Company Information

BOARD OF DIRECTORS

Mr. Shayne Nelson	Chairman
Mr. Badar Kazmi	Chief Executive Officer
Mr. Andrew James Hardacre	
Mr. Mahendra Gursahani	
Mr. Najam I. Chaudhri	
Mr. Shahid Zaki	
Mr. Parvez Ghias	

COMPANY SECRETARY

Mr. Rahim Panjwani

AUDIT COMMITTEE OF THE BOARD

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

AUDITORS

M/s KPMG Taseer Hadi & Co
Chartered Accountants

LEGAL ADVISORS

Haidermota & Co
Barristers at Law & Corporate Counsellors

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

On behalf of the Board of Directors of Standard Chartered Bank (Pakistan) Limited (here-in-after referred to as the "bank"), I am pleased to present the bank's half yearly report along with the interim un-audited financial statements of the bank for the six months period ended June 30, 2009.

Economy

During H1'09 the economy has made significant progress in bringing down the large trade and fiscal deficits, which has helped to contain inflation and build FX reserves. The inflationary cycle is finally coming to an end, with headline inflation decelerating to 13.1% y/y in June '09, down from peak levels of 25% in Oct '08. Similarly, the current account deficit has come down to USD 8.5 billion (5.5% of GDP) in FY'09 compared to USD 14 billion (8.5% of GDP) in FY'08. The sharp decline in international commodity prices, combined with record high remittances of USD 7.8 billion (increase of 21% y/y) have helped to contain the large current account deficit and increase FX reserves to USD 12.3 billion by end June '09, compared to USD 6.5 billion at end of Oct '08. Foreign investment of USD 46 million was witnessed in the stock market in June '09, reversing 18 months of capital flight.

However, while economic indicators are pointing towards an improved business environment, it has not yet translated into higher growth. Persistently high inflation, tough measures taken under the IMF programme, and the rising costs of deteriorating law and order are weighing heavily on the economy. Growth is slowing to a near-halt according to the latest government estimates. GDP growth declined to 2% y/y in FY'09 (July '08 to June '09), from an average growth of 7% in the past six years. The weak performance has also hit the banking system, with nearly 40% of all bank credit concentrated in the manufacturing sector. NPLs of the banking system have increased sharply to 12% of total loans as of Mar '09 from 7% in FY'08. The rapid deterioration in their loan portfolios has made banks more risk-averse, prompting them to cut back credit lines and limit their exposure across industries. As a result, credit growth has slowed more sharply than expected.

The policy focus has now shifted from controlling inflation to supporting growth. The State Bank of Pakistan had cut the policy rate by a 100 bps in April '09, followed by another 100 bps reduction in Aug '09. This indicates that they are confident that the gains made in correcting the large fiscal and external deficits is sustainable and that inflationary pressures will ease down further going forward. Similarly, the budget for FY'10 outlines an aggressive spending plan to stimulate the economy.

The Government projects that higher fiscal spending combined with significant easing of monetary policy will stimulate the economy, with output increasing by 3.3% in FY'10 compared to growth of 2% in FY'09. However, risks remain high due to the ongoing conflict in the tribal belt bordering Afghanistan and the rising international commodity prices. The economic recovery is expected to be slow and will depend heavily on the large aid pledges materializing in the near future.

Directors' Report

Operating Results and Business Overview

Financial Highlights

	(Rupees in millions)	
	June 30, 2009	December 31, 2008
Balance Sheet		
Paid up capital	**38,716**	**38,716**
Equity	**44,215**	**44,010**
Deposits	**189,947**	**174,552**
Advances – gross	**137,967**	**137,716**
Advances – net	**123,192**	**125,601**
Investments – net	**66,128**	**29,587**

	Six months period ended June 30, 2009	Six months period ended June 30, 2008
Profit and Loss		
Revenue	**11,924**	**11,780**
Non mark-up expenses	**6,613**	**5,896**
Operating profit (before provisions and tax)	**5,311**	**5,884**
Provisions (net of recoveries)	**5,016**	**3,830**
Profit before tax	**295**	**2,054**
Profit after tax	**205**	**1,311**

The bank prudently continues to pave its way forward through the difficult economic situation with increased focus on deposit mobilisation, selective growth in high quality lending assets, cost rationalisation and improving quality of customer services. These focused measures have enabled the bank to increase its deposit base by 9% from PKR 175 billion at Dec 31, '08 to PKR 190 billion at June 30, '09. This growth in deposits is represented mainly by a 12% increase in relatively low cost current and savings accounts. Gross wholesale advances have registered an increase of 7% from PKR 86 billion at Dec 31, '08 to PKR 92 billion at June 30, '09. This increase has been partially offset by the reduction in gross consumer advances by 11% from PKR 52 billion at Dec 31, '08 to PKR 46 billion at June 30, '09, mainly due to tightening of credit in unsecured consumer credit, prudent risk management policies, and recoveries.

Overall revenue was marginally up by 1% despite the difficult business environment. Gross interest income recorded an increase of 18% over the corresponding half year, despite the reduction in high yield unsecured consumer lending. Gross interest expense for H1'09 increased by 57% in comparison with H1'08, mainly on account of the imposition of an interest rate floor of 5%

Directors' Report

on savings deposits by the State Bank of Pakistan with effect from June '08. Moreover, the decline in income on derivative transactions owing to changing market dynamics also contributed to the overall decrease in revenue.

Costs (excluding Head Office expenses under the 'Service Level Agreement - SLA)' reduced by 3%, despite high inflation levels, as the bank continues to endeavour to rationalise cost and achieve economies of scale. The cost of services and support provided under the SLA, have increased primarily due to the adverse exchange variance on the amount payable to the Head Office. The remittance under the SLA is still pending approval of the State Bank of Pakistan.

Despite the bank's initiatives and efforts to sustain balance sheet growth, the growing pressure on asset quality due to persistent high levels of interest rates continues to translate into increased bad debt provisioning. The deteriorating quality of loans has been the key issue for the bank, as well as for the entire banking industry over the past two to three years. However, we believe that the bank's loss coverage ratio of 79% at end June '09, which is one of the highest in the industry, provides us an adequate cushion against potential future credit losses. This is due to application of stringent group provisioning polices for non-performing loans which result in the maintenance of higher provisions relative to the local requirements. We also believe that this places us ahead of the banking industry in terms of the timing of recognition of potential losses.

Taxation

We would like to draw your attention to note 9 to the financial statements for the half year ended June 30, '09 which details the recent change in tax laws relating to the restriction on admissibility of provisions against non-performing loans only to the tune of 1% of gross advances. In this connection we would like to highlight that this change in tax law can be detrimental to the progress of banks, and are hopeful that it will be reviewed and reversed in due course. The Institute of Chartered Accountants of Pakistan (ICAP) and Pakistan Banks' Association (PBA) have already taken up this issue with the Federal Board of Revenue (FBR) and other relevant bodies.

Credit Rating

Pakistan Credit Rating Agency (PACRA) has maintained the bank's long-term and short-term ratings of "AAA" (Triple A) "A1+" (A One Plus) respectively in 2009. The bank's outstanding two listed subordinated TFCs 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.

Directors' Report

Performance of the Group

In compliance of section 236(5) of the Companies Ordinance, 1984, annexed to this report are the consolidated financial statements of Standard Chartered Bank (Pakistan) Limited and its subsidiaries (the Group) namely – Standard Chartered Leasing Limited, Standard Chartered Services of Pakistan (Private) Limited and Standard Chartered Modarba for the six months period ended June 30, '09.

Appreciation and acknowledgment

We take this opportunity to express our gratitude to our customers and business partners for their continued support and trust. We appreciate the co-operation and guidance extended to us by the State Bank of Pakistan. Finally, we are also thankful to our associates, staff and colleagues for their hard work and unstinted commitment to the bank.
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On behalf of the Board

Badar Kazmi
Chief Executive

Karachi: August 24, 2009

Auditors' Report to Member on Review of Interim Financial Information

Introduction

We have reviewed the accompanying condensed interim unconsolidated balance sheet of Standard Chartered Bank (Pakistan) Limited ("the Bank") as at 30 June 2009 and the related condensed interim unconsolidated profit and loss account, condensed interim unconsolidated cash flow statement and condensed interim unconsolidated statement of changes in equity and condensed interim unconsolidated statement of comprehensive income for the six months period then ended ("the interim 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 interim 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 interim financial information is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

The figures for the quarter ended 30 June 2009 in the condensed interim unconsolidated profit and loss account have not been reviewed and we do not express a conclusion on them.

Date: August 24, 2009

Karachi

KPMG Taseer Hadi & Co.
Chartered Accountants
Syed Iftikhar Anjum

Standard Chartered Bank (Pakistan) Limited

Condensed Interim

Un-Consolidated Financial Statements

For the six months period ended

June 30, 2009

Un-Consolidated Condensed Interim Balance Sheet
As at 30 June 2009

	Notes	30 June 2009 (Un-Audited)	31 December 2008 (Audited)
		(Rupees in '000)	
ASSETS			
Cash and balances with treasury banks		**22,092,530**	22,741,035
Balances with other banks		**1,865,184**	1,261,582
Lendings to financial institutions	6	**20,417,847**	31,466,898
Investments - net	7	**66,128,330**	29,586,663
Advances - net	8	**123,191,566**	125,601,465
Operating fixed assets		**3,627,640**	3,886,275
Intangible assets		**27,279,491**	27,535,060
Deferred tax assets - net	9	**3,469,995**	3,298,730
Other assets		**19,465,574**	19,239,470
		287,538,157	264,617,178
LIABILITIES			
Bills payable		**3,961,450**	4,296,420
Borrowings from financial institutions		**14,511,396**	8,695,730
Deposits and other accounts	10	**189,946,767**	174,551,801
Sub-ordinated loans		**1,672,600**	1,710,300
Other liabilities		**33,456,129**	32,605,787
		243,548,342	221,860,038
NET ASSETS		**43,989,815**	42,757,140
REPRESENTED BY:			
Share capital		**38,715,850**	38,715,850
Reserves		**1,853,543**	1,812,492
Unappropriated profit		**3,645,980**	3,481,778
		44,215,373	44,010,120
Deficit on revaluation of securities - net of deferred tax		**(225,558)**	(1,252,980)
		43,989,815	42,757,140
CONTINGENCIES AND COMMITMENTS	11		

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

Badar Kazmi	**Najam I. Chaudhri**	**Shahid Zaki**	**Parvez Ghias**
Chief Executive	Director	Director	Director

Un-Consolidated Condensed Interim Profit and Loss Account (Un-audited)
For the six months period ended 30 June 2009

	Notes	Three months period ended 30 June 2009	Six months period ended 30 June 2009	Three months period ended 30 June 2008	Six months period ended 30 June 2008
		(Rupees in '000)		(Rupees in '000)	
CONTINUING OPERATIONS					
Mark-up / return / interest earned		6,579,617	13,172,888	5,778,311	11,151,049
Mark-up / return / interest expensed		(2,632,246)	(4,933,568)	(1,646,996)	(3,150,851)
Net mark-up / interest income		3,947,371	8,239,320	4,131,315	8,000,198
Provision against non-performing loans and advances - net		(2,059,719)	(3,801,785)	(2,755,793)	(4,416,568)
Recovery of amounts written off in previous years		231,369	460,096	312,015	587,169
Reversal of provision / (provision) for diminution in the value of investments - net		168	2,174	(435)	(435)
Bad debts written off directly		(853,165)	(1,676,935)	-	-
		(2,681,347)	(5,016,450)	(2,444,213)	(3,829,834)
Net Mark-up / return / interest income after provisions		1,266,024	3,222,870	1,687,102	4,170,364
NON MARK-UP / NON INTEREST INCOME					
Fees, commission and brokerage income		1,209,696	2,128,850	968,909	1,951,716
Dividend income		-	304	809	809
Income from dealing in foreign currencies		468,337	1,106,719	940,292	1,310,380
Gain / (loss) on sale of securities - net		24,931	76,855	(192,748)	(306,455)
Unrealized gain on revaluation of investments classified as held for trading - net		122,549	122,854	-	-
Other income	12	478,907	249,141	333,865	853,813
Total non mark-up / non interest income		2,304,420	3,684,723	2,051,127	3,810,263
		3,570,444	6,907,593	3,738,229	7,980,627
NON MARK-UP / NON INTEREST EXPENSES					
Administrative expenses		(3,227,612)	(6,507,840)	(2,776,413)	(5,791,514)
Other provisions / assets write offs		-	(2,455)	-	-
Other charges	13	(100,298)	(102,217)	(104,312)	(104,552)
Total non mark-up / non interest expenses		(3,327,910)	(6,612,512)	(2,880,725)	(5,896,066)
		242,534	295,081	857,504	2,084,561
Extra-ordinary / unusual items		-	-	-	-
PROFIT BEFORE TAXATION FROM CONTINUING OPERATIONS		242,534	295,081	857,504	2,084,561
Taxation - current		(552,466)	(799,708)	240,089	(72,214)
- prior years'		(14,646)	(14,646)	-	-
- deferred		495,226	724,526	(554,006)	(671,173)
		(71,886)	(89,828)	(313,917)	(743,387)
PROFIT AFTER TAXATION FROM CONTINUING OPERATIONS		170,648	205,253	543,587	1,341,174
DISCONTINUED OPERATIONS					
Loss from discontinued operations (net of tax)		-	-	(50,765)	(29,925)
PROFIT AFTER TAXATION		170,648	205,253	492,822	1,311,249
		Rupees	(Rupees)	(Rupees)	(Rupees)
BASIC/ DILUTED EARNINGS PER SHARE		0.04	0.05	0.13	0.34

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

Badar Kazmi	**Najam I. Chaudhri**	**Shahid Zaki**	**Parvez Ghias**
Chief Executive	Director	Director	Director

Un-Consolidated Condensed Interim Cash Flow Statement (Un-audited)
For the six months period ended 30 June 2009

	30 June 2009	30 June 2008
	(Rupees in '000)	
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation from continuing operations	**295,081**	2,084,561
Loss before taxation from discontinued operations	**-**	(30,238)
Profit before taxation	**295,081**	2,054,323
Dividend income	**(304)**	(809)
	294,777	2,053,514
Adjustments for:		
Depreciation	**337,800**	351,429
Amortization	**255,570**	449,602
Gain on disposal of fixed assets	**(2,698)**	(3,809)
Other provisions / write offs	**2,455**	-
(Reversal of provision) / provision for diminution in the value of investments - net	**(2,174)**	435
Provisions / write-offs against loans and advances - net of recoveries	**5,018,624**	3,829,399
	5,609,577	4,627,056
	5,904,354	6,680,570
Decrease / (increase) in operating assets:		
Lendings to financial institutions	**11,049,051**	(3,600,604)
Held for trading securities	**(6,713,852)**	560,172
Advances	**(2,608,725)**	(10,558,496)
Other assets	**(15,160)**	(12,030,897)
	1,711,314	(25,629,825)
(Decrease) / increase in operating liabilities:		
Bills payable	**(334,970)**	(2,432,585)
Borrowings from financial institutions	**5,815,666**	14,585,239
Deposits and other accounts	**15,394,966**	(3,350,428)
Other liabilities	**855,081**	11,817,146
	21,730,743	20,619,372
Cash inflow before taxation	**29,346,411**	1,670,117
Income tax paid	**(1,025,298)**	(427,439)
Net cash generated from operating activities	**28,321,113**	1,242,678
CASH FLOW FROM INVESTING ACTIVITIES		
Net investments	**(28,244,958)**	233,692
Dividend income received	**304**	809
Net investment in fixed assets (including intangible assets)	**(85,328)**	(614,119)
Sale proceeds on disposal of fixed assets	**6,405**	54,835
Net cash used in investing activities	**(28,323,577)**	(324,783)
CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of sub-ordinated Term Finance Certificates	**(37,700)**	(247,454)
Payment of lease obligations	**(4,739)**	(4,413)
Net cash used in financing activities	**(42,439)**	(251,867)
(Decrease)/ Increase in cash and cash equivalents for the period	**(44,903)**	666,028
Cash and cash equivalents at beginning of the period	**24,002,617**	27,924,140
Cash and cash equivalents at end of the period	**23,957,714**	28,590,168

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

Badar Kazmi	**Najam I. Chaudhri**	**Shahid Zaki**	**Parvez Ghias**
Chief Executive	Director	Director	Director

Un-Consolidated Condensed Interim Statement of Changes in Equity (Un-audited)
For the six months period ended 30 June 2009

	Share Capital	Share Premium	Exchange Translation Reserve	Statutory Reserve	Unappropriated Profit	Total
	(Rupees in '000)					
Balance as at 31 December 2007	**38,715,850**	**1,036,090**	**(33,539)**	**650,493**	**2,971,681**	**43,340,575**
Comprehensive income for the six months period ended 30 June 2008	-	-	35,498	-	1,311,249	1,346,747
Transfer to statutory reserve	-	-	-	262,250	(262,250)	-
Balance as at 30 June 2008	**38,715,850**	**1,036,090**	**1,959**	**912,743**	**4,020,680**	**44,687,322**
Comprehensive income for the six months period from 01 July 2008 to 31 December 2008	-	-	(1,959)	-	(675,243)	(677,202)
Transfer to statutory reserve	-	-	-	(136,341)	136,341	-
Balance as at 31 December 2008	**38,715,850**	**1,036,090**	-	**776,402**	**3,481,778**	**44,010,120**
Comprehensive income for the six months period ended 30 June 2009	-	-	-	-	**205,253**	**205,253**
Transfer to statutory reserve	-	-	-	**41,051**	**(41,051)**	-
Balance as at 30 June 2009	**38,715,850**	**1,036,090**	-	**817,453**	**3,645,980**	**44,215,373**

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

Badar Kazmi
Chief Executive

Najam I. Chaudhri
Director

Shahid Zaki
Director

Parvez Ghias
Director

Un-Consolidated Condensed Interim Statement of Comprehensive Income (Un-audited)
For the six months period ended 30 June 2009

	30 June 2009	30 June 2008
	(Rupees in '000)	
Profit after tax	**205,253**	**1,311,249**
Other comprehensive income:		
Exchange difference on translating foreign operations	-	**35,498**
Actuarial gain / (loss) on defined benefit plans	-	**-**
Total comprehensive income for the period	**205,253**	**1,346,747**

Note (i): Surplus / deficit on revaluation of 'Available for sale' securities is presented under a separate head below equity as 'surplus / deficit on revaluation of securities' 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.

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

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

Badar Kazmi	**Najam I. Chaudhri**	**Shahid Zaki**	**Parvez Ghias**
Chief Executive	Director	Director	Director

Notes to the Un-Consolidated Condensed Interim Financial Information (Un-audited)
For the six months period ended 30 June 2009

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 Bank's registered office is situated at Standard Chartered Bank Building, I.I. Chundrigar Road, Karachi.

The Bank is engaged in the banking business as defined in the Banking Companies Ordinance, 1962 and has a total number of 162 branches in Pakistan (31 December 2008: 174 branches) in operation at 30 June 2009.

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 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 2008.

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 2008, except for the following changes:

International Accounting Standard 1 (Revised) 'Presentation of Financial Statements' and IFRS 8 'Operating Segments' became effective for financial periods beginning on or after 1 January 2009. The application of these standards has resulted in certain increased disclosures including the statement of other comprehensive income which has been reflected in the Bank's financial statements. There is no change in the segments reported.

During the quarter IFRIC 13 'Customer Loyalty Programmes' issued by the International Financial Reporting Interpretations Committee became effective. The revenue from award credits for loyalty points earned on use of various products of the Bank is measured by reference to their fair value and is recognised when award credits are redeemed. The cost of the award points is recognised at the time award points are redeemed. Previously, revenue from award credits for loyalty points was being recognised at the time when these points were awarded and the cost of award points was accrued at the same time. Due to current size of the program the effect of change is not estimated to be material and therefore previous year figures have not been restated.

Notes to the Un-Consolidated Condensed Interim Financial Information (Un-audited)
For the six months period ended 30 June 2009

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 2008.

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 2008.

6 LENDINGS TO FINANCIAL INSTITUTIONS

	30 June 2009	December 31, 2008
	(Rupees in '000)	
Repurchase agreement lendings (Reverse Repo)	**4,153,247**	12,475,673
Placements	**16,264,600**	18,991,225
	20,417,847	31,466,898

7 INVESTMENTS - NET

	30 June 2009			31 December 2008		
	Held by bank	**Given as collateral**	**Total**	Held by bank	Given as collateral	Total
7.1 Investments by type	(Rupees in '000)					
Held for trading						
Market Treasury Bills	**6,993,360**	**-**	**6,993,360**	989,010	-	989,010
Pakistan Investment Bonds	**713,418**	**-**	**713,418**	3,916	-	3,916
Available for sale						
Market Treasury Bills	**39,626,397**	**6,961,285**	**46,587,682**	17,078,141	-	17,078,141
Pakistan Investment Bonds	**10,855,772**	**-**	**10,855,772**	12,219,772	19,057	12,238,829
Ordinary shares of listed companies	**2**	**-**	**2**	4	-	4
Units / Certificates of mutual funds	**-**	**-**	**-**	3,940	-	3,940
Ordinary shares of unlisted companies	**86,818**	**-**	**86,818**	86,818	-	86,818
Wapda Sukuk Bonds	**300,000**	**-**	**300,000**	300,000	-	300,000
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	**59,392,856**	**6,961,285**	**66,354,141**	31,498,690	19,057	31,517,747
Provision for diminution in the value of investments	**(1,653)**	**-**	**(1,653)**	(3,827)	-	(3,827)
Investments (net of provisions)	**59,391,203**	**6,961,285**	**66,352,488**	31,494,863	19,057	31,513,920
Surplus on revaluation of held for trading securities	**122,854**	**-**	**122,854**	438	-	438
Deficit on revaluation of available for sale securities	**(357,057)**	**10,045**	**(347,012)**	(1,922,733)	(4,962)	(1,927,695)
Total Investments at market value	**59,157,000**	**6,971,330**	**66,128,330**	29,572,568	14,095	29,586,663

Notes to the Un-Consolidated Condensed Interim Financial Information (Un-audited)
For the six months period ended 30 June 2009

8 ADVANCES - NET

	30 June 2009	31 December 2008
	(Rupees in '000)	
Loans, cash credits, running finances, etc.		
- In Pakistan	133,825,298	133,532,439
- Outside Pakistan	-	-
	133,825,298	133,532,439
Bills discounted and purchased (excluding treasury bills)		
- Payable in Pakistan	391,957	1,753,623
- Payable outside Pakistan	3,749,446	2,430,209
	4,141,403	4,183,832
Advances - gross	137,966,701	137,716,271
Provision for non-performing advances	(14,775,135)	(12,114,806)
Advances - net of provision	123,191,566	125,601,465

8.1 Advances include Rs 18,609.961 million (31 December 2008: Rs 16,534.389 million) which have been placed under non-performing status as detailed below:

	30 June 2009								
	Classified Advances			Provision Required			Provision Held		
	Domestic	Overseas	Total	Domestic	Overseas	Total	Domestic	Overseas	Total
	(Rupees in '000)								
Category of classification									
OAEM	-	-	-	-	-	-	-	-	-
Substandard	3,310,168	-	3,310,168	922,713	-	922,713	922,713	-	922,713
Doubtful	4,641,623	-	4,641,623	1,899,966	-	1,899,966	1,899,966	-	1,899,966
Loss	10,658,170	-	10,658,170	9,917,668	-	9,917,668	9,917,668	-	9,917,668
	18,609,961	-	18,609,961	12,740,347	-	12,740,347	12,740,347	-	12,740,347
General Provision		-		2,034,788	-	2,034,788	2,034,788	-	2,034,788
	18,609,961	-	18,609,961	14,775,135	-	14,775,135	14,775,135	-	14,775,135

	31 December 2008								
	Classified Advances			Provision Required			Provision Held		
	Domestic	Overseas	Total	Domestic	Overseas	Total	Domestic	Overseas	Total
	(Rupees in '000)								
Category of classification									
OAEM	-	-	-	-	-	-	-	-	-
Substandard	5,481,653	-	5,481,653	1,387,150	-	1,387,150	1,387,150	-	1,387,150
Doubtful	2,953,293	-	2,953,293	1,182,296	-	1,182,296	1,182,296	-	1,182,296
Loss	8,099,443	-	8,099,443	7,749,943	-	7,749,943	7,749,943	-	7,749,943
	16,534,389	-	16,534,389	10,319,389	-	10,319,389	10,319,389	-	10,319,389
General Provision				1,795,417	-	1,795,417	1,795,417	-	1,795,417
	16,534,389	-	16,534,389	12,114,806	-	12,114,806	12,114,806	-	12,114,806

8.1.1 At 30 June, 2009, the provision requirement has been reduced by Rs. 538.30 million (31 December 2008: Rs. 318.5 million) due to the benefit of Forced Sale Value (FSV) of commercial and residential properties held as collateral, in accordance with the requirements specified by SBP BSD Circular 02 dated 27 January 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 2009			31 December 2008		
	Specific	**General**	**Total**	Specific	General	Total
	---------- (Rupees in '000) ----------					
Opening balance	**10,319,389**	**1,795,417**	**12,114,806**	7,479,498	4,069,036	11,548,534
Charge for the period	**3,605,652**	**590,454**	**4,196,106**	13,116,916	2,254,851	15,371,767
Reversals	**(53,553)**	**(351,083)**	**(404,636)**	(231,760)	(4,528,470)	(4,760,230)
	3,552,099	**239,371**	**3,791,470**	12,885,156	(2,273,619)	10,611,537
Amounts written off	**(1,290,780)**	**-**	**(1,290,780)**	(9,741,396)	-	(9,741,396)
Other movements	**159,639**	**-**	**159,639**	(303,869)	-	(303,869)
Closing balance	**12,740,347**	**2,034,788**	**14,775,135**	10,319,389	1,795,417	12,114,806

9 DEFERRED TAXATION

The Finance Act, 2009 has made significant amendments in the Seventh Schedule to Income Tax Ordinance, 2001. Through these amendments the deduction for provisions for advances and off balance sheet items will be allowed upto 1% of total advances. Provisioning in excess of 1% would be allowed to be carried over to succeeding years. The amount of bad debts classified as Substandard under Prudential Regulations issued by State Bank of Pakistan would not be allowed as an expense. The amendments are applicable for financial year ending 31 December 2009.

The management has carried out an exercise at period end and concluded that they would be able to get deduction of provision in excess of 1% of total advances (pro-rated for half year) and have recognized deferred tax asset on such provision amounting to Rs.1,088 million.

The amendments introduced in the Seventh Schedule do not provide for any transitional mechanism i.e. how and when the provision for bad debts disallowed upto 31 December 2008 would be allowed as a deduction. The Institute of Chartered Accountants of Pakistan (ICAP) and Pakistan Banks' Association (PBA) have taken up this matter with Federal Board of Revenue (FBR). However, pending the final resolution of the matter, ICAP considers that reversal of deferred tax asset in relation thereto may not be made until the end of the financial year by which time the matter is expected to be decided by the FBR as proposed by the ICAP and the PBA. Accordingly, the deferred tax asset recognized through 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 Un-Consolidated Condensed Interim Financial Information (Un-audited)
For the six months period ended 30 June 2009

10 DEPOSITS AND OTHER ACCOUNTS

	30 June 2009	31 December 2008
	(Rupees in '000)	
Customers		
- Fixed deposits	**52,156,389**	51,228,362
- Savings deposits	**73,208,941**	61,960,411
- Current accounts - Remunerative	**-**	-
- Current accounts - Non-remunerative	**63,015,730**	59,507,796
- Margin accounts	**853,074**	1,156,891
- Special exporters' account	**204,019**	157,004
	189,438,153	174,010,464
Financial Institutions		
- Remunerative deposits	**-**	-
- Non-remunerative deposits	**508,614**	541,337
	508,614	541,337
	189,946,767	174,551,801

11 CONTINGENCIES AND COMMITMENTS

		30 June 2009	31 December 2008
		(Rupees in '000)	
11.1	**Transaction-related contingent liabilities**		
	Guarantees issued favouring:		
	- Government	**31,099,056**	25,540,102
	- Others	**8,419,975**	9,800,921
11.2	**Trade-related contingent liabilities**		
	Letters of credit	**13,062,713**	13,911,460
11.3	**Other contingencies**		
	Claims against the Bank not acknowledged as debt	**11,381,570**	5,488,481
11.4	**Commitments in respect of forward exchange contracts**		
	Purchase		
	State Bank of Pakistan	**2,493,700**	11,142,750
	Other banks	**34,370,226**	28,183,357
	Customers	**2,480,704**	3,367,331
	Sale		
	State Bank of Pakistan	**421,200**	-
	Other banks	**23,209,677**	21,355,404
	Customers	**3,166,029**	3,147,982

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

11.5	**Commitments in respect of operating leases**		
	Not later than one year	**4,563**	8,982
	Later than one year and not later than five years	**-**	320

11.6 Derivative Instruments

Product Analysis

Current Period (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	60	62,824,028	220	7,423,954
With FIs other than banks				
Hedging	-	-	-	-
Market Making	3	2,700,000	-	-
With other entities for				
Hedging	-	-	-	-
Market Making	86	76,244,321	220	7,423,954
Total				
Hedging	-	-	-	-
Market Making	149	141,768,349	440	14,847,908
2008 Total Market Making	147	292,012,336	40	16,215,220

* 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 22 contracts having notional principal of Rs 29,297 million with local banks.

Notes to the Un-Consolidated Condensed Interim Financial Information (Un-audited)
For the six months period ended 30 June 2009

	Note	Three months Period ended 30 June 2009	Six months Period ended 30 June 2009	Three months Period ended 30 June 2008	Six months Period ended 30 June 2008
12 OTHER INCOME		(Rupees in '000)		(Rupees in '000)	
Rent on property		**53**	**3,176**	2,997	5,908
Profit on sale of property and equipment		**1,657**	**2,698**	2,162	3,809
Income on interest rate derivatives and others		**477,197**	**243,267**	328,706	844,096
		478,907	**249,141**	333,865	853,813
13 OTHER CHARGES					
Fine and penalties imposed by the State Bank of Pakistan		**(38,629)**	**(38,210)**	61,770	62,010
Worker's Welfare Fund		**31,612**	**33,112**	42,542	42,542
Loss on sale of Srilanka branch operations	13.1	**107,315**	**107,315**	-	-
		100,298	**102,217**	104,312	104,552

13.1 Consequent to Sale and Purchase Agreement (SPA) signed between Standard Chartered Bank, Sri Lanka (SCBSL) and Standard Chartered Bank (Pakistan) Limited (SCBPL), the Sri Lanka branch operations of SCBPL were amalgamated with SCBSL with effect from close of business on 10 October 2008. A closing audit of the branch was carried out at 10 October 2008, which identified additional losses (net of recoveries and other items recorded subsequent to 10 October 2008) of Rs.107.315 million. According to terms of SPA, 'Unproductive debts', 'Staff of SCBPL who are not retained by the Purchaser', 'their corresponding housing loans' and 'Assets arising from litigation which cannot be assigned' are held in trust with SCBSL. In case any recoveries are made or costs are incurred in respect of assets held in trust, these would be passed on to SCBPL.

Notes to the Un-Consolidated Condensed Interim Financial Information (Un-audited)
For the six months period ended 30 June 2009

14 SEGMENT DETAILS WITH RESPECT TO BUSINESS ACTIVITIES

Segment analysis with respect to business activity

	Global Markets	Corporate and Institutional Banking	Consumer Banking	Total
30 June 2009	(Rupees in '000)			
Total income	2,651,072	2,402,264	6,870,707	11,924,043
Total expenses	(599,927)	(3,398,329)	(7,630,706)	(11,628,962)
Net income (loss)	2,051,145	(996,065)	(759,999)	295,081
Segment Assets (Gross)	125,327,397	116,107,265	60,878,630	302,313,292
Segment Non Performing Loans	-	11,305,522	7,304,439	18,609,961
Segment Provision Required	-	8,753,996	6,021,139	14,775,135
Segment Liabilities	25,757,290	67,442,543	150,348,509	243,548,342
Segment Return on net Assets (ROA) (%) *	3.30%	-1.87%	-2.79%	0.21%
Segment Cost of funds (%) **	5.02%	6.32%	3.89%	4.74%
30 June 2008				
Total income	3,054,139	1,842,479	6,913,843	11,810,461
Total expenses	(312,545)	(1,978,719)	(7,434,636)	(9,725,900)
Net income (Loss)	2,741,594	(136,240)	(520,793)	2,084,561
Segment assets (Gross)	108,326,501	103,188,621	75,539,773	287,054,895
Segment non performing loans	-	8,025,213	5,749,611	13,774,824
Segment provision required	-	6,261,658	4,409,674	10,671,332
Segment liabilities	32,075,970	63,288,302	137,292,161	232,656,433
Segment return on net assets (ROA) (%) *	5.10%	-0.28%	-1.48%	1.52%
Segment cost of funds (%) **	4.27%	4.42%	2.14%	2.99%

* Segment ROA = Net income / (Segment Assets - Segment Provisions) - annualised
** Segment cost of funds have been computed based on the average balances - annualised

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 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.

Notes to the Un-Consolidated Condensed Interim Financial Information (Un-audited)
For the six months period ended 30 June 2009

15. 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:

	30 June 2009	31 December 2008
	(Rupees in '000)	
Group		
Nostro balances with other branches of the holding company	**1,746,721**	975,202
Overdrawn nostro balances with other branches of the holding company	**16,861**	28,590
Vostro balances with the other branches of the holding company	**156,779**	108,826
Placements with Group	**16,264,600**	18,991,225
Deposits of Group Companies	**5,018**	16,420
Due to Holding Company	**8,960,041**	6,806,078
Due to associated undertakings	**95,963**	58,526
Due from associated undertakings	**104,193**	55,787
Interest receivable from Group companies	**25,695**	19,725
Inter-company derivative assets	**935,622**	2,433,755
Inter-company derivative liabilities	**502,881**	1,298,316
Subsidiaries		
Deposits of subsidiaries	**30,047**	44,797
Loans to subsidiaries	**340,168**	1,067,399
Accrued interest receivable	**14,614**	50,871
Key management personnel		
Loans and advances to key management personnel	**97,350**	99,716
Deposits of key management personnel	**42,360**	69,732
Others		
Deposits by staff retirement benefit funds	**25,784**	180,647
Deposits by customers with common directorship	**-**	2,624
Loans to staff retirement benefit funds	**-**	2,600
Receivable from defined benefit plans	**38,389**	36,526
Receivable / (payable) from defined contribution plans	**42,272**	(10,304)
Accrued interest receivable against loans and advances to customers with common directorship	**-**	11,890

Notes to the Un-Consolidated Condensed Interim Financial Information (Un-audited)
For the six months period ended 30 June 2009

	Six months period ended	
	30 June 2009	30 June 2008
Profit and Loss		
Group	**(Rupees in '000)**	
Mark-up / interest expensed	**3,615**	171,350
Mark-up / interest earned	**91,283**	132,772
Fee and commission expense	**22,060**	12,883
Fee and commission income	**36**	3,672
Reimbursement of executive and general administrative cost	**2,200,434**	1,368,477
Payment for direct sales services rendered	**344,342**	496,186
(Loss) / gain on inter-company derivatives	**(702,698)**	191,428
Royalty expense	**37,437**	26,140
Key management personnel		
Mark-up / interest earned	**1,150**	1,072
Mark-up / interest expensed	**821**	337
Sale of shares	**-**	377
Sale of vehicles	**-**	1,906
Salaries and benefits	**68,504**	67,407
Post retirement benefits	**6,969**	6,600
Subsidiaries		
Mark-up / interest expensed	**1,132**	2,020
Mark-up / interest earned	**51,147**	19,397
Lease rentals paid	**4,648**	16,230
Administrative expenses (including rent and other charges)	**3,787**	3,537
Reimbursement of salaries	**3,087**	4,284
Others		
Contribution to defined contribution plans	**119,635**	116,039
Net charge for defined contribution plans	**81,059**	92,270
Net income / (charge) for defined benefit plans	**1,863**	(17,807)
Mark up / interest expensed on deposits of staff retirement benefit funds	**9,410**	1,596
Mark up / interest expensed on deposits by companies with common directorship	**124,709**	10,992
Remuneration / fee paid to non exective directors	**1,475**	-

Notes to the Un-Consolidated Condensed Interim Financial Information (Un-audited)
For the six months period ended 30 June 2009

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

	Balance as at 31 December 2008	Net disbursement/ deposits	Net repayments / withdrawals	Balance as at 30 June 2009
	(Rupees in '000)			
Loans and advances				
Key Management Personnel	99,716	16,193	(18,559)	97,350
Subsidiaries	1,067,399	3,440,647	(4,167,878)	340,168
Others	2,600	1,200	(3,800)	-
Deposits				
Group companies	16,420	345,727	(357,129)	5,018
Subsidiaries	44,797	14,471	(29,221)	30,047
Key Management Personnel	69,732	212,427	(239,799)	42,360
Others	183,271	38,260,333	(38,417,820)	25,784

Notes to the Un-Consolidated Condensed Interim Financial Information (Un-audited)
For the six months period ended 30 June 2009

16. ISLAMIC BANKING BUSINESS

The Bank is operating with 8 Islamic Banking branches at the end of current period (31 December 2008: 8).

Balance Sheet	30 June 2009	31 December 2008
	(Rupees in '000)	
Assets		
Cash in hand	**51,080**	53,998
Balances with and due from Financial Institutions	**1,865,614**	785,414
Investments	**300,000**	300,000
Financing and receivables		
- Murabaha	**299,000**	565,637
- Musharaka	**-**	-
- Diminishing Musharaka	**5,527,070**	5,610,640
- Others	**118,235**	120,294
Operating fixed assets	**57,719**	60,684
Other assets	**485,809**	135,028
	8,704,527	7,631,695
Liabilities		
Deposits and other accounts		
- Current accounts	**2,672,268**	1,632,370
- Savings accounts	**2,304,317**	736,595
- Term deposits	**2,116,920**	2,209,134
- Others	**45,000**	-
Due to Head Office	**285,378**	1,378,871
Other liabilities	**378,707**	97,220
	7,802,590	6,054,190
Net Assets	**901,937**	1,577,505
Represented by:		
Islamic Banking Fund	**200,000**	200,000
Reserves	**701,937**	1,377,505
Surplus on revaluation of assets - net	**-**	-
	901,937	1,577,505
Contingencies and Commitments	**-**	-
Remuneration to Shariah Advisor / Board	**-**	-
Charity fund		
Opening balance	**-**	**-**
Additions during the period	**836**	**3,490**
Payments / Utilization during the period	**(836)**	**(3,490)**
Closing balance	**-**	**-**

17 DATE OF AUTHORIZATION

These financial statements were authorised for issue in the Board of Directors meeting held on 24 August 2009.

Badar Kazmi	**Najam I. Chaudhri**	**Shahid Zaki**	**Parvez Ghias**
Chief Executive	Director	Director	Director

Standard Chartered Bank (Pakistan) Limited

Condensed Interim

Consolidated Financial Statements

For the six months period ended

June 30, 2009

Consolidated Condensed Interim Balance Sheet
As at 30 June 2009

	30 June 2009 (Un-Audited)	31 December 2008 (Audited)
ASSETS	**(Rupees in '000)**	
Cash and balances with treasury banks	**22,092,589**	22,741,119
Balances with other banks	**1,911,460**	1,261,582
Lendings to financial institutions	**20,417,847**	31,472,627
Investments - net	**65,559,499**	28,937,790
Advances - net	**127,888,929**	128,992,078
Operating fixed assets	**3,638,042**	3,900,676
Intangible assets	**27,279,491**	27,535,060
Deferred tax assets - net	**3,539,995**	3,368,731
Other assets	**19,546,156**	19,363,705
	291,874,008	267,573,368
LIABILITIES		
Bills payable	**3,961,450**	4,296,420
Borrowings from financial institutions	**14,538,793**	8,791,594
Deposits and other accounts	**189,916,719**	174,511,408
Sub-ordinated loans	**1,672,600**	1,710,300
Other liabilities	**36,847,114**	34,616,164
	246,936,676	223,925,886
NET ASSETS	**44,937,332**	43,647,482
REPRESENTED BY:		
Share capital	**38,715,850**	38,715,850
Reserves	**1,945,345**	1,904,684
Unappropriated profit	**3,664,185**	3,504,907
Attributable to equity holders of the Bank	**44,325,380**	44,125,441
Minority interest	**826,420**	775,021
	45,151,800	44,900,462
Deficit on revaluation of securities - net of deferred tax	**(214,468)**	(1,252,980)
	44,937,332	43,647,482

Badar Kazmi
Chief Executive

Najam I. Chaudhri
Director

Shahid Zaki
Director

Parvez Ghias
Director

Consolidated Condensed Interim Profit and Loss Account (Un-audited)
For the six months period ended 30 June 2009

	Three months period ended 30 June 2009	Six months period ended 30 June 2009	Three months period ended 30 June 2008	Six months period ended 30 June 2008
	(Rupees in '000)		(Rupees in '000)	
CONTINUING OPERATIONS				
Mark-up / return / interest earned	6,706,444	13,414,646	5,868,050	11,333,841
Mark-up / return / interest expensed	(2,696,571)	(5,041,230)	(1,679,041)	(3,235,712)
Net mark-up / interest income	4,009,873	8,373,416	4,189,009	8,098,129
Provision against non-performing loans and advances - net	(2,107,746)	(3,857,989)	(2,756,853)	(4,458,080)
Recovery of amounts written off in previous years	231,369	460,096	312,015	587,169
(Provision) / reversal of provision for diminution in the value of investments - net	(9,639)	(7,636)	1,085	1,444
Bad debts written off directly	(823,359)	(1,676,935)	-	-
	(2,709,375)	(5,082,464)	(2,443,753)	(3,869,467)
Net mark-up / return / interest income after provisions	1,300,498	3,290,952	1,745,256	4,228,662
NON MARK-UP / NON INTEREST INCOME				
Fees, commission and brokerage income	1,220,558	2,145,414	971,229	1,955,447
Dividend income	-	304	809	809
Income from dealing in foreign currencies	468,337	1,106,719	940,292	1,310,380
Gain / (loss) on sale of securities - net	24,931	76,855	(185,255)	(298,962)
Unrealized gain on revaluation of investments classified as held for trading - net	122,549	122,854	-	-
Other income	488,151	261,142	328,412	848,355
Total non mark-up / non interest income	2,324,526	3,713,288	2,055,487	3,816,029
	3,625,024	7,004,240	3,800,743	8,044,691
NON MARK-UP / NON INTEREST EXPENSES				
Administrative expenses	(3,243,542)	(6,554,516)	(2,798,404)	(5,834,097)
Other provisions / asset write-offs	-	(2,455)	-	-
Other charges	(100,298)	(102,217)	(104,312)	(104,552)
Total non mark-up / non interest expenses	(3,343,840)	(6,659,188)	(2,902,716)	(5,938,649)
	281,184	345,052	898,027	2,106,042
Extra-ordinary / unusual items	-	-	-	-
PROFIT BEFORE TAXATION FROM CONTINUING OPERATIONS	281,184	345,052	898,027	2,106,042
Taxation - current	(552,466)	(799,708)	240,089	(73,831)
- prior years'	(14,646)	(14,646)	-	-
- deferred	495,226	724,526	(554,006)	(671,173)
	(71,886)	(89,828)	(313,917)	(745,004)
PROFIT AFTER TAXATION FROM CONTINUING OPERATIONS	209,298	255,224	584,110	1,361,038
DISCONTINUED OPERATIONS				
Loss from discontinued operations (net of tax)	-	-	(50,765)	(29,925)
PROFIT AFTER TAXATION	209,298	255,224	533,345	1,331,113
Attributable to :				
Equity holders of the Bank	182,991	203,305	506,944	1,300,577
Minority interest	26,307	51,919	26,401	30,536
	209,298	255,224	533,345	1,331,113
	Rupees	Rupees	Rupees	Rupees
BASIC / DILUTED EARNINGS PER SHARE	0.05	0.05	0.13	0.34

Badar Kazmi
Chief Executive

Najam I. Chaudhri
Director

Shahid Zaki
Director

Parvez Ghias
Director

Consolidated Condensed Interim Cash Flow Statement (Un-audited)
For the six months period ended 30 June 2009

	30 June 2009	30 June 2008
	(Rupees in '000)	
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation from continuing operations	**345,052**	2,106,042
Loss before taxation from discontinued operations	**-**	(30,238)
Profit before taxation	**345,052**	2,075,804
Dividend income	**(304)**	(809)
	344,748	2,074,995
Adjustments for:		
Depreciation	**339,759**	359,758
Amortization	**255,570**	449,602
Gain on disposal of fixed assets	**(3,292)**	(4,319)
Other provisions / write offs	**2,455**	-
Provision / (reversal of provision) for diminution in the value of investments - net	**7,636**	(1,444)
Provisions / write-offs against loans and advances - net of recoveries	**5,074,828**	3,870,911
	5,676,956	4,674,508
	6,021,704	6,749,503
Decrease / (increase) in operating assets:		
Lendings to financial institutions	**11,054,780**	(3,432,719)
Held for trading securities	**(6,713,852)**	976
Advances	**(3,971,679)**	(10,151,537)
Other assets	**29,398**	(12,046,639)
	398,647	(25,629,919)
(Decrease) / increase in operating liabilities:		
Bills payable	**(334,970)**	(2,432,585)
Borrowings from financial institutions	**5,747,199**	14,512,111
Deposits and other accounts	**15,405,311**	(3,255,220)
Other liabilities	**2,235,689**	11,143,564
	23,053,229	19,967,870
Cash inflow before taxation	**29,473,580**	1,087,454
Income tax paid	**(1,026,202)**	(431,571)
Net cash generated from operating activities	**28,447,378**	655,883
CASH FLOW FROM INVESTING ACTIVITIES		
Net investments	**(28,323,720)**	845,923
Dividend income received	**304**	809
Net investment in fixed assets (including intangible assets)	**(85,950)**	(624,533)
Sale proceeds on disposal of fixed assets	**9,661**	58,077
Net cash (used in) / generated from investing activities	**(28,399,705)**	280,276
CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of sub-ordinated Term Finance Certificates	**(37,700)**	(247,454)
Expenditure on issue of right shares	**(3,886)**	-
Payment of lease obligations	**(4,739)**	(4,413)
Net cash used in financing activities	**(46,325)**	(251,867)
Increase in cash and cash equivalents for the period	**1,348**	684,292
Cash and cash equivalents at beginning of the period	**24,002,701**	27,922,495
Cash and cash equivalents at end of the period	**24,004,049**	28,606,787

Badar Kazmi	**Najam I. Chaudhri**	**Shahid Zaki**	**Parvez Ghias**
Chief Executive	Director	Director	Director

Consolidated Condensed Interim Statement of Changes in Equity (Un-audited)
For the six months period ended 30 June 2009

	Share Capital	Share Premium	Exchange Translation Reserve	Statutory Reserve	Unappropriated Profit	Total	Minority Interest	Total
	(Rupees in '000)							
Balance as at 31 December 2007	**38,715,850**	**1,036,090**	**(33,539)**	**733,490**	**3,031,159**	**43,483,050**	**760,180**	**44,243,230**
Comprehensive income for the six months period ended 30 June 2008	-	-	35,498	-	1,300,577	1,336,075	30,536	1,366,611
Transfer to statutory reserve	-	-	-	260,115	(260,115)	-	-	-
Minority share in deficit on revaluation of available for sale securities	-	-	-	-	-	-	(2,744)	(2,744)
Balance as at 30 June 2008	**38,715,850**	**1,036,090**	**1,959**	**993,605**	**4,071,621**	**44,819,125**	**787,972**	**45,607,097**
Comprehensive income for the six months period from 01 July 2008 to 31 December 2008	-	-	(1,959)	-	(691,725)	(693,684)	42,594	(651,090)
Transfer to statutory reserve	-	-	-	(125,011)	125,011	-	-	-
Dividend paid to minority shareholders by subsidiary	-	-	-	-	-	-	(58,092)	(58,092)
Minority share in surplus on revaluation of available for sale securities	-	-	-	-	-	-	2,547	2,547
Balance as at 31 December 2008	**38,715,850**	**1,036,090**	**-**	**868,594**	**3,504,907**	**44,125,441**	**775,021**	**44,900,462**
Comprehensive income for the six months period ended 30 June 2009	-	-	-	-	**203,305**	**203,305**	**51,919**	**255,224**
Transfer to statutory reserve	-	-	-	**40,661**	**(40,661)**	-	-	-
Expenditure on issue of right shares	-	-	-	-	**(3,366)**	**(3,366)**	**(520)**	**(3,886)**
Balance as at 30 June 2009	**38,715,850**	**1,036,090**	**-**	**909,255**	**3,664,185**	**44,325,380**	**826,420**	**45,151,800**

Badar Kazmi
Chief Executive

Najam I. Chaudhri
Director

Shahid Zaki
Director

Parvez Ghias
Director

Consolidated Condensed Interim Statement of Comprehensive Income (Un-audited)
For the six months period ended 30 June 2009

	30 June 2009	30 June 2008
	(Rupees in '000)	
Profit after tax	**255,224**	1,331,113
Other comprehensive income:		
Exchange difference on translating foreign operations	-	35,498
Actuarial gain / (loss) on defined benefit plans	-	-
Total comprehensive income for the period	**255,224**	1,366,611

Note (i): Surplus / deficit on revaluation of 'Available for sale' securities is presented under a separate head below equity as 'surplus / deficit on revaluation of securities' 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.

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

Badar Kazmi	**Najam I. Chaudhri**	**Shahid Zaki**	**Parvez Ghias**
Chief Executive	Director	Director	Director