

CONTENTS

Corporate Information	2
Directors' Report	3
Condensed Interim Balance Sheet	4
Condensed Interim Profit and Loss Account	5
Condensed Interim Cash Flow Statement	6
Condensed Interim Statement of Changes in Equity	7
Notes to the Condensed Interim Financial Statements	8
Branch Network	

CORPORATE INFORMATION

Chairman

Mr. Muhammad Aurangzeb

President & Chief Executive

Mr. Shehzad Naqvi

Directors

Mr. Robert Ralph Davis

Mr. James Alexander Brown

Lt. Gen (Retired) Muhammad Maqbool

Mr. Shamim Ahmad Khan

Mr. Shahid Hafiz Kardar

Chief Financial Officer

Mirza Zafar Baig

Company Secretary

Mian Ejaz Ahmad

Audit Committee

Mr. Shamim Ahmad Khan

Chairman

Mr. Shahid Hafiz Kardar

Member

Mr. James Alexander Brown

Member

Lt. Gen. (R) Muhammad Maqbool

Member

Risk Management Committee

Mr. Shehzad Naqvi

Chairman

Mr. Robert Ralph Davis

Member

Mr. James Alexander Brown

Member

Lt. Gen (Retired) Muhammad Maqbool

Member

Auditors

Messrs M. Yousuf Adil Saleem & Co.,

Chartered Accountants

Cavish Court, A-35, Block 7 & 8, KCHSU,

Sharah-e-Faisal, Karachi.

Legal Advisor

Messrs Hassan & Hassan (Advocates)

7-D, Kashmir/Edgerton Road, Lahore.

Registrar

Messrs Hameed Majeed Associates (Pvt) Limited

H.M. House, 7-Bank Square,

The Mall, Lahore.

Principal Office

16, Abdullah Haroon Road,

Karachi.

Registered / Head Office

77-Y, Phase-III, Commercial Area,

D.H.A., Lahore.

DIRECTORS' REPORT

Dear Members,

On behalf of the Board of Directors of the Royal Bank of Scotland Limited (Formerly ABN AMRO Bank (Pakistan) Limited), I am pleased to present the unaudited financial statements for the quarter ended March 31, 2009.

Economic Environment- First Quarter 2009

Economic Overview

Recent trends in most macroeconomic variables suggest that the domestic economic recovery has steadily progressed. Lower commodity prices have continued to ease pressure on external accounts, which along with IMF and other inflows have lent some degree of stability to the Rupee. Receding inflation could pave the way for further significant declines in SBP's policy rate going forward.

The core elements of Pakistan's economic revival strategy must revolve around on fostering domestic and regional demand for local goods and services. Moreover, lowering inflation and limiting the twin deficits, in particular, would be key to enabling a transition in macroeconomic policy from a stabilization framework to one focused on reviving growth.

Due to general global slowdown in growth and capital accumulation, State Bank of Pakistan (SBP) has reduced the minimum paid up capital requirements for local listed banks from Rs. 23 billion to Rs.10 billion to be met by year 2013. The impact of this revision would be significant for the banking industry in Pakistan.

Performance Review

During the quarter under review, the deposits of the Bank declined by Rs 4.142 billion from the level in December 08 with a corresponding decrease in advances by Rs 7.324 billion. During the quarter ended March 31, 2009, inter bank borrowings and ERF increased by 984 million over December 31, 2008.

During the quarter ended March 31, 2009, adequate provisioning against advances portfolio has been created in accordance with the guidelines of State Bank of Pakistan. Specific loan losses amounting to Rs 1.498 billion were recognized against non-performing loans in current quarter compared to Rs 900 million loan losses recognized in the first quarter of year

2008. Commercial and Consumer credit losses registered an increase during the quarter in line with the cyclical industry situation.

During the first quarter of 2009, revenue increased by Rs 102 million over the corresponding quarter of last year. The interest margins remained under pressure due to the higher cost of saving deposits and term deposits. Utilizing the extensive branch network with additional volumes of non-fund based services handled by the bank, non-fund based income fetched additional revenues of Rs 18 million.

The administration expenses rose by 8 % to Rs 111 million over the corresponding quarter of last year mainly due to certain restructuring cost incurred during the quarter.

During the March 2009 quarter, right shares issuance process was duly completed and new shares amounting to Rs 3.705 billion were made part of Paid –up capital as on March 31, 2009.

Future outlook

Earlier this year, RBS Plc announced its intention to explore new ownership for its businesses in fifteen countries including Pakistan. The announcement assured about the full legal and regulatory obligations compliance and business continuity in an orderly way, through the transition phase. To date, several potential buyers have expressed their intention to acquire the majority holding in The Royal Bank of Scotland Limited.

Acknowledgments

The Board expresses its gratitude to the State Bank of Pakistan, Securities and Exchange Commission of Pakistan and other regulatory authorities for their continuing assistance and support, especially during the acquisition and integration process.

We would also acknowledge support of our clients helping us achieve our objectives during the period under review .Our acknowledgment and special appreciation goes to the efforts of the staff of RBS for their commitment and hard work.

For and on behalf of the Board

Karachi
27 April, 2009

Muhammad Aurangzeb
Chairman

Condensed Interim Balance Sheet as at March 31, 2009

	Note	(Unaudited) Mar 31, 2009	(Audited) Dec 31, 2008
Rupees in '000			
ASSETS			
Cash and balances with treasury banks		7,393,332	8,578,315
Balances with other banks		6,127,415	1,528,817
Lendings to financial institutions	7	2,535,879	1,783,375
Investments	8	17,447,395	18,983,027
Advances	9	60,586,213	67,910,051
Operating fixed assets	10	4,654,179	4,723,595
Deferred tax assets		1,923,645	1,490,856
Other assets		3,186,677	3,094,379
		103,854,735	108,092,415
LIABILITIES			
Bills payable		1,314,389	1,731,520
Borrowings from financial institutions	11	9,180,006	8,195,773
Deposits and other accounts	12	74,960,915	79,102,705
Sub-ordinated loans		798,720	798,880
Liabilities against assets subject to finance lease		-	-
Deferred tax liabilities		-	-
Other liabilities		7,712,664	8,208,833
		93,966,694	98,037,711
NET ASSETS			
		9,888,041	10,054,704
REPRESENTED BY			
Share Capital		17,179,814	13,474,364
Advance against subscription for right shares		-	3,705,450
Reserves		(6,395,647)	(6,395,647)
Accumulated loss		(2,769,087)	(2,508,205)
Surplus on revaluation of assets - net of tax	13	8,015,080	8,275,962
		1,872,961	1,778,742
		9,888,041	10,054,704

CONTINGENCIES AND COMMITMENTS

14

The annexed notes 1 to 19 form an integral part of these condensed interim financial statements.

President / Chief Executive

Director

Director

Director

Condensed Interim Profit and Loss Account (Un-audited)
for the quarter ended March 31, 2009

Note	Jan 01 to Mar 31, 2009	Jan 01 to Mar 31, 2008
	Rupees in '000	
Mark-up / return / interest earned	3,250,689	3,198,845
Mark-up / return / interest expensed	(1,472,600)	(1,504,164)
Net mark-up / interest income	1,778,089	1,694,681
Provision against non-performing loans and advances - net	(814,455)	(677,982)
Provision for diminution in the value of investments	-	-
Bad debts written off directly	(636,950)	(244,752)
	(1,451,405)	(922,734)
Net mark-up / interest income after provisions	326,684	771,947
NON MARK-UP / INTEREST INCOME		
Fee, commission and brokerage income	384,463	490,471
Dividend income	-	-
Income from dealing in foreign currencies	120,926	95,696
Gain/(Loss) on sale of securities	51,766	(13,429)
Unrealized gain on revaluation of investments classified as held for trading	6,668	-
Other income	367,603	341,016
Total non-mark-up / interest income	931,426	913,754
	1,258,110	1,685,701
NON MARK-UP / INTEREST EXPENSES		
Administrative expenses	(1,570,031)	(1,458,608)
Other provisions / write offs	(4,238)	(7,014)
Other charges	(4,106)	(204)
Total non mark-up / interest expenses	(1,578,375)	(1,465,826)
	(320,265)	219,875
Extraordinary/unusual items	-	-
(LOSS)/PROFIT BEFORE TAXATION	(320,265)	219,875
Taxation - Current	(402,171)	(77,000)
- Prior	(18,000)	-
- Deferred	483,575	-
	63,404	(77,000)
(LOSS)/PROFIT AFTER TAXATION	(256,861)	142,875
	Rupee	
(LOSS)/EARNINGS PER SHARE - BASIC AND DILUTED	16	0.10
	(0.17)	

The annexed notes 1 to 19 form an integral part of these condensed interim financial statements.

President / Chief Executive

Director

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Director

Condensed Interim Cash Flow Statement (Un-audited) for the quarter ended March 31, 2009

	Mar 31, 2009	Mar 31, 2008
	Rupees in '000	
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss)/Profit before taxation	(320,265)	219,875
Adjustment for non-cash charges		
Depreciation	121,322	100,975
Amortisation	17,477	12,055
Provision against non-performing advances - net	814,455	677,982
Gain on sale of fixed assets	(1,138)	(13)
(Gain)/Loss on sale of securities	(51,766)	13,429
Unrealised (Gain)/Loss on revaluation of held for trading securities	(6,668)	102
Bad debts written off directly	636,950	244,752
Other provisions / write offs	4,238	7,014
	1,528,202	1,056,296
	1,207,937	1,276,171
(Increase) / decrease in operating assets		
Lendings to financial institutions	(752,504)	(4,106,118)
Held for trading securities	(801,945)	(219,850)
Advances	5,872,433	(3,896,086)
Other assets	(96,536)	(179,619)
	4,221,448	(8,401,673)
Increase / (decrease) in operating liabilities		
Bills payable	(417,131)	(111,934)
Borrowings from financial institutions	1,265,522	6,958,893
Deposits and other accounts	(4,141,790)	(4,133,642)
Other liabilities	(808,829)	56,518
	(4,102,228)	2,769,835
	1,327,157	(4,355,667)
Income tax paid	(104,853)	(348,125)
Net cash flow generated from / (used in) operating activities	1,222,304	(4,703,792)
CASH FLOW FROM INVESTING ACTIVITIES		
Net investments in available for sale securities	2,548,597	794,355
Investments in operating fixed assets	(70,305)	(133,385)
Sale proceeds on disposal of operating fixed assets	2,060	39,230
Net cash flow generated from investing activities	2,480,352	700,200
CASH FLOW FROM FINANCING ACTIVITIES		
Dividend paid	(2)	-
Right shares issuance cost	(7,590)	-
(Payment of) / Receipt from subordinated loan	(160)	1,756,168
Net cash flow (used in) / generated from financing activities	(7,752)	1,756,168
Increase in cash and cash equivalents	3,694,904	(2,247,424)
Cash and cash equivalents at beginning of the year	9,800,197	14,149,828
Cash and cash equivalents at end of the period	13,495,101	11,902,404

The annexed notes 1 to 19 form an integral part of these condensed interim financial statements.

President / Chief Executive

Director

Director

Director

Condensed Interim Statement of Changes in Equity - (Un-audited)

for the quarter ended March 31, 2009

	Share Capital	Advance Against Subscription for Right Shares	Merger Reserve	Statutory Reserve	General Reserve	Unappropriated Profit	Total
	R s . . i n ' 0 0 0						
Opening balance as at January 1, 2008	13,474,364	-	(7,035,966)	611,949	28,370	(1,989,575)	5,089,142
Profit for the quarter ended March 31, 2008	-	-	-	-	-	142,875	142,875
Closing balance as at March 31, 2008	13,474,364	-	(7,035,966)	611,949	28,370	(1,846,700)	5,232,017
Loss for the nine months period ended December 31, 2008	-	-	-	-	-	(660,534)	(660,534)
Transfer from surplus on revaluation of fixed assets to unappropriated profit - net of tax	-	-	-	-	-	1,826	1,826
Advance against subscription for right shares	-	3,705,450	-	-	-	-	3,705,450
Right shares issuance cost - net of tax	-	-	-	-	-	(2,797)	(2,797)
Closing balance as at December 31, 2008	13,474,364	3,705,450	(7,035,966)	611,949	28,370	(2,508,205)	8,275,962
Loss for the quarter ended March 31, 2009	-	-	-	-	-	(256,861)	(256,861)
Transfer from surplus on revaluation of fixed assets to unappropriated profit - net of tax	-	-	-	-	-	913	913
Right shares issued during the quarter	3,705,450	(3,705,450)	-	-	-	-	-
Right shares issuance cost - net of tax	-	-	-	-	-	(4,934)	(4,934)
Closing balance at March 31, 2009	17,179,814	-	(7,035,966)	611,949	28,370	(2,769,087)	8,015,080

The annexed notes 1 to 19 form an integral part of these condensed interim financial statements.

President / Chief Executive

Director

Director

Director

Notes to the Condensed Interim Financial Statements

for the quarter ended March 31, 2009 (Un-audited)

1. STATUS AND NATURE OF BUSINESS

1.1 The Royal Bank of Scotland Limited (formerly ABN AMRO Bank (Pakistan) Limited) (the bank), was incorporated in Pakistan on September 30, 1991 as a public limited company under the Companies Ordinance, 1984 and is listed on all stock exchanges of Pakistan. The name of the bank has been changed effective from August 1, 2008 as part of global rebranding strategy. The Bank's parent company is ABN AMRO Bank N.V. Amsterdam, which holds 99.37% of issued shares. ABN AMRO Bank N.V.'s parent company ABN AMRO holdings N.V. is controlled and owned by RFS Holdings B.V. which is ultimately owned by RBS Plc, Fortis N.V., Fortis S.A./N.V. and Banco Santander S.A. as a result of completion of acquisition on October 17, 2007. The ownership of bank vests in The Royal Bank of Scotland Group Plc. through ABN AMRO Bank N.V. Amsterdam.

The bank currently operates a network of seventy nine branches (December 2008: seventy nine) including 3 Islamic Banking branches in Pakistan and Azad Jammu and Kashmir. The bank operates as a scheduled commercial bank in Pakistan under a license obtained from the State Bank of Pakistan (SBP) and is principally engaged in retail banking, corporate banking and treasury related activities.

1.2 The registered office of the bank in Pakistan is situated at 77-Y D.H.A Lahore, where as the principal office is situated at 16-Abdullah Haroon Road, Karachi.

2. BASIS OF PREPARATION

In accordance with the directives of the Federal Government regarding shifting of the Banking system to Islamic modes, the SBP has issued various circulars from time to time. Permissible forms of trade related modes of financing include purchasing 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.

3. STATEMENT OF COMPLIANCE

3.1 These condensed interim financial statements have been prepared in accordance with approved accounting standards as applicable to banks in Pakistan and the requirements of the Companies Ordinance, 1984 and the Banking Companies Ordinance, 1962. Approved accounting standards comprise of such International Accounting Standards (IAS) and International Financial Reporting Standards (IFRSs) as notified under the provisions of the Companies Ordinance, 1984. Wherever the requirements of the Companies Ordinance, 1984, Banking Companies Ordinance, 1962 or directives issued by the Securities and Exchange Commission of Pakistan (SECP) and the SBP differ with the requirements of these standards, the requirements of the Companies Ordinance, 1984, Banking Companies Ordinance, 1962, or the requirements of the said directives take precedence.

3.2 The SBP vide BSD Circular letter 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. Accordingly, the requirements of these standards have not been considered in the preparation of these condensed interim financial statements. However, investments have been classified and valued in accordance with the requirements prescribed by SBP through various circulars from time to time.

3.3 The disclosures made in these condensed interim financial statements have been limited based on the format prescribed by the SBP vide BSD Circular Letter No.2, dated May 12, 2004, and IAS 34, "Interim Financial Reporting". Further, they do not include all of the information and disclosures required in the annual financial statements and should be read in conjunction with the financial statements of the bank for the year ended December 31, 2008.

4. BASIS OF MEASUREMENT

These condensed interim financial statements have been prepared on the historical cost convention except that certain investments, operating fixed assets (Land and Buildings) and derivative contracts are stated at fair value. All amounts are in Pakistan Rupees unless stated otherwise.

5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation followed in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual financial statements of the bank for the year ended December 31, 2008.

6. ACCOUNTING ESTIMATES AND JUDGEMENTS

The basis for accounting estimates and judgements adopted in the preparation of these condensed interim 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.

	Note	(Unaudited) Mar 31, 2009	(Audited) Dec 31, 2008
Rupees in '000			
7. LENDINGS TO FINANCIAL INSTITUTIONS			
Call money lending		-	100,000
Repurchase agreement lendings (Reverse Repo)	7.2	2,535,879	1,683,375
		2,535,879	1,783,375
7.1 Particulars of lending			
In local currency		2,535,879	1,783,375
In foreign currency		-	-
		2,535,879	1,783,375

	March 31, 2009 (Un-audited)			December 31, 2008 (Audited)		
	Held by bank	Further given as collateral	Total	Held by bank	Further given as collateral	Total
(Rupees in '000)						
7.2 Securities held as collateral against lending to financial institutions						
Market Treasury Bills	2,535,879	-	2,535,879	1,683,375	-	1,683,375

	Note	Held by bank	Given as collateral	Total
(Rupees in '000)				
8. INVESTMENTS				
As at March 31, 2009 - (Un-audited)	8.1	17,447,395	-	17,447,395
As at December 31, 2008 - (Audited)	8.1	17,998,565	984,462	18,983,027

	March 31, 2009 (Un-audited)			December 31, 2008 (Audited)		
	Held by bank	Given as collateral	Total	Held by bank	Given as collateral	Total
(Rupees in '000)						
8.1 Investment						
Held-for-trading securities						
- Pakistan Investment Bonds	808,613	-	808,613	-	-	-
Available-for-sale securities						
- Pakistan Investment Bonds	2,410,036	-	2,410,036	265,524	-	265,524
- Market Treasury Bills	13,060,276	-	13,060,276	16,717,157	984,462	17,701,619
- Pakistan Ijara Sukuk	1,000,000	-	1,000,000	1,000,000	-	1,000,000
- Unlisted Ordinary Shares	23,139	-	23,139	23,139	-	23,139
- Listed Preference Shares	54,630	-	54,630	54,630	-	54,630
- Open End Mutual Fund Units	5,000	-	5,000	5,000	-	5,000
- Term Finance Certificates-Unlisted	12,495	-	12,495	12,495	-	12,495
	16,565,576	-	16,565,576	18,077,945	984,462	19,062,407
Investments at cost	17,374,189	-	17,374,189	18,077,945	984,462	19,062,407
Less: Provision for diminution in value of investments	(66,477)	-	(66,477)	(66,477)	-	(66,477)
Investments - net of provisions	17,307,712	-	17,307,712	18,011,468	984,462	18,995,930
Surplus on revaluation of held-for-trading securities	6,668	-	6,668	-	-	-
Surplus/(Deficit) on revaluation of Available-for-sale securities	133,015	-	133,015	(12,903)	-	(12,903)
Total Investments at market value	17,447,395	-	17,447,395	17,998,565	984,462	18,983,027

	Note	(Unaudited) Mar 31, 2009	(Audited) Dec 31, 2008
Rupees in '000			
9. ADVANCES			
Loans, cash credits, running finances, etc. in Pakistan		65,469,050	72,053,391
Net Investment in finance lease in Pakistan		556,782	620,544
Bills discounted and purchased (excluding treasury bills)			
Payable in Pakistan		248,845	331,084
Payable outside Pakistan		756,301	535,342
		1,005,146	866,426
		67,030,978	73,540,361
Provision against non-performing advances			
- Specific	9.1	(5,985,299)	(5,123,823)
- General		(459,466)	(506,487)
		(6,444,765)	(5,630,310)
		60,586,213	67,910,051

9.1 Advances include Rs 8,783.693 million (December 31, 2008: Rs 7,688.318 million) which have been placed under non-performing status as detailed below:

Category of Classification	March 31, 2009 (Un-audited)		
	Classified Advances	Provision Required	Provision Held
(Rupees in '000)			
Special mention	-	-	-
Substandard	1,956,462	757,394	757,394
Doubtful	2,108,789	919,428	919,428
Loss	4,718,442	4,308,477	4,308,477
	8,783,693	5,985,299	5,985,299

Category of Classification	December 31, 2008 (Un-audited)		
	Classified Advances	Provision Required	Provision Held
(Rupees in '000)			
Special mention	-	-	-
Substandard	2,902,486	1,183,180	1,183,180
Doubtful	889,135	359,815	359,815
Loss	3,896,697	3,580,828	3,580,828
	7,688,318	5,123,823	5,123,823

10. OPERATING FIXED ASSETS

During the current period, additions to fixed assets comprise property and equipment, intangibles and capital work in progress aggregating to Rs. 67.302 million (2008: 86.667 million), whereas deletions comprise of vehicles and equipments aggregating to Rs. 4.3 million (2008: 6.281 million).

	(Unaudited) Mar 31, 2009	(Audited) Dec 31, 2008
	Rupees in '000	
11. BORROWINGS		
In Pakistan	9,170,140	7,902,418
Outside Pakistan	9,866	293,355
	9,180,006	8,195,773
11.1 Particulars of borrowings with respect to currencies		
In local currency	9,170,140	7,902,418
In foreign currency	9,866	293,355
	9,180,006	8,195,773
11.2 Details of borrowings Secured / Unsecured		
Secured		
Borrowings from State Bank of Pakistan		
Under export refinance scheme	4,868,362	4,605,840
Long term financing of export oriented projects	485,998	499,536
Repurchase agreement borrowings	-	983,462
	5,354,360	6,088,838
Unsecured		
Call borrowings	3,800,000	1,800,000
Overdrawn nostro and other accounts	25,646	306,935
	3,825,646	2,106,935
	9,180,006	8,195,773
12. DEPOSITS AND OTHER ACCOUNTS		
Customers		
Fixed deposits	32,961,597	37,810,060
Savings deposits	24,495,740	23,578,740
Current accounts - non-remunerative	16,181,264	16,164,094
Margin accounts	534,847	1,003,376
	74,173,448	78,556,270
Financial institutions		
Remunerative deposits	668,057	420,204
Non-remunerative deposits	119,410	126,231
	787,467	546,435
	74,960,915	79,102,705

	Note	(Unaudited) Mar 31, 2009	(Audited) Dec 31, 2008
Rupees in '000			
13. SURPLUS ON REVALUATION OF ASSETS - NET OF TAX			
- Fixed Assets	13.1	1,786,838	1,787,259
- Investments	13.2	86,123	(8,517)
		1,872,961	1,778,742
13.1 Surplus on revaluation of fixed assets			
Surplus on revaluation of fixed assets at January 1		1,864,918	-
Surplus on revaluation of fixed assets booked during the period		-	1,866,744
Transferred to unappropriated profit in respect of incremental depreciation charged during the period		(1,405)	(2,809)
Related deferred tax liability charged during the period		492	983
		1,864,005	1,864,918
Less: Related deferred tax liabilities:			
Revaluation as on January 1		77,659	-
Revaluation of fixed assets during the period		-	78,642
Incremental depreciation charged on related assets		(492)	(983)
		77,167	77,659
		1,786,838	1,787,259
13.2 Surplus on revaluation of available-for-sale securities			
Federal Government securities		134,363	(12,382)
Quoted shares		1,106	(521)
Other securities		(2,454)	-
		133,015	(12,903)
Less: Related deferred tax (liability)/asset		(46,892)	4,386
		86,123	(8,517)

14. CONTINGENCIES AND COMMITMENTS

14.1 Direct credit substitutes

Including general guarantees of indebtedness, bank acceptance guarantees and standby letters of credit serving as financial guarantees for loans and securities:

	(Unaudited) Mar 31, 2009	(Audited) Dec 31, 2008
Rupees in '000		
Government	-	-
Financial institutions	-	-
Others	1,741,786	1,847,244
	1,741,786	1,847,244

14.2 Transaction-related contingent liabilities

Including performance bonds, bid bonds, warranties, advance payment guarantees and shipping guarantees related to particular transactions:

	(Unaudited) Mar 31, 2009	(Audited) Dec 31, 2008
	Rupees in '000	
Government	187,030	187,030
Financial institutions	15,216,465	9,973,905
Others	4,717,053	4,792,978
	20,120,548	14,953,913
14.3 Trade-related contingent liabilities		
Letters of credit	10,275,253	13,768,699

14.4 Tax Contingencies

14.4.1 The income tax returns of the bank have been submitted upto the December 31, 2007, i.e. tax year 2008, while assessments upto the tax year 2007 have been finalized. The return filed for the tax year 2008 is deemed as assessed in terms of section 120 (1) of the income Tax Ordinance, 2001. In assessing the taxable income of prior years, the Income Tax Department had disallowed provisions against non-performing advances and made certain other add backs against which the bank had filed appeals in the Income Tax Appellate Tribunal (ITAT). These cases were decided in favour of the bank by ITAT. However, the Income Tax Department has filed appeals in the High Court and in case of adverse outcome by the High Court, liability amounting to Rs. 1,248 million may arise.

14.4.2 Assessments of ABN AMRO Bank N.V.- Pakistan Branches (the branches) have been finalized upto the tax year 2007. For the tax years 2003 and 2004 the ABN AMRO Bank N.V.- Pakistan Branches (the branches) has filed appeals with the ITAT which is pending adjudication. For the tax years 2005, 2006 and 2007, order under Section 122 has been passed by the taxation authorities wherein certain disallowances were made. Against the disallowances, the bank has filed appeals before the Commissioner of Income Tax (Appeals) which is pending. The amount of tax involved in respect of the issues that are pending in appeals with the appealing authorities is Rs. 58.9 million for which no provision has been made in the financial statements as the management is confident that the ultimate outcome of the appeals in question will be in favour of the bank.

14.5 Commitments in respect of forward lending

The bank makes commitments to extend credit in the normal course of its business but none of these commitments are irrevocable and do not attract any significant penalty or expense if the facility is unilaterally withdrawn.

	(Unaudited) Mar 31, 2009	(Audited) Dec 31, 2008
	Rupees in '000	
14.6 Commitments in respect of forward foreign exchange contracts		
Purchase	40,459,137	45,819,801
Sale	19,930,040	19,986,494
14.7 Commitments for acquisition of operating fixed assets	42,466	54,866
14.8 Other commitments		
Interest Rate Derivatives (notionals)	78,827,795	79,428,271

15. RELATED PARTY TRANSACTIONS

Related parties comprise the parent company and group companies outside Pakistan, retirement benefit plans, directors and key management personnel of the bank. These transactions were made on substantially the same commercial terms as those prevailing at the same time for comparable transactions with unrelated parties and did not involve more than a normal amount of risk.

	(Unaudited) Mar 31, 2009	(Audited) Dec 31, 2008
	Rupees in '000	
Key management personnel		
Advances		
Opening balance	82,487	48,344
Given during the period	16,938	92,024
Repaid during the period	(31,719)	(57,881)
Closing balance	67,706	82,487
Deposits		
Opening balance	58,758	103,952
Received during the period	43,114	1,881,838
Withdrawn during the period	(66,219)	(1,927,032)
Closing balance	35,653	58,758
	(Un-audited)	(Un-audited)
	For the	For the
	quarter ended	quarter ended
	Mar 31, 2009	Mar 31, 2008
	Rupees in '000	
Mark-up / return / interest earned during the period	235	955
Mark-up / return / interest expensed during the period	323	272

	(Unaudited) Mar 31, 2009 Rupees in '000	(Audited) Dec 31, 2008
Retirement benefit plans		
Deposits with the bank	346,628	117,894

	(Un-audited) For the quarter ended Mar 31, 2009	For the quarter ended Mar 31, 2008
	Rupees in '000	
Charge for defined/retirement benefit plans	42,900	47,168

	(Unaudited) Mar 31, 2009 Rupees in '000	(Audited) Dec 31, 2008
Parent company and group companies outside Pakistan		
Balances as at the period / year end were as follows:		
- Deposits and other balances taken	78,552	75,405
- Deposits and other balances placed	5,701,985	1,346,448
- Overdrawn nostros	9,866	293,355
- Guarantees issued favouring related parties or on their behalf	13,903,463	8,749,426
- Other contingencies and commitments	41,513,141	54,353,034
- Advance against subscription for right shares	-	3,705,450

The income and expense in respect of related parties included in these condensed interim financial statements are as follows:

	(Un-audited) For the quarter ended Mar 31, 2009	For the quarter ended Mar 31, 2008
	Rupees in '000	
Mark-up / return / interest earned during the period	116,132	70,248
Mark-up / return / interest expensed during the period	2,024	4,530

	(Un-audited)	
	For the quarter ended Mar 31, 2009	For the quarter ended Mar 31, 2008
	Rupees in '000	
16 (LOSS)/EARNINGS PER SHARE - BASIC AND DILUTED		
(Loss)/Profit for the period	(256,861)	142,875
		Restated Number in '000
Weighted average number of Ordinary shares	1,531,568	1,382,438
		Rupee
(Loss)/Earnings per share - basic and diluted	(0.17)	0.10

17. CREDIT RATING

PACRA has measured the bank's short term credit rating at (A1+) and long term credit rating at (AA).

18. DATE OF AUTHORIZATION

These condensed interim financial statements were authorised for issue on April 27, 2009 by the Board of Directors.

19. GENERAL

Figures have been rounded off to the nearest thousand rupees.

President / Chief Executive

Director

Director

Director

BRANCH NETWORK

KARACHI

Main Branch

16, Abdullah Haroon Road.

UAN: (021) 111-11-22-33

Fax: (021) 568 3432

Abdullah Haroon Road

State Life Building No. 11,

Abdullah Haroon Road.

Tel: (021) 568 4525, 568 2639 & 568 3981

Fax: (021) 568 3975

I. I. Chundrigar Road

Nadir House, I.I.Chundrigar Road.

Tel: (021) 241 8487, 241 8300 - 9

Fax: (021) 241 8485

Zamzama

13 - C, 7th Zamzama Commercial Lane,

Phase V, D.H.A.

Tel: (021) 587 5323, 587 5401

Fax: (021) 587 5404

Defence

World Business Centre,

Main Korangi Road, Phase I, D.H.A.

Tel: (021) 580 5182, 580 5170 - 9

Fax: (021) 580 5180

Shahrah-e-Faisal

Progressive Centre,

Shahrah - e - Faisal.

Tel: (021) 438 9573 - 7

Fax: (021) 453 5170

Shaheed-e-Millat Road -

Islamic Banking

SNP, A / 6 - A 1, Commercial Area,

Karachi Cooperative Housing Society

Union Ltd., Union Area,

Shaheed - e - Millat Road.

Tel: (021) 431 2585, 439 8355 - 7

Fax: (021) 431 1658

Cloth Market

Cloth Market, New Naham Road,

Off M. A. Jinnah Road.

Tel: (021) 247 2704, 247 2616 - 9

Fax: (021) 247 2595

Jodia Bazar

NP 12 / 74, Mohammad Shah Street,

Jodia Bazar.

Tel: (021) 253 3976, 252 2225 - 9

Fax: (021) 252 2224

Khy-e-Shahbaz

43 - C, Khayaban-e-Shahbaz,

Phase V, D.H.A.

Tel: (021) 534 2388, 534 2364 - 8

Fax: (021) 534 2387

North Karachi

Nimra Corner, Sector 12-A,

Industrial Area, North Karachi.

Tel: (021) 695 8456, 692 0621 - 5

Fax: (021) 695 6237

Paper Market

Shahrah-e-Liaquat, Paper Market.

Tel: (021) 221 3940, 221 3946 - 7

Fax: (021) 221 3941

Dhoraji

Sana Pride, 35/244, CP & Berar

Cooperative Housing Society, Dhoraji.

Tel: (021) 413 6551, 413 1421 - 3

Fax: (021) 413 6550

S.I.T.E.

Plot No. B / 9 - B - 2,

Estate Avenue, S.I.T.E.

Tel: (021) 256 9772, 256 9934 - 43

Fax: (021) 256 9771

North Nazimabad - Block G

Almas Square, Plot No. SD - 5,
Block G, North Nazimabad.
Tel: (021) 664 8441, 664 8750 - 1
Fax: (021) 664 8440

Metroville

ST-15, Block-3, Metroville I, S.I.T.E.
Tel: (021) 666 1300
Fax: (021) 666 2774

Marriot Road

G/5-7, St. No. MR-1, Survey No. 54.
Tel: (021) 241 4093, 241 2803 - 7
Fax: (021) 241 4095

Gulshan-e-Iqbal - Block 6

FL-2/4, Block 6.
Tel:(021) 481 9741, 481 9572 - 6
Fax: (021) 481 9744

Federal B Area

C-25, Block 17.
Tel: (021) 680 0693, 680 0342 - 3
Fax: (021) 680 0344

Gulistan-e-Jauher

Billy's Heights, KDA Scheme No.36.
Tel: (021) 402 6833, 402 6826 - 30
Fax: (021) 402 6832

Kh-e-Itehad

8-C, Itehad Commercial Lane 9,
Phase VI, D.H.A.
Tel: (021) 535 0274, 535 0268 - 72
Fax: (021) 535 0275

Tipu Sultan Road

Plot No.110, Zonal Commercial Area,
Banglore Cooperative Housing Society.
Tel: (021) 430 1181 - 85
Fax: (021) 430 1187

Defence

22/C, Lane 2, Shahbaz Commercial,
Phase V, D.H.A.
Tel: (021) 585 4460
Fax: (021) 585 5131
UAN: (021) 111-111-338

Gulshan-e-Iqbal - KDA Scheme No. 24

SB-25, Block 13/C, KDA Scheme No. 24,
University Road.
Tel: (021) 499 2055
Fax: (021) 497 2270
UAN: (021) 111-335-335

Shaheed-e-Millat

72-A/Z, Block 7/8,
Al-Riaz Cooperative Housing Society.
Tel: (021) 431 1950
Fax: (021) 431 0749, 438 2583
UAN: (021) 111-321-321

North Nazimabad - Block D

D4, Block D, North Nazimabad.
Tel: (021) 672 1601 - 5, 672 1640
Fax: (021) 672 1614

Korangi - Islamic Banking

KM Centre, 130, 130/1,
Main Korangi Road, Phase I, D.H.A.
Fax: (021) 531 1441
UAN: (021) 111-11-71-72

LAHORE

Main Branch

310, Upper Mall,
Shahrah-e-Quaid-e-Azam.
Fax: (042) 575 1020
UAN: (042) 111-11-22-33

Gulberg

61- Main Gulberg.
Tel: (042) 575 7666
Fax: (042) 575 3111

Egerton Road

Ground Floor, Building No. 3,
Aiwan-e-Iqbal Complex, Egerton Road.
Tel: (042) 637 1111, 627 8782
Fax: (042) 636 8500

Defence

77-Y, Phase III, D.H.A.
Tel: (042) 572 8282, 572 6601
Fax: (042) 572 5767

New Garden Town

Awami Complex, Block No. 2,
New Garden Town.
Tel: (042) 586 1111, 594 0191
Fax: (042) 586 9181

Allama Iqbal Town

20 Gulshan Block,
Allama Iqbal Town.
Tel: (042) 541 5588, 541 7262
Fax: (042) 541 9394

Gulberg Industrial Area

25-B-2 Gulberg III.
Tel: (042) 571 7141-5
Fax: (042) 571 8050

Township

894-D, Faisal Town, PECO Road.
Tel: (042) 517 6051-9, 517 6002
Fax: (042) 517 6041

Circular Road

Outside Shah Alam Gate,
Main Circular Road.
Tel: (042) 767 0600, 767 0501
Fax: (042) 767 0666

Qurtaba Chowk

Qurtaba Chowk, 110-A, Lytton Road.
Tel: (042) 721 0500-4, 790 0268
Fax: (042) 721 0505

PIA Town

188, Block-F, Phase I,
PIA Employees Housing Society,
Wapda Chowk.
Tel: (042) 518 9011 - 6, 518 9020
Fax: (042) 518 9010

Baghbanpura

Bilal Market, Chowk Shalamar Bagh,
G. T. Road, Baghbanpura.
Tel: (042) 684 0310 - 5, 684 0318
Fax: (042) 684 0316

Badami Bagh

343-Circular Road, Badami Bagh.
Tel: (042) 770 8160, 770 8171
Fax: (042) 770 8170

Raiwind Road

131/178, Bohbatein Chowk,
10 K.M. Raiwind Road.
Tel: (042) 532 0164, 532 0406
Fax: (042) 532 0706

Bilal Gunj

16, Shahjehan Road, Bilal Gunj.
Tel: (042) 721 4084 - 8
Fax: (042) 721 4074

Gulshan-e-Ravi

2/B, Civic Centre, Gulshan-e-Ravi.
Tel: (042) 740 4511-6, 630 1107
Fax: (042) 740 4517

Valancia Society

A-6, H-Block, Commercial Zone,
Valancia Society.
Tel: (042) 518 8604 - 5
Fax: (042) 518- 8606

T-Block

CCA-22, T-Block, Phase II, D.H.A.
Tel: (042) 574 9742, 503 3331 &
844 5101-3
Fax: (042) 574 9741

Shahdara

Mauza Begum Kot,
Sheikhupura Road, Shahdara.
Tel: (042) 790 0260 - 1, 790 0268

Faisal Town

594-A Faisal Town.
Tel: (042) 520 3881 - 4, 520 3892
Fax: (042) 520 3880

Cavalry Ground - Islamic Banking Branch

97 Commercial Area,
Cavalry Ground.
Tel: (042) 660 3412 - 17
Fax: (042) 660 3411

Cavalry Ground

4/5, Hassan Plaza,
Cavalry Ground Cantt.
Fax: (042) 665 5591
UAN: (042) 111-321-321

ISLAMABAD

Main Branch

15 Markaz, F - 7, Opposite FG College
for Women, F-7/2.
Tel: (051) 265 1318
Fax: (051) 265 1331
UAN: (051) 111-11-22-33

Blue Area

78 - W, Roshan Centre,
Jinnah Avenue, Blue Area.
Tel: (051) 227 5252
Fax: (051) 227 5254

F-10 Markaz

7-L, F-10 Markaz.
Tel: (051) 229 3386, 229 1487
Fax: (051) 221 3207

PESHAWAR

Ashraf Road

New Rampura Gate.
Tel: (091) 259 3364 - 5, 259 3164
Fax: (091) 259 3165

Cantt.

6- Sadar Road, Peshawar Cantt.
Tel: (091) 527 5156, 527 5182
Fax: (091) 527 3251

QUETTA

1-25/14-15, Qandhari Bazar.
Tel: (081) 282 0916, 283 7890
Fax: (081) 282 0915

RAWALPINDI

Mall Road

Century Tower, 6-The Mall.
Tel: (051) 570 1054-6, 570 1060
Fax: (051) 556 7016

Gunj Mandi

Raja Bazar.
Tel: (051) 553 9115, 553 3315 & 553 5988

Meo Road

CL / 55 - A, Civil Lines, Meo Road.
Tel: (051) 579 5105
Fax: (051) 556 7955
UAN: (051) 111-321-321

FAISALABAD

Liaquat Road

P-3, Liaquat Road.
Tel: (041) 264 7161, 263 6341
Fax: (041) 261 2064

Bilal Road

P - 17/1, Bilal Road, Civil Lines.

Tel: (041) 260 6138

Fax: (041) 260 6001-2

UAN: (041) 111-11-22-33

MULTAN

Abdali Road

80 - Abdali Road.

Tel: (061) 458 1905-6, 457 1768

Fax: (061) 458 1904

Nusrat Road

01-Nusrat Road, Multan Cantt.

Tel: (061) 478 1054

Fax: (061) 478 0126 - 7

UAN: (061) 111-11-22-33

SIALKOT

Paris Road

Sialkot Chamber of Commerce & Industry Building, Paris Road.

Tel: (052) 426 5216

Fax: (052) 426 7030

Daska Road

Pul Aik, Daska Road.

Tel: (052) 324 0203-4, 324 0200

Fax: (052) 324 0205

HYDERABAD

CB 474, Opposite Cantt.

Police Station, Saddar.

Tel: (022) 278 1604, 278 1077 - 8

Fax: (022) 278 0879

GUJRAT

2-Prince Fan Colony, G. T. Road.

Tel: (053) 353 3143, 353 5931

Fax: (053) 353 3145

MIRPUR (AZAD KASHMIR)

Akbar Plaza Plot No. 2A/2 Sector A-2

Tel: (058610) 111-11-22-33

Fax: (058610) 37 260 & 42 812

SARGODHA

Khayyam Chowk, Railway Road.

Tel: (048) 372 6646 - 8

Fax: (048) 372 6649

GUJRANWALA

Al-Majeed Centre, G.T. Road.

Tel: (055) 373 5531 - 5, 373 5337

Fax: (055) 373 5536

VEHARI

94-B, Iqbal Road,

Behind Grain Market.

Tel: (067) 336 6582, 336 6481

Fax: (067) 336 6584

JHELUM

Old G. T. Road, Jhelum Cantt.

Tel: (0544) 62 1122

Fax: (0544) 625 648, 620 404

TURBAT

Main Bazar.

Tel: (0852) 41 3816

Fax: (0852) 41- 2673

DERA GHAZI KHAN

Pakistan Plaza, Jampur Road.
Tel: (0642) 47 4182, 47 4175 - 7
Fax: (0642) 47 4178

SUKKUR

Shaheed Gunj.
Tel: (071) 562 8967
Fax: (071) 562 8968

MARDAN

Main Bazar, Bank Road.
Tel: (0937) 87 1761 - 2
Fax: (0937) 87 0546, 87 0902

GUJAR KHAN

Plot No. 204-A, G. T. Road.
Tel: (051) 351 6425, 351 6324
Fax: (051) 351 6325

KHARIAN

G. T. Road.
Tel: (053) 753 6249

BHALWAL

131-A, Liaquat Shaheed Road,
Chak No. 8, Tehsil Bhalwal,
District Sargodha.
Tel: (048) 664 3671, 664 2405 & 664 2408
Fax: (048) 664 3545

BAHAWALPUR

V/912, Circular Road.
Tel: (062) 273 1112, 273 1115 - 8
Fax: (062) 287- 4503

