



Financial Statements For The Period Ended March 31, 2021

Company Information

Board of Directors

Mr. Kalim-ur-Rahman	Chairman
Mr. Adil Matcheswala	Non-Executive Director
Mr. Ashraf Nawabi	Non-Executive Director
Mr. G.M. Sikander	Independent Director
Mr. Hassan Afzal	Non-Executive Director
Mr. Munawar Alam Siddiqui	Non-Executive Director
Ms. Nargis Ghaloo	Independent Director
Mr. Sohail Aman	Independent Director
Mr. Basir Shamsie	President & CEO

Audit Committee

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

Human Resource, Remuneration & Nomination Committee

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

Risk Management Committee

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

Board IT Committee

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

Chief Financial Officer

Mr. Hasan Shahid

Company Secretary

Mr. Ashraf Shahzad

Auditors

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

Legal Advisors

Bawaney & Partners
Haidermota & Co.
Liaquat Merchant Associates

Share Registrar

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

Registered office

JS Bank Limited
Shaheen Commercial Complex
Dr. Ziauddin Ahmed Road
P.O. Box 4847, Karachi-74200, Pakistan
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111-654-321
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Directors' Report

We are pleased to present the unaudited financial statements of JS Bank Limited ("JSBL") for the quarter ended March 31, 2021.

Economic Review

Key macroeconomic indicators continued to improve during 1QCY21. LSM growth for 8MFY21 was reported at 7.45%, with February 2021 alone showing a growth of 4.85% YoY.

However, the Trade Balance reported a wider deficit during 1QCY21, touching US\$8.5bn, higher by 49% YoY when compared to 1QCY20. Despite an encouraging rebound in exports with 11% YoY growth, higher imports increased the overall trade deficit during the quarter.

On the other hand, remittances during the quarter increased by US\$1.6 billion, 29% YoY, providing support on the external front. Current Account for 2MCY21 has recorded a deficit of US\$ 260 million, which is significantly lower than US\$ 744 million reported during 2MCY20. The period under review also witnessed strategic inflows with completion of US\$2.5 billion Eurobond auction and receipt of nearly US\$ 500 million as part of the IMF's third tranche. Overall State Bank of Pakistan's foreign exchange reserves jumped by US\$ 258 million during the quarter, closing at US\$ 13.67 billion, excluding Eurobond auction receipt.

Inflation remained on the higher side, clocking in at 7.80% YoY. Higher food inflation (9.05% during 1QCY21) remained a key concern during the period under review. Nonetheless, the Monetary Policy Committee (MPC) has kept the Policy Rate unchanged during the quarter. The SBP has stated that positive real interest rates will gradually be achieved.

Banking Sector Review

During the quarter under review, the Monetary Policy Committee (MPC) kept the Policy Rate intact at 7%. Moreover, weighted average banking spreads for 1QCY21 declined by 107 basis points to 4.35%, as compared to the same period last year.

During 1QCY21, the banking sector's deposits continued to grow at a high pace of 18% YoY, reaching PKR 17,906 billion. Meanwhile, the sector's Investments touched PKR 12,553 billion reflecting 35% YoY growth and increasing the Investments-to-Deposit Ratio (IDR) by 865 basis points to 70% as compared to 1QCY20. Advances grew by 4% YoY, taking the total Advances to PKR 8,600 billion. Concurrently, private sector credit also reported a similar growth during 2MCY21, clocking in at 5% YoY. The sector's Advances-to-Deposit Ratio (ADR) declined to 48%, as compared to 55% in 1QCY20. Non-Performing Loans (NPLs) grew to PKR 852 billion during 9MCY20, taking the infection ratio to 10.5%.

Performance Overview

The highlights of the financial results of the Bank for the first quarter ended March 31, 2021 are presented below:

Financial Position	PKR Million	
	March 31, 2021	December 31, 2020
Shareholders' Equity	21,319.4	20,592.2
Total Deposits	425,958.9	433,062.6

Total Assets	519,547.3	532,168.4
Advances Net	251,453.0	250,199.2
Investments Net	201,135.6	201,698.5
Financial Performance		
	March 31, 2021	March 31, 2020
Mark-up/Interest Income – Net	2,786.27	2,541.86
Non-Markup/Interest Income	1,078.62	1,206.82
Operating Expenses	3,084.16	2,907.54
Profit Before (Provision)/Reversals - Net	767.47	832.07
Profit/(Loss) Before Tax	661.76	628.46
Profit After Tax	390.08	382.54
Basic/Diluted Earnings Per Share – Rupees	0.30	0.29

The Bank's earnings during the first quarter 2021 remain strong despite a challenging operating environment. The Bank reported a profit before tax of PKR 661.8 million (profit after tax of PKR 390.1 million) for the first quarter ended March 31, 2021 as compared to a profit before tax of PKR 628.5 million (profit after tax of PKR 382.5 million) in the corresponding period last year. The Earnings Per Share (EPS) stands at PKR 0.30 (March 2020: PKR 0.29).

On the revenue side, the Bank reported total mark-up revenue of PKR 9,611.6 million compared to PKR 12,923.5 million in the corresponding period last year, decline of 25.6%. Net interest income was 9.6% higher than the corresponding period last year and closed at PKR 2,786.2 million. Non-markup income stood at PKR 1,078.6 million, decline by 10.6%, with major contribution from FX income of PKR 263.5 million and fee & commission income PKR 735.1 million despite the slow economic activity in the country.

Administrative expenses were PKR 3,084.1 million compared to PKR 2,907.5 million for the corresponding period last year, up by 6.2%. The cost to income ratio of the Bank is slightly increased to 79.8% as compared to 77.6% during the corresponding period last year.

During the period under review, the Bank's deposits and advances have continued to show a stable position. The Bank reported total deposits of PKR 426 billion with current account deposits of over PKR 108 billion during the period ended March 31, 2021. In terms of advances, gross advances were reported at PKR 256 billion and gross advances to deposits ratio stood at 60%.

At the close of the first quarter, the Bank remains satisfactorily capitalized with CAR at 12.77%.

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

JS Bank operates 281 branches nation-wide and one overseas wholesale banking branch in Manama, Bahrain.

Consolidated Financial Statements

In the consolidated financial statements, the Group earned profit before tax of PKR 850.2 million (profit after tax of PKR 527.6 million) for the first quarter period ended March 31, 2021 as compared to profit before tax of PKR 657.3 million (profit after tax of PKR 408.5 million) in the corresponding period last year.

The earnings per share is PKR 0.39 for the first quarter period ended March 31, 2021.

Recognition

In 2021 the Bank has been recognized as the 'Best Bank for SME-Pakistan' for the third time in a row by global financial publication Asiamoney. The award reflects the continuing support which the Bank is providing to the growth of the SME sector in the Country.

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 for this category.

Acknowledgments

On behalf of JS Bank, we would like to express our gratitude to our customers and stakeholders for their 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 authorities for their guidance and support to our Bank. Finally, we extend our appreciation to the management team and the staff for their persistent commitment to working together as a winning team.

For and on behalf of the Board,

Basir Shamsie
President & CEO

Kalim-ur-Rahman
Chairman

Karachi: April 28, 2021

جے ایس بینک لمیٹڈ

ڈائریکٹر ز رپورٹ

ہم انتہائی مسرت کے ساتھ JS بینک لمیٹڈ ("جے ایس بی ایل") کی 31 مارچ 2021 کو ختم ہونے والی سہ ماہی کے مالیاتی بیانات کا جائزہ پیش کر رہے ہیں۔

معیشیت

سال 2021 کی پہلی سہ ماہی (1QCY21) کے دوران کلیدی معاشی اشاریے مثبت رہے۔ مالی سال 2021 کے پہلے 8 ماہ (8MFY21) میں لارج اسکیل مینوفیکچرنگ کے شعبہ میں 7.45 فیصد شرح نمو رپورٹ ہوئی، صرف فروری 2021 میں نمو میں 4.85 فیصد سال بسال (YoY) کا اضافہ دیکھا گیا۔

تاہم، سال 2021 کی پہلی سہ ماہی (1QCY21) کے دوران تجارتی خسارے میں نمایاں اضافہ ہوا جو 2020 کی پہلی سہ ماہی (1QCY20) کے مقابلے 49 فیصد سال بسال (YoY) کے اضافہ سے 8.5 بلین ڈالر تک پہنچ گیا۔ باوجود اس کے کہ برآمدات میں دوبارہ 11 فیصد سال بسال (YoY) کا حوصلہ افزاء اضافہ ہوا، لیکن اضافی درآمدات نے سہ ماہی کے دوران تجارتی خسارے کو بڑھا دیا۔

دوسری جانب، سہ ماہی کے دوران ترسیلات زر 29 فیصد سال بسال (YoY) کے اضافہ سے 1.6 بلین ڈالر رہی جس نے بیرونی طور پر مدد فراہم کی۔ سال 2021 کے دوسرے ماہ (2MCY21) کے دوران کرنٹ اکاؤنٹ خسارہ 260 ملین ڈالر پر رہا، جو سال 2020 کے پہلے دو ماہ (2MCY20) کے دوران 744 ملین ڈالر سے واضح طور پر کم رپورٹ کیا گیا۔ زیر جائزہ مدت میں حکمت عملی کے باعث یورو بانڈ کی نیلامی اور آئی ایم ایف کی جانب سے 500 ملین ڈالر کی تیسری قسط موصول ہونے سے آمدنی دیکھی گئی۔ مجموعی طور پر اسٹیٹ بینک آف پاکستان کے سہ ماہی کے دوران غیر ملکی کرنسی میں زرمبادلہ کے ذخائر یورو بانڈ کی فروخت کو شامل کئے بغیر 258 ملین ڈالر سے بڑھ کر 13.67 بلین ڈالر تک پہنچ گئے۔

افراط زر کی شرح 7.80 فیصد کی سال بسال (YoY) کی زائد سطح پر رہی۔ جبکہ غذائی اجناس کی مہنگائی بھی بلند ترین سطح (سال 2021 کی پہلی سہ ماہی (1QCY21) کے دوران 9.05 فیصد رہی) زیر نظر مدت کے دوران تشویش کا باعث رہی۔ بہر حال، مالیاتی پالیسی کمیٹی (ایم پی سی) نے شرح سود کو سہ ماہی کے دوران بغیر کسی تبدیلی کے برقرار رکھا۔ اسٹیٹ بینک کا موقف تھا کہ مثبت حقیقی شرح سود بالترتیب حاصل کی جائے گی۔

شعبہ بینکاری کا جائزہ

زیر جائزہ سہ ماہی کے دوران مانیٹری پالیسی کمیٹی (MPC) نے پالیسی ریٹ کو بغیر کسی تبدیلی کے 7 فیصد پر مستحکم رکھا۔ مزید برآں، سال 2021 کی پہلی سہ ماہی (1QCY21) میں گزشتہ سال کی اسی مدت کے مقابلے اوسط بینکاری کے پھیلاؤ میں 107 بیس پوائنٹس کی کمی سے 4.35 فیصد رہ گئی۔

سال 2021 کی پہلی سہ ماہی (1QCY21) کے دوران بینکنگ سیکٹر کے ذخائر میں 18 فیصد سال بسال (YoY) کی زبردست نمو دیکھنے میں آئی جو 17,906 بلین روپے تک پہنچ گئی۔ دریں اثنا، اس شعبے کی سرمایہ کاری 12,553 بلین روپے سے تجاوز کر گئی، جو 35 فیصد سال بسال (YoY) اضافہ ظاہر کرتا ہے اور سال 2020 کی پہلی سہ ماہی کے مقابلے انویسٹمنٹ ٹو ڈیپازٹ ریشو (IDR) میں 865 بیس پوائنٹس بڑھ کر 70 فیصد ہو گیا ہے۔ کل ایڈوانسز تقریباً 4 فیصد سال بسال (YoY) کی شرح نمو سے 8,600 بلین روپے پر رہے۔ ساتھ ہی نجی شعبہ کے کریڈٹ میں بھی سال 2021 کے پہلے دو ماہ (2MCY21) کے دوران 5 فیصد سال بسال (YoY) کا اضافہ ہوا۔ اس شعبہ کا ایڈوانس ٹو ڈیپازٹ ریشو (ADR) گھٹ کر 48 فیصد رہ گیا، جو سال 2020 کی پہلی سہ ماہی (1QCY20) کے دوران 55 فیصد تھا۔ سال 2020 کے 9 ماہ (9MCY20) کے دوران نان پرفارمنگ لونز (NPLs) 852 بلین روپے تک پہنچ گئے، جس سے انفیکشن کا تناسب 10.5 فیصد ہو گیا۔

کارکردگی کا جائزہ

31 مارچ 2021 کو ختم ہونے والی مدت کے دوران بینک کے مالی نتائج کے چند اہم نکات درج ذیل پیش کئے گئے ہیں:

فنانشل پوزیشن	روپے بلین میں
31 مارچ 2021	31 دسمبر 2020
شیئر ہولڈر ایکویٹی	21,319.4
20,592.2	
کل ڈیپازٹس	425,958.9
433,062.6	
کل اثاثے	519,547.3
532,168.4	
نیٹ ایڈوانسز	251,453.0
250,199.2	
نیٹ انویسٹمنٹ	201,135.6
201,698.5	
مالیاتی کارکردگی	
31 مارچ 2021	31 مارچ 2020
مارک اپ/نیٹ انٹرسٹ آمدنی	2,786.27
2,541.86	
نان مارک اپ/انٹرسٹ آمدنی	1,078.62
1,206.82	
آپریٹنگ اخراجات	3,084.16
2,907.54	
منافع قبل از پروایشن/نیٹ ریورسل	767.47
832.07	
قبل از ٹیکس منافع/(نقصان)	661.76
628.46	
بعد از ٹیکس منافع	390.08
382.54	
بیسک/ڈائیلیوٹڈ آمدنی فی شیئر۔ روپے	0.30
0.29	

2021 کی پہلی سہ ماہی میں بینک کی آمدنی ایک مشکل آپریٹنگ ماحول کے باوجود مستحکم رہی۔ بینک نے 31 مارچ 2021 کو ختم ہونے والی مدت میں قبل از ٹیکس منافع 661.8 ملین روپے (بعد از ٹیکس منافع 390.1 ملین روپے) رپورٹ کیا، اس کے مقابلے گزشتہ سال اسی مدت کے دوران قبل از ٹیکس منافع 628.5 ملین روپے (بعد از ٹیکس منافع 382.5 ملین روپے) ریکارڈ کیا گیا۔ فی شیئر آمدنی (EPS) 0.30 روپے پر موجود ہے۔ (مارچ 2020 کو 0.29 روپے تھا)۔

ریونیوسائڈ پر، بینک نے کل مارک اپ آمدنی 9,611.6 ملین روپے کے مقابلے گزشتہ سال اسی مدت کے دوران 12,923.5 ملین روپے رپورٹ کیا جو 25.6 فیصد کی ظاہر کرتا ہے۔ نیٹ انٹرسٹ آمدنی 9.6 فیصد رہی جبکہ اس کے مقابلے گزشتہ سال اسی مدت پر 2,786.2 ملین روپے پر بند ہوئی۔ نان مارک اپ آمدنی 1,078.6 ملین روپے پر رہی جو 10.6 فیصد زیادہ ہے، ملک میں سست معاشی سرگرمیاں ہونے اور وبائی مرض کے باعث لاک ڈاؤن کے باوجود، غیر ملکی زرمبادلہ کی آمدنی 263.5 ملین روپے، فیس اور کمیشن آمدنی سے 735.1 ملین روپے کا زیادہ حصہ ہے۔

انتظامی اخراجات 3,084.1 ملین روپے پر رہے جبکہ اس کے مقابلے گزشتہ سال اسی مدت کے دوران 2,907.5 ملین روپے کے اخراجات تھے جس میں 6.2 فیصد اضافہ ہوا۔ گزشتہ سال کے اسی عرصے کے دوران بینک کی آمدنی کا تناسب معمولی اضافہ سے 79.8 فیصد تھا جس کے مقابلے گزشتہ سال اسی مدت کے دوران یہ تناسب 77.6 فیصد تھا۔

زیر جائزہ مدت کے دوران، بینک کے ڈیپازٹس اور ایڈوانسز میں مستحکم اضافہ دیکھنے میں آیا۔ بینک نے 31 مارچ 2021 کو ختم ہونے والی مدت کے دوران کل ڈیپازٹ 426 بلین روپے جبکہ کرنٹ اکاؤنٹ ڈیپازٹس 108 بلین روپے سے زائد رپورٹ کئے۔ ایڈوانسز کے معاملے میں، مجموعی ایڈوانس 256 بلین روپے رپورٹ کیا گیا اور مجموعی ایڈوانسز ٹو ڈیپازٹ تناسب 60 فیصد پر موجود ہے۔

پہلی سہ ماہی کے اختتام پر، بینک کا CAR اطمینان بخش طور پر 12.77 فیصد تھا۔

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

جے ایس بینک ملک بھر سے 281 برانچوں اور منامہ بحرین میں ایک بیرون ملک ہول سیل بینکنگ برانچ سے خدمات فراہم کر رہا ہے۔

مستحکم مالیاتی تفصیلات

مستحکم مالیاتی تفصیلات میں، گروپ نے 31 مارچ 2021 کو ختم ہونے والی سہ ماہی کی مدت پر قبل از ٹیکس منافع 850.2 ملین روپے (بعد از ٹیکس منافع 527.6 ملین روپے) حاصل کیا جو گزشتہ سال اسی مدت میں قبل از ٹیکس منافع 657.3 ملین روپے (بعد از ٹیکس منافع 408.5 ملین روپے) تھا۔

31 مارچ 2021 کو ختم ہونے والی سہ ماہی کی مدت کیلئے فی شیئر آمدنی 0.39 روپے رہی۔

پہچان

سال 2021ء میں بین الاقوامی مالیاتی اشاعت ایشیائی کی جانب سے بینک کو مسلسل تیسری مرتبہ ایس ایم ای پاکستان کیلئے بہترین بینک کے طور پر تسلیم کیا گیا ہے۔ یہ ایوارڈ بینک کی جانب سے ملک کے ایس ایم ای شعبے کی نمونہ کیلئے فراہم کردہ مستقل تعاون کی عکاسی کرتا ہے۔

کریڈٹ ریٹنگز

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

اعتراف

جے ایس بینک کی جانب سے ہم اپنے صارفین اور اسٹیک ہولڈرز کا ان کے تعاون پر دل سے شکر گزار ہیں۔ ہم منسٹری آف فنانس، اسٹیٹ بینک آف پاکستان، سکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان اور دیگر ریگولیٹری اداروں کا بینک کو تعاون فراہم کرنے کیلئے بھی ممنون ہیں، ہم اپنی انتظامی ٹیم اور عملہ کو فاتح ٹیم کے طور پر مل کر کام کرنے کے مستقل عزم پر ان کی حوصلہ افزائی کرتے ہیں۔

منجانب بورڈ،

کلیم الرحمن

چیئرمین

باصر شمس

پریزیڈنٹ اور سی ای او

کراچی: 28 اپریل 2021



Unconsolidated Financial Statements
for the Quarter Ended March 31, 2021

JS BANK LIMITED
CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2021

		(Un-audited) March 31, 2021	(Audited) December 31, 2020
	Note	----- Rupees in '000 -----	
ASSETS			
Cash and balances with treasury banks	6	25,267,867	30,421,231
Balances with other banks	7	411,622	1,105,969
Lendings to financial institutions	8	15,259,278	23,239,672
Investments	9	201,135,609	201,698,473
Advances	10	251,453,010	250,199,166
Fixed assets	11	7,936,850	7,599,538
Intangible assets	12	2,508,443	2,486,725
Deferred tax assets		-	-
Other assets	13	14,835,470	14,678,428
Assets held for sale	11.3	739,200	739,200
		519,547,349	532,168,402
LIABILITIES			
Bills payable	14	5,817,635	4,981,983
Borrowings	15	39,133,365	48,303,412
Deposits and other accounts	16	425,958,860	433,062,593
Liabilities against assets subject to finance lease		-	-
Subordinated debt	17	7,492,800	7,492,800
Deferred tax liabilities	18	1,653,320	1,194,252
Other liabilities	19	18,171,937	16,541,154
		498,227,917	511,576,194
NET ASSETS		21,319,432	20,592,208
REPRESENTED BY			
Share capital - net		10,119,242	10,119,242
Reserves		2,041,691	1,991,170
Surplus on revaluation of assets	20	2,694,508	2,334,123
Unappropriated profit		6,463,991	6,147,673
		21,319,432	20,592,208
CONTINGENCIES AND COMMITMENTS	21		

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

**President and
Chief Executive Officer**

Chief Financial Officer

Director

Director

Chairman

JS BANK LIMITED
CONDENSED INTERIM UNCONSOLIDATED PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE QUARTER ENDED MARCH 31, 2021

		March 31, 2021	March 31, 2020
	Note	----- Rupees in '000 -----	
Mark-up / return / interest earned	23	9,611,598	12,923,470
Mark-up / return / interest expensed	24	6,825,325	10,381,609
Net mark-up / interest income		2,786,273	2,541,861
NON MARK-UP / INTEREST INCOME			
Fee and commission income	25	735,073	848,058
Dividend income		42,497	42,826
Foreign Exchange Income		263,519	192,975
Income from derivatives		4,721	19,746
Gain on securities	26	26,948	101,800
Other income	27	5,864	1,414
Total non mark-up / interest income		1,078,622	1,206,819
Total Income		3,864,895	3,748,680
NON MARK-UP / INTEREST EXPENSES			
Operating expenses	28	3,084,162	2,907,535
Workers' welfare fund	29	13,235	5,028
Other charges	30	25	4,044
Total non-mark-up / interest expenses		3,097,422	2,916,607
Profit before provisions		767,473	832,073
Provisions / (reversals) and write offs - net	31	105,714	203,616
Extraordinary / unusual items		-	-
PROFIT BEFORE TAXATION		661,759	628,457
Taxation	32	271,676	245,915
PROFIT AFTER TAXATION		390,083	382,542
		Rupee	
Basic and diluted earnings per share	33	0.30	0.29

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

President and
Chief Executive Officer

Chief Financial Officer

Director

Director

Chairman

JS BANK LIMITED
CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE QUARTER ENDED MARCH 31, 2021

	March 31, 2021	March 31, 2020
	----- Rupees in '000 -----	
Profit after taxation	390,083	382,542
Other comprehensive income / (loss)		
Items that may be reclassified to profit and loss account in subsequent periods		
Effect of translation of net investment in foreign branch	(27,496)	27,359
Movement in surplus on revaluation of investments - net of tax	572,435	270,790
Movement in general provision under IFRS 9 - net of tax	12,330	20,866
	584,765	291,656
	557,269	319,015
	947,352	701,557
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	(176,870)	-
Movement in surplus on revaluation of non-banking assets - net of tax	(43,258)	-
	(220,128)	-
Total comprehensive income	727,224	701,557

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

**President and
Chief Executive Officer**

**Chief Financial
Officer**

Director

Director

Chairman

JS BANK LIMITED
CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED MARCH 31, 2021

	Share capital	Reserves Statutory reserve *	Exchange translation reserve	Surplus/(deficit) on revaluation of Investments	Fixed Assets	Non Banking Assets	Unappropriated profit	Total
	----- Rupees in '000 -----							
Balance as at January 01, 2020 - 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 quarter ended March 31, 2020 - un-audited								
Profit after taxation	-	-	-	-	-	-	382,542	382,542
Other comprehensive income - net of tax	-	-	27,359	291,656	-	-	-	319,015
	-	-	27,359	291,656	-	-	382,542	701,557
Transfer to statutory reserve	-	76,508	-	-	-	-	(76,508)	-
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax								
Fixed assets	-	-	-	-	(3,715)	-	3,715	-
Non-banking assets acquired in satisfaction of claims	-	-	-	-	-	(20)	20	-
Balance as at March 31, 2020 - un-audited	10,119,242	1,722,676	130,864	(225,113)	1,056,978	92,756	5,137,409	18,034,812
Total comprehensive income for the nine months ended December 31, 2020 - un-audited								
Profit after taxation	-	-	-	-	-	-	767,518	767,518
Other comprehensive income / (loss) - net of tax	-	-	(15,874)	1,476,374	-	38,398	290,980	1,789,878
	-	-	(15,874)	1,476,374	-	38,398	1,058,498	2,557,396
Transfer to statutory reserve	-	153,504	-	-	-	-	(153,504)	-
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax								
Fixed assets	-	-	-	-	(13,070)	-	13,070	-
Non-banking assets acquired in satisfaction of claims	-	-	-	-	-	(74)	74	-
Assets held for sale	-	-	-	-	(92,126)	-	92,126	-
Balance as at December 31, 2020 - audited	10,119,242	1,876,180	114,990	1,251,261	951,782	131,080	6,147,673	20,592,208
Total comprehensive income for the quarter ended March 31, 2021 - un-audited								
Profit after taxation	-	-	-	-	-	-	390,083	390,083
Other comprehensive (loss) / income - net of tax	-	-	(27,496)	584,765	(176,870)	(43,258)	-	337,141
	-	-	(27,496)	584,765	(176,870)	(43,258)	390,083	727,224
Transfer to statutory reserve	-	78,017	-	-	-	-	(78,017)	-
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax								
Fixed assets	-	-	-	-	(4,196)	-	4,196	-
Non-banking assets acquired in satisfaction of claims	-	-	-	-	-	(56)	56	-
Balance as at March 31, 2021 - un-audited	10,119,242	1,954,197	87,494	1,836,026	770,716	87,766	6,463,991	21,319,432

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

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

President and
Chief Executive Officer

Chief Financial Officer

Director

Director

Chairman

JS BANK LIMITED
CONDENSED INTERIM UNCONSOLIDATED CASH FLOW STATEMENT (UN-AUDITED)
FOR THE QUARTER ENDED MARCH 31, 2021

		March 31, 2021	March 31, 2020
	Note	----- Rupees in '000 -----	
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before taxation		661,759	628,457
Less: Dividend income		(42,497)	(42,826)
		619,262	585,631
Adjustments:			
Depreciation		173,968	172,564
Depreciation on non-banking assets	28	86	2,269
Depreciation - Right of use assets	28	213,834	228,025
Amortisation of intangible assets	28	31,060	26,740
Mark-up / return / interest expense on lease liability against right-of-use assets	24	93,114	116,068
Charge for defined benefit plan		52,849	53,539
Unrealised loss / (gain) on revaluation of investments classified as held-for-trading - net		3	(23,717)
Unrealised gain on revaluation of derivative instruments - net		(20,562)	(8,812)
Unrealised loss / (gain) on revaluation of forward foreign exchange contracts		237,969	(441,197)
Provisions and write offs - net	31	101,750	203,616
Provision for workers' welfare fund	29	13,235	5,028
Gain on sale of fixed assets - net	27	(3,467)	(1,414)
Gain on termination of leases	27	(2,397)	-
		891,442	332,709
		1,510,704	918,340
Decrease / (increase) in operating assets			
Lendings to financial institutions		7,974,561	26,476,811
Held-for-trading securities		24,483,435	26,632,672
Advances		(1,594,928)	7,703,521
Other assets (excluding advance taxation)		625,019	808,213
		31,488,087	61,621,217
Increase / (decrease) in operating liabilities			
Bills payable		835,652	660,624
Borrowings		(9,349,907)	(4,270,953)
Deposits		(7,103,733)	9,456,497
Other liabilities		441,963	2,020,920
		(15,176,025)	7,867,088
		17,822,766	70,406,645
Income tax paid		(497,056)	(2,380)
		17,325,710	70,404,265
Net cash flow from operating activities			
CASH FLOW FROM INVESTING ACTIVITIES			
Net investments in available-for-sale securities		(22,875,323)	(63,336,207)
Net investments in held-to-maturity securities		85,791	(3,504,403)
Investment in associated companies		-	(40,828)
Dividends received		-	42,826
Investment in fixed assets		(236,827)	(160,657)
Investment in intangible assets		(52,778)	(35,827)
Proceeds from sale of fixed assets		14,262	2,477
Effect of translation of net investment in foreign branch		(27,496)	27,359
Net cash used in investing activities		(23,092,371)	(67,005,260)
CASH FLOWS FROM FINANCING ACTIVITIES			
Payment of lease liability against right of use assets		(260,916)	(340,857)
Net cash used in financing activities		(260,916)	(340,857)
(Decrease) / Increase in cash and cash equivalents		(6,027,577)	3,058,148
Cash and cash equivalents at beginning of the period		31,384,080	25,415,261
Cash and cash equivalents at end of the period	34	25,356,503	28,473,409

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

**President and
Chief Executive Officer**

Chief Financial Officer

Director

Director

Chairman

JS BANK LIMITED
NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE QUARTER ENDED MARCH 31, 2021

1. STATUS AND NATURE OF BUSINESS

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

The Bank is a scheduled bank, engaged in commercial banking and related services as described in the Banking Companies Ordinance, 1962 and is operating through 281 (December 31, 2020: 307) branches / sub-branches in Pakistan and one wholesale banking branch in Bahrain (December 31, 2020: one). The Pakistan Credit Rating Agency Limited (PACRA) has assigned the long-term entity rating of the Bank to AA- (Double A Minus) whereas short-term rating is maintained at 'A1+' (A One Plus), which is the highest possible short-term rating. The ratings denote a very low expectation of credit risk and indicate very strong capacity for timely payment of financial commitments.

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

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

- 1.3** The Bank is the holding company of JS Investments Limited, JS Global Capital Limited and JS ABAMCO Commodities Limited (Indirect subsidiary).
- 1.3.1** JS ABAMCO Commodities Limited (JSACL), does not intend to carry on the business of Futures Broker, the Directors of JSIL were therefore desirous of merging JSACL with and into JSIL. Accordingly, a draft Scheme of Arrangement under Section 284 of the Companies Act, 2017, for Merger/Amalgamation of JS ABAMCO Commodities Limited with and into JS Investments Limited was prepared and submitted to the Commission for seeking its permission under Rule 7(2) (cb) of NBFC Rules 2003. The Securities and Exchange Commission of Pakistan vide its letter January 13, 2021 granted its 'No Objection' to the scheme of merger/amalgamation in terms of Rule 7(2)(cb) of the Non Banking Finance Companies (Establishment and Regulations) Rules 2003. Subsequent to SECP's concurrence, the Board of Directors of the Company at its meeting held on February 19, 2021 has decided to proceed with the Merger/Amalgamation of JSACL with and into JSIL at an effective date of March 31, 2021. The material information in this regards was disseminated to the Exchange and SECP after the Boards' approvals. Thereafter, as required by the section 284 of the Companies Act, 2017, the Scheme of Amalgamation, duly approved by the Board submitted to Companies Registration Office alongwith Form-35. As soon as the clearance from the CRO will receive then we will proceed further under supervision of legal counsel of the Company. The matter is under observation by the SECP due to some clarification which will be resolved shortly.

2. BASIS OF PRESENTATION

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

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

2.1 Statement of compliance

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

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

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

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

These condensed interim unconsolidated financial Statements do not include all the information and disclosures required for annual unconsolidated financial statements and should be read in conjunction with the unconsolidated financial statements for the year ended December 31, 2020.

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

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.O 56(I)/2016 dated January 28, 2016, that the requirement of consolidation under section 228 of the Companies Act, 2017 and IFRS-10 "Consolidated Financial Statements" is not applicable in case of investment by companies in mutual funds established under trust structure. Accordingly, the requirements of these standards have not been considered in the preparation of these condensed interim unconsolidated financial statements.

The applicability of the IFRS 9 'Financial Instruments' for all companies was deferred by SECP through its S.R.O. 229 (I)/2019 dated February 14, 2019. Under this standard all companies were required to prepare their financial statements in accordance with the requirements of IFRS 9 for reporting period / year ending on or after June 30, 2019 (earlier application was also permitted). However, State Bank of Pakistan (SBP) was extended the effective date of applicability of IFRS 9 on or after January 01, 2021 and start parallel run exercise from January 01, 2020 through its BPRD Circular No.4 dated October 23, 2019. Subsequently, extension was advised by SBP to start parallel run of IFRS 9 from July 01, 2020 via its BPRD Circular Letter No. 15 of 2020 which is being complied

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

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

There are certain new and amended standards, interpretations and amendments that are mandatory for the Bank's accounting periods beginning on or after January 1, 2021 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

Amendments and interpretations of approved accounting standards will be effective for the accounting period as stated below:

Standard	IASB Effective date (annual periods beginning on or after)
IFRS 1 – First time adoption of IFRSs	January 01, 2004
IFRS 17 – Insurance Contracts	January 01, 2023

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, 2020.

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, 2020.

5. FINANCIAL RISK MANAGEMENT

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

		(Un-audited) March 31, 2021	(Audited) December 31, 2020
	Note	----- Rupees in '000 -----	
6. CASH AND BALANCES WITH TREASURY BANKS			
In hand			
Local currency		7,885,695	6,337,089
Foreign currencies		1,789,226	1,301,503
		<u>9,674,921</u>	<u>7,638,592</u>
With State Bank of Pakistan in:			
Local currency current account		10,752,094	16,268,165
Foreign currency current account - non remunerative		1,023,483	1,086,874
Foreign currency deposit account - remunerative		2,116,351	2,261,337
		<u>13,891,928</u>	<u>19,616,376</u>
With National Bank of Pakistan in:			
Local currency current accounts		1,479,051	2,609,635
National Prize Bonds		221,967	556,628
		<u>25,267,867</u>	<u>30,421,231</u>
7. BALANCES WITH OTHER BANKS			
In Pakistan			
In current accounts		86,280	125,677
In deposit accounts		73	73
		<u>86,353</u>	<u>125,750</u>
Outside Pakistan			
In current accounts		325,713	980,669
		<u>412,066</u>	<u>1,106,419</u>
Less: General provision under IFRS 9	7.1	(444)	(450)
Balances with other banks - net of provision		<u>411,622</u>	<u>1,105,969</u>
7.1	This represents general provision held under IFRS 9 by Bahrain branch of the Bank.		
8. LENDINGS TO FINANCIAL INSTITUTIONS			
Call money lendings		2,391,379	2,237,682
Repurchase agreement lendings (Reverse Repo)		12,722,197	21,003,215
Due against trade loan		152,759	-
		<u>15,266,335</u>	<u>23,240,897</u>
Less: General provision under IFRS 9	8.2	(7,057)	(1,225)
Lending to Financial Institutions - net of provision		<u>15,259,278</u>	<u>23,239,672</u>
8.1 Particulars of lendings - gross			
In local currency		12,822,197	21,003,215
In foreign currencies		2,444,138	2,237,682
		<u>15,266,335</u>	<u>23,240,897</u>
8.2	This represents general provision held under IFRS 9 by Bahrain branch of the Bank.		

9. INVESTMENTS	(Un-audited) March 31, 2021				(Audited) December 31, 2020			
	Cost / Amortised cost	Provision for diminution	Surplus / (Deficit)	Carrying Value	Cost / Amortised cost	Provision for diminution	Surplus / (Deficit)	Carrying Value
----- Rupees in '000 -----								
9.1 Investments by type								
Held-for-trading securities								
Federal Government Securities	520,339	-	(3)	520,336	25,002,969	-	805	25,003,774
Available-for-sale securities								
Federal Government Securities	150,288,304	-	(416,190)	149,872,114	127,308,516	-	97,527	127,406,043
Shares	2,352,764	(199,521)	3,227,958	5,381,201	2,995,123	(411,955)	1,692,166	4,275,334
Non Government Debt Securities	2,985,234	(370,051)	(67)	2,615,116	3,020,950	(370,051)	(1,142)	2,649,757
Foreign Securities	4,652,680	(103,789)	12,955	4,561,846	4,079,070	(122,758)	136,466	4,092,778
	160,278,982	(673,361)	2,824,656	162,430,277	137,403,659	(904,764)	1,925,017	138,423,912
Held-to-maturity securities								
Federal Government Securities	36,023,808	-	-	36,023,808	36,109,599	-	-	36,109,599
Associates	242,067	-	-	242,067	242,067	-	-	242,067
Subsidiaries	1,919,121	-	-	1,919,121	1,919,121	-	-	1,919,121
Total Investments	198,984,317	(673,361)	2,824,653	201,135,609	200,677,415	(904,764)	1,925,822	201,698,473
9.2 Investments by segments:	(Un-audited) March 31, 2021				(Audited) December 31, 2020			
	Cost / Amortised cost	Provision for diminution	Surplus / (Deficit)	Carrying Value	Cost / Amortised cost	Provision for diminution	Surplus / (Deficit)	Carrying Value
----- Rupees in '000 -----								
Note								
Held-for-trading securities								
Federal Government Securities								
Market Treasury Bills	520,339	-	(3)	520,336	25,002,969	-	805	25,003,774
Available-for-sale securities								
Federal Government Securities:								
Market Treasury Bills	105,557,109	-	(67,672)	105,489,437	90,027,949	-	20,041	90,047,990
Pakistan Investment Bonds	44,731,195	-	(348,518)	44,382,677	37,280,567	-	77,486	37,358,053
	150,288,304	-	(416,190)	149,872,114	127,308,516	-	97,527	127,406,043
Shares:								
Listed Companies								
Ordinary shares	2,205,175	(62,932)	3,227,958	5,370,201	2,847,534	(275,366)	1,692,166	4,264,334
Preference shares	136,589	(136,589)	-	-	136,589	(136,589)	-	-
Unlisted Companies								
Ordinary shares	11,000	-	-	11,000	11,000	-	-	11,000
	2,352,764	(199,521)	3,227,958	5,381,201	2,995,123	(411,955)	1,692,166	4,275,334
Non Government Debt Securities								
Listed								
Term Finance Certificates	305,182	(155,169)	362	150,375	305,182	(155,169)	(13)	150,000
Sukuk Certificates	308,583	-	(429)	308,154	308,583	-	(1,129)	307,454
Unlisted								
Term Finance Certificates	978,632	(214,882)	-	763,750	1,014,348	(214,882)	-	799,466
Sukuk Certificates	1,365,104	-	-	1,365,104	1,365,104	-	-	1,365,104
Preference shares	27,733	-	-	27,733	27,733	-	-	27,733
	2,985,234	(370,051)	(67)	2,615,116	3,020,950	(370,051)	(1,142)	2,649,757
Foreign Securities								
Government Debt Securities *	3,754,222	(84,660)	1,060	3,670,622	3,633,601	(120,619)	130,420	3,643,402
Non Government Debt Securities *	876,190	(19,129)	9,401	866,462	379,654	(2,139)	(3,628)	373,887
Ordinary shares	22,268	-	2,494	24,762	65,815	-	9,674	75,489
	4,652,680	(103,789)	12,955	4,561,846	4,079,070	(122,758)	136,466	4,092,778
Held-to-maturity securities								
Federal Government Securities:								
Pakistan Investment Bonds	36,023,808	-	-	36,023,808	36,109,599	-	-	36,109,599
Associates								
Omar Jibran Engineering Industries Limited	180,000	-	-	180,000	180,000	-	-	180,000
Veda Transit Solutions (Private) Limited	41,800	-	-	41,800	41,800	-	-	41,800
Intercity Touring Company (Private) Limited	20,267	-	-	20,267	20,267	-	-	20,267
	242,067	-	-	242,067	242,067	-	-	242,067
Subsidiaries								
JS Global Capital Limited	1,357,929	-	-	1,357,929	1,357,929	-	-	1,357,929
JS Investments Limited	561,192	-	-	561,192	561,192	-	-	561,192
	1,919,121	-	-	1,919,121	1,919,121	-	-	1,919,121
Total Investments	198,984,317	(673,361)	2,824,653	201,135,609	200,677,415	(904,764)	1,925,822	201,698,473

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

- 9.2.1 Included herein are the investments in related parties amounting to Rs. 2,013.520 million (December 31, 2020: Rs. 2,655.879 million) having market value of Rs. 5,244.213 million (December 31, 2020: Rs. 4,135.436 million).
- 9.2.2 Included herein is the investment of Rs. 65.022 million (December 31, 2020: Rs. 65.022 million) in a related party at the rate of 6 months KIBOR + 1.75% matured on December 04, 2017. Due to weak financial position of the investee the Bank has recognised full impairment loss on these Term Finance Certificates.
- 9.2.3 This represents investment in an associated company amounting to Rs. 27.733 million (December 31, 2020: Rs. 27.733 million).
- 9.2.4 The market value of securities classified as held-to-maturity as at amounted to Rs. 35,738.244 million (December 31, 2019: Rs. 35,862.699 million).

	(Un-audited) March 31, 2021		(Audited) December 31, 2020	
	Cost	Market value	Cost	Market value
----- Rupees in '000 -----				
9.3 Investments given as collateral				
Held-for-trading securities				
Federal Government Securities				
Market Treasury Bills	-	-	4,864,464	4,864,680
Available-for-sale securities				
Federal Government Securities:				
Market Treasury Bills	-	-	4,902,054	4,902,811
Pakistan Investment Bonds	2,694,012	2,683,582	-	-
	2,694,012	2,683,582	4,902,054	4,902,811
	2,694,012	2,683,582	9,766,518	9,767,491

	Note	(Un-audited) March 31, 2021	(Audited) December 31, 2020
		----- Rupees in '000 -----	
9.4 Provision for diminution in value of investments			
Opening balance		904,764	506,640
Charge during the period / year		-	276,202
Reversal during the period / year		(212,434)	(836)
Charge/ (reversal) during the period / year	31	(212,434)	275,366
Impairment under IFRS 9 in Bahrain branch			
(Reversal) / charge during the period / year		(14,046)	122,758
Exchange Gain		(4,923)	-
		(18,969)	122,758
Closing Balance		673,361	904,764

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

		Performing		Non Performing		Total		
		(Un-audited) March 31, 2021	(Audited) December 31, 2020	(Un-audited) March 31, 2021	(Audited) December 31, 2020	(Un-audited) March 31, 2021	(Audited) December 31, 2020	
10.	ADVANCES	Note	----- Rupees in '000 -----					
	Loans, cash credits, running finances, etc.		230,226,809	231,066,384	12,895,535	11,733,555	243,122,344	242,799,939
	Bills discounted and purchased		12,874,914	11,602,390	-	-	12,874,914	11,602,390
	Advances - gross		243,101,723	242,668,774	12,895,535	11,733,555	255,997,258	254,402,329
	Provision against advances							
	General		(104,830)	-	-	-	(104,830)	-
	General provision - under IFRS-9	10.3.2	(21,973)	(21,327)	-	-	(21,973)	(21,327)
	Specific		-	-	(4,417,445)	(4,181,836)	(4,417,445)	(4,181,836)
		10.3	(126,803)	(21,327)	(4,417,445)	(4,181,836)	(4,544,248)	(4,203,163)
	Advances - net of provision		242,974,920	242,647,447	8,478,090	7,551,719	251,453,010	250,199,166

10.1 Particulars of advances (gross)			
In local currency		248,567,830	245,005,622
In foreign currencies		7,429,428	9,396,707
		255,997,258	254,402,329

10.2 Advances include Rs. 12,895.535 million (December 31, 2020: Rs. 11,733.555 million) which have been placed under non-performing status as detailed below:

Category of Classification	(Un-audited) March 31, 2021		(Audited) December 31, 2020	
	Non Performing Loans	Provision	Non Performing Loans	Provision
----- Rupees in '000 -----				
Domestic				
Other Assets Especially Mentioned	820,332	585	296,799	394
Substandard	959,075	82,163	1,177,804	156,095
Doubtful	3,274,679	850,165	3,264,335	724,426
Loss	7,841,449	3,484,532	6,994,617	3,300,921
Total	12,895,535	4,417,445	11,733,555	4,181,836

10.3 Particulars of provision against advances

	(Un-audited) March 31, 2021				(Audited) December 31, 2020			
	Specific	General	General provision - under IFRS-	Total	Specific	General	General provision - under IFRS-	Total
Rupees in '000								
Opening balance	4,181,836	-	21,327	4,203,163	3,339,941	161,166	7,520	3,508,627
Exchange adjustments	-	-	(1,004)	(1,004)	-	-	71	71
Charge for the period / year	282,884	104,830	1,650	389,364	1,087,212	-	13,736	1,100,948
Reversals	(47,275)	-	-	(47,275)	(245,317)	(161,166)	-	(406,483)
	235,609	104,830	1,650	342,089	841,895	(161,166)	13,736	694,465
Amounts written off	-	-	-	-	-	-	-	-
Closing balance	4,417,445	104,830	21,973	4,544,248	4,181,836	-	21,327	4,203,163

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

10.3.3 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 March 31, 2021, the Bank has availed cumulative benefit of FSV of Rs. 6,324.600 million (December 31, 2020: Rs. 4,655.818 million) under the directives of the SBP. Had the benefit not been taken the unappropriated profit after tax would have reduced by Rs. 4,110.990 million (December 31, 2020: Rs. 3,026.282 million). Further, as required by the SBP directives, this unappropriated profit will not be available for distribution as dividend or other appropriations.

10.3.4 Advances - Deferred & Restructured / Rescheduled

The SBP vide BPRD circular letter No. 13 of 2020 dated March 26, 2020, has relaxed certain classification criteria of SBP Prudential Regulation R-8 (Classification and Provisioning of Assets). Accordingly, certain exposures as at March 31, 2021 relating to facilities of customers have not been classified as non-performing on account of such relaxation.

	Note	(Un-audited) March 31, 2021	(Audited) December 31, 2020
		Rupees in '000	
11. FIXED ASSETS			
Capital work-in-progress	11.1	302,812	291,402
Property and equipment	11.2 & 11.3	4,982,973	4,925,430
Right-of-use assets		2,651,065	2,382,706
		7,936,850	7,599,538
11.1 Capital work-in-progress			
Civil works		249,978	225,220
Advance for purchase of furniture and fixtures		6,028	1,013
Advance for purchase of equipment		46,806	61,794
Advance for purchase of vehicle		-	3,375
		302,812	291,402

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

	(Un-audited)					
	Additions		Disposal		Write back / (offs)	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Rupees in '000						
Capital work-in-progress - net	137,079	35,808	-	-	-	-
Property and equipment						
Building on leasehold land	74,219	-	-	-	-	-
Leasehold improvements	11,835	35,126	1,991	29	-	43,754
Furniture and fixture	7,947	20,149	697	43	1,976	5,144
Electrical, office and computer equipment	128,041	69,999	2,870	226	16,677	9,610
Vehicles	3,375	49	5,237	764	1,588	-
	225,417	125,323	10,795	1,062	20,241	58,508
	362,496	161,131	10,795	1,062	20,241	58,508

	Note	(Un-audited) March 31, 2021	(Audited) December 31, 2020
		---- Rupees in '000 ----	
11.3 Assets held for sale			
Leasehold land	11.3.1	739,200	739,200

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

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

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

	Note	(Un-audited) March 31, 2021	(Audited) December 31, 2020
		---- Rupees in '000 ----	
12. INTANGIBLE ASSETS			
Capital work-in-progress	12.1	211,829	213,312
Computer software		832,990	809,789
Goodwill		1,463,624	1,463,624
		<u>2,508,443</u>	<u>2,486,725</u>
12.1 Capital work-in-progress			
Advance for purchase of software	12.1.1	211,829	213,312

12.1.1 During the period, advance against purchase software was written off amounting Rs. 3.964 million as disclosed in note 31.

	(Un-audited) March 31, 2021	(Audited) March 31, 2020
	---- Rupees in '000 ----	
12.2 Additions to intangible assets		

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

Capital work-in-progress - net	43,627	-
Computer software	52,114	35,489
	<u>95,741</u>	<u>35,489</u>

	Note	(Un-audited) March 31, 2021	(Audited) December 31, 2020
		---- Rupees in '000 ----	
13. OTHER ASSETS			
Income / mark-up accrued in local currency		6,868,248	6,879,923
Income / mark-up accrued in foreign currencies		107,322	93,950
Advances, deposits, advance rent and other prepayments		763,744	477,717
Acceptances		3,518,873	3,603,192
Dividend receivable		42,497	-
Taxation (payments less provision)		233,968	84,522
Defined benefit plan assets - net		264,732	317,581
Receivable against bancassurance / bancatakaful		26,159	30,660
Stationery and stamps in hand		19,234	22,730
Receivable in respect of home remittance		36,272	30,656
Due from State Bank of Pakistan		189,522	245,310
Rebates receivable from SBP and others		312,299	305,331
Non-banking assets acquired in satisfaction of claims		1,176,144	1,176,143
Mark to market gain on derivative instruments		155,529	175,454
Mark to market gain on forward foreign exchange contracts		494,007	334,735
Credit card settlement		196,155	140,899
Insurance		9,880	7,636
Others		297,104	628,121
		<u>14,711,689</u>	<u>14,554,560</u>
Less: Provision held against other assets		(11,241)	(11,241)
Other assets (net of provisions)		<u>14,700,448</u>	<u>14,543,319</u>
Surplus on revaluation of non-banking assets acquired in satisfaction of claims		135,022	135,109
Other assets - total		<u>14,835,470</u>	<u>14,678,428</u>

		(Un-audited) March 31, 2021	(Audited) December 31, 2020				
		---- Rupees in '000 ----					
14.	BILLS PAYABLE						
	In Pakistan	5,598,875	4,752,985				
	Outside Pakistan	218,760	228,998				
		5,817,635	4,981,983				
15.	BORROWINGS						
	Secured						
	Borrowings from State Bank of Pakistan under:						
	Export Refinancing Scheme (ERF)	20,212,354	21,496,075				
	Long-Term Finance Facility (LTFF)	2,028,221	1,985,038				
	Other borrowings						
	Financing Facility for Storage of Agricultural Produce (FFSAP)	256,067	193,029				
	Financing Facility for Renewable Energy Projects	528,297	433,085				
	Refinance and credit guarantee scheme for women entrepreneurs	45,401	32,900				
	Refinance for Wages & Salaries	10,063,993	11,543,118				
	Refinance facility for modernization of Small and Medium Enterprises (SMEs)	1,365	96,192				
	Refinance facility for combating COVID-19	220,696	229,984				
	Refinance facility for working capital of SMEs	28,101	33,901				
	Temporary economic refinance facility (TERF)	66,071	51,871				
	Small and Medium Enterprises' Financing	9,880	-				
		11,219,871	12,614,080				
	Repurchase agreement borrowings	-	-				
		33,460,446	36,095,193				
	Borrowing from financial institutions						
	Repurchase agreement borrowings	2,664,864	9,667,181				
	Refinancing facility for mortgage loans	2,379,108	2,397,468				
		5,043,972	12,064,649				
	Total secured	38,504,418	48,159,842				
	Unsecured						
	Call borrowings	305,517	-				
	Overdrawn nostro accounts	323,430	143,570				
	Total unsecured	628,947	143,570				
		39,133,365	48,303,412				
15.1	Particulars of borrowings						
	In local currency	38,504,418	48,159,842				
	In foreign currencies	628,947	143,570				
		39,133,365	48,303,412				
16.	DEPOSITS AND OTHER ACCOUNTS						
		(Un-audited) March 31, 2021	(Audited) December 31, 2020				
		In Local Currency	In Foreign Currencies	Total	In Local Currency	In Foreign Currencies	Total
		----- Rupees in '000 -----					
	Customers						
	Current deposits	91,396,097	8,619,330	100,015,427	90,714,627	9,668,068	100,382,695
	Savings deposits	94,845,212	3,816,050	98,661,262	98,103,956	3,944,797	102,048,753
	Term deposits	172,810,950	13,913,713	186,724,663	186,691,026	15,203,881	201,894,907
	Margin deposits	6,540,726	46	6,540,772	5,920,595	163	5,920,758
		365,592,985	26,349,139	391,942,124	381,430,204	28,816,909	410,247,113
	Financial Institutions						
	Current deposits	1,483,455	448,631	1,932,086	1,281,700	435,683	1,717,383
	Savings deposits	20,679,893	50,010	20,729,903	12,831,324	-	12,831,324
	Term deposits	11,354,747	-	11,354,747	8,266,773	-	8,266,773
		33,518,095	498,641	34,016,736	22,379,797	435,683	22,815,480
		399,111,080	26,847,780	425,958,860	403,810,001	29,252,592	433,062,593

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

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

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

Issue date: December 14, 2016

Tenure: Up to Seven years from the Issue date.

Maturity Date: December 14, 2023

Rating: A + (Single A Plus)

Profit Rate: Floating rate of return at Base rate + 1.4 percent per annum;
Base rate is defined as the average six months KIBOR prevailing on the Base Rate setting date. The Base Rate will be set for the first time on the last working day prior to the Issue Date and subsequently on the immediately preceding business day before the start of each six monthly period.

Profit payment: Semi-annual

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

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

Call Option: Exercisable in part or in full on or after the 10th redemption, subject to SBP's approval.

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

Loss absorbency clause: Upon the occurrence of a Point of Non-Viability event as defined by SBP's Basel III Capital Rule vide BPRD Circular # 6 of 2013 dated August 15, 2013, SBP may at its option, fully and permanently convert the TFCs into common shares of the Bank and/or have them immediately written off (either partially or in full). Number of shares to be issued to TFC holders at the time of conversion will be equal to the 'Outstanding Face Value of the TFCs' divided by market value per share of the Bank's common share on the date of trigger as declared by SBP of the non-viability event as declared by SBP, subject to a cap of 467,836,257 shares.

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

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

Issue date: December 29, 2017

Tenure: Up to Seven years from the Issue date.

Maturity Date: December 29, 2024

Rating: A + (Single A Plus)

Profit Rate: Floating rate of return at Base rate + 1.4 percent per annum;
Base rate is defined as the average six months KIBOR prevailing on the Base Rate setting date. The Base Rate will be set for the first time on the last working day prior to the Issue Date and subsequently on the immediately preceding business day before the start of each six monthly period.

Profit payment: Semi-annual

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

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

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

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

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

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

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

Issue date: December 31, 2018

Maturity date: Perpetual

Rating: A (Single A)

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

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

Redemption: Not applicable

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

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

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

Loss absorbency clause:

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

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

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

The PONV trigger event is the earlier of:

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

		(Un-audited) March 31, 2021	(Audited) December 31, 2020
	Note	---- Rupees in '000 ----	
18. DEFERRED TAX LIABILITIES			
Deferred tax debits arising from:			
Provision against investments		(57,149)	(57,149)
Provision against loans and advances		(305,947)	(287,840)
General provision under IFRS-9		(38,952)	(43,552)
Intangible other than Goodwill		(2,506)	(2,904)
Mark to market gain / (loss) on forward foreign exchange contracts		(83,289)	(22,893)
		(487,843)	(414,338)
Deferred tax credits arising due to:			
Fixed assets		170,812	172,562
Goodwill		512,268	512,268
Surplus on revaluation of operating fixed assets	20	415,001	240,391
Surplus on revaluation of non-banking assets acquired in satisfaction of claims	20	47,256	4,029
Unrealized gain on revaluation of derivative instruments		7,197	5,302
Unrealised (loss) / gain on revaluation of investments classified as held for trading		(1)	282
Surplus on revaluation of investments classified as available for sale	20	988,630	673,756
		2,141,163	1,608,590
		1,653,320	1,194,252
19. OTHER LIABILITIES			
Mark-up / return / interest payable in local currency		3,238,422	2,994,596
Mark-up / return / interest payable in foreign currencies		73,728	52,729
Unearned income on guarantees		144,649	176,270
Accrued expenses		421,085	669,383
Acceptances		3,518,873	3,603,192
Unclaimed dividends		4,214	4,214
Mark to market loss on derivative instruments		134,967	160,306
Mark to market loss on forward foreign exchange contracts		731,976	400,144
Grauity Payable to contractual staff		1,501	-
Withholding taxes payable		368,363	401,303
Government challan collection		97,721	94,510
Donation payable		13,235	-
Security deposits against leases, lockers and others		3,405,169	3,490,704
Sindh Workers' Welfare Fund		127,472	114,237
Payable in respect of home remittance		450,728	831,042
Retention money payable		47,496	42,044
Lease liability against right-of-use assets		2,895,941	2,583,947
Payable against short sell of securities		749,932	-
Insurance payable		22,197	10,137
Payable to vendors against SBS goods		137,212	93,634
Debit card settlement		81,611	65,855
Inter bank fund transfer settlement		257,352	159,136
Others		1,248,093	593,771
		18,171,937	16,541,154

		(Un-audited) March 31, 2021	(Audited) December 31, 2020
	Note	----- Rupees in '000 -----	
20. SURPLUS ON REVALUATION OF ASSETS			
Surplus on revaluation of:			
Available-for-sale securities	9.1 & 20.1	2,824,656	1,925,017
Fixed assets		1,185,717	1,192,173
Non-banking assets acquired in satisfaction of claims		135,022	135,109
		4,145,395	3,252,299
Deferred tax on surplus on revaluation of:			
Available-for-sale securities		(988,630)	(673,756)
Fixed assets		(415,001)	(240,391)
Non-banking assets acquired in satisfaction of claims		(47,256)	(4,029)
	18	(1,450,887)	(918,176)
		2,694,508	2,334,123

20.1 This includes general provision under IFRS 9 of Rs. 103.789 million held on foreign bonds (December 31, 2020: Rs. 122.758 million) by Bahrain branch of the Bank.

		(Un-audited) March 31, 2021	(Audited) December 31, 2020
	Note	----- Rupees in '000 -----	
21. CONTINGENCIES AND COMMITMENTS			
Guarantees	21.1	45,870,211	58,779,594
Commitments	21.2	56,143,233	65,262,832
		102,013,444	124,042,426
21.1 Guarantees:			
Financial guarantees		726,747	1,024,422
Performance guarantees		24,794,316	36,678,881
Other guarantees		20,349,148	21,076,291
	21.1.1	45,870,211	58,779,594

21.1.1 Included herein are outstanding guarantees of Rs. 38.629 million (December 31, 2020: Rs.29.054 million) of related parties.

21.2 Commitments:			
Documentary credits and short-term trade-related transactions			
- letters of credit	21.2.1	19,209,640	21,111,360
Commitments in respect of:			
- Forward foreign exchange contracts	21.2.2	30,819,306	38,178,262
- Derivative instruments	21.2.3	4,612,572	5,362,948
- Forward lending	21.2.4	1,249,812	384,230
Commitments for acquisition of:			
- Fixed assets	21.2.5	251,903	226,032
		56,143,233	65,262,832

21.2.1 Included herein are the outstanding letter of credits of Rs. 72.980 million (December 31, 2020: Rs. 86.543 million) of related parties.

21.2.2 Commitments in respect of forward foreign exchange contracts			
Purchase		19,863,379	23,137,733
Sale		10,955,927	15,040,529
		30,819,306	38,178,262

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

		(Un-audited) March 31, 2021	(Audited) December 31, 2020
		----- Rupees in '000 -----	
21.2.3 Commitments in respect of derivative instruments			
Purchase		730,220	1,760,637
Sale		3,882,352	3,602,311
		4,612,572	5,362,948
21.2.3.1 Interest rate swaps (notional principal)			
Purchase		727,765	1,176,824
Sale		727,765	1,176,824
		1,455,530	2,353,648
21.2.3.2 Options (notional principal)			
Purchase		2,455	582,419
Sale		3,154,587	2,425,487
		3,157,042	3,007,906
21.2.3.3 Commitments in respect of forward securities			
Purchase		-	1,394

			(Un-audited) March 31, 2021	(Audited) December 31, 2020
	Note		----- Rupees in '000 -----	
21.2.4 Commitments in respect of forward lending				
Undrawn formal standby facilities, credit lines and other commitments to lend	21.2.4.1		1,249,812	384,230
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			251,903	226,032

22. DERIVATIVE INSTRUMENTS

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

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

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

These transactions cover the aspects of both market making and hedging. The risk management related to derivative is disclosed in note 45 to the annual unconsolidated financial statements for the year ended December 31, 2020.

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

22.1 Product analysis

With Banks for

Hedging

Market making

With FIs other than banks

Hedging

Market making

Total

Hedging

Market making

(Un-audited) March 31, 2021					
Interest Rate Swaps		Options		Forward securities	
Notional principal	Mark to Market	Notional principal	Mark to Market	Notional principal	Mark to Market
----- Rupees in '000 -----					
1,455,530	2,328	3,157,042	18,234	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
1,455,530	2,328	3,157,042	18,234	-	-
-	-	-	-	-	-

(Audited)

December 31, 2020

With Banks for

Hedging

Market making

With FIs other than banks

Hedging

Market making

Total

Hedging

Market making

(Audited) December 31, 2020					
Interest Rate Swaps		Options		Forward securities	
Notional principal	Mark to market	Notional principal	Mark to Market	Notional principal	Mark to Market
----- Rupees in '000 -----					
2,353,648	4,943	3,007,906	10,205	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	1,394	-
2,353,648	4,943	3,007,906	10,205	-	-
-	-	-	-	1,394	-

		----- Un-audited -----	
		March 31, 2021	March 31, 2020
		----- Rupees in '000 -----	
Note			
23. MARK-UP / RETURN / INTEREST EARNED			
On:			
Loans and advances		5,073,893	8,319,959
Investments		4,195,600	4,166,388
Lendings to financial institutions		13,904	3,581
Balances with other banks		2,046	5,202
Securities purchased under resale agreements		326,155	428,340
		<u>9,611,598</u>	<u>12,923,470</u>
24. MARK-UP / RETURN / INTEREST EXPENSED			
Deposits		5,405,359	9,237,978
Borrowings	24.1	1,059,517	562,398
Subordinated debt		166,908	282,807
Cost of foreign currency swaps against foreign currency deposits / borrowings		100,427	182,358
Markup on Lease liability against right-of-use assets		93,114	116,068
		<u>6,825,325</u>	<u>10,381,609</u>
24.1 Borrowings			
Export Refinancing Scheme (ERF)		98,176	85,420
Long-Term Finance Facility (LTFF)		12,011	11,433
Other Borrowings from State Bank Bank of Pakistan		4,027	1,902
Securities sold under repurchase agreements		791,085	327,814
Other borrowings		154,218	135,829
		<u>1,059,517</u>	<u>562,398</u>
25. FEE AND COMMISSION INCOME			
Branch banking customer fees		34,398	45,875
Consumer finance related fees		11,555	6,977
Card related fees (debit and credit cards)		84,172	198,996
Credit related fees		70,752	77,956
Investment banking fees		22,355	23,799
Commission on trade		188,330	163,558
Commission on guarantees		118,001	86,242
Commission on cash management		1,353	1,736
Commission on remittances including home remittances		26,776	56,637
Commission on bancassurance		38,620	28,636
Commission on distribution of mutual funds		-	12,748
Commission on online services		63,448	74,688
Postage & courier income		5,886	7,168
Rebate income		69,427	63,042
		<u>735,073</u>	<u>848,058</u>
26. GAIN / (LOSS) ON SECURITIES			
Realised	26.1	26,951	78,083
Unrealised - held for trading		(3)	23,717
		<u>26,948</u>	<u>101,800</u>
26.1 Realised gain / (loss) on:			
Federal government securities			
Market treasury bills		2,585	27,955
Pakistan investment bonds		56,829	57,826
Ijara sukuk certificates		-	-
		<u>59,414</u>	<u>85,781</u>
Shares			
Listed companies		(71,993)	(10,670)
Non Government Debt Securities			
Sukuk certificates		-	450
Mutual fund units		2,760	2,522
Foreign currency bonds		36,770	-
		<u>26,951</u>	<u>78,083</u>

		----- Un-audited -----	
		March 31, 2021	March 31, 2020
		----- Rupees in '000 -----	
Note			
27. OTHER INCOME - NET			
Gain on sale of operating fixed assets - net		3,467	1,414
Gain on termination of leases		2,397	-
		<u>5,864</u>	<u>1,414</u>
28. OPERATING EXPENSES			
Total compensation expense		1,534,915	1,565,155
Property expense			
Rent & taxes		22,231	7,830
Insurance		3,505	2,638
Utilities cost		73,532	58,208
Security (including guards)		70,017	76,188
Repair & maintenance (including janitorial charges)		52,392	36,575
Depreciation		47,036	50,017
Depreciation - Right of Use Assets		213,834	228,025
Depreciation on non banking assets		86	2,269
		<u>482,633</u>	<u>461,750</u>
Information technology expenses			
Software maintenance		127,865	13,581
Hardware maintenance		45,067	38,378
Depreciation		55,728	48,778
Amortisation		31,060	26,740
Network charges		36,158	27,184
		<u>295,878</u>	<u>154,661</u>
Other operating expenses			
Directors' fees and allowances		4,150	3,350
Legal & professional charges		24,888	26,688
Insurance		55,439	25,809
Outsourced services costs		35,946	32,769
Travelling & conveyance		21,925	23,502
NIFT clearing charges		7,658	8,958
Depreciation		71,204	73,769
Training & development		3,771	6,721
Postage & courier charges		20,339	27,779
Communication		20,214	32,909
Stationery & printing		44,652	67,069
Marketing, advertisement & publicity		84,526	117,412
Donations		13,235	12,569
Auditors' Remuneration		1,734	1,500
Staff Auto fuel & maintenance		55,078	56,063
Bank Charges		11,244	11,369
Stamp Duty		5,739	3,160
Online verification charges		9,105	4,677
Brokerage, fee and commission		17,580	9,350
Card related fees (debit and credit cards)		46,821	6,626
CDC and other charges		1,371	1,080
Consultancy fee		9,011	9,508
Deposit protection corporation	28.1	68,881	34,970
Entertainment expenses		26,163	15,121
Repair and maintenance		21,412	16,778
Cash handling charges		27,138	28,148
Fee and Subscription		26,622	29,759
Employees social security		672	2,233
Generator fuel & maintenance		20,412	20,326
Others		13,806	15,997
		<u>770,736</u>	<u>725,969</u>
		<u>3,084,162</u>	<u>2,907,535</u>

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

29. WORKERS' WELFARE FUND

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

		----- Un-audited -----	
		March 31, 2021	March 31, 2020
		----- Rupees in '000 -----	
30. OTHER CHARGES	Note		
Penalties imposed by State Bank of Pakistan		25	-
Others		-	4,044
		<u>25</u>	<u>4,044</u>
31. PROVISIONS / (REVERSALS) AND WRITE OFFS - NET			
Reversals / provisions for diminution in value of investments	9.4	(212,434)	16,569
Provisions against loans & advances - specific	10.3	235,609	86,427
Provisions against loans & advances - general	10.3	104,830	(3,025)
(Reversals) / provisions under IFRS-9 - general		(6,273)	45,137
Fixed assets written (back) / off	11.2	(20,241)	58,508
Intangible assets written off	12.1.1	3,964	-
Other assets written off		259	-
		<u>105,714</u>	<u>203,616</u>
31.1 (Reversals) / provisions under IFRS-9 - general			
Charge / (reversal) during the period			
Balances with other banks		14	2
Lendings to financial institutions		6,109	(953)
Investments		(14,046)	30,047
Advances		1,650	16,041
		<u>(6,273)</u>	<u>45,137</u>
32. TAXATION			
Current		347,610	223,292
Prior years		-	-
Deferred		(75,934)	22,623
		<u>271,676</u>	<u>245,915</u>
32.1	There are no material changes in tax contingencies as disclosed in annual unconsolidated financial statements for the year ended December 31, 2020.		
		----- Un-audited -----	
		March 31, 2021	March 31, 2020
		----- Rupees in '000 -----	
33. BASIC AND DILUTED EARNINGS PER SHARE			
Profit after taxation for the period - attributable to ordinary equity holders of the Bank		<u>390,083</u>	<u>382,542</u>
		----- Numbers -----	
Weighted average number of outstanding ordinary shares during the period		<u>1,297,464,262</u>	<u>1,297,464,262</u>
		----- Rupee -----	
Basic and diluted earnings per share		<u>0.30</u>	<u>0.29</u>
		----- Rupees in '000 -----	
		(Un-audited) March 31, 2021	(Audited) December 31, 2020
		(Un-audited) March 31, 2020	
		----- Rupees in '000 -----	
34. CASH AND CASH EQUIVALENTS	Note		
Cash and balances with treasury banks	6	25,267,867	30,421,231
Balances with other banks	7	412,066	1,106,419
Overdrawn nostro accounts	15	(323,430)	(143,570)
		<u>25,356,503</u>	<u>31,384,080</u>
Less: General provision under IFRS 9		(444)	(75)
		<u>25,356,059</u>	<u>31,383,630</u>
			<u>28,473,334</u>

35. FAIR VALUE OF FINANCIAL INSTRUMENTS

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

The fair value of quoted securities other than those classified as held to maturity, is based on quoted market price. Fair value of fixed term loans, other assets, other liabilities and fixed term deposits cannot be calculated with sufficient reliability due to absence of current and active market for assets and liabilities and reliable data regarding market rates for similar instruments. The provision for impairment of loans and advances has been calculated in accordance with the Bank's accounting policy as stated in note 4.6 to the annual unconsolidated financial statements for the year ended December 31, 2020.

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

Fair value hierarchy

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

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

35.1 Valuation techniques used in determination of fair values within level

Item	Valuation approach and input used
Financial Instruments- Level 1	
Shares of listed companies	Fair values of investments in listed equity securities are valued on the basis of closing quoted market prices available at the Pakistan Stock Exchange.
Financial instruments - Level 2	
Units of mutual funds	Fair values of investments in units of mutual funds are determined based on redemption prices disclosed at the Mutual Funds Association of Pakistan (MUFAP) as at the close of the business days.
Market Treasury Bills(MTB) / Pakistan Investment Bonds(PIB), and GoP Sukuks	Fair values of Pakistan Investment Bonds and Market Treasury Bills are derived using PKRV and PKFRV rates (Reuters page).
Debt Securities (TFCs) and Sukuk other than Government	Investments in debt securities (comprising Term Finance Certificates, Bonds and any other security issued by a company or a body corporate for the purpose of raising funds in the form of redeemable capital) are valued on the basis of the rates announced by the Mutual Funds Association of Pakistan (MUFAP) in accordance with the methodology prescribed by the SECP.
Overseas Government Sukuks, Overseas and Euro Bonds	The fair value of Overseas Government Sukuks, and Overseas Bonds are valued on the basis of price available on Bloomberg.
Forward foreign exchange contracts	The valuation has been determined by interpolating the foreign exchange revaluation rates announced by the State Bank of Pakistan.
Derivatives	The fair values of derivatives which are not quoted in active markets are determined by using valuation techniques. The valuation techniques take into account the relevant underlying parameters including foreign currencies involved, interest rates, yield curves, volatilities, contracts duration, etc.
Financial instruments in level 3	
Currently, no financial instruments are classified in level 3.	
The fair value of unquoted debt securities, fixed term loans, other assets, other liabilities, fixed term deposits and borrowings cannot be calculated with sufficient reliability due to the absence of a current and active market for these assets and liabilities and reliable data regarding market rates for similar instruments.	
Non- financial assets- Level 3	
Fixed assets - Land and building	Fixed assets and Non-banking assets under satisfaction of claims are carried at revalued amounts determined by professional valuers based on their assessment of the market values as disclosed in note 11 and 13 respectively of the annual unconsolidated financial statements. The valuations are conducted by the valuation experts appointed by the Bank which are also on the panel of State Bank of Pakistan. The valuation experts used a market based approach to arrive at the fair value of the Bank's properties. The market approach used prices and other relevant information generated by market transactions involving identical or comparable or similar properties. These values are adjusted to reflect the current condition of the properties. The effect of changes in the unobservable inputs used in the valuations cannot be determined with certainty, accordingly a qualitative disclosure of sensitivity has not been presented in these financial statements.
Non-banking assets under satisfaction of claims	

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

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

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

Investments

Federal Government Securities

Available-for-sale securities

Investments

Federal Government Securities

Shares

Non Government Debt Securities

Foreign Securities

Financial assets - disclosed but not measured at fair value

Investments

Federal Government Securities

Non-Financial assets - measured at fair value

Revalued fixed assets

Non-banking assets acquired in satisfaction of claims

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

Purchase

Sale

Derivative instruments:**Interest rate swaps**

Purchase

Sale

Options

Purchase

Sale

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

Investments

Federal Government Securities

Available-for-sale securities

Investments

Federal Government Securities

Shares

Non Government Debt Securities

Foreign Securities

Financial assets - disclosed but not measured at fair value

Investments

Federal Government Securities

Non-Financial assets - measured at fair value

Revalued fixed assets

Non-banking assets acquired in satisfaction of claims

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

Purchase

Sale

Derivative instruments**Forward securities**

Purchase

Interest rate swaps

Purchase

Sale

Options

Purchase

Sale

(Un-audited)			
March 31, 2021			
Level 1	Level 2	Level 3	Total
Rupees in '000			
-	520,336	-	520,336
-	149,872,114	-	149,872,114
5,370,201	-	-	5,370,201
-	458,529	-	458,529
-	4,537,084	-	4,537,084
5,370,201	154,867,727	-	160,237,928
-	36,023,808	-	36,023,808
5,370,201	191,411,871	-	196,782,072
-	-	2,666,310	2,666,310
-	-	1,311,166	1,311,166
-	-	3,977,476	3,977,476
-	19,161,316	-	19,161,316
-	10,491,582	-	10,491,582
-	634,794	-	634,794
-	637,122	-	637,122
-	7,867	-	7,867
-	3,167,408	-	3,167,408
(Audited)			
December 31, 2020			
Level 1	Level 2	Level 3	Total
Rupees in '000			
-	25,003,774	-	25,003,774
-	127,406,043	-	127,406,043
4,264,334	-	-	4,264,334
-	457,454	-	457,454
-	4,017,289	-	4,017,289
4,264,334	131,880,786	-	136,145,120
-	36,109,599	-	36,109,599
4,264,334	192,994,159	-	197,258,493
-	-	2,610,300	2,610,300
-	-	1,311,252	1,311,252
-	-	3,921,552	3,921,552
-	22,942,707	-	22,942,707
-	14,910,910	-	14,910,910
-	1,394	-	1,394
-	1,120,607	-	1,120,607
-	1,125,550	-	1,125,550
-	581,042	-	581,042
-	2,437,068	-	2,437,068

36. SEGMENT INFORMATION

36.1 Segment details with respect to business activities:

	Corporate Finance	Trading and Sales	Retail Banking	Commercial Banking	Others	Total
----- Rupees in '000 -----						
March 31, 2021 (Un-audited)						
Profit & Loss						
Net mark-up / return / profit / (loss)	(284,701)	3,439,843	273,964	(625,921)	(16,912)	2,786,273
Inter segment revenue - net	295,577	(3,453,266)	1,864,401	1,293,288	-	-
Non mark-up / return / interest income	68,805	316,448	382,533	355,756	(44,920)	1,078,622
Total Income	79,681	303,025	2,520,898	1,023,123	(61,832)	3,864,895
Segment direct expenses	6,003	44,785	1,305,444	205,731	1,535,459	3,097,422
Inter segment expense allocation	11,827	44,260	1,226,122	195,080	(1,477,289)	-
Total expenses	17,830	89,045	2,531,566	400,811	58,170	3,097,422
Provisions	-	-	26,197	(4,913)	84,430	105,714
Profit before tax	61,851	213,980	(36,865)	627,225	(204,432)	661,759
March 31, 2021 (Un-audited)						
Statement of financial position						
Cash & Bank balances	-	-	25,679,489	-	-	25,679,489
Investments	-	196,596,034	-	4,539,575	-	201,135,609
Net inter segment lending	8,669,417	-	90,247,966	74,182,069	16,177,231	189,276,683
Lendings to financial institutions	-	12,822,198	-	2,437,080	-	15,259,278
Advances - net						
Advances - performing	1,930,355	-	74,852,749	166,318,619	-	243,101,723
Advances - non-performing	-	-	6,992,205	5,903,330	-	12,895,535
Advances - (Provisions)/reversals - Net	-	-	(2,322,696)	(2,221,552)	-	(4,544,248)
	1,930,355	-	79,522,258	170,000,397	-	251,453,010
Others	-	-	-	-	26,019,963	26,019,963
Total Assets	10,599,772	209,418,232	195,449,713	251,159,121	42,197,194	708,824,032
Borrowings	36,667	13,302,179	150,888	25,643,631	-	39,133,365
Subordinated debt	-	7,492,800	-	-	-	7,492,800
Deposits & other accounts	10,556,665	-	190,540,135	224,862,060	-	425,958,860
Net inter segment borrowing	-	188,623,253	-	653,431	-	189,276,684
Others	6,440	-	4,758,690	-	20,877,762	25,642,892
Total liabilities	10,599,772	209,418,232	195,449,713	251,159,122	20,877,762	687,504,601
Equity	-	-	-	-	21,319,432	21,319,432
Total Equity & liabilities	10,599,772	209,418,232	195,449,713	251,159,122	42,197,194	708,824,033
Contingencies & Commitments	-	50,145,007	36,838,702	14,919,827	109,908	102,013,444
	Corporate Finance	Trading and Sales	Retail Banking	Commercial Banking	Others	Total
----- Rupees in '000 -----						
March 31, 2020 (Un-audited)						
Profit & Loss						
Net mark-up / return / profit / (loss)	117,152	(780,637)	2,827,165	615,098	(236,917)	2,541,861
Inter segment revenue - net	(1,675)	-	(159,863)	(37,499)	199,037	-
Non mark-up / return / interest income	23,245	289,234	585,135	231,838	77,367	1,206,819
Total Income	138,722	(491,403)	3,252,437	809,437	39,487	3,748,680
Segment direct expenses	11,976	31,353	1,287,392	163,408	1,422,478	2,916,607
Inter segment expense allocation	32,583	80,845	835,608	307,891	(1,256,927)	-
Total expenses	44,559	112,198	2,123,000	471,299	165,551	2,916,607
Provisions	254	-	83,638	44,920	74,804	203,616
Profit before tax	93,909	(603,601)	1,045,799	293,218	(200,868)	628,457
December 31, 2020 (Audited)						
Statement of financial position						
Cash & Bank balances	-	20,722,345	10,804,855	-	-	31,527,200
Investments	2,891,836	198,806,637	-	-	-	201,698,473
Net inter segment lending	-	-	129,898,985	109,429,008	11,732,961	251,060,954
Lendings to financial institutions	-	23,239,672	-	-	-	23,239,672
Advances - net						
Advances - performing	-	-	52,152,981	190,515,793	-	242,668,774
Advances - non-performing	-	-	4,760,888	6,972,667	-	11,733,555
Advances (Provisions) - Net	-	-	(938,040)	(3,265,123)	-	(4,203,163)
	-	-	55,975,829	194,223,337	-	250,199,166
Others	-	4,590,700	3,570,545	3,315,506	14,027,140	25,503,891
Total Assets	2,891,836	247,359,354	200,250,214	306,967,851	25,760,101	783,229,356
Borrowings	-	12,208,219	1,996,091	34,099,102	-	48,303,412
Subordinated debt	-	7,492,800	-	-	-	7,492,800
Deposits & other accounts	-	-	166,087,049	266,975,544	-	433,062,593
Net inter segment borrowing	2,891,836	227,156,281	21,012,836	-	-	251,060,953
Others	-	502,054	11,154,238	5,893,204	5,167,893	22,717,389
Total liabilities	2,891,836	247,359,354	200,250,214	306,967,850	5,167,893	762,637,147
Equity	-	-	-	-	20,592,208	20,592,208
Total Equity & liabilities	2,891,836	247,359,354	200,250,214	306,967,850	25,760,101	783,229,355
Contingencies & Commitments	-	60,973,417	44,793,723	18,141,644	133,642	124,042,426

37. RELATED PARTY TRANSACTIONS

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

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

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

	As at March 31, 2021 (Un-audited)						As at December 31, 2020 (Audited)					
	Parent	Directors	Key management personnel	Subsidiaries	Associates	Other related parties	Parent	Directors	Key management personnel	Subsidiaries	Associates	Other related parties
(Rupees in '000)												
Statement of Financial Position												
Lendings to financial institutions												
Opening balance	-	-	-	-	-	-	-	-	-	-	-	-
Addition during the period / year	-	-	-	-	-	1,400,000	-	-	-	-	-	4,100,000
Repaid during the period / year	-	-	-	-	-	(1,400,000)	-	-	-	-	-	(4,100,000)
Closing balance	-	-	-	-	-	-	-	-	-	-	-	-
Investments												
Opening balance	-	-	-	1,919,121	269,800	2,720,901	-	-	-	1,919,121	228,972	1,617,327
Investment made during the period / year	-	-	-	-	-	400,000	-	-	-	-	40,828	4,009,279
Investment redeemed / disposed off during the period / year	-	-	-	-	-	(1,042,359)	-	-	-	-	-	(2,905,705)
Closing balance	-	-	-	1,919,121	269,800	2,078,542	-	-	-	1,919,121	269,800	2,720,901
Provision for diminution in value of investments	-	-	-	-	-	65,022	-	-	-	-	-	277,456
Advances												
Opening balance	-	122,106	779,655	193,550	370,768	4,093,430	-	-	596,257	-	-	1,946,481
Addition during the period / year	-	640	29,299	-	-	1,105,610	-	58	265,948	193,550	153,128	6,402,913
Repaid during the period / year	-	(980)	(64,593)	(24,194)	(122,698)	(672,293)	-	(832)	(150,821)	-	(2,235)	(5,488,750)
Transfer in / (out) - net	-	127	10,267	-	-	-	-	122,880	68,271	-	219,875	1,232,786
Closing balance	-	121,893	754,628	169,356	248,070	4,526,747	-	122,106	779,655	193,550	370,768	4,093,430
Other Assets												
Interest mark-up accrued	-	2,861	-	1,253	954	63,793	-	2,801	6	1,253	954	52,998
Receivable against bancassurance / bancatakaful	-	-	-	-	-	26,159	-	-	-	-	-	28,051
Net defined benefit plan	-	-	-	-	-	264,732	-	-	-	-	-	317,581
Dividend Receivable	-	-	-	-	-	42,497	-	-	-	-	-	-
Other receivable	-	-	-	-	-	379	-	-	-	-	-	379
Provision against other assets	-	-	-	-	-	379	-	-	-	-	-	379
Borrowings												
Opening balance	-	-	-	-	-	-	-	-	-	-	-	-
Borrowings during the period / year	-	-	-	-	-	-	-	-	-	-	-	11,105,705
Settled during the period / year	-	-	-	-	-	-	-	-	-	-	-	(11,105,705)
Closing balance	-	-	-	-	-	-	-	-	-	-	-	-
Deposits and other accounts												
Opening balance	172,019	212,335	76,237	1,638,770	49,753	10,365,166	271,648	24,444	59,593	1,246,363	23,104	8,622,201
Received during the period / year	852,384	64,814	179,575	118,897,088	531,461	59,998,490	5,511,316	511,942	973,685	499,101,485	861,135	160,825,941
Withdrawn during the period / year	(710,325)	(65,094)	(171,749)	(118,612,135)	(514,110)	(59,712,571)	(5,610,945)	(324,417)	(869,813)	(498,707,020)	(834,486)	(159,215,607)
Transfer (out) / in - net	-	1,354	(27,549)	-	-	(800)	-	366	(87,228)	(2,058)	-	132,631
Closing balance	314,078	213,409	56,514	1,923,723	67,104	10,650,285	172,019	212,335	76,237	1,638,770	49,753	10,365,166

	As at March 31, 2021 (Un-audited)						As at December 31, 2020 (Audited)					
	Parent	Directors	Key management personnel	Subsidiaries	Associates	Other related parties	Parent	Directors	Key management personnel	Subsidiaries	Associates	Other related parties
	(Rupees in '000)											
Subordinated debt	-	-	-	-	-	889,432	-	-	-	-	-	889,432
Other Liabilities												
Interest / return / mark-up payable on deposits	-	-	18	-	-	21,052	-	-	85	-	-	153,374
Interest / return / mark-up payable on subordinated debt	-	-	-	-	-	21,416	-	-	-	-	-	1,308
Others payable	-	-	-	-	-	-	-	-	-	353	-	-
Represented By												
Share Capital	9,733,073	19,180	12,223	-	-	45,323	9,733,073	19,180	12,223	-	-	45,323
Contingencies and Commitments												
Letter of guarantee	-	-	-	-	-	38,629	-	-	-	-	-	29,054
Letter of Credit	-	-	-	-	-	72,980	-	-	-	-	-	86,543
	For the period ended March 31, 2021 (Un-audited)						For the period ended March 31, 2020 (Un-audited)					
	Parent	Directors	Key management personnel	Subsidiaries	Associates	Other related parties	Parent	Directors	Key management personnel	Subsidiaries	Associates	Other related parties
	(Rupees in '000)											
Profit and loss account												
Income												
Mark-up / return / interest earned	-	47	9,369	729	3,855	19,127	-	-	14,644	-	5,739	40,265
Fee and commission income	-	6	112	-	-	38,901	-	-	54	-	-	57,929
Dividend income	-	-	-	-	-	42,497	-	-	-	-	-	42,826
(Loss) / gain on sale of securities - net	-	-	-	-	-	(90,663)	-	-	-	-	-	2,522
Expense												
Mark-up / return / interest paid	3,138	2,763	461	29,989	-	228,494	5,165	257	121	49,232	29	311,741
Commission / charges paid	-	-	-	565	-	-	-	-	-	1,370	-	-
Remuneration paid	-	12,971	99,713	-	-	-	-	-	149,070	-	-	-
Non-executive directors' fee	-	4,150	-	-	-	-	-	3,000	-	-	-	-
Net charge for defined contribution plans	-	-	-	-	-	62,321	-	-	-	-	-	57,263
Net charge / (reversal) for defined benefit plans	-	-	-	-	-	52,849	-	-	-	-	-	53,539
Advisory fee	-	-	-	-	-	1,215	-	-	-	-	-	-
Other expenses	75	-	-	-	-	316	225	-	-	-	-	399
Reimbursement of expenses	15,998	210	1,349	268	-	85	-	-	-	-	-	-
Payments made during the period												
Insurance premium paid	-	-	-	-	-	256,672	-	-	-	-	-	210,846
Insurance claims settled	-	-	-	-	-	646	-	-	-	-	-	214
Other Transactions												
Sale of Government Securities	-	-	-	-	-	26,859,448	-	1,645	-	-	-	23,329,551
Purchase of Government Securities	-	-	-	-	-	493,567	-	-	-	-	-	3,949,276
Sale of Foreign Currencies	-	-	-	-	-	17,558,402	-	-	-	-	-	12,390,177
Purchase of Foreign Currencies	-	-	-	-	-	5,941,416	-	-	-	-	-	17,435,574

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

38. CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS

Minimum Capital Requirement (MCR):

Paid-up capital (net of losses)	10,119,242	10,119,242
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Capital Adequacy Ratio (CAR):

Eligible Common Equity Tier 1 (CET 1) Capital	16,605,516	16,227,512
Eligible Additional Tier 1 (ADT 1) Capital	2,255,787	2,251,350
Total Eligible Tier 1 Capital	18,861,303	18,478,862
Eligible Tier 2 Capital	5,136,006	4,621,001
Total Eligible Capital (Tier 1 + Tier 2)	23,997,309	23,099,863

Risk Weighted Assets (RWAs):

Credit Risk	162,798,417	155,761,884
Market Risk	1,078,948	1,144,972
Operational Risk	23,981,730	23,981,730
Total	187,859,095	180,888,586

Common Equity Tier 1 Capital Adequacy ratio	8.84%	8.97%
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Tier 1 Capital Adequacy Ratio	10.04%	10.22%
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Total Capital Adequacy Ratio	12.77%	12.77%
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Leverage Ratio (LR):

Eligible Tier-1 Capital	18,861,303	18,478,862
Total Exposures	623,829,049	605,685,437
Leverage Ratio	3.02%	3.05%

Liquidity Coverage Ratio (LCR):

Total High Quality Liquid Assets	192,556,503	157,850,263
Total Net Cash Outflow	64,406,854	57,017,766
Liquidity Coverage Ratio	298.97%	276.84%

Net Stable Funding Ratio (NSFR):

Total Available Stable Funding	347,399,633	357,021,802
Total Required Stable Funding	255,755,469	256,068,898
Net Stable Funding Ratio	135.83%	139.42%

39. GENERAL

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

40. DATE OF AUTHORISATION FOR ISSUE

These condensed interim unconsolidated financial statements were authorised for issue by the Board of Directors of the Bank in their meeting held on April 28, 2021.

**President and
Chief Executive Officer**

**Chief Financial
Officer**

Director

Director

Chairman



Consolidated financial statements
for the Quarter Ended March 31, 2021

JS BANK LIMITED
CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2021

		(Un-audited) March 31, 2021	(Audited) December 31, 2020
	Note	----- Rupees in '000 -----	
ASSETS			
Cash and balances with treasury banks	6	25,268,215	30,421,531
Balances with other banks	7	559,837	1,128,135
Lendings to financial institutions	8	15,259,278	23,239,672
Investments	9	201,187,749	201,807,654
Advances	10	251,660,101	250,455,534
Fixed assets	11	9,344,787	9,026,764
Intangible assets	12	2,527,306	2,515,549
Deferred tax assets		-	-
Other assets	13	16,469,078	16,743,107
Assets held for sale	11.3	739,200	739,200
		523,015,551	536,077,146
LIABILITIES			
Bills payable	14	5,817,635	4,981,983
Borrowings	15	39,133,365	48,303,412
Deposits and other accounts	16	424,035,137	431,423,822
Liabilities against assets subject to finance lease		-	-
Subordinated debt	17	7,492,800	7,492,800
Deferred tax liabilities	18	1,541,938	1,083,590
Other liabilities	19	21,284,826	19,875,838
		499,305,701	513,161,445
NET ASSETS		23,709,850	22,915,701
REPRESENTED BY			
Share capital - net		10,119,242	10,119,242
Reserves		2,041,690	1,991,169
Surplus on revaluation of assets	20	3,542,393	3,247,593
Unappropriated profit		7,467,165	7,029,251
		23,170,490	22,387,255
Non-controlling interest		539,360	528,446
		23,709,850	22,915,701
CONTINGENCIES AND COMMITMENTS			

21

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

**President and
Chief Executive Officer**

Chief Financial Officer

Director

Director

Chairman

JS BANK LIMITED
CONDENSED INTERIM CONSOLIDATED PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE QUARTER ENDED MARCH 31, 2021

	Note	March 31, 2021	March 31, 2020
		----- Rupees in '000 -----	
Mark-up / return / interest earned	23	9,634,307	12,958,006
Mark-up / return / interest expensed	24	6,819,949	10,375,517
Net mark-up / interest income		2,814,358	2,582,489
NON MARK-UP / INTEREST INCOME			
Fee, commission and brokerage income	25	1,046,120	1,027,900
Dividend income		43,504	52,226
Foreign exchange income		266,020	192,975
Income from derivatives		8,624	19,746
Gain on securities	26	91,637	122,579
Share of profit / (loss) from associates		4,098	(14,387)
Other income	27	11,868	9,630
Total non mark-up / interest income		1,471,871	1,410,669
Total Income		4,286,229	3,993,158
NON MARK-UP / INTEREST EXPENSES			
Operating expenses	28	3,313,568	3,121,905
Workers' welfare fund	29	16,693	6,244
Other charges	30	25	4,044
Total non-mark-up / interest expenses		3,330,286	3,132,193
Profit before provisions		955,943	860,965
Provisions / (reversals) and write offs - net	31	105,714	203,616
Extraordinary / unusual items		-	-
PROFIT BEFORE TAXATION		850,229	657,349
Taxation	32	322,595	248,859
PROFIT AFTER TAXATION		527,634	408,490
Attributable to:			
Equity holders of the Bank		505,781	401,888
Non-controlling interest		21,853	6,602
		527,634	408,490
----- Rupee -----			
Basic and diluted earnings per share	33	0.39	0.31

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

**President and
Chief Executive Officer**

**Chief Financial
Officer**

Director

Director

Chairman

JS BANK LIMITED
CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE QUARTER ENDED MARCH 31, 2021

	March 31, 2021	March 31, 2020
	----- Rupees in '000 -----	
Profit after tax	527,634	408,490
Other comprehensive income / (loss)		
Items that may be reclassified to profit and loss account in subsequent periods		
Effect of translation of net investment in foreign branch	(27,496)	27,359
Movement in surplus on revaluation of investments - net of tax	501,810	35,678
Movement in general provision under IFRS 9 - net	12,330	20,866
Share of other comprehensive loss from associated companies - net of tax	-	(1,100)
	514,140	55,444
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	(176,870)	-
Movement in surplus on revaluation of non-banking assets - net of tax	(43,258)	-
	(220,128)	-
Total other comprehensive income	266,516	82,803
Total comprehensive income	794,150	491,293
Attributable to:		
Equity holders of the Bank	783,235	521,082
Non-controlling interest	10,915	(29,789)
	794,150	491,293

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

**President and
Chief Executive Officer**

**Chief Financial
Officer**

Director

Director

Chairman

JS BANK LIMITED
CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED MARCH 31, 2021

	Attributable to shareholders of the Bank									
	Share capital	Reserves		Surplus / (Deficit) on revaluation of			Unappropriated profit	Sub-total	Non-controlling interest	Total
		Statutory reserve *	Exchange translation	Investments	Fixed assets	Non banking assets				
	Rupees in '000									
Balance as at January 01, 2020 - audited	10,119,242	1,646,167	103,505	(365,795)	1,581,550	92,776	5,795,596	18,973,041	508,271	19,481,312
Total comprehensive income for the quarter ended March 31, 2020 - un-audited										
Profit after taxation	-	-	-	-	-	-	401,888	401,888	6,602	408,490
Other comprehensive income / (loss) - net of tax	-	-	27,359	92,935	1,216	-	(2,316)	119,194	(36,391)	82,803
	-	-	27,359	92,935	1,216	-	399,572	521,082	(29,789)	491,293
Transfer to statutory reserve	-	76,508	-	-	-	-	(76,508)	-	-	-
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax										
Fixed assets	-	-	-	-	(7,549)	-	7,549	-	-	-
Non-banking assets acquired in satisfaction of claims	-	-	-	-	-	(20)	20	-	-	-
Balance as at March 31, 2020 - un-audited	10,119,242	1,722,675	130,864	(272,860)	1,575,217	92,756	6,126,229	19,494,123	478,482	19,972,605
Total comprehensive income for the nine months ended December 31, 2020 - un-audited										
Profit / (loss) after taxation	-	-	-	-	-	-	708,485	708,485	(8,540)	699,945
Other comprehensive (loss) / income - net of tax	-	-	(15,874)	1,863,755	75,356	38,398	290,980	2,252,615	70,914	2,323,529
	-	-	(15,874)	1,863,755	75,356	38,398	999,465	2,961,100	62,374	3,023,474
Transfer to statutory reserve	-	153,504	-	-	-	-	(153,504)	-	-	-
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax										
Fixed assets	-	-	-	-	(32,829)	-	32,829	-	-	-
Non-banking assets acquired in satisfaction of claims	-	-	-	-	-	(74)	74	-	-	-
Asset held for sale	-	-	-	-	(92,126)	-	92,126	-	-	-
Transaction with owners recorded directly in equity										
Pre-acquisition surplus (net) on available-for-sale investments realised during the year	-	-	-	-	-	-	(67,968)	(67,968)	(12,410)	(80,378)
Balance as at December 31, 2020 - Audited	10,119,242	1,876,179	114,990	1,590,895	1,525,618	131,080	7,029,251	22,387,255	528,446	22,915,701
Total comprehensive income for the quarter ended March 31, 2021 - un-audited										
Profit after taxation	-	-	-	-	-	-	505,781	505,781	21,853	527,634
Other comprehensive (loss) / income net of tax	-	-	(27,496)	525,078	(176,870)	(43,258)	-	277,454	(10,939)	266,515
	-	-	(27,496)	525,078	(176,870)	(43,258)	505,781	783,235	10,914	794,149
Transfer to statutory reserve	-	78,017	-	-	-	-	(78,017)	-	-	-
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax										
Fixed assets	-	-	-	-	(10,094)	-	10,094	-	-	-
Non-banking assets acquired in satisfaction of claims	-	-	-	-	-	(56)	56	-	-	-
Balance as at March 31, 2021 - un-audited	10,119,242	1,954,196	87,494	2,115,973	1,338,654	87,766	7,467,165	23,170,490	539,360	23,709,850

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

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

President and
Chief Executive Officer

Chief Financial Officer

Director

Director

Chairman

JS BANK LIMITED
CONDENSED INTERIM CONSOLIDATED CASH FLOW STATEMENT (UN-AUDITED)
FOR THE QUARTER ENDED MARCH 31, 2021

		March 31, 2021	March 31, 2020
	Note	----- Rupees in '000 -----	
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		850,229	657,349
Less: Dividend income		(43,504)	(52,226)
Add / (less): Share of (profit) / loss from associates		(4,098)	14,387
		802,627	619,510
Adjustments:			
Depreciation		198,899	193,735
Depreciation on non-banking assets	28	86	2,269
Depreciation - right of use assets	28	224,461	245,959
Amortisation of intangible assets	28	32,320	27,930
Charge for defined benefit plan		52,849	53,539
Unrealised loss / (gain) on revaluation of investments classified as held-for-trading - net		11,612	(23,935)
Unrealised loss / (gain) on revaluation of forward foreign exchange contracts		237,969	(8,812)
Unrealised gain on revaluation of derivative instruments - net		(24,465)	(441,195)
Provisions and write offs - net	31	101,750	203,616
Provision for workers' welfare fund	29	16,693	6,244
Mark-up / return / interest expense on lease liability against right-of-use assets	24	101,384	133,658
Gain on sale of fixed assets - net	27	(3,547)	(5,375)
Gain on termination of leases	27	(2,397)	-
		947,614	387,633
		1,750,241	1,007,143
Decrease / (increase) in operating assets			
Lendings to financial institutions		7,974,562	26,476,811
Held-for-trading securities		24,456,544	27,328,761
Advances		(1,545,652)	7,928,559
Other assets (excluding advance taxation)		1,025,527	1,198,673
		31,910,981	62,932,804
Increase / (decrease) in operating liabilities			
Bills payable		835,652	660,624
Borrowings		(9,349,907)	(4,270,953)
Deposits and other accounts		(7,388,685)	7,979,664
Other liabilities		239,341	2,165,117
		(15,663,599)	6,534,452
		17,997,623	70,474,399
Gratuity paid		-	-
Income tax paid		(511,347)	(27,646)
Net cash flow from / (used) in operating activities		17,486,276	70,446,753
CASH FLOW FROM INVESTING ACTIVITIES			
Net investment in available-for-sale securities		(22,869,464)	(63,228,916)
Net investment in held-to-maturity securities		85,791	(3,504,403)
Investment in associated companies		-	(40,828)
Dividend received		2,110	42,826
Investments in fixed assets		(253,096)	(175,677)
Investments in intangible assets		(44,077)	(35,876)
Proceeds from sale of fixed assets		13,645	12,993
Effect of translation of net investment in foreign branch		(27,496)	27,359
Net cash flows (used in) / from investing activities		(23,092,587)	(66,902,522)
CASH FLOW FROM FINANCING ACTIVITIES			
Payment of lease liability against right of use assets		(295,169)	(402,531)
Net cash used in financing activities		(295,169)	(402,531)
Increase / (decrease) in cash and cash equivalents		(5,901,480)	3,141,700
Cash and cash equivalents at beginning of the period	34	31,406,546	25,429,551
Cash and cash equivalents at end of the period		25,505,066	28,571,251

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

President and
Chief Executive Officer

Chief Financial Officer

Director

Director

Chairman

JS BANK LIMITED
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE QUARTER ENDED MARCH 31, 2021

1. STATUS AND NATURE OF BUSINESS

1.1 The "Group" consists of:

1.1.1 Holding Company: JS Bank Limited

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

The Bank is a scheduled bank, engaged in commercial banking and related services as described in the Banking Companies Ordinance, 1962 and is operating through 281 (December 31, 2020: 307) branches / sub-branches in Pakistan and one wholesale banking branch in Bahrain (December 31, 2020: one). The Pakistan Credit Rating Agency Limited (PACRA) has assigned the long-term entity rating of the Bank to AA- (Double A Minus) whereas short-term rating is maintained at 'A1+' (A One Plus), which is the highest possible short-term rating. The ratings denote a very low expectation of credit risk and indicate very strong capacity for timely payment of financial commitments.

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

A Transfer Agreement was executed on June 24, 2006 between JSIBL and JSBL for the transfer of entire business and undertaking of JSIBL to JSBL and a separate Transfer Agreement was also executed on June 24, 2006, between AMEX and JSBL for the transfer of AEBL's commercial banking business in Pakistan with all assets and liabilities (other than certain excluded assets and liabilities) (AEBL business). The shareholders of JSIBL and JSBL in their respective extra-ordinary general meetings held on July 31, 2006 approved a Scheme of Amalgamation (the Scheme) under Section 48 of the Banking Companies Ordinance, 1962. The Scheme was initially approved by the Securities and Exchange Commission of Pakistan 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. Limited which holds 75.02% shares of the Holding Company.

1.1.3 Composition of the Group

	Ownership interest and voting power held by			
	March 31, 2021		December 31, 2020	
	The Group	NCI	The Group	NCI
Subsidiary				
JS Global Capital Limited	83.53%	16.47%	83.53%	16.47%
JS Investment Limited	84.56%	15.44%	84.56%	15.44%
JS ABAMCO Commodities Limited	84.56%	15.44%	84.56%	15.44%

1.1.3.1 JS ABAMCO Commodities Limited (JSACL), does not intend to carry on the business of Futures Broker, the Directors of JSIL were therefore desirous of merging JSACL with and into JSIL. Accordingly, a draft Scheme of Arrangement under Section 284 of the Companies Act, 2017, for Merger/Amalgamation of JS ABAMCO Commodities Limited with and into JS Investments Limited was prepared and submitted to the Commission for seeking its permission under Rule 7(2) (cb) of NBFC Rules 2003. The Securities and Exchange Commission of Pakistan vide its letter January 13, 2021 granted its 'No Objection' to the scheme of merger/amalgamation in terms of Rule 7(2)(cb) of the Non Banking Finance Companies (Establishment and Regulations) Rules 2003. Subsequent to SECP's concurrence, the Board of Directors of the Company at its meeting held on February 19, 2021 has decided to proceed with the Merger/Amalgamation of JSACL with and into JSIL at an effective date of March 31, 2021. The material information in this regards was disseminated to the Exchange and SECP after the Boards' approvals. Thereafter, as required by the section 284 of the Companies Act, 2017, the Scheme of Amalgamation, duly approved by the Board submitted to Companies Registration Office alongwith Form-35. As soon as the clearance from the CRO will receive then we will proceed further under supervision of legal counsel of the Company. The matter is under observation by the SECP due to some clarification which will be resolved shortly.

1.1.4 Composition of the Associated Companies

Associates	Ownership interest and voting power held by Bank	
	March 31, 2021	December 31, 2020
Omar Jibran Engineering Industries Limited	9.60%	9.60%
Veda Transit Solutions (Private) Limited	9.12%	9.12%
Intercity Touring Company (Private) Limited	9.12%	9.12%

2. BASIS OF PRESENTATION

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

These 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 Banking Companies Ordinance, 1962;
- Provisions of and directives issued under the Companies Act, 2017; and
- Directives issued by the SBP and the Securities & Exchange Commission of Pakistan (SECP) from time to time.

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

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

These condensed interim consolidated financial Statements do not include all the information and disclosures required for annual consolidated financial statements and should be read in conjunction with the consolidated financial statements for the year ended December 31, 2020.

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

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.O 56(I)/2016 dated January 28, 2016, that the requirement of consolidation under section 228 of the Companies Act, 2017 and IFRS-10 "Consolidated Financial Statements" is not applicable in case of investment by companies in mutual funds established under trust structure. Accordingly, the requirements of these standards have not been considered in the preparation of these condensed interim consolidated financial statements.

The applicability of the IFRS 9 'Financial Instruments' for all companies was deferred by SECP through its S.R.O. 229 (I)/2019 dated February 14, 2019. Under this standard all companies were required to prepare their financial statements in accordance with the requirements of IFRS 9 for reporting period / year ending on or after June 30, 2019 (earlier application was also permitted). However, State Bank of Pakistan (SBP) was extended the effective date of applicability of IFRS 9 on or after January 01, 2021 and start parallel run exercise from January 01, 2020 through its BPRD Circular No.4 dated October 23, 2019. Subsequently, extension was advised by SBP to start parallel run of IFRS 9 from July 01, 2020 via its BPRD Circular Letter No. 15 of 2020 which is being complied by the Holding Company.

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

2.3 BASIS OF CONSOLIDATION

2.3.1 The Group

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

2.3.2 Associate

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

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

There are certain new and amended standards, interpretations and amendments that are mandatory for the Bank's accounting periods beginning on or after January 1, 2021 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.

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

Amendments and interpretations of approved accounting standards will be effective for the accounting period as stated below:

Standard	IASB Effective date (annual periods beginning on or after)
IFRS 1 – First time adoption of IFRSs	January 01, 2004
IFRS 17 – Insurance Contracts	January 01, 2023

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, 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, 2020.

5. FINANCIAL RISK MANAGEMENT

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

		(Un-audited) March 31, 2021	(Audited) December 31, 2020
	Note	----- Rupees in '000 -----	
6. CASH AND BALANCES WITH TREASURY BANKS			
In hand:			
Local currency		7,886,043	6,337,389
Foreign currencies		1,789,226	1,301,503
		<u>9,675,269</u>	<u>7,638,892</u>
With State Bank of Pakistan in:			
Local currency current account		10,752,094	16,268,165
Foreign currency current account - non remunerative		1,023,483	1,086,874
Foreign currency deposit account - remunerative		2,116,351	2,261,337
		<u>13,891,928</u>	<u>19,616,376</u>
With National Bank of Pakistan in:			
Local currency current accounts		1,479,051	2,609,635
National Prize Bonds		221,967	556,628
		<u>25,268,215</u>	<u>30,421,531</u>
7. BALANCES WITH OTHER BANKS			
In Pakistan			
In current accounts		100,141	123,526
In deposit accounts		134,427	24,390
		<u>234,568</u>	<u>147,916</u>
Outside Pakistan			
In current accounts		325,713	980,669
		<u>560,281</u>	<u>1,128,585</u>
Less: General provision under IFRS 9	7.1	(444)	(450)
Balances with other banks - net of provision		<u>559,837</u>	<u>1,128,135</u>
7.1	This represents general provision held under IFRS 9 by Bahrain branch of the Holding Company.		
8. LENDINGS TO FINANCIAL INSTITUTIONS			
Call money lendings		2,391,379	2,237,682
Repurchase agreement lendings (Reverse Repo)		12,722,197	21,003,215
Due against bills re-discounting		152,759	-
		<u>15,266,335</u>	<u>23,240,897</u>
Less: General provision under IFRS 9	8.2	(7,057)	(1,225)
Lending to Financial Institutions - net of provision		<u>15,259,278</u>	<u>23,239,672</u>
8.1 Particulars of lendings - gross			
In local currency		12,822,197	21,003,215
In foreign currencies		2,444,138	2,237,682
		<u>15,266,335</u>	<u>23,240,897</u>
8.2	This represents general provision held under IFRS 9 by Bahrain branch of the Holding Company.		

		(Un-audited) March 31, 2021				(Audited) December 31, 2020			
		Cost / Amortised cost	Provision for diminution	Surplus / (Deficit)	Carrying Value	Cost / Amortised cost	Provision for diminution	Surplus / (Deficit)	Carrying Value
		Rupees in '000							
9. INVESTMENTS - NET									
9.1 Investments by type									
Held-for-trading securities									
Federal Government Securities		520,339	-	(3)	520,336	25,002,969	-	805	25,003,774
Shares		321,244	-	(2,805)	318,439	194,428	-	12,981	207,409
Open end mutual funds		224,060	-	(9,171)	214,889	310,221	-	416	310,637
		1,065,643	-	(11,979)	1,053,664	25,507,618	-	14,202	25,521,820
Available-for-sale securities									
Federal Government Securities		150,288,304	-	(416,190)	149,872,114	127,308,516	-	97,527	127,406,043
Shares		2,375,825	(199,521)	3,234,791	5,411,095	3,018,184	(411,955)	1,701,753	4,307,982
Non Government Debt Securities		3,469,723	(696,507)	8	2,773,224	3,579,278	(696,507)	(420)	2,882,351
Open end mutual funds		894,168	-	322,939	1,217,107	826,188	-	390,100	1,216,288
Foreign Securities		4,652,680	(103,789)	12,955	4,561,846	4,079,070	(122,758)	136,466	4,092,778
		161,680,700	(999,817)	3,154,503	163,835,386	138,811,236	(1,231,220)	2,325,426	139,905,442
Held-to-maturity securities									
Federal Government Securities		36,023,808	-	-	36,023,808	36,109,599	-	-	36,109,599
Associates									
		274,891	-	-	274,891	270,793	-	-	270,793
Total Investments		199,045,042	(999,817)	3,142,524	201,187,749	200,699,246	(1,231,220)	2,339,628	201,807,654
		(Un-audited) March 31, 2021				(Audited) December 31, 2020			
		Cost / Amortised cost	Provision for diminution	Surplus / (Deficit)	Carrying Value	Cost / Amortised cost	Provision for diminution	Surplus / (Deficit)	Carrying Value
		Rupees in '000							
9.2 Investments by segments:	Note								
Held-for-trading securities									
Federal Government Securities									
Market Treasury Bills		520,339	-	(3)	520,336	25,002,969	-	805	25,003,774
Shares:									
Listed Companies									
Ordinary shares		321,244	-	(2,805)	318,439	194,428	-	12,981	207,409
Open End Mutual Funds	9.2.1	224,060	-	(9,171)	214,889	310,221	-	416	310,637
Available-for-sale securities									
Federal Government Securities:									
Market Treasury Bills		105,557,109	-	(67,672)	105,489,437	90,027,949	-	20,041	90,047,990
Pakistan Investment Bonds		44,731,195	-	(348,518)	44,382,677	37,280,567	-	77,486	37,358,053
		150,288,304	-	(416,190)	149,872,114	127,308,516	-	97,527	127,406,043
Shares:									
Listed Companies									
Ordinary shares	9.2.2	2,228,236	(62,932)	3,234,791	5,400,095	2,870,595	(275,366)	1,701,753	4,296,982
Preference shares		136,589	(136,589)	-	-	136,589	(136,589)	-	-
Unlisted Companies									
Ordinary shares		11,000	-	-	11,000	11,000	-	-	11,000
		2,375,825	(199,521)	3,234,791	5,411,095	3,018,184	(411,955)	1,701,753	4,307,982
Non Government Debt Securities									
Listed									
Term Finance Certificates	9.2.3	442,048	(155,169)	390	287,269	442,682	(155,169)	(147)	287,366
Sukuk Certificates		329,750	-	(382)	329,368	402,955	-	(273)	402,682
Unlisted									
Term Finance Certificates	9.2.4	1,305,088	(541,338)	-	763,750	1,340,804	(541,338)	-	799,466
Sukuk Certificates-unlisted		1,365,104	-	-	1,365,104	1,365,104	-	-	1,365,104
Preference shares	9.2.5	27,733	-	-	27,733	27,733	-	-	27,733
		3,469,723	(696,507)	8	2,773,224	3,579,278	(696,507)	(420)	2,882,351
Open End Mutual Funds	9.2.6	894,168	-	322,939	1,217,107	826,188	-	390,100	1,216,288
Foreign Securities									
Government Debt Securities		3,754,222	(84,660)	1,060	3,670,622	3,633,601	(120,619)	130,420	3,643,402
Non Government Debt Securities		876,190	(19,129)	9,401	866,462	379,654	(2,139)	(3,628)	373,887
Ordinary shares		22,268	-	2,494	24,762	65,815	-	9,674	75,489
		4,652,680	(103,789)	12,955	4,561,846	4,079,070	(122,758)	136,466	4,092,778
Held-to-maturity securities									
Federal Government Securities:									
Pakistan Investment Bonds	9.2.7	36,023,808	-	-	36,023,808	36,109,599	-	-	36,109,599
Associates									
Omar Jibran Engineering Industries Limited		219,270	-	-	219,270	215,793	-	-	215,793
Veda Transit Solutions (Private) Limited		57,072	-	-	57,072	54,302	-	-	54,302
Intercity Touring Company (Private) Limited		(1,451)	-	-	(1,451)	698	-	-	698
		274,891	-	-	274,891	270,793	-	-	270,793
Total Investments		199,045,042	(999,817)	3,142,524	201,187,749	200,699,246	(1,231,220)	2,339,628	201,807,654

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

- 9.2.1** This represents the investments in related parties of the Group.
- 9.2.2** Included herein are the investments in related parties amounting to Rs. 2,013.520 million (December 31, 2020: Rs. 2,655.879 million) having market value of Rs. 5,244.213 million (December 31, 2020: Rs. 4,135.436 million).
- 9.2.3** Included herein are the investments in related parties amounting to Rs. 11.866 million (December 31, 2020: Rs. 12.5 million) having market value of Rs. 11.894 million (December 31, 2020: 12.366 million).
- 9.2.4** Included herein is the investment of Rs. 391.478 million (December 31, 2020: Rs. 391.478 million) in a related party at the rate of 6 months KIBOR + 1.75% to 11% having maturity dates of December 04, 2017 to October 19, 2020. Due to weak financial position of the investee, the Group has recognised full impairment loss on these Term Finance Certificates.
- 9.2.5** This represents investment in an associated company amounting to Rs. 27.733 million (December 31, 2020: Rs. 27.733 million).
- 9.2.6** This represents the investments in related parties amounting to Rs. 1,118.228 million (December 31, 2020: Rs. 1,136.409 million) having market value of 1,442.706 million (December 31, 2019: Rs. 1,526.925 million).
- 9.2.7** The market value of securities classified as held-to-maturity as at amounted to Rs. 35,738.244 million (December 31, 2019: Rs. 35,862.699 million).

	(Un-audited) March 31, 2021		(Audited) December 31, 2020	
	Cost	Market value	Cost	Market value
	----- Rupees in '000 -----			
9.3 Investments given as collateral				
Held-for-trading securities				
Federal Government Securities				
Market Treasury Bills	-	-	4,864,464	4,864,680
Available-for-sale securities				
Federal Government Securities:				
Market Treasury Bills	-	-	4,902,054	4,902,811
Pakistan Investment Bonds	2,694,012	2,683,582	-	-
	2,694,012	2,683,582	4,902,054	4,902,811
Foreign Securities				
Government Debt Securities	-	-	-	-
Non Government Debt Securities	-	-	-	-
	-	-	-	-
	2,694,012	2,683,582	9,766,518	9,767,491
9.4 Provision for diminution in value of investments	Note		(Un-audited) March 31, 2021	(Audited) December 31, 2020
			----- Rupees in '000 -----	
9.4.1 Opening balance			1,231,220	859,119
Charge during the period / year			-	276,202
Reversal during the period / year			(212,434)	(26,859)
Charge / (reversals) during the period / year	31		(212,434)	249,343
Impairment under IFRS 9 in Bahrain branch				
(Reversal) / charge during the period / year			(14,046)	122,758
Exchange Gain			(4,923)	-
			(18,969)	122,758
Closing balance			999,817	1,231,220

9.4.2 Particulars of provision against debt securities

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

		Performing		Non Performing		Total	
		(Un-audited) March 31, 2021	(Audited) December 31, 2020	(Un-audited) March 31, 2021	(Audited) December 31, 2020	(Un-audited) March 31, 2021	(Audited) December 31, 2020
10.	ADVANCES	Note ----- Rupees in '000 -----					
	Loans, cash credits, running finances, etc.	230,433,900	231,322,752	12,895,535	11,733,555	243,329,435	243,056,307
	Bills discounted and purchased	12,874,914	11,602,390	-	-	12,874,914	11,602,390
	Advances - gross	243,308,814	242,925,142	12,895,535	11,733,555	256,204,349	254,658,697
	Provision against advances						
	General	(104,830)	-	-	-	(104,830)	-
	General provision - under IFRS-9	(21,973)	(21,327)	-	-	(21,973)	(21,327)
	Specific	-	-	(4,417,445)	(4,181,836)	(4,417,445)	(4,181,836)
		(126,803)	(21,327)	(4,417,445)	(4,181,836)	(4,544,248)	(4,203,163)
	Advances - net of provision	243,182,011	242,903,815	8,478,090	7,551,719	251,660,101	250,455,534

10.1 Particulars of advances (gross)

In local currency	248,774,921	245,261,990
In foreign currencies	7,429,428	9,396,707
	256,204,349	254,658,697

10.2 Advances include Rs. 12,895.535 million (December 31, 2020: Rs. 10,353.164 million) which have been placed under non-performing status as detailed below:

Category of classification	(Un-audited) March 31, 2021		(Audited) December 31, 2020	
	Non Performing Loans	Provision	Non Performing Loans	Provision
Rupees in '000				
Domestic				
Other Assets Especially Mentioned	820,332	585	296,799	394
Substandard	959,075	82,163	1,177,804	156,095
Doubtful	3,274,679	850,165	3,264,335	724,426
Loss	7,841,449	3,484,532	6,994,617	3,300,921
Total	12,895,535	4,417,445	11,733,555	4,181,836

10.3 Particulars of provision against non-performing advances

	(Un-audited) March 31, 2021				(Audited) December 31, 2020			
	Specific	General	General provision under IFRS-9	Total	Specific	General	General provision under IFRS-9	Total
Rupees in '000								
Opening balance	4,181,836	-	21,327	4,203,163	3,339,941	161,166	7,520	3,508,627
Exchange adjustments	-	-	(1,004)	(1,004)	-	-	71	71
Charge for the period / year	282,884	104,830	1,650	389,364	1,087,212	-	13,736	1,100,948
Reversals for the period / year	(47,275)	-	-	(47,275)	(245,317)	(161,166)	-	(406,483)
	235,609	104,830	1,650	342,089	841,895	(161,166)	13,736	694,465
Amount written off from the opening balance	-	-	-	-	-	-	-	-
Closing Balance	4,417,445	104,830	21,973	4,544,248	4,181,836	-	21,327	4,203,163

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

10.3.3 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 March 31, 2021, the Holding Company has availed cumulative benefit of FSV of Rs. 6,324.600 million (December 31, 2020: 4,655.818 million) under the directives of the SBP. Had the benefit not been taken the unappropriated profit after tax would have reduced by Rs. 4,110.990 million (December 31, 2020: Rs. 3,026.282 million). Further, as required by the SBP directives, this unappropriated profit will not be available for distribution as dividend or other appropriations.

10.3.4 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 March 31, 2021 relating to facilities of customers have not been classified as non-performing on account of such relaxation.

			(Un-audited) March 31, 2021	(Audited) December 31, 2020
11. FIXED ASSETS	Note		----- Rupees in '000 -----	
Capital work-in-progress	11.1		325,104	298,971
Property and equipment	11.2 & 11.3		6,133,183	6,099,025
Right-of-use assets			2,886,500	2,628,768
			<u>9,344,787</u>	<u>9,026,764</u>
11.1 Capital work-in-progress				
Civil works			271,772	232,789
Advance for purchase of furniture and fixtures			6,028	1,013
Advance for purchase of vehicles			46,806	61,794
Advance for purchase of equipment and software			498	3,375
			<u>325,104</u>	<u>298,971</u>

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

	(Un-audited)					
	Additions		Disposal		Write back / (offs)	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
	----- Rupees in '000 -----					
Capital work-in-progress - net	137,079	27,423	-	-	-	-
Property and equipment						
Building on leasehold land	74,219	-	-	-	-	-
Leasehold improvements	11,835	44,032	-	29	-	43,754
Furniture and fixture	8,272	20,279	1,991	43	1,976	5,144
Electrical, office and computer equipment	129,262	71,339	2,870	240	16,677	9,610
Vehicles	3,375	49	5,237	7,305	1,588	-
	<u>226,963</u>	<u>135,699</u>	<u>10,098</u>	<u>7,617</u>	<u>20,241</u>	<u>58,508</u>
	<u>364,042</u>	<u>163,122</u>	<u>10,098</u>	<u>7,617</u>	<u>20,241</u>	<u>58,508</u>

			(Un-audited) March 31, 2021	(Audited) December 31, 2020
11.3 Assets held for sale	Note		----- Rupees in '000 -----	
Leasehold land	11.3.1		739,200	739,200
Building on leasehold land			-	-
			<u>739,200</u>	<u>739,200</u>

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

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

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

		(Un-audited) March 31, 2021	(Audited) December 31, 2020
		----- Rupees in '000 -----	
12. INTANGIBLE ASSETS			
Capital work-in-progress	12.1	212,061	223,901
Computer software	12.2	851,621	828,024
Goodwill		1,463,624	1,463,624
		<u>2,527,306</u>	<u>2,515,549</u>
12.1 Capital work-in-progress			
Advance for purchase of software	12.1.1	<u>212,061</u>	<u>223,901</u>

12.1.1 During the period, advance against purchase software was written off amounting Rs. 3.964 million as disclosed in note 31.

		(Un-audited) March 31, 2021	(Audited) March 31, 2021
		----- Rupees in '000 -----	
12.2 Additions to intangible assets			
The following additions have been made to intangible assets during the period:			
Capital work-in-progress - net		43,627	9,511
Computer software		53,769	35,489
		<u>97,396</u>	<u>45,000</u>

	Note	(Un-audited) March 31, 2021	(Audited) December 31, 2020
		----- Rupees in '000 -----	
13. OTHER ASSETS			
Income / mark-up accrued in local currency		6,875,334	6,885,407
Income/ mark-up accrued in foreign currencies		107,322	93,950
Trade receivable from brokerage and advisory business - net		1,167,517	1,515,019
Advances, deposits, advance rent and other prepayments		1,331,620	1,082,525
Acceptances		3,518,873	3,603,192
Dividend receivable		42,497	1,103
Taxation (payments less provision)		404,086	292,053
Net defined benefit plan		264,732	317,581
Balances due from funds under management		109,207	109,501
Receivable against bancassurance / bancatakaful		26,159	30,660
Stationery and stamps in hand		19,234	22,730
Receivable in respect of home remittance		36,272	30,656
Due from State Bank of Pakistan		189,522	245,310
Rebates receivable from SBP and others		312,299	305,331
Non-banking assets acquired in satisfaction of claims		1,176,144	1,176,143
Mark to market gain on derivative instruments		159,432	175,454
Mark to market gain on forward foreign exchange contracts		494,007	334,735
Advance for subscription of investments securities		-	1,645
Inter bank fund transfer settlement		-	-
Credit card settlement		196,155	140,899
Insurance		9,880	7,636
Others		324,333	667,037
		<u>16,764,625</u>	<u>17,038,567</u>
Less: Provision held against other assets		(430,569)	(430,569)
Other assets (net of provisions)		<u>16,334,056</u>	<u>16,607,998</u>
Surplus on revaluation of non-banking assets acquired in satisfaction of claims		135,022	135,109
		<u>16,469,078</u>	<u>16,743,107</u>

14. BILLS PAYABLE

In Pakistan	5,598,875	4,752,985
Outside Pakistan	218,760	228,998
	<u>5,817,635</u>	<u>4,981,983</u>

	(Un-audited) March 31, 2021	(Audited) December 31, 2020
	----- Rupees in '000 -----	
15. BORROWINGS		
Secured		
Borrowings from State Bank of Pakistan under:		
Export refinancing scheme (ERF)	20,212,354	21,496,075
Long-Term Finance Facility (LTFF)	2,028,221	1,985,038
Other borrowings		
Financing Facility for Storage of Agricultural produce (FFSAP)	256,067	193,029
Financing Facility for Renewable Energy Projects	528,297	433,085
Refinance and credit guarantee scheme for women entrepreneurs	45,401	32,900
Refinance for Wages & Salaries	10,063,993	11,543,118
Refinance facility for modernization of Small and Medium Enterprises (SMEs)	1,365	96,192
Refinance facility for combating COVID-19	220,696	229,984
Refinance facility for working capital of SMEs	28,101	33,901
Temporary economic refinance facility	66,071	51,871
Small and Medium Enterprises' Financing	9,880	-
	11,219,871	12,614,080
Repurchase agreement borrowings	-	-
	33,460,446	36,095,193
Borrowing from financial institutions		
Repurchase agreement borrowings	2,664,864	9,667,181
Refinancing facility for mortgage loans	2,379,108	2,397,468
	5,043,972	12,064,649
Total secured	38,504,418	48,159,842
Unsecured		
Call borrowings	305,517	-
Overdrawn nostro accounts	323,430	143,570
Total unsecured	628,947	143,570
	39,133,365	48,303,412
15.1 Particulars of borrowings		
In local currency	38,504,418	48,159,842
In foreign currencies	628,947	143,570
	39,133,365	48,303,412

16. DEPOSITS AND OTHER ACCOUNTS

	(Un-audited) March 31, 2021			(Audited) December 31, 2020		
	In Local Currency	In Foreign currencies	Total	In Local Currency	In Foreign currencies	Total
	----- Rupees in '000 -----					
Customers						
Current deposits	91,396,097	8,619,330	100,015,427	90,714,627	9,668,068	100,382,695
Savings deposits	94,845,212	3,816,050	98,661,262	98,103,956	3,944,797	102,048,753
Term deposits	172,810,950	13,913,713	186,724,663	186,691,026	15,203,881	201,894,907
Margin deposits	6,540,726	46	6,540,772	5,920,595	163	5,920,758
	365,592,985	26,349,139	391,942,124	381,430,204	28,816,909	410,247,113
Financial Institutions						
Current deposits	1,483,227	448,631	1,931,858	1,281,453	435,683	1,717,136
Savings deposits	18,756,398	50,010	18,806,408	11,192,800	-	11,192,800
Term deposits	11,354,747	-	11,354,747	8,266,773	-	8,266,773
	31,594,372	498,641	32,093,013	20,741,026	435,683	21,176,709
	397,187,357	26,847,780	424,035,137	402,171,230	29,252,592	431,423,822

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

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
Loss absorbercy clause:	Upon the occurrence of a Point of Non-Viability event as defined by SBP's Basel III Capital Rule vide BPRD Circular # 6 of 2013 dated August 15, 2013, SBP may at its option, fully and permanently convert the TFCs into common shares of the Bank and/or have them immediately written off (either partially or in full). Number of shares to be issued to TFC holders at the time of conversion will be equal to the 'Outstanding Face Value of the TFCs' divided by market value per share of the Bank's common share on the date of trigger as declared by SBP of the non-viability event as declared by SBP, subject to a cap of 467,836,257 shares.

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

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

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

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

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

Issue date: December 31, 2018

Maturity Date: Perpetual

Rating: A (Single A)

Profit Rate: Floating rate of return at Base rate + 2.25 percent per annum;

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

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

Redemption: Not applicable

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

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

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

Loss absorbency clause:

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

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

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

The PONV trigger event is the earlier of:

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

		(Un-audited) March 31, 2021	(Audited) December 31, 2020
Note		----- Rupees in '000 -----	
18. DEFERRED TAX LIABILITIES			
	Deductible Temporary Differences on:		
	Provision against investments	(57,149)	(57,149)
	Provision against loans and advances	(305,942)	(287,840)
	Other assets	(121,907)	(119,330)
	General provision under IFRS-9	(38,952)	(43,552)
	Intangible other than Goodwill	(2,506)	(2,904)
	Liability against assets subject to finance lease - net	(6,926)	(11,381)
	Mark to market gain / (loss) on forward foreign exchange contracts	(83,289)	(22,893)
	Provision for workers' welfare fund	(185)	(179)
		(616,856)	(545,228)
	Taxable Temporary Differences on:		
	Operating fixed assets	185,423	188,533
	Goodwill	512,268	512,268
	Surplus on revaluation of operating fixed assets	415,001	240,391
20	Surplus on revaluation of non-banking assets acquired in satisfaction of claims	47,256	4,029
	Unrealised gain on revaluation of derivative financial instruments	7,197	5,302
	Unrealised gain on revaluation of investments classified as held for trading	2,862	4,032
	Government Grant	1,474	1,888
20	Surplus on revaluation of investments classified assets as available for sale	987,313	672,375
		2,158,794	1,628,818
		1,541,938	1,083,590
19. OTHER LIABILITIES			
	Mark-up / return / interest payable in local currency	3,386,872	3,132,699
	Mark-up / return / interest payable in foreign currencies	73,728	52,729
	Unearned commission income on guarantees	144,649	176,270
	Accrued expenses	578,490	809,789
	Acceptances	3,518,873	3,603,192
	Taxation (provisions less payments)	-	-
	Trade payable from brokerage business	2,156,255	2,353,304
	Unclaimed dividends	7,576	7,576
	Mark to market loss on derivative instruments	134,967	172,635
	Mark to market loss on forward foreign exchange contracts	731,976	400,144
	Dividend payable	5,075	5,183
	Gratuity Payable to contractual staff	1,501	-
	Withholding taxes payable	566,687	599,853
	Government challan collection	97,721	94,510
	Donation payable	13,235	-
	Security deposits against leases, lockers and others	3,405,169	3,490,704
	Provision for Workers' Welfare Fund	176,838	160,165
	Payable in respect of home remittance	450,728	831,042
	Retention money payable	47,496	42,044
	Lease liability against right-of-use assets	3,177,237	2,891,226
	Advance against assets held for sale	-	-
	Payable against short sell of securities	749,932	-
	Insurance payable	22,197	10,137
	Payable to vendors against SBS goods	137,212	93,634
	Debit card settlement	81,611	65,855
	Inter bank fund transfer	257,352	159,136
	Others	1,361,449	724,011
		21,284,826	19,875,838

		(Un-audited) March 31, 2021	(Audited) December 31, 2020
		----- Rupees in '000 -----	
20. SURPLUS ON REVALUATION OF ASSETS	Note		
Surplus / (deficit) on revaluation of:			
Available-for-sale securities	20.1.1	3,154,503	2,325,426
Operating fixed assets		1,753,655	1,766,009
Non-banking assets acquired in satisfaction of claims		135,022	135,109
		5,043,180	4,226,544
Deferred tax on (surplus) / deficit on revaluation of:			
Available-for-sale securities		(987,313)	(672,375)
Operating fixed assets		(415,001)	(240,391)
Non-banking assets acquired in satisfaction of claims		(47,256)	(4,029)
	18	(1,449,570)	(916,795)
		3,593,610	3,309,749
20.1 Group's share		3,542,393	3,247,593
Non-controlling interest		51,217	62,156
		3,593,610	3,309,749

20.1.1 This includes general provision under IFRS 9 of Rs. 103.789 million held on foreign bonds (December 31, 2020: Rs. 122.758 million by Bahrain branch of the Holding Company).

		(Un-audited) March 31, 2021	(Audited) December 31, 2020
		----- Rupees in '000 -----	
21. CONTINGENCIES AND COMMITMENTS	Note		
Guarantees	21.1	45,870,211	58,779,594
Commitments	21.2	56,854,319	65,953,138
		102,724,530	124,732,732
21.1 Guarantees:			
Financial guarantees		726,747	1,024,422
Performance guarantees		24,794,316	36,678,881
Other guarantees		20,349,148	21,076,291
	21.1.1	45,870,211	58,779,594

21.1.1 Included herein are outstanding guarantees of Rs. 38.659 million (December 31, 2020: Rs. 29.054 million) of related part

		(Un-audited) March 31, 2021	(Audited) December 31, 2020
		----- Rupees in '000 -----	
21.2 Commitments:	Note		
Documentary credits and short-term trade-related transactions			
- letters of credit	21.2.1	19,209,640	21,111,360
Commitments in respect of:			
- Forward foreign exchange contracts	21.2.2	30,819,306	38,178,262
- Derivative instruments	21.2.3	4,923,658	5,564,000
- Forward lending	21.2.4	1,249,812	384,230
- Bank Guarantee from a commercial Bank in favor of National Clearing Company of Pakistan Limited	21.2.5	400,000	400,000
- Outstanding settlements against margin financing contracts - net	21.2.6	-	57,411
Commitments for acquisition of:			
- operating fixed assets	21.2.7	251,903	257,875
		56,854,319	65,953,138

- 21.2.1** Included herein are the outstanding letter of credits of Rs. 72.980 million (December 31, 2020: Rs. 86.543 million) of related parties.

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

21.2.2 Commitments in respect of forward foreign exchange contracts

Purchase	19,863,379	23,137,733
Sale	10,955,927	15,040,529
	<u>30,819,306</u>	<u>38,178,262</u>

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

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

21.2.3 Commitments in respect of derivative instruments

Purchase	730,220	1,760,637
Sale	4,193,438	3,803,363
	<u>4,923,658</u>	<u>5,564,000</u>

21.2.3.1 Interest rate swaps (notional principal)

Purchase	727,765	1,176,824
Sale	727,765	1,176,824
	<u>1,455,530</u>	<u>2,353,648</u>

21.2.3.2 Options (notional principal)

Purchase	2,455	582,419
Sale	3,154,587	2,425,487
	<u>3,157,042</u>	<u>3,007,906</u>

21.2.3.3 Commitments in respect of forward securities

Purchase	-	1,394
Sale	311,086	201,052
	<u>311,086</u>	<u>202,446</u>

21.2.4 Commitments in respect of forward lending

Undrawn formal standby facilities, credit lines and other commitments to	22.2.4.1	<u>1,249,812</u>	<u>384,230</u>
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- 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.

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

21.2.5 Bank Guarantee from a commercial Bank in favor of National Clearing Company of Pakistan Limited

<u>400,000</u>	<u>400,000</u>
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21.2.6 Outstanding settlements against margin financing contracts - net

<u>-</u>	<u>57,411</u>
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21.2.7 Commitments for acquisition of operating fixed assets

<u>251,903</u>	<u>257,875</u>
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22. DERIVATIVE INSTRUMENTS

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

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

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

These transactions cover the aspects of both market making and hedging. The risk management related to derivative is disclosed in note 45 to the annual unconsolidated financial statements for the year ended December 31, 2020.

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

22.1 Product Analysis

(Un-audited) March 31, 2021					
Interest rate swaps		Options		Forward securities	
Notional principal	Mark to market	Notional principal	Mark to market	Notional principal	Mark to market
----- Rupees in '000 -----					

With Banks

Hedging	1,455,530	2,328	3,157,042	18,234	-
Market making	-	-	-	-	311,086
					3,903

With FIs other banks

Hedging	-	-	-	-	-
Market making	-	-	-	-	-

Total

Hedging	1,455,530	2,328	3,157,042	18,234	-
Market making	-	-	-	-	311,086
					3,903

(Audited) December 31, 2020					
Interest rate swaps		Options		Forward securities	
Notional principal	Mark to market	Notional principal	Mark to market	Notional principal	Mark to market
----- Rupees in '000 -----					

With Banks

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

With FIs other banks

Hedging	-	-	-	-	-
Market making	-	-	-	-	1,394

Total

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

23. MARK-UP / RETURN / INTEREST EARNED

Note

----- Un-audited -----	
March 31, 2021	March 31, 2020
----- Rupees in '000 -----	

On:

Loans and advances	5,075,532	8,344,668
Investments	4,199,929	4,175,659
Lendings to financial institutions	13,904	3,581
Balances with other banks	18,787	5,758
Securities purchased under resale agreements	326,155	428,340
	<u>9,634,307</u>	<u>12,958,006</u>

		----- Un-audited -----	
		March 31, 2021	March 31, 2020
		----- Rupees in '000 -----	
24.	MARK-UP / RETURN / INTEREST EXPENSED	Note	
	On:		
	Deposits		5,406,566
	Borrowings	24.1	9,214,296
	Subordinated debt		1,044,664
	Cost of foreign currency swaps against foreign currency deposits / borrowings		562,398
	Markup on Lease liability against right-of-use assets		166,908
			282,807
			100,427
			182,358
			101,384
			133,658
			<u>6,819,949</u>
			<u>10,375,517</u>
24.1	Borrowings		
	Export refinancing scheme (ERF)		98,176
	Long-Term Finance Facility (LTFF)		85,420
	Other Borrowings from State Bank of Pakistan		12,011
	Securities sold under repurchase agreements		11,433
	Other short term borrowings		4,027
			1,902
			791,085
			327,814
			139,365
			135,829
			<u>1,044,664</u>
			<u>562,398</u>
25.	FEE, COMMISSION AND BROKERAGE INCOME		
	Branch banking customer fees		34,384
	Consumer finance related fees		45,850
	Card related fees (debit and credit cards)		11,555
	Credit related fees		6,977
	Investment banking fees		84,172
	Commission on trade		198,996
	Commission on guarantees		70,752
	Commission on cash management		77,956
	Commission on remittances including home remittances		35,465
	Commission on bancassurance		30,569
	Commission on distribution of mutual funds		188,330
	Commission on online Services		163,558
	Postage & Courier income		86,242
	Rebate income		1,353
	Rebate on primary dealership		1,736
	Brokerage income		26,776
	Management fee		56,637
			38,620
			28,636
			-
			12,748
			63,448
			74,688
			5,886
			7,168
			69,427
			63,042
			-
			-
			256,737
			115,414
			41,214
			57,683
			<u>1,046,120</u>
			<u>1,027,900</u>
26.	GAIN / (LOSS) ON SECURITIES - NET		
	Realised	26.1	103,249
	Unrealised - held for trading		98,644
			(11,612)
			23,935
			<u>91,637</u>
			<u>122,579</u>
26.1	Realised gain on:		
	Federal government securities		
	Market treasury bills		2,585
	Pakistan investment bonds		27,973
	Ijara sukuk certificates		57,850
			57,827
			-
			-
	Shares		
	Listed companies		(66,944)
			(1,585)
	Non Government Debt Securities		
	Term finance certificates		4,617
	Sukuk certificates		1,339
			-
			450
			4,617
			1,780
	Mutual fund units		68,371
	Foreign currency bonds		12,640
			36,770
			-
			<u>103,249</u>
			<u>98,644</u>
27.	OTHER INCOME - NET		
	Rent on Property		-
	Gain on sale of fixed assets - net		3,547
	Gain on termination of leases		5,375
	Grant Income		2,397
	Others		-
			1,425
			-
			4,499
			4,255
			<u>11,868</u>
			<u>9,630</u>

		----- Un-audited -----	
		March 31, 2021	March 31, 2020
		----- Rupees in '000 -----	
Note			
28.	OPERATING EXPENSES		
	Total compensation expense	1,660,371	1,669,868
	Property expense		
	Rent & taxes	22,909	8,415
	Insurance	3,505	2,639
	Utilities cost	78,666	62,240
	Security (including guards)	70,470	76,584
	Repair & maintenance (including janitorial charges)	59,120	43,931
	Depreciation	63,606	62,094
	Depreciation on right-of-use assets	224,461	245,959
	Depreciation on non banking assets	86	2,269
		522,823	504,131
	Information technology expenses		
	Software maintenance	130,848	17,603
	Hardware maintenance	50,022	41,680
	Depreciation	58,351	51,726
	Amortisation	32,320	27,930
	Network charges	39,081	29,622
		310,622	168,561
	Other operating expenses		
	Directors' fees and allowances	4,888	4,088
	Legal & professional charges	31,422	31,027
	Insurance	59,575	28,576
	Outsourced services costs	36,564	33,785
	Travelling & conveyance	31,900	35,168
	NIFT clearing charges	7,658	8,958
	Depreciation	76,942	79,915
	Depreciation on right-of-use assets	-	-
	Training & development	4,071	6,823
	Postage & courier charges	20,505	28,208
	Communication	23,887	35,749
	Stationery & printing	45,860	68,363
	Marketing, advertisement & publicity	87,183	120,135
	Donations	13,235	12,569
	Auditors' remuneration	2,599	2,303
	Staff auto fuel & maintenance	55,587	56,525
	Bank charges	11,368	11,403
	Stamp duty	5,784	3,160
	Online verification charges	9,105	4,677
	Brokerage, fee and commission	18,321	9,064
	Card related fees (debit and credit cards)	46,821	6,626
	CDC and other charges	9,521	7,810
	Consultancy fee	10,436	10,933
	Deposit protection corporation	68,881	34,970
28.1	Entertainment expenses	27,051	16,015
	Repair and maintenance	21,412	16,778
	Cash handling charges	27,138	28,148
	Fee and Subscription	35,749	43,573
	Employees social security	914	2,500
	Generator fuel & maintenance	20,418	20,329
	Fee and allowances to Shariah Board	20	13
	Royalty	8,750	7,500
	Others	14,295	17,052
		837,860	792,743
		3,331,676	3,135,303
	Less: Reimbursement of selling and distribution expenses	(18,108)	(13,398)
		3,313,568	3,121,905

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

29. WORKERS WELFARE FUND

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

		----- Un-audited -----		
		March 31, 2021	March 31, 2020	
		----- Rupees in '000 -----		
30. OTHER CHARGES	Note			
Penalties imposed by State Bank of Pakistan		25	-	
Others		-	4,044	
		<u>25</u>	<u>4,044</u>	
31. PROVISIONS / (REVERSALS) AND WRITE OFFS - NET				
Reversals / Provisions for diminution in value of investments	9.4.1	(212,434)	16,569	
Provisions against loans & advances	10.3	235,609	86,427	
Provisions against loans & advances - general		104,830	(3,025)	
(Reversals) / provisions under IFRS-9 -general	31	(6,273)	45,137	
Fixed assets written (back) / off	11.2	(20,241)	58,508	
Intangible assets written off	12.1.1	3,964	-	
Other assets written off		259	-	
		<u>105,714</u>	<u>203,616</u>	
31.1 (Reversals) / provisions under IFRS-9 - general				
Charge / (reversal) during the period				
Balances with other banks		14	2	
Lendings to financial institutions		6,109	(953)	
Investments		(14,046)	30,047	
Advances		1,650	16,041	
		<u>(6,273)</u>	<u>45,137</u>	
32. TAXATION				
Current		399,314	231,072	
Prior years		-	-	
Deferred		(76,719)	17,787	
		<u>322,595</u>	<u>248,859</u>	
32.1	There are no material changes in tax contingencies as disclosed in annual consolidated financial statements for the year ended December 31, 2020.			
33. BASIC AND DILUTED EARNINGS PER SHARE				
Profit after taxation for the period - attributable to ordinary equity holders of the holding company		<u>505,781</u>	<u>401,888</u>	
Weighted average number of basic outstanding ordinary shares during the period		<u>1,297,464,262</u>	<u>1,297,464,262</u>	
Basic and diluted earnings per share		<u>0.39</u>	<u>0.31</u>	
34. CASH AND CASH EQUIVALENTS	Note	(Un-audited) March 31, 2021	(Audited) March 31, 2020	(Un-audited) March 31, 2020
		----- Rupees in '000 -----		
Cash and balances with treasury banks	6	25,268,215	30,421,531	27,431,561
Balances with other banks	7	560,281	1,128,585	1,413,005
Overdrawn nostro accounts	15	(323,430)	(143,570)	(273,315)
		<u>25,505,066</u>	<u>31,406,546</u>	<u>28,571,251</u>
Less: General provision under IFRS 9		(444)	(450)	(75)
		<u>25,504,622</u>	<u>31,406,096</u>	<u>28,571,176</u>

35. FAIR VALUE OF FINANCIAL INSTRUMENTS

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

The fair value of quoted securities other than those classified as held to maturity, is based on quoted market price. Fair value of fixed term loans, other assets, other liabilities and fixed term deposits cannot be calculated with sufficient reliability due to absence of current and active market for assets and liabilities and reliable data regarding market rates for similar instruments. The provision for impairment of loans and advances has been calculated in accordance with the Bank's accounting policy as stated in note 4.6 to the annual consolidated financial statements.

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

Fair value hierarchy

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

Level 1: Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2: Fair value measurements using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

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

35.1 Valuation techniques used in determination of fair values within level

Item	Valuation approach and input used
Financial Instruments- Level 1	
Shares of listed companies	Fair values of investments in listed equity securities are valued on the basis of closing quoted market prices available at the Pakistan Stock Exchange.
Financial instruments - Level 2	
Units of mutual funds	Fair values of investments in units of mutual funds are determined based on redemption prices disclosed at the Mutual Funds Association of Pakistan (MUFAP) as at the close of the
Market Treasury Bills(MTB) / Pakistan Investment Bonds(PIB),	Fair values of Pakistan Investment Bonds and Market Treasury Bills are derived using PKRV and PKFRV rates (Reuters page).
Debt Securities (TFCs) and Sukuk other than Government	Investments in debt securities (comprising 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
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,
Non- financial assets- Level 3	
Fixed assets - Land and building	Fixed assets and Non-banking assets under satisfaction of claims are carried at revalued amounts determined by professional valuers based on their assessment of the market values as disclosed in note 11 and 13 of these annual consolidated financial statements. The valuations are conducted by the valuation experts appointed by the Bank which are also on the panel of State Bank of Pakistan. The valuation experts used a market based approach to arrive at the fair value of the Bank's properties. The market approach used prices and other relevant information generated by market transactions involving identical or comparable or similar properties. These values are adjusted to reflect the current condition of the properties. The effect of changes in the unobservable inputs used in the valuations cannot be determined with certainty, accordingly a qualitative disclosure of sensitivity has not been presented in these financial statements.
Non-banking assets under satisfaction of claims	
Financial instruments in level 3	
Currently, no financial instruments are classified in level 3.	
The fair value of unquoted debt securities, fixed term loans, other assets, other liabilities, fixed term deposits and borrowings cannot be calculated with sufficient reliability due to the absence of a current and active market for these assets and liabilities and reliable data regarding market rates for similar instruments.	

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

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

	(Un-audited) March 31, 2021			
	Level 1	Level 2	Level 3	Total
	----- Rupees in '000 -----			
On balance sheet financial instruments				
Financial assets - measured at fair value				
Held-for-trading securities				
Investments				
Federal Government Securities	-	520,336	-	520,336
Shares	318,439	-	-	318,439
Open end mutual funds	-	147,110	-	147,110
	318,439	667,446	-	985,885
Available-for-sale securities				
Investments				
Federal Government Securities	-	149,872,114	-	149,872,114
Shares	5,400,095	-	-	5,400,095
Non Government Debt Securities	-	616,637	-	616,637
Foreign Securities	-	4,537,084	-	4,537,084
Open end mutual funds	-	1,217,107	-	1,217,107
	5,400,095	156,242,942	-	161,643,037
Financial assets - disclosed but not measured at fair value				
Investments				
Federal Government Securities	-	36,023,808	-	36,023,808
	5,718,534	192,934,196	-	198,652,730
Non-Financial assets - measured at fair value				
Revalued fixed assets	-	-	2,666,310	2,666,310
Non-banking assets acquired in satisfaction of claims	-	-	1,311,166	1,311,166
	-	-	3,977,476	3,977,476
Off balance sheet financial instruments				
Commitments in respect of:				
Forward foreign exchange contracts				
Purchase	-	19,161,316	-	19,161,316
Sale	-	10,491,582	-	10,491,582
Derivative instruments				
Forward investments securities				
Sale	314,989	-	-	314,989
Interest rate swaps (notional principal)				
Purchase	-	634,794	-	634,794
Sale	-	637,122	-	637,122
Options				
Purchase	-	7,867	-	7,867
Sale	-	3,167,408	-	3,167,408

(Audited)
December 31, 2020

	Level 1	Level 2	Level 3	Total
	----- Rupees in '000 -----			
On balance sheet financial instruments				
Financial assets - measured at fair value				
Held-for-trading securities				
Investments				
Federal Government Securities	-	25,003,774	-	25,003,774
Shares	207,409	-	-	207,409
Open end mutual funds	-	244,002	-	244,002
	207,409	25,247,776	-	25,455,185
Available-for-sale securities				
Investments				
Federal Government Securities	-	127,406,043	-	127,406,043
Shares	4,296,982	-	-	4,296,982
Non Government Debt Securities	-	690,048	-	690,048
Foreign Securities	-	4,017,289	-	4,017,289
Open end mutual funds	-	1,216,288	-	1,216,288
	4,296,982	133,329,668	-	137,626,650
Financial assets - disclosed but not measured at fair value				
Investments				
Federal Government Securities	-	36,109,599	-	36,109,599
	4,504,391	194,687,043	-	199,191,434
Non-Financial assets - measured at fair value				
Revalued fixed assets	-	-	2,610,300	2,610,300
Non-banking assets acquired in satisfaction of claims	-	-	1,311,252	1,311,252
	-	-	3,921,552	3,921,552
Off balance sheet financial instruments				
Commitments in respect of:				
Forward foreign exchange contracts				
Purchase	-	22,942,707	-	22,942,707
Sale	-	14,910,910	-	14,910,910
Derivative instruments				
Forward investments securities				
Purchase	-	-	-	-
Sale	188,723	-	-	188,723
Interest rate swaps (notional principal)				
Purchase	-	1,120,607	-	1,120,607
Sale	-	1,125,550	-	1,125,550
Options				
Purchase	-	581,042	-	581,042
Sale	-	2,437,068	-	2,437,068

36. SEGMENT INFORMATION

36.1. Segment Details with respect to Business Activities:

	Corporate finance	Trading and sales	Retail banking	Commercial banking	Brokerage	Asset management	Others	Total
March 31, 2021 (Un-audited)	Rupees in '000							
Profit & Loss								
Net mark-up / return / profit	(284,701)	3,454,986	273,964	(625,921)	18,795	(5,853)	(16,912)	2,814,358
Inter segment revenue - net	295,577	(3,453,266)	1,864,401	1,293,288	-	-	-	-
Non mark-up / return / interest income	68,805	320,546	382,533	355,756	286,625	102,526	(44,920)	1,471,871
Total Income	79,681	322,266	2,520,898	1,023,123	305,420	96,673	(61,832)	4,286,229
Segment direct expenses	6,003	43,575	1,305,444	205,731	151,616	82,459	1,535,458	3,330,286
Inter segment expense allocation	11,827	44,260	1,226,122	195,080	-	-	(1,477,289)	-
Total expenses	17,830	87,835	2,531,566	400,811	151,616	82,459	58,169	3,330,286
Provisions / (reversals)	-	-	26,197	(4,913)	-	-	84,430	105,714
Profit before tax	61,851	234,431	(36,865)	627,225	153,804	14,214	(204,431)	850,229
March 31, 2021 (Un-audited)								
Statement of financial position								
Cash & Bank balances	-	-	25,679,489	-	145,158	3,405	-	25,828,052
Investments	-	194,672,237	-	4,539,575	381,441	1,594,496	-	201,187,749
Net inter segment lending	8,669,417	-	90,247,966	74,182,069	-	-	16,177,231	189,276,683
Lendings to financial institutions	-	12,822,198	-	2,437,080	-	-	-	15,259,278
Advances - performing	1,930,355	-	74,852,749	166,318,619	274,486	(67,395)	-	243,308,814
Advances - non-performing	-	-	6,992,205	5,903,330	-	-	-	12,895,535
Advances - (provisions) / reversals - net	-	-	(2,322,696)	(2,221,552)	-	-	-	(4,544,248)
	1,930,355	-	79,522,258	170,000,397	274,486	(67,395)	-	251,660,101
Others	-	-	-	-	2,400,858	659,551	26,019,962	29,080,371
Total Assets	10,599,772	207,494,435	195,449,713	251,159,121	3,201,943	2,190,057	42,197,193	712,292,234
Borrowings	36,667	13,302,179	150,888	25,643,631	-	-	-	39,133,365
Subordinated debt	-	7,492,800	-	-	-	-	-	7,492,800
Deposits & other accounts	10,556,665	-	190,540,135	222,938,337	-	-	-	424,035,137
Net inter segment borrowing	-	188,623,253	-	653,431	-	-	-	189,276,684
Others	6,440	49,502	4,758,690	-	2,522,764	429,251	20,877,758	28,644,405
Total Liabilities	10,599,772	209,467,734	195,449,713	249,235,399	2,522,764	429,251	20,877,758	688,582,391
Equity	-	-	-	-	-	-	23,170,490	23,170,490
Non-controlling interest	-	-	-	-	-	-	539,360	539,360
Total Equity & Liabilities	10,599,772	209,467,734	195,449,713	249,235,399	2,522,764	429,251	44,587,608	712,292,241
Contingencies & Commitments	-	50,145,007	36,838,702	14,919,827	711,086	-	109,908	102,724,530

March 31, 2020 (Un-audited)**Profit & Loss**

	Corporate finance	Trading and sales	Retail banking	Commercial banking	Brokerage	Asset management	Others	Total
Rupees in '000								
Net mark-up / return / profit	117,152	(756,955)	2,827,165	615,098	21,057	(4,111)	(236,918)	2,582,489
Inter segment revenue - net	(1,675)	-	(159,863)	(37,499)	-	-	199,037	-
Non mark-up / return / interest income	23,245	274,847	585,135	231,838	142,328	75,909	77,366	1,410,669
Total Income	138,723	(482,108)	3,252,438	809,437	163,385	71,798	39,485	3,993,158

Segment direct expenses	11,976	29,958	1,287,392	163,408	129,021	87,960	1,422,477	3,132,193
Inter segment expense allocation	32,583	80,845	835,608	307,891	-	-	(1,256,927)	-
Total expenses	44,559	110,804	2,123,001	471,298	129,021	87,960	165,550	3,132,193
Provisions	254	-	83,638	44,920	-	-	74,805	203,616
Profit before tax	93,910	(592,911)	1,045,799	293,219	34,364	(16,162)	(200,870)	657,349

December 31, 2020 (Audited)**Statement of financial position**

Cash & Bank balances	-	20,722,345	10,804,855	-	19,153	3,313	-	31,549,666
Investments	2,891,836	196,878,742	-	-	347,651	1,689,425	-	201,807,654
Net inter segment lending	-	-	129,898,985	109,429,008	-	-	11,732,961	251,060,954
Lendings to financial institutions	-	23,239,672	-	-	-	-	-	23,239,672
Advances - performing	-	-	52,152,981	190,515,793	332,723	(76,355)	-	242,925,142
Advances - non-performing	-	-	4,760,888	6,972,667	-	-	-	11,733,555
Advances - (provisions) / reversals - net	-	-	(938,040)	(3,265,123)	-	-	-	(4,203,163)
	-	-	55,975,829	194,223,337	332,723	(76,355)	-	250,455,534
Others	-	4,590,700	3,570,545	3,315,506	2,854,534	666,196	14,027,138	29,024,619
Total Assets	2,891,836	245,431,459	200,250,214	306,967,851	3,554,061	2,282,579	25,760,099	787,138,099

Borrowings	-	12,208,219	1,996,091	34,099,102	-	-	-	48,303,412
Subordinated debt	-	7,492,800	-	-	-	-	-	7,492,800
Deposits & other accounts	-	-	166,087,049	265,336,773	-	-	-	431,423,822
Net inter segment borrowing	2,891,836	227,156,281	21,012,836	-	-	-	-	251,060,953
Others	-	551,556	11,154,238	5,893,204	2,728,064	446,461	5,167,888	25,941,411
Total Liabilities	2,891,836	247,408,856	200,250,214	305,329,079	2,728,064	446,461	5,167,888	764,222,398
Equity	-	-	-	-	-	-	22,387,255	22,387,255
Non-controlling interest	-	-	-	-	-	-	528,446	528,446
Total Equity & Liabilities	2,891,836	247,408,856	200,250,214	305,329,079	2,728,064	446,461	28,083,589	787,138,099
Contingencies & Commitments	-	60,973,417	44,793,723	18,141,644	690,306	-	133,642	124,732,732

37. RELATED PARTY TRANSACTIONS

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

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

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

	As at March 31, 2021 (Un-audited)					As at December 31, 2020 (Audited)				
	Parent	Directors	Key management personnel	Associates	Other related parties	Parent	Directors	Key management personnel	Associates	Other related parties
----- (Rupees in '000) -----										
Statement of financial position										
Lendings to financial institutions										
Opening balance	-	-	-	-	-	-	-	-	-	-
Addition during the year	-	-	-	-	1,400,000	-	-	-	-	4,100,000
Repaid during the year	-	-	-	-	(1,400,000)	-	-	-	-	(4,100,000)
Closing balance	-	-	-	-	-	-	-	-	-	-
Investments										
Opening balance	12,500	-	-	269,800	4,527,652	15,000	-	-	228,972	3,560,728
Investment made during the year	-	-	-	-	962,089	-	-	-	40,828	4,298,203
Investment redeemed / disposed off during the year	(500)	-	-	-	(2,013,145)	(2,500)	-	-	-	(3,331,279)
Closing balance	12,000	-	-	269,800	3,476,596	12,500	-	-	269,800	4,527,652
Provision for diminution in value of investments	-	-	-	-	391,478	-	-	-	-	391,478
Advances										
Opening balance	-	122,106	791,027	370,768	4,093,430	-	-	596,257	-	1,946,481
Addition during the year	-	640	33,046	-	1,105,610	-	58	284,284	153,128	6,402,913
Repaid during the year	-	(980)	(68,757)	(122,698)	(672,293)	-	(832)	(157,785)	(2,235)	(5,488,750)
Transfer in / (out) - net	-	127	10,267	-	-	-	122,880	68,271	219,875	1,232,786
Closing balance	-	121,893	765,583	248,070	4,526,747	-	122,106	791,027	370,768	4,093,430
Other Assets										
Interest mark-up accrued	71	2,861	-	954	63,793	344	2,801	6	954	52,998
Receivable against bancassurance / bancatakaful	-	-	-	-	26,159	-	-	-	-	28,051
Net defined benefit plan	-	-	-	-	264,732	-	-	-	-	317,581
Trade receivable	-	-	79	-	134,002	73,455	-	80	-	158,590
Advance against purchase of property	-	-	-	-	-	-	-	-	-	-
Other receivable	282	-	-	-	9,095	281	-	-	-	8,889
Provision against other assets	-	-	-	-	379	-	-	-	-	379

	As at March 31, 2021 (Un-audited)					As at December 31, 2020 (Audited)				
	Parent	Directors	Key management personnel	Associates	Other related parties	Parent	Directors	Key management personnel	Associates	Other related parties
	(Rupees in '000)									
Borrowings										
Opening balance	-	-	-	-	-	-	-	-	-	-
Borrowings during the year	-	-	-	-	-	-	-	-	-	11,105,705
Settled during the year	-	-	-	-	-	-	-	-	-	(11,105,705)
Closing balance	-	-	-	-	-	-	-	-	-	-
Deposits and other accounts										
Opening balance	172,019	212,335	76,237	49,753	10,365,166	271,648	24,444	59,593	23,104	8,622,201
Received during the year	852,384	64,814	179,575	531,461	59,998,490	5,511,316	511,942	973,685	861,135	160,825,941
Withdrawn during the year	(710,325)	(65,094)	(171,749)	(514,110)	(59,712,571)	(5,610,945)	(324,417)	(869,813)	(834,486)	(159,215,607)
Transfer in / (out) - net	-	1,354	(27,549)	-	(800)	-	366	(87,228)	-	132,631
Closing balance	314,078	213,409	56,514	67,104	10,650,285	172,019	212,335	76,237	49,753	10,365,166
Subordinated debt	-	-	-	-	889,432	-	-	-	-	889,432
Other Liabilities										
Interest / return / mark-up payable on deposits	-	-	18	-	21,052	-	-	85	-	153,374
Interest / return / mark-up payable on subordinated debt	-	-	-	-	21,416	-	-	-	-	1,308
Trade payable	724	-	266,924	-	20,828	-	-	6,314	-	783
Donation Payable	-	-	-	-	-	-	-	-	-	4,500
Others payable	-	-	-	-	1,426	75	-	-	-	1,571
Represented By										
Share Capital	9,733,073	19,180	12,223	-	45,323	9,733,073	19,180	12,223	-	45,323
Contingencies and Commitments										
Letter of guarantee	-	-	-	-	38,629	-	-	-	-	29,054
Letter of Credit	-	-	-	-	72,980	-	-	-	-	86,543
	For the period ended March 31, 2021 (Un-audited)					For the period ended March 31, 2020 (Un-audited)				
	Parent	Directors	Key management personnel	Associates	Other related parties	Parent	Directors	Key management personnel	Associates	Other related parties
	(Rupees in '000)									
Profit and loss account										
Income										
Mark-up / return / interest earned	536	47	9,369	3,855	20,282	-	-	14,644	5,739	40,265
Fee, commission and brokerage income	3,721	6	9,161	-	84,367	-	-	54	-	57,929
Dividend income	-	-	-	-	43,014	-	-	-	-	42,826
(Loss) / gain on sale of securities - Net	-	-	-	-	(89,195)	-	-	-	-	2,522
Expense										
Mark-up / return / interest paid	3,138	2,763	461	-	228,494	5,165	257	121	29	311,741
Remuneration paid	-	20,281	169,385	-	-	-	-	149,070	-	-
Non-executive directors' fee	-	4,782	-	-	-	-	3,000	-	-	-
Net charge for defined contribution plans	-	-	-	-	67,928	-	-	-	-	57,263
Net charge / (reversal) for defined benefit plans	-	-	-	-	52,849	-	-	-	-	53,539
Rental expense	-	-	-	-	7,832	-	-	-	-	-
Advisory fee	-	-	-	-	-	-	-	-	-	15,000
Royalty	-	-	-	-	8,750	-	-	-	-	-
Other expenses	75	-	-	-	316	-	-	-	-	-
Reimbursement of expenses	25,010	210	-	-	24,602	225	-	-	-	399
Payments made during the year										
Insurance premium paid	-	-	-	-	263,802	-	-	-	-	210,846
Insurance claims settled	-	-	-	-	646	-	-	-	-	214
Other Transactions										
Sale of Government Securities	-	-	-	-	27,182,195	-	1,645	-	-	23,329,551
Purchase of Government Securities	-	-	-	-	493,567	-	-	-	-	3,949,276
Sale of Foreign Currencies	-	-	-	-	17,558,402	-	-	-	-	12,390,177
Purchase of Foreign Currencies	-	-	-	-	5,941,416	-	-	-	-	17,435,574

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

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

Paid-up capital (net of losses)

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

Eligible Common Equity Tier 1 (CET 1) Capital

17,826,751	17,433,159
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Eligible Additional Tier 1 (ADT 1) Capital

1,900,767	1,965,291
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Total Eligible Tier 1 Capital

19,727,518	19,398,450
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Eligible Tier 2 Capital

6,089,057	5,558,052
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Total Eligible Capital (Tier 1 + Tier 2)

25,816,575	24,956,502
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Risk Weighted Assets (RWAs):

Credit Risk

161,030,901	154,573,487
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Market Risk

3,912,362	3,835,995
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Operational Risk

25,579,240	25,579,240
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Total

190,522,503	183,988,722
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Common Equity Tier 1 Capital Adequacy ratio

9.36%	9.48%
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Tier 1 Capital Adequacy Ratio

10.35%	10.54%
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Total Capital Adequacy Ratio

13.55%	13.56%
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Leverage Ratio (LR):

Eligible Tier-1 Capital

19,727,518	19,398,450
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Total Exposures

597,180,628	623,856,077
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Leverage Ratio

3.30%	3.11%
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Liquidity Coverage Ratio (LCR):

Total High Quality Liquid Assets

188,602,195	166,890,275
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Total Net Cash Outflow

72,529,795	57,575,341
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Liquidity Coverage Ratio

260.03%	289.86%
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Net Stable Funding Ratio (NSFR):

Total Available Stable Funding

345,829,007	358,895,534
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Total Required Stable Funding

258,992,772	259,861,191
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Net Stable Funding Ratio

133.53%	138.11%
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39. OTHER MATTERS**39.1 NON-ADJUSTING EVENT AFTER THE STATEMENT OF FINANCIAL POSITION DATE**

Subsequent to period end the shareholders of JS Global Capital Limited, a subsidiary company of the Bank, in their meeting held on April 28, 2021 approved the buyback of 3,991,525 ordinary shares at a purchase price of PKR 80 per share under section 88 of the Companies Act, 2017 read with the Listed Companies (Buy-Back of Shares) Regulation, 2019.

39.2 GENERAL

39.2.1 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.

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

40. DATE OF AUTHORISATION FOR ISSUE

These condensed interim consolidated financial statements were authorised for issue by the Board of Directors of the Bank in their meeting held on April 28, 2021.

**President and
Chief Executive Officer**

Chief Financial Officer

Director

Director

Chairman