

HBL

Habib Bank Limited

9M 2022 performance review

Investor Presentation

Thursday October 27th, 2022



A WORLD OF
DIGITAL POSSIBILITIES

1

5.1 million customers added



Branches	11.8	→	12.1
Konnect	7.1	→	7.9
HMFB	2.3	→	3.3
BISP *	6.2	→	9.1

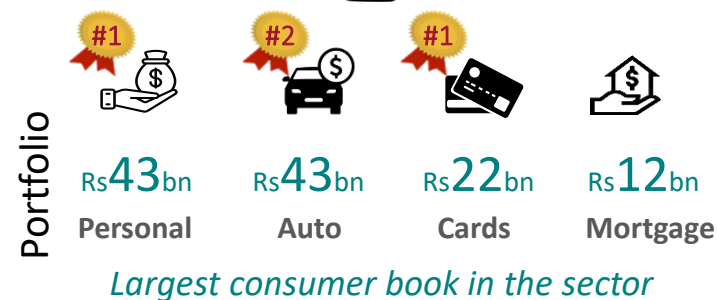
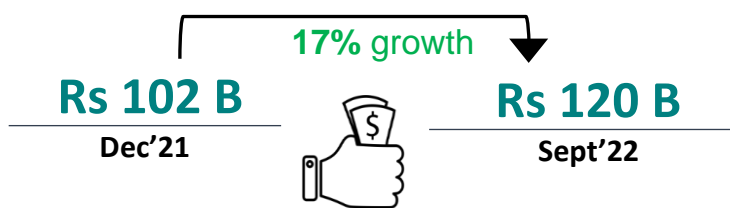
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HBL Infinity more clients transacting more. HBL Symphony (Fixed Income platform) being rolled out



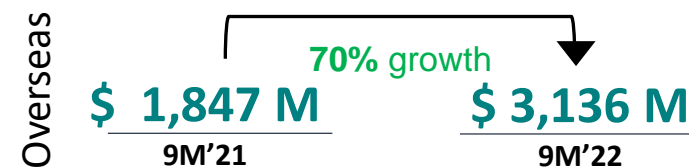
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Strong Consumer lending momentum



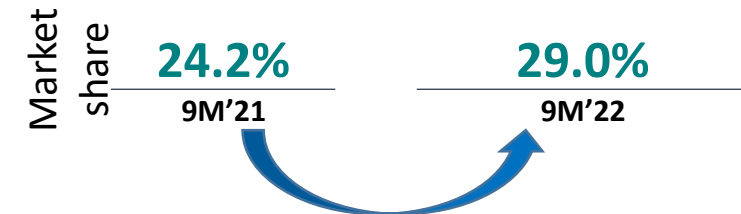
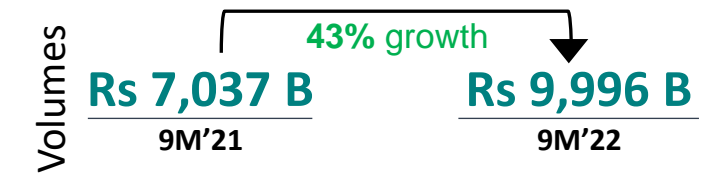
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Trade Volumes – up 20% to \$ 14.3 B, domestic share up at ~12.9%



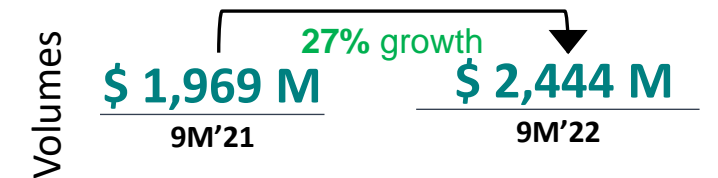
3

Secondary Market Volumes up 43% with share increased from 24% to 29%



6

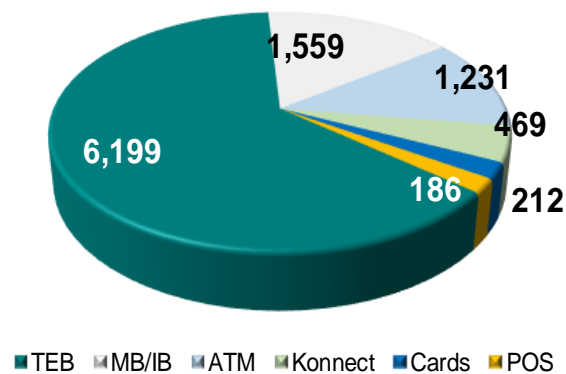
Remittance – volumes up 27% to \$2.4 B; share improved from 8.4% to 10.6%



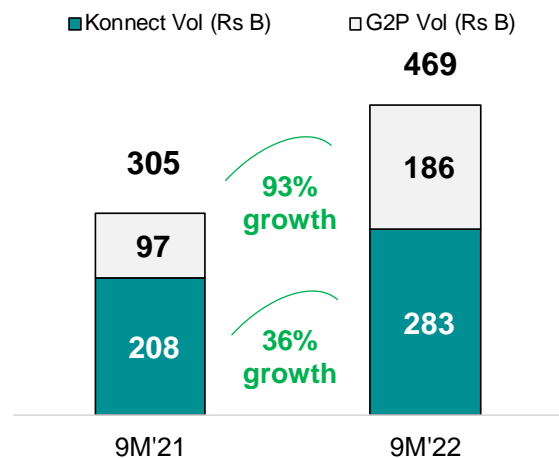
HBL Digital – Throughput reaches new heights at Rs 9.9 T, up 71% YoY

Digital throughput composition

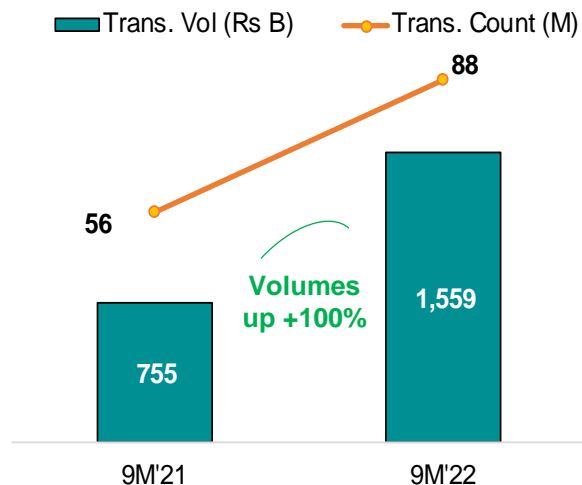
Rs in B



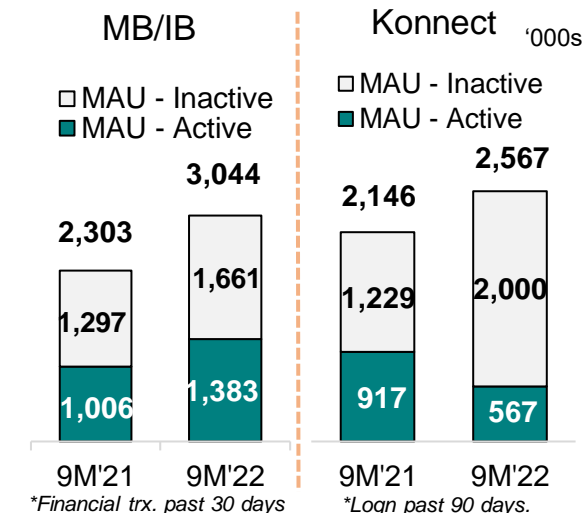
Konnect – volumes up 54% YoY; customer base up from 6.4m to 7.9m



MB/IB – volumes crossed Rs 1.5T. Subscribers > 3.0m

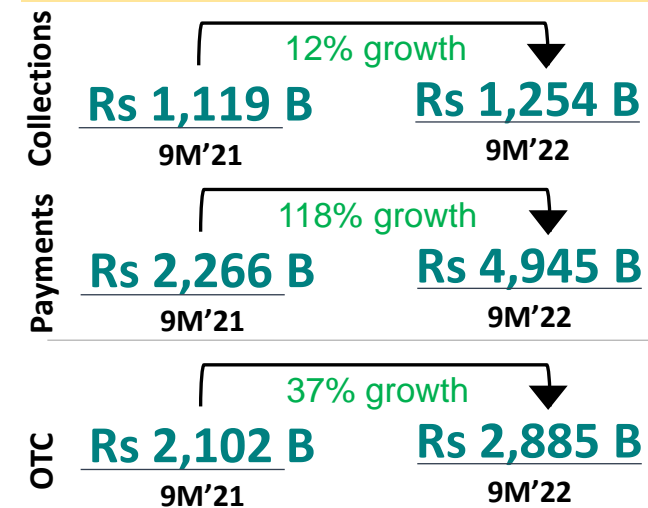


Monthly Active Users Mobile : 43%, Konnect App : 22%

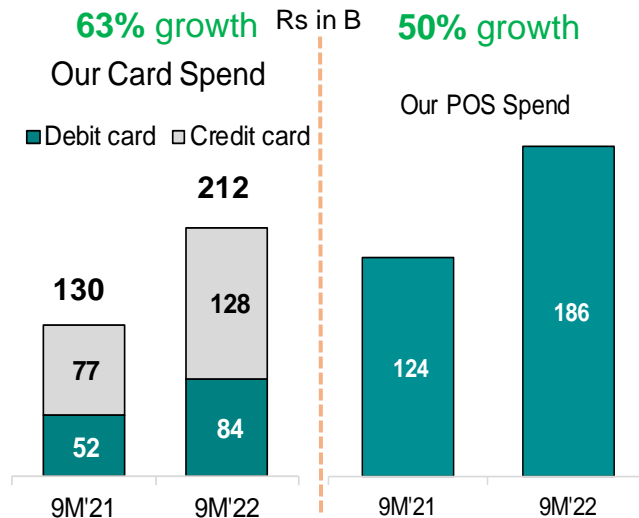


Cash management – Digital channel throughput up by 83%

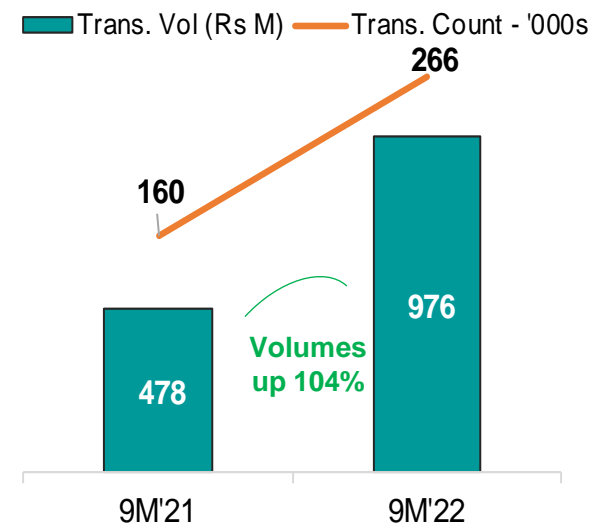
Digital



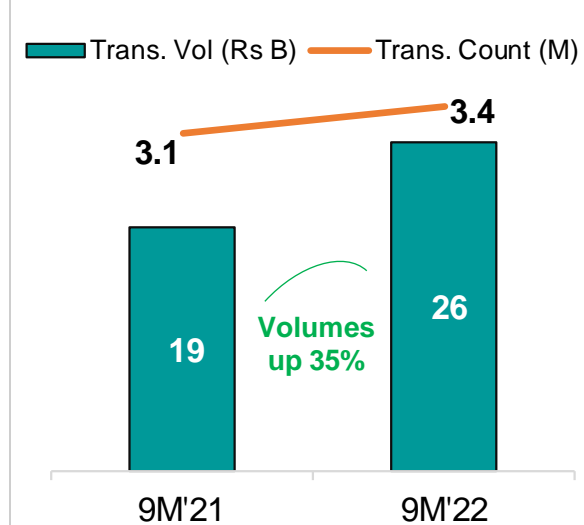
Card base > 6.5 Mn. 1/3 of country's credit card volume / spend are on HBL



QR Codes – increasing ticket size has doubled volumes



HBL Pay Checkout – volume up by ~35% to Rs 26b



Best bank awards



Best Bank in Pakistan



Best Domestic Bank



Best Investment Bank



Safest Bank in Pakistan

Business awards



- Best Project Finance Bank Pakistan 2022
- Infrastructure Project Finance Deal
- Syndicated Loan Deal of Pakistan
- Power Project Finance Deal of Pakistan
- Equity Deal of the Year
- Power/Utilities Project Finance Deal of the Year



- Domestic Trade Finance Bank of the Year
- Domestic Cash Management Bank of the Year
- Domestic Project Finance Bank of the Year
- Corporate & Investment Bank of the Year
- Equity Deal of the Year Pakistan.
- Green Deal of the Year Pakistan
- Point of Sale Initiative for the year



- Project Finance House of the Year
- Renewable Energy Deal of the Year
- Power/Utilities Deal of the Year
- Transport Deal of the Year
- Best Syndicated Loan - Pakistan
- Water Deal of the Year

Other awards



- Best Green Bond
- Best Structured Finance Deal



Best Emerging Technology

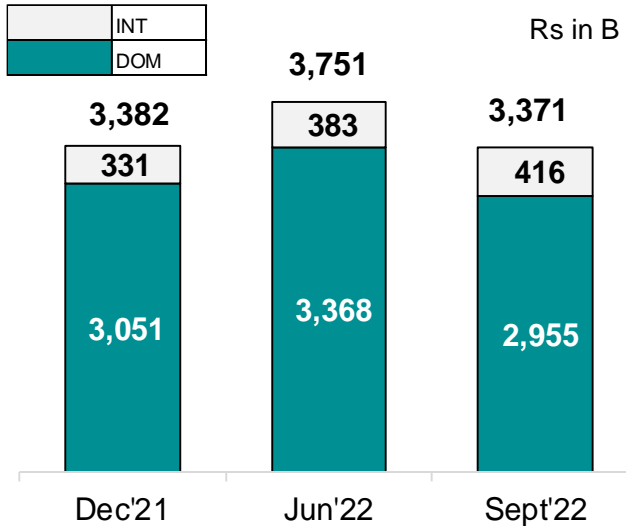


Best Social Media Marketing Campaign

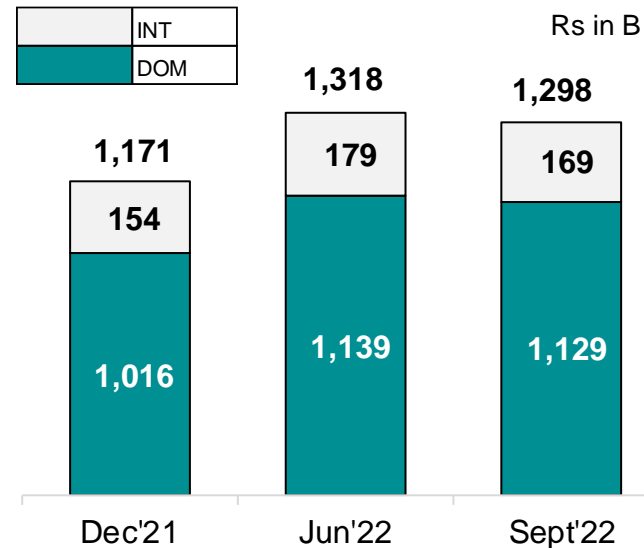


Best practice in Pakistan for Diversity, Equity and Inclusion

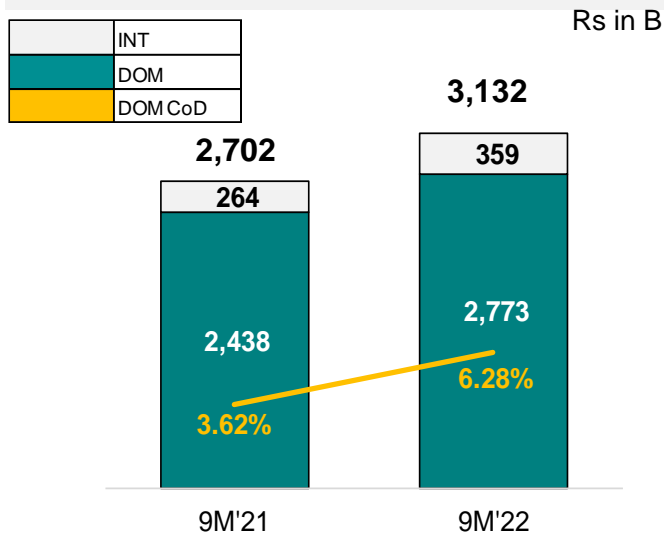
Deposits flat at Rs 3.4 T



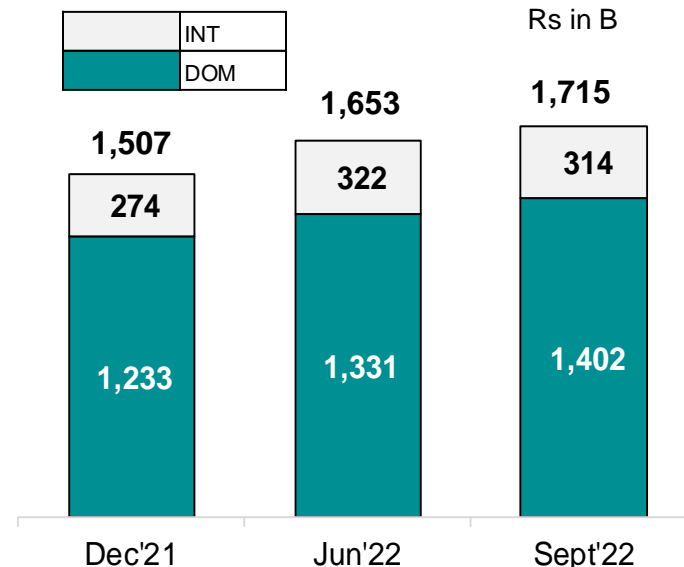
Current deposits up 11% to Rs 1.3T



Average deposits up by 16% (Rs 400b+) to Rs 3.1 T



Advances up by 14% to Rs 1.7 T



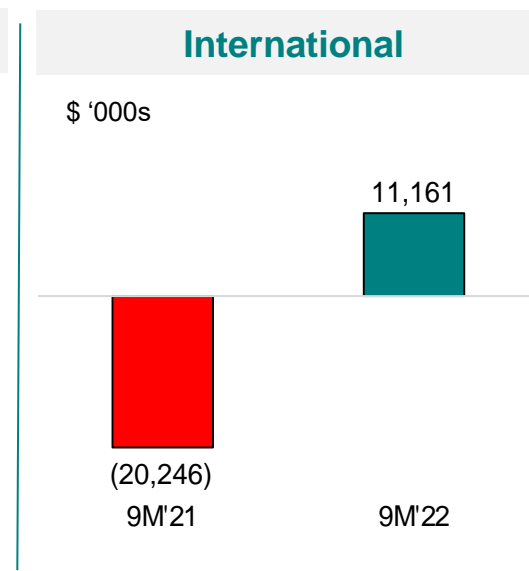
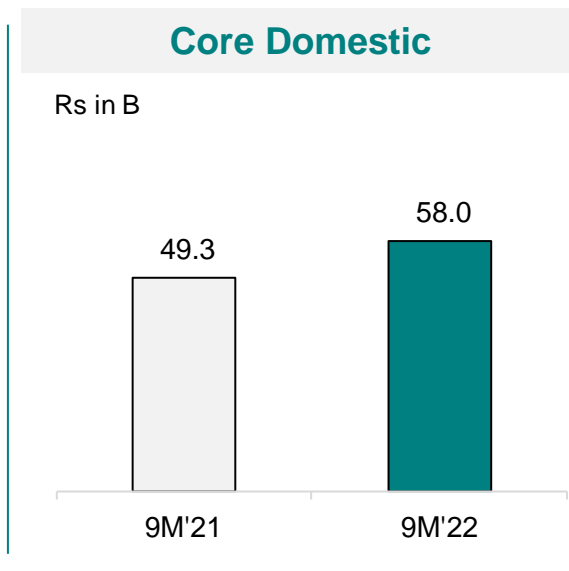
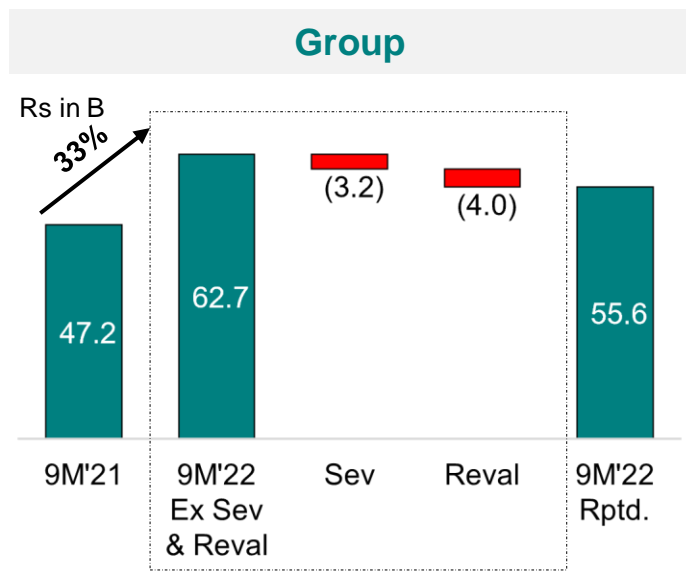
Deposits

- Deposit mobilization was focused towards low-cost deposit growth, in order to rationalize deposit cost and improve ADR.
- Domestic current deposits are up 11% (Rs 113 billion) over Dec'21 to Rs 1.1T, while low-cost savings increased by Rs 101 billion.
- The domestic CA mix improved to a record 38.2% from 33.3%.
- Average current accounts grew by Rs 136b over 9M'21 to Rs 991b.
- International deposits, in Rupee terms, rose by Rs 85 b.

Advances

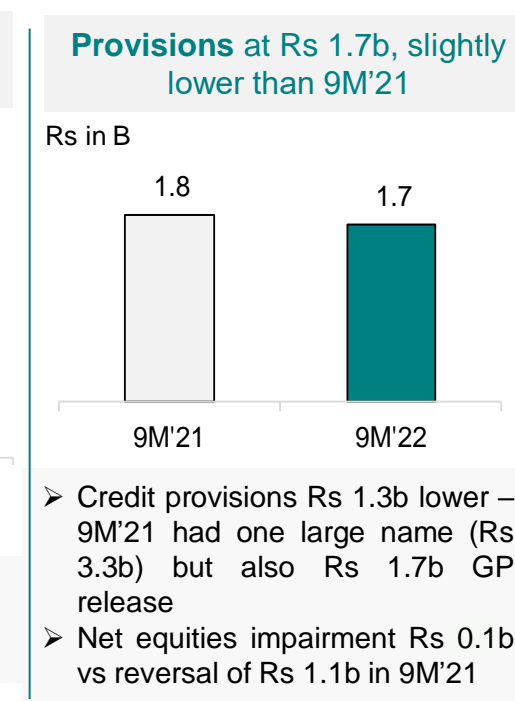
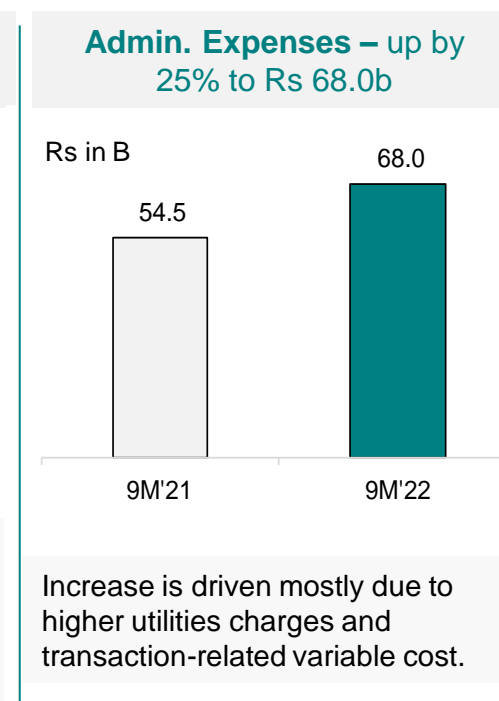
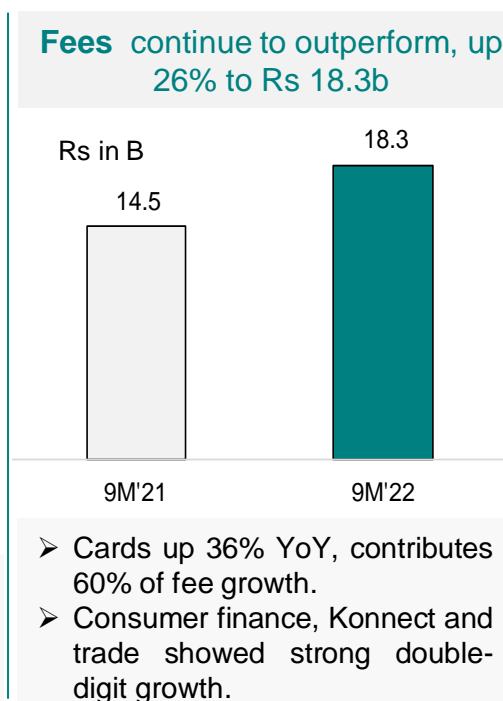
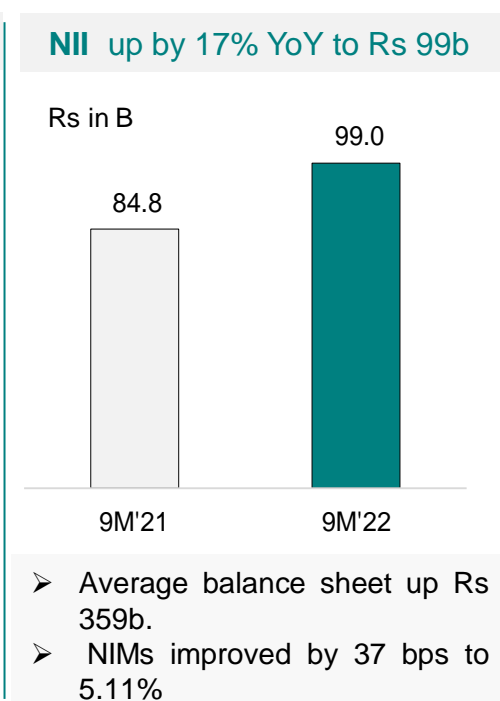
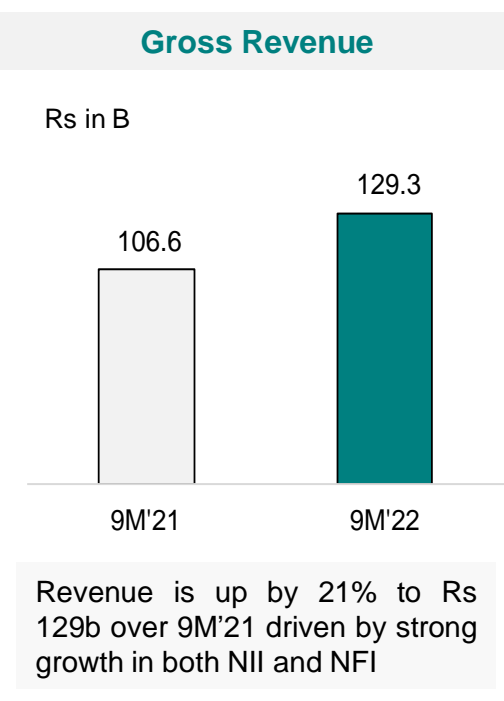
- Domestic advances grew strongly, by Rs168b over Dec'21 and by Rs 70b from Jun'22, to Rs 1.4T with all businesses outperforming.
 - Agriculture lending at a record level of Rs 45b.
 - Consumer loans grew Rs by 17b to Rs 119b.
 - Commercial business crossed Rs 100b.
 - Microfinance is up 36% to Rs 77b with housing portfolio of Rs 22.7b and agriculture lending of Rs 40b.

A record Q3 led PBT up 20% YoY to Rs 55.6b; PAT down 12% to Rs 24b impacted by regressive taxation

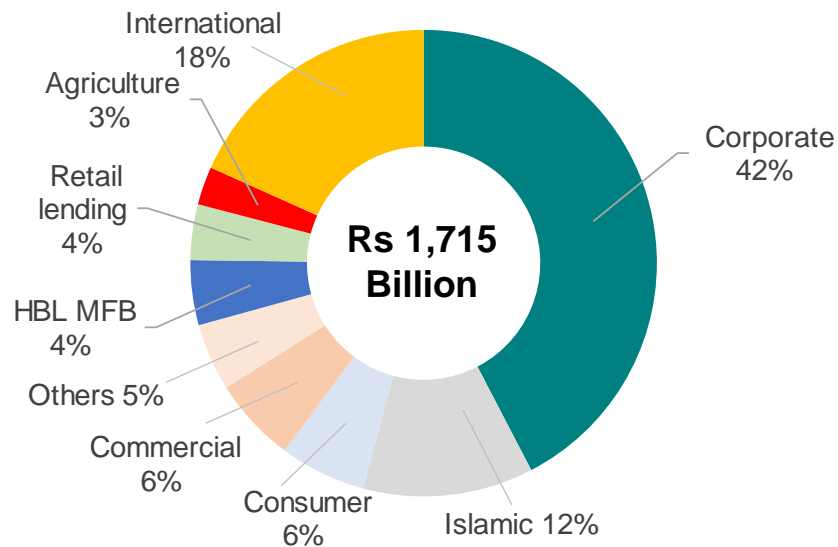


Core PBT up 33% to Rs 63b.

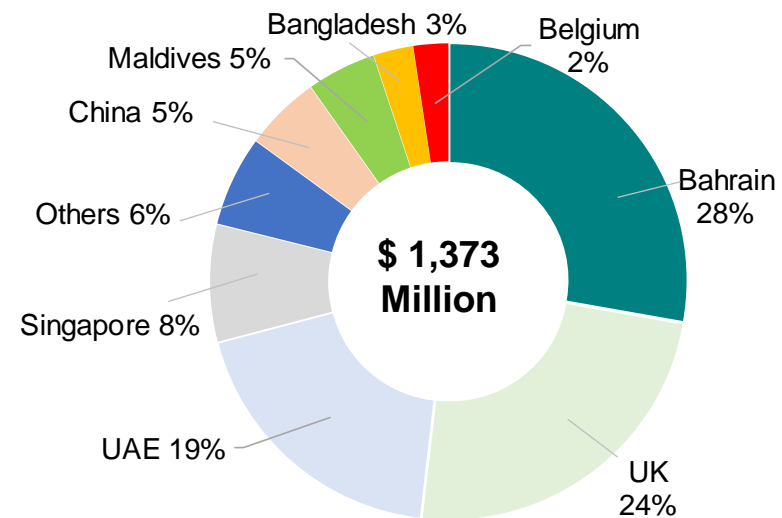
- Core domestic PBT up 18% to Rs 58.0b due to strong performance along all activity drivers.
- International franchise posted PBT of \$ 11.2m – operating turnaround, recoveries and revaluation gains
- PAT impacted by Rs 9.4b due to tax measures – retrospective tax (impact: Rs 3.5b), 10% increase in tax rate (impact: Rs 5.2b).



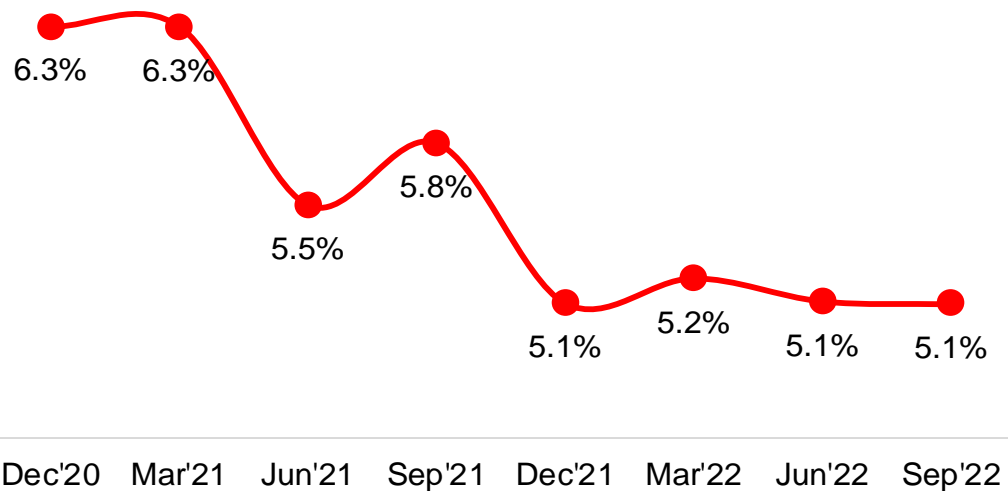
Loan Portfolio composition by line of business



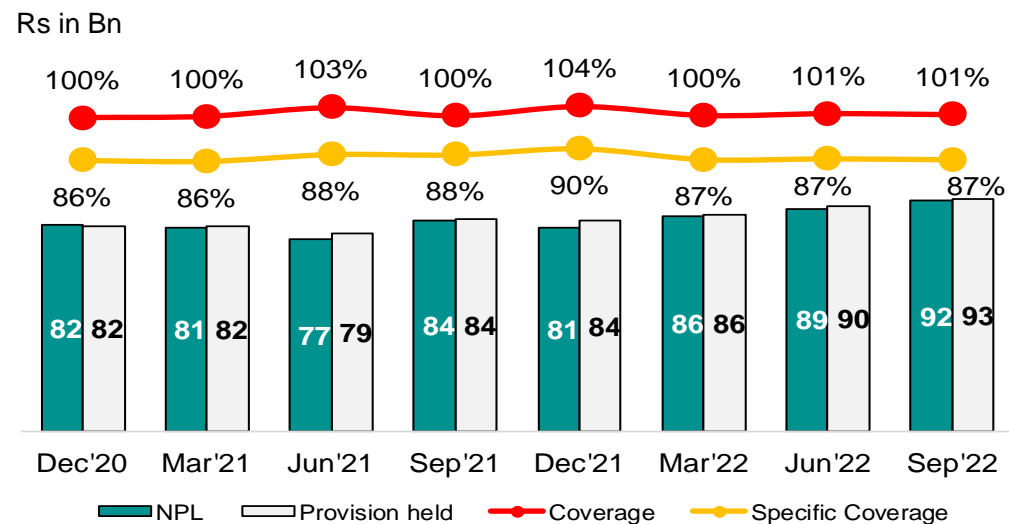
International Loan Portfolio – Location wise



Infection ratio remains steady at historical low of 5.1% from Dec'21

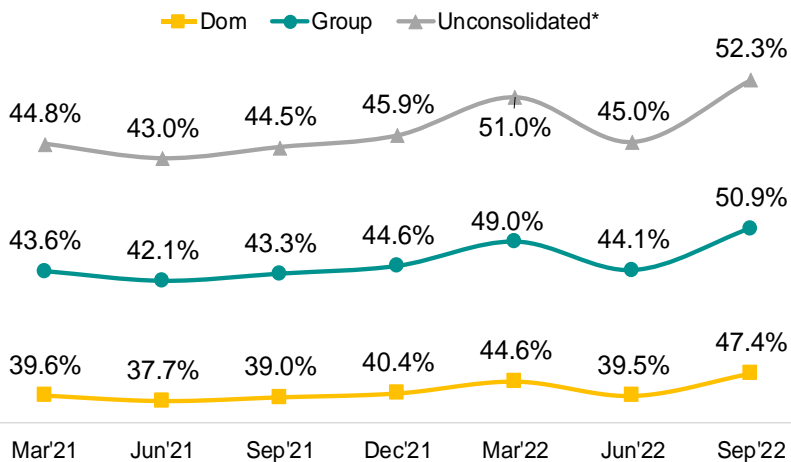


Specific coverage maintained at 87% and total coverage > 100%



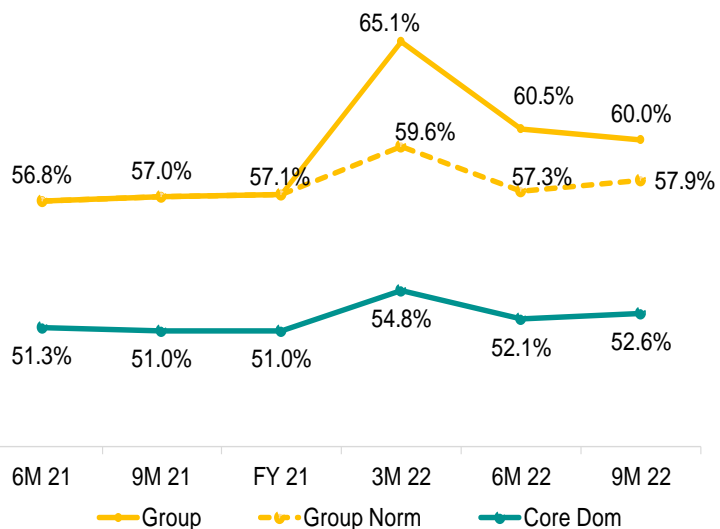
Key Performance Metrics

ADR above 50% in Sep'22 backed by strong growth in advances and focus on low-cost deposits

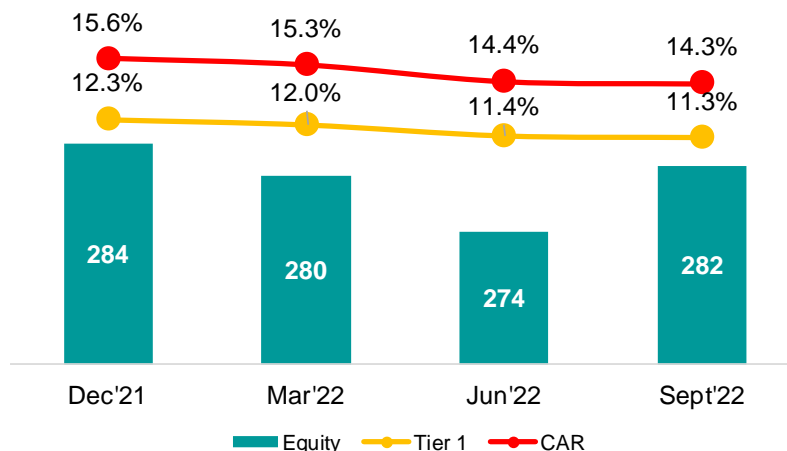


*Gross advances / deposits as per tax definition

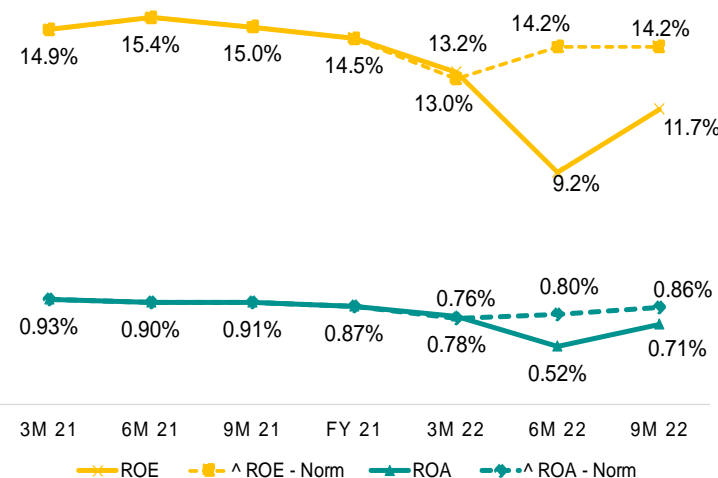
Cost to income ratio – impacted by high inflation and Rupee devaluation



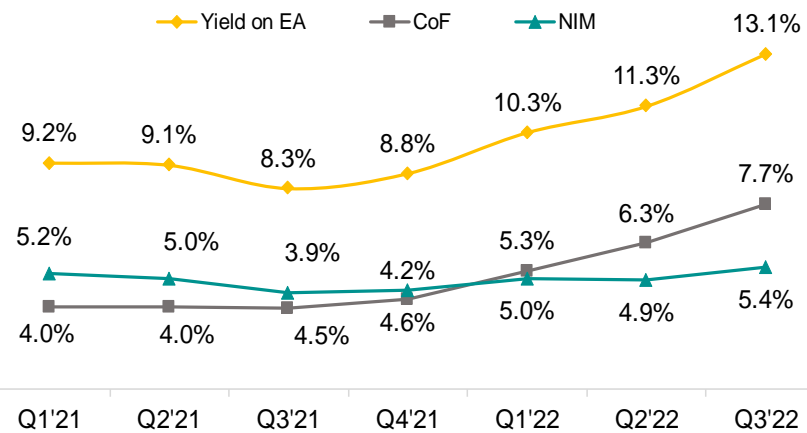
CAR heavily impacted by steep PKR devaluation and higher tax charge, but mitigated by internal generation



ROA & ROE – strong recovery despite a 10% increase in tax rates



NIM – improves to 5.4% as lagged asset repricing begins to catch up



Despite increasing MTM losses on investments, strong results help BV nearly recover to Dec'21 level

