Samba Bank Limited

Corporate Briefing Session

June 10, 2020

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Overview

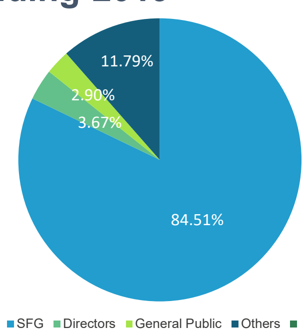
- Samba Bank Limited ("Samba" or the "Bank") is a subsidiary of Samba Financial Group, a leading banking company based in Kingdom of Saudi Arabia.
- A well diversified franchise which operates through following four segments and led by an experienced and cohesive management team: (i) Retail Banking, (ii) Corporate Banking, (iii) Commercial & SME Banking and (iv) Global Markets (Treasury)
- Samba is offering its clients base a product bouquet that meets our client's banking needs
- Has major market share in Hajj and Umrah Remittance business
- A strong corporate governance structure is in place in line with global standards, which oversees the operations of the bank
- A solid set of credit ratings comparable to any major banking institution in the country

AA VIS
Medium / Long Term

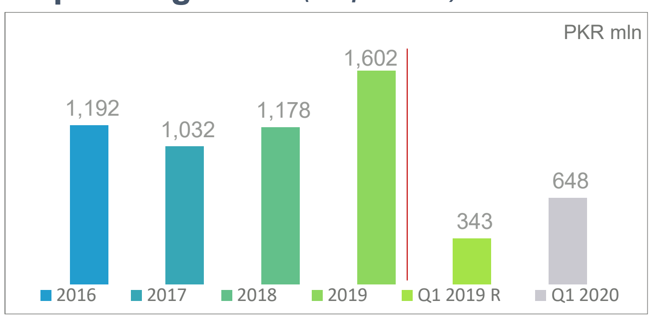
A-1 VIS
Short Term

PKR 153 B Assets	PKR 61 B Loans	PKR 73 B Deposits	PKR 72 B Investments	PKR 15 B Equity	40 Branches	43 ATMs	906 Employees

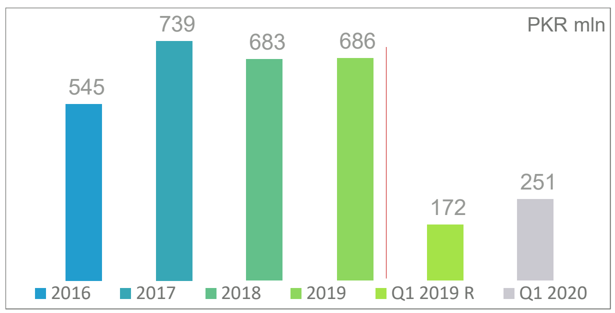
Shareholding-2019



Operating Profit *(Pre provision)*



Profit After Tax



Key themes that drive Samba's Transformation

Productivity

Accelerating customer on-boarding & cross-sell across businesses

New segments

Launching new propositions to scale up key segments; Commercial, SME, PIL & Auto

Digital

Transforming customer experience through digital transformation

Key Enablers

Technology

State of the art modern, flexible data & technology foundation to support digitization

Capabilities

Strengthening core foundations through talent acquisition & partnerships

Health

Driving organization wide cultural and mindset change

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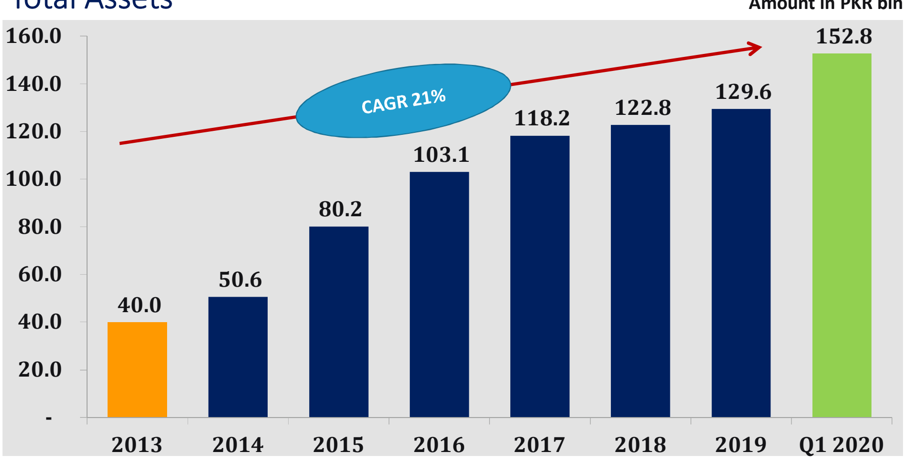
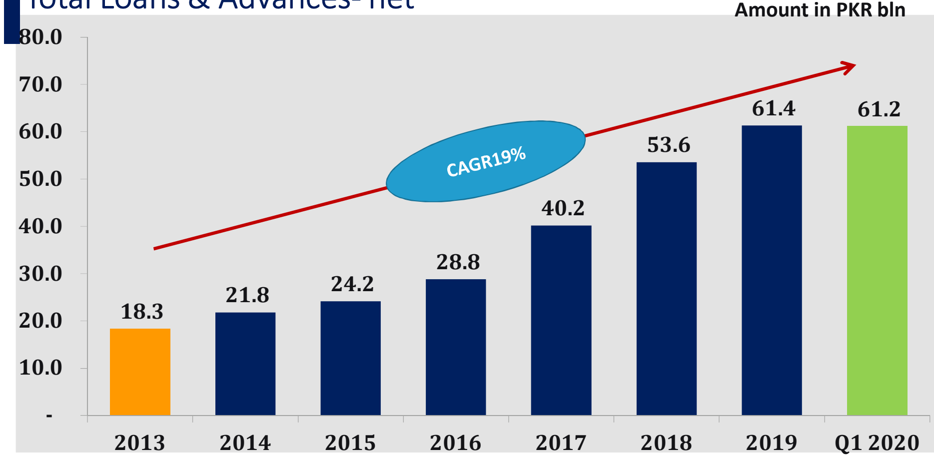
SBL Transformation- *Balance Sheet*

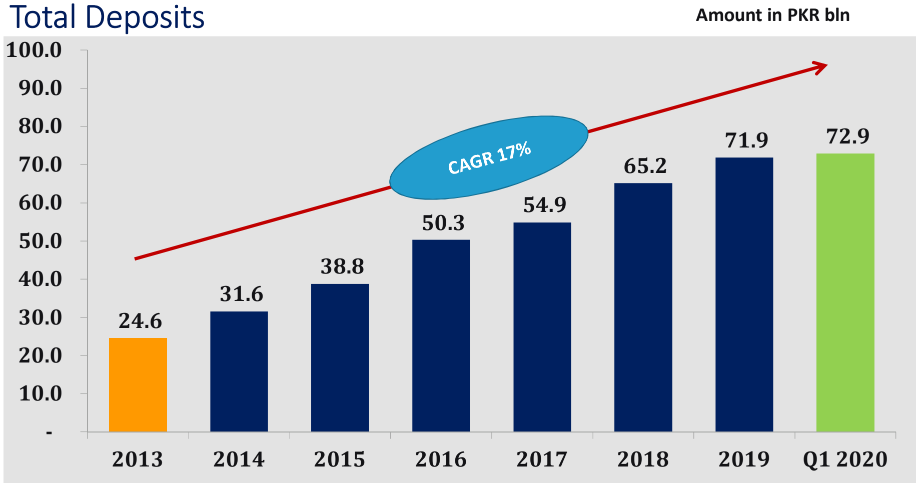
Total Assets



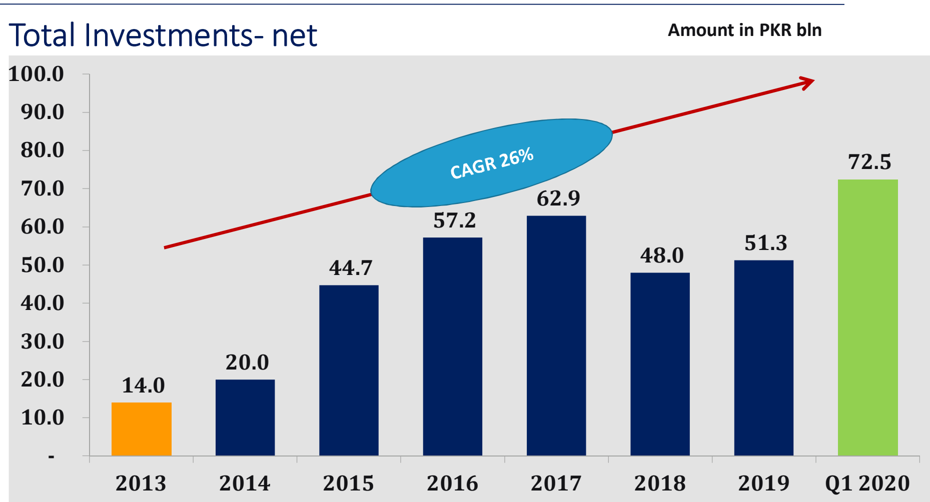
Total Loans & Advances- net



Total Deposits



Total Investments- net



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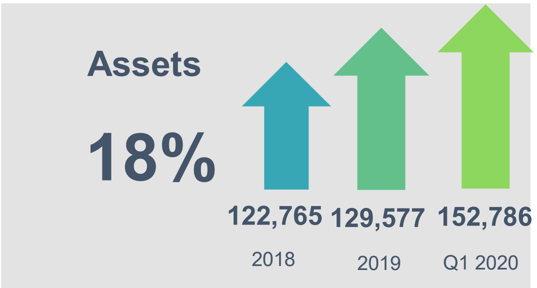
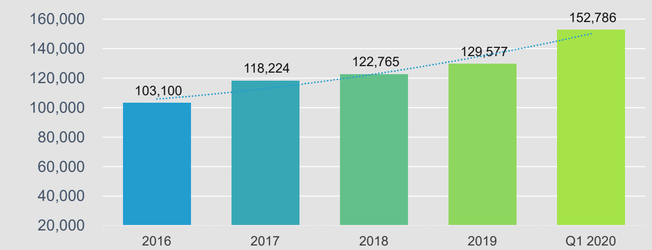
Balance Sheet - *Analyses*



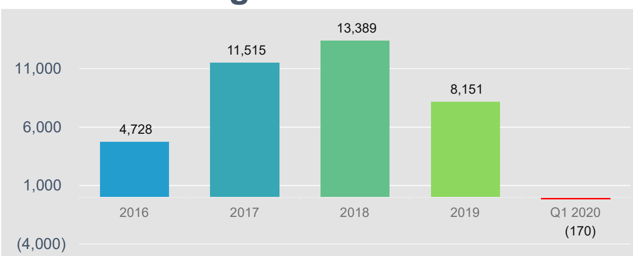
Management Analysis

- Balance sheet grew more than 18% at the back of trading book growth
- Increase in equity – robust ratios indicating strength and strong profile
- Strong capital base and Capital Adequacy Ratios evidencing mix of earning assets maintaining appropriate risk profile
- Samba has diversified its assets and loan base from corporate to Commercial, SME & consumer segments

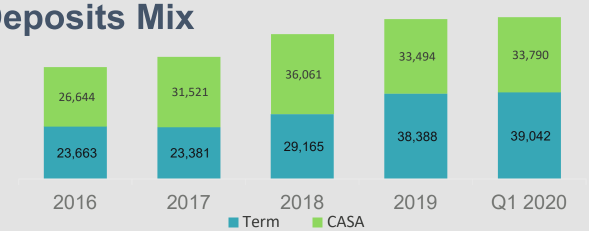
Balance sheet growth

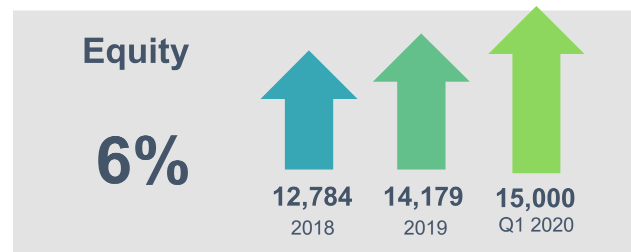


Gross Loans growth

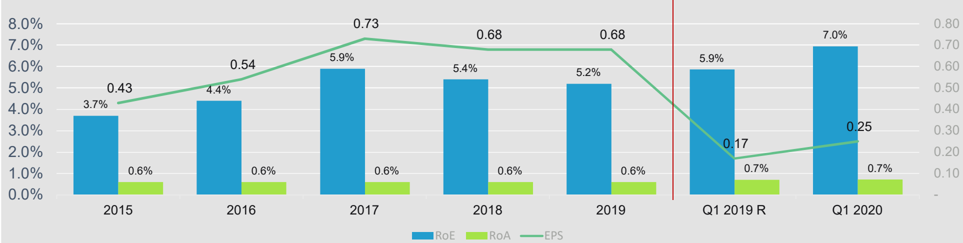


Deposits Mix

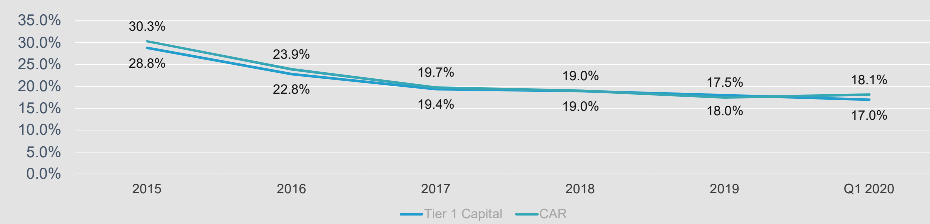




Returns on Assets & Equity



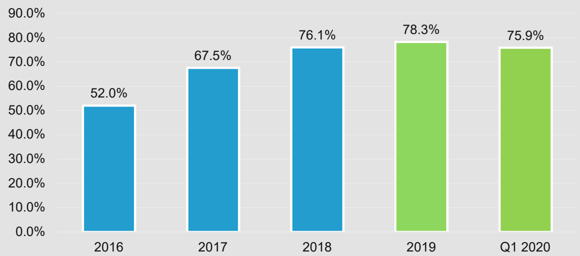
Capital Adequacy Ratios



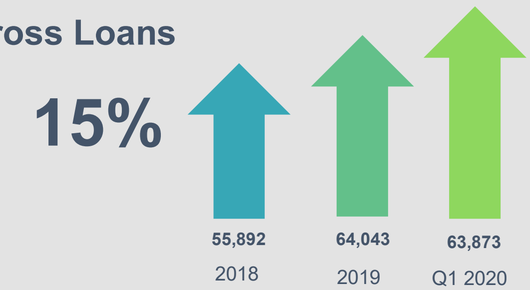
Amounts in million PKR

Balance Sheet – *Assets & Liabilities Profile*

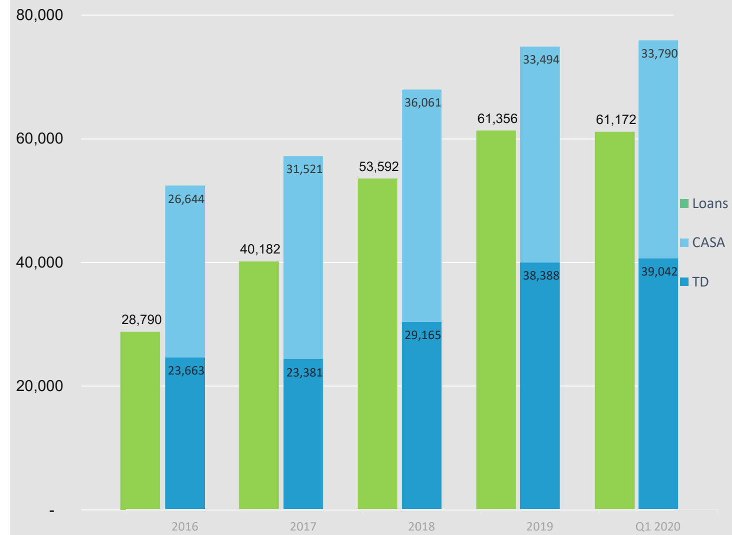
Loan to Deposit Ratio*



Gross Loans



Net Loans vs Deposits

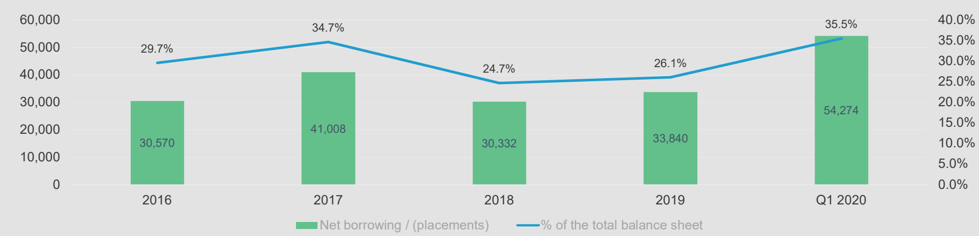


Management Analysis

- Loan to Deposit ratio stood at 75.9%, leaving the Bank well positioned to pursue its growth strategy
- Samba's diversified balance sheet is a key source of its competitive strength

Placements and Borrowings

Net Borrowings and % of Total Balance Sheet



** LDR = (Net Loans-SBP Borrowings)/ Deposits*

Amounts in Million PKR

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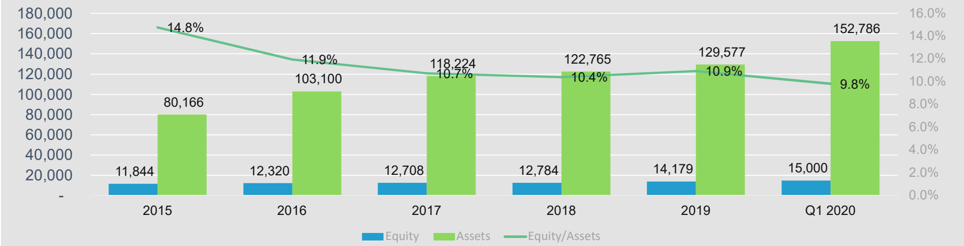
Balance Sheet – *Risk Management*

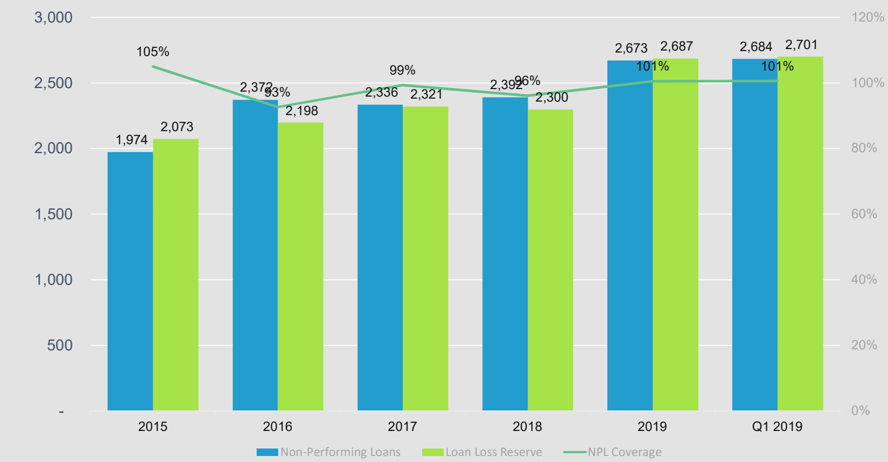
Management Analysis

- Asset quality remains strong, underpinned by a low infection ratio and high coverage ratio
- Proactive risk classification & management
- Maintaining adequate loan loss coverage
- Samba has robust credit evaluation system which is corroborated by historical performances
- Cumulative impairment charges over the years have remained low compared to peer group

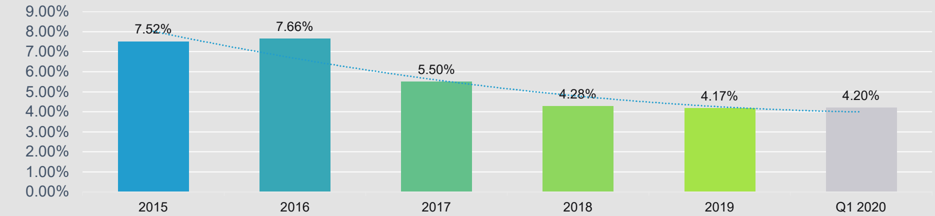
Equity/Assets



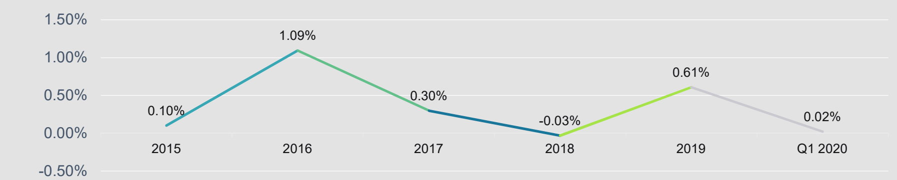
NPL Coverage Ratio



NPLs/Gross Loans *(Portfolio Infection ratio)*



Credit Impairment/ Gross Loans

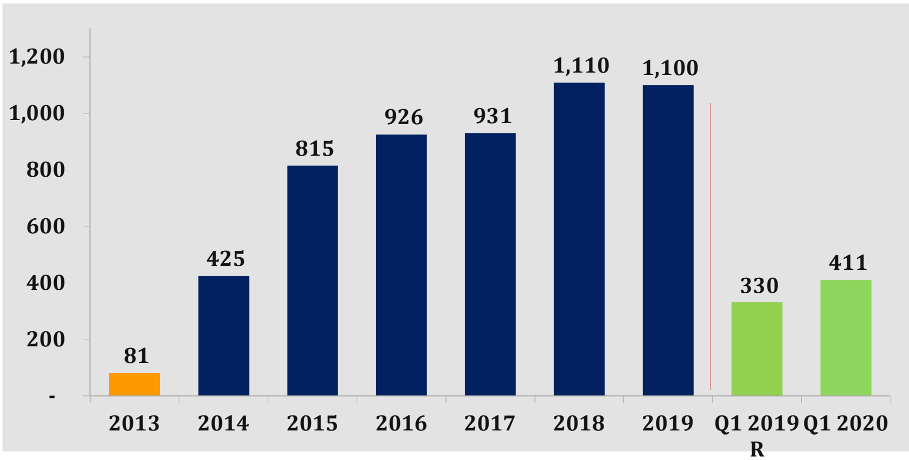


Amounts in Million PKR

SBL Transformation- *Bottom Line Profitability*

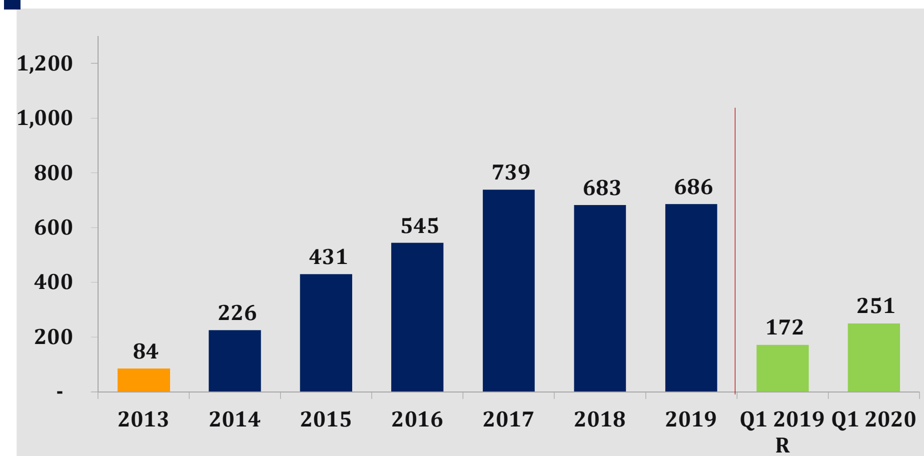
PBT

Amount in PKR mln



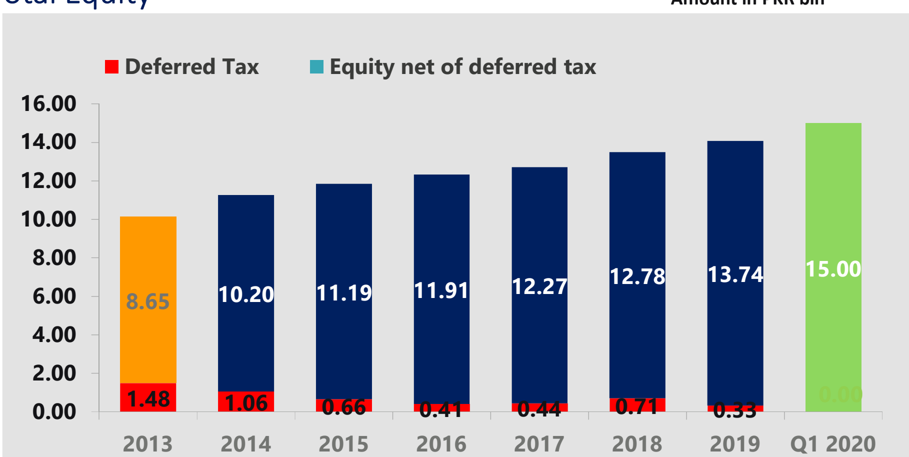
PAT

Amount in PKR mln

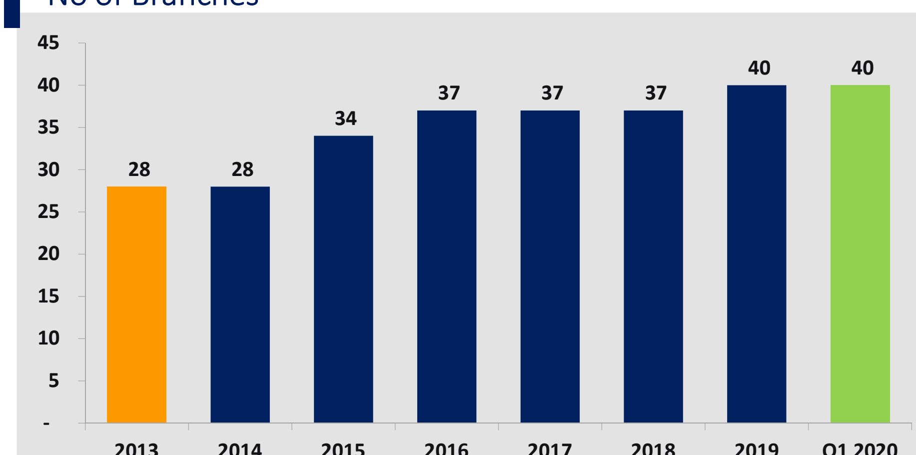


Total Equity

Amount in PKR bln

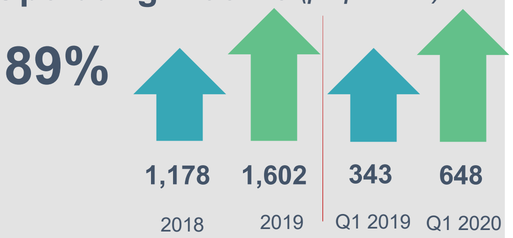


No of Branches



Income Statement

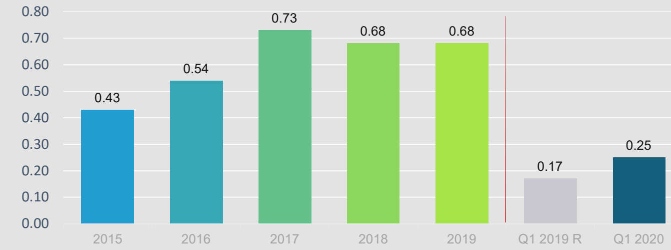
Operating Income *(pre provision)*



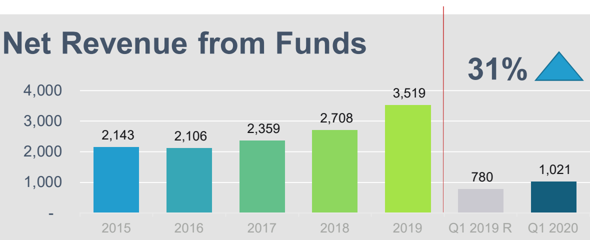
Management Analysis

- Samba is performing strongly in challenging business environment
- The composition of income reflects Samba's business diversification and strength of its core business
- Delivering consistent financial performance is a hallmark of Samba
- Despite significantly higher pre-provisioning profitability, provisions led to decrease in net income during the period under review

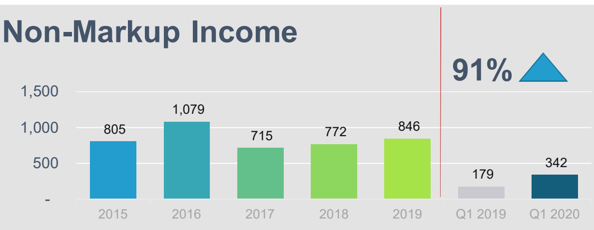
EPS *(Rupees)*



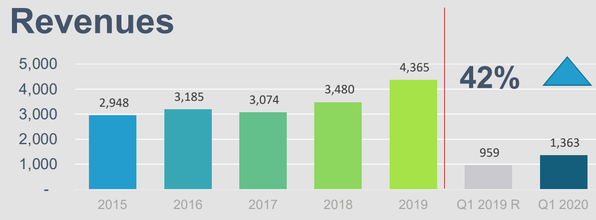
Net Revenue from Funds



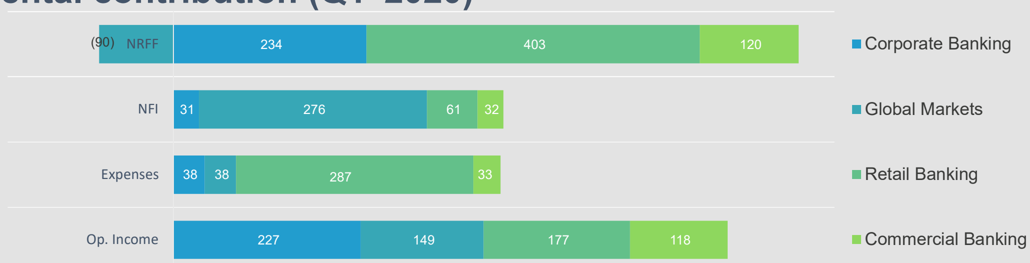
Non-Markup Income



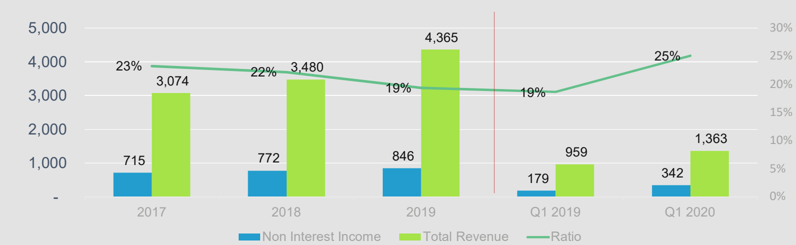
Revenues



Segmental contribution (Q1' 2020)



Non-Fund Income / Total Revenue



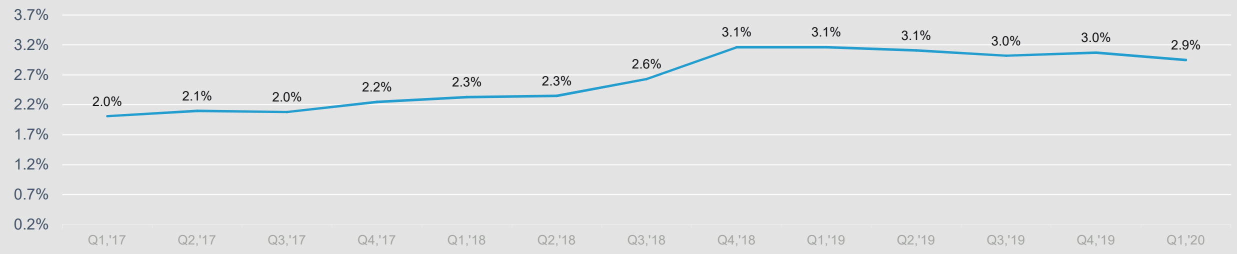
Amounts in Million PKR

Income Statement Analysis

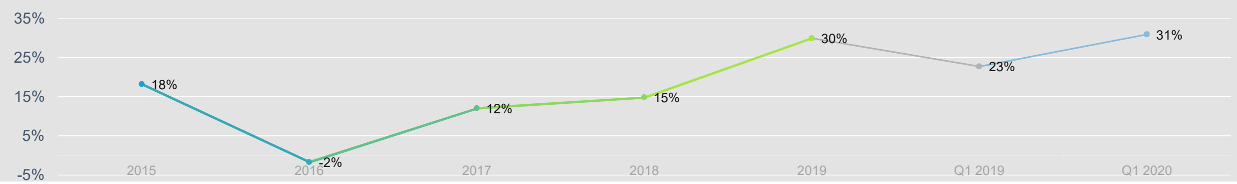
Management Analysis

- Efficiency ratios are in line with banking sector averages
- Structurally, lower cost base is due to our focus on product distribution via alternative delivery channels rather than through a conventional large and expensive branch network
- Low cost to income ratio. Samba has one of the lowest ratio in the sector

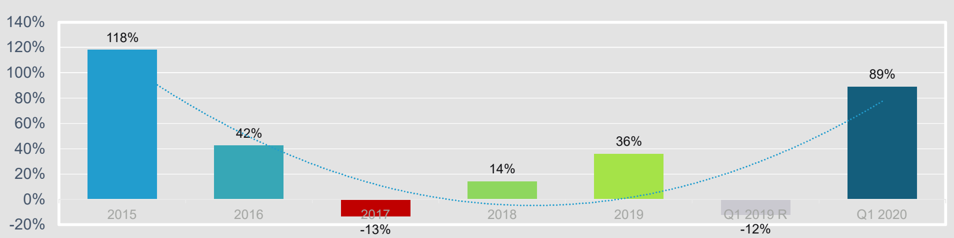
Net Interest Margin



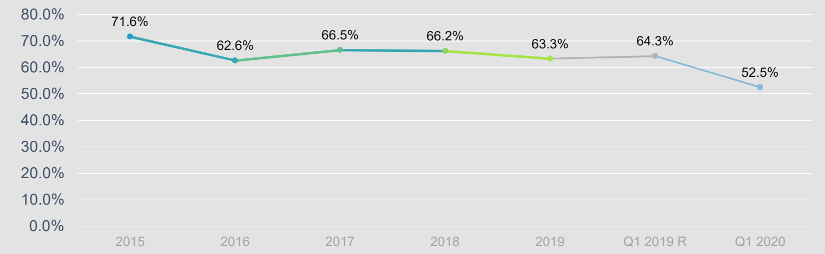
Net Interest Income Growth



Operating Income Growth

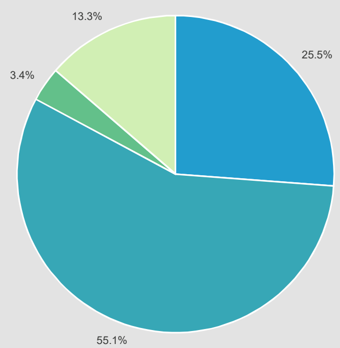


Cost to Income Ratio

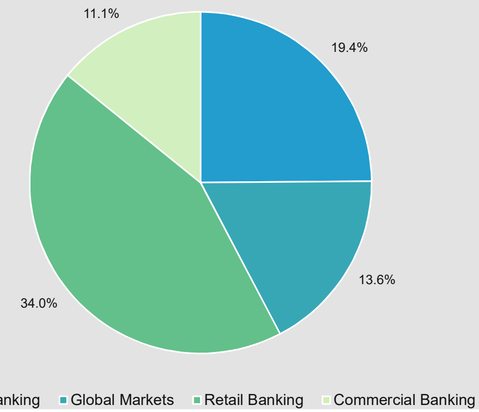


Business Segments

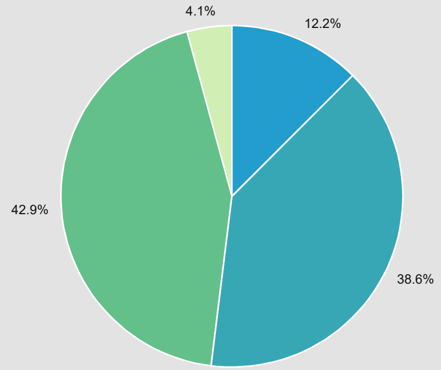
Total Assets by Segments (Q1 2020)



Revenue by Segments (Q1 2020)



Liabilities by Segments (Q1 2020)



Corporate Banking

Leading corporate banking business targeting a wide spectrum of clients.

Products and Services
- Current/time deposit accounts
- Liquidity management
- Payments & collection processing
- Cash delivery
- Electronic payment solutions
- Automated payroll processing
- Import/export related products
- Loan products
- Investment Banking

Consumer Banking

Provides retail banking products and services to individual clients

Products and Services
- 24/7 telephone, mobile & online banking
- Digital Banking
- Auto Loan
- Personal finance
- Branch account services
- Remittance business
- Wealth management services
- Priority banking
- Payroll & Collection Accounts

Treasury

Manages funding, liquidity and investment portfolio

Products and Services
- Money market
- Primary dealer
- Foreign exchange
- Rates trading
- Interest rate protection products
- Margin Trading
- Customized solutions
- Arbitrage

Commercial & SME Banking

Samba offers Commercial and SME Banking services

Products and Services
- Current/time deposit accounts
- Liquidity management
- Payments & collection processing
- Cash delivery
- Electronic payment solutions
- Automated payroll processing
- Import/export related products
- Loan products
- Investment Banking

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Q&A