



Financial Results – March 2017

Investor Presentation

Consolidated PAT is Rs 9.1 Bn, marginally higher than in Q1'16

- PBT is Rs 14.1 Bn, 1% higher than Q1'16

Net interest income of Rs 20.13 Bn is slightly lower than the Rs 20.18 Bn in Q1'16

- The average balance sheet has grown by 7.5% over Q1'16
- Average total domestic deposits have grown by Rs 177 Bn (13.6%) over Q1'16, largely driven by growth in CASA deposits (Rs 157 Bn)
- Average domestic advances grew by 24% YoY, with growth in all lending segments
- However, falling investment yields and competition driven pricing reductions have resulted in net interest margin falling by 31 bps to 4.0%.

Non markup income is at Rs 8.3 Bn, an increase of 26% over Q1'16

- Fees and commissions have grown by 9% to Rs 4.8 Bn. Primary drivers remained account operations and card related fees, Bancassurance and asset management.
- Share of associates' profit for Q1'17 is Rs 1.3 Bn, up 71% YoY, primarily due to strong performance from HBL's stock funds and all associated entities.
- Income from treasury related activities nearly doubled to Rs 2.1 Bn.

Administrative expenses are up 13% YoY to Rs 13.8 Bn

- The growth is primarily due to the consolidation impact of First MicroFinanceBank.
- Excluding the impact of FMFB, expense growth has been contained to single digits.

Provisions

- Gross NPLs have reduced by Rs 0.2 Bn over Dec'16, due to reduction in overseas NPLs.
- Asset quality has improved from 9.2% in Dec'16 to 9.1% in Mar'17.
- Provisions have reduced by 26% YoY to Rs 0.4 Bn in Q1'17.
- The coverage ratio has improved from 91.2% in Dec'16 to 91.8% in Mar'17.

In Mar'17, the Balance Sheet has grown by 2% over Dec'16 to Rs 2.6 trillion

Deposits have increased by 1% over Dec'16 to Rs 1.9 trillion

- Domestic deposits of Rs 1.6 trillion have increased marginally over Dec'16. Consequently, the Bank's market share has improved to 14.2% in Mar'17.
- Domestic CASA deposits grew by Rs 30 Bn, whilst term deposits have reduced by Rs 24 Bn from Dec'16.
- The domestic current deposit mix has improved from 34.8% in Dec'16 to 35.1% in Mar'17. CASA ratio has improved to 87.1% in Mar'17 (Dec'16: 85.5%)
- Average domestic current deposits have increased by 16.2% (Rs 70 Bn) over Q1'16. Resultantly, the cost of domestic deposits has reduced by 17 bps to 2.65% in Q1'17.

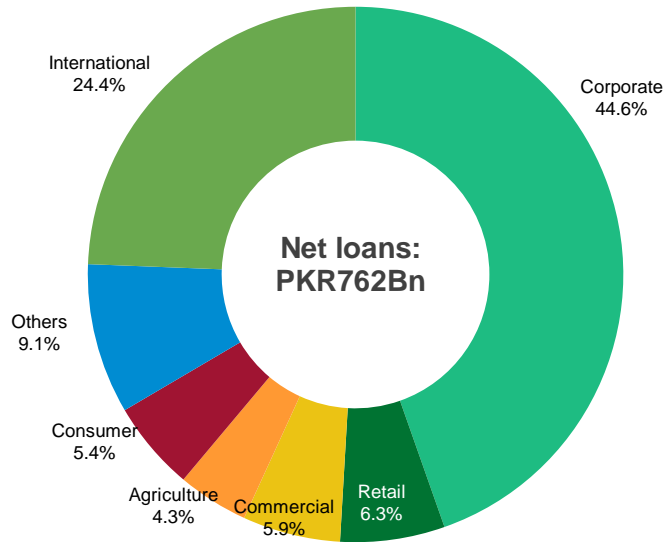
Net advances increased by 2% to Rs 762 Bn in Mar'17

- Domestic advances have reduced by 1% (Rs 7.2 Bn) over Dec'16, primarily due to a seasonal decline in commodity loans.
- Overseas advances have increased by 11.5% to Rs 186 Bn in Mar'17

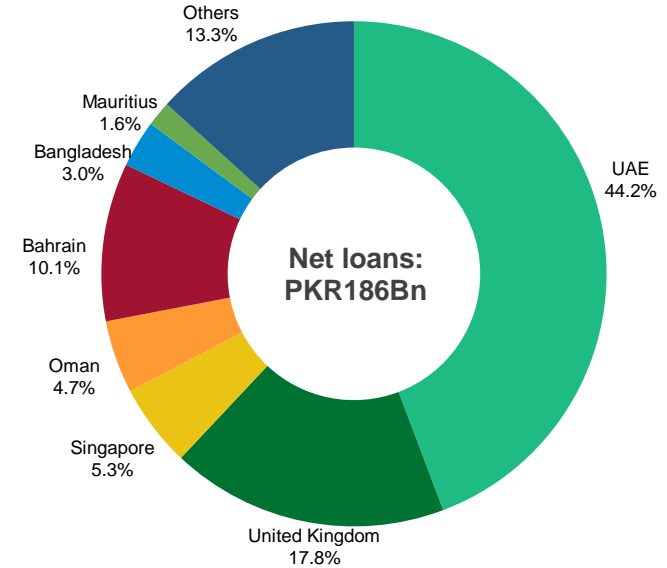
PKR Bln	Mar'17	Dec'16	Var%
Cash & Bank Balances	243.7	284.4	-14%
Lending to Financial Institutions	21.7	34.0	-36%
Investments	1,418.3	1,344.4	5%
Performing Advances	755.5	741.8	2%
Non Performing advances - net of provision	6.1	6.7	-8%
Others	110.9	95.9	16%
Total Assets	2,556.2	2,507.2	2%

Deposits - Domestic	1,583.5	1,578.1	0%
Deposits - International + Dom Subs	316.9	307.9	3%
Total Deposits	1,900.4	1,886.0	1%
Borrowings	357.5	332.8	7%
Subordinated loan	10.0	10.0	0%
Others	89.8	82.1	9%
Total Liabilities	2,357.6	2,310.9	2%
Shareholders' equity	172.9	168.8	2%
Non - controlling interest	3.1	3.4	-11%
Surplus on revaluation of assets - net of tax	22.7	24.1	-6%
Total Liabilities & Equity	2,556.2	2,507.2	2%

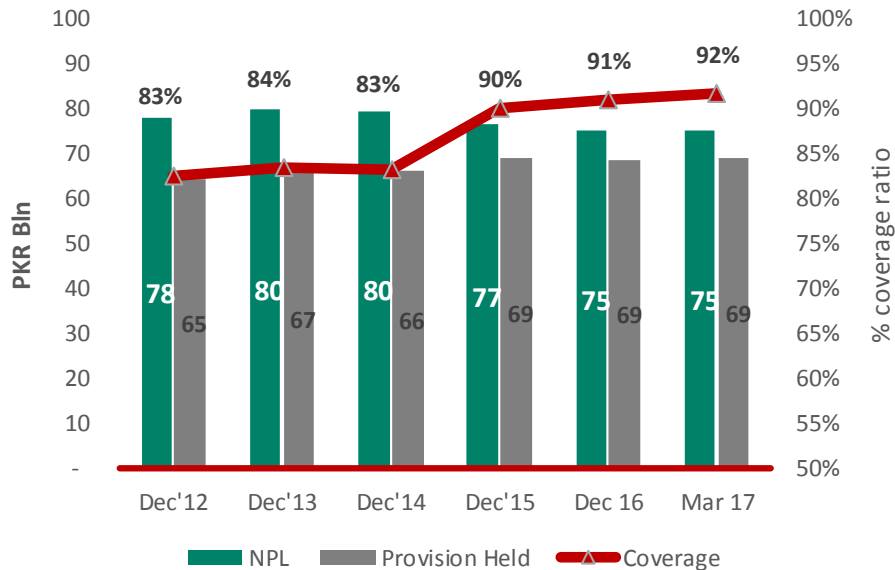
Loan portfolio composition by line of business



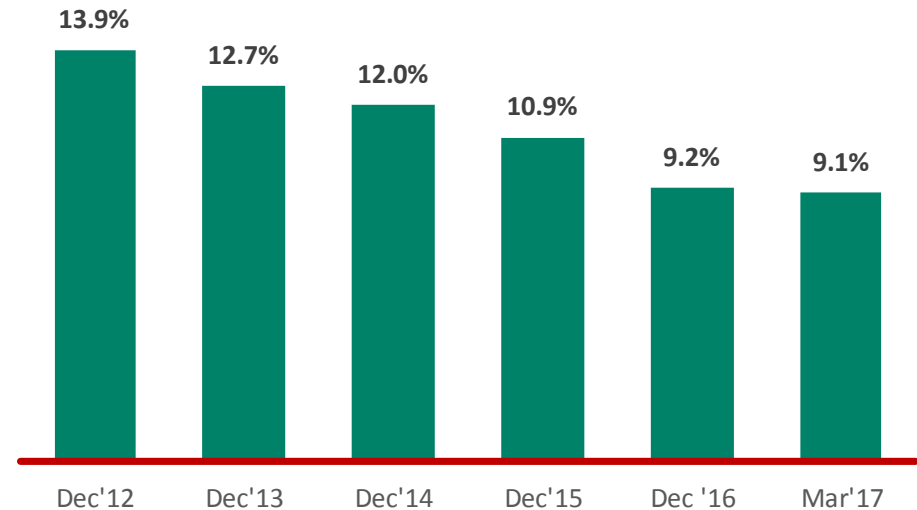
International Advances – Location wise



Coverage ratio



Asset quality



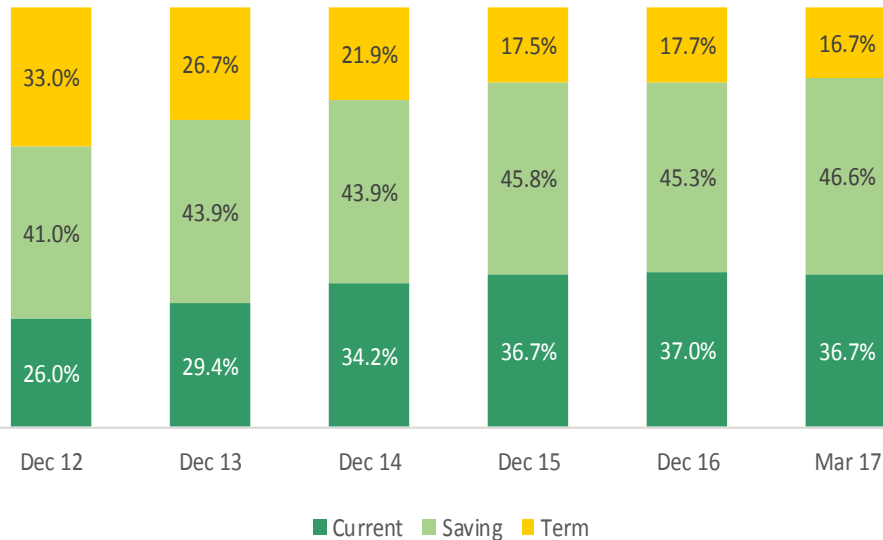
Growth in Period End Deposits			
PKR Bln	Mar'17	Dec'16	Var%
Current	555.2	549.7	1%
Saving	824.7	800.1	3%
Term	203.6	228.2	-11%
Domestic	1,583.5	1,578.1	0%
International + Dom Subs	316.9	307.9	3%
Group	1,900.4	1,886.0	1%

Growth in Average Deposits			
PKR Bln	Q1'17 (Actual)	Q1'16 (Actual)	Var%
Current	504.5	434.0	16%
Saving	789.5	702.8	12%
Term	185.5	165.7	12%
Domestic	1,479.5	1,302.5	14%
International + Dom Subs	313.1	267.8	17%
Group	1,792.6	1,570.4	14%

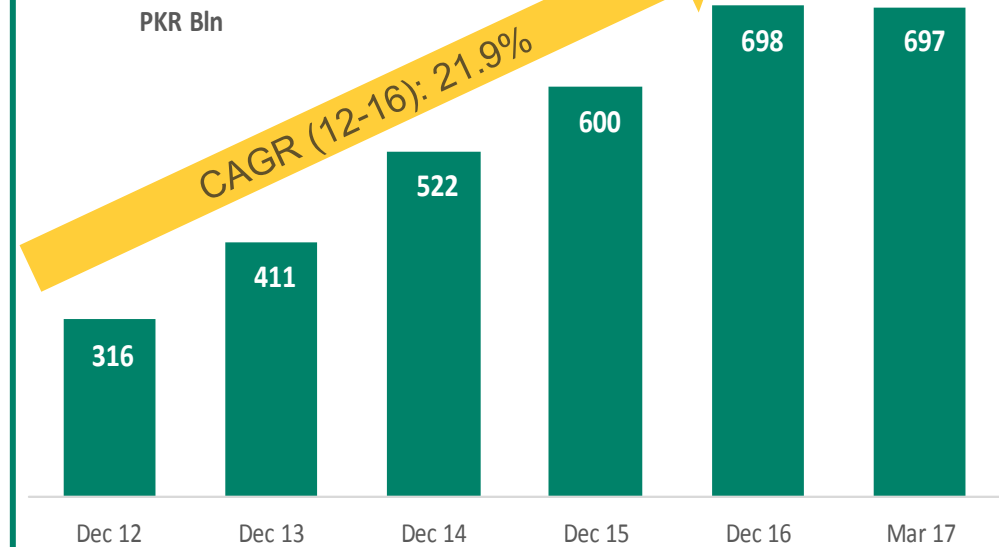
CASA Ratio	83.3%	82.3%	1.0%
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Cost of deposits - Group	2.39%	2.49%	-0.10%
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Deposits Composition



Growth in current deposits



PKR Bn	Q1 2017 (Actual)	Q1 2016 (Actual)	Var%
Interest Income	34.9	35.2	-1%
Interest expensed	(14.8)	(15.0)	1%
Net Interest Income	20.1	20.2	0%
Non Interest Income	8.3	6.6	26%
Gross Revenue	28.4	26.8	6%
Admin Expenses	(13.8)	(12.2)	-13%
Operating Expenses	(14.0)	(12.4)	-13%
Pre Provision Operating Profit	14.4	14.3	1%
Provisions	(0.4)	(0.5)	26%
Profit Before Tax	14.1	13.9	1%
Tax	(5.0)	(4.8)	-3%
Profit After Tax	9.1	9.0	1%

PKR Mln	Q1 2017 (Actual)	Q1 2016 (Actual)	Var%
Fee and commission income	4,793	4,412	9%
Dividend income	178	390	-54%
FX Income	670	389	72%
Share of profit of associates	1,259	736	71%
Other income	182	308	-41%
Gain on sale of securities	1,231	364	238%
Total non interest income	8,313	6,600	26%

Ratios	Mar'17	Dec'16
Advances : Deposits	43.7%	43.3%
Asset Quality	9.1%	9.2%
Coverage	91.8%	91.2%
Capital Adequacy	15.5%	15.5%

Ratios	Q1 2017	Q1 2016
Yield on advances	7.4%	8.1%
Cost of deposits	2.4%	2.5%
Net Interest Margin	4.0%	4.3%
Spreads	3.4%	3.6%
NCL ratio	0.1%	0.3%
Return on average assets	1.4%	1.6%
Return on shareholders' equity*	20.9%	22.3%
Cost : Income ratio	48.4%	45.5%
NFI : Gross revenue	29.2%	24.6%

**excluding surplus on revaluation*