

JSB-152- 23
July 21, 2023

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

Subject: Disclosure of Material Information

Dear Sir,

In accordance with Sections 96 and 131 of the Securities Act, 2015, Clause 5.6.1(a)(viii) and SC.8(xii)(i) of the Rule Book of the Pakistan Stock Exchange Limited, we, JS Bank Limited (the "Issuer") hereby convey the following:

- (i) The Issuer issued debt instrument in the form of rated, unsecured, and subordinated Tier-2 term finance certificates ("TFCs") in the aggregate amount of PKR 2,000,000,000/- (Pakistani Rupees Three Billion only) (the "TFC Issue") pursuant to the Trust Deed dated December 20, 2017 (the "Trust Deed") executed between the Issuer and Pak Brunei Investment Company Limited (the "Trustee").
- (ii) In accordance with sub-clause 3.12 of the Trust Deed and Condition 27 of the Terms and Conditions of the Trust Deed, the Issuer intends to exercise the Call Option in full with respect to all outstanding TFCs, issued in the year 2017. The decision to exercise Call Option has been approved by the Board of Directors of the Issuer pursuant to the Board Resolution dated March 8, 2023 (*copy enclosed*), passed by the Board of Directors of the Issuer.
- (iii) Moreover, we confirm that we have received the approval of the State Bank of Pakistan for the same in terms of its letter dated March 17, 2023 (*copy enclosed*). Therefore, with the consent of TFC Holders vide Extraordinary Resolution dated 14th July 2023 note that the date to exercise the Call Option is on a date other than the redemption date i.e. August 04, 2023 (the "Redemption Date"). On the Redemption Date, the Issuer shall redeem in full the entire principal outstanding amount of PKR 1,995,600,000/- (Pakistani Rupees One Billion Nine Hundred Ninety Five Million Six Hundred Thousand only) along with accrued profit (subject to deduction of Zakat and Tax at source as per applicable laws),



- (iv) On the Redemption Date, the entire principal outstanding amount of PKR 1,995,600,000/ (Pakistani Rupees One Billion Nine Hundred Ninety Five Million Six Hundred Thousand 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 truly,

A handwritten signature in blue ink, appearing to read "Hasan Shahid".

Hasan Shahid
Company Secretary & Head of Legal

Encl: As above.

Cc: **The Director / HOD**
Surveillance, Supervision & Enforcement Dept.
Securities & Exchange Commission of Pakistan,
NIC Building, Jinnah Avenue,
Islamabad.

DISCLOSURE FORM

IN TERMS OF SECTIONS 96 AND 131 OF THE SECURITIES ACT, 2015

Name of Company and Registered Office	JS Bank Limited 1 st Floor, Shaheen Commercial Complex Dr. Ziauddin Ahmed Road Karachi, Pakistan
Date of Report	July 21, 2023
Contact Information	Hasan Shahid Company Secretary UAN: +92 21 111 572 285 Fax: +92 21 263 1803

Disclosure of Price Sensitive / Inside Information in Terms of the Securities Act, 2015:

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- (iv) On the Redemption Date, the entire principal outstanding amount of PKR 1,995,600,000/ (Pakistani Rupees One billion nine hundred ninety-five million six hundred thousand 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."

The Bank has duly caused this form / statement to be signed on its behalf by the undersigned.



Hasan Shahid
Company Secretary

Karachi
July 21, 2023

EXTRACT OF CIRCULAR RESOLUTION # 100
PASSED BY THE BOARD OF DIRECTORS
OF JS BANK LIMITED ON MARCH 08, 2023

"RESOLVED THAT that JS Bank Limited (the "Bank") be and is hereby authorized to proceed with the exercising of the call option for the existing rated, privately placed/subsequently listed, unsecured and subordinated tier II Term Finance Certificate ("TFCs") issue of the Bank in the amount of PKR 2,000,000,000/- (Pak Rupees Two Billion) (the "TFC Issue 2017"), after obtaining approval of the State Bank of Pakistan ("SBP") and any other regulatory authorities as required, and communicating the same to the TFC holders and trustee of the TFC Issue 2017, in terms of the Trust Deed dated December 20, 2017.

A handwritten signature in blue ink, appearing to be the name of the Company Secretary.

Company Secretary
July 21, 2023



Digitally signed by 'C=PK, L=Karachi, O=Sta
Date: 2023.03.17 11:32:52 +05:00
Reason: Authentication of PDF
Location: STATE BANK OF PAKISTAN
Contact: info@sbp.org.pk

STATE BANK OF PAKISTAN

I.I. Chundrigar Road

Head Office Karachi

Banking Policy and Regulations

SBPHOK-BPRD-BACPD-JSB-437649

17/03/2023

Subject: In-Principle Approval for Issuance of Fresh Tier – 2 eligible Term Finance Certificates (TFCs) and Exercise Call Option on Existing TFCs (2017 TFC Issue)

1. This is with reference to your letter dated March 6, 2023 on the subject.
2. In this regard, JS Bank Limited is allowed in-principle approval (effective till September 30, 2023) for the issuance of unsecured, subordinated, rated, privately placed and subsequently listed Term Finance Certificates (TFCs) of PKR 4,000 million (inclusive of a Green Shoe option of PKR 1,000 million) eligible for Tier-2 Capital for CAR purposes, subject to the following conditions:
 - i. 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.
 - ii. In case of 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.
 - iii. The indicative term sheet shall be amended mentioning in the instrument clause that these TFCs will be fully paid-up.
 - iv. The bank shall submit shareholder's approval covering their consent to issue the subject TFCs by the bank for CAR purposes, by September 30, 2023; which shall also include maximum number of common shares that can be issued upon 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. 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.

- v. As 0.24% of the principal amount of the instrument will be redeemed during first 9 years and remaining principal of 99.76% in four (04) equal quarterly installments of 24.94% each in the last year, therefore, the recognition of residual amount of TFC for CAR purposes will be determined, accordingly.
 - vi. 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.
 - vii. 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.
 - viii. As per SBP's existing instructions (para xv of Annexure -3 of BPRD Circular 6 of 2013), "Neither a bank nor a related party over which the bank exercise control or significant influence can purchase the instrument, nor can the bank directly or indirectly have funded the purchase of these instruments". So, in the light of these instructions, the bank, on its own would assess the eligibility of its sponsors, shareholders and their affiliates; including employees' retirement benefit funds of such entities for possible investment in subject TFCs to be issued by the bank. Moreover, any borrowing relationship of sponsors, shareholders, their affiliates and employees' retirement benefit funds of such entities with the bank will make these entities ineligible for making any investment in the subject TFCs. In this regard, if any violation of SBP's relevant instructions is observed, the subject instrument will become ineligible as Tier-2 capital for CAR purposes to the extent of respective investment amount of sponsor(s), shareholders, their affiliates and employees' retirement benefit funds of such entities.
 - ix. After completion of all other legal and regulatory formalities, the bank will approach SBP for obtaining final approval to issue the subject TFCs.
 - x. SBP's approval (no objection) shall not be construed as endorsement of economic, legal and risk aspects of the subject 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 TFCs issued in 2017 (2017 TFC issue) prior to the issue of the New TFC, subject to the following:
- i. The bank shall first complete the process of inviting firm commitments from investors under legally binding agreements for its proposed Tier 2 eligible TFC of Rs. 4,000 million. The bank shall submit an evidence and undertaking, confirming final commitments of at least Rs. 2,000 million from all investors.
 - ii. Thereafter, the bank may execute the call option while ensuring compliance with all the relevant rules, regulations and laws.
 - iii. 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.

Regards,

Sikandar Ali

Assistant Director

Tel: 021-3311 3537

Fax: 021-9922 1506

To,

The Chief Executive Officer

JS Bank Limited

Karachi

