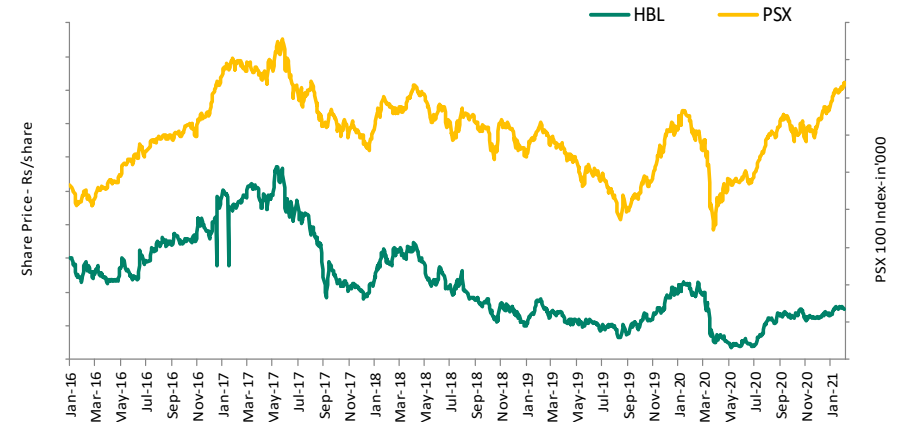




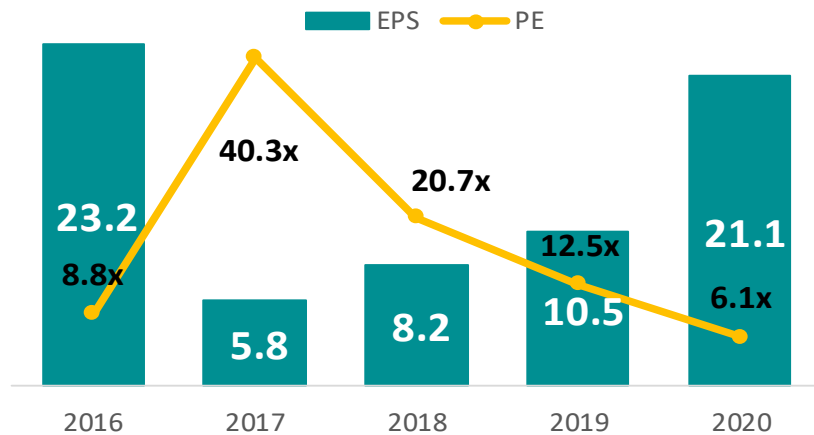
### Book value



### Share price



### Earnings



### Dividend Payout (DPS)

