

Form - 8

JSB-134-20
October 29, 2020

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

Subject: Transmission of Quarterly Report for the nine months period ended September 30, 2020


Dear Sir,

We have to inform you that the Quarterly Report of the Bank for the nine months period ended September 30, 2020 have been transmitted through PUCARS and is also available on JS Bank Limited website.

You may please inform the TRE Certificate Holders of the Exchange accordingly.

Thank you,

Yours truly,


Ashraf Shahzad
Company Secretary
Hasan Shahid
Chief Financial Officer



Financial Statements For The Nine Months Period Ended September 30, 2020.

Company Information

Board of Directors

Mr. Kalim-ur-Rahman
Non-Executive Director - Chairman

Mr. Adil Matcheswala
Non-Executive Director

Mr. Ashraf Nawabi
Non-Executive Director

Mr. G.M. Sikander
Independent Director

Mr. Hassan Afzal
Non-Executive Director

Mr. Munawar Alam Siddiqui
Non-Executive Director

Ms. Nargis Ghaloo
Independent Director

Mr. Sohail Aman
Independent Director

Mr. Basir Shamsie
President & CEO

Audit Committee

Ms. Nargis Ghaloo	Chairperson
Mr. Adil Matcheswala	Member
Mr. G.M. Sikander	Member
Mr. Munawar Alam Siddiqui	Member

Human Resource, Remuneration & Nomination Committee

Mr. Sohail Aman	Chairman
Mr. Adil Matcheswala	Member
Mr. G.M. Sikander	Member
Mr. Kalim-ur-Rahman	Member

Risk Management Committee

Mr. Ashraf Nawabi	Chairman
Mr. Munawar Alam Siddiqui	Member
Ms. Nargis Ghaloo	Member
Mr. Basir Shamsie	Member

Board IT Committee

Mr. Hassan Afzal	Chairman
Mr. Kalim-ur-Rahman	Member
Mr. Sohail Aman	Member
Mr. Basir Shamsie	Member

Chief Financial Officer

Mr. Hasan Shahid

Company Secretary

Mr. Ashraf Shahzad

Auditors

EY Ford Rhodes, Chartered Accountants
(Member firm of Ernst & Young
Global Limited)

Legal Advisors

Bawaney & Partners
Haidermota BNR
Liaquat Merchant Associates

Share Registrar

CDC Share Registrar Services Limited
CDC House, 99 – B, Block 'B',
S.M.C.H.S., Main Shahra-e-Faisal
Karachi.

Registered Office

JS Bank Limited
Shaheen Commercial Complex
Dr. Ziauddin Ahmed Road
P.O. Box 4847 Karachi-74200, Pakistan
UAN: +92 21 111 JS Bank (572-265)
0800-011-22
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DIRECTORS' REPORT

We are pleased to present the unaudited financial statements of JS Bank Limited ("JSBL") along with the consolidated financial statements for the nine months period ended September 30, 2020.

Economic Review

The period ended, 9MCY20 was one of the most challenging for the country's economy and for the overall global economy owing to the COVID-19 pandemic. More than 35 million cases have so far been reported globally by the end of September 2020. Thankfully, Pakistan has been able to successfully flatten its curve, leading to a sharp decline in new cases. In recent weeks, there has been a slight resurgence in the number of new cases, sparking fears of a second wave.

During the period under review, through a series of relief measures such as 625 basis point cut in interest rates, cheap lending to businesses for payments of staff salaries and other incentives, policy makers played an active role in ensuring that the business environment was spared the worst of the lockdown impact. Through effective smart management measures, the country was able to fare much better economically as compared to many other countries.

On the external front, the country reported a current account surplus in all the months of 1QFY21, (surplus of USD 792 million vs a USD 1.5 billion deficit in the same period last year), via a reduction in imports and record-high remittances (USD 7.1 billion in 1QFY21 vs USD 5.5 billion in 1QFY20). Moreover, the SBP's foreign exchange reserves stood at USD 12.4 billion at the end of September 2020 compared to USD 7.9 billion at the same date last year, pointing towards further stability in the local currency vis-à-vis the dollar. On the fiscal side, revenue collection has also started picking up and has exceeded the collection target for the latest quarter. Although inflation has been slightly higher than the markets' expectations in September alone, this has mainly been due to food inflation and could taper down going forward.

Banking Sector Review

After a sharp monetary easing cycle during 1HCY20, the State Bank of Pakistan (SBP) kept the Policy Rate unchanged at 7%. To recall, the Policy Rate has declined by 625bps during 9MCY20, which has been a part of the relief measures announced by the SBP amid ongoing COVID-19 pandemic. Moreover, the SBP also continued to extend some of the earlier announced relief packages to consumers and SMEs. Along with lower interest rates, weighted average banking spreads declined by 53bps YoY during 9MCY20.

The banking sector's deposits witnessed a robust growth of 20% YoY as it reached PKR 16,886 billion as at 9MCY20. The sector's Investments crossed PKR 11,000 billion, reporting 20% YoY growth. As a result, Investments-to-Deposit Ratio (IDR) decreased by 41 basis points, when compared to the same period last year, reaching 66%. Total Advances remained almost flat, recording 1% YoY growth, and clocking in at PKR 8,094 billion. Advances-to-Deposit Ratio (ADR) declined to 48%, as compared to 57% during 9MCY19. Private sector credit also remained flat with 1% YoY growth. Non-Performing Loans (NPLs) grew by PKR 85 billion to PKR 806 billion during 1HCY20, taking the Infection ratio from 9.3% to 10.3%.

Performance Overview

The highlights of the financial results of the Bank for the period ended September 30, 2020 are presented below:

Financial Position		PKR Million
	September 30, 2020	December 31, 2019
Shareholders' Equity	20,043	17,333
Total Deposits	391,953	369,790
Total Assets	477,990	470,049
Advances Net	241,852	242,944
Investments Net	168,386	142,568
Financial Performance		
	September 30, 2020	September 30, 2019
Mark-up/Interest Income - Net	7,301	5,285
Non-Markup/Interest Income	4,459	2,321
Operating Expenses	9,246	7,903
Profit Before (Provision)/Reversals - Net	2,423	(297)
Profit/(Loss) Before Tax	1,965	(799)
Profit After Tax	1,165	(578)
Basic/Diluted Earnings Per Share – Rupees	0.90	(0.46)

The Bank's earnings during the nine months 2020 remain strong despite a challenging operating environment. The Bank reported a profit before tax of PKR 1,965 million (profit after tax of PKR 1,165 million) for the period ended September 30, 2020 as compared to a loss before tax of PKR 799 million (loss after tax of PKR 578 million) in the corresponding period last year. The Earnings Per Share (EPS) stands at PKR 0.90 (Sep 2019: PKR - 0.46).

On the revenue side, the Bank reported total mark-up revenue of PKR 33,886 million compared to PKR 30,259 million from the corresponding period last year, an improvement of 12%. Net interest income was 38.1% higher than the corresponding period last year and closed at PKR 7,301 million. Non-markup income stood at PKR 4,459 million, higher by 92%, with major contribution from capital gains of PKR 918 million, FX income of PKR 735 million and fee & commission income PKR 2,674 million despite of slow economic activities in the country due to the pandemic lockdowns.

Administrative expenses were PKR 9,246 million compared to PKR 7,903 million for the corresponding period last year, up by 17%. The cost to income ratio of the Bank improved to

79% as compared to 104% during the corresponding period last year, showing the Bank's focus on cost control.

During the period under review, the Bank's deposits have continued to show steady growth, while the advances have remained stable. The Bank reported total deposits of PKR 392 billion with current account deposits of over PKR 93 billion during the period ended September 30, 2020. In terms of advances, gross advances were reported at PKR 246 billion and gross advances to deposits ratio stood at 63%.

At the close of the nine months period, the Bank remains satisfactorily capitalized with CAR at 12.68%.

Committed to its role of acting as a catalyst of progress within the national financial industry, JS Bank is continuing its journey of greater impact by providing customers with innovative and value-added financial products and services designed to make their lives simple, easy and convenient.

JS Bank operates 307 branches across 160 cities nation-wide and one overseas wholesale banking branch in Manama, Bahrain.

Consolidated Financial Statements

In the consolidated financial statements, the Group earned profit before tax of PKR 2,092 million (profit after tax of 1,101 million) for the nine months period ended September 30, 2020 as compared to loss before tax of PKR 897 million (loss after tax of PKR 756 million) in the corresponding period last year.

The earnings per share is PKR 0.85 for the nine months period ended September 30, 2020.

Recognition

In 2020 the Bank has been recognized for its commitment to excellence on a national and international level. The prestigious awards that we received during the year 2020 include:

- Asiamoney Award - Best Bank for SMEs - Pakistan
- Asiamoney Award - Best Bank for CSR - Pakistan
- Asian Banking Finance Awards 2020 - SME Bank of the Year - Pakistan
- Certificate of Merit – Best Corporate Report Award 2019 by ICAP/ICMA

Credit Ratings

The Pakistan Credit Rating Agency Limited (PACRA) has assigned to the Bank a long-term rating of "AA-" (Double A Minus), and a short-term rating of "A1+" (A One Plus) which is the highest possible rating within the category.

Acknowledgments

On behalf of JS Bank, we would like to extend our gratitude to our customers and stakeholders for their ongoing trust and patronage. We would also like to thank the Ministry of Finance, the State Bank of Pakistan, the Securities & Exchange Commission of Pakistan, and other regulatory bodies for their continued support to our Bank. We would also thank our fellow colleagues for their commitment to hard work, excellence, and their drive to succeed.

On behalf of the Board

Basir Shamsie
President & CEO

Kalim-ur-Rahman
Chairman

Karachi: October 28, 2020

جے ایس بینک لمیٹڈ

ڈائریکٹرز رپورٹ

ہم انتہائی مسرت کے ساتھ JS بینک لمیٹڈ ("جے ایس بی ایل") کے مالیاتی بیانات کا جائزہ بشمول 30 ستمبر 2020 کو ختم ہونے والی نو ماہ کی مدت کے مستحکم مالی بیانات کا جائزہ پیش کر رہے ہیں۔

معیشیت

اختتام پزیر مدت، سال 2020 کے 9 ماہ (9MCY20) کو ویڈ 19 کے باعث ملکی معیشت اور مجموعی طور پر عالمی معیشت کے لئے سب سے مشکل ترین مدت تھی۔ ستمبر 2020 کے اختتام تک عالمی سطح پر 35 ملین سے زائد کو ویڈ 19 کیسز رپورٹ ہوئے۔ شکر ہے پاکستان اس وائرس کے پھیلاؤ پر قابو پانے میں کامیاب رہا، جس کی وجہ سے نئے کیسز کی تعداد میں تیزی سے کمی واقع ہوئی۔ حالیہ چند ہفتوں میں، نئے کیسز کی تعداد میں تھوڑی سے تیزی ریکارڈ کی گئی ہے جس سے دوسری لہر کے خدشات جنم لے رہے ہیں۔

زیر جائزہ مدت کے دوران، متواتر امدادی اقدامات کے ذریعہ جیسا کہ شرح سود میں 625 بیس پوائنٹس (bps) کی کمی، ملازمین کو تنخواہوں اور دیگر مراعات کی ادائیگی کیلئے کاروبار کو سستے قرضوں کی فراہمی، پالیسی سازوں نے اس بات کو یقینی بنانے میں فعال کردار ادا کیا کہ تجارتی ماحول کو لاک ڈاؤن کے بدترین اثرات سے بچایا جاسکے۔ اسمارٹ مینجمنٹ کے مؤثر اقدامات کے ذریعہ، ملک دوسرے ممالک کے مقابلے میں معاشی لحاظ سے بہتر انداز میں فائدہ اٹھانے کے قابل تھا۔

بیرونی طرف سے، درآمدات میں کمی اور ریکارڈ سے زیادہ ترسیلات زر (مالی سال 2021 کی پہلی سہ ماہی (1QFY21) 7.1 بلین امریکی ڈالر اس کے مقابلے مالی سال 2020 کی پہلی سہ ماہی (1QFY20) میں 5.5 بلین امریکی ڈالر رہا) کے باعث ملک نے مالی سال 2021 کی پہلی سہ ماہی (1QFY21) سرپلس 792 بلین امریکی ڈالر ہا اس کے مقابلے گزشتہ سال اسی مدت میں 1.5 بلین امریکی ڈالر کا خسارہ تھا) میں کرنٹ اکاؤنٹ سرپلس رپورٹ کیا۔ مزید برآں، اسٹیٹ بینک کے زرمبادلہ کے ذخائر بھی ستمبر 2020 کے اختتام تک 12.4 بلین امریکی ڈالر رہے جو گزشتہ سال اسی مدت پر 7.9 بلین امریکی ڈالر تھے، جو مقامی کرنسی کیلئے ڈالر کے مقابلے مزید استحکام کی طرف اشارہ کرتا ہے۔ مالی معاملات میں، ریونیو کی وصولی میں بھی اضافہ دیکھا گیا اور حالیہ سہ ماہی میں وصولی ہدف سے تجاوز کر گئی ہے۔ اگرچہ صرف ستمبر میں ہی مہنگائی مارکیٹوں کی توقعات سے قدرے زیادہ رہی ہیں، لیکن اس کی بنیادی وجہ فوڈ انفلیشن (افراط زر) ہے جس میں آگے چل کر کمی آسکتی ہے۔

شعبہ بینکاری کا جائزہ

پہلی ششماہی (1HCY20) کے دوران مانیٹری پالیسی میں تیزی سے نرمی کے بعد، اسٹیٹ بینک آف پاکستان (SBP) نے پالیسی ریٹ کو بغیر کسی تبدیلی کے 7 فیصد پر برقرار رکھا۔ یاد رہے مالی سال 2020 کے پہلے 9 ماہ (9MCY20) کے دوران پالیسی ریٹ میں 625 بیس پوائنٹس (bps) کی کمی واقع ہوئی، جو کوویڈ 19 وبائی مرض کے دوران اسٹیٹ بینک (SBP) کے جاری کردہ امدادی اقدامات کے اعلانات کا ایک حصہ ہے۔ مزید یہ کہ اسٹیٹ بینک (SBP) نے ابتدائی طور پر اعلان کردہ امدادی پیکیج میں صارفین اور ایس ایم ایز تک توسیع جاری رکھی۔ کم شرح سود کے ساتھ، مالی سال 2020 کے 9 ماہ (9MCY20) کے دوران اوسط بینکاری کے پھیلاؤ میں 53 بیس پوائنٹس (bps) کی سال بسال (YoY) کمی واقع ہوئی۔

بینکنگ سیکٹر کے ذخائر میں 20 فیصد سال بسال (YoY) کی زبردست نمو دیکھنے میں آئی جب یہ مالی سال 2020 کے 9 ماہ (9MCY20) تک 16,886 بلین روپے تک پہنچ گئی۔ اس شعبے کی سرمایہ کاری 11,000 بلین روپے سے تجاوز کی گئی، جس میں 20 فیصد سال بسال (YoY) اضافہ رپورٹ ہوا۔ اس کے نتیجے میں، انویسٹمنٹ ٹو ڈیپازٹ ریشو (IDR) میں 41 بیس پوائنٹس (bps) کی کمی ہوئی، جو پچھلے سال کی اسی مدت کے مقابلے، 66 فیصد تک پہنچ گیا تھا۔ کل ایڈوانسز تقریباً فلیٹ رہے، جس میں 1 فیصد سال بسال (YoY) کی شرح نمو ریکارڈ کی گئی اور 8,094 بلین روپے پر رہا۔ ایڈوانس ٹو ڈیپازٹ ریشو (ADR) گھٹ کر 48 فیصد رہ گیا، اس کے مقابلے میں مالی سال 2019 کے 9 ماہ (9MCY19) کے دوران 57 فیصد تھا۔ پرائیوٹ سیکٹر کا کریڈٹ بھی 1 فیصد سال بسال (YoY) اضافہ کے ساتھ فلیٹ رہا۔ مالی سال 2020 کی پہلی ششماہی کے دوران نان پرفارمنگ لوز (NPLs) 85 بلین روپے سے بڑھ کر 806 بلین روپے تک پہنچ گئے، جس سے انفیکشن کا تناسب 9.3 فیصد سے 10.3 فیصد تک ہو گیا۔

کارکردگی کا جائزہ

30 ستمبر 2020 کو ختم ہونے والی مدت کے دوران بینک کے مالی نتائج کے چند اہم نکات درج ذیل پیش کئے گئے ہیں:

فنانشل پوزیشن	30 ستمبر 2020	31 دسمبر 2019
شیئر ہولڈر ایکویٹی	20,043	17,333
کل ڈیپازٹس	391,953	369,790
کل اثاثے	477,990	470,049
نیٹ ایڈوانسز	241,852	242,944
نیٹ انویسٹمنٹ	168,386	142,568

مالیاتی کارکردگی	30 ستمبر 2020	30 ستمبر 2019
مارک اپ/نیٹ انٹرسٹ آمدنی	7,301	5,285
نان مارک اپ/انٹرسٹ آمدنی	4,459	2,231
آپریٹنگ اخراجات	9,246	7,903
منافع قبل از پرویشن/نیٹ ریورسل	2,423	(297)
قبل از ٹیکس منافع/(نقصان)	1,965	(799)
بعد از ٹیکس منافع	1,165	(578)
بیسک/ڈائیلیونڈ آمدنی فی شیئر-روپے	0.90	(0.46)

بینک کی آمدنی ایک مشکل آپریٹنگ ماحول کے باوجود 9 ماہ میں مستحکم رہی۔ بینک نے 30 ستمبر 2020 کو ختم ہونے والی مدت میں قبل از ٹیکس منافع 1,965 ملین روپے (بعد از ٹیکس منافع 1,165 ملین روپے) رپورٹ کیا، اس کے مقابلے گزشتہ سال اسی مدت کے دوران قبل از ٹیکس نقصان 799 ملین روپے (بعد از ٹیکس نقصان 578 ملین روپے) ریکارڈ کیا گیا۔ فی شیئر آمدنی (EPS) 0.90 روپے پر موجود ہے۔ (ستمبر 2019 کو 0.46 روپے تھا)۔

ریونیوسائنڈ پر، بینک نے کل مارک اپ آمدنی 33,886 ملین روپے کے مقابلے گزشتہ سال اسی مدت کے دوران 30,259 ملین روپے رپورٹ کئے، جس میں 12 فیصد کی بہتری ہوئی۔ نیٹ انٹرسٹ آمدنی 38.1 فیصد رہی جبکہ اس کے مقابلے گزشتہ سال اسی مدت پر 7,301 ملین روپے پر بند ہوئی۔ نان مارک اپ آمدنی 4,459 ملین روپے پر رہی جو 92 فیصد زیادہ ہے، جس میں 918 ملین روپے کے کیپیٹل گین کا زیادہ حصہ ہے، ملک میں سست معاشی سرگرمیاں ہونے اور وبائی مرض کے باعث لاک ڈاؤن کے باوجود، غیر ملکی زرمبادلہ کی آمدنی 735 ملین روپے، فیس اور کمیشن آمدنی سے 2,674 ملین روپے وصول ہوئے۔

انتظامی اخراجات 9,246 ملین روپے پر رہے جبکہ اس کے مقابلے گزشتہ سال اسی مدت کے دوران 7,903 ملین روپے کے اخراجات تھے جس میں 17 فیصد اضافہ ہوا۔ گزشتہ سال کے اسی عرصے کے دوران بینک کی آمدنی کا تناسب 79 فیصد تھا جس کے مقابلے گزشتہ سال اسی مدت کے دوران یہ تناسب 104 فیصد تھا، جس سے ظاہر ہوتا ہے کہ بینک کی توجہ کاسٹ کو کنٹرول کرنے پر مرکوز ہے۔

زیر جائزہ مدت کے دوران، بینک کے ڈیپازٹس میں مستحکم اضافہ دیکھنے میں آیا، جبکہ ایڈوانسز مستحکم رہے۔ بینک نے 30 ستمبر 2020 کو ختم ہونے والی مدت کے دوران کل ڈیپازٹ 392 بلین روپے جبکہ کرنٹ اکاؤنٹ ڈیپازٹس 93 بلین روپے سے زائد رپورٹ کئے۔ ایڈوانسز کے معاملے میں، مجموعی ایڈوانس 246 بلین روپے رپورٹ کیا گیا اور مجموعی ایڈوانسز ٹو ڈیپازٹ تناسب 63 فیصد پر موجود ہے۔

9 ماہ کی مدت کے اختتام پر، بینک کا CAR اطمینان بخش طور پر 12.68 فیصد تھا۔

قومی مالیاتی صنعت میں پیشرفت کے ایک متحرک ادارے کی حیثیت سے اپنے کردار کیلئے پر عزم، جے ایس بینک صارفین کی زندگی آسان، سادہ اور آرام دہ بنانے کیلئے ڈیزائن کردہ جدید اور ویلویو ایڈڈ مالیاتی مصنوعات اور خدمات مہیا کر کے زیادہ سے زیادہ اثرات کے سفر کو جاری رکھے ہوئے ہے۔

جے ایس بینک ملک بھر کے 160 شہروں میں 307 برانچوں اور منامہ بحرین میں ایک بیرون ملک ہول سیل بینکنگ برانچ سے خدمات فراہم کر رہا ہے۔

مستحکم مالیاتی تفصیلات

مستحکم مالیاتی تفصیلات میں، گروپ نے 30 ستمبر 2020 کو ختم ہونے والی 9 ماہ کی مدت پر قبل از ٹیکس منافع 2,092 ملین روپے (بعد از ٹیکس منافع 1,101 ملین روپے) حاصل کیا جو گزشتہ سال اسی مدت میں قبل از ٹیکس نقصان 897 ملین روپے (بعد از ٹیکس گھاٹہ 756 ملین روپے) تھا۔

30 ستمبر 2020 کو ختم ہونے والی 9 ماہ کی مدت کیلئے فی شیئر آمدنی 0.85 روپے رہی۔

پہچان

سال 2020ء میں بینک کو قومی اور بین الاقوامی سطح پر برتری کیلئے پر عزم ادارے کے طور پر پہچانا جاتا ہے۔ سال 2020 میں حاصل ہونے والے پروکار ایوارڈ میں درج ذیل شامل ہیں:

- ایشیائی ایوارڈ برائے SMEs کیلئے پاکستان کا بہترین بینک
- ایشیائی ایوارڈ برائے CSR کیلئے پاکستان کا بہترین بینک
- ایشین بینکنگ فنانس ایوارڈز 2020، بہترین SME بینک، پاکستان
- سٹوفکیٹ آف میرٹ، ICAP/ICMA کی جانب سے بہترین کارپوریٹ رپورٹ ایوارڈ 2019

کریڈٹ ریٹنگز

پاکستان کریڈٹ ریٹنگ ایجنسی لمیٹڈ (PACRA) نے بینک کو 'AA-' (ڈبل اے مائنس) کی طویل المدتی ریٹنگ، سب سے بہتر قلیل المدتی ریٹنگ میں 'A1+' (اے ون پلس) تفویض کی ہے، جو اپنی کمیٹیگری میں سب سے اعلیٰ درجہ کے ریٹنگ ہے۔

اعتراف

جے ایس بینک کی جانب سے ہم اپنے صارفین اور اسٹیک ہولڈرز کا ان کے تعاون پر دل سے شکر گزار ہیں۔ ہم منسٹری آف فنانس، اسٹیٹ بینک آف پاکستان، سکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان اور دیگر ریگولیٹری اداروں کا بینک کو تعاون فراہم کرنے کیلئے بھی ممنون ہیں۔ ہم اپنے ساتھیوں اور جانفشانی کے ساتھ بینک کو ترقی، خوشحالی اور کامیابی کی نئی بلندیوں کی طرف گامزن کرنے والے ملازمین کا ان کی انتھک محنت پر بھی شکریہ ادا کرنا چاہیں گے۔

منجانب بورڈ،

کلیم الرحمن
چیئرمین

باصر مشی
پریزیڈنٹ اور سی ای او

کراچی: 28 اکتوبر 2020



Condensed Interim unconsolidated Financial Statements
for the Nine Months Period Ended September 30, 2020

JS BANK LIMITED
CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2020

		(Un-audited) September 30, 2020	(Audited) December 31, 2019
	Note	----- Rupees in '000 -----	
ASSETS			
Cash and balances with treasury banks	6	33,587,826	25,589,349
Balances with other banks	7	618,040	462,836
Lendings to financial institutions	8	8,779,966	30,320,540
Investments	9	168,386,128	142,568,470
Advances	10	241,852,073	242,944,509
Fixed assets	11	8,834,627	9,692,701
Intangible assets	12	2,418,871	2,271,360
Deferred tax assets	18	-	8,756
Other assets	13	13,512,638	15,816,623
Assets held for sale	11.3	-	374,000
		477,990,169	470,049,144
LIABILITIES			
Bills payable	14	4,341,456	3,804,491
Borrowings	15	34,316,879	54,468,283
Deposits and other accounts	16	391,952,625	369,789,964
Liabilities against assets subject to finance lease		-	-
Subordinated debt	17	7,494,800	7,494,800
Deferred tax liabilities	18	1,216,660	-
Other liabilities	19	18,624,596	17,158,351
		457,947,016	452,715,889
NET ASSETS		20,043,153	17,333,255
REPRESENTED BY			
Share capital - net		10,119,242	10,119,242
Reserves		2,012,308	1,749,673
Surplus on revaluation of assets	20	2,047,246	636,700
Unappropriated profit		5,864,357	4,827,640
		20,043,153	17,333,255

CONTINGENCIES AND COMMITMENTS

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The annexed notes from 1 to 41 form an integral part of these unconsolidated condensed interim financial statements.

**President and
Chief Executive Officer**

**Chief Financial
Officer**

Director

Director

Chairman

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JS BANK LIMITED
CONDENSED INTERIM UNCONSOLIDATED PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2020

		Quarter ended		Nine months period ended	
		September 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019
Note		----- Rupees in '000 -----			
Mark-up / return / interest earned	23	9,536,135	11,198,953	33,885,978	30,259,114
Mark-up / return / interest expensed	24	7,385,431	9,624,771	26,584,840	24,973,660
Net mark-up / interest income		2,150,704	1,574,182	7,301,138	5,285,454
NON MARK-UP / INTEREST INCOME					
Fee and commission income	25	925,958	663,686	2,687,435	2,008,747
Dividend income		9,968	9,935	64,415	57,095
Foreign Exchange Income		383,243	243,698	735,166	680,819
Income from derivatives		8,267	1,595	27,005	44,970
Gain / (loss) on securities	26	133,835	(194,565)	917,987	(564,104)
Other income	27	21,660	25,081	26,546	93,252
Total non mark-up / interest income		1,482,931	749,430	4,458,554	2,320,779
Total Income		3,633,635	2,323,612	11,759,692	7,606,233
NON MARK-UP / INTEREST EXPENSES					
Operating expenses	28	3,124,695	2,617,093	9,246,166	7,902,328
Workers welfare fund	29	4,026	-	15,723	-
Other charges	30	20	886	74,607	1,134
Total non-mark-up / interest expenses		3,128,741	2,617,979	9,336,496	7,903,462
Profit / (loss) before provisions		504,894	(294,367)	2,423,196	(297,229)
Provisions and write offs - net	31	11,583	(92,158)	457,790	501,495
Extraordinary / unusual items		-	-	-	-
PROFIT / (LOSS) BEFORE TAXATION		493,311	(202,209)	1,965,406	(798,724)
Taxation	32	184,146	(65,971)	799,915	(220,809)
PROFIT / (LOSS) AFTER TAXATION		309,165	(136,238)	1,165,491	(577,915)
----- Rupee -----					
Basic earnings / (loss) per share	33	0.24	(0.11)	0.90	(0.46)

The annexed notes from 1 to 41 form an integral part of these unconsolidated condensed interim financial statements.

**President and
Chief Executive Officer**

**Chief Financial
Officer**

Director

Director

Chairman

JS BANK LIMITED
CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2020

	Quarter ended		Nine months period ended	
	September 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019
	----- Rupees in '000 -----			
Profit / (loss) after taxation for the period	309,165	(136,238)	1,165,491	(577,915)
Other comprehensive (loss) / income				
Items that may be reclassified to profit and loss account in subsequent periods:				
Effect of translation of net investment in foreign branches	(7,895)	(13,279)	29,537	38,935
Movement in surplus on revaluation of investments - net of tax	(498,082)	211,725	1,474,084	861,375
Movement in general provision under IFRS 9 - net of tax	15,155	(5,380)	40,786	(32,487)
	(482,927)	206,345	1,514,870	828,888
	(490,822)	193,066	1,544,407	867,823
Total comprehensive (loss) / income	(181,657)	56,828	2,709,898	289,908

The annexed notes from 1 to 41 form an integral part of these unconsolidated condensed interim financial statements.

**President and
Chief Executive Officer**

**Chief Financial
Officer**

Director

Director

Chairman

JS BANK LIMITED
CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2020

	Reserves		Surplus/(deficit) on revaluation of				Unappropriated profit	Total
	Share capital	Statutory reserve *	Exchange translation reserve	Investments	Fixed Assets	Non Banking Assets		
	Rupees in '000							
Balance as at December 31, 2018	10,119,242	1,641,237	70,934	(2,180,113)	1,051,666	92,858	4,821,202	15,617,026
Total comprehensive income for the nine months period ended September 30, 2019 - un-audited								
Loss after taxation	-	-	-	-	-	-	(577,915)	(577,915)
Other comprehensive income - net of tax	-	-	38,935	828,888	-	-	-	867,823
	-	-	38,935	828,888	-	-	(577,915)	289,908
Transfer to statutory reserve	-	-	-	-	-	-	-	-
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax								
Fixed assets	-	-	-	-	(18,025)	-	18,025	-
Non-banking assets acquired in satisfaction of claims	-	-	-	-	-	(61)	61	-
Transaction with owners recorded directly in equity								
Preference dividend for the year ended December 31, 2018 @ 12% p.a.	-	-	-	-	-	-	(24,164)	(24,164)
Balance as at September 30, 2019 - un-audited	10,119,242	1,641,237	109,869	(1,351,225)	1,033,641	92,797	4,237,209	15,882,770
Total comprehensive income for the period ended December 31, 2019								
Profit after taxation	-	-	-	-	-	-	602,568	602,568
Other comprehensive (loss) / income - net of tax	-	-	(6,364)	834,456	30,985	-	(11,160)	847,917
	-	-	(6,364)	834,456	30,985	-	591,408	1,450,485
Transfer to statutory reserve	-	4,931	-	-	-	-	(4,931)	-
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax								
Fixed assets	-	-	-	-	(3,933)	-	3,933	-
Non-banking assets acquired in satisfaction of claims	-	-	-	-	-	(21)	21	-
Balance as at December 31, 2019 - audited	10,119,242	1,646,168	103,505	(516,769)	1,060,693	92,776	4,827,640	17,333,255
Total comprehensive income for the nine months period ended September 30, 2020 - un-audited								
Profit after taxation	-	-	-	-	-	-	1,165,491	1,165,491
Other comprehensive income - net of tax	-	-	29,537	1,514,870	-	-	-	1,544,407
	-	-	29,537	1,514,870	-	-	1,165,491	2,709,898
Transfer to statutory reserve	-	233,098	-	-	-	-	(233,098)	-
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax								
Fixed assets	-	-	-	-	(12,138)	-	12,138	-
Non-banking assets acquired in satisfaction of claims	-	-	-	-	-	(61)	61	-
Assets held for sale	-	-	-	-	(92,125)	-	92,125	-
Balance as at September 30, 2020 - un-audited	<u>10,119,242</u>	<u>1,879,266</u>	<u>133,042</u>	<u>998,101</u>	<u>956,430</u>	<u>92,715</u>	<u>5,864,357</u>	<u>20,043,153</u>

* This represents reserve created under Section 21(i)(a) of the Banking Companies Ordinance, 1962.

The annexed notes from 1 to 41 form an integral part of these unconsolidated condensed interim financial statements.

President and
Chief Executive Officer

Chief Financial Officer

Director

Director

Chairman

JS BANK LIMITED
CONDENSED INTERIM UNCONSOLIDATED CASH FLOW STATEMENT (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2020

		September 30, 2020	September 30, 2019
		----- Rupees in '000 -----	
CASH FLOW FROM OPERATING ACTIVITIES	Note		
Profit / (loss) before taxation		1,965,406	(798,724)
Less: Dividend income		(64,415)	(57,095)
		1,900,991	(855,819)
Adjustments:			
Depreciation	28	517,399	589,022
Depreciation on non-banking assets	28	6,808	628
Depreciation - Right of use assets	28	717,149	520,691
Amortisation of intangible assets	28	82,977	68,169
Mark-up / return / interest expense on lease liability against right-of-use assets	24	345,903	327,771
Charge for defined benefit plan		161,822	115,816
Unrealised gain on revaluation of investments classified as held-for-trading - net	26	93	435
Unrealised gain on revaluation of derivative instruments - net		(23,936)	(30,265)
Unrealised (gain) / loss on revaluation of forward foreign exchange contracts		(3,349)	242,665
Provisions and write offs - net		457,790	501,495
Provision for workers welfare fund		15,723	-
Loss / (gain) on sale of fixed assets - net	27	11,919	(93,252)
Gain on sale of assets held for sale	27	(1,000)	-
Gain on termination of leases	27	(32,755)	-
		2,256,543	2,243,175
		4,157,534	1,387,356
Decrease / (increase) in operating assets			
Lendings to financial institutions		21,541,836	711,310
Held-for-trading securities		47,373,280	(15,094,668)
Advances		803,767	13,155,267
Other assets (excluding advance taxation)		1,946,131	(981,710)
		71,665,014	(2,209,801)
Increase / (decrease) in operating liabilities			
Bills payable		536,965	(345,851)
Borrowings		(20,151,404)	(36,286,020)
Deposits		22,162,661	5,650,650
Other liabilities		1,985,808	(872,777)
		4,534,030	(31,853,998)
		80,356,578	(32,676,443)
Gratuity paid		(151,881)	(102,494)
Income tax paid		(13,773)	(329,516)
		80,190,924	(33,108,453)
Net cash flow from / (used in) operating activities			
CASH FLOW FROM INVESTING ACTIVITIES			
Net investments in available-for-sale securities		(67,593,127)	16,119,414
Net investments in held-to-maturity securities		(3,336,453)	8,195,552
Investment in associated companies		(40,828)	(21,239)
Dividends received		64,415	57,095
Investment in fixed assets		(508,003)	(1,545,631)
Investment in intangible assets		(230,488)	(170,176)
Proceeds from sale of fixed assets		4,880	149,020
Proceeds from sale of assets held for sale		375,000	-
Effect of translation of net investment in foreign branch		29,537	38,935
Net cash flow / (used in) from investing activities		(71,235,067)	22,822,970
CASH FLOWS FROM FINANCING ACTIVITIES			
Payment of lease liability against right of use assets		(802,153)	(184,929)
Subordinated debt		-	(1,000)
Dividend paid to preference shareholders		-	(24,164)
Net cash used in financing activities		(802,153)	(210,093)
Increase / (decrease) in cash and cash equivalents		8,153,704	(10,495,576)
Cash and cash equivalents at beginning of the year		25,482,139	32,577,913
Cash and cash equivalents at end of the period	34	33,635,843	22,082,337

The annexed notes from 1 to 41 form an integral part of these unconsolidated condensed interim financial statements.

**President and
Chief Executive Officer**

Chief Financial Officer

Director

Director

Chairman

JS BANK LIMITED
NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2020

1. STATUS AND NATURE OF BUSINESS

- 1.1** JS Bank Limited (the Bank / JSBL) is a banking company incorporated in Pakistan as a public limited company on March 15, 2006. The Bank is a subsidiary company of Jahangir Siddiqui & Co. Ltd. (JSCL) and its shares are listed on Pakistan Stock Exchange Limited (PSX). The Bank commenced its banking operations on December 30, 2006 and its registered office is situated at Shaheen Commercial Complex, Dr. Ziauddin Ahmed Road, Karachi.

The Bank is a scheduled bank, engaged in commercial banking and related services as described in the Banking Companies Ordinance, 1962 and is operating through 307 (December 31, 2019: 359) branches / sub-branches in Pakistan and one wholesale banking branch in Bahrain (December 31, 2019: one). The Pakistan Credit Rating Agency Limited (PACRA) has assigned the long-term entity rating of the Bank to AA- (Double A Minus) whereas short-term rating is maintained at 'A1+' (A One Plus), which is the highest possible short-term rating. The ratings denote a very low expectation of credit risk and indicate very strong capacity for timely payment of financial commitments.

- 1.2** Jahangir Siddiqui Investment Bank Limited, JSIBL, (formerly Citicorp Investment Bank Limited which was acquired by JSCL on February 01, 1999), and its holding company, JSCL, entered into a Framework Agreement with American Express Bank Limited, New York (AMEX) on November 10, 2005 for acquisition of its American Express Bank Limited - Pakistan Branches, (AEBL). Consequently, a new banking company, JSBL was incorporated on March 15, 2006 and a restricted Banking License was issued by the State Bank of Pakistan (SBP) on May 23, 2006.

A Transfer Agreement was executed on June 24, 2006 between JSIBL and JSBL for the transfer of entire business and undertaking of JSIBL to JSBL and a separate Transfer Agreement was also executed on June 24, 2006, between AMEX and JSBL for the transfer of AEBL's commercial banking business in Pakistan with all assets and liabilities (other than certain excluded assets and liabilities) (AEBL business). The shareholders of JSIBL and JSBL in their respective extra ordinary general meetings held on July 31, 2006 approved a Scheme of Amalgamation (the Scheme) under Section 48 of the Banking Companies Ordinance, 1962. The Scheme was initially approved by the Securities and Exchange Commission of Pakistan (SECP) vide its letter No. SC/NBFC(J)-R/JSIBL/2006/517 dated September 28, 2006. Subsequently, the Scheme was sanctioned by the SBP vide its order dated December 02, 2006 and, in accordance therewith, the effective date of amalgamation was fixed at December 30, 2006.

- 1.3** The Bank is the holding company of JS Investments Limited, JS Global Capital Limited and JS ABAMCO Commodities Limited.

2. BASIS OF PRESENTATION

These condensed interim unconsolidated financial statements are separate financial statements of the Bank in which the investments in subsidiaries and associates are stated at cost and are accounted for on the basis of direct equity interest rather than on the basis of reported results. The consolidated condensed interim financial statements of the Bank are being issued separately.

These condensed interim unconsolidated financial statements have been presented in Pakistan Rupees (PKR), which is the currency of the primary economic environment in which the Bank operates and functional currency of the Bank, in that environment as well. The amounts are rounded to nearest thousand except as stated otherwise.

2.1 Statement of compliance

These condensed interim unconsolidated financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. These comprise of:

- International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB) as are notified under the Companies Act, 2017;
- Provisions of and directives issued under the Banking Companies Ordinance, 1962;
- Provisions of and directives issued under the Companies Act, 2017; and
- Directives issued by the SBP and the SECP from time to time.

Whenever the requirements of the Banking Companies Ordinance, 1962, the Companies Act, 2017, or the directives issued by the SBP and the SECP differ with the requirements of IFRS, the requirements of the Banking Companies Ordinance, 1962, the Companies Act, 2017 and the said directives shall prevail.

The disclosures made in these condensed interim unconsolidated financial statements have been limited based on the format prescribed by the SBP vide BPRD circular letter No. 5 dated March 22, 2019 and IAS 34.

These condensed interim unconsolidated financial Statements do not include all the information and disclosures required for annual unconsolidated financial statements and should be read in conjunction with the unconsolidated financial statements for the year ended December 31, 2019.

The SBP has deferred the applicability of International Accounting Standard (IAS) 39, 'Financial Instruments: Recognition and Measurement' and International Accounting Standard (IAS) 40, 'Investment Property' for banking companies vide BSD Circular Letter No. 10 dated August 26, 2002 till further instructions. Further, the SECP has deferred the applicability of International Financial Reporting Standard (IFRS) 7, 'Financial Instruments: Disclosures' on banks vide its notification S.R.O 411(I)/2008 dated April 28, 2008. Accordingly, the requirements of these standards have not been considered in the preparation of these unconsolidated financial statements. However, investments have been classified and valued in accordance with the requirements prescribed by the SBP through various circulars.

IFRS10 "Consolidated Financial Statements" was made applicable from period beginning on or after January 01, 2015 vide S.R.O 633(I)/2014 dated July 10, 2014 by SECP. However, SECP has directed through S.R.O56(I)/2016 dated January 28, 2016, that the requirement of consolidation under section 228 of the Companies Act, 2017 and IFRS-10 "Consolidated Financial Statements" is not applicable in case of investment by companies in mutual funds established under trust structure. Accordingly, the requirements of these standards have not been considered in the preparation of these unconsolidated financial statements.

Through S.R.O. 229 (I)/2019 dated February 14, 2019, the SECP has deferred the applicability of the IFRS 9 'Financial Instruments' for all companies required to prepare their financial statements in accordance with the requirements of IFRS for reporting period/year ending on or after June 30, 2019 (earlier application is permitted). However, SBP has extended the effective date of applicability of IFRS 9 to annual periods beginning on or after January 01, 2021 vide SBP BPRD Circular No.4 dated October 23, 2019. Therefore, the Bank has not considered the impact of IFRS 9 for its Pakistan operations in these unconsolidated financial statements.

Further, the Bank considers that as the Prudential Regulations and other SBP directives currently provide the accounting framework for the measurement and valuation of investments and provision against non performing loans and advances, the implementation of IFRS 9 may require changes in the regulatory regime and for this SBP would issue guidance and instruction on the application of IFRS 9 for the banking sector of Pakistan.

2.2 Standards, interpretations of and amendments to published approved accounting standards that are effective in the current period

There are certain new and amended standards, interpretations and amendments that are mandatory for the Bank's accounting periods beginning on or after January 1, 2020 but are considered not to be relevant or do not have any significant effect on the Bank's operations. Therefore not detailed in these condensed interim unconsolidated financial statements other than IFRS 9 and reason for that is mentioned in note 2.1 as above.

2.3 Standards, interpretations of and amendments to published approved accounting standards that are not yet effective

The following standards, amendments and interpretations of approved accounting standards will be effective for the accounting periods as stated below:

Standard, Interpretation or Amendment	Effective date (annual periods beginning on or after)
- IFRS 9 'Financial Instruments (refer note 2.1 above)	January 01, 2021
Further, following new standards have been issued by IASB which are yet to be notified by the SECP for the purpose of applicability in Pakistan.	
- IFRS 1 - First time adoption of IFRSs	January 01, 2014
- IFRS 17 - Insurance Contracts	January 01, 2021

3 CRITICAL ACCOUNTING ESTIMATES AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The basis for accounting estimates adopted in the preparation of these condensed interim unconsolidated financial statements are the same as that applied in the preparation of the unconsolidated financial statements for the year ended December 31, 2019.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies and methods of computation adopted in the preparation of these unconsolidated condensed interim financial statements are consistent with those applied in the preparation of the audited annual financial statements of the Bank for the year ended December 31, 2019.

5. FINANCIAL RISK MANAGEMENT

The financial risk management objectives and policies adopted by the Bank are consistent with those disclosed in the unconsolidated financial statements for the year ended December 31, 2019 except for the following additional considerations due to the COVID-19.

5.1 COVID - 19 outbreak and it's impact

The COVID-19 and the measures to reduce its spread has impacted the economy of Pakistan significantly. Regulators and governments across the globe have introduced fiscal and economic stimulus measures to mitigate its impact.

The State Bank of Pakistan (SBP) has responded to the crisis by cutting the policy rate by 625 basis points to 7 percent and by introducing regulatory measures to maintain banking system's soundness and to sustain economic activity. These include:

- (i) reducing the capital conservation buffer by 100 basis points to 1.5 percent;
- (ii) increasing the regulatory limit on extension of credit to SMEs by 125 million to Rs 180 million;
- (iii) relaxing the debt burden ratio for consumer loans from 50 percent to 60 percent
- (iv) allowing banks to defer clients' payment of principal and profit on financing obligations by one year; and
- (v) relaxing regulatory criteria for restructured/rescheduled loans for borrowers who require relief beyond the extension of principal repayment for one year.
- (vi) Relaxing credit requirements for exporters and importers; and
- (vii) Refinance schemes to support employment to prevent layoff of workers and health sector to combat COVID-19 Pandemic.

COVID 19 has impacted the banks in Pakistan from various facets which includes increase in overall credit risk pertaining to loans and advances portfolio in certain sectors, reduced fee income due to slowdown in economic activity, operational issues such as operations of Branches, managing cyber security threat and managing investment banking activities including arrangement of syndicate loans, debt and capital advisory services etc. We have discussed below the major aspects of COVID 19 on the Bank's risk management policies.

5.1.1 Assets quality and credit risk

The Risk department of the Bank is regularly conducting assessments to identify borrowers operating in various sectors which are most likely to get affected. The Bank has further strengthened its credit review procedures in the light of COVID-19. The Bank has conducted various stress tests on the Credit portfolio and is confident that the CAR buffer currently maintained is sufficient.

5.1.2 Liquidity management

Bank has received applications for deferral of principal and / or restructuring / rescheduling and is expected to receive further such applications. These applications are being reviewed by the Bank as per its established policies. The Asset and Liability Committee (ALCO) of the Bank is continuously monitoring the liquidity position and is taking due precautionary measures where needed. The Bank has conducted various stress testing on its liquidity ratios and is confident that the liquidity buffer currently maintained by the Bank is sufficient to cater any adverse movement in cash flow maturity profile.

5.1.3 Equity investments

SBP has given relaxation in recognition of impairment on equity securities in phased manner equally on quarterly basis during calendar year ending on December 31, 2020. The Bank has taken the impact of impairment on the basis of that relaxation in these unconsolidated condensed interim financial statements.

5.1.4 Foreign Exchange Risks

Due to recent economic slowdown, the PKR has devalued against USD significantly from December 31, 2019 and the USD / PKR parity stood at Rs.165.7021 as at September 30, 2020. The exchange rate is expected to remain volatile till the uncertainty around COVID-19 resolves. The Bank has reviewed its Net Open Position and has had no significant impact on profitability.

5.1.5 Operations

The Bank is closely monitoring the situation and has invoked required actions to ensure safety and security of Bank staff and an uninterrupted service to our customers. The senior management of the Bank is continuously monitoring the situation and is taking timely decisions to resolve any concerns. Business Continuity Plans (BCP) for respective areas are in place and tested. The Bank has significantly enhanced monitoring for all cyber security risk during these times from its information security protocols. The remote work capabilities were enabled for staff and related risk and control measures were assessed to make sure they are fully protected using virtual private network ("VPN") connections. Further, the Bank has also ensured that its remote access systems are sufficiently resilient to any unwanted cyber attacks.

The Bank is communicating with its customers on how they can connect with the Bank through its full suite of channels including digital and online channels. The Bank has taken all measures to ensure that service levels are maintained, customer complaints are resolved as per SLAs and the Bank continues to meet the expectations of their clients as they would in a normal scenario.

5.1.6 Capital Adequacy Ratio

Under the current scenario, the banks are under pressure to extend further credit to its borrowers, while overall deteriorating credit risk and increased NPL may also put additional pressures on the Bank from Capital Adequacy Ratio perspective. The SBP has relaxed the Capital Conversion Buffer (CCB) requirements for the Banks to 1.5%, resulting in an overall CAR requirement of 11.5%. The reduced CCB has also provided an additional limit to the bank for its tier 2 capital. Further, the regulatory limit for retail loans has also increased by SBP to 180 million, which will now result in reduced Risk Weighted Assets for some of its loans. In addition to the measures by SBP, the Senior management of the Bank is continuously monitoring the impacts of various decisions on its CAR and taking further lending decisions based on the overall impacts on RWA. The Bank also believes that it has buffer in its CAR requirement to meet any adverse movements in credit, market or operational risks.

	Note	(Un-audited) September 30, 2020	(Audited) December 31, 2019
		----- Rupees in '000 -----	
6. CASH AND BALANCES WITH TREASURY BANKS			
In hand			
Local currency		8,729,266	5,572,604
Foreign currencies		2,254,144	896,523
		10,983,410	6,469,127
With State Bank of Pakistan in:			
Local currency current account		18,267,599	13,292,331
Foreign currency current account - non remunerative		1,101,919	831,532
Foreign currency deposit account - remunerative		2,389,901	2,566,714
		21,759,419	16,690,577
With National Bank of Pakistan in:			
Local currency current accounts		822,139	2,286,205
National Prize Bonds		22,858	143,440
		33,587,826	25,589,349
7. BALANCES WITH OTHER BANKS			
In Pakistan			
In current accounts		121,587	143,754
In deposit accounts		73	67
		121,660	143,821
Outside Pakistan			
In current accounts		496,471	319,083
		618,131	462,904
Less: General provision under IFRS 9	7.1	(91)	(68)
Balances with other banks - net of provision		618,040	462,836
7.1	This represents general provision held under IFRS 9 by Bahrain branch of the Bank.		
8. LENDINGS TO FINANCIAL INSTITUTIONS			
Call money lendings		100,000	283,887
Repurchase agreement lendings (Reverse Repo)		8,679,966	30,037,915
Due against bills re-discounting		-	-
		8,779,966	30,321,802
Less: General provision under IFRS 9	8.1	-	(1,262)
Lending to Financial Institutions - net of provision		8,779,966	30,320,540
8.1	This represents general provision held under IFRS 9 by Bahrain branch of the Bank.		
8.2 Particulars of lendings - gross			
In local currency		8,779,966	30,037,915
In foreign currencies		-	283,887
		8,779,966	30,321,802

9. INVESTMENTS	(Un-audited) September 30, 2020				(Audited) December 31, 2019			
	Cost / Amortised cost	Provision for diminution	Surplus / (Deficit)	Carrying Value	Cost / Amortised cost	Provision for diminution	Surplus / (Deficit)	Carrying Value
Rupees in '000								
9.1 Investments by type								
Held-for-trading securities								
Federal Government Securities	8,225,189	-	(93)	8,225,096	55,601,087	-	(2,618)	55,598,469
Available-for-sale securities								
Federal Government Securities	110,029,058	-	886,464	110,915,522	47,828,618	-	(809,244)	47,019,374
Shares	3,334,676	(183,788)	942,439	4,093,327	2,092,667	(136,589)	20,675	1,976,753
Non Government Debt Securities	3,180,847	(370,051)	301	2,811,097	3,367,738	(370,051)	(6,461)	2,991,226
Foreign Securities	4,339,975	-	(356,412)	3,983,563	2,406	-	-	2,406
	120,884,556	(553,839)	1,472,792	121,803,509	53,291,429	(506,640)	(795,030)	51,989,759
Held-to-maturity securities								
Federal Government Securities	36,196,335	-	-	36,196,335	32,859,882	-	-	32,859,882
Associates	242,067	-	-	242,067	201,239	-	-	201,239
Subsidiaries	1,919,121	-	-	1,919,121	1,919,121	-	-	1,919,121
Total Investments	167,467,268	(553,839)	1,472,699	168,386,128	143,872,758	(506,640)	(797,648)	142,568,470
9.2 Investments by segments:	(Un-audited) September 30, 2020				(Audited) December 31, 2019			
	Cost / Amortised	Provision for diminution	Surplus / (Deficit)	Carrying Value	Cost / Amortised	Provision for diminution	Surplus / (Deficit)	Carrying Value
Rupees in '000								
Held-for-trading securities								
Federal Government Securities								
Market Treasury Bills	8,202,316	-	(102)	8,202,214	55,601,087	-	(2,618)	55,598,469
Pakistan Investment Bonds	22,873	-	9	22,882	-	-	-	-
	8,225,189	-	(93)	8,225,096	55,601,087	-	(2,618)	55,598,469
Available-for-sale securities								
Federal Government Securities:								
Market Treasury Bills	55,963,228	-	251,201	56,214,429	12,071,266	-	(364)	12,070,902
Pakistan Investment Bonds	54,065,830	-	635,263	54,701,093	35,757,352	-	(808,880)	34,948,472
	110,029,058	-	886,464	110,915,522	47,828,618	-	(809,244)	47,019,374
Shares:								
Listed Companies								
Ordinary shares	3,187,087	(47,199)	942,439	4,082,327	1,945,078	-	20,675	1,965,753
Preference shares	136,589	(136,589)	-	-	136,589	(136,589)	-	-
Unlisted Companies								
Ordinary shares	11,000	-	-	11,000	11,000	-	-	11,000
	3,334,676	(183,788)	942,439	4,093,327	2,092,667	(136,589)	20,675	1,976,753
Non Government Debt Securities								
Listed								
Term Finance Certificates	305,182	(155,169)	(13)	150,000	305,183	(155,169)	(14)	150,000
Sukuk Certificates	308,583	-	314	308,897	396,750	-	(6,447)	390,303
Unlisted								
Term Finance Certificates	1,164,349	(214,882)	-	949,467	1,179,739	(214,882)	-	964,857
Sukuk Certificates	1,375,000	-	-	1,375,000	1,458,333	-	-	1,458,333
Preference shares	27,733	-	-	27,733	27,733	-	-	27,733
	3,180,847	(370,051)	301	2,811,097	3,367,738	(370,051)	(6,461)	2,991,226
Foreign Securities								
Government Debt Securities *	-	-	-	-	-	-	-	-
Non Government Debt Securities *	4,329,983	-	(357,169)	3,972,814	-	-	-	-
Ordinary shares	9,992	-	757	10,749	2,406	-	-	2,406
	4,339,975	-	(356,412)	3,983,563	2,406	-	-	2,406
Held-to-maturity securities								
Federal Government Securities:								
Pakistan Investment Bonds	36,196,335	-	-	36,196,335	32,859,882	-	-	32,859,882
Associates								
Omar Jibran Engineering Industries Limited	180,000	-	-	180,000	180,000	-	-	180,000
Veda Transit Solutions (Private) Limited	41,800	-	-	41,800	972	-	-	972
Intercity Touring Company (Private) Limited	20,267	-	-	20,267	20,267	-	-	20,267
	242,067	-	-	242,067	201,239	-	-	201,239
Subsidiaries								
JS Global Capital Limited	1,357,929	-	-	1,357,929	1,357,929	-	-	1,357,929
JS Investments Limited	561,192	-	-	561,192	561,192	-	-	561,192
	1,919,121	-	-	1,919,121	1,919,121	-	-	1,919,121
Total Investments	167,467,268	(553,839)	1,472,699	168,386,128	143,872,758	(506,640)	(797,648)	142,568,470

* Deficit on revaluation of foreign debt securities includes expected credit loss relating to investments held by the Banks' Bahrain Branch as further explained in note 20.1.

9.2.1 Included herein are the investments in related parties amounting to Rs. 2,736.585 million (December 31, 2019: Rs. 1,552.306 million) having market value of Rs. 3,530.860 million (December 31, 2019: Rs.1,554.335 million).

9.2.2 Included herein is the investment of Rs. 65.022 million (December 31, 2019: Rs. 65.022 million) in a related party at the rate of 6 months KIBOR + 1.75% matured on December 04, 2017. Due to weak financial position of the investee the Bank has recognised full impairment loss on these Term Finance Certificates.

9.2.3 This represents investment in an associated company amounting to Rs. 27.733 million (December 31, 2019: Rs. 27.733 million).

9.2.4 The market value of securities classified as held-to-maturity as at amounted to Rs. 36,196.335 million (December 31, 2019: Rs. 31,341.410 million).

9.2.5 During the period, Veda Transit Solutions Private Limited, an associate of the Bank, has issued shares against advance subscription of Rs. 40.828 million made by the Bank. Resultantly, shareholding of the Bank increased to 9.12% (December 31, 2019: 8%). The Bank has classified the investment as associate on account of it's significant influence over the investee company.

(Un-audited) September 30, 2020		(Audited) December 31, 2019	
Cost	Market value	Cost	Market value
----- Rupees in '000 -----			

9.3 Investments given as collateral**Available-for-sale securities****Federal Government Securities:**

Market Treasury Bills

Pakistan Investment Bonds

Foreign Debt Securities

Government Debt Securities

-	-	4,453,165	4,452,597
-	-	22,232,264	21,475,720
-	-	26,685,429	25,928,317
2,702,782	2,524,650	-	-
2,702,782	2,524,650	26,685,429	25,928,317

9.4 Provision for diminution in value of investments

Opening balance

Charge during the period / year

Reversal during the period / year

Charge/ (reversal) during the period / year

Closing Balance

Note

(Un-audited) September 30, 2020	(Audited) December 31, 2019
----- Rupees in '000 -----	
506,640	851,940
48,035	251,675
(836)	(596,975)
47,199	(345,300)
553,839	506,640

9.4.1 SBP vide BPRD Circular Letter No. 13 of 2020 dated March 26, 2020 has provided regulatory relief to banks to recognize impairment losses resulting from the valuation of listed equity securities held as "Available for Sale" (AFS) in a phased manner equally on quarterly basis during calendar year ending on December 31, 2020. Pursuant to the circular, out of total impairment loss of Rs. 62.932 million, a portion of the impairment loss, amounting to Rs. 15.733 million has not been recognized in these unconsolidated condensed interim financial statements.

Had there been no relaxation, there would have been increase in provision for diminution in value of investments and surplus on revaluation of available for sale securities - net of tax by Rs. 15.733 and Rs. 10.226 million respectively, and decrease in unappropriated Profit by Rs. 7.678 million and profit after taxation by Rs. 9.598 million respectively.

9.4.2 Particulars of provision against debt securities**Category of classification****Domestic**

Other assets especially mentioned

Substandard

Doubtful

Loss

(Un-audited) September 30, 2020		(Audited) December 31, 2019	
NPI	Provision	NPI	Provision
----- Rupees in '000 -----			
-	-	-	-
-	-	-	-
-	-	-	-
370,051	370,051	370,051	370,051
370,051	370,051	370,051	370,051

10. ADVANCES

Note

Loans, cash credits, running finances, etc.

Bills discounted and purchased

Advances - gross

Provision against advances

General

General provision - under IFRS-9

Specific

Advances - net of provision

10.3

Performing		Non Performing		Total	
(Un-audited) September 30, 2020	(Audited) December 31, 2019	(Un-audited) September 30, 2020	(Audited) December 31, 2019	(Un-audited) September 30, 2020	(Audited) December 31, 2019
----- Rupees in '000 -----					
224,698,426	224,986,858	11,637,347	10,353,164	236,335,773	235,340,022
9,313,596	11,113,114	-	-	9,313,596	11,113,114
234,012,022	236,099,972	11,637,347	10,353,164	245,649,369	246,453,136
-	(161,166)	-	-	-	(161,166)
(24,203)	(7,520)	-	-	(24,203)	(7,520)
-	-	(3,773,093)	(3,339,941)	(3,773,093)	(3,339,941)
(24,203)	(168,686)	(3,773,093)	(3,339,941)	(3,797,296)	(3,508,627)
233,987,819	235,931,286	7,864,254	7,013,223	241,852,073	242,944,509

10.1 Particulars of advances (gross)

In local currency

In foreign currencies

(Un-audited) September 30, 2020	(Audited) December 31, 2019
----- Rupees in '000 -----	
238,312,162	237,733,122
7,337,207	8,720,014
245,649,369	246,453,136

10.2 Advances include Rs. 11,637.347 million (December 31, 2019: Rs. 10,353.164 million) which have been placed under non-performing status as detailed below:

Category of Classification**Domestic**

Other Assets Especially Mentioned

Substandard

Doubtful

Loss

Total

(Un-audited) September 30, 2020		(Audited) December 31, 2019	
Non Performing Loans	Provision	Non Performing Loans	Provision
----- Rupees in '000 -----			
542,924	194	841,058	1,721
1,531,394	95,117	1,159,072	64,681
2,586,164	478,505	2,442,270	426,283
6,976,865	3,199,277	5,910,764	2,847,256
11,637,347	3,773,093	10,353,164	3,339,941

10.3 Particulars of provision against advances

	(Un-audited) September 30, 2020				(Audited) December 31, 2019			
	Specific	General	General provision - under IFRS-9	Total	Specific	General	General provision - under IFRS-9	Total
	Rupees in '000							
Opening balance	3,339,941	161,166	7,520	3,508,627	2,989,888	155,661	10,746	3,156,295
Exchange adjustments	-	-	869	869	-	-	1,095	1,095
Charge for the period / year	533,348	-	15,814	549,162	880,994	5,505	-	886,499
Reversals	(100,196)	(161,166)	-	(261,362)	(526,146)	-	(4,321)	(530,467)
	433,152	(161,166)	15,814	287,800	354,848	5,505	(4,321)	356,032
Amounts written off	-	-	-	-	(4,795)	-	-	(4,795)
Closing balance	3,773,093	-	24,203	3,797,296	3,339,941	161,166	7,520	3,508,627

10.3.1 The Bank, in accordance with BPRD circular letter No. 31 of 2020 dated July 10, 2020, has taken the benefit of general provision to make good the specific provision requirement of the consumer financing portfolio till December 31, 2021.

10.3.2 The State Bank of Pakistan through various circulars has allowed benefit of the forced sale value (FSV) of Plant and Machinery under charge, pledged stock and mortgaged residential, commercial and industrial properties (land and building only) held as collateral against non-performing loans (NPLs) for a maximum of five years from the date of classification. As at September 30, 2020, the Bank has availed cumulative benefit of FSV of Rs. 4,902.266 million (December 31, 2019: Rs.4,120.009 million) under the directives of the SBP. Had the benefit not been taken the unappropriated profit after tax would have reduced by Rs. 3,186.473 million (December 31, 2019: Rs. 2,678.006 million). Further, as required by the SBP directives, this unappropriated profit will not be available for distribution as dividend or other appropriations.

10.3.3 Advances - Deferred & Restructured / Rescheduled

The SBP vide BPRD circular letter number 13 of 2020 dated March 26, 2020, has relaxed certain classification criteria of SBP Prudential Regulation R-8 (Classification and Provisioning of Assets). Accordingly, certain exposures as at September 30, 2020 relating to facilities of customers have not been classified as non-performing on account of such relaxation.

	Note	(Un-audited) September 30, 2020	(Audited) December 31, 2019
		Rupees in '000	
11. FIXED ASSETS			
Capital work-in-progress	11.1	178,781	138,167
Property and equipment	11.2 & 11.3	5,835,725	5,961,042
Right-of-use assets	27.1	2,820,121	3,593,492
		8,834,627	9,692,701
11.1 Capital work-in-progress			
Civil works		146,874	116,365
Advance for purchase of furniture and fixtures		2,228	290
Advance for purchase of equipment		29,679	21,512
		178,781	138,167

11.2 The following additions, book value of disposals and writeoffs have been made to fixed assets during the period:

	(Un-audited)					
	Additions		Disposal		Write offs	
	September 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019
	Rupees in '000					
Capital work-in-progress - net	2,228	87,177	-	-	-	-
Property and equipment						
Building on leasehold land	-	640,700	-	-	-	-
Leasehold improvements	113,863	157,146	11,019	1,789	43,754	-
Furniture and fixture	36,774	69,760	1,593	1,079	5,144	-
Electrical, office and computer equipment	317,592	353,420	3,336	7,064	9,610	-
Vehicles	49	320,893	851	45,836	-	-
	468,278	1,541,919	16,799	55,768	58,508	-
	470,506	1,629,096	16,799	55,768	58,508	-

		(Un-audited) September 30, 2020	(Audited) December 31, 2019
	Note	---- Rupees in '000 ----	
11.3 Assets held for sale			
Building on leasehold land	11.3.1	-	374,000
11.3.1 In 2019, Bank had entered into an agreement to sell the Bank property located at 13th floor of Ocean Tower, plot No. G-3, Khayaban-e-Iqbal, Block 9, KDA Scheme No. 5, Clifton Karachi, Pakistan ("Property") of Rs. 375 million and therefore, measured the property as a non-current asset held for sale. In this respect, during the period end the sale proceeds were realised on August 11, 2020.			
12. INTANGIBLE ASSETS			
Capital work-in-progress	12.1	164,022	97,744
Computer software	12.2	791,224	709,991
Goodwill		1,463,625	1,463,625
		2,418,871	2,271,360
12.1 Capital work-in-progress			
Advance for purchase of software		164,022	97,744
		164,022	97,744
		----- Un-audited -----	
		September 30, 2020	September 30, 2019
		----- Rupees in '000 -----	
12.2 Additions to intangible assets			
The following additions have been made to intangible assets during the period:			
Capital work-in-progress - net		148,884	60,310
Computer software		163,900	156,561
		312,784	216,871
		312,784	216,871
		(Un-audited) September 30, 2020	(Audited) December 31, 2019
		---- Rupees in '000 ----	
13. OTHER ASSETS	Note		
Income / mark-up accrued in local currency		6,539,657	8,731,263
Income/ mark-up accrued in foreign currency		142,580	48,511
Advances, deposits, advance rent and other prepayments		707,574	446,321
Acceptances		3,125,742	3,221,212
Dividend receivable		-	208,948
Taxation (payments less provision)		197,447	573,873
Receivable against bancassurance / bancatakaful		50,649	67,952
Stationery and stamps in hand		19,316	23,290
Receivable in respect of home remittance		37,854	37,139
Due from State Bank of Pakistan		202,137	116,489
Rebates receivable from SBP and others		574,351	465,965
Non-banking assets acquired in satisfaction of claims		1,081,967	1,088,682
Mark to market gain on derivative instruments		23,936	22,408
Mark to market gain on forward foreign exchange contracts		3,349	65,955
Advance for subscription of shares	9.2.5	-	40,828
Inter bank fund transfer settlement		-	14,477
Credit card settlement		65,517	29,924
Insurance		46,107	39,100
Others		614,386	494,123
		13,432,569	15,736,460
Less: Provision held against other assets		(13,580)	(13,580)
Other assets (net of provisions)		13,418,989	15,722,880
Surplus on revaluation of non-banking assets acquired in satisfaction of claims		93,649	93,743
Other assets - total		13,512,638	15,816,623

(Un-audited) September 30, 2020	(Audited) December 31, 2019
---- Rupees in '000 ----	

14. BILLS PAYABLE

In Pakistan	4,105,613	3,583,500
Outside Pakistan	235,843	220,991
	4,341,456	3,804,491

15. BORROWINGS**Secured**

Borrowings from State Bank of Pakistan under:

Export Refinancing Scheme (ERF)	19,390,257	17,792,778
Long-Term Finance Facility (LTFF)	1,917,723	1,877,760
Financing Facility for Storage of Agricultural Produce (FFSAP)	7,788,268	300,440
Repurchase agreement borrowings	-	16,849,097
	29,096,248	36,820,075

Borrowing from financial institutions

Repurchase agreement borrowings	1,907,267	12,746,732
Refinancing facility for mortgage loans	1,914,739	1,961,128
	3,822,006	14,707,860

Total secured

32,918,254	51,527,935
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Unsecured

Call borrowings	828,511	2,303,356
Overdrawn nostro accounts	570,114	636,992

Total unsecured

1,398,625	2,940,348
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34,316,879	54,468,283
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15.1 Particulars of borrowings

In local currency	31,010,998	51,527,935
In foreign currencies	3,305,881	2,940,348
	34,316,879	54,468,283

16. DEPOSITS AND OTHER ACCOUNTS

	(Un-audited) September 30, 2020			(Audited) December 31, 2019		
	In Local Currency	In Foreign Currencies	Total	In Local Currency	In Foreign Currencies	Total
----- Rupees in '000 -----						
Customers						
Current deposits	79,231,536	6,205,693	85,437,229	70,341,319	6,412,941	76,754,260
Savings deposits	80,772,112	4,180,477	84,952,589	73,442,779	2,898,794	76,341,573
Term deposits	177,039,785	14,903,053	191,942,838	164,602,876	11,409,815	176,012,691
Margin deposits	6,308,327	587	6,308,914	5,455,786	15,234	5,471,020
	343,351,760	25,289,810	368,641,570	313,842,760	20,736,784	334,579,544
Financial Institutions						
Current deposits	1,227,052	496,119	1,723,171	859,151	-	859,151
Savings deposits	9,875,569	-	9,875,569	13,450,440	-	13,450,440
Term deposits	11,712,315	-	11,712,315	20,900,829	-	20,900,829
	22,814,936	496,119	23,311,055	35,210,420	-	35,210,420
	366,166,696	25,785,929	391,952,625	349,053,180	20,736,784	369,789,964

		(Un-audited) September 30, 2020	(Audited) December 31, 2019
17. SUBORDINATED DEBT	Note	----- Rupees in '000 -----	
Term Finance Certificates - First Issue	17.1	2,996,400	2,996,400
Term Finance Certificates - Second Issue	17.2	1,998,400	1,998,400
Term Finance Certificates - Third Issue	17.3	2,500,000	2,500,000
		<u>7,494,800</u>	<u>7,494,800</u>

- 17.1** In 2016, the Bank has issued Rs.3 billion of rated, privately placed, unsecured and subordinated term finance certificates ("TFCs" or "the Issue") as an instrument of redeemable capital under Section 120 of the Companies Ordinance, 1984 and as outlined by State Bank of Pakistan, SBP, under the BPRD circular No. 06 dated August 15, 2013 and Basel III guidelines. Summary of terms and conditions of the issue are:

Purpose:	To contribute toward the Bank's Tier II Capital for complying with the Capital Adequacy Ratio requirement and to utilize the funds in the Bank's business operations as permitted by its Memorandum & Articles of Association.
Issue date:	December 14, 2016
Tenure:	Up to Seven years from the Issue date.
Maturity Date:	December 14, 2023
Rating:	A + (Single A Plus)
Profit Rate:	Floating rate of return at Base rate + 1.4 percent per annum; Base rate is defined as the average six months KIBOR prevailing on the Base Rate setting date. The Base Rate will be set for the first time on the last working day prior to the Issue Date and subsequently on the immediately preceding business day before the start of each six monthly period.
Profit payment:	Semi-annual
Redemption:	The instrument is structured to redeem 0.24% of the Issue amount during the first six years after the Issue date and the remaining Issue amount of 99.76% in two equal semi-annual installments of 49.88% each in the last year.
Security:	The Issue is unsecured and subordinated as to payment of Principal and profit to all other indebtedness of the Bank.
Call Option:	Exercisable in part or in full on or after the 10th redemption, subject to SBP's approval.
Lock-in-clause:	Principal and profit will be payable subject to compliance with MCR or CAR set by SBP.
Loss absorbency clause:	Upon the occurrence of a Point of Non-Viability event as defined by SBP's Basel III Capital Rule vide BPRD Circular # 6 of 2013 dated August 15, 2013, SBP may at its option, fully and permanently convert the TFCs into common shares of the Bank and/or have them immediately written off (either partially or in full). Number of shares to be issued to TFC holders at the time of conversion will be equal to the 'Outstanding Face Value of the TFCs' divided by market value per share of the Bank's common share on the date of trigger as declared by SBP of the non-viability event as declared by SBP, subject to a cap of 467,836,257 shares.

- 17.2** In 2017, the Bank has issued Rs.2 billion of rated, privately placed and listed, unsecured and subordinated term finance certificates ("TFCs" or "the Issue") as an instrument of redeemable capital under Section 66 of the Companies Act, 2017 and as outlined by State Bank of Pakistan, SBP, under the BPRD circular No. 06 dated August 15, 2013 and Basel III guidelines. Summary of terms and conditions of the Issue are:

Purpose:	To contribute toward the Bank's Tier II Capital for complying with the capital adequacy requirement and to utilize the funds in the Bank's business operations as permitted by its Memorandum & Articles of Association.
Issue date:	December 29, 2017
Tenure:	Up to Seven years from the Issue date.
Maturity Date:	December 29, 2024
Rating:	A + (Single A Plus)
Profit Rate:	Floating rate of return at Base rate + 1.4 percent per annum; Base rate is defined as the average six months KIBOR prevailing on the Base Rate setting date. The Base Rate will be set for the first time on the last working day prior to the Issue Date and subsequently on the immediately preceding business day before the start of each six monthly period.

Profit payment: Semi-annual

Redemption: The instrument is structured to redeem 0.24% of the Issue amount during the first six years after the Issue date and the remaining Issue amount of 99.76% in two equal semi-annual installments of 49.88% each in the last year.

Security: The Issue is unsecured and subordinated as to payment of Principal and profit to all other indebtedness of the Bank.

Call Option: Exercisable in part or in full on or after the 10th redemption, with prior approval of SBP.

Lock-in-clause: Principal and profit will be payable subject to compliance with MCR or CAR set by SBP.

Loss absorbency clause: Upon the occurrence of a Point of Non-Viability event as defined under SBP BPRD Circular # 6 of 2013 dated August 15, 2013, SBP may at its option, fully and permanently convert the TFCs into common shares of the Bank and/or have them immediately written off (either partially or in full). Number of shares to be issued to TFC holders at the time of conversion will be equal to the 'Outstanding Face Value of the TFCs' divided by market value per share of the Bank's common share on the date of trigger of Point of Non-Viability (PONV) as declared by SBP, subject to a cap of 319,982,544 shares.

17.3 In 2018, the Bank has issued Rs.2.5 billion of rated, privately placed and listed, unsecured, subordinated, perpetual and non-cumulative additional Tier I capital term finance certificates ("TFCs" or "the Issue") as an instrument of redeemable capital under Section 66(1) of the Companies Act, 2017 and as outlined by State Bank of Pakistan, SBP, under the BPRD circular No. 06 dated August 15, 2013 (the "Circular") and Basel III guidelines. Summary of terms and conditions of the Issue are:

Purpose: To contribute toward the Bank's Tier I Capital for complying with the capital adequacy requirement and to utilize the funds in the Bank's business operations as permitted by its Memorandum & Articles of Association.

Issue date: December 31, 2018

Maturity date: Perpetual

Rating: A (Single A)

Profit Rate: Floating rate of return at Base rate + 2.25 percent per annum;
Base rate is defined as the average six months KIBOR prevailing on the Base Rate setting date. The Base Rate will be set for the first time on the last working day prior to the Issue Date and subsequently on the immediately preceding business day before the start of each six monthly period.

Profit payment frequency: Semi-annually on a non-cumulative basis

Redemption: Not applicable

Security: The Issue is unsecured and subordinated as to payment of Principal and profit to all other claims except common shares.

Call Option: Exercisable in part or in full at a par value on or after five years from the issue date, with prior approval of SBP. The Bank shall not exercise the call option unless the called instrument is replaced with capital of same or better quality.

Lock-in-clause: Payment of profit will be made from current year's earning and subject to compliance with MCR or CAR set by SBP.

Loss absorbency clause:

Pre-Specified Trigger ("PST") Upon the occurrence of a Pre-Specified Trigger as defined under SBP BPRD Circular # 6 of 2013 dated August 15, 2013, which stipulates that if an Issuer's Common Equity Tier 1 ("CET 1") ratio falls to or below 6.625% of Risk Weighted Assets ("RWA"), the Issuer will have full discretion to determine the amount of TFCs to be permanently converted into common shares or written off, subject to SBP regulations / instructions, and the cap specified below. The Bank will be able to exercise this discretion subject to:

- If and when Bank's CET 1 reaches the loss absorption trigger point, the aggregate amount of Additional Tier-1 capital to be converted must at least be the amount sufficient to immediately return the CET 1 ratio to above 6.625% of total RWA (if possible);
- The converted amount should not exceed the amount needed to bring the CET 1 ratio to 8.5% of RWA (i.e. minimum CET 1 of 6.0% plus capital conservation buffer of 2.5%); and
- In case, conversion of Additional Tier-1 capital Instrument is not possible following the trigger event, the amount of the Instrument must be written off in the accounts resulting in increase in CET 1 of the Issuer.

Point of Non-Viability Upon the occurrence of a Point of Non-Viability event as defined under SBP BPRD Circular # 6 of 2013 dated August 15, 2013, which stipulates that SBP may, at its option, fully and permanently convert the TFCs into common shares of the Issuer and / or have them immediately written off (either partially or in full). Number of shares to be issued to TFC holders at the time of conversion will be equal to the 'Outstanding Value of the TFCs' divided by market value per share of the Issuer's common / ordinary share on the date of the PONV trigger event as declared by SBP, subject to the cap specified below:

The PONV trigger event is the earlier of:

- A decision made by SBP that a conversion or temporary / permanent write-off is necessary without which the Issuer would become non-viable;
- The decision to make a public sector injection of capital, or equivalent support, without which the Issuer would have become non-viable, as determined by SBP; and
- The maximum number of shares to be issued to TFC holders at the Pre-Specified Trigger and / or Point of Non Viability (or otherwise as directed by SBP) will be subject to a specified cap of 329,595,476 ordinary shares, or such other number as may be agreed to in consultation with SBP.

		(Un-audited) September 30, 2020	(Audited) December 31, 2019
		---- Rupees in '000 ----	
18. DEFERRED TAX (ASSETS) / LIABILITIES	Note		
Deferred tax debits arising from:			
Provision against investments		(57,149)	(57,149)
Provision against loans and advances		(161,235)	(132,305)
General provision under IFRS-9		(30,465)	(3,097)
Intangible other than Goodwill		(2,778)	(2,514)
Other assets		-	(628,569)
		(251,627)	(823,634)
Deferred tax credits arising due to:			
Fixed assets		165,236	250,858
Goodwill		512,268	512,268
Surplus on revaluation of operating fixed assets		242,893	299,034
Surplus on revaluation of non-banking assets acquired in satisfaction of claims		934	967
Mark to market gain on forward foreign exchange contracts		1,172	23,085
Unrealized gain on revaluation of derivative instruments		8,378	8,145
Unrealised loss on revaluation of investments classified as held for trading		(33)	(1,218)
Surplus/ (deficit) on revaluation of investments classified as available for sale		537,439	(278,261)
		1,468,287	814,878
		1,216,660	(8,756)
19. OTHER LIABILITIES			
Mark-up / return / interest payable in local currency		5,899,975	4,092,845
Mark-up / return / interest payable in foreign currency		75,591	72,782
Unearned income on guarantees		155,899	99,505
Accrued expenses		572,836	304,086
Acceptances		3,125,742	3,221,212
Unclaimed dividends		4,214	4,214
Payable in respect of defined benefit obligation - net		161,822	151,881
Withholding taxes payable		325,323	414,407
Government challan collection		82,490	66,867
Donation payable		-	1,991
Security deposits against leases, lockers and others		3,603,202	4,172,975
Sindh Workers' Welfare Fund		89,500	73,777
Payable in respect of home remittance		512,015	446,387
Retention money payable		52,318	34,248
Lease liability against right-of-use assets		3,151,144	3,696,371
Advance against assets held for sale	11.3.1	-	37,500
Insurance payable		83,894	12,693
Debit card settlement		72,407	73,084
Inter bank fund transfer settlement		21,041	-
Others		635,183	181,526
		18,624,596	17,158,351

		(Un-audited) September 30, 2020	(Audited) December 31, 2019
		----- Rupees in '000 -----	
20. SURPLUS ON REVALUATION OF ASSETS	Note		
Surplus / (deficit) on revaluation of:			
Available-for-sale securities	9.1 & 20.1	1,535,540	(795,030)
Fixed assets		1,199,323	1,359,727
Non-banking assets acquired in satisfaction of claims		93,649	93,743
		2,828,512	658,440
Deferred tax on surplus / (deficit) on revaluation of:			
Available-for-sale securities		(537,439)	278,261
Fixed assets		(242,893)	(299,034)
Non-banking assets acquired in satisfaction of claims		(934)	(967)
		(781,266)	(21,740)
		2,047,246	636,700

20.1 This includes general provision under IFRS 9 of Rs. 62.748 million (December 31, 2019: Rs. Nil) by Bahrain branch of the Bank.

21. CONTINGENCIES AND COMMITMENTS

Guarantees	21.1	61,744,460	45,650,803
Commitments	21.2	86,855,756	76,025,492
		148,600,216	121,676,295
21.1 Guarantees:			
Financial guarantees		1,249,078	2,464,411
Performance guarantees		37,310,594	21,483,841
Other guarantees		23,184,788	21,702,551
	21.1.1	61,744,460	45,650,803

21.1.1 Included herein are outstanding guarantees of Rs. 71.940 million (December 31, 2019: Rs.14.217 million) of related parties.

21.2 Commitments:

Documentary credits and short-term trade-related transactions

- letters of credit

21.2.1	14,730,978	13,965,258
--------	------------	------------

Commitments in respect of:

- Forward foreign exchange contracts

21.2.2	36,190,280	55,111,366
--------	------------	------------

- Derivative instruments

21.2.3	35,404,671	6,745,592
--------	------------	-----------

- Forward lending

21.2.4	365,805	72,183
--------	---------	--------

Commitments for acquisition of:

- Fixed assets

21.2.5	164,022	131,093
--------	---------	---------

	86,855,756	76,025,492
--	------------	------------

21.2.1 Included herein are the outstanding letter of credits of Rs. 29.249 million (December 31, 2019: Rs.44.368 million) of related parties.

21.2.2 Commitments in respect of forward foreign exchange contracts

Purchase

24,222,671	33,104,108
------------	------------

Sale

11,967,609	22,007,258
------------	------------

36,190,280	55,111,366
------------	------------

The Bank utilises foreign exchange instruments to meet the needs of its customers and as part of its asset and liability management activity to hedge its own exposure to currency risk. At period end, all foreign exchange contracts have a remaining maturity of less than one year.

		(Un-audited) September 30, 2020	(Audited) December 31, 2019
		----- Rupees in '000 -----	
21.2.3 Commitments in respect of derivative instruments			
Purchase		3,486,041	3,622,107
Sale		31,918,630	3,123,485
		35,404,671	6,745,592
21.2.3.1 Interest rate swaps (notional principal)			
Purchase		1,442,033	2,099,175
Sale		1,443,033	2,100,175
		2,885,066	4,199,350
21.2.3.2 Options (notional principal)			
Purchase		2,044,008	1,023,310
Sale		30,475,597	1,023,310
		32,519,605	2,046,620
21.2.3.3 Commitments in respect of forward government securities			
Purchase		-	499,622

			(Un-audited) September 30, 2020	(Audited) December 31, 2019
	Note		----- Rupees in '000 -----	
21.2.4 Commitments in respect of forward lending				
Undrawn formal standby facilities, credit lines and other commitments to lend	21.2.4.1		365,805	72,183
21.2.4.1	These represent commitments that are irrevocable because they cannot be withdrawn at the discretion of the Bank without the risk of incurring significant penalty or expense.			
21.2.5 Commitments for acquisition of fixed assets			164,022	131,093

21.2.6 There are no changes in contingent liabilities since the date of annual unconsolidated audited financial statements for the year ended December 31, 2019.

22. Derivative Instruments

Derivative instruments, such as Forward Exchange Contracts, Interest Rate Swaps and Options, are forward transactions that provide market making opportunities / hedge against the adverse movement of interest and exchange rates. Derivatives business also provides risk solutions for the existing and potential customers of the Bank.

The Bank has entered into a Cross Currency Swap transaction with its customer on back-to-back basis with an Authorized Derivative Dealer (ADD) without carrying any open position in its books. Specific approvals for the transactions have been granted by State Bank of Pakistan. Policies in line with SBP instructions have been formulated and are operative.

The Bank has also entered into Foreign Currency & Commodity Options from its Wholesale Banking Branch Bahrain for market making activities.

These transactions cover the aspects of both market making and hedging. The risk management related to derivative is disclosed in note 45 to the unconsolidated financial statements for the year ended December 31, 2019.

Accounting policies in respect of derivative financial instruments are described in note 4.5.2 of the unconsolidated annual financial statements for the year ended December 31, 2019.

		(Un-audited) September 30, 2020					
		Interest Rate Swaps		Options		Forward securities	
		Notional principal	Mark to Market	Notional principal	Mark to Market	Notional principal	Mark to Market
		----- Rupees in '000 -----					
22.1 Product analysis							
With Banks for							
Hedging		2,885,066	6,854	32,519,605	17,082	-	-
Market making		-	-	-	-	-	-
With FIs other than banks							
Hedging		-	-	-	-	-	-
Market making		-	-	-	-	-	-
Total							
Hedging		2,885,066	6,854	32,519,605	17,082	-	-
Market making		-	-	-	-	-	-

		(Audited) December 31, 2019					
		Interest Rate Swaps		Options		Forward securities	
		Notional principal	Mark to market	Notional principal	Mark to Market	Notional principal	Mark to Market
		----- Rupees in '000 -----					
With Banks for							
Hedging		4,199,350	13,327	-	8,885	-	-
Market making		-	-	-	-	499,622	196
With FIs other than banks							
Hedging		-	-	-	-	-	-
Market making		-	-	-	-	-	-
Total							
Hedging		4,199,350	13,327	-	8,885	-	-
Market making		-	-	-	-	499,622	196

22.1.1 The notional value of options includes Rs. 1,882.127 million (December 31, 2019: Rs. 1,023.310 million) and the Bank has entered back to back arrangement to close the position at period end.

		----- Un-audited -----	
		September 30, 2020	September 30, 2019
		----- Rupees in '000 -----	
23. MARK-UP / RETURN / INTEREST EARNED	Note		
On:			
Loans and advances		20,098,993	22,627,960
Investments		12,701,423	6,850,722
Lendings to financial institutions		44,783	45,588
Balances with other banks		7,387	45,631
Securities purchased under resale agreements		1,033,392	689,213
		33,885,978	30,259,114
24. MARK-UP / RETURN / INTEREST EXPENSED			
Deposits		23,504,990	20,202,045
Borrowings	24.1	1,490,518	3,087,963
Subordinated debt		728,922	749,378
Cost of foreign currency swaps against foreign currency deposits / borrowings		514,507	606,503
Lease liability against right-of-use assets		345,903	327,771
		26,584,840	24,973,660
24.1 Borrowings			
Export Refinancing Scheme (ERF)		256,608	251,418
Long-Term Finance Facility (LTFF)		34,119	24,513
Financing Facility for Storage of Agricultural Produce (FFSAP)		7,449	2,621
Securities sold under repurchase agreements		872,550	2,403,709
Other borrowings		319,792	405,702
		1,490,518	3,087,963
25. FEE AND COMMISSION INCOME			
Branch banking customer fees		199,157	132,572
Consumer finance related fees		21,987	14,847
Card related fees (debit and credit cards)		478,923	362,542
Credit related fees		298,064	210,403
Investment banking fees		71,989	42,565
Commission on trade		475,632	395,736
Commission on guarantees		288,489	249,142
Commission on cash management		3,054	4,388
Commission on remittances including home remittances		214,202	81,095
Commission on bancassurance		135,560	105,814
Commission on distribution of mutual funds		26,190	94,070
Commission on online Services		251,225	132,694
Postage & Courier income		16,601	14,964
Rebate income		178,725	160,997
Rebate on primary dealership		27,637	6,918
		2,687,435	2,008,747
26. GAIN / (LOSS) ON SECURITIES			
Realised	26.1	918,080	(563,669)
Unrealised - held for trading		(93)	(435)
		917,987	(564,104)
26.1 Realised gain / (loss) on:			
Federal government securities			
Market treasury bills		76,804	3,850
Pakistan investment bonds		857,350	(402,443)
Ijara sukuk certificates		56	633
Shares			
Listed companies		(12,850)	(159,776)
Non Government Debt Securities			
Sukuk certificates		450	-
Mutual fund units		3,808	482
Foreign currency bonds		(7,538)	(6,415)
		918,080	(563,669)

		----- Un-audited -----	
		September 30, 2020	September 30, 2019
		----- Rupees in '000 -----	
27. OTHER INCOME - NET	Note		
(Loss) / gain on sale of operating fixed assets - net		(11,919)	93,252
Gain on sale of assets held for sale	11.3.1	1,000	-
Gain on termination of leases	27.1	32,755	-
Others		4,710	-
		26,546	93,252
27.1	This represents, gain on termination of leases against closure of fifty one branches under the Bank's branch rationalisation strategy.		
28. OPERATING EXPENSES			
Total compensation expense		4,701,295	3,851,929
Property expense			
Rent & taxes		22,398	220,375
Insurance		2,638	7,913
Utilities cost		248,050	232,185
Security (including guards)		242,353	213,103
Repair & maintenance (including janitorial charges)		152,017	130,482
Depreciation		143,324	144,831
Depreciation - Right of Use Assets		717,149	520,691
Depreciation on non banking assets		6,808	628
		1,534,737	1,470,208
Information technology expenses			
Software maintenance		280,216	183,891
Hardware maintenance		132,222	108,746
Depreciation		150,780	126,403
Amortisation		82,977	68,169
Network charges		90,109	81,351
		736,304	568,560
Other operating expenses			
Directors' fees and allowances		13,250	6,050
Legal & professional charges		125,322	94,730
Insurance		147,809	135,490
Outsourced services costs		116,000	105,285
Travelling & conveyance		52,304	65,074
NIFT clearing charges		26,851	28,932
Depreciation		223,295	317,788
Training & development		11,828	21,942
Postage & courier charges		75,697	61,111
Communication		94,234	81,125
Stationery & printing		195,237	184,295
Marketing, advertisement & publicity		333,422	207,031
Donations		60,841	-
Auditors Remuneration		4,975	5,126
Staff Auto fuel & maintenance		149,615	174,842
Bank Charges		43,568	47,475
Stamp Duty		9,634	33,019
Online verification charges		12,951	14,122
Brokerage, fee and commission		34,072	23,382
Card related fees (debit and credit cards)		5,036	6,317
CDC and other charges		3,709	4,075
Consultancy fee		25,892	26,158
Deposit protection corporation	28.1	93,204	104,821
Entertainment expenses		49,319	46,657
Repair and maintenance		46,349	46,804
Cash handling charges		155,540	48,868
Fee and Subscription		65,260	33,284
Employees social security		7,743	5,722
Generator fuel & maintenance		53,350	57,824
Others		37,523	24,282
		2,273,830	2,011,631
		9,246,166	7,902,328
28.1	Under the provision of section 5(2) of the Deposit Protection Corporation Act, 2016 (the Act), and DPC Circular No. 04 of 2018, the Bank is liable to pay annual premium, on quarterly basis, to the Deposit Protection Corporation, a subsidiary company of State Bank of Pakistan, @ 0.16% on eligible deposits as of December 31 of each preceding calendar year.		
	The Bank's eligible deposits as of December 31, 2019 are amounting to Rs. 87,425.180 million on which total premium is payable of Rs. 139.880 million per annum (Rs. 34.970 million per quarter).		
29. WORKERS' WELFARE FUND			
Provision held at 2% of the higher of profit before tax or taxable income to the extent of operations carried out under Sindh Workers' Welfare Act, 2014.			

JS BANK LIMITED

----- Un-audited -----
September 30, September 30,
2020 2019
 ----- Rupees in '000 -----

Note

30. OTHER CHARGES

Penalties imposed by State Bank of Pakistan	74,607	242
Others	-	892
	74,607	1,134

31. PROVISIONS AND WRITE OFFS - NET

Provisions for diminution in value of investments	9.4.1 47,199	123,672
Provisions against loans & advances - specific	433,152	439,833
Provisions against loans & advances - general	(161,166)	1,724
Provisions / (reversals) under IFRS-9 - general	75,929	(61,967)
Fixed assets written off	58,508	-
Other assets written off	4,168	-
Other reversals	-	(2,082)
Bad debts written off directly	-	315
	457,790	501,495

32. TAXATION

Current	390,199	550,410
Prior years	-	-
Deferred	409,716	(771,219)
	799,915	(220,809)

32.1 There are no material changes in tax contingencies as disclosed in annual financial statements for the year ended December 31, 2019 except below:

32.1.1 The Sindh High Court has dismissed the Bank's petitions for tax years 2016 through 2019 wherein the Bank alongwith other taxpayers challenged the levy of super tax on constitutional grounds. Based on the opinion of legal counsel, the Bank is now approaching the Supreme Court to challenge the aforesaid decision of the Sindh High Court and seek interim relief in respect of the outstanding super tax demand.

Further, the bank has obtained stay from the Sindh High Court on other technical grounds regarding the levy of Super Tax for Tax Years 2017 and 2018.

	----- Un-audited -----			
	Quarter ended		Nine months period ended	
	September 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019
33. BASIC AND DILUTED EARNINGS /(LOSS) PER SHARE	----- Rupee in 000 -----			
Profit / (loss) after taxation for the period - attributable to ordinary equity holders of the Bank	309,165	(136,238)	1,165,491	(577,915)
Preference dividend paid for the year December 31, 2018 @ 12% p.a	-	-	-	(24,164)
Profit / (loss) after taxation for the period - attributable to ordinary equity holders of the Bank for basic earnings	309,165	(136,238)	1,165,491	(602,079)
	----- Number -----			
Weighted average number of outstanding ordinary shares during the period for basic earnings	1,297,464,262	1,297,464,262	1,297,464,262	1,297,464,262
	----- Rupee -----			
Basic earnings / (loss) per share	0.24	(0.11)	0.90	(0.46)

34. CASH AND CASH EQUIVALENTS

	Note	(Un-audited) September 30, 2020	(Audited) December 31, 2019	(Un-audited) September 30, 2019
Cash and balances with treasury banks	6	33,587,826	25,589,349	21,093,931
Balances with other banks	7	618,131	462,904	1,140,498
Overdrawn nostro accounts	15	(570,114)	(570,114)	(152,092)
		33,635,843	25,482,139	22,082,337
Less: General provision under IFRS 9		(91)	(68)	(83)
		33,635,752	25,482,071	22,082,254

35. FAIR VALUE OF FINANCIAL INSTRUMENTS

IFRS 13 "Fair Value Measurement" defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value of quoted securities other than those classified as held to maturity, is based on quoted market price. Fair value of fixed term loans, other assets, other liabilities and fixed term deposits cannot be calculated with sufficient reliability due to absence of current and active market for assets and liabilities and reliable data regarding market rates for similar instruments. The provision for impairment of loans and advances has been calculated in accordance with the Bank's accounting policy as stated in note 4.5 to the annual unconsolidated financial statements for the year ended December 31, 2019.

In the opinion of the management, the fair value of the remaining financial assets and liabilities are not significantly different from their carrying values since assets and liabilities are either short term in nature or in the case of customer loans and deposits are frequently repriced.

Fair value hierarchy

IFRS 13 requires the Bank to classify fair value measurement using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has following levels:

- Level 1:** Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
- Level 2:** Fair value measurements using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3:** Fair value measurements using unobservable inputs for the asset or liability.

35.1 Valuation techniques used in determination of fair values within level

Item	Valuation approach and input used
Financial Instruments- Level 1	
Shares of listed companies	Fair values of investments in listed equity securities are valued on the basis of closing quoted market prices available at the Pakistan Stock Exchange.

Financial instruments - Level 2

Units of mutual funds	Fair values of investments in units of mutual funds are determined based on redemption prices disclosed at the Mutual Funds Association of Pakistan (MUFAP) as at the close of the business days.
Market Treasury Bills(MTB) / Pakistan Investment Bonds(PIB), and GoP Sukuks (GIS)	Fair values of Pakistan Investment Bonds and Market Treasury Bills are derived using PKRV rates (Reuters page).
Debt Securities (TFCs) and Sukuk other than Government	Investments in debt securities (comprising Term Finance Certificates, Bonds and any other security issued by a company or a body corporate for the purpose of raising funds in the form of redeemable capital) are valued on the basis of the rates announced by the Mutual Funds Association of Pakistan (MUFAP) in accordance with the methodology prescribed by the SECP.
Overseas Government Sukuks, Overseas and Euro Bonds	The fair value of Overseas Government Sukuks, and Overseas Bonds are valued on the basis of price available on Bloomberg.
Forward foreign exchange contracts	The valuation has been determined by interpolating the foreign exchange revaluation rates announced by the State Bank of Pakistan.
Derivatives	The fair values of derivatives which are not quoted in active markets are determined by using valuation techniques. The valuation techniques take into account the relevant underlying parameters including foreign currencies involved, interest rates, yield curves, volatilities, contracts duration, etc.

Financial instruments in level 3

Currently, no financial instruments are classified in level 3.
The fair value of unquoted debt securities, fixed term loans, other assets, other liabilities, fixed term deposits and borrowings cannot be calculated with sufficient reliability due to the absence of a current and active market for these assets and liabilities and reliable data regarding market rates for similar instruments.

Non- financial assets- Level 3

Fixed assets - Land and building	Fixed assets and Non-banking assets under satisfaction of claims are carried at revalued amounts determined by professional valuers based on their assessment of the market values as disclosed in note 10 and 13 of the unconsolidated annual financial statements December 31, 2019. The valuations are conducted by the valuation experts appointed by the Bank which are also on the panel of State Bank of Pakistan. The valuation experts used a market based approach to arrive at the fair value of the Bank's properties. The market approach used prices and other relevant information generated by market transactions involving identical or comparable or similar properties. These values are adjusted to reflect the current condition of the properties. The effect of changes in the unobservable inputs used in the valuations cannot be determined with certainty, accordingly a qualitative disclosure of sensitivity has not been presented in these financial statements.
Non-banking assets under satisfaction of claims	

35.2 The Bank's policy is to recognise transfers into and out of the different fair value hierarchy levels at the date the event or change in circumstances that caused the transfer occurred. There were no transfers between levels 1 and 2 during the year.

35.3 The following table provides an analysis of financial assets that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

(Un-audited)				
September 30, 2020				
Level 1	Level 2	Level 3	Total	
Rupees in '000				
On balance sheet financial instruments				
Financial assets - measured at fair value				
Held-for-trading securities				
Investments				
Federal Government Securities				
-	8,225,096	-	8,225,096	
Available-for-sale securities				
Investments				
Federal Government Securities				
-	110,915,522	-	110,915,522	
4,082,327	-	-	4,082,327	
-	458,897	-	458,897	
-	3,972,814	-	3,972,814	
4,082,327	115,347,233	-	119,429,560	
Financial assets - disclosed but not measured at fair value				
Investments				
Federal Government Securities				
-	36,196,335	-	36,196,335	
4,082,327	159,768,664	-	163,850,991	
Non-Financial assets - measured at fair value				
Revalued fixed assets				
-	-	3,387,951	3,387,951	
-	-	1,175,616	1,175,616	
-	-	4,563,567	4,563,567	
Off balance sheet financial instruments				
Commitments in respect of:				
Forward foreign exchange contracts				
Purchase				
-	24,085,306	-	24,085,306	
Sale				
-	11,826,893	-	11,826,893	
Derivative instruments:				
Interest rate swaps				
Purchase				
-	1,519,596	-	1,519,596	
Sale				
-	1,526,450	-	1,526,450	
Options				
Purchase				
-	2,038,193	-	2,038,193	
Sale				
-	30,498,492	-	30,498,492	
(Audited)				
December 31, 2019				
Level 1	Level 2	Level 3	Total	
Rupees in '000				
On balance sheet financial instruments				
Financial assets - measured at fair value				
Held-for-trading securities				
Investments				
Federal Government Securities				
-	55,598,469	-	55,598,469	
Available-for-sale securities				
Investments				
Federal Government Securities				
-	47,019,374	-	47,019,374	
1,965,753	-	-	1,965,753	
-	540,303	-	540,303	
1,965,753	47,559,677	-	49,525,430	
Financial assets - disclosed but not measured at fair value				
Investments				
Federal Government Securities				
-	31,341,410	-	31,341,410	
1,965,753	134,499,556	-	136,465,309	
Non-Financial assets - measured at fair value				
Revalued fixed assets				
-	-	3,797,180	3,797,180	
-	-	1,182,425	1,182,425	
-	-	4,979,605	4,979,605	
Off balance sheet financial instruments				
Commitments in respect of:				
Forward foreign exchange contracts				
Purchase				
-	32,885,546	-	32,885,546	
Sale				
-	21,722,741	-	21,722,741	
Derivative instruments				
Forward government securities				
Purchase				
-	499,818	-	499,818	
Interest rate swaps				
Purchase				
-	1,474,016	-	1,474,016	
Sale				
-	2,738,661	-	2,738,661	
Options				
Purchase				
-	1,024,638	-	1,024,638	
Sale				
-	1,030,868	-	1,030,868	

36. SEGMENT INFORMATION

Segment details with respect to business activities:

	Corporate Finance	Trading and Sales	Retail Banking	Commercial Banking	Others	Total
September 30, 2020 (Un-audited)						
Rupees in '000						
Profit & Loss						
Net mark-up / return / profit / (loss)	(1,139,698)	(830,804)	7,749,740	2,612,379	(1,090,479)	7,301,138
Inter segment revenue - net	(3,937)	(1,157,607)	297,766	1,451,531	(587,755)	-
Non mark-up / return / interest income	72,352	1,628,761	1,909,646	878,710	(30,916)	4,458,554
Total Income	(1,071,283)	(359,649)	9,957,152	4,942,620	(1,709,149)	11,759,692
Segment direct expenses	27,909	108,301	4,116,640	493,602	4,590,044	9,336,496
Inter segment expense allocation	100,217	238,357	2,933,936	980,238	(4,252,748)	-
Total expenses	128,126	346,658	7,050,576	1,473,840	337,296	9,336,496
Provisions	3,020	-	139,818	121,522	193,431	457,790
Profit before tax	(1,202,428)	(706,306)	2,766,758	3,347,259	(2,239,877)	1,965,406
September 30, 2020 (Un-audited)						
Balance Sheet						
Cash & Bank balances	-	-	31,810,622	2,395,244	-	34,205,866
Investments	2,255,377	158,747,592	-	7,383,160	-	168,386,128
Net inter segment lending	-	-	97,261,954	60,855,810	22,010,463	180,128,227
Lendings to financial institutions	-	8,655,689	-	124,277	-	8,779,966
Advances - net						
Advances - performing	626	-	45,807,087	188,204,309	-	234,012,022
Advances - non-performing	-	-	5,917,962	5,719,385	-	11,637,347
Advances - (Provisions)/reversals - Net	-	-	(1,410,657)	(2,386,639)	-	(3,797,296)
	626	-	50,314,392	191,537,055	-	241,852,073
Others	-	-	-	-	24,766,136	24,766,136
Total Assets	2,256,003	167,403,281	179,386,968	262,295,545	46,776,599	658,118,396
Borrowings	-	15,473,176	-	18,843,703	-	34,316,879
Subordinated debt	-	-	-	-	7,494,800	7,494,800
Deposits & other accounts	1,835	-	152,882,548	239,068,243	-	391,952,625
Net inter segment borrowing	2,254,168	151,930,105	21,850,336	4,093,618	-	180,128,227
Others	-	-	4,654,085	289,981	19,238,646	24,182,712
Total liabilities	2,256,003	167,403,281	179,386,968	262,295,545	26,733,446	638,075,243
Equity	-	-	-	-	20,043,153	20,043,153
Total Equity & liabilities	2,256,003	167,403,281	179,386,968	262,295,545	46,776,599	658,118,396
Contingencies & Commitments	-	73,044,870	53,661,938	21,733,308	160,100	148,600,216
September 30, 2019 (Un-audited)						
Rupees in '000						
Profit & Loss						
Net mark-up / return / profit / (loss)	-	2,843,999	(5,201,665)	7,643,120	-	5,285,454
Inter segment revenue - net	-	(8,317,572)	13,505,984	(5,188,412)	-	-
Non mark-up / return / interest income	51,341	196,328	1,269,374	710,484	93,252	2,320,779
Total Income	51,341	(5,277,245)	9,573,693	3,165,192	93,252	7,606,233
Segment direct expenses	81,067	100,284	4,460,064	553,272	198,404	5,393,091
Inter segment expense allocation	-	233,822	1,329,587	946,962	-	2,510,371
Total expenses	81,067	334,106	5,789,651	1,500,234	198,404	7,903,462
Provisions	-	115,553	152,159	233,783	-	501,495
Profit before tax	(29,726)	(5,726,904)	3,631,883	1,431,175	(105,152)	(798,724)
December 31, 2019 (Audited)						
Balance Sheet						
Cash & Bank balances	-	17,153,413	8,898,772	-	-	26,052,185
Investments	-	142,568,470	-	-	-	142,568,470
Net inter segment lending	-	-	202,362,517	-	8,089,077	210,451,594
Lendings to financial institutions	-	30,320,540	-	-	-	30,320,540
Advances - net						
Advances - performing	-	-	94,201,743	141,898,229	-	236,099,972
Advances - non-performing	-	-	3,508,735	6,844,429	-	10,353,164
Advances (Provisions) - Net	-	-	(469,382)	(3,039,245)	-	(3,508,627)
	-	-	97,241,096	145,703,413	-	242,944,509
Others	-	4,831,115	3,925,690	5,017,351	14,389,284	28,163,440
Total Assets	-	194,873,538	312,428,075	150,720,764	22,478,361	680,500,738
Borrowings	-	36,295,878	7,090,687	11,081,718	-	54,468,283
Subordinated debt	-	7,494,800	-	-	-	7,494,800
Deposits & other accounts	-	-	295,347,351	74,442,613	-	369,789,964
Net inter segment borrowing	-	150,619,213	-	59,832,381	-	210,451,594
Others	-	463,647	9,990,037	5,364,052	5,145,106	20,962,842
Total liabilities	-	194,873,538	312,428,075	150,720,764	5,145,106	663,167,483
Equity	-	-	-	-	17,333,255	17,333,255
Total Equity & liabilities	-	194,873,538	312,428,075	150,720,764	22,478,361	680,500,738
Contingencies & Commitments	-	59,810,338	43,939,275	17,795,589	131,093	121,676,295

[illegible]

	As at September 30, 2020 (Un-audited)						As at December 31, 2019 (Audited)					
	Parent	Directors	Key management personnel	Subsidiaries	Associates	Other related parties	Parent	Directors	Key management personnel	Subsidiaries	Associates	Other related parties
	(Rupees in '000)											
Borrowings												
Opening balance	-	-	-	-	-	-	-	-	-	-	-	4,800,000
Borrowings during the period / year	-	-	-	-	-	11,105,705	-	-	-	-	-	174,209,491
Settled during the period / year	-	-	-	-	-	(11,105,705)	-	-	-	-	-	(179,009,491)
Closing balance	-	-	-	-	-	-	-	-	-	-	-	-
Deposits and other accounts												
Opening balance	271,648	24,444	59,593	1,246,363	23,104	8,622,201	336,515	24,308	74,950	1,606,413	-	9,656,833
Received during the period / year	4,583,096	295,524	543,849	382,950,341	473,525	114,874,302	4,332,699	160,210	1,437,872	538,270,222	1,023,592	235,460,531
Withdrawn during the period / year	(3,931,313)	(299,434)	(550,772)	(382,232,615)	(491,577)	(114,012,876)	(4,364,266)	(137,680)	(1,450,123)	(538,630,272)	(1,042,362)	(236,784,614)
Transfer in / (out) - net	-	2,777	(7,876)	-	-	1,442,126	(33,300)	(22,394)	(3,106)	-	41,874	289,451
Closing balance	923,431	23,311	44,794	1,964,089	5,052	10,925,753	271,648	24,444	59,593	1,246,363	23,104	8,622,201
Subordinated debt	-	-	-	-	-	889,510	-	-	-	-	-	889,588
Other Liabilities												
Interest / return / mark-up payable on deposits	-	-	80	-	-	147,060	-	-	114	-	-	286,949
Interest / return / mark-up payable on subordinated debt	-	-	-	-	-	35,495	-	-	-	-	-	2,220
Payable to defined benefit plan	-	-	-	-	-	161,822	-	-	-	-	-	147,885
Others payable	-	-	-	727	-	-	-	-	-	5,638	-	-
Represented By												
Share Capital	9,733,073	-	905	-	-	45,655	9,733,073	17,330	900	-	-	81,765
Contingencies and Commitments												
Letter of guarantee	-	-	-	-	-	26,821	-	-	-	-	-	14,217
Letter of Credit	-	-	-	-	-	70,072	-	-	-	-	-	44,368
	For the nine months period ended September 30, 2020 (Un-audited)						For the nine months period ended September 30, 2019 (Un-audited)					
	Parent	Directors	Key management personnel	Subsidiaries	Associates	Other related parties	Parent	Directors	Key management personnel	Subsidiaries	Associates	Other related parties
	(Rupees in '000)											
Income												
Mark-up / return / interest earned	-	1,476	30,954	-	16,367	165,033	-	211	9,269	-	-	273,743
Fee and commission income	-	9	613	40	-	176,599	-	29	243	-	-	223,746
Dividend income	-	-	-	-	-	62,762	-	-	-	-	-	57,095
Gain on sale of securities - net	-	-	-	-	-	3,808	-	-	-	-	-	560
Other income	-	-	-	-	-	-	-	-	-	1,594	-	-
Expense												
Mark-up / return / interest paid	25,586	873	1,095	125,144	1,952	626,267	29,605	1,665	2,929	181,490	1,829	1,075,822
Commission / charges paid	-	-	-	7,882	-	-	-	-	-	3,349	-	-
Preference Dividend Paid	-	-	-	-	-	-	23,419	161	-	-	-	38
Remuneration paid	-	34,635	224,234	-	-	-	-	-	343,874	-	-	-
Non-executive directors' fee	-	13,040	-	-	-	-	-	5,700	-	-	-	-
Net charge for defined contribution plans	-	-	-	-	-	170,642	-	-	-	-	-	157,763
Net charge / (reversal) for defined benefit plans	-	-	-	-	-	161,822	-	-	-	-	-	115,816
Fee and subscription	-	-	-	-	-	-	-	-	-	-	-	-
Donation	-	-	-	-	-	58,919	-	-	-	-	-	-
Rental expense	-	-	-	-	-	162	-	-	-	2,945	-	-
Advisory fee	-	-	-	-	-	-	-	-	-	-	-	15,000
Other expenses	1,133	-	-	-	-	3,394	-	-	-	-	-	1,929
Reimbursement of expenses	2,551	130	4,093	-	-	30,598	1,211	622	-	1,089	-	-
Payments made during the period												
Insurance premium paid	-	-	-	-	-	381,837	-	-	-	-	-	311,253
Insurance claims settled	-	-	-	-	-	2,793	-	-	-	-	-	8,036
Defined benefit plans paid	-	-	-	-	-	151,881	-	-	-	-	-	102,494

(Un-audited) September 30, 2020	(Audited) December 31, 2019
----- Rupees in '000 -----	

38. CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS**38.1 Minimum Capital Requirement (MCR):**

Paid-up capital (net of losses)

10,119,242 10,119,242

Capital Adequacy Ratio (CAR):

Eligible Common Equity Tier 1 (CET 1) Capital

15,950,697 14,619,607

Eligible Additional Tier 1 (ADT 1) Capital

2,500,000 2,500,000

Total Eligible Tier 1 Capital

18,450,697 17,119,607

Eligible Tier 2 Capital

4,848,770 4,306,756

Total Eligible Capital (Tier 1 + Tier 2)

23,299,467 21,426,363

Risk Weighted Assets (RWAs):

Credit Risk

162,198,174 144,380,673

Market Risk

1,039,360 924,762

Operational Risk

20,468,251 20,468,251

Total

183,705,785 165,773,686

Common Equity Tier 1 Capital Adequacy ratio

8.68% 8.82%

Tier 1 Capital Adequacy Ratio

10.04% 10.33%

Total Capital Adequacy Ratio

12.68% 12.93%

38.2 Leverage Ratio (LR):

Eligible Tier-1 Capital

18,450,697 17,119,607

Total Exposures

567,074,946 501,440,747

Leverage Ratio

3.25% 3.41%

38.3 Liquidity Coverage Ratio (LCR):

Total High Quality Liquid Assets

149,028,128 83,221,592

Total Net Cash Outflow

55,388,141 55,819,412

Liquidity Coverage Ratio

269.06% 149.09%

38.4 Net Stable Funding Ratio (NSFR):

Total Available Stable Funding

316,842,950 308,715,925

Total Required Stable Funding

262,212,382 274,288,642

Net Stable Funding Ratio

120.83% 112.55%

39. RECLASSIFICATION

Corresponding figures have been re-arranged and re-classified to reflect more appropriate presentation of events and transactions to enhance comparability with the current period's financial statements, which are as follows:

Reclassified			Rs. in '000
	From	To	
Statement of financial position	Other liabilities	Other assets	
	Others	Credit card settlement	29,924
	Others	Inter bank fund transfer settlement	(91,642)
	Others	Others	290,068
Cashflow Statement	CASH FLOW FROM OPERATING ACTIVITIES		
	Other liabilities	Other assets	(165,858)

40. GENERAL

40.1 These condensed interim unconsolidated financial statements have been prepared in accordance with the revised format for financial statements of Banks issued by the SBP through BPRD Circular no. 5 dated March 22, 2019 and related clarifications / modifications.

40.2 The figures in these condensed interim unconsolidated financial statements have been rounded off to the nearest thousand.

41. DATE OF AUTHORISATION FOR ISSUE

These condensed interim unconsolidated financial statements were authorised for issue by the Board of Directors of the Bank in their meeting held on October 28, 2020.

**President and
Chief Executive Officer**

**Chief Financial
Officer**

Director

Director

Chairman



Condensed Interim consolidated Financial Statements
for the Nine Months Period Ended September 30, 2020

JS BANK LIMITED
CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2020

		(Unaudited) September 30, 2020	(Audited) December 31, 2019
	Note	----- Rupees in '000 -----	
ASSETS			
Cash and balances with treasury banks	6	33,588,181	25,590,173
Balances with other banks	7	689,984	476,302
Lendings to financial institutions	8	8,779,966	30,320,540
Investments	9	168,285,734	143,124,623
Advances	10	242,145,482	243,285,308
Fixed assets	11	10,141,397	10,693,945
Intangible assets	12	2,448,628	2,302,474
Deferred tax assets	18	-	125,857
Other assets	13	14,662,624	17,148,346
Assets held for sale	11.3	-	374,000
		480,741,996	473,441,568
LIABILITIES			
Bills payable	14	4,341,456	3,804,491
Borrowings	15	34,316,879	54,468,283
Deposits and other accounts	16	389,988,538	368,543,603
Liabilities against assets subject to finance lease		-	-
Subordinated debt	17	7,494,800	7,494,800
Deferred tax liabilities	18	1,100,755	-
Other liabilities	19	21,227,370	19,649,079
		458,469,798	453,960,256
NET ASSETS			
		22,272,198	19,481,312
REPRESENTED BY			
Share capital - net		10,119,242	10,119,242
Reserves		2,012,307	1,749,672
Surplus on revaluation of assets	20	2,906,401	1,308,531
Unappropriated profit		6,721,271	5,795,596
		21,759,221	18,973,041
Non-controlling interest		512,977	508,271
		22,272,198	19,481,312

CONTINGENCIES AND COMMITMENTS

21

The annexed notes from 1 to 41 form an integral part of these condensed interim consolidated financial statements.

**President and
Chief Executive Officer**

**Chief Financial
Officer**

Director

Director

Chairman

JS BANK LIMITED
CONDENSED INTERIM CONSOLIDATED PROFIT AND LOSS ACCOUNT (UNAUDITED)
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2020

		Quarter ended		Nine months period ended	
		September 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019
Note		----- Rupees in '000 -----			
Mark-up / return / interest earned	23	9,557,420	11,228,560	33,958,743	30,335,091
Mark-up / return / interest expensed	24	7,396,155	9,598,520	26,571,027	24,919,550
Net mark-up / interest income		2,161,265	1,630,040	7,387,716	5,415,541
NON MARK-UP / INTEREST INCOME					
Fee, commission and brokerage income	25	1,161,948	780,525	3,254,673	2,387,111
Dividend income		11,594	14,705	96,611	140,829
Foreign exchange income		383,243	243,716	735,166	680,837
Income from derivatives		16,776	(12,382)	33,983	36,270
Gain / (loss) on securities	26	154,995	(151,034)	937,592	(520,033)
Share of (loss) / profit from associates		1,829	(1,051)	(13,969)	12,753
Other income	27	44,104	25,992	84,052	107,151
Total non mark-up / interest income		1,774,489	900,471	5,128,108	2,844,918
Total Income		3,935,754	2,530,511	12,515,824	8,260,459
NON MARK-UP / INTEREST EXPENSES					
Operating expenses	28	3,339,688	2,870,424	9,897,564	8,654,171
Workers welfare fund	29	6,600	40	20,320	606
Other charges	30	20	886	74,607	1,134
Total non-mark-up / interest expenses		3,346,308	2,871,350	9,992,491	8,655,911
Profit / (loss) before provisions		589,446	(340,839)	2,523,333	(395,452)
Provisions and write offs - net	31	11,583	(91,831)	431,767	501,822
Extraordinary / unusual items		-	-	-	-
PROFIT / (LOSS) BEFORE TAXATION		577,863	(249,008)	2,091,566	(897,274)
Taxation	32	239,500	(67,331)	990,986	(140,951)
PROFIT / (LOSS) AFTER TAXATION		338,363	(181,677)	1,100,580	(756,323)
Attributable to:					
Equity holders of the Bank		333,364	(204,465)	1,107,038	(727,858)
Non-controlling interest		4,999	22,788	(6,458)	(28,465)
		338,363	(181,677)	1,100,580	(756,323)
----- Rupee -----					
Basic and diluted earnings / (loss) per share	33	0.26	(0.16)	0.85	(0.58)

The annexed notes from 1 to 41 form an integral part of these condensed interim consolidated financial statements.

**President and
Chief Executive Officer**

**Chief Financial
Officer**

Director

Director

Chairman

JS BANK LIMITED
CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2020

	Quarter ended		Nine months period ended	
	September 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019
	----- Rupees in '000 -----			
Profit / (loss) after tax for the period	338,363	(181,677)	1,100,580	(756,323)
Other comprehensive (loss) / income				
Items that may be reclassified to profit and loss account in subsequent periods:				
Effect of translation of net investment in foreign branch	(7,895)	(13,279)	29,537	38,935
Movement in surplus / (deficit) on revaluation of investments - net of tax	(329,999)	149,942	1,626,105	714,416
Movement in general provision under IFRS 9 - net	15,155	(5,380)	40,786	(32,487)
Share of other comprehensive loss from associated companies - net of tax	-	-	(2,316)	-
	(314,844)	144,562	1,664,575	681,929
Items that will not be reclassified to profit and loss account in subsequent periods:				
Movement in surplus on revaluation of operating fixed assets - net of tax	-	-	75,356	365,354
Share of other comprehensive income from associated companies - net of tax	-	-	1,216	31,727
	-	-	76,572	397,081
Total other comprehensive income	(322,739)	131,283	1,770,684	1,117,945
Total comprehensive income / (loss)	15,624	(50,394)	2,871,264	361,622
Attributable to:				
Equity holders of the Bank	(15,468)	54,530	2,854,148	420,155
Non-controlling interest	31,092	(104,924)	17,116	(58,533)
	15,624	(50,394)	2,871,264	361,622

The annexed notes from 1 to 41 form an integral part of these condensed interim consolidated financial statements.

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**Chief Financial
Officer**

Director

Director

Chairman

JS BANK LIMITED
CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2020

	Attributable to shareholders of the Bank									
	Share capital	Reserves		Surplus / (Deficit) on revaluation of			Unappropriated profit	Sub-total	Non-controlling interest	Total
		Statutory reserve *	Exchange translation	Investments	Fixed assets	Non banking assets				
Rupees in '000										
Opening balance as at January 01, 2019 - audited	10,119,242	1,641,236	70,934	(2,080,364)	1,164,974	92,858	5,825,742	16,834,622	1,604,197	18,438,819
Total comprehensive income for the nine months period ended September 30, 2019 - un-audited										
Loss after taxation	-	-	-	-	-	-	(727,858)	(727,858)	(28,465)	(756,323)
Other comprehensive income / (loss) - net of tax	-	-	38,935	734,673	374,397	-	8	1,148,013	(30,068)	1,117,945
	-	-	38,935	734,673	374,397	-	(727,850)	420,155	(58,533)	361,622
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax										
Fixed assets	-	-	-	-	(22,086)	-	22,086	-	-	-
Non-banking assets acquired in satisfaction of claims	-	-	-	-	-	(61)	61	-	-	-
Transaction with owners recorded directly in equity										
Preference dividend paid for the year ended December 31, 2018 @ 12% p.a.	-	-	-	-	-	-	(24,164)	(24,164)	-	(24,164)
Buy-back of shares by subsidiary from NCI	-	-	-	-	-	-	-	-	(497,271)	(497,271)
Gain arised on buy back of shares by subsidiary	-	-	-	-	-	-	108,240	108,240	57,874	166,114
Balance as at September 30, 2019 - unaudited	10,119,242	1,641,236	109,869	(1,345,691)	1,517,285	92,797	5,204,115	17,338,853	1,106,267	18,445,120
Total comprehensive income for the period ended December 31, 2019										
Profit after taxation	-	-	-	-	-	-	482,573	482,573	17,142	499,715
Other comprehensive (loss) / income - net of tax	-	-	(6,364)	979,896	77,900	-	(11,090)	1,040,342	(55,964)	984,378
	-	-	(6,364)	979,896	77,900	-	471,483	1,522,915	(38,822)	1,484,093
Transfer to statutory reserve	-	4,931	-	-	-	-	(4,931)	-	-	-
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax										
Fixed assets	-	-	-	-	(13,635)	-	13,635	-	-	-
Non-banking assets acquired in satisfaction of claims	-	-	-	-	-	(21)	21	-	-	-
Transaction with owners recorded directly in equity										
Interim cash dividend to non-controlling interest by subsidiary company @ Rs. 4 per share	-	-	-	-	-	-	-	-	(38,152)	(38,152)
Buy-back of shares by subsidiary from NCI	-	-	-	-	-	-	-	-	(504,382)	(504,382)
Gain arised on buy back of shares by subsidiary	-	-	-	-	-	-	111,273	111,273	(16,640)	94,633
Balance as at December 31, 2019 - audited	10,119,242	1,646,167	103,505	(365,795)	1,581,550	92,776	5,795,596	18,973,041	508,271	19,481,312
Total comprehensive income for the nine months period ended September 30, 2020 - un-audited										
Profit / (loss) after taxation	-	-	-	-	-	-	1,107,038	1,107,038	(6,458)	1,100,580
Other comprehensive income / (loss) net of tax	-	-	29,537	1,643,317	76,572	-	(2,316)	1,747,110	23,574	1,770,684
	-	-	29,537	1,643,317	76,572	-	1,104,722	2,854,148	17,116	2,871,264
Transfer to statutory reserve	-	233,098	-	-	-	-	(233,098)	-	-	-
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax										
Fixed assets	-	-	-	-	(29,833)	-	29,833	-	-	-
Non-banking assets acquired in satisfaction of claims	-	-	-	-	-	(61)	61	-	-	-
Assets held for sale	-	-	-	-	(92,125)	-	92,125	-	-	-
Pre-acquisition surplus (net) on available-for-sale investments realised during the year	-	-	-	-	-	-	(67,968)	(67,968)	(12,410)	(80,378)
Balance as at Sepetmber 30, 2020 - unaudited	10,119,242	1,879,265	133,042	1,277,522	1,536,164	92,715	6,721,271	21,759,221	512,977	22,272,198

* This represents reserve created under Section 21(i)(a) of the Banking Companies Ordinance, 1962.

The annexed notes from 1 to 41 form an integral part of these condensed interim consolidated financial statements.

President and
Chief Executive Officer

Chief Financial Officer

Director

Director

Chairman

JS BANK LIMITED
CONSOLIDATED CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2020

		September 30, 2020	September 30, 2019
	Note	----- Rupees in '000 -----	
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		2,091,566	(897,274)
Less: Dividend income		(96,611)	(140,829)
Add / (less): Share of loss / (profit) from associates		13,969	(12,753)
		2,008,924	(1,050,856)
Adjustments:			
Depreciation	28	579,380	651,210
Depreciation on non-banking assets	28	6,808	628
Depreciation - right of use assets	28	768,609	583,847
Amortisation of intangible assets	28	86,669	71,641
Charge for defined benefit plan		161,822	115,816
Unrealised loss /(gain) on revaluation of investments classified as held-for-trading - net	26	7,633	(14,910)
Unrealised (gain) / loss on revaluation of forward foreign exchange contracts		(3,349)	242,665
Unrealised gain on revaluation of derivative instruments - net		(23,936)	(21,565)
Provisions and write offs - net	31	431,767	501,822
Provision for workers welfare fund		20,320	606
Mark-up / return / interest expense on lease liability against right-of-use assets	24	401,562	382,477
Loss / (gain) on sale of fixed assets - net	27	172	(98,048)
Gain on sale of assets held for sale	27	(1,000)	-
Gain on termination of leases	27	(52,510)	-
		2,383,947	2,416,189
		4,392,871	1,365,333
Decrease / (increase) in operating assets			
Lendings to financial institutions		21,541,836	711,310
Held-for-trading securities		47,967,739	(15,669,657)
Advances		851,157	13,250,923
Other assets (excluding advance taxation)		2,091,780	(274,750)
		72,452,512	(1,982,174)
Increase / (decrease) in operating liabilities			
Bills payable		536,965	(345,851)
Borrowings		(20,084,526)	(36,286,020)
Deposits and other accounts		21,444,935	5,358,704
Other liabilities		2,349,103	(1,632,002)
		4,246,477	(32,905,169)
		81,091,860	(33,522,010)
Gratuity paid		(151,881)	(102,494)
Income tax paid		(92,454)	(397,230)
Net cash flow from / (used) in operating activities		80,847,525	(34,021,734)
CASH FLOW FROM INVESTING ACTIVITIES			
Net investment in available-for-sale securities		(67,455,732)	17,190,970
Net investment in held-to-maturity securities		(3,336,453)	8,195,552
Investment in associated companies		(40,828)	(21,239)
Dividend received		96,611	137,701
Investments in fixed assets		(1,132,999)	(1,017,349)
Investments in intangible assets		(232,823)	(173,504)
Proceeds from sale of fixed assets		16,490	150,105
Proceeds from sale of assets held for sale		375,000	-
Effect of translation of net investment in foreign branch		29,537	38,935
Net cash flows (used in) / from investing activities		(71,681,197)	24,501,171
CASH FLOW FROM FINANCING ACTIVITIES			
Dividend paid on preference shares		-	(24,164)
Payment of lease liability against right of use assets		(887,737)	(209,064)
Subordinated debt		-	(1,000)
Shares bought back from non-controlling interest		-	(331,157)
		(887,737)	(565,385)
Increase / (decrease) in cash and cash equivalents		8,278,591	(10,085,948)
Cash and cash equivalents at beginning of the period	34	25,429,551	32,587,698
Cash and cash equivalents at end of the period		33,708,142	22,501,750

The annexed notes from 1 to 41 form an integral part of these condensed interim consolidated financial statements.

President and
Chief Executive Officer

Chief Financial Officer

Director

Director

Chairman

JS BANK LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2020

1. STATUS AND NATURE OF BUSINESS

1.1 The "Group" consists of:

1.1.1 Holding Company: JS Bank Limited

JS Bank Limited (the Bank / JSBL) is a banking company incorporated in Pakistan as a public limited company on March 15, 2006. The Bank is a subsidiary company of Jahangir Siddiqui & Co. Ltd. (JSCL) and its shares are listed on Pakistan Stock Exchange Limited (PSX). The Bank commenced its banking operations on December 30, 2006 and its registered office is situated at Shaheen Commercial Complex, Dr. Ziauddin Ahmed Road, Karachi.

The Bank is a scheduled bank, engaged in commercial banking and related services as described in the Banking Companies Ordinance, 1962 and is operating through 307 (December 31, 2019: 359) branches / sub-branches in Pakistan and one wholesale banking branch in Bahrain (December 31, 2019: one). The Pakistan Credit Rating Agency Limited (PACRA) has assigned the long-term entity rating of the Bank to AA- (Double A Minus) whereas short-term rating is maintained at 'A1+' (A One Plus), which is the highest possible short-term rating. The ratings denote a very low expectation of credit risk and indicate very strong capacity for timely payment of financial commitments.

1.1.2 Jahangir Siddiqui Investment Bank Limited, JSIBL, (formerly Citicorp Investment Bank Limited which was acquired by JSCL on February 01, 1999), and its holding company, JSCL, entered into a Framework Agreement with American Express Bank Limited, New York (AMEX) on November 10, 2005 for acquisition of its American Express Bank Limited - Pakistan Branches, (AEBL). Consequently, a new banking company, JSBL was incorporated on March 15, 2006 and a restricted Banking License was issued by the State Bank of Pakistan (SBP) on May 23, 2006.

A Transfer Agreement was executed on June 24, 2006 between JSIBL and JSBL for the transfer of entire business and undertaking of JSIBL to JSBL and a separate Transfer Agreement was also executed on June 24, 2006, between AMEX and JSBL for the transfer of AEBL's commercial banking business in Pakistan with all assets and liabilities (other than certain excluded assets and liabilities) (AEBL business). The shareholders of JSIBL and JSBL in their respective extra ordinary general meetings held on July 31, 2006 approved a Scheme of Amalgamation (the Scheme) under Section 48 of the Banking Companies Ordinance, 1962. The Scheme was initially approved by the Securities and Exchange Commission of Pakistan vide its letter No. SC/NBFC(J)-R/JSIBL/2006/517 dated September 28, 2006. Subsequently, the Scheme was sanctioned by the SBP vide its order dated December 02, 2006 and, in accordance therewith, the effective date of amalgamation was fixed at December 30, 2006.

The ultimate parent of the Group is Jahangir Siddiqui & Co. Ltd. which holds 75.02% shares of the Bank.

1.1.3 Composition of the Group

		Ownership interest and voting power held			
		September 30, 2020		December 31, 2019	
	Note	The Group	NCI	The Group	NCI
Subsidiary companies					
JS Global Capital Limited	1.1.3.1	83.53%	16.47%	67.16%	32.84%
JS Investment Limited		84.56%	15.44%	65.16%	34.84%
JS ABAMCO Commodities Limited		84.56%	15.44%	65.16%	34.84%

1.2 Composition of the Associated Companies

Associated companies

	Ownership interest and voting power held by Bank	
	September 30, 2020	December 31, 2019
Omar Jibran Engineering Industries Limited	9.60%	9.60%
Veda Transit Solutions (Private) Limited	9.12%	8.00%
Intercity Touring Company (Private) Limited	9.12%	9.12%

2. BASIS OF PRESENTATION

2.1 These consolidated financial statements include financial statements of JS Holding Company Limited and its subsidiary companies, (the "Group") and share of the profit or loss / reserves of

These consolidated financial statements have been presented in Pakistan Rupees (PKR), which is the currency of the primary economic environment in which the Holding Company operates and functional currency of the Holding Company, in that environment as well. The amounts are rounded off to the nearest thousand rupees except as stated otherwise.

2.2 Statement of Compliance

These consolidated financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. These comprise of:

- International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB) as are notified under the Companies Act, 2017;
- Provisions of and directives issued under the Holding Companying Companies Ordinance,
- Provisions of and directives issued under the Companies Act, 2017; and
- Directives issued by the SBP and the SECP from time to time.

Whenever the requirements of the Holding Companying Companies Ordinance, 1962, the Companies Act, 2017, or the directives issued by the SBP and the SECP differ with the requirements of IFRS, the requirements of the Holding Companying Companies Ordinance, 1962, the Companies Act, 2017 and the said directives shall prevail.

The disclosures made in these condensed interim consolidated financial statements have been limited based on the format prescribed by the SBP vide BPRD circular letter No. 5 dated March 22, 2019 and IAS 34.

These condensed interim consolidated financial Statements do not include all the information and disclosures required for annual unconsolidated financial statements and should be read in conjunction with the unconsolidated financial statements for the year ended December 31, 2019.

The SBP has deferred the applicability of International Accounting Standard (IAS) 39, 'Financial Instruments: Recognition and Measurement' and International Accounting Standard (IAS) 40, 'Investment Property' for Holding Companying companies vide BSD Circular Letter No. 10 dated August 26, 2002 till further instructions. Further, the SECP has deferred the applicability of International Financial Reporting Standard (IFRS) 7, 'Financial Instruments: Disclosures' on Holding Companys vide its notification S.R.O 411(I)/2008 dated April 28, 2008. Accordingly, the requirements of these standards have not been considered in the preparation of these condensed interim consolidated financial Statements. However, investments have been classified and valued in accordance with the requirements prescribed by the SBP through various circulars.

IFRS10 "Consolidated Financial Statements" was made applicable from period beginning on or after January 01, 2015 vide S.R.O 633(I)/2014 dated July 10, 2014 by SECP. However, SECP has directed through S.R.O56(I)/2016 dated January 28, 2016, that the requirement of consolidation under section 228 of the Companies Act, 2017 and IFRS-10 "Consolidated Financial Statements" is not applicable in case of investment by companies in mutual funds established under trust structure. Accordingly, the requirements of these standards have not been considered in the preparation of these condensed interim consolidated financial Statements.

Through S.R.O. 229 (I)/2019 dated February 14, 2019, the SECP has extended the applicability of the IFRS 9 'Financial Instruments' for all companies required to prepare their financial statements in accordance with the requirements of IFRS for reporting period/year ending on or after June 30, 2019 (earlier application is permitted). However, SBP has further extended the effective date of applicability of IFRS 9 from annual period beginning on or after January 01, 2021 vide SBP BPRD Circular No. 4 dated October 23, 2019. Therefore, the Group has not considered the impact of IFRS 9 for its Pakistan operations in these condensed interim consolidated financial Statements.

Further, the Holding Company considers that as the Prudential Regulations and other SBP directives currently provide the accounting framework for the measurement and valuation of investments and provision against non performing loans and advances, the implementation of IFRS 9 may require changes in the regulatory regime and for this SBP would issue guidance and instruction on the application of IFRS 9 for the Holding Company sector of Pakistan.

2.3 BASIS OF CONSOLIDATION

2.3.1 The Group

- The condensed interim consolidated financial Statements include the financial statements of the Holding Company (The Holding Company) and its subsidiary companies together - "the Group".
- Subsidiaries are entities controlled by the Group. Control exists when the Group is exposed, or has rights, to variable returns from its investment with investee and has the ability to effect those return through its power over the investee except investment in mutual funds established under trust structure where IFRS 10 'Consolidated Financial Statements' is not applicable in case of investment by companies in mutual funds established under Trust structure.
- These condensed interim consolidated financial Statements incorporate the financial statements of subsidiaries from the date that control commences until the date that control
- The assets, liabilities, income and expenses of subsidiary companies have been consolidated on a line by line basis.
- Non-controlling interests are that part of the net results of operations and of net assets of subsidiaries attributable to interest which are not owned by the holding company.
- Material intra-group balances and transactions are eliminated.

2.3.2 Associates

Associates are those entities in which the Group has significant influence, but not control, over the financial and operating policies. Associates are accounted for using the equity method.

2.4 Standards, interpretations of and amendments to published approved accounting standards that are effective in the current year

There are certain new and amended standards, interpretations and amendments that are mandatory for the Holding Company's accounting periods beginning on or after January 1, 2020 but are considered not to be relevant or do not have any significant effect on the Holding Company's operations. Therefore not detailed in these condensed interim unconsolidated financial statements other than IFRS 9 and reason for that is mentioned in note 2.1 as above.

Standards, interpretations of and amendments to published approved accounting standards that are not yet effective

The following standards, amendments and interpretations of approved accounting standards will be effective for the accounting periods as stated below:

Standard, Interpretation or Amendment	Effective date (annual periods beginning on or after)
IFRS 9 'Financial Instruments (refer note 2.1 above)	January 01, 2021
Further, following new standards have been issued by IASB which are yet to be notified by the SECP for the purpose of applicability in Pakistan.	
IFRS 1 - First time adoption of IFRSs	January 01, 2014
IFRS 17 - Insurance Contracts	January 01, 2021

3. CRITICAL ACCOUNTING ESTIMATES AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The basis for accounting estimates adopted in the preparation of these condensed interim unconsolidated financial statements are the same as that applied in the preparation of the audited annual consolidated financial statements for the year ended December 31, 2019.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies and methods of computation adopted in the preparation of these condensed interim consolidated financial statements are consistent with those applied in the preparation of the audited annual consolidated financial statements of the Holding Company for the year ended December 31, 2019.

5. FINANCIAL RISK MANAGEMENT

The financial risk management objectives and policies adopted by the Holding Company are consistent with those disclosed in the audited annual consolidated financial statements for the year ended December 31, 2019 except following additional considerations due to the COVID-19.

5.1 COVID - 19 outbreak and it's impact

The COVID-19 and the measures to reduce its spread has impacted the economy of Pakistan significantly. Regulators and governments across the globe have introduced fiscal and economic stimulus measures to mitigate its impact.

The State Bank of Pakistan (SBP) has responded to the crisis by cutting the policy rate by 625 basis points to 7 percent and by introducing regulatory measures to maintain banking system's soundness and to sustain economic activity. These include:

- (i) reducing the capital conservation buffer by 100 basis points to 1.5 percent;
- (ii) increasing the regulatory limit on extension of credit to SMEs by 125 million to Rs 180 million;
- (iii) relaxing the debt burden ratio for consumer loans from 50 percent to 60 percent
- (iv) allowing banks to defer clients' payment of principal and profit on financing obligations by one year; and
- (v) relaxing regulatory criteria for restructured/rescheduled loans for borrowers who require relief beyond the extension of principal repayment for one year.
- (vi) Relaxing credit requirements for exporters and importers; and
- (vii) Refinance schemes to support employment to prevent layoff of workers and health sector to combat COVID-19 Pandemic.

COVID 19 has impacted the Holding Company in Pakistan from various facets which includes increase in overall credit risk pertaining to loans and advances portfolio in certain sectors, reduced fee income due to slowdown in economic activity, operational issues such as operations of Branches and managing cyber security threats. We have discussed below the major aspects of COVID 19 on the Holding Company's risk management policies.

5.1.1 Assets quality and credit risk

The Risk department of the Holding Company is regularly conducting assessments to identify borrowers operating in various sectors which are most likely to get affected. The Holding Company has further strengthened its credit review procedures in the light of COVID-19. The Holding Company has conducted various stress tests on the Credit portfolio and is confident that the CAR buffer currently maintained is sufficient.

5.1.2 Liquidity management

The Holding Company has received applications for deferral of principal and / or restructuring / rescheduling and is expected to receive further such applications. These applications are being reviewed by the Holding Company as per its established policies. The Asset and Liability Committee (ALCO) of the Holding Company is continuously monitoring the liquidity position and is taking due precautionary measures where needed. The Holding Company has conducted various stress testing on its liquidity ratios and is confident that the liquidity buffer currently maintained by the Holding Company is sufficient to cater any adverse movement in cash flow maturity profile.

5.1.3 Equity investments

SBP has given relaxation in recognition of impairment on equity securities in phased manner equally on quarterly basis during calendar year ending on December 31, 2020. The Holding Company has taken the impact of impairment on the basis of that relaxation in these consolidated condensed interim financial statements.

5.1.4 Foreign Exchange Risk

Due to recent economic slowdown, the PKR has devalued against USD significantly from December 31, 2019 and the USD / PKR parity stood at Rs 165.7021 as at September 30, 2020. The exchange rate is expected to remain volatile till the uncertainty around COVID 19 resolves. The Holding Company has reviewed its Net Open Position and has had no significant impact on profitability.

5.1.5 Operations

The Holding Company is closely monitoring the situation and has invoked required actions to ensure safety and security of Bank staff and an uninterrupted service to our customers. The senior management of the Holding Company is continuously monitoring the situation and is taking timely decisions to resolve any concerns. Business Continuity Plans (BCP) for respective areas are in place and tested. The Holding Company has significantly enhanced monitoring for all cyber security risk during these times from its information security protocols. The remote work capabilities were enabled for staff and related risk and control measures were assessed to make sure they are fully protected using virtual private network ("VPN") connections. Further, the Holding Company has also ensured that its remote access systems are sufficiently resilient to any unwanted cyber attacks.

The Holding Company is communicating with its customers on how they can connect with the Holding Company through its full suite of channels including digital and online channels. The Holding Company has taken all measures to ensure that service levels are maintained, customer complaints are resolved as per SLAs and the Holding Company continues to meet the expectations of their clients as they would in a normal scenario.

5.1.6 Capital Adequacy Ratio

Under the current scenario, the banks are under pressure to extend further credit to its borrowers, while overall deteriorating credit risk and increased NPL may also put additional pressures on the Bank from Capital Adequacy Ratio perspective. The SBP has relaxed the Capital Conversion Buffer (CCB) requirements for the Banks to 1.5%, resulting in an overall CAR requirement of 11.5%. The reduced CCB has also provided an additional limit to the bank for its tier 2 capital. Further, the regulatory limit for retail loans has also increased by SBP to 180 million, which will now result in reduced Risk Weighted Assets for some of its loans. In addition to the measures by SBP, the Senior management of the Holding Company is continuously monitoring the impacts of various decisions on its CAR and taking further lending decisions based on the overall impacts on RWA. The Holding Company also believes that it has buffer in its CAR requirement to meet any adverse movements in credit, market or operational risks.

		(Unaudited) September 30, 2020	(Audited) December 31, 2019
	Note	----- Rupees in '000 -----	
6. CASH AND BALANCES WITH TREASURY BANKS			
In hand:			
Local currency		8,729,621	5,573,428
Foreign currencies		2,254,144	896,523
		10,983,765	6,469,951
With State Bank of Pakistan in:			
Local currency current account		18,267,599	13,292,331
Foreign currency current account - non remunerative		1,101,919	831,532
Foreign currency deposit account - remunerative		2,389,901	2,566,714
		21,759,419	16,690,577
With National Bank of Pakistan in:			
Local currency current accounts		822,139	2,286,205
National Prize Bonds			
		22,858	143,440
		33,588,181	25,590,173
7. BALANCES WITH OTHER BANKS			
In Pakistan			
In current accounts		135,277	150,722
In deposit accounts		58,327	6,565
		193,604	157,287
Outside Pakistan			
In current accounts		496,471	319,083
		690,075	476,370
Less: General provision under IFRS 9	7.1	(91)	(68)
Balances with other banks - net of provision		689,984	476,302
7.1 This represents general provision held under IFRS 9 by Bahrain branch of the Holding Company.			
8. LENDINGS TO FINANCIAL INSTITUTIONS			
Call money lendings		100,000	283,887
Repurchase agreement lendings (Reverse Repo)		8,679,966	30,037,915
		8,779,966	30,321,802
Less: General provision under IFRS 9	8.1	-	(1,262)
Lending to Financial Institutions - net of provision		8,779,966	30,320,540
8.1 This represents general provision held under IFRS 9 by Bahrain branch of the Holding company.			
8.2 Particulars of lendings - gross			
In local currency		8,779,966	30,037,915
In foreign currencies		-	283,887
		8,779,966	30,321,802

9. INVESTMENTS - NET

9.1 Investments by type

Held-for-trading securities

Federal Government Securities
Shares
Open end mutual funds

September 30, 2020 (Unaudited)	December 31, 2019 (Audited)
Cost / Amortised cost	Cost / Amortised cost
Provision for diminution	Provision for diminution
Surplus / (Deficit)	Surplus / (Deficit)
Carrying Value	Carrying Value
8,225,189	55,601,087
91,529	486,634
283,312	444,902
8,600,030	56,532,623

Available-for-sale securities

Federal Government Securities
Shares
Non Government Debt Securities
Open end mutual funds
Foreign Securities

September 30, 2020 (Unaudited)	December 31, 2019 (Audited)
Cost / Amortised cost	Cost / Amortised cost
Provision for diminution	Provision for diminution
Surplus / (Deficit)	Surplus / (Deficit)
Carrying Value	Carrying Value
110,029,058	47,828,618
3,357,737	2,115,728
3,744,375	3,931,294
831,909	969,276
4,339,975	2,406
122,303,054	54,847,322

Held-to-maturity securities

Federal Government Securities

September 30, 2020 (Unaudited)	December 31, 2019 (Audited)
Cost / Amortised cost	Cost / Amortised cost
Provision for diminution	Provision for diminution
Surplus / (Deficit)	Surplus / (Deficit)
Carrying Value	Carrying Value
36,196,335	32,859,882

Associates

September 30, 2020 (Unaudited)	December 31, 2019 (Audited)
Cost / Amortised cost	Cost / Amortised cost
Provision for diminution	Provision for diminution
Surplus / (Deficit)	Surplus / (Deficit)
Carrying Value	Carrying Value
272,081	246,322

Total Investments

September 30, 2020 (Unaudited)	December 31, 2019 (Audited)
Cost / Amortised cost	Cost / Amortised cost
Provision for diminution	Provision for diminution
Surplus / (Deficit)	Surplus / (Deficit)
Carrying Value	Carrying Value
167,371,500	144,486,149
(880,295)	(859,119)
1,794,529	(502,407)
168,285,734	143,124,623

9.2 Investments by segments:

Note

Held-for-trading securities

Federal Government Securities

Market Treasury Bills
Pakistan Investment Bonds

September 30, 2020 (Unaudited)	December 31, 2019 (Audited)
Cost / Amortised cost	Cost / Amortised cost
Provision for diminution	Provision for diminution
Surplus / (Deficit)	Surplus / (Deficit)
Carrying Value	Carrying Value
8,202,316	55,601,087
22,873	-
8,225,189	55,601,087

Shares:

Listed Companies

Ordinary shares

September 30, 2020 (Unaudited)	December 31, 2019 (Audited)
Cost / Amortised cost	Cost / Amortised cost
Provision for diminution	Provision for diminution
Surplus / (Deficit)	Surplus / (Deficit)
Carrying Value	Carrying Value
91,529	486,634
-	-
(6,165)	551
85,364	487,185

Open End Mutual Funds

9.2.1

September 30, 2020 (Unaudited)	December 31, 2019 (Audited)
Cost / Amortised cost	Cost / Amortised cost
Provision for diminution	Provision for diminution
Surplus / (Deficit)	Surplus / (Deficit)
Carrying Value	Carrying Value
283,312	444,902
-	-
(1,376)	11,070
281,936	455,972

Available-for-sale securities

Federal Government Securities:

Market Treasury Bills
Pakistan Investment Bonds

September 30, 2020 (Unaudited)	December 31, 2019 (Audited)
Cost / Amortised cost	Cost / Amortised cost
Provision for diminution	Provision for diminution
Surplus / (Deficit)	Surplus / (Deficit)
Carrying Value	Carrying Value
55,963,228	12,071,266
54,065,830	35,757,352
110,029,058	47,828,618

Shares:

Listed Companies

Ordinary shares

September 30, 2020 (Unaudited)	December 31, 2019 (Audited)
Cost / Amortised cost	Cost / Amortised cost
Provision for diminution	Provision for diminution
Surplus / (Deficit)	Surplus / (Deficit)
Carrying Value	Carrying Value
3,210,148	1,968,139
136,589	136,589
(47,199)	(136,589)
955,727	25,107
4,118,676	1,993,246

Preference shares

September 30, 2020 (Unaudited)	December 31, 2019 (Audited)
Cost / Amortised cost	Cost / Amortised cost
Provision for diminution	Provision for diminution
Surplus / (Deficit)	Surplus / (Deficit)
Carrying Value	Carrying Value
136,589	136,589
(136,589)	(136,589)
-	-
-	-
-	-

Unlisted Companies

Ordinary shares

September 30, 2020 (Unaudited)	December 31, 2019 (Audited)
Cost / Amortised cost	Cost / Amortised cost
Provision for diminution	Provision for diminution
Surplus / (Deficit)	Surplus / (Deficit)
Carrying Value	Carrying Value
11,000	11,000
-	-
-	-
11,000	11,000

Non Government Debt Securities

Listed

Term Finance Certificates
Sukuk Certificates

September 30, 2020 (Unaudited)	December 31, 2019 (Audited)
Cost / Amortised cost	Cost / Amortised cost
Provision for diminution	Provision for diminution
Surplus / (Deficit)	Surplus / (Deficit)
Carrying Value	Carrying Value
430,182	445,183
321,083	493,850
(155,169)	(155,169)
(13)	(134)
275,000	289,880

Unlisted

Term Finance Certificates
Sukuk Certificates-unlisted
Preference shares

September 30, 2020 (Unaudited)	December 31, 2019 (Audited)
Cost / Amortised cost	Cost / Amortised cost
Provision for diminution	Provision for diminution
Surplus / (Deficit)	Surplus / (Deficit)
Carrying Value	Carrying Value
1,490,805	1,506,195
1,474,572	1,458,333
(541,338)	(541,338)
-	-
949,467	964,857

Preference shares

September 30, 2020 (Unaudited)	December 31, 2019 (Audited)
Cost / Amortised cost	Cost / Amortised cost
Provision for diminution	Provision for diminution
Surplus / (Deficit)	Surplus / (Deficit)
Carrying Value	Carrying Value
27,733	27,733
-	-
-	-
27,733	27,733

Open End Mutual Funds

9.2.6

September 30, 2020 (Unaudited)	December 31, 2019 (Audited)
Cost / Amortised cost	Cost / Amortised cost
Provision for diminution	Provision for diminution
Surplus / (Deficit)	Surplus / (Deficit)
Carrying Value	Carrying Value
831,909	969,276
-	(26,023)
315,178	279,616
1,147,087	1,222,869

Foreign Securities

Government Debt Securities
Non Government Debt Securities
Ordinary shares

September 30, 2020 (Unaudited)	December 31, 2019 (Audited)
Cost / Amortised cost	Cost / Amortised cost
Provision for diminution	Provision for diminution
Surplus / (Deficit)	Surplus / (Deficit)
Carrying Value	Carrying Value
-	-
4,329,983	-
9,992	-
4,339,975	2,406

Held-to-maturity securities

Federal Government Securities:

Pakistan Investment Bonds

September 30, 2020 (Unaudited)	December 31, 2019 (Audited)
Cost / Amortised cost	Cost / Amortised cost
Provision for diminution	Provision for diminution
Surplus / (Deficit)	Surplus / (Deficit)
Carrying Value	Carrying Value
36,196,335	32,859,882
-	-
-	-
36,196,335	32,859,882

Associates

Omar Jibran Engineering Industries Limited
Veda Transit Solutions (Private) Limited
Intercity Touring Company (Private) Limited

September 30, 2020 (Unaudited)	December 31, 2019 (Audited)
Cost / Amortised cost	Cost / Amortised cost
Provision for diminution	Provision for diminution
Surplus / (Deficit)	Surplus / (Deficit)
Carrying Value	Carrying Value
214,044	224,782
48,553	4,774
9,484	16,766
272,081	246,322

Total Investments

September 30, 2020 (Unaudited)	December 31, 2019 (Audited)
Cost / Amortised cost	Cost / Amortised cost
Provision for diminution	Provision for diminution
Surplus / (Deficit)	Surplus / (Deficit)
Carrying Value	Carrying Value
167,371,500	144,486,149
(880,295)	(859,119)
1,794,529	(502,407)
168,285,734	143,124,623

- 9.2.1** This represents the investments in related parties of the Group.
- 9.2.2** Included herein are the investments in related parties amounting to Rs. 2,736.585 million (December 31, 2019: Rs. 1,552.306 million) having market value of Rs. 3,530.860 million (December 31, 2019: Rs. 1,554.335 million).
- 9.2.3** Included herein are the investments in related parties amounting to Rs. 12.5 million (December 31, 2019: Rs. 15.000 million) having market value of Rs. 12.390 million (December 31, 2019: Rs. 14.880 million).
- 9.2.4** Included herein is the investment of Rs. 391.478 million (December 31, 2019: Rs. 391.478 million) in a related party at the rate of 6 months KIBOR + 1.75% to 11% having maturity dates of December 04, 2017 to October 19, 2020. Due to weak financial position of the investee, the Group has recognised full impairment loss on these Term Finance Certificates.
- 9.2.5** Included herein are the investments in an associated company amounting to Rs. 27.733 million (December 31, 2019: Rs. 27.733 million).
- 9.2.6** This represents the investments in related parties amounting to Rs. 1,115.221 million (December 31, 2019: Rs. 969.276 million) having market value of Rs. 1,429.023 million (December 31, 2019: Rs. 1,222.869 million).
- 9.2.7** The market value of securities classified as held-to-maturity as at amounted to Rs. 36,196.335 million (December 31, 2019: Rs. 31,341.410 million).
- 9.2.8** During the period, Veda Transit Solutions Private Limited, an associate of the Bank, has issued shares against advance subscription of Rs. 40.828 million made by the Bank. Resultantly, shareholding of the Bank increased to 9.12% (December 31, 2019: 8%). The Bank has classified the investment as associate on account of it's significant influence over the investee company.

9.3 Investments given as collateral

Available-for-sale securities

Federal Government Securities:

Market Treasury Bills

Pakistan Investment Bonds

Foreign Securities

Government Debt Securities

Non Government Debt Securities

(Unaudited) September 30, 2020		(Audited) December 31, 2019	
Cost	Market value	Cost	Market value
----- Rupees in '000 -----			
-	-	4,453,165	4,452,597
-	-	22,232,264	21,475,720
-	-	26,685,429	25,928,317
2,702,782	2,524,650	-	-
-	-	-	-
2,702,782	2,524,650	-	-
2,702,782	2,524,650	26,685,429	25,928,317

9.4 Provision for diminution in value of investments

9.4.1 Opening balance

Charge during the period / year

Reversal during the period / year

Charge / (reversals) during the period / year

Closing balance

(Unaudited) September 30, 2020	(Audited) December 31, 2019
----- Rupees in '000 -----	
859,119	1,204,419
48,035	251,675
(26,859)	(596,975)
21,176	(345,300)
880,295	859,119

SBP vide BPRD Circular Letter No. 13 of 2020 dated March 26, 2020 has provided regulatory relief to banks to recognize impairment losses resulting from the valuation of listed equity securities held as "Available for Sale" (AFS) in a phased manner equally on quarterly basis during calendar year ending on December 31, 2020. Pursuant to the circular, out of total impairment loss of Rs. 62.932 million, a portion of the impairment loss, amounting to Rs. 15.733 million has not been recognized in these unconsolidated condensed interim financial statements.

Had there been no relaxation, there would have been increase in provision for diminution in value of investments and surplus on revaluation of available for sale securities - net of tax by Rs. 15.733 million and Rs. 10.226 million respectively, and decrease in unappropriated Profit by Rs. 7.678 million and profit after taxation by Rs. 9.598 million respectively.

9.4.2 Particulars of provision against debt securities

Category of classification

Domestic

Other assets especially mentioned

Substandard

Doubtful

Loss

(Unaudited) September 30, 2020		(Audited) December 31, 2019	
NPI	Provision	NPI	Provision
----- Rupees in '000 -----			
-	-	-	-
-	-	-	-
-	-	-	-
696,507	696,507	696,507	696,507
696,507	696,507	696,507	696,507

- 9.3.3** In addition to the above, overseas branch of the holding company holds a general provision of Rs. 40.034 million (December 31, 2019: Rs. Nil) in accordance with the requirements of IFRS 9.

		Performing		Non Performing		Total		
		(Unaudited)	(Audited)	(Unaudited)	(Audited)	(Unaudited)	(Audited)	
		September 30,	December 31,	September 30,	December 31,	September 30,	December 31,	
		2020	2019	2020	2019	2020	2019	
10.	ADVANCES	----- Rupees in '000 -----						
	Note							
		Loans, cash credits, running finances, etc.	234,305,431	225,327,657	11,637,347	10,353,164	245,942,778	235,680,821
		Bills discounted and purchased	-	11,113,114	-	-	-	11,113,114
		Advances - gross	234,305,431	236,440,771	11,637,347	10,353,164	245,942,778	246,793,935
		Provision against advances						
		General	-	(161,166)	-	-	-	(161,166)
	10.3.2	General provision - under IFRS-9	(24,203)	(7,520)	-	-	(24,203)	(7,520)
		Specific	-	-	(3,773,093)	(3,339,941)	(3,773,093)	(3,339,941)
	10.3		(24,203)	(168,686)	(3,773,093)	(3,339,941)	(3,797,296)	(3,508,627)
		Advances - net of provision	234,281,228	236,272,085	7,864,254	7,013,223	242,145,482	243,285,308

		(Unaudited) September 30, 2020	(Audited) December 31, 2019
		----- Rupees in '000 -----	
10.1 Particulars of advances (gross)			
In local currency		238,605,571	238,073,921
In foreign currencies		7,337,207	8,720,014
		245,942,778	246,793,935

10.2 Advances include Rs. 11,637.347 million (December 31, 2019: Rs. 10,353.164 million) which have been placed under non-performing status as detailed below:

Category of classification	(Unaudited) September 30, 2020		(Audited) December 31, 2019	
	Non Performing Loans	Provision	Non Performing Loans	Provision
	----- Rupees in '000 -----			
Domestic				
Other Assets Especially Mentioned	542,924	194	841,058	1,721
Substandard	1,531,394	95,117	1,159,072	64,681
Doubtful	2,586,164	478,505	2,442,270	426,283
Loss	6,976,865	3,199,277	5,910,764	2,847,256
Total	11,637,347	3,773,093	10,353,164	3,339,941

10.3 Particulars of provision against non-performing advances

	September 30, 2020 (Unaudited)				December 31, 2019 (Audited)			
	Specific	General	General provision under IFRS-9	Total	Specific	General	General provision under IFRS-9	Total
----- Rupees in '000 -----								
Opening balance	3,339,941	161,166	7,520	3,508,627	2,989,888	155,661	10,746	3,156,295
Exchange adjustments	-	-	869	869	-	-	1,095	1,095
Charge for the period/ year	533,348	-	15,814	549,162	880,994	5,505	-	886,499
Reversals for the period/ year	(100,196)	(161,166)	-	(261,362)	(526,146)	-	(4,321)	(530,467)
	433,152	(161,166)	15,814	287,800	354,848	5,505	(4,321)	356,032
Amount written off from the opening balance	-	-	-	-	(4,795)	-	-	(4,795)
Closing Balance	3,773,093	-	24,203	3,797,296	3,339,941	161,166	7,520	3,508,627

10.3.1 The Holding Company, in accordance with BPRD circular letter No. 31 of 2020 dated July 10, 2020, has taken the benefit of general provision to make good the specific provision requirement of the consumer financing portfolio till December 31, 2021.

10.3.2 The State Bank of Pakistan through various circulars has allowed benefit of the forced sale value (FSV) of Plant and Machinery under charge, pledged stock and mortgaged residential, commercial and industrial properties (land and building only) held as collateral against non-performing loans (NPLs) for a maximum of five years from the date of classification. As at September 30, 2020, the Holding Company has availed cumulative benefit of FSV of Rs. 4,902.266 million (December 31, 2019: Rs.4,120.009 million) under the directives of the SBP. Had the benefit not been taken the unappropriated profit after tax would have reduced by Rs. 3,186.473 million (December 31, 2019: Rs. 2,678.006 million). Further, as required by the SBP directives, this unappropriated profit will not be available for distribution as dividend or other appropriations.

10.3.3 Advances - Deferred & Restructured / Rescheduled

The SBP vide BPRD circular letter number 13 of 2020 dated March 26, 2020, has relaxed certain classification criteria of SBP Prudential Regulation R-8 (Classification and Provisioning of Assets). Accordingly, certain exposures of the Holding Company as at September 30, 2020 relating to facilities of customers have not been classified as non-performing on account of such relaxation.

		(Unaudited) September 30, 2020	(Audited) December 31, 2019
	Note	----- Rupees in '000 -----	
11. FIXED ASSETS			
Capital work-in-progress	11.1	802,922	146,181
Property and equipment		6,260,340	6,438,632
Right-of-use assets	11.1.1 & 27.1	3,078,135	4,109,132
		10,141,397	10,693,945
11.1 Capital work-in-progress			
Civil works		396,416	124,350
Advance for purchase of leasehold Building	11.1.1	374,423	-
Advance for purchase of furniture and fixtures		2,228	290
Advance for purchase of vehicles		29,679	-
Advance for purchase of equipment and software		176	21,541
		802,922	146,181

11.1.1 During the period, the Company entered into an 'agreement to sale' with JS Lands (Private) Limited (a related party), after obtaining shareholders' approval in Annual general meeting held on April 22, 2020, whereby, the Company agrees to acquire certain properties at an estimated cost of Rs. 748.5 million (out of which Rs. 374.423 million has been paid during the period), subject to completion of certain work as explained in the exhibit of 'agreement to sale'. Up till the previous reporting period, such properties were accounted for under IFRS 16 'Leases', as the same were on rental basis. However, pursuant to the aforementioned agreement, the Company has now reassessed the situation and modified the lease term in view of expected date of transfer of ownership which is estimated to be materialized by end of August 2020. Accordingly, the right of use asset, earlier recorded has been reduced by Rs. 206.165 million, with corresponding liability reduced by Rs. 225.932 million. Consequently, the Company has recognised Rs. 19.766 million as gain on lease modification during the period (which is included in other operating income).

11.2 The following additions, book value of disposals and writeoffs have been made to fixed assets during the period:

	(Un-audited)					
	Additions		Disposal		Write offs	
	September 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019
	----- Rupees in '000 -----					
Capital work-in-progress - net	2,228	-	-	-	-	-
Property and equipment						
Building on leasehold land	-	33,401	-	-	-	-
Leasehold improvements	113,863	161,095	-	1,789	43,754	-
Furniture and fixture	53,496	126,946	11,019	753	5,144	-
Electrical, office and computer equipment	321,425	384,900	4,792	6,898	9,610	-
Vehicles	179	329,893	851	42,617	-	-
	488,963	1,036,235	16,662	52,057	58,508	-
	491,191	1,036,235	16,662	52,057	58,508	-

		(Unaudited) September 30, 2020	(Audited) December 31, 2019
	Note	----- Rupees in '000 -----	
11.3 Assets held for sale			
Building on leasehold land	11.3.1	-	374,000

11.3.1 In 2019, the Holding Company had entered into an agreement to sell the Bank property located at 13th floor of Ocean Tower, plot No. G-3, Khayaban-e-Iqbal, Block 9, KDA Scheme No. 5, Clifton Karachi, Pakistan ("Property") of Rs. 375 million and therefore, measured the property as a non-current asset held for sale. In this respect, during the period end the sale proceeds were realised on August 11, 2020.

JS BANK LIMITED

		(Unaudited) September 30, 2020	(Audited) December 31, 2019
	Note	----- Rupees in '000 -----	
12. INTANGIBLE ASSETS			
Capital work-in-progress	12.1	174,322	107,533
Computer software	12.2	810,681	731,316
Goodwill		1,463,625	1,463,625
		<u>2,448,628</u>	<u>2,302,474</u>
12.1 Capital work-in-progress			
Advance for purchase of software		<u>173,533</u>	<u>107,255</u>
12.2 Additions to intangible assets			
The following additions have been made to intangible assets during the period:			
Capital work-in-progress - net		148,884	9,855
Computer software		165,723	160,172
		<u>314,607</u>	<u>170,027</u>
13. OTHER ASSETS			
	Note	(Unaudited) September 30, 2020	(Audited) December 31, 2019
		----- Rupees in '000 -----	
Income/ Mark-up accrued in local currency - net of provision		6,547,836	8,746,909
Income/ Mark-up accrued in foreign currency		142,580	48,511
Trade receivable from brokerage and advisory business - net		1,068,066	976,902
Advances, deposits, advance rent and other prepayments		869,129	1,040,356
Acceptances		3,125,742	3,221,212
Dividend receivable		-	-
Taxation (payments less provision)		381,949	794,463
Balances due from funds under management		107,018	123,074
Receivable against bancassurance / bancatakaful		50,649	67,952
Stationery and stamps in hand		19,316	23,290
Receivable in respect of home remittance		37,854	37,139
Due from State Bank of Pakistan		202,137	116,489
Rebates receivable from SBP and others		574,351	465,965
Non-banking assets acquired in satisfaction of claims		1,081,967	1,088,682
Mark to market gain on derivative instruments		30,914	22,498
Mark to market gain on forward foreign exchange contracts		3,349	65,955
Advance for subscription of investments securities		-	63,108
Inter bank fund transfer settlement		-	14,477
Credit card settlement		65,517	29,924
Insurance		46,107	39,100
Others		647,402	501,505
		<u>15,001,883</u>	<u>17,487,511</u>
Less: Provision held against other assets	13.1	(432,908)	(432,908)
Other assets (net of provisions)		14,568,975	17,054,603
Surplus on revaluation of non-banking assets acquired in satisfaction of claims		93,649	93,743
		<u>14,662,624</u>	<u>17,148,346</u>
13.1 Provision held against other assets			
Trade receivable from brokerage and advisory business - net		403,318	403,318
Others		29,590	29,590
		<u>432,908</u>	<u>432,908</u>
14. BILLS PAYABLE			
In Pakistan		4,105,613	3,583,500
Outside Pakistan		235,843	220,991
		<u>4,341,456</u>	<u>3,804,491</u>

15. BORROWINGS

Secured

Borrowings from State Bank of Pakistan under:

Export refinancing scheme (ERF)	19,390,257	17,792,778
Long-Term Finance Facility (LTFF)	1,917,723	1,877,760
Financing Facility for Storage of Agricultural produce (FFSAP)	7,788,268	300,440
Repurchase agreement borrowings	-	16,849,097
	29,096,248	36,820,075

Borrowing from financial institutions

Repurchase agreement borrowings	1,907,267	12,746,732
Refinancing facility for mortgage loans	1,914,739	1,961,128
	3,822,006	14,707,860

Total secured

Unsecured

Call borrowings	828,511	2,303,356
Overdrawn nostro accounts	570,114	636,992

Total unsecured

	(Unaudited) September 30, 2020	(Audited) December 31, 2019
	----- Rupees in '000 -----	
	19,390,257	17,792,778
	1,917,723	1,877,760
	7,788,268	300,440
	-	16,849,097
	29,096,248	36,820,075
	1,907,267	12,746,732
	1,914,739	1,961,128
	3,822,006	14,707,860
	32,918,254	51,527,935
	828,511	2,303,356
	570,114	636,992
	1,398,625	2,940,348
	34,316,879	54,468,283
	30,970,998	51,527,935
	3,305,881	2,940,348
	34,276,879	54,468,283

15.1 Particulars of borrowings

In local currency	30,970,998	51,527,935
In foreign currencies	3,305,881	2,940,348
	34,276,879	54,468,283

16. DEPOSITS AND OTHER ACCOUNTS

	September 30, 2020 (Unaudited)			December 31, 2019 (Audited)		
	In Local Currency	In Foreign currencies	Total	In Local Currency	In Foreign currencies	Total
	----- Rupees in '000 -----					
Customers						
Current deposits	79,231,536	6,205,693	85,437,229	70,341,319	6,412,941	76,754,260
Savings deposits	80,772,112	4,180,477	84,952,589	73,442,779	2,898,794	76,341,573
Term deposits	177,039,785	14,903,053	191,942,838	164,602,876	11,409,815	176,012,691
Margin deposits	6,308,327	587	6,308,914	5,455,786	15,234	5,471,020
	343,351,760	25,289,810	368,641,570	313,842,760	20,736,784	334,579,544
Financial Institutions						
Current deposits	1,226,805	496,119	1,722,924	858,905	-	858,905
Savings deposits	7,911,729	-	7,911,729	12,204,325	-	12,204,325
Term deposits	11,712,315	-	11,712,315	20,900,829	-	20,900,829
	20,850,849	496,119	21,346,968	33,964,059	-	33,964,059
	364,202,609	25,785,929	389,988,538	347,806,819	20,736,784	368,543,603

17. SUB-ORDINATED DEBT

	Note	(Unaudited) September 30, 2020	(Audited) December 31, 2019
		----- Rupees in '000 -----	
Term Finance Certificates - First Issue	17.1	2,996,400	2,996,400
Term Finance Certificates - Second Issue	17.2	1,998,400	1,998,400
Term Finance Certificates - Third Issue	17.3	2,500,000	2,500,000
		7,494,800	7,494,800

17.1 In 2016, the Holding company has issued Rs.3 billion of rated, privately placed, unsecured and subordinated term finance certificates ("TFCs" or "the Issue") as an instrument of redeemable capital under Section 120 of the Companies Ordinance, 1984 and as outlined by State Bank of Pakistan, SBP, under the BPRD circular No. 06 dated August 15, 2013 and Basel III guidelines. Summary of terms and conditions of the Issue are:

Purpose:	To contribute toward the Bank's Tier II Capital for complying with the Capital Adequacy Ratio requirement and to utilize the funds in the Bank's business operations as permitted by its Memorandum & Articles of Association.
Issue date:	December 14, 2016
Tenure:	Up to Seven years from the Issue date.
Maturity Date:	December 14, 2023
Rating:	A + (Single A Plus)

Profit Rate:	Floating rate of return at Base rate + 1.4 percent per annum; Base rate is defined as the average six months KIBOR prevailing on the Base Rate setting date. The Base Rate will be set for the first time on the last working day prior to the Issue Date and subsequently on the immediately preceding business day before the start of each six monthly period
Profit payment:	Semi-annual
Redemption:	The instrument is structured to redeem 0.24% of the Issue amount during the first six years after the Issue date and the remaining Issue amount of 99.76% in two equal semi-annual installments of 49.88% each in the last year.
Security:	The Issue is unsecured and subordinated as to payment of Principal and profit to all other indebtedness of the Bank.
Call Option:	Exercisable in part or in full on or after the 10th redemption, subject to SBP's approval.
Lock-in-clause:	Principal and profit will be payable subject to compliance with MCR or CAR set
Loss absorbency clause:	Upon the occurrence of a Point of Non-Viability event as defined by SBP's Basel III Capital Rule vide BPRD Circular # 6 of 2013 dated August 15, 2013, SBP may at its option, fully and permanently convert the TFCs into common shares of the Bank and/or have them immediately written off (either partially or in full). Number of shares to be issued to TFC holders at the time of conversion will be equal to the 'Outstanding Face Value of the TFCs' divided by market value per share of the Bank's common share on the date of trigger as declared by SBP of the non-viability event as declared by SBP, subject to a cap of 467,836,257 shares.

17.2 In 2017, the Holding company has issued Rs. 2 billion of rated, over the counter listed, unsecured and subordinated term finance certificates ("TFCs" or "the Issue") as an instrument of redeemable capital under Section 66 of the Companies Act, 2017 and as outlined by State Bank of Pakistan, SBP, under the BPRD circular No. 06 dated August 15, 2013 and Basel III guidelines. Summary of terms and conditions of the Issue are:

Purpose:	To contribute toward the Bank's Tier II Capital for complying with the capital adequacy requirement and to utilize the funds in the Bank's business operations as permitted by its Memorandum & Articles of Association.
Issue date:	December 29, 2017
Tenure:	Up to Seven years from the Issue date.
Maturity Date:	December 29, 2024
Rating:	A + (Single A Plus)
Profit Rate:	Floating rate of return at Base rate + 1.4 percent per annum; Base rate is defined as the average six months KIBOR prevailing on the Base Rate setting date. The Base Rate will be set for the first time on the last working day prior to the Issue Date and subsequently on the immediately preceding business day before the start of each six monthly period.
Profit payment:	Semi-annual
Redemption:	The instrument is structured to redeem 0.24% of the Issue amount during the first six years after the Issue date and the remaining Issue amount of 99.76% in two equal semi-annual installments of 49.88% each in the last year.
Security:	The Issue is unsecured and subordinated as to payment of Principal and profit to all other indebtedness of the Bank.
Call Option:	Exercisable in part or in full on or after the 10th redemption, subject to SBP's approval.
Lock-in-clause:	Principal and profit will be payable subject to compliance with MCR or CAR set by SBP.
Loss absorbency clause:	Upon the occurrence of a Point of Non-Viability event as defined under SBP BPRD Circular # 6 of 2013 dated August 15, 2013, SBP may at its option, fully and permanently convert the TFCs into common shares of the Bank and/or have them immediately written off (either partially or in full). Number of shares to be issued to TFC holders at the time of conversion will be equal to the 'Outstanding Face Value of the TFCs' divided by market value per share of the Bank's common share on the date of trigger of Point of Non-Viability (PONV) as declared by SBP, subject to a cap of 319,982,544 shares.

17.3 In 2018, the Holding company has issued Rs.2.5 billion of rated, privately placed, unsecured, subordinated, perpetual and non-cumulative term finance certificates ("TFCs" or "the Issue") as an instrument of redeemable capital under Section 66(1) of the Companies Act, 2017 and as outlined by State Bank of Pakistan, SBP, under the BPRD circular No. 06 dated August 15, 2013 (the "Circular") and Basel III guidelines. Summary of terms and conditions of the Issue are:

Purpose:	To contribute toward the Bank's Tier I Capital for complying with the capital adequacy requirement and to utilize the funds in the Bank's business operations as permitted by its Memorandum & Articles of Association.
Issue date:	December 31, 2018
Maturity Date:	Perpetual
Rating:	A (Single A)
Profit Rate:	Floating rate of return at Base rate + 2.25 percent per annum; Base rate is defined as the average six months KIBOR prevailing on the Base Rate setting date. The Base Rate will be set for the first time on the last working day prior to the Issue Date and subsequently on the immediately preceding business day before the start of each six monthly period

Profit payment frequency:	Semi-annually on a non-cumulative basis
Redemption:	Not applicable
Security:	The Issue is unsecured and subordinated as to payment of Principal and profit to all other claims except common shares.
Call Option:	Exercisable in part or in full at a par value on or after five years from the issue date, with prior approval of SBP. The Bank shall not exercise the call option unless the called instrument is replaced with capital of same or better quality.
Lock-in-clause:	Payment of profit will be made from current year's earning and subject to compliance with MCR or CAR set by SBP.

Loss absorbency clause:

Pre-Specified Trigger ("PST")	<p>Upon the occurrence of a Pre-Specified Trigger as defined under SBP BPRD Circular # 6 of 2013 dated August 15, 2013 which stipulates that if an Issuer's Common Equity Tier 1 ("CET 1") ratio falls to or below 6.625% of Risk Weighted Assets ("RWA"), the Issuer will have full discretion to determine the amount of TFCs to be permanently converted into common shares or written off, subject to SBP regulations / instructions, and the cap specified below. The Bank will be able to exercise this discretion subject to:</p> <ul style="list-style-type: none"> - If and when Bank's CET 1 reaches the loss absorption trigger point, the aggregate amount of Additional Tier-1 capital to be converted must at least be the amount sufficient to immediately return the CET 1 ratio to above 6.625% of total RWA (if possible); - The converted amount should not exceed the amount needed to bring the CET 1 ratio to 8.5% of RWA (i.e. minimum CET 1 of 6.0% plus capital conservation buffer of 2.5%); - In case, conversion of Additional Tier-1 capital Instrument is not possible following the trigger event, the amount of the Instrument must be written off in the accounts resulting in increase in CET 1 of the Issuer;
Point of Non-Viability	<p>Upon the occurrence of a Point of Non-Viability event as defined under SBP BPRD Circular # 6 of 2013 dated August 15, 2013, which stipulates that SBP may, at its option, fully and permanently convert the TFCs into common shares of the Issuer and / or have them immediately written off (either partially or in full). Number of shares to be issued to TFC holders at the time of conversion will be equal to the 'Outstanding Value of the TFCs' divided by market value per share of the Issuer's common / ordinary share on the date of the PONV trigger event as declared by SBP, subject to the cap specified below;</p> <p>The PONV trigger event is the earlier of:</p> <ul style="list-style-type: none"> - A decision made by SBP that a conversion or temporary / permanent write-off is necessary without which the Issuer would become non-viable; - The decision to make a public sector injection of capital, or equivalent support, without which the Issuer would have become non-viable, as determined by SBP. - The maximum number of shares to be issued to TFC holders at the Pre-Specified Trigger and / or Point of Non Viability (or otherwise as directed by SBP) will be subject to a specified cap of 329,595,476 ordinary shares, or such other number as may be agreed to in consultation with SBP.

18. DEFERRED TAX (ASSETS) / LIABILITIES**Deductible Temporary Differences on:**

Provision against investments
Provision against loans and advances
Other assets
General provision under IFRS-9
Intangible other than Goodwill
Unrealised loss / (gain) on revaluation of investments classified as held for trading
Provision for workers' welfare fund

(Unaudited) (Audited)
September 30, 2020 December 31, 2019
----- Rupees in '000 -----

(57,149)	(57,149)
(161,235)	(132,305)
(122,297)	(845,243)
(30,465)	(3,097)
(2,778)	(2,507)
59	(665)
(3,143)	(3,143)
(377,008)	(1,044,109)
176,977	260,103
(1,040)	(7,082)
512,268	512,268
242,893	374,394
934	967
1,172	(51,092)
8,378	82,321
536,181	(253,627)
1,477,763	918,252
1,100,755	(125,857)

Taxable Temporary Differences on:

Operating fixed assets
Liability against assets subject to finance lease - net
Goodwill
Surplus on revaluation of operating fixed assets
Surplus on revaluation of non-banking assets acquired in satisfaction of claims
Mark to market gain / (loss) on forward foreign exchange contracts
Unrealized gain on revaluation of derivative financial instruments
Surplus / (deficit) on revaluation of investments classified assets as available for sale

		Note	(Unaudited) September 30, 2020	(Audited) December 31, 2019
			----- Rupees in '000 -----	
19. OTHER LIABILITIES				
Mark-up / return / interest payable in local currency			6,028,290	4,166,772
Mark-up / return / interest payable in foreign currency			75,591	72,782
Unearned commission income on guarantees			155,899	99,505
Accrued expenses			675,439	415,112
Acceptances			3,125,742	3,221,212
Trade payable from brokerage business			1,713,867	1,426,057
Unclaimed dividends			7,576	7,576
Dividend payable			5,325	41,102
Payable in respect of defined benefit obligation - net			161,822	151,881
Withholding taxes payable			521,336	539,702
Government challan collection			82,490	66,867
Donation payable			-	1,991
Security deposits against leases, lockers and others			3,603,202	4,172,975
Provision for Workers' Welfare Fund			134,115	113,795
Payable in respect of home remittance			512,015	446,387
Retention money payable			52,318	34,248
Lease liability against right-of-use assets			3,459,285	4,260,358
Advance against assets held for sale	11.3.1		-	37,500
Insurance payable			83,894	12,693
Debit card settlement			72,407	73,084
Inter bank fund transfer			21,041	-
Others			735,716	287,480
			21,227,370	19,649,079
20. SURPLUS / (DEFICIT) ON REVALUATION OF ASSETS				
Surplus / (deficit) on revaluation of:				
Available-for-sale securities	9.1 & 20.2		1,864,911	(591,788)
Operating fixed assets			1,779,057	1,955,940
Non-banking assets acquired in satisfaction of claims			93,649	93,743
			3,737,617	1,457,895
Deferred tax on (surplus) / deficit on revaluation of:				
Available-for-sale securities			(536,181)	253,627
Operating fixed assets			(242,893)	(374,390)
Non-banking assets acquired in satisfaction of claims			(934)	(967)
			(780,008)	(121,730)
			2,957,609	1,336,165
20.1				
Group's share			2,906,401	1,308,531
Non-controlling interest			51,208	27,634
			2,957,609	1,336,165
20.2				
This includes general provision under IFRS 9 of Rs. 62.748 million (December 31, 2019: Rs. Nil) by Bahrain branch of the Bank.				
21. CONTINGENCIES AND COMMITMENTS				
Guarantees	21.1		61,744,460	45,650,803
Commitments	21.2		51,394,990	77,013,578
			113,139,450	122,664,381
21.1 Guarantees:				
Financial guarantees			1,249,078	2,464,411
Performance guarantees			37,310,594	21,483,841
Other guarantees			23,184,788	21,702,551
	21.1.1		61,744,460	45,650,803
21.1.1				
Included herein are outstanding guarantees of Rs. 71.940 million (December 31, 2019: Rs.14.217 million) of related parties.				

			(Unaudited) September 30, 2020 ----- Rupees in '000 -----	(Audited) December 31, 2019
	Note			
21.2 Commitments:				
Documentary credits and short-term trade-related transactions				
- letters of credit	21.2.1	14,730,978	13,965,258	
Commitments in respect of:				
- Forward foreign exchange contracts	21.2.2	-	55,111,366	
- Derivative instruments	21.2.3	35,487,779	7,238,695	
- Forward lending	21.2.4	365,805	72,183	
- Bank Guarantee from a commercial Bank in favor of National Clearing Company of Pakistan Limited	21.2.5	400,000	400,000	
- Outstanding settlements against margin financing contracts - net	21.2.6	5,642	5,305	
Commitments for acquisition of:				
- operating fixed assets	21.2.7	404,786	220,771	
		51,394,990	77,013,578	
21.2.1	Included herein are the outstanding letter of credits of Rs. 29.249 million (December 31, 2019: Rs.44.368 million) of related parties.			
21.2.2 Commitments in respect of forward foreign exchange contracts				
Purchase		-	33,104,108	
Sale		-	22,007,258	
		-	55,111,366	
21.2.2.1	The Holding company utilises foreign exchange instruments to meet the needs of its customers and as part of its asset and liability management activity to hedge its own exposure to currency risk. At period ended, all foreign exchange contracts have a remaining maturity of less than one year.			
21.2.3 Commitments in respect of derivative instruments				
Purchase		3,486,041	3,622,107	
Sale		32,001,738	3,616,588	
		35,487,779	7,238,695	
21.2.3.1 Interest rate swaps (notional principal)				
Purchase		1,442,033	2,099,175	
Sale		1,443,033	2,100,175	
		2,885,066	4,199,350	
21.2.3.2 Options (notional principal)				
Purchase		2,044,008	1,023,310	
Sale		30,475,597	1,023,310	
		32,519,605	2,046,620	
21.2.3.3 Commitments in respect of forward securities				
Purchase		-	499,622	
Sale		83,108	493,103	
		83,108	992,725	
21.2.4 Commitments in respect of forward lending				
Undrawn formal standby facilities, credit lines and other commitments to lend	21.2.4.1	365,805	72,183	
21.2.4.1	These represent commitments that are irrevocable because they cannot be withdrawn at the discretion of the bank without the risk of incurring significant penalty or expense.			
21.2.5 Bank Guarantee from a commercial Bank in favor of National Clearing Company of Pakistan Limited		400,000	400,000	
21.2.6 Outstanding settlements against margin financing contracts - net		5,642	5,305	
21.2.7 Commitments for acquisition of operating fixed assets		404,786	220,771	
21.2.8	There are no changes in contingent liabilities since the date of annual consolidated audited financial statements for the year ended December 31, 2019.			

22. DERIVATIVE INSTRUMENTS

Derivative instruments, such as Forward Exchange Contracts, Interest Rate Swaps and Options, are forward transactions that provide market making opportunities / hedge against the adverse movement of interest and exchange rates. Derivatives business also provides risk solutions for the existing and potential customers of the Group.

The Group has entered into a Cross Currency Swap transaction with its customer on back-to-back basis with an Authorized Derivative Dealer (ADD) without carrying any open position in its books. Specific approvals for the transactions have been granted by State Bank of Pakistan. Policies in line with SBP instructions have been formulated and are operative.

The Holding company has also entered into Foreign Currency & Commodity Options from its Wholesale Banking Branch Bahrain for market making activities.

These transactions cover the aspects of both market making and hedging. The risk management related to derivative is disclosed in note 45 to the financial statements.

Accounting policies in respect of derivative financial instruments are described in note 4.5.2 of the consolidated annual financial statements for the year ended December 31, 2019.

		September 30, 2020 (Unaudited)					
		Interest rate swaps		Options		Forward securities	
		Notional principal	Mark to market	Notional principal	Mark to market	Notional principal	Mark to market
		Rupees in '000					
22.1	Product Analysis						
	With Banks						
	Hedging	2,885,066	6,854	32,519,605	17,082	-	-
	Market making	-	-	-	-	83,108	6,978
	With FIs other banks						
	Hedging	-	-	-	-	-	-
	Market making	-	-	-	-	-	-
	Total						
	Hedging	2,885,066	6,854	32,519,605	17,082	-	-
	Market making	-	-	-	-	83,108	6,978
		December 31, 2019 (Audited)					
		Interest rate swaps		Options		Forward securities	
		Notional principal	Mark to market	Notional principal	Mark to market	Notional principal	Mark to market
		Rupees in '000					
	With Banks						
	Hedging	-	8,885	4,199,350	13,327	-	-
	Market making	-	-	-	-	992,725	286
	With FIs other banks						
	Hedging	-	-	-	-	-	-
	Market making	-	-	-	-	-	-
	Total						
	Hedging	-	8,885	4,199,350	13,327	-	-
	Market making	-	-	-	-	992,725	286

		----- Un-audited -----	
		September 30, 2020	September 30, 2019
		----- Rupees in '000 -----	
23.	MARK-UP / RETURN / INTEREST EARNED	Note	
	On:		
	Loans and advances	20,146,165	22,670,654
	Investments	12,725,037	6,875,243
	Lendings to financial institutions	44,783	45,588
	Balances with other banks	9,366	54,393
	Securities purchased under resale agreements	1,033,392	689,213
		<u>33,958,743</u>	<u>30,335,091</u>

24. MARK-UP / RETURN / INTEREST EXPENSED

On:		
Deposits	24.1	23,435,518
Borrowings		1,490,518
Subordinated debt		728,922
Cost of foreign currency swaps against foreign currency deposits / borrowings		514,507
Lease liability against right-of-use assets		401,562
		<u>26,571,027</u>
		20,093,229
		3,087,963
		749,378
		606,503
		382,477
		<u>24,919,550</u>

----- Un-audited -----
September 30, 2020 September 30, 2019
 ----- Rupees in '000 -----

24.1	Borrowings			
	Export refinancing scheme (ERF)		256,608	251,418
	Long-Term Finance Facility (LTFF)		34,119	24,513
	Financing Facility for Storage of Agricultural produce (FFSAP)		7,449	2,621
	Securities sold under repurchase agreements		872,550	2,403,709
	Other short term borrowings		319,792	405,702
			1,490,518	3,087,963
25.	FEE, COMMISSION AND BROKERAGE INCOME			
	Branch banking customer fees		199,107	132,531
	Consumer finance related fees		21,987	14,847
	Card related fees (debit and credit cards)		478,923	362,542
	Credit related fees		298,064	210,403
	Investment banking fees		93,402	69,047
	Commission on trade		475,632	395,736
	Commission on guarantees		288,489	249,142
	Commission on cash management		3,054	4,388
	Commission on remittances including home remittances		214,202	81,095
	Commission on bancassurance		135,560	105,814
	Commission on distribution of mutual funds		26,190	94,070
	Commission on online Services		251,225	132,694
	Postage & Courier income		16,601	14,964
	Rebate income		178,725	160,997
	Rebate on primary dealership		27,637	6,918
	Brokerage income		405,423	201,975
	Management fee		140,452	149,948
			3,254,673	2,387,111
26.	GAIN / (LOSS) ON SECURITIES - NET			
	Realised	26.1	945,225	(534,943)
	Unrealised - held for trading		(7,633)	14,910
			937,592	(520,033)
26.1	Realised gain on:			
	Federal government securities			
	Market treasury bills		76,822	3,850
	Pakistan investment bonds		857,655	(401,449)
	Ijara sukuk certificates		56	633
	Shares			
	Listed companies		110	(154,154)
	Non Government Debt Securities			
	Term finance certificates		30,972	8,050
	Sukuk certificates		450	-
	Mutual fund units		(13,302)	14,542
	Foreign currency bonds		(7,538)	(6,415)
			945,225	(534,943)
27.	OTHER INCOME - NET			
	Rent on Property		-	3,897
	Gain on sale of fixed assets - net		(172)	98,048
	Gain on sale of assets held for sale	11.3.1	1,000	-
	Gain on termination of leases	27.1	52,510	-
	Others		30,714	5,206
			84,052	107,151
27.1	This represents, gain on termination of leases against closure of fifty one branches under the Bank's branch rationalisation strategy.			

		----- Un-audited -----	
		September 30, 2020	September 30, 2019
Note		----- Rupees in '000 -----	
28. OPERATING EXPENSES			
Total compensation expense		5,035,866	4,202,198
Property expense			
Rent & taxes		25,972	234,758
Insurance		2,640	7,916
Utilities cost		263,643	245,194
Security (including guards)		243,474	214,335
Repair & maintenance (including janitorial charges)		172,100	151,521
Depreciation		179,271	186,558
Depreciation on right-of-use assets		768,609	576,367
Depreciation on non banking assets		6,808	628
		1,662,517	1,617,277
Information technology expenses			
Software maintenance		289,846	189,849
Hardware maintenance		141,862	119,625
Depreciation		159,129	132,862
Amortisation		86,669	71,641
Network charges		98,249	88,140
		775,755	602,117
Other operating expenses			
Directors' fees and allowances		15,463	8,750
Legal & professional charges		145,375	121,707
Insurance		154,595	140,917
Outsourced services costs		119,039	108,350
Travelling & conveyance		82,179	103,637
NIFT clearing charges		26,851	28,932
Depreciation		240,980	331,790
Depreciation on right-of-use assets		-	7,480
Training & development		11,988	22,975
Postage & courier charges		76,363	61,637
Communication		103,260	92,785
Stationery & printing		199,145	187,796
Marketing, advertisement & publicity		339,185	216,273
Donations		60,841	200
Auditors remuneration		7,778	8,772
Staff auto fuel & maintenance		151,304	177,602
Bank charges		43,762	47,727
Stamp duty		9,724	33,056
Online verification charges		12,951	14,122
Brokerage, fee and commission		33,341	25,609
Card related fees (debit and credit cards)		5,036	6,317
CDC and other charges		20,268	23,636
Consultancy fee		30,167	30,733
Deposit protection corporation	28.1	93,204	104,821
Entertainment expenses		51,829	49,631
Repair and maintenance		46,349	46,804
Cash handling charges		155,540	48,868
Fee and Subscription		99,310	79,708
Employees social security		8,481	6,461
Generator fuel & maintenance		53,363	57,940
Fee and allowances to Shariah Board		52	34
Royalty		22,500	22,500
Others		39,357	26,157
		2,459,580	2,243,727
		9,933,718	8,665,319
Less: Reimbursement of selling and distribution expenses		(36,154)	(11,148)
		9,897,564	8,654,171

28.1 Under the provision of section 5(2) of the Deposit Protection Corporation Act, 2016 (the Act), and DPC Circular No. 04 of 2018, the Bank is liable to pay annual premium, on quarterly basis, to the Deposit Protection Corporation, a subsidiary company of State Bank of Pakistan, @ 0.16% on eligible deposits as of December 31 of each preceding calendar year.

The Bank's eligible deposits as of December 31, 2019 are amounting to Rs. 87,425.180 million on which total premium is payable of Rs. 139.880 million per annum (Rs. 34.970 million per quarter).

29. Workers Welfare Fund

Provision held at 2% of the higher of profit before tax or taxable income to the extent of operations carried out under Sindh Workers' Welfare Act, 2014.

		----- Un-audited -----		
		September 30, 2020	September 30, 2019	
		----- Rupees in '000 -----		
30.	OTHER CHARGES	Note		
	Penalties imposed by State Bank of Pakistan		74,607	242
	Others		-	892
			74,607	1,134
31.	(REVERSALS) / PROVISIONS AND WRITE OFFS - NET			
	Provisions for diminution in value of investments	9.4.1	21,176	123,672
	Provisions against loans & advances		433,152	439,833
	Provisions against loans & advances - general		(161,166)	1,724
	Provisions / (reversals) under IFRS-9 -general		75,929	(61,967)
	Fixed assets written off		58,508	-
	Other assets written off		4,168	-
	Other reversals		-	(1,755)
	Bad debts written off directly		-	315
			431,767	501,822
32.	TAXATION			
	Current		504,968	592,694
	Prior years		-	-
	Deferred		486,018	(733,645)
			990,986	(140,951)

32.1. JS Bank Limited, the Holding Company

There are no material changes in tax contingencies as disclosed in consolidated annual financial statements for the year ended December 31, 2019 except below:

The Sindh High Court has dismissed the Holding company's petitions for tax years 2016 through 2019 wherein the Holding Company's alongwith other taxpayers challenged the levy of super tax on constitutional grounds. Based on the opinion of legal counsel, the Holding Company is now approaching the Supreme Court to challenge the aforesaid decision of the Sindh High Court and seek interim relief in respect of the outstanding super tax demand.

Further, the Holding Company has obtained stay from the Sindh High Court on other technical grounds regarding the levy of Super Tax for Tax Years 2017 and 2018.

32.2. JS Global Capital Limited, the Subsidiary Company

For the tax years 2015, 2016 and 2017, orders under section 4B were passed by the tax officer raising demands of Super tax at Rs. 24,317,509, Rs. 24,483,669, Rs. 19,490,281 for each of the above tax years respectively. The orders raising demand pertaining to super tax was later confirmed by the CIRA and the Honorable ATIR. The Company has also now filed reference application before the Honorable SHC against the appellate order of the ATIR [ITRA Nos. 52 to 53 of 2020] wherein the case will be decided on merits. In pursuance of the judgement of Hon'able Supreme Court of Pakistan (SCP), the Company has paid 50% of tax demands raised in respect of tax years 2016 and 2017 to maintain the suits before Sindh High Court. Whereas, no amount of super tax demand has been paid for tax year 2015.

The Honorable SHC vide order dated July 21, 2020 has dismissed the CP pertaining to TY 2015, however suits pertaining to TY 2016 and 2017 have not been disposed of. The Company is currently evaluating the legal options to approach the Supreme Court to challenge the aforesaid decision of SHC and seek interim relief in respect of the outstanding super tax demand for all three years.

	----- Un-audited -----			
	Quarter ended		Nine months period ended	
	September 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019
----- Rupees in '000 -----				
33. BASIC AND DILUTED EARNINGS / (LOSS) PER SHARE				
Profit / (loss) after taxation for the period - attributable to ordinary equity holders of the holding company for diluted earnings	333,364	(204,465)	1,107,038	(727,858)
Preference dividend for the year December 31, 2018 @ 12% p.a	-	-	-	(24,164)
Profit / (loss) after taxation for the period - attributable to ordinary equity holders of the holding company for basic earnings	333,364	(204,465)	1,107,038	(752,022)
----- Numbers -----				
Weighted average number of basic outstanding ordinary shares during the period	1,297,464,262	1,297,464,262	1,297,464,262	1,297,464,262
----- Rupee -----				
Basic and diluted earnings / (loss) per share	0.26	(0.16)	0.85	(0.58)

	Note	(Unaudited) September 30, 2020	(Audited) December 31, 2019	(Unaudited) September 30, 2019
		----- Rupees in '000 -----		
34. CASH AND CASH EQUIVALENTS				
Cash and balances with treasury banks	6	33,588,181	25,590,173	21,094,250
Balances with other banks	7	690,075	476,370	1,559,592
Overdrawn nostro accounts	15	(570,114)	(636,992)	(152,092)
		33,708,142	25,429,551	22,501,750
		(91)	-	(83)
Less: General provision under IFRS 9		33,708,051	25,429,551	22,501,667

35. FAIR VALUE OF FINANCIAL INSTRUMENTS

IFRS 13 "Fair Value Measurement" defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value of quoted securities other than those classified as held to maturity, is based on quoted market price. Fair value of fixed term loans, other assets, other liabilities and fixed term deposits cannot be calculated with sufficient reliability due to absence of current and active market for assets and liabilities and reliable data regarding market rates for similar instruments. The provision for impairment of loans and advances has been calculated in accordance with the Bank's accounting policy as stated in note 4.5 to the annual consolidated financial statements for the year ended December 31, 2019.

In the opinion of the management, the fair value of the remaining financial assets and liabilities are not significantly different from their carrying values since assets and liabilities are either short term in nature or in the case of customer loans and deposits are frequently repriced.

Fair value hierarchy

IFRS 13 requires the Bank to classify fair value measurement using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has following levels:

- Level 1:** Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
- Level 2:** Fair value measurements using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3:** Fair value measurements using unobservable inputs for the asset or liability.

35.1 Valuation techniques used in determination of fair values within level

Item	Valuation approach and input used
Financial Instruments- Level 1	
Shares of listed companies	Fair values of investments in listed equity securities are valued on the basis of closing quoted market prices available at the Pakistan Stock Exchange.

Financial instruments - Level 2

Units of mutual funds	Fair values of investments in units of mutual funds are determined based on redemption prices disclosed at the Mutual Funds Association of Pakistan (MUFAP) as at the close of the business days.
Market Treasury Bills(MTB) / Pakistan Investment	Fair values of Pakistan Investment Bonds and Market Treasury Bills are derived using PKRV rates (Reuters page).
Debt Securities (TFCs) and Sukuk other than Government	Investments in debt securities (comprising Term Finance Certificates, Bonds and any other security issued by a company or a body corporate for the purpose of raising funds in the form of redeemable capital) are valued on the basis of the rates announced by the Mutual Funds Association of Pakistan (MUFAP) in accordance with the methodology prescribed by the SECP.
Overseas Government Sukuks, Overseas and Euro	The fair value of Overseas Government Sukuks, and Overseas Bonds are valued on the basis of price available on Bloomberg.
Forward foreign exchange con	The valuation has been determined by interpolating the foreign exchange revaluation rates announced by the State Bank of Pakistan.
Derivatives	The fair values of derivatives which are not quoted in active markets are determined by using valuation techniques. The valuation techniques take into account the relevant underlying parameters including foreign currencies involved, interest rates, yield curves, volatilities, contracts duration, etc.

Non- financial assets- Level 3

Fixed assets - Land and building	Fixed assets and Non-banking assets under satisfaction of claims are carried at revalued amounts determined by professional valuers based on their assessment of the market values as disclosed in note 10 and 13 of the consolidated annual financial statements December 31, 2019. The valuations are conducted by the valuation experts appointed by the Bank which are also on the panel of State Bank of Pakistan. The valuation experts used a market based approach to arrive at the fair value of the Bank's properties. The market approach used prices and other relevant information generated by market transactions involving identical or comparable or similar properties. These values are adjusted to reflect the current condition of the properties. The effect of changes in the unobservable inputs used in the valuations cannot be determined with certainty, accordingly a qualitative disclosure of sensitivity has not been presented in these financial statements.
Non-banking assets under satisfaction of claims	

Financial instruments in level 3

Currently, no financial instruments are classified in level 3.
The fair value of unquoted debt securities, fixed term loans, other assets, other liabilities, fixed term deposits and borrowings cannot be calculated with sufficient reliability due to the absence of a current and active market for these assets and liabilities and reliable data regarding market rates for similar instruments.

35.2 The Bank's policy is to recognise transfers into and out of the different fair value hierarchy levels at the date the event or change in circumstances that caused the transfer occurred. There were no transfers between levels 1 and 2 during the year.

35.3 The following table provides an analysis of financial assets that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

(Unaudited)				
September 30, 2020				
	Level 1	Level 2	Level 3	Total
	----- Rupees in '000 -----			
On balance sheet financial instruments				
Financial assets - measured at fair value				
Held-for-trading securities				
Investments				
Federal Government Securities	-	8,225,096	-	8,225,096
Shares	85,364	-	-	85,364
Open end mutual funds	-	216,634	-	216,634
	85,364	8,441,730	-	8,527,094
Available-for-sale securities				
Investments				
Federal Government Securities	-	110,915,522	-	110,915,522
Shares	4,118,676	-	-	4,118,676
Non Government Debt Securities	-	696,874	-	696,874
Foreign Securities	-	3,972,814	-	3,972,814
Open end mutual funds	-	1,147,087	-	1,147,087
	4,118,676	116,732,297	-	120,850,973
Financial assets - disclosed but not measured at fair value				
Investments				
Federal Government Securities	-	36,196,335	-	36,196,335
	4,204,040	161,370,362	-	165,574,402
Non-Financial assets - measured at fair value				
Revalued fixed assets	-	-	3,387,951	3,387,951
Non-banking assets acquired in satisfaction of claims	-	-	1,175,616	1,175,616
	-	-	4,563,567	4,563,567
Off balance sheet financial instruments				
Commitments in respect of:				
Forward foreign exchange contracts				
Purchase	-	24,085,306	-	24,085,306
Sale	-	11,826,893	-	11,826,893
Derivative instruments				
Forward investments securities				
Sale	90,086	-	-	90,086
Interest rate swaps (notional principal)				
Purchase	-	1,519,596	-	1,519,596
Sale	-	1,526,450	-	1,526,450
Options				
Purchase	-	2,038,193	-	2,038,193
Sale	-	30,498,492	-	30,498,492

(Audited)
December 31, 2019**On balance sheet financial instruments****Financial assets - measured at fair value****Held-for-trading securities**

Investments

Federal Government Securities

Shares

Open end mutual funds

Level 1	Level 2	Level 3	Total
----- Rupees in '000 -----			
-	55,598,469	-	55,598,469
487,185	-	-	487,185
-	455,902	-	455,902
487,185	56,054,371	-	56,541,556

Available-for-sale securities

Investments

Federal Government Securities

Shares

Non Government Debt Securities

Open end mutual funds

-	47,019,374	-	47,019,374
1,993,246	-	-	1,993,246
-	776,975	-	776,975
-	1,222,869	-	1,222,869
1,993,246	49,019,218	-	51,012,464

Financial assets - disclosed but not measured at fair value

Investments

Federal Government Securities

-	31,341,410	-	31,341,410
2,480,431	136,414,999	-	138,895,430

Non-Financial assets - measured at fair value

Revalued fixed assets

Non-banking assets acquired in satisfaction of claims

-	-	3,797,180	3,797,180
-	-	1,182,425	1,182,425
-	-	4,979,605	4,979,605

Off balance sheet financial instruments**Commitments in respect of:****Forward foreign exchange contracts**

Purchase

Sale

-	32,885,546	-	32,885,546
-	21,722,741	-	21,722,741

Derivative instruments**Forward investments securities**

Purchase

Sale

-	499,818	-	499,818
-	493,193	-	493,193

Interest rate swaps (notional principal)

Purchase

Sale

-	1,474,016	-	1,474,016
-	2,738,661	-	2,738,661

Options

Purchase

Sale

-	1,024,638	-	1,024,638
-	1,030,868	-	1,030,868

36. SEGMENT INFORMATION

Segment Details with respect to Business Activities:

	Corporate finance	Trading and sales	Retail banking	Commercial banking	Brokerage	Asset management	Others	Total
September 30, 2020 (Unaudited)	----- Rupees in '000 -----							
Profit & Loss								
Net mark-up / return / profit	(1,139,698)	(760,734)	7,749,740	2,612,379	30,190	(13,682)	(1,090,479)	7,387,716
Inter segment revenue - net	(3,937)	(1,157,607)	297,766	1,451,531	-	-	(587,755)	-
Non mark-up / return / interest income	72,352	1,614,792	1,909,646	878,710	526,549	156,974	(30,916)	5,128,108
Total Income	(1,071,283)	(303,548)	9,957,152	4,942,620	556,739	143,292	(1,709,149)	12,515,824
Segment direct expenses	27,909	104,154	4,116,640	493,602	402,645	257,498	4,590,043	9,992,491
Inter segment expense allocation	100,217	238,357	2,933,936	980,238	-	-	(4,252,748)	-
Total expenses	128,126	342,511	7,050,576	1,473,840	402,645	257,498	337,295	9,992,491
Provisions	3,020	-	139,818	121,522	-	(26,023)	193,431	431,767
Profit before tax	(1,202,428)	(646,058)	2,766,758	3,347,259	154,094	(88,183)	(2,239,876)	2,091,566
September 30, 2020 (Unaudited)								
Balance Sheet								
Cash & Bank balances	-	-	31,810,622	2,395,244	68,936	3,363	-	34,278,165
Investments	2,255,377	156,820,985	-	7,383,160	234,690	1,591,523	-	168,285,734
Net inter segment lending	-	-	97,261,954	60,855,810	-	-	22,010,463	180,128,227
Lendings to financial institutions	-	8,655,689	-	124,277	-	-	-	8,779,966
Advances - performing	626	-	45,807,087	188,204,309	329,693	(36,284)	-	234,305,431
Advances - non-performing	-	-	5,917,962	5,719,385	-	-	-	11,637,347
Advances - (provisions) / reversals - net	-	-	(1,410,657)	(2,386,639)	-	-	-	(3,797,296)
	626	-	50,314,392	191,537,055	329,693	(36,284)	-	242,145,482
Others	-	-	-	-	1,792,793	693,720	24,766,136	27,252,649
Total Assets	2,256,003	165,476,674	179,386,968	262,295,545	2,426,112	2,252,322	46,776,599	660,870,223
Borrowings	-	15,473,176	-	18,843,703	-	-	-	34,316,879
Subordinated debt	-	-	-	-	-	-	7,494,800	7,494,800
Deposits & other accounts	1,835	-	152,882,548	237,104,156	-	-	-	389,988,538
Net inter segment borrowing	2,254,168	151,930,105	21,850,336	4,093,618	-	-	-	180,128,227
Others	-	49,502	4,654,085	289,981	1,986,349	451,025	19,238,639	26,669,581
Total Liabilities	2,256,003	167,452,783	179,386,968	260,331,458	1,986,349	451,025	26,733,439	638,598,025
Equity	-	-	-	-	-	-	21,759,221	21,759,221
Non-controlling interest	-	-	-	-	-	-	512,977	512,977
Total Equity & Liabilities	2,256,003	167,452,783	179,386,968	260,331,458	1,986,349	451,025	49,005,637	660,870,223
Contingencies & Commitments	-	73,044,870	53,661,938	21,733,308	729,514	-	160,100	149,329,730

	Corporate finance	Trading and sales	Retail banking	Commercial banking	Brokerage	Asset management	Others	Total
September 30, 2019 (Unaudited)	Rupees in '000							
Profit & Loss								
Net mark-up / return / profit	-	2,843,999	(5,201,665)	7,643,120	138,986	(8,899)	-	5,415,541
Inter segment revenue - net	-	(8,317,572)	13,505,984	(5,188,412)	-	-	-	-
Non mark-up / return / interest income	51,341	209,081	1,269,374	710,484	310,840	200,546	93,252	2,844,918
Total Income	51,341	(5,264,492)	9,573,693	3,165,192	449,826	191,647	93,252	8,260,459
Segment direct expenses	81,067	100,284	4,460,064	553,272	425,999	330,692	198,404	6,149,782
Inter segment expense allocation	-	233,822	1,329,587	946,962	(1,297)	(2,945)	-	2,506,129
Total expenses	81,067	334,106	5,789,651	1,500,234	424,702	327,747	198,404	8,655,911
Provisions	-	115,553	152,159	233,783	327	-	-	501,822
Profit before tax	(29,726)	(5,714,151)	3,631,883	1,431,175	24,797	(136,100)	(105,152)	(897,274)
December 31, 2019 (Audited)								
Balance Sheet								
Cash & Bank balances	-	17,153,412	8,898,772	-	11,141	3,150	-	26,066,475
Investments	-	140,656,932	-	-	626,350	1,841,341	-	143,124,623
Net inter segment lending	-	-	202,362,517	-	-	-	8,089,077	210,451,594
Lendings to financial institutions	-	30,320,540	-	-	-	-	-	30,320,540
Advances - performing	-	-	94,201,743	141,898,229	336,821	3,978	-	236,440,771
Advances - non-performing	-	-	3,508,735	6,844,429	-	-	-	10,353,164
Advances - (provisions) / reversals - net	-	-	(469,382)	(3,039,245)	-	-	-	(3,508,627)
	-	-	97,241,096	145,703,413	336,821	3,978	-	243,285,308
Others	-	4,831,115	3,925,690	5,017,351	1,933,157	548,024	14,189,285	30,444,622
Total Assets	-	192,961,999	312,428,075	150,720,764	2,907,469	2,396,493	22,278,362	683,693,162
Borrowings	-	36,295,878	7,090,687	11,081,718	-	-	-	54,468,283
Subordinated debt	-	7,494,800	-	-	-	-	-	7,494,800
Deposits & other accounts	-	-	295,347,351	73,196,252	-	-	-	368,543,603
Net inter segment borrowing	-	150,619,213	-	59,832,381	-	-	-	210,451,594
Others	-	513,149	9,990,037	5,364,052	1,858,304	762,518	4,765,510	23,253,570
Total Liabilities	-	194,923,040	312,428,075	149,474,403	1,858,304	762,518	4,765,510	664,211,850
Equity	-	-	-	-	-	-	18,973,041	18,973,041
Non-controlling interest	-	-	-	-	-	-	508,271	508,271
Total Equity & Liabilities	-	194,923,040	312,428,075	149,474,403	1,858,304	762,518	24,246,822	683,693,162
Contingencies & Commitments	-	59,810,338	43,939,275	17,795,589	988,086	-	131,093	122,664,381

[illegible]

	As at September 30, 2020 (Unaudited)					As at December 31, 2019 (Audited)				
	Parent	Directors	Key management personnel	Associates	Other related parties	Parent	Directors	Key management personnel	Associates	Other related parties
	(Rupees in '000)									
Borrowings										
Opening balance	-	-	-	-	-	-	-	-	-	4,800,000
Borrowings during the period / year	-	-	-	-	11,105,705	-	-	-	-	174,209,491
Settled during the period / year	-	-	-	-	(11,105,705)	-	-	-	-	(179,009,491)
Closing balance	-	-	-	-	-	-	-	-	-	-
Deposits and other accounts										
Opening balance	271,648	24,444	59,593	23,104	8,622,201	336,515	24,308	74,950	-	9,656,833
Received during the period / year	4,583,096	295,524	543,849	473,525	114,874,302	4,332,699	160,210	1,437,872	1,023,592	235,460,531
Withdrawn during the period / year	(3,931,313)	(299,434)	(550,772)	(491,577)	(114,012,876)	(4,364,266)	(137,680)	(1,450,123)	(1,042,362)	(236,784,614)
Transfer in / (out) - net	-	2,777	(7,876)	-	1,442,126	(33,300)	(22,394)	(3,106)	41,874	289,451
Closing balance	923,431	23,311	44,794	5,052	10,925,753	271,648	24,444	59,593	23,104	8,622,201
Subordinated debt	-	-	-	-	889,510	-	-	-	-	889,588
Other Liabilities										
Interest / return / mark-up payable on deposits	-	-	80	-	147,060	-	-	114	-	286,949
Interest / return / mark-up payable on subordinated debt	-	-	-	-	35,495	-	-	-	-	2,220
Accrued expenses	-	-	-	-	-	-	-	-	-	-
Trade payable	34,985	-	728	-	880	-	1,306	3,115	-	1,176
Payable to defined benefit plan	-	-	-	-	161,822	-	-	-	-	147,885
Others payable	-	-	-	-	2,268	-	-	-	-	1,464
Represented By										
Share Capital	9,733,073	-	905	-	45,655	9,733,073	17,330	900	-	81,765
Contingencies and Commitments										
Letter of guarantee	-	-	-	-	26,821	-	-	-	-	14,217
Letter of Credit	-	-	-	-	70,072	-	-	-	-	44,368
	For the nine months period ended September 30, 2020 (Unaudited)					For the nine months period ended September 30, 2019 (Unaudited)				
	Parent	Directors	Key management personnel	Associates	Other related parties	Parent	Directors	Key management personnel	Associates	Other related parties
	(Rupees in '000)									
Mark-up / return / interest earned	1,522	1,476	30,954	16,367	165,033	1,912	211	9,269	-	273,743
Fee, commission and brokerage income	6,057	9	2,516	-	340,954	1,303	54	243	-	385,151
Dividend income	-	-	-	-	77,718	-	-	-	-	75,690
Gain / (loss) on sale of securities - Net	-	-	-	-	4,068	-	-	-	-	16,577
Rental income	-	-	-	-	-	-	-	-	-	3,035
Mark-up / return / interest paid	25,586	873	1,095	1,952	626,267	29,605	1,665	2,929	1,829	1,075,822
Preference Dividend Paid	-	-	-	-	-	23,419	161	-	-	38
Remuneration paid	-	60,210	411,158	-	-	-	-	418,828	-	-
Non-executive directors' fee	-	15,090	-	-	-	-	7,000	-	-	675
Net charge for defined contribution plans	-	-	-	-	187,289	-	-	-	-	175,505
Net charge / (reversal) for defined benefit plans	-	-	-	-	161,822	-	-	-	-	115,816
Donation	-	-	-	-	58,919	-	-	-	-	-
Rental expense	-	-	-	-	28,541	-	-	-	-	-
Advisory fee	-	-	-	-	-	-	-	-	-	15,000
Royalty	-	-	-	-	22,500	-	-	-	-	22,500
Other expenses	1,133	-	-	-	13,775	-	-	-	-	2,946
Reimbursement of expenses	6,646	130	-	-	30,598	1,211	622	-	-	-
Payments made during the period										
Insurance premium paid	-	-	-	-	395,254	-	-	-	-	331,262
Insurance claims settled	-	-	-	-	2,793	-	-	-	-	8,036
Defined benefit plans paid	-	-	-	-	151,881	-	-	-	-	102,494

(Unaudited) (Audited)
September 30, December 31,
2020 2019
----- Rupees in '000 -----

38. CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS**38.1 Minimum Capital Requirement (MCR):**

Paid-up capital (net of losses)

10,119,242	10,119,242
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Capital Adequacy Ratio (CAR):

Eligible Common Equity Tier 1 (CET 1) Capital

17,074,233	16,145,623
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Eligible Additional Tier 1 (ADT 1) Capital

2,205,203	2,118,958
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Total Eligible Tier 1 Capital

19,279,436	18,264,581
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Eligible Tier 2 Capital

5,759,168	4,965,069
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Total Eligible Capital (Tier 1 + Tier 2)

25,038,604	23,229,650
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Risk Weighted Assets (RWAs):

Credit Risk

160,428,962	142,862,324
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Market Risk

3,327,404	4,219,399
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Operational Risk

22,096,563	22,096,563
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Total

185,852,929	169,178,286
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Common Equity Tier 1 Capital Adequacy ratio

9.19%	9.54%
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Tier 1 Capital Adequacy Ratio

10.37%	10.80%
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Total Capital Adequacy Ratio

13.47%	13.73%
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38.2 Leverage Ratio (LR):

Eligible Tier-1 Capital

19,279,436	18,264,582
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Total Exposures

569,267,527	544,436,725
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Leverage Ratio

3.39%	3.35%
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38.3 Liquidity Coverage Ratio (LCR):

Total High Quality Liquid Assets

162,259,579	83,221,592
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Total Net Cash Outflow

56,563,273	55,819,412
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Liquidity Coverage Ratio

286.86%	149.09%
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38.4 Net Stable Funding Ratio (NSFR):

Total Available Stable Funding

318,570,091	308,715,925
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Total Required Stable Funding

264,950,620	274,288,642
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Net Stable Funding Ratio

120.24%	112.55%
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39. RECLASSIFICATION

Corresponding figures have been re-arranged and re-classified to reflect more appropriate presentation of events and transactions to enhance comparability with the current period's financial statements, which are as follows:

	Reclassified		Rs. in '000
	From	To	
Statement of financial position	Other liabilities	Other assets	
	Others	Credit card settlement	29,924
	Others	Inter bank fund transfer settlement	(91,642)
	Others	Others	290,068
Cashflow Statement	CASH FLOW FROM OPERATING ACTIVITIES		
	Other liabilities	Other assets	(165,858)

40. GENERAL

40.1 These condensed interim consolidated financial statements have been prepared in accordance with the revised format for financial statements of Banks issued by the SBP through BPRD Circular no. 5 dated March 22, 2019 and related clarifications / modifications.

40.2 The figures in these condensed interim consolidated financial statements have been rounded off to the nearest thousand.

41. DATE OF AUTHORISATION FOR ISSUE

These condensed interim consolidated financial statements were authorized for issue by the Board of Directors of the Holding Company in their meeting held on October 28, 2020.

**President and
Chief Executive Officer**

**Chief Financial
Officer**

Director

Director

Chairman