



The Pakistan Credit Rating Agency Limited

## Rating Report

### JS Bank Limited | TFC Tier 1 | 2.5bln | Dec-18

#### Report Contents

1. Rating Analysis
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#### Rating History

Dissemination Date	Long Term Rating	Short Term Rating	Outlook	Action	Rating Watch
30-Jun-2025	A+	-	Stable	Maintain	-
30-Dec-2024	A+	-	Stable	Maintain	-
28-Jun-2024	A+	-	Stable	Upgrade	-
29-Dec-2023	A	-	Positive	Maintain	-
23-Jun-2023	A	-	Stable	Maintain	-
24-Jun-2022	A	-	Stable	Maintain	-
25-Jun-2021	A	-	Stable	Maintain	-
29-Jun-2020	A	-	Stable	Maintain	-
28-Dec-2019	A	-	Stable	Maintain	-
28-Jun-2019	A	-	Stable	Maintain	-
21-Feb-2019	A	-	Stable	Initial	-
28-Dec-2018	A	-	Stable	Preliminary	-

#### Rating Rationale and Key Rating Drivers

The assigned ratings of JS Bank Limited's ("JSBL" or the "Bank") reflect its consolidated position following the majority stake of the BankIslami Pakistan Limited. The strengthened position marked the Bank as one of the Country's fastest-growing financial institutions. The positive fundamentals of the Islamic banking industry in general also lend support to the ratings. On a consolidated basis, JSBL has retained its market share of 4% (CY23: 4%) based on customer deposits. JSBL, a tech-driven mid-sized Bank, is stabilizing its market position by leveraging its regional presence and diverse product offerings. The Bank has increasingly gained a tech-savvy image, while continuously augmenting its futuristic layout. It has heavily invested in its digital services; "Zindigi," has become a hallmark of the Bank's digital presence. During CY24, Zindigi's throughput rose 42% to PKR 206bln, deposits hit PKR 6.7bln, and downloads grew 31% to 12.3mln. During CY24, the Bank's gross performing advances book increased to PKR 226.4bln (CY23: PKR 197.6bln) primarily attributable to individuals, financial and textile sectors. However, asset quality pressures were evident, as gross non-performing advances (NPLs) increased to PKR 21.3bln (CY23: PKR 16.2bln), leading to a rise in the infection ratio to 8.6% from 7.6% on YoY basis. The investment portfolio is composed of government securities, with a tilt towards floating-rate instruments. JSBL demonstrated solid growth in its deposit base, which increased to PKR 525bln in CY24 (CY23: PKR 486bln), reflecting improved customer acquisition and retention. At the end of CY24, the equity base was recorded at PKR 43.7bln (CY23: PKR 40.3bln) with CAR stood at 13.24% (CY23: 12.53%). During CY24, the Bank's net markup income recorded a healthy increase of 22% on a YoY basis to stand at PKR 27.3bln (CY23: PKR 22.4bln), attributable to a sizeable increase in markup earned recorded at PKR 109bln (CY23: PKR 92bln). The Bank's non-markup income contracted to PKR 11.3bln in CY24 (CY23: PKR 12.2bln), primarily driven by a substantial decline in foreign exchange earnings to PKR 3.3bln from PKR 5.8bln. While dividend income improved to PKR 2.3bln (CY23: PKR 1.8bln), it was insufficient to counterbalance the drop in FX gains. Additionally, provisioning expenses escalated to PKR 4.7bln, up from PKR 2.8bln on YoY basis. Consequently, the bottom line witnessed a dip to PKR 2.8bln (CY23: PKR 4.3bln) signaling a need for greater income diversification and a more resilient non-core revenue mix to sustain profitability amid market fluctuations.

The ratings depend on upholding asset quality, maintaining its share of advances and deposits in the banking sector, adding diversity to the income stream while maintaining a cushion in CAR, and a strong governance framework are critical.

#### Disclosure

<b>Name of Rated Entity</b>	JS Bank Limited   TFC Tier 1   2.5bln   Dec-18
<b>Type of Relationship</b>	Solicited
<b>Purpose of the Rating</b>	Debt Instrument Rating
<b>Applicable Criteria</b>	Methodology   Debt Instrument Rating(Oct-24),Methodology   Financial Institution Rating(Oct-24),Methodology   Rating Modifiers(Apr-25)
<b>Related Research</b>	Sector Study   Commercial Banks(Jun-25)
<b>Rating Analysts</b>	Noor Fatima   noor.fatima@pacra.com   +92-42-35869504



## Issuer Profile

**Profile** JS Bank Limited ("JSBL" or the "Bank") was established in March 2006 as a public limited Company and commenced its commercial banking operations on December 30, 2006. JS Bank Limited was formed after the amalgamation of Jahangir Siddique Investment Bank Limited and American Express Bank Limited. JS Bank Limited is a scheduled commercial bank, actively engaged in providing a comprehensive range of banking and financial services. The Bank's branch network is primarily concentrated in the provinces of Sindh and Punjab, reflecting its strategic focus on key economic hubs. In addition to its domestic operations, JS Bank maintains an international presence through an overseas branch located in the Kingdom of Bahrain. The Bank is operating through 314 (CY23: 291) branches / sub-branches in Pakistan and one wholesale banking branch in Bahrain (CY23: 1 branch).

**Ownership** JS Bank Limited is a subsidiary of Jahangir Siddiqui & Co. Limited (JSCL), which holds a 71.21% equity stake in the Bank. The remaining 28.79% shareholding is distributed among a diverse group of investors, including domestic and international financial institutions, foreign investors, and local individual shareholders. JS Bank Limited is a subsidiary of JSCL, developed as a diversification strategy of the sponsor group. JS Group operates across a broad spectrum of sectors, with a core emphasis on financial services, including asset management, securities trading, commodities, brokerage, commercial banking, and insurance. Jahangir Siddiqui & Co. Limited (JSCL) holds equity interests in several wholly-owned subsidiaries, including JS International Limited, Energy Infrastructure Holdings (Private) Limited, Quality Energy Solutions (Private) Limited and JS Infocom Limited.

**Governance** The Board of Directors (Board) consists of seven members, including the Chairperson and the CEO. Among them, three serve as independent directors, while three are non-executive directors. The CEO holds the position of an executive director, representing the management on the Board. Mr. Adil Matcheswala - Chairperson has also been serving on the Board of JS Bank Limited since 2012. He is the Chief Executive Officer and founding Director of Speed (Private) Limited, a retail and distribution Company. His prior roles include serving as Chairperson of the Board and Audit Committee at JS Global Capital Limited, as well as Director of JS Value Fund. All Board members are highly qualified and accomplished professionals, bringing extensive experience and expertise to their roles. M/s KPMG Taseer Hadi & Co. Chartered Accountants are the external auditors of the Bank. They have expressed an unqualified opinion on the Bank's financial statements for the year ended December 31, 2024.

**Management** JSBL operates under a streamlined organizational framework that distinctly delineates roles, authorities, and reporting hierarchies, supported by robust monitoring and compliance mechanisms to ensure effective governance and operational efficiency. Mr. Basir Shamsie - CEO has also served as Chairman of JS Investments Limited and JS Global Capital Limited and as Director of JS Bank Limited. He possesses an extensive experience of more than 33 years, primarily in the banking sector. He has been associated with JS Group for a long time. The Bank has various committees in place at the management level to oversee its day-to-day operational matters and take decisions to implement the strategy outlined by the Board. The implementation of data warehousing, data science, and business intelligence solutions has significantly accelerated product innovation, enhanced customer service delivery, and institutionalized data-driven decision-making across the Bank. These advancements have enabled the automation of MIS reporting, providing senior management with timely, accurate, and actionable insights. Through its digital platform "Zindigi", the Bank continues to deliver a comprehensive array of innovative digital products and services, enhancing customer convenience while reinforcing its competitive differentiation in the marketplace. At the end of CY24, Zindigi app has demonstrated significant growth across various metrics. Its throughput stands at PKR 206bln, marking a 42% increase from the previous year (CY23) of PKR 145bln. Customer deposits have reached PKR 6.7bln and number of app downloads has risen to 12.3mln, reflecting a 31% growth from 9.4mln (CY23). Additionally, the number of accounts has increased to 5.66mln, showing an 18% rise from the previous 4.8mln accounts (CY23). The internal Risk Rating Module is being used by the Bank. The module supports the Bank in its Obligor Risk Rating (ORR) process by adding more objectivity to the credit appraisal process. The Bank has assigned 59% of its obligors under "Good and above" credit risk rating, while another 28% fall under the "Marginal and above" category. Approximately 2% of obligors are rated under "Overdue but not Classified and above," and 11% are categorized under "Loss and above."

**Business Risk** JS Bank Limited is classified as a medium-tier Bank, capturing a market share of 2% in terms of customer deposits on a standalone basis as of CY24, consistent with its position in CY23. During CY24, the Bank's net markup income recorded a healthy increase of 22% on a YoY basis to stand at PKR 27.3bln (CY23: PKR 22.4bln) attributable to a sizeable increase in markup earned recorded at PKR 109bln (CY23: PKR 92bln). Consequently, the Bank's net markup income to total income improved to 70.6% (CY23: 64.7%), reflecting stronger core earnings. The Bank's asset yield strengthened to 21.1% (CY23: 17.9%), indicating better return on earning assets. The cost of funds recorded an increase and clocked in at 15.0% at the end of CY24 (CY23: 12.8%). Consequently, the spread of the Bank stood at 6.2% (CY23: 5.2%) reflecting improved profitability margins. During CY24, the Bank's non-markup income decreased to PKR 11.3bln (CY23: PKR 12.2bln) primarily due to a significant drop in foreign exchange income to PKR 3.3bln (CY23: PKR 5.8bln). Although dividend income saw an uptick to PKR 2.3bln (CY23: PKR 1.8bln), it was insufficient to offset the decline in FX gains. Consequently, with an increase in ECL charge against asset, the bottom line witnessed a dip to PKR 2.8bln (CY23: PKR 4.3bln) due to increase in provisions signaling a need for greater income diversification and a more resilient non-core revenue mix to sustain profitability amid market fluctuations.

**Financial Risk** During CY24, the Bank's gross performing advances book increased to PKR 226.4bln (CY23: PKR 197.6bln), reflecting a healthy expansion in the Bank's lending portfolio. This growth was accompanied by a slight increase in the net Advances-to-Deposits Ratio (ADR), which rose to 42.9% (CY23: 41.9%), indicating improved utilization of deposit mobilization for credit extension. However, asset quality pressures were evident, as gross non-performing advances (NPLs) increased to PKR 21.3bln (CY23: PKR 16.2bln), leading to a rise in the infection ratio to 8.6% from 7.6% YoY basis. While credit growth remains strong, the uptick in NPLs suggests a need for heightened credit risk monitoring and a more cautious lending approach to maintain portfolio quality. As of CY24, JS Bank Limited's investment portfolio recorded an YoY increase, reaching PKR 302bln (CY23: PKR 288bln), with ~86% of the portfolio allocated to government securities, reflecting a conservative and risk-averse investment strategy. This upward trajectory suggests a proactive approach by the Bank in strategically optimizing its investment portfolio, either to enhance yield generation or to strengthen risk mitigation in response to evolving market dynamics. JS Bank Limited demonstrated solid growth in its deposit base, which increased to PKR 525bln in CY24 (CY23: PKR 486bln), reflecting improved customer acquisition and retention. Notably, the composition of deposits strengthened, with Current Account (CA) and Savings Account (SA) proportions rising to 38% and 33%, respectively (CY23: 33% and 28%). This shift toward low-cost, stable funding sources is likely to improve the Bank's funding profile and reduce overall cost of funds. Although the Bank's liquid assets as a percentage of deposits slightly declined to 57.4% from 59.2%, the ratio remains at a robust level, ensuring adequate liquidity buffers. Overall, the increase in core deposits, combined with a healthy liquidity position, positions the Bank well to support future asset growth while maintaining financial resilience. At the end of CY24, the equity base was recorded at PKR 43.7bln (CY23: PKR 40.3bln) and the CAR of the Bank stood at 13.24% at the end of CY24 (CY23: 12.53%). The equity-to-total assets ratio also saw a marginal improvement, increasing to 6.9% (CY23: 6.8%). To strengthen its capital base, the Bank has successfully issued one Additional Tier 1 Term Finance Certificate (TFC) amounting to PKR 2,500mln. In addition, the Bank has also issued two Additional Tier 2 TFCs with a cumulative value of PKR 6,000mln. These capital instruments have been structured to enhance the Bank's capital adequacy ratio, providing a buffer for loss absorption and supporting the Bank's long-term growth and risk management objectives. This modest uptick in capitalization indicates a stable capital position, supporting the Bank's asset growth while maintaining a reasonable buffer against potential risks. While the ratio remains within a healthy range, continued equity enhancement will be important to underpin future expansion, absorb credit risk, and comply with evolving regulatory requirements.

## Instrument Rating Considerations

**About The Instrument** The JSBL has issued a Rated, Privately Placed, Unsecured, Subordinated, Perpetual and Non-cumulative TFC ("TFC") amounting to PKR 2.5bln in December 31, 2018. The tenor of the TFC is perpetual and carries a profit rate of 6MK+225bps. The Bank may call the TFCs, with prior approval of SBP, after five years from the date of issue. In addition to the Lock In Clause, the TFC will be subject to 1) loss absorption upon the occurrence of a Pre-Specified Trigger ("PST") i.e. issuer's CET1 ratio falls to/below 6.625% of Risk Weighted Assets; and 2) loss absorption and/or any other requirements of SBP upon the occurrence of a Point of Non Viability ("PONV"). The TFCs shall, if directed by the SBP, be fully and permanently converted into ordinary shares and/or have them immediately written off (partially or in full) upon the PONV Trigger Event. TFC is perpetual. So, there is no fixed or final date for principal payment.

**Relative Seniority/Subordination Of Instrument** The TFC is unsecured and subordinated to payment of principal and profit of all other claims except ordinary shares.

**Credit Enhancement** The TFC is unsecured.

JS Bank Limited Public Listed Company	Dec-24	Dec-23	Dec-22
	12M	12M	12M

#### A BALANCE SHEET

1 Stage I   Advances - net	189,390	197,203	222,001
2 Stage II   Advances - net	29,885	-	-
3 Stage III   Non-Performing Advances	21,328	16,184	16,312
4 Stage III   Impairment Provision	(15,084)	(9,661)	(7,211)
5 Investments in Government Securities	273,530	262,396	294,799
6 Other Investments	28,906	25,083	8,666
7 Other Earning Assets	10,593	8,342	13,152
8 Non-Earning Assets	97,559	89,885	68,997
<b>Total Assets</b>	<b>636,107</b>	<b>589,433</b>	<b>616,715</b>
9 Deposits	525,134	486,283	464,132
10 Borrowings	37,194	35,720	104,803
11 Other Liabilities (Non-Interest Bearing)	30,072	27,107	26,234
<b>Total Liabilities</b>	<b>592,401</b>	<b>549,110</b>	<b>595,169</b>
<b>Equity</b>	<b>43,707</b>	<b>40,322</b>	<b>21,547</b>

#### B INCOME STATEMENT

1 Mark Up Earned	108,503	92,087	72,047
2 Mark Up Expensed	(81,190)	(69,678)	(57,191)
3 Non Mark Up Income	11,340	12,205	5,300
<b>Total Income</b>	<b>38,653</b>	<b>34,614</b>	<b>20,156</b>
4 Non-Mark Up Expenses	(27,574)	(23,291)	(16,926)
5 Provisions/Write offs/Reversals	(4,713)	(2,807)	(1,099)
<b>Pre-Tax Profit</b>	<b>6,366</b>	<b>8,515</b>	<b>2,131</b>
6 Taxes	(3,518)	(4,180)	(1,166)
<b>Profit After Tax</b>	<b>2,848</b>	<b>4,335</b>	<b>965</b>

#### C RATIO ANALYSIS

##### 1 Performance

Net Mark Up Income / Avg. Assets	4.5%	3.7%	2.5%
Non-Mark Up Expenses / Total Income	71.3%	67.3%	84.0%
ROE	6.8%	14.0%	4.4%

##### 2 Capital Adequacy

Equity / Total Assets	6.9%	6.8%	3.5%
Capital Adequacy Ratio	13.2%	12.5%	13.3%

##### 3 Funding & Liquidity

Liquid Assets / (Deposits + Borrowings Net of Repo)	57.4%	59.2%	57.7%
Net Financial Assets to Deposits Ratio [(Total Finances - net + Non-Performing Finances - net) / Deposits]	42.94%	41.89%	49.79%
Current Deposits / Deposits	37.8%	33.0%	30.8%
Saving Deposits / Deposits	32.9%	28.2%	28.6%

##### 4 Credit Risk

Impaired Loan Ratio   [Stage III   Non-Performing Advances / Gross Advances]	8.6%	7.6%	6.8%
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### Debt Instrument Rating

Credit rating reflects forward-looking opinion on credit worthiness of underlying entity or instrument; more specifically it covers relative ability to honor financial obligations. The primary factor being captured on the rating scale is relative likelihood of default.

Scale	Long-Term Rating
AAA	Highest credit quality. Lowest expectation of credit risk. Indicate exceptionally strong capacity for timely payment of financial commitments
AA+ AA AA-	Very high credit quality. Very low expectation of credit risk. Indicate very strong capacity for timely payment of financial commitments. This capacity is not significantly vulnerable to foreseeable events.
A+ A A-	High credit quality. Low expectation of credit risk. The capacity for timely payment of financial commitments is considered strong. This capacity may, nevertheless, be vulnerable to changes in circumstances or in economic conditions.
BBB+ BBB BBB-	Good credit quality. Currently a low expectation of credit risk. The capacity for timely payment of financial commitments is considered adequate, but adverse changes in circumstances and in economic conditions are more likely to impair this capacity.
BB+ BB BB-	Moderate risk. Possibility of credit risk developing. There is a possibility of credit risk developing, particularly as a result of adverse economic or business changes over time; however, business or financial alternatives may be available to allow financial commitments to be met.
B+ B B-	High credit risk. A limited margin of safety remains against credit risk. Financial commitments are currently being met; however, capacity for continued payment is contingent upon a sustained, favorable business and economic environment.
CCC CC C	Very high credit risk. Substantial credit risk "CCC" Default is a real possibility. Capacity for meeting financial commitments is solely reliant upon sustained, favorable business or economic developments. "CC" Rating indicates that default of some kind appears probable. "C" Ratings signal imminent default.
D	Obligations are currently in default.

Scale	Short-Term Rating
A1+	The highest capacity for timely repayment.
A1	A strong capacity for timely repayment.
A2	A satisfactory capacity for timely repayment. This may be susceptible to adverse changes in business, economic, or financial conditions.
A3	An adequate capacity for timely repayment. Such capacity is susceptible to adverse changes in business, economic, or financial conditions.
A4	The capacity for timely repayment is more susceptible to adverse changes in business, economic, or financial conditions. Liquidity may not be sufficient.

### Rating Modifiers | Rating Actions

<p><b>Outlook (Stable, Positive, Negative, Developing)</b> Indicates the potential and direction of a rating over the intermediate term in response to trends in economic and/or fundamental business / financial conditions. It is not necessarily a precursor to a rating change. 'Stable' outlook means a rating is not likely to change. 'Positive' means it may be raised. 'Negative' means it may be lowered. Where the trends have conflicting elements, the outlook may be described as 'Developing'.</p>	<p><b>Rating Watch</b> Alerts to the possibility of a rating change subsequent to, or, in anticipation of some material identifiable event with indeterminable rating implications. But it does not mean that a rating change is inevitable. A watch should be resolved within foreseeable future, but may continue if underlying circumstances are not settled. Rating watch may accompany rating outlook of the respective opinion.</p>	<p><b>Suspension</b> It is not possible to update an opinion due to lack of requisite information. Opinion should be resumed in foreseeable future. However, if this does not happen within six (6) months, the rating should be considered withdrawn.</p>	<p><b>Withdrawn</b> A rating is withdrawn on a) termination of rating mandate, b) the debt instrument is redeemed, c) the rating remains suspended for six months, d) the entity/issuer defaults., or/and e) PACRA finds it impractical to surveil the opinion due to lack of requisite information.</p>	<p><b>Harmonization</b> A change in rating due to revision in applicable methodology or underlying scale.</p>
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**Surveillance.** Surveillance on a publicly disseminated rating opinion is carried out on an ongoing basis till it is formally suspended or withdrawn. A comprehensive surveillance of rating opinion is carried out at least once every six months. However, a rating opinion may be reviewed in the intervening period if it is necessitated by any material happening. Rating actions may include "maintain", "upgrade", or "downgrade".

**Note:** This scale is applicable to the following methodology(s):

- |                                 |                                      |
|---------------------------------|--------------------------------------|
| a) Broker Entity Rating         | e) Holding Company Rating            |
| b) Corporate Rating             | f) Independent Power Producer Rating |
| c) Debt Instrument Rating       | g) Microfinance Institution Rating   |
| d) Financial Institution Rating | h) Non-Banking Finance Company       |

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### **Rating Team Statements**

(1) Rating is just an opinion about the creditworthiness of the entity and does not constitute recommendation to buy, hold or sell any security of the entity rated or to buy, hold or sell the security rated, as the case may be | Chapter III; 14-3-(x)

### **2) Conflict of Interest**

- i. The Rating Team or any of their family members have no interest in this rating | Chapter III; 12-2-(j)
- ii. PACRA, the analysts involved in the rating process and members of its rating committee, and their family members, do not have any conflict of interest relating to the rating done by them | Chapter III; 12-2-(e) & (k)
- iii. The analyst is not a substantial shareholder of the customer being rated by PACRA [Annexure F; d-(ii)] Explanation: for the purpose of above clause, the term "family members" shall include only those family members who are dependent on the analyst and members of the rating committee

### **Restrictions**

- (3) No director, officer or employee of PACRA communicates the information, acquired by him for use for rating purposes, to any other person except where required under law to do so. | Chapter III; 10-(5)
- (4) PACRA does not disclose or discuss with outside parties or make improper use of the non-public information which has come to its knowledge during business relationship with the customer | Chapter III; 10-7-(d)
- (5) PACRA does not make proposals or recommendations regarding the activities of rated entities that could impact a credit rating of entity subject to rating | Chapter III; 10-7-(k)

### **Conduct of Business**

- (6) PACRA fulfills its obligations in a fair, efficient, transparent and ethical manner and renders high standards of services in performing its functions and obligations; | Chapter III; 11-A-(a)
- (7) PACRA uses due care in preparation of this Rating Report. Our information has been obtained from sources we consider to be reliable but its accuracy or completeness is not guaranteed. PACRA does not, in every instance, independently verifies or validates information received in the rating process or in preparing this Rating Report | Clause 11-(A)(p).
- (8) PACRA prohibits its employees and analysts from soliciting money, gifts or favors from anyone with whom PACRA conducts business | Chapter III; 11-A-(q)
- (9) PACRA ensures before commencement of the rating process that an analyst or employee has not had a recent employment or other significant business or personal relationship with the rated entity that may cause or may be perceived as causing a conflict of interest; | Chapter III; 11-A-(r)
- (10) PACRA maintains principal of integrity in seeking rating business | Chapter III; 11-A-(u)
- (11) PACRA promptly investigates, in the event of a misconduct or a breach of the policies, procedures and controls, and takes appropriate steps to rectify any weaknesses to prevent any recurrence along with suitable punitive action against the responsible employee(s) | Chapter III; 11-B-(m)

### **Independence & Conflict of interest**

- (12) PACRA receives compensation from the entity being rated or any third party for the rating services it offers. The receipt of this compensation has no influence on PACRA's opinions or other analytical processes. In all instances, PACRA is committed to preserving the objectivity, integrity and independence of its ratings. Our relationship is governed by two distinct mandates i) rating mandate - signed with the entity being rated or issuer of the debt instrument, and fee mandate - signed with the payer, which can be different from the entity
- (13) PACRA does not provide consultancy/advisory services or other services to any of its customers or to any of its customers' associated companies and associated undertakings that is being rated or has been rated by it during the preceding three years unless it has adequate mechanism in place ensuring that provision of such services does not lead to a conflict of interest situation with its rating activities; | Chapter III; 12-2-(d)
- (14) PACRA discloses that no shareholder directly or indirectly holding 10% or more of the share capital of PACRA also holds directly or indirectly 10% or more of the share capital of the entity which is subject to rating or the entity which issued the instrument subject to rating by PACRA; | Reference Chapter III; 12-2-(f)
- (15) PACRA ensures that the rating assigned to an entity or instrument is not be affected by the existence of a business relationship between PACRA and the entity or any other party, or the non-existence of such a relationship | Chapter III; 12-2-(i)
- (16) PACRA ensures that the analysts or any of their family members shall not buy or sell or engage in any transaction in any security which falls in the analyst's area of primary analytical responsibility. This clause shall, however, not be applicable on investment in securities through collective investment schemes. | Chapter III; 12-2-(l)
- (17) PACRA has established policies and procedure governing investments and trading in securities by its employees and for monitoring the same to prevent insider trading, market manipulation or any other market abuse | Chapter III; 11-B-(g)

### **Monitoring and review**

- (18) PACRA monitors all the outstanding ratings continuously and any potential change therein due to any event associated with the issuer, the security arrangement, the industry etc., is disseminated to the market, immediately and in effective manner, after appropriate consultation with the entity/issuer; | Chapter III | 17-(a)
- (19) PACRA reviews all the outstanding ratings periodically, on annual basis; Provided that public dissemination of annual review and, in an instance of change in rating will be made; | Chapter III | 17-(b)
- (20) PACRA initiates immediate review of the outstanding rating upon becoming aware of any information that may reasonably be expected to result in downgrading of the rating; | Chapter III | 17-(c)
- (21) PACRA engages with the issuer and the debt securities trustee, to remain updated on all information pertaining to the rating of the entity/instrument; | Chapter III | 17-(d)

### **Probability of Default**

(22) PACRA's Rating Scale reflects the expectation of credit risk. The highest rating has the lowest relative likelihood of default (i.e., probability). PACRA's transition studies capture the historical performance behavior of a specific rating notch. Transition behavior of the assigned rating can be obtained from PACRA's Transition Study available at our website. (www.pacra.com). However, actual transition of rating may not follow the pattern observed in the past; | Chapter III | 14-3(f)(vii)

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## Regulatory and Supplementary Disclosure

JS Bank Limited | TFC Tier 1 | PKR 2.5bln | Dec-18

Nature of Instrument	Size of Issue (PKR)	Tenor	Markup (KIBOR+Spread)	Security	Issue Agent	Book Value of Security Assets (PKR mln)
Additional Tier 1 Capital Term Finance Certificate	2,500 mln	Perpetual i.e. no fixed or final redemption date	6MK +2.25%	Unsecured	Pak Brunei Investment Company Limited	-

<b>Name of Issuer</b>	JS Bank Limited
<b>Issue Date</b>	31-Dec-18
<b>Maturity</b>	Perpetual i.e. no fixed or final redemption date
<b>Call Option</b>	Exercisable after 5 years of issue date

### Redemption Schedule

Sr.	Due Date Principal & Markup	Opening Principal	KIBOR	Markup/Profit Rate (6MK+2.25%)	Markup/Profit Payment	Principal Payment	Total Installment	Principal Outstanding
		PKR (mln)						

Redemption Schedule not applicable since its a perpetual whereby there is no fixed or final redemption date. Profit is payable monthly in arrears, on a non-cumulative basis on the outstanding TFC amount. The first such profit payment was due at the end of 1st calendar month from the Issue Date and subsequently every month end thereafter.