

HBL



**Credit Suisse - Investor Meetings
February 2017**

Pakistan's No. 1, AAA rated, commercial bank

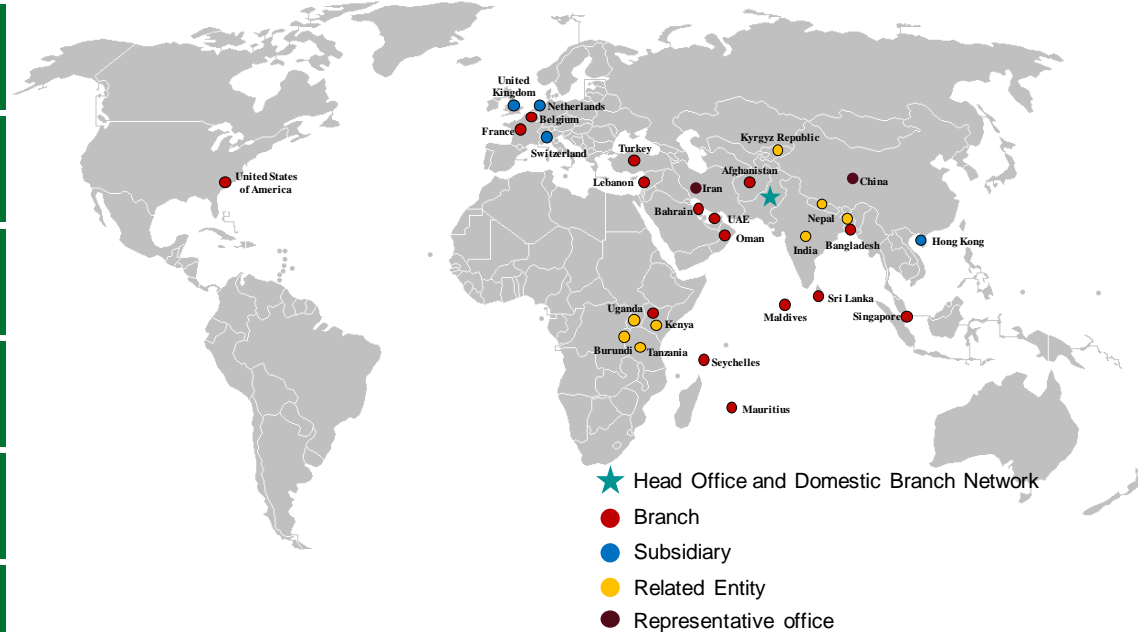


1 bank in Pakistan by⁽¹⁾:

#1	Assets	PKR 2,507bn (US\$ 24bn)
#1	Deposits	PKR 1,886bn (US\$ 18bn)
#1	Net profit	PKR 34bn (US\$ 327mn)
#1	# of Domestic Branches	1,677
#1	# of ATMs	2,000
#1	# of Customers	10mn +
#1	Market capitalization	PKR 390bn (US\$ 3.7bn)

- Track record of 75 years
- Universal banking model across financial services including asset management and insurance segments

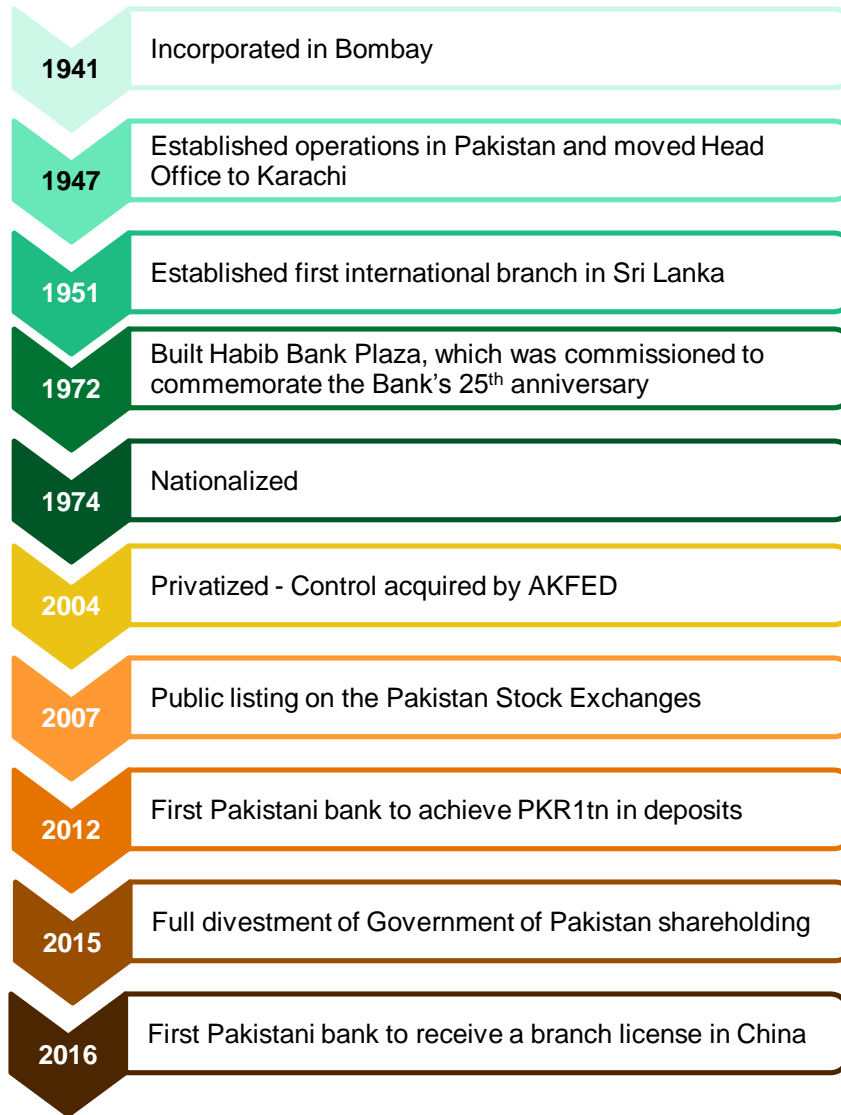
International footprint



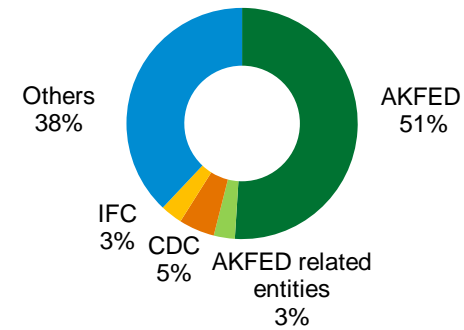
- One of the largest banking networks in South Asia
- Overseas coverage in 28 countries
- Network covers major financial hubs and 66 international branches

Note: Based on US\$1.00: PKR 104.60
 (1) As of December 31, 2016 except:
 - Market capitalization as of February 15, 2017

Corporate milestones



Current shareholders



Major awards



More than just a bank

HBL

Jubilee
GENERAL INSURANCE

Jubilee
LIFE INSURANCE



HBL

ASSET
MANAGEMENT

HBL



The First MicroFinanceBank Ltd

DTB
DIAMOND
TRUST
BANK



Visionary and accomplished Board



Chairman



Sultan Ali Allana
Chairman

- Mr. Sultan Ali Allana has been Chairman of the Board of Directors of HBL since February 2004. He has over 32 years of experience in the financial and banking industry
- He also serves on the Boards of The Aga Khan Fund for Economic Development, Tourism Promotion Services (Pakistan) Ltd, Jubilee Holdings Ltd. (East Africa), Jubilee Life Insurance Company Ltd and Industrial Promotion Services (Pakistan) Limited.
- Mr. Allana has also served as the Chairman of the First Microfinance Bank and been a member of the Executive Committee of the Aga Khan Agency for Microfinance.

President & CEO



Nauman K Dar
President & CEO

- Mr. Nauman K Dar, President & CEO of Habib Bank Limited, is a banker with over 34 years of banking experience
- He also serves as Chairman of Habib Allied Holding Limited UK, Habib Finance International Limited, Hong Kong and Habib Bank Financial Services (Pvt.) Limited.
- In the past Mr. Dar has also held senior positions in Habib Allied Bank Plc (now Habib Allied Holding Limited, UK), Citibank and Bank of America.

Directors



Sajid Zahid
Director

- Mr. Sajid Zahid is a Barrister with over 41 years experience in Corporate and Commercial Law.
- He is Joint Senior Partner at Orr, Dignam & Co.
- Mr. Zahid has previously served as a Director on the Boards of various companies including Pakistan Petroleum Limited.



Moez Ahamed Jamal
Director

- Mr. Moez Ahamed Jamal has experience of over 38 years in the financial sector.
- He currently serves on the Boards of Diamond Trust Bank Kenya, Marcuard Family Office, Switzerland, Jubilee Holdings Limited (East Africa) and Global Finanz Agency AG. He is a Partner of JAAM AG, an investment advisory company in Switzerland.
- Mr. Jamal has also held senior positions in Credit Suisse and Lloyds Bank International.

Directors



Shaffiq Dharamshi
Director

- Mr. Dharamshi is a banker with over 24 years of banking experience in the Middle East and Africa
- He currently holds the position of Head of Banking at AKFED, and is responsible for overseeing the operations of banks in AKFED's portfolio across Asia and Africa
- He also serves on the Boards of Diamond Trust Bank, Kenya, Diamond Trust Bank, Tanzania, Diamond Trust Bank, Uganda, Kyrgyz Investment and Credit Bank, DCB Bank Limited, India and First Microfinance Bank, Tajikistan.



Agha Sher Shah
Director

- Mr. Agha Sher Shah has over 25 years of experience in the financial sector.
- He is currently Chairman and Chief Executive of Bandhi Sugar Mills (Private) Limited. He also serves on the Boards of Attock Cement Pakistan Limited, Sui Southern Gas Company Limited, Thatta Cement Company Limited, Newport Containers Terminal (Private) Limited and Triton LPG (Private) Limited.
- Mr. Sher Shah has also held the position of Senior Portfolio Manager at the Abu Dhabi Investment Authority.



Dr Najeeb Samie
Director

- Dr Najeeb Samie has over 36 years of experience in the corporate and financial sector
- He is currently the Managing Director of PIA Investments Limited and is a Director of the Roosevelt Hotel Corporation and the Parisien Management Company Limited, amongst other tourism related companies.
- Dr. Samie has also served as the Chairman of State Life Insurance Corporation of Pakistan, Alpha Insurance Company Limited and PICIC.

First class senior management team



- Experienced management team with significant experience with HBL and other local and international banks
- Strong track record of growth and profitability overseeing HBL's net profit increasing from PKR17bn to PKR34bn between 2010 and 2016 (+12% CAGR)

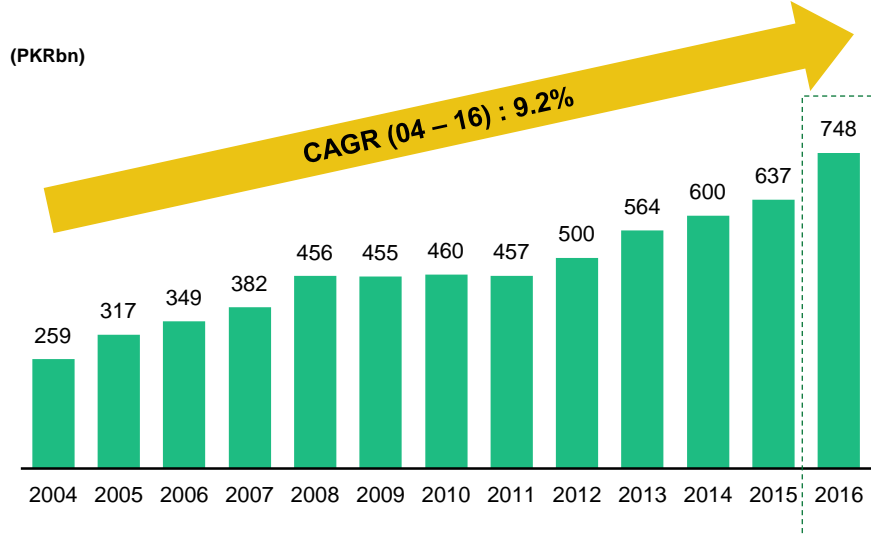
 <p>Nausheen Ahmad Company Secretary & Head Legal 11 / 11 / 29⁽¹⁾</p>	 <p>Tariq M. Akbar Head, Global Operations 17 / 41 / 42⁽¹⁾</p>	 <p>Salim Amlani Chief Compliance Officer 12 / 41 / 41⁽¹⁾</p>	 <p>Naveed Asghar Chief Marketing Officer 3 / 3 / 24⁽¹⁾</p>
 <p>Mirza Saleem Baig Head, Islamic Banking 16 / 32 / 34⁽¹⁾</p>	 <p>Rizwan Haider Chief Risk Officer 15 / 36 / 37⁽¹⁾</p>	 <p>Abbas Hasan Head International Banking Europe, Middle East & Americas 5 / 32 / 33⁽¹⁾</p>	 <p>Aamir Irshad Head, Corporate & Investment Banking 12 / 26 / 29⁽¹⁾</p>
 <p>Sima Kamil Head, Branch Banking 16 / 31 / 31⁽¹⁾</p>	 <p>Rayomond Kotwal Chief Financial Officer 3 / 20 / 31⁽¹⁾</p>	 <p>Salahuddin Manzoor Global Treasurer 7 / 34 / 34⁽¹⁾</p>	 <p>Dr. Aamir Matin Head Technology Strategy 2 / 6 / 31⁽¹⁾</p>
 <p>Abrar Mir Chief Innovation & Financial Inclusion Officer 2 / 16 / 22⁽¹⁾</p>	 <p>Jamal Nasir Global Head Human and Organizational Development 3 / 20 / 30⁽¹⁾</p>	 <p>Zahid Parekh Head, Special Projects – Islamic Banking 1 / 28 / 28⁽¹⁾</p>	 <p>Faiq Sadiq Chief Internal Auditor 17 / 27 / 27⁽¹⁾</p>
 <p>Abid Sattar Head International Banking Asia & Africa 12 / 34 / 34⁽¹⁾</p>	 <p>Khalid Mohsin Shaikh Head, Structured Credits 4 / 23 / 32⁽¹⁾</p>	 <p>Anwar Zaidi Head, Financial Institutions & Global Trade Services 15 / 36 / 36⁽¹⁾</p>	

HBL's management team is highly experienced in managing domestic and international banks

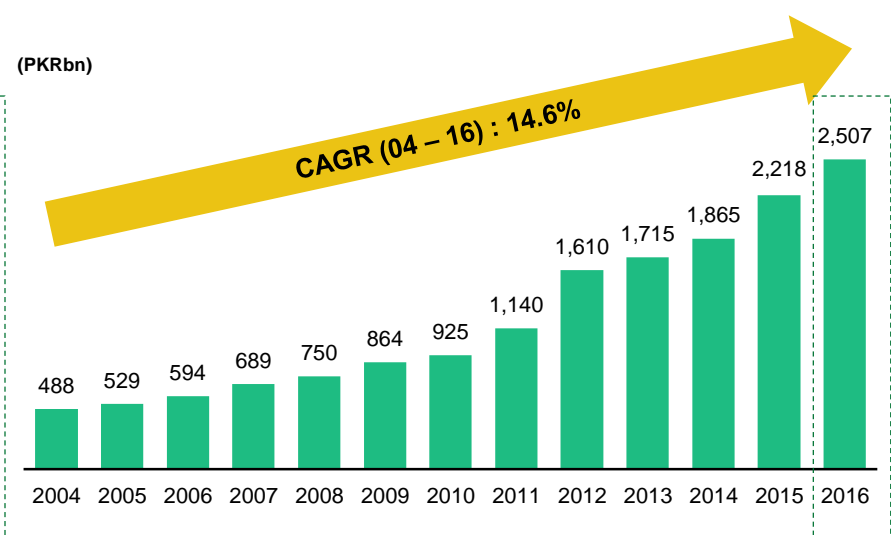
(1) Number of years in HBL / years in banking / Total work experience .

Progress since privatization – Balance sheet **HBL**

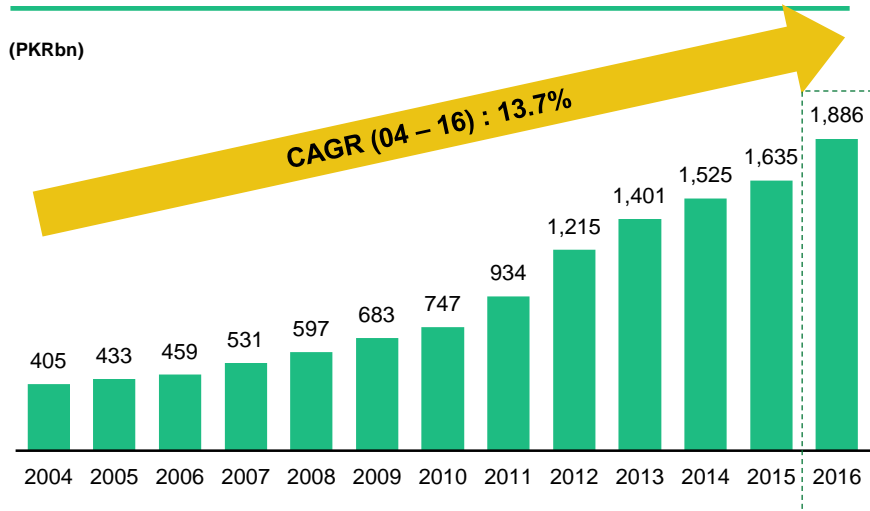
Net Advances



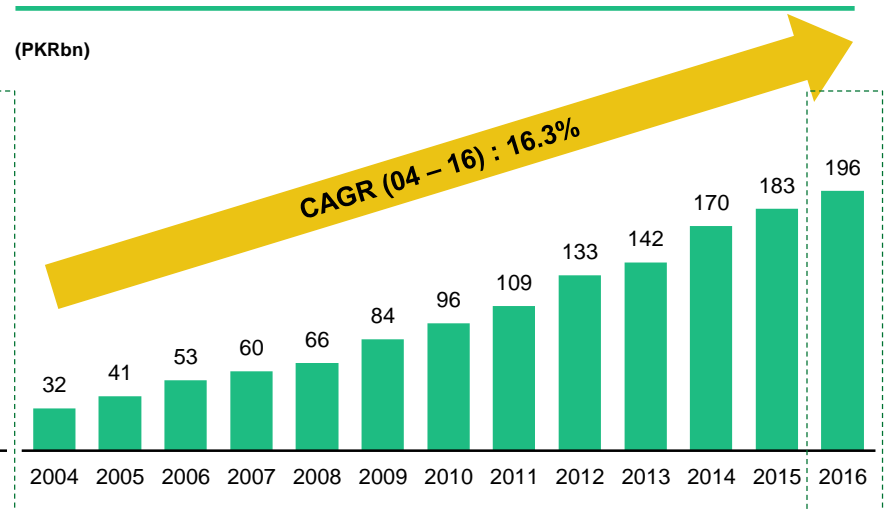
Total assets



Deposits



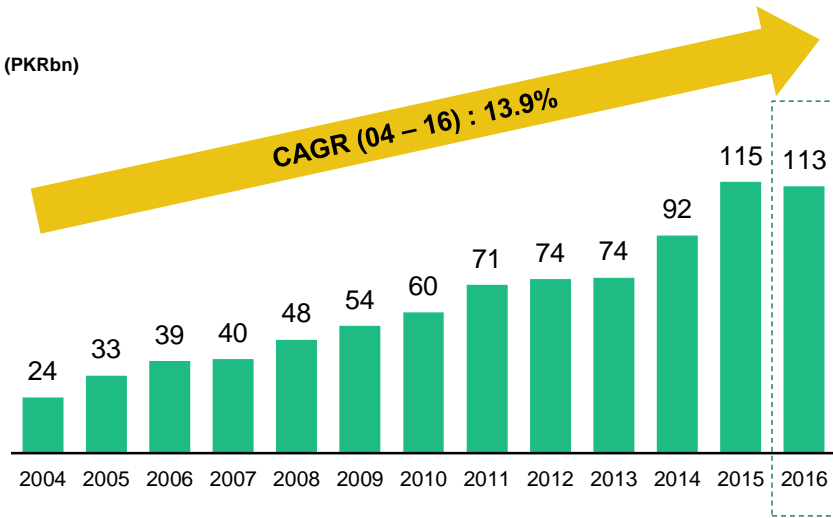
Shareholders equity



Progress since privatization – Operating results **HBL**

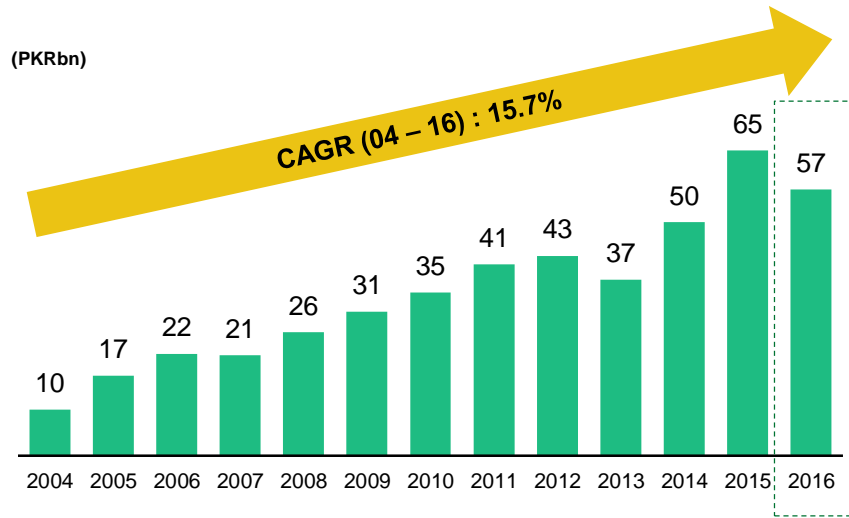
Total Revenue

(PKRbn)



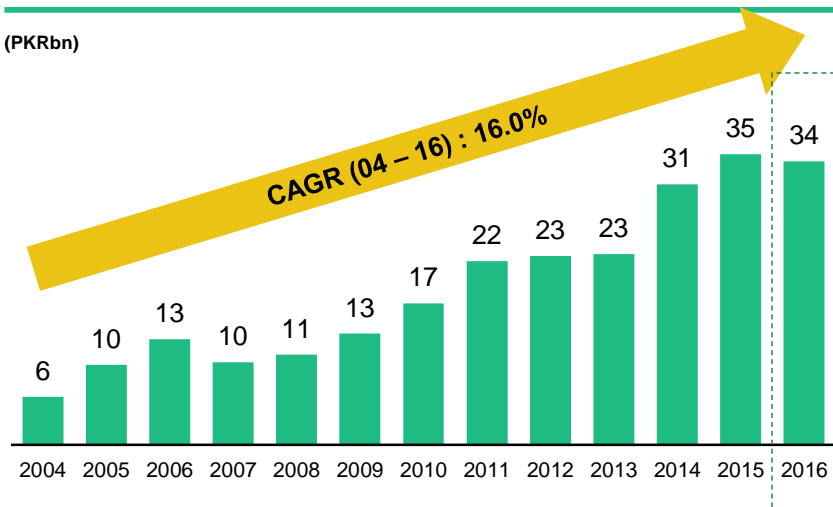
Operating profit

(PKRbn)

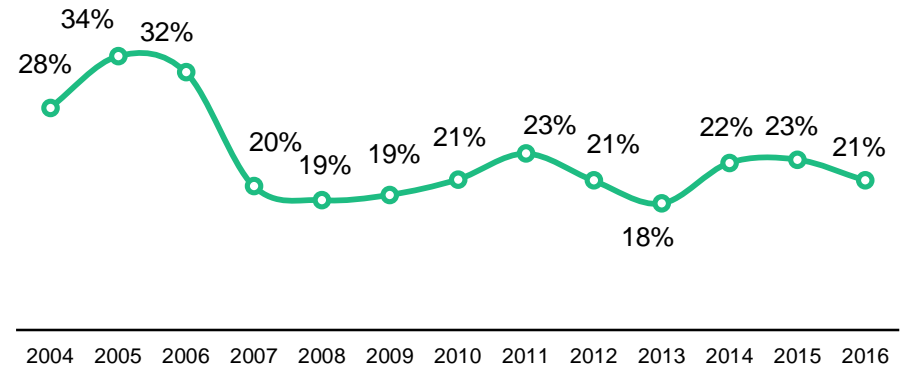


Profit after taxation

(PKRbn)



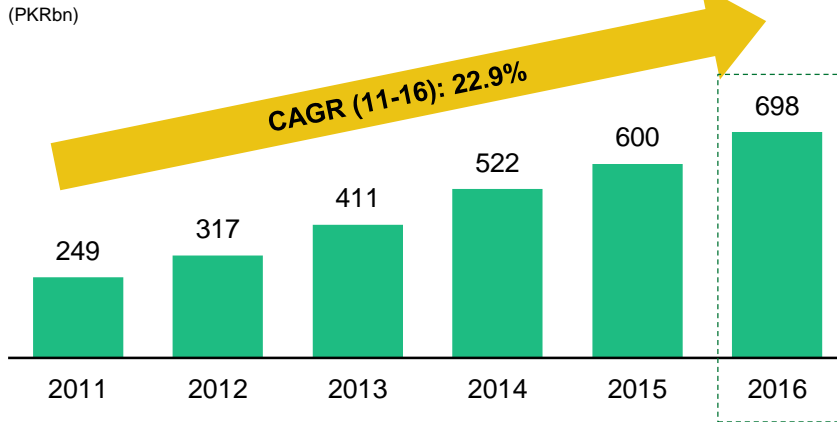
Return on Equity (1)



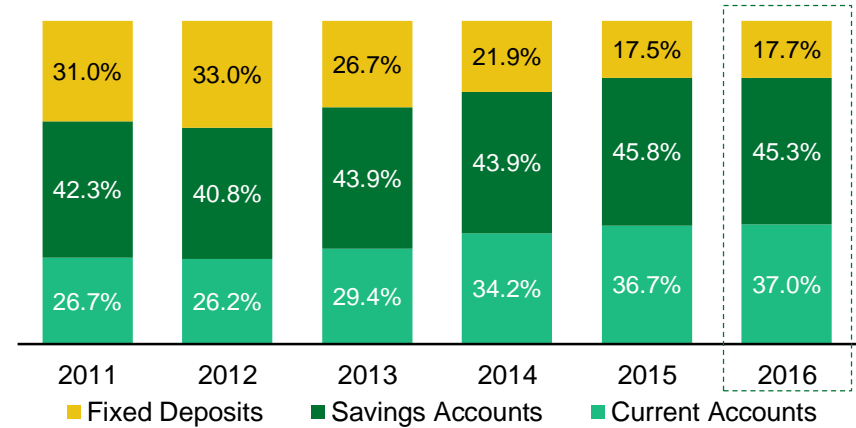
(1) ROE is calculated excluding Surplus on Revaluation of assets.

Deposits remain the growth engine

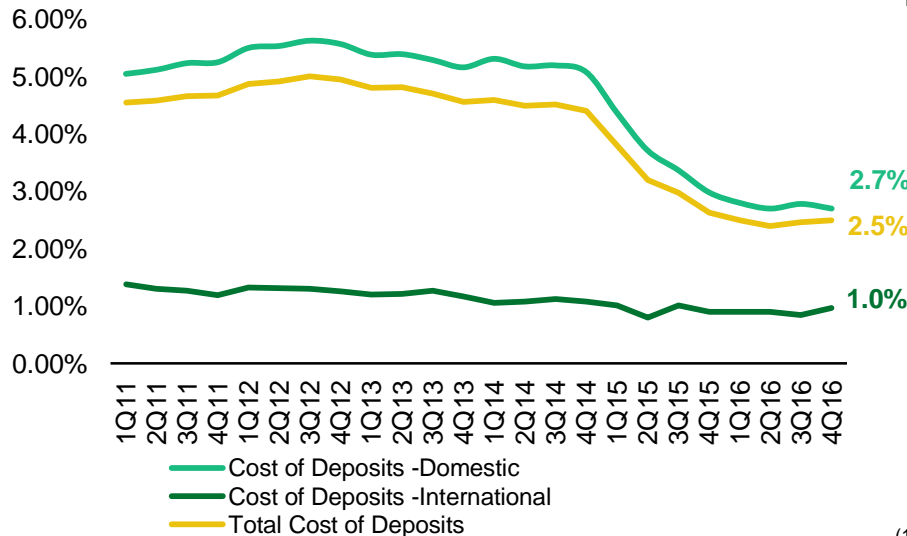
Growth in current deposits



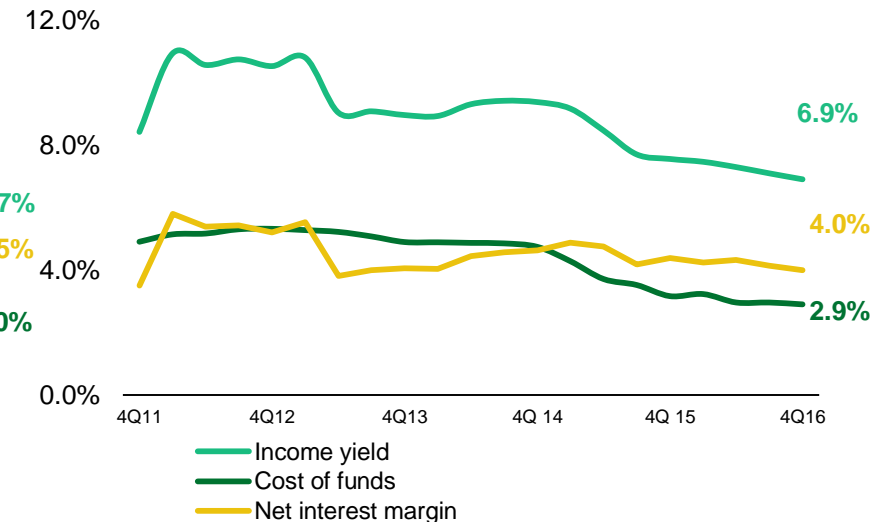
Deposit composition



Cost of deposits



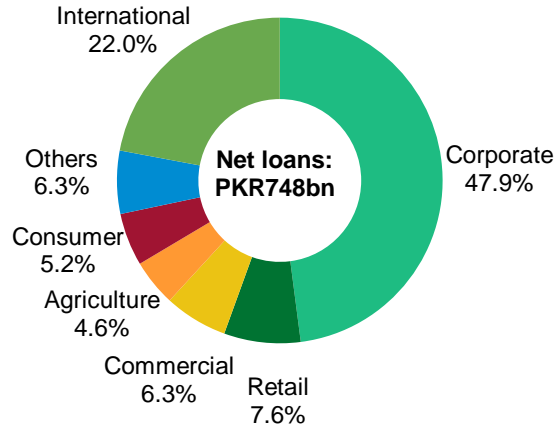
Net interest margin (1)



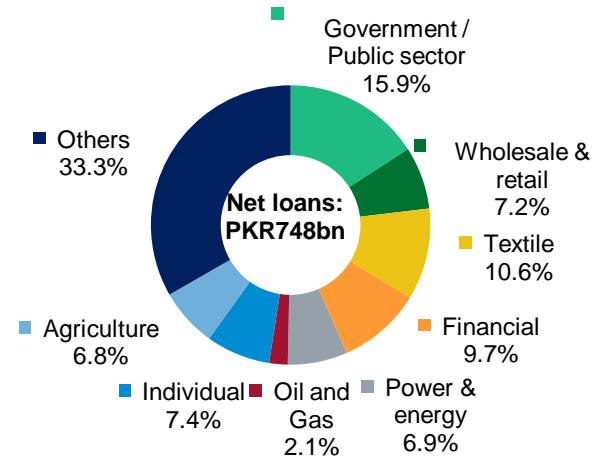
(1) Income Yield = (Interest Income + Investment Income) / Net Earning Assets.
 Cost of Funds = Interest Expense / Total Liabilities.
 Net Interest Margin = Income Yield - Cost of Funds.

A diversified loan portfolio...

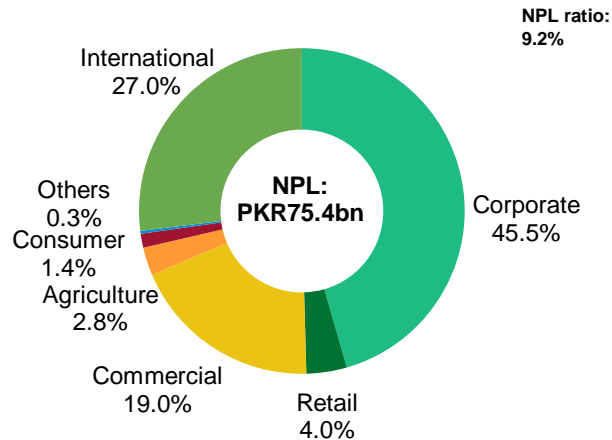
Loan portfolio composition by line of business



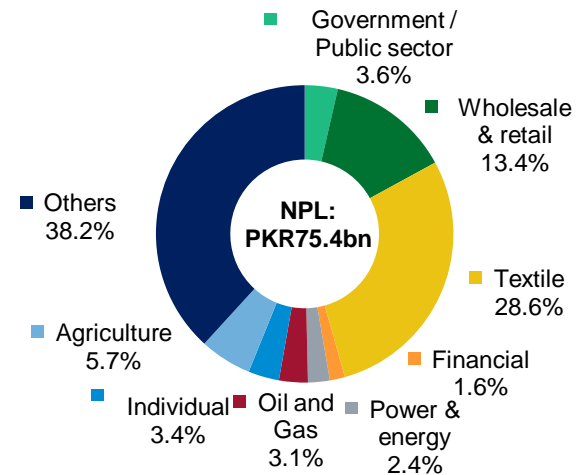
Loan portfolio composition by industry segments



NPL composition by line of business



NPL composition by industry segments

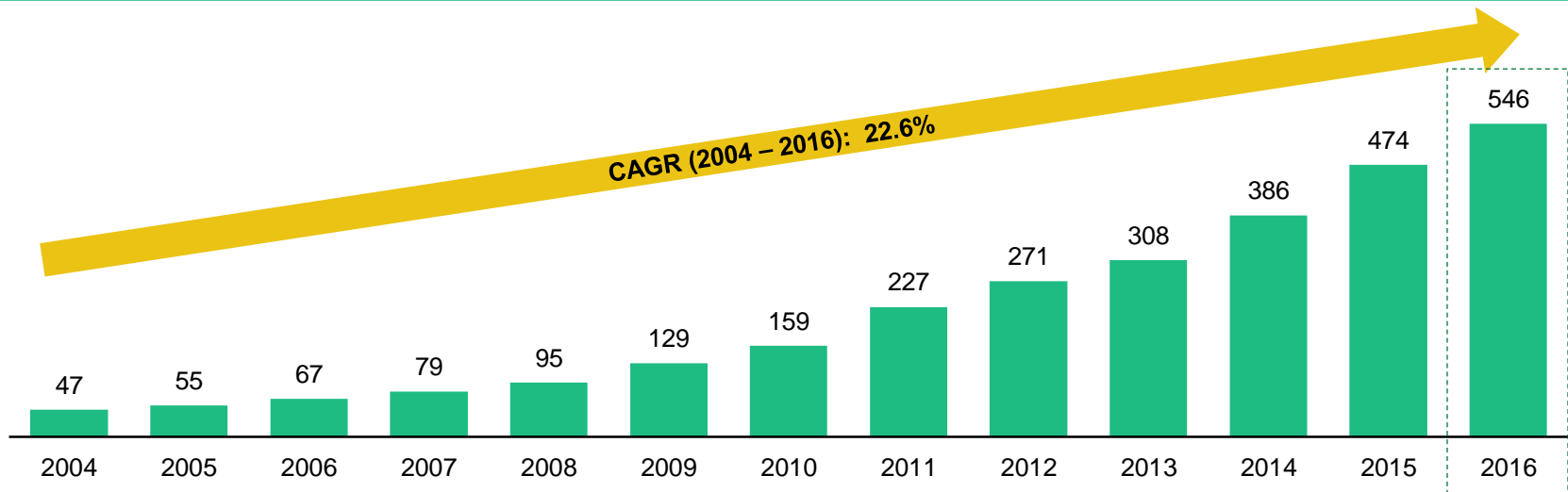


Well positioned to serve a growing remittance market

Pakistani remittance market

- International remittances have formed the mainstay of Pakistan's Balance of Payments with double digit growth over the last several years. In the 7 months of FY17, overseas workers remitted more than US\$10bn back to Pakistan. The leading source nations are Saudi Arabia, UAE, USA and UK
- With its extensive international network, HBL is well placed to serve the home remittance market and has a 27.0% market share
- Home remittances provide a plethora of opportunities for cross-selling (deposits, loans etc.). Banks are also incentivized by the SBP for remittances channeled through their counters.

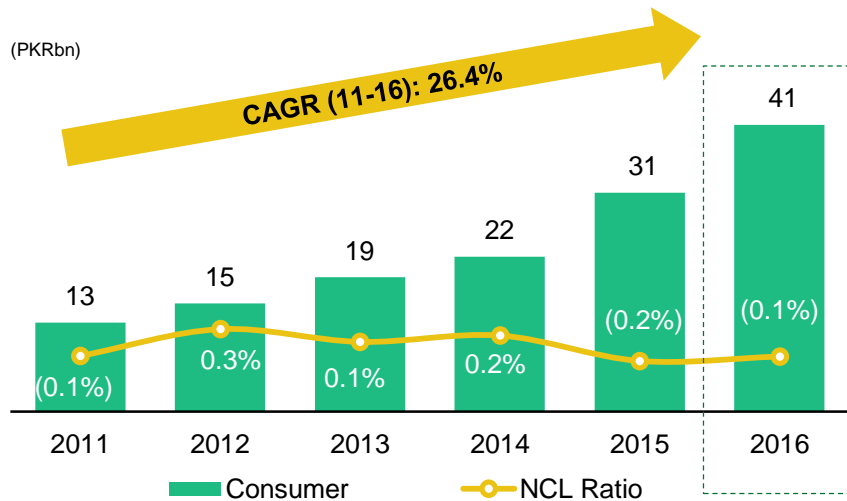
HBL home remittance volumes (2004 – 2016), PKRbn



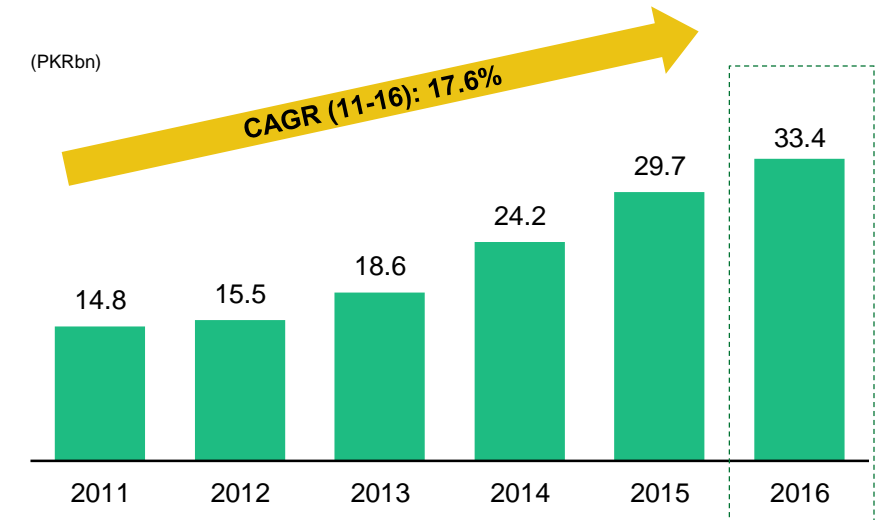
Strategic initiatives to continue driving growth



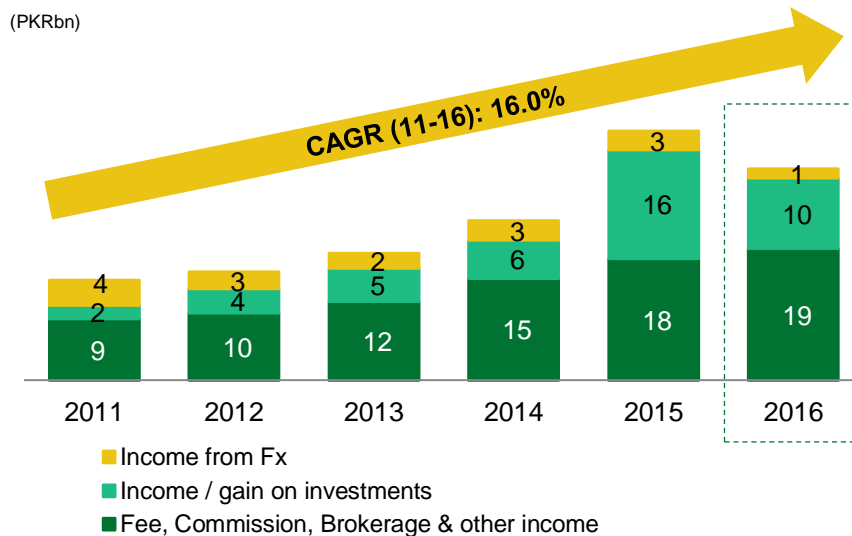
Growth in Consumer Lending



Growth in Agricultural Financing



Increasing fee and other non-interest income

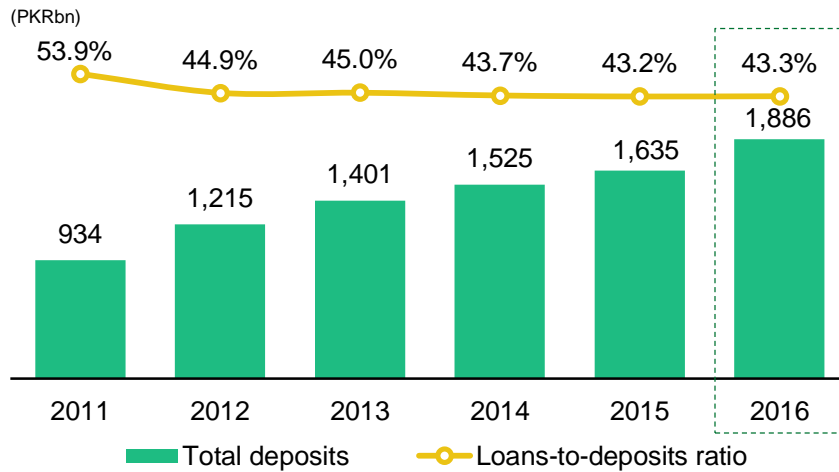


Other growth vectors

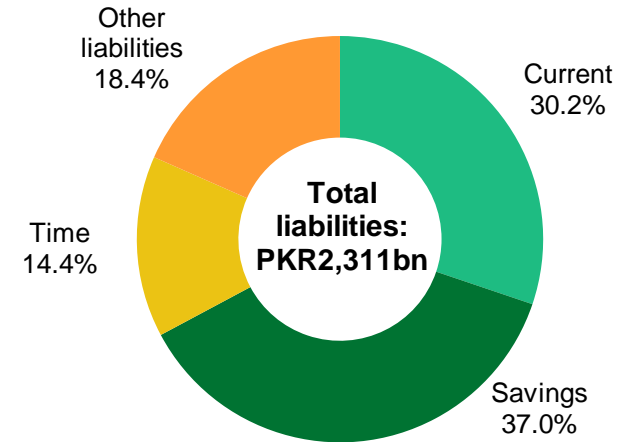
- Drive growth in agricultural / rural lending through unique sales force of Agriculture Field Officers. Expand product range to cover entire value chain.
- HBL Nisa, a unique product offering for women and women-owned businesses, improves access to financial services
- Enhance cross-sell of savings and investment products as fee driver:
 - Bancassurance where we have market leadership with estimated 50% share
 - Asset management – acquisition of PICIC AMC has doubled AUMs
- Acquisition of First MicroFinance Bank – will scale-up customer acquisition and leverage synergies
- Strengthen and fully leverage international network.

Strong balance sheet with ample liquidity, high capitalization and conservative risk management **HBL**

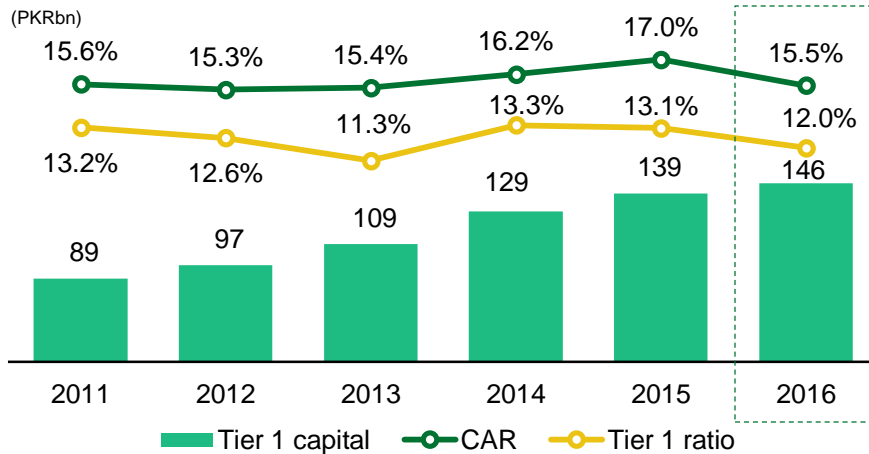
Strong deposit growth



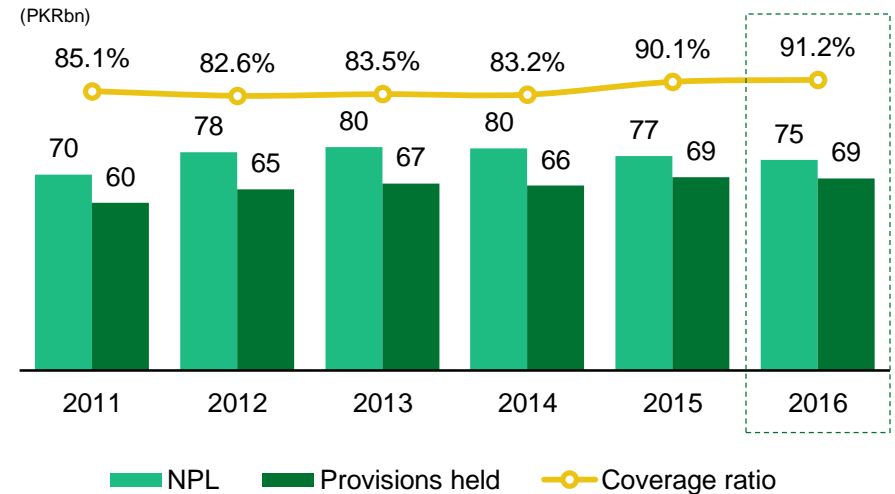
Liabilities composed mainly of sticky deposits



Robust capital base



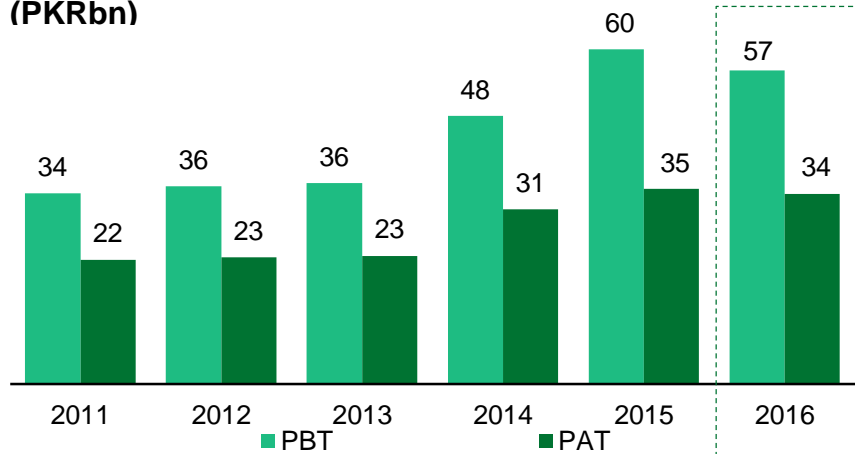
Conservative risk management



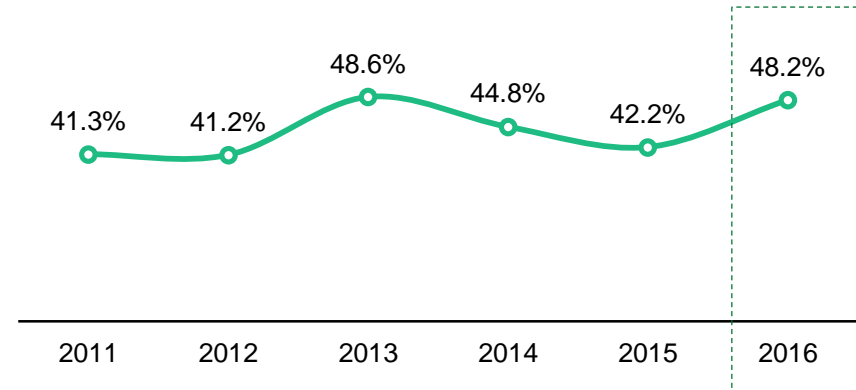
Delivering consistently strong profitability

Profitability

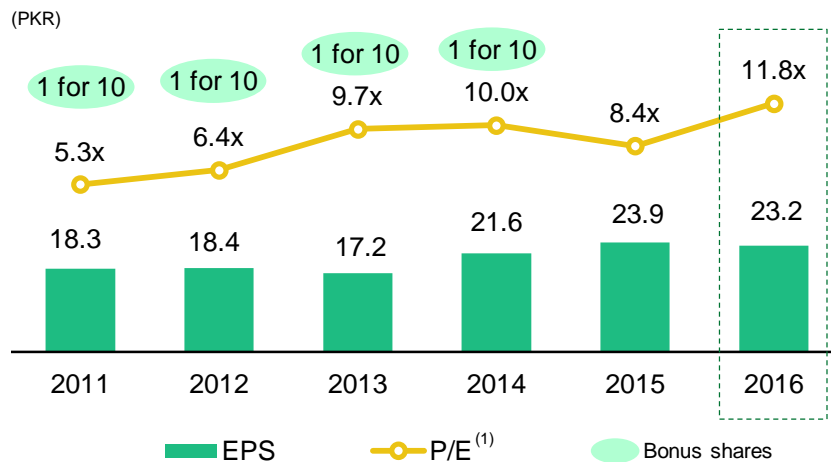
(PKRbn)



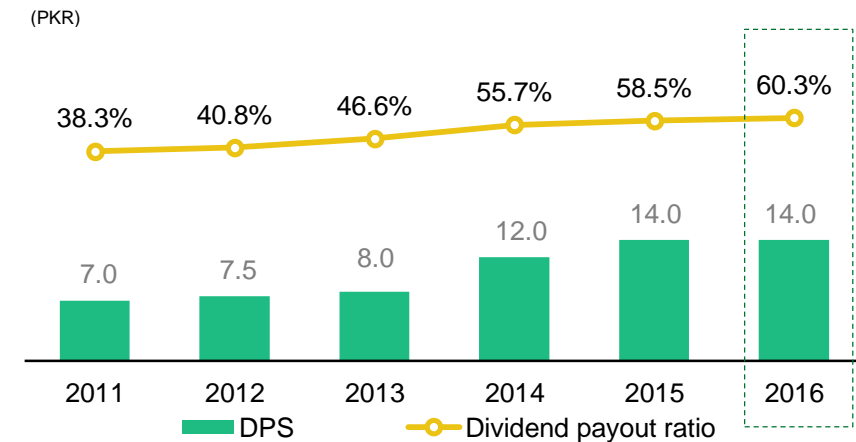
Cost to income ratio



Strong set of earnings even with bonus shares issued



Growing dividend payments



(1) Based on share price as of respective year ends and full year EPS

Appendix

Consolidated balance sheet



(PKR Bn)

	2011	2012	2013	2014	2015	2016
Assets						
Cash & Bank Balances	150.7	205.2	192.8	202.6	207.7	284.4
Lending to Financial Institutions	41.6	24.8	35.3	34.3	18.4	34.0
Investments	418.6	797.1	826.1	922.7	1,270.8	1,344.4
Advances	457.4	499.8	563.7	600.0	637.4	748.5
Others	71.3	83.5	97.4	105.0	84.1	95.9
Total Assets	1,139.6	1,610.5	1,715.3	1,864.6	2,218.4	2,507.2
Liabilities						
Bills payable	13.9	18.9	19.4	22.0	28.1	31.2
Borrowings	39.5	196.6	107.9	103.4	314.3	332.8
Deposits	933.6	1,215.0	1,401.2	1,524.6	1,634.9	1,886.0
Subordinated loans	5.0	5.4	2.6	-	10.0	10.0
Other liabilities	37.9	41.8	41.7	45.0	48.5	50.9
Total liabilities	1,030.0	1,477.7	1,572.8	1,695.0	2,035.8	2,310.9
Shareholders' equity						
Share capital	11.0	12.1	13.3	14.7	14.7	14.7
Reserves	89.1	106.6	117.3	132.3	143.7	154.1
Equity attributable to the bank	100.1	118.7	130.6	146.9	158.4	168.8
Non controlling interest	1.2	1.2	1.9	1.2	1.7	3.4
Surplus on revaluation of assets - net of deferred tax	8.2	12.8	9.9	21.5	22.6	24.1
Total equity	109.6	132.7	142.4	169.6	182.6	196.3

Consolidated statement of profit and loss



..... (PKR Bn)

	2011	2012	2013	2014	2015	2016
Mark-up/ return/ profit/ interest earned	98.6	116.8	120.6	137.4	144.2	141.1
Mark-up/ return/ profit/ interest expensed	42.2	59.0	65.2	68.8	66.1	59.1
Net mark-up/ profit/ interest income	56.4	57.8	55.4	68.6	78.2	82.0
Non mark-up/ interest income						
Fee, commission and other income	9.0	9.8	11.6	15.0	17.8	19.3
Dividends / Capital Gains	0.9	1.9	3.1	3.2	12.6	6.6
Share of profit from associates	1.1	1.7	1.8	2.4	3.4	3.8
Fx income	3.8	2.6	2.3	2.8	2.7	1.4
Total non mark-up / interest income	14.7	15.9	18.7	23.4	36.6	31.1
Total income	71.1	73.7	74.1	92.0	114.8	113.0
Non mark-up/ interest expense						
Administrative expenses	29.4	30.4	36.1	41.3	48.4	54.4
Other expenses	0.7	0.7	0.7	1.0	1.3	1.2
Total non mark-up / interest expenses	30.1	31.1	36.9	42.2	49.7	55.6
Operating profit	41.0	42.6	37.2	49.8	65.0	57.4
Provisions - net	6.7	7.0	1.1	1.5	4.8	0.9
Profit before tax	34.3	35.6	36.1	48.3	60.3	56.5
Taxation	12.0	12.8	13.1	16.8	25.2	22.3
Profit after tax	22.3	22.8	23.0	31.5	35.1	34.2

Net Advances (By Line of Business)



PKR Bn

Group	31-Dec-15	%	31-Dec-16	%
Corporate	257.1	40%	299.8	40%
Commodity	44.0	7%	59.0	8%
Retail	48.3	8%	56.9	8%
Commercial	38.2	6%	47.0	6%
Agriculture	31.2	5%	34.7	5%
Consumer	30.0	5%	39.2	5%
Islamic	19.9	3%	32.0	4%
Others	9.6	2%	14.9	2%
Domestic	478.4	75%	583.5	78%
International banking	159.0	25%	165.0	22%
Bank	637.4	100%	748.5	100%

US\$ Mn

International banking	31-Dec-15	%	31-Dec-16	%
Middle East	891	59%	942	60%
South Asia	116	8%	143	9%
UK / Europe	276	18%	281	18%
Others	238	16%	211	13%
International banking	1,520	100%	1,577	100%