

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, 2021 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, 2021 was approximately 13.77% 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

		year							As of Dec 31
Sr	Ratio	2014	2015	2016	2017	2018	2019	2020	2021
1	CET1	5.5%	6.0%	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	7.0%	7.5%	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%	1.5%
6	Total Capital plus CCB	10.0%	10.25%	10.65%	11.275%	11.90%	12.5%	11.5%	11.5%

JS Bank Stand Alone Capital Adequacy Ratio (CAR) disclosure:

CAPITAL ADEQUACY RETURN AS OF DECEMBER 31, 2011

		2021	2020
		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	2,331,070	1,991,170
6	Gain/(Losses) on derivatives held as Cash Flow Hedge	-	-
7	Unappropriated/unremitted profits/ (losses)	7,106,613	6,147,673
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	19,556,925	18,258,085
10	Total regulatory adjustments applied to CET1 (Note 1.4.1)	2,001,962	2,030,573
11	Common Equity Tier 1	17,554,963	16,227,512
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	2,500,000	2,251,350
20	Additional Tier 1 capital recognized for capital adequacy	2,500,000	2,251,350
21	Tier 1 Capital (CET1 + admissible AT1) (11+20)	20,054,963	18,478,861
Tier 2 Capital			
22	Qualifying Tier 2 capital instruments under Basel III plus any related share premium	3,294,240	2,394,960
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	112,997	23,001
27	Revaluation Reserves (net of taxes)		
28	of which: Revaluation reserves on fixed assets	1,201,317	951,782
29	of which: Unrealized gains/losses on AFS	1,146,127	1,251,258
30	Foreign Exchange Translation Reserves		
31	Undisclosed/Other Reserves (if any)		
32	T2 before regulatory adjustments	5,754,681	4,621,001
33	Total regulatory adjustment applied to T2 capital (Note 1.4.3)	-	-
34	Tier 2 capital (T2) after regulatory adjustments	5,754,681	4,621,001
35	Tier 2 capital recognized for capital adequacy	5,754,681	4,621,001
36	Portion of Additional Tier 1 capital recognized in Tier 2 capital	-	-
37	Total Tier 2 capital admissible for capital adequacy	5,754,681	4,621,001
38	TOTAL CAPITAL (T1 + admissible T2) (21+37)	25,809,644	23,099,862
39	Total Risk Weighted Assets (RWA) {for details refer Note 1.7}	187,443,808	180,888,587
Capital Ratios and buffers (in percentage of risk weighted assets)			
40	CET1 to total RWA	9.37%	8.97%
41	Tier-1 capital to total RWA	10.70%	10.22%
42	Total capital to total RWA	13.77%	12.77%
43	Bank specific buffer requirement (minimum CET1 requirement plus capital conservation buffer plus any other buffer requirement)	7.50%	7.50%
44	of which: capital conservation buffer requirement	1.50%	1.50%
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)	9.37%	8.97%
National minimum capital requirements prescribed by SBP			
48	CET1 minimum ratio (Inclusive of CCB)	7.50%	7.50%
49	Tier 1 minimum ratio (Inclusive of CCB)	9.00%	9.00%
50	Total capital minimum ratio	11.50%	11.50%

		2021	2020
		Rupees in '000	
Regulatory Adjustments and Additional Information		Amount	Amount
		Amounts subject to Pre-Basel III treatment*	
Note 1.4.1	Common Equity Tier 1 capital: Regulatory adjustments		
1	Goodwill (net of related deferred tax liability)	892,812	951,357
2	All other intangibles (net of any associated deferred tax liability)	960,400	809,789
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)	148,750	148,750
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)	2,001,962	2,030,573
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-Basel III 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-Basel III 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	2021 Rupees in '000		2020 Rupees in '000	
		Amount		Amount	
	Risk Weighted Assets subject to pre-Basel III treatment				
37	Risk weighted assets in respect of deduction items (which during the transitional period will be risk weighted subject to Pre-Basel 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)	112,997		23,001	
42	Cap on inclusion of provisions in Tier 2 under standardized approach	1,996,035		1,947,024	
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, 2021 Rupees in '000	
Assets		
Cash and balances with treasury banks	34,266,856	34,266,856
Balanced with other banks	1,185,786	1,185,786
Lending to financial institutions	31,939,044	31,939,044
Investments	231,266,277	231,266,277
Advances	254,183,938	254,183,938
Operating fixed assets	13,301,615	13,301,615
Deferred tax assets	-	-
Other assets	18,145,338	18,145,338
Total assets	584,288,854	584,288,854
Liabilities & Equity		
Bills payable	7,038,886	7,038,886
Borrowings	70,474,310	70,474,310
Deposits and other accounts	460,705,014	460,705,014
Sub-ordinated loans	6,996,800	6,996,800
Liabilities against assets subject to finance lease	1,709,901	1,709,901
Deferred tax liabilities	-	-
Other liabilities	15,664,112	15,664,112
Total liabilities	562,589,023	562,589,023
Share capital/ Head office capital account	10,119,242	10,119,242
Reserves	2,331,070	2,331,070
Unappropriated/ Unremitted profit/ (losses)	7,106,613	7,106,613
Minority Interest	-	-
Surplus on revaluation of assets	2,142,906	2,142,906
Total Equity	21,699,831	21,699,831
Total liabilities & equity	584,288,854	584,288,854

Step : 2

	As Per Balance Sheet	Under regulatory scope of consolidation	Reference
	December 31, 2020		
Assets			
Cash and balances with treasury banks	34,266,856	34,266,856	
Balances with other banks	1,185,786	1,185,786	
Lending to financial institutions	31,939,044	31,939,044	
Investments	231,266,277	231,266,277	
<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>	148,750	148,750	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	254,183,938	254,183,938	
<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	13,301,615	13,301,615	
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	18,145,338	18,145,338	
<i>of which: Goodwill</i>	892,812	892,812	j
<i>of which: Intangibles</i>	960,400	960,400	k
<i>of which: Defined-benefit pension fund net assets</i>	-	-	l
Total assets	584,288,854	584,288,854	

	As Per Balance Sheet	Under regulatory scope of consolidation	Reference
	December 31, 2019		
	Rupees in '000		
Liabilities & Equity			
Bills payable	7,038,886	7,038,886	
Borrowings	70,474,310	70,474,310	
Deposits and other accounts	460,705,014	460,705,014	
Sub-ordinated loans	6,996,800	6,996,800	
<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>	4,496,800	4,496,800	n
Liabilities against assets subject to finance lease	-	-	
Deferred tax liabilities	1,709,901	1,709,901	
<i>of which: DTLs related to goodwill</i>	570,813	570,813	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>	1,139,088	(2,280,714)	r
Other liabilities	15,664,112	15,664,112	
Total liabilities	562,589,023	562,589,023	
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	2,331,070	2,331,070	
<i>of which: portion eligible for inclusion in CET1(provide breakup)</i>	2,331,070	2,331,070	u
<i>of which: portion eligible for inclusion in Tier 2</i>	-	-	v
Unappropriated profit/ (losses)	7,106,613	7,106,613	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	2,142,906	2,142,906	
<i>of which: Revaluation reserves on Property</i>	-	-	aa
<i>of which: Unrealized Gains/Losses on AFS</i>	-	-	
<i>In case of Deficit on revaluation (deduction from CET1)</i>	-	-	ab
Total liabilities & Equity	584,288,854	584,288,854	

	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	2,331,070	(u)
Gain/(Losses) on derivatives held as Cash Flow Hedge	-	
Unappropriated/unremitted profits/(losses)	7,106,613	(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)
CET 1 before Regulatory Adjustments	19,556,925	
Common Equity Tier 1 capital: Regulatory adjustments		
Goodwill (net of related deferred tax liability)	892,812	(j) - (o)
All other intangibles (net of any associated deferred tax liability)	960,400	(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)	148,750	(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)	2,001,962	
Common Equity Tier 1	17,554,963	

	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	-	
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-Basel 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	-	
Additional Tier 1 capital	2,500,000	
Additional Tier 1 capital recognized for capital adequacy	2,500,000	
Tier 1 Capital (CET1 + admissible AT1)	20,054,964	
Tier 2 Capital		
Qualifying Tier 2 capital instruments under Basel III	3,294,240	
Capital instruments subject to phase out arrangement from tier 2 (Pre-Basel 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	112,997	(g)
Revaluation Reserves eligible for Tier 2	2,347,444	
of which: portion pertaining to Property	1,201,317	portion of (aa)
of which: portion pertaining to AFS securities	1,146,127	
Foreign Exchange Translation Reserves	-	(v)
Undisclosed/Other Reserves (if any)	-	
T2 before regulatory adjustments	5,754,681	

	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	5,754,681	
Excess Additional Tier 1 capital recognized in Tier 2 capital	-	
Total Tier 2 capital admissible for capital adequacy	5,754,681	
TOTAL CAPITAL (T1 + admissible T2)	25,809,645	

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	Additional Tier-1	Tier-2
5	Post-transitional Basel III rules	Common Equity Tier-1	Tier-2	Additional Tier-1	Tier-2
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	2,000,000	2,500,000	2,500,000
9	Par value of instrument	10	100,000	100,000	100,000
10	Accounting classification	Shareholders Equity	Liability	Liability	Liability
11	Original date of issuance	2006	29-Dec-17	31-Dec-18	28-Dec-21
12	Perpetual or dated	No Maturity	Dated	Perptual	Dated
13	Original maturity date	NA	29-Dec-24	NA	28-Dec-28
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 any profit payment date after 5 years from issue date, partially or fully	On or after 10th redemption, on any profit 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 225 basis points semi annually without any floor or CAP	Floating at 6 Months KIBOR*(Base Rate) plus 200 basis points per annum without any floor or CAP
19	Existence of a dividend stopper	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	NA
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	Noncumulative	Cumulative
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 JS Bank Standalone Capital Adequacy

	Capital Requirements		Risk Weighted Assets	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
	Rupees in '000			
Credit Risk				
On balance sheet				
Corporate	7,006,430	7,158,874	60,925,480	62,251,081
Retail	4,930,437	4,761,134	42,873,361	41,401,166
Banks and DFIs	319,633	214,317	2,779,419	1,863,625
Public sector entity	1,907	5,550	16,583	48,259
Sovereign (include GoP and SBP)	153,512	434,451	1,334,887	3,777,835
Residential mortgage finance	587,259	408,373	5,106,597	3,551,067
Past due loans	1,102,202	1,106,419	9,584,361	9,621,036
Fixed assets	1,250,923	983,486	10,877,591	8,552,050
Other assets	683,708	433,610	5,945,287	3,770,526
	16,036,010	15,506,214	139,443,565	134,836,645
Off balance sheet				
Non market related	1,185,475	1,325,605	10,308,481	11,526,998
Market related	63,209	47,014	549,639	408,814
	1,248,684	1,372,618	10,858,120	11,935,812
Equity Exposure Risk in the Banking Book				
Listed	1,037,964	984,931	9,025,771	8,564,619
Unlisted	40,867	48,853	355,363	424,810
	1,078,830	1,033,784	9,381,135	8,989,429
Total Credit Risk	18,363,524	17,912,617	159,682,820	155,761,886
Market Risk				
Interest rate risk	51,418	45,025	447,116	391522
Equity position risk etc.	805	-	6,997	-
Foreign exchange risk	47,637	86,647	414,232	753451
Total Market Risk	99,860	131,672	868,344.73	1,144,973
Operational Risk				
<u>Capital Requirement for operational risks</u>	3,092,654	2,757,899	26,892,646	23,981,730
TOTAL	21,556,038	20,802,188	187,443,810	180,888,589
Capital Adequacy Ratio				
Total eligible common equity tier 1 capital held	(e)	17,554,963		16,227,512
Total eligible tier 1 capital held	(f)	20,054,964		18,478,862
Total eligible regulatory capital held	(e)	25,809,645		23,099,863
Total Risk Weighted Assets	(i)	187,443,810		180,888,589
	Required	Actual	Required	Actual
CET1 to total RWA	7.50%	9.37%	7.50%	8.97%
Tier-1 capital to total RWA	9.00%	10.70%	9.00%	10.22%
Total capital to total RWA	11.50%	13.77%	11.50%	12.77%

1.8 Leverage Ratio

Total eligible tier 1 capital held	20,054,964	18,478,862
Total Exposure	649,144,741	605,685,437
Leverage Ratio	3.09%	3.05%

1.1.2.1 Credit exposures and comparative figures subject to the standardised approach

		2021			
Exposures	Rating category No.	Rating risk weighted	Amount outstanding	Deduction CRM	Risk weighted asset
----- Rupees in '000 -----					
Cash and Cash Equivalents		0%	8,243,616	-	8,243,616
Corporate	0	0%	-	-	-
	1	20%	12,645,765	1,664,525	10,981,241
	2	50%	40,834,204	7,234,603	33,599,601
	3,4	100%	4,309,153	900,182	3,408,971
	5,6	150%	-	-	-
	Unrated	100%	53,976,665	18,515,149	35,461,516
	Unrated-2	125%	5,971,990	3,524,835	2,447,155
			117,737,777	31,839,294	85,898,484
Retail		0%	-	-	-
		20%	-	-	-
		50%	-	-	-
		75%	73,000,365	15,835,884	57,164,481
			73,000,365	15,835,884	57,164,481
Banks					
- Over 3 Months		0%	-	-	-
	1	20%	2,120,444	30,844	2,089,600
	2,3	50%	196,873	944	195,929
	4,5	100%	854,607	4,776	849,831
	6	150%	-	-	-
	Unrated	50%	1,422,044	2,792	1,419,251
			4,593,968	39,356	4,554,611
- Maturity Upto and under 3 Months in FCY		0%	-	-	-
	1,2,3	20%	1,341,808	958	1,340,851
	4,5	50%	234,733	142	234,591
	6	150%	18,037	-	18,037
	unrated	20%	27,012	-	27,012
			1,621,590	1,100	1,620,491
- Maturity Upto and under 3 Months in PKR		0%	-	-	-
- Maturity Upto and under 3 Months in PKR		20%	1,441,128	10,354	1,430,774
			1,441,128	10,354	1,430,774
Residential Mortgage Finance		35%	14,590,278	-	14,590,278
Public Sector Entity					
		0%	-	-	-
	1	20%	-	-	-
	2,3	50%	-	-	-
	4,5	100%	-	-	-
	6	150%	-	-	-
	Unrated	50%	45,761,600	45,728,433	33,167
			45,761,600	-	33,167
Sovereigns (SBP / GoP)		0%	245,417,621	-	245,259,457
Equity Investments - Listed		100%	4,599,843	-	4,599,843
- Unlisted		150%	236,908	-	236,908
Significant Investment and DTA		250%	1,770,371	-	1,770,371
			6,607,122	-	6,607,122
Past Due Loans (Not Secured by Residential Mortgages)	S.P less than 20%	150%	5,143,581	-	5,143,581
	S.P between 20% to 50%	100%	1,225,280	-	1,225,280
	S.P greater than 50%	50%	477,310	-	477,310
Past Due Loans (Secured by Residential)	S.P less than 20%	100%	299,841	-	299,841
	S.P greater than 50%	50%	210,428	-	210,428
			7,356,440	-	7,356,440
Investment in fixed assets		100%	10,877,591	-	10,877,591
Other assets		100%	5,945,287	-	5,945,287
Total			543,194,383	47,725,988	449,581,799

* Credit Risk Mitigation (CRM)

148,824,700

1.1.2.2 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		0%	-	-	-	-
	1,2,3	20%	3,203,735	(1,169)	3,204,904	640,981
	4,5	50%	243,460	-	243,460	121,730
	6	150%	6,087	-	6,087	9,131
	unrated	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		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)						
	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 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		1	3,770,526	-	3,770,526	3,770,526
Total						143,826,073

JS Bank Liquidity Coverage Ratio 2021

		TOTAL UNWEIGHTEDa	TOTAL WEIGHTEDb
<i>(in local currency)</i>		VALUE (average)	VALUE (average)
HIGH QUALITY LIQUID ASSETS			
1	Total high quality liquid assets (HQLA)		191,897,219
CASH OUTFLOWS			
2	Retail deposits and deposits from small business customers of which:	159,408,875	15,516,612
2.1	stable deposit	8,485,507	424,275
2.2	Less stable deposit	150,923,368	15,092,337
3	Unsecured wholesale funding of which:	114,380,110	50,578,574
3.1	Operational deposits (all counterparties)	-	-
3.2	Non-operational deposits (all counterparties)	114,380,110	50,578,574
3.3	Unsecured debt	-	-
4	Secured wholesale funding		-
5	Additional requirements of which:	73,614,865	199,003
5.1	Outflows related to derivative exposures and other collateral requirements	164,932	164,932
5.2	Outflows related to loss of funding on debt products	-	-
5.3	Credit and Liquidity facilities	73,477,421	61,559
6	Other contractual funding obligations	9,289,075	9,289,075
7	Other contingent funding obligations	75,136,194	3,756,810
8	TOTAL CASH OUTFLOWS		79,340,074
CASH INFLOWS			
9	Secured lending	20,057,500	11,129,457
10	Inflows from fully performing exposures	-	-
11	Other Cash inflows	2,735,220	1,747,996
12	TOTAL CASH INFLOWS	-	12,877,452
21	TOTAL HQLA		191,897,219
22	TOTAL NET CASH OUTFLOWS		66,462,622
23	LIQUIDITY COVERAGE RATIO		288.7%

JS Bank Liquidity Coverage Ratio 2020

		TOTAL UNWEIGHTED^a	TOTAL WEIGHTED^b VALUE (average)
<i>(in local currency)</i>			
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 INFLOWS	-	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 Stand alone Net Stable Funding Ratio 2021

LR IX

		unweighted value by residual maturity				weighted value
		No Maturity	< 6 months	6 months to < 1 yr	≥ 1 yr	
(Amount in PKR in thousands)						
ASF Item						
1	Capital:					
2	Regulatory capital	22,024,083				22,024,083
3	Other capital instruments	6,996,800				6,996,800
4	Retail deposits and deposit from small business customers:					
5	Stable deposits	9,174,632	1,991,727	728,030	1,107,365	24,125,110
6	Less stable deposits	131,566,700	25,003,616	9,721,685	3,818,880	150,630,375
7	Wholesale funding:					
8	Operational deposits	7,472,393				3,736,197
9	Other wholesale funding	95,671,549	133,702,682	40,913,672	7,304,474	130,988,315
10	Other liabilities:					
11	NSFR derivative liabilities				56,155.00	
12	All other liabilities and equity not included in other categories	25,178,393	7,472,400	25,642,647	8,480,011	37,644,743
13	Total ASF					376,145,622
RSF item						
14	Total NSFR high-quality liquid assets (HQLA)		202,668,749			4,173,146
15	Deposits held at other financial institutions for operational purposes	1,185,786		12,384,930		6,785,358
16	Performing loans and securities:					
17	Performing loans to financial institutions secured by Level 1 HQLA		31,939,044			3,193,904
18	Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions		-	-	-	-
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:				83,354,178	70,851,051
20	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk			3,070,569		1,995,870
21	Securities that are not in default and do not qualify as HQLA including exchange-traded equities.				1,860,955	1,581,812
22	Other assets:					
23	Physical traded commodities, including gold					
24	Assets posted as initial margin for derivative contracts					
25	NSFR derivative assets		51,215			
26	NSFR derivative liabilities before deduction of variation margin posted		11,231			11,231
27	All other assets not included in the above categories	108,294,827	72,927,256	25,086,296	58,456,053	199,098,084
28	Off-balance sheet items		142,600,481			7,130,024
29	Total RSF					294,820,481
30	Net Stable Funding Ratio (%)					127.580%

JS Bank Stand alone Net Stable Funding Ratio 2020						LR IX
(Amount in PKR in thousands)		unweighted value by residual maturity				weighted value
		No Maturity	< 6 months	6 months to < 1 yr	≥ 1 yr	
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	1105969				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%