

# **%JS** BANK

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# **Company Information**

### Board of Directors

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

Mr. Adil Matcheswala Non-Executive Director

Mr. Ashraf Nawabi Non-Executive Director

Mr. G.M. Sikander Independent Director

Mr. Hassan Afzal Non-Executive Director

Mr. Munawar Alam Siddiqui Non-Executive Director

Ms. Nargis Ghaloo Independent Director

Mr. Sohail Aman Independent Director Mr. Basir Shamsie

President & CEO

### Audit Committee

Ms. Nargis GhalooChairpersonMr. Adil MatcheswalaMemberMr. G.M. SikanderMemberMr. Munawar Alam SiddiquiMember

# Human Resource, Remuneration & Nomination Committee

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

### **Risk Management Committee**

Mr. Ashraf NawabiChairmanMr. Munawar Alam SiddiquiMemberMs. Nargis GhalooMemberMr. Basir ShamsieMember

### Board IT Committee

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

### Chief Financial Officer

Mr. Hasan Shahid

### **Company Secretary**

Mr. Ashraf Shahzad

### Auditors

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

### Legal Advisors

Bawaney & Partners Haidermota BNR Liaquat Merchant Associates

### Share Registrar

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

### Registered office

JS Bank Limited Shaheen Commercial Complex Dr. Ziauddin Ahmed Road P.O. Box 4847 Karachi-74200, Pakistan UAN: +92 21 111 JS Bank (572-265) 111-654-321 www.jsbl.com

# **Directors' Report to the Members**

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

### Economic Review

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

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

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

### **Banking Sector Review**

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

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

### Performance Overview

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

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

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

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

Administrative expenses were PKR 9,246 million compared to PKR 7,903 million for the corresponding period last year, up by 17%. The cost to income ratio of the Bank improved to 79% as compared to 104% during the corresponding period last year, showing the Bank's focus on cost control.

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

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

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

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

### **Consolidated Financial Statements**

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

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

### Recognition

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

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

### Credit Ratings

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

### Acknowledgments

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

On behalf of the Board

Basir Shamsie President & CEO Kalim-ur-Rahman Chairman

Karachi: October 28, 2020

ج ایس بینک کی جانب سے ہم اپنے صارفین اوراسڈیک ہولڈرز کا ان کے تعاون پر دل سے شکر گزار ہیں۔ ہم منسٹری آف فنانس، اسٹیٹ بینک آف پاکستان، سکیور ٹیزاینڈ ایک چینی کمین آف پاکستان اورد گیر کیولیٹری ادارد کا بینک کو تعاون فراہم کرنے کیلیے بھی معنون ہیں۔ ہم اپنے ساتھیوں اور جانفشانی سے ساتھ بینک کوتر قی، خوشحالی اور کا میابی کی ٹی بلند یوں کی طرف گاندن کرنے والے طاز مین کا ان کی انتقل محنت پر

منجانب بورڈ ،

اعتراف

كليم الرحن چيئر مين

باصرشي ېرېزې پړنځ اورسي اي او

كراچى:28 اكتوبر 2020

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9ماہ کی مدت کے انفتا م پر، بینک CAR اطمینان بخش طور پر 12.68 فیصد تھا۔ قومی مالیاتی صنعت میں پیشر فذت کے ایک متحرک ادار کے کہ حیثیت سے اپنے کر دار کیلئے پرعز م، بے ایس بینک صارفین کی زندگی آسان ،سادہ ادر آرام دہ بنانے کیلئے ڈیزائن کردہ جد ید اور و بلیوا یڈ یڈمالیاتی مصنوعات اور خدمات مہیا کر کے زیادہ سے زیادہ اثر ان کے سفر کوجار کی رکھ ہوتے ہے۔ بنانے کیلئے ڈیزائن کردہ جد ید اور و بلیوا یڈ یڈمالیاتی مصنوعات اور خدمات مہیا کر کے زیادہ سے زیادہ اثر ان کے سفر کوجار کی رکھ ہوتے ہے۔ بنانے کیلئے ڈیزائن کردہ جد ید اور و بلیوا یڈ یڈمالیاتی مصنوعات اور خدمات مہیا کر کے زیادہ اثر ان کی سفر کوجار کی رکھ ہوتے ہے۔ بنانے کیلئے ڈیزائن کردہ جد ید اور و بلیوا یڈ یڈمالیاتی مصنوعات اور خدمات مہیا کر کے زیادہ سے زیادہ اثر ان کے سفر کوجار کی رکھ ہوتے ہے۔ بنانے کیلئے ڈیزائن کردہ جد ید اور و بلیوا یڈ یڈمالیاتی مصنوعات اور خدمات مہیا کر کے زیادہ سے زیادہ اثر ان سے سفر کوجار کی رکھ ہوتے ہے۔ بنانے کیلئے مطل ہولی مالیا تی تعصیل سین کہ میں 200 ہوں اور منامہ بحرین میں ایک ہیں واپ مل بیک تک برای جن صد مات مستحکم مالیاتی تفصیلات میں، گروپ نے 300 سنتر میں 2002 کو فتم ہونے والی و کاہ کی مدت پر قبل از تیکن منافع 20,002 ملین روپ (بعداز تیکس منافع 1,101 ملین روپ ) حاصل کیا جو کر شین سال تی مدت میں قبل از تیکس نقصان 189 ملین روپ (بعداز تیکس کھانے 750 ملین روپ ) تھا۔ 2000 میں میں وی کی ای والی و میں 2003 کو فتم ہونے والی و کاہ و کی مدت پر قبل از تیکس منافع 20,002 ملین روپ کی تو

### يهجإن

سال2020ء میں بینک کوقومی اور بین الاقوامی شطح پر برتر کی کیلئے پرعز م ادارے کےطور پر پہچانا جاتا ہے۔سال2020 میں حاصل ہونے والے پر وقار ایوارڈ میں درج ذیل شال میں:

- ایشیامنی ایوارڈ برائے' SMEs کیلئے پاکستان کا بہترین بینک'
  - ایشیامنی ایوارڈ برائے CSR کیلئے پاکستان کا بہترین بینک'
- ایشین بینکنگ فنانس ایوارڈ ز2020، بہترین SME بینک، یا کستان
- سرشیفکیٹ آف میرٹ، ICAP/ICMA کی جانب ہے، ہترین کارپوریٹ رپورٹ ایوارڈ 2019

كريڈٹ رينگز

پاکستان کریڈٹ ریٹنگ ایجنسی لمیٹڈ (PACRA) نے بینک کو''-AA''(ڈبل اے مائنس) کی طویل المدتی ریٹنگ، سب سے بہتر قلیل المدتی ریٹنگ میں'+A1'(اےون چلس) تفویض کی ہے، جواپنی کیٹیگر کا میں سب سے اعلیٰ درجہ کے ریٹنگ ہے۔

30 ئىتمبر 2019	30 ستمبر 2020	مالیاتی کارکردگی
5,285	7,301	مارک اپ/نیٹ انٹرسٹ آمدنی
2,231	4,459	نان مارک اپ/انٹرسٹ آمدنی
7,903	9,246	آ پریٹنگ اخراجات
(297)	2,423	منافع قبل از پراویژن/نیٹ ریورسل
(799)	1,965	قبل ازئیکس منافع/( نقصان )
(578)	1,165	بعداز ٹیکس منافع
(0.46)	0.90	ىبيىك/ دْائىليونْدْ آمدنى ( نقصان ) نى شيئر _روپ

بینک کی آمدنی ایک مشکل آپریڈنگ ماحول کے باوجود وکاہ میں مشتحکم رہی۔ بینک نے 30 ستمبر 2020 کوختم ہونے والی مدت میں قبل از نیکس منافع 1,965 ملین روپے(بعداز نیکس منافع 1,165 ملین روپے)ر پورٹ کیا،اس کے مقابلے گزشتہ سال اسی مدت کے دوران قبل از نیکس نقصان 799 ملین روپے(بعداز نیکس نقصان 578 ملین روپے)ریکارڈ کیا گیا۔ فی شیئر آمدنی(EPS) 0.90 روپے پرموجود ہے۔(ستمبر 2019 کو 0.460روپے تھا)۔

ریو نیوسائڈ پر، بینک نے کل مارک اپ آمدنی 33,886 ملین روپے کے مقابلے گزشتہ سال ای مدت کے دوران 30,259 ملین روپے رپورٹ کئے، جس میں 12 فیصد کی بہتر کی ہوئی۔ نیٹ انٹرسٹ آمدنی 33,481 فیصد رہی جبکہ اس کے مقابلے گزشتہ سال ای مدت پر 7,301 ملین روپے پر بند ہوئی۔ نان مارک اپ آمد نی 4,459 ملین روپے پر رہی جو 92 فیصد زیادہ ہے، جس میں 918 ملین روپے کے کمپیٹل گین کا زیادہ حصد ہے، ملک میں ست معاشی سرگرمیاں ہونے اور وہائی مرض کے باعث لاک ڈاؤن کے باوجود، غیر کلی زرمباد لہ کی آمد نی 735 ملین روپے فیس اور کیشن آمدنی سے 2,674 ملین روپے وصول ہوئے۔

انتظامی اخراجات9,246 ملین روپ پرر ہے جبکہ اس کے مقابلے گزشتہ سال اس مدت کے دوران 7,903 ملین روپ کے اخراجات تھے جس میں 17 فیصد اضافہ ہوا۔ گزشتہ سال کے اس عرصے کے دوران بینک کی آمد ٹی کا تناسب 79 فیصد تھا جس کے مقابلے گزشتہ سال اس مدت کے دوران سے تناسب 104 فیصد تھا، جس سے خاہر ہوتا ہے کہ بینک کی توجہ کا سٹ کو کنٹر ول کرنے پر مرکوز ہے۔

ز رجائزہ مدت کے دوران، بینک کے ڈیپازٹس میں متحکم اضافرد کیھنے میں آیا، جبکہ ایٹر دانسسز متحکم رہے۔ بینک نے 30 ستبر 2020 کوختم ہونے والی مدت کے دوران کل ڈیپازٹ 392 ملین روپ جبکہ کرنٹ اکا وَنٹ ڈیپازٹ 93 ملین روپ سے زائدر پورٹ کئے ۔ایڈ دانسسز کے معاطے میں ،مجموعی ایڈ دانس 246 ملین روپ رپورٹ کیا گیا اور جموعی ایڈ دانسسز ٹو ڈیپاز نے نتا سب 63 فیصد پرموجود ہے۔

### شعبة بينكاري كاجائزه

یہلی ششماہی (HCY20) کے دوران مانیٹری پالیسی میں تیزی سے زمی کے بعد، اسٹیٹ بینک آف پاکستان (SBP) نے پالیسی ریٹ کو بغیر کسی تدیلی کے 7 فیصد پر برقر اررکھا۔ یا در ب مالی سال 2020 کے پہلے 60ہ (MCY20) کے دوران پالیسی ریٹ میں 625 میں پو منٹس (bps) کی کم واقع ہوئی، جو کو ویڈ 19 وبائی مرض کے دوران اسٹیٹ بینک (SBP) کے جاری کردہ امدادی اقد امات کے اعلانات کا ایک حصہ ب بینک (SBP) نے ابتدائی طور پر اعلان کردہ امدادی پیکیچ میں صارفین اور ایس ایم ایز تک توسیع جاری رکھی۔ کم شرح سود کے ساتھ، مالی سال 2020 کے 60 میں (YOV) کے دوران اوسط بینکاری کے پیلاؤ میں 53 میں پو اُنٹس (bps) کی سال بسال (YOV) کی کی واقع ہوئی۔

بينكنگ يكم كرذ خائر ميں 20 فيصد سال بسال (YoY) كى زبردست نمود كيف ميں آئى جب يه مالى سال 2020 كے 50 (YOY) اضافه 16,886 ملين دوبي تك پنچ گئى۔ اس شيم كى سرماييكارى10,000 ملين دوب سے تجاوز كى گئى، جس ميں 20 فيصد سال بسال (YoY) اضافه ر پورٹ ہوا۔ اس كے متيجہ ميں، انويسٹنٹ ٹو ڈيپازٹ ريشز (IDR) ميں 41 ميں پوأنٹش (dgd) كى كى ہوئى، جو پچھلے سال كى اى مدت كے مقاليل، 66 فيصد تك پنچ گيا تقار كل ايڈوانسز تقريباً فليٹ رہے، جس ميں 1 فيصد سال بسال (YoY) كى كى مولى، جو پچھلے سال كى اى مدت كے مقاليل، برد مار يا يد والس ٹو ڈيپازٹ ريشو (ADR) گھٹ كر 48 فيصد رہ گيا، اس كے مقاليلہ مال (YoY) كى شرح نمور يكار ڈكى گئى اور 409، 8 ملين روپ تقاريرا يون يكم كار يد جس (ADR) گھٹ كر 48 فيصد رہ گيا، اس كے مقاليلہ مال 2019 كے 60، (1929) كے دوران 57 فيصد تقاريرا يون يكم كار يد جس 10 فيل روپ تك پنچ گئى، اس كە مقاليل مال 2019 كى 60، دوران تان پرفار منگ لوز

# کارکردگی کاجائزہ

رو پېلىن مىں		فنانشل يوزيش
31 دىمبر 2019	30 ستمبر 2020	
17,333	20,043	شيئر ہولڈرا يکوئڻ
369,790	391,953	كل ڈيپازٹس
470,049	477,990	كل اثاث
242,944	241,852	نىيەلى <u>گ</u> روانسز
142,568	168,386	نيي انويستمني

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

دائريكٹرز رپورٹ

ہم انتہائی مسرت کے ساتھ US بینک کمیٹڈ ('' جالیں بی ایل'') کے مالیاتی بیانات کا جائزہ بشمول 30 ستمبر 2020 کوختم ہونے والی نوماہ کی مدت کے متحکم مالی بیانات کا جائزہ پیش کررہے ہیں۔

معيثت

انتتام پزیرمدت، سال 2020 کے 9ماہ (9MCY20) کوویڈ 19 کے باعث ملکی معینت اور مجموعی طور پر عالمی معینت کے لئے سب سے مشکل ترین مدینتھی یتمبر2020 کے اختتام تک عالمی سطح پر35 ملین سے زائد کوویڈ 19 کیسسر رپورٹ ہوئے شکر ہے پاکستان اس وائرس کے پھیلا ؤ پر قابو پانے میں کا میاب رہا، جس کی وجہ سے بنے کیسسر کی قعداد میں تیزی سے کی واقع ہوئی۔حالیہ چند ہفتوں میں، نے کیسسر کی تعداد میں تھوڑی سے تیزی ریکارڈ کی گئی ہے جس سے دوسر کی لہر کے خدشات جنم لے رہے ہیں۔

زیر جائزہ مدت کے دوران متواتر امدادی اقدامات کے ذریعہ جیسا کہ شرح سود میں 625 میں پوئنٹس (bps) کی کمی ملازیین کو تخوا ہوں اور دیگر مراعات کی ادائیگی کیلیے کاروبار کوسیے قرضوں کی فراہمی ، پالیسی سازوں نے اس بات کو یقینی بنانے میں فعال کر دارا داکیا کہ تجارتی ماحول کولاک ڈاؤن نے برترین اثر ات سے بچایا جا سکے۔اسارٹ میٹجنٹ کے مؤثر اقدامات کے ذریعہ، ملک دوسر مے ممالک کے مقالے میں معاشی لحاظ سے بہتر انداز میں فائدہ اٹھانے کے قابل تھا۔

بیرونی طرف ہے، درآمدات میں کی اورر ایکارڈ نے زیادہ تر سیلات زر (مالی سال 2021 کی پہلی سہ ماہی (1QFY21) 7.4 میں امر کی ڈالر اس کے مقابلے مالی سال 2020 کی پہلی سہ ماہی (1QFY20) میں 5.5 بلین امر کی ڈالر رہا) کے باعث ملک نے مالی سال 2021 کی پہلی سہ ماہی (1QFY21) سرچلس 792 ملین امر کی ڈالر ہااس کے مقابلے گزشتہ سال اسی مدت میں 1.5 بلین امر کی ڈالر کا خسارہ تھا) سرچلس رپورٹ کیا۔ مزید برآں، انٹیٹ بینک کے زرمبادلہ کہ فنائر بھی تمبر 2020 کے اختنا م تک 12.4 بلین امر کی ڈالر اس مدت پر 7.9 بلین امر کی ڈالر سے، جو مقامی کرنی کیلئے ڈالر کے مقابلے مزید استخکام کی طرف اشارہ کرتا ہے۔ مالی معاملات میں، رپونیو کی دوسولی میں بھی اضافہ دیکھا گیا اور حالیہ سہ ماہی میں وصولی ہوف سے تجاوز کرگئی ہے۔ اگر چھرف تمبر میں ہی مہنگائی مارکیٹوں کی تو قطات سے قدر رے زیادہ رہی ہیں، کین اس کی بنیادی وجہ فوڈ انفلیشن (افراط زر) ہے جس میں آئے جل کری آسکتی ہے۔

# Condensed Interim **Unconsolidated** Financial Statements

# **Condensed Interim Unconsolidated Statement** of Financial Position

as at September 30, 2020

ASSETS	Note	(Un-audited) September 30, 2020 Rupees	(Audited) December 31, 2019 s in '000			
A55E15						
Cash and balances with treasury banks Balances with other banks Lendings to financial institutions Investments Advances Fixed assets Intangible assets Deferred tax assets Other assets Assets held for sale	6 7 9 10 11 12 18 13 11.3	33,587,826 618,040 8,779,966 168,386,128 241,852,073 8,834,627 2,418,871 - 13,512,638 - 477,990,169	25,589,349 462,836 30,320,540 142,568,470 242,944,509 9,692,701 2,271,360 8,756 15,816,623 374,000			
LIABILITIES		477,990,109	470,049,144			
Bills payable Borrowings Deposits and other accounts Liabilities against assets subject to finance lease Subordinated debt Deferred tax liabilities Other liabilities	14 15 16 17 18 19	4,341,456 34,316,879 391,952,625 - 7,494,800 1,216,660 18,624,596	3,804,491 54,468,283 369,789,964 - 7,494,800 - 17,158,351			
		457,947,016	452,715,889			
NET ASSETS		20,043,153	17,333,255			
REPRESENTED BY						
Share capital - net Reserves Surplus on revaluation of assets Unappropriated profit	20	10,119,242 2,012,308 2,047,246 5,864,357 20,043,153	10,119,242 1,749,673 636,700 4,827,640 17,333,255			
CONTINGENCIES AND COMMITMENTS	21					
The annexed notes from 1 to 41 form an integral part of these unconsolidated condensed interim financial statements.						
President and Chief Financial Officer Chief Executive Officer	Director	Director	Chairman			
		11	I 🚀 JS BANK			

# Condensed Interim Unconsolidated Profit and Loss Account (Un-audited)

for the nine months period ended September 30, 2020

		Quarte	r ended	Nine months period ended				
		September 30,	September 30,	September 30,	,			
	Note	2020	2019 Bunee	<b>2020</b> s in '000	2019			
	NOLG		nupee	3 111 000				
Mark-up / return / interest earned	23	9,536,135	11,198,953	33,885,978	30,259,114			
Mark-up / return / interest expensed	24	7,385,431	9,624,771	26,584,840	24,973,660			
Net mark-up / interest income		2,150,704	1,574,182	7,301,138	5,285,454			
NON MARK-UP / INTEREST INCOME								
Fee and commission income	25	925,958	663,686	2,687,435	2,008,747			
Dividend income		9,968	9,935	64,415	57,095			
Foreign Exchange Income Income from derivatives		383,243 8,267	243,698 1,595	735,166 27,005	680,819 44,970			
Gain / (loss) on securities	26	133,835	(194,565)	917,987	(564,104)			
Other income	27	21,660	25,081	26,546	93,252			
Total non mark-up / interest income		1,482,931	749,430	4,458,554	2,320,779			
Total Income		3,633,635	2,323,612	11,759,692	7,606,233			
NON MARK-UP / INTEREST EXPENSES								
Operating expenses	28	3,124,695	2,617,093	9,246,166	7,902,328			
Workers welfare fund	29	4,026	-	15,723	-			
Other charges Total non-mark-up / interest expenses	30	3,128,741	2,617,979	74,607 9,336,496	1,134			
Profit / (loss) before provisions		504,894	(294,367)	2,423,196	(297,229)			
Provisions / (reversals) and write offs - net	31	11,583	(92,158)	457,790	501,495			
Extraordinary / unusual items		-	-	-	-			
PROFIT / (LOSS) BEFORE TAXATION		493,311	(202,209)	1,965,406	(798,724)			
Taxation	32	184,146	(65,971)	799,915	(220,809)			
PROFIT / (LOSS) AFTER TAXATION		309,165	(136,238)	1,165,491	(577,915)			
			Rupee					
Basic and diluted earnings / (loss) per share	33	0.24	(0.11)	0.90	(0.46)			

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

President and Chief Executive Officer Chief Financial Officer

Director

Nine Months ended: September 30, 2020 | 12

# Condensed Interim Unconsolidated Statement of Comprehensive Income

for the nine months period ended September 30, 2020

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

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

President and Chief Executive Officer Chief Financial Officer

Director

Director

Chairman

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# Condensed Interim Unconsolidated Statement of Changes in Equity

for the nine months period ended September 30, 2020

						1	ı			
		Reser		Surplus/(det	Surplus/(deficit) on revaluation of					
	Share capital	Statutory reserve*	Exchange translation reserve	Investments	Fixed Assets	Non Banking Assets	priated profit	Total		
				Rupees ir	n '000					
Balance as at December 31, 2018	10,119,242	1,641,237	70,934	(2,180,113)	1,051,666	92,858	4,821,202	15,617,026		
Total comprehensive income for the nine months period ended September 30, 2019 - un-audited Loss after taxation				·			(577,915)	(577,915)		
Other comprehensive income - net of tax		-	38,935 38,935	828,888 828,888	-		(577,915)	867,823		
Transfer to statutory reserve	-	-	-	-	-	-	-	-		
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax										
Fixed assets	-	-	-	-	(18,025)	-	18,025	-		
Non-banking assets acquired in satisfaction of claims	-	-	-	-	-	(61)	61	-		
Transaction with owners recorded directly in equity										
Preference dividend for the year ended December 31, 2018 @ 12% p.a.				<u> </u>			(24,164)	(24,164)		
Balance as at September 30 30, 2019 - un-audite	<b>d</b> 10,119,242	1,641,237	109,869	(1,351,225)	1,033,641	92,797	4,237,209	15,882,770		
Total comprehensive income for the period ended December 31, 2019 Profit after taxation		-			-		602,568	602,568		
Other comprehensive (loss) / income - net of tax			(6,364) (6,364)	834,456 834,456	30,985 30,985	-	(11,160) 591,408	847,917 1,450,485		
Transfer to statutory reserve	-	4,931	-	-	-	-	(4,931)	-		
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax										
Fixed assets	-	-	-	-	(3,933)	-	3,933	-		
Non-banking assets acquired in satisfaction of claims	-	-	-	-	-	(21)	21			
Balance as at December 31, 2019 - audited	10,119,242	1,646,168	103,505	(516,769)	1,060,693	92,776	4,827,640	17,333,255		
Total comprehensive income for the nine months period ended September 30, 2020 - un-audited										
Profit after taxation Other comprehensive income - net of tax		-	- 29,537 29,537	- 1,514,870 1,514,870		-	1,165,491 - 1,165,491	1,165,491 1,544,407 2,709,898		
Transfer to statutory reserve	-	233,098	-	-	-	-	(233,098)	-		
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax										
Fixed assets	-	-	-	-	(12,138)	-	12,138	-		
Non-banking assets acquired in satisfaction of claims	-	-	-	-	-	(61)	61	-		
Assets held for sale	-	-	-	-	(92,125)	-	92,125	-		
Balance as at September 30, 2020 - un-audited	10,119,242	1,879,266	133,042	998,101	956,430	92,715	5,864,357	20,043,153		
* This represents reserve created under Section 21(	)(a) of the Bank	ing Companies	Ordinance, 1	962.						
The annexed notes from 1 to 41 form an integral part of these unconsolidated condensed interim financial statements.										
President and Chie Chief Executive Officer										
Nine Months ended: September 30	Nine Months ended: September 30, 2020   14									

# Condensed Interim Unconsolidated Cash Flow Statement (Un-audited)

for the nine months period ended September 30, 2020

	Note	September 30, 2020 Rupees	September 30, 2019 in '000
CASH FLOW FROM OPERATING ACTIVITIES			
Profit / (loss) before taxation Less: Dividend income		1,965,406 (64,415) 1,900,991	(798,724) (57,095)
Adjustments:		1,900,991	(855,819)
Depreciation	28	517,399	589,022
Depreciation on non-banking assets Depreciation - Right of use assets	28 28	6,808 717,149	628 520.691
Amortisation of intangible assets	28	82,977	68,169
Mark-up / return / interest expense on lease liability			
against right-of-use assets Charge for defined benefit plan	24	345,903 161,822	327,771 115,816
Unrealised gain on revaluation of investments classified		101,022	110,010
as held-for-trading - net	26	93	435
Unrealised gain on revaluation of derivative instruments - net Unrealised (gain) / loss on revaluation of forward foreign exchange contracts		(23,936) (3,349)	(30,265) 242,665
Provisions and write offs - net		457,790	501,495
Provision for workers welfare fund	07	15,723	(00.050)
Loss / (gain) on sale of fixed assets - net Gain on sale of assets held for sale	27 27	11,919 (1,000)	(93,252)
Gain on termination of leases	27	(32,755)	-
		2,256,543	2,243,175
Decrease / (increase) in operating assets		4,157,534	1,387,356
Lendings to financial institutions		21,541,836	711,310
Held-for-trading securities Advances		47,373,280 803,767	(15,094,668) 13,155,267
Other assets (excluding advance taxation)		1,946,131	(981,710)
· • •		71,665,014	(2,209,801)
Increase / (decrease) in operating liabilities Bills payable		536,965	(345,851)
Borrowings		(20,151,404)	(36,286,020)
Deposits		22,162,661	5,650,650
Other liabilities		1,985,808 4,534,030	(31,853,998)
		80,356,578	(32,676,443)
Gratuity paid Income tax paid		(151,881) (13,773)	(102,494) (329,516)
Net cash flow from / (used in) operating activities		80,190,924	(33,108,453)
CASH FLOW FROM INVESTING ACTIVITIES			
Net investments in available-for-sale securities		(67,593,127)	16,119,414
Net investments in held-to-maturity securities		(3,336,453)	8,195,552
Investment in associated companies		(40,828)	(21,239)
Dividends received Investment in fixed assets		64,415 (508,003)	57,095 (1,545,631)
Investment in intangible assets		(230,488)	(170,176)
Proceeds from sale of fixed assets		4,880	149,020
Proceeds from sale of assets held for sale Effect of translation of net investment in foreign branch		375,000 29,537	38,935
Net cash (used in) / flow from investing activities		(71,235,067)	22,822,970
CASH FLOWS FROM FINANCING ACTIVITIES			
Payment of lease liability against right of use assets Subordinated debt		(802,153)	(184,929) (1,000)
Dividend paid to preference shareholders Net cash used in financing activities		(802,153)	(24,164) (210,093)
Increase / (decrease) in cash and cash equivalents		8,153,704	(10,495,576)
Cash and cash equivalents at beginning of the year		25,482,139	32,577,913
Cash and cash equivalents at end of the period	34	33,635,843	22,082,337
The annexed notes from 1 to 41 form an integral part of these unconsolidate	d condens	ed interim financial s	statements.

President and	Chief Financial Officer	Director	Director	Chairman
Chief Executive Officer			15 I	<b>%JS</b> BANK

for the nine months period ended September 30, 2020

### 1. STATUS AND NATURE OF BUSINESS

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

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

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

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

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

### 2. BASIS OF PRESENTATION

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

for the nine months period ended September 30, 2020

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

#### 2.1 Statement of compliance

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

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

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

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

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

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

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

for the nine months period ended September 30, 2020

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

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

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

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

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

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

### Standard, Interpretation or Amendment

#### IFRS 9 'Financial Instruments (refer note 2.1 above)

Further, following new standards have been issued by IASB which are yet to be notified by the SECP for the purpose of applicability in Pakistan.

- IFRS 1 - First time adoption of IFRSs

#### January 01, 2014 January 01, 2021

Effective date (annual periods

beginning on or after)

January 01, 2021

IFRS 17 - Insurance Contracts

# 3 CRITICAL ACCOUNTING ESTIMATES AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

### 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Nine Months ended: September 30, 2020 | 18

for the nine months period ended September 30, 2020

### 5. FINANCIAL RISK MANAGEMENT

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

### 5.1 COVID - 19 outbreak and it's impact

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

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

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

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

### 5.1.1 Assets quality and credit risk

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

### 5.1.2 Liquidity management

Bank has received applications for deferral of principal and / or restructuring / rescheduling and is expected to receive further such applications. These applications are being reviewed by the Bank as per its established policies. The Asset and Liability Committee (ALCO) of the Bank is continuously monitoring the liquidity position and is taking due

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precautionary measures where needed. The Bank has conducted various stress testing on its liquidity ratios and is confident that the liquidity buffer currently maintained by the Bank is sufficient to cater any adverse movement in cash flow maturity profile.

### 5.1.3 Equity investments

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

### 5.1.4 Foreign Exchange Risks

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

### 5.1.5 Operations

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

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

### 5.1.6 Capital Adequacy Ratio

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

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

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			(Un-audited) September 30, 2020			(Audited) December 31, 2019				
9.	INVESTMENTS		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	Note				Rupees i	n '000			
	Held-for-trading securities Federal Government Securities		8,225,189	-	(93)	8,225,096	55,601,087	-	(2,618)	55,598,469
	Available-for-sale securities Federal Government Securities Shares Non Government Debt Securities Foreign Securities		110,029,058 3,334,676 3,180,847 4,339,975 120.884,556	(183,788) (370,051) (553,839)	886,464 942,439 301 (356,412) 1.472,792	110,915,522 4,093,327 2,811,097 <u>3,983,563</u> 121,803,509	47,828,618 2,092,667 3,367,738 2,406 53,291,429	(136,589) (370,051) (506,640)	(809,244) 20,675 (6,461) - (795,030)	47,019,374 1,976,753 2,991,226 2,406 51,989,759
	Held-to-maturity securities Federal Government Securities		36,196,335	(000,000)		36,196,335	32,859,882	(000,040)	(150,000)	32,859,882
	Associates		242,067	-	-	242,067	201,239	-	-	201,239
	Subsidiaries		1,919,121	-	-	1,919,121	1,919,121	-	-	1,919,121
	Total Investments		167,467,268	(553,839)	1,472,699	168,386,128	143,872,758	(506,640)	(797,648)	142,568,470
9.2	Investments by segments:									
	Held-for-trading securities Federal Government Securities Market Treasury Bills Pakistan Investment Bonds Available-for-sale securities		8,202,316 22,873 8,225,189	- -	(102) 9 (93)	8,202,214 22,882 8,225,096	55,601,087 - 55,601,087		(2,618) (2,618)	55,598,469 55,598,469
	Federal Government Securities: Market Treasury Bills Pakistan Investment Bonds		55,963,228 54,065,830 110,029,058	 	251,201 635,263 886,464	56,214,429 54,701,093 110,915,522	12,071,266 35,757,352 47,828,618	-	(364) (808,880) (809,244)	12,070,902 34,948,472 47,019,374
	Shares: Listed Companies Ordinary shares Preference shares Unlisted Companies Ordinary shares	9.2.1	3,187,087 136,589 11,000 3,334,676	(47,199) (136,589) - (183,788)	942,439 - - 942,439	4,082,327 - 11,000 4,093,327	1,945,078 136,589 <u>11,000</u> 2,092,667	(136,589)	20,675	1,965,753 - 11,000 1,976,753
	Non Government Debt Securities Listed Term Finance Certificates Sukuk Certificates Unlisted Term Finance Certificates Sukuk Certificates Preference shares	9.2.2 9.2.3	305,182 308,583 1,164,349 1,375,000 27,733 3,180,847	(155,169) (214,882) - (370,051)	(13) 314 - - 301	150,000 308,897 949,467 1,375,000 27,733 2,811,097	305,183 396,750 1,179,739 1,458,333 27,733 3,367,738	(155,169) (214,882) (370,051)	(14) (6,447) - (6,461)	150,000 390,303 964,857 1,458,333 27,733 2,991,226
	Foreign Securities Government Debt Securities * Non Government Debt Securities * Ordinary shares		4,329,983 9,992 4,339,975	-	(357,169) 757 (356,412)	3,972,814 10,749 3.983.563	 	-	-	2,406
	Held-to-maturity securities		.,		()	-,,	_,			_,
	Federal Government Securities: Pakistan Investment Bonds	9.2.4	36,196,335	-	-	36,196,335	32,859,882		-	32,859,882
	Associates									
	Omar Jibran Engineering Industries Limite Veda Transit Solutions (Private) Limited Intercity Touring Company (Private) Limite	9.2.5	180,000 41,800 20,267 242,067	-	-	180,000 41,800 20,267 242,067	180,000 972 20,267 201,239			180,000 972 20,267 201,239
	Subsidiaries JS Global Capital Limited JS Investments Limited		1,357,929 561,192 1,919,121		- - -	1,357,929 561,192 1,919,121	1,357,929 561,192 1,919,121		 	1,357,929 561,192 1,919,121
	Total Investments		167,467,268	(553,839)	1,472,699	168,386,128	143,872,758	(506,640)	(797,648)	142,568,470
,	* Deficit on revaluation of foreign debt	securitie	s includes exner	ted credit loss i	relating to inves	tments held hv th	e Banks' Bahrain	Branch as furth	ner explained i	n note 20.2

\* Deficit on revaluation of foreign debt securities includes expected credit loss relating to investments held by the Banks' Bahrain Branch as further explained in note 20.2.

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- 9.2.1 Included herein are the investments in related parties amounting to Rs. 2,736.585 million (December 31, 2019: Rs. 1,552.306 million) having market value of Rs. 3,530.860 million (December 31, 2019: Rs.1,554.335 million).
- 9.2.2 Included herein is the investment of Rs. 65.022 million (December 31, 2019: Rs. 65.022 million) in a related party at the rate of 6 months KIBOR + 1.75% matured on December 04, 2017. Due to weak financial position of the investee the Bank has recognised full impairment loss on these Term Finance Certificates.
- **9.2.3** This represents investment in an associated company amounting to Rs. 27.733 million (December 31, 2019: Rs. 27.733 million).
- **9.2.4** The market value of securities classified as held-to-maturity as at amounted to Rs. 36,196.335 million (December 31, 2019: Rs. 31,341.410 million).
- 9.2.5 During the period, Veda Transit Solutions Private Limited, an associate of the Bank, has issued shares against advance subscription of Rs. 40.828 million made by the Bank. Resultantly, shareholding of the Bank increased to 9.12% (December 31, 2019: 8%). The Bank has classified the investment as associate on account of it's significant influence over the investee company.

		(Un-audited) September 30, 2020		(Auc December	lited) 31, 2019
		Cost	Market value	Cost	Market value
9.3	Investments given as collateral	-	R	upees in '000	
	Available-for-sale securities				
	Federal Government Securities: Market Treasury Bills Pakistan Investment Bonds Foreign Debt Securities Government Debt Securities			4,453,165 22,232,264 26,685,429 26,685,429 (Un-audited) September 30,	4,452,597 21,475,720 25,928,317 
			Note	2020	2019
9.4	Provision for diminution in val	lue of inves	tments	Rupees	; in '000
	Opening balance			506,640	851,940
	Charge during the period / yea Reversal during the period / ye Charge / (reversal) for the perio <b>Closing Balance</b>	ar	9.4.1	48,035 (836) 47,199 553,839	251,675 (596,975) (345,300) 506,640
9.4.1	SBP vide BPRD Circular Lette	er No. 13 c	of 2020 dated	d March 26, 202	0 has provided

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

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

			(Un-audited) September 30, 2020		(Audited) December 31, 2019		9
			NPI	Provision	NPI		Provision
9.4.2	Particulars of provision against debt	securities		F	lupees in '000		
	Category of classification						
	Domestic Other assets especially mentioned Substandard Doubtful		- -	- -		- -	-
	Loss		370,051	370,051		0,051	370,051
			370,051	370,051	370	0,051	370,051
			rming	Non Pe			tal
		(Un-audited) September 30, 2020	(Audited) December 31, 2019	(Un-audited) September 30, 2020	(Audited) December 31, 2019	(Un-audited) September 30, 2020	(Audited) December 31, 2019
10.	ADVANCES Note			Rupees	in '000		
	Loans, cash credits, running finances, etc. Bills discounted and purchased	224,698,426 9,313,596	224,986,858	11,637,347	10,353,164	236,335,773 9,313,596	11,113,114
	Advances - gross	234,012,022	236,099,972	11,637,347	10,353,164	245,649,369	246,453,136
	Provision against advances General General provision - under IFRS-9 Specific 10.3	(24,203)	(161,166) (7,520) - (168,686)	(3,773,093) (3,773,093)	(3,339,941) (3,339,941)	(24,203) (3,773,093) (3,797,296)	(161,166) (7,520) (3,339,941) (3,508,627)
	Advances - net of provision	233,987,819	235,931,286	7,864,254	7,013,223	241,852,073	242,944,509
10.1	Particulars of advances (gross)					(Un-audited) September 30, 2020 Rupees	(Audited) December 31, 2019 s in '000
	In local currency In foreign currencies					238,312,162 7,337,207 245,649,369	237,733,122 8,720,014 246,453,136

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

	(Un-audited) September 30, 2020		(Audited) December 31, 2019		
	Non Performing Loans	5		Provision	
Category of Classification		Rupees	in '000		
Domestic					
Other Assets Especially					
Mentioned	542,924	194	841,058	1,72	
Substandard	1,531,394	95,117	1,159,072	64,68	
Doubtful	2,586,164	478,505	2,442,270	426,283	
Loss	6,976,865	3,199,277	5,910,764	2,847,256	
Total	11.637.347	3.773.093	10.353.164	3.339.94	

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#### 10.3 Particulars of provision against advances

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

- **10.3.1** The Bank, in accordance with BPRD circular letter No. 31 of 2020 dated July 10, 2020, has taken the benefit of general provision to make good the specific provision requirement of the consumer financing portfolio till December 31, 2021.
- 10.3.2 The State Bank of Pakistan through various circulars has allowed benefit of the forced sale value (FSV) of Plant and Machinery under charge, pledged stock and mortgaged residential, commercial and industrial properties (land and building only) held as collateral against non-performing loans (NPLs) for a maximum of five years from the date of classification. As at September 30, 2020, the Bank has availed cumulative benefit of FSV of Rs. 4,902.266 million (December 31, 2019: Rs.4,120.009 million) under the directives of the SBP. Had the benefit not been taken the unappropriated profit after tax would have reduced by Rs. 3,186.473 million (December 31, 2019: Rs. 2,678.006 million). Further, as required by the SBP directives, this unappropriated profit will not be available for distribution as dividend or other appropriations.

### 10.3.3 Advances - Deferred & Restructured / Rescheduled

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

11.	FIXED ASSETS	Note	(Un-audited) September 30, 2020 Rupees	2019
	Capital work-in-progress Property and equipment Right-of-use assets	11.1 11.2 &11.3 27.1	178,781 5,835,725 2,820,121 	138,167 5,961,042 3,593,492 9,692,701

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		(Un-audited) September 30, 2020	(Audited) December 31, 2019
11.1	Capital work-in-progress	Rupees	in '000
	Civil works Advance for purchase of furniture and fixtures Advance for purchase of equipment	146,874 2,228 	116,365 290 <u>21,512</u> 138,167

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

				·	,			
			tions	Disposal		Write offs		
		September 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019	
				Rupees				
	Capital work-in-progress - net	2,228	87,177	-	-	-	-	
	Property and equipment							
	Building on leasehold land	-	640,700	-	-	-	-	
	Leasehold improvements	113,863	157,146	11,019	1,789	43,754	-	
	Furniture and fixture	36,774	69,760	1,593	1,079	5,144	-	
	Electrical, office and computer equipment	317,592	353,420	3,336	7,064	9,610	-	
	Vehicles	49	320,893	851	45,836		-	
		468,278	1,541,919	16,799	55,768	58,508	-	
		470,506	1,629,096	16,799	55,768	58,508	-	
					Un-audited eptember 3 2020	<b>30,</b> Dece	udited) mber 31, 2019	
11.3	Assets held for sale		N	ote		ees in '00		
	Building on leasehold land		11	.3.1			374,000	

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

12.	INTANGIBLE ASSETS	Note	30, 2020	(Audited) December 31, 2019 s in '000
	Capital work-in-progress Computer software Goodwill	12.1 12.2	164,022 791,224 <u>1,463,625</u> <u>2,418,871</u>	97,744 709,991 
12.1	Capital work-in-progress Advance for purchase of software		164,022	97,744
Nine M	Months ended: September 30, 2020   26			

for the nine months period ended September 30, 2020

12.2	Additions to intangible assets	September 30, 2020	udited September 30, 2019 s in '000
	The following additions have been made to intangible assets during the period:		
	Capital work-in-progress - net Computer software	148,884 <u>163,900</u> <u>312,784</u>	60,310 <u>156,561</u> 216,871
		2020	(Audited) December 31, 2019
13.	OTHER ASSETS Note	Rupees	s in '000
	Income / mark-up accrued in local currency Income/ mark-up accrued in foreign currency Advances, deposits, advance rent and other	6,539,657 142,580	8,731,263 48,511
	prepayments Acceptances Dividend receivable	707,574 3,125,742	446,321 3,221,212 208,948
	Taxation (payments less provision) Receivable against bancassurance / bancatakaful Stationery and stamps in hand	197,447 50,649 19,316	573,873 67,952 23,290
	Receivable in respect of home remittance Due from State Bank of Pakistan Rebates receivable from SBP and others	37,854 202,137 574,351	37,139 116,489 465,965
	Non-banking assets acquired in satisfaction of claims Mark to market gain on derivative instruments Mark to market gain on forward foreign	1,081,967 23,936	1,088,682 22,408
	exchange contracts Advance for subscription of shares 9.2.5 Inter bank fund transfer settlement	3,349	65,955 40,828 14,477
	Credit card settlement Insurance Others	65,517 46,107 <u>614,386</u>	29,924 39,100 494,123
	Less: Provision held against other assets	13,432,569 (13,580)	15,736,460 (13,580)
	Other assets (net of provisions)	13,418,989	15,722,880
	Surplus on revaluation of non-banking assets acquired in satisfaction of claims	93,649	93,743
	Other assets - total	13,512,638	15,816,623

for the nine months period ended September 30, 2020

		(Un-audited) September 30, 2020	(Audited) December 31, 2019 s in '000
14.	BILLS PAYABLE	hupees	S IIT 000
	In Pakistan Outside Pakistan	4,105,613 235,843	3,583,500 220,991
15.	BORROWINGS	4,341,456	3,804,491
	Secured Borrowings from State Bank of Pakistan under: Export Refinancing Scheme (ERF) Long-Term Finance Facility (LTFF) Financing Facility for Storage of Agricultural	19,390,257 1,917,723	17,792,778 1,877,760
	Produce (FFSAP) Repurchase agreement borrowings	7,788,268	300,440 16,849,097
	Borrowing from financial institutions	29,096,248	36,820,075
	Repurchase agreement borrowings Refinancing facility for mortgage loans	1,907,267 1,914,739 3,822,006	12,746,732 1,961,128 14,707,860
	Total secured	32,918,254	51,527,935
	Unsecured Call borrowings Overdrawn nostro accounts Total unsecured	828,511 570,114 1,398,625 34,316,879	2,303,356 636,992 2,940,348 54,468,283
15.1	Particulars of borrowings		54,400,205
	In local currency In foreign currencies	31,010,998 3,305,881 34,316,879	51,527,935 2,940,348 54,468,283

### 16. DEPOSITS AND OTHER ACCOUNTS

	(Un-audited)			(Audited)			
	In Local	eptember 30, 2020 In Foreign		In Local	December 31, 2019 In Foreign		
	Currency	Currencies	Total	Currency	Currencies	Total	
			Rupees	in '000			
Customers							
Current deposits	79,231,536	6,205,693	85,437,229	70,341,319	6,412,941	76,754,260	
Savings deposits	80,772,112	4,180,477	84,952,589	73,442,779	2,898,794	76,341,573	
Term deposits	177,039,785	14,903,053	191,942,838	164,602,876	11,409,815	176,012,691	
Margin deposits	6,308,327	587	6,308,914	5,455,786	15,234	5,471,020	
	343,351,760	25,289,810	368,641,570	313,842,760	20,736,784	334,579,544	
Financial Institutions							
Current deposits	1,227,052	496,119	1,723,171	859,151	-	859,151	
Savings deposits	9,875,569	-	9,875,569	13,450,440	-	13,450,440	
Term deposits	11,712,315	-	11,712,315	20,900,829	-	20,900,829	
	22,814,936	496,119	23,311,055	35,210,420	-	35,210,420	
	366,166,696	25,785,929	391,952,625	349,053,180	20,736,784	369,789,964	
Nine Months ended: September 30, 2020   28							

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

- 17.1 In 2016, the Bank has issued Rs.3 billion of rated, privately placed, unsecured and subordinated term finance certificates ("TFCs" or "the Issue") as an instrument of redeemable capital under Section 120 of the Companies Ordinance, 1984 and as outlined by State Bank of Pakistan, SBP, under the BPRD circular No. 06 dated August 15, 2013 and Basel III guidelines. Summary of terms and conditions of the issue are:
  - Purpose: To contribute toward the Bank's Tier II Capital for complying with the Capital Adequacy Ratio requirement and to utilize the funds in the Bank's business operations as permitted by its Memorandum & Articles of Association.
  - Issue date: December 14, 2016
  - Tenure: Up to Seven years from the Issue date.
  - Maturity Date: December 14, 2023
  - Rating: A + (Single A Plus)
  - Profit Rate: Floating rate of return at Base rate + 1.4 percent per annum;

Base rate is defined as the average six months KIBOR prevailing on the Base Rate setting date. The Base Rate will be set for the first time on the last working day prior to the Issue Date and subsequently on the immediately preceding business day before the start of each six monthly period.

Profit payment: Semi-annual

- Redemption: The instrument is structured to redeem 0.24% of the Issue amount during the first six years after the Issue date and the remaining Issue amount of 99.76% in two equal semi-annual installments of 49.88% each in the last year.
- Security: The Issue is unsecured and subordinated as to payment of Principal and profit to all other indebtedness of the Bank.
- Call Option: Exercisable in part or in full on or after the 10th redemption, subject to SBP's approval.
- Lock-in-clause: Principal and profit will be payable subject to compliance with MCR or CAR set by SBP.

for the nine months period ended September 30, 2020

- Loss absorbency clause: Upon the occurrence of a Point of Non-Viability event as defined by SBP's Basel III Capital Rule vide BPRD Circular # 6 of 2013 dated August 15, 2013, SBP may at its option, fully and permanently convert the TFCs into common shares of the Bank and/or have them immediately written off (either partially or in full). Number of shares to be issued to TFC holders at the time of conversion will be equal to the 'Outstanding Face Value of the TFCs' divided by market value per share of the Bank's common share on the date of trigger as declared by SBP of the non-viability event as declared by SBP, subject to a cap of 467,836,257 shares.
- 17.2 In 2017, the Bank has issued Rs.2 billion of rated, privately placed and listed, unsecured and subordinated term finance certificates ("TFCs" or "the Issue") as an instrument of redeemable capital under Section 66 of the Companies Act, 2017 and as outlined by State Bank of Pakistan, SBP, under the BPRD circular No. 06 dated August 15, 2013 and Basel III guidelines. Summary of terms and conditions of the Issue are:

Purpose:	To contribute toward the Bank's Tier II Capital for complying with the capital adequacy requirement and to utilize the funds in the Bank's business operations as permitted by its Memorandum & Articles of Association.
Issue date:	December 29, 2017
Tenure:	Up to Seven years from the Issue date.
Maturity Date:	December 29, 2024
Rating:	A + (Single A Plus)
Profit Rate:	Floating rate of return at Base rate + 1.4 percent per annum;
	Base rate is defined as the average six months KIBOR prevailing on the Base Rate setting date. The Base Rate will be set for the first time on the last working day prior to the Issue Date and subsequently on the immediately preceding business day before the start of each six monthly period.
Profit payment:	Semi-annual
Redemption:	The instrument is structured to redeem 0.24% of the Issue amount during the first six years after the Issue date and the remaining Issue amount of 99.76% in two equal semi-annual installments of 49.88% each in the last year.
Security:	The Issue is unsecured and subordinated as to payment of Principal and profit to all other indebtedness of the Bank.
Call Option:	Exercisable in part or in full on or after the 10th redemption, with prior approval of SBP.
Lock-in-clause:	Principal and profit will be payable subject to compliance with MCR or CAR set by SBP.

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

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

5	To contribute toward the Deple's Tier I Conital for complying with the
Purpose:	To contribute toward the Bank's Tier I Capital for complying with the capital adequacy requirement and to utilize the funds in the Bank's business operations as permitted by its Memorandum & Articles of Association.
Issue date:	December 31, 2018
Maturity date:	Perpetual
Rating:	A (Single A)
Profit Rate:	Floating rate of return at Base rate + 2.25 percent per annum;
	Base rate is defined as the average six months KIBOR prevailing on the Base Rate setting date. The Base Rate will be set for the first time on the last working day prior to the Issue Date and subsequently on the immediately preceding business day before the start of each six monthly period.
Profit payment:	Semi-annually on a non-cumulative basis
Redemption:	Not applicable
Security:	The Issue is unsecured and subordinated as to payment of Principal and profit to all other claims except common shares.
Call Option:	Exercisable in part or in full at a par value on or after five years from the issue date, with prior approval of SBP. The Bank shall not exercise the call option unless the called instrument is replaced with capital of same or better quality.
Lock-in-clause:	Payment of profit will me be made from current year's earning and subject to compliance with MCR or CAR set by SBP.

for the nine months period ended September 30, 2020

### Loss absorbency clause:

Pre-Specified Trigger ("PST")	Upon the occurrence of a Pre-Specified Trigger as defined under SBP BPRD Circular # 6 of 2013 dated August 15, 2013 which stipulates that if an Issuer's Common Equity Tier 1 ("CET 1") ratio falls to or below 6.625% of Risk Weighted Assets ("RWA"), the Issuer will have full discretion to determine the amount of TFCs to be permanently converted into common shares or written off, subject to SBP regulations / instructions, and the cap specified below. The Bank will be able to exercise this discretion subject to:
	<ul> <li>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);</li> </ul>
	- The converted amount should not exceed the amount needed to bring the CET 1 ratio to 8.5% of RWA (i.e. minimum CET 1 of 6.0% plus capital conservation buffer of 2.5%); and
	- In case, conversion of Additional Tier-1 capital Instrument is not possible following the trigger event, the amount of the Instrument must be written off in the accounts resulting in increase in CET 1 of the Issuer.
Point of Non- Viability ("PONV")	Upon the occurrence of a Point of Non-Viability event as defined under SBP BPRD Circular # 6 of 2013 dated August 15, 2013, which stipulates that SBP may, at its option, fully and permanently convert the TFCs into common shares of the Issuer and / or have them immediately written off (either partially or in full). Number of shares to be issued to TFC holders at the time of conversion will be equal to the 'Outstanding Value of the TFCs' divided by market value per share of the Issuer's common / ordinary share on the date of the PONV trigger event as declared by SBP, subject to the cap specified below:
	The PONV trigger event is the earlier of:
	- A decision made by SBP that a conversion or temporary / permanent write-off is necessary without which the Issuer would become non-viable;
	- The decision to make a public sector injection of capital, or equivalent support, without which the Issuer would have become non-viable, as determined by SBP; and
	- The maximum number of shares to be issued to TFC holders at the Pre-Specified Trigger and / or Point of Non Viability (or otherwise as directed by SBP) will be subject to a specified cap of 329,595,476 ordinary shares, or such other number as may be agreed to in consultation with SBP.

for the nine months period ended September 30, 2020

	Note	(Un-audited) September 30, 2020	(Audited) December 31, 2019		
18.	DEFERRED TAX (ASSETS) / LIABILITIES	Rupees	Rupees in '000		
	Deferred tax debits arising from: Provision against investments Provision against loans and advances General provision under IFRS-9 Intangible other than Goodwill Other assets	(57,149) (161,235) (30,465) (2,778) 	(57,149) (132,305) (3,097) (2,514) (628,569) (823,634)		
	Deferred tax credits arising due to: Fixed assets Goodwill Surplus on revaluation of operating fixed assets Surplus on revaluation of non-banking assets acquired in satisfaction of claims Mark to market gain on forward foreign	165,236 512,268 242,893 934	250,858 512,268 299,034 967		
Unrea insti Unrea inve	exchange contracts Unrealized gain on revaluation of derivative	1,172	23,085		
	instruments Unrealised loss on revaluation of	8,378	8,145		
	investments classified as held for trading Surplus/ (deficit) on revaluation of investments	(33)	(1,218)		
	classified as available for sale	537,439 1,468,287	(278,261) 814,878		
		1,216,660	(8,756)		
19.	OTHER LIABILITIES				
15.	Mark-up / return / interest payable in local currency Mark-up / return / interest payable in foreign currency Unearned income on guarantees Accrued expenses Acceptances Unclaimed dividends Payable in respect of defined benefit obligation - net Withholding taxes payable Government challan collection Donation payable Security deposits against leases, lockers and others Sindh Workers' Welfare Fund Payable in respect of home remittance Retention money payable Lease liability against right-of-use assets Advance against assets held for sale 11.3.1 Insurance payable Debit card settlement Inter bank fund transfer settlement Others	5,899,975 75,591 155,899 572,836 3,125,742 4,214 161,822 325,323 82,490 - 3,603,202 89,500 512,015 52,318 3,151,144 83,894 72,407 21,041 635,183	4,092,845 72,782 99,505 304,086 3,221,212 4,214 151,881 414,407 66,867 1,991 4,172,975 73,777 74,46,387 34,248 3,696,371 37,500 12,693 73,084 - 181,526		
		18,624,596	17,158,351		

for the nine months period ended September 30, 2020

		Note	(Un-audited) September 30, 2020	(Audited) December 31, 2019 s in '000
20.	SURPLUS ON REVALUATION OF ASSETS	NOLE	hupees	S IIT 000
	Surplus / (deficit) on revaluation of: Available-for-sale securities Fixed assets Non-banking assets acquired in satisfaction of claims	9.1 & 20.1	1,535,540 1,199,323 93,680 2,828,512	(795,030) 1,359,727 <u>93,743</u> 658,440
	Deferred tax on (deficit) / surplus on revaluation of:		2,020,012	000,110
	Available-for-sale securities Fixed assets Non-banking assets acquired in		(537,439) (242,893)	278,261 (299,034)
	satisfaction of claims		(934)	(967)
			(781,266)	(21,740) 636,700
20.1	This includes general provision under IFR Rs. Nil) by Bahrain branch of the Bank.	IS 9 of Rs. 62	.748 million (Dece (Un-audited) September 30, 2020	(Audited) December 31, 2019
		Note		s in '000
21.	CONTINGENCIES AND COMMITMENT	ſS		
	Guarantees Commitments	21.1 21.2	61,744,460 86,855,756 148,600,216	45,650,803 76,025,492 121,676,295
21.1	Guarantees: Financial guarantees Performance guarantees Other guarantees	21.1.1	1,249,078 37,310,594 23,184,788 61,744,460	2,464,411 21,483,841 21,702,551 45,650,803
21.1.1	Included herein are outstanding guarante	ees of Rs. 71.	940 million (Dece	ember 31, 2019:

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Rs.14.217 million) of related parties.

for the nine months period ended September 30, 2020

		Note	2020	(Audited) December 31, 2019 s in '000
21.2	Commitments:			
	Documentary credits and short-term trade-related transactions			
	- letters of credit	21.2.1	14,730,978	13,965,258
	<b>Commitments in respect of:</b> - Forward foreign exchange contracts - Derivative instruments - Forward lending	21.2.2 21.2.3 21.2.4	36,190,280 35,404,671 365,805	55,111,366 6,745,592 72,183
	Commitments for acquisition of: - Fixed assets	21.2.5	164,022 86,855,756	131,093 76,025,492
21.2.1	Included herein are the outstanding letter 2019: Rs.44.368 million) of related parties		Rs. 29.249 millior	n (December 31,

# 21.2.2 Commitments in respect of forward foreign exchange contracts

Purchase	24,222,671	33,104,108
Sale	11,967,609	22,007,258
	36,190,280	55,111,366

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

21.2.3 Commitments in respect of derivative instruments	2020 Rupees	(Audited) December 31, 2019 5 in '000
Purchase Sale	3,486,041 <u>31,918,630</u> 35,404,671	3,622,107 3,123,485 6,745,592
21.2.3.1 Interest rate swaps (notional principal)		
Purchase Sale	1,442,033 	2,099,175 2,100,175 4,199,350
21.2.3.2 Options (notional principal)		4,199,000
Purchase Sale	2,044,008 30,475,597 32,519,605	1,023,310 1,023,310 2,046,620
21.2.3.3 Commitments in respect of forward government securi	ties	
Purchase		499,622
	35	<b>%JS</b> BANK

for the nine months period ended September 30, 2020

			2020	(Audited) December 31, 2019
21.2.4	Commitments in respect of forward lending	Note	Rupees	s in '000
	Undrawn formal standby facilities, credit lines and other commitments to lend	21.2.4.1	365,805	72,183

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

#### 21.2.5 Commitments for acquisition of fixed assets \_\_\_\_\_\_164,022 \_\_\_\_\_

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

#### 22. DERIVATIVE INSTRUMENTS

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

131.093

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

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

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

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

					udited) er 30, 2020		
		Interest Ra	te Swaps	Optio	ns	Forward s	ecurities
		Notional principal	Mark to Market	Notional principal	Mark to Market	Notional principal	Mark to Market
22.1	Product analysis			Rupees	in '000		
	With Banks for Hedging Market making	2,885,066	6,854	32,519,605	17,082	- -	-
	With FIs other than banks Hedging Market making			-			-
	<b>Total</b> Hedging Market making	2,885,066	6,854 -	32,519,605 -	17,082	-	-
Nine I	Nonths ended: September	30, 2020	36				

					lited) r 31, 2019		
		Interest Rate Swaps Options		ns	Forwa	ard securities	
		Notional principal	Mark to Market	Notional principal Rupees	Mark to Market in '000	Notional principal	
	With Banks for						
	Hedging Market making	4,199,350	13,327	-	8,885 -	499,62	
	With FIs other than banks Hedging Market making	-	-	-			
	<b>Total</b> Hedging Market making	4,199,350	13,327	-	8,885 -	499,62	196
22.1.1	The notional value of option has entered back to back a					023.310 m	illion) and the Bank
23.	MARK-UP / RETUR	n / Intere	EST EARN	ED Note	Septemb 2020	er30, S	ted leptember 30, 2019 1 '000
	On: Loans and advances Investments Lendings to financial Balances with other Securities purchased	institutions banks		ients		423 783 387 <u>392</u>	22,627,960 6,850,722 45,588 45,631 689,213 30,259,114
24.	MARK-UP / RETUR	N / INTERE	ST EXPE	NSED			
	Deposits Borrowings Subordinated debt Cost of foreign curre	ncv swaps	against	24.1	23,504, 1,490, 728,	518	20,202,045 3,087,963 749,378
	foreign currency de Lease liability agains	posits / bor	rowings		514, 345,	903	606,503 327,771
					26,584,	840	24,973,660
24.1	Borrowings						
	Export Refinancing S Long-Term Finance F Financing Facility for	Facility (LTFI	F)	al	256, 34,	608 119	251,418 24,513
	Produce (FFSAP) Securities sold under Other borrowings	0	0		7, 872, 319,		2,621 2,403,709 405,702

for the nine months period ended September 30, 2020

25.	FEE AND COMMISSION INCOME	Note	Un-au September 30, 2020 Rupees	September 30, 2019
	Branch banking customer fees Consumer finance related fees Card related fees (debit and credit cards) Credit related fees Investment banking fees Commission on trade Commission on guarantees Commission on cash management Commission on distribution of mutual funds Commission on distribution of mutual funds Commission on online Services Postage & Courier income Rebate income Rebate on primary dealership	nittances	199,157 21,987 478,923 298,064 71,989 475,632 288,489 3,054 214,202 135,560 26,190 251,225 16,601 178,725 27,637 2,687,435	132,572 14,847 362,542 210,403 42,565 395,736 249,142 4,388 81,095 105,814 94,070 132,694 14,964 160,997 <u>6,918</u> 2,008,747
26.	GAIN / (LOSS) ON SECURITIES			
	Realised Unrealised - held for trading	26.1	918,080 (93)	(563,669) (435)
26.1	Realised gain / (loss) on:		917,987	(564,104)
	Federal government securities Market treasury bills Pakistan investment bonds Ijara sukuk certificates		76,804 857,350 56	3,850 (402,443) 633
	Shares Listed companies		(12,850)	(159,776)
	Non Government Debt Securities Sukuk certificates		450	-
	Mutual fund units Foreign currency bonds		3,808 (7,538) 918,080	482 (6,415) (563,669)
27.	OTHER INCOME - NET			
	(Loss) / gain on sale of operating fixed assets - net Gain on sale of assets held for sale Gain on termination of leases Others	11.3.1 27.1	(11,919) 1,000 32,755 <u>4,710</u> <u>26,546</u>	93,252
27.1	This represents, gain on termination of leases	against c	losure of fifty one	branches under

27.1 This represents, gain on termination of leases against closure of fifty one branches under the Bank's branch rationalisation strategy.

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28. OPERATING EXPENSES	Note	Un-au September 30, 2020 Rupees	September 30, 2019
	Noto		
Total compensation expense		4,701,295	3,851,929
Property expense Rent and taxes Insurance Utilities cost Security (including guards) Repair and maintenance (including janitorial Depreciation Depreciation - Right of Use Assets Depreciation on non banking assets	charges)	22,398 2,638 248,050 242,353 152,017 143,324 717,149 6,808 1,534,737	220,375 7,913 232,185 213,103 130,482 144,831 520,691 628 1,470,208
Information technology expenses Software maintenance Hardware maintenance Depreciation Amortisation Network charges		280,216 132,222 150,780 82,977 90,109 736,304	183,891 108,746 126,403 68,169 81,351 568,560
Other operating expenses Directors' fees and allowances Legal and professional charges Insurance Outsourced services costs Travelling and conveyance NIFT clearing charges Depreciation Training and development Postage and courier charges Communication Stationery and printing Marketing, advertisement and publicity Donations Auditors Remuneration Staff Auto fuel and maintenance Bank Charges Stamp Duty Online verification charges Brokerage, fee and commission Card related fees (debit and credit cards) CDC and other charges Consultancy fee Deposit protection corporation Entertainment expenses Repair and maintenance Cash handling charges Fee and Subscription Employees social security Generator fuel and maintenance Others	28.1	$\begin{array}{r} 13,250\\ 125,322\\ 147,809\\ 116,000\\ 52,304\\ 26,851\\ 223,295\\ 11,828\\ 75,697\\ 94,234\\ 195,237\\ 333,422\\ 60,841\\ 4,975\\ 149,615\\ 43,568\\ 9,634\\ 12,951\\ 34,072\\ 5,036\\ 3,709\\ 25,892\\ 93,204\\ 49,319\\ 46,349\\ 155,540\\ 65,260\\ 7,743\\ 53,350\\ 37,523\\ 2,273,830\\ \hline 9,246,166\\ \hline \end{array}$	6,050 94,730 135,490 105,285 65,074 28,932 317,788 21,942 61,111 81,125 184,295 207,031 5,126 174,842 47,475 33,019 14,122 23,382 6,317 4,075 26,158 104,821 46,657 46,804 48,868 33,284 5,722 57,824 24,282 2,011,631 7,902,328

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for the nine months period ended September 30, 2020

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

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

#### 29. WORKERS WELFARE FUND

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

			Un-au	udited
		Note		September 30,
			2020	2019
30.	OTHER CHARGES		Rupees	s in '000
	Penalties imposed by State Bank of Pakistan		74,607	242
	Others			892
			74,607	1,134
01			- <del>-</del>	
31.	PROVISIONS / (REVERSALS) AND WRITE O	-FS - INE	1	
	Provisions for diminution in value of investments	9.4.1	47,199	123,672
	Provisions against loans & advances - specific		433,152	439,833
	(Reversals) / provisions against			
	loans & advances - general		(161,166)	1,724
	Provisions / (reversals) under IFRS-9 - general		75,929	(61,967)
	Fixed assets written off		58,508	-
	Other assets written off		4,168	-
	Other reversals		-	(2,082)
	Bad debts written off directly		-	315
			457,790	501,495
32.	TAXATION			
32.	IAAATION			
	Current		390,199	550,410
	Deferred		409,716	(771,219)
			799,915	(220,809)

- **32.1** There are no material changes in tax contingencies as disclosed in annual financial statements for the year ended December 31, 2019 except below:
- 32.1.1 The Sindh High Court has dismissed the Bank's petitions for tax years 2016 through 2019 wherein the Bank alongwith other taxpayers challenged the levy of super tax on constitutional grounds. Based on the opinion of legal counsel, the Bank is now approaching the Supreme Court to challenge the aforesaid decision of the Sindh High Court and seek interim relief in respect of the outstanding super tax demand.

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

		Un-audited				
		Quar	ter ended	Nine months	period ended	
		September 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019	
33.	BASIC AND DILUTED EARNINGS / (LOSS) PER SHARE		Rupee	s in '000		
	Profit / (loss) after taxation for the period - attributable to ordinary equity holders of the Bank	309,165	(136,238)	1,165,491	(577,915)	
	Preference dividend paid for the year December 31, 2018 @ 12% p.a		-	-	(24,164)	
	Profit / (loss) after taxation for the period - attributable to ordinary equity holders of the Bank for basic earnings	309,165	(136,238)	1,165,491	(602,079)	
	Weighted average number of outstanding ordinary shares during the period for basic earnings					
	Basic and diluted earnings / (loss) per share	0.24	(0.11)	0.90		
34.	CASH AND CASH EQUIVALENTS	Note	(Un-audited) September 30, 2020	(Audited) December 31, 2019 Rupees in '000 -	September 30, 2019	
	Cash and balances with treasury ba Balances with other banks Overdrawn nostro accounts	anks 6 7 15	33,587,826 618,131 (570,114)	25,589,349 462,904 (570,114)		
	Less: General provision under IFRS	9	33,635,843 (91) 33,635,752	25,482,139 (68) 25,482,071	22,082,337 (83) 22,082,254	

#### 35. FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

for the nine months period ended September 30, 2020

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

#### Fair value hierarchy

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

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

Level 3: Fair value measurements using unobservable inputs for the asset or liability.

#### 35.1 Valuation techniques used in determination of fair values within level

Item	Valuation approach and input used
------	-----------------------------------

#### Financial Instruments- Level 1

Shares of listed	Fair values of investments in listed equity securities are valued
companies	on the basis of closing quoted market prices available at the
	Pakistan Stock Exchange.

#### Financial instruments - Level 2

Units of mutual funds	Fair values of investments in units of mutual funds are determined based on redemption prices disclosed at the Mutual Funds Association of Pakistan (MUFAP) as at the close of the business days.
Market Treasury Bills(MTB) / Pakistan Investment Bonds(PIB), and GoP Sukuks (GIS)	Fair values of Pakistan Investment Bonds and Market Treasury Bills are derived using PKRV rates (Reuters page).
Debt Securities (TFCs) and Sukuk other than Government	Investments in debt securities (comprising Term Finance Certificates, Bonds and any other security issued by a company or a body corporate for the purpose of raising funds in the form of redeemable capital) are valued on the basis of the rates announced by the Mutual Funds Association of Pakistan (MUFAP) in accordance with the methodology prescribed by the SECP.
Overseas Government Sukuks, Overseas and Euro Bonds	The fair value of Overseas Government Sukuks, and Overseas Bonds are valued on the basis of price available on Bloomberg.

for the nine months period ended September 30, 2020

Forward foreign exchange contracts	The valuation has been determined by interpolating the foreign exchange revaluation rates announced by the State Bank of Pakistan.
Derivatives	The fair values of derivatives which are not quoted in active markets are determined by using valuation techniques. The valuation techniques take into account the relevant underlying parameters including foreign currencies involved, interest rates, yield curves, volatilities, contracts duration, etc.

#### Financial instruments in level 3

Currently, no financial instruments are classified in level 3.

The fair value of unquoted debt securities, fixed term loans, other assets, other liabilities, fixed term deposits and borrowings cannot be calculated with sufficient reliability due to the absence of a current and active market for these assets and liabilities and reliable data regarding market rates for similar instruments.

#### Non- financial assets- Level 3

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

- **35.2** The Bank's policy is to recognise transfers into and out of the different fair value hierarchy levels at the date the event or change in circumstances that caused the transfer occurred. There were no transfers between levels 1 and 2 during the year.
- **35.3** The following table provides an analysis of financial assets that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

		(Un-au Sontombor		
-	Level 1	September Level 2	Level 3	Total
- On balance sheet financial instruments			in '000	
Financial assets - measured at fair value				
Held-for-trading securities				
Investments				
Federal Government Securities	-	8,225,096	-	8,225,096
Available-for-sale securities				
Investments				
Federal Government Securities	-	110,915,522	-	110,915,522
Shares	4,082,327	-	-	4,082,327
Non Government Debt Securities	-	458,897	-	458,897
Foreign Securities	-	3,972,814	-	3,972,814
-	4,082,327	115,347,233	-	119,429,560
Financial assets - disclosed but not measured at fair value Investments				
Federal Government Securities	_	36,196,335	_	36,196,335
	4,082,327	159,768,664	-	163,850,99
Non-Financial assets - measured at fair value	7 7-			
Revalued fixed assets	-	-	3,387,951	3,387,95 <sup>-</sup>
Non-banking assets acquired in				
satisfaction of claims	-	-	1,175,616	1,175,616
-	-	-	4,563,567	4,563,567
Off balance sheet financial instruments				
Commitments in respect of:				
Forward foreign exchange contracts				
Purchase	-	24,085,306		24,085,306
Sale =	-	11,826,893	-	11,826,893
Derivative instruments:				
Interest rate swaps				
Purchase	-	1,519,596	-	1,519,596
Sale =	-	1,526,450	-	1,526,450
Options				
Purchase	-	2,038,193	-	2,038,193
Sale	-	30,498,492	-	30,498,492

Shares       1,965,753       -       -       1,965,753         Non Government Debt Securities       -       540,303       -       540,303         Financial assets - disclosed but not       measured at fair value       49,525,433         Investments       -       31,341,410       -       31,341,410         Non-Financial assets - measured at fair value       -       31,341,410       -       31,341,410         Non-Financial assets - measured at fair value       -       31,341,410       -       31,341,410         Non-Financial assets - measured at fair value       -       31,341,410       -       31,341,410         Non-Financial assets - measured at fair value       -       3,797,180       3,797,180       3,797,180         Non-banking assets acquired in satisfaction of claims       -       -       1,182,425       1,182,425       1,182,425         Off balance sheet financial instruments       -       -       4,979,605       4,979,605       4,979,605         Purchase       -       32,885,546       -       32,885,546       -       32,885,545         Sale       -       21,722,741       -       21,722,74       21,722,74         Derivative instruments       -       34,99,818       -       499,818 <th></th> <th></th> <th>(Audi</th> <th></th> <th></th>			(Audi		
On balance sheet financial instruments         Rupees in '000           Financial assets - measured at fair value         Held-for-trading securities           Investments         -         55,598,469         -         55,598,469           Available-for-sale securities         -         47,019,374         -         1,965,753           Investments         -         1,965,753         -         1,965,753           Shares         1,965,753         47,559,677         -         49,525,433           Financial assets - disclosed but not measured at fair value         -         31,341,410         -         31,341,410           Investments         -         -         3,797,180         3,797,180         3,797,180           Non-Financial assets - measured at fair value         -         -         -         4,979,605         4				· · · · · · · · · · · · · · · · · · ·	Tatal
Financial assets - measured at fair value           Held-for-trading securities           Investments         Federal Government Securities           Investments         -         55,598,469         -         55,598,469           Available-for-sale securities         -         -         47,019,374         -         1,965,753           Shares         1,965,753         47,019,374         -         1,965,753         1,965,753           Shares         1,965,753         47,559,677         -         49,525,433           Financial assets - disclosed but not         measured at fair value         -         49,525,637         -         49,525,433           Investments         -         -         31,341,410         -         31,341,410         -         31,341,410           Investments         -         -         3,797,180         3,2885,546         -         2,1,722,741 <t< th=""><th>On balance sheet financial instruments</th><th>Level I</th><th></th><th></th><th>10121</th></t<>	On balance sheet financial instruments	Level I			10121
Held-for-trading securitiesInvestmentsFederal Government SecuritiesInvestmentsFederal Government SecuritiesInvestmentsFederal Government SecuritiesInvestmentsFederal Government Debt Securities1,965,753Van Government Debt Securities1,965,753Financial assets - disclosed but notmeasured at fair valueInvestmentsFederal Government Securities1,965,7531965,7531965,7531965,7531965,7531965,7531965,7531965,7531965,753196,755194,499,556-196,465,300Non-Financial assets - measured at fair valueInvestmentsFederal Government Securities-1,965,753197,1803,797,1803,797,1803,797,1803,797,1803,797,1803,797,1801965,7531965,7531965,7			hapooo		
Investments       -       55,598,469       -       55,598,469         Available-for-sale securities       -       47,019,374       -       47,019,374         Investments       -       -       1,965,753       540,303       -       540,303         Financial assets - disclosed but not       -       -       49,525,43         Financial assets - disclosed but not       -       -       1,965,753       134,410       -       1,965,753         Federal Government Securities       -       -       31,341,410       -       31,341,410         Investments       -       -       3,797,180       3,797,180       3,797,180         Non-Financial assets - measured at fair value       -       -       3,797,180       3,797,180         Non-banking assets acquired in statistaction of claims       -       -       1,182,425       1,182,425         Non-banking assets acquired in statuments       -       -       -       3,797,180       3,797,180         Off balance sheet financial instruments       -       -       1,182,425       1,182,425       1,182,425         Commitments in respect of:       -       -       -       21,722,741       -       21,722,74         Derivative instruments       - </td <td>-inancial assets - measured at fair value</td> <td></td> <td></td> <td></td> <td></td>	-inancial assets - measured at fair value				
Federal Government Securities       -       55,598,469       -       55,598,469         Available-for-sale securities       Investments       -       47,019,374       -       1,965,753         Non Government Debt Securities       -       1,965,753       47,559,677       -       49,525,433         Financial assets - disclosed but not measured at fair value       -       31,341,410       -       31,341,410         Investments       -       -       3,797,180       3,797,180       3,797,180       3,797,180         Non-Financial assets - measured at fair value       -       -       -       1,182,425       1,182,425       1,182,425       1,182,425       1,182,425       1,182,425       1,182,425       1,182,425       1,182,425       1,182,425       1,182,425       1,182,425       1,182,425       1,182,425       1,182,425       1,182,425       1,182,425       1,182,425       1,182,425       1,28,455,46       -       32,885,546       -       32,885,546       -       32,885,546       -       32,885,546       -       32,885,546       -       32,885,546       -       32,885,546       -       32,885,546       -       32,885,546       -       32,885,546       -       32,885,546       -       32,885,546       -       32,885	-				
Available-for-sale securities       -       47,019,374       -       47,019,374         Federal Government Securities       -       -       540,303       -       540,303         Non Government Debt Securities       -       -       49,525,43       -       -       49,525,43         Financial assets - disclosed but not       -       -       49,525,43       -       49,525,43         Financial assets - disclosed but not       -       -       31,341,410       -       31,341,410         Investments       -       -       -       136,465,30       -       136,465,30         Non-Financial assets - measured at fair value       -       -       -       31,941,410       -       31,941,410         Non-Financial assets - measured at fair value       -       -       31,941,410       -       31,941,410         Non-banking assets acquired in satisfaction of claims       -       -       3,797,180       3,797,180       3,797,180         Non-banking assets acquired in satisfaction of claims       -       -       1,182,425       1,182,425       1,182,425         Off balance sheet financial instruments       -       -       32,885,546       -       32,885,546         Sale       -       21,722,741			FF F00 400		EE E00.400
Investments       Federal Government Securities       1,965,753       47,019,374       1       47,019,374         Shares       1,965,753       47,559,677       -       47,019,374       -       1,965,753         Non Government Debt Securities       1,965,753       47,559,677       -       49,525,43         Financial assets - disclosed but not       measured at fair value       -       31,341,410       -       31,341,410         Investments       Federal Government Securities       -       31,341,410       -       31,341,410         Federal Government Securities       -       -       31,941,410       -       31,341,410         Investments       Federal Government Securities       -       -       3,797,180       3,797,180         Non-Financial assets - measured at fair value       -       -       3,797,180       3,797,180         Non-banking assets acquired in satisfaction of claims       -       -       -       4,979,605       4,979,605         Off balance sheet financial instruments       -       -       -       21,722,741       -       21,722,74         Derivative instruments       -       21,722,741       -       21,722,74       21,722,74         Derivative instruments       -       499,818	rederal Government Securities	-	55,598,469	-	55,598,465
Federal Government Securities       -       47,019,374       -       47,019,374         Shares       -       1,965,753       -       540,303       -       1,965,755         Financial assets - disclosed but not measured at fair value       1,965,753       47,559,677       -       49,525,43         Financial assets - disclosed but not measured at fair value       -       31,341,410       -       31,341,410         Investments       -       -       31,341,410       -       136,465,30         Non-Financial assets - measured at fair value       -       -       3,797,180       3,797,180         Non-banking assets acquired in satisfaction of claims       -       -       -       4,979,605       4,979,605         Off balance sheet financial instruments       -       -       -       4,979,605       4,979,605         Commitments in respect of:       -       -       -       -       32,885,546       -       32,885,546         Sale       -       21,722,741       -       21,722,74       -       21,722,74         Derivative instruments       -       499,818       -       499,818       -       499,818         Interest rate swaps       -       1,474,016       -       1,474,016	Available-for-sale securities				
Shares       1,965,753       -       1,965,753         Non Government Debt Securities       -       540,303       -       540,303         Financial assets - disclosed but not       measured at fair value       -       49,525,433         Investments       -       31,341,410       -       31,341,410         Investments       -       31,341,410       -       31,341,410         Investments       -       -       3,797,180       3,797,180         Non-Financial assets - measured at fair value       -       -       -       3,797,180       3,797,180         Non-banking assets acquired in satisfaction of claims       -       -       -       4,979,605       4,979,605         Off balance sheet financial instruments       -       -       1,182,425       1,182,425       1,182,425         Commitments in respect of:       -       -       -       32,885,546       -       32,885,546       -       32,885,546         Sale       -       -       32,885,546       -       32,885,546       -       32,885,546         Derivative instruments       -       -       32,885,546       -       32,885,546       -       32,885,546         Sale       -       -       <	nvestments				
Non Government Debt Securities         540,303         -         540,303           Financial assets - disclosed but not measured at fair value Investments         1,965,753         47,559,677         -         49,525,43           Financial assets - disclosed but not measured at fair value Investments         -         31,341,410         -         31,341,410           Federal Government Securities         -         31,341,410         -         31,341,410           Non-Financial assets - measured at fair value Revalued fixed assets         -         -         3,797,180         3,797,180           Non-banking assets acquired in satisfaction of claims         -         -         1,182,425         1,182,425           Off balance sheet financial instruments         -         -         1,182,425         1,22,74           Commitments in respect of:         -         -         32,885,546         -         32,885,546           Forward foreign exchange contracts         -         21,722,741         21,722,741         21,722,74           Derivative instruments         -         499,818         -         499,818           Purchase         -         1,474,016         -         1,474,016           Sale         -         2,738,661         -         2,738,661           Option	Federal Government Securities	-	47,019,374	-	47,019,374
1,965,753       47,559,677       -       49,525,43         Financial assets - disclosed but not measured at fair value Investments       -       31,341,410       -       31,341,411         Federal Government Securities       -       31,341,410       -       31,341,410         Non-Financial assets - measured at fair value       1,965,753       134,499,556       -       136,465,300         Non-Financial assets - measured at fair value       -       -       3,797,180       3,797,180       3,797,180         Non-banking assets acquired in satisfaction of claims       -       -       1,182,425       1,182,425       1,182,425       1,182,425       4,979,605	Shares	1,965,753	-	-	1,965,753
Financial assets - disclosed but not measured at fair value Investments       -       31,341,410       -       31,341,411         Federal Government Securities       -       31,341,410       -       31,341,410         Non-Financial assets - measured at fair value Revalued fixed assets       -       -       31,341,410       -       31,341,410         Non-Financial assets - measured at fair value Revalued fixed assets       -       -       3,797,180       3,797,180         Non-banking assets acquired in satisfaction of claims       -       -       1,182,425       1,182,425         Off balance sheet financial instruments       -       -       4,979,605       4,979,605         Commitments in respect of:       -       21,722,741       -       21,722,741         Purchase       -       32,885,546       -       32,885,546         Sale       -       21,722,741       -       21,722,741         Derivative instruments       -       21,722,741       -       21,722,741         Derivative instruments       -       499,818       -       499,811         Interest rate swaps       -       1,474,016       -       1,474,011         Sale       -       2,738,661       -       2,738,661       -       2,738,661 <td>Non Government Debt Securities</td> <td>-</td> <td>540,303</td> <td>-</td> <td>540,303</td>	Non Government Debt Securities	-	540,303	-	540,303
measured at fair value           Investments           Federal Government Securities           Federal Government Securities           1.965,753           134,490,556           136,465,300           Non-Financial assets - measured at fair value           Revalued fixed assets           Non-banking assets acquired in satisfaction of claims           -         -           -         1,182,425           -         -           0ff balance sheet financial instruments           Commitments in respect of:           Forward foreign exchange contracts           Purchase           Sale           -         21,722,741           -         21,722,74           -         21,722,74           -         21,722,74           -         21,722,74           -         21,722,74           -         21,722,74           -         21,722,74           -         21,722,74           -         21,722,74           -         21,722,74           -         21,722,74           -         21,722,74           -         21,722,74           -         2,738,6		1,965,753	47,559,677	-	49,525,430
Investments       -       31,341,410       -       31,341,410         Federal Government Securities       -       31,341,410       -       31,341,410         Non-Financial assets - measured at fair value       -       136,465,300         Revalued fixed assets       -       -       3,797,180       3,797,180         Non-banking assets acquired in satisfaction of claims       -       -       1,182,425       1,182,425         Off balance sheet financial instruments       -       -       1,182,425       1,182,425       1,182,425         Commitments in respect of:       -       -       -       4,979,605       4,979,605         Purchase       -       21,722,741       -       21,722,74         Derivative instruments       -       21,722,741       -       21,722,74         Derivative instruments       -       499,818       -       499,811         Interest rate swaps       -       1,474,016       -       1,474,011         Purchase       -       2,738,661       -       2,738,661       -         Options       -       1,024,638       -       1,024,638       -       1,024,638					
Federal Government Securities       -       31,341,410       -       31,341,410         Non-Financial assets - measured at fair value       136,465,300         Revalued fixed assets       -       -       3,797,180       3,797,180         Non-banking assets acquired in satisfaction of claims       -       -       1,182,425       1,182,425         Off balance sheet financial instruments       -       -       1,182,425       1,182,425         Commitments in respect of:       -       -       4,979,605       4,979,605         Forward foreign exchange contracts       -       21,722,741       -       21,722,74         Derivative instruments       -       499,818       -       499,811         Interest rate swaps       -       1,474,016       -       1,474,011         Purchase       -       2,738,661       -       2,738,661       -       2,738,661         Options       -       1,024,638       -       1,024,638       -       1,024,638       -       1,024,638					
Non-Financial assets - measured at fair value         1,965,753         134,499,556         -         136,465,300           Revalued fixed assets         -         -         3,797,180         3,979,600         4,979,600         4,979,600         4,979,600         4,979,600         4,979,600         4,979,600         4,979,600         4,92,818         4,92,815         4,92,81		-	31 341 410	-	31 341 410
Non-Financial assets - measured at fair value		1.965.753		-	
Non-barking assets acquired in satisfaction of claims         -         -         1,182,425         1,122,425         1,122,74         1,122,74         1,124,638         1,024,638         1,024,638         1,024,638         1,024,638         1,024,638         1,024,638         1,024,638         1,024,638         1,024,638         1,024,638 <th< td=""><td>Non-Financial assets - measured at fair valu</td><td></td><td></td><td></td><td></td></th<>	Non-Financial assets - measured at fair valu				
satisfaction of claims       -       -       1,182,425       1,182,425         Off balance sheet financial instruments       -       -       -       4,979,605       4,979,605         Off balance sheet financial instruments       -	Revalued fixed assets	-	-	3,797,180	3,797,180
-         -         4,979,605         4,972,674         2,722,74         21,722,74         21,722,74         21,722,74         21,722,74         21,722,74         21,722,74         21,722,74         21,722,74         21,722,74         21,722,74         21,722,74         21,722,74         21,722,74         21,722,74         21,722,74         21,722,74         21,722,74         21,722,74	Non-banking assets acquired in				
Off balance sheet financial instruments         Description           Commitments in respect of:         -         32,885,546         -         32,885,546           Purchase         -         21,722,741         -         21,722,74           Derivative instruments         -         -         -         21,722,74           Interest rate swaps         -         -         1,474,016         -         2,738,661         -         2,738,661         -         2,738,661         -         2,738,661         -         2,738,661         -         1,024,63	satisfaction of claims	-	-	1,182,425	1,182,425
Commitments in respect of:           Forward foreign exchange contracts           Purchase         -         32,885,546         -         32,885,546           Sale         -         21,722,741         -         21,722,74           Derivative instruments         -         21,722,741         -         21,722,74           Derivative instruments         -         499,818         -         499,81           Interest rate swaps         -         1,474,016         -         1,474,01           Sale         -         2,738,661         -         2,738,661         -         2,738,661         -         2,738,661         -         2,738,661         -         2,738,661         -         2,738,661         -         2,738,661         -         2,738,661         -         2,738,661         -         2,738,661         -         2,738,661         -         2,738,661         -         2,738,661         -         2,738,661         -         1,024,638         -         1,024,638         -         1,024,638         -         1,024,638         -         1,024,638         -         1,024,638         -         1,024,638         -         1,024,638         -         1,024,638         -         1,024,638 <td< td=""><td></td><td>-</td><td>-</td><td>4,979,605</td><td>4,979,605</td></td<>		-	-	4,979,605	4,979,605
Forward foreign exchange contracts         32,885,546         32,886         32,886         32,886         32,886         32,886         32,886         32,886         32,886         32,886         32,886         32,886 <th< td=""><td>Off balance sheet financial instruments</td><td></td><td></td><td></td><td></td></th<>	Off balance sheet financial instruments				
Purchase       -       32,885,546       -       32,885,546         Sale       -       21,722,741       -       21,722,74         Derivative instruments       -       21,722,741       -       21,722,74         Derivative instruments       -       499,818       -       499,811         Interest rate swaps       -       1,474,016       -       1,474,011         Sale       -       2,738,661       -       2,738,661         Options       -       1,024,638       -       1,024,638	Commitments in respect of:				
Sale       -       21,722,741       -       21,722,74         Derivative instruments       Forward government securities       -       499,818       -       499,818         Purchase       -       499,818       -       499,818       -       499,818         Interest rate swaps       -       1,474,016       -       1,474,011       -       2,738,661       -       2,738,661       -       2,738,661       -       1,024,638 <th< td=""><td></td><td></td><td></td><td></td><td></td></th<>					
Derivative instruments           Forward government securities           Purchase           -         499,818           -         499,818           Interest rate swaps           Purchase         -           1,474,016         -           2,738,661         -           2,738,661         -           Options         -           Purchase         -				-	
Forward government securities           Purchase         -         499,818         -         499,817           Interest rate swaps         -         1,474,016         -         1,474,017           Sale         -         2,738,661         -         2,738,661           Options         -         1,024,638         -         1,024,638	Sale	-	21,722,741	-	21,722,741
Purchase         -         499,818         -         499,818           Interest rate swaps         -         1,474,016         -         1,474,011           Sale         -         2,738,661         -         2,738,661           Options         -         1,024,638         -         1,024,638	Derivative instruments				
Interest rate swaps         -         1,474,016         -         1,474,011           Sale         -         2,738,661         -         2,738,661           Options         -         1,024,638         -         1,024,638	Forward government securities				
Purchase         -         1,474,016         -         1,474,011           Sale         -         2,738,661         -         2,738,661           Options         -         1,024,638         -         1,024,638	Purchase		499,818	-	499,818
Sale         -         2,738,661         -         2,738,66           Options         Purchase         -         1,024,638         -         1,024,638	nterest rate swaps				
Options           Purchase        1,024,638        1,024,638				-	1,474,016
Purchase1,024,6381,024,638	Sale	-	2,738,661	-	2,738,661
Purchase1,024,6381,024,638	Ontions				
Sale - 1,030,868 - 1,030,86					
		-	1,024,638	-	1,024,638

for the nine months period ended September 30, 2020

#### 36. SEGMENT INFORMATION

Segment Details with respect to business activities

September 30, 2020 (Un-audited) Profit & Loss	Corporate Finance	Trading and Sales	Retail Banking Rupees	Commercial Banking	Others	Total
Profit & LOSS						
Net mark-up/return/profit / (loss)	(1,139,698)	(830,804)	7,749,740	2,612,379	(1,090,479)	7,301,138
Inter segment revenue - net	(3,937)	(1,157,607)	297,766	1,451,531	(587,753)	-
Non mark-up / return / interest income	72,352	1,628,761	1,909,646	878,710	(30,915)	4,458,554
Total Income	(1,071,283)	(359,650)	9,957,152	4,942,620	(1,709,147)	11,759,692
Segment direct expenses	27,909	108,301	4,116,640	493,602	4,590,044	9,336,496
Inter segment expense allocation	100,217	238,357	2,933,936	980,238	(4,252,748)	-
Total expenses	128,126	346,658	7,050,576	1,473,840	337,296	9,336,496
Provisions	3,020		139,818	121,522	193,430	457,790
Profit before tax	(1,202,429)	(706,308)	2,766,758	3,347,258	(2,239,873)	1,965,406
September 30, 2020 (Un-audited) Balance Sheet						
Cash & Bank balances	-	-	31,810,622	2,395,244	-	34,205,866
Investments	2,255,377	158,747,592	-	7,383,159	-	168,386,128
Net inter segment lending	-	-	97,261,954	60,855,810	22,010,463	180,128,227
Lendings to financial institutions	-	8,655,689	-	124,277	-	8,779,966
Advances - net						
Advances - performing	626	-	45,807,087	188,204,309	-	234,012,022
Advances - non-performing Advances - (Provisions)/reversals - Net	-	-	5,917,962 (1,410,657)	5,719,385 (2,386,639)	-	11,637,347 (3,797,296)
Auvalices - (Plovisiolis)/levelsais - Net	- 626		50,314,392	191,537,055		241.852.073
Others	- 020				24,766,136	24,766,136
Total Assets	2,256,003	167,403,281	179,386,968	262,295,545	46,776,599	658,118,396
Borrowings	-	15,473,176	-	18,843,703	-	34,316,879
Subordinated debt	-	-	-	-	7,494,800	7,494,800
Deposits & other accounts	1,835	-	152,882,548	239,068,242	-	391,952,625
Net inter segment borrowing	2,254,168	151,930,105	21,850,336	4,093,618	-	180,128,227
Others	-	-	4,654,085	289,981	19,238,646	24,182,712
Total liabilities	2,256,003	167,403,281	179,386,969	262,295,544	26,733,446 20,043,153	638,075,243
Equity Total Equity & liabilities	2,256,003	- 167,403,281	179,386,969	262,295,544	46,776,599	20,043,153 658,118,396
	2,200,003	107,403,201	119,000,909	202,293,344	40,770,099	000,110,090
Contingencies & Commitments	-	73,044,870	53,661,938	21,733,308	160,100	148,600,216

for the nine months period ended September 30, 2020

	Corporate Finance	Trading and Sales	Retail Banking	Commercial Banking	Others	Total
September 30, 2019 (Un-audited)			Rupees	s in '000		
Profit & Loss						
Net mark-up/return/profit / (loss)	-	2,843,999	(5,201,665)	7,643,120	-	5,285,454
Inter segment revenue - net	-	(8,317,572)	13,505,984	(5,188,412)	-	-
Non mark-up / return / interest income	51,341	196,328	1,269,374	710,484	93,252	2,320,779
Total Income	51,341	(5,277,245)	9,573,693	3,165,192	93,252	7,606,233
Segment direct expenses	81,067	100,284	4,460,064	553,272	198,404	5,393,091
Inter segment expense allocation	-	233,822	1,329,587	946,962	-	2,510,371
Total expenses	81,067	334,106	5,789,651	1,500,234	198,404	7,903,462
Provisions	-	115,553	152,159	233,783	-	501,495
Profit before tax	(29,726)	(5,726,904)	3,631,883	1,431,175	(105,152)	(798,724)
December 31, 2019 (Audited) Balance Sheet						
Cash & Bank balances	-	17,153,413	8,898,772	-	-	26,052,185
Investments	-	142,568,470	-	-	-	142,568,470
Net inter segment lending	-	-	202,362,517	-	8,089,077	210,451,594
Lendings to financial institutions	-	30,320,540	-	-	-	30,320,540
Advances - net						
Advances - performing	-	-	94,201,743	141,898,229	-	236,099,972
Advances - non-performing	-	-	3,508,735	6,844,429	-	10,353,164
Advances (Provisions) - Net	-	-	(469,382)	(3,039,245)	-	(3,508,627)
<b>e</b>	-	-	97,241,096	145,703,413	-	242,944,509
Others	-	4,831,115	3,925,690	5,017,351	14,389,284	28,163,440
Total Assets	-	194,873,538	312,428,075	150,720,764	22,478,361	680,500,738
Borrowings	-	36,295,878	7,090,687	11,081,718	-	54,468,283
Subordinated debt	-	7,494,800	-	-	-	7,494,800
Deposits & other accounts	-	-	295,347,351	74,442,613	-	369,789,964
Net inter segment borrowing	-	150,619,213	-	59,832,381	-	210,451,594
Others	-	463,647	9,990,037	5,364,052	5,145,106	20,962,842
Total liabilities	-	194,873,538	312,428,075	150,720,764	5,145,106	663,167,483
Equity	-	-	-		17,333,255	17,333,255
Total Equity & liabilities	-	194,873,538	312,428,075	150,720,764	22,478,361	680,500,738
Contingencies & Commitments	-	59,810,338	43,939,275	17,795,589	131,093	121,676,295

#### 37. RELATED PARTY TRANSACTIONS

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

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

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

			s al oepleilloe	AS at Septertiber SU, 2020 (UII-audited)	nnien				AS & DAGEIDA	AS AL DECENTION 31, 2019 (AUUTED)	au)	
	Parent	Directors	Key management personnel	Subsidiaries	Associates	Other Associates related parties	Parent	Directors	Key management personnel	Subsidiaries	Associates	Other related parties
Lendings to financial institutions						(nnn 111 seednu)	(nnn III s					
Opening balance		•										
Audition during the period / year Repaid during the period / year						3,400,000)						
Closing balance	.	'		'			,				,	
Investments												
Opening balance	'		'	1,919,121	228,972	1,617,327				1,919,121	180,000	1,964,110
Investment made during the period / year Investment renteemed / discoverd off during the wear	• •		• •		40,828	3,309,279 /2 125 000)					48,972	1,542,991 /1 889 774)
Closing balance				1,919,121	269,800	2,801,606				1,919,121	228,972	1,617,327
Provision for diminution in value of investments	·	·				65,022	ľ		·			65,022
Advances												
Opening balance		' 9	596,257	'		1,946,481		5,230	448,575	'		2,823,598
Addition during the period / year		₿į	C96,121	96,682	'	1,004,6/1		316	069,225			5,086,823
Hepala auning the period / year Transfer in / (ni it) - net		(5/4) 23.126	129,236		- 224 744	2 528 017 2 528 017		(a+c'c)	(IZU, I ID) (54 793)			(b, 320, UDB) 356, 128
Closing balance		22,592	723,545	96,682	224,744		ľ	ľ	596,257	ľ	ľ	1,946,481
Fixed Assets												
Purchase of building		•								607,299		
Cost of disposal	'	'	'	'	'	'			43,410		1	17,657
Accumulated depreciation of disposal WDV of disposal	' '	· ·	' '	· ·	'''	· ·			(12,927) 30,483	, ,	, ,	9,655 9,655
Other Assets												
Interest mark-up accrued Doorwebb conject homoses more / homostal/ofij			412	598		78,112 50,640		48	473			49,640 67.052
receivative again is usan cassurance / usi loarananu Advance for subscription of TFC - unsecured											40.828	01,30
Prepaid insurance												97,806
Dividend Receivable		•					,			208,948		
Other receivable	•	•		•		'				6, 133		1,000
Provision against other assets		•	'	•	'	•				,		249

		¥	s at September	As at September 30, 2020 (Un-audited)	udited)				As at December	As at December 31, 2019 (Audited)	d)	
	Parent	Directors	Key management personnel	Subsidiaries	Associates	Other Subsidiaries Associates related parties Britosociates Calates	tther d parties Parent	Directors	Key management personnel	Subsidiaries	Associates	Other related parties
Borrowings						sodni il	looo III e					000 000 1
Upening balance Borrowings during the period / vear						- 11.105.705						4,800,000
Settled during the period / year						(11,105,705)						(179,009,491)
Closing balance									•			
Deposits and other accounts												
Opening balance	271,648	24,444	59,593	1,246,363	23,104		336,515	24,308	74,950	1,606,413		9,656,833
Received during the period / year	4,583,096	295,524	543,849	382,950,341	473,525		4,332,699	160,210	1,437,872	538,270,222	1,023,592	235,460,531
Withdrawn during the period / year Transfer in / (out) - net	(3,931,313) -	(299,434) 2,777	(550,772) (7,876)	(382,232,615)	(491,577)	(114,012,876) 1,442,126	(4,364,266) (33,300)	(137,680) (22,394)	(1,450,123) (3,106)	(538,630,272) -	(1,042,362) 41,874	(236,784,614) 289,451
Closing balance	923,431	23,311	44,794	1,964,089	5,052	10,925,753	271,648	24,444	59,593	1,246,363	23,104	8,622,201
Subordinated debt		'		'	'	889,510	1					889,588
Other Liabilities												
Interest / return / mark-up payable on deposits	'	'	80	•	'	147,060	,	,	114		•	286,949
Interest / return / mark-up payable on subordinated debt	'	•		•		35,495	•				•	2,220
Payable to defined benefit plan	'	•		'		161,822	•			'	•	147,885
Others payable		•		727						5,638		
Represented By												
Share Capital	9,733,073	•	902			45,655	9,733,073	17,330	006			81,765
Contingencies and Commitments						000						110
Letter of guarantee												112,41
Letter of Urealt						847'AZ	•	•		•		305, 14

for the nine months period ended September 30, 2020

			Key						Key			
	Parent	Directors	management	Subsidiaries	Associates	Other related parties	ties Parent	Directors	management	Subsidiaries	Associates	Other related parties
Income						220(hu)	(nnn 111 s					
Mark-up / return / interest earned		1,476	30,954		16,367	165,033		211	9,269			273,743
Fee and commission income	•	6	613	40	•	176,599		29	243	•		223,746
Dividend income	•					62,762					,	57,095
Gain on sale of securities - net			•			3,808						560
Other income	•	'								1,594		
Expense												
Mark-up / return / interest paid	25,586	873	1,095	125,144	1,952	626,267	29,605	1,665	2,929	181,490	1,829	1,075,822
Commission / charges paid				7,882						3,349		
Preference Dividend Paid	•	•	•		•	•	23,419	161				38
Remuneration paid		34,635	224,234						343,874			
Non-executive directors' fee		13,040	•		•			5,700				
Net charge for defined contribution plans						170,642						157,763
Net charge / (reversal) for defined benefit plans						161,822						115,816
Fee and subscription		•	'					•	•			
Donation			•	•	•	58,919						
Rental expense						162				2,945		
Advisory fee			•	•	•							15,000
Other expenses	1,133	•	•			3,394						1,929
Reimbursement of expenses	2,551	130	4,093	,		30,598	1,211	622		1,089		
Payments made during the period												
Insurance premium paid						381,837						311,253
Insurance claims settled	•	'		•		2,793						8,036

Nine Months ended: September 30, 2020 | 50

		(Un-audited) September 30, 2020 Bunees	(Audited) December 31, 2019 ; in '000
38.	CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS	hapote	
38.1	Minimum Capital Requirement (MCR): Minimum Capital Requirement (MCR):	10,119,242	10,119,242
	Capital Adequacy Ratio (CAR): Eligible Common Equity Tier 1 (CET 1) Capital Eligible Additional Tier 1 (ADT 1) Capital Total Eligible Tier 1 Capital Eligible Tier 2 Capital Total Eligible Capital (Tier 1 + Tier 2)	15,950,697 2,500,000 18,450,697 4,848,770 23,299,467	14,619,607 2,500,000 17,119,607 4,306,756 21,426,363
	Risk Weighted Assets (RWAs): Credit Risk Market Risk Operational Risk Total	162,198,174 1,039,360 20,468,251 183,705,785	144,380,673 924,762 20,468,251 165,773,686
	Common Equity Tier 1 Capital Adequacy ratio	8.68%	8.82%
	Tier 1 Capital Adequacy Ratio	10.04%	10.33%
	Total Capital Adequacy Ratio	12.68%	12.93%
38.2	Leverage Ratio (LR): Eligible Tier-1 Capital Total Exposures Leverage Ratio	18,450,697 567,074,946 3.25%	17,119,607 501,440,747 3.41%
38.3	Liquidity Coverage Ratio (LCR): Total High Quality Liquid Assets Total Net Cash Outflow Liquidity Coverage Ratio	149,028,128 55,388,141 269.06%	83,221,592 55,819,412 149.09%
38.4	Net Stable Funding Ratio (NSFR): Total Available Stable Funding Total Required Stable Funding Net Stable Funding Ratio	316,842,950 262,212,382 120.83%	308,715,925 274,288,642 112.55%

for the nine months period ended September 30, 2020

#### 39. RECLASSIFICATION

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

Reclassified				
From	То			

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

Statement

Other liabilities Other assets

(165,858)

#### 40. GENERAL

- 40.1 These condensed interim unconsolidated financial statements have been prepared in accordance with the revised format for financial statements of Banks issued by the SBP through BPRD Circular no. 5 dated March 22, 2019 and related clarifications / modifications.
- **40.2** The figures in these condensed interim unconsolidated financial statements have been rounded off to the nearest thousand.

#### 41. DATE OF AUTHORISATION FOR ISSUE

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

President and	Chief Financial Officer
Chief Executive Officer	

Director

Director

Chairman

Nine Months ended: September 30, 2020 | 52

# Condensed Interim Consolidated Financial Statements

# Condensed Interim Consolidated Statement of Financial Position

as at September 30, 2020

ASSETS	Note	(Unaudited) September 30, 2020 Rupees	(Audited) December 31, 2019 s in '000
Cash and balances with treasury banks Balances with other banks Lendings to financial institutions Investments Advances Fixed assets Intangible assets Deferred tax assets Other assets Assets held for sale	6 7 9 10 11 12 18 13 11.3	33,588,181 689,984 8,779,966 168,285,734 242,145,482 10,141,397 2,448,628 - 14,662,624 -	25,590,173 476,302 30,320,540 143,124,623 243,285,308 10,693,945 2,302,474 125,857 17,148,346 374,000
LIABILITIES		480,741,996	473,441,568
Bills payable Borrowings Deposits and other accounts Liabilities against assets subject to finance lease Subordinated debt Deferred tax liabilities Other liabilities	14 15 16 17 18 19	4,341,456 34,316,879 389,988,538 - 7,494,800 1,100,755 21,227,370 458,469,798	3,804,491 54,468,283 368,543,603 - 7,494,800 - 19,649,079 453,960,256
NET ASSETS		22,272,198	19,481,312
REPRESENTED BY			
Share capital - net Reserves Surplus on revaluation of assets Unappropriated profit Non-controlling interest	20	10,119,242 2,012,307 2,906,401 6,721,271 21,759,221 512,977 22,272,198	10,119,242 1,749,672 1,308,531 5,795,596 18,973,041 508,271 19,481,312
CONTINGENCIES AND COMMITMENTS	21		19,401,012
The annexed notes from 1 to 41 form an integral p financial statements.		se condensed inte	erim consolidated

President and Chief Executive Officer	Chief Financial Officer	Director	Director	Chairman
Nine Months ended: Septer	mber 30, 2020   54			

### Condensed Interim Consolidated Profit and Loss Account (Un-audited)

for the nine months period ended September 30, 2020

		Quarter	ended	Nine months	period ended
		September 30,	September 30,	September 30,	September 30,
	Note	2020	2019 Bubee	<b>2020</b> s in '000	2019
	Note		Rupee	IS IN 000	
Mark-up / return / interest earned	23	9,557,420	11,228,560	33,958,743	30,335,091
Mark-up / return / interest expensed	24	7,396,155	9,598,520	26,571,027	24,919,550
Net mark-up / interest income		2,161,265	1,630,040	7,387,716	5,415,541
NON MARK-UP / INTEREST INCOME					
Fee, commission and brokerage income	25	1,161,948	780,525	3,254,673	2,387,111
Dividend income		11,594	14,705	96,611	140,829
Foreign exchange income		383,243	243,716	735,166	680,837
Income from derivatives Gain / (loss) on securities	26	16,776 154,995	(12,382) (151,034)	33,983 937,592	36,270 (520,033)
Share of profit / (loss) from associates	20	1,829	(1,051)	(13,969)	12,753
Other income	27	44,104	25,992	84,052	107,151
Total non mark-up / interest income		1,774,489	900,471	5,128,108	2,844,918
Total Income		3,935,754	2,530,511	12,515,824	8,260,459
NON MARK-UP / INTEREST EXPENSES					
Operating expenses	28	3,339,688	2,870,424	9,897,564	8,654,171
Workers welfare fund	29	6,600	40	20,320	606
Other charges	30	20	886	74,607	1,134
Total non-mark-up / interest expenses Profit / (loss) before provisions		3,346,308	2,871,350	9,992,491	8,655,911
Profit / (loss) before provisions		589,446	(340,839)	2,523,333	(395,452)
Provisions / (reversals) and write offs - net Extraordinary / unusual items	31	11,583 -	(91,831)	431,767 -	501,822
PROFIT / (LOSS) BEFORE TAXATION		577,863	(249,008)	2,091,566	(897,274)
Taxation	32	239,500	(67,331)	990,986	(140,951)
PROFIT / (LOSS) AFTER TAXATION		338,363	(181,677)	1,100,580	(756,323)
Attributable to:					
Equity holders of the Bank		333,364	(204,465)	1,107,038	(727,858)
Non-controlling interest		4,999	22,788	(6,458)	(28,465)
0		338,363	(181,677)	1,100,580	(756,323)
			Ru	ipee	
Basic and diluted earnings / (loss) per share	33	0.26	(0.16)	0.85	(0.58)

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

President and Chief Executive Officer Chief Financial Officer

Director

Director

Chairman

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### Condensed Interim Consolidated Statement of Comprehensive Income

for the nine months period ended September 30, 2020

	Quarter		Nine months	period ended
	September 30, 2020	September 30, 2019 Rupees	September 30, 2020 s in '000	September 30, 2019
Profit / (loss) after tax for the period	338,363	(181,677)	1,100,580	(756,323)
Other comprehensive (loss) / income				
Items that may be reclassified to profit and loss account in subsequent periods:				
Effect of translation of net investment in foreign branch	(7,895)	(13,279)	29,537	38,935
Movement in surplus / (deficit) on revaluation of investments - net of tax Movement in general provision	(329,999)	149,942	1,626,105	714,416
under IFRS 9 - net Share of other comprehensive loss from	15,155	(5,380)	40,786	(32,487)
associated companies - net of tax	(314,844)	- 144,562	(2,316) 1,664,575	- 681,929
Items that will not be reclassified to profit and loss account in subsequent periods:				
Movement in surplus on revaluation of operating fixed assets - net of tax Share of other comprehensive income from	-	-	75,356	365,354
associated companies - net of tax		-	1,216 76,572	31,727 397,081
Total other comprehensive income	(322,739)	131,283	1,770,684	1,117,945
Total comprehensive income / (loss)	15,624	(50,394)	2,871,264	361,622
Attributable to:				
Equity holders of the Bank Non-controlling interest	(15,468) <u>31,092</u> <u>15,624</u>	54,530 (104,924) (50,394)	2,854,148 <u>17,116</u> <u>2,871,264</u>	420,155 (58,533) 361,622
The annexed notes from 1 to 41 form an integra	l part of these con	densed interim co	onsolidated financi	al statements.

Director

Nine Months ended: September 30, 2020 | 56

### Condensed Interim Consolidated Statement of Changes in Equity

for the nine months period ended September 30, 2020

			A + +	ibutable to chem	holdom of the De	nk		·		
	Attributable to shareholders of the Bank Reserves Surplus / (Deficit) on revaluation of									
	Share capital	Statutory reserve*	Exchange translation	Investments	Fixed assets	Non banking assets	Un- appropriated profit	Sub-total	Non- controlling interest	Total
Opening balance as at January 01, 2019 - audited	10,119,242	1,641,236	70,934	(2,080,364)	1,164,974	92,858	5,825,742	16,834,622	1,604,197	18,438,819
Total comprehensive income for the nine months period ended September 30, 2019 - un-audited										
Loss after taxation Other comprehensive income / (loss) - net of tax	-	-	38.935	734.673	374,397	:	(727,858)	(727,858)	(28,465) (30,068)	(756,323)
	-	-	38,935	734,673	374,397		(727,850)	420,155	(58,533)	361,622
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax										
Fixed assets	-	-	-	-	(22,086)	-	22,086	-	-	-
Non-banking assets acquired in satisfaction of claims		-	-			(61)	61			-
Transaction with owners recorded directly in equity										
Preference dividend paid for the year ended December 31, 2018 @ 12% p.a.	-	-	-	-	-	-	(24,164)	(24,164)	-	(24,164)
Buy-back of shares by subsidiary from NCI	-	-	-	-	-	-	-	-	(497,271)	(497,271)
Gain arised on buy back of shares by subsidiary	-	-	-	-	-	-	108,240	108,240	57,874	166,114
Balance as at September 30, 2019 - unaudited	10,119,242	1,641,236	109,869	(1,345,691)	1,517,285	92,797	5,204,115	17,338,853	1,106,267	18,445,120
Total comprehensive income for the period ended December 31, 2019										
Profit after taxation Other comprehensive (loss) / income - net of tax	-	-	- (6,364) (6,364)	- 979,896 979,896	- 77,900 77,900	-	482,573 (11,090) 471,483	482,573 1,040,342 1,522,915	17,142 (55,964) (38,822)	499,715 984,378 1,484,093
Transfer to statutory reserve	-	4,931	-	-	-	-	(4,931)	-	-	-
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax										
Fixed assets	-	-	-	-	(13,635)	-	13,635	-	-	-
Non-banking assets acquired in satisfaction of claims	-	-	-	-	-	(21)	21	-	-	-
Transaction with owners recorded directly in equity										
Interim cash dividend to non-controlling interest by subsidiary company @ Rs. 4 per share	-	-	-	-	-	-	-	-	(38,152)	(38,152)
Buy-back of shares by subsidiary from NCI	-	-	-	-	-	-	-	-	(504,382)	(504,382)
Gain arised on buy back of shares by subsidiary	-	-	-	-	-	-	111,273	111,273	(16,640)	94,633
Balance as at December 31, 2019 - audited	10,119,242	1,646,167	103,505	(365,795)	1,581,550	92,776	5,795,596	18,973,041	508,271	19,481,312
Total comprehensive income for the nine months period ended September 30, 2020 - un-audited										
Profit / (loss) after taxation Other comprehensive income / (loss) net of tax	 	-	- 29,537 29,537	- 1,643,317 1,643,317	- 76,572 76,572	-	1,107,038 (2,316) 1,104,722	1,107,038 1,747,110 2,854,148	(6,458) 23,574 17,116	1,100,580 1,770,684 2,871,264
Transfer to statutory reserve	-	233,098	-	-	-	-	(233,098)	-	-	-
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax										
Fixed assets	-	-	-	-	(29,833)	-	29,833	-	-	-
Non-banking assets acquired in satisfaction of claims	-	-	-	-	-	(61)	61	-	-	-
Assets held for sale	-	-	-	-	(92,125)	-	92,125	-	-	-
Pre-acquisition surplus (net) on available-for-sale investments realised during the year	-	-	-		-	-	(67,968)	(67,968)	(12,410)	(80,378)
Balance as at Sepetmber 30, 2020 - unaudited	10,119,242	1,879,265	133,042	1,277,522	1,536,164	92,715	6,721,271	21,759,221	512,977	22,272,198

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

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

President and Chief Executive Officer Chief Financial Officer

Director

Director

Chairman

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# Condensed Interim Consolidated Cash Flow Statement (Un-audited)

		September 30, 2020	September 30, 2019
	Note	Rupees	
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before taxation		2,091,566	(897,274)
Less: Dividend income Add / (less): Share of loss / (profit) from associates		(96,611) 13,969	(140,829) (12,753)
		2,008,924	(1,050,856)
Adjustments:	00	570.000	054.040
Depreciation Depreciation on non-banking assets	28 28	579,380 6,808	651,210 628
Depreciation - right of use assets	28	768,609	583,847
Amortisation of intangible assets Charge for defined benefit plan	29	86,669 161,822	71,641 115,816
Unrealised loss /(gain) on revaluation of investments classified		101,022	113,010
as held-for-trading - net	26	7,633	(14,910)
Unrealised (gain) / loss on revaluation of forward foreign exchange contracts Unrealised gain on revaluation of derivative instruments - net		(3,349) (23,936)	242,665 (21,565)
Provisions and write offs - net	31	431,767	501,822
Provision for workers welfare fund		20,320	606
Mark-up / return / interest expense on lease liability against right-of-use assets	24	401,562	382,477
Loss / (gain) on sale of fixed assets - net	27	172	(98,048)
Gain on sale of assets held for sale Gain on termination of leases	27 27	(1,000) (52,510)	-
	21	2,383,947	2,416,189
Decrease (linerase) in exercting essets		4,392,871	1,365,333
Decrease / (increase) in operating assets Lendings to financial institutions		21,541,836	711,310
Held-for-trading securities		47,967,739	(15,669,657)
Advances Other assets (excluding advance taxation)		851,157 2,091,780	13,250,923 (274,750)
· • •		72,452,512	(1,982,174)
Increase / (decrease) in operating liabilities Bills payable		536,965	(345,851)
Borrowings		(20,084,526)	(36,286,020)
Deposits and other accounts		21,444,935	5,358,704
Other liabilities		2,349,103 4,246,477	(1,632,002) (32,905,169)
		81,091,860	(33,522,010)
Gratuity paid Income tax paid		(151,881) (92,454)	(102,494) (397,230)
Net cash flow from / (used) in operating activities		80,847,525	(34,021,734)
CASH FLOW FROM INVESTING ACTIVITIES			
Net investment in available-for-sale securities		(67,455,732)	17.190.970
Net investment in held-to-maturity securities		(3,336,453)	8,195,552
Investment in associated companies		(40,828)	(21,239)
Dividend received Investments in fixed assets		96,611 (1.132,999)	137,701 (1.017,349)
Investments in intangible assets		(232,823)	(173,504)
Proceeds from sale of fixed assets Proceeds from sale of assets held for sale		16,490 375,000	150,105
Effect of translation of net investment in foreign branch		29,537	38,935
Net cash (used in) / flow from investing activities		(71,681,197)	24,501,171
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividend paid on preference shares		-	(24,164)
Payment of lease liability against right of use assets Subordinated debt		(887,737)	(209,064) (1,000)
Shares bought back from non-controlling interest			(331,157)
Increase / (decrease) in cash and cash equivalents		(887,737) 8,278,591	(565,385) (10,085,948)
Cash and cash equivalents at beginning of the period	34	25,429,551	32,587,698
	<u></u>		
Cash and cash equivalents at end of the period		33,708,142	22,501,750
The annexed notes from 1 to 41 form an integral part of these consolidated of	ondensed	d interim financial stat	ements.

President and	Chief Financial Officer	Director	Director	Chairman
Chief Executive Officer				
Nine Months ended: Septem	ber 30, 2020   58			

for the nine months period ended September 30, 2020

#### 1. STATUS AND NATURE OF BUSINESS

#### 1.1 The "Group" consists of:

#### 1.1.1 Holding Company: JS Bank Limited

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

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

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

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

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

for the nine months period ended September 30, 2020

#### 1.1.3 Composition of the Group

		Ownershi	ip interest a	nd votin	g po	wer held
		Septembe	r 30, 2020	Decer	mber	31,2019
	Note	The Group	NCI	The Gro	guc	NCI
	Subsidiary companies					
	JS Global Capital Limited 1.1.3.1	83.53%	16.47%	67.16	%	32.84%
	JS Investment Limited	84.56%	15.44%	65.16	%	34.84%
	JS ABAMCO Commodities Limited	84.56%	15.44%	65.16	%	34.84%
				nip intere wer held		nd voting Bank
			Septemb	oer 30,	Dec	ember 31,
			202	0		2019
1.2	Composition of the Associated Comp	banies				

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

9.60%	9.60%
9.12%	8.00%
9.12%	9.12%

#### 2. BASIS OF PRESENTATION

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

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

#### 2.2 Statement of Compliance

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

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

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

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

for the nine months period ended September 30, 2020

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

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

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

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

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

#### 2.3 BASIS OF CONSOLIDATION

#### 2.3.1 The Group

- The condensed interim consolidated financial Statements include the financial statements of the Holding Company (The Holding Company) and its subsidiary companies together "the Group".
- Subsidiaries are entities controlled by the Group. Control exists when the Group is
  exposed, or has rights, to variable returns from its investment with investee and has
  the ability to effect those return through its power over the investee except investment

for the nine months period ended September 30, 2020

in mutual funds established under trust structure where IFRS 10 'Consolidated Financial Statements' is not applicable in case of investment by companies in mutual funds established under Trust structure.

- These condensed interim consolidated financial Statements incorporate the financial statements of subsidiaries from the date that control commences until the date that control ceases.
- The assets, liabilities, income and expenses of subsidiary companies have been consolidated on a line by line basis.
- Non-controlling interests are that part of the net results of operations and of net assets of subsidiaries attributable to interest which are not owned by the holding company.
- Material intra-group balances and transactions are eliminated.

#### 2.3.2 Associates

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

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

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

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

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

Standard, Interpretation or Amendment	Effective date (annual periods beginning on or after)
IFRS 9 'Financial Instruments (refer note 2.1 above)	January 01, 2021
Further, following new standards have been issued by by the SECP for the purpose of applicability in Pakista	2

IFRS 1 - First time adoption of IFRSs January 01, 2014 IFRS 17 - Insurance Contracts January 01, 2021

# 3. CRITICAL ACCOUNTING ESTIMATES AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

for the nine months period ended September 30, 2020

#### 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

#### 5. FINANCIAL RISK MANAGEMENT

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

#### 5.1 COVID - 19 outbreak and it's impact

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

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

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

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

#### 5.1.1 Assets quality and credit risk

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

#### 5.1.2 Liquidity management

The Holding Company has received applications for deferral of principal and / or restructuring / rescheduling and is expected to receive further such applications. These applications are being reviewed by the Holding Company as per its established policies. The Asset and Liability Committee (ALCO) of the Holding Company is continuously

for the nine months period ended September 30, 2020

monitoring the liquidity position and is taking due precautionary measures where needed. The Holding Company has conducted various stress testing on its liquidity ratios and is confident that the liquidity buffer currently maintained by the Holding Company is sufficient to cater any adverse movement in cash flow maturity profile.

#### 5.1.3 Equity investments

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

#### 5.1.4 Foreign Exchange Risk

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

#### 5.1.5 Operations

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

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

#### 5.1.6 Capital Adequacy Ratio

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

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

for the nine months period ended September 30, 2020

		(Un-audited) September 30, 2020				(Audited) December 31, 2019				
INVESTMENTS	Note	Cost / Amortised cost	Provision for diminution	Surplus / (Deficit)	Carrying Value	Cost / Amortised cost n '000	Provision for diminution	Surplus / (Deficit)	Carrying Value	
1 Investments by type										
Held-for-trading securities										
Federal Government Securities Shares Open end mutual funds		8,225,189 91,529 283,312 8,600,030	-	(93) (6,165) (1,376) (7,634)	8,225,096 85,364 281,936 8,592,396	55,601,087 486,634 444,902 56,532,623	-	(2,618) 551 11,070 9,003	55,598,469 487,185 455,972 56,541,626	
Available-for-sale securities Federal Government Securities Shares Non Government Debt Securities		110,029,058 3,357,737 3,744,375	(183,788) (696,507)	886,464 955,727 1,206	110,915,522 4,129,676 3,049,074	47,828,618 2,115,728 3,931,294	(136,589) (696,507)	(809,244) 25,107 (6,889)	47,019,374 2,004,246 3,227,898	
Open end mutual funds Foreign Securities		831,909 4,339,975	-	315,178 (356,412)	1,147,087 3,983,563	969,276 2,406	(26,023)	279,616	1,222,869 2,406	
Held-to-maturity securities Federal Government Securities		122,303,054 36,196,335	(880,295)	1,802,163	123,224,922	54,847,322 32,859,882	(859,119)	(511,410)	53,476,793 32,859,882	
Associates		272,081	-	-	36,196,335 272,081	246,322	-	-	246,322	
Total Investments		167,371,500	(880,295)	1.794.529	168,285,734	144.486.149	(859.119)	(502.407)	143,124,623	
		107,071,000	(000,200)	1,104,020	100,200,104	144,400,140	(000,110)	(002,401)	140,124,020	
<ol> <li>Investments by segments: Held-for-trading securities</li> </ol>										
Federal Government Securities Market Treasury Bills Pakistan Investment Bonds		8,202,316 22,873		(102)	8,202,214 22,882	55,601,087	:	(2,618)	55,598,469	
Shares:		8,225,189	-	(93)	8,225,096	55,601,087	· ·	(2,618)	55,598,469	
Listed Companies Ordinary shares		91,529	-	(6,165)	85,364	486,634	-	551	487,185	
Open End Mutual Funds	9.2.1	283,312	-	(1,376)	281,936	444,902	-	11,070	455,972	
Available-for-sale securities										
Federal Government Securities: Market Treasury Bills Pakistan Investment Bonds		55,963,228 54,065,830		251,201 635,263	56,214,429 54,701,093	12,071,266 35,757,352	-	(364) (808,880)	12,070,902 34,948,472	
Shares: Listed Companies		110,029,058	-	886,464	110,915,522	47,828,618	-	(809,244)	47,019,374	
Ordinary shares Preference shares Unlisted Companies	9.2.2	3,210,148 136,589	(47,199) (136,589)	955,727 -	4,118,676	1,968,139 136,589	(136,589)	25,107	1,993,246	
Ordinary shares		<u>11,000</u> 3,357,737	(183,788)	- 955,727	4,129,676	2,115,728	(136,589)	- 25,107	2,004,246	
Non Government Debt Securities	i									
Listed Term Finance Certificates Sukuk Certificates Unlisted	9.2.3	430,182 321,083	(155,169)	(13) 204	275,000 321,287	445,183 493,850	(155,169)	(134) (6,755)	289,880 487,095	
Term Finance Certificates Sukuk Certificates Preference shares	9.2.4 9.2.5	1,490,805 1,474,572 27,733	(541,338)	1,015	949,467 1,475,587 27,733	1,506,195 1,458,333 27,733	(541,338)	-	964,857 1,458,333 27,733	
	0.2.0	3,744,375	(696,507)	1,206	3,049,074	3,931,294	(696,507)	(6,889)	3,227,898	
Open End Mutual Funds	9.2.6	831,909	-	315,178	1,147,087	969,276	(26,023)	279,616	1,222,869	
Foreign Securities Government Debt Securities * Non Government Debt Securities Ordinary shares	i i	- 4,329,983 9,992	-	(357,169) 757	3,972,814 10,749	2.406	-	-	2.406	
Held-to-maturity securities		4,339,975		(356,412)	3,983,563	2,406	-	-	2,406	
Federal Government Securities: Pakistan Investment Bonds	9.2.7	36,196,335	-	-	36,196,335	32,859,882			32,859,882	
Associates										
Omar Jibran Engineering Industrie Veda Transit Solutions (Private) Lir Intercity Touring Company (Private	s Limited nited 9.2.5 ) Limited	214,044 48,553 9,484 272,081	-	- - -	214,044 48,553 9,484 272,081	224,782 4,774 16,766 246,322			224,782 4,774 16,766 246,322	
Total Investments		167,371,500	(880,295)	1,794,529	168,285,734	144,486,149	(859,119)	(502,407)	143,124,623	
*Deficit on revoluction of foreign	alaha asa dala			plating to invoc	tmonte hold by th	o Banke' Bahrain	Describer of the	or ovalained i		

\*Deficit on revaluation of foreign debt securities includes expected credit loss relating to investments held by the Banks' Bahrain Branch as further explained in note 20.2.

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

	1.2						
		(Un-au) September	· 30, 2020	(Audited) December 31, 2019			
		Cost	Market value	Cost	Market value		
9.3	Investments given as collateral		Rupees	s in '000			
	Available-for-sale securities						
	Federal Government Securities: Market Treasury Bills Pakistan Investment Bonds Foreign Securities Government Debt Securities	2,702,782	- - 2,524,650	4,453,165 22,232,264 26,685,429	4,452,597 21,475,720 25,928,317		
	Non Government Debt Securities	2,702,782	2,524,650	-	-		
		2,702,782	2,524,650	26,685,429	25,928,317		

for the nine months period ended September 30, 2020

		(Un-audited)	(Audited)
		September 30,	December 31,
		2020	2019
		Rupees	in '000
9.4	Provision for diminution in value of investments		
9.4.1	Opening balance	859,119	1,204,419
	Charge during the period / year	48,035	251,675
	Reversal during the period / year	(26,859)	(596,975)
	Charge / (reversals) during the period / year	21,176	(345,300)
	Closing balance	880,295	859,119

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

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

### 9.4.2 Particulars of provision against debt securities

10.

10.1

debt securities									
				(Un-au tember		1) 2020	(Audi December		
			Ň	PI	Pro	vision	NPI	Provision	
Category of classific	cation					Rupees ir	n '000		
Domestic									
Other assets especial Substandard	ally mentio	ned		-		-	-	-	
Doubtful				-	~~~		-	-	
Loss			696	,507 ,507		6,507 6,507	696,507 696,507	696,507 696,507	
ADVANCES									
/ D V/ WOLD		Perfo	rming Non Performing				Total		
	(Unau Septem 202	ber 30,	(Audited) December 31, 2019	(Unaudit September 2020		(Audited) December 31, 2019	(Unaudited) September 30, 2020	(Audited) December 31, 2019	
I	Note		2019		pees i	n '000		2019	
Loans, cash credits, running finances	s, etc. 234,3	05,431	225,327,657	<b>11,637,347</b> 10,353,164		245,942,778	235,680,821		
Bills discounted and purchased Advances - gross	234,3	- 05,431	<u>11,113,114</u> 236,440,771	11,637	,347	10,353,164	245,942,778	<u>11,113,114</u> 246,793,935	
Provision against advances			(101.100)				-) (	(101.100)	
General General provision - under IFRS-9 1	0.3.2 (2	- 4,203)	(161,166) (7,520)		-	-	(24,203)	(161,166) (7,520)	
Specific	10.3 (2	- 24,203)	(168,686)	(3,773)		(3,339,941) (3,339,941)	(1, 1, 1, 1, 1)	(3,339,941) (3,508,627)	
Advances - net of provision	234,2	81,228	236,272,085	7,864	,254	7,013,223	242,145,482	243,285,308	
Particulars of advances (gross)									
In local currency							238,605,571	238,073,921	
In foreign currencies							7,337,207 245,942,778	8,720,014 246,793,935	

for the nine months period ended September 30, 2020

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

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

#### **10.3** Particulars of provision against non-performing advances

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

- 10.3.1 The Holding Company, in accordance with BPRD circular letter No. 31 of 2020 dated July 10, 2020, has taken the benefit of general provision to make good the specific provision requirement of the consumer financing portfolio till December 31, 2021.
- 10.3.2 The State Bank of Pakistan through various circulars has allowed benefit of the forced sale value (FSV) of Plant and Machinery under charge, pledged stock and mortgaged residential, commercial and industrial properties (land and building only) held as collateral against non-performing loans (NPLs) for a maximum of five years from the date of classification. As at September 30, 2020, the Holding Company has availed cumulative benefit of FSV of Rs. 4,902.266 million (December 31, 2019: Rs.4,120.009 million) under the directives of the SBP. Had the benefit not been taken the unappropriated profit after tax would have reduced by Rs. 3,186.473 million (December 31, 2019: Rs. 2,678.006 million). Further, as required by the SBP directives, this unappropriated profit will not be available for distribution as dividend or other appropriations.

for the nine months period ended September 30, 2020

#### 10.3.3 Advances - Deferred & Restructured / Rescheduled

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

11.	FIXED ASSETS	Note	(Un-audited) September 30, 2020 Rupees	2019
	Capital work-in-progress Property and equipment Right-of-use assets	11.1 11.1.1&27.1	802,922 6,260,340 <u>3,078,135</u> 10,141,397	146,181 6,438,632 <u>4,109,132</u> 10,693,945
11.1	Capital work-in-progress			
	Civil works Advance for purchase of leasehold Building Advance for purchase of furniture and fixt Advance for purchase of vehicles Advance for purchase of equipment and s	ures	396,416 374,423 2,228 29,679 176 802,922	124,350 

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

for the nine months period ended September 30, 2020

Building on leasehold land

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

	0 1	(Un-audited)					
		Addi	tions	Disp	osal	Write	e offs
		September 30,	September 30,				
		2020	2019	2020	2019	2020	2019
				Rupees	s in '000		
	Capital work-in-progress - net	2,228	-	-	-	-	-
	Property and equipment						
	Building on leasehold land	-	33,401	-	-	-	-
	Leasehold improvements	113,863	161,095	-	1,789	43,754	-
	Furniture and fixture	53,496	126,946	11,019	753	5,144	-
	Electrical, office and						
	computer equipment	321,425	384,900	4,792	6,898	9,610	-
	Vehicles	179	329,893	851	42,617	-	-
		488,963	1,036,235	16,662	52,057	58,508	-
		491,191	1,036,235	16,662	52,057	58,508	-
						n <b>ber 30</b> , Deo	(Audited) cember 31, 2019
11.3	Assets held for sa	le		Note		Rupees in '	

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

11.3.1

374.000

12.	INTANGIBLE ASSETS	Note	(Un-audited) September 30, 2020 Rupees	
	Capital work-in-progress Computer software Goodwill	12.1 12.2	174,322 810,681 <u>1,463,625</u> 2,448,628	107,533 731,316 <u>1,463,625</u> 2,302,474
12.1	Capital work-in-progress Advance for purchase of software		174,322	107,255
10.0	Additions to intangible assets		September 30, 2020	udited September 30, 2020 s in '000
12.2	The following additions have been made to intangible assets during the period:		hupees	S III 000
	Capital work-in-progress - net Computer software		148,884 165,723 314,607	9,855 <u>160,172</u> <u>170,027</u>
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13.	OTHER ASSETS	Note	(Un-audited) September 30, 2020 Rupees	(Audited) December 31, 2019 s in '000
	Income/ Mark-up accrued in local currency -			
	net of provision Income/ Mark-up accrued in foreign currency Trade receivable from brokerage and advisory		6,547,836 142,580	8,746,909 48,511
	business - net Advances, deposits, advance rent and		1,068,066	976,902
	other prepayments		869,129	1,040,356
	Acceptances		3,125,742	3,221,212
	Taxation (payments less provision)		381,949	794,463
	Balances due from funds under management		107,018	123,074
	Receivable against bancassurance / bancatakaful		50,649	67,952
	Stationery and stamps in hand		19,316	23,290
	Receivable in respect of home remittance		37,854	37,139
	Due from State Bank of Pakistan		202,137	116,489
	Rebates receivable from SBP and others		574,351	465,965
	Non-banking assets acquired in satisfaction of cla	lims	1,081,967	1,088,682
	Mark to market gain on derivative instruments		30,914	22,498
	Mark to market gain on forward foreign exchange cor	ntracts	3,349	65,955
	Advance for subscription of investments securities	3	-	63,108
	Inter bank fund transfer settlement		-	14,477
	Credit card settlement		65,517	29,924
	Insurance		46,107	39,100
	Others		647,402	501,505
			15,001,883	17,487,511
	Less: Provision held against other assets	13.1	(432,908)	(432,908)
	Other assets (net of provisions) Surplus on revaluation of non-banking assets		14,568,975	17,054,603
	acquired in satisfaction of claims		93,649	93,743
			14,662,624	17,148,346
13.1	Provision held against other assets			
	Trade receivable from brokerage and advisory busine	ss - ne	t 403,318	403,318
	Others		29,590	29,590
			432,908	432,908
14.	BILLS PAYABLE			
	In Pakistan		4,105,613	3,583,500
	Outside Pakistan		235,843	220,991
			4,341,456	3,804,491

for the nine months period ended September 30, 2020

15.	BORROWINGS	(Un-audited) September 30, 2020 Rupees	2019
10.	Borniowindo		
	Secured Borrowings from State Bank of Pakistan under: Export refinancing scheme (ERF) Long-Term Finance Facility (LTFF) Financing Facility for Storage of Agricultural	19,390,257 1,917,723	17,792,778 1,877,760
	produce (FFSAP) Repurchase agreement borrowings	7,788,268	300,440 <u>16,849,097</u> 36,820,075
	Borrowing from financial institutions		
	Repurchase agreement borrowings Refinancing facility for mortgage loans	1,907,267 1,914,739	12,746,732 1,961,128
		3,822,006	14,707,860
	Total secured	32,918,254	51,527,935
	Unsecured Call borrowings Overdrawn nostro accounts Total unsecured	828,511 570,114	2,303,356 636,992
	Total unsecured	1,398,625	2,940,348
15.1	Particulars of borrowings	34,316,879	54,468,283
	In local currency In foreign currencies	30,970,998 3,305,881	51,527,935 2,940,348
		34,276,879	54,468,283

### 16. DEPOSITS AND OTHER ACCOUNTS

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

for the nine months period ended September 30, 2020

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

- 17.1 In 2016, the Holding company has issued Rs.3 billion of rated, privately placed, unsecured and subordinated term finance certificates ("TFCs" or "the Issue") as an instrument of redeemable capital under Section 120 of the Companies Ordinance, 1984 and as outlined by State Bank of Pakistan, SBP, under the BPRD circular No. 06 dated August 15, 2013 and Basel III guidelines. Summary of terms and conditions of the Issue are:
  - Purpose: To contribute toward the Bank's Tier II Capital for complying with the Capital Adequacy Ratio requirement and to utilize the funds in the Bank's business operations as permitted by its Memorandum & Articles of Association.
  - Issue date: December 14, 2016
  - Tenure: Up to Seven years from the Issue date.
  - Maturity Date: December 14, 2023
  - Rating: A + (Single A Plus)
  - Profit Rate: Floating rate of return at Base rate + 1.4 percent per annum;

Base rate is defined as the average six months KIBOR prevailing on the Base Rate setting date. The Base Rate will be set for the first time on the last working day prior to the Issue Date and subsequently on the immediately preceding business day before the start of each six monthly period.

- Profit payment: Semi-annual
- Redemption: The instrument is structured to redeem 0.24% of the Issue amount during the first six years after the Issue date and the remaining Issue amount of 99.76% in two equal semi-annual installments of 49.88% each in the last year.
- Security: The Issue is unsecured and subordinated as to payment of Principal and profit to all other indebtedness of the Bank.
- Call Option: Exercisable in part or in full on or after the 10th redemption, subject to SBP's approval.
- Lock-in-clause: Principal and profit will be payable subject to compliance with MCR or CAR set by SBP.

for the nine months period ended September 30, 2020

- Loss absorbency clause: Upon the occurrence of a Point of Non-Viability event as defined by SBP's Basel III Capital Rule vide BPRD Circular # 6 of 2013 dated August 15, 2013, SBP may at its option, fully and permanently convert the TFCs into common shares of the Bank and/or have them immediately written off (either partially or in full). Number of shares to be issued to TFC holders at the time of conversion will be equal to the 'Outstanding Face Value of the TFCs' divided by market value per share of the Bank's common share on the date of trigger as declared by SBP of the non-viability event as declared by SBP, subject to a cap of 467,836,257 shares.
- 17.2 In 2017, the Holding company has issued Rs. 2 billion of rated, over the counter listed, unsecured and subordinated term finance certificates ("TFCs" or "the Issue") as an instrument of redeemable capital under Section 66 of the Companies Act, 2017 and as outlined by State Bank of Pakistan, SBP, under the BPRD circular No. 06 dated August 15, 2013 and Basel III guidelines. Summary of terms and conditions of the Issue are:

Purpose:	To contribute toward the Bank's Tier II Capital for complying with the capital adequacy requirement and to utilize the funds in the Bank's business operations as permitted by its Memorandum & Articles of Association.
Issue date:	December 29, 2017
Tenure:	Up to Seven years from the Issue date.
Maturity Date:	December 29, 2024
Rating:	A + (Single A Plus)
Profit Rate:	Floating rate of return at Base rate + 1.4 percent per annum;
	Base rate is defined as the average six months KIBOR prevailing on the Base Rate setting date. The Base Rate will be set for the first time on the last working day prior to the Issue Date and subsequently on the immediately preceding business day before the start of each six monthly period.
Profit payment:	Semi-annual
Redemption:	The instrument is structured to redeem 0.24% of the Issue amount during the first six years after the Issue date and the remaining Issue amount of 99.76% in two equal semi-annual installments of 49.88% each in the last year.
Security:	The Issue is unsecured and subordinated as to payment of Principal and profit to all other indebtedness of the Bank.
Call Option:	Exercisable in part or in full on or after the 10th redemption, subject to SBP's approval.
Lock-in-clause:	Principal and profit will be payable subject to compliance with MCR or CAR set by SBP.

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for the nine months period ended September 30, 2020

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

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

Purpose:	To contribute toward the Bank's Tier I Capital for complying with the capital adequacy requirement and to utilize the funds in the Bank's business operations as permitted by its Memorandum & Articles of Association.
Issue date:	December 31, 2018
Maturity Date:	Perpetual
Rating:	A (Single A)
Profit Rate:	Floating rate of return at Base rate + 2.25 percent per annum;
	Base rate is defined as the average six months KIBOR prevailing on the Base Rate setting date. The Base Rate will be set for the first time on the last working day prior to the Issue Date and subsequently on the immediately preceding business day before the start of each six monthly period.
Profit payment frequency:	Semi-annually on a non-cumulative basis
Redemption:	Not applicable
Security:	The Issue is unsecured and subordinated as to payment of Principal and profit to all other claims except common shares.
Call Option:	Exercisable in part or in full at a par value on or after five years from the issue date, with prior approval of SBP. The Bank shall not exercise the call option unless the called instrument is replaced with capital of same or better quality.
Lock-in-clause:	Payment of profit will me be made from current year's earning and subject to compliance with MCR or CAR set by SBP.

for the nine months period ended September 30, 2020

#### Loss absorbency clause:

Pre-Specified Trigger ("PST")	Upon the occurrence of a Pre-Specified Trigger as defined under SBP BPRD Circular # 6 of 2013 dated August 15, 2013 which stipulates that if an Issuer's Common Equity Tier 1 ("CET 1") ratio falls to or below 6.625% of Risk Weighted Assets ("RWA"), the Issuer will have full discretion to determine the amount of TFCs to be permanently converted into common shares or written off, subject to SBP regulations / instructions, and the cap specified below. The Bank will be able to exercise this discretion subject to:
	- If and when Bank's CET 1 reaches the loss absorption trigger point, the aggregate amount of Additional Tier-1 capital to be converted must at least be the amount sufficient to immediately return the CET 1 ratio to above 6.625% of total RWA (if possible);
	- The converted amount should not exceed the amount needed to bring the CET 1 ratio to 8.5% of RWA (i.e. minimum CET 1 of 6.0% plus capital conservation buffer of 2.5%);
	<ul> <li>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;</li> </ul>
Point of Non-Viability ("PONV")	Upon the occurrence of a Point of Non-Viability event as defined under SBP BPRD Circular # 6 of 2013 dated August 15, 2013, which stipulates that SBP may, at its option, fully and permanently convert the TFCs into common shares of the Issuer and / or have them immediately written off (either partially or in full). Number of shares to be issued to TFC holders at the time of conversion will be equal to the 'Outstanding Value of the TFCs' divided by market value per share of the Issuer's common / ordinary share on the date of the PONV trigger event as declared by SBP, subject to the cap specified below;
	The PONV trigger event is the earlier of:
	<ul> <li>A decision made by SBP that a conversion or temporary / permanent write-off is necessary without which the Issuer would become non-viable;</li> </ul>
	- The decision to make a public sector injection of capital, or equivalent support, without which the Issuer would have become non-viable, as determined by SBP.
	- The maximum number of shares to be issued to TFC holders at the Pre-Specified Trigger and / or Point of Non Viability (or otherwise as directed by SBP) will be subject to a specified cap of 329,595,476 ordinary shares, or such other number as may be agreed to in consultation with SBP.

18.	Note	(Un-audited) September 30, 2020 Rupees i	(Audited) December 31, 2019 n '000
	Deductible Temporary Differences on: Provision against investments Provision against loans and advances Other assets General provision under IFRS-9 Intangible other than Goodwill Unrealised loss / (gain) on revaluation of investments	(57,149) (161,235) (122,297) (30,465) (2,778)	(57,149) (132,305) (845,243) (3,097) (2,507)
	classified as held for trading Provision for workers' welfare fund	59 (3,143) (377,008)	(665) (3,143) (1,044,109)
	Taxable Temporary Differences on:Operating fixed assetsLiability against assets subject to finance lease - netGoodwillSurplus on revaluation of operating fixed assetsSurplus on revaluation of non-banking assetsacquired in satisfaction of claimsMark to market gain / (loss) on forward foreignexchange contractsUnrealized gain on revaluation of derivative financialinstrumentsSurplus / (deficit) on revaluation of investmentsclassified assets as available for sale	176,977 (1,040) 512,268 242,893 934 1,172 8,378 536,181 1,477,763 1,100,755	260,103 (7,082) 512,268 374,394 967 (51,092) 82,321 (253,627) 918,252 (125,857)
19.	OTHER LIABILITIES		
	Mark-up / return / interest payable in local currency Mark-up / return / interest payable in foreign currency Unearned commision income on guarantees Accrued expenses Acceptances Trade payable from brokerage business Unclaimed dividends Dividend payable Payable in respect of defined benefit obligation - net Withholding taxes payable Government challan collection Donation payable Security deposits against leases, lockers and others Provision for Workers' Welfare Fund Payable in respect of home remittance Retention money payable Lease liability against right-of-use assets Advance against assets held for sale 11.3.1 Insurance payable Debit card settlement Inter bank fund transfer Others	6,028,290 75,591 155,899 675,439 3,125,742 1,713,867 7,576 5,325 161,822 521,336 82,490 3,603,202 134,115 512,015 52,318 3,459,285 1 83,894 72,407 21,041 735,716 21,227,370	4,166,772 72,782 99,505 415,112 3,221,212 1,426,057 7,576 41,102 151,881 539,702 66,867 1,991 4,172,975 113,795 446,387 34,248 4,260,358 37,500 12,693 73,084 - 287,480 19,649,079

20.	SURPLUS ON REVALUATION OF ASSETS	Note	(Un-audited) September 30, 2020 Rupees	(Audited) December 31, 2019 s in '000
	Surplus / (deficit) on revaluation of: Available-for-sale securities Operating fixed assets Non-banking assets acquired in satisfaction of claims	9.1 & 20.	2 1,864,911 1,779,057 93,649	(591,788) 1,955,940 93,743
	Deferred tax on (surplus) / deficit on revalu Available-for-sale securities	ation of:	3,737,617	1,457,895
	Operating fixed assets Non-banking assets acquired in satisfaction of claims		(242,893) (934) (780,008)	(374,390) (967) (121,730)
20.1	Group's share		2,906,401	1,308,531
	Non-controlling interest		51,208 2,957,609	27,634 1,336,165
20.2	This includes general provision under IFRS 9 Rs. Nil) by Bahrain branch of the Bank.	of Rs. 62	.748 million (Dece (Un-audited)	ember 31, 2019: (Audited)
		Note	September 30, 2020	December 31, 2019 s in '000
21.	CONTINGENCIES AND COMMITMENTS			
	Guarantees Commitments	21.1 21.2	61,744,460 <u>87,585,270</u> <u>149,329,730</u>	45,650,803 77,013,578 122,664,381
21.1	Guarantees:			
	Financial guarantees Performance guarantees Other guarantees	21.1.1	1,249,078 37,310,594 23,184,788 61,744,460	2,464,411 21,483,841 21,702,551 45,650,803
21.1.1	Included herein are outstanding guarantees Rs.14.217 million) of related parties.	of Rs. 71.	940 million (Dece	ember 31, 2019:

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21.2	Commitments:	Note	(Un-audited) September 30, 2020 Rupees	(Audited) December 31, 2019 s in '000
	Documentary credits and short-term trade-related transactions - letters of credit	21.2.1	14,730,978	13,965,258
	<b>Commitments in respect of:</b> - Forward foreign exchange contracts - Derivative instruments - Forward lending - Bank Guarantee from a commercial	21.2.2 21.2.3 21.2.4	36,190,280 35,487,779 365,805	55,111,366 7,238,695 72,183
	Bank in favor of National Clearing Company of Pakistan Limited - Outstanding settlements against margin	21.2.5	400,000	400,000
	financing contracts - net	21.2.6	5,642	5,305
	Commitments for acquisition of: - operating fixed assets	21.2.7	404,786	220,771
			87,585,270	77,013,578

**21.2.1** Included herein are the outstanding letter of credits of Rs. 87,585,270 million (December 31, 2019: Rs.44.368 million) of related parties.

# 21.2.2 Commitments in respect of forward foreign exchange contracts

Purchase	24,222,671	33,104,108
Sale	11,967,609	22,007,258
	36,190,280	55,111,366

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

		(Un-audited) September 30, 2020 Rupees	(Audited) December 31, 2019 s in '000
21.2.3	Commitments in respect of derivative instruments		
	Purchase	3,486,041	3,622,107
	Sale	32,001,738	3,616,588
		35,487,779	7,238,695
21.2.3.	I Interest rate swaps (notional principal)		
	Purchase	1,442,033	2,099,175
	Sale	1,443,033	2,100,175
		2,885,066	4,199,350

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21.2.3.2 Options (notional principal) Note	(Un-audited) September 30, 2020 Rupees	(Audited) December 31, 2019 s in '000
Purchase	2,044,008	1,023,310
Sale	30,475,597	1,023,310
	32,519,605	2,046,620
21.2.3.3 Commitments in respect of forward securities		
Purchase	-	499,622
Sale	83,108	493,103
	83,108	992,725
21.2.4 Commitments in respect of forward lending         Undrawn formal standby facilities, credit         lines and other commitments to lend       21.2.4.1	365,805	72,183
21.2.4.1 These represent commitments that are irrevocable becat the discretion of the bank without the risk of incurring	,	
21.2.5 Bank Guarantee from a commercial Bank in favor of National Clearing Company of Pakistan Limited	400,000	400,000
21.2.6 Outstanding settlements against margin financing contracts - net	5,642	5,305
21.2.7 Commitments for acquisition of operating fixed assets	404,786	220,771

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

#### 22. DERIVATIVE INSTRUMENTS

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

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

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

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

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

				(Unau Septembe			
		Interest Rat	te Swaps	Optio	ns	Forward s	ecurities
22.1	Product analysis	Notional principal	Mark to Market	Notional principal	Mark to Market	Notional principal	Mark to Market
22.1	2			Rupees	IN 000		
	With Banks Hedging Market making	2,885,066	6,854 -	32,519,605 -	17,082 -	- 83,108	- 6,978
	With FIs other banks						
	Hedging Market making	-	-	-	-	-	-
	Total						
	Hedging Market making	2,885,066	6,854 -	32,519,605 -	17,082 -	- 83,108	- 6,978
				(Aud December			
		Interest Rat	te Swaps	Option	ns	Forward s	ecurities
		Notional principal	Mark to Market	Notional principal	Mark to Market in '000	Notional principal	Mark to Market
	With Banks			nupees	111 000		
	Hedging Market making		8,885	4,199,350 -	13,327 -	- 992,725	- 286
	With FIs other banks						
	Hedging Market making	-	-	-	-	-	-
	Total						
	Hedging Market making		8,885	4,199,350 -	13,327 -	- 992,725	- 286
	inclusion in carding						

for the nine months period ended September 30, 2020

23.	MARK-UP / RETURN / INTEREST EARNED	Note	Un-au September 30, 2020 Rupees	September 30, 2019
	On: Loans and advances Investments Lendings to financial institutions Balances with other banks Securities purchased under resale agreements		20,146,165 12,725,037 44,783 9,366 1,033,392 33,958,743	22,670,654 6,875,243 45,588 54,393 689,213 30,335,091
24.	MARK-UP / RETURN / INTEREST EXPENSED			
	On: Deposits Borrowings Subordinated debt Cost of foreign currency swaps against foreign	24.1	23,435,518 1,490,518 728,922	20,093,229 3,087,963 749,378
	currency deposits / borrowings Lease liability against right-of-use assets		514,507 401,562 26,571,027	606,503 382,477 24,919,550
24.1	Borrowings			
	Export refinancing scheme (ERF) Long-Term Finance Facility (LTFF) Financing Facility for Storage of Agricultural		256,608 34,119	251,418 24,513
	produce (FFSAP) Securities sold under repurchase agreements Other short term borrowings		7,449 872,550 <u>319,792</u> <u>1,490,518</u>	2,621 2,403,709 405,702 3,087,963
25.	FEE, COMMISSION AND BROKERAGE INCO	ME		
	Branch banking customer fees Consumer finance related fees Card related fees (debit and credit cards) Credit related fees Investment banking fees Commission on trade Commission on guarantees Commission on cash management Commission on cash management Commission on remittances including home remit Commission on onerasurance Commission on bancassurance Commission on olistribution of mutual funds Commission on online Services Postage & Courier income Rebate income Rebate on primary dealership Brokerage income Management fee	ttances	199,107 21,987 478,923 298,064 93,402 475,632 288,489 3,054 214,202 135,560 26,190 251,225 16,601 178,725 27,637 405,423 140,452 3,254,673	132,531 14,847 362,542 210,403 69,047 395,736 249,142 4,388 81,095 105,814 94,070 132,694 14,964 160,997 6,918 201,975 149,948 2,387,111

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		Note	Un-au September 30, 2020 Rupees	September 30, 2019
26.	GAIN / (LOSS) ON SECURITIES - NET			
	Realised Unrealised - held for trading	26.1	945,225 (7,633) 937,592	(534,943) 14,910 (520,033)
26.1	Realised gain / (loss) on: Federal government securities Market treasury bills Pakistan investment bonds Ijara sukuk certificates		76,822 857,655 56	3,850 (401,449) 633
	Shares Listed companies		110	(154,154)
	Non Government Debt Securities Term finance certificates Sukuk certificates		30,972 450	8,050
	Mutual fund units Foreign currency bonds		(13,302) (7,538) 945,225	14,542 (6,415) (534,943)
27.	OTHER INCOME - NET			
	Rent on Property Gain on sale of fixed assets - net Gain on sale of assets held for sale Gain on termination of leases Others	11.3.1 27.1	(172) 1,000 52,510 30,714 84,052	3,897 98,048 - - 5,206 107,151

27.1 This represents, gain on termination of leases against closure of fifty one branches under the Bank's branch rationalisation strategy.

for the nine months period ended September 30, 2020

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

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

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

### 29. WORKERS WELFARE FUND

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

30.	OTHER CHARGES	Note	Un-au September 30, 2020 Rupees	September 30, 2019
	Penalties imposed by State Bank of Pakistan Others		74,607	242 892 1,134
31.	PROVISIONS / (REVERSALS) AND WRITE OFFS - NET			
	Provisions for diminution in value of investments Provisions against loans & advances (Reversals) / provisions against loans &	9.3.4	21,176 433,152	123,672 439,833
	advances - general Provisions / (reversals) under IFRS-9 -general Fixed assets written off Other assets written off		(161,166) 75,929 58,508 4,168	1,724 (61,967)
	Other reversals Bad debts written off directly		431,767	(1,755) <u>315</u> 501,822
32.	TAXATION			
	Current Prior vears		504,968	592,694
	Deferred		486,018 990,986	(733,645) (140,951)

#### 32.1. JS Bank Limited, the Holding Company

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

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

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

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#### 32.2. JS Global Capital Limited, the Subsidiary Compnay

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

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

### 33. BASIC AND DILUTED EARNINGS / (LOSS) PER SHARE

		Un-a	udited	
	Quarte	r ended	Half yea	ar ended
	September 30,	September 30,	September 30,	September 30,
	2020	2019	2020	2019
		Rupees	s in '000	
Profit / (loss) after taxation for the period - attributable to ordinary equity holders of the holding company for diluted earnings company for diluted earnings	333,364	(204,465)	1,107,038	(727,858)
Preference dividend for the year December 31, 2018 @ 12% p.a	-	-	-	(24,164)
Profit / (loss) after taxation for the period - attributable to ordinary equity holders of the holding company for basic earnings	333,364	(204,465)	1,107,038	(752,022)
Weighted average number of basic outstanding ordinary shares during the period			mber	
		Ru	pee	
Basic and diluted earnings / (loss) per share	0.26	(0.16)	0.85	(0.58)

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

### 35. FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

#### Fair value hierarchy

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

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

#### 35.1 Valuation techniques used in determination of fair values within level

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

### Non- financial assets- Level 3

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

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#### Financial instruments in level 3

Nine

Currently, no financial instruments are classified in level 3.

The fair value of unquoted debt securities, fixed term loans, other assets, other liabilities, fixed term deposits and borrowings cannot be calculated with sufficient reliability due to the absence of a current and active market for these assets and liabilities and reliable data regarding market rates for similar instruments.

- **35.2** The Bank's policy is to recognise transfers into and out of the different fair value hierarchy levels at the date the event or change in circumstances that caused the transfer occurred. There were no transfers between levels 1 and 2 during the period / year.
- **35.3** The following table provides an analysis of financial assets that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

		(Un-au September		
	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	-	8,225,096	-	8.225.096
Shares	85,364		-	85,364
Open end mutual funds	- 85,364	<u>216,634</u> 8.441,730	-	216,634
Available-for-sale securities	80,304	8,441,730	-	8,527,094
Investments				
Federal Government Securities Shares	4,118,676	110,915,522	-	110,915,522
Non Government Debt Securities	4,110,070	696.874	-	696,874
Foreign Securities	-	3,972,814	-	3,972,814
Open end mutual funds	4.118.676	1,147,087	-	1,147,087
Financial assets - disclosed but not	4,110,070	110,732,297	-	120,050,975
measured at fair value				
Investments				00 400 000
Federal Government Securities	4,204,040	<u>36.196.335</u> 161.370.362		36,196,335
	7,207,070	101,070,002		100,014,402
Non-Financial assets - measured at fair value	2			
Revalued fixed assets	-	-	3,387,951	3,387,95
Non-banking assets acquired in satisfaction of claims	-	-	1,175,616	1,175,616
Satisfaction of claims	-		4,563,567	4,563,56
Off balance sheet financial instruments				
Commitments in respect of:				
Forward foreign exchange contracts				
Purchase Sale		24,085,306	-	24,085,306
		11,826,893		11,826,893
Derivative instruments				
Forward investments securities Sale	90,086			90,086
Interest rate swaps				
Purchase		1,519,596	-	1,519,596
Sale		1,526,450		1,526,450
Options				
Purchase		2,038,193		2,038,193
Sale	-	30,498,492	-	30,498,492

for the nine months period ended September 30, 2020

		(Audi December	,	
-	Level 1	Level 2	Level 3	Total
On balance sheet financial instruments		Rupees		
Financial assets - measured at fair value				
Held-for-trading securities				
Investments				
Federal Government Securities	-	55,598,469	-	55,598,469
Shares	487,185	-	-	487,18
Open end mutual funds	-	455,902	-	455,902
	487,185	56,054,371	-	56,541,550
Available-for-sale securities				
Investments				
Federal Government Securities	-	47,019,374	-	47,019,374
Shares	1,993,246	-	-	1,993,246
Non Government Debt Securities	-	776,975	-	776,975
Open end mutual funds	-	1,222,869	-	1,222,86
Financial assets - disclosed but not	1,993,246	49,019,218	-	51,012,46
measured at fair value				
Investments				
Federal Government Securities	_	31,341,410	_	31,341,410
	2,480,431	136,414,999	-	138,895,43
Revalued fixed assets Non-banking assets acquired in satisfaction of claims	-	-	3,797,180 1,182,425 4,979,605	3,797,18 <u>1,182,42</u> 4,979,60
Off balance sheet financial instruments			4,010,000	4,010,00
Commitments in respect of:				
Forward foreign exchange contracts				
Purchase	-	32,885,546	-	32,885,54
Sale -	-	21,722,741	-	21,722,74
Derivative instruments				
Forward government securities				
Purchase	-	499,818	-	499,818
Sale	-	493,193	-	493,19
Interest rate swaps				
Purchase		1,474,016	-	1,474,01
Sale	-	2,738,661	-	2,738,66
Options				
Options Purchase Sale		1,024,638		1,024,63

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for the nine months period ended September 30, 2020

#### 36. SEGMENT INFORMATION

36.1 Segment Details with respect to Business Activities:

	Corporate Finance	Trading and Sales	Retail Banking	Commercial Banking	Brokerage	Asset management	Others	Total
September 30, 2020 (Unaudited)				Rupees	in '000			
Profit & Loss								
Net mark-up / return / profit	(1,139,698)	(760,734)	7,749,740	2,612,379	30,190	(13,682)	(1,090,479)	7,387,716
Inter segment revenue - net	(3,937)	(1,157,607)	297,766	1,451,531	-	-	(587,753)	
Non mark-up / return /								
interest income	72,352	1,614,792	1,909,646	878,710	526,549	156,974	(30,915)	5,128,10
Total Income	(1,071,283)	(303,549)	9,957,152	4,942,620	556,739	143,292	(1,709,147)	12,515,82
Segment direct expenses	27,909	104,154	4,116,640	493,602	402,645	257,498	4,590,043	9,992,49
Inter segment expense								
allocation	100,217	238,357	2,933,936	980,238		-	(4,252,748)	
Total expenses	128,126	342,511	7,050,576	1,473,840	402,645	257,498	337,295	9,992,49
Provisions	3,020	-	139,818	121,522	-	(26,023)	193,430	431,76
Profit before tax	(1,202,429)	(646,060)	2,766,758	3,347,258	154,094	(88,183)	(2,239,872)	2,091,56
September 30, 2020 (Unaudited)								
Balance Sheet								
Cash & Bank balances	-	-	31,810,622	2,395,244	68,936	3,363	-	34,278,16
Investments	2,255,377	156,820,985	-	7,383,159	234,690	1,591,523	-	168,285,73
Net inter segment lending	-	-	97,261,954	60,855,810	-	-	22,010,463	180,128,22
Lendings to financial institutions	-	8,655,689	-	124,277	-	-	-	8,779,96
Advances - performing	626	-	45,807,087	188,204,309	329,693	(36,284)	-	234,305,43
Advances - non-performing	-		5,917,962	5,719,385	-	-	-	11,637,34
Advances - (provisions) /								
reversals - net	-	-	(1,410,657)	(2,386,639)	-	-	-	(3,797,29
	626	-	50,314,392	191,537,055	329,693	(36,284)	-	242,145,48
Others	-	-	-	-	1,792,793	693,720	24,766,136	27,252,64
Total Assets	2,256,003	165,476,674	179,386,968	262,295,545	2,426,112	2,252,322	46,776,599	660,870,22
Borrowings	-	15,473,176	-	18,843,703	-	-	-	34,316,87
Subordinated debt	-	-	-	-	-	-	7,494,800	7,494,80
Deposits & other accounts	1,835	-	152,882,548	237,104,155	-	-	-	389,988,53
Net inter segment borrowing	2,254,168	151,930,105	21,850,336	4,093,618	-	-	-	180,128,22
Others	-	49,502	4,654,085	289,981	1,986,349	451,025	19,238,639	26,669,58
Total Liabilities	2,256,003	167,452,783	179,386,969	260,331,457	1,986,349	451,025	26,733,439	638,598,02
Equity	-	-	-	-	-	-	21,759,221	21,759,22
Non-controlling interest	-						512,977	512,97
Total Equity & Liabilities	2,256,003	167,452,783	179,386,969	260,331,457	1,986,349	451,025	49,005,637	660,870,22
Contingencies & Commitments		73,044,870	53.661.938	21.733.308	729.514		160.100	149.329.73

for the nine months period ended September 30, 2020

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

### 37. RELATED PARTY TRANSACTIONS

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

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

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

$ \begin{array}{c c c c c c c c c c c c c c c c c c c $			As at Ser	As at September 30, 2020 (Unaudited)	(Unaudited)			As at	As at December 31, 2019 (Audited)	(Audited)	
$ \begin{array}{cccccccccccccccccccccccccccccccccccc$		Parent	Directors	Key management personnel	Associates	Other related parties	Parent	Directors	Key management personnel	Associates	Other related parties
$ \begin{array}{c ccccccccccccccccccccccccccccccccccc$	Lendings to financial institutions			•	-	-	(nnn III				
$ \begin{array}{c ccccccccccccccccccccccccccccccccccc$	Addition during the period / year Repaid during the period / year					3,400,000 (3,400,000)					
$ \begin{array}{c ccccccccccccccccccccccccccccccccccc$	Closing balance		•	•	•						
$ \begin{array}{c ccccccccccccccccccccccccccccccccccc$	Irvestments Openina balance	15.000			228.972	3.234.272	20.250			180.000	3.230.12
$ \begin{array}{c ccccccccccccccccccccccccccccccccccc$	Investment made during the period / year	- 10 EON			40,828	3,515,439 /2 6/0 555	(15. 0150)			48,972	3,498,164
$\begin{array}{ c c c c c c c c c c c c c c c c c c c$	investment teacement / uspussed on unling the periou / year Closing balance	12,500			269,800	4,140,156	15,000			228,972	3,234,272
$ \begin{array}{cccccccccccccccccccccccccccccccccccc$	Provision for diminution in value of investments			,	'	65,022					65,02
$ \begin{array}{cccccccccccccccccccccccccccccccccccc$	Advances Oneming halance			596.257	,	1.946.481		5.230	448.575		2.823.55
$ \begin{array}{c ccccccccccccccccccccccccccccccccccc$	Addition during the period / year		40	127,905		1,664,671		316			5,086,823
$\begin{tabular}{ c c c c c c c c c c c c c c c c c c c$	Hepaid during the period / year Transfer in / (out) - net		(5/4) 23.126	(129,312) 129,236	224.744	(1,938,242) 2,528,017		- -	(120,115) (54,793)		(6,320,068
$ \begin{array}{c ccccccccccccccccccccccccccccccccccc$	Closing balance		22,592	724,086	224,744	4,200,927			596,257		1,946,481
Image: constraint of the second se	Fixed Assets Cost of disposal Accumulated depreciation of disposal								43,410 (12,927)		17,65 (8,002
120     -     412     -     73,112     736     48     473     -       Grunscound     -     -     -     -     50,949     -     -     -     -       Grunscound     -     -     -     50,949     -     -     -     -     -     -       Grunscound     -     -     -     50,949     -     -     -     -     -     -       Grunscound     -     -     -     -     50,949     -     -     -     -     -     -       Grunscound     -     -     -     109,911     80,255     2     -     -     -     10       To -     -     -     -     239,076     -     -     -     -     -     10       Another     -     -     -     -     -     -     -     -     -     10       Another     -     -     -     -     -     -     -     -     -     -     -       Another     -     -     -     -     -     -     -     -     -     -     -     -       Another     -     -     -     -     - <t< td=""><td>WDV of disposal</td><td>•</td><td>•</td><td>•</td><td></td><td>•</td><td></td><td></td><td>30,483</td><td></td><td>9,65</td></t<>	WDV of disposal	•	•	•		•			30,483		9,65
mome / barrentaketul     -     -     50,649     -	Other Assets Interest mark-tup accrued	120		412	,	78.112	736	48	473		49.64
G-unsequed     575     -     24     -     109,911     80,255     2     -     40,228       575     -     -     24     -     109,911     80,255     2     -     40,228       5     -     -     -     29,076     -     -     -     -     10       5     -     -     -     29,057     296     -     -     -     1       5     -     -     -     4,370     9,652     296     -     -     -     1	Receivable against bancassurance / bancatakaful	'				50,649					67,95
Noperty     -     1     1     -     -     1     1     -     -     1     1     -     -     1     1     -     1     1     -     1 <th1< th="">     1     1     1     <th< td=""><td>Advance for subscription of TFC - unsecured Trade receivable</td><td>575</td><td></td><td>24</td><td></td><td>109,911</td><td>- 80,255</td><td>- 2</td><td></td><td>40,828</td><td>134,20</td></th<></th1<>	Advance for subscription of TFC - unsecured Trade receivable	575		24		109,911	- 80,255	- 2		40,828	134,20
	Prepaid insurance Advance against purchase of property Other receivable	304			- - 4,370	- 299,076 9,652	- - 296				97,80 26,26 12,09
	Provision against other assets						ı	ı			2,438

		As at Sep	As at September 30, 2020 (Unaudited)	Jnaudited)			As at I	As at December 31, 2019 (Audited)	(Audited)	
	Parent	Directors	Key management personnel	Associates	Other related parties Parent (Rupees in '000)	Parent in '000)	Directors	Key management personnel	Associates	Other related parties
Borrowings										
Opening balance	'	'	'	'	'	ı	1	,		4,800,000
Borrowings during the period / year	•		'		11,105,705		'			174,209,491
Settled during the period / year			•		(11,105,705)					(179,009,491)
Closing balance										
Deposits and other accounts										
Opening balance	271,648	24,444	59,593	23,104	8,622,201	336,515	24,308	74,950		9,656,833
Received during the period / year	4,583,096	295,524	543,849	473,525	114,874,302	4,332,699	160,210	1,437,872	1,023,592	235,460,531
Withdrawn during the period / year	(3,931,313)	(299,434)	(550,772)	(491,577)	(114,012,876)	(4,364,266)	(137,680)	(1,450,123)	(1,042,362)	(236,784,614)
Transfer in / (out) - net	•	2,777	(7,876)	'	1,442,126	(33,300)	(22,394)	(3,106)	41,874	289,451
Closing balance	923,431	23,311	44,794	5,052	10,925,753	271,648	24,444	59,593	23,104	8,622,201
Subordinated loans			·		889,510					889,588
Other Liabilities										
Interest / return / mark-up payable on deposits	'	•	80	'	147,060			114	'	286,949
Interest / return / mark-up payable on subordinated debt	ı		ı	'	35,495	•			•	2,220
Accrued expenses	•	'	'	'	•	•		•	•	,
Trade payable	34,985		728		880		1,306	3,115		1,176
Payable to defined benefit plan			'		161,822					147,885
Others payable	•				2,268					1,464
Represented By										
Share Capital	9,733,073		905	·	45,655	9,733,073	17,330	006		81,765
Contingencies and Commitments										
Letter of guarantee					71,940					14,217
Letter of Credit	•	•			29,249					44,368

			Key management		Other related			Key management		Other related
	Parent	Directors	personnel	Associates	parties Rupees	rties Parent (Rupees in '000)	Directors	personnel	Associates	parties
Mark-up / return / interest earned	1,522	1,476	30,954	16,367	165,033	1,912	211	9,269		273,743
Fee, commission and brokerage income	6,057	6	2,516		340,954	1,303	54	243		385,151
Dividend income					77,718	,				75,690
Gain / (loss) on sale of securities - Net					4,068					16,577
Rental income										3,035
Mark-up / return / interest paid	25,586	873	1,095	1,952	626,267	29,605	1,665	2,929	1,829	1,075,822
Preference Dividend Paid		•			•	23,419	161			38
Remuneration paid		60,210	411,158					418,828		
Non-executive directors' fee	,	15,090					7,000	,		675
Net charge for defined contribution plans					187,289					175,505
Net charge / (reversal) for defined benefit plans					161,822					115,816
Donation					58,919					
Rental expense					28,541					
Advisory fee										15,000
Royatty				•	22,500	,			,	22,500
Other expenses	1,133		'		13,775			,		2,946
Reimbursement of expenses	6,646	130		,	30,598	1,211	622			
Payments made during the year										
Insurance premium paid					395,254					331,262
Insurance claims settled					2,793					8,036
Dofinod honofft alane acid					100 111					

	(Un-audited) September 30, 2020 Rupees	(Audited) December 31, 2019 in '000
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	17,074,233	16,145,623 2,118,958
Total Eligible Tier 1 Capital Eligible Tier 2 Capital Total Eligible Capital (Tier 1 + Tier 2)	19,279,436 5,759,168 25,038,604	18,264,581 4,965,069 23,229,650
Risk Weighted Assets (RWAs):		142,862,324
Market Risk Operational Risk Total	3,327,404 22,096,563 185,852,929	4,219,399 22,096,563 169,178,286
Common Equity Tier 1 Capital Adequacy ratio	9.19%	9.54%
Tier 1 Capital Adequacy Ratio	10.37%	10.80%
Total Capital Adequacy Ratio	13.47%	13.73%
Leverage Ratio (LR): Eligiblle Tier-1 Capital Total Exposures Leverage Ratio	19,279,436 569,267,527 3.39%	18,264,582 544,436,725 3.35%
<b>Liquidity Coverage Ratio (LCR):</b> Total High Quality Liquid Assets Total Net Cash Outflow Liquidity Coverage Ratio	162,259,579 56,563,273 286.86%	83,221,592 55,819,412 149.09%
Net Stable Funding Ratio (NSFR): Total Available Stable Funding Total Required Stable Funding Net Stable Funding Ratio	318,570,091 264,950,620 120.24%	308,715,925 274,288,642 112.55%
	LIQUIDITY REQUIREMENTS Minimum Capital Requirement (MCR): Paid-up capital (net of losses) Capital Adequacy Ratio (CAR): Eligible Common Equity Tier 1 (CET 1) Capital Eligible Additional Tier 1 (ADT 1) Capital Total Eligible Tier 1 Capital Eligible Tier 2 Capital Total Eligible Capital (Tier 1 + Tier 2) Risk Weighted Assets (RWAs): Credit Risk Market Risk Operational Risk Total Common Equity Tier 1 Capital Adequacy ratio Tier 1 Capital Adequacy Ratio Leverage Ratio (LR): Eligible Tier-1 Capital Total Exposures Leverage Ratio Liquidity Coverage Ratio (LCR): Total High Quality Liquid Assets Total Net Cash Outflow Liquidity Coverage Ratio Net Stable Funding Ratio (NSFR): Total Available Stable Funding Total Required Stable Funding Total Required Stable Funding	September 30, 2020CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTSMinimum Capital Requirement (MCR): Paid-up capital (net of losses)10,119,242Capital Adequacy Ratio (CAR): Eligible Common Equity Tier 1 (CET 1) Capital Eligible Tier 1 Capital Eligible Tier 2 Capital Total Eligible Capital (Tier 1 + Tier 2)Risk Weighted Assets (RWAs): Credit RiskCredit Risk Market RiskOperational Risk TotalTotal Capital Adequacy Ratio10.37%Total Capital Adequacy Ratio110.37%Total Capital Adequacy Ratio110.37%Total Capital Adequacy Ratio110.37%Total Capital Adequacy Ratio113.47%Leverage Ratio (LCR): Eligible Tier 1 Capital Total Kaposures Leverage RatioLiquidity Coverage RatioLiquidity Coverage RatioNet Stable Funding Ratio (NSFR): Total Available Stable Funding Total Required Stable Funding110.37%

for the nine months period ended September 30, 2020

### 39. RECLASSIFICATION

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

Recla	assified
From	То

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

Cashflow CASH Statement

Other liabilities Other assets

(165,858)

#### 40. GENERAL

- 40.1 These condensed interim consolidated financial statements have been prepared in accordance with the revised format for financial statements of Banks issued by the SBP through BPRD Circular no. 5 dated March 22, 2019 and related clarifications / modifications.
- **40.2** The figures in these condensed interim consolidated financial statements have been rounded off to the nearest thousand.

### 41. DATE OF AUTHORISATION FOR ISSUE

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

President and	Chief Financia
Chief Executive Officer	

al Officer Director

Director

Chairman

Nine Months ended: September 30, 2020 | 98



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