



Rating Action

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PACRA MAINTAINS RATINGS OF JS BANK LIMITED

The Pakistan Credit Rating Agency (PACRA) has maintained the long-term and short-term entity ratings of JS Bank Limited at “A” (Single A) and “A1” (A One), respectively. These ratings denote low expectation of credit risk emanating from a strong capacity for timely payment of financial commitments.

The ratings reflect JSBL’s association with a diversified business group – the JS Group. The ratings also take into account the expanding outreach of the bank, supplemented by the requisite technology infrastructure, which is expected to aid envisaged growth. Although the bank enjoys relatively better positioning amongst peers (small sized banks), it has yet to convert its edge into profitable operations.

The ratings have been assigned a negative outlook and are critically dependent upon timely augmentation of the bank’s capital, thus, ensuring compliance with regulatory requirements. Meanwhile, translation of branch expansion and increased balance sheet footing into profitability to arrest capital erosion would be important. At the same time, maintaining good asset quality, improving the bank’s franchise, and a stable management team remain critical.

About the bank: JSBL, incorporated in March 2006 after the merger of American Express Bank Limited’s (AEBL) Pakistan branches and Jahangir Siddiqui Investment Bank Limited, commenced operations on December 30, 2006. It operates through a network of 101 branches in 49 cities, with its Head Office in Karachi. JSBL is a subsidiary (64%) of Jahangir Siddiqui & Co. Limited (JSCL).

Mr. Jahangir Siddiqui, JS group’s founder, chairs the bank’s seven-member BoD (excluding the CEO). Mr. Naveed Qazi, the CEO, has over two decades of banking experience. The bank assembled an experienced top management team initially, which has seen changes recently.

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