



JS Bank Limited
Interim Condensed Financial Statements
For the nine month period ended September 30, 2009
(Un-audited)



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COMPANY INFORMATION

Board of Directors	Chairman	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
President & Chief Executive Officer		Mr. Naveed Qazi
Audit Committee	Chairman Member Member	Mr. Jahangir Siddiqui Mr. Maqbool A. Soomro Mr. Rafique R. Bhimjee
Human Resource Committee	Chairman Member Member	Mr. Jahangir Siddiqui Mr. Naveed Qazi Syed Muhammad Shoab Omair
Risk Management Committee	Chairman Member Member Member	Mr. Jahangir Siddiqui Mr. Naveed Qazi Mr. Ashraf Nawabi Syed Amjad Ali
Company Secretary		Mr. Muhammad Yousuf Amanullah
Auditors		Ernst & Young Ford Rhodes Sidat Hyder Chartered Accountants <small>(Member firm of Ernst & Young Global Limited)</small>
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.

Nine Months Ended 2009 | 02

DIRECTORS' REPORT

On behalf of the Board of Directors, I hereby present the un-audited financial statements for the nine months period and third quarter ended September 30, 2009.

Pakistan's economy remained on the recovery path as major macro economic indicators continued to improve. Inflation came down to 10.12% as of September 2009 from a peak of 25% a year ago. Foreign remittances witnessed record growth in the current calendar year and were up 21% in third quarter of 2009, while foreign reserves continued to grow and have now reached US \$ 14.5 billion (22 weeks of import cover). However, pressure still remains on certain segments of the economy as Large Scale Manufacturing (LSM) data posted a contraction of 11% in the first half of the 2009. This weak LSM performance trickled down to the banking sector as concerns over asset quality kept credit off take subdued, growing by a mere 0.4% in the first nine months of 2009. Non performing loans (NPLs) have remained a key risk for the banking sector in this period as they expanded by 15% or Rs. 53 billion in first half of 2009. However deposits of the sector grew by a healthy 9.5% in 9 months 2009. A broad based economic recovery is however necessary for any major revival in credit off take and in turn the banking sector outlook.

During the nine months period under review, the balance sheet of your bank strengthened, with the asset side improving due to higher business volumes. Total assets stood at Rs. 27.94 billion from Rs 21.63 billion as at December 31, 2008. The Bank's deposit base grew to Rs. 19.05 billion as compared to Rs. 15.29 billion, an increase of 25%. The bank has suffered a net loss after taxation of Rs 1,252.49 million for the nine months period. Provision for impairment in the value of investments amounting to Rs 357.49 million and provision against non-performing loans and advances amounting to Rs 317.02 million are the major contributors towards this loss.

Our long term strategy is to make the bank a leading bank in Pakistan. We remain committed to expanding our network presence to achieve broader coverage of the market.

As communicated earlier, the Pakistan Credit Rating Agency (PACRA) has upgraded the long-term and short-term entity ratings of JS Bank Limited to "A" from A- and "A1" from A2, respectively. These ratings denote 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: October 26, 2009

On behalf of the Board

Naveed Qazi
President and Chief Executive Officer

INTERIM CONDENSED BALANCE SHEET
AS AT SEPTEMBER 30, 2009

		Un-Audited September 30, 2009	Audited December 31, 2008
		----- (Rupees in '000) -----	
ASSETS			
	Note		
Cash and balances with treasury banks		1,791,771	1,285,247
Balances with other banks		489,882	672,271
Lendings to financial institutions	6	2,431,819	1,405,210
Investments	7	9,046,402	5,119,959
Advances	8	10,575,213	9,699,199
Operating fixed assets	9	2,937,967	2,496,883
Deferred tax assets		39,090	271,646
Other assets		625,202	677,387
		27,937,346	21,627,802
LIABILITIES			
Bills payable		248,454	127,922
Borrowings		3,058,990	537,655
Deposits and other accounts	10	19,054,703	15,294,273
Sub-ordinated loans		-	-
Liabilities against assets subject to finance lease		-	-
Deferred tax liabilities		-	-
Other liabilities		545,102	392,115
		22,907,249	16,351,965
NET ASSETS		<u>5,030,097</u>	<u>5,275,837</u>
REPRESENTED BY:			
Share capital		6,127,605	5,694,844
Reserves		18,040	18,040
(Accumulated loss) / unappropriated profit		(1,180,753)	71,744
		4,964,892	5,784,628
Surplus / (deficit) on revaluation of assets - net of tax		65,205	(508,791)
		<u>5,030,097</u>	<u>5,275,837</u>
CONTINGENCIES AND COMMITMENTS			
	11		

The annexed notes from 1 to 14 form an integral part of these interim condensed financial statements.

Jahangir Siddiqui
Chairman

Naveed Qazi
President & Chief Executive

Rafique R. Bhimjee
Director

Basir Shamsie
Director

Nine Months Ended 2009 | 04

INTERIM CONDENSED PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2009

	Quarter ended September 30, 2009	Period ended September 30, 2009	Quarter ended September 30, 2008	Period ended September 30, 2008
	(Rupees in '000)			
Mark-up / return / interest earned	641,583	1,828,306	521,874	1,402,028
Mark-up / return / interest expensed	497,707	1,314,729	369,818	967,369
Net mark-up / interest income	143,876	513,577	152,056	434,659
Provision against non-performing loans and advances	(111,450)	(317,028)	137	(4,266)
Provision for impairment in value of investments	(33,722)	(357,492)	754	754
Bad debts written off directly	-	-	-	-
	(145,172)	(674,520)	891	(3,512)
Net mark-up / interest income after provisions	(1,296)	(160,943)	152,947	431,147
NON MARK-UP / INTEREST INCOME				
Fee, commission and brokerage income	26,440	76,612	29,187	74,654
Dividend income	1,856	6,886	1,505	60,628
Income from dealing in foreign currencies	35,652	72,804	51,686	84,713
Gain on sale / redemption of securities	(29,725)	42,414	12,401	192,690
Unrealised (loss) / gain on revaluation of investments classified as held for trading	(581)	201	(45)	-
Other income	534	690	(8,759)	766
Total non-mark-up / interest income	34,176	199,607	85,975	413,451
	32,880	38,664	238,922	844,598
NON MARK-UP / INTEREST EXPENSES				
Administrative expenses	502,917	1,277,366	276,498	714,250
(Reversal)/provision against off-balance sheet obligation-net	(13,751)	1,225	-	-
Other charges	-	810	94	2,484
Total non-mark-up / interest expenses	489,166	1,279,401	276,592	716,734
	(456,286)	(1,240,737)	(37,670)	127,864
Extra ordinary / unusual items	-	-	-	-
(LOSS) / PROFIT BEFORE TAXATION	(456,286)	(1,240,737)	(37,670)	127,864
Taxation				
- Current	(3,380)	(10,140)	-	-
- Prior years	-	-	-	-
- Deferred	-	(1,620)	-	(5,292)
	(3,380)	(11,760)	-	(5,292)
(LOSS) / PROFIT AFTER TAXATION	(459,666)	(1,252,497)	(37,670)	122,572
(Accumulated loss) / unappropriated profit brought forward	(721,087)	71,744	188,170	27,928
(Accumulated loss) / unappropriated profit	(1,180,753)	(1,180,753)	150,500	150,500
Basic and diluted (Loss) / earnings per share (Rupee)	(0.76)	(2.07)	(0.07)	0.24

The annexed notes from 1 to 14 form an integral part of these interim condensed financial statements.

Jahangir Siddiqui
Chairman

Naveed Qazi
President & Chief Executive

Rafique R. Bhimjee
Director

Basir Shamsie
Director

Nine Months Ended 2009 | 05

INTERIM CONDENSED CASH FLOW STATEMENT (UN-AUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2009

	September 30, 2009	September 30, 2008
	----- (Rupees in '000) -----	
CASH FLOW FROM OPERATING ACTIVITIES		
(Loss) / profit before taxation	(1,240,737)	127,864
Less: Dividend income	(6,886)	(60,628)
	<u>(1,247,623)</u>	<u>67,236</u>
Adjustments:		
Depreciation	123,888	50,974
Amortisation of intangibles	41,171	35,923
Amortisation of deferred cost	-	-
Charge for defined benefit plan	19,327	10,257
Unrealised (Loss) / gain on revaluation of investments classified as held for trading	(201)	4,266
Reversal of provision against non-performing advances	(2,400)	-
Provision against non-performing advances	319,428	-
Provision for impairment in value of investments	357,492	-
Gain on sale of fixed assets	(690)	(567)
	<u>858,015</u>	<u>100,853</u>
	<u>(389,608)</u>	<u>168,089</u>
(Increase) / decrease in operating assets		
Lendings to financial institutions	(1,026,609)	3,311,849
Held for trading securities	(77,259)	115,367
Advances	(1,193,042)	(4,397,535)
Other assets	43,857	94,654
	<u>(2,253,053)</u>	<u>(875,665)</u>
Increase / (decrease) in operating liabilities		
Bills payable	120,532	(488,560)
Borrowings	2,524,480	1,082,457
Deposits	3,760,430	1,019,669
Other liabilities	133,660	199,678
	<u>6,539,102</u>	<u>1,813,244</u>
	<u>3,896,441</u>	<u>1,105,668</u>
Income tax paid	(1,812)	(4,116)
Net cash flow from operating activities	<u>3,894,629</u>	<u>1,101,552</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Net investment in available for sale securities	(3,401,542)	109,620
Dividend income	6,886	60,628
Investment in operating fixed assets	(606,602)	(458,993)
Sale proceeds of property and equipment disposed-of	1,148	1,614
Net cash used in from investing activities	<u>(4,000,110)</u>	<u>(287,131)</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Issue of share capital	432,761	-
Increase in cash and cash equivalents	<u>327,280</u>	<u>814,421</u>
Cash and cash equivalents at beginning of the period	<u>1,954,373</u>	<u>1,221,322</u>
Cash and cash equivalents at end of the period	<u><u>2,281,653</u></u>	<u><u>2,035,743</u></u>

The annexed notes from 1 to 14 form an integral part of these interim condensed financial statements.

Jahangir Siddiqui
Chairman

Naveed Qazi
President & Chief Executive

Rafique R. Bhimjee
Director

Basir Shamsie
Director

Nine Months Ended 2009 | 06

INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2009

	Issued, Subscribed and paid-up share capital	Statutory reserve	Unappropriated profit / (accumulated loss)	Total
	----- (Rupees in '000) -----			
Balance as at January 1, 2008	5,106,337	7,086	27,928	5,141,351
Profit for the current period	-	-	122,572	122,572
Balance as at September 30, 2008	5,106,337	7,086	150,500	5,263,923
Issue of ordinary shares of Rs.10/- each against cash	588,507	-	-	588,507
Loss for the current period	-	-	(67,802)	(67,802)
Transfer to statutory reserve	-	10,954	(10,954)	-
Balance as at December 31, 2008	5,694,844	18,040	71,744	5,784,628
Loss for the current period	-	-	(1,252,497)	(1,252,497)
Issue of ordinary shares of Rs.10/- each against cash	432,761	-	-	432,761
Balance as at September 30, 2009	6,127,605	18,040	(1,180,753)	4,964,892

The annexed notes from 1 to 14 form an integral part of these interim condensed financial statements.

Jahangir Siddiqui
Chairman

Naveed Qazi
President & Chief Executive

Rafique R. Bhimjee
Director

Basir Shamsie
Director

Nine Months Ended 2009 | 07

**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2009**

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 77 (December 31, 2008: 39) branches / sub branches in Pakistan. The Pakistan Credit Rating Agency (Private) Limited has assigned the long term credit rating of the Bank at A ("single A") and the short term credit rating at A1 ("A One").

2. STATEMENT OF COMPLIANCE

These interim condensed financial statements for nine months 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 vide BSD Circular No. 10, dated August 26, 2002 has deferred the applicability of International Accounting Standard 39, Financial Instruments: Recognition and Measurement (IAS 39) and International Accounting Standard 40, Investment Property (IAS 40) for banking companies till further instructions. Further, according to the notification of SECP dated April 28, 2008, IFRS - 7 "Financial Instruments: Disclosures" has not been made applicable for banks. Accordingly, the requirements of these standards have not been considered in the preparation of these financial statements. However, investments have been classified and valued in accordance with the requirements of various circulars issued by SBP.

3. ESTIMATES

The preparation of interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

The significant judgements made by the management in applying the accounting policies and the key sources of estimation uncertainty were the same as those applied to financial statements for the year ended December 31, 2008.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of these financial statements are the same as those applied in the preparation of annual financial statements of the Bank for the year ended December 31, 2008.

5. FINANCIAL RISK MANAGEMENT

The financial risk management objectives and policies are consistent with those disclosed in the financial statements of the Bank for the year ended December 31, 2008.

September 30, 2009 December 31, 2008
----- (Rupees in '000) -----

6. LENDINGS TO FINANCIAL INSTITUTIONS

Call money lendings	1,305,741	525,000
Repurchase agreement lendings (Reverse Repo)	1,126,078	880,210
	2,431,819	1,405,210

7. INVESTMENTS

	September 30, 2009			December 31, 2008		
	Held by bank	Given as collateral	Total	Held by bank	Given as collateral	Total

7.1 INVESTMENTS BY TYPES:

		Note ----- (Rupees in '000) -----					
Held for trading securities							
	Pakistan Investment Bonds	97,143	-	97,143	-	-	-
	Ordinary Shares of listed companies	-	-	-	21,186	-	21,186
	Close end mutual funds	-	-	-	5	-	5
		97,143	-	97,143	21,191	-	21,191
Available for sale securities							
	Market Treasury Bills	3,475,268	886,044	4,361,312	2,851,240	-	2,851,240
	Pakistan Investment Bonds	1,682,892	-	1,682,892	448,672	-	448,672
	Ordinary Shares of listed companies	805,020	-	805,020	450,030	-	450,030
	Preference Shares of listed company	95,503	-	95,503	95,503	-	95,503
	Term Finance Certificates-listed	888,696	-	888,696	688,019	-	688,019
	Term Finance Certificates-unlisted	538,033	-	538,033	466,533	-	466,533
	Sukuk Certificates	110,000	-	110,000	110,000	-	110,000
	Close end mutual funds	321,511	-	321,511	321,511	-	321,511
	Open end mutual funds	122,754	-	122,754	275,000	-	275,000
	Advance in respect of investments	170,000	-	170,000	100,000	-	100,000
		8,209,677	886,044	9,095,721	5,806,508	-	5,806,508
	Total investments at cost	8,306,820	886,044	9,192,864	5,827,699	-	5,827,699
	Less: provision for impairment in value of investment	(245,163)	-	(245,163)	-	-	-
	Investments (net of provision)	8,061,657	886,044	8,947,701	5,827,699	-	5,827,699
	Surplus / (deficit) on revaluation of held for trading securities	201	-	201	(1,307)	-	(1,307)
	Surplus / (deficit) on revaluation of available for sale securities	96,486	2,014	98,500	(706,433)	-	(706,433)
		8,158,344	888,058	9,046,402	5,119,959	-	5,119,959

Nine Months Ended 2009 | 09

7.1.1 This includes investment in Azgard Nine Limited, a related party, amounting to Rs.96.036 million (December 31, 2008: Rs.96.036 million) and having market value of Rs.86.049 million (December 31, 2008: Rs.42.328 million).

7.1.2 Included herein are investments in TFCS. of the following related parties:

- a) Pak American Fertilizer Limited, a related party, amounting to Rs.149.91 million (December 31, 2008: Rs.149.94 million).
- b) Azgard Nine Limited, a related party, amounting to Rs.149.91 million (December 31, 2008: Rs.149.94 million).

7.1.3 Included herein are investments in following related parties:

- a) JS Large Capital Fund (formerly UTP Large Capital Growth Fund) amounting to Rs.193.646 million (December 31, 2008: Rs.193.646 million) and having market value of Rs.137.973 million (December 31, 2008: Rs.55.673 million).
- b) JS Value Fund amounting to Rs.99.7 million (December 31, 2008: Rs.99.7 million) and having market value of Rs.55.273 million (December 31, 2008: Rs.39.268 million).

7.1.3 This includes investment Crosby Dragon Fund, a related party, amounting to Rs.122.754 million (December 31, 2008: Rs.250.000 million) and having market value of Rs.82.592 million (December 31, 2008: Rs.102.454 million).

	Note	September 30, 2009	December 31, 2008
----- (Rupees in '000) -----			
8. ADVANCES			
Loans, cash credits, running finances, etc. in Pakistan	8.1	10,004,290	9,577,349
Bills discounted and purchased (excluding market treasury bills)			
Payable in Pakistan		1,005,762	56,786
Payable outside Pakistan		11,833	143,375
		1,017,595	200,161
Financing in respect of Continuous Funding System (CFS)		-	51,333
Advances - gross		11,021,885	9,828,843
Provision for non-performing advances			
- specific		(441,513)	(122,085)
- general (against consumer financing)		(5,159)	(7,559)
		(446,672)	(129,644)
Advances - net of provision		10,575,213	9,699,199

8.1 Advances include Rs 806.634 million (December 31, 2008: Rs.455.504 million) which have been placed under non-performing status as detailed below:

Category of Classification	September 30, 2009					
	Note	Domestic	Overseas	Total	Provision Required	Provision Held
----- (Rupees in '000) -----						
Other assets especially mentioned						
Substandard		187,688	-	187,688	53,039	53,039
Doubtful		149,458	-	149,458	53,404	53,404
Loss	8.2	469,488	-	469,488	335,070	335,070
		806,634	-	806,634	441,513	441,513

Category of Classification	December 31, 2008				
	Domestic	Overseas	Total	Provision Required	Provision Held
	----- (Rupees in '000) -----				
Other assets especially mentioned					
Substandard	351,900	-	351,900	18,481	18,481
Doubtful	-	-	-	-	-
Loss	103,604	-	103,604	103,604	103,604
	<u>455,504</u>	<u>-</u>	<u>455,504</u>	<u>122,085</u>	<u>122,085</u>

8.2 This includes Rs.166.262 million provided in respect of advance given to DCD Services (Private) Limited, a related party.

	September 30, 2009	December 31, 2008
	----- (Rupees in '000) -----	
9. OPERATING FIXED ASSETS		
Capital work-in-progress	121,321	11,442
Property and equipment	1,202,152	864,261
Intangible assets	1,614,494	1,621,180
	<u>2,937,967</u>	<u>2,496,883</u>

10. DEPOSITS AND OTHER ACCOUNTS

Customers

Fixed deposits	8,846,968	5,747,372
Savings deposits	4,113,182	2,632,729
Current accounts – non-remunerative	3,398,331	2,640,939
Margin accounts	75,354	14,351
	<u>16,433,835</u>	<u>11,035,391</u>

Financial Institutions

Remunerative deposits	2,526,732	4,208,938
Non-remunerative deposits	94,136	49,944
	<u>2,620,868</u>	<u>4,258,882</u>

	<u>19,054,703</u>	<u>15,294,273</u>
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Particulars of deposits

In local currency	17,203,509	14,053,862
In foreign currencies	1,851,194	1,240,411
	<u>19,054,703</u>	<u>15,294,273</u>

11. CONTINGENCIES AND COMMITMENTS

11.1 Transaction-related Contingent Liabilities

Includes performance bonds, bid bonds, warranties, advance payment guarantees, shipping guarantees and standby letters of credit related to particular transactions.

	September 30, 2009	December 31, 2008
	----- (Rupees in '000) -----	
i) Government	247,525	68,143
ii) Banking companies and other financial institutions	22,031	3,229
iii) Others	460,733	423,175
	<u>730,289</u>	<u>494,547</u>
11.2 Trade-related Contingent Liabilities		
Documentary credits	<u>1,928,088</u>	<u>766,016</u>
11.3 Other Contingencies		
Claims not acknowledged as debts	<u>67,429</u>	<u>97,655</u>
11.4 Commitments in respect of forward exchange contracts		
Purchase	<u>3,879,178</u>	<u>2,313,977</u>
Sale	<u>3,386,143</u>	<u>2,139,944</u>
11.5 Commitments for the acquisition of operating fixed assets	<u>124,375</u>	<u>102,798</u>
11.6 Other commitments		
Forward purchase commitments	<u>50,000</u>	-
Forward sale commitments	<u>140,000</u>	-
Underwriting commitments	<u>112,000</u>	<u>197,746</u>

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

	September 30, 2009		December 31, 2008	
	Key management personnel	Other related parties	Key management personnel	Other related parties
	----- (Rupees in '000) -----		----- (Rupees in '000) -----	
Advances				
Opening balance	39,346	784,035	6,493	339,398
Disbursements	3,386	136,129,479	33,900	179,956,202
Repayments	(1,967)	(135,849,968)	(1,047)	(179,511,565)
Closing balance	<u>40,765</u>	<u>1,063,546</u>	<u>39,346</u>	<u>784,035</u>
Mark-up / return / interest earned	<u>2,773</u>	<u>108,243</u>	<u>683</u>	<u>102,177</u>

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	September 30, 2009		December 31, 2008	
	Key management personnel	Other related parties	Key management personnel	Other related parties
	----- (Rupees in '000) -----		----- (Rupees in '000) -----	
Deposits				
Opening balance	37,959	1,305,080	76,426	2,717,424
Deposits during the period / year	206,434	112,365,005	377,304	157,152,618
Withdrawals during the period / year	(222,221)	(107,310,817)	(415,771)	(158,564,962)
Closing balance	<u>22,172</u>	<u>6,359,268</u>	<u>37,959</u>	<u>1,305,080</u>
Mark-up / return / interest expensed	<u>1,195</u>	<u>160,486</u>	<u>2,007</u>	<u>286,372</u>

The related party status of outstanding receivables and payable as at September 30, 2009 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	September 30,	December 31,
		2009	2008
		----- (Rupees in '000) -----	
Companies having common directorship			
	Purchase of Term Finance Certificates	-	83,367
	Sale of Term Finance Certificates	141,147	1,362,552
	Sale of Government Securities	2,905,097	1,630,435
	Purchase of shares	-	20
	Sale of shares	19	-
	Insurance claim received	1,195	1,798
	Commission earned	7,667	-
	Payment of insurance premium	15,673	14,636
Parent company			
	Subscription in right shares	432,761	586,477
	Purchase of shares	-	83
	Sale of shares	54	-
Companies in which parent company holds 20% or more			
	Purchase of Term Finance Certificates	215,952	268,464
	Sale of Term Finance Certificates	195,907	23,849
	Purchase of Government Securities	1,486,068	32,573
	Sale of Government Securities	3,324,609	146,139
	Purchase of fixed assets	-	348
	Sale of shares	4,162	133,073
	Purchase of shares	-	112
	Rent expense paid / accrued	2,612	1,409
	Call lending / Reverse Repo	7,364,000	5,831,000
	Commission paid / accrued	2,301	4,616
	Commission income	-	38
	Dividend income	-	64,564
	Advisory fee for Term Finance Certificates	-	3,000

	September 30, 2009	December 31, 2008
	----- (Rupees in '000) -----	
Other related parties		
Trustee fee	1,963	5,712
Purchase of shares	-	7
Sale of shares	-	10
Call lending	-	1,010,000
Foreign currency purchase transaction	12,017,609	872,050
Foreign currency sale transaction	10,334,931	698,730
Purchase of units	-	596,078
Sale of units	80,000	368,130
Commission income	3,782	3,260
Consultancy fee	100	-

13. DATE OF AUTHORISATION FOR ISSUE

These interim condensed financial statements were authorised for issue by the Board of Directors on October 26, 2009.

14. GENERAL

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

Jahangir Siddiqui
Chairman

Naveed Qazi
President & Chief Executive

Rafique R. Bhimjee
Director

Basir Shamsie
Director

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