



**Quarterly Report**  
**March 31, 2023 (Un-audited)**



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**Bank as free  
as a bird**

# Company Information

## Board of Directors

Mr. Adil Matcheswala	Chairman
Ms. Nargis Ghaloo	Independent Director
Lt. Gen. (R) Sadiq Ali	Independent Director
Mr. Shahnawaz Haider Nawabi	Independent Director
Syed Mumtaz Ali Shah	Independent Director
Mr. Usman Yousaf Mobin	Independent Director
Mr. Basir Shamsie	President & CEO/ Director

## Audit Committee

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

## Human Resource, Remuneration & Nomination Committee

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

## Risk Management Committee

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

## Board IT Committee

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

## Chief Financial Officer

Mr. Amin Muhammad Virani

## Company Secretary

Mr. Hasan Shahid

## Auditors

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

## Legal Advisors

Bawaney & Partners  
Haidermota & Co.  
Liaquat Merchant Associates

## Share Registrar

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

## Registered office

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

## **Directors' Report**

We are pleased to present the unaudited financial statements of JS Bank Limited ("JSBL") for the quarter ended March 31, 2023.

### **Economy review**

Driven by higher energy and food prices, headline inflation continued its upward journey with March's reading clocked in at 35.4% as compared to 12.7% in the same month last year. Domestic production is also showing a slump as LSM recorded a 5.6%YoY contraction in 8MFY23. Non-Food-Non-Energy (NFNE) inflation has also been on the rise most likely on the back of higher exchange rate, pass-through effect, and the build-up of inflation expectations. In order to curb inflation, the Central Bank has increased the Policy Rate by a cumulative 500bps during 2023 so far, taking it to 21%.

Owing to 21%YoY reduction in imports, the trade deficit came down to USD 4.1 billion in 8MFY23 from USD 12.3 billion in the same period last year, thus resulting in 68% reduction in the current account deficit. However, despite this marked improvement in the external account, the country's forex reserves continued to remain under pressure on the back of external debt obligations resulting in PKR sliding from PKR 227 per USD at the start of the year to PKR 284 of late.

On the external funding front, Pakistan appears to have made visible progress. Out of USD 6 billion funding gap identified by the IMF, Pakistan has secured USD 3 billion (from KSA and UAE). However, IMF recently issues a statement saying that Pakistan needs to bridge the remaining USD 3 billion gap for the successful completion of 9<sup>th</sup> review of the ongoing Extended Fund Facility.

### **Banking sector review**

In line with monetary tightening, the banking sector's weighted average Spreads also increased by 251bp YoY in 2MCY23 to 6.95%. Banking sector Deposits touched PKR 23,562 billion in March (up 15% YoY) while Advances also grew by ~15% to reach PKR 11,836 billion. Thus, the sector maintained the ADR exactly at 50%. On the other hand, as per the latest available data, the sector's gross NPLs have increased by 3%QoQ in December 2022 to reach PKR 938,670 million. However, due to 7.5% increase in Advances during September and December 2022, the sector's Gross Infection Ratio actually came down from 8.2% in September 2022 to 7.8% in December 2022.

### **Performance overview**

For the first quarter ended March 31, 2023, the Bank reported a Profit before Tax of PKR 1,526 million (Profit after Tax of PKR 856 million), as compared to a Profit before Tax of PKR 675 million (Profit after Tax of PKR 410 million) during the corresponding period last year. During this period, Bank's Net Interest Income increased by 54%YOY primarily owing to improvement in Bank's deposit mix. While overall deposits witnessed a decline of 6% since December 2022 (primarily due to 16% reduction in Term Deposits), Non-Remunerative Deposits increased by 5% resulting in the share of Non-Remunerative Deposit in total Deposit improving from 31% in 4Q2022 to 34% in 1Q2023.

Anticipating that the SBP's monetary tightening would continue, Bank offloaded a part of its Government Securities holding in January resulting in a loss of PKR 494 million. This turned out to be a prudent move as the Central Bank has since increased the Policy Rate by another 400 bps. Furthermore, this loss has been more than offset by growth in the Bank's other Non-Markup Income which has resulted in the Bank recording an overall Non-Markup Income of PKR 2,207 million - 82% higher than in the same period last year.

Administrative expenses witnessed an increase of 41% YoY mainly on the back of three factors. First, compensation expense was increased significantly in order to help employees - especially junior staff - cope with increasing inflation. Second, workforce was hired for our digital banking platform 'Zindigi' while gaps were also filled in Retail Banking's frontline staff. Third, marketing expenditures were increased in order to push 'Zindigi' and other products in the market including credit card and RDA offerings. Despite higher administrative expenses, Bank's operating cost to income ratio significantly improved to 67.8% as compared to 77.7% during the corresponding period last year. Moreover, Bank's NPL Coverage Ratio has improved to 49.1% (December 31, 2022: 44.0%), while Capital Adequacy Ratio has increased to 13.51% (December 2022 = 13.26%).

The highlights of the financial results of the Bank for the first quarter ended March 31, 2023, are presented below:

<b>Financial Position</b>	<b>PKR Million</b>	
	<b>March 31, 2023</b>	<b>December 31, 2022</b>
Shareholders' Equity	21,584.11	21,546.62
Total Deposits	436,987.79	464,131.92
Total Assets	542,797.31	616,715.49
Advances Net	223,564.40	231,101.82
Investments Net	238,416.20	303,464.86
<b>Financial Performance</b>		
	<b>March 31, 2023</b>	<b>March 31, 2022</b>
Mark-up/Interest Income - Net	5,059.76	3,278.81
Non-Markup/Interest Income	2,206.83	1,209.52
Operating Expenses	4,923.25	3,486.73
Provisions and write offs - net	762.69	313.28
Profit/(Loss) Before Tax	1,525.61	674.81
Profit After Tax	856.17	409.62
Basic/Diluted Earnings Per Share - Rupee	0.66	0.32

## **Consolidated Financial Statements**

On a consolidated basis, JS Bank along with its subsidiaries JS Global Capital Limited and JS Investments Limited recorded a profit before tax of PKR 1,573 million (profit after tax of PKR 883 million) for the first quarter ended March 31, 2023, as compared to a profit before tax of PKR 890 million (profit after tax of PKR 618 million) in the corresponding period last year. The earnings per share stood at PKR 0.68 for the first quarter ended March 31, 2023. Consolidated Capital Adequacy Ratio as at March 31, 2023, stood at 14.05% (December 31, 2022, 13.75%)

## **Acquisition of BankIslami Pakistan Limited ('BIPL')**

Update on acquisition of BIPL is disclosed in note 1.3 and note 1.4 to the unaudited unconsolidated and consolidated financial statements of the Bank for the quarter ended March 31, 2023 respectively.

## **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

Adil Matcheswala  
Chairman

Karachi: April 26, 2023

## ڈائریکٹرز رپورٹ

ہم 31 مارچ 2023 کو اختتام پزیر ہونے والی پہلی سہ ماہی کیلئے جے ایس بینک لمیٹڈ (جے ایس بی ایل) کے غیر آڈٹ شدہ مالیاتی گوشوارے پیش کرنے میں مسرت محسوس کرتے ہیں۔

## اقتصادی جائزہ:

توانائی اور ایشیائے خورد و نوش کی بلند قیمتوں کے باعث، افراط زر بلند سطح پر رہی اور مارچ کی ریڈنگ 35.4 فیصد رہی جو گذشتہ سال کے اسی مہینے میں 12.7 فیصد تھی۔ ملکی پیداوار میں بھی مندی دکھائی دے رہی ہے جیسا کہ LSM نے مالی سال 2023 کے 8 ماہ کے دوران سال بہ سال 5.6 فیصد کمی ریکارڈ کی۔ نان فوڈ ٹان انرجی (NFNE) مہنگائی بھی زیادہ تر شرح مبادلہ، پاس تھر و افیکٹ اور مہنگائی میں اضافے کے باعث بڑھ رہا ہے۔ مہنگائی کو روکنے کے لیے، 2023 کے دوران سینٹرل بینک نے اب تک پالیسی ریٹ میں مجموعی طور پر 500bps کا اضافہ کیا ہے، جو اسے 21 فیصد تک لے جا چکا ہے۔

درآمدات میں سال بہ سال 21 فیصد کمی کے باعث، مالی سال 2023 کے 8 ماہ کے دوران تجارتی خسارہ کم ہو کر 4.1 بلین امریکی ڈالر ہو گیا جو گذشتہ سال کی اسی مدت میں 12.3 بلین امریکی ڈالر تھا، اس طرح کرنٹ اکاؤنٹ خسارے میں 68 فیصد کمی ہوئی۔ تاہم، بیرونی محاز پر نمایاں بہتری کے باوجود، بیرونی قرضہ جات کے باعث ملک کے زرمبادلہ کے ذخائر مسلسل دباؤ میں رہے جس کے نتیجے میں سال کے آغاز میں پاکستانی روپیہ 227 فی امریکی ڈالر سے کم ہو کر 284 تک پہنچ گیا۔

بیرونی فنڈنگ کے محاذ پر پاکستان نے واضح پیش رفت حاصل کی ہے۔ آئی ایم ایف کے ذریعہ 6 بلین امریکی ڈالر کے فنڈنگ گپ کی نشاندہی کی گئی ہے، پاکستان نے (سعودی عرب اور متحدہ عرب امارات سے) 3 بلین امریکی ڈالر حاصل کیے ہیں۔ تاہم، آئی ایم ایف نے حال ہی میں ایک بیان جاری کیا ہے جس میں کہا گیا ہے کہ پاکستان کو جاری توسیعی فنڈ سہولت کے 9 ویں جائزے کی کامیاب تکمیل کے لیے بقیہ 3 بلین امریکی ڈالر کے فرق کو پورا کرنے کی ضرورت ہے۔

## بینکنگ سیکٹر کا جائزہ:

مالیاتی سختی کی مناسبت سے، مالی سال 2023 کے 2 ماہ میں بینکنگ سیکٹر کے اوسط ویچڈ ایوریج اسپرڈز بھی 251bp سال بہ سال بڑھ کر 6.95 فیصد ہو گئے۔ بینکنگ سیکٹر کے ذخائر مارچ میں 23,562 بلین روپے (سالانہ 15 فیصد زائد) تک پہنچ گئے جبکہ ایڈوانسز بھی 15 فیصد بڑھ کر 11,836 بلین روپے تک پہنچ گئے۔ اس طرح اس سیکٹر نے ADR کو 50 پر برقرار رکھا۔ دوسری جانب، تازہ ترین دستیاب اعداد و شمار کے مطابق، دسمبر 2022 میں سیکٹر کے مجموعی NPLs میں 3 فیصد QoQ کا اضافہ ہوا اور یہ 938,670 ملین روپے تک پہنچ گیا۔ تاہم، ستمبر اور دسمبر 2022 کے دوران ایڈوانسز میں 7.5 فیصد اضافے کی وجہ سے، سیکٹر کا مجموعی نفاکیشن کا تناسب ستمبر 2022 میں 8.2 فیصد سے کم ہو کر دسمبر 2022 میں 7.8 فیصد رہ گیا۔

## کارکردگی کا جائزہ:

31 مارچ 2023 کو اختتام پذیر ہونے والی پہلی سہ ماہی کیلئے، بینک نے 1,526 ملین روپے کا قبل از ٹیکس منافع (بعد از ٹیکس منافع مبلغ 856 ملین روپے) رپورٹ کیا، جس کا موازنہ گذشتہ سال کی اسی مدت کے قبل از ٹیکس منافع 674 ملین روپے (بعد از ٹیکس منافع 410 ملین روپے سے کیا جاسکتا ہے۔ دوران مدت بینک کی خالص انٹریسٹ آمدنی میں 54 فیصد سال بہ سال اضافہ ہوا جو کہ بنیادی طور پر بینک کے ڈپازٹ مکس میں بہتری کے باعث تھا۔ جبکہ دسمبر 2022 کے بعد سے مجموعی طور پر ڈپازٹ میں 6 فیصد کمی (بنیادی طور پر ٹرم ڈپازٹس میں 16 فیصد کمی کے باعث) دیکھی گئی، نان ریمیزنریٹو ڈپازٹس میں 5 فیصد اضافہ ہوا جس کے نتیجے میں کل ڈپازٹ میں نان ریمیزنریٹو ڈپازٹ کا حصہ مالی سال 2022 کی چوتھی سہ ماہی میں 31 فیصد سے بڑھ کر مالی سال 2023 کی پہلی سہ ماہی میں 34 فیصد ہو گیا۔

اس توقع کے ساتھ کہ اسٹیٹ بینک کی مالیاتی سختی جاری رہے گی، بینک نے جنوری میں اپنی سرکاری سیکورٹیز ہولڈنگ کا ایک بڑا حصہ آف لوڈ کیا جس کے نتیجے میں سرکاری سیکورٹیز پر 507 ملین روپے کا خسارہ ہوا۔ یہ ایک دانشمندانہ اقدام ثابت ہوا کیونکہ سینٹرل بینک نے پالیسی ریٹ میں مزید 500bps کا اضافہ کر دیا۔ مزید برآں، یہ خسارہ بینک کی دیگر نان فنڈڈ انکم میں اضافہ سے زیادہ ہوا جس کے نتیجے میں بینک نے 2,251 ملین روپے کی مجموعی نان مارک اپ آمدنی ریکارڈ کی جو گذشتہ سال کی اسی مدت کے مقابلے میں 86 فیصد زیادہ ہے۔

انتظامی اخراجات میں 41 فیصد اضافہ ہوا جس کی بڑی وجہ بینک کے ڈیجیٹل برانڈ ”زندگی“ سے متعلق مارکیٹنگ کے اخراجات اور بینک کے وسیع معاوضے کے اخراجات میں اضافہ ہے۔ تاہم، اعلیٰ انتظامی اخراجات کے باوجود، بینک کی لاگت سے آمدنی کا تناسب نمایاں طور پر بہتر ہو کر 67.3 فیصد ہو گیا جو گذشتہ سال کی اسی مدت کے دوران 77.7 فیصد تھا۔ مزید برآں، بینک کا NPL کوریج ریشو بہتر ہو کر 49.1 فیصد (دسمبر 2021: 44.0 فیصد)، جبکہ کیپیٹل ایڈیکسی ریشو بڑھ کر 13.51 فیصد (دسمبر 2021 میں 13.26 فیصد) ہو گیا۔

31 مارچ 2023 کو اختتام پذیر ہونے والی پہلی سہ ماہی کیلئے بینک کے مالی نتائج کی جھلکیاں درج ذیل ہیں:

مالی پوزیشن	31 مارچ 2023	31 مارچ 2022
ملین پاکستانی روپے		
شیر ہولڈرز اکیویٹی	22,943.31	21,546.62
مجموعی ڈپازٹس	436,987.79	464,131.92
مجموعی اثاثہ جات	544,700.14	616,715.49
صافی ایڈوانسز	223,564.40	231,101.82
صافی سرمایہ کاری	240,815.58	303,464.86

مالی کارکردگی		
31 مارچ 2022	31 مارچ 2023	
3,278.81	5,059.76	مارک اپ / انٹریسٹ آمدنی - صافی
1,209.52	2,206.83	گیر مارک اپ / انٹریسٹ آمدنی
3,486.73	4,923.25	آپریٹنگ اخراجات
313.28	762.69	منافع قبل از (پروویژن) ریورسلز - صافی
674.81	1,525.61	قبل از ٹیکس منافع / خسارہ
409.62	856.17	بعد از ٹیکس منافع
0.32	0.66	بنیادی / ڈیلویٹڈ آمدنی فی حصص - روپے میں

### مجموعی مالیاتی بیانات:

مجموعی مالیاتی بیانات میں جے ایس بینک نے اپنی ذیلی کمپنیوں جے ایس گلوبل کیپٹل اور جے ایس انویسٹمنٹ کے ساتھ مل کر 31 مارچ 2023 کو اختتام پذیر ہونے والی پہلی سہ ماہی میں قبل از ٹیکس منافع 1,573 ملین روپے (بعد از ٹیکس منافع 883 ملین روپے) ریکارڈ کیا، جس کا موازنہ گذشتہ سال کی اسی مدت کے قبل از ٹیکس منافع 890 ملین روپے (بعد از ٹیکس منافع 618 ملین روپے) سے کیا جاسکتا ہے۔ 31 مارچ 2023 کو اختتام پذیر ہونے والی پہلی سہ ماہی کے لیے فی حصص آمدنی 0.68 روپے تھی۔ 31 مارچ 2023 کو جمع شدہ سرمائے کی مناسبت کا تناسب 14.05% (31 دسمبر 2022، 13.75%) تھا۔

### بینک اسلامی پاکستان لمیٹڈ (BIPL) کا حصول:

BIPL کے حصول سے متعلق معلومات کا انکشاف 31 مارچ 2023ء کو اختتام پذیر ہونے والی سہ ماہی کیلئے بینک کے غیر آڈٹ شدہ مجموعی مالی حسابات میں نوٹ 1.3 اور نوٹ 1.4 میں بالترتیب کیا گیا ہے۔

### کریڈٹ ریٹنگ:

پاکستانی کریڈٹ ریٹنگ ایجنسی لمیٹڈ (پاکرا) نے بینک کو "AA-" (ڈبل اے مائنس) کی طویل مدتی درجہ بندی اور "A1+" (اے ون پلس) کی مختصر مدتی درجہ بندی تفویض کی ہے، جو کہ اس زمرے کے لئے سب سے زیادہ ممکنہ درجہ بندی ہے۔



اظہار تشکر:

جے ایس بینک کی جانب سے ہم اپنے صارفین اور اسٹیک ہولڈرز کے تعاون اور سرپرستی پر دل سے ان کے شکرگزار ہیں۔ ہم وزارت خزانہ، اسٹیٹ بینک آف پاکستان (SBP)، سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) اور دیگر ریگولیٹری اداروں کا بینک کو تعاون فراہم کرنے کیلئے بھی ممنون ہیں۔ اختتام پر، ہم جے ایس بینک میں اپنے تمام ساتھیوں کا ان کی زیادہ سے زیادہ کامیابیوں اور ترقی کی کوشش کے عزم پر شکریہ ادا کرنا چاہتے ہیں۔

منجانب بورڈ

باصر شمسی

صدر اور سی ای او

عادل ماچس والا

چیئر مین

کراچی: 26 اپریل 2023



Condensed Interim Unconsolidated Financial Statements  
for the Three Months Ended March 31, 2023

**JS BANK LIMITED**  
**CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT MARCH 31, 2023**

		(Un-audited) March 31, 2023	(Audited) December 31, 2022
	Note	----- Rupees in '000 -----	
<b>ASSETS</b>			
Cash and balances with treasury banks	6	<b>33,982,736</b>	24,764,967
Balances with other banks	7	<b>3,491,193</b>	1,800,436
Lendings to financial institutions	8	<b>837,339</b>	11,351,162
Investments	9	<b>238,416,203</b>	303,464,863
Advances	10	<b>223,564,406</b>	231,101,816
Fixed assets	11	<b>9,912,728</b>	10,004,318
Intangible assets	12	<b>3,933,623</b>	3,832,137
Deferred tax assets	18	<b>279,001</b>	-
Other assets	13	<b>28,380,079</b>	30,395,794
		<b>542,797,308</b>	616,715,493
<b>LIABILITIES</b>			
Bills payable	14	<b>6,209,629</b>	5,402,945
Borrowings	15	<b>52,087,293</b>	97,808,216
Deposits and other accounts	16	<b>436,987,799</b>	464,131,920
Liabilities against assets subject to finance lease		-	-
Subordinated debts	17	<b>6,995,000</b>	6,995,000
Deferred tax liabilities	18	-	320,000
Other liabilities	19	<b>18,933,477</b>	20,510,793
		<b>521,213,198</b>	595,168,874
<b>NET ASSETS</b>		<b>21,584,110</b>	21,546,619
<b>REPRESENTED BY:</b>			
Share capital - net		<b>10,119,242</b>	10,119,242
Reserves		<b>3,174,550</b>	2,787,201
(Deficit) / surplus on revaluation of assets	20	<b>(285,018)</b>	795,021
Unappropriated profit		<b>8,575,336</b>	7,845,155
		<b>21,584,110</b>	21,546,619
<b>CONTINGENCIES AND COMMITMENTS</b>			
	21		

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

\_\_\_\_\_  
**President and  
Chief Executive Officer**

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**Chief Financial  
Officer**

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**Director**

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**Director**

\_\_\_\_\_  
**Chairman**

**JS BANK LIMITED**  
**CONDENSED INTERIM UNCONSOLIDATED PROFIT AND LOSS ACCOUNT (UN-AUDITED)**  
**FOR THE THREE MONTHS ENDED MARCH 31, 2023**

		<b>March 31, 2023</b>	March 31, 2022
	Note	----- Rupees in '000 -----	
Mark-up / return / interest earned	23	<b>20,981,916</b>	13,802,525
Mark-up / return / interest expensed	24	<b>15,926,154</b>	10,523,720
<b>Net mark-up / interest income</b>		<b>5,055,762</b>	3,278,805
<b>Non mark-up / interest income</b>			
Fee, commission and brokerage income	25	<b>954,664</b>	749,342
Dividend income		<b>129,619</b>	42,792
Foreign exchange income		<b>1,720,657</b>	339,674
Loss from derivatives		<b>(124,560)</b>	(18,462)
(Loss) / gain on securities - net	26	<b>(507,474)</b>	102,570
Other income / (loss)	27	<b>33,925</b>	(6,395)
<b>Total non mark-up / interest income</b>		<b>2,206,831</b>	1,209,521
<b>Total Income</b>		<b>7,262,593</b>	4,488,326
<b>Non mark-up / interest expenses</b>			
Operating expenses	28	<b>4,923,256</b>	3,486,737
Workers' welfare fund	29	<b>31,477</b>	13,499
Other charges	30	<b>19,562</b>	-
<b>Total non-mark-up / interest expenses</b>		<b>4,974,295</b>	3,500,236
<b>Profit before provisions</b>		<b>2,288,298</b>	988,090
Provisions and write offs - net	31	<b>762,692</b>	313,278
<b>Profit before taxation</b>		<b>1,525,606</b>	674,812
Taxation	32	<b>669,434</b>	265,194
<b>Profit after taxation</b>		<b>856,172</b>	409,618
----- Rupee -----			
<b>Basic and diluted earnings per share</b>	33	<b>0.66</b>	0.32

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

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**Director**

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**Director**

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**Chairman**

**JS BANK LIMITED**  
**CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)**  
**FOR THE THREE MONTHS ENDED MARCH 31, 2023**

	<b>March 31, 2023</b>	March 31, 2022
	----- Rupees in '000 -----	
<b>Profit after taxation for the period</b>	<b>856,172</b>	409,618
<b>Other comprehensive income / (loss)</b>		
<b>Items that may be reclassified to profit and loss account in subsequent periods</b>		
Effect of translation of net investment in foreign branch	<b>216,115</b>	39,234
Movement in deficit on revaluation of investments - net of tax (Pakistan operations)	<b>(883,466)</b>	(700,780)
Movement in deficit of debt investments at FVOCI - net of tax (Bahrain operations)	<b>(167,224)</b>	(172,249)
	<b>(1,050,690)</b>	(873,029)
	<b>21,597</b>	(424,177)
<b>Items that will not be reclassified to profit and loss account in subsequent periods</b>		
Movement in surplus / (deficit) of equity investments at FVOCI - net of tax (Bahrain operations)	<b>15,894</b>	(18,185)
<b>Total comprehensive income / (loss) for the period</b>	<b>37,491</b>	(442,362)

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

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**Director**

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**Chairman**

**JS BANK LIMITED**  
**CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)**  
**FOR THE THREE MONTHS ENDED MARCH 31, 2023**

	Share capital - net	Statutory reserve	Capital reserve - exchange translation	Surplus / (deficit) on revaluation of			Unappropriated profit	Total
				Investments	Fixed assets	Non-banking assets		
Rupees in '000								
<b>Balance as at January 01, 2022 (Audited)</b>	10,119,242	2,137,058	194,012	1,146,128	1,201,316	119,714	7,106,613	22,024,083
<b>Total comprehensive income for the three months ended March 31, 2022</b>								
Profit after taxation	-	-	-	-	-	-	409,618	409,618
Other comprehensive income / (loss)	-	-	-	-	-	-	-	-
- net of tax	-	-	39,234	(891,214)	-	-	-	(851,980)
	-	-	39,234	(891,214)	-	-	409,618	(442,362)
Transfer to statutory reserve	-	81,924	-	-	-	-	(81,924)	-
Transfer from surplus on revaluation of assets - net of tax	-	-	-	-	(5,773)	(19)	5,792	-
Gain on disposal of equity investments at FVOCI transferred to unappropriated profit	-	-	-	(3,746)	-	-	3,746	-
<b>Balance as at March 31, 2022</b>	10,119,242	2,218,982	233,246	251,168	1,195,543	119,695	7,443,845	21,581,721
<b>Total comprehensive income for the nine months ended December 31, 2022</b>								
Profit after taxation	-	-	-	-	-	-	555,160	555,160
Other comprehensive income / (loss)	-	-	-	-	-	-	-	-
- net of tax	-	-	223,941	(728,259)	(32,007)	(98)	(53,839)	(590,262)
	-	-	223,941	(728,259)	(32,007)	(98)	501,321	(35,102)
Transfer to statutory reserve	-	111,032	-	-	-	-	(111,032)	-
Transfer from surplus on revaluation of assets - net of tax	-	-	-	-	(15,807)	(12,514)	28,321	-
Loss on disposal of equity investments at FVOCI transferred to unappropriated profit	-	-	-	17,300	-	-	(17,300)	-
<b>Balance as at December 31, 2022</b>	10,119,242	2,330,014	457,187	(459,791)	1,147,729	107,083	7,845,155	21,546,619
<b>Total comprehensive income for the three months ended March 31, 2023</b>								
Profit after taxation	-	-	-	-	-	-	856,172	856,172
Other comprehensive income / (loss)	-	-	-	-	-	-	-	-
- net of tax	-	-	216,115	(1,034,796)	-	-	-	(818,681)
	-	-	216,115	(1,034,796)	-	-	856,172	37,491
Transfer to statutory reserve	-	171,234	-	-	-	-	(171,234)	-
Transfer from surplus on revaluation of assets - net of tax	-	-	-	-	(30,758)	(5)	30,763	-
Gain on disposal of equity investments at FVOCI transferred to unappropriated profit	-	-	-	(14,480)	-	-	14,480	-
<b>Balance as at March 31, 2023</b>	10,119,242	2,501,248	673,302	(1,509,067)	1,116,971	107,078	8,575,336	21,584,110

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

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**Director**

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**Director**

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**Chairman**

**JS BANK LIMITED**  
**CONDENSED INTERIM UNCONSOLIDATED CASH FLOW STATEMENT (UN-AUDITED)**  
**FOR THE THREE MONTHS ENDED MARCH 31, 2023**

	March 31, 2023	March 31, 2022
Note	----- Rupees in '000 -----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	1,525,606	674,812
Less: Dividend income	<u>(129,619)</u>	<u>(42,792)</u>
	1,395,987	632,020
<b>Adjustments:</b>		
Depreciation on fixed assets	28 237,017	204,831
Depreciation on right-of-use assets	28 263,554	236,829
Amortisation	28 57,561	36,660
Interest expense on lease liability against right-of-use assets	24 76,965	91,797
Charge for defined benefit plan	30,899	38,481
Unrealised loss on revaluation of investments classified as held-for-trading - net	26 19,117	388
Provisions and write offs - net	31 762,692	313,278
Provision for workers' welfare fund	29 31,477	13,499
(Gain) / loss on sale of fixed assets - net	27 (25,366)	11,253
Gain on termination of leases - net	27 (7,107)	(4,858)
	<u>1,446,809</u>	<u>942,158</u>
	2,842,796	1,574,178
<b>Decrease / (increase) in operating assets</b>		
Lendings to financial institutions	10,513,823	31,611,628
Held-for-trading securities	(2,667,927)	(155,284)
Advances	6,824,425	6,693,492
Other assets (excluding advance taxation)	2,036,733	(1,672,449)
	<u>16,707,054</u>	<u>36,477,387</u>
<b>(Decrease) / increase in operating liabilities</b>		
Bills payable	806,684	(1,320,218)
Borrowings	(46,462,106)	37,712,177
Deposits and other accounts	(27,144,121)	(9,754,375)
Other liabilities	(1,516,385)	108,081
	<u>(74,315,928)</u>	<u>26,745,665</u>
	(54,766,078)	64,797,230
Income tax paid	(358,513)	(305,002)
<b>Net cash (used in) / generated from operating activities</b>	<u>(55,124,591)</u>	<u>64,492,228</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Net investments in available-for-sale securities	17,989,163	11,346,234
Net investments in held-to-maturity securities	47,766,503	(81,542,289)
Dividend received	19,081	295
Investments in fixed assets	(284,645)	(431,229)
Investments in intangible assets	(158,170)	(109,279)
Proceeds from sale of fixed assets	104,406	6,402
Effect of translation of net investment in foreign branch	216,115	39,234
<b>Net cash generated from / (used in) investing activities</b>	<u>65,652,453</u>	<u>(70,690,632)</u>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Payment of lease liability against right-of-use assets	(360,495)	(246,760)
Repayment of subordinated debt	-	-
<b>Net cash used in financing activities</b>	<u>(360,495)</u>	<u>(246,760)</u>
<b>Increase / (decrease) in cash and cash equivalents</b>	<u>10,167,367</u>	<u>(6,445,164)</u>
Cash and cash equivalents at beginning of the period	25,273,672	35,145,996
<b>Cash and cash equivalents at end of the period</b>	<u>34 35,441,039</u>	<u>28,700,832</u>

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

\_\_\_\_\_  
**President and  
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**Director**

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**Director**

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**Chairman**

**JS BANK LIMITED**  
**NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE THREE MONTHS ENDED MARCH 31, 2023**

**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, 2022: 281) branches / sub-branches in Pakistan and 1 wholesale banking branch in Bahrain (December 31, 2022: 1). The Pakistan Credit Rating Agency Limited (PACRA) has assigned the long-term entity rating of the Bank to AA- (Double A Minus) whereas short-term rating is maintained at A1+ (A One Plus), which is the highest possible short-term rating. The ratings denote a very low expectation of credit risk and indicate very strong capacity for timely repayment of financial commitments.

- 1.2** Jahangir Siddiqui Investment Bank Limited, JSIBL, (formerly Citicorp Investment Bank Limited which was acquired by 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 shareholders of the Bank had at their Annual General Meeting held on March 29, 2023, approved that 42.45%, i.e., 470,603,772 ordinary voting shares and control of BankIslami Pakistan Limited (BIPL), may be acquired from existing sponsors and other shareholders of BIPL (including but not limited to, Jahangir Siddiqui & Co. Ltd., the holding company of the Bank). The acquisition be made through agreements against the issuance of 532,629,349 new shares of the Bank by way of other than rights and other than cash consideration, i.e., 1.1318 ordinary shares of the Bank to be issued as consideration for every 1 ordinary share of BIPL.

The Shareholders further approved that a public offer for a minimum of 24.88% ordinary shares of BIPL be made to all public shareholders as required under the Regulations in exchange for (as consideration in combination to be calculated at the pertinent time) a maximum of 59.56% shares and 67.90% ordinary shares of JS Investments Limited and JS Global Capital Limited (subsidiary companies of the Bank) respectively, currently held by the Bank as required and permissible under the Regulations.

The acquisition is subject to necessary permission from the State Bank of Pakistan (SBP) and the Competition Commission of Pakistan, as well as other regulatory approvals and compliance of all regulatory and statutory formalities as may be applicable. The issuance of shares other than rights is subject to permission of the Securities and Exchange Commission of Pakistan (SECP).

Subsequently, the Board of Directors, at their duly convened meeting held on April 26, 2023 have resolved (subject to the approval of shareholders in the general meeting by way of special resolution) to change the consideration for public offer portion to be in cash. In connection therewith, the Board has also decided to issue 17% Right Shares, i.e. 17 right shares for every 100 shares held, at par value of Rs. 10/- each.

**2. BASIS OF PRESENTATION**

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

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

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



**JS BANK LIMITED**  
**NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE THREE MONTHS ENDED MARCH 31, 2023**

**2.1 Statement of Compliance**

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

- International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB) as are notified under the Companies Act, 2017;
- Provisions of and directives issued under the Banking Companies Ordinance, 1962;
- Provisions of and directives issued under the Companies Act, 2017; and
- Directives issued by the State Bank of Pakistan (SBP) and the Securities & 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.

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, 2022.

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

IFRS 10, 'Consolidated Financial Statements' was made applicable from period beginning on or after January 01, 2015 vide S.R.O 633(I)/2014 dated July 10, 2014 by SECP. However, SECP has directed through S.R.O 56(I)/2016 dated January 28, 2016, that the requirement of consolidation under section 228 of the Companies Act, 2017 and IFRS 10, 'Consolidated Financial Statements' is not applicable in case of investment by companies in mutual funds established under trust structure. Accordingly, the requirements of these standards have not been considered in the preparation of these condensed interim unconsolidated financial statements.

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

There are certain new and amended standards, interpretations of and amendments that are mandatory for the Bank's accounting periods beginning on or after January 01, 2023 but are considered not to be relevant or do not have any significant effect on the Bank's operations.

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

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

Subsequent to March 31, 2023, SBP has extended the effective date of applicability of IFRS 9 to January 01, 2024 through its BPRD Circular Letter No. 07 of 2023 dated April 13, 2023.

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

There are certain other new amendments that are mandatory for the Bank's accounting periods beginning on or after January 01, 2024, but are considered not to be relevant or will not have any significant effect on the Bank's operations and are, therefore, not detailed in these condensed interim unconsolidated financial statements.

**JS BANK LIMITED**  
**NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE THREE MONTHS ENDED MARCH 31, 2023**

**3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS**

The basis for accounting estimates adopted in the preparation of these condensed interim unconsolidated financial statements are the same as that applied in the preparation of the unconsolidated financial statements for the year ended December 31, 2022.

**4. SIGNIFICANT ACCOUNTING POLICIES**

The significant accounting policies and methods of computation adopted in the preparation of these condensed interim unconsolidated financial statements are consistent with those applied in the preparation of the unconsolidated financial statements for the year ended December 31, 2022.

**5. FINANCIAL RISK MANAGEMENT**

The financial risk management objectives and policies adopted by the Bank are consistent with those disclosed in the unconsolidated financial statements for the year ended December 31, 2022.

		<b>(Un-audited)</b>	(Audited)
		<b>March 31,</b>	December 31,
		<b>2023</b>	2022
		----- Rupees in '000 -----	
<b>6. CASH AND BALANCES WITH TREASURY BANKS</b>	Note		
<b>In hand</b>			
Local currency		<b>9,244,895</b>	7,824,288
Foreign currencies		<b>1,082,845</b>	488,360
		<b>10,327,740</b>	8,312,648
<b>With State Bank of Pakistan in</b>			
Local currency current account		<b>18,572,958</b>	15,207,132
Foreign currency current account - non remunerative		<b>950,703</b>	815,151
Foreign currency deposit account - remunerative		<b>2,804,427</b>	364,657
		<b>22,328,088</b>	16,386,940
<b>With National Bank of Pakistan in local currency current accounts</b>		<b>1,315,636</b>	58,322
<b>National Prize Bonds</b>		<b>11,272</b>	7,057
		<b>33,982,736</b>	24,764,967
<b>7. BALANCES WITH OTHER BANKS</b>			
<b>In Pakistan</b>			
In current accounts		<b>401,622</b>	255,029
In deposit accounts		<b>73</b>	73
		<b>401,695</b>	255,102
<b>Outside Pakistan</b>			
In current accounts		<b>3,089,557</b>	1,545,369
		<b>3,491,252</b>	1,800,471
Less: General provision under IFRS 9	7.1	<b>(59)</b>	(35)
		<b>3,491,193</b>	1,800,436
<b>7.1</b>	This represents general provision held under IFRS 9 by Bahrain branch of the Bank.		
<b>8. LENDINGS TO FINANCIAL INSTITUTIONS</b>			
Repurchase agreement lendings (reverse repo)		<b>837,339</b>	11,351,162

JS BANK LIMITED  
NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS  
FOR THE THREE MONTHS ENDED MARCH 31, 2023

9. INVESTMENTS	March 31, 2023 (Un-audited)				December 31, 2022 (Audited)			
	Cost / Amortised cost	Provision for diminution	Surplus / (deficit)	Carrying value	Cost / Amortised cost	Credit loss allowance	Surplus / (deficit)	Carrying value
9.1 Investments by type:	Note ----- Rupees in '000 -----							
<b>Held-for-trading securities</b>								
<b>Federal Government Securities</b>								
Market Treasury Bills	2,701,355	-	(19,117)	2,682,238	33,538	-	(107)	33,431
<b>Available-for-sale securities</b>								
<b>Federal Government Securities:</b>								
Market Treasury Bills	53,948,663	-	(669,226)	53,279,437	40,317,081	-	(395,161)	39,921,920
Pakistan Investment Bonds - Fixed	33,787,428	-	(2,223,712)	31,563,716	34,811,083	-	(1,399,722)	33,411,361
Pakistan Investment Bonds - Floater	38,607,605	-	(81,584)	38,526,021	69,406,348	-	(31,328)	69,375,020
Government of Pakistan Eurobonds	1,848,628	(101,933)	(1,006,183)	740,512	1,470,530	(49,083)	(743,736)	677,711
	128,192,324	(101,933)	(3,980,705)	124,109,686	146,005,042	(49,083)	(2,569,947)	143,386,012
<b>Shares</b>								
<b>Listed Companies</b>								
Ordinary shares	3,439,868	-	1,536,630	4,976,498	3,190,873	-	1,941,804	5,132,677
Preference shares	136,589	(136,589)	-	-	136,589	(136,589)	-	-
<b>Unlisted Companies</b>								
Ordinary shares	11,000	-	-	11,000	11,000	-	-	11,000
	3,587,457	(136,589)	1,536,630	4,987,498	3,338,462	(136,589)	1,941,804	5,143,677
<b>Non Government Debt Securities</b>								
<b>Listed</b>								
Term Finance Certificates	393,446	(143,446)	5,929	255,929	393,446	(143,446)	-	250,000
Sukuk Certificates	200,000	-	-	200,000	244,083	-	91	244,174
<b>Unlisted</b>								
Term Finance Certificates	140,133	(140,133)	-	-	140,133	(140,133)	-	-
Sukuk Certificates	1,142,486	-	-	1,142,486	1,212,440	-	-	1,212,440
Preference shares	27,733	(27,733)	-	-	27,733	(27,733)	-	-
	1,903,798	(311,312)	5,929	1,598,415	2,017,835	(311,312)	91	1,706,614
<b>Foreign Securities</b>								
Government Debt Securities	1,395,966	(178,085)	(183,119)	1,034,762	410,164	(129,576)	(146,817)	133,771
Non Government Debt Securities	-	-	-	-	679,632	(394)	(5,374)	673,864
Ordinary shares	92,570	-	(26,226)	66,344	335,143	-	(28,705)	306,438
	1,488,536	(178,085)	(209,345)	1,101,106	1,424,939	(129,970)	(180,896)	1,114,073
<b>Open End Mutual Funds</b>	125,000	-	5	125,005	500,000	-	2,298	502,298
<b>Held-to-maturity securities</b>								
<b>Federal Government Securities</b>								
Market Treasury Bills	57,788,746	-	-	57,788,746	105,615,196	-	-	105,615,196
Pakistan Investment Bonds - Fixed	10,216,518	-	-	10,216,518	10,136,487	-	-	10,136,487
Pakistan Investment Bonds - Floater	33,666,070	-	-	33,666,070	33,686,154	-	-	33,686,154
9.1.1	101,671,334	-	-	101,671,334	149,437,837	-	-	149,437,837
<b>Associates</b>								
Omar Jibran Engineering Industries Ltd.	180,000	-	-	180,000	180,000	-	-	180,000
Veda Transit Solutions (Pvt.) Ltd.	41,800	-	-	41,800	41,800	-	-	41,800
Intercity Touring Company (Pvt.) Ltd.	20,267	(20,267)	-	-	20,267	(20,267)	-	-
	242,067	(20,267)	-	221,800	242,067	(20,267)	-	221,800
<b>Subsidiaries</b>								
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
<b>Total Investments</b>	<b>241,830,992</b>	<b>(748,186)</b>	<b>(2,666,603)</b>	<b>238,416,203</b>	<b>304,918,841</b>	<b>(647,221)</b>	<b>(806,757)</b>	<b>303,464,863</b>

9.1.1 The market value of securities classified as measured at amortised cost as at March 31, 2023 amounted to Rs. 96,848.850 million (December 31, 2022: Rs. 147,022.393 million).

9.2 Investments given as collateral	(Un-audited) March 31, 2023		(Audited) December 31, 2022	
	Cost	Market value	Cost	Market value
----- Rupees in '000 -----				
<b>Federal Government Securities</b>				
Market Treasury Bills	3,930,000	3,636,670	-	-
Pakistan Investment Bonds - Floater	13,500,000	13,162,500	62,800,000	62,198,080
	17,430,000	16,799,170	62,800,000	62,198,080
<b>9.3 Provision for diminution in value of investments</b>				
Note ----- Rupees in '000 -----				
Opening balance			647,221	616,699
Exchange rate adjustments			49,752	28,126
Charge for the period / year			-	24,570
Reversals for the period / year			-	(104,869)
31			-	(80,299)
<b>Impairment under IFRS 9 in Bahrain branch</b>				
Charge during the period / year			51,213	82,695
Closing balance			748,186	647,221

JS BANK LIMITED  
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9.3.1 Particulars of provision against debt securities

Category of classification	(Un-audited) March 31, 2023		(Audited) December 31, 2022	
	Non-Performing Investments	Provision	Non-Performing Investments	Provision
Domestic				
Loss	311,312	311,312	311,312	311,312
	<u>311,312</u>	<u>311,312</u>	<u>311,312</u>	<u>311,312</u>

10. ADVANCES	Note	(Un-audited)			(Audited)		
		Performing March 31, 2023	Non-Performing March 31, 2023	Total March 31, 2023	Performing December 31, 2022	Non-Performing December 31, 2022	Total December 31, 2022
		Rupees in '000					
Loans, cash credits, running finances, etc.		203,326,554	15,876,052	219,202,606	212,191,088	16,311,887	228,502,975
Bills discounted and purchased		12,487,438	-	12,487,438	10,021,695	-	10,021,695
Advances - gross		<u>215,813,992</u>	<u>15,876,052</u>	<u>231,690,044</u>	<u>222,212,783</u>	<u>16,311,887</u>	<u>238,524,670</u>
Provision against advances							
- Specific		-	(7,794,622)	(7,794,622)	-	(7,210,740)	(7,210,740)
- General		(278,790)	-	(278,790)	(200,614)	-	(200,614)
- General provision - under IFRS 9	10.3.2	(52,226)	-	(52,226)	(11,500)	-	(11,500)
	10.3	<u>(331,016)</u>	<u>(7,794,622)</u>	<u>(8,125,638)</u>	<u>(212,114)</u>	<u>(7,210,740)</u>	<u>(7,422,854)</u>
Advances - net of provision		<u>215,482,976</u>	<u>8,081,430</u>	<u>223,564,406</u>	<u>222,000,669</u>	<u>9,101,147</u>	<u>231,101,816</u>

		(Un-audited) March 31, 2023	(Audited) December 31, 2022
		Rupees in '000	
10.1 Particulars of advances (gross)			
In local currency		220,157,657	229,336,508
In foreign currencies		<u>11,532,387</u>	<u>9,188,162</u>
		<u>231,690,044</u>	<u>238,524,670</u>

10.2 Advances include Rs. 15,876.052 million (December 31, 2022: Rs. 16,311.887 million) which have been placed under non-performing status as detailed below:

Category of classification	(Un-audited) March 31, 2023		(Audited) December 31, 2022	
	Non-Performing Loans	Provision	Non-Performing Loans	Provision
Domestic				
Other Assets Especially Mentioned*	562,394	5,966	413,839	252
Substandard	679,976	52,463	1,300,581	171,165
Doubtful	1,377,748	319,289	1,808,030	462,049
Loss	13,255,934	7,416,904	12,789,437	6,577,274
Total	<u>15,876,052</u>	<u>7,794,622</u>	<u>16,311,887</u>	<u>7,210,740</u>

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

10.3 Particulars of provision against advances

Note	(Un-audited) March 31, 2023				(Audited) December 31, 2022			
	Specific	General	General provision - under IFRS-9	Total	Specific	General	General provision - under IFRS-9	Total
	Rupees in '000							
Opening balance	7,210,740	200,614	11,500	7,422,854	6,569,829	87,787	25,193	6,682,809
Exchange rate adjustments	-	-	5,903	5,903	-	-	5,122	5,122
Charge for the period / year	837,984	78,176	34,823	950,983	1,731,847	112,827	-	1,844,674
Reversals for the period / year	(243,901)	-	-	(243,901)	(870,683)	-	(18,815)	(889,498)
31	<u>594,083</u>	<u>78,176</u>	<u>34,823</u>	<u>707,082</u>	<u>861,164</u>	<u>112,827</u>	<u>(18,815)</u>	<u>955,176</u>
Amount written off	(10,201)	-	-	(10,201)	(220,253)	-	-	(220,253)
10.3.1	<u>7,794,622</u>	<u>278,790</u>	<u>52,226</u>	<u>8,125,638</u>	<u>7,210,740</u>	<u>200,614</u>	<u>11,500</u>	<u>7,422,854</u>

10.3.1 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, 2023, the Bank has availed cumulative FSV benefit under the directives of the SBP of Rs. 6,335.046 million (December 31, 2022: Rs. 6,820.087 million).

The additional profit arising from availing the FSV benefit - net of tax amounts to Rs. 3,610.976 million (December 31, 2022: Rs. 3,478.244 million). The additional impact on profitability arising from availing the benefit of FSV shall not be available for payment of cash or stock dividend to shareholders or bonus to employees under the requirements of Prudential Regulations of Corporate / Commercial Banking of SBP.

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

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		(Un-audited) March 31, 2023	(Audited) December 31, 2022
<b>11. FIXED ASSETS</b>	Note	----- Rupees in '000 -----	
Capital work-in-progress	11.1	<b>844,518</b>	845,168
Property and equipment	11.2 & 11.3	<b>6,846,816</b>	6,872,431
Right-of-use assets	11.4	<b>2,221,394</b>	2,286,719
		<b><u>9,912,728</u></b>	<u>10,004,318</u>

**11.1 Capital work-in-progress**

Civil works	<b>179,452</b>	159,515
Advances to suppliers	<b>290</b>	290
Equipment	<b>664,776</b>	685,363
	<b><u>844,518</u></b>	<u>845,168</u>

**11.2 Additions to fixed assets**

	(Un-audited) January - March 2023	January - March 2022
	----- Rupees in '000 -----	

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

Capital work-in-progress - net	<b>119,452</b>	299,293
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**Property and equipment**

Leasehold improvements	<b>92,850</b>	172,934
Furniture and fixture	<b>50,231</b>	49,501
Electrical, office and computer equipments	<b>142,214</b>	138,616
	<b>285,295</b>	361,051

<b>Total</b>	11.2.1 <b><u>404,747</u></b>	<u>660,344</u>
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**11.2.1** This includes transfer from capital work in progress during the period of Rs. 120.102 million (March 31, 2022: Rs. 229.960 million).

**11.3 Disposal of fixed assets**

The net book value of fixed assets disposed off during the period is as follows:

**Property and equipment**

Building on leasehold land	<b>61,165</b>	-
Leasehold improvements	<b>1,219</b>	-
Furniture and fixture	<b>1,846</b>	1,341
Electrical, office and computer equipments	<b>11,172</b>	9,725
Vehicles	<b>3,638</b>	6,589

<b>Total</b>	<b><u>79,040</u></b>	<u>17,655</u>
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**JS BANK LIMITED**  
**NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS**  
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		<b>(Un-audited)</b>	(Audited)
		<b>March 31,</b>	December 31,
		<b>2023</b>	2022
<b>11.4 Right-of-use assets</b>	Note	----- Rupees in '000 -----	
Opening balance		<b>2,286,719</b>	2,845,079
Additions / renewals		<b>216,017</b>	833,564
Terminations		<b>(18,221)</b>	(303,538)
Depreciation charge		<b>(263,554)</b>	(1,056,517)
Exchange rate adjustments		<b>5,725</b>	6,266
Other adjustments		<b>(5,292)</b>	(38,135)
Closing balance		<b><u>2,221,394</u></b>	<u>2,286,719</u>

**12. INTANGIBLE ASSETS**

Capital work-in-progress	12.1	<b>807,082</b>	775,702
Computer software	12.1	<b>1,662,917</b>	1,592,811
Goodwill		<b>1,463,624</b>	1,463,624
		<b><u>3,933,623</u></b>	<u>3,832,137</u>

		<b>(Un-audited)</b>	
		<b>January -</b>	January -
		<b>March</b>	March
		<b>2023</b>	2022
<b>12.1 Additions to intangible assets</b>		----- Rupees in '000 -----	

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

Capital work-in-progress - net		<b>132,435</b>	109,168
Computer software	12.1.1	<b>126,790</b>	-
		<b><u>259,225</u></b>	<u>109,168</u>

**12.1.1** This includes transfer from capital work in progress during the period of Rs. 101.055 million (March 31, 2022: Nil).

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		(Un-audited) March 31, 2023	(Audited) December 31, 2022
		----- Rupees in '000 -----	
<b>13. OTHER ASSETS</b>	Note		
Mark-up / return / interest accrued in local currency		<b>11,150,545</b>	12,291,533
Mark-up / return / interest accrued in foreign currencies		<b>2,711</b>	33,276
Advances, deposits, advance rent and other prepayments		<b>1,004,849</b>	847,457
Acceptances		<b>2,390,023</b>	6,586,244
Dividend receivable		<b>110,538</b>	-
Advance taxation (payments less provision)		<b>820,153</b>	938,509
Receivable from defined benefit plans		<b>88,624</b>	119,523
Receivable against bancassurance / bancatakaful		<b>11,098</b>	17,498
Receivable in respect of home remittance		<b>38,668</b>	22,004
Due from State Bank of Pakistan		<b>818,654</b>	752,409
Rebates receivable - net		<b>222,800</b>	226,094
Non-banking assets acquired in satisfaction of claims		<b>3,658,412</b>	3,664,799
Mark to market gain on derivative instruments		<b>725</b>	14,874
Mark to market gain on forward foreign exchange contracts		<b>5,552,961</b>	1,108,517
Advance against investments in securities		<b>1,178,306</b>	1,178,306
Branchless banking fund settlement		<b>-</b>	326,775
Inter bank fund transfer settlement		<b>243,475</b>	1,164,134
Credit card settlement		<b>356,046</b>	338,269
Insurance claims receivable		<b>26,972</b>	27,437
Others		<b>608,342</b>	641,951
		<b>28,283,902</b>	30,299,609
Less: Provision held against other assets	13.1	<b>(11,241)</b>	(11,241)
Other assets - net of provisions		<b>28,272,661</b>	30,288,368
Surplus on revaluation of non-banking assets acquired in satisfaction of claims	20	<b>107,418</b>	107,426
		<b>28,380,079</b>	30,395,794

**13.1 Provision held against other assets**

Advances, deposits, advance rent and other prepayments	<b>10,184</b>	10,184
Others	<b>1,057</b>	1,057
	<b>11,241</b>	11,241

**13.1.1 Movement in provision held against other assets**

Opening balance	<b>11,241</b>	11,241
Charge during the period / year	<b>-</b>	13,870
Reversals during the period / year	<b>-</b>	(13,870)
	<b>-</b>	-
Closing balance	<b>11,241</b>	11,241

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	(Un-audited) March 31, 2023	(Audited) December 31, 2022
----- Rupees in '000 -----		
<b>14. BILLS PAYABLE</b>		
In Pakistan	<b>5,807,943</b>	5,083,176
Outside Pakistan	<b>401,686</b>	319,769
	<b><u>6,209,629</u></b>	<u>5,402,945</u>

**15. BORROWINGS**

**Secured**

Borrowings from State Bank of Pakistan under:

Export refinancing scheme	<b>19,183,345</b>	20,288,522
Long-term finance facility	<b>2,510,516</b>	2,337,963
Financing facility for storage of agricultural produce	<b>117,758</b>	133,097
Financing facility for renewable energy projects	<b>1,010,785</b>	1,078,480
Refinance for women entrepreneurs	<b>76,809</b>	82,127
Refinance scheme for payment of wages & salaries	<b>1,042</b>	7,179
Refinance facility for modernization of Small and Medium Enterprises (SMEs)	<b>66,585</b>	70,911
Refinance facility for combating COVID-19	<b>210,662</b>	230,090
Temporary economic refinance facility	<b>4,921,723</b>	4,832,742
Small enterprise financing and credit guarantee scheme for special persons	<b>2,774</b>	3,039
Refinance facility for working capital of SMEs	<b>192</b>	385
Refinance facility for SME Asaan Finance (SAAF) scheme	<b>1,802,060</b>	1,607,471
Repurchase agreement borrowings	<b>13,500,000</b>	62,800,000
	<b>43,404,251</b>	93,472,006

Borrowing from financial institutions:

Repurchase agreement borrowings	<b>3,619,537</b>	-
Refinancing facility for mortgage loans	<b>3,030,556</b>	3,044,444
	<b>6,650,093</b>	3,044,444
	<b>50,054,344</b>	96,516,450

**Unsecured**

Overdrawn nostro accounts	<b>2,032,949</b>	1,291,766
	<b>52,087,293</b>	97,808,216

**15.1 Particulars of borrowings**

In local currency	<b>50,054,344</b>	96,516,450
In foreign currencies	<b>2,032,949</b>	1,291,766
	<b>52,087,293</b>	97,808,216



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**16. DEPOSITS AND OTHER ACCOUNTS**

	(Un-audited) March 31, 2023			(Audited) December 31, 2022		
	In Local Currency	In Foreign Currencies	Total	In Local Currency	In Foreign Currencies	Total
----- Rupees in '000 -----						
<b>Customers</b>						
Current deposits	120,383,360	9,990,231	130,373,591	118,168,325	9,299,899	127,468,224
Savings deposits	115,569,566	7,128,435	122,698,001	117,063,409	6,410,101	123,473,510
Term deposits	135,945,176	15,926,480	151,871,656	169,651,265	10,755,327	180,406,592
Margin deposits	17,286,334	2,105	17,288,439	13,179,090	289	13,179,379
	<b>389,184,436</b>	<b>33,047,251</b>	<b>422,231,687</b>	418,062,089	26,465,616	444,527,705
<b>Financial Institutions</b>						
Current deposits	1,404,295	477,681	1,881,976	1,373,845	710,695	2,084,540
Savings deposits	6,502,232	695	6,502,927	9,346,187	1,279	9,347,466
Term deposits	6,371,209	-	6,371,209	8,172,209	-	8,172,209
	14,277,736	478,376	14,756,112	18,892,241	711,974	19,604,215
	<b>403,462,172</b>	<b>33,525,627</b>	<b>436,987,799</b>	436,954,330	27,177,590	464,131,920

17. SUBORDINATED DEBTS	Note	(Un-audited)	(Audited)
		March 31, 2023	December 31, 2022
		----- Rupees in '000 -----	
Term Finance Certificates - Second Issue	17.1	1,996,000	1,996,000
Term Finance Certificates - Third Issue	17.2	2,500,000	2,500,000
Term Finance Certificates - Fourth Issue	17.3	2,499,000	2,499,000
		<b>6,995,000</b>	<b>6,995,000</b>

- 17.1** In 2017, the Bank had 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 the State Bank of Pakistan (SBP) under the BPRD Circular No. 06 dated August 15, 2013 and Basel III guidelines. Summary of terms and conditions of the Issue are:

Purpose:	To contribute towards the Bank's Tier II Capital for complying with the capital adequacy requirement and to utilize the funds in the Bank's business operations as permitted by its Memorandum & Articles of Association.
Issue date:	December 29, 2017
Tenure:	Up to Seven years from the issue date.
Maturity date:	December 29, 2024
Rating:	A + (Single A Plus)
Profit rate:	Floating rate of return at Base Rate + 1.4 percent per annum;  Base Rate is defined as the average six months KIBOR prevailing on the Base Rate setting date. The Base Rate will be set for the first time on the last working day prior to the issue date and subsequently on the immediately preceding business day before the start of each six monthly period.
Profit payment:	Semi-annual
Redemption:	The instrument is structured to redeem 0.24% of the Issue amount during the first six years after the issue date and the remaining Issue amount of 99.76% in two equal semi-annual installments of 49.88% each in the last year.
Security:	The Issue is unsecured and subordinated as to payment of principal and profit to all other indebtedness of the Bank, including deposits, and will not be redeemable before maturity without prior approval of SBP.
Call option:	Exercisable in part or in full on or after the 10th redemption, 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 No. 06 dated August 15, 2013, SBP may at its option, fully and permanently convert the TFCs into common shares of the Bank and / or have them immediately written off (either partially or in full). Number of shares to be issued to TFC holders at the time of conversion will be equal to the 'Outstanding Face Value of the TFCs' divided by market value per share of the Bank's common share on the date of trigger of Point of Non-Viability (PONV) as declared by SBP, subject to a cap of 319,982,544 shares.

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**17.2** In 2018, the Bank had 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 the State Bank of Pakistan (SBP) under the BPRD Circular No. 06 dated August 15, 2013 and Basel III guidelines. Summary of terms and conditions of the Issue are:

Purpose:	To contribute towards the Bank's Tier I Capital for complying with the capital adequacy requirement and to utilize the funds in the Bank's business operations as permitted by its Memorandum & Articles of Association.
Issue date:	December 31, 2018
Maturity Date:	Perpetual
Rating:	A (Single A)
Profit Rate:	Floating rate of return at Base rate + 2.25 percent per annum;  Base rate is defined as the average six months KIBOR prevailing on the Base Rate setting date. The Base Rate will be set for the first time on the last working day prior to the Issue Date and subsequently on the immediately preceding business day before the start of each six monthly period.
Profit payment:	Semi-annually on a non-cumulative basis
Redemption:	Not applicable
Security:	The Issue is unsecured
Subordination:	The Issue is subordinated as to payment of Principal and profit to all other claims except common shares.
Call Option:	Exercisable in part or in full at a par value on or after five years from the issue date, with prior approval of SBP. The Bank shall not exercise the call option unless the called instrument is replaced with capital of same or better quality.
Lock-in-clause:	Payment of profit will be made from current year's earning and subject to compliance with MCR and / or CAR or LR set by SBP.
<b>Loss absorbency clause:</b>	
Pre-Specified Trigger (PST)	Upon the occurrence of a Pre-Specified Trigger as defined under SBP BPRD Circular # 6 of 2013 dated August 15, 2013 which stipulates that if an issuer's Common Equity Tier 1 (CET 1) ratio falls to or below 6.625% of Risk Weighted Assets (RWA), the Issuer will have full discretion to determine the amount of TFCs to be permanently converted into common shares or written off, subject to SBP regulations / instructions, and the cap specified below. The Bank will be able to exercise this discretion subject to: <ul style="list-style-type: none"> <li>- If and when Bank's CET 1 reaches the loss absorption trigger point, the aggregate amount of Additional Tier-1 capital to be converted must at least be the amount sufficient to immediately return the CET 1 ratio to above 6.625% of total RWA (if</li> <li>- 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</li> <li>- In case, conversion of Additional Tier-1 capital Instrument is not possible following the trigger event, the amount of the Instrument must be written off in the accounts resulting in increase in CET 1 of the issuer.</li> </ul>
Point of Non-Viability (PONV)	Upon the occurrence of a Point of Non-Viability event as defined under SBP BPRD Circular # 6 of 2013 dated August 15, 2013, which stipulates that SBP may, at its option, fully and permanently convert the TFCs into common shares of the Issuer and / or have them immediately written off (either partially or in full). Number of shares to be issued to TFC holders at the time of conversion will be equal to the 'Outstanding Value of the TFCs' divided by market value per share of the Issuer's common / ordinary share on the date of the PONV trigger event as declared by SBP, subject to the cap specified below:  The PONV trigger event is the earlier of: <ul style="list-style-type: none"> <li>- A decision made by SBP that a conversion or temporary / permanent write-off is necessary without which the Issuer would become non-viable;</li> <li>- 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.</li> <li>- 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.</li> </ul>

**17.3** In 2021, the Bank has issued Rs. 2.5 billion of rated, privately placed and listed, unsecured and subordinated term finance certificates (TFCs or the Issue) as an instrument of redeemable capital under Section 66 of the Companies Act, 2017 and as outlined by State Bank of Pakistan, SBP, under the BPRD Circular No. 06 dated August 15, 2013 and Basel III guidelines. Summary of terms and conditions of the issue are:

Purpose:	To contribute towards the Bank's Tier II Capital for complying with the capital adequacy requirement and to utilize the funds in the Bank's business operations as permitted by its Memorandum & Articles of Association.
Issue date:	December 28, 2021
Tenure:	Up to Seven years from the issue date.
Maturity Date:	December 28, 2028
Rating:	A + (Single A Plus)
Profit Rate:	Floating rate of return at Base rate + 2 percent per annum;  Base rate is defined as the average six months KIBOR prevailing on the Base Rate setting date. The Base Rate will be set for the first time on the last working day prior to the Issue Date and subsequently on the immediately preceding business day before the start of each six monthly period.
Profit payment:	Semi-annual
Redemption:	The instrument is structured to redeem 0.24% of the Issue amount during the first six years after the issue date and the remaining Issue amount of 99.76% in two equal semi-annual installments of 49.88% each in the last year.
Security:	The Issue is unsecured
Subordination:	The Issue is subordinated all other indebtedness of the Bank including depositors, however, senior to the claims of investors in instruments eligible for inclusion in Tier I Capital
Call Option:	Exercisable in part or in full on or after the 10th redemption, subject to SBP's approval.
Lock-in-clause:	Payment of profit will be made from current year's earning and subject to compliance with MCR and / or CAR or LR set by SBP.
Loss absorbency 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 400,647,739 shares.

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		(Un-audited) March 31, 2023	(Audited) December 31, 2022
<b>18. DEFERRED TAX ASSET / (LIABILITIES)</b>	Note	----- Rupees in '000 -----	
<b>Deductible Temporary Differences on:</b>			
Provision against investments		70,212	70,212
Provision against loans and advances		152,302	277,487
Other assets		18,273	130,747
Surplus on revaluation of investments classified as available-for-sale	20	1,138,419	346,859
		<b>1,379,206</b>	825,305
<b>Taxable Temporary Differences on:</b>			
Accelerated tax depreciation		(165,914)	(187,808)
Goodwill		(629,358)	(629,358)
Surplus on revaluation of fixed assets	20	(304,593)	(327,796)
Surplus on revaluation of non-banking assets acquired in satisfaction of claims	20	(340)	(343)
		<b>(1,100,205)</b>	(1,145,305)
		<b>279,001</b>	(320,000)

**19. OTHER LIABILITIES**

Mark-up / return / interest payable in local currency		5,133,528	4,857,150
Mark-up / return / interest payable in foreign currencies		131,716	45,769
Unearned income on guarantees		404,103	368,800
Accrued expenses		580,344	584,968
Acceptances		2,390,023	6,586,244
Unclaimed dividends		4,214	4,214
Mark to market loss on derivative instruments		125,294	13,588
Mark to market loss on forward foreign exchange contracts		1,960,080	529,887
Withholding taxes payable		671,539	639,608
Donation payable to Future Trust		57,952	26,475
Security deposits against leases, lockers and others		2,325,891	2,468,743
Workers' welfare fund	29	232,516	201,040
Payable in respect of home remittance		875,091	435,629
Insurance payable		187,939	209,834
Payable to vendors against SBS goods		358,664	380,040
Lease liability against right-of-use assets	19.1	2,453,221	2,545,780
Debit card settlement		179,184	269,365
Branchless banking fund settlement		99,702	-
Clearing and settlement accounts		513,407	49,938
Others		249,069	293,721
		<b>18,933,477</b>	20,510,793

**19.1 Lease liabilities**

The carrying amounts of lease liabilities and the movements during the period / year is as below:

Opening balance		2,545,780	3,129,904
Additions / renewals		216,017	852,268
Terminations		(24,670)	(476,475)
Mark-up on lease liability against right-of-use assets		76,965	355,571
Payments		(361,022)	(1,322,720)
Exchange rate adjustments		5,574	7,232
Other adjustments		(5,423)	-
Closing balance		<b>2,453,221</b>	2,545,780

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		(Un-audited) March 31, 2023	(Audited) December 31, 2022
	Note	----- Rupees in '000 -----	
<b>20. (DEFICIT) / SURPLUS ON REVALUATION OF ASSETS</b>			
<b>(Deficit) / Surplus on revaluation of:</b>			
- Available for sale securities	9.1	<b>(2,647,486)</b>	(806,650)
- Fixed assets		<b>1,421,564</b>	1,475,525
- Non-banking assets acquired in satisfaction of claims	13	<b>107,418</b>	107,426
		<b>(1,118,504)</b>	776,301
<b>Deferred tax on (deficit) / surplus on revaluation of:</b>			
- Available for sale securities		<b>1,138,419</b>	346,859
- Fixed assets		<b>(304,593)</b>	(327,796)
- Non-banking assets acquired in satisfaction of claims		<b>(340)</b>	(343)
		<b>833,486</b>	18,720
		<b>(285,018)</b>	795,021
<b>20.1 Available-for-sale securities</b>			
<b>Pakistan:</b>			
- Equity securities		<b>1,536,630</b>	1,941,804
- Open end mutual funds		<b>5</b>	2,298
- Debt securities		<b>(2,968,593)</b>	(1,826,120)
		<b>(1,431,958)</b>	117,982
<b>Bahrain:</b>			
- Equity securities		<b>(26,226)</b>	(28,705)
- Debt securities		<b>(1,189,302)</b>	(895,927)
		<b>(1,215,528)</b>	(924,632)
		<b>(2,647,486)</b>	(806,650)
Related deferred tax liability		<b>1,138,419</b>	346,859
		<b>(1,509,067)</b>	(459,791)
<b>21. CONTINGENCIES AND COMMITMENTS</b>			
Guarantees	21.1	<b>75,340,611</b>	83,175,591
Commitments	21.2	<b>115,165,994</b>	93,959,209
Other contingencies	21.3	<b>646,479</b>	646,479
		<b>191,153,084</b>	177,781,279
<b>21.1 Guarantees</b>			
Financial guarantees		<b>766,176</b>	3,668,949
Performance guarantees		<b>33,075,930</b>	34,702,865
Other guarantees		<b>41,498,505</b>	44,803,777
		<b>75,340,611</b>	83,175,591
<b>21.2 Commitments</b>			
<b>Documentary credits and short-term trade-related transactions</b>			
- Letters of credit		<b>32,796,590</b>	22,381,092
<b>Commitments in respect of:</b>			
- Forward foreign exchange contracts	21.2.1	<b>68,857,248</b>	68,486,603
- Derivative instruments	21.2.2	<b>12,283,328</b>	2,344,191
- Forward lending	21.2.3	<b>284,067</b>	284,067
<b>Commitments for acquisition of:</b>			
- Fixed assets and intangible assets		<b>944,761</b>	463,256
		<b>115,165,994</b>	93,959,209

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	<b>(Un-audited)</b>	(Audited)
	<b>March 31,</b>	December 31,
	<b>2023</b>	2022
	----- Rupees in '000 -----	
<b>21.2.1 Commitments in respect of forward foreign exchange contracts</b>		
Purchase	<b>37,687,652</b>	41,239,463
Sale	<b>31,169,596</b>	27,247,140
	<b><u>68,857,248</u></b>	<u>68,486,603</u>
<b>21.2.2 Commitments in respect of derivative instruments</b>		
Purchase	<b>12,283,328</b>	2,109,891
Sale	-	234,300
	<b><u>12,283,328</u></b>	<u>2,344,191</u>
<b>Cross currency swaps</b>		
Purchase	-	234,300
Sale	-	234,300
	<b><u>-</u></b>	<u>468,600</u>
<b>Forward securities contract</b>		
Purchase	<b><u>12,283,328</u></b>	<u>1,875,591</u>
<b>21.2.3 Commitments in respect of forward lending</b>		
Undrawn formal standby facilities, credit lines and other commitments to lend	<b><u>284,067</u></b>	<u>284,067</u>

**21.2.3.1** 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.

**21.2.4** This represents commitments related to purchase of leasehold improvements, furniture and fixtures, hardware & network equipment, electrical equipment and computer software.

	<b>(Un-audited)</b>	(Audited)
	<b>March 31,</b>	December 31,
	<b>2023</b>	2022
	----- Rupees in '000 -----	
<b>21.3 Other contingencies</b>		
	Note	
<b>21.3.1</b> Claims against the Bank not acknowledged as debts	21.3.1.1	
	<b><u>646,479</u></b>	<u>646,479</u>

**21.3.1.1** These mainly represent counter claims filed by borrowers for damages, claims by former employees of the Bank and other claims relating to banking transactions.

Based on legal advice and / or internal assessments, management is confident that the matters will be decided in the Bank's favour and the possibility of any outcome against the Bank is remote and accordingly no provision has been made in these condensed interim unconsolidated financial statements.

**21.3.2** Tax related contingencies are disclosed in note 32.1.

**22. DERIVATIVE INSTRUMENTS**

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

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

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

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These transactions cover the aspects of both market making and hedging.

		<b>March 31, 2023 (Un-audited)</b>					
		<b>Cross currency swaps</b>		<b>Forward securities</b>		<b>Total</b>	
		<b>Notional principal</b>	<b>Mark to market</b>	<b>Notional principal</b>	<b>Mark to market</b>	<b>Notional principal</b>	<b>Mark to market</b>
<b>22.1</b>	<b>Product Analysis</b>	----- Rupees in '000 -----					
	<b>With Banks</b>						
	Hedging	-	-	-	-	-	-
	Market making	-	-	-	-	-	-
		-	-	-	-	-	-
	<b>With FIs other banks</b>						
	Hedging	-	-	-	-	-	-
	Market making	-	-	<b>12,283,328</b>	<b>(124,569)</b>	<b>12,283,328</b>	<b>(124,569)</b>
		-	-	<b>12,283,328</b>	<b>(124,569)</b>	<b>12,283,328</b>	<b>(124,569)</b>
	<b>Total</b>						
	Hedging	-	-	-	-	-	-
	Market making	-	-	<b>12,283,328</b>	<b>(124,569)</b>	<b>12,283,328</b>	<b>(124,569)</b>
		-	-	<b>12,283,328</b>	<b>(124,569)</b>	<b>12,283,328</b>	<b>(124,569)</b>
		-	-	<b>12,283,328</b>	<b>(124,569)</b>	<b>12,283,328</b>	<b>(124,569)</b>
		-	-	<b>12,283,328</b>	<b>(124,569)</b>	<b>12,283,328</b>	<b>(124,569)</b>
		-	-	<b>12,283,328</b>	<b>(124,569)</b>	<b>12,283,328</b>	<b>(124,569)</b>
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		-	-	<b>12,283,328</b>	<b>(124,569)</b>	<b>12,283,328</b>	<b>(124,569)</b>
		-	-	<b>12,283,328</b>	<b>(124,569)</b>	<b>12,283,328</b>	<b>(124,569)</b>
		-	-	<b>12,283,328</b>	<b>(124,569)</b>	<b>12,283,328</b>	<b>(124,569)</b>
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		-	-	<b>12,283,328</b>	<b>(124,569)</b>	<b>12,283,328</b>	<b>(124,569)</b>
		-	-	<b>12,283,328</b>	<b>(124,569)</b>	<b>12,283,328</b>	<b>(124,569)</b>
		-	-	<b>12,283,328</b>	<b>(124,569)</b>	<b>12,283,328</b>	<b>(124,569)</b>
		-	-	<b>12,283,328</b>	<b>(124,569)</b>	<b>12,283,328</b>	<b>(124,569)</b>
		-	-	<b>12,283,328</b>	<b>(124,569)</b>	<b>12,283,328</b>	<b>(124,569)</b>
		-	-	<b>12,283,328</b>	<b>(124,569)</b>	<b>12,283,328</b>	<b>(124,569)</b>
		-	-	<b>12,283,328</b>	<b>(124,569)</b>	<b>12,283,328</b>	<b>(124,569)</b>
		-	-	<b>12,283,328</b>	<b>(124,569)</b>	<b>12,283,328</b>	<b>(124,569)</b>
		-	-	<b>12,283,328</b>	<b>(124,569)</b>	<b>12,283,328</b>	<b>(124,569)</b>
		-	-	<b>12,283,328</b>	<b>(124,569)</b>	<b>12,283,328</b>	<b>(124,569)</b>
		-	-	<b>12,283,328</b>	<b>(124,569)</b>	<b>12,283,328</b>	<b>(124,569)</b>
		-	-	<b>12,283,328</b>	<b>(124,569)</b>	<b>12,283,328</b>	<b>(124,569)</b>
		-	-	<b>12,283,328</b>	<b>(124,569)</b>	<b>12,283,328</b>	<b>(124,569)</b>
		-	-	<b>12,283,328</b>	<b>(124,569)</b>	<b>12,283,328</b>	<b>(124,569)</b>
		-	-	<b>12,283,328</b>	<b>(124,569)</b>	<b>12,283,328</b>	<b>(124,569)</b>
		-	-	<b>12,283,328</b>	<b>(124,569)</b>	<b>12,283,328</b>	<b>(124,569)</b>
		-	-	<b>12,283,328</b>	<b>(124,569)</b>	<b>12,283,328</b>	<b>(124,569)</b>
		-	-	<b>12,283,328</b>	<b>(124,569)</b>	<b>12,283,328</b>	<b>(124,569)</b>
		-	-	<b>12,283,328</b>	<b>(124,569)</b>	<b>12,283,328</b>	<b>(124,569)</b>
		-	-	<b>12,283,328</b>	<b>(124,569)</b>	<b>12,283,328</b>	<b>(124,569)</b>
		-	-	<b>12,283,328</b>	<b>(124,569)</b>	<b>12,283,328</b>	<b>(124,569</b>

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**FOR THE THREE MONTHS ENDED MARCH 31, 2023**

		(Un-audited)	
		March 31, 2023	March 31, 2022
		----- Rupees in '000 -----	
<b>23. MARK-UP / RETURN / INTEREST EARNED</b>	Note		
<b>On:</b>			
Loans and advances		9,091,518	6,398,829
Investments		11,313,869	7,044,553
Lendings to financial institutions		33,322	44,523
Securities purchased under resale agreements		489,607	314,620
Balances with other banks		53,600	-
		<u>20,981,916</u>	<u>13,802,525</u>
<b>24. MARK-UP / RETURN / INTEREST EXPENSED</b>			
<b>On:</b>			
Deposits		10,954,022	7,489,644
Borrowings		4,505,908	2,488,328
Subordinated debts		327,149	225,826
Cost of foreign currency swaps against foreign currency deposits / borrowings		62,110	228,125
Lease liability against right-of-use assets		76,965	91,797
		<u>15,926,154</u>	<u>10,523,720</u>
<b>25. FEE, COMMISSION AND BROKERAGE INCOME</b>			
Branch banking customer fees		39,524	25,375
Consumer finance related fees		134,451	88,428
Card related fees (debit and credit cards)		98,472	87,559
Investment banking fees		28,750	24,473
Commission on trade		222,066	216,056
Commission on guarantees		169,095	131,553
Commission on cash management		14,845	4,425
Commission on remittances including home remittances		41,038	17,827
Commission on bancassurance		20,880	16,341
Commission on distribution of mutual funds		-	847
Commission on online services		94,800	71,737
Postage and courier income		2,818	5,003
Rebate income		87,925	59,718
		<u>954,664</u>	<u>749,342</u>
<b>26. (LOSS) / GAIN ON SECURITIES - NET</b>			
Realised	26.1	(488,357)	102,958
Unrealised - held for trading		(19,117)	(388)
		<u>(507,474)</u>	<u>102,570</u>
<b>26.1 Realised (loss) / gain on:</b>			
<b>Federal government securities</b>			
Market treasury bills		(423,025)	(122,524)
Pakistan investment bonds		(85,186)	182,227
Ijara sukuk certificates		13,848	28
		<u>(494,363)</u>	<u>59,731</u>
<b>Non Government Debt Securities</b>			
Term finance certificates		-	(1,045)
<b>Mutual fund units</b>		5,646	44,272
<b>Foreign currency bonds</b>		360	-
		<u>(488,357)</u>	<u>102,958</u>

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	(Un-audited)	
	March 31, 2023	March 31, 2022
	----- Rupees in '000 -----	
<b>27. OTHER INCOME / (LOSS)</b>		
Rent income	1,452	-
Gain / (loss) on sale of fixed assets - net	25,366	(11,253)
Gain on termination of leases - net	7,107	4,858
	<u>33,925</u>	<u>(6,395)</u>
<b>28. OPERATING EXPENSES</b>		
Total compensation expense	1,943,371	1,490,662
<b>Property expense</b>		
Rent and taxes	7,307	9,150
Utilities cost	110,151	86,024
Security (including guards)	92,250	72,524
Repair and maintenance (including janitorial charges)	82,007	55,744
Depreciation	71,344	53,765
Depreciation on right-of-use assets	263,554	236,829
Depreciation on non-banking assets	6,395	4,241
	<u>633,008</u>	518,277
<b>Information technology expenses</b>		
Software maintenance	233,003	191,858
Hardware maintenance	23,717	38,621
Depreciation	79,360	70,504
Amortisation	57,561	36,660
Network charges	70,576	57,905
	<u>464,217</u>	395,548
<b>Other operating expenses</b>		
Directors' fees and allowances	3,000	6,450
Legal and professional charges	62,211	66,170
Insurance	56,205	90,411
Outsourced services costs	60,259	57,066
Travelling and conveyance	50,772	36,615
NIFT clearing charges	13,487	10,944
Depreciation	86,313	80,562
Training and development	6,699	16,833
Postage and courier charges	14,326	22,773
Communication	44,662	45,846
Stationery and printing	95,753	71,471
Marketing, advertisement and publicity	732,767	166,632
Donations	31,477	13,499
Auditors' remuneration	3,788	2,549
Staff auto fuel and maintenance	137,175	69,516
Bank charges	20,604	12,438
Stamp duty	15,032	10,096
Online verification charges	32,089	8,861
Brokerage, fee and commission	8,812	10,873
Card related fees (debit and credit cards)	136,657	91,276
Consultancy fee	17,790	4,951
Deposit protection premium	42,316	44,867
Entertainment expenses	40,379	18,069
Repair and maintenance	19,751	18,283
Cash handling charges	54,170	41,668
Fee and subscription	31,482	28,490
Employees social security	2,121	1,502
Generator fuel and maintenance	50,041	20,870
Others	12,522	12,669
	<u>1,882,660</u>	1,082,250
	<u>4,923,256</u>	3,486,737



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**29. WORKERS' WELFARE FUND**

The Bank has made provision for Workers' Welfare Fund (WWF) based on profit for the respective years.

		<b>(Un-audited)</b>	
		<b>March 31, 2023</b>	March 31, 2022
		----- Rupees in '000 -----	
<b>30. OTHER CHARGES</b>	Note	<b>19,562</b>	-
Penalties imposed by State Bank of Pakistan		<u>19,562</u>	<u>-</u>
<b>31. PROVISIONS AND WRITE OFFS - NET</b>			
Reversals for diminution in value of investments	9.3	-	(8,421)
Provisions against loans & advances - specific	10.3	<b>594,083</b>	179,133
Provisions against loans & advances - general	10.3	<b>78,176</b>	143,077
Provisions / (reversals) under IFRS 9	31.1	<b>86,050</b>	(511)
Other provisions and write offs		<b>4,383</b>	-
		<u><b>762,692</b></u>	<u>313,278</u>
<b>31.1 Provisions / (reversals) under IFRS 9</b>			
Balances with other banks		<b>14</b>	(5)
Lendings to financial institutions		-	(2)
Investments	9.3	<b>51,213</b>	8,626
Advances	10.3	<b>34,823</b>	(9,130)
		<u><b>86,050</b></u>	<u>(511)</u>
<b>32. TAXATION</b>			
Current		<b>476,869</b>	269,587
Prior years		-	-
Deferred		<b>192,565</b>	(4,393)
		<u><b>669,434</b></u>	<u>265,194</u>
<b>32.1</b>	There are no material changes in tax contingencies as disclosed in annual unconsolidated financial statements for the year ended December 31, 2022.		

		<b>(Un-audited)</b>	
		<b>March 31, 2023</b>	March 31, 2022
		----- Rupees in '000 -----	
<b>33. BASIC AND DILUTED EARNINGS PER SHARE</b>			
Profit after taxation for the period - attributable to ordinary equity holders of the Bank		<u><b>856,172</b></u>	<u>409,618</u>
		----- Number of shares -----	
Weighted average number of outstanding ordinary shares during the period		<u><b>1,297,464,262</b></u>	<u>1,297,464,262</u>
		----- Rupee -----	
Basic and diluted earnings per share		<u><b>0.66</b></u>	<u>0.32</u>

		<b>(Un-audited)</b>	(Audited)	(Un-audited)
		<b>March 31, 2023</b>	December 31, 2022	March 31, 2022
		----- Rupees in '000 -----		
<b>34. CASH AND CASH EQUIVALENTS</b>	Note			
Cash and balances with treasury banks	6	<b>33,982,736</b>	24,764,967	27,901,904
Balances with other banks - Gross of provision	7	<b>3,491,252</b>	1,800,471	1,343,940
Overdrawn nostro accounts	15	<b>(2,032,949)</b>	(1,291,766)	(545,012)
		<u><b>35,441,039</b></u>	<u>25,273,672</u>	<u>28,700,832</u>

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**35. FAIR VALUE OF FINANCIAL INSTRUMENTS**

International Financial Reporting Standard (IFRS) 13, 'Fair Value Measurement' defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value of quoted securities other than those classified as held to maturity, is based on quoted market price. Quoted securities classified as held to maturity are carried at cost. The fair value of unquoted equity securities, other than investments in associates and subsidiaries, is determined on the basis of the break-up value of these investments as per their latest available audited financial statements. Fair value of unquoted debt securities, fixed term loans, other assets, other liabilities and fixed term deposits cannot be calculated with sufficient reliability due to absence of current and active market for assets and liabilities and reliable data regarding market rates for similar instruments.

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

**Fair value hierarchy**

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

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

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

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

**35.1 Valuation techniques used in determination of fair values within level:**

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

**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 / Bloomberg.
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**Financial instruments - Level 2**

Mutual fund units	Fair values of investments in mutual fund units 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, Market Treasury Bills and GoP Sukuks are derived using PKRV, PKFRV and PKISRV rates.
Debt Securities (TFCs) and Sukuk other than Government	Investments in debt securities (comprising of Term Finance Certificates, Bonds and any other security issued by a company or a corporate body 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 & Euro Bonds are valued on the basis of price available on Bloomberg.
Forward foreign exchange contracts	The valuation has been determined by interpolating the foreign exchange revaluation rates announced by the State Bank of Pakistan.
Derivatives	The fair values of derivatives which are not quoted in active markets are determined by using valuation techniques. The valuation techniques take into account the relevant underlying parameters including foreign currencies involved, interest rates, yield curves, volatilities, contracts duration, etc.

**Financial instruments - Level 3**

Currently, no financial instruments are classified in level 3.	
The fair value of unquoted debt securities, fixed term loans, other assets, other liabilities, fixed term deposits and borrowings cannot be calculated with sufficient reliability due to the absence of a current and active market for these assets and liabilities and, unavailability of 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. 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.
Non-banking assets acquired in satisfaction of claims	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 condensed interim unconsolidated financial statements.

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

	<b>March 31, 2023 (Un-audited)</b>			
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
----- Rupees in '000 -----				
<b>On balance sheet financial instruments</b>				
<b>Financial assets - measured at fair value</b>				
Investments				
Federal Government Securities	-	126,791,924	-	126,791,924
Shares	4,976,498	-	-	4,976,498
Non Government Debt Securities	-	455,929	-	455,929
Foreign Securities	66,344	1,034,762	-	1,101,106
Open end mutual funds	-	125,005	-	125,005
	<b>5,042,842</b>	<b>128,407,620</b>	<b>-</b>	<b>133,450,462</b>
<b>Financial assets - disclosed but not measured at fair value</b>				
Investments				
Federal Government Securities	-	96,848,850	-	96,848,850
	<b>5,042,842</b>	<b>225,256,470</b>	<b>-</b>	<b>230,299,312</b>
<b>Non-Financial assets - measured at fair value</b>				
Revalued fixed assets	-	-	3,664,203	3,664,203
Non-banking assets acquired in satisfaction of claims	-	-	3,765,830	3,765,830
	<b>-</b>	<b>-</b>	<b>7,430,033</b>	<b>7,430,033</b>
<b>Off balance sheet financial instruments</b>				
<b>Commitments in respect of:</b>				
<b>Forward foreign exchange contracts</b>				
Purchase	-	32,157,526	-	32,157,526
Sale	-	29,232,216	-	29,232,216
<b>Derivative instruments</b>				
<b>Forward securities contract</b>				
Purchase	-	12,158,759	-	12,158,759

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	December 31, 2022 (Audited)			
	Level 1	Level 2	Level 3	Total
<b>On balance sheet financial instruments</b>				
<b>Financial assets - measured at fair value</b>				
Investments				
Federal Government Securities	-	143,419,443	-	143,419,443
Shares	5,132,677	-	-	5,132,677
Non Government Debt Securities	-	494,174	-	494,174
Foreign Securities	301,472	807,635	-	1,109,107
Open end mutual funds	-	502,298	-	502,298
	5,434,149	145,223,550	-	150,657,699
<b>Financial assets - disclosed but not measured at fair value</b>				
Investments				
Federal Government Securities	-	147,022,393	-	147,022,393
	5,434,149	292,245,943	-	297,680,092
<b>Non-Financial assets - measured at fair value</b>				
Revalued fixed assets	-	-	3,748,375	3,748,375
Non-banking assets acquired in satisfaction of claims	-	-	3,772,225	3,772,225
	-	-	7,520,600	7,520,600
<b>Off balance sheet financial instruments</b>				
<b>Commitments in respect of:</b>				
<b>Forward foreign exchange contracts</b>				
Purchase	-	40,275,960	-	40,275,960
Sale	-	26,862,267	-	26,862,267
<b>Derivative instruments:</b>				
<b>Cross currency swaps</b>				
Purchase	-	247,888	-	247,888
Sale	-	248,598	-	248,598
<b>Forward securities contract</b>				
Purchase	-	187,617	-	187,617

Rupees in '000

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36. SEGMENT INFORMATION

36.1 Segment Details with respect to Business Activities:

For the three months ended March 31, 2023 (Un-audited)							
Retail Banking	Wholesale Banking	Treasury	Investment Banking	Zindigi	Others	Total	
Rupees in '000							
<b>Profit and loss account</b>							
Net mark-up / return / interest income / (expense)	(3,066,539)	574,233	7,719,000	80,002	(5,404)	(245,530)	5,055,762
Inter segment revenue - net	7,888,911	1,551,215	(9,598,280)	(74,344)	59,138	173,360	-
Non mark-up / return / income	503,061	782,008	701,256	25,750	66,467	128,289	2,206,831
<b>Total Income / (loss)</b>	<b>5,325,433</b>	<b>2,907,456</b>	<b>(1,178,024)</b>	<b>31,408</b>	<b>120,201</b>	<b>56,119</b>	<b>7,262,593</b>
Segment direct expenses	2,227,643	316,578	42,509	19,615	865,999	1,501,951	4,974,295
Inter segment expense allocation	1,095,010	198,875	46,453	4,469	105,356	(1,450,163)	-
<b>Total expenses</b>	<b>3,322,653</b>	<b>515,453</b>	<b>88,962</b>	<b>24,084</b>	<b>971,355</b>	<b>51,788</b>	<b>4,974,295</b>
Provisions and write offs - net	120,095	642,597	-	-	-	-	762,692
<b>Profit / (loss) before tax</b>	<b>1,882,685</b>	<b>1,749,406</b>	<b>(1,266,986)</b>	<b>7,324</b>	<b>(851,154)</b>	<b>4,331</b>	<b>1,525,606</b>
For the three months ended March 31, 2022 (Un-audited)							
Retail Banking	Wholesale Banking	Treasury	Investment Banking	Zindigi	Others	Total	
Rupees in '000							
<b>Profit and loss account</b>							
Net mark-up / return / interest income / (expense)	(1,393,401)	40,052	4,758,246	69,734	(104)	(195,722)	3,278,805
Inter segment revenue - net	4,004,798	935,241	(4,895,918)	(72,978)	28,857	-	-
Non mark-up / return / income	426,034	298,532	401,481	36,329	42,553	4,592	1,209,521
<b>Total Income / (loss)</b>	<b>3,037,431</b>	<b>1,273,825</b>	<b>263,809</b>	<b>33,085</b>	<b>71,306</b>	<b>(191,130)</b>	<b>4,488,326</b>
Segment direct expenses	2,148,050	216,477	41,867	10,821	279,733	803,288	3,500,236
Inter segment expense allocation	724,213	171,479	38,652	3,780	101,352	(1,039,476)	-
<b>Total expenses</b>	<b>2,872,263</b>	<b>387,956</b>	<b>80,519</b>	<b>14,601</b>	<b>381,085</b>	<b>(236,188)</b>	<b>3,500,236</b>
Provisions / (reversals)	189,480	124,082	-	-	-	(284)	313,278
<b>Profit / (loss) before tax</b>	<b>(24,312)</b>	<b>761,787</b>	<b>183,290</b>	<b>18,484</b>	<b>(309,779)</b>	<b>45,342</b>	<b>674,812</b>
As at March 31, 2023 (Un-audited)							
Retail Banking	Wholesale Banking	Treasury	Investment Banking	Zindigi	Others	Total	
Rupees in '000							
<b>Statement of financial position</b>							
Cash and bank balances	16,005,634	49,469	20,922,414	-	496,412	-	37,473,929
Lendings to financial institutions	-	-	837,339	-	-	-	837,339
Investments	-	6,581,708	225,017,585	1,950,571	-	4,866,339	238,416,203
Net inter segment lending	194,692,055	36,164,944	-	-	2,898,521	-	233,755,520
Advances - performing	72,999,849	137,614,158	-	-	-	5,199,984	215,813,991
Advances - non-performing	6,257,726	9,519,977	-	-	-	98,350	15,876,053
Advances - provisions - net	(5,168,981)	(2,156,003)	-	-	-	(800,654)	(8,125,638)
	74,088,594	144,978,132	-	-	-	4,497,680	223,564,406
Others	-	-	-	-	-	42,505,431	42,505,431
<b>Total Assets</b>	<b>284,786,283</b>	<b>187,774,253</b>	<b>246,777,338</b>	<b>1,950,571</b>	<b>3,394,933</b>	<b>51,869,450</b>	<b>776,552,828</b>
Borrowings	8,200,764	24,557,277	19,329,252	-	-	-	52,087,293
Deposits and other accounts	270,503,283	163,089,583	-	-	3,394,933	-	436,987,799
Subordinated debts	-	-	-	-	-	6,995,000	6,995,000
Net inter segment borrowing	-	-	227,448,086	1,950,571	-	4,356,863	233,755,520
Others	6,082,236	127,393	-	-	-	18,933,477	25,143,106
<b>Total Liabilities</b>	<b>284,786,283</b>	<b>187,774,253</b>	<b>246,777,338</b>	<b>1,950,571</b>	<b>3,394,933</b>	<b>30,285,340</b>	<b>754,968,718</b>
Equity	-	-	-	-	-	21,584,110	21,584,110
<b>Total Equity and Liabilities</b>	<b>284,786,283</b>	<b>187,774,253</b>	<b>246,777,338</b>	<b>1,950,571</b>	<b>3,394,933</b>	<b>51,869,450</b>	<b>776,552,828</b>
<b>Contingencies and Commitments</b>	<b>70,101,833</b>	<b>59,825,402</b>	<b>61,225,850</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>191,153,084</b>
As at December 31, 2022 (Audited)							
Retail Banking	Wholesale Banking	Treasury	Investment Banking	Zindigi	Others	Total	
Rupees in '000							
<b>Statement of financial position</b>							
Cash and bank balances	26,561,450	-	-	-	3,953	-	26,565,403
Lendings to financial institutions	-	-	11,351,162	-	-	-	11,351,162
Investments	-	1,786,820	297,472,425	2,064,697	-	2,140,921	303,464,863
Net inter segment lending	188,156,779	59,940,115	-	-	2,878,829	-	250,975,723
Advances - performing	75,221,124	141,415,256	-	-	407	5,575,996	222,212,783
Advances - non-performing	6,699,317	9,528,889	-	-	-	83,681	16,311,887
Advances - provisions - net	(3,269,248)	(4,141,732)	-	-	-	(11,874)	(7,422,854)
	78,651,193	146,802,413	-	-	407	5,647,803	231,101,816
Others	-	-	-	-	-	44,232,249	44,232,249
<b>Total Assets</b>	<b>293,369,422</b>	<b>208,529,348</b>	<b>308,823,587</b>	<b>2,064,697</b>	<b>2,883,189</b>	<b>52,020,973</b>	<b>867,691,216</b>
Borrowings	8,350,957	24,594,549	64,862,710	-	-	-	97,808,216
Deposits and other accounts	277,923,067	183,325,314	-	350	2,883,189	-	464,131,920
Subordinated debts	-	-	-	-	-	6,995,000	6,995,000
Net inter segment borrowing	-	-	243,960,877	2,064,347	-	4,950,499	250,975,723
Others	7,095,398	609,485	-	-	-	18,528,855	26,233,738
<b>Total Liabilities</b>	<b>293,369,422</b>	<b>208,529,348</b>	<b>308,823,587</b>	<b>2,064,697</b>	<b>2,883,189</b>	<b>30,474,354</b>	<b>846,144,597</b>
Equity	-	-	-	-	-	21,546,619	21,546,619
<b>Total Equity and Liabilities</b>	<b>293,369,422</b>	<b>208,529,348</b>	<b>308,823,587</b>	<b>2,064,697</b>	<b>2,883,189</b>	<b>52,020,973</b>	<b>867,691,216</b>
<b>Contingencies and Commitments</b>	<b>63,653,775</b>	<b>25,780,043</b>	<b>86,645,804</b>	<b>-</b>	<b>-</b>	<b>1,701,657</b>	<b>177,781,279</b>

**JS BANK LIMITED**  
**NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE THREE MONTHS ENDED MARCH 31, 2023**

**37. RELATED PARTY TRANSACTIONS**

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

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

Details of balances and transactions with related parties are as follows:

	<b>As at March 31, 2023 (Un-audited)</b>					
	<b>Parent</b>	<b>Directors</b>	<b>Key management personnel</b>	<b>Subsidiaries</b>	<b>Associates</b>	<b>Other related parties</b>
	----- Rupees in '000 -----					
<b>Statement of financial position</b>						
<b>Lendings to financial institutions</b>						
Opening balance	-	-	-	-	-	-
Addition during the period	-	-	-	-	-	41,117,600
Repaid during the period	-	-	-	-	-	(41,117,600)
Transfer in / (out) - net	-	-	-	-	-	-
Closing balance	-	-	-	-	-	-
<b>Investments</b>						
Opening balance	-	-	-	1,919,121	269,800	5,067,465
Investment made during the period	-	-	-	-	-	1,200,000
Investment redeemed / disposed off during the period	-	-	-	-	-	(1,575,000)
Deficit on investments	-	-	-	-	-	(371,850)
Closing balance	-	-	-	1,919,121	269,800	4,320,615
Provision in value of diminution in investments	-	-	-	-	48,000	-
<b>Advances</b>						
Opening balance	-	-	498,310	-	232,166	2,642,159
Addition during the period	-	-	23,326	-	-	466,796
Repaid during the period	-	-	(29,840)	-	(15,478)	(818,426)
Transfer in / (out) - net	-	-	-	-	-	-
Closing balance	-	-	491,796	-	216,688	2,290,529
<b>Other assets</b>						
Mark-up / return / interest accrued	-	-	204	-	-	185,845
Receivable against bancassurance / bancatakaful	-	-	-	-	-	11,098
Prepaid insurance	-	-	-	-	-	180,443
Net defined benefit plan	-	-	-	-	-	88,624
Dividend Receivable	-	-	-	-	-	98,808
Advance against investment in securities	-	-	-	-	-	1,178,306
Other receivable	-	-	-	-	-	13,870
Provision against other assets	-	-	-	-	-	-
<b>Borrowings</b>						
Opening balance	-	-	-	-	-	-
Borrowings during the period	-	-	-	-	-	-
Settled during the period	-	-	-	-	-	-
Closing balance	-	-	-	-	-	-
<b>Deposits and other accounts</b>						
Opening balance	130,430	290	47,853	1,374,281	2,621	12,800,727
Received during the period	446,375	421	96,964	30,193,342	76,642	37,325,545
Withdrawn during the period	(502,671)	(551)	(80,895)	(30,298,535)	(75,847)	(40,661,960)
Transfer in / (out) - net	-	-	-	-	-	-
Closing balance	74,134	160	63,922	1,269,088	3,416	9,464,312
<b>Subordinated debts</b>						
Opening balance	-	-	-	-	-	124,714
Issued during the period	-	-	-	-	-	-
Redeemed during the period	-	-	-	-	-	-
Transfer in / (out) - net	-	-	-	-	-	-
Closing balance	-	-	-	-	-	124,714
<b>Other liabilities</b>						
Interest / return / mark-up payable on deposits	-	-	-	-	-	9,915
Interest / return / mark-up payable on subordinated debts	-	-	-	-	-	5,819
Donation payable	-	-	-	-	-	57,952
<b>Contingencies and commitments</b>						
Letter of guarantee	-	-	-	-	-	22,783
Letter of credit	-	-	-	-	-	294,000
Forward lending	-	-	-	-	5,924	-

**JS BANK LIMITED**  
**NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE THREE MONTHS ENDED MARCH 31, 2023**

	As at December 31, 2022 (Audited)					
	Parent	Directors	Key management personnel	Subsidiaries	Associates	Other related parties
	Rupees in '000					
<b>Statement of financial position</b>						
<b>Lendings to financial institutions</b>						
Opening balance	-	-	-	-	-	-
Addition during the year	-	-	-	-	-	96,591,372
Repaid during the year	-	-	-	-	-	(96,591,372)
Transfer in / (out) - net	-	-	-	-	-	-
Closing balance	-	-	-	-	-	-
<b>Investments</b>						
Opening balance	-	-	-	1,919,121	269,800	4,734,303
Investment made during the year	-	-	-	-	-	4,245,951
Investment redeemed / disposed off during the year	-	-	-	-	-	(3,550,000)
Deficit on investments	-	-	-	-	-	(362,789)
Closing balance	-	-	-	1,919,121	269,800	5,067,465
Provision for diminution in value of investments	-	-	-	-	48,000	-
<b>Advances</b>						
Opening balance	-	125,769	458,181	96,775	442,315	5,229,319
Addition during the year	-	-	367,341	7,411	26,550	4,769,450
Repaid during the year	-	-	(121,474)	(104,186)	(236,699)	(6,716,615)
Transfer in / (out) - net	-	(125,769)	(205,738)	-	-	(639,995)
Closing balance	-	-	498,310	-	232,166	2,642,159
<b>Other assets</b>						
Interest / mark-up accrued	-	-	697	-	8,010	19,745
Receivable against bancassurance	-	-	-	-	-	17,498
Prepaid insurance	-	-	-	-	-	34,933
Net defined benefit plan	-	-	-	-	-	119,523
Advance against investment in securities	-	-	-	-	-	1,178,306
Other receivable	-	-	-	-	-	14,249
Provision against other assets	-	-	-	-	-	379
<b>Borrowings</b>						
Opening balance	-	-	-	-	-	-
Borrowings during the year	-	-	-	-	-	312,787,717
Settled during the year	-	-	-	-	-	(312,787,717)
Transfer in / (out) - net	-	-	-	-	-	-
Closing balance	-	-	-	-	-	-
<b>Deposits and other accounts</b>						
Opening balance	912,327	214,211	42,227	1,354,967	41,310	14,572,975
Received during the year	15,376,414	62,632	823,876	353,446,011	1,494,000	191,456,450
Withdrawn during the year	(16,158,311)	(62,805)	(802,683)	(353,426,148)	(1,532,689)	(192,234,920)
Transfer in / (out) - net	-	(213,748)	(15,567)	(549)	-	(993,778)
Closing balance	130,430	290	47,853	1,374,281	2,621	12,800,727
<b>Subordinated debts</b>						
Opening balance	-	-	-	-	-	639,776
Issued during the year	-	-	-	-	-	-
Redeemed during the year	-	-	-	-	-	(79)
Transfer in / (out) - net	-	-	-	-	-	(514,983)
Closing balance	-	-	-	-	-	124,714
<b>Other liabilities</b>						
Interest / return / mark-up payable on deposits	-	-	-	-	-	536,091
Interest / return / mark-up payable on subordinated debts	-	-	-	-	-	143
Donation Payable	-	-	-	-	-	26,475
<b>Contingencies and commitments</b>						
Letter of guarantee	-	-	-	-	-	20,398
Letter of Credit	-	-	-	-	-	65,585
Forward lending	-	-	-	-	5,924	-

**JS BANK LIMITED**  
**NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE THREE MONTHS ENDED MARCH 31, 2023**

For the three months ended March 31, 2023 (Un-audited)

	Parent	Directors	Key management personnel	Subsidiaries	Associates	Other related parties
Rupees in '000						
<b>Profit and loss account</b>						
<b>Income</b>						
Mark-up / return / interest earned	-	-	5,870	-	10,838	70,395
Fee, commission and brokerage income	-	-	320	2	6	21,544
Dividend income	-	-	-	-	-	98,808
Gain on sale of securities - net	-	-	-	-	-	5,647
<b>Reversal / (provisions) and write offs - net</b>						
Provision for diminution in value of investments - net	-	-	-	-	-	-
<b>Expense</b>						
Mark-up / return / interest paid	5,166	-	374	59,739	-	257,747
Commission / charges paid	-	-	-	325	-	-
Remuneration paid	-	-	145,370	-	-	-
Non-executive directors' fee	-	3,000	-	-	-	-
Net charge for defined contribution plans	-	-	-	-	-	77,180
Net charge for defined benefit plans	-	-	-	-	-	30,899
Insurance Expense	-	-	-	-	-	34,697
Donation	-	-	-	-	-	31,477
Legal charges	4,724	-	-	-	-	-
Consultancy Charges	-	-	-	-	-	10,500
Other expenses	-	-	1,154	-	-	2,448
<b>Payments made during the period</b>						
Insurance premium paid	-	-	-	-	-	180,207
Insurance claims settled	-	-	-	-	-	5,003
<b>Other Transactions</b>						
Sale of Government Securities	-	-	15,317	-	-	24,955,530
Purchase of Government Securities	-	-	14,712	-	-	735,720
Sale of Foreign Currencies	-	-	-	-	-	11,047,920
Purchase of Foreign Currencies	-	-	-	-	-	8,760,363

For the three months ended March 31, 2022 (Un-audited)

	Parent	Directors	Key management personnel	Subsidiaries	Associates	Other related parties
Rupees in '000						
<b>Profit and loss account</b>						
<b>Income</b>						
Mark-up / return / interest earned	-	75	6,128	1,271	11,539	109,092
Fee, commission and brokerage income	-	8	50	151	26	18,756
Dividend income	-	-	-	-	-	42,497
Gain on sale of securities - net	-	-	-	-	-	7,604
<b>Reversal / (provisions) and write offs - net</b>						
Provision for diminution in value of investments - net	-	-	-	-	-	-
<b>Expense</b>						
Mark-up / return / interest paid	39,162	148	458	41,145	363	282,659
Commission / charges paid	-	-	-	684	-	-
Remuneration paid	-	11,853	81,942	-	-	-
Non-executive directors' fee	-	6,450	-	-	-	-
Net charge for defined contribution plans	-	-	-	-	-	64,104
Net charge for defined benefit plans	-	-	-	-	-	38,481
Advisory fee	-	-	-	-	-	1,214
Other expenses	-	83	-	-	-	197
<b>Payments made during the period</b>						
Insurance premium paid	-	-	-	-	-	189,761
Insurance claims settled	-	-	-	-	-	2,024
<b>Other transactions</b>						
Sale of Government Securities	1,560,765	-	-	-	-	14,607,092
Purchase of Government Securities	-	-	-	-	-	1,121,127
Purchase of Non Government Securities	-	-	-	-	-	206,041
Sale of Foreign Currencies	-	-	-	-	-	17,885,420
Purchase of Foreign Currencies	-	-	-	-	-	14,924,915



**JS BANK LIMITED**  
**NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE THREE MONTHS ENDED MARCH 31, 2023**

	<b>(Un-audited)</b> <b>March 31,</b> <b>2023</b>	(Audited) December 31, 2022
----- Rupees in '000 -----		
<b>38. CAPITAL ADEQUACY, LEVERAGE RATIO &amp; LIQUIDITY REQUIREMENTS</b>		
<b>Minimum Capital Requirement (MCR):</b>		
Paid-up capital (net of losses)	<u><u>10,119,242</u></u>	<u>10,119,242</u>
<b>Capital Adequacy Ratio (CAR):</b>		
Eligible Common Equity Tier 1 (CET 1) Capital	<u>18,958,712</u>	18,161,246
Eligible Additional Tier 1 (ADT 1) Capital	<u>2,500,000</u>	2,500,000
Total Eligible Tier 1 Capital	<u>21,458,712</u>	20,661,246
Eligible Tier 2 Capital	<u>3,226,056</u>	4,097,720
Total Eligible Capital (Tier 1 + Tier 2)	<u><u>24,684,768</u></u>	<u>24,758,966</u>
<b>Risk Weighted Assets (RWAs):</b>		
Credit Risk	<u>149,124,958</u>	153,443,431
Market Risk	<u>1,236,368</u>	970,174
Operational Risk	<u>32,322,263</u>	32,322,263
Total	<u><u>182,683,589</u></u>	<u>186,735,868</u>
Common Equity Tier 1 Capital Adequacy ratio	<u>10.38%</u>	<u>9.73%</u>
Tier 1 Capital Adequacy Ratio	<u>11.75%</u>	<u>11.06%</u>
Total Capital Adequacy Ratio	<u>13.51%</u>	<u>13.26%</u>
<b>Leverage Ratio (LR):</b>		
Eligible Tier-1 Capital	<u>21,458,712</u>	20,661,246
Total Exposures	<u>680,321,064</u>	683,834,651
Leverage Ratio	<u>3.15%</u>	<u>3.02%</u>
<b>Liquidity Coverage Ratio (LCR):</b>		
Total High Quality Liquid Assets	<u>119,859,592</u>	141,619,653
Total Net Cash Outflow	<u>77,601,704</u>	74,673,572
Liquidity Coverage Ratio	<u>154.45%</u>	<u>189.65%</u>
<b>Net Stable Funding Ratio (NSFR):</b>		
Total Available Stable Funding	<u>363,552,089</u>	369,449,898
Total Required Stable Funding	<u>291,328,401</u>	294,199,283
Net Stable Funding Ratio	<u>124.79%</u>	<u>125.58%</u>

**JS BANK LIMITED**  
**NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE THREE MONTHS ENDED MARCH 31, 2023**

**39. GENERAL**

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

**40. DATE OF AUTHORISATION FOR ISSUE**

These condensed interim unconsolidated financial statements were authorised for issue by the Board of Directors of the Bank in their meeting held on April 26, 2023.

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**President and  
Chief Executive Officer**

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**Chief Financial Officer**

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**Director**

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**Director**

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**Chairman**



Condensed Interim Consolidated Financial Statements  
for the Three Months Ended March 31, 2023

**JS BANK LIMITED**  
**CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT MARCH 31, 2023**

		(Un-audited) March 31, 2023	(Audited) December 31, 2022
	Note	----- Rupees in '000 -----	
<b>ASSETS</b>			
Cash and balances with treasury banks	6	<b>33,983,041</b>	24,765,248
Balances with other banks	7	<b>3,904,891</b>	1,859,792
Lendings to financial institutions	8	<b>837,339</b>	11,351,162
Investments	9	<b>238,237,696</b>	303,368,466
Advances	10	<b>224,029,851</b>	231,558,755
Fixed assets	11	<b>11,114,317</b>	11,234,696
Intangible assets	12	<b>3,944,395</b>	3,843,994
Deferred tax assets	18	<b>383,118</b>	-
Other assets	13	<b>31,138,401</b>	32,547,846
		<b>547,573,049</b>	620,529,959
<b>LIABILITIES</b>			
Bills payable	14	<b>6,209,629</b>	5,402,945
Borrowings	15	<b>52,639,317</b>	98,531,096
Deposits and other accounts	16	<b>435,718,711</b>	462,757,638
Liabilities against assets subject to finance lease		-	-
Subordinated debts	17	<b>6,995,000</b>	6,995,000
Deferred tax liabilities	18	-	212,327
Other liabilities	19	<b>22,697,243</b>	23,374,566
		<b>524,259,900</b>	597,273,572
<b>NET ASSETS</b>		<b>23,313,149</b>	23,256,387
<b>REPRESENTED BY:</b>			
Share capital - net		<b>10,119,242</b>	10,119,242
Reserves		<b>3,174,550</b>	2,787,201
Surplus on revaluation of assets	20	<b>250,161</b>	1,342,708
Unappropriated profit		<b>9,406,282</b>	8,643,962
		<b>22,950,235</b>	22,893,113
Non-controlling interest		<b>362,914</b>	363,274
		<b>23,313,149</b>	23,256,387
<b>CONTINGENCIES AND COMMITMENTS</b>			
	21		

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

\_\_\_\_\_  
**President and  
Chief Executive Officer**

\_\_\_\_\_  
**Chief Financial  
Officer**

\_\_\_\_\_  
**Director**

\_\_\_\_\_  
**Director**

\_\_\_\_\_  
**Chairman**

**JS BANK LIMITED**  
**CONDENSED INTERIM CONSOLIDATED PROFIT AND LOSS ACCOUNT (UN-AUDITED)**  
**FOR THE THREE MONTHS ENDED MARCH 31, 2023**

		<b>March 31, 2023</b>	March 31, 2022
	Note	----- Rupees in '000 -----	
Mark-up / return / interest earned	23	<b>21,021,902</b>	13,847,157
Mark-up / return / interest expensed	24	<b>15,935,720</b>	10,535,173
<b>Net mark-up / interest income</b>		<b>5,086,182</b>	3,311,984
<b>Non mark-up / interest income</b>			
Fee, commission and brokerage income	25	<b>1,144,724</b>	883,049
Dividend income		<b>142,620</b>	58,980
Foreign exchange income		<b>1,720,657</b>	339,674
Loss from derivatives		<b>(122,581)</b>	(59,637)
(Loss) / gain on securities - net	26	<b>(441,546)</b>	389,132
Share of (loss) / profit from associates		<b>(6,741)</b>	6,935
Other income	27	<b>43,168</b>	26,641
<b>Total non mark-up / interest income</b>		<b>2,480,301</b>	1,644,774
<b>Total income</b>		<b>7,566,483</b>	4,956,758
<b>Non mark-up / interest expenses</b>			
Operating expenses	28	<b>5,178,585</b>	3,739,611
Workers' welfare fund	29	<b>32,502</b>	14,037
Other charges	30	<b>19,562</b>	-
<b>Total non-mark-up / interest expenses</b>		<b>5,230,649</b>	3,753,648
<b>Profit before provisions</b>		<b>2,335,834</b>	1,203,110
Provisions and write offs - net	31	<b>762,692</b>	313,278
<b>Profit before taxation</b>		<b>1,573,142</b>	889,832
Taxation	32	<b>689,869</b>	272,257
<b>Profit after taxation</b>		<b>883,273</b>	617,575
<b>Attributable to:</b>			
Equity holders of the Bank		<b>882,413</b>	588,268
Non-controlling interest		<b>860</b>	29,307
		<b>883,273</b>	617,575
<b>Earnings per share for profit attributable to the equity holders of the Bank</b>			
		----- Rupee -----	
Basic and diluted	33	<b>0.68</b>	0.45

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

\_\_\_\_\_  
**President and  
Chief Executive Officer**

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**Chief Financial  
Officer**

\_\_\_\_\_  
**Director**

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**Director**

\_\_\_\_\_  
**Chairman**

**JS BANK LIMITED**  
**CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)**  
**FOR THE THREE MONTHS ENDED MARCH 31, 2023**

	<b>March 31, 2023</b>	March 31, 2022
	----- Rupees in '000 -----	
<b>Profit after taxation for the period</b>	<b>883,273</b>	617,575
<b>Other comprehensive income / (loss)</b>		
<b>Items that may be reclassified to profit and loss account in subsequent periods</b>		
Effect of translation of net investment in foreign branch	<b>216,115</b>	39,234
Movement in deficit on revaluation of investments - net of tax (Pakistan operations)	<b>(891,296)</b>	(933,311)
Movement in deficit of debt investments at FVOCI - net of tax (Bahrain operations)	<b>(167,224)</b>	(172,249)
	<b>(1,058,520)</b>	(1,105,560)
<b>Items that will not be reclassified to profit and loss account in subsequent periods</b>		
Movement in surplus / (deficit) of equity investments at FVOCI - net of tax (Bahrain operations)	<b>15,894</b>	(18,185)
	<b>(826,511)</b>	(1,084,511)
<b>Total comprehensive income / (loss) for the period</b>	<b>56,762</b>	(466,936)
<b>Attributable to:</b>		
Equity holders of the Bank	<b>57,122</b>	(460,587)
Non-controlling interest	<b>(360)</b>	(6,349)
	<b>56,762</b>	(466,936)

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

\_\_\_\_\_  
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**Chief Financial  
Officer**

\_\_\_\_\_  
**Director**

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**Director**

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**Chairman**

JS BANK LIMITED  
CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)  
FOR THE THREE MONTHS ENDED MARCH 31, 2023

Share capital - net	Attributable to equity holders of the Bank						Unappropriated profit	Sub-total	Non-controlling interest	Total
	Reserves		Surplus / (deficit) on revaluation of							
	Statutory reserve	Capital reserve - exchange translation	Investments	Fixed assets	Non-banking assets					
----- Rupees in '000 -----										
<b>Balance as at January 01, 2022 (Audited)</b>	10,119,242	2,137,057	194,012	1,357,656	1,751,559	119,714	7,764,840	23,444,080	388,327	23,832,407
<b>Total comprehensive loss for the three months ended March 31, 2022</b>										
Profit after taxation	-	-	-	-	-	-	588,268	588,268	29,307	617,575
Other comprehensive income / (loss) - net of tax	-	-	39,234	(1,088,089)	-	-	-	(1,048,855)	(35,656)	(1,084,511)
	-	-	39,234	(1,088,089)	-	-	588,268	(460,587)	(6,349)	(466,936)
Transfer to statutory reserve	-	81,924	-	-	-	-	(81,924)	-	-	-
Transfer from surplus on revaluation of assets - net of tax	-	-	-	-	(11,671)	(19)	11,690	-	-	-
Gain on disposal of equity investments at FVOCI transferred to unappropriated profit	-	-	-	(3,746)	-	-	3,746	-	-	-
<b>Balance as at March 31, 2022</b>	10,119,242	2,218,981	233,246	265,821	1,739,888	119,695	8,286,620	22,983,493	381,978	23,365,471
<b>Total comprehensive loss for the nine months ended December 31, 2022</b>										
Profit after taxation	-	-	-	-	-	-	493,498	493,498	(20,777)	472,721
Other comprehensive income / (loss) - net of tax	-	-	223,941	(721,875)	(32,007)	(98)	(53,839)	(583,878)	2,073	(581,805)
	-	-	223,941	(721,875)	(32,007)	(98)	439,659	(90,380)	(18,704)	(109,084)
Transfer to statutory reserve	-	111,033	-	-	-	-	(111,033)	-	-	-
Transfer from surplus on revaluation of assets - net of tax	-	-	-	-	(33,502)	(12,514)	46,016	-	-	-
Loss on disposal of equity investments at FVOCI transferred to unappropriated profit	-	-	-	17,300	-	-	(17,300)	-	-	-
<b>Balance as at December 31, 2022 (Audited)</b>	10,119,242	2,330,014	457,187	(438,754)	1,674,379	107,083	8,643,962	22,893,113	363,274	23,256,387
<b>Total comprehensive income for the three months ended March 31, 2023</b>										
Profit after taxation	-	-	-	-	-	-	882,413	882,413	860	883,273
Other comprehensive income / (loss) - net of tax	-	-	216,115	(1,041,406)	-	-	-	(825,291)	(1,220)	(826,511)
	-	-	216,115	(1,041,406)	-	-	882,413	57,122	(360)	56,762
Transfer to statutory reserve	-	171,234	-	-	-	-	(171,234)	-	-	-
Transfer from surplus on revaluation of assets - net of tax	-	-	-	-	(36,656)	(5)	36,661	-	-	-
Gain on disposal of equity investments at FVOCI transferred to unappropriated profit	-	-	-	(14,480)	-	-	14,480	-	-	-
<b>Balance as at March 31, 2023</b>	10,119,242	2,501,248	673,302	(1,494,640)	1,637,723	107,078	9,406,282	22,950,235	362,914	23,313,149

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

President and  
Chief Executive Officer

Chief Financial  
Officer

Director

Director

Chairman

**JS BANK LIMITED**  
**CONDENSED INTERIM CONSOLIDATED CASH FLOW STATEMENT (UN-AUDITED)**  
**FOR THE THREE MONTHS ENDED MARCH 31, 2023**

	March 31, 2023	March 31, 2022
Note	----- Rupees in '000 -----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	1,573,142	889,832
Less:		
Dividend income	(142,620)	(58,980)
Share of (loss) / profit from associates	6,741	(6,935)
	<u>1,437,263</u>	<u>823,917</u>
<b>Adjustments:</b>		
Depreciation on fixed assets	28 258,226	230,011
Depreciation on right-of-use assets	28 273,719	246,915
Amortisation	28 58,646	38,086
Interest expense on lease liability against right-of-use assets	24 82,982	99,243
Charge for defined benefit plan	30,899	38,481
Unrealised loss / (gain) on revaluation of investments classified as held-for-trading - net	26 13,305	(37,442)
Provisions and write offs - net	31 762,692	313,278
Provision for workers' welfare fund	29 32,502	14,037
Gain on sale of fixed assets - net	27 (25,366)	(13,189)
Gain on termination of leases - net	27 (7,107)	(4,858)
	<u>1,480,498</u>	<u>924,562</u>
	<u>2,917,761</u>	<u>1,748,479</u>
<b>Decrease / (increase) in operating assets</b>		
Lendings to financial institutions	10,513,823	31,611,628
Held-for-trading securities	(2,603,768)	(99,029)
Advances	6,815,919	7,042,811
Other assets (excluding advance taxation)	1,439,923	(537,080)
	<u>16,165,897</u>	<u>38,018,330</u>
<b>(Decrease) / increase in operating liabilities</b>		
Bills payable	806,684	(1,320,218)
Borrowings	(46,632,962)	37,712,177
Deposits and other accounts	(27,038,927)	(10,849,021)
Other liabilities	(612,305)	(562,805)
	<u>(73,477,510)</u>	<u>24,980,133</u>
	<u>(54,393,852)</u>	<u>64,746,942</u>
Income tax paid	(373,814)	(317,814)
<b>Net cash (used in) / generated from operating activities</b>	<u>(54,767,666)</u>	<u>64,429,128</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Net investments in available-for-sale securities	17,998,958	11,562,264
Net investments in held-to-maturity securities	47,766,503	(81,542,289)
Dividend received	20,445	16,483
Investments in fixed assets	(287,233)	(444,755)
Investments in intangible assets	(158,170)	(109,532)
Proceeds from sale of fixed assets	104,406	33,397
Effect of translation of net investment in foreign branch	216,115	39,234
<b>Net cash generated from / (used in) investing activities</b>	<u>65,661,024</u>	<u>(70,445,198)</u>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Payment of lease liability against right-of-use assets	(371,625)	(281,655)
Repayment of subordinated debt	-	-
<b>Net cash used in financing activities</b>	<u>(371,625)</u>	<u>(281,655)</u>
<b>Increase / (decrease) in cash and cash equivalents</b>	<u>10,521,733</u>	<u>(6,297,725)</u>
Cash and cash equivalents at beginning of the period	25,333,309	35,188,140
<b>Cash and cash equivalents at end of the period</b>	<u>34 35,855,042</u>	<u>28,890,415</u>

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

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Chief Executive Officer**

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**Chief Financial  
Officer**

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**Director**

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**Director**

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**Chairman**



**JS BANK LIMITED**  
**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE THREE MONTHS ENDED MARCH 31, 2023**

**1. STATUS AND NATURE OF BUSINESS**

1.1 The Group consists of:

**Holding Company: JS Bank Limited**

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

The Bank is a scheduled bank, engaged in commercial banking and related services as described in the Banking Companies Ordinance, 1962 and is operating through 281 (December 31, 2022: 281) branches / sub-branches in Pakistan and one wholesale banking branch in Bahrain (December 31, 2022: 1). The Pakistan Credit Rating Agency Limited (PACRA) has assigned the long-term entity rating of the Bank to AA- (Double A Minus) whereas short-term rating is maintained at A1+ (A One Plus), which is the highest possible short-term rating. The ratings denote a very low expectation of credit risk and indicate very strong capacity for timely repayment of financial commitments.

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

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

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

**1.2 Composition of the Group**

	<b>Ownership interest and voting power held by the Bank</b>			
	<b>March 31, 2023</b>		<b>December 31, 2022</b>	
	<b>The Group</b>	<b>NCI</b>	<b>The Group</b>	<b>NCI</b>
<b>Subsidiaries</b>				
JS Global Capital Limited	<b>92.90%</b>	<b>7.10%</b>	92.90%	7.10%
JS Investments Limited	<b>84.56%</b>	<b>15.44%</b>	84.56%	15.44%

**1.3 Composition of the associated companies**

	<b>Ownership interest and voting power held by the Bank</b>	
	<b>March 31, 2023</b>	<b>December 31, 2022</b>
	<b>Associates</b>	
Omar Jibran Engineering Industries Limited	<b>9.60%</b>	9.60%
Veda Transit Solutions (Private) Limited	<b>3.92%</b>	3.92%
Intercity Touring Company (Private) Limited	<b>9.12%</b>	9.12%

**JS BANK LIMITED**  
**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE THREE MONTHS ENDED MARCH 31, 2023**

- 1.4** The shareholders of the Bank had at their Annual General Meeting held on March 29, 2023, approved that 42.45%, i.e., 470,603,772 ordinary voting shares and control of BankIslami Pakistan Limited (BIPL), may be acquired from existing sponsors and other shareholders of BIPL (including but not limited to, Jahangir Siddiqui & Co. Ltd., the holding company of the Bank). The acquisition be made through agreements against the issuance of 532,629,349 new shares of the Bank by way of other than rights and other than cash consideration, i.e., 1.1318 ordinary shares of the Bank to be issued as consideration for every 1 ordinary share of BIPL.

The Shareholders further approved that a public offer for a minimum of 24.88% ordinary shares of BIPL be made to all public shareholders as required under the Regulations in exchange for (as consideration in combination to be calculated at the pertinent time) a maximum of 59.56% shares and 67.90% ordinary shares of JS Investments Limited and JS Global Capital Limited (subsidiary companies of the Bank) respectively, currently held by the Bank as required and permissible under the Regulations.

The acquisition is subject to necessary permission from the State Bank of Pakistan (SBP) and the Competition Commission of Pakistan, as well as other regulatory approvals and compliance of all regulatory and statutory formalities as may be applicable. The issuance of shares other than rights is subject to permission of the Securities and Exchange Commission of Pakistan (SECP).

Subsequently, the Board of Directors, at their duly convened meeting held on April 26, 2023 have resolved (subject to the approval of shareholders in the general meeting by way of special resolution) to change the consideration for public offer portion to be in cash. In connection therewith, the Board has also decided to issue 17% Right Shares, i.e. 17 right shares for every 100 shares held, at par value of Rs. 10/- each.

## **2. BASIS OF PRESENTATION**

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

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

### **2.1 Statement of Compliance**

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

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

Whenever the requirements of the Banking Companies Ordinance, 1962, the Companies Act, 2017, or the directives issued by the SBP and the SECP differ with the requirements of IFRS, the requirements of the Banking Companies 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, 'Interim Financial Reporting'.

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, 2022.

**JS BANK LIMITED**  
**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE THREE MONTHS ENDED MARCH 31, 2023**

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

International Financial Reporting Standard (IFRS) 10, 'Consolidated Financial Statements', was made applicable from period beginning on or after January 01, 2015 vide S.R.O 633(I)/2014 dated July 10, 2014 by SECP. However, SECP has directed through S.R.O 56(I)/2016 dated January 28, 2016, that the requirement of consolidation under section 228 of the Companies Act, 2017 and IFRS 10, 'Consolidated Financial Statements' is not applicable in case of investment by companies in mutual funds established under trust structure. Accordingly, the requirements of these standards have not been considered in the preparation of these condensed interim consolidated financial statements.

## **2.2 Basis of Consolidation**

### **The Group**

- The condensed interim consolidated financial statements include the financial statements of the Bank and its subsidiary companies together - the Group.
- Subsidiaries are entities controlled by the Group. Control exists when the Group is exposed, or has rights, to variable returns from its investment with investee and has the ability to effect those return through its power over the investee, except investment in mutual funds established under trust structure where International Financial Reporting Standard (IFRS) 10, 'Consolidated Financial Statements' is not applicable.
- 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 Bank.
- Material intra-group balances and transactions are eliminated.

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

There are certain other amendments to existing accounting and reporting standards that have become applicable to the Bank for accounting periods beginning on or after January 01, 2023. These are either considered to not be relevant or do not have any significant impact and accordingly have not been detailed in these condensed interim consolidated financial statements.

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

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

During the period, SBP has further extended the effective date of applicability of IFRS 9 to January 01, 2024 through its BPRD Circular Letter No. 07 of 2023 dated April 13, 2023.

**JS BANK LIMITED**  
**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE THREE MONTHS ENDED MARCH 31, 2023**

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

There are certain other new and amended standards, interpretations of and amendments that are mandatory for the Bank's accounting periods beginning on or after January 01, 2024 but are considered not to be relevant or do not have any significant effect on the Group's operations and are, therefore, not detailed in these condensed interim consolidated financial statements.

**3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS**

The basis for accounting estimates adopted in the preparation of these condensed interim consolidated financial statements are the same as that applied in the preparation of the consolidated financial statements for the year ended December 31, 2022.

**4. SIGNIFICANT ACCOUNTING POLICIES**

The significant accounting policies and methods of computation adopted in the preparation of these condensed interim consolidated financial statements are consistent with those applied in the preparation of the consolidated financial statements for the year ended December 31, 2022.

**5. FINANCIAL RISK MANAGEMENT**

The financial risk management objectives and policies adopted by the Group are consistent with those disclosed in the consolidated financial statements for the year ended December 31, 2022.

		<b>(Un-audited)</b>	(Audited)
		<b>March 31,</b>	December 31,
		<b>2023</b>	2022
		----- Rupees in '000 -----	
<b>6. CASH AND BALANCES WITH TREASURY BANKS</b>	Note		
<b>In hand</b>			
Local currency		<b>9,245,200</b>	7,824,569
Foreign currencies		<b>1,082,845</b>	488,360
		<b>10,328,045</b>	8,312,929
<b>With State Bank of Pakistan in</b>			
Local currency current account		<b>18,572,958</b>	15,207,132
Foreign currency current account - non remunerative		<b>950,703</b>	815,151
Foreign currency deposit account - remunerative		<b>2,804,427</b>	364,657
		<b>22,328,088</b>	16,386,940
<b>With National Bank of Pakistan in local</b>			
<b>currency current accounts</b>		<b>1,315,636</b>	58,322
<b>National Prize Bonds</b>		<b>11,272</b>	7,057
		<b>33,983,041</b>	24,765,248
<b>7. BALANCES WITH OTHER BANKS</b>			
<b>In Pakistan</b>			
In current accounts		<b>813,385</b>	260,350
In deposit accounts		<b>2,008</b>	54,108
		<b>815,393</b>	314,458
<b>Outside Pakistan</b>			
In current accounts		<b>3,089,557</b>	1,545,369
		<b>3,904,950</b>	1,859,827
Less: General provision under IFRS 9	7.1	<b>(59)</b>	(35)
Balances with other banks - net of provision		<b>3,904,891</b>	1,859,792
<b>7.1</b>	This represents general provision held under IFRS 9 by Bahrain branch of the Bank.		
<b>8. LENDINGS TO FINANCIAL INSTITUTIONS</b>			
Repurchase agreement lendings (reverse repo)		<b>837,339</b>	11,351,162

JS BANK LIMITED  
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE THREE MONTHS ENDED MARCH 31, 2023

9. INVESTMENTS	March 31, 2023 (Un-audited)				December 31, 2022 (Audited)			
	Cost / Amortised cost	Provision for diminution	Surplus / (deficit)	Carrying value	Cost / Amortised cost	Provision for diminution	Surplus / (deficit)	Carrying value
9.1 Investments by type:	Note ----- Rupees in '000 -----							
<b>Held-for-trading securities</b>								
<b>Federal Government Securities</b>								
Market Treasury Bills	2,701,355	-	(19,117)	2,682,238	33,538	-	(107)	33,431
<b>Shares</b>								
<b>Listed Companies</b>								
Ordinary shares	527,437	-	(1,047)	526,390	559,170	-	11,528	570,698
<b>Open End Mutual Funds</b>	527,219	-	6,859	534,078	546,355	-	1,762	548,117
<b>Available-for-sale securities</b>								
<b>Federal Government Securities</b>								
Market Treasury Bills	53,948,663	-	(669,226)	53,279,437	40,317,081	-	(395,161)	39,921,920
Pakistan Investment Bonds - Fixed	33,787,428	-	(2,223,712)	31,563,716	34,811,083	-	(1,399,722)	33,411,361
Pakistan Investment Bonds - Floater	38,607,605	-	(81,584)	38,526,021	69,406,348	-	(31,328)	69,375,020
Government of Pakistan Eurobonds	1,848,628	(101,933)	(1,006,183)	740,512	1,470,530	(49,083)	(743,736)	677,711
	128,192,324	(101,933)	(3,980,705)	124,109,686	146,005,042	(49,083)	(2,569,947)	143,386,012
<b>Shares</b>								
<b>Listed Companies</b>								
Ordinary shares	3,462,929	-	1,532,096	4,995,025	3,213,934	-	1,936,543	5,150,477
Preference shares	136,589	(136,589)	-	-	136,589	(136,589)	-	-
<b>Unlisted Companies</b>								
Ordinary shares	11,000	-	-	11,000	11,000	-	-	11,000
	3,610,518	(136,589)	1,532,096	5,006,025	3,361,523	(136,589)	1,936,543	5,161,477
<b>Non Government Debt Securities</b>								
<b>Listed</b>								
Term Finance Certificates	518,446	(143,446)	5,929	380,929	523,541	(143,446)	28	380,123
Sukuk Certificates	215,102	-	42	215,144	263,884	-	92	263,976
<b>Unlisted</b>								
Term Finance Certificates	466,589	(466,589)	-	-	466,589	(466,589)	-	-
Sukuk Certificates	1,142,486	-	-	1,142,486	1,212,440	-	-	1,212,440
Preference shares	27,733	(27,733)	-	-	27,733	(27,733)	-	-
	2,370,356	(637,768)	5,971	1,738,559	2,494,187	(637,768)	120	1,856,539
<b>Foreign Securities</b>								
Government Debt Securities	1,395,966	(178,085)	(183,119)	1,034,762	410,164	(129,576)	(146,817)	133,771
Non Government Debt Securities	-	-	-	-	679,632	(394)	(5,374)	673,864
Ordinary shares	92,570	-	(26,226)	66,344	335,143	-	(28,705)	306,438
	1,488,536	(178,085)	(209,345)	1,101,106	1,424,939	(129,970)	(180,896)	1,114,073
<b>Open End Mutual Funds</b>	576,369	-	22,001	598,370	951,370	-	32,261	983,631
<b>Held-to-maturity securities</b>								
<b>Federal Government Securities</b>								
Market Treasury Bills	57,788,746	-	-	57,788,746	105,615,196	-	-	105,615,196
Pakistan Investment Bonds - Fixed	10,216,518	-	-	10,216,518	10,136,487	-	-	10,136,487
Pakistan Investment Bonds - Floater	33,666,070	-	-	33,666,070	33,686,154	-	-	33,686,154
9.1.1	101,671,334	-	-	101,671,334	149,437,837	-	-	149,437,837
<b>Associates</b>								
Omar Jibran Engineering Industries Ltd.	231,992	-	-	231,992	236,194	-	-	236,194
Veda Transit Solutions (Pvt.) Ltd.	37,918	-	-	37,918	40,457	-	-	40,457
	269,910	-	-	269,910	276,651	-	-	276,651
<b>Total Investments</b>	<b>241,935,358</b>	<b>(1,054,375)</b>	<b>(2,643,287)</b>	<b>238,237,696</b>	<b>305,090,612</b>	<b>(953,410)</b>	<b>(768,736)</b>	<b>303,368,466</b>

9.1.1 The market value of securities classified as held-to-maturity as at March 31, 2023 amounted to Rs. 96,848.850 million (December 31, 2022: Rs. 147,022.393 million).

9.2 Investments given as collateral	(Un-audited) March 31, 2023		(Audited) December 31, 2022	
	Cost	Market value	Cost	Market value
----- Rupees in '000 -----				
<b>Federal Government Securities</b>				
Market Treasury Bills	3,930,000	3,636,670	-	-
Pakistan Investment Bonds - Floater	13,500,000	13,162,500	62,800,000	62,198,080
	17,430,000	16,799,170	62,800,000	62,198,080
<b>9.3 Provision for diminution in value of investments</b>				
Note ----- Rupees in '000 -----				
Opening balance			953,410	922,888
Exchange rate adjustments			49,752	28,126
Charge for the period / year			-	24,570
Reversals for the period / year			-	(104,869)
			31	(80,299)
<b>Impairment under IFRS 9 in Bahrain branch</b>			51,213	82,695
Charge during the period / year				
Closing balance			1,054,375	953,410



**JS BANK LIMITED**  
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		<b>(Un-audited)</b>	(Audited)
		<b>March 31,</b>	December 31,
		<b>2023</b>	2022
	Note	----- Rupees in '000 -----	
<b>11. FIXED ASSETS</b>			
Capital work-in-progress	11.1	<b>883,879</b>	883,380
Property and equipment	11.2 & 11.3	<b>7,848,683</b>	7,894,072
Right-of-use assets	11.4	<b>2,381,755</b>	2,457,244
		<b><u>11,114,317</u></b>	<u>11,234,696</u>

**11.1 Capital work-in-progress**

Civil works	<b>218,813</b>	197,727
Advances to suppliers	<b>290</b>	685,363
Equipment	<b>664,776</b>	290
	<b><u>883,879</u></b>	<u>883,380</u>

**11.2 Additions to fixed assets**

	<b>(Un-audited)</b>	
	<b>January -</b>	January -
	<b>March</b>	March
	<b>2023</b>	2022
	----- Rupees in '000 -----	

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

Capital work-in-progress - net	<b>119,452</b>	299,293
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**Property and equipment**

Leasehold improvements	<b>92,850</b>	172,934
Furniture and fixture	<b>50,231</b>	49,501
Electrical, office and computer equipments	<b>143,653</b>	149,284
	<b>286,734</b>	371,719

<b>Total</b>	11.2.1	<b><u>406,186</u></b>	<u>671,012</u>
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**11.2.1** This includes transfer from capital work in progress during the period of Rs. 118.953 million (March 31, 2022: Rs. 229.961 million).

**11.3 Disposal of fixed assets**

The net book value of fixed assets disposed off during the period is as follows:

**Property and equipment**

Building on leasehold land	<b>61,165</b>	-
Leasehold improvements	<b>1,219</b>	-
Furniture and fixture	<b>1,846</b>	1,341
Electrical, office and computer equipments	<b>11,172</b>	9,725
Vehicles	<b>3,638</b>	9,142

<b>Total</b>	<b><u>79,040</u></b>	<u>20,208</u>
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		<b>(Un-audited)</b>	(Audited)
		<b>March 31,</b>	December 31,
		<b>2023</b>	2022
	Note	----- Rupees in '000 -----	
<b>11.4 Right-of-use assets</b>			
Opening balance		<b>2,457,244</b>	3,052,072
Additions / renewals		<b>216,017</b>	837,677
Terminations		<b>(18,221)</b>	(303,538)
Depreciation charge	28	<b>(273,719)</b>	(1,097,098)
Exchange rate adjustments		<b>5,725</b>	6,266
Other adjustments		<b>(5,291)</b>	(38,135)
Closing balance		<b><u>2,381,755</u></b>	<u>2,457,244</u>

**12. INTANGIBLE ASSETS**

Capital work-in-progress	12.1	<b>807,469</b>	776,089
Computer software	12.1	<b>1,668,302</b>	1,599,281
Goodwill		<b>1,463,624</b>	1,463,624
Others		<b>5,000</b>	5,000
		<b><u>3,944,395</u></b>	<u>3,843,994</u>

		<b>(Un-audited)</b>	
		<b>January -</b>	January -
		<b>March</b>	March
		<b>2023</b>	2022
		----- Rupees in '000 -----	
<b>12.1 Additions to intangible assets</b>			

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

Capital work-in-progress - net		<b>132,435</b>	109,168
Computer software	12.1.1	<b>126,790</b>	3,620
		<b><u>259,225</u></b>	<u>112,788</u>

**12.1.1** This includes transfer from capital work in progress during the period of Rs. 101.055 million (March 31, 2022: Rs. 3.620 million).



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		(Un-audited) March 31, 2023	(Audited) December 31, 2022
		----- Rupees in '000 -----	
<b>13. OTHER ASSETS</b>	Note		
Mark-up / return / interest accrued in local currency		<b>11,196,075</b>	12,324,859
Mark-up / return / interest accrued in foreign currencies		<b>2,711</b>	33,276
Advances, deposits, advance rent and other prepayments		<b>1,717,708</b>	1,995,577
Acceptances		<b>2,390,023</b>	6,586,244
Dividend receivable		<b>122,175</b>	-
Advance taxation (payments less provision)		<b>992,652</b>	1,113,186
Receivable from defined benefit plans		<b>88,624</b>	119,523
Receivable against bancassurance / bancatakaful		<b>11,098</b>	17,498
Receivable in respect of home remittance		<b>38,668</b>	22,004
Due from State Bank of Pakistan		<b>818,654</b>	752,409
Rebates receivable - net		<b>222,800</b>	226,094
Non-banking assets acquired in satisfaction of claims		<b>3,658,412</b>	3,664,799
Mark to market gain on derivative instruments		<b>2,704</b>	14,874
Mark to market gain on forward foreign exchange contracts		<b>5,552,961</b>	1,108,517
Advance against investments in securities		<b>1,178,306</b>	1,178,306
Branchless banking fund settlement		-	326,775
Inter bank fund transfer settlement		<b>243,475</b>	1,164,134
Credit card settlement		<b>356,046</b>	338,269
Insurance claims receivable		<b>26,972</b>	27,437
Trade receivable from brokerage and advisory business - net		<b>2,114,051</b>	1,085,671
Balances due from funds under management		<b>114,730</b>	124,679
Others		<b>612,707</b>	646,858
		<b>31,461,552</b>	32,870,989
Less: Provision held against other assets	13.1	<b>(430,569)</b>	(430,569)
Other assets - net of provision		<b>31,030,983</b>	32,440,420
Surplus on revaluation of non-banking assets acquired in satisfaction of claims	20	<b>107,418</b>	107,426
Other assets - total		<b>31,138,401</b>	32,547,846

**13.1 Provision held against other assets**

Advances, deposits, advance rent and other prepayments	<b>10,184</b>	10,184
Trade receivable from brokerage and advisory business - net	<b>419,328</b>	419,328
Others	<b>1,057</b>	1,057
	<b>430,569</b>	430,569

**13.1.1 Movement of provision held against other assets**

Opening balance	<b>430,569</b>	430,569
Charge during the period / year	-	13,870
Reversals during the period / year	-	(13,870)
	-	-
Closing balance	<b>430,569</b>	430,569

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	(Un-audited) March 31, 2023	(Audited) December 31, 2022
----- Rupees in '000 -----		
<b>14. BILLS PAYABLE</b>		
In Pakistan	<b>5,807,943</b>	5,083,176
Outside Pakistan	<b>401,686</b>	319,769
	<b>6,209,629</b>	5,402,945

**15. BORROWINGS**

**Secured**

Borrowings from State Bank of Pakistan under:

Export refinancing scheme	<b>19,183,345</b>	20,288,522
Long-term finance facility	<b>2,510,516</b>	2,337,963
Financing facility for storage of agricultural produce	<b>117,758</b>	133,097
Financing facility for renewable energy projects	<b>1,010,785</b>	1,078,480
Refinance for women entrepreneurs	<b>76,809</b>	82,127
Refinance scheme for payment of wages & salaries	<b>1,042</b>	7,179
Refinance facility for modernization of Small and Medium Enterprises (SMEs)	<b>66,585</b>	70,911
Refinance facility for combating COVID-19	<b>210,662</b>	230,090
Temporary economic refinance facility	<b>4,921,723</b>	4,832,742
Small enterprise financing and credit guarantee scheme for special persons	<b>2,774</b>	3,039
Refinance facility for working capital of SMEs	<b>192</b>	385
Refinance facility for SME Asaan Finance (SAAF) scheme	<b>1,802,060</b>	1,607,471
Repurchase agreement borrowings	<b>13,500,000</b>	62,800,000
	<b>43,404,251</b>	93,472,006

Borrowing from financial institutions:

Repurchase agreement borrowings	<b>3,619,537</b>	-
Refinancing facility for mortgage loans	<b>3,582,580</b>	3,675,329
Running finance	<b>-</b>	91,995
	<b>7,202,117</b>	3,767,324

**Unsecured**

Overdrawn nostro accounts	<b>2,032,949</b>	1,291,766
	<b>52,639,317</b>	98,531,096

**15.1 Particulars of borrowings**

In local currency	<b>50,606,368</b>	97,239,330
In foreign currencies	<b>2,032,949</b>	1,291,766
	<b>52,639,317</b>	98,531,096

**JS BANK LIMITED**  
**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
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**16. DEPOSITS AND OTHER ACCOUNTS**

	(Un-audited) March 31, 2023			(Audited) December 31, 2022		
	In Local Currency	In Foreign Currencies	Total	In Local Currency	In Foreign Currencies	Total
----- Rupees in '000 -----						
<b>Customers</b>						
Current deposits	120,383,360	9,990,231	130,373,591	118,168,325	9,299,899	127,468,224
Savings deposits	114,300,478	7,128,435	121,428,913	115,689,127	6,410,101	122,099,228
Term deposits	135,945,176	15,926,480	151,871,656	169,651,265	10,755,327	180,406,592
Margin deposits	17,286,334	2,105	17,288,439	13,179,090	289	13,179,379
	<b>387,915,348</b>	<b>33,047,251</b>	<b>420,962,599</b>	416,687,807	26,465,616	443,153,423
<b>Financial Institutions</b>						
Current deposits	1,404,295	477,681	1,881,976	1,373,845	710,695	2,084,540
Savings deposits	6,502,232	695	6,502,927	9,346,187	1,279	9,347,466
Term deposits	6,371,209	-	6,371,209	8,172,209	-	8,172,209
	14,277,736	478,376	14,756,112	18,892,241	711,974	19,604,215
	<b>402,193,084</b>	<b>33,525,627</b>	<b>435,718,711</b>	435,580,048	27,177,590	462,757,638

**17. SUBORDINATED DEBTS**

		(Un-audited) March 31, 2023	(Audited) December 31, 2022
----- Rupees in '000 -----			
Term Finance Certificates - Second Issue	17.1	1,996,000	1,996,000
Term Finance Certificates - Third Issue	17.2	2,500,000	2,500,000
Term Finance Certificates - Fourth Issue	17.3	2,499,000	2,499,000
		<b>6,995,000</b>	<b>6,995,000</b>

- 17.1** In 2017, the Bank had 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 the State Bank of Pakistan (SBP) under the BPRD Circular No. 06 dated August 15, 2013 and Basel III guidelines. Summary of terms and conditions of the Issue are:

Purpose:	To contribute towards the Bank's Tier II Capital for complying with the capital adequacy requirement and to utilize the funds in the Bank's business operations as permitted by its Memorandum & Articles of Association.
Issue date:	December 29, 2017
Tenure:	Up to Seven years from the issue date.
Maturity date:	December 29, 2024
Rating:	A + (Single A Plus)
Profit rate:	Floating rate of return at Base Rate + 1.4 percent per annum;  Base Rate is defined as the average six months KIBOR prevailing on the Base Rate setting date. The Base Rate will be set for the first time on the last working day prior to the issue date and subsequently on the immediately preceding business day before the start of each six monthly period.
Profit payment:	Semi-annual
Redemption:	The instrument is structured to redeem 0.24% of the Issue amount during the first six years after the issue date and the remaining Issue amount of 99.76% in two equal semi-annual installments of 49.88% each in the last year.
Security:	The Issue is unsecured and subordinated as to payment of principal and profit to all other indebtedness of the Bank, including deposits, and will not be redeemable before maturity without prior approval of SBP.
Call option:	Exercisable in part or in full on or after the 10th redemption, 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 No. 06 dated August 15, 2013, SBP may at its option, fully and permanently convert the TFCs into common shares of the Bank and / or have them immediately written off (either partially or in full). Number of shares to be issued to TFC holders at the time of conversion will be equal to the 'Outstanding Face Value of the TFCs' divided by market value per share of the Bank's common share on the date of trigger of Point of Non-Viability (PONV) as declared by SBP, subject to a cap of 319,982,544 shares.

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**17.2** In 2018, the Bank had 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 the State Bank of Pakistan (SBP) under the BPRD Circular No. 06 dated August 15, 2013 and Basel III guidelines. Summary of terms and conditions of the Issue are:

Purpose:	To contribute towards the Bank's Tier I Capital for complying with the capital adequacy requirement and to utilize the funds in the Bank's business operations as permitted by its Memorandum & Articles of Association.
Issue date:	December 31, 2018
Maturity Date:	Perpetual
Rating:	A (Single A)
Profit Rate:	Floating rate of return at Base Rate + 2.25 percent per annum;  Base Rate is defined as the average six months KIBOR prevailing on the Base Rate setting date. The Base Rate will be set for the first time on the last working day prior to the issue date and subsequently on the immediately preceding business day before the start of each six monthly period.
Profit payment:	Semi-annually on a non-cumulative basis
Redemption:	Not applicable
Security:	The Issue is unsecured
Subordination:	The Issue is subordinated as to payment of principal and profit to all other claims except common shares.
Call Option:	Exercisable in part or in full at a par value on or after five years from the issue date, with prior approval of SBP. The Bank shall not exercise the call option unless the called instrument is replaced with capital of same or better quality.
Lock-in-clause:	Payment of profit will be made from current year's earning and subject to compliance with MCR and / or CAR or LR set by SBP.
<b>Loss absorbency clause:</b>	
Pre-Specified Trigger (PST)	Upon the occurrence of a Pre-Specified Trigger as defined under SBP BPRD Circular No. 06 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 (RWAs), the issuer will have full discretion to determine the amount of TFCs to be permanently converted into common shares or written off, subject to SBP regulations / instructions, and the cap specified below. The Bank will be able to exercise this discretion subject to:  <ul style="list-style-type: none"> <li>- If and when Bank's CET 1 reaches the loss absorption trigger point, the aggregate amount of Additional Tier-1 capital to be converted must at least be the amount sufficient to immediately return the CET 1 ratio to above 6.625% of total RWA (if possible);</li> <li>- 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</li> <li>- In case, conversion of Additional Tier-1 capital Instrument is not possible following the trigger event, the amount of the Instrument must be written off in the accounts resulting in increase in CET 1 of the issuer.</li> </ul>
Point of Non-Viability (PONV)	Upon the occurrence of a Point of Non-Viability event as defined under SBP BPRD Circular # 6 of 2013 dated August 15, 2013, which stipulates that SBP may, at its option, fully and permanently convert the TFCs into common shares of the Issuer and / or have them immediately written off (either partially or in full). Number of shares to be issued to TFC holders at the time of conversion will be equal to the 'Outstanding Value of the TFCs' divided by market value per share of the Issuer's common / ordinary share on the date of the PONV trigger event as declared by SBP, subject to the cap specified below:  The PONV trigger event is the earlier of:  <ul style="list-style-type: none"> <li>- A decision made by SBP that a conversion or temporary / permanent write-off is necessary without which the Issuer would become non-viable;</li> <li>- 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.</li> <li>- 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.</li> </ul>

**17.3** In 2021, the Bank has issued Rs. 2.5 billion of rated, privately placed and listed, unsecured and subordinated term finance certificates (TFCs or the Issue) as an instrument of redeemable capital under Section 66 of the Companies Act, 2017 and as outlined by State Bank of Pakistan, SBP, under the BPRD circular No. 06 dated August 15, 2013 and Basel III guidelines. Summary of terms and conditions of the issue are:

Purpose:	To contribute towards the Bank's Tier II Capital for complying with the capital adequacy requirement and to utilize the funds in the Bank's business operations as permitted by its Memorandum & Articles of Association.
Issue date:	December 28, 2021
Tenure:	Up to Seven years from the issue date.
Maturity Date:	December 28, 2028
Rating:	A + (Single A Plus)
Profit Rate:	Floating rate of return at Base rate + 2 percent per annum;  Base rate is defined as the average six months KIBOR prevailing on the Base Rate setting date. The Base Rate will be set for the first time on the last working day prior to the Issue Date and subsequently on the immediately preceding business day before the start of each six monthly period.
Profit payment:	Semi-annual
Redemption:	The instrument is structured to redeem 0.24% of the Issue amount during the first six years after the issue date and the remaining Issue amount of 99.76% in two equal semi-annual installments of 49.88% each in the last year.
Security:	The Issue is unsecured
Subordination:	The Issue is subordinated all other indebtedness of the Bank including depositors, however, senior to the claims of investors in instruments eligible for inclusion in Tier I Capital
Call Option:	Exercisable in part or in full on or after the 10th redemption, subject to SBP's approval.
Lock-in-clause:	Payment of profit will be made from current year's earning and subject to compliance with MCR and / or CAR or LR set by SBP.
Loss absorbency 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 400,647,739 shares.

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		(Un-audited) March 31, 2023	(Audited) December 31, 2022
<b>18. DEFERRED TAX ASSETS / (LIABILITIES)</b>	Note	----- Rupees in '000 -----	
<b>Deductible Temporary Differences on:</b>			
Provision against investments		70,212	70,212
Provision against loans and advances		271,000	396,175
Other assets		(95,307)	244,327
Surplus on revaluation of investments classified as held-for-trading		130,217	(130,722)
Surplus on revaluation of investments classified as available-for-sale	20	1,138,419	347,462
		<b>1,514,541</b>	927,454
<b>Taxable Temporary Differences on:</b>			
Accelerated tax depreciation		(197,132)	(182,284)
Goodwill		(629,358)	(629,358)
Surplus on revaluation of fixed assets	20	(304,593)	(327,796)
Surplus on revaluation of non-banking assets acquired in satisfaction of claims	20	(340)	(343)
		<b>(1,131,423)</b>	(1,139,781)
		<b>383,118</b>	(212,327)
<b>19. OTHER LIABILITIES</b>			
Mark-up / return / interest payable in local currency		5,345,439	5,044,455
Mark-up / return / interest payable in foreign currencies		131,716	45,769
Unearned income on guarantees		404,103	368,800
Accrued expenses		689,644	730,263
Acceptances		2,390,023	6,586,244
Unclaimed dividends		7,576	7,576
Mark to market loss on derivative instruments		125,294	22,710
Mark to market loss on forward foreign exchange contracts		1,960,080	529,887
Withholding taxes payable		792,487	760,601
Donation payable to Future Trust		59,197	27,720
Security deposits against leases, lockers and others		2,325,891	2,468,743
Workers' welfare fund	29	293,298	260,796
Payable in respect of home remittance		875,091	435,629
Insurance payable		187,939	209,834
Payable to vendors against SBS goods		358,664	380,040
Lease liability against right-of-use assets	19.1	2,697,526	2,795,197
Debit card settlement		179,184	269,365
Branchless banking fund settlement		99,702	-
Clearing and settlement accounts		513,407	49,938
Trade payable from brokerage and advisory business - net		2,916,756	2,001,608
Dividend payable		4,922	4,922
Others		339,304	374,469
		<b>22,697,243</b>	23,374,566

**19.1 Lease liabilities**

The carrying amounts of lease liabilities and the movements during the period / year is as below:

Opening balance		2,795,197	3,415,585
Additions / renewals		216,017	856,381
Terminations		(24,670)	(480,195)
Mark-up on lease liability against right-of-use assets	24	82,982	384,801
Payments		(372,151)	(1,388,606)
Exchange rate adjustments		5,574	7,231
Other adjustments		(5,423)	-
Closing balance		<b>2,697,526</b>	2,795,197

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20. SURPLUS ON REVALUATION OF ASSETS

	Note	(Un-audited) March 31, 2023			(Audited) December 31, 2022		
		Attributable to			Attributable to		
		Equity Holders	Non - Controlling Interest	Total	Equity Holders	Non - Controlling Interest	Total
----- Rupees in '000 -----							
<b>(Deficit) / surplus on revaluation of:</b>							
- Available-for-sale securities	9.1	(2,633,059)	3,077	(2,629,982)	(786,173)	4,254	(781,919)
- Fixed assets		1,942,316	-	1,942,316	2,002,175	-	2,002,175
- Non-banking assets acquired in satisfaction of claims	13	107,418	-	107,418	107,426	-	107,426
		(583,325)	3,077	(580,248)	1,323,428	4,254	1,327,682
<b>Deferred tax on (deficit) / surplus on revaluation of:</b>							
- Available-for-sale securities		1,138,419	-	1,138,419	347,419	43	347,462
- Fixed assets		(304,593)	-	(304,593)	(327,796)	-	(327,796)
- Non-banking assets acquired in satisfaction of claims		(340)	-	(340)	(343)	-	(343)
		833,486	-	833,486	19,280	43	19,323
		<b>250,161</b>	<b>3,077</b>	<b>253,238</b>	<b>1,342,708</b>	<b>4,297</b>	<b>1,347,005</b>

21. CONTINGENCIES AND COMMITMENTS

	Note	(Un-audited) March 31, 2023	(Audited) December 31, 2022
----- Rupees in '000 -----			
Guarantees	21.1	75,340,611	83,175,591
Commitments	21.2	115,544,988	94,526,372
Other contingencies	21.3	646,479	646,479
		<b>191,532,078</b>	<b>178,348,442</b>

21.1 Guarantees

Financial guarantees	766,176	3,668,949
Performance guarantees	33,075,930	34,702,865
Other guarantees	41,498,505	44,803,777
	<b>75,340,611</b>	<b>83,175,591</b>

21.2 Commitments

Documentary credits and short-term trade-related transactions		(Un-audited) March 31, 2023	(Audited) December 31, 2022
- Letters of credit		32,796,590	22,381,092
<b>Commitments in respect of:</b>			
- Forward foreign exchange contracts	21.2.1	68,857,248	68,486,603
- Derivative instruments	21.2.2	12,662,322	2,911,354
- Forward lending	21.2.3	284,067	284,067
<b>Commitments for acquisition of:</b>			
- Fixed assets	21.2.4	944,761	463,256
		<b>115,544,988</b>	<b>94,526,372</b>

21.2.1 Commitments in respect of forward foreign exchange contracts

Purchase	37,687,652	41,239,463
Sale	31,169,596	27,247,140
	<b>68,857,248</b>	<b>68,486,603</b>

21.2.2 Commitments in respect of derivative instruments

Cross currency swaps		(Un-audited) March 31, 2023	(Audited) December 31, 2022
Purchase		-	234,300
Sale		-	234,300
		<b>-</b>	<b>468,600</b>



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		(Un-audited)	
		March 31, 2023	March 31, 2022
		----- Rupees in '000 -----	
<b>23. MARK-UP / RETURN / INTEREST EARNED</b>	Note		
<b>On:</b>			
Loans and advances		9,124,107	6,425,671
Investments		11,320,135	7,049,369
Lendings to financial institutions		33,322	44,523
Securities purchased under resale agreements		489,607	314,620
Balances with other banks		54,731	12,974
		<u>21,021,902</u>	<u>13,847,157</u>
<b>24. MARK-UP / RETURN / INTEREST EXPENSED</b>			
<b>On:</b>			
Deposits		10,930,221	7,447,715
Borrowings		4,533,258	2,534,264
Subordinated debt		327,149	225,826
Cost of foreign currency swaps against foreign currency deposits / borrowings		62,110	228,125
Lease liability against right-of-use assets	19.1	82,982	99,243
		<u>15,935,720</u>	<u>10,535,173</u>
<b>25. FEE, COMMISSION AND BROKERAGE INCOME</b>			
Branch banking customer fees		39,524	25,307
Consumer finance related fees		134,326	90,867
Card related fees (debit and credit cards)		98,472	87,559
Investment banking fees		33,222	23,722
Commission on trade		222,066	216,056
Commission on guarantees		169,095	131,553
Commission on cash management		14,845	4,425
Commission on remittances including home remittances		41,038	17,827
Commission on bancassurance		20,880	16,341
Commission on distribution of mutual funds		-	847
Commission on online services		94,800	71,737
Postage and courier income		2,818	5,003
Rebate income		87,925	59,718
Brokerage income		148,012	95,884
Management fee		37,701	36,203
		<u>1,144,724</u>	<u>883,049</u>
<b>26. (LOSS) / GAIN ON SECURITIES - NET</b>			
Realised	26.1	(428,241)	351,690
Unrealised - held-for-trading		(13,305)	37,442
		<u>(441,546)</u>	<u>389,132</u>
<b>26.1 Realised (loss) / gain on:</b>			
<b>Federal government securities</b>			
Market treasury bills		(422,980)	(122,524)
Pakistan investment bonds		(85,072)	182,285
Ijara sukuk certificates		13,848	28
		<u>(494,204)</u>	<u>59,789</u>
<b>Shares</b>			
Listed companies		16,083	18,859
<b>Non Government Debt Securities</b>			
Term finance certificates		10,945	4,117
<b>Mutual fund units</b>		38,575	268,925
<b>Foreign currency bonds</b>		360	-
		<u>(428,241)</u>	<u>351,690</u>



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	(Un-audited)	
	March 31, 2023	March 31, 2022
	----- Rupees in '000 -----	
<b>27. OTHER INCOME</b>		
Rent income	5,000	-
Gain on sale of fixed assets - net	25,366	13,189
Gain on termination of leases - net	7,107	4,858
Others	5,695	8,594
	<u>43,168</u>	<u>26,641</u>
<b>28. OPERATING EXPENSES</b>		
Total compensation expense	2,086,780	1,627,138
<b>Property expense</b>		
Rent and taxes	9,031	11,881
Utilities cost	119,209	87,997
Security (including guards)	92,622	72,910
Repair and maintenance (including janitorial charges)	93,044	63,595
Depreciation	86,425	71,513
Depreciation on right-of-use assets	273,719	246,915
Depreciation on non-banking assets	6,395	4,241
	<u>680,445</u>	<u>559,052</u>
<b>Information technology expenses</b>		
Software maintenance	235,219	195,651
Hardware maintenance	27,726	43,790
Depreciation	81,316	73,135
Amortisation	58,646	38,086
Network charges	75,916	61,246
	<u>478,823</u>	<u>411,908</u>
<b>Other operating expenses</b>		
Directors' fees and allowances	3,000	7,256
Legal and professional charges	71,551	70,301
Insurance	57,238	96,645
Outsourced services costs	62,419	58,772
Travelling and conveyance	73,402	55,172
NIFT clearing charges	13,487	10,944
Depreciation	90,485	85,363
Training and development	6,900	17,065
Postage and courier charges	14,539	22,925
Communication	46,948	48,271
Stationery and printing	97,309	72,765
Marketing, advertisement and publicity	740,795	172,046
Donations	31,477	11,244
Auditors' remuneration	4,826	3,495
Staff auto fuel and maintenance	137,386	70,462
Bank charges	20,971	12,481
Stamp duty	15,037	10,181
Online verification charges	32,089	8,861
Brokerage, fee and commission	9,731	11,307
Card related fees (debit and credit cards)	136,657	91,276
CDC and other charges	6,294	6,366
Consultancy fee	19,215	6,376
Deposit protection premium	42,316	44,867
Entertainment expenses	41,693	19,132
Repair and maintenance	19,751	18,283
Cash handling charges	54,170	41,668
Fee and subscription	51,495	39,522
Employees social security	2,446	1,715
Generator fuel and maintenance	50,053	20,870
Royalty	8,750	8,750
Others	13,227	12,267
	<u>1,975,657</u>	<u>1,156,648</u>
	<u>5,221,705</u>	<u>3,754,746</u>
Less: Reimbursement of selling and distribution expenses	<u>(43,120)</u>	<u>(15,135)</u>
	<u>5,178,585</u>	<u>3,739,611</u>

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**29. WORKERS' WELFARE FUND**

The Bank has made provision for Workers' Welfare Fund (WWF) based on profit for the respective years.

		(Un-audited)	
		March 31, 2023	March 31, 2022
		----- Rupees in '000 -----	
<b>30. OTHER CHARGES</b>	Note		
Penalties imposed by State Bank of Pakistan		<u>19,562</u>	<u>-</u>
<b>31. PROVISIONS AND WRITE OFFS - NET</b>			
Reversals for diminution in value of investments	9.3	-	(8,421)
Provisions against loans & advances - specific	10.3	594,083	179,133
Provisions against loans & advances - general	10.3	78,176	143,077
Provisions / (reversals) under IFRS 9	31.1	86,050	(511)
Other provisions and write offs		4,383	-
		<u>762,692</u>	<u>313,278</u>
<b>31.1 Provisions / (reversals) under IFRS 9</b>			
Balances with other banks		14	(5)
Lendings to financial institutions		-	(2)
Investments	9.3	51,213	8,626
Advances	10.3	34,823	(9,130)
		<u>86,050</u>	<u>(511)</u>
<b>32. TAXATION</b>			
Current		494,348	275,669
Prior years		-	-
Deferred		195,521	(3,412)
		<u>689,869</u>	<u>272,257</u>
<b>32.1</b>	There are no material changes in tax contingencies as disclosed in annual consolidated financial statements for the year ended December 31, 2022.		
<b>33. BASIC AND DILUTED EARNINGS PER SHARE</b>		(Un-audited)	
		March 31, 2023	March 31, 2022
		----- Rupees in '000 -----	
Profit after taxation attributable to equity holders of the Bank		<u>882,413</u>	<u>588,268</u>
		----- Number of shares -----	
Weighted average number of ordinary shares		<u>1,297,464,262</u>	<u>1,297,464,262</u>
		----- Rupee -----	
Basic and diluted earnings per share		<u>0.68</u>	0.45
<b>34. CASH AND CASH EQUIVALENTS</b>	Note	(Un-audited) March 31, 2023	(Audited) December 31, 2022
		----- Rupees in '000 -----	
Cash and balances with treasury banks	6	33,983,041	24,765,248
Balances with other banks - Gross of provision	7	3,904,950	1,859,827
Overdrawn nostro accounts	15	(2,032,949)	(1,291,766)
		<u>35,855,042</u>	<u>25,333,309</u>
		<u>28,890,415</u>	<u>28,890,415</u>

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**35. FAIR VALUE OF FINANCIAL INSTRUMENTS**

International Financial Reporting Standard (IFRS) 13, 'Fair Value Measurement' defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value of quoted securities other than those classified as held to maturity, is based on quoted market price. Quoted securities classified as held to maturity are carried at cost. The fair value of unquoted equity securities, other than investments in associates and subsidiaries, is determined on the basis of the break-up value of these investments as per their latest available audited financial statements. Fair value of unquoted debt securities, fixed term loans, other assets, other liabilities and fixed term deposits cannot be calculated with sufficient reliability due to absence of current and active market for assets and liabilities and reliable data regarding market rates for similar instruments.

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

**Fair value hierarchy**

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

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

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

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

**35.1 Valuation techniques used in determination of fair values within level:**

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

**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 / Bloomberg.
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**Financial instruments - Level 2**

Mutual fund units	Fair values of investments in mutual fund units 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, Market Treasury Bills and GoP Sukuks are derived using PKRV, PKFRV and PKISRV rates.
Debt Securities (TFCs) and Sukuk other than Government	Investments in debt securities (comprising of Term Finance Certificates, Bonds and any other security issued by a company or a corporate body 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 & Euro Bonds are valued on the basis of price available on Bloomberg.
Forward foreign exchange contracts	The valuation has been determined by interpolating the foreign exchange revaluation rates announced by the State Bank of Pakistan.
Derivatives	The fair values of derivatives which are not quoted in active markets are determined by using valuation techniques. The valuation techniques take into account the relevant underlying parameters including foreign currencies involved, interest rates, yield curves, volatilities, contracts duration, etc.

**Financial instruments - Level 3**

Currently, no financial instruments are classified in level 3.	
The fair value of unquoted debt securities, fixed term loans, other assets, other liabilities, fixed term deposits and borrowings cannot be calculated with sufficient reliability due to the absence of a current and active market for these assets and liabilities and, unavailability of 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.. 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 condensed interim consolidated financial statements.
Non-banking assets acquired in satisfaction of claims	

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

	<b>March 31, 2023 (Un-audited)</b>			
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
----- Rupees in '000 -----				
<b>On balance sheet financial instruments</b>				
<b>Financial assets - measured at fair value</b>				
<b>Held-for-trading securities</b>				
Investments				
Federal Government Securities	-	2,682,238	-	2,682,238
Shares	526,390	-	-	526,390
Open end mutual funds	-	534,078	-	534,078
	<b>526,390</b>	<b>3,216,316</b>	<b>-</b>	<b>3,742,706</b>
<b>Available-for-sale securities</b>				
Investments				
Federal Government Securities	-	124,109,686	-	124,109,686
Shares	4,995,025	-	-	4,995,025
Non Government Debt Securities	-	1,738,559	-	1,738,559
Foreign Securities	59,986	1,034,762	-	1,094,748
Open end mutual funds	-	598,370	-	598,370
	<b>5,055,011</b>	<b>127,481,377</b>	<b>-</b>	<b>132,536,388</b>
<b>Financial assets - disclosed but not measured at fair value</b>				
Investments				
Federal Government Securities	-	96,848,850	-	96,848,850
	<b>526,390</b>	<b>100,065,166</b>	<b>-</b>	<b>100,591,556</b>
<b>Non-Financial assets - measured at fair value</b>				
Revalued fixed assets	-	-	4,382,206	4,382,206
Non-banking assets acquired in satisfaction of claims	-	-	3,765,830	3,765,830
	<b>-</b>	<b>-</b>	<b>8,148,036</b>	<b>8,148,036</b>
<b>Off balance sheet financial instruments</b>				
<b>Commitments in respect of:</b>				
<b>Forward foreign exchange contracts</b>				
Purchase	-	43,217,778	-	43,217,778
Sale	-	29,232,351	-	29,232,351
<b>Derivative instruments</b>				
<b>Forward securities contract</b>				
Purchase	-	12,158,759	-	12,158,759
Sale	-	380,973	-	380,973

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	December 31, 2022 (Audited)			
	Level 1	Level 2	Level 3	Total
----- Rupees in '000 -----				
<b>On balance sheet financial instruments</b>				
<b>Held-for-trading securities</b>				
Investments				
Federal Government Securities	-	33,431	-	33,431
Shares	570,698	-	-	570,698
Open end mutual funds	-	548,117	-	548,117
	570,698	581,548	-	1,152,246
<b>Available-for-sale securities</b>				
Investments				
Federal Government Securities	-	143,386,012	-	143,386,012
Shares	5,150,477	-	-	5,150,477
Non Government Debt Securities	-	1,856,539	-	1,856,539
Foreign Securities	301,484	807,635	-	1,109,119
Open end mutual funds	-	983,631	-	983,631
	5,451,961	147,033,817	-	152,485,778
<b>Financial assets - disclosed but not measured at fair value</b>				
Investments				
Federal Government Securities	-	147,022,393	-	147,022,393
	570,698	147,603,941	-	148,174,639
<b>Non-Financial assets - measured at fair value</b>				
Revalued fixed assets	-	-	4,470,715	4,470,715
Non-banking assets acquired in satisfaction of claims	-	-	3,772,225	3,772,225
	-	-	8,242,940	8,242,940
<b>Off balance sheet financial instruments</b>				
<b>Commitments in respect of:</b>				
<b>Forward foreign exchange contracts</b>				
Purchase	-	42,202,966	-	42,202,966
Sale	-	26,862,267	-	26,862,267
<b>Derivative instruments</b>				
<b>Cross currency swaps</b>				
Purchase	-	247,888	-	247,888
Sale	-	248,598	-	248,598
<b>Forward securities contract</b>				
Purchase	-	1,876,168	-	1,876,168
Sale	-	530,864	-	530,864

36. SEGMENT INFORMATION

36.1 Segment Details with respect to Business Activities:

For the three months ended March 31, 2023 (Un-audited)									
Retail banking	Wholesale Banking	Treasury	Investment Banking	Zindigi	Brokerage	Asset Management	Others	Total	
Profit and loss account									
Rupees in '000									
Net mark-up / return / interest income / (expense)	(3,066,539)	574,233	7,742,801	80,002	(5,404)	7,116	(497)	(245,530)	5,086,182
Inter segment revenue - net	7,888,911	1,551,215	(9,598,280)	(74,344)	59,138	-	-	173,360	-
Non mark-up / return / income	503,061	782,008	694,390	25,750	66,467	197,183	83,153	128,289	2,480,301
<b>Total income / (loss)</b>	<b>5,325,433</b>	<b>2,907,456</b>	<b>(1,161,089)</b>	<b>31,408</b>	<b>120,201</b>	<b>204,299</b>	<b>82,656</b>	<b>56,119</b>	<b>7,566,483</b>
Segment direct expenses	2,227,643	316,578	42,178	19,615	865,999	177,559	79,126	1,501,951	5,230,649
Inter segment expense allocation	1,095,010	198,875	46,453	4,469	105,356	-	-	(1,450,163)	-
<b>Total expenses</b>	<b>3,322,653</b>	<b>515,453</b>	<b>88,631</b>	<b>24,084</b>	<b>971,355</b>	<b>177,559</b>	<b>79,126</b>	<b>51,788</b>	<b>5,230,649</b>
Provisions and write offs - net	120,095	642,597	-	-	-	-	-	-	762,692
<b>Profit / (loss) before tax</b>	<b>1,882,685</b>	<b>1,749,406</b>	<b>(1,249,720)</b>	<b>7,324</b>	<b>(851,154)</b>	<b>26,740</b>	<b>3,530</b>	<b>4,331</b>	<b>1,573,142</b>

For the three months ended March 31, 2022 (Un-audited)									
Retail banking	Wholesale Banking	Treasury	Investment Banking	Zindigi	Brokerage	Asset Management	Others	Total	
Profit and loss account									
Rupees in '000									
Net mark-up / return / interest income / (expense)	(1,393,401)	40,052	4,800,662	69,734	(104)	(5,457)	(3,780)	(195,722)	3,311,984
Inter segment revenue - net	4,004,798	935,241	(4,895,918)	(72,978)	28,857	-	-	-	-
Non mark-up / return / income	426,034	298,532	408,416	36,329	42,553	157,645	270,673	4,592	1,644,774
<b>Total income / (loss)</b>	<b>3,037,431</b>	<b>1,273,825</b>	<b>313,160</b>	<b>33,085</b>	<b>71,306</b>	<b>152,188</b>	<b>266,893</b>	<b>(191,130)</b>	<b>4,956,758</b>
Segment direct expenses	2,148,050	216,477	37,196	10,821	279,733	171,043	87,041	803,287	3,753,648
Inter segment expense allocation	724,213	171,479	38,652	3,780	101,352	-	-	(1,039,476)	-
<b>Total expenses</b>	<b>2,872,263</b>	<b>387,956</b>	<b>75,848</b>	<b>14,601</b>	<b>381,085</b>	<b>171,043</b>	<b>87,041</b>	<b>(236,189)</b>	<b>3,753,648</b>
Provisions and write offs - net	189,480	124,082	-	-	-	-	-	(284)	313,278
<b>Profit / (loss) before tax</b>	<b>(24,312)</b>	<b>761,787</b>	<b>237,312</b>	<b>18,484</b>	<b>(309,779)</b>	<b>(18,855)</b>	<b>179,852</b>	<b>45,343</b>	<b>889,832</b>

As at March 31, 2023 (Un-audited)									
Retail Banking	Wholesale Banking	Treasury	Investment Banking	Zindigi	Brokerage	Asset Management	Others	Total	
Statement of financial position									
Rupees in '000									
Cash and bank balances	16,005,634	49,469	20,922,414	-	496,412	411,437	2,566	-	37,887,932
Lendings to financial institutions	-	-	837,339	-	-	-	-	-	837,339
Investments	-	6,581,708	223,146,574	1,950,571	-	560,061	1,132,443	4,866,339	238,237,696
Net inter segment lending	194,692,055	36,164,944	1,919,452	-	2,898,521	1,252,500	16,798	203	236,944,473
Advances - performing	72,999,849	137,614,158	-	-	-	463,102	2,343	5,199,984	216,279,436
Advances - non-performing	6,257,726	9,519,977	-	-	-	-	-	98,350	15,876,053
Advances - provisions - net	(5,168,981)	(2,156,003)	-	-	-	-	-	(800,654)	(8,125,638)
Others	74,088,594	144,978,132	-	-	-	463,102	2,343	4,497,680	224,029,851
<b>Total Assets</b>	<b>284,786,283</b>	<b>187,774,253</b>	<b>246,825,779</b>	<b>1,950,571</b>	<b>3,394,933</b>	<b>6,155,836</b>	<b>1,760,418</b>	<b>51,869,449</b>	<b>784,517,522</b>
Borrowings	8,200,764	24,557,277	19,329,252	-	-	552,024	-	-	52,639,317
Deposits and other accounts	269,234,195	163,089,583	-	-	3,394,933	-	-	-	435,718,711
Subordinated debt	-	-	-	-	-	-	-	6,995,000	6,995,000
Net inter segment borrowing	1,269,088	-	227,496,527	1,950,571	-	2,287,717	1,312,537	2,628,033	236,944,473
Others	6,082,236	127,393	-	-	-	3,316,095	447,881	18,933,267	28,906,872
<b>Total Liabilities</b>	<b>284,786,283</b>	<b>187,774,253</b>	<b>246,825,779</b>	<b>1,950,571</b>	<b>3,394,933</b>	<b>6,155,836</b>	<b>1,760,418</b>	<b>28,556,300</b>	<b>761,204,373</b>
Equity	-	-	-	-	-	-	-	22,950,235	22,950,235
Non-controlling interest	-	-	-	-	-	-	-	362,914	362,914
<b>Total Equity and Liabilities</b>	<b>284,786,283</b>	<b>187,774,253</b>	<b>246,825,779</b>	<b>1,950,571</b>	<b>3,394,933</b>	<b>6,155,836</b>	<b>1,760,418</b>	<b>51,869,449</b>	<b>784,517,522</b>
<b>Contingencies and Commitments</b>	<b>-</b>	<b>61,225,850</b>	<b>-</b>	<b>-</b>	<b>70,101,833</b>	<b>59,825,402</b>	<b>-</b>	<b>378,994</b>	<b>191,532,078</b>

As at December 31, 2022 (Audited)									
Retail banking	Wholesale Banking	Treasury	Investment Banking	Zindigi	Brokerage	Asset Management	Others	Total	
Statement of financial position									
Rupees in '000									
Cash and bank balances	26,561,450	-	-	-	3,953	57,364	2,273	-	26,625,040
Lendings to financial institutions	-	-	11,351,162	-	-	-	-	-	11,351,162
Investments	-	1,786,820	295,608,155	2,064,697	-	613,423	1,154,450	2,140,921	303,368,466
Net inter segment lending	188,156,779	59,940,115	1,924,424	-	2,878,829	1,362,934	14,902	6	254,277,989
Advances - performing	75,221,124	141,415,256	-	-	407	453,896	3,043	5,575,996	222,669,722
Advances - non-performing	6,699,317	9,528,889	-	-	-	-	-	83,681	16,311,887
Advances - provisions - net	(3,269,248)	(4,141,732)	-	-	-	-	-	(11,874)	(7,422,854)
Others	78,651,193	146,802,413	-	-	407	453,896	3,043	5,647,803	231,558,755
<b>Total Assets</b>	<b>293,369,422</b>	<b>208,529,348</b>	<b>308,883,741</b>	<b>2,064,697</b>	<b>2,883,189</b>	<b>5,284,666</b>	<b>1,771,913</b>	<b>52,020,972</b>	<b>874,807,948</b>
Borrowings	8,350,957	24,594,549	64,862,710	-	-	722,880	-	-	98,531,096
Deposits and other accounts	276,548,785	183,325,314	-	350	2,883,189	-	-	-	462,757,638
Subordinated debt	-	-	-	-	-	-	-	6,995,000	6,995,000
Net inter segment borrowing	1,374,282	-	244,021,031	2,064,347	-	2,255,938	1,318,106	3,244,285	254,277,989
Others	7,095,398	609,485	-	-	-	2,305,848	453,807	18,525,300	28,989,838
<b>Total Liabilities</b>	<b>293,369,422</b>	<b>208,529,348</b>	<b>308,883,741</b>	<b>2,064,697</b>	<b>2,883,189</b>	<b>5,284,666</b>	<b>1,771,913</b>	<b>28,764,585</b>	<b>851,551,561</b>
Equity	-	-	-	-	-	-	-	22,893,113	22,893,113
Non-controlling interest	-	-	-	-	-	-	-	363,274	363,274
<b>Total Equity and Liabilities</b>	<b>293,369,422</b>	<b>208,529,348</b>	<b>308,883,741</b>	<b>2,064,697</b>	<b>2,883,189</b>	<b>5,284,666</b>	<b>1,771,913</b>	<b>52,020,972</b>	<b>874,807,948</b>
<b>Contingencies and Commitments</b>	<b>63,653,775</b>	<b>25,780,043</b>	<b>86,645,804</b>	<b>-</b>	<b>-</b>	<b>567,163</b>	<b>-</b>	<b>1,701,657</b>	<b>178,348,442</b>

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**37. RELATED PARTY TRANSACTIONS**

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

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

Details of transactions and balances with related parties are as follows:

	As at March 31, 2023 (Un-audited)				
	Parent	Directors	Key management personnel	Associates	Other related parties
	----- Rupees in '000 -----				
<b>Statement of financial position</b>					
<b>lendings to financial institutions</b>					
Opening balance	-	-	-	-	-
Addition during the period	-	-	-	-	41,117,600
Repaid during the period	-	-	-	-	(41,117,600)
Transfer in / (out) - net	-	-	-	-	-
Closing balance	-	-	-	-	-
<b>Investments</b>					
Opening balance	7,595	-	-	269,800	11,300,638
Investment made during the period	-	-	-	-	3,417,066
Investment redeemed / disposed off during the period	-	-	-	-	(9,629,790)
Deficit on investments	-	-	-	-	(371,850)
Closing balance	7,595	-	-	269,800	4,716,064
Provision for diminution in value of investments	-	-	-	48,000	388,607
<b>Advances</b>					
Opening balance	-	-	524,061	232,166	2,650,315
Addition during the period	-	-	23,659	-	475,955
Repaid during the period	-	-	(55,927)	(15,478)	(820,566)
Transfer in / (out) - net	-	-	-	-	-
Closing balance	-	-	491,793	216,688	2,305,704
<b>Other assets</b>					
Mark-up / return / interest accrued	245	-	204	-	185,845
Receivable against bancassurance / bancatakafal	-	-	-	-	11,098
Prepaid insurance	-	-	-	-	180,443
Net defined benefit plan	-	-	-	-	88,624
Trade receivable	-	-	375	-	117,434
Dividend receivable	-	-	-	-	98,808
Rent receivable	-	-	-	-	37,905
Other receivable	2,500	-	-	-	16,768
Provision against other assets	-	-	-	-	-
<b>Borrowings</b>					
Opening balance	-	-	-	-	330,885
Borrowings during the period	-	-	-	-	-
Settled during the period	-	-	-	-	(330,885)
Closing balance	-	-	-	-	-
<b>Deposits and other accounts</b>					
Opening balance	130,430	174,485	47,853	2,621	12,626,532
Received during the period	446,375	421	96,964	76,642	37,325,545
Withdrawn during the period	(502,671)	(551)	(80,895)	(75,847)	(40,661,960)
Transfer in / (out) - net	-	-	-	-	-
Closing balance	74,134	174,355	63,922	3,416	9,290,117
<b>Subordinated debt</b>					
Opening balance	-	-	-	-	124,714
Issued during the period	-	-	-	-	-
Redeemed during the period	-	-	-	-	-
Transfer in / (out) - net	-	-	-	-	-
Closing balance	-	-	-	-	124,714
<b>Other liabilities</b>					
Interest / return / mark-up payable on deposits	-	-	-	-	9,915
Interest / return / mark-up payable on borrowings	-	-	-	-	6,173
Interest / return / mark-up payable on subordinated debt	-	-	-	-	5,819
Trade payable	1,514	-	13,384	-	35,217
Donation payable	-	-	-	-	59,197
Others payable	-	-	-	-	4,546
<b>Contingencies and commitments</b>					
Letter of guarantee	-	-	-	-	22,783
Letter of credit	-	-	-	-	294,000
Forward lending	-	-	-	5,924	-

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	As at December 31, 2022 (Audited)				
	Parent	Directors	Key management personnel	Associates	Other related parties
	Rupees in '000				
<b>Statement of financial position</b>					
<b>Lendings to financial institutions</b>					
Opening balance	-	-	-	-	-
Addition during the year	-	-	-	-	96,591,372
Repaid during the year	-	-	-	-	(96,591,372)
Transfer in / (out) - net	-	-	-	-	-
Closing balance	-	-	-	-	-
<b>Investments</b>					
Opening balance	9,866	-	-	269,800	4,438,648
Investment made during the period	2,595	-	-	-	10,774,779
Investment redeemed / disposed off during the period	(4,866)	-	-	-	(3,550,000)
Deficit on investments	-	-	-	-	(362,789)
Closing balance	7,595	-	-	269,800	11,300,638
Provision for diminution in value of investments	-	-	-	48,000	354,189
<b>Advances</b>					
Opening balance	-	125,769	483,696	442,315	5,229,319
Addition during the year	-	-	368,857	26,550	4,788,045
Repaid during the year	-	-	(122,754)	(236,699)	(6,727,054)
Transfer in / (out) - net	-	(125,769)	(205,738)	-	(639,995)
Closing balance	-	-	524,061	232,166	2,650,315
<b>Other assets</b>					
Mark-up / return / interest accrued	514	-	697	8,010	19,745
Receivable against bancassurance / bancatakaful	-	-	-	-	17,498
Prepaid insurance	-	-	-	-	34,933
Receivable from defined benefit plan	-	-	-	-	88,624
Trade receivable	-	-	68	-	168,341
Rent receivable	-	-	-	-	16,521
Other receivable	285	-	-	-	19,746
Provision against other assets	-	-	-	-	379
<b>Borrowings</b>					
Opening balance	-	-	-	-	474,283
Borrowings during the year	-	-	-	-	312,787,717
Settled during the year	-	-	-	-	(312,931,115)
Transfer in / (out) - net	-	-	-	-	-
Closing balance	-	-	-	-	330,885
<b>Deposits and other accounts</b>					
Opening balance	912,327	388,406	42,227	41,310	14,398,780
Received during the year	15,376,414	62,632	823,876	1,494,000	191,456,450
Withdrawn during the year	(16,158,311)	(62,805)	(802,683)	(1,532,689)	(192,234,920)
Transfer in / (out) - net	-	(213,748)	(15,567)	-	(993,778)
Closing balance	130,430	174,485	47,853	2,621	12,626,532
<b>Subordinated debts</b>					
Opening balance	-	-	-	-	639,776
Issued during the year	-	-	-	-	-
Redeemed during the year	-	-	-	-	(79)
Transfer in / (out) - net	-	-	-	-	(514,983)
Closing balance	-	-	-	-	124,714
<b>Other liabilities</b>					
Mark-up / return / interest payable on deposits	-	-	-	-	536,091
Mark-up / return / interest payable on borrowings	-	-	-	-	6,120
Mark-up / return / interest payable on subordinated debts	-	-	-	-	143
Trade payable	138,090	-	12,386	-	173,267
Donation payable	-	-	-	-	26,053
Others payable	-	-	-	-	2,487
<b>Contingencies and commitments</b>					
Letters of guarantee	-	-	-	-	20,398
Letters of credit	-	-	-	-	65,585
Forward lending	-	-	-	5,924	-



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For the three months ended March 31, 2023 (Un-audited)					
Parent	Directors	Key management personnel	Associates	Other related parties	
Rupees in '000					
<b>Profit and loss account</b>					
<b>Income</b>					
Mark-up / return / interest earned	431	-	5,870	10,838	70,768
Fee, commission and brokerage income	201	-	383	6	26,831
Dividend income	-	-	-	-	98,808
Gain on sale of securities - net	-	-	-	-	15,037
Rental income	-	-	-	-	33,570
Other income	-	-	-	-	379
<b>Provision and write offs - net</b>					
Provision for diminution in value of investments - net	-	-	-	-	-
<b>Expense</b>					
Mark-up / return / interest expensed	5,166	-	374	-	257,747
Commission / charges paid	-	-	-	-	-
Remuneration paid	-	-	257,500	-	-
Non-executive directors' fee	-	16,721	-	-	-
Net charge for defined contribution plans	-	-	-	-	84,326
Net charge for defined benefit plans	-	-	-	-	30,899
Insurance expense	-	-	-	-	38,222
Donation	-	-	-	-	31,477
Rental expense	874	-	-	-	9,848
Legal charges	8,474	-	-	-	3,750
Consultancy charges	-	-	-	-	10,500
Royalty	-	-	-	-	11,250
Other expenses	-	-	1,154	-	7,333
<b>Payments made during the period</b>					
Insurance premium paid	-	-	-	-	183,732
Insurance claims settled	-	-	-	-	5,003
<b>Other Transactions</b>					
Sale of Government Securities	-	-	15,317	-	24,955,530
Purchase of Government Securities	-	-	14,712	-	735,720
Sale of Non Government Securities	-	-	-	-	888,653
Purchase of non-Government Securities	-	-	-	-	50,456
Sale of Foreign Currencies	-	-	-	-	11,047,920
Purchase of Foreign Currencies	-	-	-	-	8,760,363

For the three months ended March 31, 2022 (Un-audited)					
Parent	Directors	Key management personnel	Associates	Other related parties	
Rupees in '000					
<b>Profit and loss account</b>					
<b>Income</b>					
Mark-up / return / interest earned	443	75	6,128	11,539	109,587
Fee, commission and brokerage income	3,451	8	230	26	62,698
Dividend income	-	-	-	-	43,595
Gain / (loss) on sale of securities - net	-	-	-	-	10,533
<b>Provision and write offs - net</b>					
Provision for diminution in value of investments - net	-	-	-	-	-
<b>Expense</b>					
Mark-up / return / interest paid	39,162	148	458	363	282,659
Remuneration paid	-	36,514	207,255	-	-
Directors' fee	-	7,050	-	-	-
Net charge for defined contribution plans	-	-	-	-	70,922
Net charge for defined benefit plans	-	-	-	-	34,481
Rental expense	75	-	-	-	6,247
Advisory fee	-	-	-	-	1,214
Royalty	-	-	-	-	8,750
Other expenses	-	83	-	-	197
<b>Payments made during the period</b>					
Insurance premium paid	-	-	-	-	233,293
Insurance claims settled	-	-	-	-	2,024
<b>Other transactions</b>					
Sale of Government Securities	1,560,765	-	-	-	14,607,092
Purchase of Government Securities	-	-	-	-	1,121,127
Sale of non Government Securities	-	-	-	-	576,356
Purchase of non Government Securities	-	-	-	-	256,702
Sale of Foreign Currencies	-	-	-	-	17,885,420
Purchase of Foreign Currencies	-	-	-	-	14,924,915

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	<b>(Un-audited)</b>	(Audited)
	<b>March 31,</b>	December 31,
	<b>2023</b>	2022
	----- Rupees in '000 -----	
<b>38. CAPITAL ADEQUACY, LEVERAGE RATIO &amp; LIQUIDITY REQUIREMENTS</b>		
<b>Minimum Capital Requirement (MCR):</b>		
Paid-up capital (net of losses)	<u><u>10,119,242</u></u>	<u>10,119,242</u>
<b>Capital Adequacy Ratio (CAR):</b>		
Eligible Common Equity Tier 1 (CET 1) Capital	<u>20,216,279</u>	19,151,560
Eligible Additional Tier 1 (ADT 1) Capital	<u>2,503,114</u>	2,500,000
Total Eligible Tier 1 Capital	<u>22,719,393</u>	21,651,560
Eligible Tier 2 Capital	<u>3,372,868</u>	4,652,597
Total Eligible Capital (Tier 1 + Tier 2)	<u><u>26,092,261</u></u>	<u>26,304,157</u>
<b>Risk Weighted Assets (RWAs):</b>		
Credit Risk	<u>149,251,555</u>	154,878,265
Market Risk	<u>2,289,080</u>	2,147,110
Operational Risk	<u>34,159,850</u>	34,339,921
Total	<u><u>185,700,485</u></u>	<u>191,365,296</u>
Common Equity Tier 1 Capital Adequacy ratio	<u>10.89%</u>	<u>10.01%</u>
Tier 1 Capital Adequacy Ratio	<u>12.23%</u>	<u>11.31%</u>
Total Capital Adequacy Ratio	<u>14.05%</u>	<u>13.75%</u>
<b>Leverage Ratio (LR):</b>		
Eligible Tier-1 Capital	<u>22,719,394</u>	21,657,240
Total Exposures	<u>634,278,542</u>	675,826,471
Leverage Ratio	<u>3.58%</u>	<u>3.20%</u>
<b>Liquidity Coverage Ratio (LCR):</b>		
Total High Quality Liquid Assets	<u>145,491,656</u>	107,591,422
Total Net Cash Outflow	<u>92,974,373</u>	58,746,523
Liquidity Coverage Ratio	<u>156.49%</u>	<u>183.15%</u>
<b>Net Stable Funding Ratio (NSFR):</b>		
Total Available Stable Funding	<u>362,416,218</u>	369,818,259
Total Required Stable Funding	<u>294,831,529</u>	298,016,768
Net Stable Funding Ratio	<u>122.92%</u>	<u>124.09%</u>

**JS BANK LIMITED**  
**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE THREE MONTHS ENDED MARCH 31, 2023**

**39. GENERAL**

**39.1** Corresponding figures have been re-arranged / re-classified, wherever necessary, to facilitate comparison in the presentation in the current period. However, there are no material re-arrangements / re-classifications to report.

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

**40. DATE OF AUTHORISATION FOR ISSUE**

These condensed interim consolidated financial statements were authorised for issue by the Board of Directors of the Bank in their meeting held on April 26, 2023.

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**President and  
Chief Executive Officer**

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**Chief Financial Officer**

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**Director**

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**Director**

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**Chairman**



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**Registered office**

JS Bank Limited, Shaheen Commercial Complex,  
Dr. Zia Uddin Ahmed Road, P.O. Box 4847,  
Karachi-74200 Sindh, Pakistan.

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