The Pakistan Credit Rating Agency Limited

# Rating Report

## JS Bank Limited | TFC Tier 1

**Report Contents**



**Rating History**

| Dissemination Date | Long Term Rating | Short Term Rating | Outlook | Action | Rating Watch |
|---|---|---|---|---|---|
| 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 ratings reflect relative position of JS Bank in the country's competitive banking landscape. This stems from enhanced system share in deposit and advances. The bank's funding base enhanced attributable to increase in deposit base and borrowings from financial institutions. The increased liquidity has been deployed in advances (34% rise on YOY basis). Hence, ADR jumped to 78.4%. As the growth is substantial; it needs continuous vigilance. NPLs have emerged in the recent period, which is a concern. Going forward, higher provisioning expense may pose a challenge to profitability of the bank which is already diluted by currently high opex and mark to market losses. The strategy of the bank is i) to foster penetration of existing network beyond 345 branches over the near-term; ii) consolidate advances book and replace it with liquid collateralized advances to maintain CAR, iii) build non-fund based income; and iv) hold strength in treasury operations. The challenge to profitability is dried return of capital gains. The bank expects the profits to be boosted from growing direct and ancillary business. The bank is facing a challenge on its CAR; Total CAR stood at 12.0% (Tier-I at 9.5% as at end-Dec18). The management issued bond (Tier I) to bolster its CAR. Further room needs to be created.

Ratings are dependent on JS Bank's ability to maintain its profitability to support internal generation of capital. Meanwhile, upholding asset quality, maintaining system share in terms of advances and deposits, adding diversity to income stream, sound CAR and strong governance framework are critical.

**Disclosure**

| | |
|---|---|
| **Name of Rated Entity** | JS Bank Limited \| TFC Tier 1 |
| **Type of Relationship** | Solicited |
| **Purpose of the Rating** | Debt Instrument Rating |
| **Applicable Criteria** | Methodology \| Financial Institution(Jun-18),Methodology \| Basel III Compliant - Debt Instrument(Jun-18) |
| **Related Research** | Sector Study \| Commercial Bank(Jun-19) |
| **Rating Analysts** | Sehar Fatima \| sehar.fatima@pacra.com \| +92-42-35869504 |

## Profile

**Structure** JS Bank Limited (JSBL), incorporated in March 2006, formed as a result of amalgamation of Jahangir Siddiqui Investment Bank Limited with the commercial banking operations of American Express Bank Ltd Pakistan. The bank, with its Head Office in Karachi, is listed on the PSX since 2007.

**Background** JS Bank was established to capitalize on the presence of JS Group in the financial sector and to strengthen the group's array of services. The bank has achieved significant growth in terms of its outreach (Branches end-2018: 345; end-2017: 323; end-2007: 9).

**Operations** JS Bank is a scheduled bank, engaged in commercial banking and related services. The bank is operating through 345 branches including one wholesale branch in Bahrain (Dec-17: 1 branch). Most of the branches are concentrated in Sindh and Punjab.

## Ownership

**Ownership Structure** JS Bank Limited is a subsidiary (~75%) of Jahangir Siddiqui & Company Limited (JSCL). Other shareholders include Banks and Financial Institutions (~3%), and Foreign Investors (~2%) while the remaining stake is distributed amongst local individuals and other shareholders.

**Stability** As the bank's sponsor shareholding remained 70% for many years and increased to 75.0%; evident of sponsor confidence on the bank. The bank's shareholding will remain stable for the longer term.

**Business Acumen** JS Group is engaged in a diverse set of activities with its focus on the financial sector, including asset management, securities and commodities brokerage, commercial banking, and insurance. Besides its concentration in the financial sector, JS group has interests, though limited, in transportation, textile, sugar, media, real estate and building material and allied sectors. JSCL (rated 'AA' by PACRA in February 2019), has interests in other subsidiaries/ associates in addition to JSBL.

**Financial Strength** During CY18, JSCL performance was adequate and reported consolidated profit of PKR 1bln only.

## Governance

**Board Structure** The board comprises nine members including CEO, out of which five are non-executive directors and three are independent directors. President & CEO is a non-elected executive director.

**Members' Profile** With the strong presence of JS Group on the board, the group's experience is likely to play an important role in JSBL's strategy.

**Board Effectiveness** The BoD exercises close monitoring of the management's policies and the bank's operations through its four committees, namely a) Audit, b) Risk Management, c) IT and d) Human Resource, Remuneration & Nomination. Meeting's attendance considered strong with formal maintenance of meeting minutes.

**Financial Transparency** The auditors of the bank, EY Ford Rhodes, Chartered Accountants (member firm of Ernst & Young Global Limited), has expressed an unqualified opinion on the bank's financial statements for the year ended December 31, 2018.

## Management

**Organizational Structure** The bank has a well-defined organizational structure, whereby the bank's operations are grouped under thirteen departments.

**Management Team** Mr. Basir Shamsie is appointed as President & CEO in place of Mr. Khalid Imran w.e.f. July 16, 2018. He possess work experience of more than 25 years, primarily in the banking sector. He is assisted by highly experienced and qualified top management team heading various departments.

**Effectiveness** 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.

**MIS** JSBL successfully upgraded Temenos (T-24) Core Banking System from R7 to R14 release in February 2016. The MIS reports are generated on daily, weekly and monthly basis and reviewed by CEO and Heads.

**Risk Management Framework** A sound structure comprising Risk Management Committee and Audit Committee, is in place which keeps an eye on the overall risk profile of the bank. The bank currently uses basic indicator approach to assess operational risk for regulatory capital calculations. The bank has implemented the IBM Integration Bus, as their common integration platform between core banking and allied systems.

## Business Risk

**Industry Dynamics** The year 2018 was a marked year as the industry saw an expansion of ~22% in advances, although the deposit growth rate stayed in single digit. As a result the industry saw a rise in the ADR ratio from 50% to 55%. In terms of advances expansion, a predominant portion went in to energy sector followed by textile, individuals and agriculture. Corporate sector claimed the major portion of the borrowings with small amounts going into commodity, consumer and SME sectors. Profitability of the banks has taken a hit due to incremental costs and provisioning on account of NPLs. After a lapse of few years the industry NPLs have seen a accretion which is a concern going forward.

**Relative Position** JSBL - a medium sized bank with the system share, (Deposits: CY18: 2.1%; Advances: CY18: 1.9%; Deposits: CY17: 2.1%; Advances: CY17: 1.7%). During CY18, the bank was able to show growth in term of deposits by 8.5%; low as compared to peers. In term of advances, bank showed a significant growth of 34%.

**Revenues** During CY18, mark-up income witnessed increase to PKR 29.9bln (CY17: PKR 20.3bln) owing to the increase in asset yield and substantial growth in lending. The bank reported asset yield at 8.0% (CY17: 6.9%). The bank's markup expense increased attributable to significant increase in bank's borrowings from financial institutions. Hence, bank reported cost of yield at 5.4% (CY17: 4.7%). Bank earned NIMR of PKR 8.8bln (CY17: PKR 6.2bln).

**Performance** Other operating income decreased to PKR 2.0bln (CY17: PKR 4.0bln) mainly due to realized loss on sale of investment on PIBs. Hence, total net revenue stand at PKR 10.8bln (CY17: PKR 10.2bln). Cost to total net revenue increased at (CY18: 90.5%, CY17: 81.3%). Hence, pre-provision operating profit stood at PKR 1.1bln (CY17: PKR 1.9bln). Owing to the provisioning, bank's profitability stood at PKR 562mln (CY17: PKR 973mln). Spread (CY18: 2.6%, CY17: 2.2%) witnessed marginal improvement driven by surge in asset yield of the bank. During the year, Bank's return on asset (ROA) and return of equity (ROE) impacted to 7.0% (CY17: 11.7%) and 0.1% (CY17: 0.3%).

**Sustainability** Going forward, the management intends to consolidate advances book and replace it with liquid collateralized advances to maintain CAR. The bank is facing a challenge on its CAR; further room needs to be created.

## Financial Risk

**Credit Risk** During CY18, advances book grew by 34% (CY18: PKR 246.8bln; CY17: PKR 183.6bln), bank's advances to deposits ratio (ADR) showed an increasing trend (CY18: 78.4%; CY17: 63.5%) against the industry average of 55.8%. JS Bank maintained high concentration in top 5 sectors to 65% (CY17: 62%); Transportation, Food & Confectionery, Individuals, Textile and Power and Water. The bank has off balance sheet exposure of PKR 99bln (CY17: PKR 105bln). During CY18, the bank's NPL ratio increased significantly owing to sizable increase in NPLs and inclining trend in provisioning. The bank's loss coverage ratio has diluted (CY18: 38.0%; CY17: 84.1%).

**Market Risk** The bank reported total trading book at PKR 42bln in CY18 (CY17: PKR 9bln), which implying increase of 366%. JS bank's Investments to Deposits ratio stood at 45% at end-Dec18 (end-Dec17: 56.5%); the ratio dropped because of decrease in investments especially in government securities (mainly deficit booked on Tbills and PIBs due to inclining interest rate scenario). In line with industry, JSBL invested majority investment in government PIBs and T-bills (96% of total investments). JS Bank has strategic investments worth PKR 1.9bln in JS Investments Limited and JS Global Capital Limited, with 65% and 67% shareholding, respectively.

**Liquidity And Funding** The bank's liquid assets as percentage of deposits declined YOY to 32.3% as at end-Dec18 (end-Dec17: 46.5%), mainly due to decrease in investments. During CY18, JSBL's customer deposits grew by 8.5% to stand at PKR 274.9bln; lower growth compared to industry. To meet the funding requirement bank increased its borrowing by 50%. Top 20 deposit concentration remained at the same level (CY18: 25%; CY17: 24%). Major growth was witnessed in saving deposits (35%) and demand deposits (~9%); CASA mix (CY18: 52.6%; CY17: 47.9%) improved.

**Capitalization** JS Bank's total equity stands at PKR 15.6bln (CY17: PKR 16.6bln). Total CAR stood at 12.0% (12.0%), the SBP requirement for CY18 was at 11.9%. Hence, the bank is on edge of CAR due to aggressive lending during previous year. The bank had also issued Tier II TFCs and one ADT-1 TFC to support the bank's CAR.

The Pakistan Credit Rating Agency Limited

## JS Bank Limited

| BALANCE SHEET | 31-Dec-18 | 31-Dec-17 | 31-Dec-16 |
|---|---|---|---|
| | CY18 | CY17 | CY16 |
| **Earning Assets** | | | |
| Advances | 246,838 | 183,621 | 93,126 |
| Debt Instruments | 4,163 | 5,667 | 1,454 |
| Total Finances | 251,000 | 189,288 | 94,580 |
| Investments | 144,527 | 163,944 | 132,670 |
| Others | 4,457 | 5,196 | 12,961 |
| | **399,984** | **358,428** | **240,211** |
| **Non Earning Assets** | | | |
| Non-Earning Cash and Balances | 30,560 | 16,289 | 14,635 |
| Deferred Tax | 287 | - | - |
| Net Non-Performing Finances | 5,153 | 519 | 271 |
| Fixed Assets & Others | 20,769 | 16,244 | 9,584 |
| | **56,770** | **33,051** | **24,490** |
| **TOTAL ASSETS** | **456,754** | **391,479** | **264,700** |
| **Interest Bearning Liabilities** | | | |
| Deposits | 321,413 | 290,078 | 226,099 |
| Borrowings | 104,055 | 69,556 | 13,320 |
| | 425,469 | 359,633 | 239,419 |
| **Non Interest Bearing Liabilities** | 15,668 | 15,176 | 8,632 |
| **TOTAL LIABILITIES** | **441,137** | **374,809** | **248,051** |
| **EQUITY (including revaluation surplus)** | **15,617** | **16,670** | **16,650** |
| **Total Liabilities & Equity** | **456,754** | **391,479** | **264,700** |

| INCOME STATEMENT | 31-Dec-18 | 31-Dec-17 | 31-Dec-16 |
|---|---|---|---|
| | CY18 | CY17 | CY16 |
| Interest / Mark up Earned | 29,997 | 20,381 | 15,081 |
| Interest / Mark up Expensed | (21,188) | (14,139) | (9,353) |
| **Net Interest / Markup revenue** | **8,809** | **6,242** | **5,728** |
| Other Income | 2,141 | 4,051 | 4,861 |
| **Total Revenue** | **10,950** | **10,293** | **10,589** |
| Non-Interest / Non-Mark up Expensed | (9,807) | (8,302) | (6,848) |
| Pre-provision operating profit | 1,144 | 1,991 | 3,741 |
| Provisions | (239) | (371) | (352) |
| Pre-tax profit | 905 | 1,621 | 3,390 |
| Taxes | (342) | (647) | (1,313) |
| **Net Income** | **562** | **973** | **2,076** |

| Ratio Analysis | 31-Dec-18 | 31-Dec-17 | 31-Dec-16 |
|---|---|---|---|
| | CY18 | CY17 | CY16 |
| Performance | | | |
| ROE | 7.0% | 11.7% | 25.1% |
| Cost-to-Total Net Revenue | 90.5% | 81.3% | 65.0% |
| Provision Expense / Pre Provision Profit | 20.9% | 18.6% | 9.4% |
| Capital Adequacy | | | |
| Equity/Total Assets | 3.6% | 4.1% | 5.8% |
| Capital Adequacy Ratio as per SBP | 12.0% | 12.0% | 14.1% |
| Funding & Liquidity | | | |
| Liquid Assets / Deposits and Borrowings | 32.3% | 46.5% | 64.0% |
| Advances / Deposits | 78.4% | 63.5% | 41.5% |
| CASA deposits / Total Customer Deposits | 52.6% | 47.9% | 46.8% |
| Intermediation Efficiency | | | |
| Asset Yield | 8.0% | 6.9% | 7.0% |
| Cost of Funds | 5.4% | 4.7% | 4.3% |
| Spread | 2.6% | 2.2% | 2.7% |
| Outreach | | | |
| Branches | 345 | 323 | 307 |

* Annualized

## DEBT INSTRUMENT RATING SCALE & DEFINITIONS

The instrument rating reflects forward-looking opinion on credit worthiness of underlying debt 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.

### LONG TERM RATINGS

| | |
|---|---|
| AAA | Highest credit quality. Lowest expectation of credit risk.<br>Indicate exceptionally strong capacity for timely payment of financial commitments. |
| AA+<br>AA<br>AA- | Very high credit quality. Very low expectation of credit risk.<br>Indicate very strong capacity for timely payment of financial commitments. This capacity is not significantly vulnerable to foreseeable events. |
| A+<br>A<br>A- | High credit quality. Low expectation of credit risk.<br>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+<br>BBB<br>BBB- | Good credit quality. Currently a low expectation of credit risk.<br>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+<br>BB<br>BB- | Moderate risk. Possibility of credit risk developing.<br>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+<br>B<br>B- | High credit risk.<br>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<br>CC C | Very high credit risk. Substantial credit risk<br>"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. |

### SHORT TERM RATINGS

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.

B: The capacity for timely repayment is more susceptible to adverse changes in business, economic, or financial conditions.

C: An inadequate capacity to ensure timely repayment.

Outlook (Stable, Positive, Negative, Developing)
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'.

Rating Watch
Alerts to the possibility of a rating change subsequent to, or in anticipation of, a) some material identifiable event and/or b) deviation from expected trend. 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 Outlook of the respective opinion.

Suspension
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.

Withdrawn
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 surveill the opinion due to lack of requisite information

## Regulatory and Supplementary Disclosure
(Credit Rating Companies Regulations,2016)

**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.
(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 | 18-(a)
(19) PACRA reviews all the outstanding ratings on semi-annual basis or as and when required by any creditor or upon the occurrence of such an event which requires to do so; | Chapter III | 18-(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 | 18-(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 | 18-(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-(f-VII)
**Proprietary Information**

## Regulatory and Supplementary Disclosure

| Nature of Instrument | Size of Issue (PKR) | Tenor | Security | Quantum of Security | Nature of Assets | Trustee | Book Value of Assets (PKR mln) |
|---|---|---|---|---|---|---|---|
| Rated, Privately Placed / Listed, Unsecured, Subordinated, Perpetual and Non-Cumulative debt instrument in the nature of Additional Tier 1 Capital Term Finance Certificates | Up to PKR 2,500 Million (inclusive of a Green Shoe Option of PKR 500 Million) | Perpetual | Unsecured | Unsecured | Unsecured | Pak Brunei Investment Company Limited | Unsecured |

| JS Bank Limited \| Tier-I TFC \| TFC III \| Nov'18 | |
|---|---|
| Name of Issuer | JS Bank Limited |
| Issue size | Up to PKR 2,500 Million (inclusive of a Green Shoe Option of PKR 500 Million) |
| Tenor | Perpetual |
| Maturity | No fixed or final redemption date |
| Profit Rate | 6 Months Karachi Interbank Offer Rate (KIBOR) + 2.25% subject to complying with regulatory requirements as stipulated in State Bank of Pakistan BPRD Circular No. 6 dated August 15, 2013. |
| Principal Repayment | Perpetual (i.e. no fixed or final redemption date) |
| Security | Unsecured |

### JS Limited | TFC III | Redemption Schedule

| Due Date Principle | Opening Principal | Principal Repayment | Due Date Markup/ Profit | Markup/Profit Rate | 6M Kibor | Markup Payment | Installment Payable | Principal Outstanding |
|---|---|---|---|---|---|---|---|---|
| | | *PKR in mln* | | | | | | *PKR in mln* |
| Issuance | | | | | | | | |
| 6 months from issuance | Redemption Schedule not applicable since its a perpetual TFC whereby there is no fixed or final redemption date. Profit (if declared) will be payable semi-annually in arrears, on a non-cumulative basis, on the outstanding TFC amount. The first such profit payment will fall due six months from the Issue Date and subsequently every six months thereafter subject to complying with regulatory requirements as stipulated in State Bank of Pakistan BPRD Circular No. 6 dated August 15, 2013. | | | | | | | |
| 12 months from issuance | | | | | | | | |
| 18 months from issuance | | | | | | | | |
| 24 months from issuance | | | | | | | | |
| 30 months from issuance | | | | | | | | |
| 36 months from issuance | | | | | | | | |
| 42 months from issuance | | | | | | | | |
| 48 months from issuance | | | | | | | | |
| 54 months from issuance | | | | | | | | |
| 60 months from issuance | | | | | | | | |
| 66 months from issuance | | | | | | | | |
| 72 months from issuance | | | | | | | | |
| 78 months from issuance | | | | | | | | |
| 84 months from issuance | | | | | | | | |
| 90 months from issuance | | | | | | | | |
| 96 months from issuance | | | | | | | | |
| 102 months from issuance | | | | | | | | |
| 108 months from issuance | | | | | | | | |
| 114 months from issuance | | | | | | | | |
| 120 months from issuance | | | | | | | | |
| | | - | | | | - | - | |