

10 YEARS OF GROWTH



Condensed Interim Financial Information
for the Nine Months Period Ended
September 30, 2017 (Un-Audited)

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Company Information

Board of Directors

Mr. Ali Jehangir Siddiqui
Chairman

Mr. Adil Matcheswala
Non-Executive Director

Mr. Ashraf Nawabi
Non-Executive Director

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

Mr. Kalim-ur-Rahman
Non-Executive Director

Mr. Munawar Alam Siddiqui
Non-Executive Director

Ms. Nargis Ghaloo
Independent Non-Executive Director

Mr. Shahab Anwar Khawaja
Independent Non-Executive Director

Mr. Khalid Imran
President & CEO

Audit Committee

Mr. Shahab Anwar Khawaja Chairman

Mr. Adil Matcheswala Member

Mr. G.M. Sikander Member

Chief Financial Officer

Mr. Muhammad Yousuf Amanullah

Company Secretary

Mr. Ashraf Shahzad

Auditors

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

Legal Advisors

Bawaney & Partners
Haidermota BNR
Liaquat Merchant Associates

Share Registrar

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

Registered office

JS Bank Limited
Shaheen Commercial Complex
Dr. Ziauddin Ahmed Road
P.O. Box 4847 Karachi-74200, Pakistan
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Directors' Report

We are pleased to present the unaudited financial statements of JS Bank Limited (“the Bank”) along with the consolidated financial statements of its subsidiaries JS Global Capital Limited and JS Investments Limited for the nine months period and third quarter ended September 30, 2017.

The Economy

Pakistan’s economy has shown mixed trends over the recent past. Some economic indicators were healthy such as GDP growth which came in at 5.3% for Fiscal Year 2017 (FY17) as compared to 4.7% in the previous year. Although inflation rose marginally, with consumer price index (CPI) inflation clocking in at 3.9% in September 2017, as compared to 3.41% in the previous month, the State Bank of Pakistan (SBP) kept the policy rate unchanged at 5.75% in its September 2017 Monetary Policy Statement (MPS). As per the Federal Board of Revenue, tax collection performance was satisfactory with a provisional collection of Pakistan Rupee (PKR) 765 billion for the first quarter (1QFY17), a revenue growth of 20% year-on-year (YoY).

On the other hand, macroeconomic risks and challenges have increased due to a growing fiscal deficit and an imbalanced current account which depleted foreign exchange reserves. The current account deficit continued to grow to USD 2.6 billion during the first two months of Fiscal Year 2018 (FY18) with import costs at USD 8.98 billion, an increase of over a 100% during the same period last year (FY17). Foreign exchange reserves continue to decline from an amount of USD 21.3 billion at the beginning of July 2017 to USD 20.0 billion by the end of September 2017. Despite this imbalance, the PKR has remained stable against the USD though talk of PKR devaluation continue to make headlines.

Banking Sector Review

During the first nine months of the year (9MFY17), Pakistan’s Banking Sector continued to witness an uptick in private sector credit off-take, where private sector borrowing jumped by 21% in August 2017 as compared to 12% in the previous year. Banking spreads continued their downward trend where for the first two months of FY18, spreads dropped to 4.96% marking a 20 basis points (bps) YoY decline. Advances in the sector continued their strong growth registering a 20% YoY increase to PKR 6,137 billion, increasing the Advances-to-Deposit Ratio (ADR) to 51% as banking deposits touched PKR 11,980 billion as at September 30, 2017 and registered a growth of 14% YoY. Investments also increased by 13% YoY reaching PKR 8,338 billion, maintaining the Investment-to-Deposit Ratio (IDR) at approximately 70%. Non-performing loans (NPLs) showed a decline to PKR 603.8 billion (March 2017) from PKR 649 billion (June 2016), improving the industry infection ratio from 11.7% to 9.9% during the period.

Financial Performance

During the period under review, deposits and advances increased from PKR 226.1 billion and PKR 93.8 billion as at December 31, 2016 to PKR 273.8 billion (a growth of 21.1%) and PKR 150.6 billion (growth of 60.5%) respectively as at September 30, 2017, whereas investments increased from PKR 133.7 billion to PKR 193.9 billion (an increase of 45%) during the same period.

The Bank has earned a profit before tax of PKR 825.1 million (profit after tax of PKR 417.0 million) for the nine months ended September 30, 2017 as compared to the profit before tax of PKR 1,842.8 million (profit after tax of PKR 1,118.4 million) in the corresponding period last year. The decrease in profit was mainly due to a decrease in capital gain on securities and an increase in the operating expenses due to launching new initiatives.

Business Overview

JS Bank continues to grow its market share in terms of deposits, assets and non-funded income (NFI)

businesses. The Bank's growth strategy is based on innovative product development to better address customer needs, enhancing customer accessibility through branches, a robust technology network and strengthening of service quality to create a satisfying banking experience. The Bank leverages its superior partnerships with world class institutions to enrich customer experience and enhance our ability to better serve the diverse needs of our clients.

JS Bank is gradually increasing its market share in the consumer banking and leasing businesses sectors. The Bank is pursuing a focused growth strategy and entering into strategic partnerships to build a healthy consumer and leasing portfolio.

The Bank's branch in Bahrain continued its pace of growth in the second year of its operations. The branch is engaged activities such as trade finance, lending, deposit taking and investments. The branch aims to further strengthen its business by offering comprehensive wholesale banking services to meet the needs of a wide range of customers across the region.

The Bank continues its leadership role in the secondary and primary debt market it captured 6.7% of market share in the secondary market and 8.8% in the primary market during the quarter. In addition, the Treasury placed corporate debt instruments of over PKR 8.37 billion in the market via IPOs during the nine months period ended September 30, 2017. The Bank continued to expand its cross currency swap portfolio in the third quarter with the aim to apply for an Authorized Derivatives Dealer (ADD) license in the future.

JS Bank continues to grow its panel of global and regional correspondent banks, spanning over 90 countries and 350 delivery points. The extensive network allows the Bank to facilitate its customers by providing a vast array of trade finance and remittance services. While working with trusted correspondent banking partners, we have opened up new business avenues in terms of secondary market participations, trade loans, syndications and forfaiting. These efforts aid in providing depth and value addition to the overall activities of JS Bank.

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 in the short-term category.

Subsidiary Companies

- **JS Global Capital Limited**

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

JS Global has shareholders' equity of PKR 2614.5 million as at September 30, 2017. It is listed on the Pakistan Stock Exchange. JS Bank has 67.2% ownership of the company.

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

Summarized results of JS Global are set out below:

PKR Million

Particulars	For the nine months ended September 30, 2017	For the nine months ended September 30, 2016
	(Unaudited)	(Unaudited)
Profit before tax	175.9	162.2
Profit after tax	98.2	115.4
EPS (Rupees)	2.58	2.71

• **JS Investments Limited**

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

JS Investments has shareholders' equity of PKR 2321.8 million as at September 30, 2017. It is listed on the Pakistan Stock Exchange. JS Bank has 65.2% ownership of the company.

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

Summarized results of JS Investments are set out below:

PKR Million

Particulars	For the nine months ended September 30, 2017	For the nine months ended September 30, 2016
	(Unaudited)	(Unaudited)
Profit before tax	42.0	42.6
Profit after tax	40.9	31.8
EPS (Rupees)	0.01	0.4

Acknowledgments

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

On behalf of the Board

Khalid Imran
President & CEO

Karachi: October 27, 2017

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

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

مندرجات	30 ستمبر 2017 کو ختم ہونے والے نومہ کی مدت کیلئے (غیر آڈٹ شدہ)	30 ستمبر 2016 کو ختم ہونے والے نومہ کی مدت کیلئے (غیر آڈٹ شدہ)
مناطفہ نقل اور ٹیکس	42.0	42.6
مناطفہ بعد از ٹیکس	40.9	31.8
ای ای پی ایس (روپے میں)	0.01	0.4

احزاب

مسلسل سرپرستی اور رہنمائی کیلئے ہم اسٹیٹ بینک آف پاکستان اور سکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے شہرگزار ہیں۔ بورڈ انٹھک محنت اور داملنگی کیلئے اپنے ملازمین کو بھی خراج تحسین پیش کرتا ہے اور مینجمنٹ پر اعتماد کیلئے شہیر بولڈرز کا ممنون ہے۔ ہم مستقل تعاون اور اعتماد کیلئے اپنے تمام صارفین کے بھی شہرگزار ہیں۔

بگم پورڈ

خالد عمران

پریذیڈنٹ اینڈ سی ای او

کراچی، 27 اکتوبر، 2017

بحرین میں موجود بینک کے برانچ نے اپنے آپریٹرز کے دوسرے سال اپنی ترقی کی رفتار کو برقرار رکھا، برانچ بڑھانے پر فائز قرض لینے دینے اور انویسٹمنٹ جیسی سرگرمیوں میں ملوث ہے۔ شاخ کا مقصد اس ریجن کی عملیاتی ایک بڑی تعداد کی تمام ضروریات کو پورا کرنے کیلئے بینکنگ کی تمام تر خدمات کی فراہمی ہے اپنے کاروبار کو مزید مضبوط بنا رہا ہے۔

بینک نے سیکینڈری اور پرائمری ڈیپٹ مارکیٹ میں اپنی لیڈرشپ برقرار رکھی ہے اور اس سہ ماہی کے دوران اس نے سیکینڈری مارکیٹ کے 6.7% مارکیٹ شیئر ز اور پرائمری مارکیٹ کے 8.8% مارکیٹ شیئر ز حاصل کرنے میں۔ مزید یہ کہ بڑی بڑی 30 ستمبر 2017 کو ختم ہونے والے نو ماہ کے دوران IPOs کے ذریعے مارکیٹ میں 8.37 بلین روپے کے کارپوریٹ ڈیپٹ انسٹرومنٹس رکھ دیے ہیں۔ بینک نے مستقبل میں آٹھ ماہ کی ریویو ڈیپٹ انسٹنس کی درخواست دینے کیلئے اس سہ ماہی میں بھی اپنے کراس سٹاپ پورٹ فولیو میں اضافہ جاری رکھا۔

بے ایس بینک نے 90 ممالک اور 350 ڈیپلوری پوائنٹس میں پھیلا ہونے والی عالمی اور علاقائی ٹرانزیکشن کے پیش میں اضافہ جاری رکھا ہے۔ یہ وسیع بینک ڈرک بینک کو اپنے عملیاتی ڈیپٹ انسٹرومنٹس اور ریٹیننس سرورسز فراہم کرنے کے قابل بناتا ہے۔ اپنے باہتمام بینکنگ پائرز کے ساتھ کام کرتے ہوئے ہم نے نئے کاروباری مواقع کا آغاز کیا ہے جن میں سیکینڈری مارکیٹ میں حصہ داری، بڑے لوگ، سنڈیکیشنز اور فنانسنگ شامل ہیں۔ یہ اقدامات بے ایس بینک کی مجموعی سرگرمیوں میں وسعت اور قابل قدر اضافہ فراہم کرنے میں مدد کرتی ہیں۔

کریڈٹ ریٹنگ

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

متعلقہ کمپنیز:

• JS گلوبل کیٹیبل لیمنڈ

JS گلوبل کیٹیبل لیمنڈ ("JS Global") کی عملیاتی کیٹیبل مارکیٹ میں نمایاں حیثیت کے ساتھ پاکستان کی سب سے بڑی سیکورٹیز بروکرینج اور انویسٹمنٹ بینکنگ فرمز میں سے ایک ہے۔

JS گلوبل 30 ستمبر 2017 کو 2614.5 بلین روپے کے سرمایہ کی مالک ہے۔ یہ پاکستان اسٹاک ایکسچینج کی فہرست میں شامل ہے۔ JS بینک کمپنی کی 67.2% ملکیت کا حامل ہے۔

پاکستان کریڈٹ ریٹنگ ایجنسی (PACRA) نے JS گلوبل کو بائزر تیب "AA" (ڈبل اے اے) کی طویل المدتی ریٹنگ اور "A1+" (اے ون پلس) قلیل المدتی ادائیگی ریٹنگ تفویض کی ہے۔ یہ ریٹنگ فرم ذمہ داری کے متعلق نقصانات سے محفوظ اور ان کی وقت پورا دہائی کو یقینی بنانے کی ضمانت دیتی ہے۔

کمپنی کے نتائج کا مختصر خلاصہ درج ذیل ہے:

بلین پاکستانی روپے

مندرجات	30 ستمبر 2017 کو ختم ہونے والے	30 ستمبر 2016 کو ختم ہونے والے
	نوماہ کی مدت کیلئے	نوماہ کی مدت کیلئے
	(غیر آڈٹ شدہ)	(غیر آڈٹ شدہ)
منافع قبل از ٹیکس	175.9	162.2
منافع بعد از ٹیکس	98.2	115.4
ای بی ایس (روپے میں)	2.58	2.71

• JS انویسٹمنٹس لیمنڈ

کمپنی نان بینکنگ فنانشل کیٹیجز (قیام اور توہین) رولز، 2003 (این بی ایف سی رولز) اور نان بینکنگ فنانشل کیٹیجز اور نوٹیفائیڈ پیپیریٹری ریگولیشنز 2008 (این بی ایف سی ریگولیشنز) کے تحت انویسٹمنٹ ایڈوائزر اور ایسٹ مینجمنٹ کمپنی ہے۔ اس کے علاوہ کمپنی وائیلنٹری ہیڈن سٹرم رولز، 2005 کے تحت وائیلنٹری ہیڈن سٹرم کے انکپور کے انتظامات کے لئے ہیڈن فنڈ منیجر کے طور پر انٹرنیشنل یا تو بھی ہے۔

JS انویسٹمنٹ کے شیئر ہولڈرز کی ایکویٹی 30 ستمبر 2017 کو 2321.8 بلین روپے ہے۔ یہ پاکستان اسٹاک ایکسچینج کی فہرست میں شامل ہے۔ JS بینک اس کمپنی کی 65.2% ملکیت رکھتا ہے۔

ڈائریکٹرز رپورٹ

ہم (بورڈ آف ڈائریکٹرز) انتہائی مسرت کے ساتھ 30 ستمبر 2017 کو ختم ہونے والی تیسری سہ ماہی اور نو ماہ کیلئے JS بینک لمیٹڈ ("بینک") کی غیر آڈٹ شدہ مالیاتی تفصیلات کے ساتھ متعلقہ کمپنیز JS گلوبل کپٹل لمیٹڈ اور JS انویسٹمنٹس لمیٹڈ کی نظر ثانی شدہ مالیاتی تفصیلات پیش کر رہے ہیں۔

معیشت

گزشتہ دنوں پاکستانی معیشت اتار چڑھاؤ کا شکار رہی ہے۔ کچھ معاشی عوامل مثبت رہے جیسے GDP میں اضافہ جو کہ گزشتہ سال کے مقابلے میں 4.7% سے بڑھ کر مالی سال 2017 (FY17) میں 5.3% ہوئی۔ اگرچہ افراط زر میں بھی معمولی اضافہ ہوا ہے۔ کنزیومر پرائس انڈیکس (CPI) کے ساتھ افراط زر ستمبر 2017 میں 3.9% رہی جبکہ گزشتہ ماہ یہ 3.41% تھی، اسٹیٹ بینک آف پاکستان (SBP) نے ستمبر 2017 کی اپنی ماہیتری پالیسی اسٹیٹمنٹ (SBP) میں پالیسی ریٹ کو 5.75 برقرار رکھا ہے۔ فیڈرل بورڈ آف ریونیو کے مطابق سال 2017 کی پہلی سہ ماہی میں 765 بلین روپے کی مجموعی رقم وصول کی گئی اور ٹیکس وصولی کی کارکردگی اطمینان بخش رہی اور پچھلے سال کے مقابلے میں ریونیو میں 20% اضافہ ہوا۔

دوسری طرف بڑھتے ہوئے مالی خسارے اور غیر متوازن کرنل اکاؤنٹ کی وجہ سے غیر ملکی زرمبادلہ کے ذخائر میں سخت کمی ہوئی ہے جس سے بڑے اقتصادی خطرات اور چیلنجز کا سامان ہے۔ کرنل اکاؤنٹ خسارہ مالی سال 2018 (FY 18) کے پبلے دوہینے میں 8.98 بلین امریکی ڈالر کی درآمد کے ساتھ 2.6 بلین ڈالر تک بڑھ گئی، گزشتہ سال (FY17) اسی مدت کے دوران 100% اضافہ ہوا ہے۔ غیر ملکی زرمبادلہ کے ذخائر میں کمی جاری ہے جو کہ جولائی 2017 کے آغاز میں 21.3 بلین ڈالر سے کم ہو کر ستمبر 2017 کے اختتام تک 20 بلین ڈالر ہو گئی، اس عدم توازن کے باوجود الٹ کے مقابلے میں روپے کی قدر حکم رہی حالانکہ روپے کی قدر میں کمی کی باتیں زیر گردش ہیں۔

شعبہ بینکاری کا جائزہ

سال کے پبلے 9،9 (9MFY17) کے دوران پاکستان کے بینکنگ سیکٹور نے پرائیویٹ سیکٹور کے کریڈٹ آف ٹیک میں بہتری دیکھی ہے اور پرائیویٹ سیکٹور کو حاصل شدہ قرضہ 2017 میں 21% ہو گیا جو کہ پچھلے سال 12% تھا۔ بینکنگ ایپریٹڈ میں کمی جاری رہی اور سال 2018 (FY 18) کے پبلے دو ماہ میں 20 ہزار 20 پوائنٹس (bps) سال بسال کی کمی بعد 4.96% ہو جائے گی۔ شعبے کے ایڈوانسز میں حکم اضافہ بدستور برقرار رہا اور یہ 20% سال بسال اضافے کے ساتھ 6.137 بلین روپے جا پہنچی جس سے ایڈوانسز ٹو ڈیپازٹ ریٹو (ADR) 51% ہوئی اور بینکنگ ڈیپازٹس 30 ستمبر 2017 تک 11,980 بلین روپے تک جا پہنچے اور 14% سال بسال اضافہ کیلئے میں آیا۔ انویسٹمنٹس بھی 13% سال بسال اضافے کے ساتھ 8,338 بلین روپے جا پہنچی اور انویسٹمنٹ ٹو ڈیپازٹ ریٹو (IDR) تقریباً 70% پر برقرار رہا۔ دوران مدت نان پرفارمنگ فونڈز (NPLs) میں کمی کی آئی اور یہ (جون 2016) 649 بلین روپے سے کم ہو کر (مارچ 2017) 603.8 بلین روپے ہو گیا جس سے انڈسٹری ٹو ہینڈ بیکر 11.7% سے 9.9% ہو گئی۔

مالیاتی کارکردگی

زیر جائزہ مدت کے دوران، ڈیپازٹس اور ایڈوانسز جو 31 دسمبر 2016 کو بائرنٹیپ 226.1 بلین روپے اور 93.8 بلین روپے تھے بڑھ کر 30 ستمبر 2017 کو بائرنٹیپ 273.8 بلین روپے (21.1% اضافہ) اور 150.6 بلین روپے (60.5% اضافہ) ہو گئے، جبکہ اسی مدت کے دوران سرمایہ کاری 133.7 بلین روپے سے بڑھ کر 193.9 بلین روپے (45% اضافہ) ہو گئی۔

30 ستمبر 2017 کو ختم ہونے والے نو ماہ کے مدت کیلئے بینک کا منافع قبل از ٹیکس 825.1 بلین روپے (منافع بعد از ٹیکس 417.0 بلین روپے رہا) جبکہ گزشتہ سال اسی مدت کیلئے منافع قبل از ٹیکس 1,842.8 بلین روپے (منافع بعد از ٹیکس 1,118.4 بلین روپے) تھا۔ منافع میں کمی کی بنیادی وجہ سیکورٹیز پر منافع میں کمی اور نئے اقدامات کی شروعات ہونے والے اخراجات تھے۔

کاروباری جائزہ

ہے ایس بینک جمع شدہ نو ماہی، ڈیپازٹس، NFI اور بزنسز کے حوالے سے اپنے مارکیٹ حصص میں مسلسل اضافہ کر رہا ہے۔ بہتری کی اس حکمت عملی کی بنیاد بینک کے سٹریٹجی کے مطابق جدید پروڈکٹس کی تیاری، سٹریٹجی بہتر سامانی کے لئے اپنے ہر ماہی اور اسے ڈی سی نیٹ ورک کو بڑھانے، سروس کے بہتر معیار اور بحیثیت مجموعی سٹریٹجی کیلئے بینکنگ کا بہتر تجربہ فراہم کرنے پر رکھی ہے۔ سٹریٹجی کے تجربے کو مزید بہتر بنانے اور ہمارے کلائنٹس کی تمام ضروریات کیلئے بہتر خدمات فراہم کرنے کی صلاحیت کو بڑھانے کیلئے بینک نے دنیا کے بہترین اداروں کے ساتھ شراکت داری قائم کر رکھی ہے۔

JS بینک کنزیومر بینکنگ اور ایڈوانسز بزنس سیکٹرز میں آہستہ آہستہ مارکیٹ شیئر بڑھا رہا ہے ایک مضبوط کنزیومر اور ایڈوانسز پورٹ فولیو بنانے کیلئے بینک ایک واضح گرو تھراؤ سٹریٹجی اور اسٹریٹجیک پلانز کو قائم کرنے کیلئے کوشاں ہے۔

Unconsolidated Condensed Interim Statement of Financial Position

As at September 30, 2017

		(Un-audited) September 30, 2017	(Audited) December 31, 2016
	Note	----- (Rupees in '000) -----	
ASSETS			
Cash and balances with treasury banks		18,851,154	15,508,968
Balances with other banks		602,651	752,710
Lendings to financial institutions	7	6,278,346	11,334,414
Investments - net	8	193,904,466	133,726,610
Advances - net	9	150,545,204	93,794,134
Operating fixed assets	10	6,903,485	5,837,181
Deferred tax assets - net		-	-
Other assets		6,660,785	3,746,476
		383,746,091	264,700,493
LIABILITIES			
Bills payable		4,085,951	2,544,028
Borrowings		79,304,840	10,320,047
Deposits and other accounts	11	273,778,218	226,098,931
Sub-ordinated loans		2,999,400	3,000,000
Liabilities against assets subject to finance lease		-	-
Deferred tax liabilities	12	835,328	1,205,362
Other liabilities		6,489,364	4,882,600
		367,493,101	248,050,968
NET ASSETS			
		16,252,990	16,649,525
REPRESENTED BY:			
Share capital		10,724,643	10,724,643
Discount on issue of shares		(2,105,401)	(2,105,401)
Preference shares		1,500,000	1,500,000
Reserves		1,417,539	1,334,139
Unappropriated profit		4,127,821	3,973,324
		15,664,602	15,426,705
Surplus on revaluation of assets - net of tax	13	588,388	1,222,820
		16,252,990	16,649,525
CONTINGENCIES AND COMMITMENTS			
	14		

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

Chairman

President and
Chief Executive Officer

Director

Director

Unconsolidated Condensed Interim Profit and Loss Account (Unaudited)

For the nine months period ended September 30, 2017

	Nine months period ended September 30,		Quarter ended September 30,		
	2017	2016	2017	2016	
Note	----- (Rupees in '000) -----				
Mark-up / return / interest earned	14,186,456	11,319,422	5,702,071	3,960,786	
Mark-up / return / interest expensed	9,811,417	6,977,241	4,028,006	2,480,793	
Net mark-up / interest income	4,375,039	4,342,181	1,674,065	1,479,993	
(Provision) / reversal against non-performing loans and advances - net	(220,666)	58,500	(142,028)	38,265	
Provision for diminution in the value of investments	-	(383,374)	-	-	
Bad debts written off directly	-	-	-	-	
	(220,666)	(324,874)	(142,028)	38,265	
Net mark-up / return / interest income after provisions	4,154,373	4,017,307	1,532,037	1,518,258	
NON MARK-UP / INTEREST INCOME					
Fee, commission and brokerage income	1,560,908	1,060,380	456,436	324,471	
Dividend income	100,557	65,968	8,667	4,926	
Income from dealing in foreign currencies	250,871	287,792	117,697	39,490	
Gain on sale / redemption of securities - net	625,803	1,330,049	266,625	89,315	
Unrealised gain / (loss) on revaluation of investments classified as held-for-trading - net	335	(10,898)	(1,613)	(24,510)	
Other income / (loss) - net	108,941	(1,198)	45,572	50,004	
Total non-mark-up / interest income	2,647,415	2,732,093	893,384	483,696	
	6,801,788	6,749,400	2,425,421	2,001,954	
NON MARK-UP / INTEREST EXPENSES					
Administrative expenses	5,947,118	4,837,373	2,217,144	1,431,353	
Other provisions / write offs	-	-	-	-	
Other charges	29,536	69,236	4,114	11,703	
Total non mark-up / interest expenses	5,976,654	4,906,609	2,221,258	1,443,056	
	825,134	1,842,791	204,163	558,898	
Extra ordinary / unusual items	-	-	-	-	
PROFIT BEFORE TAXATION	825,134	1,842,791	204,163	558,898	
Taxation					
- Current	(266,700)	(512,797)	(48,617)	(172,769)	
- Prior years	(115,944)	(79,838)	-	-	
- Deferred	(25,491)	(131,764)	(22,692)	(22,597)	
	(408,135)	(724,399)	(71,309)	(195,366)	
PROFIT AFTER TAXATION	416,999	1,118,392	132,854	363,532	
	----- (Rupee) -----				
Basic earnings per share	15	0.22	0.87	0.12	0.34
Diluted earnings per share	15	0.22	0.86	0.10	0.28

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

Chairman

President and
Chief Executive Officer

Director

Director

Unconsolidated Condensed Interim Statement of Comprehensive Income (Unaudited)

For the nine months period ended September 30, 2017

	Nine months period ended		Quarter ended	
	September 30, 2017	September 30, 2016	September 30, 2017	September 30, 2016
----- (Rupees in '000) -----				
Profit after taxation	416,999	1,118,392	132,854	363,532
Other comprehensive income				
Items that are not to be reclassified to profit and loss in subsequent periods	-	-	-	-
Items that are or may be reclassified to profit or loss in subsequent periods				
Effect of translation of net investment in foreign branch	737	-	716	-
Other comprehensive income transferred to equity	417,736	1,118,392	133,570	363,532
Items that are or may be reclassified to profit or loss in subsequent periods				
(Deficit) / surplus arising on revaluation of available-for-sale securities	(1,583,091)	(143,490)	(1,068,646)	126,913
Related deferred tax asset / (liabilities)	554,082	50,222	374,026	(44,419)
	(1,029,009)	(93,268)	(694,620)	82,494
Total comprehensive (loss) / income during the period - net of tax	(611,273)	1,025,124	(561,050)	446,026

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

Chairman

President and
Chief Executive Officer

Director

Director

Unconsolidated Condensed Interim Statement of Changes in Equity (Unaudited)

For the nine months period ended September 30, 2017

	Share capital	Discount on issue of shares	Preference shares	Statutory reserve	Unappropriated profit	Total
	(Rupees in '000)					
Balance as at January 01, 2016 (audited)	10,724,643	(2,105,401)	1,500,000	918,816	2,529,092	13,567,150
Total comprehensive income for the nine month period ended September 30, 2016						
Profit after taxation	-	-	-	-	1,118,392	1,118,392
Other comprehensive income	-	-	-	-	-	-
	-	-	-	-	1,118,392	1,118,392
Transfer from surplus on revaluation of non-banking assets to unappropriated profit - net of tax	-	-	-	-	37	37
Transaction with owners recorded directly in equity						
Preference dividend paid for the year ended December 31, 2015 @ 12% p.a.	-	-	-	-	(180,000)	(180,000)
Transfers						
Transfer to statutory reserve	-	-	-	223,678	(223,678)	-
Balance as at September 30, 2016 (un-audited)	10,724,643	(2,105,401)	1,500,000	1,142,494	3,243,843	14,505,579
Total comprehensive income for the period ended December 31, 2016						
Profit after taxation	-	-	-	-	958,224	958,224
Other comprehensive Income	-	-	-	-	(37,061)	(37,061)
	-	-	-	-	921,163	921,163
Transfer from surplus on revaluation of non-banking assets to unappropriated profit - net of tax	-	-	-	-	(37)	(37)
Transfers						
Transfer to statutory reserve	-	-	-	191,645	(191,645)	-
Balance as at December 31, 2016 (audited)	10,724,643	(2,105,401)	1,500,000	1,334,139	3,973,324	15,426,705
Total comprehensive income for the nine month period ended September 30, 2017						
Profit after taxation	-	-	-	-	416,999	416,999
Other comprehensive income	-	-	-	-	737	737
	-	-	-	-	417,736	417,736
Transfer from surplus on revaluation of non-banking assets to unappropriated profit - net of tax	-	-	-	-	161	161
Preference dividend paid for the year ended December 31, 2016 @ 12% p.a.	-	-	-	-	(180,000)	(180,000)
Transfers						
Transfer to statutory reserve	-	-	-	83,400	(83,400)	-
Balance as at September 30, 2017 (un-audited)	10,724,643	(2,105,401)	1,500,000	1,417,539	4,127,821	15,664,602

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

Chairman

President and
Chief Executive Officer

Director

Director

Unconsolidated Condensed Interim Cash Flow Statement (Unaudited)

For the nine months period ended September 30, 2017

	September 30, 2017	2016
	----- (Rupees in '000) -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	825,134	1,842,791
Less: Dividend income	<u>(100,557)</u>	<u>(65,968)</u>
	724,577	1,776,823
Adjustments:		
Depreciation	443,518	375,391
Depreciation on non-banking assets	975	572
Amortisation of intangibles	44,070	36,339
Charge for defined benefit plan	114,365	82,978
Unrealised (gain) / loss on revaluation of investments classified as held-for-trading - net	(335)	10,898
Provision / (reversal) against non-performing loans and advances - net	220,666	(58,500)
Provision for diminution in the value of investments	-	383,374
Unrealised (gain) / loss on revaluation of derivative instruments	(30,199)	27,947
Gain on disposal of operating fixed assets	(55,477)	(26,749)
Provision for Workers' Welfare Fund	16,503	36,856
	<u>754,086</u>	<u>869,106</u>
	1,478,663	2,645,929
Decrease / (increase) in operating assets		
Lendings to financial institutions	5,056,068	3,081,329
Net investment in held-for-trading securities	65,044,631	5,546,766
Advances	(56,971,736)	(2,910,155)
Other assets (excluding advance taxation)	<u>(2,728,578)</u>	<u>1,252,292</u>
	10,400,385	6,970,232
Increase / (decrease) in operating liabilities		
Bills payable	1,541,923	963,173
Borrowings	68,861,069	(33,420,166)
Deposits and other accounts	47,679,287	46,994,358
Other liabilities	1,594,204	1,339,788
	<u>119,676,483</u>	<u>15,877,153</u>
	131,555,531	25,493,314
Income tax paid	(536,640)	(699,032)
Gratuity paid	(118,308)	(64,005)
Net cash flow from operating activities	<u>130,900,583</u>	<u>24,730,277</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Net investment in available-for-sale securities	(85,302,716)	(20,906,635)
Net investment in held-to maturity securities	(41,502,527)	-
Dividend received	98,047	65,968
Investments in operating fixed assets	(1,024,241)	(1,647,421)
Proceeds from sale of operating fixed assets	79,120	43,744
Net cash used in investing activities	<u>(127,652,317)</u>	<u>(22,444,344)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Preference dividend paid	(180,000)	(180,000)
Sub-ordinated loans	(600)	-
Effect of translation of net investment in foreign branches	737	-
Net cash used in financing activities	<u>(179,863)</u>	<u>(180,000)</u>
Increase in cash and cash equivalents	<u>3,068,403</u>	<u>2,105,933</u>
Cash and cash equivalents at beginning of the period	16,221,150	11,688,471
Cash and cash equivalents at end of the period	<u>19,289,553</u>	<u>13,794,404</u>

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

Chairman

President and
Chief Executive Officer

Director

Director

Notes to the Unconsolidated Condensed Interim Financial Information (Unaudited)

For the nine months period ended September 30, 2017

1. STATUS AND NATURE OF BUSINESS

- 1.1 JS Bank Limited (the Bank / JSBL), incorporated in Pakistan, is a scheduled bank, engaged in commercial banking and related services. The Bank's ordinary shares are listed on Pakistan Stock Exchange Limited (PSX). The Bank is a subsidiary of Jahangir Siddiqui & Co. Ltd. (JSCL). The registered office of the Bank is situated at Shaheen Commercial Complex, Dr. Ziauddin Ahmed Road, Karachi. The Bank operates with 306 (December 31, 2016: 306) branches / sub-branches in Pakistan and one wholesale banking branch in Bahrain (December 31, 2016: one). The Pakistan Credit Rating Agency Limited (PACRA) has assigned the long-term entity rating of JSBL to 'AA- (Double A Minus) [previously 'A+ (A Plus)] and short-term entity rating 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 nine months period ended September 30, 2017 has been prepared in accordance with the requirements of the International Accounting Standard 34 - 'Interim Financial Reporting', provisions of the Companies Ordinance, 1984, the Banking Companies Ordinance, 1962 and directives issued by the SECP and SBP. In case where requirements differ, the provisions of the Companies Ordinance, 1984, the Banking Companies Ordinance, 1962 and the said directives have been followed.

Notes to the Unconsolidated Condensed Interim Financial Information (Unaudited)

For the nine months period ended September 30, 2017

- 2.2 During the period, the Companies Act, 2017 has been promulgated, however, SECP vide its circular no. 23 of 2017, dated October 04, 2017, read with its press release of the same date, communicated that the SECP has decided that the companies whose financial year / interim period closes on or before December 31, 2017 shall prepare their financial statements in accordance with the provisions of the repealed Companies Ordinance, 1984.
- 2.3 The SBP has deferred the applicability of International Accounting Standard 39, 'Financial Instruments: Recognition and Measurement' and International Accounting Standard 40, 'Investment Property' for Banking Companies through BSD Circular Letter No. 10 dated August 26, 2002. Further, according to the notification of the SECP dated April 28, 2008, International Financial Reporting Standard 7 'Financial Instruments: Disclosures' has not been made applicable to banks. Accordingly, the requirements of these standards have not been considered in the preparation of this unconsolidated condensed interim financial information. However, investments have been classified and valued in accordance with the requirements of various circulars issued by the SBP.
- 2.4 IFRS 10 "Consolidated Financial Statements" was made applicable from periods beginning on or after January 01, 2015 vide S.R.O 633(I)/2014, dated July 10, 2014, by SECP. However, vide S.R.O 56(I) /2016 dated January 28, 2016, SECP has directed that the requirements of consolidation under section 237 of the Companies Ordinance, 1984 and IFRS-10 "Consolidated Financial Statements" are not applicable in case of investment by companies in mutual funds established under trust structure. Accordingly, the requirements of this standard have not been considered in the preparation of the unconsolidated condensed interim financial information.
- 2.5 The disclosures made in this unconsolidated condensed interim financial information have been limited based on the format prescribed by the SBP vide BSD Circular No. 2 dated May 12, 2004 and International Accounting Standard 34, 'Interim Financial Reporting' and do not include all the disclosures required in the annual financial statements. Accordingly, this unconsolidated condensed interim financial information should be read in conjunction with the annual audited financial statements of the Bank for the year ended December 31, 2016.

3. BASIS OF MEASUREMENT

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

4. ACCOUNTING ESTIMATES AND JUDGMENTS

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

Notes to the Unconsolidated Condensed Interim Financial Information (Unaudited)

For the nine months period ended September 30, 2017

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 statements for the year ended December 31, 2016 other than those disclosed below:

5.1 Operating fixed assets

During the period, the Bank changed its accounting policy from cost model to revaluation model in respect of lease hold land and building. With effect from the current period, these are carried at revalued amounts, being fair value at the date of revaluation less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any, except land. Previously, these were stated at cost less accumulated depreciation and impairment, if any except land, which is stated at cost.

At the reporting date the Bank has carried out the revaluation exercise by an independent valutors, which has resulted in surplus on leasehold land and building on leasehold land of Rs.100.275 million and Rs.453.019 million over their existing written down value of Rs. 947.800 million and Rs.832.570 million, respectively.

The fair values were determined with reference to market based evidence, based on active market prices and relevant enquiries and information as considered necessary, and adjusted for any difference in nature, location or condition of the specific properties. Management takes the view that this policy provides reliable and more relevant information because it deals more accurately with the components of property and is based on up-to-date values.

Had there been no revaluation, the aggregated cost and written down value of revalued leasehold land and building on leasehold land would have been lower by Rs.100.275 million and Rs.453.019 million respectively, and net surplus on revaluation of fixed assets and deferred tax liability would have been lower by Rs.394.738 million and Rs. 158.557 million respectively.

5.2 Revaluation of operating fixed assets

The surplus arising on revaluation of fixed assets is credited to the "Surplus on Revaluation of Fixed Assets Account" shown below equity in the balance sheet in accordance with the requirements of Section 235 of the repealed Companies Ordinance, 1984. The said section was amended through the Companies (Amendment) Ordinance, 2002 and accordingly, the Company has adopted the following accounting treatment of depreciation on revalued assets, keeping in view the Securities and Exchange Commission of Pakistan's (SECP) SRO 45(1)/2003 dated January 13, 2003:

- depreciation on assets which are revalued is determined with reference to the value assigned to such assets on revaluation and depreciation charge for the year is taken to the profit and loss account; and
- an amount equal to incremental depreciation for the year net of deferred taxation is transferred from "Surplus on Revaluation of Fixed Assets Account" to accumulated profit through Statement of Changes in Equity to record realization of surplus to the extent of the incremental depreciation charge for the year.

Notes to the Unconsolidated Condensed Interim Financial Information (Unaudited)

For the nine months period ended September 30, 2017

5.3 New / Revised Standards, Interpretations and Amendments

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

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

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

6. FINANCIAL RISK MANAGEMENT

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

	Note	(Un-audited) September 30, 2017	(Audited) December 31, 2016
Note ----- (Rupees in '000) -----			
7. LENDINGS TO FINANCIAL INSTITUTIONS			
Call money lendings		2,761,937	2,634,489
Repurchase agreement lendings (reverse repo)	7.1	3,516,409	8,699,925
		6,278,346	11,334,414

7.1 Repurchase agreement lendings are secured through Pakistan Investment Bonds and Market Treasury Bills having total market value of Rs.3,537,522 million (December 31, 2016: Rs.8,811.414 million).

8. INVESTMENTS - net

	Note	(Unaudited) September 30, 2017			(Audited) December 31, 2016		
		Held by Bank	Given as collateral	Total	Held by Bank	Given as collateral	Total
Note ----- (Rupees in '000) -----							
8.1 INVESTMENTS BY TYPES:							
Held-for-trading securities							
Market Treasury Bills		583,815	-	583,815	64,346,568	1,413,214	65,759,782
Pakistan Investment Bonds		130,039	-	130,039	-	-	-
		713,854	-	713,854	64,346,568	1,413,214	65,759,782
Available-for-sale securities							
Market Treasury Bills		38,882,524	2,070,283	40,952,807	4,885,943	-	4,885,943
Pakistan Investment Bonds		34,659,799	62,167,339	96,827,138	49,784,339	-	49,784,339
Ordinary shares of listed companies	8.1.1	3,707,049	-	3,707,049	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
Term Finance Certificates - listed		182,322	-	182,322	182,322	-	182,322
Term Finance Certificates - unlisted	8.1.2	686,706	-	686,706	911,869	-	911,869
Sukuk certificates - unlisted		1,666,833	-	1,666,833	360,000	-	360,000
Foreign currency bonds		3,507,461	2,323,133	5,830,594	5,701,917	-	5,701,917
		83,984,474	66,560,755	150,545,229	65,242,513	-	65,242,513
Held-to-maturity securities							
Pakistan Investment Bonds		41,502,527	-	41,502,527	-	-	-
Investments in subsidiaries	8.1.3	1,919,121	-	1,919,121	1,919,121	-	1,919,121
Investments at cost		128,119,976	66,560,755	194,680,731	131,508,202	1,413,214	132,921,416
Less: Provision for diminution in value of investments		(948,820)	-	(948,820)	(948,820)	-	(948,820)
Investments (net of provision)		127,171,156	66,560,755	193,731,911	130,559,382	1,413,214	131,972,596
Unrealised gain / (loss) on revaluation of investments classified as held-for-trading		335	-	335	(1,261)	(36)	(1,297)
Surplus / (deficit) on revaluation of available-for-sale securities	13.1	335,567	(163,347)	172,220	1,755,311	-	1,755,311
Total investments at carrying value		127,507,058	66,397,408	193,904,466	132,313,432	1,413,178	133,726,610

Notes to the Unconsolidated Condensed Interim Financial Information (Unaudited)

For the nine months period ended September 30, 2017

8.1.1 Included herein are the investments in related parties amounting to Rs.2,374.659 million (December 31, 2016: Rs.1,814.560 million) having market value of Rs.3,002.618 million (December 31, 2016: Rs.3,324.401 million).

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

8.1.3 Included herein are the investments in the following subsidiaries:

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

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

	(Un-audited) September 30, 2017	(Audited) December 31, 2016
Note	----- (Rupees in '000) -----	
9. ADVANCES - net		
Loans, cash credits, running finances, etc.		
In Pakistan	132,140,410	84,694,538
Outside Pakistan	942,925	2,139
	<u>133,083,335</u>	<u>84,696,677</u>
Net investment in finance lease in Pakistan	12,926,290	7,532,153
Bills discounted and purchased (excluding treasury bills)		
Payable in Pakistan	4,133,218	1,444,580
Payable outside Pakistan	3,159,525	2,780,065
	<u>7,292,743</u>	<u>4,224,645</u>
Advances - gross	<u>153,302,368</u>	<u>96,453,475</u>
Provision for non-performing advances		
Specific	(2,642,563)	(2,618,353)
General	(114,601)	(40,988)
	<u>(2,757,164)</u>	<u>(2,659,341)</u>
Advances - net of provision	<u>150,545,204</u>	<u>93,794,134</u>

Notes to the Unconsolidated Condensed Interim Financial Information (Unaudited)

For the nine months period ended September 30, 2017

- 9.1 Advances include Rs.3,210.623 million (December 31, 2016: Rs.3,327.942 million) which have been placed under non-performing status as detailed below:

Category of classification	September 30, 2017 (Un-audited)				
	Domestic	Overseas	Total	Provision required	Provision held
	----- (Rupees in '000) -----				
Other assets especially mentioned	24,290	-	24,290	-	-
Substandard	373,786	-	373,786	44,307	44,307
Doubtful	40,999	-	40,999	5,577	5,577
Loss	2,771,548	-	2,771,548	2,592,679	2,592,679
	<u>3,210,623</u>	<u>-</u>	<u>3,210,623</u>	<u>2,642,563</u>	<u>2,642,563</u>
	----- (Rupees in '000) -----				
Category of classification	December 31, 2016 (Audited)				
	Domestic	Overseas	Total	Provision required	Provision held
	----- (Rupees in '000) -----				
Other assets especially mentioned	-	-	-	-	-
Substandard	384,986	-	384,986	46,076	46,076
Doubtful	48,302	-	48,302	531	531
Loss	2,894,654	-	2,894,654	2,571,746	2,571,746
	<u>3,327,942</u>	<u>-</u>	<u>3,327,942</u>	<u>2,618,353</u>	<u>2,618,353</u>

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

10. OPERATING FIXED ASSETS

During the period, the Bank has made additions of Rs.1,024.241 million including capital work in process (September 30, 2016: Rs.1,647.421 million) and deletions of Rs.113.960 million (September 30, 2016: Rs.160.932 million).

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

11. DEPOSITS AND OTHER ACCOUNTS

Customers

Fixed deposits	124,263,722	101,194,427
Savings deposits	47,108,133	35,751,988
Current accounts - non-remunerative	53,241,595	49,123,501
Margin accounts	4,618,432	4,185,137
	<u>229,231,882</u>	<u>190,255,053</u>

Financial institutions

Remunerative deposits	43,560,635	35,131,540
Non-remunerative deposits	985,701	712,338
	<u>44,546,336</u>	<u>35,843,878</u>
11.1	<u>273,778,218</u>	<u>226,098,931</u>

Notes to the Unconsolidated Condensed Interim Financial Information (Unaudited)

For the nine months period ended September 30, 2017

		(Un-audited) September 30, 2017	(Audited) December 31, 2016
	Note	----- (Rupees in '000) -----	
11.1 Particulars of deposits			
In local currency		261,892,961	215,434,075
In foreign currencies		11,885,257	10,664,856
		<u>273,778,218</u>	<u>226,098,931</u>
12. DEFERRED TAX (ASSETS) / LIABILITY			
Deferred tax debits arising from:			
Provision against investments		(57,149)	(57,149)
Provision against loans and advances		(16,123)	(16,092)
Provision for Workers' Welfare Fund		(26,145)	(26,145)
		<u>(99,417)</u>	<u>(99,386)</u>
Deferred tax credits arising due to:			
Operating fixed assets		190,736	184,050
Goodwill		512,268	512,268
Unrealised gain / (loss) on revaluation of derivative instruments		10,570	(7,782)
Unrealised gain / (loss) on revaluation of investments classified as held-for-trading		117	(454)
Surplus on revaluation of operating fixed assets		158,557	-
Surplus on revaluation of non-banking assets acquired in satisfaction of claims		2,220	2,307
Surplus on revaluation of investments classified as available-for-sale		60,277	614,359
		<u>934,745</u>	<u>1,304,748</u>
		<u>835,328</u>	<u>1,205,362</u>
13. SURPLUS ON REVALUATION OF ASSETS - net of tax			
Operating fixed assets	5.1 & 5.2	394,738	-
Non-banking assets acquired in satisfaction of claims		81,707	81,868
Available-for-sale securities	13.1	111,943	1,140,952
		<u>588,388</u>	<u>1,222,820</u>
13.1 Available-for-sale securities			
Government securities		(319,787)	48,729
Ordinary shares - listed		396,007	1,664,750
Open ended mutual funds		-	(2,843)
Foreign currency bonds		96,000	44,675
		<u>172,220</u>	<u>1,755,311</u>
Related deferred tax liability		(60,277)	(614,359)
		<u>111,943</u>	<u>1,140,952</u>

Notes to the Unconsolidated Condensed Interim Financial Information (Unaudited)

For the nine months period ended September 30, 2017

		(Un-audited) September 30, 2017	(Audited) December 31, 2016
14. CONTINGENCIES AND COMMITMENTS	Note	----- (Rupees in '000) -----	
14.1 Transaction-related contingent liabilities			
Includes performance bonds, bid bonds, warranties, advance payment guarantees, shipping guarantees and standby letters of credit related to particular transactions			
i) Government		30,089,580	18,055,350
ii) Banking companies and other financial institutions		3,348,712	2,777,027
iii) Others	14.1.1	10,201,535	6,673,175
		<u>43,639,827</u>	<u>27,505,552</u>
14.1.1	Included herein the outstanding guarantees of Rs.19.279 million (December 31, 2016: Rs.17.140 million) of related parties.		
14.2 Trade-related contingent liabilities			
Documentary credits	14.2.1	17,110,326	20,505,270
14.2.1	Included herein is an outstanding amount of Rs.26.700 million (December 31, 2016: Rs.2,194.048 million) of related parties.		
14.3 Commitments in respect of forward lending	14.3.1	418,422	234,062
14.3.1	Included herein is a commitment of Rs.Nil (December 31, 2016: Rs.170 million) of related parties.		
14.4 Commitments in respect of capital expenditures		71,935	59,876
14.5 Commitments in respect of derivative instruments			
14.5.1 Forward exchange contracts			
Purchase		10,510,466	9,872,524
Sale		8,103,911	10,004,614
14.5.2 Forward government securities			
Purchase		-	3,989,680
Sale		-	4,998,400
14.5.3 Cross currency swaps (notional principal)		4,475,576	1,753,050

Notes to the Unconsolidated Condensed Interim Financial Information (Unaudited)

For the nine months period ended September 30, 2017

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

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

		(Un-audited)			
		Nine months period ended		Quarter ended	
		September 30, 2017	September 30, 2016	September 30, 2017	September 30, 2016
15.	BASIC AND DILUTED EARNINGS PER SHARE	----- Rupees in '000 -----			
	Profit after taxation for the period - attributable to equity holders of the Bank for diluted earnings	416,999	1,118,392	132,854	363,532
	Preference dividend paid for the year ended December 31, 2016@ 12% p.a. (December 31, 2015: 12% p.a)	(180,000)	(180,000)	-	-
	Profit after taxation for the period - attributable to ordinary equity holders of the Bank for basic earnings	<u>236,999</u>	<u>938,392</u>	<u>132,854</u>	<u>363,532</u>
		----- (Numbers) -----			
	Weighted average number of basic outstanding ordinary shares during the period	<u>1,072,464,262</u>	<u>1,072,464,262</u>	<u>1,072,464,262</u>	<u>1,072,464,262</u>
	Weighted average number of diluted outstanding ordinary shares during the period	<u>1,072,464,262</u>	<u>1,297,464,262</u>	<u>1,297,464,262</u>	<u>1,297,464,262</u>
		----- Rupees in '000 -----			
	Basic earnings per share	<u>0.22</u>	<u>0.87</u>	<u>0.12</u>	<u>0.34</u>
	Diluted earnings per share	<u>0.22</u>	<u>0.86</u>	<u>0.10</u>	<u>0.28</u>
15.1	The diluted earnings per share increased for the nine months period ended when taking the convertible preference shares into account, therefore the convertible preference shares are anti-dilutive and are excluded from the weighted average number of ordinary shares for the purpose of diluted earnings per share.				

Notes to the Unconsolidated Condensed Interim Financial Information (Unaudited)

For the nine months period ended September 30, 2017

Material transactions with related parties are given below:

	(Unaudited)							
	Subsidiary companies		Companies having common directorship		Companies in which parent company holds 20% or more		Other related parties	
	September 30, 2017	September 30, 2016	September 30, 2017	September 30, 2016	September 30, 2017	September 30, 2016	September 30, 2017	September 30, 2016
Nature of transactions								
Sale of government securities	30,486	42,924	-	1,721,049	37,092,619	21,322,218	10,471,063	4,414,660
Purchase of government securities	-	43,136	-	-	520,213	1,073,438	605,630	523,315
Sale of Sukuk / Ijara Sukuk	-	-	-	-	-	192,469	-	103,508
Sale of shares / Units	-	-	-	-	-	-	-	102,370
Sale of foreign exchange contracts	-	-	-	-	7,502,930	10,593,395	-	-
Purchase of foreign exchange contracts	2,518	2,604	-	-	5,188,918	6,101,906	-	-
Purchase of foreign exchange contracts	3,976	2,234	-	-	-	-	-	-
Rent received / receivable	-	-	-	-	-	-	-	-
Rent expense paid / accrued	-	-	57,955	17,016	-	-	94,245	82,127
Letter of credits	-	-	-	-	-	-	2,770	2,752
Reimbursement of expenses	1,988	385	-	-	-	-	118,308	64,005
Payment to staff benefit plan	-	-	-	-	-	-	100,818	74,907
Payment to staff contribution plan	-	-	-	-	-	-	375,522	289,773
Remuneration to key management personnel	-	-	-	-	-	-	9,600	9,850
Director fees and allowances	-	-	-	-	-	-	-	6,179
Insurance claim received	-	-	-	44,997	17,184	26,102	49,821	69,173
Insurance premium paid	-	-	-	-	152,088	-	-	-
Expenses incurred on behalf	863	828	-	-	-	-	-	-
Services rendered	3,150	2,700	-	-	-	-	-	-
Commission paid / accrued	1,995	1,823	-	-	-	-	-	-
Commission income	-	-	23,457	20	64,831	41,066	94	82
Dividend income	26,118	-	-	-	14,239	8,638	37,467	22,086
Advisory fee	-	-	-	-	-	-	35,000	25,500
Preference dividend paid	-	-	-	-	-	-	1,479	1,479
Services received	-	-	-	-	-	-	587	467
Nature of transactions								
Rent expense paid / accrued	1,134	1,005						
Reimbursement of expenses	3,741	4,339						
Preference dividend paid	174,450	174,450						

Notes to the Unconsolidated Condensed Interim Financial Information (Unaudited)

For the nine months period ended September 30, 2017

17. FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

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

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

Notes to the Unconsolidated Condensed Interim Financial Information (Unaudited)

For the nine months period ended September 30, 2017

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

	September 30, 2017 (Un-audited)			
	Level 1	Level 2	Level 3	Total
	----- Rupees in '000 -----			
On balance sheet financial instruments				
Financial assets classified as 'held-for-trading' securities				
Government Securities				
Market Treasury Bills	-	583,726	-	583,726
Pakistan Investment Bonds	-	130,463	-	130,463
	-	714,189	-	714,189
Financial assets classified as 'available-for-sale' securities				
Government Securities				
Market Treasury Bills	-	40,947,396	-	40,947,396
Pakistan Investment Bonds	-	96,512,762	-	96,512,762
	-	137,460,158	-	137,460,158
Ordinary Shares				
Ordinary shares of listed companies	4,103,056	-	-	4,103,056
Foreign currency bonds	-	5,894,941	-	5,894,941
	4,103,056	143,355,099	-	147,458,155
	<u>4,103,056</u>	<u>144,069,288</u>	<u>-</u>	<u>148,172,344</u>
Off balance sheet financial instruments				
Forward exchange contracts				
Purchase	-	11,049,381	-	11,049,381
Sale	-	8,617,378	-	8,617,378
	-	3,512,532	-	3,512,532
Cross currency swaps (notional principal)	-	3,512,532	-	3,512,532

Notes to the Unconsolidated Condensed Interim Financial Information (Unaudited)

For the nine months period ended September 30, 2017

	December 31, 2016 (Audited)			
	Level 1	Level 2	Level 3	Total
----- Rupees in '000 -----				
On balance sheet financial instruments				
Financial assets classified as 'held-for-trading' securities				
Government Securities				
Market Treasury Bills	-	65,758,485	-	65,758,485
Pakistan Investment Bonds	-	-	-	-
Financial assets classified as 'available-for-sale' securities				
Government Securities				
Market Treasury Bills	-	4,884,060	-	4,884,060
Pakistan Investment Bonds	-	49,834,951	-	49,834,951
	-	54,719,011	-	54,719,011
Ordinary Shares				
Ordinary shares of listed companies	4,291,093	-	-	4,291,093
Open end mutual funds				
Foreign currency bonds	-	97,157	-	97,157
	-	5,714,939	-	5,714,939
	<u>4,291,093</u>	<u>126,289,592</u>	<u>-</u>	<u>130,580,685</u>
Off balance sheet financial instruments				
Forward exchange contracts				
Purchase	-	9,816,883	-	9,816,883
Sale	-	9,977,367	-	9,977,367
Cross currency swaps (notional principal)				
	-	1,758,882	-	1,758,882
Forward government securities				
Purchase	-	3,988,403	-	3,988,403
Sale	-	4,996,791	-	4,996,791

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

Item	Valuation approach and input used
Shares of listed companies	Fair values of investments in listed equity securities are valued on the basis of closing quoted market prices available at the Pakistan Stock Exchange.
Units of mutual funds	Fair values of investments in units of mutual funds are determined based on redemption prices disclosed at the Mutual Funds Association of Pakistan (MUFAP) as at the close of the business days.
Pakistan Investment Bonds / Market Treasury Bills	Fair values of Pakistan Investment Bonds and Market Treasury Bills are derived using PKRV rates (Reuters page).
Term Finance Certificates and Bonds	Investments in debt securities (comprising term finance certificates, bonds and any other security issued by a company or a body corporate for the purpose of raising funds in the form of redeemable capital) are valued on the basis of the rates announced by the Mutual Funds Association of Pakistan (MUFAP) and Bloomberg in case of foreign bonds, in accordance with the methodology prescribed by the Securities and Exchange Commission of Pakistan.
Derivatives	The fair values of derivatives which are not quoted in active markets are determined by using valuation techniques. The valuation techniques take into account the relevant underlying parameters including foreign currency involved, interest rates, yield curves, volatilities, contracts duration, etc.

Notes to the Unconsolidated Condensed Interim Financial Information (Unaudited)

For the nine months period ended September 30, 2017

18. SEGMENT DETAILS WITH RESPECT TO BUSINESS ACTIVITIES

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

	2017						
	Corporate finance	Trading and sales	Retail banking	Commercial banking	Payment and settlement	Others	Total
	(Rupees in '000)						
September 30, 2017 (un-audited)							
Total income - external	393,307	8,280,910	3,041,616	4,930,459	132,104	55,475	16,833,871
Inter-segment revenues - net	-	(6,702,207)	6,177,891	524,316	-	-	-
Total income	393,307	1,578,703	9,219,507	5,454,775	132,104	55,475	16,833,871
Total expenses	(46,574)	(1,177,063)	(8,875,648)	(5,299,753)	(72,091)	(316,942)	(15,788,071)
Provisions / impairments	-	-	(166,767)	(53,899)	-	-	(220,666)
Current taxation	-	-	-	-	-	(266,700)	(266,700)
Prior year taxation	-	-	-	-	-	(115,944)	(115,944)
Deferred taxation	-	-	-	-	-	(25,491)	(25,491)
Net income / (loss)	346,733	401,640	177,092	101,123	60,013	(669,602)	416,999

September 30, 2017 (un-audited)							
Segment assets (gross)	-	215,694,302	71,537,807	86,666,557	-	13,564,270	387,462,936
Segment non performing assets	-	948,820	738,436	2,471,347	-	10,861	4,169,464
Segment provision required	-	(948,820)	(498,339)	(2,258,825)	-	(10,861)	(3,716,845)
Segment liabilities	-	41,681,174	195,633,951	118,767,333	4,085,951	7,324,692	367,493,101

	2016						
	Corporate finance	Trading and sales	Retail banking	Commercial banking	Payment and settlement	Others	Total
	(Rupees in '000)						
September 30, 2016 (un-audited)							
Total income - external	202,321	8,297,470	2,443,031	2,959,083	122,862	26,748	14,051,515
Inter-segment revenues - net	-	(3,671,382)	3,390,835	280,547	-	-	-
Total income	202,321	4,626,088	5,833,866	3,239,630	122,862	26,748	14,051,515
Total expenses	(46,433)	(1,778,684)	(6,401,186)	(3,002,868)	(55,509)	(599,170)	(11,883,850)
Provisions / impairments	-	(383,374)	(106,636)	165,136	-	-	(324,874)
Current taxation	-	-	-	-	-	(512,797)	(512,797)
Prior year taxation	-	-	-	-	-	(79,838)	(79,838)
Deferred taxation	-	-	-	-	-	(131,764)	(131,764)
Net income / (loss)	155,888	2,464,030	(673,956)	401,898	67,353	(1,296,821)	1,118,392

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

Notes to the Unconsolidated Condensed Interim Financial Information (Unaudited)

For the nine months period ended September 30, 2017

19. GENERAL

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

20. DATE OF AUTHORISATION FOR ISSUE

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

Chairman

President and
Chief Executive Officer

Director

Director



Consolidated Condensed Interim Financial Information

Consolidated Condensed Interim Statement of Financial Position

As at September 30, 2017

		(Un-audited) September 30, 2017	(Audited) December 31, 2016
	Note	----- (Rupees in '000) -----	
ASSETS			
Cash and balances with treasury banks		18,851,472	15,509,263
Balances with other banks		630,296	767,747
Lendings to financial institutions	8	6,278,346	11,334,414
Investments - net	9	195,037,626	135,038,901
Advances - net	10	150,566,416	93,812,506
Operating fixed assets	11	7,376,918	6,021,563
Deferred tax assets - net		-	-
Other assets		7,959,691	6,341,197
		<u>386,700,765</u>	<u>268,825,591</u>
LIABILITIES			
Bills payable		4,085,951	2,544,028
Borrowings		80,297,123	10,320,047
Deposits and other accounts	12	271,196,183	225,004,655
Sub-ordinated loans		2,999,400	3,000,000
Liabilities against assets subject to finance lease		-	-
Deferred tax liabilities-net	13	744,979	1,082,885
Other liabilities		7,919,128	7,111,582
		<u>367,242,764</u>	<u>249,063,197</u>
NET ASSETS		<u>19,458,001</u>	<u>19,762,394</u>
REPRESENTED BY:			
Share capital		10,724,643	10,724,643
Discount on issue of shares		(2,105,401)	(2,105,401)
Preference shares		1,500,000	1,500,000
Reserves		1,417,538	1,334,138
Unappropriated profit		5,079,779	4,858,596
		<u>16,616,559</u>	<u>16,311,976</u>
Non-controlling interest		1,466,319	1,434,391
		<u>18,082,878</u>	<u>17,746,367</u>
Surplus on revaluation of assets - net of tax	14	1,375,123	2,016,027
		<u>19,458,001</u>	<u>19,762,394</u>
CONTINGENCIES AND COMMITMENTS	15		

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

Chairman

President and
Chief Executive Officer

Director

Director

Consolidated Condensed Interim Profit and Loss Account (Unaudited)

For the nine months period ended September 30, 2017

	Nine months period ended September 30,		Quarter ended September 30,		
	2017	2016	2017	2016	
Note	----- (Rupees in '000) -----				
Mark-up / return / interest earned	14,275,398	11,390,778	5,723,499	3,993,443	
Mark-up / return / interest expensed	9,767,018	6,926,651	4,000,506	2,473,387	
Net mark-up interest income	4,508,380	4,464,127	1,722,993	1,520,056	
(Provision) / reversal against non-performing loans and advances - net	(220,666)	58,500	(142,028)	38,265	
Reversal / (provision) for diminution in the value of investments - net	8,505	(338,193)	-	45,181	
Bad debts written off directly	-	-	-	-	
	(212,161)	(279,693)	(142,028)	83,446	
Net mark-up interest income after provisions	4,296,219	4,184,434	1,580,965	1,603,502	
NON MARK-UP / INTEREST INCOME					
Fee, commission and brokerage income	2,167,536	1,493,417	610,450	487,159	
Dividend income	154,509	141,218	24,951	24,733	
Income from dealing in foreign currencies	250,861	287,758	117,687	39,490	
Gain on sale / redemption of securities - net	733,010	1,374,899	278,212	78,279	
Unrealised gain / (loss) on revaluation of investments classified as held-for-trading - net	(6,710)	(9,551)	1,718	(533)	
Other income - net	139,287	29,423	48,602	38,383	
Total non-mark-up / interest income	3,438,493	3,317,164	1,081,620	667,511	
	7,734,712	7,501,598	2,662,585	2,271,013	
NON MARK-UP / INTEREST EXPENSES					
Administrative expenses	6,645,005	5,369,070	2,444,589	1,623,937	
Other provisions / write offs	-	-	-	-	
Other charges	34,039	73,462	3,645	13,180	
Total non-mark-up / interest expenses	6,679,044	5,442,532	2,448,234	1,637,117	
	1,055,668	2,059,066	214,351	633,896	
Extra ordinary / unusual items	-	-	-	-	
PROFIT BEFORE TAXATION	1,055,668	2,059,066	214,351	633,896	
Taxation					
- Current	(394,702)	(576,246)	(81,108)	(191,893)	
- Prior years	(115,944)	(79,838)	-	-	
- Deferred	(15,444)	(129,027)	(14,930)	(21,612)	
	(526,090)	(785,111)	(96,038)	(213,505)	
PROFIT AFTER TAXATION	529,578	1,273,955	118,313	420,391	
ATTRIBUTABLE TO:					
Equity holders of the Bank	483,685	1,222,065	123,475	401,389	
Non-controlling interest (NCI)	45,893	51,890	(5,162)	19,002	
	529,578	1,273,955	118,313	420,391	
	----- Rupee -----				
Basic earnings per share	16	0.28	0.97	0.12	0.37
Diluted earnings per share	16	0.28	0.94	0.10	0.31

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 (Unaudited)

For the nine months period ended September 30, 2017

	Nine months period ended		Quarter ended	
	September 30, 2017	2016	September 30, 2017	2016
	----- (Rupees in '000) -----			
Profit after taxation	529,578	1,273,955	118,313	420,391
Other comprehensive income				
Items that are not to be reclassified to profit and loss in subsequent periods	-	-	-	-
Items that are or may be reclassified to profit or loss in subsequent periods				
Effect of translation of net investment in foreign branch	737	-	716	-
Other comprehensive income transferred to equity	530,315	1,273,955	119,029	420,391
Items that are or may be reclassified to profit or loss in subsequent periods				
(Deficit) / surplus arising on revaluation of available-for-sale securities	(1,811,915)	35,387	(1,292,428)	241,006
Related deferred tax asset / (liability)	591,236	34,752	398,083	(57,007)
	(1,220,679)	70,139	(894,345)	183,999
Total comprehensive (loss) / income during the period - net of tax	(690,364)	1,344,094	(775,316)	604,390
Attributable to:				
Equity holders of the Bank	(668,926)	1,237,754	(700,718)	532,639
Non-controlling interest	(21,438)	106,340	(74,598)	71,751
Total comprehensive (loss) / income for the period - net of tax	(690,364)	1,344,094	(775,316)	604,390

The annexed notes from 1 to 20 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 (Unaudited)

For the nine months period ended September 30, 2017

	Share capital	Discount on issue of shares	Preference Shares	Statutory reserve	Unappropriated profit	Sub total	Non-controlling interest	Total
	(Rupees in '000)							
Balance as at January 01, 2016 (Audited)	10,724,643	(2,105,401)	1,500,000	918,815	3,066,149	14,104,206	1,952,286	16,056,472
Total comprehensive income for the nine months period ended September 30, 2016								
Profit after taxation	-	-	-	-	1,222,065	1,222,065	51,890	1,273,955
Other comprehensive income - net of tax	-	-	-	-	-	-	-	-
Transaction with owners recorded directly in equity	-	-	-	-	1,222,065	1,222,065	51,890	1,273,955
Transfer from surplus on revaluation of non-banking assets to unappropriated profit - net of tax	-	-	-	-	37	37	-	37
Buy-back of shares by subsidiary	-	-	-	-	-	-	(694,430)	(694,430)
Gain arising on buy back of shares by subsidiary	-	-	-	-	95,872	95,872	46,880	142,752
Preference dividend for the period ended December 31, 2015 @ 12% p.a	-	-	-	-	(180,000)	(180,000)	-	(180,000)
Transfers								
Transfer to statutory reserve	-	-	-	223,678	(223,678)	-	-	-
Balance as at September 30, 2016 (un-audited)	10,724,643	(2,105,401)	1,500,000	1,142,493	3,980,445	15,242,180	1,356,606	16,598,786
Total comprehensive income for the period ended December 31, 2016								
Profit after taxation	-	-	-	-	1,106,894	1,106,894	77,785	1,184,679
Other comprehensive (loss) - net of tax	-	-	-	-	(37,061)	(37,061)	-	(37,061)
Transaction with owners recorded directly in equity	-	-	-	-	1,069,833	1,069,833	77,785	1,147,618
Transfer from surplus on revaluation of non-banking assets to unappropriated profit - net of tax	-	-	-	-	(37)	(37)	-	(37)
Transfers								
Transfer to statutory reserve	-	-	-	191,645	(191,645)	-	-	-
Balance as at December 31, 2016 (Audited)	10,724,643	(2,105,401)	1,500,000	1,334,138	4,858,596	16,311,976	1,434,391	17,746,367
Total comprehensive income for the nine months period ended September 30, 2017								
Profit after taxation	-	-	-	-	483,685	483,685	45,893	529,578
Other comprehensive income - net of tax	-	-	-	-	737	737	-	737
Transaction with owners recorded directly in equity	-	-	-	-	484,422	484,422	45,893	530,315
Transfer from surplus on revaluation of non-banking assets to unappropriated profit - net of tax	-	-	-	-	161	161	-	161
Preference dividend paid for the year ended December 31, 2016 @ 12% p.a.	-	-	-	-	(180,000)	(180,000)	-	(180,000)
Dividend for the year ended December 31, 2016 @ Rs. 0.5 paid to non-controlling interest	-	-	-	-	-	-	(13,965)	(13,965)
Transfers								
Transfer to statutory reserve	-	-	-	83,400	(83,400)	-	-	-
Balance as at September 30, 2017 (un-audited)	10,724,643	(2,105,401)	1,500,000	1,417,538	5,079,779	16,616,559	1,466,319	18,082,878

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 (Unaudited)

For the nine months period ended September 30, 2017

	September 30,	
	2017	2016
	----- (Rupees in '000) -----	
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	1,055,668	2,059,066
Less: Dividend income	(154,509)	(141,218)
	901,159	1,917,848
Adjustments:		
Depreciation	476,930	401,680
Depreciation on non-banking assets	975	572
Amortisation of intangibles	46,572	39,843
Charge for defined benefit plan	114,365	82,978
Unrealised gain on revaluation of investments classified as held-for-trading	6,710	9,551
Provision / (reversal) against non-performing loans and advances - net	220,666	(58,500)
(Reversal) / provision for diminution in the value of investments - net	(8,505)	338,193
Unrealised (gain) / loss on revaluation of derivative instruments	(38,084)	27,947
Gain on disposal of operating fixed assets	(56,168)	(29,542)
Provision for Workers' Welfare Fund	21,006	41,082
	784,467	853,804
	1,685,626	2,771,652
Decrease / (increase) in operating assets		
Lendings to financial institutions	5,056,068	3,081,329
Investment in held-for-trading securities - net	64,977,448	5,815,991
Advances - net	(56,974,576)	(2,913,500)
Other assets (excluding advance taxation)	(1,436,446)	63,734
	11,622,494	6,047,554
Increase / (decrease) in operating liabilities		
Bills payable	1,541,923	963,173
Borrowings	69,853,352	(33,420,166)
Deposits and other accounts	46,191,528	47,632,975
Other liabilities	828,567	2,071,282
	118,415,370	17,247,264
	131,723,490	26,066,470
Income tax paid	(674,555)	(800,103)
Gratuity paid	(118,308)	(64,005)
Net cash flows from operating activities	130,930,627	25,202,362
CASH FLOW FROM INVESTING ACTIVITIES		
Net investment in available-for-sale securities	(85,283,764)	(20,794,934)
Net investment in held-to maturity securities	(41,502,527)	-
Dividend received	135,395	134,394
Investment in operating fixed assets	(1,085,972)	(1,680,583)
Sale proceeds from disposal of operating fixed assets	81,103	48,783
Net cash used in investing activities	(127,655,765)	(22,292,340)
CASH FLOW FROM FINANCING ACTIVITIES		
Sub-ordinated loans	(600)	-
Preference dividend paid	(180,000)	(180,000)
Dividend paid to non-controlling assets	(13,965)	-
Effect of translation of net investment in foreign branches	737	-
Share bought back from non-controlling interest	-	(551,678)
Net cash used in financing activities	(193,828)	(731,678)
Increase in cash and cash equivalents		
Cash and cash equivalents at beginning of the period	3,081,034	2,178,344
	16,236,482	11,734,891
Cash and cash equivalents at end of the period	19,317,516	13,913,235

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 (Unaudited)

For the nine months period ended September 30, 2017

1. STATUS AND NATURE OF BUSINESS

1.1 The “Group” consists of:

1.1.1 Holding Company

JS Bank Limited (the Bank / JSBL), incorporated in Pakistan, is a scheduled bank, engaged in commercial banking and related services. The Bank's ordinary shares are listed on Pakistan Stock Exchange Limited (PSX). The Bank is a subsidiary of Jahangir Siddiqui & Co. Ltd. (JSCL). The registered office of the Bank is situated at Shaheen Commercial Complex, Dr. Ziauddin Ahmed Road, Karachi. The Bank operates with 306 (December 31, 2016: 306) branches / sub-branches in Pakistan and one wholesale banking branch in Bahrain (December 31, 2016: One). The Pakistan Credit Rating Agency Limited (PACRA) has assigned the long-term entity rating of JS Bank Limited (JSBL) to 'AA- (Double A Minus) [previously 'A+ (A Plus)] and short-term entity rating 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%

Notes to the Consolidated Condensed Interim Financial Information (Unaudited)

For the nine months period ended September 30, 2017

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 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, Shakra-e-Faisal, Karachi, Pakistan.

JS Investments Limited (JSIL)

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

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

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

Open ended funds:

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

Notes to the Consolidated Condensed Interim Financial Information (Unaudited)

For the nine months period ended September 30, 2017

Pension fund

- JS Pension Savings Fund
- JS Islamic Pension Savings Fund

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

JS ABAMCO Commodities Limited (JSACL)

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

2. BASIS OF CONSOLIDATION

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

3. STATEMENT OF COMPLIANCE

- 3.1 This consolidated condensed interim financial information of the Group for the nine months ended September 30, 2017 has been prepared in accordance with the requirements of the International Accounting Standard 34 - 'Interim Financial Reporting', provisions of the Companies Ordinance, 1984, the Banking Companies Ordinance, 1962 and directives issued by the SECP and SBP. In case where requirements differ, the provisions of the Companies Ordinance, 1984, the Banking Companies Ordinance, 1962 and the said directives have been followed.
- 3.2 During the period, the Companies Act, 2017 has been promulgated, however, SECP vide its circular no. 23 of 2017, dated October 04, 2017, read with its press release of the same date, communicated that the SECP has decided that the companies whose financial year / interim period closes on or before December 31, 2017 shall prepare their financial statements in accordance with the provisions of the repealed Companies Ordinance, 1984.
- 3.3 The SBP vide BSD Circular No. 10, dated August 26, 2002 has deferred the applicability of International Accounting Standard 39, Financial Instruments: Recognition and Measurement (IAS 39) and International Accounting Standard 40, Investment Property (IAS 40) for Banking companies till further instructions. Further, according to the notification of the SECP dated April 28, 2008, the IFRS - 7 "Financial Instruments: Disclosures" has not been made applicable for banks. Accordingly, the

Notes to the Consolidated Condensed Interim Financial Information (Unaudited)

For the nine months period ended September 30, 2017

requirements of these standards have not been considered in the preparation of these consolidated financial statements. However, investments have been classified and valued in accordance with the requirements of various circulars issued by the SBP.

- 3.4 IFRS10 “Consolidated Financial Statements” was made applicable from period beginning on or after January 01, 2015 vide S.R.O 633(I)/2014 dated July 10, 2014 by SECP. However, SECP has directed that the requirements of consolidation under section 237 of the Companies Ordinance 1984 and IFRS-10 “Consolidated Financial Statements” are not applicable in case of investment by companies in mutual funds established under trust structure, through S.R.O 56(I) /2016 dated January 28, 2016. Accordingly, these requirements have not been considered in the preparation of the consolidated financial information.
- 3.5 The disclosures made in this consolidated condensed interim financial information has been limited based on the format prescribed by the SBP vide BSD Circular No. 2 dated May 12, 2004 and International Accounting Standard 34, ‘Interim Financial Reporting’ and do not include all the disclosures required in the annual financial statements. Accordingly, this consolidated condensed interim financial information should be read in conjunction with the annual audited financial statements of the Group for the year ended December 31, 2016.

4. BASIS OF MEASUREMENT

This consolidated condensed interim financial information has been prepared under the historical cost convention except for held-for-trading, available-for-sale investments, non-banking assets acquired in satisfaction of claims operating fixed assets (lease hold land and building) 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 other than those disclosed below:

6.1 Operating fixed assets

During the period, the Bank changed its accounting policy from cost model to revaluation model in respect of lease hold land and building. With effect from the current period, these are carried at revalued amounts, being fair value at the date of revaluation less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any, except land. Previously, these were stated at cost less accumulated depreciation and impairment, if any except land, which is stated at cost.

Notes to the Consolidated Condensed Interim Financial Information (Unaudited)

For the nine months period ended September 30, 2017

The Group has carried out the revaluation exercise by an independent valuator, which has resulted in surplus on leasehold land and building on leasehold land of Rs.100.275 million and Rs.717.545 million over their existing written down value of Rs. 947.800 million and Rs. 872.522 million, respectively.

The fair values were determined with reference to market based evidence, based on active market prices and relevant enquiries and information as considered necessary, and adjusted for any difference in nature, location or condition of the specific properties. Management takes the view that this policy provides reliable and more relevant information because it deals more accurately with the components of property and is based on up-to-date values.

Had there been no revaluation, the aggregated cost and written down value of revalued leasehold land and building on leasehold land would have been lower by Rs.100.275 million and Rs.717.545 million respectively, and net surplus on revaluation of fixed assets and deferred tax liability would have been lower by Rs. 479.659 million and Rs. 237.886 million respectively.

6.2 Revaluation of operating fixed assets

The surplus arising on revaluation of fixed assets is credited to the "Surplus on Revaluation of Fixed Assets Account" shown below equity in the balance sheet in accordance with the requirements of Section 235 of the repealed Companies Ordinance, 1984. The said section was amended through the Companies (Amendment) Ordinance, 2002 and accordingly, the Company has adopted the following accounting treatment of depreciation on revalued assets, keeping in view the Securities and Exchange Commission of Pakistan's (SECP) SRO 45(1)/2003 dated January 13, 2003:

- depreciation on assets which are revalued is determined with reference to the value assigned to such assets on revaluation and depreciation charge for the year is taken to the profit and loss account; and
- an amount equal to incremental depreciation for the year net of deferred taxation is transferred from "Surplus on Revaluation of Fixed Assets Account" to accumulated profit through Statement of Changes in Equity to record realization of surplus to the extent of the incremental depreciation charge for the year.

6.3 New / Revised Standards, Interpretations and Amendments

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

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

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

7. FINANCIAL RISK MANAGEMENT

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

Notes to the Consolidated Condensed Interim Financial Information (Unaudited)

For the nine months period ended September 30, 2017

		(Un-audited) September 30, 2017	(Audited) December 31, 2016
		Rupees in '000	
8. LENDINGS TO FINANCIAL INSTITUTIONS	Note		
Call money lendings		2,761,937	2,634,489
Repurchase agreement lendings (Reverse repo)	8.1	3,516,409	8,699,925
		<u>6,278,346</u>	<u>11,334,414</u>

8.1 Repurchase agreement lendings are secured through Pakistan Investment Bonds and Market Treasury Bills having total market value of Rs.3,537.522 million (December 31, 2016: Rs.8,811.414 million).

9. INVESTMENTS - net

	Note	(Unaudited) September 30, 2017			(Audited) December 31, 2016		
		Held by Group	Given as collateral	Total	Held by Group	Given as collateral	Total
----- (Rupees in '000) -----							
9.1 INVESTMENTS BY TYPES:							
Held-for-trading securities							
Market Treasury Bills		583,815	-	583,815	64,346,568	1,413,214	65,759,782
Pakistan Investment Bonds		130,039	-	130,039	-	-	-
Ordinary Shares of listed companies		846,275	-	846,275	732,684	-	732,684
Term Finance Certificates - listed	9.1.1	18,013	-	18,013	21,023	-	21,023
Open ended mutual funds	9.1.2	278,718	-	278,718	294,359	-	294,359
Sukuk certificates - listed		3,512	-	3,512	12,116	-	12,116
		<u>1,860,372</u>	<u>-</u>	<u>1,860,372</u>	<u>65,406,750</u>	<u>1,413,214</u>	<u>66,819,964</u>
Available-for-sale securities							
Market Treasury Bills		38,882,524	2,070,283	40,952,807	4,885,943	-	4,885,943
Pakistan Investment Bonds		34,659,799	62,167,339	96,827,138	49,784,339	-	49,784,339
Ordinary shares of listed companies	9.1.3	3,730,110	-	3,730,110	2,626,343	-	2,626,343
Ordinary shares of unlisted companies		553,191	-	553,191	568,464	-	568,464
Preference shares of listed company		136,589	-	136,589	136,589	-	136,589
Term Finance Certificates - listed		182,322	-	182,322	182,322	-	182,322
Term Finance Certificates - unlisted	9.1.4	1,015,162	-	1,015,162	1,238,325	-	1,238,325
Sukuk Certificates - unlisted		1,666,833	-	1,666,833	360,000	-	360,000
Open end mutual funds	9.1.5	1,339,089	-	1,339,089	1,465,829	-	1,465,829
Foreign Currency Bonds		3,507,461	2,323,133	5,830,594	5,701,917	-	5,701,917
		<u>85,673,080</u>	<u>66,560,755</u>	<u>152,233,835</u>	<u>66,950,071</u>	<u>-</u>	<u>66,950,071</u>
Held-to maturity securities							
Pakistan Investment Bonds		41,502,527	-	41,502,527	-	-	-
Investments at cost		<u>129,035,979</u>	<u>66,560,755</u>	<u>195,596,734</u>	<u>132,356,821</u>	<u>1,413,214</u>	<u>133,770,035</u>
Less: Provision for diminution in value of investments		(1,411,517)	-	(1,411,517)	(1,420,022)	-	(1,420,022)
Investments (net of provision)		<u>127,624,462</u>	<u>66,560,755</u>	<u>194,185,217</u>	<u>130,936,799</u>	<u>1,413,214</u>	<u>132,350,013</u>
Unrealised (loss) / gain on reevaluation of investments classified as held-for-trading		(6,710)	-	(6,710)	17,890	(36)	17,854
Surplus / (deficit) on revaluation of available- for-sale securities	9.1.6 & 14	1,022,466	(163,347)	859,119	2,671,034	-	2,671,034
Total investments at carrying value		<u>128,640,218</u>	<u>66,397,408</u>	<u>195,037,626</u>	<u>133,625,723</u>	<u>1,413,178</u>	<u>135,038,901</u>

Notes to the Consolidated Condensed Interim Financial Information (Unaudited)

For the nine months period ended September 30, 2017

- 9.1.1 Included herein is an investment in a related party amounting to Rs.18.013 million (December 31, 2016: Rs.21.013 million) having a market value of Rs.18.066 million (December 31, 2016: Rs.21.013 million).
- 9.1.2 Included herein is an investment in a related party amounting to Rs.278.718 million (December 31, 2016: Rs.294.359 million) having a market value of Rs.280.669 million (December 31, 2016: Rs.300.008 million).
- 9.1.3 Included herein are the investments in related parties amounting to Rs.2,374.659 million (December 31, 2016: Rs.1,814.560 million) and having market value of Rs.3,002.618 million (December 31, 2016: Rs.3,324.401. million)
- 9.1.4 Included herein are the investments in a related party, of Rs.391.478 million (December 31, 2016: Rs.391.478 million) at the rate of 6 months KIBOR ask rate + 1.75% to 11% p.a maturing between December 04, 2017 to October 19, 2020. Due to weak financial position of the company the Group has recognised full impairment loss on these term finance certificates.
- 9.1.5 Included herein is an investment in a related party amounting to Rs.1,339.088 million (December 31, 2016: Rs.1,365.828 million) having a market value of Rs.1,862.603 million (December 31, 2016: Rs.2,136.806 million).
- 9.1.6 This includes surplus on revaluation of available for sale investments of subsidiaries amounting to Rs.80.378 million (December 31, 2016: Rs.80.378 million) which represents the pre-acquisition surplus and has been included here only for meeting with requirement of the prescribed format of Banks / DFIs issued by the State Bank of Pakistan.

		(Un-audited) September 30, 2017	(Audited) December 31, 2016
	Note	Rupees in '000	
10. ADVANCES - net			
Loans, cash credits, running finances, etc.			
In Pakistan		132,161,622	84,712,910
Outside Pakistan		942,925	2,139
		133,104,547	84,715,049
Net investment in finance lease in Pakistan		12,926,290	7,532,153
Bills discounted and purchased (excluding market treasury bills)			
Payable in Pakistan		4,133,218	1,444,580
Payable outside Pakistan		3,159,525	2,780,065
		7,292,743	4,224,645
Advances - gross		153,323,580	96,471,847
Provision for non-performing advances			
Specific	10.1	(2,642,563)	(2,618,353)
General		(114,601)	(40,988)
		(2,757,164)	(2,659,341)
Advances - net of provision		150,566,416	93,812,506

Notes to the Consolidated Condensed Interim Financial Information (Unaudited)

For the nine months period ended September 30, 2017

- 10.1 Advances include Rs.3,210.623 million (December 31, 2016: Rs.3,327.942 million) which have been placed under non-performing status as detailed below:

(Un-audited)					
September 30, 2017					
Domestic	Overseas	Total	Provision required	Provision held	
----- (Rupees in '000) -----					
Category of classification					
Other assets especially mentioned	24,290	-	24,290	-	-
Substandard	373,786	-	373,786	44,307	44,307
Doubtful	40,999	-	40,999	5,577	5,577
Loss	2,771,548	-	2,771,548	2,592,679	2,592,679
	<u>3,210,623</u>	<u>-</u>	<u>3,210,623</u>	<u>2,642,563</u>	<u>2,642,563</u>

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

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

11. OPERATING FIXED ASSETS

- 11.1 During the period, the Group made additions of Rs.1,085.972 million including capital work in process (September 30, 2016: Rs.1,680.583 million) and deletions of Rs.116.666 million (September 30, 2016: Rs.165.971 million).

Notes to the Consolidated Condensed Interim Financial Information (Unaudited)

For the nine months period ended September 30, 2017

	(Un-audited) September 30, 2017	(Audited) December 31, 2016
12. DEPOSITS AND OTHER ACCOUNTS	Note	Rupees in '000
Customers		
Fixed deposits	124,263,722	101,194,427
Savings deposits	47,108,133	35,751,988
Current accounts - non-remunerative	53,241,595	49,123,501
Margin accounts	4,618,432	4,185,137
	<u>229,231,882</u>	<u>190,255,053</u>
Financial institutions		
Remunerative deposits	40,978,845	34,037,696
Non-remunerative deposits	985,456	711,906
	<u>41,964,301</u>	<u>34,749,602</u>
	<u>271,196,183</u>	<u>225,004,655</u>
12.1 Particulars of deposits		
In local currency	259,310,926	214,339,799
In foreign currencies	11,885,257	10,664,856
	<u>271,196,183</u>	<u>225,004,655</u>
13. DEFERRED (ASSET) / TAX LIABILITY - net		
Deferred tax (debts) arising from:		
Unused tax losses	(38,598)	(30,541)
Provision against investments	(57,149)	(57,149)
Provision against loans, advances and trade debts	(137,118)	(137,558)
Provision for donation	(1,279)	(1,222)
Provision for Workers' Welfare Fund	(46,199)	(45,935)
	<u>(280,343)</u>	<u>(272,405)</u>
Deferred tax credits arising due to:		
Operating fixed assets	196,927	191,785
Goodwill	512,268	512,268
Unrealized gain on revaluation of investment classified as held-for-trading	189	215
Unrealised gain / (loss) on revaluation of derivative instruments	10,570	(7,782)
Surplus on revaluation of operating fixed assets	237,887	-
Surplus on revaluation of non-banking assets acquired In satisfaction of claims	2,220	2,307
Surplus on revaluation of investment classified as available-for-sale	65,261	656,497
	<u>1,025,322</u>	<u>1,355,290</u>
	<u>744,979</u>	<u>1,082,885</u>

Notes to the Consolidated Condensed Interim Financial Information (Unaudited)

For the nine months period ended September 30, 2017

	Note	(Un-audited) September 30, 2017	(Audited) December 31, 2016
Rupees in '000			
14. SURPLUS ON REVALUATION OF ASSETS - net of tax			
Operating fixed assets	6.1 & 6.2	579,936	-
Non-banking assets acquired in satisfaction of claims		81,707	81,868
Available-for-sale securities	14.1	713,480	1,934,159
	14.2	<u>1,375,123</u>	<u>2,016,027</u>
14.1 Surplus / (deficit) on revaluation of available-for-sale securities - net of tax			
Government securities		(319,787)	48,729
Ordinary shares - listed		423,151	1,664,750
Open end mutual funds		579,377	832,502
Foreign currency bonds		96,000	44,675
		778,741	2,590,656
Related deferred tax liability		(65,261)	(656,497)
		<u>713,480</u>	<u>1,934,159</u>
14.2 Group's share		1,166,101	1,739,674
Non-controlling interest		209,022	276,353
		<u>1,375,123</u>	<u>2,016,027</u>
15. CONTINGENCIES AND COMMITMENTS			
15.1 Transaction-related contingent liabilities			
Includes performance bonds, bid bonds, warranties, advance payment guarantees, shipping guarantees and standby letters of credit related to particular transactions.			
i) Government		30,089,580	18,055,350
ii) Banking companies and other financial institutions		3,348,712	2,777,027
iii) Others	15.1.1	10,201,535	6,673,175
		<u>43,639,827</u>	<u>27,505,552</u>
15.1.1 Included herein the outstanding guarantees of Rs.19.279 million (December 31, 2016: Rs.17.140 million) of related parties.			

Notes to the Consolidated Condensed Interim Financial Information (Unaudited)

For the nine months period ended September 30, 2017

	Note	(Un-audited) September 30, 2017	(Audited) December 31, 2016
		Rupees in '000	
15.2 Trade-related contingent liabilities			
Documentary credits	15.2.1	<u>17,110,326</u>	<u>20,505,270</u>
15.2.1		Included herein is an outstanding amount of Rs.26.700 million (December 31, 2016: Rs.2,194.048 million) of related parties.	
15.3 Commitments in respect of forward lending	15.3.1	<u>418,422</u>	<u>234,062</u>
15.3.1		Included herein is a commitment of Rs.Nil (December 31, 2016: Rs.170 million) of related parties.	
15.4 Commitment in respect of capital expenditure		<u>71,935</u>	<u>59,876</u>
15.5 Commitments in respect of derivatives instruments			
15.5.1 Forward exchange contracts			
Purchase		<u>10,510,466</u>	<u>9,872,524</u>
Sale		<u>8,103,911</u>	<u>10,004,614</u>
15.5.2 Forward investment securities			
Purchase		<u>-</u>	<u>3,989,680</u>
Sale		<u>823,083</u>	<u>4,999,456</u>
15.5.3 Cross currency swaps (notional principal)		<u>4,475,576</u>	<u>1,753,050</u>
15.6 Commitment in respect of bank guarantee		<u>400,000</u>	<u>-</u>
15.7 JS Bank Limited			

During the period, the Bank has filed an appeal before the Commissioner Inland Revenue (Appeals) against the revised assessment order for the tax year 2013 issued giving findings, based on reconsideration of matters, which were earlier contested in appeal and then remanded back for re-examination. In the revised order, significant matter of disallowance of accrued mark-up has been allowed which was earlier disallowed under section 21(c) for the alleged non-tax withholding of tax at source under section 151 of the Income Tax Ordinance, 2001. However matters concerning disallowance of expenses and double additions to income like taxing of reversal of provisions made on bad debts and investments have not been allowed and a demand of Rs. 239 million has been raised. Meanwhile, the Bank has obtained stay order from Honorable Sindh High Court against the demand and is confident that such matters are verifiable and should be decided in its favor.

Notes to the Consolidated Condensed Interim Financial Information (Unaudited)

For the nine months period ended September 30, 2017

15.8 Contingencies in respect of subsidiaries

JS Global Capital Limited

For tax year 2015, an order dated November 23, 2016 was passed under section 4B of the Ordinance by the Deputy Commissioner Inland Revenue - IV [DCIR]. Through said order, an income of Rs. 810,583,651 was computed under section 4B of the Ordinance and resultant demand of super tax of Rs. 24,317,509 was raised. An appeal has been filed against the above order before CIR-A on December 1, 2016 identifying various errors / details not considered by CIR-A and the said appeal has been decided by CIR-A against the Company vide an order dated May 30, 2017. In pursuance of the order of CIR-A, the Company filed an appeal before Appellate Tribunal Inland Revenue (ATIR) and also filed application for stay against recovery of demand. The said stay application was decided in favor of the Company and ATIR granted stay of 60 days on July 18, 2017 and subsequently the said stay were further extended vide various orders by the ATIR. As of now, further extended stay is valid until October 15, 2017.

Tax department has issued show cause notice dated June 08, 2015 confronting (alleged) non-payment of Federal Excise Duty (FED) on Company's services under Federal Excise Act, 2005 for tax year 2010 to tax year 2013. In response thereto, an extension request was filed. The department however issued order without rejecting the application and raised FED demand of Rs.78.003 million. The said demand comprises of certain errors aggregating to Rs.55.3 million and demand of Rs.22.526 million representing duplicate levy on services for the period from July 2011 to December 2012 on which sales tax has already been paid by the Company under the Sindh Sales Tax on Services Act, 2011. The Company filed a rectification application before Deputy Commissioner Inland Revenue and Appeal before Commissioner Inland Revenue Appeal (CIR-A) amounting to Rs.55.3 million against the said order on account of certain computational errors and the remaining demand of Rs.22.526 million respectively on grounds of duplicate levy as the Company has already paid Sindh sales tax under Sindh Sales Tax on Services Act on such services. The Appeal before CIR-A has been decided against the Company vide order dated January 31, 2017. The Company has filed an Appeal and stay application against the said order in Appellate Tribunal and has been granted stay order for the recovery of demand. The Company has also filed an appeal in the SHC, through Stockbroker Association (of which the Company is also the member) against aforementioned order on the grounds that after 18th amendment to the Constitution, the services that were previously subjected to FED under the federal laws are now subject to the provincial sales tax and the Company has accordingly discharged its tax obligation. The SHC initially, stayed Federal Board of Revenue from demanding sales tax on services from stockbrokers and subsequently, disposed of the order in Company's favor. However, the relevant tax authorities have filed the petition in Honorable Supreme Court of Pakistan which is pending adjudication.

Notes to the Consolidated Condensed Interim Financial Information (Unaudited)

For the nine months period ended September 30, 2017

JS Investment Limited

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

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

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

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

		(Un-audited)			
		Nine months period ended		Quarter ended	
		September 30,		September 30,	
Note		2017	2016	2017	2016
		----- Rs. in '000 -----			
16.	BASIC AND DILUTED EARNINGS PER SHARE- UNAUDITED				
	Profit after taxation for the period - attributable to equity holders of the Bank for diluted earnings	483,685	1,222,065	123,475	401,389
	Preference dividend paid for the year ended December 31, 2016 @ 12% p.a. (December 31, 2015: 12% p.a)	(180,000)	(180,000)	-	-
	Profit after taxation for the period - attributable to ordinary equity holders of the Bank for basic earnings	<u>303,685</u>	<u>1,042,065</u>	<u>123,475</u>	<u>401,389</u>
		----- Numbers -----			
	Weighted average number of basic outstanding ordinary shares during the period	<u>1,072,464,262</u>	1,072,464,262	<u>1,072,464,262</u>	1,072,464,262
	Weighted average number of diluted outstanding ordinary shares during the period	<u>1,072,464,262</u>	1,297,464,262	<u>1,297,464,262</u>	1,297,464,262
		----- Rupee -----			
	Basic earnings per share	<u>0.28</u>	0.97	<u>0.12</u>	0.37
	Diluted earnings per share	<u>0.28</u>	0.94	<u>0.10</u>	0.31

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

Notes to the Consolidated Condensed Interim Financial Information (Unaudited)

For the nine months period ended September 30, 2017

17. RELATED PARTY TRANSACTIONS

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

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

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

	Parent		Key management personnel		Companies in which parent company holds 20% or more		Companies having common directorship		Other related parties	
	(Un-audited) September 30, 2017	(Audited) December 31, 2016	(Un-audited) September 30, 2017	(Audited) December 31, 2016	(Un-audited) September 30, 2017	(Audited) December 31, 2016	(Un-audited) September 30, 2017	(Audited) December 31, 2016	(Un-audited) September 30, 2017	(Audited) December 31, 2016
Advances										
Opening balance	767,243	2,016,612	479,860	387,435	497,564	-	5,673	395,763	1,303,405	2,047,586
Disbursements	5,646,511	11,429,643	292,178	292,183	277,672	1,155,846	-	18,640,900	2,636,636	4,576,609
Repayments	(8,350,534)	(12,679,012)	(635,800)	(209,178)	(360,066)	(718,282)	(963)	(19,000,940)	(2,609,889)	(5,321,050)
Closing balance	3,883,220	767,243	635,238	479,860	355,370	437,564	4,710	5,673	1,330,142	1,303,405
Disbursements made during the nine months period ended September 30, 2016				206,356		606,246		18,640,900		4,033,363
Repayments made during the nine months period ended September 30, 2016				(1,10,975)		(547,711)		(16,459,897)		(4,424,508)
Mark-up / return / interest earned for the nine months period ended September 30, (un-audited)			25,662	14,890	9,067	16,811	130	91,972	78,750	138,897
Deposits										
Opening balance	767,243	2,016,612	56,583	76,534	3,617,557	2,510,501	856,255	1,097,590	3,438,466	2,308,568
Deposits during the period	5,646,511	11,429,643	907,806	1,214,860	58,555,992	59,785,999	24,078,616	27,432,054	24,666,247	33,645,004
Withdrawals during the period	(8,350,534)	(12,679,012)	(675,983)	(1,233,811)	(59,372,054)	(58,678,943)	(22,539,575)	(27,573,379)	(23,819,588)	(32,515,109)
Closing balance	3,883,220	767,243	86,396	56,583	2,801,095	3,617,557	2,485,296	956,255	4,285,125	3,438,466
Deposits during the nine months period ended September 30, 2016				954,726		27,390,389		24,987,994		41,910,025
Withdrawals made during the nine months period ended September 30, 2016				(890,239)		(26,461,527)		(24,641,913)		(42,156,904)
Mark-up / return / interest earned for the nine months period ended September 30, (un-audited)	62,183	142,383	1,488	2,455	153,708	124,214	72,485	57,480	168,546	192,424

Notes to the Consolidated Condensed Interim Financial Information (Unaudited)

For the nine months period ended September 30, 2017

18. FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

Fair value hierarchy

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

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

Notes to the Consolidated Condensed Interim Financial Information (Unaudited)

For the nine months period ended September 30, 2017

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

	September 30, 2017 (Un-audited)			
	Level 1	Level 2	Level 3	Total
	----- Rupees in '000 -----			
On balance sheet financial instruments				
Financial assets classified as 'held-for-trading securities'				
Government Securities				
Market treasury bills	-	583,726	-	583,726
Pakistan investment bonds	-	130,463	-	130,463
Ordinary shares of listed companies	837,313	-	-	837,313
Open end mutual funds	-	280,669	-	280,669
Sukuk certificates - listed	-	3,425	-	3,425
Term finance certificates - listed	-	18,066	-	18,066
	837,313	1,016,349	-	1,853,662
Financial assets classified as 'available-for-sale securities'				
Government Securities				
Market treasury bills	-	40,947,396	-	40,947,396
Pakistan investment bonds	-	96,512,762	-	96,512,762
	-	137,460,158	-	137,460,158
Ordinary Shares				
Ordinary shares of listed companies	4,153,261	-	-	4,153,261
Open end mutual funds	-	1,862,603	-	1,862,603
Foreign currency bonds	-	5,894,941	-	5,894,941
	4,990,574	146,234,051	-	151,224,625
Off balance sheet financial instruments				
Forward exchange contracts				
Purchase	-	11,049,381	-	11,049,381
Sale	-	8,617,378	-	8,617,378
Forward government and equity securities				
Purchase	-	-	-	-
Sale	-	830,968	-	830,968
Cross currency swaps (notional principal)				
	-	3,512,532	-	3,512,532

Notes to the Consolidated Condensed Interim Financial Information (Unaudited)

For the nine months period ended September 30, 2017

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

Notes to the Consolidated Condensed Interim Financial Information (Unaudited)

For the nine months period ended September 30, 2017

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

Item	Valuation approach and input used
Ordinary shares of listed companies	Fair values of investments in listed equity securities are valued on the basis of closing quoted market prices available at the Pakistan Stock Exchange.
Units of mutual funds	Fair values of investments in units of mutual funds are determined based on redemption prices disclosed at the Mutual Funds Association of Pakistan (MUFAP) as at the close of the business days.
Pakistan Investment Bonds / Market Treasury Bills	Fair values of Pakistan Investment Bonds and Market Treasury Bills are derived using PKRV rates (Reuters page).
Term Finance Certificates and Bonds	Investments in debt securities (comprising term finance certificates, bonds and any other security issued by a company or a body corporate for the purpose of raising funds in the form of redeemable capital) are valued on the basis of the rates announced by the Mutual Funds Association of Pakistan (MUFAP) and Bloomberg in case of foreign bonds, in accordance with the methodology prescribed by the Securities and Exchange Commission of Pakistan.
Derivatives	The fair values of derivatives which are not quoted in active markets are determined by using valuation techniques. The valuation techniques take into account the relevant underlying parameters including foreign currency involved, interest rates, yield curves, volatilities, contracts duration etc.

Notes to the Consolidated Condensed Interim Financial Information (Unaudited)

For the nine months period ended September 30, 2017

19. SEGMENT DETAILS WITH RESPECT TO BUSINESS ACTIVITIES

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

	2017							Total
	Corporate finance	Trading and sales	Retail banking	Commercial banking	Payment and settlement	Brokerage	Asset Management	
	(Rupees in '000)							
September 30, 2017 (un-audited)								
Total income - external	393,307	8,254,792	3,041,616	4,930,459	132,104	643,692	262,446	55,475
Inter-segment revenues - net	-	(6,702,207)	6,177,891	524,316	-	-	-	-
Total income	393,307	1,552,585	9,219,507	5,454,775	132,104	643,692	262,446	55,475
Total expenses	(46,574)	(1,089,003)	(8,875,648)	(5,299,753)	(72,091)	(524,122)	(221,929)	(316,942)
(Provisions) / reversal	-	-	(166,767)	(53,899)	-	-	8,505	-
Current taxation	-	-	-	-	-	-	-	(394,702)
Prior year taxation	-	-	-	-	-	-	-	(115,944)
Deferred taxation	-	-	-	-	-	-	-	(15,444)
Net income / (loss)	346,733	463,582	177,092	101,123	60,013	119,570	49,022	(787,557)
Attributable to:								
Equity holders of the Bank	-	-	-	-	-	-	-	-
Non-controlling interest	-	-	-	-	-	-	-	-
								483,685
								45,893
								529,578
September 30, 2017 (un-audited)								
Segment assets (gross)	-	213,737,681	71,537,807	86,666,557	-	2,826,023	2,951,286	13,564,271
Segment non performing assets	-	948,820	738,436	2,471,347	-	729,774	136,241	10,861
Segment provision required	-	(948,820)	(498,339)	(2,256,825)	-	(729,774)	(136,241)	(10,861)
Segment liabilities	-	39,148,641	195,633,951	118,767,333	4,085,951	2,022,619	259,576	7,324,693
								367,242,764

Notes to the Consolidated Condensed Interim Financial Information (Unaudited)

For the nine months period ended September 30, 2017

	2016								
	Corporate finance	Trading and sales	Retail banking	Commercial banking	Payment and settlement	Brokerage	Asset Management	Others	Total
	(Rupees in '000)								
September 30, 2016 (unaudited)									
Total income - external	202,321	8,297,470	2,443,031	2,959,083	122,862	463,445	192,982	26,748	14,707,942
Inter-segment revenues - net	-	(3,671,382)	3,390,835	280,547	-	-	-	-	-
Total income	202,321	4,626,088	5,833,866	3,239,630	122,862	463,445	192,982	26,748	14,707,942
Total expenses	(46,433)	(1,776,862)	(6,401,186)	(2,952,278)	(55,509)	(352,060)	(187,919)	(596,936)	(12,369,183)
Provisions / impairments	-	(383,374)	(106,636)	165,136	-	-	45,181	-	(279,693)
Current taxation	-	-	-	-	-	-	-	(576,246)	(576,246)
Prior year taxation	-	-	-	-	-	-	-	(79,838)	(79,838)
Deferred taxation	-	-	-	-	-	-	-	(129,027)	(129,027)
Net income / (loss)	155,888	2,465,852	(673,956)	452,488	67,353	111,385	50,244	(1,355,299)	1,273,955
Attributable to:									
Equity holders of the Bank									1,222,065
Non-controlling interest									51,890
									<u>1,273,955</u>
December 31, 2016 (audited)									
Segment assets (gross)	-	155,177,226	37,737,239	63,853,911	-	3,979,810	2,992,441	9,594,516	273,335,143
Segment non performing loans and impaired investments	-	1,125,952	315,703	3,012,239	-	745,784	144,746	10,861	5,355,285
Segment provision required	-	(948,820)	(181,830)	(2,477,511)	-	(745,784)	(144,746)	(10,861)	(4,509,552)
Segment liabilities	-	1,946,252	156,713,850	79,664,600	2,544,028	1,790,842	265,135	6,138,490	249,063,197

Notes to the Consolidated Condensed Interim Financial Information (Unaudited)

For the nine months period ended September 30, 2017

20. GENERAL

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

21. DATE OF AUTHORISATION FOR ISSUE

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

Chairman

President and
Chief Executive Officer

Director

Director



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