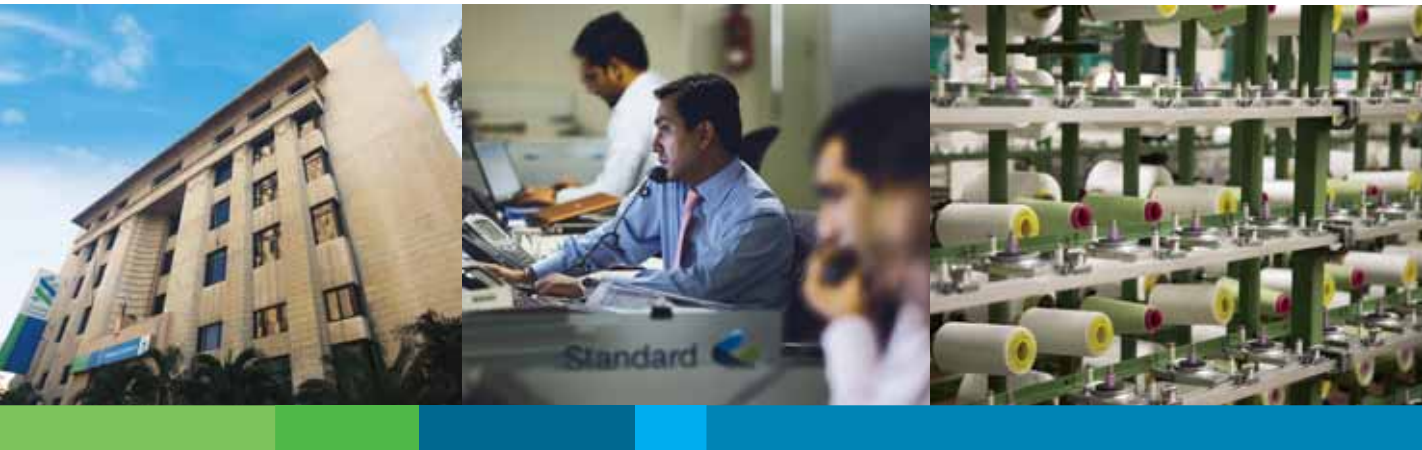




Half Yearly Report
January - June 2011

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 143 branches in 32 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 June 30, 2011

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. Najam Siddiqi

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 – Half Year Ended 30 June 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 half year ended 30 June 2011.

Economy

The current account posted a surplus of USD 542 million (0.3% of GDP) in FY11, compared to a deficit of USD 3.9 billion (2.2% of GDP) in FY10, led by record exports and record remittances. Exports posted a phenomenal growth of 29.4% in FY11, rising to USD 25.5 billion compared to USD 19.6 billion in FY10. Higher cotton prices, higher wheat exports and reconstruction activity in Afghanistan all contributed to strong growth in exports. Remittances surged to a record USD 11.2 billion (5.3% of GDP) in FY11, up 26% from USD 8.9 billion (5% of GDP) in FY10. FX reserves have increased to USD 18.2 billion (6.7 months of import cover) by June 2011, supporting a stable PKR and anchoring inflation expectations.

Growth has slowed down sharply in FY11 to 2.4%, down from 3.9% in FY10 primarily due to damage caused by floods last summers. However, the Central Bank raised concerns over the sharp decline in investment spending over the last four years, raising concerns over the capacity in the economy to meet rising demand and sustain growth over the medium term. Investment spending has declined sharply to 13.4% of GDP in FY11, down from 22.1% of GDP in FY08 and the lowest levels since 1974.

Banks remain well capitalized, although the Capital Adequacy Ratio (CAR) has declined to 13.6% by March 2011 against 13.9% in December 2010, primarily due to increase in non-performing loans (NPLs). NPLs to loans ratio increased to 15.4% by March 2011 compared to 14.7% in December 2010. Increase in credit risk will be the main challenge for banks in 2011.

Operating Results and Business Overview

	30 June 2011 (PKR millions)	31 December 2010 (PKR millions)
Balance Sheet		
Paid-up capital	38,716	38,716
Total equity	50,545	51,073
Deposits	236,235	220,266
Advances - gross	172,472	157,906
Advances - net	151,703	139,269
Investments - net	79,394	72,637
Total assets	345,889	321,923

	Half year ended 30 June 2011 (PKR millions)	Half year ended 30 June 2010 (PKR millions)
Profit and Loss		
Revenue	12,786	11,490
Administrative expenses	7,096	6,336
Other non mark-up expenses	172	510
Operating profit (before provisions and tax)	5,518	4,644
Provisions (net of recoveries)	2,822	2,544
Profit before tax	2,696	2,100
Profit after tax	1,715	1,358

While the economic, political and security situation remains challenging, the bank continues to navigate ahead prudently on the back of a strong, liquid and adequately capitalized balance sheet. Customer deposits have registered a growth of 7% during the period ended June 30, 2011, with Current and Savings Accounts (CASA) being the consistent and dominant contributor with an increase of PKR 15.9 billion representing a phenomenal growth of 9%. This is testimony of the confidence placed by both consumers and corporate institutions in the bank's position in the industry, its brand image and service quality. Gross advances also depict a healthy growth of 9% with a steady and sound build up in wholesale and SME lending. Advances to deposits ratio remains stable at 64%.

The bank's profit before tax has improved by 28% from PKR 2.1 billion to PKR 2.7 billion, primarily on the back of a steady revenue growth of 11%. Net interest income is up by 14%, while non interest income has increased by 3%, despite the significant attrition in high yield consumer assets over the past few years. The bank is currently focused on generating an enduring and stable revenue stream, with major emphasis on wholesale, SME lending and consumer deposit mobilisation. We continue to strengthen client relationships and product capabilities, and are completely dedicated to providing value added customer centric solutions, particularly in terms of global market offerings.

Cost (excluding Head Office expenses under the 'Advisory and Service Agreement') is up by 9% despite double digit inflation. We continue to invest in our businesses to underpin our strategic plans, while at the same time maintaining a strict discipline around costs through our premises and staff rationalisation initiatives. Head Office expenses have increased from PKR 2 billion to PKR 2.4 billion. Cost to income ratio remains constant at 56%.

Loan provisions have increased from PKR 2.5 billion to PKR 2.8 billion. Provision against wholesale assets is up from PKR 0.65 billion to PKR 1.8 billion, while in case of consumer assets, provisions have reduced from PKR 1.9 billion to PKR 1.03 billion. We continue to maintain a consistently high loss coverage ratio in line with our prudent provisioning policies. Currently our loss coverage ratio is as high as 84%.

We carry on with the momentum gained during the later part of FY10 and first quarter of the current year. The growth in revenue is encouraging, while we continuously endeavour to keep cost growth at moderate levels, albeit ensuring necessary investment in our businesses to keep the momentum rolling. Even though the economic and business environment still remains daunting and uncertain, we are confident that the bank will segue through comfortably on the back of its balance sheet strength and proactive approach towards risk management.

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 Modarba, for the half year ended 30 June 2011.

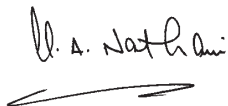
Key highlights of the Group's performance are given below:

	30 June 2011 (PKR millions)	31 December 2010 (PKR millions)
Balance Sheet		
Paid-up capital	38,716	38,716
Total equity	51,647	52,100
Deposits	236,212	220,188
Advances - net	158,015	144,722
Investments - net	78,972	72,294
Total assets	352,204	327,297
	Half year ended 30 June 2011 (PKR millions)	Half year ended 30 June 2010 (PKR millions)
Profit and Loss		
Revenue	12,992	11,630
Administrative expenses	7,175	6,414
Other non mark-up expenses	174	511
Operating profit (before provisions and tax)	5,643	4,705
Provisions (net of recoveries)	2,849	2,538
Profit before tax	2,794	2,167
Profit after tax	1,791	1,421

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 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

Karachi: 25 August 2011

Independent Auditors' Report on Review of Unconsolidated Condensed Interim Financial Information to the Members

Introduction

We have reviewed the accompanying condensed interim unconsolidated statement of financial position of Standard Chartered Bank (Pakistan) Limited ("the Bank") as at 30 June 2011, and the related condensed interim unconsolidated profit and loss account, condensed interim unconsolidated statement of comprehensive income, condensed interim unconsolidated cash flow statement, condensed interim unconsolidated statement of changes in equity and notes to the accounts for the six months period then ended (here-in-after referred to as the "condensed interim unconsolidated financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with approved accounting standards as applicable in Pakistan for Interim Financial Reporting. Our responsibility is to express a conclusion on this condensed interim unconsolidated financial information based on our review.

Scope of Review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim unconsolidated financial information as at 30 June 2011 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for Interim Financial Reporting.

The figures of the condensed interim unconsolidated profit and loss accounts for the quarters ended 30 June 2011 and 2010 have not been reviewed, as we are required to review only the cumulative figures for the six months period ended 30 June 2011.

Date: August 25, 2011

Karachi

**KPMG Taseer Hadi & Co.
Chartered Accountants
Muhammad Taufiq**



Standard Chartered Bank (Pakistan) Limited

Condensed Interim Un-Consolidated Financial Statements

**For the six months period ended
30 June 2011**

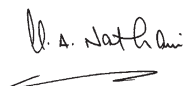
Condensed Interim Un-Consolidated Statement of Financial Position As at 30 June 2011

	Notes	30 June 2011 (Un-Audited)	31 December 2010 (Audited)
(Rupees in '000)			
ASSETS			
Cash and balances with treasury banks		24,135,710	24,087,842
Balances with other banks		2,657,431	821,931
Lendings to financial institutions	6	23,962,935	30,421,885
Investments	7	79,393,736	72,637,401
Advances	8	151,703,243	139,269,413
Operating fixed assets		6,415,964	6,601,893
Intangible assets		26,546,121	26,681,268
Deferred tax assets	9	3,361,311	3,393,322
Other assets		27,712,914	18,008,022
		345,889,365	321,922,977
LIABILITIES			
Bills payable		5,118,033	5,691,864
Borrowings from financial institutions		16,200,439	15,914,343
Deposits and other accounts	10	236,234,938	220,265,762
Sub-ordinated loans		898,400	1,135,900
Other liabilities		36,892,783	27,841,964
		295,344,593	270,849,833
NET ASSETS		50,544,772	51,073,144
REPRESENTED BY:			
Share capital		38,715,850	38,715,850
Reserves		3,010,446	2,667,488
Unappropriated profit		5,755,882	6,716,831
		47,482,178	48,100,169
Surplus on revaluation of assets - net of deferred tax		3,062,594	2,972,975
		50,544,772	51,073,144

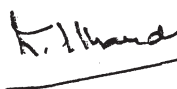
CONTINGENCIES AND COMMITMENTS

11

The annexed notes 1 to 18 form an integral part of these condensed interim un-consolidated financial statements.



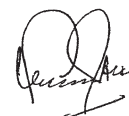
Mohsin Ali Nathani
Chief Executive



Najam I. Chaudhri
Director



Shahid Zaki
Director

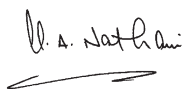


Parvez Ghias
Director

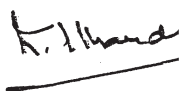
Condensed Interim Un-Consolidated Profit and Loss Account (Un-audited) For the six months period ended 30 June 2011

	Three months period ended 30 June 2011	Six months period ended 30 June 2011	Three months period ended 30 June 2010 (Restated)	Six months period ended 30 June 2010 (Restated)
Notes	------(Rupees in '000)-----			
Mark-up / return / interest earned	7,539,061	15,245,598	6,648,273	13,660,540
Mark-up / return / interest expensed	(2,808,149)	(5,541,524)	(2,510,105)	(5,168,848)
Net mark-up/ return / interest income	4,730,912	9,704,074	4,138,168	8,491,692
Provision against non-performing loans and advances	(1,874,047)	(2,862,231)	(961,064)	(2,072,508)
Recovery of amounts written off	140,883	277,152	170,177	357,486
Provision for diminution in the value of investments	-	-	-	-
Bad debts written off directly	(129,027)	(236,519)	(385,444)	(828,753)
Net mark-up / return / interest income after provisions	2,868,721	6,882,476	2,961,837	5,947,917
NON MARK-UP / NON INTEREST INCOME				
Fees, commission and brokerage income	831,198	1,692,062	954,040	1,894,898
Dividend income	-	-	-	-
Income from dealing in foreign currencies	530,475	945,475	395,115	694,762
Gain on sale of securities	73,900	192,288	252,077	347,742
Unrealized gain / (loss) on revaluation of investments classified as held for trading	11,282	119,996	(44,849)	68,469
Other income	239,935	132,183	50,066	(7,681)
Total non mark-up / non interest income	1,686,790	3,082,004	1,606,449	2,998,190
	4,555,511	9,964,480	4,568,286	8,946,107
NON MARK-UP / NON INTEREST EXPENSES				
Administrative expenses	(3,605,179)	(7,095,738)	(3,259,015)	(6,335,728)
Other provisions / assets write offs	(80,617)	(80,617)	(444,433)	(444,433)
Other charges	(45,620)	(91,573)	(40,409)	(65,467)
Total non mark-up / non interest expenses	(3,731,416)	(7,267,928)	(3,743,857)	(6,845,628)
	824,095	2,696,552	824,429	2,100,479
Extra-ordinary / unusual items	-	-	-	-
PROFIT BEFORE TAXATION	824,095	2,696,552	824,429	2,100,479
Taxation - current	(438,296)	(1,000,012)	115,544	(424,798)
- prior years'	-	-	-	-
- deferred	175,164	18,252	(411,846)	(318,122)
PROFIT AFTER TAXATION	(263,132)	(981,760)	(296,302)	(742,920)
	560,963	1,714,792	528,127	1,357,559
	------(Rupees)-----			
BASIC/ DILUTED EARNINGS PER SHARE	0.14	0.44	0.14	0.35

The annexed notes 1 to 18 form an integral part of the condensed interim unconsolidated financial statements.



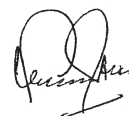
Mohsin Ali Nathani
Chief Executive



Najam I. Chaudhri
Director



Shahid Zaki
Director



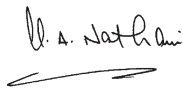
Parvez Ghias
Director

**Condensed Interim Un-Consolidated Statement of Comprehensive Income (Un-audited)
For the six months period ended 30 June 2011**

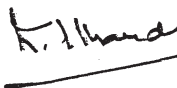
	30 June 2011	30 June 2010 (Restated)
	(Rupees in '000)	
PROFIT FOR THE PERIOD		
Other Comprehensive Income:	1,714,792	1,357,559
Surplus / (deficit) on revaluation of 'Available for Sale' financial assets	(i) -	-
Surplus / (deficit) on revaluation of fixed assets	(ii) -	-
Actuarial gain / (loss) on defined benefit plans	-	-
Deferred tax on actuarial gain / (loss)	-	-
	-	-
Total comprehensive income for the period	<u>1,714,792</u>	<u>1,357,559</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.

The annexed notes 1 to 18 form an integral part of the condensed interim un-consolidated financial statements.



Mohsin Ali Nathani
Chief Executive



Najam I. Chaudhri
Director



Shahid Zaki
Director



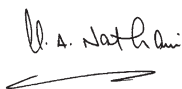
Parvez Ghias
Director

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

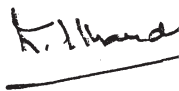
For the six months period ended 30 June 2011

	30 June 2011	30 June 2010 (Restated)
	(Rupees in '000)	
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	2,696,552	2,100,479
Dividend income	-	-
	<u>2,696,552</u>	<u>2,100,479</u>
Adjustments for:		
Depreciation	219,524	296,126
Amortization	135,147	192,330
Gain on disposal of fixed assets	(4,895)	(6,484)
Unrealized gain on revaluation of investments classified as held for trading	(119,996)	(68,469)
Other provisions / asset write offs	80,617	444,433
Lease rentals expense	-	2,369
Provision against loans and advances - net of recoveries	2,821,598	2,543,775
	<u>3,131,995</u>	<u>3,404,080</u>
	<u>5,828,547</u>	<u>5,504,559</u>
(Increase) / decrease in operating assets:		
Lendings to financial institutions	6,458,950	1,461,199
Held for trading securities	1,423,375	846,778
Advances	(15,255,428)	(3,932,495)
Other assets	(8,546,153)	617,356
	<u>(15,919,256)</u>	<u>(1,007,162)</u>
Increase / (decrease) in operating liabilities:		
Bills payable	(573,831)	(438,308)
Borrowings from financial institutions	286,096	(6,234,764)
Deposits and other accounts	15,969,176	(1,269,727)
Other liabilities	9,033,744	(6,895,119)
	<u>24,715,185</u>	<u>(14,837,918)</u>
Cash inflow before taxation	<u>14,624,476</u>	<u>(10,340,521)</u>
Income tax paid	(2,239,368)	(842,769)
Net cash generated from / (used in) operating activities	<u>12,385,108</u>	<u>(11,183,290)</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Net investments	(7,916,099)	10,349,367
Dividend income received	-	-
Net investment in fixed assets (including intangible assets)	(33,637)	(111,577)
Sale proceeds on disposal of fixed assets	4,937	7,880
Net cash (used in) / generated from investing activities	<u>(7,944,799)</u>	<u>10,245,670</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of sub-ordinated Term Finance Certificates	(237,500)	(149,600)
Dividend paid	(2,319,441)	-
Payment of lease obligations	-	(2,369)
Net cash used in financing activities	<u>(2,556,941)</u>	<u>(151,969)</u>
Increase / (decrease) in cash and cash equivalents for the period	<u>1,883,368</u>	<u>(1,089,589)</u>
Cash and cash equivalents at beginning of the period	24,909,773	23,759,732
Cash and cash equivalents at end of the period	<u>26,793,141</u>	<u>22,670,143</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		
Cash and balances with treasury banks	24,135,710	20,698,359
Balances with other banks	2,657,431	1,971,784
	<u>26,793,141</u>	<u>22,670,143</u>

The annexed notes 1 to 18 form an integral part of the condensed interim un-consolidated financial statements.



Mohsin Ali Nathani
Chief Executive



Najam I. Chaudhri
Director



Shahid Zaki
Director

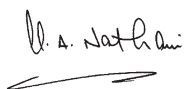


Parvez Ghias
Director

Condensed Interim Un-Consolidated Statement of Changes in Equity (Un-audited) For the six months period ended 30 June 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 six months ended 30 June 2010	-	-	-	1,357,559	1,357,559
<i>Other Comprehensive income</i>					
Actuarial gain on defined plan - net of tax	-	-	-	-	-
	-	-	-	1,357,559	1,357,559
Transactions with owners, recorded directly in equity					
Share based payment transactions (Contribution from holding Company)	-	-	-	23,867	23,867
Payment against share based payment transactions (to holding Company)	-	-	-	(71,964)	(71,964)
	-	-	-	(48,097)	(48,097)
Transfer to statutory reserve	-	-	271,512	(271,512)	-
Transferred from surplus on revaluation of fixed asset - net of deferred tax	-	-	-	3,789	3,789
Balance as at 30 June 2010 (as restated)	38,715,850	1,036,090	1,181,787	5,016,027	45,949,754
Total Comprehensive income for the period					
Profit for the six months ended 31 December 2010	-	-	-	2,248,056	2,248,056
<i>Other Comprehensive income</i>					
Actuarial gain on defined plan - net of tax	-	-	-	1,410	1,410
	-	-	-	2,249,466	2,249,466
Transactions with owners, recorded directly in equity					
Share based payment transactions (Contribution from holding Company)	-	-	-	23,866	23,866
Payment against share based payment transactions (to holding Company)	-	-	-	(126,674)	(126,674)
	-	-	-	(102,808)	(102,808)
Transfer to statutory reserve	-	-	449,611	(449,611)	-
Transferred from surplus on revaluation of fixed asset - net of deferred tax	-	-	-	3,757	3,757
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 six months ended 30 June 2011	-	-	-	1,714,792	1,714,792
<i>Other Comprehensive income</i>					
Actuarial gain on defined plan - net of tax	-	-	-	-	-
	-	-	-	1,714,792	1,714,792
Transactions with owners, recorded directly in equity					
Share based payment transactions (Contribution from holding Company)	-	-	-	56,705	56,705
Payment against share based payment transactions (to holding Company)	-	-	-	(70,270)	(70,270)
	-	-	-	(13,565)	(13,565)
Transfer to statutory reserve	-	-	342,958	(342,958)	-
Cash dividend (2010)	-	-	-	(2,322,951)	(2,322,951)
Transferred from surplus on revaluation of fixed asset - net of deferred tax	-	-	-	3,733	3,733
Balance as at 30 June 2011	38,715,850	1,036,090	1,974,356	5,755,882	47,482,178

The annexed notes 1 to 18 form an integral part of the 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 six months period ended 30 June 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 registered office is at Standard Chartered Bank Building, I.I. Chundrigar Road, Karachi. The ultimate holding company of the Bank is Standard Chartered Plc., incorporated in England.

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 143 branches in Pakistan (2010: 162 branches in Pakistan) in operation at 30 June 2011.

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

- Standard Chartered Leasing Limited
- Standard Chartered Modarba
- 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.

Corresponding figures have been restated as necessary to account for 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.

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 six months period ended 30 June 2011

6 LENDINGS TO FINANCIAL INSTITUTIONS

	30 June 2011	31 December 2010
	(Rupees in '000)	
Repurchase agreement lendings (Reverse Repo)	15,210,913	6,457,638
Placements	8,752,022	23,964,247
	<u>23,962,935</u>	<u>30,421,885</u>

7 INVESTMENTS

	30 June 2011			31 December 2010		
	Held by bank	Given as collateral	Total	Held by bank	Given as collateral	Total
Investments by type	----- (Rupees in '000) -----					
Held for trading						
Market Treasury Bills	6,419,204	-	6,419,204	7,932,763	-	7,932,763
Pakistan Investment Bonds	251,772	-	251,772	161,588	-	161,588
Available for sale						
Market Treasury Bills	60,648,559	-	60,648,559	50,579,193	-	50,579,193
Pakistan Investment Bonds	7,985,284	18,932	8,004,216	10,356,924	18,958	10,375,882
Ordinary shares of unlisted companies	86,987	-	86,987	86,987	-	86,987
Sukuk and Ijarah Bonds	3,925,000	-	3,925,000	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	80,133,895	18,932	80,152,827	73,559,544	18,958	73,578,502
Provision for diminution in the value of investments	(133,157)	-	(133,157)	(133,157)	-	(133,157)
Investments (net of provisions)	80,000,738	18,932	80,019,670	73,426,387	18,958	73,445,345
Surplus on revaluation of held for trading securities - net	119,996	-	119,996	81,601	-	81,601
(Deficit) /surplus on revaluation of available for sale securities - net	(743,669)	(2,261)	(745,930)	(886,824)	(2,721)	(889,545)
Total Investments	<u>79,377,065</u>	<u>16,671</u>	<u>79,393,736</u>	<u>72,621,164</u>	<u>16,237</u>	<u>72,637,401</u>

Notes to the Condensed Interim Un-Consolidated Financial Statements (Un-audited) For the six months period ended 30 June 2011

8 ADVANCES

30 June 2011

31 December 2010

(Rupees in '000)

Loans, cash credits, running finances, etc.		
- In Pakistan	156,099,947	147,338,159
- Outside Pakistan	-	-
	156,099,947	147,338,159
Bills discounted and purchased (excluding treasury bills)		
- Payable in Pakistan	6,545,793	3,133,517
- Payable outside Pakistan	9,826,574	7,434,767
	16,372,367	10,568,284
Advances - gross	172,472,314	157,906,443
Provision for non-performing advances	(20,769,071)	(18,637,030)
Advances - net of provision	151,703,243	139,269,413

8.1 Advances include Rs 24,684.853 million (31 December 2010: Rs 22,107.709 million) which have been placed under non-performing status as detailed below:

Category of classification	30 June 2011								
	Classified Advances			Provision Required			Provision Held		
	Domestic	Overseas	Total	Domestic	Overseas (Rupees in '000)	Total	Domestic	Overseas	Total
Substandard	1,572,726	-	1,572,726	374,930	-	374,930	374,930	-	374,930
Doubtful	2,910,639	-	2,910,639	620,067	-	620,067	620,067	-	620,067
Loss	20,201,488	-	20,201,488	19,095,543	-	19,095,543	19,095,543	-	19,095,543
	24,684,853	-	24,684,853	20,090,540	-	20,090,540	20,090,540	-	20,090,540
General Provision	-	-	-	678,531	-	678,531	678,531	-	678,531
	24,684,853	-	24,684,853	20,769,071	-	20,769,071	20,769,071	-	20,769,071

Category of classification	31 December 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

Notes to the Condensed Interim Un-Consolidated Financial Statements (Un-audited) For the six months period ended 30 June 2011

8.1.1 At 30 June 2011, the provision requirement has been reduced by Rs. 676.826 million (31 December 2010: Rs. 610.771 million) benefit of Forced Sale Value (FSV) of commercial, residential and industrial properties (land and building only) held as collateral, in accordance with the requirements specified by SBP BSD Circular 10 dated 20 October 2009. The said FSV benefit is not available for distribution of cash and stock dividend.

8.2 Particulars of provision against non-performing advances

	30 June 2011			31 December 2010		
	Specific	General	Total	Specific	General	Total
----- (Rupees in '000) -----						
Opening balance	17,971,285	665,745	18,637,030	15,485,633	1,298,005	16,783,638
Charge for the period	6,907,565	4,825,546	11,733,111	8,234,580	1,252,382	9,486,962
Reversals	(4,058,479)	(4,812,760)	(8,871,239)	(4,182,001)	(1,884,642)	(6,066,643)
	2,849,086	12,786	2,861,872	4,052,579	(632,260)	3,420,319
Amounts written off	(635,564)	-	(635,564)	(1,330,264)	-	(1,330,264)
Other movements	(94,267)	-	(94,267)	(236,663)	-	(236,663)
Closing balance	20,090,540	678,531	20,769,071	17,971,285	665,745	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 30 June 2011 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. 2,437 million has been recognised on such provisions for income years 2009 upto six months period ended 30 June 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 31 December 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 six months period ended 30 June 2011

10 DEPOSITS AND OTHER ACCOUNTS	Notes	30 June 2011	31 December 2010
		(Rupees in '000)	
Customers			
- Fixed deposits		46,078,109	45,968,703
- Savings deposits		97,957,100	90,401,741
- Current accounts (Non-remunerative)		90,316,419	81,552,663
- Margin accounts		469,624	951,052
- Special exporters' account		601,412	930,283
		235,422,664	219,804,442
Financial Institutions			
- Non-remunerative deposits		812,274	461,320
		236,234,938	220,265,762
11 CONTINGENCIES AND COMMITMENTS			
11.1 Transaction-related contingent liabilities			
Guarantees issued favouring:	11.1.1		
- Government		31,326,904	30,962,886
- Others		22,582,559	16,542,077
11.1.1 Guarantees relating to Islamic Banking Business amount to Rs 1,948 million (2010: Rs 2,039 million).			
11.2 Trade-related contingent liabilities			
Letters of credit	11.2.1	19,643,978	15,182,936
11.2.1 Letters of credit relating to Islamic Banking Business amount to Rs 3,226 million (2010: Rs 1,045 million).			
11.3 Other contingencies			
Claims against the Bank not acknowledged as debt		13,502,578	12,432,208
11.4 Commitments in respect of forward foreign exchange contracts			
Purchase			
State Bank of Pakistan		-	19,914,750
Other banks		31,795,702	17,348,621
Customers		15,672,725	15,368,507
Sale			
State Bank of Pakistan		-	2,176,875
Other banks		28,236,326	33,108,590
Customers		2,257,799	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 six months period ended 30 June 2011

11.6 Derivative Instruments

Product Analysis

		30 June 2011			
	(Rupees in '000).....			
Counterparties		Interest Rate Swaps		FX Options	
		No. of Contracts	Notional Principal	No. of Contracts	Notional Principal *
With Banks for	Hedging	-	-	-	-
	Market Making	32	40,849,827	52	7,053,218
With FIs other than banks	Hedging	-	-	-	-
	Market Making	3	1,032,667	-	-
With other entities for	Hedging	-	-	-	-
	Market Making	54	69,809,427	52	7,053,218
Total	Hedging	-	-	-	-
	Market Making	89	111,691,921	104	14,106,436
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 13 contracts with local banks having notional principal of Rs 17,414 million .

12 OTHER INCOME	Three months Period ended 30 June 2011	Six months period ended 30 June 2011	Three months period ended 30 June 2010	Six months period ended 30 June 2010
	(Rupees in '000)		(Rupees in '000)	
Income from Sri Lanka branch operations	6,159	9,266	5,355	5,363
Rent on property	10,049	20,322	5,814	8,568
Gain on disposal of fixed assets	3,004	4,895	3,359	6,484
Income / (loss) on derivatives	93,457	(78,269)	(14,778)	(179,760)
Others	127,266	175,969	50,316	151,664
	<u>239,935</u>	<u>132,183</u>	<u>50,066</u>	<u>(7,681)</u>

Notes to the Condensed Interim Un-Consolidated Financial Statements (Un-audited) For the six months period ended 30 June 2011

	Three months Period ended 30 June 2011	Six months period ended 30 June 2011	Three months period ended 30 June 2010	Six months period ended 30 June 2010
13 OTHER PROVISIONS / ASSET WRITE OFF	(Rupees in '000)		(Rupees in '000)	
Asset write offs	80,617	80,617	-	-
Other provisions				
Provision against receivable under cross Currency swaps arrangements	-	-	103,127	103,127
Overdue mark up suspended	-	-	341,306	341,306
	-	-	444,433	444,433
	<u>80,617</u>	<u>80,617</u>	<u>444,433</u>	<u>444,433</u>

14 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 six months period ended 30 June 2011

15 SEGMENT DETAILS WITH RESPECT TO BUSINESS ACTIVITIES

Segment analysis with respect to business activity

	WholeSale Banking	Consumer Banking	Total
(Rupees in '000)			
30 June 2011			
Internal Income	(5,986,751)	6,177,330	190,579
Net mark-up / return / interest income	10,167,766	(463,692)	9,704,074
Non mark-up / non interest income	1,877,076	1,204,928	3,082,004
Operating income	6,058,091	6,918,566	12,976,657
Non mark-up / non interest expenses	(2,359,104)	(4,908,824)	(7,267,928)
Internal non mark-up / non interest expenses	(44,797)	(145,782)	(190,579)
Operating profit before provisions and taxation	3,654,190	1,863,960	5,518,150
Direct write-offs / provisions against non-performing loans and advances - net of recoveries	(1,785,642)	(1,035,956)	(2,821,598)
Provision for diminution in the value of investments	-	-	-
Profit before taxation	1,868,548	828,004	2,696,552
Other segment items:			
Depreciation of tangible fixed assets	28,281	191,243	219,524
Amortisation of intangible assets	25,495	109,652	135,147
Segment assets (gross)	321,861,776	45,221,150	367,082,926
Segment non performing loans	15,482,965	9,201,888	24,684,853
Segment provision required	12,748,208	8,020,863	20,769,071
Segment liabilities	116,744,707	178,599,886	295,344,593
Segment return on net assets (ROA) (%)	** 1.22%	4.49%	1.57%
Segment cost of funds (%)	*** 6.30%	3.27%	4.36%
30 June 2010			
Internal Income	(5,018,396)	5,018,396	-
Net mark-up / return / interest income	8,286,889	204,803	8,491,692
Non mark-up / non interest income	1,706,397	1,291,793	2,998,190
Operating income	4,974,890	6,514,992	11,489,882
Non mark-up / non interest expenses	(2,083,382)	(4,762,246)	(6,845,628)
Operating profit before provisions and taxation	2,891,508	1,752,746	4,644,254
Direct write-offs / provisions against non-performing loans and advances - net of recoveries	(651,351)	(1,892,424)	(2,543,775)
Provision for diminution in the value of investments - net	-	-	-
Profit before taxation	2,240,157	(139,678)	2,100,479
Other segment items:			
Depreciation of tangible fixed assets	48,158	247,968	296,126
Amortisation of intangible assets	36,779	155,551	192,330
Segment assets (gross)	263,326,364	54,338,609	317,664,973
Segment non performing loans	12,851,581	8,264,214	21,115,795
Segment provision required	10,860,803	7,155,791	18,016,594
Segment liabilities	92,924,205	157,264,730	250,188,935
Segment return on net assets (ROA) (%)	** 1.79%	-0.60%	1.41%
Segment cost of funds (%)	*** 6.40%	3.52%	4.56%

* These expenses reflects a change in methodology which has been implemented from financial year starting 01 January 2011.

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

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

Notes to the Condensed Interim Un-Consolidated Financial Statements (Un-audited) For the six months period ended 30 June 2011

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).

16 RELATED PARTY TRANSACTIONS

Related parties comprise of Standard Chartered Plc., ultimate parent company, its other subsidiaries and branches, key management personnel, and 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:

OUTSTANDING BALANCES

30 June 2011
31 December 2010

	(Rupees in '000)	
Group	30 June 2011	31 December 2010
Nostro balances with other subsidiaries and branches of the holding company	2,508,711	758,120
Overdrawn nostro balances with other subsidiaries and branches of the holding company	910,437	1,633,622
Vostro balances with other subsidiaries and branches of the holding company	168,080	93,610
Placements with other subsidiaries and branches of the holding company	8,752,022	23,964,247
Deposits of group companies	13,805	12,890
Due to holding company	5,851	-
Due to group companies	7,315,840	4,867,708
Due from associated undertakings	-	19,059
Interest receivable from group companies	137,413	128,720
Inter-company derivative assets	47,186	23,327
Inter-company derivative liabilities	805,901	885,244
Other receivables	843,514	1,004,935
	200	563
Subsidiaries		
Deposits of subsidiaries	23,061	77,874
Loans to subsidiaries	403,225	-
Accrued interest receivable	6,483	520
Other receivables	1,126	1,126
Key management personnel		
Loans and advances to key management personnel	136,099	117,187
Deposits of key management personnel	93,015	42,834
Others		
Deposits by staff retirement benefit funds	73,848	50,921
Deposits by customers with common directorship	619	885
Receivable from defined benefit plans	19,281	18,915
Derivative asset	-	231
Derivative liabilities	-	831

Notes to the Condensed Interim Un-Consolidated Financial Statements (Un-audited) For the six months period ended 30 June 2011

	Six months period ended	
	30 June 2011	30 June 2010
	(Rupees in '000)	
PROFIT AND LOSS		
Group		
Mark-up / interest expensed	757	846
Mark-up / interest / income earned	18,900	23,232
Fee and commission expense	15,789	17,084
Fee and commission income	23	36
Reimbursement of executive and general administrative expenses	2,427,660	2,018,042
Payment to group company for direct sales services rendered	275,723	274,043
Net loss / (gain) on inter-company derivatives	82,077	(97)
Royalty expense	63,684	37,919
Key management personnel		
Mark-up / interest / income earned	4,152	1,785
Mark-up / interest expensed	588	771
Sale of vehicles	-	86
Salaries and benefits	100,849	78,300
Post retirement benefits	16,439	7,566
Subsidiaries		
Mark-up / interest expensed	2,332	7,246
Mark-up / interest / income earned	9,836	5,453
Lease rentals paid	-	2,369
Administrative expenses (including rent and other charges)	4,421	5,105
Reimbursement of salaries	2,531	3,285
Others		
Contribution to defined contribution plans - net of payments received	144,187	126,205
Charge for defined contribution plans	144,187	126,205
Net (income) /charge for defined benefit plans	(366)	129
Mark-up / interest expensed on deposits of staff retirement benefit funds	3,620	906
Mark-up / interest expensed on deposits of customers with common directorship	20	120,966
Remuneration / fee paid to non-executive directors	1,875	1,480
Net loss on derivatives	600	101,106

Notes to the Condensed Interim Un-Consolidated Financial Statements (Un-audited) For the six months period ended 30 June 2011

16.1 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 30 June 2011
	------(Rupees in '000)-----			
Loans and advances				
Key management personnel	<u>117,187</u>	<u>60,775</u>	<u>(41,863)</u>	<u>136,099</u>
Subsidiaries	<u>-</u>	<u>3,867,317</u>	<u>(3,464,092)</u>	<u>403,225</u>
Others	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deposits				
Group companies	<u>12,890</u>	<u>329,675</u>	<u>(328,760)</u>	<u>13,805</u>
Subsidiaries	<u>77,874</u>	<u>9,354,108</u>	<u>(9,408,921)</u>	<u>23,061</u>
Key management personnel	<u>42,834</u>	<u>351,457</u>	<u>(301,276)</u>	<u>93,015</u>
Others	<u>51,806</u>	<u>25,815,185</u>	<u>(25,792,524)</u>	<u>74,467</u>

Notes to the Condensed Interim Un-Consolidated Financial Statements (Un-audited) For the six months period ended 30 June 2011

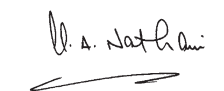
17 ISLAMIC BANKING BUSINESS

The Bank is operating with 15 (2010: 15 branches) Islamic Banking branches at the end of current period.

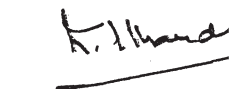
BALANCE SHEET	30 June 2011 (Un-Audited)	31 December 2010 (Audited)
	(Rupees in '000)	
ASSETS		
Cash in hand	131,650	113,723
Balances with and due from Financial Institutions	701,353	557,362
Investments	3,886,299	3,624,892
Financing and receivables		
- Murabaha	3,249,691	1,758,147
- Musharaka	400,112	-
- Diminishing Musharaka	10,627,216	7,552,373
- Others	67,313	28,196
	14,344,332	9,338,716
Operating fixed assets	201,663	211,224
Other assets	5,526,864	582,735
	<u>24,792,161</u>	<u>14,428,652</u>
LIABILITIES		
Deposits and other accounts		
- Current accounts	7,030,952	5,381,984
- Savings accounts	3,421,393	2,222,316
- Term deposits	3,600,303	3,440,267
- Others	78,172	417,692
	14,130,820	11,462,259
Due to financial institutions	1,575,000	805,000
Other liabilities	6,995,580	444,835
	<u>22,701,400</u>	<u>12,712,094</u>
	<u>2,090,761</u>	<u>1,716,558</u>
NET ASSETS		
	<u>2,090,761</u>	<u>1,716,558</u>
Represented by:		
Islamic Banking Fund	200,000	200,000
Reserves	1,929,462	1,516,666
Deficit on revaluation of assets - net	(38,701)	(108)
	<u>2,090,761</u>	<u>1,716,558</u>
CONTINGENCIES AND COMMITMENTS		
	11	
CHARITY FUND		
Opening balance	-	-
Additions during the period / year	1,761	4,141
Payments / utilization during the period / year	(1,761)	(4,141)
Closing balance	-	-

18. DATE OF AUTHORIZATION

These condensed interim unconsolidated financial statements were authorized for issue in the Board of Directors meeting held on August 25, 2011.



Mohsin Ali Nathani
Chief Executive



Najam I. Chaudhri
Director



Shahid Zaki
Director



Parvez Ghias
Director

Standard Chartered Bank (Pakistan) Limited

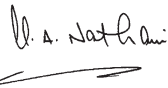
Condensed Interim Consolidated Financial Statements

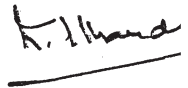
**For the six months period ended
30 June, 2011**


Condensed Interim Consolidated Statement of Financial Position As at 30 June 2011

	30 June 2011 (Un-Audited)	31 December 2010 (Audited)
	(Rupees in '000)	
ASSETS		
Cash and balances with treasury banks	24,135,737	24,087,885
Balances with other banks	2,726,955	921,931
Lendings to financial institutions	23,962,935	30,421,885
Investments	78,972,316	72,294,275
Advances	158,014,815	144,721,557
Operating fixed assets	6,419,362	6,606,225
Intangible assets	26,547,155	26,681,948
Deferred tax assets	3,381,044	3,429,115
Other assets	28,043,733	18,132,579
	352,204,052	327,297,400
LIABILITIES		
Bills payable	5,118,033	5,691,864
Borrowings from financial institutions	16,200,439	15,914,343
Deposits and other accounts	236,211,876	220,187,888
Sub-ordinated loans	898,400	1,135,900
Other liabilities	42,127,879	32,267,336
	300,556,627	275,197,331
NET ASSETS	51,647,425	52,100,069
REPRESENTED BY:		
Share capital	38,715,850	38,715,850
Reserves	3,136,129	2,785,229
Unappropriated profit	5,909,608	6,838,790
Attributable to equity holders of the Bank	47,761,587	48,339,869
Minority interest	823,244	787,227
	48,584,831	49,127,096
Surplus on revaluation of assets - net of deferred tax	3,062,594	2,972,973
	51,647,425	52,100,069

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


Mohnsin Ali Nathani
Chief Executive


Najam I. Chaudhri
Director


Shahid Zaki
Director

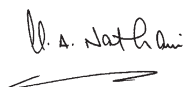

Parvez Ghias
Director

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

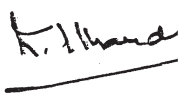
For the six months period ended 30 June 2011

	Three months period ended 30 June 2011	Six months period ended 30 June 2011	Three months period ended 30 June 2010 (Restated)	Six months period ended 30 June 2010 (Restated)
------(Rupees in '000)-----				
Mark-up / return / interest earned	7,735,401	15,621,989	6,795,354	14,082,125
Mark-up / return / interest expensed	(2,907,290)	(5,731,821)	(2,595,483)	(5,472,766)
Net mark-up / return / interest income	4,828,111	9,890,168	4,199,871	8,609,359
Provision against non-performing loans and advances	(1,876,250)	(2,862,321)	(962,027)	(2,073,021)
Recovery of amounts written off	140,883	277,152	170,177	357,486
Provision for diminution in the value of investments	(27,578)	(27,578)	6,050	6,108
Bad debts written off directly	(129,027)	(236,519)	(385,444)	(828,753)
Net mark-up / return / interest income after provisions	2,936,139	7,040,902	3,028,627	6,071,179
NON MARK-UP / NON INTEREST INCOME				
Fees, commission and brokerage income	834,832	1,698,868	956,006	1,900,128
Dividend income	-	-	-	-
Income from dealing in foreign currencies	530,475	945,475	395,115	694,762
Gain on sale of securities	73,900	192,288	252,077	347,742
Unrealized gain / (loss) on revaluation of investments classified as held for trading	11,282	119,996	(44,849)	68,469
Other income	250,511	145,121	62,717	9,417
Total non mark-up / non interest income	1,701,000	3,101,748	1,621,066	3,020,518
	4,637,139	10,142,650	4,649,693	9,091,697
NON MARK-UP / NON INTEREST EXPENSES				
Administrative expenses	(3,647,716)	(7,174,500)	(3,298,748)	(6,414,136)
Other provisions / asset write-offs	(80,617)	(80,617)	(444,433)	(444,433)
Other charges	(46,942)	(93,477)	(41,444)	(66,502)
Total non mark-up / non interest expenses	(3,775,275)	(7,348,594)	(3,784,625)	(6,925,071)
	861,864	2,794,056	865,068	2,166,626
Extra-ordinary / unusual items	-	-	-	-
PROFIT BEFORE TAXATION	861,864	2,794,056	865,068	2,166,626
Taxation - current	(457,607)	(1,021,790)	114,022	(427,399)
- prior years'	-	-	-	-
- deferred	175,164	18,252	(411,846)	(318,122)
	(282,443)	(1,003,538)	(297,824)	(745,521)
PROFIT AFTER TAXATION	579,421	1,790,518	567,244	1,421,105
Attributable to :				
Equity holders of the Bank	570,062	1,754,501	538,667	1,377,955
Minority shareholders	9,359	36,017	28,577	43,150
	579,421	1,790,518	567,244	1,421,105
	Rupees	Rupees	Rupees	Rupees
BASIC / DILUTED EARNINGS PER SHARE	0.15	0.45	0.14	0.36

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

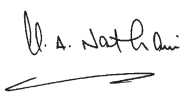
**Condensed Interim Consolidated Statement of Comprehensive Income (Un-audited)
For the six months period ended 30 June 2011**


	30 June 2011	31 December 2010 (Restated)
	(Rupees in '000)	
Profit for the period	1,790,518	1,421,105
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	1,790,518	1,421,105
Attributable to:		
Equity holders of the bank	1,754,501	1,406,532
Minority shareholders	36,017	14,573
	1,790,518	1,421,105

(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.

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

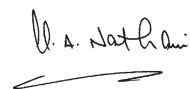

Parvez Ghias
Director

Condensed Interim Consolidated Cash Flow Statement (Un-audited)

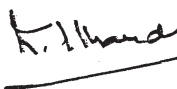
For the six months period ended 30 June 2011

	30 June 2011	31 December 2010 (Restated)
	(Rupees in '000)	
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	2,794,056	2,166,626
Dividend income	-	-
	<u>2,794,056</u>	<u>2,166,626</u>
Adjustments for:		
Depreciation	221,667	297,509
Amortization	135,205	192,330
Gain on disposal of fixed assets	(4,950)	(6,537)
Unrealized gain on revaluation of investments classified as held for trading	(119,996)	(68,469)
Other provisions / write offs	80,617	444,433
Provision for diminution in the value of investments	27,578	(6,108)
Lease rentals expense	-	2,369
Provision against loans and advances - net of recoveries	2,821,688	2,544,288
	<u>3,161,809</u>	<u>3,399,815</u>
	<u>5,955,865</u>	<u>5,566,441</u>
(Increase) / decrease in operating assets		
Lendings to financial institutions	6,458,950	1,461,199
Held for trading securities	1,423,375	846,778
Advances	(16,114,946)	(4,013,852)
Other assets	(8,747,050)	604,570
	<u>(16,979,671)</u>	<u>(1,101,305)</u>
Increase / (decrease) in operating liabilities		
Bills payable	(573,831)	(438,308)
Borrowings from financial institutions	286,096	(6,334,240)
Deposits and other accounts	16,023,988	(1,563,028)
Other liabilities	9,860,543	(6,369,686)
	<u>25,596,796</u>	<u>(14,705,262)</u>
Cash inflow / (outflow) before taxation	<u>14,572,990</u>	<u>(10,240,126)</u>
Income tax paid	(2,268,889)	(844,627)
Net cash generated from / (used in) operating activities	<u>12,304,101</u>	<u>(11,084,753)</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Net investments	(7,864,018)	10,256,609
Net investment in fixed assets (including intangible assets)	(35,258)	(111,849)
Sale proceeds on disposal of fixed assets	4,992	7,932
Net cash (used in)/ generated from investing activities	<u>(7,894,284)</u>	<u>10,152,692</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of sub-ordinated Term Finance Certificates	(237,500)	(149,600)
Dividend paid	(2,319,441)	-
Payment of lease obligations	-	(2,369)
Net cash used in financing activities	<u>(2,556,941)</u>	<u>(151,969)</u>
Increase / (decrease) in cash and cash equivalents for the period	<u>1,852,876</u>	<u>(1,084,030)</u>
Cash and cash equivalents at beginning of the period	<u>25,009,816</u>	<u>23,827,483</u>
Cash and cash equivalents at end of the period	<u>26,862,692</u>	<u>22,743,453</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		
Cash and balances with treasury banks	24,135,737	20,733,924
Balances with other banks	2,726,955	2,009,529
	<u>26,862,692</u>	<u>22,743,453</u>

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

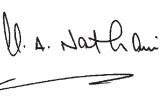


Parvez Ghias
Director

Condensed Interim Consolidated Statement of Changes in Equity (Un-audited) For the six months period ended 30 June 2011

	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
Profit for the six months ended 30 June 2010	-	-	-	1,377,955	1,377,955	43,150	1,421,105
<i>Other Comprehensive Income</i>	-	-	-	-	-	-	-
Actuarial gain on defined plan - net of tax	-	-	-	-	-	-	-
	-	-	-	1,377,955	1,377,955	43,150	1,421,105
Transactions with owners, recorded directly in equity							
Share based payment transactions (Contribution from holding Company)	-	-	-	23,867	23,867	-	23,867
Payment against share based payment transactions (to holding Company)	-	-	-	(71,964)	(71,964)	-	(71,964)
	-	-	-	(48,097)	(48,097)	-	(48,097)
Transfer to statutory reserve	-	-	275,591	(275,591)	-	-	-
Transferred from surplus on revaluation of fixed asset - net of deferred tax	-	-	-	3,789	3,789	-	3,789
	-	-	-	3,789	3,789	-	3,789
Balance as at 30 June 2010 (as restated)	38,715,850	1,036,090	1,291,848	5,107,265	46,151,053	815,654	46,966,707
Total Comprehensive income for the period							
Profit for the six months ended 31 December 2010	-	-	-	2,286,457	2,286,457	33,293	2,319,750
<i>Other Comprehensive Income</i>	-	-	-	-	-	-	-
Actuarial gain on defined plan - net of tax	-	-	-	1,410	1,410	-	1,410
	-	-	-	2,287,867	2,287,867	33,293	2,321,160
Transactions with owners, recorded directly in equity							
Share based payment transactions (Contribution from holding Company)	-	-	-	23,866	23,866	-	23,866
Payment against share based payment transactions (to holding Company)	-	-	-	(126,674)	(126,674)	-	(126,674)
	-	-	-	(102,808)	(102,808)	-	(102,808)
Transfer to statutory reserve	-	-	457,291	(457,291)	-	-	-
Dividend paid to minority shareholders	-	-	-	-	-	(61,720)	(61,720)
Transferred from surplus on revaluation of fixed asset - net of deferred tax	-	-	-	3,757	3,757	-	3,757
	-	-	-	3,757	3,757	-	3,757
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 six months ended 30 June 2011	-	-	-	1,754,501	1,754,501	36,017	1,790,518
<i>Other Comprehensive Income</i>	-	-	-	-	-	-	-
Actuarial gain on defined plan - net of tax	-	-	-	-	-	-	-
	-	-	-	1,754,501	1,754,501	36,017	1,790,518
Transactions with owners, recorded directly in equity							
Share based payment transactions (Contribution from holding Company)	-	-	-	56,705	56,705	-	56,705
Payment against share based payment transactions (to holding Company)	-	-	-	(70,270)	(70,270)	-	(70,270)
	-	-	-	(13,565)	(13,565)	-	(13,565)
Transfer to statutory reserve	-	-	350,900	(350,900)	-	-	-
Dividend paid to minority shareholders	-	-	-	-	-	-	-
Cash dividend (2010)	-	-	-	(2,322,951)	(2,322,951)	-	(2,322,951)
Transferred from surplus on revaluation of fixed assets - net of deferred tax	-	-	-	3,733	3,733	-	3,733
	-	-	-	3,733	3,733	-	3,733
Balance as at 30 June 2011	38,715,850	1,036,090	2,100,039	5,909,608	47,761,587	823,244	48,584,831

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 Statements (Un-audited) For the six months period ended 30 June 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 143 branches in Pakistan (2010: 162 branches in Pakistan) in operation at 30 June 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").

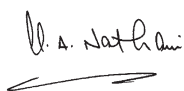
2. STATEMENT OF COMPLIANCE

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.

Corresponding figures have been restated as necessary to account for the impact of change in accounting policy as disclosed in the annual consolidated 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.



Mohsin Ali Nathani
Chief Executive



Najam I. Chaudhri
Director



Shahid Zaki
Director



Parvez Ghias
Director

Notes to the Condensed Interim Consolidated Financial Statements (Un-audited) For the six months period ended 30 June 2011

4 ACCOUNTING ESTIMATES

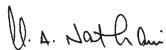
The basis for the accounting estimates adopted in the preparation of the condensed interim consolidated financial information are the same as those applied in the preparation of the annual consolidated financial statements of the Bank for the year ended 31 December 2010.

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 25 August 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.