



JS Bank Limited

**Interim Condensed Financial Statements
for the First Quarter Ended March 31, 2011
(Un-Audited)**



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Company Information

Board of Directors	Chairman	Mr. Jahangir Siddiqui Mr. Mazharul Haq Siddiqui Mr. Maqbool A. Soomro Mr. Ashraf Nawabi Mr. Rafique R. Bhimjee Mr. Shahab Anwar Khawaja Mr. Basir Shamsie
President & Chief Executive Officer		Mr. Kalim-ur-Rahman
Audit Committee	Chairman Member Member	Mr. Jahangir Siddiqui Mr. Maqbool A. Soomro Mr. Rafique R. Bhimjee
Company Secretary		Mr. Muhammad Yousuf Amanullah
Auditors		M. Yousuf Adil Saleem & Co. Chartered Accountants (Member firm of Deloitte Touche Tohmatsu)
Legal Advisors		Bawaney & Partners Liaquat Merchant Associates
Share Registrar		Technology Trade (Pvt.) Limited 241-C, Block-2, P.E.C.H.S., Karachi
Registered Office		JS Bank Limited Shaheen Commercial Complex Dr. Ziauddin Ahmed Road P.O. Box 4847 Karachi-74200, Pakistan.



DIRECTORS' REPORT

On behalf of the Board of Directors, I am pleased to present the un-audited financial statements for the first quarter ended March 31, 2011.

2011 started on an encouraging note for Pakistan's economy, with some key macro indicators portraying a positive picture. Exports continued to increase on the back of higher commodity prices, reaching US \$ 15.3 billion in the first 8 months of the fiscal year 2011 - an increase of 25% Year on Year; but Imports also rose by 17.3% to US \$ 26 billion, and as a result the trade deficit swelled to US \$ 10.3 billion - higher by 8% Year on Year. However, Home Remittances sustained their momentum, rising by 20.3% to US \$ 7.0 billion in the first eight months of the fiscal year, which, along with the funds released under the Coalition Support Fund, led the current account deficit to shrink to US \$ 98 million during the period, from US \$ 3.0 billion during the same period last year. However, concerns remain on the fiscal side; with the first half deficit for fiscal 2011 rising to 2.9% of Gross Domestic Product (GDP), leading the Government to announce a set of measures to address this imbalance. Further, the Asian Development Bank in its outlook report has trimmed Pakistan's GDP growth forecast to 2.5% for fiscal 2011, following the unprecedented floods; while it anticipates the economy to grow by 3.7% in fiscal 2012.

On the banking front, cumulative industry advances declined by 0.6% in first quarter of 2011, to Rs. 3,460 billion (US \$ 40.7 billion). Deposit growth was also negative during the period, for the first time in nine quarters, contracting by 1.5% to Rs. 5,024 billion (US \$ 59.1 billion).

Finance and Business Review

The strategic investment made by the Bank during 2009 and 2010 in the expansion of its infrastructure, including the opening of new branches and sub-branches, is beginning to pay off and several of the branches are now in profit. Our long term strategy will remain to further strengthen our branch network to increase brand awareness and mobilize low cost deposits. We believe that in the years to come, the expanded branch network, a low cost deposit base and quality lending will greatly boost the financial performance of the Bank. Continuing focus on fee based income, our Investment Banking Group (IBG) announced the successful financial closure of Pakistan's maiden Commercial Paper issued for Tameer Microfinance Bank Limited and first ever Over the Counter (OTC) listed Commercial Paper issued by Engro Fertilizer Limited.

The Bank has earned a profit before tax of Rs. 21.33 million and a post tax profit of Rs. 10.25 million as compared to a loss before tax of Rs 184.30 million and loss after tax of Rs 188.57 million in the corresponding period last year. This was possible due to the sound strategy as described above, continued commitment of the management, good teamwork displayed by the staff and guidance provided by the Board.

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

On behalf of the Board

Karachi: April 27, 2011

Kalim-ur-Rahman
President &
Chief Executive Officer

**INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2011**

	Note	Unaudited March 31, 2011	Audited December 31, 2010
----- (Rupees in '000) -----			
ASSETS			
Cash and balances with treasury banks		2,072,528	2,298,806
Balances with other banks		243,307	917,802
Lendings to financial institutions	4	1,600,626	3,643,360
Investments	5	11,670,587	13,701,699
Advances	6	16,901,481	13,978,113
Operating fixed assets	7	2,903,961	2,882,941
Deferred tax assets		1,193,839	1,184,613
Other assets		886,494	776,313
		<u>37,472,823</u>	<u>39,383,647</u>
LIABILITIES			
Bills payable		362,142	369,620
Borrowings		5,450,605	5,524,410
Deposits and other accounts	8	25,240,036	26,276,328
Sub-ordinated loans		-	-
Liabilities against assets subject to finance lease		-	-
Deferred tax liabilities		-	-
Other liabilities		588,636	1,375,003
		<u>31,641,419</u>	<u>33,545,361</u>
NET ASSETS		<u>5,831,404</u>	<u>5,838,286</u>
REPRESENTED BY:			
Share capital		8,149,715	8,149,715
Reserves		18,040	18,040
Discount on issue of right shares		(1,415,477)	(1,415,477)
Accumulated losses		(920,417)	(930,671)
		<u>5,831,861</u>	<u>5,821,607</u>
(Deficit) / surplus on revaluation of assets - net of tax		(457)	16,679
		<u>5,831,404</u>	<u>5,838,286</u>
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The annexed notes from 1 to 12 form an integral part of these interim condensed financial statements.

Jahangir Siddiqui
Chairman

Kalim-ur-Rahman
President & Chief Executive Officer

Mazharul Haq Siddiqui
Director

Ashraf Nawabi
Director



**INTERIM CONDENSED PROFIT AND LOSS ACCOUNT (UNAUDITED)
FOR THE QUARTER ENDED MARCH 31, 2011**

	March 31, 2011	March 31, 2010
	----- (Rupees in '000) -----	
Mark-up / return / interest earned	927,201	781,137
Mark-up / return / interest expensed	<u>584,508</u>	<u>543,965</u>
Net mark-up / interest income	342,693	237,172
Provision against non-performing loans and advances	<u>(4,457)</u>	<u>(66,316)</u>
Provision for impairment in value of investments	-	-
Bad debts written off directly	-	-
	<u>(4,457)</u>	<u>(66,316)</u>
Net mark-up / interest income after provisions	<u>338,236</u>	<u>170,856</u>
NON MARK-UP / INTEREST INCOME		
Fee, commission and brokerage income	<u>66,096</u>	<u>37,389</u>
Dividend income	-	11,350
Income from dealing in foreign currencies	18,123	1,337
Gain on sale / redemption of securities	93,664	22,445
Unrealised gain on revaluation of investments classified as held for trading	2,649	-
Other income	<u>619</u>	<u>(792)</u>
Total non-markup / interest income	<u>181,151</u>	<u>71,729</u>
	519,387	242,585
NON MARK-UP / INTEREST EXPENSES		
Administrative expenses	<u>497,777</u>	<u>426,843</u>
Other (reversal)/provisions / write offs	-	-
Other charges	<u>272</u>	<u>50</u>
Total non-markup / interest expenses	<u>498,049</u>	<u>426,893</u>
	21,338	(184,308)
Extra ordinary / unusual items	-	-
PROFIT/ (LOSS) BEFORE TAXATION	<u>21,338</u>	<u>(184,308)</u>
Taxation		
- Current	<u>11,084</u>	<u>4,264</u>
- Prior years	-	-
- Deferred	-	-
	<u>11,084</u>	<u>4,264</u>
PROFIT/ (LOSS) AFTER TAXATION	<u>10,254</u>	<u>(188,572)</u>
Basic and diluted earning /(loss) per share (Rupee)	<u>0.0126</u>	<u>(0.3077)</u>

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Ashraf Nawabi
Director

**INTERIM CONDENSED CASH FLOW STATEMENT (UNAUDITED)
FOR THE QUARTER ENDED MARCH 31, 2011**

	March 31, 2011	March 31, 2010
	----- (Rupees in '000) -----	
CASH FLOW FROM OPERATING ACTIVITIES		
Profit / (Loss) before taxation	21,338	(184,308)
Less: Dividend income	-	(11,350)
	<u>21,338</u>	<u>(195,658)</u>
Adjustments:		
Depreciation	55,481	55,896
Amortisation of intangibles	4,063	3,667
Charge for defined benefit plan	7,622	7,847
Unrealised gain on revaluation of investments classified as held for trading	(2,649)	-
Reversal of provision against non-performing advances	(641)	(1,598)
Provision against non-performing advances	5,098	67,914
(Gain) / Loss on sale of fixed assets	(619)	792
	<u>68,355</u>	<u>134,518</u>
	89,693	(61,140)
 (Increase) / decrease in operating assets		
Lendings to financial institutions	2,042,734	(2,511,738)
Held for trading securities	(119,513)	-
Advances	(2,927,825)	(54,075)
Other assets	(110,917)	(34,095)
	<u>(1,115,521)</u>	<u>(2,599,908)</u>
 Increase / (decrease) in operating liabilities		
Bills payable	(7,478)	(25,671)
Borrowings	(69,632)	439,552
Deposits	(1,036,292)	1,104,586
Other liabilities	(793,989)	16,292
	<u>(1,907,391)</u>	<u>1,534,759</u>
Income tax paid	(2,933,219)	(1,126,289)
Net cash used in operating activities	<u>(2,943,566)</u>	<u>(1,126,987)</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Net investment in available for sale securities	2,126,911	(505,526)
Dividend income	-	11,350
Investment in operating fixed assets	(81,426)	(39,896)
Sale proceeds of property and equipment disposed-off	1,481	1,686
Net cash flow from / (used in) investing activities	<u>2,046,966</u>	<u>(532,386)</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Issue of share capital	-	-
(Decrease) in cash and cash equivalents	(896,600)	(1,659,373)
Cash and cash equivalents at beginning of the period	<u>3,212,435</u>	<u>3,572,285</u>
Cash and cash equivalents at end of the period	<u><u>2,315,835</u></u>	<u><u>1,912,912</u></u>

The annexed notes from 1 to 12 form an integral part of these interim condensed financial statements.

Jahangir Siddiqui
Chairman

Kalim-ur-Rahman
President & Chief Executive Officer

Mazharul Haq Siddiqui
Director

Ashraf Nawabi
Director



INTERIM CONDENSED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE QUARTER ENDED MARCH 31, 2011

	March 31, 2011	March 31, 2010
	----- (Rupees in '000) -----	
Profit/(Loss) for the period	10,254	(188,572)
Other comprehensive income / (loss)	-	-
Total Comprehensive income/ (loss) for the period	<u>10,254</u>	<u>(188,572)</u>

(Deficit) / surplus arising on revaluation of assets (net) 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 12 form an integral part of these interim condensed financial statements.

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Chairman

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**INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE QUARTER ENDED MARCH 31, 2011**

	Issued, Subscribed and paid-up share capital	Statutory reserve	Discount on issue of right shares	(Accumulated losses)/ Unappropriated profit	Total
	----- (Rupees in '000) -----				
Balance as at January 1, 2010	6,127,605	18,040	-	(523,192)	5,622,453
Loss after taxation for the period	-	-	-	(188,572)	(188,572)
Other comprehensive Income/(loss)	-	-	-	-	-
Total comprehensive loss for the period	-	-	-	(188,572)	(188,572)
Balance as at March 31, 2010	6,127,605	18,040	-	(711,764)	5,433,881
Issue of right shares during the period	2,022,110	-	-	-	2,022,110
Discount on issue of right shares	-	-	(1,415,477)	-	(1,415,477)
Loss after taxation for the period	-	-	-	(218,907)	(218,907)
Other comprehensive Income/(loss)	-	-	-	-	-
Total comprehensive loss for the period	-	-	-	(218,907)	(218,907)
Balance as at December 31, 2010	8,149,715	18,040	(1,415,477)	(930,671)	5,821,607
Profit for the current period	-	-	-	10,254	10,254
Other comprehensive Income/(loss)	-	-	-	-	-
Total comprehensive income for the period	-	-	-	10,254	10,254
Balance as at March 31, 2011	8,149,715	18,040	(1,415,477)	(920,417)	5,831,861

The annexed notes from 1 to 12 form an integral part of these interim condensed financial statements.

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Chairman

Kalim-ur-Rahman
President & Chief Executive Officer

Mazharul Haq Siddiqui
Director

Ashraf Nawabi
Director



NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)
FOR THE QUARTER ENDED MARCH 31, 2011

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 131 (December 31, 2010: 126) branches/ sub branches in Pakistan. The Pakistan Credit Agency (Private) Limited has assigned the long term credit rating of the Bank at A ("single A ") and the short term rating at A1 ("A One") .

As disclosed in the note 1.3 to the financial statements for the year ended December 31, 2010, the bank has submitted a plan to the SBP in consultation with its legal counsel and financial advisors which envisaged the increase in Bank's paid-up capital through swap of new shares of the Bank against shares of a related party currently held by JSCL and other investors. In this connection, the SBP has granted an in-principle approval of the plan. The Bank is now in the process of completing procedural formalities and is hopeful that it will be able to meet the minimum capital requirement for the financial year end 2010 after the said plan is implemented.

2. STATEMENT OF COMPLIANCE

These interim condensed financial statements for three 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 (SECP) 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.

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, 2010

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, 2010



Unaudited Audited
March 31, December 31,
2011 2010
----- (Rupees in '000) -----

4. LENDINGS TO FINANCIAL INSTITUTIONS

Call money lendings	850,000	1,900,000
Lendings to financial institutions	422,685	520,935
Repurchase agreement lendings (Reverse Repo)	327,941	1,222,425
	1,600,626	3,643,360

5. INVESTMENTS

	Unaudited March 31, 2011			Audited December 31, 2010		
	Held by bank	Given as collateral	Total	Held by bank	Given as collateral	Total
	Note ----- (Rupees in '000) -----					

5.1 INVESTMENTS BY TYPES:

Held for trading securities							
	Market Treasury Bills	830,662	-	830,662	1,198,883	-	1,198,883
	Pakistan Investment Bonds	493,814	-	493,814	168,740	-	168,740
	Open end mutual funds	163,500	-	163,500	-	-	-
5.1.1		1,487,976	-	1,487,976	1,367,623	-	1,367,623
Available for sale securities							
	Market Treasury Bills	2,241,042	3,331,158	5,572,200	5,053,931	3,933,888	8,987,819
	Pakistan Investment Bonds	913,367	849,934	1,763,301	486,051	-	486,051
	Ordinary Shares of listed companies	52,520	-	52,520	190,091	-	190,091
	Preference Shares of listed company	95,503	-	95,503	95,503	-	95,503
	Term Finance Certificates-listed	1,431,453	-	1,431,453	1,193,711	-	1,193,711
	Term Finance Certificates-unlisted	866,307	-	866,307	915,671	-	915,671
5.1.2	Sukuk Certificates- unlisted	291,069	-	291,069	295,314	-	295,314
	Close end mutual funds	126,506	-	126,506	126,506	-	126,506
	Open end mutual funds	-	-	-	193,646	-	193,646
	Commercial Paper	33,578	-	33,578	-	-	-
	US dollar bonds	115,973	-	115,973	116,709	-	116,709
		6,167,318	4,181,092	10,348,410	8,667,133	3,933,888	12,601,021
	Total investments at cost	7,655,294	4,181,092	11,836,386	10,034,756	3,933,888	13,968,644
	Less: provision for impairment in value of investment	(167,745)	-	(167,745)	(293,444)	-	(293,444)
	Investments (net of provision)	7,487,549	4,181,092	11,668,641	9,741,312	3,933,888	13,675,200
	Surplus on revaluation of held for trading securities	2,649	-	2,649	840	-	840
	(Deficit)/ surplus on revaluation of available for sale securities	1,068	(1,771)	(703)	36,491	(10,832)	25,659
		7,491,266	4,179,321	11,670,587	9,778,643	3,923,056	13,701,699

5.1.1 JS Cash Fund, a related party, amounting to Rs. 163.500 million (December 31, 2010: Nil) and having market value of Rs. 163.500 million.

5.1.2 Included herein are investments in following related parties:

a) This includes investment in Azgard Nine Limited amounting to Rs.149.88 million (December 31, 2010: Rs.149.88 million)

b) This includes investment in Agritech Limited (formally Pak American Fertilizer Limited), amounting to Rs.149.88 (December 31, 2010: Rs.149.88 million.)

5.1.3 JS Value Fund, a related party, amounting to Rs. 99.7 million (December 31, 2010: Rs. 99.7 million) and having market value of Rs. 47.22 million.

	Unaudited March 31, 2011	Audited December 31, 2010
	----- (Rupees in '000) -----	
6. ADVANCES		
Loans, cash credits, running finances, etc.		
In Pakistan	15,987,187	14,003,773
Outside Pakistan	652,841	270,391
	16,640,028	14,274,164
Net investment in finance lease		
In Pakistan	106,261	108,783
Outside Pakistan	-	-
	106,261	108,783
Bills discounted and purchased (excluding market treasury bills)		
Payable in Pakistan	418,950	120,668
Payable outside Pakistan	268,123	1,922
	687,073	122,590
Financing in respect of Continuous Funding System (CFS)	-	-
Advances - gross	17,433,362	14,505,537
Provision for non-performing advances		
- specific	(530,130)	(525,364)
- general (against consumer financing)	(1,751)	(2,060)
	(531,881)	(527,424)
Advances - net of provision	16,901,481	13,978,113

Category of Classification

	Unaudited March 31, 2011				
	----- (Rupees in '000) -----				
	Domestic	Overseas	Total	Provision Required	Provision Held
Other assets especially mentioned					
Substandard	496	-	496	124	124
Doubtful	1,804,308	-	1,804,308	693	693
Loss	718,031	-	718,031	529,313	529,313
	<u>2,522,835</u>	<u>-</u>	<u>2,522,835</u>	<u>530,130</u>	<u>530,130</u>



Category of Classification

	Audited December 31, 2010			Provision Required	Provision Held
	Domestic	Overseas	Total		
----- (Rupees in '000) -----					
Other assets especially mentioned					
Substandard	410,458	-	410,458	365	365
Doubtful	561,516	-	561,516	6,083	6,083
Loss	930,592	-	930,592	518,916	518,916
	<u>1,902,566</u>	<u>-</u>	<u>1,902,566</u>	<u>525,364</u>	<u>525,364</u>
			Unaudited March 31, 2011	Audited December 31, 2010	
----- (Rupees in '000) -----					
7. OPERATING FIXED ASSETS					
Capital work-in-progress			19,869	8,863	
Property and equipment			1,282,288	1,273,932	
Intangible assets			1,601,804	1,600,146	
			<u>2,903,961</u>	<u>2,882,941</u>	
8. DEPOSITS AND OTHER ACCOUNTS					
Customers					
Fixed deposits			8,401,213	8,728,524	
Savings deposits			8,018,395	8,097,181	
Current accounts – non-remunerative			7,075,953	6,896,222	
Margin accounts			87,780	47,131	
			<u>23,583,341</u>	<u>23,769,058</u>	
Financial Institutions					
Remunerative deposits			1,542,170	2,444,461	
Non-remunerative deposits			114,525	62,809	
			<u>1,656,695</u>	<u>2,507,270</u>	
			<u>25,240,036</u>	<u>26,276,328</u>	
Particulars of deposits					
In local currency			23,145,768	24,029,657	
In foreign currencies			2,094,268	2,246,671	
			<u>25,240,036</u>	<u>26,276,328</u>	
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			538,082	540,390	
ii) Banking companies and other financial institutions			91,871	16,493	
iii) Others			617,499	548,175	
			<u>1,247,452</u>	<u>1,105,058</u>	

	Unaudited March 31, 2011	Audited December 31, 2010
	----- (Rupees in '000) -----	
9.2 Trade-related Contingent Liabilities		
Documentary credits	<u>1,878,911</u>	<u>1,588,191</u>
9.3 Other Contingencies		
Claims not acknowledged as debts	<u>66,481</u>	<u>66,481</u>
9.4 Commitments in respect of forward exchange contracts		
Purchase	<u>2,310,605</u>	<u>2,874,196</u>
Sale	<u>1,772,297</u>	<u>1,815,855</u>
9.5 Commitments in respect of forward lending		
Forward commitment to extend credit	<u>405,500</u>	<u>434,000</u>
9.6 Other commitments		
Commitments for the acquisition of operating fixed assets	<u>6,122</u>	<u>14,993</u>

10. 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:

	Unaudited March 31, 2011		Audited December 31, 2010	
	Key management personnel	Other related parties	Key management personnel	Other related parties
	----- (Rupees in '000) -----		----- (Rupees in '000) -----	
Advances				
Opening balance	3,423	2,994,330	36,709	1,451,187
Disbursements	-	1,294,917	1,600	35,826,430
Repayments	(1,084)	(1,399,998)	(34,886)	(34,283,287)
Closing balance	<u>2,339</u>	<u>2,889,249</u>	<u>3,423</u>	<u>2,994,330</u>
Mark-up / return / interest earned	<u>88</u>	<u>84,654</u>	<u>2,316</u>	<u>261,242</u>



	Unaudited March 31, 2011		Audited December 31, 2010	
	Key management personnel	Other related parties	Key management personnel	Other related parties
	----- (Rupees in '000) -----		----- (Rupees in '000) -----	
Deposits				
Opening balance	9,695	1,818,049	24,175	1,148,445
Deposits during the period / year	39,425	77,860,770	184,573	179,847,700
Withdrawals during the period / year	(40,437)	(78,466,945)	(199,053)	(179,178,096)
Closing balance	<u>8,683</u>	<u>1,211,874</u>	<u>9,695</u>	<u>1,818,049</u>
Mark-up / return / interest expensed	<u>38</u>	<u>39,772</u>	<u>381</u>	<u>117,815</u>

The related party status of outstanding receivables and payable as at March 31, 2011 are included in respective notes to the interim condensed financial statements. Material transactions with related parties are given below:

	Unaudited March 31, 2011	Audited December 31, 2010
	----- (Rupees in '000) -----	
Relationship with the bank		
Nature of transactions		
Companies having common directorship		
Sale of Term Finance Certificates	-	218,013
Sale of Government Securities	5,555,762	6,302,098
Purchase of Government Securities	6,411	519,974
Sale of Sukuk / Ijara	-	35,000
Insurance claim received	2,885	4,181
Commission earned	10,164	43,070
Services received	-	200
Payment of insurance premium	15,350	27,688
Services rendered	-	25
Underwritten commission paid	-	3,033
Parent company		
Subscription in right shares	-	391,211
Purchase of fixed assets	-	95
Companies in which parent company holds 20% or more		
Purchase of Term Finance Certificates	146,249	231,901
Sale of Term Finance Certificates	47,806	213,649
Purchase of Government securities	2,989,898	4,632,927
Sale of Government securities	3,997,071	9,784,282
Purchase of Sukuk	49,286	-
Sale of Sukuk / Ijara	18,637	-
Purchase of fixed assets	-	37
Sale of shares / units	162,372	310,286
Purchase of shares / units	163,500	200,000
Rent expense paid / accrued	419	2,255
Rent Receivable	923	-



Relationship with the bank	Nature of transactions	Unaudited	Audited
		March 31, 2011	December 31, 2010
		----- (Rupees in '000) -----	
Companies in which parent company holds 20% or more			
	Call lending / Reverse Repo	450,000	3,515,000
	Call borrowing / Repo	6,250,000	5,985,000
	Commission paid / accrued	502	2,996
	Commission income	486	3,943
	Dividend income	-	5,083
	Reimbursement of expenses	448	3,849
	Redemption of Term Finance Certificate	-	12,048
	Purchase of forward foreign exchange contracts	598,430	4,357,771
	Sale of forward foreign exchange contracts	668,458	4,818,193
	Services rendered	-	44
Other related parties			
	Sale of shares	-	53,748
	Sale of Government securities	142,186	26,199
	Commission earned / unearned	14	5,747
	Services received	-	853
	Goods purchased	119	-
	Consultancy fee	600	2,486

11. DATE OF AUTHORISATION FOR ISSUE

These interim condensed financial statements were authorised for issue by the Board of Directors on April 27, 2011.

12. GENERAL

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

Jahangir Siddiqui
Chairman

Kalim-ur-Rahman
President & Chief Executive Officer

Mazharul Haq Siddiqui
Director

Ashraf Nawabi
Director





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