



IN MEMORY OF SHAHEED MOHTARMA BENAZIR BHUTTO

A green crescent moon with a white star inside.
SINDH BANK
POWER TO THE PEOPLE



Half Yearly
Financial Statements
June 30, 2012

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VISION & MISSION STATEMENTS

Vision Statement

Our vision is to be a leading bank which would play positive role to generate economic activities for empowering the people by meeting their financial needs for running a successful business and create employment opportunities.

Mission Statement

To develop as leading Commercial Bank in the country by meeting its stated objectives of promoting economic development of the country in general and Province of Sindh in particular.

CORPORATE INFORMATION

Board of Directors	Mr. Raja Muhammad Abbas Mr. Malik Asrar Hussain Mr. Naveed Kamran Baloch Mr. Wazir Ali Khoja Mr. M. Shahid Murtaza Mr. Naeem Sahgal Mr. Muhammad Bilal Sheikh	Chairman Director Director Director Director Director President & CEO
Audit Committee	Mr. Naeem Sahgal Mr. Raja Muhammad Abbas Mr. Wazir Ali Khoja	Chairman Member Member
Chief Operating Officer	Mr. Naim Farooqui	
Chief Financial Officer	Mr. Latif Khawar	
Company Secretary	Mr. Shamsuddin Khan	
Auditors	M/s AnjumAsim Shahid Rahman Chartered Accountants	
Legal Advisors	Mohsin Tayebaly & Co.	
Share Registrar	Central Depository Company of Pakistan Limited	
Registered / Head Office	3rd, Floor Federation House Abdullah Shah Ghazi Road Clifton, Karachi - 75600 UAN: +92-21-111-333-225 Fax: +92-21-35870543	
Bank's Registration Number	0073917	
Bank's NTN Number	3654008-7	
Web site	www.sindhbankltd.com	

DIRECTORS' REPORT TO THE MEMBERS

The Board of Directors of Sindh Bank Ltd is pleased to present the reviewed half yearly financial statements for the period ending June 30, 2012.

Progress:

Since Sindh Bank has been sanctioned license to open 100 new branches and 10 sub branches for the year ending December 31, 2012. The selection of suitable sites, renovation and construction of the new premises is in full swing in compliance with SPPRA. Now we have our presence in 48 cities in urban and rural areas across Pakistan. The following table contains province wise breakup of no. of branches that are fully operational as on date.

Sindh Excluding Karachi	Karachi	Baluchistan	Punjab	K P & AJK	Sub Branches	Total Branches
28	25	1	23	4	2	83

Financial Highlights

Total deposits as on June 30, 2012 amounted to Rs. 30,270.21 million as compared to Rs. 23,517.74 million as on December 31, 2011 registering an increase of 28.7 %. The ratio of Government and private deposits now stands at 55:45 as against 78:22 as on December 31, 2011 which is indeed a very positive indicator. Advances during the same period increased by 136 % amounting to Rs. 17,143.63 million as against Rs. 7,259.33 million.

A summary of financial indicator for the Bank's performance is given below:

(Rupees in '000)

Balance Sheet	As on June 30, 2012	As on December 31, 2011
Paid up Capital	10,000,000	10,000,000
Equity	11,080,050	10,749,561
Deposits	30,270,208	23,517,740
Investments	24,064,734	26,081,535
Advances	17,143,628	7,259,330
Profit & Loss Account	Half Year June 30, 2012	Period Ended June 30, 2011
Revenue Net	989,929	770,117
Non Mark -up Expenses	487,229	141,792
Impairment	1,069	-
Profit before Tax	501,631	628,325
Profit After Tax	330,489	408,569
Earnings per share	0.33	0.41

DIRECTORS' REPORT TO THE MEMBERS

Board of Directors

Mr. Muhammad Naeem Saghal has joined as new independent Director replacing Mr. S.A. Wahab Mehdi. The Board wishes to record its appreciation for Mr. Mehdi's contribution during the formative stage of the Bank and continued support.

Credit Rating

The JCR-VIS has maintained Bank's Credit Rating at "A-1" for short term and AA- for long term for the year 2012 with stable outlook, denoting high credit quality while the short term rating denotes high certainty of payments by good fundamental protection factors. This high rating augurs well for the Bank's business prospects and the Management would endeavor to further improve the rating in the times ahead by achieving much better results.

Interim Cash Dividend

Subsequent to the balance sheet date, the Board of Directors of the Bank has approved an interim cash dividend of Rs 0.60 per share. Such dividend amounting to Rupees six hundred million was paid to the sole owner of the Bank i.e. Government of Sindh on July 5, 2012.

Agricultural Finance

The agricultural financing is progressing at a satisfactory pace and as of 30th June, 2012 the number of borrowers (disbursements) now stands at 1418 involving a total sum of Rs. 327.3 million. New products having potential are in different stages of development/approval.

Technology Implementation

Since January 2012, thirty three new branches have been added to the branch network making aggregate number of branches to 83 (including two sub-branches). All existing branches were provided with an ATM Card Swipe machine (POS) whereby customers can deposit and withdraw cash from branch cash counters using their ATM cards only. More branches are being equipped with ATMs for which 20 ATMs have been purchased in addition to 5 ATMs already in operation. The contract for IBFT (Inter Bank Fund Transfer) using 1Link facility has been signed and is in its final stages of implementation. Presently IBFT facility is being provided by the fellow banks through ATMs only whereas Sindh Bank shall extend this facility through SMS in addition to the ATMs, thus enabling its customers to use the facility anytime round the clock.

Benazir Income Support Program

Sindh Bank has opened around 22,147 accounts in the above program out of allotted approx. 52,000 beneficiaries and has issued Benazir Card to all such account holders. The first quarterly disbursement of Rs. 3000 has been made to all the registered beneficiaries. Coverage of more beneficiaries will be done after NADRA's verification. Installation of Sindh Bank's own ATMs (apart from three already installed) is on the cards and hopefully it will be done by the end of the next quarter on need basis.

Wasila-e-Haq Sindh

Disbursement of the first installment in the amount of Rs. 150,000 each was done to 2252 recipients under Wasila-e-Haq Sindh program. This brings the total disbursed amount by June 30, 2012 to Rs. 337.8 million. We are hopeful that this will enhance economic activity across province of Sindh and will in turn open up new business opportunities for the Bank.

DIRECTORS' REPORT TO THE MEMBERS

Staffing

Since the Bank's network is increasing, we are in the process of hiring experienced as well as fresh graduates from reputable universities and business schools. Total staff strength as on June 30, 2012 (regular & contractual) stood at 798.

Training & Development

Training & Development activities are in full swing and training sessions are conducted in diversified fields i.e. Banking Operations, Audit & Compliance, Finance & Credit, Selling, International Trade, IT and Soft Skills. In all 454 employees including executives, officers and cash officers' level attended the sessions. This will further take momentum and enhance the existing scope as soon as our new training centre becomes operational.

Mobile Training workshops were conducted at Hyderabad and Khairpur in the areas of Banking Operations and Cash Management for the staff posted at interior Sindh branches. In all 61 officers and cash officers attended the sessions. These sessions were well received.

In order to comply with SBP's requirements, development of software for Anti Money Laundering and KYC is in place. On its completion and testing, the entire branch staff will be provided opportunity to undergo this training on-line.

Besides providing in house training facilities executives and officers are nominated for outside courses at reputed institutions.

Future prospects

The all-round consistent growth in Sindh Bank's business portfolio, branch network, composition of deposits, exchange business, IT facilities with a special emphasis on quality service and re-affirmation of credit rating are positive indicators. We can foresee that by the end of 2012 we will achieve our targets of enhancing branch network and business volumes by adding new products to our corporate, SME, retail and agricultural sectors.

Acknowledgements

The Board of Directors of Sindh Bank Limited is grateful to the Government of Sindh and State Bank of Pakistan for their continued support and guidance that has helped us in achieving these results. The Board appreciates the efforts, hard work and commitment of the Bank staff who have put in their best and assures them of their career development.

On behalf of the Board.



Muhammad Bilal Sheikh
President /CEO
Karachi - August 04, 2012

INDEPENDENT AUDITORS' REVIEW REPORT TO THE MEMBERS OF SINDH BANK LIMITED



Anjum Asim Shahid Rahman

1st & 3rd Floor, Modern Motors House

Beaumont Road, Karachi 75530

T 9221 35672951-56

F 9221 35688834

W : www.grtpak.com

Other offices: Islamabad, Lahore.

Independent auditors' review report to the members of Sindh Bank Limited

Introduction

We have reviewed the accompanying condensed interim Statement of financial position of **Sindh Bank Limited** (the Bank) as at June 30, 2012 and the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement and condensed interim statement of changes in equity for the six-months then ended (herein after referred to as the "condensed interim financial information"). Management is responsible for the preparation and presentation of the condensed interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this unconsolidated condensed interim financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of condensed interim financial information consist of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information as of and for the six-months ended June 30, 2012 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

Other Matters

The financial statements of the Bank for the interim period ended June 30, 2011 and for the year ended December 31, 2011 were reviewed and audited by another firm of Chartered Accountants who through their report dated August 17, 2011 and March 18, 2012 respectively, expressed an unqualified conclusion and opinion thereon.

The figures of the condensed interim profit and loss account and the condensed interim statement of comprehensive income for the quarters ended June 30, 2012 and 2011 have not been reviewed, as we are required to review only the cumulative figures for the six-months period ended June 30, 2012.

Karachi
Date: August 04, 2012


Anjum Asim Shahid Rahman
Chartered Accountants

Muhammad Shaukat Naseeb
Partner

Chartered Accountants
Member of Grant Thornton International

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CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED) AS AT JUNE 30, 2012

	Note	June 30, 2012 (Un - Audited)	December 31, 2011 (Audited)
----- (Rupees in '000) -----			
ASSETS			
Cash and balances with treasury banks	5	2,408,168	1,655,815
Balances with other banks	6	81,010	243,519
Lendings to financial institutions	7	5,000,000	10,905,410
Investments	8	24,064,734	26,081,535
Advances	9	17,143,628	7,259,330
Operating fixed assets	10	931,639	584,054
Deferred tax assets		-	-
Other assets	11	1,079,638	1,000,460
		50,708,817	47,730,123
LIABILITIES			
Bills payable		123,140	42,251
Borrowings	12	8,701,222	13,012,647
Deposits and other accounts	13	30,270,209	23,517,740
Sub-ordinated loans		-	-
Liabilities against assets subject to finance lease		-	-
Deferred tax liabilities		68,807	10,322
Other liabilities	14	490,869	484,150
		39,654,247	37,067,110
NET ASSETS		11,054,570	10,663,013
REPRESENTED BY			
Share capital	15	10,000,000	10,000,000
Reserves		216,010	149,912
Unappropriated profit		864,040	599,649
		11,080,050	10,749,561
Deficit on revaluation of investments - net of related deferred tax		(25,480)	(86,548)
		11,054,570	10,663,013
CONTINGENCIES AND COMMITMENTS	16		

The annexed notes 1 to 25 form an integral part of these condensed interim financial statements.


President & Chief Executive Officer


Director


Director



Director

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED) FOR THE HALF YEAR ENDED JUNE 30, 2012


Note	Half year ended June 30, 2012	Period from October 29, 2010 to June 30, 2011	Quarter ended		
			30 June 2012	30 June 2011	
----- (Rupees in '000) -----					
Mark-up / return / interest earned	17	2,554,648	1,439,308	1,342,898	868,052
Mark-up / return / interest expensed	18	1,690,122	673,408	864,824	552,977
Net mark-up / interest income		864,526	765,900	478,074	315,075
Provision against non-performing loans and advances		-	-	-	-
Provision for diminution in the value of investments		1,069	-	246	-
Bad debts written off directly		-	-	-	-
		1,069	-	246	-
Net mark-up / interest income after provisions		863,457	765,900	477,828	315,075
Non mark-up / interest income					
Fee, commission and brokerage income		41,658	2,074	32,367	2,074
Dividend income		35,499	633	11,234	633
Income from dealing in foreign currencies		12,658	-	8,320	-
Gain on sale / redemption of securities		31,938	1,240	19,358	979
Other income		3,650	270	2,215	116
Total non mark-up / interest income		125,403	4,217	73,494	3,802
		988,860	770,117	551,322	318,877
Non mark-up / interest expense					
Administrative expenses	19	487,200	141,792	271,819	73,025
Other provisions / write offs		-	-	-	-
Other charges		29	-	29	-
Total non mark-up / interest expenses		487,229	141,792	271,848	73,025
Profit before taxation		501,631	628,325	279,474	245,852
Taxation - Current		145,540	214,450	74,987	83,889
- Prior years		-	-	-	-
- Deferred		25,602	5,306	17,501	5,306
		171,142	219,756	92,488	89,195
Profit after taxation		330,489	408,569	186,986	156,657
		Rupees	Rupees	Rupees	Rupees
Basic and diluted earnings per share	20	0.33	0.41	0.19	0.16

The annexed notes 1 to 25 form an integral part of these condensed interim financial statements.


President & Chief Executive Officer


Director


Director


Director

CONDENCED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE HALF YEAR ENDED JUNE 30, 2012

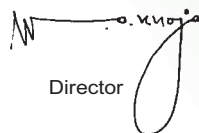
	Half year ended June 30, 2012	Period from October 29, 2010 to June 30, 2011	Quarter ended	
			30 June 2012	30 June 2011
----- (Rupees in '000) -----				
Profit after taxation for the period	330,489	408,569	186,986	156,657
Other comprehensive income / (loss)	-	-	-	-
Total comprehensive income / (loss) for the period transferred to equity	330,489	408,569	186,986	156,657
Components of comprehensive income not reflected in equity				
Surplus / (Deficit) on revaluation of Investments	93,951	14,779	(31,394)	16,095
Deferred tax on revaluation of Investments	(32,883)	(5,173)	10,988	(5,173)
Total comprehensive income / (loss) for the period not reflected in equity	61,068	9,606	(20,406)	10,922

The annexed notes 1 to 25 form an integral part of these condensed interim financial statements.


President & Chief Executive Officer


Director


Director



Director

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE HALF YEAR ENDED JUNE 30, 2012

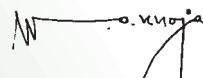
	Note	Half year ended June 30, 2012	Period from October 29, 2010 to June 30, 2011
----- (Rupees in '000) -----			
Cash flow from operating activities			
Profit before taxation		501,631	628,325
Dividend income		<u>(35,499)</u>	<u>(633)</u>
		466,132	627,692
Adjustments			
Depreciation	10.2	45,561	12,831
Amortisation	10.3	5,142	347
Provision for diminution in value of investments		1,069	-
Gain on disposal of fixed assets		<u>(87)</u>	<u>-</u>
		51,685	13,178
		517,817	640,870
(Increase) / Decrease in operating assets			
Lendings to financial institutions		5,905,410	(848,225)
Advances		<u>(9,884,298)</u>	<u>(3,348,203)</u>
Other assets		<u>(78,626)</u>	<u>(446,443)</u>
		(4,057,514)	(4,642,871)
Increase / (Decrease) in operating liabilities			
Bills payable		80,889	137,253
Borrowings		<u>(4,311,425)</u>	<u>1,836,273</u>
Deposits and other accounts		6,752,469	24,653,398
Other liabilities		<u>(4,671)</u>	<u>311,054</u>
		2,517,262	26,937,978
		<u>(1,022,435)</u>	<u>22,935,977</u>
Income tax paid		<u>(134,150)</u>	<u>(152,114)</u>
Net cash flows from operating activities		<u>(1,156,585)</u>	<u>22,783,863</u>
Cash flow from investing activities			
Net investment in available-for-sale securities		2,099,631	(24,918,943)
Net investment in held-to-maturity securities		10,052	-
Dividend income received		34,947	360
Investment in operating fixed assets		<u>(398,851)</u>	<u>(180,982)</u>
Sale proceeds from disposal of operating fixed assets		650	-
Net cash flows from investing activities		1,746,429	(25,099,565)
Cash flow from financing activities			
Proceeds from issuance of shares		-	10,000,000
Increase in cash and cash equivalents		589,844	7,684,298
Cash and cash equivalents at beginning of the period		1,899,334	-
Cash and cash equivalents at end of the period	21	<u>2,489,178</u>	<u>7,684,298</u>

The annexed notes 1 to 25 form an integral part of these condensed interim financial statements.


President & Chief Executive Officer


Director


Director


Director

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE HALF YEAR ENDED JUNE 30, 2012

	Issued, subscribed and paid-up share capital	Capital Reserve Statutory reserve *	Unappropriated Profit	Total
	----- (Rupees in '000) -----			
Transaction with owners recognised directly in equity				
Issue of ordinary share capital				
- initial capital on incorporation	10,000	-	-	10,000
- right shares	9,990,000	-	-	9,990,000
<i>Total Comprehensive income for the half year ended:</i>				
Profit for the period ended June 30, 2011	-	-	408,569	408,569
Transfer to statutory reserve	-	81,714	(81,714)	-
Balance as at June 30, 2011	10,000,000	81,714	326,855	10,408,569
<i>Total Comprehensive income for the half year ended:</i>				
Profit after taxation for the period ended December 31, 2011	-	-	340,992	340,992
Transfer to statutory reserve	-	68,198	(68,198)	-
Balance as at December 31, 2011	10,000,000	149,912	599,649	10,749,561
<i>Total Comprehensive income for the half year ended:</i>				
Profit for the period ended June 30, 2012	-	-	330,489	330,489
Transfer to statutory reserve	-	66,098	(66,098)	-
Balance as at June 30, 2012	10,000,000	216,010	864,040	11,080,050


* Under section 21 of the Banking Companies Ordinance, 1962, an amount not less than 20% of the profit is to be transferred to create a reserve fund till such time the reserve fund equal the amount of the paid up capital.

The annexed notes 1 to 25 form an integral part of these condensed interim financial statements.


President & Chief Executive Officer


Director


Director


Director

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE HALF YEAR ENDED JUNE 30, 2012

1 STATUS AND NATURE OF BUSINESS

- 1.1 Sindh Bank Limited (the Bank) was incorporated in Pakistan on October 29, 2010 as a public limited unlisted company under the Companies Ordinance, 1984 and was granted Banking license by the State Bank of Pakistan (SBP) on December 02, 2010. The Bank obtained Certificate of Commencement of Business on December 14, 2010 and its first branch commenced operations from December 26, 2010. Currently, the Bank is engaged in Commercial Banking, Corporate and Investment related services.

The Bank is currently operating through seventy branches (December 31, 2011: fifty) and two sub branches (December 31, 2011: Nil) in Pakistan. The Bank's registered office is located at 3rd floor, Federation House, Abdullah Shah Ghazi Road, Clifton, Karachi.

- 1.2 The Bank is 100% owned by the Government of Sindh, through its Finance Department.
- 1.3 JCR –VIS Credit Rating Company Limited has recently affirmed medium to long term entity rating of 'AA-' (Double A Minus) with a "Stable outlook", and short term rating of 'A-1' (A-One) of the Bank.
- 1.4 As at June 30, 2012 the Capital Adequacy Ratio (CAR) of the bank stands at 47.73% (un-audited).

2 BASIS OF PRESENTATION

In accordance with the directives of the Federal Government regarding the shifting of the Banking system to Islamic modes, the SBP has issued various circulars from time to time. Permissible forms of trade-related modes of financing include 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 utilised and the appropriate portion of mark-up thereon.

3 STATEMENT OF COMPLIANCE

- 3.1 These condensed interim financial information of the Bank for the half year ended June 30, 2012 have been prepared in accordance with the requirements of International Accounting Standard 34, 'Interim Financial Reporting', requirements of the Companies Ordinance 1984, the Banking Companies Ordinance, 1962 and the provisions of and directives issued by the SBP and Securities and Exchange Commission of Pakistan (SECP). In case requirements differ, the provisions of Companies Ordinance, 1984, Banking Companies Ordinance, 1962 or the requirement of said B62 directives shall prevail.
- 3.2 The State Bank of Pakistan vide BSD Circular No. 10 dated 26 August 2002 has deferred the applicability of International Accounting Standard 39, 'Financial Instruments: Recognition and Measurement' and International Accounting Standard 40, 'Investment Property' for banking companies till further instructions. Accordingly, the requirements of these standards have not been considered in the preparation of these financial statements. However, investments have been classified and valued in accordance with the requirements prescribed by the SBP through various circulars.
- 3.3 The disclosures made in these condensed interim financial statements have been limited based on the format prescribed by the SBP vide BSD Circular Letter No. 2, dated May 12, 2004 and International Accounting Standard (IAS) 34, 'Interim Financial Reporting' and do not include all the information required in the annual financial statements. Accordingly, these condensed interim financial statements should be read in conjunction with the annual financial statements of the bank for the year ended December 31, 2011.

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE HALF YEAR ENDED JUNE 30, 2012

4 SIGNIFICANT ACCOUNTING POLICIES AND FINANCIAL RISK MANAGEMENT

4.1 The accounting policies adopted in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual financial statements of the Bank for the period ended December 31, 2011.

4.2 The financial risk management objectives and policies are consistent with those disclosed in the annual financial statements of the Bank for the period ended December 31, 2011.

4.3 New standards, interpretations and amendments thereof, adopted by the Bank

During the period, the following amended accounting standard has been adopted by the Bank:

Standard or Interpretation	Effective date (annual periods beginning on or after)
IAS 12 Income Taxes (Amendment) - Recovery of underlying assets	January 01, 2012

Adoption of the above standard did not have any material effect on the financial statements.

	Note	June 30, 2012	December 31, 2011 (Audited)
----- (Rupees in '000) -----			
5 CASH AND BALANCES WITH TREASURY BANKS			
In hand			
- local currency	5.1	235,227	130,681
- foreign currency		28,301	21,433
		263,528	152,114
With State Bank of Pakistan in			
- Local currency current account	5.2	1,686,386	1,213,813
- Foreign currency current account	5.3	2,239	2,109
- Foreign currency deposit account			
- Non Remunerative	5.4	60,511	18,731
- Remunerative	5.5	180,588	53,225
		1,929,724	1,287,878
With National Bank of Pakistan in			
- Local currency current account		186,199	168,413
- Local currency PLS account		28,717	47,410
		214,916	215,823
		2,408,168	1,655,815

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE HALF YEAR ENDED JUNE 30, 2012

- 5.1 This includes National Prize Bonds of Rs. 0.137 (December 31, 2011: Rs. 0.055) million.
- 5.2 This represents statutory cash reserve maintained by the Bank with the SBP i.e. a sum not less than such percentage of its time and demand liabilities in Pakistan as may be prescribed by the SBP.
- 5.3 This represents US Dollar Settlement Account maintained with the SBP.
- 5.4 This represents foreign currency cash reserve maintained with the SBP equivalent to at least 5% of the Bank's foreign currency deposits mobilised under under the FE-25 scheme, which is kept under non-remunerative account.
- 5.5 This represents foreign currency special cash reserve maintained with SBP equivalent to at least 15% of the Bank's foreign currency deposits mobilised under under the FE-25 scheme, is maintained in remunerative account on which the Bank is entitled to earn profit which is declared by SBP on a monthly basis. During the period, the SBP has not remunerated any return on deposit account.

	Note	June 30, 2012	December 31, 2011 (Audited)
----- (Rupees in '000) -----			
6	BALANCES WITH OTHER BANKS		
	In Pakistan		
	On saving accounts	6.1 31,244	30,293
	Outside Pakistan		
	On current account	49,766	213,226
		<u>81,010</u>	<u>243,519</u>

- 6.1 This represents saving deposits with various commercial banks carrying profit at the rate ranging from 5.00% to 11.60% (December 31, 2011: 5% to 11.6%) per annum.

	Note	June 30, 2012	December 31, 2011 (Audited)
----- (Rupees in '000) -----			
7	LENDINGS TO FINANCIAL INSTITUTIONS		
	Call money lending	7.1 500,000	-
	Term deposit receipt accounts	7.2 4,500,000	6,750,000
	Repurchase agreement lending	-	4,155,410
		<u>5,000,000</u>	<u>10,905,410</u>

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE HALF YEAR ENDED JUNE 30, 2012

- 7.1 This call lending agreement carries mark-up rate at 12.60% per annum.
- 7.2 This represents term deposit accounts with various commercial banks carrying profit at the rate ranging from 12.50% to 13.85% (December 31, 2011: 13.75% to 13.85%) per annum with a tenor of one year and having maturity from September 14, 2012 to May 31, 2013.

8 INVESTMENTS

Note	June 30, 2012			December 31, 2011 (Audited)		
	Held by Bank	Given as collateral	Total	Held by Bank	Given as collateral	Total
----- (Rupees in '000) -----						
8.1 INVESTMENTS BY TYPES						
Available-for-sale securities						
Listed Companies (ordinary shares)	672,548	-	672,548	613,264	-	613,264
Mutual Funds / NIT (units / certificates)	750,000	-	750,000	700,000	-	700,000
Listed Term Finance Certificates	81,867	-	81,867	114,806	-	114,806
Pakistan Investment Bonds	499,421	-	499,421	-	-	-
Market Treasury Bills 8.2.1	13,085,233	8,143,016	21,228,249	11,121,061	12,795,005	23,916,066
Unlisted Term Finance Certificates	76,978	-	76,978	77,022	-	77,022
	15,166,047	8,143,016	23,309,063	12,626,153	12,795,005	25,421,158
Held-to-maturity securities						
Term Finance Certificates	314,858	-	314,858	324,910	-	324,910
Certificates of Investment	500,000	-	500,000	500,000	-	500,000
	814,858	-	814,858	824,910	-	824,910
Total Investments at cost	15,980,905	8,143,016	24,123,921	13,451,063	12,795,005	26,246,068
Less: Provision for Diminution in value of Investments	(7,435)	-	(7,435)	(31,382)	-	(31,382)
Investments (net of provisions)	15,973,470	8,143,016	24,116,486	13,419,681	12,795,005	26,214,686
Deficit on revaluation of available-for-sale securities	(48,726)	(3,026)	(51,752)	(117,994)	(15,157)	(133,151)
Total investments	15,924,744	8,139,990	24,064,734	13,301,687	12,779,848	26,081,535

**NOTES TO AND FORMING PART OF THE CONDENSED
INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE HALF YEAR ENDED JUNE 30, 2012**

	Note	June 30, 2012	December 31, 2011 (Audited)
		----- (Rupees in '000) -----	
8.2 INVESTMENTS BY SEGMENTS			
Federal Government Securities			
- Pakistan Investment Bonds		499,421	-
- Market Treasury Bills	8.2.1	21,228,249	23,916,066
		<u>21,727,670</u>	<u>23,916,066</u>
Fully Paid-up Ordinary Shares			
- Listed Companies (ordinary shares)		672,548	613,264
- Unlisted Companies (ordinary shares)		-	-
		<u>672,548</u>	<u>613,264</u>
Term Finance Certificates			
- Listed		396,725	439,716
- Unlisted		76,978	77,022
		<u>473,703</u>	<u>516,738</u>
Other Investments			
- Mutual Funds (units / certificates)		750,000	700,000
- Certificate of Investments		500,000	500,000
Total investments at cost		<u>24,123,921</u>	<u>26,246,068</u>
Less: Provision for diminution in value of investments		(7,435)	(31,382)
Investments (net of provisions)		<u>24,116,486</u>	<u>26,214,686</u>
Deficit on revaluation of available-for-sale securities		(51,752)	(133,151)
Total investments		<u><u>24,064,734</u></u>	<u><u>26,081,535</u></u>

8.2.1 These securities are for a maximum period of one year. The effective yield on these bills ranges from 11.68% to 12.08% (December 31, 2011: 11.80% to 12.10%) per annum with maturities from three months to twelve months.

	June 30, 2012	December 31, 2011 (Audited)
	----- (Rupees in '000) -----	
8.2.2 Movement in provision for diminution in value of investments		
Opening balance as at the beginning of the period	31,382	-
Charge for the period	1,069	31,382
Reversals during the period	(25,016)	-
Closing balance as at the end of the period	<u>7,435</u>	<u>31,382</u>

**NOTES TO AND FORMING PART OF THE CONDENSED
INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE HALF YEAR ENDED JUNE 30, 2012**

	June 30, 2012	December 31, 2011 (Audited)
9 ADVANCES	----- (Rupees in '000) -----	
Loans, cash credits, agriculture, running finances etc.		
In Pakistan	10,146,462	5,963,838
Commodity Finance		
In Pakistan 9.1	6,810,609	1,160,000
Bills discounted and purchased (excluding market treasury bills)		
Payable in Pakistan	44,604	2,060
Payable outside Pakistan	141,953	133,432
Advances - gross	17,143,628	7,259,330
Provision for non-performing advances - specific	-	-
Provision for consumer financing - general	-	-
Advances - net	17,143,628	7,259,330

9.1 This represents commodity financing provided to Food Department, Government of Sindh, and include an amount of Rs. 2.125 (December 31, 2011: Rs. 1.16) billion provided in syndication with other Commercial Banks.

	June 30, 2012	December 31, 2011 (Audited)
10 OPERATING FIXED ASSETS	----- (Rupees in '000) -----	
Capital work-in-progress 10.1	189,894	6,876
Property and equipment 10.2	694,303	533,465
Intangible assets 10.3	47,442	43,713
	931,639	584,054
10.1 Capital work-in-progress		
Civil works	18,110	-
Software	905	-
Fixed assets / Vehicles 10.1.1	170,879	6,876
	189,894	6,876

10.1.1 This represents advance payment against furniture and equipment for upcoming branches and of vehicles for employees as per the Bank's policy.

**NOTES TO AND FORMING PART OF THE CONDENSED
INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE HALF YEAR ENDED JUNE 30, 2012**

10.2 Property and equipment - own use

	A s a t J u n e 3 0 , 2 0 1 2							Rate of Depreciation %
	Cost		Accumulated Depreciation				Book Value	
	As at January 01, 2012	Additions/ Disposal/ *Adjustment	As at June 30, 2012	As at January 01, 2012	Charge/ disposal/ *Adjustment	As at June 30, 2012	As at 30 June 2012	
	(Rupees in '000)							
Leasehold improvements	224,123	82,045	305,253	3,563	6,253	9,810	295,443	5
		*(915)			*(6)			
Furniture and fixtures	87,209	42,646	129,886	3,469	5,323	8,790	121,096	10
		(39)			(3)			
		*70			*1			
Computer equipments	162,138	62,758	219,419	18,841	22,613	40,510	178,909	33.33 & 20
		(5,278)			(944)			
		*(199)						
Vehicles	99,631	25,467	123,746	13,763	11,376	24,891	98,855	20
		(1,352)			(248)			
		-			-			
	573,101	212,916	778,304	39,636	45,565	84,001	694,303	
		(6,669)			(1,195)			
		*(1,044)			*(5)			

	A s a t D e c e m b e r 3 1 , 2 0 1 1							Rate of Depreciation %
	Cost		Accumulated Depreciation				Book Value	
	As at October 29, 2010	Additions	As at December 31, 2011	As at October 29, 2010	Charge For the Period	As at December 31, 2011	As at December 31, 2012	
	(Rupees in '000)							
Leasehold improvements	-	224,123	224,123	-	3,563	3,563	220,560	5
		-			-			
Furniture and fixtures	-	87,209	87,209	-	3,469	3,469	83,740	10
		-			-			
Computer equipments	-	162,138	162,138	-	18,841	18,841	143,297	33.33 & 20
		-			-			
Vehicles	-	99,631	99,631	-	13,763	13,763	85,868	20
		-			-			
	-	573,101	573,101	-	39,636	39,636	533,465	
		-			-			

**NOTES TO AND FORMING PART OF THE CONDENSED
INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
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10.3 Intangible assets

		A s at J u n e 3 0 , 2 0 1 2						
		Cost		Accumulated Amortisation		Book Value	Rate of	
As at January 01, 2012	Additions/ Disposal	As at June 30, 2012	As at January 01, 2012	Amortisation/ disposal	As at June 30, 2012	As at 30 June 2012	Amortisation %	
----- (Rupees in '000) -----								
Softwares	48,856	8,954 (86)	57,724	5,143	5,142 (3)	10,282	47,442	20
	48,856	8,954 (86)	57,724	5,143	5,142 (3)	10,282	47,442	

		A s at D e c e m b e r 3 1 , 2 0 1 1						
		Cost		Accumulated Amortisation		Book Value	Rate of	
As at October 29, 2010	Additions	As at December 31, 2011	As at October 29, 2010	Amortisation	As at December 31, 2011	As at December 31, 2012	Amortisation %	
----- (Rupees in '000) -----								
Softwares	-	48,856	48,856	-	5,143	5,143	43,713	20
	-	48,856	48,856	-	5,143	5,143	43,713	

	Note	June 30, 2012	December 31, 2011 (Audited)
----- (Rupees in '000) -----			
11 OTHER ASSETS			
Accrued income on bank account, COI's, placements and advances		690,356	773,702
Advances, deposits, advance rent and other prepayments		355,431	224,114
Dividend receivable		661	109
Insurance claim receivable against agri loans		1,873	1,206
Stationery and stamps on hand		3,435	964
Receivable in respect of sale of shares		8,421	-
Insurance claim receivable from NICL		5,044	43
Others		14,417	322
		1,079,638	1,000,460

12 BORROWINGS

Borrowings from State Bank of Pakistan under export refinance scheme	12.1	582,963	200,000
Repurchase agreement borrowings			
- State Bank of Pakistan	12.2	7,644,097	12,042,347
- Other Commercial Banks	12.3	474,162	770,300
		8,118,259	12,812,647
		8,701,222	13,012,647

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE HALF YEAR ENDED JUNE 30, 2012

- 12.1 This represents borrowings from SBP under export refinance scheme at the rate of 10% (December 31, 2011: 10%) per annum having maturity upto six months.
- 12.2 This represents repurchase agreement borrowing from SBP at the rate ranging from 11.68% to 12.00% (December 31, 2011: 11.72% to 11.75%) per annum having maturity in July 2012.
- 12.3 This represents repurchase agreement borrowing from various commercial Banks at the rate of 11.60% (December 31, 2011: 11.90%) per annum having maturity in August 2012.

	June 30, 2012	December 31, 2011 (Audited)
13 DEPOSITS AND OTHER ACCOUNTS	----- (Rupees in '000) -----	
Customers		
Fixed deposits	5,595,777	2,469,667
Savings deposits	16,467,963	17,614,129
Current accounts - non-remunerative	7,924,533	3,333,540
Margin and other accounts - non-remunerative	145,694	35,748
	30,133,967	23,453,084
Financial Institutions		
Remunerative deposits	136,005	60,986
Non-remunerative deposits	237	3,670
	136,242	64,656
	30,270,209	23,517,740
13.1 Particulars of deposits		
In local currency	29,009,574	23,189,159
In foreign currency	1,260,635	328,581
	30,270,209	23,517,740

- 13.2 The above includes deposits amounting to Rs. 16.63 (December 31, 2011: Rs. 18.287) billion received from various departments of the Government of Sindh.

14 OTHER LIABILITIES

Mark-up / return/ interest payable in local currency	304,666	205,799
Mark-up / return/ interest payable in foreign currency	5,092	541
Payable to Employees' Provident Fund	-	13,543
Payable to Employees' Gratuity Fund	13,809	5,526
Provision for compensated absences	11,522	11,522
Accrued expenses	19,055	18,882
Payable against purchase of shares	-	108,886
Payable against purchase of assets	53,531	51,368
Retention money - suppliers / contractors	25,238	29,608
Federal Excise Duty Payable	478	302
Provision for taxation-net	40,404	29,014
Withholding Tax Payable	46	48
Others	17,028	9,111
	490,869	484,150

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE HALF YEAR ENDED JUNE 30, 2012

15. SHARE CAPITAL

15.1 Authorised Capital

June 30, 2012	December 31, 2011 (Audited)		June 30, 2012	December 31, 2011 (Audited)
----- (Number of Shares) -----			----- (Rupees in '000) -----	
<u>1,000,000,000</u>	<u>1,000,000,000</u>	Ordinary shares of Rs. 10 each	<u>10,000,000</u>	<u>10,000,000</u>

15.2 Issued, subscribed and paid-up capital

<u>1,000,000,000</u>	<u>1,000,000,000</u>	Ordinary shares of Rs. 10 each fully paid in cash	<u>10,000,000</u>	<u>10,000,000</u>
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15.3 The Government of Sindh, Finance Department on behalf of the The Government of Sindh, held 100% (December 31, 2011: 100%) ordinary shares of the Bank.

	Note	June 30, 2012	December 31, 2011 (Audited)
		----- (Rupees in '000) -----	
16 CONTINGENCIES AND COMMITMENTS			

16.1 Direct credit substitutes

Includes general guarantees of indebtedness in favour of:

i) Government		<u>52,075</u>	<u>1,846</u>
ii) Banking companies and other financial institutions	16.1.1	<u>865,358</u>	<u>823,228</u>
iii) Others		<u>186,450</u>	<u>39,313</u>
		<u>1,103,883</u>	<u>864,387</u>

16.1.1 Against the counter guarantee issued by the Bank in favour of National Bank of Pakistan, an advance payment of 15% being Rs. 123.560 million has been made, thus reducing the liability to Rs. 741.798 million. Out of this, the in-principle commitment for participation in syndicate transaction from two commercial Banks amounting to Rs. 487.790 million has been received reducing Sindh Bank liability to Rs. 254.008 million, which also include appreciation in off-balance sheet liability due to escalation in rupee to dollar parity.

	June 30, 2012	December 31, 2011 (Audited)
----- (Rupees in '000) -----		
16.2 Trade related contingent liabilities		
Others than Government and financial institutions	<u>1,135,959</u>	<u>506,027</u>
16.3 Transaction related contingent liabilities		
Others than Government and financial institutions	<u>70,069</u>	<u>-</u>

**NOTES TO AND FORMING PART OF THE CONDENSED
INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE HALF YEAR ENDED JUNE 30, 2012**

	June 30, 2012	December 31, 2011 (Audited)
	----- (Rupees in '000) -----	
16.4 Commitment to extend credit		
- commitment to extend credits	<u>7,859,101</u>	<u>6,680,710</u>
16.5 Commitment in respect of forward exchange contracts		
- purchase	<u>1,904,289</u>	<u>134,429</u>
- sale	<u>925,884</u>	<u>135,567</u>
16.6 Commitment in respect of repo transaction		
- Sale and repurchase agreement	<u>8,140,033</u>	<u>12,820,895</u>
- Purchase and resale agreement	<u>-</u>	<u>4,169,280</u>
16.7 The Competition Commission of Pakistan (CCP) through its order dated June 28, 2012 has imposed a total penalty of Rs. 770 million, including Rs. 50 million on 1-Link (Guarantee) Limited and Rs. 50 million each on its 11 founding member banks and Rs. 10 million on each of its 17 non-founding member banks for imposing uniform customer charges for off-us ATM cash withdrawal transactions in violation of Section 4 of the Competition Act, 2010. The Bank falls under the category of non-founding member. All the affected banks and 1-Link (Guarantee) Limited have decided to file an appeal with the Appellate Tribunal of CCP and simultaneously file a Constitution Petition with Sindh High Court against the eligibility of CCP to impose penalty.		
	Half year ended June 30, 2012	Period from October 29, 2010 to June 30, 2011
	----- (Rupees in '000) -----	
17 MARK-UP / RETURN / INTEREST EARNED		
On loans and advances to:		
Customers	786,536	27,701
On investments in:		
Held-for-trading securities	-	86
Available-for-sale securities	1,245,349	736,354
Held-to-maturity securities	57,725	58,523
On deposits with financial institutions	345,952	525,737
On securities purchased under resale agreements	74,403	21,408
On call / clean lendings	44,683	69,499
	<u>2,554,648</u>	<u>1,439,308</u>
18 MARK-UP / RETURN / INTEREST EXPENSED		
Deposits	918,309	586,193
Securities sold under repurchase agreements	728,410	87,098
Other short term borrowings	43,403	117
	<u>1,690,122</u>	<u>673,408</u>

**NOTES TO AND FORMING PART OF THE CONDENSED
INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE HALF YEAR ENDED JUNE 30, 2012**

	Note	Half year ended June 30, 2012	Period from October 29, 2010 to June 30, 2011
		----- (Rupees in '000) -----	
19 ADMINISTRATIVE EXPENSES			
Salaries, allowances and benefits		234,266	69,899
Contribution to defined contribution plan		6,198	2,528
Contribution to defined benefit plan		8,283	2,689
Non Executive Director's Fee		2,150	2,950
Rent, taxes, insurance, electricity, etc.		84,123	11,804
Legal and professional charges		1,078	369
Communications		11,645	1,781
Repairs and maintenance		10,216	2,603
Stationery and printing		9,321	2,844
Security service charges		13,223	1,151
Advertisement and publicity		31,361	11,600
Amortization of intangible assets	10.3	5,142	347
Depreciation on operating fixed assets	10.2	45,561	12,831
Auditor's remuneration		1,370	1,175
Travelling and Conveyance		5,687	2,341
Brokerage and commission		1,074	1,026
Fees and subscription		7,381	10,997
Entertainment		4,086	1,751
Miscellaneous expense		5,035	1,106
		<u>487,200</u>	<u>141,792</u>
20 BASIC AND DILUTE EARNINGS PER SHARES			
Profit after tax for the period		<u>330,489</u>	<u>408,569</u>
Weighted average number of ordinary shares		<u>1,000,000,000</u>	<u>1,000,000,000</u>
Basic and Dilute earning per share (Rupees)		<u>0.33</u>	<u>0.41</u>
		June 30, 2012	December 31, 2011 (Audited)
		----- (Rupees in '000) -----	
21 CASH AND CASH EQUIVALENTS			
Cash and balances with treasury banks		2,408,168	1,655,815
Balances with other banks		81,010	243,519
		<u>2,489,178</u>	<u>1,899,334</u>

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE HALF YEAR ENDED JUNE 30, 2012

22 SEGMENT DETAILS WITH RESPECT TO BUSINESS ACTIVITIES

The Bank is in the process of structuring its key business areas in various segments in a manner that each segment becomes a distinguishable component of the Bank that is engaged either in providing products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments. The business segments within the Bank have been broadly categorized into the following segments in accordance with the requirements of the SBP.

(a) Business segments

Corporate Finance

It includes investment banking activities such as mergers and acquisitions, underwriting, privatization, securitization, Initial Public Offer (IPOs) and secondary private placements.

Trading and sales

It includes fixed income, equity, foreign exchanges, commodities, credit, funding, own position securities, lending and repos, brokerage debt and prime brokerage.

Retail banking

Retail banking includes mortgage finance and personal loans to individual customers.

Commercial Banking

This includes loans, deposits and other transactions with corporate customers.

(b) Geographical Segments

The Bank operates only in Pakistan.

Based on above structure, the segment information for the half year ended June 30, 2012 is given below:

	Half year ended June 30, 2012				Total
	Trading and sales	Retail banking	Corporate finance	Commercial banking	
	(Rupees in '000)				
Total income	1,838,616	-	-	841,435	2,680,051
Inter segment revenue - net	(1,046,917)	-	-	1,046,917	-
Total income - net	<u>791,699</u>	<u>-</u>	<u>-</u>	<u>1,888,352</u>	<u>2,680,051</u>
Total expenses	<u>(784,572)</u>	<u>-</u>	<u>-</u>	<u>(1,393,848)</u>	<u>(2,178,420)</u>
Profit before tax	<u>7,127</u>	<u>-</u>	<u>-</u>	<u>494,504</u>	<u>501,631</u>
Segment assets	<u>31,242,180</u>	<u>-</u>	<u>-</u>	<u>19,466,637</u>	<u>50,708,817</u>
Segment liabilities	<u>8,145,025</u>	<u>-</u>	<u>-</u>	<u>31,509,222</u>	<u>39,654,247</u>

**NOTES TO AND FORMING PART OF THE CONDENSED
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	Period from October 29, 2010 to June 30, 2011				
	Trading and sales	Retail banking	Corporate finance	Commercial banking	Total
	----- (Rupees in '000) -----				
Total income	1,413,480	-	-	30,045	1,443,525
Inter segment revenue - net	(977,267)	-	-	977,267	-
Total income - net	<u>436,213</u>	<u>-</u>	<u>-</u>	<u>1,007,312</u>	<u>1,443,525</u>
Total expenses	<u>(125,089)</u>	<u>-</u>	<u>-</u>	<u>(690,111)</u>	<u>(815,200)</u>
Profit before tax	<u>311,124</u>	<u>-</u>	<u>-</u>	<u>317,201</u>	<u>628,325</u>
Segment assets (December 31, 2011)	<u>38,901,595</u>	<u>-</u>	<u>-</u>	<u>8,828,528</u>	<u>47,730,123</u>
Segment liabilities (December 31, 2011)	<u>12,900,310</u>	<u>-</u>	<u>-</u>	<u>24,166,800</u>	<u>37,067,110</u>

23 RELATED PARTY TRANSACTIONS

The related parties of the Bank comprise associated undertakings, major shareholders, directors, staff retirement funds and key management personnel (including their associates).

Usual transactions with related parties includes deposits, advances and other banking services which are carried out in accordance with agreed terms. Transaction with executives are undertaken at terms in accordance with employment agreements and services rules.

Contributions to and accruals in respect of staff retirement benefits plan are made in accordance with the term of the benefit plan. Remuneration of the Chief Executive Officer and directors are determined in accordance with the terms of their appointment.

The details of balances and transactions with related parties, other than those disclosed under respective notes, during the period are as follows:

**NOTES TO AND FORMING PART OF THE CONDENSED
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	Half year ended June 30, 2012			
	Key management personnel	Directors	Associates/ Subsidiaries	Other related parties
	------(Rupees in '000)-----			
Advances				
Balance at the beginning of the year	14,761	-	-	* 342,445
Disbursed during the period	5,650	-	-	1,554,521
Repaid during the period	(1,410)	-	-	(1,319,828)
At 30 June 2012	<u>19,001</u>	<u>-</u>	<u>-</u>	<u>577,138</u>
Deposits				
Balance at the beginning of the year	9,321	-	-	** 260,008
Received during the period	94,020	-	-	320,847
Withdrawals during the period	(91,095)	-	-	(580,419)
At 30 June 2012	<u>12,246</u>	<u>-</u>	<u>-</u>	<u>436</u>
Mark-up receivable	8	-	-	* 15,542
Profit payable	67	-	-	** 141
Investments outstanding	-	-	-	* 808,747
Letter of Guarantee outstanding	-	-	-	** 865,358
Period from January 01, 2012 to June 30, 2012				
Mark-up / interest / return earned	267	-	-	* 26,338
Mark-up / interest / return expensed	335	-	-	** 2,019
Guarantee commission	-	-	-	** 625
Remuneration paid	45,710	-	-	-
Contribution to provident fund	1,697	-	-	-
Provision for gratuity	2,504	-	-	-
Other staff benefits	15,046	-	-	-
Directors' meeting fee	-	2,150	-	-
Other receipts	-	-	-	980

* This represents transactions with (a) entities in which one of the nominee director of the Bank is also a director, on behalf of National Investment Trust Limited (NIT); and (b) an entity where more than 20% equity has been acquired by Government of Sindh during the half year ended June 30, 2012.

** This represents transaction with a wholly owned subsidiary of one of the entities in which one of the nominee director of the Bank is also a director, on behalf of National Investment Trust Limited (NIT).

Government of Sindh owns 100% shares of the Bank and transactions with the Government comprise of commodity financing amounting to Rs. 6.811 billion (note 9.1) and receipt of deposits amounting to Rs.16.630 billion (note 13.2).

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE HALF YEAR ENDED JUNE 30, 2012

	Period ended December 31, 2011 (Audited)			
	Key management personnel	Directors	Associates/ Subsidiaries	Other related parties
	------(Rupees in '000)-----			
<i>Advances</i>				
Balance at the beginning of the year	28,206	-	-	* 197,975
Disbursed during the period	(12,000)	-	-	-
Repaid during the period	(1,445)	-	-	(18,298)
At 31 December 2011	<u>14,761</u>	<u>-</u>	<u>-</u>	<u>179,677</u>
<i>Deposits</i>				
Balance at the beginning of the year	67,655	-	-	** 520,010
Received during the period	(5,942)	-	-	-
Withdrawals during the period	(52,392)	-	-	(260,002)
At 31 December 2011	<u>9,321</u>	<u>-</u>	<u>-</u>	<u>260,008</u>
Mark-up receivable	-	-	-	* 7,429
Profit payable	85	-	-	-
Investments outstanding	-	-	-	* 558,747
Letter of Guarantee outstanding	-	-	-	** 823,228
	Period from October 29, 2010 to June 30, 2011			
Mark-up / interest / return earned	261	-	-	-
Mark-up / interest / return expensed	46	-	-	-
Remuneration paid	38,530	-	-	-
Contribution to provident fund	1,557	-	-	-
Provision for gratuity	1,548	-	-	-
Directors' meeting fee	-	2,650	-	-
Others	-	-	-	1,380

* This represents transactions with entities in which one of the nominee director of the Bank is also a director, on behalf of National Investment Trust Limited (NIT).

** This represents transaction with a wholly owned subsidiary of one of the entities in which one of the nominee director of the Bank is also a director, on behalf of National Investment Trust Limited (NIT).


NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE HALF YEAR ENDED JUNE 30, 2012


24 GENERAL


- 24.1 Subsequent to the balance sheet date, the Board of Directors of the bank has approved an interim cash dividend of Rs 0.60 per share. Such dividend amounting to Rupees six hundred million was paid to the sole owner of the bank i.e. Government of Sindh on July 5, 2012.
- 24.2 Figures have been rounded off to the nearest thousand rupee.
- 24.3 All comparative figures relating to profit and loss account are for the period from October 29, 2010 (the incorporation date of the Bank) to June 30, 2011.

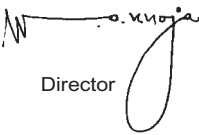
25 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on August 04, 2012 by the Board of Directors of the Bank.


President & Chief Executive Officer


Director


Director


Director

BRANCH NETWORK

SINDH REGION

Naudero Branch

Naudero Sugar Mills, Larkana
Road Disstt.Larkana
Tel: +92-74-4047528
Fax: +92-74-4047526

Hyderabad Branch

Property No. 91/3-4,
Main Saddar Cantt, Hyderabad
Tel: +92-22-2730045
Fax: +92-22-2730046

Qasimabad Branch, Hyd.

Plot No. 11, Rs No.274/1,
Faraz Villas, Qasimabad,
Hyderabad
Tel: +92-22-2653281
Fax: +92-22-2653283

Khairpur Branch

Ground Floor, Syed Ramzan Ali Shah
Trade Centre, Opp. Civic Centre,
Faujdar Road, KhairPumirs
Tel: +92-243-715405-8
Fax: +92-243-715407

Dadu Branch

Plot No. 54, RS No. 987
Opp. Degree College
Dadu City ,Distt. Dadu
Tel: +92-25-9239059
Fax: +92-25-9200305

Hala Branch

Survey No. 1397/88
Ward B, Gulshan Fahim Colony
Distt.Mitiani, Hala
Tel: +92-22-3331115-6
Fax: +92-22-3331117

Mirpurkhas Branch

Plot # RCN-18,
City Survey No. 864/6
Main Umarkot Road
Mirpurkhas
Tel: +92-233-876405
Fax: +92-233-876406

Mithi Branch

Plot No. 50, Opposite
Hydri Hotel, Near Imam
Bargah, Mithi Town, Maithi
Tel: +92-232-262191 -92,94
Fax: +92-232-262195

Tando Adam Branch

Survey No.622/15 Ward-A,
Hogani Colony, Hyderabad Road,
Tando Adam Distt. Shanghar
Tel: +92-235-571281-4
Fax: +92-235-571282

Tando M. Khan Branch

Plot Survey No. 34,
Jaryan No. 13/10-7-08,
Tando M Khan
Tel: +92-22-3342039
Fax: +92-22-3342038

Badin Branch

Building Survey No.157,
Hyderabad Road
Main Bus Stop, Badin.
Tel: +92-297-862034
Fax: +92-297-862035

Shaheed Benazirabad Branch

Plot No.13, Survey No.2481-1,
VIP Road, Near Doctors Colony, Nawabshah,
Dist., Shaheed Benazirabad.
Tel: +92-244-330692-4
Fax: +92-244-330690

Thatta Branch

Survey No. 115,
Near Badshahi Masjid,
Thatta Sijawal Road, Thatta
Tel: +92-298-550528
Fax: +92-298-550529

Larkana Branch

Ground Floor,
City Survey No. 799,
Raza Shah Mohalla, Vip Road,
Larkana
Tel: +92-74-4040751-52
Fax: +92-74-4040753

Sehwan Branch

Plot No. Survey No. 20/49/1951,
Alam Channa Mohalla, Sehwan,
District Jamshoro
Tel: +92-25-4620511
Fax: +92-25-4620513

Naushahro Feroz Branch

Property Jaryan No. 185/28-5-2005,
Deh Survey No.137,
Main Naushahro Feroz Road
Opposite National Savings Centre
Taluka Naushahro Feroz
Tel: +92-242-481551-4
Fax: +92-242-481553

Sukkur Branch

Plot No. C-550/17, Shalimar,
Minara Road, Sukkur
Tel : +92-71-5623961-4
Fax: +92-71-5623960

Ghotki Branch

Plot/City Survey No.890, Ward-B,
Main Deviri Sahib Road, Ghotki
Tel: +92-723-684435-4
Fax: +92-723-684431

Shadadkot Branch

Building Survey No.652, Ward C,
Main Kotoo Motoo Chowk, Shahdadkot
Tel: +92-74-4012309
Fax: +92-74-4012310

Shikarpur Branch

Survey No.34/3, Ward No.23, Station Road,
Opposite Library, Shikarpur
Tel: +92-726-521645-9
Fax: +92-726-521647

Kotri Branch

S.No.286/12/35, Amir Complex, Ward A,
Tehsil Kotri, District Jamshoro
Tel: +92-22-3874216-18
Fax: +92-22-3874219

Tando Allayar Branch

Plot # 4-4A & 5, Survey # 272/1,
Al Habib Plaza Main Tando Allahyar
Hyderabad Road
Tel: +92-22-3890195-8
Fax: +92-22-3890197

Kandhkot Branch

Kandhkot, Shikarpur
Main Road Shams Petroleum
Deh Akhero Town, Kandhkot
Tel: +92-722-572006-7
Fax: +92-722-572008

Ratodero Larkana Branch

Property Survey No. 795/5, Ward B,
Ratodero Stand, Ratodero District Larkana,
Tel: +92-74-4048478

Matiari Branch

Plot # 125, Ward-A,
Town Matiari District Matiari
Tel: +92-22-2760106

Shadadpur Branch

Property City Survey No. 543, 548
& Muhaga Land, Shahdadpur
District Sanghar.
Tel: +92-235-843153

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30 SINDH BANK
POWER TO THE PEOPLE

BRANCH NETWORK

Pano Aqil Branch

Property Survey # 436,
Main Pano Aqil Sukkur Road,
Taluka Pano Aqil

Kunri Branch

Plot # 10, Survey # 263/4, Block-6, Deh Goraho,
Main Station Road, Kunri

Dadu Sugar Mills

(Sub-Branch)
Pyaro Goth, District Dadu

Bawany Sugar Mills

(Sub-Branch)
Ahmed Nagar, Talhar District Badin

KARACHI REGION

I.I. Chundrigar Road Branch

P&O Plaza
Opposite Muhammadi House
I.I. Chundrigar Road Karachi.
Tel : +92-21-32463744-7
Fax: +92-21-32463757

Court Road Branch

G5-A, Ground Floor,
Court View Apart.
Opp. Sindh Assembly Building
Karachi
Tel: +92-21-35640035-36
Fax: +92-21-35640034

Cloth Market Branch

Shop No 26, Plot No-27
Survey Sheet No. B.R.5,
M.A. Jinnah Road, Karachi
Tel: +92-21-32424177-32413586
Fax: +92-21-32424175

Hyderi Branch

Plot No.SD-27, Block No. G,
Improvement Scheme No. 2,
North Nazimabad Karachi
Tel: +92-21-36722087-88
Fax: +92-21-36722086

Jodia Bazar Branch

Plot No. 57 & 59, Daryalal Street,
Selani Center, Jodia Bazar,
Napier Quarters, Karachi
Tel: +92-21-32500382-4
Fax: +92-21-32500384

Korangi Industrial Area Branch

Plot No.27/28
Korangi Industrial Area
Sector 16, Karachi
Tel: +92-21-35144261-65
Fax: +92-21-35144263

DHA 26th Street, Branch

Plot No.14-E, 26th Street Phase 5 Ext.
D.H.A,Karachi
Tel: +92-21-35875805-9
Fax: +92-21-35875807

Clifton Branch

Ground Floor, Federation House,
Abdullah Shah Ghazi Road,
Clifton, Karachi
Tel: +92-21-35290334-35
Fax: +92-21-35290333

Gulshan-e-Iqbal Branch

Fl : 1/13, Block 5, KDA Scheme No.24,
Main Rashid Minhas Road, Gulshan-e-Iqbal
Khl. Tel: +92-21-34968976-7
Fax: +92-21-34968974

Paper Market Branch

Plot No.22/2, Sheet No.SR.18,
Serai Quarters, Saddar Town,
Karachi
Tel: +92-21-32600936-9
Fax: +92-21-32600940

Shahrah-e-Faisal Branch

Plot No.30-A, Ground Floor,
Showroom No.4, 5 & 6, Progressive Centre,
Block-6, P.E.C.H.S.,
Shahrah-e-Faisal, Karachi
Tel: +92-21-34322270-74
Fax: +92-21-34322271

Tariq Road Branch

Plot No. 55-C, 56-C,
Central Commercial Area,
Block-2, PECHS, Karachi
Tel: +92-21-34535131-34535134
Fax: +92-21-34535135

S.I.T.E. Branch

B/9-B-2, S.I.T.E. Karachi
Tel: +92-21-36404032
Fax: +92-21-36404033

North Napier Road Branch

Plot # 32/2, Survey # NP-10,
Sheet # 10, Napier Quarter,
Road, Karachi

Water Pump Branch

Plot # 9, Block-16,
Scheme # 16, Feddeal B Area, Karachi
Tel: +92-21-36372416
Fax: +92-21-36372419

Memon Goth Branch

Plot No.232 Deh. Malh,
Tapu Dersano Chano,
Murad Memon Goth District Malir.
Tel: +92-21-34562327-34562326
Fax: +92-21-34562325

Jamshed Quarter Branch

House # 13/B, Plot # 710/6,
Survey Sheet # J.M. Quarter, Karachi
Tel: +92-21-34911841

Dhoraji Colony Branch

Plot # 35/243, Block 7&8, C.P.
Berar Cooperative Housing Society,
Dhorajee Colony, Karachi
Tel: +92-21-34381246
Fax: +92-21-34891248

Shaheed-e-Millat Branch

Show Room # G-01, Sagar Heights,
Block-3, M.S.G.P. Cooperative Housing Society,
Shaheed-e-Millat Road, Karachi
Tel: +92-21-34373972

North Karachi Industrial Area Branch

1/1, Sector 12-A,
North Industrial Area, Karachi
Tel: +92-21-36963171
Fax: +92-21-36963173

Gole Market Branch

Plot # 16, Row # 18,
Sub-Block-Fin Block-III (III-F-18/16),
Gole Market, Nazimabad Karachi
Tel: +92-21-36614461
Fax: +92-21-36614463

Gizri Branch

Commercial Plot No. G-1/2 & 23
Lower Gizri Bazar Area
Clifton Cantonment, Karachi.
Tel: +92-21-35862711

M.A. Jinnah Road Branch

Plot # 70/1, Native Infantry Lines,
M.A. Jinnah Road, Karachi
Tel: +92-21-32294701
Fax: +92-21-32294703

New Challi Branch

Property bearing # 37,
Survey Sheet # SR-7, Serai Quarters,
New Challi, Karachi

Preedy Street, Saddar Branch

Property Bearing # 326/2,
Artillery Maidan, Preedy Street,
Saddar, Karachi
Tel: +92-21-32751704

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POWER TO THE PEOPLE

BRANCH NETWORK

BALUCHISTAN REGION

Jinnah Road Branch, Quetta
Ward No. 18,
Plot No.20-21,
M.A. Jinnah Road, Quetta.
Tel: +92-81-2865680-81
Fax: +92-81-2865682

PUNJAB REGION

DHA 'Y' Block Branch, Lhr
Building Plot No. Y-159/1
Phase III C,DHA, Lahore Cantt. Lahore
Tel: +92-42-99264344-48
Fax: +92-42-99264342

Blue Area Islamabad Branch
Shop No. 1-5 & Mezzanine 1,
Sohrab Plaza, Jinnah Avenue,
Blue Area, Islamabad
Tel: +92-51-2206330-1
Fax: +92-51-2206329

Bank Road Rawalpindi Branch
Shop No.41/G-1, G-2 & G-3,
Kitchlew Building
Bank Road, Rawalpindi
Tel: +92-51-9270151-4
Fax: +92-51-9270155

G.T. Road Branch, Gujranwala
Building PRO.No.B-XII-7S-60/A,
GALI No.2 Bhatia Nagar,
Gujranwala
Tel: +92 - 55-9200991-94
Fax: +92 - 55-9200993

Bahria Town Branch, Lahore
Shop No.1, 2 & 3, Ground Floor, D Plaza,
Commercial Area, Bahria Town, Lahore
Tel: +92-42-35340503-35340505
Fax: +92-42-35340506

Ghurki Branch
Ghurki Trust Teaching Hospital Lahore
Ghurki Union Council,
District Lahore.
Tel: +92-42-36581845
Fax: +92-42-36581846

Ashrafabad Branch, Bhawalpur
Ashraf Sugar Mills Limited,
Ashrafabad, Bhawalpur
Tel: +92 - 62-2870091-2
Fax: +92-62-2870093

Chak Ghanian, Gujrat Branch
Village & PO Chak Ghanian,
Tehsil Sarai Alamgir, District Gujrat
Tel: +92-544-652536-7
Fax: +92-544-652539

Lila, Jehlum Branch
Post Office Lila Town, Tehsil Pind Daden Khan,
District Jehlum
Tel: +92-544-217661-2
Fax: +92-544-217663

Pindi Bahaudin Branch
Village Pindi Bahaudin, Rasool Road,
Tehsil & District Mandi Bahaudin
Tel: +92-546-600346

Dalwal Branch
Village & Post Office Dalwal,
Tehsil Choa Saidan
Shah, District Chakwal
Tel: +92-543-582070
Fax: +92-543-582087

Johar Town Branch, Lahore
Plot No. 7 Block -B,
M.A. Johar Town Scheme, Lahore
Tel: +92-42-35172835

Circular Road Branch, Lahore
Shop No. 1, Circular Road,
Akbari Gate, Mozoo Nolakha, Lahore
Tel: +92-42-37379403

Allama Iqbal Town Branch, Lahore
Plot No. 503, Karim Block
(Commercial Area) Allama Iqbal Town, Lahore
Tel: +92-42-35295583

Muree Road Rawalpindi Branch
K-583, CH. Mouladad Khan Road,
Main Muree Road, Rawalpindi
Tel: +92-51-5781071

Raja Bazar Rawalpindi Branch
Property No. U/1328 Floor Mill,
DilgiSahoi, Raja Bazar, Rawalpindi
Tel: +92-51-5778507

E-11 Islamabad Branch
Plot No. 1, E-11/3, M.P.C.H.S.,
Islamabad
Tel: +92-51-2318103
Fax: +92-51- 2318102

Lala Musa Branch
Property No. 1/123,
Opposite Police Station Saddar,
Lala Musa, District Gujrat
Tel: +92-53-7511422
Fax: +92-53-7511425

Main Boulevard Gulberg Branch, Lahore
61 Main Boulevard Gulberg, Lahore
Tel: +92-42-99268881
Fax: +92-42-99268882

P.W.D. Housing Society Branch, Islamabad
Plot No. 3, Civic Center,
PWD Housing, Islamabad
Tel: +92-51-5970735/7

Sargodha Branch
Khasra # 65-66, Khatoni # 479,
Prince Cinema Market Road,
Sargodha
Tel: +92-48-9230511

Village Burki Branch
Khasra # 1523, Khewat # 50,
Khatoni # 82, Village Burki, Lahore
Tel: +92-42-36350431

Village Lidhar Branch, Lahore
Khasra # 4024, Khatoni # 563/678, Village
Lidhar, Wagha Town,
Lahore Cantt.
Tel: +92-42-37165307

KPK & AJK REGION

Mirpur AJK Branch
Plot No.8, Sector B/3,
Allama Iqbal Road, Younus Plaza,
Mirpur Azad Kashmir.
Tel: +92 - 5827-444520
Fax: +92 - 5827-444522

Peshawar Cantt. Branch
Shop No. 4, Ground Floor,
Jasmine Arcade, 1-Bashir lane,
Fakhar-e-Alam Road, Peshawar
Tel: +92 - 91-5271951-5250601-2
Fax: +92 - 91-5271949

G.T Road Peshawar Branch
G.T. Road, Nanak Pura,
Tehsil & District Peshwar
Tel: +92 - 91-2584452

Abbotabad Branch
Opposite Radio Pakistan Building,
Mansehra Road, Abbotabad Cantt.
Tel: +92-992-330391

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POWER TO THE PEOPLE



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Web: www.sindhbankltd.com