

HABIBMETRO

Corporate Briefing Session

16 December 2019

STAY AHEAD



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Legacy

1967



Habib Bank - AG Zurich
incorporated
with Strong Banking legacy based Trust
and Commitment

1989



Pakistan Operations

1992



2006



Vision & Values

Vision:

"To Be The Most Respected Financial Institution Based On Trust, Service And Commitment"

Values:



Parent Bank – Habib Bank AG Zurich



Switzerland



United Kingdom



UAE



Pakistan



Hong Kong



South Africa



Canada






Kenya



Bangladesh

Habib Bank AG Zurich KPIs	June 30, 2019 USD Mn
Total Assets	10,431
Equity	1,099

Subsidiaries

	<p>HabibMetro Financial Services</p> <ul style="list-style-type: none"> ▪ An active member of the PSX; and ▪ Offers high quality equity brokerage services to its clients.
<p>HabibMetro Modaraba Management Company Limited</p>	<p>HabibMetro Modaraba Management Company</p> <ul style="list-style-type: none"> ▪ Principal activity of the Company is to manage and float Modarabas; and ▪ To invest in other Islamic mode of financing.
	<p>First Habib Modaraba</p> <ul style="list-style-type: none"> ▪ Over three decades of successful business operations; ▪ AA+ long-term rating from PACRA for the last several years; and ▪ Multiple Corporate awards in the Modaraba Sector.
	<p>HabibMetro Modaraba</p> <ul style="list-style-type: none"> ▪ Primary business activities are residual value car financing; and ▪ Provision of finance for solar power solutions.


Bank's Overview

Banking Modes	Conventional + Islamic
Credit Rating	Long term rating as 'AA+' Short term rating as 'A1+'.
Branches	<ul style="list-style-type: none"> ▪ 373 (incl. 31 Islamic Branches) <ul style="list-style-type: none"> ▪ North / Central: 209 Branches ▪ South: 164 Branches ▪ 1 Branch in Karachi Export Processing Zone ▪ 220+ IBB Desk Windows
Cities	120+

Stock Market Related Data (As at 13-Dec-2019)


Reuters Code	HMBP HMPK
Share Outstanding (mn)	1,047.8
Market Capitalization (PKR bn)	38.77
2019 YTD Average Daily Turnover (mn shares)	0.27
Current Stock Price (13-Dec-19)	37.0
2019 Stock Price High / Low	46.75 / 27.93

Bank's Executive Management




Mohsin Ali Nathani
President & CEO
2018


Business Functions




Arif Durvesh
Joint Head Commercial South
1995




Khurram Shahzad Khan
GE - Corporate & Transaction Bkg.
2018




Syed Intikhab H. Rizvi
Country Treasurer
1990




Usman N. Abedin
Head of Business Initiatives
1991




Haris Ahmed
Joint Head Commercial North
2018




Ahmed Shah Durrani
Head - Retail Bank
2019



Faisal Saleem Rathod
Head - Islamic Banking
1997




Farooq G. Ahsanuddin
Head of FI & Home Remittances
2009




Farjad Jaffri
Officiating - Zone Head South-I
2011


Support Functions




Fuzail Abbas
GE - Finance / CFO
1996




A. Wahid Dada
GE - Operations & Remedial Mgt.
2015



Syed Hasnain Haider Rizvi
Head - Compliance & Legal
2014




Syed Abu Tufail
Head-Information Technology
1989



Asim Imtiaz Basraa
Head - Credit
2016



Zulfiqar Alavi
Chief Risk Officer
2018




Asad Ali
Head - Human Resources
2019

Reporting to Chairman / Board




Ather Ali Khan
Company Secretary
2018

Reporting to Board Audit Committee



Najeeb Gillani
Head - Internal Audit
2019

Reporting to Shari'ah Board



Mufti Abdul Sattar Laghari
Resident Shari'ah Board Member
2013

Achievements /Recognitions & Ratings



Leading Partner Bank In Pakistan' in 2015 & 2016



Best SME Deal Award 2017



Runner Up Mid Sized Bank' Award in 2019



Leading SME Trade Bank' in 2016



The 2017 Elite Quality Recognition



DSS Compliant



Best Emerging Brand in Islamic Retail Banking in 2016



Trade Finance Partnership Award 2018

**Financial Performance
September 30, 2019**



Financial Highlights

- Total Assets stood at Rs. 858 bn, an increase of 27.4%.
- Deposits Growth of ~ 11% (Rs. 601 bn), CASA Mix 61.3%.
- Advances book grew by 13.8% to Rs. 277 bn.
- NPLs reduced by 1.4%; Coverage ratio of 96.3%.
- Equity of Rs. 40.9 bn with CAR of 13.9% (**All Tier1 Capital**)

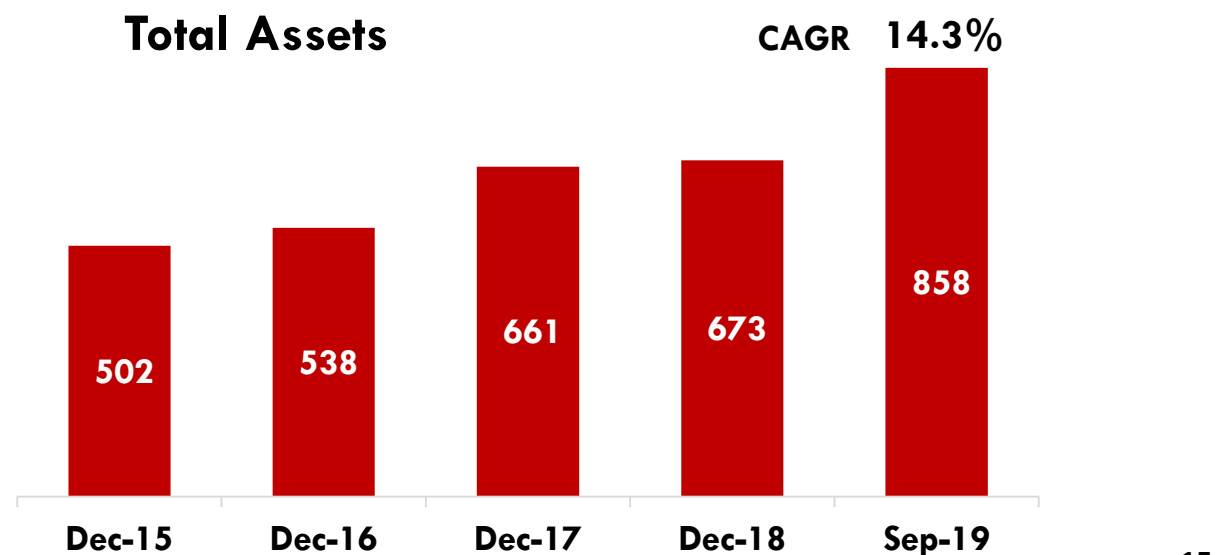
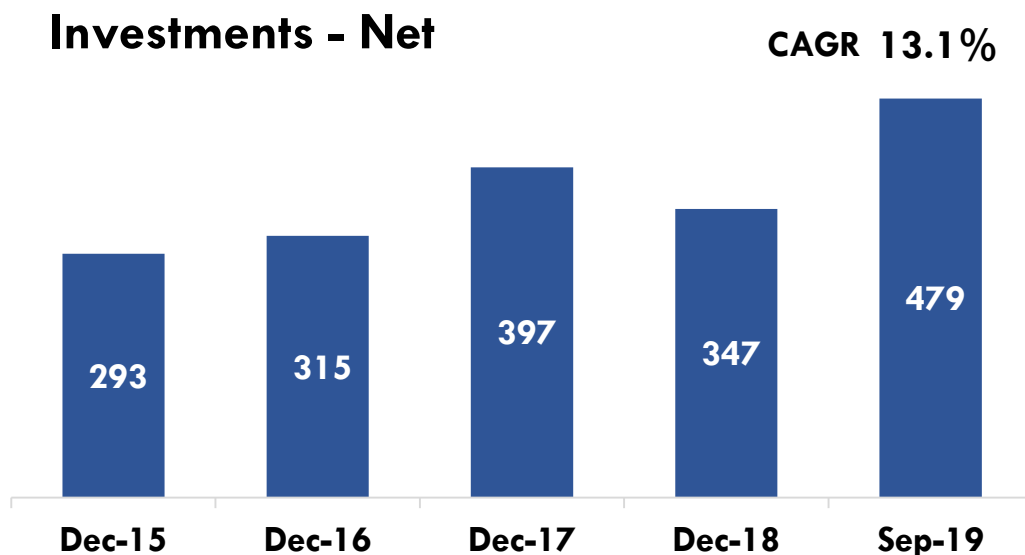
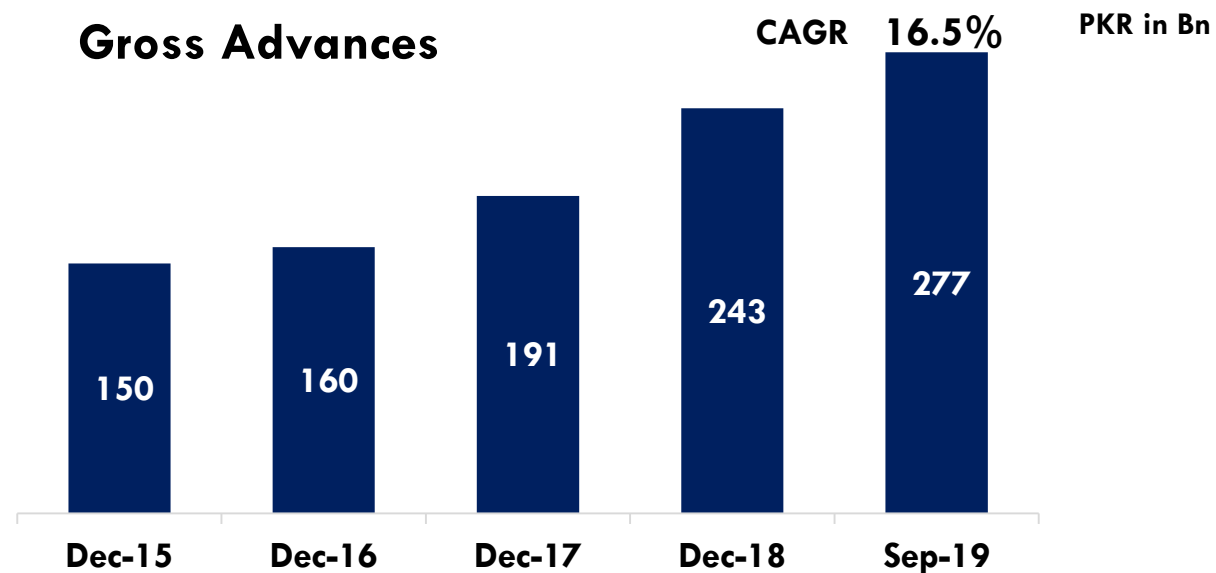
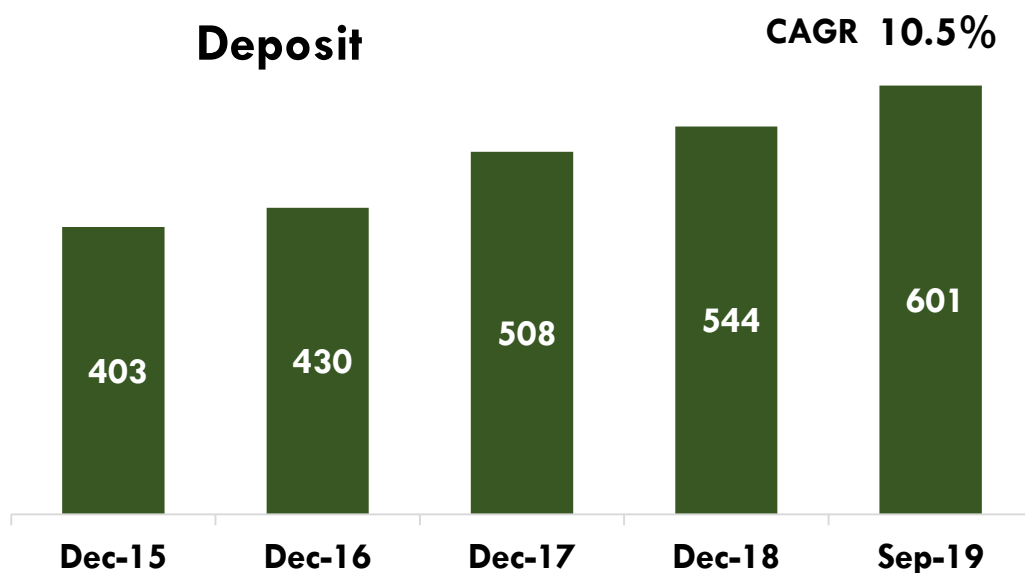
Financial Highlights

- Net interest income grew by ~10%.
- Fee income grew by ~31%, while FX income grew by 138%.
- Total Income increased by ~15%.
- PBT increased by ~19% to Rs. 8.7 bn.

Administrative Cost Focus

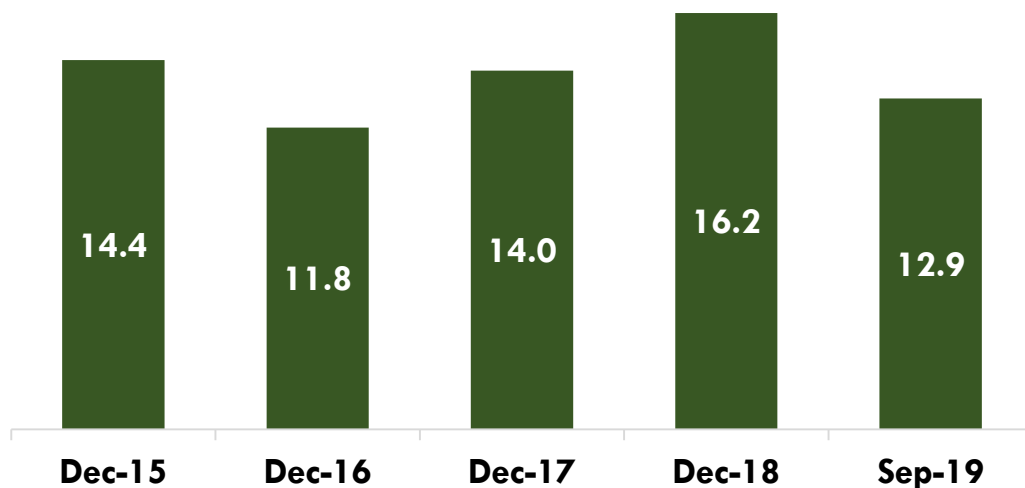
- Cost to Income ratio remains a key focus and stood at 51.7%.
- Footprint – 30 new branches → 373 branches.
- Operating Expenses amounted to Rs. 9.4 bn, an increase of ~ 11%

KPI's Trend – Financial Position



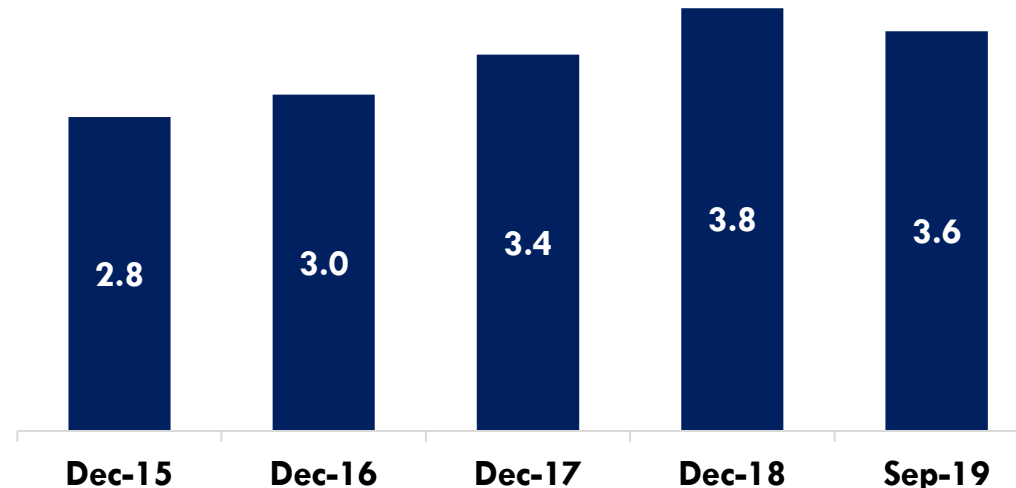
KPI's Trend - Profitability

Net Interest Income

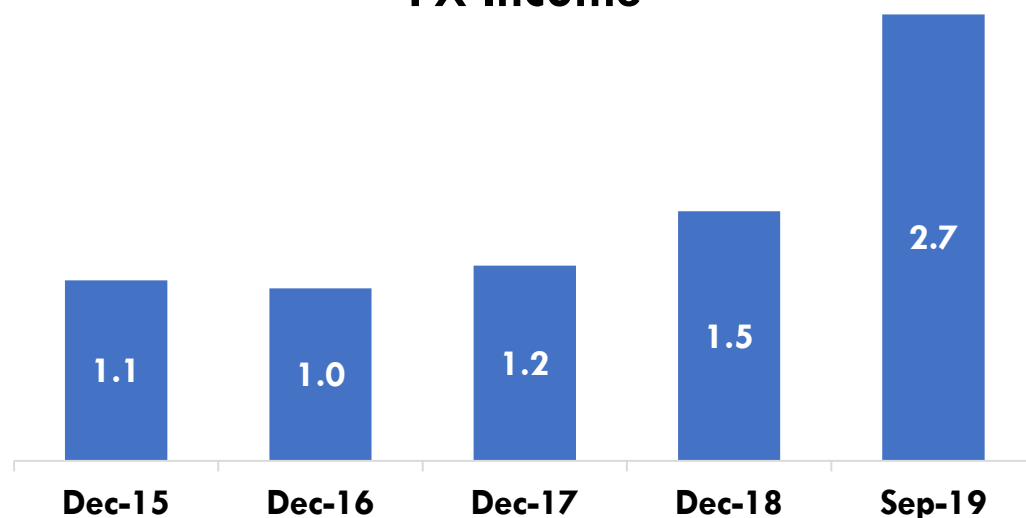


Fee Income

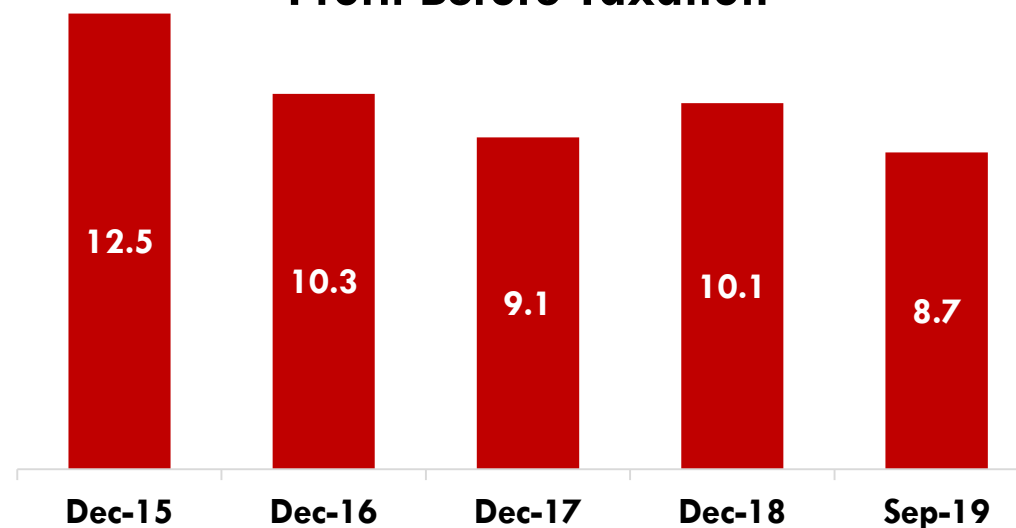
PKR in Bn



FX Income

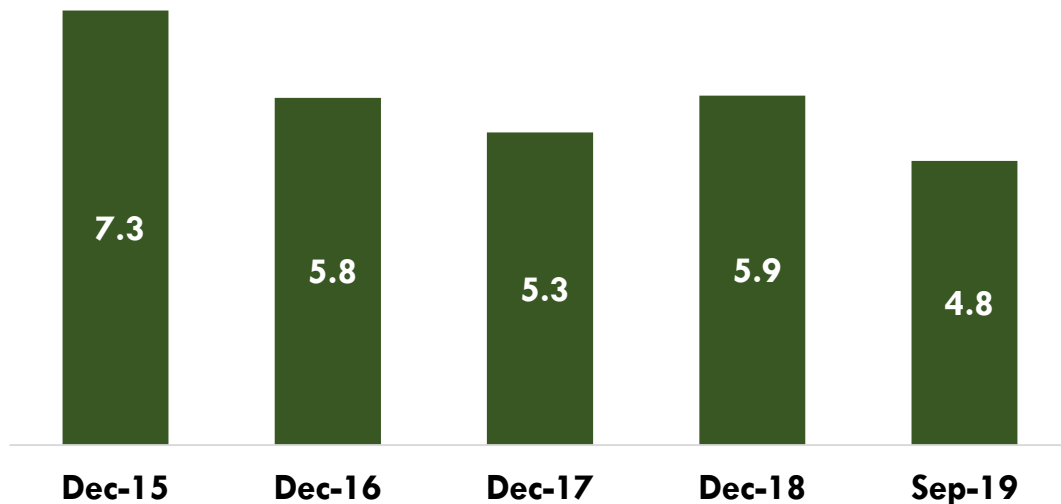


Profit Before Taxation

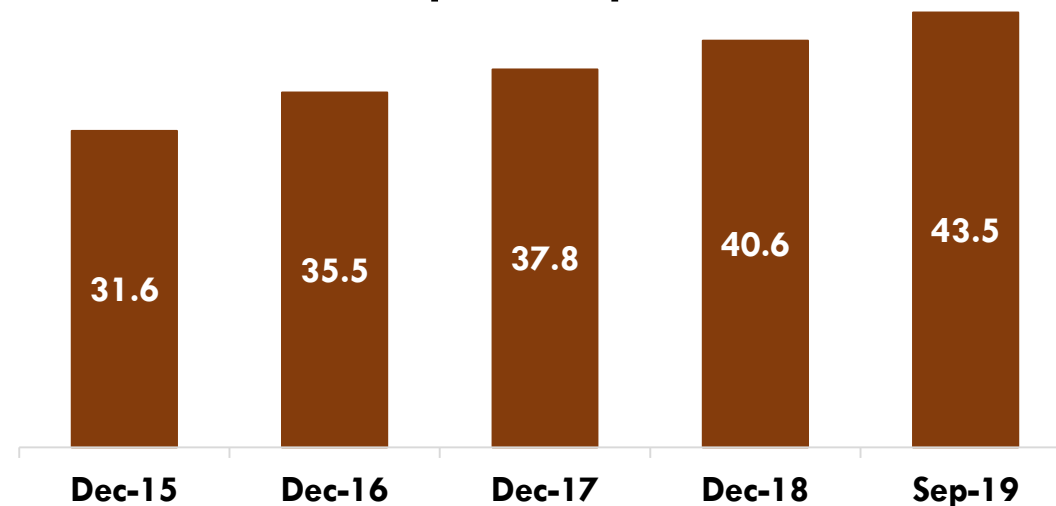


KPI's Trend - Others

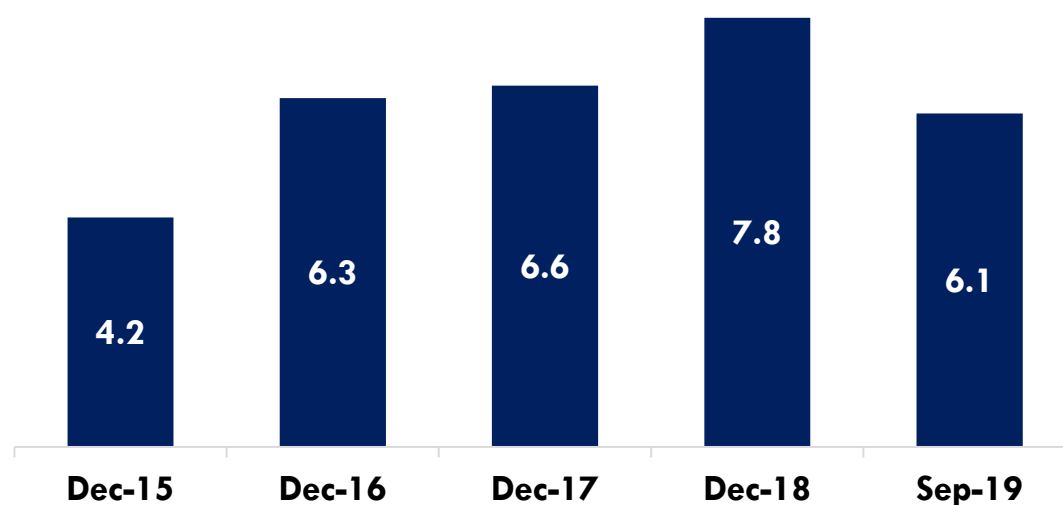
EPS



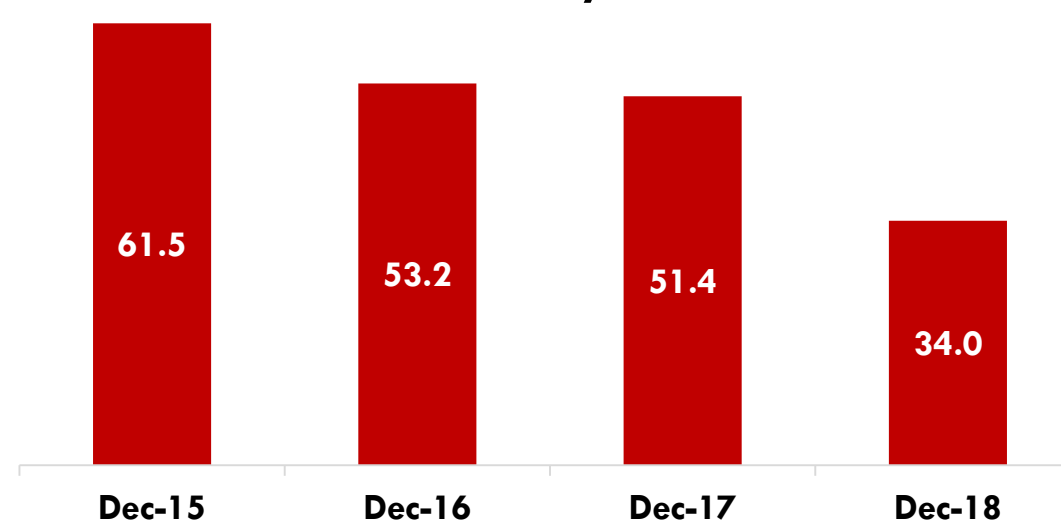
Breakup value per share



PE Ratio

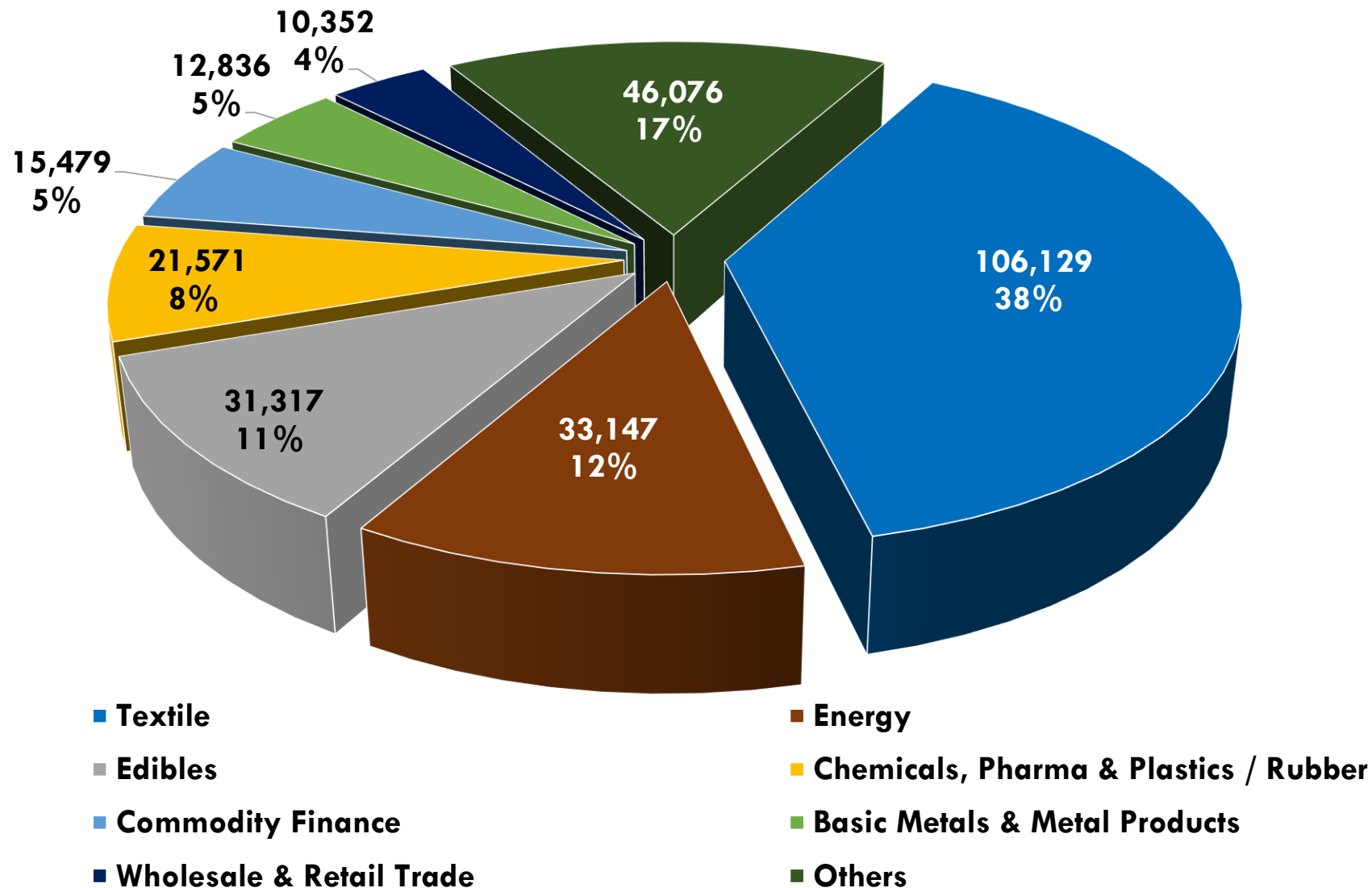


Dividend Payout ratio



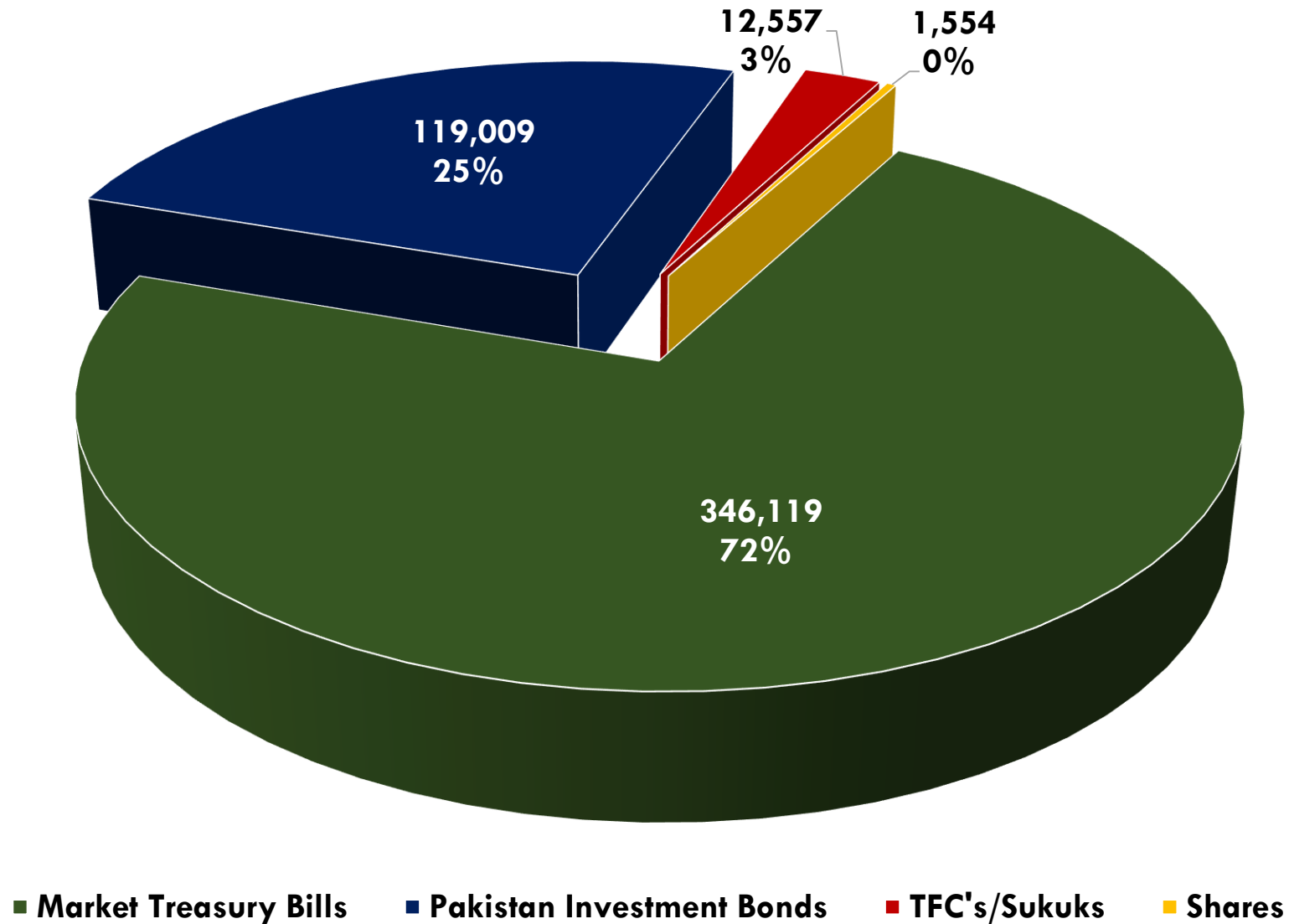
Advances by Sector – Sep' 19

PKR in Mn



Investments Mix – Sep' 19

PKR in Mn



Financial Highlights – Islamic

- Total Assets increased by 20.3%, ~ 7% share in bank assets.
- Deposits grew by ~ 20%.
- Islamic Financing grew by 24.9%.
- Net Interest income grew by ~ 96%.
- PBT increased by ~ 136%.

Statement of Financial Position

PKR in Mn				
	Sep-19	Dec-18	Volume	%
Assets				
Cash and bank balances	56,672	49,293	7,379	15.0%
Lendings to financial institutions	17,207	11,985	5,223	43.6%
Investments	479,238	346,666	132,572	38.2%
Advances	260,114	226,690	33,425	14.7%
Other assets	44,951	38,763	6,188	16.0%
Total Assets	858,183	673,396	184,787	27.4%

Statement of Financial Position

PKR in Mn	Sep-19	Dec-18	Volume	%
Liabilities				
Borrowings	166,958	51,347	115,611	225.2%
Deposits and other accounts	600,898	543,578	57,320	10.5%
Bills Payable & Other liabilities	49,436	41,469	7,967	19.2%
Total Liabilities	817,292	636,394	180,898	28.4%
Net Assets	40,891	37,002	3,889	10.5%
Share capital	10,478	10,478	-	-
Reserves	17,269	16,268	1,002	6.2%
(Deficit)/surplus on reval. of assets - net tax	(4,651)	(5,574)	923	16.6%
Unappropriated profit	17,794	15,830	1,964	12.4%
Equity	40,891	37,002	3,889	10.5%

Profit & Loss Account

PKR in Mn	Sep-19	Sep-18	Volume	%
Markup Income	51,086	30,563	20,523	67.1%
Markup Expense	(38,199)	(18,811)	(19,388)	(103.1%)
Net Interest Income	12,887	11,752	1,135	9.7%
Non Markup Income				
Fee and commission income	3,601	2,757	843	30.6%
Foreign exchange income	2,680	1,127	1,554	137.9%
Gain / (loss) on securities	(863)	97	(961)	(985.2%)
Dividend & Other income	370	542	(172)	(31.7%)
Total Non Markup Income	5,788	4,523	1,265	28.0%
Total Income	18,675	16,275	2,400	14.7%

Profit & Loss Account

PKR in Mn	Sep-19	Sep-18	Volume	%
Non Markup Expense	(9,663)	(8,640)	(1,023)	(11.8%)
Profit before provisions	9,012	7,636	1,376	18.0%
(Provisions) / reversal and write offs - net	(296)	(296)	-	-
Profit before tax	8,716	7,339	1,377	18.8%
Taxation	(3,708)	(2,809)	(899)	(32.0%)
Profit after tax	5,008	4,531	478	10.5%
EPS (Rs.)	4.78	4.32	0.46	10.5%

Key Ratios in %

	Sep-19	Dec-18	Variance
Gross Advance to Deposit Ratio	46.1	44.7	1.4
CA Mix	30.1	28.4	1.7
CASA Mix	61.3	58.7	2.6
Capital Adequacy Ratio *	13.9	13.1	0.8

* Teir 1 only.

	Sep-19	Sep-18	Variance
Yield on Advances	10.5	6.7	3.8
Yield on Investments & Lendings	10.2	7.2	3.0
Cost of Deposits	6.8	3.9	(2.9)
Cost to Income Ratio	51.7	53.1	1.4
Return on Equity	15.2	15.0	0.2

Growth & Market Share%

	HabibMetro				Industry	
	Sep – 19		Dec – 18		Sep – 19	Dec - 18
	Growth	Market Share	Growth	Market Share	Growth	
Deposits	10.5	4.0	7.0	3.8	4.8	9.5
Advances	13.8	3.2	27.5	2.8	1.2	21.3
Total Assets	27.4	4.0	1.9	3.4	7.3	10.0

Key Focus Areas

- Regulatory Compliance and Controls
- Deposits
- Profitability
- NTB Acquisition Strategy
 - Retail Focus
 - Increased presence in North / Central
- Digital Banking
- Islamic Banking
- Operational Efficiency
- Recoveries / NPL Reduction

Q & A