

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 13.26 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								As of Dec 31
		2014	2015	2016	2017	2018	2019	2020	2021	2022
1	CET1	5.5%	6.0%	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%	1.5%
3	Tier 1	7.0%	7.5%	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%	10.0%
5	CCB (Consisting of CETI only)	-	0.25%	0.65%	1.275%	1.90%	2.5%	1.5%	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%	11.5%

Note 1.4 Capital Adequacy Ratio (CAR) disclosure:

CAPITAL ADEQUACY RETURN AS OF DECEMBER 31, 2018

		Rupees in '000	
		2022	2021
		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	2,787,201	2,331,070
6	Gain/(Losses) on derivatives held as Cash Flow Hedge	-	-
7	Unappropriated/unremitted profits/ (losses)	7,845,155	7,106,613
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	20,751,598	19,556,925
10	Total regulatory adjustments applied to CET1 (Note 1.4.1)	2,590,353	2,001,962
11	Common Equity Tier 1	18,161,245	17,554,963
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)	-	-
19	Additional Tier 1 capital after regulatory adjustments	2,500,000	2,500,000
20	Additional Tier 1 capital recognized for capital adequacy	2,500,000	2,500,000
21	Tier 1 Capital (CET1 + admissible AT1) (11+20)	20,661,245	20,054,963
Tier 2 Capital			
22	Qualifying Tier 2 capital instruments under Basel III plus any related share premium	2,895,040	3,294,240
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	212,114	112,997
27	Revaluation Reserves (net of taxes)		
28	of which: Revaluation reserves on fixed assets	1,147,729	1,201,317
29	of which: Unrealized gains/losses on AFS	(157,163)	1,146,127
30	Foreign Exchange Translation Reserves		
31	Undisclosed/Other Reserves (if any)		
32	T2 before regulatory adjustments	4,097,720	5,754,681
33	Total regulatory adjustment applied to T2 capital (Note 1.4.3)	-	-
34	Tier 2 capital (T2) after regulatory adjustments	4,097,720	5,754,681
35	Tier 2 capital recognized for capital adequacy	4,097,720	5,754,681
36	Portion of Additional Tier 1 capital recognized in Tier 2 capital	-	-
37	Total Tier 2 capital admissible for capital adequacy	4,097,720	5,754,681
38	TOTAL CAPITAL (T1 + admissible T2) (21+37)	24,758,965	25,809,644
39	Total Risk Weighted Assets (RWA) {for details refer Note 1.7}	186,735,867	187,443,808
Capital Ratios and buffers (in percentage of risk weighted assets)			
40	CET1 to total RWA	9.73%	9.37%
41	Tier-1 capital to total RWA	11.06%	10.70%
42	Total capital to total RWA	13.26%	13.77%
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)	9.73%	9.37%
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	Amounts subject to Pre-Basel III treatment*	Amount
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Note 1.4.1	Common Equity Tier 1 capital: Regulatory adjustments			
1	Goodwill (net of related deferred tax liability)	834,267		892,812
2	All other intangibles (net of any associated deferred tax liability)	1,592,811		960,400
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)	69,641	69,641	-
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)	93,633	93,633	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)	2,590,353		2,001,962

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	-		-
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)	-		-

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	2022		2021	
		Rupees in '000		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)	212,114		112,997	
42	Cap on inclusion of provisions in Tier 2 under standardized approach	1,918,043		1,996,035	
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, 2022	
	Rupees in '000	
Assets		
Cash and balances with treasury banks	24,764,967	24,764,967
Balanced with other banks	1,800,436	1,800,436
Lending to financial institutions	11,351,162	11,351,162
Investments	303,464,863	303,464,863
Advances	231,101,816	231,101,816
Operating fixed assets	10,004,318	10,004,318
Deferred tax assets	-	-
Other assets	30,395,794	30,395,794
Total assets	612,883,356	612,883,356
Liabilities & Equity		
Bills payable	5,402,945	5,402,945
Borrowings	97,808,216	97,808,216
Deposits and other accounts	464,131,920	464,131,920
Sub-ordinated loans	6,995,000	6,995,000
Liabilities against assets subject to finance lease	320,000	320,000
Deferred tax liabilities	-	-
Other liabilities	20,510,793	20,510,793
Total liabilities	595,168,874	595,168,874
Share capital/ Head office capital account	10,119,242	10,119,242
Reserves	2,787,201	2,787,201
Unappropriated/ Unremitted profit/ (losses)	7,845,155	7,845,155
Minority Interest	-	-
Surplus on revaluation of assets	795,021	795,021
Total Equity	21,546,619	21,546,619
Total liabilities & equity	616,715,493	616,715,493

Step : 2

	As Per Balance Sheet	Under regulatory scope of consolidation	Reference
	December 31, 2020		
Assets			
Cash and balances with treasury banks	24,764,967	24,764,967	
Balances with other banks	1,800,436	1,800,436	
Lending to financial institutions	11,351,162	11,351,162	
Investments	303,464,863	303,464,863	
<i>of which: Non-significant capital investments in capital of other financial institutions exceeding 10% threshold</i>	69,641	69,641	a
<i>of which: significant capital investments in financial sector entities exceeding regulatory threshold</i>	93,633	93,633	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	231,101,816	231,101,816	
<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	10,004,318	10,004,318	
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	30,395,794	30,395,794	
<i>of which: Goodwill</i>	834,267	834,267	j
<i>of which: Intangibles</i>	1,592,811	1,592,811	k
<i>of which: Defined-benefit pension fund net assets</i>	-	-	l
Total assets	612,883,356	612,883,356	

	As Per Balance Sheet	Under regulatory scope of consolidation	Reference
	December 31, 2022		
	Rupees in '000		
Liabilities & Equity			
Bills payable	5,402,945	5,402,945	
Borrowings	97,808,216	97,808,216	
Deposits and other accounts	464,131,920	464,131,920	
Sub-ordinated loans	6,995,000	6,995,000	
<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>	4,495,000	4,495,000	n
Liabilities against assets subject to finance lease		-	
Deferred tax liabilities	320,000	320,000	
<i>of which: DTLs related to goodwill</i>	629,358	629,358	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>	(309,358)	(949,358)	r
Other liabilities	20,510,793	20,510,793	
Total liabilities	595,168,874	595,168,874	
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	2,787,201	2,787,201	
<i>of which: portion eligible for inclusion in CET1 (provide breakup)</i>	2,787,201	2,787,201	u
<i>of which: portion eligible for inclusion in Tier 2</i>	-	-	v
Unappropriated profit/ (losses)	7,845,155	7,845,155	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	795,021	795,021	
<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	616,715,493	616,715,493	

	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	2,787,201	(u)
Gain/(Losses) on derivatives held as Cash Flow Hedge	-	
Unappropriated/unremitted profits/(losses)	7,845,155	(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)
	20,751,598	
CET 1 before Regulatory Adjustments		
Common Equity Tier 1 capital: Regulatory adjustments		
Goodwill (net of related deferred tax liability)	834,267	(j) - (o)
All other intangibles (net of any associated deferred tax liability)	1,592,811	(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)	69,641	(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)	93,633	(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)	2,590,352	
Common Equity Tier 1	18,161,246	

	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)	20,661,246	
Tier 2 Capital		
Qualifying Tier 2 capital instruments under Basel III	2,895,040	
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	212,114	(g)
Revaluation Reserves eligible for Tier 2	990,566	
of which: portion pertaining to Property	1,147,729	portion of (aa)
of which: portion pertaining to AFS securities	(157,163)	
Foreign Exchange Translation Reserves	-	(v)
Undisclosed/Other Reserves (if any)	-	
T2 before regulatory adjustments	4,097,720	

	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	4,097,720	
Excess Additional Tier 1 capital recognized in Tier 2 capital	-	
Total Tier 2 capital admissible for capital adequacy	4,097,720	
TOTAL CAPITAL (T1 + admissible T2)	24,758,966	

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	399,000	2,500,000	2,496,000
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	Perpetual	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 Capital Adequacy

	Capital Requirements		Risk Weighted Assets	
	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
Rupees in '000				
Credit Risk				
On balance sheet				
Corporate	4,547,650	7,006,430	39,544,786	60,925,480
Retail	4,955,715	4,930,437	43,093,170	42,873,361
Banks and DFIs	153,674	319,633	1,336,295	2,779,419
Public sector entity	-	1,907	-	16,583
Sovereign (include GoP and SBP)	150,519	153,512	1,308,859	1,334,887
Residential mortgage finance	753,429	587,259	6,551,559	5,106,597
Past due loans	1,413,826	1,102,202	12,294,143	9,584,361
Fixed assets	1,239,702	1,250,923	10,780,020	10,877,591
Other assets	1,515,411	683,708	13,177,490	5,945,287
	14,729,927	16,036,010	128,086,322	139,443,565
Off balance sheet				
Non market related	1,586,221	1,185,475	13,793,228	10,308,481
Market related	139,363	63,209	1,211,849	549,639
	1,725,584	1,248,684	15,005,077	10,858,120
Equity Exposure Risk in the Banking Book				
Listed	1,150,326	1,037,964	10,002,832	9,025,771
Unlisted	40,158	40,867	349,201	355,363
	1,190,484	1,078,830	10,352,032	9,381,135
Total Credit Risk	17,645,995	18,363,524	153,443,432	159,682,820
Market Risk				
Interest rate risk	77,564	51,418	674,471	447,116
Equity position risk etc.	-	805	-	6,997
Foreign exchange risk	34,006	47,637	295,703	414,232
Total Market Risk	111,570	99,860	970,174.09	868,345
Operational Risk				
<u>Capital Requirement for operational risks</u>	3,717,060	3,092,654	32,322,263	26,892,646
TOTAL	21,474,625	21,556,038	186,735,869	187,443,810
Capital Adequacy Ratio				
Total eligible common equity tier 1 capital held	(e)	18,161,246		16,227,512
Total eligible tier 1 capital held	(f)	20,661,246		18,478,862
Total eligible regulatory capital held	(e)	24,758,966		23,099,863
Total Risk Weighted Assets	(i)	186,735,869		187,443,810
		Required	Actual	Required
CET1 to total RWA		7.50%	9.73%	7.50%
Tier-1 capital to total RWA		9.00%	11.06%	9.00%
Total capital to total RWA		11.50%	13.26%	11.50%

1.8 Leverage Ratio

Total eligible tier 1 capital held	20,661,246	20,054,964
Total Exposure	683,834,651	649,144,741
Leverage Ratio	3.02%	3.09%

1.1.2.1 Credit exposures and comparative figures subject to the standardised approach

Exposures	Rating category No.	Rating risk weighted	2022			
			Amount outstanding	Deduction CRM	Net amount	Risk weighted asset
			----- Rupees in '000 -----			
Cash and Cash Equivalents		0%	8,312,648	-	8,312,648	-
Corporate	0	0%	-	-	-	-
	1	20%	15,322,107	2,411,334	12,910,774	2,582,155
	2	50%	36,489,652	10,186,758	26,302,894	13,151,447
	3,4	100%	1,815,373	28,530	1,786,843	1,786,843
	5,6	150%	-	-	-	-
	Unrated	100%	77,347,796	55,589,232	21,758,564	21,758,564
	Unrated-2	125%	1,473,412	1,260,791	212,621	265,777
			132,448,340	69,476,645	62,971,696	39,544,786
Retail		0%	-	-	-	-
		20%	-	-	-	-
		50%	-	-	-	-
		75%	72,307,841	14,850,281	57,457,560	43,093,170
			72,307,841	14,850,281	57,457,560	43,093,170
Banks						
- Over 3 Months		0%	-	-	-	-
	1	20%	1,444,064	30,085	1,413,979	282,796
	2,3	50%	260,957	3,236	257,721	128,861
	4,5	100%	60,149	358	59,790	59,790
	6	150%	-	-	-	-
	Unrated	50%	624,837	7,574	617,263	308,631
			2,390,007	41,253	2,348,753	780,078
- Maturity Upto and under 3 Months in FCY		0%	-	-	-	-
	1,2,3	20%	1,513,713	1,930	1,511,783	302,357
	4,5	50%	177,000	-	177,000	88,500
	6	150%	5,068	-	5,068	7,602
	unrated	20%	116,196	1,061	115,135	23,027
			1,811,977	2,991	1,808,986	421,486
- Maturity Upto and under 3 Months in PKR		0%	-	-	-	-
- Maturity Upto and under 3 Months in PKR		20%	680,947	7,294	673,653	134,731
			680,947	7,294	673,653	134,731
Residential Mortgage Finance		35%	18,718,739	-	18,718,739	6,551,559
Public Sector Entity						
		0%	-	-	-	-
	1	20%	-	-	-	-
	2,3	50%	-	-	-	-
	4,5	100%	-	-	-	-
	6	150%	-	-	-	-
	Unrated	50%	-	-	-	-
			-	-	-	-
Sovereigns (SBP / GoP)		0%	313,389,726	-	311,874,241	1,308,859
Equity Investments - Listed		100%	5,439,112	-	5,439,112	5,439,112
- Unlisted		150%	232,800	-	232,800	349,201
Significant Investment and DTA		250%	1,825,488	-	1,825,488	4,563,720
			7,497,400	-	7,497,400	10,352,032
Past Due Loans (Not Secured by Residential Mortgages)	S.P less than 20%	150%	6,748,531	-	6,748,531	10,122,796
	S.P between 20% to 50%	100%	1,990,079	-	1,990,079	1,990,079
	S.P greater than 50%	50%	362,538	-	362,538	181,269
Past Due Loans (Secured by Residential)	S.P less than 20%	100%	-	-	-	-
	S.P greater than 50%	50%	-	-	-	-
			9,101,147	-	9,101,147	12,294,143
Investment in fixed assets		100%	10,780,020	-	10,780,020	10,780,020
Other assets		100%	13,177,490	-	13,177,490	13,177,490
Total			590,616,282	84,378,464	504,722,333	138,438,355

* Credit Risk Mitigation (CRM)

138,438,354

JS Bank Liquidity Coverage Ratio 2022

		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)		141,619,653
CASH OUTFLOWS			
2	Retail deposits and deposits from small business customers of which:	190,640,338	18,362,924
2.1	stable deposit	14,022,190	701,110
2.2	Less stable deposit	176,618,147	17,661,815
3	Unsecured wholesale funding of which:	135,001,579	60,063,061
3.1	Operational deposits (all counterparties)	-	-
3.2	Non-operational deposits (all counterparties)	135,001,579	60,063,061
3.3	Unsecured debt	-	-
4	Secured wholesale funding		-
5	Additional requirements of which:	64,629,574	176,772
5.1	Outflows related to derivative exposures and other collateral requirements	148,077	148,077
5.2	Outflows related to loss of funding on debt products	-	-
5.3	Credit and Liquidity facilities	64,481,497	28,696
6	Other contractual funding obligations	8,221,025	8,221,025
7	Other contingent funding obligations	82,067,493	4,103,375
8	TOTAL CASH OUTFLOWS		90,927,158
CASH INFLOWS			
9	Secured lending	27,244,957	14,744,141
10	Inflows from fully performing exposures	-	-
11	Other Cash inflows	3,766,566	1,509,444
12	TOTAL CASH INFLOWS	-	16,253,585
21	TOTAL HQLA		141,619,653
22	TOTAL NET CASH OUTFLOWS		74,673,572
23	LIQUIDITY COVERAGE RATIO		189.65%

JS Bank Liquidity Coverage Ratio 2021

		TOTAL UNWEIGHTEDa VALUE (average)	TOTAL WEIGHTEDb VALUE (average)
<i>(in local currency)</i>			
HIGH QUALITY LIQUID ASSETS			
1	Total high quality liquid assets (HQLA)		191,897,219
CASH OUTFLOWS			
2	Retail deposits and deposits from small business cusmtomers 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 INLFOWS	-	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 Stand alone Net Stable Funding Ratio 2022

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	21,546,905				21,546,905
3	Other capital instruments	6,995,000				6,995,000
4	Retail deposits and deposit from small business customers:					
5	Stable deposits	17,489,060	3,317,555	1,230,030	1,605,365	22,459,910
6	Less stable deposits	151,338,251	28,761,104	11,182,638	4,392,773	176,107,289
7	Wholesale funding:					
8	Operational deposits	7,014,014				3,507,007
9	Other wholesale funding	122,796,190	100,271,136		16,202,589	127,736,253
10	Other liabilities:					
11	NSFR derivative liabilities				56,155.00	-
12	All other liabilities and equity not included in other categories		100,698,100		320,000	11,097,534
13	Total ASF					369,449,898
RSF item						
14	Total NSFR high-quality liquid assets (HQLA)		287,067,113			30,435,581
15	Deposits held at other financial institutions for operational purposes					
16	Performing loans and securities:					
17	Performing loans to financial institutions secured by Level 1 HQLA		11,351,162			1,135,116
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:				154,945,637	131,703,792
20	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk			19,650,505		12,772,829
21	Securities that are not in default and do not qualify as HQLA including exchange-traded equities.				4,227,506	3,593,380
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		63,974,782	31,676,146	43,822,641	108,185,582
28	Off-balance sheet items		127,235,455			6,361,773
29	Total RSF					294,199,283
30	Net Stable Funding Ratio (%)					125.58%

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	
<i>(Amount in PKR in thousands)</i>						
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%