Faysal Bank Limited

Registered Office

Faysal House Karachi, Pakistan

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August 25, 2023



The General Manager Pakistan Stock Exchange Limited, Stock Exchange Building, Stock Exchange Road, Karachi.

Dear Sir,

Sub: CORPORATE BRIEFING SESSION (CBS) OF FAYSAL BANK LIMITED

In compliance with PSX Notices No. PSX/N-1160 dated November 18, 2022 and Regulation 5.7.3 of PSX Rule Book, please note that the Corporate Briefing Session of Faysal Bank Limited will be held on Friday, September 1, 2023 at 3:00 p.m. at 8th Floor, Tower-A, Saima Trade Tower, I.I.Chundrigar Road, Karachi, Physically and through video link Zoom to brief the analyst community and shareholders about the Bank's financial performance and outlook. The flyer containing session details along with Presentation of CBS are attached herewith.

You may please inform the TRE Certificate Holders of the Exchange accordingly.

Yours truly,

Aurangzeb Amir **Company Secretary &** Head of Legal

Encl: as above

Serial No.

1924286

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CORPORATE BRIEFING SESSION

You are cordially invited to the corporate briefing session of Faysal Bank Limited wherein the bank's Chief Financial Officer, Syed Majid Ali shall present the bank's financial performance & outlook.

> Venue Address: 8th Floor, Tower "A", Saima Trade Tower, I.I.Chundrigar Road, Karachi. Date: Friday, September 1st, 2023 Time: 03:00 - 06:00 pm Online participants, please Click Here

> > For any query, please contact Tahir Abbas Director Research Arif Habib Limited tahir.abbas@arifhabibltd.com 021-32462742





Investors' Briefing Session Financial Performance – June'23

Date: September 1, 2023 Place: Karachi Presented by: Syed Majid Ali

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Faysal Bank



Size

2nd Largest Islamic Bank in Pakistan Network: 700 branches with presence in 270 cities **Customers:** 1.3 million Staff strength: 8,353

Diversified offerings

Full-fledge, Sharia-compliant financial services offerings across all segments.

Ownership

Ithmaar Holdings B.S.C is the parent holding directly and indirectly 66.78% of shareholding.

Dar Al-Maal Al-Islami Trust is the ultimate parent



Rating

Credit rating: Jun 2023 Long Term: AA & Short Term: A1+ Given by JCR and PACRA

Resilient

Assets: Rs. 1.2 Trillion Deposits: Rs. 908 Billion **Deposits Market share:** 3.6% **PAT:** Rs. 7.5 Billion **↑**72% **CAR:** 17.5%

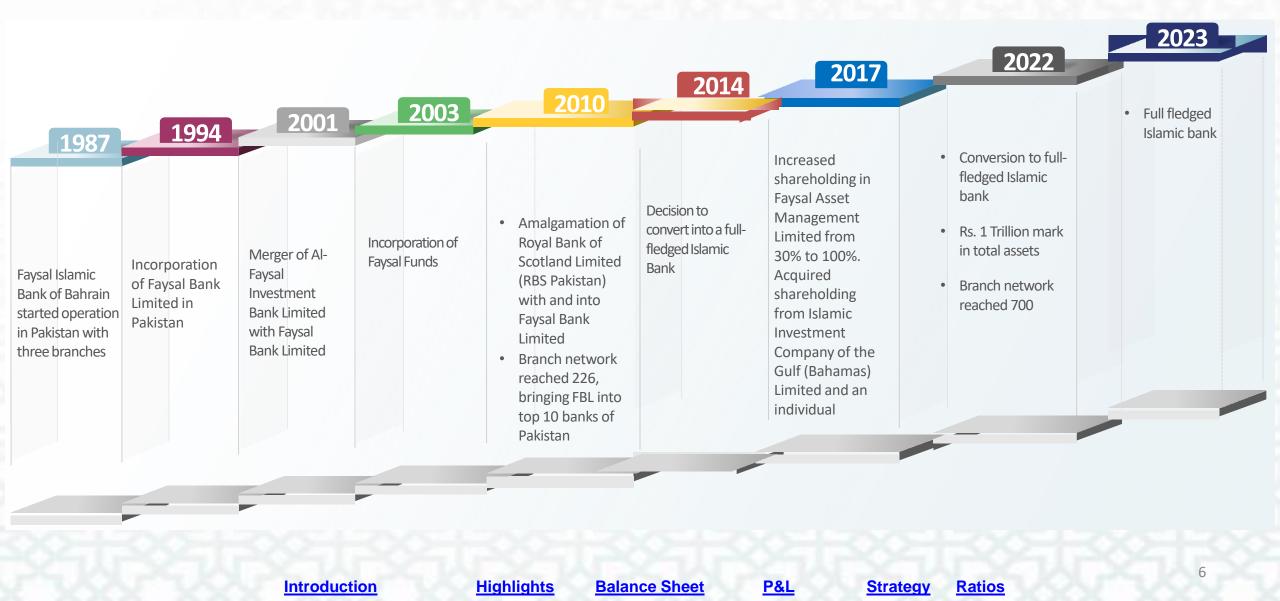
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Our Journey



Journey of FBL highlighting the key events from 1987 to 2023







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Core Values

Accountability

Innovation

Teamwork

Integrity

Care

Respect

Vision

To be the best **customer centric** Islamic bank, driven by passion and belief.

Mission

Achieve leadership in providing Shariah compliant financial services with **customer care and employee focus**, at the heart of our business ethos together with **innovation and technology** being the pillars of our growth.





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2019 to 2023 Corporate Strategy Goals

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Positioning	Strategic Actions	Strategic Targets		Status	
Strong Contender	 Grow low-cost CASA deposits by focusing on mass- affluent customer segment 	CASA Ratio: Improve		Dec 2022	Jun 2023
in Retail	 Network expansion 	Market Share: Increase network & deposit market	Branches	700	700
		share.	Deposits*	781,571	907,900
			CASA	80.00%	77.34%
High Quality	 Drive volume from large corporates 	Lending: Grow. (underwrite cautiously –	Advances*	473,590	541,847
Lender	 Drive new business growth from smaller corporates 	maintain low NPL levels).	NPLs*	21,698	21,699
	 Consumer financing - Branch-focus and cross-sell 		Infection Ratio	4.58%	4.00%
	propositions				38
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2019 to 2023 Corporate Strategy Goals



Positioning

Improved Customer

Experience – Digital

To Be the Leading Islamic Bank

Strategic Actions

- Use technology to differentiate from competitors
- Manage branch traffic through diversion to Digital Channels
- Use advanced analytics to leverage data to support sales/ cross sales/ loyalty programs
- Offer innovative, Shariah compliant solutions for Retail, Corporate and Commercial banking
- Develop the best-in-class human resource capital
- Re-align service standards & improve service levels

Increased shareholder value with capital stability

- Improve top-line/ core income & NFI in all segments
- Better cost management on both staff / non-staff side
- Maintain healthy CAR levels to support business growth

* PKR in million

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Major Business Developments



Business	Performance
Retail Banking & CBSME	 Added 94 branches to reach 700 branches with increase in deposits market share from 3.5% to 3.6% in Jun'23 CBSME crossed Rs. 59 billion.
Consumer	Noor Card is the most desirable card in the market, and its list of alliance partners currently are over 300 with spends also grew by 37% to Rs. 36 billion on June 2023.
Corporate and Investment banking	 FBL – IBG acted as Joint Mandated Lead Advisor & Arranger for Syndicated Term Finance Facility (in combination of conventional and Islamic facilities) of PKR 15,000 million for gas marketing company to finance short-term working capital requirement of the Company. Remittance market share remained in the range of 3.8% while transaction count increased by 53% (compare from last year)
Treasury	> Treasury has robustly performed and have increased the FX volumes by offering competitive pricing.

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Major Business Developments



Business	Performance						
	A strong shift in customer transaction behavior towards digital modes persuaded the Digital Banking Group to continue innovating to ensure that the customers have a seamless banking experience, on digital channels.						
	WhatsApp Banking has seen sizeable growth in 2023, with 500,000 retail customers. WhatsApp banking cate to over 200,000 service requests every month						
	Below are the details of traffic migration to digital channels:						
	Description	Value					
Digital Banking	Traffic Migration to Digital Channels	83%					
Digital Danking	YoY Increase in Digi bank Registered Customers	33%					
	YoY Increase in Digi bank Penetration (% of active clients)	15%					
	App. Login attempts - Mn	54M					
	Super Customers (3 Trnx/Month) - 30 Days '000	131					

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Recognition and Accreditations

FBL was named "Best Islamic Retail Bank in Pakistan • 2022" at Islamic Retail Banking Awards (IRBA) held by Cambridge IFA

Best Bank of the Year 2021" by Chartered Financial • Analyst (CFA) Society Pakistan amongst mid-size banks in the country

7 Equity & Inclusion FBL bags Global Diversity, • Benchmarks 2022 Awards and is the only Islamic Bank to be awarded the GDEIB Awards.

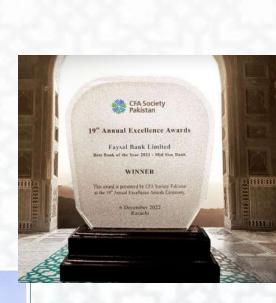


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States Links











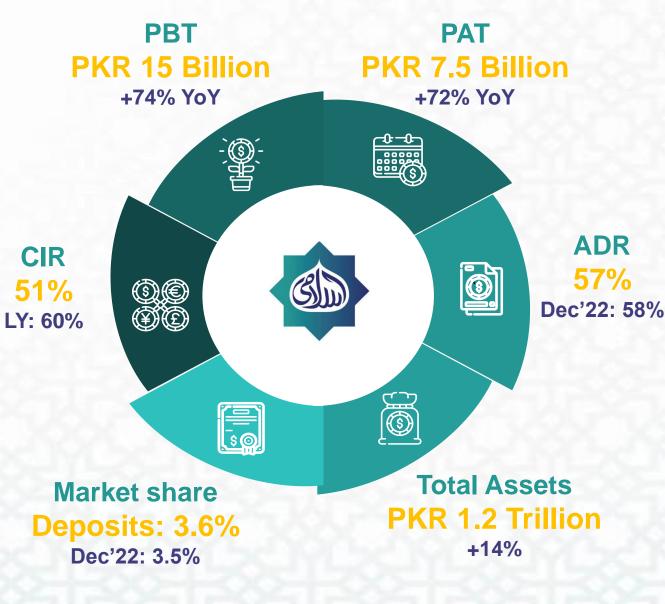
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Key Highlights

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Record PBT of PKR 15 billion, 74% higher than the PKR 8.7 billion in June'22



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Consistent improvement in spreads YoY to 5.3%, from 3.5%

Strong current deposit momentum continued and reached PKR 330 billion, 19% growth over Dec'22



CASA Mix stands at 77%, decline since Dec 22 -80% due to growth in term deposits



Reduction in Infection ratio to 4%, total coverage at 95% (Dec 2022 : 89%)



Continuous decrease in cost to income ratio and stands at 51% (June 2022 : 60%)



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Statement of Financial Position

Description		Actual		YoY Variance	
Rs in millions		Jun'23	Dec'22	Amount	%
Cash and Bank balances	1	93,474	58,916	34,558	58.7%
Due from financial institutions	2	25,500	9,815	15,685	159.8%
Investments	3	481,439	469,451	11,988	2.6%
Financing	4	521,300	454,261	67,039	14.8%
Other assets	5	107,149	81,909	25,240	30.8%
Total assets		1,228,862	1,074,352	154,510	14.4%
Due to financial institutions	6	162,888	150,134	12,754	8.5%
Deposits	7	907,900	781,571	126,329	16.2%
Other liabilities	8	82,714	72,564	10,150	14.0%
Total liabilities		1,153,502	1,004,269	149,233	14.9%
Net assets		75,360	70,083	5,277	7.5%
Share Capital		15,177	15,177	-	0.0%
Reserves and Unappropriated profit		50,289	44,257	6,032	13.6%
Revaluation of assets	9	9,894	10,649	(755)	-7.1%
Total equity		75,360	70,083	5,277	7.5%

 Cash & Bank Balances – Higher due to mobilization of deposits at period, subsequently regularized.

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- 2. Due to FIs short term liquidity deployment in interbank market.
- **3. Investments –** Purchase of Ijara Sukuk Bonds during the year partially offset by disposal of PIBs.
- 4. Financing Increase mainly in commodity financing and government guaranteed exposure
- 5. Other assets The balance sheet growth and policy rate hikes increased accrued profit by PKR 11 Bn and increase of acceptances by PKR 8 Bn.
- 6. Due to FIs Liquidity generated from SBP under new Mudaraba based OMO (PKR 39 Bn) to fund asset growth.
- 7. Deposits Focus was to increase CA and TD (sticky deposit); Increase in CA by PKR 52 Bn, SA by PKR 24 Bn and TD by PKR 50 Bn.
- 8. Other Liabilities Accrued profit payable higher by PKR 4.3 Bn in line with higher policy rates, and increase in acceptances by PKR 8 Bn.
- **9.** Revaluation of assets Net surplus decreased due to the increase in deficit on Ijara Sukuk caused by further increase in policy rate

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Description	Actual		YoY Variance		
Rs in millions	Jun'23	Jun'22	Amount	%	
Profit / return earned	82,104	40,814	41,290	101.2%	
Profit / return expensed	(51,372)	(24,578)	(26,794)	-109.0%	
Net profit / return earned 1	30,732	16,236	14,496	89.3%	
Total Non-Funded income 2	4,679	4,425	254	5.7%	
Gross revenue	35,411	20,661	14,750	71.4%	
Total Expenses 3	(18,030)	(12,391)	(5,639)	-45.5%	
Operating Profit	17,381	8,270	9,111	110.2%	
Provisions (charge) / revers: 4	(2,325)	405	(2,730)	-674.1%	
Profit Before Tax	15,056	8,675	6,381	73.6%	
Taxation	(7,531)	(4,293)	(3,238)	-75.4%	
Profit After Tax	7,525	4,382	3,143	71.7%	
PAT excl. GP	8,061	4,382	3,679	84.0%	

72% growth in PAT

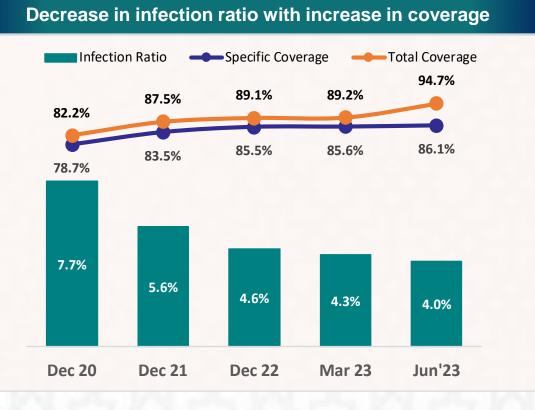
- Net profit / return earned Grown by 89% YoY underpinned by improvement in overall spreads (Impact: PKR 9.9 Bn) and strong balance sheet expansion (Impact: PKR 4.6 Bn).
- 2. Non-Funded income Increased by 6%, growth in fee and FX income helped to offset the loss on securities amounting to PKR 831 Mn. Excluding this loss, the growth in non-fund income is 21%.
- 3. Admin. Expenses Increased by 45% on the back of high inflation, PKR devaluation against USD and increase in branch network.
- 4. **Provisions –** Q2 '23 includes impairment on Equity securities amounting to Rs. 1.3 Bn due to volatile stock market and general provision of PKR 1.1 Bn booked as a matter of prudence owing to difficult economic conditions.

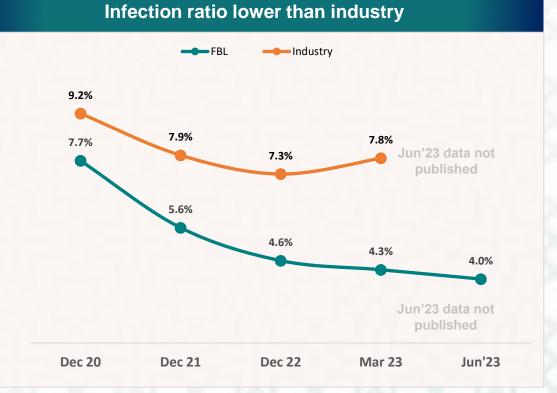
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Non-Performing Financing

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Increase in Total Coverage due to increase in general provision owing to economic conditions FBL's infection ratio has consistently improved and is in line with peer banks

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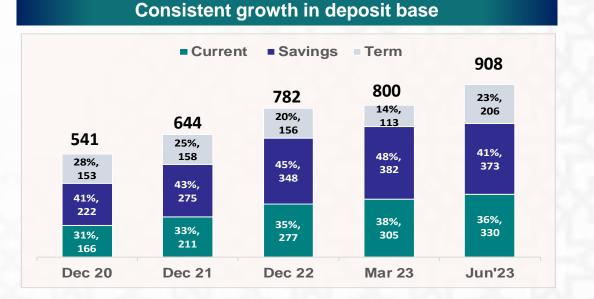
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Deposit Composition

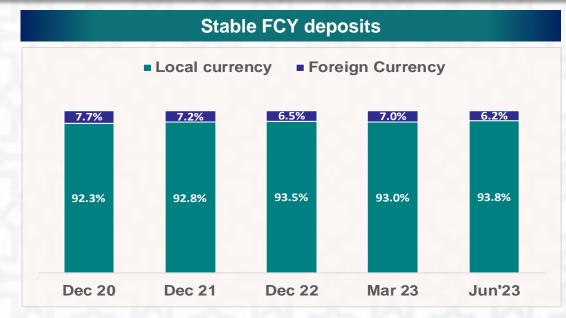
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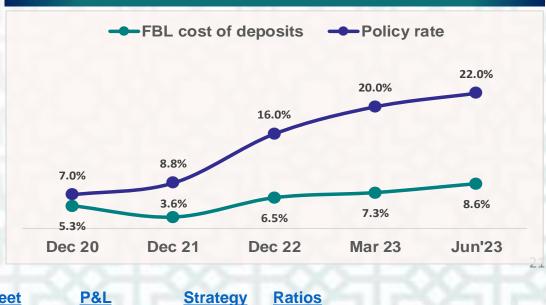
Non-individual mix increased to 51%

Individual Non-individual





Contained cost of deposits due to improved CASA mix



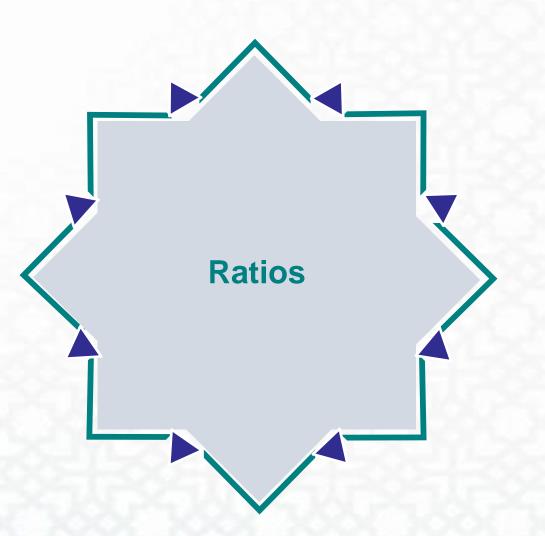
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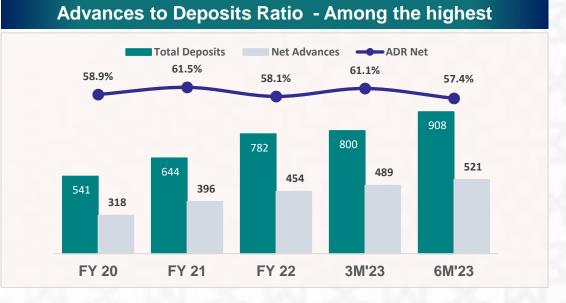
Profitability Ratios – Improving on all key metrics

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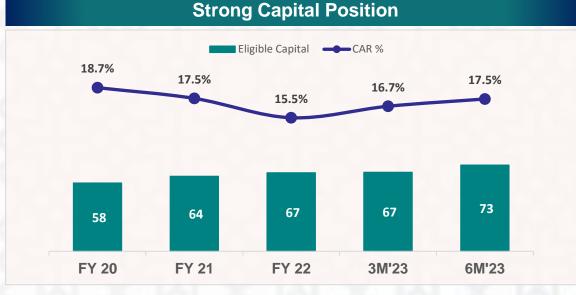


Balance Sheet Ratios – Improving on all key metrics

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* Peer banks excl. Meezan

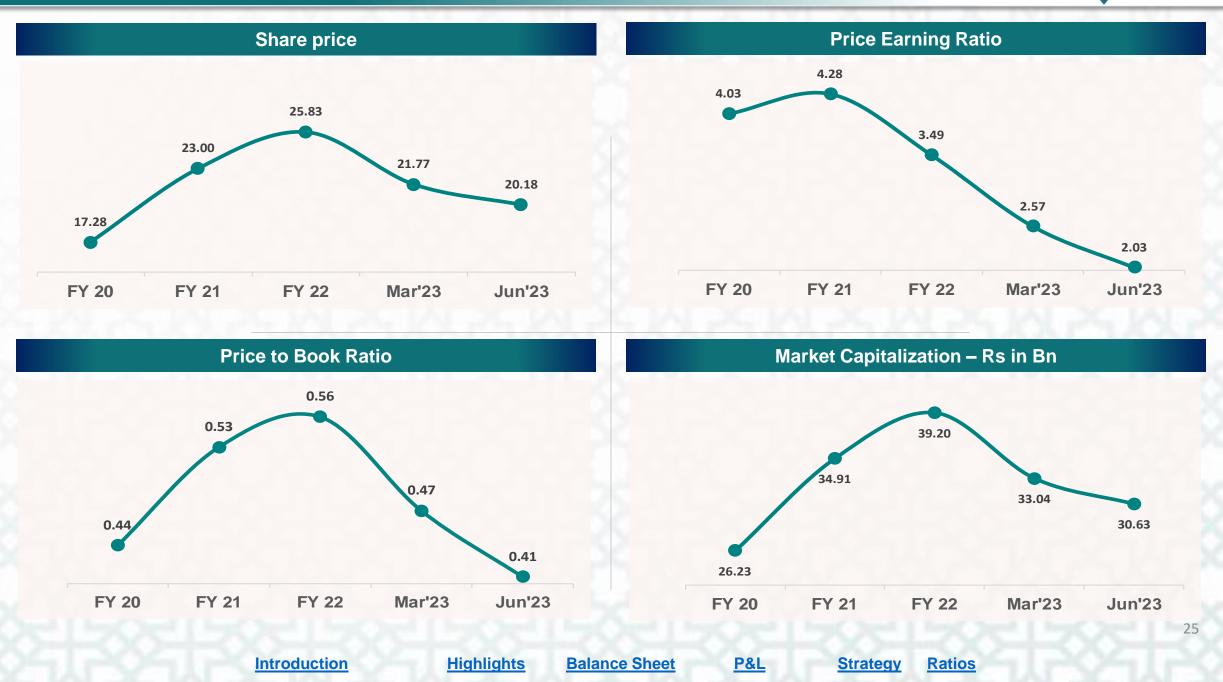


Equity & Book Value Per Share (BVPS) on increasing trajectory



Investor Metrics

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