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, JS Investments Limited and Bank Islami Pakistan Ltd. 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 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, 2024 stood at Rs.20.506 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, 2024 was approximately 13.24% of its risk weighted assets.

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. Following Ratios were applicable for the mentioned periods

Phase-in Arrangement and Full implementation of the minimum capital

		YEAR										As of Dec 31
Sr	**Ratio**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**
1	**CET1**	5.5%	6.0%	6.0%	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%	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%	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%	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%	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%	11.5%	11.5%

Note 1.4 Capital Adequacy Ratio (CAR) disclosure:

CAPITAL ADEQUACY RETURN AS OF DECEMBER 31, 2024

		2024	2023
		Rupees in '000	
		Amount	**Amount**
	Common Equity Tier 1 capital (CET1): Instruments and reserves		
1	Fully Paid-up Capital/ Capital deposited with SBP	20,506,625	20,506,625
2	Balance in Share Premium Account	-	-
3	Reserve for issue of Bonus Shares	-	-
4	Discount on Issue of shares	-	-
5	General/ Statutory Reserves	7,113,695	6,563,243
6	Gain/(Losses) on derivatives held as Cash Flow Hedge	-	-
7	Unappropriated/unremitted profits/ (losses)	13,181,145	11,292,091
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**	40,801,465	38,362,200
10	Total regulatory adjustments applied to CET1 **(Note 1.4.1)**	21,300,490	21,114,698
11	**Common Equity Tier 1**	19,500,975	17,247,260
	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)**	22,000,976	19,747,260
	Tier 2 Capital		
22	Qualifying Tier 2 capital instruments under Basel III plus any related share premium	4,993,033	5,493,367
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	52,515	399,344
27	Revaluation Reserves (net of taxes)	-	
28	of which: Revaluation reserves on fixed assets	1,453,706	1,060,323
29	of which: Unrealized gains/losses on AFS	1,413,539	401,665
30	Foreign Exchange Translation Reserves	-	
31	Undisclosed/Other Reserves (if any)	-	
32	**T2 before regulatory adjustments**	7,912,793	7,354,699
33	Total regulatory adjustment applied to T2 capital **(Note 1.4.3)**	-	-
34	Tier 2 capital (T2) after regulatory adjustments	7,912,793	7,354,699
35	Tier 2 capital recognized for capital adequacy	6,767,800	5,907,160
36	Portion of Additional Tier 1 capital recognized in Tier 2 capital	-	-
37	**Total Tier 2 capital admissible for capital adequacy**	6,767,800	5,907,060
38	**TOTAL CAPITAL (T1 + admissible T2) (21+37)**	28,768,777	25,654,662
39	**Total Risk Weighted Assets (RWA) {for details refer Note 1.7}**	217,217,052	204,687,790
	Capital Ratios and buffers (in percentage of risk weighted assets)		
40	**CET1 to total RWA**	8.98%	8.43%
41	**Tier-1 capital to total RWA**	10.13%	9.65%
42	**Total capital to total RWA**	13.24%	12.53%
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)	8.98%	8.43%
	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%

		2024		2023
		Rupees in '000		
Regulatory Adjustments and Additional Information		**Amount**	**Amounts subject to Pre-Basel III treatment***	**Amount**
Note 1.4.1	**Common Equity Tier 1 capital: Regulatory adjustments**			
1	Goodwill (net of related deferred tax liability)	702,541	-	746,448
2	All other intangibles (net of any associated deferred tax liability)	3,189,462	-	2,593,435
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)	17,196,329	17,196,329	17,385,043
14	Deferred Tax Assets arising from temporary differences (amount above 10% threshold, net of related tax liability)	-	-	-
15	Amount exceeding 15% threshold	212,158	212,158	389,772
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)	21,300,490		21,114,698
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	2024 Rupees in '000 Amount		2023 Rupees in '000 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)	52,515	-	399,344
42	Cap on inclusion of provisions in Tier 2 under standardized approach	1,951,005	-	1,979,935
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 2024

Step : 1

	As Per Balance Sheet	Under regulatory scope of consolidation
	December 31, 2024 Rupees in '000	
Assets		
Cash and balances with treasury banks	43,058,132	43,058,132
Balanced with other banks	3,617,293	3,617,293
Lending to financial institutions	1,999,730	1,999,730
Investments	302,436,602	302,436,602
Advances	225,518,627	225,518,627
Operating fixed assets	21,503,262	21,503,262
Deferred tax assets	-	-
Other assets	37,973,622	37,973,622
Total assets	**636,107,268**	**636,107,268**
Liabilities & Equity		
Bills payable	8,125,841	8,125,841
Borrowings	28,698,505	28,698,505
Deposits and other accounts	525,134,376	525,134,376
Sub-ordinated loans	8,495,833	8,495,833
Liabilities against assets subject to finance lease	2,788,429	2,788,429
Deferred tax liabilities	671,138	671,138
Other liabilities	18,486,512	18,486,512
Total liabilities	**592,400,634**	**592,400,634**
Share capital/ Head office capital account	20,506,625	20,506,625
Reserves	7,113,683	7,113,683
Unappropriated/ Unremitted profit/ (losses)	12,708,466	12,708,466
Minority Interest	-	-
Surplus on revaluation of assets	3,377,860	3,377,860
Total Equity	**43,706,634**	**43,706,634**
Total liabilities & equity	**636,107,268**	**636,107,268**

Step : 2

	As Per Balance Sheet	Under regulatory scope of consolidation	Reference
	December 31, 2024		
Assets			
Cash and balances with treasury banks	43,058,132	43,058,132	
Balances with other banks	3,617,293	3,617,293	
Lending to financial institutions	1,999,730	1,999,730	
Investments	302,436,602	302,436,602	
of which: Non-significant capital investments in capital of other financial institutions exceeding 10% threshold	-	-	a
of which: significant capital investments in financial sector entities exceeding regulatory threshold	17,196,329	17,196,329	b
of which: Mutual Funds exceeding regulatory threshold	-	-	c
of which: reciprocal crossholding of capital instrument		-	d
of which: Investment in TFCs of other banks exceeding the precribed limit	-	-	e
Advances	225,518,627	225,518,627	
shortfall in provisions/ excess of total EL amount over eligible provisions under IRB	-	-	f
general provisions reflected in Tier 2 capital	52,515	52,515	g
Fixed Assets	21,503,262	21,503,262	
Deferred Tax Assets	-	-	
of which: DTAs excluding those arising from temporary differences	-	-	h
of which: DTAs arising from temporary differences exceeding regulatory threshold	-	-	i
Other assets	37,973,622	37,973,622	
of which: Goodwill	702,541	746,448	j
of which: Intangibles	3,189,462	2,593,435	k
of which: Defined-benefit pension fund net assets	-	-	l
Total assets	**636,107,268**	**636,107,268**	

	As Per Balance Sheet	Under regulatory scope of consolidation	Reference
	December 31, 2024 Rupees in '000		
Liabilities & Equity			
Bills payable	8,125,841	8,125,841	
Borrowings	28,698,505	28,698,505	
Deposits and other accounts	525,134,376	525,134,376	
Sub-ordinated loans	8,495,833	8,495,833	
of which: eligible for inclusion in AT1	2,500,000	2,500,000	m
of which: eligible for inclusion in Tier 2	5,995,833	5,995,833	n
Liabilities against assets subject to finance lease	2,788,429	2,788,429	
Deferred tax liabilities	671,138	671,138	
of which: DTLs related to goodwill	761,084	761,084	o
of which: DTLs related to intangible assets	-	-	p
of which: DTLs related to defined pension fund net assets	-	-	q
of which: other deferred tax liabilities	(89,946)	(89,946)	r
Other liabilities	18,486,512	18,486,512	
Total liabilities	**592,400,634**	**592,400,634**	
Share capital	20,506,625	20,506,625	
of which: amount eligible for CET1	20,506,625	20,506,625	s
of which: amount eligible for AT1	-	-	t
Reserves	7,113,683	7,113,683	
of which: portion eligible for inclusion in CET1(provide breakup)	7,113,683	7,113,683	u
of which: portion eligible for inclusion in Tier 2	-	-	v
Unappropriated profit/ (losses)	12,708,466	12,708,466	w
Minority Interest	-	-	
of which: portion eligible for inclusion in CET1	-	-	x
of which: portion eligible for inclusion in AT1	-	-	y
of which: portion eligible for inclusion in Tier 2	-	-	z
Surplus on revaluation of assets	3,377,860	3,377,860	
of which: Revaluation reserves on Property	-	-	aa
of which: Unrealized Gains/Losses on AFS	-	-	
In case of Deficit on revaluation (deduction from CET1)	-	-	ab
Total liabilities & Equity	**636,107,268**	**636,107,268**	

2024	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	20,506,625	(s)
Balance in Share Premium Account	-	
Reserve for issue of Bonus Shares	-	
Discount on issue of Shares (enter negative number)	-	
General/ Statutory Reserves	7,113,695	(u)
Gain/(Losses) on derivatives held as Cash Flow Hedge	-	
Unappropriated/unremitted profits/(losses)	13,181,145	(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	**40,801,465**	
Common Equity Tier 1 capital: Regulatory adjustments		
Goodwill (net of related deferred tax liability)	702,541	(j) - (o)
All other intangibles (net of any associated deferred tax liability)	3,189,462	(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)	17,196,329	(b) - (ad) - (af)
Deferred Tax Assets arising from temporary differences (amount above 10% threshold, net of related tax liability)	-	(i)
Amount exceeding 15% threshold	212,158	
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)	**21,300,490**	
Common Equity Tier 1	**19,500,976**	

	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		(t)
of which: Classified as liabilities	2,500,000	(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)	**22,000,976**	
Tier 2 Capital		
Qualifying Tier 2 capital instruments under Basel III	4,993,033	
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	52,515	(g)
Revaluation Reserves eligible for Tier 2	2,867,245	
of which: portion pertaining to Property	1,453,706	portion of (aa)
of which: portion pertaining to AFS securities	1,413,539	
Foreign Exchange Translation Reserves	-	(v)
Undisclosed/Other Reserves (if any)	-	
T2 before regulatory adjustments	**7,912,793**	

	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	6,767,800	
Excess Additional Tier 1 capital recognized in Tier 2 capital	-	
Total Tier 2 capital admissible for capital adequacy	6,767,800	
TOTAL CAPITAL (T1 + admissible T2)	**28,768,776**	

1.6 Main Features of Regulatory Capital Instruments

	Main Features	Common Shares	Common Shares	Sub-debt	Sub-debt	Sub-debt
1	Issuer	JS Bank	JS Bank	JS Bank	JS Bank	JS Bank
2	Unique identifier (eg KSE Symbol or Bloomberg	JSB	JSB	JSB	JSB	JSB
3	Governing law(s) of the instrument	SECP	SECP	SECP	SECP	SECP
	Regulatory treatment					
4	Transitional Basel III rules	Common Equity Tier-1	Common Equity Tier-1	Additional Tier-1	Tier-2	Tier-2
5	Post-transitional Basel III rules	Common Equity Tier-1	Common Equity Tier-1	Additional Tier-1	Tier-2	Tier-2
6	Eligible at solo/ group/ group&solo	Solo and Group	Solo and Group	Solo and Group	Solo and Group	Solo and Group
7	Instrument type	Ordinary Shares	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	10,387,383	2,500,000	2,500,000	3,500,000
9	Par value of instrument	10	10	100,000	100,000	100,000
10	Accounting classification	Shareholders Equity	Shareholders Equity	Liability	Liability	Liability
11	Original date of issuance	2006	2023	31-Dec-18	28-Dec-21	30-Aug-23
12	Perpetual or dated	No Maturity	No Maturity	Perprtual	Dated	Dated
13	Original maturity date	NA	NA	NA	28-Dec-28	30-Aug-33
14	Issuer call subject to prior supervisory approval	No	No	Yes	Yes	Yes
15	Optional call date, contingent call dates and redemption amount	NA	NA	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	On any profit payment date on or after five years from the Issue Date.
16	Subsequent call dates, if applicable	NA	NA	NA	NA	NA
	Coupons / dividends					
17	Fixed or floating dividend/ coupon	NA	NA	Floating	Floating	Floating
18	coupon rate and any related index/ benchmark	NA	NA	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	Floating at 3 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	NA
20	Fully discretionary, partially discretionary or	NA	NA	Fully discretionary	Fully discretionary	Fully discretionary
21	Existence of step up or other incentive to redeem	NA	NA	NA	NA	NA
22	Noncumulative or cumulative	NA	NA	Noncumulative	Cumulative	Cumulative
23	Convertible or non-convertible	NA	NA	Convertible	Convertible	Convertible
24	If convertible, conversion trigger (s)	NA	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	NA	May convert fully or partially	May convert fully or partially	May convert fully or partially
26	If convertible, conversion rate	NA	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	NA	Optional	Optional	Optional
28	If convertible, specify instrument type convertible	NA	NA	Ordinary Shares	Ordinary Shares	Ordinary Shares
29	If convertible, specify issuer of instrument it	NA	NA	NA	NA	NA
30	Write-down feature	NA	NA	Yes	Yes	Yes
31	If write-down, write-down trigger(s)	NA	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	NA	Either partially or fully	Either partially or fully	Either partially or fully
33	If write-down, permanent or temporary	NA	NA	Permanent	Permanent	Permanent
34	If temporary write-down, description of write-up mechanism	NA	NA	NA	NA	NA
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument	NA	NA	Deposits	Deposits	Deposits
36	Non-compliant transitioned features	NA	NA	No	No	No
37	If yes, specify non-compliant features	NA	NA	NA	NA	NA

1.7 Capital Adequacy

	Capital Requirements		Risk Weighted Assets	
	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
	Rupees in '000			
Credit Risk				
On balance sheet				
Corporate	**5,006,790**	6,672,037	**43,537,307**	58,017,715
Retail	**4,589,453**	3,405,783	**39,908,284**	29,615,507
Banks and DFIs	**264,120**	181,505	**2,296,697**	1,578,302
Public sector entity	**-**	-	**-**	-
Sovereign (include GoP and SBP)	**109,412**	321,296	**951,407**	2,793,875
Residential mortgage finance	**362,482**	638,905	**3,152,021**	5,555,693
Past due loans	**694,350**	950,414	**6,037,828**	8,264,470
Fixed assets	**1,937,770**	1,331,991	**16,850,176**	11,582,528
Other assets	**1,394,817**	1,397,743	**12,128,846**	12,154,288
	14,359,195	14,899,673	**124,862,566**	129,562,378
Off balance sheet				
Non market related	**2,155,559**	1,862,644	**18,743,989**	16,196,902
Market related	**41,263**	105,431	**358,805**	916,791
	2,196,821	1,968,075	**19,102,794**	17,113,694
Equity Exposure Risk in the Banking Book				
Listed	**1,496,088**	1,311,427	**13,009,461**	11,403,713
Unlisted	**33,977**	36,213	**295,456**	314,895
	1,530,066	1,347,640	**13,304,917**	11,718,607
Total Credit Risk	**18,086,082**	18,215,388	**157,270,277**	158,394,679
Market Risk				
Interest rate risk	**225,445**	123,490	**1,960,391**	1,073,829
	-	-		
Equity position risk etc.	**-**	-	**-**	-
	-	-		
Foreign exchange risk `	**42,925**	82,149	**373,263**	714,341
Total Market Risk	**268,370**	205,640	**2,333,654**	1,788,170
Operational Risk				
Capital Requirement for operational risks	**6,625,509**	5,118,068	**57,613,121**	44,504,940
TOTAL	**24,979,961**	23,539,096	**217,217,053**	204,687,789

Capital Adequacy Ratio

Total eligible common equity tier 1 capital held	(e)	**19,500,976**	17,247,502
Total eligible tier 1 capital held	(f)	**22,000,976**	19,747,502
Total eligible regulatory capital held	(e)	**28,768,776**	25,654,662
Total Risk Weighted Assets	(i)	**217,217,053**	204,687,789

	Required	Actual	Required	Actual
CET1 to total RWA	7.50%	8.98%	7.50%	8.43%
Tier-1 capital to total RWA	9.00%	10.13%	9.00%	9.65%
Total capital to total RWA	11.50%	13.24%	11.50%	12.53%

1.8 Leverage Ratio

Total eligible tier 1 capital held	**22,000,976**	19,747,260
Total Exposure	**728,556,636**	646,271,336
Leverage Ratio	**3.02%**	**3.06%**

1.1.2.1 Credit exposures and comparative figures subject to the standardised approach

Exposures	Rating category No.	Rating risk weighted	Amount outstanding	Deduction CRM	Net amount	Risk weighted asset
			2024			
			------------------ Rupees in '000 -----------------------			
Cash and Cash Equivalents		0%	12,376,887	-	12,376,887	-
Corporate	0	0%	-	-	-	-
	1	20%	23,041,400	1,334,476	21,706,923	4,341,385
	2	50%	23,863,459	5,293,063	18,570,395	9,285,198
	3,4	100%	1,336,628	330,989	1,005,638	1,005,638
	5,6	150%	-	-	-	-
	Unrated	100%	72,347,043	50,097,418	22,249,625	22,249,625
	Unrated-2	125%	5,431,703	107,334	5,324,369	6,655,461
			126,020,233	57,163,280	68,856,950	43,537,307
Retail		0%	-	-	-	-
		20%	-	-	-	-
		50%	-	-	-	-
		75%	67,136,410	13,925,365	53,211,045	39,908,284
			67,136,410	13,925,365	53,211,045	39,908,284
Banks						
- Over 3 Months		0%	-	-	-	-
	1	20%	2,617,714	2,035,885	581,829	116,366
	2,3	50%	750,958	2,413	748,544	374,272
	4,5	100%	254,666	2,229	252,437	252,437
	6	150%	-	-	-	-
	Unrated	50%	172,025	2,209	169,816	84,908
			3,795,363	2,042,736	1,752,626	827,983
- Maturity Upto and under 3		0%	762	-	762	-
Months in FCY	1,2,3	20%	3,659,942	927	3,659,016	731,803
	4,5	50%	390,499	-	390,499	195,250
	6	150%	9,190	-	9,190	13,785
	unrated	20%	340,638	1,263	339,375	67,875
			4,401,031	2,190	4,398,842	1,008,713
- Maturity Upto and under 3 Months in PKR		0%	-	-	-	-
- Maturity Upto and under 3 Months in PKR		20%	4,318,283	2,018,277	2,300,005	460,001
			4,318,283	2,018,277	2,300,005	460,001
Residential Mortgage Finance		35%	8,662,535		9,005,775	3,152,021
		25%	4,473,603		4,759,574	1,189,894
			13,136,137		13,765,349	4,341,915
Public Sector Entity						
		0%	367,397	-	367,397	-
	1	20%	-	-	-	-
	2,3	50%	-	-	-	-
	4,5	100%	-	-	-	-
	6	150%	-	-	-	-
	Unrated	50%	21,652,820	21,652,820	-	-
			22,020,217	21,652,820	367,397	-
Sovereigns (SBP / GoP)		0%	297,607,216	278,254	297,328,962	-
		150%	634,271		634,271	951,406.59
Other Sovereigns		0%	14,221,433	-	14,221,433	-
Equity Investments - Listed		100%	4,312,491	-	4,312,491	4,312,491
- Unlisted		150%	196,970	-	196,970	295,456
Significant Investment and DTA		250%	3,478,788	-	3,478,788	8,696,971
			7,988,249	-	7,988,249	13,304,917
Past Due Loans	S.P less than 20%	150%	424,380	-	424,380	636,569
(Not Secured by Residential Mortgages)	S.P between 20% to 50%	100%	3,657,357	-	3,657,357	3,657,357
	S.P greater than 50%	50%	1,582,322	-	1,582,322	791,161
Past Due Loans	S.P less than 20%	100%	850,799		850,799	850,799
(Secured by Residential	S.P greater than 50%	50%	203,884		203,884	101,942
			6,718,742	-	6,718,742	6,037,828
Investment in fixed assets		100%	16,850,176	-	16,850,176	16,850,176
						-
Other assets		100%	10,915,123		10,938,955	10,938,955.00
Total			608,139,771	96,715,850	511,709,889	138,167,486
						138,167,486

* Credit Risk Mitigation (CRM)

Liquidity Risk

Liquidity risk is the potential loss to the Bank arising from its inability either to meet its obligations (financial) or to fund increases in assets as they fall due without incurring unacceptable costs or losses.

JSBL's liquidity at various levels (day to day, short term, long term) is managed by the Treasury with oversight from with the Asset and Liability Management Committee (ALCO). The Risk management department reviews the Liquidity Profile, monitoring key liquidity ratios, assess viable funding mix, depositor concentration, and review Contingency Funding Plans etc.

Liquidity risk is defined as the potential loss arising from the Bank's inability to meet in an orderly way its contractual obligations when due. Liquidity risk arises in the general funding of the Bank's activities and in the management of its assets. The Bank maintains sufficient liquidity to fund its day-to-day operations, meet customer deposit withdrawals either on demand or at contractual maturity, meet customers' demand for new financings, participate in new investments when opportunities arise, and to meet any other commitments. Hence, liquidity is managed to meet known as well as unanticipated cash funding needs.

Bank calculates the Liquidity Coverage Ratio (LCR) on monthly basis as per SBP Basel III Liquidity Standards issued under BPRD circular no 08 dated June 23, 2016. The objective of LCR is to ensure the short-term resilience of the liquidity risk profile of Bank which requires banks to maintain sufficient High Quality Liquid Assets (HQLAs) to meet stressed cash outflows over a prospective 30 calendar-days period.

The objective of Net Stable Funding Ratio (NSFR) is to reduce funding risk over a longer time horizon by requiring banks to fund their activities with sufficiently stable sources of funding in order to mitigate the risk of future funding stress. Banks are expected to meet the NSFR requirement of at least 100% on an ongoing basis.

Governance of Liquidity risk management

Liquidity and related risks are managed through standardized processes established in the Bank. Board and senior management are apprised about liquidity profile of the Bank on periodic basis so as to ensure proactive liquidity management and to avoid abrupt shocks. The management of liquidity risk within the Bank is undertaken within limits and other policy parameters set by ALCO, which meets periodically and reviews compliance with policy parameters. Day to day monitoring is done by the treasury while overall compliance is monitored and coordinated by the ALCO and includes reviewing the actual and planned strategic growth of the business and its impact on the statement of financial position and monitoring the Bank’s liquidity profile and associated activities. Bank’s treasury function has the primary responsibility for assessing, monitoring and managing bank’s liquidity and funding strategy. Market Risk Function being part of Risk management group is responsible for the independent identification, monitoring & analysis of risks inherent in treasury activities. The Bank has in place duly approved Treasury investment policy and Liquidity Risk Management Policy along with liquidity risk tolerance/appetite levels. These are communicated at various levels so as to ensure effective liquidity management for the Bank.

Funding Strategy

Bank's prime source of liquidity is the customer's deposit base. Within deposits, Bank strives to maintain a healthy core deposit base in form of current and saving deposits and avoid concentration in particular products, tenors and dependence on large fund providers. Further, Bank relies on Interbank Lending/Borrowing for stop gap funding arrangements. Within acceptance, sources of funding are also diversified to minimize concentration. Usually interbank Lending/Borrowing is for short term. The Bank also Participate in SBP Open Market Operation (OMO) to manage Liquidity. Moreover, the Bank has also received funding through various SBP Refinancing Schemes. The Bank follows centralized funding strategy so as to ensure achievement of strategic and business objectives of the Bank.

Liquidity Risk Mitigation techniques

Various tools and techniques are used to measure and monitor the possible liquidity risk. These include monitoring of different liquidity ratios like Liquid Assets to deposits, Advances to deposit ratio, liquid assets to total Assets, Top 20 deposits to total deposits which are monitored on regular basis against different trigger levels and communicated to senior management and to ALCO forum regularly. Further, Bank also prepares the maturity profile of assets and liabilities to monitor the liquidity gaps over different time buckets. For maturity analysis, behavioural study techniques are also used to determine the behaviour of non-contractual assets and liabilities based on historic data and statistical techniques. The Bank also ensures to maintain statutory cash and liquidity requirements all times.

Liquidity Stress Testing

As per SBP FSD Circular No. 01 of 2020, liquidity stress testing is being conducted under various stress scenarios. Shocks include the withdrawals of deposits/Unsecured Borrowings, Withdrawal of Wholesale & FI Deposts, Withdrawal of Top Concentrated Depositors, Shocks to HQLA and Outflows for LCR and Shocks to Required Stable Funding/Available Stable funding for NSFR assessment under various scenarios. Results of same are escalated at the senior level so as to enable the senior management to take proactive actions to avoid liquidity crunch for the Bank.

Contingency Funding Plan

Contingency Funding Plan (CFP) is a part of liquidity management framework of the bank which identifies the trigger events that could cause a liquidity crisis and describes the actions to be taken to manage the crisis. At Bank, a comprehensive liquidity contingency funding plan is prepared which highlights liquidity management chain that needs to be followed. Responsibilities and crisis management phases are also incorporated in order to tackle the liquidity crisis. Moreover, CFP highlights possible funding sources, in case of a liquidity crisis.

Main drivers of LCR Results

Main drivers of LCR Results are High Quality Liquid Assets and Net cash outflows. Outflows are mainly deposit outflows net of cash inflows which consist of inflows from financing and money market placements up to 1 month. The inputs for calculation of LCR are as prescribed by the regulator.

Composition of High Quality Liquid Assets - HQLA

High Quality Liquid Assets composed of Level-1 Assets which can be included in the stock of liquid assets at 100% of their market value. Bank has taken Cash & treasury balances, Investments in Government of Pakistan Securities and foreign currency placements issued by sovereigns in FVOCI/FVTPL category. Further, Level 2-A asset category includes investment in corporate Debt, while Level 2-B Assets include Main Index Equities.

Concentration of Funding Sources

Being a commercial bank, it relies on funds provided by various depositors. However the Bank has been continuously improving upon its ratio of core deposits. The funding sources for the Bank remain well diversified.

Currency Mismatch in the LCR

Currency mismatch is minimal as FCY deposits are 12.9% of Bank's total deposits.

LCR Disclosure

	(in local currency)	Average TOTAL UNWEIGHTEDa VALUE (average)	TOTAL WEIGHTEDb VALUE (average)
	HIGH QUALITY LIQUID ASSETS		
1	Total high quality liquid assets (HQLA)		220,358,493
	CASH OUTLFLOWS		
2	Retail deposits and deposits from small business cusmtomers of which:	243,349,514	22,582,962
2.1	stable deposit	35,039,798	1,751,990
2.2	Less stable deposit	208,309,716	20,830,972
3	Unsecured wholesale funding of which:	131,203,439	55,112,587
3.1	Operational deposits (all counterparties)	-	-
3.2	Non-operational deposits (all counterparties)	131,203,439	55,112,587
3.3	Unsecured debt	-	-
4	Secured wholesale funding		-
5	Additional requirements of which:	32,868,721	4,540,948
5.1	Outflows related to derivative exposures and other collateral requirements	4,540,948	4,540,948
5.2	Outflows related to loss of funding on debt products	-	-
5.3	Credit and Liquidity facilities	28,327,773	-
6	Other contractual funding obligations	18,680,348	18,680,348
7	Other contingent funding obligations	127,625,035	6,381,252
8	**TOTAL CASH OUTFLOWS**		**107,298,097**
	CASH INFLOWS		
9	Secured lending	31,690,316	20,553,957
10	Inflows from fully performing exposures	-	-
11	Other Cash inflows	4,366,520	853,419
12	**TOTAL CASH INLFOWS**	-	21,407,376
21	**TOTAL HQLA**		220,358,493
22	**TOTAL NET CASH OUTFLOWS**		85,890,721
23	**LIQUIDITY COVERAGE RATIO**		256.56%

NSFR Disclosure

LR IX

(Amount in PKR in thousands)		unweighted value by residual maturity: No Maturity	< 6 months	6 months to < 1 yr	≥ 1 yr	weighted value
ASF Item						
1	Capital:					
2	Regulatory capital	43,706,634				43,706,634
3	Other capital instruments		967	967	8,493,900	8,495,833
4	Retail deposits and deposit from small business customers:					
5	Stable deposits	-	54,875,707	546,726	55,750	55,478,182.81
6	Less stable deposits	-	283,450,622	14,996,729	1,119,927	276,314,991
7	Wholesale funding:					
8	Operational deposits					-
9	Other wholesale funding	-	138,428,547	31,660,369	-	85,044,458
10	Other liabilities:					
11	NSFR derivative liabilities					-
12	All other liabilities and equity not included in other categories		43,549,416	1,449,812	13,771,197	14,496,102.67
13	**Total ASF**					**483,536,202**
RSF item						
14	Total NSFR high-quality liquid assets (HQLA)				200,812,791	-
15	Deposits held at other financial institutions for operational purposes	3,617,293.0	-	-	-	-
16	Performing loans and securities:					
17	Performing loans to financial institutions secured by Level 1 HQLA		40,141,250	2,196,058	917,463	4,325,477
18	Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financail institutions		133,333	387,065.72	400,000.00	460,200
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:		85,094,518.3	50,518,766.6	25,602,360	128,072,472
20	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk		2,624,806.8	2,121,009.1	15,381,996	13,083,078
21	Securities that are not in default and do not qualify as HQLA including exchange-traded equities.	23,318,817	77,180,637	10,497,514.37	35,684,703.78	64,613,488
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				-	-
27	All other assets not included in the above categories		8,886,013		50,590,871	50,701,960
28	Off-balance sheet items		45,310,077	33,142,636	87,760,254	8,310,648
29	Total RSF					**269,567,322**
30	Net Stable Funding Ratio (%)					**179.37%**

-