



JS Bank Limited

Condensed Interim Financial Information
for the First Quarter Ended March 31, 2014
(Un-Audited)



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COMPANY INFORMATION

| | | |
|--|------------------------------|---|
| Board of Directors | Chairman | Mr. Jahangir Siddiqui Mr. Mazharul Haq Siddiqui Mr. Ashraf Nawabi Mr. Shahab Anwar Khawaja Mr. Adil Matcheswala Mr. Kalim-ur-Rahman Mr. G.M. Sikandar |
| President & Chief Executive Officer | | Mr. Khalid Imran |
| Audit Committee | Chairman Member Member | Mr. Shahab Anwar Khawaja Mr. Jahangir Siddiqui Mr. Adil Matcheswala |
| Company Secretary | | Mr. Muhammad Yousuf Amanullah |
| Auditors | | M. Yousuf Adil Saleem & Co. Chartered Accountants (Member firm of Deloitte Touche Tohmatsu) |
| Legal Advisors | | Haider Mota BNR Liaquat Merchant Associates Bawaney & Partners |
| Share Registrar | | Technology Trade (Pvt.) Limited 214-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. www.jsbl.com |

DIRECTORS' REPORT TO THE MEMBERS

On behalf of the Board of Directors, I am pleased to present the un-audited Financial Statements for the first quarter ended March 31, 2014.

The Economy

Pakistan's economy showed visible signs of improvement during Jan-Mar 2014. The key positives were (1) CPI inflation averaging in single digits at 8.1% in 1QCY14, up from 7.4% in the same quarter last year and (2) continuous efforts of the government to strengthen the Pak Rupee via building country's foreign exchange reserves which crossed the US\$10bn mark by end March 2014 after hitting a low of US\$7.9bn in January 2014. Pak Rupee also appreciated by 6.8% against the US\$ during Jan-Mar 2014.

Concerns on the external account still persisted as 8MFY14 Current Account deficit stood at US\$2.02bn vs. US\$831mn in the corresponding period last year. The massive difference was primarily due to difference in realized CSF flows, where ex-CSF, 8MFY14 Current Account deficit stands at US\$2.69bn vs. US\$2.63bn ex-CSF Current Account deficit in 8MFY13. In light of (1) myriad economic challenges; (2) the need for a pro-active policy effort and (3) need for a substantial and consistent accumulation of reserves as opposed to one-off inflows, the State Bank of Pakistan (SBP) kept the Discount Rate (DR) unchanged at 10.0% in its March 15, 2014 Monetary Policy Statement (MPS). The Central Bank acknowledged the recent macro positives which have boosted the economy and resultantly lowered its FY14 inflation forecast to 8.5-9.5% from earlier outlook of 10-11%. During 9MFY14 exports grew by 6.1% to US\$16.9bn while imports grew marginally by 1.2% to US\$29.4bn. On the other hand, home remittances increased by 11% to US\$10.2bn during 8MFY14.

On the banking front, balance sheet figures did not show any credit offtake and investment portfolios remained weak, with the latter declining by 1% to PKR 4.0trn and advances remaining flat since the start of year at PKR 4.1trn. Deposits, on the other hand, slightly grew by a single ppt since December 2012, clocking in at PKR 7.6trn. As a result, banking sector ADR remained at 54% while IDR came down by 1% to 53% during the period. While earning assets grew nominally, average weighted spreads recovered from a low of 5.98% (lowest since April 2005) to 6.05% in February 2014, +7bp MoM while down 13bp YoY. That said average weighted spreads in 2MCY14 averaged at 6.02% compared to 6.21% in 1Q2013.

Financial Performance

During the period under review, your Bank has earned a profit before tax of PKR 203.08 million and profit after tax of PKR 138.16 million as compared to PKR 130.59 and PKR 84.23 million respectively in the corresponding period last year. This reflects a steadily improving performance of your Bank during the period. Going forward, we plan to further strengthen our branch network to increase brand awareness and mobilize low cost deposits. On the lending side, we plan to increase our focus on the Corporate, Commercial and SME sectors. We are confident that, with our current strategy in place, we would see further improvement in our results in the days to come. Further, the balance sheet of your Bank grew by 3.6% to PKR 116.83 billion, mainly due to an increase in the Bank's deposit base from PKR 80.92 billion to PKR 82.72 billion.

Compliance with Minimum Capital Requirement

On February 19, 2014, the Bank has issued 150 million un-listed, convertible, irredeemable, perpetual, non-cumulative, non-voting preference shares of Rs. 10 each which qualify for Tier I Capital under Basel III requirement. As a result of this transaction, the paid up capital of the Bank has increased by Rs. 1.5 billion and the Bank is in compliance with minimum capital requirement prescribed by the State Bank of Pakistan through its BSD Circular no. 7 dated April 15, 2009.

Further, the Bank is in the process of completing the procedural formalities for listing of these Preference Shares as approved by the shareholders in Annual General Meeting which will, hopefully, be completed by June 30, 2014.



Business Review

Corporate & Retail Banking Group (CRBG) continued to show impressive growth in deposits, assets, ADC, Bancassurance and Remittance businesses. With an impressive retail network of 211 branches across 112 cities, JS Bank is well poised to show even greater growth in core and ancillary revenues through 2014.

Our growth strategy is based on offering the right products to the right customer, expansion of our network and ADC services, enhancing our service menu and delivery, and enriching our customers' banking experience. CRBG is currently working on rolling out several initiatives including Cash Management solutions, Prepaid Cards, Mobile Banking, EMV Debit & Credit Cards and targeted deposit products to help build our customer base. In addition to deposit growth, the change in the deposit mix towards low cost CASA helped control CRBG's cost of funds. Our Wealth Management and Remittance businesses are well on track for another record-breaking year.

As always, our vision to remain a bank with a Service Quality focus continued unabated. Great focus was continued on the improving the level of service delivery at branch locations across Pakistan. The Bank's dedicated Service Quality team managed to continue the robust monitoring and controls regime that has ensured that service delivery at branches remains a cut above competing banks across Pakistan.

Corporate and Retail banking business at JS Bank continues to gain momentum, and our customers' growing trust and confidence in our services will allow us to grow from strength to strength this year.

The Treasury and Investment Banking Group played its due role in contributing to the bottom line with both fund based and fee business income.

Acknowledgments

We would like to express our gratitude for the guidance and support provided to us by the State Bank of Pakistan and other regulating agencies. We would also like to thank our valued clients for their continued patronage and confidence in us. We also appreciate the dedication and sincere efforts of all the staff members of our Bank towards progress and strengthening of the Bank.

Karachi: April 25, 2014

On behalf of the Board

Khalid Imran
President & CEO

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2014

| | Note | (Unaudited) March 31, 2014 | (Audited) December 31, 2013 |
|---|------|----------------------------------|-----------------------------------|
| (Rupees in '000) | | | |
| ASSETS | | | |
| Cash and balances with treasury banks | | 7,042,685 | 7,773,892 |
| Balances with other banks | | 333,934 | 514,982 |
| Lendings to financial institutions | 7 | 7,055,898 | 21,585,799 |
| Investments - net | 8 | 60,562,262 | 42,679,316 |
| Advances - net | 9 | 35,255,098 | 33,762,507 |
| Operating fixed assets | 10 | 3,750,800 | 3,627,512 |
| Deferred tax assets - net | | 775,854 | 883,605 |
| Other assets | | 2,046,590 | 1,942,359 |
| | | 116,823,121 | 112,769,972 |
| LIABILITIES | | | |
| Bills payable | | 1,482,830 | 1,414,793 |
| Borrowings | 11 | 20,586,746 | 20,150,846 |
| Deposits and other accounts | 12 | 82,723,726 | 80,916,125 |
| Sub-ordinated loans | | - | - |
| Liabilities against assets subject to finance lease | | - | - |
| Deferred tax liabilities | | - | - |
| Other liabilities | | 1,330,752 | 1,354,315 |
| | | 106,124,054 | 103,836,079 |
| NET ASSETS | | 10,699,067 | 8,933,893 |
| REPRESENTED BY: | | | |
| Share capital | | 10,724,643 | 10,724,643 |
| Discount on issue of shares | | (2,105,401) | (2,105,401) |
| Preference shares | 13 | 1,500,000 | - |
| Reserves | | 329,330 | 301,699 |
| Accumulated profits | | 328,623 | 218,098 |
| | | 10,777,195 | 9,139,039 |
| Deficit on revaluation of assets - net of tax | 14 | (78,128) | (205,146) |
| | | 10,699,067 | 8,933,893 |
| CONTINGENCIES AND COMMITMENTS | 15 | | |

The annexed notes from 1 to 23 form an integral part of this unconsolidated condensed interim financial information.

Chairman

President &
Chief Executive Officer

Director

Director



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

FOR THE QUARTER ENDED MARCH 31, 2014

| | Note | March 31, 2014 | March 31, 2013 |
|--|------|-------------------|-------------------|
| | | (Rupees in '000) | |
| Mark-up / return / interest earned | | 2,144,905 | 1,618,672 |
| Mark-up / return / interest expensed | | 1,402,071 | 1,152,046 |
| Net mark-up / interest income | | 742,834 | 466,626 |
| Provision against non-performing loans and advances - net (Provision) / reversal against diminution in value of investments | | (12,021) | (94,022) |
| Bad debts written off directly | | (14,986) | 7,159 |
| | | - | - |
| | | (27,007) | (86,863) |
| Net mark-up / interest income after provisions | | 715,827 | 379,763 |
| NON MARK-UP / INTEREST INCOME | | | |
| Fee, commission and brokerage income | | 179,520 | 152,015 |
| Dividend income | | 14,960 | 148,169 |
| Income from dealing in foreign currencies | | 78,463 | 54,659 |
| Gain on sale / redemption of securities | | 118,106 | 98,000 |
| Unrealised gain / (loss) on revaluation of investments classified as held-for-trading | | 30,436 | (6,937) |
| Other income | | 4,447 | 12,304 |
| Total non-mark-up / interest income | | 425,932 | 458,210 |
| | | 1,141,759 | 837,973 |
| NON MARK-UP / INTEREST EXPENSES | | | |
| Administrative expenses | | 934,530 | 704,696 |
| Other provisions / write offs | | - | - |
| Other charges | 16 | 4,149 | 2,687 |
| Total non-mark-up / interest expenses | | 938,679 | 707,383 |
| | | 203,080 | 130,590 |
| Extra ordinary / unusual items | | - | - |
| PROFIT BEFORE TAXATION | | 203,080 | 130,590 |
| Taxation | | | |
| - Current | 17 | (25,569) | (24,005) |
| - Prior years | | - | - |
| - Deferred | | (39,355) | (22,360) |
| | | (64,924) | (46,365) |
| PROFIT AFTER TAXATION | | 138,156 | 84,225 |
| (Rupee) | | | |
| Basic earnings per share | 18 | 0.13 | 0.08 |
| Diluted earnings per share | 18 | 0.12 | 0.08 |

The annexed notes from 1 to 23 form an integral part of this unconsolidated condensed interim financial information.

Chairman

President &
Chief Executive Officer

Director

Director

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

FOR THE QUARTER ENDED MARCH 31, 2014

| | Note | March 31, 2014 | March 31, 2013 |
|--|------|-----------------------|-------------------|
| | | (Rupees in '000) | |
| Profit after taxation | | 138,156 | 84,225 |
| Other comprehensive income | | | |
| Items that will be reclassified to profit and loss account in subsequent period | | - | - |
| Items that will not be reclassified to profit and loss account in subsequent period | | | |
| Actuarial gains / (losses) on defined benefit plan - net of tax | 19 | - | - |
| Total comprehensive income for the period | | <u>138,156</u> | <u>84,225</u> |

Surplus / (deficit) 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 23 form an integral part of this unconsolidated condensed interim financial information.

Chairman

President &
Chief Executive Officer

Director

Director

**UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
(UNAUDITED)
FOR THE QUARTER ENDED MARCH 31, 2014**

| | Issued, subscribed and paid-up share capital | Discount on issue of shares | Preference shares | Statutory reserve | Accumulated (losses) / profits | Total |
|---|---|-----------------------------------|----------------------|----------------------|-----------------------------------|------------|
| | (Rupees in '000) | | | | | |
| Balance as at January 01, 2013 (Audited) as previously reported as restated | 10,724,643 | (2,105,401) | - | 231,442 | (64,596) | 8,786,088 |
| Comprehensive Income | | | | | | |
| Profit after taxation for the quarter ended March 31, 2013 | - | - | - | - | 84,225 | 84,225 |
| Other comprehensive income - net of tax for the quarter ended March 31, 2013 | - | - | - | - | - | - |
| | - | - | - | - | 84,225 | 84,225 |
| Transfers | | | | | | |
| Transfer to statutory reserve | - | - | - | 16,845 | (16,845) | - |
| Balance as at March 31, 2013 | 10,724,643 | (2,105,401) | - | 248,287 | 2,784 | 8,870,313 |
| Comprehensive Income | | | | | | |
| Profit after taxation for the nine months period ended December 31, 2013 | - | - | - | - | 267,058 | 267,058 |
| Other comprehensive income - net of tax for the nine months period ended December 31, 2013 | - | - | - | - | - | - |
| | - | - | - | - | 1,668 | 1,668 |
| | - | - | - | - | 268,726 | 268,726 |
| Transfers | | | | | | |
| Transfer to statutory reserve | - | - | - | 53,412 | (53,412) | - |
| Balance as at December 31, 2013 | 10,724,643 | (2,105,401) | - | 301,699 | 218,098 | 9,139,039 |
| Transaction with owners recorded directly in equity | | | | | | |
| Issuance of preference shares during the period (note 1.2) | - | - | 1,500,000 | - | - | 1,500,000 |
| Comprehensive Income | | | | | | |
| Profit after taxation for the quarter ended March 31, 2014 | - | - | - | - | 138,156 | 138,156 |
| Other comprehensive income - net of tax for the quarter ended March 31, 2014 | - | - | - | - | - | - |
| | - | - | - | - | 138,156 | 138,156 |
| Transfers | | | | | | |
| Transfer to statutory reserve | - | - | - | 27,631 | (27,631) | - |
| Balance as at March 31, 2014 | 10,724,643 | (2,105,401) | 1,500,000 | 329,330 | 328,623 | 10,777,195 |

The annexed notes from 1 to 23 form an integral part of this unconsolidated condensed interim financial information.

Chairman

President &
Chief Executive Officer

Director

Director



**UNCONSOLIDATED CONDENSED INTERIM CASH FLOW STATEMENT
(UNAUDITED)
FOR THE QUARTER ENDED MARCH 31, 2014**

| | March 31, 2014 | March 31, 2013 |
|---|--------------------|---------------------|
| | (Rupees in '000) | |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Profit before taxation | 203,080 | 130,590 |
| Less: Dividend income | (14,960) | (148,169) |
| | <u>188,120</u> | <u>(17,579)</u> |
| Adjustments: | | |
| Depreciation | 77,856 | 60,455 |
| Amortisation of intangibles | 7,615 | 4,935 |
| Charge for defined benefit plan | 13,711 | 11,025 |
| Unrealised (gain) / loss on revaluation of investments classified as held-for-trading | (30,436) | 6,937 |
| Provision against non-performing loans and advances - net | 12,021 | 94,022 |
| Provision /(reversal) against diminution in the value of investments - net | 14,986 | (7,159) |
| Gain on sale of fixed assets | (4,447) | (12,304) |
| Provision for Workers' Welfare Fund (WWF) | 4,149 | 2,666 |
| | <u>95,455</u> | <u>160,577</u> |
| | <u>283,575</u> | <u>142,998</u> |
| (Increase) / decrease in operating assets | | |
| Lendings to financial institutions | 14,529,901 | (953,107) |
| Held-for-trading securities | (10,249,992) | (17,293,297) |
| Advances | (1,504,612) | (2,095,442) |
| Other assets (excluding advance taxation) | (89,271) | (179,621) |
| | <u>2,686,026</u> | <u>(20,521,467)</u> |
| Increase / (decrease) in operating liabilities | | |
| Bills payable | 68,037 | 182,689 |
| Borrowings | 396,118 | 5,774,884 |
| Deposits | 1,807,601 | 2,110,611 |
| Other liabilities | (41,347) | 87,962 |
| | <u>2,230,409</u> | <u>8,156,146</u> |
| | <u>5,185,050</u> | <u>(12,222,323)</u> |
| Income tax paid | (24,356) | (1,257) |
| Gratuity paid | (1,289) | (22,963) |
| Net cash flow from / (used in) operating activities | <u>5,159,405</u> | <u>(12,246,543)</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Net investment in available-for-sale securities | (7,422,090) | 11,056,991 |
| Dividend received | - | 148,169 |
| Investment in operating fixed assets | (209,853) | (178,676) |
| Sale proceeds of property and equipment disposed off | 5,541 | 16,132 |
| Net cash (used in) / flow from investing activities | <u>(7,626,402)</u> | <u>11,042,616</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Issuance of preference shares | 1,500,000 | - |
| Decrease in cash and cash equivalents | <u>(952,037)</u> | <u>(1,203,927)</u> |
| Cash and cash equivalents at beginning of the period | 8,284,731 | 6,157,353 |
| Cash and cash equivalents at end of the period | <u>7,332,694</u> | <u>4,953,426</u> |

The annexed notes from 1 to 23 form an integral part of this unconsolidated condensed interim financial information.

Chairman

President &
Chief Executive Officer

Director

Director



NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)

FOR THE QUARTER ENDED MARCH 31, 2014

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's ordinary shares are listed on Karachi Stock Exchange in Pakistan. 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 211 (December 31, 2013: 211) branches / sub-branches in Pakistan. The Bank is rated at "A+" (Single A Plus) for long term and "A1" (A One) for short term by Pakistan Credit Rating Agency (PACRA).

Jahangir Siddiqui Investment Bank Limited, JSIBL, (formerly Citicorp Investment Bank Limited which was acquired by Jahangir Siddiqui & Co. Ltd., 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 (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.

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

1.2 Compliance with Minimum Capital Requirement

On February 19, 2014, the Bank has issued 150 million un-listed, convertible, irredeemable, perpetual, non-cumulative, nonvoting preference shares of Rs. 10 each which qualify for Tier I Capital under Basel III requirement. As a result of this transaction, the paid up capital of the Bank has increased by Rs. 1.5 billion and the Bank is in compliance with minimum capital requirement prescribed by the State Bank of Pakistan through its BSD Circular no. 7 dated April 15, 2009.

Further, the Bank is in the process of completing the procedural formalities for listing of these Preference Shares as approved by the shareholders in Annual General Meeting which will, hopefully, be completed by June 30, 2014.

2. STATEMENT OF COMPLIANCE

This unconsolidated condensed interim financial information of the Bank for the quarter ended March 31, 2014 has been prepared in accordance with the requirements of the International Accounting Standard 34 - Interim Financial Reporting (IAS 34), provisions of the Companies Ordinance, 1984, Banking Companies Ordinance, 1962 and directives issued by the Securities and Exchange Commission of Pakistan (SECP) and the State Bank of Pakistan (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.

The SBP has deferred the applicability of International Accounting Standard (IAS) 39, 'Financial Instruments: Recognition and Measurement' and International Accounting Standard (IAS) 40, 'Investment Property' for Banking Companies 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 unconsolidated condensed interim 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 unconsolidated 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 IAS 34 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, 2013.

3. BASIS OF MEASUREMENT

This unconsolidated condensed interim financial information have 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 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, 2013.

5. ACCOUNTING POLICIES

The accounting policies adopted in the preparation of this unconsolidated condensed interim financial information are the same as those applied in the preparation of the annual financial statements for the year ended December 31, 2013.

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, 2013.

| | | (Unaudited) March 31, 2014 | (Audited) December 31, 2013 |
|--|------|----------------------------------|-----------------------------------|
| | Note | (Rupees in '000) | |
| 7. LENDINGS TO FINANCIAL INSTITUTIONS | | | |
| Call money lendings | | 1,350,000 | 1,700,000 |
| Lendings to financial institutions | | 3,554,874 | 3,529,419 |
| Repurchase agreement lendings (Reverse Repo) | 7.1 | 2,151,024 | 16,356,380 |
| | | 7,055,898 | 21,585,799 |

7.1 Repurchase agreement lendings are secured through Pakistan Investment Bonds and Market Treasury Bills having total market value of Rs. 2,165.08 million (December 31, 2013: Rs. 16,454.32 million).

8. INVESTMENTS

| | Note | (Unaudited) March 31, 2014 | | | (Audited) December 31, 2013 | | |
|---|---------------|-------------------------------|------------------------|-------------------|--------------------------------|------------------------|-------------------|
| | | Held by bank | Given as collateral | Total | Held by bank | Given as collateral | Total |
| (Rupees in '000) | | | | | | | |
| 8.1 INVESTMENTS BY TYPES: | | | | | | | |
| Held-for-trading securities | | | | | | | |
| Market Treasury Bills | | 12,229,441 | 18,359,717 | 30,589,158 | 11,047,184 | 11,061,484 | 22,108,668 |
| Pakistan Investment Bonds | | 2,507,899 | - | 2,507,899 | 367,638 | - | 367,638 |
| Ordinary shares of listed companies | | - | - | - | 253,680 | - | 253,680 |
| | | 14,737,340 | 18,359,717 | 33,097,067 | 11,668,502 | 11,061,484 | 22,729,986 |
| Available-for-sale securities | | | | | | | |
| Market Treasury Bills | | 4,776,240 | - | 4,776,240 | 1,212,312 | 1,492,101 | 2,704,413 |
| Pakistan Investment Bonds | | 15,853,516 | - | 15,853,516 | 10,490,171 | - | 10,490,171 |
| Ijara Sukuk Bonds | | 401 | - | 401 | 401 | - | 401 |
| Ordinary shares of listed companies | | 1,048,048 | - | 1,048,048 | 1,252,948 | - | 1,252,948 |
| Ordinary shares of unlisted companies | | 11,000 | - | 11,000 | 11,000 | - | 11,000 |
| Preference shares of a listed companies | | 136,590 | - | 136,590 | 136,589 | - | 136,589 |
| Open end mutual funds | 8.1.1 | 194,345 | - | 194,345 | 196,379 | - | 196,379 |
| Term Finance Certificates-listed | | 831,040 | - | 831,040 | 864,957 | - | 864,957 |
| Term Finance Certificates-unlisted | 8.1.2 | 1,050,882 | - | 1,050,882 | 1,077,378 | - | 1,077,378 |
| US Dollar Bonds | | 1,980,268 | - | 1,980,268 | 1,725,004 | - | 1,725,004 |
| | | 25,882,330 | - | 25,882,330 | 16,968,139 | 1,492,101 | 18,460,240 |
| Investments in subsidiaries | 8.1.3 | 1,919,121 | - | 1,919,121 | 1,919,121 | - | 1,919,121 |
| Investments at cost | | 42,538,791 | 18,359,717 | 60,898,508 | 30,555,762 | 12,553,585 | 43,109,347 |
| Less: Provision for diminution in value of investments | 8.1.4 & 8.1.5 | (246,485) | - | (246,485) | (231,500) | - | (231,500) |
| Investments (net of provision) | | 42,292,306 | 18,359,717 | 60,652,023 | 30,324,262 | 12,553,585 | 42,877,847 |
| Unrealised gain / (loss) on revaluation of investments classified as held-for-trading | | 30,436 | - | 30,436 | 121,473 | (4,394) | 117,079 |
| (Deficit) on revaluation of available-for-sale securities | | (120,197) | - | (120,197) | (314,227) | (1,383) | (315,610) |
| Total investments at carrying value | | 42,202,545 | 18,359,717 | 60,562,262 | 30,131,508 | 12,547,808 | 42,679,316 |

8.1.1 Included herein are the investments in following related parties:

- a) JS Value Fund, a related party, amounting to Rs.99.70 million (December 31, 2013: Rs.99.70 million) and having market value of Rs. 133.42 million (December 31, 2013: Rs.123.71 million)

b) JS Islamic Government Securities Fund, a related party, amounting to Rs.94.64 million (December 31, 2013: Rs.96.68 million) and having market value of Rs. 102.80 million (December 31, 2013: Rs.102.39 million).

8.1.2 Included herein is the investment of Rs. 65.02 million (December 31, 2013: Rs.65.02 million) in Azgard Nine Limited, a related party, at the rate of 6 months KIBOR ask rate + 1.25% maturing on December 04, 2017.

8.1.3 Included herein are the investments in the following subsidiaries:

| | Number of shares Rupees | Percentage holding % | Cost | |
|-----------------------------------|----------------------------|-------------------------|----------------------------------|-----------------------------------|
| | | | (Unaudited) March 31, 2014 | (Audited) December 31, 2013 |
| | | | (Rupees in '000) | |
| JS Global Capital Limited (JSGCL) | 25,525,169 | 51.05 | 1,357,929 | 1,357,929 |
| JS Investments Limited (JSIL) | 52,236,978 | 52.24 | 561,192 | 561,192 |
| | | | <u>1,919,121</u> | <u>1,919,121</u> |

8.1.4 Included herein is the provision of Rs.68.22 million (December 31, 2013: Rs.68.22 million) against JS Value Fund, a related party.

8.1.5 The State Bank of Pakistan (SBP) vide its letter number BPRD/BRD(Policy)/2013-11339 dated July 25, 2013 has allowed the relaxation from PR-8 to the Bank from provision required in respect of the Bank's exposure in Agritech Limited. The provision is held at 60% of the required provision in these unconsolidated financial statements whereas the remaining provision will be made in phased manner at 75%, 85% and 100% by end of each quarter respectively till December 31, 2014. Had the relaxation not been granted by the SBP, the provision charge for the period would have been increased by Rs. 59.94 million.

| 9. ADVANCES - net | Note | (Unaudited) | (Audited) |
|--|------|--------------------|----------------------|
| | | March 31, 2014 | December 31, 2013 |
| | | (Rupees in '000) | |
| Loans, cash credits, running finances, etc. | | | |
| In Pakistan | | 33,241,397 | 32,483,931 |
| Outside Pakistan | | - | - |
| | | <u>33,241,397</u> | <u>32,483,931</u> |
| Net Investment in Finance lease - in Pakistan | | 629,982 | 582,682 |
| Bills discounted and purchased (excluding market treasury bills) | | | |
| Payable in Pakistan | | 821,959 | 944,448 |
| Payable outside Pakistan | | 1,974,966 | 1,152,631 |
| | | <u>2,796,925</u> | <u>2,097,079</u> |
| Advances - gross | | <u>36,668,304</u> | <u>35,163,692</u> |
| Provision for non-performing advances | | | |
| specific | 9.1 | (1,409,381) | (1,398,195) |
| general (against consumer financing) | | (3,825) | (2,990) |
| | | <u>(1,413,206)</u> | <u>(1,401,185)</u> |
| Advances - net of provision | | <u>35,255,098</u> | <u>33,762,507</u> |

9.1 Advances include Rs. 2,711.11 million (December 31, 2013: Rs.2,758.38 million) which have been placed under non-performing status as detailed below:

| Category of classification | (Unaudited) March 31, 2014 | | | | |
|-----------------------------------|--------------------------------|----------|------------------|--------------------|------------------|
| | Domestic | Overseas | Total | Provision required | Provision held |
| | (Rupees in '000) | | | | |
| Other assets especially mentioned | - | - | - | - | - |
| Substandard | 400,196 | - | 400,196 | 60,068 | 60,068 |
| Doubtful | 48,150 | - | 48,150 | 3,294 | 3,294 |
| Loss | 2,262,767 | - | 2,262,767 | 1,346,019 | 1,346,019 |
| | <u>2,711,113</u> | <u>-</u> | <u>2,711,113</u> | <u>1,409,381</u> | <u>1,409,381</u> |
| Category of classification | (Audited) December 31, 2013 | | | | |
| | Domestic | Overseas | Total | Provision required | Provision held |
| | (Rupees in '000) | | | | |
| Other assets especially mentioned | - | - | - | - | - |
| Substandard | 414,666 | - | 414,666 | 50,016 | 50,016 |
| Doubtful | 34,269 | - | 34,269 | 3,361 | 3,361 |
| Loss | 2,309,442 | - | 2,309,442 | 1,344,818 | 1,344,818 |
| | <u>2,758,377</u> | <u>-</u> | <u>2,758,377</u> | <u>1,398,195</u> | <u>1,398,195</u> |

9.1.1 The State Bank of Pakistan (SBP) vide its letter number BPRD/BRD(Policy)/2013-11339 dated July 25, 2013 has allowed the relaxation from PR-8 to the Bank from provision required in respect of the Bank's exposure in Agritech Limited. The provision is held at 60% of the required provision in these unconsolidated financial statements whereas the remaining provision will be made in phased manner at 75%, 85% and 100% by end of each quarter respectively till December 31, 2014. Had the relaxation not been granted by the SBP, the provision charge for the period would have been increased by Rs. 200.79 million net of benefit of forced sale value.

| | Note | (Unaudited) March 31, 2014 | (Audited) December 31, 2013 |
|--|---|----------------------------------|-----------------------------------|
| (Rupees in '000) | | | |
| 10. OPERATING FIXED ASSETS | | | |
| Capital work-in-progress | | 346,237 | 278,004 |
| Property and equipment | | 1,734,687 | 1,710,560 |
| Intangible assets | 10.1 | 1,669,876 | 1,638,948 |
| | | <u>3,750,800</u> | <u>3,627,512</u> |
| 10.1 Intangible assets | | | |
| Computer Software | | 206,252 | 175,324 |
| Goodwill | | 1,463,624 | 1,463,624 |
| | | <u>1,669,876</u> | <u>1,638,948</u> |
| 11. BORROWINGS | | | |
| Secured | | | |
| Borrowings from SBP under export refinancing scheme | | 1,195,100 | 1,976,100 |
| Repurchase agreement borrowings | | 18,347,721 | 17,180,603 |
| | | <u>19,542,821</u> | <u>19,156,703</u> |
| Unsecured | | | |
| Call borrowings | | 1,000,000 | 990,000 |
| Overdrawn nostro accounts | | 43,925 | 4,143 |
| | | <u>1,043,925</u> | <u>994,143</u> |
| | | <u>20,586,746</u> | <u>20,150,846</u> |
| 12. DEPOSITS AND OTHER ACCOUNTS | | | |
| Customers | | | |
| Fixed deposits | | 27,728,111 | 25,729,940 |
| Savings deposits | | 27,356,800 | 24,082,503 |
| Current accounts - non-remunerative | | 22,352,360 | 22,146,983 |
| Margin accounts | | 431,576 | 484,583 |
| | | <u>77,868,847</u> | <u>72,444,009</u> |
| Financial institutions | | | |
| Remunerative deposits | | 4,791,041 | 8,375,651 |
| Non-remunerative deposits | | 63,838 | 96,465 |
| | | <u>4,854,879</u> | <u>8,472,116</u> |
| | | <u>82,723,726</u> | <u>80,916,125</u> |
| 12.1 Particulars of deposits | | | |
| In local currency | | 75,329,441 | 74,764,676 |
| In foreign currencies | | 7,394,285 | 6,151,449 |
| | | <u>82,723,726</u> | <u>80,916,125</u> |
| 13. PREFERENCE SHARES | | | |
| On February 19, 2014, the Bank has issued 150 million preference shares of Rs 10 each. As a result of this transaction, the paid-up capital of the Bank has increased by Rs 1.5 billion. The major terms and conditions of the preference shares are as follows: | | | |
| Instrument: | Un-listed, convertible, irredeemable, perpetual, non-cumulative, non-voting preference shares. | | |
| Issue Price: | Issued at par value of Rs 10 per share; | | |
| Tenure: | Four years from the date of issuance of Preference shares; | | |
| Conversion ratio: | For every one preference share, 1.5 ordinary shares will be issued i.e. 1:1.5 | | |
| Dividend: | Non-cumulative at the rate of 12% per annum fixed. No compensation would be available to the Preference shareholders other than the agreed return i.e. 12% p.a. which will be paid in the form of cash dividend. The distribution of dividend is not obligatory and will be allowed only if the Bank has earned sufficient profit in the current year to pay dividend and is in compliance with all the regulatory capital (MCR and CAR) and provisioning requirements. | | |
| Further, the Bank is in the process of completing the procedural formalities for listing of these Preference Shares as approved by the shareholders in Annual General Meeting which will, hopefully, be completed by June 30, 2014. | | | |



| | Note | (Unaudited) March 31, 2014 | (Audited) December 31, 2013 |
|---|--------|----------------------------------|-----------------------------------|
| (Rupees in '000) | | | |
| 14. SURPLUS / (DEFICIT) ON REVALUATION OF ASSETS - net of tax | | | |
| (Deficit) / surplus on revaluation of available-for-sale securities - net of tax | | | |
| Term Finance Certificates - listed | | (41,635) | (54,040) |
| Ordinary shares - listed | | 32,890 | 142,435 |
| Preference shares - listed | | 22,115 | 21,003 |
| US dollar bonds | | (39,471) | (75,899) |
| Government Securities | | (204,191) | (447,038) |
| Open end mutual funds | | 110,095 | 97,929 |
| | | <u>(120,197)</u> | <u>(315,610)</u> |
| Related deferred tax asset | | 42,069 | 110,464 |
| | | <u>(78,128)</u> | <u>(205,146)</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 | | 2,699,690 | 2,520,803 |
| ii) Banking companies and other financial institutions | | 298,757 | 210,521 |
| iii) Others | 15.1.1 | 512,954 | 333,832 |
| | | <u>3,511,401</u> | <u>3,065,156</u> |
| 15.1.1 Included herein the outstanding guarantees of Rs. 30.070 million (December 31, 2013: Rs. 5.612 million) of related parties. | | | |
| 15.2 Trade-related contingent liabilities | | | |
| Documentary credits | | 6,001,779 | 4,882,691 |
| 15.3 Other contingencies | | | |
| Claims not acknowledged as debts | | 66,748 | 66,896 |
| 15.4 Commitments in respect of forward exchange contracts | | | |
| Purchase | | 5,628,319 | 6,988,325 |
| Sale | | 4,440,915 | 6,485,184 |
| 15.5 Commitments in respect of forward lending | | | |
| Forward commitment to extend credit | | 1,812,000 | 675,700 |
| 15.6 Other commitments | | | |
| Commitment in respect of capital expenditure | | 30,340 | 75,320 |
| 15.7 Derivative Instruments | | | |
| Cross currency swaps (notional principal) | | 1,084,500 | 1,084,500 |
| | | <u>1,084,500</u> | <u>1,084,500</u> |
| | | (Unaudited) March 31, 2014 | (Audited) March 31, 2013 |
| (Rupees in '000) | | | |
| 16. OTHER CHARGES | | | |
| Penalties imposed by State Bank of Pakistan | | - | 21 |
| Provision for Workers' Welfare Fund (WWF) | 16.1 | 4,149 | 2,666 |
| | | <u>4,149</u> | <u>2,687</u> |
| 16.1 Provision held @ 2% of the higher of profit before tax or taxable income under Workers Welfare Ordinance, 1971. | | | |
| 17. TAXATION | | | |
| In view of the tax losses of the Bank, tax provision has been made subject to minimum taxation @ 1% under section 113 of Income Tax Ordinance, 2001 in this unconsolidated condensed interim financial information. | | | |

18. BASIC AND DILUTED EARNINGS PER SHARE

Profit after taxation for the period - attributable to ordinary equity holders of the Bank

Weighted average number of outstanding ordinary shares during the period

Earnings per share

| | (Unaudited) | |
|-------------------|---------------------------|-------------------------|
| | Diluted Earning Per Share | Basic Earning Per Share |
| | March 31, 2014 | March 31, 2013 |
| | 138,156 | 84,225 |
| (Rs. in '000) | | |
| | 1,174,964 | 1,072,464 |
| (Numbers in '000) | | |
| | 0.12 | 0.08 |
| Rupee | | |
| | 0.13 | 0.09 |

19. ACTUARIAL GAINS / (LOSSES) ON DEFINED BENEFIT PLAN - NET OF TAX

For recognition of actuarial gains and losses immediately in this unconsolidated condensed interim financial information, based on assumptions and judgments used in recent actuarial valuation carried out at the end of December 31, 2013, the Bank is not required to remeasure the defined benefit (liability) / asset for interim reporting purpose under International Accounting Standards (IAS) 19 'Employee Benefits' and IAS- 34 'Interim Financial Reporting'.

20. RELATED PARTY TRANSACTIONS

The Bank has related party relationship with its associates, parent, subsidiaries, companies having common directors, companies in which parent holds more than 20% shares, employees 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:

Advances and Lendings to Financial Institution

Opening balance
Disbursements
Repayments
Balance as at
Disbursements during the quarter ended March 31, 2013 - (un-audited)
Repayments during the quarter ended March 31, 2013 - (un-audited)
Mark-up / return / interest earned for the quarter ended - March 31 - (un-audited)

| | Subsidiaries companies | | Key management personnel | | Other related parties | | Total | |
|--|----------------------------|-----------------------------|----------------------------|-----------------------------|----------------------------|-----------------------------|----------------------------|-----------------------------|
| | (Unaudited) March 31, 2014 | (Audited) December 31, 2013 | (Unaudited) March 31, 2014 | (Audited) December 31, 2013 | (Unaudited) March 31, 2014 | (Audited) December 31, 2013 | (Unaudited) March 31, 2014 | (Audited) December 31, 2013 |
| | - | 156,193 | 169,529 | 93,552 | 1,533,221 | 1,378,039 | 1,702,750 | 1,627,784 |
| | 433 | 764,469 | 66,089 | 107,070 | 885,077 | 3,388,554 | 951,998 | 4,260,083 |
| | (433) | (920,662) | (27,225) | (31,093) | (972,124) | (3,233,372) | (999,762) | (4,165,127) |
| | - | - | 208,393 | 169,529 | 1,446,174 | 1,533,221 | 1,654,567 | 1,702,750 |
| | | 178,772 | | 3,623 | | 1,134,797 | | 1,317,192 |
| | | (196,673) | | (6,013) | | (1,196,114) | | (1,398,602) |
| | - | 5,490 | 1,877 | 1,014 | 34,820 | 37,182 | 36,697 | 43,686 |

Deposits

Opening balance
Deposits during the period
Withdrawals during the period
Balance as at
Deposits during the quarter ended March 31, 2013 - (un-audited)
Withdrawals during the quarter ended March 31, 2013 - (un-audited)
Mark-up / return / interest expensed for the quarter ended March 31 (un-audited)

| | Parent | | Subsidiaries companies | | Key management personnel | | Other related parties | | Total | |
|--|----------------------------|-----------------------------|----------------------------|-----------------------------|----------------------------|-----------------------------|----------------------------|-----------------------------|----------------------------|-----------------------------|
| | (Unaudited) March 31, 2014 | (Audited) December 31, 2013 | (Unaudited) March 31, 2014 | (Audited) December 31, 2013 | (Unaudited) March 31, 2014 | (Audited) December 31, 2013 | (Unaudited) March 31, 2014 | (Audited) December 31, 2013 | (Unaudited) March 31, 2014 | (Audited) December 31, 2013 |
| | 1,557,270 | 2,002,829 | 860,851 | 621,493 | 23,012 | 16,731 | 5,955,347 | 4,387,057 | 8,396,480 | 7,028,120 |
| | 1,238,529 | 8,779,869 | 42,969,591 | 286,483,056 | 185,584 | 492,958 | 15,785,362 | 59,790,860 | 80,159,026 | 335,656,753 |
| | (2,186,175) | (9,225,428) | (43,397,136) | (266,253,700) | (153,522) | (486,677) | (18,291,441) | (58,222,590) | (84,028,274) | (334,188,393) |
| | 609,624 | 1,557,270 | 433,266 | 860,851 | 35,074 | 23,012 | 3,449,268 | 5,955,347 | 4,527,233 | 8,396,480 |
| | | 2,085,110 | | 59,365,792 | | 74,061 | | 9,145,083 | | 69,670,046 |
| | | (2,843,871) | | (58,249,223) | | (70,768) | | (9,126,789) | | (70,290,651) |
| | 20,890 | 33,060 | 16,319 | 6,710 | 242 | 150 | 88,863 | 76,879 | 126,314 | 120,799 |

Material transactions with related parties are given below:

| Nature of transactions | Subsidiaries companies | | Companies having common directorship | | Companies in which parent company holds 20% or more | | Other related parties | | Total |
|--|------------------------|----------------|--------------------------------------|----------------|---|----------------|-----------------------|----------------|------------|
| | March 31, 2014 | March 31, 2013 | March 31, 2014 | March 31, 2013 | March 31, 2014 | March 31, 2013 | March 31, 2014 | March 31, 2013 | |
| | | | | | | | | | |
| (Unaudited) | | | | | | | | | |
| (Rupees in '000) | | | | | | | | | |
| Nature of transactions | | | | | | | | | |
| Sale of government securities | 136,221 | 4,850,541 | 89,478 | 8,816,820 | 32,399,272 | 133,521 | 1,581,063 | 34,206,034 | 13,800,862 |
| Purchase of government securities | 3,190 | 3,706,228 | - | 491,123 | 6,329,014 | - | 99,439 | 6,431,643 | 4,197,351 |
| Sale of shares / Units | - | - | - | - | - | 44,946 | 2,177 | 2,177 | 44,946 |
| Reverse repo / Call money lendings | - | 3,068,440 | - | - | - | - | - | - | 3,068,440 |
| Rent received / receivable | 581 | 499 | - | - | - | - | - | - | 499 |
| Call borrowing / Repo | - | - | - | - | 3,000,000 | - | - | - | 3,000,000 |
| Purchase of forward foreign exchange contracts | - | - | - | - | - | 2,107,124 | - | - | 2,107,124 |
| Sale of forward foreign exchange contracts | - | - | - | - | - | - | - | - | - |
| Letter of guarantees | 30,000 | - | - | - | - | - | 70 | 5,612 | 2,643,685 |
| | | | | | | | | | 5,612 |
| Nature of transactions | | | | | | | | | |
| Payment to staff benefit plan | - | - | - | - | - | - | 1,290 | - | 1,290 |
| Payment to staff contribution plan | - | - | - | - | - | - | 15,302 | - | 15,302 |
| Remuneration of key management personnel | - | - | - | - | - | - | 72,652 | - | 72,652 |
| Director fees and allowances | - | - | - | - | - | - | 292 | - | 292 |
| Insurance claim received | - | - | 2,234 | 2,003 | - | - | - | - | 2,234 |
| Insurance premium paid | - | - | 20,829 | 29,049 | 15,153 | - | - | - | 35,982 |
| Markup income | - | 2,650 | - | - | - | - | - | - | 2,650 |
| Markup expense | - | - | - | - | - | - | - | - | 777 |
| Rent expense paid / accrued | 323 | 323 | - | - | - | - | - | - | 323 |
| Reimbursement of expenses | 99 | 936 | - | - | - | - | - | 4 | 940 |
| Expenses incurred on behalf | 467 | - | - | - | - | - | - | - | 467 |
| Services rendered | 375 | 149 | - | - | - | - | - | - | 375 |
| Commission paid / accrued | 942 | 1,395 | - | - | - | - | - | - | 942 |
| Commission income | 60 | - | - | 17,023 | 138 | - | - | - | 1,395 |
| Dividend income | - | 128,812 | - | - | - | - | - | 944 | 17,967 |
| Consultancy fee | - | - | - | - | - | - | 4,500 | 4,500 | 128,812 |
| | | | | | | | | | 4,500 |

Parent company

| Un-audited | March 31, 2014 | March 31, 2013 |
|-------------------------------|----------------|----------------|
| (Rupees in '000) | | |
| Nature of transactions | | |
| Sale of Government Securities | 465,069 | 1,016,605 |
| Rent expense paid / accrued | 278 | 242 |
| Reimbursement of expenses | 1,030 | 471 |
| The Underwriting Commission | 3,056 | - |

21. SEGMENT DETAILS WITH RESPECT TO BUSINESS ACTIVITIES

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

| | 2014 | | | | | | Total |
|--|----------------------|----------------------|-------------------|-----------------------|---------------------------|------------------|------------------|
| | Corporate finance | Trading and sales | Retail banking | Commercial banking | Payment and settlement | Others | |
| ----- (Rupees in '000) ----- | | | | | | | |
| March 31, 2014 (Unaudited) | | | | | | | |
| Total income -external | 16,907 | 1,481,336 | 496,206 | 537,840 | 34,103 | 4,445 | 2,570,837 |
| Inter-segment revenues-net | - | (956,801) | 982,917 | (26,116) | - | - | - |
| Total income | 16,907 | 524,535 | 1,479,123 | 511,724 | 34,103 | 4,445 | 2,570,837 |
| Total expenses | (1,099) | (306,761) | (1,416,111) | (500,450) | (13,476) | (129,860) | (2,367,757) |
| Current taxation | - | - | - | - | - | (25,569) | (25,569) |
| Deferred taxation | - | - | - | - | - | (39,355) | (39,355) |
| Net income / (loss) | 15,808 | 217,774 | 63,012 | 11,274 | 20,627 | (190,339) | 138,156 |
| March 31, 2014 (Unaudited) | | | | | | | |
| Segment assets (gross) | - | 67,870,882 | 16,009,360 | 20,606,618 | - | 13,995,952 | 118,482,812 |
| Segment non performing loans and Impaired Investments | - | 402,936 | 93,816 | 2,617,297 | - | - | 3,114,049 |
| Segment provision required | - | (246,485) | (44,071) | (1,369,135) | - | - | (1,659,691) |
| Segment liabilities | - | 19,347,721 | 66,426,364 | 17,492,462 | 1,482,830 | 1,374,677 | 106,124,054 |
| ----- (Rupees in '000) ----- | | | | | | | |
| 2013 | | | | | | | |
| | Corporate finance | Trading and sales | Retail banking | Commercial banking | Payment and settlement | Others | Total |
| ----- (Rupees in '000) ----- | | | | | | | |
| March 31, 2013 (Unaudited) | | | | | | | |
| Total income -external | 18,646 | 1,424,185 | 166,135 | 416,733 | 38,876 | 12,307 | 2,076,882 |
| Inter-segment revenues-net | - | (789,174) | 891,201 | (102,027) | - | - | - |
| Total income | 18,646 | 635,011 | 1,057,336 | 314,706 | 38,876 | 12,307 | 2,076,882 |
| Total expenses | (882) | (312,550) | (1,088,457) | (440,858) | (12,666) | (90,879) | (1,946,292) |
| Current taxation | - | - | - | - | - | (24,005) | (24,005) |
| Deferred taxation | - | - | - | - | - | (22,360) | (22,360) |
| Net income / (loss) | 17,764 | 322,461 | (31,121) | (126,152) | 26,210 | (124,937) | 84,225 |
| December 31, 2013 (audited) | | | | | | | |
| Segment assets (gross) | - | 64,483,866 | 13,572,509 | 21,557,671 | - | 14,788,611 | 114,402,657 |
| Segment non performing loans and Impaired Investments | - | 402,935 | 102,892 | 2,655,486 | - | - | 3,161,313 |
| Segment provision required | - | (231,500) | (44,861) | (1,356,324) | - | - | (1,632,685) |
| Segment liabilities | - | 18,174,746 | 62,154,592 | 20,737,631 | 1,414,793 | 1,354,317 | 103,836,079 |



22. GENERAL

- 22.1 Comparative figures have been re-arranged and re-classified to reflect more appropriate presentation of events and transactions for the purpose of comparison, which as follows:

| Description | Rupees in (000) | Reclassified | |
|---|-----------------|-------------------------|---------------|
| | | From | To |
| Provision for Workers' Welfare Fund (WWF) | 2,666 | Administrative expenses | Other charges |

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

23. DATE OF AUTHORISATION FOR ISSUE

This unconsolidated condensed interim financial information was authorised for issue by the Board of Directors on April 25, 2014.

| | | | |
|-------------------|---|-------------------|-------------------|
| _____ Chairman | _____ President & Chief Executive Officer | _____ Director | _____ Director |
|-------------------|---|-------------------|-------------------|



Consolidated Condensed Interim Financial Information
for the First Quarter Ended March 31, 2014
(Un-Audited)

CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2014

| | Note | (Unaudited) March 31, 2014 | (Audited) December 31, 2013 |
|---|------|----------------------------------|-----------------------------------|
| (Rupees in '000) | | | |
| ASSETS | | | |
| Cash and balances with treasury banks | | 7,085,573 | 7,775,070 |
| Balances with other banks | | 401,711 | 542,126 |
| Lendings to financial institutions | 7 | 7,055,898 | 21,585,799 |
| Investments - net | 8 | 62,209,518 | 43,855,194 |
| Advances - net | 9 | 35,260,589 | 33,769,008 |
| Operating fixed assets | 10 | 3,874,116 | 3,750,784 |
| Deferred tax assets - net | | 944,229 | 1,052,958 |
| Other assets | | 2,758,793 | 2,417,820 |
| | | 119,590,427 | 114,748,759 |
| LIABILITIES | | | |
| Bills payable | | 1,482,830 | 1,414,793 |
| Borrowings | 11 | 20,586,746 | 20,150,846 |
| Deposits and other accounts | 12 | 82,290,461 | 80,055,276 |
| Sub-ordinated loans | | - | - |
| Liabilities against assets subject to finance lease | | - | - |
| Deferred tax liabilities | | - | - |
| Other liabilities | | 1,975,028 | 1,820,276 |
| | | 106,335,065 | 103,441,191 |
| NET ASSETS | | 13,255,362 | 11,307,568 |
| REPRESENTED BY: | | | |
| Share capital | | 10,724,643 | 10,724,643 |
| Discount on issue of shares | | (2,105,401) | (2,105,401) |
| Preference shares | 13 | 1,500,000 | - |
| Reserves | | 329,329 | 301,698 |
| Accumulated profits | | 406,355 | 239,766 |
| Non-controlling interest | | 1,918,685 | 1,866,171 |
| | | 12,773,611 | 11,026,877 |
| Surplus on revaluation of assets - net of tax | 14 | 481,751 | 280,691 |
| | | 13,255,362 | 11,307,568 |
| CONTINGENCIES AND COMMITMENTS | 15 | | |

The annexed notes from 1 to 23 form an integral part of this consolidated condensed interim financial information.

Chairman

President &
Chief Executive Officer

Director

Director

CONSOLIDATED CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UNAUDITED)
FOR THE QUARTER ENDED MARCH 31, 2014

| | March 31, 2014 | March 31, 2013 |
|---|-------------------|-------------------|
| Note | (Rupees in '000) | |
| Mark-up / return / interest earned | 2,151,160 | 1,657,736 |
| Mark-up / return / interest expensed | 1,386,157 | 1,157,670 |
| Net mark-up / interest income | <u>765,003</u> | <u>500,066</u> |
| Provision against non-performing loans and advances | (12,021) | (94,022) |
| (Provision) / reversal against diminution in value of investments | (12,223) | 7,159 |
| Bad debts written off directly | - | - |
| | <u>(24,244)</u> | <u>(86,863)</u> |
| Net mark-up / interest income after provisions | <u>740,759</u> | <u>413,203</u> |
| NON MARK-UP / INTEREST INCOME | | |
| Fee, commission and brokerage income | 308,911 | 263,451 |
| Dividend income | 22,360 | 79,228 |
| Income from dealing in foreign currencies | 78,056 | 54,697 |
| Gain on sale / redemption of securities | 165,610 | 109,215 |
| Unrealised gain on revaluation of investments classified as held-for-trading | 61,235 | 2,756 |
| Other income | 21,776 | 21,429 |
| Total non-mark-up / interest income | <u>657,948</u> | <u>530,776</u> |
| | <u>1,398,707</u> | <u>943,979</u> |
| NON MARK-UP / INTEREST EXPENSES | | |
| Administrative expenses | 1,055,245 | 824,102 |
| Other provisions / write offs | - | - |
| Other charges | 6,822 | 3,928 |
| Total non-mark-up / interest expenses | <u>1,062,067</u> | <u>828,030</u> |
| | <u>336,640</u> | <u>115,949</u> |
| Extra ordinary / unusual items | - | - |
| PROFIT BEFORE TAXATION | <u>336,640</u> | <u>115,949</u> |
| Taxation | | |
| - Current | (39,853) | (43,464) |
| - Prior years | - | - |
| - Deferred | (40,332) | (18,801) |
| | <u>(80,185)</u> | <u>(62,265)</u> |
| PROFIT AFTER TAXATION | <u>256,455</u> | <u>53,684</u> |
| Attributable to : | | |
| Equity holders of the Bank | 199,298 | 6,146 |
| Non-controlling interest | 57,157 | 47,538 |
| | <u>256,455</u> | <u>53,684</u> |
| | (Rupee) | |
| Basic earnings per share | 18 <u>0.19</u> | <u>0.01</u> |
| Diluted earnings per share | 18 <u>0.17</u> | <u>0.01</u> |


The annexed notes from 1 to 23 form an integral part of this consolidated condensed interim financial information.

Chairman

President &
Chief Executive Officer

Director

Director



**CONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE
INCOME (UNAUDITED)**
FOR THE QUARTER ENDED MARCH 31, 2014

| | Note | March 31, 2014 (Rupees in '000) | March 31, 2013 |
|--|------|---------------------------------------|-------------------|
| Profit after taxation | | 256,455 | 53,684 |
| Other comprehensive income | | | |
| Items that will be reclassified to profit and loss account in subsequent period | | - | - |
| Items that will not be reclassified to profit and loss account in subsequent period | | | |
| Actuarial gains / (losses) on defined benefit plan - net of tax | 19 | - | - |
| | | <u>256,455</u> | <u>53,684</u> |
| Attributable to : | | | |
| Equity holders of the Bank | | 199,298 | 6,146 |
| Non-controlling interest | | 57,157 | 47,538 |
| | | <u>256,455</u> | <u>53,684</u> |

Surplus / (deficit) 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 23 form an integral part of this consolidated condensed interim financial information.

| | | | |
|---|---|---|---|
| <hr style="width: 80%; margin: 0 auto;"/> Chairman | <hr style="width: 80%; margin: 0 auto;"/> President & Chief Executive Officer | <hr style="width: 80%; margin: 0 auto;"/> Director | <hr style="width: 80%; margin: 0 auto;"/> Director |
|---|---|---|---|

**CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
(UNAUDITED)
FOR THE QUARTER ENDED MARCH 31, 2014**

| | Issued, subscribed and paid-up share capital | Discount on issue of shares | Preference shares | Statutory reserve | Accumulated (losses) / profits | Sub total | Non- controlling interest | Total |
|---|---|-----------------------------------|----------------------|----------------------|-----------------------------------|------------|---------------------------------|------------|
| (Rupees in '000) | | | | | | | | |
| Balance as at January 01, 2013 (Audited) as previously reported as restated | 10,724,643 | (2,105,401) | - | 231,441 | (50,375) | 8,800,308 | 1,883,194 | 10,663,502 |
| Comprehensive Income | | | | | | | | |
| Profit after taxation for the quarter ended March 31, 2013 | - | - | - | - | 6,146 | 6,146 | 47,538 | 53,684 |
| Other comprehensive Income - net of tax for the quarter ended March 31, 2013 | - | - | - | - | 6,146 | 6,146 | - | - |
| Transaction with owners recorded directly in equity | | | | | | | | |
| Dividend for the period ended December 31, 2012 @ Rs.4 per ordinary share paid to non-controlling interest | - | - | - | - | - | - | (121,187) | (121,187) |
| Transfers | | | | | | | | |
| Transfer to statutory reserve | - | - | - | 18,845 | (18,845) | - | - | - |
| Balance as at March 31, 2013 | 10,724,643 | (2,105,401) | - | 248,286 | (61,074) | 8,806,454 | 1,789,545 | 10,595,999 |
| Comprehensive Income | | | | | | | | |
| Profit after taxation for the nine months period ended December 31, 2013 | - | - | - | - | 468,350 | 468,350 | 315,730 | 784,080 |
| Other comprehensive Income - net of tax for the nine months period ended December 31, 2013 | - | - | - | - | 1,668 | 1,668 | - | 1,668 |
| Transaction with owners recorded directly in equity | | | | | | | | |
| Pre-acquisition surplus (net) on available-for-sale investment realised during the nine months period ended December 31, 2013 | - | - | - | - | (115,766) | (115,766) | (105,879) | (221,445) |
| Interim dividend for the nine months ended December 31, 2013 @ Rs.4.5 per ordinary share paid to non-controlling interest | - | - | - | - | - | - | (133,425) | (133,425) |
| Transfers | | | | | | | | |
| Transfer to statutory reserve | - | - | - | 53,412 | (53,412) | - | - | - |
| Balance as at December 31, 2013 | 10,724,643 | (2,105,401) | - | 301,698 | 239,766 | 9,160,706 | 1,886,171 | 11,026,877 |
| Comprehensive Income | | | | | | | | |
| Profit after taxation for the quarter ended March 31, 2014 | - | - | - | - | 199,298 | 199,298 | 57,157 | 256,455 |
| Other comprehensive Income - net of tax | - | - | - | - | - | - | - | - |
| Transaction with owners recorded directly in equity | | | | | | | | |
| Issuance of preference shares during the period (note 1.2) | - | - | 1,500,000 | - | - | 1,500,000 | - | 1,500,000 |
| Pre-acquisition surplus (net) on available-for-sale investment realised during the quarter ended March 31, 2014 | - | - | - | - | (5,078) | (5,078) | (4,643) | (9,721) |
| Transfer to statutory reserve | - | - | - | 27,631 | (27,631) | - | - | - |
| Balance as at March 31, 2014 | 10,724,643 | (2,105,401) | 1,500,000 | 329,329 | 406,355 | 10,854,926 | 1,918,685 | 12,773,611 |

The annexed notes from 1 to 23 form an integral part of this consolidated condensed interim financial information.

Chairman

President &
Chief Executive Officer

Director

Director

CONSOLIDATED CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)
FOR THE QUARTER ENDED MARCH 31, 2014

| | March 31, 2014 | March 31, 2013 |
|---|--------------------|---------------------|
| | (Rupees in '000) | |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Profit before taxation | 336,640 | 115,949 |
| Less: Dividend income | (22,360) | (79,228) |
| | <u>314,280</u> | <u>36,721</u> |
| Adjustments: | | |
| Depreciation | 82,370 | 64,917 |
| Amortisation of intangibles | 7,993 | 5,058 |
| Charge for defined benefit plan | 13,711 | 11,025 |
| Unrealised gain on revaluation of investments classified as held-for-trading | (61,235) | (2,756) |
| Provision against non-performing advances - net (Reversal) / provision for diminution in value of investments - net | 12,021 | 94,022 |
| Gain on sale of fixed assets | (5,296) | (12,304) |
| Provision for Workers' Welfare Fund (WWF) | 6,822 | 3,907 |
| | <u>68,609</u> | <u>156,710</u> |
| | <u>382,889</u> | <u>193,431</u> |
| (Increase) / decrease in operating assets | | |
| Lendings to financial institutions | 14,529,901 | (1,153,107) |
| Held-for-trading securities | (10,777,775) | (16,784,775) |
| Advances | (1,503,602) | (2,112,388) |
| Other assets (excluding advance taxation) | (312,742) | (40,724) |
| | <u>1,935,782</u> | <u>(20,090,994)</u> |
| (Decrease) / increase in operating liabilities | | |
| Bills payable | 68,037 | 182,689 |
| Borrowings | 396,118 | 5,540,950 |
| Deposits | 2,235,185 | 1,981,555 |
| Other liabilities | 135,508 | 45,393 |
| | <u>2,834,848</u> | <u>7,750,587</u> |
| | <u>5,131,159</u> | <u>(12,146,976)</u> |
| Income tax paid | (45,724) | (24,244) |
| Gratuity paid | (1,289) | (22,963) |
| Net cash flows from / (used in) operating activities | <u>5,084,146</u> | <u>(12,194,183)</u> |
| CASH FLOW FROM INVESTING ACTIVITIES | | |
| Net investment in available-for-sale securities | (7,267,802) | 11,055,338 |
| Dividend received | - | 79,228 |
| Investment in operating fixed assets | (216,461) | (160,513) |
| Sale proceeds of property and equipment disposed off | 8,063 | 16,132 |
| Net cash (used in) / flows from investing activities | <u>(7,476,200)</u> | <u>10,990,185</u> |
| CASH FLOW FROM FINANCING ACTIVITIES | | |
| Issuance of preference shares | 1,500,000 | - |
| Decrease in cash and cash equivalents | <u>(869,694)</u> | <u>(1,203,998)</u> |
| Cash and cash equivalents at beginning of the period | 8,313,053 | 6,173,097 |
| Cash and cash equivalents at end of the period | <u>7,443,359</u> | <u>4,969,099</u> |

The annexed notes from 1 to 23 form an integral part of this unconsolidated condensed interim financial information.

Chairman

President &
Chief Executive Officer

Director

Director



NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)

FOR THE QUARTER ENDED MARCH 31, 2014

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's ordinary shares are listed on Karachi Stock Exchange in Pakistan. 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 211 (December 31, 2013: 211) branches / sub-branches in Pakistan. The Bank is rated at "A+" (Single A Plus) for long term and "A1" (A One) for short term by Pakistan Credit Rating Agency (PACRA).

Jahangir Siddiqui Investment Bank Limited, JSIBL, (formerly Citicorp Investment Bank Limited which was acquired by Jahangir Siddiqui & Co. Ltd., 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 (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.

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

1.1.2 Subsidiary Companies

1.1.2.1 JS Global Capital Limited (JSGCL)

JS Global Capital Limited (JSGCL), the Company, 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 a public listed company incorporated in Pakistan under the Companies Ordinance, 1984. The shares of the Company are listed on Karachi Stock Exchange Limited (KSEL) and Islamabad Stock Exchange Limited (ISEL) in Pakistan. Further, the Company is a corporate member of KSEL and member of Pakistan Merchantile Exchange Limited (formerly National Commodity Exchange Limited). The principal business of the Company 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 Company is situated at 6th floor, Faysal House, Shahra-e-Faisal, Karachi, Pakistan.

1.1.2.2 JS Investments Limited (JSIL)

JS Investments Limited (JSIL), the Company, is principally owned by the Bank, holding 52.24% of its equity interest. The Bank acquired effective controlling interest in JSIL on November 01, 2012. JSIL is a public listed company incorporated in Pakistan on February 22, 1995 under the Companies Ordinance, 1984. The shares of the Company are listed on the KSEL in Pakistan since April 24, 2007. The registered office of the Company is situated at 7th floor, 'The Forum', Khayaban-e-Jami, Clifton, Karachi.

The Company 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.

1.1.2.2.1 The Company is an asset management company and pension fund manager for the following respective funds at period end:

Open end funds:

- JS Value Fund Limited
- JS Growth Fund
- Unit Trust of Pakistan
- JS Income Fund
- JS Islamic Fund
- JS Aggressive Asset Allocation Fund
- JS Fund of Funds
- JS KSE-30 Index Fund
- JS Large Cap Fund
- JS Cash Fund
- JS Islamic Government Securities

1.1.2.2.2 The Company is pension fund manager for the following funds at period end:

Pension funds:

- JS Pension Savings Fund
- JS Islamic Pension Savings Fund

These funds have been treated as related parties in this consolidated condensed interim financial information.

1.1.2.3 JS ABAMCO Commodities Limited (JSACL)

The Bank owns JS ABAMCO Commodities Limited (JSACL) indirectly through its subsidiary 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. The principal activities of JSACL are to deal and effectuate commodity contracts; to become member of commodity exchange including National Commodity Exchange Limited 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.

1.2 Compliance with Minimum Capital Requirement

On February 19, 2014, the Bank has issued 150 million un-listed, convertible, irredeemable, perpetual, non-cumulative, non-voting preference shares of Rs. 10 each which qualify for Tier I Capital under Basel III requirement. As a result of this transaction, the paid up capital of the Bank has increased by Rs. 1.5 billion and the Bank is in compliance with minimum capital requirement prescribed by the State Bank of Pakistan through its BSD Circular no. 7 dated April 15, 2009.

Further, the Bank is in the process of completing the procedural formalities for listing of these Preference Shares as approved by the shareholders in Annual General Meeting which will, hopefully, be completed by June 30, 2014.

1.3 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, 2013.

2. STATEMENT OF COMPLIANCE

This consolidated condensed interim financial information of the Bank for the quarter ended March 31, 2014 has been prepared in accordance with the requirements of the International Accounting Standard 34 - Interim Financial Reporting (IAS 34), provisions of the Companies Ordinance, 1984, Banking Companies Ordinance, 1962 and directives issued by the Securities and Exchange Commission of Pakistan (SECP) and the State Bank of Pakistan (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.

The SBP has deferred the applicability of International Accounting Standard (IAS) 39 - "Financial Instruments: Recognition and Measurement" and International Accounting Standard (IAS) 40 - "Investment Property" for Banking Companies 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 consolidated condensed interim 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 consolidated condensed interim financial information has been limited based on a 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 consolidated annual financial statements of the Bank for the year ended December 31, 2013.

3. 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 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 consolidated condensed interim financial information are consistent with those applied in the preparation of the consolidated annual financial statements of the Bank for the year ended December 31, 2013.

5. ACCOUNTING POLICIES

The accounting policies adopted in the preparation of these consolidated condensed interim financial information are the same as those applied in the preparation of the consolidated annual financial statements of the Bank for the year ended December 31, 2013.

6. 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, 2013.

| | | (Unaudited) March 31, 2014 | (Audited) December 31, 2013 |
|--|------|----------------------------------|-----------------------------------|
| | Note | (Rupees in '000) | |
| 7. LENDINGS TO FINANCIAL INSTITUTIONS | | | |
| Call money lendings | | 1,350,000 | 1,700,000 |
| Lendings to financial institutions | | 3,554,874 | 3,529,419 |
| Repurchase agreement lendings (Reverse repo) | 7.1 | 2,151,024 | 16,356,380 |
| | | <u>7,055,898</u> | <u>21,585,799</u> |

7.1 Repurchase agreement lendings are secured through Pakistan Investment Bonds and Market Treasury Bills Having total market value of Rs. 2,165.08 million (December 31, 2013: Rs. 16,454.32 million).

8. INVESTMENTS

| Note | (Unaudited) March 31, 2014 | | | (Audited) December 31, 2013 | | |
|------|-------------------------------|---------------------|-------|--------------------------------|---------------------|-------|
| | Held by bank | Given as collateral | Total | Held by bank | Given as collateral | Total |
| | (Rupees in '000) | | | | | |

8.1 INVESTMENTS BY TYPES:

Held-for-trading securities

| | | | | | | |
|-------------------------------------|------------|------------|------------|------------|------------|------------|
| Market Treasury Bills | 12,229,932 | 18,359,717 | 30,589,649 | 11,295,938 | 11,061,484 | 22,357,422 |
| Pakistan Investment Bonds | 2,641,162 | - | 2,641,162 | 367,638 | - | 367,638 |
| Ordinary Shares of listed companies | 447,367 | - | 447,367 | 648,622 | - | 648,622 |
| Open end mutual funds | 1,343,497 | - | 1,343,497 | 648,182 | - | 648,182 |
| Term Finance Certificates- listed | 43,519 | - | 43,519 | 82,438 | - | 82,438 |
| Term Finance Certificates- unlisted | 32,061 | - | 32,061 | 33,343 | - | 33,343 |
| Engro Rupiya Certificates | 23,876 | - | 23,876 | 46,562 | - | 46,562 |
| | 16,761,414 | 18,359,717 | 35,121,131 | 13,122,723 | 11,061,484 | 24,184,207 |

Available-for-sale securities

| | | | | | | |
|---------------------------------------|------------|---|------------|------------|-----------|------------|
| Market Treasury Bills | 4,776,240 | - | 4,776,240 | 1,371,973 | 1,492,101 | 2,864,074 |
| Pakistan Investment Bonds | 15,853,516 | - | 15,853,516 | 10,490,171 | - | 10,490,171 |
| Ijara Sukuk Bonds | 401 | - | 401 | 401 | - | 401 |
| Ordinary shares of listed companies | 1,048,048 | - | 1,048,048 | 1,252,948 | - | 1,252,948 |
| Ordinary shares of unlisted companies | 26,273 | - | 26,273 | 26,273 | - | 26,273 |
| Preference shares of a listed company | 136,590 | - | 136,590 | 136,589 | - | 136,589 |
| Open end mutual funds | 1,551,658 | - | 1,551,658 | 1,548,319 | - | 1,548,319 |
| Term Finance Certificates-listed | 831,040 | - | 831,040 | 864,957 | - | 864,957 |
| Term Finance Certificates-unlisted | 1,377,338 | - | 1,377,338 | 1,403,834 | - | 1,403,834 |
| US Dollar Bonds | 1,980,268 | - | 1,980,268 | 1,726,004 | - | 1,726,004 |
| | 27,581,372 | - | 27,581,372 | 18,821,469 | 1,492,101 | 20,313,570 |

Investments at cost

| | | | | | | |
|--|------------|------------|------------|------------|------------|------------|
| | 44,342,786 | 18,359,717 | 62,702,503 | 31,944,192 | 12,553,585 | 44,497,777 |
|--|------------|------------|------------|------------|------------|------------|

Less: Provision for diminution

| | | | | | | |
|-------------------------|-------------|---|-------------|-------------|---|-------------|
| in value of investments | (1,286,264) | - | (1,286,264) | (1,274,042) | - | (1,274,042) |
|-------------------------|-------------|---|-------------|-------------|---|-------------|

Investments (net of provision)

| | | | | | | |
|--|------------|------------|------------|------------|------------|------------|
| | 43,056,522 | 18,359,717 | 61,416,239 | 30,670,150 | 12,553,585 | 43,223,735 |
|--|------------|------------|------------|------------|------------|------------|

Unrealised gain on revaluation of investments

| | | | | | | |
|--------------------------------|--------|---|--------|---------|---------|---------|
| classified as held-for-trading | 61,235 | - | 61,235 | 163,532 | (4,394) | 159,138 |
|--------------------------------|--------|---|--------|---------|---------|---------|

Surplus/(deficit) on revaluation of

| | | | | | | |
|-------------------------------|---------|---|---------|---------|---------|---------|
| available-for-sale securities | 732,044 | - | 732,044 | 473,704 | (1,383) | 472,321 |
|-------------------------------|---------|---|---------|---------|---------|---------|

| | | | | | | |
|--|------------|------------|------------|------------|------------|------------|
| | 43,849,801 | 18,359,717 | 62,209,518 | 31,307,386 | 12,547,808 | 43,855,194 |
|--|------------|------------|------------|------------|------------|------------|

8.1.1 Included herein are investments in the following related parties:

| Name of the company | Cost | | Impairment | | Market Value | |
|--|----------------------------------|-------------------------------|----------------------------------|-------------------------------|----------------------------------|-------------------------------|
| | (Unaudited) March 31, 2014 | (Audited) December 2013 | (Unaudited) March 31, 2014 | (Audited) December 2013 | (Unaudited) March 31, 2014 | (Audited) December 2013 |
| | (Rupees in '000) | | | | | |
| Held for-trading-securities | | | | | | |
| Open End Mutual Funds | | | | | | |
| JS Cash Fund | 960,741 | 239,613 | - | - | 976,913 | 260,740 |
| JS Income Fund | 304,115 | 325,201 | - | - | 310,372 | 347,008 |
| Available-for-sale securities | | | | | | |
| Open End Mutual Funds | | | | | | |
| JS Value Fund | 390,396 | 490,097 | (283,663) | (351,880) | 345,304 | 443,865 |
| JS Growth Fund | 760,563 | 760,563 | (418,607) | (418,607) | 792,772 | 733,990 |
| JS Fund of Funds | 53,216 | 36,844 | - | - | 53,566 | 51,087 |
| JS Islamic Government Securities Fund | 124,644 | 126,678 | - | - | 135,028 | 133,807 |
| JS Islamic Pension Savings Fund Equity | 20,000 | 25,000 | (1,830) | (2,288) | 73,322 | 82,985 |
| JS Islamic Pension Savings Fund Debt | - | 21,385 | - | - | - | 35,998 |
| JS Islamic Pension Savings Fund Money Market | - | 22,230 | - | - | - | 32,547 |
| JS Pension Savings Fund Money Market | 17,746 | 17,746 | - | - | 27,789 | 27,324 |
| JS Pension Savings Fund Equity | 24,000 | 30,000 | (9,223) | (11,529) | 68,558 | 76,383 |
| JS Pension Savings Fund Debt | 17,776 | 17,776 | - | - | 32,800 | 31,912 |

8.1.2 Included herein is the investment of Rs. 8.04 million (December 31, 2013: Rs. 7.88 million) having a market value of Rs.8.25 million (December 31, 2013: Rs. 8.04 million) in Jahangir Siddiqui & Co. Ltd., parent company.

8.1.3 Included herein is the investment in Azgard Nine Limited (ANL), a related party, of Rs. 65.02 million and Rs. 326.46 million (December 31, 2013: Rs. 65.02 million and Rs. 326.46 million) at the rate of 6 months KIBOR ask rate + 1.25% and 11% p.a respectively and maturing on December 04, 2017 and October 19, 2020. The Group has recognised impairment on this investment of Rs. 326.46 million (December 31, 2013: Rs.326.46 million).

8.1.4 The State Bank of Pakistan (SBP) vide its letter number BPRD/BRD(Policy)/2013-11339 dated July 25, 2013 has allowed the relaxation from PR-8 to the Bank from provision required in respect of the Bank's exposure in Agritech Limited. The provision is held at 60% of the required provision in this consolidated financial information whereas the remaining provision will be made in phased manner at 75%, 85% and 100% by end of each quarter respectively till December 31, 2014. Had the relaxation not been granted by the SBP, the provision charge for the period would have been increased by Rs. 59.94 million.

8.1.5 This includes surplus on revaluation of available for sale investments of subsidiaries amounting to Rs. 292.37 million (December 31, 2013: Rs. 302.09 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.

| | Note | (Unaudited) March 31, 2014 | (Audited) December 31, 2013 |
|--|------|----------------------------------|-----------------------------------|
| (Rupees in '000) | | | |
| 9. ADVANCES - net | | | |
| Loans, cash credits, running finances, etc. | | | |
| In Pakistan | | 33,246,888 | 32,490,432 |
| Outside Pakistan | | - | - |
| | | <u>33,246,888</u> | <u>32,490,432</u> |
| Net Investment in Finance lease - in Pakistan | | 629,982 | 582,682 |
| Bills discounted and purchased (excluding market treasury bills) | | | |
| Payable in Pakistan | | 821,959 | 944,448 |
| Payable outside Pakistan | | 1,974,966 | 1,152,631 |
| | | <u>2,796,925</u> | <u>2,097,079</u> |
| Financing in respect of margin trading system | | - | - |
| Advances - gross | | <u>36,673,795</u> | <u>35,170,193</u> |
| Provision for non-performing advances | | | |
| - specific | 9.1 | (1,409,381) | (1,398,195) |
| - general (against consumer financing) | | (3,825) | (2,990) |
| | | <u>(1,413,206)</u> | <u>(1,401,185)</u> |
| Advances - net of provision | | <u>35,260,589</u> | <u>33,769,008</u> |

9.1 Advances include Rs. 2,711.11 million (December 31, 2013: Rs.2,758.38 million) which have been placed under non-performing status as detailed below:

| Category of classification | (Unaudited) March 31, 2014 | | | Provision required | Provision held |
|-----------------------------------|-------------------------------|----------|------------------|-----------------------|------------------|
| | Domestic | Overseas | Total | | |
| (Rupees in '000) | | | | | |
| Other assets especially mentioned | - | - | - | - | - |
| Substandard | 400,196 | - | 400,196 | 60,068 | 60,068 |
| Doubtful | 48,150 | - | 48,150 | 3,294 | 3,294 |
| Loss | 2,262,767 | - | 2,262,767 | 1,346,019 | 1,346,019 |
| 9.1.1 | <u>2,711,113</u> | <u>-</u> | <u>2,711,113</u> | <u>1,409,381</u> | <u>1,409,381</u> |

(Audited)
December 31, 2013

| Category of classification | Domestic | Overseas | Total | Provision required | Provision held |
|-----------------------------------|------------------|----------|------------------|--------------------|------------------|
| | (Rupees in '000) | | | | |
| Other assets especially mentioned | - | - | - | - | - |
| Substandard | 414,666 | - | 414,666 | 50,016 | 50,016 |
| Doubtful | 34,269 | - | 34,269 | 3,361 | 3,361 |
| Loss | 2,309,442 | - | 2,309,442 | 1,344,818 | 1,344,818 |
| | <u>2,758,377</u> | <u>-</u> | <u>2,758,377</u> | <u>1,398,195</u> | <u>1,398,195</u> |

9.1.1 The State Bank of Pakistan (SBP) vide its letter number BPRD/BRD(Policy)/2013-11339 dated July 25, 2013 has allowed the relaxation from PR-8 to the Bank from provision required in respect of the Bank's exposure in Agritech Limited. The provision is held at 60% of the required provision in this consolidated financial information whereas the remaining provision will be made in phased manner at 75%, 85% and 100% by end of each quarter respectively till December 31, 2014. Had the relaxation not been granted by the SBP, the provision charge for the period would have been increased by Rs. 200.79 million net of benefit of forced sale value.

| | Note | (Unaudited) | (Audited) |
|---|------|-------------------|-------------------|
| | | March 31, 2014 | December 31, 2013 |
| | | (Rupees in '000) | |
| 10. OPERATING FIXED ASSETS | | | |
| Capital work-in-progress | | 350,384 | 283,078 |
| Property and equipment | | 1,841,218 | 1,819,042 |
| Intangible assets | 10.1 | 1,682,514 | 1,648,664 |
| | | <u>3,874,116</u> | <u>3,750,784</u> |
| 10.1 Intangible assets | | | |
| Trading Rights Entitlement Certificate (TREC) | | 5,727 | 5,727 |
| Pakistan Mercantile Exchange Limited | | 3,500 | 3,500 |
| Computer Software | | 209,663 | 175,813 |
| Goodwill | | 1,463,624 | 1,463,624 |
| | | <u>1,682,514</u> | <u>1,648,664</u> |
| 11. BORROWINGS | | | |
| Secured | | | |
| Borrowings from SBP under export refinancing scheme | | 1,195,100 | 1,976,100 |
| Repurchase agreement borrowings | | 18,347,721 | 17,180,603 |
| Short-term running finance | | - | - |
| | | <u>19,542,821</u> | <u>19,156,703</u> |
| Unsecured | | | |
| Call borrowings | | 1,000,000 | 990,000 |
| Overdrawn nostro accounts | | 43,925 | 4,143 |
| | | <u>1,043,925</u> | <u>994,143</u> |
| | | <u>20,586,746</u> | <u>20,150,846</u> |
| 12. DEPOSITS AND OTHER ACCOUNTS | | | |
| Customers | | | |
| Fixed deposits | | 27,728,111 | 25,729,940 |
| Savings deposits | | 27,356,800 | 24,082,503 |
| Current accounts - non-remunerative | | 22,352,360 | 22,146,983 |
| Margin accounts | | 431,576 | 484,583 |
| | | <u>77,868,847</u> | <u>72,444,009</u> |
| Financial institutions | | | |
| Remunerative deposits | | 4,358,164 | 7,515,047 |
| Non-remunerative deposits | | 63,450 | 96,220 |
| | | <u>4,421,614</u> | <u>7,611,267</u> |
| | | <u>82,290,461</u> | <u>80,055,276</u> |



| | (Unaudited) March 31, 2014 | (Audited) December 31, 2013 |
|-------------------------------------|----------------------------------|-----------------------------------|
| | (Rupees in '000) | |
| 12.1 Particulars of deposits | | |
| In local currency | 74,901,024 | 73,909,009 |
| In foreign currencies | 7,389,437 | 6,146,267 |
| | <u>82,290,461</u> | <u>80,055,276</u> |

13. PREFERENCE SHARES

On February 19, 2014, the Bank has issued 150 million preference shares of Rs 10 each. As a result of this transaction, the paid-up capital of the Bank has increased by Rs 1.5 billion. The major terms and conditions of the preference shares are as follows:

| | |
|-------------------|---|
| Instrument: | Un-listed, convertible, irredeemable, perpetual, non-cumulative, non-voting preference shares. |
| Issue Price: | Issued at par value of Rs 10 per share; |
| Tenure: | Four years from the date of issuance of Preference shares; |
| Conversion ratio: | For every one preference share, 1.5 ordinary shares will be issued i.e. 1:1.5 |
| Dividend: | Non-cumulative at the rate of 12% per annum fixed. No compensation would be available to the Preference shareholders other than the agreed return i.e. 12% p.a. which will be paid in the form of cash dividend. The distribution of dividend is not obligatory and will be allowed only if the Bank has earned sufficient profit in the current year to pay dividend and is in compliance with all the regulatory capital (MCR and CAR) and provisioning requirements. |

Further, the Bank is in the process of completing the procedural formalities for listing of these Preference Shares as approved by the shareholders in Annual General Meeting which will, hopefully, be completed by June 30, 2014.

| | (Unaudited) March 31, 2014 | (Audited) December 31, 2013 |
|---|----------------------------------|-----------------------------------|
| | (Rupees in '000) | |
| 14. SURPLUS / (DEFICIT) ON REVALUATION OF ASSETS - net of tax | | |
| | Note | |
| Surplus / (deficit) on revaluation of available-for-sale securities - net of tax | | |
| Term finance certificates - listed | (41,635) | (54,040) |
| Ordinary shares - listed | 32,890 | 142,435 |
| Preference shares - listed | 22,115 | 21,003 |
| US dollar bonds | (39,471) | (75,899) |
| Government securities | (204,191) | (447,059) |
| Open end mutual funds | 669,974 | 583,787 |
| | <u>439,682</u> | <u>170,227</u> |
| Related deferred tax liability | 42,069 | 110,464 |
| | <u>481,751</u> | <u>280,691</u> |
| Group's share | 214,095 | 49,433 |
| Non-controlling interest | 267,656 | 231,258 |
| | <u>481,751</u> | <u>280,691</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 | | 2,699,690 | 2,520,803 |
| ii) Banking companies and other financial institutions | | 298,757 | 210,521 |
| iii) Others | 15.1.1 | 512,954 | 333,832 |
| | | <u>3,511,401</u> | <u>3,065,156</u> |

15.1.1 Included herein the outstanding guarantees of Rs. 0.070 million (December 31, 2013: Rs.5.612 million) of related parties.

15.2 Trade-related contingent liabilities

| | | |
|---------------------|------------------|------------------|
| Documentary credits | <u>6,001,779</u> | <u>4,882,691</u> |
|---------------------|------------------|------------------|

15.3 Other contingencies

| | | |
|----------------------------------|---------------|---------------|
| Claims not acknowledged as debts | <u>66,748</u> | <u>66,896</u> |
|----------------------------------|---------------|---------------|

| | Note | (Unaudited) March 31, 2014 (Rupees in '000) | (Audited) December 31, 2013 |
|--|------|--|-----------------------------------|
| 15.4 Commitments in respect of forward exchange contracts | | | |
| Purchase | | 5,628,319 | 6,988,325 |
| Sale | | 4,440,915 | 6,485,184 |
| 15.5 Commitments in respect of forward lending | | | |
| Forward commitment to extend credit | | 1,812,000 | 675,700 |
| 15.6 Other commitments | | | |
| Future commitments in respect of sale of equity and other securities | | 433,049 | 394,964 |
| Royalty and advisory fee | | 10,000 | 10,000 |
| Commitment in respect of capital expenditure | | 30,340 | 75,320 |
| Motor Vehicle acquired under ijarah from Bank Islami Limited - related party | | | |
| - Due in one year | | - | 1,209 |
| - Due in two to five years | | - | - |
| 15.7 Derivative Instruments | | | |
| Cross currency swaps (notional principal) | | 1,084,500 | 1,084,500 |

(Unaudited)
March 31,
2014 March 31,
2013

16. OTHER CHARGES

| | | | |
|---|------|--------------|--------------|
| Penalties imposed by State Bank of Pakistan | | - | 21 |
| Provision for Workers' Welfare Fund (WWF) | 16.1 | 6,822 | 3,907 |
| | | <u>6,822</u> | <u>3,928</u> |

16.1 Provision held @ 2% of the higher of profit before tax or taxable income under Workers Welfare Ordinance, 1971.

17. TAXATION

In view of the tax losses of the Bank and JS Investments Limited (the subsidiary), tax provision has been made subject to minimum taxation @ 1% under section 113 of Income Tax Ordinance, 2001 in this consolidated condensed interim financial information.

18. BASIC AND DILUTED EARNINGS PER SHARE

| | | (Unaudited) | | | |
|--|---------------|---------------------------|-----------|-------------------------|-----------|
| | | Diluted Earning Per Share | | Basic Earning Per Share | |
| | | 2014 | 2013 | 2014 | 2013 |
| Profit after taxation for the period - attributable to ordinary equity holders of the Bank | (Rs. in '000) | 199,298 | 6,146 | 199,298 | 6,146 |
| Weighted average number of outstanding ordinary shares during the period | (No. in '000) | 1,174,964 | 1,072,464 | 1,072,464 | 1,072,464 |
| Basic and diluted earnings per share | Rupee | 0.17 | 0.01 | 0.19 | 0.01 |

19. ACTUARIAL GAINS / (LOSSES) ON DEFINED BENEFIT PLAN - NET OF TAX

For recognition of actuarial gains and losses immediately in this consolidated condensed interim financial information, based on assumptions and judgements used in recent actuarial valuation carried out at the end of December 31, 2013, the Bank is not required to remeasure the defined benefit (liability) / asset for interim reporting purpose under International Accounting Standards (IAS) 19 'Employee Benefits' and IAS- 34 'Interim Financial Reporting'.

20. 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 | |
|--|----------------------------|-----------------------------|----------------------------|-----------------------------|----------------------------|-----------------------------|
| | (Unaudited) March 31, 2014 | (Audited) December 31, 2013 | (Unaudited) March 31, 2014 | (Audited) December 31, 2013 | (Unaudited) March 31, 2014 | (Audited) December 31, 2013 |
| (Rupees in '000) | | | | | | |
| Advances and trade debts | | | | | | |
| Opening balance | 170,048 | 94,071 | 1,533,221 | 1,378,039 | 1,703,269 | 1,472,110 |
| Disbursements | 66,089 | 107,070 | 885,077 | 3,386,554 | 951,166 | 3,495,624 |
| Repayments | (27,225) | (31,093) | (972,124) | (3,233,372) | (999,349) | (3,264,465) |
| Balance as at | 208,912 | 170,048 | 1,446,174 | 1,533,221 | 1,655,066 | 1,703,269 |
| Disbursements during the quarter ended March 31, 2013 | | 3,623 | | 1,134,797 | | 1,138,420 |
| Repayments during the quarter ended March 31, 2013 | | (6,332) | | (1,196,114) | | (1,202,646) |
| Mark-up / return / interest earned for the quarter ended (un-audited) - March 31 | 1,877 | 1,014 | 34,820 | 37,182 | 36,697 | 38,196 |

| | Parent | | Key management personnel | | Other related parties | | Total | |
|--|----------------------------|-----------------------------|----------------------------|-----------------------------|----------------------------|-----------------------------|----------------------------|-----------------------------|
| | (Unaudited) March 31, 2014 | (Audited) December 31, 2013 | (Unaudited) March 31, 2014 | (Audited) December 31, 2013 | (Unaudited) March 31, 2014 | (Audited) December 31, 2013 | (Unaudited) March 31, 2014 | (Audited) December 31, 2013 |
| (Rupees in '000) | | | | | | | | |
| Deposits and trade payable | | | | | | | | |
| Opening balance | 1,557,270 | 2,002,829 | 23,012 | 16,731 | 5,955,347 | 4,387,067 | 7,535,629 | 6,406,627 |
| Deposits during the period | 1,238,529 | 8,779,869 | 185,584 | 492,958 | 15,785,362 | 59,790,860 | 17,189,475 | 69,063,687 |
| Withdrawals during the period | (2,186,175) | (9,225,428) | (153,522) | (486,677) | (18,291,441) | (58,222,580) | (20,631,139) | (67,934,685) |
| Balance as at | 609,624 | 1,557,270 | 35,074 | 23,012 | 3,449,268 | 5,955,347 | 4,083,966 | 7,535,629 |
| Deposits during the quarter ended March 31, 2013 | | 2,085,110 | | 74,061 | | 9,145,083 | | 11,304,254 |
| Withdrawals during the quarter ended March 31, 2013 | | (2,843,871) | | (70,768) | | (9,126,789) | | (12,041,428) |
| Mark-up / return / interest expensed quarter ended (un-audited) - March 31 | 20,890 | 33,060 | 242 | 150 | 86,863 | 78,879 | 109,995 | 112,089 |

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, 2014 | March 31, 2013 | March 31, 2014 | March 31, 2013 | March 31, 2014 | March 31, 2013 | March 31, 2014 | March 31, 2013 | |
| | (Rupees in '000) | | | | | | | | |
| (Unaudited) | | | | | | | | | |
| Nature of transactions | | | | | | | | | |
| Sale of Government Securities | 89,478 | 8,818,820 | 32,399,272 | - | 1,581,063 | 133,521 | 34,069,813 | 8,950,341 | |
| Purchase of Government Securities | - | 491,123 | 6,329,014 | - | 99,439 | - | 6,428,453 | 491,123 | |
| Sale of Sukuk / Ijara | - | - | - | - | - | - | - | - | |
| Sale of shares / Units | - | - | - | - | 90,733 | 170,246 | 90,733 | 170,246 | |
| Purchase of shares / Units | - | - | - | - | 753,216 | - | 753,216 | - | |
| Plant /other receivable | - | - | - | - | - | 746 | - | 746 | |
| Call borrowing / Repo | - | - | - | 3,000,000 | - | - | - | 3,000,000 | |
| Purchase of forward foreign exchange contracts | - | - | - | 2,107,124 | - | - | - | 2,107,124 | |
| Sale of forward foreign exchange contracts | - | - | - | 2,643,685 | - | - | - | 2,643,685 | |
| Letter of guarantees | - | - | - | - | 70 | - | 70 | - | |
| Nature of transactions | | | | | | | | | |
| Payment to staff benefit plan | - | - | - | - | 1,290 | - | 1,290 | - | |
| Payment to staff contribution plan | - | - | - | - | 16,435 | - | 16,435 | - | |
| Remuneration of key management personnel | - | - | - | - | 84,188 | - | 84,188 | - | |
| Director fee | - | - | - | - | 2,442 | - | 2,442 | - | |
| Insurance claim received | 2,234 | 2,003 | - | - | - | - | 2,234 | 2,003 | |
| Insurance premium paid | 23,037 | 31,305 | 15,196 | - | - | - | 38,233 | 31,305 | |
| Services rendered | - | - | - | - | - | 2,435 | - | 2,435 | |
| Rent income received / receivable | - | - | - | - | - | 249 | - | 249 | |
| Expenses incurred on behalf | 33 | - | - | - | 10,639 | - | 10,672 | - | |
| Reimbursement of expenses | - | - | - | - | 546 | 11,010 | 546 | 11,010 | |
| Commission income | - | 17,023 | 138 | - | 149 | 3,354 | 287 | 20,377 | |
| Dividend income | - | - | - | - | - | 58,142 | - | 58,142 | |
| Consultancy | - | - | - | - | 4,500 | 4,500 | 4,500 | 4,500 | |
| Markup expense on repo | - | - | - | 777 | - | - | - | 777 | |
| Ijarah rental expense | - | - | - | 597 | - | - | - | 597 | |
| Royalty expenses | - | - | - | - | 2,500 | - | 2,500 | - | |
| Remunerative income | - | - | - | - | 55,662 | 63,285 | 55,662 | 63,285 | |
| Parent company | | | | | | | | | |
| | March 31, 2014 | March 31, 2013 | | | | | | | |
| (Unaudited) | | | | | | | | | |
| Nature of transactions | | | | | | | | | |
| Sale of Government Securities | 468,254 | 1,016,605 | - | - | - | - | - | - | |
| Purchase of Government Securities | 133,163 | 242 | - | - | - | - | - | - | |
| Rent expense paid / accrued | 278 | - | - | - | - | - | - | - | |
| Reimbursement of expenses | 1,030 | 491 | - | - | - | - | - | - | |
| The Underwriting Commission | 3,056 | - | - | - | - | - | - | - | |

21. SEGMENT DETAILS WITH RESPECT TO BUSINESS ACTIVITIES

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

| | 2014 | | | | | | | | Total |
|---|-------------------|-------------------|----------------|--------------------|------------------------|-----------|------------------|------------|-------------|
| | Corporate finance | Trading and sales | Retail banking | Commercial banking | Payment and settlement | Brokerage | Asset Management | Others | |
| | (Rupees in '000) | | | | | | | | |
| March 31, 2014 (unaudited) | | | | | | | | | |
| Total income -external | 16,907 | 1,481,336 | 496,206 | 537,840 | 34,103 | 129,055 | 109,221 | 4,440 | 2,809,108 |
| Inter-segment revenues-net | - | (956,801) | 982,917 | (26,116) | - | - | - | - | - |
| Total income | 16,907 | 524,535 | 1,479,123 | 511,724 | 34,103 | 129,055 | 109,221 | 4,440 | 2,809,108 |
| Total expenses | (1,099) | (305,819) | (1,399,792) | (500,450) | (13,476) | (74,054) | (47,922) | (129,856) | (2,472,468) |
| Current taxation | - | - | - | - | - | - | - | (39,853) | (39,853) |
| Deferred taxation | - | - | - | - | - | - | - | (40,332) | (40,332) |
| Net income / (loss) | 15,808 | 218,716 | 79,331 | 11,274 | 20,627 | 55,001 | 61,299 | (205,601) | 256,455 |
| March 31, 2014 (unaudited) | | | | | | | | | |
| Segment assets (gross) | - | 65,914,261 | 16,009,360 | 20,606,618 | - | 3,174,661 | 2,626,643 | 13,958,354 | 122,289,897 |
| Segment non performing loans and Impaired investments | - | 402,936 | 93,816 | 2,617,297 | - | 326,456 | 713,323 | - | 4,153,828 |
| Segment provision required | - | (246,485) | (44,071) | (1,369,135) | - | (326,456) | (713,323) | - | (2,699,470) |
| Segment liabilities | - | 19,397,223 | 65,993,099 | 17,492,462 | 1,482,830 | 482,942 | 127,440 | 1,359,069 | 106,335,065 |
| | 2013 | | | | | | | | Total |
| | Corporate finance | Trading and sales | Retail banking | Commercial banking | Payment and settlement | Brokerage | Asset Management | Others | |
| | (Rupees in '000) | | | | | | | | |
| March 31, 2013 (unaudited) | | | | | | | | | |
| Total income -external | 18,646 | 1,293,978 | 166,135 | 416,733 | 38,876 | 127,706 | 114,131 | 12,307 | 2,188,512 |
| Inter-segment revenues-net | - | (789,174) | 891,201 | (102,027) | - | - | - | - | - |
| Total income | 18,646 | 504,804 | 1,057,336 | 314,706 | 38,876 | 127,706 | 114,131 | 12,307 | 2,188,512 |
| Total expenses | (882) | (312,550) | (1,070,212) | (440,858) | (12,666) | (74,462) | (70,054) | (90,879) | (2,072,563) |
| Current taxation | - | - | - | - | - | - | - | (43,464) | (43,464) |
| Deferred taxation | - | - | - | - | - | - | - | (18,801) | (18,801) |
| Net income / (loss) | 17,764 | 192,254 | (12,876) | (126,152) | 26,210 | 53,244 | 44,077 | (140,837) | 53,684 |
| December 31, 2013 (audited) | | | | | | | | | |
| Segment assets (gross) | - | 62,527,245 | 13,572,509 | 21,557,671 | - | 2,725,206 | 2,646,366 | 14,749,647 | 117,778,644 |
| Segment non performing loans and Impaired investments | - | 402,935 | 102,892 | 2,655,486 | - | 724,129 | 716,086 | - | 4,601,528 |
| Segment provision required | - | (231,500) | (44,861) | (1,356,324) | - | (681,114) | (716,086) | - | (3,029,885) |
| Segment liabilities | - | 18,224,248 | 61,293,743 | 20,737,631 | 1,414,793 | 323,379 | 120,517 | 1,326,880 | 103,441,191 |

22. GENERAL

22.1 Comparative figures in this consolidated condensed interim financial information have been re-arranged and re-classified to reflect more appropriate presentation of events and transactions for the purpose of comparison, which as follows:

| Description | Rupees in (000) | Reclassified | |
|---|-----------------|-------------------------|---------------|
| | | From | To |
| Provision for Workers' Welfare Fund (WWF) | 3,907 | Administrative expenses | Other charges |

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

23. DATE OF AUTHORISATION FOR ISSUE

This consolidated condensed interim financial information was authorised for issue by the Board of Directors on April 25, 2014.

Chairman

President &
Chief Executive Officer

Director

Director



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