

Standard Chartered Bank (Pakistan) Limited
Condensed Interim
Un-Consolidated Financial Statements
For the three months period ended
March 31, 2008

Standard Chartered Bank (Pakistan) Limited
Un-Consolidated Condensed Interim Balance Sheet
As at March 31, 2008

	Note	March 31, 2008 (Un-Audited)	December 31, 2007 (Audited)
(Rupees in '000)			
ASSETS			
Cash and balances with treasury banks		22,743,337	26,295,860
Balances with other banks		1,451,971	1,628,280
Lendings to financial institutions	4	27,949,555	15,225,935
Investments	5	38,903,799	40,696,466
Advances	6	124,344,609	119,537,015
Operating fixed assets		3,870,126	3,734,139
Intangible assets		28,050,279	28,233,852
Deferred tax assets		3,211,676	3,201,017
Other assets	7	19,351,076	16,992,650
		<u>269,876,428</u>	<u>255,545,214</u>
LIABILITIES			
Bills payable		3,941,005	6,637,388
Borrowings from financial institutions		17,938,100	6,616,065
Deposits and other accounts	8	177,798,820	177,161,630
Sub-ordinated loans		1,932,909	1,912,455
Liabilities against assets subject to finance lease		-	-
Deferred tax liabilities - net		-	-
Other liabilities	7	24,612,518	20,151,366
		<u>226,223,352</u>	<u>212,478,904</u>
NET ASSETS			
		<u>43,653,076</u>	<u>43,066,310</u>
REPRESENTED BY:			
Share capital		38,715,850	38,715,850
Reserves		1,824,402	1,653,044
Unappropriated profit		3,626,423	2,971,681
		<u>44,166,675</u>	<u>43,340,575</u>
Deficit on revaluation of securities - net of deferred tax		(513,599)	(274,265)
		<u>43,653,076</u>	<u>43,066,310</u>
CONTINGENCIES AND COMMITMENTS			
	9		

The annexed notes 1 to 13 form an integral part of these un-consolidated condensed interim financial statements.


Badar Kazmi
Chief Executive


Shahid Zaki
Director


Nadeem Abdullah
Director



Najmul Islam Chaudhri
Director

Karachi: April 29, 2008

Standard Chartered Bank (Pakistan) Limited
Un-Consolidated Condensed Interim Profit and Loss Account (Un-audited)
For the three months period ended March 31, 2008

	March 31, 2008	March 31, 2007
(Rupees in '000)		
CONTINUING OPERATIONS		
Mark-up / return / interest earned	5,372,738	5,563,020
Mark-up / return / interest expensed	(1,503,855)	(1,528,172)
Net mark-up / return / interest income	<u>3,868,883</u>	<u>4,034,848</u>
Provision against non-performing loans and advances	(1,660,775)	(727,382)
Recovery of amounts written off in previous years	275,154	41,889
Provision for diminution in the value of investments	-	-
Bad debts written off directly	-	-
	<u>(1,385,621)</u>	<u>(685,493)</u>
Net Mark-up / return / interest income after provisions	<u>2,483,262</u>	<u>3,349,355</u>
NON MARK-UP / NON INTEREST INCOME		
Fees, commission and brokerage income	982,807	792,319
Dividend income	-	184
Income from dealing in foreign currencies	370,088	227,956
(Loss)/ Gain on sale of securities	(113,707)	14,043
Unrealized gain on revaluation of investments classified as held for trading	-	4,506
	<u>656,258</u>	<u>273,582</u>
Other income	1,895,446	1,312,590
Total non mark-up / non interest income	<u>4,378,708</u>	<u>4,661,945</u>
NON MARK-UP / NON INTEREST EXPENSES		
Administrative expenses	(3,151,411)	(2,479,357)
Other provisions / assets write offs	-	-
Other charges	(240)	-
Total non mark-up / interest expenses	<u>(3,151,651)</u>	<u>(2,479,357)</u>
Extra-ordinary / unusual items	-	-
PROFIT BEFORE TAXATION FROM CONTINUING OPERATIONS	<u>1,227,057</u>	<u>2,182,588</u>
Taxation		
- current	(312,303)	(713,368)
- deferred	(117,167)	(34,436)
	<u>(429,470)</u>	<u>(747,804)</u>
PROFIT AFTER TAXATION FROM CONTINUING OPERATIONS	<u>797,587</u>	<u>1,434,784</u>
Profit from discontinuing operations (net of tax of Rs 2,326 thousand)	20,840	-
PROFIT AFTER TAXATION	<u>818,427</u>	<u>1,434,784</u>
	Rupees 0.21	Rupees 0.37
BASIC/ DILUTED EARNINGS PER SHARE		
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Karachi: April 29, 2008

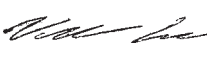
Standard Chartered Bank (Pakistan) Limited
Un-Consolidated Condensed Interim Cash Flow Statement (Un-audited)
For the three months period ended March 31, 2008

	March 31, 2008	March 31, 2007
CASH FLOW FROM OPERATING ACTIVITIES		
(Rupees in '000)		
Profit before taxation (including discontinued operations)	1,250,223	2,182,588
Dividend income	-	(184)
	<u>1,250,223</u>	<u>2,182,404</u>
Adjustments for :		
Depreciation	173,536	137,552
Amortization	204,376	235,743
(Gain)/Loss on disposal of fixed assets	(1,647)	224
Finance charges on leased assets	-	340
Provision against loans and advances - net	1,385,621	685,493
	<u>1,761,886</u>	<u>1,059,352</u>
	<u>3,012,109</u>	<u>3,241,756</u>
Decrease / (increase) in operating assets		
Lendings to financial institutions	(12,723,620)	(11,388,005)
Held-for-trading securities	560,172	(314,372)
Advances	(6,193,215)	3,716,241
Other assets	(2,350,976)	2,796,897
	<u>(20,707,639)</u>	<u>(5,189,239)</u>
(Decrease)/ increase in operating liabilities		
Bills payable	(2,696,383)	(753,019)
Borrowings from financial institutions	11,322,035	(2,674,826)
Deposits & other accounts	637,190	12,829,023
Other liabilities	4,465,986	(3,812,736)
	<u>13,728,828</u>	<u>5,588,442</u>
Cash (outflow) / inflow before taxation	(3,966,702)	3,640,959
Income tax paid	(317,137)	(49,077)
Net Cash (Used in) / generated from operating activities	<u>(4,283,839)</u>	<u>3,591,882</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Net investments	865,335	(5,551,331)
Dividend income received	-	184
Net Investment in operating fixed assets including intangible assets	(331,347)	(210,831)
Sale proceeds on disposal of fixed assets	23,472	9,613
Net cash generated from / (used in) investing activities	<u>557,460</u>	<u>(5,752,365)</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Sub-ordinated term finance certificates - net	(350)	(351)
Payment of lease obligations	(2,103)	(6,505)
Net cash (used in) financing activities	<u>(2,453)</u>	<u>(6,856)</u>
	<u>(3,728,832)</u>	<u>(2,167,339)</u>
Decrease in cash and cash equivalents for the period	<u>27,924,140</u>	<u>26,342,402</u>
Cash and cash equivalents at beginning of the period	24,195,308	24,175,063
Cash and cash equivalents at end of the period	<u>24,195,308</u>	<u>24,175,063</u>

The annexed notes 1 to 13 form an integral part of these un-consolidated condensed interim financial statements.


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Karachi: April 29, 2008

Standard Chartered Bank (Pakistan) Limited
Un-Consolidated Condensed Interim Statement of Changes in Equity (Un-audited)
For the three months period ended March 31, 2008

	Share Capital	Share Premium	Exchange Translation Reserve	Statutory Reserve	Unappropriated/ Unremitted Profit	Total
(Rupees in '000)						
Balance as at December 31, 2006	38,715,850	1,036,090	(19,623)	97,139	729,214	40,558,670
Recognised income and expense for the three months period ended March 31, 2007	-	-	-	-	1,434,784	1,434,784
Transfer to Statutory reserve	-	-	-	286,957	(286,957)	-
Exchange difference on translation of net investment in foreign branches	-	-	(10,636)	-	-	(10,636)
Balance as at March 31, 2007	38,715,850	1,036,090	(30,259)	384,096	1,877,041	41,982,818
Recognised income and expense for the nine months period from April 01, 2007 to December 31, 2007	-	-	-	-	1,361,037	1,361,037
Transfer to Statutory reserve	-	-	-	266,397	(266,397)	-
Exchange difference on translation of net investment in foreign branches	-	-	(3,280)	-	-	(3,280)
Balance as at December 31, 2007	38,715,850	1,036,090	(33,539)	650,493	2,971,681	43,340,575
Recognised income and expense for the three months period ended March 31, 2008	-	-	-	-	818,427	818,427
Transfer to statutory reserve	-	-	-	163,685	(163,685)	-
Exchange difference on translation of net investment in foreign branches	-	-	7,673	-	-	7,673
Balance as at March 31, 2008	38,715,850	1,036,090	(25,866)	814,178	3,626,423	44,166,675


Three months period ended
March 31, 2008 March 31, 2007
(Rupees in '000)

Statement of recognised income and expenses

Profit after taxation	818,427	1,434,784
Total recognised income and expense for the period	<u>818,427</u>	<u>1,434,784</u>

The annexed notes 1 to 13 form an integral part of these un-consolidated condensed interim financial statements.


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Karachi: April 29, 2008

Standard Chartered Bank (Pakistan) Limited
Notes to the Un-Consolidated Condensed Interim Financial Statements (Un-audited)
For the three month period ended March 31, 2008

1. STATUS AND NATURE OF BUSINESS

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

The Bank commenced formal operations on December 30, 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 the England. The scheme of amalgamation was sanctioned by State Bank of Pakistan vide its order dated December 4, 2006.

The Bank is engaged in the banking business as defined in the Banking Companies Ordinance, 1962 and has a total number of 155 branches in Pakistan and 2 branches in Sri Lanka (2007: 141 branches in Pakistan and 2 branches in Sri Lanka) in operation as at March 31, 2008.

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

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

These 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 financial statements are presented separately.

2. Statement of compliance

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan and the requirements of the Banking Companies Ordinance, 1962 and the Companies Ordinance, 1984. Approved accounting standards comprise of such International Financial Reporting Standards as notified under the provisions of the Companies Ordinance, 1984. Wherever the requirements of the Companies Ordinance, 1984, Banking Companies Ordinance, 1962, or directives issued by the Securities and Exchange Commission of Pakistan and the State Bank of Pakistan differ with the requirements of these standards, the requirements of the Companies Ordinance, 1984, Banking Companies Ordinance, 1962 or the requirements of the said directives take precedence.

The disclosures made in these financial statements have, however, been limited based on the format prescribed by the State Bank of Pakistan vide BSD Circular letter No.2 dated May 12, 2004 and the requirements of International Accounting Standard 34 'Interim Financial Reporting'. They 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 December 31, 2007.

Standard Chartered Bank (Pakistan) Limited
Notes to the Un-Consolidated Condensed Interim Financial Statements (Un-audited)
For the three month period ended March 31, 2008

The State Bank of Pakistan vide its BSD circular no.10 dated August 26, 2002 has deferred the applicability of International Accounting Standard 39, Financial Instruments Recognition and Measurement and International Accounting Standard 40, Investment Property for Banking Companies till further instructions. Accordingly, the requirements of these standards have not been considered in the preparation of these financial statements. However, investments have been classified and valued in accordance with the requirements prescribed by the State Bank of Pakistan through various circulars.

During 2005, the Securities Exchange Commission of Pakistan notified the Islamic Financial Accounting Standard 1 issued by the Institute of Chartered Accountants of Pakistan, relating to accounting for the Murabaha transactions undertaken by a bank, effective from financial periods beginning on or after January 1, 2006. The standard has not been adopted by the standalone Islamic branches of conventional banks pending resolution of certain issues e.g invoicing of goods, recording of inventories, concurrent application with other approved accounting standards in place for conventional banks, etc. Pakistan Banks Association has taken up the matter with State Bank of Pakistan.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual financial statements of the bank for the year ended December 31, 2007.

3.1 ACCOUNTING ESTIMATES

The basis for the accounting estimates adopted in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual financial statements of the bank for the year ended December 31, 2007.

3.2 FINANCIAL RISK MANAGEMENT

The financial risk management objective and policies adopted by the Bank are consistent with that disclosed in the financial statements of the bank for the year ended December 31, 2007.

4. LENDINGS TO FINANCIAL INSTITUTIONS	March 31, 2008	December 31, 2007
	(Rupees in '000)	
Call money lendings	2,200,052	-
Repurchase agreement lendings (Reverse Repo)	21,425,925	8,130,517
Placements	4,323,578	7,095,387
Overdrawn vostros	-	31
	<u>27,949,555</u>	<u>15,225,935</u>

Standard Chartered Bank (Pakistan) Limited
Notes to the Un-Consolidated Condensed Interim Financial Statements (Un-audited)
For the three month period ended March 31, 2008

5. INVESTMENTS

5.1 Investments by type	March 31, 2008			December 31, 2007		
	Held by bank	Given as collateral	Total	Held by bank	Given as collateral	Total
	(Rupees in '000)					
Held for trading - at amortised cost						
Federal Government Securities						
- Pakistan Investment Bonds	-	-	-	560,172	-	560,172
Available for sale - at amortised cost						
Market Treasury Bills	21,952,786	-	21,952,786	21,318,323	-	21,318,323
Pakistan Investment Bonds	16,684,671	-	16,684,671	17,664,605	303,405	17,968,010
Ordinary shares of listed companies	188	-	188	188	-	188
Units / Certificates of mutual funds	162,694	-	162,694	172,479	-	172,479
Term Finance Certificates -unlisted	107,094	-	107,094	107,094	-	107,094
Ordinary shares of unlisted companies	86,818	-	86,818	86,818	-	86,818
Wapda Sukuk Bonds	476,125	-	476,125	686,125	-	686,125
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	143,969	-	143,969	143,969	-	143,969
Investments at amortised cost	39,700,845	-	39,700,845	40,826,273	303,405	41,129,678
Provision for diminution in the value of investments	(519)	-	(519)	(519)	-	(519)
Investments (Net of provisions)	39,700,326	-	39,700,326	40,825,754	303,405	41,129,159
Deficit on revaluation of held for trading securities	-	-	-	(3,326)	-	(3,326)
Deficit on revaluation of available for sale securities	(796,527)	-	(796,527)	(420,680)	(8,687)	(429,367)
Total Investments at market value	38,903,799	-	38,903,799	40,401,748	294,718	40,696,466

Standard Chartered Bank (Pakistan) Limited
Notes to the Un-Consolidated Condensed Interim Financial Statements (Un-audited)
For the three month period ended March 31, 2008

6. ADVANCES

	March 31, 2008	December 31, 2007
	(Rupees in '000)	
Loans, cash credits, running finances, etc.		
- In Pakistan	130,041,836	127,785,053
- Outside Pakistan	-	-
	130,041,836	127,785,053
Bills discounted and purchased (excluding treasury bills)		
- Payable in Pakistan	230,659	568,009
- Payable outside Pakistan	4,024,369	2,732,487
	4,255,028	3,300,496
Advances-gross	134,296,864	131,085,549
Provision for non-performing advances	(9,952,255)	(11,548,534)
Advances-net of provision	124,344,609	119,537,015

6.1 Advances include Rs. 11,479,927 million (December 31, 2007: Rs. 10,493,345 million) which have been placed under non-performing status as detailed below.

Category of classification	March 31, 2008								
	Classified Advances			Provision Required			Provision Held		
	Domestic	Overseas	Total	Domestic	Overseas	Total	Domestic	Overseas	Total
	(Rupees in '000)								
OAEM	28,346	-	28,346	-	-	-	-	-	-
Substandard	3,298,820	-	3,298,820	807,725	-	807,725	807,725	-	807,725
Doubtful	3,206,827	-	3,206,827	1,945,160	-	1,945,160	1,945,160	-	1,945,160
Loss	4,945,934	-	4,945,934	4,864,790	-	4,864,790	4,864,790	-	4,864,790
	11,479,927	-	11,479,927	7,617,675	-	7,617,675	7,617,675	-	7,617,675
General Provision	-	-	-	-	-	-	2,334,580	-	2,334,580
	11,479,927	-	11,479,927	7,617,675	-	7,617,675	9,952,255	-	9,952,255

Category of classification	December 31, 2007								
	Classified Advances			Provision Required			Provision Held		
	Domestic	Overseas	Total	Domestic	Overseas	Total	Domestic	Overseas	Total
	(Rupees in '000)								
OAEM	29,861	-	29,861	-	-	-	-	-	-
Substandard	2,879,116	-	2,879,116	659,157	-	659,157	659,157	-	659,157
Doubtful	2,598,586	-	2,598,586	1,912,166	-	1,912,166	1,912,166	-	1,912,166
Loss	4,985,782	-	4,985,782	4,908,175	-	4,908,175	4,908,175	-	4,908,175
	10,493,345	-	10,493,345	7,479,498	-	7,479,498	7,479,498	-	7,479,498
General Provision	-	-	-	-	-	-	4,069,036	-	4,069,036
	10,493,345	-	10,493,345	7,479,498	-	7,479,498	11,548,534	-	11,548,534

Standard Chartered Bank (Pakistan) Limited
Notes to the Un-Consolidated Condensed Interim Financial Statements (Un-audited)
For the three month period ended March 31, 2008

7. OTHER ASSETS/ OTHER LIABILITIES

Non-Current Assets / Liabilities held for sale

The Bank's Sri Lanka branch operations is presented as a disposal group held for sale along with the non banking assets acquired in satisfaction of claims. As at March 31, 2008, the Sri Lanka branch operations comprised assets of Rs 916.951 million (2007: Rs 798.796 million) and liabilities of Rs 739.275 million (2007: Rs 649.633 million). Non banking assets acquired in satisfaction of claims amounted to Rs 107.303 million (2007: Rs 107.303 million).

	March 31, 2008	December 31, 2007
	(Rupees in '000)	
Non-banking assets acquired in satisfaction of claims	107,303	107,303
Sri Lanka Branch operations-Assets		
Cash and Balances with treasury banks	43,179	47,534
Balances with other banks	37,656	74,376
Lendings to Financial institutions	87,241	7,989
Investments	29	29
Advances	718,011	642,429
Other assets	21,888	16,419
Operating fixed assets	8,947	10,020
Total Assets	<u>916,951</u>	<u>798,796</u>
Non Current Assets held for sale	<u>1,024,254</u>	<u>906,099</u>
Sri Lanka Branch operations-Liabilities		
Borrowing from financial institutions	250,913	189,572
Deposits and other accounts	478,078	446,540
Other Liabilities	10,284	13,521
Total Liabilities	<u>739,275</u>	<u>649,633</u>

8. DEPOSITS AND OTHER ACCOUNTS

Customers

- Fixed deposits	46,562,725	46,870,179
- Saving deposits	65,807,474	68,995,739
- Current accounts - Non-remunerative	64,077,918	60,150,917
- Margin accounts	1,164,039	938,211
- Special exporters' account	44,349	20,778
	<u>177,656,505</u>	<u>176,975,824</u>

Financial Institutions

- Non-remunerative deposits	142,315	185,806
	<u>177,798,820</u>	<u>177,161,630</u>

Standard Chartered Bank (Pakistan) Limited
Notes to the Un-Consolidated Condensed Interim Financial Statements (Un-audited)
For the three month period ended March 31, 2008

9. CONTINGENCIES AND COMMITMENTS

2008 2007

(Rupees in '000)

9.1 Transaction-related contingent liabilities

Guarantees issued favouring:

- Government	21,607,178	23,506,077
- Others	11,433,858	5,876,520

9.2 Trade-related contingent liabilities

Letters of credit	20,978,531	25,253,523
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9.3 Other contingencies

Claims against the Bank not acknowledged as debt	9,466,026	8,809,434
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9.4 Commitments in respect of forward exchange contracts

Purchase		
State Bank of Pakistan	14,145,250	5,118,100
Other banks	54,732,135	46,377,304
Customers	14,885,212	16,067,696
Sale		
State Bank of Pakistan	-	4,501,550
Other banks	52,970,257	47,357,945
Customers	7,862,399	7,643,196

The maturities of the above contracts are spread over a period of one year.

9.5 Commitments in respect of operating leases

Not later than one year	8,411	8,411
Later than one year and not later than five years	6,590	8,693

Standard Chartered Bank (Pakistan) Limited
Notes to the Un-Consolidated Condensed Interim Financial Statements (Un-audited)
For the three month period ended March 31, 2008

9.6 DERIVATIVE INSTRUMENTS

9.6.1 Product Analysis

Current Period

Counterparties	Interest Rate Swaps		FX Options	
	No. of Contracts	Notional Principal (Rupees in '000)	No. of Contracts	Notional Principal * (Rupees in '000)
With Banks for Hedging	-	-	-	-
Market Making	62	136,306,118	102	20,261,574
With FIs other than banks Hedging	-	-	-	-
Market Making	3	2,700,000	-	-
With other entities for Hedging	-	-	-	-
Market Making	131	108,757,471	102	20,261,574
Total Hedging	-	-	-	-
Market Making	196	247,763,589	204	40,523,148
2007 Total Market Making	297	308,175,301	180	33,504,638

* 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 contract with customers.

Standard Chartered Bank (Pakistan) Limited
Notes to the Un-Consolidated Condensed Interim Financial Statements (Un-audited)
For the three month period ended March 31, 2008

10. SEGMENT DETAILS WITH RESPECT TO BUSINESS ACTIVITIES

The segment analysis with respect to business activity.

	Global Markets	Corporate and Institutional Banking	Consumer Banking	Total
	------(Rupees '000)-----			
March 31, 2008				
Total income	1,302,380	927,898	3,534,051	5,764,329
Total expenses	(181,875)	(683,864)	(3,671,533)	(4,537,272)
Net income / (loss)	1,120,505	244,034	(137,482)	1,227,057
Segment Assets (Gross)	110,311,813	87,562,938	81,953,932	279,828,683
Segment Non Performing Loans	-	7,288,773	4,191,154	11,479,927
Segment Provision Required	-	5,320,162	4,632,093	9,952,255
Segment Liabilities	26,828,576	63,581,070	135,813,706	226,223,352
Segment Return on net Assets (ROA) (%) *	4.12%	1.20%	-0.72%	1.84%
Segment Cost of Funds (%) **	4.08%	4.14%	2.29%	2.85%
March 31, 2007				
Total income	763,238	951,530	3,632,670	5,347,438
Total expenses	(58,190)	(442,601)	(2,664,059)	(3,164,850)
Net income	705,048	508,929	968,611	2,182,588
Segment Assets (Gross)	89,311,898	86,243,102	87,994,210	263,549,210
Segment Non Performing Loans	-	5,578,648	3,031,277	8,609,925
Segment Provision Required	-	4,147,140	5,228,518	9,375,658
Segment Liabilities	25,965,613	60,811,144	125,656,987	212,433,744
Segment Return on net Assets (ROA) (%) *	3.20%	2.51%	4.75%	3.48%
Segment Cost of Funds (%) **	2.36%	2.63%	2.55%	2.53%

* Segment ROA = Net income / (Segment Assets - Segment Provisions)

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

The business activities of the Bank are confined to three segments i.e. Consumer Banking, Global Markets and Corporate & Institutional Banking (Wholesale Banking). The products and services offered by these segments are as follows:

Global markets

Overall management of the treasury of the bank and offering various cash and interest rate risk management products to the customers. The products include FX forwards, FX options and interest rate swaps.

Consumer Banking

Wealth management, deposits, mortgages, auto finance, cards and loans.

Corporate and institutional banking

Trade and lending activities for the corporates and financial institutions.

Standard Chartered Bank (Pakistan) Limited
Notes to the Un-Consolidated Condensed Interim Financial Statements (Un-audited)
For the three month period ended March 31, 2008

11. RELATED PARTY TRANSACTIONS

Related parties comprise of Standard Chartered Plc., ultimate parent company, its subsidiaries, key management personnel, and employees' retirement benefit funds. 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, 2008	December 31, 2007
	(Rupees in '000)	
Group		
Nostro balances with other branches of the holding company	1,219,022	1,377,713
Overdrawn nostro balances with other branches of the holding company	-	2,599,288
Vostro balances with other branches of the holding company	142,315	185,806
Overdrawn vostro balances with other branches of the holding company	-	31
Placements with Group	2,190,294	7,095,387
Deposits of Group Company	29,649	11,583
Call Borrowing from Group	12,511,842	-
Due to Holding Company	4,133,026	3,824,995
Subsidiaries		
Deposits of subsidiaries	71,911	272,163
Loans and other facilities to subsidiaries	196,667	223,810
Key management personnel		
Loans and advances to key management personnel	99,570	81,548
Deposits of key management personnel	82,765	45,371
Others		
Loans and advances to customers with common directorship	592,628	852,738
Deposits by staff retirement benefit funds	323,594	79,626
Deposits by customers with common directorship	13,325	3,040,145
Loan to staff retirement benefit fund	5,000	5,000
Receivable from defined benefit plan	30,446	89,235
Receivable from / (Payable to) defined contribution plan	46,448	(31,993)
	Three months period ended	
	March 31, 2008	March 31, 2007
	(Rupees in '000)	
Profit and Loss Group		
Reimbursement of executive and general administrative cost	840,948	533,044
Payment to group company for direct sales services rendered	254,186	216,362

Standard Chartered Bank (Pakistan) Limited
Notes to the Un-Consolidated Condensed Interim Financial Statements (Un-audited)
For the three month period ended March 31, 2008

Key management personnel

Mark-up / Interest / Income earned	613	12,791
Mark-up / Interest / Income expensed	-	316
Sale of vehicles	3,298	-
Salaries and benefits	31,342	37,226
Post retirement benefits	3,297	3,055

Subsidiaries

Mark-up / Interest / Income expensed	358	13,970
Mark-up / Interest / Income earned	4,490	15,417
Lease rentals paid during the period	2,103	8,785
Administrative expenses including rent and other charges	4,838	1,790
Reimbursement of salaries from subsidiary modarba	2,493	3,377

Others

Contribution to staff retirement benefit funds	56,324	35,883
Remuneration / Fee paid to a non executive director	750	750

11.1 Net movements in loans and deposits are summarised as follows:

	Balance as at December 31, 2007	Net disbursements/ deposits	Net repayments / withdrawals	Balance as at March 31, 2008
	----- (Rupees in '000) -----			
Loans and advances				
Key Management Personnel	81,548	30,998	(12,976)	99,570
Subsidiaries	223,810	-	(27,143)	196,667
Others	857,738	1,436,302	(1,696,412)	597,628
Deposits				
Group companies	11,583	254,458	(236,392)	29,649
Subsidiaries	272,163	1,556,534	(1,756,786)	71,911
Key Management Personnel	45,371	181,215	(143,821)	82,765
Others	3,119,771	731,087	(3,513,939)	336,919

Standard Chartered Bank (Pakistan) Limited
Notes to the Un-Consolidated Condensed Interim Financial Statements (Un-audited)
For the three month period ended March 31, 2008

12. ISLAMIC BANKING BUSINESS

The Bank is operating with 7 Islamic Banking branches (2007 : 7 branches) at the end of current period.

	March 31, 2008	December 31, 2007
(Rupees in '000)		
ASSETS		
Cash in hand	42,969	74,474
Balances with and due from Financial Institutions	918,689	1,213,982
Financing from Head office	209,923	-
Investments	476,125	685,999
Financing and receivables		
- Murabaha	873,717	1,377,522
- Diminishing Musharaka	4,769,440	4,696,880
Other assets	147,688	111,208
	<u>7,438,551</u>	<u>8,160,065</u>
LIABILITIES		
Deposits and other accounts		
- Current accounts	1,492,579	1,159,197
- Saving accounts	1,688,672	2,627,341
- Term deposits	3,001,564	1,787,839
- Others	-	-
Due to Head Office	-	1,449,653
Other liabilities	126,501	89,342
	<u>(6,309,316)</u>	<u>(7,113,372)</u>
NET ASSETS	<u>1,129,235</u>	<u>1,046,693</u>
REPRESENTED BY :		
Islamic Banking Fund	200,000	200,000
Reserves	929,235	846,567
Surplus on revaluation of assets	-	126
	<u>1,129,235</u>	<u>1,046,693</u>

Remuneration to Shariah Advisor / Board

-

Charity fund

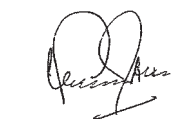
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13. DATE OF AUTHORIZATION

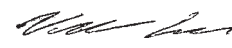
These financial statements were authorized for issue in the Board of Directors meeting held on April 29, 2008.



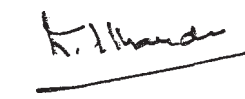
Badar Kazmi
Chief Executive



Shahid Zaki
Director



Nadeem Abdullah
Director



Najmul Islam Chaudhri
Director

Karachi: April 29, 2008