

1 CAPITAL ASSESSMENT AND ADEQUACY

1.1 Scope of Application

SBP Capital Adequacy Frameworks (Basel II and III) are applicable to JS Bank Limited on Standalone basis as well as on Consolidated basis by consolidating its partly owned subsidiaries - JS Global Capital Limited and JS Investments Limited. Standardised Approach is used for calculating the Capital Adequacy for Credit and Market risk, whereas, Basic Indicator Approach (BIA) is used for Operational Risk Capital Adequacy purposes.

1.2 Capital Structure- Basel III

Bank's regulatory capital is analyzed into two tiers:

Tier I capital (going concern capital) Which comprises of:

- a. Common equity Tier I which includes fully issued, subscribed and paid up capital, balance in share premium account, reserve for bonus issue, general reserves as per the financial statements and net un-appropriated profits etc. after deductions of investments in equity of subsidiary companies engaged in banking and financial activities, goodwill & other intangible assets and deficit on revaluation of available for sale investments due to insufficiency of Additional Tier I and Tier II to cover deductions.
- b. Additional Tier I which includes Instruments issued in the form of perpetual non-cumulative preference shares by the banks, share premium resulting from the issuance of the instruments after deduction of goodwill & other intangible assets, deficit on revaluation of available for sale investments and deferred tax assets.

Tier II capital (going concern or supplementary capital), which includes general provision for loan losses (up to maximum of 1.25% of risk weighted assets), reserve on the revaluation of fixed assets, equity investments and foreign exchange translation reserve and subordinated debt.

1.3 Capital Adequacy

Capital Management

The primary objective of the Bank's capital management is to ensure that the Bank complies with all regulatory capital requirements and at the same time maintains strong credit ratings and healthy capital ratios in order to support its business and to maximize shareholders' value.

Statutory Minimum Capital Requirement (MCR) and Capital Adequacy Ratio (CAR)

The State Bank of Pakistan (SBP) through its BSD Circular no. 7 dated April 15, 2009 require Banks / Development Finance Institutions (DFIs) to raise and maintain their paid up capital (net of losses) equivalent to Rs.10 billion. The paid-up capital (free of losses) of the Bank as at December 31, 2020 stood at Rs.10.119 billion. In addition banks are also required to maintain a minimum Capital Adequacy Ratio (CAR) of 11.5% of their risk weighted exposure. The Bank's CAR as at December 31, 2020 was approximately 12.77% of its risk weighted assets.

Basel III transition

The Basel III instructions issued by SBP has been adopted by the banks as per the phase-in arrangements prescribed by SBP, starting from December 31, 2013, with full implementation of capital ratios by the year-end 2019. During the transition period banks shall maintain the required capital ratios in following manner:

Phase-in Arrangement and Full implementation of the minimum capital requirements

Sr	Ratio	Year End							As of Dec 31
		2013	2014	2015	2016	2017	2018	2019	2020
1	CET1	5.0%	5.5%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%
2	ADT-1	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%
3	Tier 1	6.5%	7.0%	7.5%	7.5%	7.5%	7.5%	7.5%	7.5%
4	Total Capital	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%
5	CCB (Consisting of CETI only)	-	-	0.25%	0.65%	1.275%	1.90%	2.5%	1.5%
6	Total Capital plus CCB	10.0%	10.0%	10.25%	10.65%	11.275%	11.90%	12.5%	11.5%

Note 1.4 Capital Adequacy Ratio (CAR) disclosure:

JS BANK STANDALONE CAPITAL ADEQUACY RETURN AS OF DECEMBER 31, 2018

		2020	2019
		Rupees in '000	Rupees in '000
		Amount	Amount
Common Equity Tier 1 capital (CET1): Instruments and reserves			
1	Fully Paid-up Capital/ Capital deposited with SBP	12,974,643	12,974,643
2	Balance in Share Premium Account	-	-
3	Reserve for issue of Bonus Shares	-	-
4	Discount on Issue of shares	(2,855,401)	(2,855,401)
5	General/ Statutory Reserves	1,991,170	1,749,673
6	Gain/(Losses) on derivatives held as Cash Flow Hedge	-	-
7	Unappropriated/unremitted profits/ (losses)	6,147,673	4,827,640
8	Minority Interests arising from CET1 capital instruments issued to third parties by consolidated bank subsidiaries (amount allowed in CET1 capital of the consolidation group)	-	-
9	CET 1 before Regulatory Adjustments	18,258,085	16,696,555
10	Total regulatory adjustments applied to CET1 (Note 1.4.1)	2,030,573	2,076,949
11	Common Equity Tier 1	16,227,512	14,619,606
Additional Tier 1 (AT 1) Capital			
12	Qualifying Additional Tier-1 capital instruments plus any related share premium		
13	of which: Classified as equity	2,500,000	2,500,000
14	of which: Classified as liabilities		
15	Additional Tier-1 capital instruments issued to third parties by consolidated subsidiaries (amount allowed in group AT 1)	-	-
16	of which: instrument issued by subsidiaries subject to phase out		
17	AT1 before regulatory adjustments	2,500,000	2,500,000
18	Total regulatory adjustment applied to AT1 capital (Note 1.4.2)	248,650	-
19	Additional Tier 1 capital after regulatory adjustments	2,251,350	2,500,000
20	Additional Tier 1 capital recognized for capital adequacy	2,251,350	2,500,000
21	Tier 1 Capital (CET1 + admissible AT1) (11+20)	18,478,861	17,119,606
Tier 2 Capital			
22	Qualifying Tier 2 capital instruments under Basel III plus any related share premium	2,394,960	3,593,040
23	Tier 2 capital instruments subject to phaseout arrangement issued under pre-Basel 3 rules		
24	Tier 2 capital instruments issued to third parties by consolidated subsidiaries (amount allowed in group tier 2)	-	-
25	of which: instruments issued by subsidiaries subject to phase out		
26	General provisions or general reserves for loan losses-up to maximum of 1.25% of Credit Risk Weighted Assets	23,001	169,792
27	Revaluation Reserves (net of taxes)		
28	of which: Revaluation reserves on fixed assets	951,782	1,060,693
29	of which: Unrealized gains/losses on AFS	1,251,258	(516,770)
30	Foreign Exchange Translation Reserves		
31	Undisclosed/Other Reserves (if any)		
32	T2 before regulatory adjustments	4,621,001	4,306,756
33	Total regulatory adjustment applied to T2 capital (Note 1.4.3)	-	-
34	Tier 2 capital (T2) after regulatory adjustments	4,621,001	4,306,756
35	Tier 2 capital recognized for capital adequacy	4,621,001	4,306,756
36	Portion of Additional Tier 1 capital recognized in Tier 2 capital	-	-
37	Total Tier 2 capital admissible for capital adequacy	4,621,001	4,306,756
38	TOTAL CAPITAL (T1 + admissible T2) (21+37)	23,099,862	21,426,362
39	Total Risk Weighted Assets (RWA) {for details refer Note 1.7}	180,888,587	165,773,684
Capital Ratios and buffers (in percentage of risk weighted assets)			
40	CET1 to total RWA	8.97%	8.82%
41	Tier-1 capital to total RWA	10.22%	10.33%
42	Total capital to total RWA	12.77%	12.93%
43	Bank specific buffer requirement (minimum CET1 requirement plus capital conservation buffer plus any other buffer requirement)	7.50%	8.50%
44	of which: capital conservation buffer requirement	1.50%	2.50%
45	of which: countercyclical buffer requirement	0.00%	0.00%
46	of which: D-SIB or G-SIB buffer requirement	0.00%	0.00%
47	CET1 available to meet buffers (as a percentage of risk weighted assets)	8.97%	8.82%
National minimum capital requirements prescribed by SBP			
48	CET1 minimum ratio (Inclusive of CCB)	7.50%	8.50%
49	Tier 1 minimum ratio (Inclusive of CCB)	9.00%	10.00%
50	Total capital minimum ratio	11.50%	12.50%

Regulatory Adjustments and Additional Information		2020		2019
		Rupees in '000		Rupees in '000
		Amount	Amounts subject to Pre-Base I treatment*	Amount
Note 1.4.1	Common Equity Tier 1 capital: Regulatory adjustments			
1	Goodwill (net of related deferred tax liability)	951,357		951,357
2	All other intangibles (net of any associated deferred tax liability)	809,789		709,991
3	Shortfall in provisions against classified assets	-		-
4	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	-		-
5	Defined-benefit pension fund net assets	-		-
6	Reciprocal cross holdings in CET1 capital instruments of banking, financial and insurance entities	-		-
7	Cash flow hedge reserve	-		-
8	Investment in own shares/ CET1 instruments	-		-
9	Securitization gain on sale	-		-
10	Capital shortfall of regulated subsidiaries	-		-
11	Deficit on account of revaluation from bank's holdings of fixed assets/ AFS	-		-
12	Investments in the capital instruments of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued share capital (amount above 10% threshold)	-		-
13	Significant investments in the common stocks of banking, financial and insurance entities that are outside the scope of regulatory consolidation (amount above 10% threshold)	269,427	269,427	415,600
14	Deferred Tax Assets arising from temporary differences (amount above 10% threshold, net of related tax liability)	-		-
15	Amount exceeding 15% threshold	-		-
16	of which: significant investments in the common stocks of financial entities	-		-
17	of which: deferred tax assets arising from temporary differences	-		-
18	National specific regulatory adjustments applied to CET1 capital	-		-
19	Investments in TFCs of other banks exceeding the prescribed limit	-		-
20	Any other deduction specified by SBP (mention details)	-		-
21	Adjustment to CET1 due to insufficient AT1 and Tier 2 to cover deductions	-		-
22	Total regulatory adjustments applied to CET1 (sum of 1 to 21)	2,030,573		2,076,949
Note 1.4.2	Additional Tier-1 & Tier-1 Capital: regulatory adjustments			
23	Investment in mutual funds exceeding the prescribed limit [SBP specific adjustment]	-		-
24	Investment in own AT1 capital instruments	-		-
25	Reciprocal cross holdings in Additional Tier 1 capital instruments of banking, financial and insurance entities	248,650		-
26	Investments in the capital instruments of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued share capital (amount above 10% threshold)	-		-
27	Significant investments in the capital instruments of banking, financial and insurance entities that are outside the scope of regulatory consolidation	-		-
28	Portion of deduction applied 50:50 to Tier-1 and Tier-2 capital based on pre-Base I treatment which, during transitional period, remain subject to deduction from additional tier-1 capital	-		-
29	Adjustments to Additional Tier 1 due to insufficient Tier 2 to cover deductions	-		-
30	Total regulatory adjustment applied to AT1 capital (sum of 23 to 29)	248,650		-
Note 1.4.3	Tier 2 Capital: regulatory adjustments			
31	Portion of deduction applied 50:50 to Tier-1 and Tier-2 capital based on pre-Base I treatment which, during transitional period, remain subject to deduction from tier-2 capital	-		-
32	Reciprocal cross holdings in Tier 2 instruments of banking, financial and insurance entities	-		-
33	Investment in own Tier 2 capital instrument	-		-
34	Investments in the capital instruments of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued share capital (amount above 10% threshold)	-		-
35	Significant investments in the capital instruments issued by banking, financial and insurance entities that are outside the scope of regulatory consolidation	-		-
36	Total regulatory adjustment applied to T2 capital (sum of 31 to 35)	-		-

Note 1.4.4	Additional Information	2020 Rupees in '000		2019 Rupees in '000
		Amount		Amount
	Risk Weighted Assets subject to pre-BaseI III treatment			
37	Risk weighted assets in respect of deduction items (which during the transitional period will be risk weighted subject to Pre-BaseI III Treatment)			
(i)	of which: deferred tax assets	-		-
(ii)	of which: Defined-benefit pension fund net assets	-		-
(iii)	of which: Recognized portion of investment in capital of banking, financial and insurance entities where holding is less than 10% of the issued common share capital of the entity	-		-
(iv)	of which: Recognized portion of investment in capital of banking, financial and insurance entities where holding is more than 10% of the issued common share capital of the entity	-		-
	Amounts below the thresholds for deduction (before risk weighting)			
38	Non-significant investments in the capital of other financial entities	-		-
39	Significant investments in the common stock of financial entities	-		-
40	Deferred tax assets arising from temporary differences (net of related tax liability)	-		-
	Applicable caps on the inclusion of provisions in Tier 2			
41	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to standardized approach (prior to application of cap)	23,001		169,792
42	Cap on inclusion of provisions in Tier 2 under standardized approach	1,947,024		1,804,758
43	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to internal ratings-based approach (prior to application of cap)	-		-
44	Cap for inclusion of provisions in Tier 2 under internal ratings-based approach	-		-

1.5 Capital Structure Reconciliation

Step : 1

	As Per Balance Sheet	Under regulatory scope of consolidation
	December 31, 2020 Rupees in '000	
Assets		
Cash and balances with treasury banks	30,421,231	30,421,231
Balanced with other banks	1,105,969	1,105,969
Lending to financial institutions	23,239,672	23,239,672
Investments	201,698,473	201,698,473
Advances	250,199,166	250,199,166
Operating fixed assets	10,825,463	10,825,463
Deferred tax assets	-	-
Other assets	14,678,428	14,678,428
Total assets	532,168,402	532,168,402
Liabilities & Equity		
Bills payable	4,981,983	4,981,983
Borrowings	48,303,412	48,303,412
Deposits and other accounts	433,062,593	433,062,593
Sub-ordinated loans	7,492,800	7,492,800
Liabilities against assets subject to finance lease	-	-
Deferred tax liabilities	1,194,252	1,194,252
Other liabilities	16,541,154	16,541,154
Total liabilities	511,576,194	511,576,194
Share capital/ Head office capital account	10,119,242	10,119,242
Reserves	1,991,170	1,991,170
Unappropriated/ Unremitted profit/ (losses)	6,147,673	6,147,673
Minority Interest	-	-
Surplus on revaluation of assets	2,334,123	2,334,123
Total Equity	20,592,208	20,592,208
Total liabilities & equity	532,168,402	532,168,402

Step : 2

	As Per Balance Sheet	Under regulatory scope of consolidation	Reference
	December 31, 2020		
Assets			
Cash and balances with treasury banks	30,421,231	30,421,231	
Balances with other banks	1,105,969	1,105,969	
Lending to financial institutions	23,239,672	23,239,672	
Investments	201,698,473	201,698,473	
<i>of which: Non-significant capital investments in capital of other financial institutions exceeding 10% threshold</i>	-	-	a
<i>of which: significant capital investments in financial sector entities exceeding regulatory threshold</i>	269,427	269,427	b
<i>of which: Mutual Funds exceeding regulatory threshold</i>	-	-	c
<i>of which: reciprocal crossholding of capital instrument</i>	-	-	d
<i>of which: Investment in TFCs of other banks exceeding the prescribed limit</i>	-	-	e
Advances	250,199,166	250,199,166	
<i>shortfall in provisions/ excess of total EL amount over eligible provisions under IRB</i>	-	-	f
<i>general provisions reflected in Tier 2 capital</i>	-	-	g
Fixed Assets	10,825,463	10,825,463	
Deferred Tax Assets	-	-	
<i>of which: DTAs excluding those arising from temporary differences</i>	-	-	h
<i>of which: DTAs arising from temporary differences exceeding regulatory threshold</i>	-	-	i
Other assets	14,678,428	14,678,428	
<i>of which: Goodwill</i>	951,357	951,357	j
<i>of which: Intangibles</i>	809,789	809,789	k
<i>of which: Defined-benefit pension fund net assets</i>	-	-	l
Total assets	532,168,402	532,168,402	

	As Per Balance Sheet	Under regulatory scope of consolidation	Reference
	December 31, 2020		
	Rupees in '000		
Liabilities & Equity			
Bills payable	4,981,983	4,981,983	
Borrowings	48,303,412	48,303,412	
Deposits and other accounts	433,062,593	433,062,593	
Sub-ordinated loans	7,492,800	-	
<i>of which: eligible for inclusion in AT1</i>	2,500,000	2,500,000	m
<i>of which: eligible for inclusion in Tier 2</i>	4,992,800	4,992,800	n
Liabilities against assets subject to finance lease	-	-	
Deferred tax liabilities	1,194,252	1,194,252	
<i>of which: DTLs related to goodwill</i>	512,268	512,268	o
<i>of which: DTLs related to intangible assets</i>	-	-	p
<i>of which: DTLs related to defined pension fund net assets</i>	-	-	q
<i>of which: other deferred tax liabilities</i>	681,984	(1,706,520)	r
Other liabilities	16,541,154	16,541,154	
Total liabilities	511,576,194	504,083,394	
Share capital	10,119,242	10,119,242	
<i>of which: amount eligible for CET1</i>	10,119,242	10,119,242	s
<i>of which: amount eligible for AT1</i>	-	-	t
Reserves	1,991,170	1,991,170	
<i>of which: portion eligible for inclusion in CET1(provide breakup)</i>	1,991,170	1,991,170	u
<i>of which: portion eligible for inclusion in Tier 2</i>	-	-	v
Unappropriated profit/ (losses)	6,147,673	6,147,673	w
Minority Interest	-	-	
<i>of which: portion eligible for inclusion in CET1</i>	-	-	x
<i>of which: portion eligible for inclusion in AT1</i>	-	-	y
<i>of which: portion eligible for inclusion in Tier 2</i>	-	-	z
Surplus on revaluation of assets	2,334,123	2,334,123	
<i>of which: Revaluation reserves on Property</i>	-	-	
<i>of which: Unrealized Gains/Losses on AFS</i>	-	-	aa
<i>In case of Deficit on revaluation (deduction from CET1)</i>	-	-	ab
Total liabilities & Equity	532,168,402	524,675,602	

	Component of regulatory capital reported by bank (Rupees in '000)	Reference
Common Equity Tier 1 capital (CET1): Instruments and reserves		
Fully Paid-up Capital/ Capital deposited with SBP	12,974,643	(s)
Balance in Share Premium Account	-	
Reserve for issue of Bonus Shares	-	
Discount on issue of Shares (enter negative number)	(2,855,401)	
General/ Statutory Reserves	1,991,170	(u)
Gain/(Losses) on derivatives held as Cash Flow Hedge	-	
Unappropriated/unremitted profits/(losses)	6,147,673	(w)
Minority Interests arising from CET1 capital instruments issued to third party by consolidated bank subsidiaries (amount allowed in CET1 capital of the consolidation group)	-	(x)
	18,258,085	
CET 1 before Regulatory Adjustments		
Common Equity Tier 1 capital: Regulatory adjustments		
Goodwill (net of related deferred tax liability)	951,357	(j) - (o)
All other intangibles (net of any associated deferred tax liability)	809,789	(k) - (p)
Shortfall of provisions against classified assets	-	(f)
Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	-	{(h) - (r)} * x%
Defined-benefit pension fund net assets	-	{(l) - (q)} * x%
Reciprocal cross holdings in CET1 capital instruments	-	(d)
Cash flow hedge reserve	-	
Investment in own shares/ CET1 instruments	-	
Securitization gain on sale	-	
Capital shortfall of regulated subsidiaries	-	
Deficit on account of revaluation from bank's holdings of property/ AFS	-	(ab)
Investments in the capital instruments of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued share capital (amount above 10% threshold)	-	(a) - (ac) - (ae)
Significant investments in the capital instruments issued by banking, financial and insurance entities that are outside the scope of regulatory consolidation (amount above 10% threshold)	269,427	(b) - (ad) - (af)
Deferred Tax Assets arising from temporary differences (amount above 10% threshold, net of related tax liability)	-	(i)
Amount exceeding 15% threshold	-	
of which: significant investments in the common stocks of financial entities	-	
of which: deferred tax assets arising from temporary differences	-	
National specific regulatory adjustments applied to CET1 capital	-	
Investment in TFCs of other banks exceeding the prescribed limit	-	
Any other deduction specified by SBP (mention details)	-	
Regulatory adjustment applied to CET1 due to insufficient AT1 and Tier 2 to cover deductions	-	
Total regulatory adjustments applied to CET1 (sum of 9 to 25)	2,030,573	
Common Equity Tier 1	16,227,512	

	Component of regulatory capital reported by bank (Rupees in '000)	Reference
Additional Tier 1 (AT 1) Capital		
Qualifying Additional Tier-1 instruments plus any related share premium	2,500,000	
of which: Classified as equity	2,500,000	(t)
of which: Classified as liabilities	-	(m)
Additional Tier-1 capital instruments issued by consolidated subsidiaries and held by third parties (amount allowed in group AT 1)	-	(y)
of which: instrument issued by subsidiaries subject to phase out	-	
AT1 before regulatory adjustments	2,500,000	
Additional Tier 1 Capital: regulatory adjustments		
Investment in mutual funds exceeding the prescribed limit (SBP specific adjustment)	-	
Investment in own AT1 capital instruments	-	
Reciprocal cross holdings in Additional Tier 1 capital instruments	248,650	
Investments in the capital instruments of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued share capital (amount above 10% threshold)	-	(ac)
Significant investments in the capital instruments issued by banking, financial and insurance entities that are outside the scope of regulatory consolidation	-	(ad)
Portion of deduction applied 50:50 to core capital and supplementary capital based on pre-BaseI III treatment which, during transitional period, remain subject to deduction from tier-1 capital	-	
Regulatory adjustments applied to Additional Tier 1 due to insufficient Tier 2 to cover deductions	-	
Total of Regulatory Adjustment applied to AT1 capital	248,650	
Additional Tier 1 capital	2,251,350	
Additional Tier 1 capital recognized for capital adequacy	2,251,350	
Tier 1 Capital (CET1 + admissible AT1)	18,478,862	
Tier 2 Capital		
Qualifying Tier 2 capital instruments under Basel III	2,394,960	
Capital instruments subject to phase out arrangement from tier 2 (Pre-BaseI III instruments)	-	(n)
Tier 2 capital instruments issued to third party by consolidated subsidiaries (amount allowed in group tier 2)	-	(z)
of which: instruments issued by subsidiaries subject to phase out	-	
General Provisions or general reserves for loan losses-up to maximum of 1.25% of Credit Risk Weighted Assets	23,001	(g)
Revaluation Reserves eligible for Tier 2	2,203,040	
of which: portion pertaining to Property	951,782	
of which: portion pertaining to AFS securities	1,251,258	portion of (aa)
Foreign Exchange Translation Reserves	-	(v)
Undisclosed/Other Reserves (if any)	-	
T2 before regulatory adjustments	4,621,001	

	Component of regulatory capital reported by bank (Rupees in '000)	Reference
Tier 2 Capital: regulatory adjustments		
Portion of deduction applied 50:50 to core capital and supplementary capital based on pre-Basel III treatment which, during transitional period, remain subject to deduction from tier-2 capital	-	
Reciprocal cross holdings in Tier 2 instruments	-	
Investment in own Tier 2 capital instrument	-	
Investments in the capital instruments of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued share capital (amount above 10% threshold)	-	(ae)
Significant investments in the capital instruments issued by banking, financial and insurance entities that are outside the scope of regulatory consolidation	-	(af)
Amount of Regulatory Adjustment applied to T2 capital	-	
Tier 2 capital (T2)	-	
Tier 2 capital recognized for capital adequacy	4,621,001	
Excess Additional Tier 1 capital recognized in Tier 2 capital	-	
Total Tier 2 capital admissible for capital adequacy	4,621,001	
TOTAL CAPITAL (T1 + admissible T2)	23,099,863	

1.6 Main Features of Regulatory Capital Instruments

	Main Features	Common Shares	Sub-debt	Sub-debt	Sub-debt
1	Issuer	JS Bank	JS Bank	JS Bank	JS Bank
2	Unique identifier (eg KSE Symbol or Bloomberg identifier etc.)	JSB	JSB	JSB	JSB
3	Governing law(s) of the instrument	SECP	SECP	SECP	SECP
	Regulatory treatment				
4	Transitional Basel III rules	Common Equity Tier-1	Tier-2	Tier-2	Additional Tier-1
5	Post-transitional Basel III rules	Common Equity Tier-1	Tier-2	Tier-2	Additional Tier-1
6	Eligible at solo/ group/ group&solo	Solo and Group	Solo and Group	Solo and Group	Solo and Group
7	Instrument type	Ordinary Shares	Subordinated Debt	Subordinated Debt	Subordinated Debt
8	Amount recognized in regulatory capital (Currency in PKR thousands, as of reporting date)	10,119,242	3,000,000	2,000,000	2,500,000
9	Par value of instrument	10	5000	100,000	100,000
10	Accounting classification	Shareholders Equity	Liability	Liability	Liability
11	Original date of issuance	2006	14-Dec-16	29-Dec-17	31-Dec-18
12	Perpetual or dated	No Maturity	Dated	Dated	Perpetual
13	Original maturity date	NA	14-Dec-23	14-Dec-24	NA
14	Issuer call subject to prior supervisory approval	No	Yes	Yes	Yes
15	Optional call date, contingent call dates and redemption amount	NA	On or after 10th redemption, on any profit date, partially or fully	On or after 10th redemption, on any profit date, partially or fully	On any profit payment date after 5 years from issue date, partially or fully
16	Subsequent call dates, if applicable	NA	NA	NA	NA
	Coupons / dividends				
17	Fixed or floating dividend/ coupon	NA	Floating	Floating	Floating
18	coupon rate and any related index/ benchmark	NA	Floating at 6 Months KIBOR*(Base Rate) plus 140 basis points per annum without any floor or CAP	Floating at 6 Months KIBOR*(Base Rate) plus 140 basis points per annum without any floor or CAP	Floating at 6 Months KIBOR*(Base Rate) plus 225 basis points semi annually without any floor or CAP
19	Existence of a dividend stopper	NA	NA	NA	Yes, the issuer will not make any dividend payments on equity/common shares in the event of non-payment of mark-up on TFCs
20	Fully discretionary, partially discretionary or mandatory	NA	Fully discretionary	Fully discretionary	Fully discretionary
21	Existence of step up or other incentive to redeem	NA	NA	NA	NA
22	Noncumulative or cumulative	NA	Cumulative	Cumulative	Noncumulative
23	Convertible or non-convertible	NA	Convertible	Convertible	Convertible
24	If convertible, conversion trigger (s)	NA	At the option of supervisor it can be converted into common equity upon occurrence of certain trigger events , called point of non viability(PONV). The PONV is the earlier of; 1. A decision made by SBP that a conversion or temporary/ permanent write off is necessary without which the bank would become non viable. 2. the decision to make a public sector injection of capital, or equivalent support, without which the bank would have become non viable, as determined by SBP.	At the option of supervisor it can be converted into common equity upon occurrence of certain trigger events , called point of non viability(PONV). The PONV is the earlier of; 1. A decision made by SBP that a conversion or temporary/ permanent write off is necessary without which the bank would become non viable. 2. the decision to make a public sector injection of capital, or equivalent support, without which the bank would have become non viable, as determined by SBP.	At the option of supervisor it can be converted into common equity upon occurrence of certain trigger events , called point of non viability(PONV). The PONV is the earlier of; 1. A decision made by SBP that a conversion or temporary/ permanent write off is necessary without which the bank would become non viable. 2. the decision to make a public sector injection of capital, or equivalent support, without which the bank would have become non viable, as determined by SBP.
25	If convertible, fully or partially	NA	May convert fully or partially	May convert fully or partially	May convert fully or partially
26	If convertible, conversion rate	NA	To be determined in the case of trigger event	To be determined in the case of trigger event	To be determined in the case of trigger event
27	If convertible, mandatory or optional conversion	NA	Optional	Optional	Optional
28	If convertible, specify instrument type convertible into	NA	Ordinary Shares	Ordinary Shares	Ordinary Shares
29	If convertible, specify issuer of instrument it converts into	NA	NA	NA	NA
30	Write-down feature	NA	Yes	Yes	Yes
31	If write-down, write-down trigger(s)	NA	At the option of supervisor it can be converted into common equity upon occurrence of certain trigger events , called point of non viability(PONV). The PONV is the earlier of; 1. A decision made by SBP that a conversion or temporary/ permanent write off is necessary without which the bank would become non viable. 2. the decision to make a public sector injection of capital, or equivalent support, without which the bank would have become non viable, as determined by SBP.	At the option of supervisor it can be converted into common equity upon occurrence of certain trigger events , called point of non viability(PONV). The PONV is the earlier of; 1. A decision made by SBP that a conversion or temporary/ permanent write off is necessary without which the bank would become non viable. 2. the decision to make a public sector injection of capital, or equivalent support, without which the bank would have become non viable, as determined by SBP.	At the option of supervisor it can be converted into common equity upon occurrence of certain trigger events , called point of non viability(PONV). The PONV is the earlier of; 1. A decision made by SBP that a conversion or temporary/ permanent write off is necessary without which the bank would become non viable. 2. the decision to make a public sector injection of capital, or equivalent support, without which the bank would have become non viable, as determined by SBP.
32	If write-down, full or partial	NA	Either partially or fully	Either partially or fully	Either partially or fully
33	If write-down, permanent or temporary	NA	Permanent	Permanent	Permanent
34	If temporary write-down, description of write-up mechanism	NA	NA	NA	NA
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument	NA	Deposits	Deposits	Deposits
36	Non-compliant transitioned features	NA	No	No	No
37	If yes, specify non-compliant features	NA	NA	NA	NA

1.7 Capital Adequacy

	Capital Requirements		Risk Weighted Assets		
	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019	
Rupees in '000					
Credit Risk					
On balance sheet					
Corporate	7,158,874	8,167,005	62,251,081	65,336,036	
Retail	4,761,134	4,348,748	41,401,166	34,789,983	
Banks and DFIs	214,317	149,035	1,863,625	1,192,279	
Public sector entity	5,550	13,797	48,259	110,378	
Sovereign (include GoP and SBP)	434,451	-	3,777,835	-	
Residential mortgage finance	408,373	475,341	3,551,067	3,802,729	
Past due loans	1,106,419	1,198,916	9,621,036	9,591,325	
Fixed assets	983,486	1,270,556	8,552,050	10,164,445	
Other assets	433,610	285,490	3,770,526	2,283,921	
	15,506,214	15,908,887	134,836,645	127,271,096	
Off balance sheet					
Non market related	1,325,605	1,063,226	11,526,998	8,505,809	
Market related	47,014	132,679	408,814	1,061,429	
	1,372,618	1,195,905	11,935,812	9,567,238	
Equity Exposure Risk in the Banking Book					
Listed	984,931	897,346	8,564,619	7,178,771	
Unlisted	48,853	45,446	424,810	363,568	
	1,033,784	942,792	8,989,429	7,542,339	
Total Credit Risk	17,912,617	18,047,584	155,761,886	144,380,673	
Market Risk					
Interest rate risk	45,025	108,600	391,522	868,801	
Equity position risk etc.	-	-	-	-	
Foreign exchange risk	86,647	6,995	753,451	55,961	
Total Market Risk	131,672	115,595	1,144,973	924,762	
Operational Risk					
<u>Capital Requirement for operational risks</u>	2,757,899	2,558,531	23,981,730	20,468,251	
TOTAL	20,802,188	20,721,711	180,888,589	165,773,686	
Capital Adequacy Ratio					
Total eligible common equity tier 1 capital held	(e)	16,227,512		14,619,607	
Total eligible tier 1 capital held	(f)	18,478,862		17,119,607	
Total eligible regulatory capital held	(e)	23,099,863		21,426,363	
Total Risk Weighted Assets	(i)	180,888,589		165,773,686	
		Required	Actual	Required	Actual
CET1 to total RWA		7.50%	8.97%	8.50%	8.82%
Tier-1 capital to total RWA		9.00%	10.22%	10.00%	10.33%
Total capital to total RWA		11.50%	12.77%	12.50%	12.93%

1.8 Leverage Ratio

Total eligible tier 1 capital held	18,478,862	17,119,607
Total Exposure	605,685,437	501,440,747
Leverage Ratio	3.05%	3.41%

1.1.2.1 Credit exposures and comparative figures subject to the standardised approach

Exposures	Rating category No.	Rating risk weighted	2020		Risk weighted asset	
			Amount outstanding	Deduction CRM		
			Net amount			
----- Rupees in '000 -----						
Cash and Cash Equivalents		0%	7,638,592	-	7,638,592	-
Corporate	0	0%	-	-	-	-
	1	20%	5,459,135	(694,800)	6,153,935	1,230,787
	2	50%	47,058,910	9,634,581	37,424,329	18,712,165
	3,4	100%	5,531,561	737,721	4,793,840	4,793,840
	5,6	150%	-	-	-	-
	Unrated	100%	52,381,672	19,276,059	33,105,613	33,105,613
	Unrated-2	125%	5,410,925	1,883,985	3,526,941	4,408,676
			115,842,203	30,837,546	85,004,658	62,251,081
Retail		0%	-	-	-	-
		20%	-	-	-	-
		50%	-	-	-	-
		75%	70,564,116	15,362,561	55,201,555	41,401,166
			70,564,116	15,362,561	55,201,555	41,401,166
Banks						
- Over 3 Months		0%	-	-	-	-
	1	20%	3,922,020	2,629,551	1,292,468	258,494
	2,3	50%	454,167	10,226	443,941	221,970
	4,5	100%	187,867	795	187,072	187,072
	6	150%	-	-	-	-
	Unrated	50%	367,592	-	367,592	183,796
			4,931,646	2,640,572	2,291,073	851,332
- Maturity Upto and under 3 Months in FCY	1,2,3	0%	-	-	-	-
	4,5	20%	3,203,735	(1,169)	3,204,904	640,981
	6	50%	243,460	-	243,460	121,730
	unrated	150%	6,087	-	6,087	9,131
		20%	332,233	-	332,233	66,447
			3,785,515	(1,169)	3,786,684	838,289
- Maturity Upto and under 3 Months in PKR		0%	-	-	-	-
- Maturity Upto and under 3 Months in PKR		20%	870,019	-	870,019	174,004
			870,019	-	870,019	174,004
Residential Mortgage Finance		35%	10,145,907	-	10,145,907	3,551,067
Public Sector Entity						
		0%	-	-	-	-
	1	20%	72,986	-	72,986	14,597
	2,3	50%	-	-	-	-
	4,5	100%	-	-	-	-
	6	150%	-	-	-	-
	Unrated	50%	53,005,651	52,938,326	67,325	33,662
			53,078,637	-	140,311	48,259
Sovereigns (SBP / GoP)		0%	190,061,450	-	189,907,098	3,777,835
Equity Investments - Listed		100%	4,440,384	-	4,440,384	4,440,384
- Unlisted		150%	283,206	-	283,206	424,810
Significant Investment and DTA		250%	1,649,694	-	1,649,694	4,124,235
			6,373,284	-	6,373,284	8,989,429
Past Due Loans (Not Secured by Residential Mortgages)	S.P less than 20%	150%	4,310,924	-	4,310,924	6,466,386
	S.P between 20% to 50%	100%	2,194,743	-	2,194,743	2,194,743
	S.P greater than 50%	50%	102,235	-	102,235	51,117
Past Due Loans (Secured by Residential)	S.P less than 20%	100%	873,760	-	873,760	873,760
	S.P greater than 50%	50%	70,058	-	70,058	35,029
			7,551,720	-	7,551,720	9,621,036
Investment in fixed assets		100%	8,552,050	-	8,552,050	8,552,050
Other assets		100%	3,770,526	-	3,770,526	3,770,526
Total			483,165,665	48,839,510	381,233,477	143,826,073

* Credit Risk Mitigation (CRM)

143,826,072

1.1.2.1 Credit exposures and comparative figures subject to the standardised approach

Exposures	Rating category No.	Rating risk weighted	2019			
			Amount outstanding	Deduction CRM	Net amount	Risk weighted asset
			----- Rupees in '000 -----			
Cash and Cash Equivalents		0%	6,612,567	-	6,612,567	-
Corporate	0	0%	-	-	-	-
	1	20%	9,585,670	1,323,253	8,262,417	1,652,483
	2	50%	40,136,319	3,101,371	37,034,948	18,517,474
	3,4	100%	6,783,858	2,303,451	4,480,407	4,480,407
	5,6	150%	-	-	-	-
	Unrated	100%	54,722,815	18,097,161	36,625,654	36,625,654
	Unrated-2	125%	5,942,549	2,694,535	3,248,014	4,060,018
			117,171,211	27,519,771	89,651,440	65,336,036
Retail		0%	-	-	-	-
		20%	-	-	-	-
		50%	-	-	-	-
		75%	58,510,593	12,123,950	46,386,643	34,789,983
			58,510,593	12,123,950	46,386,643	34,789,983
Banks						
- Over 3 Months		0%	-	-	-	-
	1	20%	1,848,087	-	1,848,087	369,617
	2,3	50%	429,279	42,921	386,358	193,179
	4,5	100%	33,018	-	33,018	33,018
	6	150%	-	-	-	-
	Unrated	50%	432,863	(1,621)	434,485	217,242
			2,743,247	41,300	2,701,948	813,056
- Maturity Upto and under 3 Months in FCY		0%	-	-	-	-
	1,2,3	20%	799,874	(22)	799,895	159,979
	4,5	50%	65,619	-	65,619	32,810
	6	150%	2,823	-	2,823	4,234
	unrated	20%	114,322	-	114,322	22,864
			982,638	(22)	982,659	219,887
- Maturity Upto and under 3 Months in PKR		0%	-	-	-	-
- Maturity Upto and under 3 Months in PKR		20%	796,682	-	796,682	159,336
			796,682	-	796,682	159,336
Residential Mortgage Finance		35%	10,864,939	-	10,864,939	3,802,729
Public Sector Entity						
		0%	-	-	-	-
	1	20%	148,440	-	148,440	29,688
	2,3	50%	-	-	-	-
	4,5	100%	-	-	-	-
	6	150%	-	-	-	-
	Unrated	50%	57,665,269	57,503,889	161,380	80,690
			57,813,709	-	309,820	110,378
Sovereigns (SBP / GoP)		0%	100,529,036	-	20,729,660	-
Equity Investments - Listed		100%	2,117,409	-	2,117,409	2,117,409
- Unlisted		150%	242,378	-	242,378	363,568
Significant Investment and DTA		250%	2,024,545	-	2,024,545	5,061,362
			4,384,332	-	4,384,332	7,542,339
Past Due Loans (Not Secured by Residential Mortgages)	S.P less than 20%	150%	5,247,997	-	5,247,997	7,871,996
	S.P between 20% to 50%	100%	1,673,434	-	1,673,434	1,673,434
	S.P greater than	50%	91,791	-	91,791	45,895
			7,013,222	-	7,013,222	9,591,325
Investment in fixed assets		100%	10,164,445	-	10,164,445	10,164,445
Other assets		100%	2,283,921	-	2,283,921	2,283,921
Total			379,870,542	39,684,999	202,882,278	134,813,435

* Credit Risk Mitigation (CRM)

134,813,435

JS Bank Standalone LCR 31 December 202

<i>(in local currency)</i>		TOTAL UNWEIGHTED ^a VALUE (average)	TOTAL WEIGHTED ^b VALUE (average)
HIGH QUALITY LIQUID ASSETS			
1	Total high quality liquid assets (HQLA)		157,850,263
CASH OUTFLOWS			
2	Retail deposits and deposits from small business customers of which:	141,087,981	13,650,635
2.1	stable deposit	9,163,270	458,164
2.2	Less stable deposit	131,924,711	13,192,471
3	Unsecured wholesale funding of which:	100,322,160	45,612,224
3.1	Operational deposits (all counterparties)	-	-
3.2	Non-operational deposits (all counterparties)	100,322,160	45,612,224
3.3	Unsecured debt	-	-
4	Secured wholesale funding		-
5	Additional requirements of which:		
5.1	Outflows related to derivative exposures and other collateral requirements	59,810,293	107,948
5.2	Outflows related to loss of funding on debt products	63,034	63,034
5.3	Credit and Liquidity facilities	-	-
6	Other contractual funding obligations	59,747,258	44,914
7	Other contingent funding obligations	7,300,738	7,300,738
8	TOTAL CASH OUTFLOWS		70,339,788
CASH INFLOWS			
9	Secured lending	21,863,021	12,254,698
10	Inflows from fully performing exposures	-	-
11	Other Cash inflows	2,264,018	1,067,324
12	TOTAL CASH INLFOWS	-	13,322,022
21	TOTAL HQLA		157,850,263
22	TOTAL NET CASH OUTFLOWS		57,017,766
23	LIQUIDITY COVERAGE RATIO		276.8%

JS Bank Standalone LCR 31 December 2019

		TOTAL UNWEIGHTED ^a VALUE (average)	TOTAL WEIGHTED ^b VALUE (average)
<i>(in local currency)</i>			
HIGH QUALITY LIQUID ASSETS			
1	Total high quality liquid assets (HQLA)		83,221,592
CASH OUTFLOWS			
2	Retail deposits and deposits from small business customers of which:	119,390,125	11,474,377
2.1	stable deposit	9,292,711	464,636
2.2	Less stable deposit	110,097,415	11,009,741
3	Unsecured wholesale funding of which:	90,499,652	48,004,779
3.1	Operational deposits (all counterparties)	9,415,943	2,154,142
3.2	Non-operational deposits (all counterparties)	86,576,342	47,107,220
3.3	Unsecured debt	-	-
4	Secured wholesale funding		1,541
5	Additional requirements of which:	143,021,212	1,967,511
5.1	Outflows related to derivative exposures and other collateral requirements	58,369	58,369
5.2	Outflows related to loss of funding on debt products	-	-
5.3	Credit and Liquidity facilities	142,962,843	1,909,142
6	Other contractual funding obligations	4,004,334	4,004,334
7	Other contingent funding obligations	59,101,261	2,955,063
8	TOTAL CASH OUTFLOWS		66,437,564
CASH INFLOWS			
9	Secured lending	4,923,564	2,637,522
10	Inflows from fully performing exposures	15,312,765	8,260,522
11	Other Cash inflows	2,024,110	1,096,861
12	TOTAL CASH INFLOWS	15,874,318	10,618,152
21	TOTAL HQLA		83,221,592
22	TOTAL NET CASH OUTFLOWS		55,819,412
23	LIQUIDITY COVERAGE RATIO		149.1%

Standalone NSFR 2020

LR IX

		unweighted value by residual maturity				weighted value
		No Maturity	< 6 months	6 months to < 1 yr	≥ 1 yr	
<i>(Amount in PKR in thousands)</i>						
ASF Item						
1	Capital:					
2	Regulatory capital	20,592,208				20,592,208
3	Other capital instruments	7,490,800				7,490,800
4	Retail deposits and deposit from small business customers:					
5	Stable deposits	63,067,038	16,220,479	5,350,991	1,086,533	81,438,790
6	Less stable deposits	71,881,371	14,043,713	6,647,378	2,102,192	162,678,599
7	Wholesale funding:					
8	Operational deposits					
9	Other wholesale funding	78,401,194	110,391,884	51,487,133	2,619,149	122,759,255
10	Other liabilities:					
11	NSFR derivative liabilities				560,450	-
12	All other liabilities and equity not included in other categories	12,251,711	5,813,025	9,775,818	21,005,334	(37,937,850)
13	Total ASF					357,021,802
RSF item						
14	Total NSFR high-quality liquid assets (HQLA)					175,069,117
15	Deposits held at other financial institutions for operational purposes	1,105,969				552,985
16	Performing loans and securities:					
17	Performing loans to financial institutions secured by Level 1 HQLA					
18	Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	-	1,289,312	8,323	24,128	221,686
19	Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks and PSEs, of which:					
20	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	-		79,239,482	11,761,549	107,147,327
21	Securities that are not in default and do not qualify as HQLA including exchange-traded equities.					
22	Other assets:					
23	Physical traded commodities, including gold					
24	Assets posted as initial margin for derivative contracts					
25	NSFR derivative assets				-	
26	NSFR derivative liabilities before deduction of variation margin posted				112,090	112,090
27	All other assets not included in the above categories	105,065,316	-	431,129	35,837,390	140,709,841
28	Off-balance sheet items		157,559,068			7,877,953
29	Total RSF					256,068,898
30	Net Stable Funding Ratio (%)					139.42%

Standalone NSFR 2019

LR IX

		unweighted value by residual maturity				weighted value
		No Maturity	< 6 months	6 months to < 1 yr	≥ 1 yr	
<i>(Amount in PKR in thousands)</i>						
ASF Item						
1	Capital:					
2	Regulatory capital	17,333,255				17,333,255
3	Other capital instruments	7,492,800				7,492,800
4	Retail deposits and deposit from small business customers:					
5	Stable deposits	6,228,314	1,604,021	819,091	147,642	8,359,115
6	Less stable deposits	100,655,192	24,454,941	13,800,494	2,588,364	135,541,854
7	Wholesale funding:					
8	Operational deposits					
9	Other wholesale funding	65,989,188	95,639,442	50,624,358	7,238,915	113,365,409
10	Other liabilities:					
11	NSFR derivative liabilities				24,605,726	-
	All other liabilities and equity not included in other categories	12,769,162	4,250,878	49,394,349	8,790,386	26,623,491
13	Total ASF					308,715,925
RSF item						
14	Total NSFR high-quality liquid assets (HQLA)					131,228,564
15	Deposits held at other financial institutions for operational purposes	969896				484,948
16	Performing loans and securities:					
17	Performing loans to financial institutions secured by Level 1 HQLA		31,117,740			
18	Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	-	1,289,467	8,323	24,128	221,686
19	Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks and PSEs, of which:					
20	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	6,324,338		79,239,482	11,761,549	53,589,086
21	Securities that are not in default and do not qualify as HQLA including exchange-traded equities.	-				
22	Other assets:					
23	Physical traded commodities, including gold					
24	Assets posted as initial margin for derivative contracts					
25	NSFR derivative assets				35,768,530	11,162,805
26	NSFR derivative liabilities before deduction of variation margin posted				4,921,145	4,921,145
27	All other assets not included in the above categories	98,804,662	-	129,040	108,924,867	196,649,710
28	Off-balance sheet items		145,185,243			7,259,262
29	Total RSF					274,288,642
30	Net Stable Funding Ratio (%)					112.551%