

Press Release

VIS assigns Positive Outlook to Faysal Asset Management Limited

Karachi, December 31, 2020: VIS Credit Rating Company Ltd. has maintained the Management Quality Rating (MQR) of Faysal Asset Management Limited (FAML) at 'AM2' (AM-Two). The rating signifies asset manager exhibiting very good management characteristics. Outlook on the assigned rating has been revised from 'Stable' status to 'Positive'. The previous rating action was announced on February 18, 2020.

The revision in rating outlook reflects improving market share, inclusion of experienced personnel in top management along with capitalization and marketing support from parent - Faysal Bank Limited. However, proportion of retail investments in relation to total AUMs and concentration of AUMs in top 10 investors depicts room for improvement. The AUMs of the Company increased to Rs. 30.08b at end June'20 (June'19: Rs. 8.5b) and further to Rs. 41.06b at end Sept'20. The market share increased to 3.8% (FY19: 1.5%) at end-FY20 as AUMs grew faster than the industry and then further to 4.3% at end Sept'20.

The management is focusing on enhancing customer services, improving its digital platform for better retail penetration and creating synergies with the parent bank. Timely materialization of these initiatives is important from a ratings perspective. The fund mix has lately tilted towards money market category, in line with industry peers. Keeping with strategy, share of Islamic AUMs have increased to 56% as at Oct'20. The overall fund performance has improved with regards to majority funds (mainly Money Market and Fixed Income). The Company achieved operating profitability in 3QCY20 with added capitalization. The rating will remain contingent upon maintenance of profitability, sustained growth in AUMs, improved concentration in funds and funds' performance in top quartiles.

For further information on this rating announcement, please contact the undersigned (Ext: 301) or Mr. Javed Callea (Ext: 201) at 021-35311861-70 or fax to 021-35311873 or info@vis.com.pk.

Faheem Ahmad
President & CEO

Applicable Rating Criteria: Asset Management Companies (June 2019)
<http://vis.com.pk/kc-meth.aspx>