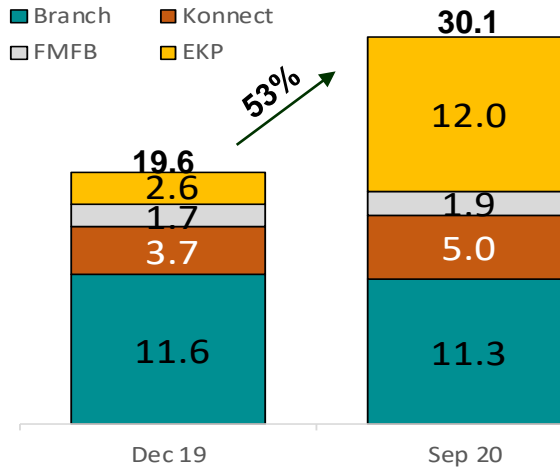




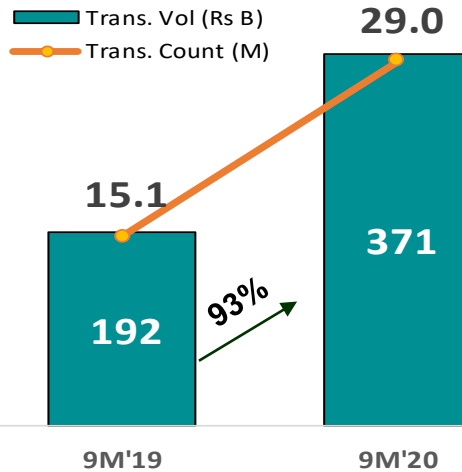
Investor Presentation – September 2020

CHANNEL MIGRATION DRIVE IN FULL SWING – OTC TRANSACTIONS REDUCED 30%+ YOY

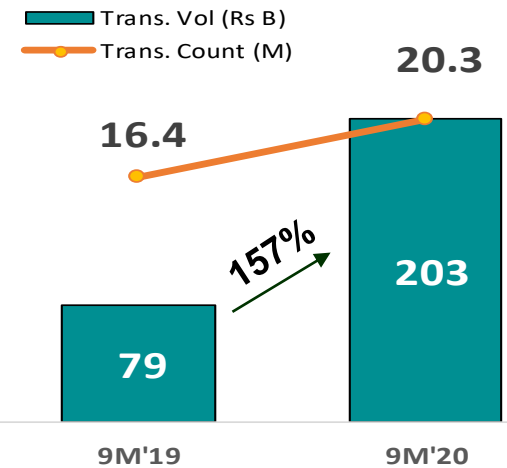
Now serving over 30m customers



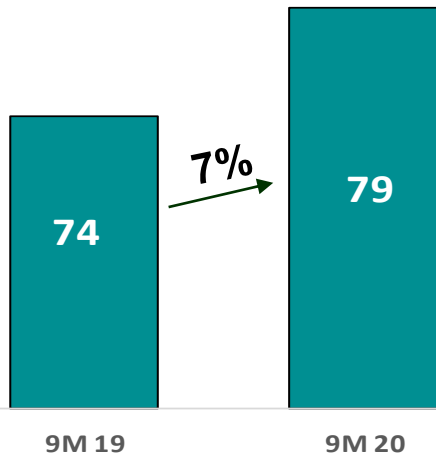
Mobile & Internet Banking use accelerates - 1.6M users



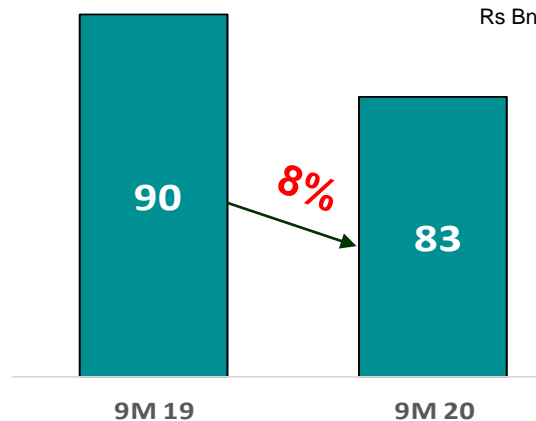
HBL Konnect – 44k agents 1.4m App Users



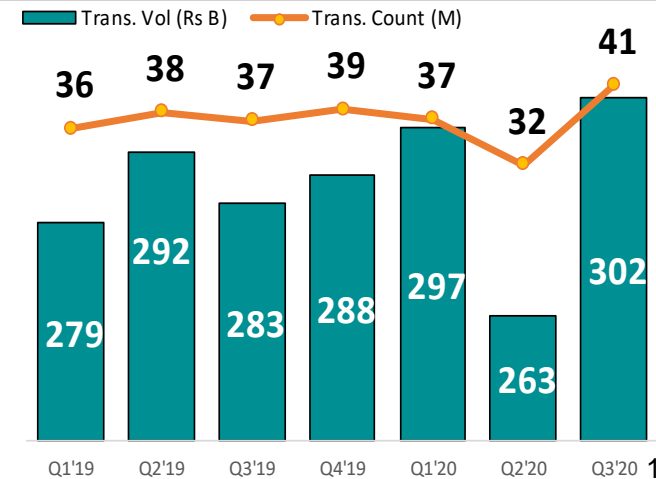
Cards base 5.9m Spend up 7% to Rs 79b in 9M'20



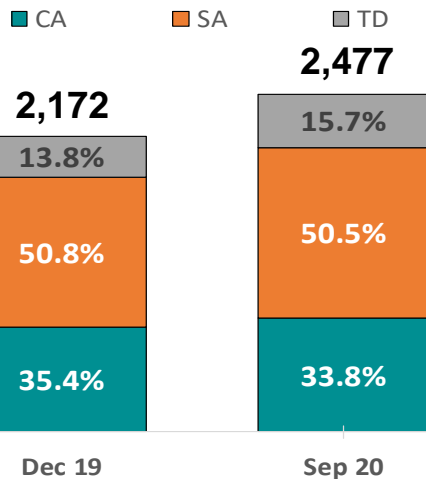
POS Terminals 28k Spend rebound of Rs 30b in Q3, returning to pre-COVID Levels



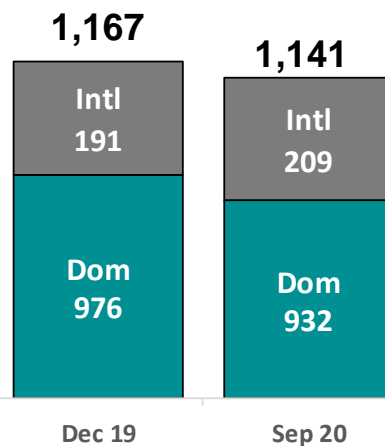
2,135 ATMs countrywide – txn picked up in 3Q post lifting of lockdown



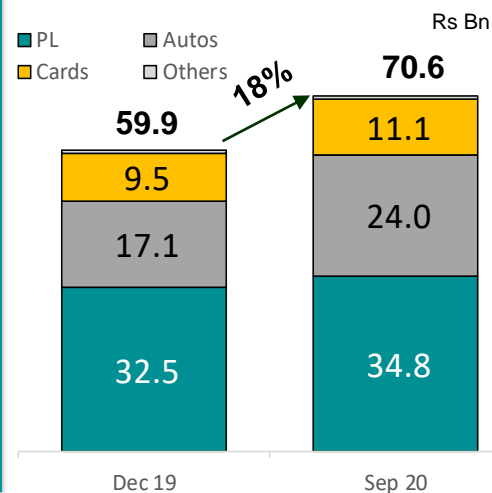
Domestic Deposits – up 14%, to Rs 2.5t. Market Share increased further, to 14.37%



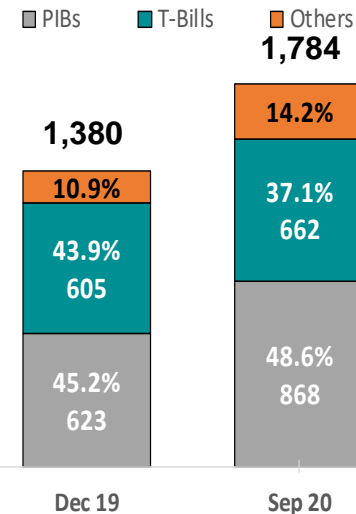
Advances - Rs 1.1 Trillion, with ADR at 41.7%



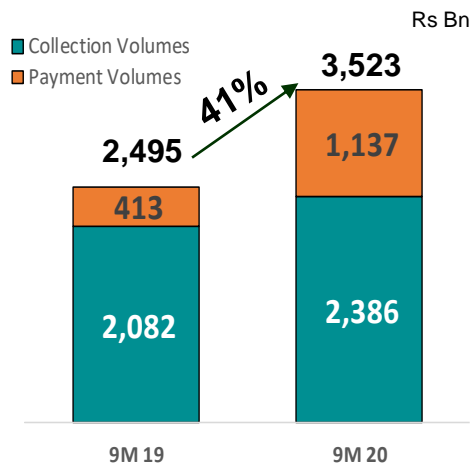
Robust growth in **Consumer lending** – market positioning in Autos jumped from 4th to 2nd



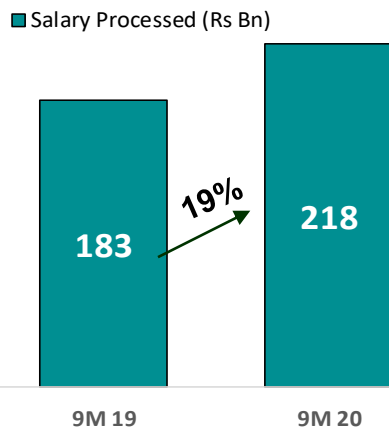
Investments up 29%, to Rs 1.8 Trillion



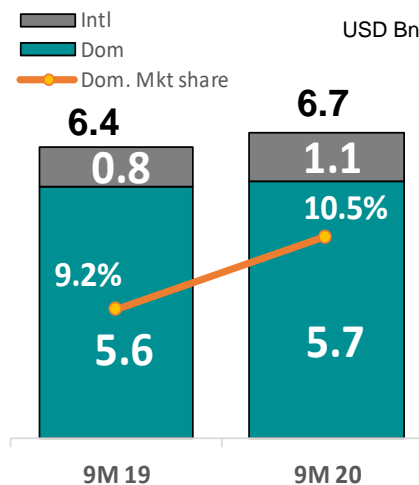
Cash Management, throughput up 41%, to Rs 3.5t



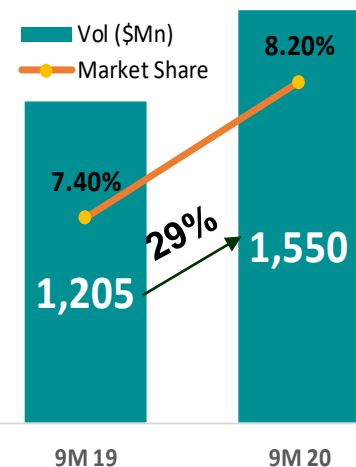
Employee Banking maintaining dominance with 1.2m accounts



Trade Volumes – market share increased to 10.5%



Home Remittances – New partnerships restoring volumes



Profitability

- Profit before tax for 9M'20 is Rs 42.9 billion, more than double the Rs 18.3 billion in 9M'19
- Profit after tax for 9M'20 is Rs 25.3 billion, almost three times the Rs 8.8 billion in 9M'19
- Core domestic PBT has increased by 58% (Rs 21 billion) to Rs 57.4 billion

Revenue increased by 37% over 9M'19 to Rs 123 billion

- Net Interest income up 33% to nearly Rs 100 billion
 - Domestic NII rose by 37% to Rs 93 billion
 - NIMs improved by 83bps to 5.9% due to immediate downward repricing of liabilities in Q2, while asset yields only started to reprice in Q3
 - The average balance sheet grew by Rs 350 billion (15%) over 9M'19 as a result of growth in average deposits
- Total non-fund income increased by more than 50% (Rs 8.3 billion) over 9M'19 to Rs 24.1 billion
 - Swing of Rs 9.8 billion in capital gains – Rs 8.2 billion on fixed income securities in 9M'20 from both Trading and AFS sales. Loss on sale of previously impaired equities is Rs 1.6 billion lower.
 - Fee income down 13% to Rs 13.4 billion due to lower business volumes in 1H'20 but is up 8% QoQ in Q3'20 – decline mainly in Bancassurance, general banking fees and investment banking income. Trade, Cards and Consumer Finance fees all show double digit growth.

Administrative expense growth contained to only 2% over 9M'19 to Rs 73.2 billion, as costs related to New York and the Business Transformation program have receded.

- Consequently, the cost to income ratio reduced from 76.8% in 9M'19 to 57.2% in 9M'20
- The domestic cost to income ratio (excluding Capital Gains) reduced from 56.0% in 9M'19 to 48.4% in 9M'20

Provisions

- Provisions for 9M'20 are Rs 8.5 billion, Rs 6.7 billion higher than 9M'19
 - In 9M'20, the Bank prudently took a general provision of Rs 6.0 billion to absorb potential losses that could arise once SBP schemes and relaxations expire next year
 - International provisions, at \$ 17.6m, are \$ 15.7 million (Rs 2.6 billion) higher than 9M'19 – one large exposure in UAE and higher IFRS-9 related ECL caused by deteriorating macro indicators
 - Domestic has a net reversal of Rs 0.3 billion in 9M'20 vs a net charge of Rs 1.5 billion in 9M'19 – lower credit provisions due to SBP deferrals and lower impairment due to rising equity market.
- Total NPLs have reduced by Rs 0.3 billion from Dec'19 due to a Rs 0.7 billion decrease in Domestic NPLs. International NPLs are \$ 11.3 million lower, but Rs 0.4 billion higher in Rupee terms.
- Due to a decline in loans, the infection ratio increased from 6.6% in Dec'19 to 6.7% in Sep'20.
- The coverage ratio has increased from 93.2% in Dec'19 to 100% in Sep'20. Specific coverage remains strong at 87.4%.

Balance Sheet has increased by 10% to Rs 3.6 trillion

Total deposits have grown by 12.2% to over Rs 2.7 trillion

- Total domestic deposits grew by 14.1% (Rs 300 billion+) to Rs 2.5 trillion. Market share has increased from 13.9% in Dec'19 to 14.4% in Sep'20.
 - Domestic current accounts increased by Rs 69 billion to Rs 837 billion. Total current accounts at Rs 948 billion nearing the Rs 1 trillion mark.
 - Savings deposits grew by 13.5% to Rs 1.3 trillion, with CASA ratio at 84.3%.
- Average domestic deposits have increased by 14.1% to over Rs 2.1 trillion with a Rs 73 billion growth in average current accounts.

Advances have declined by 2.2% to Rs 1.1 trillion

- Domestic advances reduced by 4.5% from Dec'19 to Rs 932 billion driven by reductions across all segments except Consumer.
- Consumer lending has increased by 18% (Rs 11 billion) over Dec'19 (16% in Q3 alone) mainly personal loans and autos.
- International advances up 2.1% over Dec'19 to \$ 1.3 billion



EUROMONEY

Asia's Best Bank Transformation
Pakistan's Best Bank



PAKISTAN
DIGITAL AWARDS

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

ASIAMONEY

Best Domestic Bank

INTERNATIONAL
Banker

Best Commercial Bank
Pakistan 2020



#1 Primary Dealer in
Government Securities

FinanceAsia

Best Investment Bank

GLOBAL
FINANCE

Best Investment Bank



Best Project Finance House
– Pakistan



Best Investment Bank
Best Bank for Small and Medium Businesses



Best Islamic Bank for Trade Finance 2020

BANKING & FINANCE
**WHOLESALE
BANKING
AWARDS 20**

Domestic Project Finance Bank of the Year
Pakistan Domestic Trade Finance Bank of the Year

BANKING & FINANCE
**CORPORATE & INVESTMENT
BANKING AWARDS 2020**

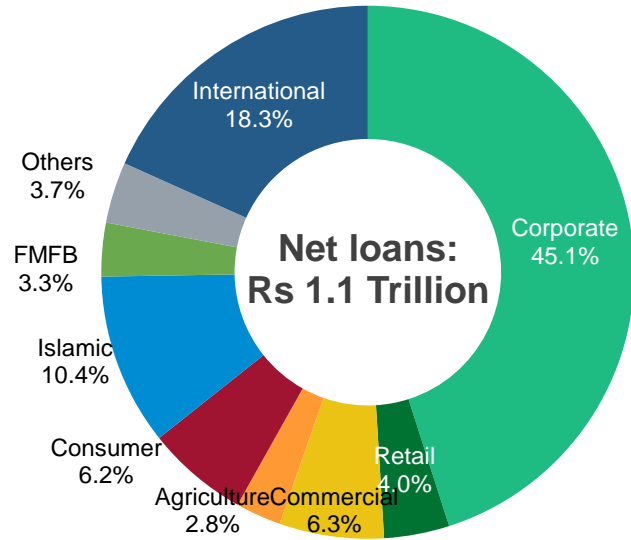
Debt Deal of the Year – Domestic
Corporate & Investment Bank of the Year - Domestic



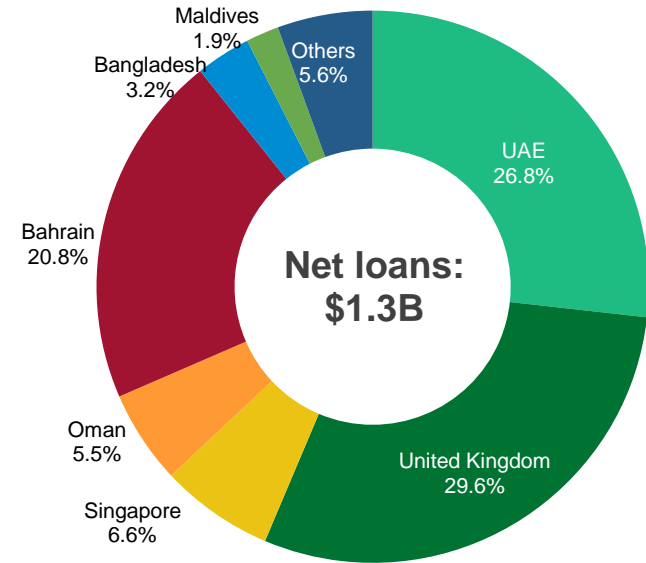
Best Local Bank in the Region for BRI (South Asia)
Best Bank for BRI-related financing in the Region (South Asia)
Best Bank for Infrastructure/Project Finance in the Region (South Asia)

PKR Bln	Sep 20	Dec 19	Var%
Cash & Bank Balances	369.1	408.8	-10%
Lending to Financial Institutions	64.1	45.3	41%
Investments	1,783.8	1,379.6	29%
Net Advances	1,141.0	1,167.0	-2%
Others	195.7	226.4	-14%
Total Assets	3,553.7	3,227.1	10%
Deposits - Domestic	2,477.4	2,171.7	14%
Deposits - International	258.7	265.9	-3%
Total Deposits	2,736.1	2,437.6	12%
Borrowings	342.5	382.2	-10%
Subordinated loan	22.4	22.4	0%
Others	195.1	160.2	22%
Total Liabilities	3,296.0	3,002.4	10%
Shareholders' equity	224.8	199.9	12%
Surplus on revaluation (Net)	32.9	24.9	32%
Total Liabilities & Equity	3,553.7	3,227.1	10%

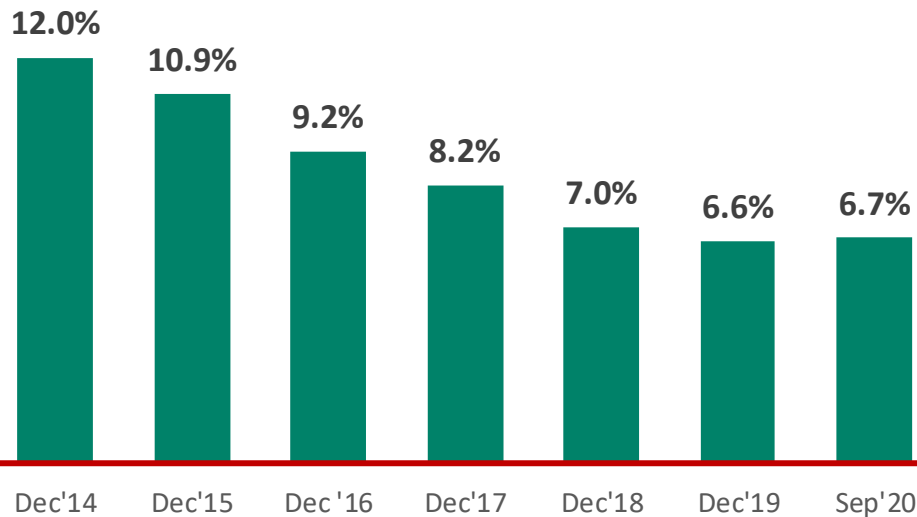
Loan portfolio composition by line of business



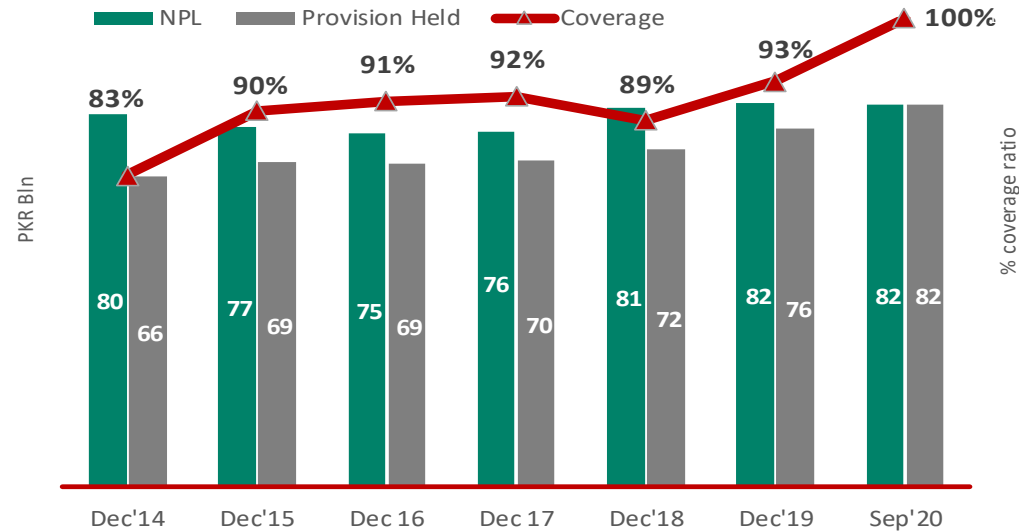
International Advances – Location wise



Asset quality



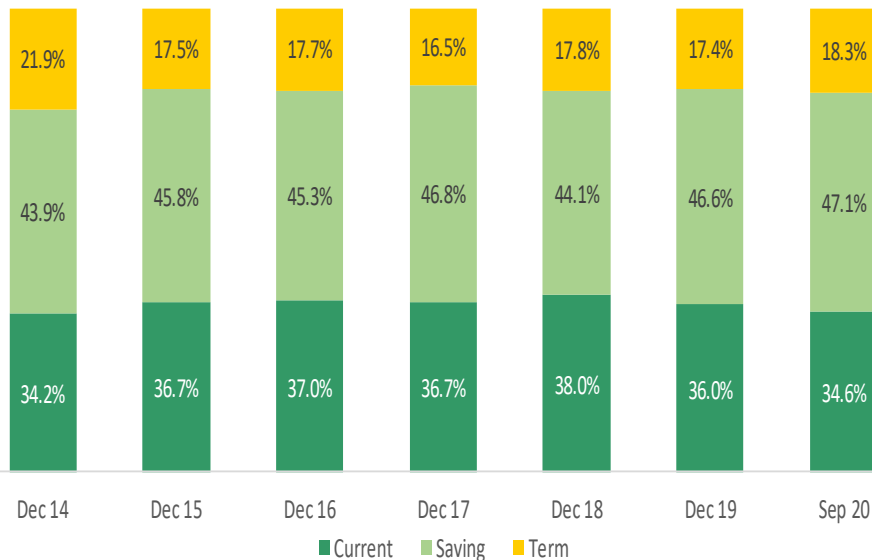
Coverage ratio



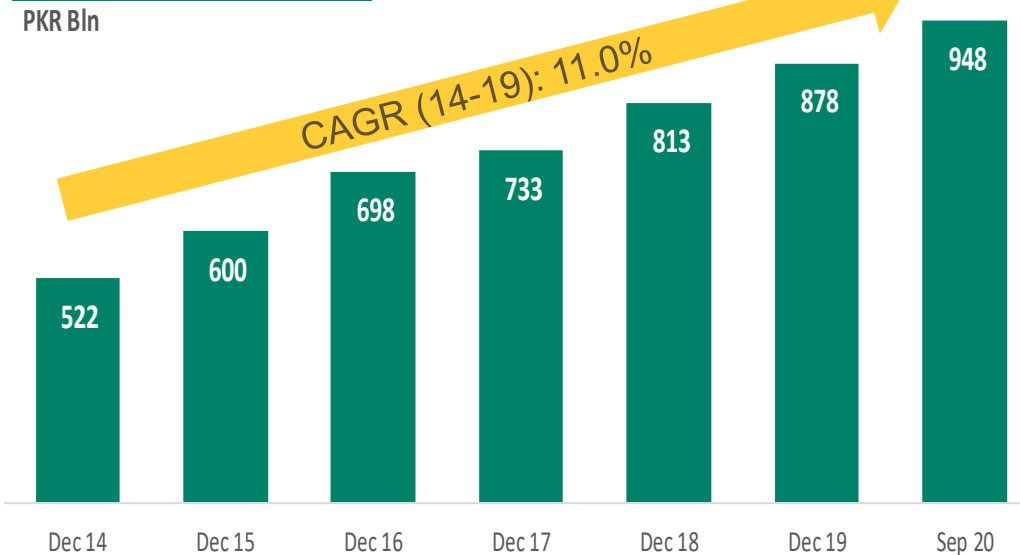
Period End Deposits			
PKR Bln	Sep 20	Dec 19	Var%
Current	837.0	768.4	9%
Saving	1,252.2	1,102.9	14%
Term	388.2	300.3	29%
Domestic	2,477.4	2,171.7	14%
International	258.7	265.9	-3%
Group	2,736.1	2,437.6	12%
CASA - Domestic	84.3%	86.2%	-1.8%
CASA - Group	81.7%	82.6%	-0.9%

Average Deposits			
PKR Bln	9M 20	9M 19	Var%
Current	743.5	670.9	11%
Saving	1,048.0	900.9	16%
Term	312.2	271.9	15%
Domestic	2,103.8	1,843.7	14%
International	257.5	232.2	11%
Group	2,361.3	2,076.0	14%
CoD - Dom	5.11%	5.57%	- 46 bps
CoD - Group	4.80%	5.17%	- 37 bps

Deposits Composition

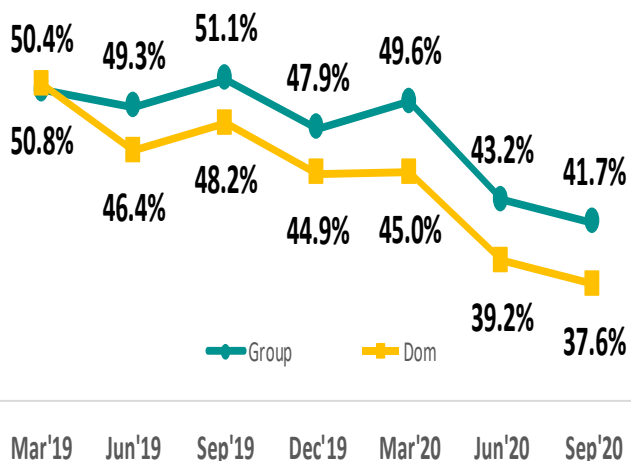


Growth in current deposits

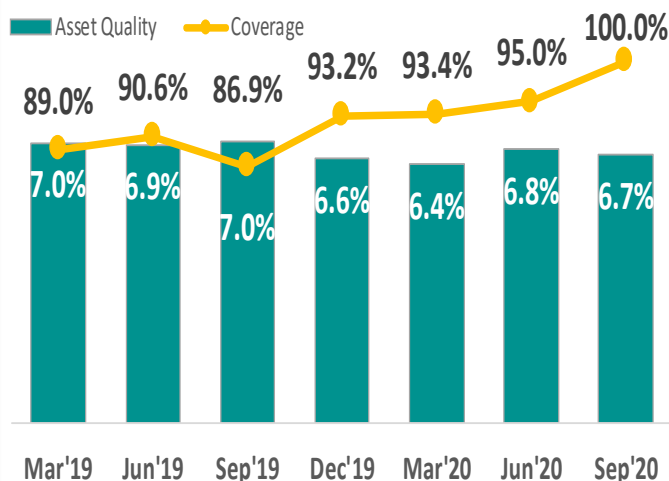


PKR Mn	9M 20	9M 19	Var%
Net Interest Income	98,784	74,058	33%
Core Non Fund Income	26,681	20,757	29%
Reval. loss on open position	(2,614)	(4,980)	48%
Total Non Fund Income	24,067	15,777	53%
Gross Revenue	122,852	89,835	37%
Operating Expenses	(71,434)	(69,767)	-2%
Pre Provision Operating Profit	51,418	20,068	156%
Provisions	(8,515)	(1,783)	-377%
Profit Before Tax	42,903	18,285	135%
Tax	(17,631)	(9,461)	-86%
Profit After Tax	25,272	8,825	186%

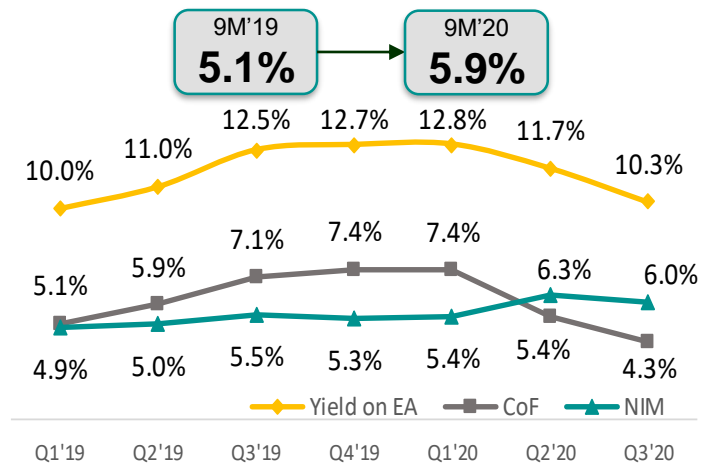
Continuing deposit growth and low credit demand reducing **ADR**



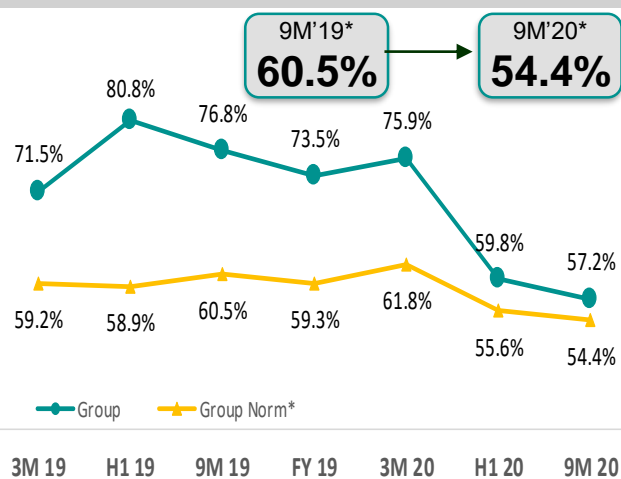
Coverage strengthened, general reserve of Rs 6.0 b against future losses



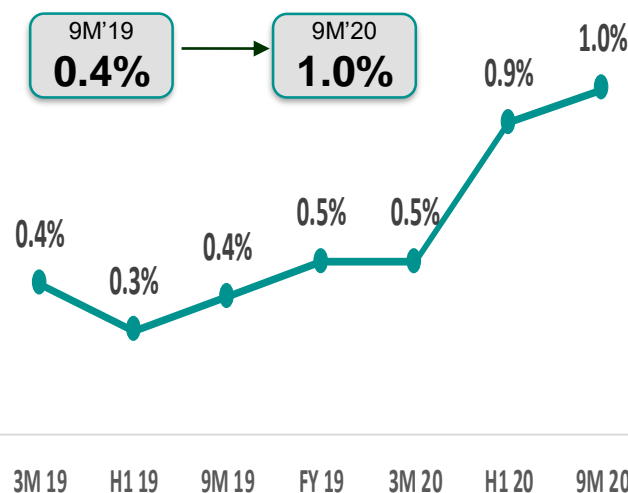
Domestic NIMs turning down as loan repricing and investment rollover kicks-in



Cost to Income ratio continues trending down to more sustainable levels



Higher profits have improved **ROA**



Leading to higher **ROE**

