

1 0 y e a r s o f g r o w t h



Condensed Interim Financial Information
for the Half Year Ended
June 30, 2017 (Un-Audited)

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Company Information

Board of Directors

Mr. Ali Jehangir Siddiqui
Chairman

Mr. Adil Matcheswala
Non-Executive Director

Mr. Ashraf Nawabi
Non-Executive Director

Mr. G.M. Sikander
Independent Non-Executive Director

Mr. Kalim-ur-Rahman
Non-Executive Director

Mr. Munawar Alam Siddiqui
Non-Executive Director

Ms. Nargis Ghaloo
Independent Non-Executive Director

Mr. Shahab Anwar Khawaja
Independent Non-Executive Director

Mr. Khalid Imran
President & CEO

Audit Committee

Mr. Shahab Anwar Khawaja	Chairman
Mr. Adil Matcheswala	Member
Mr. G.M. Sikander	Member

Chief Financial Officer

Mr. Muhammad Yousuf Amanullah

Company Secretary

Mr. Ashraf Shahzad

Auditors

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

Legal Advisors

Bawaney & Partners
Haidermota BNR
Liaquat Merchant Associates

Share Registrar

Technology Trade (Pvt.) Limited
241-C, Block – 2, P.E.C.H.S, 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)
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Directors' Report

We are pleased to present the reviewed financial statements of JS Bank Limited (the "Bank") along with the reviewed consolidated financial statements of its subsidiaries JS Global Capital Limited and JS Investments Limited for the half year ended June 30, 2017.

The Economy

For 2017, Pakistan's outlook for growth seems favorable with recent GDP numbers looking upbeat. There has however been slow progress in addressing underlying vulnerabilities in the economy. Large deficits on the current account have continued to grow as import costs have escalated with figures in Fiscal Year 2017 (FY17) showing a 19% increase to reach USD 53 billion. One of the main reasons for this has been the rising import costs of China Pakistan Economic Corridor (CPEC) related machinery and other imports and the decline of exports which have fallen by 2% to USD 20.4 billion. According to the State Bank of Pakistan (SBP), the current account deficit widened to an all-time high of USD 12.1 billion for FY17 while Pakistan's total external debt has grown to USD 79.2 billion. Despite all this, there have been encouraging signs such as increase in the financial accounts, sustaining foreign exchange reserves at around USD 21.4 billion. The impact of a rise in crude oil prices following a steep reduction in exploration and an OPEC agreement to cut production has also not been significantly visible with inflation numbers coming in at an average of 4.16% year-on-year (YoY) relative to 2.86% YoY in FY16.

Banking Sector Review

Banking sector during the first half of the year (1HFY2017) continued to witness an uptrend in private sector credit off-take as interest rates remained stable. Private sector borrowing jumped by 126% in FY17 with the State Bank of Pakistan (SBP) keeping its policy rate unchanged at 5.75%. However, banking spreads dropped to 5.02%, marking a 28 basis points (bps) YoY decline. Advances in the sector continued their strong growth registering a 20% YoY increase to PKR 6,176 billion, while banking deposits touched PKR 11,981 billion during 1HFY2017, registering a growth of 19% YoY by the end of Jun 2017. Resultantly, the Advances-to-Deposit Ratio (ADR) for the industry increased to 52%, owing to the steady increase in project-financing and consumer loan demand. Investments increased by 8% YoY reaching PKR 8,166 billion. However, the Investment-to-Deposit Ratio (IDR) dropped to 68% from 72.5% a year earlier and NPLs also showed a further decline to PKR 603.8 billion as at March 2017 from PKR 649 billion as at June 2016, improving the industry infection ratio from 11.7% to 9.9% during the period.

Financial Performance

During the period under review, deposits and advances increased from PKR 226.1 billion and PKR 93.8 billion as at December 31, 2016 to PKR 262.4 billion (a growth of 16.1%) and PKR 127.2 billion (a growth of 35.6%) respectively as at June 30, 2017, whereas investments increased from PKR 133.7 billion to PKR 178.5 billion (an increase of 33.5%) during the same period.

The Bank has earned a profit before tax of PKR 621.0 million (profit after tax of PKR 284.1 million) for the half year ended June 30, 2017 as compared to the profit before tax of PKR 1,283.9 million (profit after tax of PKR 754.9 million) in the corresponding period last year. The decrease in profit was mainly due to decrease in capital gain on securities and operating expenses incurred on launching new initiatives.

Business Overview

JS Bank continues to grow its market share in terms of deposits, assets and NFI businesses. The Bank's growth strategy is based on innovative product development to better address customer needs, enhancing customer accessibility through growth of the branch and ADC network, strengthening of service quality, giving customers a satisfying banking experience.

The Bank continues its leadership role in the primary and secondary debt markets with consistent growth each year. The number of customers and customer volumes grew by 14% and 18% respectively. The Treasury added cross currency swap transactions to its portfolio with the aim to apply for an Authorized Derivatives Dealer license in the future.

Trade volumes exhibited healthy growth. Focusing on catering to our customers' increasing trade requirements, JS Bank has embarked on a strategy to enhance its mix of correspondent banks through 350 delivery points spread across 90 countries.

In line with the JS Bank's growth strategy, the Investment Banking Group continues to be a leader in the sector by achieving the financial close of three debt capital market transactions, a syndicated facility for a client in the logistics sector, and JS Bank's largest bilateral facility for a client in the aviation sector.

The Bank believes in maximizing customer convenience through technology solutions, and is investing in a state-of-the-art mobile banking platform. Investments are also being made in automation of various processes reducing turnaround times for customer on-boarding and servicing. The Bank is committed to deepening its consumer lending base as a result of our pledge of being the best consumer bank in Pakistan.

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 short-term rating.

Subsidiary Companies

JS Global Capital Limited

JS Global Capital Limited ("JS Global") is one of the largest securities brokerage and investment banking firms in Pakistan with a leadership position in the domestic capital markets.

JS Global has shareholders' equity of PKR 2,660.6 million as at June 30, 2017. It is listed on the Pakistan Stock Exchange. JS Bank has 67.2% ownership of the company.

The Pakistan Credit Rating Agency (PACRA) has assigned long-term and short-term entity ratings to JS Global of "AA" (Double A) and "A1+" (A One plus), respectively. The ratings denote a very low expectation of credit risk emanating from very strong capacity for timely payment of financial commitments.

Summarized results of JS Global are set out below:

PKR Million

Particulars	For the Six Months ended June 30, 2017	For the Six Months ended June 30, 2016
	(Un Audited)	(Un Audited)
Profit before tax	174.8	104.2
Profit after tax	136.5	75.1
EPS (Rupees)	3.59	1.67

JS Investments Limited

JS Investments is an Investment Adviser and Asset Management Company under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules) and the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations). In addition, JS Investments is also a licensed Pension Fund Manager under the Voluntary Pension System Rules, 2005, to manage voluntary pension schemes.

JS Investments has shareholders' equity of PKR 2,542.2 million as at June 30, 2017. It is listed on the Pakistan Stock Exchange. JS Bank has 65.2% ownership of the company.

JS Investments has a Management Quality Rating of "AM2, with stable outlook" assigned by JCR-VIS and long and short-term credit ratings of "A+" (A Plus) and A1 (A One) assigned by PACRA.

Summarized results of JS Investments are set out below:

PKR Million

Particulars	For the Six Months ended June 30, 2017	For the Six Months ended June 30, 2016
	(Un Audited)	(Un Audited)
Profit before tax	67.2	29.7
Profit after tax	31.3	18.4
EPS (Rupees)	0.39	0.23

Acknowledgments

We wish to place on record our gratitude to the State Bank of Pakistan and the Securities and Exchange Commission of Pakistan for their continued support and guidance. The Board also thanks the employees of JS Bank for their dedication and hard work and the shareholders for their confidence in the management. We also thank all our customers for their confidence and continued patronage.

On behalf of the Board

Khalid Imran
President & CEO

Karachi: August 17, 2017

کمپنی کے نتائج کا خلاصہ ذیل میں پیش کیا جاتا ہے:

ملین پاکستانی روپے

مندرجات	30 جون 2017 کو ختم ہونے والی ششماہی کیلئے (غیر آڈٹ شدہ)	30 جون 2016 کو ختم ہونے والی ششماہی کیلئے (غیر آڈٹ شدہ)
منافع قبل از ٹیکس	67.2	29.7
منافع بعد از ٹیکس	31.3	18.4
ای پی ایس (روپے میں)	0.39	0.23

اعتراف

مسلسل سرپرستی اور رہنمائی کیلئے ہم اسٹیٹ بینک آف پاکستان اور سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے شکرگزار ہیں۔ بورڈ انتھک محنت اور وابستگی کیلئے اپنے ملازمین کو بھی خراج تحسین پیش کرتا ہے اور مینجمنٹ پر اعتماد کیلئے شیئر ہولڈرز کا ممنون ہے۔ ہم مستقل تعاون اور اعتماد کیلئے اپنے تمام صارفین کے بھی شکرگزار ہیں۔

منجانب

خالد عمران

پریذیڈنٹ اینڈ سی ای او

کراچی: 17 اگست، 2017

کمپنی کے نتائج کا مختصر خلاصہ درج ذیل ہے:

ملین پاکستانی روپے

مندرجات	30 جون 2017 کو ختم ہونے والی	30 جون 2016 کو ختم ہونے والی
	ششماہی کیلئے	ششماہی کیلئے
	(غیر آڈٹ شدہ)	(غیر آڈٹ شدہ)
منافع قبل از ٹیکس	174.8	104.2
منافع بعد از ٹیکس	136.5	75.1
ای پی ایس (روپے میں)	3.59	1.67

• JS انویسٹمنٹس لمیٹڈ

کمپنی نان بینکنگ فنانس کمپنیز (قیام اور قوانین) رولز، 2003 (این بی ایف سی رولز) اور نان بینکنگ فنانس کمپنیز اور نوٹیفائیڈ اینٹی ٹیبز ریگولیشنز 2008، (این بی ایف سی ریگولیشنز) کے تحت انویسٹمنٹ ایڈوائزراور ایسٹ مینجمنٹ کمپنی ہے۔ اس کے علاوہ کمپنی والینٹری پینشن سسٹم رولز، 2005 کے تحت والینٹری پینشن اسکیم کے انتظامات کے لئے پینشن فنڈ مینجر کے طور پر لائسنس یافتہ بھی ہے۔

JS انویسٹمنٹ کے شیئرز ہولڈرز کی ایکویٹی 30 جون 2017 کو 2,542.2 ملین روپے ہے۔ یہ پاکستان اسٹاک ایکسچینج کی فہرست میں شامل ہے۔ JS بینک اس کمپنی کی 65.2% کی ملکیت رکھتا ہے۔

JS انویسٹمنٹ کی JCR-VIS کی جانب سے تفویض کردہ مینجمنٹ کوالٹی ریٹنگ "AM2" اور پاکرا کی تفویض کردہ طویل اور قلیل مدتی کریڈٹ ریٹنگ "A1 اور A+" ہے۔

کریڈٹ ریٹنگ

پاکستان کریڈٹ ریٹنگ ایجنسی لمیٹڈ (PACRA) نے بینک کو "AA" (ڈبل اے مائنس) کی طویل المدتی ریٹنگ اور سب سے بہتر ممکنہ قلیل المدتی ریٹنگ "A1+" (اے ون پلس) تفویض کی ہے۔

متعلقہ کمپنیز:

• JS گلوبل کیپیٹل لمیٹڈ

JS گلوبل کیپیٹل لمیٹڈ ("JS Global") ملکی سطح پر کیپیٹل مارکیٹ میں نمایاں حیثیت کے ساتھ پاکستان کی سب سے بڑی سیکیورٹیز بروکرنگ اور انویسٹمنٹ بینکنگ فرمز میں سے ایک ہے۔

JS گلوبل 30 جون 2017 کو 2,660.6 ملین روپے کے سرمایہ حصص کی مالک ہے۔ یہ پاکستان اسٹاک ایکسچینج کی فہرست میں شامل ہے۔ JS بینک کمپنی کی 67.2% ملکیت کا حامل ہے۔

پاکستان کریڈٹ ریٹنگ ایجنسی (PACRA) نے JS گلوبل کو بالترتیب "AA" (ڈبل اے) طویل المدتی ریٹنگ اور "A1+" (اے ون پلس) قلیل المدتی ادارتی ریٹنگ تفویض کی ہے۔ یہ ریٹنگ قرضہ جات کے متوقع نقصانات سے تحفظ اور ان کی وقت پر ادائیگی کو یقینی بنانے کی نشاندہی کرتی ہے۔

برقرار رکھا اور نجی شعبوں کے قرضے مالی سال 2017 میں 126% تک بڑھ گئے۔ تاہم، بینکاری تفاوت میں 5.02% کی کمی ہوئی، جو 28 ہینسر پوائنٹس (bps) سال بسال کمی ظاہر کرتی ہے۔ شعبے کے ایڈوانسز میں مستحکم اضافہ بدستور برقرار رہا اور یہ 20% سال بسال کے ساتھ 6,176 بلین روپے پر پہنچ گئے، جبکہ مالی سال 2017 کی پہلی ششماہی (1HFY2017) میں بینکوں میں جمع شدہ رقوم 11,981 بلین روپے تک جا پہنچیں جو جون 2017 کے آخر تک 19% سال بسال اضافہ ظاہر کرتی ہیں، نتیجتاً انڈسٹری کا ایڈوانسز ٹوڈ پازٹ ریٹو (ADR) 52% بڑھ گیا، جس کی وجہ فنانسنگ کے منصوبوں اور کنزیومر لون کے مطالبے میں اضافہ تھا۔ انویسٹمنٹس 8% تک سال بسال اضافہ کے ساتھ 8,116 بلین پاکستانی روپے پر جا پہنچیں۔ تاہم انویسٹمنٹ ٹوڈ پازٹ ریٹو (IDR) گزشتہ سال کے 72.5% سے گر کر 68% ہو گیا اور دوران مدت NPLs میں بھی مزید کمی آئی اور یہ جون 2016 کے 649 بلین روپے سے مارچ 2017 کو 603.8 بلین روپے ہو گئے جس سے انڈسٹری انفلکشن ریٹو بہتر ہو کر 11.7% سے 9.9% ہوئی۔

مالیاتی کارکردگی

زیر جائزہ مدت کے دوران، جمع شدہ رقوم اور ایڈوانسز جو 31 دسمبر 2016 کو بالترتیب 226.1 بلین روپے اور 93.8 بلین روپے تھے بڑھ کر 30 جون 2017 کو بالترتیب 262.4 بلین روپے (% 16.1 اضافہ) اور 127.2 بلین روپے (% 35.6 اضافہ) ہو گئے، جبکہ اسی مدت کے دوران سرمایہ کاری 133.7 بلین روپے سے بڑھ کر 178.5 بلین روپے (% 33.5 اضافہ) ہوئی۔

گزشتہ سال اسی مدت کے منافع قبل از ٹیکس 1,283.9 بلین روپے (منافع بعد از ٹیکس 754.9 بلین روپے) کے مقابلے میں بینک کا منافع قبل از ٹیکس 621.0 بلین روپے (30 جون 2017 کو ختم ہونے والی ششماہی کیلئے منافع بعد از ٹیکس 284.1 بلین روپے) تھا۔ منافع میں کمی کی بنیادی وجہ سیکورٹیز پر منافع میں کمی اور نئے اقدامات کی شروعات پر ہونے والے اخراجات تھے۔

ڈائریکٹرز رپورٹ

میں ڈائریکٹران کی جانب سے بمسرت 30 جون 2017 کو ختم ہونے والی ششماہی اول کیلئے JS بینک لمیٹڈ ("بینک") کے ساتھ متعلقہ کمپنیز JS گلوبل کپٹل لمیٹڈ اور JS انوسٹمنٹس لمیٹڈ کی نظر ثانی شدہ مجموعی مالیاتی تفصیلات پیش کر رہا ہوں۔

معیشت

سال 2017 کیلئے، حالیہ GDP کے خوش کن اعداد و شمار کی روشنی میں پاکستانی معیشت میں بہتری کے امکانات روشن نظر آ رہے ہیں۔ تاہم معیشت کی اساسی کمزوریاں دور کرنے کی رفتار سست رہی ہے۔ مالی سال 2017 (FY17) میں درآمدات کی قیمتیں 19% اضافے کے ساتھ 53 بلین امریکی ڈالر تک پہنچ گئیں جس کی وجہ سے کرنٹ اکاؤنٹ کا خسارہ بڑھنا جاری رہا۔ اس کی بنیادی وجوہات میں سے ایک پاک چائنہ معاشی راہداری (CPEC) سے متعلقہ مشینری اور دیگر درآمدات میں اضافہ اور برآمدات کا 2% کمی کے ساتھ 20.4 بلین امریکی ڈالر ہونا ہے۔ اسٹیٹ بینک آف پاکستان (SBP) کے مطابق مالی سال 2017 میں کرنٹ اکاؤنٹ کا خسارہ پھیل کر چار سال کی بلند ترین سطح 12.1 بلین امریکی ڈالر پر پہنچ گیا جب کہ پاکستان کا کل بیرونی قرضہ بڑھ کر 79.2 بلین امریکی ڈالر ہو گیا۔ اس سب کے باوجود کچھ بہتری کی علامات بھی نظر آئی ہیں جیسے ملک کے مالیاتی اکاؤنٹس میں اضافہ ہے جس کی بنیادی وجہ مالی کاؤنٹس میں بہتری زرمبادلہ کے ذخائر 21.4 بلین امریکی ڈالر برقرار رہنے میں بھی مددگار ثابت ہوئی۔ خام تیل کی قیمتوں میں اضافہ، تیل کی تلاش میں بتدریج کمی اور پیداوار میں کمی کے اوپن ای سی (OPEC) معاہدے سے بھی کوئی خاطر خواہ نتائج برآمد نہیں ہوئے اور افراط زر مالی سال 2016 کے 2.86% سال بسال کے مقابلے میں اوسطاً 4.16% سال بسال ہو گئی۔

شعبہ بینکاری کا جائزہ

مالی سال 2017 کی پہلی ششماہی (1HFY2017) میں شعبہ بینکاری میں سود کی شرح مستحکم رہنے کی وجہ سے نجی شعبوں کی جانب سے قرضوں کے حصول میں بہتری کا رجحان نظر آیا۔ اسٹیٹ بینک آف پاکستان (SBP) نے پالیسی ریٹ 5.75%



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AUDITORS' REPORT TO THE MEMBERS ON REVIEW OF UNCONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION

Introduction

We have reviewed the accompanying unconsolidated condensed interim statement of financial position of **JS Bank Limited** (the Bank) as at **30 June 2017** and the related unconsolidated condensed interim profit and loss account, unconsolidated condensed interim statement of comprehensive income, unconsolidated condensed interim cash flow statement, unconsolidated condensed interim statement of changes in equity and notes to the accounts for the half year then ended (here-in-after referred to as the "unconsolidated condensed interim financial information"). Management is responsible for the preparation and presentation of this unconsolidated condensed interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this unconsolidated condensed interim financial information based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying unconsolidated condensed interim financial information is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

Other Matters

The figures for the quarters ended 30 June 2017 and 30 June 2016 in the unconsolidated condensed interim profit and loss account and unconsolidated condensed interim statement of comprehensive income have not been subject to the review and therefore, we do not express a conclusion thereon.

Chartered Accountants

Engagement Partner: Shabbir Yunus

Date: 17 August 2017

Karachi

Unconsolidated Condensed Interim Statement of Financial Position

As at June 30, 2017

	(Un-audited) June 30, 2017	(Audited) December 31, 2016
Note	----- (Rupees in '000) -----	
ASSETS		
Cash and balances with treasury banks	20,020,046	15,508,968
Balances with other banks	810,908	752,710
Lendings to financial institutions	7 2,960,528	11,334,414
Investments - net	8 178,467,193	133,726,610
Advances - net	9 127,151,710	93,794,134
Operating fixed assets	10 6,157,915	5,837,181
Deferred tax assets - net	-	-
Other assets	5,252,998	3,746,476
	<u>340,821,298</u>	<u>264,700,493</u>
LIABILITIES		
Bills payable	4,745,677	2,544,028
Borrowings	46,987,538	10,320,047
Deposits and other accounts	11 262,390,872	226,098,931
Sub-ordinated loans	2,999,400	3,000,000
Liabilities against assets subject to finance lease	-	-
Deferred tax liabilities	12 1,028,105	1,205,362
Other liabilities	6,250,405	4,882,600
	<u>324,401,997</u>	<u>248,050,968</u>
NET ASSETS	<u>16,419,301</u>	<u>16,649,525</u>
REPRESENTED BY:		
Share capital	10,724,643	10,724,643
Discount on issue of shares	(2,105,401)	(2,105,401)
Preference shares	1,500,000	1,500,000
Reserves	1,390,968	1,334,139
Unappropriated profit	4,020,768	3,973,324
	<u>15,530,978</u>	<u>15,426,705</u>
Surplus on revaluation of assets - net of tax	13 888,323	1,222,820
	<u>16,419,301</u>	<u>16,649,525</u>
CONTINGENCIES AND COMMITMENTS	14	

The annexed notes from 1 to 20 form an integral part of this unconsolidated condensed interim financial information.

Chairman

President and
Chief Executive Officer

Director

Director

Unconsolidated Condensed Interim Profit and Loss Account (Unaudited)

For the half year ended June 30, 2017

	Half year ended		Quarter ended		
	June 30, 2017	June 30, 2016	June 30, 2017	June 30, 2016	
Note	----- (Rupees in '000) -----				
Mark-up / return / interest earned	8,484,385	7,358,636	4,567,261	3,725,407	
Mark-up / return / interest expensed	5,783,411	4,496,448	3,104,518	2,217,499	
Net mark-up / interest income	2,700,974	2,862,188	1,462,743	1,507,908	
(Provision) / reversal against non-performing loans and advances - net	(78,638)	20,235	(19,739)	139,761	
Provision for diminution in the value of investments	-	(383,374)	-	(383,374)	
Bad debts written off directly	-	-	-	-	
	(78,638)	(363,139)	(19,739)	(243,613)	
Net mark-up / return / interest income after provisions	2,622,336	2,499,049	1,443,004	1,264,295	
NON MARK-UP / INTEREST INCOME					
Fee, commission and brokerage income	1,104,472	735,909	642,418	407,514	
Dividend income	91,890	61,042	91,890	27,658	
Income from dealing in foreign currencies	133,174	248,302	70,652	156,562	
Gain on sale / redemption of securities - net	359,178	1,240,734	185,630	606,362	
Unrealised gain / (loss) on revaluation of investments classified as held-for-trading - net	1,948	13,612	(504,992)	2,348	
Other income / (loss) - net	63,369	(51,202)	25,216	(67,716)	
Total non-mark-up / interest income	1,754,031	2,248,397	510,814	1,132,728	
	4,376,367	4,747,446	1,953,818	2,397,023	
NON MARK-UP / INTEREST EXPENSES					
Administrative expenses	3,729,974	3,406,020	1,726,103	1,775,565	
Other provisions / write offs	-	-	-	-	
Other charges	25,422	57,533	17,213	43,241	
Total non mark-up / interest expenses	3,755,396	3,463,553	1,743,316	1,818,806	
	620,971	1,283,893	210,502	578,217	
Extra ordinary / unusual items	-	-	-	-	
PROFIT BEFORE TAXATION	620,971	1,283,893	210,502	578,217	
Taxation					
- Current	(218,083)	(340,028)	(173,731)	(214,506)	
- Prior years	(115,944)	(79,838)	(115,944)	(79,838)	
- Deferred	(2,799)	(109,167)	95,738	12,363	
	(336,826)	(529,033)	(193,937)	(281,981)	
PROFIT AFTER TAXATION	284,145	754,860	16,565	296,236	
	----- (Rupee) -----				
Basic earnings per share	15	0.10	0.54	0.02	0.28
Diluted earnings per share	15	0.10	0.54	0.01	0.23

The annexed notes from 1 to 20 form an integral part of this unconsolidated condensed interim financial information.

Chairman

President and
Chief Executive Officer

Director

Director

Unconsolidated Condensed Interim Statement Of Comprehensive Income (Unaudited)

For the half year ended June 30, 2017

	Half year ended		Quarter ended	
	June 30, 2017	June 30, 2016	June 30, 2017	June 30, 2016
	----- (Rupees in '000) -----			
Profit after taxation	284,145	754,860	16,565	296,236
Other comprehensive income				
Items that are not to be reclassified to profit and loss in subsequent periods	-	-	-	-
Items that are or may be reclassified to profit or loss in subsequent periods				
Effect of translation of net investment in foreign branch	21	-	(347)	-
Other comprehensive income transferred to equity	284,166	754,860	16,218	296,236
Items that are or may be reclassified to profit or loss in subsequent periods				
Deficit arising on revaluation of available-for-sale securities	(514,445)	(270,403)	(443,500)	(378,064)
Related deferred tax asset	180,056	94,641	155,225	132,322
	(334,389)	(175,762)	(288,275)	(245,742)
Total comprehensive (loss) / income during the period - net of tax	(50,223)	579,098	(272,057)	50,494

The annexed notes from 1 to 20 form an integral part of this unconsolidated condensed interim financial information.

Chairman

President and
Chief Executive Officer

Director

Director

Unconsolidated Condensed Interim Statement Of Changes In Equity (Unaudited)

For the half year ended June 30, 2017

	Share capital	Discount on issue of shares	Preference shares	Statutory reserve	Unappropriated profit	Total
----- (Rupees in '000) -----						
Balance as at January 01, 2016 (audited)	10,724,643	(2,105,401)	1,500,000	918,816	2,529,092	13,567,150
Total comprehensive income for the half year ended June 30, 2016						
Profit after taxation	-	-	-	-	754,860	754,860
Other comprehensive income	-	-	-	-	-	-
Transfer from surplus on revaluation of non-assets to banking unappropriated profit - net of tax	-	-	-	-	754,860	754,860
Transaction with owners recorded directly in equity						
Preference dividend paid for the year ended December 31, 2015 @ 12% p.a.	-	-	-	-	(180,000)	(180,000)
Transfers						
Transfer to statutory reserve	-	-	-	150,972	(150,972)	-
Balance as at June 30, 2016 (un-audited)	10,724,643	(2,105,401)	1,500,000	1,069,788	2,953,005	14,142,035
Total comprehensive income for the period ended December 31, 2016						
Profit after taxation	-	-	-	-	1,321,756	1,321,756
Other comprehensive Income	-	-	-	-	(37,061)	(37,061)
Transfer from surplus on revaluation of non-banking assets to unappropriated profit - net of tax	-	-	-	-	1,284,695	1,284,695
Transfers						
Transfer to statutory reserve	-	-	-	264,351	(264,351)	-
Balance as at December 31, 2016 (audited)	10,724,643	(2,105,401)	1,500,000	1,334,139	3,973,324	15,426,705
Total comprehensive income for the half year ended June 30, 2017						
Profit after taxation	-	-	-	-	284,145	284,145
Other comprehensive income	-	-	-	-	21	21
Transfer from surplus on revaluation of non-banking assets to unappropriated profit - net of tax	-	-	-	-	284,166	284,166
Preference dividend paid for the year ended December 31, 2016 @ 12% p.a.	-	-	-	-	(180,000)	(180,000)
Transfers						
Transfer to statutory reserve	-	-	-	56,829	(56,829)	-
Balance as at June 30, 2017 (un-audited)	10,724,643	(2,105,401)	1,500,000	1,390,968	4,020,768	15,530,978

The annexed notes from 1 to 20 form an integral part of this unconsolidated condensed interim financial information.

Chairman

President and
Chief Executive Officer

Director

Director

Unconsolidated Condensed Interim Cash Flow Statement (Unaudited)

For the half year ended June 30, 2017

	June 30, 2017	June 30, 2016
	----- (Rupees in '000) -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	620,971	1,283,893
Less: Dividend income	(91,890)	(61,042)
	529,081	1,222,851
Adjustments:		
Depreciation	288,917	241,841
Depreciation on non-banking assets	650	-
Amortisation of intangibles	28,382	23,823
Charge for defined benefit plan	84,563	47,121
Unrealised gain on revaluation of investments classified as held-for-trading - net	(1,948)	(13,612)
Provision / (reversal) against non-performing loans and advances - net	78,638	(20,235)
Provision for diminution in the value of investments	-	383,374
Unrealised (gain) / loss on revaluation of derivative instruments	(20,257)	63,304
Gain on disposal of operating fixed assets	(19,744)	(12,102)
Provision for Workers' Welfare Fund	12,419	25,678
	451,620	739,192
	980,701	1,962,043
Decrease / (increase) in operating assets		
Lendings to financial institutions	8,373,886	(4,696,330)
Net investment in held-for-trading securities	42,909,549	9,092,793
Advances - net	(33,436,214)	(3,104,983)
Other assets (excluding advance taxation)	(1,416,444)	240,521
	16,430,777	1,532,001
Increase / (decrease) in operating liabilities		
Bills payable	2,201,649	1,337,303
Borrowings	36,481,020	(31,412,080)
Deposits and other accounts	36,291,941	35,700,602
Other liabilities	1,389,131	421,419
	76,363,741	6,047,244
	93,775,219	9,541,288
Income tax paid	(388,041)	(524,970)
Gratuity paid	(118,308)	(64,005)
Net cash flow from operating activities	93,268,870	8,952,313
CASH FLOWS FROM INVESTING ACTIVITIES		
Net investment in available-for-sale securities	(73,855,197)	(4,124,088)
Net investment in held-to maturity securities	(14,307,432)	-
Dividend received	75,432	47,938
Investments in operating fixed assets	(651,224)	(1,404,962)
Proceeds from sale of operating fixed assets	32,935	18,755
Net cash used in investing activities	(88,705,486)	(5,462,357)
CASH FLOWS FROM FINANCING ACTIVITIES		
Preference dividend paid	(180,000)	(180,000)
Sub-ordinated loans	(600)	-
Effect of translation of net investment in foreign branches	21	-
Net cash used in financing activities	(180,579)	(180,000)
Increase in cash and cash equivalents	4,382,805	3,309,956
Cash and cash equivalents at beginning of the period	16,221,150	11,688,471
Cash and cash equivalents at end of the period	<u>20,603,955</u>	<u>14,998,427</u>

The annexed notes from 1 to 20 form an integral part of this unconsolidated condensed interim financial information.

Chairman

President and
Chief Executive Officer

Director

Director

Notes to the Unconsolidated Condensed Interim Financial Information (Unaudited)

For the half year ended June 30, 2017

1. STATUS AND NATURE OF BUSINESS

- 1.1 JS Bank Limited (the Bank / JSBL), incorporated in Pakistan, is a scheduled bank, engaged in commercial banking and related services. The Bank's ordinary shares are listed on Pakistan Stock Exchange Limited (PSX). The Bank is a subsidiary of Jahangir Siddiqui & Co. Ltd. (JSCL). The registered office of the Bank is situated at Shaheen Commercial Complex, Dr. Ziauddin Ahmed Road, Karachi. The Bank operates with 306 (December 31, 2016: 306) branches / sub-branches in Pakistan and one wholesale banking branch in Bahrain (December 31, 2016: one). The Pakistan Credit Rating Agency Limited (PACRA) has upgraded the long-term entity rating of JSBL to 'AA- (Double A Minus) [previously 'A+ (A Plus)] whereas short-term entity rating is maintained at 'A1+' (A One Plus), which is the highest possible short-term rating. The ratings denote a very low expectation of credit risk and indicate very strong capacity for timely payment of financial commitments.
- 1.2 Jahangir Siddiqui Investment Bank Limited, JSIBL, (formerly Citicorp Investment Bank Limited which was acquired by JSCL on February 01, 1999), and its holding company, JSCL, entered into a Framework Agreement with American Express Bank Limited, New York (AMEX) on November 10, 2005 for acquisition of its American Express Bank Limited - Pakistan Branches, (AEBL). Consequently, a new banking company, JSBL was incorporated on March 15, 2006 and a restricted Banking License was issued by the State Bank of Pakistan (SBP) on May 23, 2006.
- 1.3 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.

2. STATEMENT OF COMPLIANCE

- 2.1 This unconsolidated condensed interim financial information of the Bank for the half year ended June 30, 2017 has been prepared in accordance with the requirements of the International Accounting Standard 34 - 'Interim Financial Reporting', provisions of the Companies Ordinance, 1984, the Banking Companies Ordinance, 1962 and directives issued by the SECP and SBP. In case where requirements differ, the provisions of the Companies Ordinance, 1984, the Banking Companies Ordinance, 1962 and the said directives have been followed.

Notes To The Unconsolidated Condensed Interim Financial Information (Unaudited)

For the half year ended June 30, 2017

- 2.2 During the period, the Companies Act, 2017 has been promulgated, however, SECP vide its circular no. 17 of 2017, dated July 20, 2017, read with its press release of the same date, communicated that the SECP has decided that the companies whose financial year / interim period closes on or before June 30, 2017 shall prepare their financial statements in accordance with the provisions of the repealed Companies Ordinance, 1984.
- 2.3 The SBP has deferred the applicability of International Accounting Standard 39, 'Financial Instruments: Recognition and Measurement' and International Accounting Standard 40, 'Investment Property' for Banking Companies through BSD Circular Letter No. 10 dated August 26, 2002. Further, according to the notification of the SECP dated April 28, 2008, International Financial Reporting Standard 7 'Financial Instruments: Disclosures' has not been made applicable to banks. Accordingly, the requirements of these standards have not been considered in the preparation of this unconsolidated condensed interim financial information. However, investments have been classified and valued in accordance with the requirements of various circulars issued by the SBP.
- 2.4 IFRS 10 "Consolidated Financial Statements" was made applicable from periods beginning on or after January 01, 2015 vide S.R.O 633(I)/2014, dated July 10, 2014, by SECP. However, vide S.R.O 56(I) /2016 dated January 28, 2016, SECP has directed that the requirements of consolidation under section 237 of the Companies Ordinance, 1984 and IFRS-10 "Consolidated Financial Statements" are not applicable in case of investment by companies in mutual funds established under trust structure. Accordingly, the requirements of this standard have not been considered in the preparation of the unconsolidated condensed interim financial information.
- 2.5 The disclosures made in this unconsolidated condensed interim financial information have been limited based on the format prescribed by the SBP vide BSD Circular No. 2 dated May 12, 2004 and International Accounting Standard 34, 'Interim Financial Reporting' and do not include all the disclosures required in the annual financial statements. Accordingly, this unconsolidated condensed interim financial information should be read in conjunction with the annual audited financial statements of the Bank for the year ended December 31, 2016.

3. BASIS OF MEASUREMENT

This unconsolidated condensed interim financial information has been prepared under the historical cost convention except for held-for-trading investments, available-for-sale investments, non-banking assets acquired in satisfaction of claims and derivative financial instruments which are stated at fair value and defined benefit liability which is stated at net present value.

4. ACCOUNTING ESTIMATES AND JUDGMENTS

The estimates / judgments and associated assumptions used in the preparation of this unconsolidated condensed interim financial information are consistent with those applied in the preparation of the annual financial statements of the Bank for the year ended December 31, 2016.

Notes To The Unconsolidated Condensed Interim Financial Information (Unaudited)

For the half year ended June 30, 2017

5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and the methods of computation adopted in the preparation of this unconsolidated condensed interim financial information are the same as those applied in the preparation of the annual audited financial statements for the year ended December 31, 2016.

New / Revised Standards, Interpretations and Amendments

The Bank has adopted the following standards and amendment to IFRSs which became effective for the current period:

IAS 12 Income Taxes – Recognition of Deferred Tax Assets for Unrealised losses (Amendments)

The adoption of the above amendment to accounting standards did not have any effect on the condensed interim financial statements.

6. FINANCIAL RISK MANAGEMENT

The financial risk management objectives and policies applied during the period are consistent with those disclosed in the annual financial statements of the Bank for the year ended December 31, 2016.

Notes To The Unconsolidated Condensed Interim Financial Information (Unaudited)

For the half year ended June 30, 2017

		(Un-audited) June 30, 2017	(Audited) December 31, 2016
7.	LENDINGS TO FINANCIAL INSTITUTIONS		
	Call money lendings	1,666,126	2,634,489
	Repurchase agreement lendings (reverse repo)	1,294,402	8,699,925
		<u>2,960,528</u>	<u>11,334,414</u>

Note

----- (Rupees in '000) -----

7.1 Repurchase agreement lendings are secured through Pakistan Investment Bonds and Market Treasury Bills having total market value of Rs.1,332.199 million (December 31, 2016: Rs.8,811.414 million).

8. INVESTMENTS - net

	(Unaudited) June 30, 2017			(Audited) December 31, 2016		
	Held by Bank	Given as collateral	Total	Held by Bank	Given as collateral	Total
8.1	INVESTMENTS BY TYPES:					
	Held-for-trading securities					
	Market Treasury Bills					
	Pakistan Investment Bonds					
	21,101,199	-	21,101,199	64,346,568	1,413,214	65,759,782
	1,747,737	-	1,747,737	-	-	-
	<u>22,848,936</u>	<u>-</u>	<u>22,848,936</u>	64,346,568	1,413,214	65,759,782

Note

----- (Rupees in '000) -----

Available-for-sale securities

		7,148,991	3,489,399	10,638,390	4,885,943	-	4,885,943
		86,521,012	27,384,183	113,905,195	49,784,339	-	49,784,339
	8.1.1	4,134,051	-	4,134,051	2,626,343	-	2,626,343
		553,191	-	553,191	553,191	-	553,191
		136,589	-	136,589	136,589	-	136,589
		100,000	-	100,000	100,000	-	100,000
		182,322	-	182,322	182,322	-	182,322
	8.1.2	688,707	-	688,707	911,869	-	911,869
		1,742,667	-	1,742,667	360,000	-	360,000
		5,385,996	1,630,602	7,016,598	5,701,917	-	5,701,917
		<u>106,593,526</u>	<u>32,504,184</u>	<u>139,097,710</u>	65,242,513	-	65,242,513

Held-to-maturity securities

		14,307,432	-	14,307,432	-	-	-
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Investments in subsidiaries

	8.1.3	1,919,121	-	1,919,121	1,919,121	-	1,919,121
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Investments at cost

		145,669,015	32,504,184	178,173,199	131,508,202	1,413,214	132,921,416
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Less: Provision for diminution in value of investments

		(948,820)	-	(948,820)	(948,820)	-	(948,820)
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Investments (net of provision)

		144,720,195	32,504,184	177,224,379	130,559,382	1,413,214	131,972,596
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Unrealised gain / (loss) on revaluation of investments classified as held-for-trading

		1,948	-	1,948	(1,261)	(36)	(1,297)
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Surplus on revaluation of available-for-sale securities

	13.1	1,235,595	5,271	1,240,866	1,755,311	-	1,755,311
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Total investments at carrying value

		<u>145,957,738</u>	<u>32,509,455</u>	<u>178,467,193</u>	<u>132,313,432</u>	<u>1,413,178</u>	<u>133,726,610</u>
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8.1.1 Included herein are the investments in related parties amounting to Rs.2,380.220 million (December 31, 2016: Rs.1,814.560 million) having market value of Rs.3,317.795 million (December 31, 2016: Rs.3,324.401 million).

8.1.2 Included herein is the investment of Rs.65.022 million (December 31, 2016: Rs.65.022 million) in a related party at the rate of 6 months KIBOR + 1.75% maturing on December 04, 2017. Due to weak financial position of the investee the Bank has recognised full impairment loss on these Term Finance Certificates.

Notes To The Unconsolidated Condensed Interim Financial Information (Unaudited)

For the half year ended June 30, 2017

8.1.3 Included herein are the investments in the following subsidiaries:

	Shares		Holding		Cost	
	(Un-audited)	(Audited)	(Un-audited)	(Audited)	(Un-audited)	(Audited)
	June 30, 2017	December 31, 2016	June 30, 2017	December 31, 2016	June 30, 2017	December 31, 2016
	----- (Numbers) -----		----- (Percentage) -----		----- (Rupees in '000) -----	
JS Global Capital Limited	25,525,169	25,525,169	67.16%	67.16%	1,357,929	1,357,929
JS Investments Limited (refer note 8.1.3.1)	52,236,978	52,236,978	65.16%	65.16%	561,192	561,192
					<u>1,919,121</u>	<u>1,919,121</u>

8.1.3.1 The Bank also controls JS ABAMCO Commodities Limited (JSACL) indirectly through its subsidiary JS Investments Limited which has 100% holding in JSACL.

	(Un-audited) June 30, 2017	(Audited) December 31, 2016
Note	----- (Rupees in '000) -----	

9. ADVANCES - net

Loans, cash credits, running finances, etc.

In Pakistan

Outside Pakistan

111,444,359	84,694,538
1,782,418	2,139
<u>113,226,777</u>	<u>84,696,677</u>

Net investment in finance lease in Pakistan

11,796,137 7,532,153

Bills discounted and purchased (excluding treasury bills)

Payable in Pakistan

Payable outside Pakistan

2,566,398	1,444,580
2,177,535	2,780,065
<u>4,743,933</u>	<u>4,224,645</u>

Advances - gross

129,766,847 96,453,475

Provision for non-performing advances

Specific

General

9.1 & 9.2

(2,535,941)	(2,618,353)
(79,196)	(40,988)
<u>(2,615,137)</u>	<u>(2,659,341)</u>

Advances - net of provision

127,151,710 93,794,134

9.1 Advances include Rs.3,157.262 million (December 31, 2016: Rs.3,327.942 million) which have been placed under non-performing status as detailed below:

Notes To The Unconsolidated Condensed Interim Financial Information (Unaudited)

For the half year ended June 30, 2017

Category of classification	June 30, 2017 (Un-audited)				
	Domestic	Overseas	Total	Provision required	Provision held
	----- (Rupees in '000) -----				
Other assets especially mentioned	34,248	-	34,248	-	-
Substandard	310,045	-	310,045	45,686	45,686
Doubtful	31,557	-	31,557	1,068	1,068
Loss	2,781,412	-	2,781,412	2,489,187	2,489,187
	<u>3,157,262</u>	<u>-</u>	<u>3,157,262</u>	<u>2,535,941</u>	<u>2,535,941</u>
	December 31, 2016 (Audited)				
Category of classification	Domestic	Overseas	Total	Provision required	Provision held
	----- (Rupees in '000) -----				
Other assets especially mentioned	-	-	-	-	-
Substandard	384,986	-	384,986	46,076	46,076
Doubtful	48,302	-	48,302	531	531
Loss	2,894,654	-	2,894,654	2,571,746	2,571,746
	<u>3,327,942</u>	<u>-</u>	<u>3,327,942</u>	<u>2,618,353</u>	<u>2,618,353</u>

9.2 During the period, the Board of Directors in their meeting held on April 27, 2017 authorised the Bank to write-off the fully provided non-performing loans of amounting to Rs.122.842 million.

10. OPERATING FIXED ASSETS

During the period, the Bank has made additions of Rs.651.224 million including capital work in process (June 30, 2016: Rs.1,334.829 million) and deletions of Rs.48.313 million (June 30, 2016: Rs.119.959 million).

11. DEPOSITS AND OTHER ACCOUNTS	Note	(Un-audited)	(Audited)
		June 30, 2017	December 31, 2016
		---- (Rupees in '000) ----	
Customers			
Fixed deposits		122,072,131	105,693,800
Savings deposits		49,172,163	39,530,255
Current accounts - non-remunerative		60,478,540	48,932,442
Margin accounts		3,847,350	4,185,137
		<u>235,570,184</u>	<u>198,341,634</u>
Financial institutions			
Remunerative deposits		25,689,037	26,853,900
Non-remunerative deposits		1,131,651	903,397
		<u>26,820,688</u>	<u>27,757,297</u>
11.1		<u>262,390,872</u>	<u>226,098,931</u>

Notes To The Unconsolidated Condensed Interim Financial Information (Unaudited)

For the half year ended June 30, 2017

	(Un-audited) June 30, 2017	(Audited) December 31, 2016
	---- (Rupees in '000) ----	
11.1 Particulars of deposits		
In local currency	248,988,416	215,434,075
In foreign currencies	13,402,456	10,664,856
	<u>262,390,872</u>	<u>226,098,931</u>
12. Deferred tax (asset) / liability - net		
Deferred tax debits arising from:		
Provision against investments	(57,149)	(57,149)
Provision against loans and advances	(15,955)	(16,092)
Provision for Workers' Welfare Fund	(26,145)	(26,145)
	<u>(99,249)</u>	<u>(99,386)</u>
Deferred tax credits arising due to:		
Operating fixed assets	170,248	184,050
Goodwill	512,268	512,268
Unrealised gain / (loss) on revaluation of derivative instruments	7,604	(7,782)
Unrealised gain / (loss) on revaluation of investments classified as held-for-trading	682	(454)
Surplus on revaluation of non-banking assets acquired in satisfaction of claims	2,249	2,307
Surplus on revaluation of investments classified as available-for-sale	434,303	614,359
	<u>1,127,354</u>	<u>1,304,748</u>
	<u>1,028,105</u>	<u>1,205,362</u>
13. SURPLUS ON REVALUATION OF ASSETS - net of tax		
Non-banking assets acquired in satisfaction of claims	81,760	81,868
Available-for-sale securities	806,563	1,140,952
	<u>888,323</u>	<u>1,222,820</u>
13.1 Available-for-sale securities		
Government securities	199,862	48,729
Ordinary shares - listed	907,775	1,664,750
Open ended mutual funds	(5,242)	(2,843)
Foreign currency bonds	138,471	44,675
	<u>1,240,866</u>	<u>1,755,311</u>
Related deferred tax liability	(434,303)	(614,359)
	<u>806,563</u>	<u>1,140,952</u>
14. CONTINGENCIES AND COMMITMENTS		
14.1 Transaction-related contingent liabilities		
Includes performance bonds, bid bonds, warranties, advance payment guarantees, shipping guarantees and standby letters of credit related to particular transactions		
i) Government	27,913,012	18,055,350
ii) Banking companies and other financial institutions	4,047,407	2,777,027
iii) Others	5,474,510	6,673,175
	<u>37,434,929</u>	<u>27,505,552</u>

Notes To The Unconsolidated Condensed Interim Financial Information (Unaudited)

For the half year ended June 30, 2017

14.1.1 Included herein the outstanding guarantees of Rs.18.841 million (December 31, 2016: Rs.17.140 million) of related parties.

	Note	(Un-audited) June 30, 2017	(Audited) December 31, 2016
----- (Rupees in '000) -----			
14.2 Trade-related contingent liabilities			
Documentary credits	14.2.1	<u>14,983,796</u>	<u>20,505,270</u>
14.2.1	Included herein is an outstanding amount of Rs.35.953 million (December 31, 2016: Rs.2,194.048 million) of related parties.		
14.3 Commitments in respect of forward lending	14.3.1	<u>486,954</u>	<u>234,062</u>
14.3.1	Included herein is a commitment of Rs.Nil (December 31, 2016: Rs.170 million) of related parties.		
14.4 Commitments in respect of capital expenditures		<u>86,334</u>	<u>59,876</u>
14.5 Commitments in respect of derivative instruments			
14.5.1 Forward exchange contracts			
Purchase		<u>11,202,268</u>	<u>9,872,524</u>
Sale		<u>7,402,970</u>	<u>10,004,614</u>
14.5.2 Forward government securities			
Purchase		<u>-</u>	<u>3,989,680</u>
Sale		<u>-</u>	<u>4,998,400</u>
14.5.3 Cross currency swaps (notional principal)		<u>3,600,875</u>	<u>1,753,050</u>

14.6 During the period, the Bank has filed an appeal before the Commissioner Inland Revenue (Appeals) against the revised assessment order issued giving findings, based on reconsideration of matters, which were earlier contested in appeal and then remanded back for reexamination. In the revised order, significant matter of disallowance of accrued mark-up has been allowed which was earlier disallowed under section 21(c) for the alleged non-tax withholding of tax source under section 151 of the Income Tax Ordinance, 2001. However matters concerning disallowance of expenses and double additions to income like taxing of reversal of provisions made on bad debts and investments have not been allowed. The Bank is confident that such matters are verifiable and should be decided in its favor.

14.7 There are no changes in contingent liabilities since the date of annual unconsolidated audited financial statements for the year ended December 31, 2016 except as disclosed above.

Notes To The Unconsolidated Condensed Interim Financial Information (Unaudited)

For the half year ended June 30, 2017

		(Un-audited)			
		Half year ended		Quarter ended	
		June 30, 2017	June 30, 2016	June 30, 2017	June 30, 2016
		----- Rupees in '000 -----			
15.	BASIC AND DILUTED EARNINGS PER SHARE				
	Profit after taxation for the period - attributable to equity holders of the Bank for diluted earnings	284,145	754,860	16,565	296,236
	Preference dividend paid for the year ended December 31, 2016 @ 12% p.a. (December 31, 2015: 12% p.a)	(180,000)	(180,000)	-	-
	Profit after taxation for the period - attributable to ordinary equity holders of the Bank for basic earnings	<u>104,145</u>	<u>574,860</u>	<u>16,565</u>	<u>296,236</u>
		----- Numbers -----			
	Weighted average number of basic outstanding ordinary shares during the period	<u>1,072,464,262</u>	1,072,464,262	<u>1,072,464,262</u>	1,072,464,262
	Weighted average number of diluted outstanding ordinary shares during the period 15.1	<u>1,072,464,262</u>	1,072,464,262	<u>1,297,464,262</u>	1,297,464,262
		----- Rupee -----			
	Basic earnings per share	<u>0.10</u>	0.54	<u>0.02</u>	0.28
	Diluted earnings per share 15.1	<u>0.10</u>	0.54	<u>0.01</u>	0.23

- 15.1** The diluted earnings per share increased for the half year ended when taking the convertible preference shares into account, therefore the convertible preference shares are anti-dilutive and are excluded from the weighted average number of ordinary shares for the purpose of diluted earnings per share.

Notes To The Unconsolidated Condensed Interim Financial Information (Unaudited)

For the half year ended June 30, 2017

16. RELATED PARTY TRANSACTIONS

The Bank has related party relationships with its associates, parent, subsidiaries, companies having common directors, companies in which parent holds more than 20% shares, employee benefit plans, and its key management personnel (including their associates). Contributions to the accounts in respect of staff retirement benefits are made in accordance with terms of the contribution plans. Remuneration of the key management personnel are in accordance with the terms of their employment. Other transactions are carried out as per agreed terms. The details of investments in subsidiaries and associates are stated in note 8.1.3 to this unconsolidated condensed interim financial information.

The details of transactions with related parties, other than those which have been specifically disclosed elsewhere in the financial information is as follows:

	Key management personnel		Subsidiary companies		Companies in which parent company holds 20% or more		Companies having common directorship		Other related parties	
	(Un-audited) June 30, 2017	(Audited) December 31, 2016	(Un-audited) June 30, 2017	(Audited) December 31, 2016	(Un-audited) June 30, 2017	(Audited) December 31, 2016	(Un-audited) June 30, 2017	(Audited) December 31, 2016	(Un-audited) June 30, 2017	(Audited) December 31, 2016
Advances										
Opening balance	478,064	385,639	-	-	48,875	-	394,381	385,763	1,300,223	2,044,664
Disbursements	236,459	279,095	1,600,000	-	443,864	767,157	-	18,640,900	1,681,356	4,576,609
Repayments	(91,806)	(196,670)	(1,600,000)	-	(442,559)	(7,18,282)	(602)	(18,642,302)	(6,321,050)	(6,321,050)
Closing balance	622,717	478,064	-	-	50,180	48,875	393,759	394,381	1,356,608	1,300,223
Disbursements made during the half year ended June 30, 2016		156,613	-	-	50,180	467,460	-	14,843,281	-	3,498,610
Repayments made during the half year ended June 30, 2016		(72,500)	-	-	-	(689,275)	-	(13,145,819)	-	(9,109,477)
Mark-up / return / interest earned for the half year ended June 31, 2016 (Un-audited)	12,822	9,911	989	-	14,294	9,611	68	67,636	48,603	113,019
Deposits										
Opening balance	767,243	2,016,612	1,094,276	1,485,323	3,617,357	2,510,501	996,255	1,097,580	3,438,468	2,308,568
Deposits during the period	3,335,968	11,429,643	216,450,019	322,995,015	42,135,712	59,785,999	11,636,540	27,432,054	18,609,275	33,645,004
Withdrawals during the period	(3,049,389)	(12,679,012)	(215,002,346)	(323,387,062)	(42,881,068)	(58,678,943)	(10,162,633)	(27,573,379)	(19,094,642)	(32,515,108)
Closing balance	1,253,822	767,243	2,541,949	1,094,276	2,922,201	3,617,357	2,430,162	956,265	2,933,099	3,438,468
Deposits during the half year ended June 30, 2016		9,947,625		228,702,076		15,696,739		5,472,379		29,770,872
Withdrawals made during the half year ended June 30, 2016		(10,068,539)		(229,670,234)		(15,706,155)		(6,165,995)		(28,606,164)
Mark-up / return / interest earned for the half year ended June 30, (Un-audited)	18,531	55,506	48,308	43,185	102,708	75,858	38,591	21,652	104,943	89,927

Notes To The Unconsolidated Condensed Interim Financial Information (Unaudited)

For the half year ended June 30, 2017

Material transactions with related parties are given below:

(Unaudited)								
Subsidiary companies		Companies having common directorship		Companies in which parent company holds 20% or more		Other related parties		
June 30, 2017	June 30, 2016	June 30, 2017	June 30, 2016	June 30, 2017	June 30, 2016	June 30, 2017	June 30, 2016	
----- (Rupees in '000) -----								
Nature of transactions								
Sale of government securities	-	21,005	-	643,480	14,077,302	7,673,218	670,098	1,490,589
Purchase of government securities	-	43,136	-	-	520,213	1,073,438	317,319	434,597
Sale of Sukuk / Ijara Sukuk	-	-	-	-	-	192,469	-	103,508
Sale of shares / Units	-	-	-	-	-	-	-	102,370
Sale of foreign exchange contracts	-	-	-	-	6,500,073	8,396,085	-	-
Purchase of foreign exchange contracts	-	-	-	-	4,819,673	4,217,228	-	-
Rent received / receivable	1,657	709	-	-	-	-	-	-
Rent expense paid / accrued	3,131	710	-	-	-	-	-	-
Letter of credits	-	-	33,470	17,016	-	-	70,283	82,127
Reimbursement of expenses	-	288	-	-	-	-	2,651	2,091
Payment to staff benefit plan	-	-	-	-	-	-	118,308	64,005
Payment to staff contribution plan	-	-	-	-	-	-	65,908	24,326
Remuneration to key management personnel	-	-	-	-	-	-	275,927	228,216
Director fees and allowances	-	-	-	-	-	-	6,050	7,000
Insurance claim received	-	-	-	-	12,806	-	-	5,326
Insurance premium paid	-	-	-	39,998	125,489	25,605	49,821	56,526
Expenses incurred on behalf	442	460	-	-	-	-	-	-
Services rendered	1,800	908	-	-	-	-	-	-
Commission paid / accrued	1,687	1,111	-	-	-	-	-	-
Commission income	4,057	-	23,408	20	44,052	29,761	70	82
Dividend income	26,118	-	-	-	45,549	7,856	-	18,142
Advisory fee	-	-	-	-	-	-	24,500	15,000
Preference dividend paid	-	-	-	-	-	-	1,479	1,479
Services received	-	-	-	-	-	-	196	369

Un-audited Parent company	
June 30, 2017	June 30, 2016
--- (Rupees in '000) ---	

Nature of transactions

Rent expense paid / accrued	756	654
Reimbursement of expenses	3,162	3,046
Preference dividend paid	174,450	-

Notes To The Unconsolidated Condensed Interim Financial Information (Unaudited)

For the half year ended June 30, 2017

17. FAIR VALUE OF FINANCIAL INSTRUMENTS

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

The fair value of quoted securities other than those classified as held to maturity, is based on quoted market price. Fair value of fixed term loans, other assets, other liabilities and fixed term deposits cannot be calculated with sufficient reliability due to absence of current and active market for these assets and liabilities and reliable data regarding market rates for similar instruments. The provision for impairment of loans and advances has been calculated in accordance with the Bank's accounting policy as stated in note 6.9 to the annual audited financial statements for the year ended December 31, 2016

In the opinion of the management, the fair value of the remaining financial assets and financial 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.

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: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability.

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

	June 30, 2017 (Un-audited)			
	Level 1	Level 2	Level 3	Total
----- Rupees in '000 -----				
On balance sheet financial instruments				
Financial assets classified as 'held-for-trading' securities				
Government Securities				
Market Treasury Bills	-	21,101,198	-	21,101,198
Pakistan Investment Bonds	-	1,749,686	-	1,749,686
	-	22,850,884	-	22,850,884
Financial assets classified as available-for-sale securities				
Government Securities				
Market Treasury Bills	-	10,636,874	-	10,636,874
Pakistan Investment Bonds	-	114,106,573	-	114,106,573
	-	124,743,447	-	124,743,447
Ordinary Shares				
Ordinary shares of listed companies	5,041,826	-	-	5,041,826
Open end mutual funds	-	94,758	-	94,758
Foreign currency bonds	-	7,123,416	-	7,123,416
	5,041,826	131,961,621	-	137,003,447

Notes To The Unconsolidated Condensed Interim Financial Information (Unaudited)

For the half year ended June 30, 2017

	June 30, 2017 (Un-audited)			
	Level 1	Level 2	Level 3	Total
	----- Rupees in '000 -----			
Financial assets classified as 'held-to-maturity' securities				
Government Securities				
Pakistan Investment Bonds	14,307,432	-	-	14,307,432
	<u>19,349,258</u>	<u>154,812,505</u>	<u>-</u>	<u>174,161,763</u>
Off balance sheet financial instruments				
Forward exchange contracts				
Purchase	-	11,229,777	-	11,229,777
Sale	-	7,414,736	-	7,414,736
	<u>-</u>	<u>3,694,344</u>	<u>-</u>	<u>3,694,344</u>
Cross currency swaps (notional principal)	<u>-</u>	<u>3,694,344</u>	<u>-</u>	<u>3,694,344</u>
	December 31, 2016 (Audited)			
	Level 1	Level 2	Level 3	Total
	----- Rupees in '000 -----			
On balance sheet financial instruments				
Financial assets classified as held for trading securities				
Government Securities				
Market Treasury Bills	-	65,758,485	-	65,758,485
Pakistan Investment Bonds	-	-	-	-
Financial assets classified as 'available-for-sale' securities				
Government Securities				
Market Treasury Bills	-	4,884,060	-	4,884,060
Pakistan Investment Bonds	-	49,834,951	-	49,834,951
	-	54,719,011	-	54,719,011
Ordinary Shares				
Ordinary shares of listed companies	<u>4,291,093</u>	<u>-</u>	<u>-</u>	<u>4,291,093</u>
Open end mutual funds	-	97,157	-	97,157
Foreign currency bonds	-	5,714,939	-	5,714,939
	<u>4,291,093</u>	<u>126,289,592</u>	<u>-</u>	<u>130,580,685</u>
Off balance sheet financial instruments				
Forward exchange contracts				
Purchase	-	9,816,883	-	9,816,883
Sale	-	9,977,367	-	9,977,367
	<u>-</u>	<u>1,758,882</u>	<u>-</u>	<u>1,758,882</u>
Cross currency swaps (notional principal)	<u>-</u>	<u>1,758,882</u>	<u>-</u>	<u>1,758,882</u>
Forward government securities				
Purchase	-	3,988,403	-	3,988,403
Sale	-	4,996,791	-	4,996,791
	<u>-</u>	<u>4,996,791</u>	<u>-</u>	<u>4,996,791</u>

Notes To The Unconsolidated Condensed Interim Financial Information (Unaudited)

For the half year ended June 30, 2017

17.2 Valuation techniques used in determination of fair values within level 2

Item	Valuation approach and input used
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.
Units of mutual funds	Fair values of investments in units of mutual funds are determined based on redemption prices disclosed at the Mutual Funds Association of Pakistan (MUFAP) as at the close of the business days.
Pakistan Investment Bonds / Market Treasury Bills	Fair values of Pakistan Investment Bonds and Market Treasury Bills are derived using PKRV rates (Reuters page).
Term Finance Certificates and Bonds	Investments in debt securities (comprising term finance certificates, bonds and any other security issued by a company or a body corporate for the purpose of raising funds in the form of redeemable capital) are valued on the basis of the rates announced by the Mutual Funds Association of Pakistan (MUFAP) and Bloomberg in case of foreign bonds, in accordance with the methodology prescribed by the Securities and Exchange Commission 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 currency involved, interest rates, yield curves, volatilities, contracts duration, etc.

Notes To The Unconsolidated Condensed Interim Financial Information (Unaudited)

For the half year ended June 30, 2017

18. SEGMENT DETAILS WITH RESPECT TO BUSINESS ACTIVITIES

The segment analysis with respect to business activity is as follows:

	2017						
	Corporate finance	Trading and sales	Retail banking	Commercial banking	Payment and settlement	Others	Total
	(Rupees in '000)						
June 30, 2017 (un-audited)							
Total income - external	302,726	4,985,466	1,847,833	2,998,388	83,921	20,082	10,238,416
Inter-segment revenues - net	-	(4,387,136)	3,957,858	429,278	-	-	-
Total income	302,726	598,330	5,805,691	3,427,666	83,921	20,082	10,238,416
Total expenses	(46,574)	(374,396)	(5,602,482)	(3,323,033)	(45,480)	(146,842)	(9,538,807)
Provisions / impairments	-	-	(33,904)	(44,734)	-	-	(78,638)
Current taxation	-	-	-	-	-	(218,083)	(218,083)
Prior year taxation	-	-	-	-	-	(115,944)	(115,944)
Deferred taxation	-	-	-	-	-	(2,799)	(2,799)
Net income / (loss)	256,152	223,934	169,305	59,899	38,441	(463,586)	284,145
June 30, 2017 (un-audited)							
Segment assets (gross)	-	198,073,560	56,302,724	78,608,919	-	11,410,913	344,396,116
Segment non performing assets	-	969,591	457,895	2,699,368	-	10,861	4,137,715
Segment provision required	-	(948,820)	(254,840)	(2,360,297)	-	(10,861)	(3,574,818)
Segment liabilities	-	41,681,174	183,578,898	87,117,738	4,745,676	7,278,511	324,401,997
Segment return on net assets (ROA) (%)		7.88%	7.95%	6.32%			
Segment cost of funds (%)		4.13%	6.19%	6.69%			
	2016						
	Corporate finance	Trading and sales	Retail banking	Commercial banking	Payment and settlement	Others	Total
	(Rupees in '000)						
June 30, 2016 (un-audited)							
Total income - external	152,403	5,696,503	1,662,641	2,005,595	77,789	12,102	9,607,033
Inter-segment revenues - net	-	(2,075,058)	2,158,498	(83,440)	-	-	-
Total income	152,403	3,621,445	3,821,139	1,922,155	77,789	12,102	9,607,033
Total expenses	(11,629)	(1,230,338)	(4,033,966)	(1,933,185)	(35,659)	(715,224)	(7,960,001)
Provisions / impairments	-	(383,374)	(107,169)	127,404	-	-	(363,139)
Current taxation	-	-	-	-	-	(340,028)	(340,028)
Prior year taxation	-	-	-	-	-	(79,838)	(79,838)
Deferred taxation	-	-	-	-	-	(109,167)	(109,167)
Net income / (loss)	140,774	2,007,733	(319,996)	116,374	42,130	(1,232,155)	754,860
December 31, 2016 (audited)							
Segment assets (gross)	-	157,133,847	37,737,239	63,853,911	-	9,594,518	268,319,515
Segment non-performing assets	-	1,125,952	315,703	3,012,239	-	10,861	4,464,755
Segment provision required	-	(948,820)	(181,830)	(2,477,511)	-	(10,861)	(3,619,022)
Segment liabilities	-	3,040,528	156,713,850	79,664,600	2,544,028	6,087,962	248,050,968
Segment return on net assets (ROA) (%)		7.81%	7.65%	8.30%			
Segment cost of funds (%)		4.02%	6.29%	7.15%			

Notes To The Unconsolidated Condensed Interim Financial Information (Unaudited)

For the half year ended June 30, 2017

19. GENERAL

The figures in this unconsolidated condensed interim financial information have been rounded off to the nearest thousand.

20. DATE OF AUTHORISATION FOR ISSUE

This unconsolidated condensed interim financial information was authorised for issue by the Board of Directors of the Bank in their meeting held on August 17, 2017

Chairman

President and
Chief Executive Officer

Director

Director

Consolidated Condensed Interim
Financial Information



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AUDITORS' REPORT TO THE MEMBERS ON REVIEW OF CONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION

Introduction

We have reviewed the accompanying consolidated condensed interim statement of financial position of JS Bank Limited (the Bank) as at 30 June 2017 and the related consolidated condensed interim profit and loss account, consolidated condensed interim statement of comprehensive income, consolidated condensed interim statement of changes in equity, consolidated condensed interim cash flow statement and notes to the accounts for the half year then ended (here-in-after referred to as the "consolidated condensed interim financial information"). The condensed interim financial information of the subsidiaries JS Global Capital Limited and JS Investments Limited for the half year ended 30 June 2017 was reviewed by us in accordance with the International Standard on Review Engagements 2410. The condensed interim financial information of JS Abamco Commodities Limited (a subsidiary of JS Investments Limited) has not been reviewed. Management is responsible for the preparation and presentation of this consolidated condensed interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this consolidated condensed interim financial information based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated condensed interim financial information is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

Other matter

The figures for the quarters ended 30 June 2017 and 30 June 2016 in the consolidated condensed interim profit and loss account and consolidated condensed interim statement of comprehensive income have not been subject to the review and therefore, we do not express a conclusion thereon.

Chartered Accountants

Engagement Partner: Shabbir Yunus

Date: 17 August 2017

Karachi

Consolidated Condensed Interim Statement of Financial Position

As at June 30, 2017

		(Un-audited) June 30, 2017	(Audited) December 31, 2016
	Note	----- (Rupees in '000) -----	
ASSETS			
Cash and balances with treasury banks		20,020,349	15,509,263
Balances with other banks		994,407	767,747
Lendings to financial institutions		2,960,528	11,334,414
Investments - net	8	179,913,617	135,038,901
Advances - net	9	127,173,662	93,812,506
Operating fixed assets	10	6,356,499	6,021,563
Deferred tax assets - net	11	-	-
Other assets		8,093,049	6,341,197
		345,512,111	268,825,591
LIABILITIES			
Bills payable		4,745,677	2,544,028
Borrowings		47,960,585	10,320,047
Deposits and other accounts	12	259,849,477	225,004,655
Sub-ordinated loans		2,999,400	3,000,000
Liabilities against assets subject to finance lease		-	-
Deferred tax liabilities-net	13	890,245	1,082,885
Other liabilities		9,413,347	7,111,582
		325,858,731	249,063,197
NET ASSETS		19,653,380	19,762,394
REPRESENTED BY:			
Share capital		10,724,643	10,724,643
Discount on issue of shares		(2,105,401)	(2,105,401)
Preference shares		1,500,000	1,500,000
Reserves		1,390,967	1,334,138
Unappropriated profit		4,982,105	4,858,596
		16,492,314	16,311,976
Non-controlling interest		1,471,481	1,434,391
		17,963,795	17,746,367
Surplus on revaluation of assets - net of tax	14	1,689,585	2,016,027
		19,653,380	19,762,394
CONTINGENCIES AND COMMITMENTS	15		

The annexed notes from 1 to 21 form an integral part of this consolidated condensed interim financial information.

Chairman

President and
Chief Executive Officer

Director

Director

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

For the half year ended June 30, 2017

	Half year ended		Quarter ended		
	June 30, 2017	June 30, 2016	June 30, 2017	June 30, 2016	
Note ----- Rupees in '000 -----					
Mark-up / return / interest earned	8,551,899	7,397,335	4,609,336	3,741,367	
Mark-up / return / interest expensed	5,766,512	4,453,264	3,105,670	2,201,609	
Net mark-up interest income	2,785,387	2,944,071	1,503,666	1,539,758	
(Provision) / reversal against non-performing loans and advances - net	(78,638)	20,235	(19,739)	139,761	
Reversal / (provision) for diminution in the value of investments - net	8,505	(383,374)	6,709	(383,374)	
Bad debts written off directly	-	-	-	-	
	(70,133)	(363,139)	(13,030)	(243,613)	
Net mark-up interest income after provisions	2,715,254	2,580,932	1,490,636	1,296,145	
NON MARK-UP / INTEREST INCOME					
Fee, commission and brokerage income	1,557,086	1,006,258	884,964	556,490	
Dividend income	129,558	116,485	125,323	65,418	
Income from dealing in foreign currencies	133,174	248,268	70,652	156,562	
Gain on sale / redemption of securities - net	454,798	1,296,620	224,271	661,798	
Unrealised loss on revaluation of investments classified as held-for-trading - net	(8,428)	(9,018)	(515,547)	(27,576)	
Other income / (loss) - net	90,685	(8,960)	40,546	(31,634)	
Total non-mark-up / interest income	2,356,873	2,649,653	830,209	1,381,058	
	5,072,127	5,230,585	2,320,845	2,677,203	
NON MARK-UP / INTEREST EXPENSES					
Administrative expenses	4,200,416	3,745,133	1,978,594	1,958,562	
Other provisions / write offs	-	-	-	-	
Other charges	30,394	60,282	20,002	44,886	
Total non-mark-up / interest expenses	4,230,810	3,805,415	1,998,596	2,003,448	
	841,317	1,425,170	322,249	673,755	
Extra ordinary / unusual items	-	-	-	-	
PROFIT BEFORE TAXATION	841,317	1,425,170	322,249	673,755	
Taxation					
- Current	(313,594)	(384,353)	(233,601)	(236,207)	
- Prior years	(115,944)	(79,838)	(115,944)	(79,838)	
- Deferred	(514)	(107,415)	96,292	12,382	
	(430,052)	(571,606)	(253,253)	(303,663)	
PROFIT AFTER TAXATION	411,265	853,564	68,996	370,092	
ATTRIBUTABLE TO:					
Equity holders of the Bank	360,210	820,676	42,485	351,093	
Non-controlling interest (NCI)	51,055	32,888	26,511	18,999	
	411,265	853,564	68,996	370,092	
----- Rupee -----					
Basic earnings per share	16	0.17	0.60	0.04	0.33
Diluted earnings per share	16	0.17	0.60	0.03	0.27

The annexed notes from 1 to 21 form an integral part of this consolidated condensed interim financial information.

Chairman

President and
Chief Executive Officer

Director

Director

Consolidated Condensed Interim Statement of Comprehensive Income (Un-audited)

For the half year ended June 30, 2017

	Half year ended		Quarter ended	
	June 30, 2017	June 30, 2016	June 30, 2017	June 30, 2016
	----- (Rupees in '000) -----			
Profit after taxation	411,265	853,564	68,996	370,092
Other comprehensive income				
Items that are not to be reclassified to profit or loss in subsequent periods	-	-	-	-
Items that are or may be reclassified to profit or loss in subsequent periods				
Effect of translation of net investment in foreign branch	21	-	(347)	-
Other comprehensive income transferred to equity	411,286	853,564	68,649	370,092
Items that are or may be reclassified to profit or loss in subsequent periods				
Deficit arising on revaluation of available-for-sale securities	(519,487)	(205,619)	(507,663)	(306,271)
Related deferred tax asset	193,153	91,759	169,612	128,181
	(326,334)	(113,860)	(338,051)	(178,090)
Total comprehensive income / (loss) for the period - net of tax	84,952	739,704	(269,402)	192,002
Attributable to:				
Equity holders of the Bank	31,792	705,115	(277,870)	158,357
Non-controlling interest	53,160	34,589	8,468	33,645
Total comprehensive income / (loss) for the period - net of tax	84,952	739,704	(269,402)	192,002

The annexed notes from 1 to 21 form an integral part of this consolidated condensed interim financial information.

Chairman	President and Chief Executive Officer	Director	Director
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Consolidated Condensed Interim Statement of Changes in Equity (Un-audited)

For the half year ended June 30, 2017

	Share capital	Discount on issue of shares	Preference Shares	Statutory reserve	Unappropriated profit	Sub total	Non-controlling interest	Total
----- (Rupees in '000) -----								
Balance as at January 01, 2016 (Audited)	10,724,643	(2,105,401)	1,500,000	918,815	3,066,149	14,104,206	1,952,266	16,056,472
Total comprehensive income for the half year ended June 30, 2016								
Profit after taxation	-	-	-	-	820,676	820,676	32,888	853,564
Other comprehensive income - net of tax	-	-	-	-	-	-	-	-
Transaction with owners recorded directly in equity								
Transfer from surplus on revaluation of non-banking assets to unappropriated profit - net of tax	-	-	-	-	25	25	-	25
Buy-back of shares by subsidiary	-	-	-	-	-	-	(694,430)	(694,430)
Gain arising on buy back of shares by subsidiary	-	-	-	-	95,872	95,872	46,880	142,752
Preference dividend for the period ended December 31, 2015 @ 12% p.a	-	-	-	-	(180,000)	(180,000)	-	(180,000)
Transfers								
Transfer to statutory reserve	-	-	-	150,972	(150,972)	-	-	-
Balance as at June 30, 2016 (un-audited)	10,724,643	(2,105,401)	1,500,000	1,069,787	3,651,750	14,840,779	1,337,604	16,178,383
Total comprehensive income for the period ended December 31, 2016								
Profit after taxation	-	-	-	-	1,508,283	1,508,283	96,787	1,605,070
Other comprehensive income - net of tax	-	-	-	-	(37,061)	(37,061)	-	(37,061)
Transfer from surplus on revaluation of non-banking assets to unappropriated profit - net of tax	-	-	-	-	1,471,222	1,471,222	96,787	1,568,009
Transfer from surplus on revaluation of non-banking assets to unappropriated profit - net of tax	-	-	-	-	(25)	(25)	-	(25)
Transaction with owners recorded directly in equity								
Transfers								
Transfer to statutory reserve	-	-	-	264,351	(264,351)	-	-	-
Balance as at December 31, 2016 (Audited)	10,724,643	(2,105,401)	1,500,000	1,334,138	4,858,596	16,311,976	1,434,391	17,746,367
Total comprehensive income for the half year ended June 30, 2017								
Profit after taxation	-	-	-	-	360,210	360,210	51,055	411,265
Other comprehensive income - net of tax	-	-	-	-	21	21	-	21
Transfer from surplus on revaluation of non-banking assets to unappropriated profit - net of tax	-	-	-	-	360,231	360,231	51,055	411,286
Transaction with owners recorded directly in equity								
Transfer from surplus on revaluation of non-banking assets to unappropriated profit - net of tax	-	-	-	-	107	107	-	107
Preference dividend paid for the year ended December 31, 2016 @ 12% p.a.	-	-	-	-	(180,000)	(180,000)	-	(180,000)
Dividend for the year ended December 31, 2016 @ Rs. 0.5 paid to non-controlling interest	-	-	-	-	-	-	(13,965)	(13,965)
Transfers								
Transfer to statutory reserve	-	-	-	56,829	(56,829)	-	-	-
Balance as at June 30, 2017 (un-audited)	10,724,643	(2,105,401)	1,500,000	1,390,967	4,982,105	16,492,314	1,471,481	17,963,795

The annexed notes from 1 to 21 form an integral part of this consolidated condensed interim financial information.

Chairman

President and
Chief Executive Officer

Director

Director

Consolidated Condensed Interim Cash Flow Statement (Un-audited)

For the half year ended June 30, 2017

	June 30, 2017	June 30, 2016
	----- (Rupees in '000) -----	
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	843,998	1,425,170
Less: Dividend income	(129,558)	(116,485)
	<u>714,440</u>	<u>1,308,685</u>
Adjustments:		
Depreciation	310,628	258,613
Depreciation on non-banking assets	650	
Amortisation of intangibles	30,210	26,215
Charge for defined benefit plan	84,563	47,121
Unrealised gain on revaluation of investments classified as held-for-trading	8,428	9,018
Provision / (reversal) against non-performing loans and advances - net	78,638	(20,235)
(Reversal) / provision for diminution in the value of investments - net	(8,505)	383,374
Unrealised loss / (gain) on revaluation of derivative instruments	(20,257)	40,899
Gain on disposal of operating fixed assets	(20,446)	(12,208)
Provision for Workers' Welfare Fund	17,391	28,427
	<u>481,300</u>	<u>761,224</u>
	1,195,740	2,069,909
Decrease / (increase) in operating assets		
Lendings to financial institutions	8,373,886	(4,696,330)
Investment in held-for-trading securities - net	42,732,601	8,654,248
Advances - net	(33,439,794)	(3,107,672)
Other assets (excluding advance taxation)	(1,672,508)	132,094
	<u>15,994,185</u>	<u>982,340</u>
Increase / (decrease) in operating liabilities		
Bills payable	2,201,649	1,337,303
Borrowings	37,454,067	(31,412,080)
Deposits and other accounts	34,844,822	36,568,751
Other liabilities	2,326,095	467,962
	<u>76,826,633</u>	<u>6,961,936</u>
	94,016,558	10,014,185
Income tax paid	(476,249)	(589,565)
Gratuity paid	(118,308)	(64,005)
Net cash flows from operating activities	<u>93,422,001</u>	<u>9,360,615</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Net investment in available-for-sale securities	(73,819,295)	(4,010,729)
Net investment in held-to maturity securities	(14,307,432)	-
Dividend received	105,873	102,740
Investment in operating fixed assets	(690,142)	(1,438,089)
Sale proceeds from disposal of operating fixed assets	34,814	18,861
Net cash used in investing activities	<u>(88,676,182)</u>	<u>(5,327,217)</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Sub-ordinated loans	(600)	-
Preference dividend paid	(180,000)	(180,000)
Dividend paid to non-controlling assets	(13,965)	-
Effect of translation of net investment in foreign branches	21	-
Share bought back from non-controlling interest	-	(551,678)
Net cash used in financing activities	<u>(194,544)</u>	<u>(731,678)</u>
Increase in cash and cash equivalents	<u>4,551,275</u>	<u>3,301,720</u>
Cash and cash equivalents at beginning of the period	16,236,482	11,734,891
Cash and cash equivalents at end of the period	<u>20,787,757</u>	<u>15,036,611</u>

The annexed notes from 1 to 21 form an integral part of this consolidated condensed interim financial information.

Chairman

President and
Chief Executive Officer

Director

Director

Notes to the Consolidated Condensed Interim Financial Information (Un-audited)

For the half year ended June 30, 2017

1. STATUS AND NATURE OF BUSINESS

1.1 The “Group” consists of:

1.1.1 Holding Company

JS Bank Limited (the Bank / JSBL), incorporated in Pakistan, is a scheduled bank, engaged in commercial banking and related services. The Bank’s ordinary shares are listed on Pakistan Stock Exchange Limited (PSX). The Bank is a subsidiary of Jahangir Siddiqui & Co. Ltd. (JSCL). The registered office of the Bank is situated at Shaheen Commercial Complex, Dr. Ziauddin Ahmed Road, Karachi. The Bank operates with 306 (December 31, 2016: 306) branches / sub-branches in Pakistan and one wholesale banking branch in Bahrain (December 31, 2016: One). The Pakistan Credit Rating Agency Limited (PACRA) has upgraded the long-term entity rating of JS Bank Limited (JSBL) to ‘AA- (Double A Minus) [previously ‘A+ (A Plus)]’ whereas short-term entity rating is maintained at ‘A1+’ (A One Plus), which is the highest possible short-term rating. The ratings denote a very low expectation of credit risk and indicate very strong capacity for timely payment of financial commitments.

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.

1.1.2 Subsidiary companies

JS Global Capital Limited (JSGCL)

JS Global Capital Limited, JSGCL, is principally owned by the Bank, holding 67.16% of its equity interest. The Bank acquired effective controlling interest in JSGCL on December 21, 2011 and April 15, 2016 of 51.05% and 16.11% respectively. The ownership interest has increased by 16.11%, without changing in the cost of investment, due to the fact that JSGCL has bought back its 11,993,000 ordinary shares out of its 50 million ordinary shares during the year.

Notes to the Consolidated Condensed Interim Financial Information (Un-audited)

For the half year ended June 30, 2017

JSGCL is a public listed company incorporated in Pakistan under the Companies Ordinance, 1984. The shares of the JSGCL are listed on Pakistan Stock Exchange (PSX), formerly Karachi and Islamabad stock exchanges. Further, the JSGCL is a corporate member of PSX and member of Pakistan Mercantile Exchange. The principal business of the JSGCL is to carry out share brokerage, money market, forex and commodity brokerage, advisory and consultancy services. Other activities include investment in a mix of listed and unlisted equity and debt securities and reverse repurchase transactions. The registered office of the JSGCL is situated at 6th floor, Faysal House, Shahra-e-Faisal, Karachi, Pakistan.

JS Investments Limited (JSIL)

JS Investments Limited, JSIL, is principally owned by the Bank, holding 65.16% of its equity interest. The Bank acquired effective controlling interest in JSIL on November 01, 2012 and December 22, 2015 of 52.24% and 12.92% respectively. The ownership interest has increased by 12.92%, without any change in the cost of investment, due to the fact that JSIL has bought back its 19,828,182 ordinary shares out of its 100 million ordinary shares during the last year. JSIL is a public listed company incorporated in Pakistan on February 22, 1995 under the Companies Ordinance, 1984. The shares of the JSIL are listed on the Pakistan Stock Exchange (PSX), since April 24, 2007. The registered office of the JSIL is situated at 7th floor, 'The Forum', Khayaban-e-Jami, Clifton, Karachi.

The JSIL has obtained the license of an "Investment Advisor" and "Asset Management Company" (AMC) under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules) and the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations). In addition, the Company has also obtained registration to act as Pension Fund Manager under the Voluntary Pension System Rules, 2005.

- At period end, JSIL is an asset management company of the following funds:

Open ended funds:

- JS Value Fund
- JS Islamic Fund
- JS Growth Fund
- JS Large Cap Fund
- Unit Trust of Pakistan
- JS Fund of Funds
- JS Islamic Government Securities
- JS Income Fund
- JS Capital Protected Fund V
- JS Cash Fund
- JS Islamic Hybrid Fund of Funds

Pension fund

- JS Pension Savings Fund
- JS Islamic Pension Savings Fund

These funds have been treated as related parties in these consolidated financial information.

Notes to the Consolidated Condensed Interim Financial Information (Un-audited)

For the half year ended June 30, 2017

JS ABAMCO Commodities Limited (JSACL)

JS Bank owns JS ABAMCO Commodities Limited, JSACL, indirectly through its subsidiary JS Investment Limited (JSIL) which has 100% holding in JSACL. JSACL was incorporated on September 25, 2007 as a public unlisted company under the Companies Ordinance, 1984 and is a wholly owned subsidiary company of JSIL (a subsidiary of Holding Company). The principal activities of JSACL are to deal and effectuate commodity contracts; to become member of commodity exchange including National Commodity Exchange Limited (NCEL) and to carry on the business as brokers, advisory and consultancy services, dealers and representative of all kinds of commodity contracts and commodity backed securities. The registered office of the Company is situated at 7th Floor, 'The Forum', Khayaban-e-Jami, Clifton, Karachi. The Company has not commenced its commercial operations up to the balance sheet date.

2. BASIS OF CONSOLIDATION

The basis of consolidation adopted in the preparation of this consolidated condensed interim financial information is the same as those applied in the preparation of annual consolidated financial statements for the year ended December 31, 2016.

3. STATEMENT OF COMPLIANCE

- 3.1 This consolidated condensed interim financial information of the Group for the half year ended June 30, 2017 has been prepared in accordance with the requirements of the International Accounting Standard 34 - 'Interim Financial Reporting', provisions of the Companies Ordinance, 1984, the Banking Companies Ordinance, 1962 and directives issued by the SECP and SBP. In case where requirements differ, the provisions of the Companies Ordinance, 1984, the Banking Companies Ordinance, 1962 and the said directives have been followed.
- 3.2 During the period, the Companies Act, 2017 has been promulgated, however, the Securities and Exchange Commission of Pakistan (SECP) vide its circular no. 17 of 2017 dated July 20, 2017 read with its press release of the same date, communicated that the SECP has decided that the companies whose financial year / interim period closes on or before June 30, 2017 shall prepare their financial statements in accordance with the provisions of the repealed Companies Ordinance, 1984.
- 3.3 The SBP vide BSD Circular No. 10, dated August 26, 2002 has deferred the applicability of International Accounting Standard 39, Financial Instruments: Recognition and Measurement (IAS 39) and International Accounting Standard 40, Investment Property (IAS 40) for Banking companies till further instructions. Further, according to the notification of the SECP dated April 28, 2008, the IFRS - 7 "Financial Instruments: Disclosures" has not been made applicable for banks. Accordingly, the requirements of these standards have not been considered in the preparation of these consolidated financial statements. However, investments have been classified and valued in accordance with the requirements of various circulars issued by the SBP.
- 3.4 IFRS10 "Consolidated Financial Statements" was made applicable from period beginning on or after January 01, 2015 vide S.R.O 633(I)/2014 dated July 10, 2014 by SECP. However, SECP has directed that the requirements of consolidation under section 237 of the Companies Ordinance 1984 and IFRS-10 "Consolidated Financial Statements" are not applicable in case of investment by companies in mutual funds established under trust structure, through S.R.O 56(I) /2016 dated January 28, 2016.

Notes to the Consolidated Condensed Interim Financial Information (Un-audited)

For the half year ended June 30, 2017

Accordingly, these requirements have not been considered in the preparation of the consolidated financial information.

- 3.5 The disclosures made in this consolidated condensed interim financial information has been limited based on the format prescribed by the SBP vide BSD Circular No. 2 dated May 12, 2004 and International Accounting Standard 34, 'Interim Financial Reporting' and do not include all the disclosures required in the annual financial statements. Accordingly, this consolidated condensed interim financial information should be read in conjunction with the annual audited financial statements of the Group for the year ended December 31, 2016.

4. BASIS OF MEASUREMENT

This consolidated condensed interim financial information has been prepared under the historical cost convention except for held-for-trading, available-for-sale investments, non-banking assets acquired in satisfaction of claims and derivative financial instruments which are stated at fair value and defined benefit liability which is stated at net present value.

5. ACCOUNTING ESTIMATES AND JUDGMENTS

The estimates / judgments and associated assumptions used in the preparation of this consolidated condensed interim financial information are consistent with those applied in the preparation of the consolidated annual financial statements of the Group for the year ended December 31, 2016.

6. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of this consolidated condensed interim financial information are the same as those applied in the preparation of the consolidated annual financial statements of the Group for the year ended December 31, 2016.

New / Revised Standards, Interpretations and Amendments

The Group has adopted the following standards and amendment to IFRSs which became effective for the current period:

IAS 12 Income Taxes – Recognition of Deferred Tax Assets for Unrealised losses (Amendments)

The adoption of the above amendment to accounting standards did not have any effect on the condensed interim financial statements.

7. FINANCIAL RISK MANAGEMENT

The financial risk management objectives and policies are consistent with those disclosed in the consolidated annual financial statements of the Group for the year ended December 31, 2016.

		(Un-audited) June 30, 2017	(Audited) December 31, 2016
8.	LENDINGS TO FINANCIAL INSTITUTIONS	----- (Rupees in '000) -----	-----
	Call money lendings	1,666,126	2,634,489
	Repurchase agreement lendings (Reverse repo)	1,294,402	8,699,925
		<u>2,960,528</u>	<u>11,334,414</u>

- 8.1 Repurchase agreement lendings are secured through Pakistan Investment Bonds and Market Treasury Bills having total market value of Rs.1,332.199 million (December 31, 2016: Rs.8,811.414 million).

Notes to the Consolidated Condensed Interim Financial Information (Un-audited)

For the half year ended June 30, 2017

9. INVESTMENTS - net

(Un-audited) June 30, 2017			(Audited) December 31, 2016		
Held by Group	Given as collateral	Total	Held by Group	Given as collateral	Total

Note

(Rupees in '000)

9.1 INVESTMENTS BY TYPES:

Held-for-trading securities

Market Treasury Bills		21,101,199	-	21,101,199	64,346,568	1,413,214	65,759,782
Pakistan Investment Bonds		1,747,737	-	1,747,737	-	-	-
Ordinary Shares of listed companies		928,311	-	928,311	732,684	-	732,684
Term Finance Certificates - listed	9.1.1	18,013	-	18,013	21,023	-	21,023
Open ended mutual funds	9.1.2	298,587	-	298,587	294,359	-	294,359
Sukuk certificates - listed		11,370	-	11,370	12,116	-	12,116
		<u>24,105,217</u>	<u>-</u>	<u>24,105,217</u>	<u>65,406,750</u>	<u>1,413,214</u>	<u>66,819,964</u>

Available-for-sale securities

Market Treasury Bills		7,148,991	3,489,399	10,638,390	4,885,943	-	4,885,943
Pakistan Investment Bonds		86,521,012	27,384,183	113,905,195	49,784,339	-	49,784,339
Ordinary shares of listed companies	9.1.3	4,140,162	-	4,140,162	2,626,343	-	2,626,343
Ordinary shares of unlisted companies		553,191	-	553,191	568,464	-	568,464
Preference shares of listed company		136,589	-	136,589	136,589	-	136,589
Term Finance Certificates - listed		182,322	-	182,322	182,322	-	182,322
Term Finance Certificates - unlisted	9.1.4	1,015,163	-	1,015,163	1,238,325	-	1,238,325
Sukuk Certificates - unlisted		1,742,667	-	1,742,667	360,000	-	360,000
Open end mutual funds	9.1.5	1,439,089	-	1,439,089	1,465,829	-	1,465,829
Foreign Currency Bonds		5,385,996	1,630,602	7,016,598	5,701,917	-	5,701,917
		<u>108,265,182</u>	<u>32,504,184</u>	<u>140,769,366</u>	<u>66,950,071</u>	<u>-</u>	<u>66,950,071</u>

Held-to maturity securities

Pakistan Investment Bonds		14,307,432	-	14,307,432	-	-	-
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Investments at cost

		146,677,831	32,504,184	179,182,015	132,356,821	1,413,214	133,770,035
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Less: Provision for diminution in value of investments

		(1,411,517)	-	(1,411,517)	(1,420,022)	-	(1,420,022)
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Investments (net of provision)

		<u>145,266,314</u>	<u>32,504,184</u>	<u>177,770,498</u>	<u>130,936,799</u>	<u>1,413,214</u>	<u>132,350,013</u>
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Unrealised (loss) / gain on revaluation of investments classified as held-for-trading

		(8,428)	-	(8,428)	17,890	(36)	17,854
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Surplus on revaluation of available-for-sale securities

	9.1.6 & 14	2,146,276	5,271	2,151,547	2,671,034	-	2,671,034
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Total investments at carrying value

		<u>147,404,162</u>	<u>32,509,455</u>	<u>179,913,617</u>	<u>133,625,723</u>	<u>1,413,178</u>	<u>135,038,901</u>
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9.1.1 Included herein is an investment in a related party amounting to Rs.18.013 million (December 31, 2016: Rs.21.013 million) having a market value of Rs.18.085 million (December 31, 2016: Rs.21.013 million).

9.1.2 Included herein is an investment in a related party amounting to Rs.288.587 million (December 31, 2016: Rs.294.359 million) having a market value of Rs.288.162 million (December 31, 2016: Rs.300.008 million).

Notes to the Consolidated Condensed Interim Financial Information (Un-audited)

For the half year ended June 30, 2017

- 9.1.3** Included herein are the investments in related parties amounting to Rs.2,380.220 million (December 31, 2016: Rs.1,814.560 million) and having market value of Rs.3,317.795 million (December 31, 2016: Rs.3,324.401. million)
- 9.1.4** Included herein are the investments in a related party, of Rs.391.478 million (December 31, 2016: Rs.391.478 million) at the rate of 6 months KIBOR ask rate + 1.75% to 11% p.a maturing between December 04, 2017 to October 19, 2020. Due to weak financial position of the company the Group has recognised full impairment loss on these term finance certificates.
- 9.1.5** Included herein is an investment in a related party amounting to Rs.1,339.088 million (December 31, 2016: Rs.1,365.828 million) having a market value of Rs.2,078.476 million (December 31, 2016: Rs.2,136.806 million).
- 9.1.6** This includes surplus on revaluation of available for sale investments of subsidiaries amounting to Rs.80.378 million (December 31, 2016: Rs.80.378 million) which represents the pre-acquisition surplus and has been included here only for meeting with requirement of the prescribed format of Banks / DFIs issued by the State Bank of Pakistan.

	(Un-audited) June 30, 2017	(Audited) December 31, 2016
10. ADVANCES - net		
Loans, cash credits, running finances, etc.		
In Pakistan	111,466,311	84,712,910
Outside Pakistan	1,782,418	2,139
	113,248,729	84,715,049
Net investment in finance lease in Pakistan	11,796,137	7,532,153
Bills discounted and purchased (excluding market treasury bills)		
Payable in Pakistan	2,566,398	1,444,580
Payable outside Pakistan	2,177,535	2,780,065
	4,743,933	4,224,645
Advances - gross	129,788,799	96,471,847
Provision for non-performing advances		
Specific	(2,535,941)	(2,618,353)
General	(79,196)	(40,988)
	(2,615,137)	(2,659,341)
Advances - net of provision	127,173,662	93,812,506

Notes to the Consolidated Condensed Interim Financial Information (Un-audited)

For the half year ended June 30, 2017

- 10.1 Advances include Rs.3,157.262 million (December 31, 2016: Rs.3,327.942 million) which have been placed under non-performing status as detailed below:

	(Un-audited) June 30, 2017				
	Domestic	Overseas	Total	Provision required	Provision held
	----- (Rupees in '000) -----				
Category of classification					
Other assets especially mentioned	34,248	-	34,248	-	-
Substandard	310,045	-	310,045	45,686	45,686
Doubtful	31,557	-	31,557	1,068	1,068
Loss	2,781,412	-	2,781,412	2,489,187	2,489,187
	<u>3,157,262</u>	<u>-</u>	<u>3,157,262</u>	<u>2,535,941</u>	<u>2,535,941</u>

	(Audited) December 31, 2016				
	Domestic	Overseas	Total	Provision required	Provision held
	----- (Rupees in '000) -----				
Category of classification					
Other assets especially mentioned	-	-	-	-	-
Substandard	384,986	-	384,986	46,076	46,076
Doubtful	48,302	-	48,302	531	531
Loss	2,894,654	-	2,894,654	2,571,746	2,571,746
	<u>3,327,942</u>	<u>-</u>	<u>3,327,942</u>	<u>2,618,353</u>	<u>2,618,353</u>

- 10.2 During the period, the Board of Directors in their meeting held on April 27, 2017 authorised the Bank to write-off the fully provided non-performing loans of amounting to Rs.122.842 million.

11. OPERATING FIXED ASSETS

- 11.1 During the period, the Group made additions of Rs.690.142 million (June 30, 2016: Rs.1,354.037 million) and deletions of Rs.50.358 million (June 30, 2016: Rs.120.190 million) having written down value of Rs. 14.368 million (June 30, 2016: Rs.6.884 million).

	(Un-audited) June 30, 2017	(Audited) December 31, 2016
		----- (Rupees in '000) -----
12. DEPOSITS AND OTHER ACCOUNTS	Note	
Customers		
Fixed deposits	122,072,131	105,693,800
Savings deposits	49,172,163	39,530,255
Current accounts - non-remunerative	60,478,540	48,932,442
Margin accounts	3,847,350	4,185,137
	<u>235,570,184</u>	<u>198,341,634</u>
Financial institutions		
Remunerative deposits	23,147,862	25,760,056
Non-remunerative deposits	1,131,431	902,965
	<u>24,279,293</u>	<u>26,663,021</u>
	<u>259,849,477</u>	<u>225,004,655</u>

12.1

Notes to the Consolidated Condensed Interim Financial Information (Un-audited)

For the half year ended June 30, 2017

	(Un-audited) June 30, 2017	(Audited) December 31, 2016
	----- (Rupees in '000) -----	
12.1 Particulars of deposits		
In local currency	246,447,021	214,339,799
In foreign currencies	13,402,456	10,664,856
	<u>259,849,477</u>	<u>225,004,655</u>
13. DEFERRED (ASSET) / LIABILITY - net		
Deferred tax (debits) arising from:		
Unused tax losses	(30,990)	(30,541)
Provision against investments	(57,149)	(57,149)
Provision against loans, advances and trade debts	(136,950)	(137,558)
Provision for donation	(1,414)	(1,222)
Provision for Workers' Welfare Fund	(46,347)	(45,935)
	<u>(272,850)</u>	<u>(272,405)</u>
Deferred tax credits arising due to:		
Operating fixed assets	177,111	191,785
Goodwill	512,268	512,268
Unrealized gain on revaluation of investment classified as held-for-trading	519	215
Unrealised gain / (loss) on revaluation of derivative instruments	7,604	(7,782)
Surplus on revaluation of non-banking assets acquired in satisfaction of claims	2,249	2,307
Surplus on revaluation of investment classified as available-for-sale	463,344	656,497
	<u>1,163,095</u>	<u>1,355,290</u>
	<u>890,245</u>	<u>1,082,885</u>
14. SURPLUS ON REVALUATION OF ASSETS - net of tax		
Non-banking assets acquired in satisfaction of claims	81,760	81,868
Available-for-sale securities	1,607,825	1,934,159
	<u>1,689,585</u>	<u>2,016,027</u>
14.1 Surplus / (deficit) on revaluation of available-for-sale securities - net of tax		
Government securities	199,862	48,729
Ordinary shares - listed	942,828	1,664,750
Open end mutual funds	790,008	832,502
Foreign currency bonds	138,471	44,675
	<u>2,071,169</u>	<u>2,590,656</u>
Related deferred tax liability	(463,344)	(656,497)
	<u>1,607,825</u>	<u>1,934,159</u>
14.2 Group's share	<u>1,411,127</u>	<u>1,739,674</u>
Non-controlling interest	278,458	276,353
	<u>1,689,585</u>	<u>2,016,027</u>

Notes to the Consolidated Condensed Interim Financial Information (Un-audited)

For the half year ended June 30, 2017

		(Un-audited) June 30, 2017	(Audited) December 31, 2016
	Note	----- (Rupees in '000) -----	
15. CONTINGENCIES AND COMMITMENTS			
15.1 Transaction-related contingent liabilities			
Includes performance bonds, bid bonds, warranties, advance payment guarantees, shipping guarantees and standby letters of credit related to particular transactions.			
		27,913,012	18,055,350
i) Government		4,047,407	2,777,027
ii) Banking companies and other financial institutions		5,474,510	6,673,175
iii) Others	15.1.1	<u>37,434,929</u>	<u>27,505,552</u>
15.1.1	Included herein the outstanding guarantees of Rs.18.841 million (December 31, 2016: Rs.17.140 million) of related parties.		
15.2 Trade-related contingent liabilities			
Documentary credits	15.2.1	<u>14,983,796</u>	<u>20,505,270</u>
15.2.1	Included herein is an outstanding amount of Rs.35.953 million (December 31, 2016: Rs.2,194.048 million) of related parties.		
15.3 Contingencies in respect of divestment of PSX shares		<u>4,488</u>	-
15.4 Commitments in respect of forward lending	15.4.1	<u>486,954</u>	<u>234,062</u>
15.4.1	Included herein is a commitment of Rs.Nil (December 31, 2016: Rs.170 million) of related parties.		
15.5 Commitment in respect of capital expenditure		<u>86,334</u>	<u>59,876</u>
15.6 Commitments in respect of derivatives instruments			
15.6.1 Forward exchange contracts			
Purchase		<u>11,202,268</u>	<u>9,872,524</u>
Sale		<u>7,402,970</u>	<u>10,004,614</u>
15.6.2 Forward investment securities			
Purchase		<u>-</u>	<u>3,989,680</u>
Sale		<u>925,572</u>	<u>4,999,456</u>
15.6.3 Cross currency swaps (notional principal)		<u>3,600,875</u>	<u>1,753,050</u>
15.7 Commitment in respect of bank guarantee by JS Global		<u>400,000</u>	-
15.8 JS Bank Limited			

During the period, the Bank has filed an appeal before the Commissioner Inland Revenue (Appeals) against the a revised assessment order for the tax year 2013 issued giving findings, based on reconsideration of matters, which were earlier contested in appeal and then remanded back for re-examination. In the revised order, significant matter of disallowance of accrued mark-up has been allowed which was earlier disallowed under section 21(c) for the alleged non-tax withholding of tax at source under section 151 of the Income Tax Ordinance, 2001.

Notes to the Consolidated Condensed Interim Financial Information (Un-audited)

For the half year ended June 30, 2017

However matters concerning disallowance of expenses and double additions to income like taxing of reversal of provisions made on bad debts and investments have not been allowed and a demand of Rs. 239 million has been raised. Meanwhile, the Bank has obtained stay order from Honorable Sindh High Court against the demand and is confident that such matters are verifiable and should be decided in its favor.

15.9 Contingencies in respect of subsidiaries

JS Investment Limited

In respect of the second appeal filed for tax year 2006 in the Appellate Tribunal Inland Revenue (ATIR) of apportionment of expenditure made by tax authorities in appeal effect order earlier confirmed by CIR (Appeals). The ATIR deleted the addition on proration of expenses.

In respect of tax year 2006, management contends, based on views of its tax advisor, that amendment of assessment for such tax year by tax authorities is time barred. Accordingly, the Company has filed an appeal before the Appellate Tribunal Inland Revenue. The ATIR of the view that the amendment of assessment is not time bared however, the ATIR deleted the addition of tax amortization of management right vide order dated February 10, 2017.

Management, based on views of its legal counsel, is confident of a favourable outcome in respect of the above matters.

15.10 There are no changes in contingent liabilities since the date of annual consolidated audited financial statements for the year ended December 31, 2016 except as disclosed above.

		(Un-audited)			
		Half year ended		Quarter ended	
		June 30, 2017	June 30, 2016	June 30, 2017	June 30, 2016
		Rs. in '000			
16.	BASIC AND DILUTED EARNINGS PER SHARE - UNAUDITED				
	Profit after taxation for the period - attributable to equity holders of the Bank for diluted earnings	360,210	820,676	42,485	351,093
	Preference dividend paid for the year ended December 31, 2016 @ 12% p.a. (December 31, 2015: 12% p.a.)	(180,000)	(180,000)	-	-
	Profit after taxation for the period - attributable to ordinary equity holders of the Bank for basic earnings	<u>180,210</u>	<u>640,676</u>	<u>42,485</u>	<u>351,093</u>
----- Numbers -----					
	Weighted average number of basic outstanding ordinary shares during the period	<u>1,072,464,262</u>	1,072,464,262	<u>1,072,464,262</u>	1,072,464,262
	Weighted average number of diluted outstanding ordinary shares during the period	<u>1,072,464,262</u>	1,072,464,262	<u>1,297,464,262</u>	1,297,464,262
----- Rupee -----					
	Basic earnings per share	<u>0.17</u>	0.60	<u>0.04</u>	0.33
	Diluted earnings per share	<u>0.17</u>	0.60	<u>0.03</u>	0.27

16.1 The diluted earnings per share increased for the half year ended when taking the convertible preference shares into account, therefore the convertible preference shares are anti-dilutive and are excluded from the weighted average number of ordinary shares for the purpose of diluted earnings per share.

Notes to the Consolidated Condensed Interim Financial Information (Un-audited)

For the half year ended June 30, 2017

17. RELATED PARTY TRANSACTIONS

The Group has related party relationship with its associates, parent, companies having common directors, companies in which parent holds more than 20% shares, employee benefit plans, and its key management personnel (including their associates).

Contributions to the accounts in respect of staff retirement benefits are made in accordance with terms of the contribution plans. Remuneration of the key management personnel are in accordance with the terms of their employment. Other transactions are carried out as per agreed terms.

The details of transactions with related parties, other than those which have been specifically disclosed elsewhere in the financial information is as follows:

	Key management personnel		Companies in which parent company holds 20% or more		Companies having common directorship		Other related parties	
	(Un-audited)	(Audited)	(Un-audited)	(Audited)	(Un-audited)	(Audited)	(Un-audited)	(Audited)
	June 30, 2017	December 31, 2016	June 30, 2017	December 31, 2016	June 30, 2017	December 31, 2016	June 30, 2017	December 31, 2016
Advances								
Opening balance	479,860	397,435	2,047,946	2,047,946	394,361	395,763	1,303,405	2,047,846
Disbursements	241,147	232,193	443,864	767,157	-	18,640,900	1,681,356	4,576,609
Repayments	85,914	(209,768)	(442,559)	(7,18,252)	(692)	(18,642,302)	(1,624,971)	(6,321,650)
Closing balance	628,995	479,860	2,096,026	2,096,721	393,739	394,561	1,359,790	1,303,405
Disbursements made during half year ended June 30, 2016		156,613		467,460		14,842,281		3,498,610
Repayment made during half year ended June 30, 2016		(72,500)		(698,275)		(13,145,819)		(3,109,477)
Mark-up / return / interest earned for half year ended June 30 (un-audited)	12,622	9,911	14,294	9,611	68	67,606	48,603	113,019
Deposits								
Parent								
(Un-audited)	(Audited)							
June 30, 2017	December 31, 2016	June 30, 2017	December 31, 2016	June 30, 2017	December 31, 2016	June 30, 2017	December 31, 2016	December 31, 2016
767,243	2,016,612	56,583	76,534	3,617,557	2,510,501	956,255	1,097,580	2,308,568
3,535,988	11,429,843	689,436	1,213,860	42,135,712	59,785,989	11,636,540	27,432,054	33,645,004
(3,049,389)	(12,679,012)	(666,351)	(1,233,811)	(42,831,068)	(69,678,943)	(10,162,633)	(27,573,379)	(32,515,106)
1,253,822	767,243	59,688	56,583	2,922,201	3,617,657	2,430,162	956,255	3,438,466
	9,947,625		688,798	15,896,739	5,472,379		29,770,872	
	(10,068,599)		(651,513)	(15,706,155)	(6,165,995)		(28,606,164)	
	55,506	1,664	1,039	102,708	75,858	38,591	21,652	89,927
Mark-up / return / interest expensed for half year ended June 30 (un-audited)								

Notes to the Consolidated Condensed Interim Financial Information (Un-audited)

For the half year ended June 30, 2017

Material transactions with related parties are given below:

	Companies having common directorship		Companies in which parent company holds 20% or more		Other related parties	
	June 30, 2017	June 30, 2016	June 30, 2017	June 30, 2016	June 30, 2017	June 30, 2016
----- (Unaudited) -----						
----- (Rupees in '000) -----						
Nature of transactions						
Sale of Government Securities	-	643,480	14,077,302	7,673,218	670,098	1,490,589
Purchase of Government Securities	-	-	520,213	1,073,438	317,319	434,597
Sale of Sukuk / Ijara Sukuk	-	-	-	192,469	-	103,508
Sale of shares / units	-	-	-	-	419,708	438,572
Purchase of shares / units	-	-	-	-	352,512	271,697
Purchase of forward foreign exchange contracts	-	-	4,819,673	4,217,228	-	-
Sale of forward foreign exchange contracts	-	-	6,500,073	8,396,085	-	-
Letter of credits	33,470	17,016	-	-	70,283	82,127
Payment to staff contribution plan	-	-	-	-	75,706	27,004
Payment to staff benefit plan	-	-	-	-	118,308	64,005
Remuneration of key management personnel	-	-	-	-	315,411	257,296
Director fees and allowances	-	-	-	-	7,250	7,275
Insurance claim received	-	-	12,806	-	-	5,326
Insurance premium paid	-	39,998	129,640	26,505	49,821	58,595
Rent income received / receivable	854	-	-	-	6,900	-
Expenses incurred on behalf	434	337	-	-	2,759	10,130
Reimbursement of expenses	499	261	-	-	13,064	8,200
Commission income	23,408	20	51,276	32,772	9,229	6,008
Dividend income	-	-	45,549	7,856	40,746	35,328
Advisory fee	-	-	-	-	24,500	15,000
Royalty expenses	-	-	-	-	5,000	-
Remunerative income	-	-	-	-	104,011	74,318
Preference dividend paid	-	-	-	-	1,479	1,479
Services received	-	-	-	-	196	369

Parent company

June 30, 2017	June 30, 2016
Un-audited	
---- (Rupees in '000) ----	

Nature of transactions

Rent and utilities expense paid / accrued	30,833	27,451
Reimbursement of expenses	3,212	3,061
Commission income	2,096	2,193
Expenses incurred on behalf	31	36
Preference dividend	174,450	-

Notes to the Consolidated Condensed Interim Financial Information (Un-audited)

For the half year ended June 30, 2017

18. FAIR VALUE OF FINANCIAL INSTRUMENTS

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

The fair value of quoted securities other than those classified as held to maturity, is based on quoted market price. Fair value of fixed term loans, other assets, other liabilities and fixed term deposits cannot be calculated with sufficient reliability due to absence of current and active market for assets and liabilities and reliable data regarding market rates for similar instruments. The provision for impairment of loans and advances has been calculated in accordance with the Bank's accounting policy as stated in note 6.8 to the annual audited financial statements for the year ended December 31, 2016.

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

Notes to the Consolidated Condensed Interim Financial Information (Un-audited)

For the half year ended June 30, 2017

- 18.1 The following table provides an analysis of financial instruments 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.

	June 30, 2017 (Un-audited)			
	Level 1	Level 2	Level 3	Total
----- Rupees in '000 -----				
On balance sheet financial instruments				
Financial assets classified as 'held-for-trading securities'				
Government Securities				
Market treasury bills	-	21,101,198	-	21,101,198
Pakistan investment bonds	-	1,749,686	-	1,749,686
Ordinary shares of listed companies	918,630	-	-	918,630
Open end mutual funds	53,000	245,162	-	298,162
Term finance certificates - listed	29,113	-	-	29,113
	<u>1,000,743</u>	<u>23,096,046</u>	<u>-</u>	<u>24,096,789</u>
Financial assets classified as 'available-for-sale securities'				
Government Securities				
Market treasury bills	-	10,636,874	-	10,636,874
Pakistan investment bonds	-	114,106,573	-	114,106,573
	<u>-</u>	<u>124,743,447</u>	<u>-</u>	<u>124,743,447</u>
Ordinary Shares				
Ordinary shares of listed companies	5,082,990	-	-	5,082,990
Open end mutual funds	-	2,173,234	-	2,173,234
Foreign currency bonds	-	7,123,416	-	7,123,416
	<u>6,083,733</u>	<u>157,136,143</u>	<u>-</u>	<u>163,219,876</u>
Off balance sheet financial instruments				
Forward exchange contracts				
Purchase	-	11,229,777	-	11,229,777
Sale	-	7,414,736	-	7,414,736
Forward government and equity securities				
Purchase	-	-	-	-
Sale	-	935,173	-	935,173
Cross currency swaps (notional principal)	-	3,694,344	-	3,694,344

Notes to the Consolidated Condensed Interim Financial Information (Un-audited)

For the half year ended June 30, 2017

	As at December 31, 2016 (Audited)			
	Level 1	Level 2	Level 3	Total
----- Rupees in '000 -----				
On balance sheet financial instruments				
Financial assets classified as 'held-for-trading' securities				
Government Securities				
Market treasury bills	-	65,758,485	-	65,758,485
Ordinary shares of listed companies	746,234	-	-	746,234
Sukuk certificates - listed	12,078	-	-	12,078
Open end mutual funds	-	300,008	-	300,008
Term finance certificates - listed	21,013	-	-	21,013
	<u>779,325</u>	<u>66,058,493</u>	<u>-</u>	<u>66,837,818</u>
Financial assets classified as 'available-for-sale' securities				
Government Securities				
Market treasury bills	-	4,884,060	-	4,884,060
Pakistan investment bonds	-	49,834,951	-	49,834,951
Ijara sukuk	-	-	-	-
	-	54,719,011	-	54,719,011
Ordinary Shares				
Ordinary shares of listed companies	4,291,093	-	-	4,291,093
Open end mutual funds	-	2,233,963	-	2,233,963
Foreign currency bonds	-	5,714,939	-	5,714,939
	<u>5,070,418</u>	<u>128,726,406</u>	<u>-</u>	<u>133,796,824</u>
Off balance sheet financial instruments				
Forward exchange contracts				
Purchase	-	9,816,883	-	9,816,883
Sale	-	9,977,367	-	9,977,367
Forward government and equity securities				
Purchase	-	3,988,403	-	3,988,403
Sale	-	4,983,674	-	4,983,674
Cross currency swaps (notional principal)				
	-	1,758,882	-	1,758,882

18.2 Valuation techniques used in determination of fair values within level 2

Item	Valuation approach and input used
Ordinary 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.
Units of mutual funds	Fair values of investments in units of mutual funds are determined based on redemption prices disclosed at the Mutual Funds Association of Pakistan (MUFAP) as at the close of the business days.
Pakistan Investment Bonds / Market Treasury Bills	Fair values of Pakistan Investment Bonds and Market Treasury Bills are derived using PKRV rates (Reuters page).
Term Finance Certificates and Bonds	Investments in debt securities (comprising term finance certificates, bonds and any other security issued by a company or a body corporate for the purpose of raising funds in the form of redeemable capital) are valued on the basis of the rates announced by the Mutual Funds Association of Pakistan (MUFAP) and Bloomberg in case of foreign bonds, in accordance with the methodology prescribed by the Securities and Exchange Commission 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 currency involved, interest rates, yield curves, volatilities, contracts duration etc.

Notes to the Consolidated Condensed Interim Financial Information (Un-audited)

For the half year ended June 30, 2017

19. SEGMENT DETAILS WITH RESPECT TO BUSINESS ACTIVITIES

The segment analysis with respect to business activities are as follows:

	2017								Total
	Corporate finance	Trading and sales	Retail banking	Commercial banking	Payment and settlement	Brokerage	Asset Management	Others	
	(Rupees in '000)								
June 30, 2017 (un-audited)									
Total income -external	302,726	4,985,466	1,847,833	2,998,388	83,921	494,146	178,573	20,082	10,911,135
Inter-segment revenues - net	-	(4,387,136)	3,957,858	429,278	-	-	-	-	-
Total income	302,726	598,330	5,805,691	3,427,666	83,921	494,146	178,573	20,082	10,911,135
Total expenses	(46,574)	(336,541)	(5,602,482)	(3,323,033)	(45,480)	(358,545)	(140,188)	(146,842)	(9,999,685)
(Provisions) / reversal	-	-	(33,904)	(44,734)	-	-	8,505	-	(70,133)
Current taxation	-	-	-	-	-	-	-	(313,594)	(313,594)
Prior year taxation	-	-	-	-	-	-	-	(115,944)	(115,944)
Deferred taxation	-	-	-	-	-	-	-	(514)	(514)
Net income / (loss)	256,152	261,789	169,305	59,899	38,441	135,601	46,890	(556,812)	411,285
Attributable to:									
Equity holders of the Bank	-	-	-	-	-	-	-	-	373,509
Non-controlling interest	-	-	-	-	-	-	-	-	57,558
									<u>431,067</u>
June 30, 2017 (un-audited)									
Segment assets (gross)	-	196,116,939	56,302,724	78,608,919	-	4,601,484	2,911,970	11,410,908	349,952,944
Segment non performing assets	-	969,591	457,895	2,699,368	-	729,774	136,241	10,861	5,003,730
Segment provision required	-	(948,820)	(254,840)	(2,360,297)	-	(729,774)	(136,241)	(10,861)	(4,440,833)
Segment liabilities	-	39,170,921	183,578,898	87,117,738	4,745,676	3,752,836	214,151	7,278,511	325,858,731
Segment return on net assets (ROA) (%)	-	7.9%	8.0%	6.3%	-	-	-	-	-
Segment cost of funds (%)	-	4.1%	6.2%	6.7%	-	-	-	-	-

	2016								Total
	Corporate finance	Trading and sales	Retail banking	Commercial banking	Payment and settlement	Brokerage	Asset Management	Others	
	(Rupees in '000)								
June 30, 2016 (unaudited)									
Total income -external	152,403	5,696,503	1,662,641	2,005,595	77,789	280,502	159,453	12,102	10,046,988
Inter-segment revenues - net	-	(1,046,094)	956,422	89,672	-	-	-	-	-
Total income	152,403	4,650,409	2,619,063	2,095,267	77,789	280,502	159,453	12,102	10,046,988
Total expenses	(11,629)	(1,230,338)	(3,989,994)	(1,933,185)	(35,659)	(219,341)	(123,309)	(715,224)	(8,258,679)
Provisions / impairments	-	(383,374)	-	20,235	-	-	-	-	(363,139)
Current taxation	-	-	-	-	-	-	-	(384,353)	(384,353)
Prior year taxation	-	-	-	-	-	-	-	(79,838)	(79,838)
Deferred taxation	-	-	-	-	-	-	-	(107,415)	(107,415)
Net income / (loss)	140,774	3,036,697	(1,370,931)	182,317	42,130	61,161	36,144	(1,274,728)	853,564
Attributable to:									
Equity holders of the Bank	-	-	-	-	-	-	-	-	820,676
Non-controlling interest	-	-	-	-	-	-	-	-	32,888
									<u>853,564</u>

December 31, 2016 (audited)									
Segment assets (gross)	-	155,177,226	37,737,239	63,853,911	-	3,979,810	2,992,441	9,594,516	273,335,143
Segment non performing loans and Impaired Investments	-	1,125,952	315,703	3,012,239	-	745,784	144,746	10,861	5,355,285
Segment provision required	-	(948,820)	(181,830)	(2,477,511)	-	(745,784)	(144,746)	(10,861)	(4,509,552)
Segment liabilities	-	1,946,252	156,713,850	79,664,600	2,544,028	1,790,842	265,135	6,138,490	249,063,197
Segment return on net assets (ROA) (%)		7.81%	7.65%	8.30%					
Segment cost of funds (%)		4.02%	6.29%	7.15%					

Notes to the Consolidated Condensed Interim Financial Information (Un-audited)

For the half year ended June 30, 2017

20. GENERAL

20.1 The figures in this consolidated condensed interim financial information have been rounded off to the nearest thousand.

21. DATE OF AUTHORISATION FOR ISSUE

This consolidated condensed interim financial information was authorised for issue by the Board of Directors of the Bank in their meeting held on August 17, 2017.

Chairman

President and
Chief Executive Officer

Director

Director



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