



**JS Bank Limited**

Condensed Interim Financial Statements  
for the First Quarter Ended March 31, 2012  
(Un-Audited)



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## Company Information

Board of Directors	Chairman	Mr. Jahangir Siddiqui Mr. Mazharul Haq Siddiqui Mr. Maqbool A. Soomro Mr. Ashraf Nawabi Mr. Rafique R. Bhimjee Mr. Shahab Anwar Khawaja Mr. Adil Matcheswala
President & Chief Executive Officer		Mr. Kalim-ur-Rahman
Audit Committee	Chairman Member Member	Mr. Jahangir Siddiqui Mr. Maqbool A. Soomro Mr. Rafique R. Bhimjee
Company Secretary		Mr. Muhammad Yousuf Amanullah
Auditors		M. Yousuf Adil Saleem & Co. Chartered Accountants (Member firm of Deloitte Touche Tohmatsu)
Legal Advisors		Bawaney & Partners 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.



## DIRECTORS' REPORT

On behalf of the Board of Directors, I am pleased to present the un-audited financial statements for the first quarter ended March 31, 2012.

### The Economy

In line with the consensus estimate, the State Bank of Pakistan (SBP) opted to maintain the policy rate at 12.0% in the first Monetary Policy Statement of 2012. The SBP's cautious approach was due to the twin deficit concerns and the absence of sufficient foreign fund in-flows. The SBP expects growing pressure on the market liquidity due to a contraction in the Net Foreign Assets (NFA) and an expansion of the Net Domestic Assets (NDA) arising from the anticipated increase in the government borrowings, going forward. This may also lead to higher inflation during 2HFY12, in SBP's view. The Consumer Price Index (CPI) for March clocked in at 10.8% down from 11.0% last month. The marginally improved CPI in March was primarily due to the easing of food prices. As a result, the inflation for 9MFY12 came in at 10.8%. During 8MFY12, exports were US\$ 15.2 billion (down marginally 0.48%YoY), but home remittances touched US\$ 8.6 billion (up 23.4%YoY). Imports, on the other hand, grew by 16.4%YoY to US\$ 29.8 billion during the same period. Resultantly, the current account registered an overall deficit of about US\$ 3.0 billion, up from a deficit of only US\$ 194 million in the same period last year.

On the banking front, total industry advances and investments recorded a growth of 3% each in 1Q2012, to Rs. 3,611 billion and Rs. 3,057 billion respectively. In contrast, the deposits declined by 1% to Rs. 5,920 billion, taking the industry wide Advances/Deposit ratio to 61.98% from 59.45% in December 2011.

### Financial Performance

The Bank has earned a profit before tax of Rs. 268.62 million and a post-tax profit of Rs. 202.59 million in the 1st Quarter of 2012, as compared to Rs 21.34 million and Rs 10.25 million respectively, in the corresponding period last year. The balance sheet size of your bank registered a YoY growth of 47.82% to reach Rs 55.39 billion as at March 31, 2012. Deposits increased to Rs 44.05 billion as at March 31, 2012 as compared to Rs 25.24 billion on March 31, 2011, a YoY growth of 74.52%. Advances grew to Rs 19.95 billion as at March 31, 2012 reflecting a YoY growth of 18.01%. This substantial growth was achieved through a sound business strategy, continued hard-work, dedication, commitment and good teamwork of the management and the staff, and the valuable guidance provided by the Board.

### Business Review

JS Bank continued to maintain its steady growth and moved ahead with its branch expansion bringing the total to 148 branches in 80 cities.

Considerable focus remained on consistently improving the level of service delivery at branch locations across Pakistan by our Retail Banking Group to ensure that the JS Bank customers received a standard of service well above the competition.

The Corporate and Commercial Banking Division continues to be our mainstay for the advances business and they are steadily expanding this portfolio to achieve higher profitability, on a sound basis, supported by substantial trade business.



The Investment Banking Group (IBG) stood up to its reputation of being the pioneer of various landmark transactions in the domestic capital market. IBG successfully advised and announced the financial closure of a Hybrid (Istisna and Tijarah based) Sukuk issued by a leading fertilizer company and continued their focus on fee-based income. IBG also announced the successful financial closure of Over the Counter (OTC) listed Term Finance Certificates to be issued by the largest cellular services company of the country.

#### **Acknowledgments**

We would like to express our gratitude for the guidance and support provided to us by the State Bank of Pakistan, the Securities and Exchange Commission of Pakistan and the Karachi Stock Exchange. We would also like to thank our valued clients for their continued patronage and confidence. The Board would like to place on record its appreciation of the hard work, dedication, professionalism and sincere efforts of the management and the staff for the greater progress and profitability of the Bank.

**Karachi: April 25, 2012**

On behalf of the Board

**Kalim-ur-Rahman**  
President &  
Chief Executive Officer

## CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31, 2012

		(Unaudited) March 31, 2012	(Audited) December 31, 2011
	Note	----- (Rupees in '000) -----	
<b>ASSETS</b>			
Cash and balances with treasury banks		3,301,951	3,880,688
Balances with other banks		354,237	136,880
Lendings to financial institutions	7	2,574,095	4,073,103
Investments - net	8	23,386,314	22,649,824
Advances - net	9	19,946,019	18,018,778
Operating fixed assets	10	3,061,006	3,021,439
Deferred tax assets - net		1,027,053	1,082,466
Other assets		1,743,100	1,057,391
		<b>55,393,775</b>	<b>53,920,569</b>
<b>LIABILITIES</b>			
Bills payable		684,049	1,246,994
Borrowings	11	2,334,466	2,944,495
Deposits and other accounts	12	44,047,727	41,487,031
Sub-ordinated loans		-	-
Liabilities against assets subject to finance lease		-	-
Deferred tax liabilities		-	-
Other liabilities		631,005	765,019
		<b>47,697,247</b>	<b>46,443,539</b>
<b>NET ASSETS</b>		<b>7,696,528</b>	<b>7,477,030</b>
<b>REPRESENTED BY:</b>			
Share capital		10,002,930	10,002,930
Reserves		130,496	89,978
Discount on issue of shares		(1,944,880)	(1,944,880)
Accumulated losses		(480,848)	(642,918)
		<b>7,707,698</b>	<b>7,505,110</b>
Deficit on revaluation of assets - net of tax	13	(11,170)	(28,080)
		<b>7,696,528</b>	<b>7,477,030</b>
<b>CONTINGENCIES AND COMMITMENTS</b>	15		

The annexed notes from 1 to 19 form an integral part of this condensed interim unconsolidated financial information.

Jahangir Siddiqui  
Chairman

Kalim-ur-Rahman  
President & Chief Executive Officer

Rafique R. Bhimjee  
Director

Adil Matcheswala  
Director

**CONDENSED INTERIM UNCONSOLIDATED PROFIT AND LOSS ACCOUNT  
(UNAUDITED)**

FOR THE QUARTER ENDED MARCH 31, 2012

	March 31, 2012	March 31, 2011
Note	----- (Rupees in '000) -----	
Mark-up / return / interest earned	1,274,387	927,201
Mark-up / return / interest expensed	<u>787,348</u>	<u>584,508</u>
Net mark-up / interest income	487,039	342,693
Reversal / (provision) against non-performing loans and advances	64	(4,457)
Reversal of diminution in value of investments	14,908	-
Bad debts written off directly	-	-
	<u>14,972</u>	<u>(4,457)</u>
Net mark-up / interest income after provisions	502,011	338,236
<b>NON MARK-UP / INTEREST INCOME</b>		
Fee, commission and brokerage income	131,338	66,096
Dividend income	51,050	-
Income from dealing in foreign currencies	41,557	18,123
Gain on sale / redemption of securities	30,230	93,664
Unrealised (loss) / gain on revaluation of investments classified as held for trading	(1,858)	2,649
Other income	14,406	619
Total non-mark-up / interest income	<u>266,723</u>	<u>181,151</u>
	768,734	519,387
<b>NON MARK-UP / INTEREST EXPENSES</b>		
Administrative expenses	500,117	497,777
Other provisions / write offs	-	-
Other charges	-	272
Total non-mark-up / interest expenses	<u>500,117</u>	<u>498,049</u>
Extra ordinary / unusual items	-	-
	268,617	21,338
<b>PROFIT BEFORE TAXATION</b>		
	268,617	21,338
Taxation		
- Current	(19,722)	(11,084)
- Prior years	-	-
- Deferred	(46,307)	-
	<u>(66,029)</u>	<u>(11,084)</u>
<b>PROFIT AFTER TAXATION</b>		
	<u>202,588</u>	<u>10,254</u>
	----- (Rupees) -----	
<b>Basic and diluted earnings per share</b>	16	0.01

The annexed notes from 1 to 19 form an integral part of this condensed interim unconsolidated financial information.

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Chairman

Kalim-ur-Rahman  
President & Chief Executive Officer

Rafique R. Bhimjee  
Director

Adil Matcheswala  
Director



**CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF COMPREHENSIVE  
INCOME (UNAUDITED)**

FOR THE QUARTER ENDED MARCH 31, 2012

	March 31, 2012	March 31, 2011
	---- (Rupees in '000) ----	
<b>Profit for the period</b>	<b>202,588</b>	10,254
Other comprehensive income	-	-
<b>Total comprehensive income for the period</b>	<b><u>202,588</u></b>	<u>10,254</u>

(Deficit) / surplus arising on revaluation of assets has been reported in accordance with the requirements of the Companies Ordinance, 1984 and the directives of the State Bank of Pakistan in a separate account below equity.

The annexed notes from 1 to 19 form an integral part of this condensed interim unconsolidated financial information.

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Chairman

Kalim-ur-Rahman  
President & Chief Executive Officer

Rafique R. Bhimjee  
Director

Adil Matcheswala  
Director





**CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
(UNAUDITED)**

FOR THE QUARTER ENDED MARCH 31, 2012

	Issued, Subscribed and paid-up share capital	Statutory reserve	Discount on issue of shares	Accumulated losses	Total
	(Rupees in '000)				
<b>Balance as at January 1, 2011</b>	8,149,715	18,040	(1,415,477)	(930,671)	5,821,607
<b>Comprehensive Income</b>					
Profit after taxation for the quarter ended March 31, 2011	-	-	-	10,254	10,254
Other comprehensive Income - net of tax	-	-	-	-	-
<b>Balance as at March 31, 2011</b>	8,149,715	18,040	(1,415,477)	(920,417)	5,831,861
<b>Comprehensive Income</b>					
Profit after taxation for the nine months period ended December 31, 2011	-	-	-	349,437	349,437
Other comprehensive Income - net of tax	-	-	-	-	-
	-	-	-	349,437	349,437
<b>Transaction with owners recorded directly in equity</b>					
Issue of shares during the period	1,853,215	-	-	-	1,853,215
Discount on issue of shares	-	-	(529,403)	-	(529,403)
	1,853,215	-	(529,403)	-	1,323,812
<b>Transfers</b>					
Transfer to statutory reserve	-	71,938	-	(71,938)	-
<b>Balance as at December 31, 2011</b>	10,002,930	89,978	(1,944,880)	(642,918)	7,505,110
<b>Comprehensive Income</b>					
Profit after taxation for the quarter ended March 31, 2012	-	-	-	202,588	202,588
Other comprehensive Income - net of tax	-	-	-	-	-
	-	-	-	202,588	202,588
Transfer to statutory reserve	-	40,518	-	(40,518)	-
<b>Balance as at March 31, 2012</b>	<b>10,002,930</b>	<b>130,496</b>	<b>(1,944,880)</b>	<b>(480,848)</b>	<b>7,707,698</b>

The annexed notes from 1 to 19 form an integral part of this condensed interim unconsolidated financial information.

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Chairman

Kalim-ur-Rahman  
President & Chief Executive Officer

Rafique R. Bhimjee  
Director

Adil Matcheswala  
Director

## CONDENSED INTERIM UNCONSOLIDATED CASH FLOW STATEMENT (UNAUDITED)

FOR THE QUARTER ENDED MARCH 31, 2012

	March 31, 2012	March 31, 2011
	----- (Rupees in '000) -----	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before taxation	268,617	21,338
Less: Dividend income	(51,050)	-
	<u>217,567</u>	<u>21,338</u>
<b>Adjustments:</b>		
Depreciation	52,485	55,481
Amortisation of intangibles	4,641	4,063
Charge for defined benefit plan	9,270	7,622
Unrealised loss / (gain) on revaluation of investments classified as held for trading	1,858	(2,649)
Reversal of provision against non-performing advances	(511)	(641)
Provision against non-performing advances	447	5,098
Reversal of diminution in value of investments	(14,908)	-
Gain on sale of fixed assets	(14,406)	(619)
	<u>38,876</u>	<u>68,355</u>
	<b>256,443</b>	<b>89,693</b>
<b>(Increase) / decrease in operating assets</b>		
Lendings to financial institutions	1,499,008	2,042,734
Held for trading securities	(555,863)	(119,513)
Advances	(1,927,177)	(2,927,825)
Other assets (excluding advance taxation)	(700,875)	(110,917)
	<u>(1,684,907)</u>	<u>(1,115,521)</u>
<b>Increase / (decrease) in operating liabilities</b>		
Bills payable	(562,945)	(7,478)
Borrowings	(615,917)	(69,632)
Deposits	2,560,696	(1,036,292)
Other liabilities	(143,284)	(793,989)
	<u>1,238,550</u>	<u>(1,907,391)</u>
	<u>(189,914)</u>	<u>(2,933,219)</u>
Income tax paid	(4,556)	(10,347)
Net cash used in operating activities	<u>(194,470)</u>	<u>(2,943,566)</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Net investment in available for sale securities	(141,561)	2,126,911
Dividend income	51,050	-
Investment in operating fixed assets	(103,336)	(81,426)
Sale proceeds of property and equipment disposed-off	21,049	1,481
Net cash flow (used in) / from investing activities	<u>(172,798)</u>	<u>2,046,966</u>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Issue of share capital	-	-
<b>(Decrease) in cash and cash equivalents</b>	<b>(367,268)</b>	<b>(896,600)</b>
Cash and cash equivalents at beginning of the period	<u>4,016,008</u>	<u>3,212,435</u>
Cash and cash equivalents at end of the period	<u><b>3,648,740</b></u>	<u><b>2,315,835</b></u>

The annexed notes from 1 to 19 form an integral part of this condensed interim unconsolidated financial information.

Jahangir Siddiqui  
Chairman

Kalim-ur-Rahman  
President & Chief Executive Officer

Rafique R. Bhimjee  
Director

Adil Matcheswala  
Director



## NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE QUARTER ENDED MARCH 31, 2012

### 1. STATUS AND NATURE OF BUSINESS

**1.1** JS Bank Limited (the Bank), incorporated in Pakistan, is a scheduled bank, engaged in commercial banking and related services. The Bank is listed on Karachi Stock Exchange in Pakistan. The Bank is a subsidiary of Jahangir Siddiqui & Company Limited (JSCL). The registered office of the Bank is situated at Shaheen Commercial Complex, Dr. Ziauddin Ahmed Road, Karachi. The Bank operates with 148 (December 31, 2011: 147) branches / sub-branches in Pakistan. The Pakistan Credit Rating Agency (Private) Limited (PACRA) has assigned the long term credit rating of the Bank as A ("Single A") and the short term rating as A1 ("A One") with stable outlook.

**1.2** Jahangir Siddiqui Investment Bank Limited (JSIBL) and its holding company, Jahangir Siddiqui & Company Limited (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 (AEBL) Pakistan Operations. Consequently, a new banking company, JS Bank Limited (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.

Further, 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. 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/NBF-C(J)-R/JSIBL/2006/517 dated September 28, 2006. Subsequently, the Scheme was sanctioned by State Bank of Pakistan (SBP) vide its order dated December 02, 2006 and, in accordance therewith, the effective date of amalgamation was fixed at December 30, 2006.

**1.3** The State Bank of Pakistan through its BSD Circular No. 7 dated April 15, 2009 has prescribed that the minimum paid up capital (net of losses) for Banks / Development Finance Institutions (DFIs) be raised to Rs.10 billion by the year ending December 31, 2013. The raise is to be achieved in a phased manner requiring Rs.8 billion paid-up capital (free of losses) by the end of the financial year 2011. The paid-up capital (free of losses) of the Bank as at March 31, 2012 stood at Rs.7.577 billion.

As disclosed in note 1.3 to the unconsolidated financial statements for the year ended December 31, 2011, the Bank has submitted a plan to State Bank of Pakistan (SBP) which envisaged the increase in Bank's paid capital through swap of new shares of the Bank against shares of JS Investment Limited (JSIL) currently held by the parent company, Jahangir Siddiqui & Company Limited (JSCL) and other investors. In this connection, SBP has granted an in-principle approval of the plan on April 18, 2012. The Bank is now in the process of completing procedural formalities and is hopeful that it will be able to meet the minimum capital requirement for the financial year 2011 after the said plan is completed. In the meantime, SBP has exempted the Bank from complying with requirements of MCR till September 30, 2012.

### 2. STATEMENT OF COMPLIANCE

This condensed interim unconsolidated financial information of the Bank for the quarter ended March 31, 2012 has been prepared in accordance with the requirements of the International Accounting Standard 34 - Interim Financial Reporting, provisions of the Companies Ordinance, 1984, Banking Companies Ordinance, 1962 and directives issued by the Securities and Exchange Commission of Pakistan and the

State Bank of Pakistan. In case where requirements differ, the provisions of the Companies Ordinance, 1984, the Banking Companies Ordinance, 1962 and the said directives have been followed.

The State Bank of Pakistan has deferred the applicability of International Accounting Standard (IAS) 39, 'Financial Instruments: Recognition and Measurement' and International Accounting Standard (IAS) 40, 'Investment Property' for Banking Companies through BSD Circular Letter No. 10 dated August 26, 2002. Further, according to the notification of SECP dated April 28, 2008, IFRS - 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 condensed interim unconsolidated financial information. However, investments have been classified and valued in accordance with the requirements of various circulars issued by the SBP.

The disclosures made in this condensed interim unconsolidated financial information has been limited based on a format prescribed by the State Bank of Pakistan 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 condensed interim unconsolidated financial information should be read in conjunction with the annual financial statements of the Bank for the year ended December 31, 2011.

### 3. BASIS OF MEASUREMENT

This condensed interim unconsolidated financial information has been prepared under the historical cost convention except for held for trading, available-for-sale investments and derivative financial instruments which are stated at fair value.

### 4. ACCOUNTING ESTIMATES AND JUDGEMENTS

The estimates / judgements and associated assumptions used in the preparation of this condensed interim unconsolidated financial information are consistent with those applied in the preparation of the annual financial statements of the bank for the year ended December 31, 2011.

### 5. ACCOUNTING POLICIES

The accounting policies adopted in the preparation of these condensed interim unconsolidated financial statements are the same as those applied in the preparation of the annual financial statements of the Bank for the year ended December 31, 2011.

### 6. FINANCIAL RISK MANAGEMENT

The financial risk management objectives and policies are consistent with those disclosed in the annual financial statements of the Bank for the year ended December 31, 2011.

	(Unaudited) March 31, 2012	(Audited) December 31, 2011
	Note	----- (Rupees in '000) -----
<b>7. LENDINGS TO FINANCIAL INSTITUTIONS</b>		
Call money lendings	450,000	1,000,000
Lending to financial institutions	657,809	772,758
Repurchase agreement lendings (Reverse Repo)	7.1 1,466,286	2,300,345
	<u>2,574,095</u>	<u>4,073,103</u>

7.1 Included here in a sum of Rs. 102.587 million (2011: 270.080 million) due from a related party .

## 8. INVESTMENTS

	(Unaudited) March 31, 2012			(Audited) December 31, 2011		
	Held by bank	Given as collateral	Total	Held by bank	Given as collateral	Total
<b>Note</b>	----- (Rupees in '000) -----					
<b>8.1 INVESTMENTS BY TYPES:</b>						
<b>Held for trading securities</b>						
Market Treasury Bills	5,352,251	-	5,352,251	4,755,721	-	4,755,721
Pakistan Investment Bonds	325,735	-	325,735	208,211	-	208,211
Ijara Sukuk	936,800	-	936,800	998,000	-	998,000
Open end mutual funds	-	-	-	100,000	-	100,000
	<b>6,614,786</b>	<b>-</b>	<b>6,614,786</b>	<b>6,061,932</b>	<b>-</b>	<b>6,061,932</b>
<b>Available-for-sale securities</b>						
Market Treasury Bills	5,783,459	1,132,195	6,915,654	5,951,430	1,696,954	7,648,384
Pakistan Investment Bonds	4,806,652	-	4,806,652	4,421,546	-	4,421,546
Ordinary shares of listed companies	1,939	-	1,939	19,096	-	19,096
Preference shares of a listed company	143,740	-	143,740	95,503	-	95,503
Term Finance Certificates-listed	1,483,773	-	1,483,773	1,375,972	-	1,375,972
Term Finance Certificates-unlisted	769,077	-	769,077	783,774	-	783,774
Sukuk Certificates	162,367	-	162,367	193,966	-	193,966
Commercial Paper	53,033	-	53,033	51,256	-	51,256
Closed end mutual funds	99,701	-	99,701	118,601	-	118,601
Open end mutual funds	222,718	-	222,718	264,290	-	264,290
US Dollar Bonds	915,000	-	915,000	459,705	-	459,705
	<b>14,441,459</b>	<b>1,132,195</b>	<b>15,573,654</b>	<b>13,735,139</b>	<b>1,696,954</b>	<b>15,432,093</b>
<b>Subsidiary</b>						
JS Global Capital Limited	1,357,929	-	1,357,929	1,357,929	-	1,357,929
	<b>22,414,174</b>	<b>1,132,195</b>	<b>23,546,369</b>	<b>21,155,000</b>	<b>1,696,954</b>	<b>22,851,954</b>
<b>Investments at cost</b>						
Less: Provision for diminution in value of investments	(141,012)	-	(141,012)	(155,920)	-	(155,920)
<b>Investments (net of provision)</b>	<b>22,273,162</b>	<b>1,132,195</b>	<b>23,405,357</b>	<b>20,999,080</b>	<b>1,696,954</b>	<b>22,696,034</b>
Unrealised (loss) on revaluation of investments classified as held for trading						
	(1,858)	-	(1,858)	(3,010)	-	(3,010)
Deficit on revaluation of available-for-sale securities						
	(15,915)	(1,270)	(17,185)	(42,522)	(678)	(43,200)
<b>Total investments at carrying value</b>	<b>22,255,389</b>	<b>1,130,925</b>	<b>23,386,314</b>	<b>20,953,548</b>	<b>1,696,276</b>	<b>22,649,824</b>

**8.1.1** Agritech Limited Preference Shares, a related party, amounting to Rs.48.237 million (December 31, 2011: NIL) and having market value of Rs.48.237 million (December 31, 2011: NIL).

**8.1.2** Included herein are investments in following related parties:

- a) Agritech Limited, a related party, amounting to Rs.149.860 million at the rate of 6 months KIBOR ask rate + 1.75% maturing on November 29, 2014 (December 31, 2011: Rs.149.860 million).

b) Azgard Nine Limited, a related party, amounting to Rs.149.880 million at the rate of 6 months KIBOR ask rate + 2.25% maturing on December 24, 2014 (December 31, 2011: Rs.149.880 million).

8.1.3 JS Value Fund, a related party, amounting to Rs.99.701 million (December 31, 2011: Rs.99.701 million) and having market value of Rs.57.809 million (December 31, 2011: Rs.37.606 million).

8.1.4 Included herein are investments in following related parties:

a) JS Principal Secure Fund, a related party, amounting to Rs.22.717 million (December 31, 2011: 22.717 million) and having market value of Rs.23.412 million (December 31, 2011: 22.815 million).

b) JS Income Fund, a related party, amounting to Rs.200.000 million (December 31, 2011: 200.000 million) and having market value of Rs.206.433 million (December 31, 2011: 200.070 million).

8.1.5 The Bank acquired 25,525,169 ordinary shares of JS Global Capital Limited (JSGCL) in lieu of issuance of 185,321,546 shares of the Bank at an agreed share-exchange ratio of 7.26034550 shares of Bank for each share in JSGCL. The transactions consisted of acquiring entire shareholding of Jahangir Siddiqui & Company Limited (43.47%) comprising of 21,734,826 shares on October 21, 2011 whereas remaining shares of 3,790,343 shares were acquired from open market through public offer on December 21, 2011. Further details of subsidiary are given in consolidated financial statements note 1.1.2

	(Unaudited) March 31, 2012	(Audited) December 31, 2011
<b>Note ----- (Rupees in '000) -----</b>		
<b>9. ADVANCES - net</b>		
Loans, cash credits, running finances, etc.		
In Pakistan	17,646,231	16,532,849
Outside Pakistan	914,921	1,116,517
	<b>18,561,152</b>	17,649,366
Net Investment in Finance lease - in Pakistan	<b>393,825</b>	413,039
Bills discounted and purchased (excluding market treasury bills)		
Payable in Pakistan	682,435	320,468
Payable outside Pakistan	822,292	149,654
	<b>1,504,727</b>	470,122
Advances - gross	<b>20,459,704</b>	18,532,527
Provision for non-performing advances		
- specific	9.1 (512,746)	(512,666)
- general (against consumer financing)	(939)	(1,083)
	<b>(513,685)</b>	(513,749)
Advances - net of provision	<b>19,946,019</b>	18,018,778

9.1 Advances include Rs.2,851.517 million (December 31, 2011: Rs.2,776.895 million) which have been placed under non-performing status as detailed below:

### Category of Classification

	(Unaudited) March 31, 2012				
	Domestic	Overseas	Total	Provision Required	Provision Held
----- (Rupees in '000) -----					
Other assets especially mentioned	-	-	-	-	-
Substandard	18,169	-	18,169	363	363
Doubtful	1,735,859	-	1,735,859	207	207
Loss	1,097,489	-	1,097,489	512,176	512,176
	<u>2,851,517</u>	<u>-</u>	<u>2,851,517</u>	<u>512,746</u>	<u>512,746</u>

### Category of Classification

	(Audited) December 31, 2011				
	Domestic	Overseas	Total	Provision Required	Provision Held
----- (Rupees in '000) -----					
Other assets especially mentioned	-	-	-	-	-
Substandard	973	-	973	95	95
Doubtful	1,671,373	-	1,671,373	248	248
Loss	1,104,549	-	1,104,549	512,323	512,323
	<u>2,776,895</u>	<u>-</u>	<u>2,776,895</u>	<u>512,666</u>	<u>512,666</u>

	Note	(Unaudited) March 31, 2012	(Audited) December 31, 2011
		----- (Rupees in '000) -----	
<b>10. OPERATING FIXED ASSETS</b>			
Capital work-in-progress		27,885	17,591
Property and equipment		1,428,652	1,398,849
Intangible assets	10.1	1,604,469	1,604,999
		<u>3,061,006</u>	<u>3,021,439</u>
<b>10.1 Intangible assets</b>			
Stock exchange card	10.1.1	11,000	11,000
Computer Software		129,845	130,375
Goodwill	10.1.2 & 10.1.3	1,463,624	1,463,624
		<u>1,604,469</u>	<u>1,604,999</u>

**10.1.1** This represents membership card of Islamabad Stock Exchange. It has an indefinite useful life and is carried at cost.

**10.1.2** For impairment testing goodwill has been allocated to 'Trading and Sales' Segment as Cash Generating Unit (CGU), which is also a reportable segment.

### 10.1.3 Key assumptions used in value in use calculation

The recoverable amount of the CGU has been determined based on value in use calculation, using cash flow projections approved by the Board of Directors of the Bank covering a five year period. The discount rates applied to cash flows beyond the five years period are extrapolated using a terminal growth rate. The following rates are used by the Bank.

	<u>2011</u>	<u>2010</u>
- Discount rate	23.86%	25.90%
- Terminal growth rate	10.00%	10.00%

The calculation of value in use is most sensitive to following assumptions:

#### a) Interest margins

Interest margins are based on prevailing industry trends and anticipated market conditions.

#### b) Discount rates

Discount rates reflect management estimates of the rate of return required for each business and are calculated after taking into account the prevailing risk free rate, industry risk and business risk. Discount rates are calculated by using the cost of equity of the Bank.

#### c) Key business assumptions

These assumptions are important as they represent management assessment of how the unit's position might change over the projected period. Based on expansion plans, management expects aggressive growth in advances, investments and deposits during the projected periods and thereafter stabilisation in line with industry trends.

#### d) Sensitivity to changes in assumptions

The estimated recoverable amount of the 'Trading and Sales' CGU exceeds its carrying amount by approximately Rs. 769.125 million. Management has identified two key assumptions for which there could be a reasonably possible change that could cause the carrying amount to exceed the recoverable amount. The following table shows the amount that these two assumptions are required to change individually in order for the estimated recoverable amount to be equal to the carrying amount:

	<u>Change required for carrying amount to equal recoverable amount(%)</u>	
- Cost of equity	1.86	
- Terminal growth rate	(3.17)	
	<b>(Unaudited)</b>	<b>(Audited)</b>
	<b>March 31,</b>	<b>December 31,</b>
	<b>2012</b>	<b>2011</b>
	----- (Rupees in '000) -----	

### 11. BORROWINGS

#### Secured

Borrowings from SBP under export refinancing scheme	1,197,990	1,248,000
Repurchase agreement borrowings	<u>1,129,028</u>	<u>1,694,935</u>
	<b>2,327,018</b>	<b>2,942,935</b>

#### Unsecured

Call borrowings	-	-
Overdrawn nostro accounts	<u>7,448</u>	<u>1,560</u>
	<b>2,334,466</b>	<b>2,944,495</b>





	(Unaudited) March 31, 2012	(Audited) December 31, 2011
	----- (Rupees in '000) -----	
<b>12. DEPOSITS AND OTHER ACCOUNTS</b>		
<b>Customers</b>		
Fixed deposits	15,822,404	14,252,810
Savings deposits	13,828,231	11,404,426
Current accounts - non-remunerative	11,181,421	11,293,377
Margin accounts	187,436	94,834
	<u>41,019,492</u>	<u>37,045,447</u>
<b>Financial institutions</b>		
Remunerative deposits	2,441,051	4,366,465
Non-remunerative deposits	587,184	75,119
	<u>3,028,235</u>	<u>4,441,584</u>
	<u>44,047,727</u>	<u>41,487,031</u>
<b>12.1 Particulars of deposits</b>		
In local currency	41,517,466	38,494,249
In foreign currencies	2,530,261	2,992,782
	<u>44,047,727</u>	<u>41,487,031</u>
<b>13. SURPLUS / (DEFICIT) ON REVALUATION OF ASSETS - net of tax</b>		
<b>Surplus / (deficit) on revaluation of available-for-sale securities - net of tax</b>		
Term Finance Certificates - listed	6,727	(4,716)
Ordinary shares - listed	(2,590)	(724)
Closed end mutual funds	26,324	6,146
Open end mutual funds	7,128	324
US dollar bonds	8,654	(15,373)
Government Securities	(63,428)	(28,857)
	<u>(17,185)</u>	<u>(43,200)</u>
Related deferred tax asset	6,015	15,120
	<u>(11,170)</u>	<u>(28,080)</u>
	(Unaudited) March 31, 2012	(Unaudited) March 31, 2011
	----- (Rupees in '000) -----	
<b>14. OTHER CHARGES</b>		
Penalties imposed by State Bank of Pakistan	-	272

	(Unaudited) March 31, 2012	(Audited) December 31, 2011
	----- (Rupees in '000) -----	
<b>15. CONTINGENCIES AND COMMITMENTS</b>		
<b>15.1 Transaction-related contingent liabilities</b>		
Includes performance bonds, bid bonds, warranties, advance payment guarantees, shipping guarantees and standby letters of credit related to particular transactions.		
i) Government	950,354	890,007
ii) Banking companies and other financial institutions	61,560	98,165
iii) Others	649,661	403,562
	<u>1,661,575</u>	<u>1,391,734</u>
<b>15.2 Trade-related contingent liabilities</b>		
Documentary credits	<u>3,929,318</u>	<u>2,921,223</u>
<b>15.3 Other contingencies</b>		
Claims not acknowledged as debts	<u>66,576</u>	<u>66,481</u>
<b>15.4 Commitments in respect of forward exchange contracts</b>		
Purchase	<u>2,826,471</u>	<u>1,948,987</u>
Sale	<u>3,908,553</u>	<u>1,446,561</u>
<b>15.5 Commitments in respect of forward lending</b>		
Forward commitment to extend credit	<u>1,614,645</u>	<u>214,800</u>
<b>15.6 Other commitments</b>		
Commitment in respect of capital expenditure	<u>11,306</u>	<u>8,438</u>
	(Unaudited) March 31, 2012	(Unaudited) March 31, 2011
	----- (Rupees) -----	
<b>16. BASIC AND DILUTED EARNING PER SHARE</b>		
Profit after taxation for the period (Rs. in '000)	<u>202,588</u>	<u>10,254</u>
Weighted average number of ordinary shares (in '000)	<u>1,000,293</u>	<u>814,972</u>
Basic and diluted earning per share - Rupee	<u>0.20</u>	<u>0.01</u>

## 17. RELATED PARTY TRANSACTIONS

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

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

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

	Key management personnel		Subsidiary company		Other related parties		Total	
	March 31, 2012	December 31, 2011	March 31, 2012	December 31, 2011	March 31, 2012	December 31, 2011	March 31, 2012	December 31, 2011
----- (Rupees in '000) -----								
<b>Advances</b>								
Opening balance	39,651	3,423	-	-	2,975,684	2,994,330	3,015,335	2,997,753
Disbursements	14,735	42,692	-	-	1,192,977	7,387,316	1,207,712	7,430,008
Repayments	(4,545)	(6,464)	-	-	(1,083,258)	(7,405,962)	(1,087,803)	(7,412,426)
Balance as at	49,841	39,651	-	-	3,085,403	2,975,684	3,135,244	3,015,335
Mark-up / return / interest earned	538	3,480	-	2,400	113,439	401,684	113,977	407,564

	Parent		Key management personnel		Subsidiary company		Other related parties		Total	
	March 31, 2012	December 31, 2011	March 31, 2012	December 31, 2011	March 31, 2012	December 31, 2011	March 31, 2012	December 31, 2011	March 31, 2012	December 31, 2011
----- (Rupees in '000) -----										
<b>Deposits</b>										
Opening balance	560,818	1,799	10,994	9,695	916,216	644,434	2,777,894	1,816,250	4,265,922	2,472,178
Deposits during the year	351,727	2,535,433	112,718	173,263	48,849,970	235,895,674	6,512,913	25,371,652	55,827,328	263,976,022
Withdrawals during the year	(874,167)	(1,976,414)	(56,079)	(171,964)	(49,680,048)	(235,623,892)	(7,192,051)	(24,410,008)	(57,802,346)	(262,182,278)
Balance as at	38,378	560,818	67,633	10,994	86,138	916,216	2,098,756	2,777,894	2,290,905	4,265,922
Mark-up / return / interest expensed	7,024	11,268	116	139	8,844	52,212	43,437	134,699	59,421	198,318

Material transactions with related parties are given below:

Nature of transactions	Subsidiary company		Companies having common directorship		Companies in which parent company holds 20% or more		Other related parties		Total	
	March 31, 2012	December 31, 2011	March 31, 2012	December 31, 2011	March 31, 2012	December 31, 2011	March 31, 2012	December 31, 2011	March 31, 2012	December 31, 2011
	----- (Rupees in '000) -----									
Sale of Term Finance Certificates	79,068	131,587	-	-	-	-	41,419	-	79,068	173,006
Purchase of Term Finance Certificates	105,480	403,592	-	-	-	-	16,347	-	121,826	403,592
Sale of Government Securities	4,716,578	23,006,598	9,700,799	24,072,927	-	1,288,844	81,454	186,729	14,498,830	48,555,098
Purchase of Government Securities	2,721,446	23,987,177	6,659,853	1,225,435	-	1,938	-	-	9,381,299	25,214,550
Purchase of Sukuk	-	49,286	-	-	-	-	-	-	-	49,286
Sale of Sukuk / Ijara	-	18,637	30,000	104,448	-	-	-	-	30,000	123,085
Sale of shares / Units	-	-	-	22,560	-	377,160	-	127,374	-	527,095
Purchase of shares / Units	-	-	-	-	-	737,670	48,237	-	48,237	737,670
Rent Receivable	220	881	-	-	241	966	-	-	462	1,847
Call lending / Reverse Repo	865,073	2,023,823	-	-	-	1,705,000	-	-	865,073	3,728,823
Call borrowing / Repo	-	-	-	-	1,300,000	14,850,000	-	-	1,300,000	14,850,000
Purchase of forward foreign exchange contracts	-	-	-	-	2,686,662	4,946,891	-	-	2,686,662	4,946,891
Sale of forward foreign exchange contracts	-	-	-	-	2,583,904	6,506,439	-	-	2,583,904	6,506,439
Goods purchased	-	-	-	-	-	-	-	119	-	119





**18. DATE OF AUTHORISATION FOR ISSUE**

This interim condensed unconsolidated financial information was authorised for issue by the Board of Directors on April 25, 2012.

**19. GENERAL**

**19.1** The figures in the financial information has been rounded off to the nearest thousand.

Jahangir Siddiqui  
Chairman

Kalim-ur-Rahman  
President & Chief Executive Officer

Rafique R. Bhimjee  
Director

Adil Matcheswala  
Director



Condensed Interim Consolidated Financial Statements  
for the First Quarter Ended March 31, 2012  
(Un-Audited)



**CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
AS AT MARCH 31, 2012

		(Unaudited) March 31, 2012	(Audited) December 31, 2011
	Note	----- (Rupees in '000) -----	
<b>ASSETS</b>			
Cash and balances with treasury banks		3,302,045	3,880,782
Balances with other banks		374,586	165,067
Lendings to financial institutions	7	2,471,508	3,803,022
Investments - net	8	24,505,940	22,906,646
Advances - net	9	19,954,044	18,029,884
Operating fixed assets	10	3,104,931	3,064,883
Deferred tax assets - net		1,173,343	1,228,756
Other assets		2,331,450	1,423,585
		<b>57,217,847</b>	54,502,625
<b>LIABILITIES</b>			
Bills payable		684,049	1,246,994
Borrowings	11	2,334,466	3,171,800
Deposits and other accounts	12	43,959,868	40,174,351
Sub-ordinated loans		-	-
Liabilities against assets subject to finance lease		-	-
Deferred tax liabilities		-	-
Other liabilities		1,292,778	1,128,444
		<b>48,271,161</b>	45,721,589
<b>NET ASSETS</b>		<b>8,946,686</b>	8,781,036
<b>REPRESENTED BY:</b>			
Share capital		10,002,930	10,002,930
Reserves		130,496	89,978
Discount on issue of shares		(1,944,880)	(1,944,880)
Non-Controlling interest		1,273,826	1,303,146
Accumulated losses		(510,284)	(642,058)
		<b>8,952,088</b>	8,809,116
Deficit on revaluation of assets - net of tax	13	(5,402)	(28,080)
		<b>8,946,686</b>	8,781,036
<b>CONTINGENCIES AND COMMITMENTS</b>			
	15		

The annexed notes from 1 to 19 form an integral part of this condensed interim consolidated financial information.

Jahangir Siddiqui  
Chairman

Kalim-ur-Rahman  
President & Chief Executive Officer

Rafique R. Bhimjee  
Director

Adil Matcheswala  
Director



## CONDENSED INTERIM CONSOLIDATED PROFIT AND LOSS ACCOUNT (UNAUDITED)

FOR THE QUARTER ENDED MARCH 31, 2012

	March 31, 2012	March 31, 2011
Note	----- (Rupees in '000) -----	
Mark-up / return / interest earned	1,319,922	927,201
Mark-up / return / interest expensed	782,719	584,508
Net mark-up / interest income	537,203	342,693
Reversal / (provision) against non-performing loans and advances	64	(4,457)
Reversal for diminution in value of investments	14,908	-
Bad debts written off directly	-	-
	14,972	(4,457)
Net mark-up / interest income after provisions	552,175	338,236
<b>NON MARK-UP / INTEREST INCOME</b>		
Fee, commission and brokerage income	181,282	66,096
Dividend income	1,737	-
Income from dealing in foreign currencies	41,637	18,123
Gain on sale / redemption of securities	45,890	93,664
Unrealised (loss) / gain on revaluation of investments classified as held for trading	(1,700)	2,649
Other income	16,060	619
Total non-mark-up / interest income	284,906	181,151
	837,081	519,387
<b>NON MARK-UP / INTEREST EXPENSES</b>		
Administrative expenses	568,299	497,777
Other provisions / write offs	-	-
Other charges	-	272
Total non-mark-up / interest expenses	568,299	498,049
	268,782	21,338
Extra ordinary / unusual items	-	-
	268,782	21,338
<b>PROFIT BEFORE TAXATION</b>		
Taxation		
- Current	(30,553)	(11,084)
- Prior years	-	-
- Deferred	(46,307)	-
	(76,860)	(11,084)
<b>PROFIT AFTER TAXATION</b>	<b>191,922</b>	<b>10,254</b>
<b>Attributable to :</b>		
Equity holders of the Bank	172,292	10,254
Non-controlling interest	19,630	-
	191,922	10,254
	----- (Rupees) -----	
<b>Basic and diluted earnings per share</b>	16	0.01

The annexed notes from 1 to 19 form an integral part of this condensed interim consolidated financial information.

Jahangir Siddiqui  
Chairman

Kalim-ur-Rahman  
President & Chief Executive Officer

Rafique R. Bhimjee  
Director

Adil Matcheswala  
Director



**CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE  
INCOME (UNAUDITED)**

FOR THE QUARTER ENDED MARCH 31, 2012

	March 31, 2012	March 31, 2011
	---- (Rupees in '000) ----	
<b>Profit for the period</b>	<b>191,922</b>	10,254
Other comprehensive income	-	-
<b>Total comprehensive income for the period</b>	<b><u>191,922</u></b>	<u>10,254</u>
<b>Attributable to :</b>		
Equity holders of the Bank	<b>172,292</b>	10,254
Non-controlling interest	<b>19,630</b>	-
	<b><u>191,922</u></b>	<u>10,254</u>

(Deficit) / surplus arising on revaluation of assets has been reported in accordance with the requirements of the Companies Ordinance, 1984 and the directives of the State Bank of Pakistan in a separate account below equity.

The annexed notes from 1 to 19 form an integral part of this condensed interim consolidated financial information.

Jahangir Siddiqui  
Chairman

Kalim-ur-Rahman  
President & Chief Executive Officer

Rafique R. Bhimjee  
Director

Adil Matcheswala  
Director

**CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
(UNAUDITED)  
FOR THE QUARTER ENDED MARCH 31, 2012**

	Issued, Subscribed and paid-up share capital	Statutory reserve	Discount on issue of shares	Accumulated losses	Sub total	Non- Controlling Interest	Total
(Rupees in '000)							
<b>Balance as at January 1, 2011</b>	8,149,715	18,040	(1,415,477)	(930,671)	5,821,607	-	5,821,607
<b>Comprehensive Income</b>							
Profit after taxation for the period ended March 31, 2011	-	-	-	10,254	10,254	-	10,254
Other comprehensive Income - net of tax	-	-	-	-	-	-	-
<b>Balance as at March 31, 2011</b>	8,149,715	18,040	(1,415,477)	(920,417)	5,831,861	-	5,831,861
<b>Non-Controlling Interest on acquisition of subsidiary</b>							
	-	-	-	-	-	1,302,052	1,302,052
<b>Comprehensive Income</b>							
Profit after taxation for the nine months period ended December 31, 2011	-	-	-	350,297	350,297	1,094	351,391
Other comprehensive Income - net of tax	-	-	-	-	-	-	-
	-	-	-	350,297	350,297	1,094	351,391
<b>Transaction with owners recorded directly in equity</b>							
Issue of shares during the period	1,853,215	-	-	-	1,853,215	-	1,853,215
Discount on issue of shares	-	-	(529,403)	-	(529,403)	-	(529,403)
	1,853,215	-	(529,403)	-	1,323,812	-	1,323,812
<b>Transfers</b>							
Transfer to statutory reserve	-	71,938	-	(71,938)	-	-	-
<b>Balance as at December 31, 2011</b>	10,002,930	89,978	(1,944,880)	(642,058)	7,505,970	1,303,146	8,809,116
<b>Comprehensive Income</b>							
Profit after taxation for the period ended March 31, 2012	-	-	-	172,292	172,292	19,630	191,922
Other comprehensive Income - net of tax	-	-	-	-	-	-	-
	-	-	-	172,292	172,292	19,630	191,922
Appropriation for the half year ended December 31, 2011	-	-	-	-	-	-	-
- Proposed dividend @ Rs.2 per ordinary share	-	-	-	-	-	(48,950)	(48,950)
Transfer to statutory reserve	-	40,518	-	(40,518)	-	-	-
<b>Balance as at March 31, 2012</b>	<b>10,002,930</b>	<b>130,496</b>	<b>(1,944,880)</b>	<b>(510,284)</b>	<b>7,678,262</b>	<b>1,273,826</b>	<b>8,952,088</b>

The annexed notes from 1 to 19 form an integral part of this condensed interim consolidated financial information.

Jahangir Siddiqui  
Chairman

Kalim-ur-Rahman  
President & Chief Executive Officer

Rafique R. Bhimjee  
Director

Adil Matcheswala  
Director

## CONDENSED INTERIM CONSOLIDATED CASH FLOW STATEMENT (UNAUDITED)

FOR THE QUARTER ENDED MARCH 31, 2012

	March 31, 2012	March 31, 2011
	---- (Rupees in '000) ----	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before taxation	268,782	21,338
Less: Dividend income	(1,737)	-
	<u>267,045</u>	<u>21,338</u>
<b>Adjustments:</b>		
Depreciation	54,543	55,481
Amortisation of intangibles	4,668	4,063
Charge for defined benefit plan	9,270	7,622
Unrealised loss / (gain) on revaluation of investments classified as held for trading	1,700	(2,649)
Reversal of provision against non-performing advances	(511)	(641)
Provision against non-performing advances	447	5,098
(Reversal of) / provision for diminution in value of investments	(14,908)	-
Gain on sale of fixed assets	(19,914)	(619)
	<u>35,295</u>	<u>68,355</u>
	<u>302,340</u>	<u>89,693</u>
<b>(Increase) / decrease in operating assets</b>		
Lendings to financial institutions	1,331,514	2,042,734
Held for trading securities	(1,418,746)	(119,513)
Advances	(1,924,096)	(2,927,825)
Other assets	(920,900)	(110,917)
	<u>(2,932,228)</u>	<u>(1,115,521)</u>
<b>Increase / (decrease) in operating liabilities</b>		
Bills payable	(562,945)	(7,478)
Borrowings	(843,222)	(69,632)
Deposits	3,785,517	(1,036,292)
Other liabilities	106,114	(793,989)
	<u>2,485,464</u>	<u>(1,907,391)</u>
	<u>(144,424)</u>	<u>(2,933,219)</u>
Income tax paid	(17,518)	(10,347)
Net cash flows used in operating activities	<u>(161,942)</u>	<u>(2,943,566)</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Net investment in available for sale securities	(135,556)	2,126,911
Dividend income	1,737	-
Investment in operating fixed assets	(106,658)	(81,426)
Sale proceeds of property and equipment disposed of	27,313	1,481
Net cash flow (used in) / from investing activities	<u>(213,164)</u>	<u>2,046,966</u>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Issue of share capital	-	-
<b>(Decrease) in cash and cash equivalents</b>	<u>(375,106)</u>	<u>(896,600)</u>
Cash and cash equivalents at beginning of the period	<u>4,044,289</u>	<u>3,212,435</u>
Cash and cash equivalents at end of the period	<u>3,669,183</u>	<u>2,315,835</u>

The annexed notes from 1 to 19 form an integral part of this condensed interim consolidated financial information.

Jahangir Siddiqui  
Chairman

Kalim-ur-Rahman  
President & Chief Executive Officer

Rafique R. Bhimjee  
Director

Adil Matcheswala  
Director



## NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) FOR THE QUARTER ENDED MARCH 31, 2012

### 1. STATUS AND NATURE OF BUSINESS

1.1 The "Group" consists of:

#### 1.1.1 Holding Company

JS Bank Limited (the Bank), incorporated in Pakistan, is a scheduled bank, engaged in commercial banking and related services. The Bank is listed on Karachi Stock Exchange in Pakistan. The Bank is a subsidiary of Jahangir Siddiqui & Company Limited (JSCL). The registered office of the Bank is situated at Shaheen Commercial Complex, Dr. Ziauddin Ahmed Road, Karachi. The Bank operates with 148 (December 31, 2011:147) branches / sub-branches in Pakistan. The Pakistan Credit Rating Agency (Private) Limited (PACRA) has assigned the long term credit rating of the Bank as A ("Single A") and the short term rating as A1 ("A One") with stable outlook.


Jahangir Siddiqui Investment Bank Limited (JSIBL) and its holding company, Jahangir Siddiqui & Company Limited (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 (AEBL) Pakistan Operations. Consequently, a new banking company, JS Bank Limited (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.

Further, 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. 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/NBF-C(J)-R/JSIBL/2006/517 dated September 28, 2006. Subsequently, the Scheme was sanctioned by State Bank of Pakistan (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 Company

JS Global Capital Limited (JSGCL) is principally owned by the Bank, holding 51.05% of its equity interest. The Bank acquired effective controlling interest in JSGCL on December 21, 2011. JSGCL is listed on Karachi and Islamabad stock exchanges. The principal business of 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.

1.2 The State Bank of Pakistan through its BSD Circular No. 7 dated April 15, 2009 has prescribed that the minimum paid up capital (net of losses) for Banks / Development Finance Institutions (DFIs) be raised to Rs.10 billion by the year ending December 31, 2013. The raise is to be achieved in a phased manner requiring Rs.8 billion paid-up capital (free of losses) by the end of the financial year 2011. The paid-up capital (free of losses) of the Bank as at March 31, 2012 stood at Rs.7.577 billion.



As disclosed in note 1.2 to the consolidated financial statements for the year ended December 31, 2011, the Bank has submitted a plan to State Bank of Pakistan (SBP) which envisaged the increase in Bank's paid capital through swap of new shares of the Bank against shares of JS Investment Limited (JSIL) currently held by the parent company, Jahangir Siddiqui & Company Limited (JSCL) and other investors. In this connection, SBP has granted an in-principle approval of the plan on April 18, 2012. The Bank is now in the process of completing procedural formalities and is hopeful that it will be able to meet the minimum capital requirement for the financial year 2011 after the said plan is completed. In the meantime, SBP has exempted the Bank from complying with requirements of MCR till September 30, 2012.

### **1.3 Basis of consolidation**

- The consolidated financial information includes the financial statements of the Bank (holding company) and its subsidiary company together - "the Group".
- Subsidiary company is fully consolidated from the date on which more than 51.05% of voting rights are transferred to the Group or power to control the company is established and excluded from consolidation from the date of disposal or when the control is lost.
- The financial statements of the subsidiary is prepared for the same reporting year as the holding company for the purpose of consolidation, using consistent accounting policies.
- The assets, liabilities, income and expenses of subsidiary company have been consolidated on a line by line basis.
- Non-Controlling Interest in equity of the subsidiary company is measured at proportionate share of net assets of the acquiree as of the acquisition date
- Material intra-group balances and transactions have been eliminated.

## **2. STATEMENT OF COMPLIANCE**

This condensed interim consolidated financial information of the Bank for the quarter ended March 31, 2012 has been prepared in accordance with the requirements of the International Accounting Standard 34 - Interim Financial Reporting, provisions of the Companies Ordinance, 1984, Banking Companies Ordinance, 1962 and directives issued by the Securities and Exchange Commission of Pakistan and the State Bank of Pakistan. In case where requirements differ, the provisions of the Companies Ordinance, 1984, the Banking Companies Ordinance, 1962 and the said directives have been followed.

The State Bank of Pakistan has deferred the applicability of International Accounting Standard (IAS) 39, 'Financial Instruments: Recognition and Measurement' and International Accounting Standard (IAS) 40, 'Investment Property' for Banking Companies through BSD Circular Letter No. 10 dated August 26, 2002. Further, according to the notification of SECP dated April 28, 2008, IFRS - 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 condensed interim consolidated financial information. However, investments have been classified and valued in accordance with the requirements of various circulars issued by the SBP.

The disclosures made in this condensed interim consolidated financial information has been limited based on a format prescribed by the State Bank of Pakistan 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 condensed interim consolidated financial information should be read in conjunction with the annual consolidated financial statements of the Bank for the year ended December 31, 2011.



### 3. BASIS OF MEASUREMENT

This condensed interim consolidated financial information has been prepared under the historical cost convention except for held for trading, available-for-sale investments and derivative financial instruments which are stated at fair value.

### 4. ACCOUNTING ESTIMATES AND JUDGEMENTS

The estimates / judgements and associated assumptions used in the preparation of this condensed interim consolidated financial information are consistent with those applied in the preparation of the annual financial statements of the bank for the year ended December 31, 2011.

### 5. ACCOUNTING POLICIES

The accounting policies adopted in the preparation of this condensed interim consolidated financial statements are the same as those applied in the preparation of the annual financial statements of the Bank for the year ended December 31, 2011.

### 6. FINANCIAL RISK MANAGEMENT

The financial risk management objectives and policies are consistent with those disclosed in the annual consolidated financial statements of the Bank for the year ended December 31, 2011.

### 7. LENDINGS TO FINANCIAL INSTITUTIONS

	(Unaudited) March 31, 2012	(Audited) December 31, 2011
	----- (Rupees in '000) -----	
Call money lendings	450,000	1,000,000
Lending to financial institutions	657,809	772,758
Repurchase agreement lendings (Reverse Repo)	1,363,699	2,030,264
	<u>2,471,508</u>	<u>3,803,022</u>

## 8. INVESTMENTS

(Unaudited)  
March 31, 2012

(Audited)  
December 31, 2011

	Held by bank	Given as collateral	Total	Held by bank	Given as collateral	Total
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Note ----- (Rupees in '000) -----

### 8.1 INVESTMENTS BY TYPES:

#### Held for trading securities

Market Treasury Bills	5,548,498	-	5,548,498	4,755,435	451,953	5,207,388
Pakistan Investment Bonds	1,274,914	-	1,274,914	306,812	49,149	355,961
National Saving Bonds	-	-	-	5,547	-	5,547
Ijara Sukuk	936,800	-	936,800	998,000	-	998,000
Term Finance Certificates- listed	105,959	-	105,959	4,955	-	4,955
Term Finance Certificates- unlisted	138,532	-	138,532	135,000	-	135,000
Ordinary Shares of listed companies	223,385	-	223,385	22,400	-	22,400
Open end mutual funds	634,766	-	634,766	734,766	-	734,766
	8,862,854	-	8,862,854	6,962,915	501,102	7,464,017

#### Available-for-sale securities

Market Treasury Bills	5,783,459	1,132,195	6,915,654	5,951,430	1,696,954	7,648,384
Pakistan Investment Bonds	4,806,652	-	4,806,652	4,421,551	-	4,421,551
Ordinary shares of listed companies	300,610	-	300,610	19,096	-	19,096
Preference shares of a listed company	143,740	-	143,740	394,174	-	394,174
Term Finance Certificates-listed	1,483,773	-	1,483,773	1,390,972	-	1,390,972
Term Finance Certificates-unlisted	824,077	-	824,077	829,774	-	829,774
Sukuk Certificates	162,367	-	162,367	193,966	-	193,966
Commercial Paper	53,033	-	53,033	51,256	-	51,256
Closed end mutual funds	99,701	-	99,701	118,601	-	118,601
Open end mutual funds	222,718	-	222,718	264,290	-	264,290
US Dollar Bonds	915,000	-	915,000	459,705	-	459,705
	14,795,130	1,132,195	15,927,325	14,094,815	1,696,954	15,791,769

#### Investments at cost

Less: Provision for diminution in value of investments	(307,175)	-	(307,175)	(322,083)	-	(322,083)
<b>Investments (net of provision)</b>	<b>23,350,809</b>	<b>1,132,195</b>	<b>24,483,004</b>	<b>20,735,647</b>	<b>2,198,056</b>	<b>22,933,703</b>

Unrealised gain/(loss) on revaluation of investments classified as held for trading

	41,373	-	41,373	26,586	(3,424)	23,162
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Deficit on revaluation of available-for-sale securities

	(17,167)	(1,270)	(18,437)	(49,541)	(678)	(50,219)
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**Total investments at carrying value**

	<b>23,375,015</b>	<b>1,130,925</b>	<b>24,505,940</b>	<b>20,712,692</b>	<b>2,193,954</b>	<b>22,906,646</b>
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#### 8.1.1 Included herein are investments in following related parties:

- JS Principal Secure Fund, a related party, amounting to Rs.250.216 million (December 31, 2011: 250.216 million) and having market value of Rs.268.124 million (December 31, 2011: 261.159 million).
- JS Principal Secure Fund I, a related party, amounting to Rs.292.355 million (December 31, 2011: 292.355 million) and having market value of Rs.315.486 million (December 31, 2011: 307.437 million).





**8.1.2** Included herein are investments in following related parties:

- a)** Agritech Limited Preference Shares, a related party, amounting to Rs.48.237 million (December 31, 2011: NIL) and having market value of Rs.48.237 million (December 31, 2011: NIL).
- b)** Azgard Nine Limited Preference Shares, a related party, amounting to Rs.229.178 million (December 31, 2011: 229.178 million) and having market value of Rs.63.015 million (December 31, 2011: 63.015 million).

**8.1.3** Included herein are investments in following related parties:

- a)** Agritech Limited, a related party, amounting to Rs.149.860 million at the rate of 6 months KIBOR ask rate + 1.75% maturing on November 29, 2014 (December 31, 2011: Rs.149.860 million).
- b)** Azgard Nine Limited, a related party, amounting to Rs.149.88 million at the rate of 6 months KIBOR ask rate + 2.25% maturing on December 24, 2014 (December 31, 2011: Rs.149.88 million).

**8.1.4** JS Value Fund, a related party, amounting to Rs.99.701 million (December 31, 2011: Rs.99.701 million) and having market value of Rs.57.809 million (December 31, 2011: Rs.37.606 million).

**8.1.5** Included herein are investments in following related parties:

- a)** JS Principal Secure Fund, a related party, amounting to Rs.22.717 million (December 31, 2011: 22.717 million) and having market value of Rs.23.412 million (December 31, 2011: 22.815 million).
- b)** JS Income Fund, a related party, amounting to Rs.200.000 million (December 31, 2011: 200.000 million) and having market value of Rs.206.433 million (December 31, 2011: 200.070 million).

**8.1.6** This includes deficit on revaluation of available for sale investments of subsidiary amounting to Rs. 7.02 million which is the pre-acquisition deficit and has been included here only for meeting with requirement of the prescribed format of Banks issued by the State Bank of Pakistan

	(Unaudited) March 31, 2012	(Audited) December 31, 2011
<b>9. ADVANCES - net</b>		
Note ----- (Rupees in '000) -----		
Loans, cash credits, running finances, etc.		
In Pakistan	17,654,256	16,540,422
Outside Pakistan	914,921	1,116,517
	<b>18,569,177</b>	17,656,939
Net Investment in Finance lease - in Pakistan	<b>393,825</b>	413,039
Bills discounted and purchased (excluding market treasury bills)		
Payable in Pakistan	682,435	320,468
Payable outside Pakistan	822,292	149,654
	<b>1,504,727</b>	470,122
Financing in respect of margin trading system	-	3,533
Advances - gross	<b>20,467,729</b>	18,543,633
Provision for non-performing advances		
- specific	9.1 (512,746)	(512,666)
- general (against consumer financing)	(939)	(1,083)
	<b>(513,685)</b>	(513,749)
Advances - net of provision	<b>19,954,044</b>	18,029,884

**9.1** Advances include Rs.2,851.517 (December 31, 2011: Rs.2,776.895 ) million which have been placed under non-performing status as detailed below:

**Category of Classification**

	(Unaudited) March 31, 2012			Provision Required	Provision Held
	Domestic	Overseas	Total		
----- (Rupees in '000) -----					
Other assets especially mentioned	-	-	-	-	-
Substandard	18,169	-	18,169	363	363
Doubtful	1,735,859	-	1,735,859	207	207
Loss	1,097,489	-	1,097,489	512,176	512,176
	<b>2,851,517</b>	<b>-</b>	<b>2,851,517</b>	<b>512,746</b>	<b>512,746</b>

**Category of Classification**

	(Audited) December 31, 2011			Provision Required	Provision Held
	Domestic	Overseas	Total		
----- (Rupees in '000) -----					
Other assets especially mentioned	-	-	-	-	-
Substandard	973	-	973	95	95
Doubtful	1,671,373	-	1,671,373	248	248
Loss	1,104,549	-	1,104,549	512,323	512,323
	<b>2,776,895</b>	<b>-</b>	<b>2,776,895</b>	<b>512,666</b>	<b>512,666</b>



		(Unaudited) March 31, 2012	(Audited) December 31, 2011
	Note	----- (Rupees in '000) -----	
<b>10. OPERATING FIXED ASSETS</b>			
Capital work-in-progress		29,341	17,591
Property and equipment		1,447,323	1,418,793
Intangible assets	10.1	<u>1,628,267</u>	<u>1,628,499</u>
		<u>3,104,931</u>	<u>3,064,883</u>

#### 10.1 Intangible assets

Stock exchange card	10.1.1	34,500	34,500
Computer Software		130,143	130,375
Goodwill	10.1.2 & 10.1.3	<u>1,463,624</u>	<u>1,463,624</u>
		<u>1,628,267</u>	<u>1,628,499</u>

**10.1.1** This represents membership card of Pakistan Mercantile Exchange, Karachi Stock Exchange and Islamabad Stock Exchange. It has an indefinite useful life and is carried at cost.

**10.1.2** For impairment testing goodwill has been allocated to 'Trading and Sales' Segment as Cash Generating Unit (CGU), which is also a reportable segment.

#### 10.1.3 Key assumptions used in value in use calculation

The recoverable amount of the CGU has been determined based on value in use calculation, using cash flow projections based on business plan approved by the Board of Directors of the Bank covering a five year period. The discount rates applied to cash flows beyond five years are extrapolated using a terminal growth rate. The following rates are used by the Bank.

	<u>2011</u>	<u>2010</u>
- Discount rate	23.86%	25.90%
- Terminal growth rate	10.00%	10.00%

The calculation of value in use is most sensitive to following assumptions:

#### a) Interest margins

Interest margins are based on prevailing industry trends and anticipated market conditions.

#### b) Discount rates

Discount rates reflect management estimates of the rate of return required for each business and are calculated after taking into account the prevailing risk free rate, industry risk and business risk. Discount rates are calculated by using cost of equity of the Bank.

#### c) Key business assumptions

The assumptions are important as they represent management assessment of how the unit's position might change over the projected period. Based on the expansion plans, management expects aggressive growth in advances, investments and deposits during the projected periods and thereafter stabilisation in line with industry trends.

#### d) Sensitivity to changes in assumptions

The estimated recoverable amount of the 'Trading and Sales' CGU exceeds its carrying amount by approximately Rs. 769.125 million. Management has identified two key assumptions for which there could be a reasonably possible change that could cause the carrying amount to exceed the recoverable amount. The following table shows the amount that these two assumptions are required to change individually in order for the estimated recoverable amount to be equal to the carrying amount:

	Change required for carrying amount to equal recoverable amount(%)	
- Cost of equity	1.86	
- Terminal growth rate	(3.17)	

(Unaudited) March 31, 2012	(Audited) December 31, 2011
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----- (Rupees in '000) -----

#### 11. BORROWINGS

##### Secured

Borrowings from SBP under export refinancing scheme	1,197,990	1,248,000
Repurchase agreement borrowings	1,129,028	1,922,240
	<u>2,327,018</u>	<u>3,170,240</u>

##### Unsecured

Call borrowings	-	-
Overdrawn nostro accounts	7,448	1,560
	<u>2,334,466</u>	<u>3,171,800</u>

#### 12. DEPOSITS AND OTHER ACCOUNTS

##### Customers

Fixed deposits	15,822,404	14,252,810
Savings deposits	13,828,231	11,404,426
Current accounts - non-remunerative	11,181,421	11,293,377
Margin accounts	187,436	94,834
	<u>41,019,492</u>	<u>37,045,447</u>

##### Financial institutions

Remunerative deposits	2,373,858	3,054,842
Non-remunerative deposits	566,518	74,062
	<u>2,940,376</u>	<u>3,128,904</u>
	<u>43,959,868</u>	<u>40,174,351</u>

#### 12.1 Particulars of deposits

In local currency	41,434,051	37,181,569
In foreign currencies	2,525,817	2,992,782
	<u>43,959,868</u>	<u>40,174,351</u>



	(Unaudited) March 31, 2012	(Audited) December 31, 2011
	----- (Rupees in '000) -----	
<b>13. SURPLUS / (DEFICIT) ON REVALUATION OF ASSETS - net of tax</b>		
<b>Surplus / (deficit) on revaluation of available-for-sale securities - net of tax</b>		
Term Finance Certificates - listed	6,727	(4,716)
Ordinary shares - listed	3,178	(724)
Closed end mutual funds	26,324	6,146
Open end mutual funds	7,128	324
US dollar bonds	8,654	(15,373)
Government Securities	<u>(63,428)</u>	<u>(28,857)</u>
	(11,417)	(43,200)
Related deferred tax asset	<u>6,015</u>	<u>15,120</u>
	<u>(5,402)</u>	<u>(28,080)</u>
	(Unaudited) March 31, 2012	(Unaudited) March 31, 2011
	----- (Rupees in '000) -----	
<b>14. OTHER CHARGES</b>		
Penalties imposed by State Bank of Pakistan	<u>-</u>	<u>272</u>
	(Unaudited) March 31, 2012	(Audited) December 31, 2011
	----- (Rupees in '000) -----	
<b>15. CONTINGENCIES AND COMMITMENTS</b>		
<b>15.1 Transaction-related contingent liabilities</b>		
Includes performance bonds, bid bonds, warranties, advance payment guarantees, shipping guarantees and standby letters of credit related to particular transactions.		
i) Government	950,354	890,007
ii) Banking companies and other financial institutions	61,560	98,165
iii) Others	<u>249,661</u>	<u>203,562</u>
	<u>1,261,575</u>	<u>1,191,734</u>
<b>15.2 Trade-related contingent liabilities</b>		
Documentary credits	<u>3,929,318</u>	<u>2,921,223</u>
<b>15.3 Other contingencies</b>		
Claims not acknowledged as debts	<u>73,076</u>	<u>66,481</u>



	(Unaudited) March 31, 2012	(Audited) December 31, 2011
	--- (Rupees in '000) ---	
<b>15.4 Commitments in respect of forward exchange contracts</b>		
Purchase	<u>2,826,471</u>	<u>1,948,987</u>
Sale	<u>3,908,553</u>	<u>1,446,561</u>
<b>15.5 Commitments in respect of forward lending</b>		
Forward commitment to extend credit	<u>1,614,645</u>	<u>214,800</u>
Future commitment in respect of sale of equity and other securities	<u>232,042</u>	<u>22,660</u>
Commitment in respect of capital expenditure	<u>11,306</u>	<u>8,438</u>
	(Unaudited) March 31, 2012	(Unaudited) March 31, 2011
<b>16. BASIC AND DILUTED EARNING PER SHARE</b>		
Profit after taxation for the period (Rs. in '000)	<u>191,922</u>	<u>10,254</u>
Weighted average number of ordinary shares (in '000)	<u>1,000,293</u>	<u>814,972</u>
Basic and diluted earning per share - Rupee	<u>0.19</u>	<u>0.01</u>

## 17. RELATED PARTY TRANSACTIONS

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

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

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

	Key management personnel		Other related parties		Total	
	March 31, 2012	December 31, 2011	March 31, 2012	December 31, 2011	March 31, 2012	December 31, 2011
----- (Rupees in '000) -----						
<b>Advances</b>						
Opening balance	39,651	3,423	2,975,684	2,994,330	3,015,335	2,997,753
Disbursements	16,091	42,692	1,192,977	7,387,316	1,209,068	7,430,008
Repayments	(5,057)	(6,464)	(1,083,258)	(7,405,962)	(1,088,315)	(7,412,426)
Balance as at	50,685	39,651	3,085,403	2,975,684	3,136,088	3,015,335
Mark-up / return / interest earned	660	3,480	113,439	401,684	114,099	405,164

	Parent		Key management personnel		Other related parties		Total	
	March 31, 2012	December 31, 2011	March 31, 2012	December 31, 2011	March 31, 2012	December 31, 2011	March 31, 2012	December 31, 2011
----- (Rupees in '000) -----								
<b>Deposits</b>								
Opening balance	560,818	1,799	10,994	9,695	1,150,159	1,171,815	1,721,971	1,183,309
Deposits during the year	351,727	2,535,433	112,718	173,263	6,512,913	24,388,352	6,977,358	27,097,048
Withdrawals during the year	(874,167)	(1,976,414)	(56,079)	(171,964)	(6,547,617)	(24,410,008)	(7,477,863)	(26,558,386)
Balance as at	38,378	560,818	67,633	10,994	1,115,455	1,150,159	1,221,466	1,721,971
Mark-up / return / interest expensed	7,024	11,268	116	139	43,437	134,699	50,577	146,106

Material transactions with related parties are given below:

Nature of transactions	Companies having common directorship		Companies in which parent company holds 20% or more		Other related parties		Total
	March 31, 2012	December 31, 2011	March 31, 2012	December 31, 2011	March 31, 2012	December 31, 2011	
Sale of Term Finance Certificates	-	-	-	-	41,419	-	41,419
Purchase of Term Finance Certificates	-	-	-	-	16,347	-	16,347
Sale of Government Securities	9,700,799	24,072,927	-	1,288,844	81,454	186,729	9,782,252
Purchase of Government Securities	6,659,853	1,225,435	-	1,938	-	-	6,659,853
Sale of Sukuk / Ijara	30,000	104,448	-	-	-	-	30,000
Sale of shares / Units	-	22,560	-	377,160	-	127,374	527,095
Purchase of shares / Units	-	-	-	737,670	123,237	-	123,237
Rent Receivable	-	-	241	966	-	-	241
Call lending / Reverse Repo	-	-	-	1,705,000	-	-	1,705,000
Call borrowing / Repo	-	-	1,300,000	14,850,000	-	-	1,300,000
Purchase of forward foreign exchange contracts	-	-	2,686,662	4,946,891	-	-	2,686,662
Sale of forward foreign exchange contracts	-	-	2,583,904	6,506,439	-	-	2,583,904
Goods purchased	-	-	-	-	119	-	119



Material transactions with related parties are given below:

	Companies having common directorship		Companies in which parent company holds 20% or more		Other related parties		Total	
	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011
	----- (Rupees in '000) -----							
Insurance claim received	4,323	2,885	-	-	-	-	4,323	2,885
Markup income	-	-	-	-	25,325	-	25,325	-
Rent received	-	-	-	-	517	-	517	-
Reimbursement of expenses	-	-	208	448	16,155	119	16,363	567
Payment of insurance premium	20,279	15,350	-	-	-	-	20,279	15,350
Redemption of Units	-	-	142,896	-	-	-	142,896	-
Rent expense paid / accrued	-	-	-	419	-	-	-	419
Commission paid / accrued	-	-	-	502	-	-	-	502
Commission income	17,549	10,164	389	486	4	-	17,942	10,650
Dividend income	-	-	-	-	1,737	-	1,737	-
Consultancy fee	-	-	-	-	1,500	600	1,500	600

Parent company	
March 31, 2012	December 31, 2011
----(Rupees in '000)----	

**Nature of transactions**

Subscription in shares	-	1,127,233
Purchase of Government Securities	-	597,478
Rent expense paid / accrued	225	1,448
Reimbursement of expenses	21	45
	<u>246</u>	<u>1,726,204</u>

**18. DATE OF AUTHORISATION FOR ISSUE**

This interim condensed consolidated financial information was authorised for issue by the Board of Directors on April 25, 2012.

**19. GENERAL**

**19.1** The figures in the financial information has been rounded off to the nearest thousand.

Jahangir Siddiqui  
Chairman

Kalim-ur-Rahman  
President & Chief Executive Officer

Rafique R. Bhimjee  
Director

Adil Matcheswala  
Director



**JS Bank Limited**

Head Office:  
Shaheen Commercial Complex  
Dr. Ziauddin Ahmed Road  
P.O. Box 4847  
Karachi-74200  
Pakistan

**UAN:** +92 21 111 JS Bank (572-265)

**Tel:** +92 21 3227 2569-80

**Fax:** +92 21 3263 1803

0800 011 22  
[www.jsbl.com](http://www.jsbl.com)