

JSB-099-23

May 29, 2023

The General Manager  
Pakistan Stock Exchange Limited  
Stock Exchange Building  
Stock Exchange Road,  
Karachi

**Subject: Review of Offer Document of Rights Issue**

Dear Sir,

This is in reference to the Pakistan Stock Exchange letter Ref No. PSX C-866-775 dated May 17, 2023.

JS Bank Limited ("JSBL" or the "Bank") is a licensed commercial bank listed on the Pakistan Stock Exchange.

On 26 April 2023, the Board of Directors of the Bank announced a Rights Issue at a ratio of 17 (seventeen) Right Shares for every 100 (one hundred) ordinary shares held by existing shareholders (17% Rights Issue) of the Bank, to be subscribed at par value of PKR 10/- each. Details on the size of the Rights Issue are given below:

Total Right Shares	Total Subscription Amount (PKR)	% of existing Paid-up Capital
220,568,925	2,205,689,250/	17%

The Bank has always appreciated any input and guidance from the Pakistan Stock Exchange and takes pride in ensuring all its activities are carried out in a legally compliant manner, as a consequence of which considering the size of the right issue by JSBL, we are hereby submitting the Offer Document of the Rights Issue to the Exchange to solicit its observations and recommendations (if any). The draft Offer Document has also been submitted to the honourable Securities & Exchange Commission of Pakistan for the same purpose.

We shall appreciate if the Pakistan Stock Exchange would provide us comments on the said draft Offer Document at the earliest, especially considering our tight timeline.

Looking forward to your prompt and positive response.

Thanking you,

Yours faithfully,



Hasan Shahid  
Company Secretary & Head of Legal

cc. Additional Director & HOD, PMADD, Securities Market Division, SECP, Islamabad

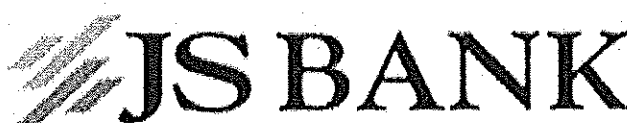
## ADVICE FOR INVESTORS

INVESTMENT IN EQUITY SECURITIES AND EQUITY-RELATED SECURITIES INVOLVES A CERTAIN DEGREE OF RISK. THE INVESTORS ARE REQUIRED TO READ THE RIGHTS SHARE OFFER DOCUMENT (HEREIN REFERRED TO AS 'OFFER DOCUMENT') AND RISK FACTORS AND CAREFULLY ASSESS THEIR OWN FINANCIAL CONDITIONS AND RISK-TAKING ABILITY BEFORE MAKING THEIR INVESTMENT DECISIONS IN THIS OFFERING.

RIGHT ENTITLEMENT LETTER IS TRADABLE ON PSX, RISKS AND REWARDS ARISING OUT OF IT SHALL BE THE SOLE LIABILITY OF THE INVESTORS

This document is issued for the purpose of providing information to shareholders of the Company and to the public in general in relation to the rights issue of PKR 2,205,689,250 consisting of new ordinary shares of PKR 10/- each by JS Bank Limited. A copy of this document has been registered with the Securities Exchange.

This offer document is valid till \_\_\_\_\_ (60 days from last payment date)



**Issuer: JS BANK LIMITED**

Registered Office Shaheen Commercial Complex, Dr. Ziauddin Ahmed Road, Karachi

Contact Details :UAN: +92 21 111 JS Bank (572-265) - Email: [info@jsbl.com](mailto:info@jsbl.com) - [www.jsbl.com](http://www.jsbl.com)

Contact Person - Hasan Shahid - Company Secretary - [corporate.affairs@jsbl.com](mailto:corporate.affairs@jsbl.com)

Ph: +92 21 111 JS Bank (572 265)

Date of Incorporation March 15, 2006 - Incorporation No. 12238/20060307

Circular under Section 83(3) of the Companies Act, 2017

For Issue of 220,568,925 Ordinary Shares by way of Rights at an Offer Price of PKR 10/ each (i.e. at Par Value) for an Aggregate Issue Size of PKR 2,205,689,250/  
At a ratio of 17 Rights Shares For Every 100 Shares Held

Date of placing offer document on PSX for Public Comments	N/A
Date of Final Offer Letter	
Date of Book Closure	
Dates for Payment of Subscription Amounts	
Trading Dates for Letter of Rights	
Web Address to download Offer Documents	<a href="http://www.jsbl.com">www.jsbl.com</a>

### Relevant Contact Persons

Issuer: JS Bank Limited

Contact Person: Hasan Shahid - Company Secretary & Head of Legal

Address: Shaheen Commercial Complex, Dr. Ziauddin Ahmed Road, Karachi

Tel: +92 21 111 JS Bank (572 265)

Email: [corporate.affairs@jsbl.com](mailto:corporate.affairs@jsbl.com)

Website: [www.jsbl.com](http://www.jsbl.com)

### Underwriters

Next Capital Limited

Contact Person: Syed Qamber Ali - AVP

Investment Banking

Address: 2<sup>nd</sup> Floor, Imperial Court Building,  
Dr. Ziauddin Ahmed Road, Karachi, Pakistan

Tel: +92 21 111 639 825

Email: [cf@nextcapital.com.pk](mailto:cf@nextcapital.com.pk)

Website: [www.nextcapital.com.pk](http://www.nextcapital.com.pk)

Adam Securities Limited

Contact Person: Mr. Noman - Director

Address: Room # 806-814, 8<sup>th</sup> Floor, Pakistan Stock  
Exchange Building, Stock Exchange Road, Karachi

Tel: +92 21 32413580

Email: [info@adamsecurities.com.pk](mailto:info@adamsecurities.com.pk)

Website: [www.adamsecurities.com.pk](http://www.adamsecurities.com.pk)

<u>Legal Adviser</u>	<u>Banker to the Issue</u>
Bawaney & Partners 3 <sup>rd</sup> Floor, 68-C, Lane 13, Bokhari Comm Area Phase VI, DHA, Karachi Ph: 0213-515-6191 - Email: <a href="mailto:info@bawaney.com">info@bawaney.com</a> Website: <a href="http://www.bawaney.com">www.bawaney.com</a>	JS Bank Limited Name: Irfan Torab Designation: IB Agency Function Contact Number: +92 21 38907492 Email: <a href="mailto:IBG@jsbl.com">IBG@jsbl.com</a> Address: Shaheen Commercial Complex Dr. Ziauddin Ahmed Road Karachi Website: <a href="http://www.jsbl.com">www.jsbl.com</a>

# **1. Issuers Undertaking**

WE, THE UNDERSIGNED OF JS BANK LIMITED CERTIFY THAT:

- I. THE OFFER DOCUMENT CONTAINS ALL INFORMATION WITH REGARD TO THE ISSUER AND THE ISSUE, WHICH IS MATERIAL IN THE CONTEXT OF THE ISSUE AND NOTHING HAS BEEN CONCEALED IN THIS RESPECT;
- II. THE INFORMATION CONTAINED IN THE OFFER DOCUMENT IS TRUE AND CORRECT TO THE BEST OF THEIR KNOWLEDGE AND BELIEF;
- III. THE OPINIONS AND INTENTIONS EXPRESSED THEREIN ARE HONESTLY HELD;
- IV. THERE ARE NO OTHER FACTS, THE OMISSION OF WHICH MAKES THE OFFER DOCUMENT AS A WHOLE OR ANY PART THEREOF MISLEADING; AND
- V. ALL REQUIREMENTS OF THE COMPANIES ACT, 2017, THE COMPANIES (FURTHER ISSUE OF SHARES) REGULATIONS, 2020, THE CENTRAL DEPOSITORY COMPANY AND THAT OF PSX PERTAINING TO THE RIGHT ISSUE HAVE BEEN FULFILLED.

For and on behalf of JS Bank Limited

Hasan Shahid  
Company Secretary  
& Head of Legal

Basir Shamsie  
President &  
Chief Executive Officer

2. Disclaimer:

In line with the Companies Act, 2017 and Companies (Further Issue of Shares) Regulations, 2020, this document does not require approval of the Securities Exchange and the Securities Exchange Commission of Pakistan (SECP).

The Securities Exchange and the SECP disclaim:

- a. any liability whatsoever for any loss however arising from or in reliance upon this document to anyone, arising from any reason, including, but not limited to, inaccuracies, incompleteness and/or mistakes, for decisions and/or actions taken, based on this document.
- b. any responsibility for the financial soundness of the Company and any of its schemes/projects stated herein or for the correctness of any of the statements made or opinions expressed with regards to them by the Company in this Offer document.
- c. any responsibility with respect to the quality of the issue.

It is clarified that information in this Offer document should not be construed as advice on any particular matter by the SECP and the Securities Exchange and must not be treated as a substitute for specific advice.

### 3. Glossary of Terms

"Company" means JS Bank Limited;

"BIPL" means BankIslami Pakistan Limited;

"CDC" means Central Depository Company of Pakistan Limited

"Issuer" means the Company;

"JSCL" means Jahangir Siddiqui & Co. Limited;

"PKR" or "Rs" means Pakistani Rupees;

"PSX" means Pakistan Stock Exchange Limited;

"SBP" means the State Bank of Pakistan

"SECP" means Securities & Exchange Commission of Pakistan;

"Sponsor" means JSCL;

"Takeover Regulations" means Listed Companies (Substantial Acquisition of Voting Shares & Takeovers) Regulations, 2017.

### 4. Table of Contents

- i. Salient Features of the Right Issue
- ii. Subscription Amount Payment Procedure
- iii. Profile of Management and Sponsors
- iv. Financial Details of the Issuer
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5. Salient Features of the Right Issue:

(i) Brief Terms of the Rights Issue:

a)	Description of issue:	Issuance of new ordinary shares at par by way of rights to existing shareholders of the company as per their proportional entitlement.
b)	Size of the proposed issue	Rs. 2,205,689,250/ divided into 220,568,925 Ordinary Shares of Rs. 10/ each
c)	Face value of the share	Rs. 10/ Each
d)	Basis of determination of price of the right issue	The board of directors of the Company decided the issue price to be at par at their meeting held on April 26, 2023.
e)	Proportion of new issue to existing issued shares with condition, if any	17 Right Shares for Every 100 ordinary shares held by existing shareholders.
f)	Date of meeting of board of directors (BoD) wherein the right issue was approved	April 26, 2023
g)	Names of directors attending the BoD meeting	Mr. Adil Matcheswala - Chairman Ms. Nargis Ali Akber Ghaloo Lt. Gen. (Retd.) Sadiq Ali Syed Mumtaz Ali Shah Mr. Usman Yousaf Mobin Mr. Basir Shamsie - President & CEO
h)	Brief purpose of utilization of right issue proceeds	To enable the Company to make strategic investments and pay for the shares of BIPL which may be tendered during the public offer process.
i)	Purpose of the Right Issue - Details of the main objects for raising funds through present right issue.	<p>The purpose of the rights issue is to raise funding to make cash consideration payments to public shareholders of BIPL who may tender their shares during the public offer process. The public offer will be for a maximum of 24.88% shares of BIPL.</p> <p>The balance funding requirements for such cash consideration payments will be managed through internal sources.</p> <p>Subject to receipt of regulatory permissions and approval, it is expected that the entire acquisition of shares of BIPL will be concluded by September 2023.</p> <p>If any proceeds generated from the rights issue are left over after making consideration payments during the public offer process, they shall be used for the general business and operations of the Company.</p>

j)	'Minimum level of subscription' (MLS)	Not Applicable.
k)	"Application Supported by Blocked amount" (ASBA) facility, if any, will be provided for subscription of right shares	Not Applicable.

(ii) Principal Purpose of the Issue and funding arrangements:

A	Details of the principal purpose of the issue.	
	Summary item-wise breakup of the proceeds to be utilized both in terms of amount & %age of total allocation made to the relevant item, along with percentage completion status of the relevant item. Additional information may also be included, as needed, to make the table give complete, concise and clear picture.	The entire proceeds for the rights issue will primarily be used for making consideration payment to such public shareholders of BIPL who would tender their shares to the Company during the intended public offer, which has to be given in accordance with the provisions of the Takeover Regulations. If any proceeds are left over after making consideration payments during the public offer process, they shall be used for the general business and operations of the Company.
B	Additional disclosures relating to purpose of the issue shall be made in case of the following	
a	If purpose of the issue is to finance a project	Not Applicable
b	If purpose of the issue is to finance working capital	Not Applicable
c	If purposes of the issue is to purchase Plant/ Equipment/ Technology	Not Applicable
d	If the purpose of the issue is to acquire Land	Not Applicable
e	If the purpose of the issue is to acquire intangible assets	Not Applicable
f	If purpose of the issue is loan/debt repayment	Not Applicable
g	If purposes of the issue is BMR/investment in greenfield project	Not Applicable

(iii) General Requirements:

a)	Where the issuer proposes to undertake more than one activity or project, such as diversification, modernization, expansion, etc., the total project cost activity-wise or project wise, as the case may be.	As a consequence of the issue, the Company will be able to acquire majority voting shares and control of BIPL. This will help the Company in gaining access to Islamic financial services and banking which currently the Bank is unable to do.
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		<p>With an established Islamic bank becoming a subsidiary of the Company, the profitability of the subsidiary will ultimately be passed on to the shareholders of the Company.</p> <p>Total Investment: Up to PKR 17.50 billion (up to PKR 10.87 for the first phase, and up to PKR 6.63 Billion for the second phase-detail of the phases is given in (b) below).</p>
b)	Where the issuer is implementing the project in a phased manner, the cost of each phase including the phase, if any, which has already been implemented	<p>On November 15, 2022, the Company made a public announcement of intention to acquire majority voting shares and control of BIPL. The acquisition will be carried out in two phases.</p> <p>In the first phase, the Company plans to acquire 470,603,772 ordinary shares of BIPL (representing 42.45% of the paid-up capital of BIPL) through agreements in exchange for 532,629,349 new ordinary shares of the Company which will be issued by way of other than cash and other than rights. A maximum of PKR 10.87 Billion (as non-cash outlay) will be invested under the first phase.</p> <p>In the second phase, the Company plans to make a public offer for a minimum of 24.88% ordinary shares of BIPL as required under the Takeover Regulations, consideration of which will be in cash and shall be partially funded through the proceeds of the rights issue. A maximum of PKR 6.63 Billion will be invested under the second phase.</p> <p>Earlier, on November 11, 2022 the Company had acquired 86,316,954 ordinary shares of BIPL (representing 7.79% paid-up capital of BIPL) for PKR 1,142,836,470.96/, which amount was paid through internal sources.</p>
c)	Details of all material existing or anticipated transactions in relation to the utilization of the issue proceeds or project cost with promoters, directors, key managerial personnel, associate companies	<p>There is no material contract with any associated company as far as utilization of the rights proceeds is concerned.</p> <p>However, the rights proceeds will be used to pay for public offer shares of BIPL, which is an associated entity of the Company.</p>



(iv) Financial Effects Arising From Right Issue

	Measurement Unit	Pre-Issue	Post Issue	Increase in Percentage (%)
Authorized Capital	Shares	4,000,000,000	4,000,000,000	-
Paid-up-Capital	Shares	1,297,464,262	1,518,033,187	17%
Net Asset/Breakup value per share (March 31, 2023)	PKR	16.64	15.67	
Gearing Ratio	N/A	N/A	N/A	
Production Capacity	N/A	N/A	N/A	
Market Share (based on Deposits)	%	Over 2%	Over 2%	-

(v) Total expenses to the issue:

Underwriting Commission @ 0.4% Take-up Commission @ 2%	PKR 2,189,839 (on amount subscribed by the underwriters)
Bankers Commission	-
PSX Listing fee	PKR 4,411,400
CDC Fee	PKR 3,276,193 (approx.)
Stamp Duty for Additional Shares 0.15% of face value in book entry form 0.50% on physical shares	PKR 3,308,534
All others cost	PKR 5,000,000 (approx.)

(vi) Details of Underwriters

Name of the Underwriter	Amount Underwritten	Associated Company/ Associated undertaking of the Issuer (YES /NO)
Next Capital Limited	PKR 542,459,720	No
Adam Securities Limited	PKR 5,000,000	No

(vii) Commitments from substantial shareholders/directors:

Name of the Person	Status (Substantial Shareholder /Director)	Number of Shares Committed to be Subscribed	Amount Committed to be Subscribed (PKR)	Shareholding %-pre- issuance	Shareholding %-post issuance
Mr. Adil Matcheswala	Director	34,000	340,000	0.00	0.00
Jahangir Siddiqui & Co. Limited	Sponsor / Substantial Shareholder	165,462,245	1,654,622,450	75.02	75.02
Mr. Jahangir Siddiqui	Substantial Shareholder	326,708	3,267,080	0.15	0.15

*Note: All the other directors only hold one share each and shall not be offered any right shares due to their fractional entitlement of less than half a right share.*

(viii) Fractional Rights Shares

Fractional Right Shares shall not be offered and all fractions less than a share shall be consolidated and disposed of by the Directors as and how they may deem appropriate in the exercise of powers under Regulation 3(1)(ii) of Companies (Further Issue of Shares) Regulations, 2020 and the proceeds from such disposition shall be paid to such of the entitled shareholders as may have accepted this offer.

(ix) Important Dates

JS Bank Limited			
Tentative Schedule for Issuance of Letter of Rights			
Book Closure: From _____ to _____ (both days inclusive)			
S. No.	Procedure	Day	Date
1	Date of Credit of Unpaid Rights into CDC in Book Entry Form		
2	Dispatch of Letter of Right (LOR) to physical shareholders		
3	Intimation to Stock Exchange for dispatch of physical Letter of Rights		
4	Commencement of trading of unpaid Rights on Pakistan Stock Exchange Limited		
5	Last date of trading of letter of Rights		
6	Payment of subscription amount start date		
7	Last date for acceptance of payment		
8	Allotment of shares and credit of Shares into CDS		
9	Date of dispatch of physical shares certificates		

6. Subscription Amount Payment Procedure:

- I. Payment as indicated above should be made by cash or crossed cheque or demand draft or pay order made out to the credit of "JS Bank Limited Right Shares Subscription Account" through any of the authorized branches of above mentioned bank(s) on or before \_\_\_\_\_ along with this Right Subscription Request\* duly filled in and signed by the subscriber(s).
- II. Right Subscription Request can be downloaded from JS Bank website [www.jsbl.com](http://www.jsbl.com)
- III. In case of Non-Resident Pakistani / Foreign shareholder, the demand draft of the equivalent amount in Pak Rupees should be sent to the Company Secretary, (Issuer Name) at the registered office of the issuer along with Right Subscription Request (both copies) duly filed and signed by the subscriber(s) with certified copy of NICOP / Passport well before the last date of payment.
- IV. All cheques and drafts must be drawn on a bank situated in the same city where Right Subscription Request is deposited. Cheque is subject to realization.
- V. The Bank will not accept Right Subscription Request delivered by post which may reach after the closure of business on \_\_\_\_\_ unless evidence is available that these have been posted before the last date of payment.
- VI. Payment of the amount indicated above to the issuer's Banker(s) to the issue on or Before \_\_\_\_\_ shall be treated as acceptance of the Right offer.
- VII. After payment has been received by the Company's banker(s), the Right Securities will be credited into respective CDS Accounts within 14 business days from the last payment date. Paid Right Subscription Request will not be traded or transferred.

7. Profile of Management and Sponsors

a	Profile of directors (names, executive/ non-executive/ independent/ nominee director and tenure of directorship held)	See Annexure A
b	Other directorships held	See Annexure A
c	Profile of sponsors If the sponsor is a company registered in Pakistan, date of incorporation, names of directors (% age of shareholding)	See Annexure B

8. Financial Details of the Issuer

(i) Financial highlights of issuer for last three years

	PKR 'millions'		
	Audited Account Year 2022	Audited Accounts Year 2021	Audited Accounts Year 2020
Name of the Statutory Auditor	KPMG Taseer Hadi & Co.	KPMG Taseer Hadi & Co.	EY Ford Rhodes
Gross Revenue/Sale (Total Income)	20,156	16,971	16,454
Gross Profit (Profit before provision)	3,230	4,204	3,302
Profit before Tax	2,131	2,209	2,023
Profit after tax	965	1,304	1,150
Net Profit/Loss	965	1,304	1,150
Total Assets	616,715	584,289	532,168
Total Liabilities	595,169	562,265	511,576
Net Equity	21,547	22,024	20,592
Break-up value Per Share (PKR)	16.61	16.98	15.87
Earnings/Loss per share (PKR)	0.74	1.01	0.89
Dividend Announced	Nil	Nil	Nil
Bonus Issue	Nil	Nil	Nil

(ii) Financial highlights for the preceding year of consolidated financial:

	PKR 'millions'		
	Audited Account Year 2022	Audited Accounts Year 2021	Audited Accounts Year 2020
Name of the Statutory Auditor	KPMG Taseer Hadi & Co.	KPMG Taseer Hadi & Co.	EY Ford Rhodes
Gross Revenue/Sale (Total Income)	21,386	18,070	17,462
Gross Profit (Profit before provision)	3,407	4,236	3,422
Profit before Tax	2,309	2,258	2,169
Profit after tax	1,090	1,217	1,108
Net Profit/Loss	1,090	1,217	1,108
Total Assets	620,529	589,329	536,077
Total Liabilities	597,274	565,497	513,161
Net Equity	23,256	23,832	22,916
Break-up value Per Share (PKR)	17.92	18.37	17.66
Earnings/Loss per share (PKR)	0.83	0.92	0.86
Dividend Announced	Nil	Nil	Nil
Bonus Issue	Nil	Nil	Nil

(iii) Detail of issue of capital in previous five years:  
None

(iv) Average market price of the share of the issuer during the last six months  
PKR 4.38 per share (December 01, 2022 – May 15, 2023)

(v) Share Capital and Related Matters

a) Pattern of shareholding of the issuer in both relative and absolute terms.

Attached as Annexure C

b) Number of shares held by the directors, sponsors & substantial shareholders of the Issuer (both existing and post right issue).

S. No.	Directors	No. of Shares Existing	No. of Shares After Right Issue
1.	Mr. Adil Matcheswala	200,000	234,000
2.	Mr. Basir Shamsie	1	1
3.	Ms. Nargis Ali Akber Ghaloo	1	1
4.	Lt. Gen (Retd.) Sadiq Ali	1	1
5.	Mr. Shahnawaz Haidar Nawabi	1	1
6.	Syed Mumtaz Ali Shah	1	1
7.	Mr. Usman Yousaf Mobin	1	1
	<b>Sponsor/Substantial Shareholders</b>		
8.	Jahangir Siddiqui & Co. Limited	973,307,324	1,138,769,569
9.	Mr. Jahangir Siddiqui	1,921,811	2,248,519

c) Details and shareholding of the holding company, if any.

Jahangir Siddiqui & Co. Limited: 973,307,324 shares 75.02%

9. Risk Factors

(i)	Each risk factor shall appear in the following manner a. Risk as envisaged by the issue; b. Proposals, if any, to address the risk	Annexure D
(ii)	Internal and external risk factor	Annexure D
	Risk factors in descending order of materiality	
	All possible risk factors relating to business of the Company, the acquisition, competition, industry, liquidity, regulatory risks, changes in Govt. policies, capital market, pending litigations, defaults etc.	
	<p>Additional risk factors such as</p> <ul style="list-style-type: none"> <li>➤ regulatory permissions and approvals.</li> <li>➤ Lack of experience of the Management</li> <li>➤ losses in the last three financial years</li> <li>➤ Dependence upon a single customer or a few customers</li> <li>➤ In case of outstanding debt instruments, any default in compliance with the material covenants</li> <li>➤ Default in repayment of loan by the issuer and associated group companies, if any;</li> <li>➤ Potential conflict of interest of the Sponsors, substantial shareholders or directors of the Company;</li> <li>➤ Excessive dependence on any key managerial personnel;</li> <li>➤ material investment in debt instruments by the issuer which are unsecured;</li> <li>➤ Pending legal Proceeding against the Company and associated group companies, which could have material adverse comments;</li> <li>➤ Negative cashflow from operating activities in the</li> </ul>	

	<p>last three preceding financial years:</p> <ul style="list-style-type: none"> <li>➤ Any restrictive covenant that could hamper the interest of the equity shareholders</li> <li>➤ Low credit rating of the Issuer;</li> <li>➤ Any portion of the issue proceed that is proposed to be paid by the issuer to the sponsors, directors or key management personnel of the Company;</li> </ul>	
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#### Confirmation Statement

We, the undersigned of JS Bank Limited certify and hereby solemnly affirm and state that whatever is stated above and in the corresponding annexures with respect to the risk factors associated with the proposed rights issue is true and correct to the best of our knowledge and belief, and nothing has been concealed thereto.

Hasan Shahid  
Company Secretary  
& Head of Legal

Basir Shamsie  
President &  
Chief Executive Officer

10. Legal Proceedings

I	Any outstanding legal proceeding other than the normal course of business involving the issuer, its sponsors, substantial shareholders, directors and associated companies, over which the Issuer has control, that could have material impact on the issuer	<p>There are no outstanding legal proceedings other than the normal course of business involving the issuer, its sponsors, substantial shareholders, directors and associated companies, that could have a material impact on the Company.</p> <p>There have been some baseless cases filed against the Issuer by a few shareholders holding less than 0.025% shares of BankIslami with an aim to derail its efforts to acquire BIPL. Such cases did not have any merit, as a consequence no injunction is granted against the Issuer in this regard. As per the latest order of the Honourable Sindh High Court, the Bank is permitted to proceed towards the intended acquisition of BIPL, till any other decision by the Honourable Single Judge in the pending suit.</p>
II	Action taken by the securities exchange against the issuer or associated listed companies of the issuer during the last three years due to non-compliance of the its regulations	None

11. Signatories to the Offer Document:

List of the signatories to the offer document and their signatures in original duly dated and witnessed.

Hasan Shahid  
Company Secretary  
& Head of Legal

Basir Shamsie  
President &  
Chief Executive Officer

Date: \_\_\_\_\_, 2023



**PROFILE OF DIRECTORS WITH DIRECTORSHIP IN OTHER COMPANIES**

**MR. ADIL MATCHESWALA**

**Chairman - Non-Executive Director**

Mr. Adil Matcheswala is the CEO and founding Director of Speed (Private) Limited, a retail and distribution company that is incorporated in Pakistan. The Company's portfolio includes numerous leading International brands such as Nike, Adidas, Under Armour, Birkenstock, Tag Heuer, Charles & Keith, Pedro and Timex.

Mr. Matcheswala started his professional career in the financial services industry in 1992 and was the Head of the Equity Sales Division of Jahangir Siddiqui & Co. Ltd. (formerly Bear Stearns Jahangir Siddiqui Limited).

He has previously served as the Chairman of the Board and Chairman of the Audit Committee of JS Global Capital Ltd. as well as a Director of JS Value Fund.

Mr. Matcheswala has served on the Board of JS Bank Limited since 2012. He is the Chairman of the Board of Directors and is also a member of the Board HR, Remuneration & Nomination Committee of the Bank.

Mr. Matcheswala graduated from Brown University with an A.B. in Economics.

**Directorships in Other Companies:**

**Speed (Private) Limited**

**JOMO Technologies (Private) Limited**

**LT. GEN (RETD.) SADIQ ALI**

**Independent Director**

Lt Gen (Retired) Sadiq Ali, was commissioned in the 54th Cavalry Regiment of Pak Army on March 16, 1984. He is a graduate of the Turkish War Academy, Istanbul and NDU, Islamabad. During his career Mr. Sadiq Ali held a number of Staff and Instructional appointments which include BM Infantry Brigade, GSO-I MO Dte, DS & CI (C&SC Qta), COS in a Strike Coprs, VMS and IG Arms GHQ, he has commanded 23 Cavalry (FF), 7 Armd Bde, 116 Inf Bde, 1 Armd Div, Comdt PMA Kakul, 35 Div, 4 Corps and POF Wah.

He took over the charge as Secretary Ministry of Defence Production on March 5, 2020 and retired from the position on March 4, 2022.

Lt Gen (Retired) Sadiq Ali is a member of the Board Audit Committee and Board Risk Management Committee of JS Bank.

**Directorships in Other Companies:**

**Nil**

**Ms. Nargis Ghaloo**  
**Independent Director**

Ms. Nargis Ghaloo is a retired senior civil servant having served the Government of Pakistan in various capacities for 36 years. She retired as the Managing Director Public Procurement Regulatory Authority, Government of Pakistan.

Ms. Ghaloo was Chairperson of State Life Insurance Corporation of Pakistan, Pakistan's largest life insurer, from 2014 to 2016.

Ms. Ghaloo joined the Civil Services of Pakistan in 1982, has many years of professional experience serving in senior management positions with provincial as well as federal government departments in diversified fields such as public sector management, administration, financial, judicial, health, insurance and planning.

Ms. Ghaloo did her Masters in English from University of Sindh in 1981 and is a certified Director from The Pakistan Institute of Corporate Governance (PICG) and holds certificate of corporate governance from INSEAD and also holds a certificate in company direction from Institute of Directors, UK.

Ms. Ghaloo has served on the Board of JS Bank since 2016. She is also the Chairperson of the Board Audit Committee and a member of the Board IT Committee of the Bank.

**Directorships in Other Companies:**  
**Hinopak Motors Limited**  
**People's Primary Healthcare Initiative (PPHI) Sindh**

**Mr. Syed Mumtaz Ali Shah**  
**Independent Director**

Syed Mumtaz Ali Shah is a retired Pakistan Administrative Service officer, who served as a Federal Secretary and then Chief Secretary of Sindh, the highest positions in the civil service. Throughout his service, Mr. Shah earned the reputation of being upright as well as accessible to the general public for resolving their grievances firsthand. His services in the public sector have been highly acknowledged and appreciated.

His journey began in 1984 when he became the youngest officer in his batch to qualify for federal service. Initially, he served in the province of Punjab as Assistant Commissioner and then as Deputy Commissioner and District Magistrate in the Districts of Thatta, Umer Kot and Mirpur Khas in the province of Sindh. Some of his notable achievements include building a 5-year education and development plan in collaboration with IUCN, establishing a campus of the University of Sindh, and the Thalassemia Center in Badin. After promotion to the level of provincial secretary, he headed many important provincial departments including Information and Archives, Population Welfare, Home and Anti-Corruption. Furthermore, as Chairman Anti-Corruption, he brought a turnaround in the performance of the organization through initiatives which focused on the training and development of staff. He also implemented strict monitoring systems which led towards increased control on corruption at the provincial level. During his tenure as Home Secretary Sindh, he made major policy level decisions which improved the law and order of the province.

Syed Mumtaz Ali Shah also had a good mark in public sector organizations. Starting as Managing Director of the Sindh Small Industries in 1994, he turned the organization, which was in dire straits, into a dynamic and self-sufficient organization. He made major structural changes which included identifying and closing loss making departments and focused on the core functions of establishing and improving small industrial estates through technical and financial support. In addition to serving as the CEO and Executive Director for National Insurance Company Ltd. (NICL), he also headed the Export Processing Zone Authority, as CEO and Chairman of the Board. Furthermore, he also served as Chairman and CEO of Pakistan Steel Mills and Chairman of Karachi Port Trust for brief periods.

In the later years of his career, Syed Mumtaz Ali Shah moved on to serve as Federal Secretary for the Ministry of Maritime Affairs. For a short duration, he also served as Federal Secretary for Religious Affairs.

Mr. Mumtaz Ali Shah is the Chairman of the Board HR, Remuneration & Nomination Committee, and Board Risk Management Committee of JS Bank.

Mr. Mumtaz Ali Shah holds master's degree in English and Economics.

**Directorships in Other Companies:**  
Nil

**Mr. Shahnawaz Haider Nawabi**  
Independent Director

Mr. Shahnawaz Haider Nawabi holds an MBA degree from Harvard University - USA and a BA degree from Stanford University - USA.

Mr. Shahnawaz worked as a Management Consultant with Boston Consulting Group (BCG), an American global management consulting firm founded in 1963. He has also served as Managing Director with Cambridge Associates a Global Investment Firm, from 2015 to 2019.

Mr Shahnawaz is currently Senior Vice President of Investments at Shamal Holding, a diversified investment holding company based in UAE.

Mr. Shahnawaz is a Director on the Board of Fly Jinnah Services (Pvt.) Ltd., and First Jamia Services Ltd.. He has extensive professional experience serving at senior positions with global firms in the field of Investments and Finance.

Mr. Shahnawaz is a member of the Board Audit Committee and Board Risk Management Committee of JS Bank.

**Directorships in Other Companies:**  
Fly Jinnah Services (Pvt.) Ltd  
First Jamia Services Ltd.

**Mr. Usman Yousaf Mubin**  
Independent Director

Mr. Usman Mubin, was Chairman Nadra from February 2015 to February 2021. Mr. Usman an MIT graduate is the youngest ever head of any leading Pakistani organization. Studied at the prestigious Massachusetts Institute of Technology (MIT) and having a master's degree in Electrical Engineering and Computers Science as well as a bachelor's degree in the same subject, Mr. Usman has completed many complicated national and international IT projects which have turned around not only Nadra, but also revolutionized the functioning of many other organizations.

Mr. Usman graduated with a cumulative GPA of 5.0/5.0 in 2002. Before MIT, he graduated from Atchison College with the best A-level grades in the world and won the President's Medal for best student in his class every year for 12 consecutive years.

In recognition of his services, Mr. Usman has been awarded numerous awards including Tamgha-e-Imtiaz in Public Service by the President of Pakistan in 2008. Mr. Usman Mobin has designed and implemented numerous international projects including Citizens' Registration Project in Sri Lanka, Identity Management of Sri Lanka, Civil Registration of Sudan, Machine Readable Passports of Kenya and Driver's License of Bangladesh.

In Pakistan, he has deployed the National Identity Card System, Civil Registration System, Smart Card, and software for Benazir Income Support Programme, Watan Cards, Citizens Damage Compensation Program, Arms License Projects and the world's first ever ICAO compliant multi-biometric passports.

Mr. Usman brings 12 years of experience in delivering high-quality citizens registration and citizens' services projects around the world and has been the CTO of the organization since 2002.

Mr. Usman is a member of the Board IT Committee and Board HR, Remuneration & Nomination Committee of JS Bank.

**Directorships in Other Companies:**  
**Aploi (Pvt) Ltd**

**Mr. Basir Shamsie**  
**President and CEO - Executive Director**

Mr. Basir Shamsie is the President & CEO of JS Bank Limited.

Mr. Shamsie received his Bachelor in Business Administration from the University of Texas at Austin. He has also completed the Program for Leadership Development from Harvard Business School.

Mr. Shamsie joined Bear Stearns Jahangir Siddiqui & Co. (now Jahangir Siddiqui & Co. Ltd.) in 1994 in the Money and Bond Markets business. His particular expertise is in Treasury and Investment Banking and he is credited with over 60 capital market deals, many of which have been landmark transactions for Pakistan.

He was part of the core team responsible for acquisition of American Express Bank's Pakistan operations in 2006 and its merger into JS Bank. Mr. Shamsie has since been associated with JS Bank in various senior roles such as Group Head of Treasury, Wholesale & International Banking which he held till May of 2017. His last assignment was Deputy CEO of JS Bank.

He has previously served as Chairman, JS Investments Limited and JS Global Capital Limited and Director of JS Bank Limited.

Mr. Basir is a member of the Board Risk Management Committee and Board IT Committee of JS Bank.

**Directorships in other companies:**

Nil

Profile of Sponsor**Jahangir Siddiqui & Co. Ltd. - Corporate Profile**

Jahangir Siddiqui & Co. Ltd. ("JSCL" or "the Company") was incorporated under the repealed Companies Ordinance, 1984 (the Ordinance) on May 04, 1991, as a public unquoted company.

JSCL is primarily an investment holding company of the JS Group<sup>1</sup>. The Company is Pakistan's premium Investment Holding Company, having investments in Conventional and Islamic Banking, Life and General Insurance, Asset Management and Brokerage, Petroleum and Energy, Textile, Information Technology, Telecommunications, and Engineering. On consolidated basis, the Company's total assets, including all investments, surpasses PKR 600 billion.

The Company is listed on Pakistan Stock Exchange Limited having trading symbol of 'JSCL'.

The registered office and geographical location of the Company is situated at 20<sup>th</sup> Floor, The Centre, Plot No. 28, SB-5, Abdullah Haroon Road, Saddar, Karachi. However, the global footprint of the Group also encompasses Bahrain and Cayman Islands.

**Credit Rating**

The Pakistan Credit Rating Agency ("PACRA") has maintained a long term credit rating of AA (Double A) and short term rating of A1+ (A one plus) for the Company. Further, the ratings for the Company's 10<sup>th</sup> and 11<sup>th</sup> (listed on PSX) TFC issues, of PKR 1,500 million each, are also maintained at AA+ (Double A plus) by PACRA.

These ratings denote a very low expectation of credit risk, a strong capacity for timely payment of financial commitments and strong risk absorption capacity.

**Impeccable Credit History**

JSCL's investment universe, being an investment holding company, mainly spans over long-term strategic investments. Owing to the nature and longevity of the strategic investments, JSCL opts to meet its financing needs by raising long-term debts either in form of bank loans or issuing Term Financial Certificates (TFCs) to meet its liquidity requirements.

Following is the historical data of TFCs issued by JSCL. The immaculate credit history of JSCL can be depicted from the following table that shows that each of the TFCs issued were repaid in full and on timely basis. The currently outstanding 10<sup>th</sup> and 11<sup>th</sup> issue of TFCs will mature in the year 2023.

	Issue Date	Maturity Date	Amount	Outstanding	Credit Rating
			----- (Rs. in million) -----		
TFC 1	18-04-03	18-04-08	500	-	N/A
TFC 2	20-05-04	20-05-14	500	-	AA+
TFC 3	21-12-04	20-12-09	500	-	AA
TFC 4	30-09-05	30-09-10	500	-	AA+
TFC 5	21-11-06	21-05-12	1,100	-	AA
TFC 6	04-07-07	04-07-13	1,250	-	AA
TFC 7	30-10-12	30-04-16	1,000	-	AA+

TFC 8	08-04-14	08-04-19	750	-	AA+
TFC 9	24-06-16	24-06-21	1,000	-	AA+
TFC 10	18-07-17	18-07-23	1,500	675	AA+
TFC 11	06-03-18	06-09-23	1,500	1,000	AA+

#### Directors

S. No.	Names of Director	Shareholding
1.	Justice (R) Agha Rafiq Ahmed Khan - Chairman	500
2.	Mr. Asad Nasir - Chief Executive Officer	10,000
3.	Mr. Ali Raza Siddiqui - Non-Executive Director	16,496
4.	Lt. Gen. (R) Javed Mahmood Bukhari - Independent Director	500
5.	Mr. Samar Ali Shahid - Independent Director	500
6.	Mr. Shahid Hussain Jatoi - Non-Executive Director	1,000

#### Registered Office

20th Floor, The Centre  
Plot No 28, SB-5  
Abdullah Haroon Road, Sadar  
Karachi, Pakistan  
UAN: (+92-21) 111 574 111  
Fax: (+92-21) 35632575

#### Company Registration Number (JSCL)

0023932

## Pattern of shareholding - JS Bank Limited

**JS BANK LIMITED**  
**Pattern of Shareholding**  
**As at March 31, 2023**

Categories of Shareholders	Shares Held	Percentage
MR. BASIR SHAMSIE	1	0.00
ADIL MATCHESWALA	200,000	0.02
MR. SHAHMAWAZ HAIDAR NAWABI	1	0.00
MR. USMAN YOUSAF MOBIN	1	0.00
MR. SADIQ ALI	1	0.00
MS. NARGIS ALI AXBER GHALOO	1	0.00
SYED MUMTAZ ALI SHAH	1	0.00
HAUSA SHAMSIE	1,132,320	0.09
	1,332,326	0.10
Associated companies, undertakings and related parties		
JAHANGIR SIDDIQUI & CO. LIMITED	973,307,324	75.02
	973,307,324	75.02
NIT & ICP		
M/S. INVESTMENT CORP. OF PAKISTAN	972	0.00
	972	0.00
Banks, development finance institutions, non-banking Financial Institution.	187,760	0.01
Insurance Companies	21,348,184	1.65
Modarabas and Mutual Funds	9,612,643	0.74
General Public Foreign	6,094,814	0.47
Foreign Companies	5,104	-
Others	116,060,967	8.95
General Public Local	169,514,158	13.07
<b>Total</b>	<b>1,297,464,252</b>	<b>100.00</b>

Internal & External Risk Factors

1. No risk factors for the offer of Right Shares appear to arise for the Bank, as the issue will be fully and firmly underwritten. Additionally, the sponsors and directors of the Bank have committed to take up their portion, which ensures that the issue will be taken up and subscribed for in full.
2. The Right Shares are being offered at par value of PKR 10/- each, and will be listed equity securities tradeable on the Pakistan Stock Exchange. The risk of investment in listed equity securities are broad and extensive, some of which are detailed below:
  - a) Market Risk:  
The market price of equity securities can fluctuate due to changes in market conditions, economic factors, and investor sentiment. These fluctuations can result in losses, and may cause the value of an equity security to decline.
  - b) Volatility Risk:  
Equity securities can be subject to significant price volatility, which can lead to rapid, substantial and prolonged changes in the market price. Such large price movements can be caused by various factors such as investor sentiment, market events, geopolitical events, and change in interest rates.
  - c) Liquidity Risk:  
Some equity securities may have limited trading volume. This can make it difficult to buy or sell these securities at desired prices, potentially resulting in delays or unfavorable price execution.
  - d) Dividend Risk:  
The payment of a dividend is not guaranteed even if a company is profitable, and if there is a past track record of dividend payment it can be reduced or eliminated altogether. The reduction or elimination of a dividend can reduce the attractiveness of an equity security, and may impact its market price.
  - e) Political and Regulatory Risk:  
Political instability, changes in government policies, and regulatory actions can impact the value of equity securities. These factors include but are not limited to changes in tax laws, and regulatory standards.
  - f) Past Performance Risk:  
The past performance of an equity security does not guarantee future performance or returns.
  - g) Currency Risk:  
Foreign and non-resident investors will be investing in equity securities other than their base currency, and changes in the exchange rates between the two currencies can affect the value of their investments which may result in either gains or losses.
  - h) Company Specific Risk (read JS Bank's specific risks in the table below):  
Investing in equity securities exposes investor to risk specific to the investee companies. These risks may include financial performances, changes to industry dynamics, changes to consumer preferences, and regulatory changes. Such factors can adversely affect the value of the securities.
- 3) The 'Company Specific Risks' of JS Bank Limited are given in the table below:



Risk Type	Materiality Rating	Source	Risk Mitigation Strategy
<b>Credit Risk</b> The risk of loss to the Bank from its borrowers and counterparties in the event of failure to fulfill their obligations, including of whole or partial settlement of principal, mark- up, collateral, and other receivables	High	External	The Bank has a diversified loan portfolio spread over public and private sectors with different industries. Credit Risk Function ensures to minimize credit risk associated with borrowers. Credit & Risk Management Groups have a defined structure with credit approving authorities with Central Credit Committee in place to approve large credit exposures. The Bank has implemented phase-1 of the Loan Originating System (LOS) for the automated credit approval process in a paperless environment to optimize the turnaround time with effective credit and control policies. To further enhance the credit risk analysis, the Bank has in place Internal Credit Risk Rating (ICRR) model for Obligor Risk Ratings (ORR) and Facility Risk Ratings (FRR) for corporate, commercial, and small & medium enterprise borrowers. In addition to it, the Bank will implement Risk Based Pricing model to augment the credit decision.
<b>Market Risk</b> The risk of loss arising from potential unfavorable change in the Bank's assets and liabilities from market variables including, but not limited to interest rates, foreign exchange rates, equity prices, commodity prices, spreads, and market volatilities	High	External	The Bank follows a balanced approach towards risk-taking in the market risk area. The robust risk management architecture ensures that the exposures remain within the defined risk appetite. Dashboards for money market and foreign exchange exposures are being presented to manage the limits and exposures within defined levels.
<b>Liquidity Risk</b> The risk that the Bank is unable to offset certain positions in the marketplace or the inability the Bank to convert assets to cash or obtain funding from other sources	High	Internal & External	The Bank follows a liquidity risk management approach to manage funding sources and intraday liquidity management. The Bank's deposit base indicates a fair liquidity position, and Bank's Net Stable Funding Ratio (NSFR) and Liquidity Coverage Ratio (LCR) are well above the regulatory requirement. Assets & Liability Committee (ALCO) has the responsibility for liquidity management and contingency funding plan. The Board approves

			underlying policies in respect of liquidity, investment, and treasury.
<b>Capital Adequacy Risk</b> This risk is registered in an event when the Bank has insufficient capital to support its business activities and to meet the regulatory requirements under normal and stressed situations	High	Internal & External	The Bank's total Capital Adequacy Ratio is above the requirement of 11.50% (including a capital conservation buffer of 1.50%). The Bank's Common Equity Tier-1 (CET1) to total risk-weighted assets ratio is also above the requirement of 6%. The Bank maintains a leverage ratio above the regulatory limit of 3.0%. The Bank will continue to retain and accumulate profits to capitalize on short, medium, and long-term opportunities.
<b>Acquisition Risk</b> This risk arises due to various factors such as poor due diligence, overvaluation of the target company, cultural differences, regulatory compliance issues, and integration challenges.	High	Internal & External	The Bank has processes to conduct extensive due diligence to assess the target company's financial position, operations, culture, and regulatory compliance. This helps in identifying any potential risks and ensure that the acquisition is a good strategic fit. The bank has also developed a detailed integration plan that outlines the steps to be taken to integrate the target company's operations, systems, and culture with its own.
<b>Pending Litigation Risk</b> This refers to the potential negative impact on the bank's financial position and reputation due to legal disputes that are yet to be resolved. This risk can arise due to various factors such as non-compliance with laws and regulations, breach of contracts, or disputes with customers or employees.	High	Internal & External	The Bank has processes to conduct a comprehensive review of all pending litigation and assess the potential impact of each case on the bank's financial position and reputation. Effective risk management controls, such as internal audits, compliance checks, and monitoring systems are in place to identify and address potential legal risks. Legal team along with Legal Counsel ensures that the bank is compliant with all relevant laws and regulations to prevent potential legal disputes.
<b>Information Security Risk</b> This risk comprises the impacts to the Bank and its stakeholders that could occur due to the threats and vulnerabilities associated with the operations and use of information systems and the environments in which those systems operate	High	Internal & External	The Bank always focuses on providing simplified banking solutions to its customers through innovative technology applications to protect customer information from vulnerabilities and threats. The Bank has embedded various information security controls and consistently develops more controls.  The Bank has developed an Information Technology Risk Assessment Framework which enables better management of

			technology risks, especially information security risks.
<b>Operational Risk</b> Operational risk is the risk of loss to the Bank from inadequate or failed processes, systems, people, and/or from external events	Medium	Internal & External	The Bank has an Operational Risk Management unit under Risk Management Group responsible for managing operational risk tools. An Operational Risk Management Committee (ORMC) at the management level oversees various operational risk events. The Bank has initiated an awareness program through workshops and training sessions to build and inculcate risk culture across the Bank.
<b>Regulatory Risk</b> Regulatory risk is the effect of a change in laws and regulations that could potentially cause losses to the Bank's business, sector or market	Medium	External	Compliance Function of the Bank reviews key regulatory developments to anticipate changes and their potential impact on performance. The Bank aims to maintain continued compliance with regulatory requirements.
<b>Reputational Risk</b> The risk refers to the potential for negative publicity, public perception, or uncontrollable events to harm a company's reputation, thereby affecting its operations, market positioning, revenue and profitability	Medium	Internal & External	Reputational risk is managed by maintaining a governance framework, policies, procedures, systems, and customer support arrangement to minimize reputational risk proactively. We can manage reputational risk through: <ul style="list-style-type: none"> <li>• Existence of a well-articulated and socialized policy statement that the Bank personnel must not engage in activities that could negatively impact its reputation.</li> <li>• Existence of socialization of policies such as a Code of Conduct, Whistleblowing, and Personal Account Dealing.</li> <li>• Refraining from activities that could lead to monetary and non-monetary fines from the Regulators.</li> <li>• Avoiding any unfavorable/negative news in the media.</li> </ul>
<b>Country Risk</b> The risk likelihood of a country being unable to fulfill its obligations towards one or more foreign lenders/investors	Low	External	Risk Unit and ALCO are responsible for regular monitoring of risk exposure. Country Exposure Limits both for Trade and Treasury exposures are in place, which broadly capture direct exposure on sovereigns and foreign domiciled counterparties.