



Condensed Interim Financial Statements

for the First Quarter Ended
March 31, 2021 (Un-Audited)

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Company Information

Board of Directors

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

Audit Committee

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

Human Resource, Remuneration & Nomination Committee

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

Risk Management Committee

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

Board IT Committee

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

Chief Financial Officer

Mr. Hasan Shahid

Company Secretary

Mr. Ashraf Shahzad

Auditors

KPMG Taseer Hadi & Co.
Chartered Accountants

Legal Advisors

Bawaney & Partners
Haidermota & Co.
Liaquat Merchant Associates

Share Registrar

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

Registered office

JS Bank Limited
Shaheen Commercial Complex
Dr. Ziauddin Ahmed Road
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Directors' Report

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

Economic Review

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

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

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

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

Banking Sector Review

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

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

Performance Overview

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

Financial Position	PKR Million	
	March 31, 2021	December 31, 2020
Shareholders' Equity	21,319.4	20,592.2
Total Deposits	425,958.9	433,062.6
Total Assets	519,547.3	532,168.4
Advances Net	251,453.0	250,199.2
Investments Net	201,135.6	201,698.5

Financial Performance	March 31, 2021	March 31, 2020
Mark-up/Interest Income - Net	2,786.27	2,541.86
Non-Markup/Interest Income	1,078.62	1,206.82
Operating Expenses	3,084.16	2,907.54
Profit Before (Provision)/Reversals - Net	767.47	832.07
Profit/(Loss) Before Tax	661.76	628.46
Profit After Tax	390.08	382.54
Basic/Diluted Earnings Per Share – Rupees	0.30	0.29

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

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

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

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

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

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

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

Consolidated Financial Statements

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

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

Recognition

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

Credit Ratings

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

Acknowledgments

On behalf of JS Bank, we would like to express our gratitude to our customers and stakeholders for their patronage. We would also like to thank the Ministry of Finance, the State Bank of Pakistan, the Securities & Exchange Commission of Pakistan and other regulatory authorities for their guidance and support to our Bank. Finally, we extend our appreciation to the management team and the staff for their persistent commitment to working together as a winning team.

For and on behalf of the Board,

Basir Shamsie
President & CEO

Kalim-ur-Rahman
Chairman

Karachi: April 28, 2021

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

کریڈٹ ریٹنگ

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

اعتراف

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

منجانب بورڈ،

کلیم الرحمن
چیئرمین

باصر شمس
پریزیڈنٹ اور سی ای او

کراچی، 28 اپریل 2021

628.5 ملین روپے (بعد از ٹیکس منافع 382.5 ملین روپے) ریکارڈ کیا گیا۔ نیٹ میئر آمدنی (EPS) 0.30 روپے پر موجود ہے۔ (مارچ 2020 کو 0.29 روپے تھا)۔

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

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

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

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

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

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

مستحکم مالیاتی تفصیلات

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

ظاہر کرتا ہے اور سال 2020 کی پہلی سہ ماہی کے مقابلے انویسٹمنٹ ٹو ڈیپازٹ ریٹو (IDR) میں 865 بیس پوائنٹس بڑھ کر 70 فیصد ہو گیا ہے۔ کل ایڈوانسز تقریباً 4 فیصد سال بسال (YoY) کی شرح نمو سے 8,600 ملین روپے پر ہے۔ ساتھ ہی نئی شعبہ کے کریڈٹ میں بھی سال 2021 کے پہلے دو ماہ (2MCY21) کے دوران 5 فیصد سال بسال (YoY) کا اضافہ ہوا۔ اس شعبہ کا ایڈوانس ٹو ڈیپازٹ ریٹو (ADR) گھٹ کر 48 فیصد رہ گیا، جو سال 2020 کی پہلی سہ ماہی (1QCY20) کے دوران 55 فیصد تھا۔ سال 2020 کے 9 ماہ (9MCY20) کے دوران نان پرفارمنگ لوز (NPLs) 852 ملین روپے تک پہنچ گئے، جس سے انفیکشن کا تناسب 10.5 فیصد ہو گیا۔

کارکردگی کا جائزہ

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

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

ڈائریکٹرز رپورٹ

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

معیشت

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

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

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

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

شعبہ بینکاری کا جائزہ

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



Unconsolidated

Financial Statements

Condensed Interim Unconsolidated Statement of Financial Position

As at March 31, 2021

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

CONTINGENCIES AND COMMITMENTS 21

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

President and
Chief Executive Officer

Chief Financial Officer

Director

Director

Chairman

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

For the Quarter Ended March 31, 2021

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

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

President and
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Chief Financial Officer

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Director

Chairman

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

For the Quarter Ended March 31, 2021

	March 31, 2021	March 31, 2020
	----- Rupees in '000 -----	
Profit after taxation	390,083	382,542
Other comprehensive income		
Items that may be reclassified to profit and loss account in subsequent periods		
Effect of translation of net investment in foreign branch	(27,496)	27,359
Movement in surplus on revaluation of investments - net of tax	572,435	270,790
Movement in general provision under IFRS 9 - net of tax	12,330	20,866
	<u>584,765</u>	<u>291,656</u>
	557,269	319,015
	<u>947,352</u>	<u>701,557</u>
Items that will not be reclassified to profit and loss account in subsequent periods:		
Movement in surplus on revaluation of operating fixed assets - net of tax	(176,870)	-
Movement in surplus on revaluation of non-banking assets - net of tax	(43,258)	-
	(220,128)	-
Total comprehensive income	<u>727,224</u>	<u>701,557</u>

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

President and
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Chairman

Condensed Interim Unconsolidated Statement of Changes in Equity

For the Quarter Ended March 31, 2021

	Share capital	Statutory reserve*	Capital reserve-exchange translation	Surplus/(deficit) on revaluation of			Unappropriated profit	Total
				Investments	Fixed Assets	Non Banking Assets		
----- Rupees in '000 -----								
Balance as at January 01, 2020	10,119,242	1,646,168	103,505	(516,769)	1,060,693	92,776	4,827,640	17,333,255
Total comprehensive income for the quarter ended March 31, 2020 - un-audited								
Profit after taxation	-	-	-	-	-	-	382,542	382,542
Other comprehensive income - net of tax	-	-	27,359	291,656	-	-	382,542	319,015
			27,359	291,656	-	-	382,542	701,557
Transfer to statutory reserve	-	76,508	-	-	-	-	(76,508)	-
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax								
Fixed assets	-	-	-	-	(3,715)	-	3,715	-
Non-banking assets acquired in satisfaction of claims	-	-	-	-	-	(20)	20	-
Balance as at March 31, 2020 - un-audited	10,119,242	1,722,676	130,864	(225,113)	1,056,978	92,756	5,137,409	18,034,812
Total comprehensive income for the nine months ended December 31, 2020 - un-audited								
Profit after taxation	-	-	-	-	-	-	767,518	767,518
Other comprehensive income / (loss) - net of tax	-	-	(15,874)	1,476,374	-	38,398	290,980	1,789,878
			(15,874)	1,476,374	-	38,398	1,058,498	2,557,396
Transfer to statutory reserve	-	153,504	-	-	-	-	(153,504)	-
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax								
Fixed assets	-	-	-	-	(13,070)	-	13,070	-
Non-banking assets acquired in satisfaction of claims	-	-	-	-	-	(74)	74	-
Assets held for sale	-	-	-	-	(92,126)	-	92,126	-
Balance as at December 31, 2020 - audited	10,119,242	1,876,180	114,990	1,251,261	951,782	131,080	6,147,673	20,592,208
Total comprehensive income for the quarter ended March 31, 2021 - un-audited								
Profit after taxation	-	-	-	-	-	-	390,083	390,083
Other comprehensive (loss) / income - net of tax	-	-	(27,496)	584,765	(176,870)	(43,258)	-	337,141
			(27,496)	584,765	(176,870)	(43,258)	390,083	727,224
Transfer to statutory reserve	-	78,017	-	-	-	-	(78,017)	-
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax								
Fixed assets	-	-	-	-	(4,196)	-	4,196	-
Non-banking assets acquired in satisfaction of claims	-	-	-	-	-	(56)	56	-
Balance as at March 31, 2021 - un-audited	10,119,242	1,954,197	87,494	1,836,026	770,716	87,766	6,463,991	21,319,432

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

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

President and
Chief Executive Officer

Chief Financial Officer

Director

Director

Chairman

Condensed Interim Unconsolidated Cash Flow Statement (Un-audited)

For the Quarter Ended March 31, 2021

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

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

President and
Chief Executive Officer

Chief Financial Officer

Director

Director

Chairman

Notes to the Condensed Interim Unconsolidated Financial Statements

For the Quarter Ended March 31, 2021

1. STATUS AND NATURE OF BUSINESS

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

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

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

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

- 1.3 The Bank is the holding company of JS Investments Limited, JS Global Capital Limited and JS ABAMCO Commodities Limited (Indirect subsidiary).
- 1.3.1 JSACL does not intend to carry on the business of Futures Broker, therefore, the directors of JSIL were desirous of merging JSACL with and into JSIL. The Scheme of Arrangement under Section 284 of the Companies Act, 2017, for merger or amalgamation (the Scheme) of JSACL with and into JSIL, was approved by SECP under Rule 7(2) (cb) of Non-Banking Finance Companies (Establishment and Regulations) Rules 2003 vide its letter dated January 13, 2021. The Board of Directors of JSACL in their meeting held on February 19, 2021 has approved the Scheme with effect from March 31, 2021. Subsequently, the Scheme under section 284 of the Companies Act, 2017, submitted with Companies Registration Office, along with Form-35 for its clearance to start further legal proceedings.

Notes to the Condensed Interim Unconsolidated Financial Statements

For the Quarter Ended March 31, 2021

2. BASIS OF PRESENTATION

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

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

2.1 Statement of compliance

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

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

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

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

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

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

Notes to the Condensed Interim Unconsolidated Financial Statements

For the Quarter Ended March 31, 2021

IFRS10 "Consolidated Financial Statements" was made applicable from period beginning on or after January 01, 2015 vide S.R.O 633(I)/2014 dated July 10, 2014 by SECP. However, SECP has directed through S.R.O 56(I)/2016 dated January 28, 2016, that the requirement of consolidation under section 228 of the Companies Act, 2017 and IFRS-10 "Consolidated Financial Statements" is not applicable in case of investment by companies in mutual funds established under trust structure. Accordingly, the requirements of these standards have not been considered in the preparation of these condensed interim unconsolidated financial statements.

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

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

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

There are certain new and amended standards, interpretations and amendments that are mandatory for the Bank's accounting periods beginning on or after January 1, 2021 but are considered not to be relevant or do not have any significant effect on the Bank's operations. Therefore not detailed in these condensed interim unconsolidated financial statements other than IFRS 9 and reason for that is mentioned in note 2.1 as above.

Notes to the Condensed Interim Unconsolidated Financial Statements

For the Quarter Ended March 31, 2021

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

The following new standards and interpretations of and amendments to existing accounting standards will be effective from the dates mentioned below against the respective standard, interpretation or amendment:

Standards	IASB Effective date (annual periods beginning on or after)
IFRS 9 Financial Instruments: Classification and Measurement (Annual Improvement process) Fees in the 10 percent test for derecognition of financial liabilities	January 01, 2022
IFRS 3 Business Combinations (Amendments) Reference to the Conceptual Framework	January 01, 2022
IAS 16 Property plant and equipment (Amendments) Proceeds before intended use	January 01, 2022
IAS 37 Provisions, contingent liabilities and contingent assets (Amendments) Onerous contracts - Costs of Fulfilling a Contracts	January 01, 2022
IAS 41 Agriculture (Annual Improvement process) Taxation in fair value measurements	January 01, 2022

The Bank expects that adoption of the amendments to accounting and reporting standards will not affect its financial statements in the period of initial application.

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

Standard	IASB Effective date (annual periods beginning on or after)
IFRS 1 – First time adoption of IFRSs	January 01, 2009
IFRS 17 – Insurance Contracts	January 01, 2023

3. CRITICAL ACCOUNTING ESTIMATES AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The basis for accounting estimates adopted in the preparation of these condensed interim unconsolidated financial statements are the same as that applied in the preparation of the annual unconsolidated financial statements for the year ended December 31, 2020.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies and methods of computation adopted in the preparation of these unconsolidated condensed interim financial statements are consistent with those applied in the preparation of the annual unconsolidated financial statements for the year ended December 31, 2020.

5. FINANCIAL RISK MANAGEMENT

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

Notes to the Condensed Interim Unconsolidated Financial Statements

For the Quarter Ended March 31, 2021

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

Notes to the Condensed Interim Unconsolidated Financial Statements

For the Quarter Ended March 31, 2021

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

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

Notes to the Condensed Interim Unconsolidated Financial Statements

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

	(Un-audited) March 31, 2021		(Audited) December 31, 2020	
	Cost	Market value	Cost	Market value
----- Rupees in '000 -----				
9.3 Investments given as collateral				
Held-for-trading securities				
Federal Government Securities				
Market Treasury Bills	-	-	4,864,464	4,864,680
Available-for-sale securities				
Federal Government Securities:				
Market Treasury Bills	-	-	4,902,054	4,902,811
Pakistan Investment Bonds	2,694,012	2,683,582	-	-
	2,694,012	2,683,582	4,902,054	4,902,811
	<u>2,694,012</u>	<u>2,683,582</u>	<u>9,766,518</u>	<u>9,767,491</u>
			(Un-audited) March 31, 2021	(Audited) December 31, 2020
			----- Rupees in '000 -----	
9.4 Provision for diminution in value of investments			Note	
9.4.1 Opening balance			904,764	506,640
Charge during the period / year			-	276,202
Reversal during the period / year			(212,434)	(836)
Charge/ (reversal) during the period / year		31	(212,434)	275,366
Impairment under IFRS 9 in Bahrain branch (Reversal) / charge during the period / year			(14,046)	122,758
Exchange Gain			(4,923)	-
			(18,969)	122,758
Closing Balance			<u>673,361</u>	<u>904,764</u>
			(Un-audited) March 31, 2021	(Audited) December 31, 2020
9.4.2 Particulars of provision against debt securities				
Category of classification			NPI	Provision
----- Rupees in '000 -----				
Domestic				
Other assets especially mentioned	-	-	-	-
Substandard	-	-	-	-
Doubtful	-	-	-	-
Loss	370,051	370,051	370,051	370,051
	<u>370,051</u>	<u>370,051</u>	<u>370,051</u>	<u>370,051</u>

Notes to the Condensed Interim Unconsolidated Financial Statements

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10.	ADVANCES	Note	Performing		Non Performing		Total	
			(Un-audited)	(Audited)	(Un-audited)	(Audited)	(Un-audited)	(Audited)
			March 31, 2021	December 31, 2020	March 31, 2021	December 31, 2020	March 31, 2021	December 31, 2020
----- Rupees in '000 -----								
	Loans, cash credits, running finances, etc.		230,226,809	231,066,384	12,895,535	11,733,555	243,122,344	242,799,939
	Bills discounted and purchased		12,874,914	11,602,390	-	-	12,874,914	11,602,390
	Advances - gross		243,101,723	242,668,774	12,895,535	11,733,555	255,997,258	254,402,329
	Provision against advances							
	General		(104,830)	-	-	-	(104,830)	-
	General provision - under IFRS-9	10.3.2	(21,973)	(21,327)	-	-	(21,973)	(21,327)
	Specific		-	-	(4,417,445)	(4,181,836)	(4,417,445)	(4,181,836)
		10.3	(126,803)	(21,327)	(4,417,445)	(4,181,836)	(4,544,248)	(4,203,163)
	Advances - net of provision		242,974,920	242,647,447	8,478,090	7,551,719	251,453,010	250,199,166
10.1	Particulars of advances (gross)							
	In local currency						248,567,830	245,005,622
	In foreign currencies						7,429,428	9,396,707
							255,997,258	254,402,329

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

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

10.3 Particulars of provision against advances

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

Notes to the Condensed Interim Unconsolidated Financial Statements

For the Quarter Ended March 31, 2021

10.3.1 The Bank, in accordance with BPRD circular letter No. 31 of 2020 dated July 10, 2020, has taken the benefit of general provision to make good the specific provision requirement of the consumer financing portfolio till December 31, 2021.

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

10.3.3 The State Bank of Pakistan through various circulars has allowed benefit of the forced sale value (FSV) of Plant and Machinery under charge, pledged stock and mortgaged residential, commercial and industrial properties (land and building only) held as collateral against non-performing loans (NPLs) for a maximum of five years from the date of classification. As at March 31, 2021, the Bank has availed cumulative benefit of FSV of Rs. 6,324.600 million (December 31, 2020: Rs. 4,655.818 million) under the directives of the SBP. Had the benefit not been taken the unappropriated profit after tax would have reduced by Rs. 4,110.990 million (December 31, 2020: Rs. 3,026.282 million). Further, as required by the SBP directives, this unappropriated profit will not be available for distribution as dividend or other appropriations.

10.3.4 Advances - Deferred & Restructured / Rescheduled

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

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

Notes to the Condensed Interim Unconsolidated Financial Statements

For the Quarter Ended March 31, 2021

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

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

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

11.3 Assets held for sale

Leasehold land	11.3.1	<u>739,200</u>	<u>739,200</u>
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11.3.1 In 2020, the Board of Directors accorded its in-principle approval and authorised the management of the Bank to explore the possibility to sell a land located at Plot No. 201, situated at Upper Mall, Lahore, Pakistan of the following reasons:

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

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

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

12. INTANGIBLE ASSETS

Capital work-in-progress	12.1	211,829	213,312
Computer software		832,990	809,789
Goodwill		1,463,624	1,463,624
		<u>2,508,443</u>	<u>2,486,725</u>

Notes to the Condensed Interim Unconsolidated Financial Statements

For the Quarter Ended March 31, 2021

		(Un-audited) March 31, 2021	(Audited) December 31, 2020
	Note	----- Rupees in '000 -----	
12.1 Capital work-in-progress			
Advance for purchase of software	12.1.1	<u>211,829</u>	<u>213,312</u>

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

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

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

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

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

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

Notes to the Condensed Interim Unconsolidated Financial Statements

For the Quarter Ended March 31, 2021

	(Un-audited) March 31, 2021 ---- Rupees in '000 ----	(Audited) December 31, 2020
14. BILLS PAYABLE		
In Pakistan	5,598,875	4,752,985
Outside Pakistan	218,760	228,998
	<u>5,817,635</u>	<u>4,981,983</u>
15. BORROWINGS		
Secured		
Borrowings from State Bank of Pakistan under:		
Export Refinancing Scheme (ERF)	20,212,354	21,496,075
Long-Term Finance Facility (LTFF)	2,028,221	1,985,038
Other borrowings:		
Financing Facility for Storage of Agricultural Produce (FFSAP)	256,067	193,029
Financing Facility for Renewable Energy Projects	528,297	433,085
Refinance and credit guarantee scheme for women entrepreneurs	45,401	32,900
Refinance for Wages & Salaries	10,063,993	11,543,118
Refinance facility for modernization of Small and Medium Enterprises (SMEs)	1,365	96,192
Refinance facility for combating COVID-19	220,696	229,984
Refinance facility for working capital of SMEs	28,101	33,901
Temporary economic refinance facility (TERF)	66,071	51,871
Small and Medium Enterprises' Financing	9,880	-
	<u>11,219,871</u>	<u>12,614,080</u>
	<u>33,460,446</u>	<u>36,095,193</u>
Borrowing from financial institutions		
Repurchase agreement borrowings	2,664,864	9,667,181
Refinancing facility for mortgage loans	2,379,108	2,397,468
	<u>5,043,972</u>	<u>12,064,649</u>
Total secured	<u>38,504,418</u>	<u>48,159,842</u>
Unsecured		
Call borrowings	305,517	-
Overdrawn nostro accounts	323,430	143,570
Total unsecured	<u>628,947</u>	<u>143,570</u>
	<u>39,133,365</u>	<u>48,303,412</u>
15.1 Particulars of borrowings		
In local currency	38,504,418	48,159,842
In foreign currencies	628,947	143,570
	<u>39,133,365</u>	<u>48,303,412</u>

Notes to the Condensed Interim Unconsolidated Financial Statements

For the Quarter Ended March 31, 2021

16. DEPOSITS AND OTHER ACCOUNTS

	(Un-audited) March 31, 2021			(Audited) December 31, 2020		
	In Local Currency	In Foreign Currencies	Total	In Local Currency	In Foreign Currencies	Total
----- Rupees in '000 -----						
Customers						
Current deposits	91,396,097	8,619,330	100,015,427	90,714,627	9,668,068	100,382,695
Savings deposits	94,845,212	3,816,050	98,661,262	98,103,956	3,944,797	102,048,753
Term deposits	172,810,950	13,913,713	186,724,663	186,691,026	15,203,881	201,894,907
Margin deposits	6,540,726	46	6,540,772	5,920,595	163	5,920,758
	<u>365,592,985</u>	<u>26,349,139</u>	<u>391,942,124</u>	<u>381,430,204</u>	<u>28,816,909</u>	<u>410,247,113</u>
Financial Institutions						
Current deposits	1,483,455	448,631	1,932,086	1,281,700	435,683	1,717,383
Savings deposits	20,679,893	50,010	20,729,903	12,831,324	-	12,831,324
Term deposits	11,354,747	-	11,354,747	8,266,773	-	8,266,773
	<u>33,518,095</u>	<u>498,641</u>	<u>34,016,736</u>	<u>22,379,797</u>	<u>435,683</u>	<u>22,815,480</u>
	<u>399,111,080</u>	<u>26,847,780</u>	<u>425,958,860</u>	<u>403,810,001</u>	<u>29,252,592</u>	<u>433,062,593</u>

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

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

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

Issue date: December 14, 2016

Tenure: Up to Seven years from the Issue date.

Maturity Date: December 14, 2023

Rating: A + (Single A Plus)

Profit Rate: Floating rate of return at Base rate + 1.4 percent per annum;

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

Profit payment:	Semi-annual
Redemption:	The instrument is structured to redeem 0.24% of the Issue amount during the first six years after the Issue date and the remaining Issue amount of 99.76% in two equal semi-annual installments of 49.88% each in the last year.
Security:	The Issue is unsecured and subordinated as to payment of Principal and profit to all other indebtedness of the Bank.
Call Option:	Exercisable in part or in full on or after the 10th redemption, subject to SBP's approval.
Lock-in-clause:	Principal and profit will be payable subject to compliance with MCR or CAR set by SBP.
Loss absorbency clause:	Upon the occurrence of a Point of Non-Viability event as defined by SBP's Basel III Capital Rule vide BPRD Circular # 6 of 2013 dated August 15, 2013, SBP may at its option, fully and permanently convert the TFCs into common shares of the Bank and/or have them immediately written off (either partially or in full). Number of shares to be issued to TFC holders at the time of conversion will be equal to the 'Outstanding Face Value of the TFCs' divided by market value per share of the Bank's common share on the date of trigger as declared by SBP of the non-viability event as declared by SBP, subject to a cap of 467,836,257 shares.

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

Purpose:	To contribute toward the Bank's Tier II Capital for complying with the capital adequacy requirement and to utilize the funds in the Bank's business operations as permitted by its Memorandum & Articles of Association.
Issue date:	December 29, 2017
Tenure:	Up to Seven years from the Issue date.
Maturity Date:	December 29, 2024
Rating:	A + (Single A Plus)
Profit Rate:	Floating rate of return at Base rate + 1.4 percent per annum;

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For the Quarter Ended March 31, 2021

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

Profit payment:	Semi-annual
Redemption:	The instrument is structured to redeem 0.24% of the Issue amount during the first six years after the Issue date and the remaining Issue amount of 99.76% in two equal semi-annual installments of 49.88% each in the last year.
Security:	The Issue is unsecured and subordinated as to payment of Principal and profit to all other indebtedness of the Bank.
Call Option:	Exercisable in part or in full on or after the 10th redemption, with prior approval of SBP.
Lock-in-clause:	Principal and profit will be payable subject to compliance with MCR or CAR set by SBP.
Loss absorbency clause:	Upon the occurrence of a Point of Non-Viability event as defined under SBP BPRD Circular # 6 of 2013 dated August 15, 2013, SBP may at its option, fully and permanently convert the TFCs into common shares of the Bank and/or have them immediately written off (either partially or in full). Number of shares to be issued to TFC holders at the time of conversion will be equal to the 'Outstanding Face Value of the TFCs' divided by market value per share of the Bank's common share on the date of trigger of Point of Non-Viability (PONV) as declared by SBP, subject to a cap of 319,982,544 shares.

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

Purpose:	To contribute toward the Bank's Tier I Capital for complying with the capital adequacy requirement and to utilize the funds in the Bank's business operations as permitted by its Memorandum & Articles of Association.
Issue date:	December 31, 2018
Maturity date:	Perpetual
Rating:	A (Single A)
Profit Rate:	Floating rate of return at Base rate + 2.25 percent per annum;

Notes to the Condensed Interim Unconsolidated Financial Statements

For the Quarter Ended March 31, 2021

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

Profit payment frequency:	Semi-annually on a non-cumulative basis
Redemption:	Not applicable
Security:	The Issue is unsecured and subordinated as to payment of Principal and profit to all other claims except common shares.
Call Option:	Exercisable in part or in full at a par value on or after five years from the issue date, with prior approval of SBP. The Bank shall not exercise the call option unless the called instrument is replaced with capital of same or better quality.
Lock-in-clause:	Payment of profit will be made from current year's earning and subject to compliance with MCR or CAR set by SBP.
Loss absorbency clause:	
Pre-Specified Trigger ("PST")	<p>Upon the occurrence of a Pre-Specified Trigger as defined under SBP BPRD Circular # 6 of 2013 dated August 15, 2013 which stipulates that if an Issuer's Common Equity Tier 1 ("CET 1") ratio falls to or below 6.625% of Risk Weighted Assets ("RWA"), the Issuer will have full discretion to determine the amount of TFCs to be permanently converted into common shares or written off, subject to SBP regulations / instructions, and the cap specified below. The Bank will be able to exercise this discretion subject to:</p> <ul style="list-style-type: none">- If and when Bank's CET 1 reaches the loss absorption trigger point, the aggregate amount of Additional Tier-1 capital to be converted must at least be the amount sufficient to immediately return the CET 1 ratio to above 6.625% of total RWA (if possible);- The converted amount should not exceed the amount needed to bring the CET 1 ratio to 8.5% of RWA (i.e. minimum CET 1 of 6.0% plus capital conservation buffer of 2.5%); and- In case, conversion of Additional Tier-1 capital Instrument is not possible following the trigger event, the amount of the Instrument must be written off in the accounts resulting in increase in CET 1 of the Issuer.
Point of Non-Viability ("PONV")	<p>Upon the occurrence of a Point of Non-Viability event as defined under SBP BPRD Circular # 6 of 2013 dated August 15, 2013, which stipulates that SBP may, at its option, fully and permanently convert the TFCs into common shares of the Issuer and / or have them immediately written off (either partially or in full). Number of shares to be issued to TFC holders</p>

Notes to the Condensed Interim Unconsolidated Financial Statements

For the Quarter Ended March 31, 2021

at the time of conversion will be equal to the 'Outstanding Value of the TFCs' divided by market value per share of the Issuer's common / ordinary share on the date of the PONV trigger event as declared by SBP, subject to the cap specified below:

The PONV trigger event is the earlier of:

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

	(Un-audited) March 31, 2021	(Audited) December 31, 2020
	Note	---- Rupees in '000 ----
18. DEFERRED TAX LIABILITIES		
Deferred tax debits arising from:		
Provision against investments	(57,149)	(57,149)
Provision against loans and advances	(305,947)	(287,840)
General provision under IFRS-9	(38,952)	(43,552)
Intangible other than Goodwill	(2,506)	(2,904)
Mark to market gain / (loss) on forward foreign exchange contracts	(83,289)	(22,893)
	<u>(487,843)</u>	<u>(414,338)</u>
Deferred tax credits arising due to:		
Fixed assets	170,812	172,562
Goodwill	512,268	512,268
Surplus on revaluation of operating fixed assets	20 415,001	240,391
Surplus on revaluation of non-banking assets acquired in satisfaction of claims	20 47,256	4,029
Unrealized gain on revaluation of derivative instruments	7,197	5,302
Unrealised (loss) / gain on revaluation of investments classified as held for trading	(1)	282
Surplus on revaluation of investments classified as available for sale	20 988,630	673,756
	<u>2,141,163</u>	<u>1,608,590</u>
	<u>1,653,320</u>	<u>1,194,252</u>

Notes to the Condensed Interim Unconsolidated Financial Statements

For the Quarter Ended March 31, 2021

	(Un-audited) March 31, 2021	(Audited) December 31, 2020
	---- Rupees in '000 ----	
19. OTHER LIABILITIES		
Mark-up / return / interest payable in local currency	3,238,422	2,994,596
Mark-up / return / interest payable in foreign currencies	73,728	52,729
Unearned income on guarantees	144,649	176,270
Accrued expenses	421,085	669,383
Acceptances	3,518,873	3,603,192
Unclaimed dividends	4,214	4,214
Mark to market loss on derivative instruments	134,967	160,306
Mark to market loss on forward foreign exchange contracts	731,976	400,144
Grauity Payable to contractual staff	1,501	-
Withholding taxes payable	368,363	401,303
Government challan collection	97,721	94,510
Donation payable	13,235	-
Security deposits against leases, lockers and others	3,405,169	3,490,704
Sindh Workers' Welfare Fund	127,472	114,237
Payable in respect of home remittance	450,728	831,042
Retention money payable	47,496	42,044
Lease liability against right-of-use assets	2,895,941	2,583,947
Payable against short sell of securities	749,932	-
Insurance payable	22,197	10,137
Payable to vendors against SBS goods	137,212	93,634
Debit card settlement	81,611	65,855
Inter bank fund transfer settlement	257,352	159,136
Others	1,248,093	593,771
	<u>18,171,937</u>	<u>16,541,154</u>

20. SURPLUS ON REVALUATION OF ASSETS

Surplus on revaluation of:

	9.1 & 20.1	
Available-for-sale securities	2,824,656	1,925,017
Fixed assets	1,185,717	1,192,173
Non-banking assets acquired in satisfaction of claims	135,022	135,109
	4,145,395	3,252,299

Deferred tax on surplus on revaluation of:

Available-for-sale securities	(988,630)	(673,756)
Fixed assets	(415,001)	(240,391)
Non-banking assets acquired in satisfaction of claims	(47,256)	(4,029)
	<u>(1,450,887)</u>	<u>(918,176)</u>
	<u>2,694,508</u>	<u>2,334,123</u>

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

Notes to the Condensed Interim Unconsolidated Financial Statements

For the Quarter Ended March 31, 2021

		(Un-audited) March 31, 2021	(Audited) December 31, 2020
	Note	----- Rupees in '000 -----	
21. CONTINGENCIES AND COMMITMENTS			
Guarantees	21.1	45,870,211	58,779,594
Commitments	21.2	56,143,233	65,262,832
		<u>102,013,444</u>	<u>124,042,426</u>

21.1 Guarantees:

Financial guarantees		726,747	1,024,422
Performance guarantees		24,794,316	36,678,881
Other guarantees		20,349,148	21,076,291
		<u>45,870,211</u>	<u>58,779,594</u>

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

		(Un-audited) March 31, 2021	(Audited) December 31, 2020
	Note	----- Rupees in '000 -----	
21.2 Commitments:			
Documentary credits and short-term trade-related transactions			
- letters of credit	21.2.1	19,209,640	21,111,360
Commitments in respect of:			
- Forward foreign exchange contracts	21.2.2	30,819,306	38,178,262
- Derivative instruments	21.2.3	4,612,572	5,362,948
- Forward lending	21.2.4	1,249,812	384,230
Commitments for acquisition of:			
- Fixed assets	21.2.5	251,903	226,032
		<u>56,143,233</u>	<u>65,262,832</u>

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

21.2.2 Commitments in respect of forward foreign exchange contracts

		(Un-audited) March 31, 2021	(Audited) December 31, 2020
		----- Rupees in '000 -----	
Purchase		19,863,379	23,137,733
Sale		10,955,927	15,040,529
		<u>30,819,306</u>	<u>38,178,262</u>

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

Notes to the Condensed Interim Unconsolidated Financial Statements

For the Quarter Ended March 31, 2021

	Note	(Un-audited) March 31, 2021 ----- Rupees in '000 -----	(Audited) December 31, 2020
21.2.3 Commitments in respect of derivative instruments			
Purchase		730,220	1,760,637
Sale		<u>3,882,352</u>	<u>3,602,311</u>
		<u>4,612,572</u>	<u>5,362,948</u>
21.2.3.1 Interest rate swaps (notional principal)			
Purchase		727,765	1,176,824
Sale		<u>727,765</u>	<u>1,176,824</u>
		<u>1,455,530</u>	<u>2,353,648</u>
21.2.3.2 Options (notional principal)			
Purchase		2,455	582,419
Sale		<u>3,154,587</u>	<u>2,425,487</u>
		<u>3,157,042</u>	<u>3,007,906</u>
21.2.3.3 Commitments in respect of forward securities			
Purchase		-	<u>1,394</u>
21.2.4 Commitments in respect of forward lending			
Undrawn formal standby facilities, credit lines and other commitments to lend	21.2.4.1	<u>1,249,812</u>	<u>384,230</u>
21.2.4.1			
These represent commitments that are irrevocable because they cannot be withdrawn at the discretion of the Bank without the risk of incurring significant penalty or expense.			
21.2.5 Commitments for acquisition of fixed assets		<u>251,903</u>	<u>226,032</u>

22. DERIVATIVE INSTRUMENTS

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

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

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

Notes to the Condensed Interim Unconsolidated Financial Statements

For the Quarter Ended March 31, 2021

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

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

		(Un-audited) March 31, 2021					
		Interest Rate Swaps		Options		Forward securities	
		Notional principal	Mark to Market	Notional principal	Mark to Market	Notional principal	Mark to Market
22.1	Product analysis	----- Rupees in '000 -----					
	With Banks for						
	Hedging	1,455,530	2,328	3,157,042	18,234	-	-
	Market making	-	-	-	-	-	-
	With FIs other than banks						
	Hedging	-	-	-	-	-	-
	Market making	-	-	-	-	-	-
	Total						
	Hedging	1,455,530	2,328	3,157,042	18,234	-	-
	Market making	-	-	-	-	-	-
		(Audited) December 31, 2020					
		Interest Rate Swaps		Options		Forward securities	
		Notional principal	Mark to Market	Notional principal	Mark to Market	Notional principal	Mark to Market
		----- Rupees in '000 -----					
	With Banks for						
	Hedging	2,353,648	4,943	3,007,906	10,205	-	-
	Market making	-	-	-	-	-	-
	With FIs other than banks						
	Hedging	-	-	-	-	-	-
	Market making	-	-	-	-	1,394	-
	Total						
	Hedging	2,353,648	4,943	3,007,906	10,205	-	-
	Market making	-	-	-	-	1,394	-

Notes to the Condensed Interim Unconsolidated Financial Statements

For the Quarter Ended March 31, 2021

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

Notes to the Condensed Interim Unconsolidated Financial Statements

For the Quarter Ended March 31, 2021

		----- Un-audited -----	
		March 31, 2021	March 31, 2020
		----- Rupees in '000 -----	
26.	GAIN / (LOSS) ON SECURITIES		
	Realised	26,951	78,083
	Unrealised - held for trading	(3)	23,717
		<u>26,948</u>	<u>101,800</u>
26.1	Realised gain / (loss) on:		
	Federal government securities		
	Market treasury bills	2,585	27,955
	Pakistan investment bonds	56,829	57,826
		<u>59,414</u>	<u>85,781</u>
	Shares		
	Listed companies	(71,993)	(10,670)
	Non Government Debt Securities		
	Sukuk certificates	-	450
	Mutual fund units	2,760	2,522
	Foreign currency bonds	36,770	-
		<u>26,951</u>	<u>78,083</u>
27.	OTHER INCOME - NET		
	Gain on sale of operating fixed assets - net	3,467	1,414
	Gain on termination of leases	2,397	-
		<u>5,864</u>	<u>1,414</u>

Notes to the Condensed Interim Unconsolidated Financial Statements

For the Quarter Ended March 31, 2021

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

Notes to the Condensed Interim Unconsolidated Financial Statements

For the Quarter Ended March 31, 2021

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

29. WORKERS WELFARE FUND

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

		----- Un-audited -----	
		March 31,	March 31,
		2021	2020
		----- Rupees in '000 -----	
30.	OTHER CHARGES	Note	
	Penalties imposed by State Bank of Pakistan	25	-
	Others	-	4,044
		<u>25</u>	<u>4,044</u>

31. PROVISIONS / (REVERSALS) AND WRITE OFFS - NET

(Reversals) / provisions for diminution in value of investments	9.4.1	(212,434)	16,569
Provisions against loans & advances - specific	10.3	235,609	86,427
Provisions against loans & advances - general	10.3	104,830	(3,025)
(Reversals) / provisions under IFRS-9 - general	31.1	(6,273)	45,137
Fixed assets written (back) / off	11.2	(20,241)	58,508
Intangible assets written off	12.1.1	3,964	-
Other assets written off		259	-
		<u>105,714</u>	<u>203,616</u>

31.1 (Reversals) / provisions under IFRS-9 - general

Charge / (reversal) during the period			
Balances with other banks		14	2
Lendings to financial institutions		6,109	(953)
Investments	9.4	(14,046)	30,047
Advances	10.3	1,650	16,041
		<u>(6,273)</u>	<u>45,137</u>

32. TAXATION

Current		347,610	223,292
Prior years		-	-
Deferred		(75,934)	22,623
		<u>271,676</u>	<u>245,915</u>

32.1 There are no material changes in tax contingencies as disclosed in annual unconsolidated financial statements for the year ended December 31, 2020.

Notes to the Condensed Interim Unconsolidated Financial Statements

For the Quarter Ended March 31, 2021

	----- Un-audited -----	
	March 31, 2021	March 31, 2020
	----- Rupees in '000 -----	
33. BASIC AND DILUTED EARNINGS PER SHARE		
Profit after taxation for the period - attributable to ordinary equity holders of the holding company	<u>390,083</u>	<u>382,542</u>

	----- Numbers -----	
Weighted average number of basic outstanding ordinary shares during the period	<u>1,297,464,262</u>	<u>1,297,464,262</u>
	----- Rupee -----	
Basic and diluted earnings per share	<u>0.30</u>	<u>0.29</u>

		(Un-audited) March 31, 2021	(Audited) December 31, 2020	(Un-audited) March 31, 2020
	Note	----- Rupees in '000 -----		
34. CASH AND CASH EQUIVALENTS				
Cash and balances with treasury banks	6	25,267,867	30,421,231	27,430,691
Balances with other banks	7	412,066	1,106,419	1,316,033
Overdrawn nostro accounts	15	(323,430)	(143,570)	(273,315)
		<u>25,356,503</u>	<u>31,384,080</u>	<u>28,473,409</u>
Less: General provision under IFRS 9		(444)	(450)	(75)
		<u>25,356,059</u>	<u>31,383,630</u>	<u>28,473,334</u>

35. FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

Notes to the Condensed Interim Unconsolidated Financial Statements

For the Quarter Ended March 31, 2021

Fair value hierarchy

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

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

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

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

35.1 Valuation techniques used in determination of fair values within level

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

Financial Instruments- Level 1

Shares of listed companies	Fair values of investments in listed equity securities are valued on the basis of closing quoted market prices available at the Pakistan Stock Exchange.
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Financial instruments - Level 2

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

Notes to the Condensed Interim Unconsolidated Financial Statements

For the Quarter Ended March 31, 2021

Derivatives	The fair values of derivatives which are not quoted in active markets are determined by using valuation techniques. The valuation techniques take into account the relevant underlying parameters including foreign currencies involved, interest rates, yield curves, volatilities, contracts duration, etc.
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Financial instruments in level 3

Currently, no financial instruments are classified in level 3.
The fair value of unquoted debt securities, fixed term loans, other assets, other liabilities, fixed term deposits and borrowings cannot be calculated with sufficient reliability due to the absence of a current and active market for these assets and liabilities and reliable data regarding market rates for similar instruments.

Non- financial assets- Level 3

Fixed assets - Land and building	Fixed assets and Non-banking assets under satisfaction of claims are carried at revalued amounts determined by professional valuers based on their assessment of the market values as disclosed in note 11 and 13 respectively of the annual unconsolidated financial statements. The valuations are conducted by the valuation experts appointed by the Bank which are also on the panel of State Bank of Pakistan. The valuation experts used a market based approach to arrive at the fair value of the Bank's properties. The market approach used prices and other relevant information generated by market transactions involving identical or comparable or similar properties. These values are adjusted to reflect the current condition of the properties. The effect of changes in the unobservable inputs used in the valuations cannot be determined with certainty, accordingly a qualitative disclosure of sensitivity has not been presented in these financial statements.
Non-banking assets under satisfaction of claims	

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

Notes to the Condensed Interim Unconsolidated Financial Statements

For the Quarter Ended March 31, 2021

(Un-audited) March 31, 2021					
Level 1	Level 2	Level 3	Total		
----- Rupees in '000 -----					
On balance sheet financial instruments					
Financial assets - measured at fair value					
Held-for-trading securities					
Investments					
	Federal Government Securities	-	520,336	-	520,336
Available-for-sale securities					
Investments					
	Federal Government Securities	-	149,872,114	-	149,872,114
5,370,201	-	-	-	-	5,370,201
	Non Government Debt Securities	-	458,529	-	458,529
	Foreign Securities	-	4,537,084	-	4,537,084
5,370,201	154,867,727	-	-	-	160,237,928
Financial assets - disclosed but not measured at fair value					
Investments					
	Federal Government Securities	-	36,023,808	-	36,023,808
5,370,201	191,411,871	-	-	-	196,782,072
Non-Financial assets - measured at fair value					
	Revalued fixed assets	-	-	2,666,310	2,666,310
	Non-banking assets acquired in satisfaction of claims	-	-	1,311,166	1,311,166
-	-	-	3,977,476	-	3,977,476
Off balance sheet financial instruments					
Commitments in respect of:					
Forward foreign exchange contracts					
	Purchase	-	19,161,316	-	19,161,316
	Sale	-	10,491,582	-	10,491,582
Derivative instruments					
Interest rate swaps					
	Purchase	-	634,794	-	634,794
	Sale	-	637,122	-	637,122
Options					
	Purchase	-	7,867	-	7,867
	Sale	-	3,167,408	-	3,167,408

Notes to the Condensed Interim Unconsolidated Financial Statements

For the Quarter Ended March 31, 2021

(Audited)
December 31, 2020

Level 1	Level 2	Level 3	Total
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----- Rupees in '000 -----

On balance sheet financial instruments

Financial assets - measured at fair value

Held-for-trading securities

Investments

Federal Government Securities	-	25,003,774	-	25,003,774
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Available-for-sale securities

Investments

Federal Government Securities	-	127,406,043	-	127,406,043
Shares	4,264,334	-	-	4,264,334
Non Government Debt Securities	-	457,454	-	457,454
Foreign Securities	-	4,017,289	-	4,017,289
	4,264,334	131,880,786	-	136,145,120

Financial assets - disclosed but not measured at fair value

Investments

Federal Government Securities	-	36,109,599	-	36,109,599
	4,264,334	192,994,159	-	197,258,493

Non-Financial assets - measured at fair value

Revalued fixed assets	-	-	2,610,300	2,610,300
Non-banking assets acquired in satisfaction of claims	-	-	1,311,252	1,311,252
	-	-	3,921,552	3,921,552

Off balance sheet financial instruments

Commitments in respect of:

Forward foreign exchange contracts

Purchase	-	22,942,707	-	22,942,707
Sale	-	14,910,910	-	14,910,910

Derivative instruments

Forward securities

Purchase	-	1,394	-	1,394
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Interest rate swaps

Purchase	-	1,120,607	-	1,120,607
Sale	-	1,125,550	-	1,125,550

Options

Purchase	-	581,042	-	581,042
Sale	-	2,437,068	-	2,437,068

Notes to the Condensed Interim Unconsolidated Financial Statements

For the Quarter Ended March 31, 2021

36. SEGMENT INFORMATION

36.1. Segment Details with respect to Business Activities:

	Corporate finance	Trading and sales	Retail banking	Commercial banking	Others	Total
March 31, 2021 (Un-audited)						
----- Rupees in '000 -----						
Profit & Loss						
Net mark-up / return / profit / (loss)	(284,701)	3,439,843	273,964	(625,921)	(16,912)	2,786,273
Inter segment revenue - net	295,577	(3,453,266)	1,864,401	1,293,288	-	-
Non mark-up / return / interest income	68,805	316,448	382,533	355,756	(44,920)	1,078,622
Total Income	79,681	303,025	2,520,898	1,023,123	(61,832)	3,864,895
Segment direct expenses	6,003	44,785	1,305,444	205,731	1,535,459	3,097,422
Inter segment expense allocation	11,827	44,260	1,226,122	195,080	(1,477,289)	-
Total expenses	17,830	89,045	2,531,566	400,811	58,170	3,097,422
Provisions	-	-	26,197	(4,913)	84,430	105,714
Profit / (loss) before tax	61,851	213,980	(36,865)	627,225	(204,432)	661,759
March 31, 2021 (Un-audited)						
Statement of financial position						
Cash & Bank balances	-	-	25,679,489	-	-	25,679,489
Investments	-	196,596,034	-	4,539,575	-	201,135,609
Net inter segment lending	8,669,417	-	90,247,966	74,182,069	16,177,231	189,276,683
Lendings to financial institutions	-	12,822,198	-	2,437,080	-	15,259,278
Advances - net	1,930,355	-	74,852,749	166,318,619	-	243,101,723
Advances - performing	-	-	6,992,205	5,903,330	-	12,895,535
Advances - non-performing	-	-	(2,322,696)	(2,221,552)	-	(4,544,248)
Advances - (Provisions)/reversals - Net	1,930,355	-	79,522,258	170,000,397	-	251,453,010
Others	-	-	-	-	26,019,963	26,019,963
Total Assets	10,599,772	209,418,232	195,449,713	251,159,121	42,197,194	708,824,032
Borrowings	36,667	13,302,179	150,888	25,643,631	-	39,133,365
Subordinated debt	-	7,492,800	-	-	-	7,492,800
Deposits & other accounts	10,556,665	-	190,540,135	224,862,060	-	425,958,860
Net inter segment borrowing	-	188,623,253	-	653,431	-	189,276,684
Others	6,440	-	4,758,690	-	20,877,762	25,642,892
Total Liabilities	10,599,772	209,418,232	195,449,713	251,159,122	20,877,762	687,504,601
Equity	-	-	-	-	21,319,432	21,319,432
Total Equity & Liabilities	10,599,772	209,418,232	195,449,713	251,159,122	42,197,194	708,824,033
Contingencies & Commitments	-	50,145,007	36,838,702	14,919,827	109,908	102,013,444

Notes to the Condensed Interim Unconsolidated Financial Statements

For the Quarter Ended March 31, 2021

	Corporate finance	Trading and sales	Retail banking	Commercial banking	Others	Total
March 31, 2020 (Un-audited)	----- Rupees in '000 -----					
Profit & Loss						
Net mark-up / return / profit	117,152	(780,637)	2,827,165	615,098	(236,917)	2,541,861
Inter segment revenue - net	(1,675)	-	(159,863)	(37,499)	199,037	-
Non mark-up / return / interest income	23,245	289,234	585,135	231,838	77,367	1,206,819
Total Income	138,722	(491,403)	3,252,437	809,437	39,487	3,748,680
Segment direct expenses	11,976	31,353	1,287,392	163,408	1,422,478	2,916,607
Inter segment expense allocation	32,583	80,845	835,608	307,891	(1,256,927)	-
Total expenses	44,559	112,198	2,123,000	471,299	165,551	2,916,607
Provisions	254	-	83,638	44,920	74,804	203,616
Profit / (loss) before tax	93,909	(603,601)	1,045,799	293,218	(200,868)	628,457
December 31, 2020 (Audited)						
Statement of financial position						
Cash & Bank balances	-	20,722,345	10,804,855	-	-	31,527,200
Investments	2,891,836	198,806,637	-	-	-	201,698,473
Net inter segment lending	-	-	129,898,985	109,429,008	11,732,961	251,060,954
Lendings to financial institutions	-	23,239,672	-	-	-	23,239,672
Advances - net						
Advances - performing	-	-	52,152,981	190,515,793	-	242,668,774
Advances - non-performing	-	-	4,760,888	6,972,667	-	11,733,555
Advances (Provisions) - Net	-	-	(938,040)	(3,265,123)	-	(4,203,163)
	-	-	55,975,829	194,223,337	-	250,199,166
Others	-	4,590,700	3,570,545	3,315,506	14,027,140	25,503,891
Total Assets	2,891,836	247,359,354	200,250,214	306,967,851	25,760,101	783,229,356
Borrowings	-	12,208,219	1,996,091	34,099,102	-	48,303,412
Subordinated debt	-	7,492,800	-	-	-	7,492,800
Deposits & other accounts	-	-	166,087,049	266,975,544	-	433,062,593
Net inter segment borrowing	2,891,836	227,156,281	21,012,836	-	-	251,060,953
Others	-	502,054	11,154,238	5,893,204	5,167,893	22,717,389
Total Liabilities	2,891,836	247,359,354	200,250,214	306,967,850	5,167,893	762,637,147
Equity	-	-	-	-	20,592,208	20,592,208
Total Equity & Liabilities	2,891,836	247,359,354	200,250,214	306,967,850	25,760,101	783,229,355
Contingencies & Commitments						
	-	60,973,417	44,793,723	18,141,644	133,642	124,042,426

37. RELATED PARTY TRANSACTIONS

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

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

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

Notes to the Condensed Interim Unconsolidated Financial Statements

For the Quarter Ended March 31, 2021

	As at: March 31, 2021 (Un-audited)					As at: December 31, 2020 (Audited)						
	Parent	Directors	Key management personnel	Subsidiaries	Associates	Other related parties	Parent	Directors	Key management personnel	Subsidiaries	Associates	Other related parties
	(Rupees in '000)											
Statement of financial position												
Lendings to financial institutions												
Opening balance	-	-	-	-	-	-	-	-	-	-	-	-
Added during the period / year	-	-	-	-	1,400,000	-	-	-	-	-	-	4,100,000
Repaid during the period / year	-	-	-	-	(1,400,000)	-	-	-	-	-	-	(4,100,000)
Closing balance	-	-	-	-	-	-	-	-	-	-	-	-
Investments												
Opening balance	-	-	-	1,919,121	269,800	2,720,901	-	-	-	1,919,121	228,972	1,617,327
Investment made during the period / year	-	-	-	-	-	400,000	-	-	-	-	40,828	4,009,279
Investment redeemed / disposed off during the period / year	-	-	-	-	-	(1,942,359)	-	-	-	-	-	(2,905,705)
Closing balance	-	-	-	1,919,121	269,800	2,078,542	-	-	-	1,919,121	269,800	2,720,901
Provision for diminution in value of investments	-	-	-	-	-	65,022	-	-	-	-	-	277,456
Advances												
Opening balance	-	122,106	779,655	193,550	370,768	4,093,430	-	-	596,257	-	-	1,946,481
Added during the period / year	-	640	29,239	-	-	1,105,610	-	58	265,948	193,550	153,128	6,402,913
Repaid during the period / year	-	(960)	(64,583)	(24,194)	(122,698)	(672,293)	-	(832)	(150,821)	-	(2,239)	(6,486,750)
Transfer in / out - net	-	127	10,267	-	-	-	-	122,880	68,271	-	219,875	1,232,786
Closing balance	-	121,893	754,828	169,356	248,070	4,526,747	-	122,106	779,655	193,550	370,768	4,093,430
Other Assets												
Interest mark-up accrued	-	2,861	-	1,253	954	63,793	-	2,801	6	1,253	954	52,998
Receivable against bancassurance / bancatakaluf	-	-	-	-	-	26,169	-	-	-	-	-	28,051
Net defined benefit plan	-	-	-	-	-	264,732	-	-	-	-	-	317,581
Dividend Receivable	-	-	-	-	-	42,497	-	-	-	-	-	-
Other receivable	-	-	-	-	-	379	-	-	-	-	-	379
Provision against other assets	-	-	-	-	-	379	-	-	-	-	-	379
Borrowings												
Opening balance	-	-	-	-	-	-	-	-	-	-	-	-
Borrowings during the period / year	-	-	-	-	-	-	-	-	-	-	-	11,105,705
Settled during the period / year	-	-	-	-	-	-	-	-	-	-	-	(11,105,705)
Closing balance	-	-	-	-	-	-	-	-	-	-	-	-

Notes to the Condensed Interim Unconsolidated Financial Statements

For the Quarter Ended March 31, 2021

	As at March 31, 2021 (Un-audited)						As at December 31, 2020 (Audited)					
	Parent	Directors	Key management personnel	Subsidiaries	Associates	Other related parties	Parent	Directors	Key management personnel	Subsidiaries	Associates	Other related parties
	(Rupees in '000)											
Deposits and other accounts												
Opening balance	172,019	212,335	76,237	1,638,770	49,753	10,365,166	271,948	24,444	59,593	1,246,363	23,104	8,622,201
Received during the period / year	652,364	64,814	179,575	118,897,088	531,461	59,998,490	5,511,316	511,942	973,685	499,101,485	861,135	160,825,941
Withdrawn during the period / year	(710,325)	(65,094)	(171,749)	(118,612,135)	(514,110)	(59,712,571)	(5,610,945)	(324,417)	(869,813)	(498,707,020)	(834,486)	(159,215,607)
Transfer (out) / in - net	-	1,354	(27,549)	-	-	(800)	-	366	(87,228)	(2,058)	-	132,631
Closing balance	314,078	213,409	56,514	1,923,723	67,104	10,650,285	172,019	212,335	76,237	1,638,770	49,753	10,365,166
Subordinated debt	-	-	-	-	-	889,432	-	-	-	-	-	889,432
Other Liabilities												
Interest / return / mark-up payable on deposits	-	-	18	-	-	21,052	-	-	85	-	-	153,374
Interest / return / mark-up payable on subordinated debt	-	-	-	-	-	21,416	-	-	-	-	-	1,308
Others payable	-	-	-	-	-	-	-	-	-	363	-	-
Represented By												
Share Capital	9,735,073	19,180	12,223	-	-	45,323	9,735,073	19,180	12,223	-	-	45,323
Contingencies and Commitments												
Letter of guarantee	-	-	-	-	-	38,629	-	-	-	-	-	29,054
Letter of Credit	-	-	-	-	-	72,980	-	-	-	-	-	86,543

Notes to the Condensed Interim Unconsolidated Financial Statements

For the Quarter Ended March 31, 2021

	For the period ended March 31, 2021 (Un-audited)					For the period ended March 31, 2020 (Un-audited)						
	Parent	Directors	Key management personnel	Subsidiaries	Associates	Other related parties	Parent	Directors	Key management personnel	Subsidiaries	Associates	Other related parties
(Rupees in '000)												
Profit and loss account												
Income												
Mark-up / return / interest earned	-	47	9,369	729	3,855	19,127	-	-	14,644	-	5,739	40,265
Fee and commission income	-	6	112	-	-	38,901	-	-	54	-	-	57,699
Dividend income	-	-	-	-	-	42,497	-	-	-	-	-	42,626
(Loss) / gain on sale of securities - net	-	-	-	-	-	(90,663)	-	-	-	-	-	2,522
Expense												
Mark-up / return / interest paid	3,138	2,763	461	29,989	-	228,494	5,165	257	121	49,232	29	311,741
Commission / charges paid	-	-	-	565	-	-	-	-	-	1,370	-	-
Remuneration paid	-	12,971	99,713	-	-	-	-	3,000	149,070	-	-	-
Non-executive directors' fee	-	4,150	-	-	-	-	-	-	-	-	-	-
Net charge for defined contribution plans	-	-	-	-	-	62,321	-	-	-	-	-	57,263
Net charge / (reversal) for defined benefit plans	-	-	-	-	-	52,849	-	-	-	-	-	53,539
Advisory fee	-	-	-	-	-	1,215	-	-	-	-	-	-
Other expenses	75	-	-	-	-	316	225	-	-	-	-	369
Reimbursement of expenses	15,988	210	1,349	268	-	85	-	-	-	-	-	-
Payments made during the period												
Insurance premium paid	-	-	-	-	-	256,672	-	-	-	-	-	210,246
Insurance claims settled	-	-	-	-	-	646	-	-	-	-	-	214
Other Transactions												
Sale of Government Securities	-	-	-	-	-	26,859,448	1,645	-	-	-	-	28,329,351
Purchase of Government Securities	-	-	-	-	-	493,157	-	-	-	-	-	3,949,276
Sale of Foreign Currencies	-	-	-	-	-	17,539,402	-	-	-	-	-	12,390,177
Purchase of Foreign Currencies	-	-	-	-	-	5,941,416	-	-	-	-	-	17,435,574

Notes to the Condensed Interim Unconsolidated Financial Statements

For the Quarter Ended March 31, 2021

	(Un-audited) March 31, 2021	(Audited) December 31, 2020
----- Rupees in '000 -----		
38. CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS		
Minimum Capital Requirement (MCR):		
Paid-up capital (net of losses)	<u>10,119,242</u>	<u>10,119,242</u>
Capital Adequacy Ratio (CAR):		
Eligible Common Equity Tier 1 (CET 1) Capital	16,605,516	16,227,512
Eligible Additional Tier 1 (ADT 1) Capital	<u>2,255,787</u>	<u>2,251,350</u>
Total Eligible Tier 1 Capital	<u>18,861,303</u>	<u>18,478,862</u>
Eligible Tier 2 Capital	<u>5,136,006</u>	<u>4,621,001</u>
Total Eligible Capital (Tier 1 + Tier 2)	<u>23,997,309</u>	<u>23,099,863</u>
Risk Weighted Assets (RWAs):		
Credit Risk	<u>162,798,417</u>	<u>155,761,884</u>
Market Risk	<u>1,078,948</u>	<u>1,144,972</u>
Operational Risk	<u>23,981,730</u>	<u>23,981,730</u>
Total	<u>187,859,095</u>	<u>180,888,586</u>
Common Equity Tier 1 Capital Adequacy ratio	<u>8.84%</u>	<u>8.97%</u>
Tier 1 Capital Adequacy Ratio	<u>10.04%</u>	<u>10.22%</u>
Total Capital Adequacy Ratio	<u>12.77%</u>	<u>12.77%</u>
Leverage Ratio (LR):		
Eligible Tier-1 Capital	18,861,303	18,478,862
Total Exposures	<u>623,829,049</u>	<u>605,685,437</u>
Leverage Ratio	<u>3.02%</u>	<u>3.05%</u>
Liquidity Coverage Ratio (LCR):		
Total High Quality Liquid Assets	192,556,503	157,850,263
Total Net Cash Outflow	<u>64,406,854</u>	<u>57,017,766</u>
Liquidity Coverage Ratio	<u>298.97%</u>	<u>276.84%</u>
Net Stable Funding Ratio (NSFR):		
Total Available Stable Funding	347,399,633	357,021,802
Total Required Stable Funding	<u>255,755,469</u>	<u>256,068,898</u>
Net Stable Funding Ratio	<u>135.83%</u>	<u>139.42%</u>

Notes to the Condensed Interim Unconsolidated Financial Statements

For the Quarter Ended March 31, 2021

39. GENERAL

39.1 These condensed interim unconsolidated financial statements have been prepared in accordance with the revised format for financial statements of Banks issued by the SBP through BPRD Circular no. 5 dated March 22, 2019 and related clarifications / modifications.

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

40. DATE OF AUTHORISATION FOR ISSUE

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

President and
Chief Executive Officer

Chief Financial Officer

Director

Director

Chairman



Consolidated

Financial Statements

Condensed Interim Consolidated Statement of Financial Position

As at March 31, 2021

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

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

President and
Chief Executive Officer

Chief Financial Officer

Director

Director

Chairman

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

For the Quarter Ended March 31, 2021

	Note	March 31, 2021 ----- Rupees in '000 -----	March 31, 2020
Mark-up / return / interest earned	23	9,634,307	12,958,006
Mark-up / return / interest expensed	24	6,819,949	10,375,517
Net mark-up / interest income		2,814,358	2,582,489

NON MARK-UP / INTEREST INCOME

Fee, commission and brokerage income	25	1,046,120	1,027,900
Dividend income		43,504	52,226
Foreign exchange income		266,020	192,975
Income from derivatives		8,624	19,746
Gain on securities		91,637	122,579
Share of profit / (loss) from associates	26	4,098	(14,387)
Other income	27	11,868	9,630
Total non mark-up / interest income		1,471,871	1,410,669
Total Income		4,286,229	3,993,158

NON MARK-UP / INTEREST EXPENSES

Operating expenses	28	3,313,568	3,121,905
Workers' welfare fund	29	16,693	6,244
Other charges	30	25	4,044
Total non-mark-up / interest expenses		3,330,286	3,132,193
Profit before provisions		955,943	860,965
Provisions / (reversals) and write offs - net	31	105,714	203,616
Extraordinary / unusual items		-	-

PROFIT BEFORE TAXATION

		850,229	657,349
Taxation	32	322,595	248,859
PROFIT AFTER TAXATION		527,634	408,490

Attributable to:

Equity holders of the Bank		505,781	401,888
Non-controlling interest		21,853	6,602
		527,634	408,490

Rupee

Basic and diluted earnings per share	33	0.39	0.31
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The annexed notes from 1 to 40 form an integral part of these condensed interim consolidated financial statements.

President and
Chief Executive Officer

Chief Financial Officer

Director

Director

Chairman

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

For the Quarter Ended March 31, 2021

	March 31, 2021	March 31, 2020
	----- Rupees in '000 -----	
Profit after taxation	527,634	408,490
Other comprehensive income		
Items that may be reclassified to profit and loss account in subsequent periods		
Effect of translation of net investment in foreign branch	(27,496)	27,359
Movement in surplus on revaluation of investments - net of tax	501,810	35,678
Movement in general provision under IFRS 9 - net	12,330	20,866
Share of other comprehensive loss from associated companies - net of tax	-	(1,100)
	514,140	55,444
Items that will not be reclassified to profit and loss account in subsequent periods:		
Movement in surplus on revaluation of operating fixed assets - net of tax	(176,870)	-
Movement in surplus on revaluation of non-banking assets - net of tax	(43,258)	-
	(220,128)	-
Total other comprehensive income	266,516	82,803
Total comprehensive income	794,150	491,293
Attributable to:		
Equity holders of the Bank	783,235	521,082
Non-controlling interest	10,915	(29,789)
	794,150	491,293

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

President and
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Chief Financial Officer

Director

Director

Chairman

Condensed Interim Consolidated Statement of Changes in Equity

For the Quarter Ended March 31, 2021

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

* This represents reserve created under Section 210(a) of the Banking Companies Ordinance, 1962.

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

President and
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Director

Director

Chairman

Condensed Interim Consolidated Cash Flow Statement (Un-audited)

For the Quarter Ended March 31, 2021

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

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

President and
Chief Executive Officer

Chief Financial Officer

Director

Director

Chairman

Notes to the Condensed Interim Consolidated Financial Statements

For the Quarter Ended March 31, 2021

1. STATUS AND NATURE OF BUSINESS

1.1 The “Group” consists of:

1.1.1 Holding Company: JS Bank Limited

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

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

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

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

The ultimate parent of the Group is Jahangir Siddiqui & Co. Limited which holds 75.02% shares of the Holding Company.

Notes to the Condensed Interim Consolidated Financial Statements

For the Quarter Ended March 31, 2021

1.1.3 Composition of the Group

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

1.1.3.1 JSACL does not intend to carry on the business of Futures Broker, therefore, the directors of JSIL were desirous of merging JSACL with and into JSIL. The Scheme of Arrangement under Section 284 of the Companies Act, 2017, for merger or amalgamation (the Scheme) of JSACL with and into JSIL, was approved by SECP under Rule 7(2) (cb) of Non-Banking Finance Companies (Establishment and Regulations) Rules 2003 vide its letter dated January 13, 2021. The Board of Directors of JSACL in their meeting held on February 19, 2021 has approved the Scheme with effect from March 31, 2021. Subsequently, the Scheme under section 284 of the Companies Act, 2017, submitted with Companies Registration Office, along with Form-35 for its clearance to start further legal proceedings.

1.1.4 Composition of the Associated Companies

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

2. BASIS OF PRESENTATION

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

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

Notes to the Condensed Interim Consolidated Financial Statements

For the Quarter Ended March 31, 2021

2.2 Statement of Compliance

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

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

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

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

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

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

IFRS10 "Consolidated Financial Statements" was made applicable from period beginning on or after January 01, 2015 vide S.R.O 633(I)/2014 dated July 10, 2014 by SECP. However, SECP has directed through S.R.O 56(I)/2016 dated January 28, 2016, that the requirement of consolidation under section 228 of the Companies Act, 2017 and IFRS-10 "Consolidated Financial Statements" is not applicable in case of investment by companies in mutual funds established under trust structure. Accordingly, the requirements of these standards have not been considered in the preparation of these condensed interim consolidated financial statements.

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

Notes to the Condensed Interim Consolidated Financial Statements

For the Quarter Ended March 31, 2021

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

2.3 BASIS OF CONSOLIDATION

The Group

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

2.3.4 Associate

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

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

There are certain new and amended standards, interpretations and amendments that are mandatory for the Bank's accounting periods beginning on or after January 1, 2021 but are considered not to be relevant or do not have any significant effect on the Bank's operations. Therefore not detailed in these condensed interim unconsolidated financial statements other than IFRS 9 and reason for that is mentioned in note 2.1 as above.

Notes to the Condensed Interim Consolidated Financial Statements

For the Quarter Ended March 31, 2021

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

The following new standards and interpretations of and amendments to existing accounting standards will be effective from the dates mentioned below against the respective standard, interpretation or amendment:

Standards	IASB Effective date (annual periods beginning on or after)
IFRS 9 Financial Instruments: Classification and Measurement (Annual Improvement process) Fees in the 10 percent test for derecognition of financial liabilities	January 01, 2022
IFRS 3 Business Combinations (Amendments) Reference to the Conceptual Framework	January 01, 2022
IAS 16 Property plant and equipment (Amendments) Proceeds before intended use	January 01, 2022
IAS 37 Provisions, contingent liabilities and contingent assets (Amendments) Onerous contracts - Costs of Fulfilling a Contracts	January 01, 2022

The Bank expects that adoption of the amendments to accounting and reporting standards will not affect its financial statements in the period of initial application.

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

Standard	IASB Effective date (annual periods beginning on or after)
IFRS 1 – First time adoption of IFRSs	January 01, 2009
IFRS 17 – Insurance Contracts	January 01, 2023

3. CRITICAL ACCOUNTING ESTIMATES AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The basis for accounting estimates adopted in the preparation of these condensed interim consolidated financial statements are the same as that applied in the preparation of the annual consolidated financial statements for the year ended December 31, 2020.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies and methods of computation adopted in the preparation of these condensed interim consolidated financial statements are consistent with those applied in the preparation of the annual consolidated financial statements for the year ended December 31, 2020.

5. FINANCIAL RISK MANAGEMENT

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

Notes to the Condensed Interim Consolidated Financial Statements

For the Quarter Ended March 31, 2021

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

Notes to the Condensed Interim Consolidated Financial Statements

For the Quarter Ended March 31, 2021

	(Un-audited) March 31, 2021				(Audited) December 31, 2020			
	Cost / Amortised cost	Provision for diminution	Surplus / (Deficit)	Carrying Value	Cost / Amortised cost	Provision for diminution	Surplus / (Deficit)	Carrying Value
9. INVESTMENTS	Rupees in '000							
9.1 Investments by type								
Held-for-trading securities								
Federal Government Securities	520,339	-	(3)	520,336	25,002,969	-	805	25,003,774
Shares	321,244	-	(2,805)	318,439	194,428	-	12,981	207,409
Open end mutual funds	224,060	-	(9,171)	214,889	310,221	-	416	310,637
Available-for-sale securities	1,065,643	-	(11,979)	1,053,664	25,507,618	-	14,202	25,521,820
Federal Government Securities	150,288,304	-	(416,190)	149,872,114	127,308,516	-	97,527	127,406,043
Shares	2,375,825	(199,521)	3,234,791	5,411,095	3,018,184	(411,955)	1,701,753	4,307,982
Non Government Debt Securities	3,469,723	(696,507)	8	2,773,224	3,579,278	(696,507)	(420)	2,882,351
Open end mutual funds	894,168	-	322,939	1,217,107	826,188	-	390,100	1,216,288
Foreign Securities	4,652,680	(103,789)	12,955	4,561,846	4,079,070	(122,758)	136,466	4,092,778
Held-to-maturity securities	161,880,700	(998,817)	3,154,503	163,835,386	138,811,236	(1,231,220)	2,325,426	139,905,442
Federal Government Securities	36,023,808	-	-	36,023,808	36,109,599	-	-	36,109,599
Associates	274,891	-	-	274,891	270,793	-	-	270,793
Total Investments	199,045,042	(999,817)	3,142,524	201,187,749	200,699,246	(1,231,220)	2,339,628	201,807,654
	(Un-audited) March 31, 2021				(Audited) December 31, 2020			
	Cost / Amortised cost	Provision for diminution	Surplus / (Deficit)	Carrying Value	Cost / Amortised cost	Provision for diminution	Surplus / (Deficit)	Carrying Value
9.2 Investments by segments:	Rupees in '000							
Held-for-trading securities								
Federal Government Securities								
Market Treasury Bills	520,339	-	(3)	520,336	25,002,969	-	805	25,003,774
Shares:								
Listed Companies	321,244	-	(2,805)	318,439	194,428	-	12,981	207,409
Ordinary shares	1,065,643	-	(11,979)	1,053,664	25,507,618	-	14,202	25,521,820
Open End Mutual Funds	224,060	-	(9,171)	214,889	310,221	-	416	310,637
Available-for-sale securities								
Federal Government Securities:								
Market Treasury Bills	105,557,109	-	(67,672)	105,489,437	90,027,949	-	20,041	90,047,990
Pakistan Investment Bonds	44,731,195	-	(348,518)	44,382,677	37,280,267	-	77,486	37,358,052
	150,288,304	-	(416,190)	149,872,114	127,308,516	-	97,527	127,406,043
Shares:								
Listed Companies								
Ordinary shares	2,228,236	(62,932)	3,234,791	5,400,095	2,670,595	(275,366)	1,701,753	4,296,982
Preference shares	136,589	(136,589)	-	-	136,589	(136,589)	-	-
Unlisted Companies								
Ordinary shares	11,000	-	-	11,000	11,000	-	-	11,000
	2,375,825	(199,521)	3,234,791	5,411,095	3,018,184	(411,955)	1,701,753	4,307,982
Non Government Debt Securities								
Listed								
Term Finance Certificates	442,048	(155,169)	390	287,269	442,682	(155,169)	(147)	287,366
Sukuk Certificates	329,750	-	382	329,368	402,955	-	-	402,682
Unlisted								
Term Finance Certificates	1,305,088	(541,338)	-	763,750	1,340,804	(541,338)	-	799,466
Sukuk Certificates	1,365,104	-	-	1,365,104	1,365,104	-	-	1,365,104
Preference shares	27,733	-	-	27,733	27,733	-	-	27,733
	3,469,723	(696,507)	8	2,773,224	3,579,278	(696,507)	(420)	2,882,351
Open End Mutual Funds	894,168	-	322,939	1,217,107	826,188	-	390,100	1,216,288
Foreign Securities								
Government Debt Securities *	3,754,222	(84,660)	1,060	3,670,622	3,633,601	(120,619)	130,420	3,643,402
Non Government Debt Securities *	876,190	(19,129)	9,401	866,462	379,654	(2,139)	(3,628)	373,887
Ordinary shares	22,268	-	2,494	24,762	65,815	-	9,674	75,489
	4,652,680	(103,789)	12,955	4,561,846	4,079,070	(122,758)	136,466	4,092,778
Held-to-maturity securities								
Federal Government Securities:								
Pakistan Investment Bonds	36,023,808	-	-	36,023,808	36,109,599	-	-	36,109,599
Associates								
Omar Ujran Engineering Industries Limited	217,819	-	-	217,819	215,793	-	-	215,793
Veda Transit Solutions (Private) Limited	57,072	-	-	57,072	54,302	-	-	54,302
Intercity Touring Company (Private) Limited	-	-	-	698	-	-	-	698
	274,891	-	-	274,891	270,793	-	-	270,793
Total Investments	199,045,042	(999,817)	3,142,524	201,187,749	200,699,246	(1,231,220)	2,339,628	201,807,654

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

Notes to the Condensed Interim Consolidated Financial Statements

For the Quarter Ended March 31, 2021

9.4.2 Particulars of provision against debt securities

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

	Note	Performing		Non Performing		Total	
		(Un-audited) March 31, 2021	(Audited) December 31, 2020	(Un-audited) March 31, 2021	(Audited) December 31, 2020	(Un-audited) March 31, 2021	(Audited) December 31, 2020
----- Rupees in '000 -----							
10. ADVANCES							
Loans, cash credits, running finances, etc.		230,433,900	231,322,752	12,895,535	11,733,555	243,329,435	243,056,307
Bills discounted and purchased		12,874,914	11,602,390	-	-	12,874,914	11,602,390
Advances - gross		243,308,814	242,925,142	12,895,535	11,733,555	256,204,349	254,658,697
Provision against advances							
General		(104,830)	-	-	-	(104,830)	-
General provision - under IFRS-9	10.3.2	(21,973)	(21,327)	-	-	(21,973)	(21,327)
Specific		-	-	(4,417,445)	(4,181,836)	(4,417,445)	(4,181,836)
	10.3	(126,803)	(21,327)	(4,417,445)	(4,181,836)	(4,544,248)	(4,203,163)
Advances - net of provision		243,182,011	242,903,815	8,478,090	7,551,719	251,660,101	250,455,534

10.1 Particulars of advances (gross)

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

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

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

Notes to the Condensed Interim Consolidated Financial Statements

For the Quarter Ended March 31, 2021

10.3 Particulars of provision against advances

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

10.3.1 The Holding Company, in accordance with BPRD circular letter No. 31 of 2020 dated July 10, 2020, has taken the benefit of general provision to make good the specific provision requirement of the consumer financing portfolio till December 31, 2021.

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

10.3.3 The State Bank of Pakistan through various circulars has allowed benefit of the forced sale value (FSV) of Plant and Machinery under charge, pledged stock and mortgaged residential, commercial and industrial properties (land and building only) held as collateral against non-performing loans (NPLs) for a maximum of five years from the date of classification. As at March 31, 2021, the Holding Company has availed cumulative benefit of FSV of Rs. 6,324.600 million (December 31, 2020: 4,655.818 million) under the directives of the SBP. Had the benefit not been taken the unappropriated profit after tax would have reduced by Rs. 4,110.990 million (December 31, 2020: Rs. 3,026.282 million). Further, as required by the SBP directives, this unappropriated profit will not be available for distribution as dividend or other appropriations.

10.3.4 Advances - Deferred & Restructured / Rescheduled

The SBP vide BPRD circular letter number 13 of 2020 dated March 26, 2020, has relaxed certain classification criteria of SBP Prudential Regulation R-8 (Classification and Provisioning of Assets). Accordingly, certain exposures of the Holding Company as at March 31, 2020 relating to facilities of customers have not been classified as non-performing on account of such relaxation.

Notes to the Condensed Interim Consolidated Financial Statements

For the Quarter Ended March 31, 2021

	Note	(Un-audited) March 31, 2021 ---- Rupees in '000 ----	(Audited) December 31, 2020 ----
11. FIXED ASSETS			
Capital work-in-progress	11.1	325,104	298,971
Property and equipment	11.2 & 11.3	6,133,183	6,099,025
Right-of-use assets		2,886,500	2,628,768
		<u>9,344,787</u>	<u>9,026,764</u>

11.1 Capital work-in-progress

Civil works	271,772	232,789
Advance for purchase of furniture and fixtures	6,028	1,013
Advance for purchase of vehicles	46,806	61,794
Advance for purchase of equipment and software	498	3,375
	<u>325,104</u>	<u>298,971</u>

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

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

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

Notes to the Condensed Interim Consolidated Financial Statements

For the Quarter Ended March 31, 2021

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

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

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

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

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

		----- (Un-audited) ----- March 31, 2021	March 31, 2020
		----- Rupees in '000 -----	
12.2 Additions to intangible assets			
The following additions have been made to intangible assets during the period:			
Capital work-in-progress - net		43,627	9,511
Computer software		<u>53,769</u>	<u>35,489</u>
		<u><u>97,396</u></u>	<u><u>45,000</u></u>

Notes to the Condensed Interim Consolidated Financial Statements

For the Quarter Ended March 31, 2021

	(Un-audited) March 31, 2021	(Audited) December 31, 2020
	---- Rupees in '000 ----	
13. OTHER ASSETS		
Income / mark-up accrued in local currency	6,875,334	6,885,407
Income/ mark-up accrued in foreign currencies	107,322	93,950
Trade receivable from brokerage and advisory business - net	1,167,517	1,515,019
Advances, deposits, advance rent and other prepayments	1,331,620	1,082,525
Acceptances	3,518,873	3,603,192
Dividend receivable	42,497	1,103
Taxation (payments less provision)	404,086	292,053
Net defined benefit plan	264,732	317,581
Balances due from funds under management	109,207	109,501
Receivable against bancassurance / bancatakaful	26,159	30,660
Stationery and stamps in hand	19,234	22,730
Receivable in respect of home remittance	36,272	30,656
Due from State Bank of Pakistan	189,522	245,310
Rebates receivable from SBP and others	312,299	305,331
Non-banking assets acquired in satisfaction of claims	1,176,144	1,176,143
Mark to market gain on derivative instruments	159,432	175,454
Mark to market gain on forward foreign exchange contracts	494,007	334,735
Advance for subscription of investments securities	-	1,645
Credit card settlement	196,155	140,899
Insurance	9,880	7,636
Others	324,333	667,037
	<u>16,764,625</u>	<u>17,038,567</u>
Less: Provision held against other assets	(430,569)	(430,569)
Other assets (net of provisions)	<u>16,334,056</u>	<u>16,607,998</u>
Surplus on revaluation of non-banking assets acquired in satisfaction of claims	135,022	135,109
Other assets - total	<u><u>16,469,078</u></u>	<u><u>16,743,107</u></u>
14. BILLS PAYABLE		
In Pakistan	5,598,875	4,752,985
Outside Pakistan	218,760	228,998
	<u><u>5,817,635</u></u>	<u><u>4,981,983</u></u>

Notes to the Condensed Interim Consolidated Financial Statements

For the Quarter Ended March 31, 2021

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

15. BORROWINGS

Secured

Borrowings from State Bank of Pakistan under:

Export Refinancing Scheme (ERF)	20,212,354	21,496,075
Long-Term Finance Facility (LTFF)	2,028,221	1,985,038

Other borrowings:

Financing Facility for Storage of Agricultural produce (FFSAP)	256,067	193,029
Financing Facility for Renewable Energy Projects	528,297	433,085
Refinance and credit guarantee scheme for women entrepreneurs	45,401	32,900
Refinance for Wages & Salaries	10,063,993	11,543,118
Refinance facility for modernization of Small and Medium Enterprises (SMEs)	1,365	96,192
Refinance facility for combating COVID-19	220,696	229,984
Refinance facility for working capital of SMEs	28,101	33,901
Temporary economic refinance facility	66,071	51,871
Small and Medium Enterprises' Financing	9,880	-
	<u>11,219,871</u>	<u>12,614,080</u>
	<u>33,460,446</u>	<u>36,095,193</u>

Borrowing from financial institutions

Repurchase agreement borrowings	2,664,864	9,667,181
Refinancing facility for mortgage loans	2,379,108	2,397,468
	<u>5,043,972</u>	<u>12,064,649</u>

Total secured 38,504,418 48,159,842

Unsecured

Call borrowings	305,517	-
Overdrawn nostro accounts	323,430	143,570
Total unsecured	<u>628,947</u>	<u>143,570</u>

39,133,365 **48,303,412**

15.1 Particulars of borrowings

In local currency	38,504,418	48,159,842
In foreign currencies	628,947	143,570
	<u>39,133,365</u>	<u>48,303,412</u>

Notes to the Condensed Interim Consolidated Financial Statements

For the Quarter Ended March 31, 2021

16. DEPOSITS AND OTHER ACCOUNTS

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

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

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

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

Issue date: December 14, 2016

Tenure: Up to Seven years from the Issue date.

Maturity Date: December 14, 2023

Rating: A + (Single A Plus)

Profit Rate: Floating rate of return at Base rate + 1.4 percent per annum;

Notes to the Condensed Interim Consolidated Financial Statements

For the Quarter Ended March 31, 2021

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

Profit payment: Semi-annual

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

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

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

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

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

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

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

Notes to the Condensed Interim Consolidated Financial Statements

For the Quarter Ended March 31, 2021

Issue date:	December 29, 2017
Tenure:	Up to Seven years from the Issue date.
Maturity Date:	December 29, 2024
Rating:	A + (Single A Plus)
Profit Rate:	Floating rate of return at Base rate + 1.4 percent per annum; Base rate is defined as the average six months KIBOR prevailing on the Base Rate setting date. The Base Rate will be set for the first time on the last working day prior to the Issue Date and subsequently on the immediately preceding business day before the start of each six monthly period.
Profit payment:	Semi-annual
Redemption:	The instrument is structured to redeem 0.24% of the Issue amount during the first six years after the Issue date and the remaining Issue amount of 99.76% in two equal semi-annual installments of 49.88% each in the last year.
Security:	The Issue is unsecured and subordinated as to payment of Principal and profit to all other indebtedness of the Bank.
Call Option:	Exercisable in part or in full on or after the 10th redemption, subject to SBP's approval.
Lock-in-clause:	Principal and profit will be payable subject to compliance with MCR or CAR set by SBP.
Loss absorbency clause:	Upon the occurrence of a Point of Non-Viability event as defined under SBP BPRD Circular # 6 of 2013 dated August 15, 2013, SBP may at its option, fully and permanently convert the TFCs into common shares of the Bank and/or have them immediately written off (either partially or in full). Number of shares to be issued to TFC holders at the time of conversion will be equal to the 'Outstanding Face Value of the TFCs' divided by market value per share of the Bank's common share on the date of trigger of Point of Non-Viability (PONV) as declared by SBP, subject to a cap of 319,982,544 shares.

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

Notes to the Condensed Interim Consolidated Financial Statements

For the Quarter Ended March 31, 2021

Purpose:	To contribute toward the Bank's Tier I Capital for complying with the capital adequacy requirement and to utilize the funds in the Bank's business operations as permitted by its Memorandum & Articles of Association.
Issue date:	December 31, 2018
Maturity Date:	Perpetual
Rating:	A (Single A)
Profit Rate:	Floating rate of return at Base rate + 2.25 percent per annum; Base rate is defined as the average six months KIBOR prevailing on the Base Rate setting date. The Base Rate will be set for the first time on the last working day prior to the Issue Date and subsequently on the immediately preceding business day before the start of each six monthly period
Profit payment frequency:	Semi-annually on a non-cumulative basis
Redemption:	Not applicable
Security:	The Issue is unsecured and subordinated as to payment of Principal and profit to all other claims except common shares.
Call Option:	Exercisable in part or in full at a par value on or after five years from the issue date, with prior approval of SBP. The Bank shall not exercise the call option unless the called instrument is replaced with capital of same or better quality.
Lock-in-clause:	Payment of profit will be made from current year's earning and subject to compliance with MCR or CAR set by SBP.
Loss absorbency clause:	
Pre-Specified Trigger ("PST")	Upon the occurrence of a Pre-Specified Trigger as defined under SBP BPRD Circular # 6 of 2013 dated August 15, 2013 which stipulates that if an Issuer's Common Equity Tier 1 ("CET 1") ratio falls to or below 6.625% of Risk Weighted Assets ("RWA"), the Issuer will have full discretion to determine the amount of TFCs to be permanently converted into common shares or written off, subject to SBP regulations / instructions, and the cap specified below. The Bank will be able to exercise this discretion subject to:

Notes to the Condensed Interim Consolidated Financial Statements

For the Quarter Ended March 31, 2021

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

Point of Non-Viability ("PONV")

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

The PONV trigger event is the earlier of:

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

Notes to the Condensed Interim Consolidated Financial Statements

For the Quarter Ended March 31, 2021

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

Notes to the Condensed Interim Consolidated Financial Statements

For the Quarter Ended March 31, 2021

		(Un-audited) March 31, 2021	(Audited) December 31, 2020
		----- Rupees in '000 -----	
20.	SURPLUS ON REVALUATION OF ASSETS	Note	
	Surplus on revaluation of:		
	Available-for-sale securities	20.1.1 3,154,503	2,325,426
	Operating fixed assets	1,753,655	1,766,009
	Non-banking assets acquired in satisfaction of claims	<u>135,022</u>	<u>135,109</u>
		<u>5,043,180</u>	<u>4,226,544</u>
	Deferred tax on surplus on revaluation of:		
	Available-for-sale securities	(987,313)	(672,375)
	Operating fixed assets	(415,001)	(240,391)
	Non-banking assets acquired in satisfaction of claims	<u>(47,256)</u>	<u>(4,029)</u>
		<u>(1,449,570)</u>	<u>(916,795)</u>
		<u>3,593,610</u>	<u>3,309,749</u>
20.1	Group's share	3,542,393	3,247,593
	Non-controlling interest	<u>51,217</u>	<u>62,156</u>
		<u>3,593,610</u>	<u>3,309,749</u>
20.1.1	This includes general provision under IFRS 9 of Rs. 103.789 million held on foreign bonds (December 31, 2020: Rs. 122.758 million by Bahrain branch of the Holding Company).		
		(Un-audited) March 31, 2021	(Audited) December 31, 2020
		----- Rupees in '000 -----	
21.	CONTINGENCIES AND COMMITMENTS	Note	
	Guarantees	21.1 45,870,211	58,779,594
	Commitments	21.2 <u>56,854,319</u>	<u>65,953,138</u>
		<u>102,724,530</u>	<u>124,732,732</u>
21.1	Guarantees:		
	Financial guarantees	726,747	1,024,422
	Performance guarantees	24,794,316	36,678,881
	Other guarantees	<u>20,349,148</u>	<u>21,076,291</u>
21.1.1		<u>45,870,211</u>	<u>58,779,594</u>
21.1.1	Included herein are outstanding guarantees of Rs. 38.659 million (December 31, 2020: Rs. 29.054 million) of related parties.		

Notes to the Condensed Interim Consolidated Financial Statements

For the Quarter Ended March 31, 2021

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

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

		(Un-audited) March 31, 2021	(Audited) December 31, 2020
		----- Rupees in '000 -----	
21.2.2	Commitments in respect of forward foreign exchange contracts		
	Purchase	19,863,379	23,137,733
	Sale	10,955,927	15,040,529
		<u>30,819,306</u>	<u>38,178,262</u>

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

		(Un-audited) March 31, 2021	(Audited) December 31, 2020
		----- Rupees in '000 -----	
21.2.3	Commitments in respect of derivative instruments		
	Purchase	730,220	1,760,637
	Sale	4,193,438	3,803,363
		<u>4,923,658</u>	<u>5,564,000</u>
21.2.3.1	Interest rate swaps (notional principal)		
	Purchase	727,765	1,176,824
	Sale	727,765	1,176,824
		<u>1,455,530</u>	<u>2,353,648</u>

Notes to the Condensed Interim Consolidated Financial Statements

For the Quarter Ended March 31, 2021

		(Un-audited) March 31, 2021	(Audited) December 31, 2020
	Note	----- Rupees in '000 -----	
21.2.3.2 Options (notional principal)			
Purchase		2,455	582,419
Sale		<u>3,154,587</u>	<u>2,425,487</u>
		<u><u>3,157,042</u></u>	<u><u>3,007,906</u></u>
21.2.3.3 Commitments in respect of forward securities			
Purchase		-	1,394
Sale		<u>311,086</u>	<u>201,052</u>
		<u><u>311,086</u></u>	<u><u>202,446</u></u>
21.2.4 Commitments in respect of forward lending			
Undrawn formal standby facilities, credit lines and other commitments to lend	21.2.4.1	<u><u>1,249,812</u></u>	<u><u>384,230</u></u>
21.2.4.1 These represent commitments that are irrevocable because they cannot be withdrawn at the discretion of the bank without the risk of incurring significant penalty or expense.			
		(Un-audited) March 31, 2021	(Audited) December 31, 2020
		----- Rupees in '000 -----	
21.2.5 Bank Guarantee from a commercial Bank in favor of National Clearing Company of Pakistan Limited		<u>400,000</u>	<u>400,000</u>
21.2.6 Outstanding settlements against margin financing contracts - net		<u>-</u>	<u>57,411</u>
21.2.7 Commitments for acquisition of operating fixed assets		<u><u>251,903</u></u>	<u><u>257,875</u></u>

22. DERIVATIVE INSTRUMENTS

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

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

Notes to the Condensed Interim Consolidated Financial Statements

For the Quarter Ended March 31, 2021

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

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

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

		(Un-audited) March 31, 2021					
		Interest Rate Swaps		Options		Forward securities	
		Notional principal	Mark to Market	Notional principal	Mark to Market	Notional principal	Mark to Market
22.1	Product analysis	----- Rupees in '000 -----					
	With Banks for						
	Hedging	1,455,530	2,328	3,157,042	18,234	-	-
	Market making	-	-	-	-	311,086	3,903
	With FIs other than banks						
	Hedging	-	-	-	-	-	-
	Market making	-	-	-	-	-	-
	Total						
	Hedging	1,455,530	2,328	3,157,042	18,234	-	-
	Market making	-	-	-	-	311,086	3,903

		(Audited) December 31, 2020					
		Interest Rate Swaps		Options		Forward securities	
		Notional principal	Mark to Market	Notional principal	Mark to Market	Notional principal	Mark to Market
		----- Rupees in '000 -----					
	With Banks for						
	Hedging	2,353,648	4,943	3,007,906	10,205	-	-
	Market making	-	-	-	-	201,052	(12,329)
	With FIs other than banks						
	Hedging	-	-	-	-	-	-
	Market making	-	-	-	-	1,394	-
	Total						
	Hedging	2,353,648	4,943	3,007,906	10,205	-	-
	Market making	-	-	-	-	202,446	(12,329)

Notes to the Condensed Interim Consolidated Financial Statements

For the Quarter Ended March 31, 2021

		(Un-audited)	
		March 31, 2021	March 31, 2020
		----- Rupees in '000 -----	
23.	MARK-UP / RETURN / INTEREST EARNED		
	On:		
	Loans and advances	5,075,532	8,344,668
	Investments	4,199,929	4,175,659
	Lendings to financial institutions	13,904	3,581
	Balances with other banks	18,787	5,758
	Securities purchased under resale agreements	326,155	428,340
		<u>9,634,307</u>	<u>12,958,006</u>
24.	MARK-UP / RETURN / INTEREST EXPENSED		
	Deposits	5,406,566	9,214,296
	Borrowings	1,044,664	562,398
	Subordinated debt	166,908	282,807
	Cost of foreign currency swaps against foreign currency deposits / borrowings	100,427	182,358
	Markup on Lease liability against right-of-use assets	101,384	133,658
		<u>6,819,949</u>	<u>10,375,517</u>
24.1	Borrowings		
	Export refinancing scheme (ERF)	98,176	85,420
	Long-Term Finance Facility (LTFF)	12,011	11,433
	Other Borrowings from State Bank of Pakistan	4,027	1,902
	Securities sold under repurchase agreements	791,085	327,814
	Other short term borrowings	139,365	135,829
		<u>1,044,664</u>	<u>562,398</u>
25.	FEE AND COMMISSION INCOME		
	Branch banking customer fees	34,384	45,850
	Consumer finance related fees	11,555	6,977
	Card related fees (debit and credit cards)	84,172	198,996
	Credit related fees	70,752	77,956
	Investment banking fees	35,465	30,569
	Commission on trade	188,330	163,558
	Commission on guarantees	118,001	86,242
	Commission on cash management	1,353	1,736
	Commission on remittances including home remittances	26,776	56,637
	Commission on bancassurance	38,620	28,636
	Commission on distribution of mutual funds	-	12,748
	Commission on online Services	63,448	74,688
	Postage & Courier income	5,886	7,168
	Rebate income	69,427	63,042
	Brokerage income	256,737	115,414
	Management fee	41,214	57,683
		<u>1,046,120</u>	<u>1,027,900</u>

Notes to the Condensed Interim Consolidated Financial Statements

For the Quarter Ended March 31, 2021

		(Un-audited) March 31, 2021	(Audited) March 31, 2020
	Note	----- Rupees in '000 -----	
26. GAIN / (LOSS) ON SECURITIES			
Realised	26.1	103,249	98,644
Unrealised - held for trading		<u>(11,612)</u>	<u>23,935</u>
		<u>91,637</u>	<u>122,579</u>
26.1 Realised gain / (loss) on:			
Federal government securities			
Market treasury bills		2,585	27,973
Pakistan investment bonds		<u>57,850</u>	<u>57,827</u>
		60,435	85,800
Shares			
Listed companies		(66,944)	(1,585)
Non Government Debt Securities			
Term finance certificates		4,617	1,339
Sukuk certificates		-	450
		4,617	1,789
Mutual fund units		68,371	12,640
Foreign currency bonds		<u>36,770</u>	<u>-</u>
		<u>103,249</u>	<u>98,644</u>
27. OTHER INCOME - NET			
Gain on sale of fixed assets - net		3,547	5,375
Gain on termination of leases		2,397	-
Grant Income		1,425	-
Others		<u>4,499</u>	<u>4,255</u>
		<u>11,868</u>	<u>9,630</u>

Notes to the Condensed Interim Consolidated Financial Statements

For the Quarter Ended March 31, 2021

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

Notes to the Condensed Interim Consolidated Financial Statements

For the Quarter Ended March 31, 2021

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

29. WORKERS WELFARE FUND

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

		----- Un-audited -----	
		March 31, 2021	March 31, 2020
		----- Rupees in '000 -----	
30.	OTHER CHARGES	Note	
	Penalties imposed by State Bank of Pakistan	25	-
	Others	-	4,044
		<u>25</u>	<u>4,044</u>

31. PROVISIONS / (REVERSALS) AND WRITE OFFS - NET

	(Reversals) / provisions for diminution in value of investments	9.4.1	(212,434)	16,569
	Provisions against loans & advances	10.3	235,609	86,427
	Provisions against loans & advances - general	31.1	104,830	(3,025)
	(Reversals) / provisions under IFRS-9 - general	31	(6,273)	45,137
	Fixed assets written (back) / off	11.2	(20,241)	58,508
	Intangible assets written off	12.1.1	3,964	-
	Other assets written off		259	-
			<u>105,714</u>	<u>203,616</u>

31.1 (Reversals) / provisions under IFRS-9 - general

Charge / (reversal) during the period

	Balances with other banks		14	2
	Lendings to financial institutions		6,109	(953)
	Investments	9.4.1	(14,046)	30,047
	Advances	10.3	1,650	16,041
			<u>(6,273)</u>	<u>45,137</u>

32. TAXATION

	Current	399,314	231,072
	Prior years	-	-
	Deferred	(76,719)	17,787
		<u>322,595</u>	<u>248,859</u>

32.1 There are no material changes in tax contingencies as disclosed in annual consolidated financial statements for the year ended December 31, 2020.

Notes to the Condensed Interim Consolidated Financial Statements

For the Quarter Ended March 31, 2021

		----- Un-audited -----	
		March 31, 2021	March 31, 2020
		----- Rupees in '000 -----	
33. BASIC AND DILUTED EARNINGS PER SHARE			
Profit after taxation for the period - attributable to ordinary equity holders of the holding company		<u>505,781</u>	<u>401,888</u>
		----- Numbers -----	
Weighted average number of basic outstanding ordinary shares during the period		<u>1,297,464,262</u>	<u>1,297,464,262</u>
		----- Rupee -----	
Basic and diluted earnings per share		<u>0.39</u>	<u>0.31</u>
		(Un-audited) March 31, 2021	(Audited) December 31, 2020
		(Un-audited) March 31, 2020	
34. CASH AND CASH EQUIVALENTS	Note	----- Rupees in '000 -----	
Cash and balances with treasury banks	6	25,268,215	30,421,531
Balances with other banks	7	560,281	1,128,585
Overdrawn nostro accounts	15	(323,430)	(143,570)
		<u>25,505,066</u>	<u>31,406,546</u>
Less: General provision under IFRS 9		<u>(444)</u>	<u>(450)</u>
		<u>25,504,622</u>	<u>31,406,096</u>
		<u>28,571,251</u>	<u>28,571,176</u>
		<u>(75)</u>	

35. FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

Notes to the Condensed Interim Consolidated Financial Statements

For the Quarter Ended March 31, 2021

Fair value hierarchy

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

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

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

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

35.1 Valuation techniques used in determination of fair values within level

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

Financial Instruments- Level 1

Shares of listed companies	Fair values of investments in listed equity securities are valued on the basis of closing quoted market prices available at the Pakistan Stock Exchange.
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Financial instruments - Level 2

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

Notes to the Condensed Interim Consolidated Financial Statements

For the Quarter Ended March 31, 2021

Derivatives	The fair values of derivatives which are not quoted in active markets are determined by using valuation techniques. The valuation techniques take into account the relevant underlying parameters including foreign currencies involved, interest rates, yield curves, volatilities, contracts duration, etc.
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Non- financial assets- Level 3

Fixed assets - Land and building	Fixed assets and Non-banking assets under satisfaction of claims are carried at revalued amounts determined by professional valuers based on their assessment of the market values as disclosed in note 11 and 13 of these annual consolidated financial statements. The valuations are conducted by the valuation experts appointed by the Bank which are also on the panel of State Bank of Pakistan. The valuation experts used a market based approach to arrive at the fair value of the Bank's properties. The market approach used prices and other relevant information generated by market transactions involving identical or comparable or similar properties. These values are adjusted to reflect the current condition of the properties. The effect of changes in the unobservable inputs used in the valuations cannot be determined with certainty, accordingly a qualitative disclosure of sensitivity has not been presented in these financial statements.
Non-banking assets under satisfaction of claims	

Financial instruments in level 3

Currently, no financial instruments are classified in level 3.
The fair value of unquoted debt securities, fixed term loans, other assets, other liabilities, fixed term deposits and borrowings cannot be calculated with sufficient reliability due to the absence of a current and active market for these assets and liabilities and reliable data regarding market rates for similar instruments.

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

Notes to the Condensed Interim Consolidated Financial Statements

For the Quarter Ended March 31, 2021

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

Notes to the Condensed Interim Consolidated Financial Statements

For the Quarter Ended March 31, 2021

(Audited)
December 31, 2020

Level 1	Level 2	Level 3	Total
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----- Rupees in '000 -----

On balance sheet financial instruments

Financial assets - measured at fair value

Held-for-trading securities

Investments

Federal Government Securities
Shares
Open end mutual funds

-	25,003,774	-	25,003,774
207,409	-	-	207,409
-	244,002	-	244,002
207,409	25,247,776	-	25,455,185

Available-for-sale securities

Investments

Federal Government Securities
Shares
Non Government Debt Securities
Foreign Securities
Open end mutual funds

-	127,406,043	-	127,406,043
4,296,982	-	-	4,296,982
-	690,048	-	690,048
-	4,017,289	-	4,017,289
-	1,216,288	-	1,216,288
4,296,982	133,329,668	-	137,626,650

Financial assets - disclosed but not measured at fair value

Investments

Federal Government Securities

-	36,109,599	-	36,109,599
4,504,391	194,687,043	-	199,191,434

Non-Financial assets - measured at fair value

Revalued fixed assets
Non-banking assets acquired in satisfaction of claims

-	-	2,610,300	2,610,300
-	-	1,311,252	1,311,252
-	-	3,921,552	3,921,552

Off balance sheet financial instruments

Commitments in respect of:

Forward foreign exchange contracts

Purchase

-	22,942,707	-	22,942,707
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Sale

-	14,910,910	-	14,910,910
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Derivative instruments

Forward investments securities

Purchase

-	-	-	-
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Sale

188,723	-	-	188,723
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Interest rate swaps (notional principal)

Purchase

-	1,120,607	-	1,120,607
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Sale

-	1,125,550	-	1,125,550
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Options

Purchase

-	581,042	-	581,042
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Sale

-	2,437,068	-	2,437,068
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Notes to the Condensed Interim Consolidated Financial Statements

For the Quarter Ended March 31, 2021

36. SEGMENT INFORMATION

36.1. Segment Details with respect to Business Activities:

	Corporate finance	Trading and sales	Retail banking	Commercial banking	Brokerage	Asset management	Others	Total
March 31, 2021 (Un-audited)	Rupees in '000							
Profit & Loss								
Net mark-up / return / profit	(284,701)	3,454,986	273,964	(625,921)	18,795	(5,853)	(16,912)	2,814,358
Inter segment revenue - net	295,577	(3,453,266)	1,864,401	1,293,288	-	-	-	-
Non mark-up / return / interest income	68,805	320,546	382,533	355,756	286,625	102,526	(44,920)	1,471,871
Total Income	79,681	322,266	2,520,898	1,023,123	305,420	96,673	(61,832)	4,286,229
Segment direct expenses	6,003	43,575	1,305,444	205,731	151,616	82,459	1,535,458	3,330,286
Inter segment expense allocation	11,827	44,260	1,226,122	195,080	-	-	(1,477,289)	-
Total expenses	17,830	87,835	2,531,566	400,811	151,616	82,459	58,169	3,330,286
Provisions	-	-	26,197	(4,913)	-	-	84,430	105,714
Profit / (loss) before tax	61,851	234,431	(36,865)	627,225	153,804	14,214	(204,431)	850,229
March 31, 2021 (Un-audited)								
Statement of financial position								
Cash & Bank balances	-	-	25,679,489	-	145,158	3,405	-	25,828,052
Investments	-	194,672,237	-	4,539,575	381,441	1,594,496	-	201,187,749
Net inter segment lending	8,669,417	-	90,247,966	74,182,069	-	-	16,177,231	189,276,683
Lendings to financial institutions	-	12,822,198	-	2,437,080	-	-	-	15,259,278
Advances - performing	1,930,355	-	74,852,749	166,149,262	373,680	2,768	-	243,308,814
Advances - non-performing	-	-	6,992,205	5,903,330	-	-	-	12,895,535
Advances - (provisions) / reversals - net	-	-	(2,322,696)	(2,221,552)	-	-	-	(4,544,248)
	1,930,355	-	79,522,258	169,831,040	373,680	2,768	-	251,660,101
Others	-	-	-	-	2,400,858	659,551	26,019,962	29,080,371
Total Assets	10,599,772	207,494,435	195,449,713	250,989,764	3,301,137	2,260,220	42,197,193	712,292,234
Borrowings	36,667	13,302,179	150,888	25,643,631	-	-	-	39,133,365
Subordinated debt	-	7,492,800	-	-	-	-	-	7,492,800
Deposits & other accounts	10,556,665	-	190,540,135	222,938,337	-	-	-	424,035,137
Net inter segment borrowing	-	188,623,253	-	653,431	-	-	-	189,276,684
Others	6,440	49,502	4,758,690	-	2,522,764	429,251	20,877,751	28,644,398
Total Liabilities	10,599,772	209,467,734	195,449,713	249,235,399	2,522,764	429,251	20,877,751	688,582,384
Equity	-	-	-	-	-	-	23,170,490	23,170,490
Non-controlling interest	-	-	-	-	-	-	539,360	539,360
Total Equity & Liabilities	10,599,772	209,467,734	195,449,713	249,235,399	2,522,764	429,251	44,587,601	712,292,234
Contingencies & Commitments								
	-	50,145,007	36,838,702	14,919,827	711,086	-	109,908	102,724,530

Notes to the Condensed Interim Consolidated Financial Statements

For the Quarter Ended March 31, 2021

	Corporate finance	Trading and sales	Retail banking	Commercial banking	Brokerage	Asset management	Others	Total
March 31, 2020 (Un-audited)	Rupees in '000							
Profit & Loss								
Net mark-up / return / profit	117,152	(756,955)	2,827,165	615,098	21,057	(4,111)	(236,917)	2,582,489
Inter segment revenue - net	(1,675)	-	(159,863)	(37,499)	-	-	199,037	-
Non mark-up / return / interest income	23,245	274,847	585,135	231,838	142,328	75,909	77,367	1,410,669
Total Income	138,722	(482,108)	3,252,437	809,437	163,385	71,798	39,487	3,993,158
Segment direct expenses	11,976	29,958	1,287,392	163,408	129,021	87,960	1,422,478	3,132,193
Inter segment expense allocation	32,583	80,845	835,608	307,891	-	-	(1,256,927)	-
Total expenses	44,559	110,803	2,123,000	471,299	129,021	87,960	165,551	3,132,193
Provisions	254	-	83,638	44,920	-	-	74,804	203,616
Profit / (loss) before tax	93,909	(592,911)	1,045,799	293,218	34,364	(16,162)	(200,868)	657,349
December 31, 2020 (Audited)								
Statement of financial position								
Cash & Bank balances	-	20,722,345	10,804,855	-	19,153	3,313	-	31,549,666
Investments	2,891,836	196,878,742	-	-	347,651	1,689,425	-	201,807,654
Net inter segment lending	-	-	129,898,985	109,429,008	-	-	11,732,961	251,060,954
Landings to financial institutions	-	23,239,672	-	-	-	-	-	23,239,672
Advances - performing	-	-	52,152,981	190,322,242	446,088	3,831	-	242,925,142
Advances - non-performing	-	-	4,760,888	6,972,667	-	-	-	11,733,555
Advances - (provisions) / reversals - net	-	-	(938,040)	(3,265,123)	-	-	-	(4,203,163)
	-	-	55,975,829	194,029,786	446,088	3,831	-	250,455,534
Others	-	4,590,700	3,570,545	3,315,506	2,854,534	666,196	14,027,138	29,024,619
Total Assets	2,891,836	245,431,459	200,250,214	306,774,300	3,667,426	2,362,765	25,760,099	787,138,099
Borrowings	-	12,208,219	1,996,091	34,099,102	-	-	-	48,303,412
Subordinated debt	-	7,492,800	-	-	-	-	-	7,492,800
Deposits & other accounts	-	-	166,087,049	265,336,773	-	-	-	431,423,822
Net inter segment borrowing	2,891,836	227,156,281	21,012,836	-	-	-	-	251,060,953
Others	-	551,556	11,154,238	5,893,204	2,728,064	446,461	5,167,888	25,941,411
Total Liabilities	2,891,836	247,408,856	200,250,214	305,329,079	2,728,064	446,461	5,167,888	764,222,398
Equity	-	-	-	-	-	-	22,387,255	22,387,255
Non-controlling interest	-	-	-	-	-	-	528,446	528,446
Total Equity & Liabilities	2,891,836	247,408,856	200,250,214	305,329,079	2,728,064	446,461	28,083,589	787,138,099
Contingencies & Commitments								
	-	60,973,417	44,793,723	18,141,644	690,306	-	133,642	124,732,732

37. RELATED PARTY TRANSACTIONS

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

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

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

Notes to the Condensed Interim Consolidated Financial Statements

For the Quarter Ended March 31, 2021

	As at March 31, 2021 (Un-audited)					As at December 31, 2020 (Audited)				
	Parent	Directors	Key management personnel	Associates	Other related parties	Parent	Directors	Key management personnel	Associates	Other related parties
----- (Rupees in '000) -----										
Statement of financial position										
Lendings to financial institutions										
Opening balance	-	-	-	-	-	-	-	-	-	-
Addition during the period / year	-	-	1,400,000	-	-	-	-	-	-	4,100,000
Repaid during the period / year	-	-	(1,400,000)	-	-	-	-	-	-	(4,100,000)
Closing balance	-	-	-	-	-	-	-	-	-	-
Investments										
Opening balance	12,500	-	4,527,662	269,800	4,526,747	15,000	-	228,972	3,560,728	-
Investment made during the period / year	-	-	-	-	962,089	-	-	-	40,828	4,298,203
Investment redeemed / disposed off during the period / year	(500)	-	(2,015,145)	-	(2,015,145)	(2,500)	-	-	-	(3,331,279)
Closing balance	12,000	-	3,476,596	269,800	4,526,747	12,500	-	269,800	4,527,662	-
Provision for diminution in value of investments	-	-	-	-	391,478	-	-	-	-	391,478
Advances										
Opening balance	-	122,106	791,027	370,768	4,098,430	-	-	596,257	-	1,946,481
Addition during the period / year	-	640	33,046	-	1,105,610	-	58	284,284	153,128	6,402,913
Repaid during the period / year	-	(980)	(68,757)	(122,699)	(672,293)	-	(632)	(157,785)	(2,235)	(5,488,750)
Transfer in / (out) - net	-	127	10,267	-	-	-	122,880	68,271	219,875	1,232,786
Closing balance	-	121,893	765,583	248,070	4,526,747	-	122,106	791,027	370,768	4,098,430
Other Assets										
Interest mark-up accrued	71	2,861	-	954	63,793	344	2,801	6	954	52,998
Receivable against bancassurance / bancakataful	-	-	-	-	26,159	-	-	-	-	28,051
Net defined benefit plan	-	-	-	-	264,732	-	-	-	-	317,581
Trade receivable	-	-	79	-	134,002	73,455	-	80	-	168,590
Other receivable	282	-	-	-	9,065	281	-	-	-	8,889
Provision against other assets	-	-	-	-	379	-	-	-	-	379

Notes to the Condensed Interim Consolidated Financial Statements

For the Quarter Ended March 31, 2021

	As at March 31, 2021 (Un-audited)				As at December 31, 2020 (Audited)					
	Parent	Directors	Key management personnel	Associates	Other related parties	Parent	Directors	Key management personnel	Associates	Other related parties
	(Rupees in '000)									
Borrowings										
Opening balance	-	-	-	-	-	-	-	-	-	-
Borrowings during the period / year	-	-	-	-	-	-	-	-	-	11,105,705
Settled during the period / year	-	-	-	-	-	-	-	-	-	(11,105,705)
Closing balance	-	-	-	-	-	-	-	-	-	-
Deposits and other accounts										
Opening balance	172,019	212,335	76,237	49,753	10,365,166	271,648	24,444	59,593	23,104	8,622,201
Received during the period / year	852,384	64,814	179,575	531,461	59,698,490	5,511,316	511,942	973,685	861,135	160,825,941
Withdrawn during the period / year	(710,325)	(65,094)	(171,749)	(514,110)	(69,712,571)	(5,610,945)	(324,417)	(669,813)	(834,486)	(159,215,607)
Transfer in / (out) - net	-	1,354	(27,549)	-	(800)	-	366	(87,228)	-	132,631
Closing balance	314,078	213,409	56,514	67,104	10,650,285	172,019	212,335	76,237	49,753	10,365,166
Subordinated debt	-	-	-	-	889,432	-	-	-	-	889,432
Other Liabilities										
Interest / return / mark-up payable on deposits	-	-	18	-	21,052	-	-	85	-	163,374
Interest / return / mark-up payable on subordinated debt	-	-	-	-	21,416	-	-	-	-	1,308
Trade payable	724	-	266,924	-	20,828	-	-	6,314	-	783
Donation Payable	-	-	-	-	-	-	-	-	-	4,500
Others payable	-	-	-	-	1,426	75	-	-	-	1,571
Represented By										
Share Capital	9,733,073	19,180	12,223	-	45,323	9,733,073	19,180	12,223	-	45,323
Contingencies and Commitments										
Letter of guarantee	-	-	-	-	38,629	-	-	-	-	29,054
Letter of Credit	-	-	-	-	72,980	-	-	-	-	86,543

Notes to the Condensed Interim Consolidated Financial Statements

For the Quarter Ended March 31, 2021

	For the period ended March 31, 2021 (Un-audited)				For the period ended March 31, 2020 (Un-audited)					
	Parent	Directors	Key management personnel	Associates	Other related parties	Parent	Directors	Key management personnel	Associates	Other related parties
Profit and loss account	(Rupees in '000)									
Income										
Mark-up / return / interest earned	536	47	9,369	3,855	20,282	-	-	14,644	5,739	40,285
Fee, commission and brokerage income	3,721	6	9,161	-	84,367	-	-	54	-	57,929
Dividend income	-	-	-	-	43,014	-	-	-	-	42,826
(Loss) / gain on sale of securities - Net	-	-	-	-	(89,195)	-	-	-	-	2,522
Expense										
Mark-up / return / interest paid	3,138	2,763	461	-	228,494	5,165	257	121	29	311,741
Remuneration paid	-	20,281	168,385	-	-	-	3,000	149,070	-	-
Non-executive directors' fee	-	4,782	-	-	-	-	-	-	-	-
Net charge for defined contribution plans	-	-	-	-	67,928	-	-	-	-	57,263
Net charge / (reversal) for defined benefit plans	-	-	-	-	52,849	-	-	-	-	53,539
Rental expense	-	-	-	-	7,832	-	-	-	-	15,000
Advisory fee	-	-	-	-	-	-	-	-	-	-
Royalty	-	-	-	-	8,750	-	-	-	-	-
Other expenses	75	-	-	-	316	-	-	-	-	-
Reimbursement of expenses	25,010	210	-	-	24,602	225	-	-	-	389
Payments made during the period										
Insurance premium paid	-	-	-	-	283,802	-	-	-	-	210,846
Insurance claims settled	-	-	-	-	646	-	-	-	-	214
Other Transactions										
Sale of Government Securities	-	-	-	-	27,182,195	-	1,645	-	-	23,929,551
Purchase of Government Securities	-	-	-	-	483,567	-	-	-	-	3,949,276
Sale of Foreign Currencies	-	-	-	-	17,558,402	-	-	-	-	12,390,177
Purchase of Foreign Currencies	-	-	-	-	5,941,416	-	-	-	-	17,465,574

Notes to the Condensed Interim Consolidated Financial Statements

For the Quarter Ended March 31, 2021

	(Un-audited) March 31, 2021	(Audited) December 31, 2020
	----- Rupees in '000 -----	
38. CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS		
Minimum Capital Requirement (MCR):		
Paid-up capital (net of losses)	<u>10,119,242</u>	<u>10,119,242</u>
Capital Adequacy Ratio (CAR):		
Eligible Common Equity Tier 1 (CET 1) Capital	17,826,751	17,433,159
Eligible Additional Tier 1 (ADT 1) Capital	<u>1,900,767</u>	<u>1,965,291</u>
Total Eligible Tier 1 Capital	<u>19,727,518</u>	<u>19,398,450</u>
Eligible Tier 2 Capital	<u>6,089,057</u>	<u>5,558,052</u>
Total Eligible Capital (Tier 1 + Tier 2)	<u>25,816,575</u>	<u>24,956,502</u>
Risk Weighted Assets (RWAs):		
Credit Risk	<u>161,030,901</u>	<u>154,573,487</u>
Market Risk	<u>3,912,362</u>	<u>3,835,995</u>
Operational Risk	<u>25,579,240</u>	<u>25,579,240</u>
Total	<u>190,522,503</u>	<u>183,988,722</u>
Common Equity Tier 1 Capital Adequacy ratio	<u>9.36%</u>	<u>9.48%</u>
Tier 1 Capital Adequacy Ratio	<u>10.35%</u>	<u>10.54%</u>
Total Capital Adequacy Ratio	<u>13.55%</u>	<u>13.56%</u>
Leverage Ratio (LR):		
Eligible Tier-1 Capital	19,727,518	19,398,450
Total Exposures	<u>597,180,628</u>	<u>623,856,077</u>
Leverage Ratio	<u>3.30%</u>	<u>3.11%</u>
Liquidity Coverage Ratio (LCR):		
Total High Quality Liquid Assets	188,602,195	166,890,275
Total Net Cash Outflow	<u>72,529,795</u>	<u>57,575,341</u>
Liquidity Coverage Ratio	<u>260.03%</u>	<u>289.86%</u>
Net Stable Funding Ratio (NSFR):		
Total Available Stable Funding	345,829,007	358,895,534
Total Required Stable Funding	<u>258,992,772</u>	<u>259,861,191</u>
Net Stable Funding Ratio	<u>133.53%</u>	<u>138.11%</u>

Notes to the Condensed Interim Consolidated Financial Statements

For the Quarter Ended March 31, 2021

39. OTHER MATTERS

39.1 NON-ADJUSTING EVENT AFTER THE STATEMENT OF FINANCIAL POSITION DATE

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

39.2 GENERAL

39.2.1 These condensed interim consolidated financial statements have been prepared in accordance with the revised format for financial statements of Banks issued by the SBP through BPRD Circular no. 5 dated March 22, 2019 and related clarifications / modifications.

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

40. DATE OF AUTHORISATION FOR ISSUE

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

President and
Chief Executive Officer

Chief Financial Officer

Director

Director

Chairman



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