

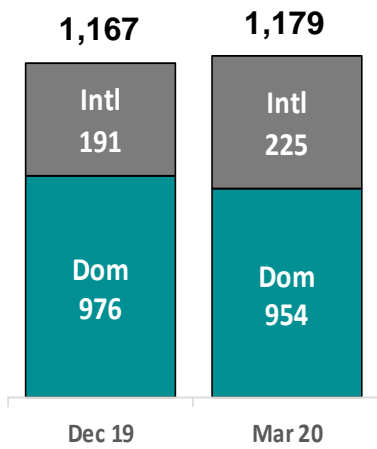


Financial Results – 1Q 2020

Investor Presentation

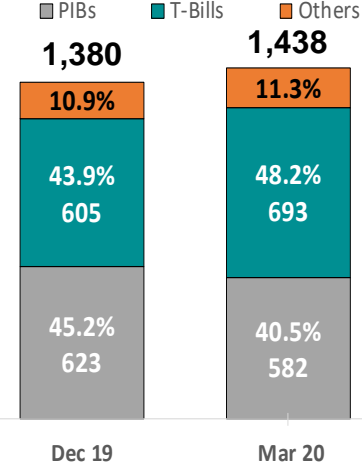
Advances - Rs 1.2 Trillion, with ADR at 49.6%

Rs B



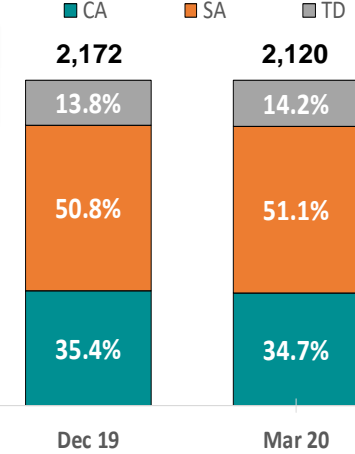
Investments: Rs 1.4 Trillion

Rs B



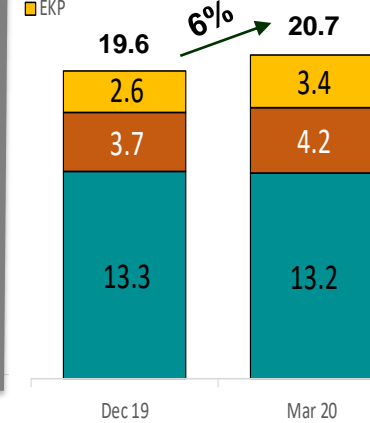
Dom. Deposits - Rs 2.1 tn.

Rs B



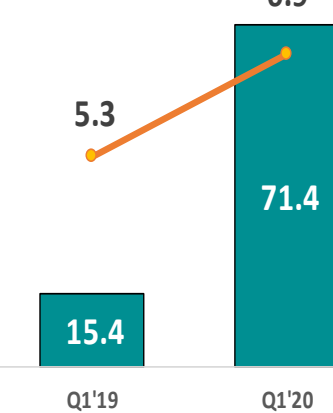
Customer base ~ 21M

In Million



HBL Konnect

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



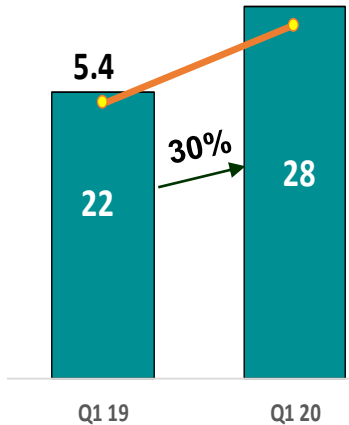
Growing Trade – USD Bn

Intl Dom



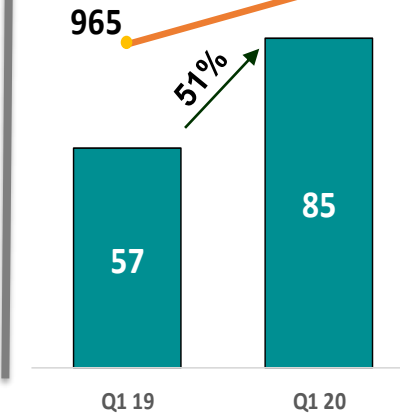
Cards base of over 5.8 Mn (Credit Cards > 179K)

Spend (Rs Bn)
No. of cards (Mn)



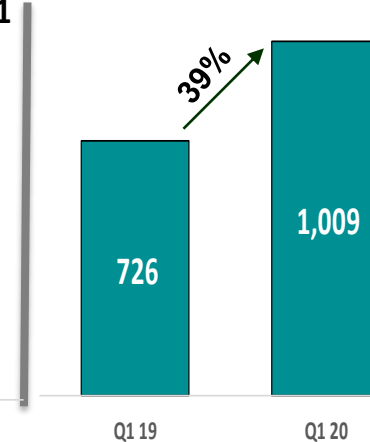
Employee Banking

Salary Processed (Rs Bn)
No. of accounts ('000)



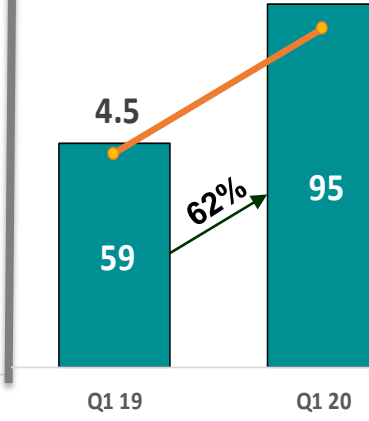
Cash Management Throughput

Throughput (Rs Bn)



HBL Mobile & Internet Banking - 1.3M Subscribers

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



Profitability

- Profit after tax, at Rs 4.1 billion, is 29% higher than for Q1'19.
- Profit before tax for Q1'20 is Rs 7.1 billion, 15% lower than Q1'19 as a result of higher revaluation loss. Excluding this impact, PBT has increased by 10% over Q1'19.
- Core domestic PBT grew by 22% to Rs 14.9 billion.

Net Interest Income increased by 20% over Q1'19 to Rs 28.0 billion

- Domestic NII grew by 21% to Rs 25.8 billion – NIMs improved by 52bps YoY to 5.4%, average balance sheet increased by 9.3% on the back of growth in average deposits
- International NII increased by 8% to Rs 2.2 billion.

Non fund income (ex. revaluation loss) is Rs 8.5 billion, 19% higher than Q1'19

- There is a positive swing of Rs 2.7 billion in capital gains – In Q1'20, Rs 2.2 billion gain from fixed income securities. In Q1'19, there was a loss of Rs 0.5 billion on equities
- Core FX income increased to Rs 1.6 billion – driven from both the domestic and international businesses
- Fee income, at Rs 4.7 billion, is 11% lower than for Q1'19 mainly due to lower Bancassurance and investment banking fees and as Q1'19 included 1-off recoveries

Administrative expenses increased by 20% (Rs 4.2 billion) over Q1'19 to Rs 25.6 billion

- New York costs increased by Rs 1.4 billion due to accelerated closure and up-front cost recognition. This is expected to reduce significantly going forward.
- Impact of rupee devaluation on overseas expenses – Rs 0.5 billion
- Higher marketing spend – Rs 0.5 billion

Provisions

- There is a net provision of Rs 0.6 billion in Q1'20 vs a nominal reversal of Rs 0.1 billion in Q1'19, driven from both credit provisions and impairment on equities
 - Despite a net reversal of Rs 0.2 billion in domestic business, there is an overall provision charge of Rs 0.5 billion in Q1'20 driven from the International business
 - In Q1'20, as permitted by the SBP, the Bank has booked an impairment charge of Rs 0.2 billion (1-quarter impact).
- Despite the Rs 2.3 billion impact of rupee devaluation on overseas NPLs, total NPLs have declined by Rs 1.2 billion over Dec'19 with reductions in both the domestic and international businesses
- Consequently, asset quality improved further from 6.6% in December 2019 to 6.4% in March 2020
- Coverage ratio also increased from 93.2% to 93.4% in March 2020

Balance Sheet has declined by 1% over Dec'19 to Rs 3.1 trillion

Total Deposits have reduced by 2.5% to Rs 2.4 trillion

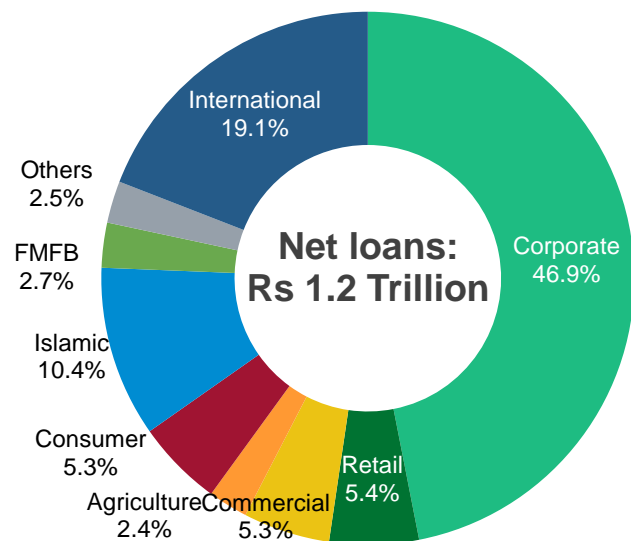
- Total domestic deposits declined by 2.4% to Rs 2.1 trillion, with market share at 13.8%.
- Domestic current accounts showed a seasonal decline of 4.2% to Rs 736 billion, with the current account mix at 34.7% (Dec'19: 35.4%).
- Average current accounts increased by Rs 40 billion, helping to contain the cost of deposits increase to 196 bps compared to a 308bps increase in the average Policy Rate.
- Overseas deposits, at \$ 1.5 billion (Rs 257 billion), are 10.2% lower than Dec'19.

Total advances increased by 1% over Dec'19 to Rs 1.2 trillion, with ADR improving to 49.6%

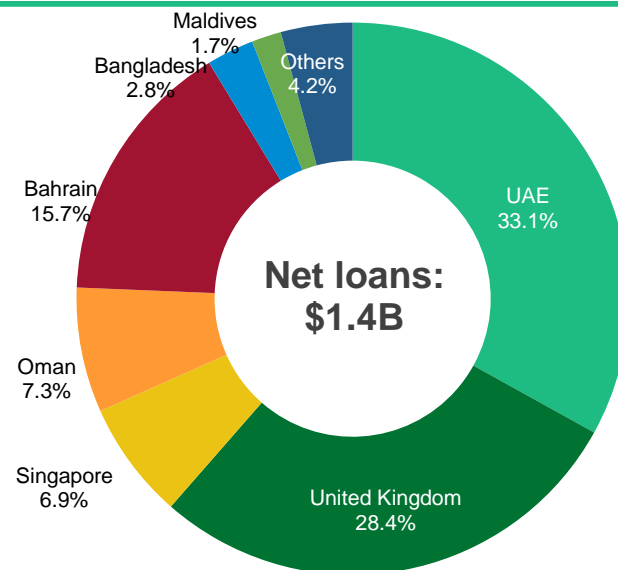
- Domestic advances have declined by 2.2% to Rs 954 billion. Lower seasonal financing and maturity of one large-ticket loan have more than offset growth in Corporate and Consumer lending.
- International advances have grown by 9.5% over Dec'19 to \$ 1.4 billion (Rs 226 billion), mainly driven from GCC.

PKR Bln	Mar 20	Dec 19	Var%
Cash & Bank Balances	307.9	408.8	-25%
Lending to Financial Institutions	49.9	45.3	10%
Investments	1,437.6	1,379.6	4%
Net Advances	1,179.3	1,167.0	1%
Others	217.1	226.4	-4%
Total Assets	3,191.9	3,227.1	-1%
Deposits - Domestic	2,120.4	2,171.7	-2%
Deposits - International	257.2	265.9	-3%
Total Deposits	2,377.6	2,437.6	-2%
Borrowings	375.3	382.2	-2%
Subordinated loan	22.4	22.4	0%
Others	180.8	160.2	13%
Total Liabilities	2,956.1	3,002.4	-2%
Shareholders' equity	205.2	199.9	3%
Surplus on revaluation (Net)	30.5	24.9	23%
Total Liabilities & Equity	3,191.9	3,227.1	-1%

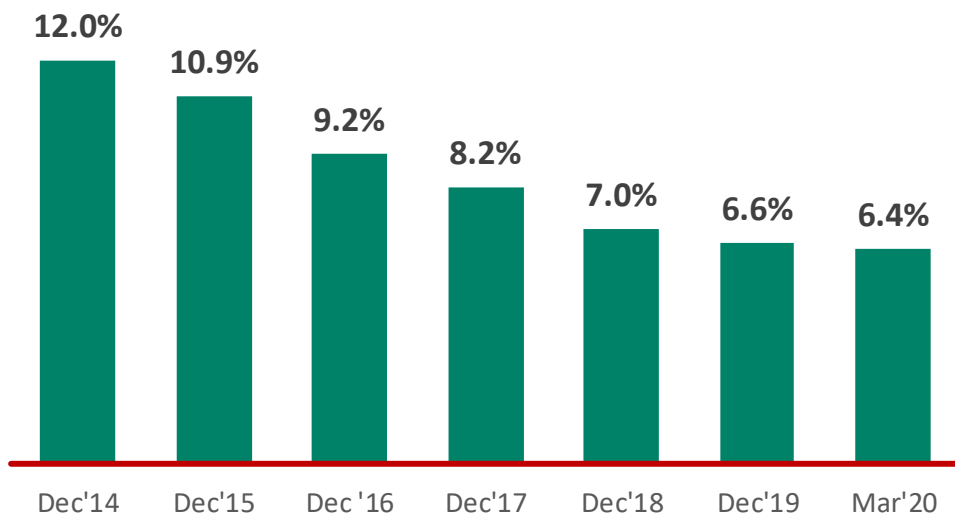
Loan portfolio composition by line of business



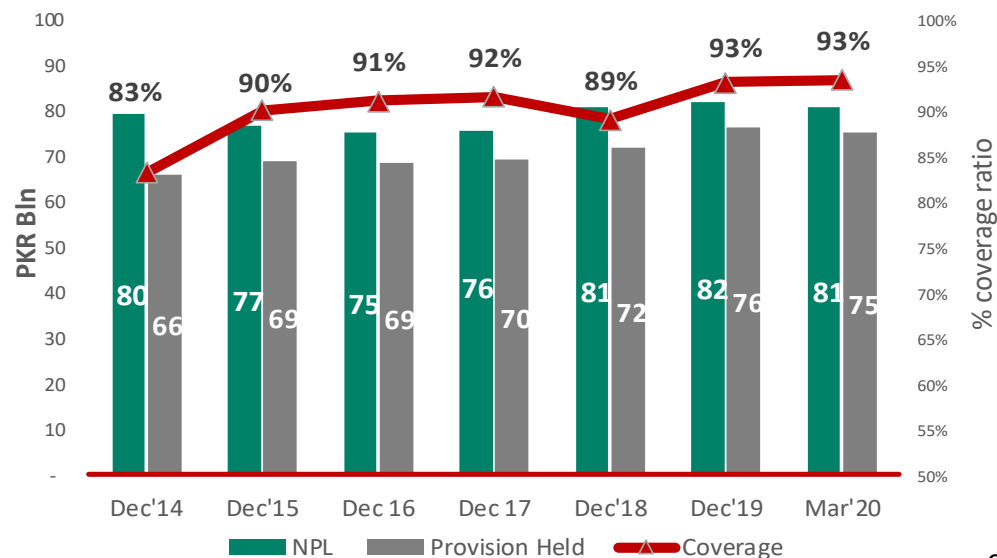
International Advances – Location wise



Asset quality



Coverage ratio



Period End Deposits

PKR Bln	Mar 20	Dec 19	Var%
Current	736.2	768.4	-4%
Saving	1,083.2	1,102.9	-2%
Term	301.0	300.3	0%
Domestic	2,120.4	2,171.7	-2%
International	257.2	265.9	-3%
Group	2,377.6	2,437.6	-2%

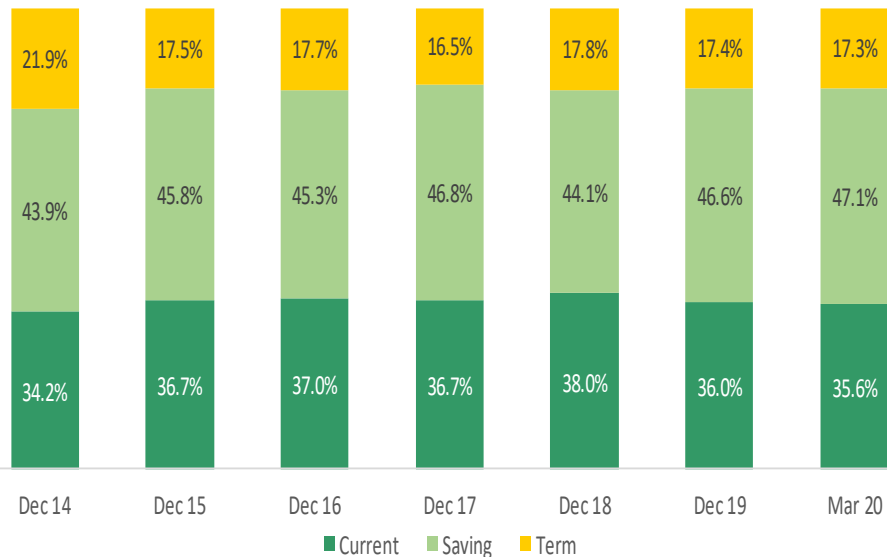
CASA - Domestic	85.8%	86.2%	-0.4%
CASA - Group	82.7%	82.6%	0.1%

Average Deposits

PKR Bln	Q1 20	Q1 19	Var%
Current	698.3	658.5	6%
Saving	986.4	896.6	10%
Term	285.8	259.9	10%
Domestic	1,970.5	1,815.0	9%
International	252.1	216.3	17%
Group	2,222.6	2,031.3	9%

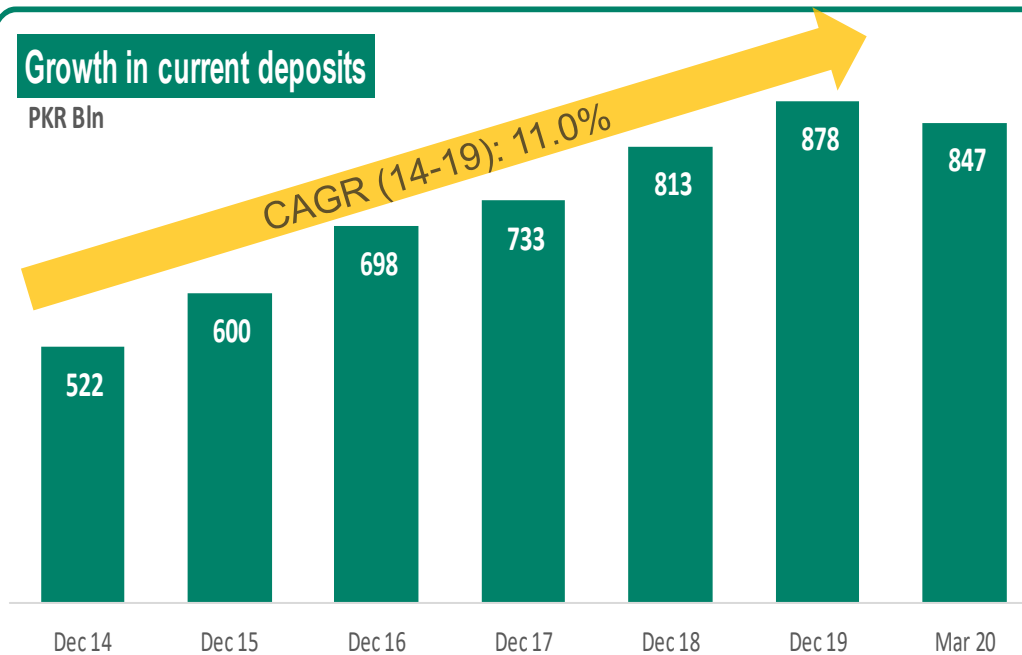
CoD - Dom	6.80%	4.84%	+ 196 bps
CoD - Group	6.30%	4.52%	+ 179 bps

Deposits Composition



Growth in current deposits

PKR Bln



PKR Mn	Q1 20	Q1 19	Var%
Net Interest Income	28,013	23,358	20%
Core Non Fund Income	8,550	7,186	19%
Reval. loss on open position	(2,772)	(540)	-414%
Total Non Fund Income	5,778	6,646	-13%
Gross Revenue	33,791	30,004	13%
Operating Expenses	(26,033)	(21,652)	-20%
Pre Provision Operating Profit	7,758	8,352	-7%
Provisions	(625)	83	-854%
Profit Before Tax	7,133	8,435	-15%
Tax	(3,025)	(5,257)	42%
Profit After Tax	4,108	3,178	29%

Ratios	Mar'20	Dec'19
Advances : Deposits	49.6%	47.9%
Asset Quality	6.4%	6.6%
Coverage	93.4%	93.2%
Capital Adequacy - Tier I	12.2%	12.5%
Capital Adequacy - Total	15.4%	15.4%

Ratios	Q1 20	Q1 19
Yield on advances	12.4%	10.6%
Cost of deposits	6.3%	4.5%
Net Interest Margin	4.6%	4.3%
Spreads	3.8%	3.5%
NCL ratio	0.1%	0.0%
Return on average assets	0.5%	0.4%
Return on shareholders' equity*	8.1%	6.8%
NFI : Gross revenue	17.1%	22.2%
Cost : Income ratio	75.9%	71.5%
Cost : Income ratio - Normalized ^	70.1%	70.2%

* excluding revaluation surplus

^ Normalized C/I ratio excludes revaluation loss on open position

EUROMONEY

Pakistan's Best Bank



Project Finance House of the Year
Utility deal of the Year
Power deal of the Year
Transport deal of the Year



Best Investment Bank in Pakistan 2020

ASIAMONEY

Best Domestic Bank for 2020

Best Corporate and Investment Bank
Best Bank for CSR
Best Local Bank in South Asia for BRI
Best Individual BRI Project or Initiative in South Asia

Best Investment Bank
Best Sukuk Deal



Gender Champion Award



Global Diversity and Inclusion Benchmarks Awards 2020 for Recruitment, Retention, Development and Advancement



Brand of the Year, Banking – Pakistan

FinanceAsia

Best Investment Bank



Best Corporate Finance House – Fixed Income



- Pakistan Domestic -
Cash Management Bank of the year
Trade Finance Bank of the year
Project Finance Bank of the year
Debt Deal of the Year
Best Corporate & Investment Bank

THE ASIAN BANKER®

STRATEGIC BUSINESS INTELLIGENCE FOR THE FINANCIAL SERVICES COMMUNITY

Excellence in Retail Financial Services



Pakistan Banking Awards

Best Investment Banking
Best Bank for Small & Medium Business