

HBL

Corporate Briefing Session

2024

HBL

PSL

Pakistan Super League





پلٹا سو
کھیل




Largest banking network in the country, serving the highest customer base


 **128,083**
Touchpoints

 **1,727**
Branches

 **2,332**
ATMs

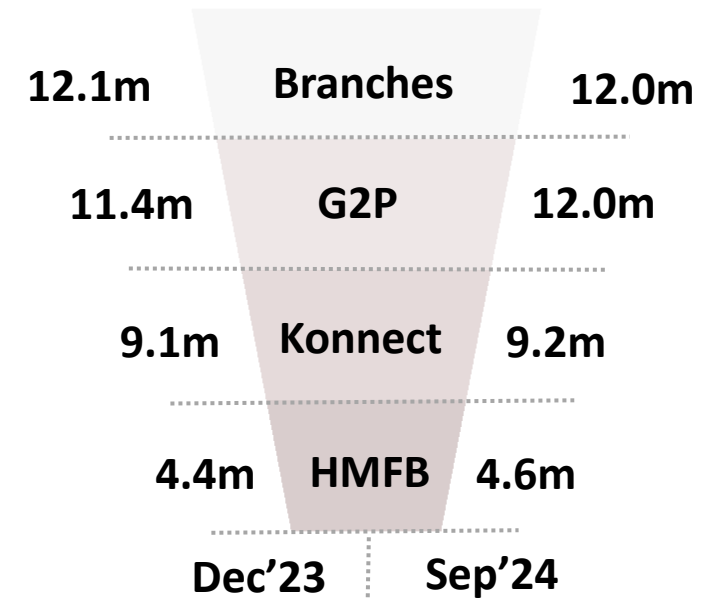
 **45,587**
Konnnect Agents

 **40,039**
POS terminals

 **37,670**
QR Codes

 **728**
IPG Merchants

 **37M+**
Customers Served
▲ 2.2%



Global footprint


29 branches
across **10**
countries


Fueling the Economy

Dominating the financial landscape with leading market share...




Agri Finance



Rs 57b

HBL Market Share: 33%








SME Finance



Rs 91b

Market Share: 19%

Consumer Lending - Rs 139b



 <p>Rs 48b ▲ Rs 2.9b</p> <p>Personal Loans </p>	 <p>Rs 33b ▼ Rs 2.2b</p> <p>Auto Loans </p>
 <p>Rs 40b ▲ Rs 7.5b</p> <p>Credit Cards </p>	 <p>Rs 17b ▲ Rs 3.3b</p> <p>Mortgages</p>

Largest consumer book in the sector

Highest private sector lending in Pakistan

Transaction Banking

Market Share:

 <p>Business Payments 23.2%</p>	 <p>Collections 29.4%</p>
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8,000+ Mandates

Trade Volumes

Export share continues to grow, fueling the economy

Market Share	Imports 9.7%	Exports 13.1%	Overseas \$ 3,765m
Volumes	\$ 3,993m	\$ 3,113m	▲ 26%

Remittances

\$ 2,135m
▲ 10%

Market Share 8.34%

Cash Management Business – Rs 9.7T

- Digital throughput up 37% YoY
- 71% of transactions are now digitally processed vs 66% in SPLY

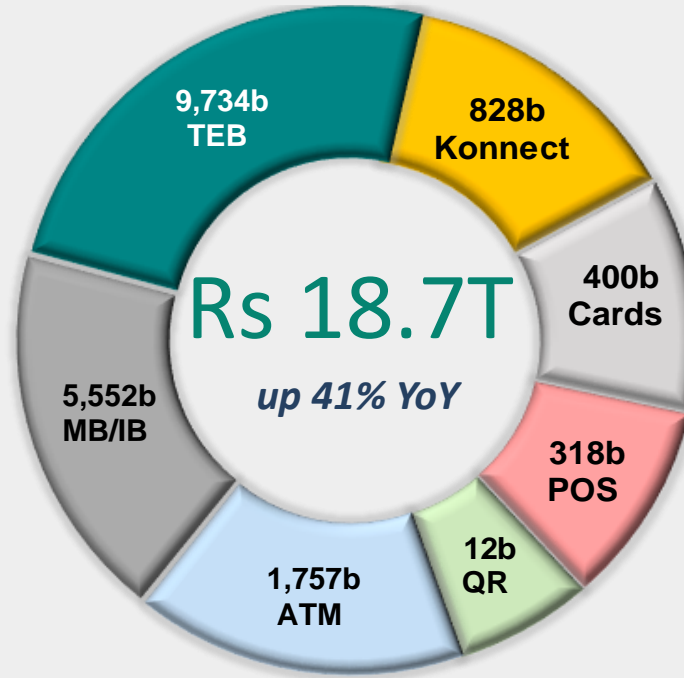
Mobile/ Internet Banking – Rs 5.6T

- Growing user base of **4.4M** with **3.5M+** monthly active users
- 27% increase in ticket size increases volumes by 2x

ATMs – Rs 1.8T

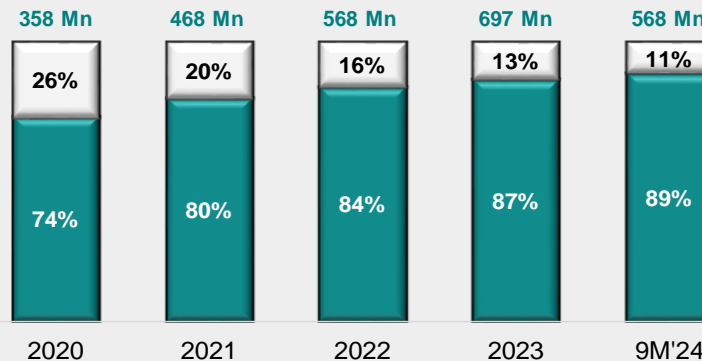
- Volumes are up 17% YoY with a consistent ATM uptime of 97%

Digital Throughput



..Continuing to digitize more and more customer-initiated transactions

■ Digital ■ OTC



KONNECT – Rs 0.8T

- A 33% increase in ticket size drives Konnect volume growth

Cards and POS – Rs 0.7T

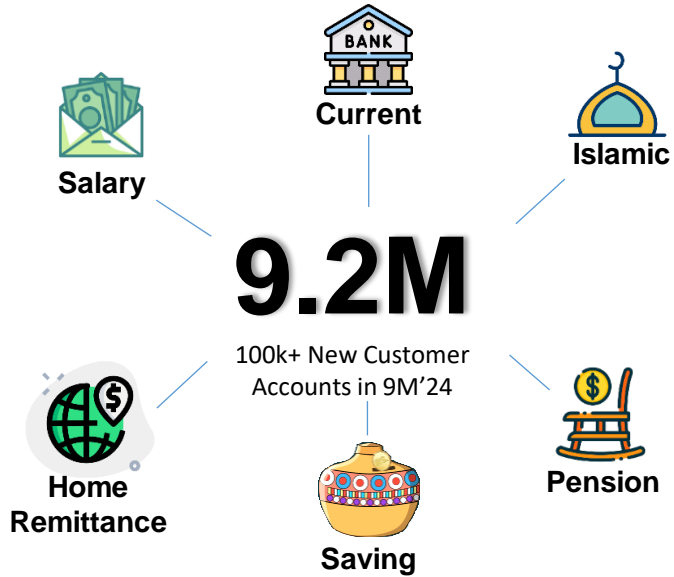
- A solid card base of 7M+
- 1/3 of country's credit card spend & 1/5 of debit card spend is on HBL
- 27% of country's POS spend is on HBL

QR Codes

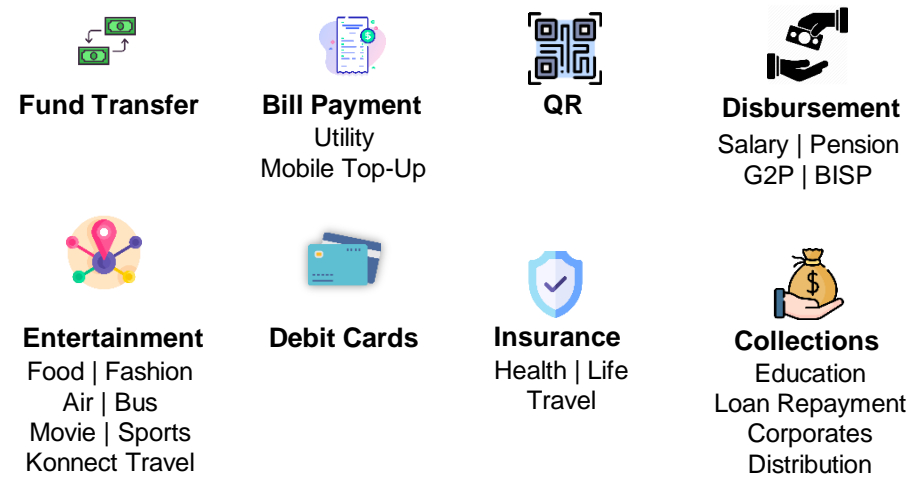
- Major turn around as usage goes mainstream
- Ticket size goes up by more than 3x uplifting the volumes by nearly 7.5x

Konnect – Consistent growth in volumes

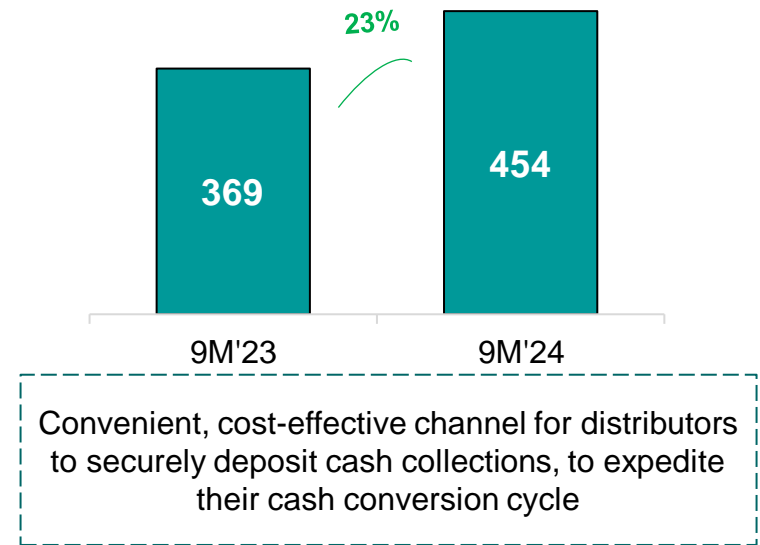
Account Services



Payments

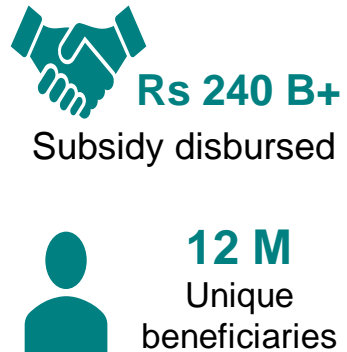


Collections Volume (Rs B)



A preferred partner to the government

Serving the unserved



Robotic Process Automation Bringing Efficiency

2024 AUTOMATION IMPACT:

Processes Executed	Total BOTs	Transactions Processed	Manhours Saved
172	110	8.4 million	997k

Way Forward

Back-office operational activities are being **consolidated & optimized**. These are primarily classified into **Humans** and **BOT based services** which will be executed in an **interconnected manner for seamless digital processing**

IMPACTS



- Elimination of Redundant Activities
- Improved Customer Experience
- 3x Processing Capacity
- 24 x 7 Operations
- Innovative Organization

IMPACTS



HUMAN BASED
SHARED CAPABILITIES



Scrutiny of Documents



Data Transition & Conversion



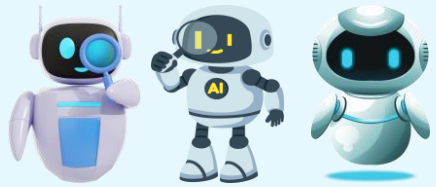
Printing, Embossing & Mail Management



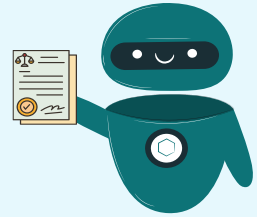
Reconciliation



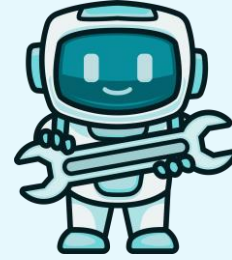
Governance



AI BOTs BASED
SHARED CAPABILITIES



Read & Analyze Documents



Core Operations

- Data Entry
- Disbursements
- Financial Postings
- Partial & Full Settlements
- Maintenance
- Printing & Embossing

Improving financial access for Women



31%
Branch Accounts
@ HBL

Rs 700 B+
Total Deposit in
women accounts



HBL NISA

HBL NISA provides **tailored-financial solutions** for the unique needs of women



Accounts



Deposit



% of total women
accounts @ HBL

Konnect



Women share of
Konnect accounts

Microfinance



Women customers

SME Banking – fueling the Economy

20,946
Accounts



Cashflow-based lending to creditworthy customers who cannot offer collateral



Rs 91 B
Loan Book



Focus on the 'S' segment of SME through Small Business Finance



Leading Market Share



Scoring models for quick decisioning

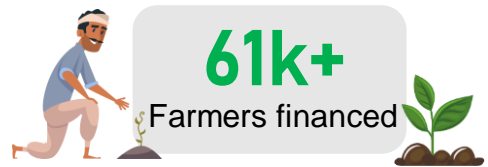
Asaan Accounts



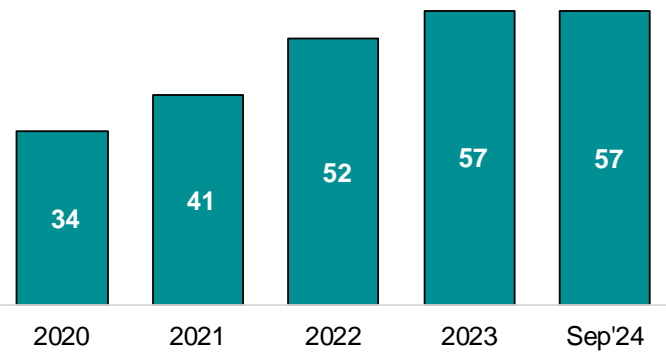
1.4 M+

Rs 22 B
Deposits

Leading Pakistan's agricultural landscape...

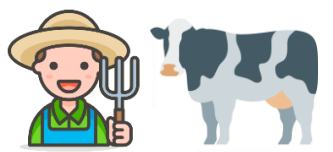


Agriculture Portfolio (Rs in B)



- 33% Market share
- Rs 2.5 B Agriculture Business Finance portfolio size in the first 3 years

Dairy & Livestock Financing



3.6K+ Dairy Farmers and 123K+ Animals financed



Livestock loan insurance launched

HBL Zarai Services Limited

First of its kind Agri Extension Services incorporated to uplift & turnaround the agriculture landscape of Pakistan.

HBL's Role



Equity



Banking facilities and operational support



Integration with customers and business verticals

HBL Zarai's Role



Handholding farmers throughout the production and off-take of their produce, and assistance in sale at fair price



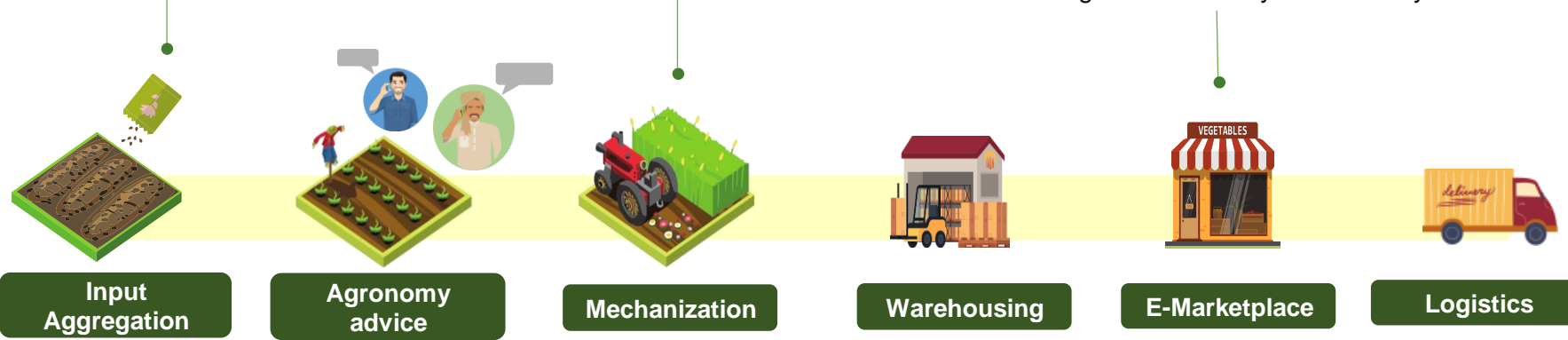
Lynchpin of HBL Zarai – 50 Deras (distribution centers) over 5 years. First 'Dera' launched in Q1'24.

Benefits for the farmers

High quality, competitively priced **crop inputs** at the doorstep through Zarai Deras

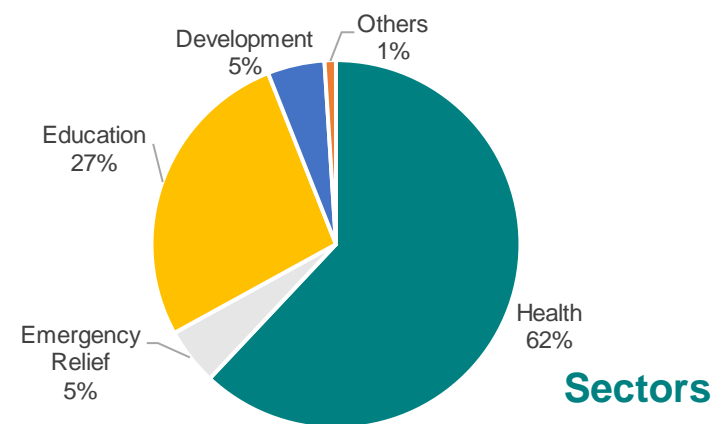
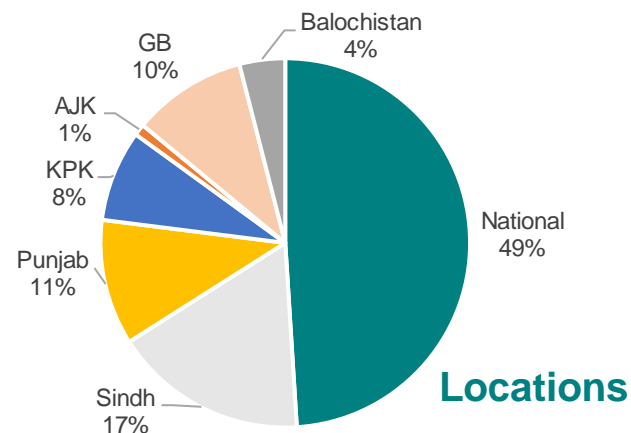
Farm mechanization through pay-per-use model

Creating an efficient marketplace for scientifically tested and graded agricultural produce – connecting farmers directly with bulk buyers



HBL Foundation Initiatives

HBL Foundation crosses Rs 3.7 billion in giving



Healthcare | Rs 2.3 B – benefitting ~11 M people

- Supported 162 non-profit and government organizations across Pakistan.
- Financial support for free treatment for children, cancer patients, and individuals in need.
- Equipping hospitals with latest medical equipment, infrastructure and solarization.
- Supporting surgical eye and nutritional camps in the remotest areas of Pakistan.



Education | Rs 1.0 B – benefitting >0.5 M students

- Supported 136 educational institutions in all provinces across Pakistan.
- Established a pool of STEAM scholarships for girls from underserved communities.
- Financial support towards procurement of IT equipment for educational institutions and for construction and renovation projects at a school.



Community Development

- Support includes distributing ration bags, thermal blankets and waterproof tents to underprivileged communities, providing emergency relief, and funding music and cultural programs, all of which have long-term benefits.

Sustainability initiatives actively being deployed in our workstreams

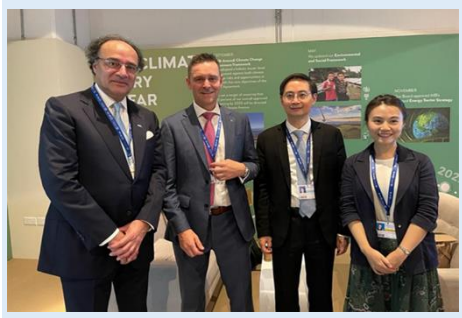
Reduce carbon footprint and mitigate risks

Reducing Own Emissions

Light Automation System, Energy Audits, Building Management Systems for energy conservation



Average Electricity Unit Saving: 30~35%

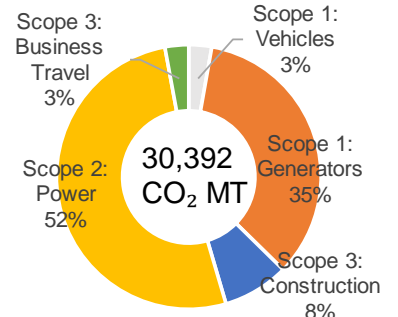


HBL becomes the first Pakistani member of Capacity Building Alliance of Sustainable Investment



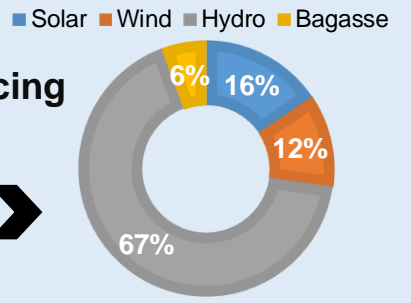
HBL became a signatory to the UN's Principles of Responsible Banking and Net Zero Banking Alliance.

Green House Gas(GHG) Emissions 9M'24



Green Financing

Renewable Energy Exposure of Rs 43.8 B



EXPOSURE AS OF SEP 30TH 2024

Initiatives & HBL firsts...

Plantation Drives



Other initiatives



Net Zero by 2030
Initiated journey to Net Zero by 2030 for scope 1 & 2 (Own Impact).



No new coal exposure being undertaken by HBL since 2020.
Phasing out existing coal financing by 2030.



HBL has announced that it would **cease to do business** with industries that contribute towards **illegal deforestation**.



Launched Second Impact and **Sustainability Report**

HBL's climate smart solutions



Solar Panels at **251** branches and **31** offsite ATMs

HBL crosses **Rs 4 Billion** in Climate-Smart Financing

Enables over **1750 farmers** to use environmentally friendly energy to irrigate crops

People and Community

Bank with a Soul
2,600+ hours dedicated to HBL Employee Volunteering Program



Sustainability 💡

HBL wins Environment Excellence Award for 4th consecutive year from NFEH Pakistan.

HBL goes GREEN
Eliminated Single-use Plastic bottles

Promoting Art & Culture
Art Contest for staff and their children to mark 14th of August

Talent Management & Development
HBL The League
 Pakistan's premier Management Trainee Program

500,000+ man hours of training delivered

HBL Raabta
Emotional, Mental & Physical Wellbeing through a comprehensive Employee Assistance Program

Diversity, Equity & Inclusion The Most Inclusive Organization 2023

Internship Programs for PWDs

Sign Language training/ e-Learning

Pop-up Stalls in partnership with KDSP and KVTC

Diversity, Equity & Inclusion Champions Program

HBL Wapsi - A returnship program for women who want to restart work after a career break.



Best Conventional Bank of the Year



Best Bank
Best Bank for ESG
Best Corporate Bank



Best Islamic Finance Local Currency – Asia



Best Consumer Bank in Pakistan



Best Microfinance Bank
Best Bank for Agriculture Financing



Best Investment Bank Domestic
Best DCM/ECM House



Best Trade Partner Bank – Middle East



Best Investment Bank

External Recognition of HBL's Leadership



Best Sukuk – Pakistan



Project Finance Social Infrastructure – Education Deal of the Year



Best Corporate Bank – Large Corp & MNCs



Best Bond/Loan Advisor
Best Acquisition Financing/Syndicated Loan



Best Social Media Campaign - TikTok



HBL ranked #1
HBLMFB ranked #2



Best Board of the Year



Corporate & Investment Bank of the Year



Domestic Project Finance Bank of the Year



Equity/Debt Deal of the Year Pakistan



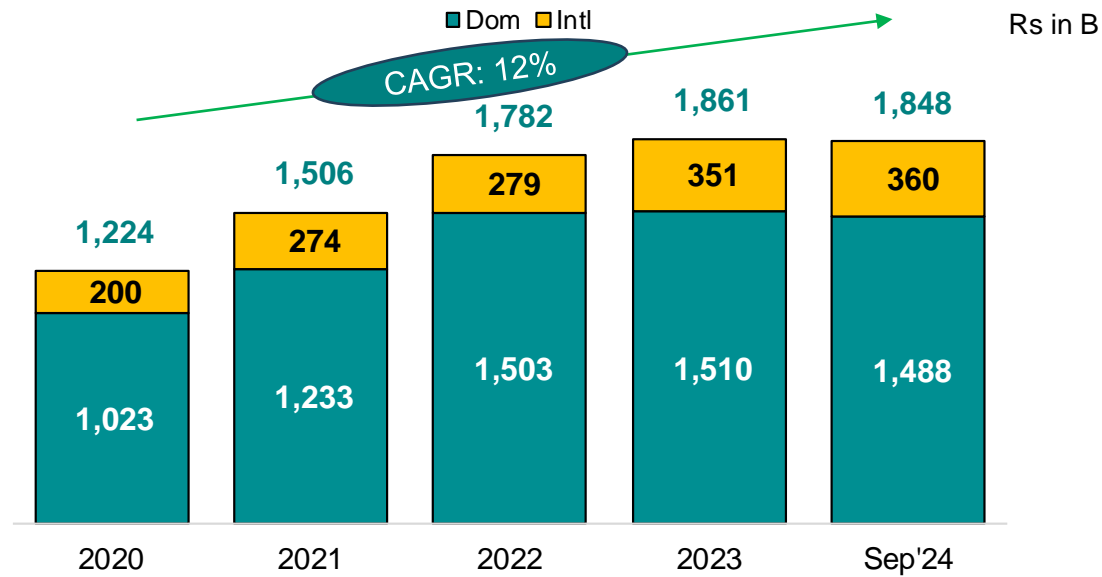
Silver Effie in Finance Category



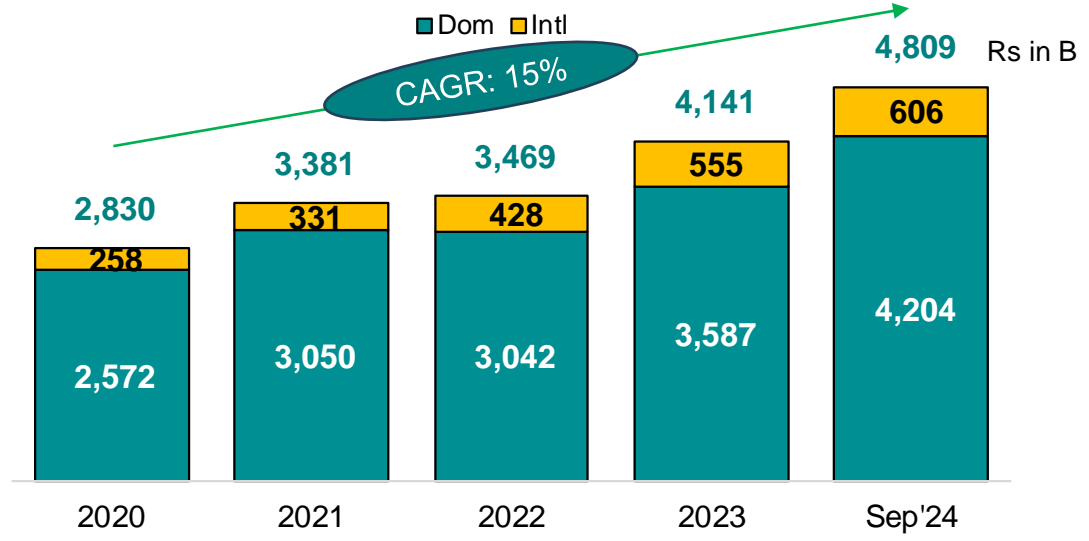
The Most Inclusive Organization in 2023

HBL's Fortress Balance sheet....

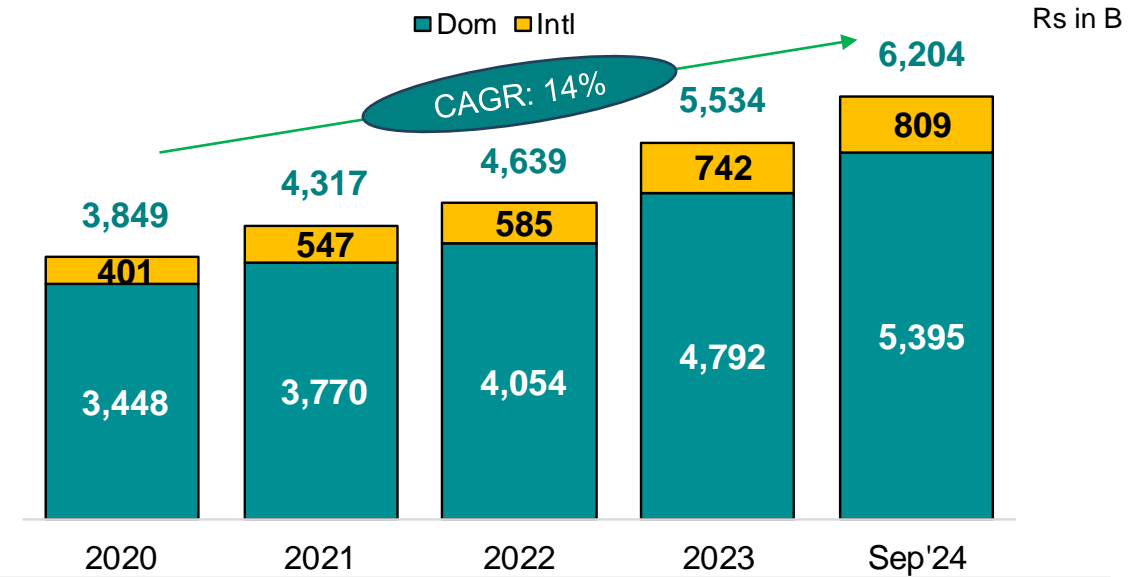
Advances *By far the highest lending book in the sector...*



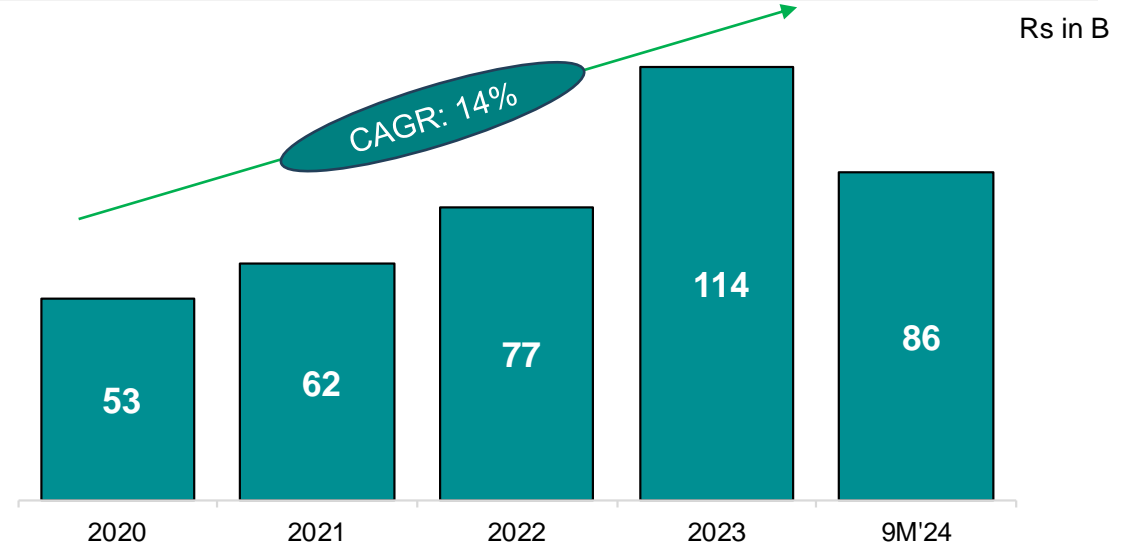
Deposits *Consistent double-digit growth*



Total Assets *The largest core Balance Sheet...*

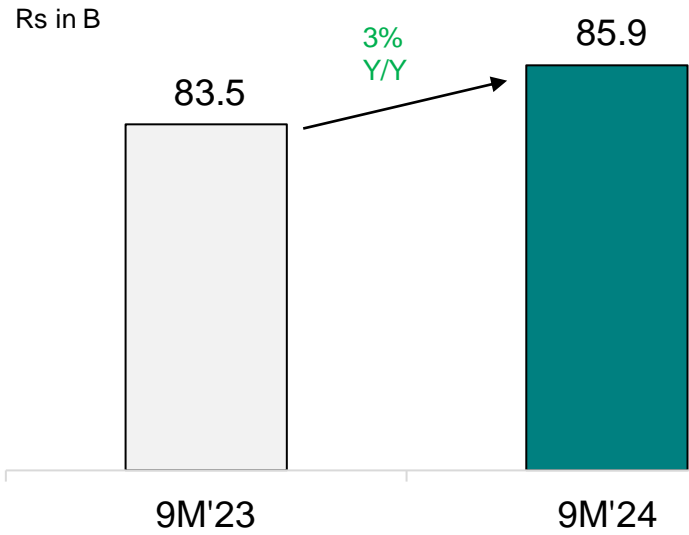


PBT *fueling sustainable profitability*

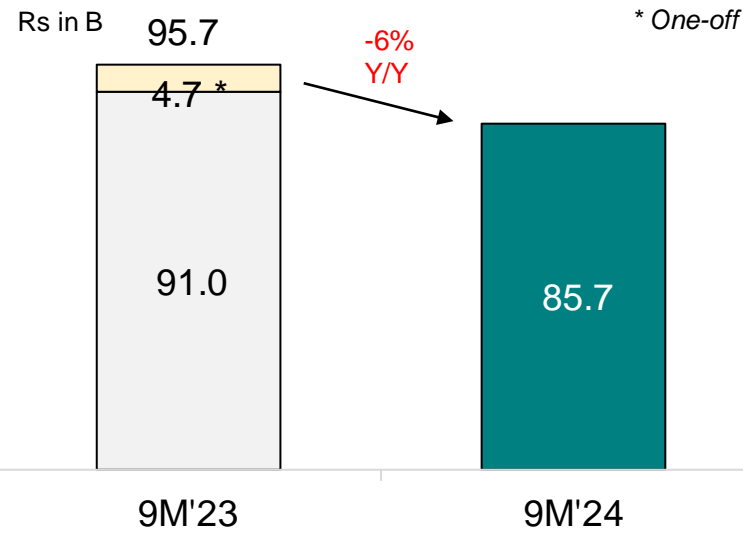


9M'24 - PBT up 3% to Rs 85.9B

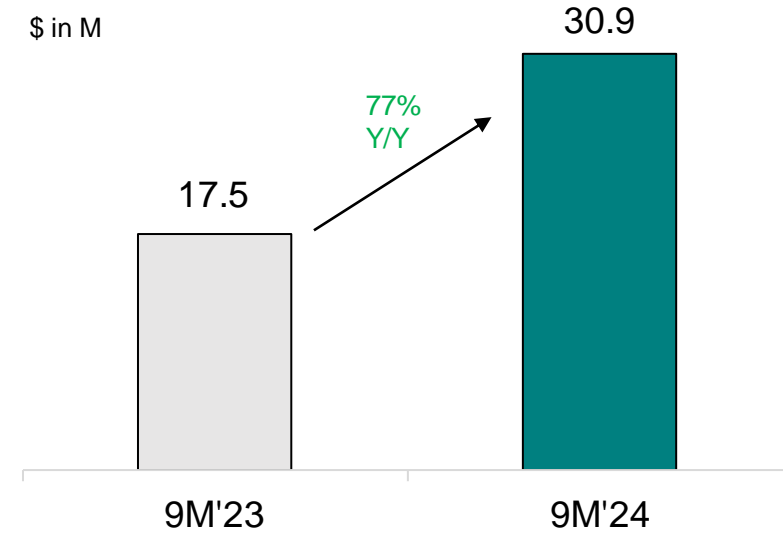
Group



Core domestic business

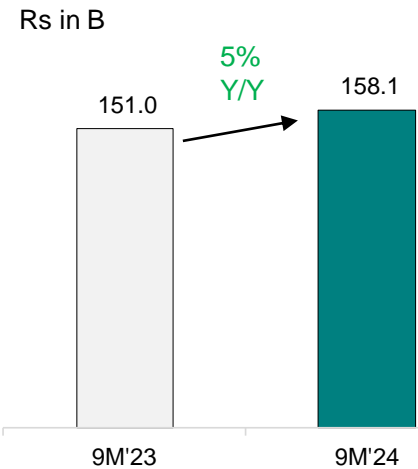


Core International

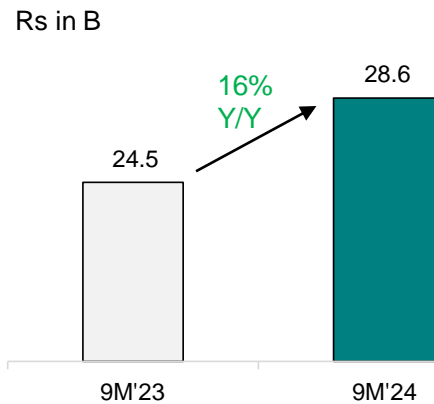


Core domestic business

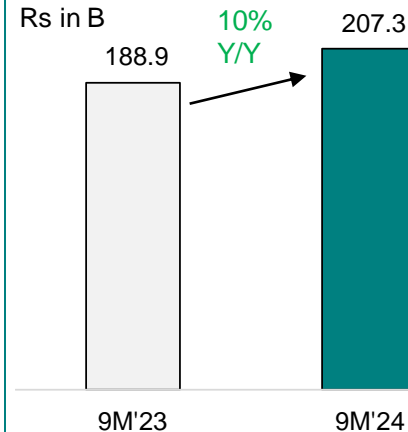
NII up by 5% YoY to Rs 158b



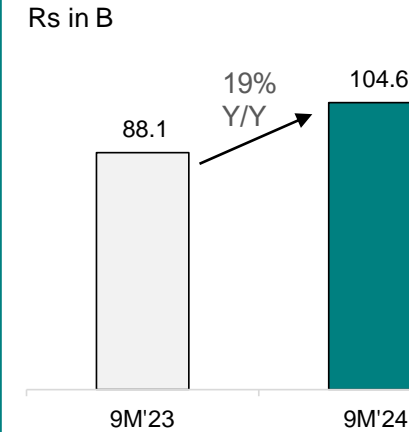
Fee up 16% to Rs 28.6b, driven by Cards, Banking, Banca and Remittances



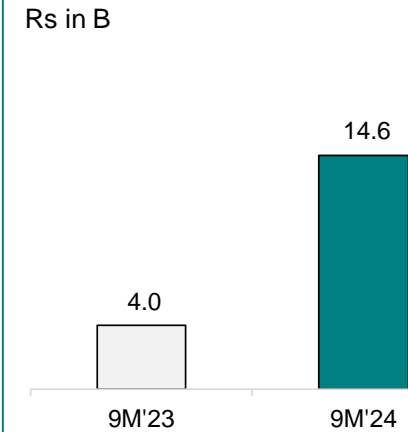
Revenue grew 10% to Rs 207b



Admin. Expenses – up 19%, amidst inflationary pressures

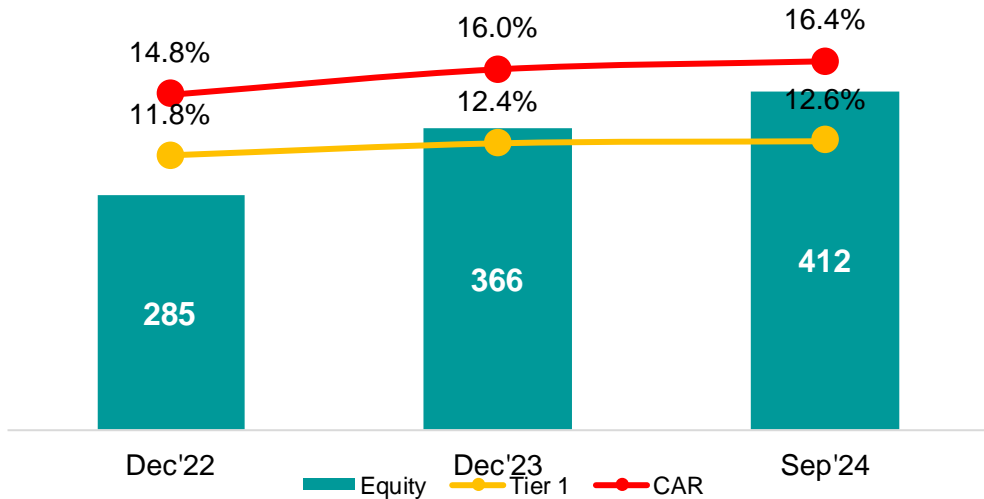


Provisions up Rs 10.7b due to IFRS 9, aging

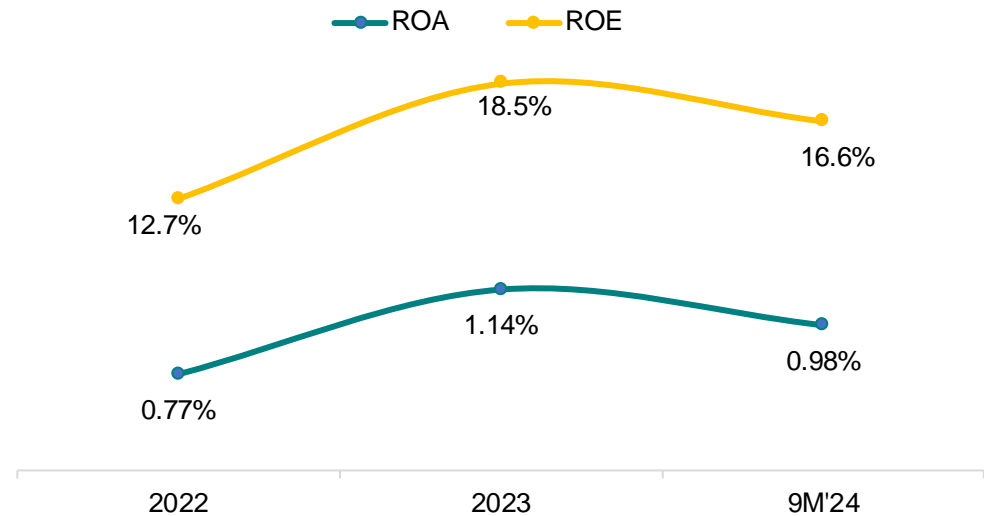


Key Performance Metrics

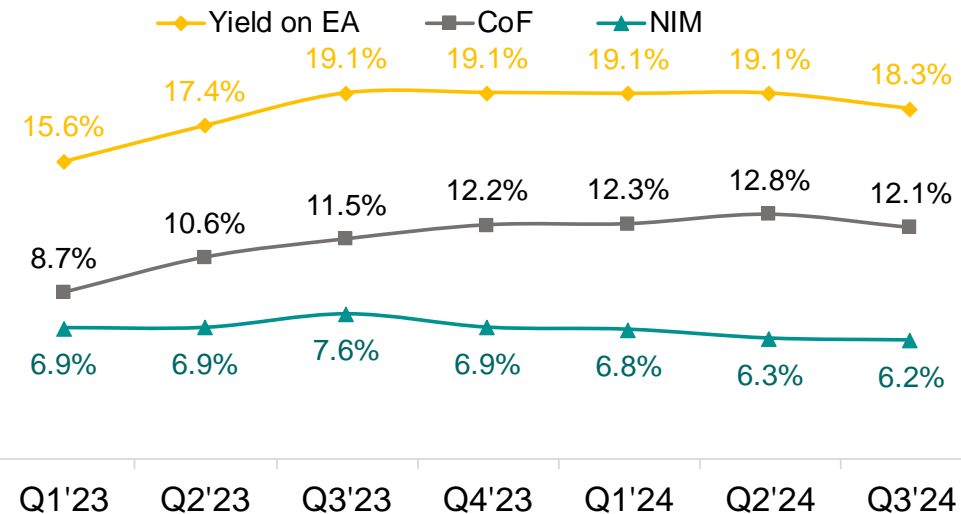
CAR increase supports growth



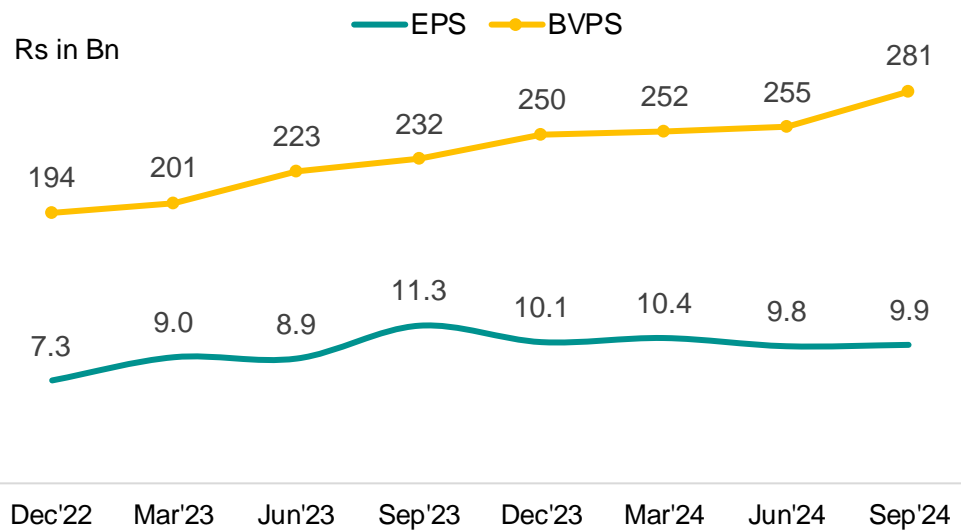
ROA & ROE – returns down from 2023 peak, but still in target range



NIM – in line with continued monetary easing



Earning per Share & Book Value per Share



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