

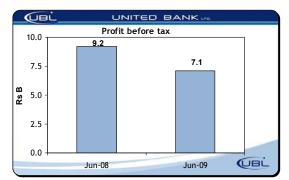
## **DIRECTORS' REPORT TO THE MEMBERS**

On behalf of the Board of Directors, I am pleased to present to you the consolidated financial statements of the Bank for the half-year ended June 30, 2009.

## **Financial Highlights**

	(Rs. In millions)
Profit before taxation Taxation	7,107 (2,509)
Profit after taxation	4,598
Share of minority interest	(7)
Un-appropriated profit brought forward – January 01, 2009 Transfer from surplus on revaluation of fixed assets	17,703
– Incremental depreciation	127
Profit before appropriations	22,421
Transfer to statutory reserve	(858)
Cash dividend paid to shareholders – 2008	(1,012)
Bonus shares issued – 2008	(1,012)
Un-appropriated profit carried forward – June 30, 2009	19,540
Earnings per share (post bonus)	<b>(Rupees)</b> 4.13

## Results impacted by economic challenges



UBL posted a profit before tax of Rs. 7.1 billion for the six month period ending June 30<sup>th</sup> 2009 which is 23% lower from the same period last year due to higher provision on advances and provision required on impairment for investments. Deposits increased by 6% over December 2008 with a 17% growth in current deposits. Current and saving accounts (CASA) ratio increased to 62% at June 30, 2009 from 59% at December 31, 2008.

Profit after tax at Rs. 4.6 billion translates into diluted earnings per share of Rs. 4.13 (June 2008: 5.21). Higher as is evident from a pre-provision operating profit increase

provisioning has significantly impacted results as is evident from a pre-provision operating profit increase of 13% over the same period last year.

Net interest income before provisions grew by 19% on account of higher Kibor rates and a 13% increase in average advances. However, non-interest income came in 2% down at Rs 6.5 billion. Consequently, operating revenue came in higher by 12% at Rs 22.5B compared to the same period last year.

# UВĹ

Net interest margins (NIMs) remained strong at 6.3% owing to higher interest rates and attractive returns on the investment portfolio. However, NIMs on a year on year basis were impacted by an increase in the cost of deposits as a result of SBP regulation of 5% minimum rate of return on saving deposits which came into effect in June 2008.

Net interest income after provisions came in 12% down from the same period last year at Rs 9.5 billion. Provisions are up by Rs. 3.9 billion to Rs 6.6 billion this year mainly due to higher corporate and on-going consumer portfolio provisions. It is to be noted, however, that the management has taken a prudent stance to improve coverage on our loan portfolio so as to mitigate further weakening in asset quality. The provisioning charge also includes Rs. 484M charged on account of impairment loss taken on the equities portfolio.

Non-interest income at Rs. 6.5 billion was 2% down over the same period last year. Fee income was down due to reduced investment and acquisition financing activity in the corporate sector and lower level of fees from distribution of retail financial products. Commissions on consumer loans declined by 30% owing to net attrition in the lending portfolio. Exchange income is down by 26% as volatility in the Pak rupee had contributed to significant exchange income last year.

Administrative expenses increased by only 11% over the same period last year with personnel cost contributing to nearly half of the increase. In spite of high inflationary pressures (average 1H09 CPI at 17.6%), we have managed to improve cost efficiency across the bank and to limit operating costs from increasing sharply.

Total assets have grown by Rs. 34 billion to Rs. 654 billion during the first six months of the year with investments increasing by 11% to Rs. 128 billion and deposits by 6% to Rs. 521 billion.

## Marcro-economic indicators remain fragile

The effects of the global financial crisis continued to be felt on Pakistan's economy which grew by only 2% during 2008-09. Political instability and increased militancy in the northern areas of the country have taken its toll on the economy both in terms of direct costs of the fight against extremism as well as affecting investment inflows and investor confidence.

GDP growth came in at 2% mainly due to large scale manufacturing sector which declined by 7.7% this year as compared to a growth of 4% last year. Services sector grew by 3.6% this year compared to 6.6% last year and could not achieve the targeted growth owing to a decline of 1.2% in the finance and insurance sector as compared to the growth of 12.9% last year. Agriculture sector remained the one bright performer registering a growth of 4.7% this year as compared to 1.1% achieved last year.

Deteriorating law and order situation led to foreign direct investment declining from \$3.9 billion to \$2.2 billion this year and a net outflow of \$451 million of portfolio investment as against a net inflow of \$99 million last year. This has had a direct impact on the economic growth which has consequently affected the banking sector profitability adversely.

However, the IMF program has helped to bring some stability in key economic indicators. Foreign exchange reserves which had dropped to below \$7 billion in November 2008 increased to \$11.4 billion in June 2009. Current account deficit was 23% lower this year at \$8.5 billion with trade deficit down to \$14 billion against \$16.8 billion last year. Remittances were up by 21% to \$6.4 billion this year which also helped to stabilize the external account.

The tight monetary policy followed by the government has also yielded results by easing demand pressures on the economy which is evident from M2 growth which came in at 4.6% as compared to 9.3% last year. With CPI also falling to 14% in June 2009, the SBP reduced discount rate by 100 bps





to 14% with further cuts expected later in the year. The lowering of interest rates should provide impetus for future growth which bodes well for the banking sector advances. Asset quality which has been adversely impacted by high borrowing rates would also be strengthened following further cuts in discount rates.

The key challenges, however, which need to be resolved in order to revive the economy and restore investor confidence in the Pakistan market remain the acute energy crisis and the increased threat of militancy and extremism. Given the government's current focus on these issues, we remain cautiously optimistic that the economic indicators will continue to improve this year.

## Deposits growth further strengthen the balance sheet

Deposits have continued to grow and increased by 6% to Rs 521 billion despite liquidity constraints and increased competition from high yielding National Saving Schemes. The increase in deposits has come mainly from current deposits which grew by 17% to Rs 157 billion while we have shed high cost fixed deposits by 2% to Rs 187 billion. This reduction in expensive deposits has resulted in cost of deposits declining from 5.7% in March 2009 to 5.4% in June 2009. Consequently CASA for the bank has also improved from 59% to 62% in June 2009.

## Disbursement to IDPs (Internally displaced persons)

UBL had the honour of being selected to assist the government in providing aid to approximately 268,000 families which have been displaced in the war against militants in the northern area of Pakistan. An efficient and transparent financial assistance disbursement mechanism has been devised in conjunction with NADRA to serve this purpose. Around 250 UBL branches started the process of distributing cards for disbursement of Rs 25,000 per family. To date UBL has opened approximately 285,000 accounts against which 177,000 cards have been activated and funds amounting to almost Rs, 4 billion disbursed.

## **UBL Wiz Prepaid**

Moving on from the success of UBL Wallet, we have launched Pakistan's first Prepaid Debit card – UBL Wiz. The concept revolves around 'Pay now, buy later.' The prepaid debit card works on the lines of the concept of prepaid mobile phone and internet cards with the customer acquiring a specific denomination card from readily accessible locations and using it till its expiry or depletion. The funds in the VISA prepaid card are used through purchase transactions or cash withdrawals by the customer.

70k cards have been issued with a float of Rs 95 million in a short period and additional features are being introduced including ATM/Internet, card sales through all online branches and retail outlets, and specific usage cards (Hajj-Umra-Internet-Corporate-Remittance-FCY).

## Credit rating re-affirmed

The credit rating company JCR-VIS has re-affirmed the bank's long-term entity rating at AA+ and the ratings of our four subordinated debt instruments at AA. The short-term ratings remain at A-1+ which is the highest rating denoting the greatest certainty of timely payments by a financial institution.

The re-affirmation of our ratings is based on our diversified deposit base, strong international operations and leading corporate and commercial segments in the domestic market. All ratings for UBL have been assigned a Stable outlook.





## Implementation of core banking application on schedule

The implementation of our core banking software project Genesis is well on track against targeted milestones. The core banking application has been procured from a reputable international vendor and the transition to the new software is planned over multiple phases which is being overlooked by a dedicated project management and business teams headed by a Project Director. A Genesis Steering Committee, comprising senior management of the bank, also keeps track of progress made in achieving established milestones, as well as making sure that there is complete synergy between the project team and the rest of the business divisions.

The first phase of the front end application Customer Service Manager (CSM) which comprises complaints management, customer dashboard, alerts engine and campaign management has been successfully deployed at the City Branch and the roll out in 300 branches in Karachi and Lahore is now underway. The software offers the capability to present a consolidated position of every retail UBL customer and allows us to target products to specific customers. It will also assist in more efficient logging of customer complaints at the branches and their speedy resolution through a customizable workflow engine that keeps track of turnaround times and escalates whenever those times are exceeded. This will result in providing much better customer service at the branches and will enable Head Office to monitor the service delivery at the branches from a centralized reporting dashboard.

A sub-phase of the project is also under way, to be completed in 3 months, which will allow CSM to be used by Relationship Managers for servicing corporate / SME / Agri clients in a similar manner. Phase two of the CSM comprising consumer and corporate/SME loan origination is scheduled to be automated in end-to-end Straight Through Processing (STP) mode by the end of this year.

The back end engine of the core banking application SYMBOLS will cater to the bank's requirements with respect to consumer, agriculture, SMEs, corporate, treasury and trade finance portfolios, along with its deposit products. SYMBOLS includes complete end-to-end product lifecycle mapping, including post disbursement monitoring and control. Currently treasury operations are on the fast track with implementation expected by the end of the year. The Standard track implementation comprising migration of all other products and services other than treasury is expected by second quarter 2010. After the first 5 pilot branches, SYMBOLS will be deployed across the Pakistan branch network at a steady pace, while the implementation of SYMBOLS / CSM at UBL's overseas branches will also commence in parallel at this time.

## Launch of UBL liquidity plus fund (ULPF)

The launch of UBL Fund Managers' most recent fund by the name of UBL Liquidity Plus Fund-ULPF added a seventh fund (sixth open ended) to our existing diverse range of funds products which is in line with our aim of offering a complete and comprehensive range of funds for our customers. UBL authorized branches across the country will provide services to customers for all product offerings. With this latest fund, UBL Fund Managers now have Rs. 21 billion assets under management.

## Looking ahead

The earnings and growth of the banking sector has been negatively impacted by the current economic and political turmoil in the country. While there are signs of improvement in key macro economic indicators, major challenges remain. The IMF program has brought some stability but there needs to be a concerted effort by the policy makers to tackle the energy crisis which is the main impediment to industrial growth. Additionally success in the war on extremism will be key to restoring investor confidence and reviving foreign direct investment.





Despite these challenges, however, our diverse revenue and funding sources have provided us support. Our efforts to reduce funding costs by shedding expensive deposits and exercising tight operating cost controls have resulted in pre-provision operating profit growing by 13% to Rs. 13.9 billion in the first six months of the year over the same period last year. Operating revenue (net interest and non interest income) has also shown an increase of 12% in the first six months of the year.

The main challenge remains improving asset quality which has negatively impacted our bottom line. Our focus has been on securing coverage on our portfolio this quarter which is evident from the improvement in our coverage ratio. With the high provision charge taken in this quarter, we believe that provision expenses have peaked and should show a reduction in the next quarters. The declining interest rates should also ease pressure on corporate and retail borrowers which should lead to an improvement in asset quality. Going forward, we remain cautiously optimistic of improvements in this area.

## Acknowledgements

We would like to express our sincere thanks and gratitude to our customers for their patronage and the State Bank of Pakistan and the Government of Pakistan for their continued support. We also take the opportunity to thank the shareholders for their continued trust and the staff for their dedication and commitment.

For and on behalf of the Board,

Sir Mohammed Anwar Pervez, OBE, HPk Deputy Chairman London

July 28, 2009





# **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

	Note	(Un audited) June 30, 2009 (Rupees	(Audited) Dec 31, 2008 in '000)
		(itupooo	
ASSETS			
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
		632,698,057	605,072,482
LIABILITIES			
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
		580,968,326	561,209,723
NET ASSETS		51,729,731	43,862,759
REPRESENTED BY			
Share capital		11,128,907	10,117,188
Reserves		17,140,342	15,501,513
Unappropriated profit		18,137,291	16,604,076
		46,406,540	42,222,777
Surplus on revaluation of assets - net of deferred tax	11	5,323,191	1,639,982
		51,729,731	43,862,759
CONTINGENCIES AND COMMITMENTS	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.





#### 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 s in '000)	Jan-Jun 2008
			(	,	
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
Non mark-up / return / interest income					
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	10	3,674,712	3,061,508	5,781,030	6,034,412
rotar non mant up / rotarn / interest income		7,248,713	8,533,797	15,190,024	16,706,206
Non mark-up / interest expenses		1,240,710	0,000,707	10,100,024	10,700,200
Administrative expenses	16	(4,150,176)	(3,733,382)	(8,067,775)	(7,229,200)
Other provisions / write offs / reversals	10	(186,063)	(137,823)	(183,093)	(194,526)
Worker welfare fund		(186,727)	(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)
Profit before taxation		2,825,399	4,456,798	6,768,643	8,897,535
<b>—</b>		, ,	, ,		, ,
Taxation - Current	17	(1.220.001)	(4.005.755)	(2.040.007)	(2.044.500)
- Prior		(1,339,001)	(1,805,755)	(2,946,897)	(3,641,566)
- Deferred		(74,961) 340,204	(44,986) 86,915	(74,965) 540,768	(44,986) 382,529
- Deletted		(1,073,758)	(1,763,826)	(2,481,094)	(3,304,023)
Profit after taxation		1,751,641	2,692,972	4,287,549	5,593,512
		.,,.	_,	.,,ee	0,000,012
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
Appropriations					
Transfer to statutory reserve		(350,328)	(538,595)	(857,510)	(1,118,703)
Final cash dividend for the year ended December 31, 2008		(350,328)	(556,595)	(057,510)	(1,110,703)
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)
Unappropriated profit carried forward		18,137,291	15,837,789	18,137,291	15,837,789
- the the second because and the second s		,,			
			(Ru	pees)	
Basic and diluted earnings per share		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.

Atif R. Bokhari President & Chief Executive Officer Dr. Ashfaque Hasan Khan Director

Omar Z. Al Askari Director

Sir Mohammed Anwar Pervez, OBE, HPk Deputy Chairman





## 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
CASH FLOW FROM OPERATING ACTIVITIES	(Rupees	in '000)
Profit before taxation	6,768,643	8,897,535
Less: Dividend income	(271,032)	(246,210)
	6,497,611	8,651,325
Adjustments for non-cash charges	-,,	-,
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
	7,529,162	3,605,163
	14,026,773	12,256,488
(Increase) / decrease in operating assets		
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)
langen ((degenere)) in energing linkilities	(4,688,728)	(25,124,802)
Increase / (decrease) in operating liabilities	(400.007)	(070.000)
Bills payable	(129,837)	(978,230) (25,422,005)
Borrowings from financial institutions Deposits and other accounts	(3,637,656) 25,147,167	(25,422,005) 63,897,148
Other liabilities	(1,030,790)	(211,280)
	20,348,884	37,285,633
	29,686,929	24,417,319
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	22,481,461	22,447,319
CASH FLOW FROM INVESTING ACTIVITIES	, - , -	, ,
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	(9,299,836)	(788,816)
CASH FLOW FROM FINANCING ACTIVITIES		
(Repayment) / Reciept of sub-ordinated loan	(2,024)	5,999,176
Dividend paid	(1,011,719)	(2,428,125)
Net cash (outflow) / inflow from financing activities	(1,013,743)	3,571,051
	12,167,882	25,229,554
Exchange difference on translation of net investment in foreign branches	761,827	1,439,337
Increase in cash and cash equivalents during the period	12,929,709	26,668,891
Cash and cash equivalents at beginning of the period	57,567,139	61,717,579
Cash and cash equivalents at end of the period	70,496,848	88,386,470
• • •	,,	, , -

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

Statutory Capital         Statutory Reserve         Testing reserve         Testing reserve         Reserve for Boring         Reserve reserve         Change Reserve         Change Reserve         Unappro- log Boring         Total           Balance as at January 1, 2008         8,003,750         8,700,751         1,562,207         -			Capital Reserves			[]		
Balance as at January 1, 2009         8,093,750         8,709,751         1,552,207         .         1,563,703         9,409,411           Final cash divided for the year ended December 31, 2007         .			Statutory	Exchange Translation Reserve	Reserve for Issue of Bonus Shares	hedge reserve		Total
Find able divided for the year ends December 31, 2007         .				(	Rupees in '000)			
decided subsequent to yiest end at Rs. 3.0 per share       .	Balance as at January 1, 2008	8,093,750	8,709,751	1,552,207	-	-	15,653,703	34,009,411
Issue of bonus shares         2.023,438         -         (2.023,438)         -         -         -           Changes in equity during the half year ended June 30, 2008         -         -         5,593,512		-	-	-	-	-	(2,428,125)	(2,428,125)
Changes in equity during the half year ended June 30, 2008         -         -         -         5,593,512         5,593,512           Transfer form surplus on revaluation of fixed assets         -         -         -         5,593,512         5,593,512           Transfer form surplus on revaluation of fixed assets         -         -         -         -         5,593,512         5,593,512           Transfer form surplus on revaluation of fixed assets         -         -         -         -         160,840         160,840           Exchange difference on translation of net investment         -         -         1,439,337         -         160,840         1,600,477           Total recognities directly in equity         -         -         1,439,337         -         160,840         1,600,477           Transfer to statutory reserves         -         1,118,703         -         (1,117,78)         15,7789         38,774,975           Interim cash dividend for the haif year ended Duceober 31, 2008         -         -         -         2,739,608         2,739,608           Transfer ton surplus on revaluation of thexe assets         -         -         -         2,7178         32,778         32,778           Not tass coach flow hedge - net diaderred tax         -         -         -	Transfer to reserve for issue of bonus shares	-	-	-	2,023,438	-	(2,023,438)	-
Profit flate taxation for the half year ended June 30, 2008       -       -       -       -       5,593,512       <	Issue of bonus shares	2,023,438	-	-	(2,023,438)	-	-	-
to unspropriated profit - net of tax         -         -         -         -         160.840         160.840           Exchange difference on translation of net investment in foreign branches         -         1.439.337         -         160.840         1.60.840           Transfer to statutory reserves         -         1.439.337         -         5.754.352         7.193.889           Transfer to statutory reserves         -         1.118.703         -         1.118.703         -           Balance as at June 30, 2008         10,117.188         9.828.454         2.991.544         -         15.837.789         38.774.975           Interim cash dividend for the half year ended Dacember 31, 2008         -         -         -         1.5.837.789         38.774.975           Changes in equip during the half year ended Dacember 31, 2008         -         -         -         2.739.608         2.739.608         2.739.608         2.739.608         2.739.608         2.739.608         2.740.227         -         2.676.633)         -         2.2410.227         -         2.240.227         -         2.240.227         -         2.240.227         -         2.240.227         -         2.240.227         -         2.240.227         -         2.240.227         -         2.240.227         -		-	-	-	-	-	5,593,512	5,593,512
in foreign branches       -       -       1.439.337       -       -       1.439.337         Net expense recognised income and expense for the period       -       -       1.439.337       -       1.600.440       1.600.177         Total recognised income and expense for the period       -       1.439.337       -       5.764.352       7.193.869         Transfer to statutory reserves       -       1.118.703       -       (1.118.703)       -         Balance as at June 30, 2008       10.117.188       9.828.454       2.991.544       -       15.837.789       38.774.975         Interim cash dividend for the hall year ended December 31, 2008       -       -       -       (1.517.578)       (1.517.578)         Changes in equity during the hall year ended December 31, 2008       -       -       -       2.739.608       2.739.608       2.739.608       2.739.608       2.739.608       2.739.608       2.630.633       2.410.227       -       2.640.227       2.666.333       2.417.8       2.410.227       -       2.410.227       -       2.40.227       -       2.410.227       -       2.410.227       -       2.410.227       -       2.410.227       -       2.410.227       -       2.410.227       -       2.410.227       -       2.410.227		-	-	-	-	-	160,840	160,840
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       -         Balance as at June 30, 2008       10.117,188       9.828,454       2.991,544       -       -       15.837,789       38.774,975         Interin cash dividend for the half year ended June 30, 2008       -       -       -       (1,517,578)       (1,517,578)       (1,517,578)         Changes in equity during the half year ended December 31, 2008       -       -       -       2,739,608       2,739,786       4,663,785       4,241,78       -       2,410,227       -       2,410,227       -       2,410,227       -       2,410,227       -       2,417,88       -       2,417,88		-	-	1,439,337	-	-	-	1,439,337
Transfer to statutory reserves       .       1,118,703       .       .       (1,118,703)       .         Balance as at June 30, 2008       10,117,1188       9,828,454       2,991,544       .       .       15,837,789       38,774,975         Interim cash dividend for the half year ended June 30, 2008       .	Net expense recognised directly in equity	-	-	1,439,337	-	-	160,840	1,600,177
Balance as at June 30, 2008         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 4Rs. 1.5 per share         -         -         -         (1,517,578)         (1,517,578)         (1,517,578)           Changes in equity during the half year ended December 31, 2008         -         -         -         2,739,608         2,739,608         2,739,608         2,739,608         2,739,608         2,739,608         2,739,608         2,739,608         2,739,608         2,739,608         2,739,608         2,739,608         2,739,608         2,740,227         -         2,2410,227         -         2,2410,227         -         2,2410,227         -         2,2410,227         -         2,2410,227         -         2,2410,227         -         2,2410,227         -         2,2410,227         -         2,241,78         4,965,300           Transfer to statutory reserves         -         547,921         -         -         -         -         -         2,2410,227         -         (1,011,719)         -         -         -         -         -         -         -         -         -         -         -         -         - <t< td=""><td>Total recognised income and expense for the period</td><td>-</td><td>-</td><td>1,439,337</td><td>-</td><td>-</td><td>5,754,352</td><td>7,193,689</td></t<>	Total recognised income and expense for the period	-	-	1,439,337	-	-	5,754,352	7,193,689
Interim cash dividend for the half year ended June 30, 2008 declared subsequent to period end at Rs. 1.5 per share         .	Transfer to statutory reserves	-	1,118,703	-	-		(1,118,703)	-
declared subsequent to period end at Rs. 1.5 per share       -       -       -       (1,517,578)       (1,517,578)         Changes in equity during 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       -       -       -       2,739,608       2,739,608         Exchange difference on translation of net investment in foreign branches       -       -       -       -       2,410,227       -       -       2,410,227         Transfer to statutory reserves       -       2,410,227       -       (276,633)       2,817,86       2,240,227         Transfer to statutory reserves       -       2,410,227       -       (276,633)       2,817,86       2,225,772         Balance as at December 31, 2008       10,117,118       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)       -       (1,011,719)         Transfer to reserve for issue of bonus shares       1,011,719       -       1,011,719       -       -       -       -       -       -       -	Balance as at June 30, 2008	10,117,188	9,828,454	2,991,544		-	15,837,789	38,774,975
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       -       -       -       -       2,739,608       2,739,608       2,739,608         Net loss on cash flow hedge - net of defrred tax       -       -       -       -       -       -       2,410,227       -       (276,633)       -       (276,633)       2,2410,227       -       2,410,227       -       (276,633)       2,2410,227       -       2,410,227       -       (276,633)       2,811,766       4,965,380         Transfer to statutory reserves       -       547,921       -       -       (276,633)       16,604,076       42,222,777         Balance as at December 31, 2008       10,117,188       10,376,375       5,401,771       -       (1,011,719)       - <td>· · · · · · · · · · · · · · · · · · ·</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>(1,517,578)</td> <td>(1,517,578)</td>	· · · · · · · · · · · · · · · · · · ·	-	-	-	-	-	(1,517,578)	(1,517,578)
to unappropriated profit - net of tax         -         -         -         -         -         -         92,178			-	-	-	-	2,739,608	2,739,608
Exchange difference on translation of net investment in foreign branches	•	-	-	-	-	-	92,178	92,178
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       -       -       (276,633)       2,831,786       4,965,380         Balance as at December 31, 2008       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       10,117,188       10,376,375       5,401,771       -       (276,633)       16,604,076       42,222,777         Transfer to reserve for issue of bonus shares       -       -       -       -       (1,011,719)       -       (1,011,719)       -	Net loss on cash flow hedge - net of deferred tax	-	-	-	-	(276,633)	-	(276,633)
Intervention bodg in bo		-	-	2,410,227	-	-	-	2,410,227
Transfer to statutory reserves       547,921       -       -       (547,921)       -         Balance as at December 31, 2008       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       -       -       -       (1,011,719)       (1,011,719)       (1,011,719)       (1,011,719)       -       (1,011,719)       -       (1,011,719)       - </td <td>Net expense recognised directly in equity</td> <td>-</td> <td>-</td> <td></td> <td>-</td> <td>( , ,</td> <td></td> <td></td>	Net expense recognised directly in equity	-	-		-	( , ,		
Balance as at December 31, 2008       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       -       -       10,011,719       -       (1,011,719)       -       -         Issue of bonus shares       10,011,719       -       -       1,011,719       - <td< td=""><td></td><td>-</td><td>-</td><td>2,410,227</td><td>-</td><td></td><td></td><td>4,965,380</td></td<>		-	-	2,410,227	-			4,965,380
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 shares1,011,719Issue of bonus shares1,011,7191,011,719<	•	-			-		·	
declared subsequent to year end at Re. 1.0 per share(1,011,719)(1,011,719)Transfer to reserve for issue of bonus shares1,011,719-(1,011,719) <t< td=""><td>·</td><td>10,117,188</td><td>10,376,375</td><td>5,401,771</td><td>-</td><td>(276,633)</td><td>16,604,076</td><td>42,222,777</td></t<>	·	10,117,188	10,376,375	5,401,771	-	(276,633)	16,604,076	42,222,777
Issue of bonus shares1,011,719(1,011,719)Changes in equity during the half year ended June 30, 2009(1,011,719)Profit after taxation for the half year ended June 30, 20094,287,5494,287,549Transfer from surplus on revaluation of fixed assets to unappropriated profit - net of tax4,287,5494,287,549Cash flow hedge - Reclassificaton to profit & loss account126,614126,61419,492Exchange difference on translation of net investment in foreign branches761,82719,492126,614907,933Net expense recognised directly in equity761,827-19,492126,614907,933Transfer to statutory reserves-857,510(857,510)-		-	-	-	-	-	(1,011,719)	(1,011,719)
Changes in equity during the half year ended June 30, 2009Profit after taxation for the half year ended June 30, 2009Transfer from surplus on revaluation of fixed assets to unappropriated profit - net of taxCash flow hedge - Reclassificaton to profit & loss accountExchange difference on translation of net investment in foreign branchesNet expense recognised directly in equityTransfer to statutory reserves	Transfer to reserve for issue of bonus shares	-	-	-	1,011,719	-	(1,011,719)	-
Profit after taxation for the half year ended June 30, 20094,287,5494,287,549Transfer from surplus on revaluation of fixed assets to unappropriated profit - net of tax4,287,5494,287,549Cash flow hedge - Reclassificaton to profit & loss account in foreign branches126,614126,614Net expense recognised directly in equity761,827-19,492126,614907,933Transfer to statutory reserves-857,51019,4924,414,1635,195,482	Issue of bonus shares	1,011,719	-	-	(1,011,719)	-	-	-
to unappropriated profit - net of tax126,614126,614Cash flow hedge - Reclassificaton to profit & loss account19,49219,492Exchange difference on translation of net investment in foreign branches-761,827761,827Net expense recognised directly in equity761,827-19,492126,614907,933761,827-19,492126,614907,933761,827-19,4924,414,1635,195,482Transfer to statutory reserves-857,510(857,510)-		-	-	-	-	-	4,287,549	4,287,549
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         -       -       761,827       -       19,492       4,414,163       5,195,482         Transfer to statutory reserves       -       857,510       -       -       (857,510)		-	_	-	-	-	126,614	126,614
in foreign branches       -       -       761,827       -       -       761,827         Net expense recognised directly in equity       -       -       761,827       -       19,492       126,614       907,933         -       -       761,827       -       19,492       4,414,163       5,195,482         Transfer to statutory reserves       -       857,510       -       -       (857,510)       -	Cash flow hedge - Reclassificaton to profit & loss account	-	-	-	-	19,492	-	19,492
Net expense recognised directly in equity         -         -         761,827         -         19,492         126,614         907,933           -         -         761,827         -         19,492         4,414,163         5,195,482           Transfer to statutory reserves         -         857,510         -         -         (857,510)         -	5	_	_	761,827	_	-	-	761,827
Transfer to statutory reserves         -         857,510         -         -         (857,510)         -		-	-		-	19,492	126,614	
		-	-	761,827	-	19,492	4,414,163	5,195,482
Balance as at June 30, 2009         11,128,907         11,233,885         6,163,598         -         (257,141)         18,137,291         46,406,540	Transfer to statutory reserves	-	857,510	-	-	-	(857,510)	-
	Balance as at June 30, 2009	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. Ashfaque Hasan Khan 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 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

				lune 30, 2009		Dec 31, 2008		
7.1		Note	Held by	Given as		Held by	Given as	
			bank	collateral	Total	bank	collateral	Total
					Rupee	s 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)
	Investments (net of provisions)		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)
	Total investments		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         Investment by types         Inv			June 30, 2009			Dec 31, 2008			
7.2.1       Held for trading securities         Market Treasury bills       3.262,144       -       3.262,144         137,150       -       137,150       -         7.2.2       Available for sale securities       3.399,294       -       3.399,294         7.2.2       Available for sale securities       40.018,42       7.271,412       47.289,854         Pakistan Investment Bonds       14.096,877       14.006,877       15.223,129         Gordmany shares of listed companies       6.681,129       -       5.860,129         Gordmany shares of unisted companies       14.096,877       4.842,310       -         Term Finance Centlicates       1979,189       -       1979,189       -         Ordina y shares of unisted companies       1973,189       -       1973,189       -         Junis of mutuity gecurities       16,117,223       -       66,801,29       -       81,784,473       14,22         Tordina y shares of unisted companies       14,918,903       1,265,178       -       4,442,310       -	7.2	Investments by types	Held by Bank	collateral			Given as collateral	Total	
Market treasury bills         3.252,144         -         3.252,144         -         3.252,144         -         4.202,368         -         3.38,056           Pakistan Investment Bonds         -<	721	Hold for trading socuritios			(Rupee	s in '000)			
Ordinary shares of listed companies Pakistan Investment Bonds         137,150         -         137,150         348,508           7.22         Available for sale securities Pakistan Investment Bonds Portigin currency bonds         3,399,294         -         3,399,294         4,566,803           7.22         Available for sale securities Pakistan Investment Bonds Foreign currency bonds         4,018,442         7,271,412         47,289,864         15,292,9         4,566,803           7.23         Market Treasury Bills Ordinary shares of listed companies Ordinary shares of unisted companies Ordinary shares of unisted companies         4,842,310         -         4,842,310         2,493,607         2,493,607           7.23         Held to maturity securities Ordinary shares of unisted companies Ordinary shares of unisted co	1.2.1		3 262 144	-	3 262 144	4 202 368	-	4,202,368	
Pakistan Investment Bonds							_	348,506	
7.2.2       Available for sale securities Market Treasury Bills Pekistan Islamic Bonds Foreign currency bonds       3.399,294       -       3.399,294       4,566,803         9       Pekistan Islamic Bonds Foreign currency bonds       40,018,442       7,271,412       47,289,864       132,775,219       132,775,219       132,777,800       42         9       Government of Pakistan Islamic Bonds Euro Bonds       -       -       5,880,129       -       5,880,749       2,493,607       4,341,320       14,341,320       14,341,320       4,341,320       2,493,607       4,341,320       4,341,420       1,444,465       1,444,465       1,444,465       1,444,465       1,444,465       1,444,465       1,444,465       1,444,465       1,444,465       1,444,465       1,445,444       1,444,465       1,445,444       1,445,444       1,445,444       1,445,444       1,445,444			-	-	-		-	15,929	
Market Treasury Bills         40,016,442         7,271,412         47,289,854         33,775,219         13,87           Pakistan Investment Bonds         1,4066,87         432,329         16,772,837         16,277,830         42           Ordinary shares of listed companies         6,880,129         -         5,680,129         5,880,749         2,493,607         42,413,20           Term Finance Certificates         1,979,189         -         1,979,189         -         1,979,189         441,41,465           Ordinary shares of unisted companies         1,879,189         -         1,979,189         441,456         441,456           Units of mutual funds         191,229         -         191,229         441,456         441,456           Sukuk Bonds         2,900,000         -         2,900,000         1,263,178         45,276           Provincial Government Securities         -         -         -         -         2,900,000         1,917,292         4,915,803         1,263,178           Provincial Government Securities         2,900,000         -         2,900,000         1,291,918         1,263,178         48,97,982           Cordernment of Pakistan - Guaranteed Bonds         2,944,788         -         9,24,758         9,97,982         9,97,982         9			3,399,294	-	3,399,294		-	4,566,803	
Pakistan Investment Bonds         16,340,508         422,329         16,777,890         42           Cordinary shares of listed companies         5,680,129         -         5,680,749         2,893,607           Government of Pakistan Islamic Bonds         2,370,531         -         2,370,531         -         2,483,607           Term Finance Certificates         1,979,199         -         1,979,199         -         1,979,199         2,172,433           Ordinary shares of united companies         141,516         -         441,516         441,516         441,44,665           Units of mutual funds         19,1299         -         191,299         81,784,473         14,22           7.2.3         Held to maturity securities         -	7.2.2								
Foreign currency bonds         14,086,877         14,086,877         5,880,129         5,880,129         5,880,129         5,880,129         5,880,129         5,880,129         5,880,129         5,880,749         2,433,607         2,432,210         2,433,607         2,432,210         2,433,607         4,441,320         2,172,438         14,11,151         14,11,21         14,151         14,151         14,151         14,151         14,151         14,151         14,151         14,151         14,151         14,151         14,151         14,151         14,151         14,151         14,151         14,151         14,151         14,211         14,211         14,211         14,211         14,211         16,117,232         14,515,509							13,841,226	47,616,445	
Ordinary shares of listed companies Government of Pakistan Islamic Bonds Euro Bonds         5,680,129         -         5,680,749         2,433,607           Term Finance Certificates Ordinary shares of unlisted companies Units of mutual funds         1,979,189         -         1,979,189         -         2,370,631         2,433,607           7.2.3         Held to maturity securities Term Finance Certificates         1,979,189         -         1,979,189         -         -         441,516           7.2.3         Held to maturity securities Term Finance Certificates         16,117,232         -         16,117,232         81,784,473         14,22           7.2.3         Held to maturity securities         16,117,232         -         16,117,232         81,784,473         14,22           7.2.4         Karket Treasury Bils         2,515,509         -         2,200,000         2,290,001 <t< td=""><td></td><td></td><td></td><td>432,329</td><td></td><td></td><td>428,230</td><td>17,205,920</td></t<>				432,329			428,230	17,205,920	
Government of Pakistan Islamic Bonds         4.842.310         -         4.842.310         2.493.607           Euro Bonds         2.370.531         2.370.531         2.370.531         2.172.435           Ordinary shares of unlisted companies         1.979.19.9         -         1.979.19.9         2.172.435           Sukuk Bonds         441.516         -         441.29         441.465           Term Finance Certificates         1.979.19.9         -         1.97.29         4.842.310           Term Finance Certificates         1.172.32         -         16.117.232         4.915.603         4.339.104           Term Finance Certificates         1.684.373         1.263.178         4.339.104         1.263.178         4.339.104           Term Finance Certificates         1.968.062         -         2.900.000         1.968.062         1.968.062         1.91.292         4.915.803           Provincial Government Socurities         2.900.000         -         2.900.000         1.988.962         1.998.962         1.998.962         1.998.962         1.998.962         1.998.962         1.998.962         1.998.962         1.998.962         1.997.747         1.998.774         1.998.774         1.998.774         1.998.774         1.998.774         1.998.782         1.997.774         1.998.7				-	, ,		-	15,235,129	
Euro Bonds Term Finance Certificates Ordinary shares of unlisted companies Units of mutual funds Sukuk Bonds         2.370,531 1.973,189         -         2.370,631 1.973,189         -         2.372,435 441,516           7.2.3         Held to maturity securities Market Treasury Bills Pakistan Investment Bonds         7.703,741         93,664,542         81,784,473         14,22           7.2.3         Held to maturity securities Market Treasury Bills         16,117,232         -         16,117,232         415,803           Pakistan Investment Bonds         5,439,639         -         2,515,509         -         2,900,000           Foreign securities         -         -         -         -         -         2,900,000           Government of Pakistan - Guaranteed Bonds         1,485,444         -         1,485,444         -         1,485,444         -         1,485,444         -         1,993,372         2,900,000         1,994,372         2,900,000         1,994,372         2,900,000         1,994,372         2,900,000         1,994,372         2,900,000         1,994,372         2,900,000         1,994,372         2,900,000         1,994,372         2,900,000         1,994,372         2,900,000         1,994,372         2,900,000         1,994,372         2,900,000         2,900,000         1,994,373         1,492,414         1,994				-			-	5,880,749	
Term Finance Certificates         1.979.189         -         1.972.435         441,516         -         441,516         -         441,516         -         441,516         441,516         441,455         441,455         441,455         441,455         441,455         441,455         441,456         441,456         441,456         433.639         -         5.439.639         -         1.978.483         433.9104         -         2.900.000         -         2.900.000         -         2.900.000         1.913.20         1.913.20         1.913.20         1.913.20         1.914.29         2.900.000         1.91				-			-	2,493,607	
Ordinary shares of unlisted companies Units of mutual funds Sukuk Bonds         441,516 191,299         -         441,565 191,299         441,465 211,583           7.23         Held to maturity securities Term Finance Certificates         85,960,801         7,703,741         93,664,542         81,784,473         14,29           7.23         Held to maturity securities Term Finance Certificates         16,117,232         -         16,117,232         41,516         31,784,473         14,21           9akistan Investment Bonds         2,515,509         -         2,515,509         -         2,900,000         2,900,000         1,915,803         1,263,178         4,339,104         -         2,900,000         1,915,803         1,263,178         4,339,104         -         -         -         2,900,000         1,283,074         1,994,372         9,915,803         1,263,178         4,339,104         -         -         -         2,900,000         1,915,803         1,263,178         -         4,339,104         -         -         -         -         2,900,000         1,283,144         1,097,747         1,097,747         1,097,747         1,994,573         -         -         -         -         -         -         -         -         -         -         -         -         -         - <td></td> <td></td> <td></td> <td>-</td> <td></td> <td></td> <td>-</td> <td>4,341,320 2,172,435</td>				-			-	4,341,320 2,172,435	
Units of mutual funds Sukuk Bonds         191,299         -         191,299         211,583           7.2.3 Held to maturity securities Term Finance Certificates Market Treasury Bills Pakistan Investment Bonds Foreign securities Government Decurities Guernment Decurities CIRC Bonds         16,117,232         -         16,117,232         4,915,803           1,263,178         1,263,178         4,339,039         -         2,439,639         -         2,900,000           CIRC Bonds Sukuk Bonds         -         2,900,000         -         2,900,000         -         2,900,000           Government Of Pakistan - Guaranteed Bonds Sukuk Bonds         1,485,444         -         1,485,444         -         1,485,444           1,097,747         1,097,747         1,097,747         1,097,747         1,093,741         1,049,747           Participation Term Certificates Debentures         29,24,758         -         32,4758         38,205           CC SAARO Fund United Gomosite Islamic Fund United Gomosite Islamic Fund         3004,559         -         30,04,559         1,504,559           UBL Equicity Plus Fund United Stock Advantage Fund         3004,559         -         30,000         250,000         250,000           UBL Equicity Plus Fund United Exchange Company, Muscat         1,482,011         -         1,482,011         58,837         589,8							-		
Sukuk Bonds  <							-	441,465 211,583	
7.2.3       Held to maturity securities       81,784,473       14,22         Term Finance Certificates       65,960,801       7,703,741       93,664,542       81,784,473       14,22         Market Treasury Bills       Pakistan Investment Bonds       1,6117,232       -       16,117,232       4,319,639         Provincial Government Securities       CIRC Bonds       -       2,900,000       -       2,900,000         Government of Pakistan - Guaranteed Bonds       1,485,444       -       1,485,444       1,485,444         Sukuk Bonds       -       1,497,473       1,097,747       1,094,372       3,904,559         Participation Term Certificates       29,811       -       29,811       29,811       382,025         CDC SAARC Fund       6,252       -       6,252       6,676       4,007       -       4,017,50         7.2.4       Associates       3,004,559       -       3,004,559       1,504,559       22,944,229         7.2.4       Associates       -       -       -       -       -       4,007,750       250,000       250,000       250,000       250,000       20,000       20,000       20,000       20,000       20,000       20,000       20,000       20,000       -       -			191,299	-	191,299		-	455,276	
7.2.3       Held to maturity securities         Term Finance Certificates       16,117,232       -       16,117,232       4,915,803         Pakistan Investment Bonds       5,439,639       -       5,439,639       1,283,178         Pakistan Investment Securities       -       -       -       -         CIRC Bonds       -       -       -       -       -         Foreign securities       0.900,000       -       2,900,000       1,981,662       -       1,986,662       -       1,986,662       -       1,986,662       -       1,986,662       -       1,987,474       1,097,747       -       1,495,444       1,485,444       1,493,416       1,402,417       -       -       -       -       -       -       22,941,80       22,941,80       22,944,829       -		Sukuk Donus	85.960.801	7.703.741	93.664.542		14,269,456	96,053,929	
Market Treasury Bils Pakistan Investment Bonds Provincial Government Securities CIRC Bonds         5,439,639 2,515,509         -         5,439,639 2,515,509         1,263,178 4,339,104           CIRC Bonds Government of Pakistan - Guaranteed Bonds Sukuk Bonds         1,485,444         -         1,485,444         -         2,900,000           1,988,062         1,911,320         1,991,747         1,097,747         1,097,747         1,094,372           Participation Term Certificates         29,811         -         29,811         38,205           Debentures         6,252         -         6,252         6,676           CDC SAARC Fund         407         -         -         -           Certificate of Deposit         -         -         -         -           7.2.4         Associates         -         -         -         -           United Growth and Income Fund         3004,559         -         3,004,559         -         2,30,000           United Stack Advantage Fund         250,000         -         250,000         250,000         250,000           UBL Issuires Limited         100,000         -         100,000         -         6,981         -           7.2.5         Subsidiaries         -         -         - <t< td=""><td>7.2.3</td><td>Held to maturity securities</td><td>,,</td><td>.,,.</td><td></td><td></td><td>.,,</td><td>,,</td></t<>	7.2.3	Held to maturity securities	,,	.,,.			.,,	,,	
Pakistan Investment Bonds Provincial Government Securities CIRC Bonds         2,515,509         -         2,515,509         4,339,104           CIRC Bonds Government of Pakistan - Guaranteed Bonds Sukuk Bonds         2,900,000         -         2,900,000         1,968,062         2,900,000           Foreign securities Government of Pakistan - Guaranteed Bonds Sukuk Bonds         1,485,444         1,485,444         1,485,444         1,485,444           1,097,747         -         1,097,747         -         1,097,747           Participation Term Certificates         29,811         -         22,813         38,205           Debentures CDC SAARC Fund Certificate of Deposit         -         -         -         -         -           Junited Growth and Income Fund United Stamic Income Fund United Stamic Income Fund         3,004,559         -         3,004,559         1,50,509         250,000           UBL Layricipation Term Protected Plan United Capital Protected Plan         250,000         -         250,000         250,000         250,000           UBL Fund Managers Limited United Bank AG Zurich, Switzerland Domestic subsidiaries         1,482,011         -         1,482,011         1,482,011           UBL Fund Managers Limited United Texcutors and Trustees Company Limited         -         -         -         -         -         -         -		Term Finance Certificates	16,117,232	-		4,915,803	-	4,915,803	
Provincial Government Securities CIRC Bonds         -         -         -         2,900,000		Market Treasury Bills	5,439,639	-	5,439,639	1,263,178	-	1,263,178	
CIRC Bonds Foreign securities Government of Pakistan - Guaranteed Bonds Sukuk Bonds         2,900,000 1,968,062         -         2,900,000 1,968,062         2,900,000 1,988,062           Sukuk Bonds Sukuk Bonds         -         1,988,062         -         1,988,062         1,988,062           Participation Term Certificates         29,811         -         29,811         38,205         6,676           CDC SAARC Fund Certificate of Deposit         -         -         -         -         -         -         4,007,750         -         39,205           7.2.4         Associates         -         -         -         -         -         -         -         -         -         -         4,007,750         -         32,484,861         -         32,484,861         -         32,484,861         -         22,944,229         -		Pakistan Investment Bonds	2,515,509	-	2,515,509	4,339,104	-	4,339,104	
Foreign securities Government of Pakistan - Guaranteed Bonds Sukuk Bonds         1,968,062 1,445,444         -         1,968,062 1,445,444         1,948,444           Sukuk Bonds         1,967,747         -         1,097,747         -         1,097,747           Participation Term Certificates         29,811         -         29,811         38,205           Debentures         6,252         -         6,252         6,676           CDC SAARC Fund         407         -         407         395           Cott Startes         -         -         -         22,944,861         22,944,229           United Growth and Income Fund         3,004,559         -         3,004,559         23,048         22,944,229           United Stock Advantage Fund         250,000         -         220,000         250,000         250,000           UBL Participation Protected Plan         200,000         -         200,000         -         200,000         -           United Stock Advantage Fund         99,000         -         100,000         -         1,482,011         -           UBL Isquidity Plus Fund         90,000         -         200,000         -         6,981         -         6,981           United Stock Advantage Fund         589,837 </td <td></td> <td>Provincial Government Securities</td> <td>-</td> <td>-</td> <td>-</td> <td></td> <td></td> <td></td>		Provincial Government Securities	-	-	-				
Government of Pakistan - Guaranteed Bonds Sukuk Bonds         1,485,444         -         1,485,444         1,097,747           Sukuk Bonds         1,485,444         1,097,747         -         1,097,747         1,094,372           Participation Term Certificates         29,811         -         29,811         38,205           Debentures         6,252         -         6,252         6,676           CCC SARC Fund         407         -         407         395           Certificate of Deposit         -         -         -         4,091,750           7.2.4         Associates         -         -         -         4,091,750           United Composite Islamic Fund         3,004,559         -         3,004,559         1,504,559           United Islamic Income Fund         250,000         -         250,000         250,000           United Stamic Income Fund         200,000         -         200,000         200,000         -           United Stamic Income Fund         200,000         -         200,000         -         200,000         -           United Stamic Income Fund         100,000         -         100,000         -         100,000         -           UBL Fund Manager Limited         100,000		CIRC Bonds		-		, ,	-	2,900,000	
Sukuk Bonds         1,097,747         -         1,097,747         1,094,372           Participation Term Certificates         29,811         -         924,758         -         924,758           Debentures         6,252         -         6,252         6,676         -         395           CDC SAARC Fund         -         -         407         -         407         -         395           Cortificate of Deposit         -         -         -         6,252         -         6,676           United Growth and Income Fund         3,004,559         -         3,004,559         2,944,229           United Stock Advantage Fund         250,000         -         250,000         250,000         250,000           UBL Participation Protected Plan         200,000         -         200,000         200,000         -           Ubited Capital Protected Plan         200,000         -         90,000         -         00,000         -           United Capital Protected Plan         0,000         -         1,482,011         -         1,482,011         5,98,837           United Capital Protected Plan         0,000         -         90,000         -         0,90,00         -         9,98,037         -		5		-			-	1,911,320	
Foreign currency bonds Participation Term Certificates CDC SAARC Fund Certificate of Deposit         924,758 29,811         -         924,758 29,811         -         29,811 38,205           7.2.4         Associates United Corposite Islamic Fund United Corposite Islamic Fund United Corposite Islamic Fund United Corposite Islamic Fund United Stack Advantage Fund UBL Liquidity Plus Fund United Capital Protected Plan United Ational Bank, UK United Ational Bank, UK United Staries United National Bank, UK United Staries United Staries United Staries United Ational Bank, UK United Executors and Trustees Corpany Limited         1,482,011         -         1,482,011         -         1,482,011         589,837           7.2.5         Subsidiaries United Executors and Trustees Corpany Limited         1,482,011         -         1,482,011         589,837         -         589,837           7.2.5         Subsidiaries UBL Fund Managers Limited United Executors and Trustees Corpany Limited         1,482,011         -         1,482,011         589,837           Provision for diminution in value of investments         (2,888,326)         -         (2,888,326)         -         (2,888,326)         -         (2,888,326)         111,860,346         14,20				-			-	1,485,444	
Participation Term Certificates         29,811         -         29,811         -         29,811         38,205           Debentures         CDC SAARC Fund         6,252         -         6,252         6,676           CDC SAARC Fund         -         -         -         -         -         -         395           7.2.4         Associates         -				-	, ,		-	1,094,372	
Debentures CDC SAARC Fund Certificate of Deposit         6,252 407         -         6,252 407         -         6,252 407         -         6,676 335           7.2.4         Associates United Growth and Income Fund United Composite Islamic Fund United Stamic Income Fund United Stamic Protected Plan UBL Liquidity Plus Fund UBL Liquidity Plus Fund UNited Exchange Company, Muscat         3,004,559 497,573         -         3,004,559 523,048           7.2.5         Subsidiaries UBL Fund Managers Limited United Rank AG Zurich, Switzerland United Rank AG Zurich, Switzerland Domestic subsidiaries UBL Fund Managers Limited United Rank AG Zurich, Switzerland Domestic subsidiaries         1,482,011 589,837         -         1,482,011 589,837         1,482,011 589,837           Provision for diminution in value of investments         1,201,928         -         2,201,948         2,201,948         2,201,948           125,632,766         7,703,741         133,336,507         111,860,346         14,20				-			-	897,982	
CDC SAARC Fund Certificate of Deposit         407         -         407         395           7.2.4         Associates         32,484,861         -         32,484,861         22,944,229           7.2.4         Associates         3,004,559         -         3,004,559         22,944,229           United Growth and Income Fund United Islamic Income Fund         3,004,559         -         3,004,559         1,504,559           United Stock Advantage Fund         250,000         -         250,000         250,000         250,000           UBL Participation Protected Plan         200,000         -         200,000         200,000         200,000           United Scak Advantage Fund         90,000         -         100,000         -         100,000           UBL Insurers Limited         90,000         -         90,000         90,000         -           United Scak AG Zurich, Switzerland         75,075         6,981         -         6,981         -         6,981         589,837           United Executors and Trustees         14,482,011         -         1,482,011         589,837         589,837           United Executors and Trustees         0,000         -         -         -         -         -         -         -         <		•		-			-	38,205	
Certificate of Deposit       -       -       4,091,750         7.2.4 Associates       32,484,861       -       32,484,861       22,944,229         United Growth and Income Fund       3,004,559       -       3,004,559       1,504,559         United Stock Advantage Fund       250,000       -       250,000       250,000         UBL Participation Protected Plan       200,000       -       250,000       250,000         UBL Insurers Limited       90,000       -       100,000       -       0000         United Stock Advantage Fund       90,000       -       100,000       -       0000       -         UBL Insurers Limited       90,000       -       90,000       -       6,981       -       6,981       -       6,981       -       6,981       -       6,981       -       6,981       -       6,981       -       -       30,100       -       30,100       -       30,100       -       30,100       -       30,100       -       30,100       -       30,100       -       30,100       -       30,100       -       30,100       -       30,100       -       30,100       -       30,100       -       30,100       -       30,100 <td< td=""><td></td><td></td><td></td><td></td><td></td><td></td><td>-</td><td>6,676</td></td<>							-	6,676	
7.2.4       Associates United Growth and Income Fund United Composite Islamic Fund United Stock Advantage Fund United Stock Advantage Fund UBL Participation Protected Plan UBL Insurers Limited United Capital Protected Fund - 1 Oman United Exchange Company, Muscat       3,04,559 497,573 250,000       -       3,04,559 497,573 250,000       1,504,559 523,048 250,000         7.2.5       Subsidiaries United National Bank, UK United National Bank, UK United Executors and Trustees Company Limited       1,482,011 589,837       -       7,5075 6,981       -       6,981 6,981       22,01,948 2,899,663         7.2.5       Subsidiaries UBL Fund Managers Limited United Executors and Trustees Company Limited       1,482,011 589,837       -       1,482,011 589,837       1,482,011 589,837       1,482,011 589,837         Provision for diminution in value of investments       (2,888,326)       -       (2,888,326)       (2,536,770)         Investments       (2,888,326)       -       (2,888,326)       -       (2,888,326)       111,860,346       14,20			407	-	407		-	395	
7.2.4       Associates         United Growth and Income Fund       3,004,559       -       3,004,559       1,504,559         United Islamic Income Fund       250,000       -       250,000       250,000         United Stock Advantage Fund       250,000       -       250,000       250,000         UBL Participation Protected Plan       200,000       -       200,000       200,000         UBL Issures Limited       90,000       -       90,000       -       -         United Capital Protected Fund - 1       75,075       -       75,075       6,981       -       6,981         Oman United Exchange Company, Muscat       1,4474,188       -       4,474,188       2,899,663         7.2.5       Subsidiaries       4,474,188       -       4,474,188       2,899,663         United National Bank, UK       1,482,011       -       1,482,011       589,837       6,981         United Executors and Trustees       0       -		Certificate of Deposit	- 32 484 861	- 1	- 32 /8/ 861		-	4,091,750 22,944,229	
United Growth and Income Fund United Composite Islamic Fund United Stock Advantage Fund United Stock Advantage Fund UBL Participation Protected Plan UBL Insurers Limited United Exchange Company, Muscat         3,004,559 497,573         -         3,004,559 497,573         1,504,559 523,048           United Stock Advantage Fund UBL Participation Protected Plan UBL Insurers Limited United Capital Protected Fund - 1 Oman United Exchange Company, Muscat         250,000 200,000         -         250,000 250,000         -         250,000 250,000           7.2.5         Subsidiaries United National Bank, UK United Racuchrs and Trustees Company Limited         1,482,011         -         1,482,011         589,837           100,000         -         100,000         -         30,100         -         30,100           2.201,948         -         2,201,948         -         2,201,948         -         2,201,948           2.201,948         -         2,201,948         -         2,201,948         -         1,482,011           1.vestments         Investments         (2,888,326)         -         (2,888,326)         -         (2,888,326)         111,860,346         14,20	7.2.4	Associates	52,404,001		52,404,001	22,344,223		22,344,223	
United Composite Islamic Fund         497,573         -         497,573         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         -           UBL Liquidity Plus Fund         100,000         -         100,000         -         100,000         -         -           United Capital Protected Fund - 1         75,075         -         75,075         6,981         -         6,981         -         6,981         -         6,981         -         6,981         -         1,482,011         589,837         -         589,837         -         589,837         100,000         - <td></td> <td></td> <td>3.004.559</td> <td>-</td> <td>3.004.559</td> <td>1.504.559</td> <td>-</td> <td>1,504,559</td>			3.004.559	-	3.004.559	1.504.559	-	1,504,559	
United Islamic Income Fund United Stock Advantage Fund UBL Participation Protected Plan UBL Liquidity Plus Fund         250,000         -         250,000         250,000         250,000         250,000         250,000         250,000         250,000         250,000         250,000         250,000         250,000         250,000         250,000         250,000         250,000         250,000         250,000         250,000         200,000         200,000         200,000         -         200,000         -         200,000         -         200,000         -         200,000         -         200,000         -         200,000         -         200,000         -         00000         -         00000				-			-	523,048	
United Stock Advantage Fund       250,000       -       250,000       250,000         UBL Participation Protected Plan       200,000       -       200,000       -       200,000         UBL Insurers Limited       90,000       -       90,000       -       90,000       -       90,000         United Capital Protected Fund - 1       75,075       -       75,075       6,981       -       6,981       -       6,981       -       6,981       -       6,981       -       6,981       -       6,981       -       6,981       -       6,981       -       6,981       -       6,981       -       6,981       -       6,981       -       6,981       -       6,981       -       6,981       -       6,981       - <td< td=""><td></td><td>•</td><td></td><td>-</td><td></td><td></td><td>-</td><td>250,000</td></td<>		•		-			-	250,000	
UBL Liquidity Plus Fund       100,000       -       100,000       -         UBL Insurers Limited       90,000       -       90,000       90,000         United Capital Protected Fund - 1       75,075       -       75,075       6,981         Oman United Exchange Company, Muscat       4,474,188       -       4,474,188       2,899,663         7.2.5       Subsidiaries       4,474,188       -       4,474,188       2,899,663         United National Bank, UK       1,482,011       -       1,482,011       1,482,011         United Bank AG Zurich, Switzerland       589,837       -       589,837         Domestic subsidiaries       100,000       -       100,000       100,000         UBL Fund Managers Limited       100,000       -       100,000       100,000         United Executors and Trustees       -       -       -       -         Company Limited       -       128,521,092       7,703,741       136,224,833       114,397,116       14,20         Provision for diminution in value of investments       (2,888,326)       -       (2,888,326)       (2,536,770)         Investments (net of provisions)       125,632,766       7,703,741       133,336,507       111,860,346       14,20		United Stock Advantage Fund		-		250,000	-	250,000	
UBL Liquidity Plus Fund       100,000       -       100,000       -         UBL Insurers Limited       90,000       -       90,000       90,000         United Capital Protected Fund - 1       75,075       -       75,075       6,981         Oman United Exchange Company, Muscat       6,981       -       6,981       6,981         7.2.5       Subsidiaries       4,474,188       -       4,474,188       2,899,663         7.2.5       Subsidiaries       1,482,011       -       1,482,011       1,482,011         United National Bank, UK       1,482,011       -       1,482,011       1,482,011         United Bank AG Zurich, Switzerland       100,000       -       100,000       100,000         UBL Fund Managers Limited       100,000       -       100,000       100,000         United Executors and Trustees       -       -       -       -         Company Limited       -       2,201,948       -       2,201,948       2,201,948         128,521,092       7,703,741       136,224,833       114,397,116       14,20         Provision for diminution in value of investments       (2,888,326)       -       (2,888,326)       (2,536,770)         Investments (net of provisions)       1		UBL Participation Protected Plan	200,000	-	200,000	200,000	-	200,000	
United Capital Protected Fund - 1 Oman United Exchange Company, Muscat       75,075 6,981       -       75,075 6,981       75,075 6,981         7.2.5       Subsidiaries United National Bank, UK United Bank AG Zurich, Switzerland Domestic subsidiaries UBL Fund Managers Limited United Executors and Trustees Company Limited       1,482,011 589,837       -       1,482,011 589,837       1,482,011 589,837         0.0000       -       100,000       -       100,000       100,000         0.1010       -       30,100       -       30,100         2,201,948       -       2,201,948       2,201,948         128,521,092       7,703,741       136,224,833       114,397,116       14,20         Investments       (2,888,326)       -       (2,888,326)       (2,536,770)         Investments       (net of provisions) Deficit on revaluation of available       125,632,766       7,703,741       133,336,507       111,860,346       14,20			100,000	-	100,000	-	-	-	
Oman United Exchange Company, Muscat         6,981         -         6,981         6,981           7.2.5         Subsidiaries         United National Bank, UK         1,482,011         -         1,482,011         589,837         -         589,837         -         589,837         -         589,837         -         100,000         -         100,000         -         100,000         -         30,100         -		UBL Insurers Limited	90,000	-	90,000	90,000	-	90,000	
7.2.5       Subsidiaries         United National Bank, UK       1,482,011         United National Bank, UK       1,482,011         United Bank AG Zurich, Switzerland       589,837         Domestic subsidiaries       100,000         UBL Fund Managers Limited       100,000         United Executors and Trustees       30,100         Company Limited       -         Provision for diminution in value of investments       (2,888,326)         Investments (net of provisions)       125,632,766       7,703,741       133,336,507         Deficit on revaluation of available       125,632,766       7,703,741       133,336,507       111,860,346       14,26			75,075	-	75,075	75,075	-	75,075	
7.2.5       Subsidiaries         United National Bank, UK       1,482,011       -       1,482,011         Domestic subsidiaries       100,000       -       100,000       100,000         United Executors and Trustees       0       -       30,100       30,100         Company Limited       -       30,100       -       30,100       30,100         Provision for diminution in value of investments       (2,888,326)       -       (2,888,326)       (2,536,770)         Investments (net of provisions)       125,632,766       7,703,741       133,336,507       111,860,346       14,260		Oman United Exchange Company, Muscat		-			-	6,981	
United National Bank, UK       1,482,011       -       1,482,011       1,482,011         United Bank AG Zurich, Switzerland       589,837       -       589,837       100,000         Domestic subsidiaries       100,000       -       100,000       100,000         United Executors and Trustees       -       -       30,100       30,100         Company Limited       -       -       30,100       30,100         Provision for diminution in value of investments       (2,888,326)       -       (2,888,326)       (2,536,770)         Investments (net of provisions)       125,632,766       7,703,741       133,336,507       111,860,346       14,26			4,474,188	-	4,474,188	2,899,663	-	2,899,663	
United Bank AG Zurich, Switzerland       589,837       -       589,837       589,837         Domestic subsidiaries       UBL Fund Managers Limited       100,000       -       100,000       100,000         United Executors and Trustees       -       -       -       -       30,100       30,100         Company Limited       -       30,100       -       30,100       30,100       -         Provision for diminution in value of investments       (2,888,326)       -       (2,888,326)       (2,536,770)         Investments (net of provisions)       125,632,766       7,703,741       133,336,507       111,860,346       14,260	7.2.5		4 400 044	r	4 400 044	4 400 044	r	1 100 011	
Domestic subsidiaries UBL Fund Managers Limited United Executors and Trustees Company Limited         100,000         -         100,000         100,000           30,100         -         30,100         -         30,100         30,100         -           2,201,948         -         2,201,948         -         2,201,948         114,397,116         14,26           Provision for diminution in value of investments         (2,888,326)         -         (2,888,326)         (2,536,770)           Investments (net of provisions) Deficit on revaluation of available         125,632,766         7,703,741         133,336,507         111,860,346         14,26				-			-	1,482,011	
UBL Fund Managers Limited       100,000       -       100,000       -       100,000         United Executors and Trustees       30,100       -       30,100       -       30,100         Company Limited       -       30,100       -       30,100       -       30,100         Provision for diminution in value of investments       (2,888,326)       -       (2,888,326)       (2,536,770)         Investments (net of provisions)       125,632,766       7,703,741       133,336,507       111,860,346       14,260		-	589,837	-	589,837	589,837	-	589,837	
United Executors and Trustees Company Limited         -         -         -         30,100<			100.000		100.000	100.000		100.000	
Company Limited         30,100         -         30,100         30,100           2,201,948         -         2,201,948         2,201,948         114,397,116         14,26           Provision for diminution in value of investments         (2,888,326)         -         (2,888,326)         (2,536,770)           Investments (net of provisions)         125,632,766         7,703,741         133,336,507         111,860,346         14,26		5	100,000	-	100,000	100,000	-	100,000	
2,201,948         -         2,201,948         2,201,948           Provision for diminution in value of investments         128,521,092         7,703,741         136,224,833         114,397,116         14,26           Investments         (2,888,326)         -         (2,888,326)         (2,536,770)           Investments (net of provisions)         125,632,766         7,703,741         133,336,507         111,860,346         14,26			- 20,100		- 20 100	20,100		20 100	
Provision for diminution in value of investments         128,521,092         7,703,741         136,224,833         114,397,116         14,26           Investments         (2,888,326)         -         (2,888,326)         (2,536,770)         (2,536,770)           Investments (net of provisions)         125,632,766         7,703,741         133,336,507         111,860,346         14,26           Deficit on revaluation of available         125,632,766         7,703,741         133,336,507         111,860,346         14,26		Company Limited		-			-	30,100 2,201,948	
Provision for diminution in value of investments         (2,888,326)         -         (2,888,326)         (2,536,770)           Investments (net of provisions) Deficit on revaluation of available         125,632,766         7,703,741         133,336,507         111,860,346         14,26							14,269,456	128,666,572	
investments       (2,888,326)       -       (2,888,326)       (2,536,770)         Investments (net of provisions)       125,632,766       7,703,741       133,336,507       111,860,346       14,26         Deficit on revaluation of available       125,632,766       7,703,741       133,336,507       111,860,346       14,26		Provision for diminution in value of	120,021,002	1,100,111	100,22 1,000	111,001,110	11,200,100	120,000,012	
Deficit on revaluation of available			(2,888,326)	-	(2,888,326)	(2,536,770)	-	(2,536,770)	
			125,632,766	7,703,741	133,336,507	111,860,346	14,269,456	126,129,802	
			(4.186.586)	(32,471)	(4,219.057)	(9.672.239)	(109,728)	(9,781,967)	
Surplus / (Deficit) on revaluation of held for			(.,,	(-=, )	( ,= : : , )	(_,,,,)	(,.=0)	(-,,,,-,-,-,	
trading securities (681) - (681) (19,547)			(681)	-	(681)	(19,547)	-	(19,547)	
Total Investments 121,445,499 7,671,270 129,116,769 102,168,560 14,15		Total Investments	121,445,499	7,671,270	129,116,769	102,168,560	14,159,728	116,328,288	



Loss

#### UNITED BANK



Dec 31 2008

Note June 30, 2009

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

8.	ADVANCES	(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:-

			June 30, 200	9	
Category of Classification	Domestic	Overseas	Total	Provision Reguired	Provision Held
			Rupees in '00		
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
			Dec 31, 200	8	
Category of Classification	Domestic	Overseas	Total	Provision	Provision
				Required	Held
			Rupees in '00	0 0	
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
-					

**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.

2,161,143

2,553,628

15,718,322

27,839,320

15,267,783

18.563.334

15,267,783

18,563,334

13,557,179

25,285,692

		June 30, 2009 Dec (Rupees in '00(	
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 544 6 18,303,660 17,085,580 Repurchase agreement borrowings 7,836,376 14,284,138 26,140,036 31,369,718 Unsecured 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

Cross currency swaps

Commodity options

FX options

Forward rate agreements

Commitments in respect of capital expenditure

#### UNITED BANK



36,539,802

1,282,961

-

-

441,519

15,948,869

25,460,283

1,182,316

850,000

39,545

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

		Note	June 30, 2009	Dec 31, 2008
10.	DEPOSITS AND OTHER ACCOUNTS		(Rupees	in '000)
10.	Customers			
	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		150,108,814	128,380,418
			508,663,080	482,362,632
	Financial Institutions		00.454	4 404 000
	Remunerative deposits		26,451 17,698	1,104,863
	Non-remunerative deposits		44,149	92,567 1,197,430
			508,707,229	
			308,707,229	483,560,062
11.				
	Surplus arising on revaluation of assets - net of tax: Fixed assets		8,067,190	8,220,874
	Securities	11.1	(2,743,999)	(6,580,892)
			5,323,191	1,639,982
11.1	(Deficit) / surplus on revaluation on available-for-sale securities			
	Market Treasury Bills Pakistan Investment Bonds		55,346	(16,685)
	Quoted shares		(853,034) (579,732)	(3,293,999) (1,892,828)
	Mutual fund units		548	(9,837)
	Term Finance Certificates, Sukuks, Other Bonds etc.		(83,252)	(53,850)
	Overseas securities		(2,758,932) (4,219,056)	(4,514,768) (9,781,967)
	Related deferred tax asset		1,475,057	3,201,075
			(2,743,999)	(6,580,892)
12.	CONTINGENCIES AND COMMITMENTS			
12.1	Direct Credit Substitutes			
	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		7,112,817	8,642,081
40.0	Transaction valated Cantingant Linkilities		25,556,421	26,232,828
12.2	Transaction-related Contingent Liabilities			
	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> 87,089,569	<u>17,061,793</u> 81,883,853
12.3	Trade-related Contingent Liabilities		01,000,000	01,000,000
	Contingent liabilities in respect of letters of credit opened favouring:			
	Government		68,834,711	68,756,444
	Others		73,955,420 142,790,131	71,862,882 140,619,326
12.4	Other Contingencies		142,730,101	140,013,020
	Claims against the bank not acknowledged as debts		18,548,339	17,230,124
12 5	Commitments in respect of forward lending		<u>,                                 </u>	, <u>,</u>
12.0	The bank makes commitments to extend credit in the normal course of its business but these be	ina revo	cable commitmen	ts do not attract
	any significant penalty or expense if the facility is unilaterally withdrawn.	ing ieve		
			June 30, 2009	Dec 31, 2008
12.6	Other commitments		(Rupees	-
	Forward purchase contracts of government securities		3,302,916	10,065,070
	Forward sale contracts of government securities			8,611,020
			47.000.000	
	Interest rate swaps		17,690,386	20,758,372
	Equity options		243,659	355,943



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

FOR	THE HALF YEAR ENDED JUNE 30. 2009			
		Note	June 30, 2009 (Rupees	Dec 31, 2008 in '000)
12.7	Commitments in respect of forward exchange contracts			
	Sale		54,536,669	55,225,610
	Purchase		89,014,919	79,548,383
			Jan-Jun 2009 (Rupees	Jan-Jun 2008 in '000)
13.	MARK-UP / RETURN / INTEREST EARNED			
	On loans and advances			
	- Customers		23,824,180	17,527,040
	- Financial institutions		359,094	317,449
			24,183,274	17,844,489
	On investments in			
	- Securities		6,907,784	4,372,665
	- Associates		10,925	637
			6,918,709	4,373,302
	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
			31,819,734	23,169,825
14.	MARK-UP / RETURN / INTEREST EXPENSED			
	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
			15,986,868	9,954,021
_				

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'.

#### 16. ADMINISTRATIVE EXPENSES

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
·················	-	8,067,775	7,229,200
	=	-,;-	,,

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

	For the Period Ended June 30, 2009							
	Corporate	Trading &	Retail	Commercial				
	Finance	Sales	Banking	Banking				
		(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%				

9,602,972

Commercial Corporate Trading & Retail Banking Banking Finance Sales (Rupees in '000) 602.597 6,671,587 8,081,773 13,848,280 (82,184) (5, 491, 785)(9,273,279) (5,459,454) 520,413 1,179,802 4,575,001 2,622,319 10.00% 7.30% 11.10% 10.70% 9.70% 7.20% 8.40% 8.50% As at June 30, 2009 Corporate Trading & Retail Commercial Banking Banking Finance Sales (Rupees in '000) --175,637,592 248,122,051 6,520,433 226,216,124 16,302,261 19,379,005 14,080,888 9,717,255 6,088,461 160,313,665 212,873,581 201,692,619 As at December 31, 2008 Corporate Retail Commercial Trading & Finance Sales Banking Banking (Rupees in '000) · 248,800,630 9,294,445 174,810,322 190,730,419 12,073,489 15,765,831

166,115,798

11,529,038

180,440,130

7,034,296

205,050,822

For the Period Ended June 30, 2008

Segment assets (gross of NPL provisions) Segment non performing loans (NPL) Segment provision required against NPL Segment liabilities

Segment return on assets (ROA) (%)

Segment cost of funds (%)

Total income

Total expenses

Net income / (loss)

Segment assets (gross of NPL provisions) Segment non performing loans (NPL) Segment provision required against NPL Segment liabilities



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

#### 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 manage- ment personnel	Subsidiaries	Associates	Other related parties	Key manage- ment personnel	Subsidiaries	Associates	Other related parties
				(Rupees	in '000)			
Advances								
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	-	-	-
Deposits								
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	,	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								
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	For the Period Ended June 30 , 2009			For the Period Ended June 30 , 2008			
	Key manage- ment personnel	Subsidiaries	Associates	Other related parties	Key manage- ment personnel	Subsidiaries	Associates	Other related parties
				(Rupees	s 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	200		210,012			1,000	,2.10	02,201
expenses paid to Bestway Group and Abu Dhabi Group				12,042				19,325
Dividend income received	-	40,898	-	12,042	-	- 49,578	-	19,325
Other expenses paid	-	40,090	-	-	-	49,576	- 112,778	
Other income		870	6.701				962	
Insurance premium paid			180,527				94,389	
Remuneration paid	194,908		100,527		181,134			
Post employment benefits	6,024		_		5,558			
Contribution to defined	0,024				5,550			
contribution plan	-		-	287,672	-	-	_	126,172
Contribution to defined benefit plan	-	-	-	73,842	-	-	-	176,439
Employee Motivation and				10,012				110,100
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	-

## NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED) 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:

	June 30, 2009 (Rupees	Dec 31, 2008 in '000)
ASSETS		
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
Total Assets	3,109,102	3,442,647
LIABILITIES		
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
	2,693,351	3,223,667
NET ASSETS	415,751	218,980
REPRESENTED BY		
Islamic Banking Fund	681,000	470,000
Unappropriated / Unremitted loss	(265,797)	(237,572)
	415,203	232,428
Surplus / (deficit) on revaluation of assets	548	(13,448)
	415,751	218,980

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

21.

Dr. Ashfaque Hasan Khan Director Omar Z. Al Askari Director Sir Mohammed Anwar Pervez, OBE, HPk Deputy Chairman



# **United Bank Limited**

CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED JUNE 30, 2009 (UNAUDITED)



## CONSOLIDATED CONDENSED INTERIM BALANCE SHEET

AS AT JUNE 30, 2009

		(Un audited)	(Audited)
	Note	June 30, 2009	December 31, 2008
		(Rupee	es in '000)
ASSETS		I	
Cash and balances with treasury banks		56,159,987	50,143,570
Balances with other banks		24,202,615	14,540,306
Lendings to financial institutions		27,938,191	22,805,341
Investments	7	127,615,191	115,057,090
Advances	8	378,810,010	378,293,973
Operating fixed assets		20,228,775	19,926,915
Deferred tax asset - net		857,782	2,164,148
Other assets		18,322,407	17,309,187
		654,134,958	620,240,530
LIABILITIES			
Bills payable		5,074,451	5,210,870
Borrowings from financial institutions	9	42,032,010	44,749,690
Deposits and other accounts	10	521,163,393	492,267,898
Sub-ordinated loans		11,991,824	11,993,848
Liabilities against assets subject to finance lease		1,150	1,978
Other liabilities		15,615,579	16,620,583
		595,878,407	570,844,867
NET ASSETS		58,256,551	49,395,663
REPRESENTED BY			
Share capital		11,128,907	10,117,188
Reserves		18,925,266	17,256,061
Unappropriated profit		19,540,004	17,703,327
		49,594,177	45,076,576

Surplus on revaluation of assets - net of deferred tax

## CONTINGENCIES AND COMMITMENTS

11

The annexed notes 1 to 20 form an integral part of these consolidated 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 for the year would have been Rs19,233.476 million and surplus on revaluation of assets - net of deferred tax would have been lower by Rs 383.160 million.

Minority interest

2,419,475

52,013,652

6,242,899

58,256,551

2,044,589

2,274,498

49,395,663

47,121,165



#### CONSOLIDATED CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UNAUDITED) 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	12	15,663,338	12,225,374	32,122,658	23,598,947
Mark-up / return / interest expensed	13	(7,779,870)	(5,239,302)	(16,062,836)	(10,053,241)
Net mark-up / interest income		7,883,468	6,986,072	16,059,822	13,545,706
Provision for non-performing loans and advances		(3,640,080)	(1,063,444)	(5,306,560)	(1,950,038)
General provision against consumer loans		(138,668)	63,907	(71,451)	87,729
Provision for diminution in value of investment		(44,140)	-	(334,200)	-
Bad debts written off directly		(365,631)	(346,459)	(700,291)	(677,366)
Net mark-up / interest income after provisions		<u>(4,188,519)</u> 3,694,949	<u>(1,345,996)</u> 5,640,076	(6,412,502) 9,647,320	(2,539,675) 11,006,031
		3,034,343	3,040,070	3,047,320	11,000,001
Non mark-up / return / interest income Fee, commission and brokerage income		1,703,175	1,869,704	3,079,668	3,562,427
Dividend income		236,426	223,411	271,542	251,289
Gain on sale of securities		(16,194)	58,157	115,645	308,776
Unrealised gain / (loss) on revaluation of trading securities		(22,673)	3,909	(681)	(1,202)
Income from dealing in foreign currencies		223,264	494,105	560,116	754,975
Other income	14	1,804,869	715,807	2,233,501	1,729,508
Total non-markup/interest Income		3,928,867	3,365,093	6,259,791	6,605,773
		7,623,816	9,005,169	15,907,111	17,611,804
Non mark-up / interest expenses	45	(4.450.400)	(1.000.000)	(0.050.000)	(7 705 504)
Administrative expenses	15	(4,459,400)	(4,030,066)	(8,658,866)	(7,795,501)
Other provisions / write offs Worker welfare fund		(186,276) (86,727)	(137,827) (202,673)	(183,306) (169,345)	(194,526) (202,673)
Other charges		(348)	(202,673)	(1,168)	(182,272)
Total non-markup / interest expenses		(4,732,751)	(4,373,687)	(9,012,685)	(8,374,972)
rotal non-markup / interest expenses		2,891,065	4,631,482	6,894,426	9,236,832
Share of income from associates		32,403	(148,709)	212,318	(26,859)
Profit before taxation		2,923,468	4,482,773	7,106,744	9,209,973
Taxation					
Current / prior		(1,430,836)	(1,873,561)	(3,052,500)	(3,736,453)
Deferred		340,598	88,500	543,528	382,328
Drafit ofter toyotion	10	(1,090,238)	(1,785,061)	(2,508,972)	(3,354,125)
Profit after taxation	16	1,833,230	2,697,712	4,597,772	5,855,848
Share of minority interest		1,223	(29,830)	(6,761)	(57,832)
Profit attributable to Shareholders of the Bank		1,834,453	2,667,882	4,591,011	5,798,016
Unappropriated profit brought forward		20,050,017	14,907,201	17,703,327	16,728,318
Transferred from surplus on revaluation of fixed		21,884,470	17,575,083	22,294,338	22,526,334
assets-net of tax		29,300	80,420	126,614	160,840
Profit before appropriations		21,913,770	17,655,503	22,420,952	22,687,174
Appropriations		,, -	,,	, .,	, ,
Transfer to statutory reserve		(350,328)	(538,594)	(857,510)	(1,118,702)
Final cash dividend for the year ended December 31, 2008		(000,020)	(000,004)	(007,010)	(1,110,702)
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)	(538,594)	(2,880,948)	(5,570,265)
Unappropriated profit carried forward		19,540,004	17,116,909	19,540,004	17,116,909
··· ·		<u> </u>	· · · · · · · · · · · · · · · · · · ·	<u>.</u>	<u> </u>
			(Rup		
Basic and diluted earnings per share		1.65	2.40	4.13	5.21

The annexed notes 1 to 20 form an integral part of these consolidated 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 there from 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 Rs4,214.612 million and earnings per share would have been Rs.3.79

Dr. Ashfaque Hasan Khan Director Omar Z. Al Askari Director Sir Mohammed Anwar Pervez, OBE, HPk Deputy Chairman

## CONSOLIDATED CASH FLOW STATEMENT (UNAUDITED)

FOR THE HALF YEAR ENDED JUNE 30, 2009

	Half Year Ended June 30, 2009 (Runee)	Half Year Ended June 30, 2008 s in '000)
CASH FLOW FROM OPERATING ACTIVITIES	(	
Profit before taxation	7,106,744	9,209,971
Income from associates	(212,318)	26,859
Dividend income	(271,542)	(251,289)
	6,622,884	8,985,541
Adjustments for non-cash charges		
Depreciation	828,857	739,204
Worker welfare fund	169,345	202,673
Provision for retirement benefits	159,851	(37,524)
Provision against non-performing advances	5,378,011	1,862,309
Provision for diminution in the value of investments	334,200	-
(Gain) / loss on sale of fixed assets	(5,970)	(1,267)
Finance charges on leased assets Provision / (reversal of provision) against other assets	83 (15,400)	143 194,526
Unrealized deficit on revaluation of investment classified as held for trading	(13,400) 681	1,202
Bad debts written off	700,291	677,366
	7,549,949	3,638,632
	14,172,833	12,624,173
(Increase)/ decrease in operating assets	,,000	,0,
Lendings to financial institutions	(5,132,850)	8,257,414
Held-for-trading securities	1,248,959	(836,925)
Advances	(6,594,339)	(32,942,606)
Others assets	2,209,738	(1,158,884)
	(8,268,492)	(26,681,001)
Increase/ (decrease) in operating liabilities	((22, (12))	
Bills payable	(136,419)	(975,833)
Borrowings from financial institutions Deposits	(2,717,680)	(25,297,271)
Other liabilities	28,895,495 275,697	62,249,836 (108,750)
Other habilities	26,317,093	35,867,982
	32,221,434	21,811,154
Received from retirement benefits	(311,094)	155,488
Income tax paid	(6,875,262)	(2,200,854)
Net cash flow from operating activities	25,035,078	19,765,788
CASH FLOW FROM INVESTING ACTIVITIES		
Net investment in securities	(8,928,554)	315,622
Dividend income	249,486	327,662
Investments in operating fixed assets	(871,284)	(1,490,082)
Sale proceeds of property and equipment disposed off	48.242	30,218
Net cash flow from investing activities	(9,502,110)	(816,580)
CASH FLOW FROM FINANCING ACTIVITIES		
(Payments) / receipts of sub-ordinated loan	(2,024)	5,999,176
Payments of lease obligations	(828)	(687)
Dividend paid	(1,011,719)	(2,428,125)
Net cash flow from financing activities	(1,014,571)	3,570,364
Net cash flow	14,518,398	22,519,572
Exchange difference on transaction of net investment in foreign branches and	14,510,550	22,515,572
subsidiaries & minority	792,203	1,929,261
,	260 125	216 757
Exchange difference on transaction of net assets attributable to minority interest	368,125	316,757
Increase/(decrease) in cash and cash equivalents	15,678,726	24,765,590
Cash and cash equivalents at beginning of the period	64,683,876	68,604,536
Cash and cash equivalents at end of the period	80,362,602	93,370,126

The annexed notes 1 to 20 form an integral part of these consolidated condensed interim financial statements.



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

Same space         General (space         Statutory (space         Reserve (space         Reserve (			Capital Reserves			r				
Balance n. January 1, 2008         8,083,750         3,000         8,716,409         2,877,033         -         -         16,728,318         2,115,644         38,015,04           Transfer to search of the year end at R5 3 per thare         -				Statutory	Exchange	issue of				Total
Final dividend for the year ended December 31, 2007         -         <		-				(Rupees in '000	)			
Issue of bonus shares         2.023.438         -         -         (2.023.438)         -	Final cash dividend for the year ended December 31, 2007	8,093,750	3,000	8,716,409 -	2,857,933	-	-		2,115,644	
Transfer from surplus on revaluation of fixed assets       .		- 2,023,438	-	-	-		-	(2,023,438)	-	-
to un-appropriated profin-ed of tax         -         -         -         160.840         -         160.840           Exchange differences on translation of net investments in forcing branches, subsidiates and associates         -         1,929.261         -         -         403,905         2,333,166           Transfer to statutory reserves         -         1,118.702         -         -         17,116,909         2,461,717         443,321,119           Inferite mash diver for the half year ended Jues 30, 2008         10,117,188         3,000         9,835,111         4/767,194         -         -         17,116,909         2,461,717         443,321,119           Inferite mash diver for the half year ended Jues 30, 2008         -         -         -         1(1,517,578)         -         (1,517,578)         -         (1,517,578)         -         1(1,517,578)         -         -         94,177         94,177         94,177           Net loss on cash flow hedges - net of deferred tax         -         -         -         (276,633)         -	Profit after taxation for the half year ended June 30, 2008	-		-	-	-	-	5,798,016	(57,832)	5,740,184
in Toreign branches, subsidiaries and associates         -         1,329,261         -         -         403,005         2,333,166           Transfer to statutory reserves         -         1,118,702         -         -         (1,118,702)         -         -         403,005         2,333,166           Balance as at June 30, 2008         10,117,188         3,000         9,835,111         4,787,194         -         -         1,118,702)         44,321,119           Interim cash dividend for the half year ended June 30, 2008         -         -         -         -         1,517,578)         -         (1,517,578)         -         (1,517,578)         -         (1,517,578)         -         (1,517,578)         -         (1,517,578)         -         (1,517,578)         -         (1,517,578)         -         (1,517,578)         -         (1,517,578)         -         (1,517,578)         -         (1,517,578)         -         (1,517,578)         -         (1,517,578)         -         (1,517,578)         -         (1,517,578)         -         (1,517,578)         -         (2,65,633)         -         -         (2,76,633)         -         -         (2,76,633)         -         -         -         -         -         -         -         -		-		-	-		-	160,840	-	160,840
Balance as at June 30, 2008         10,117,188         3,000         9,835,111         4,787,194         -         -         17,116,99         2,461,717         44,321,118           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)         -         (1,52,24)         -				-	1,929,261	-	-	-	403,905	2,333,166
Interim cash dividend for the half year ended June 30, 2008 declared subsequent to period end at Rs. 1.5 per share         .	Transfer to statutory reserves	-		1,118,702	-	-	-	(1,118,702)	-	-
declared subsequent to period and at Rs. 1.5 per share       -       -       -       -       -       (1,517,578)       .       (1,517,578)         Profit after taxation for the hall year ended December 31, 2008       -       -       -       -       2,557,741       147,326       2,705,067         Transfer from surplus on revaluation of fixed assets to un-appropriated profit-net of tax       -       -       -       94,177       .       94,177         Net loss on cash flow hedges - net of deferred tax       -       -       . <td>Balance as at June 30, 2008</td> <td>10,117,188</td> <td>3,000</td> <td>9,835,111</td> <td>4,787,194</td> <td>-</td> <td>-</td> <td>17,116,909</td> <td>2,461,717</td> <td>44,321,119</td>	Balance as at June 30, 2008	10,117,188	3,000	9,835,111	4,787,194	-	-	17,116,909	2,461,717	44,321,119
Transfer from surplus on revaluation of fixed assets to un-appropriated profit-net of tax94,177Net loss on cash flow hedges - net of deferred tax <td></td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td></td> <td>(1,517,578)</td> <td>-</td> <td>(1,517,578)</td>		-	-	-	-	-		(1,517,578)	-	(1,517,578)
to un-appropriated profit-net of tax         -         -         -         -         94,177           Net loss on cash flow hedges - net of deferred tax         -         -         -         (276,633)         -         -         (276,633)           Exchange differences on translation of net investments in foreign branches, subsidiaries and associates         -         -         2,359,467         -         -         (509,230)         1,850,237           Preferred dividend relating to minority shareholders         -         -         -         -         -         (55,224)         (55,224)           Transfer to statutory reserve         -         -         547,922         -         -         (1,011,719)         -         -           Final cash dividend for the year ended December 31, 2008         10,117,188         3,000         10,383,033         7,146,661         -         (276,633)         17,703,327         2,044,589         47,121,165           Final cash dividend for the year ended December 31, 2008         -         -         -         1,011,719         -         (1,011,719)         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -	Profit after taxation for the half year ended December 31, 2008	-	-		-	-	-	2,557,741	147,326	2,705,067
Exchange differences on translation of net investments in foreign branches, subsidiaries and associates         -         2,359,467         -         -         (509,230)         1,850,237           Preferred dividend relating to minority shareholders         -         -         -         -         -         -         -         -         (55,224)         (55,224)           Transfer to statutory reserve         -         547,922         -         -         (547,922)         -         -           Balance as at December 31,2008         10,117,188         3,000         10,383,033         7,146,661         -         (276,633)         17,703,327         2,044,589         47,121,165           Final cash dividend for the year ended December 31,2008         -         -         1,011,719         -         (1,011,719)         -         (1,011,719)         -         (1,011,719)         -					-	-	-	94,177	-	94,177
in foreign branches, subsidiaries and associates       -       -       2,359,467       -       -       (509,230)       1,850,237         Preferred dividend relating to minority shareholders       -       -       -       -       (55,224)       (55,224)         Transfer to statutory reserve       -       547,922       -       -       (57,222)       -       -         Balance as at December 31, 2008       10,117,188       3,000       10,383,033       7,146,661       -       (276,633)       17,703,327       2,044,589       47,121,165         Final cash dividend for the year ended December 31, 2008       -       -       -       -       (1,011,719)       -       (1,011,719)       -       (1,011,719)       -<	Net loss on cash flow hedges - net of deferred tax	-	-	-	-	-	(276,633)	-	-	(276,633)
Transfer to statutory reserve       -       -       547,922       -       -       (547,922)       -       -         Balance as at December 31, 2008       10,117,188       3,000       10,383,033       7,146,661       -       (276,633)       17,703,327       2,044,589       47,121,165         Final cash dividend for the year ended December 31, 2008 declared subsequent to year end at Re. 1.0 per share       -       -       -       -       (1,011,719)       2,044,589       47,121,165         Transfer to reserve for issue of bonus shares       -       -       -       -       -       (1,011,719)       -       (1,011,719)       -       (1,011,719)       - <t< td=""><td></td><td>-</td><td>-</td><td>-</td><td>2,359,467</td><td>-</td><td>-</td><td>-</td><td>(509,230)</td><td>1,850,237</td></t<>		-	-	-	2,359,467	-	-	-	(509,230)	1,850,237
Balance as at December 31, 2008         10,117,188         3,000         10,383,033         7,146,661         -         (276,633)         17,703,327         2,044,589         47,121,165           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)         (1,011,719)           Transfer to reserve for issue of bonus shares         -         -         -         1,011,719         -	Preferred dividend relating to minority shareholders	-	-	-	-	-	-	-	(55,224)	(55,224)
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 shares1,011,719<	Transfer to statutory reserve	-	-	547,922	-	-	-	(547,922)	-	-
declared subsequent to year end at Re. 1.0 per share(1,011,719)-(1,011,719)Transfer to reserve for issue of bonus shares1,011,719-(1,011,719)Issue of bonus shares1,011,7191,011,719(1,011,719)Issue of bonus shares1,011,719(1,011,719)Profit after taxation for the half year ended June 30, 20094,591,0116,7614,597,772Transfer from surplus on revaluation of fixed assets to un-appropriated profit-net of tax4,591,0116,7614,597,772Exchange differences on translation of net investments in foreign branches, subsidiaries and associates19,492-126,614-19,492Transfer to statutory reserves792,203368,1251,160,328	Balance as at December 31, 2008	10,117,188	3,000	10,383,033	7,146,661		(276,633)	17,703,327	2,044,589	47,121,165
Issue of bonus shares1,011,7191Profit after taxation for the half year ended June 30, 20094,591,0116,7614,597,772Transfer from surplus on revaluation of fixed assets to un-appropriated profit-net of tax4,591,0116,7614,597,772Reversal of loss on cash flow hedges - net of deferred tax126,614-126,614Exchange differences on translation of net investments in foreign branches, subsidiaries and associates792,203368,1251,160,328Transfer to statutory reserves857,51026,7510						-		(1,011,719)	-	(1,011,719)
Profit after taxation for the half year ended June 30, 20094,591,0116,7614,597,772Transfer from surplus on revaluation of fixed assets to un-appropriated profit-net of tax Reversal of loss on cash flow hedges - net of deferred tax4,591,0116,7614,597,772Exchange differences on translation of net investments in foreign branches, subsidiaries and associates126,614 19,492-126,614 -126,614 19,492-19,492Transfer to statutory reserves792,203 857,510368,1251,160,328	Transfer to reserve for issue of bonus shares	-	-	-	-	1,011,719	-	(1,011,719)	-	-
Transfer from surplus on revaluation of fixed assets to un-appropriated profit-net of tax126,614126,614Reversal of loss on cash flow hedges - net of deferred tax19,492-19,492Exchange differences on translation of net investments in foreign branches, subsidiaries and associates792,203368,1251,160,328Transfer to statutory reserves857,510(857,510)-	Issue of bonus shares	1,011,719	-	-	-	(1,011,719)	-	-	-	-
to un-appropriated profit-het of tax Reversal of loss on cash flow hedges - net of deferred tax in foreign branches, subsidiaries and associates Transfer to statutory reserves	Profit after taxation for the half year ended June 30, 2009	-	-	-	-	-	-	4,591,011	6,761	4,597,772
in foreign branches, subsidiaries and associates       -       -       792,203       -       -       368,125       1,160,328         Transfer to statutory reserves       -       -       857,510       -       -       (857,510)       -	to un-appropriated profit-net of tax	-	Ē	-	-	-	- 19,492	126,614 -	-	
		-	-	-	792,203	-	-	-	368,125	1,160,328
Balance as at June 30, 2009 11,128,907 3,000 11,240,543 7,938,864 - (257,141) 19,540,004 2,419,475 52,013,652	Transfer to statutory reserves	-	-	857,510	-	-	-	(857,510)	-	-
	Balance as at June 30, 2009	11,128,907	3,000	11,240,543	7,938,864	-	(257,141)	19,540,004	2,419,475	52,013,652

The annexed notes 1 to 20 form an integral part of these consolidated condensed interim financial statements.

Atif R. Bokhari President & Chief Executive Officer Dr. Ashfaque Hasan Khan Director Omar Z. Al Askari Director Sir Mohammed Anwar Pervez, OBE, HPk Deputy Chairman



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

## 1. STATUS AND NATURE OF BUSINESS

The Group consists of:

Holding Company United Bank Limited (The Bank)

## **Subsidiary Companies**

United National Bank Limited United Bank AG (Zurich), United Executers and Trustees UBL Fund Managers Limited

The Group is engaged in commercial banking, modaraba management, asset management, mutual funds and trustee services. The Bank is listed on all three Stock Exchanges in Pakistan and in London Stock Exchange. The Bank's registered office and principal office is situated in State Life Building No. 1, I. I. Chundirgar Road Karachi. The Bank operates 1,118 (2008: 1,119) branches inside including the Karachi Export Processing Zone Branch (KEPZ) and 17 (December 31, 2008:17) branches outside Pakistan as at June 30, 2009. The domestic branch network also includes 5(2008: 5) Islamic banking branches.

The minority interest represents National Bank of Pakistan's 45% share in the net asset value of UNBL.

## 2. BASIS OF PRESENTATION

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.

## 3. STATEMENT OF COMPLIANCE

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

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.

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





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

Adoption of the above standards, amendments and interpretations did not affect the accounting policies of the Company as disclosed in the annual financial statement 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. Since the bank is required to follow the format of half-yearly financial statements as prescribed by the SBP through the BSD Circular Letter No. 2 of 2004, therefore the newly introduced statements of comprehensive income presenting all items recognized in income and expense 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 judgement, 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

			J	June 30, 2009 December 31, 2008				
7.1		Note	Held by bank	Given as collateral	Total	Held by bank	Given as collateral	Total
					Rupees	s in '000		
	Held-for-trading securities	7.2.1	3,399,294	-	3,399,294	4,648,253	-	4,648,253
	Available-for-sale securities	7.2.2	86,007,994	7,703,741	93,711,735	81,835,468	14,269,456	96,104,924
	Held-to-maturity securities	7.2.3	32,647,686	-	32,647,686	23,379,195	-	23,379,195
	Investments in Associates	7.2.4	4,959,083	-	4,959,083	2,905,831	-	2,905,831
			127,014,057	7,703,741	134,717,798	112,768,747	14,269,456	127,038,203
	Provision for diminution in value of investments		(2,894,575)	-	(2,894,575)	(2,188,792)	-	(2,188,792)
	Investments (net of provisions)		124,119,482	7,703,741	131,823,223	110,579,955	14,269,456	124,849,411
	Surplus / (deficit) on revaluation of available for sale investments		(4,174,880)	(32,471)	(4,207,351)	(9,671,911)	(109,728)	(9,781,639)
	Surplus / (Deficit) on revaluation of held for trading investments		(681)	-	(681)	(10,682)	-	(10,682)
	Total investments		119,943,921	7,671,270	127,615,191	100,897,362	14,159,728	115,057,090



NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

FOR THE HALF YEAR ENDED JUNE 30, 2009

			June 30, 2009			December 31, 2008			
7.2	Investments by types N	lote Held by	Given as		Held by	Given as			
		bank	collateral	Total	bank	collateral	Total		
				(Rupees	in '000)				
7.2.1	Held-for-trading securities								
	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		
	Sukuk bonds	-	-	-	81,450	-	81,450		
	Pakistan Investment Bonds	-	-	-	15,929	-	15,929		
		3,399,294	-	3,399,294	4,648,253	-	4,648,253		
7.2.2	Available for sale securities	r			r				
	Market treasury bills	40,018,442		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	15,272,429	-	15,272,429		
	Ordinary shares of listed companies	5,685,439	-	5,685,439	5,886,059	-	5,886,059		
	Euro Bonds	2,378,651	-	2,378,651	4,341,320	-	4,341,320		
	Government of Pakistan Islamic Bonds	4,842,560	-	4,842,560	2,493,607	-	2,493,607		
	Term Finance Certificates	2,012,702	-	2,012,702	2,172,450	-	2,172,450		
	Ordinary shares of unlisted companies	441,516	-	441,516	441,715	-	441,715		
	Sukuk bonds	-	-	-	455,276	-	455,276		
	Units of mutual funds	191,299	-	191,299	211,583	-	211,583		
	Cumulative preference shares	-		-	8,120	-	8,120		
7 9 9	Held to moturity oppurision	86,007,994	7,703,741	93,711,735	81,835,468	14,269,456	96,104,924		
1.2.3	Held to maturity securities Term finance certificates	16 117 000		16 117 000	4 015 902		4 015 902		
	Pakistan Investment Bonds	16,117,232 2,515,509	-	16,117,232 2,515,509	4,915,803 4,339,104	-	4,915,803 4,339,104		
		2,515,509	-	2,515,509		-			
	Certificate of deposits CIRC bonds	2,900,000	-	- 2,900,000	4,091,750 2,900,000	-	4,091,750 2,900,000		
	Foreign securities	1,968,062		2,900,000	2,105,582	_	2,300,000		
	Government of Pakistan - Guaranteed bonds	1,648,269	-	1,648,269	1,485,444	_	1,485,444		
	Market treasury bills	5,439,639	_	5,439,639	1,263,178	_	1,263,178		
	Sukuk bonds	1,097,747	-	1,097,747	1,094,372	_	1,094,372		
	Foreign currency bonds	924,758	-	924,758	1,138,686	-	1,138,686		
	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		
		32,647,686	-	32,647,686	23,379,195	-	23,379,195		
7.2.4	Investments in Associates	- ,- ,		- ,- ,	-,,		-,,		
	United Money Market Fund	-	-	-	1,450,300	-	1,450,300		
	United Growth and Income Fund	3,089,629	-	3,089,629	327,193	-	327,193		
	United Composite Islamic Fund	588,997	-	588,997	338,024	-	338,024		
	United Liquidity Preference Fund	201,192	-	201,192	-	-	-		
	United Islamic Income Fund	328,633	-	328,633	308,700	-	308,700		
	United Stock Advantage Fund	368,516	-	368,516	142,766	-	142,766		
	UBL Participation Protected Plan	212,966	-	212,966	75,500	-	75,500		
	UBL Insurers Limited	81,543	-	81,543	138,887	-	138,887		
	United Capital Protected Fund - 1	80,626	-	80,626	52,154	-	52,154		
	Oman United Exchange Company, Muscat	6,981	-	6,981	72,307	-	72,307		
		4,959,083	-	4,959,083	2,905,831	-	2,905,831		
		127,014,057	7,703,741	134,717,798	112,768,747	14,269,456	127,038,203		
	Provision for diminution in value of investments	(2,894,575		(2,894,575)	(2,188,792)	-	(2,188,792)		
	Cumbus //deficit) on reveluction of	124,119,482	7,703,741	131,823,223	110,579,955	14,269,456	124,849,411		
	Surplus / (deficit) on revaluation of available for sale investments	(4,174,880	) (32,471)	(4,207,351)	(9,671,911)	(109,728)	(9,781,639)		
	Surplus / (Deficit) on revaluation of	(004)		(004)	(40.000)		(40,000)		
	held for trading investments	(681)		(681)	(10,682)	-	(10,682)		
	Investments (net of provisions)	119,943,921	7,671,270	127,615,191	100,897,362	14,159,728	115,057,090		

# NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED FOR THE HALF YEAR ENDED JUNE 30, 2009

Loans, cash credits, running finances, etc.       286,914,611       278,513,709         Outside Pakistan       96,566,370       101,625,637         Bills discounted and purchased (excluding treasury bills)       383,480,981       380,139,346         Payable in Pakistan       14,331,761       12,401,963         Payable outside Pakistan       6,144,957       5,221,564         Payable outside Pakistan       20,476,718       17,623,527         Finance in respect of continuous funding system (CFS)       -       322,180         Provision for non-performing advances       - Specific       8.1       (23,802,922)       (18,567,383)         - General       8.2       (1,344,767)       (1,223,697)       378,810,010       378,293,973	8.	ADVANCES		Note	June 30, 2009 (Rupe	December 31, 2008 es in '000)
Outside Pakistan         96,566,370 383,480,981         101,625,637 380,139,346           Bills discounted and purchased (excluding treasury bills)         14,331,761 6,144,957         12,401,963 5,221,564           Payable outside Pakistan         14,331,761 6,144,957         12,401,963 5,221,564           Finance in respect of continuous funding system (CFS)         -         322,180 403,957,699           Provision for non-performing advances         -         Specific 6,6eneral         -           8.1         (23,802,922)         (18,567,383) (1,223,697)		Loans, cash credits, running finances, etc.				
Bills discounted and purchased (excluding treasury bills)       383,480,981       380,139,346         Payable in Pakistan       14,331,761       12,401,963         Payable outside Pakistan       6,144,957       5,221,564         20,476,718       17,623,527         403,957,699       397,762,873         Finance in respect of continuous funding system (CFS)       -       322,180         Provision for non-performing advances       -       Specific       8.1       (23,802,922)       (18,567,383)         -       General       8.2       (1,344,767)       (1,223,697)		In Pakistan			286,914,611	278,513,709
Bills discounted and purchased (excluding treasury bills)       14,331,761       12,401,963         Payable in Pakistan       6,144,957       5,221,564         Payable outside Pakistan       20,476,718       17,623,527         403,957,699       397,762,873       398,085,053         Provision for non-performing advances       -       322,180         -       398,085,053       -       398,085,053         Provision for non-performing advances       -       Specific       8.1       (23,802,922)       (18,567,383)         -       General       8.2       (1,344,767)       (1,223,697)		Outside Pakistan			96,566,370	101,625,637
Payable in Pakistan       14,331,761       12,401,963         Payable outside Pakistan       6,144,957       5,221,564         20,476,718       17,623,527         403,957,699       397,762,873         Finance in respect of continuous funding system (CFS)       -       322,180         403,957,699       398,085,053         Provision for non-performing advances       -       Specific         -       -       322,180         398,085,053       -       General       8.2         (1,344,767)       (1,223,697)					383,480,981	380,139,346
Payable outside Pakistan         6,144,957         5,221,564           20,476,718         17,623,527           403,957,699         397,762,873           Finance in respect of continuous funding system (CFS)         -         322,180           403,957,699         398,085,053           Provision for non-performing advances         -         Specific           -         -         309,085,053           -         -         -           -         -         -           -         -         -           -         -         -           -         -         -           -         -         -           -         -         -           -         -         -           -         -         -           -         -         -           -         -         -           -         -         -           -         -         -           -         -         -           -         -         -           -         -         -           -         -         -           -         -         -		Bills discounted and purchased (excluding tre	asury bills)			
20,476,718         17,623,527           403,957,699         397,762,873           Finance in respect of continuous funding system (CFS)         -         322,180           403,957,699         398,085,053           Provision for non-performing advances         -         Specific           -         -         309,085,053           -         -         -           -         -         -           -         -         -           -         -         -           -         -         -           -         -         -           -         -         -           -         -         -           -         -         -           -         -         -           -         -         -           -         -         -           -         -         -           -         -         -           -         -         -           -         -         -           -         -         -           -         -         -           -         -         -           -		Payable in Pakistan			14,331,761	12,401,963
Finance in respect of continuous funding system (CFS)         403,957,699         397,762,873           Finance in respect of continuous funding system (CFS)         -         322,180           403,957,699         398,085,053           Provision for non-performing advances         -         Specific           -         General         8.2         (1,344,767)		Payable outside Pakistan			6,144,957	5,221,564
Finance in respect of continuous funding system (CFS)         -         322,180           403,957,699         398,085,053           Provision for non-performing advances         -         Specific           -         General         8.2         (1,344,767)					20,476,718	17,623,527
403,957,699         398,085,053           Provision for non-performing advances         - Specific         8.1         (23,802,922)         (18,567,383)           - General         8.2         (1,344,767)         (1,223,697)					403,957,699	397,762,873
Provision for non-performing advances         - Specific         8.1         (23,802,922)         (18,567,383)           - General         8.2         (1,344,767)         (1,223,697)		Finance in respect of continuous funding syst	em (CFS)		- 322.18	
- General 8.2 (1,344,767) (1,223,697)		, , , , , , , , , , , , , , , , , , , ,			403,957,699	398,085,053
		Provision for non-performing advances	- Specific	8.1	(23,802,922)	(18,567,383)
378,810,010 378,293,973		. 5	- General	8.2	(1,344,767)	(1,223,697)
					378,810,010	378,293,973

8.1 Advances include Rs 35,681 million (December 31, 2008: Rs 28,901 million) which have been placed under non-performing status as detailed below:-

			June 30, 20	09	
Category of classification	Domestic	Overseas	Total	Provision	Provision
				Required	Held
			Rupees in '0	00	
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	1,451,643	8,313,652	2,805,294	2,805,294
Loss	19,654,520	2,680,756	22,335,276	19,693,677	19,693,677
	32,545,836	4,228,272	36,774,108	23,802,922	23,802,922
			December 31,	2008	
Category of classification	Domestic	Overseas	Total	Provision	Provision
				Required	Held
			Rupees in '0	00	

			Rupees in vi		
Other Assets Especially Mentioned	562,548	348,605	911,153	-	-
Substandard	4,857,390	616,407	5,473,797	926,042	926,042
Doubtful	6,308,575	308,796	6,617,371	2,369,509	2,369,509
Loss	13,557,179	2,341,829	15,899,008	15,271,832	15,271,832
	25,285,692	3,615,637	28,901,329	18,567,383	18,567,383

**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 141.207 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.

9. BORROWINGS FROM FINANCIAL INSTITUTIONS	June 30, 2009 (Rupe	December 31, 2008 es in '000)
<b>Secured</b> Borrowings from financial institutions Borrowings from State Bank of Pakistan	-	-
- Under export refinance scheme	13,800,351	12,804,867
<ul> <li>Long term finance under export oriented projects</li> </ul>	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
Unsecured		
Borrowings from other central banks	-	-
Call borrowings	12,734,106	10,200,693
Overdrawn nostro accounts	2,377,286	2,116,282
Trading account liability	780,582	1,062,997
	15,891,974	13,379,972
	42,032,010	44,749,690



10.	DEPOSITS AND OTHER ACCOUNTS	June 30, 2009 (Rupee	December 31, 2008 es in '000)
	Customers		
	Fixed deposits	186,512,727	190,496,105
	Savings deposits	167,695,760	157,389,124
	Sundry deposits	5,671,767	4,957,358
	Margin deposits	3,648,408	3,993,023
	Current accounts: Remunerative	2,633,640	2,185,756
	Current accounts: Non-remunerative	154,662,142	132,111,190
		520,824,444	491,132,556
	Financial Institutions		
	Remunerative deposits	26,451	903,419
	Non-remunerative deposits	312,498	231,923
		338,949	1,135,342
		521,163,393	492,267,898
11.	CONTINGENCIES AND COMMITMENTS		
11.1	Direct credit substitutes		
	Contingent liability in respect of guarantees given favouring:		
	Government	13,940,367	12,738,399
	Banking companies and other financial institutions	4,544,951	4,951,481
	Others	7,226,561	8,642,081
		25,711,879	26,331,961
11.2	2 Transaction-related contingent liabilities		
	Contingent liability in respect of performance bonds, bid bonds, warranties, etc.		
	Government	65,188,860	60,706,466
	Banking companies and other financial institutions	1,968,841	4,115,594
	Others	19,931,868	17,061,793
	· · · · · · · · · · · · · · · · · · ·	87,089,569	81,883,853
11.3	3 Trade-related contingent liabilities		
	Contingent liability in respect of letters of credit favouring:		
	Government	68,878,448	68,756,444
	Banking companies and other financial institutions	1,571,639	32,013
	Others	73,324,980	73,606,990
		143,775,067	142,395,447
11.4	Other contingencies		
	Claims against the Bank not acknowledge as debts	18,548,339	17,230,872

## 11.5 Commitments to extend credit

The bank makes commitments to extend credit in the normal course of its business but these being recoverable commitments do not attract any significant penalty or expense if the facility is unilaterally withdrawn.

	June 30, 2009 (Rupe	December 31, 2008 es in '000)	
11.6 Other commitments			
Forward Purchase contract of government securities	3,302,916	10,065,070	
Forward sale contracts of government securities		8,611,020	
Interest rate swaps	17,690,386	20,758,372	
Equity indices	243,659	355,943	
Cross currency swaps	36,539,802	15,948,869	
Forward rate agreements		850,000	
FX options	1,282,961	25,460,283	
Commodity options		39,545	
Commitments in respect of capital expenditure	441,519	1,206,025	
11.7 Commitments in respect of forward exchange contracts			
Sale	55,016,397	55,616,766	
Purchase	62,496,729	79,929,121	



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

12.	MARK-UP / RETURN / INTEREST EARNED	Jan-Jun 2009 (Rupees	Jan-Jun 2008 in '000)
	On loans and advances		
	- Customers	23,995,857	17,776,501
	- Financial institutions	362,408	440,625
		24,358,265	18,217,126
	On investments in		
	- Securities	6,920,191	4,376,344
	- Associates	10,925	-
		6,931,116	4,376,344
	On deposits with financial institutions	260,518	231,941
	On securities purchased under resale agreements	505,958	711,522
	Discount income	66,802	62,015
		32,122,659	23,598,948
13.	MARK-UP / RETURN / INTEREST EXPENSED		
	On deposits	12,731,417	7,385,139
	On securities sold under repurchase agreements	1,052,545	1,239,423
	On other short - term borrowings	1,268,739	715,318
	On other long - term borrowings	768,211	612,177
	Discount expense	241,924	101,184
		16,062,836	10,053,241

14. 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.'

#### 15. ADMINISTRATIVE EXPENSES

Salaries, allowances etc.	4.069.941	3,752,225
Outsourced service charges including sales commission	663,465	815,571
Contribution to retirement plan	89,227	(101,267)
Charge for compensated absences	70,624	63,743
Rent, taxes, insurance, electricity etc.	963,783	786,796
Communications	373,669	322,095
Advertisement and publicity	83,328	137,386
Depreciation	828,857	739,204
Stationery and printing	155,238	138,106
Banking service charge	248,081	206,784
Legal and professional charges	108,645	116,417
Cash transportation charges	205,168	101,197
Travelling	87,298	74,245
Repairs and maintenance	177,841	129,950
Donations	33,567	2,327
Insurance expenses	44,558	46,180
Vehicle expenses	48,883	52,723
Office running expenses	69,410	50,535
Entertainment	46,137	44,139
Cartage, freight and conveyance	34,937	31,526
Training and seminar	24,550	28,472
Auditors' remuneration	30,005	24,452
Subscriptions	19,533	18,656
Brokerage expenses	11,824	12,350
Finance charges on lease	4,003	143
Miscellaneous expenses	166,293	201,546
	8,658,866	7,795,501

#### 16. TAXATION

16.1 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.

#### UBL



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

- 16.2 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.
- 16.3 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.
- 16.4 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.
- 16.5 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.
- 16.6 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 a tax asset in these interim condensed financial statements.

#### 17. SEGMENT DETAILS WITH RESPECT TO BUSINESS ACTIVITIES

		For the Period Ended June 30, 2009					
	Corporate Finance	Trading & Sales	Retail Banking	Commercial Banking	Asset Management	Others	
	(Rupees in '000)						
Total income	306,850	8,841,983	12,508,350	15,943,581	231,232	550,454	
Total expenses Net income / (loss)	(392,874) (86,024)	(6,595,413) 2,246,570	(9,189,805) 3,318,545	(14,654,029) 1,289,552	(150,176) 81,056	(505,726) 44,728	
Segment return on assets (ROA) (%) Segment cost of funds (%)	7.58% 12.36%	9.25% 8.80%	11.75% 9.67%	14.55% 10.75%	19.14% 9.00%	0.75% 7.00%	

		For the Period Ended June 30, 2008						
	Corporate Finance	Trading & Sales	Retail Banking	Commercial Banking	Asset Management	Others		
		(Rupees in '000)						
Total income	602,597	6,671,587	14,471,009	8,072,949	287,662	98,916		
Total expenses	(82,184)	(5,491,785)	(9,722,749)		(154,070)	(61,925)		
Net income / (loss)	520,413	1,179,802	4,748,215	2,590,958	133,592	36,991		
Segment return on assets (ROA) (%)	10.00%	7.30%	11.40%	10.70%	39.20%	3.50%		
Segment cost of funds (%)	9.70%	7.20%	8.40%	8.50%	0.00%	8.00%		

		As at June 30, 2009					
	Corporate Finance	Trading & Sales	Retail Banking	Commercial Banking	Asset Management	Others	
	(Rupees in '000)						
Segment assets (gross of NPL provisions)	6,520,433	194,366,953	226,220,903	244,443,093	423,594	5,962,904	
Segment non performing loans (NPL)	-	-	19,379,005	16,302,261	-	-	
Segment provision required against NPL	-	-	14,085,667	9,717,255	-	-	
Segment liabilities	6,088,461	173,184,247	212,873,581	199,723,678	39,920	3,968,520	

		As at December 31, 2008					
	Corporate Finance	Trading & Sales	Retail Banking	Commercial Banking	Asset Management	Others	
	(Rupees in '000)						
Segment assets (gross of NPL provisions)	9,294,445	180,443,382	200,402,439	243,854,770	455,567	4,357,311	
Segment non performing loans (NPL)	-	-	16,827,840	12,073,489	-	-	
Segment provision required against NPL	-	-	11,533,087	7,034,296	-	-	
Segment liabilities	9,602,972	169,962,504	185,364,108	204,917,867	100,325	897,091	

## (UBL



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

#### 18. RELATED PARTY TRANSACTIONS

- 18.1 The Bank has related party relationship with its associated undertakings, subsidiary companies, employee benefit plans and its directors and executive officers (including their associates).
- **18.2** The Bank enters into transactions with the related parties in the normal course of business. Contributions to and accruals in respect of staff retirements 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 appointment.

#### 18.3 RELATED PARTY TRANSACTIONS

	For the half year ended June 30 , 2009 For the ye			For the yea	ear ended December 31, 2008		
	Key manage- ment personnel	Associates	Other related parties	Key manage- ment personnel	Associates	Other related parties	
			(Rupees	in '000)			
Advances At January 01 Given during the period	148,875 22,032	-	-	80,592 135,743	-	-	
Repaid during the period At June 30, 2009	(28,774) 142,133	-	-	(67,460) 148,875	-		
Deposits At January 01	20,149	147,701	308,347	14,252	231,886	5,865,116	
Received during the period	364,975	8,324,834	678,261	543,947	44,273,279	2,034,774	
Withdrawn during the period	(129,840)	(8,298,253)	(672,035)	(538,050)	(44,357,464)	(7,591,543)	
At June 30, 2009	255,284	174,282	314,573	20,149	147,701	308,347	
Outstanding borrowing at the end of							
end of the period	-	300,000	-	-	850,000		
Other receivable	-	96,874	-	-	37,954	4,458	
Other payable	-	6,209	-	-	164,932	-	
Employee Motivation and		-,			- ,		
Retention Scheme	-	-	413,546	-	-	338,552	
Term Finance Certificate (sale) / purchased	-	-	-	-	1,898,783	-	
	For the hal	f year ended Ju	ne 30 , 2009	For the hal	f year ended Ju	ine 30 , 2008	
	Key manage- ment personnel	Associates	Other related parties	Key manage- ment personnel	Associates	Other related parties	
	personner		(Bunasa)				
			(Rupees	in '000)			
Mark-up / return / interest earned	4,019	-	-	1,704	-	-	
Mark-up / return / interest expensed Reimbursement of liaison office	205	218,572	567	39	47,275	52,281	
expenses paid to Bestway Group							
and Abu Dhabi Group	-	-	12,042	-	-	19,325	
Other expenses paid	-	-	-	-	112,778	-	
Other income	-	6,701	-	-	962	-	
Insurance premium paid	-	180,527	-	-	94,389	-	
Remuneration paid	194,908			181,134	-	-	
Post employment benefits Contribution to defined	6,024	-	-	5,558	-	-	
contribution plan	-	-	287,672	-	-	126,172	
Contribution to defined benefit plan Employee Motivation and	-	-	172,223	-	-	176,439	
Retention Scheme	-	-	50,005	-		230,000	
Borrowing made during the period	-	1,650,000	-	-	-	-	
Borrowing settled during the period	-	1,350,000	-	-	-	-	
Maximum amount of a borrowing		-	-	-	-	-	
made during the period	-	500,000	-	-	-	-	
Investment made during the period	-	2,437,264	-	-	2,159,500	-	
Redemption made during the period	-	-	-	-	5,273,039	-	
Bonus units received	-	-	-	-	49,578	-	
Realised gain on cross currency swaps	-	574,396	_				
Unrealised gain on cross currency swaps		577,550	-			-	



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

#### 19. ISLAMIC BANKING BUSINESS

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

ASSETS		June 30, 2009	December 31, 2008
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         234,108         92,060           - Murabaha         234,108         92,060           - Diminishing Musharaka         250,000         250,000           Operating fixed assets including assets given on ljara         695,602         848,086           Other assets         3,109,102         3,442,647           LIABILITIES         3,109,102         3,442,647           Bills payable         3,492         24,838           - Current accounts         360,097         413,322           - Saving accounts         224,527         270,276           - Term deposits from financial institutions: remunerative         363,048         844,455           Due to head office         1,253,414         1,145,380           Other liabilities         3,223,667         3,223,667           NET ASSETS         2,693,351         3,223,667           Islamic Banking Fund         681,000         470,000           Unappropriated / unremitted loss         24,828         322,232,428           Sur		(Rupees	s in '000)
Balances with and due from financial institutions         542,705         421,325           Investments         772,737         1,295,236           Financing and receivables         234,108         92,060           - Murabaha         234,108         92,060           - Murabaha         275,158         127,850           Operating fixed assets including assets given on Ijara         695,602         848,086           Operating fixed assets         3,109,102         3,442,647 <b>LIABILITIES</b> 3,109,102         3,442,647           Eills payable         3,492         24,838           - 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         61,192           Other liabilities         2,693,351         3,223,667           NET ASSETS         2,693,351         3,223,667           Islamic Banking Fund         681,000         470,000           Unappropriated / unremitted loss         245,797         (237,572)           Surplus / (deficit) on revaluation			
Investments         772,737         1,295,236           Financing and receivables         234,108         92,060           - Murabaha         250,000         250,000           - Diminishing Musharaka         237,158         127,850           Operating fixed assets including assets given on Ijara         695,602         848,086           Other assets         195,395         148,826           Total Assets         3,109,102         3,442,647           LIABILITIES         3,109,102         3,442,647           Bills payable         3,492         24,838           Deposits and other 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           0ther liabilities         415,271         218,983           REPRESENTED BY         21,233,11         2,21,693           Islamic Banking Fund         681,000         470,000           Unappropriated / unremitted loss         548         (13,448)			
Financing and receivables         234,108         92,060           - Murabaha         234,108         92,060           - Murabana         250,000         250,000           - Diminishing Musharaka         275,158         127,850           Operating fixed assets including assets given on Ijara         695,602         848,086           Other assets         3,109,102         3,442,647 <b>LIABILITIES</b> 3,109,102         3,442,647           Eills payable         3,492         24,838           Deposits and other 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         415,751         218,980 <b>REPRESENTED BY</b> 13,828         681,000         470,000           Unappropriated / unremitted loss         (285,797)         (237,572)         415,203         232,428           Surplus / (deficit) on revaluation of assets         548         (13,448)         611,324	Balances with and due from financial institutions		
- 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           Total Assets         3,109,102         3,442,647           LIABILITIES         3         24,838           Bills payable         224,527         270,276           - Current accounts         406,925         464,204           - Saving accounts         236,007         413,322           - Term deposits         360,097         413,325           Due to head office         1,253,414         1,145,380           Other liabilities         81,848         61,192           REPRESENTED BY         2683,351         3,223,667           Islamic Banking Fund         681,000         470,000           Unappropriated / unremitted loss         (265,777)         (237,572)           Surplus / (deficit) on revaluation of assets         548         (13,448)	Investments	772,737	1,295,236
- Musharaka       250,000       250,000         - Diminishing Musharaka       250,000       275,158       127,850         Operating fixed assets including assets given on Ijara       695,602       848,086         Other assets       3,109,102       3,442,647         LIABILITIES       3,109,102       3,442,647         Bills payable       3,492       24,838         Opposits and other accounts       406,925       464,204         - Saving accounts       360,097       413,322         - 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       2,693,351       3,223,667         NET ASSETS       415,751       218,980         REPRESENTED BY       1       1         Islamic Banking Fund       681,000       470,000         Unapropriated / unremitted loss       223,677       223,7272         Surplus / (deficit) on revaluation of assets       548       (13,448)	Financing and receivables		
- Diminishing Musharaka       275,158       127,850         Operating fixed assets including assets given on Ijara       695,602       848,086         Other assets       195,395       148,826         Total Assets       3,109,102       3,442,647         LIABILITIES       3       224,838         Deposits and other accounts       3,492       24,838         - 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       1,45,380         Other liabilities       81,848       61,192         NET ASSETS       415,751       218,980         REPRESENTED BY       1       138,980         Islamic Banking Fund       681,000       470,000         Unappropriated / unremitted loss       (265,77)       (237,572)         Surplus / (deficit) on revaluation of assets       548       (13,448)		234,108	92,060
Operating fixed assets including assets given on Ijara         695,602         848,086           Other assets         195,395         148,826           Total Assets         3,109,102         3,442,647           LIABILITIES         3         3,492         24,838           Bills payable         3,492         24,838         -           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         844,558         -           Due to head office         1,253,414         1,145,380         -         -           NET ASSETS         415,751         218,980         -         -         218,980         -           REPRESENTED BY         - <t< td=""><td></td><td></td><td>250,000</td></t<>			250,000
Other assets         195,395         148,826           Total Assets         3,109,102         3,442,647           LIABILITIES         3,492         24,838           Bills payable         3,492         24,838           Deposits and other accounts         406,925         2464,204           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         1,145,350           Other liabilities         2,693,351         3,223,667           NET ASSETS         415,751         218,980           REPRESENTED BY         195,797)         (265,797)           Islamic Banking Fund         681,000         470,000           Unappropriated / unremitted loss         (265,797)         223,242           Surplus / (deficit) on revaluation of assets         548         (13,448)	- Diminishing Musharaka	275,158	127,850
Total Assets         3,109,102         3,442,647           LIABILITIES         3,992         24,838           Bills payable         3,492         24,838           Deposits and other 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           NET ASSETS         415,751         218,980           REPRESENTED BY         1slamic Banking Fund         681,000         470,000           Unappropriated / unremitted loss         (265,797)         232,428         232,428           Surplus / (deficit) on revaluation of assets         548         (13,448)	Operating fixed assets including assets given on Ijara	695,602	848,086
LIABILITIES         Bills payable       3,492       24,838         Deposits and other accounts       406,925       464,204         - Current 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         NET ASSETS       415,751       218,980         REPRESENTED BY       1       145,751         Islamic Banking Fund       681,000       470,000         Unappropriated / unremitted loss       223,722       237,572         Surplus / (deficit) on revaluation of assets       548       (13,448)	Other assets		
Bills payable       3,492       24,838         Deposits and other 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         NET ASSETS       415,751       218,980         REPRESENTED BY       1       145,751         Islamic Banking Fund       681,000       470,000         Unappropriated / unremitted loss       (265,797)       (237,572)         Surplus / (deficit) on revaluation of assets       548       (13,448)	Total Assets	3,109,102	3,442,647
Deposits and other accounts         406,925         464,204           - Current 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           - REPRESENTED BY         2,693,351         3,223,667           Islamic Banking Fund         681,000         470,000           Unappropriated / unremitted loss         (265,797)         (237,572)           415,203         232,428         Surplus / (deficit) on revaluation of assets         548         (13,448)	LIABILITIES		
- 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       2,693,351     3,223,667       NET ASSETS     415,751     218,980       REPRESENTED BY       Islamic Banking Fund     681,000     470,000       Unappropriated / unremitted loss     (265,797)     (237,572)       415,203     232,428     Surplus / (deficit) on revaluation of assets     548     (13,448)	Bills payable	3,492	24,838
- Saving accounts     224,527       - Term deposits     360,097       - Deposits from financial institutions: remunerative     363,048       Due to head office     1,253,414       Other liabilities     1,253,414       NET ASSETS     2,693,351       Islamic Banking Fund     681,000       Unapropriated / unremitted loss     (265,797)       Surplus / (deficit) on revaluation of assets     548	Deposits and other accounts		
- 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       1,253,414       1,145,380         NET ASSETS       2,693,351       3,223,667         REPRESENTED BY       1slamic Banking Fund       681,000       470,000         Unappropriated / unremitted loss       (265,797)       (237,572)         Surplus / (deficit) on revaluation of assets       548       (13,448)	- Current accounts	406,925	464,204
- 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 <b>2</b> ,693,351         3,223,667 <b>415,751</b> 218,980 <b>REPRESENTED BY</b> 1           Islamic Banking Fund         681,000         470,000           Unappropriated / unremitted loss         (265,797)         (237,572)           415,203         232,428         Surplus / (deficit) on revaluation of assets         548	- Saving accounts	224,527	270,276
Due to head office         1,253,414         1,145,380           Other liabilities         81,848         61,192           2,693,351         3,223,667           NET ASSETS         415,751         218,980           REPRESENTED BY         1         1           Islamic Banking Fund         681,000         470,000           Unappropriated / unremitted loss         (265,797)         (237,572)           415,203         232,428         Surplus / (deficit) on revaluation of assets         548         (13,448)	- Term deposits	360,097	413,322
Other liabilities         81,848         61,192           NET ASSETS         2,693,351         3,223,667           NET ASSETS         415,751         218,980           REPRESENTED BY         Islamic Banking Fund         681,000         470,000           Unappropriated / unremitted loss         (265,797)         (237,572)           Surplus / (deficit) on revaluation of assets         548         (13,448)	- Deposits from financial institutions: remunerative	363,048	844,455
2,693,351         3,223,667           At5,751         218,980           REPRESENTED BY         Islamic Banking Fund           Unappropriated / unremitted loss         (265,797)           (237,572)         415,203           Surplus / (deficit) on revaluation of assets         548	Due to head office	1,253,414	1,145,380
NET ASSETS         415,751         218,980           REPRESENTED BY         Islamic Banking Fund         681,000         470,000           Unappropriated / unremitted loss         (265,797)         (237,572)           Surplus / (deficit) on revaluation of assets         548         (13,448)	Other liabilities	81,848	61,192
REPRESENTED BY         681,000         470,000           Islamic Banking Fund         681,000         470,000           Unappropriated / unremitted loss         (265,797)         (237,572)           Surplus / (deficit) on revaluation of assets         548         (13,448)		2,693,351	3,223,667
Islamic Banking Fund         681,000         470,000           Unappropriated / unremitted loss         (265,797)         (237,572)           415,203         232,428           Surplus / (deficit) on revaluation of assets         548         (13,448)	NET ASSETS	415,751	218,980
Unappropriated / unremitted loss         (265,797)         (237,572)           415,203         232,428           Surplus / (deficit) on revaluation of assets         548         (13,448)	REPRESENTED BY		
415,203         232,428           Surplus / (deficit) on revaluation of assets         548         (13,448)	Islamic Banking Fund	681,000	470,000
415,203         232,428           Surplus / (deficit) on revaluation of assets         548         (13,448)	Unappropriated / unremitted loss	(265,797)	(237,572)
		415,203	232,428
415,751 218,980	Surplus / (deficit) on revaluation of assets	548	(13,448)
		415,751	218,980

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 2 (Rupees in '000)	• • • • • • • • • • • • • • • • • • •	
Profit earned	241,625 134,		
Profit paid		559)	
•	182,987 93,	591	
Reversal for diminution in value of investment	54,249	-	
Provision against assets given on Ijara	(2,178)	-	
	52,071	-	
Net profit	235,058 93,	591	
OTHER INCOME			
Fee, commission and brokerage income	1,179	914	
Dividend Income		491	
Income from dealing in foreign currencies	336	-	
(Loss) / gain on sale of securities	(5,614) 6,5	931	
Other income	568	32	
Total other income	1,139 24,3	368	
	236,197 117,	959	
OTHER EXPENSES			
Administrative expenses	155,943 142,3	307	
Other charges	-	-	
Total other expenses	155,943 142,5	307	
Net gain / (loss)	80,254 (24,	348)	
Unappropriated profit brought forward	(346,051) (156,	130)	
Unremitted loss	(265,797) (180,		
Remuneration to Sharia Advisor / Board	1,101 2,	467	

#### 20. 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. Ashfaque Hasan Khan Director Omar Z. Al Askari Director Sir Mohammed Anwar Pervez, OBE, HPk Deputy Chairman