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Condensed Interim Financial Information  
for the First Quarter Ended  
March 31, 2017 (Un-Audited)



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# Company Information

## Board of Directors

Mr. Ali Jehangir Siddiqui  
Chairman

Mr. Adil Matcheswala  
Non-Executive Director

Mr. Ashraf Nawabi  
Non-Executive Director

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

Mr. Kalim-ur-Rahman  
Non-Executive Director

Mr. Munawar Alam Siddiqui  
Non-Executive Director

Ms. Nargis Ghaloo  
Independent Non-Executive Director

Mr. Shahab Anwar Khawaja  
Independent Non-Executive Director

Mr. Khalid Imran  
President & CEO

## Audit Committee

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

## Chief Financial Officer

Mr. Muhammad Yousuf Amanullah

## Company Secretary

Mr. Ashraf Shahzad

## Auditors

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

## Legal Advisors

Bawaney & Partners  
Haidermota BNR  
Liaquat Merchant Associates

## Share Registrar

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

## Registered office

JS Bank Limited  
Shaheen Commercial Complex  
Dr. Ziauddin Ahmed Road  
P.O. Box 4847 Karachi-74200, Pakistan  
UAN: +92 21 111 JS Bank (572-265)  
0800-011-22  
[www.jsbl.com](http://www.jsbl.com)

# Directors’ Report

We are pleased to present the unaudited financial statements of JS Bank Limited (“JSBL”) for the quarter ended March 31, 2017.

## The Economy

In the backdrop of China Pakistan Economic Corridor (CPEC), Pakistan looks set to witness a period of strong growth going forward. International lending agencies (like the IMF, World Bank) have also lifted Pakistan’s GDP growth outlook to over 5% for the next couple of years. During the period under review, Pakistan sustained its recent economic gains with (1) CPI inflation averaging at 4.05% YoY in 9MFY17 and (2) SBP maintaining decades-low policy rate of 5.75%. However, the Current Account Deficit (CAD) of over US\$6bn during 9MFY17 remains a concern as imports continues to grow due to increase in import of Power Generation machinery, while exports remain unexciting. That said, CAD issue has been somewhat addressed through inflows from China, which has helped maintain Foreign Exchange Reserves at around US\$21bn.

## Banking Sector Review

In the first quarter of 2017, the State Bank of Pakistan (SBP) kept the ‘Policy Rate’ intact at 5.75%. Growth in private sector credit off-take during the first two months of 2017 remained at levels similar to those at the end of 2016. Banking spreads during the same period further dropped to an average of 4.97%, marking a 16 basis points (bps) year-on-year (YoY) decline. As per SBP, banking deposits touched PKR 10,730 billion during the same period, registering a growth of 14% YoY by the end of the quarter. Investments increased by 6% YoY reaching PKR 7,467 billion. However, the Investment-to-Deposit Ratio (IDR) slid down to 70%. Advances depicted a 13% YoY growth at PKR 5,477 billion whereas the Advances-to-Deposit Ratio (ADR) for the industry remained intact at 51%, owing to steady increase in project-financing and consumer loan demand. Non-Performing Loans (NPLs) for the industry remained at PKR 604 billion as of December 2016, while the infection ratio for the industry decreased from 12.7% to 10.9% due to the rapid increase in total advances.

## Financial Performance

The Bank earned profit before tax of PKR 410.5 million (profit after tax of PKR 267.6 million) for the quarter ended March 31, 2017 as compared to profit before tax of PKR 705.7 million (profit after tax of PKR 458.6 million) in the corresponding period last year. The decrease in profitability was mainly due to an increase in administrative expenses on account of expansion of branch network and embarking on new initiatives.

Deposits, advances and investments increased from PKR 226.1 billion, PKR 93.8 billion and PKR 133.7 billion to PKR 233.2 billion, PKR 101.3 billion and PKR 135.7 billion respectively during the quarter, which reflects a continued focus of the Bank on core business activities.

## Business Overview

JS Bank continues to grow its market share in terms of deposits, assets, alternative delivery channels (ADC), bancassurance and home remittances.

JS Bank’s growth strategy is based on innovative product development to better address customer needs, enhancing customer accessibility through growing our branch and ADC network, strengthening service quality and ultimately giving customers a satisfying banking experience. The Bank has embarked on several initiatives to strengthen its service delivery and product line, led by JS Raabta Current Account, powered by Telenor 4G. This unique proposition offers customers free postpaid mobile connections through Telenor, for which the Bank pays the

monthly line rent and offers attractive communication and banking benefits. JS Raabta has been launched in five variants, namely JS Business Raabta, JS Privilege Raabta, JS Pearl Raabta, JS Premier Raabta and JS Executive Raabta account. The Bank continued to upgrade several other services including JS Mobile Banking, Cash Management solutions, EMV Debit & Credit Cards and Zarkhez Agriculture Credit.

The Bank strongly believes in the importance of a robust SME base towards the strengthening of Pakistan's economy. We continue to partner with USAID and its consultants, and work closely with public institutions such as SBP, Government of Pakistan and SMEDA, in creating a strong platform of SME propositions for our expanding and evolving clientele. In a landmark arrangement, JS Bank now offers loans to Careem Captains through the Prime Minister's Youth Business Loans program, to facilitate greater financial inclusion and business ownership.

JS Bank, having a network of 307 branches across 152 cities and a variety of competitive banking products and services, is well placed to record impressive growth in core and ancillary revenues in 2017 and beyond.

### **Credit Ratings**

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

### **Acknowledgments**

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

On behalf of the Board

### **Khalid Imran**

President & CEO

Karachi: April 27, 2017

## کریڈٹ ریٹنگز

پاکستان کریڈٹ ریٹنگ ایجنسی لمیٹڈ (PACRA) نے "AA-" (ڈبل اے مائنس) کی طویل المدتی ریٹنگ اور "A1+" (اے ون پلس) کی قلیل المدتی ریٹنگ تفویض کی ہے جو کہ قلیل المدتی کی ریٹنگ میں ممکنہ طور پر ایک بلند ترین سطح ہے۔

## اظہار تشکر

بینک کی جانب سے میں اپنے صارفین اور اسٹیک ہولڈرز کا ان کے تعاون پر دل سے شکر گزار ہوں۔ میں منسٹری آف فنانس، اسٹیٹ بینک آف پاکستان، سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان اور دیگر ریگولیٹری اداروں کا بینک کو تعاون فراہم کرنے کیلئے بھی ممنون ہوں۔ میں یہاں مینجمنٹ اور جانفشانی کے ساتھ ایک ٹیم کے طور پر کام کرنے والے ملازمین کا ان کی انتھک محنت پر بھی شکریہ ادا کرنا چاہوں گا۔

منجانب بورڈ

خالد عمران

پریذیڈنٹ اینڈ سی ای او

کراچی: 27 اپریل 2017

JS رابٹھ کرنٹ اکاؤنٹ کا آغاز کیا ہے۔ یہ منفرد تجویز کسٹمرز کو Telenore کی جانب سے مفت پری پیڈ موبائل کنکشن کی پیشکش کرتی ہے، جس کے لئے بینک ماہانہ لائن ریٹن ادا کرتا ہے اور رابٹھ اور بینکنگ کے پُرشش فوائنڈ فراہم کرتا ہے۔ JS رابٹھ کا آغاز پانچ مختلف اقسام بنام JS لبرنس رابٹھ، JS لپرویونج رابٹھ، JS لپرل رابٹھ، JS لپریمیئر رابٹھ اور JS ایگزیکٹیور رابٹھ اکاؤنٹ کے ساتھ کیا گیا ہے۔ بینک کئی دیگر سروسز بشمول JS موبائل بینکنگ، کیش مینجمنٹ سلوشنز، ای ایم وی ڈیٹ اینڈ کریڈٹ کارڈز اور زرنیز ایگری کلچر کریڈٹ کے فروغ کے لئے بھی کوشاں ہے۔

بینک طاقتور پاکستانی معیشت کے لئے SME کی مضبوط بنیاد کی اہمیت پر سختی سے یقین رکھتا ہے۔ ہمارا USAID اور اس کے مشیروں سے اشتراک جاری ہے اور ہمارے بندرتن بڑھتے اور تبدیل ہوتے مجموعی واسطہ داران کے لئے SME کے منصوبوں کا مضبوط پلیٹ فارم فراہم کرنے کی غرض سے ہم اسٹیٹ بینک آف پاکستان، جیسے عوامی اداروں، حکومت پاکستان اور SMEDA کے ساتھ ملک کر کام کر رہے ہیں۔ امتیازی انتظامات میں JS بینک اب Careem Captain کو پرائم سنسٹریوٹھ بزنس لون پروگرام کے ذریعے لون بھی فراہم کر رہا ہے تاکہ آمدنی میں بہترین اضافے اور ذاتی کاروبار کی سہولیات فراہم کی جاسکیں۔

152 شہروں میں 307 برانچز پر مشتمل وسیع نیٹ ورک اور بینکنگ پروڈکٹس اور خدمات کے مسابقتی مجموعے کے ساتھ بینک سال 2017 میں اور آئندہ اپنی مرکزی اور ضمنی اداروں کی آمدنی میں قابل قدر توسیع کے ساتھ ایک مستحکم وجود کی حیثیت رکھتا ہے۔



## مالیاتی کارکردگی

گزشتہ سال اسی مدت کے منافع قبل از ٹیکس 705.7 بلین روپے (منافع بعد از ٹیکس 458.6 بلین روپے) کے مقابلے میں 31 مارچ 2017 کو ختم ہونے والی سہ ماہی کے لئے بینک کا منافع قبل از ٹیکس 410.5 بلین روپے (منافع بعد از ٹیکس 267.6 بلین روپے) تھا۔ منافع میں یہ کمی بینک کے برانچ نیٹ ورک بڑھنے کے نتیجے میں انتظامی اخراجات میں اضافہ اور نئے اقدامات کے آغاز کی وجہ سے ہوئی۔

سہ ماہی کے دوران ڈپازٹس، ایڈوانسز اور انویسٹمنٹس 226.1 بلین روپے، 93.8 بلین روپے اور 133.7 بلین روپے سے بڑھ کر بالترتیب 233.2 بلین روپے، 101.3 بلین روپے اور 135.7 بلین روپے ہو گئے جو اہم بزنس کی سرگرمیوں کی جانب بینک کی مسلسل توجہ کی عکاسی کرتے ہیں۔

## کاروباری جائزہ

بینک اثاثوں، ڈپازٹس، متبادل ترسیلی ذرائع (ADC)، بینک اشورنس اور ملکی ترسیلات زر کے اعتبار سے اپنے مارکیٹ حصص میں اضافے کیلئے مسلسل کوشاں ہے۔ بینک کی بہتری کی حکمت عملی کی بنیاد کسٹمر کی ضروریات کے مطابق جدید پروڈکٹس کی تیاری، اپنے برانچ اور اے ڈی سی نیٹ ورک کو بڑھا کر کسٹمر کی رسائی میں اضافے، سروس کے معیار میں بہتری اور مجموعی طور پر کسٹمر کو بینکنگ کے بہتر تجربے کی فراہمی پر ہے۔ بینک نے سروس کی فراہمی، پروڈکٹس میں مزید بہتری لانے کے لئے کئی نئے اقدامات بالخصوص Telenore 4G کے اشتراک

## شعبہ بینکاری کا جائزہ

2017 کی پہلی سہ ماہی میں، اسٹیٹ بینک آف پاکستان (SBP) نے پالیسی کی شرح 5.75% برقرار رکھی۔ 2017 کے پہلے دو ماہ میں پرائیویٹ سیکٹر میں قرضے لینے کے رجحان میں بہتری سال 2016 کی اختتامی سطح پر برقرار رہی۔ مدت کے دوران بینکاری تفاوت میں اوسطاً 4.97% مزید کمی آئی جو 16 بیس پوائنٹس سال بسال کمی کی نشاندہی کرتی ہے۔ اس مدت کے دوران اسٹیٹ بینک آف پاکستان کے مطابق بینکنگ ڈپازٹس 10,730 بلین تک پہنچ گئے، جو سہ ماہی کے اختتام تک 14% سال بسال کا اضافہ ظاہر کرتا ہے۔ انویسٹمنٹس 6% تک سال بسال اضافے کے ساتھ 7,467 بلین روپے تک پہنچیں۔ تاہم انویسٹمنٹس ٹو ڈپازٹ ریشو (IDR) 70% تک کم ہو گیا۔ ایڈوانسز 13% سال بسال کے اضافے کے ساتھ 5,477 بلین روپے ہیں، جبکہ انڈسٹری کا ایڈوانسز ٹو ڈپازٹ ریشو (ADR) منصوبہ جاتی مالکاری میں اضافے اور صارفین کے قرضوں کی طلب میں اضافے کی وجہ سے 51% برقرار رہا۔ انڈسٹری کے نان پرفارمنگ لومز (NPLs) دسمبر 2016 کی طرح 604 بلین روپے تھے جبکہ انڈسٹری کا انفیکشن ریشو مجموعی ایڈوانسز میں تیزی سے اضافے کے باعث 12.7% سے کم ہو کر 10.9% ہو گیا۔

## ڈائریکٹرز رپورٹ

ہم بمسرت 31 مارچ 2017 کو ختم ہونے والی مدت کے لئے JS بینک لمیٹڈ ("JSBL") کی غیر نظر ثانی شدہ مالیاتی تفصیلات پیش کر رہے ہیں۔

### معیشت

چین پاکستان اقتصادی راہداری (سی پیک) کے پیش نظر آنے والے دنوں میں پاکستان میں شاندار افزائش کا ایک دور شروع ہوتا دکھائی دے رہا ہے۔ قرضہ دینے والے بین الاقوامی اداروں (مثلاً آئی ایم ایف، عالمی بینک) نے بھی آئندہ کچھ سالوں کے لئے پاکستان کے جی ڈی پی میں افزائش کی شرح 5 فیصد سے بڑھادی ہے۔ زیر جائزہ مدت کے دوران پاکستان نے اپنی حالیہ اقتصادی کامیابیوں کو برقرار رکھا اور (1) سی پی آئی افراط زر کی اوسط شرح 9MFY17 میں YoY 4.05% رہی۔ (2) ایس بی پی نے کئی دہائیوں کے 5.75% پست پالیسی ریٹ کو برقرار رکھا۔ تاہم 9MFY17 کے دوران 6 بلین امریکی ڈالر کا کرنٹ اکاؤنٹ خسارہ (سی اے ڈی) پریشانی کا باعث ہے کیونکہ بجلی پیدا کرنے والی مشینری کی درآمد میں اضافہ کے باعث درآمدات میں افزائش کا سلسلہ جاری ہے جبکہ برآمدات کچھ اتنی شاندار نہیں ہیں۔ یہ تمام باتیں اپنی جگہ، لیکن کرنٹ اکاؤنٹ خسارے کو چین سے آنے والی رقوم کے ذریعے کسی حد تک دور کر دیا گیا ہے جس سے زرمبادلہ کے ذخائر 21 بلین امریکی ڈالر کے لگ بھگ رکھنے میں مدد ملی ہے۔

# Unconsolidated Condensed Interim Statement of Financial Position

As at March 31, 2017

		Un-audited March 31, 2017	Audited December 31, 2016
	Note	----- (Rupees in '000) -----	
<b>ASSETS</b>			
Cash and balances with treasury banks		14,968,481	15,508,968
Balances with other banks		1,546,673	752,710
Lendings to financial institutions	7	12,057,644	11,334,414
Investments - net	8	135,695,938	133,726,610
Advances - net	9	101,332,356	93,794,134
Operating fixed assets	10	5,986,357	5,837,181
Deferred tax assets - net		-	-
Other assets		5,302,894	3,746,476
		<u>276,890,343</u>	<u>264,700,493</u>
<b>LIABILITIES</b>			
Bills payable		2,894,740	2,544,028
Borrowings		13,787,775	10,320,047
Deposits and other accounts	11	233,198,981	226,098,931
Sub-ordinated loans		3,000,000	3,000,000
Liabilities against assets subject to finance lease		-	-
Deferred tax liabilities	12	1,279,068	1,205,362
Other liabilities		6,038,420	4,882,600
		<u>260,198,984</u>	<u>248,050,968</u>
<b>NET ASSETS</b>		<u>16,691,359</u>	<u>16,649,525</u>
<b>REPRESENTED BY:</b>			
Share capital		10,724,643	10,724,643
Discount on issue of shares		(2,105,401)	(2,105,401)
Preference shares		1,500,000	1,500,000
Reserves		1,387,655	1,334,139
Unappropriated profit		4,007,810	3,973,324
		<u>15,514,707</u>	<u>15,426,705</u>
Surplus on revaluation of assets - net of tax	13	1,176,652	1,222,820
		<u>16,691,359</u>	<u>16,649,525</u>
<b>CONTINGENCIES AND COMMITMENTS</b>	14		

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

Chairman

President and  
Chief Executive Officer

Director

Director

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

For the quarter ended March 31, 2017

	March 31, 2017	March 31, 2016
Note	----- (Rupees in '000) -----	
Mark-up / return / interest earned	3,917,124	3,633,229
Mark-up / return / interest expensed	2,678,893	2,278,949
Net mark-up / interest income	<u>1,238,231</u>	<u>1,354,280</u>
Provision against non-performing loans and advances - net	(58,899)	(119,526)
Provision for diminution in the value of investments	-	-
Bad debts written off directly	-	-
	<u>(58,899)</u>	<u>(119,526)</u>
<b>Net mark-up / return / interest income after provisions</b>	<u>1,179,332</u>	<u>1,234,754</u>
<b>NON MARK-UP / INTEREST INCOME</b>		
Fee, commission and brokerage income	462,054	328,395
Dividend income	-	33,384
Income from dealing in foreign currencies	62,522	91,740
Gain on sale / redemption of securities - net	173,548	634,372
Unrealised gain on revaluation of investments classified as held-for-trading - net	506,940	11,264
Other income - net	38,153	16,514
<b>Total non-mark-up / interest income</b>	<u>1,243,217</u>	<u>1,115,669</u>
	<u>2,422,549</u>	<u>2,350,423</u>
<b>NON MARK-UP / INTEREST EXPENSES</b>		
Administrative expenses	2,003,871	1,630,455
Other provisions / write offs	-	-
Other charges	8,209	14,292
<b>Total non mark-up / interest expenses</b>	<u>2,012,080</u>	<u>1,644,747</u>
	<u>410,469</u>	<u>705,676</u>
Extra ordinary / unusual items	-	-
<b>PROFIT BEFORE TAXATION</b>	<u>410,469</u>	<u>705,676</u>
Taxation		
- Current	(44,352)	(125,522)
- Prior years	-	-
- Deferred	(98,537)	(121,530)
	<u>(142,889)</u>	<u>(247,052)</u>
<b>PROFIT AFTER TAXATION</b>	<u>267,580</u>	<u>458,624</u>
	----- (Rupee) -----	
<b>Basic and diluted earnings per share</b>	15	0.08
		0.26

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

Chairman

President and  
Chief Executive Officer

Director

Director

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

For the quarter ended March 31, 2017

	March 31, 2017	March 31, 2016
	----- (Rupees in '000) -----	
Profit after taxation	267,580	458,624
Other comprehensive income:		
Items that are not to be reclassified to profit or loss in subsequent periods	-	-
Items that are or may be reclassified to profit or loss in subsequent periods		
Effect of translation of net investment in foreign branch	368	-
Other comprehensive income transferred to equity	267,948	458,624
Items that are or may be reclassified to profit or loss in subsequent periods		
(Deficit) / surplus arising on revaluation of available-for-sale securities	(70,945)	107,661
Related deferred tax asset / (liability)	24,831	(37,681)
	(46,114)	69,980
<b>Total comprehensive income during the period - net of tax</b>	<b>221,834</b>	<b>528,604</b>

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

Chairman

President and  
Chief Executive Officer

Director

Director

# Unconsolidated Condensed Interim Statement of Changes in Equity (Un-audited)

For the quarter ended March 31, 2017

	Share capital	Discount on issue of shares	Preference shares	Statutory reserves	Unappropriated profit	Total
	----- (Rupees in '000) -----					
<b>Balance as at January 01, 2016 (Audited)</b>	10,724,643	(2,105,401)	1,500,000	918,816	2,529,092	13,567,150
<b>Total comprehensive income for the quarter ended March 31, 2016</b>						
Profit after taxation	-	-	-	-	458,624	458,624
Other comprehensive income	-	-	-	-	-	-
	-	-	-	-	458,624	458,624
<b>Transaction with owners recorded directly in equity</b>						
Preference dividend for the year ended December 31, 2015 @ 12% p.a.	-	-	-	-	(180,000)	(180,000)
<b>Transfers</b>						
Transfer to statutory reserve	-	-	-	91,725	(91,725)	-
<b>Balance as at March 31, 2016 (Un-audited)</b>	10,724,643	(2,105,401)	1,500,000	1,010,541	2,715,991	13,845,774
<b>Total comprehensive income for the nine months period ended December 31, 2016</b>						
Profit after taxation	-	-	-	-	1,617,992	1,617,992
Other comprehensive income	-	-	-	-	(37,061)	(37,061)
	-	-	-	-	1,580,931	1,580,931
<b>Transfers</b>						
Transfer to statutory reserve	-	-	-	323,598	(323,598)	-
<b>Balance as at December 31, 2016 (Audited)</b>	10,724,643	(2,105,401)	1,500,000	1,334,139	3,973,324	15,426,705
<b>Total comprehensive income for the quarter ended March 31, 2017</b>						
Profit after taxation	-	-	-	-	267,580	267,580
Other comprehensive income	-	-	-	-	368	368
	-	-	-	-	267,948	267,948
Transfer from surplus on revaluation of non-banking assets to unappropriated profit - net of tax	-	-	-	-	54	54
Preference dividend for the year ended December 31, 2016 @ 12% p.a.	-	-	-	-	(180,000)	(180,000)
<b>Transfers</b>						
Transfer to statutory reserve	-	-	-	53,516	(53,516)	-
<b>Balance as at March 31, 2017 (Un-audited)</b>	<u>10,724,643</u>	<u>(2,105,401)</u>	<u>1,500,000</u>	<u>1,387,655</u>	<u>4,007,810</u>	<u>15,514,707</u>

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

Chairman

President and  
Chief Executive Officer

Director

Director

# Unconsolidated Condensed Interim Cash Flow Statement (Un-audited)

For the quarter ended March 31, 2017

	March 31, 2017	March 31, 2016
	----- (Rupees in '000) -----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	410,469	705,676
Less: Dividend income	-	(33,384)
	410,469	672,292
<b>Adjustments:</b>		
Depreciation	143,444	116,663
Depreciation on non-banking assets	325	-
Amortisation of intangibles	13,777	11,821
Charge for defined benefit plan	41,771	22,915
Unrealised gain on revaluation of investments classified as held-for-trading	(506,940)	(11,264)
Provision against non-performing loans and advances - net	58,899	119,526
Unrealised loss/ (gain) on revaluation of derivative instruments	4,634	(15,883)
Gain on disposal of operating fixed assets	(16,242)	(631)
Provision for Workers' Welfare Fund	8,209	14,114
	(252,123)	257,261
	158,346	929,553
<b>Decrease / (increase) in operating assets</b>		
Lendings to financial institutions	(723,230)	2,342,663
Investment in held-for-trading securities - net	51,802,712	16,170,045
Advances	(7,597,121)	(6,242,612)
Other assets (excluding advance taxation)	(1,336,782)	2,207,753
	42,145,579	14,477,849
<b>Increase / (decrease) in operating liabilities</b>		
Bills payable	350,712	427,189
Borrowings	3,030,652	(15,428,471)
Deposits and other accounts	7,100,050	6,067,827
Other liabilities	1,101,206	568,429
	11,582,620	(8,365,026)
	53,886,545	7,042,376
Income tax paid	(264,313)	(73,655)
Gratuity paid	-	-
<b>Net cash flow from operating activities</b>	53,622,232	6,968,721
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Net investment in available-for-sale securities	(53,336,045)	(6,609,207)
Dividend received	-	-
Investments in operating fixed assets	(315,002)	(806,751)
Sale proceeds from disposal of operating fixed assets	24,847	2,506
<b>Net cash used in investing activities</b>	(53,626,200)	(7,413,452)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Preference dividend paid	(180,000)	-
Effect of translation of net investment in foreign branches	368	-
<b>Decrease in cash and cash equivalents</b>	(183,600)	(444,731)
Cash and cash equivalents at beginning of the period	16,221,150	11,688,471
Cash and cash equivalents at end of the period	16,037,550	11,243,740

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

Chairman

President and  
Chief Executive Officer

Director

Director



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

For the quarter ended March 31, 2017

## 1. STATUS AND NATURE OF BUSINESS

- 1.1 JS Bank Limited (the Bank / JSBL), incorporated in Pakistan, is a scheduled bank, engaged in commercial banking and related services. The Bank's ordinary shares are listed on Pakistan Stock Exchange Limited (PSX). The Bank is a subsidiary of Jahangir Siddiqui & Co. Ltd. (JSCL). The registered office of the Bank is situated at Shaheen Commercial Complex, Dr. Ziauddin Ahmed Road, Karachi. The Bank operates with 306 (December 31, 2016: 306) branches / sub-branches in Pakistan and one wholesale banking branch in Bahrain (December 31, 2016: One). The Pakistan Credit Rating Agency Limited (PACRA) has upgraded the long-term entity rating of JS Bank Limited (JSBL) to 'AA- (Double A Minus) [previously 'A+ (A Plus)] whereas short-term entity rating is maintained at 'A1+' (A One Plus), which is the highest possible short-term rating. The ratings denote a very low expectation of credit risk and indicate very strong capacity for timely payment of financial commitments.
- 1.2 Jahangir Siddiqui Investment Bank Limited, JSIBL, (formerly Citicorp Investment Bank Limited which was acquired by JSCL on February 01, 1999), and its holding company, JSCL, entered into a Framework Agreement with American Express Bank Limited, New York (AMEX) on November 10, 2005 for acquisition of its American Express Bank Limited - Pakistan Branches, (AEBL). Consequently, a new banking company, JSBL was incorporated on March 15, 2006 and a restricted Banking License was issued by the State Bank of Pakistan (SBP) on May 23, 2006.
- 1.3 A Transfer Agreement was executed on June 24, 2006 between JSIBL and JSBL for the transfer of entire business and undertaking of JSIBL to JSBL and a separate Transfer Agreement was also executed on June 24, 2006, between AMEX and JSBL for the transfer of AEBL's commercial banking business in Pakistan with all assets and liabilities (other than certain excluded assets and liabilities) (AEBL business). The shareholders of JSIBL and JSBL in their respective extra ordinary general meetings held on July 31, 2006 approved a Scheme of Amalgamation (the Scheme) under Section 48 of the Banking Companies Ordinance, 1962. The Scheme was initially approved by the Securities and Exchange Commission of Pakistan (SECP) vide its letter No. SC/NBFC(J)-R/JSIBL/2006/517 dated September 28, 2006. Subsequently, the Scheme was sanctioned by the SBP vide its order dated December 02, 2006 and, in accordance therewith, the effective date of amalgamation was fixed at December 30, 2006.

## 2. STATEMENT OF COMPLIANCE

- 2.1 This unconsolidated condensed interim financial information of the Bank for the quarter ended March 31, 2017 has been prepared in accordance with the requirements of the International Accounting Standard 34 - 'Interim Financial Reporting', provisions of the Companies Ordinance, 1984, the Banking Companies Ordinance, 1962 and directives issued by the SECP and SBP. In case where requirements differ, the provisions of the Companies Ordinance, 1984, the Banking Companies Ordinance, 1962 and the said directives have been followed.
- 2.2 The SBP has deferred the applicability of International Accounting Standard 39, 'Financial Instruments: Recognition and Measurement' and International Accounting Standard 40, 'Investment Property' for Banking Companies through BSD Circular Letter No. 10 dated August 26, 2002. Further, according to the notification of the

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

For the quarter ended March 31, 2017

SECP dated April 28, 2008, International Financial Reporting Standard 7 'Financial Instruments: Disclosures' has not been made applicable to banks. Accordingly, the requirements of these standards have not been considered in the preparation of this unconsolidated condensed interim financial information. However, investments have been classified and valued in accordance with the requirements of various circulars issued by the SBP.

2.3 IFRS 10 "Consolidated Financial Statements" was made applicable from periods beginning on or after January 01, 2015 vide S.R.O 633(I)/2014 dated July 10, 2014 by SECP. However, vide S.R.O 56(I) /2016 dated January 28, 2016, SECP has directed that the requirements of consolidation under section 237 of the Companies Ordinance 1984 and IFRS-10 "Consolidated Financial Statements" are not applicable in case of investment by companies in mutual funds established under trust structure. Accordingly, the requirements of this standard have not been considered in the preparation of the unconsolidated condensed interim financial information.

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

## 3. BASIS OF MEASUREMENT

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

## 4. ACCOUNTING ESTIMATES AND JUDGMENTS

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

## 5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

## 6. FINANCIAL RISK MANAGEMENT

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

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

For the quarter ended March 31, 2017

7. LENDINGS TO FINANCIAL INSTITUTIONS	Note	Un-audited	Audited
		March 31, 2017	December 31, 2016
		----- (Rupees in '000) -----	----- (Rupees in '000) -----
Call money lendings		<b>3,072,687</b>	2,634,489
Repurchase agreement lendings (Reverse Repo)	7.1	<b>8,984,957</b>	8,699,925
		<b>12,057,644</b>	<b>11,334,414</b>

7.1 Repurchase agreement lendings are secured through Pakistan Investment Bonds and Market Treasury Bills having total market value of Rs.9,284.293 million (December 31, 2016: Rs.8,811.414 million).

## 8. INVESTMENTS - net

8.1	INVESTMENTS BY TYPES:	(Unaudited)			(Audited)		
		March 31, 2017			December 31, 2016		
		Held by bank	Given as collateral	Total	Held by bank	Given as collateral	Total
		----- (Rupees in '000) -----					
8.1.1	<b>Held-for-trading securities</b>						
	Market Treasury Bills	11,271,883	-	11,271,883	64,346,568	1,413,214	65,759,782
	Pakistan Investment Bonds	2,094,297	-	2,094,297	-	-	-
	Ordinary shares of listed companies	589,593	-	589,593	-	-	-
		<b>13,955,773</b>	<b>-</b>	<b>13,955,773</b>	<b>64,346,568</b>	<b>1,413,214</b>	<b>65,759,782</b>
	<b>Available-for-sale securities</b>						
	Market Treasury Bills	10,898,789	-	10,898,789	4,885,943	-	4,885,943
	Pakistan Investment Bonds	94,271,716	1,523,625	95,795,341	49,784,339	-	49,784,339
	Ordinary shares of listed companies	2,407,307	-	2,407,307	2,626,343	-	2,626,343
	Ordinary shares of unlisted companies	553,191	-	553,191	553,191	-	553,191
	Preference shares of listed companies	136,589	-	136,589	136,589	-	136,589
	Open ended mutual funds	100,000	-	100,000	100,000	-	100,000
	Term Finance Certificates - listed	182,322	-	182,322	182,322	-	182,322
	Term Finance Certificates - unlisted	869,359	-	869,359	911,869	-	911,869
	Sukuk Certificates - unlisted	1,201,000	-	1,201,000	360,000	-	360,000
	Foreign Currency Bonds	5,576,782	857,878	6,434,660	5,701,917	-	5,701,917
		<b>116,197,055</b>	<b>2,381,503</b>	<b>118,578,558</b>	<b>65,242,513</b>	<b>-</b>	<b>65,242,513</b>
8.1.4	<b>Investment in subsidiaries</b>	1,919,121	-	1,919,121	1,919,121	-	1,919,121
	<b>Investments at cost</b>	<b>132,071,949</b>	<b>2,381,503</b>	<b>134,453,452</b>	<b>131,508,202</b>	<b>1,413,214</b>	<b>132,921,416</b>
	Less: Provision for diminution in value of investments	(948,820)	-	(948,820)	(948,820)	-	(948,820)
	<b>Investments (net of provision)</b>	<b>131,123,129</b>	<b>2,381,503</b>	<b>133,504,632</b>	<b>130,559,382</b>	<b>1,413,214</b>	<b>131,972,596</b>
	Unrealised gain / (loss) on revaluation of investments classified as held-for-trading	506,940	-	506,940	(1,261)	(36)	(1,297)
	Surplus on revaluation of available-for-sale securities	1,681,230	3,136	1,684,366	1,755,311	-	1,755,311
	<b>Total investments at carrying value</b>	<b>133,311,299</b>	<b>2,384,639</b>	<b>135,695,938</b>	<b>132,313,432</b>	<b>1,413,178</b>	<b>133,726,610</b>

8.1.1 This represent investments in related party having market value of Rs.1,097.069 million (December 31, 2016: Rs.Nil).

8.1.2 Included herein are the investments in related parties amounting to Rs.1,749.712 million (December 31, 2016: Rs.1,814.560 million) having market value of Rs.3,066.850 million (December 31, 2016: Rs.3,324.401 million).

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

For the quarter ended March 31, 2017

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

8.1.4 Included herein are the investments in the following subsidiaries:

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

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

## 9. ADVANCES - net

Loans, cash credits, running finances, etc.

In Pakistan

Outside Pakistan

Net Investment in finance lease - in Pakistan

Bills discounted and purchased  
(excluding treasury bills)

Payable in Pakistan

Payable outside Pakistan

Advances - gross

Provision for non-performing advances

Specific

General

Advances - net of provision

Note	Un-audited March 31, 2017	Audited December 31, 2016
	----- (Rupees in '000) -----	
	89,996,654	84,694,538
	-	2,139
	<u>89,996,654</u>	<u>84,696,677</u>
	10,264,215	7,532,153
	1,630,625	1,444,580
	2,159,102	2,780,065
	<u>3,789,727</u>	<u>4,224,645</u>
	104,050,596	96,453,475
9.1	(2,657,982)	(2,618,353)
	(60,258)	(40,988)
	<u>(2,718,240)</u>	<u>(2,659,341)</u>
	<u>101,332,356</u>	<u>93,794,134</u>

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

For the quarter ended March 31, 2017

- 9.1 Advances include Rs.3,570.847 million (December 31, 2016: Rs.3,327.942 million) which have been placed under non-performing status as detailed below:

Category of classification	Unaudited March 31, 2017			Provision required	Provision held
	Domestic	Overseas	Total		
	(Rupees in '000)				
Other assets especially mentioned	-	-	-	-	-
Substandard	633,942	-	633,942	44,757	44,757
Doubtful	42,514	-	42,514	445	445
Loss	2,894,391	-	2,894,391	2,612,780	2,612,780
	<u>3,570,847</u>	<u>-</u>	<u>3,570,847</u>	<u>2,657,982</u>	<u>2,657,982</u>

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

## 10. OPERATING FIXED ASSETS

- 10.1 During the period, the Bank has made additions of Rs.234.518 million (March 31, 2016: Rs.756.172 million) and deletions of Rs.36.254 (March 31, 2016: Rs.93.238 million) having written down value of Rs.8.605 million (March 31, 2016: Rs.1.875 million).

11. DEPOSITS AND OTHER ACCOUNTS	Note	Un-audited March 31, 2017	Audited December 31, 2016
		----- (Rupees in '000) -----	
<b>Customers</b>			
Fixed deposits		109,343,608	105,693,800
Savings deposits		43,843,824	39,530,255
Current accounts - non-remunerative		46,662,453	48,932,442
Margin accounts		3,982,024	4,185,137
		<u>203,831,909</u>	<u>198,341,634</u>
<b>Financial institutions</b>			
Remunerative deposits		28,647,743	26,853,900
Non-remunerative deposits		719,329	903,397
		<u>29,367,072</u>	<u>27,757,297</u>
	11.1	<u>233,198,981</u>	<u>226,098,931</u>
<b>11.1 Particulars of deposits</b>			
In local currency		220,774,949	215,434,075
In foreign currencies		12,424,032	10,664,856
		<u>233,198,981</u>	<u>226,098,931</u>

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

For the quarter ended March 31, 2017

	Un-audited March 31, 2017	Audited December 31, 2016
<b>12. DEFERRED TAX (ASSET) / LIABILITY - net</b>	Note	----- (Rupees in '000) -----
<b>Deferred tax (debits) arising from:</b>		
Unused tax losses	(39,331)	-
Minimum tax	(44,352)	-
Provision against investments	(57,149)	(57,149)
Provision against loans and advances	(15,720)	(16,092)
Provision for Workers' Welfare Fund	(26,145)	(26,145)
	<b>(182,697)</b>	<b>(99,386)</b>
<b>Deferred tax credits arising due to:</b>		
Operating fixed assets	177,795	184,050
Goodwill	512,268	512,268
Unrealised loss on revaluation of derivative instruments	2,467	(7,782)
Unrealised (loss) / gain on revaluation of investment classified as held for trading	177,429	(454)
Surplus on revaluation of non-banking assets acquired in satisfaction of claims	2,278	2,307
Surplus on revaluation of investment classified assets as available for sale	589,528	614,359
	<b>1,461,765</b>	<b>1,304,748</b>
	<b>1,279,068</b>	<b>1,205,362</b>
<b>13. SURPLUS ON REVALUATION OF ASSETS - net of tax</b>		
Non-banking assets acquired in satisfaction of claims	81,814	81,868
Available-for-sale securities	1,094,838	1,140,952
	<b>1,176,652</b>	<b>1,222,820</b>
<b>Available-for-sale securities</b>		
Government Securities	(56,199)	48,729
Ordinary shares - listed	1,606,424	1,664,750
Open ended mutual funds	584	(2,843)
Foreign currency bonds	133,557	44,675
	<b>1,684,366</b>	<b>1,755,311</b>
<b>Related deferred tax liability</b>	<b>(589,528)</b>	<b>(614,359)</b>
	<b>1,094,838</b>	<b>1,140,952</b>

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

For the quarter ended March 31, 2017

		Un-audited March 31, 2017	Audited December 31, 2016
<b>14. CONTINGENCIES AND COMMITMENTS</b>	Note	----- (Rupees in '000) -----	
<b>14.1 Transaction-related contingent liabilities</b>			
Includes performance bonds, bid bonds, warranties, advance payment guarantees, shipping guarantees and standby letters of credit related to particular transactions			
i) Government		19,529,705	18,055,350
ii) Banking companies and other financial institutions		3,109,892	2,777,027
iii) Others	14.1.1	5,760,993	6,673,175
		<u>28,400,590</u>	<u>27,505,552</u>
14.1.1	Included herein the outstanding guarantees of Rs.59.742 million (December 31, 2016: Rs.17.140 million) of related parties.		
		Un-audited March 31, 2017	Audited December 31, 2016
	Note	----- (Rupees in '000) -----	
<b>14.2 Trade-related contingent liabilities</b>			
Documentary credits	14.2.1	<u>19,118,110</u>	<u>20,505,270</u>
14.2.1	Included herein the outstanding amount of Rs.1,771.765 million (December 31, 2016: Rs.2,194.048 million) of related parties.		
<b>14.3 Commitments in respect of forward lending</b>	14.3.1	<u>-</u>	<u>234,062</u>
14.3.1	Included herein the commitment of Rs.Nil (December 31, 2016: Rs.170 million) of related parties.		
<b>14.4 Commitments in respect of capital expenditure</b>		<u>86,541</u>	<u>59,876</u>
<b>14.5 Commitments in respect of derivative instruments</b>			
<b>14.5.1 Forward exchange contracts</b>			
Purchase		<u>7,380,241</u>	<u>9,872,524</u>
Sale		<u>5,384,673</u>	<u>10,004,614</u>
<b>14.5.2 Forward investment securities</b>			
Purchase		<u>-</u>	<u>3,989,680</u>
Sale		<u>-</u>	<u>4,998,400</u>
<b>14.5.3 Cross currency swaps (notional principal)</b>		<u>1,753,050</u>	<u>1,753,050</u>
14.6	There is no change in contingent liabilities since the date of annual unconsolidated audited financial information for the year ended December 31, 2016 except as disclosed above.		

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

For the quarter ended March 31, 2017

	Quarter ended	
	March 31, 2017	March 31, 2016
<b>15. BASIC AND DILUTED EARNINGS PER SHARE - Un-audited</b>	Rupees in '000	
Profit after taxation for the period - attributable to equity holders of the Bank for diluted earnings	<b>267,580</b>	458,624
Preference dividend paid for the year ended December 31, 2016 @ 12% p.a. (December 31, 2015: 12% p.a)	<b>(180,000)</b>	(180,000)
Profit after taxation for the period - attributable to ordinary equity holders of the Bank for basic earnings	<b><u>87,580</u></b>	<u>278,624</u>
	Numbers	
Weighted average number of outstanding ordinary shares during the period for basic and diluted	<b><u>1,072,464,262</u></b>	<u>1,072,464,262</u>
	Rupee	
Basic and diluted earnings per share	<b><u>0.08</u></b>	<u>0.26</u>

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



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

For the quarter ended March 31, 2017

## 16. RELATED PARTY TRANSACTIONS

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

Contributions to the accounts in respect of staff retirement benefits are made in accordance with terms of the contribution plans. Remuneration of the key management personnel are in accordance with the terms of their employment. Other transactions are carried out as per agreed terms. The detail of investments in subsidiaries and associates are stated in note 8.1.4 to this unconsolidated condensed interim financial information.

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

	Parent		Key management personnel		Subsidiary companies		Other related parties		Companies having common directorship		Companies in which parent company holds 20% or more		Companies having common directorship		Other related parties	
	Un-audited March 31, 2017	Audited December 31, 2016	Un-audited March 31, 2017	Audited December 31, 2016	Un-audited March 31, 2017	Audited December 31, 2016	Un-audited March 31, 2017	Audited December 31, 2016	Un-audited March 31, 2017	Audited December 31, 2016	Un-audited March 31, 2017	Audited December 31, 2016	Un-audited March 31, 2017	Audited December 31, 2016	Un-audited March 31, 2017	Audited December 31, 2016
<b>Advances</b>																
Opening balance	767,243	2,016,612	56,583	76,534	1,094,276	1,485,323	3,617,557	2,510,501	956,255	1,087,580	5,673	7,075	1,300,223	1,532,411	1,300,223	2,044,664
Deposits during the period	646,841	(1,426,643)	391,743	(1,233,860)	49,623,920	322,936,015	19,550,307	59,765,939	5,198,815	27,432,054	-	18,640,900	5,797,723	4,576,609	8,293,661	33,645,004
Withdrawals during the period	(1,024,079)	(12,079,012)	(345,626)	(1,233,811)	(49,664,406)	(323,387,052)	(20,064,216)	(65,619,943)	(4,114,419)	(27,573,379)	(249)	(18,642,302)	(605,308)	(5,321,050)	(6,530,441)	(32,515,106)
Balance as at	<b>382,009</b>	<b>767,243</b>	<b>1,02,700</b>	<b>56,583</b>	<b>1,233,788</b>	<b>1,094,276</b>	<b>3,104,248</b>	<b>3,617,557</b>	<b>2,090,651</b>	<b>956,255</b>		<b>3,893,567</b>	<b>1,074,638</b>	<b>3,438,466</b>		
Deposits during the quarter ended March 31, 2016																
Withdrawals made during the quarter ended March 31, 2016																
Mark-up / return / interest earned for the quarter ended March 31 (un-audited)	<b>6,092</b>	<b>29,641</b>	<b>544</b>	<b>932</b>	<b>18,627</b>	<b>27,293</b>	<b>54,386</b>	<b>38,123</b>	<b>8,817</b>	<b>12,770</b>	<b>75</b>	<b>12,234</b>	<b>21,447</b>	<b>49,165</b>		

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

For the quarter ended March 31, 2017

Material transactions with related parties are given below:

Nature of transactions	Subsidiary companies		Companies having common directorship		Companies in which parent company holds 20% or more		Other related parties	
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
	----- Un-audited ----- (Rupees in '000)							
<b>Nature of transactions</b>								
Sale of government securities	-	6,218	-	112,098	9,497,199	5,553,976	245,312	514,257
Purchase of government securities	-	-	-	-	-	1,011,080	52,332	45,576
Sale of Sukuk / Ijara Sukuk	-	-	-	-	-	130,496	-	-
Sale of shares / Units	-	-	-	-	-	-	-	51,623
Sale of foreign exchange contracts	-	-	-	-	2,935,638	4,710,978	-	-
Purchase of foreign exchange contracts	822	679	-	-	2,411,534	2,514,993	-	-
Rent received / receivable	768	355	-	-	-	-	-	-
Rent expense paid / accrued	-	-	10,082	-	-	-	-	-
Letter of credits	-	-	-	6,289	-	-	27,746	20,474
Reimbursement of expenses	-	67	-	-	-	-	1,231	1,483
Payment to staff contribution plan	-	-	-	-	-	-	32,574	24,326
Remuneration to key management personnel	-	-	-	-	-	-	179,822	145,289
Director fees and allowances	-	-	-	-	4,769	-	2,550	4,350
Insurance claim received	-	-	-	-	99,574	24,191	3,297	36,150
Insurance premium paid	235	474	-	37,112	-	-	-	-
Expenses incurred on behalf	1,050	454	-	-	-	-	-	-
Services rendered	1,116	433	20	10	13,480	12,390	28	21
Commission paid / accrued	-	-	-	-	-	6,874	-	14,198
Commission income	-	-	-	-	-	-	-	4,500
Dividend income	-	-	-	-	-	-	-	-
Advisory fee	-	-	-	-	-	-	-	-
Preference dividend paid	-	-	-	-	-	-	10,500	1,479
Services received	-	-	-	-	-	-	10	306
	----- Parent company ----- Un-audited							
	March 31, 2017	March 31, 2016						
	378	327						
	1,303	589						
	174,450	-						
	----- (Rupees in '000) -----							
<b>Nature of transactions</b>								
Rent expense paid / accrued								
Reimbursement of expenses								
Preference dividend paid								

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

For the quarter ended March 31, 2017

## 17. FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

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

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

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

For the quarter ended March 31, 2017

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

	As at March 31, 2017			Total
	Level 1	Level 2	Level 3	
----- Rupees in '000 -----				
<b>On balance sheet financial instruments</b>				
<b>Financial assets classified as 'held-for-trading securities'</b>				
<b>Government Securities</b>				
Market treasury bills	-	11,271,604	-	11,271,604
Pakistan investment bonds	-	2,094,040	-	2,094,040
Ordinary shares of listed companies	1,097,069	-	-	1,097,069
	<u>1,097,069</u>	<u>13,365,644</u>	<u>-</u>	<u>14,462,713</u>
<b>Financial assets classified as 'available-for-sale securities'</b>				
<b>Government Securities</b>				
Market treasury bills	-	10,894,727	-	10,894,727
Pakistan investment bonds	-	95,743,204	-	95,743,204
	-	<u>106,637,931</u>	-	<u>106,637,931</u>
<b>Ordinary Shares</b>				
Ordinary shares of listed companies	4,013,731	-	-	4,013,731
Ordinary shares of unlisted company	-	-	169,817	169,817
	<u>4,013,731</u>	<u>-</u>	<u>169,817</u>	<u>4,183,548</u>
<b>Term Finance Certificates and Sukuks</b>				
Term finance certificates - unlisted	-	654,477	-	654,477
Sukuk certificates - unlisted	-	1,201,000	-	1,201,000
	-	<u>1,855,477</u>	-	<u>1,855,477</u>
Open ended mutual funds	100,584	-	-	100,584
Foreign currency bonds	-	6,536,564	-	6,536,564
	<u>5,211,384</u>	<u>128,395,616</u>	<u>169,817</u>	<u>133,776,817</u>
<b>Off balance sheet financial instruments</b>				
<b>Forward exchange contracts</b>				
Purchase	-	7,364,719	-	7,364,719
Sale	-	5,374,241	-	5,374,241
<b>Forward government securities</b>				
Purchase	-	-	-	-
Sale	-	-	-	-
Cross currency swaps (notional principal)	-	1,753,050	-	1,753,050

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

For the quarter ended March 31, 2017

	As at December 31, 2016 Audited			Total
	Level 1	Level 2	Level 3	
----- Rupees in '000 -----				
<b>On balance sheet financial instruments</b>				
<b>Financial assets classified as 'held-for-trading securities'</b>				
<b>Government Securities</b>				
Market treasury bills	-	65,758,485	-	65,758,485
Pakistan investment bonds	-	-	-	-
<b>Financial assets classified as 'available-for-sale securities'</b>				
<b>Government Securities</b>				
Market treasury bills	-	4,884,060	-	4,884,060
Pakistan investment bonds	-	49,834,951	-	49,834,951
	-	54,719,011	-	54,719,011
<b>Ordinary Shares</b>				
Ordinary shares of listed companies	4,291,093	-	-	4,291,093
Ordinary shares of unlisted companies	-	-	169,817	169,817
	4,291,093	-	169,817	4,460,910
<b>Term Finance Certificates and Sukuks</b>				
Term finance certificates - unlisted	-	696,987	-	696,987
Sukuk certificates - unlisted	-	360,000	-	360,000
	-	1,056,987	-	1,056,987
Open end mutual funds	97,157	-	-	97,157
Foreign currency bonds	-	5,714,939	-	5,714,939
	4,388,250	127,249,422	169,817	131,807,489
<b>Off balance sheet financial instruments</b>				
<b>Forward exchange contracts</b>				
Purchase	-	9,816,883	-	9,816,883
Sale	-	9,977,367	-	9,977,367
<b>Cross currency swaps (notional principal)</b>				
	-	1,758,882	-	1,758,882
<b>Forward government securities</b>				
Purchase	-	3,988,403	-	3,988,403
Sale	-	4,996,791	-	4,996,791

## 18. SEGMENT DETAILS WITH RESPECT TO BUSINESS ACTIVITIES

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

	2017						
	Corporate finance	Trading and sales	Retail banking	Commercial banking	Payment and settlement	Others	Total
----- (Rupees in '000) -----							
<b>March 31, 2017 (Un-audited)</b>							
Total income - external	103,066	2,830,590	910,944	1,256,553	42,947	16,241	5,160,341
Inter-segment revenues-net	-	(2,158,732)	1,917,227	241,505	-	-	-
Total income	103,066	671,858	2,828,171	1,498,058	42,947	16,241	5,160,341
Total expenses	(22,179)	(129,987)	(2,663,112)	(1,546,950)	(18,416)	(310,329)	(4,690,973)
Provisions / impairments	-	-	(14,578)	(44,321)	-	-	(58,899)
Current taxation	-	-	-	-	-	(44,352)	(44,352)
Prior year taxation	-	-	-	-	-	-	-
Deferred taxation	-	-	-	-	-	(98,537)	(98,537)
Net income / (loss)	80,887	541,871	150,481	(93,213)	24,531	(436,977)	267,580
<b>March 31, 2017 (Un-audited)</b>							
Segment assets (gross)	-	161,399,609	41,454,217	66,414,326	-	11,300,112	280,568,264
Segment non performing assets	-	969,590	357,530	3,213,317	-	10,861	4,551,298
Segment provision required	-	(948,820)	(228,809)	(2,489,431)	-	(10,861)	(3,677,921)
Segment liabilities	-	9,736,675	160,170,216	80,079,864	2,894,740	7,317,489	260,198,984

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

For the quarter ended March 31, 2017

	2016						
	Corporate finance	Trading and sales	Retail banking	Commercial banking	Payment and settlement	Others	Total
	(Rupees in '000)						
<b>March 31, 2016 (Un-audited)</b>							
Total income - external	87,194	2,870,788	831,956	921,033	37,297	630	4,748,898
Inter-segment revenues-net	-	(1,046,094)	956,422	89,672	-	-	-
Total income	87,194	1,824,694	1,788,378	1,010,705	37,297	630	4,748,898
Total expenses	(5,898)	(697,208)	(1,887,708)	(964,999)	(17,418)	(350,465)	(3,923,696)
Provisions	-	-	(100,829)	(18,697)	-	-	(119,526)
Current taxation	-	-	-	-	-	(125,522)	(125,522)
prior year taxation	-	-	-	-	-	-	-
Deferred taxation	-	-	-	-	-	(121,530)	(121,530)
Net income / (loss)	81,296	1,127,486	(200,159)	27,009	19,879	(596,887)	458,624

## December 31, 2016 (Audited)

Segment assets (gross)	-	157,133,847	37,737,239	63,853,911	-	9,594,518	268,319,515
Segment non-performing assets	-	1,125,952	315,703	3,012,239	-	10,861	4,464,755
Segment provision required	-	(948,820)	(181,830)	(2,477,511)	-	(10,861)	(3,619,022)
Segment liabilities	-	3,040,528	156,713,850	79,664,600	2,544,028	6,087,962	248,050,968

## 19. GENERAL

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

## 20. DATE OF AUTHORISATION FOR ISSUE

This unconsolidated condensed interim financial information was authorised for issue by the Board of Directors of the Bank in their meeting held on April 27, 2017.

Chairman

President and  
Chief Executive Officer

Director

Director

# Consolidated Condensed Interim Financial Information

# Consolidated Condensed Interim Statement of Financial Position

As at March 31, 2017

		Un-audited March 31, 2017	Audited December 31, 2016
	Note	----- (Rupees in '000) -----	
<b>ASSETS</b>			
Cash and balances with treasury banks		14,968,790	15,509,263
Balances with other banks		1,905,949	767,747
Lendings to financial institutions	8	12,057,644	11,334,414
Investments - net	9	136,484,829	135,038,901
Advances - net	10	101,349,047	93,812,506
Operating fixed assets	11	6,176,248	6,021,563
Deferred tax assets - net		-	-
Other assets		7,654,337	6,341,197
		280,596,844	268,825,591
<b>LIABILITIES</b>			
Bills payable		2,894,740	2,544,028
Borrowings		13,787,775	10,320,047
Deposits and other accounts	12	231,945,193	225,004,655
Sub-ordinated loans		3,000,000	3,000,000
Liabilities against assets subject to finance lease		-	-
Deferred tax liabilities-net	13	1,156,149	1,082,885
Other liabilities		7,876,239	7,111,582
		260,660,096	249,063,197
<b>NET ASSETS</b>			
		19,936,748	19,762,394
<b>REPRESENTED BY:</b>			
Share capital		10,724,643	10,724,643
Discount on issue of shares		(2,105,401)	(2,105,401)
Preference shares		1,500,000	1,500,000
Reserves		1,387,654	1,334,138
Unappropriated profit		4,943,227	4,858,596
		16,450,123	16,311,976
Non-controlling interest		1,458,935	1,434,391
		17,909,058	17,746,367
Surplus on revaluation of assets - net of tax	14	2,027,690	2,016,027
		19,936,748	19,762,394
<b>CONTINGENCIES AND COMMITMENTS</b>			
	15		

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

Chairman

President and  
Chief Executive Officer

Director

Director



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

For the quarter ended March 31, 2017

	March 31, 2017	March 31, 2016
Note	Rupees in '000	
Mark-up / return / interest earned	3,942,563	3,655,968
Mark-up / return / interest expensed	2,660,842	2,251,655
Net mark-up interest income	<u>1,281,721</u>	<u>1,404,313</u>
Provision against non-performing loans and advances - net	(58,899)	(119,526)
Reversal for diminution in the value of investments - net	1,796	-
Bad debts written off directly	-	-
	<u>(57,103)</u>	<u>(119,526)</u>
Net mark-up interest income after provisions	<u>1,224,618</u>	<u>1,284,787</u>
<b>NON MARK-UP / INTEREST INCOME</b>		
Fee, commission and brokerage income	672,122	449,768
Dividend income	4,235	51,067
Income from dealing in foreign currencies	62,522	91,706
Gain on sale / redemption of securities - net	230,527	634,822
Unrealised gain on revaluation of investments classified as held-for-trading - net	507,119	18,558
Other income	50,139	22,674
Total non-mark-up / interest income	<u>1,526,664</u>	<u>1,268,595</u>
	<u>2,751,282</u>	<u>2,553,382</u>
<b>NON MARK-UP / INTEREST EXPENSES</b>		
Administrative expenses	2,221,822	1,786,571
Other provisions / write offs	-	-
Other charges	10,392	15,396
Total non-mark-up / interest expenses	<u>2,232,214</u>	<u>1,801,967</u>
	<u>519,068</u>	<u>751,415</u>
Extra ordinary / unusual items	-	-
<b>PROFIT BEFORE TAXATION</b>	<u>519,068</u>	<u>751,415</u>
<b>Taxation</b>		
- Current	(79,993)	(148,146)
- Prior years	-	-
- Deferred	(96,806)	(119,797)
	<u>(176,799)</u>	<u>(267,943)</u>
<b>PROFIT AFTER TAXATION</b>	<u>342,269</u>	<u>483,472</u>
<b>ATTRIBUTABLE TO:</b>		
Equity holders of the Bank	317,725	469,583
Non-controlling interest	24,544	13,889
	<u>342,269</u>	<u>483,472</u>
	Rupee	
<b>Basic and diluted earnings per share</b>	16	<u>0.13</u>
		<u>0.27</u>

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

Chairman

President and  
Chief Executive Officer

Director

Director

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

For the quarter ended March 31, 2017

	March 31, 2017	March 31, 2016
	Rupees in '000	
<b>Profit after taxation</b>	<b>342,269</b>	483,472
<b>Other comprehensive income</b>		
Items that are not to be reclassified to profit or loss in subsequent periods	-	-
<b>Items that are or may be reclassified to profit or loss in subsequent periods</b>		
Effect of translation of net investment in foreign branch	368	-
<b>Other comprehensive income transferred to equity</b>	<b>342,637</b>	483,472
<b>Items that are or may be reclassified to profit or loss in subsequent periods</b>		
(Deficit) / surplus arising on revaluation of available-for-sale securities	(11,824)	100,652
Related deferred tax liability / (asset)	23,541	(36,422)
	11,717	64,230
<b>Total comprehensive income during the period - net of tax</b>	<b>354,354</b>	547,702
<b>Attributable to:</b>		
Equity holders of the Bank	309,662	546,758
Non-controlling interest	44,692	944
<b>Total comprehensive income during the period - net of tax</b>	<b>354,354</b>	547,702

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

Chairman

President and  
Chief Executive Officer

Director

Director

# Consolidated Condensed Interim Statement of Changes in Equity (Un-audited)

For the quarter ended March 31, 2017

	Share capital	Discount on issue of shares	Preference Shares	Statutory reserve	Unappropriated profit	Sub total	Non-controlling interest	Total
(Rupees in '000)								
<b>Balance as at</b>								
January 01, 2016 Audited	10,724,643	(2,105,401)	1,500,000	918,815	3,066,149	14,104,206	1,952,266	16,056,472
<b>Total comprehensive income for the quarter ended March 31, 2016</b>								
Profit after taxation	-	-	-	-	469,583	469,583	13,889	483,472
Other comprehensive income - net of tax	-	-	-	-	-	-	-	-
<b>Transaction with owners recorded directly in equity</b>								
Preference dividend for the period ended December 31, 2015 @ 12% p.a.	-	-	-	-	(180,000)	(180,000)	-	(180,000)
<b>Transfers</b>								
Transfer to statutory reserve	-	-	-	91,725	(91,725)	-	-	-
<b>Balance as at March 31, 2016</b>	10,724,643	(2,105,401)	1,500,000	1,010,540	3,264,007	14,393,789	1,966,155	16,359,944
<b>Total comprehensive income for the nine months period ended December 31, 2016</b>								
Profit after taxation	-	-	-	-	1,859,376	1,859,376	115,786	1,975,162
Other comprehensive income - net of tax	-	-	-	-	(37,061)	(37,061)	-	(37,061)
<b>Transaction with owners recorded directly in equity</b>								
Buy-back of shares by subsidiary	-	-	-	-	-	-	(694,430)	(694,430)
Gain arising on buy back of shares by subsidiary	-	-	-	-	95,872	95,872	46,880	142,752
<b>Transfers</b>								
Transfer to statutory reserve	-	-	-	323,598	(323,598)	-	-	-
<b>Balance as at December 31, 2016 (Audited)</b>	10,724,643	(2,105,401)	1,500,000	1,334,138	4,858,596	16,311,976	1,434,391	17,746,367
<b>Total comprehensive income for the quarter ended March 31, 2017</b>								
Profit after taxation	-	-	-	-	317,725	317,725	24,544	342,269
Other comprehensive income - net of tax	-	-	-	-	368	368	-	368
<b>Transaction with owners recorded directly in equity</b>								
Transfer from surplus on revaluation of non-banking assets to unappropriated profit - net of tax	-	-	-	-	54	54	-	54
Preference dividend for the year ended December 31, 2016 @ 12% p.a.	-	-	-	-	(180,000)	(180,000)	-	(180,000)
<b>Transfers</b>								
Transfer to statutory reserve	-	-	-	53,516	(53,516)	-	-	-
<b>Balance as at March 31, 2017</b>	10,724,643	(2,105,401)	1,500,000	1,387,654	4,943,227	16,450,123	1,458,935	17,909,058

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

Chairman

President and  
Chief Executive Officer

Director

Director

# Consolidated Condensed Interim Cash Flow Statement (Un-audited)

For the quarter ended March 31, 2017

	March 31, 2017	March 31, 2016
	----- (Rupees in '000) -----	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before taxation	519,068	726,534
Less: Dividend income	(4,235)	(51,067)
	<u>514,833</u>	<u>675,467</u>
<b>Adjustments:</b>		
Depreciation	156,662	124,723
Depreciation on non-banking assets	325	-
Amortisation of intangibles	14,670	12,987
Charge for defined benefit plan	41,771	22,915
Unrealised gain on revaluation of investments classified as held-for-trading	(507,119)	(18,558)
Provision against non-performing advances - net	58,899	119,526
Reversal for diminution in the value of investments - net	(1,796)	-
Unrealised loss / (gain) on revaluation of derivative instruments	4,634	(15,883)
Gain on disposal of operating fixed assets	(16,944)	(737)
Provision for Workers' Welfare Fund	10,392	14,705
	<u>(238,506)</u>	<u>259,678</u>
	<u>276,327</u>	<u>935,145</u>
<b>Decrease / (increase) in operating assets</b>		
Lendings to financial institutions	(723,230)	2,342,663
Investment in held-for-trading securities - net	52,358,702	16,237,509
Advances - net	(7,595,440)	(6,243,133)
Other assets (excluding advance taxation)	(1,094,022)	2,443,503
	<u>42,946,010</u>	<u>14,780,542</u>
<b>Increase / (decrease) in operating liabilities</b>		
Bills payable	350,712	427,189
Borrowings	3,030,652	(15,428,471)
Deposits and other accounts	6,940,538	5,862,507
Other liabilities	707,860	520,488
	<u>11,029,762</u>	<u>(8,618,287)</u>
	<u>54,252,099</u>	<u>7,097,400</u>
Income tax paid	(299,437)	(101,482)
Gratuity paid	-	-
Net cash flows from operating activities	<u>53,952,662</u>	<u>6,995,918</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Net investment in available-for-sale securities	(53,307,539)	(6,595,033)
Dividend received	4,235	4,190
Investment in operating fixed assets	(335,799)	(812,303)
Sale proceeds from disposal of operating fixed assets	26,726	2,612
Net cash used in investing activities	<u>(53,612,377)</u>	<u>(7,400,534)</u>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Preference dividend paid	(180,000)	-
Effect of translation of net investment in foreign branches	368	-
Net cash used in financing activities	<u>(179,632)</u>	<u>-</u>
<b>Increase / (decrease) in cash and cash equivalents</b>	<u>160,653</u>	<u>(404,616)</u>
Cash and cash equivalents at beginning of the period	<u>16,236,482</u>	<u>11,734,891</u>
Cash and cash equivalents at end of the period	<u><u>16,397,135</u></u>	<u><u>11,330,275</u></u>

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

Chairman

President and  
Chief Executive Officer

Director

Director

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

For the quarter ended March 31, 2017

## 1. STATUS AND NATURE OF BUSINESS

### 1.1 The “Group” consists of:

#### 1.1.1 Holding Company

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

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

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

#### 1.1.2 Subsidiary companies

##### JS Global Capital Limited (JSGCL)

JS Global Capital Limited, JSGCL, is principally owned by the Bank, holding 67.16% of its equity interest. The Bank acquired effective controlling interest in JSGCL on December 21, 2011 and April 15, 2016 of 51.05% and 16.11% respectively. The ownership interest has increased by 16.11%, without changing in the cost of investment, due to the fact that JSGCL has bought back its 11,993,000 ordinary shares out of its 50 million ordinary shares during the year. JSGCL is a public listed company incorporated in Pakistan under the Companies Ordinance, 1984. The shares of the JSGCL are listed on Pakistan Stock

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

For the quarter ended March 31, 2017

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

## JS Investments Limited (JSIL)

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

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

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

### Open ended funds:

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

### Pension fund

- JS Pension Savings Fund
- JS Islamic Pension Savings Fund

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

## JS ABAMCO Commodities Limited (JSACL)

JS Bank owns JS ABAMCO Commodities Limited, JSACL, indirectly through its subsidiary JS Investment Limited (JSIL) which has 100% holding in JSACL. JSACL was incorporated

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

For the quarter ended March 31, 2017

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

## 2. BASIS OF CONSOLIDATION

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

## 3. STATEMENT OF COMPLIANCE

- 3.1 This consolidated condensed interim financial information of the Group for the first quarter ended March 31, 2017 has been prepared in accordance with the requirements of the International Accounting Standard 34 - 'Interim Financial Reporting', provisions of the Companies Ordinance, 1984, the Banking Companies Ordinance, 1962 and directives issued by the SECP and SBP. In case where requirements differ, the provisions of the Companies Ordinance, 1984, the Banking Companies Ordinance, 1962 and the said directives have been followed.
- 3.2 The SBP vide BSD Circular No. 10, dated August 26, 2002 has deferred the applicability of International Accounting Standard 39, Financial Instruments: Recognition and Measurement (IAS 39) and International Accounting Standard 40, Investment Property (IAS 40) for Banking companies till further instructions. Further, according to the notification of the SECP dated April 28, 2008, the IFRS - 7 "Financial Instruments: Disclosures" has not been made applicable for banks. Accordingly, the requirements of these standards have not been considered in the preparation of these consolidated financial statements. However, investments have been classified and valued in accordance with the requirements of various circulars issued by the SBP.
- 3.3 IFRS10 "Consolidated Financial Statements" was made applicable from period beginning on or after January 01, 2015 vide S.R.O 633(I)/2014 dated July 10, 2014 by SECP. However, SECP has directed that the requirements of consolidation under section 237 of the Companies Ordinance 1984 and IFRS-10 "Consolidated Financial Statements" are not applicable in case of investment by companies in mutual funds established under trust structure, through S.R.O 56(I) /2016 dated January 28, 2016. Accordingly, these requirements have not been considered in the preparation of the consolidated financial information.
- 3.4 The disclosures made in this consolidated condensed interim financial information has been limited based on the format prescribed by the SBP vide BSD Circular No. 2 dated May 12, 2004 and International Accounting Standard 34, 'Interim Financial Reporting' and do not include all the disclosures required in the annual financial statements. Accordingly, this consolidated condensed interim financial information should be read in conjunction with the annual audited financial statements of the Group for the year ended December 31, 2016.

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

For the quarter ended March 31, 2017

## 4. BASIS OF MEASUREMENT

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

## 5. ACCOUNTING ESTIMATES AND JUDGMENTS

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

## 6. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

## 7. FINANCIAL RISK MANAGEMENT

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

		<b>Un-audited March 31, 2017</b>	Audited December 31, 2016
<b>8. LENDINGS TO FINANCIAL INSTITUTIONS</b>	Note	----- (Rupees in '000) -----	
Call money lendings		<b>3,072,687</b>	2,634,489
Repurchase agreement lendings (Reverse repo)	8.1	<b>8,984,957</b>	8,699,925
		<b><u>12,057,644</u></b>	<u>11,334,414</u>

- 8.1 Repurchase agreement lendings are secured through Pakistan Investment Bonds and Market Treasury Bills having total market value of Rs.9,284.293 million (December 31, 2016: Rs.8,811.414 million).



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

For the quarter ended March 31, 2017

## 9. INVESTMENTS-NET

	Note	Un-audited March 31, 2017			Audited December 31, 2016		
		Held by Group	Given as collateral	Total	Held by Group	Given as collateral	Total
----- (Rupees in '000) -----							
<b>9.1 INVESTMENTS BY TYPES:</b>							
<b>Held-for-trading securities</b>							
Market Treasury Bills		11,271,883	-	11,271,883	64,346,568	1,413,214	65,759,782
Pakistan Investment Bonds		2,094,297	-	2,094,297	-	-	-
Ordinary Shares of listed companies	9.1.1	781,863	-	781,863	732,684	-	732,684
Term Finance Certificates - listed	9.1.2	32,383	-	32,383	21,023	-	21,023
Open ended mutual funds	9.1.3	298,690	-	298,690	294,359	-	294,359
Sukuk certificates - listed		-	-	-	12,116	-	12,116
		<b>14,479,116</b>	<b>-</b>	<b>14,479,116</b>	<b>65,406,750</b>	<b>1,413,214</b>	<b>66,819,964</b>
<b>Available-for-sale securities</b>							
Market Treasury Bills		10,898,789	-	10,898,789	4,885,943	-	4,885,943
Pakistan Investment Bonds		94,271,716	1,523,625	95,795,341	49,784,339	-	49,784,339
Ordinary shares of listed companies	9.1.4	2,407,307	-	2,407,307	2,626,343	-	2,626,343
Ordinary shares of unlisted companies		562,355	-	562,355	568,464	-	568,464
Preference shares of a listed company		136,589	-	136,589	136,589	-	136,589
Term Finance Certificates - listed		182,322	-	182,322	182,322	-	182,322
Term Finance Certificates - unlisted	9.1.5	1,195,815	-	1,195,815	1,238,325	-	1,238,325
Sukuk Certificates - unlisted		1,201,000	-	1,201,000	360,000	-	360,000
Open ended mutual funds	9.1.6	1,443,432	-	1,443,432	1,465,829	-	1,465,829
Foreign Currency Bonds		5,576,782	857,878	6,434,660	5,701,917	-	5,701,917
		<b>117,876,107</b>	<b>2,381,503</b>	<b>120,257,610</b>	<b>66,950,071</b>	<b>-</b>	<b>66,950,071</b>
<b>Investments at cost</b>							
		<b>132,355,223</b>	<b>2,381,503</b>	<b>134,736,726</b>	<b>132,366,821</b>	<b>1,413,214</b>	<b>133,770,035</b>
Less: Provision for diminution in value of investments		(1,418,226)	-	(1,418,226)	(1,420,022)	-	(1,420,022)
<b>Investments (net of provision)</b>							
		<b>130,936,997</b>	<b>2,381,503</b>	<b>133,318,500</b>	<b>130,936,799</b>	<b>1,413,214</b>	<b>132,350,013</b>
Unrealised gain / (loss) on revaluation of investments classified as held-for-trading		507,119	-	507,119	17,890	(36)	17,854
Surplus on revaluation of available-for-sale securities	9.1.7 & 14	2,656,074	3,136	2,659,210	2,671,034	-	2,671,034
		<b>134,100,190</b>	<b>2,384,639</b>	<b>136,484,829</b>	<b>133,625,723</b>	<b>1,413,178</b>	<b>135,038,901</b>

9.1.1 Included herein is the investment in a related party amounting to Rs.589.593 million (December 31, 2016: Rs.Nil) having a market value of Rs.1,097.069 million (December 31, 2016: Rs.Nil).

9.1.2 Included herein is the investment in a related party amounting to Rs.21.013 million (December 31, 2016: Rs.21.013 million) having a market value of Rs.21.067 million (December 31, 2016: Rs.21.013 million).

9.1.3 Included herein is the investment in a related party amounting to Rs.298.690 million (December 31, 2016: Rs.294.359 million) having a market value of Rs.299.803 million (December 31, 2016: Rs.300.008 million).

9.1.4 Included herein are the investments in related parties amounting to Rs.1,749.712 million (December 31, 2016: Rs.1,814.560 million) and having market value of Rs.3,066.850 million (December 31, 2016: Rs.3,324.401 million).

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

For the quarter ended March 31, 2017

- 9.1.5** Included herein is the investments in a related party, of Rs.391.478 million (December 31, 2016: Rs.391.478 million) at the rate of 6 months KIBOR ask rate + 1.75% to 11% p.a maturing between December 04, 2017 to October 19, 2020. Due to weak financial position of the company the Group has recognised full impairment loss on these term finance certificates.
- 9.1.6** Included herein is the investment in a related party amounting to Rs.1,343.431 million (December 31, 2016: Rs.1,365.828 million) having a market value of Rs.2,175.325 million (December 31, 2016: Rs.2,136.806 million).
- 9.1.7** This includes surplus on revaluation of available for sale investments of subsidiaries amounting to Rs.80.378 million (December 31, 2016: Rs.80.378 million) which represents the pre-acquisition surplus and has been included here only for meeting with requirement of the prescribed format of Banks / DFIs issued by the State Bank of Pakistan.

	Un-audited March 31, 2017	Audited December 31, 2016
10. <b>ADVANCES - net</b>	----- (Rupees in '000) -----	
Loans, cash credits, running finances, etc.		
In Pakistan	90,013,345	84,712,910
Outside Pakistan	-	2,139
	<b>90,013,345</b>	<b>84,715,049</b>
Net investment in finance lease - in Pakistan	<b>10,264,215</b>	7,532,153
Bills discounted and purchased (excluding market treasury bills)		
Payable in Pakistan	1,630,625	1,444,580
Payable outside Pakistan	2,159,102	2,780,065
	<b>3,789,727</b>	<b>4,224,645</b>
Advances - gross	<b>104,067,287</b>	96,471,847
Provision for non-performing advances		
Specific	(2,657,982)	(2,618,353)
General	(60,258)	(40,988)
	<b>(2,718,240)</b>	<b>(2,659,341)</b>
Advances - net of provision	<b>101,349,047</b>	<b>93,812,506</b>

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

For the quarter ended March 31, 2017

- 10.1 Advances include Rs.3,570.847 million (December 31, 2016: Rs.3,327.942 million) which have been placed under non-performing status as detailed below:

		Un-audited March 31, 2017				
		Domestic	Overseas	Total	Provision required	Provision held
		----- (Rupees in '000) -----				
<b>Category of classification</b>						
Other assets especially mentioned	-	-	-	-	-	-
Substandard	633,942	-	633,942	44,757	44,757	
Doubtful	42,514	-	42,514	445	445	
Loss	2,894,391	-	2,894,391	2,612,780	2,612,780	
	<u>3,570,847</u>	<u>-</u>	<u>3,570,847</u>	<u>2,657,982</u>	<u>2,657,982</u>	
		----- (Rupees in '000) -----				
		Audited December 31, 2016				
		Domestic	Overseas	Total	Provision required	Provision held
		----- (Rupees in '000) -----				
<b>Category of classification</b>						
Other assets especially mentioned	-	-	-	-	-	-
Substandard	384,986	-	384,986	46,076	46,076	
Doubtful	48,302	-	48,302	531	531	
Loss	2,894,654	-	2,894,654	2,571,746	2,571,746	
	<u>3,327,942</u>	<u>-</u>	<u>3,327,942</u>	<u>2,618,353</u>	<u>2,618,353</u>	

## 11. OPERATING FIXED ASSETS

- 11.1 During the period, the Group has made additions of Rs.258.410 million (March 31, 2016: Rs.763.341 million) and deletions of Rs.38.299 (March 31, 2016: Rs.90.709 million) having written down value of Rs. 9.782 million (March 31, 2016: Rs.2.106 million).

		Un-audited March 31, 2017	Audited December 31, 2016
		----- (Rupees in '000) -----	
<b>12. DEPOSITS AND OTHER ACCOUNTS</b>			
<b>Customers</b>			
Fixed deposits		109,343,608	105,693,800
Savings deposits		43,843,824	39,530,255
Current accounts - non-remunerative		46,662,453	48,932,442
Margin accounts		3,982,024	4,185,137
		<u>203,831,909</u>	<u>198,341,634</u>
<b>Financial institutions</b>			
Remunerative deposits		27,394,196	25,760,056
Non-remunerative deposits		719,088	902,965
		<u>28,113,284</u>	<u>26,663,021</u>
12.1		<u>231,945,193</u>	<u>225,004,655</u>
<b>12.1 Particulars of deposits</b>			
In local currency		219,521,161	214,339,799
In foreign currencies		12,424,032	10,664,856
		<u>231,945,193</u>	<u>225,004,655</u>

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

For the quarter ended March 31, 2017

	Un-audited March 31, 2017	Audited December 31, 2016
<b>13. DEFERRED (ASSET) / TAX LIABILITY - net</b>	----- (Rupees in '000) -----	
<b>Deferred tax (debits) arising from:</b>		
Unused tax losses	(71,131)	(30,541)
Minimum tax	(44,352)	-
Provision against investments	(57,149)	(57,149)
Provision against loans, advances and trade debts	(137,078)	(137,558)
Provision for donation	(1,222)	(1,222)
Provision for Workers' Welfare Fund	(46,048)	(45,935)
	<u>(356,980)</u>	<u>(272,405)</u>
<b>Deferred tax credits arising due to:</b>		
Operating fixed assets	184,558	191,785
Goodwill	512,268	512,268
Unrealized loss/ gain on revaluation of investment classified as held-for-trading	178,602	215
Unrealised loss on revaluation of derivative instruments	2,467	(7,782)
Surplus on revaluation of non-banking assets acquired in satisfaction of claims	2,278	2,307
Surplus on revaluation of investment classified as available-for-sale	632,956	656,497
	<u>1,513,129</u>	<u>1,355,290</u>
	<u>1,156,149</u>	<u>1,082,885</u>
<b>14. SURPLUS ON REVALUATION OF ASSETS - net of tax</b>		
Non-banking assets acquired in satisfaction of claims	81,814	81,868
Available-for-sale securities	1,945,876	1,934,159
	<u>2,027,690</u>	<u>2,016,027</u>
<b>Surplus / (deficit) on revaluation of available-for-sale securities - net of tax</b>		
Government securities	(56,199)	48,729
Ordinary shares - listed	1,606,424	1,664,750
Open ended mutual funds	895,050	832,502
Foreign currency bonds	133,557	44,675
	2,578,832	2,590,656
Related deferred tax liability	(632,956)	(656,497)
	<u>1,945,876</u>	<u>1,934,159</u>
Group's share	1,731,189	1,739,674
Non-controlling interest	296,501	276,353
	<u>2,027,690</u>	<u>2,016,027</u>

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

For the quarter ended March 31, 2017

	Un-audited March 31, 2017	Audited December 31, 2016
Note ----- (Rupees in '000) -----		
<b>15. CONTINGENCIES AND COMMITMENTS</b>		
<b>15.1 Transaction-related contingent liabilities</b>		
Includes performance bonds, bid bonds, warranties, advance payment guarantees, shipping guarantees and standby letters of credit related to particular transactions.		
i) Government	19,529,705	18,055,350
ii) Banking companies and other financial institutions	3,109,892	2,777,027
iii) Others	5,760,993	6,673,175
15.1.1	<u>28,400,590</u>	<u>27,505,552</u>
15.1.1	Included herein the outstanding guarantees of Rs.59.742 million (December 31, 2016: Rs.17.140 million) of related parties.	
<b>15.2 Trade-related contingent liabilities</b>		
Documentary credits	15.2.1 <u>19,118,110</u>	<u>20,505,270</u>
15.2.1	Included herein the outstanding amount of Rs.1,771.765 million (December 31, 2016: Rs.2,194.048 million) of related parties.	
<b>15.3 Commitments in respect of forward lending</b>	<u>-</u>	<u>234,062</u>
15.3.1	Included herein the commitment of Rs.Nil (December 31, 2016: Rs.170 million) of related parties.	
<b>15.4 Commitment in respect of capital expenditure</b>	<u>86,541</u>	<u>59,876</u>
<b>15.5 Commitments in respect of derivatives instruments</b>		
<b>15.5.1 Commitments in respect of forward exchange contracts</b>		
Purchase	<u>7,380,241</u>	<u>9,872,524</u>
Sale	<u>5,384,673</u>	<u>10,004,614</u>
<b>15.5.2 Forward investment securities</b>		
Purchase	<u>-</u>	<u>3,989,680</u>
Sale	<u>185,989</u>	<u>4,999,456</u>
<b>15.5.3 Cross currency swaps (notional principal)</b>	<u>1,753,050</u>	<u>1,753,050</u>
15.6	There is no change in contingent liabilities since the date of annual consolidated audited financial statements for the year ended December 31, 2016 except as disclosed above.	

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

For the quarter ended March 31, 2017

	Quarter ended	
	March 31, 2017	March 31, 2016
	----- Rs. in '000 -----	
<b>16. BASIC AND DILUTED EARNINGS PER SHARE - Un-audited</b>		
Profit after taxation for the period - attributable to equity holders of the Bank for diluted earnings	<b>317,725</b>	469,583
Preference dividend paid for the year ended December 31, 2016 @ 12% p.a. (December 31, 2015: 12% p.a)	<b>(180,000)</b>	(180,000)
Profit after taxation for the period - attributable to ordinary equity holders of the Bank for basic earnings	<b><u>137,725</u></b>	<u>289,583</u>
	----- Numbers -----	
Weighted average number of outstanding ordinary shares during the period for basic and diluted	<b><u>1,072,464,262</u></b>	<u>1,072,464,262</u>
	----- Rupee -----	
Basic and diluted earnings per share	<b><u>0.13</u></b>	<u>0.27</u>

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

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

For the quarter ended March 31, 2017

## 17. RELATED PARTY TRANSACTIONS

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

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

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

	Key management personnel		Companies in which parent company holds 20% or more		Companies having common directorship		Other related parties	
	Un-audited March 31, 2017	Audited December 31, 2016	Un-audited March 31, 2017	Audited December 31, 2016	Un-audited March 31, 2017	Audited December 31, 2016	Un-audited March 31, 2017	Audited December 31, 2016
<b>Advances</b>								
Opening balance	479,860	387,435	2,096,721	2,047,846	384,361	385,763	1,303,405	2,047,846
Disbursements	119,413	292,193	234,597	767,157	-	18,640,900	579,723	4,576,609
Repayments	(60,515)	(209,768)	(309,029)	(718,282)	(249)	(18,642,302)	(805,308)	(5,321,050)
Balance as at	538,758	479,860	2,022,289	2,095,721	394,112	394,361	1,077,820	1,303,405
Disbursements made during quarter ended March 31, 2016		62,852		575,847		3,588,567		1,532,411
Repayment made during quarter ended March 31, 2016		(20,827)		(157,006)		(1,270,730)		(1,260,315)
Mark-up / return / interest earned for quarter ended March 31 (un-audited)	6,098	4,942	8,670	4,573	75	12,234	21,447	49,165
<b>Deposits</b>								
Opening balance	767,243	2,016,612	3,617,557	2,510,501	956,255	1,097,580	3,438,466	2,308,588
Deposits during the period	648,841	11,429,643	19,550,907	59,785,999	5,188,815	27,432,054	8,293,661	33,645,004
Withdrawals during the period	(1,024,075)	(12,679,012)	(20,064,216)	(58,678,943)	(4,114,419)	(27,573,379)	(8,230,441)	(32,515,106)
Balance as at	392,009	767,243	3,104,248	3,617,557	2,030,651	956,255	3,501,686	3,438,466
Deposits during quarter ended March 31, 2016		4,563,173		3,518,894		2,581,105		52,278,050
Withdrawals made during quarter ended March 31, 2016		(5,078,504)		(6,525,277)		(3,145,910)		(62,356,550)
Mark-up / return / interest expensed for quarter ended March 31 (un-audited)	6,062	29,641	54,366	38,123	8,617	12,770	51,220	43,340

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

For the quarter ended March 31, 2017

Material transactions with related parties are given below:

Companies having common directorship		Companies in which parent company holds 20% or more		Other related parties	
March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016

(Unaudited)

(Rupees in '000)

## Nature of transactions

Sale of Government Securities	-	112,098	9,497,199	5,553,976	245,312	514,257
Purchase of Government Securities	-	-	-	1,011,080	52,332	45,576
Sale of Sukuk / Ijara	-	-	-	130,496	-	-
Sale of shares / units	-	-	-	-	54,039	243,325
Purchase of shares / units	-	-	-	-	20,500	158,441
Purchase of forward foreign exchange contracts	-	-	2,411,534	2,514,993	-	-
Sale of forward foreign exchange contracts	-	-	2,935,638	4,710,978	-	-
Letter of credits	10,082	6,289	-	-	27,746	20,474
Payment to staff contribution plan	-	-	-	-	34,288	26,842
Remuneration of key management personnel	-	-	-	-	203,431	161,794
Director fees and allowances	-	-	-	-	2,625	5,075
Insurance claim received	-	-	4,769	-	-	3,297
Insurance premium paid	-	37,112	101,719	25,048	43,292	38,204
Rent income received / receivable	543	493	-	-	3,407	3,666
Expenses incurred on behalf	161	155	-	-	4,499	4,254
Reimbursement of expenses	-	-	-	101	5,169	3,624
Commission income	20	10	16,301	13,959	4,940	2,228
Dividend income	-	-	-	6,874	-	14,198
Advisory fee	-	-	-	-	10,500	4,500
Royalty expenses	-	-	-	-	-	5,000
Remunerative income	-	-	-	-	50,817	37,107
Preference dividend paid	-	-	-	-	1,479	-
Services received	-	-	-	-	10	306

## Parent company

March 31, 2017	March 31, 2016
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Un-audited

(Rupees in '000)

## Nature of transactions

Purchase of Government Securities	378	-
Rent and utilities expense paid / accrued	10,932	12,882
Reimbursement of expenses	3,618	589
Commission income	912	760
Expenses incurred on behalf	5	15
Preference dividend	174,450	-



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

For the quarter ended March 31, 2017

## 18. FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

### Fair value hierarchy

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

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

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

For the quarter ended March 31, 2017

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

	As at March 31, 2017			
	Level 1	Level 2	Level 3	Total
----- Rupees in '000 -----				
<b>On balance sheet financial instruments</b>				
<b>Financial assets classified as 'held-for-trading securities'</b>				
<b>Government Securities</b>				
Market treasury bills	-	11,271,604	-	11,271,604
Pakistan investment bonds	-	2,094,040	-	2,094,040
Ordinary shares of listed companies	1,288,550	-	-	1,288,550
Open end mutual funds	-	299,803	-	299,803
Term finance certificates - listed	32,239	-	-	32,239
	<u>1,320,789</u>	<u>13,665,447</u>	<u>-</u>	<u>14,986,236</u>
<b>Financial assets classified as 'available-for-sale securities'</b>				
<b>Government Securities</b>				
Market treasury bills	-	10,894,727	-	10,894,727
Pakistan investment bonds	-	95,743,204	-	95,743,204
	-	<u>106,637,931</u>	-	<u>106,637,931</u>
<b>Ordinary Shares</b>				
Ordinary shares of listed companies	4,013,731	-	-	4,013,731
Ordinary shares of unlisted company	-	-	178,981	178,981
	<u>4,013,731</u>	<u>-</u>	<u>178,981</u>	<u>4,192,712</u>
<b>Term Finance Certificates and Sukus</b>				
Term finance certificates - unlisted	-	654,477	-	654,477
Sukuk certificates - unlisted	-	1,201,000	-	1,201,000
	-	<u>1,855,477</u>	-	<u>1,855,477</u>
Open ended mutual funds	2,275,909	-	-	2,275,909
Foreign currency bonds	-	6,536,564	-	6,536,564
	<u>7,610,429</u>	<u>128,695,419</u>	<u>178,981</u>	<u>136,484,829</u>
<b>Off balance sheet financial instruments</b>				
<b>Forward exchange contracts</b>				
Purchase	-	7,364,719	-	7,364,719
Sale	-	5,374,241	-	5,374,241
<b>Forward government and equity securities</b>				
Purchase	-	-	-	-
Sale	-	189,183	-	189,183
Cross currency swaps (notional principal)	-	2,156,726	-	2,156,726

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

For the quarter ended March 31, 2017

	As at December 31, 2016 - Audited			
	Level 1	Level 2	Level 3	Total
	----- Rupees in '000 -----			
<b>On balance sheet financial instruments</b>				
<b>Financial assets classified as 'held-for-trading securities'</b>				
<b>Government Securities</b>				
Market treasury bills	-	65,758,485	-	65,758,485
Ordinary shares of listed companies	746,234	-	-	746,234
Sukuk certificates - listed	12,078	-	-	12,078
Open end mutual funds	-	300,008	-	300,008
Term finance certificates - listed	21,013	-	-	21,013
	<u>779,325</u>	<u>66,058,493</u>	<u>-</u>	<u>66,837,818</u>
<b>Financial assets classified as 'available-for-sale securities'</b>				
<b>Government Securities</b>				
Market treasury bills	-	4,884,060	-	4,884,060
Pakistan investment bonds	-	49,834,951	-	49,834,951
	-	54,719,011	-	54,719,011
<b>Ordinary Shares</b>				
Ordinary shares of listed companies	4,291,093	-	-	4,291,093
Ordinary shares of unlisted company	-	185,090	185,090	185,090
	<u>4,291,093</u>	<u>185,090</u>	<u>185,090</u>	<u>4,476,183</u>
<b>Term Finance Certificates and Sukus</b>				
Term finance certificates - listed	-	-	-	-
Term finance certificates - unlisted	-	696,987	-	696,987
Sukuk certificates - unlisted	-	360,000	-	360,000
	-	1,056,987	-	1,056,987
Open end mutual funds	-	2,233,963	-	2,233,963
Foreign currency bonds	-	5,714,939	-	5,714,939
	<u>5,070,418</u>	<u>129,783,393</u>	<u>185,090</u>	<u>135,038,901</u>
<b>Off balance sheet financial instruments</b>				
<b>Forward exchange contracts</b>				
Purchase	-	9,816,883	-	9,816,883
Sale	-	9,977,367	-	9,977,367
<b>Forward government and equity securities</b>				
Purchase	-	3,988,403	-	3,988,403
Sale	-	4,983,674	-	4,983,674
<b>Cross currency swaps (notional principal)</b>				
	-	1,758,882	-	1,758,882

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

For the quarter ended March 31, 2017

## 19. SEGMENT DETAILS WITH RESPECT TO BUSINESS ACTIVITIES

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

	2017								
	Corporate finance	Trading and sales	Retail banking	Commercial banking	Payment and settlement	Brokerage	Asset Management	Others	Total
	(Rupees in '000)								
<b>March 31, 2017 (Un-audited)</b>									
Total income -external	103,066	2,830,590	910,944	1,256,553	42,947	236,130	72,756	16,241	5,469,227
Inter-segment revenues-net	-	(2,158,732)	1,917,227	241,505	-	-	-	-	-
Total income	103,066	671,858	2,828,171	1,498,058	42,947	236,130	72,756	16,241	5,469,227
Total expenses	(22,179)	(109,476)	(2,663,112)	(1,546,950)	(18,416)	(154,052)	(68,542)	(310,329)	(4,893,056)
(Provisions) / reversal	-	-	(14,578)	(44,321)	-	-	1,796	-	(57,103)
Current taxation	-	-	-	-	-	-	-	(79,993)	(79,993)
Prior year taxation	-	-	-	-	-	-	-	-	-
Deferred taxation	-	-	-	-	-	-	-	(96,806)	(96,806)
Net income / (loss)	80,887	562,382	150,481	(93,213)	24,531	82,078	6,010	(470,887)	342,269
<b>Attributable to:</b>									
Equity holders of the Bank	-	-	-	-	-	-	-	-	317,725
Non-controlling interest	-	-	-	-	-	-	-	-	24,544
									342,269
<b>March 31, 2017 (Un-audited)</b>									
Segment assets (gross)	-	159,480,488	41,454,217	66,414,326	-	3,510,533	3,003,823	11,300,112	285,163,499
Segment non performing assets	-	969,590	357,530	3,213,317	-	745,784	142,950	10,861	5,440,032
Segment provision required	-	(948,820)	(2,539,443)	(178,797)	-	(745,784)	(142,950)	(10,861)	(4,566,655)
Segment liabilities	-	8,552,101	160,170,216	80,079,864	2,894,740	1,430,431	215,251	7,317,493	260,660,096

	2016								
	Corporate finance	Trading and sales	Retail banking	Commercial banking	Payment and settlement	Brokerage	Asset Management	Others	Total
	(Rupees in '000)								
<b>March 31, 2016 (Un-audited)</b>									
Total income -external	87,194	2,870,788	831,956	921,033	37,297	123,154	52,511	630	4,924,563
Inter-segment revenues-net	-	(1,046,094)	956,422	89,672	-	-	-	-	-
Total income	87,194	1,824,694	1,788,378	1,010,705	37,297	123,154	52,511	630	4,924,563
Total expenses	(5,898)	(697,208)	(1,887,708)	(964,999)	(17,418)	(69,805)	(60,121)	(350,465)	(4,053,622)
Provisions / impairments	-	-	(100,829)	(18,697)	-	-	-	-	(119,526)
Current taxation	-	-	-	-	-	-	-	(148,146)	(148,146)
Deferred taxation	-	-	-	-	-	-	-	(119,797)	(119,797)
Net income / (loss)	81,296	1,127,486	(200,159)	27,009	19,879	53,349	(7,610)	(617,778)	483,472
<b>Attributable to:</b>									
Equity holders of the Bank	-	-	-	-	-	-	-	-	469,583
Non-controlling interest	-	-	-	-	-	-	-	-	13,889
									483,472

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

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

For the quarter ended March 31, 2017

## 20. GENERAL

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

## 21. DATE OF AUTHORISATION FOR ISSUE

This consolidated condensed interim financial information was authorised for issue by the Board of Directors of the Bank in their meeting held on April 27, 2017.

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Chairman

President and  
Chief Executive Officer

Director

Director







Shaheen Commercial Complex,  
Dr. Ziauddin Ahmed Road, P.O. Box 4847,  
Karachi-74200, Pakistan.  
UAN: +92 21 111 JS BANK (572-265)