

December 13, 2021

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

Dear Sir,

Disclosure of material Information.

In accordance with Clause 5.6.1(a)(viii) and 5C.8(xii)(i) of the Rule Book of the Pakistan Stock Exchange Limited, we hereby convey the following:

The Issuer issued debt instrument in the form of privately placed, rated, unsecured and subordinated Term Finance Certificates ("TFCs") in the aggregate amount of PKR 3,000,000,000/- (Pak Rupees Three Billion) of the Issuer (the "TFC Issue") pursuant to the Trust Deed dated November 16, 2016 (the "Deed") executed between JS Bank Limited ("Issuer") and Pak Brunei Investment Company Limited ("Trustee").

In accordance with sub-clause 3.12 of clause 3 of the Deed and Condition 27 of the Terms and Conditions, the Issuer wishes to exercise the Call Option in full with respect to all outstanding TFCs under the TFC Issue, issued in the year 2016. The decision to exercise Call Option has been approved by the Board of Directors of the Issuer pursuant to the Board Resolution dated August 25, 2021 (*copy enclosed*), passed by the Board of Directors of the Issuer.

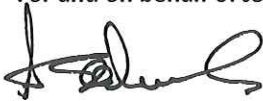
Moreover, we confirm that we have received the approval of State Bank of Pakistan ("SBP") for the same in terms of their letter dated November 15, 2021 (*copy enclosed*). Thus, with the consent of TFC Holders vide extraordinary resolution dated November 23, 2021 (the "Extraordinary Resolution"), please note that the date to exercise the Call Option shall be December 28, 2021 ("Redemption Date"). On the Redemption Date, the Issuer shall redeem in full the entire principal outstanding amount of PKR 2,994,000,000/- (Pak Rupees Two Billion Nine Hundred Ninety Four Million only) along with accrued profit (subject to deduction of Zakat and Tax at source as per applicable laws).

On the Redemption Date, the entire principal outstanding amount of PKR 2,994,000,000 (Pak Rupees Two Billion Nine Hundred Ninety Four Million only) of the TFC issue along with accrued profit (subject to deduction of Zakat and Tax at source as per applicable laws) shall be redeemed by the Issuer in full.

You may please inform the TRE Certificate Holders accordingly.

Yours faithfully,

For and on behalf of JS Bank Limited



Ashraf Shahzad
Company Secretary

Enclosed:

SBP Approval.
Board Resolution of the Issuer

Cc:

Director / HOD

Surveillance, supervision and Enforcement Department,
Securities & Exchange Commission of Pakistan,
NIC Building, 63 Jinnah Avenue, Blue Area, Islamabad.

**EXTRACT OF THE MINUTES OF THE 96TH MEETING
OF THE BOARD OF DIRECTORS
OF JS BANK LIMITED
HELD ON AUGUST 25, 2021
AT 20th FLOOR, THE CENTER, KARACHI**

"RESOLVED THAT the Bank be and is hereby authorized to exercise the Call Option in respect of the outstanding amount of its unsecured and subordinated issue of redeemable capital issued under section 120 of the Companies Ordinance, 1984 (now repealed and replaced by the Companies Act, 2017), of PKR 3,000,000,000/- (Pak Rupees Three Billion Only) ("TFC Issue"). The TFC Issue was issued on December 14, 2016. The exercise of the Call Option is subject to SBP approval and the TFC Terms & Conditions.



Company Secretary



STATE BANK OF PAKISTAN
BANKING POLICY & REGULATIONS DEPARTMENT
I. I. CHUNDRIGAR ROAD
KARACHI

No. BPRD/BA&CP/155244/2021

November 15, 2021

The Chief Executive Officer,
JS Bank Limited,
1st Floor, Shaheen Commercial Complex,
Dr. Ziauddin Ahmed Road,
Karachi

Dear Sir,

**In-Principle Approval for Issuance of Fresh Tier – 2 eligible Term Finance Certificates (TFCs) and
Exercise Call Option on Existing TFCs (First Issue 2016)**

This is with reference to your letter dated October 21, 2021 on the subject.

2. JS Bank Limited is allowed in-principle approval (effective till December 31, 2021) to issue rated, privately placed, unsecured and subordinated Term Finance Certificates (TFCs) of PKR 2,500 million (inclusive of green shoe option of PKR 500 million) eligible for Tier-2 Capital purposes for CAR purposes subject to the following conditions:
 - a. The subject TFCs will not be eligible for Minimum Paid up Capital Requirements (net of losses) – MCR, as specified by SBP from time to time.
 - b. The lock-in clause will be amended to include Leverage Ratio along with MCR and CAR.
 - c. In case of initial or subsequent public offering, the instrument shall meet the prescribed rating requirement throughout its tenor. However, where these TFCs are issued by way of private placement and held by such investors, then the rating requirement is not mandatory.
 - d. The bank shall submit shareholder's approval covering their consent to issue the subject TFCs by the bank for capital adequacy purposes and the maximum number of common shares that can be issued upon the conversion of these TFCs at the Point of Non-viability (PONV), pricing formula etc. in line with the SBP approved term sheet and requirements of BPRD Circular No. 6 of 2013 by March 31, 2022. Further, failure to submit the shareholder's approval within the due date will render the subject TFCs in-eligible as Tier-2 capital for CAR purposes.
 - e. As the instrument will be redeemed in two (02) equal installments during last year of the TFC's life, therefore, the recognition of residual amount of TFC for CAR purposes will be determined, accordingly.
 - f. The bank shall provide SECP approval for conversion of the subject TFCs under the loss absorbency clause on post facto basis. However, prior to that the bank shall submit an undertaking that it has fulfilled all other preconditions (except SECP approval) necessary for the conversion of these TFCs at the PONV.
 - g. The bank shall provide an undertaking to the effect that it will, at all times, maintain sufficient cushion in the authorized capital equal to the cap on the maximum number of shares to be issued at PONV.
 - h. After completion of all other legal and regulatory formalities, the bank will approach SBP for obtaining final approval to issue the subject TFCs.



STATE BANK OF PAKISTAN
BANKING POLICY & REGULATIONS DEPARTMENT
I. I. CHUNDRIGAR ROAD
KARACHI

- i. The bank shall ensure, at all times, compliance with all other applicable laws, rules and regulations including BPRD Circular No. 06 of 2013.
 - j. SBP's in-principle approval (no objection) shall not be construed as endorsement of economic, legal and risk aspects of the proposed tier – 2 eligible subordinated TFCs that will remain the sole responsibility of bank's management and board of directors.
3. The bank is allowed to exercise call option to redeem in full the seven (07) years TFCs First Issue (issued in 2016) after December 14, 2021 subject to the following:
- a. The bank will complete the issuance of new TFCs of Rs. 2.5 billion before exercising call option on existing TFCs (issued in 2016).
 - b. While executing the call option, the bank shall ensure compliance with all the relevant rules, regulations and laws.
 - c. SBP's approval shall not be construed as financial advice (in any manner) and as such, any economic, financial or legal risk(s) arising from exercising the call option will remain the sole responsibility of bank's management and board of directors.

Yours truly,

(Shumaim Ilyas)
Deputy Director