



1st Quarterly Report
January - March 2011
Standard Chartered Bank (Pakistan) Limited



Leading the way

in Asia, Africa and the Middle East

Standard Chartered Bank (Pakistan) Ltd.

Points of Interest

- The Bank opened its first branch in Karachi in 1863
- The largest international Bank in Pakistan with 162 branches in 41 cities*
- One of the largest Multinational Corporations in the country
- The first international Bank to get an Islamic Banking license and to open the first Islamic Banking branch in Pakistan
- Credit Ratings of AAA / A1+ (long term and short term ratings respectively. Highest long term rating assigned by PACRA to any private sector commercial bank)

Strong Recognition by Stakeholders

- “Best Bank in Pakistan” Award for Excellence 2010 by Euromoney
- “Best Place to Work Award 2010 - Financial Services Company” by Pakistan Society for Human Resources Management
- “Best Foreign Commercial Bank in Pakistan” Award by FinanceAsia
- “Best Foreign Exchange Provider” Award from the Global Finance Magazine for 2011
- “Pakistan Deal of the Year - 2010” Award by the Asset Triple A Awards
- “Best Country Deal - 2010” Award by the Islamic Finance News

Sustainability

- As part of the Bank's Sustainability agenda, our efforts are noticeable in the field of Education, Preventable Blindness, HIV awareness among youth and disaster response efforts

What we stand for

Strategic Intent				
The world's best international Bank Leading the way in Asia, Africa and the Middle East				
Brand Promise				
Here for good				
Values				
Courageous We stand up for what we believe is right	Responsive We deliver thoughtful, timely, high quality solutions	International We value our diversity and collaborate as one team	Creative We continuously improve the way we work	Trustworthy We are reliable, open and honest
Competitive Positioning				
Delivery Collaborating to combine global capability and deep local knowledge to provide innovative solutions	Customers & Clients Building long term relationships with our customers and clients, delighting them with our service and solutions		Discipline Balancing the pursuit of growth with firm control of costs and risks	
Commitment to Stakeholders				
Our People A great place to work, enabling individuals to grow and teams to succeed	Communities Trusted and caring, dedicated to being a force for good	Investors A distinctive investment, delivering consistently superior performance	Regulators Demonstrating exemplary governance and ethics	

*As of December 31, 2010

Company Information

Board of Directors

Mr. Christos Papadopoulos	Chairman
Mr. Mohsin Ali Nathani	Chief Executive Officer
Mr. Andrew James Hardacre	
Mr. Raheel Ahmed	
Mr. Najam I. Chaudhri	
Mr. Shahid Zaki	
Mr. Parvez Ghias	

Company Secretary

Mr. Rahim Panjwani

Audit Committee of the Board

Mr. Najam I. Chaudhri	Chairman
Mr. Shahid Zaki	Member
Mr. Andrew James Hardacre	Member

Auditors

M/s KPMG Taseer Hadi & Co
Chartered Accountants

Legal Advisors

Haidermota & Co
Barristers at Law & Corporate Counselors

Registered Office

Standard Chartered Bank (Pakistan) Limited
P.O. Box No. 5556, I.I. Chundrigar Road
Karachi 74000 Pakistan
Tel: (021) 32450000
Fax: (021) 32414914

Main Office

Standard Chartered Bank (Pakistan) Limited
P.O. Box No. 5556, I.I. Chundrigar Road
Karachi 74000 Pakistan
Tel: (021) 32450000
Fax: (021) 32414914

Website

www.standardchartered.com.pk

Registrar and Share Transfer Office

M/s T H K Associates (Pvt.) Limited
Ground Floor, State Life Building No.3
Dr. Ziauddin Ahmad Road, Karachi
Tel : (021) 111-000-322
Fax : (021) 35655595

Directors' Report – Quarter Ended 31 March 2011

On behalf of the Board of Directors, I am pleased to present the Directors' Report of Standard Chartered Bank (Pakistan) Limited (SCBPL) along with its un-audited condensed interim financial statements for the quarter ended 31 March 2011.

Economy

Pakistan's economy is showing signs of recovery in Q1 2011 led by strong pick up in export growth and a strong rebound in agriculture following a bumper wheat crop. The external position has strengthened; FX reserves have increased to USD 17.9 billion (over 5 months of import cover) by end March 2011 from USD 17.2 billion in December 2010. The current account deficit has narrowed considerably, helped by lower import growth, higher exports, and record high workers' remittances. Headline inflation has also declined, averaging 13.4% in Q1 2011, down from 15.4% in Q4 2010. Real GDP growth is projected to pick up to 4% in 2011, from 2.5% in 2010.

Banks remain well capitalized, with the Capital Adequacy Ratio (CAR) at 14% by December 2010 against 13.8% in September 2010. Weak macroeconomic fundamentals, rising cost of doing business and low investments have impacted bank credit. Non-performing loans (NPLs) to gross loans have increased sharply to 14.7% by December 2010 from 14% in September 2010.

Operating Results and Business Overview

	31 March 2011 (PKR millions)	31 December 2010 (PKR millions)
Balance Sheet		
Paid-up capital	38,716	38,716
Total equity	49,942	51,073
Deposits	235,320	220,266
Advances – gross	166,405	157,906
Advances – net	147,066	139,269
Investments – net	86,637	72,637
	Quarter ended 31 March 2011 (PKR millions)	Quarter ended 31 March 2010 (PKR millions)
Profit and Loss		
Revenue	6,368	5,745
Administrative expenses	3,491	3,077
Other non mark-up expenses	46	25
Operating profit (before provisions and tax)	2,831	2,643
Provisions (net of recoveries)	959	1,367
Profit before tax	1,872	1,276
Profit after tax	1,154	829

The year begins with a good momentum and the first quarter results depict improved profitability with profit before tax increasing by approximately 47% from PKR 1.27 billion in the first quarter of 2010 to PKR 1.87 billion in the current quarter. Revenue reflects a healthy growth of 11% from PKR 5.7 billion to PKR 6.4 billion. Despite double digit inflation and investment into businesses the costs (excluding Head Office expenses under the 'Advisory and Service Agreement - SLA') have only increased by 8% from PKR 2.15 billion to PKR 2.33 billion. This reflects our commitment to invest into businesses through reduction of inefficiencies and waste. In this regard we have also started to rationalise our distribution network to achieve optimum efficiency. Head Office expenses have risen from PKR 0.97 billion to PKR 1.23 billion. Provisions against loans remain on the downward trajectory reflecting improvement in credit migration and benefit of prudent policies which resulted in consistently high loss coverage ratio. Currently our loss coverage ratio is approximately 83% which is one of the highest in the industry.

We remain adequately liquid and continue to focus on enhancing the asset base in a prudent and controlled manner. Deposits have grown from PKR 220 billion in December 2010 to PKR 235 billion in the current quarter strengthening our liquidity further. Current and Savings Account (CASA) continues to grow strongly with a 6% increase during the quarter and now comprises 79% of the total deposit base. Gross advances have grown from PKR 157.91 billion to PKR 166.18 billion mainly due to wholesale lending.

We have started the year on a positive note and are confident that our customer centric approach, balance sheet strength and robust risk management policies provide us the requisite stability to face the challenges that lie ahead.

Credit Rating

Pakistan Credit Rating Agency (PACRA) has rated the Bank as "AAA" (Triple A) - long term, and "A1+" (A One Plus) - short term. The outstanding listed subordinated Term Finance Certificates have also been assigned "AAA" rating. These ratings denote the lowest expectation of credit risk emanating from an exceptionally strong capacity for timely payment of financial commitments.

Performance of the Group

In compliance with section 236(5) of the Companies Ordinance, 1984, attached with this report are the consolidated condensed interim financial statements of SCBPL and its subsidiaries (the Group) namely - Standard Chartered Leasing Limited, Standard Chartered Services of Pakistan (Private) Limited and Standard Chartered Modaraba, for the quarter ended 31 March 2011.

Key highlights of the Group's performance are given below:

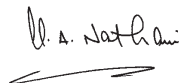
	31 March 2011 (PKR millions)	31 December 2010 (PKR millions)
Balance Sheet		
Paid-up capital	38,716	38,716
Total equity	51,027	52,100
Deposits	235,243	220,188
Advances – net	152,687	144,722
Investments – net	86,294	72,294

	Quarter ended 31 March 2011 (PKR millions)	Quarter ended 31 March 2010 (PKR millions)
Profit and Loss		
Revenue	6,463	5,809
Administrative expenses	3,527	3,115
Other non mark-up expenses	47	25
Operating profit (before provisions and tax)	2,889	2,669
Provisions (net of recoveries)	957	1,367
Profit before tax	1,932	1,302
Profit after tax	1,211	854

Appreciation and Acknowledgment

We take this opportunity to express our gratitude to our customers and business partners for their continued support and trust. We offer sincere appreciation to the State Bank of Pakistan and other regulators for their guidance and cooperation extended to the Bank. Finally, we are also thankful to our associates, staff and colleagues for their committed services provided to our valued customers.

On behalf of the Board



Mohsin Ali Nathani
Chief Executive Officer

Karachi: 28 April 2011



Standard Chartered Bank (Pakistan) Limited

Condensed Interim Un-Consolidated Financial Statements

**For the three months period ended
31 March 2011**

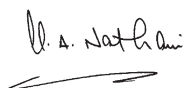
Condensed Interim Un-Consolidated Statement of Financial Position As at 31 March 2011

	Note	March 31, 2011 (Un-Audited)	December 31, 2010 (Audited)
(Rupees in '000)			
ASSETS			
Cash and balances with treasury banks		26,480,169	24,087,842
Balances with other banks		1,092,239	821,931
Lendings to financial institutions	6	19,762,864	30,421,885
Investments	7	86,637,475	72,637,401
Advances	8	147,066,422	139,269,413
Operating fixed assets		6,551,749	6,601,893
Intangible assets		26,613,589	26,681,268
Deferred tax assets	9	3,195,492	3,393,322
Other assets		23,602,099	18,008,022
		341,002,098	321,922,977
LIABILITIES			
Bills payable		5,830,749	5,691,864
Borrowings from financial institutions		15,325,579	15,914,343
Deposits and other accounts	10	235,319,640	220,265,762
Sub-ordinated loans		898,400	1,135,900
Other liabilities		33,685,366	27,841,964
		291,059,734	270,849,833
NET ASSETS		49,942,364	51,073,144
REPRESENTED BY:			
Share capital		38,715,850	38,715,850
Reserves		2,898,254	2,667,488
Unappropriated profit		5,281,168	6,716,831
		46,895,272	48,100,169
Surplus on revaluation of assets - net of deferred tax		3,047,092	2,972,975
		49,942,364	51,073,144

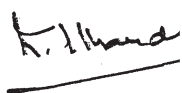
CONTINGENCIES AND COMMITMENTS

11

The annexed notes 1 to 17 form an integral part of these condensed interim un-consolidated financial statements.



Mohsin Ali Nathani
Chief Executive



Najam I. Chaudhri
Director



Shahid Zaki
Director



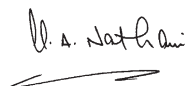
Parvez Ghias
Director

Condensed Interim Un-Consolidated Profit and Loss Account (Un-audited)

For the three months period ended 31 March 2011

Note	March 31, 2011	March 31, 2010
	(Rupees in '000)	
Mark-up / return / interest earned	7,706,537	7,012,267
Mark-up / return / interest expensed	(2,733,375)	(2,658,743)
Net mark-up / return / interest income	4,973,162	4,353,524
Provision against non-performing loans and advances	(988,184)	(1,111,444)
Recovery of amounts written off	136,269	187,309
Provision for diminution in the value of investments	-	-
Bad debts written off directly	(107,492)	(443,309)
	(959,407)	(1,367,444)
Net Mark-up / return / interest income after provisions	4,013,755	2,986,080
NON MARK-UP / NON INTEREST INCOME		
Fees, commission and brokerage income	860,864	940,858
Dividend income	-	-
Income from dealing in foreign currencies	415,000	299,647
Gain on sale of securities	118,388	95,665
Unrealized gain on revaluation of investments classified as held for trading	108,714	113,318
Other income	(107,752)	(57,747)
Total non mark-up / non interest income	1,395,214	1,391,741
	5,408,969	4,377,821
NON MARK-UP / NON INTEREST EXPENSES		
Administrative expenses	(3,490,559)	(3,076,713)
Other provisions / assets write offs	-	-
Other charges	(45,953)	(25,058)
Total non mark-up / non interest expenses	(3,536,512)	(3,101,771)
	1,872,457	1,276,050
Extra-ordinary / unusual items	-	-
PROFIT BEFORE TAXATION	1,872,457	1,276,050
Taxation - current	(561,716)	(540,342)
- prior years'	-	-
- deferred	(156,912)	93,724
	(718,628)	(446,618)
PROFIT AFTER TAXATION	1,153,829	829,432
	Rupees	Rupees
BASIC/ DILUTED EARNINGS PER SHARE	0.30	0.21

The annexed notes 1 to 17 form an integral part of these condensed interim un-consolidated financial statements.



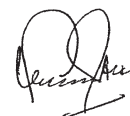
Mohsin Ali Nathani
Chief Executive



Najam I. Chaudhri
Director



Shahid Zaki
Director



Parvez Ghias
Director

**Condensed Interim Un-Consolidated Statement of Comprehensive Income (Un-audited)
For the three months period ended 31 March 2011**

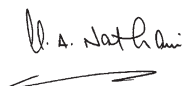
	March 31, 2011	March 31, 2010
	(Rupees in '000)	
Profit for the period	1,153,829	829,432
Other comprehensive income:		
Surplus / (deficit) on revaluation of 'Available for Sale' financial assets	(i) -	-
Surplus / (deficit) on revaluation of fixed assets	(ii) -	-
Actuarial gain / (loss) on defined benefit plans	(iii) -	-
Deferred tax on actuarial gain / (loss)	-	-
Total comprehensive income for the period	<u>1,153,829</u>	<u>829,432</u>

(i) Surplus / deficit on revaluation of 'Available for Sale' securities is presented under a separate head below equity as 'surplus / deficit on revaluation of assets' in accordance with the requirements specified by the State Bank of Pakistan vide its BSD circular 20 dated 04 August 2000 and BSD circular 10 dated 13 July 2004.

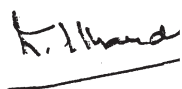
(ii) Surplus on revaluation of fixed assets is presented under a separate head below equity as 'surplus / deficit on revaluation of assets' in accordance with the requirements of section 235 of the Companies Ordinance, 1984.

(iii) The actuarial valuations for employee benefit plans are carried out at regular intervals. The management considers that there are no events at the balance sheet date which require an update of these valuations. In the absence of updated valuations, no corresponding actuarial gains / losses have been recognised during the period.

The annexed notes 1 to 17 form an integral part of these condensed interim un-consolidated financial statements.



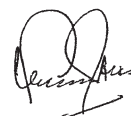
Mohsin Ali Nathani
Chief Executive



Najam I. Chaudhri
Director



Shahid Zaki
Director



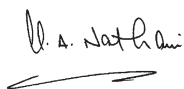
Parvez Ghias
Director

Condensed Interim Un-Consolidated Cash Flow Statement (Un-audited)

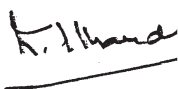
For the three months period ended 31 March 2011

	March 31, 2011	March 31, 2010
	(Rupees in '000)	
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	1,872,457	1,276,050
Dividend income	-	-
	1,872,457	1,276,050
Adjustments for:		
Depreciation	112,106	152,829
Amortization	67,679	93,255
Gain on disposal of fixed assets	(1,891)	(3,125)
Unrealized gain on revaluation of investments classified as held for trading	(108,714)	(113,318)
Lease rentals expense	-	2,369
Provision against loans and advances - net of recoveries	959,407	1,367,444
	1,028,587	1,499,454
	2,901,044	2,775,504
(Increase) / Decrease in operating assets		
Lendings to financial institutions	10,659,021	6,827,754
Held for trading securities	2,019,797	(164,966)
Advances	(8,756,416)	(5,598,386)
Other assets	(5,236,316)	(3,972,417)
	(1,313,914)	(2,908,015)
Increase / (Decrease) in operating liabilities		
Bills payable	138,885	(862,498)
Borrowings from financial institutions	(588,764)	(4,524,206)
Deposits and other accounts	15,053,878	2,772,598
Other liabilities	3,482,808	4,617,625
	18,086,807	2,003,519
Cash inflow before taxation	19,673,937	1,871,008
Income tax paid	(919,477)	(335,174)
Net cash generated from operating activities	18,754,460	1,535,834
CASH FLOW FROM INVESTING ACTIVITIES		
Net investments	(15,794,254)	(738,869)
Net investment in fixed assets (including intangible assets)	(62,004)	(40,710)
Sale proceeds on disposal of fixed assets	1,933	3,239
Net cash used in from investing activities	(15,854,325)	(776,340)
CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of sub-ordinated Term Finance Certificates	(237,500)	(149,600)
Payment of lease obligations	-	(2,369)
Net cash used in financing activities	(237,500)	(151,969)
Increase in cash and cash equivalents for the period	2,662,635	607,525
Cash and cash equivalents at beginning of the period	24,909,773	23,759,732
Cash and cash equivalents at end of the period	27,572,408	24,367,257

The annexed notes 1 to 17 form an integral part of these condensed interim un-consolidated financial statements.




Mohsin Ali Nathani
Chief Executive



Najam I. Chaudhri
Director



Shahid Zaki
Director

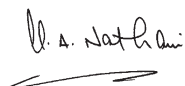


Parvez Ghias
Director

Condensed Interim Un-Consolidated Statement of Changes in Equity (Un-audited) For the three months period ended 31 March 2011

	Share Capital	Share Premium	Statutory Reserve	Unappropriated Profit	Total
----- (Rupees in '000) -----					
Balance as at 31 December 2009 (restated)	38,715,850	1,036,090	910,275	3,974,288	44,636,503
Profit for the period	-	-	-	829,432	829,432
Other Comprehensive income	-	-	-	-	-
Actuarial gain on defined plan - net of tax	-	-	-	-	-
	-	-	-	829,432	829,432
Transactions with owners, recorded directly in equity					
Share based payment transactions (Contribution from holding Company)	-	-	-	27,390	27,390
Payment against share based payment transactions (to holding Company)	-	-	-	(56,203)	(56,203)
	-	-	-	(28,813)	(28,813)
Transfer to statutory reserve	-	-	165,886	(165,886)	-
Transferred from surplus on revaluation of fixed asset - net of deferred tax	-	-	-	1,888	1,888
Balance as at 31 March 2010 (as restated)	38,715,850	1,036,090	1,076,161	4,610,909	45,439,010
Total Comprehensive income for the period					
Profit for the period	-	-	-	2,776,183	2,776,183
Other Comprehensive income	-	-	-	-	-
Actuarial gain on defined plan - net of tax	-	-	-	1,410	1,410
	-	-	-	2,777,593	2,777,593
Transactions with owners, recorded directly in equity					
Share based payment transactions (Contribution from holding Company)	-	-	-	20,343	20,343
Payment against share based payment transactions (to holding Company)	-	-	-	(142,435)	(142,435)
	-	-	-	(122,092)	(122,092)
Transfer to statutory reserve	-	-	555,237	(555,237)	-
Transferred from surplus on revaluation of fixed asset - net of deferred tax	-	-	-	5,658	5,658
Balance as at 31 December 2010	38,715,850	1,036,090	1,631,398	6,716,831	48,100,169
Total Comprehensive income for the period					
Profit for the period	-	-	-	1,153,829	1,153,829
Other Comprehensive income	-	-	-	-	-
Actuarial gain on defined plan - net of tax	-	-	-	-	-
	-	-	-	1,153,829	1,153,829
Transactions with owners, recorded directly in equity					
Share based payment transactions (Contribution from holding Company)	-	-	-	11,906	11,906
Payment against share based payment transactions (to holding Company)	-	-	-	(49,549)	(49,549)
	-	-	-	(37,643)	(37,643)
Transfer to statutory reserve	-	-	230,766	(230,766)	-
Cash dividend (2010)	-	-	-	(2,322,951)	(2,322,951)
Transferred from surplus on revaluation of fixed asset - net of deferred tax	-	-	-	1,868	1,868
Balance as at 31 March 2011	38,715,850	1,036,090	1,862,164	5,281,168	46,895,272

The annexed notes 1 to 17 form an integral part of these condensed interim un-consolidated financial statements.



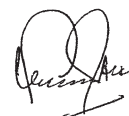
Mohsin Ali Nathani
Chief Executive



Najam I. Chaudhri
Director



Shahid Zaki
Director



Parvez Ghias
Director

Notes to the Condensed Interim Un-Consolidated Financial Statements (Un-audited) For the three months period ended 31 March 2011

1 STATUS AND NATURE OF BUSINESS

Standard Chartered Bank (Pakistan) Limited ("the Bank") was incorporated in Pakistan on 19 July 2006 and was granted approval for commencement of banking business by State Bank of Pakistan, with effect from 30 December 2006. The ultimate holding company of the Bank is Standard Chartered Plc., incorporated in England. The registered office is at Standard Chartered Bank Building, I.I. Chundrigar Road, Karachi.

The Bank commenced formal operations on 30 December 2006 through amalgamation of entire undertaking of Union Bank Limited and the business carried on by the branches in Pakistan of Standard Chartered Bank, a bank incorporated by Royal Charter and existing under the laws of England. The scheme of amalgamation was sanctioned by State Bank of Pakistan vide its order dated 4 December 2006.

The Bank is engaged in the banking business as defined in the Banking Companies Ordinance, 1962 and has a total number of 144 branches in Pakistan (2010: 162 branches in Pakistan) in operation at 31 March 2011.

Standard Chartered Bank (Pakistan) Limited has the following three subsidiaries. All of them are incorporated in Pakistan.

- Standard Chartered Leasing Limited
- Standard Chartered Modaraba
- Standard Chartered Services of Pakistan (Private) Limited

These condensed interim financial statements are separate financial statements of the Bank in which investments in subsidiaries are accounted for on the basis of direct equity interest rather than on the basis of reported results. Consolidated condensed interim financial statements are presented separately.

2 STATEMENT OF COMPLIANCE

These condensed interim financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. The disclosures in the condensed interim financial information do not include the information reported for full annual financial statements and should therefore be read in conjunction with the financial statements for the year ended 31 December 2010.

3 ACCOUNTING POLICIES

The accounting policies adopted in the preparation of the condensed interim financial information are the same as those applied in the preparation of the annual financial statements of the Bank for the year ended 31 December 2010. The impact of change in accounting policy as disclosed in the annual financial statements for the year ended December 2010 relating to amendments issued by International Accounting Standards Board (IASB) in International Financial Reporting Standard (IFRS) 2: Share-based payment have also been incorporated for the three months period ended March 31, 2010.

4 ACCOUNTING ESTIMATES

The basis for the accounting estimates adopted in the preparation of the condensed interim financial information are the same as those applied in the preparation of the annual financial statements of the Bank for the year ended 31 December 2010.

5 FINANCIAL RISK MANAGEMENT

The financial risk management objectives and policies adopted by the Bank are consistent with those disclosed in the annual financial statements of the Bank for the year ended 31 December 2010.

Notes to the Condensed Interim Un-Consolidated Financial Statements (Un-audited) For the three months period ended 31 March 2011

6 LENDINGS TO FINANCIAL INSTITUTIONS

	March 31, 2011	March 31, 2010
	(Rupees in '000)	
Repurchase agreement lendings (Reverse Repo)	11,705,024	6,457,638
Placements	8,057,841	23,964,247
	<u>19,762,865</u>	<u>30,421,885</u>

7 INVESTMENTS

	March 31, 2011			December 31, 2010		
	Held by bank	Given as collateral	Total	Held by bank	Given as collateral	Total
7.1 Investments by type	----- (Rupees in '000) -----					
Held for trading						
Market Treasury Bills	5,932,319	-	5,932,319	7,932,763	-	7,932,763
Pakistan Investment Bonds	142,235	-	142,235	161,588	-	161,588
Available for sale						
Market Treasury Bills	66,572,549	-	66,572,549	50,579,193	-	50,579,193
Pakistan Investment Bonds	10,239,433	18,948	10,258,381	10,356,924	18,958	10,375,882
Ordinary shares of listed companies	-	-	-	-	-	-
Units / certificates of mutual funds	-	-	-	-	-	-
Ordinary shares of unlisted companies	86,987	-	86,987	86,987	-	86,987
Sukuk and Ijarah Bonds	3,625,000	-	3,625,000	3,625,000	-	3,625,000
Subsidiaries						
Standard Chartered Services of Pakistan (Private) Limited	44,500	-	44,500	44,500	-	44,500
Standard Chartered Modarba	42,000	-	42,000	42,000	-	42,000
Standard Chartered Leasing Limited	730,589	-	730,589	730,589	-	730,589
Investments at amortised cost	<u>87,415,612</u>	<u>18,948</u>	<u>87,434,560</u>	<u>73,559,544</u>	<u>18,958</u>	<u>73,578,502</u>
Provision for diminution in the value of investments	(133,157)	-	(133,157)	(133,157)	-	(133,157)
Investments (net of provisions)	<u>87,282,455</u>	<u>18,948</u>	<u>87,301,403</u>	<u>73,426,387</u>	<u>18,958</u>	<u>73,445,345</u>
Surplus on revaluation of held for trading securities - net	108,713	-	108,713	81,601	-	81,601
(Deficit) / surplus on revaluation of available for sale securities - net	(770,188)	(2,453)	(772,641)	(886,824)	(2,721)	(889,545)
Total Investments	<u>86,620,980</u>	<u>16,495</u>	<u>86,637,475</u>	<u>72,621,164</u>	<u>16,237</u>	<u>72,637,401</u>

8 ADVANCES

	March 31, 2011	December 31, 2010
	(Rupees in '000)	
Loans, cash credits, running finances, etc.		
- In Pakistan	152,170,296	147,338,159
- Outside Pakistan	-	-
	<u>152,170,296</u>	<u>147,338,159</u>
Bills discounted and purchased (excluding treasury bills)		
- Payable in Pakistan	4,484,037	3,133,517
- Payable outside Pakistan	9,750,449	7,434,767
	<u>14,234,486</u>	<u>10,568,284</u>
Advances - gross	<u>166,404,782</u>	<u>157,906,443</u>
Provision for non-performing advances	(19,338,360)	(18,637,030)
Advances - net of provision	<u>147,066,422</u>	<u>139,269,413</u>

Notes to the Condensed Interim Un-Consolidated Financial Statements (Un-audited) For the three months period ended 31 March 2011

- 8.1 Advances include Rs 23,255.879 million (31 December 2010: Rs 22,107.709 million) which have been placed under non-performing status as detailed below:

Category of classification	March 31, 2011								
	Classified Advances			Provision Required			Provision Held		
	Domestic	Overseas	Total	Domestic	Overseas (Rupees in '000)	Total	Domestic	Overseas	Total
Substandard	2,920,120	-	2,920,120	213,610	-	213,610	213,610	-	213,610
Doubtful	1,286,949	-	1,286,949	547,370	-	547,370	547,370	-	547,370
Loss	19,048,810	-	19,048,810	17,981,211	-	17,981,211	17,981,211	-	17,981,211
	23,255,879	-	23,255,879	18,742,191	-	18,742,191	18,742,191	-	18,742,191
General Provision				596,169	-	596,169	596,169	-	596,169
	23,255,879	-	23,255,879	19,338,360	-	19,338,360	19,338,360	-	19,338,360

Category of classification	December 31, 2010								
	Classified Advances			Provision Required			Provision Held		
	Domestic	Overseas	Total	Domestic	Overseas (Rupees in '000)	Total	Domestic	Overseas	Total
Substandard	2,113,942	-	2,113,942	369,798	-	369,798	369,798	-	369,798
Doubtful	2,141,058	-	2,141,058	991,601	-	991,601	991,601	-	991,601
Loss	17,852,709	-	17,852,709	16,609,886	-	16,609,886	16,609,886	-	16,609,886
	22,107,709	-	22,107,709	17,971,285	-	17,971,285	17,971,285	-	17,971,285
General Provision				665,745	-	665,745	665,745	-	665,745
	22,107,709	-	22,107,709	18,637,030	-	18,637,030	18,637,030	-	18,637,030

9 DEFERRED TAX ASSETS

The Finance Act, 2010 amended the Seventh Schedule to the Income Tax Ordinance, 2001 whereby the limit for claiming provisions for advances and off balance sheet items in respect of Consumer and SME advances has been enhanced from 1% to 5% of gross Consumer and SME advances. In case of Corporate advances, the limit continues to be 1% of gross Corporate advances.

The management carried out an exercise as of March 31, 2010 and based on that concluded that the Bank would achieve a deduction for provisions in excess of the limits prescribed by the Income Tax Ordinance, 2001 in future years. Accordingly, deferred tax asset of Rs. 2,079 million has been recognised on such provisions for income years 2009 upto quarter ended March 31, 2011.

The Seventh Schedule has been further amended through Finance Act, 2010 by introducing transitional provisions, whereby amounts provided for against irrecoverable or doubtful advances in tax year 2008 (income year 2007) and prior years, would be allowed in the tax year in which these advances are actually written off.

The management considers that the amendment made vide Finance Act, 2009 in respect of provisions for bad debts being allowed at 1% of total advances is applicable for tax year 2010 (income year 2009), whereas for tax year 2009 (income year 2008), the provision for bad debts would continue to be allowed under the Seventh Schedule at the time of actual write-off.

Accordingly, the deferred tax asset recognized upto December 31, 2008 relating to provisions for advances and off balance sheet items amounting to Rs. 4,240 million has been carried forward.

Notes to the Condensed Interim Un-Consolidated Financial Statements (Un-audited) For the three months period ended 31 March 2011

10 DEPOSITS AND OTHER ACCOUNTS

	Note	March 31, 2011	December 31, 2010
(Rupees in '000)			
Customers			
- Fixed deposits		50,134,141	45,968,703
- Savings deposits		96,850,033	90,401,741
- Current accounts (Non-remunerative)		85,726,519	81,552,663
- Margin accounts		602,072	951,052
- Special exporters' account		930,283	930,283
		<u>234,243,048</u>	<u>219,804,442</u>
Financial Institutions			
- Non-remunerative deposits		1,076,592	461,320
		<u>235,319,640</u>	<u>220,265,762</u>

11 CONTINGENCIES AND COMMITMENTS

11.1 Transaction-related contingent liabilities

Guarantees issued favouring:	11.1.1		
- Government		30,671,543	30,962,886
- Others		22,393,847	16,542,077

11.1.1 Guarantees relating to Islamic Banking Business amount to Rs 1,880 million (2010: Rs 2,039 million).

11.2 Trade-related contingent liabilities

Letters of credit	11.2.1	20,445,806	15,182,936
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11.2.1 Letters of credit relating to Islamic Banking Business amount to Rs 2,623 million (2010: Rs 1,045 million).

11.3 Other contingencies

Claims against the Bank not acknowledged as debt		11,119,555	12,432,208
--	--	------------	------------

11.4 Commitments in respect of forward foreign exchange contracts

Purchase			
State Bank of Pakistan		22,015,000	19,914,750
Other banks		37,859,778	17,348,621
Customers		15,878,344	15,368,507
Sale			
State Bank of Pakistan		13,157,500	2,176,875
Other banks		41,590,747	33,108,590
Customers		1,068,946	1,290,420

11.5 Commitments to extend credit

The bank makes commitments to extend credit in the normal course of its business but these being revocable commitments do not attract any significant penalty or expense if the facility is unilaterally withdrawn.

Notes to the Condensed Interim Un-Consolidated Financial Statements (Un-audited) For the three months period ended 31 March 2011

11.6 Derivative Instruments

Product Analysis

Counterparties	March 31, 2011			
	Rupees in '000		Rupees in '000	
	Interest Rate Swaps		FX Options	
	No. of Contracts	Notional Principal	No. of Contracts	Notional Principal*
With Banks for Hedging Market Making	- 32	- 42,057,859	- 82	- 12,010,959
With FIs other than banks Hedging Market Making	- 3	- 1,449,000	- -	- -
With other entities for Hedging Market Making	- 56	- 65,672,508	- 82	- 12,010,959
Total Hedging Market Making	- 91	- 109,179,367	- 164	- 24,021,919
2010 Total Market Making	98	125,021,858	204	8,800,720

* At the exchange rate prevailing at the end of the reporting period

Contracts with banks represent contracts entered with branches of Standard Chartered Bank, UK to obtain cover against the contracts with customers, except for 12 contracts with local banks having notional principal of Rs 21,020 million.

12 OTHER INCOME	March 31, 2011	March 31, 2010
	(Rupees in '000)	
Income from Sri Lanka branch operations	3,107	8
Rent on property	10,273	2,754
Gain on disposal of fixed assets	1,891	3,125
Loss on derivatives	(171,726)	(164,982)
Others	48,703	101,348
	(107,752)	(57,747)

Notes to the Condensed Interim Un-Consolidated Financial Statements (Un-audited) For the three months period ended 31 March 2011

13 TAXATION

Standard Chartered Bank (Pakistan) Limited

The return for income year 2010 (tax year 2011) is due for filing by 30 September 2011.

The tax department amended the assessments for income years 2007 to 2009 (tax years 2008 to 2010 respectively) under section 122 (5A) of the Income Tax Ordinance, 2001, determining additional tax liability of approximately Rs. 6,009 million in the aggregate on account of various issues. Appeals against the amended assessment orders are pending before different appellate forums.

The management considers that a significant amount of the additional tax liability is the result of timing differences and is confident that the issues in the above mentioned tax years will be decided in favour of the Bank at appellate forums. Consequently, no additional provision is required.

The Tax Authorities have passed an order levying Federal Excise Duty amounting to Rs. 114 million on certain items. The Bank is contesting the order in the appeal. The Bank has paid Rs.100 million under protest and the balance demand is legally stayed till the decision of the appeal.

Standard Chartered Bank – Branch Operations

The assessments have been finalized upto and including tax year 2006. The Bank's / departmental appeals for the assessment / tax years 1976-77 to 2006 are pending before different appellate forums on various issues. The management expects favourable decisions in pending appeals and consequently, no additional provision is required.

Union Bank Limited

The tax assessments for the assessment years 1993-94 through tax year 2007 are pending at various appeal forums against certain disallowances. The management expects favourable decision in pending appeals and consequently, no additional provision is required.

Notes to the Condensed Interim Un-Consolidated Financial Statements (Un-audited) For the three months period ended 31 March 2011

14 SEGMENT DETAILS WITH RESPECT TO BUSINESS ACTIVITIES

Segment analysis with respect to business activity	Wholesale Banking	Consumer Banking	Total
	----- (Rupees in '000) -----		
March 31, 2011			
Internal Income	(2,841,789)	2,940,251	98,462
Net mark-up / return / interest income	5,186,425	(213,263)	4,973,162
Non mark-up / non interest income	769,292	625,922	1,395,214
Operating income	<u>3,113,928</u>	<u>3,352,910</u>	<u>6,466,838</u>
Non mark-up / non interest expenses	1,196,609	2,339,903	3,536,512
Internal Non mark-up / non interest expenses	23,246	75,216	98,462
Operating profit before provisions and taxation	<u>1,894,073</u>	<u>937,791</u>	<u>2,831,864</u>
Direct write-offs / provisions against non-performing loans and advances - net of recoveries	448,700	510,707	959,407
Provision for diminution in the value of investments	-	-	-
Profit before taxation	<u>1,445,373</u>	<u>427,084</u>	<u>1,872,457</u>
Other segment items:			
Depreciation of tangible fixed assets	14,469	97,637	112,106
Amortisation of intangible assets	12,737	54,942	67,679
Segment assets (gross)	301,757,538	59,007,410	360,764,948
Segment non performing loans	14,262,516	8,993,363	23,255,879
Segment provision required	11,570,212	7,768,148	19,338,360
Segment liabilities	114,584,882	176,474,852	291,059,734
Segment return on net assets (ROA) (%) - annualised	2.00%	3.34%	2.20%
Segment cost of funds (%) - annualised	6.38%	3.48%	4.57%
March 31, 2010			
Internal Income	(2,470,355)	2,470,355	-
Net mark-up / return / interest income	4,126,006	227,518	4,353,524
Non mark-up / non interest income	769,715	622,026	1,391,741
Operating income	<u>2,425,366</u>	<u>3,319,899</u>	<u>5,745,265</u>
Non mark-up / non interest expenses	1,031,581	2,070,190	3,101,771
Operating profit before provisions and taxation	<u>1,393,785</u>	<u>1,249,709</u>	<u>2,643,494</u>
Direct write-offs / provisions against non-performing loans and advances - net of recoveries	299,969	1,067,475	1,367,444
Provision for diminution in the value of investments - net	-	-	-
Profit before taxation	<u>1,093,816</u>	<u>182,234</u>	<u>1,276,050</u>
Other segment items:			
Depreciation of tangible fixed assets	55,538	97,291	152,829
Amortisation of intangible assets	19,735	73,520	93,255
Segment assets (gross)	273,166,493	60,044,678	333,211,171
Segment non performing loans	12,869,030	8,256,413	21,125,443
Segment provision required	10,493,770	6,902,534	17,396,304
Segment liabilities	106,324,223	160,686,865	267,011,088
Segment return on net assets (ROA) (%) - annualised	1.67%	1.38%	1.62%
Segment cost of funds (%) - annualised	6.45%	3.51%	4.62%

* These expenses reflects a change in methodology which has been implemented from financial year starting Jan 1, 2011.

** Segment ROA = Net income / (Segment assets - Segment provisions)

*** Segment cost of funds have been computed based on the average balances.

Wholesale banking

Deposits, trade and other lending activities for corporates and financial institutions. It also includes the overall management of treasury of the Bank, which entails various cash and interest risk management products for customers. The products include FX forwards, FX options and interest rate swaps.

Consumer Banking

Wealth management, deposits, mortgages, auto finance, unsecured lending (credit cards, personal loans etc.) and SME lending (including SME trade).

Notes to the Condensed Interim Un-Consolidated Financial Statements (Un-audited) For the three months period ended 31 March 2011

15 RELATED PARTY TRANSACTIONS

Related parties comprise of Standard Chartered Plc., ultimate parent company, its other subsidiaries and branches, key management personnel, employees' retirement benefit funds and other associated undertakings. The transactions with related parties are conducted at commercial terms. The bank also provides advances to employees at reduced rates in accordance with their terms of employment.

The transactions and balances with related parties are summarised as follows:

	March 31, 2011	December 31, 2010
	(Rupees in '000)	
OUTSTANDING BALANCES		
Group		
Nostro balances with other subsidiaries and branches of the holding company	1,056,765	758,120
Overdrawn nostro balances with other subsidiaries and branches of the holding company	604,043	1,633,622
Vostro balances of other subsidiaries and branches of the holding company	638,593	93,610
Placements with other subsidiaries and branches of the holding company	8,057,841	23,964,247
Deposits of group companies	16,372	12,890
Due from group companies	10,243	-
Due to holding company	8,402,237	4,867,708
Due to group companies	-	19,059
Due from associated undertakings	131,826	128,720
Interest receivable from group companies	33,602	23,327
Inter-company derivative assets	981,394	885,244
Inter-company derivative liabilities	874,844	1,004,935
Other receivables	200	563
Subsidiaries		
Deposits of subsidiaries	76,971	77,874
Loans to subsidiaries	177,878	-
Accrued interest receivable	3,353	520
Other receivables	1,126	1,126
Key management personnel		
Loans and advances to key management personnel	107,373	117,187
Deposits of key management personnel	105,771	42,834
Others		
Deposits by staff retirement benefit funds	43,621	50,921
Deposits by customers with common directorship	950	885
Receivable from defined benefit plans	19,097	19,097
Derivative asset	-	231
Derivative liabilities	-	831

Condensed Interim Un-Consolidated Profit and Loss Account (Un-audited)

For the three months period ended 31 March 2011

Three months period ended

March 31, 2011

March 31, 2010

(Rupees in '000)

PROFIT AND LOSS**Group**

Mark-up / interest expensed	825	642
Mark-up / interest / income earned	26,675	11,903
Fee and commission expense	9,058	8,206
Fee and commission income	-	18
Reimbursement of executive and general administrative expenses	1,203,946	948,589
Payment to group company for direct sales services rendered	138,863	133,323
Net loss / (gain) on inter-company derivatives	226,241	162,569
Royalty expense	29,069	19,113

Key management personnel

Mark-up / interest / income earned	4,183	956
Mark-up / interest expensed	15	-
Sale of vehicles	-	86
Salaries and benefits	47,203	35,411
Post retirement benefits	15,829	3,718

Subsidiaries

Mark-up / interest expensed	832	887
Mark-up / interest / income earned	3,353	1,871
Lease rentals paid	-	2,369
Administrative expenses (including rent and other charges)	2,893	2,553
Reimbursement of salaries	4,541	1,892

Others

Contribution to defined contribution plans - net of payments received	70,780	60,892
Charge for defined contribution plans	70,780	60,892
Net (income) /charge for defined benefit plans	(183)	65
Mark-up / interest expensed on deposits of staff retirement benefit funds	2,112	439
Mark-up / interest expensed on deposits of customers with common directorship	-	75,080
Remuneration / fee paid to non-executive directors	725	725
Net (loss) /gain on derivatives	(600)	16,691

**Notes to the Condensed Interim Un-Consolidated Financial Statements (Un-audited)
For the three months period ended 31 March 2011**

15.1 Net movement in loans and deposits is summarised as follows:

	Balance as at 31 December 2010	Net disbursement/ deposits	Net repayments / withdrawals	Balance as at 31 March 2011
----- (Rupees in '000) -----				
Loans and advances				
Key Management Personnel	117,187	7,379	(17,193)	107,373
Subsidiaries	-	1,534,883	(1,357,005)	177,878
Deposits				
Group companies	12,890	170,470	(166,988)	16,372
Subsidiaries	77,874	4,389,516	(4,390,419)	76,971
Key Management Personnel	42,834	212,141	(149,204)	105,771
Others	51,806	13,144,665	(13,151,900)	44,571

Notes to the Condensed Interim Un-Consolidated Financial Statements (Un-audited) For the three months period ended 31 March 2011

16 ISLAMIC BANKING BUSINESS

The Bank is operating with 15 Islamic Banking branches at the end of current period as compared to 15 Islamic Banking branches at the end of last year.

Note **March 31, 2011** **December 31, 2010**

Balance Sheet

(Rupees in '000)

Assets

Cash in hand	104,632	113,723
Balances with and due from Financial Institutions	758,397	557,362
Investments	3,623,338	3,624,892
Financing and receivables		
- Murabaha	2,612,339	1,758,147
- Musharaka	177,878	-
- Diminishing Musharaka	7,961,724	7,552,373
- Others	40,581	28,196
Operating fixed assets	206,221	211,224
Other assets	1,859,751	582,735
	17,344,861	14,428,652

Liabilities

Deposits and other accounts		
- Current accounts	5,803,622	5,381,984
- Savings accounts	2,513,187	2,222,316
- Term deposits	3,440,829	3,440,267
- Others	85,740	417,692
	11,843,378	11,462,259
Due to financial institutions	1,341,000	805,000
Other liabilities	2,215,393	444,835
	15,399,771	12,712,094
Net Assets	1,945,090	1,716,558

Represented by:

Islamic Banking Fund	200,000	200,000
Reserves	1,746,752	1,516,666
Deficit on revaluation of assets - net	(1,662)	(108)
	1,945,090	1,716,558

CONTINGENCIES AND COMMITMENTS

11

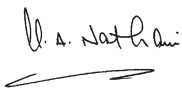
Charity fund

Opening balance	-	-
Additions during the year	363	4,141
Payments / Utilization during the year	(363)	(4,141)
Closing balance	-	-

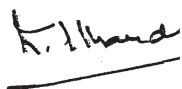
**Notes to the Condensed Interim Un-Consolidated Financial Statements (Un-audited)
For the three months period ended 31 March 2011**

17 DATE OF AUTHORIZATION

These condensed interim unconsolidated financial statements were authorized for issue in the Board of Directors meeting held on 28 April 2011.



Mohsin Ali Nathani
Chief Executive



Najam I. Chaudhri
Director



Shahid Zaki
Director



Parvez Ghias
Director

Standard Chartered Bank (Pakistan) Limited

Condensed Interim Consolidated Financial Statements

**For the three months period ended
31 March 2011**

Condensed Interim Consolidated Statement of Financial Position As at 31 March 2011

March 31, 2011

December 31, 2010

(Rupees in '000)

ASSETS

Cash and balances with treasury banks	26,480,225	24,087,885
Balances with other banks	1,159,063	921,931
Lendings to financial institutions	19,762,865	30,421,885
Investments	86,294,106	72,294,275
Advances	152,687,170	144,721,557
Operating fixed assets	6,554,119	6,606,225
Intangible assets	26,614,211	26,681,948
Deferred tax assets	3,231,285	3,429,115
Other assets	23,760,420	18,132,579
	346,543,464	327,297,400

LIABILITIES

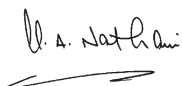
Bills payable	5,830,749	5,691,864
Borrowings from financial institutions	15,325,579	15,914,343
Deposits and other accounts	235,242,668	220,187,888
Sub-ordinated loans	898,400	1,135,900
Other liabilities	38,219,511	32,267,336
	295,516,907	275,197,331
NET ASSETS	51,026,557	52,100,069

REPRESENTED BY:

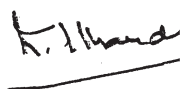
Share capital	38,715,850	38,715,850
Reserves	3,022,117	2,785,229
Unappropriated profit	5,427,615	6,838,790
Attributable to equity holders of the Bank	47,165,582	48,339,869
Minority interest	813,885	787,227
	47,979,467	49,127,096
Surplus on revaluation of assets - net of deferred tax	3,047,090	2,972,973
	51,026,557	52,100,069

CONTINGENCIES AND COMMITMENTS

The annexed notes 1 to 6 form an integral part of these condensed interim consolidated financial statements.



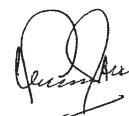
Mohsin Ali Nathani
Chief Executive



Najam I. Chaudhri
Director



Shahid Zaki
Director



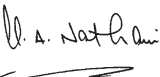
Parvez Ghias
Director

Condensed Interim Consolidated Profit and Loss Account (Un-audited)

For the three months period ended 31 March 2011

	March 31, 2011	March 31, 2010
	(Rupees in '000)	
Mark-up / return / interest earned	7,886,588	7,286,771
Mark-up / return / interest expensed	(2,824,531)	(2,877,283)
Net mark-up / return / interest income	5,062,057	4,409,488
Provision against non-performing loans and advances	(986,071)	(1,110,994)
Recovery of amounts written off	136,269	187,309
Provision for diminution in the value of investments	-	58
Bad debts written off directly	(107,492)	(443,309)
	(957,294)	(1,366,936)
Net mark-up / return / interest income after provisions	4,104,763	3,042,552
NON MARK-UP / NON INTEREST INCOME		
Fees, commission and brokerage income	864,036	944,122
Dividend income	-	-
Income from dealing in foreign currencies	415,000	299,647
Gain on sale of securities	118,388	95,665
Unrealized gain on revaluation of investments classified as held for trading	108,714	113,318
Other income	(105,390)	(53,300)
Total non mark-up / non interest income	1,400,748	1,399,452
	5,505,511	4,442,004
NON MARK-UP / NON INTEREST EXPENSES		
Administrative expenses	(3,526,784)	(3,115,388)
Other provisions / asset write offs	-	-
Other charges	(46,535)	(25,058)
Total non mark-up / non interest expenses	(3,573,319)	(3,140,446)
	1,932,192	1,301,558
Extra-ordinary / unusual items	-	-
PROFIT BEFORE TAXATION	1,932,192	1,301,558
Taxation - current	(564,183)	(541,421)
- prior years'	-	-
- deferred	(156,912)	93,724
	(721,095)	(447,697)
PROFIT AFTER TAXATION	1,211,097	853,861
Attributable to :		
Equity holders of the Bank	1,184,439	839,288
Minority shareholders	26,658	14,573
	1,211,097	853,861
	Rupees	Rupees
BASIC / DILUTED EARNINGS PER SHARE	0.31	0.22

The annexed notes 1 to 6 form an integral part of these condensed interim consolidated financial statements.



Mohsin Ali Nathani
Chief Executive



Najam I. Chaudhri
Director



Shahid Zaki
Director



Parvez Ghias
Director

Condensed Interim Consolidated Statement of Comprehensive Income (Un-audited) For the three months period ended 31 March 2011

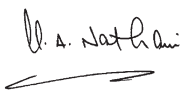
	March 31, 2011	March 31, 2010
	(Rupees in '000)	
Profit for the period	1,211,097	853,861
Other comprehensive income:		
Surplus / (deficit) on revaluation of 'Available for Sale' financial assets (i)	-	-
Surplus / (deficit) on revaluation of fixed assets (ii)	-	-
Actuarial gain / (loss) on defined benefit plans (iii)	-	-
Deferred tax on actuarial gain / (loss)	-	-
Total comprehensive income for the period	1,211,097	853,861
Attributable to:		
Equity holders of the bank	1,184,439	839,288
Minority shareholders	26,658	14,573
	1,211,097	853,861

(i) Surplus / deficit on revaluation of 'Available for Sale' securities is presented under a separate head below equity as 'surplus / deficit on revaluation of assets' in accordance with the requirements specified by the State Bank of Pakistan vide its BSD circular 20 dated 04 August 2000 and BSD circular 10 dated 13 July 2004.

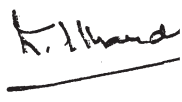
(ii) Surplus on revaluation of fixed assets is presented under a separate head below equity as 'surplus / deficit on revaluation of assets' in accordance with the requirements of section 235 of the Companies Ordinance, 1984.

(iii) The actuarial valuations for employee benefit plans are carried out at regular intervals. The management considers that there are no events at the balance sheet date which require an update of these valuations. In the absence of updated valuations, no corresponding actuarial gains / losses have been recognised during the period.

The annexed notes 1 to 6 form an integral part of these condensed interim consolidated financial statements.



Mohsin Ali Nathani
Chief Executive



Najam I. Chaudhri
Director



Shahid Zaki
Director



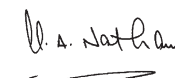
Parvez Ghias
Director


Condensed Interim Consolidated Cash Flow Statement (Un-audited)


For the three months period ended 31 March 2011

	March 31, 2011	March 31, 2010
	(Rupees in '000)	
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	1,932,192	1,301,558
Dividend income	-	-
	1,932,192	1,301,558
Adjustments for:		
Depreciation	114,249	153,537
Amortization	67,737	93,255
Gain on disposal of fixed assets	(1,891)	(3,072)
Unrealized gain on revaluation of investments classified as held for trading	(108,714)	(113,318)
Provision for diminution in the value of investments	-	(58)
Lease rentals expenses	-	2,369
Provision against loans and advances - net of recoveries	957,294	1,366,994
	1,028,675	1,499,707
	2,960,867	2,801,265
(Increase) / decrease in operating assets:		
Lendings to financial institutions	10,659,020	6,827,753
Held for trading securities	2,019,797	(164,966)
Advances	(8,922,907)	(5,648,177)
Other assets	(5,270,663)	(3,978,776)
	(1,514,753)	(2,964,166)
Increase / (decrease) in operating liabilities:		
Bills payable	138,885	(862,498)
Borrowings from financial institutions	(588,764)	(4,624,206)
Deposits and other accounts	15,054,780	2,421,421
Other liabilities	3,591,581	5,074,081
	18,196,482	2,008,798
Cash inflow before taxation	19,642,596	1,845,897
Income tax paid	(921,362)	(335,416)
Net cash generated from operating activities	18,721,234	1,510,481
CASH FLOW FROM INVESTING ACTIVITIES		
Net investments	(15,794,010)	(737,245)
Net investment in fixed assets (including intangible assets)	(62,185)	(40,805)
Sale proceeds on disposal of fixed assets	1,933	3,186
Net cash used in investing activities	(15,854,262)	(774,864)
CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of sub-ordinated Term Finance Certificates	(237,500)	(149,600)
Payment of lease obligations	-	(2,369)
Net cash used in financing activities	(237,500)	(151,969)
Increase in cash and cash equivalents for the period	2,629,472	583,648
Cash and cash equivalents at beginning of the period	25,009,816	23,827,483
Cash and cash equivalents at end of the period	27,639,288	24,411,131

The annexed notes 1 to 6 form an integral part of these condensed interim consolidated financial statements.


 Mohsin Ali Nathani
 Chief Executive


 Najam I. Chaudhri
 Director

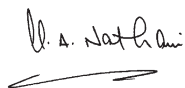

 Shahid Zaki
 Director


 Parvez Ghias
 Director

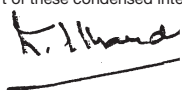
Condensed Interim Consolidated Statement of Changes in Equity (Un-audited) For the three months period ended 31 March 2010

	Share Capital	Share Premium	Statutory Reserve	Unappropriated Profit	Total	Minority Interest	Total
----- (Rupees in '000) -----							
Balance as at 31 December 2009 (restated)	38,715,850	1,036,090	1,016,257	4,049,209	44,817,406	772,504	45,589,910
Total Comprehensive income for the period							
Profit for the period	-	-	-	820,560	820,560	14,573	835,133
Other Comprehensive income	-	-	-	-	-	-	-
Actuarial gain on defined plan - net of tax	-	-	-	820,560	820,560	14,573	835,133
Transactions with owners, recorded directly in equity							
Share based payment transactions (Contribution from holding Company)	-	-	-	27,390	27,390	-	27,390
Payment against share based payment transactions (to holding Company)	-	-	-	(56,203)	(56,203)	-	(56,203)
Transfer to statutory reserve	-	-	167,858	(167,858)	-	-	-
Transferred from surplus on revaluation of fixed asset - net of deferred tax	-	-	-	1,888	1,888	-	1,888
Balance as at 31 March 2010	38,715,850	1,036,090	1,184,115	4,674,986	45,611,041	787,077	46,398,118
Total Comprehensive income for the period							
Profit for the period	-	-	-	2,843,852	2,843,852	61,870	2,905,722
Other Comprehensive income	-	-	-	-	-	-	-
Actuarial gain on defined plan - net of tax	-	-	-	1,410	1,410	-	1,410
Transactions with owners, recorded directly in equity							
Share based payment transactions (Contribution from holding Company)	-	-	-	20,343	20,343	-	20,343
Payment against share based payment transactions (to holding Company)	-	-	-	(142,435)	(142,435)	-	(142,435)
Transfer to statutory reserve	-	-	-	(122,092)	(122,092)	-	(122,092)
Dividend paid to minority shareholders	-	-	565,024	(565,024)	-	(61,720)	(61,720)
Transferred from surplus on revaluation of fixed asset - net of deferred tax	-	-	-	5,658	5,658	-	5,658
Balance as at 31 December 2010	38,715,850	1,036,090	1,749,139	6,838,790	48,339,869	787,227	49,127,096
Total Comprehensive income for the period							
Profit for the period	-	-	-	1,184,439	1,184,439	26,658	1,211,097
Other Comprehensive income	-	-	-	-	-	-	-
Actuarial gain on defined plan - net of tax	-	-	-	1,184,439	1,184,439	26,658	1,211,097
Transactions with owners, recorded directly in equity							
Share based payment transactions (Contribution from holding Company)	-	-	-	11,906	11,906	-	11,906
Payment against share based payment transactions (to holding Company)	-	-	-	(49,549)	(49,549)	-	(49,549)
Transfer to statutory reserve	-	-	-	(37,643)	(37,643)	-	(37,643)
Dividend paid to minority shareholders	-	-	(236,888)	(236,888)	-	-	-
Cash dividend (2010)	-	-	-	(2,322,951)	(2,322,951)	-	(2,322,951)
Transferred from surplus on revaluation of fixed asset - net of deferred tax	-	-	-	1,868	1,868	-	1,868
Balance as at 31 March 2011	38,715,850	1,036,090	1,986,027	5,427,615	47,165,582	813,885	47,979,467

The annexed notes 1 to 6 form an integral part of these condensed interim consolidated financial statements.



Mohsin Ali Nathani
Chief Executive



Najam I. Chaudhri
Director



Shahid Zaki
Director



Parvez Ghias
Director

Notes to the Condensed Interim Consolidated Financial Information (Un-audited) For the three months period ended 31 March 2011

1. STATUS AND NATURE OF BUSINESS

Standard Chartered Bank (Pakistan) Limited ("the Bank") was incorporated in Pakistan on 19 July 2006 and was granted approval for commencement of banking business by State Bank of Pakistan, with effect from 30 December 2006. The ultimate holding company of the Bank is Standard Chartered Plc., incorporated in England. The registered office is at Standard Chartered Bank Building, I.I. Chundrigar Road, Karachi.

The Bank commenced formal operations on 30 December 2006 through amalgamation of entire undertaking of Union Bank Limited and the business carried on by the branches in Pakistan of Standard Chartered Bank, a bank incorporated by Royal Charter and existing under the laws of England. The scheme of amalgamation was sanctioned by State Bank of Pakistan vide its order dated 4 December 2006.

The Bank is engaged in the banking business as defined in the Banking Companies Ordinance, 1962 and has a total number of 144 branches in Pakistan (2010: 162 branches in Pakistan) in operation at 31 March 2011.

Standard Chartered Bank (Pakistan) Limited has the following three subsidiaries. All of them are incorporated in Pakistan.

- Standard Chartered Leasing Limited
- Standard Chartered Modaraba
- Standard Chartered Services of Pakistan (Private) Limited

These condensed interim financial statements are consolidated financial statements of Standard Chartered Bank (Pakistan) Limited and its subsidiaries ("the Group").

2. STATEMENT OF COMPLIANCE

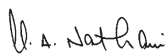
These condensed interim consolidated financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. The disclosures in the condensed interim consolidated financial information do not include the information reported for full annual consolidated financial statements and should therefore be read in conjunction with the consolidated financial statements for the year ended 31 December 2010.

3. ACCOUNTING POLICIES

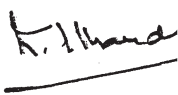
The accounting policies adopted in the preparation of the condensed interim consolidated financial information are the same as those applied in the preparation of the annual consolidated financial statements of the Bank for the year ended 31 December 2010. The impact of change in accounting policy as disclosed in the annual financial statements for the year ended December 2010 relating to amendments issued by International Accounting Standards Board (IASB) in International Financial Reporting Standard (IFRS) 2: Share-based payment have also been incorporated for the three months period ended March 31, 2010.

4. ACCOUNTING ESTIMATES

The basis for the accounting estimates adopted in the preparation of the condensed interim consolidated financial information are the same as those applied in the preparation of the annual consolidated financial statements of the Bank for the year ended 31 December 2010.



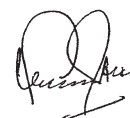
Mohsin Ali Nathani
Chief Executive



Najam I. Chaudhri
Director



Shahid Zaki
Director



Parvez Ghias
Director

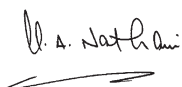
Notes to the Condensed Interim Consolidated Financial Information (Un-audited) For the three months period ended 31 March 2011

5 FINANCIAL RISK MANAGEMENT

The financial risk management objectives and policies adopted by the Bank are consistent with those disclosed in the annual consolidated financial statements of the Bank for the year ended 31 December 2010.

6 DATE OF AUTHORIZATION

These condensed interim consolidated financial statements were authorized for issue in the Board of Directors meeting held on 28 April 2011.



Mohsin Ali Nathani
Chief Executive



Najam I. Chaudhri
Director



Shahid Zaki
Director



Parvez Ghias
Director



Helping people change lives

A simple cataract operation altered this boy's life forever

"Seeing is Believing" is Standard Chartered's global commitment of working towards eliminating Avoidable Blindness. Under this programme, in Pakistan, the Bank has achieved significant milestones:

- So far 200,000 eye sights have been restored*
- Initiating "Pakistan Urban Paediatric Eye Care Programme" which will screen 1.7 million less privileged children for visual impairments by 2015
- Being the first Bank in the country to hire visually impaired staff
- Organised a country wide programme through which 20,000 Lady Healthcare workers have been trained to provide Primary Eye Care at the community level

It costs only PKR 1,876 to sponsor a Cataract Operation. To give someone the invaluable "Gift of Sight", log on to www.standardchartered.com.pk or call 111-002-002.

*As of December 2010



Can a bank really stand for something? Can it balance its ambition with its conscience? To do what it must. Not what it can. As not everything in life that counts can be counted. Can it not only look at the profit it makes but how it makes that profit? And stand beside people, not above them. Where every solution depends on each person. Simply by doing good, can a bank in fact be great? In the many places we call home, our purpose remains the same. To be here for people. Here for progress. Here for the long run. Here for good.