



**HALF YEARLY REPORT
JUNE 30, 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
P.O. Box 4847, Karachi-74200, Pakistan
UAN: +92 21 111 JS Bank (572-265)
111-654-321
www.jsbl.com

Directors' Report

We are pleased to present the reviewed financial statements of JS Bank Limited ("JSBL") for the half year ended June 30, 2021.

Economic Review

The 2QCY21 witnessed a mix bag of data in terms of economic indicators. LSM growth for 11MFY21 was reported at 14.57%, with May 2021 showing a growth of 36.84% YoY, improving prospects for the FY21 GDP growth figure. Moreover, Remittances during the quarter increased by US\$ 7.96 billion, 30% YoY, providing support on the external front.

However, the Trade Balance reported a wider deficit during 2QCY21, touching US\$ 10.3 billion, higher by 82% YoY when compared to 2QCY20. Despite an encouraging rebound in exports with 67% YoY growth, higher imports increased the overall trade deficit during the quarter. As a result, Current Account for 2QCY21 recorded a deficit of US\$ 2.48 billion, which was significantly higher than the US\$ 302 million reported during 2QCY20.

The period under review also witnessed strategic inflows with completion of US\$ 2.5 billion Eurobond auction and US\$ 500 million green auction by WAPDA. Overall, State Bank of Pakistan's foreign exchange reserves jumped by US\$ 3.8 billion during the quarter, closing at US\$ 17.29 billion.

Moreover, inflation clocked in at 10.58% YoY during the quarter. Higher food inflation was as a concern during the period under review. The SBP has stated that positive real interest rates will gradually be achieved, where Policy Rate remained unchanged during 2QCY21 at 7%.

Banking Sector Review

During 2QCY21, the banking sector's deposits continued to grow at a high pace of 22% YoY, reaching PKR 19,796 billion. The sector's investments touched PKR 13,742 billion reflecting 29% YoY growth and increasing the Investments-to-Deposit Ratio (IDR) by 360 basis points to 66% as compared to 2QCY20. Advances grew by 10% YoY, taking Total Advances to PKR 8,996 billion. However, private sector credit reported sluggish growth during 5MCY21, clocking in at 6% YoY. The sector's Advances-to-Deposit Ratio (ADR) declined to 45%, as compared to 51% in 2QCY20. Non-Performing Loans (NPLs) remained around PKR 850 billion during 1QCY21, keeping the infection ratio close to 10%.

Moreover, weighted average banking spreads for 2QCY21 declined by 107 basis points to 4.46%, as compared to the same period last year. The Policy Rate remained unchanged at 7%.

Performance Overview

The highlights of the financial results of the Bank for the half year ended June 30, 2021 are presented below:

Financial Position

	PKR Million	PKR Million
	June 30, 2021	December 31, 2020
Shareholders' Equity	21,870	20,592
Total Deposits	448,245	433,063
Total Assets	555,251	532,168
Advances Net	245,629	250,199
Investments Net	237,963	201,698

Financial Performance	RKR Million	
	June 30, 2021	June 30, 2020
Mark-up/Interest Income - Net	5,849	5,510
Non-Markup/Interest Income	2,289	2,976
Operating Expenses	6,332	6,208
Profit Before (Provision)/Reversals - Net	1,785	1,918
Profit/(Loss) Before Tax	988	1,472
Profit After Tax	570	856
Basic/Diluted Earnings Per Share – Rupee	0.44	0.66

The Bank's earnings during the first six months ended 2021 remain strong despite a challenging operating environment. The Bank reported a profit before tax of PKR 988 million (profit after tax of PKR 570 million) for the half year ended June 30, 2021 as compared to a profit before tax of PKR 1,472 million (profit after tax of PKR 856 million) in the corresponding period last year. The Earnings Per Share (EPS) stands at PKR 0.44 (June 30, 2020: PKR 0.66).

On the revenue side, the Bank reported total mark-up revenue of PKR 18,846 million compared to PKR 24,350 million from the corresponding period last year, decline of 22.6%. Net interest income was 13.6% higher than the corresponding period last year and closed at PKR 5,848 million. Non-markup income stood at PKR 2,289 million, decline by 23.1%, with major contribution from fee & commission income PKR 1,584 million, dividend income PKR 162 million and FX income of PKR 536 million despite of slow economic activities in the country.

Administrative expenses were PKR 6,332 million compared to PKR 6,121 million for the corresponding period last year, up by 3.4%. The cost to income ratio of the Bank is increased to 77.8% as compared to 75.3% during the corresponding period last year.

During the period under review, the Bank's deposits and advances have continued to show stable position. The Bank reported total deposits of PKR 448 billion with current account deposits (including margin accounts) of over PKR 130 billion during the half year ended June 30, 2021. In terms of advances, gross advances were reported at PKR 251 billion and gross advances to deposits ratio stood at 56%.

At the close of the six months period, the Bank remains satisfactorily capitalized with CAR at 13.06%.

Committed to its role of acting as a catalyst of progress within the country, 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.

Consolidated Financial Statements

In the consolidated financial statements, the Group earned profit before tax of PKR 1,231 million (profit after tax of PKR 719 million) for the half year ended June 30, 2021 as compared to profit before tax of PKR 1,514 million (profit after tax of PKR 762 million) in the corresponding period last year.

The earnings per share is PKR 0.54 for the half year ended June 30, 2021 and the Group remains satisfactorily capitalized CAR at 13.84%.

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

For and on behalf of the Board,

Basir Shamsie
President & CEO

Kalim-ur-Rahman
Chairman

Karachi: August 25, 2021

بیچان

سال 2021ء میں بین الاقوامی مالیاتی اشاعت ایشیا میں 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 نمونگیلئے فراہم کردہ مستقل تعاون کی عکاسی کرتا ہے۔

کرڈیٹ ریٹنگ

پاکستان کرڈیٹ ریٹنگ ایجنسی لمیٹڈ (PACRA) نے بینک کو 'AA-' (ڈبل اے ہائس) کی طویل المدتی ریٹنگ، قلیل المدتی ریٹنگ میں 'A1+' (اے ون ہائس) تفویض کی ہے، جو اپنی کٹیگری میں سب سے اعلیٰ درجے 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 محنت، بہترین کارکردگی اور ان کی کامیابی کے حصول کیلئے انتھک محنت کی حوصلہ افزائی کرتے ہیں۔

منجانب یورڈ،

کلیم الرحمن

چیئرمین

باصر مشی

پریزیڈنٹ اور سی ای او

کراچی: 25 اگست 2021

2021 کو ختم ہونے والے سال کے پہلے 6 ماہ کے دوران بینک کی آمدنی ایک مشکل آپریٹنگ ماحول کے باوجود مضبوط رہی۔ بینک نے 30 جون 2021 کو ختم ہونے والی ششماہی کے دوران قبل از ٹیکس منافع 988 ملین روپے (بعد از ٹیکس منافع 570 ملین روپے) رہا، اس کے مقابلے گذشتہ سال کی اسی مدت کے دوران قبل از ٹیکس منافع 1,472 ملین روپے (بعد از ٹیکس منافع 853 ملین روپے) ریکارڈ کیا گیا۔ فی شیئر آمدنی (EPS) 0.44 روپے فی شیئر (30 جون 2020 کو 0.66 روپے فی شیئر) رہی۔

آمدنی کے لحاظ سے، بینک کا کل مارک اپ ریونیو 18,846 ملین روپے رہا جو کہ گذشتہ سال اسی مدت میں 24,350 ملین روپے تھا جس میں 22.6 فیصد کمی ظاہر کرتی ہے۔ نیٹ انٹرسٹ آمدنی گذشتہ سال اسی مدت کے مقابلے 13.6 فیصد اضافہ سے 5,848 ملین روپے پر بند ہوئی۔ ملک میں سست اقتصادی سرگرمیوں کے باعث نان مارک اپ آمدنی 23.1 فیصد کمی سے 2,289 ملین روپے رہی، فیس اور کمیشن کی آمدنی 1,584 ملین روپے، ڈیویڈنڈ آمدنی 162 ملین روپے، اور غیر ملکی کرنسی کی آمدنی میں 536 ملین روپے رپورٹ ہوئی۔

انتظامی اخراجات 6,332 ملین روپے رہے جبکہ گذشتہ سال کی اسی مدت کے مقابلے 6,121 ملین روپے تھی جس میں 3.4 فیصد کا اضافہ ظاہر ہوتا ہے۔ بینک کی آمدنی سے لاگت کا تناسب بڑھ کر 77.8 فیصد ہو گیا جبکہ گذشتہ سال اسی مدت کے مقابلے یہ 75.3 فیصد تھا۔

زیر جائزہ مدت کے دوران بینک کے ڈیپازٹس اور ایڈوانسز مستحکم پوزیشن ظاہر کر رہے ہیں۔ بینک نے 30 جون 2021 کو ختم ہونے والی ششماہی کے دوران مجموعی ڈیپازٹس 448 ملین روپے جبکہ کرنٹ اکاؤنٹ ڈیپازٹس 130 ملین روپے پر رپورٹ ہوئے۔ ایڈوانسز کے لحاظ سے، مجموعی ایڈوانسز 251 ملین روپے رپورٹ ہوئے اور مجموعی ایڈوانسز ٹو ڈیپازٹ ریٹو 56 فیصد پر رہا۔

6 ماہ کی مدت کے اختتام پر بینک کا CAR تسلی بخش سطح 13.06 فیصد پر رہا۔ ملک میں ترقی کی حوصلہ افزائی کیلئے اپنا کردار ادا کرنے کیلئے پرعزم، جے ایس بینک صارفین کو ان کی زندگی آسان، سادہ اور بہل بنانے کیلئے جدید اور یو ایڈ ڈی مالیاتی مصنوعات اور خدمات فراہم کر کے اپنا مثبت اثر قائم رکھنے کا سفر جاری رکھے ہوئے ہے۔

مستحکم مالیاتی تفصیلات

مستحکم مالیاتی تفصیلات میں، گروپ نے 30 جون 2021 کو ختم ہونے والے نصف سال کیلئے قبل از ٹیکس منافع 1,231 ملین روپے (بعد از ٹیکس منافع 719 ملین روپے) حاصل کیا جو گذشتہ سال اسی مدت میں قبل از ٹیکس منافع 1,514 ملین روپے (بعد از ٹیکس منافع 762 ملین روپے) تھا۔

30 جون 2021 کو ختم ہونے والی ششماہی کیلئے فی شیئر آمدنی 0.54 روپے رہی اور گروپ کا CAR تسلی بخش سطح 13.84 فیصد پر رہا۔

19,796 بلین روپے تک پہنچ گیا۔ اس شعبے کی سرمایہ کاری 13,743 بلین روپے تک پہنچ گئی جو 29 فیصد سال بسال (YoY) نمو ظاہر کر رہا ہے جو سال 2020 کے دوسری سہ ماہی (2QCY20) کے مقابلے انویسٹمنٹ ٹو ڈیپازٹ ریٹو (IDR) میں 360 بیس پوائنٹس سے 66 فیصد تک زیادہ ہے۔ ایڈوانسز میں 10 فیصد سال بسال (YoY) کا اضافہ ہوا، جس سے کل ایڈوانسز 8,996 بلین روپے رہے۔ جبکہ سال 2021 کے 5 ماہ (5MCY21) کے دوران پرائیویٹ سیکٹر میں قرضوں میں 6 فیصد سال بسال (YoY) کا معمولی اضافہ دیکھا گیا۔ اس شعبہ کا ایڈوانس ٹو ڈیپازٹ ریٹو (ADR) کئی سے مالی سال 2020 کی دوسری سہ ماہی (2QCY20) کے دوران 51 فیصد کے مقابلے 45 فیصد رہ گیا۔ سال 2021 کی پہلی سہ ماہی (1QCY21) کے اختتام پر نان پرفارمنگ لونز (NPLs) 850 بلین روپے پر رہے، جس سے انفلیکشن کا تناسب 10 فیصد تک ہو گیا۔ مزید برآں، سال 2021 کی دوسری سہ ماہی (2QCY21) کے دوران ویبڈ ایورٹج ڈیٹا تک کا پھیلاؤ گذشتہ سال کی اسی مدت کے مقابلے 107 بیس پوائنٹس کی کمی سے 4.46 فیصد رہ گیا۔ جبکہ پالیسی ریٹ بغیر تبدیلی کے 7 فیصد پر برقرار ہے۔

کاروباری جائزہ

30 جون 2021 کو ختم ہونے والی ششماہی کے دوران بینک کے مالیاتی نتائج کی چیدہ چیدہ نکات درج ذیل ہیں:

روپے بلین میں	مالی حیثیت	
	30 جون 2021	31 دسمبر 2020
شیئر ہولڈر کی ایکویٹی	21,870	20,593
کل ڈیپازٹس	448,245	443,063
کل اثاثے	555,251	532,168
ایڈوانسز نیٹ	245,629	250,199
سرمایہ کاری نیٹ	237,963	201,698

مالی کارکردگی

	30 جون 2021	30 جون 2020
مجموعی مارک اپ/انٹرسٹ آمدنی	5,849	5,510
نان مارک اپ/انٹرسٹ آمدنی	2,289	2,976
آپریٹنگ اخراجات	6,332	6,208
پروویژن سے قبل منافع نہایت	1,785	1,918
قبل از ٹیکس منافع / (نقصان)	988	1,472
بعد از ٹیکس منافع	570	856
بنیادی آمدنی فی شیئر، روپے	0.44	0.66

جے ایس بینک لمیٹڈ

ڈائریکٹرز رپورٹ

ہم اپنائی مسرت کے ساتھ جے ایس بینک لمیٹڈ ("جے ایس بی ایل") کے 30 جون 2021 کو ختم ہونے والی ششماہی کے مالیاتی بیانات کا جائزہ پیش کر رہے ہیں۔

معیشت

سال 2021 کی دوسری سہ ماہی (2QCY21) میں معاشی اشاریوں کے لحاظ سے مخلوط اعداد و شمار دیکھے گئے۔ مالی سال 2021 کے 11 ماہ (11MFY21) میں لارج اسکیل مینیجمنٹ پروگرامز (LSM) کی نمو 14.57 فیصد ریکارڈ ہوئی، مئی 2021 میں 36.84 فیصد کی سال بھرتی (YoY) نمو دیکھی گئی، جس سے مالی سال 2021 (FY21) میں جی ڈی پی (GDP) کی نمو کے امکانات بہتر ہوئے۔ مزید برآں، سہ ماہی کے دوران ترسیلات زر میں 7.96 بلین ڈالر کا اضافہ ہوا، 30 فیصد سال بھرتی (YoY) ہے، جس سے بیرونی جانب معاوضت فراہم ہوئی۔

تاہم، سال 2021 کی دوسری سہ ماہی (2QCY21) کے دوران تجارتی توازن وسیع خسارہ رپورٹ ہوا، جو 10.3 بلین ڈالر تک پہنچ گیا، جو گذشتہ سال کی دوسری سہ ماہی (2QCY20) کے مقابلے 82 فیصد سال بھرتی (YoY) زیادہ ہے۔ برآمدات میں حوصلہ افزا 67 فیصد سال بھرتی (YoY) کی نمو کے باوجود، اضافی درآمدات نے سہ ماہی کے دوران مجموعی تجارتی خسارے کو بڑھایا۔ نتیجے کے طور پر، سال 2021 کی دوسری سہ ماہی (2QCY21) کے دوران کرنٹ اکاؤنٹ میں 2.48 بلین ڈالر کا خسارہ ریکارڈ کیا گیا جو کہ گذشتہ مالی سال 2020 کی دوسری سہ ماہی (2QCY20) کے دوران کئے گئے 302 بلین ڈالر سے نمایاں طور پر زیادہ ہے۔

زیر جائزہ مدت کے دوران 2.5 بلین ڈالر کے یورو بانڈز کی نیلامی اور واپڈا کی جانب سے 500 بلین ڈالر کی گرین نیلامی کی تکمیل کے ساتھ اسٹریٹجک آمدنی دیکھی گئیں۔ مجموعی طور پر، اسٹیٹ بینک آف پاکستان کے زرمبادلہ کے ذخائر سہ ماہی کے دوران 3.8 بلین ڈالر سے بڑھ کر 17.29 بلین ڈالر پر بند ہوئے۔

مزید برآں، سہ ماہی کے دوران افراط زر 10.58 فیصد سال بھرتی (YoY) رہا۔ زیر جائزہ مدت کے دوران خوراک کا اضافی افراط زر تشویش کا باعث رہا۔ اسٹیٹ بینک کے مطابق مثبت حقیقی شرح سود بتدریج حاصل ہو جائے گا، تاہم سال 2021 کی دوسری سہ ماہی (2QCY21) کے دوران 7 فیصد پر بغیر کسی تبدیلی کے برقرار ہے۔

شعبہ بینکاری کا جائزہ

سال 2021 کی دوسری سہ ماہی (2QCY21) کے دوران، بینکنگ سیکٹر کے ڈیپازٹ میں 22 فیصد سال بھرتی (YoY) کا اضافہ دیکھا گیا، جو



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INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of JS Bank Limited

Report on review of Condensed Interim Unconsolidated Financial Statements

Introduction

We have reviewed the accompanying condensed interim unconsolidated statement of financial position of **JS Bank Limited** ("the Bank") as at 30 June 2021 and the related condensed interim unconsolidated profit and loss account, condensed interim unconsolidated statement of comprehensive income, condensed interim unconsolidated statement of changes in equity, condensed interim unconsolidated cash flow statement, and notes to the condensed interim unconsolidated financial statements for the six-month period then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of these interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these interim financial statements based on our review.

Scope of Review

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

Conclusion

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



KPMG Taseer Hadi & Co.

Other Matters

The financial statements of the Bank for six-month period ended 30 June 2020 and for the year ended 31 December 2020 were respectively reviewed and audited by another firm of Chartered Accountants who had expressed an unmodified conclusion and opinion thereon vide their reports dated 28 August 2020 and 6 March 2021, respectively.

The figures for the quarter ended 30 June 2021 in the condensed interim unconsolidated profit and loss account and condensed interim unconsolidated statement of comprehensive income have not been reviewed and we do not express a conclusion on them.

The engagement partner on the review resulting in this independent auditor's review report is Muhammad Taufiq.

Date: 28 August 2021

Karachi

Kamal Taseer - 1

KPMG Taseer Hadi & Co.
Chartered Accountants



Condensed Interim

Unconsolidated

Financial Statements

for the Half Year Ended

June 30, 2021 (Un-audited)

Condensed Interim Unconsolidated Statement of Financial Position

As at June 30, 2021

		(Un-audited) June 30, 2021	(Audited) December 31, 2020
	Note	----- Rupees in '000 -----	
ASSETS			
Cash and balances with treasury banks	6	36,206,451	30,421,231
Balances with other banks	7	856,238	1,105,969
Lendings to financial institutions	8	6,101,838	23,239,672
Investments	9	237,963,074	201,698,473
Advances	10	245,628,910	250,199,166
Fixed assets	11	8,463,887	7,599,538
Intangible assets	12	2,572,980	2,486,725
Deferred tax assets		-	-
Other assets	13	16,718,760	14,678,428
Non-current assets held for sale	11.3	739,200	739,200
		555,251,338	532,168,402
LIABILITIES			
Bills payable	14	6,251,396	4,981,983
Borrowings	15	52,060,019	48,303,412
Deposits and other accounts	16	448,245,162	433,062,593
Liabilities against assets subject to finance lease		-	-
Subordinated debt	17	7,491,800	7,492,800
Deferred tax liabilities	18	2,285,278	1,194,252
Other liabilities	19	17,048,134	16,541,154
		533,381,789	511,576,194
NET ASSETS		21,869,549	20,592,208
REPRESENTED BY			
Share capital - net		10,119,242	10,119,242
Reserves		2,097,718	1,991,170
Surplus on revaluation of assets	20	3,041,017	2,334,123
Unappropriated profit		6,611,572	6,147,673
		21,869,549	20,592,208

CONTINGENCIES AND COMMITMENTS

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The annexed notes from 1 to 41 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 Half Year Ended June 30, 2021

	Note	Quarter Ended		Half year ended	
		June 30, 2021	June 30, 2020	June 30, 2021	June 30, 2020
----- Rupees in '000 -----					
Mark-up / return / interest earned	23	9,234,249	11,426,373	18,845,847	24,349,843
Mark-up / return / interest expensed	24	6,171,640	8,817,800	12,996,965	19,199,409
Net mark-up / interest income		3,062,609	2,608,573	5,848,882	5,150,434
NON MARK-UP / INTEREST INCOME					
Fee and commission income	25	848,597	913,419	1,583,670	1,761,477
Dividend income		119,559	11,621	162,056	54,447
Foreign Exchange Income		272,445	158,948	535,964	351,923
Income / (loss) from derivatives		817	(1,008)	5,538	18,738
(Loss) / gain on securities	26	(26,284)	682,352	664	784,152
Other (loss) / income	27	(5,005)	3,472	859	4,886
Total non mark-up / interest income		1,210,129	1,768,804	2,288,751	2,975,623
Total Income		4,272,738	4,377,377	8,137,633	8,126,057
NON MARK-UP / INTEREST EXPENSES					
Operating expenses	28	3,248,144	3,213,936	6,332,306	6,121,471
Workers' welfare fund	29	6,528	6,669	19,763	11,697
Other charges	30	177	70,543	202	74,587
Total non-mark-up / interest expenses		3,254,849	3,291,148	6,352,271	6,207,755
Profit before provisions		1,017,889	1,086,229	1,785,362	1,918,302
Provisions and write offs - net	31	691,520	242,591	797,234	446,207
Extraordinary / unusual items		-	-	-	-
PROFIT BEFORE TAXATION		326,369	843,638	988,128	1,472,095
Taxation	32	146,456	369,854	418,132	615,769
PROFIT AFTER TAXATION		179,913	473,784	569,996	856,326
----- Rupee -----					
Basic and diluted earnings per share	33	0.14	0.37	0.44	0.66

The annexed notes from 1 to 41 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 Statement of Comprehensive Income (Un-audited)

For the Half Year Ended June 30, 2021

	Quarter Ended		Half year ended	
	June 30, 2021	June 30, 2020	June 30, 2021	June 30, 2020
	----- Rupees in '000 -----			
Profit after taxation for the period	179,913	473,784	569,996	856,326
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	20,045	10,073	(7,451)	37,432
Movement in surplus on revaluation of investments - net of tax	397,376	1,701,376	969,811	1,972,166
Movement in general provision under IFRS 9 - net of tax	5,874	4,765	18,204	25,631
	403,250	1,706,141	988,015	1,997,797
	423,295	1,716,214	980,564	2,035,229
	603,208	2,189,998	1,550,560	2,891,555
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	(47,687)	-	(224,557)	-
Movement in surplus on revaluation of non-banking assets - net of tax	(5,404)	-	(48,662)	-
	(53,091)	-	(273,219)	-
Total comprehensive income	550,117	2,189,998	1,277,341	2,891,555

The annexed notes from 1 to 41 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 Statement of Changes in Equity

For the Half Year Ended June 30, 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 half year ended June 30, 2020 - un-audited								
Profit after taxation	-	-	-	-	-	-	856,326	856,326
Other comprehensive income - net of tax	-	-	37,432	1,997,797	-	-	-	2,035,229
			37,432	1,997,797	-	-	856,326	2,891,555
Transfer to statutory reserve	-	171,265	-	-	-	-	(171,265)	-
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax								
Fixed assets	-	-	-	-	(7,936)	-	7,936	-
Non-banking assets acquired in satisfaction of claims	-	-	-	-	-	(41)	41	-
Balance as at June 30, 2020 - un-audited	10,119,242	1,817,433	140,937	1,481,028	1,052,757	92,735	5,520,678	20,224,810
Total comprehensive income for the half year ended December 31, 2020 - un-audited								
Profit after taxation	-	-	(25,947)	(229,767)	-	-	293,734	293,734
Other comprehensive (loss) / income - net of tax	-	-	(25,947)	(229,767)	-	38,398	-	73,664
			(25,947)	(229,767)	-	38,398	584,714	367,398
Transfer to statutory reserve	-	58,747	-	-	-	-	(58,747)	-
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax								
Fixed assets	-	-	-	-	(8,849)	-	8,849	-
Non-banking assets acquired in satisfaction of claims	-	-	-	-	-	(53)	53	-
Non-current 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 half year ended June 30, 2021 - un-audited								
Profit after taxation	-	-	-	-	-	-	569,996	569,996
Other comprehensive (loss) / income - net of tax	-	-	(7,451)	988,015	(224,557)	(48,662)	-	707,345
			(7,451)	988,015	(224,557)	(48,662)	569,996	1,277,341
Transfer to statutory reserve	-	113,999	-	-	-	-	(113,999)	-
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax								
Fixed assets	-	-	-	-	(7,876)	-	7,876	-
Non-banking assets acquired in satisfaction of claims	-	-	-	-	-	(26)	26	-
Balance as at June 30, 2021 - un-audited	10,119,242	1,990,179	107,539	2,239,276	719,349	82,392	6,611,572	21,869,549

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

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

President and
Chief Executive Officer

Chief Financial Officer

Director

Director

Chairman

Condensed Interim Unconsolidated Cash Flow Statement (Un-audited)

For the Half Year Ended June 30, 2021

	Note	June 30, 2021	June 30, 2020
CASH FLOW FROM OPERATING ACTIVITIES			
----- Rupees in '000 -----			
Profit before taxation		988,128	1,472,095
Less: Dividend income		<u>(162,056)</u>	<u>(54,447)</u>
		826,072	1,417,648
Adjustments:			
Depreciation		365,020	340,473
Depreciation on non-banking assets	28	3,455	4,539
Depreciation - Right of use assets	28	440,293	506,114
Amortisation of intangible assets	28	63,251	54,523
Mark-up / return / interest expense on lease liability against right-of-use assets	24	189,637	232,046
Charge for defined benefit plan		111,551	107,560
Unrealised gain on revaluation of investments classified as held-for-trading - net	26	(364)	(70)
Unrealised gain on revaluation of derivative instruments - net		(13,199)	(25,736)
Unrealised gain on revaluation of forward foreign exchange contracts		<u>(115,264)</u>	<u>(263,878)</u>
Provisions and write offs - net		797,234	446,207
Provision for workers' welfare fund	29	19,763	11,697
Gain on sale of fixed assets - net	27	<u>(3,688)</u>	<u>(246)</u>
Loss on termination of leases	27	2,829	-
		<u>1,860,518</u>	<u>1,413,229</u>
		2,686,590	2,830,877
Decrease / (increase) in operating assets			
Lendings to financial institutions		17,131,536	20,344,115
Held-for-trading securities		7,489,726	47,578,901
Advances		3,452,846	1,019,030
Other assets (excluding advance taxation)		<u>(1,441,234)</u>	<u>(783,271)</u>
		26,632,874	68,158,775
Increase / (decrease) in operating liabilities			
Bills payable		1,269,413	454,579
Borrowings		3,411,708	(17,875,247)
Deposits		15,182,569	36,042,078
Other liabilities		<u>(230,767)</u>	<u>2,047,775</u>
		19,632,923	20,669,185
Gratuity paid		48,952,387	91,658,837
Income tax paid		-	(151,881)
		<u>(713,397)</u>	<u>(6,124)</u>
		48,238,990	91,500,832
Net cash generated from operating activities			
CASH FLOW FROM INVESTING ACTIVITIES			
Net investments in available-for-sale securities		(36,338,973)	(79,328,112)
Net investments in held-to-maturity securities		(5,360,983)	(3,421,906)
Investment in associated companies		-	(40,828)
Dividends received		162,056	54,447
Investment in fixed assets		(851,772)	(243,191)
Investment in intangible assets		(151,154)	(131,814)
Proceeds from sale of fixed assets		16,960	4,009
Effect of translation of net investment in foreign branch		(7,451)	37,432
Net cash used in investing activities		<u>(42,531,317)</u>	<u>(83,069,963)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Payment of lease liability against right of use assets		(515,992)	(598,480)
Repayment of subordinated debt		(1,000)	-
Net cash used in financing activities		<u>(516,992)</u>	<u>(598,480)</u>
Increase in cash and cash equivalents		5,190,681	7,832,389
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>36,574,761</u>	<u>33,247,650</u>

The annexed notes from 1 to 41 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 Half Year Ended June 30, 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 Global Capital Limited (JSGCL) and JS Investments Limited(JSIL).

- 1.3.1 JS ABAMCO Commodities Limited (JSACL) did 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(2) of the Companies Act, 2017, submitted with Companies Registration Office, along with Form-35, which

Notes to the Condensed Interim Unconsolidated Financial Statements

For the Half Year Ended June 30, 2021

was approved dated June 24, 2021. Therefore, with effect from March 31, 2021, JSACL is merged with JS Investments Limited and is no more an indirect subsidiary of the Bank.

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 Half Year Ended June 30, 2021

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) has extended the effective date of applicability of IFRS 9 on or after January 01, 2022 through its BPRD Circular No. 24 dated July 05, 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 Bank has not considered the impact of 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 of and amendments that are mandatory for the Bank's accounting periods beginning on or after January 01, 2021 but are considered not to be relevant or do not have any significant effect on the Bank's operations.

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

As per State Bank of Pakistan (SBP)' BPRD circular letter no. 24 of 2021, IFRS 9 'Financial Instruments' is applicable to banks effective January 01, 2022. please refer note 2.1 above.

There are various other standards, interpretations and amendments to accounting and reporting standards as applicable in Pakistan that are not effective in the current period. These are not likely to have material effect on the Bank's financial statements.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

4. 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 Half Year Ended June 30, 2021

	(Un-audited) June 30, 2021	(Audited) December 31, 2020
	----- Rupees in '000 -----	
6. CASH AND BALANCES WITH TREASURY BANKS		
In hand		
Local currency	9,127,059	6,337,089
Foreign currencies	<u>779,981</u>	<u>1,301,503</u>
	<u>9,907,040</u>	<u>7,638,592</u>
With State Bank of Pakistan in:		
Local currency current account	<u>18,877,983</u>	<u>16,268,165</u>
Foreign currency current account - non remunerative	<u>976,771</u>	<u>1,086,874</u>
Foreign currency deposit account - remunerative	<u>2,052,700</u>	<u>2,261,337</u>
	<u>21,907,454</u>	<u>19,616,376</u>
With National Bank of Pakistan in:		
Local currency current accounts	2,889,970	2,609,635
National Prize Bonds	1,501,987	556,628
	<u>36,206,451</u>	<u>30,421,231</u>
7. BALANCES WITH OTHER BANKS		
In Pakistan		
In current accounts	212,032	125,677
In deposit accounts	<u>73</u>	<u>73</u>
	<u>212,105</u>	<u>125,750</u>
Outside Pakistan		
In current accounts	644,674	980,669
	<u>856,779</u>	<u>1,106,419</u>
Less: General provision under IFRS 9	7.1 (541)	(450)
Balances with other banks - net of provision	<u>856,238</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	2,048,068	2,237,682
Repurchase agreement lendings (Reverse Repo)	<u>4,061,292</u>	<u>21,003,215</u>
	<u>6,109,360</u>	<u>23,240,897</u>
Less: General provision under IFRS 9	8.2 (7,522)	(1,225)
Lending to Financial Institutions - net of provision	<u>6,101,838</u>	<u>23,239,672</u>
8.1 Particulars of lendings - gross		
In local currency	4,061,292	21,003,215
In foreign currencies	<u>2,048,068</u>	<u>2,237,682</u>
	<u>6,109,360</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 Half Year Ended June 30, 2021

	(Un-audited) June 30, 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	17,514,048	-	364	17,514,412	25,002,969	-	805	25,003,774
Available-for-sale securities								
Federal Government Securities	163,147,855	-	21,691	163,169,546	127,308,516	-	97,527	127,406,043
Shares	2,161,109	(136,589)	3,584,145	5,608,665	2,995,123	(411,955)	1,692,166	4,275,334
Non Government Debt Securities	2,862,762	(367,180)	504	2,496,086	3,020,950	(370,051)	(1,142)	2,649,757
Open end mutual funds	625,000	-	258	625,258	-	-	-	-
Foreign Securities	4,945,906	(92,915)	64,346	4,917,337	4,079,070	(122,758)	136,466	4,092,778
	173,742,632	(596,684)	3,670,944	176,816,892	137,403,659	(904,764)	1,925,017	138,423,912
Held-to-maturity securities								
Federal Government Securities	41,470,582	-	-	41,470,582	36,109,599	-	-	36,109,599
Associates								
Subsidiaries	242,067	-	-	242,067	242,067	-	-	242,067
	1,919,121	-	-	1,919,121	1,919,121	-	-	1,919,121
Total Investments	234,888,450	(596,684)	3,671,308	237,963,074	200,677,415	(904,764)	1,925,822	201,698,473
	(Un-audited) June 30, 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	5,856,872	-	86	5,856,958	25,002,969	-	805	25,003,774
Pakistan Investment Bonds	11,657,176	-	278	11,657,454	-	-	-	-
	17,514,048	-	364	17,514,412	25,002,969	-	805	25,003,774
Available-for-sale securities								
Federal Government Securities:								
Market Treasury Bills	115,005,276	-	5,648	115,010,924	90,027,949	-	20,041	90,047,990
Pakistan Investment Bonds	47,197,148	-	16,039	47,213,187	37,280,567	-	77,486	37,358,053
GoP Ijara Sukuk	945,431	-	4	945,435	-	-	-	-
	163,147,855	-	21,691	163,169,546	127,308,516	-	97,527	127,406,043
Shares:								
Listed Companies								
Ordinary shares	2,013,520	-	3,584,145	5,597,665	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
	2,161,109	(136,589)	3,584,145	5,608,665	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	-	142	308,725	308,583	-	(1,129)	307,454
Unlisted								
Term Finance Certificates	884,561	(212,011)	-	672,550	1,014,348	(214,882)	-	799,466
Sukuk Certificates	1,336,703	-	-	1,336,703	1,365,104	-	-	1,365,104
Preference shares	27,733	-	-	27,733	27,733	-	-	27,733
	2,862,762	(367,180)	504	2,496,086	3,020,950	(370,051)	(1,142)	2,649,757
Open End Mutual Funds	625,000	-	258	625,258	-	-	-	-
Foreign Securities								
Government Debt Securities *	3,379,718	(77,858)	41,020	3,342,880	3,633,601	(120,619)	130,420	3,643,402
Non Government Debt Securities *	1,535,036	(15,057)	21,841	1,541,822	379,654	(2,139)	(3,628)	373,867
Ordinary shares	31,150	-	1,485	32,635	65,615	-	9,674	75,489
	4,945,906	(92,915)	64,346	4,917,337	4,079,070	(122,758)	136,466	4,092,778
Held-to-maturity securities								
Federal Government Securities:								
Pakistan Investment Bonds	41,470,582	-	-	41,470,582	36,109,599	-	-	36,109,599
Associates								
Omar Jibran Engineering Industries Limited	180,000	-	-	180,000	180,000	-	-	180,000
Veda Transit Solutions (Private) Limited	41,800	-	-	41,800	41,800	-	-	41,800
Intercity Touring Company (Private) Limited	20,267	-	-	20,267	20,267	-	-	20,267
	242,067	-	-	242,067	242,067	-	-	242,067
Subsidiaries								
JS Global Capital Limited	1,357,929	-	-	1,357,929	1,357,929	-	-	1,357,929
JS Investments Limited	561,192	-	-	561,192	561,192	-	-	561,192
	1,919,121	-	-	1,919,121	1,919,121	-	-	1,919,121
Total Investments	234,888,450	(596,684)	3,671,308	237,963,074	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

For the Half Year Ended June 30, 2021

- 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. 5,597.665 million (December 31, 2020: Rs. 4,135.436 million).
- 9.2.2 Included herein is the investment of Rs. 62.151 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. 41,038.646 million (December 31, 2020: Rs. 35,862.699 million).

	(Un-audited) June 30, 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	13,353,280	13,355,054	4,902,054	4,902,811
Foreign Debt Securities				
Government Debt Securities	1,620,972	1,621,342	-	-
Non Government Debt Securities	170,581	171,801	-	-
	1,791,553	1,793,143	-	-
	<u>15,144,833</u>	<u>15,148,197</u>	<u>9,766,518</u>	<u>9,767,491</u>
			(Un-audited) June 30, 2021	(Audited) December 31, 2020
			----- Rupees in '000 -----	
9.4 Provision for diminution in value of investments			Note	
Opening balance			904,764	506,640
Charge during the period / year			-	276,202
Reversal during the period / year			(278,237)	(836)
			31 (278,237)	275,366
Impairment under IFRS 9 in Bahrain branch (Reversal) / charge during the period / year			(27,882)	122,758
Exchange Gain			(1,961)	-
			(29,843)	122,758
Closing Balance			<u>596,684</u>	<u>904,764</u>
9.4.1 Particulars of provision against debt securities				
Category of classification				
			----- Rupees in '000 -----	
Domestic				
Other assets especially mentioned	-	-	-	-
Substandard	-	-	-	-
Doubtful	-	-	-	-
Loss	367,180	367,180	370,051	370,051
	<u>367,180</u>	<u>367,180</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)
			June 30, 2021	December 31, 2020	June 30, 2021	December 31, 2020	June 30, 2021	December 31, 2020
----- Rupees in '000 -----								
	Loans, cash credits, running finances, etc.		224,326,109	231,066,384	14,029,478	11,733,555	238,355,587	242,799,939
	Bills discounted and purchased		12,593,810	11,602,390	-	-	12,593,810	11,602,390
	Advances - gross		236,919,919	242,668,774	14,029,478	11,733,555	250,949,397	254,402,329
	Provision against advances							
	General		(360,054)	-	-	-	(360,054)	-
	General provision - under IFRS-9	10.3.3	(25,548)	(21,327)	-	-	(25,548)	(21,327)
	Specific		-	-	(4,934,885)	(4,181,836)	(4,934,885)	(4,181,836)
		10.3	(385,602)	(21,327)	(4,934,885)	(4,181,836)	(5,320,487)	(4,203,163)
	Advances - net of provision		236,534,317	242,647,447	9,094,593	7,551,719	245,628,910	250,199,166
10.1	Particulars of advances (gross)							
	In local currency						242,495,570	245,005,622
	In foreign currencies						8,453,827	9,396,707
							250,949,397	254,402,329

10.2 Advances include Rs. 14,029.478 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) June 30, 2021		(Audited) December 31, 2020	
	Non Performing Loans	Provision	Non Performing Loans	Provision
	----- Rupees in '000 -----			
Domestic				
Other Assets Especially				
Mentioned	833,377	340	296,799	394
Substandard	2,005,260	212,224	1,177,804	156,095
Doubtful	2,861,016	744,328	3,264,335	724,426
Loss	8,329,825	3,977,993	6,994,617	3,300,921
Total	14,029,478	4,934,885	11,733,555	4,181,836

10.3 Particulars of provision against advances

Note	(Un-audited) June 30, 2021				(Audited) December 31, 2020			
	Specific	General	General provision - under IFRS-9	Total	Specific	General	General provision - under IFRS-9	Total
	----- Rupees in '000 -----							
Opening balance	4,181,836	-	21,327	4,203,163	3,339,941	161,166	7,520	3,508,627
Exchange adjustments	-	-	(272)	(272)	-	-	71	71
Charge for the period / year	845,134	360,054	4,493	1,209,681	1,087,212	-	13,736	1,100,948
Reversals for the period / year	(91,998)	-	-	(91,998)	(245,317)	(161,166)	-	(406,483)
	753,136	360,054	4,493	1,117,683	841,895	(161,166)	13,736	694,465
Amounts written off	(87)	-	-	(87)	-	-	-	-
Closing balance	4,934,885	360,054	25,548	5,320,487	4,181,836	-	21,327	4,203,163

Notes to the Condensed Interim Unconsolidated Financial Statements

For the Half Year Ended June 30, 2021

- 10.3.1** This includes reversal of provision of Nil (December 31, 2020: Rs. 8.604 million) against reduction of non-performing loans of Rs. 212.090 million (December 31, 2020: Rs. 90.180 million) of certain borrowers under 'Debt Property Swap' transactions, as disclosed in note 13.1.
- 10.3.2** 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 and thereafter, will be maintained as per prudential regulations of consumer financing.
- 10.3.3** This represents general provision held under IFRS 9 by Bahrain branch of the Bank.
- 10.3.4** 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 June 30, 2021, the Bank has availed cumulative FSV benefit under the directives of the SBP, resultantly the specific provision held against advances is decreased by Rs. 5,377.881 million (December 31, 2020: Rs. 4,763.931 million).

Had the benefit not been taken the unappropriated profit after tax would have reduced by Rs. 3,280.508 million (December 31, 2020: Rs. 2,905,998 million. Further, as required by the SBP directives, this unappropriated profit will not be available for distribution as dividend or any other appropriations.

10.3.5 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 June 30, 2021 relating to facilities of customers have not been classified as non-performing on account of such relaxation.

- 10.3.6** Subsequent to period end, on August 02, 2021, JS Bank audit team has uncovered a fraud relating to gold financing amounting to Rs. 741.73 million, however, Rs. 567.03 million balance pertains to June 30, 2021. Consequently, recovery proceedings have been initiated and the Bank has recorded a provision of Rs. 253.59 million in these financial statements net of expected insurance recoveries.

	Note	(Un-audited) June 30, 2021	(Audited) December 31, 2020
---- Rupees in '000 ----			
11. FIXED ASSETS			
Capital work-in-progress	11.1	686,656	291,402
Property and equipment	11.2 & 11.3	5,025,890	4,925,430
Right-of-use assets		2,751,341	2,382,706
		<u>8,463,887</u>	<u>7,599,538</u>
11.1 Capital work-in-progress			
Civil works		281,928	225,220
Advance for purchase of furniture and fixtures		15,178	1,013
Advance for purchase of equipment		389,550	61,794
Advance for purchase of vehicle		-	3,375
		<u>686,656</u>	<u>291,402</u>

Notes to the Condensed Interim Unconsolidated Financial Statements

For the Half Year Ended June 30, 2021

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

	----- (Un-audited) -----					
	Additions		Disposal		Write back / (offs)	
	June 30, 2021	June 30, 2020	June 30, 2021	June 30, 2020	June 30, 2021	June 30, 2020
----- Rupees in '000 -----						
Capital work-in-progress - net	599,751	4,117	-	-	-	-
Property and equipment						
Building on leasehold land	74,219	-	-	-	-	-
Leasehold improvements	80,194	74,491	1,991	29	-	43,754
Furniture and fixture	17,891	25,399	774	921	(2,390)	5,144
Electrical, office and computer equipment	280,839	139,655	5,270	2,049	(20,589)	9,610
Vehicles	3,375	-	5,237	764	(1,941)	-
	456,518	239,545	13,272	3,763	(24,920)	58,508
Right-of-use assets						
Additional impact or adjustments arised during the period	808,928	155,085	-	-	-	-
	<u>1,865,197</u>	<u>398,747</u>	<u>13,272</u>	<u>3,763</u>	<u>(24,920)</u>	<u>58,508</u>

11.2.1 This includes transfer from capital work in progress during the period of Rs. 204.497 million.

	(Un-audited) June 30, 2021	(Audited) December 31, 2020
Note	---- Rupees in '000 ----	

11.3 Non-current 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:

- 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 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) June 30, 2021	(Audited) December 31, 2020
Note	---- Rupees in '000 ----	

12. INTANGIBLE ASSETS

Capital work-in-progress	12.1	213,703	213,312
Computer software	12.2	895,653	809,789
Goodwill		<u>1,463,624</u>	<u>1,463,624</u>
		<u>2,572,980</u>	<u>2,486,725</u>

Notes to the Condensed Interim Unconsolidated Financial Statements

For the Half Year Ended June 30, 2021

		(Un-audited) June 30, 2021	(Audited) December 31, 2020
	Note	----- Rupees in '000 -----	
12.1 Capital work-in-progress			
Advance for purchase of software	12.1.1	<u>213,703</u>	<u>213,312</u>
12.1.1 This includes transfer from capital work in progress during the period of Rs. 143.130 million.			
12.1.2 During the period, advance against purchase of software was written off Rs. 3.964 million as disclosed in note 31.			
		----- (Un-audited) ----- June 30, 2021	June 30, 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		109,147	12,340
Computer software		<u>146,858</u>	<u>119,103</u>
		<u>256,005</u>	<u>131,443</u>
		(Un-audited) June 30, 2021	(Audited) December 31, 2020
13. OTHER ASSETS	Note	--- Rupees in '000 ---	
Income / mark-up accrued in local currency		7,930,673	6,879,923
Income / mark-up accrued in foreign currencies		98,488	93,950
Advances, deposits, advance rent and other prepayments		816,802	477,717
Acceptances		4,350,436	3,603,192
Taxation (payments less provision)		439,681	84,522
Defined benefit plan assets - net		209,092	317,581
Receivable against bancassurance / bancatakaful		62,947	30,660
Stationery and stamps in hand		15,000	22,730
Receivable in respect of home remittance		37,384	30,656
Due from State Bank of Pakistan		124,086	245,310
Rebates receivable from SBP and others		116,928	305,331
Non-banking assets acquired in satisfaction of claims	13.1	1,408,362	1,176,143
Mark to market gain on derivative instruments		70,927	175,454
Mark to market gain on forward foreign exchange contracts		287,057	334,735
Advance for subscription of shares		105,488	-
Credit card settlement		244,727	140,899
Insurance		6,869	7,636
Others		269,989	628,121
		<u>16,594,936</u>	<u>14,554,560</u>
Less: Provision held against other assets		<u>(11,241)</u>	<u>(11,241)</u>
Other assets (net of provisions)		<u>16,583,695</u>	<u>14,543,319</u>
Surplus on revaluation of non-banking assets acquired in satisfaction of claims		135,065	135,109
		<u>16,718,760</u>	<u>14,678,428</u>

Notes to the Condensed Interim Unconsolidated Financial Statements

For the Half Year Ended June 30, 2021

- 13.1 During the period, the Bank has acquired properties of Rs. 235.630 million (December 31, 2020: Rs. 90.178 million) against debt swap transactions with borrowers resulting in reversal of provision of Rs. Nil (December 31, 2020: Rs. 8.604 million) (refer note 10.3.1).

	(Un-audited) June 30, 2021	(Audited) December 31, 2020
	---- Rupees in '000 ----	
14. BILLS PAYABLE		
In Pakistan	6,025,728	4,752,985
Outside Pakistan	<u>225,668</u>	<u>228,998</u>
	<u>6,251,396</u>	<u>4,981,983</u>
15. BORROWINGS		
Secured		
Borrowings from State Bank of Pakistan under:		
Export Refinancing Scheme (ERF)	20,620,499	20,962,803
Long-Term Finance Facility (LTFF)	2,484,678	2,518,310
Financing Facility for Storage of Agricultural Produce (FFSAP)	274,356	193,029
Financing Facility for Renewable Energy Projects	637,834	433,085
Refinance and credit guarantee scheme for women entrepreneurs	52,337	32,900
Refinance for Wages & Salaries	8,586,971	11,543,118
Refinance facility for modernization of Small and Medium Enterprises (SMEs)	2,570	96,192
Refinance facility for combating COVID-19	211,408	229,984
Refinance facility for working capital of SMEs	22,301	33,901
Temporary economic refinance facility (TERF)	605,311	51,871
Small and Medium Enterprises' Financing	<u>9,360</u>	<u>-</u>
	<u>33,507,625</u>	<u>36,095,193</u>
Repurchase agreement borrowings	<u>9,905,560</u>	<u>-</u>
	<u>43,413,185</u>	<u>36,095,193</u>
Borrowing from financial institutions		
Repurchase agreement borrowings	<u>4,884,469</u>	<u>9,667,181</u>
Refinancing facility for mortgage loans	<u>2,958,809</u>	<u>2,397,468</u>
	<u>7,843,278</u>	<u>12,064,649</u>
Total secured	<u>51,256,463</u>	<u>48,159,842</u>
Unsecured		
Overdrawn nostro accounts	<u>488,469</u>	<u>143,570</u>
Due against bills re-discounting	<u>315,087</u>	<u>-</u>
Total unsecured	<u>803,556</u>	<u>143,570</u>
	<u>52,060,019</u>	<u>48,303,412</u>
15.1 Particulars of borrowings		
In local currency	49,808,257	48,159,842
In foreign currencies	<u>2,251,762</u>	<u>143,570</u>
	<u>52,060,019</u>	<u>48,303,412</u>

Notes to the Condensed Interim Unconsolidated Financial Statements

For the Half Year Ended June 30, 2021

16. DEPOSITS AND OTHER ACCOUNTS

	(Un-audited) June 30, 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	110,842,403	7,800,523	118,642,926	90,714,627	9,668,068	100,382,695
Savings deposits	92,467,433	3,489,449	95,956,882	98,103,956	3,944,797	102,048,753
Term deposits	185,124,167	13,370,379	198,494,546	186,691,026	15,203,881	201,894,907
Margin deposits	8,646,681	48	8,646,729	5,920,595	163	5,920,758
	397,080,684	24,660,399	421,741,083	381,430,204	28,816,909	410,247,113
Financial Institutions						
Current deposits	2,592,509	269,213	2,861,722	1,281,700	435,683	1,717,383
Savings deposits	13,776,257	52	13,776,309	12,831,324	-	12,831,324
Term deposits	9,866,048	-	9,866,048	8,266,773	-	8,266,773
	26,234,814	269,265	26,504,079	22,379,797	435,683	22,815,480
	423,315,498	24,929,664	448,245,162	403,810,001	29,252,592	433,062,593

		(Un-audited) June 30, 2021	(Audited) December 31, 2020
Note ----- Rupees in '000 -----			
17. SUBORDINATED DEBT			
Term Finance Certificates - First Issue	17.1	2,994,600	2,995,200
Term Finance Certificates - Second Issue	17.2	1,997,200	1,997,600
Term Finance Certificates - Third Issue	17.3	2,500,000	2,500,000
		7,491,800	7,492,800

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

Purpose: To contribute towards 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 Unconsolidated Financial Statements

For the Half Year Ended June 30, 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 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 towards the Bank's Tier II Capital for complying with the capital adequacy requirement and to utilize the funds in the Bank's business operations as permitted by its Memorandum & Articles of Association.
Issue date:	December 29, 2017
Tenure:	Up to Seven years from the Issue date.
Maturity Date:	December 29, 2024
Rating:	A + (Single A Plus)
Profit Rate:	Floating rate of return at Base rate + 1.4 percent per annum;

Notes to the Condensed Interim Unconsolidated Financial Statements

For the Half Year Ended June 30, 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 towards the Bank's Tier I Capital for complying with the capital adequacy requirement and to utilize the funds in the Bank's business operations as permitted by its Memorandum & Articles of Association.
Issue date:	December 31, 2018
Maturity date:	Perpetual
Rating:	A (Single A)
Profit Rate:	Floating rate of return at Base rate + 2.25 percent per annum;

Notes to the Condensed Interim Unconsolidated Financial Statements

For the Half Year Ended June 30, 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 at the time of conversion will be equal to the 'Outstanding Value</p>

Notes to the Condensed Interim Unconsolidated Financial Statements

For the Half Year Ended June 30, 2021

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) June 30, 2021	(Audited) December 31, 2020
18. DEFERRED TAX LIABILITIES		
	Note	---- Rupees in '000 ----
Deductible Temporary Differences on:		
Provision against investments	(63,680)	(57,149)
Provision against loans and advances	(350,920)	(287,840)
General provision under IFRS-9	(39,381)	(43,552)
Intangible other than Goodwill	(2,552)	(2,904)
	(456,533)	(391,445)
Taxable Temporary Differences on:		
Fixed assets	176,501	172,562
Goodwill	570,813	512,268
Surplus on revaluation of operating fixed assets	459,913	240,391
Surplus on revaluation of non-banking assets acquired in satisfaction of claims	20 52,673	4,029
Unrealized gain on revaluation of derivative instruments	20 5,148	5,302
Mark to market gain / (loss) on forward foreign exchange contracts	44,953	(22,893)
Unrealised gain on revaluation of investments classified as held for trading	142	282
Surplus on revaluation of investments classified as available for sale	20 1,431,668	673,756
	2,741,811	1,585,697
	2,285,278	1,194,252

Notes to the Condensed Interim Unconsolidated Financial Statements

For the Half Year Ended June 30, 2021

		(Un-audited) June 30, 2021	(Audited) December 31, 2020
	Note	---- Rupees in '000 ----	
19. OTHER LIABILITIES			
Mark-up / return / interest payable in local currency		2,592,368	2,994,596
Mark-up / return / interest payable in foreign currencies		35,831	52,729
Unearned income on guarantees		184,422	176,270
Accrued expenses		345,697	669,383
Acceptances		4,350,436	3,603,192
Unclaimed dividends		4,214	4,214
Mark to market loss on derivative instruments		57,728	160,306
Mark to market loss on forward foreign exchange contracts		171,793	400,144
Gravuity Payable to contractual staff		3,062	-
Withholding taxes payable		128,766	401,303
Government challan collection		54,529	94,510
Donation payable		19,763	-
Security deposits against leases, lockers and others		3,273,378	3,490,704
Sindh Workers' Welfare Fund		134,000	114,237
Payable in respect of home remittance		714,913	831,042
Retention money payable		42,466	42,044
Lease liability against right-of-use assets		3,069,349	2,583,947
Insurance payable		23,668	10,137
Payable to vendors against SBS goods		152,779	93,634
Debit card settlement		112,640	65,855
Inter bank fund transfer settlement		446,858	159,136
Clearing and settlement accounts		499,435	290,794
Others		630,039	302,977
		<u>17,048,134</u>	<u>16,541,154</u>
20. SURPLUS ON REVALUATION OF ASSETS			
Surplus on revaluation of:			
Available-for-sale securities	9.1 & 20.1	3,670,944	1,925,017
Fixed assets		1,179,262	1,192,173
Non-banking assets acquired in satisfaction of claims		135,065	135,109
		<u>4,985,271</u>	<u>3,252,299</u>
Deferred tax on surplus on revaluation of:			
Available-for-sale securities		(1,431,668)	(673,756)
Fixed assets		(459,913)	(240,391)
Non-banking assets acquired in satisfaction of claims		(52,673)	(4,029)
		<u>(1,944,254)</u>	<u>(918,176)</u>
		<u>3,041,017</u>	<u>2,334,123</u>

20.1 As of June 30, 2021, the Bank has recognized in profit and loss account expected credit loss of Rs. 92.915 million (December 31, 2020: Rs.122.758 million) under IFRS-9 on foreign debt securities of the wholesale banking branch in Bahrain of the Bank against an adjustment in the loss allowance. However, the loss allowance is recognized in other comprehensive income without reducing the carrying amount of the said securities in these condensed interim unconsolidated statements of financial position.

Notes to the Condensed Interim Unconsolidated Financial Statements

For the Half Year Ended June 30, 2021

		(Un-audited) June 30, 2021	(Audited) December 31, 2020
	Note	----- Rupees in '000 -----	
21. CONTINGENCIES AND COMMITMENTS			
Guarantees	21.1	50,159,510	58,779,594
Commitments	21.2	<u>68,815,348</u>	<u>65,262,832</u>
		<u>118,974,858</u>	<u>124,042,426</u>
21.1 Guarantees:			
Financial guarantees		1,317,915	1,024,422
Performance guarantees		26,600,083	36,678,881
Other guarantees		<u>22,241,512</u>	<u>21,076,291</u>
	21.1.1	<u>50,159,510</u>	<u>58,779,594</u>
21.1.1 Included herein are outstanding guarantees of Rs. 733.629 million (December 31, 2020: Rs. 29.054 million) of related parties.			
		(Un-audited) June 30, 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	23,436,889	21,111,360
Commitments in respect of:			
- Forward foreign exchange contracts	21.2.2	38,132,775	38,178,262
- Derivative instruments	21.2.3	6,101,687	5,362,948
- Forward lending	21.2.4	627,990	384,230
Commitments for acquisition of:			
- Fixed assets	21.2.5	516,007	226,032
		<u>68,815,348</u>	<u>65,262,832</u>
21.2.1 Included herein are the outstanding letter of credits of Rs. 332.220 million (December 31, 2020: Rs. 86.543 million) of related parties.			
21.2.2 Commitments in respect of forward foreign exchange contracts			
		(Un-audited) June 30, 2021	(Audited) December 31, 2020
		----- Rupees in '000 -----	
Purchase		23,247,624	23,137,733
Sale		<u>14,885,151</u>	<u>15,040,529</u>
		<u>38,132,775</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 Half Year Ended June 30, 2021

	(Un-audited) June 30, 2021	(Audited) December 31, 2020
Note	----- Rupees in '000 -----	
21.2.3 Commitments in respect of derivative instruments		
Purchase	1,200,500	1,760,637
Sale	<u>4,901,187</u>	<u>3,602,311</u>
	<u>6,101,687</u>	<u>5,362,948</u>
21.2.3.1 Interest rate swaps (notional principal)		
Purchase	659,197	1,176,824
Sale	<u>659,197</u>	<u>1,176,824</u>
	<u>1,318,394</u>	<u>2,353,648</u>
21.2.3.2 Options (notional principal)		
Purchase	541,303	582,419
Sale	<u>4,241,990</u>	<u>2,425,487</u>
	<u>4,783,293</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>627,990</u>	<u>384,230</u>
21.2.4.1 This represents 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	21.2.5.1 <u>516,007</u>	<u>226,032</u>
21.2.5.1 This represents commitments related to purchase of leasehold improvements, furniture and fixtures, hardware & network equipments and electrical equipments.		
21.2.6 There are no changes in contingent liabilities since the date of annual unconsolidated audited financial statements for the year ended December 31, 2020 except those as disclosed in note 32.1.		

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 Half Year Ended June 30, 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) June 30, 2021					
		Interest Rate Swaps		Options and accumulators		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	1,318,394	3,624	-	-	-	-
	Market making	-	-	4,783,293	9,575	-	-
	With FIs other than banks						
	Hedging	-	-	-	-	-	-
	Market making	-	-	-	-	-	-
	Total						
	Hedging	1,318,394	3,624	-	-	-	-
	Market making	-	-	4,783,293	9,575	-	-
		(Audited) December 31, 2020					
		Interest Rate Swaps		Options and accumulators		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	-	-	-	-
	Market making	-	-	3,007,906	10,205	-	-
	With FIs other than banks						
	Hedging	-	-	-	-	1,394	-
	Market making	-	-	-	-	-	-
	Total						
	Hedging	2,353,648	4,943	-	-	1,394	-
	Market making	-	-	3,007,906	10,205	-	-

Notes to the Condensed Interim Unconsolidated Financial Statements

For the Half Year Ended June 30, 2021

		----- Un-audited -----	
		June 30,	June 30,
		2021	2020
		----- Rupees in '000 -----	
23. MARK-UP / RETURN / INTEREST EARNED	Note		
On:			
Loans and advances		10,096,123	14,929,136
Investments		8,247,370	8,582,879
Lendings to financial institutions		31,446	37,393
Balances with other banks		11,569	5,288
Securities purchased under resale agreements		459,339	795,147
		<u>18,845,847</u>	<u>24,349,843</u>
24. MARK-UP / RETURN / INTEREST EXPENSED			
Deposits		10,497,829	17,056,289
Borrowings	24.1	1,728,301	1,172,551
Subordinated debt		336,021	555,709
Cost of foreign currency swaps against foreign currency deposits / borrowings		245,177	182,814
Lease liability against right-of-use assets		189,637	232,046
		<u>12,996,965</u>	<u>19,199,409</u>
24.1 Borrowings			
Export Refinancing Scheme (ERF)		197,984	173,836
Long-Term Finance Facility (LTFF)		24,155	22,822
Other Borrowings from State Bank of Pakistan		9,058	4,600
Securities sold under repurchase agreements		1,258,284	724,263
Other borrowings		238,820	247,030
		<u>1,728,301</u>	<u>1,172,551</u>
25. FEE AND COMMISSION INCOME			
Branch banking customer fees		67,140	145,331
Consumer finance related fees		25,507	12,415
Card related fees (debit and credit cards)		159,121	278,888
Credit related fees		187,046	228,656
Investment banking fees		33,296	37,384
Commission on trade		391,456	308,965
Commission on guarantees		211,378	184,581
Commission on cash management		2,819	2,415
Commission on remittances including home remittances		141,803	176,555
Commission on bancassurance		73,070	71,117
Commission on distribution of mutual funds		1,000	22,489
Commission on online services		116,205	141,248
Postage & courier income		12,094	11,729
Rebate income		127,097	112,067
Rebate on primary dealership		34,638	27,637
		<u>1,583,670</u>	<u>1,761,477</u>

Notes to the Condensed Interim Unconsolidated Financial Statements

For the Half Year Ended June 30, 2021

		----- Un-audited -----	
	Note	June 30, 2021	June 30, 2020
		----- Rupees in '000 -----	
26. GAIN / (LOSS) ON SECURITIES			
Realised	26.1	300	784,082
Unrealised - held for trading		364	70
		<u>664</u>	<u>784,152</u>
26.1 Realised gain / (loss) on:			
Federal government securities			
Market treasury bills		4,708	86,437
Pakistan investment bonds		38,761	707,404
Ijara sukuk certificates		603	25
		<u>44,072</u>	<u>793,866</u>
Shares			
Listed companies		(107,631)	(12,850)
Non Government Debt Securities			
Term finance certificates		22,622	-
Sukuk certificates		-	450
		<u>22,622</u>	<u>450</u>
Mutual fund units		3,426	2,995
Foreign currency bonds		37,811	(379)
		<u>300</u>	<u>784,082</u>
27. OTHER (LOSS) / INCOME			
Gain on sale of fixed assets - net		3,688	246
Loss on termination of leases - net		(2,829)	-
Others		-	4,640
		<u>859</u>	<u>4,886</u>

Notes to the Condensed Interim Unconsolidated Financial Statements

For the Half Year Ended June 30, 2021

	June 30, 2021	June 30, 2020
Note	----- Un-audited ----- ----- Rupees in '000 -----	
28. OPERATING EXPENSES		
Total compensation expense	2,920,933	3,118,589
Property expense		
Rent & taxes	37,311	17,277
Insurance	3,505	2,638
Utilities cost	168,648	161,376
Security (including guards)	131,795	156,448
Repair & maintenance (including janitorial charges)	127,921	85,098
Depreciation	95,605	95,122
Depreciation - Right of Use Assets	440,293	506,114
Depreciation on non banking assets	3,455	4,539
	1,008,533	1,028,612
Information technology expenses		
Software maintenance	291,097	124,465
Hardware maintenance	94,050	129,883
Depreciation	116,804	97,740
Amortisation	63,251	54,523
Network charges	78,484	55,293
	643,686	461,904
Other operating expenses		
Directors' fees and allowances	8,250	9,150
Legal & professional charges	49,740	89,814
Insurance	144,765	85,831
Outsourced services costs	80,765	79,925
Travelling & conveyance	40,496	51,120
NIFT clearing charges	24,508	19,902
Depreciation	152,611	147,611
Training & development	18,426	7,700
Postage & courier charges	47,329	52,527
Communication	48,423	57,781
Stationery & printing	118,491	106,655
Marketing, advertisement & publicity	182,375	228,487
Donations	19,763	60,841
Auditors' Remuneration	4,191	3,474
Staff Auto fuel & maintenance	111,748	97,511
Bank Charges	24,981	31,581
Stamp Duty	17,215	7,395
Online verification charges	31,571	7,636
Brokerage, fee and commission	27,284	18,693
Card related fees (debit and credit cards)	160,983	8,237
CDC and other charges	2,540	2,355
Consultancy fee	15,900	20,457
Deposit protection premium	126,225	72,910
Entertainment expenses	48,427	34,756
Repair and maintenance	37,310	29,208
Cash handling charges	95,851	60,933
Fee and Subscription	51,005	50,240
Employees social security	2,235	4,948
Generator fuel & maintenance	42,681	35,685
Others	23,065	29,003
	1,759,154	1,512,366
	6,332,306	6,121,471

Notes to the Condensed Interim Unconsolidated Financial Statements

For the Half Year Ended June 30, 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 -----	
		June 30, 2021	June 30, 2020
		----- Rupees in '000 -----	
30.	OTHER CHARGES	Note	
	Penalties imposed by State Bank of Pakistan		<u>202</u> <u>74,587</u>
31.	PROVISIONS / (REVERSALS) AND WRITE OFFS - NET		
	(Reversals) / provisions for diminution in value of investments	9.4	(278,237) 31,466
	Provisions against loans & advances - specific	10.3	753,136 224,207
	Provisions against loans & advances - general	10.3	360,054 75,303
	(Reversals) / provisions under IFRS-9 - general	31.1	(17,022) 52,564
	Fixed assets written (back) / off	11.2	(24,920) 58,508
	Intangible assets written off	12.1.2	3,964 -
	Other assets written off		259 4,159
			<u>797,234</u> <u>446,207</u>
31.1	(Reversals) / provisions under IFRS-9 - general		
	Charge / (reversal) during the period		
	Balances with other banks		97 (13)
	Lendings to financial institutions		6,270 (1,171)
	Investments	9.4	(27,882) 37,492
	Advances	10.3	4,493 16,256
			<u>(17,022)</u> <u>52,564</u>
32.	TAXATION		
	Current		358,238 61,437
	Deferred		59,894 554,332
			<u>418,132</u> <u>615,769</u>

32.1 During the period, the Bank has received amended assessment order for tax year 2020 creating a demand of Rs. 200 million. The Bank has not accepted the amendments and filed appeal before Commissioner Inland Revenue – Appeals (the CIRA) against said order. Further, till the decision of the CIRA, the Bank has also obtained stay orders from Sindh High Court against impugned demand of tax year 2020.

Further, the Bank has filed appeal before the Supreme Court of Pakistan (the SCP) against levy of Super Tax demanded under above assessment order with other pending appeals of tax year 2016 to 2019 on same issue. The SCP has allowed interim relief to the taxpayers subject to the payment of 50% of the super tax liability.

Notes to the Condensed Interim Unconsolidated Financial Statements

For the Half Year Ended June 30, 2021

32.2 Sales tax

During the period, the Bank as a registered person under Sindh Sales Tax on Services Act, 2011 has been issued Sales Tax Orders from the Sindh Revenue Board (SRB) for the period from January to December 2015 and 2017, creating demand of Rs. 27.8 million and Rs. 31.7 million respectively against the Bank for allegedly non-payment of Sindh sales tax on certain 'presumed non-taxable services / incomes (i.e. Bancassurance, Home Remittances under Pakistan Remittance Initiative Scheme, SBP rebates on Government securities, and FX gain on remittance by Western Union). Appeals have been filed before Commissioner (Appeals) Sindh Revenue Board, CA-SRB against the decision of AC-SRB which are pending for hearing.

The management of the Bank is confident that the appeals filed in respect of the above matter will be decided in the Bank's favor and accordingly no demand for payment would arise.

	----- Un-audited -----			
	Quarter Ended		Half Year Ended	
	June 30, 2021	June 30, 2020	June 30, 2021	June 30, 2020
	----- Rupees in '000 -----			
33. BASIC AND DILUTED EARNINGS PER SHARE				
Profit after taxation for the period - attributable to ordinary equity holders of the Bank	<u>179,913</u>	<u>473,784</u>	<u>569,996</u>	<u>856,326</u>
	----- Numbers -----			
Weighted average number of outstanding ordinary shares during the period	<u>1,297,464,262</u>	<u>1,297,464,262</u>	<u>1,297,464,262</u>	<u>1,297,464,262</u>
	----- Rupee -----			
Basic and diluted earnings per share	<u>0.14</u>	<u>0.37</u>	<u>0.44</u>	<u>0.66</u>

	(Un-audited) June 30, 2021	(Audited) December 31, 2020	(Un-audited) June 30, 2020
Note	----- Rupees in '000 -----		
34. CASH AND CASH EQUIVALENTS			
Cash and balances with treasury banks	6 <u>36,206,451</u>	30,421,231	32,726,084
Balances with other banks - gross	7 <u>856,779</u>	1,106,419	1,132,588
Overdrawn nostro accounts	15 <u>(488,469)</u>	<u>(143,570)</u>	<u>(611,022)</u>
	<u>36,574,761</u>	<u>31,384,080</u>	<u>33,247,650</u>

Notes to the Condensed Interim Unconsolidated Financial Statements

For the Half Year Ended June 30, 2021

35. FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

Fair value hierarchy

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

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

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

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

35.1 Valuation techniques used in determination of fair values within level

Item	Valuation approach and input used
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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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Notes to the Condensed Interim Unconsolidated Financial Statements

For the Half Year Ended June 30, 2021

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 of Term Finance Certificates, Bonds and any other security issued by a company or a body corporate for the purpose of raising funds in the form of redeemable capital) are valued on the basis of the rates announced by the Mutual Funds Association of Pakistan (MUFAP) in accordance with the methodology prescribed by the SECP.
Overseas Government Sukuks, Overseas and Euro Bonds	The fair value of Overseas Government Sukuks, and Overseas Bonds are valued on the basis of price available on Bloomberg.
Forward foreign exchange contracts	The valuation has been determined by interpolating the foreign exchange revaluation rates announced by the State Bank of Pakistan.
Derivatives	The fair values of derivatives which are not quoted in active markets are determined by using valuation techniques. The valuation techniques take into account the relevant underlying parameters including foreign currencies involved, interest rates, yield curves, volatilities, contracts duration, etc.

Financial instruments in level 3

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

Notes to the Condensed Interim Unconsolidated Financial Statements

For the Half Year Ended June 30, 2021

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 in 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 Half Year Ended June 30, 2021

(Un-audited)
June 30, 2021

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	-	17,514,412	-	17,514,412
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Available-for-sale securities

Investments

Federal Government Securities	-	163,169,546	-	163,169,546
Shares	5,630,300	-	-	5,630,300
Non Government Debt Securities	-	459,100	-	459,100
Foreign Securities	-	4,884,702	-	4,884,702
Open end mutual funds	-	625,258	-	625,258
	5,630,300	169,138,606	-	174,768,906

Financial assets - disclosed but not measured at fair value

Investments

Federal Government Securities	-	41,470,582	-	41,470,582
	5,630,300	228,123,600	-	233,753,900

Non-Financial assets - measured at fair value

Revalued fixed assets	-	-	2,647,597	2,647,597
Non-banking assets acquired in satisfaction of claims	-	-	1,543,427	1,543,427
	-	-	4,191,024	4,191,024

Off balance sheet financial instruments

Commitments in respect of:

Forward foreign exchange contracts

Purchase	-	23,399,759	-	23,399,759
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Sale	-	14,922,020	-	14,922,020
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Derivative instruments:

Interest rate swaps

Purchase	-	704,110	-	704,110
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Sale	-	707,734	-	707,734
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Options

Purchase	-	530,421	-	530,421
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Sale	-	4,262,447	-	4,262,447
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Notes to the Condensed Interim Unconsolidated Financial Statements

For the Half Year Ended June 30, 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	4,339,823	-	-	4,339,823
Non Government Debt Securities	-	457,454	-	457,454
Foreign Securities	-	4,017,289	-	4,017,289
	4,339,823	131,880,786	-	136,220,609

Financial assets - disclosed but not measured at fair value

Investments

Federal Government Securities	-	36,109,599	-	36,109,599
	4,339,823	192,994,159	-	197,333,982

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 Half Year Ended June 30, 2021

36. SEGMENT INFORMATION

36.1. Segment Details with respect to Business Activities:

	Corporate finance	Trading and sales	Retail banking	Commercial banking	Others	Total
June 30, 2021 (Un-audited)						
Rupees in '000						
Profit & Loss						
Net mark-up / return / interest / (expense)	(497,707)	6,918,855	397,731	(913,802)	(56,195)	5,848,882
Inter segment revenue - net	516,251	(6,880,925)	4,022,163	2,342,511	-	-
Non mark-up / return / income / (loss)	128,824	530,750	886,074	743,194	(91)	2,288,751
Total Income / (loss)	147,368	568,680	5,305,968	2,171,903	(56,286)	8,137,633
Segment direct expenses	10,846	84,309	2,840,824	449,198	2,967,094	6,352,271
Inter segment expense allocation	20,960	82,585	2,429,337	336,035	(2,868,917)	-
Total expenses	31,806	166,894	5,270,161	785,233	98,177	6,352,271
Provisions	-	-	266,898	381,374	148,962	797,234
Profit / (loss) before tax	115,562	401,786	(231,091)	1,005,296	(303,425)	988,128
June 30, 2021 (Un-audited)						
Statement of financial position						
Cash & Bank balances	-	-	37,062,689	-	-	37,062,689
Investments	-	233,048,144	-	4,914,930	-	237,963,074
Net inter segment lending	9,825,388	-	105,932,437	90,562,002	12,734,054	218,853,881
Lendings to financial institutions	-	4,061,292	-	2,040,546	-	6,101,838
Advances - net	1,553,775	-	73,101,325	162,264,819	-	236,919,919
Advances - performing	-	-	7,419,917	6,609,561	-	14,029,478
Advances - (Provisions)/reversals - Net	-	-	(2,495,032)	(2,825,455)	-	(5,320,487)
	1,553,775	-	78,026,210	166,048,925	-	245,628,910
Others	-	-	-	-	28,494,827	28,494,827
Total Assets	11,179,163	237,109,436	221,021,336	263,566,403	41,228,881	774,105,219
Borrowings	60,139	11,589,269	6,971,765	33,438,846	-	52,060,019
Subordinated debt	-	7,491,800	-	-	-	7,491,800
Deposits & other accounts	11,112,663	-	208,932,242	228,200,257	-	448,245,162
Net inter segment borrowing	-	218,028,367	-	825,514	-	218,853,881
Others	6,361	-	5,117,328	1,101,787	19,359,332	25,584,808
Total liabilities	11,179,163	237,109,436	221,021,335	263,566,404	19,359,332	752,235,670
Equity	-	-	-	-	21,869,549	21,869,549
Total Equity & liabilities	11,179,163	237,109,436	221,021,335	263,566,404	41,228,881	774,105,219
Contingencies & Commitments	-	58,482,439	42,963,742	17,400,494	128,183	118,974,858

Notes to the Condensed Interim Unconsolidated Financial Statements

For the Half Year Ended June 30, 2021

	Corporate finance	Trading and sales	Retail banking	Commercial banking	Others	Total
June 30, 2020 (Un-audited)						
----- Rupees in '000 -----						
Profit & Loss						
Net mark-up / return / interest / (expense)	273,309	(940,991)	5,718,342	1,359,624	(1,259,850)	5,150,434
Inter segment revenue - net	(2,831)	-	(560,647)	(127,452)	690,930	-
Non mark-up / return / income / (loss)	27,345	1,277,558	1,210,201	602,665	(142,146)	2,975,623
Total Income / (loss)	297,823	336,567	6,367,896	1,834,837	(711,066)	8,126,057
Segment direct expenses	22,585	66,371	2,578,342	315,082	3,225,375	6,207,755
Inter segment expense allocation	71,316	185,548	1,860,826	652,891	(2,770,581)	-
Total expenses	93,901	251,919	4,439,168	967,973	454,794	6,207,755
Provisions	3,020	-	156,587	56,619	229,981	446,207
Profit / (loss) before tax	200,902	84,648	1,772,141	810,245	(1,395,841)	1,472,095
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 Half Year Ended June 30, 2021

	As at June 30, 2021 (Un-audited)					As at December 31, 2020 (Audited)						
	Parent	Directors	Key management personnel	Subsidiaries	Associates	Other related parties	Parent	Directors	Key management personnel	Subsidiaries	Associates	Other related parties
	(Rupees in '000)											
Statement of financial position												
Lendings to financial institutions												
Opening balance	-	-	-	-	-	-	-	-	-	-	-	-
Addition during the period / year	-	-	-	1,800,000	-	1,800,000	-	-	-	-	-	4,100,000
Repaid during the period / year	-	-	-	(1,800,000)	-	(1,800,000)	-	-	-	-	-	(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	400,000	-	-	-	-	40,828	4,009,279
Investment redeemed / disposed off during the period / year	-	-	-	-	-	(1,045,230)	-	-	-	-	-	(2,905,705)
Closing balance	-	-	-	1,919,121	269,800	2,075,671	-	-	-	1,919,121	269,800	2,720,901
Provision for diminution in value of investments	-	-	-	-	-	62,151	-	-	-	-	-	277,456
Advances												
Opening balance	-	122,106	779,655	193,550	370,768	4,083,430	-	-	596,257	-	-	1,946,481
Addition during the period / year	-	2,352	65,722	-	1,409,450	-	-	59	265,948	193,550	153,128	6,402,913
Repaid during the period / year	-	(26,901)	(128,427)	(46,388)	(138,011)	(2,028,651)	-	(632)	(150,621)	-	(2,235)	(5,968,750)
Transfer in / (out) - net	-	31,508	(316,790)	-	388,104	-	-	122,890	68,271	-	219,875	1,232,786
Closing balance	-	129,065	400,160	145,162	232,757	3,862,333	-	122,106	779,655	193,550	370,768	4,083,430
Other Assets												
Interest / mark-up accrued	-	950	-	1,086	827	39,039	-	2,801	6	1,253	954	52,998
Receivable against bancassurance / bancakataful	-	-	-	-	62,947	-	-	-	-	-	-	28,051
Net defined benefit plan	-	-	-	209,092	-	-	-	-	-	-	-	37,581
Other receivable	-	-	-	-	-	379	-	-	-	-	-	379
Provision against other assets	-	-	-	-	-	379	-	-	-	-	-	-
Borrowings												
Opening balance	-	-	-	-	-	-	-	-	-	-	-	-
Borrowings during the period / year	-	-	-	-	-	-	-	-	-	-	-	11,005,705
Settled during the period / year	-	-	-	-	-	-	-	-	-	-	-	(11,005,705)
Closing balance	-	-	-	-	-	-	-	-	-	-	-	-
Deposits and other accounts												
Opening balance	172,019	212,335	76,237	1,658,770	49,753	10,365,166	271,648	24,444	59,593	1,246,363	23,104	8,622,201
Received during the period / year	5,072,776	145,538	367,562	228,791,136	904,075	119,132,067	5,511,316	517,942	973,685	469,101,485	861,135	160,625,941
Withdrawn during the period / year	(3,094,131)	(147,431)	(359,279)	(228,719,798)	(977,136)	(116,746,187)	(6,610,946)	(324,477)	(693,813)	(466,707,020)	(834,466)	(159,215,607)
Transfer in / (out) - net	-	118,254	(93,967)	-	-	27,564	-	366	(67,228)	(2,059)	(2,059)	(32,631)
Closing balance	2,090,664	328,696	44,573	1,710,148	36,692	10,776,610	172,019	212,335	76,237	1,638,770	49,753	10,365,166

Notes to the Condensed Interim Unconsolidated Financial Statements

For the Half Year Ended June 30, 2021

	For the period ended June 30, 2021 (Un-audited)					For the period ended June 30, 2020 (Un-audited)						
	Parent	Directors	Key management personnel	Subsidiaries	Associates	Other related parties	Parent	Directors	Key management personnel	Subsidiaries	Associates	Other related parties
Reversal / (provisions) and write offs - net												
Reversal for diminution in value of Investments	-	-	-	-	-	215,305	-	-	-	-	-	-
Expense												
Mark-up / return / interest paid	21,805	7,422	714	69,442	2,478	379,778	12,697	566	916	94,182	1,952	566,951
Commission / charges paid	-	-	-	836	-	-	-	-	-	3,872	-	-
Remuneration paid	-	26,198	155,013	-	-	-	-	-	253,879	-	-	-
Non-executive directors' fee	-	8,250	-	-	-	-	-	7,040	-	-	-	-
Net charge for defined contribution plans	-	-	-	-	-	124,801	-	-	-	-	-	113,705
Net charge for defined benefit plans	-	-	-	-	-	111,551	-	-	-	-	-	107,560
Donation	-	-	-	-	-	-	-	-	-	-	-	56,500
Rental expense	-	-	-	-	-	-	-	-	-	-	-	92
Advisory fee	-	-	-	-	-	3,500	-	-	-	-	-	-
Other expenses	825	-	-	-	-	1,103	225	-	-	-	-	-
Reimbursement of expenses	15,998	298	1,777	-	-	109	-	-	-	-	-	-
Payments made during the period												
Insurance premium paid	-	-	-	-	-	354,202	-	-	-	-	-	354,929
Insurance claims settled	-	-	-	-	-	2,586	-	-	-	-	-	2,793
Other Transactions												
Sale of Government Securities	-	-	-	-	-	44,016,914	292,150	1,645	-	-	-	64,260,169
Purchase of Government Securities	-	-	-	-	-	2,889,006	-	-	-	-	-	13,362,416
Sale of Foreign Currencies	-	-	-	-	-	28,860,440	-	-	-	-	-	14,573,027
Purchase of Foreign Currencies	-	-	-	-	-	10,423,056	-	-	-	-	-	20,871,287

(Rupees in '000)

Notes to the Condensed Interim Unconsolidated Financial Statements

For the Half Year Ended June 30, 2021

	(Un-audited) June 30, 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	16,824,954	16,227,512
Eligible Additional Tier 1 (ADT 1) Capital	<u>2,300,000</u>	<u>2,251,350</u>
Total Eligible Tier 1 Capital	19,124,954	18,478,862
Eligible Tier 2 Capital	5,447,692	4,621,001
Total Eligible Capital (Tier 1 + Tier 2)	<u>24,572,646</u>	<u>23,099,863</u>
Risk Weighted Assets (RWAs):		
Credit Risk	<u>163,016,340</u>	<u>155,761,884</u>
Market Risk	1,090,279	1,144,972
Operational Risk	<u>23,981,730</u>	<u>23,981,730</u>
Total	<u>188,088,349</u>	<u>180,888,586</u>
Common Equity Tier 1 Capital Adequacy ratio	<u>8.95%</u>	<u>8.97%</u>
Tier 1 Capital Adequacy Ratio	<u>10.17%</u>	<u>10.22%</u>
Total Capital Adequacy Ratio	<u>13.06%</u>	<u>12.77%</u>
Leverage Ratio (LR):		
Eligible Tier-1 Capital	19,124,954	18,478,862
Total Exposures	<u>619,695,767</u>	<u>605,685,437</u>
Leverage Ratio	<u>3.09%</u>	<u>3.05%</u>
Liquidity Coverage Ratio (LCR):		
Total High Quality Liquid Assets	198,423,228	157,850,263
Total Net Cash Outflow	<u>67,171,941</u>	<u>57,017,766</u>
Liquidity Coverage Ratio	<u>295.40%</u>	<u>276.84%</u>
Net Stable Funding Ratio (NSFR):		
Total Available Stable Funding	369,607,995	357,021,802
Total Required Stable Funding	<u>264,424,677</u>	<u>256,068,898</u>
Net Stable Funding Ratio	<u>139.78%</u>	<u>139.42%</u>

Notes to the Condensed Interim Unconsolidated Financial Statements

For the Half Year Ended June 30, 2021

39. NON-ADJUSTING EVENT AFTER THE STATEMENT OF FINANCIAL POSITION DATE

As explained in note 10.3.6 of these condensed interim unconsolidated financial statements, subsequent to period end, on August 02, 2021, JS Bank audit team has uncovered a fraud relating to gold financing amounting to Rs. 741 million as at July 31, 2021. Consequently, recovery and legal proceedings have been initiated.

40. GENERAL

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

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

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

41. DATE OF AUTHORISATION FOR ISSUE

These condensed interim unconsolidated financial statements were authorised for issue by the Board of Directors of the Bank in their meeting held on August 25, 2021.

President and
Chief Executive Officer

Chief Financial Officer

Director

Director

Chairman



Condensed Interim
Consolidated
Financial Statements
for the Half Year Ended
June 30, 2021 (Un-audited)

Condensed Interim Consolidated Statement of Financial Position

As at June 30, 2021

		(Un-audited) June 30, 2021	(Audited) December 31, 2020
	Note	----- Rupees in '000 -----	
ASSETS			
Cash and balances with treasury banks	6	36,206,757	30,421,531
Balances with other banks	7	981,380	1,128,135
Lendings to financial institutions	8	6,101,838	23,239,672
Investments	9	237,692,864	201,807,654
Advances	10	245,920,680	250,455,534
Fixed assets	11	9,866,430	9,026,764
Intangible assets	12	2,589,516	2,515,549
Deferred tax assets		-	-
Other assets	13	18,411,562	16,743,107
Non-current assets held for sale	11.3	739,200	739,200
		558,510,227	536,077,146
LIABILITIES			
Bills payable	14	6,251,396	4,981,983
Borrowings	15	52,060,019	48,303,412
Deposits and other accounts	16	446,608,743	431,423,822
Liabilities against assets subject to finance lease		-	-
Subordinated debt	17	7,491,800	7,492,800
Deferred tax liabilities	18	2,167,061	1,083,590
Other liabilities	19	19,822,750	19,875,838
		534,401,769	513,161,445
NET ASSETS		24,108,458	22,915,701
REPRESENTED BY			
Share capital - net		10,119,242	10,119,242
Reserves		2,097,717	1,991,169
Surplus on revaluation of assets	20	3,914,397	3,247,593
Unappropriated profit		7,698,790	7,029,251
		23,830,146	22,387,255
Non-controlling interest		278,312	528,446
		24,108,458	22,915,701
CONTINGENCIES AND COMMITMENTS			
	21		

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

President and
Chief Executive Officer

Chief Financial Officer

Director

Director

Chairman

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

For the Half Year Ended June 30, 2021

	Note	Quarter Ended		Half year ended	
		June 30, 2021	June 30, 2020	June 30, 2021	June 30, 2020
		----- Rupees in '000 -----			
Mark-up / return / interest earned	23	9,260,626	11,443,317	18,894,933	24,401,323
Mark-up / return / interest expensed	24	6,168,715	8,799,355	12,988,664	19,174,872
Net mark-up / interest income		3,091,911	2,643,962	5,906,269	5,226,451
NON MARK-UP / INTEREST INCOME					
Fee, commission and brokerage income	25	1,149,636	1,064,825	2,195,756	2,092,725
Dividend income		131,208	32,791	174,712	85,017
Foreign exchange income		272,445	158,948	538,465	351,923
(Loss) / income from derivatives		(3,863)	(2,539)	4,761	17,207
(Loss) / gain on securities	26	(53,980)	660,018	37,657	782,597
Share of profit / (loss) from associates		9,807	(1,411)	13,905	(15,798)
Other income	27	5,107	30,318	16,975	39,948
Total non mark-up / interest income		1,510,360	1,942,950	2,982,231	3,353,619
Total Income		4,602,271	4,586,912	8,888,500	8,580,070
NON MARK-UP / INTEREST EXPENSES					
Operating expenses	28	3,516,755	3,435,971	6,830,323	6,557,876
Workers' welfare fund	29	9,285	7,476	25,978	13,720
Other charges	30	177	70,543	202	74,587
Total non-mark-up / interest expenses		3,526,217	3,513,990	6,856,503	6,646,183
Profit before provisions		1,076,054	1,072,922	2,031,997	1,933,887
Provisions / (reversals) and write offs - net	31	695,076	216,568	800,790	420,184
Extraordinary / unusual items		-	-	-	-
PROFIT BEFORE TAXATION		380,978	856,354	1,231,207	1,513,703
Taxation	32	190,094	502,627	512,689	751,486
PROFIT AFTER TAXATION		190,884	353,727	718,518	762,217
Attributable to:					
Equity holders of the Bank		193,271	371,786	699,052	773,674
Non-controlling interest		(2,387)	(18,059)	19,466	(11,457)
		190,884	353,727	718,518	762,217
		----- Rupee -----			
Basic and diluted earnings per share	33	0.15	0.29	0.54	0.60

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

President and
Chief Executive Officer

Chief Financial Officer

Director

Director

Chairman

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

For the Half Year Ended June 30, 2021

	Quarter Ended		Half year ended	
	June 30, 2021	June 30, 2020	June 30, 2021	June 30, 2020
----- Rupees in '000 -----				
Profit after taxation for the period	190,884	353,727	718,518	762,217
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	20,045	10,073	(7,451)	37,432
Movement in surplus on revaluation of investments - net of tax	431,769	1,920,426	933,579	1,956,104
Movement in general provision under IFRS 9 - net of tax	5,874	4,765	18,204	25,631
Share of other comprehensive loss from associated companies - net of tax	-	(2,316)	-	(2,316)
	437,643	1,922,875	951,783	1,979,419
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	(47,687)	75,356	(224,557)	75,356
Movement in surplus on revaluation of non-banking assets - net of tax	(5,404)	-	(48,662)	-
Share of other comprehensive income from associated companies - net of tax	-	2,316	-	1,216
	(53,091)	77,672	(273,219)	76,572
Total other comprehensive income	404,597	2,010,620	671,113	2,093,423
Total comprehensive income	595,481	2,364,347	1,389,631	2,855,640
Attributable to:				
Equity holders of the Bank	594,867	2,348,534	1,378,102	2,869,616
Non-controlling interest	614	15,813	11,529	(13,976)
	595,481	2,364,347	1,389,631	2,855,640

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

President and
Chief Executive Officer

Chief Financial Officer

Director

Director

Chairman

Condensed Interim Consolidated Statement of Changes in Equity

For the Half Year Ended June 30, 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			
			Investments	Fixed assets	Non-banking assets		Sub-total			
Rupees in '000										
Balance as at January 01, 2020 - audited	10,119,242	1,646,167	103,505	(365,795)	1,581,550	92,776	5,795,596	18,973,041	508,271	19,481,312
Total comprehensive income for the half year ended June 30, 2020 - un-audited										
Profit after taxation	-	-	-	-	-	-	773,674	773,674	(11,457)	762,217
Other comprehensive income / (loss) - net of tax	-	-	37,432	1,984,254	76,572	-	(2,316)	2,095,942	(2,519)	2,093,423
Transfer to statutory reserve	-	171,265	37,432	1,984,254	76,572	-	771,358	2,869,616	(13,976)	2,855,640
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax										
Fixed assets	-	-	-	-	(19,732)	-	19,732	-	-	-
Non-banking assets acquired in satisfaction of claims	-	-	-	-	-	(41)	41	-	-	-
Pre-acquisition surplus (net) on available-for-sale investments realised during the period	-	-	-	-	-	-	(67,968)	(67,968)	(12,410)	(80,378)
Balance as at June 30, 2020 - un-audited	10,119,242	1,817,432	140,937	1,618,459	1,638,390	92,735	6,347,494	21,774,689	481,885	22,256,574
Total comprehensive income for the half year ended December 31, 2020 - un-audited										
Profit / (loss) after taxation	-	-	-	-	-	-	336,699	336,699	9,519	346,218
Other comprehensive (loss) / income - net of tax	-	-	(25,947)	(27,564)	-	38,398	290,980	275,867	37,042	312,909
Transfer to statutory reserve	-	58,747	(25,947)	(27,564)	-	-	(58,747)	612,566	46,561	659,127
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax										
Fixed assets	-	-	-	-	(20,646)	-	20,646	-	-	-
Non-banking assets acquired in satisfaction of claims	-	-	-	-	-	(53)	53	-	-	-
Non-current assets held for sale	-	-	-	-	(92,126)	-	92,126	-	-	-
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 half year ended June 30, 2021 - un-audited										
Profit after taxation	-	-	-	-	-	-	699,052	699,052	19,466	718,518
Other comprehensive (loss) / income - net of tax	-	-	(7,451)	959,721	(224,557)	(48,662)	699,052	679,051	(7,938)	671,113
Transfer to statutory reserve	-	113,999	(7,451)	959,721	(224,557)	-	(113,999)	1,378,103	11,528	1,389,631
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax										
Fixed assets	-	-	-	-	(19,672)	-	19,672	-	-	-
Non-banking assets acquired in satisfaction of claims	-	-	-	-	-	(26)	26	-	-	-
Buy-back of shares by subsidiary from NCI	-	-	-	-	-	-	16,114	16,114	(263,722)	(247,608)
Gain arisen on buy back shares	-	-	-	-	-	-	-	-	1,232	1,232
Bargain Purchase Gain at the time of acquisition	-	-	-	-	-	-	48,674	48,674	828	49,502
Balance as at June 30, 2021 - un-audited	10,119,242	1,990,178	107,539	2,550,616	1,281,389	82,392	7,698,790	23,830,146	278,312	24,108,458

* This represents reserve created under Section 216(a) of the Banking Companies Ordinance, 1962.

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

President and
Chief Executive Officer

Chief Financial Officer

Director

Director

Chairman

Condensed Interim Consolidated Cash Flow Statement (Un-audited)

For the Half Year Ended June 30, 2021

	June 30, 2021	June 30, 2020
	----- Rupees in '000 -----	
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	1,231,207	1,513,703
Less: Dividend income	(174,712)	(85,017)
(Less) / add : Share of (profit) / loss from associates	(13,905)	15,798
	<u>1,042,590</u>	<u>1,444,484</u>
Adjustments:		
Depreciation	416,613	382,118
Depreciation on non-banking assets	28 3,455	4,539
Depreciation - right of use assets	28 461,816	541,982
Amortisation of intangible assets	28 65,838	56,940
Charge for defined benefit plan	111,551	107,560
Unrealised loss on revaluation of investments classified as held-for-trading - net	26 77,906	1,210
Unrealised gain on revaluation of forward foreign exchange contracts	(115,264)	(263,878)
Unrealised gain on revaluation of derivative instruments - net	(12,422)	(25,736)
Provisions and write offs - net	31 800,790	420,184
Provision for workers' welfare fund	29 25,978	13,720
Mark-up / return / interest expense on lease liability against right-of-use assets	24 206,571	259,046
Gain on sale of fixed assets - net	27 (4,256)	(9,612)
Loss on termination of leases	27 2,829	-
	<u>2,041,405</u>	<u>1,488,073</u>
	<u>3,083,995</u>	<u>2,932,557</u>
Decrease / (increase) in operating assets		
Lendings to financial institutions	17,131,536	20,344,115
Held-for-trading securities	7,725,570	48,213,880
Advances	3,417,444	1,191,015
Other assets (excluding advance taxation)	(1,147,352)	(882,492)
	<u>27,127,198</u>	<u>68,866,518</u>
Increase / (decrease) in operating liabilities		
Bills payable	1,269,413	454,579
Borrowings	3,411,708	(17,875,247)
Deposits and other accounts	15,184,921	35,896,091
Other liabilities	(721,596)	1,784,305
	<u>19,144,446</u>	<u>20,259,728</u>
	<u>49,355,639</u>	<u>92,058,803</u>
Gratuity paid	(3,062)	(151,881)
Income tax paid	(742,030)	(65,412)
Net cash generated from operating activities	<u>48,610,547</u>	<u>91,841,510</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Net investment in available-for-sale securities	(36,295,167)	(79,230,297)
Net investment in held-to-maturity securities	(5,360,983)	(3,421,906)
Investment in associated companies	-	(40,828)
Dividend received	175,815	83,524
Investments in fixed assets	(898,302)	(637,939)
Investments in intangible assets	(142,453)	(133,016)
Proceeds from sale of fixed assets	18,555	20,769
Effect of translation of net investment in foreign branch	(7,451)	37,432
Net cash flows used in investing activities	<u>(42,509,986)</u>	<u>(83,322,261)</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Payment of lease liability against right of use assets	(559,522)	(674,868)
Subordinated debt	(1,000)	-
Shares bought back from non-controlling interest	(246,376)	-
Net cash used in financing activities	<u>(806,898)</u>	<u>(674,868)</u>
Increase in cash and cash equivalents	<u>5,293,663</u>	<u>7,844,381</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	<u>36,700,209</u>	<u>33,273,932</u>

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

President and
Chief Executive Officer

Chief Financial Officer

Director

Director

Chairman

Notes to the Condensed Interim Consolidated Financial Statements

For the Half Year Ended June 30, 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 (SECP) vide its letter No. SC/NBFC(J)-R/JSIBL/2006/517 dated September 28, 2006. Subsequently, the Scheme was sanctioned by the SBP vide its order dated December 02, 2006 and, in accordance therewith, the effective date of amalgamation was fixed at December 30, 2006.

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

Notes to the Condensed Interim Consolidated Financial Statements

For the Half Year Ended June 30, 2021

1.1.3 Composition of the Group

Subsidiary	Note	Ownership interest and voting power held by			
		June 30, 2021		December 31, 2020	
		The Group	NCI	The Group	NCI
JS Global Capital Limited	1.1.3.1	92.90%	7.10%	83.53%	16.47%
JS Investment Limited		84.56%	15.44%	84.56%	15.44%
JS ABAMCO Commodities Limited	1.1.3.2	-	-	84.56%	15.44%

1.1.3.1 During the period, the Bank's ownership interest in JSGCL has increased by 9.37%, without any change in the cost of investment, due to the fact that JSGCL has bought back its 3,079,703 ordinary shares out of its 30,557,000 ordinary shares. Resultantly, JSGCL is principally owned by the Bank, holding 92.90% of its equity interest.

1.1.3.2 JS ABAMCO Commodities Limited (JSACL) did 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(2) of the Companies Act, 2017, submitted with Companies Registration Office, along with Form-35, which is approved dated June 24, 2021. Therefore, with effect from March 31, 2021, JSACL was merged with JS Investments Limited and is no more an indirect subsidiary of the Holding Company.

1.1.4 Composition of the Associated Companies

Associates	Ownership interest and voting power held by Bank	
	June 30, 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 condensed interim consolidated financial statements include financial statements of JS Bank Limited and its subsidiary companies, (the "Group") and share of the profit / reserves of associates.

Notes to the Condensed Interim Consolidated Financial Statements

For the Half Year Ended June 30, 2021

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

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.

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

Notes to the Condensed Interim Consolidated Financial Statements

For the Half Year Ended June 30, 2021

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, in case of Holding Company, State Bank of Pakistan (SBP) has extended the effective date of applicability of IFRS 9 on or after January 01, 2022 through its BPRD Circular No. 24 dated July 05, 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 impact of IFRS 9 for its domestic operations in these condensed interim consolidated financial statements. The Holding Company has continued to fulfil the requirements of Prudential Regulations and other SBP directives currently provide the accounting framework for the measurement and valuation of assets and provision/ impairment against non-performing assets.

2.3 BASIS OF CONSOLIDATION

2.3.1 The Group

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

2.3.2 Associate

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

Notes to the Condensed Interim Consolidated Financial Statements

For the Half Year Ended June 30, 2021

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 of and amendments that are mandatory for the Bank's accounting periods beginning on or after January 01, 2021 but are considered not to be relevant or do not have any significant effect on the Bank's operations.

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

As per State Bank of Pakistan (SBP)' BPRD circular letter no. 24 of 2021, IFRS 9 'Financial Instruments' is applicable to banks effective January 01, 2022. please refer note 2.1 above.

There are various other standards, interpretations and amendments to accounting and reporting standards as applicable in Pakistan that are not effective in the current period. These are not likely to have material effect on the Bank's financial statements.

3 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

4 SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies and methods of computation adopted in the preparation of these condensed interim consolidated financial statements are consistent with those applied in the preparation of the 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 Group 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 Half Year Ended June 30, 2021

	(Unaudited) June 30, 2021	(Audited) December 31, 2020
	Note	----- Rupees in '000 -----
6. CASH AND BALANCES WITH TREASURY BANKS		
In hand:		
Local currency	9,127,365	6,337,389
Foreign currencies	779,981	1,301,503
	<u>9,907,346</u>	<u>7,638,892</u>
With State Bank of Pakistan in:		
Local currency current account	18,877,983	16,268,165
Foreign currency current account - non remunerative	976,771	1,086,874
Foreign currency deposit account - remunerative	2,052,700	2,261,337
	21,907,454	19,616,376
With National Bank of Pakistan in:		
Local currency current accounts	2,889,970	2,609,635
National Prize Bonds	1,501,987	556,628
	<u>36,206,757</u>	<u>30,421,531</u>
7. BALANCES WITH OTHER BANKS		
In Pakistan		
In current accounts	292,002	123,526
In deposit accounts	45,245	24,390
	<u>337,247</u>	<u>147,916</u>
Outside Pakistan		
In current accounts	644,674	980,669
	<u>981,921</u>	<u>1,128,585</u>
Less: General provision under IFRS 9	7.1 (541)	(450)
	<u>981,380</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	2,048,068	2,237,682
Repurchase agreement lendings (Reverse Repo)	4,061,292	21,003,215
	<u>6,109,360</u>	<u>23,240,897</u>
Less: General provision under IFRS 9	8.2 (7,522)	(1,225)
Lending to Financial Institutions - net of provision	<u>6,101,838</u>	<u>23,239,672</u>
8.1 Particulars of lendings - gross		
In local currency	4,061,292	21,003,215
In foreign currencies	2,048,068	2,237,682
	<u>6,109,360</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 Half Year Ended June 30, 2021

	(Un-audited) June 30, 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	Note ----- Rupees in '000 -----							
9.1 Investments by type								
Held-for-trading securities								
Federal Government Securities	17,514,048	-	364	17,514,412	25,002,969	-	805	25,003,774
Shares	31,431	-	768	32,199	194,428	-	12,981	207,409
Open end mutual funds	251,915	-	(80,182)	171,733	310,221	-	416	310,637
	17,797,394	-	(79,050)	17,718,344	25,507,618	-	14,202	25,521,820
Available-for-sale securities								
Federal Government Securities	163,147,855	-	21,691	163,169,546	127,308,516	-	97,527	127,406,043
Shares	2,184,170	(136,589)	3,610,232	5,657,813	3,018,184	(411,955)	1,701,753	4,307,982
Non Government Debt Securities	3,347,251	(693,636)	566	2,654,181	3,579,276	(696,507)	(420)	2,882,351
Open end mutual funds	1,481,221	-	339,142	1,820,363	826,188	-	390,100	1,216,288
Foreign Securities	4,945,956	-	64,346	4,917,337	4,079,070	(122,758)	136,466	4,032,778
	175,106,403	(923,140)	4,035,977	178,219,240	138,811,236	(1,231,220)	2,325,426	139,905,442
Held-to-maturity securities								
Federal Government Securities	41,470,582	-	-	41,470,582	36,109,599	-	-	36,109,599
Associates	284,698	-	-	284,698	270,793	-	-	270,793
Total Investments	234,659,077	(923,140)	3,956,927	237,692,864	200,699,246	(1,231,220)	2,339,628	201,807,654
9.2 Investments by segments:	----- Rupees in '000 -----							
Held-for-trading securities								
Federal Government Securities:								
Market Treasury Bills	5,856,872	-	86	5,856,958	25,002,969	-	805	25,003,774
Pakistan Investment Bonds	11,657,176	-	278	11,657,454	-	-	-	-
	17,514,048	-	364	17,514,412	25,002,969	-	805	25,003,774
Shares:								
Listed Companies								
Ordinary shares	31,431	-	768	32,199	194,428	-	12,981	207,409
Open End Mutual Funds	251,915	-	(80,182)	171,733	310,221	-	416	310,637
	17,797,394	-	(79,050)	17,718,344	25,507,618	-	14,202	25,521,820
Federal Government Securities:								
Market Treasury Bills	115,005,276	-	5,648	115,010,924	90,027,949	-	20,041	90,047,990
Pakistan Investment Bonds	47,197,148	-	16,039	47,213,187	37,280,567	-	77,486	37,358,053
GoP Ijara Sukuk	945,431	-	4	945,435	-	-	-	-
	163,147,855	-	21,691	163,169,546	127,308,516	-	97,527	127,406,043
Shares:								
Listed Companies								
Ordinary shares	2,036,581	-	3,610,232	5,646,813	2,870,595	(275,366)	1,701,753	4,296,982
Preference shares	136,589	(136,589)	-	-	136,589	(136,589)	-	-
Unlisted Companies								
Ordinary shares	11,000	-	11,000	11,000	11,000	-	-	11,000
	2,184,170	(136,589)	3,610,232	5,657,813	3,018,184	(411,955)	1,701,753	4,307,982
Non Government Debt Securities								
Listed								
Term Finance Certificates	442,048	(155,169)	419	287,298	442,682	(155,169)	(147)	287,366
Sukuk Certificates	329,750	-	147	329,897	402,955	-	(273)	402,682
Unlisted								
Term Finance Certificates	1,211,017	(538,467)	-	672,550	1,340,804	(541,338)	-	799,466
Sukuk Certificates-unlisted	1,336,703	-	-	1,336,703	1,365,104	-	-	1,365,104
Preference shares	27,793	-	-	27,793	27,793	-	-	27,793
	3,347,251	(693,636)	566	2,654,181	3,579,276	(696,507)	(420)	2,882,351
Open End Mutual Funds	1,481,221	-	339,142	1,820,363	826,188	-	390,100	1,216,288
Foreign Securities								
Government Debt Securities *	3,379,718	(77,859)	41,020	3,342,880	3,633,601	(120,619)	130,420	3,643,402
Non Government Debt Securities *	1,535,038	(15,057)	21,841	1,541,822	379,654	(2,139)	(3,628)	373,887
Ordinary shares	31,150	-	1,485	32,635	65,815	-	9,674	75,489
	4,945,906	(92,915)	64,346	4,917,337	4,079,070	(122,758)	136,466	4,032,778
	175,106,403	(923,140)	4,035,977	178,219,240	138,811,236	(1,231,220)	2,325,426	139,905,442
Held-to-maturity securities								
Federal Government Securities:								
Pakistan Investment Bonds	41,470,582	-	-	41,470,582	36,109,599	-	-	36,109,599
Associates								
Omar Jilran Engineering Industries Limited	227,749	-	-	227,749	215,793	-	-	215,793
Veda Transit Solutions (Private) Limited	56,949	-	-	56,949	54,302	-	-	54,302
Intercity Touting Company (Private) Limited	284,698	-	-	284,698	270,793	-	-	270,793
Total Investments	234,659,077	(923,140)	3,956,927	237,692,864	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 Half Year Ended June 30, 2021

- 9.2.1 This represents the investments in related parties of the Group.
- 9.2.2 Included herein are the investments in related parties amounting to Rs. 2,013.520 million (December 31, 2020: Rs. 2,655.879 million) having market value of Rs. 5,597.665 million (December 31, 2020: Rs. 4,135.436 million).
- 9.2.3 Included herein are the investments in related parties amounting to Rs. 11.866 million (December 31, 2020: Rs. 12.5 million) having market value of Rs. 11.922 million (December 31, 2020: Rs. 12.366 million).
- 9.2.4 Included herein is the investment of Rs. 388.607 million (December 31, 2020: Rs. 391.478 million) in a related party at the rate of 6 months KIBOR + 1.75% to 11% having maturity dates of December 04, 2017 to October 19, 2020. Due to weak financial position of the investee, the Group has recognised full impairment loss on these Term Finance Certificates.
- 9.2.5 This represents investment in an associated company amounting to Rs. 27.733 million (December 31, 2020: Rs. 27.733 million).
- 9.2.6 This represents the investments in related parties amounting to Rs. 1,108.136 million (December 31, 2020: Rs. 1,136.409 million) having market value of 1,366.838 million (December 31, 2020: Rs. 1,526.925 million).
- 9.2.7 The market value of securities classified as held-to-maturity as at amounted to Rs. 41,038.646 million (December 31, 2020: Rs. 35,862.699 million).

	(Un-audited) June 30, 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	13,353,280	13,355,054	4,902,054	4,902,811
Pakistan Investment Bonds	-	-	-	-
	13,353,280	13,355,054	4,902,054	4,902,811
Foreign Securities				
Government Debt Securities	1,620,972	1,621,342	-	-
Non Government Debt Securities	170,581	171,801	-	-
	1,791,553	1,793,143	-	-
	15,144,833	15,148,197	9,766,518	9,767,491
			(Un-audited) June 30, 2021	(Audited) December 31, 2020
			Note	----- Rupees in '000 -----
9.4 Provision for diminution in value of investments				
9.4.1 Opening balance			1,231,220	859,119
Charge during the period / year			-	276,202
Reversal during the period / year			(278,237)	(26,859)
			31	249,343
Impairment under IFRS 9 in Bahrain branch				
(Reversal) / charge during the period / year			(27,882)	122,758
Exchange Gain			(1,961)	-
			(29,843)	122,758
Closing Balance			923,140	1,231,220

Notes to the Condensed Interim Consolidated Financial Statements

For the Half Year Ended June 30, 2021

9.4.2 Particulars of provision against debt securities

Category of classification	(Un-audited) June 30, 2021		(Audited) December 31, 2020	
	NPI	Provision	NPI	Provision
----- Rupees in '000 -----				
Domestic				
Other assets especially mentioned	-	-	-	-
Substandard	-	-	-	-
Doubtful	-	-	-	-
Loss	-	-	-	-
	693,636	696,507	696,507	696,507
	693,636	696,507	696,507	696,507

	Note	Performing		Non Performing		Total	
		(Un-audited) June 30, 2021	(Audited) December 31, 2020	(Un-audited) June 30, 2021	(Audited) December 31, 2020	(Un-audited) June 30, 2021	(Audited) December 31, 2020
----- Rupees in '000 -----							
10. ADVANCES							
Loans, cash credits, running finances, etc.		224,617,879	231,322,752	14,029,478	11,733,555	238,647,357	243,056,307
Bills discounted and purchased		12,593,810	11,602,390	-	-	12,593,810	11,602,390
Advances - gross		237,211,689	242,925,142	14,029,478	11,733,555	251,241,167	254,658,697
Provision against advances							
General		(360,054)	-	-	-	(360,054)	-
General provision - under IFRS-9	10.3.3	(25,548)	(21,327)	-	-	(25,548)	(21,327)
Specific		-	-	(4,934,885)	(4,181,836)	(4,934,885)	(4,181,836)
	10.3	(385,602)	(21,327)	(4,934,885)	(4,181,836)	(5,320,487)	(4,203,163)
Advances - net of provision		236,826,087	242,903,815	9,094,593	7,551,719	245,920,680	250,455,534

10.1 Particulars of advances (gross)

In local currency	242,787,340	245,261,990
In foreign currencies	8,453,827	9,396,707
	251,241,167	254,658,697

10.2 Advances include Rs. 14,029.478 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) June 30, 2021		(Audited) December 31, 2020	
	Non Performing Loans	Provision	Non Performing Loans	Provision
----- Rupees in '000 -----				
Domestic				
Other Assets Especially Mentioned	833,377	340	296,799	394
Substandard	2,005,260	212,224	1,177,804	156,095
Doubtful	2,861,016	744,328	3,264,335	724,426
Loss	8,329,825	3,977,993	6,994,617	3,300,921
Total	14,029,478	4,934,885	11,733,555	4,181,836

Notes to the Condensed Interim Consolidated Financial Statements

For the Half Year Ended June 30, 2021

10.3 Particulars of provision against non-performing advances

	(Un-audited) June 30, 2021				(Audited) December 31, 2020			
	General provision - under IFRS-9		Total	Specific	General provision - under IFRS-9		Total	
	Specific	General			Specific	General		
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	-	-	(272)	(272)	-	-	71	71
Charge for the period/ year	845,134	360,054	4,493	1,209,681	1,087,212	-	13,736	1,100,948
Reversals for the period / year	(91,998)	-	-	(91,998)	(245,317)	(161,166)	-	(406,483)
10.3.1	753,136	360,054	4,493	1,117,683	841,895	(161,166)	13,736	694,465
Amount written off from the opening balance	(87)	-	-	(87)	-	-	-	-
Closing Balance	4,934,885	360,054	25,548	5,320,487	4,181,836	-	21,327	4,203,163

10.3.1 This includes reversal of provision of Nil (December 31, 2020: Rs. 8.604 million) against reduction of non-performing loans of Rs. 212.090 million (December 31, 2020: Rs. 90.180 million) of certain borrowers under 'Debt Property Swap' transactions, as disclosed in note 13.1.

10.3.2 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.

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

10.3.4 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 June 30, 2021, the Holding Company has availed cumulative FSV benefit under the directives of the SBP, resultantly the specific provision held against advances is decreased by Rs. 5,377.881 million (December 31, 2020: Rs. 4,763.931 million).

Had the benefit not been taken the unappropriated profit after tax would have reduced by Rs. 3,2480.508 million (December 31, 2020: Rs. 2,905,998 million). Further, as required by the SBP directives, this unappropriated profit will not be available for distribution as dividend or any other appropriations.

10.3.5 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 June 30, 2021 relating to facilities of customers have not been classified as non-performing on account of such relaxation.

10.3.6 Subsequent to period end, on August 02, 2021, JS Bank audit team has uncovered a fraud relating to gold financing amounting to Rs. 741.73 million, however, Rs. 567.03 million balance pertains to June 30, 2021. Consequently, recovery proceedings have been initiated and the Holding Company has recorded a provision of Rs. 253.59 million in these financial statements net of expected insurance recoveries.

Notes to the Condensed Interim Consolidated Financial Statements

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	Note	(Un-audited) June 30, 2021 ---- Rupees in '000 ----	(Audited) December 31, 2020 ---- Rupees in '000 ----
11. FIXED ASSETS			
Capital work-in-progress	11.1	724,728	298,971
Property and equipment	11.2 & 11.3	6,162,892	6,099,025
Right-of-use assets		2,978,810	2,628,768
		<u>9,866,430</u>	<u>9,026,764</u>

11.1 Capital work-in-progress

Civil works	320,000	232,789
Advance for purchase of furniture and fixtures	15,178	1,013
Advance for purchase of vehicles	389,550	61,794
Advance for purchase of equipment and software	-	3,375
	<u>724,728</u>	<u>298,971</u>

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

	(Un-audited)					
	Additions		Disposal		Write back / (offs)	
	June 30, 2021	June 30, 2020	June 30, 2021	June 30, 2020	June 30, 2021	June 30, 2020
	----- Rupees in '000 -----					
Capital work-in-progress - net	599,751	4,117	-	-	-	-
Property and equipment						
Building on leasehold land	74,219	-	-	-	-	-
Leasehold improvements	80,194	83,397	1,991	-	-	43,754
Furniture and fixture	18,216	25,229	1,312	29	(2,390)	5,144
Electrical, office and computer equipment	284,559	141,280	5,310	2,063	(20,589)	9,610
Vehicles	13,773	-	5,686	9,065	(1,941)	-
	470,961	249,906	14,299	11,157	(24,920)	58,508
Right-of-use assets						
Additional impact or adjustments arisen during the period	814,996	155,085	-	-	-	-
	<u>1,885,708</u>	<u>409,108</u>	<u>14,299</u>	<u>11,157</u>	<u>(24,920)</u>	<u>58,508</u>

11.2.1 This includes transfer from capital work in progress during the period of Rs. 204.497 million.

	Note	(Un-audited) June 30, 2021 ---- Rupees in '000 ----	(Audited) December 31, 2020 ---- Rupees in '000 ----
11.3 Non-current assets held for sale			
Leasehold land	11.3.1	<u>739,200</u>	<u>739,200</u>

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

Notes to the Condensed Interim Consolidated Financial Statements

For the Half Year Ended June 30, 2021

- 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) June 30, 2021	(Audited) December 31, 2020
	Note	---- Rupees in '000 ----	
12. INTANGIBLE ASSETS			
Capital work-in-progress	12.1	213,935	223,901
Computer software	12.2	911,957	828,024
Goodwill		<u>1,463,624</u>	<u>1,463,624</u>
		<u>2,589,516</u>	<u>2,515,549</u>
12.1 Capital work-in-progress			
Advance for purchase of software	12.1.2	<u>213,935</u>	<u>223,901</u>

12.1.1 This includes transfer from capital work in progress during the period of Rs. 143.130 million.

12.1.2 During the period, advance against purchase software was written off amounting Rs. 4.964 million as disclosed in note 31.

		----- (Un-audited) ----- June 30, 2021	June 30, 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		109,147	21,851
Computer software		<u>148,513</u>	<u>120,350</u>
		<u>257,660</u>	<u>142,201</u>

Notes to the Condensed Interim Consolidated Financial Statements

For the Half Year Ended June 30, 2021

	(Un-audited) June 30, 2021	(Audited) December 31, 2020
Note	---- Rupees in '000 ----	
13. OTHER ASSETS		
Income / mark-up accrued in local currency	7,936,176	6,885,407
Income / mark-up accrued in foreign currencies	98,488	93,950
Trade receivable from brokerage and advisory business - net	1,206,400	1,515,019
Advances, deposits, advance rent and other prepayments	1,449,684	1,082,525
Acceptances	4,350,436	3,603,192
Dividend receivable	-	1,103
Taxation (payments less provision)	572,876	292,053
Net defined benefit plan	209,092	317,581
Balances due from funds under management	107,629	109,501
Receivable against bancassurance / bancatakaful	62,947	30,660
Stationery and stamps in hand	15,000	22,730
Receivable in respect of home remittance	37,384	30,656
Due from State Bank of Pakistan	124,086	245,310
Rebates receivable from SBP and others	116,928	305,331
Non-banking assets acquired in satisfaction of claims	13.1 1,408,362	1,176,143
Mark to market gain on derivative instruments	70,927	175,454
Mark to market gain on forward foreign exchange contracts	287,057	334,735
Advance for subscription of investments securities	105,488	1,645
Credit card settlement	244,727	140,899
Insurance	6,869	7,636
Others	296,510	667,037
	<u>18,707,066</u>	<u>17,038,567</u>
Less: Provision held against other assets	<u>(430,569)</u>	<u>(430,569)</u>
Other assets (net of provisions)	<u>18,276,497</u>	<u>16,607,998</u>
Surplus on revaluation of non-banking assets acquired in satisfaction of claims	<u>135,065</u>	<u>135,109</u>
	<u><u>18,411,562</u></u>	<u><u>16,743,107</u></u>

- 13.1 During the period, the Holding Company has acquired properties of Rs. 235.630 million (December 31, 2020: Rs. 90.178 million) against debt swap transactions with borrowers resulting in reversal of provision of Rs. Nil (December 31, 2020: Rs. 8.604 million) (refer note 10.3.1).

	(Un-audited) June 30, 2021	(Audited) December 31, 2020
	---- Rupees in '000 ----	
14. BILLS PAYABLE		
In Pakistan	6,025,728	4,752,985
Outside Pakistan	225,668	228,998
	<u>6,251,396</u>	<u>4,981,983</u>

Notes to the Condensed Interim Consolidated Financial Statements

For the Half Year Ended June 30, 2021

	(Un-audited) June 30, 2021 ---- Rupees in '000 ----	(Audited) December 31, 2020
15. BORROWINGS		
Secured		
Borrowings from State Bank of Pakistan under:		
Export refinancing scheme (ERF)	20,620,499	21,496,075
Long-Term Finance Facility (LTFF)	2,484,678	1,985,038
Financing Facility for Storage of Agricultural produce (FFSAP)	274,356	193,029
Financing Facility for Renewable Energy Projects	637,834	433,085
Refinance and credit guarantee scheme for women entrepreneurs	52,337	32,900
Refinance for Wages & Salaries	8,586,971	11,543,118
Refinance facility for modernization of Small and Medium Enterprises (SMEs)	2,570	96,192
Refinance facility for combating COVID-19	211,408	229,984
Refinance facility for working capital of SMEs	22,301	33,901
Temporary economic refinance facility	605,311	51,871
Small and Medium Enterprises' Financing	9,360	-
	<u>33,507,625</u>	<u>36,095,193</u>
Repurchase agreement borrowings	9,905,560	-
	<u>43,413,185</u>	<u>36,095,193</u>
Borrowing from financial institutions		
Repurchase agreement borrowings	4,884,469	9,667,181
Refinancing facility for mortgage loans	2,958,809	2,397,468
	<u>7,843,278</u>	<u>12,064,649</u>
Total secured	<u>51,256,463</u>	<u>48,159,842</u>
Unsecured		
Overdrawn nostro accounts	488,469	143,570
Due against bills re-discounting	315,087	-
Total unsecured	<u>803,556</u>	<u>143,570</u>
	<u><u>52,060,019</u></u>	<u><u>48,303,412</u></u>
15.1 Particulars of borrowings		
In local currency	49,808,257	48,159,842
In foreign currencies	2,251,762	143,570
	<u><u>52,060,019</u></u>	<u><u>48,303,412</u></u>

Notes to the Condensed Interim Consolidated Financial Statements

For the Half Year Ended June 30, 2021

16. DEPOSITS AND OTHER ACCOUNTS

	(Un-audited) June 30, 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	110,842,403	7,800,523	118,642,926	90,714,627	9,668,068	100,382,695
Savings deposits	92,467,433	3,489,449	95,956,882	98,103,956	3,944,797	102,048,753
Term deposits	185,124,167	13,370,379	198,494,546	186,691,026	15,203,881	201,894,907
Margin deposits	8,646,681	48	8,646,729	5,920,595	163	5,920,758
	397,080,684	24,660,399	421,741,083	381,430,204	28,816,909	410,247,113
Financial Institutions						
Current deposits	2,592,278	269,213	2,861,491	1,281,453	435,683	1,717,136
Savings deposits	12,140,069	52	12,140,121	11,192,800	-	11,192,800
Term deposits	9,866,048	-	9,866,048	8,266,773	-	8,266,773
	24,598,395	269,265	24,867,660	20,741,026	435,683	21,176,709
	421,679,079	24,929,664	446,608,743	402,171,230	29,252,592	431,423,822

		(Un-audited) June 30, 2021	(Audited) December 31, 2020
17. SUBORDINATED DEBT	Note	----- Rupees in '000 -----	
Term Finance Certificates - First Issue	17.1	2,994,600	2,995,200
Term Finance Certificates - Second Issue	17.2	1,997,200	1,997,600
Term Finance Certificates - Third Issue	17.3	2,500,000	2,500,000
		7,491,800	7,492,800

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

Purpose:	To contribute towards 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 Half Year Ended June 30, 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 towards the Bank's Tier II Capital for complying with the capital adequacy requirement and to utilize the funds in the Bank's business operations as permitted by its Memorandum & Articles of Association.
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Notes to the Condensed Interim Consolidated Financial Statements

For the Half Year Ended June 30, 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 Half Year Ended June 30, 2021

Purpose:	To contribute towards the Bank's Tier I Capital for complying with the capital adequacy requirement and to utilize the funds in the Bank's business operations as permitted by its Memorandum & Articles of Association.
Issue date:	December 31, 2018
Maturity Date:	Perpetual
Rating:	A (Single A)
Profit Rate:	Floating rate of return at Base rate + 2.25 percent per annum; Base rate is defined as the average six months KIBOR prevailing on the Base Rate setting date. The Base Rate will be set for the first time on the last working day prior to the Issue Date and subsequently on the immediately preceding business day before the start of each six monthly period
Profit payment 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 Half Year Ended June 30, 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 Half Year Ended June 30, 2021

	(Un-audited) June 30, 2021	(Audited) December 31, 2020
---- Rupees in '000 ----		
18. DEFERRED TAX LIABILITIES		
Deductible Temporary Differences on:		
Provision against investments	(63,680)	(57,149)
Provision against loans and advances	(350,915)	(287,840)
Other assets	(118,693)	(119,330)
General provision under IFRS-9	(39,381)	(43,552)
Intangible other than Goodwill	(2,552)	(2,904)
Unrealised gain on revaluation of investments classified as held for trading	(8,892)	4,032
Provision for workers' welfare fund	-	(179)
	<u>(584,113)</u>	<u>(506,922)</u>
Taxable Temporary Differences on:		
Operating fixed assets	177,114	188,533
Goodwill	570,813	512,268
Surplus on revaluation of operating fixed assets	459,913	240,391
Surplus on revaluation of non-banking assets acquired in satisfaction of claims	52,673	4,029
Unrealised gain / (loss) on revaluation of derivative financial instruments	5,148	5,302
Liability against assets subject to finance lease - net	8,507	(11,381)
Mark to market gain / (loss) on forward foreign exchange contracts	44,953	(22,893)
Government Grant	910	1,888
Surplus on revaluation of investments classified as available for sale	1,431,143	672,375
	<u>2,751,174</u>	<u>1,590,512</u>
	<u>2,167,061</u>	<u>1,083,590</u>
19. OTHER LIABILITIES		
Mark-up / return / interest payable in local currency	2,751,860	3,132,699
Mark-up / return / interest payable in foreign currencies	35,831	52,729
Unearned commission income on guarantees	184,422	176,270
Accrued expenses	496,064	809,789
Acceptances	4,350,436	3,603,192
Trade payable from brokerage business	1,868,198	2,353,304
Unclaimed dividends	7,576	7,576
Mark to market loss on derivative instruments	58,505	172,635
Mark to market loss on forward foreign exchange contracts	171,793	400,144
Dividend payable	4,985	5,183
Gratuity Payable to contractual staff	3,062	-
Withholding taxes payable	321,331	599,853
Government challan collection	54,529	94,510
Donation payable	19,763	-
Security deposits against leases, lockers and others	3,273,378	3,490,704
Provision for Workers' Welfare Fund	186,143	160,165
Payable in respect of home remittance	714,913	831,042
Retention money payable	42,466	42,044
Lease liability against right-of-use assets	3,352,961	2,891,226
Insurance payable	23,668	10,137
Payable to vendors against SBS goods	152,779	93,634
Debit card settlement	112,640	65,855
Inter bank fund transfer	446,858	159,136
Clearing and settlement accounts	499,435	290,794
Others	689,154	433,217
	<u>19,822,750</u>	<u>19,875,838</u>

Notes to the Condensed Interim Consolidated Financial Statements

For the Half Year Ended June 30, 2021

		(Un-audited) June 30, 2021	(Audited) December 31, 2020
	Note	----- Rupees in '000 -----	
21.2	Commitments:		
	Documentary credits and short-term trade-trade-related transactions		
	- letters of credit	21.2.1 23,436,889	21,111,360
	Commitments in respect of:		
	- Forward foreign exchange contracts	21.2.2 38,132,775	38,178,262
	- Derivative instruments	21.2.3 6,126,291	5,564,000
	- Forward lending	21.2.4 627,990	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 41,301	57,411
	Commitments for acquisition of:		
	- Operating fixed assets	21.2.7 516,007	257,875
		<u>69,281,253</u>	<u>65,953,138</u>

21.2.1 Included herein are the outstanding letter of credits of Rs. 332.220 million (December 31, 2020: Rs. 86.543 million) of related parties.

		(Un-audited) June 30, 2021	(Audited) December 31, 2020
		----- Rupees in '000 -----	
21.2.2	Commitments in respect of forward foreign exchange contracts		
	Purchase	23,247,624	23,137,733
	Sale	14,885,151	15,040,529
		<u>38,132,775</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) June 30, 2021	(Audited) December 31, 2020
		----- Rupees in '000 -----	
21.2.3	Commitments in respect of derivative instruments		
	Purchase	1,200,500	1,760,637
	Sale	4,925,791	3,803,363
		<u>6,126,291</u>	<u>5,564,000</u>
21.2.3.1	Interest rate swaps (notional principal)		
	Purchase	659,197	1,176,824
	Sale	659,197	1,176,824
		<u>1,318,394</u>	<u>2,353,648</u>

Notes to the Condensed Interim Consolidated Financial Statements

For the Half Year Ended June 30, 2021

		(Un-audited) June 30, 2021	(Audited) December 31, 2020
	Note	----- Rupees in '000 -----	
21.2.3.2 Options (notional principal)			
Purchase		541,303	582,419
Sale		<u>4,241,990</u>	<u>2,425,487</u>
		<u>4,783,293</u>	<u>3,007,906</u>
21.2.3.3 Commitments in respect of forward securities			
Purchase		-	1,394
Sale		<u>24,604</u>	<u>201,052</u>
		<u>24,604</u>	<u>202,446</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>627,990</u>	<u>384,230</u>
21.2.4.1 This represents 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) June 30, 2021	(Audited) December 31, 2020
	Note	----- 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>41,301</u>	<u>57,411</u>
21.2.7 Commitments for acquisition of Operating fixed assets	21.2.7.1	<u>516,007</u>	<u>257,875</u>
21.2.7.1 This represents commitments related to purchase of leasehold improvements, furniture and fixtures, hardware & network equipments and electrical equipments.			
21.2.8 There are no changes in contingent liabilities since the date of annual consolidated audited financial statements for the year ended December 31, 2020 except those as disclosed in note 32.1.			

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 Half Year Ended June 30, 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 consolidated 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) June 30, 2021					
		Interest Rate Swaps		Options accumulators		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	1,318,394	3,624	-	-	24,604	(777)
	Market making	-	-	4,783,293	9,575	-	-
	With FIs other than banks						
	Hedging	-	-	-	-	-	-
	Market making	-	-	-	-	-	-
	Total						
	Hedging	1,318,394	3,624	-	-	24,604	(777)
	Market making	-	-	4,783,293	9,575	-	-
		(Audited) December 31, 2020					
		Interest Rate Swaps		Options accumulators		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	-	-	201,052	(12,329)
	Market making	-	-	3,007,906	10,205	-	-
	With FIs other than banks						
	Hedging	-	-	-	-	1,394	-
	Market making	-	-	-	-	-	-
	Total						
	Hedging	2,353,648	4,943	-	-	202,446	(12,329)
	Market making	-	-	3,007,906	10,205	-	-

Notes to the Condensed Interim Consolidated Financial Statements

For the Half Year Ended June 30, 2021

		(Un-audited)	
		June 30, 2021	June 30, 2020
		----- Rupees in '000 -----	
23.	MARK-UP / RETURN / INTEREST EARNED		
	On:		
	Loans and advances	10,093,231	14,961,564
	Investments	8,255,159	8,600,716
	Lendings to financial institutions	31,446	37,393
	Balances with other banks	55,758	6,503
	Securities purchased under resale agreements	459,339	795,147
		<u>18,894,933</u>	<u>24,401,323</u>
24.	MARK-UP / RETURN / INTEREST EXPENSED		
	On:		
	Deposits	10,513,222	17,004,752
	Borrowings	24.1 1,687,673	1,172,551
	Subordinated debt	336,021	555,709
	Cost of foreign currency swaps against foreign currency deposits / borrowings	245,177	182,814
	Lease liability against right-of-use assets	206,571	259,046
		<u>12,988,664</u>	<u>19,174,872</u>
24.1	Borrowings		
	Export refinancing scheme (ERF)	197,984	173,836
	Long-Term Finance Facility (LTFF)	24,155	22,822
	Other Borrowings from State Bank of Pakistan	9,058	4,600
	Securities sold under repurchase agreements	1,258,284	724,263
	Other short term borrowings	198,192	247,030
		<u>1,687,673</u>	<u>1,172,551</u>
25.	FEE AND COMMISSION INCOME		
	Branch banking customer fees	67,112	145,291
	Consumer finance related fees	25,507	12,415
	Card related fees (debit and credit cards)	159,121	278,888
	Credit related fees	187,046	228,656
	Investment banking fees	46,841	53,902
	Commission on trade	391,456	308,965
	Commission on guarantees	211,378	184,581
	Commission on cash management	2,819	2,415
	Commission on remittances including home remittances	141,803	176,555
	Commission on bancassurance	73,070	71,117
	Commission on distribution of mutual funds	1,000	22,489
	Commission on online Services	116,205	141,248
	Postage & Courier income	12,094	11,729
	Rebate income	127,097	112,067
	Rebate on primary dealership	34,638	27,637
	Brokerage income	518,364	213,319
	Management fee	80,205	101,451
		<u>2,195,756</u>	<u>2,092,725</u>

Notes to the Condensed Interim Consolidated Financial Statements

For the Half Year Ended June 30, 2021

		---- (Un-audited) ----	
		June 30,	June 30,
		2021	2020
		---- Rupees in '000 ----	
26. GAIN / (LOSS) ON SECURITIES - NET	Note		
Realised	26.1	115,563	783,807
Unrealised - held for trading		<u>(77,906)</u>	<u>(1,210)</u>
		<u>37,657</u>	<u>782,597</u>
26.1 Realised gain on:			
Federal government securities			
Market treasury bills		4,708	86,455
Pakistan investment bonds		40,510	707,432
Ijara sukuk certificates		<u>603</u>	<u>25</u>
		<u>45,821</u>	<u>793,912</u>
Shares			
Listed companies		(95,605)	(3,577)
Non Government Debt Securities			
Term finance certificates		<u>30,991</u>	6,086
Sukuk certificates		<u>-</u>	<u>450</u>
		<u>30,991</u>	<u>6,536</u>
Mutual fund units		<u>96,545</u>	<u>(12,685)</u>
Foreign currency bonds		<u>37,811</u>	<u>(379)</u>
		<u>115,563</u>	<u>783,807</u>
27. OTHER INCOME			
Gain on sale of fixed assets - net		4,256	9,612
Loss / (gain) on termination of leases - net		(2,829)	19,755
Others		<u>15,548</u>	<u>10,581</u>
		<u>16,975</u>	<u>39,948</u>

Notes to the Condensed Interim Consolidated Financial Statements

For the Half Year Ended June 30, 2021

	June 30, 2021	June 30, 2020
	----- Un-audited ----- ----- Rupees in '000 -----	
28. OPERATING EXPENSES		
Total compensation expense	3,209,315	3,339,172
Property expense		
Rent & taxes	32,007	20,497
Insurance	3,505	2,639
Utilities cost	180,004	171,107
Security (including guards)	132,626	157,212
Repair & maintenance (including janitorial charges)	142,304	98,509
Depreciation	130,360	119,145
Depreciation on right-of-use assets	461,816	541,982
Depreciation on non banking assets	3,455	4,539
	1,086,077	1,115,630
Information technology expenses		
Software maintenance	296,778	130,750
Hardware maintenance	104,006	136,058
Depreciation	122,093	103,411
Amortisation	65,838	56,940
Network charges	83,746	60,385
	672,461	487,544
Other operating expenses		
Directors' fees and allowances	9,975	10,600
Legal & professional charges	65,016	103,147
Insurance	153,596	90,799
Outsourced services costs	82,761	81,978
Travelling & conveyance	62,272	71,353
NIFT clearing charges	24,508	19,902
Depreciation	164,160	159,562
Training & development	19,048	7,802
Postage & courier charges	47,784	53,045
Communication	54,779	63,503
Stationery & printing	121,164	109,252
Marketing, advertisement & publicity	190,208	233,308
Donations	19,763	60,841
Auditors' remuneration	6,219	5,374
Staff auto fuel & maintenance	113,655	98,422
Bank charges	25,140	31,679
Stamp duty	17,260	7,395
Online verification charges	31,571	7,636
Brokerage, fee and commission	28,704	17,024
Card related fees (debit and credit cards)	160,983	8,237
CDC and other charges	18,465	13,420
Consultancy fee	18,750	23,307
Deposit protection premium	126,225	72,910
Entertainment expenses	50,260	36,421
Repair and maintenance	37,310	29,208
Cash handling charges	95,851	60,933
Fee and Subscription	68,176	75,560
Employees social security	2,693	5,340
Generator fuel & maintenance	42,689	35,695
Fee and allowances to Shariah Board	49	32
Royalty	15,000	15,000
Others	24,035	30,422
	1,898,069	1,639,107
	6,865,922	6,581,453
Less: Reimbursement of selling and distribution expenses	(35,599)	(23,577)
	6,830,323	6,557,876

Notes to the Condensed Interim Consolidated Financial Statements

For the Half Year Ended June 30, 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 -----	
		June 30, 2021	June 30, 2020
		----- Rupees in '000 -----	
30.	OTHER CHARGES	Note	
	Penalties imposed by State Bank of Pakistan	<u>202</u>	<u>74,587</u>
31.	PROVISIONS / (REVERSALS) AND WRITE OFFS - NET		
	(Reversals) / provisions for diminution in value of investments	9.4.1 (278,237)	5,443
	Provisions against loans & advances	10.3 753,136	224,207
	Provisions against loans & advances - general	360,054	75,303
	(Reversals) / provisions under IFRS-9 -general	31 (17,022)	52,564
	Fixed assets written (back) / off	11.2 (24,920)	58,508
	Intangible assets written off	12.1.2 4,964	-
	Other assets written off	2,815	4,159
		<u>800,790</u>	<u>420,184</u>
31.1	(Reversals) / provisions under IFRS-9 - general		
	Charge / (reversal) during the period		
	Balances with other banks	97	(13)
	Lendings to financial institutions	6,270	(1,171)
	Investments	9.4.1 (27,882)	37,492
	Advances	10.3 4,493	16,256
		<u>(17,022)</u>	<u>52,564</u>
32.	TAXATION		
	Current	461,207	119,108
	Deferred	51,482	632,378
		<u>512,689</u>	<u>751,486</u>

32.1 The Holding Company, JS Bank Limited

During the period, the Holding Company has received amended assessment order for tax year 2020 creating a demand of Rs. 200 million. The Holding Company has not accepted the amendments and filed appeal before Commissioner Inland Revenue – Appeals (the CIR) against said order. Further, till the decision of the CIR, the Holding Company has also obtained stay orders from Sindh High Court against impugned demand of tax year 2020.

Notes to the Condensed Interim Consolidated Financial Statements

For the Half Year Ended June 30, 2021

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

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

Fair value hierarchy

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

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

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

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

35.1 Valuation techniques used in determination of fair values within level

Item	Valuation approach and input used
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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).

Notes to the Condensed Interim Consolidated Financial Statements

For the Half Year Ended June 30, 2021

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

Financial instruments in level 3

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

Non- financial assets- Level 3

Fixed assets - Land and building	Fixed assets and Non-banking assets under satisfaction of claims are carried at revalued amounts determined by professional valuers based on their assessment of the market values as disclosed in note 11 and 13 in the 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	

Notes to the Condensed Interim Consolidated Financial Statements

For the Half Year Ended June 30, 2021

- 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.

(Un-audited) June 30, 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	-	17,514,412	-
Shares	32,199	-	-
Open end mutual funds	-	171,733	-
	32,199	17,686,145	-
			17,718,344
Available-for-sale securities			
Investments			
Federal Government Securities	-	163,169,546	-
Shares	5,679,448	-	-
Non Government Debt Securities	-	617,195	-
Foreign Securities	-	4,884,702	-
Open end mutual funds	-	1,820,363	-
	5,679,448	170,491,806	-
			176,171,254
Financial assets - disclosed but not measured at fair value			
Investments			
Federal Government Securities	-	41,470,582	-
	5,711,647	229,648,533	-
			235,360,180
Non-Financial assets - measured at fair value			
Revalued fixed assets	-	2,647,597	2,647,597
Non-banking assets acquired in satisfaction of claims	-	1,543,427	1,543,427
	-	4,191,024	4,191,024
Off balance sheet financial instruments			
Commitments in respect of:			
Forward foreign exchange contracts			
Purchase	-	23,399,759	-
Sale	-	14,922,020	-
			23,399,759
			14,922,020
Derivative instruments			
Forward investments securities			
Sale	23,827	-	-
			23,827
Interest rate swaps (notional principal)			
Purchase	-	704,110	-
Sale	-	707,734	-
			704,110
			707,734
Options			
Purchase	-	530,421	-
Sale	-	4,262,447	-
			530,421
			4,262,447

Notes to the Condensed Interim Consolidated Financial Statements

For the Half Year Ended June 30, 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
Shares	207,409	-	-	207,409
Open end mutual funds	-	244,002	-	244,002

-	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	-	127,406,043	-	127,406,043
Shares	4,372,471	-	-	4,372,471
Non Government Debt Securities	-	690,048	-	690,048
Foreign Securities	-	4,017,289	-	4,017,289
Open end mutual funds	-	1,216,288	-	1,216,288

-	127,406,043	-	127,406,043
4,372,471	-	-	4,372,471
-	690,048	-	690,048
-	4,017,289	-	4,017,289
-	1,216,288	-	1,216,288
4,372,471	133,329,668	-	137,702,139

Financial assets - disclosed but not measured at fair value

Investments

Federal Government Securities	-	36,109,599	-	36,109,599
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-	36,109,599	-	36,109,599
4,579,880	194,687,043	-	199,266,923

Non-Financial assets - measured at fair value

Revalued fixed assets

Non-banking assets acquired in satisfaction of claims	-	-	2,610,300	2,610,300
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-	-	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

Sale

-	22,942,707	-	22,942,707
-	14,910,910	-	14,910,910

Derivative instruments

Forward investments securities

Sale

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

Purchase

Sale

-	1,120,607	-	1,120,607
-	1,125,550	-	1,125,550

Options

Purchase

Sale

-	581,042	-	581,042
-	2,437,068	-	2,437,068

Notes to the Condensed Interim Consolidated Financial Statements

For the Half Year Ended June 30, 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
June 30, 2021 (Un-audited)	Rupees in '000							
Profit & Loss								
Net mark-up / return / interest / (expense)	(497,707)	6,947,403	397,731	(913,802)	42,051	(13,212)	(56,195)	5,906,269
Inter segment revenue - net	516,251	(6,880,925)	4,022,163	2,342,511	-	-	-	-
Non mark-up / return / income / (loss)	128,824	544,655	886,074	743,194	570,010	109,565	(91)	2,982,231
Total Income / (loss)	147,368	611,133	5,305,968	2,171,903	612,061	96,353	(56,286)	8,888,500
Segment direct expenses	10,846	76,045	2,840,824	449,198	340,695	171,802	2,967,093	6,856,503
Inter segment expense allocation	20,960	82,585	2,429,337	336,035	-	-	(2,868,917)	-
Total expenses	31,806	158,630	5,270,161	785,233	340,695	171,802	98,176	6,856,503
Provisions / (reversals)	-	-	266,898	381,374	-	3,556	148,962	800,790
Profit / (loss) before tax	115,562	452,503	(231,091)	1,005,296	271,366	(79,005)	(303,424)	1,231,207
June 30, 2021 (Un-audited)								
Statement of financial position								
Cash & Bank balances	-	-	37,062,689	-	122,967	2,481	-	37,188,137
Investments	-	231,171,654	-	4,914,930	114,442	1,491,838	-	237,692,864
Net inter segment lending	9,625,388	-	105,932,437	90,562,002	-	-	12,734,054	218,853,881
Landings to financial institutions	-	4,061,292	-	2,040,546	-	-	-	6,101,838
Advances - performing	1,553,775	-	73,101,325	162,119,657	433,786	3,146	-	237,211,689
Advances - non-performing	-	-	7,419,917	6,609,561	-	-	-	14,029,478
Advances - (provisions) / reversals - net	-	-	(2,495,032)	(2,825,455)	-	-	-	(5,320,487)
	1,553,775	-	78,026,210	165,903,763	433,786	3,146	-	245,920,680
Others	-	-	-	-	2,476,491	635,391	28,494,826	31,606,708
Total Assets	11,179,163	235,232,946	221,021,336	263,421,241	3,147,686	2,132,856	41,228,880	777,364,108
Borrowings	60,139	11,589,269	6,971,765	33,438,846	-	-	-	52,060,019
Subordinated debt	-	7,491,800	-	-	-	-	-	7,491,800
Deposits & other accounts	11,112,663	-	208,932,242	226,563,838	-	-	-	446,608,743
Net inter segment borrowing	-	218,028,367	-	825,514	-	-	-	218,853,881
Others	6,361	-	5,117,328	1,101,787	2,238,994	417,413	19,359,324	28,241,207
Total Liabilities	11,179,163	237,109,436	221,021,335	261,929,985	2,238,994	417,413	19,359,324	753,255,650
Equity	-	-	-	-	-	-	23,830,146	23,830,146
Non-controlling interest	-	-	-	-	-	-	278,312	278,312
Total Equity & Liabilities	11,179,163	237,109,436	221,021,335	261,929,985	2,238,994	417,413	43,467,782	777,364,108
Contingencies & Commitments								
	-	58,482,439	42,963,742	17,400,494	465,905	-	128,183	119,440,763

Notes to the Condensed Interim Consolidated Financial Statements

For the Half Year Ended June 30, 2021

	Corporate finance	Trading and sales	Retail banking	Commercial banking	Brokerage	Asset management	Others	Total
June 30, 2020 (Un-audited)	Rupees in '000							
Profit & Loss								
Net mark-up / return / interest / (expense)	273,309	(889,454)	5,718,342	1,359,624	32,436	(7,956)	(1,259,850)	5,226,451
Inter segment revenue - net	(2,831)	-	(560,647)	(127,452)	-	-	690,930	-
Non mark-up / return / income / (loss)	27,345	1,261,760	1,210,201	602,665	278,527	115,267	(142,146)	3,353,619
Total Income / (loss)	297,823	372,306	6,367,896	1,834,837	310,963	107,311	(711,066)	8,580,070
Segment direct expenses	22,585	62,459	2,578,342	315,082	268,244	174,096	3,225,375	6,646,183
Inter segment expense allocation	71,316	185,548	1,860,826	652,891	-	-	(2,770,581)	-
Total expenses	93,901	248,007	4,439,168	967,973	268,244	174,096	454,794	6,646,183
Provisions	3,020	-	156,587	56,619	-	(26,023)	229,981	420,184
Profit / (loss) before tax	200,902	124,299	1,772,141	810,245	42,719	(40,762)	(1,395,841)	1,513,703
December 31, 2020 (Audited)								
Statement of financial position								
Cash & Bank balances	-	20,722,345	10,804,855	-	19,153	3,313	-	31,549,666
Investments	2,891,836	196,878,742	-	-	347,651	1,689,425	-	201,807,654
Net inter segment lending	-	-	129,898,985	109,429,008	-	-	11,732,961	251,060,954
Lendings to financial institutions	-	23,239,672	-	-	-	-	-	23,239,672
Advances - performing	-	-	52,152,981	190,322,242	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								
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 Half Year Ended June 30, 2021

	As at June 30, 2021 (Un-audited)				As at December 31, 2020 (Audited)			
	Parent	Directors management personnel	Associates	Other related parties	Parent	Directors management personnel	Associates	Other related parties
	(Rupees in '000)							
Statement of financial position								
Lendings to financial institutions								
Opening balance	-	-	-	-	-	-	-	-
Addition during the period / year	-	-	-	1,800,000	-	-	-	4,100,000
Repaid during the period / year	-	-	-	(1,800,000)	-	-	-	(4,100,000)
Closing balance	-	-	-	-	-	-	-	-
Investments								
Opening balance	12,500	-	269,800	4,527,652	15,000	-	228,972	3,560,728
Investment made during the period / year	-	-	-	1,284,665	-	-	40,828	4,298,203
Investment redeemed / disposed off during the period / year	(634)	-	-	(2,282,049)	(2,500)	-	-	(3,331,279)
Closing balance	11,866	-	269,800	3,530,268	12,500	-	269,800	4,527,652
Provision for diminution in value of investments	-	-	-	388,607	-	-	-	391,478
Advances								
Opening balance	-	122,106	791,027	4,093,430	-	596,257	-	1,946,461
Addition during the period / year	-	2,352	68,733	1,409,450	-	58	153,128	6,402,913
Repaid during the period / year	-	(26,901)	(131,862)	(2,026,651)	-	(632)	(2,235)	(6,488,750)
Transfer in / (out) - net	-	31,508	(316,790)	388,104	-	122,880	68,271	219,675
Closing balance	-	129,065	412,108	3,862,333	-	122,106	791,027	4,093,430
Other Assets								
Interest / mark-up accrued	331	950	-	39,039	344	2,801	6	52,998
Receivable against bancassurance / bancakatafull	-	-	-	62,947	-	-	-	28,051
Net defined benefit plan	-	-	-	209,092	-	-	-	317,581
Trade receivable	-	-	13	28,726	73,455	-	80	158,590
Other receivable	285	-	-	7,264	281	-	-	8,889
Provision against other assets	-	-	-	379	-	-	-	379
Borrowings								
Opening balance	-	-	-	-	-	-	-	-
Borrowings during the period / year	-	-	-	-	-	-	-	11,105,705
Settled during the period / year	-	-	-	-	-	-	-	(11,105,705)
Closing balance	-	-	-	-	-	-	-	-
Deposits and other accounts								
Opening balance	172,019	212,335	76,237	49,753	271,648	24,444	59,593	8,622,201
Received during the period / year	5,012,776	145,538	367,582	904,075	5,511,316	511,942	973,685	160,625,941
Withdrawn during the period / year	(3,094,131)	(147,431)	(359,279)	(917,136)	(5,610,945)	(324,417)	(669,913)	(59,215,607)
Transfer in / (out) - net	-	116,254	(39,967)	(27,564)	-	366	(67,228)	132,631
Closing balance	2,090,664	328,696	44,573	36,692	10,776,610	212,335	76,237	10,365,166

Notes to the Condensed Interim Consolidated Financial Statements

For the Half Year Ended June 30, 2021

	As at June 30, 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)									
Subordinated debt	-	-	-	-	889,354	-	-	-	-	889,432
Other Liabilities										
Interest / return / mark-up payable on deposits	-	-	18	-	34,139	-	-	85	-	153,374
Interest / return / mark-up payable on subordinated debt	-	-	-	-	1,249	-	-	-	-	1,308
Trade payable	2,427	-	3,725	-	3,395	-	-	6,314	-	783
Donation Payable	-	-	-	-	-	-	-	-	-	4,500
Others payable	-	-	-	-	1,607	-	-	-	-	1,571
Represented By										
Share Capital	9,733,073	31,173	3,500	-	46,295	9,733,073	19,180	12,223	-	45,323
Contingencies and Commitments										
Letter of guarantee	-	-	-	-	733,629	-	-	-	-	29,054
Letter of Credit	-	-	-	-	332,220	-	-	-	-	86,543
	For the period ended June 30, 2021 (Un-audited)									
	For the period ended June 30, 2020 (Un-audited)									
	(Rupees in '000)									
Profit and loss account										
Income										
Mark-up / return / interest earned	536	3,135	15,827	4,809	91,483	1,154	1,476	31,212	16,367	163,612
Fee, commission and brokerage income	7,804	44	12,049	25	182,270	1,295	9	607	-	133,797
Dividend income	-	-	-	-	163,672	-	-	-	-	52,794
(Loss) / gain on sale of securities - Net	-	-	-	-	(88,889)	-	-	-	-	3,395
Reversal / (provisions) and write offs - net										
Reversal for diminution in value of investments	-	-	-	-	215,305	-	-	-	-	-

Notes to the Condensed Interim Consolidated Financial Statements

For the Half Year Ended June 30, 2021

	For the period ended June 30, 2021 (Un-audited)				For the period ended June 30, 2020 (Un-audited)					
	Parent	Directors	Key management personnel	Associates	Other related parties	Parent	Directors	Key management personnel	Associates	Other related parties
	(Rupees in '000)									
Expense										
Mark-up / return / interest paid	21,805	7,422	714	2,478	379,778	12,697	566	916	1,952	566,851
Remuneration paid	-	41,533	286,885	-	-	-	19,145	371,947	-	-
Non-executive directors' fee	-	9,107	-	-	-	-	8,940	-	-	-
Net charge for defined contribution plans	-	-	-	-	166,700	-	-	-	-	124,804
Net charge for defined benefit plans	-	-	-	-	111,551	-	-	-	-	107,560
Rental expense	-	-	-	-	14,798	18,818	-	-	-	92
Royalty	-	-	-	-	15,000	-	-	-	-	15,000
Other expenses	825	-	-	-	1,103	225	-	-	-	-
Reimbursement of expenses	25,523	298	1,777	-	12,601	2,473	-	3,034	-	32,509
Payments made during the period										
Insurance premium paid	-	-	-	-	365,104	-	-	-	-	368,151
Insurance claims settled	-	-	-	-	2,586	-	-	-	-	2,793
Other Transactions										
Sale of Government Securities	-	-	-	-	44,597,994	282,150	1,645	-	-	64,250,189
Purchase of Government Securities	-	-	-	-	2,896,977	-	-	-	-	13,362,416
Sale of Foreign Currencies	-	-	-	-	28,860,440	-	-	-	-	14,573,027
Purchase of Foreign Currencies	-	-	-	-	10,423,056	-	-	-	-	20,871,287

Notes to the Condensed Interim Consolidated Financial Statements

For the Half Year Ended June 30, 2021

	(Un-audited) June 30, 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	18,086,749	17,433,159
Eligible Additional Tier 1 (ADT 1) Capital	<u>1,968,331</u>	<u>1,965,291</u>
Total Eligible Tier 1 Capital	<u>20,055,080</u>	<u>19,398,450</u>
Eligible Tier 2 Capital	<u>6,328,466</u>	<u>5,558,052</u>
Total Eligible Capital (Tier 1 + Tier 2)	<u>26,383,546</u>	<u>24,956,502</u>
Risk Weighted Assets (RWAs):		
Credit Risk	<u>161,784,975</u>	<u>154,573,487</u>
Market Risk	<u>3,288,763</u>	<u>3,835,995</u>
Operational Risk	<u>25,579,240</u>	<u>25,579,240</u>
Total	<u>190,652,978</u>	<u>183,988,722</u>
Common Equity Tier 1 Capital Adequacy ratio	<u>9.49%</u>	<u>9.48%</u>
Tier 1 Capital Adequacy Ratio	<u>10.52%</u>	<u>10.54%</u>
Total Capital Adequacy Ratio	<u>13.84%</u>	<u>13.56%</u>
Leverage Ratio (LR):		
Eligible Tier-1 Capital	20,055,080	19,398,450
Total Exposures	<u>639,794,849</u>	<u>623,856,077</u>
Leverage Ratio	<u>3.13%</u>	<u>3.11%</u>
Liquidity Coverage Ratio (LCR):		
Total High Quality Liquid Assets	199,136,288	166,890,275
Total Net Cash Outflow	<u>69,126,887</u>	<u>57,575,341</u>
Liquidity Coverage Ratio	<u>288.07%</u>	<u>289.86%</u>
Net Stable Funding Ratio (NSFR):		
Total Available Stable Funding	370,666,281	358,895,534
Total Required Stable Funding	<u>267,271,392</u>	<u>259,861,191</u>
Net Stable Funding Ratio	<u>138.69%</u>	<u>138.11%</u>

Notes to the Condensed Interim Consolidated Financial Statements

For the Half Year Ended June 30, 2021

39. NON-ADJUSTING EVENT AFTER THE STATEMENT OF FINANCIAL POSITION DATE

As explained in note 10.3.6 of these condensed interim consolidated financial statements, subsequent to period end, on August 02, 2021, JS Bank audit team has uncovered a fraud relating to gold financing amounting to Rs. 741 million as at July 31, 2021. Consequently, recovery and legal proceedings have been initiated.

40. GENERAL

- 40.1 These condensed interim consolidated financial statements have been prepared in accordance with the revised format for financial statements of Banks issued by the SBP through BPRD Circular no. 5 dated March 22, 2019 and related clarifications / modifications.
- 40.2 Corresponding figures have been re-arranged / re-classified, wherever necessary, to facilitate comparison in the presentation in the current period. However, there are no material re-arrangements / re-classifications to report.
- 40.3 The figures in these condensed interim consolidated financial statements have been rounded off to the nearest thousand.

41. DATE OF AUTHORISATION FOR ISSUE

These condensed interim consolidated financial statements were authorised for issue by the Board of Directors of the Bank in their meeting held on August 25, 2021.

President and
Chief Executive Officer

Chief Financial Officer

Director

Director

Chairman



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