

Quarterly Report
September 30, 2022 (Un-audited)

2022



Company Information

Board of Directors

Mr. Adil Matcheswala	Chairman
Mr. Hassan Afzal*	Non-Executive Director
Lt. Gen. (R) Sadiq Ali	Independent Director
Ms. Nargis Ghaloo	Independent Director
Syed Mumtaz Ali Shah	Independent Director
Mr. Shah Nawaz Haider Nawabi	Independent Director
Mr. Usman Yousaf Mobin	Independent Director
Mr. Basir Shamsie	President & CEO

Audit Committee

Ms. Nargis Ghaloo	Chairperson
Mr. Shah Nawaz Haider Nawabi	Member
Lt. Gen. (R) Sadiq Ali	Member

Human Resource, Remuneration & Nomination Committee

Syed Mumtaz Ali Shah	Chairman
Mr. Adil Matcheswala	Member
Mr. Usman Yousaf Mobin	Member

Risk Management Committee

Syed Mumtaz Ali Shah	Chairman
Lt. Gen. (R) Sadiq Ali	Member
Mr. Shah Nawaz Haider Nawabi	Member
Mr. Basir Shamsie	Member

Board IT Committee

Mr. Hassan Afzal*	Chairman
Mr. Usman Yousaf Mobin	Member
Ms. Nargis Ghaloo	Member
Mr. Basir Shamsie	Member

Chief Financial Officer

Mr. Amin Muhammad Virani

Company Secretary

Mr. Hasan Shahid

Auditors

KPMG Taseer Hadi & Co.
Chartered Accountants
Sheikh Sultan Trust Building No. 2
Beaumont Road
Karachi.

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
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*Mr. Hassan Afzal (Non-Executive Director) has resigned w.e.f. October 24, 2022.

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, 2022.

Economy Review

During 1QFY23 FBR collection continued to improve, taking tax collection to PKR 1,635 billion and surpassing the target by PKR 26 billion. On the other hand, average Consumer Price Index (CPI) during 1QFY23 increased to 25.1%, mainly driven by food and energy inflation. The higher inflation led to uptick in Policy Rate by 125 basis points (bps) during the quarter, taking it to 15%.

Pressures on the external front started easing as trade deficit began to reduce with 11% YoY contraction in 2MFY23. Exports increased by 11% YoY to US\$ 5.1 billion, while Imports declined by 2% YoY to US\$ 11.1 billion. Decline in import bill was led by lower commodity prices and tighter administrative controls on imports. Although remittance inflow declined by 3% YoY, improvement in trade account has led to overall Current Account Deficit (CAD) falling to US\$ 1.9 billion in 2MFY23 from USD\$2.4 billion during the same period last fiscal year. SBP FX Reserves also received support from US\$ 1.2 billion IMF disbursements in August 2022, increasing to US\$ 8.8 billion. This slightly improved import cover-up from 6 to 7 weeks.

Banking Sector Review

During 7MCY22, the weighted average banking spreads increased by 47 bps YoY, reaching to 4.84% amidst hawkish monetary policy environment. Banking sector deposits touched PKR 22,152 billion in August (up 15% YoY). Similarly, Total Investments increased 31% YoY to 18,183 billion (IDR 82%), while Advances increased 22% YoY to 10,922 billion (ADR 49%). Moreover, Non-Performing Loans as at 2QCY22 clocked in at PKR 878 billion, keeping the sector's Infection Ratio close to 8%.

Performance Overview

Bank continued its journey of gradual improvement as profit before tax is recorded at PKR 1,808.3 million for the nine months ended September 30, 2022 (up 6.7% YoY). The higher profitability emanated from improvement in core income as net interest income increased by 16% YoY to PKR 10,534.8 million. Moreover, net interest margins also increased to 1.86% in 9M2022 as compared to 1.81% in the same period last year. Bank's non-markup income also increased by 16.26% YoY to PKR 4,325.6 million during the said period.

This increase in revenue helped the bank record better (before tax) profitability during the period, despite operating expenses increasing by roughly 25.6% owing to higher marketing and technology expenditure related to the launch of bank's digital brand 'Zindigi'. Nonetheless, upward revision in tax rates in the current fiscal year resulted in 43.5% higher taxation expense, thereby causing bank's profit after tax to decline by 18% YoY to PKR 820.58 million.

September 2022 also witnessed bank's non-remunerative deposits increasing to PKR 129.4 billion as compared to PKR 123.3 billion in September 2021. Moreover, share of non-remunerative deposits in total has also increased to ~27% in September 2022 as compared to 25% in the same month last year. On the assets side, total advances have declined to PKR 241 billion in September 2022 (down 6% YoY), which is part of bank's wider strategy to reduce low-spread advances while

focusing more on small-ticket high-margin loans, especially in the SME segment. Furthermore, Bank's gross infection ratio stands at 6.9% as compared to industry average of around 8.4%.

Consolidated Financial Statements

On a consolidated basis, JS Bank along with its subsidiaries JS Global Capital and JS Investments earned a profit before tax of PKR 1,994 million (profit after tax of PKR 962 million) for the nine months ended September 30, 2022, as compared to a profit before tax of PKR 1,855 million (profit after tax of PKR 1,057 million) in the corresponding period last year. The earnings per share stood at PKR 0.73 for the nine months ended September 30, 2022, and the Group remains satisfactorily capitalized with CAR at 14.07%.

Recognition

JS Bank is driven by an unwavering determination to provide its customers with a frictionless banking experience and excellent service quality. In FY2022, the Bank's continued efforts in raising the bar won recognition from the prestigious Asiamoney and Euromoney Awards for the 'Best Bank for SME' and Asian Banking & Finance's 'SME Bank of the Year' award. In addition to this, JS Bank received the highly respected Certificate of Merit at the Best Corporate Report Awards 2022 in the Banking category, laying testament to the Bank's commitment to ensuring best corporate governance and transparent reporting.

The Bank has also won the Asiamoney coveted 'Best Bank for Diversity & Inclusion' accolade and 'Global Diversity & Inclusion Benchmarks' Award by The Centre for Global Inclusion. Pioneering Diversity & Inclusion in the banking sector, JS Bank's portfolio is geared toward increasing the representation of females and marginalized communities in the financial sector.

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

Mumtaz Ali Shah
Chairman of the Meeting

Karachi: October 26, 2022

ڈائریکٹر رپورٹ

ہم انتہائی مسرف کے ساتھ جے ایس بینک لمیٹڈ ("جے ایس بی ایل") کے مالیاتی گوشواروں بشمول مجموعی مالیاتی گوشواروں کا 30 ستمبر 2022 کو ختم ہونے والی نو ماہ کی مدت کا جائزہ پیش کر رہے ہیں۔

معیشیت کا جائزہ (Economy Review)

مالی سال 2022-23 کی پہلی سہ ماہی (1QFY23) کے دوران فیڈرل بورڈ آف ریونیو (ایف بی آر) کی ٹیکس وصولی میں مسلسل بہتری رہی جو 1,635 بلین روپے تک پہنچ گئی اور 26 بلین روپے کے ہدف کو عبور کر لیا۔ دوسری جانب، مالی سال 2022-23 کی پہلی سہ ماہی (1QFY23) کے دوران بنیادی طور پر خوراک اور توانائی کے شعبے میں افراط زر کی وجہ سے اوسط کنزیومر پرائس انڈیکس (CPI) 25.1 فیصد تک بڑھ گیا۔ زیادہ افراط زر نے سہ ماہی کے دوران پالیسی ریٹ میں 125 پیس پوائنٹس (bps) کا اضافہ کیا جو 15 فیصد تک پہنچ گیا۔

بیرونی محاذ پر دباؤ میں کمی ہونا شروع ہوئی جس کی وجہ مالی سال 2022-23 کے دوسرے ماہ (2MFY23) میں تجارتی خسارہ 11 فیصد ساہا سال (YoY) کی کمی کے ساتھ کم ہونا شروع ہوا۔ برآمدات 11 فیصد ساہا سال (YoY) اضافہ سے 5.1 بلین امریکی ڈالر ہو گئیں، جبکہ درآمدات 2 فیصد ساہا سال (YoY) کی کمی سے 11.1 بلین امریکی ڈالر ہو گئیں۔ درآمدی بل میں کمی اجناس کی قیمت کم ہونے اور درآمدات پر سخت انتظامی کنٹرول کے باعث ہوئی۔ اگرچہ ترسیلات زر کی آمد میں سالانہ 3 فیصد ساہا سال (YoY) کمی واقع ہوئی، لیکن تجارتی اکاؤنٹ میں بہتری کی وجہ سے مالی سال 2023 کے دوسرے ماہ (2MFY23) میں مجموعی کرنٹ اکاؤنٹ خسارہ (CAD) 1.9 بلین امریکی ڈالر تک گر گیا جو گزشتہ مالی سال کی اسی مدت کے دوران 2.4 بلین امریکی ڈالر تھا۔ اسٹیٹ بینک (SBP) کے غیر ملکی کرنسی (FX) کے ذخائر کو اگست 2022 میں عالمی مالیاتی فنڈ (آئی ایم ایف) کے 1.2 بلین امریکی ڈالر کی امداد سے بھی سہارا ملا، جو بڑھ کر 8.8 بلین امریکی ڈالر تک پہنچ گئے۔ اس سے اپورٹ کوراپ (Cover-up) میں 6 سے 7 ہفتوں کی قدرے بہتری آئی۔

بینکنگ سیکٹر کا جائزہ (Banking Sector Review)

سال 2022 کے پہلے سات ماہ (7MCY22) کے دوران، بینکنگ شعبے کے اوسط اسپریڈ (spread) 47 پیس پوائنٹس (bps) ساہا سال (YoY) اضافہ ہوا، جو منفرد مانیٹری پالیسی ماحول کے باعث 4.84 فیصد تک پہنچ گیا۔ بینکنگ شعبے کے ذخائر (Deposits) اگست میں 22,152 بلین روپے تک پہنچ گئے (15 فیصد ساہا سال (YoY) اضافہ کے ساتھ)۔ اسی طرح، سرمایہ کاری (Investments) 31 فیصد ساہا سال (YoY) بڑھ کر 18,183 بلین روپے (انویسٹمنٹ ٹو ڈیپازٹ ریشو (IDR) 82 فیصد) ہو گئی، جبکہ ایڈوانسز 22 فیصد ساہا سال (YoY) بڑھ کر 10,922 بلین روپے (ایڈوانس ٹو ڈیپازٹ ریشو (ADR) 49 فیصد) ہو گئی۔ مزید برآں، سال 2022 کی دوسری سہ ماہی (2QCY22) کے مطابق نان پرفارمنگ لونز (NPLs) 878 بلین روپے تک پہنچ گئے، جس سے شعبہ کے انفیکشن کا تناسب 8 فیصد کے قریب پہنچ گیا۔

کارکردگی کا جائزہ (Performance Overview)

بینک نے بتدریج بہتری کا سفر جاری رکھا اور 30 ستمبر 2022 کو اختتام پذیر 9 ماہ کیلئے قبل از ٹیکس منافع 1,808.3 بلین روپے ریکارڈ کیا (6.7 فیصد ساہا سال (YoY) اضافہ)۔ بنیادی آمدنی میں بہتری کے باعث منافع میں اضافہ ہوا، کیونکہ خالص سودی آمدنی 16 فیصد ساہا سال (YoY) اضافہ سے 10,534.8 بلین روپے رہی۔ مزید برآں، خالص سود کا تناسب بھی نو ماہ (9M2022) میں بڑھ کر 1.86 فیصد ہو گیا جو گزشتہ سال اسی مدت کے دوران 1.81 فیصد تھا۔ بینک کی غیر سودی آمدنی بھی مذکورہ مدت کے دوران 16.26 فیصد ساہا سال (YoY) اضافہ سے 4,325.6 بلین روپے تک بڑھ گئی۔

اس عرصے کے دوران بینک کی آمدنی میں اضافہ کی وجہ سے (قبل از ٹیکس) منافع میں بہتری آئی باوجود اس کے کہ بینک کے ڈیجیٹل برانڈ زندگی (Zindigi) متعارف کرانے پر زیادہ مارکیٹنگ اور ٹیکنالوجی اخراجات کے باعث آپریٹنگ اخراجات میں تقریباً 25.6 فیصد اضافہ ہوا۔ تاہم، موجودہ مالی سال میں ٹیکس کی شرح میں اضافے کے نتیجے میں ٹیکس کے اخراجات 43.5 فیصد بڑھ گئے، جس کی وجہ سے بینک کا بعد از ٹیکس منافع 18 فیصد ساہا سال (YoY) کم ہو کر 820.58 بلین روپے ہو گیا۔

ستمبر 2022 میں بھی بینک کے غیر منافع بخش ڈیپازٹس میں گزشتہ سال کے مقابلے میں 129.4 بلین روپے اضافہ دیکھنے میں آیا جو ستمبر 2021 میں 123.3 بلین روپے تھے۔ مزید برآں، ستمبر 2022 میں غیر منافع بخش ڈیپازٹس کی شرح مجموعی ڈیپازٹس کے مقابلے میں 27~ فیصد تک بڑھ گئی جو گزشتہ سال اسی مہینے میں 25 فیصد تھی۔ اثاثوں کی سائڈ پر، ستمبر 2022 میں کل ایڈوانسز کم ہو کر (6 فیصد سالہ سال (YoY) کی کمی سے) 241 بلین ہو گئے، جو کہ بینک کی کم اسپریڈ (spread) ایڈوانس کو کم کرنے جبکہ خاص طور پر ایس ایم ای (SME) شعبے میں چھوٹے ٹکٹ والے زیادہ مارجن کے قرضوں پر زیادہ توجہ مرکوز کرنے کی وسیع حکمت عملی کا حصہ ہے۔ مزید برآں، بینک کا مجموعی انفیکشن کا تناسب سیکٹر کے تقریباً 8.4 فیصد کے اوسط کے مقابلے میں 6.9 فیصد رہا۔

مجموعی مالیاتی گوشوارے (Consolidated Financial Statement)

مجموعی مالیاتی کارکردگی میں، جے ایس بینک نے اپنی ذیلی کمپنیوں جے ایس گلوبل کمپیٹل اور جے ایس انویسٹمنٹس کے ساتھ 30 ستمبر 2022 کو ختم ہونے والی 9 ماہ کی مدت کیلئے قبل از ٹیکس منافع 1,994 ملین روپے (بعد از ٹیکس منافع 962 ملین روپے) حاصل کیا جو گزشتہ سال اسی مدت میں قبل از ٹیکس منافع 1,855 ملین روپے (بعد از ٹیکس منافع 1,057 ملین روپے) تھا۔ 30 ستمبر 2022 کو ختم ہونے والی 9 ماہ کی مدت کیلئے فی شیئر آمدنی 0.73 روپے رہی، اور گروپ میں اطمینان بخش طور پر CAR 14.07 فیصد کے ساتھ سرمایہ دار رہی۔

اعتراف (Recognition)

جے ایس بینک اپنے صارفین کو بینکنگ کے بلا تھقل اور بغیر کسی تکلیف کا تجربہ اور بہترین سروس کو ایڈی فراہم کرنے کے غیر متزلزل عزم کے ساتھ کارفرما ہے۔ مالی سال 2022 میں، بینک کو مسلسل توقعات پر پورا ترنے کی بنیاد پر ایس ایم ای کیلئے بہترین بینک، اور ایشین بینکنگ اینڈ فنانس کے 'ایس ایم ای بینک آف دی ایئر' کیلئے باوقار ایشیائی اور یورومنی ایوارڈز کی جانب سے نوازا گیا۔ اس کے علاوہ، جے ایس بینک نے بہترین کارپوریٹ رپورٹ ایوارڈ 2022 میں بینکنگ کیٹیگری میں انتہائی قابل احترام ٹھٹھکیٹ آف میرٹ حاصل کیا، جو بینک کے بہترین کارپوریٹ گورننس اور شفاف رپورٹنگ کو یقینی بنانے کے عزم کا ثبوت ہے۔ بینک نے ایشیائی کی جانب سے 'بیسٹ بینک فار ڈائیورسٹی اینڈ انکلوژن' کا اعزاز اور دی سینٹر فار گلوبل انکلوژن کی جانب سے 'گلوبل ڈائیورسٹی اور انکلوژن پیچ مارکس' ایوارڈز بھی جیتے ہیں۔ بینکنگ شعبے میں تنوع اور شمولیت کا علمبردار، جے ایس بینک کا پورٹ فولیو مالیاتی شعبے میں پسماندہ کمیونٹیز اور خواتین کی نمائندگی کو بڑھانے کیلئے عمل پیرا ہیں۔

کریڈٹ ریٹنگز (Credit Ratings)

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

اظہار تشکر (Acknowledgments)

جے ایس بینک کی جانب سے ہم اپنے صارفین اور اسٹیک ہولڈرز کے مسلسل اعتماد اور سرپرستی پر شکر گزار ہیں۔ ہم وزارت خزانہ، اسٹیٹ بینک آف پاکستان، سیورٹیز اینڈ ایکیچج کمیشن آف پاکستان اور دیگر ریگولیٹری اداروں کا بینک کو تعاون فراہم کرنے کیلئے بھی ممنون ہیں۔ ہم اپنے ساتھیوں اور جانفشانی کے ساتھ بینک کو ترقی، خوشحالی اور کامیابی کی نئی بلندیوں کی طرف گامزن کرنے والے ملازمین کا ان کی انتھک محنت پر بھی شکریہ ادا کرنا چاہتے ہیں۔

منجانب بورڈ،

سید ممتاز علی شاہ

میٹنگ چیئرمین

باصر شمس

پریزیڈنٹ اور سی ای او

کراچی: 26 اکتوبر 2022



Condensed Interim Unconsolidated Financial Statements
for the Nine Months Ended September 30, 2022

JS BANK LIMITED
CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2022

		(Un-audited) September 30, 2022	(Audited) December 31, 2021
	Note	Rupees in '000	
ASSETS			
Cash and balances with treasury banks	6	31,838,192	34,266,856
Balances with other banks	7	1,289,855	1,185,786
Lendings to financial institutions	8	321,706	31,939,044
Investments	9	282,688,936	231,266,277
Advances	10	233,528,258	254,183,938
Fixed assets	11	9,993,445	10,167,038
Intangible assets	12	3,546,411	3,134,577
Deferred tax assets	18	-	-
Other assets	13	25,717,786	18,145,338
		588,924,589	584,288,854
LIABILITIES			
Bills payable	14	5,929,150	7,038,886
Borrowings	15	53,227,893	70,474,310
Deposits and other accounts	16	481,216,502	460,705,014
Liabilities against assets subject to finance lease		-	-
Subordinated debt	17	6,995,900	6,996,800
Deferred tax liabilities	18	888,482	1,385,648
Other liabilities	19	18,485,577	15,664,113
		566,743,504	562,264,771
NET ASSETS		22,181,085	22,024,083
REPRESENTED BY			
Share capital - net		10,119,242	10,119,242
Reserves		2,757,449	2,331,070
Surplus on revaluation of assets	20	1,525,777	2,467,158
Unappropriated profit		7,778,617	7,106,613
		22,181,085	22,024,083

CONTINGENCIES AND COMMITMENTS

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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 ENDED SEPTEMBER 30, 2022

		Quarter Ended		Nine Months Ended	
		September 30, 2022	September 30, 2021	September 30, 2022	September 30, 2021
Note		Rupees in '000			
Mark-up / return / interest earned	23	18,906,914	10,044,698	48,774,693	28,890,545
Mark-up / return / interest expensed	24	15,007,814	6,839,069	38,239,888	19,836,034
Net mark-up / interest income		3,899,100	3,205,629	10,534,805	9,054,511
Non mark-up / interest income					
Fee and commission income	25	739,211	829,199	2,340,718	2,412,869
Dividend income		55,198	266,016	112,945	428,072
Foreign exchange income		941,291	305,163	1,917,037	841,127
(Loss) / income from derivatives		33,634	18,643	(56,835)	24,181
Gain on securities - net	26	81,371	12,027	94	12,691
Other income	27	15,097	1,062	11,739	1,921
Total non mark-up / interest income		1,865,802	1,432,110	4,325,698	3,720,861
Total Income		5,764,902	4,637,739	14,860,503	12,775,372
Non mark-up / interest expenses					
Operating expenses	28	4,459,555	3,458,144	12,294,807	9,790,450
Workers' Welfare Fund	29	16,749	14,124	36,165	33,887
Other charges	30	-	-	85,590	202
Total non-mark-up / interest expenses		4,476,304	3,472,268	12,416,562	9,824,539
Profit before provisions		1,288,598	1,165,471	2,443,941	2,950,833
Provisions and write offs - net	31	451,192	459,253	635,685	1,256,487
Profit before taxation		837,406	706,218	1,808,256	1,694,346
Taxation	32	442,373	270,243	987,669	688,375
Profit after taxation		395,033	435,975	820,587	1,005,971
----- Rupee -----					
Earnings per share					
- basic and diluted	33	0.30	0.34	0.63	0.78

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 ENDED SEPTEMBER 30, 2022**

	Quarter Ended		Nine Months Ended	
	September 30, 2022	September 30, 2021	September 30, 2022	September 30, 2021
	Rupees in '000			
Profit after taxation for the period	395,033	435,975	820,587	1,005,971
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	124,867	58,933	262,262	51,482
Movement in surplus of investments - net of tax (Pakistan operations)	716,485	(170,501)	(259,946)	866,966
Movement in surplus of debt investments at FVOCI - net of tax (Bahrain operations)	(344,327)	(24,571)	(578,623)	(68,641)
	372,158	(195,072)	(838,569)	798,325
	497,025	(136,139)	(576,307)	849,807
Items that will not be reclassified to profit and loss account in subsequent periods				
Movement in surplus on revaluation of fixed assets - net of tax	-	-	(32,007)	(224,557)
Movement in surplus on revaluation of non-banking assets - net of tax	-	-	(98)	(48,662)
Movement in surplus of equity investments at FVOCI - net of tax (Bahrain operations)	(13,057)	(102,253)	(55,173)	(107,635)
	(13,057)	(102,253)	(87,278)	(380,854)
Total comprehensive income for the period	879,001	197,583	157,002	1,474,924

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 (UN-AUDITED)
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022

	Share capital - net	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, 2021 (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 ended September 30, 2021								
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 - net of tax	-	-	-	-	(11,814)	(45)	11,859	-
Balance as at September 30, 2021	10,119,242	2,077,374	166,472	1,941,951	715,411	82,373	6,964,309	22,067,132
Total comprehensive income for the three months ended December 31, 2021								
Profit after taxation	-	-	-	-	-	-	298,421	298,421
Other comprehensive (loss) / income								
- net of tax	-	-	27,540	(767,880)	489,843	37,366	(128,339)	(341,470)
	-	-	27,540	(767,880)	489,843	37,366	170,082	(43,049)
Transfer to statutory reserve	-	59,684	-	-	-	-	(59,684)	-
Transfer from surplus on revaluation of assets - net of tax	-	-	-	-	(3,938)	(25)	3,963	-
Gain on disposal of equity investments at FVOCI transferred to unappropriated profit	-	-	-	(27,943)	-	-	27,943	-
Balance as at December 31, 2021	10,119,242	2,137,058	194,012	1,146,128	1,201,316	119,714	7,106,613	22,024,083
Total comprehensive income / (loss) for the nine months ended September 30, 2022								
Profit after taxation	-	-	-	-	-	-	820,587	820,587
Other comprehensive (loss) / income								
- net of tax	-	-	262,262	(893,742)	(32,007)	(98)	-	(663,585)
	-	-	262,262	(893,742)	(32,007)	(98)	820,587	157,002
Transfer to statutory reserve	-	164,117	-	-	-	-	(164,117)	-
Transfer from surplus on revaluation of assets - net of tax	-	-	-	-	(16,185)	(12,495)	28,680	-
Loss on disposal of equity investments at FVOCI transferred to unappropriated profit	-	-	-	13,146	-	-	(13,146)	-
Balance as at September 30, 2022	10,119,242	2,301,175	456,274	265,532	1,153,124	107,121	7,778,617	22,181,085

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 ENDED SEPTEMBER 30, 2022

		September 30, 2022	September 30, 2021
	Note	Rupees in '000	
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before taxation		1,808,256	1,694,346
Less: Dividend income		112,945	428,072
		1,695,311	1,266,274
Adjustments:			
Depreciation on fixed assets	28	650,104	555,850
Depreciation on right-of-use assets	28	817,149	665,353
Amortisation	28	122,945	97,706
Interest expense on lease liability against right-of-use assets	24	276,693	281,382
Charge for defined benefit plan		107,402	167,619
Unrealised loss on revaluation of investments classified as held-for-trading - net	26	-	44
Provisions and write offs - net	31	635,685	1,256,487
Workers' Welfare Fund - charge		36,165	33,887
Loss on sale of fixed assets - net	27	18,895	3,913
Gain on termination of leases - net	27	(12,746)	(5,834)
		2,652,292	3,056,407
		4,347,603	4,322,681
Decrease / (increase) in operating assets			
Lendings to financial institutions		31,617,338	20,240,897
Held-for-trading securities		1,100,474	23,581,890
Advances		20,029,219	(2,885,198)
Other assets (excluding advance taxation)		(7,477,672)	288,813
		45,269,359	41,226,402
Increase / (decrease) in operating liabilities			
Bills payable		(1,109,736)	2,695,020
Borrowings		(18,609,811)	14,782,825
Deposits		20,511,488	6,022,139
Other liabilities		2,939,560	(862,803)
		3,731,501	22,637,181
		53,348,463	68,186,264
Income tax paid		(1,165,273)	(818,338)
Net cash generated from operating activities		52,183,190	67,367,926
CASH FLOW FROM INVESTING ACTIVITIES			
Net investments in available-for-sale securities		(13,051,964)	(64,711,605)
Net investments in held-to-maturity securities		(40,878,044)	(5,281,918)
Dividends received		195,943	427,278
Investment in fixed assets		(1,173,076)	(1,240,197)
Investment in intangible assets		(534,779)	(473,427)
Proceeds from sale of fixed assets		117,429	49,219
Effect of translation of net investment in foreign branch		262,262	51,482
Net cash used in investing activities		(55,062,229)	(71,179,168)
CASH FLOWS FROM FINANCING ACTIVITIES			
Payment of lease liability against right-of-use assets		(808,015)	(804,709)
Repayment of subordinated debt		(900)	(1,000)
Net cash used in financing activities		(808,915)	(805,709)
Decrease in cash and cash equivalents		(3,687,954)	(4,616,951)
Cash and cash equivalents at beginning of the period		35,145,996	31,384,080
Cash and cash equivalents at end of the period	34	31,458,042	26,767,129

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
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022

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, 2021: 281) branches / sub-branches in Pakistan and 1 wholesale banking branch in Bahrain (December 31, 2021: 1). 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 repayment of financial commitments.

- 1.2** Jahangir Siddiqui Investment Bank Limited (JSIBL), formerly Citicorp Investment Bank Limited which was acquired by Jahangir Siddiqui & Co. Limited (JSCL) on February 01, 1999. JSIBL's 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, JS Bank Limited (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** During the period, the shareholders of the Bank in their meeting held on March 30, 2022 approved to acquire, as per the requirements of section 199 of the Companies Act, 2017, 86,316,954 ordinary shares of BankIslami Pakistan Limited (BIPL) (an associated company of JSCL), constituting 7.79% of the paid-up capital of BIPL, from Emirates NBD Bank PJSC at a price of upto Rs. 13.24 per share making the aggregate consideration upto Rs. 1,142 million. Subsequent to September 30, 2022 approval from the SBP was received on October 3, 2022 and the Bank is in process to complete other formalities to close this transaction.
- 1.4** Subsequent to the period, the Bank has increased its Authorized Share Capital from Rs. 25 billion to Rs. 40 billion with the approval of Shareholders in extra-ordinary general meeting held on October 04, 2022 and the approval from State Bank of Pakistan vide letter dated October 12, 2022.

2. BASIS OF PRESENTATION

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 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 condensed interim consolidated 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 State Bank of Pakistan (SBP) and the Securities and Exchange Commission of Pakistan (SECP).

JS BANK LIMITED
NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022

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.

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, 2021.

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 condensed interim unconsolidated 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 unconsolidated financial statements.

2.2 Standards, interpretations of and amendments to 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, 2022 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 accounting and reporting standards that are not yet effective

The application of the International Financial Reporting Standard (IFRS) 9, 'Financial Instruments' for all companies to prepare their financial statements in accordance with the requirements of IFRS 9 was implemented by SECP for reporting period / year ending on or after June 30, 2019 through its S.R.O. 229 (I)/2019 dated February 14, 2019. However, State Bank of Pakistan (SBP) has extended the effective date of applicability of IFRS 9 from January 01, 2023 through its BPRD Circular No. 03 dated July 05, 2022 in case of banks having assets size of Rs. 500 billion or above. The said circular contained application instructions for quarterly, half yearly and annual parallel run reporting of IFRS 9 for year 2022 and 2023 within given timelines.

As of reporting date, till the implementation of IFRS 9, the Bank has continued to fulfil the requirements of Prudential Regulations and other SBP directives currently providing the accounting framework for the measurement and valuation of assets and provisions / impairment against non-performing assets.

There are certain other new amendments that are mandatory for the Bank's accounting periods beginning on or after January 01, 2023, but are considered not to be relevant or will not have any significant effect on the Bank's operations and are, therefore, not detailed in these condensed interim unconsolidated 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 unconsolidated financial statements for the year ended December 31, 2021.

4. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies and methods of computation adopted in the preparation of these condensed interim unconsolidated financial statements are consistent with those applied in the preparation of the unconsolidated financial statements for the year ended December 31, 2021.

5. FINANCIAL RISK MANAGEMENT

The financial risk management objectives and policies adopted by the Bank are consistent with those disclosed in the unconsolidated financial statements for the year ended December 31, 2021.

JS BANK LIMITED
**NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022**

		(Un-audited) September 30, 2022	(Audited) December 31, 2021
	Note	----- Rupees in '000 -----	
6. CASH AND BALANCES WITH TREASURY BANKS			
In hand			
Local currency		6,790,120	7,286,182
Foreign currencies		965,974	957,434
		7,756,094	8,243,616
With State Bank of Pakistan in			
Local currency current account		20,738,902	19,934,402
Foreign currency current account - non remunerative		845,272	1,085,558
Foreign currency deposit account - remunerative		506,905	2,616,420
		22,091,079	23,636,380
With National Bank of Pakistan in local currency current accounts		1,986,861	2,345,795
National Prize Bonds		4,158	41,065
		31,838,192	34,266,856
7. BALANCES WITH OTHER BANKS			
In Pakistan			
In current accounts		237,620	128,812
In deposit accounts		73	73
		237,693	128,885
Outside Pakistan			
In current accounts		1,052,214	1,056,918
		1,289,907	1,185,803
Less: General provision under IFRS 9	7.1	(52)	(17)
Balances with other banks - net of provision		1,289,855	1,185,786

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

	(Un-audited) September 30, 2022	(Audited) December 31, 2021
	----- Rupees in '000 -----	
8. LENDINGS TO FINANCIAL INSTITUTIONS		
Repurchase agreement lendings (reverse repo)	321,706	31,939,044

JS BANK LIMITED
NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022

9. INVESTMENTS

		September 30, 2022 (Un-audited)				December 31, 2021 (Audited)			
		Cost / Amortised cost	Provision for diminution	Surplus / (deficit)	Carrying value	Cost / Amortised cost	Provision for diminution	Surplus / (deficit)	Carrying value
9.1	Investments by type:	Rupees in '000							
	Held-for-trading securities								
	Federal Government Securities								
	Market Treasury Bills	8,930	-	-	8,930	1,109,264	-	(61)	1,109,203
	Pakistan Investment Bonds - Fixed	-	-	-	-	202	-	(1)	201
		8,930	-	-	8,930	1,109,466	-	(62)	1,109,404
	Available-for-sale securities								
	Federal Government Securities								
	Market Treasury Bills	52,975,677	-	(26,309)	52,949,368	125,616,353	-	(370,699)	125,245,654
	Pakistan Investment Bonds - Fixed	26,944,873	-	(560,084)	26,384,789	8,444,450	-	16,757	8,461,207
	Pakistan Investment Bonds - Floater	93,187,263	-	(141,996)	93,045,267	25,625,355	-	(16,328)	25,609,027
		173,107,813	-	(728,389)	172,379,424	159,686,158	-	(370,270)	159,315,888
	Shares								
	Listed Companies								
	Ordinary shares	2,155,344	(24,570)	2,349,604	4,480,378	1,769,302	-	2,281,924	4,051,226
	Preference shares	136,589	(136,589)	-	-	136,589	(136,589)	-	-
	Unlisted Companies								
	Ordinary shares	11,000	-	-	11,000	11,000	-	-	11,000
	Preference shares	27,733	(27,733)	-	-	27,733	(27,733)	-	-
		2,330,666	(188,892)	2,349,604	4,491,378	1,944,624	(164,322)	2,281,924	4,062,226
	Non Government Debt Securities								
	Listed								
	Term Finance Certificates	393,446	(143,446)	-	250,000	301,879	(151,867)	363	150,375
	Sukuk Certificates	288,167	-	1,012	289,179	220,417	-	1,893	222,310
	Unlisted								
	Term Finance Certificates	234,415	(208,015)	-	26,400	756,845	(212,011)	-	544,834
	Sukuk Certificates	1,282,393	-	-	1,282,393	1,307,393	-	-	1,307,393
	Commercial Paper Certificates	-	-	-	-	352,151	-	-	352,151
		2,198,421	(351,461)	1,012	1,847,972	2,938,685	(363,878)	2,256	2,577,063
	Foreign Securities:								
	Government Debt Securities *	2,089,350	(137,039)	(1,062,311)	890,000	1,372,854	(67,856)	(63,011)	1,241,987
	Non Government Debt Securities *	686,112	(969)	(22,328)	662,815	376,486	(376)	(1,942)	374,168
	Ordinary shares	317,254	-	(71,745)	245,509	95,649	-	1,856	97,505
		3,092,716	(138,008)	(1,156,384)	1,798,324	1,844,989	(68,232)	(63,097)	1,713,660
	Open End Mutual Funds	1,000,000	-	-	1,000,000	2,175,087	-	28,085	2,203,172
	Held-to-maturity securities								
	Federal Government Securities:								
	Market Treasury Bills	65,015,015	-	-	65,015,015	11,463,014	-	-	11,463,014
	Pakistan Investment Bonds - Fixed	285,733	-	-	285,733	12,913,323	-	-	12,913,323
	Pakistan Investment Bonds - Floater	33,721,239	-	-	33,721,239	33,767,606	-	-	33,767,606
		99,021,987	-	-	99,021,987	58,143,943	-	-	58,143,943
	Associates								
	Omar Jibran Engineering Industries Ltd.	180,000	-	-	180,000	180,000	-	-	180,000
	Veda Transit Solutions (Pvt) Ltd.	41,800	-	-	41,800	41,800	-	-	41,800
	Intercity Touring Company (Pvt) Ltd.	20,267	(20,267)	-	-	20,267	(20,267)	-	-
		242,067	(20,267)	-	221,800	242,067	(20,267)	-	221,800
	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	282,921,721	(698,628)	465,843	282,688,936	230,004,140	(616,699)	1,878,836	231,266,277

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

9.1.1 Included herein are the investments in related parties amounting to Rs. 1,464.739 million (December 31, 2021: Rs. 1,464.379 million) having market value of Rs. 3,944.393 million (December 31, 2021: 3,721.884 million).

9.1.2 Included herein is the investment of Rs. 63.025 million in Azgard Nine (related party) which is restructured and will be matured on April 29, 2031. Due to weak financial position of the investee the Bank has recognised full impairment loss on these TFCs.

9.1.3 The Bank has fully provided its investments held in Intercity Touring Company (Private) limited (an associated Company) i.e. Rs. 27.733 million (December 31, 2021: Rs. 27.733 million) against preference shares and Rs. 20.267 million (December 31, 2021: Rs. 20.267 million) against ordinary shares.

9.1.4 The market value of Market Treasury Bills and Pakistan Investment Bond classified as held-to-maturity amounted to Rs. 63,975.360 million and Rs. 33,413.047 million (December 31, 2021: Rs. 11,323.221 million and Rs. 45,940.114 million) respectively.

9.1.5 Included herein is the life time expected credit loss under IFRS 9 on investment in bonds issued by Government of Sri Lanka amounting to Rs. 129.435 million held by Bahrain branch on account of default by Government of Sri Lanka in respect of loan commitments with its international lenders.

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9.2 Investments given as collateral

Federal Government Securities:

Market Treasury Bills
Pakistan Investment Bonds - Fixed
Pakistan Investment Bonds - Floater

Foreign Debt Securities

Government Debt Securities
Non Government Debt Securities

(Un-audited) September 30, 2022		(Audited) December 31, 2021	
Cost	Market value	Cost	Market value
Rupees in '000			
-	-	19,922,016	19,852,789
-	-	13,467,708	13,466,250
20,000,000	19,850,000	1,595,450	1,607,572
20,000,000	19,850,000	34,985,174	34,926,611
-	-	842,316	814,484
686,112	662,815	-	-
686,112	662,815	842,316	814,484
20,686,112	20,512,815	35,827,490	35,741,095

9.3 Provision for diminution in value of investments

9.3.1 Opening balance

Charge for the period / year
Reversals for the period / year

Charge / (reversal) under IFRS 9 in Bahrain branch:

Charge / (reversal) for the period / year
Exchange impact for the period / year

Provision against restructured TFCs including against
conversion of markup suspended

Closing Balance

	(Un-audited) September 30, 2022	(Audited) December 31, 2021
Note	----- Rupees in '000 -----	
	616,699	904,764
	24,570	48,000
	(61,571)	(281,540)
31	(37,001)	(233,540)
31.1	43,181	(62,148)
	26,595	7,623
	69,776	(54,525)
9.1.2	49,154	-
	698,628	616,699

9.3.2 Particulars of provision against debt securities

Category of classification

Domestic

Loss

(Un-audited) September 30, 2022		(Audited) December 31, 2021	
Non-Performing Investments	Provision	Non-Performing Investments	Provision
Rupees in '000			
351,461	351,461	363,878	363,878
351,461	351,461	363,878	363,878

10. ADVANCES

Note

Loans, cash credits, running finances, etc.

Bills discounted and purchased

Advances - gross

Provision against advances

- Specific
- General
- General provision - under IFRS 9

Advances - net of provision

Performing		Non-Performing		Total	
(Un-audited) September 30, 2022	(Audited) December 31, 2021	(Un-audited) September 30, 2022	(Audited) December 31, 2021	(Un-audited) September 30, 2022	(Audited) December 31, 2021
Rupees in '000					
212,932,464	231,795,962	16,786,318	13,926,269	229,718,782	245,722,231
10,902,703	15,144,516	-	-	10,902,703	15,144,516
223,835,167	246,940,478	16,786,318	13,926,269	240,621,485	260,866,747
-	-	(6,895,293)	(6,569,829)	(6,895,293)	(6,569,829)
(189,755)	(87,787)	-	-	(189,755)	(87,787)
(8,179)	(25,193)	-	-	(8,179)	(25,193)
(197,934)	(112,980)	(6,895,293)	(6,569,829)	(7,093,227)	(6,682,809)
223,637,233	246,827,498	9,891,025	7,356,440	233,528,258	254,183,938

10.1 Particulars of advances (gross)

In local currency
In foreign currencies

(Un-audited) September 30, 2022	(Audited) December 31, 2021
Rupees in '000	
231,877,021	246,970,728
8,744,464	13,896,019
240,621,485	260,866,747

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10.2 Advances include Rs. 16,786.318 million (December 31, 2021: Rs. 13,926.269 million) which have been placed under non-performing status as detailed below:

Category of Classification	(Un-audited) September 30, 2022		(Audited) December 31, 2021	
	Non-Performing Loans	Provision	Non-Performing Loans	Provision
Rupees in '000				
Domestic				
Other Assets Especially Mentioned*	470,506	284	789,192	2,013
Substandard	1,850,207	63,462	814,434	91,936
Doubtful	4,068,801	391,804	1,930,747	435,448
Loss	10,396,804	6,439,743	10,391,896	6,040,432
Total	16,786,318	6,895,293	13,926,269	6,569,829

* The Other Assets Especially Mentioned category pertains to agriculture, housing and small enterprises financing.

10.3 Particulars of provision against advances

Note	(Un-audited) September 30, 2022				(Audited) December 31, 2021			
	Specific	General	General provision - under IFRS-9	Total	Specific	General	General provision - under IFRS-9	Total
Rupees in '000								
Opening balance	6,569,829	87,787	25,193	6,682,809	4,181,836	-	21,327	4,203,163
Exchange adjustments	-	-	4,210	4,210	-	-	2,350	2,350
Charge for the period / year	1,043,191	101,968	-	1,145,159	3,147,572	87,787	1,516	3,236,875
Reversals for the period / year	(497,474)	-	(21,224)	(518,698)	(758,874)	-	-	(758,874)
10.3.1	545,717	101,968	(21,224)	626,461	2,388,698	87,787	1,516	2,478,001
Amounts written off	(220,253)	-	-	(220,253)	(705)	-	-	(705)
10.3.2	6,895,293	189,755	8,179	7,093,227	6,569,829	87,787	25,193	6,682,809
Closing balance	6,895,293	189,755	8,179	7,093,227	6,569,829	87,787	25,193	6,682,809

10.3.1 This includes reversal of provision of Rs. 44.8 million (December 31, 2021: Rs. 294.822 million) against reduction in non-performing loans of Rs. 60 million (December 31, 2021: 1,475.823 million) of AH Grains under 'Debt Property Swap' transactions, as disclosed in note 13.1.

10.3.2 The State Bank of Pakistan through various circulars has allowed benefit of the forced sale value (FSV) of plant and machinery under charge, pledged stock and mortgaged residential, commercial and industrial properties (land and building only) held as collateral against non-performing loans for a maximum of five years from the date of classification. As at September 30, 2022, the Bank has availed cumulative FSV benefit under the directives of the SBP of Rs. 5,998.748 million (December 31, 2021: Rs. 5,019.150 million).

The additional profit arising from availing the FSV benefit - net of tax amounts to Rs. 3,059.361 million (December 31, 2021: Rs. 3,061.682 million). The additional impact on profitability arising from availing the benefit of FSV shall not be available for payment of cash or stock dividend to shareholders or bonus to employees under the requirement of Prudential Regulations for Corporate / Commercial Banking of SBP.

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

Note	(Un-audited) September 30, 2022	(Audited) December 31, 2021
	Rupees in '000	
11. FIXED ASSETS		
Capital work-in-progress	804,079	1,300,884
Property and equipment	6,864,036	6,021,075
Right-of-use assets	2,325,330	2,845,079
	9,993,445	10,167,038
11.1 Capital work-in-progress		
Civil works	113,588	784,436
Equipment	664,063	496,326
Advances to suppliers	26,428	20,122
	804,079	1,300,884

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

Note	Additions		(Un-audited) Disposal		Write offs / (back) - net	
	January - September 2022	January - September 2021	January - September 2022	January - September 2021	January - September 2022	January - September 2021
Rupees in '000						
Capital work-in-progress	806,987	783,249	-	-	-	-
Property and equipment						
Building on leasehold land	300,071	74,219	85,221	-	-	-
Leasehold improvements	610,748	93,557	4,818	4,458	-	33,993
Furniture and fixture	112,196	27,446	4,772	9,081	-	(2,113)
Electrical, office and computer equipment	559,194	486,770	26,153	34,356	-	(15,346)
Vehicles	43,318	3,375	15,360	5,237	-	(1,940)
11.2.1	1,625,527	685,367	136,324	53,132	-	14,594
	2,432,514	1,468,616	136,324	53,132	-	14,594

11.2.1 This includes transfer from capital work in progress during the period of Rs. 1,303.792 million (September 30, 2021: Rs. 231.146 million).

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		(Un-audited) September 30, 2022	(Audited) December 31, 2021
	Note	----- Rupees in '000 -----	
12. INTANGIBLE ASSETS			
Capital work-in-progress	12.1	931,335	710,553
Computer software		1,151,452	960,400
Goodwill		1,463,624	1,463,624
		<u>3,546,411</u>	<u>3,134,577</u>
12.1 Capital work-in-progress			
Advance for purchase of software		<u>931,335</u>	<u>710,553</u>
		(Un-audited) September 30, 2022	(Audited) September 30, 2021
		----- 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		534,779	461,500
Computer software	12.2.1	313,068	276,438
		<u>847,847</u>	<u>737,938</u>
12.2.1 This includes transfer from capital work in progress during the period of Rs. 313.068 million (September 30, 2021: Rs.			
		(Un-audited) September 30, 2022	(Audited) December 31, 2021
		----- Rupees in '000 -----	
13. OTHER ASSETS	Note		
Income / mark-up accrued in local currency		9,316,291	7,170,902
Income / mark-up accrued in foreign currencies		84,595	93,851
Advances, deposits, advance rent and other prepayments		878,314	777,512
Acceptances		3,548,473	3,689,343
Dividend receivable		44,628	127,626
Advance taxation (payments less provision)		902,358	721,567
Receivable from defined benefit plans		210,305	318,319
Receivable against bancassurance / bancatakaful		18,701	20,889
Stationery and stamps on hand		19,371	22,864
Receivable in respect of home remittance		34,399	27,549
Due from State Bank of Pakistan		750,124	179,197
Rebates receivable - net		308,368	68,142
Non-banking assets acquired in satisfaction of claims	13.1	3,101,176	2,537,863
Mark to market gain on derivative instruments		7,841	51,215
Mark to market gain on forward foreign exchange contracts		2,202,932	467,017
Advance against investments in securities	13.2	1,178,306	705,198
Branchless banking fund settlement		-	229,652
Inter bank fund transfer settlement		2,081,733	88,237
Credit card settlement		87,281	283,370
Insurance claims receivable		180	75,884
Others		846,217	379,708
		<u>25,621,593</u>	<u>18,035,905</u>
Provision held against other assets	13.3	(11,241)	(11,241)
Other assets (net of provisions)		<u>25,610,352</u>	<u>18,024,664</u>
Surplus on revaluation of non-banking assets acquired in satisfaction of claims	20	107,434	120,674
Other assets - total		<u>25,717,786</u>	<u>18,145,338</u>

13.1 During the period, the Bank has acquired properties of Rs. 590 million (December 31, 2021: Rs. 1,529.159 million) against debt swap transactions with borrowers resulting in reversal of provision of Rs. 44.8 million (December 31, 2021: Rs. 294.822) against reduction in non-performing loans of Rs. 60 million (December 31, 2021: Rs. 1,475.823 million) (refer note 10.3.1).

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- 13.2** This represents advance against purchase of TFC amounting to Nil (December 31, 2021: Rs. 250 million), ordinary shares and preference shares of foreign companies amounting Rs. 928.858 million and Rs. 249.448 million (December 31, 2021: Rs. 205.75 million and Rs. 249.448 million) respectively.

	(Un-audited) September 30, 2022	(Audited) December 31, 2021
	----- Rupees in '000 -----	
13.3 Provision held against other assets		
Advances, deposits, advance rent & other prepayments	10,184	10,184
Others	1,057	1,057
	<u>11,241</u>	<u>11,241</u>
13.3.1 Movement in provision held against other assets		
Opening balance	11,241	11,241
Charge during the period / year	13,870	-
Reversals during the period / year	(13,870)	-
Closing balance	<u>11,241</u>	<u>11,241</u>
14. BILLS PAYABLE		
In Pakistan	5,608,919	6,786,643
Outside Pakistan	320,231	252,243
	<u>5,929,150</u>	<u>7,038,886</u>
15. BORROWINGS		
Secured		
Borrowings from State Bank of Pakistan under:		
Export refinancing scheme	18,359,848	20,775,516
Long-term finance facility	2,159,098	2,558,982
Financing facility for storage of agricultural produce	144,143	246,691
Financing facility for renewable energy projects	1,170,623	1,322,204
Refinance for women entrepreneurs	85,454	448,799
Refinance scheme for payment of wages & salaries	1,365,125	5,428,540
Refinance facility for modernization of Small and Medium Enterprises (SMEs)	37,200	5,439
Refinance facility for combating COVID-19	249,519	72,171
Temporary economic refinance facility	4,582,613	724,109
Small enterprise financing and credit guarantee scheme for special persons	3,304	9,029
Refinance facility for working capital of SMEs	578	-
Refinance facility for SME Asaan Finance (SAAF) scheme	1,810,542	-
	<u>29,968,047</u>	31,591,480
Repurchase agreement borrowings	20,000,000	13,500,000
	<u>49,968,047</u>	45,091,480
Borrowing from financial institutions:		
Repurchase agreement borrowings	531,456	22,160,140
Refinancing facility for mortgage loans	1,058,333	2,916,027
	<u>1,589,789</u>	25,076,167
	<u>51,557,836</u>	70,167,647
Unsecured		
Overdrawn nostro accounts	1,670,057	306,663
	<u>53,227,893</u>	<u>70,474,310</u>
15.1 Particulars of borrowings		
In local currency	51,686,174	69,579,709
In foreign currencies	1,541,719	894,601
	<u>53,227,893</u>	<u>70,474,310</u>

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16. DEPOSITS AND OTHER ACCOUNTS

	(Un-audited) September 30, 2022			(Audited) December 31, 2021		
	In Local Currency	In Foreign Currencies	Total	In Local Currency	In Foreign Currencies	Total
	Rupees in '000					
Customers						
Current deposits	105,147,818	8,797,298	113,945,116	103,471,600	7,672,420	111,144,020
Savings deposits	105,120,813	6,744,599	111,865,412	94,411,562	5,055,750	99,467,312
Term deposits	209,300,411	9,384,812	218,685,223	197,382,108	13,980,936	211,363,044
Margin deposits	14,055,356	1,466	14,056,822	8,847,107	3,408	8,850,515
	433,624,398	24,928,175	458,552,573	404,112,377	26,712,514	430,824,891
Financial Institutions						
Current deposits	816,932	547,285	1,364,217	1,035,655	504,985	1,540,640
Savings deposits	11,516,913	1,290	11,518,203	15,379,164	31,231	15,410,395
Term deposits	9,781,509	-	9,781,509	12,929,088	-	12,929,088
	22,115,354	548,575	22,663,929	29,343,907	536,216	29,880,123
	455,739,752	25,476,750	481,216,502	433,456,284	27,248,730	460,705,014

		(Un-audited) September 30, 2022	(Audited) December 31, 2021
	Note	Rupees in '000	
17. SUBORDINATED DEBT			
Term Finance Certificates - Second Issue	17.1	1,996,400	1,996,800
Term Finance Certificates - Third Issue	17.2	2,500,000	2,500,000
Term Finance Certificates - Fourth Issue	17.3	2,499,500	2,500,000
		6,995,900	6,996,800

17.1 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, including deposits, and will not be redeemable before maturity without prior approval of SBP.
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 No. 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.

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17.2 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
Subordination:	The Issue is 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 and / or CAR or LR set
Loss absorbency clause:	
Pre-Specified Trigger ("PST")	<p>Upon the occurrence of a Pre-Specified Trigger as defined under SBP BPRD Circular No. 6 of 2013 dated August 15, 2013 which stipulates that if an Issuer's Common Equity Tier 1 (CET 1) ratio falls to or below 6.625% of Risk Weighted Assets (RWA), the Issuer will have full discretion to determine the amount of TFCs to be permanently converted into common shares or written off, subject to SBP regulations / instructions, and the cap specified below. The Bank will be able to exercise this discretion subject to:</p> <ul style="list-style-type: none"> - If and when Bank's CET 1 reaches the loss absorption trigger point, the aggregate amount of Additional Tier-1 capital to be converted must at least be the amount sufficient to immediately return the CET 1 ratio to above 6.625% of total RWA (if possible); - The converted amount should not exceed the amount needed to bring the CET 1 ratio to 8.5% of RWA (i.e. minimum CET 1 of 6.0% plus capital conservation buffer of 2.5%); 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")	<p>Upon the occurrence of a Point of Non-Viability event as defined under SBP BPRD Circular No. 6 of 2013 dated August 15, 2013, which stipulates that SBP may, at its option, fully and permanently convert the TFCs into common shares of the Issuer and / or have them immediately written off (either partially or in full). Number of shares to be issued to TFC holders at the time of conversion will be equal to the 'Outstanding Value of the TFCs' divided by market value per share of the Issuer's common / ordinary share on the date of the PONV trigger event as declared by SBP, subject to the cap specified below:</p> <p>The PONV trigger event is the earlier of:</p> <ul style="list-style-type: none"> - A decision made by SBP that a conversion or temporary / permanent write-off is necessary without which the Issuer would become non-viable; - The decision to make a public sector injection of capital, or equivalent support, without which the issuer would have become non-viable, as determined by SBP; 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.

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- 17.3** In 2021, the Bank has issued Rs. 2.5 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 28, 2021
Tenure:	Up to Seven years from the issue date.
Maturity Date:	December 28, 2028
Rating:	A + (Single A Plus)
Profit Rate:	Floating rate of return at Base rate + 2 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
Subordination:	The Issue is subordinated all other indebtedness of the Bank including depositors, however, senior to the claims of investors in instruments eligible for inclusion in Tier I Capital
Call Option:	Exercisable in part or in full on or after the 10th redemption, with prior approval of SBP.
Lock-in-clause:	Payment of profit will be made from current year's earning and subject to compliance with MCR and / or CAR or LR set
Loss absorbency clause:	Upon the occurrence of a Point of Non-Viability event as defined under SBP BPRD Circular No. 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 400,647,739 shares.

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		(Un-audited) September 30, 2022	(Audited) December 31, 2021
	Note	----- Rupees in '000 -----	
18. DEFERRED TAX LIABILITIES			
Deductible Temporary Differences on			
Provision against investments		(70,212)	(63,680)
Provision against advances		(383,936)	(346,052)
		(454,148)	(409,732)
Taxable Temporary Differences on			
Accelerated tax depreciation		180,785	178,767
Goodwill		629,358	570,813
Surplus on revaluation of fixed assets	20	331,865	312,070
Surplus on revaluation of non-banking assets acquired in satisfaction of claims	20	311	960
Surplus on revaluation of investments	20	200,311	732,770
		1,342,630	1,795,380
		888,482	1,385,648
19. OTHER LIABILITIES			
Mark-up / return / interest payable in local currency		4,529,572	3,216,121
Mark-up / return / interest payable in foreign currencies		70,746	26,668
Unearned income on guarantees		262,772	261,377
Accrued expenses		523,493	312,821
Acceptances		3,548,473	3,689,343
Unclaimed dividends		4,214	4,214
Mark to market loss on derivative instruments		4,533	56,155
Mark to market loss on forward foreign exchange contracts		1,674,289	103,830
Gratuity payable to contractual staff		8,783	5,263
Withholding taxes payable		569,465	516,370
Government challan collection		89,945	50,758
Donation payable		30,652	41,178
Security deposits against leases, lockers and others		2,440,693	2,908,147
Workers' Welfare Fund		194,580	158,414
Payable in respect of home remittance		648,070	433,507
Retention money payable		47,984	44,294
Lease liability against right-of-use assets		2,884,981	3,129,904
Advance against sale of assets		-	26,000
Insurance payable		133,184	27,180
Payable to vendors against SBS goods		352,280	206,925
Branchless banking fund settlement		43,234	-
Debit card settlement		164,302	58,711
Clearing and settlement accounts		247,458	209,683
Others		11,874	177,250
		18,485,577	15,664,113
20. SURPLUS ON REVALUATION OF ASSETS			
Surplus on revaluation of:			
Available-for-sale securities	9.1 & 20.1	465,843	1,878,898
Fixed assets		1,484,989	1,513,386
Non-banking assets acquired in satisfaction of claims	13	107,432	120,674
		2,058,264	3,512,958
Deferred tax on surplus on revaluation of:			
Available-for-sale securities		(200,311)	(732,770)
Fixed assets		(331,865)	(312,070)
Non-banking assets acquired in satisfaction of claims		(311)	(960)
		(532,487)	(1,045,800)
		1,525,777	2,467,158

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		(Un-audited) September 30, 2022	(Audited) December 31, 2021
	Note	----- Rupees in '000 -----	
20.1 Available-for-sale securities			
Pakistan:			
- Equity securities		2,349,604	2,281,924
- Open end mutual funds		-	28,085
- Debt securities		(727,377)	(368,014)
		<u>1,622,227</u>	<u>1,941,995</u>
Bahrain:			
- Equity securities		(71,745)	1,856
- Debt securities	20.1.1	(1,084,639)	(64,953)
		<u>(1,156,384)</u>	<u>(63,097)</u>
		<u>465,843</u>	<u>1,878,898</u>
Related deferred tax liability		<u>(200,311)</u>	<u>(732,770)</u>
		<u>265,532</u>	<u>1,146,128</u>

20.1.1 As of September 30, 2022, the Bank has recognized expected credit loss of Rs. 138.008 million (December 31, 2021: Rs. 68.232 million) through profit and loss account under IFRS-9 on foreign debt securities held by the Bahrain branch. However, the loss allowance is adjusted in other comprehensive income without reducing the carrying amount of the said securities under the requirement of IFRS 9 para 5.5.2. Therefore, revaluation surplus / (deficit) of those securities are adjusted accordingly in these condensed interim unconsolidated financial statements.

		(Un-audited) September 30, 2022	(Audited) December 31, 2021
	Note	----- Rupees in '000 -----	
21. CONTINGENCIES AND COMMITMENTS			
Guarantees	21.1	63,056,632	49,835,924
Commitments	21.2	99,127,934	53,141,448
		<u>162,184,566</u>	<u>102,977,372</u>
21.1 Guarantees:			
Financial guarantees		1,039,994	816,746
Performance guarantees		26,727,756	25,611,507
Other guarantees		35,288,882	23,407,671
	21.1.1	<u>63,056,632</u>	<u>49,835,924</u>

21.1.1 Included herein are outstanding guarantees of Rs. 26.419 million (December 31, 2021: Rs. 21.419 million) of related

		(Un-audited) September 30, 2022	(Audited) December 31, 2021
	Note	----- Rupees in '000 -----	
21.2 Commitments:			
Documentary credits and short-term trade-related transactions			
- Letters of credit	21.2.1	24,365,201	21,917,220
Commitments in respect of:			
- Forward foreign exchange contracts	21.2.2	72,742,229	26,688,581
- Derivative instruments	21.2.3	1,462,366	3,440,120
- Forward lending	21.2.4	294,066	639,565
Commitments for acquisition of:			
- Fixed assets		107,383	344,462
- Intangible assets		156,689	111,500
		<u>99,127,934</u>	<u>53,141,448</u>

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21.2.1 Included herein are the outstanding letter of credits of Rs. 21.821 million (December 31, 2021: Rs. 201.246 million) of

		(Un-audited) September 30, 2022	(Audited) December 31, 2021
	Note	Rupees in '000	
21.2.2 Commitments in respect of forward foreign exchange contracts			
Purchase		43,037,741	17,655,035
Sale		29,704,488	9,033,546
		72,742,229	26,688,581
21.2.3 Commitments in respect of derivative instruments			
Purchase		234,300	1,737,404
Sale		1,228,066	1,702,716
		1,462,366	3,440,120
21.2.3.1 Cross currency swaps			
Purchase		234,300	370,039
Sale		234,300	370,039
		468,600	740,078
21.2.3.2 Options			
Purchase		-	1,367,365
Sale		993,766	1,332,677
		993,766	2,700,042
21.2.4 Commitments in respect of forward lending			
Undrawn formal standby facilities, credit lines and other commitments to lend	21.2.4.1	294,066	639,565

21.2.4.1 These 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.

21.2.6 Tax related contingencies are disclosed in note 32.1.

22. DERIVATIVE INSTRUMENTS

Derivative instruments, such as Forward Exchange Contracts, Cross Currency 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.

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22.1

Product analysis

Counterparties

With Banks for

Hedging

Market making

With FIs other than banks

Hedging

Market making

Total

Hedging

Market making

September 30, 2022 (Un-audited)			
Corss Currency Swaps		Options and Accumulators	
Notional principal	Mark to market gain	Notional principal	Mark to market gain
Rupees in '000			
468,600	685	-	-
-	-	993,766	2,623
-	-	-	-
-	-	-	-
468,600	685	-	-
-	-	993,766	2,623

December 31, 2021 (Audited)

With Banks for

Hedging

Market making

With FIs other than banks

Hedging

Market making

Total

Hedging

Market making

December 31, 2021 (Audited)			
Corss Currency Swaps		Options and Accumulators	
Notional principal	Mark to market gain	Notional principal	Mark to market loss
Rupees in '000			
740,078	1,818	-	-
-	-	2,700,042	(6,758)
-	-	-	-
-	-	-	-
740,078	1,818	-	-
-	-	2,700,042	(6,758)

23.

MARK-UP / RETURN / INTEREST EARNED

Note

On:

Loans and advances

Investments

Lendings to financial institutions

Securities purchased under resale agreements

Balances with other banks

(Un-audited)

September 30,
2022

September 30,
2021

Rupees in '000

21,393,129	15,274,469
26,235,908	12,992,492
101,790	51,995
1,043,866	13,806
-	557,783
48,774,693	28,890,545

24.

MARK-UP / RETURN / INTEREST EXPENSED

On:

Deposits

Borrowings

Subordinated debt

Cost of foreign currency swaps against foreign

currency deposits / borrowings

Lease liability against right-of-use assets

24.1

27,046,450	15,891,484
9,655,719	2,788,881
758,971	511,211
502,055	363,076
276,693	281,382
38,239,888	19,836,034

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		(Un-audited)	
		September 30, 2022	September 30, 2021
		Rupees in '000	
24.1	Borrowings	Note	
	Export refinancing scheme	451,887	292,408
	Long-term finance facility	37,422	37,380
	Other Borrowings from State Bank of Pakistan	45,372	16,290
	Securities sold under repurchase agreements	8,872,158	2,113,642
	Other borrowings	248,880	329,161
		9,655,719	2,788,881
25.	FEE AND COMMISSION INCOME		
	Branch banking customer fees	74,206	94,855
	Consumer finance related fees	139,017	42,209
	Card related fees (debit and credit cards)	223,671	245,438
	Credit related fees	193,372	248,093
	Investment banking fees	18,626	180,137
	Commission on trade	692,963	588,070
	Commission on guarantees	414,509	334,888
	Commission on cash management	13,554	5,740
	Commission on remittances including home remittances	75,681	173,375
	Commission on bancassurance	62,993	95,314
	Commission on distribution of mutual funds	847	2,711
	Commission on online services	220,225	160,185
	Postage & courier income	12,424	17,660
	Rebate income	184,153	189,556
	Rebate on primary dealership	14,477	34,638
		2,340,718	2,412,869
26.	GAIN / (LOSS) ON SECURITIES - NET		
	Realised	26.1	94
	Unrealised - held for trading	-	(44)
		94	12,691
26.1	Realised gain / (loss) on:		
	Federal government securities		
	Market treasury bills	(238,289)	3,015
	Pakistan investment bonds	321,744	3,163
	Ijara sukuk certificates	175	635
		83,630	6,813
	Shares		
	Listed companies	-	(62,656)
	Non Government Debt Securities		
	Term finance certificates	(1,045)	22,645
	Commercial paper	51	-
	Mutual fund units	63,397	3,795
	Foreign currency bonds	(145,939)	42,138
		94	12,735
27.	OTHER INCOME		
	Rent Income	17,748	-
	Loss on sale of fixed assets - net	(18,895)	(3,913)
	Gain on termination of leases - net	12,746	5,834
	Others	140	-
		11,739	1,921

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		(Un-audited)	
		September 30, 2022	September 30, 2021
		Rupees in '000	
28.	OPERATING EXPENSES		
	Total compensation expense	5,109,002	4,527,153
	Property expense		
	Rent & taxes	24,785	47,739
	Insurance	5,057	3,505
	Utilities cost	415,934	292,123
	Security (including guards)	244,515	199,702
	Repair & maintenance (including janitorial charges)	193,092	184,599
	Depreciation on owned fixed assets	179,569	143,515
	Depreciation on right-of-use assets	817,149	665,353
	Depreciation on non-banking assets acquired in satisfaction of claims	15,094	6,433
		1,895,195	1,542,969
	Information technology expenses		
	Software maintenance	647,203	468,566
	Hardware maintenance	227,078	172,810
	Depreciation	226,914	183,833
	Amortisation	122,945	97,706
	Network charges	186,080	128,373
		1,410,220	1,051,288
	Other operating expenses		
	Directors' fees and allowances	10,500	12,250
	Legal & professional charges	157,867	85,258
	Insurance	259,547	277,539
	Outsourced services costs	154,571	119,250
	Travelling & conveyance	139,893	66,852
	NIFT clearing charges	34,426	35,787
	Depreciation others	243,621	228,502
	Training & development	63,943	37,800
	Postage & courier charges	68,255	64,416
	Communication	121,083	70,540
	Stationery & printing	213,169	173,688
	Marketing, advertisement & publicity	849,799	290,139
	Donations	36,165	33,887
	Auditors' Remuneration	10,036	6,135
	Staff Auto fuel & maintenance	298,813	173,282
	Bank Charges	45,994	37,759
	Stamp Duty	27,289	22,250
	Online verification charges	39,685	43,422
	Brokerage, fee and commission	34,459	41,307
	Card related fees (debit and credit cards)	390,976	230,028
	CDC and other charges	3,379	3,954
	Consultancy fee	4,317	20,768
	Deposit protection premium	138,534	146,248
	Entertainment expenses	77,785	69,904
	Repair and maintenance	55,988	58,425
	Cash handling charges	131,371	144,481
	Fee and Subscription	93,151	73,464
	Employees social security	5,611	3,481
	Generator fuel & maintenance	130,192	62,884
	Others	39,971	35,340
		3,880,390	2,669,040
		12,294,807	9,790,450

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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, 2022	September 30, 2021
		----- Rupees in '000 -----	
Note			
30. OTHER CHARGES			
Penalties imposed by State Bank of Pakistan		85,590	202
31. PROVISIONS AND WRITE OFFS - NET			
Reversals for diminution in value of investments	9.3.1	(37,001)	(281,540)
Provisions against loans and advances - specific	10.3	545,717	1,185,220
Provisions against loans and advances - general	10.3	101,968	344,456
Provisions / (reversals) under IFRS 9 - general	31.1	21,984	(13,433)
Other provisions and write offs		3,017	3,226
Fixed assets written off - net	11.2	-	14,594
Intangible assets written off		-	3,964
		635,685	1,256,487
31.1 Provisions / (reversals) under IFRS 9 - general			
Balances with other banks		27	(34)
Investments	9.3.1	43,181	(29,170)
Advances	10.3	(21,224)	16,990
Lendings to financial institutions		-	(1,219)
		21,984	(13,433)
32. TAXATION			
Current		979,085	706,457
Prior years		5,397	(90,418)
Deferred		3,187	72,336
		987,669	688,375

32.1 There are no material changes in tax contingencies as disclosed in unconsolidated financial statements for the year ended

		(Un-audited)			
		Quarter Ended		Nine months ended	
		September 30, 2022	September 30, 2021	September 30, 2022	September 30, 2021
		----- Rupees in '000 -----			
33. BASIC AND DILUTED EARNINGS PER SHARE					
Profit after taxation for the period		395,033	435,975	820,587	1,005,971
		----- Number of shares -----			
Weighted average number of outstanding ordinary shares		1,297,464,262	1,297,464,262	1,297,464,262	1,297,464,262
		----- Rupee -----			
Basic and diluted earnings per share		0.30	0.34	0.63	0.78
			(Un-audited) September 30, 2022	(Audited) December 31, 2021	(Un-audited) September 30, 2021
			----- Rupees in '000 -----		
34. CASH AND CASH EQUIVALENTS					
Cash and balances with treasury banks	6	31,838,192	34,266,856	27,240,520	
Balances with other banks - gross	7	1,289,907	1,185,803	574,753	
Overdrawn nostro accounts	15	(1,670,057)	(306,663)	(1,048,144)	
		31,458,042	35,145,996	26,767,129	

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35. FAIR VALUE OF FINANCIAL INSTRUMENTS

International Financial Reporting Standard (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. Quoted securities classified as held to maturity are carried at cost. The fair value of unquoted equity securities, other than investments in associates and subsidiaries, is determined on the basis of the break-up value of these investments as per their latest available audited financial statements. Fair value of unquoted debt securities, 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.

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
- Level 2:** Fair value measurements using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either
- Level 3:** Fair value measurements using input for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

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	Fair values of Pakistan Investment Bonds and Market Treasury Bills are derived using PKRV, PKFRV and PKISRV 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 - 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 unconsolidated financial statements for the year ended December 31, 2021. 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.

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September 30, 2022 (Un-audited)				
	Level 1	Level 2	Level 3	Total
Rupees in '000				
On balance sheet financial instruments				
Financial assets - measured at fair value				
Held-for-trading securities				
Investments				
Federal Government Securities	-	8,930	-	8,930
Available-for-sale securities				
Investments				
Federal Government Securities	-	172,379,424	-	172,379,424
Shares	4,725,887	-	-	4,725,887
Non Government Debt Securities	-	539,179	-	539,179
Foreign Securities	-	1,552,815	-	1,552,815
Open end mutual funds	-	1,000,000	-	1,000,000
	4,725,887	175,471,418	-	180,197,305
Financial assets - disclosed but not measured at fair value				
Investments				
Federal Government Securities	-	99,021,987	-	99,021,987
	4,725,887	274,502,335	-	279,228,222
Non-Financial assets - measured at fair value				
Revalued fixed assets	-	-	2,163,408	2,163,408
Non-banking assets acquired in satisfaction of claims	-	-	3,208,610	3,208,610
	-	-	5,372,018	5,372,018
Off balance sheet financial instruments				
Commitments in respect of:				
Forward foreign exchange contracts				
Purchase	-	44,879,079	-	44,879,079
Sale	-	31,017,183	-	31,017,183
Derivative instruments:				
Cross currency swaps				
Purchase	-	238,833	-	238,833
Sale	-	239,518	-	239,518
Options				
Purchase	-	-	-	-
Sale	-	996,389	-	996,389

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	December 31, 2021 (Audited)			
	Level 1	Level 2	Level 3	Total
On balance sheet financial instruments	Rupees in '000			
Financial assets - measured at fair value				
Held-for-trading securities				
Investments				
Federal Government Securities	-	1,109,404	-	1,109,404
Available-for-sale securities				
Investments				
Federal Government Securities	-	159,315,888	-	159,315,888
Shares	4,148,731	-	-	4,148,731
Non Government Debt Securities	-	372,685	-	372,685
Foreign Securities	-	1,616,155	-	1,616,155
Open end mutual funds	-	2,203,172	-	2,203,172
	4,148,731	163,507,900	-	167,656,631
Financial assets - disclosed but not measured at fair value				
Investments				
Federal Government Securities	-	58,143,943	-	58,143,943
	4,148,731	222,761,247	-	226,909,978
Non-Financial assets - measured at fair value				
Revalued fixed assets	-	-	3,696,407	3,696,407
Non-banking assets acquired in satisfaction of claims	-	-	2,658,537	2,658,537
	-	-	6,354,944	6,354,944
Off balance sheet financial instruments				
Commitments in respect of:				
Forward foreign exchange contracts				
Purchase	-	18,064,443	-	18,064,443
Sale	-	9,079,267	-	9,079,267
Derivative instruments				
Cross currency swaps				
Purchase	-	402,137	-	402,137
Sale	-	403,955	-	403,955
Options				
Purchase	-	1,363,325	-	1,363,325
Sale	-	1,329,959	-	1,329,959

JS BANK LIMITED
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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, 2022 (Un-audited)						
Profit and Loss						
Net mark-up / return / interest / (expense)	254,508	17,181,636	(4,733,086)	(1,995,193)	(173,060)	10,534,805
Inter segment revenue - net	(245,572)	(19,750,294)	15,229,876	4,765,990	-	-
Non mark-up / return / income	58,747	1,969,923	1,273,965	978,765	44,298	4,325,698
Total Income / (loss)	67,683	(598,735)	11,770,755	3,749,562	(128,762)	14,860,503
Segment direct expenses	35,463	131,639	8,106,122	742,288	3,401,050	12,416,562
Inter segment expense allocation	12,397	126,154	2,716,416	605,699	(3,460,666)	-
Total expenses	47,860	257,793	10,822,538	1,347,987	(59,616)	12,416,562
Provisions	-	-	273,126	368,721	(6,162)	635,685
Profit / (loss) before tax	19,823	(856,528)	675,091	2,032,854	(62,984)	1,808,256
September 30, 2022 (Un-audited)						
Statement of financial position						
Cash and bank balances	-	-	33,128,047	-	-	33,128,047
Investments	1,847,972	279,047,263	-	1,793,701	-	282,688,936
Net inter segment lending	-	-	184,893,889	74,004,799	-	258,898,688
Lendings to financial institutions	-	321,706	-	-	-	321,706
Advances - net						
Advances - performing	208,333	-	75,418,849	141,868,297	6,339,688	223,835,167
Advances - non-performing	-	-	4,950,008	10,538,799	1,297,511	16,786,318
Advances - provisions - net	-	-	(2,188,340)	(4,898,975)	(5,912)	(7,093,227)
	208,333	-	78,180,517	147,508,121	7,631,287	233,528,258
Others	-	-	-	-	39,257,642	39,257,642
Total Assets	2,056,305	279,368,969	296,202,453	223,306,621	46,888,929	847,823,277
Borrowings	-	23,482,084	6,131,865	23,613,944	-	53,227,893
Subordinated debt	-	6,995,900	-	-	-	6,995,900
Deposits and other accounts	93,806	-	282,333,131	198,789,565	-	481,216,502
Net inter segment borrowing	1,962,499	248,890,985	7,737,457	307,747	-	258,898,688
Others	-	-	-	595,365	24,707,844	25,303,209
Total liabilities	2,056,305	279,368,969	296,202,453	223,306,621	24,707,844	825,642,192
Equity	-	-	-	-	22,181,085	22,181,085
Total Equity and liabilities	2,056,305	279,368,969	296,202,453	223,306,621	46,888,929	847,823,277
Contingencies & Commitments	-	79,722,297	58,567,466	23,630,731	264,072	162,184,566
Rupees in '000						
	Corporate Finance	Trading and Sales	Retail Banking	Commercial Banking	Others	Total
September 30, 2021 (Un-audited)						
Profit and 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	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
December 31, 2021 (Audited)						
Statement of financial position						
Cash and bank balances	-	-	35,452,642	-	-	35,452,642
Investments	-	229,555,015	-	1,711,262	-	231,266,277
Net inter segment lending	12,716,606	-	118,125,304	90,374,890	2,339,620	223,556,420
Lendings to financial institutions	-	31,939,044	-	-	-	31,939,044
Advances - net						
Advances - performing	901,279	-	75,492,738	165,301,183	5,245,278	246,940,478
Advances - non-performing	-	-	7,835,772	6,090,497	-	13,926,269
Advances - provisions - net	-	-	(3,430,477)	(3,252,332)	-	(6,682,809)
	901,279	-	79,898,033	168,139,348	5,245,278	254,183,938
Others	-	-	-	-	31,446,953	31,446,953
Total Assets	13,617,885	261,494,059	233,475,979	260,225,500	39,031,851	807,845,274
Borrowings	16,336	31,875,041	9,535,196	29,047,737	-	70,474,310
Subordinated debt	-	6,996,800	-	-	-	6,996,800
Deposits and other accounts	13,597,573	-	219,428,193	227,679,248	-	460,705,014
Net inter segment borrowing	-	222,622,218	-	934,202	-	223,556,420
Others	3,976	-	4,512,590	2,564,313	17,007,768	24,088,647
Total liabilities	13,617,885	261,494,059	233,475,979	260,225,500	17,007,768	785,821,191
Equity	-	-	-	-	22,024,083	22,024,083
Total Equity and liabilities	13,617,885	261,494,059	233,475,979	260,225,500	39,031,851	807,845,274
Contingencies & Commitments	-	50,618,828	37,186,792	15,060,805	110,947	102,977,372

JS BANK LIMITED
NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS
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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 Bank enters into transactions with related parties in the ordinary course of business and 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 condensed interim unconsolidated financial statements are as follows:

As at September 30, 2022 (Un-audited)						
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	-	-	-	-	-	87,256,772
Repaid during the period	-	-	-	-	-	(87,256,772)
Closing balance	-	-	-	-	-	-
Investments						
Opening balance	-	-	-	1,919,121	269,800	2,476,890
Investment made during the period	-	-	-	-	-	1,900,000
Investment redeemed / disposed off during the period	-	-	-	-	-	(1,850,000)
Transfer in / (out) - net	-	-	-	-	-	2,480,528
Closing balance	-	-	-	1,919,121	269,800	5,007,418
Provision for diminution in value of investments	-	-	-	-	48,000	63,025
Advances						
Opening balance	-	125,769	458,181	96,775	442,315	5,229,319
Addition during the period	-	11,091	292,100	7,411	26,550	5,785,937
Repaid during the period	-	(5,794)	(95,013)	(79,991)	(202,795)	(7,163,764)
Transfer in / (out) - net	-	(120,017)	(45,578)	-	-	(22,825)
Closing balance	-	11,049	609,690	24,195	266,070	3,828,667
Provision held against advances	-	-	-	-	-	-
Other assets						
Interest / mark-up accrued	-	10	636	102	-	53,249
Receivable against bancassurance / bancatakaful	-	-	-	-	-	18,701
Net defined benefit plan	-	-	-	-	-	210,305
Other receivable	-	-	-	-	-	14,249
Provision against other assets	-	-	-	-	-	379
Borrowings						
Opening balance	-	-	-	-	-	-
Borrowings during the period/ year	-	-	-	-	-	55,537,717
Settled during the period/ year	-	-	-	-	-	(55,537,717)
Closing balance	-	-	-	-	-	-
Deposits and other accounts						
Opening balance	912,327	214,211	42,227	1,354,967	41,310	14,572,975
Received during the period	12,823,235	725	644,947	283,784,404	1,089,147	169,804,443
Withdrawn during the period	(13,581,901)	(541)	(629,073)	(283,867,198)	(1,126,033)	(171,415,778)
Transfer in / (out) - net	(20)	(214,172)	(4,230)	(10)	-	(672,403)
Closing balance	153,641	223	53,871	1,272,163	4,424	12,289,237
Subordinated debt						
Opening balance	-	-	-	-	-	639,776
Issued during the period	-	-	-	-	-	-
Redeemed during the period	-	-	-	-	-	(18)
Transfer in / (out) - net	-	-	-	-	-	(539,920)
Closing balance	-	-	-	-	-	99,838
Other liabilities						
Interest / return / mark-up payable on deposits	-	-	-	-	-	184,243
Interest / return / mark-up payable on subordinated debt	-	-	-	-	-	4,288
Donation Payable	-	-	-	-	-	30,688
Represented by						
Share Capital	9,733,073	13,323	3,505	-	-	45,395
Contingencies and commitments						
Letter of guarantee	-	-	-	-	-	26,419
Letter of credit	-	-	-	-	-	21,821
Forward lending	-	-	-	-	5,924	-

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	As at December 31, 2021 (Audited)					
	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 year	-	-	-	-	-	6,300,000
Repaid during the year	-	-	-	-	-	(6,300,000)
Transfer in / (out) - net	-	-	-	-	-	-
Closing balance	-	-	-	-	-	-
Investments						
Opening balance	-	-	-	1,919,121	269,800	2,720,901
Investment made during the year	-	-	-	-	-	1,350,000
Investment redeemed / disposed off during the year	-	-	-	-	-	(1,594,011)
Closing balance	-	-	-	1,919,121	269,800	2,476,890
Provision for diminution in value of investments	-	-	-	-	48,000	62,151
Advances						
Opening balance	-	122,106	779,655	193,550	370,768	4,093,430
Addition during the year	-	11,327	192,519	-	294,076	4,026,927
Repaid during the year	-	(39,222)	(176,926)	(96,775)	(222,529)	(3,193,931)
Transfer in / (out) - net	-	31,558	(337,067)	-	-	302,893
Closing balance	-	125,769	458,181	96,775	442,315	5,229,319
Provision held against advances	-	-	-	-	-	-
Other assets						
Interest / mark-up accrued	-	3,588	505	537	10,917	79,089
Receivable against bancassurance / bancatakaful	-	-	-	-	-	20,889
Net defined benefit plan	-	-	-	-	-	318,319
Dividend Receivable	-	-	-	127,626	-	-
Other receivable	-	-	-	-	-	379
Provision against other assets	-	-	-	-	-	379
Borrowings						
Opening balance	-	-	-	-	-	-
Borrowings during the period/ year	-	-	-	-	-	-
Settled during the period/ year	-	-	-	-	-	-
Transfer in / (out) - net	-	-	-	-	-	-
Closing balance	-	-	-	-	-	-
Deposits and other accounts						
Opening balance	172,019	212,335	76,237	1,638,770	49,753	10,365,166
Received during the year	8,763,862	1,236,232	673,723	498,611,727	1,732,714	295,223,429
Withdrawn during the year	(8,023,554)	(1,098,789)	(667,310)	(498,895,530)	(1,741,157)	(291,943,860)
Transfer in / (out) - net	-	(135,567)	(40,423)	-	-	928,240
Closing balance	912,327	214,211	42,227	1,354,967	41,310	14,572,975
Subordinated debt						
Opening balance	-	-	-	-	-	889,432
Issued during the year	-	-	-	-	-	-
Redeemed during the year	-	-	-	-	-	(199,746)
Transfer in / (out) - net	-	-	-	-	-	(49,910)
Closing balance	-	-	-	-	-	639,776
Other Liabilities						
Interest / return / mark-up payable on deposits	-	-	-	-	-	40,440
Interest / return / mark-up payable on subordinated debt	-	-	-	-	-	787
Payable to defined benefit plan	-	-	-	-	-	-
Donation Payable	-	-	-	-	-	41,178
Others payable	-	-	-	-	-	-
Represented by						
Share capital	9,733,073	31,173	3,500	-	-	45,395
Contingencies and commitments						
Letter of guarantee	-	-	-	-	-	21,419
Letter of credit	-	-	-	-	-	201,246

JS BANK LIMITED
NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022

	For the nine months ended September 30, 2022 (Un-audited)					
	Parent	Directors	Key management personnel	Subsidiaries	Associates	Other related parties
	Rupees in '000					
Profit and loss account						
Income						
Mark-up / return / interest earned	-	399	19,813	1,082	33,632	250,165
Fee and commission income	-	29	112	3	10	44,607
Dividend income	-	-	-	-	-	62,433
Gain / (loss) on sale of securities - net	-	-	-	-	-	10,243
Other Income	-	-	-	-	-	-
Reversal / (provisions) and write offs - net						
Reversal for diminution in value of Investments - net	-	-	-	-	-	48,280
Expense						
Mark-up / return / interest paid	73,558	754	936	129,958	746	1,070,252
Commission / charges paid	-	-	-	1,233	-	-
Preference dividend paid	-	-	-	-	-	-
Remuneration paid	-	-	302,186	-	-	-
Non-executive directors' fee	-	7,200	-	-	-	-
Net charge for defined contribution plans	-	-	-	-	-	193,578
Net charge for defined benefit plans	-	-	-	-	-	107,402
Fee and subscription	-	-	-	-	-	-
Donation	-	-	-	-	-	36,201
Rental expense	-	-	-	-	-	-
Advisory fee	-	-	-	-	-	3,643
Other expenses	-	282	-	-	-	396
Reimbursement of expenses	-	197	1,419	2,225	-	-
Payments made during the period						
Insurance premium paid	-	-	-	-	-	304,752
Insurance claims settled	-	-	-	-	-	4,527
Other transactions						
Sale of Government Securities	3,884,797	-	-	-	-	72,122,902
Purchase of Government Securities	-	-	-	5,153	-	15,848,837
Sale of Foreign Currencies	-	-	-	-	-	52,605,134
Purchase of Foreign Currencies	-	-	-	-	-	44,432,668
Sale of Non Government Securities	-	-	-	-	-	-
Purchase of Non Government Securities	-	-	-	-	-	206,041

For the nine months ended September 30, 2021 (Un-audited)						
Parent	Directors	Key management personnel	Subsidiaries	Associates	Other related parties	
Rupees in '000						
Profit and loss account						
Income						
Mark-up / return / interest earned	-	6,133	22,454	3,797	10,171	176,203
Fee and commission income	300	58	97	1,127	37	100,565
Dividend income	-	-	-	255,252	-	170,602
Gain / (loss) on sale of securities - net	-	-	-	-	-	(56,901)
Other Income	-	-	-	-	-	-
Reversal / (provisions) and write offs - net						
Reversal for diminution in value of Investments - net	-	-	-	-	-	215,305
Expense						
Mark-up / return / interest paid	21,805	11,111	952	69,427	2,478	714,989
Commission / charges paid	-	-	-	3,658	-	-
Remuneration paid	-	-	306,767	-	-	-
Non-executive directors' fee	-	12,250	-	-	-	-
Net charge for defined contribution plans	-	-	-	-	-	187,351
Net charge for defined benefit plans	-	-	-	-	-	167,619
Advisory fee	-	-	-	-	-	5,212
Other expenses	975	-	-	-	-	1,564
Reimbursement of expenses	15,998	412	3,146	-	-	24
Payments made during the period						
Insurance premium paid	-	-	-	-	-	583,548
Insurance claims settled	-	-	-	-	-	13,744
Other transactions						
Sale of Government Securities	-	-	-	-	-	84,347,192
Purchase of Government Securities	-	-	-	-	-	3,660,783
Sale of Foreign Currencies	-	-	-	-	-	38,454,456
Purchase of Foreign Currencies	-	-	-	-	-	14,700,411

JS BANK LIMITED
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FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022

	(Un-audited) September 30, 2022	(Audited) December 31, 2021
	----- Rupees in '000 -----	
38. CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS		
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	18,617,348	17,554,963
Eligible Additional Tier 1 (ADT 1) Capital	2,500,000	2,500,000
Total Eligible Tier 1 Capital	21,117,348	20,054,963
Eligible Tier 2 Capital	4,944,557	5,754,681
Total Eligible Capital (Tier 1 + Tier 2)	26,061,905	25,809,644
Risk Weighted Assets (RWAs):		
Credit Risk	160,623,153	159,682,820
Market Risk	1,308,135	868,345
Operational Risk	26,892,645	26,892,646
Total	188,823,933	187,443,811
Common Equity Tier 1 Capital Adequacy Ratio	9.86%	9.37%
Tier 1 Capital Adequacy Ratio	11.18%	10.70%
Total Capital Adequacy Ratio	13.80%	13.77%
Leverage Ratio (LR):		
Eligible Tier-1 Capital	21,117,348	20,054,963
Total Exposures	683,036,255	649,144,741
Leverage Ratio	3.09%	3.09%
Liquidity Coverage Ratio (LCR):		
Total High Quality Liquid Assets	146,400,579	191,897,219
Total Net Cash Outflow	73,530,690	66,462,622
Liquidity Coverage Ratio	199.10%	288.73%
Net Stable Funding Ratio (NSFR):		
Total Available Stable Funding	401,154,687	376,145,622
Total Required Stable Funding	297,045,494	294,820,480
Net Stable Funding Ratio	135.05%	127.58%

JS BANK LIMITED
NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022

39. GENERAL

- 39.1** 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.
- 39.2** The figures in these condensed interim unconsolidated financial statements have been rounded off to the nearest thousand unless otherwise stated.

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 26, 2022.

**President and
Chief Executive Officer**

**Chief Financial
Officer**

Director

Director

Chairman



Condensed Interim Consolidated Financial Statements
for the Nine Months Ended September 30, 2022

JS BANK LIMITED
CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2022

		(Un-audited) September 30, 2022	(Audited) December 31, 2021
	Note	----- Rupees in '000 -----	
ASSETS			
Cash and balances with treasury banks	6	31,838,459	34,267,180
Balances with other banks	7	1,435,849	1,227,606
Lendings to financial institutions	8	321,706	31,939,044
Investments	9	282,620,607	232,221,074
Advances	10	234,119,760	254,566,072
Fixed assets	11	11,234,755	11,504,329
Intangible assets	12	3,559,383	3,151,210
Deferred tax assets	18	-	-
Other assets	13	28,495,304	20,452,393
		593,625,823	589,328,908
LIABILITIES			
Bills payable	14	5,929,150	7,038,886
Borrowings	15	53,858,778	72,048,604
Deposits and other accounts	16	479,944,338	459,350,047
Liabilities against assets subject to finance lease		-	-
Subordinated debt	17	6,995,900	6,996,800
Deferred tax liabilities	18	773,659	1,277,069
Other liabilities	19	22,286,986	18,785,094
		569,788,811	565,496,500
NET ASSETS		23,837,012	23,832,408
REPRESENTED BY			
Share capital - net		10,119,242	10,119,242
Reserves		2,757,449	2,331,070
Surplus on revaluation of assets	20	2,020,361	3,228,929
Unappropriated profit		8,582,966	7,764,840
		23,480,018	23,444,081
Non-controlling interest		356,994	388,327
		23,837,012	23,832,408
CONTINGENCIES AND COMMITMENTS			
	21		

The annexed notes from 1 to 40 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 ENDED SEPTEMBER 30, 2022

		Quarter Ended		Nine Months Ended	
		September 30, 2022	September 30, 2021	September 30, 2022	September 30, 2021
Note		Rupees in '000			
Mark-up / return / interest earned	23	18,908,630	10,071,517	48,884,020	28,966,450
Mark-up / return / interest expensed	24	14,966,670	6,839,259	38,257,302	19,827,923
Net mark-up / interest income		3,941,960	3,232,258	10,626,718	9,138,527
Non mark-up / interest income					
Fee, commission and brokerage income	25	908,971	1,242,404	2,775,932	3,438,160
Dividend income		82,698	11,409	177,008	186,121
Foreign exchange income		941,291	305,163	1,917,037	843,628
(Loss) / income from derivatives		33,634	19,420	(41,945)	24,181
Gain on securities - net	26	86,817	23,431	281,151	61,088
Share of (loss) / profit from associates		(9,086)	(4,375)	(8,759)	9,530
Other income	27	28,931	18,802	95,874	35,777
Total non mark-up / interest income		2,073,256	1,616,254	5,196,298	4,598,485
Total Income		6,015,216	4,848,512	15,823,016	13,737,012
Non mark-up / interest expenses					
Operating expenses	28	4,717,512	3,747,520	13,069,682	10,577,843
Workers' Welfare Fund	29	17,267	18,168	37,549	44,146
Other charges	30	-	-	85,590	202
Total non-mark-up / interest expenses		4,734,779	3,765,688	13,192,821	10,622,191
Profit before provisions		1,280,437	1,082,824	2,630,195	3,114,821
Provisions and write offs - net	31	451,192	459,253	635,685	1,260,043
Profit before taxation		829,245	623,571	1,994,510	1,854,778
Taxation	32	450,193	284,807	1,032,012	797,496
Profit after taxation		379,052	338,764	962,498	1,057,282
Attributable to:					
Equity holders of the Bank		389,194	328,419	949,012	1,027,471
Non-controlling interest		(10,142)	10,345	13,486	29,811
		379,052	338,764	962,498	1,057,282
Earnings per share for profit attributable to the equity holders of the Bank		Rupee			
Basic and diluted	33	0.30	0.25	0.73	0.79

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

President and
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Director

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Chairman

JS BANK LIMITED
CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022

	Quarter Ended		Nine Months Ended	
	September 30, 2022	September 30, 2021	September 30, 2022	September 30, 2021
	Rupees in '000			
Profit after taxation for the period	379,052	338,764	962,498	1,057,282
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	124,867	58,933	262,262	51,482
Movement in surplus of investments - net of tax (Pakistan operations)	718,496	(347,135)	(554,255)	654,100
Movement in surplus of debt investments at FVOCI - net of tax (Bahrain operations)	(344,327)	(29,643)	(578,623)	(73,713)
	374,169	(376,778)	(1,132,878)	580,387
Items that will not be reclassified to profit and loss account in subsequent periods				
Movement in surplus on revaluation of fixed assets - net of tax	-	-	(32,007)	(224,557)
Movement in surplus on revaluation of non-banking assets - net of tax	-	-	(98)	(48,662)
Movement in surplus of equity investments at FVOCI - net of tax (Bahrain operations)	(13,057)	(25,639)	(55,173)	(31,021)
	(13,057)	(25,639)	(87,278)	(304,240)
	485,979	(343,484)	(957,894)	327,629
Total comprehensive income / (loss) for the period	865,031	(4,720)	4,604	1,384,911
Attributable to:				
Equity holders of the Bank	874,795	453	35,937	1,378,555
Non-controlling interest	(9,764)	(5,173)	(31,333)	6,356
	865,031	(4,720)	4,604	1,384,911

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

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JS BANK LIMITED
CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022

	Attributable to equity holders of the Bank							Non-controlling interest	Total
	Share capital - net	Reserves	Surplus / (deficit) on revaluation of			Unappropriated profit	Sub-total		
		Statutory reserve	Capital reserve exchange translation	Investments	Fixed assets	Non-banking assets			
Rupees in '000									
Balance as at January 01, 2021 (Audited)	10,119,242	1,876,180	114,990	1,590,895	1,525,618	131,080	7,029,251	22,387,256	22,915,702
Total comprehensive income for the nine months ended September 30, 2021									
Profit after taxation	-	-	-	-	-	-	1,027,471	1,027,471	1,057,282
Other comprehensive income / (loss) - net of tax	-	-	51,482	572,821	(224,557)	(48,662)	-	351,084	327,629
	-	-	51,482	572,821	(224,557)	(48,662)	1,027,471	1,378,555	1,384,911
Transfer to statutory reserve	-	201,194	-	-	-	-	(201,194)	-	-
Transfer from surplus on revaluation of assets - net of tax	-	-	-	-	(29,509)	(45)	29,554	-	-
Transactions with owners, recorded directly in equity									
Interim cash dividend to NCI by subsidiary @ Rs. 10 per share	-	-	-	-	-	-	-	(19,521)	(19,521)
Buy-back of shares by subsidiary from NCI	-	-	-	-	-	-	-	(263,722)	(263,722)
Gain on buy-back of shares	-	-	-	-	-	-	16,114	16,114	17,346
Bargain purchase gain at the time of acquisition	-	-	-	-	-	-	48,674	48,674	49,502
Balance as at September 30, 2021	10,119,242	2,077,374	166,472	2,163,716	1,271,552	82,373	7,949,870	23,830,599	24,084,218
Total comprehensive income for the three months ended December 31, 2021									
Profit after taxation	-	-	-	-	-	-	167,224	167,224	160,150
Other comprehensive (loss) / income - net of tax	-	-	27,540	(778,117)	489,843	37,366	(128,508)	(351,876)	(352,697)
	-	-	27,540	(778,117)	489,843	37,366	38,716	(184,652)	(192,547)
Transfer to statutory reserve	-	59,684	-	-	-	-	(59,684)	-	-
Transfer from surplus on revaluation of assets - net of tax	-	-	-	-	(9,836)	(25)	9,861	-	-
Gain on disposal of equity investments at FVOCI transferred to unappropriated profit	-	-	-	(27,943)	-	-	27,943	-	-
Transactions with owners, recorded directly in equity									
Buy-back of shares by subsidiary from NCI and others adjustments	-	-	-	-	-	-	(201,866)	(201,866)	(49,502)
Interim cash dividend to NCI by subsidiary @ Rs. 5 per share	-	-	-	-	-	-	-	(9,761)	(9,761)
Balance as at December 31, 2021	10,119,242	2,137,058	194,012	1,357,656	1,751,559	119,714	7,764,840	23,444,081	23,832,408
Total comprehensive income for the nine months ended September 30, 2022									
Profit after taxation	-	-	-	-	-	-	949,012	949,012	962,498
Other comprehensive (loss) / income - net of tax	-	-	262,262	(1,143,232)	(32,007)	(98)	-	(913,075)	(957,894)
	-	-	262,262	(1,143,232)	(32,007)	(98)	949,012	35,937	4,604
Transfer to statutory reserve	-	164,117	-	-	-	-	(164,117)	-	-
Transfer from surplus on revaluation of assets - net of tax	-	-	-	-	(33,882)	(12,495)	46,377	-	-
Loss on disposal of equity investments at FVOCI transferred to unappropriated profit	-	-	-	13,146	-	-	(13,146)	-	-
Balance as at September 30, 2022	10,119,242	2,301,175	456,274	227,570	1,685,670	107,121	8,582,966	23,480,018	23,837,012

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

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JS BANK LIMITED
CONDENSED INTERIM CONSOLIDATED CASH FLOW STATEMENT (UN-AUDITED)
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022

		September 30, 2022	September 30, 2021
	Note	Rupees in '000	
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		1,994,510	1,854,778
Less:			
Dividend income		177,008	186,121
Share of profit from associates		(8,759)	9,530
		1,826,261	1,659,127
Adjustments:			
Depreciation on fixed assets	28	724,832	631,696
Depreciation on right-of-use assets	28	847,565	697,305
Amortisation	28	126,858	101,708
Workers' Welfare Fund - charge	29	37,549	44,146
Charge for defined benefit plans		107,402	167,719
Provision against loans and advances - net	31	626,461	1,546,666
Provision / (reversal) for diminution in value of investments - net	31	6,180	(310,710)
Interest expense on lease liability against right-of-use assets	24	298,412	306,184
Gain on sale of fixed assets - net	27	(49,095)	(11,277)
Gain on termination of leases - net	27	(12,746)	(5,834)
Unrealised (gain) / loss on revaluation of investments classified as held-for-trading - net	26	(25,534)	76,783
Other provisions and write offs - net	31	3,044	24,087
		2,690,928	3,268,473
		4,517,189	4,927,600
Decrease / (increase) in operating assets			
Lendings to financial institutions		31,617,338	20,240,897
Held-for-trading securities		1,753,196	23,879,798
Advances		19,819,851	(2,812,934)
Other assets (excluding advance taxation)		(8,482,325)	952,691
		44,708,060	42,260,452
Increase / (decrease) in operating liabilities			
Bills payable		(1,109,736)	2,695,020
Borrowings		(18,189,826)	14,782,825
Deposits and other accounts		20,594,291	5,978,881
Other liabilities		2,994,919	(1,479,806)
		4,289,648	21,976,920
		53,514,897	69,164,972
Income tax paid		(1,211,253)	(878,017)
Net cash generated from operating activities		52,303,644	68,286,955
CASH FLOW FROM INVESTING ACTIVITIES			
Net investments in available-for-sale securities		(12,981,513)	(64,678,945)
Net investments in held-to-maturity securities		(40,878,044)	(5,281,918)
Dividend received		130,609	186,430
Investments in fixed assets		(1,209,947)	(1,297,570)
Investments in intangible assets		(535,031)	(466,847)
Proceeds from sale of fixed assets		195,430	72,680
Effect of translation of net investment in foreign branch		262,262	51,482
Net cash used in investing activities		(55,016,234)	(71,414,688)
CASH FLOW FROM FINANCING ACTIVITIES			
Payment of lease liability against right-of-use assets		(870,382)	(855,441)
Repayment of subordinated debt		(900)	(1,000)
Shares bought back from NCI		-	(246,376)
Dividend paid to NCI		-	(19,521)
Net cash used in financing activities		(871,282)	(1,122,338)
Decrease in cash and cash equivalents		(3,583,872)	(4,250,071)
Cash and cash equivalents at beginning of the period		35,188,123	31,406,546
Cash and cash equivalents at end of the period	34	31,604,251	27,156,475

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

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JS BANK LIMITED
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022

1. STATUS AND NATURE OF BUSINESS

1.1 The Group consists of:

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, 2021: 281) branches / sub-branches in Pakistan and one wholesale banking branch in Bahrain (December 31, 2021: 1). 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 repayment of financial commitments.

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 Bank.

1.2 Composition of the Group

	Ownership interest and voting power held by Bank			
	September 30, 2022		December 31, 2021	
	The Group	NCI	The Group	NCI
Subsidiaries				
JS Global Capital Limited	92.90%	7.10%	92.90%	7.10%
JS Investments Limited	84.56%	15.44%	84.56%	15.44%

1.3 Composition of the associated companies

	Ownership interest and voting power held by Bank	
	September 30, 2022	December 31, 2021
Associates		
Omar Jibran Engineering Industries Limited	9.60%	9.60%
Veda Transit Solutions (Private) Limited	3.92%	3.92%
Intercity Touring Company (Private) Limited	9.12%	9.12%

1.4 During the period, the shareholders of the Bank in their meeting held on March 30, 2022 approved to acquire, as per the requirements of section 199 of the Companies Act, 2017, 86,316,954 ordinary shares of BankIslami Pakistan Limited (BIPL) (an associated company of JSCL), constituting 7.79% of the paid-up capital of BIPL, from Emirates NBD Bank PJSC at a price of upto Rs. 13.24 per share making the aggregate consideration upto Rs. 1,142 million. Subsequent to September 30, 2022, approval from the SBP was received on October 3, 2022 and the Bank is in process to complete other formalities to close this transaction.

1.5 Subsequent to the period, the Bank has increased its Authorized Share Capital from Rs. 25 billion to Rs. 40 billion with the approval of Shareholders in extra-ordinary general meeting held on October 04, 2022 and the approval from the State Bank of Pakistan (SBP) vide letter dated October 12, 2022.

JS BANK LIMITED
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022

2. BASIS OF PRESENTATION

These condensed interim consolidated financial statements include financial statements of JS Bank Limited and its subsidiary companies, and share of the profit / reserves of associates and have been prepared in conformity with the format of financial statements prescribed by the State Bank of Pakistan (SBP) vide BPRD Circular Letter No. 05 dated March 22, 2019.

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 the functional currency of the Bank, in that environment as well.

2.1 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 State Bank of Pakistan (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

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, 'Interim Financial

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

International Financial Reporting Standard (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.

2.2 Basis of Consolidation

The Group

- The condensed interim consolidated financial statements include the financial statements of the Bank 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 International Financial Reporting Standard (IFRS) 10, 'Consolidated Financial Statements' is not applicable.

JS BANK LIMITED
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022

- 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
- 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 Bank.
- Material intra-group balances and transactions are eliminated.

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

There are certain other amendments to existing accounting and reporting standards that have become applicable to the Bank for accounting periods beginning on or after January 01, 2022. These are either considered to not be relevant or do not have any significant impact and accordingly have not been detailed in these condensed interim consolidated financial

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

The application of the International Financial Reporting Standard (IFRS) 9, 'Financial Instruments', for all companies to prepare their financial statements in accordance with the requirements of IFRS 9 was implemented by SECP for reporting period / year ending on or after June 30, 2019 through its S.R.O. 229 (I)/2019 dated February 14, 2019. However, State Bank of Pakistan (SBP) has extended the effective date of applicability of IFRS 9 from January 01, 2023 through its BPRD Circular No. 03 dated July 05, 2022 in case of banks having assets size of PKR 500 billion or above. The said circular contained application instructions for quarterly, half yearly and annual parallel run reporting of IFRS 9 for year 2022 and 2023 within given timelines.

As of reporting date, the impact of the application of IFRS 9 on the Bank's financial statements is being assessed. Further, till the implementation of IFRS 9 the Bank has continued to fulfil the requirements of Prudential Regulations and other SBP directives which currently provide the accounting framework for the measurement and valuation of assets and provisions / impairment against non-performing assets.

There are certain other new and amended standards, interpretations of and amendments that are mandatory for the Bank's accounting periods beginning on or after January 01, 2023 but are considered not to be relevant or do not have any significant effect on the Group's operations and are, therefore, not detailed in these condensed interim consolidated 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 consolidated financial statements for the year ended December 31, 2021.

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 consolidated financial statements for the year ended December 31, 2021.

5. FINANCIAL RISK MANAGEMENT

The financial risk management objectives and policies adopted by the Group are consistent with those disclosed in the consolidated financial statements for the year ended December 31, 2021.

JS BANK LIMITED
**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022**

		(Un-audited) September 30, 2022	(Audited) December 31, 2021
6. CASH AND BALANCES WITH TREASURY BANKS	Note	----- Rupees in '000 -----	
In hand			
Local currency		6,790,387	7,286,506
Foreign currencies		965,974	957,434
		<u>7,756,361</u>	<u>8,243,940</u>
With State Bank of Pakistan in			
Local currency current account		20,738,902	19,934,402
Foreign currency current account - non remunerative		845,272	1,085,558
Foreign currency deposit account - remunerative		506,905	2,616,420
		<u>22,091,079</u>	<u>23,636,380</u>
With National Bank of Pakistan in local currency current accounts		<u>1,986,861</u>	<u>2,345,795</u>
National Prize Bonds		<u>4,158</u>	<u>41,065</u>
		<u><u>31,838,459</u></u>	<u><u>34,267,180</u></u>
7. BALANCES WITH OTHER BANKS			
In Pakistan			
In current accounts		250,631	146,826
In deposit accounts		133,056	23,879
		<u>383,687</u>	<u>170,705</u>
Outside Pakistan			
In current accounts		1,052,214	1,056,918
		<u>1,435,901</u>	<u>1,227,623</u>
Less: general provision under IFRS 9	7.1	(52)	(17)
Balances with other banks - net of provision		<u><u>1,435,849</u></u>	<u><u>1,227,606</u></u>
7.1	This represents general provision held under IFRS 9 by Bahrain branch of the Bank.		
8. LENDINGS TO FINANCIAL INSTITUTIONS			
Repurchase agreement lendings (reverse repo)		<u><u>321,706</u></u>	<u><u>31,939,044</u></u>

JS BANK LIMITED
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022

9. INVESTMENTS		Note	September 30, 2022 (Un-audited)				December 31, 2021 (Audited)			
			Cost / Amortised cost	Provision for diminution	Surplus / (deficit)	Carrying value	Cost / Amortised cost	Provision for diminution	Surplus / (deficit)	Carrying value
9.1	Investments by type:		Rupees in '000							
	Held-for-trading securities									
	Federal Government Securities									
	Market Treasury Bills		8,930	-	-	8,930	1,109,264	-	(61)	1,109,203
	Pakistan Investment Bonds - Fixed		-	-	-	-	202	-	(1)	201
			8,930	-	-	8,930	1,109,466	-	(62)	1,109,404
	Shares									
	Listed Companies									
	Ordinary shares		606,279	-	(12,025)	594,254	1,391,004	-	1,505	1,392,509
	Open End Mutual Funds		281,907	-	4,858	286,765	190,357	-	(74,659)	115,698
	Available-for-sale securities									
	Federal Government Securities									
	Market Treasury Bills		52,975,677	-	(26,309)	52,949,368	125,616,353	-	(370,699)	125,245,654
	Pakistan Investment Bonds - Fixed		26,944,873	-	(560,084)	26,384,789	8,444,450	-	16,757	8,461,207
	Pakistan Investment Bonds - Floater		93,187,263	-	(141,996)	93,045,267	25,625,355	-	(16,328)	25,609,027
			173,107,813	-	(728,389)	172,379,424	159,686,158	-	(370,270)	159,315,888
	Shares									
	Listed Companies									
	Ordinary shares	9.1.1	2,185,636	(24,570)	2,341,012	4,502,078	1,792,363	-	2,289,154	4,081,517
	Preference shares		136,589	(136,589)	-	-	136,589	(136,589)	-	-
	Unlisted Companies									
	Ordinary shares		11,000	-	-	11,000	11,000	-	-	11,000
	Preference shares	9.1.4	27,733	(27,733)	-	-	27,733	(27,733)	-	-
			2,360,958	(188,892)	2,341,012	4,513,078	1,967,685	(164,322)	2,289,154	4,092,517
	Non Government Debt Securities									
	Listed									
	Term Finance Certificates	9.1.2	526,041	(143,446)	(2,323)	380,272	436,745	(151,867)	592	285,470
	Sukuk Certificates		308,964	-	1,880	310,844	241,490	-	1,909	243,399
	Unlisted									
	Term Finance Certificates	9.1.3	560,871	(534,471)	-	26,400	1,083,301	(538,467)	-	544,834
	Sukuk Certificates		1,282,393	-	-	1,282,393	1,307,393	-	-	1,307,393
	Commercial Paper Certificates		-	-	-	-	352,151	-	-	352,151
			2,678,269	(677,917)	(443)	1,999,909	3,421,080	(690,334)	2,501	2,733,247
	Foreign Securities									
	Government Debt Securities *	9.1.5	2,089,350	(137,039)	(1,062,311)	890,000	1,372,854	(67,856)	(63,011)	1,241,987
	Non Government Debt Securities *		686,112	(969)	(22,328)	662,815	376,486	(376)	(1,942)	374,168
	Ordinary shares		317,254	-	(71,745)	245,509	95,649	-	1,856	97,505
			3,092,716	(138,008)	(1,156,384)	1,798,324	1,844,989	(68,232)	(63,097)	1,713,660
	Open End Mutual Funds		1,782,038	-	(44,973)	1,737,065	3,044,620	-	269,958	3,314,578
	Held-to-maturity securities									
	Federal Government Securities									
	Market Treasury Bills	9.1.6	65,015,015	-	-	65,015,015	11,463,014	-	-	11,463,014
	Pakistan Investment Bonds - Fixed	9.1.6	285,733	-	-	285,733	12,913,323	-	-	12,913,323
	Pakistan Investment Bonds - Floater	9.1.6	33,721,239	-	-	33,721,239	33,767,606	-	-	33,767,606
			99,021,987	-	-	99,021,987	58,143,943	-	-	58,143,943
	Associates									
	Omar Jibran Engineering Industries Ltd.		239,574	-	-	239,574	237,192	-	-	237,192
	Veda Transit Solutions (Pvt) Ltd.		41,297	-	-	41,297	52,438	-	-	52,438
			280,871	-	-	280,871	289,630	-	-	289,630
	Total Investments		283,221,768	(1,004,817)	403,656	282,620,607	231,088,932	(922,888)	2,055,030	232,221,074

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

9.1.1 Included herein are the investments in related parties amounting to Rs. 1,464.739 million (December 31, 2021: Rs. 1,464.379 million) having market value of Rs. 3,944.393 million (December 31, 2021: 3,721.884 million).

9.1.2 Included herein are the investments in related parties amounting to Rs. 7.595 million (December 31, 2021: Rs. 9.866 million) having market value of Rs. 5.272 million (December 31, 2021: Rs. 10.095 million).

9.1.3 Included herein is the investment of Rs. 389.481 million in Azgard Nine (related party). Due to weak financial position of the investee the Group has recognised full impairment loss on these TFCs.

9.1.4 The Bank has fully provided its investments held in Intercity Touring Company (Private) limited (an associated company) i.e. Rs. 27.733 million (December 31, 2021: Rs. 27.733 million) against preference shares.

9.1.5 Included herein is the life time expected credit loss under IFRS 9 on investment in bonds issued by Government of Sri Lanka amounting to Rs. 129.435 million held by Bahrain branch on account of default by Government of Sri Lanka in respect of loan commitments with its international lenders.

9.1.6 The market value of Market Treasury Bills and Pakistan Investment Bond classified as held-to-maturity as at amounted to Rs. 63,975.360 million and Rs. 33,413.047 million (December 31, 2021: Rs. 11,323.221 million and Rs. 45,940.114 million) respectively.

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	(Un-audited) September 30, 2022		(Audited) December 31, 2021	
	Cost	Market value	Cost	Market value
9.2 Investments given as collateral	Rupees in '000			
Federal Government Securities				
Market Treasury Bills	-	-	19,922,016	19,852,789
Pakistan Investment Bonds - Fixed	-	-	1,595,450	1,607,572
Pakistan Investment Bonds - Floater	20,000,000	19,850,000	13,467,708	13,466,250
	20,000,000	19,850,000	34,985,174	34,926,611
Foreign Securities				
Government Debt Securities	-	-	842,316	814,484
Non Government Debt Securities	686,112	662,815	-	-
	686,112	662,815	842,316	814,484
	20,686,112	20,512,815	35,827,490	35,741,095

	Note	(Un-audited) September 30, 2022	(Audited) December 31, 2021
		Rupees in '000	
9.3 Provision for diminution in value of investments		922,888	1,231,220
9.3.1 Opening balance		24,570	27,733
Charge for the period / year		(61,571)	(281,540)
Reversals for the period / year		(37,001)	(253,807)
Charge / (reversal) under IFRS 9 in Bahrain branch		43,181	(62,148)
Charge / (reversal) during the period / year	31	26,595	7,623
Exchange impact for the period / year		69,776	(54,525)
Provision against restructure TFCs including against conversion of markup suspended	9.1.1	49,154	-
Closing balance		1,004,817	922,888

9.3.2 Particulars of provision against debt securities

Category of classification	(Un-audited) September 30, 2022		(Audited) December 31, 2021	
	Non-Performing Investments	Provision	Non-Performing Investments	Provision
	Rupees in '000			
Domestic				
Loss	677,917	677,917	690,334	690,334
	677,917	677,917	690,334	690,334

	Note	Performing		Non-Performing		Total	
		(Un-audited) September 30, 2022	(Audited) December 31, 2021	(Un-audited) September 30, 2022	(Audited) December 31, 2021	(Un-audited) September 30, 2022	(Audited) December 31, 2021
10. ADVANCES		Rupees in '000					
Loans, cash credits, running finances, etc.		213,523,966	232,178,096	16,786,318	13,926,269	230,310,284	246,104,365
Bills discounted and purchased		10,902,703	15,144,516	-	-	10,902,703	15,144,516
Advances - gross		224,426,669	247,322,612	16,786,318	13,926,269	241,212,987	261,248,881
Provision against advances							
- Specific		-	-	(6,895,293)	(6,569,829)	(6,895,293)	(6,569,829)
- General		(189,755)	(87,787)	-	-	(189,755)	(87,787)
- General provision - under IFRS 9	10.3.3	(8,179)	(25,193)	-	-	(8,179)	(25,193)
	10.3	(197,934)	(112,980)	(6,895,293)	(6,569,829)	(7,093,227)	(6,682,809)
Advances - net of provision		224,228,735	247,209,632	9,891,025	7,356,440	234,119,760	254,566,072

	(Un-audited) September 30, 2022	(Audited) December 31, 2021
	Rupees in '000	
10.1 Particulars of advances (gross)	232,468,523	247,352,862
In local currency	8,744,464	13,896,019
In foreign currencies	241,212,987	261,248,881

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10.2 Advances include Rs. 16,786.318 million (December 31, 2021: Rs. 13,926.269 million) which have been placed under non-performing status as detailed below:

Category of classification	(Un-audited) September 30, 2022		(Audited) December 31, 2021	
	Non-Performing Loans	Provision	Non-Performing Loans	Provision
	Rupees in '000			
Domestic				
Other Assets Especially Mentioned*	470,506	284	789,192	2,013
Substandard	1,850,207	63,462	814,434	91,936
Doubtful	4,068,801	391,804	1,930,747	435,448
Loss	10,396,804	6,439,743	10,391,896	6,040,432
Total	16,786,318	6,895,293	13,926,269	6,569,829

* The Other Assets Especially Mentioned category pertains to agriculture, housing and small enterprises financing.

10.3 Particulars of provision against advances

	Note	(Un-audited) September 30, 2022				(Audited) December 31, 2021			
		Specific	General	General provision under IFRS-9	Total	Specific	General	General provision under IFRS-9	Total
		Rupees in '000							
Opening balance		6,569,829	87,787	25,193	6,682,809	4,181,836	-	21,327	4,203,163
Exchange adjustments		-	-	4,210	4,210	-	-	2,350	2,350
Charge for the period / year		1,043,191	101,968	-	1,145,159	3,147,572	87,787	1,516	3,236,875
Reversals for the period / year	10.3.1	(497,474)	-	(21,224)	(518,698)	(758,874)	-	-	(758,874)
	31	545,717	101,968	(21,224)	626,461	2,388,698	87,787	1,516	2,478,001
Amount written off		(220,253)	-	-	(220,253)	(705)	-	-	(705)
Closing Balance	10.3.2	6,895,293	189,755	8,179	7,093,227	6,569,829	87,787	25,193	6,682,809

10.3.1 This includes reversal of provision of Rs. 44.8 million (December 31, 2021: Rs. 294.822 million) against reduction in non-performing loans of Rs. 60 million (December 31, 2021: 1,475.823 million) of AH Grains under 'Debt Property Swap' transactions, as disclosed in note 13.1.

10.3.2 The State Bank of Pakistan through various circulars has allowed benefit of the forced sale value (FSV) of Plant and Machinery under charge, pledged stock and mortgaged residential, commercial and industrial properties (land and building only) held as collateral against non-performing loans (NPLs) for a maximum of five years from the date of classification. As at September 30, 2022, the Bank has availed cumulative FSV benefit under the directives of the SBP of Rs. 5,998.748 million (December 31, 2021: Rs. 5,019.150 million).

The additional profit arising from availing the FSV benefit - net of tax amounts to Rs. 3,059.361 million (December 31, 2021: Rs. 3,061.682 million). The additional impact on profitability arising from availing the benefit of FSV shall not be available for payment of cash or stock dividend to shareholders or bonus to employees under the requirements of Prudential Regulations of Corporate / Commercial Banking of SBP.

10.3.3 General provision under IFRS-9 represents provision held by Bahrain branch of the Bank.

11. FIXED ASSETS	Note	(Un-audited) September 30, 2022	(Audited) December 31, 2021
		Rupees in '000	
Capital work-in-progress	11.1	827,105	1,316,790
Property and equipment		7,905,743	7,135,467
Right-of-use assets		2,501,907	3,052,072
		11,234,755	11,504,329
11.1 Capital work-in-progress			
Civil works		136,614	800,342
Equipment		664,063	-
Advances to suppliers		26,428	516,448
		827,105	1,316,790

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

	Additions		(Un-audited) Disposal		Write offs / (back) - net	
	January - September 2022	January - September 2021	January - September 2022	January - September 2021	January - September 2022	January - September 2021
Note	Rupees in '000					
Capital work-in-progress - net	806,987	783,249	-	-	-	-
Property and equipment						
Building on leasehold land	300,071	74,219	85,221	-	-	-
Leasehold improvements	610,748	93,557	4,818	4,458	-	33,993
Furniture and fixture	112,196	31,083	4,772	9,619	-	(2,113)
Electrical, office and computer equipments	572,364	496,391	26,153	34,396	-	(15,346)
Vehicles	43,318	13,384	25,371	12,930	-	(1,940)
11.2.1	1,638,697	708,634	146,335	61,403	-	14,594
Total	2,445,684	1,491,883	146,335	61,403	-	14,594

11.2.1 This includes transfer from capital work in progress during the period of Rs. 1,303.792 million (September 30, 2021: Rs. 231.146 million).

12. INTANGIBLE ASSETS

	(Un-audited) September 30, 2022	(Audited) December 31, 2021
Note	Rupees in '000	
Capital work-in-progress	931,722	711,192
Computer software	1,159,037	971,394
Goodwill	1,463,624	1,463,624
Others	5,000	5,000
	3,559,383	3,151,210

12.1 Capital work-in-progress

Advance for purchase of software	931,722	711,192
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12.2 Additions to intangible assets

The following additions have been made to intangible assets during the period:

	(Un-audited) January - September 2022	January - September 2021
12.2.1	Rupees in '000	
Capital work-in-progress - net	534,779	461,500
Computer software	313,572	280,058
	848,351	741,558

12.2.1 This includes transfer from capital work in progress during the period of Rs. 313.572 million (September 30, 2021: Rs. 268.670 million).

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		(Un-audited) September 30, 2022	(Audited) December 31, 2021
		Rupees in '000	
13. OTHER ASSETS	Note		
Income / mark-up accrued in local currency		9,351,988	7,184,845
Income / mark-up accrued in foreign currencies		84,595	93,851
Advances, deposits, advance rent and other prepayments		1,520,633	1,439,495
Acceptances		3,548,473	3,689,343
Dividend receivable		46,399	-
Advance taxation (payments less provision)		1,046,443	865,822
Receivable from defined benefit plans		210,305	318,319
Receivable against bancassurance / bancatakal		18,701	20,889
Stationery and stamps on hand		19,371	22,864
Receivable in respect of home remittance		34,399	27,549
Due from State Bank of Pakistan		750,124	179,197
Rebates receivable - net		308,368	68,142
Non-banking assets acquired in satisfaction of claims	13.1	3,101,176	2,537,863
Mark to market gain on derivative instruments		22,731	51,215
Mark to market gain on forward foreign exchange contracts		2,202,932	467,017
Advance against investments in securities	13.2	1,178,306	705,198
Branchless banking fund settlement		-	229,652
Inter bank fund transfer settlement		2,081,733	88,237
Credit card settlement		87,281	283,370
Insurance claims receivable		180	75,884
Trade receivable from brokerage and advisory business - net		2,237,649	1,895,846
Balances due from funds under management		119,592	105,157
Others		847,060	412,533
		28,818,439	20,762,288
Less: Provision held against other assets	13.3	(430,569)	(430,569)
Other assets - net of provisions		28,387,870	20,331,719
Surplus on revaluation of non-banking assets acquired in satisfaction of claims	20	107,434	120,674
Other assets - total		28,495,304	20,452,393

13.1 During the period, the Bank has acquired properties of Rs. 590 million (December 31, 2021: Rs. 1,529.159 million) against debt swap transactions with borrowers resulting in reversal of provision of Rs. 44.8 million (December 31, 2021: Rs. 294.822 million) against reduction in non-performing loans of Rs. 60 million (December 31, 2021: Rs. 1,475.823 million) (refer note 10.3.1).

13.2 This represents advance against purchase of TFC amounting to Nil (December 31, 2021: Rs. 250 million), ordinary shares and preference shares of foreign companies amounting Rs. 928.858 million and Rs. 249.448 million (December 31, 2021: Rs. 205.75 million and Rs. 249.448 million) respectively.

	(Un-audited) September 30, 2022	(Audited) December 31, 2021
	Rupees in '000	
13.3 Provision held against other assets		
Advances, deposits, advance rent and other prepayments	10,184	10,184
Trade receivable from brokerage and advisory business - net	419,328	419,328
Others	1,057	1,057
	430,569	430,569
13.3.1 Movement of provision held against other assets		
Opening balance	430,569	430,569
Charge during the period / year	13,870	-
Reversals during the period / year	(13,870)	-
	-	-
Closing balance	430,569	430,569

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	(Un-audited) September 30, 2022	(Audited) December 31, 2021
	----- Rupees in '000 -----	
14. BILLS PAYABLE		
In Pakistan	5,608,919	6,786,643
Outside Pakistan	320,231	252,243
	<u>5,929,150</u>	<u>7,038,886</u>
15. BORROWINGS		
Secured		
Borrowings from State Bank of Pakistan under:		
Export refinancing scheme	18,359,848	20,775,516
Long-term finance facility	2,159,098	2,558,982
Financing facility for storage of agricultural produce	144,143	246,691
Financing facility for renewable energy projects	1,170,623	1,322,204
Refinance for women entrepreneurs	85,454	448,799
Refinance scheme for payment of wages & salaries	1,365,125	5,428,540
Refinance facility for modernization of Small and Medium Enterprises (SMEs)	37,200	5,439
Refinance facility for combating COVID-19	249,519	72,171
Temporary economic refinance facility	4,582,613	724,109
Small enterprise financing and credit guarantee scheme for special persons	3,304	9,029
Refinance facility for working capital of SMEs	578	-
Refinance facility for SME Asaan Finance (SAAF) scheme	1,810,542	-
	<u>29,968,047</u>	<u>31,591,480</u>
Repurchase agreement borrowings	20,000,000	13,500,000
	<u>49,968,047</u>	<u>45,091,480</u>
Borrowing from financial institutions:		
Repurchase agreement borrowings	531,456	22,160,140
Refinancing facility for mortgage loans	1,689,218	2,916,027
Long term financing	-	630,885
	<u>2,220,674</u>	<u>25,707,052</u>
	<u>52,188,721</u>	<u>70,798,532</u>
Unsecured		
Overdrawn nostro accounts	1,670,057	306,663
Commercial papers	-	943,409
	<u>1,670,057</u>	<u>1,250,072</u>
	<u>53,858,778</u>	<u>72,048,604</u>
15.1 Particulars of borrowings		
In local currency	52,317,059	71,154,003
In foreign currencies	1,541,719	894,601
	<u>53,858,778</u>	<u>72,048,604</u>

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16. DEPOSITS AND OTHER ACCOUNTS

	(Un-audited) September 30, 2022			(Audited) December 31, 2021		
	In Local Currency	In Foreign Currencies	Total	In Local Currency	In Foreign Currencies	Total
----- Rupees in '000 -----						
Customers						
Current deposits	105,147,818	8,797,298	113,945,116	103,471,600	7,672,420	111,144,020
Savings deposits	103,848,649	6,744,599	110,593,248	94,411,562	5,055,750	99,467,312
Term deposits	209,300,411	9,384,812	218,685,223	197,382,108	13,980,936	211,363,044
Margin deposits	14,055,356	1,466	14,056,822	8,847,107	3,408	8,850,515
	432,352,234	24,928,175	457,280,409	404,112,377	26,712,514	430,824,891
Financial Institutions						
Current deposits	816,932	547,285	1,364,217	1,035,444	504,985	1,540,429
Savings deposits	11,516,913	1,290	11,518,203	14,024,408	31,231	14,055,639
Term deposits	9,781,509	-	9,781,509	12,929,088	-	12,929,088
	22,115,354	548,575	22,663,929	27,988,940	536,216	28,525,156
	454,467,588	25,476,750	479,944,338	432,101,317	27,248,730	459,350,047

	Note	(Un-audited) September 30, 2022	(Audited) December 31, 2021
		----- Rupees in '000 -----	
17. SUBORDINATED DEBT			
Term Finance Certificates - Second Issue	17.1	1,996,400	1,996,800
Term Finance Certificates - Third Issue	17.2	2,500,000	2,500,000
Term Finance Certificates - Fourth Issue	17.3	2,499,500	2,500,000
		6,995,900	6,996,800

- 17.1** 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

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	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, including deposits, and will not be redeemable before maturity without prior approval of SBP.
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.

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- 17.2** In 2018, the Bank 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
Subordination:	The Issue is 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 and / or CAR or LR set by SBP.
Loss absorbency clause:	
Pre-Specified Trigger (PST)	<p>Upon the occurrence of a Pre-Specified Trigger as defined under SBP BPRD Circular # 6 of 2013 dated August 15, 2013 which stipulates that if an issuer's Common Equity Tier 1 (CET 1) ratio falls to or below 6.625% of Risk Weighted Assets (RWA), the Issuer will have full discretion to determine the amount of TFCs to be permanently converted into common shares or written off, subject to SBP regulations / instructions, and the cap specified below. The Bank will be able to exercise this discretion subject to:</p> <ul style="list-style-type: none"> - If and when Bank's CET 1 reaches the loss absorption trigger point, the aggregate amount of Additional Tier-1 capital to be converted must at least be the amount sufficient to immediately return the CET 1 ratio to above 6.625% of total RWA (if possible); - The converted amount should not exceed the amount needed to bring the CET 1 ratio to 8.5% of RWA (i.e. minimum CET 1 of 6.0% plus capital conservation buffer of 2.5%); 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	<p>Upon the occurrence of a Point of Non-Viability event as defined under SBP BPRD Circular # 6 of 2013 dated August 15, 2013, which stipulates that SBP may, at its option, fully and permanently convert the TFCs into common shares of the Issuer and / or have them immediately written off (either partially or in full). Number of shares to be issued to TFC holders at the time of conversion will be equal to the 'Outstanding Value of the TFCs' divided by market value per share of the Issuer's common / ordinary share on the date of the PONV trigger event as declared by SBP, subject to the cap specified below:</p> <p>The PONV trigger event is the earlier of:</p> <ul style="list-style-type: none"> - A decision made by SBP that a conversion or temporary / permanent write-off is necessary without which the Issuer would become non-viable; - The decision to make a public sector injection of capital, or equivalent support, without which the Issuer would have become non-viable, as determined by SBP. - The maximum number of shares to be issued to TFC holders at the Pre-Specified Trigger and / or Point of Non-Viability (or otherwise as directed by SBP) will be subject to a specified cap of 329,595,476 ordinary shares, or such other number as may be agreed to in consultation with SBP.

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- 17.3** In 2021, the Bank has issued Rs. 2.5 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 28, 2021
Tenure:	Up to Seven years from the issue date.
Maturity Date:	December 28, 2021
Rating:	A + (Single A Plus)
Profit Rate:	Floating rate of return at Base rate + 2 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
Subordination:	The Issue is subordinated all other indebtedness of the Bank including depositors, however, senior to the claims of investors in instruments eligible for inclusion in Tier I Capital
Call Option:	Exercisable in part or in full on or after the 10th redemption, subject to SBP's approval.
Lock-in-clause:	Payment of profit will be made from current year's earning and subject to compliance with MCR and / or CAR or LR set by SBP.
Loss absorbency	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 400,647,739 shares.

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		(Un-audited) September 30, 2022	(Audited) December 31, 2021
	Note	----- Rupees in '000 -----	
18. DEFERRED TAX LIABILITIES			
Deductible Temporary Differences on:			
Provision against investments		(70,212)	(63,680)
Provision against advances		(506,710)	(346,047)
Government grant		(183)	-
Other assets		-	(90,880)
		(577,105)	(500,607)
Taxable Temporary Differences on:			
Accelerated tax depreciation		189,542	189,419
Goodwill		629,358	570,813
Government grant		-	550
Surplus on revaluation of fixed assets	20	331,865	312,070
Surplus on revaluation of non-banking assets acquired in satisfaction of claims	20	311	960
Surplus on revaluation of investments	20	199,688	703,864
		1,350,764	1,777,676
		773,659	1,277,069
19. OTHER LIABILITIES			
Mark-up / return / interest payable in local currency		4,670,788	3,391,010
Mark-up / return / interest payable in foreign currencies		70,746	26,668
Unearned income on guarantees		262,772	261,377
Accrued expenses		649,413	500,369
Acceptances		3,548,473	3,689,343
Unclaimed dividends		7,576	7,576
Mark to market loss on derivative instruments		4,533	59,584
Mark to market loss on forward foreign exchange contracts		1,674,289	103,830
Gratuity payable to contractual staff		8,783	5,263
Withholding taxes payable		686,023	631,372
Government challan collection		89,945	50,758
Donation payable		31,091	43,433
Security deposits against leases, lockers and others		2,440,693	2,908,147
Workers' Welfare Fund		253,264	215,713
Payable in respect of home remittance		648,070	433,507
Retention money payable		47,984	44,294
Lease liability against right-of-use assets		3,130,014	3,415,585
Advance against sale of assets		-	26,000
Insurance payable		133,184	27,180
Payable to vendors against SBS goods		352,280	206,925
Branchless banking fund settlement		43,234	-
Debit card settlement		164,302	58,711
Clearing and settlement accounts		247,458	209,683
Trade payable from brokerage and advisory business - net		3,046,314	2,170,742
Dividend payable		4,922	4,946
Others		70,835	293,078
		22,286,986	18,785,094

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20. SURPLUS ON REVALUATION OF ASSETS

		September 30, 2022 (Un-audited)			December 31, 2021 (Audited)		
		Attributable to			Attributable to		
		Equity Holders	Non - Controlling Interest	Total	Equity Holders	Non - Controlling Interest	Total
Note		Rupees in '000					
Surplus / (deficit) on revaluation of:							
- Available for sale securities	9.1 & 20.1	418,480	(7,657)	410,823	2,031,118	97,128	2,128,246
- Fixed assets		2,017,535	-	2,017,535	2,063,629	-	2,063,629
- Non-banking assets acquired in satisfaction of claims	13	107,432	-	107,432	120,674	-	120,674
		2,543,447	(7,657)	2,535,790	4,215,421	97,128	4,312,549
Deferred tax on surplus / (deficit) on revaluation of:							
- Available for sale securities		(190,910)	718	(190,192)	(673,462)	(59,248)	(732,710)
- Fixed assets		(331,865)	-	(331,865)	(312,070)	-	(312,070)
- Non-banking assets acquired in satisfaction of claims		(311)	-	(311)	(960)	-	(960)
		(523,086)	718	(522,368)	(986,492)	(59,248)	(1,045,740)
		2,020,361	(6,939)	2,013,422	3,228,929	37,880	3,266,809

20.1 Available-for-sale securities

Pakistan:

- Equity securities
- Open end mutual funds
- Debt securities

Bahrain:

- Equity securities
- Debt securities

Related deferred tax liability

	(Un-audited) September 30, 2022	(Audited) December 31, 2021
Rupees in '000		
	2,341,012	2,289,154
	(44,973)	269,958
	(728,832)	(367,769)
	1,567,207	2,191,343
	(71,745)	1,856
	(1,084,639)	(64,953)
	(1,156,384)	(63,097)
	410,823	2,128,246
	(190,192)	(732,710)
	220,631	1,395,536

20.1.1 As of September 30, 2022, the Bank has recognized expected credit loss of Rs. 138.008 million (December 31, 2021: Rs. 68.232 million) through profit and loss account under IFRS-9 on foreign debt securities held by the Bank's Wholesale Banking Branch in Bahrain. However, the loss allowance is adjusted in other comprehensive income without reducing the carrying amount of the said securities under the requirement of IFRS 9 para 5.5.2. Therefore, revaluation of those securities are adjusted accordingly in these condensed interim consolidated statement of financial

21. CONTINGENCIES AND COMMITMENTS

Guarantees
Commitments

21.1 Guarantees

Financial guarantees
Performance guarantees
Other guarantees

21.1.1 Included herein are outstanding guarantees of Rs. 26.419 million (December 31, 2021: Rs. 21.419 million) of

21.2 Commitments

Documentary credits and short-term trade-related transactions

- Letters of credit

Commitments in respect of:

- Forward foreign exchange contracts
- Derivative instruments
- Forward lending

Commitments for acquisition of:

- Fixed assets
- Intangible assets

	(Un-audited) September 30, 2022	(Audited) December 31, 2021
Rupees in '000		
	63,056,632	49,835,924
	99,727,543	54,591,231
	162,784,175	104,427,155
	1,039,994	816,746
	26,727,756	25,611,507
	35,288,882	23,407,671
	63,056,632	49,835,924
	72,742,229	26,688,581
	2,061,975	4,835,903
	294,066	639,565
	107,383	344,462
	156,689	111,500
	99,727,543	54,591,231

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21.2.1 Included herein are the outstanding letter of credits of Rs. 21.821 million (December 31, 2021: Rs. 201.246 million) of related parties.

	(Un-audited) September 30, 2022	(Audited) December 31, 2021
	----- Rupees in '000 -----	
21.2.2 Commitments in respect of forward foreign exchange contracts		
Purchase	43,037,741	17,655,035
Sale	29,704,488	9,033,546
	<u>72,742,229</u>	<u>26,688,581</u>
21.2.3 Commitments in respect of derivative instruments		
Cross currency swaps		
Purchase	234,300	370,039
Sale	234,300	370,039
	<u>468,600</u>	<u>740,078</u>
Options		
Purchase	-	1,367,365
Sale	993,766	1,332,677
	<u>993,766</u>	<u>2,700,042</u>
Forward securities contract		
Purchase	-	-
Sale	599,609	1,395,783
	<u>599,609</u>	<u>1,395,783</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>294,066</u>	<u>639,565</u>

21.2.4.1 These represent commitments that are irrevocable because they cannot be withdrawn at the discretion of the bank without the risk of incurring significant penalty or

21.2.5 Tax related contingencies are disclosed in note 32.1.

22. DERIVATIVE INSTRUMENTS

Derivative instruments, such as Forward Exchange Contracts, Cross Currency 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

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 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.

		September 30, 2022 (Un-audited)							
		Cross currency swaps		Options and Accumulators		Forward securities		Total	
		Notional principal	Mark to market	Notional principal	Mark to market	Notional principal	Mark to market	Notional principal	Mark to market
		----- Rupees in '000 -----							
22.1 Product Analysis									
With Banks									
Hedging		468,600	685	-	-	-	-	468,600	685
Market making		-	-	993,766	2,623	599,609	14,890	1,593,375	17,513
		<u>468,600</u>	<u>685</u>	<u>993,766</u>	<u>2,623</u>	<u>599,609</u>	<u>14,890</u>	<u>2,061,975</u>	<u>18,198</u>
With FIs other banks									
Hedging		-	-	-	-	-	-	-	-
Market making		-	-	-	-	-	-	-	-
		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total									
Hedging		468,600	685	-	-	-	-	468,600	685
Market making		-	-	993,766	2,623	599,609	14,890	1,593,375	17,513
		<u>468,600</u>	<u>685</u>	<u>993,766</u>	<u>2,623</u>	<u>599,609</u>	<u>14,890</u>	<u>2,061,975</u>	<u>18,198</u>
		----- Rupees in '000 -----							
		Cross currency swaps		Options and Accumulators		Forward securities		Total	
		Notional principal	Mark to market	Notional principal	Mark to market	Notional principal	Mark to market	Notional principal	Mark to market
		----- Rupees in '000 -----							
With Banks									
Hedging		740,078	1,818	-	-	-	-	740,078	1,818
Market making		-	-	2,700,042	(6,758)	1,395,783	(3,429)	4,095,825	(10,187)
								4,835,903	(8,369)
With FIs other banks									
Hedging		-	-	-	-	-	-	-	-
Market making		-	-	-	-	-	-	-	-
		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total									
Hedging		740,078	1,818	-	-	-	-	740,078	1,818
Market making		-	-	2,700,042	(6,758)	1,395,783	(3,429)	4,095,825	(10,187)
		<u>740,078</u>	<u>1,818</u>	<u>2,700,042</u>	<u>(6,758)</u>	<u>1,395,783</u>	<u>(3,429)</u>	<u>4,835,903</u>	<u>(8,369)</u>

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		(Un-audited)	
		September 30, 2022	September 30, 2021
		Rupees in '000	
23. MARK-UP / RETURN / INTEREST EARNED	Note		
On:			
Loans and advances		21,484,415	15,301,060
Investments		26,253,850	13,003,877
Lendings to financial institutions		101,790	51,995
Securities purchased under resale agreements		1,043,866	557,783
Balances with other banks		99	51,735
		48,884,020	28,966,450
24. MARK-UP / RETURN / INTEREST EXPENSED			
On:			
Deposits		26,929,560	15,887,816
Borrowings	24.1	9,768,304	2,759,636
Subordinated debt		758,971	511,211
Cost of foreign currency swaps against foreign currency deposits / borrowings		502,055	363,076
Lease liability against right-of-use assets		298,412	306,184
		38,257,302	19,827,923
24.1 Borrowings			
Export refinancing scheme		451,887	292,408
Long-term finance facility		37,422	37,380
Other Borrowings from State Bank Bank of Pakistan		45,372	16,290
Securities sold under repurchase agreements		8,872,158	2,113,642
Other borrowings		361,465	299,916
		9,768,304	2,759,636
25. FEE, COMMISSION AND BROKERAGE INCOME			
Branch banking customer fees		74,206	94,764
Consumer finance related fees		139,017	42,209
Card related fees (debit and credit cards)		223,671	245,438
Credit related fees		193,372	248,093
Investment banking fees		26,871	355,059
Commission on trade		692,963	588,070
Commission on guarantees		414,509	334,888
Commission on cash management		13,554	5,740
Commission on remittances including home remittances		75,681	173,375
Commission on bancassurance		62,993	95,314
Commission on distribution of mutual funds		844	2,711
Commission on online services		220,225	160,185
Postage and courier income		12,424	17,660
Rebate income		184,153	189,556
Rebate on primary dealership		14,477	34,638
Brokerage income		303,131	733,716
Management fee		123,841	116,744
		2,775,932	3,438,160
26. GAIN / (LOSS) ON SECURITIES - NET			
Realised	26.1	255,617	137,871
Unrealised - held-for-trading		25,534	(76,783)
		281,151	61,088
26.1 Realised gain / (loss) on:			
Federal government securities			
Market treasury bills		(238,252)	3,015
Pakistan investment bonds		324,164	5,213
Ijara sukuk certificates		175	635
		86,087	8,863
Shares			
Listed companies		36,339	(50,339)
Non Government Debt Securities			
Term finance certificates		20,464	35,698
Commercial papers		51	-
		20,515	35,698
Mutual fund units		258,615	101,511
Foreign currency bonds		(145,939)	42,138
		255,617	137,871
27. OTHER INCOME			
Rent on Property		17,748	-
Gain on sale of fixed assets - net		49,095	11,277
Gain on termination of leases - net		12,746	5,834
Others		16,285	18,666
		95,874	35,777

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		(Un-audited)	
		September 30, 2022	September 30, 2021
		Rupees in '000	
28. OPERATING EXPENSES	Note		
Total compensation expense		5,509,286	4,980,075
Property expense			
Rent & taxes		25,953	39,747
Insurance		6,246	3,505
Utilities cost		439,282	310,850
Security (including guards)		245,590	200,909
Repair & maintenance (including janitorial charges)		213,506	206,699
Depreciation on owned fixed assets		233,165	194,210
Depreciation on right-of-use assets		847,565	697,305
Depreciation on non-banking assets acquired in satisfaction of claims		15,094	6,433
		2,026,401	1,659,658
Information technology expenses			
Software maintenance		658,467	477,656
Hardware maintenance		243,955	187,596
Depreciation		234,124	191,735
Amortisation		126,858	101,708
Network charges		197,704	136,969
		1,461,108	1,095,664
Other operating expenses			
Directors' fees and allowances		12,898	14,688
Legal & professional charges		171,113	104,760
Insurance		263,518	292,189
Outsourced services costs		158,764	133,529
Travelling & conveyance		207,129	102,437
NIFT clearing charges		34,426	35,787
Depreciation others		257,543	245,751
Training & development		64,395	38,630
Postage & courier charges		68,620	64,967
Communication		128,127	79,563
Stationery & printing		217,401	177,599
Marketing, advertisement & publicity		869,211	301,073
Donations		34,560	44,142
Auditors' remuneration		13,309	8,989
Staff auto fuel & maintenance		300,551	176,241
Bank charges		46,489	37,923
Stamp duty		27,374	22,295
Online verification charges		39,685	43,422
Brokerage, fee and commission		35,765	41,023
Card related fees (debit and credit cards)		390,976	230,028
CDC and other charges		28,697	28,095
Consultancy fee		8,592	25,243
Deposit protection premium	28.1	138,534	146,248
Entertainment expenses		80,780	72,661
Repair and maintenance		55,988	58,425
Cash handling charges		131,371	144,481
Fee and Subscription		128,172	98,356
Employees social security		6,163	4,172
Generator fuel & maintenance		130,223	62,893
Fee and allowances to Shariah Board		103	76
Royalty		26,250	23,333
Others		37,250	36,841
		4,113,977	2,895,860
		13,110,772	10,631,257
Less: Reimbursement of selling and distribution expenses		(41,090)	(53,414)
		13,069,682	10,577,843

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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, 2022	September 30, 2021
		Rupees in '000	
30. OTHER CHARGES	Note		
Penalties imposed by State Bank of Pakistan		85,590	202
31. PROVISIONS AND WRITE OFFS - NET			
Reversals for diminution in value of investments	9.3.1	(37,001)	(281,540)
Provisions against loans & advances - specific	10.3	545,717	1,185,220
Provisions against loans & advances - general	10.3	101,968	344,456
Provision / (reversals) under IFRS 9 - general	31.1	21,984	(13,433)
Fixed assets written off - net		-	14,594
Intangible assets written off		-	4,964
Other provisions and write offs		3,017	5,782
		635,685	1,260,043
31.1 Provision / (reversals) under IFRS 9 - general			
Balances with other banks		27	(34)
Investments	9.3.1	43,181	(29,170)
Advances	10.3	(21,224)	16,990
Lendings to financial institutions		-	(1,219)
		21,984	(13,433)
32. TAXATION			
Current		1,003,363	823,840
Prior years		27,269	(90,418)
Deferred		1,380	64,074
		1,032,012	797,496
32.1	There are no material changes in tax contingencies as disclosed in annual consolidated financial statements for the year ended December 31, 2021.		

		Un-audited	
		Quarter Ended	Nine Months Ended
		September 30, 2022	September 30, 2021
		Rupees in '000	
33. BASIC AND DILUTED EARNINGS PER SHARE			
Profit after taxation attributable to equity holders of the Bank		389,194	1,027,471
		328,419	
		949,012	
		1,297,464,262	1,297,464,262
		1,297,464,262	1,297,464,262
		0.30	0.25
		0.73	0.79

		(Un-audited) September 30, 2022	(Audited) December 31, 2021	(Un-audited) September 30, 2021
		Rupees in '000		
34. CASH AND CASH EQUIVALENTS	Note			
Cash and balances with treasury banks	6	31,838,459	34,267,180	27,240,806
Balances with other banks	7	1,435,849	1,227,606	963,813
Overdrawn nostro accounts	15	(1,670,057)	(306,663)	(1,048,144)
		31,604,251	35,188,123	27,156,475

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35. FAIR VALUE OF FINANCIAL INSTRUMENTS

International Financial Reporting Standard (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. Quoted securities classified as held to maturity are carried at cost. The fair value of unquoted equity securities, other than investments in associates and subsidiaries, is determined on the basis of the break-up value of these investments as per their latest available audited financial statements. Fair value of unquoted debt securities, 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.

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
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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.
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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	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 - 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 of these 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	

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- 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
- 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.

September 30, 2022 (Un-audited)			
Level 1	Level 2	Level 3	Total
Rupees in '000			
On balance sheet financial instruments			
Financial assets - measured at fair value			
Held-for-trading securities			
Investments			
Federal Government Securities	-	8,930	-
Shares	594,254	-	-
Open end mutual funds	-	286,765	-
	594,254	295,695	-
			889,949
Available-for-sale securities			
Investments			
Federal Government Securities	-	172,379,424	-
Shares	4,513,078	-	-
Non Government Debt Securities	-	1,999,909	-
Open end mutual funds	-	1,737,065	-
Foreign Securities	-	1,798,324	-
	4,513,078	177,914,722	-
			182,427,800
Financial assets - disclosed but not measured at fair value			
Investments			
Federal Government Securities	-	97,388,407	-
	5,107,332	275,598,824	-
			280,706,156
Non-Financial assets - measured at fair value			
Revalued fixed assets	-	-	2,163,408
Non-banking assets acquired in satisfaction of claims	-	-	3,208,610
	-	-	5,372,018
			5,372,018
Off balance sheet financial instruments			
Commitments in respect of:			
Forward foreign exchange contracts			
Purchase	-	44,879,079	-
Sale	-	31,017,183	-
			44,879,079
			31,017,183
Derivative instruments			
Cross currency swaps			
Purchase	-	238,833	-
Sale	-	239,518	-
			238,833
			239,518
Options			
Purchase	-	-	-
Sale	-	996,389	-
			996,389
Forward securities contract			
Purchase	-	-	-
Sale	-	614,499	-
			614,499

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	December 31, 2021 (Audited)			
	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	-	1,109,404	-	1,109,404
Shares	1,392,509	-	-	1,392,509
Open end mutual funds	-	115,698	-	115,698
	1,392,509	1,225,102	-	2,617,611
Available-for-sale securities				
Investments				
Federal Government Securities	-	159,315,888	-	159,315,888
Shares	4,092,517	-	-	4,092,517
Non Government Debt Securities	-	2,733,247	-	2,733,247
Open end mutual funds	-	3,314,578	-	3,314,578
Foreign Securities	-	1,713,660	-	1,713,660
	4,092,517	167,077,373	-	171,169,890
Financial assets - disclosed but not measured at fair value				
Investments				
Federal Government Securities	-	57,263,335	-	57,263,335
	5,485,026	225,565,810	-	231,050,836
Non-Financial assets - measured at fair value				
Revalued fixed assets	-	-	3,696,407	3,696,407
Non-banking assets acquired in satisfaction of claims	-	-	2,658,537	2,658,537
	-	-	6,354,944	6,354,944
Off balance sheet financial instruments				
Commitments in respect of:				
Forward foreign exchange contracts				
Purchase	-	18,064,443	-	18,064,443
Sale	-	9,079,267	-	9,079,267
Derivative instruments				
Cross currency swaps				
Purchase	-	402,137	-	402,137
Sale	-	403,955	-	403,955
Options				
Purchase	-	1,363,325	-	1,363,325
Sale	-	1,329,959	-	1,329,959
Forward securities contract				
Purchase	-	-	-	-
Sale	1,392,354	-	-	1,392,354

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36. SEGMENT INFORMATION

36.1 Segment Details with respect to Business Activities:

	For the nine months ended September 30, 2022 (Un-audited)						
	Corporate finance	Trading and sales	Retail banking	Commercial banking	Brokerage	Asset management	Others
Profit and Loss	Rupees in '000						
Net mark-up / return / interest / (expense)	254,508	17,181,636	(4,616,196)	(1,996,275)	(17,088)	(6,807)	(173,060)
Inter segment revenue - net	(245,572)	(19,750,294)	15,229,876	4,765,990	-	-	-
Non mark-up / return / income	58,747	1,961,164	1,273,962	978,765	472,462	406,900	44,298
Total Income / (loss)	67,683	(607,494)	11,887,642	3,748,480	455,374	400,093	(128,762)
Segment direct expenses	35,463	129,414	8,106,122	742,288	517,880	260,604	13,192,821
Inter segment expense allocation	12,397	126,154	2,716,416	605,699	-	-	-
Total expenses	47,860	255,568	10,822,538	1,347,987	517,880	260,604	(59,616)
Provisions / (reversals)	-	-	273,126	368,721	-	-	(6,162)
Profit / (loss) before tax	19,823	(863,062)	791,978	2,031,772	(62,506)	139,489	1,994,510
For the nine months ended September 30, 2021 (Un-audited)							
	Corporate finance	Trading and sales	Retail banking	Commercial banking	Brokerage	Asset management	Others
Profit and Loss	Rupees in '000						
Net mark-up / return / interest / (expense)	(659,212)	10,260,812	316,084	(953,876)	64,295	(19,346)	129,770
Inter segment revenue - net	681,921	(10,593,439)	6,223,789	3,687,729	-	-	-
Non mark-up / return / income	192,470	904,031	1,161,547	1,215,170	951,264	172,082	1,921
Total Income / (loss)	215,179	571,404	7,701,420	3,949,023	1,015,559	152,736	13,737,012
Segment direct expenses	19,698	111,126	4,309,725	673,482	562,034	250,643	10,622,191
Inter segment expense allocation	32,860	119,071	3,767,783	525,125	-	-	-
Total expenses	52,558	230,197	8,077,508	1,198,607	562,034	250,643	10,622,191
Provisions / (reversals)	-	(281,540)	805,496	734,799	-	3,556	(2,260)
Profit / (loss) before tax	162,621	622,747	(1,181,584)	2,015,617	453,525	(101,463)	1,854,778
As at September 30, 2022 (Un-audited)							
	Corporate finance	Trading and sales	Retail banking	Commercial banking	Brokerage	Asset management	Others
Statement of financial position	Rupees in '000						
Cash and bank balances	-	-	33,128,047	-	145,933	328	-
Lendings to financial institutions	-	321,706	-	-	-	-	-
Investments	1,847,972	277,187,213	-	1,793,701	642,891	1,148,830	-
Net inter segment lending	-	-	190,810,770	72,070,711	-	-	-
Advances - performing	208,333	-	75,418,849	143,778,191	612,607	3,089	4,405,600
Advances - non-performing	-	-	4,950,008	10,538,799	-	-	1,297,511
Advances - provisions - net	208,333	-	(2,188,340)	(4,898,975)	-	-	(5,912)
Others	-	-	78,180,517	149,418,015	612,607	3,089	5,697,199
Total Assets	2,056,305	277,508,919	302,119,334	223,282,427	4,840,984	1,744,603	44,954,732
Borrowings	-	23,482,084	6,131,865	23,613,944	630,885	-	-
Deposits & other accounts	93,806	-	281,060,967	198,789,565	-	-	-
Subordinated debt	-	6,995,900	-	-	-	-	-
Net inter segment borrowing	1,962,499	245,708,927	14,926,502	283,553	4,210,099	1,744,603	21,117,720
Others	-	1,322,008	-	595,365	-	-	-
Total Liabilities	2,056,305	277,508,919	302,119,334	223,282,427	4,840,984	1,744,603	21,117,720
Equity	-	-	-	-	-	-	23,480,018
Non-controlling interest	-	-	-	-	-	-	356,994
Total Equity & Liabilities	2,056,305	277,508,919	302,119,334	223,282,427	4,840,984	1,744,603	44,954,732
Contingencies & Commitments	-	79,722,297	58,567,466	23,630,731	599,609	-	264,072
As at December 31, 2021 (Audited)							
	Corporate finance	Trading and sales	Retail banking	Commercial banking	Brokerage	Asset management	Others
Statement of financial position	Rupees in '000						
Cash & Bank balances	-	-	35,452,642	-	39,693	2,451	-
Lendings to financial institutions	-	31,939,044	-	-	-	-	-
Investments	-	227,703,724	-	1,711,262	1,453,984	1,352,104	-
Net inter segment lending	12,716,606	-	118,125,304	90,374,890	-	-	2,339,620
Advances - performing	901,279	-	75,492,738	165,204,408	476,508	2,401	5,245,278
Advances - non-performing	-	-	7,835,772	6,090,497	-	-	-
Advances - provisions - net	-	-	(3,430,477)	(3,252,332)	-	-	-
Others	901,279	-	79,898,033	168,042,573	476,508	2,401	5,245,278
Total Assets	13,617,885	259,642,768	233,475,979	260,128,725	5,031,460	1,956,661	39,031,850
Borrowings	16,336	31,875,041	9,535,196	29,047,736	1,574,295	-	-
Deposits & other accounts	13,597,573	-	219,428,193	226,324,281	-	-	-
Subordinated debt	-	6,996,800	-	-	-	-	-
Net inter segment borrowing	-	222,622,218	-	934,202	-	-	-
Others	3,976	49,502	4,512,590	2,564,313	2,527,223	435,673	17,007,772
Total Liabilities	13,617,885	261,543,561	233,475,979	258,870,532	4,101,518	435,673	17,007,772
Equity	-	-	-	-	-	-	23,444,081
Non-controlling interest	-	-	-	-	-	-	388,327
Total Equity & Liabilities	13,617,885	261,543,561	233,475,979	258,870,532	4,101,518	435,673	40,840,180
Contingencies & Commitments	-	50,272,828	37,186,792	15,060,805	1,795,783	-	110,947

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37. RELATED PARTY TRANSACTIONS

The Group has related party transactions with its parent, directors, key management personnel, associates and other related parties.

The Group enters into transactions with related parties in the ordinary course of business and 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 specifically disclosed elsewhere in these consolidated financial statements are as follows:

	As at September 30, 2022 (Un-audited)				
	Parent	Directors	Key management personnel	Associates	Other related parties
Statement of financial position	Rupees in '000				
Lendings to financial institutions					
Opening balance	-	-	-	-	-
Addition during the period	-	-	-	-	87,256,772
Repaid during the period	-	-	-	-	(87,256,772)
Closing balance	-	-	-	-	-
Investments					
Opening balance	9,866	-	-	269,800	3,883,316
Investment made during the period	2,500	-	-	-	5,999,996
Investment redeemed / disposed off during the period	(4,866)	-	-	-	(6,109,612)
Transfer in / (out) - net	-	-	-	-	2,480,528
Closing balance	7,500	-	-	269,800	6,254,228
Provision for diminution in value of investments	-	-	-	27,733	389,481
Advances					
Opening balance	-	125,769	483,696	442,315	5,229,319
Addition during the period	-	11,091	293,006	26,550	5,803,317
Repaid during the period	-	(5,794)	(119,828)	(202,795)	(7,172,290)
Transfer in / (out) - net	-	(120,017)	(20,763)	-	(22,825)
Closing balance	-	11,049	636,111	266,070	3,837,521
Other assets					
Interest / mark-up accrued	535	10	636	-	53,249
Receivable against bancassurance / bancatakaful	-	-	-	-	18,701
Net defined benefit plan	-	-	-	-	210,305
Trade receivable	-	-	269	-	154,096
Rent receivable	-	-	-	-	16,339
Other receivable	285	-	-	-	18,680
Provision against other assets	-	-	-	-	379
Borrowings					
Opening balance	-	-	-	-	474,283
Borrowings during the period	-	-	-	-	55,537,717
Settled during the period	-	-	-	-	(55,681,115)
Closing balance	-	-	-	-	330,885
Deposits and other accounts					
Opening balance	912,327	214,211	42,227	41,310	14,572,975
Received during the period	12,823,235	725	644,947	1,089,147	169,804,443
Withdrawn during the period	(13,581,901)	(541)	(629,073)	(1,126,033)	(171,415,778)
Transfer in / (out) - net	(20)	(214,172)	(4,230)	-	(672,403)
Closing balance	153,641	223	53,871	4,424	12,289,237
Subordinated debt					
Opening balance	-	-	-	-	639,776
Issued during the period	-	-	-	-	-
Redeemed during the period	-	-	-	-	(18)
Transfer in / (out) - net	-	-	-	-	(539,920)
Closing balance	-	-	-	-	99,838
Other liabilities					
Interest / return / mark-up payable on deposits	-	-	-	-	184,243
Interest / return / mark-up payable on borrowings	-	-	-	-	6,152
Interest / return / mark-up payable on subordinated debt	-	-	-	-	4,288
Trade payable	19,564	-	2,974	-	144,802
Donation payable	-	-	-	-	31,127
Others payable	-	-	-	-	1,962
Represented by					
Share capital	9,733,073	13,323	3,505	-	45,395

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Parent	Directors	Key management personnel	Associates	Other related parties	
Rupees in '000					
Contingencies and commitments					
Letter of guarantee	-	-	-	-	26,419
Letter of credit	-	-	-	-	21,821
Forward lending	-	-	-	5,924	-
As at December 31, 2021 (Audited)					
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 year	-	-	-	-	6,300,000
Repaid during the year	-	-	-	-	(6,300,000)
Closing balance	-	-	-	-	-
Investments					
Opening balance	12,500	-	-	269,800	4,527,652
Investment made during the year	-	-	-	-	3,029,006
Investment redeemed / disposed off during the year	(2,634)	-	-	-	(3,673,342)
Closing balance	9,866	-	-	269,800	3,883,316
Provision for diminution in value of investments	-	-	-	-	416,340
Advances					
Opening balance	-	122,106	791,027	370,768	4,093,430
Addition during the year	-	11,327	217,758	294,076	4,026,927
Repaid during the year	-	(39,222)	(188,022)	(222,529)	(3,193,931)
Transfer in / (out) - net	-	31,558	(337,067)	-	302,893
Closing balance	-	125,769	483,696	442,315	5,229,319
Other assets					
Interest /mark-up accrued	284	3,588	505	10,917	79,089
Receivable against bancassurance / bancatakaful	-	-	-	-	20,889
Net defined benefit plan	-	-	14	-	318,319
Trade receivable	284	-	-	-	130,533
Other receivable	-	-	-	-	6,655
Provision against other assets	-	-	-	-	379
Borrowings					
Opening balance	-	-	-	-	-
Borrowings during the year	-	-	-	-	474,283
Settled during the year	-	-	-	-	-
Transfer in / (out) - net	-	-	-	-	-
Closing balance	-	-	-	-	474,283
Deposits and other accounts					
Opening balance	172,019	212,335	76,237	49,753	10,365,166
Received during the year	8,763,862	1,236,232	673,723	1,732,714	295,223,429
Withdrawn during the year	(8,023,554)	(1,098,789)	(667,310)	(1,741,157)	(291,943,860)
Transfer in / (out) - net	-	(135,567)	(40,423)	-	928,240
Closing balance	912,327	214,211	42,227	41,310	14,572,975
Subordinated debt					
Opening balance	-	-	-	-	889,432
Issued during the year	-	-	-	-	-
Redeemed during the year	-	-	-	-	(199,746)
Transfer in / (out) - net	-	-	-	-	(49,910)
Closing balance	-	-	-	-	639,776
Other liabilities					
Interest / return / mark-up payable on deposits	-	-	-	-	40,440
Interest / return / mark-up payable on borrowings	-	-	-	-	5,534
Interest / return / mark-up payable on subordinated debt	-	-	-	-	787
Trade payable	224,151	-	130,337	-	254,964
Donation payable	-	-	-	-	43,433
Others payable	75	100	-	-	2,812
Represented by					
Share capital	9,733,073	31,173	3,500	-	45,395
Contingencies and commitments					
Letter of guarantee	-	-	-	-	21,419
Letter of credit	-	-	-	-	201,246

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For The Nine Months Ended September 30, 2022 (Un-audited)					
	Parent	Directors	Key management personnel	Associates	Other related parties
	Rupees in '000				
Profit and loss account					
Income					
Mark-up / return / interest earned	916	399	19,813	33,632	251,719
Fee, commission and brokerage income	4,570	29	1,359	10	113,430
Dividend income	-	-	-	-	70,376
Gain / (loss) on sale of securities - net	-	-	-	-	27,791
Rental income	-	-	-	-	129,405
Reversals / (provisions) and write offs - net					
Reversal for diminution in value of Investments - net	-	-	-	-	48,280
Expense					
Mark-up / return / interest paid	73,558	754	936	746	1,077,294
Commission / charges paid	333	-	-	-	-
Remuneration paid	-	86,437	498,907	-	-
Non-executive directors' fee	-	8,973	-	-	-
Net charge for defined contribution plans	-	-	-	-	213,846
Net charge for defined benefit plans	-	-	-	-	107,402
Donation	-	-	-	-	37,806
Rental expense	150	-	-	-	21,959
Advisory fee	11,250	-	3,750	-	3,643
Royalty	-	-	-	-	21,250
Other expenses	-	282	-	-	396
Reimbursement of expenses	27,308	197	1,419	-	78,187
Payments made during the period					
Insurance premium paid	-	-	-	-	319,219
Insurance claims settled	-	-	-	-	4,527
Other Transactions					
Sale of Government Securities	3,884,797	-	-	-	72,122,902
Purchase of Government Securities	-	-	-	-	15,848,837
Purchase of non-Government Securities	-	-	-	-	206,041
Sale of Foreign Currencies	-	-	-	-	52,605,134
Purchase of Foreign Currencies	-	-	-	-	44,432,668

For The Nine Months Ended September 30, 2021 (Un-audited)					
	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
Fee, commission and brokerage income	10,660	58	13,646	37	254,779
Dividend income	-	-	-	-	176,792
Gain / (loss) on sale of securities - net	-	-	-	-	(51,286)
Reversals / (provisions) and write offs - net					
Reversal for diminution in value of Investments - net	-	-	-	-	215,305
Expense					
Mark-up / return / interest paid	21,805	11,111	952	2,478	714,989
Remuneration paid	-	-	460,274	-	-
Directors' fee	-	58,635	-	-	-
Net charge for defined contribution plans	-	-	-	-	204,964
Net charge for defined benefit plans	-	-	-	-	167,619
Rental expense	-	-	-	-	17,121
Advisory fee	-	-	-	-	5,212
Royalty	-	-	-	-	23,333
Other expenses	975	-	-	-	1,564
Reimbursement of expenses	26,153	412	3,146	-	12,439
Payments made during the period					
Insurance premium paid	-	-	-	-	602,528
Insurance claims settled	-	-	-	-	13,744
Other transactions					
Sale of Government Securities	-	-	-	-	85,251,536
Purchase of Government Securities	-	-	-	-	3,668,917
Sale of Foreign Currencies	-	-	-	-	38,454,456
Purchase of Foreign Currencies	-	-	-	-	14,700,411

JS BANK LIMITED
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022

	(Un-audited) September 30, 2022	(Audited) December 31, 2021
----- Rupees in '000 -----		
38. CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS		
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	19,485,821	18,420,460
Eligible Additional Tier 1 (ADT 1) Capital	2,504,737	2,200,260
Total Eligible Tier 1 Capital	21,990,558	20,620,720
Eligible Tier 2 Capital	5,478,246	6,468,101
Total Eligible Capital (Tier 1 + Tier 2)	27,468,804	27,088,821
Risk Weighted Assets (RWAs):		
Credit Risk	165,418,572	159,002,189
Market Risk	1,308,156	5,643,001
Operational Risk	28,476,546	28,489,224
Total	195,203,274	193,134,414
Common Equity Tier 1 Capital Adequacy ratio	9.98%	9.54%
Tier 1 Capital Adequacy Ratio	11.27%	10.68%
Total Capital Adequacy Ratio	14.07%	14.03%
Leverage Ratio (LR):		
Eligible Tier-1 Capital	21,990,557	20,620,720
Total Exposures	684,582,500	658,499,520
Leverage Ratio	3.21%	3.13%
Liquidity Coverage Ratio (LCR):		
Total High Quality Liquid Assets	146,400,609	198,158,980
Total Net Cash Outflow	73,574,621	67,063,612
Liquidity Coverage Ratio	198.98%	295.48%
Net Stable Funding Ratio (NSFR):		
Total Available Stable Funding	401,631,679	376,864,272
Total Required Stable Funding	300,704,227	298,941,131
Net Stable Funding Ratio	133.56%	126.07%

JS BANK LIMITED
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022

39. GENERAL

- 39.1** 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.
- 39.2** The figures in these condensed interim consolidated financial statements have been rounded off to the nearest thousand unless otherwise stated.

40. 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 26, 2022.

**President and
Chief Executive Officer**

Chief Financial Officer

Director

Director

Chairman



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