



JS BANK

Analyst Briefing

September 30, 2019

December 20, 2019

Bank Overview

Historical Timeline

Jahangir Siddiqui Investment Bank was established after JSCL acquired **Citicorp Investment Bank**



1999

2006

2018

Jahangir Siddiqui Investment Bank was merged into JS Bank in 2006, after acquiring the Pakistan operations of **American Express Bank**



Deposits and advances grew at the rate of 5YCAGR 31%, and 42% respectively
Retail Footprint, as of Dec 2018: 345 branches in 172 cities

JS Bank Limited is amongst the fastest growing banks of Pakistan. The Bank started its operations with 4 branches which have now grown to a nationwide network of 344 branches across 172 cities in Pakistan and one offshore branch in Bahrain within a span of 13 years.

The Bank has progressively improved its domestic long term entity rating from A- to the current AA- (Double A Minus) by Pakistan Credit Rating Agency Limited (PACRA).



Group Structure

Jahangir Siddiqui & Co. Ltd.

JS Bank Limited

**JS Global Capital Limited
(Subsidiary)**

Shareholding (%) *	83.53%
Total assets	Rs. 4,415 million
Share holders' equity	Rs. 2,601 million
Credit rating – Long term / short term	AA / A1+

**JS Investments Limited
(Subsidiary)**

Shareholding (%)	84.56%
Assets Under Management (AUMs)	Rs. 21,386 million
Share holders' equity	Rs. 1,871 million
Credit rating – Long term / short term	A+ / A1

* Post buyback.

Financial Highlights

PKR Million

Particulars	2006 *	2014	2015	2016	2017	2018	YTD 3Q - 2019
Investments	2,582	84,258	116,030	133,727	169,612	148,690	140,692
Advances	1,693	62,433	76,666	93,794	184,140	251,991	238,393
Total Assets	12,545	176,717	218,476	267,444	391,479	456,754	430,167
Deposits	7,198	108,740	141,840	226,099	290,078	321,413	327,064
Total Liabilities	9,542	163,637	202,508	250,794	374,810	441,137	414,285
Profit / (loss) before tax	(0.4)	1,608	3,174	3,390	1,621	905	(799)
No. of branches	04	238	277	307	323	345	345
ADR	24%	57%	54%	41%	63%	78%	73%

	CAGR 2014-2018	Growth %					
Investments	15%	97%	38%	15%	27%	-12%	-5%
Advances	42%	85%	23%	22%	96%	37%	-5%
Total Assets	27%	57%	24%	22%	46%	17%	-6%
Deposits	31%	34%	30%	59%	28%	11%	2%
Total Liabilities	28%	58%	24%	24%	49%	18%	-6%

* Commencement of business by JS Bank Limited.

Financial Highlights - Profit & Loss

PKR Million

	YTD Q3-19	YTD Q3-18	Change
Interest Income	30,259	21,613	40.0%
Interest Expenses	-24,974	-14,969	66.8%
Net Interest Income	5,285	6,644	-20.5%
Non Interest Income	2,321	2,124	9.3%
Total Income	7,606	8,768	-13.3%
Administrative Expenses	7,903	7,501	5.4%
(Loss) / Profit Before Provisions	-297	1,267	-123.4%
Provisions	-501	-40	1152.5%
(Loss) / Profit Before Tax	-799	1,227	-165.1%
Taxation	221	-471	-146.9%
(Loss) / Profit After Tax	-578	756	-176.5%

Net Interest Income

The Bank's core interest income grew due to enhanced focus on core businesses i.e. Retail and Institutional banking. This growth, however, was offset due to a legacy PIB portfolio of PKR 72.53 billion as of September 30, 2019 which carries a yield of 6.88% against current market yield of 13.2% for the same duration. The bulk of the portfolio will mature between December 2019 and March 2020 thereby easing the pressure on net interest income.

Provisioning

Provisioning is increased due to infection of advances in specific industry customers and downturn in equity price at Pakistan Stock Exchange (PSX) during the period under review.

Financial Highlights - Balance Sheet

PKR Million

	YTD 3Q-2019	2018	Change
Investments	140,692	148,690	-5.38%
Advances	238,393	251,991	-5.40%
Total Assets	430,167	456,754	-5.82%
Deposits	327,064	321,413	1.76%
Total Liabilities	414,285	441,137	-6.09%
Share capital	10,119	10,119	0.00%
Reserves	1,751	1,712	2.28%
Deficit on revaluation of assets	(225)	(1,036)	-78.28%
Unappropriated profit	4,237	4,821	-12.11%
Total Equity	15,883	15,617	1.70%

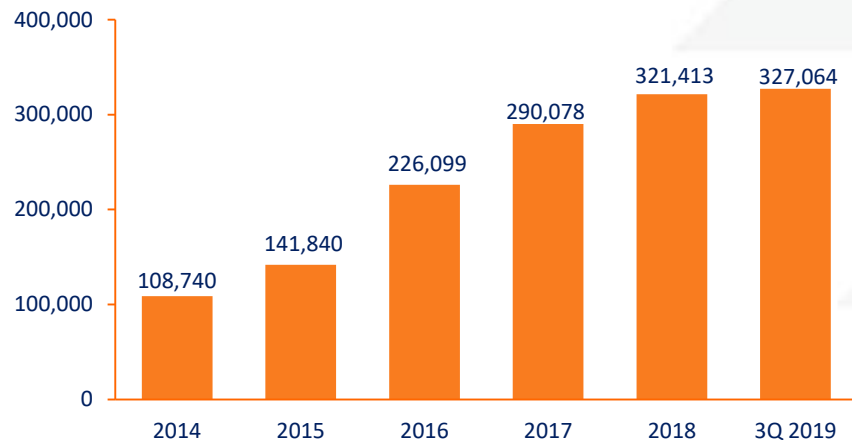
The Bank continued its proactive strategy of enhancing its exposure in advances, with special emphasis on Agriculture, Small and Medium Enterprise (SME) lending and financing for renewable energy initiatives. The Bank's product menu was further increased to meet customer wants and needs, while simultaneously ensuring that all risk parameters are in line for prudent expansion.

The Bank remained focused on core deposit mobilization, particularly targeting growth in low cost deposits (Current and Saving Accounts-CASA) to improve spreads.

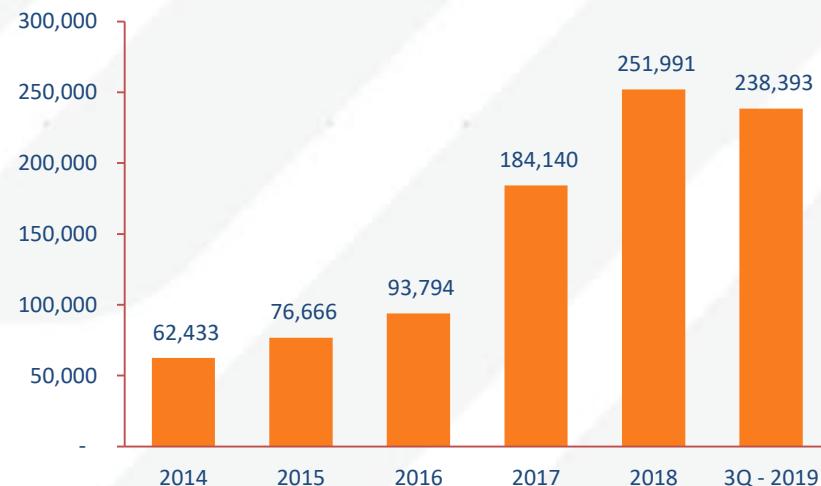
Graphical Analysis

PKR Million

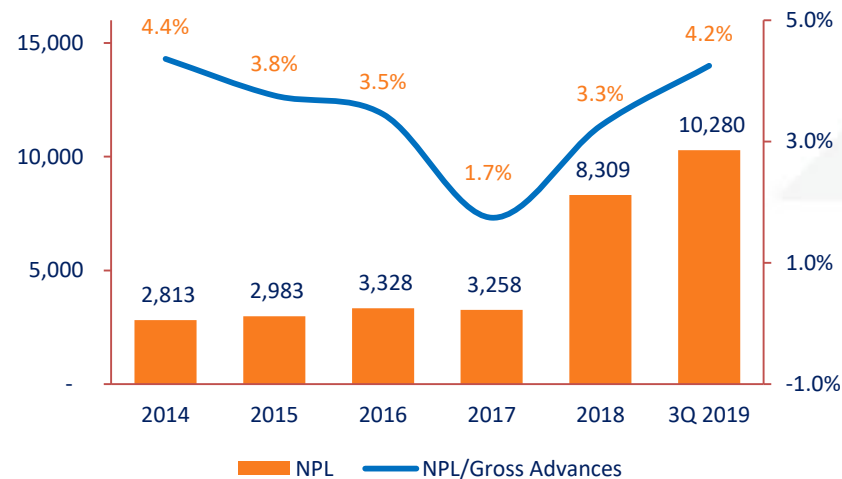
Deposits



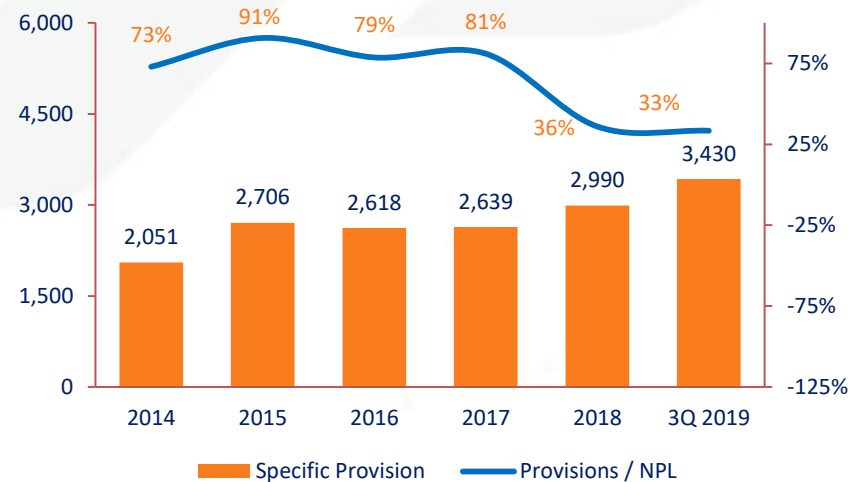
Advances



NPL Vs. Infection Ratio



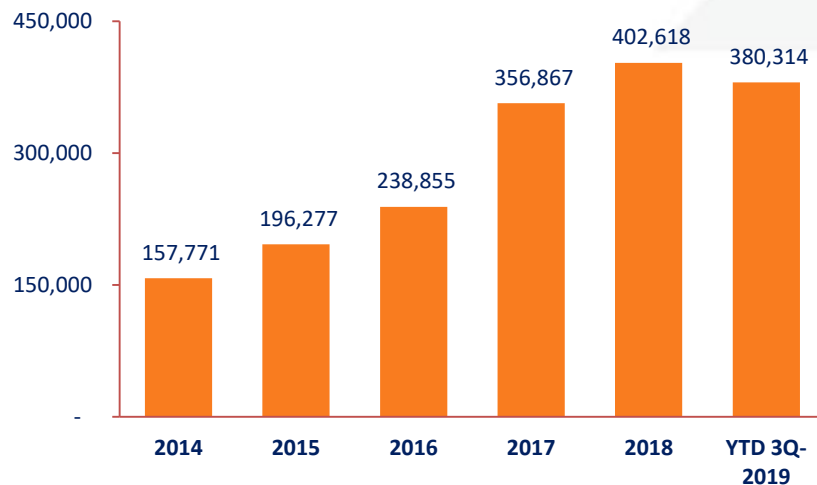
Specific Provision Vs. Coverage Ratio



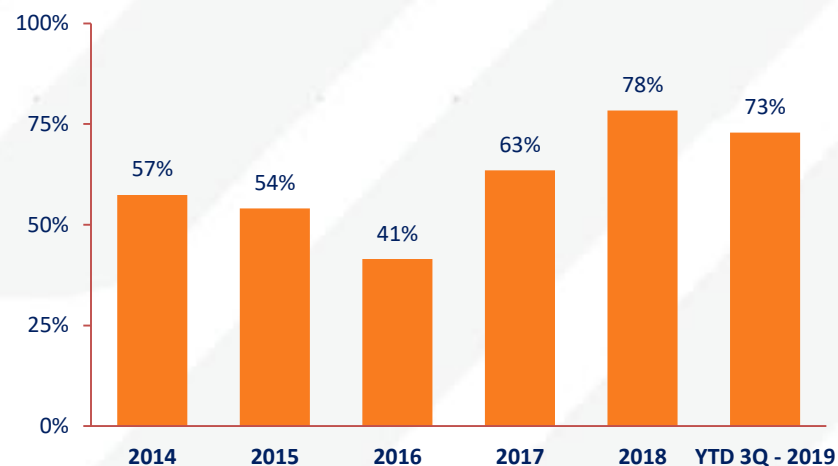
Graphical Analysis

PKR Million

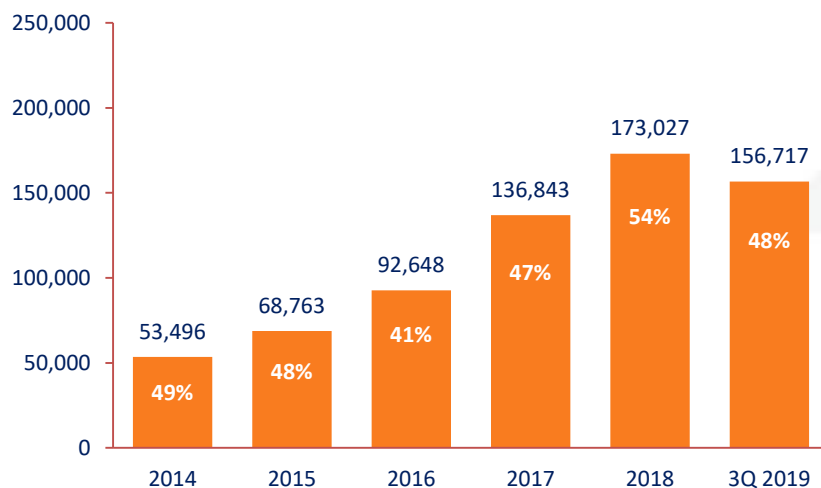
Earning Assets



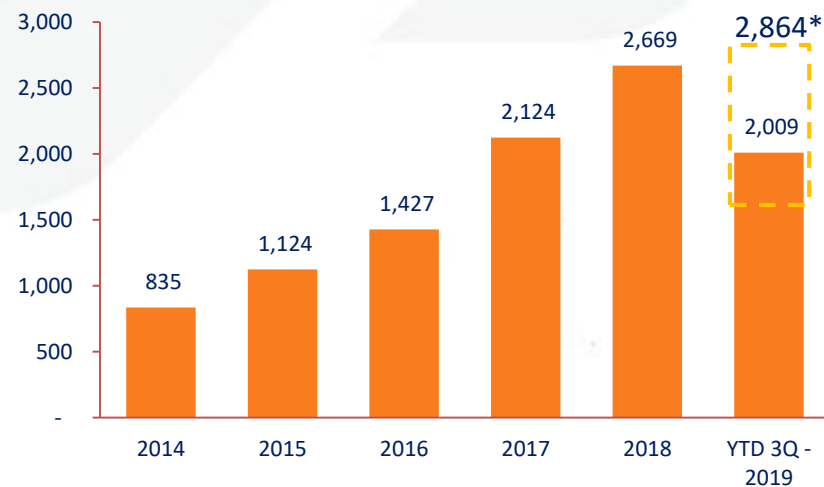
Advances to Deposits Ratio



CASA Trend



Fee Income

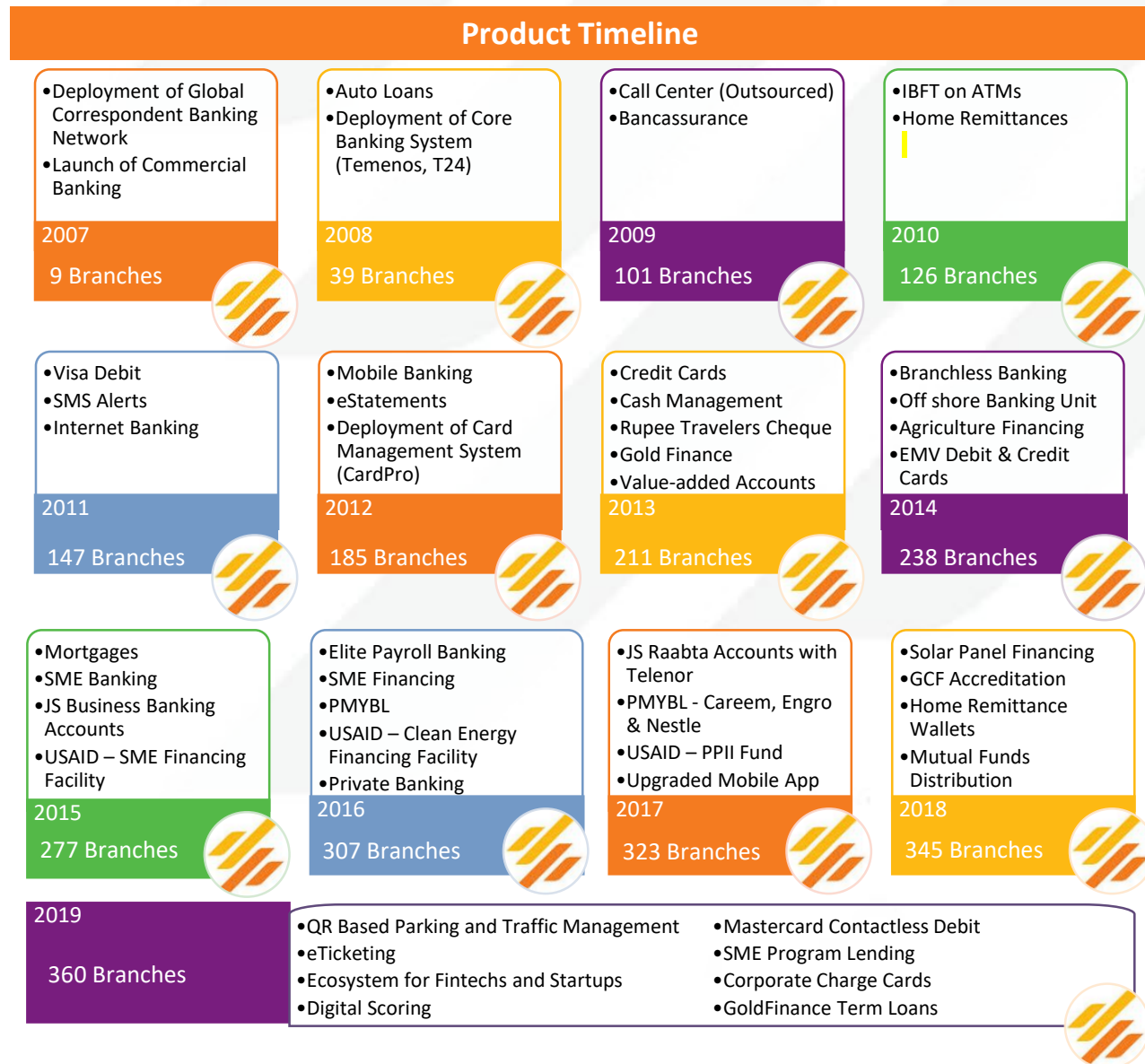


* Full year forecast.

Products & Services

JS Bank provides services in the following area of businesses:

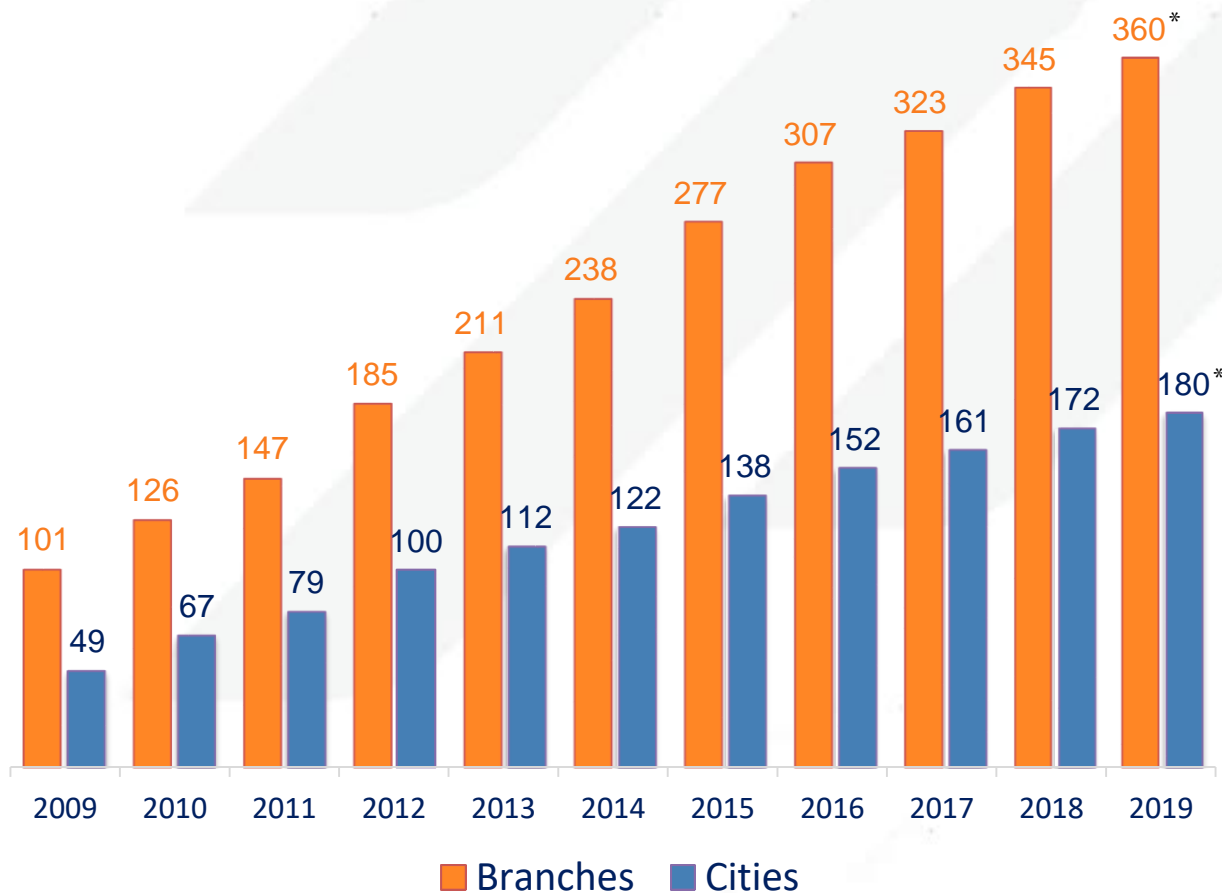
- Retail & Trade
- Small & Medium Enterprises
- Consumer & Agriculture Finance
- Corporate & Commercial Banking
- Investment Banking
- Branchless Banking
- Treasury Services



Branch Network

345 Branches

- 344 Branches across the country in around 171 cities
- 01 Bahrain Branch



* 360 branches in 180 cities expected by December 31, 2019

Awards



Best Environmental, Social & Governance Bank
Pakistan **Banking Awards** 2017



Best Payment Technology/Solution Provider
DIGI Awards 2019



Pakistan's Best Mid-sized Retail Bank
Asian Banking & Finance Awards 2019



Pakistan's Best Consumer Finance Product
Asian Banking & Finance Awards 2019



Pakistan's Best Small & Medium Enterprises (SMEs) Bank
Asian Banking & Finance Awards 2019



Pakistan's Best Bank for Small & Medium Enterprises (SMEs)
Asiamoney Best Banks' Awards 2019

BEST
ENVIRONMENT
SOCIAL &
GOVERNANCE
BANK



Major Initiatives

Small & Medium Enterprises

JS Bank, Pakistan's 3rd largest SME lender, will continue to expand its SME program and lending solutions to cater to a variety of SME needs

Mortgages

As Pakistan's largest conventional mortgage bank, JS Bank will continue to build a sustainable home loans portfolio including low-cost housing finance & solar solutions for homeowners

JS GoldFinance

JS Bank is one of Pakistan's leading banks for business and agricultural gold loans, and will continue to offer innovative solutions to process gold loans in less than 100 minutes!

Solar Financing

JS Bank is one of Pakistan's leading providers of solar financing for agricultural, home and business needs, with over 13MW of installations in process

Consumer Lending

JS Bank continues to expand its personal finance solutions for salaried and business individuals

Customer-centric ADC Solutions

JS Bank continues to leverage modern technology through cutting edge investments in digital process optimization and transactional convenience, with a focus on simplification of customer journeys

Environmental & Social

The Bank will continue to partner with local & international partners in both financing of green solutions and helping the environment through impact-driven interventions

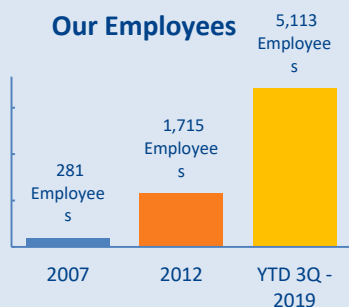
Environmental, Social and Governance (ESG)

Diversity & Inclusion

We are making efforts to be a more diverse and equal opportunity employer

Growth and diversity

Our Employees



Our Female Employees



JS Bank is the first private sector commercial bank in Pakistan and the second in South Asia to be accredited by the Green Climate Fund

**GCF
Accreditation**

Environmental & Social

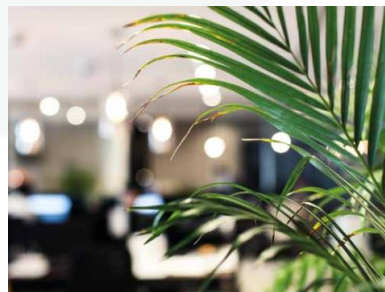


Transforming lives by helping customers move towards financial sustainability through entrepreneurship

Protecting the environment by promoting use of renewable energy



JS Bank is the only Pakistani bank to be certified by WWF as a Green Office for the third year running



Questions & Answers