

Condensed Interim Financial Information
For the First Quarter ended
March 31, 2016 (Un-Audited)

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277 Branches in 138 Cities

 **JS BANK**
BARHNA HAI AAGEY

Table of Contents



Company Information	02
Directors' Report to the Members	03
ڈائریکٹرز رپورٹ برائے ممبران	05
Unconsolidated Condensed Interim Statement of Financial Position	08
Unconsolidated Condensed Interim Profit and Loss Account	09
Unconsolidated Condensed Interim Statement of Comprehensive Income	10
Unconsolidated Condensed Interim Statement of Changes in Equity	11
Unconsolidated Condensed Interim Cash Flow Statement	12
Notes to the Unconsolidated Condensed Interim Financial Information	13
Consolidated Condensed Interim Statement of Financial Position	26
Consolidated Condensed Interim Profit and Loss Account	27
Consolidated Condensed Interim Statement of Comprehensive Income	28
Consolidated Condensed Interim Statement of Changes in Equity	29
Consolidated Condensed Interim Cash Flow Statement	30
Notes to the Consolidated Condensed Interim Financial Information	31



Board of Directors

Mr. Ali Jehangir Siddiqui	Chairman
Mr. Ashraf Nawabi	Non-Executive Director
Ms. Nargis Ghaloo	Independent Director
Mr. Shahab Anwar Khawaja	Independent Director
Mr. Adil Matcheswala	Non-Executive Director
Mr. Kalim-ur-Rahman	Non-Executive Director
Mr. Munawar Alam Siddiqui	Non-Executive Director
Mr. G.M. Sikander	Independent Director
Mr. Khalid Imran	President & CEO

Audit Committee

Mr. Shahab Anwar Khawaja	Chairman
Mr. Adil Matcheswala	Member
Mr. G.M. Sikander	Member

Chief Financial Officer

Mr. Muhammad Yousuf Amanullah

Company Secretary

Mr. Ashraf Shahzad

Auditors

Ernst & Young Ford Rhodes Sidat Hyder
Chartered Accountants
(a Member firm of Ernst &
Young Global Limited)

Legal Advisors

Haidermota BNR
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
UAN: +92 21 111 JS Bank (572-265)
0800-011-22 www.jsbl.com



On behalf of the Board of Directors, I am pleased to present the un-audited Financial Statements for the first quarter ended March 31, 2016.

Economic Review

1Q2016 continued to witness over supply in global crude supplies and slowing global growth. Like other emerging and energy importing economies, declining petroleum prices presented a unique opportunity for Pakistan. This situation worked favorably for Pakistan's trade balance during 8MFY16, as compared to last year. A healthy growth in home remittances by 6% YoY and foreign assistance from international donors, led to a reduction in Pakistan's current account deficit to 0.9% of GDP boosting FX reserves to USD 20 billion. However, the benefits were not enough to convert the current account deficit into surplus because of declining agricultural & commodity-based exports. The Large Scale Manufacturing (LSM) growth for 7MFY16 was 4.1% YoY, versus 2.5% YoY during 7MFY15. CPI for 9MFY16 closed at 2.6% YoY whereas SBP projections for FY16 stand at 3% - 4% YoY. China & Pakistan inked the CPEC agreement in mid-year 2015 with an expected FDI inflow of US\$46 billion over the next three years, focused on meeting Pakistan's energy and infra-structure needs.

Banking Sector Review

After the monetary easing cycle witnessed during 2015, the State Bank kept the Policy Rate unchanged during 1Q2016 at 6%. Private sector credit offtake continued its uptrend as the sector witnessed 8% growth during 8MFY16. Banking industry spreads during 2M2016 further dropped to 5.13%, marking a 71bps YoY decline whereas banking deposits touched PKR 9,559 billion during the same period, registering a growth of 12% YoY at end-March 2016. Investments escalated by 26% YoY to PKR 7,163 billion, while Advances depicted a 10% YoY growth, to PKR 4,853 billion. Consequently, IDR reached 75% whereas ADR for the industry remained at 51% despite some loan book expansion by scheduled banks. NPLs for the industry declined to PKR 605 billion as of December 2015 from PKR 614 billion a year earlier.

Financial Performance

The Bank has earned profit before tax of PKR 705.7 million (profit after tax of PKR 458.6 million) for the quarter ended March 31, 2016 as compared to the profit before tax of PKR 466.4 million (profit after tax of PKR 304.1 million) in the corresponding period last year. This reflects a steadily improving performance of your bank during the period. The increase in profit is mainly due to increase in net interest income after provisions and non-markup income by 60.23% and 24.46% respectively. During the quarter, on the balance sheet side, deposits and advances increased from PKR 141.8 and PKR 76.7 billion to PKR 147.9 billion and PKR 82.8 billion respectively, whereas the investments decreased to PKR 106.6 billion from PKR 116.0 billion.

Business Review

The Bank continues to grow its market share in assets, deposits, alternative delivery channels, bancassurance and remittances. During 1Q2016, the Bank has taken further initiatives to enhance its service delivery and product line, and targeted deposit products to keep increasing customer base. During the period under review the Bank remained focused on core deposit mobilization, particularly targeting growth in low cost deposits. On the assets side, the focus remained on prudent expansion in advances and growing fee income streams.



Having a network of 277 branches across 138 cities and a set of competitive banking products and services, the Bank is well placed to record impressive growth in core and ancillary revenues in 2016 and beyond.

Credit Ratings

The Pakistan Credit Rating Agency Limited (PACRA) has assigned to the Bank a long-term rating of "A+" (A Plus) and a short-term rating of "A1+" (A One Plus), which is the highest possible short-term rating.

Acknowledgments

On behalf of the Bank I would like to extend my deep gratitude to our customers and stakeholders for their patronage. I would also like to thank the Ministry of Finance, the State Bank of Pakistan, the Securities & Exchange Commission of Pakistan and other regulatory authorities for their support to our Bank. Finally, I extend my profound appreciation to the Management team and staff for their persistent pursuit towards success and their commitment to working together as a winning team.

On behalf of the Board

Khalid Imran
President & CEO

Karachi: April 19, 2016

میں بورڈ آف ڈائریکٹرز کی جانب سے بمسرت 31 مارچ 2016 کو ختم ہونے والے سال کی پہلی سہ ماہی کے غیر آڈٹ شدہ مالیاتی اسٹیٹمنٹس (Financial Statements) پیش کرتا ہوں۔

معاشی جائزہ

سال 2016 کی پہلی سہ ماہی میں عالمی سطح پر خام تیل کی رسد میں تیزی اور عالمی نمو میں کمی کا رجحان دیکھنے میں آیا۔ دیگر ابھرتی ہوئی اور توانائی درآمد کرنے والی معیشتوں کی طرح، پیٹرولیم کی قیمتوں میں کمی کے باعث پاکستان کو منفرد مواقع حاصل ہوئے۔ یہ صورت حال گزشتہ سال کے مقابلے میں مالی سال 2016 کے آٹھ ماہ کے دوران پاکستان کے تجارتی توازن کو برقرار رکھنے میں معاون رہی۔ تریلا زرمیں سال بسال (YOY) 6 فیصد کے خاطر خواہ اضافے اور بین الاقوامی معاونت کی مدد سے پاکستانی کرنٹ اکاؤنٹ کا خسارہ GDP کا 0.9% رہا، جس کے باعث زرمبادلہ کے ذخائر میں 20 بلین امریکی ڈالر کا اضافہ ہوا۔ تاہم زرعی اور تجارتی اشیاء پر مشتمل برآمدات میں مسلسل کمی کے رجحان کے باعث کرنٹ اکاؤنٹ خسارے کو زائد آمدنی میں تبدیل کرنے کے لئے یہ فائدہ ناکافی تھا۔ بڑے پیمانے پر مصنوعات کی تیاری (Large Scale Manufacturing) میں مالی سال 2016 کے ساتویں ماہ میں 4.1 فیصد سال بسال (YOY) اضافہ ہوا جو مالی سال 2015 کے دوران ساتویں ماہ میں 2.5 فیصد سال بسال (YOY) تھا۔ مالی سال 2016 کے نویں ماہ میں سی پی آئی (CPI) 2.6 فیصد سال بسال (YOY) پر بند ہوا جبکہ مالی سال 2016 کے لئے اسٹیٹ بینک آف پاکستان کا اندازہ 3 فیصد سے 4 فیصد سال بسال (YOY) ہے۔ اگلے تین سالوں میں 46 بلین امریکی ڈالر کی متوقع براہ راست غیر ملکی سرمایہ کاری کے ساتھ چین اور پاکستان نے 2015 کے وسط میں پاک۔ چائنا معاشی راہداری کے معاہدے پر بھی دستخط کئے ہیں جس کے باعث پاکستان میں توانائی اور بنیادی ڈھانچے کی ضروریات پر توجہ مرکوز کی جائے گی۔

بینکنگ سیکٹر کا جائزہ

سال 2015 میں ایک پُرسکون مالیاتی سائیکل دیکھنے کے بعد، اسٹیٹ بینک آف پاکستان نے سال 2016 کی پہلی سہ ماہی میں

سال 2016 کے آٹھ ماہ کے دوران اضافہ % 8 دیکھنے میں آیا۔ سال 2016 کے دوسرے ماہ میں بینکنگ انڈسٹری میں شرح و سود میں تفاوت 71 پی پی ایس (bps) سال بسال (YOY) کی کمی سے % 5.13 تک مزید گری۔ جبکہ اسی مدت میں بینکنگ ڈپازٹس 9,559 بلین روپے تک جا پہنچے، جو مارچ 2016 کے اختتام پر % 12 سال بسال (YOY) اضافہ ظاہر کرتا ہے۔ سرمایہ کاری % 26 سال بسال (YOY) اضافے سے 7,163 بلین روپے تک جا پہنچی، جبکہ ایڈوانسز میں % 10 سال بسال (YOY) اضافہ بیان کیا اور یہ 4,853 بلین روپے تک پہنچے۔ لہذا شیڈولڈ بینکوں کی جانب سے قرض کی کتابوں (Loan Book) کی توسیع کے باوجود انڈسٹری کے لئے آئی ڈی آر (IDR) % 75 تک پہنچ گئے جبکہ اے ڈی آر (ADR) % 51 رہے۔ انڈسٹری کے نان پرفارمنگ قرضے (NPL) جو گزشتہ سال دسمبر 2015 میں 614 بلین روپے تھے کم ہو کر 605 بلین روپے ہو گئے۔

مالیاتی کارکردگی

31 مارچ 2016 کو ختم ہونے والی سہ ماہی کیلئے بینک کا منافع قبل از ٹیکس 705.7 بلین روپے (منافع بعد از ٹیکس 458.6 بلین روپے) ہے گزشتہ سال اسی مدت کیلئے منافع قبل از ٹیکس 466.4 بلین روپے (منافع بعد از ٹیکس 304.1 بلین روپے) تھا جو اس مدت کے دوران آپ کے بینک کی بتدریج بہتر کارکردگی ظاہر کرتا ہے۔ منافع میں یہ اضافہ خالص سودی آمدنی اور نان مارک اپ آمدنی بالترتیب % 60.23 اور % 24.46 اضافے کی وجہ سے ہوا۔ سہ ماہی کے دوران، بیلنس شیٹ کے مطابق ڈپازٹس اور ایڈوانسز میں 141.8 بلین روپے اور 76.7 بلین روپے سے 147.9 بلین اور 82.8 بلین روپے بالترتیب کا اضافہ ہوا جبکہ انویسٹمنٹس 116.0 بلین روپے سے گھٹ کر 106.6 بلین روپے ہو گئیں۔

بزنس کا جائزہ

بینک مستقل بنیاد پر اپنے اثاثوں، ڈپازٹس، متبادل ترسیلی چینلز (ADC)، بینک اشورنس اور ترسیل زرکی شکل میں اپنے مارکیٹ شیئرز کو بڑھاتا رہا ہے۔ سال 2016 کی پہلی سہ ماہی کے دوران بینک نے اپنی خدمات کی فراہمی اور پروڈکٹس کی اقسام اور اہداف میں شامل ڈپازٹ پروڈکٹس میں اضافے کیلئے کچھ مزید اقدامات کیے تاکہ کسٹمرز میں اضافہ ہوتا رہے۔ احاطہ کئے جانے والی مدت کے دوران بنیادی ڈپازٹس کی گردش، بالخصوص کم قیمت ڈپازٹس میں اضافے پر مرکوز رہی۔ اثاثوں کے حوالے سے توجہ



ایڈوانسز اور بذر یعیفیس ہونے والی آمدنی میں اضافے پر رہی۔

138 شہروں میں 277 برانچز کے نیٹ ورک اور مسابقتی بینکنگ پروڈکٹس اور سروسز کے ساتھ سال 2016 میں اور اس کے بعد بھی بینک کی بنیادی اور فروغی آمدنی میں متاثر کن اضافے کی توقع ہے۔

کرڈٹ ریٹنگس

پاکستان کرڈٹ ایجنسی (پاکرا) نے بینک کی طویل المدتی ریٹنگ "A+" (اے پلس) اور قلیل المدتی ریٹنگ "A1+" (اے ون پلس) تفویض کی ہے جو سب سے بہتر ممکنہ قلیل المدتی ریٹنگ ہے۔

اظہار تشکر

بینک کی جانب سے میں اپنے کسٹمرز اور اسٹیک ہولڈرز کی سرپرستی کیلئے تہہ دل سے مشکور ہوں۔ میں وزارت مالیات، اسٹیٹ بینک آف پاکستان، سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان اور دیگر ریگولیٹری اتھارٹیز کی معاونت کیلئے ان کا شکریہ ادا کرنا چاہوں گا۔ آخر میں انتظامی ٹیم اور عملے کو ترقی کی راہ میں مسلسل جدوجہد اور ایک کامیاب ٹیم کی حیثیت سے مل کے کام کرنے کے عہد کے لئے دل کی گہرائیوں سے سراہتا ہوں۔

منجانب بورڈ

خالد عمران

پریزیڈنٹ اینڈ سی ای او

کراچی 19 اپریل 2016

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

As at March 31, 2016



	(Unaudited) March 31, 2016	(Audited) December 31, 2015
ASSETS	Note	(Rupees in '000)
Cash and balances with treasury banks		11,159,432
Balances with other banks		583,724
Lendings to financial institutions	7	3,581,329
Investments - net	8	116,029,825
Advances - net	9	76,666,180
Operating fixed assets	10	4,573,671
Deferred tax assets - net		-
Other assets		5,881,502
		<u>218,475,663</u>
		<u>211,188,757</u>
		<u>218,475,663</u>
		<u>211,188,757</u>
LIABILITIES		
Bills payable		1,609,425
Borrowings		54,638,318
Deposits and other accounts	11	141,840,487
Sub-ordinated loans		-
Liabilities against assets subject to finance lease		-
Deferred tax liabilities	12	1,695,393
Other liabilities		2,724,137
		<u>202,507,760</u>
		<u>194,872,250</u>
		<u>202,507,760</u>
		<u>194,872,250</u>
NET ASSETS		
		<u>15,967,903</u>
		<u>16,316,507</u>
		<u>15,967,903</u>
		<u>16,316,507</u>
REPRESENTED BY:		
Share capital		10,724,643
Discount on issue of shares		(2,105,401)
Preference shares		1,500,000
Reserves		918,816
Unappropriated profit		2,529,092
		<u>13,567,150</u>
Surplus on revaluation of assets - net of tax	13	2,400,753
		<u>15,967,903</u>
		<u>16,316,507</u>
		<u>15,967,903</u>
		<u>16,316,507</u>
CONTINGENCIES AND COMMITMENTS	14	

The annexed notes from 1 to 20 form an integral part of this unconsolidated condensed interim financial information.

Chairman

President and
Chief Executive Officer

Director

Director

UNCONSOLIDATED CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UNAUDITED)

For the first quarter ended March 31, 2016



	March 31, 2016	March 31, 2015
Note	(Rupees in '000)	
Mark-up / return / interest earned	3,633,229	3,823,603
Mark-up / return / interest expensed	2,278,949	2,636,332
Net mark-up / interest income	1,354,280	1,187,271
Provision against non-performing loans and advances - net	(119,526)	(338,328)
Provision against diminution in value of investments	-	(78,316)
Bad debts written off directly	-	-
	(119,526)	(416,644)
Net mark-up / interest income after provisions	1,234,754	770,627
NON MARK-UP / INTEREST INCOME		
Fee, commission and brokerage income	328,395	223,083
Dividend income	33,384	-
Income from dealing in foreign currencies	91,740	52,784
Gain on sale / redemption of securities - net	634,372	593,370
Unrealised gain on revaluation of investments classified as held-for-trading - net	11,264	21,639
Other income	16,514	5,521
Total non-mark-up / interest income	1,115,669	896,397
	2,350,423	1,667,024
NON MARK-UP / INTEREST EXPENSES		
Administrative expenses	1,630,455	1,191,301
Other provisions / write offs	-	-
Other charges	14,292	9,345
Total non mark-up / interest expenses	1,644,747	1,200,646
	705,676	466,378
Extra ordinary / unusual items	-	-
PROFIT BEFORE TAXATION	705,676	466,378
Taxation		
- Current	(125,522)	(40,995)
- Prior years	-	-
- Deferred	(121,530)	(121,290)
	(247,052)	(162,285)
PROFIT AFTER TAXATION	458,624	304,093
	Rupee	
Basic and diluted earnings per share	0.26	0.14

The annexed notes from 1 to 20 form an integral part of this unconsolidated condensed interim financial information.

Chairman

President and
Chief Executive Officer

Director

Director

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

For the first quarter ended March 31, 2016



	March 31, 2016	March 31, 2015 (Rupees in '000)
Profit after taxation	458,624	304,093
Other comprehensive income		
Items that will never be reclassified to profit and loss account	-	-
Comprehensive income transfer to equity	458,624	304,093
Component of comprehensive income not reflected in equity	-	-
Items that are or may be reclassified to profit and loss account		
Net change in fair value of available-for-sale securities	107,661	1,249,039
Related deferred tax liability	(37,681)	(437,164)
	69,980	811,875
Total comprehensive income for the period	528,604	1,115,968

The annexed notes from 1 to 20 form an integral part of this unconsolidated condensed interim financial information.

Chairman

President and
Chief Executive Officer

Director

Director

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

For the first quarter ended March 31, 2016



	Share capital	Discount on issue of shares	Preference shares	Statutory reserve	Unappropriated profit	Total
	(Rupees in '000)					
Balance as at January 01, 2015 (Audited)	10,724,643	(2,105,401)	1,500,000	513,707	1,070,775	11,703,724
Total comprehensive income for the quarter ended March 31, 2015						
Profit after taxation	-	-	-	-	304,093	304,093
Other comprehensive Income	-	-	-	-	-	-
	-	-	-	-	304,093	304,093
Transaction with owners recorded directly in equity						
Preference dividend for the period ended December 31, 2014 @ 12% p.a	-	-	-	-	(155,836)	(155,836)
Transfers						
Transfer to statutory reserve	-	-	-	60,819	(60,819)	-
Balance as at March 31, 2015 (Unaudited)	10,724,643	(2,105,401)	1,500,000	574,526	1,158,213	11,851,981
Total comprehensive income for the nine months period ended December 31, 2015						
Profit after taxation	-	-	-	-	1,721,454	1,721,454
Other comprehensive Income	-	-	-	-	(6,285)	(6,285)
	-	-	-	-	1,715,169	1,715,169
Transfers						
Transfer to statutory reserve	-	-	-	344,290	(344,290)	-
Balance as at December 31, 2015 (Audited)	10,724,643	(2,105,401)	1,500,000	918,816	2,529,092	13,567,150
Total comprehensive income for the quarter ended March 31, 2016						
Profit after taxation	-	-	-	-	458,624	458,624
Other comprehensive Income	-	-	-	-	-	-
	-	-	-	-	458,624	458,624
Preference dividend for the period ended December 31, 2015 @ 12% p.a	-	-	-	-	(180,000)	(180,000)
Transfers						
Transfer to statutory reserve	-	-	-	91,725	(91,725)	-
Balance as at March 31, 2016 (Unaudited)	<u>10,724,643</u>	<u>(2,105,401)</u>	<u>1,500,000</u>	<u>1,010,541</u>	<u>2,715,991</u>	<u>13,845,774</u>

The annexed notes from 1 to 20 form an integral part of this unconsolidated condensed interim financial information.

Chairman

President and
Chief Executive Officer

Director

Director

UNCONSOLIDATED CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)

For the first quarter ended March 31, 2016



	March 31, 2016	March 31, 2015
	(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	705,676	466,378
Less: Dividend income	(33,384)	-
	672,292	466,378
Adjustments:		
Depreciation	116,663	100,060
Amortisation of intangibles	11,821	9,573
Charge for defined benefit plan	22,915	17,301
Unrealised gain on revaluation of investments classified as held-for-trading - net	(11,264)	(21,639)
Provision against non-performing loans and advances - net	119,526	338,328
Provision against diminution in the value of investments - net	-	78,316
Unrealised gain on revaluation of derivative instruments - net	(15,883)	(9,319)
Gain on sale of operating fixed assets	(631)	(5,463)
Provision for Workers' Welfare Fund	14,114	9,327
	257,261	516,484
	929,553	982,862
Decrease / (increase) in operating assets		
Lendings to financial institutions	2,342,663	8,940,305
Held-for-trading securities	16,170,045	17,324,203
Advances	(6,242,612)	(4,237,740)
Other assets (excluding advance taxation)	2,207,753	1,959,438
	14,477,849	23,986,206
Increase / (decrease) in operating liabilities		
Bills payable	427,189	(47,761)
Borrowings	(15,428,471)	(1,816,760)
Deposits and other accounts	6,067,827	3,052,081
Other liabilities	568,429	(112,284)
	(8,365,026)	1,075,276
	7,042,376	26,044,344
	(73,655)	(43,225)
	-	(21,349)
Income tax paid		
Gratuity paid		
Net cash flow from operating activities	6,968,721	25,979,770
CASH FLOWS FROM INVESTING ACTIVITIES		
Net investment in available-for-sale securities	(6,609,207)	(25,418,091)
Investments in operating fixed assets	(806,751)	(236,448)
Proceeds from sale of operating fixed assets	2,506	10,904
Net cash used in investing activities	(7,413,452)	(25,643,635)
CASH FLOWS FROM FINANCING ACTIVITIES		
Preference dividend paid	-	(152,301)
(Decrease) / increase in cash and cash equivalents	(444,731)	183,834
Cash and cash equivalents at beginning of the period	11,688,471	9,450,269
Cash and cash equivalents at end of the period	11,243,740	9,634,103

The annexed notes from 1 to 20 form an integral part of this unconsolidated condensed interim financial information.

Chairman

President and
Chief Executive Officer

Director

Director

NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)

For the first quarter ended March 31, 2016



1. STATUS AND NATURE OF BUSINESS

1.1 JS Bank Limited ('the Bank'/JSBL), incorporated in Pakistan, is a scheduled bank, engaged in commercial banking and related services. The Bank's ordinary shares are listed on Pakistan Stock Exchange (PSX), formerly Karachi Stock Exchange (KSE). 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 277 (December 31, 2015: 277) branches / sub-branches in Pakistan and one wholesale banking branch in Bahrain (December 31, 2015: Nil). The Pakistan Credit Rating Agency Limited (PACRA) has upgraded the short-term entity ratings of the Bank from "A1" (A One) to "A1+" (A One Plus), while maintained the long-term entity rating "A+" (Single A Plus) with stable outlook.

Jahangir Siddiqui Investment Bank Limited, JSIBL, (formerly Citicorp Investment Bank Limited which was acquired by 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 - Pakistan Branches, (AEBL). 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.

2. STATEMENT OF COMPLIANCE

2.1. This unconsolidated condensed interim financial information of the Bank for the quarter ended March 31, 2016 has been prepared in accordance with the requirements of the International Accounting Standard 34 - 'Interim Financial Reporting', provisions of the Companies Ordinance, 1984, the Banking Companies Ordinance, 1962 and directives issued by the Securities and Exchange Commission of Pakistan (SECP) and 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.

2.2. The SBP has deferred the applicability of International Accounting Standard 39, 'Financial Instruments: Recognition and Measurement' and International Accounting Standard 40, 'Investment Property' for Banking Companies through BSD Circular Letter No. 10 dated August 26, 2002. Further, according to the notification of the SECP dated April 28, 2008, International Financial Reporting Standard 7 'Financial Instruments: Disclosures' has not been made applicable to banks. Accordingly, the requirements of these standards have

NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)

For the first quarter ended March 31, 2016

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.

- 2.3. 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 International Accounting Standard 34, 'Interim Financial Reporting' 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, 2015.

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, 2015.

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, 2015.

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, 2015.

		(Unaudited) March 31, 2016	(Audited) December 31, 2015
	Note	(Rupees in '000)	
7. LENDINGS TO FINANCIAL INSTITUTIONS			
Call money lendings		350,000	628,446
Repurchase agreement lendings (Reverse Repo)	7.1	888,666	2,952,883
		<u>1,238,666</u>	<u>3,581,329</u>

- 7.1 Repurchase agreement lendings are secured through Pakistan Investment Bonds and Market Treasury Bills having total market value of Rs. 894.4921 million (December 31, 2015: Rs. 3,027.856 million).



8. INVESTMENTS - net

	(Unaudited)			(Audited)		
	March 31, 2016			December 31, 2015		
	Held by bank	Given as collateral	Total	Held by bank	Given as collateral	Total
Note ----- (Rupees in '000) -----						
8.1 INVESTMENTS BY TYPES:						
Held-for-trading securities						
Market Treasury Bills	3,630,597	-	3,630,597	18,782,717	-	18,782,717
Pakistan Investment Bonds	2,737,249	-	2,737,249	3,698,417	49,445	3,747,862
	6,367,846	-	6,367,846	22,481,134	49,445	22,530,579
Available-for-sale securities						
Market Treasury Bills	7,043,257	-	7,043,257	5,696,991	-	5,696,991
Pakistan Investment Bonds	48,325,710	32,637,902	80,963,612	31,595,615	44,201,767	75,797,382
Ordinary shares of listed companies	2,915,898	-	2,915,898	2,851,487	-	2,851,487
Ordinary shares of unlisted companies	11,000	-	11,000	11,000	-	11,000
Preference shares of listed companies	136,589	-	136,589	136,589	-	136,589
Open end mutual funds	145,580	-	145,580	191,159	-	191,159
Term Finance Certificates-listed	224,322	-	224,322	266,322	-	266,322
Term Finance Certificates-unlisted	1,243,404	-	1,243,404	1,759,344	-	1,759,344
Sukuk Certificates-unlisted	370,000	-	370,000	380,000	-	380,000
Foreign Currency Bonds	1,968,685	-	1,968,685	1,322,866	-	1,322,866
	62,384,445	32,637,902	95,022,347	44,211,373	44,201,767	88,413,140
Investments in subsidiaries	1,919,121	-	1,919,121	1,919,121	-	1,919,121
Investments at cost	70,671,412	32,637,902	103,309,314	68,611,628	44,251,212	112,862,840
Less: Provision for diminution in value of investments	(533,793)	-	(533,793)	(533,793)	-	(533,793)
Investments (net of provision)	70,137,619	32,637,902	102,775,521	68,077,835	44,251,212	112,329,047
Unrealised gain on revaluation of investments classified as held-for-trading	11,264	-	11,264	7,270	42	7,312
Surplus on revaluation of available-for-sale securities	2,259,321	1,541,806	3,801,127	1,890,171	1,803,295	3,693,466
Total investments at carrying value	72,408,204	34,179,708	106,587,912	69,975,276	46,054,549	116,029,825

8.1.1 Included herein are the investments in related parties amounting to Rs. 1,801.163 million (December 31, 2015: 1,778.111 million) and having market value of Rs. 2,298.738 million (December 31, 2015: 2,405.618 million)

8.1.2 Included herein is the investment in a related party, amounting to Rs.45.580 million (December 31, 2015: Rs.91.159 million) and having market value of Rs. 51.896 million (December 31, 2015: Rs.102.972 million).

8.1.3 Included herein is the investment of Rs. 65.022 million (December 31, 2015: Rs.65.022 million) in a related party at the rate of 6 months KIBOR ask rate + 1.75% maturing on December 04, 2017. Due to weak financial position of the company the Bank has recognised full impairment loss on these term finance certificates.

NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)

For the first quarter ended March 31, 2016

8.1.4 Included herein are the investments in the following subsidiaries:

	Shares Numbers	Holding Percentage	Cost	
			(Unaudited) March 31, 2016	(Audited) December 31, 2015
			(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	65.16%	561,192	561,192
			1,919,121	1,919,121

9. ADVANCES - net	Note	(Rupees in '000)	
		(Unaudited) March 31, 2016	(Audited) December 31, 2015
Loans, cash credits, running finances, etc.			
In Pakistan		77,868,549	72,795,661
Outside Pakistan		-	-
		77,868,549	72,795,661
Net Investment in Finance lease - in Pakistan		4,245,655	3,226,785
Bills discounted and purchased (excluding market treasury bills)			
Payable in Pakistan		1,364,667	1,266,902
Payable outside Pakistan		2,152,949	2,100,013
		3,517,616	3,366,915
Advances - gross		85,631,820	79,389,361
Provision for non-performing advances			
specific	9.1	(2,822,854)	(2,705,929)
general (against consumer financing)		(19,700)	(17,252)
		(2,842,554)	(2,723,181)
Advances - net of provision		82,789,266	76,666,180

9.1 Advances include Rs. 3,250.944 million (December 31, 2015: Rs.2,982.825 million) which have been placed under non-performing status as detailed below:

Category of classification	(Unaudited) March 31, 2016			
	Domestic	Overseas	Total	Provision required
				Provision held
	(Rupees in '000)			
Other assets especially mentioned	-	-	-	-
Substandard	7,861	-	7,861	389
Doubtful	489,028	-	489,028	158,235
Loss	2,754,055	-	2,754,055	2,664,230
	3,250,944	-	3,250,944	2,822,854
				2,822,854



Category of classification	(Audited) December 31, 2015			Provision required	Provision held
	Domestic	Overseas	Total		
	----- (Rupees in '000) -----				
Other assets especially mentioned	-	-	-	-	-
Substandard	1,533	-	1,533	383	383
Doubtful	181,136	-	181,136	32,984	32,984
Loss	2,800,156	-	2,800,156	2,672,562	2,672,562
	<u>2,982,825</u>	<u>-</u>	<u>2,982,825</u>	<u>2,705,929</u>	<u>2,705,929</u>

10. OPERATING FIXED ASSETS

- 10.1 During the period, the Bank has made additions and deletions of Rs. 756.172 million (March 31, 2015: Rs. 176.150 million) and Rs. 1.875 million (March 31, 2015: Rs. 5.443 million) respectively.

(Unaudited) March 31, 2016	(Audited) December 31, 2015
(Rupees in '000)	

11. DEPOSITS AND OTHER ACCOUNTS

Customers

Fixed deposits	72,205,195	61,877,181
Savings deposits	29,036,396	32,635,288
Current accounts - non-remunerative	32,738,913	34,570,446
Margin accounts	2,273,901	1,557,573
	136,254,405	130,640,488

Financial institutions

Remunerative deposits	11,459,637	10,996,136
Non-remunerative deposits	194,272	203,863
	11,653,909	11,199,999
	147,908,314	141,840,487

11.1 Particulars of deposits

In local currency	135,455,546	130,091,091
In foreign currencies	12,452,768	11,749,396
	147,908,314	141,840,487

NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)

For the first quarter ended March 31, 2016

	(Unaudited) March 31, 2016	(Audited) December 31, 2015
	(Rupees in '000)	
12. DEFERRED TAX LIABILITY / (ASSET) - net		
Note		
Deferred tax (debits) arising from:		
Provision against investments	(57,149)	(57,149)
Provision against loans and advances	-	(94,246)
Provision for Workers' Welfare Fund	(53,301)	(48,362)
	(110,450)	(199,757)
Deferred tax credits arising due to:		
Operating fixed assets	146,504	152,922
Goodwill	474,094	461,322
Unrealised loss on revaluation of derivative Instruments	10,120	(14,366)
Unrealised gain on revaluation of investment classified as held for trading	3,942	2,559
Surplus on revaluation of investment classified assets as available for sale	1,330,394	1,292,713
	1,965,054	1,895,150
	1,854,604	1,695,393
13. SURPLUS ON REVALUATION OF ASSETS - net of tax		
Available-for-sale securities		
Government Securities	3,405,512	3,159,726
Ordinary shares - listed	419,120	597,692
Open end mutual funds	4,956	8,999
Term Finance Certificates - listed	3	35
Foreign currency bonds	(28,464)	(72,986)
	3,801,127	3,693,466
Related deferred tax liability	(1,330,394)	(1,292,713)
	2,470,733	2,400,753
14. CONTINGENCIES AND COMMITMENTS		
14.1 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	13,304,570	13,374,471
ii) Banking companies and other financial institutions	2,492,226	590,642
iii) Others	3,683,317	2,888,172
	19,480,113	16,853,285



14.1.1 Included herein the outstanding guarantees of Rs. 28.602 million (December 31, 2015: Rs. 47.902 million) of related parties.

	Note	(Unaudited) March 31, 2016 (Rupees in '000)	(Audited) December 31, 2015
14.2			
Trade-related contingent liabilities			
Documentary credits	14.2.1	<u>15,137,560</u>	<u>11,134,071</u>
14.2.1			
Included herein the outstanding amount of Rs. 14.448 million (December 31, 2015: Rs. 3.080 million) of related parties.			
14.3		<u>66,884</u>	<u>66,884</u>
Claims not acknowledged as debts			
14.4		<u>1,364,047</u>	<u>1,396,767</u>
Commitments in respect of forward lending			
14.4.1			
Included herein the commitment of Rs. 600 million (December 31, 2015: Rs. 600 million) of related party.			
14.5		<u>143,430</u>	<u>616,466</u>
Commitment in respect of capital expenditure			
14.6			
Commitments in respect of derivative instruments			
14.6.1			
Forward exchange contracts			
Purchase		<u>9,607,495</u>	<u>9,076,271</u>
Sale		<u>5,053,669</u>	<u>5,218,707</u>
14.6.2			
Forward government securities			
Purchase		<u>4,015,161</u>	<u>-</u>
Sale		<u>626,223</u>	<u>267,151</u>
14.6.3		<u>2,627,850</u>	<u>2,627,850</u>
Cross currency swaps (notional principal)			
14.7			
There is no change in contingent liabilities since the date of annual unconsolidated audited financial statements for the year ended December 31, 2015 except as disclosed above.			

NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)

For the first quarter ended March 31, 2016

15. OTHER CHARGES

This includes the penalties imposed by State Bank of Pakistan of Rs. Nil (March 31, 2015: Rs. 0.018 million).

		(Unaudited)	
		March 31, 2016	March 31, 2015
16.	BASIC AND DILUTED EARNINGS PER SHARE	Note	
	Profit after taxation for the period - attributable to ordinary equity holders of the Bank for diluted earnings	(Rs. in '000)	
		458,624	304,093
	Preference dividend for the period ended December 31, 2015 @ 12% p.a	(Rs. in '000)	
		(180,000)	(155,836)
	Profit after taxation for the period - attributable to ordinary equity holders of the Bank for basic earnings	(Rs. in '000)	
		278,624	148,257
	Weighted average number of outstanding ordinary shares during the period	Numbers	
		1,072,464,262	1,072,464,262
	Basic and diluted earnings per share	Rupee	
		0.26	0.14

- 16.1 The diluted earnings per share increased when taking the convertible preference shares into account, therefore the convertible preference shares are anti-dilutive and are excluded from the weighted average number of ordinary shares for the purpose of diluted earnings per share.



17. 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, employee benefit plans, and its key management personnel (including their associates). The details of investments in subsidiaries and associates are stated in note 8.14 to these unconsolidated financial information.

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			Subsidiaries companies			Companies in which parent company holds 20% or more			Companies having common directorship			Other related parties		
	(Unaudited)	(Audited)	(Audited)	(Unaudited)	(Audited)	(Audited)	(Unaudited)	(Audited)	(Audited)	(Unaudited)	(Audited)	(Audited)	(Unaudited)	(Audited)	(Audited)
	March 31, 2016	December 31, 2015	March 31, 2016	December 31, 2015	March 31, 2016	December 31, 2015	March 31, 2016	December 31, 2015	March 31, 2016	December 31, 2015	March 31, 2016	December 31, 2015	March 31, 2016	December 31, 2015	
Advances															
Opening balance	395,639	252,004	-	388,689	353,777	7074	8,490	2,044,664	1,435,534						
Disbursements	62,331	217,429	-	575,847	1,155,211	3,583,567	2,156	1,332,411	5,746,165						
Repayments	(20,827)	(73,794)	-	(157,006)	(1,120,299)	(1,270,790)	(3,572)	(1,260,315)	(5,137,035)						
Balance as at	437,143	395,639	-	807,530	386,689	2,319,851	7,074	2,316,760	2,044,664						
Disbursements made during quarter ended March 31, 2015					94,483		2,156		1,572,286						
Repayment made during quarter ended March 31, 2015					(75,957)		(830)		(803,713)						
Mark-up / return / interest earned for the quarter ended March 31 (un-audited)	4,942	3,271	-	4,573	9,975	12,234	756	491,665	38,931						
Deposits															
Opening balance	2,016,612	152,442	1,485,323	2,227,657	2,085,915	1,108,568	49,987	2,580,416	3,122,210						
Deposits during the period	4,563,173	29,822,405	398,176,310	3,518,897	13,813,555	2,581,105	7,762,799	52,278,050	47,036,332						
Withdrawals during the period	(5,078,504)	(2,992,233)	(164,989,751)	(3,525,277)	(13,671,813)	(3,145,910)	(6,704,218)	(52,356,550)	(47,578,126)						
Balance as at	1,501,281	2,016,612	1,690,632	2,221,277	2,227,657	543,763	1,108,568	2,501,916	2,580,416						
Deposits during the quarter ended March 31, 2015					2,848,325		635,345		7,636,320						
Withdrawals made during the quarter ended March 31, 2015					(8,785,815)		(633,175)		(7,850,248)						
Mark-up / return / interest expensed for the quarter ended March 31 (un-audited)	29,641	30,596	27,293	38,123	18,302	12,770	1,924	43,340	64,776						

NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)

For the first quarter ended March 31, 2016



19. GENERAL

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

20. DATE OF AUTHORISATION FOR ISSUE

This unconsolidated condensed interim financial information was authorised for issue by the Board of Directors of the Bank in their meeting held on April 19, 2016.


Chairman

President and
Chief Executive Officer

Director

Director

Consolidated Condensed Interim
Financial Information
for the first quarter ended
March 31, 2016
(Un-Audited)

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CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

As at March 31, 2016



	Note	(Unaudited) March 31, 2016	(Audited) December 31, 2015
		(Rupees in '000)	
ASSETS			
Cash and balances with treasury banks		10,383,490	11,160,169
Balances with other banks		1,354,746	629,407
Lendings to financial institutions	8	1,238,666	3,581,329
Investments - net	9	107,361,719	116,884,984
Advances - net	10	82,802,471	76,678,864
Operating fixed assets	11	5,403,853	4,731,135
Deferred tax assets - net		-	-
Other assets		4,713,391	7,140,798
		213,258,336	220,806,686
LIABILITIES			
Bills payable		2,036,614	1,609,425
Borrowings		39,563,123	54,638,318
Deposits and other accounts	12	146,217,682	140,355,175
Sub-ordinated loans		-	-
Liabilities against assets subject to finance lease		-	-
Deferred tax liabilities	13	1,727,472	1,571,252
Other liabilities		4,337,598	3,624,371
		193,882,489	201,798,541
NET ASSETS		19,375,847	19,008,145
REPRESENTED BY:			
Share capital		10,724,643	10,724,643
Discount on issue of shares		(2,105,401)	(2,105,401)
Preference shares		1,500,000	1,500,000
Reserves		1,010,540	918,815
Unappropriated profit		3,264,007	3,066,149
		14,393,789	14,104,206
Non-controlling interest		1,966,155	1,952,266
		16,359,944	16,056,472
Surplus on revaluation of assets - net of tax	14	3,015,903	2,951,673
		19,375,847	19,008,145
CONTINGENCIES AND COMMITMENTS	15		

The annexed notes from 1 to 21 form an integral part of this consolidated condensed interim financial information.

Chairman

President and
Chief Executive Officer

Director

Director

CONSOLIDATED CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UNAUDITED)

For the first quarter ended March 31, 2016



	March 31, 2016	March 31, 2015
Note	(Rupees in '000)	
Mark-up / return / interest earned	3,655,968	3,868,573
Mark-up / return / interest expensed	2,251,655	2,624,446
Net mark-up / interest income	1,404,313	1,244,127
Provision against non-performing loans and advances - net	(119,526)	(338,328)
Provision against diminution in value of investments - net	-	(34,870)
Bad debts written off directly	-	-
	(119,526)	(373,198)
Net mark-up / interest income after provisions	1,284,787	870,929
NON MARK-UP / INTEREST INCOME		
Fee, commission and brokerage income	449,768	386,468
Dividend income	51,067	15,680
Income from dealing in foreign currencies	91,706	52,711
Gain on sale / redemption of securities - net	634,822	660,544
Unrealised gain on revaluation of investments classified as held-for-trading - net	18,558	13,698
Other income	22,674	39,111
Total non-mark-up / interest income	1,268,595	1,168,212
	2,553,382	2,039,141
NON MARK-UP / INTEREST EXPENSES		
Administrative expenses	1,786,571	1,355,377
Other provisions	-	-
Other charges	15,396	13,378
Total non-mark-up / interest expenses	1,801,967	1,368,755
Extra ordinary / unusual items	751,415	670,386
	-	-
PROFIT BEFORE TAXATION	751,415	670,386
Taxation		
- Current	(148,146)	(80,938)
- Prior years	-	-
- Deferred	(119,797)	(122,729)
	(267,943)	(203,667)
PROFIT AFTER TAXATION	483,472	466,719
ATTRIBUTABLE TO:		
Equity holders of the Bank	469,583	388,106
Non-controlling interest	13,889	78,613
	483,472	466,719
	Rupee	
Basic and diluted earnings per share	0.27	0.22

The annexed notes from 1 to 21 form an integral part of this consolidated condensed interim financial information.

Chairman

President and
Chief Executive Officer

Director

Director

CONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

For the first quarter ended March 31, 2016



	March 31, 2016	March 31, 2015
	Rupees in '000	
Profit after taxation	483,472	466,719
Other comprehensive income		
Items that will never be reclassified to profit and loss account	-	-
Comprehensive income transfer to equity	483,472	466,719
Component of comprehensive income not reflected in equity	-	-
Items that are or may be reclassified to profit and loss account		
Net change in fair value of available-for-sale securities	100,652	1,081,793
Related deferred tax liability	(36,422)	(438,360)
	64,230	643,433
Total comprehensive income for the period	547,702	1,110,152
Attributable to :		
Equity holders of the Bank	546,758	1,111,890
Non-controlling interest	944	(1,738)
Total comprehensive income for the period	547,702	1,110,152

The annexed notes from 1 to 21 form an integral part of this consolidated condensed interim financial information.

Chairman

President and
Chief Executive Officer

Director

Director

CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

For the first quarter ended March 31, 2016



	Share capital	Discount on issue of shares	Preference Shares	Statutory reserves	Unappropriated profit	Sub total	Non-controlling interest	Total
----- (Rupees in '000) -----								
Balance as at January 01, 2015 (Audited)	10,724,643	(2,105,401)	1,500,000	513,706	1,384,998	12,017,946	2,135,442	14,153,388
Comprehensive Income for the quarter ended March 31, 2015								
Profit after taxation	-	-	-	-	388,106	388,106	78,613	466,719
Other comprehensive Income - net of tax	-	-	-	-	-	-	-	-
Transaction with owners recorded directly in equity								
Preference dividend for the period ended December 31, 2014 @ 12% p.a	-	-	-	-	(155,836)	(155,836)	-	(155,836)
Pre-acquisition surplus (net) on available-for-sale investment realised during the quarter ended March 31, 2015	-	-	-	-	(6,955)	(6,955)	(6,359)	(13,314)
Transfers								
Transfer to statutory reserve	-	-	-	60,819	(60,819)	-	-	-
Balance as at March 31, 2015	10,724,643	(2,105,401)	1,500,000	574,525	1,549,494	12,243,261	2,207,696	14,450,957
Comprehensive Income for the nine months period ended December 31, 2015								
Profit after taxation	-	-	-	-	1,864,150	1,864,150	134,455	1,998,605
Other comprehensive Income - net of tax	-	-	-	-	(6,285)	(6,285)	-	(6,285)
Transaction with owners recorded directly in equity								
Buy-back of shares by subsidiary	-	-	-	-	-	-	(385,603)	(385,603)
Surplus arised on buy back of shares by subsidiary	-	-	-	-	18,699	18,699	9,997	28,696
Pre-acquisition surplus (net) on available-for-sale investment realised during the nine month ended December 31, 2015	-	-	-	-	(15,619)	(15,619)	(14,279)	(29,898)
Transfers								
Transfer to statutory reserve	-	-	-	344,290	(344,290)	-	-	-
Balance as at December 31, 2015 (Audited)	10,724,643	(2,105,401)	1,500,000	918,815	3,066,149	14,104,206	1,952,266	16,056,472
Comprehensive Income for the quarter ended March 31, 2016								
Profit after taxation	-	-	-	-	469,583	469,583	13,889	483,472
Other comprehensive Income - net of tax	-	-	-	-	-	-	-	-
Transaction with owners recorded directly in equity								
Preference dividend for the period ended December 31, 2015 @ 12% p.a	-	-	-	-	(180,000)	(180,000)	-	(180,000)
Transfers								
Transfer to statutory reserve	-	-	-	91,725	(91,725)	-	-	-
Balance as at March 31, 2016	10,724,643	(2,105,401)	1,500,000	1,010,540	3,264,007	14,393,789	1,966,155	16,359,944

The annexed notes from 1 to 21 form an integral part of this consolidated condensed interim financial information.

Chairman

President and
Chief Executive Officer

Director

Director

CONSOLIDATED CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)

For the first quarter ended March 31, 2016



	March 31, 2016	March 31, 2015 (Rupees in '000)
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	751,415	670,386
Less: Dividend income	(51,067)	(15,680)
	700,348	654,706
Adjustments:		
Depreciation	124,723	106,203
Amortisation of intangibles	12,987	10,561
Charge for defined benefit plan	22,915	17,301
Unrealised gain on revaluation of investments classified as held-for-trading	(18,558)	(13,698)
Provision against non-performing advances - net	119,526	338,328
Provision against diminution in value of investments - net	-	34,870
Unrealised gain on revaluation of derivative instruments	(15,883)	(9,319)
Gain on sale of operating fixed assets	(737)	(5,429)
Provision for Workers' Welfare Fund	15,218	13,360
	260,191	492,177
	960,539	1,146,883
Decrease / (increase) in operating assets		
Lendings to financial institutions	2,342,663	8,940,305
Held-for-trading securities	16,237,509	17,658,093
Advances	(6,243,133)	(4,237,143)
Other assets (excluding advance taxation)	2,451,102	1,792,789
	14,788,141	24,154,044
Increase / (decrease) in operating liabilities		
Bills payable	427,189	(47,761)
Borrowings	(15,428,471)	(1,666,760)
Deposits	5,862,507	2,898,342
Other liabilities	495,094	(340,972)
	(8,643,681)	842,849
	7,104,999	26,143,776
Income tax paid	(109,081)	(69,575)
Gratuity paid	-	(21,349)
	6,995,918	26,052,852
CASH FLOW FROM INVESTING ACTIVITIES		
Net investment in available-for-sale securities	(6,595,033)	(25,453,502)
Dividend received	4,190	601
Investment in operating fixed assets	(812,303)	(249,636)
Proceeds from sale of operating fixed assets	2,612	10,949
Net cash used in investing activities	(7,400,534)	(25,691,588)
CASH FLOW FROM FINANCING ACTIVITIES		
Dividend paid on preference shares	-	(152,301)
Net cash used in financing activities	-	(152,301)
(Decrease) / increase in cash and cash equivalents	(404,616)	208,963
Cash and cash equivalents at beginning of the period	11,734,891	9,472,055
Cash and cash equivalents at end of the period	11,330,275	9,681,018

The annexed notes from 1 to 21 form an integral part of this consolidated condensed interim financial information.

Chairman

President and
Chief Executive Officer

Director

Director

NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)

For the first quarter ended March 31, 2016



1. STATUS AND NATURE OF BUSINESS

1.1 The "Group" consists of:

1.1.1 Holding Company

JS Bank Limited ('the Bank' / 'JSBL'), incorporated in Pakistan, is a scheduled bank, engaged in commercial banking and related services. The Bank's ordinary shares are listed on Pakistan Stock Exchange (PSX), formerly Karachi Stock Exchange (KSE). 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 277 (December 31, 2015: 277) branches / sub-branches in Pakistan and one wholesale banking branch in Bahrain (December 31, 2015: Nil). The Pakistan Credit Rating Agency Limited (PACRA) has upgraded the short-term entity ratings of the Bank from "A1" (A One) to "A1+" (A One Plus), while maintained the long-term entity rating "A+" (Single A Plus) with stable outlook.

Jahangir Siddiqui Investment Bank Limited, JSIBL, (formerly Citicorp Investment Bank Limited which was acquired by 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 - Pakistan Branches, (AEBL). 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

JS Global Capital Limited (JSGCL)

JS Global Capital Limited, JSGCL, is principally owned by the Bank, holding 51.05% of its equity interest. The Bank acquired effective controlling interest in JSGCL on December 21, 2011. JSGCL is a public listed company incorporated in Pakistan under the Companies Ordinance, 1984. The shares of the JSGCL are listed on Pakistan Stock Exchange (PSX), formerly Karachi and Islamabad stock exchanges. Further, the JSGCL is a corporate member of PSX and member of Pakistan Mercantile Exchange. The principal business of the JSGCL is to carry out share brokerage, money market, forex and commodity brokerage, advisory and consultancy services. Other activities include investment in a mix of listed and unlisted equity and debt securities and reverse repurchase transactions. The registered office of the JSGCL is situated at 6th floor, Faysal House, Shahra-e-Faisal, Karachi, Pakistan.

JS Investments Limited (JSIL)

JS Investments Limited, JSIL, is principally owned by the Bank, holding 65.16% of its equity interest. The Bank acquired effective controlling interest in JSIL on November 01, 2012 and December 22, 2015 of 52.24% and 12.92% respectively. The ownership interest has increased by

NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)

For the first quarter ended March 31, 2016

12.92%, without changing in the cost of investment, due to the fact that JSIL has bought back its 19,828,182 ordinary shares out of its 100 million ordinary shares during the last year. JSIL is a public listed company incorporated in Pakistan on February 22, 1995 under the Companies Ordinance, 1984. The shares of the JSIL are listed on the Pakistan Stock Exchange (PSX), formerly Karachi Stock Exchange since April 24, 2007. The registered office of the JSIL is situated at 7th floor, 'The Forum', Khayaban-e-Jami, Clifton, Karachi.

The JSIL 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.

- At period end, JSIL is an asset management company of the following funds:

Open end funds:

- JS Growth Fund
- JS Value Fund
- JS Large Cap Fund
- JS Islamic Fund
- Unit Trust of Pakistan
- JS Fund of Funds
- JS Islamic Government Securities Fund
- JS Cash Fund
- JS Income Fund
- JS Pension Savings Fund
- JS Islamic Pension Savings Fund

These funds have been treated as related parties in these consolidated financial statements.

JS ABAMCO Commodities Limited (JSACL)

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

2. 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, 2015.

3. STATEMENT OF COMPLIANCE

- 3.1 This consolidated condensed interim financial information of the Group for the first quarter ended March 31, 2016 has been prepared in accordance with the requirements of the International Accounting Standard 34 - 'Interim Financial Reporting', provisions of the Companies



Ordinance, 1984, the Banking Companies Ordinance, 1962 and directives issued by the Securities and Exchange Commission of Pakistan (SECP) and 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.

- 3.2 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 the Securities and Exchange Commission of Pakistan (SECP) dated April 28, 2008, the 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 consolidated financial statements. However, investments have been classified and valued in accordance with the requirements of various circulars issued by the SBP.
- 3.3 IFRS10 "Consolidated Financial Statements" was made applicable from period beginning on or after January 01, 2015 vide S.R.O 633(I)/2014 dated July 10, 2014 by SECP. However, SECP has directed that the requirements of consolidation under section 237 of the Companies Ordinance 1984 and IFRS-10 "Consolidated Financial Statements" is not applicable in case of investment by companies in mutual funds established under trust structure, through S.R.O 56(I) /2016 dated January 28, 2016. Accordingly, these requirements have not been considered in the preparation of these consolidated financial information.
- 3.4 The disclosures made in this consolidated 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 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 annual audited financial statements of the Group for the year ended December 31, 2015.

4. BASIS OF MEASUREMENT

This consolidated 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.

5. 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 Group for the year ended December 31, 2015.

6. ACCOUNTING POLICIES

The accounting policies adopted in the preparation of this consolidated condensed interim financial information are the same as those applied in the preparation of the consolidated annual financial statements of the Group for the year ended December 31, 2015.

7. 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, 2015.

NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)

For the first quarter ended March 31, 2016

	Note	(Unaudited) March 31, 2016	(Audited) December 31, 2015
(Rupees in '000)			
8. LENDINGS TO FINANCIAL INSTITUTIONS			
Call money lendings		350,000	628,446
Repurchase agreement lendings (Reverse repo)	8.1	888,666	2,952,883
		1,238,666	3,581,329

8.1 Repurchase agreement lendings are secured through Pakistan Investment Bonds and Market Treasury Bills having total market value of Rs. 894.492 million (December 31, 2015: Rs. 3,027.856 million).

9. INVESTMENTS	(Unaudited) March 31, 2016			(Audited) December 31, 2015		
	Held by group	Given as collateral	Total	Held by group	Given as collateral	Total
9.1 INVESTMENTS BY TYPES:	Note ----- (Rupees in '000) -----					
Held-for-trading securities						
Market Treasury Bills	3,630,597	-	3,630,597	18,782,717	-	18,782,717
Pakistan Investment Bonds	2,737,249	-	2,737,249	3,698,417	49,445	3,747,862
Ordinary Shares of listed companies	649,610	-	649,610	699,255	-	699,255
Term Finance Certificates- listed	41,653	-	41,653	32,652	-	32,652
Open end mutual funds	253,722	-	253,722	263,696	-	263,696
Sukuk certificates - listed	-	-	-	10,646	-	10,646
	7,312,831	-	7,312,831	23,487,383	49,445	23,536,828
Available-for-sale securities						
Market Treasury Bills	7,043,257	-	7,043,257	5,696,991	-	5,696,991
Pakistan Investment Bonds	48,325,710	32,637,902	80,963,612	31,595,615	44,201,767	75,797,382
Ordinary shares of listed companies	2,923,353	-	2,923,353	2,858,942	-	2,858,942
Ordinary shares of unlisted companies	26,273	-	26,273	26,273	-	26,273
Preference shares of a listed company	136,589	-	136,589	136,589	-	136,589
Term Finance Certificates-listed	224,322	-	224,322	266,322	-	266,322
Term Finance Certificates-unlisted	1,569,860	-	1,569,860	2,085,800	-	2,085,800
Sukuk Certificates-unlisted	370,000	-	370,000	380,000	-	380,000
Open end mutual funds	1,444,951	-	1,444,951	1,504,704	-	1,504,704
Foreign Currency Bonds (US \$)	1,968,685	-	1,968,685	1,322,866	-	1,322,866
	64,033,000	32,637,902	96,670,902	45,874,102	44,201,767	90,075,869
Investments at cost	71,345,831	32,637,902	103,983,733	69,361,485	44,251,212	113,612,697
Less: Provision for diminution in value of investments	(1,080,118)	-	(1,080,118)	(1,080,118)	-	(1,080,118)
Investments (net of provision)	70,265,713	32,637,902	102,903,615	68,281,367	44,251,212	112,532,579
Unrealised gain on revaluation of investments classified as held-for-trading	18,558	-	18,558	13,469	42	13,511
Surplus on revaluation of available-for-sale securities	2,897,740	1,541,806	4,439,546	2,535,599	1,803,295	4,338,894
	73,182,011	34,179,708	107,361,719	70,830,435	46,054,549	116,884,984



- 9.1.1 Included herein is the investment in a related party amounting to Rs. 46.120 million (December 31, 2015: Rs. Nil) having a market value of Rs.46.004 million (December 31, 2015: Rs. Nil).
- 9.1.2 Included herein is the investment in a related party amounting to Rs. 28.465 million (December 31, 2015: Rs. 28.502 million) having a market value of Rs.28.474 million (December 31, 2015: Rs. 28.465 million).
- 9.1.3 Included herein is the investment in a related party amounting to Rs. 253.722 million (December 31, 2015: Rs. 263.696 million) having a market value of Rs.256.324 million (December 31, 2015: Rs. 272.031 million).
- 9.1.4 Included herein are the investments in related parties amounting to Rs. 1,808.618 million (December 31, 2015: 1,785.566 million) and having market value of Rs. 2,324.569 million (December 31, 2015: 2,431.449 million)
- 9.1.5 Included herein is the investments in a related party, of Rs. 391.478 million (December 31, 2015: Rs. 391.478 million) at the rate of 6 months KIBOR ask rate + 1.75% to 11% p.a maturing between December 04, 2017 to October 19, 2020. Due to weak financial position of the company the Group has recognised full impairment loss on these term finance certificates.
- 9.1.6 Included herein is the investment in a related party amounting to Rs. 1,344.951 million (December 31, 2015: Rs. 1,184.834 million) having a market value of Rs.1,756.079 million (December 31, 2015: Rs. 1,823.699 million).
- 9.1.7 This includes surplus on revaluation of available for sale investments of subsidiaries amounting to Rs. 80.378 million (December 31, 2015: Rs. 80.378 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.

	(Unaudited) March 31, 2016	(Audited) December 31, 2015
10. ADVANCES - net	Note	(Rupees in '000)
Loans, cash credits, running finances, etc.		
In Pakistan	77,881,754	72,808,345
Outside Pakistan	-	-
	<u>77,881,754</u>	<u>72,808,345</u>
Net investment in finance lease - in Pakistan	4,245,655	3,226,785
Bills discounted and purchased (excluding market treasury bills)		
Payable in Pakistan	1,364,667	1,266,902
Payable outside Pakistan	2,152,949	2,100,013
	<u>3,517,616</u>	<u>3,366,915</u>
Advances - gross	<u>85,645,025</u>	<u>79,402,045</u>
Provision for non-performing advances		
specific	(2,822,854)	(2,705,929)
general (against consumer financing)	(19,700)	(17,252)
	<u>(2,842,554)</u>	<u>(2,723,181)</u>
Advances - net of provision	<u>82,802,471</u>	<u>76,678,864</u>

NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)

For the first quarter ended March 31, 2016

- 10.1 Advances include Rs. 3,250,944 million (December 31, 2015: Rs.2,982,825 million) which have been placed under non-performing status as detailed below:

(Unaudited) March 31, 2016				
Domestic	Overseas	Total	Provision required	Provision held
----- (Rupees in '000) -----				
Category of classification				
Other assets especially mentioned	-	-	-	-
Substandard	7,861	-	7,861	389
Doubtful	489,028	-	489,028	158,235
Loss	2,754,055	-	2,754,055	2,664,230
	<u>3,250,944</u>	<u>-</u>	<u>3,250,944</u>	<u>2,822,854</u>

(Audited) December 31, 2015				
Domestic	Overseas	Total	Provision required	Provision held
----- (Rupees in '000) -----				
Category of classification				
Other assets especially mentioned	-	-	-	-
Substandard	1,533	-	1,533	383
Doubtful	181,136	-	181,136	32,984
Loss	2,800,156	-	2,800,156	2,672,562
	<u>2,982,825</u>	<u>-</u>	<u>2,982,825</u>	<u>2,705,929</u>

11. OPERATING FIXED ASSETS

- 11.1 During the period, the Group has made additions and deletions of Rs. 763.341 million (March 31, 2015: Rs. 188.926 million) and Rs. 2.106 million (March 31, 2015: Rs. 5.520 million) respectively.

(Unaudited) March 31, 2016	(Audited) December 31, 2015
----- (Rupees in '000) -----	

12. DEPOSITS AND OTHER ACCOUNTS

Customers

Fixed deposits	72,205,195	61,877,181
Savings deposits	29,036,396	32,635,288
Current accounts - non-remunerative	32,738,913	34,570,446
Margin accounts	2,273,901	1,557,573
	<u>136,254,405</u>	<u>130,640,488</u>

Financial institutions

Remunerative deposits	9,769,515	9,511,034
Non-remunerative deposits	193,762	203,653
	<u>9,963,277</u>	<u>9,714,687</u>
	<u>146,217,682</u>	<u>140,355,175</u>



	(Unaudited) March 31, 2016	(Audited) December 31, 2015
	(Rupees in '000)	
12.1 Particulars of deposits		
In local currency	133,764,914	128,605,779
In foreign currencies	12,452,768	11,749,396
	146,217,682	140,355,175
13. DEFERRED TAX LIABILITY / (ASSET) - net		
Deferred tax (debits) arising from:		
Unused tax losses	(9,532)	(9,532)
Provision against investments	(57,149)	(57,149)
Provision against loans, advances and trade debts	(119,754)	(213,679)
Provision for donation	(1,067)	(1,067)
Provision for Workers' Welfare Fund	(71,807)	(66,938)
	(259,309)	(348,365)
Deferred tax credits arising due to:		
Operating fixed assets	154,695	162,221
Goodwill	474,094	461,110
Unrealised loss on revaluation of derivative Instruments	10,120	(14,366)
Unrealized gain on revaluation of investment classified as held for trading	4,606	3,809
Surplus on revaluation of investment classified as available for sale	1,343,266	1,306,843
	1,986,781	1,919,617
	1,727,472	1,571,252
14. SURPLUS ON REVALUATION OF ASSETS - net of tax		
Available-for-sale securities		
Government securities	3,405,512	3,159,726
Ordinary shares - listed	432,858	616,068
Open end mutual funds	549,259	555,673
Term finance certificates - listed	3	35
Foreign currency bonds (US \$)	(28,464)	(72,986)
	4,359,168	4,258,516
Related deferred tax liability	(1,343,265)	(1,306,843)
	3,015,903	2,951,673
Group's share	2,834,704	2,757,529
Non-controlling interest	181,199	194,144
	3,015,903	2,951,673

NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)

For the first quarter ended March 31, 2016

	Note	(Unaudited) March 31, 2016	(Audited) December 31, 2015
		(Rupees in '000)	
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	13,304,570	13,374,471
	ii) Banking companies and other financial institutions	2,492,226	590,642
	iii) Others	3,683,317	2,888,172
	15.1.1	19,480,113	16,853,285
15.1.1	Included herein the outstanding guarantees of Rs. 28.602 million (December 31, 2015: Rs. 47.902 million) of related parties.		
15.2	Trade-related contingent liabilities		
	Documentary credits	15.2.1 15,137,560	11,134,071
15.2.1	Included herein the outstanding amount of Rs. 14.448 million (December 31, 2015: Rs. 3.080 million) of related parties.		
15.3	Claims not acknowledged as debts	66,884	66,884
15.4	Commitments in respect of forward lending		
	Forward commitment to extend credit	1,364,047	1,396,767
15.4.1	Included herein the commitment of Rs. 600 million (December 31, 2015: Rs. 600 million) of related party.		
15.5	Commitment in respect of capital expenditure	143,430	616,466
15.6	Commitments in respect of derivatives instruments		
15.6.1	Commitments in respect of forward exchange contracts		
	Purchase	9,607,495	9,076,271
	Sale	5,053,669	5,218,707



	(Unaudited) March 31, 2016 (Rupees in '000)	(Audited) December 31, 2015
15.6.2 Forward government and equity securities		
Purchase	4,015,161	-
Sale	626,223	969,327
15.6.3 Cross currency swaps (notional principal)	<u>2,627,850</u>	<u>2,627,850</u>

15.7 There is no change in contingent liabilities since the date of annual consolidated audited financial statements for the year ended December 31, 2015 except as disclosed above.

16. OTHER CHARGES

16.1 This includes the penalties imposed by State Bank of Pakistan of Rs. Nil (March 31, 2015: Rs. 0.018 million).

		(Unaudited) March 31, 2016 (Rupees in '000)	March 31, 2015
17. BASIC AND DILUTED EARNINGS PER SHARE	Note		
Profit after taxation for the period - attributable to ordinary equity holders of the Bank for diluted earnings	(Rs. in '000)	469,583	388,106
Preference dividend for the period ended December 31, 2015 @ 12% p.a	(Rs. in '000)	(180,000)	(155,836)
Profit after taxation for the period - attributable to ordinary equity holders of the Bank for basic earnings	(Rs. in '000)	<u>289,583</u>	<u>232,270</u>
Weighted average number of outstanding ordinary shares during the period	Numbers 17.1	<u>1,072,464,262</u>	<u>1,072,464,262</u>
Basic and diluted earnings per share	Rupee	<u>0.27</u>	<u>0.22</u>

17.1 The diluted earnings per share increased when taking the convertible preference shares into account, therefore the convertible preference shares are anti-dilutive and are excluded from the weighted average number of ordinary shares for the purpose of diluted earnings per share.

NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)

For the first quarter ended March 31, 2016

18. 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:

	Parent		Key management personnel		Companies in which parent company holds 20% or more		Companies having common directorship		Other related parties	
	(Unaudited) March 31, 2016	(Audited) December 31, 2015	(Unaudited) March 31, 2016	(Audited) December 31, 2015	(Unaudited) March 31, 2016	(Audited) December 31, 2015	(Unaudited) March 31, 2016	(Audited) December 31, 2015	(Unaudited) March 31, 2016	(Audited) December 31, 2015
Advances										
Opening balance	2,016,612	152,242	397,435	253,800	388,689	353,777	7,074	8,490	2,047,846	1,438,716
Disbursements	4,563,173	2,982,240	62,852	217,429	575,847	1,155,211	3,983,567	2,156	1,532,411	5,746,165
Repayments	(5,078,504)	(27,958,235)	(20,827)	(73,794)	(157,006)	(1,120,299)	(1,270,790)	(3,572)	(1,260,315)	(5,137,035)
Balance as at	1,501,281	20,166,12	439,160	397,435	807,530	388,689	2,319,851	7,074	2,319,942	2,047,846
Disbursements made during quarter ended March 31, 2015				95,149		94,483		2,156		1,572,286
Repayment made during quarter ended March 31, 2015				(9,968)		(75,957)		(830)		(803,713)
Mark-up / return / interest earned for the quarter ended March 31 (un-audited)			4,942	3,271	4,573	6,975	12,234	756	49,165	38,931
Deposits										
Opening balance	2,016,612	152,242	76,534	43,061	2,227,657	2,085,915	1,108,568	49,987	2,580,416	3,122,210
Deposits during the period	4,563,173	2,982,240	325,440	863,036	3,518,897	13,813,555	2,581,105	7,762,799	52,278,050	47,036,332
Withdrawals during the period	(5,078,504)	(27,958,235)	(299,233)	(82,953)	(3,525,277)	(13,671,813)	(3,145,910)	(6,704,218)	(52,356,550)	(47,578,126)
Balance as at	1,501,281	20,166,12	102,741	76,534	2,221,277	2,227,657	543,763	1,108,568	2,501,916	2,590,416
Deposits during the quarter ended March 31, 2015				184,874		2,848,325	635,348			76,963,320
Withdrawals made during the quarter ended March 31, 2015				(13,891.5)		(1,875,815)	(633,175)			(7,850,248)
Mark-up / return / interest expensed for the quarter ended March 31 (un-audited)			932	306	36,123	18,302	12,770	1,924	43,340	64,776



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	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
Sale of Government Securities	112,098	-	553,976	9,107,418	514,257	28,489
Purchase of Government Securities	-	-	1,011,080	862,815	45,576	19,572
Sale of Sukuk / Ijara	-	-	130,496	5,040	-	-
Sale of shares / Units	-	-	-	-	243,325	212,543
Purchase of shares / Units	-	-	-	-	158,441	260,357
Rent/ other receivable	-	-	-	-	-	225
Purchase of forward foreign exchange contracts	-	-	2,514,993	1,676,565	-	-
Sale of forward foreign exchange contracts	-	-	4,710,978	1,020,843	-	-
Letter of credits	6,289	2,934	-	5,261	20,474	3,313
Letter of guarantees	-	-	-	-	-	59,500
Payment to staff benefit plan	-	-	-	-	-	21,349
Payment to staff contribution plan	-	-	-	-	26,842	21,439
Remuneration of key management personnel	-	-	-	-	161,794	132,454
Director fees and allowances	-	-	-	-	5,075	10,25
Insurance claim received	-	4,366	-	-	3,297	-
Insurance premium paid	37,112	48,918	25,048	14,898	38,204	3,041
Rent income received /receivable	493	-	-	-	3,666	4,275
Expenses incurred on behalf	155	53	-	-	4,254	4,155
Reimbursement of expenses	-	77	101	-	3,624	3,793
Commission income	10	139	13,959	15,588	2,228	2,979
Dividend income	-	-	6,874	-	14,198	-
Advisory fee	-	-	-	-	5,750	5,750
Royalty expenses	-	-	-	-	3,750	3,750
Remunerative income	-	-	-	-	37,107	41,135
Services received	-	-	-	-	306	-

Parent	March 31,	March 31,
	2016	2015
	(Rupees in '000)	
	Un-audited	
	-	2,379,779
	-	2,378,080
Nature of transactions	12,882	11,729
Purchase of Term Finance Certificates	589	1,446
Sale of Government Securities	760	3,215
Rent and utilities expense paid/accrued	15	-
Reimbursement of expenses	-	-
Commission income	-	-
Expenses incurred on behalf	-	-

NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)

For the first quarter ended March 31, 2016

19. SEGMENT DETAILS WITH RESPECT TO BUSINESS ACTIVITIES

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

	2016								Total
	Corporate finance	Trading and sales	Retail banking	Commercial banking	Payment and settlement	Brokerage	Asset Management	Others	
	(Rupees in '000)								
March 31, 2016 (Unaudited)									
Total income -external	87,194	2,870,788	831,956	921,033	37,297	123,154	52,511	630	4,924,563
Inter-segment revenues-net	-	(1,046,094)	956,422	89,672	-	-	-	-	-
Total income	87,194	1,824,694	1,788,378	1,010,705	37,297	123,154	52,511	630	4,924,563
Total expenses	(5,898)	(697,208)	(1,887,708)	(964,999)	(17,418)	(69,805)	(60,121)	(350,465)	(4,053,622)
Provisions / impairments	-	-	(100,829)	(18,697)	-	-	-	-	(119,526)
Current taxation	-	-	-	-	-	-	-	(148,146)	(148,146)
Deferred taxation	-	-	-	-	-	-	-	(119,797)	(119,797)
Net income / (loss)	81,296	1,127,486	(200,159)	27,009	19,879	53,349	(7,610)	(617,778)	483,472
Attributable to:									
Equity holders of the Bank	-	-	-	-	-	-	-	-	469,583
Non-controlling interest	-	-	-	-	-	-	-	-	13,889
March 31, 2016 (Unaudited)									
Segment assets (gross)	-	118,055,451	39,508,041	46,123,780	-	2,025,857	2,546,665	8,932,075	217,191,869
Segment non performing assets	-	533,793	106,850	3,144,094	-	326,456	219,869	10,861	4,341,923
Segment provision required	-	(533,793)	(76,980)	(2,765,574)	-	(326,456)	(219,869)	(10,861)	(3,933,533)
Segment liabilities	-	33,850,222	104,323,828	47,629,052	2,036,615	442,117	186,951	5,413,704	193,882,489
	2015								
	Corporate finance	Trading and sales	Retail banking	Commercial banking	Payment and settlement	Brokerage	Asset Management	Others	Total
	(Rupees in '000)								
March 31, 2016 (Unaudited)									
Total income -external	20,111	2,858,790	831,321	962,261	42,053	220,454	96,331	5,464	5,036,785
Inter-segment revenues-net	-	(933,874)	921,563	(43,970)	-	-	-	56,281	-
Total income	20,111	1,924,916	1,752,884	918,291	42,053	220,454	96,331	61,745	5,036,785
Total expenses	(1,119)	(1,100,773)	(1,727,830)	(1,176,914)	(12,609)	(120,930)	(6,651)	(219,573)	(4,366,399)
Current taxation	-	-	-	-	-	-	-	(80,938)	(80,938)
Deferred taxation	-	-	-	-	-	-	-	(122,729)	(122,729)
Net income / (loss)	18,992	824,143	25,054	(258,623)	29,444	99,524	89,680	(361,495)	466,719
Attributable to:									
Equity holders of the Bank	-	-	-	-	-	-	-	-	388,106
Non-controlling interest	-	-	-	-	-	-	-	-	78,613
December 31, 2015 (Audited)									
Segment assets (gross)	-	127,893,217	36,295,844	45,131,782	-	2,828,092	2,563,482	10,322,818	225,035,235
Segment non performing assets	-	533,793	108,493	2,874,332	-	740,883	219,869	10,861	4,488,231
Segment provision required	-	(533,793)	(74,626)	(2,648,555)	-	(740,883)	(219,869)	(10,861)	(4,228,587)
Segment liabilities	-	49,392,266	96,164,828	49,436,399	1,609,425	658,411	231,015	4,306,158	201,798,502



20. GENERAL

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

21. DATE OF AUTHORISATION FOR ISSUE

This consolidated condensed interim financial information was authorised for issue by the Board of Directors of the Bank in their meeting held on April 19, 2016.

Chairman

President and
Chief Executive Officer

Director

Director



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