

The HBL logo consists of the letters 'HBL' in a bold, white, sans-serif font, centered within a teal square. This square is positioned above a thick yellow horizontal bar that spans the width of the slide.

**HBL**

# **Investor Presentation – Consolidated Accounts**

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**For the quarter ended March 31, 2015**

## Consolidated PAT up 62.7%YoY

## Net Interest income has increased by 32.5%YoY to reach Rs. 19.2Bn

- Average Balance sheet growth of 16.9%.
- Overall NIM up by 60 bps as result of shift from T-bills to PIBs in 2014 and growth in Current Accounts.

## Non Markup Income increased by 43.7% to Rs. 7.8 billion

- Fee Commission & Brokerage income up 15.7%YoY, with strong performance from Bancassurance(up 110%) and Investment Banking (up 166%).
- Gain on sale of securities up Rs. 1.5 bn, with contribution from both fixed income and equities.
- Dividend income up 61.3%YoY

**EPS up 63%, Book Value per share is Rs. 120.1**

## Provisions increase by Rs 255m to Rs. 0.6 bn

- NPLs essentially flat to Dec' 14, consequently asset quality at 12.4% in Mar'15 Vs 12.0% in Dec'14
- Main swing in provisions is due to a charge of Rs. 100 m on investments Vs a reversal of Rs. 122 m in Q1 2014.
- Coverage ratio improved slightly from 83.2% in Dec'14 to 83.5%.

## Administrative expenses are up 7.4% to Rs. 10.6bn

- Cost to Income ratio has improved to 39.4% in Q1'15 as against 49.7% in Q1'14

## Deposit mix improving through 23% YoY growth in average Current Accounts

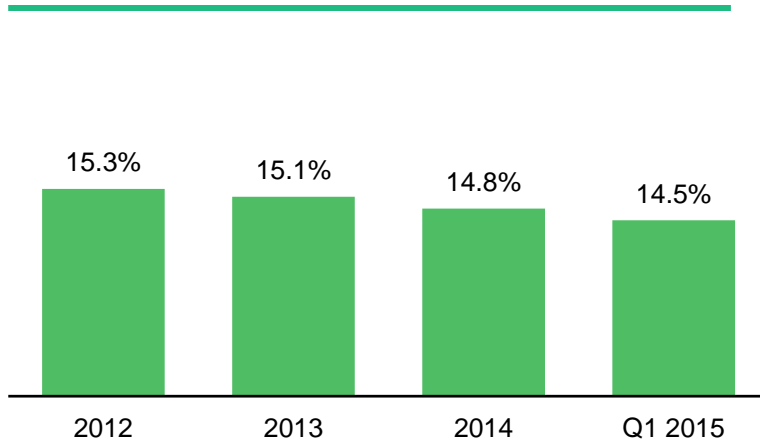
- Market share down from 14.8% in Dec 14 to 14.5%.
- Current Account to total deposits ratio improved from 34.2% in Dec' 14 to 34.7% in Mar'15.
- Overall cost of deposits reduced by 79 bps from 4.59% in Q1'14 to 3.80% in Q1'15.

## Net Advances reduced by 4.4%, from Dec' 14

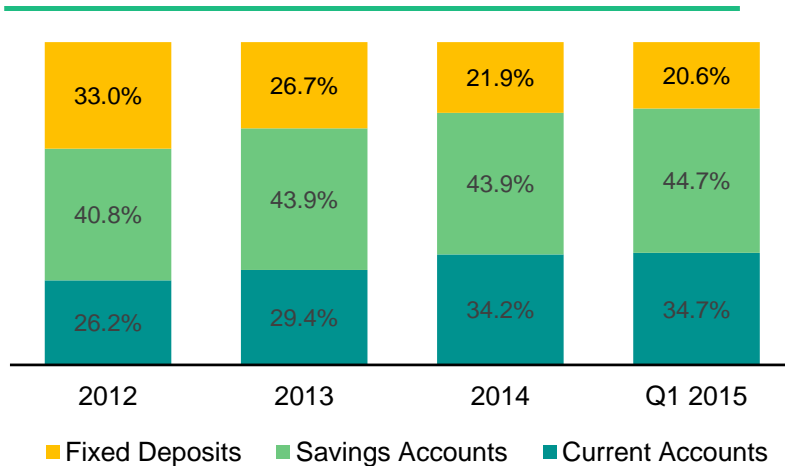
- Domestic advances down by Rs. 18bn, mainly due to repayments in Corporate business.
- International advances down by Rs. 8bn, mainly in UK.
- ADR down to 37.5% as against 39.0% in Dec' 14.

PKR bn	Dec-14	Mar-15	%Chg
Cash & Bank Balances	203	201	-0.8%
Net Advances	595	569	-4.4%
Lending to FIs	34	37	7.8%
Investments	924	1,089	17.8%
Fixed Assets	27	28	1.2%
Other Assets	83	62	-25.1%
<b>Total Assets</b>	<b>1,867</b>	<b>1,986</b>	<b>6.4%</b>
Deposits	1,525	1,518	-0.4%
-Domestic	1,256	1,268	1.0%
-International	269	251	-6.8%
Borrowings	103	206	99.4%
Bills Payable	22	21	-5.3%
Deferred Tax and Other Liabilities	47	65	38.1%
<b>Total Liabilities</b>	<b>1,697</b>	<b>1,810</b>	<b>6.7%</b>
Capital and Reserves	148	150	0.9%
Surplus on Revaluation	22	26	22.0%
<b>Total Equity</b>	<b>170</b>	<b>176</b>	<b>3.6%</b>

### Market Share of Deposits



### Deposit composition



### Deposit By Type

PKR bn	Actual	
	Dec-14	Mar-15
<b>Current Deposits</b>	<b>522</b>	<b>527</b>
<b>Saving Deposits</b>	<b>669</b>	<b>679</b>
<b>Term Deposits</b>	<b>334</b>	<b>312</b>
<b>Total Deposits</b>	<b>1,525</b>	<b>1,518</b>

### Deposit by Type

PKR bn	Average			Growth	
	Q1-14	Q4-14	Q1-15	YoY	QoQ
<b>Current Deposits</b>	<b>391</b>	<b>454</b>	<b>481</b>	<b>23.0%</b>	<b>5.9%</b>
<b>Saving Deposits</b>	<b>604</b>	<b>631</b>	<b>676</b>	<b>11.9%</b>	<b>7.1%</b>
<b>Term Deposits</b>	<b>339</b>	<b>321</b>	<b>316</b>	<b>-6.8%</b>	<b>-1.6%</b>
<b>Total Deposits</b>	<b>1,334</b>	<b>1,406</b>	<b>1,473</b>	<b>10.4%</b>	<b>4.7%</b>

PKR bn	Actual		Growth
	Dec-14	Mar-15	Mar-15 vs Dec-14
Corporate	295	276	-6.7%
Commercial	32	33	2.4%
Consumer	22	22	2.0%
Agri	25	24	-4.4%
Retail	44	35	-20.2%
Islamic	6	16	177.0%
Others (including staff)	12	12	3.4%
Domestic	436	418	-4.1%
International	159	151	-5.0%
Bank	595	569	-4.4%

PKR bn	Dec-14				Mar-15			
	HTM	HFT	AFS	Total	HTM	HFT	AFS	Total
Treasury Bills	-	42	408	450	28	64	501	593
Pakistan Investment Bonds	76	6	223	304	76	2	223	300
GOP Guaranteed Bonds	2	-	51	53	2	-	62	64
Overseas Govt. Securities	19	1	3	23	19	1	1	22
Equity	-	-	17	17	-	-	15	15
Associates and Joint Venture	-	-	-	12	-	-	-	11
Others	19	-	29	48	19	-	41	60
Provisions	-	-	(1)	(1)	-	-	(1)	(1)
Surplus on revaluation	-	-	18	18	-	-	26	26
<b>Total Investment</b>	<b>115</b>	<b>49</b>	<b>748</b>	<b>924</b>	<b>145</b>	<b>67</b>	<b>867</b>	<b>1,089</b>



<b>PKR bn</b>	<b>Q1-14</b>	<b>Q1-15</b>	<b>Variance Vs Q1-14</b>
<b>Interest Earned</b>	<b>31.6</b>	<b>36.9</b>	<b>16.8%</b>
<b>Interest Expensed</b>	<b>17.1</b>	<b>17.7</b>	<b>3.5%</b>
<b>Net Interest Income</b>	<b>14.5</b>	<b>19.2</b>	<b>32.5%</b>
<b>Non Interest Income</b>	<b>5.4</b>	<b>7.8</b>	<b>43.7%</b>
<b>Total Revenue</b>	<b>19.9</b>	<b>27.0</b>	<b>35.5%</b>
<b>Expenses</b>	<b>10.2</b>	<b>11.2</b>	<b>9.8%</b>
<b>Operating Profit</b>	<b>9.7</b>	<b>15.8</b>	<b>62.6%</b>
<b>Provisions</b>	<b>0.3</b>	<b>0.5</b>	<b>59.8%</b>
<b>Profit before tax</b>	<b>9.4</b>	<b>15.3</b>	<b>62.6%</b>

<b>Balance Sheet Ratios</b>	<b>Dec-14</b>	<b>Mar-15</b>
<b>Advances/Deposits</b>	<b>39.0%</b>	<b>37.5%</b>
<b>Asset Quality</b>	<b>12.0%</b>	<b>12.4%</b>
<b>Coverage</b>	<b>83.2%</b>	<b>83.5%</b>
<b>CAR</b>		
<b>Unconsolidated</b>	<b>15.1%</b>	<b>15.5%</b>
<b>Consolidated</b>	<b>16.2%</b>	<b>16.7%</b>

<b>Financial Ratios</b>	<b>Q1-14</b>	<b>Q4-14</b>	<b>Q1-15</b>
<b>Yield on Performing Advances</b>	<b>9.6%</b>	<b>10.0%</b>	<b>9.4%</b>
<b>Cost of Deposits</b>	<b>4.6%</b>	<b>4.2%</b>	<b>3.8%</b>
<b>Net Interest Margin</b>	<b>4.1%</b>	<b>5.0%</b>	<b>4.7%</b>
<b>Return on Average Assets</b>	<b>1.4%</b>	<b>1.8%</b>	<b>2.1%</b>
<b>Return on Average Shareholder's Equity*</b>	<b>18.5%</b>	<b>22.6%</b>	<b>26.7%</b>

<b>P/L Ratios</b>	<b>Q1-14</b>	<b>Q4-14</b>	<b>Q1-15</b>
<b>Cost to Income ratio</b>	<b>49.7%</b>	<b>39.0%</b>	<b>39.4%</b>
<b>Non Funded Income/Total Income</b>	<b>27.3%</b>	<b>25.8%</b>	<b>28.9%</b>

\* Excluding Surplus on revaluation