

Corporate
Briefing
Session
September
2022

December 27, 2022

01**Bank's Profile****02****Key Initiatives & Recognition****03****Trend / Variance Analysis – Deposits, Advances & Investments****04****Financial Highlights 9M'22****05****Questions & Answers**

JS Bank

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

Sponsors

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

Commencement of Operations

December 30, 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 92.90% holding
- JS Investments Limited 84.56% holding

Entity Rating assigned by PACRA

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

Key Initiatives

ZINDIGI

Launched Pakistan's first customizable digital solution providing end-to-end digital journey from account opening to payments for millennials and Gen-Z. Also emerging as leading service provider of payroll wallets to military and paramilitary staff.



Zindigi's 10-month Journey

4M⁺	105B[~]
App Downloads	Volume
2M[~]	34%[~]
Accounts	Female Customers
18 M[~]	60%[~]
Transactions	Customers under 30

JS Blink

JS Bank is providing digital account via three digital channels Website, Mobile App & JS Bot (the first Bank to launch digital account opening process via WhatsApp (JS Bot)). Following account categories can be opened via JS Blink – Asaan Digital Account, Asaan Digital Remittance Account, Freelancer Digital Account & Digital Account.



JS Internet Banking

JS Bank launched it's all new, seamless, user-friendly and secure way of internet banking for desktop / laptop users. Users can instantly login to the new internet banking with their JS mobile app credentials.

Open Banking

Venturing into the banking as a service space, JSBL is enabling multiple fin-techs and similar use cases over collaborative partnership models.

Zindigi's Product Suite



Payments & Transfers

- Money Transfer/RAAST
- Request/Gift Money
- Government & Education Payments
- Airtime & Bundles
- Ticketing
- Donations
- Debit Card / Virtual Card Payments
- Scheduled Payments
- Intl Remittance



Savings, Investments

- Mutual Funds
- Stocks Trading
- Cash Financial Mgt.



Gaming & In App Entertainment

- Z-Store
- Gaming Vouchers
- Digital coupon
- Gift cards



Lending

- Advance Salary



Insurance

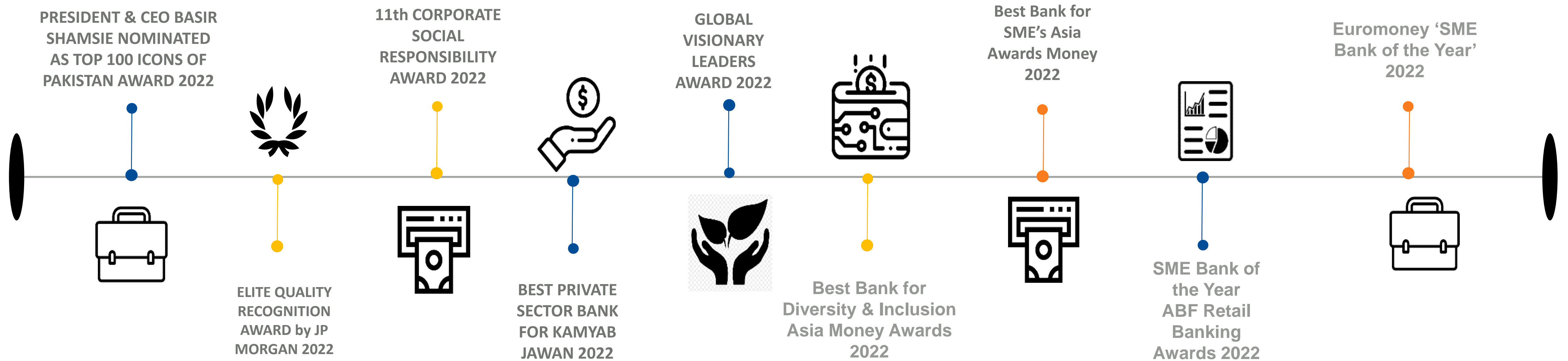
- Tele Health



Advanced Features

- Referrals
- Customization
- Scheduled Transactions
- In-App BVS
- Security controls
- In App Chat
- Expense Management

Recognitions & Awards



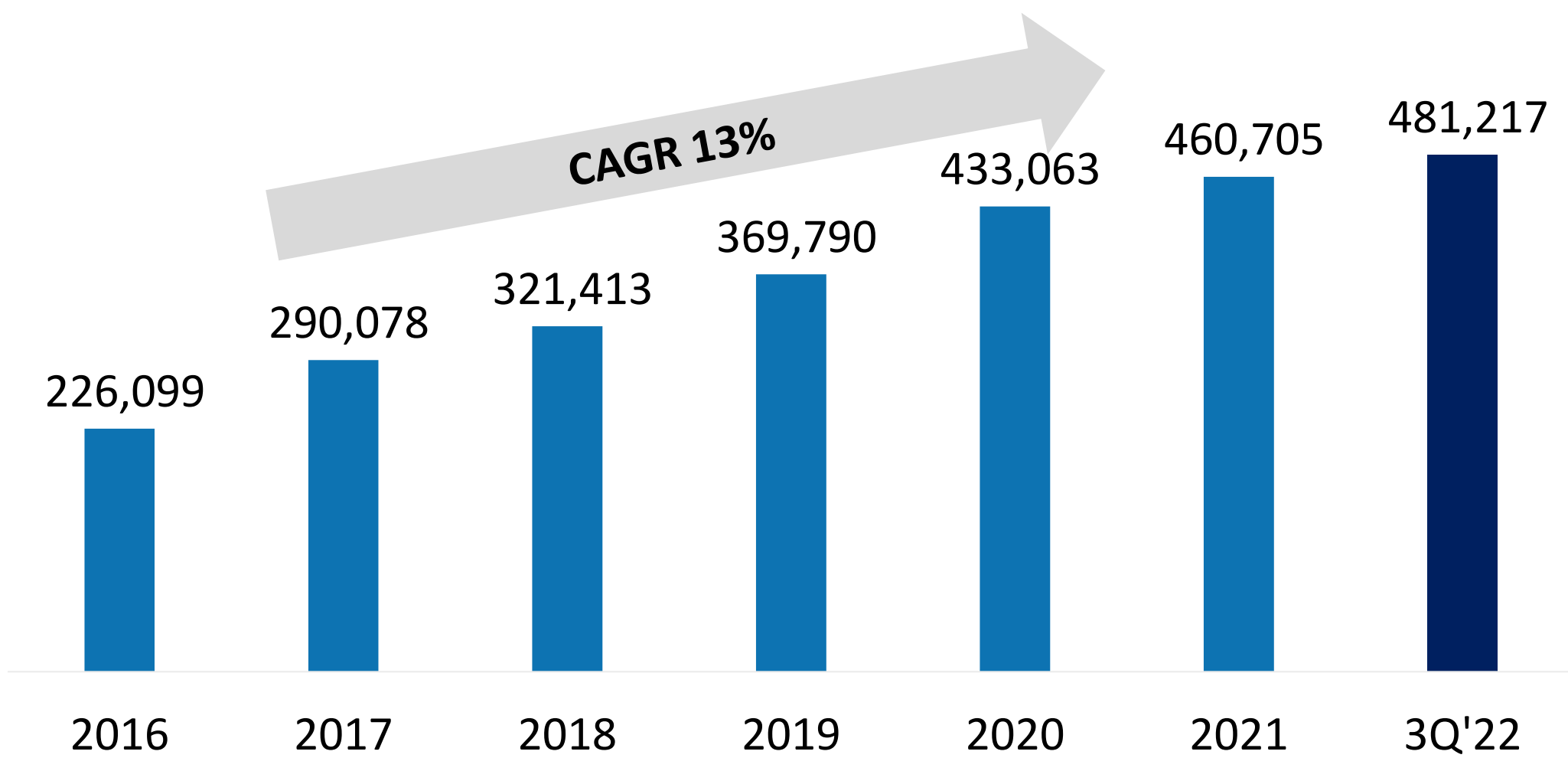
Trend Analysis - Deposits

PKR Millions

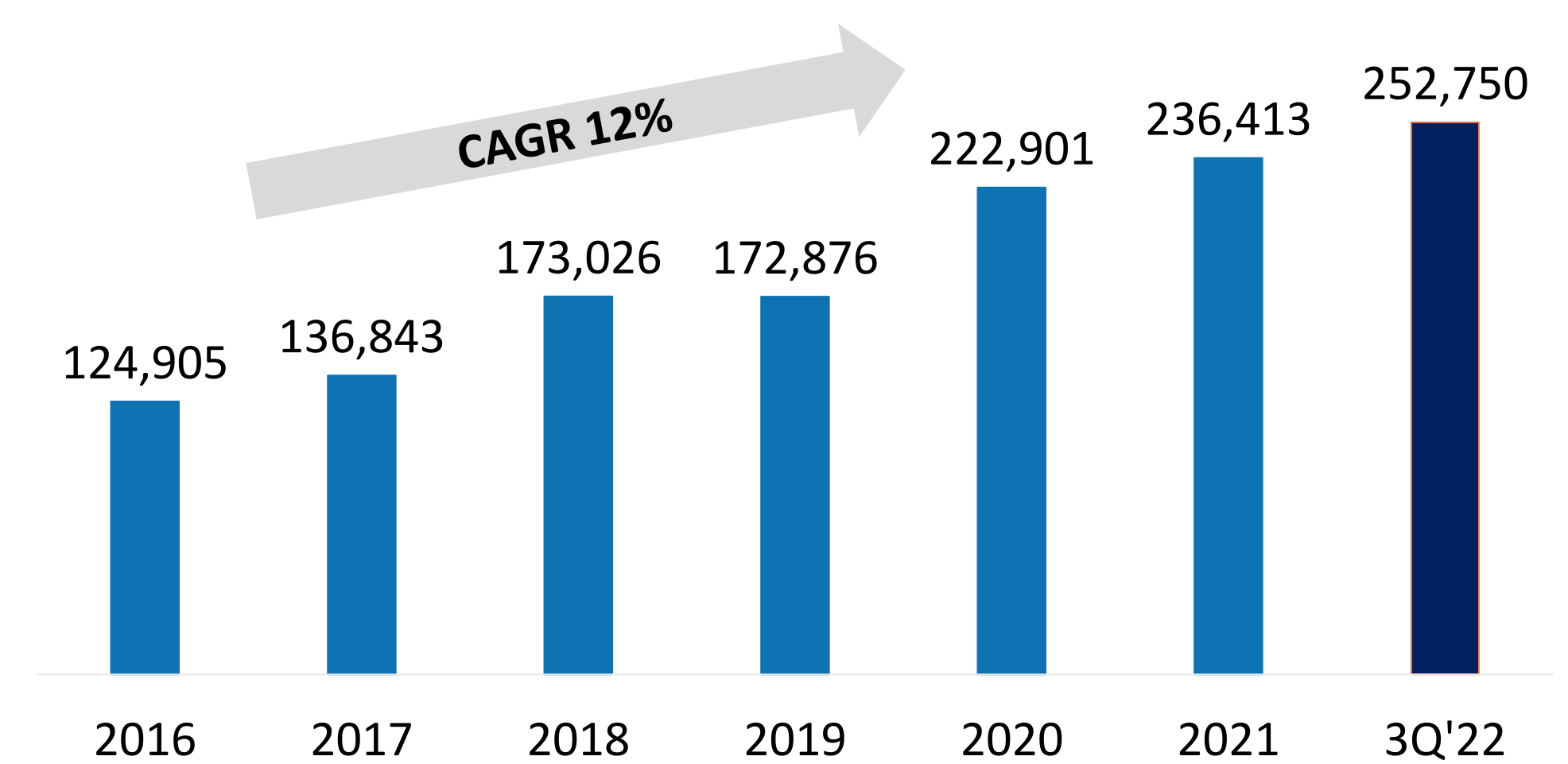
Deposits	Sep '2022	Dec '2021	Var (%)
Current	129,366	121,535	6.4%
Saving	123,384	114,878	7.4%
Term	228,467	224,292	1.9%
Total Deposits	481,217	460,705	4.5%

The Bank's deposits have continued to show growth. The Bank reported total deposits of PKR 481 billion with current account deposits of over PKR 129 billion as at period end September 30, 2022, a CA growth of 6.4% over December 2021. 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.

Deposits Growth Trend (PKR million)



Strong CASA Growth (PKR million)



Trend Analysis - Advances

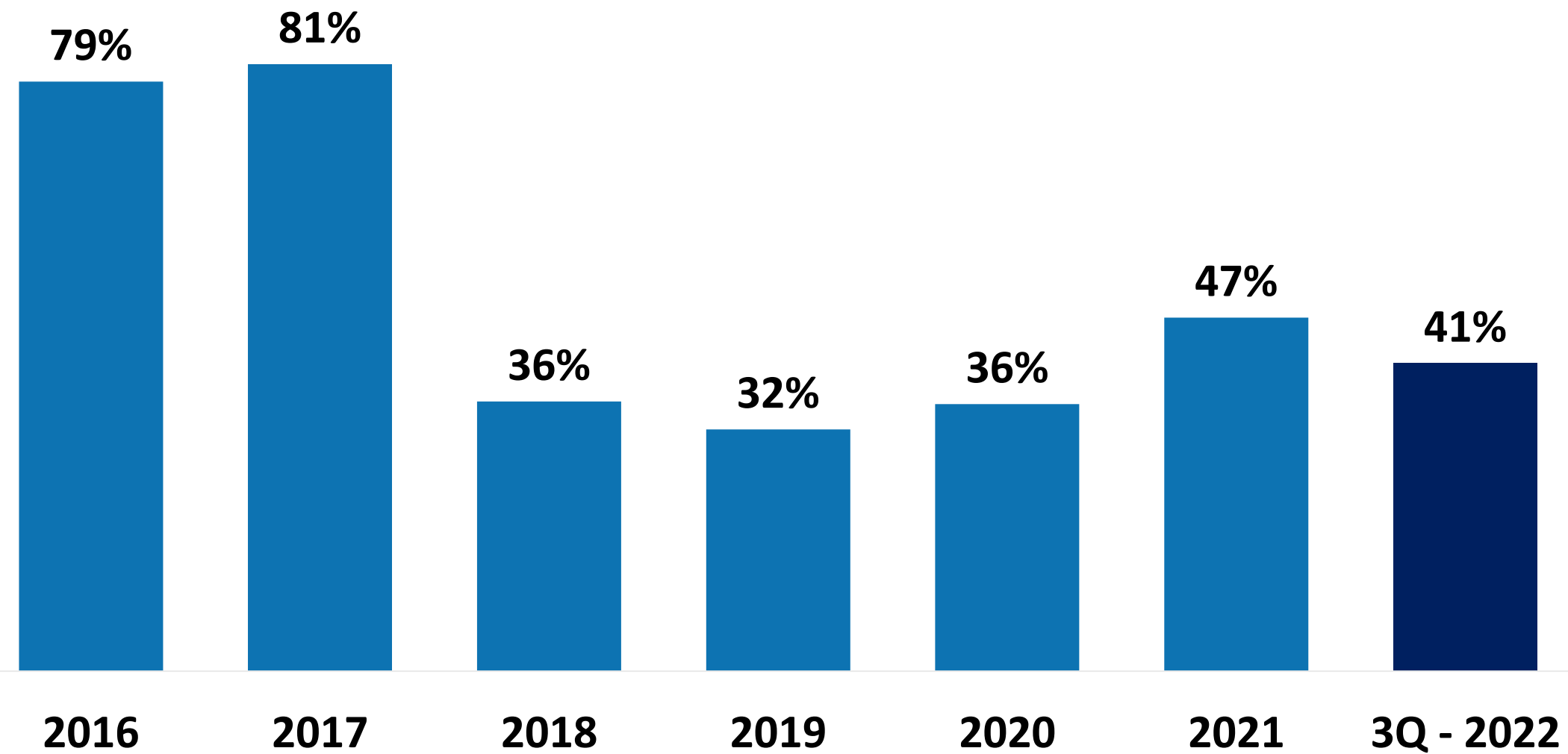
PKR Millions

Advances	Sep '2022	Dec '2021	Var (%)
Performing Advances	223,835	246,941	(9.4%)
Non-Performing Advances	16,786	13,926	20.5%
Advances - gross	240,621	260,867	(7.8%)
Provision held	(7,093)	(6,683)	6.1%
Advances - net	233,528	254,184	(8.1%)

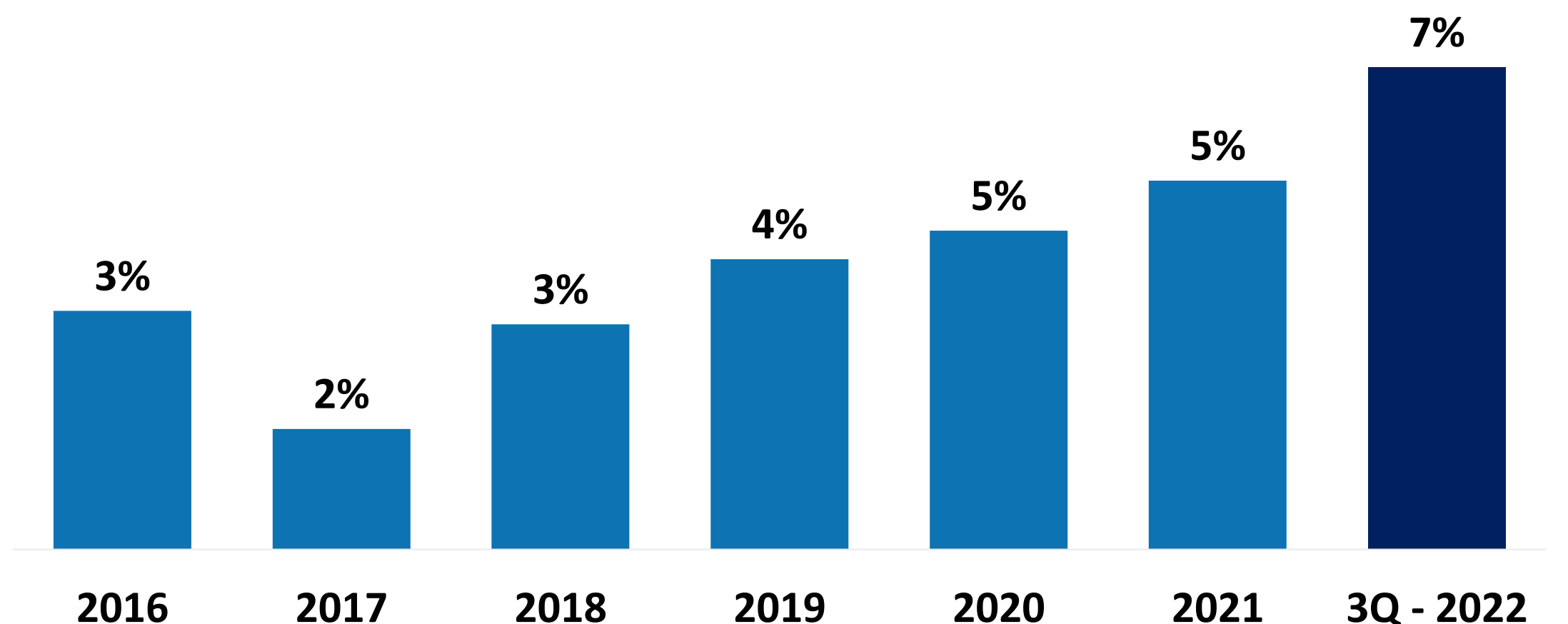
Advances:

- Total gross advances have declined to PKR 240.6 billion in September 2022 (down 7.8% vs Dec 21), which is part of bank's wider strategy to focus more on high creditworthy corporate borrowers.
- The increase in NPLs is primarily attributable to a single business group in steel & construction sector.

Coverage Ratio



NPL Ratio



Variance Analysis - Advances

PKR Millions

Particulars	Sep 2022	Dec 2021	Variance
Performing advances	223,835	246,940	(23,105)
Non-Performing advances	16,786	13,926	2,860
Advances - Gross	240,621	260,867	(20,245)
Provision against advances			
- Specific	(6,895)	(6,570)	(325)
- General	(190)	(88)	(102)
- General provision - under IFRS-9	(8)	(25)	17
Total provision	(7,093)	(6,683)	(410)
Advances - net of provision	233,528	254,184	(20,656)
Coverage ratio	41%	47%	
Infection ratio	7%	5%	

Trend Analysis - Investments

PKR Millions

Investments	Sep '2022	Dec '2021	Variance	Variance (%)
GoP (Tbills & PIBs)	272,139	218,940	53,199	24%
Equity (including subsidiaries & associates)	4,600	4,017	583	15%
Others (Euro Bonds)	5,484	6,430	(946)	(15%)
	282,223	229,387	52,836	23.0%

The duration of the GoP investments is kept low and major repricing/maturities occur till February 2023. The MTM has changed marginally within 2022 due to successive interest rate hikes despite keeping an ideally low duration portfolio.

Revaluation Surplus	Sep '2022	Dec '2021	Variance	Variance (%)
GoP	(728)	(370)	(358)	96.8%
Equity	2,278	2,284	(6)	(.3%)
Others (Euro Bonds)	(1,084)	(35)	(1,049)	2997.1%
	466	1,879	(1,413)	(75.2%)

Total Investments	282,689	231,266	51,423
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IDR	59%	50%	9%
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Variance Analysis - Investments

Particulars	Sep 2022	Dec 2021	Variance
Held-for-trading securities (HFT)			
Federal Government Securities	9	1,109	↓ (1,101)
Available-for-sale securities (AFS)			
Federal Government Securities	173,108	159,686	↑ 13,422
Shares	2,331	1,945	↑ 386
Non Government Debt Securities	2,198	2,939	↓ (740)
Foreign Securities	3,093	1,845	↑ 1,248
Open End Mutual Funds	1,000	2,175	↓ (1,175)
Total AFS	181,730	168,590	↑ 13,140
Held-to-maturity securities			
Federal Government Securities:	99,022	58,144	↑ 40,878
Associates	242	242	↑ -
Subsidiaries	1,919	1,919	↑ -
	282,922	230,004	↑ 52,918
Provision on diminuation	(699)	(617)	↓ (82)
Surplus on revaluation	466	1,879	↓ (1,413)
Total Investment	282,689	231,266	↑ 51,423

Financial Statements – Review

For the period ended September 30, 2022

Financial Highlights – 9M'22

FINANCIAL PERFORMANCE	9M' 22	9M' 21	Change
Net Interest Income	10,535	9,055	16.3%
Non Interest Income	4,326	3,721	16.3%
Total Income	14,861	12,776	16.3%
Administrative Expenses	12,416	9,826	26.4%
Profit before Provisions	2,445	2,950	(17.1%)
Provisions	636	1,256	(49.4%)
Profit before tax	1,809	1,694	6.8%
Taxation	988	688	43.6%
Profit After tax	821	1,006	(18.4%)

Key Notes

Net Interest Income

The Bank's net interest income increased by 16% YoY to PKR 10,535 million. Net interest margins increased to 1.86% in 9M2022 as compared to 1.81% in the same period last year. The same remained muted due to interest suspension and lagged impact of asset repricing.

Non-Interest Income

Bank's non-markup income witnessed growth by 16.26% YoY to PKR 4,326 million during the period.

Administrative Expenses

Administrative expenses increased by 26% primarily owing to inflationary impact as well as PKR 1.1 billion higher expenditure related to the launch of bank's digital brand 'Zindigi'.

Profit

Bank continued its journey of gradual improvement as profit before tax is recorded at PKR 1,809 million for the nine months ended September 30, 2022 (up 6.8% YoY). The higher profitability emanated from improvement in core income.

Upward revision in tax rates in the current fiscal year resulted in 43.6% higher taxation expense, thereby causing bank's profit after tax to decline by 18% YoY to PKR 821 million.

Financial Highlights – 9M'22

Non Funded Income	9M' 22	9M' 21	Change
Fee and commission	2,341	2,413	(3.0%)
Dividend Income	113	428	(73.6%)
Foreign exchange income	1,917	841	127.9%
Income from derivatives	(57)	24	(337.5%)
Gain on securities - net	-	13	(100.0%)
Other income	12	2	500.0%
Total non mark-up income	4,326	3,721	16.3%

Provisions and write offs	9M' 22	9M' 21	Change
Reversals / provisions diminution in value of investments	(37)	(282)	(86.9%)
Provisions against advances - specific and general	648	1,530	(57.6%)
(Reversals) / provisions under IFRS-9 - general	22	(13)	(269.2%)
Other provisions	3	22	(86.4%)
Total Provisions	636	1,257	(49.4%)

Operating Expenses	9M' 22	9M' 21	Change
Compensation expense	5,109	4,527	12.9%
Property expense	1,895	1,543	22.8%
Information technology expenses	1,410	1,051	34.2%
Marketing expenses	850	290	193.1%
Other operating expenses	3,030	2,379	27.4%
Total Operating Expenses	12,294	9,790	25.6%

Key ratios	Sep-22	Dec-21	Change
Capital Adequacy Ratio (CAR)	13.80%	13.77%	0.03%
Cost to income Ratio	83.55%	75.23%	8.32%
Coverage Ratio	41.08%	47.18%	-6.10%
BV or NAV Per Share (PKR)	17.10	16.98	0.12
Market Price per share (PKR)	3.95	4.82	(0.87)
Price to Book Ratio	23.00%	28.00%	-5.00%

Questions & Answers

Thank You