

Habib Bank Limited

9M'21 performance review

Investor presentation
October 18, 2021

HBL

A building built on your trust

For the past 50 years (1971-2021), HBL Plaza has been a partner in your journey.

Celebration of the past 50 years. Commitment for the next 50 years

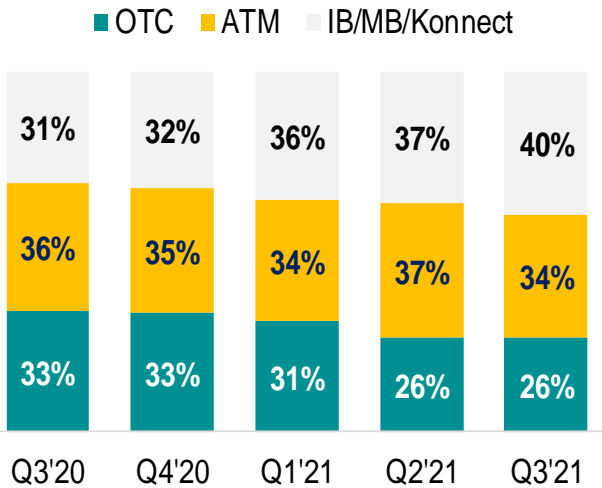
#50YearsofHBLPlaza



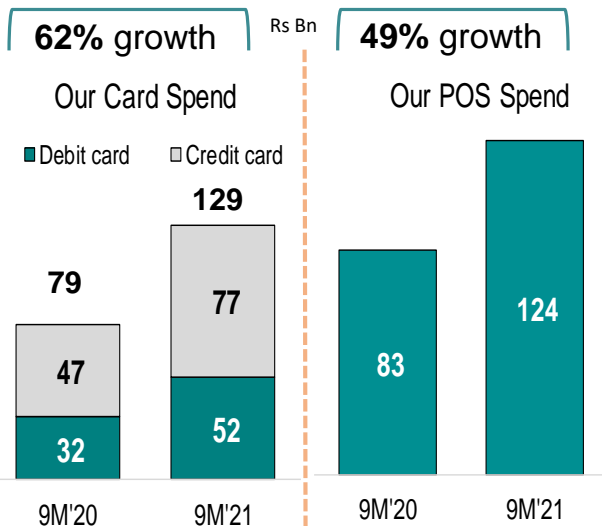
Scan the QR code to
view HBL's journey

50
YEARS
HBL PLAZA
1971-2021

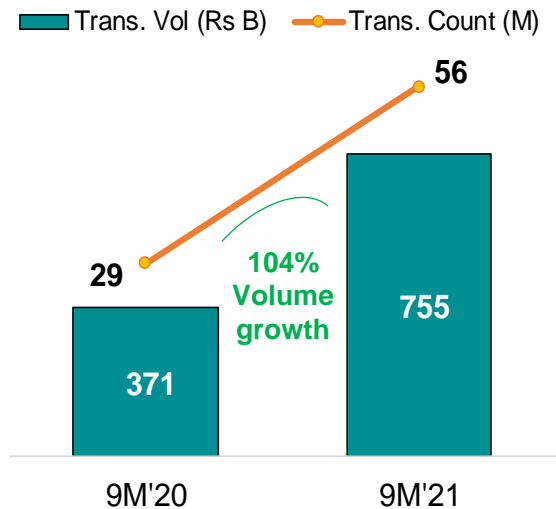
40% of the **transaction mix** skewed towards digital, owing to a fast growing user base.



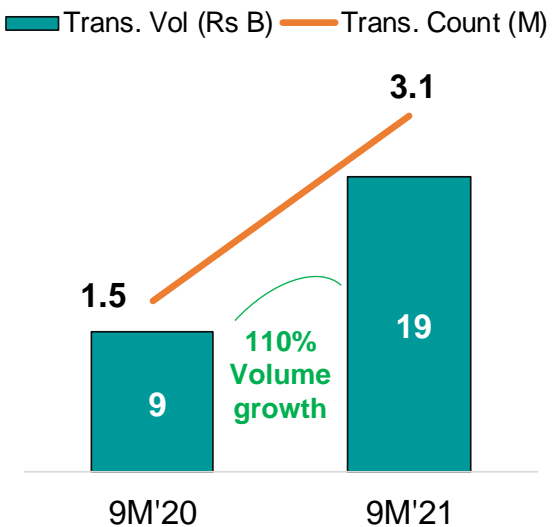
Cards base up 14% to 6.5M+



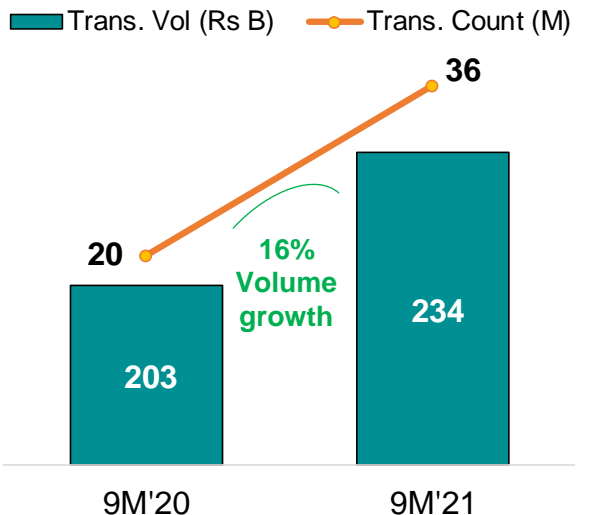
Mobile/IB – 29% increase in subscribers, now 2.3M+ users, volumes doubled



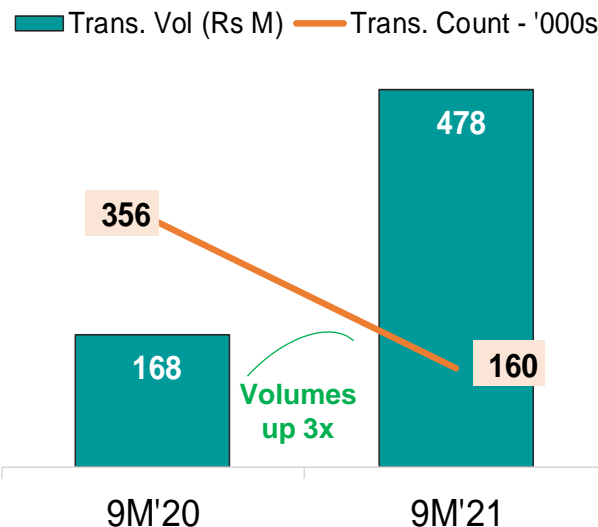
E-commerce – growth in volumes and transaction count more than doubling



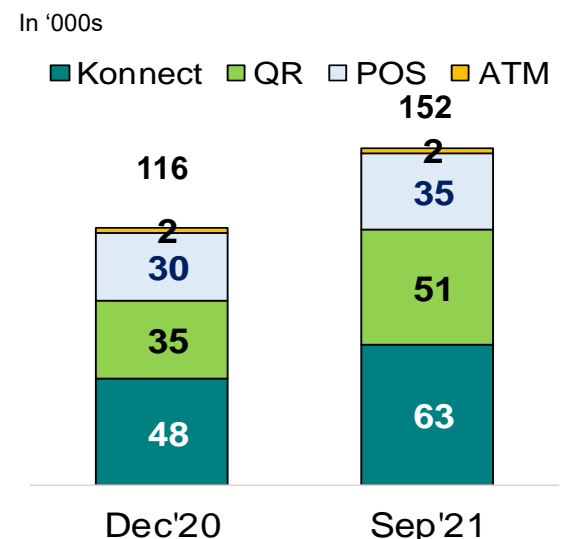
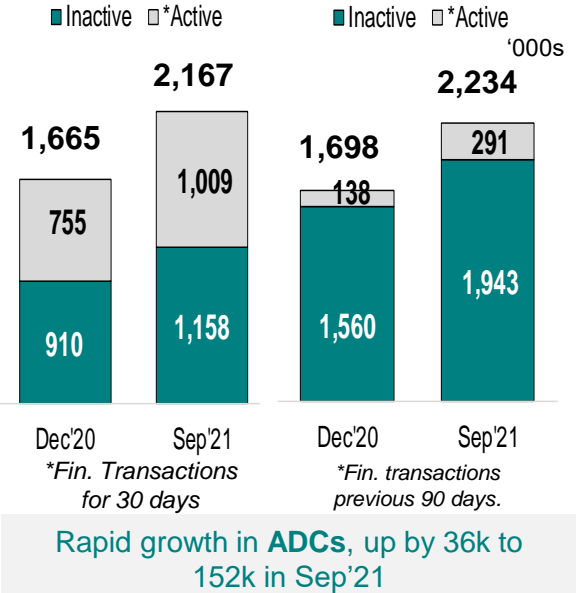
HBL Konnect – transaction count up nearly 2x with 16% growth in volumes



QR Codes volumes up by nearly 3x YoY to Rs 478 million

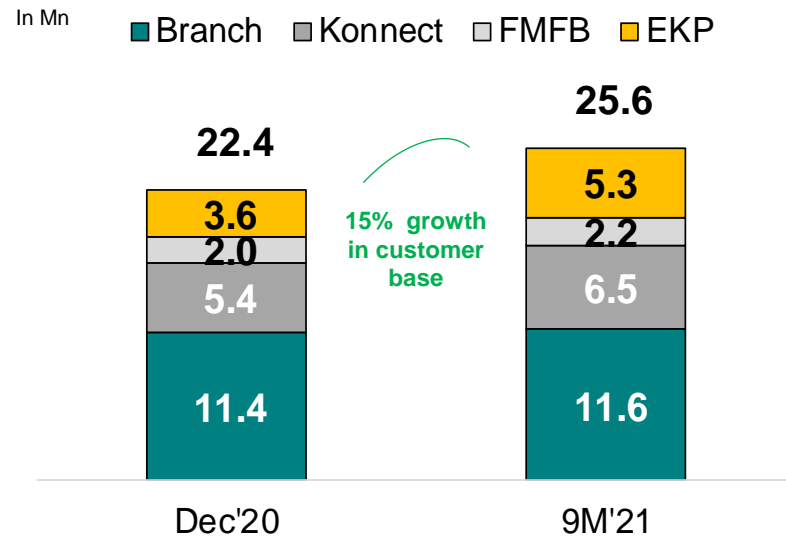


Monthly Active Users Mix
MobileApp – from 45% to 47%.
KonnectApp – from 8% to 12% in Sep'21

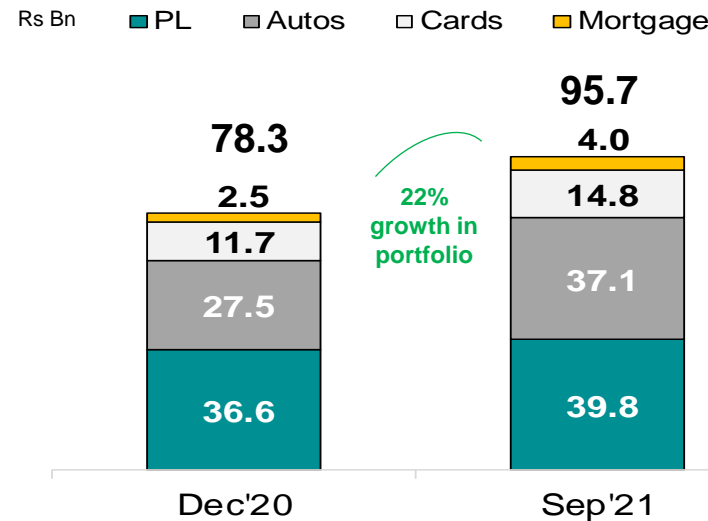


...with core business segments delivering strong performance

Over 3 million customers added since Dec'20



Consumer loans have increased by 22% to Rs 95.7b



Development finance – transforming farmers' lives

➤ Yields / profits +22% and +116% respectively.



Farmer count up 10x to 150 farmers.



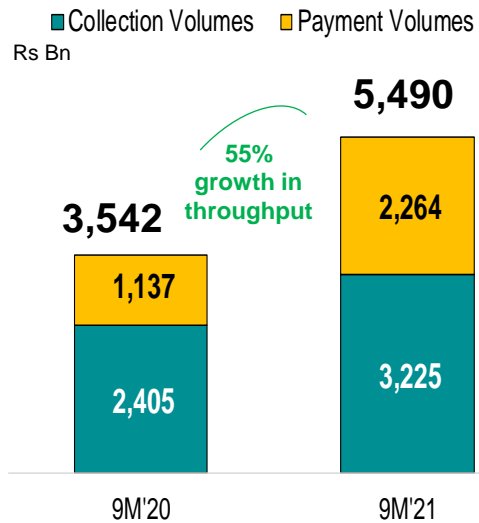
Related volumes growing 31x to Rs 469 M.



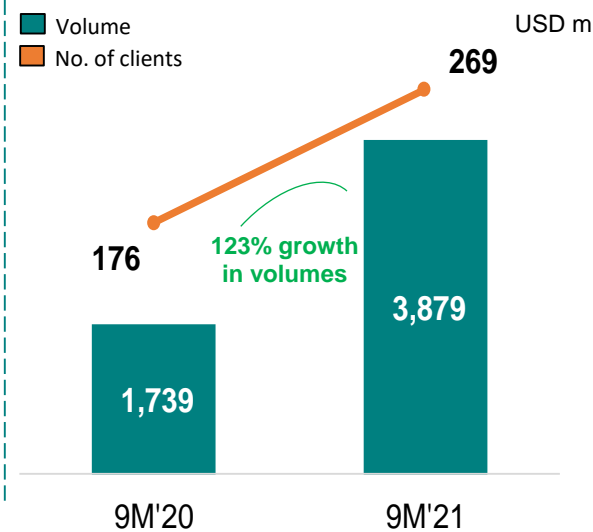
24x increase in crop acres to 10,497 acres

- Payment solutions via HBL Konnect & HBL Pay
- ~40 Agronomists to advise farmers remotely and in-person.
- 3x increase in ecosystem partners.

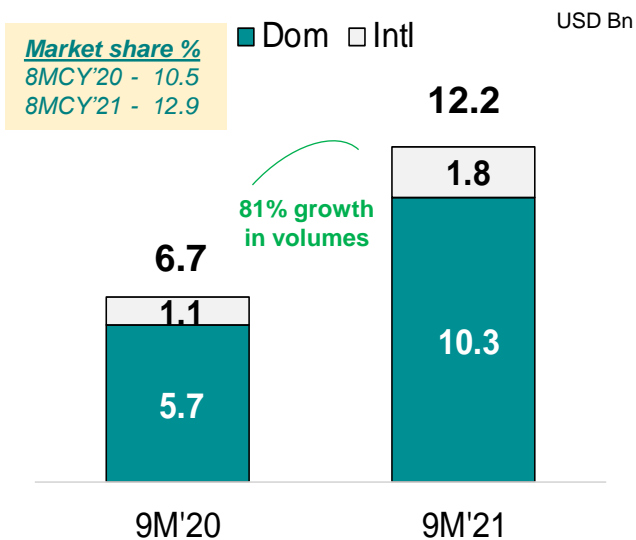
Cash Management – throughput up to nearly Rs 5.5 T



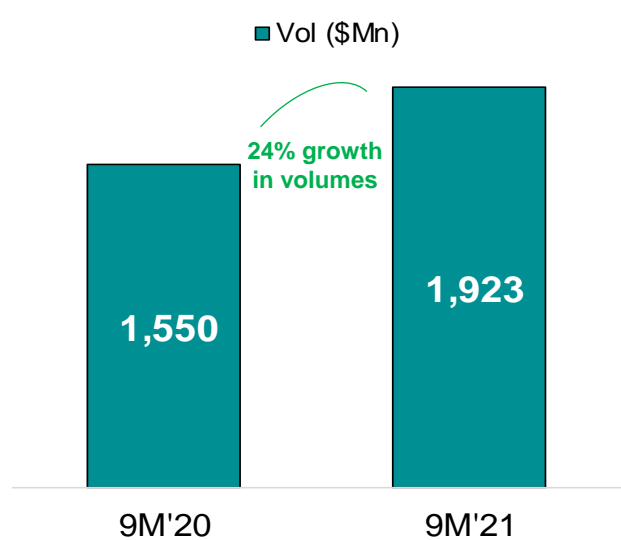
HBL Infinity – Volumes up 2.2x, rolled out to 260+ counterparties



9M'21 domestic trade volumes exceeded \$ 10 B for the first time



9M'21 remittance volumes +24% vs. SPLY – monthly market share now at over 9%





Digital and Technology initiatives



Best Website of the Year
Best Mobile Bank Application
Web Series of the Year –
HBLPSL Jang Ki Jeet
Best Digital Payment Processor



Best Mobile Bank
Application
Pakistan



Paytech
Leadership Award



Mobile Banking and
Payment initiative of the
year

Best Bank Accreditation



Best Bank in
Pakistan



Best Domestic Bank in Pakistan



Best Customer Franchise

Corporate & Investment Banking



Best Investment Bank
Deal of the year Syndicated Loan, Pakistan
Deal of the year Bond, Pakistan
Deal of the year Equity, Pakistan
Deal of the year Project Finance, Pakistan



Best Investment Bank



Best Acquisition
Financing
Best Corporate
Sukuk



Pakistan Domestic Cash
Management Bank of the Year
Pakistan Domestic Project
Finance Bank of the Year



Best Investment Bank
Best Bank for Small and
Medium Businesses



Power Deal of the
Year (Punjab
Thermal)



Equity Deal Of The
Year - Pakistan

Other categories



1 Primary Dealer
in Government
Securities
Best Performing
Bank – RDA 2nd
Position



Best Influencer
Marketing Campaign –
HBLPSL 6



Environment
Excellence Awards



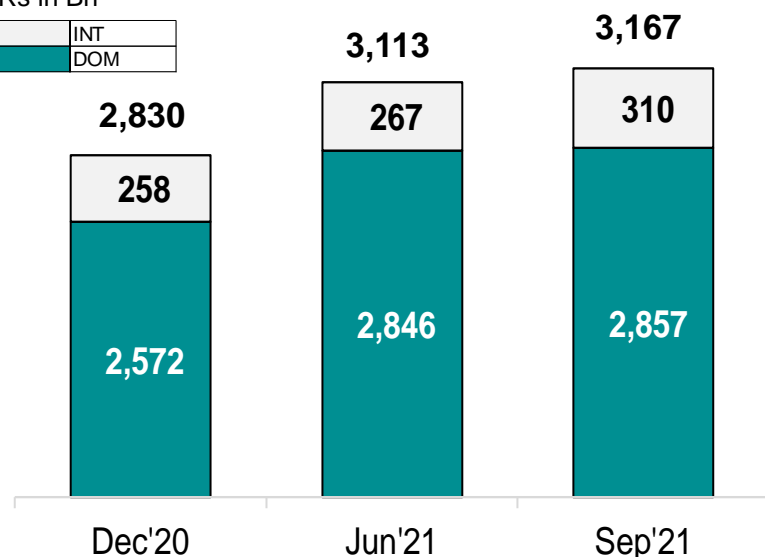
Global Diversity & Inclusion
Benchmarks Award-
Progressive in Recruitment &
Development

HBL's fortress balance sheet maintaining its dominance, at > 4.0 trillion

Deposits +12% vs. Dec'20 to Rs 3.2 T

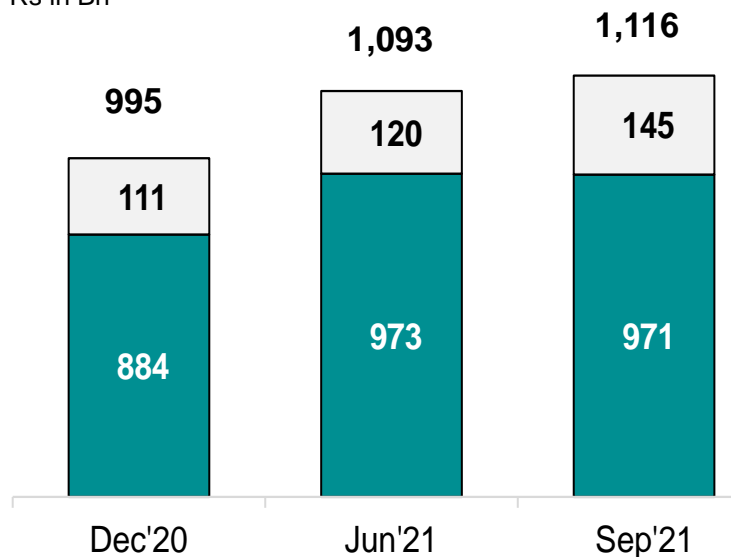
Rs in Bn

	INT
	DOM



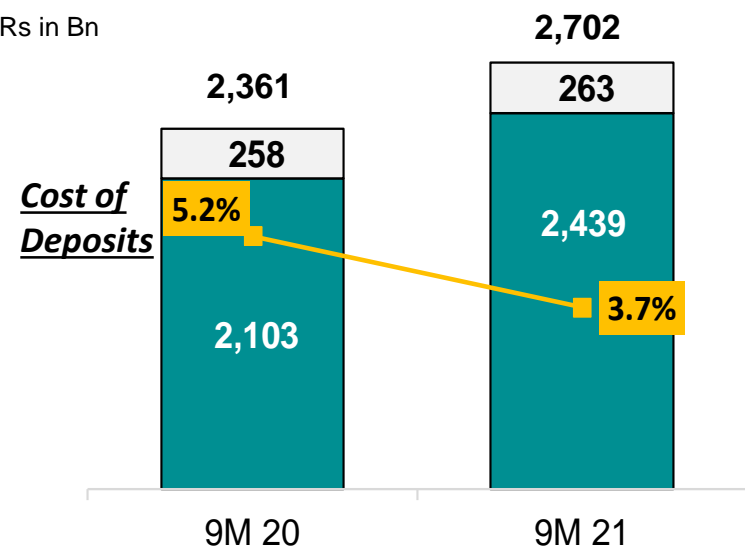
Current deposits up 12% vs. Dec'20 to Rs 1.1 T

Rs in Bn



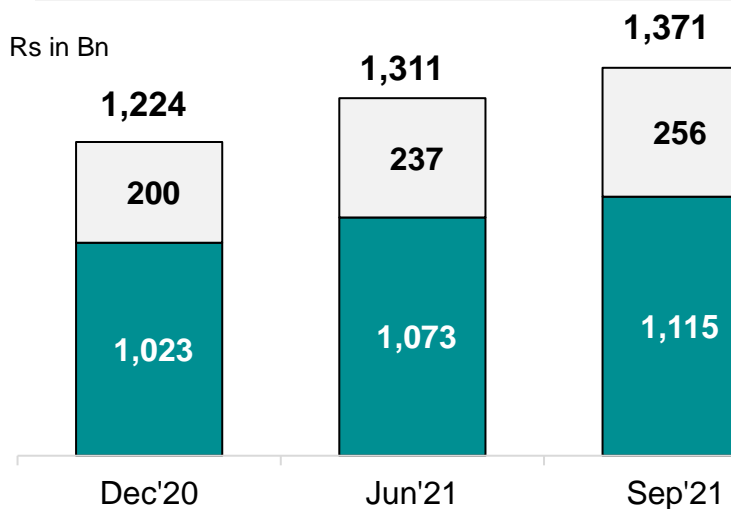
Average deposits up 14% to Rs 2.7 T

Rs in Bn



Advances up 12% to Rs 1.4 T with growth in both domestic and international

Rs in Bn



Deposits

- **Domestic deposits** increased by 2% over Jun'21 and 11% over Dec'20, to Rs 2.9T. Market share maintained at over 14.0%.
- **Domestic current accounts** grew by 10% (Rs 87b) over Dec'20 to Rs 971b.
- **International deposits** increased by 12% (\$200m) over Dec'20 – mainly UAE (\$115m) & Bahrain (\$38m).
- **Average domestic deposits**, at Rs 2.4T, increased by Rs 335b (16%) over 9M'20, with average current accounts growing by Rs 111b. Cost of domestic deposits declined by 147bps to 3.75%

Advances

- **Domestic advances** continued upward trend, increasing by 4% over Jun'21 and 9% over Dec'20 to Rs 1.1T
- Growth broad based, led by Corporate & Consumer. Agri loans reached an all-time high of Rs 37b.
- **International loans** increased by \$ 250m (20%) to \$ 1.5b.

Results Summary

Particulars - Rs in Mn	9M 21	9M 20	Var%
Net Interest Income	97,152	98,784	-2%
Fees and Commissions	17,940	13,383	34%
Treasury related NFI	4,131	3,191	29%
Affiliates Income	1,945	2,546	-24%
Other Income	943	198	375%
Core NFI	24,959	19,319	29%
FX reval on open position	(806)	(2,614)	69%
Capital gains	1,570	7,362	-79%
Total NFI	25,723	24,067	7%
Gross Revenue	122,874	122,852	0%
Admin Expenses	(70,013)	(70,285)	0%
Total Expenses	(71,002)	(71,434)	1%
Pre Prov. Operating Profit	51,873	51,418	1%
Credit Provisions	(6,553)	(9,445)	31%
Impairment reversal (net)	1,058	930	14%
Total Provisions	(5,495)	(8,515)	35%
Profit Before Tax	46,377	42,903	8%
Tax	(19,391)	(17,631)	-10%
Profit After Tax	26,986	25,272	7%

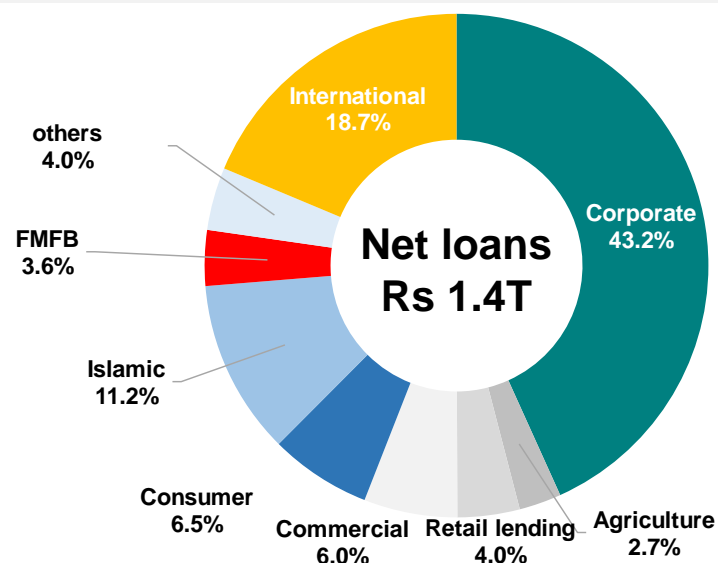
Cost to income ratio (ex-CG)	57.7%	60.9%	(314bps)
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Key highlights

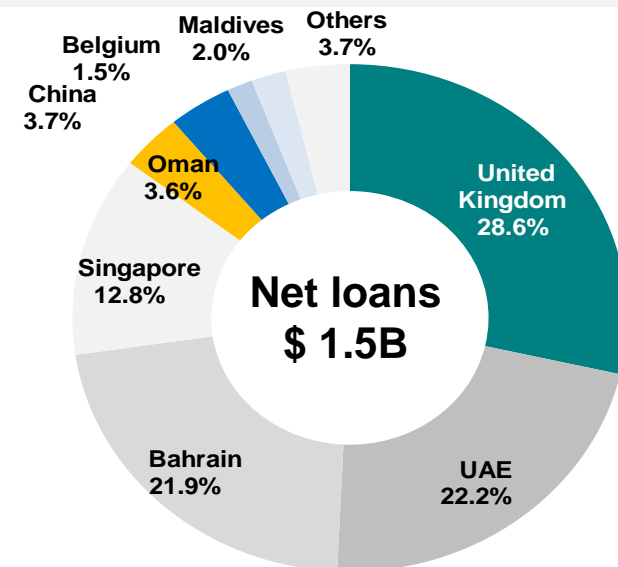
PBT for 9M'21 is Rs 46.4b, 8% higher than Rs 42.9b in 9M'20. PAT is 7% higher at Rs 27.0b.

- Revenue maintained at Rs 123b – Volume & fee growth offsets margin compression and non-recurring capital gains
 - NII declined marginally over 9M'20 to Rs 97.2b as margin compression (Impact Rs 18.5 b) mostly offset by Rs 400b+ growth in average balance sheet.
 - Fees grew by Rs 4.6b (34%) to Rs 17.9b with growth led by Cards, Consumer Finance and Trade.
- Administrative expenses remained flat year-on-year
 - The cost to income ratio (ex capital gains) reduced from 60.9% in 9M'20 to 57.7% in 9M'21.
- Provisions declined by 35% to Rs 5.5b in 9M'21
 - Credit provisions of Rs 6.6b in 9M'21 are lower as 9M'20 included a buildup of covid-related general provisions. 9M'21 includes Rs 4.0b subjective provisioning.

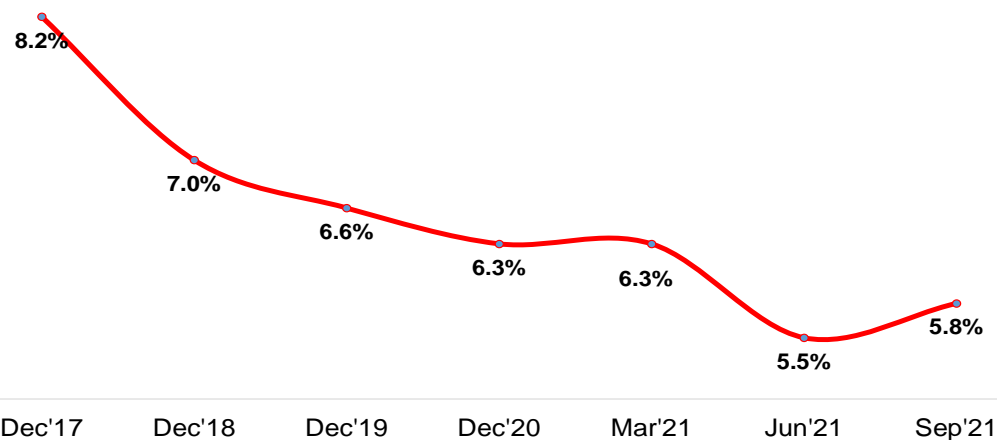
Loan portfolio composition by line of business



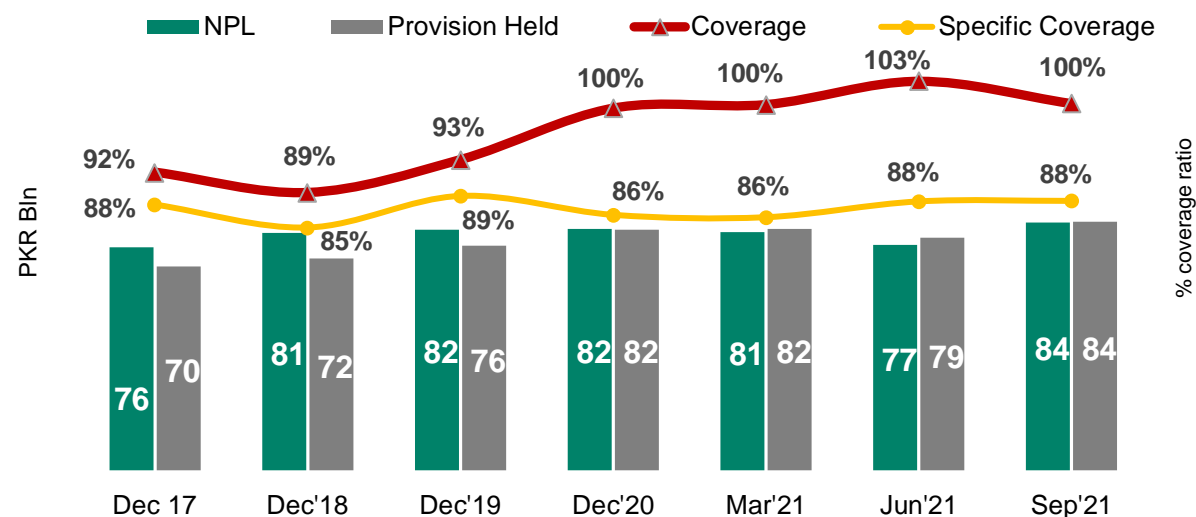
International loan portfolio – location wise



Infection ratio trending down. Uptick in Q3 due to switch from non-funded exposure in Q2 to funded exposure in Q3

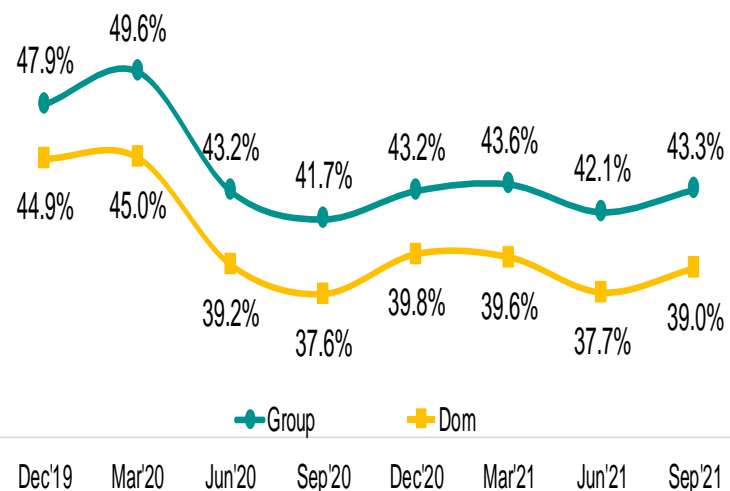


Coverage remains strong at 100%

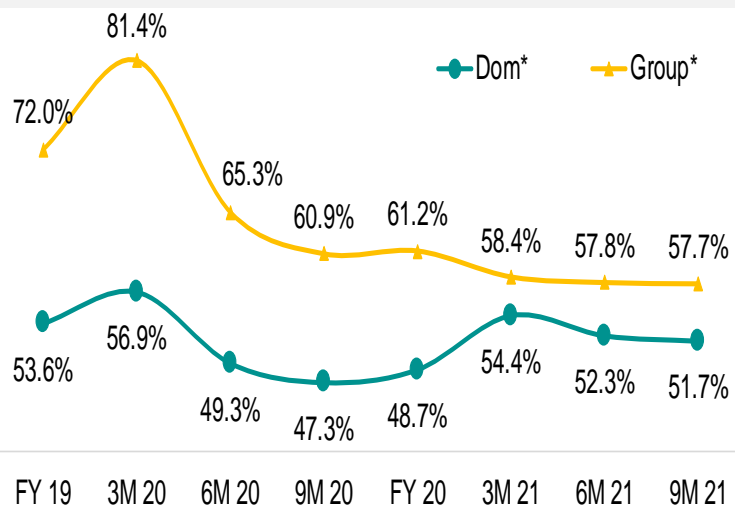


Key performance indicators

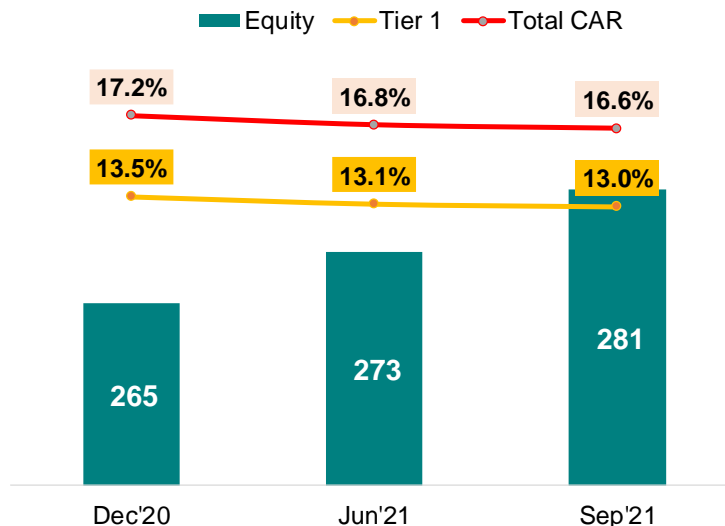
ADR improving to 43.3% as domestic and international demand picks up pace



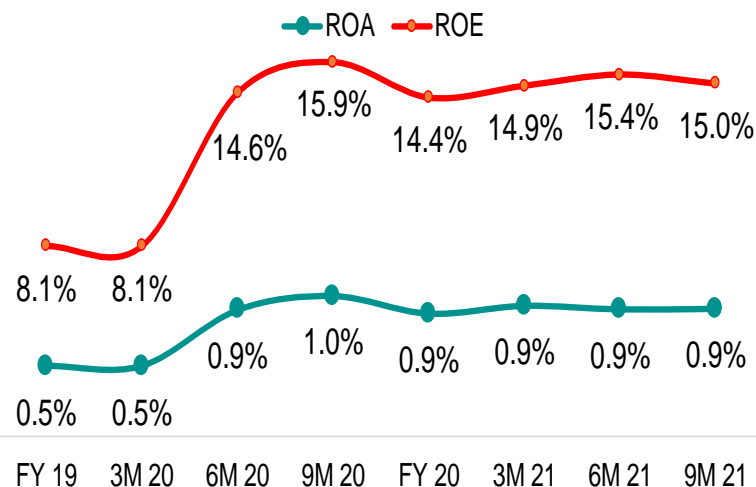
Cost to income – Maintaining downward trajectory despite margin pressure



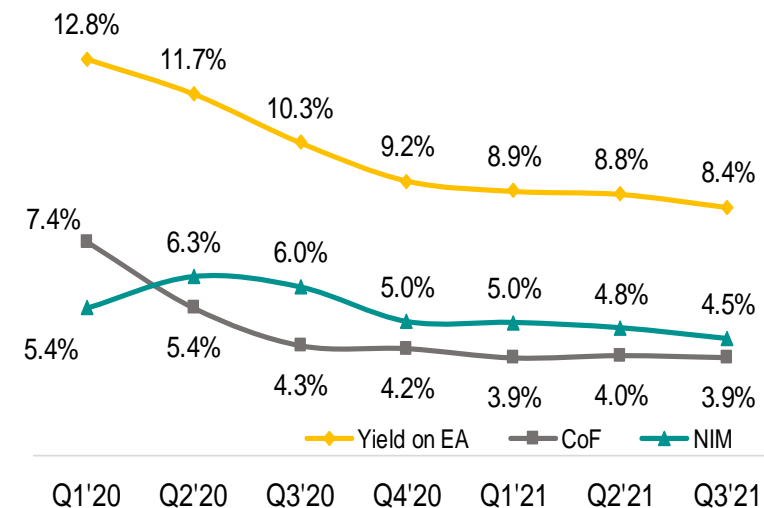
CAR declined over Jun'21 – rupee devaluation impacts partially offset by Q3 profit



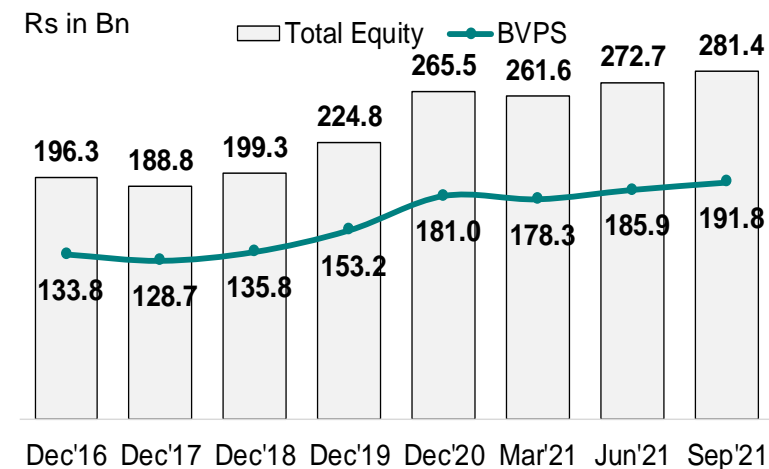
ROA maintained at 0.9% with asset yields under pressure, ROE currently plateauing around 15.0%



NIMs continued to decline by 30bps as large tranche of high yielding PIBs matured



Equity and book value continue to rise



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