



**QUARTERLY REPORT
SEPTEMBER 30, 2021 (UN-AUDITED)**

Company Information

Board of Directors

Mr. Kalim-ur-Rahman	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 & Co.
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)
111-654-321
www.jsbl.com

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, 2021.

Economic Review

During the period under review, the infection rate of COVID-19 continued to dissipate, allowing lockdowns to be lifted faster and economies across the globe to start opening up. This also gave rise to the resurgence of pent-up demand that fueled rise in various international commodity prices. The trade deficit of Pakistan widened by 101% during 1QFY22 to USD 11.7 billion as imports grew faster at 65% to USD 18.6 billion against exports which grew 27% to USD 7.0 billion. Rise in imports could be witnessed across the board and the most prominent increase was witnessed in food, fuel and transport segments. This resulted in Current Account deficit of USD 2.3 billion against a surplus of USD 838 million recorded in the corresponding period last year.

The rising Current Account deficit continued to put pressure on PKR, against USD, which lost about 10% of its value from its recent highs, closing at PKR 170.65. Simultaneously, the SBP Monetary Policy Committee met during September 2021 whereby SBP increased policy rate by 25 bps (basis points) to 7.25% to reverse monetary easing cycle to control the rising Current Account deficit and its pressure on exchange rate. The rate hike was initiated after PKR continued to weaken despite SBP's foreign exchange reserves hit an all-time high of USD 20.15 billion from fresh Special Drawing Rights (SDR) allocation of USD 2.75 billion by the IMF. Moreover, the SBP has introduced several policy measures through changes in Prudential Regulations to control the rising automobile demand which increased automobile imports faster than required. In an attempt to commensurate this rate hike, some more policy interventions to control demand of US dollars were introduced at import stage.

Banking Sector Review

The State Bank of Pakistan (SBP) changed its course of Monetary Policy this quarter, moving towards monetary tightening and increasing the Policy Rate by 25 bps to 7.25% as SBP moves towards sustaining economic growth. Meanwhile, banking spreads remained on a downward trajectory, as weighted average banking spreads during 8M2021 have marked a decline of 97 bps YoY, averaging at 4.37%. On the deposits front, the banking sector double-digit growth pace continued at 17% YoY as at 3QCY21, reaching to PKR 19,828 billion. During the same period, Advances growth rate also reached to the double-digit zone at 15% YoY, where Advances touched PKR 9,286 billion with a declining Advances-to-Deposit Ratio (ADR) for the industry at 47%. Non-Performing Loans (NPLs) for the industry remained unchanged at PKR 850 billion at Jun-2021. This also took Infection ratio down by 43 bps to 9.5% as at Jun-2021. Investments, on the other hand, expanded by 27% YoY to PKR 14,097 billion on healthy participation in government paper auctions during the period, where SBP accepted higher bids during this quarter. Accordingly, the Investment-to-Deposit Ratio (IDR) grew by 542 bps YoY to 71%.

Performance Overview

The highlights of the financial results of the Bank for the period ended September 30, 2021 are presented below:

PKR Million		
Financial Position	September 30, 2021	December 31, 2020
Shareholders' Equity	22,067	20,592
Total Deposits	439,085	433,063
Total Assets	558,553	532,168
Advances Net	251,535	250,199
Investments Net	249,673	201,698

Financial Performance	September 30, 2021	September 30, 2020
Net- Mark-up/ Interest Income	9,055	7,301
Non-Markup/ Interest Income	3,721	4,459
Operating Expenses	9,825	9,336
Profit Before (Provision)/ Reversals – Net	2,951	2,423
Profit/ (Loss) Before Tax	1,694	1,965
Profit After Tax	1,006	1,165
Basic & Diluted Earnings Per Share – Rupee	0.78	0.90

The Bank's earnings during the nine months ended September 2021 remained strong despite a challenging operating environment. The Bank reported a profit before tax of PKR 1,694 million (profit after tax of PKR 1,006 million) for the nine months ended September 30, 2021 as compared to a profit before tax of PKR 1,965 million (profit after tax of PKR 1,166 million) in the corresponding period last year. The Earnings Per Share (EPS) stand at PKR 0.78 (September 30, 2020: PKR 0.90).

On the revenue side, the Bank reported net interest income (NII) of PKR 9,055 million, 24% higher than the corresponding period last year. Non-markup income (NFI) stood at PKR 3,721 million, decline by 16.5%, due to a sharp reduction in capital gain by PKR 905 million from the corresponding period last year. Major contribution in NFI was from fee & commission income of PKR 2,413 million, dividend income of PKR 428 million and FX income of PKR 841 million.

Operating expenses were PKR 9,825 million compared to PKR 9,336 million for the corresponding period last year, up by 5.2%. The cost to income ratio of the Bank improved to 76.9% as compared to 79.4% during the corresponding period last year.

During the period under review, the Bank's deposits and advances have continued to show stable position. The Bank reported total deposits of PKR 439 billion with current account deposits of over PKR 123 billion during the nine months ended September 30, 2021. In terms of advances, gross advances were reported at PKR 257 billion and gross advances to deposits ratio stood at 58.6%.

At the close of the nine months ended September 30, 2021, the Bank remains satisfactorily capitalized with CAR (Capital Adequacy Ratio) at 13.1%.

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 281 branches 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 1,855 million (profit after tax of PKR 1,057 million) for the nine months ended September 30, 2021 as compared to profit before tax of PKR 2,091 million (profit after tax of PKR 1,100 million) in the corresponding period last year.

The earnings per share are PKR 0.79 for the nine months ended September 30, 2021 and the Group remains satisfactorily capitalized with CAR at 13.9%.

Recognition

In 2021, 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 2021 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 also wish to thank our 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 27, 2021

ڈائریکٹر ز رپورٹ:

ہم انتہائی مسرت کے ساتھ ہے ایس بینک لمیٹڈ (جے ایس بی ایل) کے مالیاتی بیانات کا جائزہ، بشمول 30 ستمبر 2021 کو ختم ہونے والی 9 ماہ کی مدت کے مستحکم مالی بیانات کا جائزہ پیش کر رہے ہیں۔

معیشت:

زیر جائزہ مدت کے دوران کوویڈ-19 کی انفیکشن کی شرح بتدریج کم ہوئی جس سے لاک ڈاؤن میں نرمی آئی گئی اور نتیجتاً نیا بھر میں ایک بار پھر معاشی سرگرمیوں بڑھنے لگی ہیں۔ جس سے طلب میں اضافے کے ساتھ ساتھ متعدد بین الاقوامی اشیاء کی قیمتوں میں اضافہ بھی دیکھنے میں آیا ہے۔ پاکستان کا تجارتی خسارہ مالی سال 22 کی پہلی سہ ماہی کے دوران 101 فیصد سے بڑھ کر 117.7 ارب ڈالر تک پہنچ گیا کیونکہ 65 فیصد اضافے کے ساتھ 18.6 ارب ڈالر کی درآمدات کے مقابلے میں برآمدات میں صرف 27 فیصد کے ساتھ 7.0 ارب ڈالر کا اضافہ ہوا۔ مجموعی طور پر درآمدات میں اضافہ دیکھا جاسکتا ہے اور سب سے نمایاں اضافہ خوراک، ایندھن اور ٹرانسپورٹ کے شعبے میں دیکھا گیا۔ اس کے نتیجے میں کرنٹ اکاؤنٹ خسارہ 3-2 ارب ڈالر رہا ہے جبکہ گزشتہ سال اسی مدت میں 838 ملین ڈالر کا سرپلس ریکارڈ کیا گیا تھا۔

کرنٹ اکاؤنٹ کے بڑھتے ہوئے خسارے کی وجہ سے پاکستانی روپے پر دباؤ بڑھتا گیا جس کی وجہ سے روپے کی قدر میں 10 فیصد مزید کمی ہوئی اور ڈالر کے مقابلے میں پاکستانی روپیہ 170.65 پر بند ہوا۔ اسی دوران، ستمبر 2021 میں مالیاتی پالیسی کمیٹی کا اجلاس ہوا جہاں اسٹیٹ بینک نے بڑھتے ہوئے کرنٹ اکاؤنٹ خسارے اور شرح تبادلہ پر اس کے دباؤ کو کنٹرول کرنے کے لئے مانیٹری ایڈجسٹمنٹس کو ریورس کر کے پالیسی کی شرح میں 25 بی پی ایس (بیس پوائنٹس) کا اضافہ کر کے 2.25 فیصد کر دیا۔ شرح میں اضافہ اس وقت شروع کیا گیا جب اسٹیٹ بینک کے زرمبادلہ کے ذخائر آئی ایم ایف کی جانب سے 2.75 ارب ڈالر کے تازہ پینشل ڈرائنگ رائٹس (ایس ڈی آر) مختص کرنے سے 20.15 ارب ڈالر کی بلند ترین سطح پر پہنچنے کے باوجود پاکستانی روپیہ کمزور ہوتا رہا۔ مزید برآں، آٹوموبائل کی درآمدات میں ضرورت سے زیادہ تیزی سے اضافے کو قابو کرنے کیلئے اسٹیٹ بینک نے آٹوموبائل درآمد کے لئے متعدد پالیسی اقدامات متعارف کرائے ہیں۔ اس شرح اضافے کو موافق بنانے کی کوشش میں درآمدی مرحلے پر امریکی ڈالر کی طلب کو کنٹرول کرنے کے لئے کچھ اور پالیسیاں متعارف کرائی گئیں۔

شعبہ بینکاری کا جائزہ:

اسٹیٹ بینک آف پاکستان (اسٹیٹ بینک) نے رواں سہ ماہی میں مالیاتی پالیسی میں تبدیلیاں کرتے ہوئے مالیاتی سختی (مانیٹری ٹائیٹنینگ) کی جانب پیش قدمی کی اور اسٹیٹ بینک کی جانب سے معاشی ترقی کو برقرار رکھنے کیلئے پالیسی ریٹ میں 25 بی پی ایس کے ساتھ 7.25 فیصد تک اضافہ کیا گیا۔ دریں اثنا بینکنگ کے پھیلاؤ میں گراؤ کا رجحان رہا، کیونکہ 8 اگست 2021 کے دوران ویڈیو رینج بینکنگ پھیلاؤ میں 97 بی پی ایس وائی اووائی (ایئر آن ایئر) کی کمی ریکارڈ کی گئی ہے جو اوسط 4.37 فیصد ہے۔ ڈپازٹ فرنٹ پر بینکنگ سیکٹر کی ڈبل ڈیجیٹ گروتھ کی رفتار کیلنڈر ایئر 2021 کی تیسری سہ ماہی کے برابر 17 فیصد وائی اووائی (ایئر آن ایئر) پر جاری رہی جو 19,828 ارب روپے تک پہنچ گئی۔ اسی عرصے کے دوران ایڈوانسز کی شرح نموبھی 15 فیصد وائی اووائی (ایئر آن ایئر) پر ڈبل ڈیجیٹ زون تک پہنچ گئی جہاں ایڈوانسز نے صنعت کے لئے ایڈوانس ٹوڈ پازٹ ریشو (ایڈوانس ٹوڈ پازٹ ریشو) میں 47 فیصد کمی کے ساتھ 9,286 ارب روپے کی حد کو چھوا۔ جون 2021 میں صنعت کے لئے غیر فعال قرضے (این پی ایل) 850 ارب روپے پر برقرار رہے۔ اس سے انفیکشن کا تناسب بھی جون 2021 کے مطابق 43 بی پی ایس کم ہو کر 9.5 فیصد رہ گیا۔ دوسری جانب اس عرصے کے دوران سرکاری کاغذی نیلامی میں صحت مند شرکت پر سرمایہ کاری 27 فیصد وائی اووائی (ایئر آن ایئر) اضافے کے ساتھ 14,097 ارب روپے ہو گئی جہاں اسٹیٹ بینک نے اس سہ ماہی کے دوران بڑی بولیاں قبول کیں۔ اس لحاظ سے انویسٹمنٹ ٹوڈ پازٹ ریشو (آئی ڈی آر) میں 542 بی پی ایس وائی اووائی (ایئر آن ایئر) کا اضافہ ہوا اور یہ 71 فیصد تک پہنچ گیا۔

کارکردگی کا جائزہ:

30 ستمبر 2021 کو ختم ہونے والی مدت کے لئے بینک کے مالی نتائج کی جھلکیاں درج ذیل میں پیش کی گئی ہیں:

(ملین روپے)		
فنانس پوزیشن	30 ستمبر 2021	31 دسمبر 2020
شیئرز ہولڈرز ایکویٹی	22,076	20,592
کل ڈپازٹس	439,085	433,063
کل اثاثے	558,553	532,168
نیٹ ایڈوانسز	251,535	250,199
نیٹ انویسٹمنٹس	249,673	201,698

مالیاتی کارکردگی	30 ستمبر 2021	30 ستمبر 2020
نیٹ - مارک اپ / انٹرسٹ انکم	9,055	7,301
نان مارک اپ / انٹرسٹ انکم	3,721	4,459
آپریٹنگ اخراجات	9,825	9,336
منافع قبل از پروویژن / نیٹ ریورسلز	2,951	2,423
قبل از ٹیکس منافع / نقصان	1,694	1,965
منافع بعد از ٹیکس	1,006	1,165
بنیادی / ڈائی لیونڈ آمدنی فی شیئر - روپے	0.78	0.90

2021 میں ختم ہونے والے نو ماہ کے دوران بینک کی آمدنی ایک چیلنجنگ آپریٹنگ ماحول کے باوجود مضبوط رہی۔ بینک نے 30 ستمبر 2021 کو ختم ہونے والے نو ماہ کے دوران 1,694 ملین روپے کا قبل از ٹیکس منافع رپورٹ کیا (1,006 ملین روپے کا بعد از ٹیکس منافع) جبکہ گزشتہ سال اسی مدت میں 1,965 ملین روپے کا قبل از ٹیکس منافع ہوا تھا (1,166 ملین روپے کا بعد از ٹیکس منافع)۔ فی شیئر آمدنی (ای پی ایس) 0.78 روپے (30 ستمبر 2020: 0.90 روپے) پر قائم ہے۔

ریونیو / وصولیوں کی سائیز پر بینک نے 9,055 ملین روپے کی نیٹ انٹرسٹ انکم رپورٹ کی جو گزشتہ سال کی اسی مدت سے 24 فیصد زیادہ ہے۔ نان مارک اپ انکم 3,721 ملین روپے رہی جو گزشتہ سال اسی مدت سے 16.5 فیصد کم ہے جس کی وجہ کمیٹیٹل گین میں 905 ملین روپے کی کمی ہے۔ نان مارک اپ انکم میں فیس اور کمیشن سے حاصل کردہ 2,413 ملین روپے، ڈیویڈنڈ انکم 428 ملین روپے اور 841 ملین روپے کی ایف ایکس انکم کا اہم کردار رہا۔

گزشتہ سال کی اسی مدت کے دوران 9,336 ملین روپے کے مقابلے میں آپریٹنگ اخراجات 9,825 ملین روپے رہے جو 5.2 فیصد زیادہ ہیں۔ بینک کے اخراجات کی نسبت آمدنی کا تناسب (کاسٹ ٹو انکم ریشو) گزشتہ سال کی اسی مدت کے دوران 79.4 فیصد کے مقابلے میں بہتر ہو کر 76.9 فیصد تک رہا۔

زیر جائزہ مدت کے دوران بینک کے ڈپازٹس اور ایڈوانسز میں استحکام برقرار رہا۔ بینک نے 30 ستمبر 2021 کو ختم ہونے والے نو ماہ کے دوران 123 ارب روپے سے زائد کے کرنٹ اکاؤنٹ ڈپازٹس سمیت 439 ارب روپے کے کل ڈپازٹس رپورٹ کئے۔ ایڈوانسز کی مد میں گروس ایڈوانسز 257 ارب روپے رپورٹ کئے گئے اور گروس ایڈوانسز ٹو ڈپازٹ ریشو 58.6 فیصد رہی۔

30 ستمبر 2021 کو ختم ہونے والے 9 ماہ کے اختتام پر 13.1 فیصد CAR کے ساتھ بینک کے کمیٹیٹل کی صورت حال اطمینان بخش رہی۔

قومی مالیاتی صنعت کے اندر بے ایس بینک ترقی کے محرک کے طور پر کام کرنے کے اپنا بھرپور کردار ادا کر رہا ہے۔ ترقی کے اس سفر میں بے ایس بینک اپنے صارفین کو جدید اور ویبویڈ ڈیجیٹل مالیاتی مصنوعات اور خدمات کی فراہمی کے ذریعے ان کی زندگی میں آسانیاں لانے کیلئے کوشاں ہے۔

بے ایس بینک بحرین کے شہر منامہ میں ہول سیل بینکنگ برانچ سمیت پاکستان بھر میں 281 شاخوں میں آپریٹ کر رہا ہے۔

مستحکم مالیاتی تفصیلات:

مستحکم مالیاتی تفصیلات میں گروپ نے 30 ستمبر 2021 کو ختم ہونے والے نو ماہ کے دوران 1,855 ملین روپے کا قبل از ٹیکس منافع کمایا (1,057 ملین روپے کا منافع بعد از ٹیکس)، جبکہ گزشتہ سال اسی مدت میں 2,091 ملین روپے کا قبل از ٹیکس منافع حاصل کیا تھا (1,100 ملین روپے کا منافع بعد از ٹیکس)۔

30 ستمبر 2021 کو ختم ہونے والے 9 ماہ کے اختتام پر فی ٹکسیر آمدنی 0.79 روپے رہی اور 13.9 فیصد CAR کے ساتھ بینک کے کمیٹیٹل کی صورت حال اطمینان بخش رہی۔

ایوارڈز:

2021 میں بینک کو قومی اور بین الاقوامی سطح پر بہترین خدمات کیلئے پُر عزم بینک کے طور پر تسلیم کیا گیا۔ سال 2021 کے دوران ہمیں جو باوقار ایوارڈ ملے ان میں شامل ہیں:

- ایشیائی ایوارڈ - ایس ایم ایز کے لئے بہترین بینک - پاکستان

- ایشیائی ایوارڈ - سی ایس آر کے لئے بہترین بینک - پاکستان

- ایشین بینکنگ فنانس ایوارڈز 2020 - ایس ایم ای بینک آف دی ایئر - پاکستان

- سرٹیفکیٹ آف میرٹ - آئی سی اے پی / آئی سی ایم اے کی طرف سے بہترین کارپوریٹ رپورٹ ایوارڈ 2019

کریڈٹ ریٹنگ:

پاکستان کریڈٹ ریٹنگ ایجنسی لمیٹڈ (PACRA) نے بینک کو "AA" (ڈبل اے مائنس) کی طویل مدتی ریٹنگ اور قلیل المدتی ریٹنگ میں "A1+" (اے ون پلس) تفویض کی ہے جو اپنی کیٹیگری میں سب سے اعلیٰ درجے کی ریٹنگ ہے۔

اعتراف:

بے 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، سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان، اور دیگر ریگولیٹری اداروں کا بینک کو تعاون فراہم کرنے کیلئے بھی ممنون ہیں۔ ہم اپنی انتظامی ٹیم، اور عملہ کو محنت، بہترین کارکردگی اور ان کی کامیابی کے حصول کیلئے انتھک محنت کی حوصلہ افزائی کرتے ہیں۔

منجانب بورڈ

کلیم الرحمن

چیرمین

ناصر شمس

پریزیڈنٹ اور سی ای او

کراچی: 27 اکتوبر 2021



Condensed Interim
Unconsolidated Financial Statements
for the Nine Months Period Ended September 30, 2021

JS BANK LIMITED
CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2021

		(Un-audited) September 30, 2021	(Audited) December 31, 2020
	Note	----- Rupees in '000 -----	
ASSETS			
Cash and balances with treasury banks	6	27,240,520	30,421,231
Balances with other banks	7	574,308	1,105,969
Lendings to financial institutions	8	3,000,000	23,239,672
Investments	9	249,673,097	201,698,473
Advances	10	251,535,015	250,199,166
Fixed assets	11	8,495,035	7,599,538
Intangible assets	12	2,860,798	2,486,725
Deferred tax assets		-	-
Other assets	13	14,434,734	14,678,428
Non-current assets held for sale	11.3	739,200	739,200
		558,552,707	532,168,402
LIABILITIES			
Bills payable	14	7,677,003	4,981,983
Borrowings	15	63,990,811	48,303,412
Deposits and other accounts	16	439,084,732	433,062,593
Liabilities against assets subject to finance lease		-	-
Subordinated debt	17	7,491,800	7,492,800
Deferred tax liabilities	18	2,107,625	1,194,252
Other liabilities	19	16,133,604	16,541,154
		536,485,575	511,576,194
NET ASSETS		22,067,132	20,592,208
REPRESENTED BY			
Share capital - net		10,119,242	10,119,242
Reserves		2,243,846	1,991,170
Surplus on revaluation of assets	20	2,739,735	2,334,123
Unappropriated profit		6,964,309	6,147,673
		22,067,132	20,592,208
CONTINGENCIES AND COMMITMENTS			
	21		

The annexed notes from 1 to 40 form an integral part of these condensed interim unconsolidated financial statements.

**President and
Chief Executive Officer**

Chief Financial Officer

Director

Director

Chairman

JS BANK LIMITED
CONDENSED INTERIM UNCONSOLIDATED PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2021

		Quarter Ended		Nine months period ended	
		September 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020
Note		Rupees in '000			
Mark-up / return / interest earned	23	10,044,698	9,536,135	28,890,545	33,885,978
Mark-up / return / interest expensed	24	6,839,069	7,385,431	19,836,034	26,584,840
Net mark-up / interest income		3,205,629	2,150,704	9,054,511	7,301,138
NON MARK-UP / INTEREST INCOME					
Fee and commission income	25	829,199	925,958	2,412,869	2,687,435
Dividend income		266,016	9,968	428,072	64,415
Foreign Exchange Income		305,163	383,243	841,127	735,166
Income from derivatives		18,643	8,267	24,181	27,005
Gain on securities	26	12,027	133,835	12,691	917,987
Other income	27	1,062	21,660	1,921	26,546
Total non mark-up / interest income		1,432,110	1,482,931	3,720,861	4,458,554
Total Income		4,637,739	3,633,635	12,775,372	11,759,692
NON MARK-UP / INTEREST EXPENSES					
Operating expenses	28	3,458,144	3,124,695	9,790,450	9,246,166
Workers' welfare fund	29	14,124	4,026	33,887	15,723
Other charges	30	-	20	202	74,607
Total non-mark-up / interest expenses		3,472,268	3,128,741	9,824,539	9,336,496
Profit before provisions		1,165,471	504,894	2,950,833	2,423,196
Provisions and write offs - net	31	459,253	11,583	1,256,487	457,790
Extraordinary / unusual items		-	-	-	-
PROFIT BEFORE TAXATION		706,218	493,311	1,694,346	1,965,406
Taxation	32	270,243	184,146	688,375	799,915
PROFIT AFTER TAXATION		435,975	309,165	1,005,971	1,165,491
Rupee					
Basic and diluted earnings per share	33	0.34	0.24	0.78	0.90

The annexed notes from 1 to 40 form an integral part of these condensed interim unconsolidated financial statements.

President and
Chief Executive Officer

Chief Financial Officer

Director

Director

Chairman

JS BANK LIMITED
CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2021

	Quarter Ended		Nine months period ended	
	September 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020
	----- Rupees in '000 -----			
Profit after taxation for the period	435,975	309,165	1,005,971	1,165,491
Other comprehensive income				
Items that may be reclassified to profit and loss account in subsequent periods:				
Effect of translation of net investment in foreign branch	58,933	(7,895)	51,482	29,537
Movement in surplus on revaluation of investments - net of tax	(293,142)	(498,082)	676,669	1,474,084
Movement in general provision under IFRS 9 - net of tax	(4,183)	15,155	14,021	40,786
	(297,325)	(482,927)	690,690	1,514,870
	(238,392)	(490,822)	742,172	1,544,407
	197,583	(181,657)	1,748,143	2,709,898
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	-	-	(224,557)	-
Movement in surplus on revaluation of non-banking assets - net of tax	-	-	(48,662)	-
	-	-	(273,219)	-
Total comprehensive income	197,583	(181,657)	1,474,924	2,709,898

The annexed notes from 1 to 40 form an integral part of these condensed interim unconsolidated 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, 2021

	Share capital	Statutory reserve *	Capital reserve exchange translation	Surplus / (deficit) on revaluation of			Unappropriated profit	Total
				Investments	Fixed Assets	Non Banking Assets		
Rupees in '000								
Balance as at January 01, 2020	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	-
Non-current assets held for sale	-	-	-	-	(92,126)	-	92,126	-
Balance as at September 30, 2020 - un-audited	10,119,242	1,879,266	133,042	998,101	956,429	92,715	5,864,358	20,043,153
Total comprehensive income for the period ended December 31, 2020 - un-audited								
Loss after taxation	-	-	-	-	-	-	(15,431)	(15,431)
Other comprehensive (loss) / income - net of tax	-	-	(18,052)	253,160	-	38,398	290,980	564,486
	-	-	(18,052)	253,160	-	38,398	275,549	549,055
Transfer to statutory reserve	-	(3,086)	-	-	-	-	3,086	-
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax								
Fixed assets	-	-	-	-	(4,647)	-	4,647	-
Non-banking assets acquired in satisfaction of claims	-	-	-	-	-	(33)	33	-
Balance as at December 31, 2020 - audited	10,119,242	1,876,180	114,990	1,251,261	951,782	131,080	6,147,673	20,592,208
Total comprehensive income for the nine months period ended September 30, 2020 - un-audited								
Profit after taxation	-	-	-	-	-	-	1,005,971	1,005,971
Other comprehensive income / (loss) - net of tax	-	-	51,482	690,690	(224,557)	(48,662)	-	468,953
	-	-	51,482	690,690	(224,557)	(48,662)	1,005,971	1,474,924
Transfer to statutory reserve	-	201,194	-	-	-	-	(201,194)	-
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax								
Fixed assets	-	-	-	-	(11,814)	-	11,814	-
Non-banking assets acquired in satisfaction of claims	-	-	-	-	-	(45)	45	-
Balance as at September 30, 2021 - un-audited	10,119,242	2,077,374	166,472	1,941,951	715,411	82,373	6,964,309	22,067,132

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

The annexed notes from 1 to 40 form an integral part of these condensed interim unconsolidated 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, 2021

		September 30, 2021	September 30, 2020
		----- Rupees in '000 -----	
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before taxation		1,694,346	1,965,406
Less: Dividend income		(428,072)	(64,415)
		1,266,274	1,900,991
Adjustments:			
Depreciation		555,850	517,399
Depreciation on non-banking assets	28	6,433	6,808
Depreciation - Right of use assets	28	665,353	717,149
Amortisation of intangible assets	28	97,706	82,977
Mark-up / return / interest expense on lease liability against right-of-use assets	24	281,382	345,903
Charge for defined benefit plan		167,619	161,822
Unrealised gain on revaluation of investments classified as held-for-trading - net	26	44	93
Unrealised gain on revaluation of derivative instruments - net		(12,817)	(23,936)
Unrealised gain on revaluation of forward foreign exchange contracts		(563,341)	(3,349)
Provisions and write offs - net	31	1,256,487	457,790
Provision for workers' welfare fund	29	33,887	15,723
Loss on sale of fixed assets - net	27	3,913	11,919
Gain on sale of assets held for sale	27	-	(1,000)
Gain on termination of leases	27	(5,834)	(32,755)
		2,486,682	2,256,543
		3,752,956	4,157,534
Decrease / (increase) in operating assets			
Lendings to financial institutions		20,240,897	21,541,836
Held-for-trading securities		23,581,890	47,373,280
Advances		(2,885,198)	803,767
Other assets (excluding advance taxation)		1,192,854	1,946,131
		42,130,443	71,665,014
Increase / (decrease) in operating liabilities			
Bills payable		2,695,020	536,965
Borrowings		14,782,825	(20,151,404)
Deposits		6,022,139	22,162,661
Other liabilities		(1,197,119)	1,985,808
		22,302,865	4,534,030
		68,186,264	80,356,578
Gratuity paid		-	(151,881)
Income tax paid		(818,338)	(13,773)
		67,367,926	80,190,924
Net cash generated from operating activities			
CASH FLOW FROM INVESTING ACTIVITIES			
Net investments in available-for-sale securities		(64,711,605)	(67,593,127)
Net investments in held-to-maturity securities		(5,281,918)	(3,336,453)
Investment in associated companies		-	(40,828)
Dividends received		427,278	64,415
Investment in fixed assets		(1,240,197)	(508,003)
Investment in intangible assets		(473,427)	(230,488)
Proceeds from sale of fixed assets		49,219	4,880
Proceeds from sale of assets held for sale		-	375,000
Effect of translation of net investment in foreign branch		51,482	29,537
Net cash used in investing activities		(71,179,168)	(71,235,067)
CASH FLOWS FROM FINANCING ACTIVITIES			
Payment of lease liability against right of use assets		(804,709)	(802,153)
Repayment of subordinated debt		(1,000)	-
Net cash used in financing activities		(805,709)	(802,153)
(Decrease) / increase in cash and cash equivalents		(4,616,951)	8,153,704
Cash and cash equivalents at beginning of the period		31,384,080	25,482,139
Cash and cash equivalents at end of the period	34	26,767,129	33,635,843

The annexed notes from 1 to 40 form an integral part of these condensed interim unconsolidated financial statements.

**President and
Chief Executive Officer**

Chief Financial Officer

Director

Director

Chairman

JS BANK LIMITED
NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2021

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 281 (December 31, 2020: 307) branches / sub-branches in Pakistan and one wholesale banking branch in Bahrain (December 31, 2020: 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 Global Capital Limited (JSGCL) and JS Investments Limited(JSIL).

- 1.3.1** JS ABAMCO Commodities Limited (JSACL) did not intend to carry on the business of Futures Broker, therefore, the directors of JSIL were desirous of merging JSACL with and into JSIL. The Scheme of Arrangement under Section 284 of the Companies Act, 2017, for merger or amalgamation (the Scheme) of JSACL with and into JSIL, was approved by SECP under Rule 7(2) (cb) of Non-Banking Finance Companies (Establishment and Regulations) Rules 2003 vide its letter dated January 13, 2021. The Board of Directors of JSACL in their meeting held on February 19, 2021 has approved the Scheme with effect from March 31, 2021. Subsequently, the Scheme under section 284(2) of the Companies Act, 2017, submitted with Companies Registration Office, along with Form-35, which was approved dated June 24, 2021. Therefore, with effect from March 31, 2021, JSACL is merged with JS Investments Limited and is no more an indirect subsidiary of the Bank.

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.

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, 2020.

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.

The applicability of the IFRS 9 'Financial Instruments' for all companies was deferred by SECP through its S.R.O. 229 (I)/2019 dated February 14, 2019. Under this standard all companies were required to prepare their financial statements in accordance with the requirements of IFRS 9 for reporting period / year ending on or after June 30, 2019 (earlier application was also permitted). However, State Bank of Pakistan (SBP) has extended the effective date of applicability of IFRS 9 on or after January 01, 2022 through its BPRD Circular No. 24 dated July 05, 2021.

The guidelines and instructions on the application of IFRS 9 for the banking sector of Pakistan has not been issued by the State Bank of Pakistan (SBP), therefore, the Bank has not considered the impact of IFRS 9 for its domestic operations in these condensed interim unconsolidated financial statements. The Bank has continued to fulfil the requirements of Prudential Regulations and other SBP directives currently provide the accounting framework for the measurement and valuation of assets and provision/ impairment against non-performing assets.

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 of and amendments that are mandatory for the Bank's accounting periods beginning on or after January 01, 2021 but are considered not to be relevant or do not have any significant effect on the Bank's operations.

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

As per State Bank of Pakistan (SBP) BPRD circular letter no. 24 of 2021, IFRS 9 'Financial Instruments' is applicable to banks effective January 01, 2022. please refer note 2.1 above.

There are various other standards, interpretations and amendments to accounting and reporting standards as applicable in Pakistan that are not effective in the current period. These are not likely to have material effect on the Bank's financial statements.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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 annual unconsolidated financial statements for the year ended December 31, 2020.

4. 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 annual unconsolidated financial statements for the year ended December 31, 2020.

5. FINANCIAL RISK MANAGEMENT

The financial risk management objectives and policies adopted by the Bank are consistent with those disclosed in the annual unconsolidated financial statements for the year ended December 31, 2020.

		(Un-audited) September 30, 2021	(Audited) December 31, 2020
	Note	----- Rupees in '000 -----	
6. CASH AND BALANCES WITH TREASURY BANKS			
In hand			
Local currency		10,348,307	6,337,089
Foreign currencies		919,784	1,301,503
		11,268,091	7,638,592
With State Bank of Pakistan in:			
Local currency current account		11,722,240	16,268,165
Foreign currency current account - non remunerative		1,011,146	1,086,874
Foreign currency deposit account - remunerative		2,122,277	2,261,337
		14,855,663	19,616,376
With National Bank of Pakistan in:			
Local currency current accounts		991,166	2,609,635
National Prize Bonds		125,600	556,628
		27,240,520	30,421,231
7. BALANCES WITH OTHER BANKS			
In Pakistan			
In current accounts		122,528	125,677
In deposit accounts		73	73
		122,601	125,750
Outside Pakistan			
In current accounts		452,152	980,669
		574,753	1,106,419
Less: General provision under IFRS 9	7.1	(445)	(450)
Balances with other banks - net of provision		574,308	1,105,969
7.1	This represents general provision held under IFRS 9 by Bahrain branch of the Bank.		
8. LENDINGS TO FINANCIAL INSTITUTIONS			
Call money lendings		-	2,237,682
Repurchase agreement lendings (Reverse Repo)		3,000,000	21,003,215
		3,000,000	23,240,897
Less: General provision under IFRS 9	8.2	-	(1,225)
Lending to Financial Institutions - net of provision		3,000,000	23,239,672
8.1 Particulars of lendings - gross			
In local currency		3,000,000	21,003,215
In foreign currencies		-	2,237,682
		3,000,000	23,240,897
8.2	This represents general provision held under IFRS 9 by Bahrain branch of the Bank.		

		(Un-audited) September 30, 2021				(Audited) December 31, 2020			
		Cost / Amortised cost	Provision for diminution	Surplus / (Deficit)	Carrying Value	Cost / Amortised cost	Provision for diminution	Surplus / (Deficit)	Carrying Value
9.	INVESTMENTS	Rupees in '000							
9.1	Investments by type								
	Held-for-trading securities								
	Federal Government Securities	1,421,885	-	(44)	1,421,841	25,002,969	-	805	25,003,774
	Available-for-sale securities								
	Federal Government Securities	191,255,249	-	(247,013)	191,008,236	127,308,516	-	97,527	127,406,043
	Shares	1,888,685	(136,589)	3,419,130	5,171,226	2,995,123	(411,955)	1,692,166	4,275,334
	Non Government Debt Securities	2,747,362	(363,878)	762	2,384,246	3,020,950	(370,051)	(1,142)	2,649,757
	Open end mutual funds	725,000	-	11,914	736,914	-	-	-	-
	Foreign Securities	5,498,968	(99,772)	(1,267)	5,397,929	4,079,070	(122,758)	136,466	4,092,778
		202,115,264	(600,239)	3,183,526	204,698,551	137,403,659	(904,764)	1,925,017	138,423,912
	Held-to-maturity securities								
	Federal Government Securities	41,391,517	-	-	41,391,517	36,109,599	-	-	36,109,599
	Associates	242,067	-	-	242,067	242,067	-	-	242,067
	Subsidiaries	1,919,121	-	-	1,919,121	1,919,121	-	-	1,919,121
	Total Investments	247,089,854	(600,239)	3,183,482	249,673,097	200,677,415	(904,764)	1,925,822	201,698,473
		(Un-audited) September 30, 2021				(Audited) December 31, 2020			
		Cost / Amortised cost	Provision for diminution	Surplus / (Deficit)	Carrying Value	Cost / Amortised cost	Provision for diminution	Surplus / (Deficit)	Carrying Value
9.2	Investments by segments:	Rupees in '000							
	Held-for-trading securities								
	Federal Government Securities								
	Market Treasury Bills	1,421,885	-	(44)	1,421,841	25,002,969	-	805	25,003,774
	Available-for-sale securities								
	Federal Government Securities:								
	Market Treasury Bills	133,934,087	-	(192,434)	133,741,653	90,027,949	-	20,041	90,047,990
	Pakistan Investment Bonds	57,321,162	-	(54,579)	57,266,583	37,280,567	-	77,486	37,358,053
		191,255,249	-	(247,013)	191,008,236	127,308,516	-	97,527	127,406,043
	Shares:								
	Listed Companies								
	Ordinary shares	1,741,096	-	3,419,130	5,160,226	2,847,534	(275,366)	1,692,166	4,264,334
	Preference shares	136,589	(136,589)	-	-	136,589	(136,589)	-	-
	Unlisted Companies								
	Ordinary shares	11,000	-	-	11,000	11,000	-	-	11,000
		1,888,685	(136,589)	3,419,130	5,171,226	2,995,123	(411,955)	1,692,166	4,275,334
	Non Government Debt Securities								
	Listed								
	Term Finance Certificates	301,879	(151,867)	363	150,375	305,182	(155,169)	(13)	150,000
	Sukuk Certificates	264,500	-	399	264,899	308,583	-	(1,129)	307,454
	Unlisted								
	Term Finance Certificates	756,846	(212,011)	-	544,835	1,014,348	(214,882)	-	799,466
	Sukuk Certificates	1,328,369	-	-	1,328,369	1,365,104	-	-	1,365,104
	Commercial Paper Certificates	68,035	-	-	68,035	-	-	-	-
	Preference shares	27,733	-	-	27,733	27,733	-	-	27,733
		2,747,362	(363,878)	762	2,384,246	3,020,950	(370,051)	(1,142)	2,649,757
	Open End Mutual Funds	725,000	-	11,914	736,914	-	-	-	-
	Foreign Securities								
	Government Debt Securities *	4,028,450	(85,433)	(18,624)	3,924,393	3,633,601	(120,619)	130,420	3,643,402
	Non Government Debt Securities *	1,440,992	(14,339)	16,095	1,442,748	379,654	(2,139)	(3,628)	373,887
	Ordinary shares	29,526	-	1,262	30,788	65,815	-	9,674	75,489
		5,498,968	(99,772)	(1,267)	5,397,929	4,079,070	(122,758)	136,466	4,092,778
	Held-to-maturity securities								
	Federal Government Securities:								
	Pakistan Investment Bonds	41,391,517	-	-	41,391,517	36,109,599	-	-	36,109,599
	Associates								
	Omar Jibran Engineering Industries Limited	180,000	-	-	180,000	180,000	-	-	180,000
	Veda Transit Solutions (Private) Limited	41,800	-	-	41,800	41,800	-	-	41,800
	Intercity Touring Company (Private) Limited	20,267	-	-	20,267	20,267	-	-	20,267
		242,067	-	-	242,067	242,067	-	-	242,067
	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	247,089,854	(600,239)	3,183,482	249,673,097	200,677,415	(904,764)	1,925,822	201,698,473

* Provision for diminution against foreign debt securities represents expected credit loss provisioning under IFRS 9 on portfolio pertaining to Bahrain Branch.

9.2.1 Included herein are the investments in related parties amounting to Rs. 1,464.379 million (December 31, 2020: Rs. 2,655.879 million) having market value of Rs. 4,809.295 million (December 31, 2020: Rs. 4,135.436 million).

9.2.2 Included herein is the investment of Rs. 62.151 million (December 31, 2020: 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, 2020: Rs. 27.733 million).

9.2.4 The market value of securities classified as held-to-maturity as at amounted to Rs. 41,061.104 million (December 31, 2020: Rs. 35,862.699 million).

	(Un-audited)		(Audited)	
	September 30, 2021		December 31, 2020	
	Cost	Market value	Cost	Market value
	----- Rupees in '000 -----			
9.3 Investments given as collateral				
Held-for-trading securities				
Federal Government Securities				
Market Treasury Bills	-	-	4,864,464	4,864,680
Available-for-sale securities				
Federal Government Securities:				
Market Treasury Bills	13,765,260	13,640,322	4,902,054	4,902,811
Pakistan Investment Bonds	10,145,207	10,078,601	-	-
	23,910,467	23,718,923	4,902,054	4,902,811
Foreign Debt Securities				
Government Debt Securities	2,913,799	2,879,756	-	-
Non Government Debt Securities	702,820	704,876	-	-
	3,616,619	3,584,632	-	-
	27,527,086	27,303,555	9,766,518	9,767,491

	Note	(Un-audited)	(Audited)
		September 30, 2021	December 31, 2020
		----- Rupees in '000 -----	
9.4 Provision for diminution in value of investments			
Opening balance		904,764	506,640
Charge during the period / year		-	276,202
Reversal during the period / year		(281,540)	(836)
	31	(281,540)	275,366
Impairment under IFRS 9 in Bahrain branch			
(Reversal) / charge during the period / year		(29,170)	122,758
Exchange Gain		6,185	-
		(22,985)	122,758
Closing Balance		600,239	904,764

	(Un-audited)		(Audited)	
	September 30, 2021		December 31, 2020	
	NPI	Provision	NPI	Provision
	----- Rupees in '000 -----			
9.4.1 Particulars of provision against debt securities				
Category of classification				
Domestic				
Other assets especially mentioned	-	-	-	-
Substandard	-	-	-	-
Doubtful	-	-	-	-
Loss	363,878	363,878	370,051	370,051
	363,878	363,878	370,051	370,051

	Note	Performing		Non Performing		Total	
		(Un-audited)	(Audited)	(Un-audited)	(Audited)	(Un-audited)	(Audited)
		September 30, 2021	December 31, 2020	September 30, 2021	December 31, 2020	September 30, 2021	December 31, 2020
		----- Rupees in '000 -----					
10. ADVANCES		228,172,970	231,066,384	14,613,529	11,733,555	242,786,499	242,799,939
Loans, cash credits, running finances, etc.		14,500,671	11,602,390	-	-	14,500,671	11,602,390
Bills discounted and purchased		242,673,641	242,668,774	14,613,529	11,733,555	257,287,170	254,402,329
Advances - gross							
Provision against advances							
General		(344,456)	-	-	-	(344,456)	-
General provision - under IFRS-9	10.3.3	(41,000)	(21,327)	-	-	(41,000)	(21,327)
Specific	10.3	-	-	(5,366,699)	(4,181,836)	(5,366,699)	(4,181,836)
		(385,456)	(21,327)	(5,366,699)	(4,181,836)	(5,752,155)	(4,203,163)
Advances - net of provision		242,288,185	242,647,447	9,246,830	7,551,719	251,535,015	250,199,166

10.1 Particulars of advances (gross)			
In local currency		245,491,421	245,005,622
In foreign currencies		11,795,749	9,396,707
		257,287,170	254,402,329

10.2 Advances include Rs. 14,583.538 million (December 31, 2020: Rs. 11,733.555 million) which have been placed under non-performing status as detailed below:

Category of Classification	(Un-audited)		(Audited)	
	September 30, 2021		December 31, 2020	
	Non Performing Loans	Provision	Non Performing Loans	Provision
	----- Rupees in '000 -----			
Domestic				
Other Assets Especially Mentioned	1,289,650	16,862	296,799	394
Substandard	1,254,608	138,608	1,177,804	156,095
Doubtful	2,877,145	792,158	3,264,335	724,426
Loss	9,192,126	4,419,071	6,994,617	3,300,921
Total	14,613,529	5,366,699	11,733,555	4,181,836

10.3 Particulars of provision against advances

Note	(Un-audited) September 30, 2021				(Audited) December 31, 2020			
	General provision - under IFRS-9				General provision - under IFRS-9			
	Specific	General	under IFRS-9	Total	Specific	General	under IFRS-9	Total
	Rupees in '000							
Opening balance	4,181,836	-	21,327	4,203,163	3,339,941	161,166	7,520	3,508,627
Exchange adjustments	-	-	2,683	2,683	-	-	71	71
Charge for the period / year	1,372,610	344,456	16,990	1,734,056	1,087,212	-	13,736	1,100,948
Reversals for the period / year	(187,390)	-	-	(187,390)	(245,317)	(161,166)	-	(406,483)
	1,185,220	344,456	16,990	1,546,666	841,895	(161,166)	13,736	694,465
Amounts written off	(357)	-	-	(357)	-	-	-	-
Closing balance	5,366,699	344,456	41,000	5,752,155	4,181,836	-	21,327	4,203,163

10.3.1 This includes reversal of provision of Nil (December 31, 2020: Rs. 8.604 million) against reduction of non-performing loans of Rs. 283.850 million (December 31, 2020: Rs. 90.180 million) of certain borrowers under 'Debt Property Swap' transactions, as disclosed in note **13.1**.

10.3.2 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 and thereafter, will be maintained as per prudential regulations of consumer financing.

10.3.3 This represents general provision held under IFRS 9 by Bahrain branch of the Bank.

10.3.4 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, 2021, the Bank has availed cumulative FSV benefit under the directives of the SBP of Rs. 5,637.714 million (December 31, 2020: Rs. 4,763.931 million).

The additional profit arising from availing the FSV benefit - net of tax amounts to Rs 3,439.005 million (December 31: 2020: Rs 2,905.998 million). The increase in profit, due to availing of the benefit, is not available for distribution of cash and stock dividend to share holders.

10.3.5 Advances - Deferred & Restructured / Rescheduled

The SBP vide BPRD circular letter No. 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, 2021 relating to facilities of customers have not been classified as non-performing on account of such relaxation.

10.3.6 This includes, general provision held against gold financing amounting to Rs. 741.73 million in connection with fraud incident held on August 02, 2021. The Bank has initiated recovery proceedings and recorded a provision of Rs. 237.997 million in these financial statements net of expected insurance recoveries.

Note	(Un-audited) September 30, 2021	(Audited) December 31, 2020
	Rupees in '000	
11. FIXED ASSETS		
Capital work-in-progress	843,942	291,402
Property and equipment	4,986,825	4,925,430
Right-of-use assets	2,664,268	2,382,706
	8,495,035	7,599,538
11.1 Capital work-in-progress		
Civil works	425,605	225,220
Advance for purchase of furniture and fixtures	19,876	1,013
Advance for purchase of equipment	398,461	61,794
Advance for purchase of vehicle	-	3,375
	843,942	291,402

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

	(Un-audited)					
	Additions		Disposal		Write offs / (back) - net	
	September 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020
	Rupees in '000					
Capital work-in-progress - net	783,249	2,228	-	-	-	-
Property and equipment						
Building on leasehold land	74,219	-	-	-	-	-
Leasehold improvements	93,557	113,863	4,458	11,019	33,993	43,754
Furniture and fixture	27,446	36,774	9,081	1,593	(2,113)	5,144
Electrical, office and computer equipment	486,770	317,592	34,356	3,336	(15,346)	9,610
Vehicles	3,375	49	5,237	851	(1,940)	-
	685,367	468,278	53,132	16,799	14,594	58,508
	1,468,616	470,506	53,132	16,799	14,594	58,508

11.2.1 This includes transfer from capital work in progress during the period of Rs. 231.146 million.

		(Un-audited) September 30, 2021	(Audited) December 31, 2020
	Note	---- Rupees in '000 ----	
11.3 Non-current assets held for sale			
Leasehold land	11.3.1	739,200	739,200
11.3.1	In 2020, the Board of Directors accorded its in-principle approval and authorised the management of the Bank to explore the possibility to sell a land located at Plot No. 201, situated at Upper Mall, Lahore, Pakistan of the following reasons:		
	i) The property is available for immediate sale and can be sold in its current condition subject to completion of certain legal formalities.		
	ii) The actions to complete the sale were initiated and expected to be completed within one year from the date of classification.		
	iii) The Bank expects the legal and procedural formalities for the sale to be completed by the end of 2021.		
	Immediately before the classification of the property as a held for sale, the Property was revalued by independent professional valuer M/s. Tristar International Consultants (Private) Limited as at December 31, 2020 and resulted no significant change was observed in valuations of the property.		
	Note	(Un-audited) September 30, 2021	(Audited) December 31, 2020
		---- Rupees in '000 ----	
12. INTANGIBLE ASSETS			
Capital work-in-progress	12.1	406,142	213,312
Computer software	12.2.1	991,032	809,789
Goodwill		1,463,624	1,463,624
		<u>2,860,798</u>	<u>2,486,725</u>
12.1 Capital work-in-progress			
Advance for purchase of software	12.1.1	406,142	213,312
12.1.1	During the period, advance against purchase of software was written off Rs. 3.964 million as disclosed in note 31.		
	Note	(Un-audited) September 30, 2021	(Audited) September 30, 2020
		---- 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		461,500	148,884
Computer software		276,438	163,900
	12.2.1	<u>737,938</u>	<u>312,784</u>
12.2.1	This includes transfer from capital work in progress during the period of Rs. 268.670 million.		
	Note	(Un-audited) September 30, 2021	(Audited) December 31, 2020
		---- Rupees in '000 ----	
13. OTHER ASSETS			
Income / mark-up accrued in local currency		5,791,056	6,879,923
Income / mark-up accrued in foreign currencies		142,121	93,950
Advances, deposits, advance rent and other prepayments		735,315	477,717
Acceptances		3,411,294	3,603,192
Dividend receivable		794	-
Taxation (payments less provision)		286,821	84,522
Defined benefit plan assets - net		153,574	317,581
Receivable against bancassurance / bancatakalul		31,608	30,660
Stationery and stamps in hand		18,487	22,730
Receivable in respect of home remittance		38,116	30,656
Due from State Bank of Pakistan		93,036	245,310
Rebates receivable from SBP and others		306,292	305,331
Non-banking assets acquired in satisfaction of claims	13.1	1,453,635	1,176,143
Mark to market gain on derivative instruments		48,985	175,454
Mark to market gain on forward foreign exchange contracts		861,489	334,735
Advance against investments in securities	13.2	235,238	-
Inter bank fund transfer settlement		231,146	-
Credit card settlement		239,771	140,899
Insurance		15,213	7,636
Others		216,950	628,121
		<u>14,310,941</u>	<u>14,554,560</u>
Less: Provision held against other assets		(11,241)	(11,241)
Other assets (net of provisions)		<u>14,299,700</u>	<u>14,543,319</u>
Surplus on revaluation of non-banking assets acquired in satisfaction of claims		135,034	135,109
		<u>14,434,734</u>	<u>14,678,428</u>

- 13.1 During the period, the Bank has acquired properties of Rs. 283.850 million (December 31, 2020: Rs. 90.178 million) against debt swap transactions with borrowers resulting in reversal of provision of Rs. Nil (December 31, 2020: Rs. 8.604 million) (refer note 10.3.1).
- 13.2 This represents advance given by wholesale branch of Bahrain against purchase of ordinary and preference shares of foreign companies.

	(Un-audited) September 30, 2021	(Audited) December 31, 2020
	---- Rupees in '000 ----	
14. BILLS PAYABLE		
In Pakistan	7,433,322	4,752,985
Outside Pakistan	243,681	228,998
	7,677,003	4,981,983
15. BORROWINGS		
Secured		
Borrowings from State Bank of Pakistan under:		
Export Refinancing Scheme (ERF)	20,009,590	20,962,803
Long-Term Finance Facility (LTFF)	2,632,136	2,518,310
Financing Facility for Storage of Agricultural Produce (FFSAP)	252,726	193,029
Financing Facility for Renewable Energy Projects	748,951	433,085
Refinance and credit guarantee scheme for women entrepreneurs	70,775	32,900
Refinance for Wages & Salaries	7,176,052	11,543,118
Refinance facility for modernization of Small and Medium Enterprises (SMEs)	3,405	96,192
Refinance facility for combating COVID-19	198,631	229,984
Refinance facility for working capital of SMEs	-	33,901
Temporary economic refinance facility (TERF)	810,411	51,871
Small and Medium Enterprises' Financing	62,222	-
	31,964,899	36,095,193
Repurchase agreement borrowings	11,644,788	-
	43,609,687	36,095,193
Borrowing from financial institutions		
Repurchase agreement borrowings	15,882,466	9,667,181
Refinancing facility for mortgage loans	2,938,541	2,397,468
	18,821,007	12,064,649
Total secured	62,430,694	48,159,842
Unsecured		
Overdrawn nostro accounts	1,048,144	143,570
Due against trade borrowings	511,973	-
Total unsecured	1,560,117	143,570
	63,990,811	48,303,412
15.1 Particulars of borrowings		
In local currency	59,592,143	48,159,842
In foreign currencies	4,398,668	143,570
	63,990,811	48,303,412

16. DEPOSITS AND OTHER ACCOUNTS

	(Un-audited) September 30, 2021			(Audited) December 31, 2020		
	In Local Currency	In Foreign Currencies	Total	In Local Currency	In Foreign Currencies	Total
	----- Rupees in '000 -----					
Customers						
Current deposits	105,215,810	7,666,213	112,882,023	90,714,627	9,668,068	100,382,695
Savings deposits	95,982,639	3,604,307	99,586,946	98,103,956	3,944,797	102,048,753
Term deposits	178,907,591	14,163,837	193,071,428	186,691,026	15,203,881	201,894,907
Margin deposits	8,228,540	46,184	8,274,724	5,920,595	163	5,920,758
	388,334,580	25,480,541	413,815,121	381,430,204	28,816,909	410,247,113
Financial Institutions						
Current deposits	1,843,623	381,676	2,225,299	1,281,700	435,683	1,717,383
Savings deposits	12,420,719	22,845	12,443,564	12,831,324	-	12,831,324
Term deposits	10,600,748	-	10,600,748	8,266,773	-	8,266,773
	24,865,090	404,521	25,269,611	22,379,797	435,683	22,815,480
	413,199,670	25,885,062	439,084,732	403,810,001	29,252,592	433,062,593

		(Un-audited) September 30, 2021	(Audited) December 31, 2020
	Note	---- Rupees in '000 ----	
17. SUBORDINATED DEBT			
Term Finance Certificates - First Issue	17.1	2,994,600	2,995,200
Term Finance Certificates - Second Issue	17.2	1,997,200	1,997,600
Term Finance Certificates - Third Issue	17.3	2,500,000	2,500,000
		7,491,800	7,492,800

- 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 towards 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 towards 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 towards 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 ("PONV") 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, 2021	(Audited) December 31, 2020
	Note		---- Rupees in '000 ----	
18. DEFERRED TAX LIABILITIES				
Deductible Temporary Differences on:				
Provision against investments			(63,680)	(57,149)
Provision against loans and advances			(344,626)	(287,840)
General provision under IFRS-9			-	(43,552)
Intangible other than Goodwill			(2,713)	(2,904)
			(411,019)	(391,445)
Taxable Temporary Differences on:				
Fixed assets			196,200	172,562
Goodwill			570,813	512,268
Surplus on revaluation of operating fixed assets	20		457,395	240,391
Surplus on revaluation of non-banking assets acquired in satisfaction of claims	20		52,661	4,029
Unrealized gain on revaluation of derivative instruments			-	5,302
Mark to market gain / (loss) on forward foreign exchange contracts			-	(22,893)
Unrealised gain on revaluation of investments classified as held for trading			-	282
Surplus on revaluation of investments classified as available for sale	20		1,241,575	673,756
			2,518,644	1,585,697
			2,107,625	1,194,252
19. OTHER LIABILITIES				
Mark-up / return / interest payable in local currency			3,708,543	2,994,596
Mark-up / return / interest payable in foreign currencies			47,484	52,729
Unearned income on guarantees			176,435	176,270
Accrued expenses			312,722	669,383
Acceptances			3,411,294	3,603,192
Unclaimed dividends			4,214	4,214
Mark to market loss on derivative instruments			36,168	160,306
Mark to market loss on forward foreign exchange contracts			298,148	400,144
Gratuity payable to contractual staff			4,157	-
Withholding taxes payable			432,983	401,303
Government challan collection			56,051	94,510
Donation payable			33,887	-
Security deposits against leases, lockers and others			3,160,964	3,490,704
Workers' Welfare Fund			148,123	114,237
Payable in respect of home remittance			355,859	831,042
Retention money payable			46,576	42,044
Lease liability against right-of-use assets			3,001,701	2,583,947
Advance against sale of assets			13,000	-
Insurance payable			9,658	10,137
Payable to vendors against SBS goods			165,149	93,634
Debit card settlement			10,082	65,855
Inter bank fund transfer settlement			-	159,136
Clearing and settlement accounts			471,236	290,794
Others			229,170	302,977
			16,133,604	16,541,154

		(Un-audited) September 30, 2021	(Audited) December 31, 2020
	Note	----- Rupees in '000 -----	
20. SURPLUS ON REVALUATION OF ASSETS			
Surplus on revaluation of:			
Available-for-sale securities	9.1 & 20.1	3,183,526	1,925,017
Fixed assets		1,172,806	1,192,173
Non-banking assets acquired in satisfaction of claims		135,034	135,109
		4,491,366	3,252,299
Deferred tax on surplus on revaluation of:			
Available-for-sale securities		(1,241,575)	(673,756)
Fixed assets		(457,395)	(240,391)
Non-banking assets acquired in satisfaction of claims		(52,661)	(4,029)
		(1,751,631)	(918,176)
		2,739,735	2,334,123

20.1 As of September 30, 2021, the Bank has recognized in profit and loss account expected credit loss of Rs. 99.772 million (December 31, 2020: Rs. 122.758 million) under IFRS-9 on foreign debt securities of the wholesale banking branch in Bahrain of the Bank against an adjustment in the loss allowance. However, the loss allowance is recognized in other comprehensive income without reducing the carrying amount of the said securities in these condensed interim unconsolidated statements of financial position.

		(Un-audited) September 30, 2021	(Audited) December 31, 2020
	Note	----- Rupees in '000 -----	
21. CONTINGENCIES AND COMMITMENTS			
Guarantees	21.1	47,941,084	58,779,594
Commitments	21.2	55,206,427	65,262,832
		103,147,511	124,042,426
21.1 Guarantees:			
Financial guarantees		1,342,892	1,024,422
Performance guarantees		26,500,379	36,678,881
Other guarantees		20,097,813	21,076,291
	21.1.1	47,941,084	58,779,594

21.1.1 Included herein are outstanding guarantees of Rs. 735.468 million (December 31, 2020: Rs. 29.054 million) of related parties.

21.2 Commitments:			
Documentary credits and short-term trade-related transactions			
- letters of credit	21.2.1	24,935,497	21,111,360
Commitments in respect of:			
- Forward foreign exchange contracts	21.2.2	25,734,664	38,178,262
- Derivative instruments	21.2.3	3,646,680	5,362,948
- Forward lending	21.2.4	232,989	384,230
Commitments for acquisition of:			
- Operating fixed assets	21.2.5	656,597	226,032
		55,206,427	65,262,832

21.2.1 Included herein are the outstanding letter of credits of Rs. 334.128 million (December 31, 2020: Rs. 86.543 million) of related parties.

21.2.2 Commitments in respect of forward foreign exchange contracts			
Purchase		17,696,414	23,137,733
Sale		8,038,250	15,040,529
		25,734,664	38,178,262

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, 2021	(Audited) December 31, 2020
		----- Rupees in '000 -----	
21.2.3 Commitments in respect of derivative instruments			
Purchase		771,538	1,760,637
Sale		2,875,142	3,602,311
		3,646,680	5,362,948
21.2.3.1 Interest rate swaps (notional principal)			
Purchase		485,799	1,176,824
Sale		485,799	1,176,824
		971,598	2,353,648
21.2.3.2 Options (notional principal)			
Purchase		285,739	582,419
Sale		2,389,343	2,425,487
		2,675,082	3,007,906
21.2.3.3 Commitments in respect of forward securities			
Purchase		-	1,394

			(Un-audited) September 30, 2021	(Audited) December 31, 2020
	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		232,989	384,230
21.2.4.1		This represents 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 operating fixed assets	21.2.5.1		656,597	226,032
21.2.5.1		This represents commitments related to purchase of leasehold improvements, furniture and fixtures, hardware & network equipments and electrical equipments and computer software.		
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, 2020 except those as disclosed in note 32.1 and 32.2.		

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 annual unconsolidated financial statements for the year ended December 31, 2020.

Accounting policies in respect of derivative financial instruments are described in note 4.4.2 of the unconsolidated annual financial statements for the year ended December 31, 2020.

22.1 Product analysis

With Banks for

Hedging

Market making

With FIs other than banks

Hedging

Market making

Total

Hedging

Market making

(Un-audited) September 30, 2021					
Interest Rate Swaps		Options and Accumulators		Forward securities	
Notional principal	Mark to Market	Notional principal	Mark to Market	Notional principal	Mark to Market
----- Rupees in '000 -----					
971,598	2,142	-	-	-	-
-	-	2,675,082	10,675	-	-

-	-	-	-	-	-
-	-	-	-	-	-

971,598	2,142	-	-	-	-
-	-	2,675,082	10,675	-	-

(Audited)

December 31, 2020

Interest Rate Swaps		Options and Accumulators		Forward securities	
Notional principal	Mark to market	Notional principal	Mark to Market	Notional principal	Mark to Market
----- Rupees in '000 -----					
2,353,648	4,943	-	-	-	-
-	-	3,007,906	10,205	-	-

-	-	-	-	-	-
-	-	-	-	1,394	-

2,353,648	4,943	-	-	-	-
-	-	3,007,906	10,205	1,394	-

		----- (Un-audited)-----	
		September 30, 2021	September 30, 2020
		----- Rupees in '000 -----	
Note			
23. MARK-UP / RETURN / INTEREST EARNED			
On:			
Loans and advances		15,274,469	20,098,993
Investments		12,992,492	12,701,423
Lendings to financial institutions		51,995	44,783
Balances with other banks		13,806	7,387
Securities purchased under resale agreements		557,783	1,033,392
		28,890,545	33,885,978
24. MARK-UP / RETURN / INTEREST EXPENSED			
Deposits		15,891,484	23,504,990
Borrowings	24.1	2,788,881	1,490,518
Subordinated debt		511,211	728,922
Cost of foreign currency swaps against foreign currency deposits / borrowings		363,076	514,507
Lease liability against right-of-use assets		281,382	345,903
		19,836,034	26,584,840
24.1 Borrowings			
Export Refinancing Scheme (ERF)		292,408	256,608
Long-Term Finance Facility (LTFF)		37,380	34,119
Other Borrowings from State Bank Bank of Pakistan		16,290	7,449
Securities sold under repurchase agreements		2,113,642	872,550
Other borrowings		329,161	319,792
		2,788,881	1,490,518
25. FEE AND COMMISSION INCOME			
Branch banking customer fees		94,855	199,157
Consumer finance related fees		42,209	21,987
Card related fees (debit and credit cards)		245,438	478,923
Credit related fees		248,093	298,064
Investment banking fees		180,137	71,989
Commission on trade		588,070	475,632
Commission on guarantees		334,888	288,489
Commission on cash management		5,740	3,054
Commission on remittances including home remittances		173,375	214,202
Commission on bancassurance		95,314	135,560
Commission on distribution of mutual funds		2,711	26,190
Commission on online services		160,185	251,225
Postage & courier income		17,660	16,601
Rebate income		189,556	178,725
Rebate on primary dealership		34,638	27,637
		2,412,869	2,687,435
26. GAIN ON SECURITIES			
Realised	26.1	12,735	918,080
Unrealised - held for trading		(44)	(93)
		12,691	917,987
26.1 Realised gain / (loss) on:			
Federal government securities			
Market treasury bills		3,015	76,804
Pakistan investment bonds		3,163	857,350
Ijara sukuk certificates		635	56
		6,813	934,210
Shares			
Listed companies		(62,656)	(12,850)
Non Government Debt Securities			
Term finance certificates		22,645	-
Sukuk certificates		-	450
		22,645	450
Mutual fund units		3,795	3,808
Foreign currency bonds		42,138	(7,538)
		12,735	918,080

		----- (Un-audited) -----	
		September 30, 2021	September 30, 2020
		----- Rupees in '000 -----	
Note			
27. OTHER INCOME			
Loss on sale of fixed assets - net		(3,913)	(11,919)
Gain on termination of leases - net		5,834	32,755
Gain on sale of assets held for sale		-	1,000
Others		-	4,710
		<u>1,921</u>	<u>26,546</u>
28. OPERATING EXPENSES			
Total compensation expense		4,527,153	4,701,295
Property expense			
Rent & taxes		47,739	22,398
Insurance		3,505	2,638
Utilities cost		292,123	248,050
Security (including guards)		199,702	235,059
Repair & maintenance (including janitorial charges)		184,599	152,017
Depreciation		143,515	143,324
Depreciation - Right of Use Assets		665,353	717,149
Depreciation on non banking assets		6,433	6,808
		<u>1,542,969</u>	<u>1,527,443</u>
Information technology expenses			
Software maintenance		468,566	275,199
Hardware maintenance		172,810	132,222
Depreciation		183,833	150,780
Amortisation		97,706	82,977
Network charges		128,373	78,357
		<u>1,051,288</u>	<u>719,535</u>
Other operating expenses			
Directors' fees and allowances		12,250	13,250
Legal & professional charges		85,258	125,322
Insurance		277,539	147,809
Outsourced services costs		119,250	116,000
Travelling & conveyance		66,852	51,404
NIFT clearing charges		35,787	26,851
Depreciation		228,502	223,295
Training & development		37,800	11,828
Postage & courier charges		64,416	75,697
Communication		70,540	94,234
Stationery & printing		173,688	195,228
Marketing, advertisement & publicity		290,139	333,422
Donations		33,887	60,841
Auditors' Remuneration		6,135	4,975
Staff Auto fuel & maintenance		173,282	149,615
Bank Charges		37,759	43,568
Stamp Duty		22,250	9,634
Online verification charges		43,422	12,951
Brokerage, fee and commission		41,307	34,072
Card related fees (debit and credit cards)		230,028	10,052
CDC and other charges		3,954	3,709
Consultancy fee		20,768	25,892
Deposit protection premium	28.1	146,248	93,204
Entertainment expenses		69,904	48,213
Repair and maintenance		58,425	46,349
Cash handling charges		144,481	155,540
Fee and Subscription		73,464	84,317
Employees social security		3,481	7,743
Generator fuel & maintenance		62,884	53,350
Others		35,340	39,528
		<u>2,669,040</u>	<u>2,297,893</u>
		<u>9,790,450</u>	<u>9,246,166</u>

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.

29. WORKERS' WELFARE FUND

Provision held at @ 2% of the higher of profit before tax or taxable income under Sindh Workers' Welfare Act, 2014 and the Punjab Workers' Welfare Fund Act, 2019.

		----- (Un-audited) -----	
		September 30, 2021	September 30, 2020
		----- Rupees in '000 -----	
Note			
30. OTHER CHARGES			
Penalties imposed by State Bank of Pakistan		202	74,607
31. PROVISIONS AND WRITE OFFS - NET			
(Reversals) / provisions for diminution in value of investments	9.4	(281,540)	47,199
Provisions against loans & advances - specific	10.3	1,185,220	433,152
Provisions / (reversals) against loans & advances - general	10.3	344,456	(161,166)
(Reversals) / provisions under IFRS-9 - general	31.1	(13,433)	75,929
Fixed assets written off - net	11.2	14,594	58,508
Intangible assets written off	12.1.1	3,964	-
Other assets written off		3,226	4,168
		1,256,487	457,790
31.1 (Reversals) / provisions under IFRS-9 - general			
(Reversal) / charge / during the period			
Balances with other banks		(34)	19
Lendings to financial institutions		(1,219)	(1,322)
Investments	9.4	(29,170)	61,419
Advances	10.3	16,990	15,813
		(13,433)	75,929
32. TAXATION			
Current		706,457	390,199
Prior years		(90,418)	-
Deferred		72,336	409,716
		688,375	799,915

32.1 During the period, the Bank has received amended assessment order for tax year 2020 creating a demand of Rs. 200 million. The Bank has not accepted the amendments and filed appeal before Commissioner Inland Revenue – Appeals (the CIRA) against said order. Further, till the decision of the CIRA, the Bank has also obtained stay orders from Sindh High Court against impugned demand of tax year 2020.

Further, the Bank has filed appeal before the Supreme Court of Pakistan (the SCP) against levy of Super Tax demanded under above assessment order with other pending appeals of tax year 2016 to 2019 on same issue. The SCP has allowed interim relief to the taxpayers subject to the payment of 50% of the super tax liability.

32.2 Sales tax

During the period, the Bank as a registered person under Sindh Sales Tax on Services Act, 2011 has been issued Sales Tax Orders from the Sindh Revenue Board (SRB) for the period from January to December 2015 and 2017, creating demand of Rs. 27.8 million and Rs. 31.7 million respectively against the Bank for allegedly non-payment of Sindh sales tax on certain 'presumed non-taxable services / incomes (i.e. Bancassurance, Home Remittances under Pakistan Remittance Initiative Scheme, SBP rebates on Government securities, and FX gain on remittance by Western Union). Appeals have been filed before Commissioner (Appeals) Sindh Revenue Board, CA-SRB against the decision of AC-SRB which are pending for hearing.

The management of the Bank is confident that the appeals filed in respect of the above matter will be decided in the Bank's favor and accordingly no demand for payment would arise.

		----- (Un-audited) -----			
		Quarter Ended		Nine months period ended	
		September 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020
		----- Rupees in '000 -----			
33. BASIC AND DILUTED EARNINGS PER SHARE					
Profit after taxation for the period - attributable to ordinary equity holders of the Bank		435,975	309,165	1,005,971	1,165,491
		----- Numbers -----			
Weighted average number of 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 per share		0.34	0.24	0.78	0.90
				(Un-audited) September 30, 2021	(Audited) December 31, 2020
				(Un-audited) September 30, 2020	
34. CASH AND CASH EQUIVALENTS					
Cash and balances with treasury banks	6	27,240,520	30,421,231	33,587,826	
Balances with other banks - Gross	7	574,753	1,106,419	618,131	
Overdrawn nostro accounts	15	(1,048,144)	(143,570)	(570,114)	
		26,767,129	31,384,080	33,635,843	

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 4.6 to the annual unconsolidated financial statements for the year ended December 31, 2020.

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 and PKFRV rates (Reuters page).
Debt Securities (TFCs) and Sukuk other than Government	Investments in debt securities (comprising of 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 11 and 13 respectively in the annual unconsolidated financial statements. 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 period.

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.

On balance sheet financial instruments**Financial assets - measured at fair value****Held-for-trading securities**

Investments

Federal Government Securities

Available-for-sale securities

Investments

Federal Government Securities

Shares

Non Government Debt Securities

Foreign Securities

Open end mutual funds

Financial assets - disclosed but not measured at fair value

Investments

Federal Government Securities

Non-Financial assets - measured at fair value

Revalued fixed assets

Non-banking assets acquired in satisfaction of claims

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

Purchase

Sale

Derivative instruments:**Interest rate swaps**

Purchase

Sale

Options

Purchase

Sale

(Un-audited)			
September 30, 2021			
Level 1	Level 2	Level 3	Total
Rupees in '000			

-	1,421,841	-	1,421,841
-	191,008,236	-	191,008,236
5,191,014	-	-	5,191,014
-	415,274	-	415,274
-	5,367,141	-	5,367,141
-	736,914	-	736,914
5,191,014	197,527,565	-	202,718,579
-	41,391,517	-	41,391,517
5,191,014	240,340,923	-	245,531,937
-	-	2,628,883	2,628,883
-	-	1,588,669	1,588,669
-	-	4,217,552	4,217,552
-	18,533,336	-	18,533,336
-	8,311,579	-	8,311,579
-	517,334	-	517,334
-	519,476	-	519,476
-	286,637	-	286,637
-	2,399,120	-	2,399,120

(Audited)			
December 31, 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

Available-for-sale securities

Investments

Federal Government Securities

Shares

Non Government Debt Securities

Foreign Securities

Financial assets - disclosed but not measured at fair value

Investments

Federal Government Securities

Non-Financial assets - measured at fair value

Revalued fixed assets

Non-banking assets acquired in satisfaction of claims

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

Purchase

Sale

Derivative instruments**Forward securities**

Purchase

Interest rate swaps

Purchase

Sale

Options

Purchase

Sale

-	25,003,774	-	25,003,774
-	127,406,043	-	127,406,043
4,339,823	-	-	4,339,823
-	457,454	-	457,454
-	4,017,289	-	4,017,289
4,339,823	131,880,786	-	136,220,609
-	36,109,599	-	36,109,599
4,339,823	192,994,159	-	197,333,982
-	-	2,610,299	2,610,299
-	-	1,311,252	1,311,252
-	-	3,921,551	3,921,551
-	22,942,707	-	22,942,707
-	14,910,910	-	14,910,910
-	1,394	-	1,394
-	1,120,607	-	1,120,607
-	1,125,550	-	1,125,550
-	581,042	-	581,042
-	2,437,068	-	2,437,068

36. SEGMENT INFORMATION

36.1 Segment details with respect to business activities:

	Corporate Finance	Trading and Sales	Retail Banking	Commercial Banking	Others	Total
----- Rupees in '000 -----						
September 30, 2021 (Un-audited)						
Profit & Loss						
Net mark-up / return / interest / (expense)	(659,212)	10,221,745	316,084	(953,876)	129,770	9,054,511
Inter segment revenue - net	681,921	(10,593,439)	6,223,789	3,687,729	-	-
Non mark-up / return / income / (loss)	192,470	1,149,753	1,161,547	1,215,170	1,921	3,720,861
Total Income / (loss)	215,179	778,059	7,701,420	3,949,023	131,691	12,775,372
Segment direct expenses	19,698	126,150	4,309,725	673,482	4,695,484	9,824,539
Inter segment expense allocation	32,860	119,071	3,767,783	525,125	(4,444,839)	-
Total expenses	52,558	245,221	8,077,508	1,198,607	250,645	9,824,539
Provisions	-	(281,540)	805,496	734,799	(2,268)	1,256,487
Profit / (loss) before tax	162,621	814,378	(1,181,584)	2,015,617	(116,686)	1,694,346
September 30, 2021 (Un-audited)						
Statement of financial position						
Cash & Bank balances	-	-	27,814,828	-	-	27,814,828
Investments	-	244,234,780	-	5,438,317	-	249,673,097
Net inter segment lending	10,887,762	-	109,663,123	88,329,323	8,400,816	217,281,024
Lendings to financial institutions	-	3,008,148	-	(8,148)	-	3,000,000
Advances - net	836,029	-	67,926,309	168,492,747	5,418,556	242,673,641
Advances - performing	-	-	14,029,478	584,051	-	14,613,529
Advances - non-performing	-	-	(2,483,009)	(3,269,146)	-	(5,752,155)
Advances - (Provisions)/reversals - Net	836,029	-	79,472,778	165,807,652	5,418,556	251,535,015
Others	-	-	-	-	26,529,767	26,529,767
Total Assets	11,723,791	247,242,928	216,950,729	259,567,144	40,349,139	775,833,731
Borrowings	50,116	23,261,790	6,966,251	33,712,654	-	63,990,811
Subordinated debt	-	7,491,800	-	-	-	7,491,800
Deposits & other accounts	11,668,661	-	202,614,437	224,801,634	-	439,084,732
Net inter segment borrowing	-	216,489,338	-	791,686	-	217,281,024
Others	5,013	-	7,370,041	261,170	18,282,008	25,918,232
Total liabilities	11,723,790	247,242,928	216,950,729	259,567,144	18,282,008	753,766,599
Equity	-	-	-	-	22,067,132	22,067,132
Total Equity & liabilities	11,723,790	247,242,928	216,950,729	259,567,144	40,349,140	775,833,731
Contingencies & Commitments	-	50,702,460	37,248,232	15,085,689	111,130	103,147,511
September 30, 2020 (Un-audited)						
Profit & Loss						
Net mark-up / return / interest / (expense)	(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	(587,753)	-
Non mark-up / return / income / (loss)	72,352	1,628,761	1,909,646	878,710	(30,915)	4,458,554
Total Income / (loss)	(1,071,283)	(359,650)	9,957,152	4,942,620	(1,709,147)	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	193,430	457,790
Profit / (loss) before tax	(1,202,429)	(706,308)	2,766,758	3,347,258	(2,239,873)	1,965,406
December 31, 2020 (Audited)						
Statement of financial position						
Cash & Bank balances	-	20,722,345	10,804,855	-	-	31,527,200
Investments	2,891,836	198,806,637	-	-	-	201,698,473
Net inter segment lending	-	-	129,898,985	109,429,008	11,732,961	251,060,954
Lendings to financial institutions	-	23,239,672	-	-	-	23,239,672
Advances - net	-	-	52,152,981	190,515,793	-	242,668,774
Advances - performing	-	-	4,760,888	6,972,667	-	11,733,555
Advances - non-performing	-	-	(938,040)	(3,265,123)	-	(4,203,163)
Advances (Provisions) - Net	-	-	55,975,829	194,223,337	-	250,199,166
Others	-	4,590,700	3,570,545	3,315,506	14,027,140	25,503,891
Total Assets	2,891,836	247,359,354	200,250,214	306,967,851	25,760,101	783,229,356
Borrowings	-	12,208,219	1,996,091	34,099,102	-	48,303,412
Subordinated debt	-	7,492,800	-	-	-	7,492,800
Deposits & other accounts	-	-	166,087,049	266,975,544	-	433,062,593
Net inter segment borrowing	2,891,836	227,156,281	21,012,836	-	-	251,060,953
Others	-	502,054	11,154,238	5,893,204	5,167,893	22,717,389
Total liabilities	2,891,836	247,359,354	200,250,214	306,967,850	5,167,893	762,637,147
Equity	-	-	-	-	20,592,208	20,592,208
Total Equity & liabilities	2,891,836	247,359,354	200,250,214	306,967,850	25,760,101	783,229,355
Contingencies & Commitments	-	60,973,417	44,793,723	18,141,644	133,642	124,042,426

37. RELATED PARTY TRANSACTIONS

The Bank has related party transactions with its parent, subsidiaries, associates, directors and Key Management Personnel and other related parties.

The Banks enters into transactions with related parties in the ordinary course of business and on arm's length basis i.e. substantially the same terms as for comparable transactions with person of similar standing. Contributions to and accruals in respect of staff retirement benefits and other benefit plans are made in accordance with the actuarial valuations / terms of the contribution plan. Remuneration to the executives / officers is determined in accordance with the terms of their appointment.

Details of transactions with related parties, other than those which have been specially disclosed elsewhere in these unconsolidated financial statements are as follows:

	As at September 30, 2021 (Un-audited)						As at December 31, 2020 (Audited)					
	Parent	Directors	Key management personnel	Subsidiaries	Associates	Other related parties	Parent	Directors	Key management personnel	Subsidiaries	Associates	Other related parties
Rupees in '000												
Statement of Financial Position												
Lendings to financial institutions												
Opening balance	-	-	-	-	-	-	-	-	-	-	-	-
Addition during the period / year	-	-	-	-	-	3,400,000	-	-	-	-	-	4,100,000
Repaid during the period / year	-	-	-	-	-	(3,400,000)	-	-	-	-	-	(4,100,000)
Closing balance	-	-	-	-	-	-	-	-	-	-	-	-
Investments												
Opening balance	-	-	-	1,919,121	269,800	2,720,901	-	-	-	1,919,121	228,972	1,617,327
Investment made during the period / year	-	-	-	-	-	400,000	-	-	-	-	40,828	4,009,279
Investment redeemed / disposed off during the period / year	-	-	-	-	-	(1,594,011)	-	-	-	-	-	(2,905,705)
Closing balance	-	-	-	1,919,121	269,800	1,526,890	-	-	-	1,919,121	269,800	2,720,901
Provision for diminution in value of investments	-	-	-	-	-	62,151	-	-	-	-	-	277,456
Advances												
Opening balance	-	122,106	779,655	193,550	370,768	4,093,430	-	-	596,257	-	-	1,946,481
Addition during the period / year	-	4,345	185,169	-	294,076	4,812,762	-	58	265,948	193,550	153,128	6,402,913
Repaid during the period / year	-	(29,569)	(161,789)	(72,581)	(180,024)	(3,388,929)	-	(832)	(150,821)	-	(2,235)	(5,488,750)
Transfer in / (out) - net	-	31,547	(340,044)	-	-	530,059	-	122,880	68,271	-	219,875	1,232,786
Closing balance	-	128,429	462,991	120,969	484,820	6,047,322	-	122,106	779,655	193,550	370,768	4,093,430
Other Assets												
Interest / mark-up accrued	-	945	339	915	4,615	55,663	-	2,801	6	1,253	954	52,998
Receivable against bancassurance / bancatakaful	-	-	-	-	-	31,608	-	-	-	-	-	28,051
Advance for subscription of TFC - unsecured	-	-	-	-	-	-	-	-	-	-	-	-
Net defined benefit plan	-	-	-	-	-	153,574	-	-	-	-	-	317,581
Prepaid insurance	-	-	-	-	-	-	-	-	-	-	-	-
Dividend Receivable	-	-	-	-	-	-	-	-	-	-	-	-
Other receivable	-	-	-	-	-	379	-	-	-	-	-	379
Provision against other assets	-	-	-	-	-	379	-	-	-	-	-	(379)
Borrowings												
Opening balance	-	-	-	-	-	-	-	-	-	-	-	-
Borrowings during the period / year	-	-	-	-	-	-	-	-	-	-	-	11,105,705
Settled during the period / year	-	-	-	-	-	-	-	-	-	-	-	(11,105,705)
Closing balance	-	-	-	-	-	-	-	-	-	-	-	-
Deposits and other accounts												
Opening balance	172,019	212,335	76,237	1,638,770	49,753	10,365,166	271,648	24,444	59,593	1,246,363	23,104	8,622,201
Received during the period / year	3,839,787	238,329	321,390	109,945,475	513,235	112,577,207	5,511,316	511,942	973,685	499,101,485	861,135	160,825,941
Withdrawn during the period / year	(2,621,813)	(201,578)	(317,044)	(109,902,216)	(559,322)	(110,106,516)	(5,610,945)	(324,417)	(869,813)	(498,707,020)	(834,486)	(159,215,607)
Transfer in / (out) - net	-	121,656	(36,162)	-	-	480,787	-	366	(87,228)	(2,058)	-	132,631
Closing balance	1,389,993	370,742	44,421	1,682,029	3,666	13,316,644	172,019	212,335	76,237	1,638,770	49,753	10,365,166

	As at September 30, 2021 (Un-audited)						As at December 31, 2020 (Audited)					
	Parent	Directors	Key management personnel	Subsidiaries	Associates	Other related parties	Parent	Directors	Key management personnel	Subsidiaries	Associates	Other related parties
	Rupees in '000						Rupees in '000					
Subordinated debt	-	-	-	-	-	889,354	-	-	-	-	-	889,432
Other Liabilities												
Interest / return / mark-up payable on deposits	-	-	18	-	-	24,339	-	-	85	-	-	153,374
Interest / return / mark-up payable on subordinated debt	-	-	-	-	-	22,720	-	-	-	-	-	1,308
Others payable	-	-	-	-	-	-	-	-	-	353	-	-
Represented By												
Share Capital	9,733,073	31,173	3,500	-	-	51,825	9,733,073	19,180	12,223	-	-	45,323
Contingencies and Commitments												
Letter of guarantee	-	-	-	-	-	735,468	-	-	-	-	-	29,054
Letter of Credit	-	-	-	-	-	334,128	-	-	-	-	-	86,543
	For the period ended September 30, 2021 (Un-audited)						For the period ended September 30, 2020 (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						Rupees in '000					
Profit and loss account												
Income												
Mark-up / return / interest earned	-	6,133	22,454	3,797	10,171	176,203	-	1,476	30,954	-	16,367	165,033
Fee and commission income	300	58	97	1,127	37	100,565	-	9	613	40	-	176,599
Dividend income	-	-	-	255,252	-	170,602	-	-	-	-	-	62,762
(Loss) / gain on sale of securities - net	-	-	-	-	-	(56,901)	-	-	-	-	-	3,808
Other Income	-	-	-	-	-	-	-	-	-	1,594	-	-
Reversal / (provisions) and write offs - net												
Reversal for diminution in value of Investments	-	-	-	-	-	215,305	-	-	-	-	-	-
Expense												
Mark-up / return / interest paid	21,805	11,111	952	69,427	2,478	714,989	25,586	873	1,095	125,144	1,952	626,267
Commission / charges paid	-	-	-	3,658	-	-	-	-	-	7,882	-	-
Preference dividend paid	-	-	-	-	-	-	-	-	-	-	-	-
Remuneration paid	-	35,241	271,526	-	-	-	-	34,635	224,234	-	-	-
Non-executive directors' fee	-	12,250	-	-	-	-	-	13,040	-	-	-	-
Net charge for defined contribution plans	-	-	-	-	-	187,351	-	-	-	-	-	170,642
Net charge for defined benefit plans	-	-	-	-	-	167,619	-	-	-	-	-	161,822
Fee and subscription	-	-	-	-	-	-	-	-	-	-	-	-
Donation	-	-	-	-	-	-	-	-	-	-	-	58,919
Rental expense	-	-	-	-	-	-	-	-	-	-	-	162
Advisory fee	-	-	-	-	-	5,212	-	-	-	-	-	-
Other expenses	975	-	-	-	-	1,564	1,133	-	-	-	-	3,394
Reimbursement of expenses	15,998	412	3,146	-	-	24	2,551	130	4,093	-	-	30,598
Payments made during the period												
Insurance premium paid	-	-	-	-	-	583,548	-	-	-	-	-	381,837
Insurance claims settled	-	-	-	-	-	13,744	-	-	-	-	-	2,793
Defined benefit plans paid	-	-	-	-	-	-	-	-	-	-	-	151,881
Other Transactions												
Sale of Government Securities	-	-	-	-	-	84,347,192	487,092	-	-	-	-	102,976,626
Purchase of Government Securities	-	-	-	-	-	3,660,783	-	1,645	-	-	-	40,258,947
Sale of Foreign Currencies	-	-	-	-	-	38,454,456	-	-	-	-	-	26,590,927
Purchase of Foreign Currencies	-	-	-	-	-	14,700,411	-	-	-	-	-	39,825,423

38. CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS

Minimum Capital Requirement (MCR):

Paid-up capital (net of losses)

(Un-audited) September 30, 2021	(Audited) December 31, 2020
----- Rupees in '000 -----	

10,119,242 10,119,242

Capital Adequacy Ratio (CAR):

Eligible Common Equity Tier 1 (CET 1) Capital

17,268,787 16,227,512

Eligible Additional Tier 1 (ADT 1) Capital

2,400,000 2,251,350

Total Eligible Tier 1 Capital

19,668,787 18,478,862

Eligible Tier 2 Capital

4,938,706 4,621,001

Total Eligible Capital (Tier 1 + Tier 2)

24,607,493 23,099,863

Risk Weighted Assets (RWAs):

Credit Risk

162,378,591 155,761,884

Market Risk

1,352,150 1,144,972

Operational Risk

23,981,730 23,981,730

Total

187,712,471 180,888,586

Common Equity Tier 1 Capital Adequacy ratio

9.20% 8.97%

Tier 1 Capital Adequacy Ratio

10.48% 10.22%

Total Capital Adequacy Ratio

13.11% 12.77%

Leverage Ratio (LR):

Eligible Tier-1 Capital

19,668,787 18,478,862

Total Exposures

639,002,482 605,685,437

Leverage Ratio

3.08% 3.05%

Liquidity Coverage Ratio (LCR):

Total High Quality Liquid Assets

196,239,520 157,850,263

Total Net Cash Outflow

66,107,179 57,017,766

Liquidity Coverage Ratio

296.85% 276.84%

Net Stable Funding Ratio (NSFR):

Total Available Stable Funding

362,776,835 357,021,802

Total Required Stable Funding

275,897,369 256,068,898

Net Stable Funding Ratio

131.49% 139.42%

39. GENERAL

- 39.1** 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.
- 39.2** Corresponding figures have been re-arranged / re-classified, wherever necessary, to facilitate comparison in the presentation in the current period. However, there are no material re-arrangements / re-classifications to report.
- 39.3** The figures in these condensed interim unconsolidated financial statements have been rounded off to the nearest thousand.

40. 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 27, 2021.

**President and
Chief Executive Officer**

**Chief Financial
Officer**

Director

Director

Chairman



Condensed Interim
Consolidated financial statements
for the Nine Months Period Ended September 30, 2021

JS BANK LIMITED
CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2021

		(Un-audited) September 30, 2021	(Audited) December 31, 2020
	Note	----- Rupees in '000 -----	
ASSETS			
Cash and balances with treasury banks	6	27,240,806	30,421,531
Balances with other banks	7	963,368	1,128,135
Lendings to financial institutions	8	3,000,000	23,239,672
Investments	9	249,243,673	201,807,654
Advances	10	251,719,119	250,455,534
Fixed assets	11	9,866,496	9,026,764
Intangible assets	12	2,878,040	2,515,549
Deferred tax assets		-	-
Other assets	13	15,774,072	16,743,107
Non-current assets held for sale	11.3	739,200	739,200
		561,424,774	536,077,146
LIABILITIES			
Bills payable	14	7,677,003	4,981,983
Borrowings	15	63,990,811	48,303,412
Deposits and other accounts	16	437,402,703	431,423,822
Liabilities against assets subject to finance lease		-	-
Subordinated debt	17	7,491,800	7,492,800
Deferred tax liabilities	18	1,989,199	1,083,590
Other liabilities	19	18,789,041	19,875,838
		537,340,557	513,161,445
NET ASSETS		24,084,217	22,915,701
REPRESENTED BY			
Share capital - net		10,119,242	10,119,242
Reserves		2,243,845	1,991,169
Surplus on revaluation of assets	20	3,517,642	3,247,593
Unappropriated profit		7,949,870	7,029,251
		23,830,599	22,387,255
Non-controlling interest		253,618	528,446
		24,084,217	22,915,701
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 (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2021

		Quarter Ended		Nine months period ended	
		September 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020
Note		Rupees in '000			
Mark-up / return / interest earned	23	10,071,517	9,557,420	28,966,450	33,958,743
Mark-up / return / interest expensed	24	6,839,259	7,396,155	19,827,923	26,571,027
Net mark-up / interest income		3,232,258	2,161,265	9,138,527	7,387,716
NON MARK-UP / INTEREST INCOME					
Fee, commission and brokerage income	25	1,242,404	1,161,948	3,438,160	3,254,673
Dividend income		11,409	11,594	186,121	96,611
Foreign exchange income		305,163	383,243	843,628	735,166
Income from derivatives		19,420	16,776	24,181	33,983
Gain on securities	26	23,431	154,995	61,088	937,592
Share of (loss) / profit associates		(4,375)	1,829	9,530	(13,969)
Other income	27	18,802	44,104	35,777	84,052
Total non mark-up / interest income		1,616,254	1,774,489	4,598,485	5,128,108
Total Income		4,848,512	3,935,754	13,737,012	12,515,824
NON MARK-UP / INTEREST EXPENSES					
Operating expenses	28	3,747,520	3,339,688	10,577,843	9,897,564
Workers' welfare fund	29	18,168	6,600	44,146	20,320
Other charges	30	-	20	202	74,607
Total non-mark-up / interest expenses		3,765,688	3,346,308	10,622,191	9,992,491
Profit before provisions		1,082,824	589,446	3,114,821	2,523,333
Provisions and write offs - net	31	459,253	11,583	1,260,043	431,767
Extraordinary / unusual items		-	-	-	-
PROFIT BEFORE TAXATION		623,571	577,863	1,854,778	2,091,566
Taxation	32	284,807	239,500	797,496	990,986
PROFIT AFTER TAXATION		338,764	338,363	1,057,282	1,100,580
Attributable to:					
Equity holders of the Bank		328,419	333,364	1,027,471	1,107,038
Non-controlling interest		10,345	4,999	29,811	(6,458)
		338,764	338,363	1,057,282	1,100,580
----- Rupee -----					
Basic and diluted earnings per share	33	0.25	0.26	0.79	0.85

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 (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2021

	Quarter Ended		Nine months period ended	
	September 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020
	----- Rupees in '000 -----			
Profit after taxation for the period	338,764	338,363	1,057,282	1,100,580
Other comprehensive income / (loss)				
Items that may be reclassified to profit and loss account in subsequent periods				
Effect of translation of net investment in foreign branch	58,933	(7,895)	51,482	29,537
Movement in surplus on revaluation of investments - net of tax	(398,234)	(329,999)	535,345	1,626,105
Movement in general provision under IFRS 9 - net	(4,183)	15,155	14,021	40,786
Share of other comprehensive loss from associated companies - net of tax	-	-	-	(2,316)
	(402,417)	(314,844)	549,366	1,664,575
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	-	-	(224,557)	75,356
Movement in surplus on revaluation of non-banking assets - net of tax	-	-	(48,662)	-
Share of other comprehensive income from associated companies - net of tax	-	-	-	1,216
	-	-	(273,219)	76,572
Total other comprehensive income	(343,484)	(322,739)	327,629	1,770,684
Total comprehensive (loss) / income	(4,720)	15,624	1,384,911	2,871,264
Attributable to:				
Equity holders of the Bank	453	(15,468)	1,378,555	2,854,148
Non-controlling interest	(5,173)	31,092	6,356	17,116
	(4,720)	15,624	1,384,911	2,871,264

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 CHANGES IN EQUITY
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2021

	Attributable to shareholders of the Bank								Non-controlling interest	Total
	Share capital	Statutory reserve *	Capital reserve - exchange translation	Surplus / (Deficit) on revaluation of			Unappropriated profit	Sub-total		
				Investments	Fixed assets	Non banking assets				
Rupees in '000										
Balance as at January 01, 2020 - 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	-	-	-
Non-current assets held for sale	-	-	-	-	(92,126)	-	92,126	-	-	-
Pre-acquisition surplus (net) on available-for-sale investments realised during the period	-	-	-	-	-	-	(67,968)	(67,968)	(12,410)	(80,378)
Balance as at September 30, 2020 - un-audited	10,119,242	1,879,265	133,042	1,277,522	1,536,163	92,715	6,721,272	21,759,221	512,977	22,272,198
Total comprehensive income for the period ended December 31, 2020 - un-audited										
Profit after taxation	-	-	-	-	-	-	3,335	3,335	4,520	7,855
Other comprehensive (loss) / income - net of tax	-	-	(18,052)	313,373	-	38,398	290,980	624,699	10,949	635,648
	-	-	(18,052)	313,373	-	38,398	294,315	628,034	15,469	643,503
Transfer to statutory reserve	-	(3,086)	-	-	-	-	3,086	-	-	-
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax										
Fixed assets	-	-	-	-	(10,545)	-	10,545	-	-	-
Non-banking assets acquired in satisfaction of claims	-	-	-	-	-	(33)	33	-	-	-
Non-current assets held for sale	-	-	-	-	-	-	-	-	-	-
Balance as at December 31, 2020 - Audited	10,119,242	1,876,179	114,990	1,590,895	1,525,618	131,080	7,029,251	22,387,255	528,446	22,915,701
Total comprehensive income for the nine months period ended September 30, 2021 - un-audited										
Profit after taxation	-	-	-	-	-	-	1,027,471	1,027,471	29,811	1,057,282
Other comprehensive income / (loss) - net of tax	-	-	51,482	572,822	(224,557)	(48,662)	-	351,085	(23,456)	327,629
	-	-	51,482	572,822	(224,557)	(48,662)	1,027,471	1,378,556	6,355	1,384,911
Transfer to statutory reserve	-	201,194	-	-	-	-	(201,194)	-	-	-
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax										
Fixed assets	-	-	-	-	(29,509)	-	29,509	-	-	-
Non-banking assets acquired in satisfaction of claims	-	-	-	-	-	(45)	45	-	-	-
Interim cash dividend to non-controlling interest by subsidiary company @ Rs. 10 per share	-	-	-	-	-	-	-	-	(19,521)	(19,521)
Buy-back of shares by subsidiary from NCI	-	-	-	-	-	-	-	-	(263,722)	(263,722)
Gain arisen on buy back shares	-	-	-	-	-	-	16,114	16,114	1,232	17,346
Bargain Purchase Gain at the time of acquisition	-	-	-	-	-	-	48,674	48,674	828	49,502
Balance as at September 30, 2021 - un-audited	10,119,242	2,077,373	166,472	2,163,717	1,271,552	82,373	7,949,870	23,830,599	253,618	24,084,217

* 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
CONDENSED INTERIM CONSOLIDATED CASH FLOW STATEMENT (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2021

		September 30, 2021	September 30, 2020
	Note	----- Rupees in '000 -----	
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		1,854,778	2,091,566
Less: Dividend income		(186,121)	(96,611)
(Less) / add : Share of (profit) / loss from associates		(9,530)	13,969
		1,659,127	2,008,924
Adjustments:			
Depreciation		631,696	579,380
Depreciation on non-banking assets	28	6,433	6,808
Depreciation - right of use assets	28	697,305	768,609
Amortisation of intangible assets	28	101,708	86,669
Charge for defined benefit plan		167,619	161,822
Unrealised loss on revaluation of investments classified as held-for-trading - net	26	76,783	7,633
Unrealised gain on revaluation of forward foreign exchange contracts		(563,341)	(3,349)
Unrealised gain on revaluation of derivative instruments - net		(12,817)	(23,936)
Provisions and write offs - net	31	1,260,043	431,767
Provision for workers' welfare fund	29	44,146	20,320
Mark-up / return / interest expense on lease liability against right-of-use assets	24	306,184	401,562
(Gain) / loss on sale of fixed assets - net	27	(11,277)	172
Gain on sale of assets held for sale	27	-	(1,000)
Gain on termination of leases	27	(5,834)	(52,510)
		2,698,648	2,383,947
		4,357,775	4,392,871
Decrease / (increase) in operating assets			
Lendings to financial institutions		20,240,897	21,541,836
Held-for-trading securities		23,879,798	47,967,739
Advances		(2,812,934)	851,157
Other assets (excluding advance taxation)		1,856,832	2,091,780
		43,164,593	72,452,512
Increase / (decrease) in operating liabilities			
Bills payable		2,695,020	536,965
Borrowings		14,782,825	(20,084,526)
Deposits and other accounts		5,978,881	21,444,935
Other liabilities		(1,814,122)	2,349,103
		21,642,604	4,246,477
		69,164,972	81,091,860
Gratuity paid		-	(151,881)
Income tax paid		(878,017)	(92,454)
Net cash generated from operating activities		68,286,955	80,847,525
CASH FLOW FROM INVESTING ACTIVITIES			
Net investment in available-for-sale securities		(64,678,945)	(67,455,732)
Net investment in held-to-maturity securities		(5,281,918)	(3,336,453)
Investment in associated companies		-	(40,828)
Dividend received		186,430	96,611
Investments in fixed assets		(1,297,570)	(1,132,999)
Investments in intangible assets		(466,847)	(232,823)
Proceeds from sale of fixed assets		72,680	16,490
Proceeds from sale of assets held for sale		-	375,000
Effect of translation of net investment in foreign branch		51,482	29,537
Net cash flows used in investing activities		(71,414,688)	(71,681,197)
CASH FLOW FROM FINANCING ACTIVITIES			
Dividend paid on preference shares		-	-
Payment of lease liability against right of use assets		(855,441)	(887,737)
Subordinated debt		(1,000)	-
Shares bought back from non-controlling interest		(246,376)	-
Dividend paid to non-controlling interest		(19,521)	-
Net cash used in financing activities		(1,122,338)	(887,737)
(Decrease) / increase in cash and cash equivalents		(4,250,071)	8,278,591
Cash and cash equivalents at beginning of the period		31,406,546	25,429,551
Cash and cash equivalents at end of the period	34	27,156,475	33,708,142

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 CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2021

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 281 (December 31, 2020: 307) branches / sub-branches in Pakistan and one wholesale banking branch in Bahrain (December 31, 2020: 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 (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.

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

1.1.3 Composition of the Group

		Ownership interest and voting power held by			
		September 30, 2021		December 31, 2020	
	Note	The Group	NCI	The Group	NCI
Subsidiaries					
JS Global Capital Limited	1.1.3.1	92.90%	7.10%	83.53%	16.47%
JS Investment Limited		84.56%	15.44%	84.56%	15.44%
JS ABAMCO Commodities Limited	1.1.3.2	-	-	84.56%	15.44%

1.1.3.1 During the period, the Bank's ownership interest in JSGCL has increased by 9.37%, without any change in the cost of investment, due to the fact that JSGCL has bought back its 3,079,703 ordinary shares out of its 30,557,000 ordinary shares. Resultantly, JSGCL is principally owned by the Bank, holding 92.90% of its equity interest.

1.1.3.2 JS ABAMCO Commodities Limited (JSACL) did not intend to carry on the business of Futures Broker, therefore, the directors of JSIL were desirous of merging JSACL with and into JSIL. The Scheme of Arrangement under Section 284 of the Companies Act, 2017, for merger or amalgamation (the Scheme) of JSACL with and into JSIL, was approved by SECP under Rule 7(2) (cb) of Non-Banking Finance Companies (Establishment and Regulations) Rules 2003 vide its letter dated January 13, 2021. The Board of Directors of JSACL in their meeting held on February 19, 2021 has approved the Scheme with effect from March 31, 2021. Subsequently, the Scheme under section 284(2) of the Companies Act, 2017, submitted with Companies Registration Office, along with Form-35, which is approved dated June 24, 2021. Therefore, with effect from March 31, 2021, JSACL was merged with JS Investments Limited and is no more an indirect subsidiary of the Holding Company.

1.1.4 Composition of the Associated Companies

Associates

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

Ownership interest and voting power held by Bank	
September 30, 2021	December 31, 2020
9.60%	9.60%
9.12%	9.12%
9.12%	9.12%

2. BASIS OF PRESENTATION

2.1 These condensed interim consolidated financial statements include financial statements of JS Bank Limited and its subsidiary companies, (the "Group") and share of the profit / reserves of associates.

These condensed interim consolidated financial statements have been presented in Pakistan Rupees (PKR), which is the currency of the primary economic environment in which the Group operates and functional currency of the Holding Company, in that environment as well.

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 Banking Companies Ordinance, 1962;
- Provisions of and directives issued under the Companies Act, 2017; and
- Directives issued by the SBP and the Securities & Exchange Commission of Pakistan (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 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 consolidated financial statements and should be read in conjunction with the consolidated financial statements for the year ended December 31, 2020.

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 consolidated financial statements. However, investments have been classified and valued in accordance with the requirements prescribed by the SBP through various circulars.

IFRS 10 "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.O 56(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.

The applicability of the IFRS 9 'Financial Instruments' for all companies was deferred by SECP through its S.R.O. 229 (I)/2019 dated February 14, 2019. Under this standard all companies were required to prepare their financial statements in accordance with the requirements of IFRS 9 for reporting period / year ending on or after June 30, 2019 (earlier application was also permitted). However, in case of Holding Company, State Bank of Pakistan (SBP) has extended the effective date of applicability of IFRS 9 on or after January 01, 2022 through its BPRD Circular No. 24 dated July 05, 2021.

The guidelines and instructions on the application of IFRS 9 for the banking sector of Pakistan has not been issued by the State Bank of Pakistan (SBP), therefore, the Holding Company has not considered the impact of IFRS 9 for its domestic operations in these condensed interim consolidated financial statements. The Holding Company has continued to fulfil the requirements of Prudential Regulations and other SBP directives currently provide the accounting framework for the measurement and valuation of assets and provision/ impairment against non-performing assets.

2.3 BASIS OF CONSOLIDATION

2.3.1 The Group

- The condensed interim consolidated financial statements include the financial statements of the Bank (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 ceases.
- 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 Associate

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 period

There are certain new and amended standards, interpretations of and amendments that are mandatory for the Bank's accounting periods beginning on or after January 01, 2021 but are considered not to be relevant or do not have any significant effect on the Bank's operations.

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

As per State Bank of Pakistan (SBP)' BPRD circular letter no. 24 of 2021, IFRS 9 'Financial Instruments' is applicable to banks effective January 01, 2022. please refer note 2.1 above.

There are various other standards, interpretations and amendments to accounting and reporting standards as applicable in Pakistan that are not effective in the current period. These are not likely to have material effect on the Bank's financial statements.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The basis for accounting estimates adopted in the preparation of these condensed interim consolidated financial statements are the same as that applied in the preparation of the annual consolidated financial statements for the year ended December 31, 2020.

4. 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 annual consolidated financial statements for the year ended December 31, 2020.

5. FINANCIAL RISK MANAGEMENT

The financial risk management objectives and policies adopted by the Group are consistent with those disclosed in the annual consolidated financial statements for the year ended December 31, 2020.

		(Un-audited) September 30, 2021	(Audited) December 31, 2020
	Note	----- Rupees in '000 -----	
6. CASH AND BALANCES WITH TREASURY BANKS			
In hand:			
Local currency		10,348,593	6,337,389
Foreign currencies		919,784	1,301,503
		<u>11,268,377</u>	<u>7,638,892</u>
With State Bank of Pakistan in:			
Local currency current account		11,722,240	16,268,165
Foreign currency current account - non remunerative		1,011,146	1,086,874
Foreign currency deposit account - remunerative		2,122,277	2,261,337
		<u>14,855,663</u>	<u>19,616,376</u>
With National Bank of Pakistan in:			
Local currency current accounts		991,166	2,609,635
National Prize Bonds		125,600	556,628
		<u>27,240,806</u>	<u>30,421,531</u>
7. BALANCES WITH OTHER BANKS			
In Pakistan			
In current accounts		355,413	123,526
In deposit accounts		156,248	24,390
		<u>511,661</u>	<u>147,916</u>
Outside Pakistan			
In current accounts		452,152	980,669
		<u>963,813</u>	<u>1,128,585</u>
Less: General provision under IFRS 9	7.1	(445)	(450)
Balances with other banks - net of provision		<u>963,368</u>	<u>1,128,135</u>
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		-	2,237,682
Repurchase agreement lendings (Reverse Repo)		3,000,000	21,003,215
Due against bills re-discounting		-	-
		<u>3,000,000</u>	<u>23,240,897</u>
Less: General provision under IFRS 9	8.2	-	(1,225)
Lending to Financial Institutions - net of provision		<u>3,000,000</u>	<u>23,239,672</u>
8.1 Particulars of lendings - gross			
In local currency		3,000,000	21,003,215
In foreign currencies		-	2,237,682
		<u>3,000,000</u>	<u>23,240,897</u>
8.2	This represents general provision held under IFRS 9 by Bahrain branch of the Holding Company.		

		(Un-audited) September 30, 2021				(Audited) December 31, 2020			
		Cost / Amortised cost	Provision for diminution	Surplus / (Deficit)	Carrying Value	Cost / Amortised cost	Provision for diminution	Surplus / (Deficit)	Carrying Value
9.	INVESTMENTS - NET	Rupees in '000							
9.1	Investments by type								
	Held-for-trading securities								
	Federal Government Securities	1,421,885	-	(44)	1,421,841	25,002,969	-	805	25,003,774
	Shares	7,633	-	(1,966)	5,667	194,428	-	12,981	207,409
	Open end mutual funds	213,649	-	(75,917)	137,732	310,221	-	416	310,637
		1,643,167	-	(77,927)	1,565,240	25,507,618	-	14,202	25,521,820
	Available-for-sale securities								
	Federal Government Securities	191,255,249	-	(247,013)	191,008,236	127,308,516	-	97,527	127,406,043
	Shares	1,911,746	(136,589)	3,436,295	5,211,452	3,018,184	(411,955)	1,701,753	4,307,982
	Non Government Debt Securities	3,229,685	(690,334)	886	2,540,237	3,579,278	(696,507)	(420)	2,882,351
	Open end mutual funds	1,594,533	-	254,206	1,848,739	826,188	-	390,100	1,216,288
	Foreign Securities	5,498,968	(99,772)	(1,267)	5,397,929	4,079,070	(122,758)	136,466	4,092,778
		203,490,181	(926,695)	3,443,107	206,006,593	138,811,236	(1,231,220)	2,325,426	139,905,442
	Held-to-maturity securities								
	Federal Government Securities	41,391,517	-	-	41,391,517	36,109,599	-	-	36,109,599
	Associates	280,323	-	-	280,323	270,793	-	-	270,793
	Total Investments	246,805,188	(926,695)	3,365,180	249,243,673	200,699,246	(1,231,220)	2,339,628	201,807,654
		(Un-audited) September 30, 2021				(Audited) December 31, 2020			
		Cost / Amortised cost	Provision for diminution	Surplus / (Deficit)	Carrying Value	Cost / Amortised cost	Provision for diminution	Surplus / (Deficit)	Carrying Value
9.2	Investments by segments:	Rupees in '000							
	Held-for-trading securities								
	Federal Government Securities								
	Market Treasury Bills	1,421,885	-	(44)	1,421,841	25,002,969	-	805	25,003,774
	Pakistan Investment Bonds	-	-	-	-	-	-	-	-
		1,421,885	-	(44)	1,421,841	25,002,969	-	805	25,003,774
	Shares:								
	Listed Companies								
	Ordinary shares	7,633	-	(1,966)	5,667	194,428	-	12,981	207,409
	Open End Mutual Funds	213,649	-	(75,917)	137,732	310,221	-	416	310,637
		1,643,167	-	(77,927)	1,565,240	25,507,618	-	14,202	25,521,820
	Available-for-sale securities								
	Federal Government Securities:								
	Market Treasury Bills	133,934,087	-	(192,434)	133,741,653	90,027,949	-	20,041	90,047,990
	Pakistan Investment Bonds	57,321,162	-	(54,579)	57,266,583	37,280,567	-	77,486	37,358,053
	GoP Ijara Sukuk	-	-	-	-	-	-	-	-
		191,255,249	-	(247,013)	191,008,236	127,308,516	-	97,527	127,406,043
	Shares:								
	Listed Companies								
	Ordinary shares	1,764,157	-	3,436,295	5,200,452	2,870,595	(275,366)	1,701,753	4,296,982
	Preference shares	136,589	(136,589)	-	-	136,589	(136,589)	-	-
	Unlisted Companies								
	Ordinary shares	11,000	-	-	11,000	11,000	-	-	11,000
		1,911,746	(136,589)	3,436,295	5,211,452	3,018,184	(411,955)	1,701,753	4,307,982
	Non Government Debt Securities								
	Listed								
	Term Finance Certificates	436,745	(151,867)	481	285,359	442,682	(155,169)	(147)	287,366
	Sukuk Certificates	285,501	-	405	285,906	402,955	-	(273)	402,682
	Unlisted								
	Term Finance Certificates	1,083,302	(538,467)	-	544,835	1,340,804	(541,338)	-	799,466
	Sukuk Certificates	1,328,369	-	-	1,328,369	1,365,104	-	-	1,365,104
	Commercial Paper Certificates	68,035	-	-	68,035	-	-	-	-
	Preference shares	27,733	-	-	27,733	27,733	-	-	27,733
		3,229,685	(690,334)	886	2,540,237	3,579,278	(696,507)	(420)	2,882,351
	Open End Mutual Funds	1,594,533	-	254,206	1,848,739	826,188	-	390,100	1,216,288
	Foreign Securities								
	Government Debt Securities *	4,028,450	(85,433)	(18,624)	3,924,393	3,633,601	(120,619)	130,420	3,643,402
	Non Government Debt Securities *	1,440,992	(14,339)	16,095	1,442,748	379,654	(2,139)	(3,628)	373,887
	Ordinary shares	29,526	-	1,262	30,788	65,815	-	9,674	75,489
		5,498,968	(99,772)	(1,267)	5,397,929	4,079,070	(122,758)	136,466	4,092,778
		203,490,181	(926,695)	3,443,107	206,006,593	138,811,236	(1,231,220)	2,325,426	139,905,442
	Held-to-maturity securities								
	Federal Government Securities:								
	Pakistan Investment Bonds	41,391,517	-	-	41,391,517	36,109,599	-	-	36,109,599
	Associates								
	Omar Jibran Engineering Industries Limited	229,365	-	-	229,365	215,793	-	-	215,793
	Veda Transit Solutions (Private) Limited	50,958	-	-	50,958	54,302	-	-	54,302
	Intercity Touring Company (Private) Limited	-	-	-	-	698	-	-	698
		280,323	-	-	280,323	270,793	-	-	270,793
	Total Investments	246,805,188	(926,695)	3,365,180	249,243,673	200,699,246	(1,231,220)	2,339,628	201,807,654

* Provision for diminution against foreign debt securities represents expected credit loss provisioning under IFRS 9 on portfolio pertaining to Bahrain Branch.

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. 1,464.379 million (December 31, 2020: Rs. 2,655.879 million) having market value of Rs. 4,809.295 million (December 31, 2020: Rs. 4,135.436 million).

9.2.3 Included herein are the investments in related parties amounting to Rs. 9.866 million (December 31, 2020: Rs. 12.5 million) having market value of Rs. 9.984 million (December 31, 2020: Rs. 12.366 million).

9.2.4 Included herein is the investment of Rs. 388.607 million (December 31, 2020: 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 This represents investment in an associated company amounting to Rs. 27.733 million (December 31, 2020: Rs. 27.733 million).

9.2.6 This represents the investments in related parties amounting to Rs. 1,183.182 million (December 31, 2020: Rs. 1,136.409 million) having market value of Rs. 1,249.557 million (December 31, 2020: Rs. 1,526.925 million).

9.2.7 The market value of securities classified as held-to-maturity as at amounted to Rs. 41,061.104 million (December 31, 2020: Rs. 35,862.699 million).

	(Un-audited) September 30, 2021		(Audited) December 31, 2020	
	Cost	Market value	Cost	Market value
	----- Rupees in '000 -----			
9.3 Investments given as collateral				
Held-for-trading securities				
Federal Government Securities				
Market Treasury Bills	-	-	4,864,464	4,864,680
Available-for-sale securities				
Federal Government Securities:				
Market Treasury Bills	13,765,260	13,640,322	4,902,054	4,902,811
Pakistan Investment Bonds	10,145,207	10,078,601	-	-
	23,910,467	23,718,923	4,902,054	4,902,811
Foreign Securities				
Government Debt Securities	2,913,799	2,879,756	-	-
Non Government Debt Securities	702,820	704,876	-	-
	3,616,619	3,584,632	-	-
	27,527,086	27,303,555	9,766,518	9,767,491

	Note	(Un-audited) September 30, 2021	(Audited) December 31, 2020
		----- Rupees in '000 -----	
9.4 Provision for diminution in value of investments			
9.4.1 Opening balance		1,231,220	859,119
Charge during the period / year		-	276,202
Reversal during the period / year		(281,540)	(26,859)
	31	(281,540)	249,343
Impairment under IFRS 9 in Bahrain branch			
(Reversal) / charge during the period / year		(29,170)	122,758
Exchange Gain		6,185	-
		(22,985)	122,758
Closing balance		926,695	1,231,220

9.4.2 Particulars of provision against debt securities

Category of classification	(Un-audited) September 30, 2021		(Audited) December 31, 2020	
	NPI	Provision	NPI	Provision
	----- Rupees in '000 -----			
Domestic				
Other assets especially mentioned	-	-	-	-
Substandard	-	-	-	-
Doubtful	-	-	-	-
Loss	690,334	696,507	696,507	696,507
	690,334	696,507	696,507	696,507

10. ADVANCES		Note	Performing		Non Performing		Total	
			(Un-audited)	(Audited)	(Un-audited)	(Audited)	(Un-audited)	(Audited)
			September 30, 2021	December 31, 2020	September 30, 2021	December 31, 2020	September 30, 2021	December 31, 2020
			----- Rupees in '000 -----					
Loans, cash credits, running finances, etc.			228,357,074	231,322,752	14,613,529	11,733,555	242,970,603	243,056,307
Bills discounted and purchased			14,500,671	11,602,390	-	-	14,500,671	11,602,390
Advances - gross			242,857,745	242,925,142	14,613,529	11,733,555	257,471,274	254,658,697
Provision against advances								
General			(344,456)	-	-	-	(344,456)	-
General provision - under IFRS-9		10.3.3	(41,000)	(21,327)	-	-	(41,000)	(21,327)
Specific			-	-	(5,366,699)	(4,181,836)	(5,366,699)	(4,181,836)
		10.3	(385,456)	(21,327)	(5,366,699)	(4,181,836)	(5,752,155)	(4,203,163)
Advances - net of provision			242,472,289	242,903,815	9,246,830	7,551,719	251,719,119	250,455,534

10.1 Particulars of advances (gross)

In local currency	245,675,525	245,261,990
In foreign currencies	11,795,749	9,396,707
	257,471,274	254,658,697

10.2 Advances include Rs. 14,613.529 million (December 31, 2020: Rs. 10,353.164 million) which have been placed under non-performing status as detailed below:

Category of classification	(Un-audited)		(Audited)	
	September 30, 2021		December 31, 2020	
	Non Performing Loans	Provision	Non Performing Loans	Provision
----- Rupees in '000 -----				
Domestic				
Other Assets Especially Mentioned	1,289,650	16,862	296,799	394
Substandard	1,254,608	138,608	1,177,804	156,095
Doubtful	2,877,145	792,158	3,264,335	724,426
Loss	9,192,126	4,419,071	6,994,617	3,300,921
Total	14,613,529	5,366,699	11,733,555	4,181,836

10.3 Particulars of provision against non-performing advances

Note	(Un-audited)				(Audited)			
	September 30, 2021				December 31, 2020			
	Specific	General	General provision under IFRS-9	Total	Specific	General	General provision under IFRS-9	Total
----- Rupees in '000 -----								
Opening balance	4,181,836	-	21,327	4,203,163	3,339,941	161,166	7,520	3,508,627
Exchange adjustments	-	-	2,683	2,683	-	-	71	71
Charge for the period/ year	1,372,610	344,456	16,990	1,734,056	1,087,212	-	13,736	1,100,948
Reversals for the period / year	(187,390)	-	-	(187,390)	(245,317)	(161,166)	-	(406,483)
	1,185,220	344,456	16,990	1,546,666	841,895	(161,166)	13,736	694,465
Amount written off from the opening balance	(357)	-	-	(357)	-	-	-	-
Closing Balance	5,366,699	344,456	41,000	5,752,155	4,181,836	-	21,327	4,203,163

10.3.1 This includes reversal of provision of Nil (December 31, 2020: Rs. 8.604 million) against reduction of non-performing loans of Rs. 283.850 million (December 31, 2020: Rs. 90.180 million) of certain borrowers under 'Debt Property Swap' transactions, as disclosed in note 13.1.

10.3.2 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.

10.3.3 This represents general provision held under IFRS 9 by Bahrain branch of the Holding company.

10.3.4 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, 2021, the Bank has availed cumulative FSV benefit under the directives of the SBP of Rs. 5,637.713 million (December 31, 2020: Rs. 4,763.931 million).

The additional profit arising from availing the FSV benefit - net of tax amounts to Rs 3,439.005 million (December 31: 2020: Rs 2,905.998 million). The increase in profit, due to availing of the benefit, is not available for distribution of cash and stock dividend to share holders.

10.3.5 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, 2021 relating to facilities of customers have not been classified as non-performing on account of such relaxation.

10.3.6 This includes, general provision held against gold financing amounting to Rs. 741.73 million in connection with fraud incident held on August 02, 2021. The Bank has initiated recovery proceedings and recorded a provision of Rs. 237.997 million in these financial statements net of expected insurance recoveries.

			(Un-audited) September 30, 2021	(Audited) December 31, 2020
	Note		----- Rupees in '000 -----	
11. FIXED ASSETS				
Capital work-in-progress	11.1		883,221	298,971
Property and equipment	11.2 & 11.3		6,101,966	6,099,025
Right-of-use assets			2,881,309	2,628,768
			<u>9,866,496</u>	<u>9,026,764</u>
11.1 Capital work-in-progress				
Civil works			464,884	232,789
Advance for purchase of furniture and fixtures			19,876	1,013
Advance for purchase of vehicles			398,461	61,794
Advance for purchase of equipment and software			-	3,375
			<u>883,221</u>	<u>298,971</u>

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

	(Un-audited)					
	Additions		Disposal		Write offs / (back) - net	
	September 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020
	Rupees in '000					
Capital work-in-progress - net	783,249	4,117	-	-	-	-
Property and equipment						
Building on leasehold land	74,219	-	-	-	-	-
Leasehold improvements	93,557	113,863	4,458	-	33,993	43,754
Furniture and fixture	31,083	53,496	9,619	11,019	(2,113)	5,144
Electrical, office and computer equipment	496,391	321,425	34,396	4,792	(15,346)	9,610
Vehicles	13,384	179	12,930	851	(1,940)	-
	<u>708,634</u>	<u>488,963</u>	<u>61,403</u>	<u>16,662</u>	<u>14,594</u>	<u>58,508</u>
	<u>1,491,883</u>	<u>493,080</u>	<u>61,403</u>	<u>16,662</u>	<u>14,594</u>	<u>58,508</u>

11.2.1 This includes transfer from capital work in progress during the period of Rs. 231.146 million.

		(Un-audited) September 30, 2021	(Audited) December 31, 2020
	Note	----- Rupees in '000 -----	
11.3 Non-current assets held for sale			
Leasehold land	11.3.1	739,200	739,200

11.3.1 In 2020, the Board of Directors accorded its in-principle approval and authorised the management of the Bank to explore the possibility to sell a land located at Plot No. 201, situated at Upper Mall, Lahore, Pakistan of the following reasons:

- The property is available for immediate sale and can be sold in its current condition subject to completion of certain legal formalities.
- The actions to complete the sale were initiated and expected to be completed within one year from the date of classification.
- The Bank expects the legal and procedural formalities for the sale to be completed by the end of 2021.

Immediately before the classification of the property as a held for sale, the Property was revalued by independent professional valuer by M/s. Tristar International Consultants (Private) Limited as at December 31, 2020 and resulted no significant change was observed in valuations of the property.

		(Un-audited) September 30, 2021	(Audited) December 31, 2020
	Note	----- Rupees in '000 -----	
12. INTANGIBLE ASSETS			
Capital work-in-progress	12.1	406,529	223,901
Computer software	12.2	1,007,887	828,024
Goodwill		1,463,624	1,463,624
		<u>2,878,040</u>	<u>2,515,549</u>
12.1 Capital work-in-progress			
Advance for purchase of software	12.1.1	406,529	223,901
12.1.1	During the period, advance against purchase software was written off amounting Rs. 4.964 million as disclosed in note 31.		
		(Un-audited) September 30, 2021	(Audited) September 30, 2021
		----- Rupees in '000 -----	
12.2 Additions to intangible assets	Note		
The following additions have been made to intangible assets during the period:			
Capital work-in-progress - net		461,500	148,884
Computer software	12.2.1	280,058	165,723
		<u>741,558</u>	<u>314,607</u>
12.2.1	This includes transfer from capital work in progress during the period of Rs. 268.670 million.		
		(Un-audited) September 30, 2021	(Audited) December 31, 2020
		----- Rupees in '000 -----	
13. OTHER ASSETS	Note		
Income / mark-up accrued in local currency		5,800,362	6,885,407
Income/ mark-up accrued in foreign currencies		142,121	93,950
Trade receivable from brokerage and advisory business - net		1,267,074	1,515,019
Advances, deposits, advance rent and other prepayments		922,728	1,082,525
Acceptances		3,411,294	3,603,192
Dividend receivable		794	1,103
Taxation (payments less provision)		436,648	292,053
Net defined benefit plan		153,574	317,581
Balances due from funds under management		106,191	109,501
Receivable against bancassurance / bancatakaful		31,608	30,660
Stationery and stamps in hand		18,487	22,730
Receivable in respect of home remittance		38,116	30,656
Due from State Bank of Pakistan		93,036	245,310
Rebates receivable from SBP and others		306,292	305,331
Non-banking assets acquired in satisfaction of claims	13.1	1,453,635	1,176,143
Mark to market gain on derivative instruments		48,985	175,454
Mark to market gain on forward foreign exchange contracts		861,489	334,735
Advance against investments in securities	13.2	235,238	1,645
Inter bank fund transfer settlement		231,146	-
Credit card settlement		239,771	140,899
Insurance		15,213	7,636
Others		255,805	667,037
		<u>16,069,607</u>	<u>17,038,567</u>
Less: Provision held against other assets		(430,569)	(430,569)
Other assets (net of provisions)		15,639,038	16,607,998
Surplus on revaluation of non-banking assets acquired in satisfaction of claims		135,034	135,109
		<u>15,774,072</u>	<u>16,743,107</u>
13.1	During the period, the Bank has acquired properties of Rs. 283.850 million (December 31, 2020: Rs. 90.178 million) against debt swap transactions with borrowers resulting in reversal of provision of Rs. Nil (December 31, 2020: Rs. 8.604 million) (refer note 10.3.1).		
13.2	This represents advance given by wholesale branch of Bahrain against purchase of ordinary and preference shares of foreign companies.		

	(Un-audited) September 30, 2021	(Audited) December 31, 2020
	----- Rupees in '000 -----	
14. BILLS PAYABLE		
In Pakistan	7,433,322	4,752,985
Outside Pakistan	243,681	228,998
	<u>7,677,003</u>	<u>4,981,983</u>

15. BORROWINGS

Secured

Borrowings from State Bank of Pakistan under:

Export refinancing scheme (ERF)	20,009,590	21,496,075
Long-Term Finance Facility (LTFF)	2,632,136	1,985,038
Financing Facility for Storage of Agricultural produce (FFSAP)	252,726	193,029
Financing Facility for Renewable Energy Projects	748,951	433,085
Refinance and credit guarantee scheme for women entrepreneurs	70,775	32,900
Refinance for Wages & Salaries	7,176,052	11,543,118
Refinance facility for modernization of Small and Medium Enterprises (SMEs)	3,405	96,192
Refinance facility for combating COVID-19	198,631	229,984
Refinance facility for working capital of SMEs	-	33,901
Temporary economic refinance facility	810,411	51,871
Small and Medium Enterprises' Financing	62,222	-
	<u>31,964,899</u>	<u>36,095,193</u>

Repurchase agreement borrowings

11,644,788	-
<u>43,609,687</u>	<u>36,095,193</u>

Borrowing from financial institutions

Repurchase agreement borrowings	15,882,466	9,667,181
Refinancing facility for mortgage loans	2,938,541	2,397,468
	<u>18,821,007</u>	<u>12,064,649</u>

Total secured

62,430,694	48,159,842
------------	------------

Unsecured

Overdrawn nostro accounts

1,048,144	143,570
-----------	---------

Due against trade borrowings

511,973	-
---------	---

Total unsecured

1,560,117	143,570
-----------	---------

<u>63,990,811</u>	<u>48,303,412</u>
-------------------	-------------------

15.1 Particulars of borrowings

In local currency

59,592,143	48,159,842
------------	------------

In foreign currencies

4,398,668	143,570
-----------	---------

<u>63,990,811</u>	<u>48,303,412</u>
-------------------	-------------------

16. DEPOSITS AND OTHER ACCOUNTS

	(Un-audited) September 30, 2021			(Audited) December 31, 2020		
	In Local Currency	In Foreign currencies	Total	In Local Currency	In Foreign currencies	Total
----- Rupees in '000 -----						
Customers						
Current deposits	105,215,810	7,666,213	112,882,023	90,714,627	9,668,068	100,382,695
Savings deposits	95,982,639	3,604,307	99,586,946	98,103,956	3,944,797	102,048,753
Term deposits	178,907,591	14,163,837	193,071,428	186,691,026	15,203,881	201,894,907
Margin deposits	8,228,540	46,184	8,274,724	5,920,595	163	5,920,758
	<u>388,334,580</u>	<u>25,480,541</u>	<u>413,815,121</u>	<u>381,430,204</u>	<u>28,816,909</u>	<u>410,247,113</u>
Financial Institutions						
Current deposits	1,124,612	381,676	1,506,288	1,281,453	435,683	1,717,136
Savings deposits	11,457,701	22,845	11,480,546	11,192,800	-	11,192,800
Term deposits	10,600,748	-	10,600,748	8,266,773	-	8,266,773
	<u>23,183,061</u>	<u>404,521</u>	<u>23,587,582</u>	<u>20,741,026</u>	<u>435,683</u>	<u>21,176,709</u>
	<u>411,517,641</u>	<u>25,885,062</u>	<u>437,402,703</u>	<u>402,171,230</u>	<u>29,252,592</u>	<u>431,423,822</u>

17. SUB-ORDINATED DEBT

	Note	(Un-audited) September 30, 2021	(Audited) December 31, 2020
----- Rupees in '000 -----			
Term Finance Certificates - First Issue	17.1	2,994,600	2,995,200
Term Finance Certificates - Second Issue	17.2	1,997,200	1,997,600
Term Finance Certificates - Third Issue	17.3	2,500,000	2,500,000
		<u>7,491,800</u>	<u>7,492,800</u>

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 towards 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

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 towards 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 towards 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%);
- 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.
- 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, 2021	(Audited) December 31, 2020
Note		----- Rupees in '000 -----	
18. DEFERRED TAX LIABILITIES			
Deductible Temporary Differences on:			
	Provision against investments	(63,680)	(57,149)
	Provision against loans and advances	(344,621)	(287,840)
	Other assets	(97,915)	(119,330)
	General provision under IFRS-9	-	(43,552)
	Intangible other than Goodwill	(2,713)	(2,904)
	Unrealised gain on revaluation of investments classified as held for trading	(28,485)	4,032
	Provision for workers' welfare fund	-	(179)
		(537,414)	(506,922)
Taxable Temporary Differences on:			
	Operating fixed assets	195,156	188,533
	Goodwill	570,813	512,268
	Surplus on revaluation of operating fixed assets	20 457,395	240,391
	Surplus on revaluation of non-banking assets acquired in satisfaction of claims	20 52,661	4,029
	Unrealised gain / (loss) on revaluation of derivative financial instruments	-	5,302
	Liability against assets subject to finance lease - net	8,544	(11,381)
	Mark to market gain / (loss) on forward foreign exchange contracts	-	(22,893)
	Government Grant	1,354	1,888
	Surplus on revaluation of investments classified assets as available for sale	20 1,240,690	672,375
		2,526,613	1,590,512
		1,989,199	1,083,590
19. OTHER LIABILITIES			
	Mark-up / return / interest payable in local currency	3,883,166	3,132,699
	Mark-up / return / interest payable in foreign currencies	47,484	52,729
	Unearned commission income on guarantees	176,435	176,270
	Accrued expenses	534,692	809,789
	Acceptances	3,411,294	3,603,192
	Trade payable from brokerage business	1,701,447	2,353,304
	Unclaimed dividends	7,576	7,576
	Mark to market loss on derivative instruments	36,168	172,635
	Mark to market loss on forward foreign exchange contracts	298,148	400,144
	Dividend payable	4,985	5,183
	Gratuity Payable to contractual staff	4,157	-
	Withholding taxes payable	566,964	599,853
	Government challan collection	56,051	94,510
	Donation payable	33,887	-
	Security deposits against leases, lockers and others	3,160,964	3,490,704
	Provision for Workers' Welfare Fund	204,311	160,165
	Payable in respect of home remittance	355,859	831,042
	Retention money payable	46,576	42,044
	Lease liability against right-of-use assets	3,285,979	2,891,226
	Advance against sale of assets	13,000	-
	Insurance payable	9,658	10,137
	Payable to vendors against SBS goods	165,149	93,634
	Debit card settlement	10,082	65,855
	Inter bank fund transfer	-	159,136
	Clearing and settlement accounts	471,236	290,794
	Others	303,773	433,217
		18,789,041	19,875,838

			(Un-audited) September 30, 2021	(Audited) December 31, 2020
			----- Rupees in '000 -----	
20. SURPLUS ON REVALUATION OF ASSETS	Note			
Surplus on revaluation of:				
Available-for-sale securities	20.1.1		3,443,107	2,325,426
Operating fixed assets			1,728,947	1,766,009
Non-banking assets acquired in satisfaction of claims			135,034	135,109
			5,307,088	4,226,544
Deferred tax on surplus on revaluation of:				
Available-for-sale securities			(1,240,690)	(672,375)
Operating fixed assets			(457,395)	(240,391)
Non-banking assets acquired in satisfaction of claims			(52,661)	(4,029)
			(1,750,746)	(916,795)
			3,556,342	3,309,749
20.1 Group's share			3,517,642	3,247,593
Non-controlling interest			38,700	62,156
			3,556,342	3,309,749

20.1.1 Expected credit loss / general provision under IFRS 9 of Rs. 99.772 million (December 31, 2020: Rs.122.758 million) is adjusted with surplus on revaluation of foreign debt securities of the wholesale banking branch in Bahrain of the Holding Company and is recognised in profit or loss without reducing the carrying amount of securities.

			(Un-audited) September 30, 2021	(Audited) December 31, 2020
			----- Rupees in '000 -----	
21. CONTINGENCIES AND COMMITMENTS	Note			
Guarantees	21.1		47,941,084	58,779,594
Commitments	21.2		55,647,728	65,953,138
			103,588,812	124,732,732
21.1 Guarantees:				
Financial guarantees			1,342,892	1,024,422
Performance guarantees			26,500,379	36,678,881
Other guarantees			20,097,813	21,076,291
	21.1.1		47,941,084	58,779,594

21.1.1 Included herein are outstanding guarantees of Rs. 733.468 million (December 31, 2020: Rs. 29.054 million) of related parties.

			(Un-audited) September 30, 2021	(Audited) December 31, 2020
			----- Rupees in '000 -----	
21.2 Commitments:	Note			
Documentary credits and short-term trade-related transactions				
- letters of credit	21.2.1		24,935,497	21,111,360
Commitments in respect of:				
- Forward foreign exchange contracts	21.2.2		25,734,664	38,178,262
- Derivative instruments	21.2.3		3,646,680	5,564,000
- Forward lending	21.2.4		232,989	384,230
- 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		41,301	57,411
Commitments for acquisition of:				
- Operating fixed assets	21.2.7		656,597	257,875
			55,647,728	65,953,138

21.2.1 Included herein are the outstanding letter of credits of Rs. 332.220 million (December 31, 2020: Rs. 86.543 million) of related parties.

		(Un-audited) September 30, 2021	(Audited) December 31, 2020
		----- Rupees in '000 -----	
21.2.2	Commitments in respect of forward foreign exchange contracts		
	Purchase	17,696,414	23,137,733
	Sale	8,038,250	15,040,529
		<u>25,734,664</u>	<u>38,178,262</u>

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.

		(Un-audited) September 30, 2021	(Audited) December 31, 2020
		----- Rupees in '000 -----	
21.2.3	Commitments in respect of derivative instruments		
	Purchase	771,538	1,760,637
	Sale	2,875,142	3,803,363
		<u>3,646,680</u>	<u>5,564,000</u>
21.2.3.1	Interest rate swaps (notional principal)		
	Purchase	485,799	1,176,824
	Sale	485,799	1,176,824
		<u>971,598</u>	<u>2,353,648</u>
21.2.3.2	Options (notional principal)		
	Purchase	285,739	582,419
	Sale	2,389,343	2,425,487
		<u>2,675,082</u>	<u>3,007,906</u>
21.2.3.3	Commitments in respect of forward securities		
	Purchase	-	1,394
	Sale	-	201,052
		<u>-</u>	<u>202,446</u>
21.2.4	Commitments in respect of forward lending		
	Undrawn formal standby facilities, credit lines and other commitments to lend	21.2.4.1	<u>232,989</u>
			<u>384,230</u>

21.2.4.1 This represents commitments that are irrevocable because they cannot be withdrawn at the discretion of the bank without the risk of incurring significant penalty or expense.

		(Un-audited) September 30, 2021	(Audited) December 31, 2020
		----- Rupees in '000 -----	
21.2.5	Bank Guarantee from a commercial Bank in favor of National Clearing Company of Pakistan Limited	<u>400,000</u>	<u>400,000</u>
21.2.6	Outstanding settlements against margin financing contracts - net	<u>41,301</u>	<u>57,411</u>
21.2.7	Commitments for acquisition of operating fixed assets	<u>656,597</u>	<u>257,875</u>
21.2.7.1	This represents commitments related to purchase of leasehold improvements, furniture and fixtures, hardware & network equipments and electrical equipments and computer software.		
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, 2020 except those as disclosed in note 32.1 and 32.2.		

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 annual consolidated financial statements for the year ended December 31, 2020.

Accounting policies in respect of derivative financial instruments are described in note 4.4.2 of the consolidated annual financial statements for the year ended December 31, 2020.

22.1 Product Analysis

With Banks

Hedging
Market making

971,598	2,142	-	-	-	-
-	-	2,675,082	10,675	-	-

With FIs other banks

Hedging
Market making

-	-	-	-	-	-
-	-	-	-	-	-

Total

Hedging
Market making

971,598	2,142	-	-	-	-
-	-	2,675,082	10,675	-	-

(Un-audited)
September 30, 2021

Interest rate swaps		Options and Accumulators		Forward securities	
Notional principal	Mark to market	Notional principal	Mark to market	Notional principal	Mark to market

Rupees in '000

(Audited)
December 31, 2020

Interest rate swaps		Options and Accumulators		Forward securities	
Notional principal	Mark to market	Notional principal	Mark to market	Notional principal	Mark to market

Rupees in '000

With Banks

Hedging
Market making

2,353,648	4,943	-	-	-	-
-	-	3,007,906	10,205	201,052	(12,329)

With FIs other banks

Hedging
Market making

-	-	-	-	-	-
-	-	-	-	1,394	-

Total

Hedging
Market making

2,353,648	4,943	-	-	-	-
-	-	3,007,906	10,205	202,446	(12,329)

----- (Un-audited) -----
September 30, 2021 September 30, 2020
----- Rupees in '000 -----

23. MARK-UP / RETURN / INTEREST EARNED

Note

On:

Loans and advances
Investments
Lendings to financial institutions
Balances with other banks
Securities purchased under resale agreements

15,301,060	20,146,165
13,003,877	12,725,037
51,995	44,783
51,735	9,366
557,783	1,033,392
28,966,450	33,958,743

		----- (Un-audited) -----	
		September 30, 2021	September 30, 2020
		----- Rupees in '000 -----	
Note			
24. MARK-UP / RETURN / INTEREST EXPENSED			
	On:		
	Deposits	15,887,816	23,435,518
	Borrowings	2,759,636	1,490,518
	Subordinated debt	511,211	728,922
	Cost of foreign currency swaps against foreign currency deposits / borrowings	363,076	514,507
	Lease liability against right-of-use assets	306,184	401,562
		19,827,923	26,571,027
24.1 Borrowings			
	Export refinancing scheme (ERF)	292,408	256,608
	Long-Term Finance Facility (LTFF)	37,380	34,119
	Other Borrowings from State Bank of Pakistan	16,290	7,449
	Securities sold under repurchase agreements	2,113,642	872,550
	Other short term borrowings	299,916	319,792
		2,759,636	1,490,518
25. FEE, COMMISSION AND BROKERAGE INCOME			
	Branch banking customer fees	94,764	199,107
	Consumer finance related fees	42,209	21,987
	Card related fees (debit and credit cards)	245,438	478,923
	Credit related fees	248,093	298,064
	Investment banking fees	355,059	93,402
	Commission on trade	588,070	475,632
	Commission on guarantees	334,888	288,489
	Commission on cash management	5,740	3,054
	Commission on remittances including home remittances	173,375	214,202
	Commission on bancassurance	95,314	135,560
	Commission on distribution of mutual funds	2,711	26,190
	Commission on online Services	160,185	251,225
	Postage & Courier income	17,660	16,601
	Rebate income	189,556	178,725
	Rebate on primary dealership	34,638	27,637
	Brokerage income	733,716	405,423
	Management fee	116,744	140,452
		3,438,160	3,254,673
26. GAIN / (LOSS) ON SECURITIES - NET			
	Realised	137,871	945,225
	Unrealised - held for trading	(76,783)	(7,633)
		61,088	937,592
26.1 Realised gain on:			
	Federal government securities		
	Market treasury bills	3,015	76,822
	Pakistan investment bonds	5,213	857,655
	Ijara sukuk certificates	635	56
		8,863	934,533
	Shares		
	Listed companies	(50,339)	110
	Non Government Debt Securities		
	Term finance certificates	35,698	30,972
	Sukuk certificates	-	450
		35,698	31,422
	Mutual fund units	101,511	(13,302)
	Foreign currency bonds	42,138	(7,538)
		137,871	945,225
27. OTHER INCOME			
	Gain / (loss) on sale of fixed assets - net	11,277	(172)
	Gain on termination of leases - net	5,834	52,510
	Gain on sale of assets held for sale	-	1,000
	Others	18,666	30,714
		35,777	84,052

		----- (Un-audited) -----	
		September 30, 2021	September 30, 2020
		----- Rupees in '000 -----	
28. OPERATING EXPENSES	Note		
Total compensation expense		4,980,075	5,035,866
Property expense			
Rent & taxes		39,747	25,972
Insurance		3,505	2,640
Utilities cost		310,850	263,643
Security (including guards)		200,909	243,474
Repair & maintenance (including janitorial charges)		206,699	172,100
Depreciation		194,210	179,271
Depreciation on right-of-use assets		697,305	768,609
Depreciation on non banking assets		6,433	6,808
		1,659,658	1,662,517
Information technology expenses			
Software maintenance		477,656	289,846
Hardware maintenance		187,596	141,862
Depreciation		191,735	159,129
Amortisation		101,708	86,669
Network charges		136,969	98,249
		1,095,664	775,755
Other operating expenses			
Directors' fees and allowances		14,688	15,463
Legal & professional charges		104,760	145,375
Insurance		292,189	154,595
Outsourced services costs		133,529	119,039
Travelling & conveyance		102,437	82,179
NIFT clearing charges		35,787	26,851
Depreciation		245,751	240,980
Training & development		38,630	11,988
Postage & courier charges		64,967	76,363
Communication		79,563	103,260
Stationery & printing		177,599	199,145
Marketing, advertisement & publicity		301,073	339,185
Donations		44,142	60,841
Auditors' remuneration		8,989	7,778
Staff auto fuel & maintenance		176,241	151,304
Bank charges		37,923	43,762
Stamp duty		22,295	9,724
Online verification charges		43,422	12,951
Brokerage, fee and commission		41,023	33,341
Card related fees (debit and credit cards)		230,028	5,036
CDC and other charges		28,095	20,268
Consultancy fee		25,243	30,167
Deposit protection premium	28.1	146,248	93,204
Entertainment expenses		72,661	51,829
Repair and maintenance		58,425	46,349
Cash handling charges		144,481	155,540
Fee and Subscription		98,356	99,310
Employees social security		4,172	8,481
Generator fuel & maintenance		62,893	53,363
Fee and allowances to Shariah Board		76	52
Royalty		23,333	22,500
Others		36,841	39,357
		2,895,860	2,459,580
		10,631,257	9,933,718
Less: Reimbursement of selling and distribution expenses		(53,414)	(36,154)
		10,577,843	9,897,564

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.

29. WORKERS' WELFARE FUND

Provision held at @ 2% of the higher of profit before tax or taxable income under Sindh Workers' Welfare Act, 2014 and the Punjab Workers' Welfare Fund Act, 2019.

		----- (Un-audited) -----	
		September 30, 2021	September 30, 2020
		----- Rupees in '000 -----	
30. OTHER CHARGES	Note		
Penalties imposed by State Bank of Pakistan		202	74,607
31. PROVISIONS AND WRITE OFFS - NET			
(Reversals) / provisions for diminution in value of investments	9.4.1	(281,540)	21,176
Provisions against loans & advances	10.3	1,185,220	433,152
Provisions / (reversals) against loans & advances - general		344,456	(161,166)
(Reversals) / provisions under IFRS-9 -general	31	(13,433)	75,929
Fixed assets written off - net	11.2	14,594	58,508
Intangible assets written off	12.1.1	4,964	-
Other assets written off		5,782	4,168
		1,260,043	431,767
31.1 (Reversals) / provisions under IFRS-9 - general			
(Reversal) / charge / during the period			
Balances with other banks		(34)	19
Lendings to financial institutions		(1,219)	(1,322)
Investments	9.4.1	(29,170)	61,419
Advances	10.3	16,990	15,813
		(13,433)	75,929
32. TAXATION			
Current		823,840	504,968
Prior years		(90,418)	-
Deferred		64,074	486,018
		797,496	990,986

32.1 The Holding Company, JS Bank Limited

During the period, the Holding Company has received amended assessment order for tax year 2020 creating a demand of Rs. 200 million. The Holding Company has not accepted the amendments and filed appeal before Commissioner Inland Revenue – Appeals (the CIRA) against said order. Further, till the decision of the CIRA, the Holding Company has also obtained stay orders from Sindh High Court against impugned demand of tax year 2020.

Further, the Bank has filed appeal before the Supreme Court of Pakistan (the SCP) against levy of Super Tax demanded under above assessment order with other pending appeals of tax year 2016 to 2019 on same issue. The SCP has allowed interim relief to the taxpayers subject to the payment of 50% of the super tax liability.

32.2 Sales tax

During the period, the Holding Company as a registered person under Sindh Sales Tax on Services Act, 2011 has been issued Sales Tax Orders from the Sindh Revenue Board (SRB) for the period from January to December 2015 and 2017, creating demand of Rs. 27.8 million and Rs. 31.7 million respectively against the Holding Company for allegedly non-payment of Sindh sales tax on certain 'presumed non-taxable services / incomes' (i.e. Bancassurance, Home Remittances under Pakistan Remittance Initiative Scheme, SBP rebates on Government securities, and FX gain on remittance by Western Union). Appeals have been filed before Commissioner (Appeals) Sindh Revenue Board, CA-SRB against the decision of AC-SRB which are pending for hearing.

The management of the Holding Company is confident that the appeals filed in respect of the above matter will be decided in the Bank's favor and accordingly no demand for payment would arise.

		----- (Un-audited) -----			
		Quarter Ended		Nine months period ended	
		September 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020
		----- Rupees in '000 -----			
33. BASIC AND DILUTED EARNINGS PER SHARE					
Profit after taxation for the period - attributable to ordinary equity holders of the holding company		328,419	333,364	1,027,471	1,107,038
		----- 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 per share		0.25	0.26	0.79	0.85

		(Un-audited) September 30, 2021	(Audited) December 31, 2020	(Un-audited) September 30, 2020
		----- Rupees in '000 -----		
34. CASH AND CASH EQUIVALENTS	Note			
Cash and balances with treasury banks	6	27,240,806	30,421,531	33,588,181
Balances with other banks	7	963,813	1,128,585	690,075
Overdrawn nostro accounts	15	(1,048,144)	(143,570)	(570,114)
		27,156,475	31,406,546	33,708,142

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 4.6 to the annual consolidated financial statements.

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),	Fair values of Pakistan Investment Bonds and Market Treasury Bills are derived using PKRV and PKFRV rates (Reuters page).
Debt Securities (TFCs) and Sukuk other than Government	Investments in debt securities (comprising of 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 11 and 13 in the annual consolidated financial statements. 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 Group'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 period.

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, 2021			
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	-
Shares	5,667
Open end mutual funds	-
	5,667

-	1,421,841	-	1,421,841
5,667	-	-	5,667
-	137,732	-	137,732
5,667	1,559,573	-	1,565,240

Available-for-sale securities

Investments

Federal Government Securities	-
Shares	5,231,240
Non Government Debt Securities	-
Foreign Securities	-
Open end mutual funds	-
	5,231,240

-	191,008,236	-	191,008,236
5,231,240	-	-	5,231,240
-	571,265	-	571,265
-	5,367,141	-	5,367,141
-	1,848,739	-	1,848,739
5,231,240	198,795,381	-	204,026,621

Financial assets - disclosed but not measured at fair value

Investments

Federal Government Securities	-
-------------------------------	---

-	41,391,517	-	41,391,517
5,236,907	241,746,471	-	246,983,378

Non-Financial assets - measured at fair value

Revalued fixed assets	-
Non-banking assets acquired in satisfaction of claims	-
	-

-	-	2,628,883	2,628,883
-	-	1,588,669	1,588,669
-	-	4,217,552	4,217,552

Off balance sheet financial instruments

Commitments in respect of:

Forward foreign exchange contracts

Purchase

-	18,533,336	-	18,533,336
---	------------	---	------------

Sale

-	8,311,579	-	8,311,579
---	-----------	---	-----------

Derivative instruments

Forward investments securities

Sale

-	-	-	-
---	---	---	---

Interest rate swaps (notional principal)

Purchase

-	517,334	-	517,334
---	---------	---	---------

Sale

-	519,476	-	519,476
---	---------	---	---------

Options

Purchase

-	286,637	-	286,637
---	---------	---	---------

Sale

-	2,399,120	-	2,399,120
---	-----------	---	-----------

	(Audited)			
	December 31, 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	-	25,003,774	-	25,003,774
Shares	207,409	-	-	207,409
Open end mutual funds	-	244,002	-	244,002
	207,409	25,247,776	-	25,455,185
Available-for-sale securities				
Investments				
Federal Government Securities	-	127,406,043	-	127,406,043
Shares	4,372,471	-	-	4,372,471
Non Government Debt Securities	-	690,048	-	690,048
Foreign Securities	-	4,017,289	-	4,017,289
Open end mutual funds	-	1,216,288	-	1,216,288
	4,372,471	133,329,668	-	137,702,139
Financial assets - disclosed but not measured at fair value				
Investments				
Federal Government Securities	-	36,109,599	-	36,109,599
	4,579,880	194,687,043	-	199,266,923
Non-Financial assets - measured at fair value				
Revalued fixed assets	-	-	2,610,299	2,610,299
Non-banking assets acquired in satisfaction of claims	-	-	1,311,252	1,311,252
	-	-	3,921,551	3,921,551
Off balance sheet financial instruments				
Commitments in respect of:				
Forward foreign exchange contracts				
Purchase	-	22,942,707	-	22,942,707
Sale	-	14,910,910	-	14,910,910
Derivative instruments				
Forward investments securities				
Purchase	-	-	-	-
Sale	188,723	-	-	188,723
Interest rate swaps (notional principal)				
Purchase	-	1,120,607	-	1,120,607
Sale	-	1,125,550	-	1,125,550
Options				
Purchase	-	581,042	-	581,042
Sale	-	2,437,068	-	2,437,068

36. SEGMENT INFORMATION

36.1. Segment Details with respect to Business Activities:

	Corporate finance	Trading and sales	Retail banking	Commercial banking	Brokerage	Asset management	Others	Total
Rupees in '000								
September 30, 2021 (Un-audited)								
Profit & Loss								
Net mark-up / return / interest / (expense)	(659,212)	10,260,812	316,084	(953,876)	64,295	(19,346)	129,770	9,138,527
Inter segment revenue - net	681,921	(10,593,439)	6,223,789	3,687,729	-	-	-	-
Non mark-up / return / income / (loss)	192,470	904,031	1,161,547	1,215,170	951,264	172,082	1,921	4,598,485
Total Income / (loss)	215,179	571,404	7,701,420	3,949,023	1,015,559	152,736	131,691	13,737,012
Segment direct expenses	19,698	111,126	4,309,725	673,482	562,034	250,643	4,695,483	10,622,191
Inter segment expense allocation	32,860	119,071	3,767,783	525,125	-	-	(4,444,839)	-
Total expenses	52,558	230,197	8,077,508	1,198,607	562,034	250,643	250,644	10,622,191
Provisions / (reversals)	-	(281,540)	805,496	734,799	-	3,556	(2,268)	1,260,043
Profit / (loss) before tax	162,621	622,747	(1,181,584)	2,015,617	453,525	(101,463)	(116,685)	1,854,778
September 30, 2021 (Un-audited)								
Statement of financial position								
Cash & Bank balances	-	-	27,814,828	-	386,941	2,405	-	28,204,174
Investments	-	242,353,915	-	5,438,317	76,884	1,374,557	-	249,243,673
Net inter segment lending	10,887,762	-	109,663,123	88,329,323	-	-	8,400,816	217,281,024
Lendings to financial institutions	-	3,008,148	-	(8,148)	-	-	-	3,000,000
Advances - performing	836,029	-	67,926,309	168,371,778	302,722	2,351	5,418,556	242,857,745
Advances - non-performing	-	-	14,029,478	584,051	-	-	-	14,613,529
Advances - (provisions) / reversals - net	-	-	(2,483,009)	(3,269,146)	-	-	-	(5,752,155)
	836,029	-	79,472,778	165,686,683	302,722	2,351	5,418,556	251,719,119
Others	-	-	-	-	2,090,217	637,825	26,529,766	29,257,808
Total Assets	11,723,791	245,362,063	216,950,729	259,446,175	2,856,764	2,017,138	40,349,138	778,705,798
Borrowings	50,116	23,261,790	6,966,251	33,712,654	-	-	-	63,990,811
Subordinated debt	-	7,491,800	-	-	-	-	-	7,491,800
Deposits & other accounts	11,668,661	-	202,614,437	223,119,605	-	-	-	437,402,703
Net inter segment borrowing	-	216,489,338	-	791,686	-	-	-	217,281,024
Others	5,013	-	7,370,041	261,170	2,112,081	424,938	18,282,000	28,455,243
Total Liabilities	11,723,790	247,242,928	216,950,729	257,885,115	2,112,081	424,938	18,282,000	754,621,581
Equity	-	-	-	-	-	-	23,830,599	23,830,599
Non-controlling interest	-	-	-	-	-	-	253,618	253,618
Total Equity & Liabilities	11,723,790	247,242,928	216,950,729	257,885,115	2,112,081	424,938	42,366,217	778,705,798
Contingencies & Commitments	-	50,702,460	37,248,232	15,085,689	441,301	-	111,130	103,588,812
September 30, 2020 (Un-audited)								
Profit & Loss								
Net mark-up / return / interest / (expense)	(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	-	-	(587,753)	-
Non mark-up / return / income / (loss)	72,352	1,614,792	1,909,646	878,710	526,549	156,974	(30,915)	5,128,108
Total Income / (loss)	(1,071,283)	(303,549)	9,957,152	4,942,620	556,739	143,292	(1,709,147)	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)	193,430	431,767
Profit / (loss) before tax	(1,202,429)	(646,060)	2,766,758	3,347,258	154,094	(88,183)	(2,239,872)	2,091,566
December 31, 2020 (Audited)								
Statement of financial position								
Cash & Bank balances	-	20,722,345	10,804,855	-	19,153	3,313	-	31,549,666
Investments	2,891,836	196,878,742	-	-	347,651	1,689,425	-	201,807,654
Net inter segment lending	-	-	129,898,985	109,429,008	-	-	11,732,961	251,060,954
Lendings to financial institutions	-	23,239,672	-	-	-	-	-	23,239,672
Advances - performing	-	-	52,152,981	190,322,242	446,088	3,831	-	242,925,142
Advances - non-performing	-	-	4,760,888	6,972,667	-	-	-	11,733,555
Advances - (provisions) / reversals - net	-	-	(938,040)	(3,265,123)	-	-	-	(4,203,163)
	-	-	55,975,829	194,029,786	446,088	3,831	-	250,455,534
Others	-	4,590,700	3,570,545	3,315,506	2,854,534	666,196	14,027,138	29,024,619
Total Assets	2,891,836	245,431,459	200,250,214	306,774,300	3,667,426	2,362,765	25,760,099	787,138,099
Borrowings	-	12,208,219	1,996,091	34,099,102	-	-	-	48,303,412
Subordinated debt	-	7,492,800	-	-	-	-	-	7,492,800
Deposits & other accounts	-	-	166,087,049	265,336,773	-	-	-	431,423,822
Net inter segment borrowing	2,891,836	227,156,281	21,012,836	-	-	-	-	251,060,953
Others	-	551,556	11,154,238	5,893,204	2,728,064	446,461	5,167,888	25,941,411
Total Liabilities	2,891,836	247,408,856	200,250,214	305,329,079	2,728,064	446,461	5,167,888	764,222,398
Equity	-	-	-	-	-	-	22,387,255	22,387,255
Non-controlling interest	-	-	-	-	-	-	528,446	528,446
Total Equity & Liabilities	2,891,836	247,408,856	200,250,214	305,329,079	2,728,064	446,461	28,083,589	787,138,099
Contingencies & Commitments	-	60,973,417	44,793,723	18,141,644	690,306	-	133,642	124,732,732

37. RELATED PARTY TRANSACTIONS

The Group has related party transactions with its parent, associates, directors & Key Management Personnel and other related parties.

The Group enters into transactions with related parties in the ordinary course of business and on arm's length basis i.e. substantially the same terms as for comparable transactions with person of similar standing. Contributions to and accruals in respect of staff retirement benefits and other benefit plans are made in accordance with the actuarial valuations / terms of the contribution plan. Remuneration to the executives / officers is determined in accordance with the terms of their appointment.

The details of transactions with related parties, other than those which have been specifically disclosed elsewhere in these consolidated financial statements are as follows:

	As at September 30, 2021 (Un-audited)					As at December 31, 2020 (Audited)				
	Parent	Directors	Key management personnel	Associates	Other related parties	Parent	Directors	Key management personnel	Associates	Other related parties
	Rupees in '000									
Statement of financial position										
Lendings to financial institutions										
Opening balance	-	-	-	-	-	-	-	-	-	-
Addition during the period / year	-	-	-	-	3,400,000	-	-	-	-	4,100,000
Repaid during the period / year	-	-	-	-	(3,400,000)	-	-	-	-	(4,100,000)
Closing balance	-	-	-	-	-	-	-	-	-	-
Investments										
Opening balance	12,500	-	-	269,800	4,527,652	15,000	-	-	228,972	3,560,728
Investment made during the period / year	-	-	-	-	1,989,560	-	-	-	40,828	4,298,203
Investment redeemed / disposed off during the period / year	(2,634)	-	-	-	(3,560,679)	(2,500)	-	-	-	(3,331,279)
Closing balance	9,866	-	-	269,800	2,956,533	12,500	-	-	269,800	4,527,652
Provision for diminution in value of investments	-	-	-	-	388,607	-	-	-	-	391,478
Advances										
Opening balance	-	122,106	791,027	370,768	4,093,430	-	-	596,257	-	1,946,481
Addition during the year	-	4,345	189,480	294,076	4,812,762	-	58	284,284	153,128	6,402,913
Repaid during the year	-	(29,569)	(167,885)	(180,024)	(3,388,929)	-	(832)	(157,785)	(2,235)	(5,488,750)
Transfer in / (out) - net	-	31,547	(340,044)	-	530,059	-	122,880	68,271	219,875	1,232,786
Closing balance	-	128,429	472,578	484,820	6,047,322	-	122,106	791,027	370,768	4,093,430
Other Assets										
Interest / mark-up accrued	58	945	339	4,615	55,663	344	2,801	6	954	52,998
Receivable against bancassurance / bancatakaful	-	-	-	-	31,608	-	-	-	-	28,051
Net defined benefit plan	-	-	-	-	153,574	-	-	-	-	317,581
Trade receivable	-	-	46,435	-	189,027	73,455	-	80	-	158,590
Advance against purchase of property	-	-	-	-	-	-	-	-	-	-
Other receivable	285	-	-	-	6,871	281	-	-	-	8,889
Provision against other assets	-	-	-	-	379	-	-	-	-	379
Borrowings										
Opening balance	-	-	-	-	-	-	-	-	-	-
Borrowings during the period / year	-	-	-	-	-	-	-	-	-	11,105,705
Settled during the period / year	-	-	-	-	-	-	-	-	-	(11,105,705)
Closing balance	-	-	-	-	-	-	-	-	-	-
Deposits and other accounts										
Opening balance	172,019	212,335	76,237	49,753	10,365,166	271,648	24,444	59,593	23,104	8,622,201
Received during the period / year	3,839,787	238,329	321,390	513,235	112,577,207	5,511,316	511,942	973,685	861,135	160,825,941
Withdrawn during the period / year	(2,621,813)	(201,578)	(317,044)	(559,322)	(110,106,516)	(5,610,945)	(324,417)	(869,813)	(834,486)	(159,215,607)
Transfer in / (out) - net	-	121,656	(36,162)	-	480,787	-	366	(87,228)	-	132,631
Closing balance	1,389,993	370,742	44,421	3,666	13,316,644	172,019	212,335	76,237	49,753	10,365,166

	As at September 30, 2021 (Un-audited)					As at December 31, 2020 (Audited)				
	Parent	Directors	Key management personnel	Associates	Other related parties	Parent	Directors	Key management personnel	Associates	Other related parties
	Rupees in '000									
Subordinated debt	-	-	-	-	889,354	-	-	-	-	889,432
Other Liabilities										
Interest / return / mark-up payable on deposits	-	-	18	-	24,339	-	-	85	-	153,374
Interest / return / mark-up payable on subordinated debt	-	-	-	-	22,720	-	-	-	-	1,308
Trade payable	-	-	1,007	-	871	-	-	6,314	-	783
Donation Payable	-	-	-	-	-	-	-	-	-	4,500
Others payable	-	-	-	-	1,569	75	-	-	-	1,571
Represented By										
Share Capital	9,733,073	31,173	3,500	-	51,825	9,733,073	19,180	12,223	-	45,323
Contingencies and Commitments										
Letter of guarantee	-	-	-	-	735,468	-	-	-	-	29,054
Letter of Credit	-	-	-	-	334,128	-	-	-	-	86,543
	For the period ended September 30, 2021 (Un-audited)					For the period ended September 30, 2020 (Un-audited)				
	Parent	Directors	Key management personnel	Associates	Other related parties	Parent	Directors	Key management personnel	Associates	Other related parties
	Rupees in '000									
Profit and loss account										
Income										
Mark-up / return / interest earned	1,084	6,133	22,454	10,171	177,292	1,522	1,476	30,954	16,367	165,033
Fee, commission and brokerage income	10,660	58	13,646	37	254,779	6,057	9	2,516	-	340,954
Dividend income	-	-	-	-	176,792	-	-	-	-	77,718
(Loss) / gain on sale of securities - net	-	-	-	-	(51,286)	-	-	-	-	4,068
Rental income	-	-	-	-	-	-	-	-	-	-
Reversals / (provisions) and write offs - net										
Reversal for diminution in value of Investents	-	-	-	-	215,305	-	-	-	-	-
Expense										
Mark-up / return / interest paid	21,805	11,111	952	2,478	714,989	25,586	873	1,095	1,952	626,267
Remuneration paid	-	58,635	460,274	-	-	-	60,210	411,158	-	-
Non-executive directors' fee	-	13,757	-	-	-	-	15,090	-	-	-
Net charge for defined contribution plans	-	-	-	-	204,964	-	-	-	-	187,289
Net charge for defined benefit plans	-	-	-	-	167,619	-	-	-	-	161,822
Donation	-	-	-	-	-	-	-	-	-	58,919
Rental expense	-	-	-	-	17,121	-	-	-	-	28,541
Advisory fee	-	-	-	-	5,212	-	-	-	-	-
Royalty	-	-	-	-	23,333	-	-	-	-	22,500
Other expenses	975	-	-	-	1,564	1,133	-	-	-	13,775
Reimbursement of expenses	26,153	412	3,146	-	12,439	6,646	130	-	-	30,598
Payments made during the period										
Insurance premium paid	-	-	-	-	602,528	-	-	-	-	395,254
Insurance claims settled	-	-	-	-	13,744	-	-	-	-	2,793
Defined benefit plans paid	-	-	-	-	-	-	-	-	-	151,881
Other Transactions										
Sale of Government Securities	-	-	-	-	85,251,536	487,092	-	-	-	102,976,626
Purchase of Government Securities	-	-	-	-	3,668,917	-	1,645	-	-	40,258,947
Sale of Foreign Currencies	-	-	-	-	38,454,456	-	-	-	-	26,590,927
Purchase of Foreign Currencies	-	-	-	-	14,700,411	-	-	-	-	39,825,423

38. CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS

(Un-audited)
September 30,
2021

(Audited)
December 31,
2020

----- Rupees in '000 -----

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	18,439,357	17,433,159
Eligible Additional Tier 1 (ADT 1) Capital	2,166,728	1,965,291
Total Eligible Tier 1 Capital	20,606,085	19,398,450
Eligible Tier 2 Capital	5,724,319	5,558,052
Total Eligible Capital (Tier 1 + Tier 2)	26,330,404	24,956,502

Risk Weighted Assets (RWAs):

Credit Risk	160,859,205	154,573,487
Market Risk	3,527,282	3,835,995
Operational Risk	25,579,240	25,579,240
Total	189,965,727	183,988,722

Common Equity Tier 1 Capital Adequacy ratio	9.71%	9.48%
---	--------------	-------

Tier 1 Capital Adequacy Ratio	10.85%	10.54%
-------------------------------	---------------	--------

Total Capital Adequacy Ratio	13.86%	13.56%
------------------------------	---------------	--------

Leverage Ratio (LR):

Eligible Tier-1 Capital	20,606,085	19,398,450
Total Exposures	641,787,597	623,856,077
Leverage Ratio	3.21%	3.11%

Liquidity Coverage Ratio (LCR):

Total High Quality Liquid Assets	200,858,960	166,890,275
Total Net Cash Outflow	61,750,848	57,575,341
Liquidity Coverage Ratio	325.27%	289.86%

Net Stable Funding Ratio (NSFR):

Total Available Stable Funding	364,794,190	358,895,534
Total Required Stable Funding	278,390,516	259,861,191
Net Stable Funding Ratio	131.04%	138.11%

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** Corresponding figures have been re-arranged / re-classified, wherever necessary, to facilitate comparison in the presentation in the current period. However, there are no material re-arrangements / re-classifications to report.
- 40.3** 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 authorised for issue by the Board of Directors of the Bank in their meeting held on October 27, 2021.

**President and
Chief Executive Officer**

Chief Financial Officer

Director

Director

Chairman