



**United Bank Limited**  
*UNCONSOLIDATED FINANCIAL STATEMENTS*  
*FOR THE HALF YEAR ENDED JUNE 30, 2009*  
*(UNAUDITED)*



**UNCONSOLIDATED CONDENSED INTERIM BALANCE SHEET  
AS AT JUNE 30, 2009**

		(Un audited) June 30, 2009	(Audited) Dec 31, 2008
	Note	----- (Rupees in '000) -----	
<b>ASSETS</b>			
Cash and balances with treasury banks		56,046,684	50,069,965
Balances with other banks		14,450,164	7,497,174
Lendings to financial institutions		27,938,191	22,805,341
Investments	7	129,116,769	116,328,288
Advances	8	368,380,466	371,139,675
Operating fixed assets		18,010,382	18,021,445
Deferred tax asset - net		860,466	2,055,609
Other assets		17,894,935	17,154,985
		<u>632,698,057</u>	<u>605,072,482</u>
<b>LIABILITIES</b>			
Bills payable		5,064,612	5,194,449
Borrowings from financial institutions	9	40,558,230	44,195,886
Deposits and other accounts	10	508,707,229	483,560,062
Sub-ordinated loans		11,991,824	11,993,848
Other liabilities		14,646,431	16,265,478
		<u>580,968,326</u>	<u>561,209,723</u>
<b>NET ASSETS</b>		<u><u>51,729,731</u></u>	<u><u>43,862,759</u></u>
<b>REPRESENTED BY</b>			
Share capital		11,128,907	10,117,188
Reserves		17,140,342	15,501,513
Unappropriated profit		<u>18,137,291</u>	<u>16,604,076</u>
		46,406,540	42,222,777
Surplus on revaluation of assets - net of deferred tax	11	<u>5,323,191</u>	<u>1,639,982</u>
		<u><u>51,729,731</u></u>	<u><u>43,862,759</u></u>
<b>CONTINGENCIES AND COMMITMENTS</b>	12		

The annexed notes 1 to 21 form an integral part of these unconsolidated condensed interim financial statements.

The valuation of listed equity securities / mutual funds held under 'available-for-sale' category of investments has been arrived at using the market prices quoted on the stock exchange / net assets value as of June 30, 2009 and a portion of impairment loss arising therefrom has been included in deficit on revaluation of assets – net of deferred tax as allowed by State Bank of Pakistan. Under the regular accounting policy of the bank, the same would have resulted in a charge to profit and loss account of Rs.383.160 million (net of tax) and, consequently, the unappropriated profit as at June 30, 2009 would have been Rs17,830.762 million and surplus on revaluation of assets - net of deferred tax would have been lower by Rs.383.160 million.

**Atif R. Bokhari**  
President &  
Chief Executive Officer

**Dr. Ashfaqe Hasan Khan**  
Director

**Omar Z. Al Askari**  
Director

**Sir Mohammed Anwar Pervez, OBE, HPk**  
Deputy Chairman

**UNCONSOLIDATED CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)  
FOR THE HALF YEAR ENDED JUNE 30, 2009**

	Note	Apr-Jun 2009	Apr-Jun 2008	Jan-Jun 2009	Jan-Jun 2008
----- (Rupees in '000) -----					
Mark-up / return / interest earned	13	15,511,604	12,013,167	31,819,734	23,169,825
Mark-up / return / interest expensed	14	(7,742,896)	(5,192,551)	(15,986,868)	(9,954,021)
Net mark-up / return / interest income		7,768,708	6,820,616	15,832,866	13,215,804
Provision against non-performing loans and advances - net		(3,646,268)	(1,065,776)	(5,317,930)	(1,954,373)
General provision against consumer loans		(138,668)	63,908	(71,451)	87,729
Provision for diminution in value of investments		(44,140)	-	(334,200)	-
Bad debts written off directly		(365,631)	(346,459)	(700,291)	(677,366)
		(4,194,707)	(1,348,327)	(6,423,872)	(2,544,010)
Net mark-up / return / interest income after provisions		3,574,001	5,472,289	9,408,994	10,671,794
<b>Non mark-up / return / interest income</b>					
Fee, commission and brokerage income		1,625,738	1,601,105	2,914,859	3,051,470
Dividend income		236,227	218,727	271,032	246,210
Income from dealing in foreign currencies		205,896	477,813	524,545	727,554
Gain on sale of securities		(50,211)	58,157	74,750	308,776
Unrealised gain / (loss) on revaluation of trading securities		(22,673)	3,909	(681)	(1,202)
Other income	15	1,679,735	701,797	1,996,525	1,701,604
Total non mark-up / return / interest income		3,674,712	3,061,508	5,781,030	6,034,412
		7,248,713	8,533,797	15,190,024	16,706,206
<b>Non mark-up / interest expenses</b>					
Administrative expenses	16	(4,150,176)	(3,733,382)	(8,067,775)	(7,229,200)
Other provisions / write offs / reversals		(186,063)	(137,823)	(183,093)	(194,526)
Worker welfare fund		(86,727)	(202,673)	(169,345)	(202,673)
Other charges		(348)	(3,121)	(1,168)	(182,272)
Total non mark-up / interest expenses		(4,423,314)	(4,076,999)	(8,421,381)	(7,808,671)
<b>Profit before taxation</b>		2,825,399	4,456,798	6,768,643	8,897,535
<b>Taxation</b>	17				
- Current		(1,339,001)	(1,805,755)	(2,946,897)	(3,641,566)
- Prior		(74,961)	(44,986)	(74,965)	(44,986)
- Deferred		340,204	86,915	540,768	382,529
		(1,073,758)	(1,763,826)	(2,481,094)	(3,304,023)
<b>Profit after taxation</b>		1,751,641	2,692,972	4,287,549	5,593,512
Unappropriated profit brought forward		18,730,117	13,602,992	16,604,076	15,653,703
		20,481,758	16,295,964	20,891,625	21,247,215
Transfer from surplus on revaluation of fixed assets - net of tax		29,299	80,420	126,614	160,840
Profit before appropriations		20,511,057	16,376,384	21,018,239	21,408,055
<b>Appropriations</b>					
Transfer to statutory reserve		(350,328)	(538,595)	(857,510)	(1,118,703)
Final cash dividend for the year ended December 31, 2008 and December 31, 2007 declared subsequent to the year end		(1,011,719)	-	(1,011,719)	(2,428,125)
Transfer to reserve for issue of bonus shares		(1,011,719)	-	(1,011,719)	(2,023,438)
		(2,373,766)	(538,595)	(2,880,948)	(5,570,266)
<b>Unappropriated profit carried forward</b>		18,137,291	15,837,789	18,137,291	15,837,789
----- (Rupees) -----					
<b>Basic and diluted earnings per share</b>		1.57	2.42	3.85	5.03

The annexed notes 1 to 21 form an integral part of these unconsolidated condensed interim financial statements.

The valuation of listed equity securities / mutual funds held under 'available-for-sale' category of investments has been arrived at using the market prices quoted on the stock exchange / net assets value as of June 30, 2009 and a portion of impairment loss arising therefrom has been included in surplus on revaluation of assets - net of deferred tax as allowed by State Bank of Pakistan. Under the regular accounting policy of the bank, the same would have resulted in a charge to profit and loss account of Rs.589.477 million and, consequently, the profit after tax for the half year would have been Rs.3,904.388 million and earnings per share would have been Rs.3.51.

**UNCONSOLIDATED CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)  
FOR THE HALF YEAR ENDED JUNE 30, 2009**

	Half Year Ended June 30, 2009	Half Year Ended June 30, 2008
	----- (Rupees in '000) -----	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before taxation	6,768,643	8,897,535
Less: Dividend income	(271,032)	(246,210)
	<u>6,497,611</u>	<u>8,651,325</u>
<b>Adjustments for non-cash charges</b>		
Depreciation	797,695	712,386
Worker welfare fund	169,345	202,673
Provision for retirement benefits	143,610	(48,367)
Provision against loans and advances	5,389,381	1,866,644
Provision for diminution in the value of investments	334,200	-
Gain on sale of fixed assets	(5,970)	(1,267)
Reversal of provision against other assets	(15,400)	194,526
Unrealized gain on revaluation of investment classified as held for trading	681	1,202
Impairment on fixed assets	15,329	-
Bad debts written-off	700,291	677,366
	<u>7,529,162</u>	<u>3,605,163</u>
	<u>14,026,773</u>	<u>12,256,488</u>
<b>(Increase) / decrease in operating assets</b>		
Lendings to financial institutions	(5,132,850)	8,257,414
Held for trading investments	1,167,509	(822,372)
Advances - net	(3,330,463)	(31,740,621)
Others assets	2,607,076	(819,223)
	<u>(4,688,728)</u>	<u>(25,124,802)</u>
<b>Increase / (decrease) in operating liabilities</b>		
Bills payable	(129,837)	(978,230)
Borrowings from financial institutions	(3,637,656)	(25,422,005)
Deposits and other accounts	25,147,167	63,897,148
Other liabilities	(1,030,790)	(211,280)
	<u>20,348,884</u>	<u>37,285,633</u>
	<u>29,686,929</u>	<u>24,417,319</u>
Staff retirement benefit funds paid	(293,330)	166,071
Income tax paid	(6,912,138)	(2,136,071)
Net cash flow generated from operating activities	<u>22,481,461</u>	<u>22,447,319</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Net investments in securities	(8,725,770)	416,441
Dividend income received	248,976	244,907
Investments in operating fixed assets	(871,284)	(1,480,382)
Sale proceeds from disposal operating fixed assets	48,242	30,218
Net cash outflow from investing activities	<u>(9,299,836)</u>	<u>(788,816)</u>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
(Repayment) / Receipt of sub-ordinated loan	(2,024)	5,999,176
Dividend paid	(1,011,719)	(2,428,125)
Net cash (outflow) / inflow from financing activities	<u>(1,013,743)</u>	<u>3,571,051</u>
	<u>12,167,882</u>	<u>25,229,554</u>
Exchange difference on translation of net investment in foreign branches	761,827	1,439,337
Increase in cash and cash equivalents during the period	<u>12,929,709</u>	<u>26,668,891</u>
Cash and cash equivalents at beginning of the period	<u>57,567,139</u>	<u>61,717,579</u>
Cash and cash equivalents at end of the period	<u><u>70,496,848</u></u>	<u><u>88,386,470</u></u>

The annexed notes 1 to 21 form an integral part of these unconsolidated condensed interim financial statements.

**UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)  
FOR THE HALF YEAR ENDED JUNE 30, 2009**

	Share Capital	Capital Reserves			Cash flow hedge reserve	Unappropriated Profit	Total
		Statutory Reserve	Exchange Translation Reserve	Reserve for Issue of Bonus Shares			
(Rupees in '000)							
<b>Balance as at January 1, 2008</b>	8,093,750	8,709,751	1,552,207	-	-	15,653,703	34,009,411
Final cash dividend for the year ended December 31, 2007 declared subsequent to year end at Rs. 3.0 per share	-	-	-	-	-	(2,428,125)	(2,428,125)
Transfer to reserve for issue of bonus shares	-	-	-	2,023,438	-	(2,023,438)	-
Issue of bonus shares	2,023,438	-	-	(2,023,438)	-	-	-
<b>Changes in equity during the half year ended June 30, 2008</b>							
Profit after taxation for the half year ended June 30, 2008	-	-	-	-	-	5,593,512	5,593,512
Transfer from surplus on revaluation of fixed assets to unappropriated profit - net of tax	-	-	-	-	-	160,840	160,840
Exchange difference on translation of net investment in foreign branches	-	-	1,439,337	-	-	-	1,439,337
Net expense recognised directly in equity	-	-	1,439,337	-	-	160,840	1,600,177
Total recognised income and expense for the period	-	-	1,439,337	-	-	5,754,352	7,193,689
Transfer to statutory reserves	-	1,118,703	-	-	-	(1,118,703)	-
<b>Balance as at June 30, 2008</b>	10,117,188	9,828,454	2,991,544	-	-	15,837,789	38,774,975
Interim cash dividend for the half year ended June 30, 2008 declared subsequent to period end at Rs. 1.5 per share	-	-	-	-	-	(1,517,578)	(1,517,578)
<b>Changes in equity during the half year ended December 31, 2008</b>							
Profit after taxation for the half year ended December 31, 2008	-	-	-	-	-	2,739,608	2,739,608
Transfer from surplus on revaluation of fixed assets to unappropriated profit - net of tax	-	-	-	-	-	92,178	92,178
Net loss on cash flow hedge - net of deferred tax	-	-	-	-	(276,633)	-	(276,633)
Exchange difference on translation of net investment in foreign branches	-	-	2,410,227	-	-	-	2,410,227
Net expense recognised directly in equity	-	-	2,410,227	-	(276,633)	92,178	2,225,772
Transfer to statutory reserves	-	547,921	-	-	-	(547,921)	-
<b>Balance as at December 31, 2008</b>	10,117,188	10,376,375	5,401,771	-	(276,633)	16,604,076	42,222,777
Final cash dividend for the year ended December 31, 2008 declared subsequent to year end at Re. 1.0 per share	-	-	-	-	-	(1,011,719)	(1,011,719)
Transfer to reserve for issue of bonus shares	-	-	-	1,011,719	-	(1,011,719)	-
Issue of bonus shares	1,011,719	-	-	(1,011,719)	-	-	-
<b>Changes in equity during the half year ended June 30, 2009</b>							
Profit after taxation for the half year ended June 30, 2009	-	-	-	-	-	4,287,549	4,287,549
Transfer from surplus on revaluation of fixed assets to unappropriated profit - net of tax	-	-	-	-	-	126,614	126,614
Cash flow hedge - Reclassification to profit & loss account	-	-	-	-	19,492	-	19,492
Exchange difference on translation of net investment in foreign branches	-	-	761,827	-	-	-	761,827
Net expense recognised directly in equity	-	-	761,827	-	19,492	126,614	907,933
Transfer to statutory reserves	-	857,510	-	-	-	(857,510)	-
<b>Balance as at June 30, 2009</b>	11,128,907	11,233,885	6,163,598	-	(257,141)	18,137,291	46,406,540

The annexed notes 1 to 21 form an integral part of these unconsolidated condensed interim financial statements.

**Atif R. Bokhari**  
President &  
Chief Executive Officer

**Dr. Ashfaqe Hasan Khan**  
Director

**Omar Z. Al Askari**  
Director

**Sir Mohammed Anwar Pervez, OBE, HPk**  
Deputy Chairman

**NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)  
FOR THE HALF YEAR ENDED JUNE 30, 2009****1. STATUS AND NATURE OF BUSINESS**

United Bank Limited is a banking company incorporated in Pakistan and is engaged in commercial banking and related services. The bank is listed on all the three stock exchanges in Pakistan. The bank's registered office and principal office are situated at UBL building, Jinnah Avenue, Blue Area, Islamabad and at State Life Building No. 1, I. I. Chundrigar Road, Karachi respectively. The Bank operates 1,118 (December 31,2008:1,119) branches inside Pakistan including the Karachi Export Processing Zone Branch and 17 (December 31, 2008:17) branches outside Pakistan as at June 30, 2009. The domestic branch network include 5 (December 31,2008:5) Islamic Banking branches.

The bank's Ordinary shares are listed on all three stock exchanges in Pakistan where as its Global Depository Receipts (GDRs) are on the list of UK Listing Authority and London Stock Exchange Professional Securities Market. These GDRs are also eligible for trading on the International Order Book System of the London Stock Exchange. Further, the GDRs constitute an offering in the United States only to qualified institutional buyers in reliance on Rule 144A under the US Securities Act of 1933 and an offering outside the United States in reliance on Regulation S.

**2. BASIS OF PRESENTATION**

The disclosures made in these unconsolidated condensed interim financial statements have been limited based on the format prescribed by the State Bank of Pakistan vide BSD Circular No. 2 dated May 12, 2004 and International Accounting Standard 34, Interim Financial Reporting. They do not include all of the information required for full annual financial statements, and these unconsolidated condensed interim financial statements should be read in conjunction with the financial statements of the Bank for the year ended December 31, 2008.

In accordance with the directives of the Federal Government regarding the shifting of the banking system to Islamic modes, the State Bank of Pakistan has issued various circulars from time to time. Permissible forms of trade-related modes of financing include purchase of goods by banks from their customers and immediate resale to them at appropriate mark-up in price on deferred payment basis. The purchases and sales arising under these arrangements are not reflected in these financial statements as such but are restricted to the amount of facility actually utilized and the appropriate portion of mark-up thereon. However, the Islamic Banking branches of the bank have complied with the requirements set out under the Islamic Financial Accounting Standards issued by the Institute of Chartered Accountants of Pakistan and notified under the provisions of the Companies Ordinance, 1984.

The financial results of the Islamic banking branches of the Bank have been consolidated in these unconsolidated condensed interim financial statements for reporting purposes, after eliminating intra branch transactions / balances. Key financial figures of the Islamic banking branches are disclosed in note 20 to these unconsolidated condensed interim financial statements.

**3. STATEMENT OF COMPLIANCE**

These unconsolidated condensed interim financial statements for six months have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board and Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan as are notified under the Companies Ordinance, 1984, 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. 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 IFRS or IFAS, the requirements of the Companies Ordinance, 1984, Banking Companies Ordinance, 1962 or the requirements of the said directives prevail.

The SBP vide BSD Circular No. 10, dated August 26, 2002 has deferred the applicability of International Accounting Standard 39, Financial Instruments: Recognition and Measurement (IAS 39) and International Accounting Standard 40, Investment Property (IAS 40) for banking companies till further instructions. Further, according to the notification of SECP dated April 28, 2008, the IFRS - 7 "Financial Instruments: Disclosures" has not been made applicable for banks. Accordingly, the requirements of these standards have not been considered in the preparation of these financial statements. However, investments have been classified and valued in accordance with the requirements of various circulars issued by SBP.

**NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)  
FOR THE HALF YEAR ENDED JUNE 30, 2009**

During the period, following new / revised standards, amendments and interpretations to accounting standards became effective:

- IAS 1 – Presentation of Financial Statements (Revised)
- IAS 23 – Borrowing Costs (Revised)
- IAS 32 - Financial Instruments: Presentation - Amendments regarding Puttable Financial Instruments
- IFRS 2 – Share-Based Payment – Vesting Conditions and Cancellations
- IFRS 4 – Insurance Contracts
- IFRS 8 – Operating Segments
- IFRIC 13 – Customer Loyalty Programs
- IFRIC 15 – Agreements for the Construction of Real Estate

Adoption of the above standards, amendments and interpretations did not affect the accounting policies of the Bank as disclosed in the annual financial statements for the year ended 31 December 2008. However, the revised IAS 1 was issued in September 2007 with subsequent amendments in November 2008 and was effective for financial years beginning on or after 1 January 2009. As the standard separates owner and non-owner changes in equity, the statement of changes in equity will include only details of transactions attributable to or with owners, with non-owner changes in equity presented as a single line as "other component of equity". In addition, the standard introduces the statement of comprehensive income: it presents all items of recognised income and expense, either in one single statement, or in two linked statements. Since the bank has strictly followed the format of half-yearly financial statements prescribed by the SBP through the BSD Circular Letter No. 2 of 2004, therefore the above referred changes introduced through IAS 1 (revised) have not been taken into consideration in the preparation of these half-yearly financial statements.

**4. ESTIMATES**

The preparation of interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

The significant judgements made by the management in applying the accounting policies and the key sources of estimation uncertainty were the same as those applied to financial statements for the year ended December 31, 2008.

**5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies adopted in the preparation of these financial statements are the same as those applied in the preparation of annual financial statements of the Bank for the year ended December 31, 2008.

**6. FINANCIAL RISK MANAGEMENT**

The financial risk management objectives and policies are consistent with those disclosed in the financial statements of the Bank for the year ended December 31, 2008.

**7. INVESTMENTS**

7.1	Note	June 30, 2009			Dec 31, 2008		
		Held by bank	Given as collateral	Total	Held by bank	Given as collateral	Total
-----Rupees in '000-----							
Held-for-trading securities	7.2.1	3,399,294	-	3,399,294	4,566,803	-	4,566,803
Available-for-sale securities	7.2.2	85,960,801	7,703,741	93,664,542	81,784,473	14,269,456	96,053,929
Held-to-maturity securities	7.2.3	32,484,861	-	32,484,861	22,944,229	-	22,944,229
Investments in Associates	7.2.4	4,474,188	-	4,474,188	2,899,663	-	2,899,663
Investments in Subsidiaries	7.2.5	2,201,948	-	2,201,948	2,201,948	-	2,201,948
		128,521,092	7,703,741	136,224,833	114,397,116	14,269,456	128,666,572
Provision for diminution in value of investments		(2,888,326)	-	(2,888,326)	(2,536,770)	-	(2,536,770)
<b>Investments (net of provisions)</b>		125,632,766	7,703,741	133,336,507	111,860,346	14,269,456	126,129,802
Deficit on revaluation of available for sale investments		(4,186,586)	(32,471)	(4,219,057)	(9,672,239)	(109,728)	(9,781,967)
Surplus / (Deficit) on revaluation of held for trading investments		(681)	-	(681)	(19,547)	-	(19,547)
<b>Total investments</b>		121,445,499	7,671,270	129,116,769	102,168,560	14,159,728	116,328,288

**NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)  
FOR THE HALF YEAR ENDED JUNE 30, 2009**

7.2 Investments by types	June 30, 2009			Dec 31, 2008		
	Held by Bank	Given as collateral	Total	Held by Bank	Given as collateral	Total
------(Rupees in '000)-----						
<b>7.2.1 Held for trading securities</b>						
Market treasury bills	3,262,144	-	3,262,144	4,202,368	-	4,202,368
Ordinary shares of listed companies	137,150	-	137,150	348,506	-	348,506
Pakistan Investment Bonds	-	-	-	15,929	-	15,929
	3,399,294	-	3,399,294	4,566,803	-	4,566,803
<b>7.2.2 Available for sale securities</b>						
Market Treasury Bills	40,018,442	7,271,412	47,289,854	33,775,219	13,841,226	47,616,445
Pakistan Investment Bonds	16,340,508	432,329	16,772,837	16,777,690	428,230	17,205,920
Foreign currency bonds	14,096,877	-	14,096,877	15,235,129	-	15,235,129
Ordinary shares of listed companies	5,680,129	-	5,680,129	5,880,749	-	5,880,749
Government of Pakistan Islamic Bonds	4,842,310	-	4,842,310	2,493,607	-	2,493,607
Euro Bonds	2,370,531	-	2,370,531	4,341,320	-	4,341,320
Term Finance Certificates	1,979,189	-	1,979,189	2,172,435	-	2,172,435
Ordinary shares of unlisted companies	441,516	-	441,516	441,465	-	441,465
Units of mutual funds	191,299	-	191,299	211,583	-	211,583
Sukuk Bonds	-	-	-	455,276	-	455,276
	85,960,801	7,703,741	93,664,542	81,784,473	14,269,456	96,053,929
<b>7.2.3 Held to maturity securities</b>						
Term Finance Certificates	16,117,232	-	16,117,232	4,915,803	-	4,915,803
Market Treasury Bills	5,439,639	-	5,439,639	1,263,178	-	1,263,178
Pakistan Investment Bonds	2,515,509	-	2,515,509	4,339,104	-	4,339,104
Provincial Government Securities	-	-	-	-	-	-
CIRC Bonds	2,900,000	-	2,900,000	2,900,000	-	2,900,000
Foreign securities	1,968,062	-	1,968,062	1,911,320	-	1,911,320
Government of Pakistan - Guaranteed Bonds	1,485,444	-	1,485,444	1,485,444	-	1,485,444
Sukuk Bonds	1,097,747	-	1,097,747	1,094,372	-	1,094,372
Foreign currency bonds	924,758	-	924,758	897,982	-	897,982
Participation Term Certificates	29,811	-	29,811	38,205	-	38,205
Debentures	6,252	-	6,252	6,676	-	6,676
CDC SAARC Fund	407	-	407	395	-	395
Certificate of Deposit	-	-	-	4,091,750	-	4,091,750
	32,484,861	-	32,484,861	22,944,229	-	22,944,229
<b>7.2.4 Associates</b>						
United Growth and Income Fund	3,004,559	-	3,004,559	1,504,559	-	1,504,559
United Composite Islamic Fund	497,573	-	497,573	523,048	-	523,048
United Islamic Income Fund	250,000	-	250,000	250,000	-	250,000
United Stock Advantage Fund	250,000	-	250,000	250,000	-	250,000
UBL Participation Protected Plan	200,000	-	200,000	200,000	-	200,000
UBL Liquidity Plus Fund	100,000	-	100,000	-	-	-
UBL Insurers Limited	90,000	-	90,000	90,000	-	90,000
United Capital Protected Fund - 1	75,075	-	75,075	75,075	-	75,075
Oman United Exchange Company, Muscat	6,981	-	6,981	6,981	-	6,981
	4,474,188	-	4,474,188	2,899,663	-	2,899,663
<b>7.2.5 Subsidiaries</b>						
United National Bank, UK	1,482,011	-	1,482,011	1,482,011	-	1,482,011
United Bank AG Zurich, Switzerland	589,837	-	589,837	589,837	-	589,837
Domestic subsidiaries						
UBL Fund Managers Limited	100,000	-	100,000	100,000	-	100,000
United Executors and Trustees Company Limited	30,100	-	30,100	30,100	-	30,100
	2,201,948	-	2,201,948	2,201,948	-	2,201,948
	128,521,092	7,703,741	136,224,833	114,397,116	14,269,456	128,666,572
Provision for diminution in value of investments	(2,888,326)	-	(2,888,326)	(2,536,770)	-	(2,536,770)
<b>Investments (net of provisions)</b>	125,632,766	7,703,741	133,336,507	111,860,346	14,269,456	126,129,802
Deficit on revaluation of available for sale securities	(4,186,586)	(32,471)	(4,219,057)	(9,672,239)	(109,728)	(9,781,967)
Surplus / (Deficit) on revaluation of held for trading securities	(681)	-	(681)	(19,547)	-	(19,547)
<b>Total Investments</b>	121,445,499	7,671,270	129,116,769	102,168,560	14,159,728	116,328,288



**NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)  
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**8. ADVANCES**

 Note June 30, 2009 Dec 31, 2008  
 -----(Rupees in '000)-----

Loans, cash credits, running finances, etc.		
In Pakistan	286,914,382	278,513,709
Outside Pakistan	88,495,288	95,002,084
	375,409,670	373,515,793
Bills discounted and purchased (excluding treasury bills)		
Payable in Pakistan	14,331,761	12,401,963
Payable outside Pakistan	3,781,945	4,662,842
	18,113,706	17,064,805
	393,523,376	390,580,598
Finance in respect of continuous funding system (CFS)	-	322,180
	393,523,376	390,902,778
Provision for non-performing advances - Specific	8.1 (23,798,143)	(18,563,334)
- General	8.2 (1,344,767)	(1,199,769)
	368,380,466	371,139,675

8.1 Advances include Rs.35,681 million (December 31, 2008: 27,839 million) which have been placed under non-performing status as detailed below:-

Category of Classification	June 30, 2009			Provision Required	Provision Held
	Domestic	Overseas	Total		
	-----Rupees in '000-----				
Other Assets Especially Mentioned	511,678	-	511,678	-	-
Substandard	5,517,629	95,873	5,613,502	1,303,951	1,303,951
Doubtful	6,862,009	774,678	7,636,687	2,805,294	2,805,294
Loss	19,654,520	2,264,879	21,919,399	19,688,898	19,688,898
	32,545,836	3,135,430	35,681,266	23,798,143	23,798,143

  

Category of Classification	Dec 31, 2008			Provision Required	Provision Held
	Domestic	Overseas	Total		
	-----Rupees in '000-----				
Other Assets Especially Mentioned	562,548	-	562,548	-	-
Substandard	4,857,390	83,689	4,941,079	926,042	926,042
Doubtful	6,308,575	308,796	6,617,371	2,369,509	2,369,509
Loss	13,557,179	2,161,143	15,718,322	15,267,783	15,267,783
	25,285,692	2,553,628	27,839,320	18,563,334	18,563,334

8.2 General provision represents provision amounting to Rs 1,043.390 million (December 31, 2008: Rs.1,082.499 million) against consumer financing portfolio as required by the Prudential Regulations issued by State Bank of Pakistan and Rs 301.377 million (December 31, 2008: Rs. 117.270 million) pertaining to overseas advances to meet the requirements of monetary agencies and regulating authorities of the respective country in which the overseas branches operate.

 June 30, 2009 Dec 31, 2008  
 -----(Rupees in '000)-----

**9. BORROWINGS FROM FINANCIAL INSTITUTIONS**
**Secured**

Borrowings from financial institutions	-	-
Borrowings from State Bank of Pakistan		
- Under export refinance scheme	13,800,351	12,804,867
- Long term finance under export oriented projects	4,503,303	4,280,169
- Locally manufactured machinery	6	544
	18,303,660	17,085,580
Repurchase agreement borrowings	7,836,376	14,284,138
	26,140,036	31,369,718
<b>Unsecured</b>		
Call borrowings	11,260,326	10,200,693
Overdrawn nostro accounts	2,377,286	2,027,468
Trading account liability	780,582	598,007
	14,418,194	12,826,168
	40,558,230	44,195,886

**NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)  
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	Note	June 30, 2009	Dec 31, 2008
		----- (Rupees in '000) -----	
<b>10. DEPOSITS AND OTHER ACCOUNTS</b>			
<b>Customers</b>			
Fixed deposits		180,425,583	186,961,343
Savings deposits		166,260,990	156,021,485
Sundry Deposits		5,617,339	4,957,358
Margin Deposits		3,616,714	3,977,821
Current Accounts - Remunerative		2,633,640	2,064,207
Current Accounts - Non-remunerative		<u>150,108,814</u>	<u>128,380,418</u>
		508,663,080	482,362,632
<b>Financial Institutions</b>			
Remunerative deposits		<u>26,451</u>	<u>1,104,863</u>
Non-remunerative deposits		<u>17,698</u>	<u>92,567</u>
		44,149	1,197,430
		<u>508,707,229</u>	<u>483,560,062</u>
<b>11. SURPLUS ON REVALUATION OF ASSETS</b>			
Surplus arising on revaluation of assets - net of tax:			
Fixed assets		8,067,190	8,220,874
Securities	11.1	<u>(2,743,999)</u>	<u>(6,580,892)</u>
		<u>5,323,191</u>	<u>1,639,982</u>
<b>11.1 (Deficit) / surplus on revaluation on available-for-sale securities</b>			
Market Treasury Bills		55,346	(16,685)
Pakistan Investment Bonds		(853,034)	(3,293,999)
Quoted shares		(579,732)	(1,892,828)
Mutual fund units		548	(9,837)
Term Finance Certificates, Sukuks, Other Bonds etc.		(83,252)	(53,850)
Overseas securities		<u>(2,758,932)</u>	<u>(4,514,768)</u>
		(4,219,056)	(9,781,967)
Related deferred tax asset		1,475,057	3,201,075
		<u>(2,743,999)</u>	<u>(6,580,892)</u>
<b>12. CONTINGENCIES AND COMMITMENTS</b>			
<b>12.1 Direct Credit Substitutes</b>			
Contingent liabilities in respect of guarantees given favouring:			
Government		13,926,828	12,725,414
Banking companies and other financial institutions		4,516,776	4,865,333
Others		<u>7,112,817</u>	<u>8,642,081</u>
		25,556,421	26,232,828
<b>12.2 Transaction-related Contingent Liabilities</b>			
Contingent liabilities in respect of performance bonds, bid bonds, warranties, etc. given favouring			
Government		65,188,860	60,706,466
Banking companies and other financial institutions		1,968,841	4,115,594
Others		<u>19,931,868</u>	<u>17,061,793</u>
		87,089,569	81,883,853
<b>12.3 Trade-related Contingent Liabilities</b>			
Contingent liabilities in respect of letters of credit opened favouring:			
Government		68,834,711	68,756,444
Others		<u>73,955,420</u>	<u>71,862,882</u>
		142,790,131	140,619,326
<b>12.4 Other Contingencies</b>			
Claims against the bank not acknowledged as debts		<u>18,548,339</u>	<u>17,230,124</u>
<b>12.5 Commitments in respect of forward lending</b>			
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.			
		<b>June 30, 2009</b>	<b>Dec 31, 2008</b>
		----- (Rupees in '000) -----	
<b>12.6 Other commitments</b>			
Forward purchase contracts of government securities		<u>3,302,916</u>	<u>10,065,070</u>
Forward sale contracts of government securities		-	<u>8,611,020</u>
Interest rate swaps		<u>17,690,386</u>	<u>20,758,372</u>
Equity options		<u>243,659</u>	<u>355,943</u>
Cross currency swaps		<u>36,539,802</u>	<u>15,948,869</u>
Forward rate agreements		-	<u>850,000</u>
FX options		<u>1,282,961</u>	<u>25,460,283</u>
Commodity options		-	<u>39,545</u>
Commitments in respect of capital expenditure		<u>441,519</u>	<u>1,182,316</u>

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	Note	June 30, 2009	Dec 31, 2008
		----- (Rupees in '000) -----	
<b>12.7 Commitments in respect of forward exchange contracts</b>			
Sale		<u>54,536,669</u>	<u>55,225,610</u>
Purchase		<u>89,014,919</u>	<u>79,548,383</u>
		<b>Jan-Jun 2009</b>	<b>Jan-Jun 2008</b>
		----- (Rupees in '000) -----	
<b>13. MARK-UP / RETURN / INTEREST EARNED</b>			
On loans and advances			
- Customers		23,824,180	17,527,040
- Financial institutions		359,094	317,449
		<u>24,183,274</u>	<u>17,844,489</u>
On investments in			
- Securities		6,907,784	4,372,665
- Associates		10,925	637
		<u>6,918,709</u>	<u>4,373,302</u>
On deposits with financial institutions		202,045	231,506
On securities purchased under resale agreements		505,958	711,522
Discount income		9,748	9,006
		<u>31,819,734</u>	<u>23,169,825</u>
<b>14. MARK-UP / RETURN / INTEREST EXPENSED</b>			
On deposits		12,655,449	7,286,198
On securities sold under repurchase agreements		1,052,545	1,239,423
On other short - term borrowings		1,268,739	715,039
On other long - term borrowings		768,211	612,177
Discount expense		241,924	101,184
		<u>15,986,868</u>	<u>9,954,021</u>
<b>15. During the current period, the management of the Bank revoked the designation of the interest rate swap as a hedging instrument in respect of a cash flow hedge recorded in the previous period. As a result, the net loss on the cash flow hedge previously recognized in equity will separately remain in equity until the forecast transaction occurs or is no longer expected to occur. Accordingly, during the current period, a sum of Rs.19.492 million has been reclassified from equity to profit and loss account as a reclassification adjustment against income from dealing in derivatives under 'other income'.</b>			
<b>16. ADMINISTRATIVE EXPENSES</b>			
Salaries, allowances etc.		3,732,082	3,407,251
Rent, taxes, insurance, electricity etc.		925,024	757,658
Depreciation		797,695	712,386
Outsourced service charges including sales commission		643,553	783,073
Communications		355,350	297,843
Banking service charge		243,940	190,807
Cash transportation charges		202,702	99,162
Stationery and printing		148,820	128,683
Legal and professional charges		99,903	102,656
Contribution to retirement plan	16.1	72,986	(49,681)
Advertisement and publicity		75,805	128,147
Repairs and maintenance		147,046	105,483
Travelling		77,857	67,310
Office running expenses		69,410	50,535
Charge for compensated absences		70,624	63,743
Vehicle expenses		48,883	52,654
Entertainment		44,542	41,714
Cartage, freight and conveyance		34,937	31,526
Insurance		44,558	46,180
Auditors' remuneration		20,405	15,226
Training and seminar		23,563	23,326
Brokerage expenses		11,824	12,187
Subscriptions		15,779	16,083
Donations		33,567	2,327
Miscellaneous expenses		126,920	142,921
		<u>8,067,775</u>	<u>7,229,200</u>

**16.1.** This includes amount of Ex Gratia amounting to Rs.148 million given to Employee Provident Fund.

**NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)  
FOR THE HALF YEAR ENDED JUNE 30, 2009**
**17. TAXATION**

The Income Tax assessments of the Bank for domestic branches up to tax year 2008 (financial year ended December 31, 2007) were filed under the provisions of Section 114 of the Income Tax Ordinance, 2001 (Ordinance) and are deemed to be assessed under section 120 of the Ordinance. unless amended by the Commissioner of Income Tax.

For tax year 2008 (financial year ended December 31, 2007) the taxation authorities have issued an amended assessment order under section 122(5A) of the Ordinance determining additional tax liability of Rs. 1,609 million. The Bank has filed an appeal before the Commissioner of Income Tax (Appeals) [CIT (A)] against the said additional liability, for which hearing is still pending. The management is confident that the appeals will be decided in the favour of the Bank.

For tax years 2004 to 2007 (financial year ended December 31, 2003 to 2006) the taxation authorities have issued amended assessment orders under section 122(5A) of the Ordinance, which were further rectified under section 221 of the Ordinance determining additional tax liability of Rs.3,564 million. Appeals filed by the Bank before the CIT (A) against these amended assessments have been decided, by allowing relief on certain issues. However, for remaining issues appeals have been filed before the Income Tax Appellate Tribunal (ITAT). The return for the tax year 2003 was selected for audit under section 177 of the Ordinance and the amended assessment order was passed, which has been contested before the CIT(A). The management is confident that the appeals will be decided in the favour of the Bank.

Tax liabilities for tax years 2004 to 2008 have been paid except to the extent of relief allowed by the CIT(A) for tax years 2004 to 2007.

In respect of Azad Kashmir Branches for the tax years 2005 to 2008 (financial years ended December 31, 2004 to 2007) were filed under the provisions of Section 120(1) read with section 114 of the Ordinance and in compliance with the terms of agreement between the banks and the Azad Kashmir Council in May 2005. The returns so filed qualify the statutory conditions to be termed as deemed assessment orders.

During the period, amendments were brought in through Finance Act 2009 regarding allowance of provision against non performing loans and off balance sheet exposures applicable from Tax year 2010 (accounting year Dec 31, 2009) and onwards. The Bank has accounted for these in the tax computation for the period, therefore, in accordance with the law, provision under the category of doubtful and loss category have been treated as allowed subject to a maximum limit of 1% of advances, consequently a deferred tax asset of Rs. 483 million is recognized relating to amounts allowed to be carried forward to future years. Based upon the legal opinion of the tax advisor, the Bank is confident that these disallowances and any relating to prior periods, which approximates to Rs.4,745 million, would be allowed to the bank in future periods against available profits and hence, the same has been carried forward as an tax asset in these interim condensed financial statements.

**18. SEGMENT DETAILS WITH RESPECT TO BUSINESS ACTIVITIES**

	<b>For the Period Ended June 30, 2009</b>			
	<b>Corporate Finance</b>	<b>Trading &amp; Sales</b>	<b>Retail Banking</b>	<b>Commercial Banking</b>
	(Rupees in '000)			
Total income - gross	306,850	8,841,983	12,508,350	15,943,581
Total expenses	(392,874)	(6,595,413)	(9,189,805)	(14,654,029)
Net income / (loss)	(86,024)	2,246,570	3,318,545	1,289,552
Segment return on assets (ROA) (%)	7.58%	9.25%	11.75%	14.55%
Segment cost of funds (%)	12.36%	8.80%	9.67%	10.75%
	<b>For the Period Ended June 30, 2008</b>			
	<b>Corporate Finance</b>	<b>Trading &amp; Sales</b>	<b>Retail Banking</b>	<b>Commercial Banking</b>
	(Rupees in '000)			
Total income	602,597	6,671,587	13,848,280	8,081,773
Total expenses	(82,184)	(5,491,785)	(9,273,279)	(5,459,454)
Net income / (loss)	520,413	1,179,802	4,575,001	2,622,319
Segment return on assets (ROA) (%)	10.00%	7.30%	11.10%	10.70%
Segment cost of funds (%)	9.70%	7.20%	8.40%	8.50%
	<b>As at June 30, 2009</b>			
	<b>Corporate Finance</b>	<b>Trading &amp; Sales</b>	<b>Retail Banking</b>	<b>Commercial Banking</b>
	(Rupees in '000)			
Segment assets (gross of NPL provisions)	6,520,433	175,637,592	226,216,124	248,122,051
Segment non performing loans (NPL)	-	-	19,379,005	16,302,261
Segment provision required against NPL	-	-	14,080,888	9,717,255
Segment liabilities	6,088,461	160,313,665	212,873,581	201,692,619
	<b>As at December 31, 2008</b>			
	<b>Corporate Finance</b>	<b>Trading &amp; Sales</b>	<b>Retail Banking</b>	<b>Commercial Banking</b>
	(Rupees in '000)			
Segment assets (gross of NPL provisions)	9,294,445	174,810,322	190,730,419	248,800,630
Segment non performing loans (NPL)	-	-	15,765,831	12,073,489
Segment provision required against NPL	-	-	11,529,038	7,034,296
Segment liabilities	9,602,972	166,115,798	180,440,130	205,050,822

**NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)  
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**19. RELATED PARTY TRANSACTIONS**

The Bank has related party relationships with its associates, subsidiary companies, employee benefit plans and its directors and key management personnel (including their associates).

The Bank enters into transactions with the related parties in the normal course of business. Contributions to and accruals in respect of staff retirement benefits and other benefit plans are made in accordance with the actuarial valuations / terms of the contribution plan. Remuneration to the executives are determined in accordance with the terms of their employment.

	For the Period Ended June 30 , 2009				For the year ended December 31, 2008			
	Key management personnel	Subsidiaries	Associates	Other related parties	Key management personnel	Subsidiaries	Associates	Other related parties
	----- (Rupees in '000) -----							
<b>Advances</b>								
At January 01	148,875	-	-	-	80,592	-	-	-
Given during the period / year	22,032	-	-	-	135,743	-	-	-
Repaid during the period / year	(28,774)	-	-	-	(67,460)	-	-	-
At June 30, 2009	142,133	-	-	-	148,875	-	-	-
<b>Deposits</b>								
At January 01	20,149	35,835	147,701	308,347	14,252	4,049	231,886	5,865,116
Received during the period / year	364,975	34,036,684	8,324,834	678,261	543,947	230,977,388	44,273,279	2,034,774
Withdrawn during the period / year	(129,840)	(33,281,832)	(8,298,253)	(672,035)	(538,050)	(230,945,602)	(44,357,464)	(7,591,543)
At June 30, 2009	255,284	790,687	174,282	314,573	20,149	35,835	147,701	308,347
Balances with other banks	-	878,902	-	-	-	2,555,801	-	-
Outstanding placement at the end of the period / year	-	419,135	-	-	-	406,999	-	-
Outstanding borrowing at the end of the period / year	-	-	300,000	-	-	-	850,000	-
Payable in respect of acquisition of investment in equity shares	-	30,000	-	-	-	30,000	-	-
Distribution commission receivable	-	4,978	-	-	-	6,586	-	-
Other receivable	-	-	96,874	-	-	-	37,954	4,458
Other payable	-	-	6,209	-	-	-	164,932	-
Unearned income	-	-	-	-	-	435	-	-
Employee Motivation and Retention Scheme	-	-	-	413,546	-	-	-	338,552
Term Finance Certificate (sale) / purchased	-	-	-	-	-	-	1,898,783	-

	For the Period Ended June 30 , 2009				For the Period Ended June 30 , 2008			
	Key management personnel	Subsidiaries	Associates	Other related parties	Key management personnel	Subsidiaries	Associates	Other related parties
	----- (Rupees in '000) -----							
Mark-up / return / interest earned	4,019	10,516	-	-	1,704	363	-	-
Mark-up / return / interest expensed	205	224	218,572	567	39	1,059	47,275	52,281
Reimbursement of liaison office expenses paid to Bestway Group and Abu Dhabi Group	-	-	-	12,042	-	-	-	19,325
Dividend income received	-	40,898	-	-	-	49,578	-	-
Other expenses paid	-	-	-	-	-	-	112,778	-
Other income	-	870	6,701	-	-	-	962	-
Insurance premium paid	-	-	180,527	-	-	-	94,389	-
Remuneration paid	194,908	-	-	-	181,134	-	-	-
Post employment benefits	6,024	-	-	-	5,558	-	-	-
Contribution to defined contribution plan	-	-	-	287,672	-	-	-	126,172
Contribution to defined benefit plan	-	-	-	73,842	-	-	-	176,439
Employee Motivation and Retention Scheme	-	-	-	50,005	-	-	-	230,000
Distribution commission income	-	1,608	-	-	-	1,138	-	-
Distribution commission expense	-	-	-	-	-	3,511	-	-
Reimbursable expense incurred	-	-	-	-	-	2,767	-	-
Placements (received) / made during the period	-	(814,572)	-	-	-	363,099	-	-
Placements settled during the period	-	-	-	-	-	330,182	-	-
Maximum amount of a placement (received) / made during the period	-	(814,572)	-	-	-	157,916	-	-
Borrowing made during the period	-	-	1,650,000	-	-	1,220,746	-	-
Borrowing settled during the period	-	-	1,350,000	-	-	953,817	-	-
Maximum amount of a borrowing made during the period	-	-	500,000	-	-	346,800	-	-
Investment made during the period	-	-	2,437,264	-	-	-	2,159,500	-
Redemption made during the period	-	-	-	-	-	-	5,273,039	-
Realised gain on cross currency swaps	-	-	574,396	-	-	-	-	-
Unrealised gain on cross currency swaps	-	-	181,239	-	-	-	-	-
Bonus units received (number)	-	-	-	-	-	-	49,578	-

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FOR THE HALF YEAR ENDED JUNE 30, 2009**

**20. ISLAMIC BANKING BUSINESS**

The balance sheet of the bank's Islamic Banking Branches as at June 30, 2009 is as follows:

	<b>June 30, 2009</b>	<b>Dec 31, 2008</b>
	----- (Rupees in '000) -----	
<b>ASSETS</b>		
Cash and balances with treasury banks	143,397	259,264
Balances with and due from financial institutions	542,705	421,325
Investments	772,737	1,295,236
Financing and receivables		
- Murabaha	234,108	92,060
- Musharaka	250,000	250,000
- Diminishing Musharaka	275,158	127,850
Operating fixed assets including assets given on Ijara	695,602	848,086
Other assets	195,395	148,826
<b>Total Assets</b>	<b>3,109,102</b>	<b>3,442,647</b>
<b>LIABILITIES</b>		
Bills payable	3,492	24,838
Deposits and other accounts		
- Current accounts	406,925	464,204
- Saving accounts	224,527	270,276
- Term deposits	360,097	413,322
- Deposits from financial institutions - remunerative	363,048	844,455
Due to head office	1,253,414	1,145,380
Other liabilities	81,848	61,192
	<u>2,693,351</u>	<u>3,223,667</u>
<b>NET ASSETS</b>	<u><b>415,751</b></u>	<u><b>218,980</b></u>
<b>REPRESENTED BY</b>		
Islamic Banking Fund	681,000	470,000
Unappropriated / Unremitted loss	<u>(265,797)</u>	<u>(237,572)</u>
	415,203	232,428
Surplus / (deficit) on revaluation of assets	<u>548</u>	<u>(13,448)</u>
	<u><b>415,751</b></u>	<u><b>218,980</b></u>

**NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)  
FOR THE HALF YEAR ENDED JUNE 30, 2009**

The profit and loss account of the bank's Islamic Banking Branches for the half year ended June 30, 2009 is as follows:

	Jan-Jun 2009	Jan-Jun 2008
	----- (Rupees in '000) -----	
Profit earned	241,625	134,150
Profit paid	58,638	40,559
	<u>182,987</u>	<u>93,591</u>
Reversal for diminution in value of investment	54,249	-
Provision against assets given on Ijara	(2,178)	-
	<u>52,071</u>	<u>-</u>
Net Profit	235,058	93,591
<b>OTHER INCOME</b>		
Fee, commission and brokerage income	1,179	914
Dividend income	4,670	16,491
Income from dealing in foreign currencies	336	-
(Loss) / Gain on sale of securities	(5,614)	6,931
Other Income	568	32
Total other income	<u>1,139</u>	<u>24,368</u>
	236,197	117,959
<b>OTHER EXPENSES</b>		
Administrative expenses	155,943	142,307
Other charges	-	-
Total other expenses	<u>155,943</u>	<u>142,307</u>
Net gain / (loss)	80,254	(24,348)
Unappropriated loss brought forward	(346,051)	(156,130)
Unremitted loss	<u>(265,797)</u>	<u>(180,478)</u>
Remuneration to sharia advisor / board	1,101	2,467

**21. DATE OF AUTHORIZATION**

These financial statements were authorised for issue on \_\_\_\_\_ by the Board of Directors of the Bank.

**Atif R. Bokhari**  
President &  
Chief Executive Officer

**Dr. Ashfaq Hasan Khan**  
Director

**Omar Z. Al Askari**  
Director

**Sir Mohammed Anwar Pervez, OBE, HPk**  
Deputy Chairman