



standard
chartered

1st Quarterly Report
(January – March 2024)

• Connecting
the world's
most dynamic
markets •



here for
good™



► Your gateway to unparalleled privileges ◀



24-Hour Priority Helpline



Relationship Manager



Priority Debit Card



Priority Lounge



Global Recognition



Household Recognition



Concierge Service



Exclusive Discounts
on Lifestyle and Dining



standard
chartered
priority



Futuremakers is our global initiative to tackle inequality and promote greater economic inclusion in our markets.



\$50M IN FUNDRAISING & BANK-MATCHING 2019-2023



LEARN



EARN



GROW

Empowering the **NEXT GENERATION**

BENEFICIARIES

Disadvantaged youth with a focus on **Girls &**



Visually impaired people

FOCUS AREAS →

Education

Employability

Entrepreneurship

Global reach targets →

500,000
adolescent girls

100,000
youth for work

50,000
micro & small businesses

Delivering across Pakistan

In Pakistan Futuremakers' programmes empower disadvantaged youth to learn new skills and improve the next generation's chances of getting a job or starting their own business.

Education

Goal

Empowering adolescent girls with life skills
34,000+ girls empowered since 2016

Employability

We provide vocational training, mentoring, career planning, upskilling and reskilling opportunities that support young people to become job ready.

Employment of the visually impaired

25 Visually impaired employed at the Bank's call centre in Lahore and Karachi

Futuremakers Inclusive Employability Project

Target more than 480 youth with disabilities into formal employment

Entrepreneurship

#SCWomenInTech

SCWomenintech was launched in Pakistan in 2019. Since its launch more than 100 businesses have gone through extensive training, coaching and mentoring sessions out of which 33 businesses have been given the seed money to scale their business further.

Agriprenuer Project

Phase 1 -> Launched in 2020 focused on 900 beneficiaries
Phase 2 -> Launched in 2021. This project will focus on 700 high potential agriprenuers from phase 1 and 303 new agriprenuers



Standard Chartered is a leading international banking group

We are an international banking group, with a presence in 53 of the world's most dynamic markets and serving clients in over 64 markets. Our purpose is to drive commerce and prosperity through our unique diversity, and our heritage and values are expressed in our brand promise, Here for good.

- **Standard Chartered Pakistan** is proud to be operating in the country as the **largest and oldest international Bank since 1863**.
- **Standard Chartered Pakistan** employs more than **2,000** people and has a network of **172** touch points (**40 branches, 112 ATMs and 20 CDMs**) across 10 cities.
- **Standard Chartered Pakistan** is the first International Bank to get an Islamic Banking licence and to open the **first Islamic Banking branch in the country**.
- **Standard Chartered Pakistan** is the leading bank for the **MNCs** operating in Pakistan. The Bank is also the market leader for providing USD liquidity for **Corporates** and **Financial Institutions** in the country.
- **Standard Chartered Pakistan** plays a leading role in providing **FCY liquidity solutions** through innovative client centric structures.
- **Standard Chartered Pakistan** is a leading partner of **State Bank of Pakistan** in promoting **RMB** and increasing its use in Pakistan, which further strengthens its role as the main bank for **CPEC** led initiatives.
- **Standard Chartered Pakistan** partnered with **ANT FINANCIAL** in 2019 to launch the first block chain based **24/7**, cross border **wallet-to-wallet remittance** service between Malaysia and Pakistan.

AWARDS

Strong Recognition

Global Diversity, Equity, & Inclusion Benchmark



Awards 2023

- Vision, Strategy, and Business Impact
- DEI Structure and Implementation Recruitment Award
- Work-Life Integration, Flexibility, & Benefits Award
- DEI Communications Award
- DEI Learning and Development Award
- Connecting DEI and Sustainability Award
- Community, Government Relations & Philanthropy Award

Gender Diversity Awards 2023



Awards 2023

- Employer of Choice

Management Association of Pakistan



Awards 2023 / 2022

- Runner-up, Commercial Banks Sector, Financial Category
- Corporate Excellence Award under the Commercial Bank Sector

CFA Society Pakistan



Awards 2022

- Best Bank 2022, Mid-Size Bank Category
- Runner up, Diversity and Inclusion at Workplace Category

Asia Money Award



Awards 2022

- Best Bank Award in the ESG category

Euromoney Market Leaders

Awards 2022

- Pakistan – CSR (Highly Regarded)
- Pakistan – D&I (Highly Regarded)
- Pakistan – Islamic Finance (Notable)



Global Transaction Banking Innovation



Awards 2022

- Best Digital Treasury Management Initiative

Adam Smith Award

Awards 2022/2021



- Special Recognition Award
- Best Account Receivables Solution for Coca Cola Beverages Pakistan Ltd.

The Asset Triple A Awards

Awards 2022/2021



- Best Trade Finance Bank / Best Supply Chain Bank
- Best Cash Management Bank
- Best Service Provider - Cash Management (Transaction Banking)
- Best Service Provider - Supply Chain (Transaction Banking)
- Best Renminbi Bank (Transaction Banking)
- Best Supply Chain Solutions for Indus Motor Company (Transaction Banking)
- Best Supply Chain Solutions for IATA (Transaction Banking)



STANDARD CHARTERED BANK (PAKISTAN) LIMITED
31st MARCH 2024
DIRECTORS' REPORT

On behalf of the Board of Directors, we are pleased to present the Directors' Report of Standard Chartered Bank (Pakistan) Limited (SCBPL or the Bank) along with the un-audited interim financial statements for the period ended 31st March 2024.

Economy

After witnessing a decelerated growth of 0.3% in FY2023, economy is witnessing nascent recovery with a GDP growth outlook of 2% in FY2024 attributed to prudent policy management and the resumption of inflows from multilateral and bilateral partners.

On the external front, current account deficit narrowed by 87% to \$0.5bn in Jul-Mar FY-24, as against a deficit of \$4.1bn last period. The substantial reduction was due to a sharp contraction in imports and improvement in exports, reflecting the impact of policy tightening and administrative measures. Imports declined by 8% year on year in Jul-Mar FY-24 whereas exports increased by 9% and remittances increased by 1% during the same period.

SBP foreign exchange reserves improved from \$4.4bn at start of the fiscal year to \$8.0bn as of 19th April 2024. PKR remained stable, appreciating by 1% during Q1'24. Inflation moderated to 21% in Mar'24, after peaking at 38% y/y in May'23. Mindful of the inflation outlook, SBP has maintained the policy rate at 22.0%.

Pakistan has reached a Staff-Level Agreement in its final review successfully concluding the IMF's Stand-By Arrangement (SBA) program and securing a disbursement of \$1.1bn, which is providing market confidence and exchange rate stability. Foreign direct investment has also increased in recent months which will further support in unlocking near-term FX inflows from multilateral and bilateral sources paving way for improved macroeconomic environment.

Banks in Pakistan continue to be well capitalized with an industry wide CAR of 19.7% and remain profitable with a ROE (after tax) of 27.1% based on CY-23 results. Meanwhile, NPLs of the banking sector stood at 7.6% at close of CY-23 compared to 7.3% at close of CY-22.

Purpose

At Standard Chartered, our purpose is to drive commerce and prosperity through our unique diversity. This captures the spirit of Standard Chartered by bringing together the best of what we already have – our incredible diversity of locations, cultures and expertise and ties it to what we do as a Bank – facilitating commerce in the real economy.

Our purpose signifies the way we want to do business with a human aspect as prosperity is not just about financial wealth but contributes towards creating healthier and happier communities. The purpose also embodies a more proactive and high-performance culture.

Our strategic pillars

We have continued to make good progress against the strategic priorities. As we accelerate our strategy, we have refined our focus onto four strategic priorities:

1) Network

Our global network is the key to our ability to compete profitably and remains a differentiator for our clients. We continue to leverage this strength and systematically increase network linked income through innovative solutions, product specialization and structured off-shore offerings. Our focus remains on facilitating our clients in the Belt and Road Initiative and other trade corridors as well as building momentum in Sovereign, Multinational and Local Corporates space.

2) Affluent

We continue to reinforce our strong credentials in the affluent segment by building loyalty and trust through offering our clients personalised wealth advice based on superior insight.

3) Mass Retail

We are investing in a range of proven digital capabilities that can substantially and economically scale up our mass market retail presence. We are doing this with enhanced data analytics and a superior end-to-end digital experience, developing opportunities on our own and with partners. Our digital transaction mix, including “SC Mobile” application customers, continue to increase. We have upgraded core banking system to advanced platform and are also spending on state of the art digital capabilities and solutions to drive enhanced client experience.

4) Sustainability

Our commitment to sustainability is not only about the economic activity we finance, but also about how we run our business. We invest in our people, promote the right values, behaviours and conduct, support the fight against financial crime and manage our environmental footprint. Our sustainability strategy seeks to strengthen relationships between our business, community, Government and clients. We will continue to focus on differentiated sustainability offering.

These strategic priorities are supported by three key enablers:

1) People & Culture

We are investing heavily in our people, giving colleagues the skills they need to succeed, bringing in expertise in critical areas and evolving to a more innovative and agile operating model.

2) Ways of Working

We are fundamentally changing the way we work, accelerating our time-to-market and increasing productivity.

3) Innovation & Technology

We are driving innovation to improve our clients' experience, increase our operational efficiency and tap new sources of income.

Operating Results and Business Overview

	31 March 2024 (PKR millions)	31 December 2023 (PKR millions)
Balance Sheet		
Paid-up capital	38,716	38,716
Total equity	94,981	96,223
Deposits	764,887	719,535
Advances – gross	232,508	240,843
Advances – net	208,815	220,183
Investments – net	532,600	226,712

	Period ended 31 March 2024 (PKR millions)	Period ended 31 March 2023 (PKR millions)
Profit and Loss		
Revenue	29,315	20,428
Operating expenses	4,635	3,797
Other non mark-up expenses	421	287
Operating profit (before credit loss allowance and tax)	24,259	16,344
Credit loss allowance and write offs - net	(477)	196
Profit before tax	24,736	16,148
Profit after tax	11,237	9,191
Earnings per Share (EPS) – Rupees	2.90	2.37

A strong performance by the Bank led to a growth of 53% in profit before tax to PKR 24.7 billion. Overall revenue grew 44%, whereas client revenue increased by 36% year on year with positive contributions from all segments. Operating expenses increased 22% from comparative period in line with inflation. Moreover, lower impairments as a result of prudent risk approach coupled with recoveries of bad debts led to a net release of PKR 0.5 billion in Q1'24 compared to a net charge of PKR 0.2 billion in the comparative period.

On the liabilities side, the Bank's total deposits stand at PKR 765bn; up by PKR 45 billion, whereas current accounts registered a healthy growth of PKR 33 billion (up 9%) since the start of this year and comprise 52% of the deposit base. On asset side, net advances were lower by PKR 11 billion (5%) since the start of this year. We continue to monitor the economic and political landscape and will position our portfolio accordingly. The Bank is well placed to cater for the needs of its clients and will continue its strategy to build a profitable, efficient and sustainable portfolio.

The Bank is investing in its digital capabilities and infrastructure to enhance our clients' banking experience through the introduction of innovative solutions. We have made steady progress in further strengthening our control and compliance environment by focusing on our people, culture and systems. We are fully committed to sustained growth by consistently focusing on our clients and product suite along with a prudent approach to building the balance sheet while bringing the best-in-class services to our customers.

Outlook

While the external environment remains challenging, pace of economic recovery will be dependent on improvement in external flows, domestic and geopolitical environment and global commodity prices.

Our results demonstrate our strong business fundamentals. We recognise the challenging times ahead and are committed to support our clients and employees whilst ensuring our clients' needs are at the heart of everything we do.

Having strengthened our foundations on controls and conduct we are well equipped to manage our risks, capital and liquidity effectively. The prudent and proactive measures that we are taking now will make us leaner and fitter to take advantage of the opportunities that lie ahead.

Changes in the Board of Directors since the last report

After serving on the Board for about five years, Mr. Towfiq Chinoy has decided to step down as Director due to his personal commitments. The Board has accepted his resignation effective 1st May 2024 and places on record its appreciation for the valuable support and contributions for Mr. Chinoy during his tenure on the Board. The casual vacancy created on the Board due to this resignation would be filled in due course.

Credit Rating

Pakistan Credit Rating Agency (PACRA) has maintained the Bank's long-term and short-term ratings of "AAA" (Triple A) and "A1+" (A One Plus) respectively. These ratings denote the lowest expectation of credit risk emanating from an exceptionally strong capacity for timely payment of financial commitments.

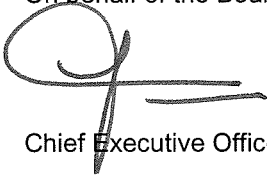
Dividend

Interim cash dividend of 15.0% (PKR 1.50/- per share) in respect of the three months period ended March 31, 2024 has been declared by the Board of Directors in their meeting held on April 26, 2024.

Appreciation and Acknowledgment

We take this opportunity to express our gratitude to our clients and business partners for their continued support and trust. We offer sincere appreciation to the State Bank of Pakistan for their guidance and cooperation extended to the Bank. Finally, we are also thankful to our associates, staff and colleagues for their committed services provided to our valued clients.

On behalf of the Board



Chief Executive Officer

Karachi: 26th April 2024



Director



Standard Chartered Bank (Pakistan) Limited

Un-audited
Financial Statements



For the three months period ended
31 March 2024

INTERNAL

Standard Chartered Bank (Pakistan) Limited
Statement of Financial Position
As at 31 March 2024

	Note	(Un-audited) 31 March 2024	(Audited) 31 December 2023
(Rupees in '000)			
ASSETS			
Cash and balances with treasury banks	6	93,190,451	81,690,671
Balances with other banks	7	30,822,405	38,230,009
Lendings to financial institutions	8	86,106,735	365,241,485
Investments	9	532,599,821	226,711,860
Advances	10	208,815,445	220,183,482
Property and equipment	11	11,247,822	11,380,991
Right-of-use assets	12	1,187,669	1,285,344
Intangible assets	13	26,095,310	26,095,310
Deferred tax assets - net		-	-
Other assets	14	86,907,207	31,128,680
		<u>1,076,972,865</u>	<u>1,001,947,832</u>
LIABILITIES			
Bills payable	15	20,465,951	18,331,699
Borrowings	16	64,280,085	48,265,389
Deposits and other accounts	17	764,886,960	719,534,840
Lease liabilities	18	1,284,885	1,362,579
Sub-ordinated debt		-	-
Deferred tax liabilities - net	19	3,396,921	6,374,173
Other liabilities	20	127,677,052	111,856,489
		<u>981,991,854</u>	<u>905,725,169</u>
NET ASSETS		<u>94,981,011</u>	<u>96,222,663</u>
REPRESENTED BY:			
Share capital		38,715,850	38,715,850
Reserves		39,983,633	37,736,326
Surplus on revaluation of assets	21	8,651,146	8,641,979
Unappropriated profit		7,630,382	11,128,508
		<u>94,981,011</u>	<u>96,222,663</u>
CONTINGENCIES AND COMMITMENTS	22		

The annexed notes 1 to 39 form an integral part of these condensed interim financial statements.





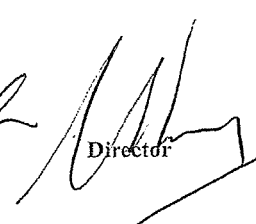
 Chairman
 Chief Executive Officer
 Chief Financial Officer
 Director
 Director

INTERNAL

Standard Chartered Bank (Pakistan) Limited
 Profit and Loss Account (Un-audited)
 For the three months period ended 31 March 2024

	Note	Three months period ended 31 March 2024	Three months period ended 31 March 2023
----- (Rupees in '000) -----			
Mark-up / return / interest earned	23	40,763,275	32,792,009
Mark-up / return / interest expensed	24	(16,713,462)	(13,066,579)
Net mark-up / interest income		24,049,813	19,725,430
NON MARK-UP / INTEREST INCOME			
Fee and commission income	25	1,964,983	1,323,232
Dividend income		-	35
Foreign exchange income	26	1,923,771	612,652
Income from derivatives		213,446	1,220,871
Gain / (loss) on securities	27	1,154,505	(2,472,098)
Net gains / (loss) on derecognition of financial assets measured at amortised cost		-	-
Other income	28	8,500	17,479
Total non mark-up / interest income		5,265,205	702,171
Total Income		29,315,018	20,427,601
NON MARK-UP / INTEREST EXPENSES			
Operating expenses	29	(4,635,302)	(3,796,591)
Workers welfare fund		(420,440)	(285,183)
Other charges	30	(434)	(1,465)
Total non mark-up / interest expenses		(5,056,176)	(4,083,239)
Profit before credit loss allowance		24,258,842	16,344,362
Credit loss allowance and write offs - net	31	476,757	(196,057)
Extra-ordinary / unusual items		-	-
PROFIT BEFORE TAXATION		24,735,599	16,148,305
Taxation	32	(13,499,065)	(6,957,668)
PROFIT AFTER TAXATION		11,236,534	9,190,637
		(Rupees)	(Rupees)
BASIC / DILUTED EARNINGS PER SHARE	33	2.90	2.37

The annexed notes 1 to 39 form an integral part of these condensed interim financial statements.

 Chairman	 Chief Executive Officer	 Chief Financial Officer	 Director	 Director
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INTERNAL


Standard Chartered Bank (Pakistan) Limited
Statement of Comprehensive Income (Un-audited)


For the three months period ended 31 March 2024


	Three months period ended 31 March 2024	Three months period ended 31 March 2023
	----- (Rupees in '000) -----	
Profit after tax for the period	11,236,534	9,190,637
Other comprehensive income		
Items that may be reclassified to profit and loss account in subsequent periods:		
Movement in surplus / (deficit) on revaluation of debt investments through FVOCI - net of tax	(88,808)	(668,947)
Total comprehensive income for the period	<u>11,147,726</u>	<u>8,521,690</u>
Items that will not be reclassified to profit and loss account in subsequent periods:		
Movement in surplus / (deficit) on revaluation of equity investments - net of tax	48,534	5,969
Total comprehensive income for the period	<u><u>11,196,261</u></u>	<u><u>8,527,659</u></u>


The annexed notes 1 to 39 form an integral part of these condensed interim financial statements.


Chairman


Chief Executive Officer


Chief Financial Officer

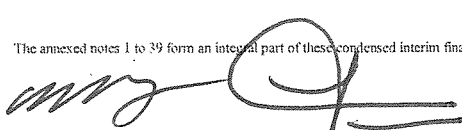

Director


Director

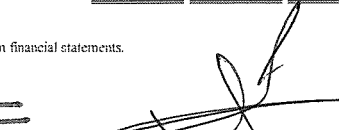
Standard Chartered Bank (Pakistan) Limited
Statement of Changes in Equity (Un-audited)
For the three months period ended 31 March 2024


	Share Capital	Share Premium	Statutory Reserve	Surplus / (Deficit) on revaluation of		Unappropriated Profit	Total
				Investments	Property and equipment		
(Rupees in '000)							
Balance as at 01 January 2023	38,715,850	1,036,090	28,175,870	93,973	7,784,819	11,714,277	87,520,879
Total comprehensive income for the period							
Profit after tax for the three months period ended 31 March 2023	-	-	-	-	-	9,190,637	9,190,637
Other comprehensive income							
Movement in surplus / (deficit) on revaluation of debt investments through FVOCI - net of tax	-	-	-	(668,947)	-	-	(668,947)
Movement in surplus / (deficit) on revaluation of equity investments - net of tax	-	-	-	5,969	-	-	5,969
	-	-	-	(662,978)	-	9,190,637	8,527,659
Transactions with owners, recorded directly in equity							
Share based payment transactions (Contribution from holding Company)	-	-	-	-	-	10,533	10,533
Cash dividend (Final 2023) at Rs. 2.50 per share	-	-	-	-	-	(9,678,963)	(9,678,963)
	-	-	-	-	-	(9,668,430)	(9,668,430)
Transfer to statutory reserve	-	-	1,838,127	-	-	(1,838,127)	-
Transferred from surplus on revaluation of Property and equipment - net of deferred tax	-	-	-	-	(4,533)	4,533	-
Balance as at 31 March 2023 - Un-audited	38,715,850	1,036,090	30,013,997	(569,005)	7,780,286	9,402,890	86,380,108
Total comprehensive income for the period							
Profit after tax for the nine months period ended 31 December 2023	-	-	-	-	-	33,431,194	33,431,194
Other comprehensive income							
Movement in surplus / (deficit) on revaluation of debt investments through FVOCI - net of tax	-	-	-	488,453	-	-	488,453
Movement in surplus / (deficit) on revaluation of equity investments - net of tax	-	-	-	127,519	-	-	127,519
Remeasurement of post employment obligations - net of tax	-	-	-	-	-	248	248
Surplus on revaluation of Property and equipment - net of deferred tax	-	-	-	-	881,686	-	881,686
	-	-	-	615,972	881,686	33,431,442	34,929,100
Transactions with owners, recorded directly in equity							
Share based payment transactions (Contribution from holding Company)	-	-	-	-	-	78,758	78,758
Cash dividend (Interim I - 2023) at Rs. 4.00 per share	-	-	-	-	-	(15,486,340)	(15,486,340)
Cash dividend (Interim II - 2023) at Rs. 2.50 per share	-	-	-	-	-	(9,678,963)	(9,678,963)
	-	-	-	-	-	(25,086,545)	(25,086,545)
Transfer to statutory reserve	-	-	6,686,239	-	-	(6,686,239)	-
Realised on disposals during the year - net of deferred tax	-	-	-	-	(55,437)	55,437	-
Transferred from surplus on revaluation of Property and equipment - net of deferred tax	-	-	-	-	(11,523)	11,523	-
Balance as at 31 December 2023 - Audited	38,715,850	1,036,090	36,700,236	46,967	8,595,012	11,128,508	96,222,663
Effect of reclassification on adoption of IFRS 9 - net of tax	-	-	-	(129,053)	-	253,045	123,992
Effect of remeasurement on adoption of IFRS 9 - net of tax	-	-	-	186,688	-	-	186,688
Expected credit loss on adoption of IFRS 9 - net of tax	-	-	-	-	-	(3,084,456)	(3,084,456)
Balance as at 1 January 2024 - IFRS9	38,715,850	1,036,090	36,700,236	104,601	8,595,012	8,297,097	93,448,886
Total comprehensive income for the period							
Profit after tax for the three months period ended 31 March 2024	-	-	-	-	-	11,236,534	11,236,534
Other comprehensive income							
Movement in surplus / (deficit) on revaluation of debt investments through FVOCI - net of tax	-	-	-	(88,808)	-	-	(88,808)
Movement in surplus / (deficit) on revaluation of equity investments - net of tax	-	-	-	48,534	-	-	48,534
	-	-	-	(40,273)	-	11,236,534	11,196,261
Transactions with owners, recorded directly in equity							
Share based payment transactions (Contribution from holding Company)	-	-	-	-	-	14,827	14,827
Cash dividend (Final 2023) at Rs. 2.50 per share	-	-	-	-	-	(9,678,963)	(9,678,963)
	-	-	-	-	-	(9,664,136)	(9,664,136)
Transfer to statutory reserve	-	-	2,247,307	-	-	(2,247,307)	-
Transferred from surplus on revaluation of Property and equipment - net of deferred tax	-	-	-	-	(8,194)	8,194	-
Balance as at 31 March 2024 - Un-audited	38,715,850	1,036,090	38,947,543	64,328	8,586,818	7,630,382	94,981,011

The annexed notes 1 to 39 form an integral part of these condensed interim financial statements.


Chairman

Chief Executive Officer


Chief Financial Officer


Director

Director

INTERNAL

Standard Chartered Bank (Pakistan) Limited
Cash Flow Statement (Un-audited)
For the three months period ended 31 March 2024

	Note	31 March 2024	31 March 2023
------(Rupees in '000)-----			
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before taxation for the period		24,735,599	16,148,305
Less: Dividend income		-	(35)
		24,735,599	16,148,270
Adjustments for:			
Net mark-up / interest income		(24,049,813)	(19,725,430)
Depreciation	29	160,218	121,545
Depreciation on right-of-use assets		99,748	98,029
Gain on sale of property and equipment	28	(2,750)	(8,715)
Unrealized gain on revaluation of investments classified as FVTPL - net	27	(358,942)	(35,902)
Finance cost against lease		44,687	51,702
(Gain) / loss on lease termination		(1,187)	4,941
Credit loss allowance and write offs net	31	(516,075)	196,057
		(24,624,114)	(19,297,773)
		111,485	(3,149,503)
(Decrease) \ increase in operating assets			
Lending to financial institutions		279,134,750	(91,631,798)
Securities classified as FVTPL		(2,852,910)	(926,838)
Advances		11,884,112	(12,220,988)
Other assets (excluding advance taxation)		(66,322,545)	(12,375,047)
		221,843,407	(117,154,671)
Increase / (decrease) in operating liabilities			
Bills payable		2,134,252	(1,518,836)
Borrowings from financial institutions		12,930,039	(3,699,300)
Deposits		45,352,120	10,305,831
Other liabilities (excluding current taxation)		19,355,875	8,063,287
		79,772,286	13,150,982
Mark-up / Interest received		38,637,605	30,240,727
Mark-up / Interest paid		(18,092,410)	(14,303,757)
Cash inflow / (outflow) before taxation		322,272,373	(91,216,222)
Income tax paid		(8,274,890)	(3,170,958)
Net cash flow from / (used in) operating activities		313,997,483	(94,387,180)
CASH FLOW FROM INVESTING ACTIVITIES			
Net Investments in securities classified as FVOCI		(303,001,009)	105,408,306
Dividend received		-	35
Investment in property and equipment		(249,330)	(10,957)
Proceeds from sale of property and equipment		2,750	8,715
Net cash flow (used in) / from investing activities		(303,247,589)	105,406,099
CASH FLOW FROM FINANCING ACTIVITIES			
Dividend paid		(9,618,911)	(128,256)
Payment in respect of lease liability		(123,464)	(114,459)
Net cash flow used in financing activities		(9,742,375)	(242,715)
Increase in cash and cash equivalents for the period		1,007,519	10,776,204
Cash and cash equivalents at beginning of the period		99,842,716	67,550,127
Effect of exchange rate changes on cash and cash equivalents		(94,884)	7,031,616
		99,747,832	74,581,743
Cash and cash equivalents at end of the period		100,755,351	85,357,947
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD			
Cash and balances with treasury banks	6	93,190,451	64,734,616
Balances with other banks	7	30,822,405	27,124,624
Overdrawn nostros	16	(23,257,505)	(6,501,293)
		100,755,351	85,357,947

The annexed notes 1 to 39 form an integral part of these condensed interim financial statements.


Chairman


Chief Executive Officer


Chief Financial Officer


Director


Director

INTERNAL

Standard Chartered Bank (Pakistan) Limited

Notes to the Condensed Interim Financial Statements (Un-audited)

For the three months period ended 31 March 2024

1 STATUS AND NATURE OF BUSINESS

Standard Chartered Bank (Pakistan) Limited ("the Bank") was incorporated in Pakistan on 19 July 2006 and was granted approval for commencement of banking business by State Bank of Pakistan, with effect from 30 December 2006. The ultimate holding company of the Bank is Standard Chartered PLC (Group), incorporated in England. The registered office is at Standard Chartered Bank Building, I.I. Chundrigar Road, Karachi.

The Bank commenced formal operations on 30 December 2006 through amalgamation of entire undertaking of Union Bank Limited and the business carried on by the branches in Pakistan of Standard Chartered Bank, a bank incorporated by Royal Charter and existing under the laws of England. The scheme of amalgamation was sanctioned by State Bank of Pakistan vide its order dated 4 December 2006. The Bank's shares are listed on Pakistan Stock Exchange.

The Bank is engaged in the banking business as defined in the Banking Companies Ordinance, 1962 and has a total number of 40 branches in Pakistan including 2 Islamic branches (31 December 2023: 40 branches in Pakistan including 2 Islamic branches) in operation at 31 March 2024.

2 BASIS OF PREPARATION

2.1 Statement of compliance

The condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting and comprise of:

- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan, as are notified under the Companies Act, 2017;
- Provisions of and directives issued under the Banking Companies Ordinance, 1962 and the Companies Act, 2017; and
- Directives issued by the State Bank of Pakistan and the Securities and Exchange Commission of Pakistan.

Whenever the requirements of the Banking Companies Ordinance, 1962, the Companies Act, 2017 or the directives issued by SBP and SECP differ with the requirements of the IFRS or IFAS, requirements of the Banking Companies Ordinance, 1962, the Companies Act, 2017 and the said directives shall prevail.

The Securities and Exchange Commission of Pakistan (SECP) has notified Islamic Financial Accounting Standard (IFAS) 3, 'Profit and Loss Sharing on Deposits' issued by the Institute of Chartered Accountants of Pakistan. IFAS 3 shall be followed with effect from the financial periods beginning after 1 January 2014 in respect of accounting for transactions relating to 'Profit and Loss Sharing on Deposits' as defined by the said standard. The standard has resulted in certain new disclosures in these financial statements of the Bank. The SBP through BPRD Circular Letter No. 4 dated 25 February 2015, has deferred the applicability of IFAS 3 till further instructions and prescribed the Banks to prepare their annual and periodical financial statements as per existing prescribed formats issued vide BSD Circular 04 of 2006 and BPRD Circular Letter No. 05 of 2019, as amended from time to time.

The disclosures made in these condensed interim financial statements have been limited based on the format prescribed by the SBP vide BPRD Circular Letter No.2 dated February 09, 2023 and IAS34, Interim Financial Reporting. They do not include all the information and disclosures required in preparation of audited annual financial statements, and should be read in conjunction with the audited financial statements of the Bank for the year ended December 31, 2023, except for IFRS 9 Financial Instruments adopted with effect from January 01, 2024.

2.2 Standards, interpretations of and amendments to accounting and reporting standards as applicable in Pakistan that are effective in the current period

SBP directed the banks to implement IFRS 9 Financial Instruments with effect from 01 January 2024. The new Standard on financial instruments introduces significant changes in the recognition, measurement and disclosure requirements for the classification and measurement of financial instruments along with guidance on new expected credit loss model for calculating impairment of financial assets. Further detail and impact on adoption of IFRS 9 are covered in note 3 and 4.

2.3 Standards, interpretations and amendments to accounting and reporting standards as applicable in Pakistan that are not yet effective in the current period

The following standards, amendments and interpretations as notified under the Companies Act, 2017 will be effective for accounting periods beginning on or after January 01, 2024:

Amendments	Effective date (annual periods beginning on or after)
- IAS 17 Insurance Contracts	01 January 2026
- IFRS 10 / IAS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - Amendment to IFRS 10 and IAS 28	Not yet finalised

The above standards and amendments are not expected to have any material impact on the Bank's financial statements in the period of initial application.

Further, following new standards have been issued by IASB which are yet to be notified by the SECP for the purpose of applicability in Pakistan:

Standard	IASB Effective date (annual periods beginning on or after)
IFRS 1 - First-time Adoption of International Financial Reporting Standards	July 01, 2009

3 MATERIAL ACCOUNTING POLICIES AND ESTIMATES

The principal accounting policies applied in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual financial statements of the Bank for the year ended 31 December 2023, except for IFRS9 financial instruments which is mentioned as under.

IFRS 9 Financial Instruments

As per SBP BPRD Circular no 7 of 2023, IFRS 9 Financial Instruments is effective for periods beginning on or after 1 January 2024 along with IFRS 9 Application Instructions for ensuring smooth and consistent implementation of the standard in the banks. An overview of the IFRS 9 requirements that have significant impact is summarized below:

Classification and measurement

The classification and measurement of financial assets depends on how these are managed (the entity's business model) and their contractual cash flow characteristics. Financial assets that do not meet the Solely Payment of Principal & Interest (SPPI) criteria are measured at Fair Value through Profit & Loss (FVTPL) regardless of the business model. The Bank's business model in which financial assets are held will determine whether the financial assets are measured at amortised cost, fair value through other comprehensive income (FVOCI) or fair value through profit or loss (FVTPL).

Equity Securities

Equity shares are classified as Fair Value through Profit & Loss (FVTPL), unless the Bank irrevocably designate at initial recognition as held at Fair Value through Other Comprehensive Income (FVOCI).

Unquoted equity securities are measured at fair value in line with IFRS 9.

Debt securities and Loans and advances

Financial assets which pass the SPPI test are measured at fair value through Other Comprehensive Income (FVOCI) where business model is to hold the assets to collect contractual cash flows but also to sell those investments. Financial assets which pass the SPPI test are measured at amortized costs where the business model is to hold the assets to collect contractual cash flows.

Cashflows of Financial instruments which do not pass solely payments of principal and interest test are accordingly measured at fair value through profit and loss (FVTPL), unless otherwise specified by the Regulator.

Expected Credit loss allowance (ECL)

The ECL requirements apply to financial assets measured at amortised cost and FVOCI (other than equity instruments). At initial recognition, an impairment allowance is recorded for expected credit losses (ECL) resulting from default events that are possible within the next 12 months (12-month ECL). In the event of a significant increase in credit risk, an allowance is recorded for ECL resulting from all possible default events over the expected life of the financial instrument (lifetime ECL). Financial assets where 12-month ECL is recognised are in 'stage 1'; financial assets that are considered to have experienced a significant increase in credit risk are in 'stage 2'; and financial assets for which there is an objective evidence of impairment, hence are considered to be in default or otherwise credit impaired, are in 'stage 3'.

The assessment of credit risk and the estimation of ECL is unbiased and probability-weighted, and incorporate all available information which is relevant to the assessment including information about past events, current conditions and reasonable and supportable forecasts of economic conditions at the reporting date.

As per the SBP guidelines, credit exposure (in local currency) guaranteed by the Government and Government Securities are exempted from the application of ECL Framework. Stage 3 provision is recorded considering higher of IFRS 9 ECL or provision computed under existing PRs' requirements. Moreover, the income is recognised on impaired assets (classified loans under PR and Stage 3 loans) on a receipt basis in accordance with the IFRS 9 Application Instructions of SBP.

4 TRANSITION IMPACT OF IFRS9

Table below captures Day 1 adoption impact

Audited 31 December 2023	2024			1 January 2024
	Re -classification	Re -measurement	Expected credit loss	

(Rupees in '000)

ASSETS

Cash and balances with treasury banks	81,690,671	-	-	(1,704,694)	79,985,977
Balances with other banks	38,230,009	-	-	(15,957)	38,214,052
Lending to financial institutions	365,241,485	-	-	(13,724)	365,227,761
Investments	226,711,860	-	366,054	-	227,077,914
Advances	220,183,482	-	-	(3,712,376)	216,471,106
Property and equipment	11,380,991	-	-	-	11,380,991
Right-of-use assets	1,285,344	-	-	-	1,285,344
Intangible assets	26,095,310	-	-	-	26,095,310
Deferred tax assets - net	-	-	-	-	-
Other assets	31,128,680	-	-	(50,181)	31,078,499
	1,001,947,832	-	366,054	(5,496,931)	996,816,955

LIABILITIES

Bills payable	18,331,699	-	-	-	18,331,699
Borrowings	48,265,389	-	-	-	48,265,389
Deposits and other accounts	719,534,840	-	-	-	719,534,840
Lease liabilities	1,362,579	-	-	-	1,362,579
Sub-ordinated debt	-	-	-	-	-
Deferred tax liabilities - net	6,374,173	(123,992)	179,367	(2,963,497)	3,466,051
Other liabilities	111,856,489	-	-	551,022	112,407,511
	905,725,169	(123,992)	179,367	(2,412,475)	903,368,068
	96,222,663	123,992	186,688	(3,084,456)	93,448,887

NET ASSETS

REPRESENTED BY:

Share capital	38,715,850	-	-	-	38,715,850
Reserves	37,736,326	-	-	-	37,736,326
Surplus on revaluation of assets	8,641,979	(129,053)	186,688	-	8,699,614
Unappropriated profit	11,128,508	253,045	-	(3,084,456)	8,297,097
	96,222,663	123,992	186,688	(3,084,456)	93,448,887

a) **Re-classification:** This represents classification changes from Available for sale (AFS) to Fair Value through Profit & Loss (FVTPL) and mainly includes equity investments.

b) **Re-measurement:** This represents changes in measurement of certain equity investments, which were previously held at cost and now measured at fair value through other comprehensive income (FVOCI) in line with requirements of IFRS 9.

c) **Expected Credit Loss:** This represents Expected Credit Loss allowance on financial assets of the Bank calculated in line with IFRS 9 and SBP Application Instructions with initial recording routed through equity.

5 FINANCIAL RISK MANAGEMENT

The financial risk management objectives and policies adopted by the Bank are consistent with those disclosed in the annual financial statements of the Bank for the year ended 31 December 2023.

INTERNAL

6	CASH AND BALANCES WITH TREASURY BANKS	Note	31 March 2024 (Un-audited)	31 December 2023 (Audited)
			(Rupees in '000)	
	In hand			
	- Local currency		4,581,776	4,049,341
	- Foreign currencies		17,134,320	19,261,075
	With State Bank of Pakistan in:			
	- Local currency current account	6.1	52,559,720	37,314,826
	- Local currency current account - Islamic Banking	6.1	2,633,868	3,581,238
	- Foreign currency deposit account			
	- Cash reserve account	6.2	5,920,410	5,693,733
	- Special cash reserve account	6.2	11,352,095	10,867,685
	- Local US Dollar collection account		716,805	866,851
	With National Bank of Pakistan in:			
	- Local currency current account		93	93
	Prize Bonds		50,934	55,829
	Less: Credit loss allowance held against cash and balances with treasury banks (FCY)	6.3	(1,759,570)	-
	Cash and balances with treasury banks - net of credit loss allowance		<u>93,190,451</u>	<u>81,690,671</u>

6.1 The local currency current account is maintained with the State Bank of Pakistan (SBP) as per the requirements of Section 22 of the Banking Companies Ordinance, 1962. This section requires banking companies to maintain a local currency cash reserve in the current account opened with the SBP at a sum not less than such percentage of its demand and time liabilities in Pakistan as may be prescribed by SBP.

6.2 As per DMMD Circular No. 20 dated November 13, 2021, cash reserve of 6 percent and special cash reserve of 10 percent (for Islamic 6 percent) are required to be maintained with SBP on deposits held under the New Foreign Currency Accounts Scheme (FE-25 deposits). It carries mark-up at a rate of 4.12 percent (2023: 3.74 percent) per annum.

6.3 This represents ECL allowance in line with IFRS 9 and SBP Application Instructions.

7	BALANCES WITH OTHER BANKS	Note	31 March 2024 (Un-audited)	31 December 2023 (Audited)
			(Rupees in '000)	
	In Pakistan			
	- In current accounts		53,243	472,976
	Outside Pakistan			
	- In current accounts	7.1	30,783,195	37,757,033
	Less: Credit loss allowance held against balances with other banks (FCY)	7.2	(14,033)	-
	Balances with other banks - net of credit loss allowance		<u>30,822,405</u>	<u>38,230,009</u>

7.1 This includes balances of Rs. 30,702.959 million (2023: Rs. 37,677.022 million) held with other branches and subsidiaries of Standard Chartered Group outside Pakistan.

7.2 This represents ECL allowance in line with IFRS 9 and SBP Application Instructions.

8	LENDINGS TO FINANCIAL INSTITUTIONS	Note	31 March 2024 (Un-audited)	31 December 2023 (Audited)
			(Rupees in '000)	
	Repurchase agreement lendings (Reverse Repo)		-	319,495,646
	Placements	8.2	86,132,575	45,745,839
	Less: Credit loss allowance held against lending to financial institutions	8.1	(25,840)	-
	Lendings to financial institutions - net of credit loss allowance		<u>86,106,735</u>	<u>365,241,485</u>

8.1 Lending to FIs- Particulars of credit loss allowance

	31 March 2024 (Un-audited)		31 December 2023 (Audited)	
	Lending	Credit loss allowance held	Lending	Credit loss allowance held
Stage 1/ Performing	86,132,575	(25,840)	365,241,485	-
Total	<u>86,132,575</u>	<u>(25,840)</u>	<u>365,241,485</u>	<u>-</u>

- 8.2 These represents placements with other branches and subsidiaries of Standard Chartered Group outside Pakistan at mark-up rates ranging from 3.00 percent to 5.40 percent per annum (2023: 3.00 percent to 5.40 percent per annum), and are due to mature latest by August 2024.

31 March 2024
(Un-audited) 31 December
2023 (Audited)

(Rupees in '000)

8.3 Particulars of lending

In local currency	-	319,495,646
In foreign currencies	86,106,735	45,745,839
	<u>86,106,735</u>	<u>365,241,485</u>

9 INVESTMENTS

	31 March 2024 (Un-audited)				31 December 2023 (Audited)			
	Cost / Amortised cost / Fair Value	Credit loss allowance	Surplus / (Deficit)	Carrying Value	Cost / Amortised cost / Fair Value	Credit loss allowance	Surplus / (Deficit)	Carrying Value
9.1 Investments by type	(Rupees in '000)							
	-----FVTPL-----				----- (Held for Trading) -----			
Federal Government Securities	3,212,429	-	64,506	3,276,935	359,519	-	17,522	377,041
Shares	599,166	-	-	599,166	-	-	-	-
	<u>3,811,595</u>	<u>-</u>	<u>64,506</u>	<u>3,876,101</u>	<u>359,519</u>	<u>-</u>	<u>17,522</u>	<u>377,041</u>
	-----FVOCI-----				----- (Available for sale) -----			
Federal Government Securities	528,547,586	-	(335,086)	528,212,500	226,141,044	-	(160,953)	225,980,091
Shares	53,004	(3,004)	461,220	511,220	836,081	(734,398)	253,045	354,728
Non Government Debt Securities	147,000	(147,000)	-	-	147,000	(147,000)	-	-
	<u>528,747,590</u>	<u>(150,004)</u>	<u>126,134</u>	<u>528,723,720</u>	<u>227,124,125</u>	<u>(881,398)</u>	<u>92,092</u>	<u>226,334,819</u>
Total Investments	<u><u>532,559,185</u></u>	<u><u>(150,004)</u></u>	<u><u>190,640</u></u>	<u><u>532,599,821</u></u>	<u><u>227,483,644</u></u>	<u><u>(881,398)</u></u>	<u><u>109,614</u></u>	<u><u>226,711,860</u></u>

31 March 2024
(Un-audited) 31 December
2023 (Audited)

(Rupees in '000)

9.1.1 Investments given as collateral

The book value of investment given as collateral against borrowing is as follows:

Market Treasury Bills	20,940,836	5,350,131
	<u>20,940,836</u>	<u>5,350,131</u>

9.2 Credit loss allowance / provision for diminution in value of investments

Opening balance	881,398	881,398
Reversals	(731,394)	-
Closing Balance	<u>150,004</u>	<u>881,398</u>

Reversal relates to provision for diminution in value of investment which has now been adjusted in cost of investment.

9.2.1 Particulars of credit loss allowance against debt securities

Category of classification	31 March 2024 (Un-audited)		31 December 2023 (Audited)	
	Outstanding amount	Credit loss allowance / provision Held	Outstanding amount	Credit loss allowance / provision Held
Stage 3	----- (Rupees in '000) -----			
Loss	147,000	147,000	147,000	147,000
Total	<u>147,000</u>	<u>147,000</u>	<u>147,000</u>	<u>147,000</u>

10 ADVANCES

Note

	Performing		Non Performing		Total	
	31 March 2024 (Un-audited)	31 December 2023 (Audited)	31 March 2024 (Un-audited)	31 December 2023 (Audited)	31 March 2024 (Un-audited)	31 December 2023 (Audited)
	(Rupees in '000)					
Loans, cash credits, running finances, etc.	140,793,593	151,518,577	19,280,686	19,382,427	160,074,279	170,901,004
Islamic financing and related assets	65,356,185	63,395,400	1,678,757	1,678,757	67,034,942	65,074,157
Bills discounted and purchased (excluding treasury bills)	5,398,411	4,868,119	-	-	5,398,411	4,868,119
Advances - gross	211,548,189	219,782,096	20,959,443	21,061,184	232,507,632	240,843,280
Credit loss allowance against advances						
-Stage 1 & 2 / General provisions	(3,063,516)	(978,349)	-	-	(3,063,516)	(978,349)
-Stage 3 / Specific provisions	-	-	(20,628,671)	(19,681,449)	(20,628,671)	(19,681,449)
Advances - net of credit loss allowance	208,484,673	218,803,747	330,772	1,379,735	208,815,445	220,183,482

10.1 Particulars of advances - gross

31 March
2024 (Un-audited)
31 December
2023 (Audited)
(Rupees in '000)

In local currency	224,134,767	231,929,092
In foreign currencies	8,372,865	8,914,188
	<u>232,507,632</u>	<u>240,843,280</u>

10.2 Advances include Rs. 20,959.443 million (31 December: Rs. 21,061.184 million) which have been placed under non-performing / Stage 3.

10.3 Particulars of provision against advances

	31 March 2024 (Un-audited)			31 December 2023 (Audited)		
	Stage 1 & 2	Stage 3	Total	General	Specific	Total
	(Rupees in '000)					
Opening balance	978,349	19,681,449	20,659,798	1,022,200	19,692,817	20,715,017
Transition impact of IFRS9	2,518,479	1,193,897	3,712,376	-	-	-
Charge for the period / year	1,183,196	100,171	1,283,367	53,365	1,403,848	1,457,213
Reversals	(1,515,467)	(234,005)	(1,749,472)	(97,216)	(1,522,788)	(1,620,004)
	(332,271)	(133,833)	(466,105)	(43,851)	(118,940)	(162,791)
Amounts written off	(56,396)	(130,866)	(187,262)	-	(268,950)	(268,950)
Other movements (including FX adjustments)	(44,644)	18,024	(26,620)	-	376,522	376,522
Closing balance	3,063,516	20,628,671	23,692,187	978,349	19,681,449	20,659,798

INTERNAL

10.4 Advances - Particulars of credit loss allowance

	31 March 2024 (Un-audited)			
	Stage 1	Stage 2	Stage 3	Total
	(Rupees in '000)			
10.4.1 Opening balance	978,349	-	19,681,445	20,659,794
Transition impact of IFRS9	266,209	2,252,270	1,193,897	3,712,376
New Advances	279,399	708,743	-	988,142
Advances derecognised or repaid	(298,631)	(1,077,050)	(234,005)	(1,609,686)
Transfer to stage 1	104,292	(90,049)	(14,243)	-
Transfer to stage 2	(5,935)	18,267	(12,333)	-
Transfer to stage 3	(624)	(70,562)	71,186	-
	97,734	(142,344)	44,610	-
Amounts written off / charged off	(8,111)	(48,288)	(130,861)	(187,260)
Changes in risk parameters	(139,786)	195,053	100,171	155,439
Other movements (including FX adjustments)	(31)	(1)	(26,587)	(26,618)
Closing balance	<u>1,175,133</u>	<u>1,888,383</u>	<u>20,628,671</u>	<u>23,692,188</u>

10.4.2 Advances - Category of classification

	31 March 2024 (Un-audited)		31 December 2023 (Audited)	
	Outstanding amount	Credit loss allowance / provisions	Outstanding amount	Credit loss allowance / provisions
	(Rupees in '000)			
Domestic				
Stage 1/ Performing	181,159,354	1,175,133	219,782,096	978,349
Stage 2/ Underperforming	30,388,680	1,888,383	-	-
Stage 3/ Non-Performing	20,959,598	20,628,671	21,061,184	19,681,449
Total	<u>232,507,632</u>	<u>23,692,188</u>	<u>240,843,280</u>	<u>20,659,798</u>

11 PROPERTY AND EQUIPMENT

	Note	31 March 2024 (Un-audited)	31 December 2023 (Audited)
		(Rupees in '000)	
Capital work-in-progress	11.1	502,298	510,019
Property and equipment	11.4	10,745,524	10,870,972
		<u>11,247,822</u>	<u>11,380,991</u>
11.1 Capital work-in-progress			
Civil works		259,411	180,663
Equipment		242,887	329,356
		<u>502,298</u>	<u>510,019</u>

INTERNAL

		31 March 2024 (Un- audited)	31 March 2023 (Un- audited)
		----- (Rupees in '000) -----	
11.2	Additions / (transfers) to property and equipment		
	The following additions / (transfers) have been made to property and equipment during the period:		
	Capital work-in-progress - net	(7,721)	(1,139)
	Building on leasehold land - owned	6,959	3,030
	Electrical office and computer equipment	250,092	9,065
		<u>257,051</u>	<u>12,095</u>
12	RIGHT-OF-USE ASSETS		
	At 1 January		
	Cost	2,869,683	2,912,120
	Accumulated Depreciation	(1,584,339)	(1,199,047)
	Net Carrying amount	<u>1,285,344</u>	<u>1,713,073</u>
	Disposals - Cost	(23,347)	(47,655)
	Disposals - Accumulated Depreciation	23,347	47,655
	Depreciation Charge for the year	(99,748)	(432,947)
	Other adjustment / transfers - cost	2,074	5,218
	Net Carrying amount at closing balance	<u>1,187,669</u>	<u>1,285,344</u>
13	INTANGIBLE ASSETS		
	Goodwill	26,095,310	26,095,310
	Computer Software	-	-
		<u>26,095,310</u>	<u>26,095,310</u>
13.1	The above mentioned items under intangible assets are fully amortized.		
14	OTHER ASSETS		
	Income / mark-up accrued in local currency	8,699,921	10,850,669
	Income / mark-up accrued in foreign currencies	104,951	79,873
	Advances, deposits, advance rent and other prepayments	341,373	250,925
	Defined benefit plans	36,776	36,776
	Advance taxation (payments less provisions)	-	1,686,566
	Branch adjustment account	103,311	46,865
	Mark to market gain on forward foreign exchange contracts	269,110	393,277
	Interest rate derivatives and currency options - positive fair value	112,769	41,212
	Receivable from SBP / Government of Pakistan	790,303	825,864
	Receivable from associated undertakings	111,592	111,592
	Assets Held for Sale	1,425,474	1,192,143
	Receivable from Standard Chartered Bank, Sri Lanka operations	38,423	36,821
	Advance Federal Excise Duty	199,747	199,747
	Cards and clearing settlement account	12,100,836	8,646,948
	Acceptances	6,087,678	5,381,478
	Unsettled trades - Debt Securities	55,920,262	334,968
	Sundry receivables	510,701	961,660
	Others	166,186	139,072
		<u>87,019,413</u>	<u>31,216,456</u>
	Less: Credit loss allowance held against other assets	(112,206)	(87,776)
	Other Assets - net	<u>86,907,207</u>	<u>31,128,680</u>

INTERNAL

14.1 Credit loss methodology is based on Exposure at default (EAD) which captures both principal and mark-up when calculating expected credit loss, hence the cumulative impact is recorded under advances note 10.3.

14.2 These represents carrying value of vacant owned properties which the Bank intends to dispose-off. The management considered these property to meet the criteria to be classified as held for sale at the date of classification. These assets are available for immediate sale and can be sold in its' current condition. As at the reporting date, the management has assessed the fair value less cost to sell of all properties to be higher than their carrying amount.

14.3 These represents receivable against sale of securities settled on T+2 basis.

14.4 **Credit loss allowance held against other assets**

	Note	31 March 2024 (Un-audited)	31 December 2023 (Audited)
		(Rupees in '000)	
Trade related - Acceptances		24,430	-
Others		87,776	87,776
		<u>112,206</u>	<u>87,776</u>

15 **BILLS PAYABLE**

In Pakistan	20,070,512	17,771,348
Outside Pakistan	395,439	560,351
	<u>20,465,951</u>	<u>18,331,699</u>

16 **BORROWINGS**

In Pakistan	41,023,341	28,095,873
Outside Pakistan	23,256,744	20,169,516
	<u>64,280,085</u>	<u>48,265,389</u>

16.1 **Details of borrowings secured / unsecured**

Secured

Borrowings from State Bank of Pakistan under Export Refinance (ERF) scheme	16.1.1	19,408,003	22,059,316
State Bank of Pakistan - LTFF		67,834	79,139
Repurchase agreement borrowings (Repo)	16.1.2	20,924,253	5,331,596
Financing facility for renewable energy plants		622,490	622,490
		<u>41,022,580</u>	<u>28,092,541</u>

Unsecured

Overdrawn nostro accounts		23,257,505	20,172,848
		<u>64,280,085</u>	<u>48,265,389</u>

16.1.1 Mark-up on Export Refinance (ERF) from State Bank of Pakistan is charged ranging from 1 percent to 18.0 percent (2023: 1 percent to 18.0 percent) per annum and are due to mature latest by September 2024. ERF borrowings also include borrowings under Islamic Export Refinance scheme amounting to Rs. 6,618 million (2023: Rs. 6,830 million). These borrowings are secured against demand promissory notes executed by the Bank in favour of State Bank of Pakistan.

16.1.2 Repurchase agreement borrowing carry mark up rate at 23.0 percent (2023: 21.35 percent) per annum payable at maturity and is due to mature by April 2024. These are secured against three months market treasury bills. The market value of securities given as collateral against this borrowing amounted to Rs. 20,963.817 million.

17 DEPOSITS AND OTHER ACCOUNTS

	31 March 2024 (Un-audited)			31 December 2023 (Audited)		
	In Local Currency	In Foreign currencies	Total	In Local Currency	In Foreign currencies	Total
(Rupees in '000)						
Customers						
- Fixed deposits	14,414,524	1,393,973	15,808,497	17,266,153	1,301,108	19,067,261
- Savings deposits	302,027,393	27,843,212	329,870,605	293,981,813	28,282,945	322,264,758
- Current accounts	284,398,462	96,416,568	380,815,030	264,335,546	87,589,208	351,924,754
- Margin accounts	4,266,422	279,337	4,545,759	4,174,768	283,270	4,458,038
- Other deposits	285,850	-	285,850	197,026	-	197,026
	605,392,651	125,933,090	731,325,741	580,455,306	117,456,531	697,911,837
Financial Institutions						
- Fixed deposits	9,005,650	14,602	9,020,252	5,650	14,807	20,457
- Savings deposits	8,659,250	2,131,533	10,790,783	9,411,671	2,045,810	11,457,481
- Current accounts	10,917,860	2,023,822	12,941,682	6,910,987	2,176,781	9,087,768
- Margin accounts	83,214	127,494	210,708	83,214	133,982	217,196
- Other deposits	597,794	-	597,794	840,101	-	840,101
	29,263,768	4,297,451	33,561,219	17,251,623	4,371,380	21,623,003
	634,656,419	130,230,541	764,886,960	597,706,929	121,827,911	719,534,840

17.1 This includes Rs. 856.745 million (2023: Rs. 749.580 million) against balances of other branches and subsidiaries of Standard Chartered Group.

18 LEASE LIABILITIES

	Note	31 March 2024 (Un-audited)	31 December 2023 (Audited)
(Rupees in '000)			
Outstanding amount at the start of the period		1,362,879	1,847,964
Additions during the period		28,080	52,671
Lease payments		(123,464)	(649,362)
Interest expense		44,687	143,582
Termination / modification		(26,997)	(32,277)
Outstanding amount at the end of the period	18.1	1,284,885	1,362,579
18.1 Liabilities Outstanding			
Not later than one year		186,301	176,069
Later than one year and upto five years		737,463	1,046,170
Over five years		361,121	140,340
Total at the year end		1,284,885	1,362,579

19 DEFERRED TAX ASSETS / (LIABILITIES)

The following are major deferred tax assets / (liabilities) recognised and movement thereon:

	Note	31 March 2024 (Un-audited)				
		At 1 January 2024	Transition impact of IFRS9	Recognised in profit and loss	Recognised in OCI	At 31 March 2024
(Rupees in '000)						
Deductible Temporary Differences on						
Worker Welfare Fund		1,226,878	-	-	-	1,226,878
Credit loss allowance against advances and others	19.1	731,603	2,089,065	-	-	2,820,668
Accelerated tax depreciation		40,321	-	3,299	-	43,620
Unpaid liabilities		5,022,726	-	-	-	5,022,726
Others		-	874,432	19,266	-	893,698
		7,021,528	2,963,497	22,565	-	10,007,590
Taxable Temporary Differences on						
Surplus on revaluation of property and equipment	21.1	(545,855)	-	7,872	-	(537,983)
Surplus / (deficit) on revaluation of investments		(45,125)	(55,375)	-	38,693	(61,807)
Post retirement employee benefits	21.2	(18,020)	-	-	-	(18,020)
Goodwill		(12,786,701)	-	-	-	(12,786,701)
		(13,395,701)	(55,375)	7,872	38,693	(13,404,511)
		(6,374,173)	2,908,122	30,437	38,693	(3,396,921)

	31 December 2023 (Audited)			
	At 1 January 2023	Recognised in profit and loss	Recognised in OCI	At 31 December 2023
(Rupees in '000)				
Deductible Temporary Differences on				
Worker Welfare Fund	1,076,648	150,230	-	1,226,878
Credit loss allowance against advances, off balance sheet etc.	642,019	89,584	-	731,603
Accelerated tax depreciation	108,769	(68,448)	-	40,321
Unpaid liabilities	4,407,698	615,028	-	5,022,726
	6,235,134	786,394	-	7,021,528
Taxable Temporary Differences on				
Surplus on revaluation of property and equipment	(284,146)	19,905	(281,614)	(545,855)
Surplus on revaluation of investments	(70,892)	-	25,767	(45,125)
Post retirement employee benefits	(13,876)	-	(4,144)	(18,020)
Goodwill	(11,220,982)	(1,565,719)	-	(12,786,701)
	(11,589,896)	(1,545,814)	(259,991)	(13,395,701)
	(5,354,762)	(759,420)	(259,991)	(6,374,173)

19.1 In terms of the Seventh Schedule to the Income Tax Law, the claim of provision for advances and off balance sheet items in respect of Corporate and Consumer (including SME) advances has been restricted to 1% and 5% of gross advances respectively. As such deferred tax asset has been recognised. The management based on projection of taxable profits, considers that the Bank would be able to claim deductions in future years within the prescribed limits in seventh schedule. It also includes deferred tax asset on pre seventh schedule provision against loans and advances disallowed, which only become tax allowable upon being written off.

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20 OTHER LIABILITIES	31 March 2024 (Un-audited)	31 December 2023 (Audited)
	Note	----- (Rupees in '000) -----
Mark-up / return / interest payable in local currency		2,379,987
Mark-up / return / interest payable in foreign currencies		16,639
Accrued expenses		3,642,714
Advance payments		986,188
Sundry creditors		17,905,239
Mark to market loss on forward foreign exchange contracts		144,974
Unrealized loss on interest rate derivatives and currency options		14,204,716
Due to Holding Company	20.1	54,317,959
Taxation (provisions less payments)		5,242,041
Clearing and settlement accounts		13,964,351
Charity fund balance		11,904
Dividend payable		321,265
Credit loss allowance against off-balance sheet obligations	20.2	790,493
Worker's welfare fund (WWF) payable	20.3	6,690,130
Acceptances		6,087,678
Unsettled trades - Debt Securities	20.4	314,330
Others		656,444
		<u>127,677,052</u>
		<u>111,856,489</u>

20.1 Due to Holding Company

On account of reimbursement of executive and general administrative expenses	10,250,476	10,250,476
Dividend and other payable	44,067,483	43,628,940
	<u>54,317,959</u>	<u>53,879,416</u>

20.2 Credit loss allowance against off-balance sheet obligations

Opening balance	199,660	189,808
Transition impact of IFRS9	551,022	-
Charge for the period / year	39,811	18,150
Reversals	-	(8,298)
Closing balance	<u>790,493</u>	<u>199,660</u>

These primarily represents provision against off balance sheet exposures such as bank guarantees.

20.3 The Supreme Court of Pakistan vide its order dated 10 November 2016 has held that the amendments made in the law introduced by the Federal Government by Finance Act 2008 for the levy of Worker's Welfare Funds (WWF) on banks were not lawful. The Federal Board of Revenue has filed review petitions against this order, which are currently pending. Legal advice obtained on the matter indicates that consequent to filing of these review petitions the judgment may not currently be treated as conclusive until the review petition is decided. Accordingly, the amount charged for WWF since 2008 has not been reversed.

20.4 These represents payable against purchase of securities settled on T+2 basis.

21	SURPLUS ON REVALUATION OF ASSETS - NET OF DEFERRED TAX	31 March 2024 (Un-audited)	31 December 2023 (Audited)
	<i>Note</i>	(Rupees in '000)	
Surplus / (deficit) arising on revaluation of:			
Property and equipment	21.1	9,124,801	9,140,867
- Securities measured at FVOCI-Debt	21.2	(335,087)	(160,954)
- Securities measured at FVOCI-Equity	21.2	461,221	253,046
		<u>9,250,935</u>	<u>9,232,959</u>
Deferred tax on surplus / (deficit) on revaluation of:			
Property and equipment	21.1	(537,983)	(545,855)
- Securities measured at FVOCI-Debt	21.2	164,192	78,867
- Securities measured at FVOCI-Equity	21.2	(225,998)	(123,992)
		<u>(599,789)</u>	<u>(590,980)</u>
		<u>8,651,146</u>	<u>8,641,979</u>
21.1	Surplus on revaluation of property and equipment - net of tax		
	Surplus on revaluation of property and equipment as at 1 January	9,140,867	8,068,965
	Recognised during the period	-	1,163,300
	Realised on disposal during the period	-	(59,915)
	Transferred to unappropriated profit in respect of incremental depreciation charged during the year	(16,066)	(31,483)
	Surplus on revaluation of property and equipment - Gross	9,124,801	9,140,867
	Less: Related deferred tax liability on:		
	Revaluation surplus as at 1 January	(545,855)	(284,146)
	Revaluation surplus recognised during the period	-	(242,113)
	Surplus realized on disposal during the period	-	4,478
	Deferred tax rate impact	-	(39,501)
	Incremental depreciation charged during the period	7,872	15,427
		<u>(537,983)</u>	<u>(545,855)</u>
	Surplus on revaluation of Property and equipment - net of tax	<u>8,586,818</u>	<u>8,595,012</u>
21.2	Surplus on revaluation of FVOCI Securities- net of tax		
	Market Treasury Bills	(322,284)	(328,061)
	Pakistan Investment Bonds	-	-
	Wapda Sukuk	-	-
	Sukuk and Ijarah Bonds	(12,802)	167,107
	Listed shares	461,221	253,046
		<u>126,134</u>	<u>92,092</u>
	Related deferred tax asset	(61,806)	(45,125)
		<u>64,328</u>	<u>46,967</u>
22	CONTINGENCIES AND COMMITMENTS		
	Guarantees	170,051,564	170,131,064
	Commitments	114,909,875	122,273,853
	Other contingent liabilities	32,821,091	32,920,431
		<u>317,782,530</u>	<u>325,325,348</u>
22.1	Guarantees:		
	Guarantees issued favouring:		
	Financial guarantees	10,991,393	11,507,536
	Performance guarantees	119,168,999	122,101,851
	Other guarantees	39,891,172	36,521,677
		<u>170,051,564</u>	<u>170,131,064</u>
22.2	Commitments:		
	Documentary credits and short-term trade-related transactions		
	Letters of credit	20,721,327	21,806,983
	Commitments in respect of:		
	Forward foreign exchange contracts;		
	- Purchase	42,746,763	59,271,017
	- Sale	9,898,504	6,450,898
	Commitment in respect of derivatives		
	- Interest rate swaps	8,316,226	9,523,262
	- Cross currency swaps	22,757,705	24,892,637
	- Fx options	10,223,962	59,686
	Commitment in respect of operating lease	2,796	530
	Commitment for acquisition of property and equipment	242,592	268,839
		<u>114,909,875</u>	<u>122,273,853</u>
22.3	Other contingent liabilities	<u>32,821,091</u>	<u>32,920,431</u>

- 22.3.1 The tax department amended the assessments for income years 2007 to 2022 (tax years 2008 to 2023 respectively) under the related provisions of the Income Tax Law and appeals against the amended assessment orders are pending before different appellate forums. The management considers that a significant amount of the additional tax liability is the result of timing differences and is confident that the issues in the above mentioned tax years will be decided in favour of the Bank at appellate forums. Accordingly, no additional provision is required.

Further, the Sindh High Court has decided the issue of goodwill amortisation in favour of the Bank for the tax years 2008 and 2012 and the Federal Board of Revenue has filed leave to appeal before the Supreme Court of Pakistan.

	31 March 2024 (Un-audited)	31 December 2023 (Audited)
(Rupees in '000)		
22.4 Commitments in respect of forward foreign exchange contracts		
Purchase from:		
State Bank of Pakistan	12,507,624	22,548,856
Other banks	9,488,335	32,413,606
Customers	20,750,804	4,308,555
	<u>42,746,763</u>	<u>59,271,017</u>
Sale to:		
State Bank of Pakistan	-	-
Other banks	8,463,808	5,468,283
Customers	1,434,697	982,615
	<u>9,898,504</u>	<u>6,450,898</u>

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

22.5 Commitments to extend credit

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

	31 March 2024 (Un-audited)	31 December 2023 (Audited)
(Rupees in '000)		
22.6 Commitments in respect of derivatives		
Interest rate Swaps		
- Purchase	1,158,113	1,761,631
- Sale	7,158,113	7,761,631
	<u>8,316,226</u>	<u>9,523,262</u>
Cross currency Swaps		
- Purchase	-	-
- Sale	22,757,705	24,892,637
	<u>22,757,705</u>	<u>24,892,637</u>
FX options		
- Purchase	5,111,981	29,843
- Sale	5,111,981	29,843
	<u>10,223,962</u>	<u>59,686</u>

22.7 Commitments in respect of operating lease

Not later than one year	2,737	-
Later than one year and not later than five years	59	530
Later than five years	-	-
	<u>2,796</u>	<u>530</u>

22.8 Derivative instruments

22.8.1 Product analysis

		31 March 2024 (Un-audited)					
		(Rupees in '000)					
Counterparties		Interest Rate Swaps		Cross Currency Swaps		FX Options	
		Notional Principal *	Mark to market gain / (loss)	Notional Principal *	Mark to market gain / (loss)	Notional Principal *	Mark to market gain / (loss)
With Banks for	Hedging	1,158,113	19,887	2,862,124	(386,756)	-	-
	Market Making	-	-	-	-	5,111,981	(92,882)
With other entities for	Hedging	-	-	-	-	-	-
	Market Making	7,158,113	(927,617)	19,895,581	(12,797,461)	5,111,981	92,882
Total	Hedging	1,158,113	19,887	2,862,124	(386,756)	-	-
	Market Making	7,158,113	(927,617)	19,895,581	(12,797,461)	10,223,962	-

		31 December 2023 (audited)					
		(Rupees in '000)					
Counterparties		Interest Rate Swaps		Cross Currency Swaps		FX Options	
		Notional Principal *	Mark to market gain / (loss)	Notional Principal *	Mark to market gain / (loss)	Notional Principal *	Mark to market gain / (loss)
With Banks for	Hedging	1,761,631	40,898	3,401,377	(365,434)	-	-
	Market Making	-	-	60,790	(60,705)	29,843	(314)
With other entities for	Hedging	-	-	-	-	-	-
	Market Making	7,761,631	(1,277,494)	21,430,470	(14,571,307)	29,843	314
Total	Hedging	1,761,631	40,898	3,401,377	(365,434)	-	-
	Market Making	7,761,631	(1,277,494)	21,491,260	(14,632,012)	59,686	-

* At the exchange rate prevailing at period end.

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		Three months period ended	Three months period ended
		31 March 2024	31 March 2023
	<i>Note</i>	(Un-audited)	(Un-audited)
		----- (Rupees in '000) -----	
23	MARK-UP / RETURN / INTEREST EARNED		
	On loans and advances to customers	11,287,168	9,703,670
	On loans and advances to financial institutions	29,476	29,091
	On investments	15,990,631	21,290,629
	On deposits with financial institutions / State Bank of Pakistan	297,116	185,915
	On securities purchased under resale agreements	12,166,256	1,331,159
	On call money lending / placements	992,628	251,545
		<u>40,763,275</u>	<u>32,792,009</u>
23.1	Interest income (calculated using effective interest rate method) recognised on:		
	Financial assets measured at amortised cost	24,772,644	11,501,380
	Financial assets measured at FVOCI	15,990,631	21,290,629
		<u>40,763,275</u>	<u>32,792,009</u>
24	MARK-UP / RETURN / INTEREST EXPENSED		
	Deposits	15,366,749	11,873,297
	Securities sold under repurchase agreements	42,925	95,245
	Borrowings from State Bank of Pakistan under Export Refinance (ERF) scheme	908,392	576,696
	Cost of foreign currency swaps against foreign currency deposits / borrowings	210,473	326,047
	Deposit protection premium <i>24.2</i>	140,236	143,592
	Finance cost of lease liability	44,687	51,702
		<u>16,713,462</u>	<u>13,066,579</u>
24.1	Interest expense calculated using effective interest rate method	16,573,226	12,922,987
	Other financial liabilities	140,236	143,592
		<u>16,713,462</u>	<u>13,066,579</u>
24.2	As per State Bank of Pakistan DPC Circular No. 04 of 2018, dated 22nd June 2018, all member banks are required to pay deposits protection premium at the rate of 0.16% on eligible deposits as defined in the aforesaid circular.		
25	FEE & COMMISSION INCOME		
	Branch banking customer fees	63,257	97,461
	Consumer finance related fees	24,828	11,010
	Card related fees (debit and credit cards)	353,389	244,344
	Credit related fees	118,399	1,802
	Investment banking fees	87,293	61,393
	Brokerage charges	(5,467)	(4,363)
	Commission on trade and cash management	1,075,536	722,829
	Commission on guarantees	117,029	90,136
	Commission on remittances including home remittances	59,372	38,051
	Commission on bancassurance	44,752	9,248
	Custody Fees	26,595	51,321
		<u>1,964,983</u>	<u>1,323,232</u>

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		Three months period ended 31 March 2024 (Un-audited)	Three months period ended 31 March 2023 (Un-audited)
	<i>Note</i>		
26 FOREIGN EXCHANGE INCOME		----- (Rupees in '000) -----	
Gain/ (loss) realised from dealing in :			
Foreign Currencies		2,090,408	1,403,546
Derivative financial instruments		(166,637)	(790,894)
		<u>1,923,771</u>	<u>612,652</u>
27 GAIN / (LOSS) ON SECURITIES			
Realised	27.1	795,563	(2,508,000)
Unrealised - Measured at FVTPL	9.1	358,942	35,902
		<u>1,154,505</u>	<u>(2,472,098)</u>
27.1 Realised gain on:			
Federal Government Securities			
Market Treasury Bills		572,552	776,769
Pakistan Investment Bonds		30,346	(4,307,125)
Ijarah Sukuk		192,665	1,022,356
		<u>795,563</u>	<u>(2,508,000)</u>
27.2 Net gain / loss on financial assets / liabilities measured at FVTPL:			
Designated upon initial recognition		1,158,659	
Mandatorily measured at FVTPL		-	
		<u>1,158,659</u>	
Net gain / (loss) on financial assets measured at FVOCI		(4,154)	
		<u>(4,154)</u>	
		<u>1,154,505</u>	
28 OTHER INCOME			
Rent on property		2,983	2,767
Gain on sale of property and equipment - net		2,750	8,715
Sri Lanka branch operations cost & FX translation		1,580	10,499
Gain / (loss) on lease termination		1,187	(4,941)
Gain on acquisition of assets		-	439
		<u>8,500</u>	<u>17,479</u>

29	OPERATING EXPENSES	<i>Note</i>	Three months period ended 31 March 2024 (Un-audited)	Three months period ended 31 March 2023 (Un-audited)
------(Rupees in '000)-----				
	Total compensation expense		2,697,350	2,283,433
	Property expense			
	Rent & taxes		38,143	41,751
	Insurance		2,007	2,050
	Utilities cost		110,534	99,153
	Security (including guards)		85,977	53,154
	Repair & maintenance		62,994	55,345
	Civil works		49,189	37,599
	Facilities management cost		55,194	37,248
	Depreciation (Property related)		51,136	26,922
	Depreciation (Right of use assets)		99,748	98,029
	Cleaning and Janitorial		152,918	117,404
	Minor improvements, additions and others		29,072	43,144
			736,912	611,799
	Information technology expenses			
	Software maintenance		135,894	67,443
	Hardware maintenance		112,947	101,931
	Depreciation (IT related)		87,728	72,368
	Network charges		4,340	514
			340,909	242,256
	Other operating expenses			
	Directors' fees and allowances		5,550	2,650
	Fees and allowances to Shariah Board		4,945	4,945
	Legal & professional charges		77,240	45,581
	Outsourced services costs		40,835	26,963
	Travelling & conveyance		71,577	51,595
	Depreciation (Other property equipment)		21,354	22,255
	Training & development		1,065	3,630
	Postage & courier charges		32,804	32,189
	Communication		215,432	122,128
	Stationery & printing		111,592	52,294
	Marketing, advertisement & publicity		61,088	102,758
	Auditors remuneration		8,465	6,750
	Cash transportation services		17,961	21,084
	Documentation and processing charges		56,727	50,077
	Insurance		9,135	6,339
	Others		124,361	107,865
			860,131	659,103
			4,635,302	3,796,591
	30 OTHER CHARGES			
	Net charge against fines and penalties imposed by SBP		434	1,465
	31 CREDIT LOSS ALLOWANCE & WRITE OFFS - NET			
	Credit loss allowance / provisions against loans and advances	10.3	542,224	(197,906)
	Credit loss allowance / provisions against off-balance sheet obligations - net	20.2	(39,811)	(27,111)
	Recovery of amounts written off		89,781	108,779
	Bad debts written off directly		(76,119)	(79,285)
	Credit loss allowance against balances with Banks and others		(65,069)	-
	Credit loss allowance against acceptances		25,751	-
	Property and equipments write offs		-	(534)
			476,757	(196,057)
	32 TAXATION			
	- Current		13,529,502	6,972,801
	- Deferred		(30,437)	(15,133)
			13,499,065	6,957,668
	33 EARNINGS PER SHARE - BASIC AND DILUTED			
	Profit for the period		11,236,534	9,190,637
			(Number of shares)	
	Weighted average number of ordinary shares		3,871,585,021	3,871,585,021
			(Rupees)	(Rupees)
	Earnings per share - basic and diluted		2.90	2.37

34 FAIR VALUE

34.1 Fair value of financial instrument

The table below analyses financial instruments measured at the end of the reporting period by the level in the fair value hierarchy into which the fair value measurement is categorised:

On balance sheet financial instruments

	31 March 2024 (Un-audited)									
	Carrying value					Fair value				
	FVTPL	FVOCI	Loans and Receivables	Other financial Assets	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
(Rupees in '000)										
Financial assets measured at fair value										
- Investments										
Federal Government Securities	3,276,935	528,212,500	-	-	-	531,489,435	-	531,489,435	-	531,489,435
Investments - ordinary shares	599,166	511,220	-	-	-	1,110,386	599,166	511,220	-	1,110,386
Financial assets not measured at fair value										
- Cash and bank balances with SBP and NBP	-	-	-	93,190,451	-	93,190,451	-	-	-	-
- Balances with other banks	-	-	-	30,822,405	-	30,822,405	-	-	-	-
- Lending to financial institutions	-	-	-	86,106,735	-	86,106,735	-	-	-	-
- Advances	-	-	208,515,445	-	-	208,515,445	-	-	-	-
- Other assets	-	-	-	83,247,361	-	83,247,361	-	-	-	-
	3,876,101	528,723,720	208,515,445	293,366,952	-	1,034,782,218	-	-	-	-
Financial liabilities not measured at fair value										
- Bills Payable	-	-	-	-	20,465,951	20,465,951	-	-	-	-
- Deposits and other accounts	-	-	-	-	764,586,960	764,586,960	-	-	-	-
- Borrowings	-	-	-	-	64,280,085	64,280,085	-	-	-	-
- Other liabilities (excluding Liabilities against assets subject to finance lease)	-	-	-	-	124,124,387	124,124,387	-	-	-	-
	-	-	-	-	973,757,383	973,757,383	-	-	-	-

Off-balance sheet financial instruments

	31 March 2024 (Un-audited)									
	Carrying value					Fair value				
	FVTPL	FVOCI	Loans and Receivables	Other financial Assets	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
(Rupees in '000)										
Interest Rate swaps / Foreign currency options / Forward purchase contracts	-	-	-	49,016,857	-	49,016,857	-	49,398,736	-	49,398,736
Interest Rate swaps / Foreign currency options / Forward sale contracts	-	-	-	44,926,303	-	44,926,303	-	59,275,993	-	59,275,993

On balance sheet financial instruments

	31 December 2023 (audited)									
	Carrying value					Fair value				
	Held for Trading	Available for Sale	Loans and Receivables	Other financial Assets	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
(Rupees in '000)										
Financial assets measured at fair value										
- Investments										
Federal Government Securities	377,041	225,980,091	-	-	-	226,357,132	-	226,357,132	-	226,357,132
Equity securities traded (Shares)	-	304,728	-	-	-	304,728	304,728	-	-	304,728
Financial assets not measured at fair value										
- Cash and bank balances with SBP and NBP	-	-	-	81,690,671	-	81,690,671	-	-	-	-
- Balances with other banks	-	-	-	38,230,009	-	38,230,009	-	-	-	-
- Lending to financial institutions	-	-	-	365,241,485	-	365,241,485	-	-	-	-
- Investments - ordinary shares	-	50,000	-	-	-	50,000	-	-	-	-
- Advances	-	-	220,183,482	-	-	220,183,482	-	-	-	-
- Other assets	-	-	-	26,884,954	-	26,884,954	-	-	-	-
	377,041	226,334,819	220,183,482	512,047,119	-	956,942,461	-	-	-	-
Financial liabilities not measured at fair value										
- Bills Payable	-	-	-	-	18,331,699	18,331,699	-	-	-	-
- Deposits and other accounts	-	-	-	-	719,554,840	719,554,840	-	-	-	-
- Borrowings	-	-	-	-	48,265,389	48,265,389	-	-	-	-
- Other liabilities (excluding Liabilities against assets subject to finance lease)	-	-	-	-	109,941,513	109,941,513	-	-	-	-
	-	-	-	-	896,073,441	896,073,441	-	-	-	-
Off-balance sheet financial instruments										
Interest Rate swaps / Foreign currency options / Forward purchase contracts	-	-	-	61,062,491	-	61,062,491	-	61,496,989	-	61,496,989
Interest Rate swaps / Foreign currency options / Forward sale contracts	-	-	-	39,135,012	-	39,135,012	-	55,582,806	-	55,582,806

34.2 Fair value of non-financial assets

	31 March 2024 (Un-audited)			31 December 2023 (audited)				
	Carrying value	Fair value			Carrying value	Fair value		
		Level 1	Level 2	Level 3		Level 1	Level 2	Level 3
		Rupees in '000				Rupees in '000		
Property and equipment	11,247,822	-	-	11,247,822	12,666,335	-	-	12,666,335

34.3 During the period ended 31 March 2024, there were no transfers between level 1 and level 2 fair value measurements, and no transfer into and out of level 3 fair value measurements.

34.4 The Bank measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

Level 1: Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Fair value measurements using inputs other than quoted prices included within Level 1 that are observable for the assets or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Fair value measurements using input for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

Valuation techniques used in determination of fair values within level 2 and level 3

Federal Government Securities (T-bills + PIBs + Sukuk)	The fair values of Federal Government securities are determined on the basis of rates/prices sourced from Reuters.
Non-Government debt securities (Sukuk Bonds (other than government))	Investment in non-Government debt securities denominated in Rupees are valued on the basis of rates announced by the Mutual Funds Association of Pakistan (MUFAP).
Derivatives	The Group enters in to derivatives contracts with various counter parties. Derivatives that are valued using valuation techniques based on market observable inputs are mainly interest rate swaps and cross currency swaps. The most frequently applied valuation techniques include forward pricing and swap models using present value calculations.
Forward foreign exchange contracts	The fair values of forward foreign exchange contracts are determined using forward pricing calculations.
Property and Equipment	Land, buildings are revalued on a periodic basis using professional valuers. The valuation is based on their assessment of the market value of the assets.

35 SEGMENT INFORMATION

During the period, the Bank has renamed its Corporate, Commercial and Institutional Banking segment to "Corporate and Investment Banking" (CIB) and its Consumer, Private and Business Banking segment to "Wealth and Retail Banking" (WRB). The rename of its reportable segment provide clearer, more intuitive descriptions of the underlying information and to bring it in line with the current organizational structure of the Bank. This change shall have no impact on the Bank's overall profit and loss account, balance sheet or reported metrics, accordingly comparative presentation is also aligned.

Corporate and Investment Banking (CIB)

Corporate & Investment Banking comprises Global Subsidiaries, International Corporates, Local corporates and small & medium sized clients, Financial Institutions and Sovereign clients. The product and services offered include deposits & cash management, trade, advisory services, secured lending, structured financing, FX forwards and derivatives.

Wealth and Retail Banking (WRB)

Wealth and Retail Banking serves Wealth solutions, priority, premium, personal and business banking clients. The product and service offering include wealth management, deposits, secured lending (mortgages, overdrafts etc.) and unsecured lending (credit cards, personal loans etc.).

Central & Other Items

Activities not directly related to a client segment are included in Central & other Items. This mainly includes Treasury-Markets (Asset and Liability Management), specific strategic investments (if any) and certain central costs of the Bank such as workers welfare fund and property management unit.

All segments offer a complete suite of Islamic Banking products and services under Standard Chartered Saadiq brand and state of the art digital banking solutions. Refer note 38 for Islamic Banking Business.

35.1 Segment Details with respect to Business Activities

	31 March 2024 (Un-audited)			Total
	Corporate and Investment Banking (CIB)	Wealth and Retail Banking (WRB)	Central and Other Items	
----- (Rupees in '000) -----				
Profit & Loss				
Inter segment revenue - net	10,244,735	12,761,779	(23,006,514)	-
Net mark-up / return / profit	(661,174)	(3,572,457)	28,283,444	24,049,813
Non mark-up / return / interest income	2,860,097	1,689,186	715,922	5,265,205
Total Income	12,443,658	10,878,508	5,992,852	29,315,018
Segment direct expenses	1,461,707	2,859,662	734,807	5,056,176
Inter segment expense allocation	-	-	-	-
Total expenses	1,461,707	2,859,662	734,807	5,056,176
Credit loss allowance	(477,323)	(38,752)	39,318	(476,757)
Profit before taxation	11,459,274	8,057,598	5,218,727	24,735,599
Balance Sheet	31 March 2024 (Un-audited)			
Cash & Bank balances	-	-	124,012,856	124,012,856
Investments	3,276,938	511,220	528,811,663	532,599,821
Net inter segment lending	226,576,101	313,889,041	(540,465,142)	-
Lending to financial institutions	-	-	86,106,735	86,106,735
Advances - performing (net)	168,058,804	40,425,869	-	208,484,673
- Non performing (net)	59,737	271,035	-	330,772
Others	80,094,081	15,067,235	30,276,692	125,438,008
Total Assets	478,065,661	370,164,400	228,742,804	1,076,972,865
Borrowings	-	-	64,280,085	64,280,085
Deposits & other accounts	398,282,917	366,596,198	7,845	764,886,960
Net inter segment borrowing	-	-	-	-
Others	79,782,744	3,568,202	69,473,863	152,824,809
Total liabilities	478,065,661	370,164,400	133,761,793	981,991,854
Equity	-	-	94,981,011	94,981,011
Total Equity & liabilities	478,065,661	370,164,400	228,742,804	1,076,972,865
Contingencies & Commitments	221,332,345	514,476	95,935,709	317,782,530
31 March 2023 (Un-audited)				
Inter segment revenue - net	6,264,877	9,862,350	(16,127,227)	-
Net mark-up / return / profit	1,690,775	(3,024,349)	21,059,004	19,725,430
Non mark-up / return / interest income	1,891,852	1,637,972	(2,827,653)	702,171
Total Income	9,847,504	8,475,973	2,104,124	20,427,601
Segment direct expenses	1,158,204	2,326,904	598,131	4,083,239
Inter segment expense allocation	-	-	-	-
Total expenses	1,158,204	2,326,904	598,131	4,083,239
Credit loss allowance	147,468	48,055	534	196,057
Profit before taxation	8,541,832	6,101,014	1,505,459	16,148,305
Balance Sheet	31 December 2023 (Audited)			
Cash & Bank balances	-	-	119,920,680	119,920,680
Investments	2,055,371	50,000	224,606,489	226,711,860
Net inter segment lending	167,677,295	308,910,691	(476,587,986)	-
Lending to financial institutions	-	-	365,241,485	365,241,485
Advances - performing (net)	177,062,649	41,741,098	-	218,803,747
- Non performing (net)	236,654	1,143,081	-	1,379,735
Others	25,477,964	15,066,834	29,345,527	69,890,325
Total Assets	372,509,933	366,911,704	262,526,195	1,001,947,832
Borrowings	-	-	48,265,389	48,265,389
Deposits & other accounts	354,915,767	364,606,088	12,985	719,534,840
Net inter segment borrowing	-	-	-	-
Others	17,594,166	2,305,616	118,025,158	137,924,940
Total liabilities	372,509,933	366,911,704	166,303,532	905,725,169
Equity	-	-	96,222,663	96,222,663
Total Equity & liabilities	372,509,933	366,911,704	262,526,195	1,001,947,832
Contingencies & Commitments	225,878,689	475,257	98,971,402	325,325,348

36 RELATED PARTY TRANSACTIONS

Related parties comprise of Standard Chartered PLC., ultimate parent company, its other subsidiaries and branches, key management personnel, employees' retirement benefit funds and other associated undertakings. The transactions with related parties are conducted at commercial / agreed terms. The Bank also provides advances to employees at reduced rates in accordance with their terms of employment.

The transactions and balances with related parties are summarised as follows:

	31 March 2024 (Un-audited)				31 December 2023 - audited			
	Parent	Directors	Key management personnel	Other related parties	Parent	Directors	Key management personnel	Other related parties
	(Rupees in '000)							
Balances with other banks								
In current accounts	30,702,959	-	-	-	37,677,024	-	-	-
In deposit accounts	-	-	-	-	-	-	-	-
	<u>30,702,959</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>37,677,024</u>	<u>-</u>	<u>-</u>	<u>-</u>
Lending to financial institutions								
Opening balance	45,745,839	-	-	-	19,486,290	-	-	-
Addition during the period	43,750,038	-	-	-	314,142,929	-	-	-
Repaid during the period	(3,363,302)	-	-	-	(287,883,380)	-	-	-
Closing balance	<u>86,132,575</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>45,745,839</u>	<u>-</u>	<u>-</u>	<u>-</u>
Advances								
Opening balance	-	6	186,181	-	-	76	215,089	-
Addition during the period	-	32	68,137	-	-	695	146,941	-
Repaid during the period	-	(38)	(41,549)	-	-	(765)	(175,849)	-
Transfer in / (out) - net	-	-	(16,506)	-	-	-	-	-
Closing balance	<u>-</u>	<u>-</u>	<u>196,263</u>	<u>-</u>	<u>-</u>	<u>6</u>	<u>186,181</u>	<u>-</u>
Credit loss allowance held	<u>-</u>	<u>-</u>	<u>(751)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other Assets								
Interest / mark-up accrued	463,354	-	888	-	548,209	-	877	-
Receivable from staff retirement fund	-	-	-	36,776	-	-	-	36,776
Due from associated undertakings	150,015	-	-	-	148,413	-	-	-
Other receivable	-	-	-	-	-	-	-	-
	<u>613,369</u>	<u>-</u>	<u>888</u>	<u>36,776</u>	<u>696,622</u>	<u>-</u>	<u>877</u>	<u>36,776</u>
Borrowings								
Opening balance	20,169,516	-	-	-	3,074,559	-	-	-
Borrowings during the period	3,454,317	-	-	-	17,152,736	-	-	-
Settled during the period	(367,737)	-	-	-	(57,779)	-	-	-
Closing balance	<u>23,256,096</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>20,169,516</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deposits and other accounts								
Opening balance	749,580	5,064	192,670	392,396	542,284	3,340	150,835	84,277
Received during the period	122,612	9,220	777,669	5,313,353	223,858	317,710	1,198,129	10,866,859
Withdrawn during the period	(15,447)	(6,243)	(563,131)	(5,385,408)	(16,562)	(316,029)	(1,156,294)	(10,558,740)
Transfer in / (out) - net	-	-	(143,770)	-	-	43	-	-
Closing balance	<u>856,745</u>	<u>8,041</u>	<u>263,438</u>	<u>320,341</u>	<u>749,580</u>	<u>5,064</u>	<u>192,670</u>	<u>392,396</u>
Other Liabilities								
Due to holding company	54,317,959	-	-	-	53,879,416	-	-	-
Other liabilities	-	6	-	-	-	5	-	-
	<u>54,317,959</u>	<u>6</u>	<u>-</u>	<u>-</u>	<u>53,879,416</u>	<u>5</u>	<u>-</u>	<u>-</u>
Contingencies and Commitments								
Transaction-related contingent liabilities - guarantees	81,801,273	-	-	-	78,991,846	-	-	-
Commitments in respect of forward foreign exchange contracts	8,356,289	-	-	-	4,170,666	-	-	-
Derivatives								
Derivative instruments - Interest rate swaps - notional	1,158,113	-	-	-	1,761,631	-	-	-
Derivative instruments - Cross currency swaps - notional	2,862,124	-	-	-	3,401,377	-	-	-
Derivative instruments- FX options - Notional	5,111,981	-	-	-	29,843	-	-	-
Derivative assets	104,044	-	-	-	47,075	-	-	-
Derivative liabilities	408,502	-	-	-	374,304	-	-	-

RELATED PARTY TRANSACTIONS

	31 March 2024 (Un-audited)				31 March 2023 (Un-audited)			
	Parent	Directors	Key management personnel	Other related parties	Parent	Directors	Key management personnel	Other related parties
(Rupees in '000)								
Income								
Mark-up / return / interest earned	1,180,420	21	10,531	-	357,333	40	8,617	-
Fee and commission income	2,008	5	-	-	1,485	2	-	-
Income / (loss) from derivatives	22,838	-	-	-	26,924	-	-	-
Expense								
Mark-up / return / interest paid	-	14	3,191	22,316	-	9	1,531	14,276
Fee and commission expense	-	-	-	-	-	-	-	-
Operating expenses	-	5,550	163,836	-	-	2,650	135,938	-
Rent and Renovation expense	-	-	-	-	-	-	-	-
Other transactions								
Dividend paid	9,137,737	5	-	-	-	-	-	-
Contribution to defined contribution plans	-	-	-	161,535	-	-	-	135,707
Net charge for defined contribution plans	-	-	-	161,535	-	-	-	135,707

The term 'related party' shall have the same meaning as specified under IAS 24 - 'Related party disclosures'.

37 CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS

31 March 2024
(Un-audited)

31 December
2023 (Audited)

(Rupees in '000)

Minimum Capital Requirement (MCR):

Paid-up capital (net of losses)

38,715,850

38,715,850

Capital Adequacy Ratio (CAR):

Eligible Common Equity Tier 1 (CET 1) Capital

70,275,337

74,235,298

Eligible Additional Tier 1 (ADT 1) Capital

-

-

Total Eligible Tier 1 Capital

70,275,337

74,235,298

Eligible Tier 2 Capital

12,484,620

9,620,328

Total Eligible Capital (Tier 1 + Tier 2)

82,759,957

83,855,626

Risk Weighted Assets (RWAs):

Credit Risk

306,677,899

279,141,217

Market Risk

14,639,405

8,018,670

Operational Risk

130,656,458

130,656,458

Total

451,973,763

417,816,345

Common Equity Tier 1 Capital Adequacy ratio

15.55%

17.77%

Tier 1 Capital Adequacy Ratio

15.55%

17.77%

Total Capital Adequacy Ratio

18.31%

20.07%

Minimum CAR (including Capital Conservation Buffer)

11.50%

11.50%

Leverage Ratio (LR):

Eligible Tier 1 Capital

70,275,337

74,235,298

Total Exposures

1,259,924,780

1,212,116,047

Leverage Ratio

5.58%

6.12%

Minimum SBP Requirement

3.00%

3.00%

Liquidity Coverage Ratio (LCR):

Average High Quality Liquid Assets

481,680,672

522,101,429

Average Net Cash Outflow

203,458,820

157,909,055

Average Liquidity Coverage Ratio

236.7%

330.6%

Minimum SBP Requirement

100.0%

100.0%

Net Stable Funding Ratio (NSFR):

Total Available Stable Funding

700,262,390

666,738,313

Total Required Stable Funding

264,356,959

289,655,616

Net Stable Funding Ratio

265%

230%

Minimum SBP Requirement

100%

100%

38 ISLAMIC BANKING BUSINESS

The bank is operating 2 (31 December 2023: 2) Islamic banking branches and 38 (31 December 2023: 38) Islamic banking windows at the end of the period.

	<i>Note</i>	31 March 2024 (Un-audited)	31 December 2023 (Audited)
----- (Rupees in '000) -----			
ASSETS			
Cash and balances with treasury banks		4,001,377	5,137,703
Due from financial institutions	38.1	5,526,287	6,285,299
Investments	38.2	23,676,749	26,081,894
Islamic financing and related assets - net	38.3	64,839,177	64,130,502
Property and equipment		14,081	15,030
Right-of-use assets		16,434	20,385
Other assets		3,284,104	2,972,983
Total Assets		101,358,209	104,643,796
LIABILITIES			
Bills payable		15,679	241,334
Due to financial institutions		6,618,431	6,829,716
Deposits and other accounts	38.4	69,142,073	69,618,829
Due to Head Office		4,374,541	6,520,884
Lease liabilities		2,128	2,128
Other liabilities		1,472,261	1,287,474
		81,625,113	84,500,365
NET ASSETS		19,733,096	20,143,431
REPRESENTED BY			
Islamic Banking Fund		500,000	500,000
(Deficit) / surplus on revaluation of assets		(12,802)	167,107
Unappropriated / Unremitted profit	38.9	19,245,898	19,476,324
		19,733,096	20,143,431
CONTINGENCIES AND COMMITMENTS	38.6		

The profit and loss account of the Bank's Islamic banking branches for the period ended 31 March 2024 is as follows:

	<i>Note</i>	Three months period ended 31 March 2024 (Un-audited)	Three months period ended 31 March 2023 (Un-audited)
----- (Rupees in '000) -----			
Profit / return earned	38.7	5,063,351	3,665,785
Profit / return expensed	38.8	(983,848)	(664,807)
Net Profit / return		4,079,503	3,000,978
Other income			
Fee and Commission Income		458,964	235,944
Foreign Exchange Income		244,707	123,202
Gain / (Loss) on securities		192,665	(752,877)
Other Income		-	(2,315)
Total other income		896,336	(396,046)
Total Income		4,975,839	2,604,932
Other expenses			
Operating expenses		(816,794)	(665,644)
		(816,794)	(665,644)
Profit / (loss) before provisions		4,159,045	1,939,288
Credit loss allowance and write offs - net		237,011	(36,622)
Profit / (loss) before taxation		4,396,056	1,902,666

The Bank calculates and files a single corporate tax return as per the requirements of Income Tax Ordinance, 2001. Segmental calculation is not required for filing. However, considering the revised format requirement of the financial statements to disclose Islamic Banking segment's tax charge separately, a notional tax charge (based on Bank effective tax rate) for Islamic Banking is expected to be Rs. 2.682 billion (31 March 2023: Rs. 0.818 billion).

INTERNAL

	31 March 2024 (Un-audited)			31 December 2023 (Audited)				
	In Local Currency	In Foreign currencies	Total	In Local Currency	In Foreign currencies	Total		
(Rupees in '000)								
38.1 Due from Financial Institutions								
Unsecured	-	5,527,945	5,527,945	-	6,285,299	6,285,299		
	-	5,527,945	5,527,945	-	6,285,299	6,285,299		
Less: Credit loss allowance								
Stage 1	-	(1,658)	(1,658)	-	-	-		
	-	5,526,287	5,526,287	-	6,285,299	6,285,299		
(Rupees in '000)								
38.2 Investments by segments:								
	Cost / Amortised cost/ Fair value	Credit loss allowance for diminution	Surplus / (Deficit)	Carrying Value	Cost / Amortised cost/ Fair value	Credit loss allowance for diminution	Surplus / (Deficit)	Carrying Value
(Rupees in '000)								
Debt Instruments								
Classified / Measured	-----FVOCI-----				----- (Available for sale) -----			
Federal Government securities								
-Ijarah Sukuks	21,152,191	-	(12,892)	21,119,389	24,120,440	-	167,107	24,287,547
- Islamic Naya Pakistan Certificates	-	-	-	-	1,678,328	-	-	1,678,328
	21,152,191	-	(12,892)	21,119,389	25,798,768	-	167,107	25,965,875
Classified / Measured	-----FVTPL-----				----- (Held for Trading) -----			
Federal Government securities								
-Ijarah Sukuks	837,493	-	59,425	896,918	104,723	-	11,296	116,019
- Islamic Naya Pakistan Certificates	1,660,442	-	1,660,442	-	-	-	-	-
	2,497,935	-	59,425	2,557,360	104,723	-	11,296	116,019
Total investments	23,650,126	-	46,623	23,676,749	25,903,491	-	178,403	26,081,894
(Rupees in '000)								
38.3 Islamic financing and related assets					31 March 2024 (Un-audited)	31 December 2023 (Audited)		
Murabaha					6,284,238	5,764,173		
Musharaka					17,343,936	16,032,836		
Diminishing Musharaka					24,454,535	25,193,775		
Musawamahat					1,780,000	520,000		
Ujrah (Saa'iq Credit Cards)					417,671	490,119		
Advances against Islamic assets - Murabaha					9,586,192	12,655,705		
Advances against Islamic assets - Diminishing Musharakah					152,730	175,519		
Advances against Islamic assets - Istisna					2,956,921	3,430,000		
Inventory related to Islamic financing - Murabaha					3,899,969	600,000		
Inventory related to Islamic financing - Murabaha					158,750	212,030		
Gross Islamic financing and related assets					67,034,942	65,074,157		
Less: Credit loss allowance against Islamic financings								
-Stage 1 / General provision					(500,467)	(350,610)		
-Stage 2					(406,409)	-		
-Stage 3 / Specific provision					(1,288,889)	(593,045)		
					(2,195,765)	(943,655)		
Islamic financing and related assets - net of Credit loss allowance					64,839,177	64,130,502		
38.4 Deposits								
Customers								
Current deposits					45,770,902	43,763,323		
Savings deposits					22,405,775	24,549,447		
Term deposits					136,659	137,698		
Margin accounts					23,943	540,643		
					68,337,279	68,991,111		
Financial Institutions								
Current deposits					64,739	31,048		
Savings deposits					740,055	596,670		
					804,794	627,718		
					69,142,073	69,618,829		
38.6 CONTINGENCIES AND COMMITMENTS								
Guarantees					2,686,038	2,373,714		
Other contingent liabilities					3,129,793	2,774,867		
					5,815,831	5,148,581		
38.7 Profit/Return Earned of Financing, Investments and Placement								
Profit earned on:								
Financing					3,503,766	2,316,487		
Investments					1,499,415	1,228,398		
Placements					60,170	120,900		
					5,063,351	3,665,785		
38.8 Profit on Deposits and other Dues Expensed								
Deposits and other accounts					(684,772)	(519,661)		
Due to Financial Institutions					(278,878)	(125,353)		
Deposit protection premium					(19,955)	(19,272)		
Finance cost of lease liability					(243)	(521)		
					(983,848)	(664,807)		

	31 March 2024 (Un-audited)	31 December 2023 (Audited)
	(Rupees in '000)	
38.9 Islamic Banking Business Unappropriated Profit		
Opening Balance	19,476,324	16,714,365
Expected credit loss on adoption of IFRS 9	(1,626,482)	-
Add: Islamic banking profit for the period	4,396,056	10,761,959
Less: Transferred / Remitted to Head Office	(3,000,000)	(8,000,000)
Closing Balance	19,245,898	19,476,324

38.10 Profit & Loss distribution and Pool Management

The Bank manages following assets pools for profit and loss distribution:

- a) Islamic Export Refinance Scheme (IERS) Musharakah Pool; and
b) Mudarabah Depositors Pool

a) Islamic Export Refinance Scheme (IERS) Musharakah Pool

Banks create Musharakah Pool as advised by SBP, consisting of financing to a minimum of 10 blue chip companies on Islamic modes with diversification in multiple sectors. Banks' investment in Musharakah Pool is at least equal to the amount of export refinance availed from SBP. Key features, risks, rewards and calculation of profit / loss of IERS pool is as per SBP IER Scheme and the relevant circulars issued by SBP from time to time.

The relevant details are mentioned hereunder:

Type of Pool	Profit rate and weightage announcement period	Average return on Pool Assets	Bank Profit (Rupees in '000)	SBP Profit (Rupees in '000)	Bank Profit %	SBP Profit %
IERF Pool	Monthly	20.4%	443,390	276,970	61.6%	38.4%

b) Mudarabah Pool

The profit and loss sharing between the depositor (Rabb-ul-Maal) and Bank (Mudarib) is based upon the underlying principles of Mudaraba. In this regard, following pools are managed by the Bank :

1. General Pool
2. Special Pool
3. Special Pool-2
4. High Yield Pool
5. High Yield Pool-2
6. Special Term Deposit Pool
7. Special Pool - CCIB
8. Special Pool Term Deposits- CCIB

i) Key features and risk & reward characteristics

Saadiq Savings accounts & Term Deposit Account (Mudarabah based remunerative deposits) are Shariah compliant accounts based on the Islamic principle of "Mudarabah". Mudarabah is a partnership where one party provides funds to other for investing in a business. The partner who is investing the funds is "Rabb-ul-Mal (Depositor) and the partner who manages the investment is "Mudarib" (Working Partner). The Bank (Mudarib) invests the funds in Shariah compliant avenues to generate return/profit. This return & profit is shared on the basis of profit & loss sharing as per the pre-agreed mechanism between the Bank and the customer

In case of loss, the same is borne by the depositor in proportion to their investments, and the Bank (Mudarib) bears the loss of its efforts/services in managing Mudarabah.

ii) Parameters used for allocation of profit, charging expenses and provisions

The profit is calculated from income earned on the remunerative assets tagged to the pool and is distributed between Mudarib (Bank) and Rabb-ul-Maal (Depositor) based on the declared sharing ratios and weightages before the beginning of the concerned period.

iii) Deployment of Mudaraba based deposits

The applications of the Mudarabah based remunerative deposits are Islamic Advances, Investments, and Placements for generating profits to be shared among the depositors as per the agreed and approved weightage mechanism. The deposits and funds are invested in different sectors and avenues including Sukuk, (backed by Government of Pakistan), Sugar, Textile, Fertilizer, Cement, Power, Packaging, Fast-moving consumer goods (FMCG), Edible Oil, Steel, Logistics, Automobile, Rice, Beverages, etc.

iv) Other information

	Type of Pool						
	General Pool	Special Pool	High Yield Pool	Special Pool - TD	Special Pool - CCIB	Special Pool TD-CCIB	Special Pool-2
Profit rate / weightage announcement frequency	Monthly	Monthly	Monthly	Monthly	Monthly	Monthly	Monthly
Mudarib share (amount in '000)	373,488	41,299	43,061	356	14,654	-	70,047
Mudarib share (%)	46.3%	44.7%	39.4%	46.2%	23.8%	0.0%	43.5%
Mudarib Share transferred through Hiba (Amount in '000)	29,574	4,884	11,602	29	16,086	-	10,391
Mudarib Share transferred through Hiba (%)	7.3%	10.6%	21.2%	7.6%	52.3%	0.0%	12.9%
Average return on pool assets	22.4%	22.5%	22.1%	21.7%	8.6%	22.1%	22.3%
Average return on deposits	12.0%	12.5%	13.3%	11.7%	6.5%	0.0%	19.1%

39. GENERAL**39.1 Subsequent Event**

The Board of Directors in its meeting held on 26 April 2024 has declared a cash dividend of XX.0 percent (Rs. XX0/- per share) in respect of the period ended 31 March 2024 (31 March 2023 : Rs Nil per share). These condensed interim financial statements do not include the effect of these appropriations which will be accounted for subsequent to the period end.

INTERNAL

39.2 Corresponding Figures


Certain Corresponding figures have been re-arranged / reclassified to reflect more appropriate presentation that are not material in nature.

The Bank has not restated comparative information for 2024 for financial instruments in the scope of IFRS9. Therefore, the comparative information for 2024 is reported under previous regulatory requirements and is not comparable with the information presented for 2023.

39.3 Financial information presented in Pakistan Rupees has been rounded off to the nearest thousands.

39.4 Date of Authorization

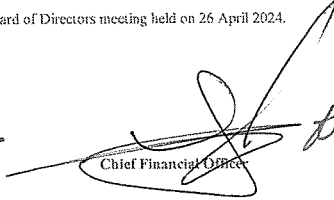
These condensed interim financial statements were authorized for issue in the Board of Directors meeting held on 26 April 2024.



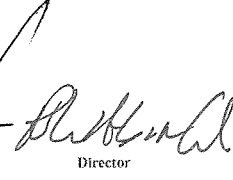
Chairman



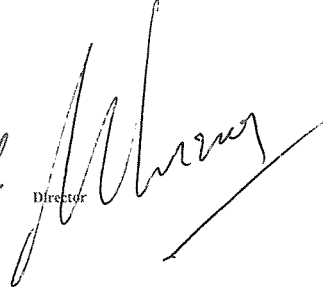
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Chief Financial Officer



Director



Director



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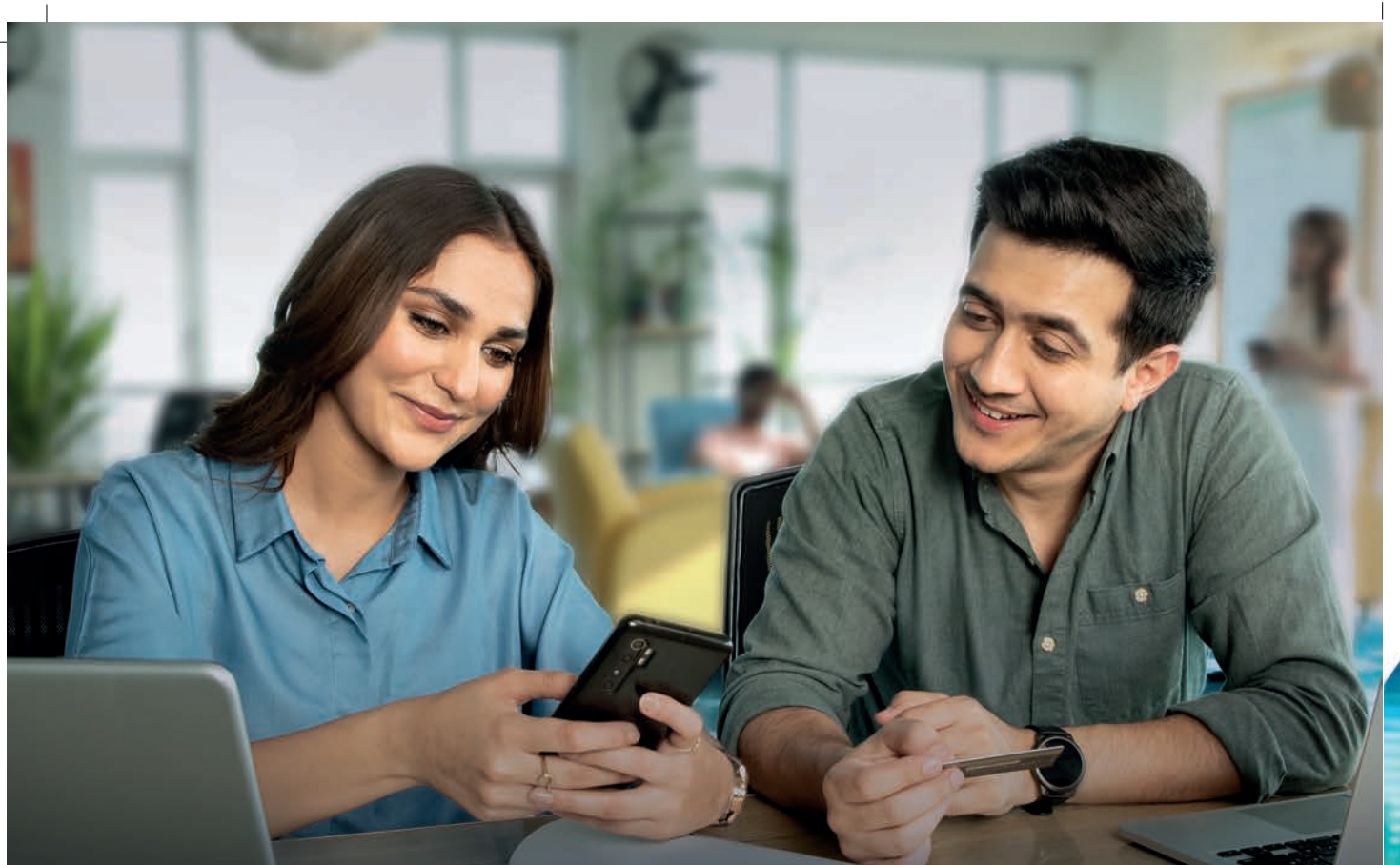


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