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Company Information

Board of Directors	Mr. Jahangir Siddiqui Mr. Mazhar-ul-Haq Siddiqui Mr. Maqbool A. Soomro Mr. Ashraf Nawabi Mr. Rafique R. Bhimjee Syed Amjad Ali Mr. Basir Shamsie	Chairman
President & Chief Executive Officer	Mr. Naveed Qazi	
Audit Committee	Mr. Jahangir Siddiqui Mr. Maqbool A. Soomro Mr. Rafique R. Bhimjee	Chairman Member Member
Human Resource Committee	Mr. Jahangir Siddiqui Mr. Naveed Qazi Syed Muhammad Shoaib Omair	Chairman Member Member/Secretary
Risk Management Committee	Mr. Jahangir Siddiqui Mr. Naveed Qazi Mr. Ashraf Nawabi Syed Amjad Ali Mr. Akbar Hasan Khan	Chairman Member Member Member Secretary
Company Secretary	Mr. Muhammad Yousuf Amanullah	
Auditors	Ford Rhodes Sidat Hyder & Co. Chartered Accountants	
Legal Advisors	Bawaney & Partners Liaquat Merchant Associates	
Share Registrar	Technology Trade (Pvt.) Limited 241-C, Block-2, P.E.C.H.S., Karachi.	
Registered Office	JS Bank Limited Shaheen Commercial Complex Dr. Ziauddin Ahmed Road P.O. Box 4847 Karachi-74200, Pakistan.	



DIRECTORS' REPORT

On behalf of the Board of Directors, I am pleased to present the reviewed financial statements for the half year ended June 30, 2008.

During the first six months of 2008, your bank has earned profit after taxation of Rs. 160.242 million as compared to Rs. 34.676 million for the same period last year. Total Assets increased to Rs 24.164 billion as compared to Rs. 19.330 billion as at June 30, 2007, whereas the deposits stood at Rs. 14.078 billion. Our advances book has grown at a rate of 104% from June 30, 2007 and stood at Rs. 9.572 billion for the half year ended June 30, 2008. This was possible due to the continued commitment of the management, teamwork displayed by the staff and guidance provided by the Board.

On the retail side, as the first step in broadening the bank's product suite to cater to a multitude of customers, intense focus has been placed on strengthening the liabilities business. The aim is to improve the present deposit mix of the bank by increasing focus on low cost deposits. Some new products are also on the anvil which will cater to a wide variety of customers, spread geographically all over the country. To ensure that our broadening product suite has a successful roll-out to a wide audience of diverse customers, considerable energy and resources are being committed to an ambitious roll-out program on our branch network which aims to give JS Bank a retail footprint of 125 branches/sub-branches by 2010. Already the last quarter of 2008 will see our branch network increase manifold from around 9 to over 39 branches/sub-branches.

As we grow the business on the liabilities side, it will provide us with a broad base foundation to support the asset business along with other key initiatives. An equally aggressive growth plan has been unfolded to further cement the bank's strengths in the SME financing area. This is being coupled with a robust infrastructure for SME financing with a clear focus on creating synergies between assets and liabilities and exploiting cross sell opportunities.

The Pakistan Credit Rating Agency Limited while assigning a positive outlook, has maintained the long-term and short-term entity ratings of the Bank at A- ("Single A minus") and the short term rating at A2 ("A Two"). These ratings denote a low expectation of credit risk emanating from a strong capacity for timely payment of financial commitments.

We would like to express our sincere thanks and gratitude for the guidance provided by the State Bank of Pakistan, the Securities and Exchange Commission of Pakistan, the Karachi Stock Exchange and other regulatory authorities. We would also like to thank our valued clients for their continued patronage and confidence. The Board would also like to place on record its appreciation for the hard work, dedication, professionalism and sincere efforts of the senior management, officers and staff of the Bank at all levels.

Karachi: August 28, 2008

On behalf of the Board

Naveed Qazi
President and Chief Executive Officer



JS Bank Limited

REPORT TO THE MEMBERS ON REVIEW OF INTERIM FINANCIAL INFORMATION

Introduction

We have reviewed the accompanying interim condensed balance sheet of **JS Bank Limited** as at 30 June 2008 and the related interim condensed profit and loss account, interim condensed cash flow statement and interim condensed statement of changes in equity together with the notes forming part thereof (here-in-after referred to as the "interim financial information") for the half year then ended. Management is responsible for the preparation and presentation of this interim financial information in accordance with approved accounting standards as applicable in Pakistan. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

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

Conclusion

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

Karachi
Date: August 28, 2008

Ford Rhodes Sidat Hyder & Co.
CHARTERED ACCOUNTANTS



INTERIM CONDENSED BALANCE SHEET AS AT JUNE 30, 2008

	Note	Un-Audited June 30, 2008	Audited December 31, 2007
----- (Rupees in '000) -----			
ASSETS			
Cash and balances with treasury banks		1,845,298	977,235
Balances with other banks		2,037,019	254,079
Lendings to financial institutions	4	1,733,096	3,601,211
Investments	5	5,966,080	6,109,536
Advances	6	9,571,850	6,475,963
Operating fixed assets	7	2,125,622	1,955,360
Deferred tax assets		127,517	126,525
Other assets		757,905	827,843
		24,164,387	20,327,752
LIABILITIES			
Bills payable		510,069	727,179
Borrowings		3,769,084	481,147
Deposits and other accounts	8	14,078,001	13,679,898
Sub-ordinated loans		-	-
Liabilities against assets subject to finance lease		-	-
Deferred tax liabilities		-	-
Other liabilities		438,566	245,721
		18,795,720	15,133,945
NET ASSETS		5,368,667	5,193,807
REPRESENTED BY:			
Share capital		5,106,337	5,106,337
Reserves		7,086	7,086
Unappropriated profit		188,170	27,928
		5,301,593	5,141,351
Surplus on revaluation of assets - net of tax		67,074	52,456
		5,368,667	5,193,807
CONTINGENCIES AND COMMITMENTS	9		

The annexed notes from 1 to 16 form an integral part of these interim condensed financial statements.

Jahangir Siddiqui
Chairman

Naveed Qazi
President and Chief Executive

Syed Amjad Ali
Director

Basir Shamsie
Director

**INTERIM CONDENSED PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE HALF YEAR ENDED JUNE 30, 2008**

Note	Quarter ended	Half year ended	Quarter ended	Half year ended
	June 30, 2008	June 30, 2008	June 30, 2007	June 30, 2007
	(Rupees in '000)			
Mark-up / return / interest earned	492,588	880,154	247,727	408,225
Mark-up / return / interest expensed	343,295	597,551	191,759	287,516
Net mark-up / interest income	149,293	282,603	55,968	120,709
Provision against non-performing loans and advances	(1,622)	(4,403)	(5,056)	(5,056)
Provision for diminution in value of investments	-	-	(3,948)	(1,113)
Bad debts written off directly	-	-	-	-
	(1,622)	(4,403)	(9,004)	(6,169)
Net mark-up / interest income after provisions	147,671	278,200	46,964	114,540
NON MARK-UP / INTEREST INCOME				
Fee, commission and brokerage income	27,588	45,467	26,854	34,970
Dividend income	1,994	59,123	43,154	76,105
Income from dealing in foreign currencies	28,122	33,027	10,832	12,863
Gain on sale / redemption of securities	119,122	180,289	74,548	116,417
Unrealised gain / (loss) on revaluation of investments classified as held for trading	(1,987)	45	450	(215)
Other income	9,525	9,525	2,568	3,284
Total non-markup / interest income	184,364	327,476	158,406	243,424
	332,035	605,676	205,370	357,964
NON MARK-UP / INTEREST EXPENSES				
Administrative expenses	239,690	437,752	174,601	318,517
Other provisions / write offs	-	-	-	-
Other charges	1,772	2,390	295	301
Total non-markup / interest expenses	241,462	440,142	174,896	318,818
	90,573	165,334	30,474	39,146
Extra ordinary / unusual items	-	-	-	-
PROFIT BEFORE TAXATION	90,573	165,334	30,474	39,146
Taxation				
- Current	2,653	-	(2,031)	(3,259)
- Prior years	-	-	-	-
- Deferred	(5,292)	(5,292)	(1,211)	(1,211)
	(2,639)	(5,292)	(3,242)	(4,470)
PROFIT AFTER TAXATION	87,934	160,242	27,232	34,676
Unappropriated profit / (accumulated loss) brought forward	100,236	27,928	7,027	(417)
Profit available for appropriation	188,170	188,170	34,259	34,259
Basic and diluted earnings per share (Rupee)	0.17	0.31	0.08	0.10

The annexed notes from 1 to 16 form an integral part of these interim condensed financial statements.

Jahangir Siddiqui
Chairman

Naveed Qazi
President and Chief Executive

Syed Amjad Ali
Director

Basir Shamsie
Director



**INTERIM CONDENSED CASH FLOW STATEMENT (UN-AUDITED)
FOR THE HALF YEAR ENDED JUNE 30, 2008**

	June 30, 2008	June 30, 2007
	----- (Rupees in '000) -----	
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	165,534	39,146
Less: Dividend income	(59,123)	(76,105)
	106,411	(36,959)
Adjustments:		
Depreciation	30,614	11,867
Amortisation of intangibles	23,440	95,906
Amortisation of deferred cost	-	673
Charge for defined benefit plan	4,998	-
Provision against non-performing advances	4,403	5,056
Provision for diminution in value of investments	-	1,113
Gain on sale of fixed assets	(146)	(3,284)
	63,309	111,331
	169,720	74,372
(Increase) / decrease in operating assets		
Lendings to financial institutions	1,868,115	(2,854,728)
Held for trading securities	99,166	(90,386)
Advances	(3,100,290)	(2,987,862)
Other assets	73,795	(567,502)
	(1,059,214)	(6,500,478)
Increase / (decrease) in operating liabilities		
Bills payable	(217,110)	(230,225)
Borrowings	3,297,929	(512,285)
Deposits	398,103	7,233,684
Other liabilities	187,847	(272,462)
	3,666,769	6,218,712
	2,777,275	(207,394)
Income tax paid	(3,857)	(16,201)
Net cash flow from operating activities	2,773,418	(223,595)
CASH FLOW FROM INVESTING ACTIVITIES		
Net investment in available for sale securities	52,624	(811,500)
Dividend income	59,123	76,105
Investment in operating fixed assets	(224,438)	(206,564)
Sale proceeds of property and equipment disposed-of	268	6,705
Net cash used in from investing activities	(112,423)	(935,254)
CASH FLOW FROM FINANCING ACTIVITIES		
Issue of share capital	-	400,000
Increase / (decrease) in cash and cash equivalents	2,660,995	(758,849)
Cash and cash equivalents at beginning of the period	1,221,322	3,375,923
Cash and cash equivalents at end of the period	3,882,317	2,617,074

The annexed notes from 1 to 16 form an integral part of these interim condensed financial statements.

Jahangir Siddiqui
Chairman

Naveed Qazi
President and Chief Executive

Syed Amjad Ali
Director

Basir Shamsie
Director

**INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE HALF YEAR ENDED JUNE 30, 2008**

	Issued, Subscribed and paid-up share capital	Statutory reserve	Unappropriated profit / (accumulated loss)	Total
	(Rupees in '000)			
Balance as at January 1, 2007	3,004,225	-	(417)	3,003,808
Profit after taxation for the half year ended June 30, 2007	-	-	34,676	34,676
Issue of share capital	400,000	-	-	400,000
Balance as at June 30, 2007	3,404,225	-	34,259	3,438,484
Issue of ordinary shares of Rs.10/- each against cash	1,702,112	-	-	1,702,112
Profit after taxation for the half year ended December 31, 2007	-	-	755	755
Transfer to statutory reserve	-	7,086	(7,086)	-
Balance as at December 31, 2007	5,106,337	7,086	27,928	5,141,351
Profit after taxation for the half year ended June 30, 2008	-	-	160,242	160,242
Balance as at June 30, 2008	5,106,337	7,086	188,170	5,301,593

The annexed notes from 1 to 16 form an integral part of these interim condensed financial statements.

Jahangir Siddiqui
Chairman

Naveed Qazi
President and Chief Executive

Syed Amjad Ali
Director

Basir Shamsie
Director

5. INVESTMENTS

Note	June 30, 2008			December 31, 2007		
	Held by bank	Given as collateral	Total	Held by bank	Given as collateral	Total

(Rupees in '000)

5.1 INVESTMENTS BY TYPES:

Held for trading securities

Pakistan Investment Bonds
Ordinary Shares of listed companies

12,033	-	12,033	46,054	-	46,054
-	-	-	69,313	-	69,313
12,033	-	12,033	115,367	-	115,367

Available for sale securities

Market Treasury Bills
Pakistan Investment Bonds
Ordinary Shares of listed companies
Preference Shares of listed company
Term Finance Certificates-listed
Term Finance Certificates-unlisted
Sukuk Certificates
Mutual Fund Units / Certificates

2,651,013	413,340	3,064,353	2,920,855	472,370	3,393,225
217,849	142,989	360,838	652,604	-	652,604
306,920	-	306,920	352,994	-	352,994
95,503	-	95,503	95,503	-	95,503
727,427	-	727,427	462,275	-	462,275
488,481	-	488,481	677,707	-	677,707
160,000	-	160,000	15,000	-	15,000
596,511	-	596,511	293,349	-	293,349
5,333,704	556,329	5,890,033	5,470,287	472,370	5,942,657

Total investments at cost

5,345,737 556,329 5,902,066 5,585,654 472,370 6,058,024

Less: Provision for diminution in value of investment

(754) - (754) (754) - (754)

Investments (net of provision)

5,344,983 556,329 5,901,312 5,584,900 472,370 6,057,270

Surplus / (deficit) on revaluation of held for trading securities

45 - 45 (4,123) - (4,123)

Surplus / (deficit) on revaluation of available for sale securities

78,187 (13,464) 64,723 56,367 22 56,389

5,423,215 542,865 5,966,080 5,637,144 472,392 6,109,536

5.1.1 This includes investment in Azgard Nine Limited, a related party, amounting to Rs.160.056 (December 31, 2007: Rs.194.575) million.

5.1.2 This includes investment in Pak American Fertilizer Limited, a related party, amounting to Rs.150 (December 31, 2007: Rs.150) million.

5.1.3 Included herein are investments in following related parties:

a) UTP Large Capital Growth Fund and JS Value Fund (formerly BSJS Balance Fund), aggregating to Rs.384.728 (December 31, 2007:Rs.319.383) million, which are designated as strategic investments by the bank.

b) Crosby Dragon Fund amounting to Rs.212.342 (December 31, 2007: Nil) million.



NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UN-AUDITED) FOR THE HALF YEAR ENDED JUNE 30, 2008

1. STATUS AND NATURE OF BUSINESS

JS Bank Limited (the bank), incorporated in Pakistan, is a scheduled bank, engaged in commercial banking and related services. The bank is listed on Karachi Stock Exchange in Pakistan. The bank is a subsidiary of Jahangir Siddiqui & Company Limited. The registered office of the bank is situated at Shaheen Commercial Complex, Dr. Ziauddin Ahmed Road, Karachi and it operates with nine branches and two sub-branches in Pakistan (December 31, 2007: nine branches).

2. STATEMENT OF COMPLIANCE

These interim condensed financial statements have been prepared in accordance with the approved accounting standards as applicable to banks in Pakistan and the requirements of the Companies Ordinance, 1984 and the Banking Companies Ordinance, 1962. Approved accounting standards comprise of such International Financial Reporting Standards (IFRSs) as notified under the provisions of the Companies Ordinance, 1984. Wherever the requirement of the Companies Ordinance, 1984, Banking Companies Ordinance, 1962 or directives issued by the Securities and Exchange Commission of Pakistan and the State Bank of Pakistan (SBP) differ with the requirement of these standards, the requirement of the Companies Ordinance, 1984, Banking Companies Ordinance, 1962, or the requirements of the said directives take precedence.

The SBP as per BSD Circular No.10 dated August 26, 2002 has deferred the applicability of IAS 39, "Financial Instruments: Recognition and Measurement" and IAS 40, "Investment Property" for banking companies till further instructions. Accordingly, the requirements of these standards have not been considered in the preparation of these interim condensed financial statements. However investments have been classified and valued in accordance with the requirements of various circulars issued by SBP.

The disclosures made in these interim condensed financial statements have been limited based on the format prescribed by the SBP vide BSD Circular letter No. 2 dated May 12, 2004 and IAS 34, "Interim Financial Reporting". They do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the financial statements of the bank for the year ended December 31, 2007.

3. ACCOUNTING POLICIES

The accounting policies adopted in the preparation of these interim condensed financial statements are the same as those applied in the preparation of the annual financial statements of the bank for the year ended December 31, 2007.

4. LENDINGS TO FINANCIAL INSTITUTIONS

	June 30, 2008	December 31, 2007
	----- (Rupees in '000) -----	
Call money lendings	600,000	2,115,000
Repurchase agreement lendings (Reverse Repo)	1,133,096	1,486,211
	<u>1,733,096</u>	<u>3,601,211</u>



	Note	June 30, 2008	December 31, 2007
----- (Rupees in '000) -----			
6. ADVANCES			
Loans, cash credits, running finances, etc.			
In Pakistan		8,647,801	4,452,950
Outside Pakistan		-	-
		8,647,801	4,452,950
Net investment in finance lease			
In Pakistan		-	-
Outside Pakistan		-	-
		-	-
Bills discounted and purchased (excluding market treasury bills)			
Payable in Pakistan		116,452	147,938
Payable outside Pakistan		172,039	-
		288,491	147,938
Financing in respect of Continuous Funding System (CFS)	6.1	757,633	1,992,747
Advances - gross		9,693,925	6,593,635
Provision for non-performing advances			
- specific		(113,604)	(113,604)
- general (against consumer financing)		(8,471)	(4,068)
		(122,075)	(117,672)
Advances - net of provision		9,571,850	6,475,963

6.1 The fair value of the securities held in respect of CFS as on June 30, 2008 amounted to Rs.727.302 (December 31, 2007: Rs.1,887.687) million.

6.2 Advances include Rs.143.604 (December 31, 2007: Rs.143.604) million which have been placed under non-performing status as detailed below:

Category of Classification

		June 30, 2008			Provision	Provision Held
	Note	Domestic	Overseas	Total	Required	
----- (Rupees in '000) -----						
Sub-standard	6.2.1	40,000	-	40,000	10,000	10,000
Loss		103,604	-	103,604	103,604	103,604
		143,604	-	143,604	113,604	113,604

6.2.1 This represents call lending, amounting to Rs.40 million, provided to a borrower against which the bank had made a provision of Rs.10 million in prior periods. Further, in May 2007, this lending was restructured by the bank. Upon receiving relaxation under R-4.2(d) and R-8 of the Prudential Regulations for Corporate / Commercial Banking from the SBP vide its letter No. BPRD/BRD-3/ Corp/2007/7534, dated July 24, 2007, the bank has reclassified the said lending as an unsecured loan.

	Note	June 30, 2008	December 31, 2007
----- (Rupees in '000) -----			
7. OPERATING FIXED ASSETS			
Capital work-in-progress		72,911	90,440
Property and equipment	7.1	430,908	295,179
Intangible assets	7.2 & 7.3	1,621,803	1,569,741
		2,125,622	1,955,360

- 7.1 During the current period, the bank acquired tangible assets costing Rs.166.466 (December 31, 2007: Rs.252.946) million, mainly comprising of leasehold property and computer equipment. The bank is currently in the process of having the property registered in its own name. Further, assets with a net book value of Rs.0.121 (December 31, 2007: Rs.6.083) million were disposed of by the bank resulting in a net gain on disposal of Rs.0.146 (December 31, 2007: Rs.5.766) million.
- 7.2 During the current period, the bank acquired intangible assets costing Rs.75.502 (December 31, 2007: Rs.0.800) million mainly comprising of banking software and licenses.
- 7.3 Included herein is an amount of Rs.1.463 (December 31, 2007: Rs.1.463) billion representing goodwill arising as a result of acquisition of Jahangir Siddiqui Investment Bank Limited and Pakistan operations of American Express Bank Limited.

	June 30, 2008	December 31, 2007
	----- (Rupees in '000) -----	
8. DEPOSITS AND OTHER ACCOUNTS		
Customers		
Fixed deposits	6,169,995	6,354,276
Savings deposits	4,007,439	3,052,699
Current accounts – non-remunerative	1,675,038	1,580,919
Margin accounts	79,296	11,633
	<u>11,931,768</u>	<u>10,999,527</u>
Financial Institutions		
Remunerative deposits	2,045,424	2,588,667
Non-remunerative deposits	100,809	91,704
	<u>2,146,233</u>	<u>2,680,371</u>
	<u>14,078,001</u>	<u>13,679,898</u>
Particulars of deposits		
In local currency	12,854,323	12,528,073
In foreign currencies	1,223,678	1,151,825
	<u>14,078,001</u>	<u>13,679,898</u>

Note

	June 30, 2008	December 31, 2007
	----- (Rupees in '000) -----	

9. CONTINGENCIES AND COMMITMENTS

9.1 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	63,757	51,258
ii) Banking companies and other financial institutions	2,064	15
iii) Others	15,368	10,244
	<u>81,189</u>	<u>61,517</u>



	Note	June 30, 2008 ----- (Rupees in '000) -----	December 31, 2007 -----
9.2 Trade-related Contingent Liabilities			
Documentary credits		<u>632,460</u>	<u>134,348</u>
9.3 Other Contingencies			
Claims not acknowledged as debts		<u>97,358</u>	<u>108,457</u>
9.4 Commitments in respect of forward exchange contracts			
Purchase		<u>661,840</u>	<u>1,941,004</u>
Sale		<u>2,416,124</u>	<u>1,256,303</u>
9.5 Commitments for the acquisition of operating fixed assets		<u>142,913</u>	<u>94,174</u>
9.6 Other commitments			
Forward purchase commitments		<u>65,000</u>	<u>-</u>
Forward sale commitments		<u>65,000</u>	<u>102,880</u>
Underwriting commitments		<u>170,993</u>	<u>155,000</u>
10. ADMINISTRATIVE EXPENSES	10.1	<u>437,752</u>	<u>318,517</u>

10.1 This includes salaries, wages and allowances amounting to Rs.185,964 (June 30, 2007: Rs.102,350) million and rent, taxes, insurance and electricity charges amounting to Rs.63,249 (June 30, 2007: Rs.37,383) million respectively.

11. TAXATION

11.1 In view of the brought forward losses of the bank, no tax provision has been made in these interim condensed financial statements.

11.2 As stated in note 13.2 to the annual financial statements of the bank, deferred tax asset amounting to Rs.465,163 (December 31, 2007: Rs.529,217) million, on unused tax losses of AEBL, has not been recognized. At the period end, these unused tax losses amounting to Rs.1,329,038 (December 31, 2007: Rs.1,512,049) million.

11.3 As stated in the accounting policy for goodwill in note 6.17 to the annual financial statements of the bank, the bank reviews goodwill for impairment annually or more frequently if events or changes in the circumstances indicate that the carrying value may be impaired. Accordingly, the impairment test for goodwill will be carried out at the end of the current year as the management believes that there are no current events or changes in the circumstances that indicate the carrying value is impaired. Hence, the adjustments arising as a result of impairment, if any, including the effect on deferred taxation will be accounted for in the annual financial statements of the bank.

12. RELATED PARTY TRANSACTIONS

Related parties comprise the parent company, directors and key management personnel of the bank and its parent. The bank in the normal course of business carries out transactions with various related parties. The transactions with the related parties are made at normal market prices.

The detail of transactions with related parties during the period are as follows:

	June 30, 2008		December 31, 2007	
	Key management personnel	Other Related parties	Key management personnel	Other Related parties
	(Rupees in '000)		(Rupees in '000)	
Advances				
Opening balance	6,493	339,398	-	-
Disbursements	2,000	120,646,971	6,777	430,897
Repayments	(331)	(120,544,006)	(284)	(91,499)
Closing balance	8,162	442,363	6,493	339,398
Mark-up / return / interest earned	128	32,217	246	585
	June 30, 2008		December 31, 2007	
	Key management personnel	Other Related parties	Key management personnel	Other Related parties
	(Rupees in '000)		(Rupees in '000)	
Deposits				
Opening balance	76,426	2,717,424	106,814	653
Deposits during the period / year	170,157	97,708,924	563,715	45,857,863
Withdrawals during the period / year	(211,754)	(98,273,440)	(594,103)	(43,141,092)
Closing balance	34,829	2,152,908	76,426	2,717,424
Mark-up / return / interest expensed	1,260	106,270	4,143	100,618

The related party status of outstanding receivables and payable as at June 30, 2008 are included in respective notes to the interim condensed financial statements. Material transactions with related parties are given below:

Relationship with the bank	Nature of transactions	June 30, 2008	December 31, 2007
		(Rupees in '000)	
Companies having common directorship			
	Purchase of Term Finance Certificates	83,367	74,374
	Sale of Term Finance Certificates	93,858	747,144
	Sale of Pakistan Investment Bonds	1,247,779	-
	Insurance claim received	-	3,444
	Payment of insurance premium	12,673	7,687
Parent company			
	Subscription in right shares	-	1,207,175
	Advisory fee for Term Finance Certificates	-	8,250
	Payment of rent expense	-	125
	Refund of security deposit	-	1,233
Companies in which parent company holds 20% or more			
	Purchase of fixed assets	-	3,025
	Sale of fixed assets	-	810
	Amount paid for services rendered	-	628
	Purchase of Term Finance Certificates	-	458,134
	Sale of Term Finance Certificates	-	422,271
	Payment of rent expense	675	252
	Sale of shares	133,036	580,643
	Purchase of shares	-	423,747
	Commission expense	2,797	8,543
	Dividend income	55,818	74,895
	Advisory fee for Term Finance Certificates	-	10,938
	Trustee fee	-	470
Other related parties			
	Trustee fee	6,351	4,524
	Purchase of Term Finance Certificates	-	150,000
	Advisory fee for Term Finance Certificates	-	21,443
	Commission income	552	-
	Purchase of units	596,078	-
	Sale of units	368,130	-



13. SEGMENT DETAILS WITH RESPECT TO BUSINESS ACTIVITIES

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

	June 30, 2008					
	Corporate Finance	Trading & Sales	Retail Banking	Commercial Banking	Payment & Settlement	Others
(Rupees in '000)						
Total income	16,546	738,777	406,424	17,137	28,600	146
Total expenses	2,480	116,726	525,930	24,940	3,726	373,586
Net income / (loss)	14,066	622,051	(119,506)	(7,803)	24,874	(373,440)

	June 30, 2007					
	Corporate Finance	Trading & Sales	Retail Banking	Commercial Banking	Payment & Settlement	Others
(Rupees in '000)						
Total income	23,654	559,302	54,376	785	10,248	3,284
Total expenses	2,187	54,044	270,697	8,628	4,018	277,399
Net income / (loss)	21,467	505,258	(216,321)	(7,843)	6,230	(274,115)

14. RECLASSIFICATION

Corresponding figures have been reclassified for better presentation. Major reclassification is as follows:

Statement	Components	Reclassification from	Reclassification to	Rupees
Balance Sheet	Intangible assets	Other assets	Operating fixed assets	1,463,624

15. DATE OF AUTHORISATION FOR ISSUE

These interim condensed financial statements were authorised for issue by the Board of Directors on August 28, 2008

16. GENERAL

16.1 Figures of the profit and loss account for the quarters ended June 30, 2008 and June 30, 2007 have not been subjected to limited scope review by the auditors.

16.2 The figures in the financial statements have been rounded off to the nearest thousand.

Jahangir Siddiqui
Chairman

Naveed Qazi
President and Chief Executive

Syed Amjad Ali
Director

Basir Shamsie
Director