

HBL's 2020 profit doubles to Rs. 31 billion, with a focus on Digitalization and Financial Inclusion

HBL today declared a consolidated profit after tax of Rs. 30.9 billion for the year ended December 31, 2020, double that for the same period last year. The Bank's earnings per share increased to Rs. 21.06 compared to Rs. 10.45 for 2019. Profit before tax recorded a growth of 84% over 2019 to Rs. 53.0 billion. Along with the results, the Board declared a final Cash Dividend for the year ended December 31, 2020 at Rs. 3/- per share i.e. 30%. This is in addition to the Interim Dividend already paid at Rs. 1.25/- per share i.e. 12.5%.

HBL grew its domestic deposits by a phenomenal Rs. 400 billion, with market share increasing to over 14%. An increase of over Rs. 100 billion in current and more than over Rs. 200 billion in savings accounts resulted in strong CA and CASA ratios of 35.0% and 86.6% respectively; HBL's total deposits increased to Rs. 2.8 trillion. Domestic advances crossed a landmark of Rs. 1.0 trillion and the Consumer lending portfolio, in particular, showed an excellent performance, crossing Rs. 75 billion.

Helped by the strong balance sheet growth, HBL's total revenue set a new record, crossing Rs. 160 billion. The Bank improved its cost to income ratio from 73.5% in 2019 to 58.5% in 2020 and the infection ratio improved to an all-time low of 6.3%. HBL's CAR, which now stands at 17.2%, is well above regulatory requirements.

Commenting on the Bank's performance, Muhammad Aurangzeb, President & CEO, HBL said, "The Bank had a stellar year in which all key indicators remained on an upward trajectory, and the domestic franchise delivered record profits. The international business has also shown signs of a turnaround in Q4'20 with revenues trending upward. Moreover, HBL is actively working on financial inclusion initiatives through significant investments in technology and digitalization efforts. During 2020, HBL remained conscious of its responsibility to support its customers and the broader economy, especially during these testing times."

The Bank's journey towards becoming a "*Technology Company with a Banking License*," has accelerated as it witnessed an increase in its digital transaction volume. There was a 93% increase in HBL Mobile and Internet Banking transactions volume and a 157% uptake in Konnect by HBL, the Bank's branchless banking platform. Through 'HBL Pay' all onboarding and payment solutions for businesses were consolidated under a single platform. Collectively, HBL managed a throughput of Rs. 7 trillion in 2020, a growth of over 34% vs 2019.

Financial inclusion is at the core of HBL's business philosophy, to work towards reducing poverty and achieve inclusive economic growth. HBL joined forces with Government of Pakistan to enable the delivery of the Ehsaas Emergency Cash Program disbursing approximately Rs. 175 billion to an estimated 12 million families over a period of two months. HBL and Ehsaas also partnered on the Kafaalat program which serves more than three million deserving women across the country.

HBL retained its #1 position in Consumer Finance. The Bank came first in Credit Cards, Debit Cards, Merchant Acquiring, Personal Loans and second in Auto Loans. Personal loans at Rs. 37 billion, delivered a growth of 12% over last year. The primary growth driver for 2020 was auto finance, recording an increase of Rs. 9 billion, 53% over 2019. HBL is the only bank in Pakistan enabling its customers to avail

a credit card and personal loan through its app; Rs. 3.2 billion worth of loans were disbursed in 2020 using the Bank's digital channels.

The Bank provided digital onboarding and servicing through the eBanc Roshan Digital Account (RDA), a special investment account created for expatriates. Since its launch, 12,000 Pakistanis from 104 countries have set up RDA accounts and remitted more than USD 44 million in a short span of three months.

The Bank's Islamic Banking arm, over 900 branches/windows nationwide, provided Shariah compliant fixed home finance rentals.

HBL maintained its position as the lead private sector financier of the agriculture sector, with a 30% market share. The Bank has introduced technology-based farming techniques for farmers which aim to raise their standard of living and become better integrated with the value chain which provides food security to the country. The Bank's Development Finance Group (DFG) is using innovative technology to augment Pakistan's Agriculture value chain bringing together the 'Farm-to-Fork' ecosystem.

HBL maintained a strong corporate and investment banking presence in Pakistan. The Bank worked on energy, infrastructure and power projects to promote capital market development, deepen secondary markets and provide advisory services.

The Bank's Operations launched HBL Fusion, a digital online portal for trade and foreign remittance transactions approval. The portal facilitates customers who require State Bank of Pakistan's (SBP) approvals for foreign exchange.

HBL led the market in adopting Environmental, Social & Governance (ESG) principles. HBL is the first bank in Pakistan to become a member of the Green Investment Principles for the Belt and Road Initiative.

As the largest executor of CPEC related financing in Pakistan, China remained the lynchpin of HBL's international strategy. In December 2019, HBL became the first Pakistani bank to be awarded the much-coveted branch license to offer financial services to clients in Beijing, which is expected to be launched in Q1 2021. The Beijing branch will allow HBL to interact with regulators, major state-owned enterprises (SOEs) and leading financial institutions involved in CPEC and other Belt and Road Initiative (BRI) corridors.

In 2020, HBL won, The Euromoney Award for "Best Bank in Pakistan" & "Best Bank Transformation in Asia." At the World Finance Digital Banking Awards HBL won, "Best Mobile Banking App", "Best Digital Consumer Bank" and "Best Use of Social Media." HBL won the Global Islamic Finance Award for "Best Islamic Bank for Trade Finance." HBL won "Best Customer Franchise", "Best Bank for SME" and "Best Investment Banking" by the Pakistan Banking Awards.