



Corporate Briefing Session

For the period ended September 30, 2021

December 30, 2021



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BANK'S OVERVIEW

JS Bank

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

Sponsors

The Bank is the subsidiary company of Jahangir Siddiqui & Co. Ltd.

Commencement of Operations

December 31, 2006

Branches

- The Bank started its operations with 4 branches which have now grown to a nationwide network of 281 branches
- One Wholesale branch in Bahrain

Subsidiaries

- JS Global Capital Limited \Rightarrow Owned by 92.9% \Rightarrow Brokerage Company
- JS Investments Limited \Rightarrow Owned by 84.56% \Rightarrow AMC

Entity Rating assigned by PACRA

- Long term = AA- (Double AA minus)
- Short term = A1+ (A one plus)

Staff Strength

Total number of staff is 4,425

KEY INITIATIVES

Kamyab Jawan Program

JS Bank brings an exciting opportunity for the youth of Pakistan to make them financially independent through JS Kamyab Jawan Youth Entrepreneurship Scheme and disbursed PKR 5bn in 2021



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 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



JS EMPLOYEE BANKING

JS employee banking services offers tier-based salary accounts for the organization's entire workforce. It provides one-stop-shop solutions to cater to all the financial needs to the organization's employees.

JS GOLDFINANCE

JS Bank is one of Pakistan's leading banks for business & agricultural gold loans, & 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

KEY INITIATIVES

CSR

JS Bank launched Sindh's first ever Drive Through Vaccination Centre, administering approx. 100,000 doses



RDA

JS Bank is in pilot phase of RDA, with multi-currency accounts opened and various investment avenues provided to the customers



Project Phoenix

JS Bank completely revamped its Mobile Banking App, providing new exciting services to its customers, at a tap



WhatsApp Banking

JSBL is one of the market leaders in this avenue with a huge bouquet of services being catered to via the bot



Digital Collaboration Spaces

JS Bank significantly expanded the collaboration spaces with three new digital offices being set up cross country (KLI)

Financial Inclusion

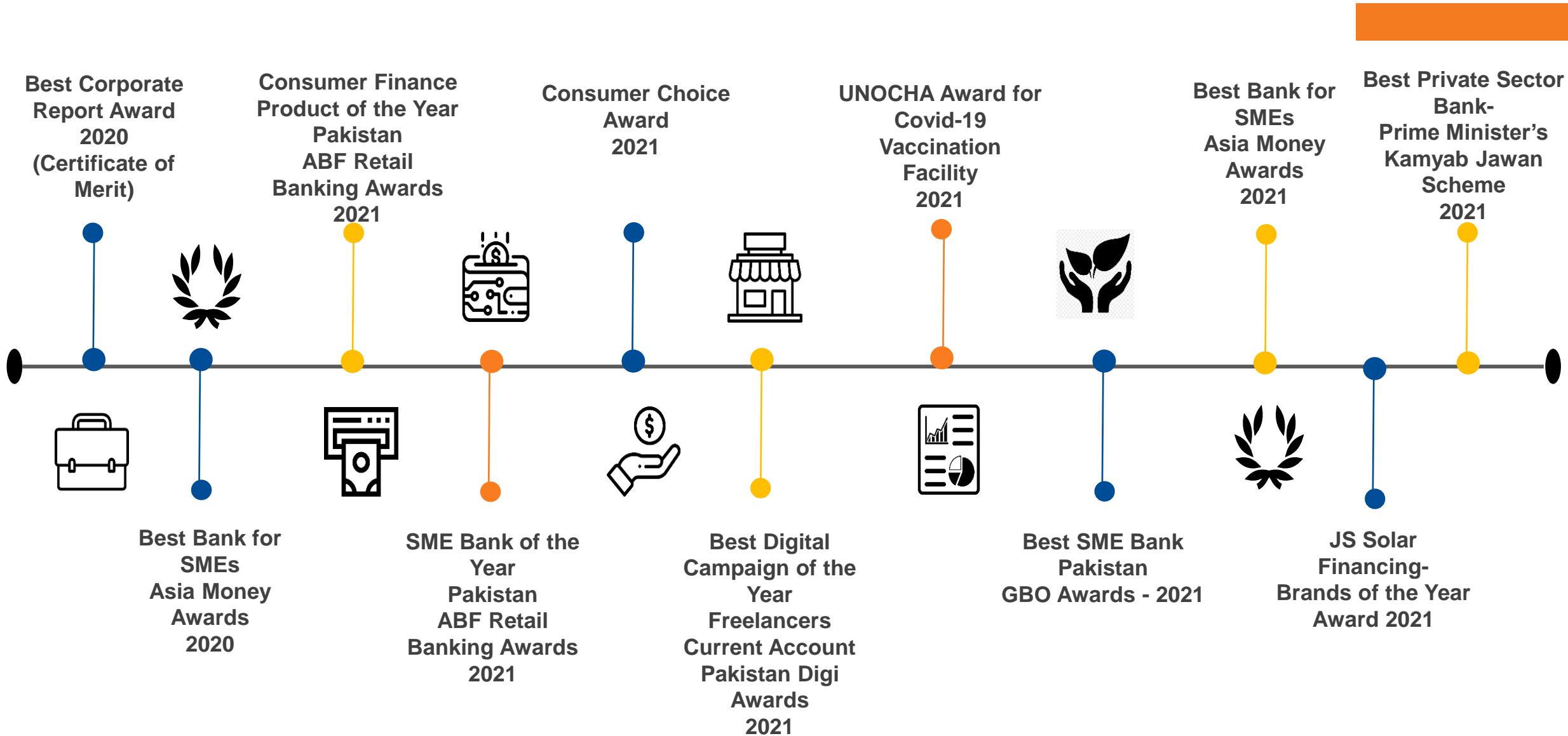
JSBL emerged as leading solutions provider, targeting military and paramilitary staff by achieving over 100,000 30-day active payroll wallet.

JS BLINK

JS Bank launched JS Blink – a completely digital mobile onboarding experience



RECOGNITION & AWARDS 2021

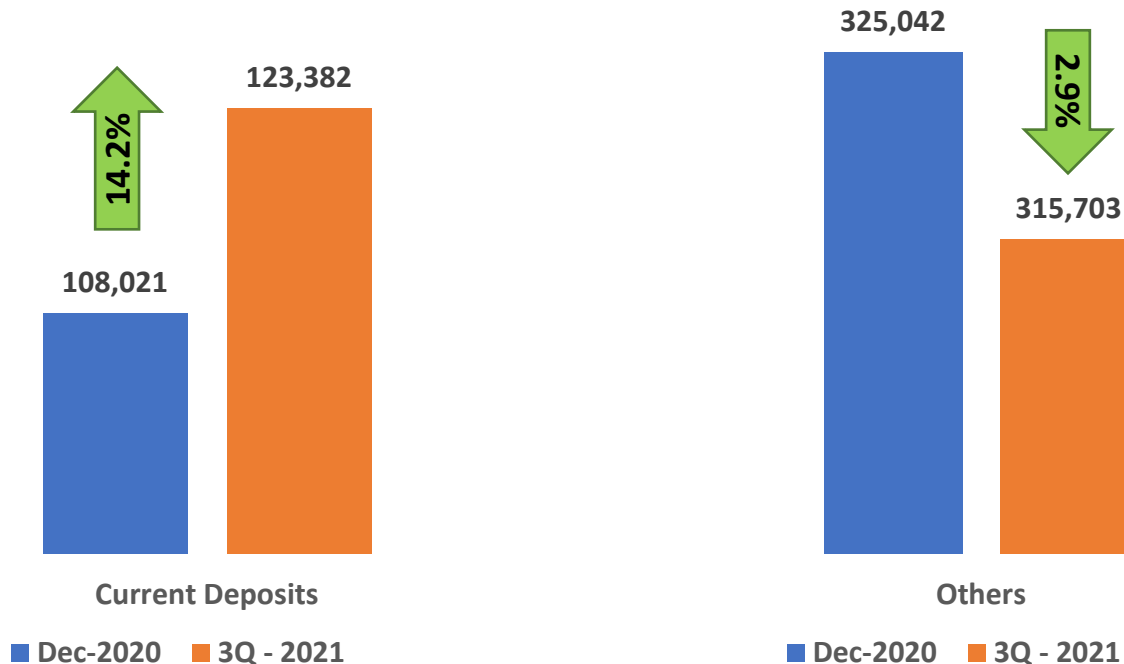


PKR million

Deposits	Sep '2021	Dec '2020	Var (%)
Current	123,382	108,021	14.2%
Saving	112,031	114,880	(2.5%)
Term	203,672	210,162	(3.1%)
Total Deposits	439,085	433,063	1.4%

Deposits:

The Bank's deposits have continued to show growth. The Bank reported total deposits of PKR 439 billion with current account deposits of over PKR 123 billion during the period ended September 30, 2021, which is higher by PKR 15bn. The Bank remained focused on core deposit mobilization and efficient deposit-mix strategy, particularly targeting growth in low-cost deposits (Current and Saving Accounts-CASA) to improve spreads.



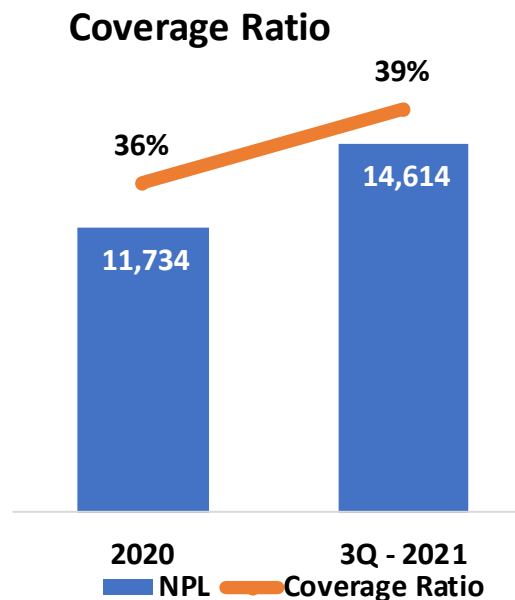
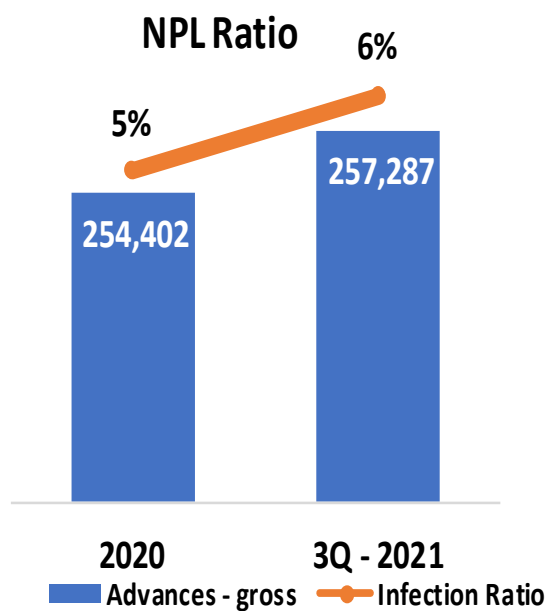
CA grow by 14.2% resulting CA composition improved by 3% to maintain at 28% target to cross 30% in 2022

Decline in other deposits by 2.9% and deposit mix stand at 72% resulting in a reduction in cost of deposits.

PKR million

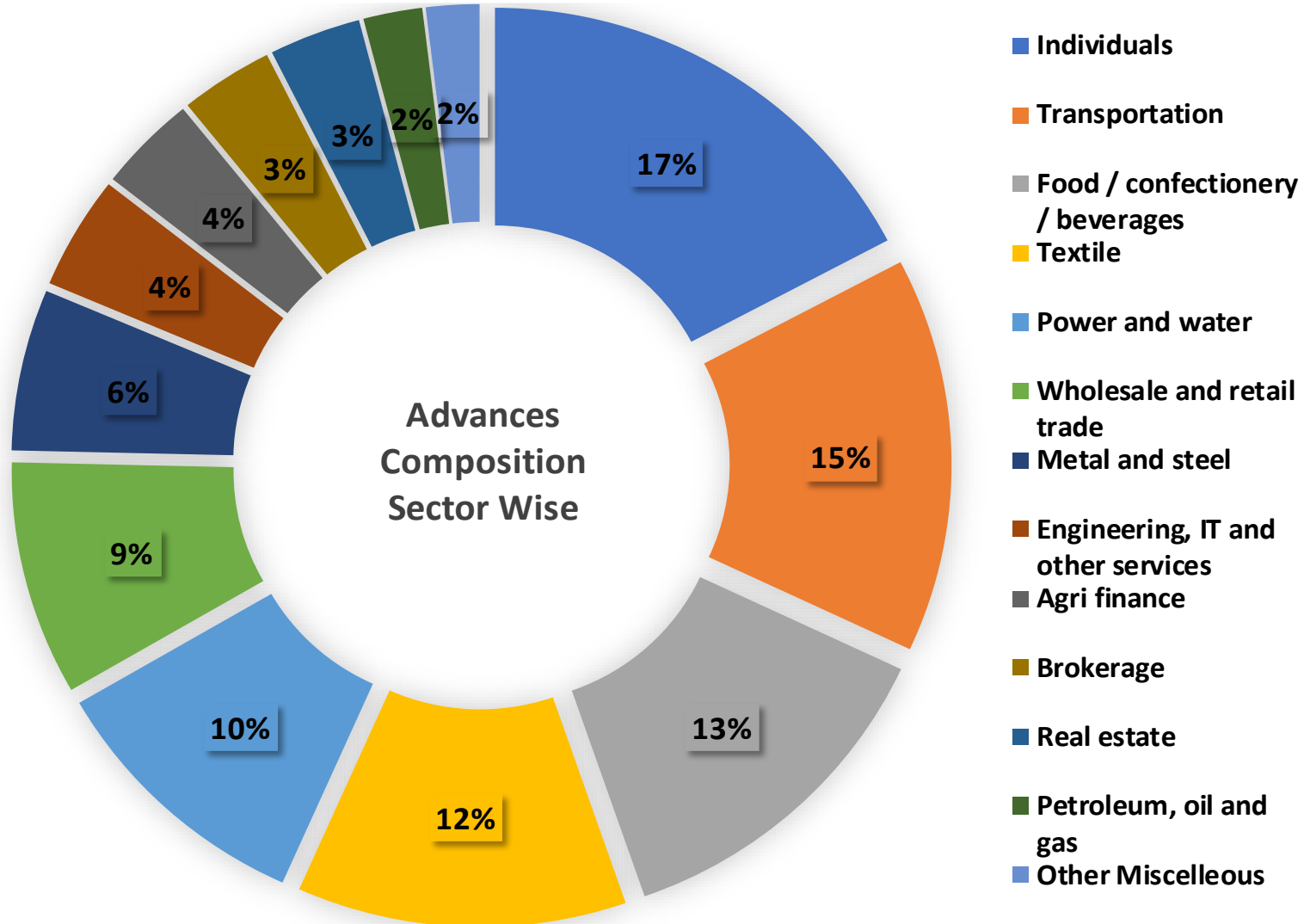
Advances	Sep '2021	Dec '2020	Var (%)
Performing Advances	242,673	242,668	0.0%
Non-Performing Advances	14,614	11,734	24.5%
Advances - gross	257,287	254,402	1.1%
Provision held	(5,752)	(4,203)	36.9%
Advances - net	251,535	250,199	0.5%

Advances:
 The Bank has 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.



ADR 59%
 The Bank has maintained well diversified portfolio. ADR is well above against the tax threshold.

Advances by Sector



TREND ANALYSIS - INVESTMENTS

PKR million

Investments	Sep '2021	Dec '2020	Var.	Growth (%)
GoP	233,822	188,519	45,303	24.0%
Equity	5,202	4,351	851	19.6%
Others (Euro Bonds, TFCs etc.)	10,649	8,828	1,821	20.6%
	249,673	201,698	47,975	23.8%
Revaluation Surplus	Sep '2021	Dec '2020	Var.	Growth (%)
GoP	(247)	98	(345)	(352.0%)
Equity	3,420	1,702	1,718	100.9%
Others (Euro Bonds, TFCs etc.)	10	126	(116)	(92.1%)
	3,183	1,926	1,257	65.3%
IDR	57%	47%	10%	

Key Note:

Duration and DV01 of GoP investments is marginal and major repricing/maturities occur before end of February 2022. Accordingly, any further rate hike would yield minimum and will be temporary negative MTM. Therefore, the portfolio is perfectly aligned for any possible hike expected in Q1 FY2022.

On the equity side, surplus has doubled as compared to FY2020 despite of the fact that price on scripts had an interim decline.



Financial Statements Review

For the period ended September 30, 2021

FINANCIAL PERFORMANCE	Q3-2021	Q3 -2020	Change	Key Notes
Interest Income	28,891	33,886	(14.7%)	<p>Net Interest Income All the business segments of the Bank have posted healthy performance and are expected to continue the growth momentum. During the period under review, SBP average policy rate for 9M'21 remained around 7.0% as compared to 9.6% in 9M'20 to dampen the impact of Covid-19 outbreak. Consequent repricing of the interest-bearing assets at much lower KIBOR resulted in a reduction in mark-up/ interest income in the current period. However, this reduction in interest rate and increase in current deposits by average 28bn as compared to 9M'20 due to given our efficient deposit-mix strategy triggered a significant YoY drop in interest/mark-up expense. Resultantly net interest income grew by 24%.</p> <p>Non Interest Income Non-interest income stood at PKR 3,721 million, decline by 16.6%, due to a sharp reduction in capital gain of Government Securities by PKR 905 million from the corresponding period last year, as the Bank has mainly focused on to earn markup income. Foreign exchange income stood at PKR 841 million during 9M'21 as against PKR 735 million during corresponding period last year.</p> <p>Operating Expenses Despite inflationary pressures, currency devaluation, rising commodity & property related prices, increased in technology expenses due to focus on digitisation and tech refresh to position the Bank as a tech savvy institution, the Bank was able to restrict the total growth to 5.2%. The cost to income ratio of the Bank improved to 76.9% as compared to 79.4% in 9M'20.</p> <p>Profit after-tax Profit after-tax for the 9M'21 is lower by 13.6% mainly due to increase in loan loss provision, as a result the coverage ratio of the Bank slightly improved as compared to previous year.</p>
Interest Expenses	19,836	26,585	(25.4%)	
Net Interest Income	9,055	7,301	24.0%	
Non Interest Income	3,721	4,459	(16.6%)	
Total Income	12,776	11,760	8.6%	
Administrative Expenses	9,826	9,337	5.2%	
Profit before Provisions	2,950	2,423	21.7%	
Provisions	1,256	458	174.2%	
Profit before tax	1,694	1,965	(13.8%)	
Taxation	688	800	(14.0%)	
Profit After tax	1,006	1,165	(13.6%)	

FINANCIAL PERFORMANCE

Non Funded Income	Q3 21	Q3 20	Change
Fee, commission and dividend income	2,841	2,752	3.2%
Foreign exchange income	840	735	14.3%
Income from derivatives	24	27	-11.1%
Gain on securities - net	13	918	-98.6%
Other income	2	27	-92.6%
Total non mark-up income	3,720	4,459	-16.6%

Operating Expenses	Q3 21	Q3 20	Change
Compensation expense	4,527	4,701	-3.7%
Property expense	1,543	1,527	1.0%
Information technology expenses	1,051	720	46.0%
Other operating expenses	2,669	2,298	16.1%
Total Operating Expenses	9,790	9,246	5.9%

Provisions and write offs	Q3 21	Q3 20	Change
Reversals / provisions diminution in value of investments	(282)	47	-700.0%
Provisions against advances - specific and general	1,530	433	253.3%
(Reversals) / provisions under IFRS-9 - general	(13)	76	-117.1%
Other provisions / Write offs	22	63	-65.1%
Total Provisions	1,257	619	103.1%

Key ratios	Sep-21	Dec-20	Change
Capital Adequacy Ratio (CAR)	13.11%	12.77%	0.34%
BV or NAV Per Share (PKR)	17.01	15.87	1.14
Market Price per share (PKR)	5.11	6.42	(1.31)
Price to Book Ratio	30%	40%	-10%
Cost to income Ratio *	76.91%	79.93%	-3.02%
NII to Opex Ratio *	92%	74%	17.81%

* P&L ratios comparative figures are reported on September basis

QUESTIONS & ANSWERS

THANK YOU