

Annual Report 2021

Driving investment, trade
and the creation of wealth
across Asia, Africa and
the Middle East.



standard
chartered



► Now with just a click, you can easily invest back home ◀

With Standard Chartered Roshan Digital account, non-resident Pakistanis now have the opportunity to invest back home. Roshan Digital account is offered in multiple currencies and have the flexibility of full repatriation of funds whenever you want.



Current and Saving account
in multiple currencies



Credit and
Debit cards



Invest in Naya
Pakistan Certificates



Repatriable and
convertibility of funds



Funds transfer and
utility bill payment



Also available in
Islamic variant

For details, visit sc.com/pk or scan the QR code



standard
chartered



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
22,000+ girls
empowered since
2016

Youth to work

Employability:

Youth toWork is our
global employability
programme.

In 2020 the Bank
hired two girls who
were part of the
Global programme.
Employability module.

Employment of the visually impaired

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

Entrepreneurs for Growth

#SCWomenInTech

SCWomenintech was
launched in Pakistan in
2019. Since its launch 66
businesses have gone
through extensive
training, coaching and
mentoring sessions out
of which 19 businesses
have been given the
seed money to scale
their business further.

Seeing is Believing

- Over 12 million beneficiaries impacted, including
- Conducted 500,000 sight restoration surgeries
- Trained 85,000+ lady healthcare workers on eye health
- Screened 1.5 million children for refractive errors



Get involved



Donate

All funds in Pakistan are directed towards the Bank's Goal Programme, a programme that focuses on empowering adolescent girls by teaching life skills combined with sports. You can make a donation at any Standard Chartered Branch. The account details are as follows:

Account Name: Right to Play – Futuremakers

Account Number: 18-4743873-18



Fundraise

Take part in any of the fundraising activities planned by Standard Chartered Bank (Pakistan) Limited



Contact

Pakistan.Corporate-Affairs@sc.com





Standard Chartered is a leading international banking group

We are a leading international banking group, with a presence in 59 of the world's most dynamic markets and serving clients in a further 85. 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 **2,200** people and has a network of **214** touch points (**41 branches, 153 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 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



Adam Smith Award

Awards 2021



- Best AR Solution for Coca Cola Beverages Pakistan Ltd

Asset Triple A

Awards 2019/2020/2021



- 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)
- Best Investment Bank (Islamic Finance)
- Best Deal in Pakistan (Islamic Finance)
- Best Bank in Treasury, Trade, SSC and Risk (Islamic Finance)

Global Finance

Awards 2020/2021



- Best Digital Consumer Bank
- Best Digital Islamic Bank
- Best Sub-Custodian Bank 2020

The Banker Magazine

Awards 2019/2020



- Best Islamic Bank

Corporate Treasurer Award

Awards 2021



- Best Transaction Bank
- Best Trade Finance Bank

Management Association of Pakistan

Awards 2020/2021



- Corporate Excellence Award under the Commercial Banks Category
- Top Trophy in Financial Category

Global Diversity and Inclusion Benchmark

Awards 2020/2021



- Best Practice Award in Vision category
- Progressive Award in Benefits category
- Progressive Award in Communications category
- Progressive Award in Social Responsibility category

16th Annual Excellence Awards

by CFA Society Awards 2019/2020



- Best medium sized Bank
- Best D&I Bank
- Runners up for Islamic Banking Window

Standard Chartered Bank (Pakistan) Limited

Board of Directors



Mr. Ian Anderson Bryden
Chairperson of the Board
of Directors



Mr. Rehan M. Shaikh
Chief Executive Officer
Member Board Risk
Committee and Board IT
Committee



Ms. Spenta Kandawalla
Director
Chairperson Board HR &
Remuneration Committee



Mr. Towfiq Habib Chinoy
Director
Chairperson Board Risk
Committee and Member
Board HR & Remuneration
Committee



Mr. Ehsan Ali Malik
Director
Chairperson Board Audit
Committee and Member
Board Risk Committee &
Board IT Committee



**Mr. Mohamed Abdel
Razeq**
Director
Chairperson Board IT
Committee and Member
Board Audit Committee



Mr. Adam Long
Director
Member Board Audit
Committee and Board HR &
Remuneration Committee

Standard Chartered Bank (Pakistan) Limited

Pakistan Executive Committee



Mr. Rehan M. Shaikh
Chief Executive Officer



Mr. Syed Ejaz Alam
Chief Financial Officer



Mrs. Lubna Azam Tiwana
Country Chief Risk Officer



Mr. Faheem Elahi
Acting Head Consumer, Private
and Business Banking



Mr. Arslan Nayeem
Country Head of Client
Coverage, CCIB



**Mr. Muhammad Mubashir
Yasin**
Head Conduct, Financial
Crime & Compliance



Mr. Majid Aziz
Chief Operating Officer



Mrs. Khadija Hashimi
Head Corporate Affairs and
Brand & Marketing AME &
Country Head Pakistan



Mr. Adil Siddique Dalal
Head Financial Markets and
Macro Trading



Mr. Azhar Aslam
Head Islamic Banking



Mr. Muhammad Umer
Head Human Resources



Mr. Jehangir Adil Qazi
Head Legal



Mr. Khurram Abid
Chief Information Officer



Mr. Shiraz Hyder
Head Transaction Banking



Mr. Shahzad Salamullah
Head Internal Audit

Company Information

Board of Directors

Mr. Ian Anderson Bryden
Mr. Rehan M. Shaikh
Ms. Spenta Kandawalla
Mr. Towfiq Habib Chinoy
Mr. Ehsan Ali Malik
Mr. Mohamed Abdel Razek
Mr. Adam Long

Chairman
Chief Executive Officer

Auditors

M/s EY Ford Rhodes
Chartered Accountants

Legal Advisors

Haidermota & Co
Barristers at Law & Corporate Counselors

Company Secretary

Mr. Asif Iqbal Alam

Board Audit Committee

Mr. Ehsan Ali Malik
Mr. Adam Long
Mr. Mohamed Abdel Razek

Chairperson
Member
Member

Board Risk Committee

Mr. Towfiq Habib Chinoy
Mr. Ehsan Ali Malik
Mr. Rehan M. Shaikh

Chairperson
Member
Member

Board Human Resource & Remuneration Committee

Ms. Spenta Kandawalla
Mr. Towfiq Habib Chinoy
Mr. Adam Long

Chairperson
Member
Member

Board IT Committee

Mr. Mohamed Abdel Razek
Mr. Ehsan Ali Malik
Mr. Rehan M. Shaikh

Chairperson
Member
Member

Shariah Board

Shaikh Nizam Yaqouby
Mufti Muhammad Abdul Mubeen
Mufti Irshad Ahmad Aijaz
Mufti Hafiz Muhammad Sarfaraz Nihal

Chairperson

(Resident)

Registered/ Main Office

Standard Chartered Bank (Pakistan) Limited
P.O. Box No. 5556, I.I. Chundrigar Road,
Karachi-74000, Pakistan.
Tel: (021) 32450000
Fax: (021) 32414914

Website

www.sc.com/pk

Registrar/ Share Registration Office

M/s CDC Share Registrar Services Limited
CDC House, 99-B, Block B,
SMCHS, Main Shahra-e-Faisal,
Karachi - 74400

Toll Free: 0800 - 23275
Fax: (021) 34326053
Email: info@cdcsrsl.com

Table of Contents

Notice of Annual General Meeting	3
Chairman's Review	6
Directors' Report - English	7
Directors' Report - Urdu	13
Management's Statements on Internal Controls and Risk Management Framework	20
Report of Shari'ah Board - English	26
Report of Shari'ah Board - Urdu	29
Auditors' Review Report on Statement of Compliance with the Code of Corporate Governance	32
Statement of Compliance with the Code of Corporate Governance	33
Six Years Key Financial Data	35
Auditors' Report to the Members	37
Audited Financial Statements	42
Pattern of Shareholding	123
Form of Proxy	125
Disclosures on Governance and Remuneration	127
Disclosure on Complaint Handling	130

NOTICE OF ANNUAL GENERAL MEETING

STANDARD CHARTERED BANK (PAKISTAN) LIMITED NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Sixteenth Annual General Meeting ('AGM') of the shareholders of Standard Chartered Bank (Pakistan) Limited ('Bank') will be held on Tuesday, 29 March 2022 at 04:00 PM through online platform/ facility to transact the following business:

A. ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Accounts of the Bank for the year ended 31 December 2021, along with the Directors' and Auditors' Reports thereon.
2. To consider the appointment of external auditors namely of M/s EY Ford Rhodes, Chartered Accountants (who being eligible, have offered themselves for reappointment), as Statutory Auditors of the Bank for the year 2022. The Board also seeks authority for the Board Audit Committee to negotiate and agree upon Auditors' remuneration subject to concurrence of the Board in the subsequent meeting.
3. To consider and approve final cash dividend @ 17.5% (i.e. Rs. 1.75 per share) as recommended by the Board of Directors in addition to interim dividend of 12.5% already paid for the year 2021.

B. OTHER BUSINESS

4. To transact any other business as may be placed before the meeting with the permission of the Chair.

By Order of the Board



Asif Iqbal Alam
Company Secretary

Karachi: 8 March 2022

اسٹینڈرڈ چارٹرڈ بینک (پاکستان) لمیٹڈ

نوٹس برائے سالانہ اجلاس عام

بذریعہ ہذا مطلع کیا جاتا ہے کہ اسٹینڈرڈ چارٹرڈ بینک (پاکستان) لمیٹڈ ("بینک") کے حصص یافتگان کا سولہواں سالانہ اجلاس عام 29 مارچ 2022ء بروز منگل، شام 04:00 بجے، بذریعہ آن لائن پلیٹ فارم / سہولت درج ذیل کارروائی کیلئے منعقد کیا جائے گا۔

(الف) عمومی کارروائی

1۔ 31 دسمبر 2021ء کو ختم ہونے والے مالی سال کیلئے بینک کے آڈیٹڈ اکاؤنٹس اور ان پر ڈائریکٹرز اور آڈیٹرز کی رپورٹس کی وصولی، ان پر غور اور ان کی توثیق۔

2۔ میسرز EY فورڈ رھوڈز، چارٹرڈ اکاؤنٹنٹس (جنہوں نے اہل ہونے کے سبب پھر سے تقرری کی درخواست دی ہے) کی 2022ء کیلئے بطور اسٹیچوٹری آڈیٹرز تقرری اور ان کے معاوضے کے تعین کیلئے بورڈ آڈٹ کمیٹی کو بات چیت اور فیصلہ کرنے کا اختیار دینا جو آئندہ بورڈ میٹنگ میں بورڈ کی رضامندی سے مشروط ہوگا۔

3۔ بورڈ آف ڈائریکٹرز کی جانب سے تجویز کردہ 17.5% (یعنی 1.75 روپے فی حصص) نقد منافع کی ادائیگی پر غور اور منظور کرنا۔ جو سال 2021 کیلئے ادا کئے جانے والے 12.5% عبوری منافع کے علاوہ ہے۔

(ب) دیگر کارروائی

1۔ چیئر پرسن کی اجازت سے کوئی اور کارروائی عمل میں لانا۔

بحکم بورڈ



آصف اقبال عالم
کمپنی سیکریٹری

کراچی: 8 مارچ 2022ء

NOTICE OF ANNUAL GENERAL MEETING

Notes:

1. The Share Transfer Books of the Bank will remain closed from Tuesday, 22 March 2022 to Tuesday, 29 March 2022 (both days inclusive). Transfer received at the Share Registrar by the close of business on Monday, 21 March 2022 will be treated in time.

2. Participation in AGM through online platform/ facility

In view of current Covid-19 (Omicron variant) situation in the country and practical difficulties in meticulous compliance with Covid-19 related SOPs in public gathering and pursuant to Securities and Exchange Commission of Pakistan's Circular No. 6 of 2021 dated 3 March 2021 and the clarification issued by SECP through their letter no. SMD/SE/2(20)/2021/117 dated 15 December 2021, it has been decided by the Bank to continue with contingency planning measures and hold the 16th AGM through online platform/facility for the wellbeing and safety of our shareholders, Directors and Management.

Accordingly, following arrangements have been made by the Bank to facilitate the participation of the shareholders in the AGM through online platform/facility, either in-person or through appointed proxies. Shareholders are requested to get themselves registered with the Company Secretary Office, at least 24 hours before the time of AGM (i.e. before 04:00 p.m. on 28 March 2022) by providing following details at cosc.pk@sc.com.

Folio/CDC Account No.	Name of Shareholders	CNIC No	Cell No.	Email Address

Upon receipt of the above information from interested shareholders, the Bank will send the login details at their email addresses. On the AGM day, shareholders will be able to login and participate in the AGM proceedings through their smartphones or computer devices. Login facility will be opened 15 minutes before the meeting time to enable the participants to join the meeting, after identification and verification process.

3. Only those persons whose names appear in the Register of Members of the Bank as at Monday, 21 March 2022 will be entitled to attend/participate in/vote at the AGM and be entitled to receive above stated cash dividends.

4. A member entitled to attend and vote at the above meeting is entitled to appoint another member as his/her proxy to attend and vote instead of him/her. Proxies, in order to be valid, must be received by the Bank at its registered office marked for the attention of the office of the Company Secretary, not less than 48 hours before the time for holding the meeting and must be duly stamped, signed and witnessed. A member shall not be entitled to appoint more than one proxy

5. Members are requested to notify change in their address, if any, to the Bank's Share Registrars, M/s. CDC Share Registrar Services Limited, CDC House, 99-B, Block B, SMCHS, Main Shahr-e-Faisal, Karachi - 74400. Toll Free: 0800-CDCPL (23275), Fax: (021) 34326053, Email: info@cdcsrsl.com.

6. A. For Attending the Meeting:

- In case of individuals, the account holder or sub-account holder and/or the person whose securities are in group account and their registration details are uploaded as per the Regulations, shall authenticate his/her identity through his/her original Computerised National Identity Card (CNIC) or original passport at the time of attending the Meeting.
- In case of corporate entity, the Board of Directors' resolution/power of attorney with specimen signature of the nominee shall be produced at the time of the Meeting.

B. For Appointing Proxies:

- In case of individuals, the account holder or sub-account holder and/or the person whose securities are in group account and their registration details are uploaded as per the Regulations, shall submit the proxy form as per the above requirement.
- The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.

نوٹس:

1- بینک کی حصص کی منتقلی کی کتابیں 22 مارچ 2022ء بروز منگل سے لے کر 29 مارچ 2022ء بروز منگل تک (بشمول دونوں دن) بند رہیں گی۔ 21 مارچ 2022ء بروز پیر کو کاروبار کے اختتام تک رجسٹرار کو موصول ہونے والے ٹرانسفرز بروقت تصدیق کیے جائیں گے۔

2- سالانہ اجلاس عام میں آن لائن پلیٹ فارم/سہولت کے ذریعہ شرکت:

ملک میں کووڈ 19 (اوبی کروون ویرینٹ) کی موجودہ صورتحال اور عوامی اجتماعات میں معاشرتی/سماجی فاصلے کو برقرار رکھنے میں عملی مشکلات کے پیش نظر اور سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے 2021 کے سرکلر نمبر 6 مورخہ 3 مارچ 2021 اور ایس ای سی پی کی طرف سے اپنے لیٹر نمبر SMD/SE/2(20)/2021/117 مورخہ 15 دسمبر 2021 کے ذریعے جاری کردہ وضاحت کے مطابق بینک نے فیصلہ کیا ہے کہ وہ بینک کی منصوبہ بندی کے اقدامات کو جاری رکھے گا اور اپنے حصص یافتگان، ڈائریکٹرز اور انتظامیہ کی فلاح و بہبود اور حفاظت کیلئے بینک کے 16 سولہویں سالانہ اجلاس عام کو بذریعہ الیکٹرانک طریقہ کار منعقد کرے گا۔

بینک کی جانب سے سالانہ اجلاس عام میں حصص یافتگان کی بذریعہ آن لائن پلیٹ فارم شرکت (چاہے ذاتی طور پر یا مقررہ پراکسیوں کے ذریعہ) کے لیے انتظامات کیے گئے ہیں۔ شیئر ہولڈرز سے درخواست کی جاتی ہے کہ وہ cosc.pk@sc.com پر کمپنی سیکریٹری آفس میں اجلاس عام کے وقت سے کم از کم 24 گھنٹے قبل (یعنی 28 مارچ 2022 کو شام 04:00 بجے سے پہلے) درج ذیل تفصیلات کے ساتھ رجسٹریشن کروائیں۔

فولیو/سی ڈی ایس اکاؤنٹ نمبر	حصص یافتگان کا نام	سی این آئی سی نمبر	موبائل نمبر	ای میل ایڈریس

ڈیجیٹل ریکارڈ والے حصص یافتگان سے مذکورہ بالا معلومات کی وصولی کے بعد بینک لاگ ان کی تفصیلات ان کے ای میل ایڈریس پر بھیجے گا۔ اجلاس عام کے دن حصص یافتگان اپنے گھر سے اپنے اسمارٹ فون اور کمپیوٹر ڈیوائسز کے ذریعے لاگ ان ہو سکیں گے اور اجلاس عام کی کارروائی میں حصہ لے سکیں گے۔ لاگ ان کی سہولت بینک کے وقت سے 15 منٹ قبل کھول دی جائے گی تاکہ شرکت کنندگان وقت کے عمل کے بعد اجلاس میں شامل ہو سکیں۔

3- صرف وہ ممبران جن کے نام 21 مارچ 2022ء بروز پیر کو بینک کے ممبران کے رجسٹر میں درج ہوں گے وہی اس سالانہ اجلاس عام میں شرکت کرنے، ووٹ دینے اور ڈیویڈنڈ لینے کے اہل ہوں گے۔

4- ایک ممبر جو اس اجلاس میں شرکت کرنے اور ووٹ دینے کا اہل ہے اپنی جگہ کسی اور ممبر کو بطور نمائندہ اجلاس میں شرکت بولنے، ووٹ ڈالنے کیلئے مقرر کر سکتا ہے۔ پراکسیز کے مؤثر ہونے کیلئے لازم ہے کہ وہ کمپنی کے رجسٹرڈ آفس میں بنام کمپنی سیکریٹری اجلاس سے 48 گھنٹے قبل مکمل طور پر اسٹیپ شدہ، دستخط شدہ اور شواہد کے ساتھ موصول ہو جائیں۔ ایک ممبر ایک سے زیادہ پراکسی نامزد کرنے کا مختار نہ ہوگا۔

5- ممبران سے درخواست ہے کہ وہ اپنے رجسٹرڈ پتہ میں ہونے والی کسی تبدیلی سے فوری طور پر بینک کے شیئر رجسٹرار میسرز CDC شیئر رجسٹرار سروسز لمیٹڈ، CDC ہاؤس، 99-B، بلاک B، SMCHS، مین شہرہ فیصل، کراچی۔ 74400۔ ٹول فری نمبر: 0800-CDCPL (23275)، فیکس: (021) 34326053، ای میل ایڈریس: info@cdcsrsl.com پر مطلع کریں۔

6- (الف) اجلاس میں شرکت کیلئے:

- افراد کی صورت میں اکاؤنٹ ہولڈر یا سب اکاؤنٹ ہولڈر اور/یا وہ افراد جن کی سیکیورٹیز گروپ اکاؤنٹ میں ہیں اور ان کی رجسٹریشن کی تفصیلات ضابطے کے مطابق اپ لوڈ کر دی گئی ہیں، انہیں اجلاس میں شرکت کے وقت اپنی شناخت کیلئے اصل کمپیوٹرائزڈ قومی شناختی کارڈ (سی این آئی سی) یا اصل پاسپورٹ دکھانا لازمی ہوگا۔
- کارپوریٹ ادارے کی صورت میں بورڈ آف ڈائریکٹرز کی قرارداد/مقرر نامہ، نامزد کرنے والے کے دستخط کے ساتھ اجلاس کے وقت پیش کرنا لازمی ہوگا۔

(ب) پراکسیز کی نامزدگی کیلئے:

- افراد کی صورت میں اکاؤنٹ ہولڈر یا سب اکاؤنٹ ہولڈر اور/یا وہ افراد جن کی سیکیورٹیز گروپ اکاؤنٹ میں ہیں اور ان کی رجسٹریشن کی تفصیلات ضابطے کے مطابق اپ لوڈ کر دی گئی ہیں انہیں اپنا پراکسی فارم درج بالا قواعد کے مطابق پُر کر کے پیش کرنا ہوگا۔
- پراکسی فارم کا دو افراد سے تصدیق شدہ ہونا لازمی ہے جن کے نام، پتے اور کمپیوٹرائزڈ قومی شناختی کارڈ نمبر فارم پر لکھے ہوں۔

NOTICE OF ANNUAL GENERAL MEETING

- iii) Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.
- iv) The proxy shall produce his/her original CNIC or original passport at the time of the Meeting.
- v) In case of corporate entity, the Board of Directors' resolution/power of attorney with specimen signature shall be submitted along with the proxy form to the Bank.

7. Members may inspect the minutes of the AGM held on Monday, 29 March 2021, in terms of Section 52 of the Companies Act, 2017, at the Bank's registered address.

8. In terms of Section 223 (7) of the Companies Act 2017, the Annual Report for the year ended 2021 will also be placed on the Bank's website simultaneously with the dispatch of the same to the members.

9. **E-Dividend Requirements:** In accordance with the Companies (Distribution of Dividend) Regulation 2017, shareholders are advised to provide their Identification Number/Computerised National Identity Card (CNIC) Number and International Bank Account Number (IBAN) details, if they have not already done so, to our Share Registrar (if shares are held in physical form) at their above referred office address or to the respective Participants/Broker (if shares are held through CDS Account) latest by Monday, 21 March 2022. Failing which may result in withholding of dividend payments of respective shareholders.

10. **Tax Requirements:** The dividend income on shares is liable to deduction of withholding tax under Section 150 of the Income Tax Ordinance, 2001 and pursuant to the provisions of Finance Act, 2021, effective from 01 July 2021; the 'Filer' and 'Non-Filer' shareholders will pay tax on dividend income @ 15% and 30% respectively. The Filer status of shareholders will only be determined on the basis of latest available Active Taxpayers List (ATL) uploaded by the Federal Board of Revenue (FBR) on their website <http://www.fbr.gov.pk/>.

In case a Folio/CDS Account is jointly held, each joint-holder will be treated separately as Filer or Non-Filer and tax will be deducted on the gross dividend amount determined by bifurcating the shareholding of each joint-holder on equal proportions, except where shareholding proportion of joint-holders is pre-defined as per the records of Bank's Share Registrar and thus tax rates will be applied in line with respective proportions. Those shareholders, who are holding shares jointly, are requested to update/notify the shareholding proportions of principal and joint-holder(s) in writing to our Share Registrar latest by Monday, 21 March 2022 at their above referred office address.

In this regard, all shareholders, whose names are not entered into the ATL despite the fact that they are filers, are advised to make sure that: (i) Their names appear into the ATL before start of closed period (referred above), otherwise they will be treated as non-filers for tax deduction purpose, and (ii) A copy of their National Tax Number is submitted to their relevant Participant/CDC Investor Account Services or to our Share Registrar (in case of physical shareholding only) at their above referred office address.

Corporate shareholders are requested to provide of a copy of valid Income Tax Exemption Certificate issued by the concerned authority to your institution, which is compulsorily required to claim tax exemption in terms of clarification issued by FBR vide their letter C.No.1 (43) DG (WHT)/ 2008-Vol.11-66417-R, dated 12 May 2015. In case you are subject to any special tax rate, please also provide a copy of relevant certificate issued by the concerned authority. Relevant copies should reach our Share Registrar at their above-mentioned office address.

11. **Statutory Code of Conduct of AGM:** Section 215 of the Companies Act, 2017 and Regulation 28 of the Companies (General Provisions and Forms) Regulations, 2018, state the Code of Conduct of Shareholders, as follows:
Shareholders are not permitted to exert influence or approach the management directly for decisions which may lead to creation of hurdles in the smooth functioning of management. The law states that Shareholders shall not bring material that may cause threat to participants or premises where the AGM is being held, confine themselves to the agenda items covered in the notice of the AGM and shall not conduct themselves in a manner to disclose any political affiliation. Additionally, the Company is not permitted to distribute gifts in any form to its shareholders in its meetings as per Section 185 of Companies Act, 2017.

iii) پراکسی فارم کے ساتھ پراکسی اور اصل مالک کے کمپیوٹر انزڈومی شناختی کارڈ یا پاسپورٹ کی تصدیق شدہ فوٹو کاپی منسلک کرنا ہوگی۔

iv) پراکسی کو اپنا اصل کمپیوٹر انزڈومی شناختی کارڈ یا پاسپورٹ اجلاس کے وقت دکھانا ہوگا۔

v) کارپوریٹ ادارے کی صورت میں بورڈ آف ڈائریکٹرز کی قرارداد/مختارنامہ، نامزد کرنے والے کے دستخط کے ہمراہ پراکسی فارم کے ساتھ بینک میں جمع کروانا ہوگا۔

7- کمپنیز ایکٹ، 2017ء کے سیکشن 52 کے تحت ممبران بینک کے رجسٹرڈ پتے پر 29 مارچ 2021ء بروز جمعہ کو ہونے والے سالانہ اجلاس عام کی روداد کا معائنہ کر سکتے ہیں۔

8- سیکشن 223(7) کے تحت سالانہ 2021ء کی سالانہ رپورٹ ممبرز کو ترسیل کے ساتھ بینک کی ویب سائٹ پر بھی اپ لوڈ کر دی گئی ہے۔

9- ای۔ ڈیویڈنڈ کی ضروریات: کمپنیز (ڈیویڈنڈ کی تقسیم) ریگولیشنز 2017ء کی ہدایات کے تحت حصص یافتگان اپنے شناختی نمبر/کمپیوٹر انزڈومی شناختی کارڈ (سی این آئی سی) نمبر اور انٹرنیشنل بینک اکاؤنٹ نمبر (آئی بی این) کی تفصیلات فراہم کریں۔ اگر انہوں نے تفصیلات فراہم نہیں کی ہیں تو ہمارے شیئر رجسٹرار (اگر شیئرز فزیکل فارم میں رکھے گئے ہیں) کو مذکورہ آفس ایڈریس یا متعلقہ پارٹیسپنٹ/بروکر (اگر شیئرز بذریعہ سی ڈی ایس اکاؤنٹ رکھے گئے ہیں) کو 21 مارچ 2022ء بروز جمعہ تک مہیا کریں۔ تاکہ کامیابی کی صورت میں متعلقہ حصص یافتگان کے ڈیویڈنڈ کی ادائیگی روک دی جائے گی۔

10- ٹیکس معاملات: انکم ٹیکس آرڈیننس 2001ء کے سیکشن 150 اور فنانس ایکٹ 2021ء کی دفعات (تیم جولائی 2021ء سے مؤثر) کے مطابق ڈیویڈنڈ آمدن پر فائلنگ کرنا ضروری ہے۔ ہولڈنگ ٹیکس 15% جبکہ نان فائلنگ کے لیے 30% ہے۔ حصص یافتگان کے فائلنگ ہونے کا تعین فیڈرل بورڈ آف ریونیو (FBR) کی ویب سائٹ (<http://www.fbr.gov.pk/>) پر جاری کردہ آخری ایڈیٹنگس میٹرز لسٹ (ATL) کی بنیاد پر کیا جائے گا۔

کسی فلیو/سی ڈی ایس اکاؤنٹ کی مشترکہ ملکیت کی صورت میں ہر مشترکہ ہولڈر کو بطور فائلنگ یا نان فائلنگ عہدہ تصور کیا جائیگا اور ٹیکس کی کوئی ڈیویڈنڈ کی مجموعی رقم پر کی جائے گی جو کہ ممبران میں شیئر ہولڈنگ کے تناسب کو مساوی تقسیم کر کے کی جائیگی سوائے اس کے کہ شیئر ہولڈنگ کے تناسب کی تفصیل پہلے ہی بینک کے شیئر رجسٹرار کے ریکارڈ میں موجود ہو اس صورت میں ٹیکس کی شرح اس تناسب سے لاگو کی جائے گی۔ لہذا ایسے مشترکہ ہولڈرز سے درخواست کی جاتی ہے کہ اپنی ہولڈنگ کا تناسب ہمارے شیئر رجسٹرار کو مندرجہ بالا پتے پر 21 مارچ 2022ء بروز جمعہ تک فراہم کریں۔

اس سلسلے میں وہ ممبران جن کے نام فائلنگ ہونے کے باوجود ATL میں موجود نہیں، ان سے گزارش کی جاتی ہے کہ اس امر کو یقینی بنائیں کہ (i) ان کے نام مدت اختتام (مذکورہ بالا) سے قبل ATL میں موجود ہوں بصورت دیگر ٹیکس کی کوئی کیلئے انہیں نان فائلنگ سمجھا جائے گا اور (ii) اپنے پیش ٹیکس نمبر کی ایک کاپی اپنے متعلقہ پارٹیسپنٹ/سی ڈی ایس انویسٹر اکاؤنٹ سروسز یا ہمارے شیئر رجسٹرار (صرف فزیکل شیئر ہولڈنگ کی صورت میں) کو مذکورہ بالا پتے پر جمع کریں۔

کارپوریٹ حصص یافتگان جو ٹیکس سے استثناء کے دعویدار ہیں ان سے درخواست کی جاتی ہے کہ وہ متعلقہ اتھارٹیز کی جانب سے ان کے ادارے کو جاری کیا گیا مؤثر انکم ٹیکس ایگزیمپشن سرٹیفکیٹ فراہم کریں جو کہ FBR کے لیٹر C.No.1(43) DG (WHT)/ 2008-Vol.11-66417-R بتاریخ 12 مئی 2015ء کے مطابق ٹیکس ایگزیمپشن حکیم کیلئے ضروری ہے۔ اگر آپ خصوصی ٹیکس ریٹ کے تابع ہیں براہ مہربانی متعلقہ اتھارٹیز کی جانب سے جاری کیے گئے سرٹیفکیٹ کی نقل ہمارے شیئر رجسٹرار کو درج بالا پتے پر فراہم کریں۔

11- سالانہ اجلاس عام میں درکار قانونی ضابطہ اخلاق
کمپنیز ایکٹ 2017ء کے سیکشن 215 اور کمپنیز (جنرل پروویژن فارمز) ریگولیشنز 2018ء میں ہولڈرز کے لیے ضابطہ اخلاق بیان کرتے ہیں، جو درج ذیل ہے۔ حصص یافتگان کو اجازت نہیں ہے کہ وہ ایسے فیصلوں کے لیے جو منجھٹ کے کام پراثر انداز ہو سکتے ہوں، مینجمنٹ پر دباؤ ڈالیں یا براہ راست رسائل حاصل کریں۔ قانون بیان کرتا ہے کہ حصص یافتگان اپنے ساتھ ایسا مواد نہیں لائیں گے جو شرکاء یا اس جگہ جہاں سالانہ اجلاس عام منعقد کیا جا رہا ہے کہ لیے خطرے کا باعث ہو، اپنے آپ کو سالانہ اجلاس عام کے نوٹس میں احاطہ کیے گئے ایجنڈا کے نکات تک ہی محدود رکھیں گے اور اس انداز سے کردار ادا نہیں کریں گے جس سے ان کی سیاسی وابستگی ظاہر ہو۔ مزید یہ کہ کمپنیز ایکٹ 2017ء کے سیکشن 185 کے مطابق کمپنی کو اجازت نہیں ہے کہ وہ کسی بھی صورت میں حصص یافتگان میں تحائف تقسیم کرے۔

CHAIRMAN'S REVIEW

For the year ended 31 December 2021

I am pleased to deliver my fifth review as Chairman of the Board of Directors ('the Board') of Standard Chartered Bank (Pakistan) Limited ('the Bank'), in line with the requirements of Section 192 of the Companies Act, 2017.

Standard Chartered Group views high standards of corporate governance as a critical component for the long-term success of all companies and for the economic health and stability of markets across the globe. As part of the Group's approach to corporate governance, the Board fully recognises that the success of the Bank ultimately depends upon the capacity of the directors to provide the vision and direction needed, not only to survive, but also to develop and prosper. The Board endeavours to maintain and strengthen the high level of corporate governance, improve corporate transparency, ensure the healthy development of the Bank and enhance its corporate values.

The Bank's Board of Directors is comprised of seven members and is well composed in terms of skills, competency, knowledge, experience and diversity. The Board performs its statutory role and fulfils its objectives by ensuring that the Bank has a competent leadership and an effective executive management. The Board establishes significant policies, frameworks and the code of conduct, and delegates the authorities and responsibilities down the line for the Bank's smooth operations.

The Board has constituted four Committees namely, the Board Audit Committee, the Board Human Resource and Remuneration Committee, the Board Risk Committee and the Board Information Technology Committee. All Committees have a defined scope of work and reporting procedures and such Committees are discharging their function and duties as per their respective terms of reference.

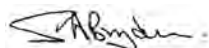
The Board meets frequently enough to discharge adequately its responsibilities and it receives the agenda papers and appropriate supporting materials in sufficient time prior to the Board and its Committee meetings. The Board members have established a very open and candid atmosphere in the boardroom. In view of the Covid-19 pandemic, there have been challenges in terms of travel for the Board members and hence all the meetings of the Board and Board committees have been held virtually.

During the year under review, five meetings of the Board were held in which the Board received presentations on business strategy, financial performance and business updates covering challenges and opportunities. Besides this, the Board's focus areas were digital strategy, customer service, policies, product performance and reviews, cost discipline, capital adequacy and assessment, information and cyber security risk, regulatory compliance and market updates.

The Board has continued to perform its statutory role during this unprecedented time of the Covid-19 pandemic. Challenges facing the businesses were discussed and guidance was provided to management. Subsequent to filling the casual vacancies on the Board, all the Board Committees were reconstituted in 2021.

Overall, performance and effectiveness of the Board remained 'Satisfactory' based on the annual evaluation of the Board which was carried out by external consultants in 2021. The evaluation process covered many aspects including the Board's composition and the Board's understanding of its role, responsibilities and duties as well as the Bank's risk profile and regulatory environment. It also reviewed the directors' induction process and training, the Board's involvement in strategy planning, the quality of information which the Board receives and the effectiveness of the follow up on action points. Surveys of the Board's Sub-Committees also showed 'Satisfactory' ratings. Moreover, survey results of individual directors, including the Chairman and Chief Executive, were noted as 'Satisfactory'. There were no material themes from the survey but some generic areas for improvement are being tracked to conclusion.

On behalf of the Board, I would like to thank all the stakeholders for their continued trust and support. I also take this opportunity to express my gratitude to my fellow Board members for their valuable contribution.



IAN BRYDEN
CHAIRMAN
17th February 2022

DIRECTORS' REPORT - 31 December 2021

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 audited financial statements and auditors' report thereon for the year ended 31st December 2021.

Economy

Country's economy has shown resilience and recovery is driven by domestic demand after witnessing a negative growth last year. Pakistan has been able to manage and navigate through the impact of pandemic relatively better than most countries with the nation-wide vaccination campaign, measures taken by SBP to support economy and timely Government intervention for providing assistance to vulnerable segments. This has encouraged uptake in business momentum and GDP is expected to grow between 4 to 5% in FY'22.

On the fiscal front, Tax collection recorded a healthy increase of 32% in H2'21 and the mini budget presented by Government will support in maintaining the fiscal deficit in line with the forecast.

On the external front, H2'21 witnessed a healthy growth of 29% in exports and 11% in remittances compared to same period last year. However, this has been offset by significant increase in imports by 57%, owing to commodities (especially oil), vaccine and machinery imports. This led to current account deficit widening to 5.7% of GDP in H2'21 in comparison to a surplus of 0.9% of GDP last year. Following a flexible exchange rate regime, PKR depreciated by 12% during H2'21 after appreciating in H1'21. The SBP foreign exchange reserves stood at USD 17.7bn at close of Dec'21 (Dec'20: USD 13.4bn). Higher international commodity prices together with domestic demand are driving Inflation, which reached 12.3% in Dec'21. To address the rising inflationary pressure and widening current account deficit, SBP has increased policy rate by 2.75% since Sep'21 after keeping it constant at 7% for more than a year.

Lately, Pakistan issued USD 1bn of Sukuks in international market and successfully closed the IMF review allowing the Government to draw a further USD 1bn. This is expected to alleviate pressure on exchange rate and bring further stability in the business environment.

Pakistani banks continue to remain well capitalized with an industry wide Capital Adequacy Ratio of 17.9% and remain profitable with a Return on Equity (after tax) of 13.7% for period ending Sep'21. Banking sector Non-Performing Loans decreased to 8.8% as of Sep'21 (9.9% Sep'20), reflecting improving credit environment.

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. Income from our affluent wealth business is up by 17%.

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

DIRECTORS' REPORT

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) New 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 December 2021 (PKR millions)	31 December 2020 (PKR millions)
Balance Sheet		
Paid-up capital	38,716	38,716
Total equity	79,605	81,678
Deposits	626,774	556,506
Advances – gross	255,905	199,753
Advances – net	234,173	178,216
Investments – net	450,583	349,445
	Year ended 31 December 2021 (PKR millions)	Year ended 31 December 2020 (PKR millions)
Profit and Loss		
Revenue	37,393	40,940
Operating expenses	11,539	11,879
Other non-mark-up expenses	598	504
Operating profit (before provisions and tax)	25,256	28,557
(Recovery) / provisions and write offs - net	494	4,941
Profit before tax	24,762	23,616
Profit after tax	13,728	13,133
Earnings per Share (EPS) – Rupees	3.55	3.39

Despite uncertainties surrounding COVID-19, the Bank delivered a resilient financial performance with a Profit before tax of PKR 24.8 billion compared to PKR 23.6 billion in 2020. Revenue was lower by PKR 3.5 billion primarily due to sharp reduction in interest rates in Q2'20 and market volatility which impacted gain on sale of securities. Administrative costs continue to be well managed through operational efficiencies and disciplined spending resulting in a decrease of 3% year on year. Moreover, strong recoveries and lower impairments as a result of prudent risk approach led to a net charge of PKR 0.5 billion compared to a net charge of PKR 4.9 billion in 2020.

All businesses have positive momentum with strong growth in underlying drivers. This is evident from pickup in net advances, which have grown by 31% since the start of this year. This was a result of targeted strategy to build profitable, high quality and sustainable portfolios. With a diversified product base, the Bank is well positioned to cater for the needs of its clients.

DIRECTORS' REPORT

On the liabilities side, the Bank's total deposits grew by PKR 70 billion (up 13%), whereas current and saving accounts grew by PKR 63 billion (up 12%) since the start of this year and comprise 92% of the deposit base.

During the year, we streamlined our organisation by integrating our existing business units into two segments; Corporate, Commercial & Institutional Banking (CCIB); and Consumer, Private and Business Banking (CPBB). The creation of the CCIB segment, brings together Corporate & Institutional Banking and Commercial Banking, simplifies the way we work globally, keeping our distinct local client focus, with a less complex organisation on the ground and a single team to partner with our clients and stakeholders. Our Retail and Business Banking units are part of CPBB. These changes have enabled us to deliver our services more effectively to our clients, having a more global approach while serving our clients locally.

During 2021, the Bank contributed around PKR 16.9 billion to the national exchequer in lieu of direct income taxes, as an agent of Federal Board of Revenue (FBR) and on account of FED / Provincial Sales Taxes.

The Bank continues to invest 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.

Our digital journey is well on-track and we are continuously investing and innovating to provide a seamless client experience throughout all our segments.

Outlook

While the external environment remains challenging, going forward we expect economy to stabilise and continue on recovery path. Pace of recovery will be dependent on improvement in external flows, 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.

External Annual Audit

The financial statements of SCBPL have been audited without any qualification by the auditors of the Bank, namely M/s EY Ford Rhodes, Chartered Accountants.

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 in 2021. These ratings denote the lowest expectation of credit risk emanating from an exceptionally strong capacity for timely payment of financial commitments.

Sustainability

As the largest International Bank in the country, Standard Chartered is an integral part of Pakistan's financial landscape. Through its sustainability and community investment agenda the Bank has demonstrated its commitment to the community. Our sustainability strategy seeks to strengthen relationships between our business, community, Government and clients.

Globally, Standard Chartered has surpassed the USD100 million target for Seeing is Believing (SiB), the Bank's initiative to tackle avoidable blindness and visual impairment, two years before the targeted date. In Pakistan, the SiB journey is truly inspiring, impacting over 12 million beneficiaries. We have supported over 500,000 sight restoring surgeries, trained over 85,000 lady healthcare workers, and screened over 1.5million children for refractive errors. The Bank also employs 25 Visually Impaired people in its call centres in Karachi and Lahore.

In 2019, the Bank launched its new Community Investment Strategy, Futuremakers by Standard Chartered, empowering the next generation to learn, earn and grow. Futuremakers by Standard Chartered is our global initiative to tackle inequality

DIRECTORS' REPORT

and promote greater economic inclusion in our communities. We provide young people from low-income households, particularly girls and people with visual impairments, with opportunities to take part in community programmes focused on education, employability and entrepreneurship. We deliver Futuremakers through three Global Community Programmes:

Education: Goal is our global education programme for girls and young women, teaching life skills through sport. In Pakistan this was launched in 2016. Our young girl focused programme grew in 2021 by empowering over 22,000 girls and is currently actively running across 69 schools in Karachi and Islamabad.

Education: Goal is our global education programme for girls and young women, teaching life skills through sport. In Pakistan this was launched in 2016. Our young girl focused programme grew in 2021 by empowering over 22,000 girls and is currently actively running across 69 schools in Karachi and Islamabad.

Our **'Youth to Work'** is our employability programme which aims to tackle to support disadvantaged young people, particularly girls and people with visual impairments, to find jobs through work readiness and vocational training. In 2020 the Bank hired two girls who were part of the Goal programme employability module.

Entrepreneurs for Growth is our entrepreneurship global programme that builds on our existing financial education training for entrepreneurs and Women in Tech Incubators. We launched the #SCWomenInTech programme in 2019 with the objective of providing a financially inclusive environment for females. This programme aims to support female-led entrepreneurial teams with training, mentorship and seed funding. The programme was developed with the objective to address gender disparity in the entrepreneurial sector and to start or scale up their businesses enabled by technology.

#SCWomenInTech is aimed at helping identify and grow female led businesses by bringing their unique business ideas to the market whilst celebrating women in Pakistan.

Since its launch in Pakistan 66 businesses have gone through extensive training, coaching and mentoring sessions out of which 19 businesses have been given the seed money to scale their business further. This programme aims to promote the economic and social development of women in Pakistan through innovation or technology led entrepreneurship.

The Bank launched its Agri-Preneur project in 2021. The project is working with 1,000 vulnerable young women and men in rural and peri-urban areas of Punjab and Sindh to grow profitable and sustainable agricultural enterprises. The project focuses on supporting young entrepreneurs to develop and sell products in agricultural value chains with strong local potential.

Standard Chartered has also set a fundraising target for the programmes within Futuremakers. Between 2019 and 2023, our ambition is to globally raise USD50 million (through fundraising and Bank-matching) to empower the next generation to learn, earn and grow. In Pakistan, funds raised locally will be directed towards the Bank's implementing partner for Goal in the country, Right to Play International.

The Bank has contributed USD 150,000 for COVID Relief projects in Pakistan in 2021. This amount has worked towards immediate relief for COVID-19 by providing support to government and leading charities in Pakistan to support our communities in need.

Green Banking Initiatives

We continuously strive to "Do the Right Thing" to become more socially, economically, and environmentally / ecologically responsible. As part of our commitment to deliver sustainable and responsible banking, our Sustainability Aspirations continue to provide a robust set of performance targets to support sustainable outcomes aligned with UN Sustainable Development Goals (SDG). The Bank strives to reach "Net Zero" carbon emissions from its financing activity by 2050. As the Bank aims to reduce the emissions associated with financing activities to net zero, it is also exploring avenues to make greener and transition finance available. This will help clients on a path to net zero while maximising the benefits of a just transition for people and communities.

The Bank is committed to comply with relevant environmental regulations and adopt best practices for continuous reduction of its carbon footprint. In 2021, SCB further managed to reduce carbon emissions by 17%. The Bank minimised its own impact on environment by taking initiatives which includes, environmentally friendly and biodegradable KM+ additive for generator use, replacement of high electricity consuming split AC's with inverters and increasing its dependency on rechargeable UPS batteries.

Moreover, being a propagator of clean energy, the Bank has completed solar installation at 11 sites and is further exploring renewable energy alternatives at other sites as well. Renewable energy projects are expected to be introduced at the Head Office location.

DIRECTORS' REPORT

Statement of Compliance with Listed Companies (Code of Corporate Governance) Regulations, 2019 ('the Code')

All mandatory regulations have been duly complied with and there has been no material departure from the rest of regulations given in the Code. Statement of Compliance with the Code and the Auditors' review report thereon form part of the Annual Report.

Statements on Internal Controls and Risk Management Framework

The management of SCBPL is responsible for establishing and maintaining a system of adequate internal controls and procedures. Management's Statements on Internal Controls and Risk Management Framework form part of the Annual Report.

The Board is pleased to endorse the management's evaluation on the effectiveness of our overall internal controls including Internal Control over Financial Reporting ('ICFR'), as detailed in the Management's Statements on Internal Controls and Risk Management Framework.

Meetings of the Board and its Committees

Details of Board and its Committees meetings held and attendance by the directors/ members are as under:

Five meetings of the Board of Directors ('the Board'), four meetings of Board Audit Committee ('BAC'), four meetings of Board Human Resource and Remuneration Committee ('RemCo'), four meetings of Board Risk Committee ('BRC') and three meetings of Board IT Committee ('BITC') were held during 2021. Attendance by each director/ member for 2021 is given as follows:

Sr. No	Name of Director	Board Meetings		BAC Meetings		RemCo Meetings		BRC Meetings		BITC Meetings	
		Member	Attended ¹	Member	Attended ¹	Member	Attended ¹	Member	Attended ¹	Member	Attended ¹
	Meetings held during the year	5		4		4		4		3	
1	Ian Bryden	✓	5/5	-	-	-	-	-	-	-	-
2	Spenta Kandawalla	✓	4/5	-	-	✓	4/4	-	-	-	-
3	Towfiq Chinoy	✓	5/5	-	-	✓	4/4	✓	4/4	-	-
4	Ehsan Ali Malik	✓	4/5	✓	4/4	-	-	✓	4/4	✓	3/3
5	Mohamed Abdel Razek	✓	5/5	✓	4/4	-	-	-	-	✓	3/3
6	Adam Long	✓	5/5	✓	4/4	✓	4/4	-	-	-	-
7	Rehan M. Shaikh	✓	5/5	-	-	-	-	✓	4/4	✓	3/3

¹Leave of absence was granted to the directors/ members who could not attend some of the meetings

Directors' Remuneration

The Bank has a formal policy and transparent procedure for remuneration of directors ("the policy") in accordance with the directives of SBP. Key features of the policy are as under:

- Independent non-executive directors as well as non- executive directors (who are not Group employees) of the Bank are eligible to receive a meeting fee for attending the meetings of the Board, its Committee(s) and Shareholders and for holding the office of Chairperson of the Board or its Committee(s).
- Travelling and lodging expenses for independent non-executive directors as well as non- executive directors (who are not Group employees) of the Bank to attend meetings of the Board, its Committee(s) and Shareholders will be borne by the Bank.
- The fee structure and the quantum of the fees will be reviewed every two years. Any revisions thereof, shall be approved by the Board as well as by the Shareholders (on pre or post facto basis) and form part of the policy.

Board's Evaluation

In order to enhance the overall effectiveness of the Board, its Sub-Committees and individual Directors, the Board has formulated an effective mechanism to undertake the Board Effectiveness Review. The services of an external consultant are engaged to facilitate the Board's annual performance evaluation. All Board members are required to complete their surveys online and the anonymity of the respondents is ensured throughout the process in order to promote an open and frank

DIRECTORS' REPORT

exchange of views. The consolidated results of the survey are shared with the Chairman and presented to the Board. The outcomes from the review are collated and form the basis of the action plan which is agreed by the Board for implementation.

Dealing in Shares / Stock Brokerage

The Directors, Chief Executive Officer, Chief Financial Officer, Head of Internal Audit and Company Secretary have confirmed that neither they nor their spouses are engaged in the business of stock brokerage. Furthermore, no trading in shares of the Bank was carried out by the directors, key executives and their spouses/ minor children during the year as confirmed by them.

Pattern of Shareholding

The pattern of shareholding forms part of this Annual Report. At 31 December 2021, Standard Chartered Bank, UK (holding company) held 98.99% shares of SCBPL. The directors, chief executive officer and key executives do not hold any interest in the shares of the Bank other than that disclosed in the pattern of shareholding.

Statement of investments of Provident, Gratuity and Pension Funds

The value of investments including accrued income of provident and gratuity funds as at 31st December 2021 on the basis of un-audited accounts are:

	PKR '000
Provident Fund	2,910,313
Management Staff Gratuity Fund	1,904,026
Non-Management Staff Gratuity Fund	91,295
Management Staff Pension Fund	49,885
Non-Management Staff Pension Fund	55,039

Dividend

A final cash dividend of 17.5% (PKR 1.75 per share) has been recommended by the Board of Directors for approval at the 16th Annual General Meeting of the Bank's shareholders. This is in addition to 12.5% (PKR 1.25 per share) interim cash dividend announced / paid during the year.

External Auditors

The Audit Committee has proposed the name of M/s EY Ford Rhodes, Chartered Accountants as external auditors of the Bank for the next term. The Board of Directors, on the suggestion of the Audit Committee recommended the name of retiring auditors M/s EY Ford Rhodes, Chartered Accountants as external auditors for the next term. The retiring auditors, being eligible, offer themselves for re-appointment in the forthcoming Annual General Meeting.

As the audit fee is in the process of being negotiated / finalised, the Board of Directors, on the recommendation of Board Audit Committee (BAC), has also proposed to authorise the BAC to negotiate and agree upon the audit fees for the year 2022, subject to concurrence of the Board in the subsequent meeting.

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



Rehan M. Shaikh
Chief Executive Officer



Ehsan Ali Malik
Director

Karachi: 17th February 2022

ڈائریکٹرز کی رپورٹ

31 دسمبر 2021ء

ڈائریکٹرز کی رپورٹ

بورڈ آف ڈائریکٹرز کی جانب سے ہم انتہائی مسرت سے اسٹینڈرڈ چارٹرڈ بینک (پاکستان) لمیٹڈ (SCBPL یا بینک) کی ڈائریکٹرز رپورٹ مع 31 دسمبر 2021ء کو ختم ہونے والے سال کے پڑتال شدہ کھاتہ جات اور آڈیٹرز رپورٹ پیش کر رہے ہیں۔

اکانومی (معیشت):

گزشتہ سال منفی نمو کے باوجود بڑھتی ہوئی ملکی طلب میں اضافہ کے باعث معیشت میں مختصر عرصے میں بحالی اور استحکام نظر آیا ہے۔ دیگر ممالک کے مقابلے میں پاکستان، ملک گیر ویکسینیشن مہم، اسٹیٹ بینک آف پاکستان کے بروقت معاشی اقدامات اور حکومت کی طرف سے کمزور طبقات کو فراہم کردہ امداد کی وجہ سے وبائی مرض کے معاشی اثرات سے بہتر طریقے سے نبرد آزما ہوا ہے۔ ان اقدامات کی وجہ سے کاروباری منظر نامے میں مزید تیزی آئی ہے۔ مالی سال 2022ء میں GDP میں 4 سے 5 فیصد کے اضافے کی توقع ہے۔

مالیاتی شعبہ کے تناظر میں سال 2021 کی دوسری ششماہی میں ٹیکس کی وصولی میں 32% کا صحت منداضافہ ریکارڈ کیا گیا اور حکومت کی طرف سے پیش کیا گیا ضمنی بجٹ پیش گوئی کے مطابق مالیاتی خسارے کی سطح کو برقرار رکھنے میں معاون ثابت ہوگا۔

بیرونی شعبہ کے تناظر میں سال 2021 کی دوسری ششماہی میں گزشتہ سال کی اسی مدت کے مقابلے میں برآمدات میں 29% اور ترسیلات زر میں 11% کی صحت مند نمو دیکھی۔ تاہم درآمدات میں 57 فیصد اضافہ جن میں تیل، ویکسین اور مشینری شامل ہے برآمدات میں اضافے کے اثرات کو زائل کیا ہے۔ درآمداتی اضافے کی وجہ سے جاری خسارہ سال 2021ء کی دوسری ششماہی میں GDP کا 5.7% فیصد رہا جو پچھلے سال GDP کا 0.9% فیصد ثبت تھا۔ لچکدار شرح مبادلہ کے نظام کے تحت 2021 کی پہلی ششماہی میں روپے کی قدر میں اضافے کے بعد دوسری ششماہی میں پاکستانی روپے کی قدر میں 12% فیصد کمی دیکھی گئی۔ اسٹیٹ بینک آف پاکستان کے غیر ملکی زرمبادلہ کے ذخائر دسمبر 2021 کے اختتام پر 17.7 ارب ڈالر (2021 دسمبر 13.4 ارب ڈالر) تک پہنچ گئے۔ ملکی طلب کے ساتھ اشیاء کی بین الاقوامی قیمتوں میں اضافہ افراط زر کو بڑھا رہا ہے، جو سال 2021 کے اختتام پر 12.3 فیصد تک پہنچ گیا تھا۔ مہنگائی کے بڑھتے ہوئے دباؤ اور بڑھتے ہوئے کرنٹ اکاؤنٹ خسارے سے نمٹنے کے لیے، اسٹیٹ بینک آف پاکستان نے ایک سال سے زائد عرصے تک پالیسی ریٹ 7% پر برقرار رکھنے کے بعد ستمبر 2021ء سے اس میں 2.75% کا اضافہ کیا ہے۔

حال ہی میں، پاکستان نے بین الاقوامی مارکیٹ میں ایک ارب امریکی ڈالر کے سکوک جاری کیے اور آئی ایم ایف کے جائزے کی کامیابی سے تکمیل کی۔ جس سے حکومت کو مزید ایک ارب امریکی ڈالر کی رقم مل گئی۔ اس سے شرح مبادلہ پر دباؤ کم ہونے اور کاروباری ماحول میں مزید استحکام آنے کی توقع ہے۔

پاکستانی بینکس شعبہ بینکاری کے موزوں سرمائے (CAR) کی شرح 17.9% کے ساتھ مستحکم رہی اور ستمبر 2021ء کے اختتام پر سرمائے پر منافع کی شرح بعد از ٹیکس (RoE) 13.7% رہی۔ غیر فعال قرضے ستمبر 2021ء کے اختتام پر کم ہو کر 8.8% (ستمبر سال 2020ء کے اختتام پر 9.9%) ہو گئے، جو بہتر قرضہ جاتی ماحول کا عکاس ہے۔

مقصد:

Driving Commerce and Prosperity through our Unique Diversity اسٹینڈرڈ چارٹرڈ کے اساس کا احاطہ کرتی ہے، جسے ہم اپنی بہترین موجودہ صلاحیتوں: ”جداگانہ مقامات پر ہماری موجودگی، تہذیب اور مہارتیں“ شامل ہیں جن کو بروئے کار لاتے ہوئے حقیقی معیشت میں کاروبار کے فروغ کی سہولت بطور بینک باہم پہنچاتے ہیں۔

یہ مقصد ہمارے طرز کار و بار کا عکاس ہے جس میں انسانی پہلو کو ایک خاص اہمیت حاصل ہے۔ ہمارے لیے ترقی کا مقصد صرف مال و دولت کا حصول نہیں بلکہ ایک صحت افزا اور خوشحال معاشرے کے قیام میں معاونت بھی ہے۔ یہ مقصد ایک زیادہ پُر اثر اور فعال ماحول کو بھی تقویت دیتا ہے۔

ہماری حکمت عملی:

ہم نے اپنی حکمت عملی کی ترجیحات کی جانب مثبت پیش رفت جاری رکھی ہوئی ہے۔ ہم نے اپنی حکمت عملی کو موثر بنانے کیلئے چار ترجیحات پر توجہ مرکوز کی ہے۔

ڈائریکٹرز کی رپورٹ

(1) نیٹ ورک

ہمارا عالمی نیٹ ورک ہماری مسابقت کی کلید ہے اور ہمارے صارفین کیلئے ایک امتیازی حیثیت رکھتا ہے۔ ہم اس طاقت کو بروئے کار لاتے ہوئے اور انوویٹو سلویشنز، پروڈکٹ اسپیشلائزیشن اور اسٹرکچر ڈ آف شوریٹیکشن کے ذریعے نیٹ ورک سے متعلقہ آمدنی کو منظم طریقے سے بڑھاتے ہیں۔ ہماری توجہ ہیلت اینڈ روڈ انیشیٹیو اور دیگر تجارتی راہداریوں میں اپنے کلائنٹس کی سہولیات کے ساتھ ساتھ، سوورن، ملٹی نیشنل اور لوکل کارپوریٹ سیکٹر میں مزید فروغ پر ہے۔

(2) متبادل صارفین

ہم اپنے تجربے اور مشوروں کی بنیاد پر اپنے صارفین کا اعتماد حاصل کرتے ہوئے اپنی مضبوط ساکھ کو برقرار رکھتے ہوئے ہیں۔ ہمارے ویلٹھ بزنس کی آمدنی میں 17% تک اضافہ ہوا ہے۔

(3) ماس ریشل

ہم ڈیجیٹل صلاحیتوں میں مسلسل سرمایہ کاری کر رہے ہیں جو ریشل مارکیٹ میں ہماری موجودگی کو نمایاں کرتی ہے۔ اس کی وجہ ہماری ڈیٹا اینالیٹکس اور بہترین ڈیجیٹل سہولیات میں مزید آسانی فراہم کرنا ہے۔ ہمارا ڈیجیٹل ٹرانزیکشن کا پورٹ فولیو، بشمول "ایس سی مو بائل" اپیلیکیشن کے صارفین میں بدستور اضافہ ہو رہا ہے۔ ہم نے حال ہی میں اپنے بینکنگ سسٹم کو ایک جدید پلیٹ فارم پر اپ گریڈ کیا ہے، اور کسٹمر کے تجربے کو بہتر بنانے کیلئے جدید ڈیجیٹل استعداد اور سلویشنز میں بھی سرمایہ کاری کر رہے ہیں۔

(4) سماجی ذمہ داری

ہمارا عزم معاشی سرگرمیوں میں قرضہ جات کی فراہمی کے ساتھ اپنے کاروباری طریقہ عمل کو مد نظر رکھنا ہے۔ ہم اپنے صحیح اقدار، طرز عمل اور بہتر کردار کو فروغ دینے، مالیاتی جرائم اور ماحولیاتی اثرات سے خبردار کرنا ہونے کی صلاحیت میں اضافے پر مسلسل سرمایہ کاری کر رہے ہیں۔ اس کا مقصد اپنے صارفین، کاروباری طبقہ اور حکومت کے ساتھ بہترین روابط استوار کرنا ہے۔ ہم سماجی استحکام میں مزید پیشرفت کیلئے اپنی کوششیں جاری رکھیں گے۔

حکمت عملی کی ان ترجیحات کو تین کلیدی چیزوں کی معاونت حاصل ہے:

(1) لوگ اور ثقافت

ہم اپنے لوگوں میں سرمایہ کاری کرتے ہوئے اپنے ساتھیوں کو وہ مہارتیں فراہم کر رہے ہیں جس سے وہ اہم شعبہ جات میں جدت پیدا کرنے کی صلاحیت اور مہارت حاصل کر سکیں۔

(2) دفتری اطوار میں جدت طرازی

ہم اپنے کام کرنے کے طریقہ کار کو بنیادی طور پر تبدیل کرتے ہوئے ٹائم ٹو مارکیٹ میں تیزی کے ساتھ مزید افادیت حاصل کر رہے ہیں۔

(3) جدت اور ٹیکنالوجی

ہم اپنے کسٹمر کے تجربے کو بہتر بنانے، اپنی آپریشنل کارکردگی کو بڑھانے اور آمدنی کے نئے ذرائع پیدا کرنے کیلئے مزید جدت لا رہے ہیں۔

عملی نتائج اور کاروباری جائزہ:

31 دسمبر 2020 (ملین پاکستانی روپے)

31 دسمبر 2021ء (ملین پاکستانی روپے)

38,716

38,716

81,678

79,605

556,506

626,774

199,753

255,905

178,216

234,173

349,445

450,583

بیلنس شیٹ

ادا کردہ سرمایہ

کل ایکویٹی

ڈپازٹس (جمع شدہ رقم)

قرضہ جات - مجموعی

قرضہ جات - خالص

سرمایہ کاری - خالص

ڈائریکٹرز کی رپورٹ

نفع و نقصان	31 دسمبر 2021ء (ملین پاکستانی روپے)	31 دسمبر 2020ء (ملین پاکستانی روپے)
آمدنی	37,393	40,940
انتظامی اخراجات	11,539	11,879
دیگر نان مارک آپ اخراجات	598	504
کاروباری منافع (غیر فعال مالیات اور سرمایہ کاری کے عوض نقصان اور قبل از ٹیکس)	25,256	28,557
خالص وصولیات/قرضہ جات پر ممکنہ خسارہ	494	4,941
قبل از ٹیکس منافع	24,762	23,616
بعد از ٹیکس منافع	13,728	13,133
فی حصص آمدن (EPS) - روپیہ	3.55	3.39

کوڈ-19 کی غیر یقینی صورتحال کے باوجود، بینک نے 24.8 ارب روپے کے قبل از ٹیکس منافع کے ساتھ ایک مستحکم مالی کارکردگی کا مظاہرہ کیا، جبکہ گزشتہ سال کی تقابلی مدت میں قبل از ٹیکس منافع 23.6 ارب روپے تھا۔ آمدنی 13.5 ارب روپے کی دیکھی گئی ہے جس کی بنیادی وجہ سال 2020 کی دوسری سہ ماہی میں انٹرسٹ ریٹ میں تیزی سے کمی اور مارکیٹ میں اتار چڑھاؤ کے اثرات کا منافع پر ظاہر ہونا ہے۔ انتظامی اخراجات میں گزشتہ سال کے مقابلے میں 3% کی دیکھی گئی جس کی بنیادی وجہ بہترین نظم و نسق اور اچھی کارکردگی ہے۔ مزید برآں 2021 میں غیر فعال قرضوں کی بہتر وصولی اور محتاط طریقے اپنانے کی وجہ سے قرضہ جات کا خسارہ 0.5 ارب روپے رہا جو مقابلہ گاہی عرصے میں 4.9 ارب روپے تھا۔

تمام کاروبار نے صارفین کی آمدن کے بنیادی محرکات میں زبردست ترقی اور نمو کے ساتھ مثبت رفتار جاری رکھی۔ یہ قرضہ جات (ایڈوانسز) میں اضافے سے عیاں ہے، جو کہ سال نو کے آغاز سے 31% بڑھ گئے۔ یہ ہدف بہ ہدف حکمت عملی کا نتیجہ تھا، تاکہ ایک منافع بخش، معیاری اور مستحکم پورٹ فولیو کی تشکیل اور تعمیر ہو۔ پروڈکٹ کے متنوع اساس کے ساتھ بینک اپنے صارفین کی ضروریات کی تکمیل کیلئے پوری طرح آراستہ ہے۔ واجبات (لائبلیٹیز) کے پہلو سے بینک کے مجموعی کھاتوں میں 70 ارب روپے 13% تک کا اضافہ ہوا جبکہ کرنٹ اور سیونگ اکاؤنٹس میں اس سال کے آغاز سے 63 ارب روپے (12% زیادہ) کا اضافہ ہوا ہے جو کہ کل کھاتہ جات کے 92% پر مشتمل ہے۔

2021 سے، ہم نے اپنے موجودہ بزنس یونٹس کو دو نئے طبقات، کارپوریٹ، کمرشل اور انشینیوٹل بینکنگ (CCIB)؛ اور کنزیومر، پرائیویٹ اور بزنس بینکنگ (سی پی بی بی)، میں ضم کر کے اپنی تنظیم کو نئے خطوط پر استوار کیا۔ سی سی بی پی بی کے طبقے کی تخلیق، کارپوریٹ اور انشینیوٹل بینکنگ اور کمرشل بینکنگ کے اشتراک کا مقصد عالمی سطح پر کام کرنے کے انداز کو آسان بنانا ہے ہمارے مخصوص کلائنٹ کی توجہ کو مد نظر رکھتے ہوئے ریجنل ایک کم پیچیدہ تنظیم اور اپنے کلائنٹس اور اسٹیک ہولڈرز کے ساتھ شراکت کیلئے ایک انفرادی ٹیم کے عمل کو یقینی بنانا ہے۔ ہمارے ریٹیل اور بزنس بینکنگ یونٹ اب سی پی بی بی کا حصہ ہیں۔ ان تبدیلیوں سے سی پی بی بی بزنس یونٹ بنائے گا کہ ہماری خدمات مؤثر طریقے سے ہمارے کلائنٹس تک پہنچ سکیں اور مقامی سطح پر اپنے کلائنٹس کی خدمت کرتے ہوئے ایک زیادہ مؤثر عالمی نقطہ نظر رکھ سکیں۔

2021 کے دوران، بینک نے فیڈرل بورڈ آف ریونیو (FBR) کے ایجنٹ کے طور پر آئٹیکس/FED صوبائی سیلز ٹیکس کی مد میں قومی خزانے میں تقریباً 16.9 ارب روپے جمع کرائے۔

بینک اپنے صارفین کو جدید سہولیات سے متعارف کروانے کیلئے اپنی ڈیجیٹل صلاحیتوں اور بنیادی ڈھانچے میں مسلسل سرمایہ کاری کر رہا ہے۔ ہم نے نظام کی بہتری کیلئے اپنے لوگوں کی تربیت، اقدار اور انضباط کی مضبوطی پر خصوصی توجہ دی ہے۔ ہم نے پبلش شیٹ کے استحکام کیلئے دانشمندانہ حکمت عملی اپنائی ہے۔ ہم نے اپنی خصوصی توجہ صارفین کیلئے اعلیٰ معیار کی خدمات فراہم کرنے اور اپنی پروڈکٹ پورٹ فولیو کو بہتر بنانے پر مرکوز کر رکھی ہے۔

ہمارا ڈیجیٹل سفر متعین کردہ راہ پر گامزن ہے اور ہم تمام شعبوں میں سرمایہ کاری اور جدت طرازی جاری رکھے ہوئے ہیں تاکہ صارفین کیلئے خدمات کی فراہمی تسلسل کے ساتھ کی جائے۔

معاشی منظر نامہ:

اگرچہ بیرونی منظر نامہ دشوار ہے۔ ہم توقع کرتے ہیں کہ معیشت مستحکم اور بحالی کی راہ پر گامزن ہوگی۔ معیشت کی بحالی کی رفتار کا انحصار، زرمبادلہ کے ذخائر، جغرافیائی سیاسی ماحول اور اشیاء کی عالمی قیمتوں میں بہتری پر ہوگا۔

نتائج ہمارے مضبوط اور مستحکم کاروباری اصولوں کو ظاہر کرتے ہیں۔ ہمیں مستقبل کی مشکلات کا احساس ہے۔ اس لیے ہم اپنے صارفین اور ملازمین کی مدد کیلئے پُر عزم ہیں اور یقین دلاتے ہیں کہ صارفین کی ضروریات کو مرکزیت حاصل رہے گی۔

ڈائریکٹر کی رپورٹ

انضباط اور کردار پر بنیادوں کو مضبوط کر کے ہم سرمائے اور قوم کی مؤثر نظم کاری کیلئے پوری طرح تیار ہیں۔ یہ محتاط اور فعال اقدامات، بینک کو مزید توانا کر رہے ہیں تاکہ آنے والے مواقعوں سے بھرپور فائدہ حاصل کیا جاسکے۔

سالانہ بیرونی آڈٹ:

اسٹینڈرڈ چارٹرڈ بینک پاکستان لمیٹڈ کے کھاتہ جات کا آڈٹ بینک کے آڈیٹر میسر EY فورڈر ہوڈز، چارٹرڈ اکاؤنٹنٹس نے کیا اور بغیر کسی اختلاف پٹنی رپورٹ پیش کی۔

کریڈٹ ریٹنگ:

2021ء میں پاکستان کریڈیٹ ریٹنگ ایجنسی (PACRA) نے بینک کی بالترتیب "AAA" (ٹرپل اے) اور "A1+" (اے ون پلس) طویل مدتی اور قلیل مدتی درجہ بندی کو برقرار رکھا ہے۔ یہ درجہ بندیاں مالیاتی وعدوں کے بروقت ادائیگی کیلئے مستحکم صلاحیت کا اظہار کرتی ہیں۔

سماجی ذمہ داری:

ملک کے سب سے بڑے بین الاقوامی بینک کی حیثیت سے اسٹینڈرڈ چارٹرڈ، پاکستان کے مالی منظر نامے میں ایک لازمی جزو کی حیثیت رکھتا ہے۔ اپنے اسی نظریے اور معاشی امور میں سرمائے کے استعمال کے ذریعے بینک نے معاشی حوالے سے اپنے پُر خلوص عزم کا اظہار کیا ہے۔ ہم بہتر حکمت عملی کی مدد سے اپنے بزنس، سماج، حکومت اور صارفین کے ساتھ مضبوط تعلقات استوار کرنے کے خواہاں ہیں۔

عالمی طور پر اسٹینڈرڈ چارٹرڈ بینک "سینگ از بلیوٹگ" (SiB) کیلئے قابل گریز مینا بین اور بصارت کی معذوری کے ازالے کی غرض سے 100 ملین ڈالر کا نارگٹ دو سال پہلے ہی حاصل کر لیا ہے۔ پاکستان میں SiB کا سفر واقعی متاثر کن ہے جس سے 12 ملین سے زائد افراد مستفید ہو رہے ہیں۔ ہم نے 500,000 سے زائد بینائی کی بحالی کی سرگرمیوں میں مدد کی ہے 85,000 لیڈی ہیلتھ ورکرز کو تربیت دی ہے اور آنکھوں کی اعطافی مسائل کیلئے پندرہ لاکھ سے زائد بچوں کی اسکریننگ کر چکے ہیں۔ بینک نے کراچی اور لاہور میں موجود اپنے کال سینٹر میں بصارت سے محروم 25 لوگوں کو ملازمت بھی فراہم کی ہے۔

2019ء میں بینک نے اپنے نئی کیونٹی انویسٹمنٹ اسٹریٹیجی "فیوچر میکرز بائی اسٹینڈرڈ چارٹرڈ" کا آغاز کر دیا ہے جس کے ذریعے آئندہ نسل کو سیکھنے، کمانے اور آگے بڑھنے کیلئے اختیار بنایا جا رہا ہے۔ فیوچر میکرز کو عالمی سطح پر متعارف کرانے کا مقصد عدم مساوات و برابری کے مسئلے کا ازالہ کرنا ہے اور وسیع تر معاشی شمولیت کو فروغ دینا ہے۔ ہم کم آمدنی والے گھرانوں سے تعلق رکھنے والے نوجوانوں، خصوصاً لڑکیوں اور بصارت سے محروم افراد کو تعلیم کے حصول، قابل ملازمت ہونے اور کاروباری فرد بننے کے پروگرامز میں حصہ لینے کے مواقع فراہم کرتے ہیں۔ ہم تین گلوبل کیونٹی پروگرامز کے ذریعے فیوچر میکرز فراہم کرتے ہیں۔

ایجوکیشن گولڈ لڑکیوں اور نوجوان خواتین کیلئے بڑی کھیل زندگی کی مہارت کی تعلیم دینے والا ہمارا عالمی تعلیمی پروگرام ہے۔ پاکستان میں اس کی شروعات 2016ء میں کی گئی تھی اور یہ 2021ء میں 22,000 سے زائد لڑکیوں کو بااختیار بنانے کا ہے اور اس وقت یہ کراچی اور اسلام آباد کے 69 سکولز میں پوری سرگرمی سے چلایا جا رہا ہے۔

یوتھ ٹورک ہمارا عالمی روزگار پروگرام ہے جو نوجوانوں کو ملازمت کیلئے تیار ہونے میں مدد فراہم کرتا ہے۔ بینک نے 2020ء میں دولڑکیوں کی خدمات حاصل کی ہیں جو گولڈ پروگرام کے ملازمت کے ماڈیول کا حصہ تھیں۔

انٹرا پرائیور فار گرڈھ ہمارا فروغ کاروبار کا عالمی پروگرام ہے جو ایک انکیوبیٹر میں کاروباری افراد اور خواتین کیلئے ہماری موجودہ مالی تعلیم کی تربیت پر استوار ہے۔ 2019ء میں ہم نے SCWomenInTech پروگرام کا آغاز کیا جس کا مقصد خواتین کو معاشی شمولیت پر مبنی ماحول فراہم کرنا ہے۔ اس پروگرام کا مقصد خواتین کے زیر قیادت کاروباری ٹیم کی تربیت، سرپرستی اور نئے مواقعوں کیلئے مالی اعانت فراہم کرنا ہے۔ یہ پروگرام کاروباری شعبے میں صنفی امتیاز کے خاتمے اور ٹیکنالوجی کے ذریعے کاروبار کا آغاز کرنے یا فروغ دینے کیلئے تیار کیا گیا ہے۔

SCWomenInTech کا مقصد پاکستان میں خواتین کو ان کے منفرد بزنس آئیڈیاز کو مارکیٹ میں لا کر خواتین کی سربراہی میں کاروبار کی نشاندہی اور فروغ میں مدد فراہم کرنا ہے۔

پاکستان میں اس کے آغاز کے بعد سے اب تک 66 کاروبار وسیع تربیت، کوچنگ اور رہنمائی کے سیشنز سے گزر چکے ہیں جن میں سے 19 کاروباروں کو اپنے کاروبار کو مزید بڑھانے کے لیے سیڈ منی دی گئی ہے۔ اس پروگرام کا مقصد جدت طرازی یا ٹیکنالوجی کی قیادت میں انٹر پرائیور شپ کے ذریعے پاکستان میں خواتین کی معاشی اور سماجی ترقی کو فروغ دینا ہے۔

بینک نے 2021ء میں اپنا انگریزی-پریٹور پروجیکٹ شروع کیا۔ یہ منصوبہ پنجاب اور سندھ کے دیہی اور شہری علاقوں میں 1,000 نوجوان خواتین اور مردوں کے ساتھ کام کر رہا ہے۔ جو منافع بخش اور پائیدار زرعی اداروں کے قیام میں مدد دے گا۔ یہ پراجیکٹ نوجوان کاروبار یوں کو مضبوط مقامی صلاحیت کے ساتھ زرعی مصنوعات تیار کرنے اور فروخت کرنے میں مدد کرنے پر توجہ مرکوز کرتا ہے۔

ڈائریکٹرز کی رپورٹ

2019 سے 2023 کے درمیان عالمی سطح پر بیرونی عطیات اور عطیات بذریعہ بینک 50 ملین امریکی ڈالر اکٹھا کرنے کا ہدف مقرر کیا ہے جس کا مقصد ہماری اگلی نسل کو سیکھنے، کمانے اور بڑھنے کے لئے اختیار بنانا ہے۔ پاکستان میں مقامی طور پر اکٹھا کی جانے والی رقم گول پروگرام کے مکمل درآمد کنندہ، "رائٹ ٹو پلے" کو فراہم کیے جائیں گے۔

بینک نے 2021 میں پاکستان میں گوڈرلیف پروجیکٹس کے لئے 150,000 امریکی ڈالر کی امداد فراہم کی ہے۔ اس رقم نے کووڈ-19 کے فوری تدارک کے لئے کام کیا ہے ہم پاکستان میں سرکردہ خبری اداروں اور حکومت کو مدد فراہم کر رہے ہیں تاکہ وہ ضرورت مند افراد کی مدد کر سکیں۔

گرین بینکنگ کے اقدامات:

ہم سماجی، اقتصادی، اور ماحولیاتی/حیاتیاتی تنوع پر زیادہ ذمہ دار بننے کے لیے (صحیح کام کریں) کی مسلسل کوشش کرتے ہیں۔ ذمہ دارانہ بینکنگ فراہم کرنے کے ہمارے عزم کے طور پر ہماری سماجی استحکام کی خواہشات، مستحکم سماجی ترقیاتی اہداف پر عملدرآمد کا نمونہ پیش کرتی ہے جو اقوام متحدہ کے سماجی ترقیاتی اہداف (SDG) کے ساتھ منسلک ہے۔ بینک 2050 تک اپنی فنانسنگ سرگرمیوں سے "نیٹ زیرو" کاربن کے اخراج تک پہنچنے کی کوشش کرے گا۔ جیسا کہ بینک کا مقصد فنانسنگ سرگرمیوں سے وابستہ اخراج کو نیٹ زیرو تک کم کرنا ہے۔ یہ سربراہ اور ٹرانزیشن فنانس کو دستیاب کرنے کے راستے بھی تلاش کر رہا ہے۔ یہ مصارفین کو خالص صفر کاربن اخراج کی راہ پر گامزن کرنے میں مدد کرے گا جبکہ لوگوں اور کمیونٹیز کے لیے منصفانہ منتقلی کے فوائد میں اضافے کا باعث بنے گا۔

بینک متعلقہ ماحولیاتی ضوابط کی تعمیل کرنے اور اپنے کاربن فٹ پرنٹ میں مسلسل کمی کے لیے بہترین طریقوں کو اپنانے کے لیے پرعزم ہے۔ 2021 میں SCB کاربن کے اخراج کو مزید 17% تک کم کرنے میں کامیاب رہا ہے۔ بینک نے ایسے اقدامات کر کے ماحولیات پر اپنے اثرات کو کم کیا ہے جس میں جزیئر کے استعمال کے لیے ماحول دوست اور بائیو ڈیگرڈیبل KM+ اضافہ، زیادہ بجلی استعمال کرنے والے سپلٹ AC کو انورٹرز سے تبدیل کرنا اور ریسیچارج ایبل UPS نیٹریوں پر انحصار بڑھانا شامل ہیں۔

مزید برآں، صاف توانائی کا پرچار کرنے والے طور پر، بینک نے 11 مقامات پر شمسی توانائی کی تنصیب مکمل کی ہے اور دیگر مقامات پر بھی قابل تجدید توانائی کی ذرائع تلاش کر رہا ہے۔ قابل تجدید توانائی کے منصوبے بینک کے مرکزی دفتر میں متعارف کرائے جانے کی توقع ہے۔

لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2019 (دی کوڈ) کے ساتھ مطابقت کا بیان:

تمام لازمی قوانین کی مکمل پاسداری کی جا رہی ہے اور اس کوڈ (ضابطے) میں دیے گئے باقی تمام قواعد سے مجموعی طور پر انحراف نہیں کیا گیا۔ کوڈ کے ساتھ کمپلائنس کا اسٹیٹمنٹ (بیان) اور اس پر آڈیٹرز رپورٹ اس سالانہ رپورٹ کا حصہ ہے۔

اسٹیٹمنٹ برائے اندرونی انضباط اور خطرات سے نمٹنے کا ڈھانچہ:

اسٹینڈرڈ چارٹرڈ بینک (پاکستان) لمیٹڈ کی انتظامیہ موزوں انٹرنل کنٹرول اور طریقہ کار کے نظام کو قائم کرنے اور برقرار رکھنے کی ذمہ دار ہے۔ انٹرنل کنٹرول اور رسک مینجمنٹ فریم ورک سے متعلق انتظامیہ کے بیانات سالانہ رپورٹ کا حصہ ہیں۔

مجموعی انٹرنل کنٹرولز بشمول انٹرنل کنٹرول اور فنانشل رپورٹنگ (آئی سی ایف آر) جیسا کہ انٹرنل کنٹرولز اور رسک مینجمنٹ کی تشخیص و اندازے کی تصدیق بینک کا بورڈ کرتا ہے۔

بورڈ اور اس کی کمیٹیوں کے اجلاس:

بورڈ اور اس کی کمیٹیوں کے اجلاسوں کے انعقاد اور حاضری کی تفصیلات جس میں ڈائریکٹرز/ممبرز نے شرکت کی درج ذیل ہیں:

2021 کے دوران بورڈ آف ڈائریکٹرز (بورڈ) کی پانچ میٹنگز، بورڈ آڈٹ کمیٹی ('BAC') کی چار میٹنگز، بورڈ ہیومن ریسورس اینڈ ریوٹریشن کمیٹی ('RemCd') کی چار میٹنگز، بورڈ رسک کمیٹی ('BRC') کی چار میٹنگز اور بورڈ آئی ٹی کمیٹی ('BITC') کی تین میٹنگز منعقد ہوئیں۔ سال 2021 کیلئے ہر ڈائریکٹر/ممبرز کی حاضری درج ذیل رہی:

ڈائریکٹرز کی رپورٹ

نمبر شمار	ڈائریکٹر کا نام	بورڈ کے اجلاس		بی اے سی کے اجلاس		ریٹیکو کے اجلاس		بی آر سی کے اجلاس		بی آئی ٹی سی کے اجلاس	
		ممبر	حاضری ¹	ممبر	حاضری ¹	ممبر	حاضری ¹	ممبر	حاضری ¹	ممبر	حاضری ¹
	سال کے دوران منعقد ہونے والے اجلاس	5		4		4		4		3	
1	ایجن براؤن	✓	5/5	-	-	-	-	-	-	-	-
2	اسپیڈا کاڈوالا	✓	4/5	-	-	✓	4/4	-	-	-	-
3	توفیق چوہے	✓	5/5	-	-	✓	4/4	✓	4/4	-	-
4	احسان علی ملک	✓	4/5	✓	4/4	-	-	✓	4/4	✓	3/3
5	محمد عبدالرزاق	✓	5/5	✓	4/4	-	-	-	-	✓	3/3
6	آدم لوگ	✓	5/5	✓	4/4	✓	4/4	-	-	-	-
7	ریحان محمد شیخ	✓	5/5	-	-	-	-	✓	4/4	✓	3/3

¹ غیر حاضری کی رخصت ان ڈائریکٹرز/ممبرز کو دی گئی جو کچھ اجلاس میں شریک نہیں ہو سکتے تھے۔

ڈائریکٹرز کی مراعات:

بینک کے پاس اسٹیٹ بینک آف پاکستان کی ہدایات کے مطابق ڈائریکٹرز کے معاوضے ("پالیسی") کیلئے باقاعدہ نظام اور شفاف طریقہ کار ہے۔ پالیسی کی کلیدی خصوصیات یہ ہیں:

- بینک کے آزادانہ ایگزیکٹو ڈائریکٹرز کے ساتھ ساتھ نان ایگزیکٹو ڈائریکٹرز (جو گروپ کے ملازمین نہیں ہیں) وہ بورڈ کے اجلاس میں حاضری کیلئے میٹنگ فیس حاصل کرنے کیلئے اہل ہوں گے۔ اس کی کمیٹی (ز) اور شیئر ہولڈرز اور بورڈ کے چیئر پرسن کا آفس رکھنے کیلئے اور اس کی کمیٹی (ز) کے بھی اہل ہوں گے۔
- آزادانہ ایگزیکٹو ڈائریکٹرز کے ساتھ ساتھ نان ایگزیکٹو ڈائریکٹرز (جو گروپ کے ملازمین نہیں ہیں) کیلئے ٹریولنگ اور لاجنگ اخراجات جو بورڈ کے اجلاس میں شریک ہوتے ہیں یا اس کی کمیٹی (ز) یا شیئر ہولڈرز کے اجلاس میں شریک ہوتے ہیں بینک کی جانب سے برداشت کیے جائیں گے۔
- فیس اسٹرکچر اور فیس کی مقدار کا ہر دو سال بعد جائزہ لیا جائے گا۔ اس کی کوئی ترمیم، بورڈ کے ساتھ ساتھ شیئر ہولڈرز کی جانب سے بھی منظوری کی جائے گی (پہلے یا بعد کی بنیاد پر) اور اس پالیسی کے جزو کی تشکیل کرے گا۔

بورڈ کی جانچ اور تجزیہ:

بورڈ نے اپنی سب کمیٹیز اور انفرادی ڈائریکٹرز کی مجموعی موثریت میں اضافے کی غرض سے ایک موثر مکینزم وضع کیا ہے تاکہ بورڈ کی موثریت کا جائزہ لیا جائے۔ ایک ایکسٹرنل کنسلٹنٹ کی خدمات بورڈ کی سالانہ کارکردگی کی جانچ کیلئے حاصل کی گئی ہیں۔ تمام بورڈ ممبرز سے ان کے سرویز آن لائن مکمل کرنا مطلوب ہے اور جواب دہندہ کی گمنامی اس پورے پروسس کے دوران یقینی بنائی جائے گی تاکہ خیالات کے آزادانہ اور بے تکلف تبادلے کا فروغ ہو۔ سروے کے جامع نتائج چیئر مین کے ساتھ شیئر کیے جائیں گے اور بورڈ کے سامنے رکھے جائیں گے۔ جائزے سے اخذ ہونے والے نتائج بشمول ایکشن پلان بورڈ کی منظوری سے نافذ العمل ہوں گے۔

شیئرز/اسٹاک بروکریج میں لین دین:

ڈائریکٹرز، چیف ایگزیکٹو آفیسر، چیف فنانس آفیسر، ہیڈ آف انٹرنل آڈٹ اور کمیٹی سیکریٹری تصدیق کر چکے ہیں کہ نہ وہ اور نہ ہی ان کے شریک حیات اسٹاک بروکریج کے کاروبار میں ملوث رہے ہیں۔ مزید یہ کہ ڈائریکٹرز، اہم ایگزیکٹو اور ان کے شریک حیات/چھوٹے بچوں کی جانب سے اس سال کے دوران جیسا کہ ان کی جانب سے تصدیق کر دی گئی ہے بینک کے شیئرز میں کوئی لین دین نہیں کیا گیا ہے۔

شیئر ہولڈنگ کا انداز:

پیئرن آف شیئر ہولڈنگ سالانہ رپورٹ کا حصہ ہے۔ 31 دسمبر 2021ء کو، اسٹینڈرڈ چارٹرڈ بینک، UK (ہولڈنگ کمپنی) کے پاس SCBPL کے 98.99% شیئرز تھے۔ ڈائریکٹرز، چیف ایگزیکٹو آفیسر، اور دیگر اہم ایگزیکٹو بینک کے شیئرز (حصص) میں کوئی دلچسپی نہیں رکھتے، سوائے اس کے جو اس پیئرن آف شیئر ہولڈنگ میں ظاہر کر دیے گئے ہیں۔

ڈائریکٹرز کی رپورٹ

پروویڈنٹ، گریجویٹ اور پنشن فنڈز کی اتھسٹیکس کا بیان:

اتھسٹیکس کی مالیت بشمول پروویڈنٹ اور گریجویٹ فنڈز کی جمع شدہ آمدن 31 دسمبر 2021ء کے غیر آڈٹ شدہ اکاؤنٹس کی بنیاد پر درج ذیل ہیں:

000 پاکستانی روپے

2,910,313

1,904,026

91,295

49,885

55,039

پروویڈنٹ فنڈ

منجمنٹ اسٹاف گریجویٹ فنڈ

نان۔ منجمنٹ اسٹاف گریجویٹ فنڈ

منجمنٹ اسٹاف پنشن فنڈ

نان۔ منجمنٹ اسٹاف پنشن فنڈ

ڈیویڈنڈ (منافع منقسمہ)

بینک کے حصص یافتگان کی 16 ویں سالانہ جنرل میٹنگ میں منظوری کیلئے بورڈ آف ڈائریکٹرز نے 17.5% (1.75 روپے فی حصص) کے حتمی نقد منافع کی سفارش کی ہے۔ یہ 12.5% (1.25 روپے فی حصص) عبوری نقد ڈیویڈنڈ کے علاوہ ہے جو سال کے دوران اعلان/ادا کیا گیا۔

بیرونی آڈیٹرز

آڈٹ کمیٹی نے زیمسٹری والی فورڈ رھوڈز، چارٹرڈ اکاؤنٹنٹس کا نام آئندہ مدت کے لیے بینک کے بیرونی آڈیٹرز کے طور پر تجویز کیا ہے۔ بورڈ آف ڈائریکٹرز نے آڈٹ کمیٹی کی تجویز پر ریٹائر ہوئے والے آڈیٹرز زیمسٹری والی فورڈ رھوڈز، چارٹرڈ اکاؤنٹنٹس کو اگلی مدت کے لیے بطور بیرونی آڈیٹرز کے طور پر تجویز کیا ہے۔ ریٹائر ہونے والے آڈیٹرز، اہل ہونے کے ناطے، آئندہ سالانہ اجلاس عام میں دوبارہ تقرری کے لیے خود کو پیش کرتے ہیں۔

جیسا کہ آڈٹ فیس کا تعین منظوری کے مراحل میں ہے، بورڈ آف ڈائریکٹرز نے، بورڈ آڈٹ کمیٹی (BAC) کی سفارش پر، بورڈ آڈٹ کمیٹی کو سال 2022 کے لیے آڈٹ فیس پر گفت و شنید اور اتفاق کرنے کا اختیار دینے کی تجویز پیش کی ہے فیس کا اطلاق آئندہ اجلاس میں بورڈ کی منظوری سے مشروط ہوگا۔

سٹائنش واعتراف

ہم اس موقع پر اپنے صارفین اور کاروباری رفقاء کے کار سے ان کے مسلسل تعاون اور اعتماد کیلئے بھرپور اظہار تشکر کرتے ہیں۔ ہم بینک دولت پاکستان کو ان کی جانب سے اس بینک کی طرف فراہم کی گئی رہنمائی اور اعانت کیلئے اپنا بخالص اعتراف پیش کرتے ہیں۔ آخر میں ہم اپنے تمام وابستگان، عملے اور ساتھیوں کے شکر گزار ہیں جنہوں نے ہمارے محرز صارفین کیلئے گراں قدر خدمات انجام دیں۔

منجانب بورڈ

احسان علی ملک
ڈائریکٹر

ریحان محمد شیخ
چیف ایگزیکٹو آفیسر
کراچی: 17 فروری 2022

Management's Statements on Internal Controls and Risk Management Framework

The following statements are made by the management to meet the requirements of the State Bank of Pakistan (SBP) BSD Circular Letter No. 2 of 2005 and BSD Circular Letter No. 3 of 2005.

Internal Controls

1. Management of Standard Chartered Bank (Pakistan) Limited (the Bank or SCBPL) is responsible for establishing and maintaining a sound system of internal controls aimed at achieving the following objectives of the Bank:
 - Efficiency and effectiveness of operations
 - Compliance with applicable laws and regulations
 - Reliability of financial reporting
2. Management has adopted different strategies to ensure effective monitoring and improvement of internal controls. These include Enterprise Risk Management Framework (ERMF) and Internal Audit in which assurance responsibilities are divided into three lines of defense i.e. the business function, control functions independent of the business function and Group Internal Audit.
3. The policies and procedures in all significant areas, and as per the directives of the regulators, have been duly approved by the Board.
4. The Board ensures that the external auditors interact with the Audit Committee and present their Management Letter to the Board directly.
5. An organization structure has been established which supports clear lines of communication and tiered levels of authority with accountability.
6. The Bank has an effective Internal Audit function, which reports directly to the Audit Committee of the Board. The function periodically carries out detailed reviews / audits of its branches and various departments / units based on a yearly plan which is approved by the Audit Committee.
7. Internal control policies, tools and reporting structures have been enhanced to provide greater clarity over roles and responsibilities. Relevant training materials are updated on a going basis and staff members are provided training commensurate to their job roles and responsibilities.
8. Management gives due consideration to the recommendations made by the internal and external auditors for improvements in the internal control system and act to implement such recommendations.
9. Management has also put in place evaluation and approval procedures for major capital expenditure and other transactions.
10. There is an annual budgeting and strategic planning process. Financial forecasts are reviewed during the year on a periodic basis to reflect significant changes in business environment. Regular reporting and monitoring of financial performance of the departments and the Bank as a whole, using operating statistics and monthly management accounts which highlight key performance indicators and variance from budgets and forecasts is in place.
11. Review and implementation of health, safety, environment and contingency management processes and other significant policies are carried out and reporting mechanism is in place.
12. SCBPL maintains a system of Internal Controls over Financial Reporting (ICFR), which is designed to provide reasonable assurance to the Bank's management and Board of Directors regarding the preparation of reliable published financial statements. The system contains self-monitoring mechanisms, and corrective actions are taken to remediate deficiencies as these are identified. Management acknowledges that an effective internal control system, no matter how well designed, has inherent limitations and therefore can provide only reasonable assurance with respect to achievement of the system's objectives. The Bank has documented a comprehensive ICFR Governance Framework which has been approved by the Board of Directors.

Update and review of ICFR system for the year 2021 as per SBP Guidelines on Internal Controls has been successfully completed and the Annual Assessment Report for the year 2021 is in finalization stage. SCBPL is fully committed to making continuous efforts to improve the internal control system during 2021.

Management's Statements on Internal Controls and Risk Management Framework

Enterprise Risk Management Framework

The Bank has put in place an Enterprise Risk Management Framework (ERMF), to implement the guidelines and regulations, related to Risk Management. The ERMF sets out the principles and standards for risk management across the Bank which includes:

- Risk Culture: A healthy risk culture to identify and assess current and future risks, to openly discuss and take prompt actions.
- Strategic Risk Management: The approach followed by the Bank ensures that the strategy and corporate plans are aligned with the Bank's risk framework and risk appetite.
- Conduct Risk Management: The approach followed by the Bank ensures Conduct Risk is always considered when making material strategic decisions that may impact clients, investors, shareholders, counterparties, employees, markets, and competition.
- Principal Risks: There are nine principal risks which are managed through distinct Risk Type Frameworks (RPTs). These include Credit, Traded, Capital & Liquidity, Operational and Technology, Model, Reputational and Sustainability, Compliance, Information & Cyber Security and Financial Crime. These risks are embedded in the Bank's strategy and business models.
- Risk Appetite: The Bank reviews and sets its risk appetite annually through a structured process. Risk appetite determines the maximum amount of risk the Bank is willing to assume in pursuit of its strategy while remaining within its risk capacity.
- Role and Responsibilities: The framework also defines the responsibilities of the first line, second line and the third line for effective internal control.

The ultimate responsibility for the oversight of risk management function rests with the Bank's Board of Directors and the Board Risk Committee (BRC). Acting within the authority delegated by the Board, the Executive Committee (EXCO) has appointed the Executive Risk Committee (ERC) and the Asset and Liability Committee (ALCO), for effective Risk Management. There are various other risk related committees and forums at the management level. These include Approvals Committee, Country Financial Crime Risk Committee, Credit Issue Committee, Compliance and Conduct Management Committee (CCMC), IT Steering Committee etc.

ERC is chaired by the Country Chief Risk Officer (CCRO), through authority delegated by the Board via the Bank's EXCO.

The overall responsibility to ensure that the risks are managed adequately, rests with the CCRO through the oversight function. The CCRO is supported by a team of competent and experienced managers, including Senior Credit Officer responsible for credit risk in Corporate/ Commercial and Investment Banking (CCIB) businesses, Country Credit Head – CPBB is responsible for credit risk management of Consumer and Retail Banking including Collections and Recoveries, Head of Group Special Assets Management in charge for management of non-performing accounts, Head of Market and Head of Liquidity Risk units responsible for risks associated with price movements, changes in interest rates, exchange rate movements, capital adequacy, overseeing the liquidity position etc. CCRO also holds the role of Country Head of Operational Risk and is responsible for overseeing the operational risk from second line perspective through a dedicated Operational Risk team.

The Bank has established policies, procedures, standards, product programs etc. and has provided the Risk teams adequate support by way of systems and tools for identification, measurement, monitoring, controlling, and reporting of all types of risks.

Following are the important areas of the risk management function within the Bank:

Credit Risk

Credit Risk is defined as the "potential for loss due to the failure of a counterparty to meet its agreed obligations to pay the Bank". The credit risk management process is driven by the Bank's Enterprise Risk Management Framework including two credit risk type frameworks covering Corporate, Commercial and Institutional Banking (CCIB) and Consumer, Private & Business Banking (CPBB) Credit.

The CCIB Credit Risk Type Framework (CRTF) sets out the overall risk management approach for Credit Risk of these business segments. The Credit Risk Framework is built on a risk-based approach, meaning the risk management plans,

Management's Statements on Internal Controls and Risk Management Framework

processes, activities, and resource allocations are in accordance to the level of risk. The framework considers processes and tools that are forward-looking – which are repeatable, sustainable and anticipate future needs. The First Line, which are the lines of business and functions engaged in or supporting revenue generating activities gives due consideration to the apparent Credit Risk at the point of the strategic choices and/or decision making.

The BRC and ERC are responsible to oversee the implementation of the Bank's credit risk management frameworks and Risk Appetite Mandate of the Bank. The committees ensure that the risk exposures for all types of risk across the Bank remain within the overall risk appetite and mandate.

Lending to counterparties is subject to a robust credit assessment that includes (but not limited to) evaluation of the client's credit quality including willingness, ability and capacity to pay. Suitability and appropriateness assessment are completed for all counterparties to ensure only credit products / facilities which are appropriate to the nature and scale of the counterparty's business are provided.

For CPBB Credit Risk, the approach is to support the delivery of optimum risk adjusted returns, with controlled volatility, and within overall risk appetite. Furthermore, the scores cards are used to support the balanced growth of the Unsecured Portfolio.

There is a clearly articulated policy with established procedures for taking adequate Loan Impairments, Settlements, Waivers and Write offs of portfolio when the delinquencies are identified. The account managers closely watch the downgraded portfolio and initially try to recover through cash flows. As a last resort the sale of collateral through judicial process is exercised.

Credit Documentation Team is responsible to carry out Business Credit Application (BCA) Review, Documentation Preparation and Checking, Issuance of Security Compliance Certificate (SCC), Monitoring of Documents and Circulation of credit related reports including Early Alert Accounts.

Traded Risk

The Bank has adopted the Traded Risk Type Framework which sets out the overall risk management approach for Traded Risk. Traded Risk is defined as: "Potential for loss resulting from activities undertaken by the Bank in financial markets".

Under the Traded Risk Type Framework, the Bank recognizes three risk subtypes:

- 1) Market risk, as the "Potential for loss of economic value due to adverse changes in the financial markets rates or prices". Market Risk exposures arise primarily from interest rate movements and foreign exchange related contracts. The Bank does not have significant exposure to equity and commodity price risk.
- 2) Counterparty Credit Risk as "Potential for loss in the event of the default of a derivative counterparty, after taking into account the value of eligible collaterals and risk mitigation techniques".
- 3) Issuer Risk as "Potential for loss in the event of the default of an issuer of marketable securities, including underwriting risk."

Traded Risk Management (TRM) function performs market risk management activities for the Bank. Market risk limits are proposed by TRM after discussion with relevant businesses and are reviewed twice a year. Under the framework, authority for setting market risk limits is delegated to the local risk committee i.e. ERC, Approvals Committee and the CCRO. Overall risk appetite is set by the Board in terms of Value at Risk (VaR) and Stress Loss Trigger.

Bank measures the risk of losses arising from future potential adverse movements in market rates, prices and volatilities using a VaR methodology. The Bank uses historical simulation approach to measure VaR which is complemented by weekly stress testing of Market Risk exposures to highlight the potential risk that may arise from extreme market events that are deemed rare but plausible. Sensitivity measures are also used in addition to VaR & stress testing as risk management tools.

Any excess in limits results in escalation to senior management, with the level of escalation depending upon nature of excess. These limits are monitored daily as part of daily risk reporting. The BRC Committee and the ERC provide primary oversight for Traded Risk.

Capital and Liquidity Risk

Capital risk is the potential for insufficient level or composition of capital to support the Bank's activities. Capital risk appetite is split into stress risk appetite and business-as-usual risk appetite metrics. The Bank manages its demand for capital by

Management's Statements on Internal Controls and Risk Management Framework

regular monitoring of capital requirements and asset exposures. The Bank's ALCO monitors Risk Weighted Assets (RWA) growth and provides guidance for RWA management, capital structure and maintenance of capital adequacy ratio.

Liquidity and Funding Risk is the risk that Bank may not have sufficient stable or diverse sources of funding or financial resources to meet obligations as they fall due.

A range of tools are used for the management of liquidity. Tools for structural liquidity comprise of commitment and wholesale borrowing guidelines, key balance sheet ratios, and medium-term funding requirements whereas short-term liquidity tools include day to day monitoring of future cash flows and liquidity stress tests using various behavioral and rollover assumptions. The Bank also maintains significant levels of marketable securities either for compliance with local statutory requirements or as prudential investments of surplus funds.

In addition, the Bank has prepared a Country Recovery Plan which is a live document by which the Country ensures that it can recover its financial position in the event of an extreme but plausible liquidity and/or solvency stress. The Bank has set Recovery Indicators (RIs) capable of acting as early warning indicators of a liquidity and/or solvency stress which meet applicable regulations (where relevant). The RIs are designed to cover all aspects of the Country's business model and incorporate capital, liquidity, market, profitability, asset quality, macroeconomic indicators and reputational risk.

"Interest Rate Risk in the Banking Book" is the potential for a reduction in earnings or economic value due to movements in interest rates on banking book assets, liabilities, and off-balance sheet items. This risk arises from differences in the repricing profile, interest rate basis, and optionality of these exposures.

Liquidity, Capital & Interest Rate Risk in the banking book is governed by Capital & Liquidity Risk Type Framework. ALCO, chaired by CEO, is responsible for ensuring that all these risks are managed effectively.

Operational Risk

Operational Risk is defined as the "Potential for loss from inadequate or failed internal processes, technology events, human error, or from the impact of external events (including legal risks)".

The policy is mapped to the Operational & Technology Risk Type Framework (O&T RTF) and applies to all Principal Risk Types, and to the entire organization. It is implemented in all business segments and functions.

The (O&T RTF) sets out the approach for management of operational risk as well as the roles and responsibilities of the various stakeholders. In accordance with the framework, business segments and functions are accountable for the day to day management of business activities and to manage the operational risks that arises from these activities. The independent risk management and Subject Matter Experts challenge, guide, and provide oversight over the business activities. Existing and future levels of Operational Risk must be maintained within the approved Risk Appetite of the Bank.

The Bank has a system in place, namely M7, that is utilized for the recording of operational losses, monitoring of controls, risks and associated mitigating actions pertinent to operational risk.

The ERC has oversight function over operational risk. The committee has the authority to take a view on the significance of risks and to direct appropriate actions. Depending on the significance of risks, the issues are tabled at ERC.

Disaster recovery procedures, business contingency planning and internal audits also form an integral part of the operational risk management process.

Reputational and Sustainability Risk

The Bank has adopted the Reputational and Sustainability (R&S) Risk Type Framework which sets out the overall risk management approach for Reputational and Sustainability. R&S Risk is defined as the "potential for damage to the franchise (such as loss of trust, earnings or market capitalization) because of stakeholders taking a negative view through actual or perceived actions or inactions – including a failure to uphold responsible business conduct or lapses in our commitment to do no significant environmental and social harm through our client and third-party relationships or our own operations.

At the country level, the CCRO provides independent oversight and challenge on matters related to Reputational and Sustainability.

Management's Statements on Internal Controls and Risk Management Framework

Model Risk

The Bank has adopted the Model Risk Type Framework which sets out the overall risk management approach. Model Risk is defined as the "potential loss that may occur as a consequence of decisions or the risk of mis-estimation that could be principally based on the output of models due to errors in the development, implementation, or use of such models". An important source of model risk is the inherent uncertainty in all model outputs, and may arise from uncertainty in parameter estimates, limited statistics, or uncertainty in model choices.

Country Risk

Country Risk management is an Overarching risk and is an integral component of Enterprise Risk Management Framework (ERMF).

Country Risk Limits & Exposures

- i. Local Currency Risk (LCR): Potential losses on local currency obligations arising from operating in a volatile domestic economic and political environment.
- ii. Transfer & Convertibility Risk (TCR): Potential losses on cross-border or foreign currency obligations arising from the possibility that a government is unable or unwilling to make foreign currency available for remittance out of the country.
- iii. Gross Country Risk (GCR): Potential for losses due to political or economic events in a country. GCR is defined as the sum of TCR and LCR exposures.

Country CEOs & Delegate to monitor Country Risk exposures through the Executive Risk Committees respectively.

Businesses are responsible for monitoring country risk exposures. Over and above CCRO provide oversight on Country Risk exposures through the ERC and CEO Office also monitors utilization of limits and ensures remediation of any limit breaches.

Compliance Risk

Compliance Risk refers to the risk of legal or regulatory sanctions, material financial loss, or loss to reputation a Financial Institute may suffer as a result of its failure to comply with laws, regulations, rules, related self-regulatory organization standards, and codes of conduct applicable to its banking activities. Compliance with applicable laws and regulations and related policies and standards is the responsibility of all bank staff. Compliance Risk Type Framework (CRF) outlines the overall Compliance risk management approach for the Group, internal and external stakeholders; and defining risk management approach with a specific focus on areas of laws and regulations for which Compliance is the Second Line of Defence. Locally, the Bank has adopted the SBP Guidelines on Compliance Risk Management to ensure adherence with the regulatory obligations. Management has established Compliance & Conduct Management Committee to maintain robust governance and oversight on the relevant risks in line with the regulatory requirements and strategic priorities of the franchise. Further, all the material risks, issues and findings from regulator, GIA and external auditors are tracked and addressed on priority by the management and a detailed update is presented to the Board Audit, Risk Committees as well as Board of Directors, who ensured that management has taken the appropriate actions and has put in place a system to minimize repetition with an aim to build sustainable controls environment.

Conduct Risk

The Conduct Risk has been elevated to be an integral part of the Enterprise Risk Management Framework (ERMF), focusing on the two key components, Institutional Conduct, and Individual Behavior. Conduct Risk is viewed through the lens of whether the Group is delivering the required Conduct Outcomes through the Group's risk management framework (the ERMF and PRTs) and the Group Code of Conduct. The Conduct Risk is governed and monitored through the CCMC and tracked via Country Conduct Plan. This Plan is developed post extensive deliberations and discussions by Country's Management Team. The objective is to formulate a plan that should highlight the key Conduct Risks that are inherent in business and for each of the risks identified, appropriate remediation action, enhancements to the control environment, responsible action owners and timeframes for resolution be clearly identified and agreed upon. An update on Conduct Risk is part of the agenda for Board Audit and Risk Committee as well as to Board of Directors to ensure management has taken required actions to drive the conduct agenda in country's business.

Financial Crime Compliance Risk

The Financial Crime Risk Type Framework (FCRTF) sets out the overall risk management approach to FCRTF as a Principal Risk Type (PRT). Financial Crime Risk is defined as the "potential for legal or regulatory penalties, material financial loss or

Management's Statements on Internal Controls and Risk Management Framework

reputational damage resulting from the failure to comply with applicable laws and regulations relating to International Sanctions, Anti-Money Laundering and Anti-Bribery and Corruption, and Fraud. This has been designed to set minimum standards to adhere to the local and international regulatory authorities' related Guidelines. The Bank has established Financial Crime Risk Committee (FCRC), management forum to maintain rigorous oversight and monitoring of related risks in the business. Further, all the material risks, issues and findings from regulator, internal and external auditors are tracked and addressed on priority by the management and a detailed update is presented to the Board Audit and Risk Committees as well as Board of Directors, who ensure that management has taken the appropriate actions and has put in place a system to minimize repetition with an aim to build sustainable controls environment.

Information and Cyber Security Risk

The Bank defines Information and Cyber Security Risk as potential for loss from a breach of confidentiality, integrity or availability of bank's information system and assets through cyber-attack, insider activity, error or control failure. The Bank seeks to avoid risk and uncertainty for its information assets and systems and has a low appetite for material incidents affecting wider operations and reputation of the bank. Information and Cyber Security Risk is managed through a structured framework (i.e. Information and Cyber Security Risk Type Framework – also referred as 'ICS RFT') comprising of a risk assessment methodology and supporting policies, procedures including threat led assessment and standards which are aligned to industry and global best practice models, and roles and responsibilities for first, second and third lines of defense are defined under the framework. The ICS RTF sets out the overall risk management approach for ICS within the Bank and at the heart of the ICS RTF is the Group Information and Cyber Security Policy (ICS Policy) which defines the controls which must be embedded into all parts of the business. ICS Policy and Standards define control requirements for the management of ICS Risk by the first line and the ICS Risk Categories (risk sub types) have been defined to help articulate the impact of ICS risks to the business and control requirements for the management of ICS Risk. The Bank has also established a mechanism to monitor & report Risk Appetite and the adherence to ICS RA is monitored and reported monthly through the RA Monitoring Information (RAMI) and Risk Information Report (RIR). Stress Testing of technical controls relating to Information and Cyber Security risk are performed. The bank also has Information and Cyber Security Awareness program that ensures staff is aware of how to work within the policy responsibilities. The program includes the bank's mandatory information and Cyber Security e-learning course, Information Security Champions initiatives and targeted awareness campaigns. This is monitored through governance committee such as ICS Working Group, Executive Risk Committee (ERC) and IT Steering Committee.

By order of the Board



Rehan M. Shaikh
Chief Executive Officer

Karachi: 17th February 2022

Report of Shari'ah Board

For the year ended 31 December 2021

بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ
الحمد لله رب العالمين، والصلاة والسلام على سيدنا محمد وعلى آله وصحبه أجمعين، وبعد

ALL PRAISE BE TO ALLAH, THE LORD OF ALL THE WORLDS AND BLESSINGS ON OUR MASTER, PROPHET MUHAMMAD (PEACE BE UPON HIM) AND ALL HIS FAMILY AND ALL HIS COMPANIONS.

By the grace of Allah Almighty, Saadiq, Standard Chartered Bank (Pakistan) Limited (the Bank) has completed its eighteenth year of the successful Islamic banking operation. As a requirement of the Shariah Governance Framework (SGF) State Bank of Pakistan (IBD SBP), the purpose of this report is to provide opinion of the Shariah Board (SB) on the overall Shariah compliance environment of the Bank's Islamic banking business and operations.

During the year and as per the regulatory requirements, the SB conducted four meetings and has reviewed, provided opinions and approved different products, country addendums, department operating instructions, transactions, process notes, Shariah compliance review reports and Shariah audit reports. The SB and BOD also met twice this year to have a detailed briefing on Shariah compliance environment and provided some recommendations for further improvement where required.

Following is an overview for the year 2021:

Islamic Business Review

During the year under review, the Bank primarily used Islamic financings modes of Musharakah, Diminishing Musharakah, Murabahah, Commodity Murabaha & Musawamah to meet the customers' financial need in a Shariah compliant manner. At the close of the year ended December 31, 2021, the Bank had Islamic financing and investment/placement of Rs 83 billion.

On the liability side, the Bank had total Islamic deposits of Rs 60.4 billion in Saving Accounts, Term Accounts, Current and other Accounts by end of the year.

Shariah Compliance Department

The Shariah Compliance Department (SCD) is working under the guidance of the Resident Shariah Board Member and SB to perform its roles and responsibilities as covered in the SGF.

During the year under review, Shariah compliance team conducted Islamic Banking reviews of different businesses and functions on a sample basis. The review included Islamic Retail Banking, Islamic Corporate Commercial & Institutional Banking (CCIB), & Islamic Treasury, Personal Finance (CM), Profit & Loss Distribution, Islamic Branches & Islamic Banking Windows.

Further, SCD also engaged in facilitating Learning Department and other stakeholders in Islamic banking trainings and development of learning modules.

Shariah Audit

During the year, Internal Shariah Audit Unit (ISAU) has conducted Audits of Shariah Asset Products, Pakistan, Shariah profit and loss distribution (Q4, 2020, Q1,Q2 and Q3 2021), Saadiq Personal Finance (Q1, Q2 and Q3 2021) and Review of Mortgage Subsidy under Mera Pakistan Mera Ghar (Q1,Q2, Q3 and Q4 2021).

Charity Amounts

The opening balance of the charity fund on January 01, 2021 was PKR 10.1 million. During the year, an amount

Report of Shari'ah Board

For the year ended 31 December 2021

of Rs. 3.3 million has been added to charity account which includes income purification i.e. 0.2 million & delayed payment 3.11 million received from customers in default or overdue cases etc. Further, charity amount of Rs. 4 million has been disbursed to different approved charitable and social welfare institutions. The remaining 9.8 million charity amount is in process to be paid to the charitable institutions.

Training and Capacity Building

During the year, all Bank staff completed multiple trainings on Islamic banking via different mode of channels include virtual classroom(VILT), webinars & digital Online e-learning's followed by e-assessments, approximately 7000 trainings on Islamic Banking product and services were tagged and conducted during the year for all bank staff. In addition, sessions on the Shariah Non Compliance Framework were also arranged for the Board of Directors and Executive Committee of the Bank.

Shariah Board's Opinion:

As per the Shariah Governance Framework, the Board of Directors and Executive Management are solely responsible to ensure that the operations of the Bank are conducted in a manner that comply with Shariah principles at all times, while, we are required to submit a report on the overall Shariah compliance environment of the Bank.

To establish our opinion as expressed in this report, we have reviewed the reports of Shariah compliance department, internal and external Shariah audit.

Based on the above, we are of the view that:

1. The Bank has by and in large complied with the Shariah rules and principles provided in light of the fatawa, rulings and guidelines issued by the Shariah Board.
2. The Bank has complied with the directives, regulations, instructions and guidelines related to Shariah compliance issued by State Bank of Pakistan (SBP) in accordance with the rulings of SBP's Shariah advisory committee.
3. During the review period, any matter requiring corrective measures has been noted and resolved by the management and/or ensured to be rectified in future. Subject to the foregoing, the Bank has a comprehensive mechanism in place to ensure Shariah compliance in their overall Islamic operations.
4. The Bank has a well-defined system in place which is sound enough to ensure that any earnings realized from sources or by means prohibited by Shariah have been credited to charity account and are being properly utilized for charitable purposes.
5. The Bank has adequately complied with the SBP instructions on profit and loss distribution and pool management.
6. Learning & Development department in coordination with Shariah compliance department and other stakeholders have arranged various Islamic Banking training and development sessions for capacity building of staff and is in continuous process to enhance and develop Islamic banking learning environment and to build the importance of Shariah compliance in the products and processes of the Bank.
7. The Shariah Board has been provided resources enabling it to discharge its duties. However, considering the increase in volume of the work, additional resource in Shariah department will further strengthen the Shariah compliance function in the Bank.

The SB appreciates the vision/support of the BOD and Management for promoting the Islamic Banking products and services through various channels including digital channel.

Report of Shari'ah Board

For the year ended 31 December 2021

Recommendations:

Based on the above, we recommend that:

1. The Bank should continue its efforts to leverage its innovative technology and digitization to evolve a sustainable and resilient system to grow Islamic banking business in line with the SBP strategic plan and vision for IBI.
2. The bank Should continue its efforts in enhancing pool management system to reduce manual activities to the extent possible in order to ensure shariah compliance in Islamic Banking business, product and services.
3. The Bank should continue to arrange awareness sessions/socialize new regulations pertaining to Islamic Banking with relevant executives/staff to ensure its effective implementation.

And Allah Subhanah wa Ta'ala knows the Best.

May Allah Subhanah wa Ta'ala accept our endeavours and grant us devotion to accomplish His cherished tasks, make us successful in this world and in the hereafter, and forgive our mistakes. Ameen



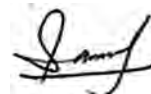
Dr. Nizam Yaqouby
Chairman Shariah Board



Mufti Muhammad Abdul Mubeen
Member Shariah Board



Dr. Mufti Irshad Ahmad Aijaz
Member Shariah Board



Mufti Muhammad Sarfraz Nihal
Resident Shariah Board Member

Dated: February 10, 2022 | Rajab 09, 1443 A.H.

شریعی بورڈ رپورٹ

برائے سال 31 دسمبر 2021

بسم اللہ الرحمن الرحیم

الحمد للہ رب العالمین، والصلوٰۃ والسلام علی سیدنا محمد وعلیٰ آلہ وصحبہ أجمعین، وبعد

تمام تعریفیں اللہ تبارک و تعالیٰ کیلئے جو تمام جہانوں کا رب ہے اور رحمتیں نازل ہوں ہمارے آقا محمد صلی اللہ علیہ وسلم اور ان کے تمام اہل و عیال اور تمام صحابہ کرام پر۔

الحمد للہ! صادق، اسٹینڈرڈ چارٹرڈ بینک (پاکستان) لمیٹڈ نے کامیاب اسلامک بینکنگ آپریشنز کا اٹھارواں سال مکمل کر لیا ہے۔ اسٹیٹ بینک آف پاکستان کے اسلامک بینکنگ ڈپارٹمنٹ (IBD SBP) کے شریعہ گورننس فریم ورک (SGF) کی شرائط کے مطابق، اس رپورٹ کا مقصد بینک کے اسلامک بینکنگ اور آپریشنز کی شریعہ کمپلائنس کی مجموعی صورتحال پر شریعہ بورڈ (SB) کی رائے فراہم کرنا ہے۔

سال کے دوران شریعہ بورڈ نے ریگولیٹری ضروریات کے تحت مختلف پروڈکٹس، ملکی قیموں، ڈپازٹمنٹ آپریشنز، انٹرنیشنل ٹرانزیکشنز، پریسیس ٹوکس، شریعہ کمپلائنس اور شریعہ آڈٹ رپورٹس کا جائزہ لینے، ان پر اپنی رائے دینے اور ان کی منظوری کیلئے چاراجا اس منعقد کئے۔ اس سال شریعہ بورڈ نے بورڈ آف ڈائریکٹرز کے ساتھ معمول کی دو ملاقاتیں کیں، جس کا مقصد شریعہ کمپلائنس کی مجموعی صورتحال کی تفصیلی وضاحت اور اس میں (جہاں ضرورت ہو) بہتری لانے کیلئے تجاویز پیش کرنا تھا۔

سال 2021 کا جائزہ مندرجہ ذیل ہے:

اسلامی کاروبار کا جائزہ

زیر جائزہ سال کے دوران، بینک نے صارفین کی مالی ضروریات کو شرعی طور پر پورا کرنے کیلئے بنیادی طور پر اسلامی فنانسنگ کے طریقوں، مشارک، شریعت متناقص، مراہجہ، کموڈٹی مراہجہ اور مساومہ کا استعمال کیا۔ 31 دسمبر 2021 کے اختتام پر، بینک کی مجموعی اسلامک فنانسنگ اور انویسٹمنٹ / پلمینٹ منٹ 84 بلین روپے تھی۔

واجبات کے لحاظ سے، بینک کے پاس سال کے آخر تک سیونگز کا وٹمنس، ٹرم اکاؤنٹس، کرنٹ اور دیگر اکاؤنٹس میں کل 60.4 بلین روپے کے اسلامی ڈپازٹس تھے۔

شریعی کمپلائنس ڈپارٹمنٹ

شریعی کمپلائنس ڈپارٹمنٹ (SCD)، ریویڈنٹ شریعی بورڈ ممبر اور شریعی بورڈ کی رہنمائی میں کام کر رہا ہے تاکہ شریعی گورننس فریم ورک کے تحت اپنا کردار اور ذمہ داریاں نبھائے۔

زیر جائزہ سال کے دوران شریعی کمپلائنس ٹیم نے آزمائشی جانچ کی بنیادوں پر اسلامک بینکنگ کے کئی شعبوں کا جائزہ لیا۔ اس جائزے میں اسلامک رینیل بینکنگ، اسلامک کارپوریٹ کنٹرول اور اسٹینڈیونٹل بینکنگ (CCIB) اور اسلامک ٹریڈری، پرسنل فنانس (CM)، نفع و نقصان کی تقسیم، اسلامک برانچز اور اسلامک بینکنگ ونڈوز شامل تھے۔

مزید برآں، شریعی کمپلائنس ڈپارٹمنٹ نے اسلامک بینکنگ فریگنڈ اور لرننگ ماڈیولز بنانے میں لرننگ ڈپارٹمنٹ اور دیگر اسٹیک ہولڈرز کی مدد بھی کی۔

شریعی آڈٹ

ردوال سال انٹرنل شریعی آڈٹ یونٹ (ISAU) نے شریعی ایسٹ پروڈکٹس پاکستان، نفع و نقصان کی تقسیم (Q1، Q2، Q3 اور Q4 2021)، صادق پرسنل فنانس (Q1، Q2، Q3 اور Q4 2021) کا آڈٹ کیا اور میرا پاکستان میرا گھر کے تحت مارکیٹ سسڈی (Q1، Q2، Q3 اور Q4 2021) کا جائزہ بھی لیا ہے۔

شریعہ بورڈ رپورٹ

چیریٹی ماؤنٹس (خیراتی رقوم)

کیم جنوری 2021 کو چیریٹی فنڈ کا ابتدائی بیلنس 10.5 ملین روپے تھا۔ سال کے دوران 3.3 ملین روپے چیریٹی اکاؤنٹ میں جمع ہوئے جس سے آمدن میں نامناسب حصے کو الگ کرنے کی مدد میں 0.2 ملین روپے اور کسٹمر کی کوتاہی یا تاخیر سے ادائیگی کے باعث حاصل ہونے والے 3.11 ملین روپے وغیرہ شامل تھے۔ مزید یہ کہ مختلف منظور شدہ خیراتی اور سماجی بہبود کے اداروں کو 4 ملین روپے کی خیراتی رقم فراہم کی گئی۔ بقیہ 9.8 ملین روپے کی خیراتی رقم خیراتی اداروں کو ادا کرنے کا عمل جاری ہے۔

ٹریڈنگ اور صلاحیتوں میں اضافے کی کاوشیں

سال کے دوران، بینک کے متعلقہ عملے نے مختلف چیلنجز اور پینل کلاس روم (VILT)، ویبینارز اور ڈیجیٹل آن لائن ای لرننگ کے ذریعے اسلامی بینکاری کے بارے میں متعدد ٹریڈنگ مکمل کیں جس کے بعد ای سیٹمنٹس ہوئے۔ بینک کے تمام عملے کیلئے سال کے دوران اسلامی بینکنگ پروڈکٹ اور خدمات کے بارے میں تقریباً 7000 ٹریٹمنٹس کا انعقاد کیا گیا۔ اس کے علاوہ، بینک کے بورڈ آف ڈائریکٹرز اور ایگزیکٹو کمیٹی کیلئے شریعہ ناں کمپلائنس فریم ورک پر سیشنز کا بھی اہتمام کیا گیا۔

شریعہ بورڈ کی رائے:

شریعہ گورننس فریم ورک کے مطابق بینک کے آپریشنز کو شرعی قوانین کے مطابق چلانا بورڈ آف ڈائریکٹرز اور ایگزیکٹو مینجمنٹ کی ذمہ داری ہے جبکہ ہمارے لئے بینک کے مجموعی شرعی اصولوں کے مطابق ہونے پر ایک رپورٹ پیش کرنا مطلوب ہے۔

اس رپورٹ میں بیان کی گئی اپنی رائے کو قائم کرنے کیلئے ہم نے شریعہ کمپلائنس ڈیپارٹمنٹ، اندرونی اور بیرونی شریعہ آڈٹ کی رپورٹس کا جائزہ لیا ہے۔

مذکورہ بالا تفصیل کی بنیاد پر ہماری رائے درج ذیل ہے:

- 1- بینک نے شریعہ بورڈ کی جانب سے جاری کردہ فتاویٰ، احکام اور اصولوں کی روشنی میں فراہم کردہ شرعی قوانین اور اصولوں کی مجموعی طور پر پاسداری کی ہے۔
- 2- بینک نے اسٹیٹ بینک آف پاکستان کی شریعہ ایڈوائزری کمیٹی کے احکام کے مطابق اسٹیٹ بینک کی جانب سے جاری کردہ شریعہ کمپلائنس سے متعلق احکام، ضوابط، ہدایات اور اصولوں کی پاسداری کی ہے۔
- 3- جائزے کے دوران، کسی بھی ایسے معاملے جس میں اصلاحی اقدام کی ضرورت ہو، پر غور کیا گیا اور مینجمنٹ کی جانب سے قابل اصلاح امور کا ازالہ کیا گیا ہے اور/یا مستقبل میں ان کی درستی کی یقین دہانی کروائی گئی ہے۔ مذکورہ بالا تفصیل کی بنیاد پر، بینک کے پاس اس کے تمام معاملات میں شریعہ کمپلائنس کو یقینی بنانے کی غرض سے ایک جامع نظام موجود ہے۔
- 4- بینک کے پاس ایک واضح نظام موجود ہے جو تمام تر غیر شرعی ذرائع سے حاصل شدہ رقم چیریٹی اکاؤنٹ میں جمع کئے جانے اور اسے مناسب طور پر خیراتی اداروں میں بروئے کار لائے جانے کو یقینی بناتا ہے۔
- 5- بینک نے نفع و نقصان کی تقسیم اور پول مینجمنٹ کے سلسلے میں اسٹیٹ بینک کی ہدایات کی مناسب طور پر پاسداری کی ہے۔
- 6- لرننگ اینڈ ڈویلپمنٹ ڈیپارٹمنٹ نے شریعہ کمپلائنس ڈیپارٹمنٹ اور دیگر اسٹیٹ ہولڈرز کے تعاون سے ملازمین کی صلاحیت میں اضافے کیلئے مختلف اسلامک بینکنگ ٹریڈنگ سیشنز کا اہتمام کیا ہے اور بینک کی مصنوعات اور عمل میں شریعہ کمپلائنس کی اہمیت کو بڑھانے اور اسلامک بینکنگ کے سیکٹور کے ماحول کو فروغ اور ترقی دینے کیلئے مستقل عمل میں ہے۔
- 7- شریعہ بورڈ کو اس کی ذمہ داریوں کی ادائیگی کیلئے وسائل فراہم کئے گئے ہیں تاہم کام کے حجم میں اضافے کو مد نظر رکھتے ہوئے شریعہ ٹیم میں اضافی افرادی قوت، بینک میں شریعہ کمپلائنس کے فنکشن کو مزید مستحکم کرے گی۔

شریعہ بورڈ ڈیجیٹل سہولتیں سمیت مختلف چیلنجز کے ذریعے اسلامی بینکاری مصنوعات اور خدمات کو فروغ دینے کیلئے بورڈ آف ڈائریکٹرز اور انتظامیہ کے وژن کو سراہتا اور سپورٹ کرتا ہے۔

شریعیہ بورڈ رپورٹ

تجاویز:

درج بالا کی بنیاد پر ہم تجویز کرتے ہیں کہ:

- 1۔ بینک کو اسٹیٹ بینک آف پاکستان کے اسٹریٹجک پلان اور IBI کے وژن کے مطابق، اسلامک بینکنگ پرنسپلز کو بڑھانے کیلئے ایک پائیدار اور پیکدار نظام کی تیاری کی غرض سے اپنی جدید ٹیکنالوجی اور ڈیجیٹل ٹرینیشن سے فائدہ اٹھانے کی کوششیں جاری رکھنی چاہئیں۔
- 2۔ بینک کو اسلامک بینکنگ اور فنانس کے بارے میں آگاہی سیشنز/ سیمینارز/ ویبینارز وغیرہ کا اہتمام جاری رکھنا چاہئے تاکہ اسلامی مصنوعات اور خدمات کے بارے میں شعور اجاگر کیا جاسکے۔
- 3۔ خیراتی امداد کی بروقت ادائیگی کو یقینی بنانے کیلئے، بینک کو نظام ادائیگی اور کنٹرول کو بہتر کرنے کی ضرورت ہے۔

اور اللہ سبحانہ و تعالیٰ بہتر جانتا ہے۔

اللہ سبحانہ و تعالیٰ ہماری کاوشوں کو قبول فرمائے اور ہمیں اپنے پسندیدہ کاموں کو پورا کرنے کی توفیق عطا فرمائے، ہمیں دنیا و آخرت میں کامیابی عطا فرمائے اور ہماری خطائیں معاف فرمائے۔ آمین

محمد عبدالمبین

مفتی محمد عبدالمبین

ممبر شریعیہ بورڈ

محمد سرفراز نہال

مفتی محمد سرفراز نہال

ریزیڈنٹ شریعیہ بورڈ ممبر

ڈاکٹر شیخ نظام یعقوبی

ڈاکٹر شیخ نظام یعقوبی

چیئر مین شریعیہ بورڈ

ڈاکٹر مفتی ارشد احمد اعجاز

ڈاکٹر مفتی ارشد احمد اعجاز

ممبر شریعیہ بورڈ

مورخہ: 10 فروری 2022ء بمطابق 09 رجب، 1443 ہجری

Independent Auditor's Report

To the members of Standard Chartered Bank (Pakistan) Limited

Review Report on the Statement of Compliance contained in Listed Companies (Code of Corporate Governance) Regulations, 2019

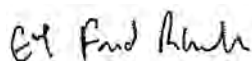
We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of Standard Chartered Bank Pakistan Limited (the Bank) for the year ended 31 December 2021 in accordance with the requirements of regulation 36 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Bank. Our responsibility is to review whether the Statement of Compliance reflects the status of the Bank's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Bank's personnel and review of various documents prepared by the Bank to comply with the Regulations.

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Bank's corporate governance procedures and risks.

The Regulations require the Bank to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Bank's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Bank for the year ended 31 December 2021.



Chartered Accountants

Place: Karachi

Date: 25th February 2022

UDIN: CR2021101203aBGczjZU

Statement of Compliance with Listed Companies (Code of Corporate Governance) Regulations, 2019

Standard Chartered Bank Pakistan Limited

For the year ended 31 December 2021

The Bank has complied with the requirements of the Regulations in the following manner:

1. The total number of directors as at year-end is seven as per the following:
 - a) Male: Six
 - b) Female: One
2. The composition of the Board as at year end is as follows:
 - a) Independent Non Executive Director(s):
 - Male Director(s): Mr. Ehsan Ali Malik
 - Female Director(s): Ms. Spenta Kandawalla
 - b) Non Executive Director(s):
 - Mr. Ian Anderson Bryden (Chairperson)
 - Mr. Mohamed Abdel Razek
 - Mr. Adam Long
 - Mr. Towfiq Habib Chinoy
 - c) Executive Director(s): Mr. Rehan M. Shaikh
3. The directors have confirmed that none of them is serving as a director in more than seven listed companies, including this Bank.
4. The Bank has adopted Group's 'Code of Conduct', which has been approved by the Board and is disseminated to all the directors and employees of the Bank along with its supporting policies and procedures.
5. The Board has developed and approved a vision/ mission statement and overall corporate strategy. The Board has also approved significant policies and adopted certain Standard Chartered Group policies as far as they are in accordance with the local laws and regulations. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.
6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board as empowered by the relevant provisions of the Companies Act, 2017 ('the Act') and these Regulations.
7. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of the Act and the Regulation with respect to frequency, recording and circulating minutes of the Board meetings.
8. The Board has a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.
9. All of the directors on the Board have already completed SECP's approved Directors' Training Programme. During the year under review, a number of in-house orientation sessions were also attended by the directors.
10. The Board approves the appointment of Chief Financial Officer, Company Secretary and Head of Internal Audit including their remuneration and terms and conditions of employment; and complies with relevant requirements of the Regulations.
11. Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the Board.

Statement of Compliance with Listed Companies (Code of Corporate Governance) Regulations, 2019

12. The Board has formed following Board Committees and their composition as at year end is given below:
- | | | |
|---|---|---------------------------------------|
| a) Board Audit Committee: | Mr. Ehsan Ali Malik
Mr. Mohamed Abdel Razek
Mr. Adam Long | (Chairperson)
(Member)
(Member) |
| b) Board Human Resource & Remuneration Committee: | Ms. Spenta Kandawalla
Mr. Towfiq Habib Chinoy
Mr. Adam Long | (Chairperson)
(Member)
(Member) |
| c) Board Risk Committee: | Mr. Towfiq Habib Chinoy
Mr. Rehan M. Shaikh
Mr. Ehsan Ali Malik | (Chairperson)
(Member)
(Member) |
| d) Board Information & Technology Committee: | Mr. Mohamed Abdel Razek
Mr. Rehan M Shaikh
Mr. Ehsan Ali Malik | (Chairperson)
(Member)
(Member) |
13. The terms of reference of the aforesaid Committees have been formed, documented and advised to the Committees for compliance.
14. The frequency of meetings of the aforesaid Committees as per the respective Terms of References are as follows:
- | | |
|---|----------------------------|
| a) Board Audit Committee: | At least once in a quarter |
| b) Board Human Resource & Remuneration Committee: | At least twice in a year |
| c) Board Risk Committee: | At least once in a quarter |
| d) Board Information & Technology Committee: | At least twice in a year |
15. The Board has set up an effective Internal Audit ('IA') function. Personnel of internal audit function are suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Bank.
16. The statutory auditors of the Bank have confirmed that they have been given a satisfactory rating under the quality control review program of the Institute of Chartered Accountants of Pakistan ('ICAP') and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants ('IFAC') guidelines on code of ethics as adopted by ICAP and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the Chief Executive Officer, Chief Financial Officer, Head of Internal Audit, Company Secretary or Director of the Bank.
17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these Regulation or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.
18. We confirm that all requirements of regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with.

By Order of the Board



Rehan M. Shaikh
Chief Executive Officer



Ehsan Ali Malik
Director

Karachi: 17th February 2022

Six Years Key Financial Data

Rupees in million

Key Financial Data	2016	2017	2018	2019	2020	2021
Profit and Loss						
Net mark-up income	19,385	16,498	18,830	27,788	28,140	26,268
Non funded income	7,163	8,982	9,688	11,289	12,800	11,126
Total income	26,548	25,480	28,518	39,076	40,940	37,393
Non mark-up expenses	12,344	11,743	11,290	11,894	12,383	12,137
Provisions / (recovery) & write-offs	(1,141)	284	(1,218)	(17)	4,941	494
Profit before Tax	15,345	13,453	18,447	27,199	23,616	24,762
Profit after Tax	9,618	8,245	11,239	16,017	13,133	13,728
Profitability ratios						
Return on equity	15.6%	13.3%	17.3%	22.9%	17.0%	17.0%
Return on assets	2.1%	1.7%	2.1%	2.7%	2.0%	1.8%
Expense / Income ratio	46%	46%	40%	30%	30%	32%
Balance Sheet						
Total assets	474,752	519,832	576,081	619,971	721,905	839,426
Advances - gross	133,631	157,259	187,162	235,269	199,753	255,905
Advances - net	113,951	137,635	169,544	218,087	178,216	234,173
Non performing loans	21,873	19,587	17,403	17,738	22,695	21,303
Investments - net	245,850	272,488	279,066	249,164	349,445	450,583
Deposits	365,562	377,576	424,899	465,629	556,506	626,774
Shareholder's equity	61,282	62,937	67,238	72,917	81,678	79,605
Asset quality & other ratios						
Advances / deposits ratio	31%	36%	40%	47%	32%	37%
NPL to gross advances	16%	12%	9%	8%	11%	8%
Coverage ratio - specific	87%	97%	97%	92%	84%	92%
CASA mix	94%	92%	94%	93%	93%	92%
Capital adequacy ratio (CAR)	20.19%	19.27%	19.09%	16.94%	19.12%	16.93%
Share information						
Earning per share	2.48	2.13	2.90	4.14	3.39	3.55
Dividend pay-out ratio	20.00%	17.50%	22.50%	30.00%	27.50%	30.00%
Touchpoints (Numbers)						
Branches	101	93	77	61	53	41
ATMs / CDM / CDK	274	276	247	217	197	173

Standard Chartered Bank (Pakistan) Limited

**Audited
Financial Statements**

For the year ended
31 December 2021

Independent Auditor's Report

To the members of Standard Chartered Bank (Pakistan) Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of Standard Chartered Bank (Pakistan) Limited (the Bank), which comprise the statement of financial position as at 31 December 2021, the profit and loss account, the statement of comprehensive income, the statement of changes in equity and the cash flows statement for the year then ended, along with unaudited certified returns received from the branches except for 13 branches which have been audited by us and notes to the financial statements, including a summary of significant accounting policies and other explanatory information and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, profit and loss account, the statement of comprehensive income, statement of changes in equity and cash flow statement together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan, and give the information required by the Banking Companies Ordinance, 1962 and the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Bank's affairs as at 31 December 2021 and of the profit, other comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Bank in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following are the key audit matters:

Key Audit Matters	How the matter was addressed in our audit
1. Provision against Non-Performing Credit Exposure (Refer note 8.3 to the financial statements)	
<p>The Bank's advances portfolio represents 27.9% of its total assets as of 31 December 2021. A substantial portion of the advances portfolio include corporate finances to public sector entities and large to small size businesses operating in diverse sectors of the economy.</p> <p>As per the Bank's accounting policy (refer note 3.6 to the financial statements), the Bank periodically assesses the adequacy of its provisions against non-performing credit exposures in accordance with the requirements of Prudential Regulations of State Bank of Pakistan. Such regulations require specific provisioning against loan losses on the basis of an age-based criteria which should be supplemented by a subjective evaluation of Bank's credit portfolio. The determination of loan loss provision against certain vulnerable corporate loans, therefore,</p>	<p>We applied a range of audit procedures including the following:</p> <ul style="list-style-type: none">- We reviewed the Bank's process for identification and classification of non-performing loans including the quality of underlying data and systems. As part of such review we performed an analysis of the changes within the different categories of classified non-performing accounts from last year to the current reporting date. This analysis was used to gather audit evidence regarding downgrading of impaired loans and declassification of accounts from non-performing to regular, as the case may be;

<p>involves use of management judgment, on a case to case basis, taking into account factors such as the economic and business conditions, borrowers repayment behaviors and realizability of collateral held by the Bank.</p> <p>In view of the significance of this area in terms of its impact on the financial statements and the level of involvement of management's judgment, we identified adequacy and completeness of loan loss provision as a significant area of audit judgment and a key audit matter.</p>	<ul style="list-style-type: none"> - We performed independent checks for the computations of provisions in line with the requirements of the applicable Prudential Regulations; - In addition, we selected a sample of borrowers from the credit portfolios which included individually significant corporate loans and a representative sample on which we performed tests and procedures such as review of credit documentation, repayment history and past due status, financial condition as depicted by the borrowers' financial statements, nature of collateral held by the bank and status of litigation, if any, with the borrower; - Based on the said credit reviews, we identified and discussed with the management the loan accounts where the credit risk appears to have increased. We reviewed the adequacy of provisions against such accounts on the basis of our independent objective evaluation of the risk mitigating factors that exist in such cases; - In respect of the level of general provision maintained by the Bank, we discussed the approach and policy followed by the Bank with the management; and <p>We also assessed adequacy of disclosures as included in note 8.2 and 8.4 to the financial statements regarding the non-performing loans and provisions made for the same in the financial statements in accordance with the requirements of the applicable financial reporting framework.</p>
2. Goodwill Impairment (Refer note 10.1 to the financial statements)	
<p>As at 31 December 2021, the Bank's intangible assets includes goodwill of Rs. 26,095 million on account of acquisition of Union Bank Limited in 2006.</p> <p>Goodwill is required to be annually assessed for impairment under IAS 36 "Impairment of Assets". Accordingly, management performed an impairment test of the goodwill which is subjective in nature due to assumptions made about future performance.</p> <p>As disclosed in note 10.1, the Bank uses a discounted cashflow model to determine value in use, based on certain key assumptions.</p> <p>Due to the significance and impact of the assumptions and judgements involved, the impairment test of goodwill is considered to be a key audit matter.</p>	<p>We applied a range of audit procedures including the following:</p> <ul style="list-style-type: none"> - We assessed the reasonableness of cash flow projections and compared key inputs, such as discount rates and growth rates, to externally available industry, economic and financial data and performance; - We evaluated whether the assumptions, on which valuation is based, are realistic and consistent with the general economic environment, the economic environment of specific industry, existing market information and the entity's economic circumstances; - We involved our internal valuation specialist to review and evaluate management's key assumptions used in impairment calculations. - Performed break even analysis around the key assumptions used in the model <p>We assessed the adequacy of the related disclosures in the financial statements.</p>

3. User Access Management - Privileged Access Management

Information Technology General Controls (ITGCs) support the continuous operation of the automated and other Information Technology dependent controls within the business processes related to financial reporting. Effective Information Technology general controls are needed to ensure that Information Technology applications process business data as expected and that changes are made in an appropriate manner.

The possibility of Information Technology application users gaining access privileges beyond those necessary to perform their assigned duties may result in breaches in segregation of duties, including inappropriate manual intervention, unauthorized changes to systems or programs.

These deficiencies are still in the process of being fully remediated. The risk has decreased in the current year due to management's remediation program, which is still in progress as at the year-end date.

User access management is identified as a key audit matter because of the complexity of the Bank's Information Technology structure and environment, the quantum of transactions processed through the Bank's Information Technology systems and the high degree of reliance placed by the Bank on such systems for the purpose of financial reporting.

We applied a range of audit procedures including the following:

- We obtained an understanding of the Bank's Information Technology environment, structure and complexity; and identified the Bank's key Information Technology systems and applications that affect the business and other processes related to financial reporting;
- We evaluated the design and tested the operating effectiveness of the controls for such systems and applications including ITGCs involving access management, change management and Information Technology operations;
- We tested Information Technology compensating controls where possible, and also performed additional Information Technology substantive procedures to assess the impact of risks associated with the reported deficiencies, on the financial statements. Where required, we tested business compensating controls and performed additional business substantive procedures

Information Other than the Financial Statements and Auditor's Reports Thereon

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's reports thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and the Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting and reporting standards as applicable in Pakistan, the requirements of Banking Companies Ordinance, 1962 and the Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Bank's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide to the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

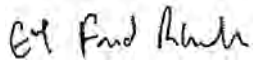
1. Based on our audit, we further report that in our opinion:
 - a) proper books of account have been kept by the Bank as required by the Companies Act, 2017 (XIX of 2017) and the returns referred above from the branches have been found adequate for the purpose of our audit;
 - b) the statement of financial position, the profit or loss account, the statement of comprehensive income, statement of changes in equity and statement of cash flow (together with the notes thereon have been drawn up in conformity with the Banking Companies Ordinance, 1962 and the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
 - c) investments made, expenditure incurred and guarantees extended during the year were in accordance with the objects and powers of the Bank and the transactions of the Bank which have come to our notice have been within

the powers of the Bank; and

d) zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Bank and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

2. We confirm that for the purpose of our audit we have covered more than sixty per cent of the total loans and advances of the Bank.

The engagement partner on the audit resulting in this independent auditor's report is Omer Chughtai.



Chartered Accountants

Place: Karachi

Date: 25 February 2022

UDIN: AR202110120gKBhdC4AS

Statement of Financial Position

As at 31 December 2021

	Note	2021	2020
(Rupees in '000)			
ASSETS			
Cash and balances with treasury banks	4	60,295,393	54,366,569
Balances with other banks	5	9,567,702	11,271,237
Lendings to financial institutions	6	11,728,869	69,551,802
Investments	7	450,583,287	349,444,772
Advances	8	234,172,617	178,216,374
Fixed assets	9	10,689,126	11,910,762
Intangible assets	10	26,095,310	26,095,324
Deferred tax assets - net		-	-
Other assets	11	36,293,236	21,047,905
		839,425,540	721,904,745
LIABILITIES			
Bills payable	12	16,601,187	10,712,040
Borrowings	13	35,028,767	23,293,381
Deposits and other accounts	14	626,774,412	556,505,923
Liabilities against assets subject to finance lease		-	-
Sub-ordinated debt		-	-
Deferred tax liabilities - net	15	3,679,066	2,624,986
Other liabilities	16	77,736,852	47,090,605
		759,820,284	640,226,935
NET ASSETS		79,605,256	81,677,810
REPRESENTED BY:			
Share capital	17	38,715,850	38,715,850
Reserves	18	25,243,085	22,497,551
Surplus on revaluation of assets	19	7,371,825	7,755,848
Unappropriated profit		8,274,496	12,708,561
		79,605,256	81,677,810

CONTINGENCIES AND COMMITMENTS

20

The annexed notes 1 to 43 and Annexure I and II form an integral part of these financial statements.



Ian Bryden
Chairman



Rehan M. Shaikh
Chief Executive Officer



Syed Ejaz Alam
Chief Financial Officer



Ehsan Ali Malik
Director



Towfiq Habib Chinoy
Director

Profit and Loss Account

For the year ended 31 December 2021

	Note	2021	2020
(Rupees in '000)			
Mark-up / return / interest earned	21	46,852,339	52,221,970
Mark-up / return / interest expensed	22	(20,584,643)	(24,082,373)
Net mark-up / interest income		26,267,696	28,139,597
NON MARK-UP / INTEREST INCOME			
Fee and commission income	23	3,132,567	3,721,952
Dividend income		20,930	-
Foreign exchange income	24	4,598,986	4,332,637
Income / (loss) from derivatives		1,091,378	1,165,568
Gain / (loss) on securities	25	2,054,917	3,380,515
Other income	26	226,909	199,534
Total non mark-up / interest income		11,125,687	12,800,206
Total income		37,393,383	40,939,803
NON MARK-UP / INTEREST EXPENSES			
Operating expenses	27	(11,539,495)	(11,878,809)
Workers welfare fund		(578,534)	(492,035)
Other charges	28	(18,989)	(11,765)
Total non mark-up / interest expenses		(12,137,018)	(12,382,609)
Profit before provisions		25,256,365	28,557,194
Provisions and write offs - net	29	(494,727)	(4,940,714)
Extra-ordinary / unusual items		-	-
PROFIT BEFORE TAXATION		24,761,638	23,616,480
Taxation	30	(11,033,966)	(10,483,498)
PROFIT AFTER TAXATION		13,727,672	13,132,982
(Rupees)			
BASIC / DILUTED EARNINGS PER SHARE	31	3.55	3.39

The annexed notes 1 to 43 and Annexure I and II form an integral part of these financial statements.



Ian Bryden
Chairman



Rehan M. Shaikh
Chief Executive Officer



Syed Ejaz Alam
Chief Financial Officer



Ehsan Ali Malik
Director



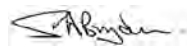
Towfiq Habib Chinoy
Director

Statement of Comprehensive Income

For the year ended 31 December 2021

Note	2021	2020
	(Rupees in '000)	
Profit after taxation for the year	13,727,672	13,132,982
Other comprehensive income		
Items that may be reclassified to profit and loss account in subsequent periods:		
Movement in (deficit) / surplus on revaluation of investments - net of tax	(752,657)	329,467
Items that will not be reclassified to profit and loss account in subsequent periods:		
Remeasurement (loss) on defined benefit obligations - net of tax	(2,317)	(6,237)
Movement in surplus on revaluation of operating fixed assets - net of tax 19.1	419,123	2,097,416
	416,806	2,091,179
Total comprehensive income	13,391,821	15,553,628

The annexed notes 1 to 43 and Annexure I and II form an integral part of these financial statements.



Ian Bryden
Chairman



Rehan M. Shaikh
Chief Executive Officer



Syed Ejaz Alam
Chief Financial Officer



Ehsan Ali Malik
Director



Towfiq Habib Chinoy
Director

Statement of Changes in Equity

For the year ended 31 December 2021

	Share Capital	Share Premium	Statutory Reserve	Surplus / (Deficit) on revaluation of		Unappropriated Profit	Total
				Investments	Fixed Assets		
	(Rupees in '000)						
Balance as at 01 January 2020	38,715,850	1,036,090	18,834,865	(64,782)	5,447,623	8,946,857	72,916,503
Total comprehensive income for the year							
Profit after tax for the year ended 31 December 2020	-	-	-	-	-	13,132,982	13,132,982
Other comprehensive income	-	-	-	-	-	-	-
Movement in surplus / (deficit) on revaluation of investments - net of tax	-	-	-	329,467	-	-	329,467
Remeasurement of post employment obligations - net of tax	-	-	-	-	-	(6,237)	(6,237)
Surplus on revaluation - net of deferred tax	-	-	-	-	2,097,416	-	2,097,416
	-	-	-	329,467	2,097,416	13,126,745	15,553,628
Transactions with owners, recorded directly in equity							
Share based payment transactions (contribution from holding company)	-	-	-	-	-	(17,047)	(17,047)
Cash dividend (Final 2019) at Rs. 1.75 per share	-	-	-	-	-	(6,775,274)	(6,775,274)
	-	-	-	-	-	(6,792,321)	(6,792,321)
Transfer to statutory reserve	-	-	2,626,596	-	-	(2,626,596)	-
Realised on disposals during the year - net of deferred tax	-	-	-	-	(37,810)	37,810	-
Transferred from surplus on revaluation of fixed asset - net of deferred tax	-	-	-	-	(16,066)	16,066	-
Balance as at 31 December 2020	38,715,850	1,036,090	21,461,461	264,685	7,491,163	12,708,561	81,677,810
Total comprehensive income for the year							
Profit after tax for the year ended 31 December 2021	-	-	-	-	-	13,727,672	13,727,672
Other comprehensive income	-	-	-	-	-	-	-
Movement in surplus on revaluation of investments - net of tax	-	-	-	(752,657)	-	-	(752,657)
Remeasurement of post employment obligations - net of tax	-	-	-	-	-	(2,317)	(2,317)
Surplus on revaluation - net of deferred tax	-	-	-	-	419,123	-	419,123
	-	-	-	(752,657)	419,123	13,725,355	13,391,821
Transactions with owners, recorded directly in equity							
Share based payment transactions (Contribution from holding Company)	-	-	-	-	-	51,397	51,397
Cash dividend (Final 2020) at Rs. 2.75 per share	-	-	-	-	-	(10,646,859)	(10,646,859)
Cash dividend (Interim 2021) at Rs. 1.25 per share	-	-	-	-	-	(4,839,481)	(4,839,481)
	-	-	-	-	-	(15,434,943)	(15,434,943)
Transfer to statutory reserve	-	-	2,745,534	-	-	(2,745,534)	-
Surplus on revaluation - deferred tax rate impact	-	-	-	-	(29,432)	-	(29,432)
Transferred from surplus on revaluation of fixed assets - net of deferred tax	-	-	-	-	(21,057)	21,057	-
Balance as at 31 December 2021	38,715,850	1,036,090	24,206,995	(487,972)	7,859,797	8,274,496	79,605,256

The annexed notes 1 to 43 and Annexure I and II form an integral part of these financial statements.



Ian Bryden
Chairman



Rehan M. Shaikh
Chief Executive Officer



Syed Ejaz Alam
Chief Financial Officer



Ehsan Ali Malik
Director




Towfiq Habib Chinoy
Director

Cash Flow Statement

For the year ended 31 December 2021

	Note	2021	2020
		(Rupees in '000)	
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before taxation for the year		24,761,638	23,616,480
Less: Dividend income		(20,930)	-
		24,740,708	23,616,480
Adjustments for:			
Depreciation	9.2	980,268	1,166,561
Amortization	10	14	51
Gain on sale of fixed assets	26	(11,162)	(10,109)
Gain on sale of asset held for sale	26	-	(94,158)
Unrealized gain on revaluation of investments classified as held for trading - net	25	(289,257)	(78,166)
Finance cost against lease	22	246,919	352,234
Gain on lease termination	26	(154,296)	(32,969)
Provisions and write offs - net	29	494,727	4,940,714
		1,267,213	6,244,158
		26,007,921	29,860,638
(Increase) / decrease in operating assets			
Lendings to financial institutions		57,822,933	(52,539,713)
Held-for-trading securities		(15,591,425)	(14,918,649)
Advances		(56,424,853)	34,993,131
Other assets (excluding advance taxation)		(16,654,322)	6,653,229
		(30,847,667)	(25,812,002)
Increase / (decrease) in operating liabilities			
Bills payable		5,889,147	(1,663,231)
Borrowings from financial institutions		11,783,031	3,645,752
Deposits		70,268,489	90,876,938
Other liabilities		27,417,392	2,181,974
		115,358,059	95,041,433
Cash inflow before taxation		110,518,313	99,090,069
Income tax paid		(8,178,183)	(4,988,225)
Net cash flow from operating activities		102,340,130	94,101,844
CASH FLOW FROM INVESTING ACTIVITIES			
Net investments in available for sale securities		(85,495,501)	(84,777,054)
Dividend received		20,930	-
Investments in fixed assets		(648,671)	(492,011)
Proceeds from sale of fixed assets		11,162	13,096
Proceeds from sale of asset held for sale		-	179,631
Net cash flow used in investing activities		(86,112,080)	(85,076,338)
CASH FLOW FROM FINANCING ACTIVITIES			
Dividend paid		(11,392,837)	(6,765,790)
Payment in respect of lease liability		(562,279)	(787,501)
Net cash flow used in financing activities		(11,955,116)	(7,553,291)
Increase in cash and cash equivalents for the year		4,272,934	1,472,215
Cash and cash equivalents at beginning of the year		63,467,269	60,921,115
Effect of exchange rate changes on cash and cash equivalents		2,111,945	3,185,884
		65,579,214	64,106,999
Cash and cash equivalents at end of the year	33	69,852,148	65,579,214

The annexed notes 1 to 43 and Annexure I and II form an integral part of these financial statements.


Ian Bryden
Chairman


Rehan M. Shaikh
Chief Executive Officer


Syed Ejaz Alam
Chief Financial Officer


Ehsan Ali Malik
Director


Towfiq Habib Chinoy
Director

Notes to the Financial Statements

For the year ended 31 December 2021

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 41 branches in Pakistan including 2 Islamic branches (31 December 2020: 53 branches in Pakistan including 3 Islamic branches) in operation at 31 December 2021.

2. BASIS OF PREPARATION

2.1 Basis of presentation

In accordance with the directives of the Federal Government regarding the shifting of the banking system to Islamic modes, the State Bank of Pakistan has issued various circulars from time to time. One permissible form of trade related mode of financing comprises of purchase of goods by the customer on behalf of the Bank and immediate sale to the customer at appropriate profit in price on deferred payment basis. The purchases and sales arising under these arrangements are not reflected in these financial statements as such but are restricted to the amount of facility actually utilised and the appropriate portion of profit thereon.

These financial statements have been prepared in conformity with the format of financial statements prescribed by the State Bank of Pakistan (SBP) vide BPRD Circular No. 02, dated January 25, 2018

Key financial figures of the Islamic banking branches are disclosed in Annexure II to these financial statements.

2.2 Statement of compliance

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

- International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as are notified under the Companies Act, 2017;
- 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 SBP has deferred the applicability of International Accounting Standard (IAS) 39, 'Financial Instruments: Recognition and Measurement' and International Accounting Standard (IAS) 40, 'Investment Property' for Banking Companies in Pakistan through BSD Circular Letter 10 dated 26 August 2002 till further instructions. Further, the SECP has deferred the applicability of International Financial Reporting Standard (IFRS) 7 'Financial Instruments: Disclosures' through its notification S.R.O 411(I)/2008 dated 28 April 2008. Accordingly, the requirements of these standards have not been considered in the preparation of these financial statements. However, investments have been classified and valued in accordance with the requirements prescribed by the SBP through various circulars.

Notes to the Financial Statements

For the year ended 31 December 2021

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.

IFRS 10 Consolidated Financial Statements was made applicable from period beginning on or after January 01, 2015 vide S.R.O 633(I)/2014 dated July 10, 2014 by SECP. However, SECP has directed through S.R.O 56(I) /2016 dated January 28, 2016, that the requirements of consolidation under section 237 of the repealed Companies Ordinance 1984 (Section 228 of Companies Act 2017) and IFRS 10 "Consolidated Financial Statements" is not applicable in case of investment by companies in mutual funds established under Trust structure. Accordingly, the requirements of these standards have not been considered in the preparation of these financial statements.

2.3 Standards, interpretations and amendments to accounting and reporting standards as applicable in Pakistan that are effective in the current year

There are certain new and amended standards, issued by International Accounting Standards Board (IASB), interpretations and amendments that are mandatory for the Bank's accounting periods beginning on or after January 1, 2021 but are considered not to be relevant or do not have any significant effect on the Bank's operations and therefore not detailed in these unconsolidated financial statements.

2.4 Standards, interpretations and amendments to published accounting and reporting standards as applicable in Pakistan that are not yet effective

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, 2022:

Standard, Interpretation or Amendment	Effective date (annual periods beginning on or after)
- Covid-19-Related Rent Concessions beyond 30 June 2021 - Amendment to IFRS 16	April 01, 2021
- Reference to the Conceptual Framework – Amendments to IFRS 3	January 01, 2022
- Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16	January 01, 2022
- Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37	January 01, 2022
- Annual improvement process IFRS 1 First-time Adoption of International Financial Reporting Standards – Subsidiary as a first-time adopter	January 01, 2022
- Annual improvement process IFRS 9 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities	January 01, 2022
- Annual improvement process IAS 41 Agriculture – Taxation in fair value measurements	January 01, 2022
- Classification of Liabilities as Current or Non-current - Amendments to IAS 1	January 01, 2023
- Definition of Accounting Estimates - Amendments to IAS 8	January 01, 2023
- Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2	January 01, 2023
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to IAS 12	January 01, 2023
- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture -Amendments to IFRS 10 and IAS 28	Not yet finalized

Notes to the Financial Statements

For the year ended 31 December 2021

- IFRS 9 'Financial Instruments' - SBP directed the banks in Pakistan to implement IFRS 9 with effect from 01 January 2022. IFRS 9 replaces the existing guidance in IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 includes revised guidance on the classification and measurement of financial instruments, a new expected credit loss model for calculating impairment on financial assets, and new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39. The Bank has calculated the tentative impact of adoption of IFRS 9 on the financial statement of the Bank on the date of initial application, which will be finalized post issuance of IFRS 9 guidelines from SBP.

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

Standard

IASB effective date (annual periods beginning on or after)

IFRS 1 – First time adoption of IFRSs
IFRS 17 – Insurance Contracts

01 July 2009
01 January 2023

2.5 Critical accounting estimates and judgments

The preparation of financial statements in conformity with the accounting and reporting standards as applicable in Pakistan requires management to make judgments, estimates and assumptions that effect the application of accounting policies and reported amounts of assets and liabilities and income and expenses. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are described in the following:

- | | |
|------------------|--|
| - Note 7 | Classification, valuation and provision of investments |
| - Note 8.2 | Classification and provisioning against non-performing advances |
| - Note 9 & 10 | Valuation, useful-life and depreciation / amortisation rates for fixed / intangible assets |
| - Note 9 & 10 | Impairment of non-financial assets including goodwill and other intangibles |
| - Note 9,16 & 22 | Leases - Term and discount rates |
| - Note 15 | Deferred taxation |
| - Note 16.2 | Provision against off balance sheet obligations |
| - Note 20.7 | Derivative instruments |
| - Note 30 | Income taxes |
| - Note 34 | Employees' retirement defined benefit plans and related assumptions |
| - Note 36 | Share based payments |

2.6 Basis of measurement

These financial statements have been prepared under the historical cost convention, except that certain available for sale, trading and derivative financial instruments have been measured at fair value. Certain fixed assets are stated at revalued amounts less accumulated depreciation and accumulated impairment losses, where applicable. Net obligations in respect of defined benefit schemes are measured at their present values

2.7 Functional and presentation currency

These financial statements are presented in Pakistan Rupees, which is the Bank's functional currency.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been applied consistently to all years presented.

Notes to the Financial Statements

For the year ended 31 December 2021

3.1 Business combinations

Acquisitions from entities under common control

Business combinations arising from transfers of interest in entities that are under the control of the shareholder that controls the Group are accounted for as if the acquisition had occurred at the beginning of the earliest comparative period presented. For this purpose comparatives are restated, where required. The assets and liabilities acquired are recognised at the carrying amounts recognised previously in the combining entity's financial statements.

Other acquisitions

Other business combinations are accounted for using the acquisition method. For acquisition prior to 1 January 2009, the cost of acquisition is measured at the fair value of the asset given, equity instruments issued and the liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identified assets acquired are fair valued at the acquisition date, irrespective of the extent of any non-controlling interest. The excess of cost of acquisition over the fair value of identifiable net assets acquired is recorded as goodwill.

If this is less than the fair value of the net assets acquired in the case of a bargain purchase, the difference is recognized directly in the profit and loss account as directed by the SBP.

3.2 Cash and cash equivalents

For the purposes of cash flow statement, cash and cash equivalents comprise of cash in hand, current accounts with treasury banks, balance with other Banks and overdrawn nostros.

3.3 Lending and Borrowing

Securities sold subject to repurchase agreements ('repos') remain on the balance sheet; the counterparty liability is included in borrowings from financial institutions. Securities purchased under agreements to resell ('reverse repos') are recorded as lendings to financial institutions. The difference between sale and repurchase price is treated as mark-up / return / interest earned or expensed and accrued over the life of the underlying agreement using the effective interest method.

3.4 Bai Muajjal

Bai Muajjal transactions represent sales of Sukuks on a deferred payment basis and are shown in lendings to financial institutions except for transactions undertaken directly with the Government of Pakistan which are disclosed as investments. The difference between the deferred payment amount receivable and the carrying value at the time of sale is accrued and recorded as income over the life of the transaction.

3.5 Investments

The Bank classifies its investments as follows:

a) Held for trading

These are securities, which are acquired with the intention to trade by taking advantage of short term market / interest rate movements and are carried at market value. The surplus / deficit arising as a result of revaluation at market value is recognised in the profit and loss account. These securities are to be sold within 90 days from the date of their classification as 'Held for trading' under normal circumstances, in accordance with the requirements specified by BSD Circular 10 dated 13 July 2004 issued by the State Bank of Pakistan. Market value of investment in Government securities is determined based on the relevant PKRV, PKFRV and PKISRV rates / price.

b) Held to maturity

These are securities with fixed or determinable payments and fixed maturity that are held with the intention and ability to hold to maturity. These are carried at amortised cost.

c) Available for sale

These are investments that do not fall under the held for trading or held to maturity categories and are carried at

Notes to the Financial Statements

For the year ended 31 December 2021

market value. The surplus / deficit arising as a result of revaluation at market value is included in equity and is taken to the profit and loss account when realized upon disposal or when the investment is considered to be impaired. Market value of investment in Government securities is determined based on the relevant PKRV, PKFRV and PKISRV rates / price.

All 'regular way' purchases and sales of investments are recognised on the trade date i.e. the date that the bank commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of investments that require delivery of assets within the time frame generally established by regulation or convention in the market place.

Unquoted equity securities are valued at the lower of cost and break-up value. The break-up value of these securities is calculated with reference to the net assets of the investee company as per the latest available financial statements.

Impairment

Impairment loss in respect of equity securities classified as available for sale is recognised based on management's assessment of objective evidence of impairment as a result of one or more events that may have an impact on the estimated future cash flows of the investments. A significant or prolonged decline in fair value of an equity investment below its cost is also considered an objective evidence of impairment and charged to the profit and loss account. A subsequent increase in the carrying value, upto the cost of the investment, is credited to the profit and loss account.

Provision for diminution in the value of debt securities is made as per the Prudential Regulations issued by the State Bank of Pakistan. In case of impairment of available for sale securities, the cumulative loss that has been recognised directly in surplus / (deficit) on revaluation of securities on the statement of financial position is removed therefrom and recognised in the profit and loss account.

3.6 Advances

Advances are stated net of provision against non-performing advances. Specific and general provisions are made based on an appraisal of the loan portfolio that takes into account Prudential Regulations issued by the State Bank of Pakistan from time to time. Specific provisions are made where the repayment of identified loans is in doubt and reflect an estimate of the amount of loss expected. The general provision is for the inherent risk of losses which, although not separately identified, are known from experience to be present in any loan portfolio. Provision made / reversed during the year is charged to the profit and loss account and accumulated provision is netted off against advances. Advances are written-off when there is no realistic prospect of recovery.

When the Bank is the lessor in a lease agreement that transfers substantially all of the risks and rewards incidental to ownership of an asset to the lessee, the arrangement is presented within loans and advances. A receivable is recognized at an amount equal to the present value of the minimum lease payments including guaranteed residual value, if any. Finance lease receivables are included in advances.

Islamic financing

In Murabaha transactions, the Bank purchases the goods and after taking the possession, sells them to the customer on cost plus profit basis either in a spot or credit transaction. Markup income is recognized on a straight line basis over the period of the installments.

In Diminishing Musharakah financing, the Bank enters into Musharakah based on Shirkat-ul-milk for financing an agreed share of fixed asset (e.g. house, plant or machinery) with its customers. The customers pay periodic profit as per the agreement for the utilisation of the Bank's Musharakah share and also periodically purchase the Bank's share over the tenure of the transaction.

In Musharakah financing, the Bank enters into financing with the customer in his operating business based on Shirkat-ul-Aqd. The customer pays provisional profit as per the desired profit rate which is subject to final settlement based on the annual accounts of the customer.

Notes to the Financial Statements

For the year ended 31 December 2021

3.7 Operating fixed assets - tangible

Owned

Operating fixed assets, other than land and buildings, are stated at cost less accumulated depreciation and accumulated impairment losses thereon. Cost includes expenditure that is directly attributable to the acquisition of fixed assets. Land and buildings are stated at revalued amounts less accumulated depreciation.

Subsequent costs are included in the asset's carrying amount or are recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Bank and the cost of the item can be measured reliably. All other repairs and maintenance expenditures are charged to profit and loss account during the financial period in which they are incurred.

Land and buildings are revalued by independent professionally qualified valuer(s). Surplus arising on revaluation is credited to the 'surplus on revaluation of fixed assets' account (net of deferred tax). The revaluation is carried out with sufficient regularity to ensure that the carrying amount does not differ materially from that which would have been determined using fair value at the balance sheet date. A decrease arising on revaluation of fixed assets is adjusted against the surplus of that asset to the extent of any previous surplus recognized with respect to that asset and if no surplus exists, it is charged to the profit and loss account as an impairment.

Depreciation is calculated over the expected useful life of the asset at the rates specified in note 9.2 to the financial statements. The depreciation charge for the year is calculated on a straight line basis after taking into account the residual value, if any. Accumulated depreciation on owned buildings, at the date of revaluation, is eliminated against the gross carrying amount of buildings. The net amount is then restated to the revalued amount.

Surplus on revaluation of fixed assets (net of deferred tax) is transferred to unappropriated profit to the extent of incremental depreciation charged on related assets.

Land is not depreciated. Depreciation on all other fixed assets is calculated using the straight line method to allocate their depreciable cost or revalued amount to their residual values over their estimated useful lives.

The residual values and useful lives of fixed assets are reviewed, and adjusted (if appropriate) at each balance sheet date.

Gains and losses on disposal of fixed assets are included in profit and loss account currently, except that the related surplus on revaluation of fixed assets (net of deferred tax) is transferred directly to unappropriated profit.

Capital work in progress

Capital work in progress is stated at cost less accumulated impairment losses, if any.

3.8 Leases

A contract is, or contains a lease if the contract conveys a right to control the use of an identified asset for a period in exchange for consideration. The Bank mainly leases properties for its operations. The Bank recognizes a right-of-use asset and lease liability at the lease commencement date.

The right-of-use asset is initially measured at the amount of initial measurement of lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to be incurred to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located.

The right-of-use asset is subsequently measured at cost less any accumulated depreciation and impairment losses. The right of use asset is depreciated on a straight-line method over the lease term as this method most closely reflects the expected pattern of consumption of future economic benefits. The right-of-use asset is reduced by impairment losses, if any, and adjusted for certain re measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Bank's incremental borrowing rate. The lease liability is subsequently increased by the finance cost on the lease liability and decreased by lease payments made. It is remeasured when there is a change in future

Notes to the Financial Statements

For the year ended 31 December 2021

lease payments arising from a change in an index or rate, a change in assessment of whether extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised.

The lease modification is accounted for as a separate lease if modification increase the scope of lease by adding the right to use one or more underlying assets and the consideration for lease increases by an amount that is commensurate with the stand-alone price for the increase in scope adjusted to reflect the circumstances of the particular contracts, if any. When the lease modification is not accounted for as a separate lease, the Bank accounts for the remeasurement of the lease liability by either decreasing the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease for the lease modification that decrease the scope of the lease. The Bank recognizes in profit or loss any gain or loss relating to such modification; or making a corresponding adjustment to the right-of-use asset for all other lease modifications.

The Bank has elected not to recognize right-of-use assets and lease liabilities for short term and low value assets. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term. The right-of-use assets are presented in the same line items as it presents underlying assets of the same nature that it owns.

3.9 Intangible assets

Goodwill

Goodwill represents the excess of cost of an acquisition over the fair value of net identifiable assets acquired at the date of acquisition. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. The impairment loss if any is recognized in statement of profit and loss.

Computer software

Acquired computer software licenses are capitalised on the basis of costs incurred to acquire and bring to use the specific software. These costs are amortised over their expected useful lives using the straight line method. Intangibles are amortized on a straight line basis at the rates specified in Note 10.

Acquired intangibles in business combination

Acquired intangibles in business combination that have finite lives are amortised over their economic useful life based on the manner that benefits of the relevant assets are consumed.

3.10 Impairment of non-financial assets

The carrying amounts of the Bank's non-financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated. An impairment loss is recognised in profit and loss if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated pre-tax future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount.

3.11 Non-banking assets acquired in satisfaction of claims

Non-banking assets acquired in satisfaction of claims are carried at revalued amounts less accumulated depreciation. These assets are revalued by professionally qualified valuers with sufficient regularity to ensure that their net carrying value does not differ materially from their fair value. A surplus arising on revaluation of property is credited to the 'surplus on revaluation of non-banking assets' account and any deficit arising on revaluation is taken to profit and loss account directly. Legal fees, transfer costs and direct costs of acquiring title to property are charged to the profit and loss account and not capitalised. Depreciation on these assets is charged based on the Bank depreciation policy.

Notes to the Financial Statements

For the year ended 31 December 2021

3.12 Borrowings / deposits and their cost

- Borrowings / deposits are recorded at the time when the proceeds are received.
- Borrowing / deposit costs are recognised as an expense in the period in which these are incurred using effective mark-up / interest rate method.

3.13 Staff retirement benefits

Defined benefit plan

The Bank operates approved funded management / non-management pension scheme only for its existing pensioners and un-funded lump sum scheme on cessation for unionised staff.

For defined benefit plans, the net defined benefit liability / asset recognised in the balance sheet is the deficit or surplus, adjusted for any effect of limiting a net defined benefit asset to the asset ceiling. The deficit or surplus is:

- (a) the present value of the defined benefit obligation; less
- (b) the fair value of plan assets (if any)."

Annual contributions towards defined benefit schemes are made on the basis of actuarial advice using the Projected Unit Credit Method. The present value of defined benefit obligation is calculated annually by independent actuaries by discounting the estimated future cash flows using an interest rate equal to the yield on high-quality corporate bonds.

Past service cost is the change in the present value of the defined benefit obligation resulting from a plan amendment. The Bank recognises past service cost as an expense when the plan is amended.

Actuarial gains or losses that arise are recognised in other comprehensive income in the period they arise. Service costs and Net interest on net defined benefit liability / asset are recognised in profit and loss account.

Defined contribution plan

The Bank also operates a defined contribution gratuity scheme for all its management and non management staff, and a provident fund scheme for all its permanent staff, contributing at 8.33 percent, 16.66 percent and 10 percent of basic salary respectively.

3.14 Foreign currency transactions

Transactions in foreign currencies are translated to Pakistan Rupees at exchange rates prevailing at the date of transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to Pakistan Rupees at the exchange rate prevailing at the reporting date. Foreign currency differences arising on retranslation are recognised in profit or loss.

3.15 Revenue recognition

Mark-up / return on advances and investments are recognised on an accrual basis using the effective interest rate method. The effective interest rate is the rate that exactly discounts the estimated future cash payments and receipts through the expected life of the financial asset or liability (or, where appropriate, a shorter period) to the carrying amount of the financial asset or liability.

Mark-up recoverable on classified loans, advances and investments is recognised on a receipt basis in accordance with the requirements of Prudential Regulations issued by the State Bank of Pakistan. Mark-up on rescheduled / restructured loans, advances and investments is also recognised in accordance with the requirements of these Prudential Regulations.

Where debt securities are purchased at a premium or discount, those premiums / discounts are amortized through profit and loss account over the remaining maturity, using the effective yield method.

Fees, commission and brokerage income is recognised on an accrual basis except where in the opinion of the management, it would not be prudent to do so. Fees and commission which in substance amount to an additional interest charge, are recognised over the life of the underlying transaction on a level yield basis.

Notes to the Financial Statements

For the year ended 31 December 2021

Dividend income is recognised when the right to receive income is established.

Gains and losses on sale of investments are recognized in the profit and loss account.

A portion of income is deferred for loyalty reward credits awarded to customers for usage of the Bank's credit card and are measured by reference to their fair value. Upon expiry / redemption of the reward credits, the income previously deferred will be recognized.

Profit on Murabaha transactions from the date of disbursement to the date of culmination of Murabaha (offer and acceptance) is recognised immediately on the date of culmination and thereafter, profit on Murabaha is recognised on accrual basis.

Profit on Diminishing Musharakah financings is recognised on an accrual basis.

Profit on Musharakah financing is booked on an accrual basis and is subject to adjustment upon declaration of profit by Musharakah partners.

3.16 Taxation

Income tax expense comprises of current and deferred tax. Income tax expense is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or in other comprehensive income.

Current tax

Current tax is the expected tax payable on the taxable income for the year (using tax rates enacted or substantively enacted at the balance sheet date), and any adjustment to tax payable in respect of previous years.

Deferred tax

Deferred tax is provided for using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is measured using tax rates enacted or substantively enacted at the reporting date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

3.17 Derivative financial instruments

Derivative financial instruments are initially recognised at fair value and are subsequently remeasured at fair value. All derivative financial instruments are carried as assets when fair value is positive and liabilities when fair value is negative. Any change in the fair value of derivative financial instruments is taken to profit and loss account.

3.18 Provisions

Provisions, including restructuring costs and legal claims are recognised when: (i) the Bank has a present legal or constructive obligation as a result of past events; (ii) it is more likely than not that an outflow of resources will be required to settle the obligation; and (iii) the amount has been reliably estimated. Provisions are reviewed at each balance sheet date and are adjusted to reflect the current best estimate.

3.19 Fiduciary activities

The Bank commonly acts in fiduciary capacities that result in the holding or placing of assets on behalf of individuals, trusts, retirement benefit plans and other institutions for which it earns a fee. These assets and its related income arising thereon are excluded from these financial statements, as they are not assets of the Bank. The assets under custody amount to Rs. 397 billion as at 31 December 2021.

3.20 Segment reporting

A segment is a component of the Bank that engages in business activities for which it may earn revenues and

Notes to the Financial Statements

For the year ended 31 December 2021

incur expenses (including revenue and expense relating to transactions with other component), whose results are regularly reviewed by the management to make decisions about resources to be allocated to the segment and assess its performance and for which financial information is available.

Business Segment

A brief description of the products and services offered by different segments of the Bank is given in note 39 to these financial statements.

Geographical Segment

The Bank operates only in Pakistan.

3.21 Offsetting

Financial assets and liabilities are set off and the net amount presented in the balance sheet when, and only when, the Bank has a legal right to set off the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

3.22 Subordinated debt

Subordinated debt is initially measured at fair value plus transaction costs, and subsequently measured at their amortised cost using the effective interest method.

3.23 Share-based compensation

The Group operates various share-based compensation plans which are accounted for as equity settled share based payment transactions, regardless of inter group repayment arrangements. For equity-settled awards, the total amount to be expensed over the vesting period is determined by reference to the fair value of the options at the date of grant, which excludes the impact of any non-market vesting conditions (for example, profitability and growth targets). The fair value of equity instruments granted is based on market prices, if available, at the date of grant. In the absence of market prices, the fair value of the instruments is estimated using an appropriate valuation technique, such as a binomial option pricing model. Non-market vesting conditions are included in assumptions about the number of options that are expected to vest. The obligation is charged to profit and loss account and credited to equity as a contribution from parent. The liability for these transactions which is based on the fair value of these options at the settlement date is settled through debiting equity when the remittance is made to the Group.

3.24 Acceptances

Acceptances comprise of undertakings by the Bank to pay bills of exchange drawn on customers. The Bank expects most acceptances to be simultaneously settled with the reimbursement from the customers. Acceptances are accounted for as on-balance sheet transactions. Therefore, commitments in respect of acceptances have been accounted for as financial assets and financial liabilities

3.25 Basic and diluted earnings per share

The Bank presents basic and diluted earnings per share (EPS) for its shareholders. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Bank by the weighted average number of ordinary shares outstanding during the period / year. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, if any.

3.26 Non-current assets held for sale

Non-current assets (or disposal group) held for sale comprises of assets whose carrying amount is expected to be recovered primarily through sale rather than continuing use. The assets are measured at the lower of their carrying values and fair values less cost to sell. Subsequent gains in fair value less costs to sell are recognised to the extent they do not exceed the cumulative impairment losses previously recorded. A non-current asset is not depreciated while classified as held for sale or while part of a disposal group classified as held for sale.

3.27 Dividend and appropriation to reserves

Dividend and appropriation to reserves, except appropriation which are required by law after the balance sheet

Notes to the Financial Statements

For the year ended 31 December 2021

date, are recognised as liability in the Bank's financial statements in the year in which these are approved.

3.28 Financial assets and liabilities

Financial instruments carried on the balance sheet include cash and balances with treasury banks, balances with other banks, lendings to financial and other institutions, investments, advances, certain receivables, bills payable, borrowings from financial institutions, deposit accounts and other payables. The particular recognition methods adopted for significant financial assets and financial liabilities are disclosed in the individual policy statements associated with them.

3.29 Contingencies and commitments

Commitments for outstanding forward foreign exchange contracts are disclosed in these unconsolidated financial statements at contracted rates. Contingent liabilities / commitments denominated in foreign currencies are expressed in rupee terms at the rates of exchange prevailing at the statement of financial position date.

3.30 Provision for guarantee claims and other off balance sheet obligations

Provision for guarantee claims and other off balance sheet obligations are recognised when intimated and reasonable certainty exists for the Bank to settle the obligation. Charge to profit and loss account is stated net of expected recoveries.

4	CASH AND BALANCES WITH TREASURY BANKS	Note	2021	2020
			(Rupees in '000)	
	In hand			
	- Local currency		4,323,595	5,528,174
	- Foreign currencies		7,330,086	9,501,145
	With State Bank of Pakistan in:			
	- Local currency current account	4.1	31,393,344	22,213,407
	- Local currency current account-Islamic Banking	4.1	2,824,995	2,433,653
	- Foreign currency deposit account			
	Cash reserve account	4.2	4,388,226	4,625,037
	Special cash reserve account	4.2	8,405,280	8,892,238
	Local US Dollar collection account		1,444,358	241,009
	With National Bank of Pakistan in:			
	- Local currency current account		123,647	729,256
	Prize Bonds		61,862	202,650
			<u>60,295,393</u>	<u>54,366,569</u>

4.1 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.

4.2 As per DMMD Circular No. 20 dated November 13, 2021, cash reserve of 6% and special cash reserve of 10% (for Islamic 6%) are required to be maintained with SBP on deposits held under the New Foreign Currency Accounts Scheme (FE-25 deposits).

5	BALANCES WITH OTHER BANKS	Note	2021	2020
			(Rupees in '000)	
	In Pakistan			
	- In current accounts		31,361	-
	Outside Pakistan			
	- In current accounts	5.1	9,536,341	11,271,237
			<u>9,567,702</u>	<u>11,271,237</u>

Notes to the Financial Statements

For the year ended 31 December 2021

- 5.1** This includes balances of Rs. 9,486.490 million (2020: Rs. 11,217.368 million) held with other branches and subsidiaries of Standard Chartered Group outside Pakistan.

6 LENDINGS TO FINANCIAL INSTITUTIONS

Note	2021	2020
	(Rupees in '000)	
Repurchase agreement lendings (Reverse Repo)	5,167,885	7,424,924
Bai Muajjal receivable from State Bank of Pakistan	-	1,845,421
Placements	6,560,984	60,281,457
	11,728,869	69,551,802

- 6.1** These carry mark-up rate ranging from 10.0 percent to 10.7 percent (2020: 6.2 percent to 7.0 percent) per annum payable at maturity, and are due to mature in January 2022. These arrangements are governed under Master Repurchase Agreements.

- 6.2** This represents placements with other branches and subsidiaries of Standard Chartered Group outside Pakistan at mark-up rates ranging from 0.10 percent to 0.15 percent per annum (2020: 0.05 percent to 0.10 percent per annum), and are due to mature in January 2022.

6.3 Particulars of lending

Note	2021	2020
	(Rupees in '000)	
In local currency	5,167,885	9,270,345
In foreign currencies	6,560,984	60,281,457
	11,728,869	69,551,802

6.4 Securities held as collateral against lendings to financial institutions

	2021			2020		
	Held by bank	Further given as collateral	Total	Held by bank	Further given as collateral	Total
	(Rupees in '000)					
Market Treasury Bills	5,167,885	-	5,167,885	5,924,924	-	5,924,924
Pakistan Investment Bonds	-	-	-	1,500,000	-	1,500,000
	5,167,885	-	5,167,885	7,424,924	-	7,424,924

- 6.5** None of the lendings to financial institutions were classified at year end.

7 INVESTMENTS

	2021				2020			
	Cost / Amortised cost	Provision for diminution	Surplus / (Deficit)	Carrying Value	Cost / Amortised cost	Provision for diminution	Surplus / (Deficit)	Carrying Value
7.1 Investments by type	(Rupees in '000)							
Held for trading securities								
Federal Government Securities	52,055,067	-	289,257	52,344,324	36,463,642	-	78,166	36,541,808
	52,055,067	-	289,257	52,344,324	36,463,642	-	78,166	36,541,808
Available for sale securities								
Federal Government Securities	398,935,667	-	(833,320)	398,102,347	312,194,073	-	343,198	312,537,271
Shares	837,648	(734,398)	33,366	136,616	836,081	(734,398)	62,646	164,329
Non Government Debt Securities	147,000	(147,000)	-	-	485,025	(285,025)	1,364	201,364
	399,920,315	(881,398)	(799,954)	398,238,963	313,515,179	(1,019,423)	407,208	312,902,964
Total Investments	451,975,382	(881,398)	(510,697)	450,583,287	349,978,821	(1,019,423)	485,374	349,444,772

Notes to the Financial Statements

For the year ended 31 December 2021

7.2 Investments by segment

Note

	2021				2020			
	Cost / Amortised cost	Provision for diminution	Surplus / (Deficit)	Carrying Value	Cost / Amortised cost	Provision for diminution	Surplus / (Deficit)	Carrying Value
----- (Rupees in '000) -----								
Federal Government Securities								
Market Treasury Bills	280,027,923	-	217,746	280,245,669	166,202,823	-	142,494	166,345,317
Pakistan Investment Bonds	151,781,560	-	(654,362)	151,127,198	154,623,032	-	365,344	154,988,376
GoP Ijarah Sukuk	18,567,355	-	(107,447)	18,459,908	25,910,344	-	(86,475)	25,823,869
Bai Muajjal with GoP	-	-	-	-	1,390,978	-	-	1,390,978
Naya Pakistan certificates	613,896	-	-	613,896	530,538	-	-	530,538
	450,990,734	-	(544,063)	450,446,671	348,657,715	-	421,363	349,079,078
Shares								
Listed Companies	784,644	(731,394)	33,366	86,616	783,077	(731,394)	62,647	114,330
Unlisted Companies	53,004	(3,004)	-	50,000	53,004	(3,004)	-	50,000
	837,648	(734,398)	33,366	136,616	836,081	(734,398)	62,647	164,330
Non Government Debt Securities								
Listed	-	-	-	-	200,000	-	1,364	201,364
Unlisted	147,000	(147,000)	-	-	285,025	(285,025)	-	-
	147,000	(147,000)	-	-	485,025	(285,025)	1,364	201,364
Total investment	451,975,382	(881,398)	(510,697)	450,583,287	349,978,821	(1,019,423)	485,374	349,444,772

7.2.1 Investments given as collateral

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

Federal Government securities

- Market Treasury Bills
- Pakistan Investment Bonds

Note

2021 2020

(Rupees in '000)

	7,385,483	-
	18,857	18,346
	7,404,340	18,346

7.3 Provision for diminution in the value of investments

- Opening balance
- Reversals / write off
- Closing balance

2021 2020

(Rupees in '000)

	1,019,423	1,019,423
	(138,025)	-
	881,398	1,019,423

7.3.1 Particulars of provision against debt securities

Category of classification

	2021		2020	
	Non Performing Investment	Provision	Non Performing Investment	Provision
----- (Rupees in '000) -----				
Loss	147,000	147,000	285,025	285,025
	147,000	147,000	285,025	285,025

7.4 Investments include securities having book value of Rs. 18,857 million (2020: Rs. 18,346 million) pledged with the State Bank of Pakistan as security to facilitate T.T. discounting facility to the Bank, including an amount earmarked against the facilities allocated to branches now in Bangladesh.

7.5 Market Treasury Bills, Pakistan Investment Bonds and GoP Ijarah Sukuks are eligible for discounting with the State Bank of Pakistan.

Notes to the Financial Statements

For the year ended 31 December 2021

7.6 Quality of 'Available for Sale' securities

Details regarding quality of Available for Sale (AFS) securities are as follows:

7.6.1 Federal Government Securities - Government guaranteed

Market Treasury Bills
GoP Ijarah Sukuk
Pakistan Investment Bonds
Naya Pakistan certificates*

2021	2020
Cost (Rupees in '000)	
232,275,148	142,356,686
18,567,355	25,910,344
147,479,268	142,005,527
613,896	530,538
398,935,667	310,803,095
-	1,390,978
398,935,667	312,194,073

Federal Government Securities - Non Government guaranteed

Bai Muajjal with GoP

*This represent initial investment made for the establishment of modaraba pools in Naya Pakistan Company Limited in accordance with S.R.O. 964 (1) / 2020 dated October 05, 2020.

7.6.2 Shares

Listed Companies

Sector wise exposure
Agritech Limited Fertilizer
Allied Bank Limited Banks

2021	2020
Cost (Rupees in '000)	
783,077	783,077
1,567	-
784,644	783,077

All shares are ordinary shares of Rs. 10 each except otherwise mentioned.

Unlisted Companies

1LINK (Private) Limited
Pakistan Export Finance Guarantee Agency Limited *

2021		2020	
Cost	Breakup value	Cost	Breakup value
(Rupees in '000)		(Rupees in '000)	
50,000	312,706	50,000	230,850
3,004	-	3,004	-
53,004	312,706	53,004	230,850

*The company is under liquidation and the last accounts were audited in 2014. Hence, the breakup value of the share is considered to be nil.

7.6.3 Non Government Debt Securities

Listed

Sukuk Bonds

Fatima Fertilizer Sukuk Bonds

2021	2020	2021	2020
Rating		Cost	
		(Rupees in '000)	
AA-	AA-	-	200,000

Unlisted

Bonds and Term Finance Certificates - unlisted

Term Finance Certificates of Rs. 5,000 each

Agritech Limited
Azgard Nine Limited

2021	2020	2021	2020
Rating		Cost	
		(Rupees in '000)	
Unrated	Unrated	147,000	147,000
Unrated	Unrated	-	138,025
		147,000	285,025

Notes to the Financial Statements

For the year ended 31 December 2021

8 ADVANCES

ADVANCES	Note	Performing		Non Performing		Total	
		2021	2020	2021	2020	2021	2020
		----- (Rupees in '000) -----					
Loans, cash credits, running finances, etc.		169,481,991	136,151,416	19,967,978	20,804,684	189,449,969	156,956,100
Islamic financing and related assets		58,219,124	38,258,659	1,335,396	1,890,294	59,554,520	40,148,953
Bills discounted and purchased (excluding treasury bills)		6,900,023	2,647,524	-	-	6,900,023	2,647,524
Advances - gross	8.1	234,601,138	177,057,599	21,303,374	22,694,978	255,904,512	199,752,577
Provision for non-performing advances							
- Specific		-	-	(19,544,268)	(18,965,250)	(19,544,268)	(18,965,250)
- General		(2,187,627)	(2,570,953)	-	-	(2,187,627)	(2,570,953)
	8.3	(2,187,627)	(2,570,953)	(19,544,268)	(18,965,250)	(21,731,895)	(21,536,203)
Advances - net of provision		232,413,511	174,486,646	1,759,106	3,729,728	234,172,617	178,216,374

8.1 Particulars of advances - gross

	2021	2020
----- (Rupees in '000) -----		
8.1.1 In local currency	252,983,759	197,517,154
In foreign currencies	2,920,753	2,235,423
	255,904,512	199,752,577

8.2 Advances include Rs. 21,303.374 million (31 December 2020: Rs. 22,694.978 million) which have been placed under non-performing status as detailed below:

Category of classification	2021		2020	
	Non Performing Loans	Provision	Non Performing Loans	Provision
----- (Rupees in '000) -----				
Domestic				
Other Assets Especially Mentioned	161,729	89	182,214	-
Substandard	271,839	22,912	1,653,142	338,528
Doubtful	1,802,818	760,934	3,953,291	1,872,838
Loss	19,066,988	18,760,333	16,906,331	16,753,884
	21,303,374	19,544,268	22,694,978	18,965,250

8.2.1 At 31 December 2021, the provision requirement has been reduced by Rs. 393.056 million (31 December 2020: Rs. 229.642 million) being benefit of Forced Sale Value (FSV) of commercial, residential and industrial properties (land and building only) held as collateral, in accordance with the State Bank of Pakistan Prudential Regulations (PR) and SBP Circular 10 dated 21 October 2011. Increase in accumulated profits amounting to Rs. 239.764 million due to the said FSV benefit is not available for distribution of cash and stock dividend / bonus to employees.

8.3 Particulars of provision against advances

Particulars of provision against advances	Note	2021			2020		
		Specific	General	Total	Specific	General	Total
----- (Rupees in '000) -----							
Opening balance		18,965,250	2,570,953	21,536,203	16,375,109	806,318	17,181,427
Charge for the year		2,754,283	139,767	2,894,050	3,367,205	1,778,760	5,145,965
Reversals		(1,664,544)	(523,093)	(2,187,637)	(361,460)	(14,125)	(375,585)
		1,089,739	(383,326)	706,413	3,005,745	1,764,635	4,770,380
Amounts written off	8.5.1	(594,028)	-	(594,028)	(449,474)	-	(449,474)
Other movements (including FX adjustment)		83,307	-	83,307	33,870	-	33,870
Closing balance		19,544,268	2,187,627	21,731,895	18,965,250	2,570,953	21,536,203

8.4 Particulars of provision against advances

	2021			2020		
	Specific	General	Total	Specific	General	Total
----- (Rupees in '000) -----						
In local currency	18,345,255	2,187,627	20,532,882	17,993,038	2,570,953	20,563,991
In foreign currencies	1,199,013	-	1,199,013	972,212	-	972,212
	19,544,268	2,187,627	21,731,895	18,965,250	2,570,953	21,536,203

Notes to the Financial Statements

For the year ended 31 December 2021

- 8.4.1** General provision includes provision amounting to Rs 1014.621 million (31 December 2020: Rs 797.212 million) against the consumer finance portfolio. It also includes Rs Nil (31 December 2020: Rs 1.025 million) pertaining to Small Enterprise (SE) portfolio in accordance with SBP Prudential Regulations.

Given the prevailing economic environment due to uncertainties around COVID-19, the management believes it is appropriate to maintain a general provision of up to 0.5 percent (31 December 2020: 1.0 percent) of the performing credit portfolio on prudent basis. This general provision is in addition to the requirements of Prudential Regulations. Based on management's best estimate the bank holds a COVID-19 general provision of Rs 1,173 million (31 December 2020: Rs 1,773 million)

8.5	Particulars of write-offs	Note	2021	2020
			(Rupees in '000)	
8.5.1	Against provisions	8.3	594,028	449,474
	Directly charged to profit & loss account	29	166,996	351,997
		8.5.2 & 8.7	761,024	801,471
8.5.2	Write-offs of Rs. 500,000 and above - Domestic		580,687	394,615
	Write-offs of below Rs. 500,000		180,337	406,856
			761,024	801,471

8.6 Details of loans written-off of Rs. 500,000 and above

In terms of sub-section (3) of section 33A of the Banking Companies Ordinance, 1962, the statement in respect of written-off loans or any other financial relief of five hundred thousand rupees or above allowed to a person(s) during the year ended 31 December 2021 is given in Annexure 1.

- 8.7** This includes loans charged off as per Bank's policy. Recovery efforts on the amount charged off are ongoing, as the Bank continues to have the legal right of recovery.

9	FIXED ASSETS	Note	2021	2020
			(Rupees in '000)	
	Capital work-in-progress	9.1	440,901	76,340
	Property and equipment	9.2 & 9.6	10,248,225	11,834,422
			10,689,126	11,910,762
9.1	Capital work-in-progress			
	Civil works		408,099	18,112
	Equipment		32,802	58,228
			440,901	76,340

Notes to the Financial Statements

For the year ended 31 December 2021

9.2 Property and equipment

	2021									
	Freehold Land	Leasehold Land	Buildings on Freehold land	Buildings on Owned	Leasehold Land Right of Use Assets	Furniture and Fixtures	Electrical, Office and Computer Equipment	Vehicles	Leasehold improvements	Total
	(Rupees in '000)									
At January 1, 2021										
Cost / Revalued amount	651,300	6,852,717	138,466	742,515	3,630,969	246,158	3,033,575	122,869	887,141	16,305,710
Accumulated depreciation	-	-	-	-	(1,151,313)	(242,678)	(2,202,150)	(107,627)	(767,520)	(4,471,288)
Net book value	651,300	6,852,717	138,466	742,515	2,479,656	3,480	831,425	15,242	119,621	11,834,422
Year ended December 2021										
Opening net book value	651,300	6,852,717	138,466	742,515	2,479,656	3,480	831,425	15,242	119,621	11,834,422
Additions	-	-	7,010	14,838	-	1,812	229,046	-	31,404	284,110
Movement in surplus on assets revalued during the year	-	418,959	-	270	-	-	-	-	-	419,229
Transfers (to) from assets held for sale	-	(1,089,075)	-	(61,036)	-	-	-	-	-	(1,150,111)
Disposals - cost	-	-	-	-	(1,092,850)	(8,845)	(35,153)	(1,207)	-	(1,138,055)
Disposals - Accumulated Depreciation	-	-	-	-	365,307	8,845	35,153	1,207	-	410,512
Depreciation charge	-	-	(13,939)	(59,073)	(509,941)	(742)	(338,694)	(15,101)	(42,778)	(980,268)
Other adjustments / transfers - Cost	-	-	-	(3,831)	594,503	(1,751)	(155)	-	(134,900)	453,866
Other adjustments / transfers - Accumulated Depreciation	-	-	-	857	-	1,751	-	-	111,912	114,520
Closing net book value	651,300	6,182,601	131,537	634,540	1,836,675	4,550	721,622	141	85,259	10,248,225
At December 30, 2021										
Cost / Revalued amount	651,300	6,182,601	145,476	692,756	3,132,622	237,374	3,227,313	121,662	783,645	15,174,749
Accumulated depreciation	-	-	(13,939)	(58,216)	(1,295,947)	(232,824)	(2,505,691)	(121,521)	(698,386)	(4,926,524)
Net book value	651,300	6,182,601	131,537	634,540	1,836,675	4,550	721,622	141	85,259	10,248,225
Rate of depreciation (percentage)	-	-	2.86% - 6.67%	2.86% - 6.67%	7.7% - 100%	33.33%	14.28% - 33.33%	33.33%	6.67% - 10%	
	2020									
	Freehold Land	Leasehold Land	Buildings on Freehold land	Buildings on Owned	Leasehold Land Right of Use Assets	Furniture and Fixtures	Electrical, Office and Computer Equipment	Vehicles	Leasehold improvements	Total
	(Rupees in '000)									
At January 1, 2020										
Cost / Revalued amount	515,330	5,055,977	116,795	713,478	3,870,116	256,738	2,483,430	122,869	990,027	14,124,760
Accumulated depreciation	-	-	(23,170)	(115,738)	(561,465)	(249,942)	(1,980,579)	(87,676)	(791,338)	(3,809,908)
Net book value	515,330	5,055,977	93,625	597,740	3,308,651	6,796	502,851	35,193	198,689	10,314,852
Year ended December 2020										
Opening net book value	515,330	5,055,977	93,625	597,740	3,308,651	6,796	502,851	35,193	198,689	10,314,852
Additions	-	-	4,627	-	5,042	-	651,697	-	2,904	664,270
Movement in surplus on assets revalued during the year	135,970	1,796,740	51,044	202,350	-	-	-	-	-	2,186,104
Revaluation adjustment	-	-	(34,000)	(173,313)	-	-	-	-	-	(207,313)
Revaluation adjustment - Accumulated Depreciation	-	-	34,000	173,313	-	-	-	-	-	207,313
Disposals - Cost	-	-	-	-	(321,635)	(9,737)	(37,074)	-	(28,761)	(397,207)
Disposals - Accumulated Depreciation	-	-	-	-	93,678	9,737	36,652	-	26,195	166,262
Depreciation charge	-	-	(10,830)	(57,575)	(683,526)	(3,316)	(322,391)	(19,951)	(68,972)	(1,166,561)
Other adjustments / transfers - Cost	-	-	-	-	77,446	(843)	(64,478)	-	(77,029)	(64,904)
Other adjustments / transfers - Accumulated Depreciation	-	-	-	-	-	843	64,168	-	66,595	131,606
Closing net book value	651,300	6,852,717	138,466	742,515	2,479,656	3,480	831,425	15,242	119,621	11,834,422
At December 31, 2020										
Cost / Revalued amount	651,300	6,852,717	138,466	742,515	3,630,969	246,158	3,033,575	122,869	887,141	16,305,710
Accumulated depreciation	-	-	-	-	(1,151,313)	(242,678)	(2,202,150)	(107,627)	(767,520)	(4,471,288)
Net book value	651,300	6,852,717	138,466	742,515	2,479,656	3,480	831,425	15,242	119,621	11,834,422
Rate of depreciation (percentage)	-	-	2.86% - 6.67%	2.86% - 6.67%	7.7% - 100%	33.33%	14.28% - 33.33%	33.33%	6.67% - 10%	

Notes to the Financial Statements

For the year ended 31 December 2021

- 9.3** In year 2020 all owned land and buildings were revalued by independent accredited professional valuers, Iqbal A. Nanjee & Co. (Private) Limited and Colliers International (Level 3 measurements). Both valuers appointed by the Bank are also on the panel of Pakistan Banks Association. The valuation experts used a market based approach to arrive at the fair value of the Bank's properties. The market based approach uses prices and other relevant information generated by market transactions involving identical or comparable or similar properties. These values are adjusted to reflect the nature, current condition and location of the properties. The effect of changes in the unobservable inputs used in the valuations cannot be determined with certainty, accordingly a qualitative disclosure of sensitivity has not been presented in these financial statements.

During the year, certain properties were revalued to ascertain its fair value due to the change in their status which are transferred to 'Asset held for sale' under other assets.

If the owned land and buildings were measured using the cost model, the carrying amounts would have been as follows:

	2021	2020
Carrying amount	(Rupees in '000)	
Freehold land	42,425	42,425
Leasehold land	461,143	518,112
Buildings on freehold land	36,590	37,616
Buildings on leasehold land	130,983	167,140
	<u>671,141</u>	<u>765,293</u>

The movement in surplus on revaluation of fixed assets is given in note 19.1 to the financial statements.

- 9.4** As at 31 December 2021, the cost of fully depreciated fixed assets still in the Bank's use amounted to Rs. 2.633 billion (2020: Rs. 2.387 billion).
- 9.5** During the year, no disposals of fixed assets were made to the Chief Executive or to a director or to executives or to a shareholder holding not less than 10 percent of the voting shares of the Bank or to any related party.
- 9.6** Disposed off assets with book value of Rs 500,000 or more are nil (2020: Rs 2.565 million)

10 INTANGIBLE ASSETS

	2021			
	Goodwill	Core deposits intangible	Customer relationships intangible	Brand names
	(Rupees in '000)			
At January 1, 2021				
Cost	26,095,310	1,982,413	774,680	389,400
Accumulated amortisation and impairment	-	(1,982,413)	(774,666)	(389,400)
Net book value	<u>26,095,310</u>	<u>-</u>	<u>14</u>	<u>-</u>
Year ended December 2021				
Opening net book value	26,095,310	-	14	-
Amortisation charge	-	-	(14)	-
Closing net book value	-	-	-	-
	<u>26,095,310</u>	<u>-</u>	<u>-</u>	<u>-</u>
At December 31, 2021	26,095,310	-	-	-
Cost	26,095,310	1,982,413	774,680	389,400
Accumulated amortisation and impairment	-	(1,982,413)	(774,680)	(389,400)
Net book value	<u>26,095,310</u>	<u>-</u>	<u>-</u>	<u>-</u>
Rate of amortisation (percentage)	-	-	-	-
Useful life (months)	-	-	-	-

Notes to the Financial Statements

For the year ended 31 December 2021

	2020			
	Goodwill	Core deposits intangible	Customer relationships intangible	Brand names
	(Rupees in '000)			
At January 1, 2020				
Cost	26,095,310	1,982,413	774,680	389,400
Accumulated amortisation and impairment	-	(1,982,413)	(774,615)	(389,400)
Net book value	26,095,310	-	65	-
Year ended December 2020				
Opening net book value	26,095,310	-	65	-
Amortisation charge	-	-	(51)	-
Closing net book value	26,095,310	-	14	-
At December 31, 2020				
Cost	26,095,310	1,982,413	774,680	389,400
Accumulated amortisation and impairment	-	(1,982,413)	(774,666)	(389,400)
Net book value	26,095,310	-	14	-
Rate of amortisation (percentage)	-	-	-	-
Useful life (months)	-	-	12	-

10.1 At 31 December 2021, goodwill (less accumulated impairment losses – if any) amounted to Rs. 26,095 million (2020: Rs. 26,095 million).

An annual assessment is made as to whether the current carrying value of goodwill is impaired. During the year, the Bank has revised the composition of its reportable segments, a brief description of the products and services offered by respective business segments is given in the note 39 to these financial statements. This is in line with the change in the Organizational structure of the Bank. Accordingly, the composition of Cash Generating Unit (CGU) and comparative information has been restated to bring in line with the current Organizational structure. For the purposes of impairment testing, goodwill has been allocated to the CGUs that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those CGUs. At 31 December 2021, recoverable amount of all CGUs exceeded the carrying amount.

The recoverable amount for the purpose of assessing impairment of goodwill on acquisition of Union Bank Limited was based on value in use. The calculations are based on the five year forecast approved by the management and a terminal value determined using Gordon Growth Model (using long term GDP growth rate of 4.49%). The cash flows are discounted using a discount rate (18.96%) which reflects the current market rate appropriate for the business, computed using Capital Asset Pricing Model. The allocation of goodwill to CGUs for the purpose of impairment testing is given below:

	2021	2020 (Restated)
	(Rupees in '000)	
Cash generating unit		
Corporate Commercial and Institutional Banking (CCIB)	12,642,354	12,642,354
Consumer Private Business Banking (CPBB)	13,452,956	13,452,956
Total Goodwill	26,095,310	26,095,310

The management believes that any reasonable possible changes to the key assumptions on which calculation of recoverable amount is based, would not cause the carrying amount to exceed the recoverable amount. The Bank has performed sensitivity analysis on the key assumptions for recoverable amount. These include a 1 per cent increase in the discount rate, a 1 per cent reduction in long-term GDP growth rate and a 10 per cent reduction in estimated cash flows. In all the three scenarios mentioned above, the recoverable values in all the CGUs exceed their carrying values and hence no impairment is deemed to exist.

Notes to the Financial Statements

For the year ended 31 December 2021

11 OTHER ASSETS

Note	2021	2020
	(Rupees in '000)	
	5,437,089	5,340,668
	6,413	5,173
	68,362	297,129
34.4	13,850	8,726
	2,537,499	3,922,690
	671	-
	5,688,498	3,709,568
	303,066	294,883
	245,020	224,580
	42,518	12,522
11.1	1,394,373	244,261
11.2	38,626	38,281
	199,747	188,443
	2,113,481	1,599,145
	12,065,534	4,934,015
	5,794,218	-
	249,246	208,468
	182,801	107,129
	36,381,012	21,135,681
11.3	(87,776)	(87,776)
Other Assets - net of provisions	36,293,236	21,047,905

11.1 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 it's current condition. During the year, the Bank classified additional properties as held for sale with a carrying value of Rs 1.150 billion. Following the classification as held for sale, no impairment loss was recognized as fair value less cost to sell of the property exceeds its carrying value.

11.2 Consequent to Sale and Purchase Agreement (SPA) signed between Standard Chartered Bank, Sri Lanka (SCBSL) and Standard Chartered Bank (Pakistan) Limited (SCBPL), the Sri Lanka branch operations of SCBPL were amalgamated with SCBSL with effect from close of business on 10 October 2008. According to the terms of SPA, unproductive debts, staff loans of SCBPL who are not retained by the purchaser, their corresponding housing loans and assets arising from litigation which cannot be assigned are held in trust with SCBSL. The recoveries made (net of expenses) from such assets are taken to income from Sri Lanka branch operations along with foreign exchange translation impacts as disclosed in note 26 to these financial statements, and consequently recorded as receivable. Moreover, loans which were fully provided and deemed non recoverable were written-off after necessary approvals.

11.3	2021	2020
Provision held against other assets	(Rupees in '000)	
Others - Trade related	35,495	35,495
Others - Fee related	52,281	52,281
	87,776	87,776
11.3.1 Movement in provision against other assets		
Opening balance	87,776	35,495
Charge for the year	-	52,281
Closing balance	87,776	87,776
12 BILLS PAYABLE		
In Pakistan	16,176,865	10,318,201
Outside Pakistan	424,322	393,839
	16,601,187	10,712,040

Notes to the Financial Statements

For the year ended 31 December 2021

		2021	2020	
		(Rupees in '000)		
13	BORROWINGS			
	In Pakistan	35,017,820	23,234,789	
	Outside Pakistan	10,947	58,592	
		35,028,767	23,293,381	
	Note	2021	2020	
		(Rupees in '000)		
13.1	Details of borrowings secured / unsecured			
	Secured			
	Borrowings from State Bank of Pakistan			
	under Export Refinance (ERF) scheme	13.1.1	24,437,229	18,022,855
	Refinance scheme for payment of wages and salaries		2,432,217	4,864,434
	Repurchase agreement borrowings (Repo)	13.1.2	7,385,483	-
	State Bank of Pakistan - LTFF	13.1.3	169,583	203,500
	Financing facility for renewable energy plants	13.1.4	593,308	144,000
			35,017,820	23,234,789
	Unsecured			
	Overdrawn nostro accounts	13.1.5	10,947	58,592
			35,028,767	23,293,381

13.1.1 Mark-up on Export Refinance (ERF) from State Bank of Pakistan is charged at 2 percent (2020: 2 percent) per annum and are due to mature latest by June 2022. ERF borrowings also include borrowings under Islamic Export Refinance scheme amounting to Rs. 4,742 million (2020: Rs. 3,634 million). These borrowings are secured against demand promissory notes executed by the Bank in favour of State Bank of Pakistan.

13.1.2 Repurchase agreement borrowings carry mark up rates ranging from 10.5 percent to 10.7 percent (2020: Nil) per annum payable at maturity and are due to mature by January 2022. These are secured against three months market treasury bills. The market value of securities given as collateral against these borrowings amounted to Rs. 7,386.001 million.

13.1.3 Mark-up on Long Term Finance Facility (LTFF) from State Bank of Pakistan is charged at 2.5 percent (2020: 2.5 percent) per annum and are due to mature latest by July 2025. These loans are secured against promissory notes executed by the Bank in favour of State Bank of Pakistan.

13.1.4 These borrowings have been obtained from the SBP under a scheme for financing the renewable energy power plants to promote renewable energy projects in the country. These carry mark-up at rates ranging from 2.00 percent to 3.00 percent (2020: 2.00 percent to 3.00 percent) per annum and are due to mature latest by October, 2032.

13.1.5 These include overdrawn nostro accounts with other branches and subsidiaries of Standard Chartered Group outside Pakistan amounting to Rs. 10.9 million (2020: Rs. 58 million).

		2021	2020
		(Rupees in '000)	
13.2	Particulars of borrowings with respect to currencies		
	In local currency	35,017,820	23,234,789
	In foreign currencies	10,947	58,592
		35,028,767	23,293,381

Notes to the Financial Statements

For the year ended 31 December 2021

14 DEPOSITS AND OTHER ACCOUNTS

Note

	2021			2020		
	In Local Currency	In Foreign currencies	Total	In Local Currency	In Foreign currencies	Total
Customers						
	(Rupees in '000)					
- Fixed / Term deposits	47,908,842	803,841	48,712,683	40,940,204	337,325	41,277,529
- Savings deposits	284,966,620	22,898,281	307,864,901	237,296,916	23,905,772	261,202,688
- Current accounts	165,384,020	64,785,018	230,169,038	149,571,073	62,515,663	212,086,736
- Margin accounts	5,483,911	177,397	5,661,308	4,943,460	169,424	5,112,884
- Special exporters' account	8,800,436	-	8,800,436	6,158,718	-	6,158,718
	512,543,829	88,664,537	601,208,366	438,910,371	86,928,184	525,838,555
Financial Institutions						
- Fixed / Term deposits	506,379	9,143	515,522	443,044	8,246	451,290
- Savings deposits	6,992,742	1,195,136	8,187,878	10,243,113	2,200,498	12,443,611
- Current accounts	13,699,347	3,068,008	16,767,355	11,479,668	6,200,526	17,680,194
- Margin accounts	14,895	80,396	95,291	18,078	74,195	92,273
	21,213,363	4,352,683	25,566,046	22,183,903	8,483,465	30,667,368
	533,757,192	93,017,220	626,774,412	461,094,274	95,411,649	556,505,923

14.1 This includes Rs. 732.691 million (2020: Rs. 568.665 million) against balances of other branches and subsidiaries of Standard Chartered Group.

14.2 Composition of deposits

- Individuals
- Government (Federal and Provincial)
- Public Sector Entities
- Banking Companies
- Non-Banking Financial Institutions
- Private Sector
- Embassies
- Non residents (Corporate & Individual)
- Trusts

Note	2021	2020
	(Rupees in '000)	
	304,634,275	293,654,705
	228,209	319,872
	2,895,758	3,088,895
	22,284,451	18,514,399
	3,072,559	3,347,984
	219,339,973	183,861,645
	209,036	8,804,985
	45,491,632	33,780,490
	28,618,519	11,132,948
14.3	626,774,412	556,505,923

14.3 This includes deposits eligible to be covered under insurance arrangements amounting to Rs. 349,153 million (2020: Rs. 324,985 million)

15 DEFERRED TAX ASSETS / (LIABILITIES)

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

		2021			
	Note	At 1 January 2021	Recognised in profit and loss	Recognised in OCI	At 31 December 2021
----- (Rupees in '000) -----					
Deductible Temporary Differences on					
Deficit on revaluation of investments	19.2	(142,523)	-	454,505	311,982
Worker Welfare Fund		876,342	100,153	-	976,495
Provision against advances, off balance sheet etc.	15.1	2,914,861	(1,469,121)	-	1,445,740
Accelerated tax depreciation		67,486	(25,695)	-	41,791
Unpaid liabilities		3,043,259	954,420	-	3,997,679
		6,759,425	(440,243)	454,505	6,773,687
Taxable Temporary Differences on					
Surplus on revaluation of fixed assets	19.1	(254,107)	13,463	(29,537)	(270,181)
Post retirement employee benefits		3,054	-	(8,456)	(5,402)
Goodwill		(9,133,358)	(1,043,812)	-	(10,177,170)
		(9,384,411)	(1,030,349)	(37,993)	(10,452,753)
		(2,624,986)	(1,470,592)	416,512	(3,679,066)

Notes to the Financial Statements

For the year ended 31 December 2021

2020			
At 1 January 2020	Recognised in profit and loss	Recognised in OCI	At 31 December 2020
(Rupees in '000)			

Deductible Temporary Differences on

Post retirement employee benefits
Accelerated tax depreciation
Worker Welfare Fund
Provision against advances, off balance sheet etc.
Unpaid liabilities

2,476	-	578	3,054
71,424	(3,938)	-	67,486
-	876,342	-	876,342
1,805,362	1,109,499	-	2,914,861
2,403,306	639,953	-	3,043,259
4,282,568	2,621,856	578	6,905,002

Taxable Temporary Differences on

Surplus on revaluation of fixed assets
Goodwill
Deficit on revaluation of investments

(194,429)	8,651	(68,329)	(254,107)
(7,830,986)	(1,302,372)	-	(9,133,358)
34,883	-	(177,406)	(142,523)
(7,990,532)	(1,293,721)	(245,735)	(9,529,988)
(3,707,964)	1,328,135	(245,157)	(2,624,986)

- 15.1** 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.

16 OTHER LIABILITIES

Note

2021

2020

(Rupees in '000)

Mark-up / return / interest payable in local currency		522,719	502,125
Mark-up / return / interest payable in foreign currencies		1,240	-
Accrued expenses		3,572,068	3,095,978
Advance payments		456,472	435,564
Sundry creditors		9,182,051	7,644,474
Mark to market loss on forward foreign exchange contracts		2,046,836	4,602,999
Unrealized loss on interest rate derivatives and currency options		5,228,961	3,746,037
Due to Holding Company	16.1	14,336,497	10,279,247
Charity fund balance		10,482	10,557
Dividend payable		132,495	111,004
Branch adjustment account		-	815
Provision against off balance sheet obligations	16.2 & 16.3	233,808	226,638
Worker's Welfare Fund (WWF) payable	16.4	2,952,654	2,374,120
Lease liability		2,047,578	2,866,994
Short sell - Federal Government Securities		20,989,124	5,974,790
Acceptances		12,065,534	4,934,015
Unsettled trades		3,929,796	-
Others		28,537	285,248
		77,736,852	47,090,605

16.1 Due to holding company

On account of reimbursement of executive and general administrative expenses	10,250,476	10,250,476
Dividend and other payable	4,086,021	28,771
	14,336,497	10,279,247

Notes to the Financial Statements

For the year ended 31 December 2021

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

	2021	2020
	(Rupees in '000)	
16.3 Provision against off-balance sheet obligations		
Opening balance	226,638	235,130
Charge for the year	50,817	55,690
Reversals	(43,647)	(64,182)
Closing balance	233,808	226,638

16.4 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 and advance payment made against WWF is netted off with WWF liabilities

Further, as a consequence of passage of 18th Amendment to the Constitution, levy for Worker's Welfare fund was also introduced by the Government of Sindh (Sindh WWF) which was effective from 1 January 2014. The definition of industrial undertakings under the aforesaid Sindh WWF law includes banks and financial institutions as well. The Bank along with the other banks has challenged applicability of the said law on Banks before the Sindh High Court.

17 SHARE CAPITAL

17.1 Authorized Capital

2021	2020		Note	2021	2020
(Number of shares)				(Rupees in '000)	
4,000,000,000	4,000,000,000	Ordinary shares of Rs.10 each		40,000,000	40,000,000

17.2 Issued, subscribed and paid-up Capital

2021	2020			2021	2020
(Number of shares)				(Rupees in '000)	
2,939,785,018	2,939,785,018	Ordinary shares of Rs. 10 each Fully paid in cash		29,397,850	29,397,850
931,800,003	931,800,003	Issued in terms of scheme of amalgamation	17.3	9,318,000	9,318,000
3,871,585,021	3,871,585,021			38,715,850	38,715,850

17.3 These represent 892,554,151 shares of Rs. 10/- each issued and allotted at par to Standard Chartered Bank (UK) against transfer of entire undertaking of SCB Branch Business by SCB to the Bank, and 39,245,852 shares issued and allotted at par credited as fully paid up to persons who were registered shareholders of Union Bank. These shares have been issued in accordance with the scheme of amalgamation duly approved by State Bank of Pakistan on 4 December 2006.

17.4 At 31 December 2021, Standard Chartered Bank (UK), held 98.99% shares of the Bank.

Notes to the Financial Statements

For the year ended 31 December 2021

	Note	2021	2020
		(Rupees in '000)	
18 Reserves			
Share premium	18.1	1,036,090	1,036,090
Statutory reserve	18.2	24,206,995	21,461,461
		25,243,085	22,497,551
18.1	This represents excess of fair value of the shares over par value of shares issued to registered shareholders of Union Bank in terms of the amalgamation scheme.		
18.2	In accordance with the Banking Companies Ordinance, 1962, the Bank is required to transfer twenty percent of its profit of each year to a reserve fund until the amount in such fund equals the paid-up capital of the Bank.		
18.3	The Board of Directors in their meeting held on 17 February 2022 have announced a final cash dividend of 17.5% (Rs. 1.75/- per share) in respect of the year ended 31 December 2021 (2020: Rs. 2.75 per share). This is in addition to 12.5% (Rs. 1.25/- per share) interim cash dividend announced during the year. The financial statements for the year ended 31 December 2021 do not include the effect of final dividend appropriations which will be accounted for subsequent to the year end.		
19 SURPLUS ON REVALUATION OF ASSETS - NET OF DEFERRED TAX	Note	2021	2020
		(Rupees in '000)	
Surplus / (deficit) arising on revaluation of:			
Fixed assets	19.1	8,129,978	7,745,270
Available for sale securities	19.2	(799,954)	407,208
		7,330,024	8,152,478
Deferred tax on surplus / (deficit) on revaluation of:			
Fixed assets	19.1	(270,181)	(254,107)
Available for sale securities	19.2	311,982	(142,523)
		41,801	(396,630)
		7,371,825	7,755,848
19.1 Surplus on revaluation of fixed assets - net of tax			
Surplus on revaluation of fixed assets as at 1 January		7,745,270	5,642,052
Recognised during the year		419,228	2,186,104
Realised on disposal during the year		-	(58,169)
Transferred to unappropriated profit in respect of incremental depreciation charged during the year		(34,520)	(24,717)
Surplus on revaluation of fixed assets as at 31 December - Gross		8,129,978	7,745,270
Less: Related deferred tax liability on:			
Revaluation surplus as at 1 January		(254,107)	(194,429)
Revaluation surplus recognised during the year		(105)	(88,688)
Surplus realized on disposal during the year		-	20,359
Deferred tax rate impact		(29,432)	-
Incremental depreciation charged during the year		13,463	8,651
		(270,181)	(254,107)
Surplus on revaluation of fixed assets as at 31 December - net of tax		7,859,797	7,491,163
19.2 (Deficit) / Surplus on revaluation of Available for Sale securities - net of tax			
Market Treasury Bills		(68,204)	107,296
Pakistan Investment Bonds		(657,740)	322,377
Sukuk and Ijarah Bonds		(107,376)	(85,111)
Listed shares		33,366	62,646
		(799,954)	407,208
Related deferred tax liability		311,982	(142,523)
		(487,972)	264,685
20 CONTINGENCIES AND COMMITMENTS			
Guarantees	20.1	137,226,388	122,977,374
Commitments	20.2	491,543,968	437,684,085
Other contingent liabilities	20.3	30,781,591	10,858,932
		659,551,947	571,520,390

Notes to the Financial Statements

For the year ended 31 December 2021

		2021	2020
		(Rupees in '000)	
20.1 Guarantees:			
Guarantees issued favouring:			
Financial guarantees		11,529,652	15,716,609
Performance guarantees		90,299,604	75,028,239
Other guarantees		35,397,132	32,232,527
		137,226,388	122,977,374
20.2 Commitments:			
Documentary credits and short-term trade-related transactions			
Letters of credit		54,690,025	30,432,016
Commitments in respect of:			
Forward foreign exchange contracts			
- Purchase	20.4	233,823,409	198,686,967
- Sale	20.4	156,529,301	171,348,315
Commitment in respect of derivatives			
- Interest rate swaps	20.6	14,090,226	8,991,700
- Cross currency swaps	20.6	32,064,531	28,171,806
Commitment for acquisition of fixed assets		345,774	50,854
Commitment in respect of operating leases	20.7	702	2,427
		491,543,968	437,684,085
20.3 Other contingent liabilities		30,781,591	10,858,932
20.3.1	The Bank has a case before the Court on the land where an office building is constructed and the Bank owns a portion of that premises. A request for clearance of its premises from the competent court has been filed based on the fact that the Bank is a bonafide purchaser of the premises having no relevance with the principal case. Considering the facts of the case, the management expects a favourable decision in this case from the competent court. The Bank is also in litigation with various tenants for repossessing its office space in one of its other owned properties. These cases are now being adjudicated before the Court of Rent Controller. Based on the facts of the case and the opinion of legal counsel, the management expects a favourable decision from the dealing court in remaining cases.		
20.3.2	The tax department amended the assessments for income years 2007 to 2019 (tax years 2008 to 2020 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.		
20.3.3	Further, an order for income year 2011 levying Federal Excise Duty of Rs. 515.6 million has been issued. The demand has been stayed by the Sindh High Court.		
20.4 Commitments in respect of forward foreign exchange contracts		2021	2020
		(Rupees in '000)	
Purchase from:			
State Bank of Pakistan		42,922,076	47,420,648
Other banks		185,697,911	148,275,310
Customers		5,203,422	2,991,009
		233,823,409	198,686,967
Sale to:			
State Bank of Pakistan		-	-
Other banks		154,490,357	153,276,067
Customers		2,038,944	18,072,249
		156,529,301	171,348,315
The maturities of the above contracts are spread over a period of one year.			

Notes to the Financial Statements

For the year ended 31 December 2021

20.5 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.

20.6 Commitments in respect of derivatives

	2021	2020
	(Rupees in '000)	
Interest rate Swaps		
- Purchase	4,045,113	4,995,850
- Sale	10,045,113	3,995,850
	14,090,226	8,991,700
Cross currency Swaps		
- Purchase	9,834,847	7,778,114
- Sale	22,229,684	20,393,692
	32,064,531	28,171,806

20.7 Commitments in respect of operating leases

Not later than one year	-	1,553
Later than one year and not later than five years	702	874
Later than five years	-	-
	702	2,427

20.8 Derivative instruments

20.8.1 Product analysis

		2021					
		(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	4,045,113	25,235	4,940,143	(359,047)	-	-
	Market Making	-	-	784,611	(267,346)	-	-
With FIs other than banks							
	Hedging	-	-	-	-	-	-
	Market Making	-	-	-	-	-	-
With other entities for							
	Hedging	-	-	-	-	-	-
	Market Making	10,045,113	(145,342)	26,339,778	(4,179,395)	-	-
Total							
	Hedging	4,045,113	25,235	4,940,143	(359,047)	-	-
	Market Making	10,045,113	(145,342)	27,124,389	(4,446,741)	-	-

* At the exchange rate prevailing at year end.

Notes to the Financial Statements

For the year ended 31 December 2021

		2020					
		(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	3,995,850	(18,492)	6,082,600	83,664	-	-
	Market Making	-	-	1,635,374	(477,094)	-	-
With FIs other than banks	Hedging	-	-	-	-	-	-
	Market Making	-	-	-	-	-	-
With other entities for	Hedging	-	-	-	-	-	-
	Market Making	4,995,850	42,578	20,453,832	(3,081,810)	-	-
Total	Hedging	3,995,850	(18,492)	6,082,600	83,664	-	-
	Market Making	4,995,850	42,578	22,089,206	(3,558,904)	-	-

* At the exchange rate prevailing at year end.

20.8.2 Maturity analysis

Remaining Maturity	2021				
	No. of Contracts	Notional Principal	Mark to Market		Net
			Negative	Positive	
			----- (Rupees in '000) -----		
Upto 1 month	4	6,019,373	-	-	-
1 to 3 months	-	-	-	-	-
3 to 6 months	1	72,281	(38,530)	-	(38,530)
6 months to 1 year	2	564,592	(244,930)	27,656	(217,274)
1 to 2 years	8	3,760,120	(386,668)	44,107	(342,561)
2 to 3 years	7	14,931,995	(843,384)	24,847	(818,537)
3 to 5 years	37	20,806,397	(3,715,449)	206,456	(3,508,993)
5 to 10 years	-	-	-	-	-
Above 10 years	-	-	-	-	-
	59	46,154,758	(5,228,961)	303,066	(4,925,895)

Remaining Maturity	2020				
	No. of Contracts	Notional Principal	Mark to Market		Net
			Negative	Positive	
			----- (Rupees in '000) -----		
Upto 1 month	-	-	-	-	-
1 to 3 months	-	-	-	-	-
3 to 6 months	2	210,505	(71,519)	-	(71,519)
6 months to 1 year	1	87,318	(85,641)	-	(85,641)
1 to 2 years	3	946,650	(227,108)	394	(226,714)
2 to 3 years	7	3,358,001	(289,515)	109,287	(180,228)
3 to 5 years	39	32,561,033	(3,072,254)	185,202	(2,887,052)
5 to 10 years	-	-	-	-	-
Above 10 years	-	-	-	-	-
	52	37,163,507	(3,746,037)	294,883	(3,451,154)

Notes to the Financial Statements

For the year ended 31 December 2021

21 MARK-UP / RETURN / INTEREST EARNED

Note	2021	2020
	(Rupees in '000)	
On loans and advances to customers	18,727,580	21,886,294
On loans and advances to financial institutions	117,642	19,246
On investments in: i) Held for trading securities	328,675	1,226,233
ii) Available for sale securities	27,009,862	27,547,303
On deposits with financial institutions / State Bank of Pakistan	3,313	27,222
On securities purchased under resale agreements	431,674	1,018,747
On call money lendings / Placements	233,593	496,925
	46,852,339	52,221,970

22 MARK-UP / RETURN / INTEREST EXPENSED

Deposits	17,975,590	20,522,419
Securities sold under repurchase agreements	510,929	694,487
Call borrowings	1,691	18,296
Borrowings from State Bank of Pakistan under Export Refinance (ERF) scheme	446,577	390,331
Cost of foreign currency swaps against foreign currency deposits / borrowings	882,958	1,676,132
Deposit protection premium	519,979	428,474
Finance cost against leases	246,919	352,234
	20,584,643	24,082,373

22.1 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.

23 FEE & COMMISSION INCOME

Note	2021	2020
	(Rupees in '000)	
Branch banking customer fees	286,268	320,552
Consumer finance related fees	77,815	54,789
Card related fees (debit and credit cards)	1,175,565	1,563,349
Credit related fees	19,088	239,407
Investment banking fees	181,457	104,940
Brokerage charges	(70,204)	(76,480)
Commission on trade and cash management	673,813	567,659
Commission on guarantees	279,075	494,886
Commission on remittances including home remittances	228,762	186,023
Commission on bancassurance	72,782	77,181
Custody fees	208,146	189,646
	3,132,567	3,721,952

24 FOREIGN EXCHANGE INCOME

Gain / (loss) realised from dealing in:		
Foreign currencies	6,001,089	4,438,481
Derivative financial instruments	(1,402,103)	(105,844)
	4,598,986	4,332,637

25 GAIN ON SALE OF SECURITIES

Realised	25.1	1,765,660	3,302,349
Unrealised - held for trading	7.1	289,257	78,166
		2,054,917	3,380,515

25.1 Realised gain on:

Federal Government Securities

Market Treasury Bills	990,691	2,950,247
Pakistan Investment Bonds	777,655	337,089
Ijarah Sukuks	(2,686)	15,013
	1,765,660	3,302,349

Notes to the Financial Statements

For the year ended 31 December 2021

26 OTHER INCOME

Note	2021	2020
	(Rupees in '000)	
Rent on property	29,539	27,928
Gain on sale of fixed assets	11,162	10,109
Gain on sale of asset held for sale	-	94,158
Sri Lanka branch operations recovery & exchange translation	345	568
Recoveries against assets at acquisition of Union Bank Limited	30,000	-
Gain on lease termination	154,296	32,969
Gain on acquisition of assets	1,567	33,802
	226,909	199,534

27 OPERATING EXPENSES

Note	2021	2020
	(Rupees in '000)	
Total compensation expense	6,644,007	6,394,485
Property expense		
Rent & taxes	111,228	119,559
Insurance	11,178	9,028
Utilities cost	269,327	261,612
Security (including guards)	220,228	216,288
Repair & maintenance	195,490	197,581
Civil works	204,743	173,570
Facilities management cost	128,600	137,084
Depreciation (Property related)	125,531	154,222
Depreciation (Right of use assets)	509,941	683,526
Cleaning and Janitorial	430,508	386,973
Minor improvements, additions and others	67,271	267,660
	2,274,045	2,607,103
Information technology expenses		
Software maintenance	330,963	290,362
Hardware maintenance	287,815	353,344
Depreciation (IT related)	275,690	249,412
Amortisation	14	51
Network charges	14,149	8,920
	908,631	902,089
Other operating expenses		
Directors' fees and allowances	13,925	13,250
Fees and allowances to Shariah Board	11,589	12,036
Legal & professional charges	130,732	180,874
Outsourced services costs	115,894	128,648
Travelling & conveyance	38,355	58,857
Depreciation (Other operating exp)	69,106	79,401
Training & development	1,203	6,077
Postage & courier charges	127,439	135,681
Communication	345,016	325,026
Stationery & printing	206,001	152,652
Marketing, advertisement & publicity	292,249	315,276
Donations	9,250	27,743
Auditors remuneration	27,150	25,673
Cash transportation services	58,578	69,684
Documentation and processing charges	165,179	151,913
Insurance	32,051	20,677
Others	69,095	271,664
	1,712,812	1,975,132
	11,539,495	11,878,809

Notes to the Financial Statements

For the year ended 31 December 2021

	Note	2021	2020
		(Rupees in '000)	
27.1 Total compensation expense			
Managerial Remuneration			
i) Fixed		3,206,827	3,257,681
ii) Variable of which;			
a) Cash Bonus / Awards etc.		1,180,887	897,628
b) Bonus & Awards in Shares etc.		51,397	(17,056)
Fees and allowances etc		1,127,174	1,195,973
Charge for defined benefit plan		(475)	19,103
Contribution to defined contribution plan		379,525	425,309
Rent & house maintenance		26,000	22,554
Conveyance		399,728	366,336
Others			
a) Redundancy / severance		87,942	89,506
b) Staff entertainment		18,420	27,219
c) Temporary staff cost		240	60
d) Staff insurance		166,342	110,172
		6,644,007	6,394,485

27.2 Total cost for the year included in other operating expenses relating to outsourced activities is Rs. 116 million (2020: Rs. 129 million). The total amount pertains to the payment to companies incorporated in Pakistan. The material outsourcing arrangement along with their nature of services are as follows:

Supplier name	Services	2021	2020
		(Rupees in '000)	
CMS Company	Cash Sorting at Cash Houses and Branches	30,000	29,100
DWP Technologies (Pvt) Ltd	Network Management Support Services	11,300	10,000
DWP Technologies (Pvt) Ltd	Printing of Customer Statement	5,854	5,854
Agility Logistics (Pvt) Limited	Archival facility for Bank's documents	14,922	-
Infotel Pakistan (Pvt) Ltd	Credit and Debit Card Personalization	6,918	25,414
Apex Printry (Pvt) Ltd	Secured Printing i.e. Cheque books, Pay orders etc.	9,196	9,219
Inbox Business Technologies Ltd	Desktop & End User Support Services	37,704	49,061
		115,894	128,648

27.3 Bank is awaiting approval from State Bank of Pakistan (SBP) for payment of group executive and general administration expenses for prior years. In concurrence with SCB UK, no expenses have been charged since 2018.

	2021	2020
	(Rupees in '000)	
27.4 Details of the donations given in excess of Rs. 500,000 are given below:		
Donee		
Right to Play International - Goal Programme	9,250	7,985
Patient's Aid Foundation	-	2,258
Indus Hospital	-	13,200
Orange Tree Foundation	-	4,300

Donations were not made to any donee in which directors or their spouse had any interest except for Patient's Aid Foundation where common directorship exist.

Moreover, SCB Group directly sponsored donations amounting to PKR 44.88 million during the year which were co-ordinated through SCBPL. These donations were made to Mayo Hospital Lahore of PKR 23.29 million through Sightsavers International as part of COVID-19 relief and in SCWomen in tech initiative of PKR 21.59 million through Innoventures

	Note	2021	2020
		(Rupees in '000)	
27.5 Auditors' remuneration			
Statutory audit fee		17,862	15,751
IFRS reporting fee		3,529	5,641
Special certifications and sundry other reporting		4,408	2,962
Fee for audit of employee funds		351	319
Out-of-pocket expenses		1,000	1,000
		27,150	25,673

Notes to the Financial Statements

For the year ended 31 December 2021

28 OTHER CHARGES	Note	2021	2020
		(Rupees in '000)	
Fines and penalties imposed by State Bank of Pakistan		18,989	11,765
29 PROVISIONS AND WRITE OFFS - NET			
Provision against loans and advances	8.3	(706,413)	(4,770,380)
Provision against off-balance sheet obligations - net		(7,170)	8,492
Recovery of amounts written off		411,969	236,197
Bad debts written off directly	8.5.1	(166,996)	(351,997)
Fixed assets write offs		(26,117)	(10,744)
Provision against other assets		-	(52,282)
		(494,727)	(4,940,714)
30 TAXATION	Note	2021	2020
		(Rupees in '000)	
- Current		9,696,706	11,034,202
- Prior years	30.1	(133,332)	777,431
- Deferred		1,470,592	(1,328,135)
		11,033,966	10,483,498
30.1 Relationship between tax expense and accounting profit			
Profit before taxation		24,761,638	23,616,480
Tax at the applicable tax rate of 35% (2020: 35%)		8,666,573	8,265,768
Expenses that are not deductible in determining taxable income		6,646	4,118
Super tax		975,170	1,121,273
Prior year provision		827,368	1,008,049
Impact of rate change		255,018	-
Additional Tax on Government Securities		287,390	101,794
Others		15,800	(17,504)
		11,033,965	10,483,498
31 EARNINGS PER SHARE - BASIC AND DILUTED		2021	2020
		(Rupees in '000)	
Profit for the year		13,727,672	13,132,982
		(Number of shares)	
Weighted average number of ordinary shares		3,871,585,021	3,871,585,021
		(Rupees)	
Earnings per share - basic and diluted		3.55	3.39
There were no convertible dilutive potential ordinary shares outstanding as at December 31, 2021 and 2020.			
32 STAFF STRENGTH		2021	2020
		(Number)	
Permanent		2,279	2,634
Temporary / on contractual basis / direct contracts		13	13
Bank's own staff at the end of year		2,292	2,647
Outsourced		-	-
Total staff strength		2,292	2,647
33 CASH AND CASH EQUIVALENTS		2021	2020
		(Rupees in '000)	
Cash and balances with treasury banks		60,295,393	54,366,569
Balances with other banks		9,567,702	11,271,237
Overdrawn nostros		(10,947)	(58,592)
		69,852,148	65,579,214

Notes to the Financial Statements

For the year ended 31 December 2021

33.1 Reconciliation of movement of liabilities to cash flows arising from financing activities

	2021								
	Liabilities				Equity				Total
	Bills payable	Borrowings	Deposits and other accounts	Deferred tax liabilities	Other liabilities	Share capital	Reserves	Surplus on revaluation of assets	Unappropriated profit
----- (Rupees in '000) -----									
Balance as at 1 January 2021	10,712,040	23,293,381	556,505,923	2,624,986	47,090,605	38,715,850	22,497,551	7,755,848	12,708,561
Changes from financing cash flows									
Dividend paid	-	-	-	-	(11,392,837)	-	-	-	-
Payment in respect of lease liability	-	-	-	-	(562,279)	-	-	-	-
Total changes from financing cash flows	-	-	-	-	(11,955,116)	-	-	-	-
Other changes	-	-	-	-	-	-	-	-	13,797,809
Liability-related									
Changes in bills payable	5,889,147	-	-	-	-	-	-	-	-
Changes in borrowings	-	11,735,386	-	-	-	-	-	-	-
Changes in deposits and other accounts	-	-	70,268,489	-	-	-	-	-	-
Changes in deferred tax liabilities	-	-	-	1,054,080	-	-	-	-	-
Changes in other liabilities	-	-	-	-	42,597,564	-	-	-	-
- Cash based	-	-	-	-	-	-	-	-	-
- Non-cash based - Actuarial loss on remeasurements of defined benefit plan	-	-	-	-	3,799	-	-	-	-
Transfer of profit to reserve	-	-	-	-	-	-	2,745,534	-	(2,745,534)
Dividend announced	-	-	-	-	-	-	-	-	(15,486,340)
Realised on disposal during the year - net of deferred tax	-	-	-	-	-	-	-	-	-
Changes in surplus on revaluation of assets	-	-	-	-	-	-	-	-	-
	5,889,147	11,735,386	70,268,489	1,054,080	42,601,363	-	2,745,534	(384,023)	(18,231,874)
Balance as at 31 December 2021	16,601,187	35,028,767	626,774,412	3,679,066	77,736,852	38,715,850	25,243,085	7,371,825	8,274,496

Notes to the Financial Statements

For the year ended 31 December 2021

Reconciliation of movement of liabilities to cash flows arising from financing activities

	2020									Total
	Liabilities				Equity					
	Bills payable	Borrowings	Deposits and other accounts	Deferred tax liabilities	Other liabilities	Share capital	Reserves	Surplus on revaluation of assets	Unappropriated profit	
----- (Rupees in '000) -----										
Balance as at 1 January 2020	12,375,271	20,256,731	465,628,985	3,707,964	45,085,131	38,715,850	19,870,955	5,382,841	8,946,857	619,970,585
Changes from financing cash flows										
Dividend paid	-	-	-	-	(6,765,790)	-	-	-	-	(6,765,790)
Payment in respect of lease liability	-	-	-	-	(787,501)	-	-	-	-	(787,501)
Total changes from financing cash flows	-	-	-	-	(7,553,291)	-	-	-	-	(7,553,291)
Other changes	-	-	-	-	-	-	-	-	13,125,764	13,125,764
Liability-related										
Changes in bills payable	(1,663,231)	-	-	-	-	-	-	-	-	(1,663,231)
Changes in borrowings	-	3,036,650	-	-	-	-	-	-	-	3,036,650
Changes in deposits and other accounts	-	-	90,876,938	-	-	-	-	-	-	90,876,938
Changes in deferred tax liabilities	-	-	-	(1,082,978)	-	-	-	-	-	(1,082,978)
Changes in other liabilities	-	-	-	-	9,549,170	-	-	-	-	9,549,170
- Cash based	-	-	-	-	-	-	-	-	-	-
- Non-cash based - Actuarial loss on remeasurements of defined benefit plan	-	-	-	-	9,595	-	-	-	-	9,595
Transfer of profit to reserve	-	-	-	-	-	-	2,626,596	-	(2,626,596)	-
Dividend announced	-	-	-	-	-	-	-	-	(6,775,274)	(6,775,274)
Realised on disposal during the year - net of deferred tax	-	-	-	-	-	-	-	-	37,810	37,810
Changes in surplus on revaluation of assets	-	-	-	-	-	-	-	2,373,007	-	2,373,007
	(1,663,231)	3,036,650	90,876,938	(1,082,978)	9,558,765	-	2,626,596	2,373,007	(9,364,060)	96,361,687
Balance as at 31 December 2020	10,712,040	23,293,381	556,505,923	2,624,986	47,090,605	38,715,850	22,497,551	7,755,848	12,708,561	721,904,745

Notes to the Financial Statements

For the year ended 31 December 2021

34 DEFINED BENEFIT PLANS

34.1 General description

Non Management Staff Pension Fund

The plan provides pension calculated at 50% of the average pensionable salary after completing 30 years of service. The employees of the Bank are entitled to either pension or gratuity, but not both. However, the employees of ANZ Grindlays Bank transferred to the bank are entitled to both pension and gratuity and the minimum number of years required for entitlement of pension is 25 years for these employees. Pension is calculated as 1/120 times the last drawn merged salary for each year of service. The plan is closed to active employees. The entire liability is in respect of existing pensioners.

Management Staff Pension Fund

The plan is closed to active employees. The entire liability is in respect of existing pensioners.

Additional Lump Sum on cessation scheme

This scheme covers unionized employees of the Bank, where they are entitled to 12 basic salaries as of January 1, 2017, payable upon retirement or in case of death or permanent disability leading to cessation of employment during the service. This is an unfunded defined benefit scheme.

34.2 Number of Employees under the scheme

	2021	2020
SCB Non Management Pension Fund	29	29
SCB Management Pension Fund	40	40
Additional Lump Sum on cessation scheme	10	14

34.3 Principal Actuarial Assumptions

The last actuarial valuation of the scheme was carried out on 31 December 2021 and the key assumptions used for actuarial valuation were as follows:

	2021	2020
Discount rate	10.40% p.a.	9.80% p.a.
Expected rate of increase in salary in future years	N/A	N/A
Expected rate of return on plan assets	10.40% p.a.	9.80% p.a.
Expected long term rate of increase in pension	3.5% p.a.	3.5% p.a.
Mortality rate	SLIC (2001-05) ultimate mortality table rated down one year	SLIC (2001-05) ultimate mortality table rated down one year
Withdrawal rate	Light	Light

	SCB Non Management Pension Fund		SCB Management Pension Fund		Additional Lump Sum on cessation scheme		Total	
	2021	2020	2021	2020	2021	2020	2021	2020
(Rupees in '000)								

34.4 Reconciliation of (receivable from) / payable to defined benefit plan

Present value of obligations	33,615	38,866	54,191	46,253	12,135	18,039	99,941	103,158
Fair value of plan assets	(57,196)	(56,441)	(56,595)	(55,443)	-	-	(113,791)	(111,884)
(Receivable from) / payable to defined benefit plan	(23,581)	(17,575)	(2,404)	(9,190)	12,135	18,039	(13,850)	(8,726)

34.5 Movement in defined benefit obligation

Obligation as at 1 January	38,866	36,155	46,253	42,463	18,039	-	103,158	78,618
Interest cost	3,576	4,273	4,245	5,005	2,028	22,876	9,849	32,154
Benefits paid	(4,927)	(3,489)	(6,511)	(5,989)	(8,448)	(5,882)	(19,886)	(15,360)
Re measurement : Actuarial (gain) / loss on obligation	(3,900)	1,927	10,204	4,774	516	1,045	6,820	7,746
Obligation as at 31 December	33,615	38,866	54,191	46,253	12,135	18,039	99,941	103,158

34.6 Movement in fair value of plan assets

Fair value as at 1 January	56,441	55,263	55,443	54,897	-	-	111,884	110,160
Interest income on plan assets	5,220	6,559	5,104	6,492	-	-	10,324	13,051
Benefits paid	(4,927)	(3,489)	(6,511)	(5,989)	-	-	(11,438)	(9,478)
Re measurement : Actuarial gain / (loss) on plan assets	462	(1,892)	2,559	43	-	-	3,021	(1,849)
Fair value as at 31 December	57,196	56,441	56,595	55,443	-	-	113,791	111,884

Notes to the Financial Statements

For the year ended 31 December 2021

	SCB Non Management Pension Fund		SCB Management Pension Fund		Additional Lump Sum on cessation scheme		Total	
	2021	2020	2021	2020	2021	2020	2021	2020
(Rupees in '000)								

34.7 Movement in (receivable) / payable from / to defined benefit plan

Balance as at 1 January	(17,575)	(19,108)	(9,190)	(12,434)	18,039	-	(8,726)	(31,542)
Net benefit cost/(income) for the year ended	(1,644)	(2,286)	(859)	(1,487)	1,470	2,119	(1,033)	(1,654)
Current service cost	-	-	-	-	558	20,757	558	20,757
Benefits paid	-	-	-	-	(8,448)	(5,882)	(8,448)	(5,882)
Total amount of remeasurements recognised in OCI during the year	(4,362)	3,819	7,645	4,731	516	1,045	3,799	9,595
Balance as at 31 December	(23,581)	(17,575)	(2,404)	(9,190)	12,135	18,039	(13,850)	(8,726)

34.8 Actual return on plan assets

Expected return on plan assets	5,220	6,559	5,104	6,492	-	-	10,324	13,051
Actuarial gain / (loss) on plan assets	462	(1,892)	2,559	43	-	-	3,021	(1,849)
	5,682	4,667	7,663	6,535	-	-	13,345	11,202

Amount recognized in total comprehensive income

The following amounts have been charged in respect of these benefits to profit and loss account and other comprehensive income:

Components of defined benefit costs recognized in profit and loss account.

Interest cost	3,576	4,273	4,245	5,005	2,028	22,876	9,849	32,154
Expected return on plan assets	(5,220)	(6,559)	(5,104)	(6,492)	-	-	(10,324)	(13,051)
	(1,644)	(2,286)	(859)	(1,487)	2,028	22,876	(475)	19,103

Components of defined benefit costs (re-measurement) recognised in other comprehensive income

Re-measurement : Actuarial gain / loss on obligation

- (Gain) / Loss due to change in financial assumptions	(1,125)	5,860	(1,881)	6,516	(260)	1,476	(3,266)	13,852
- (Gain) / Loss due to change in experience adjustments	(2,775)	(3,933)	12,085	(1,742)	776	(431)	10,086	(6,106)
	(3,900)	1,927	10,204	4,774	516	1,045	6,820	7,746

Re-measurement : interest income net of return on plan assets

Actual net return on plan assets	6,064	5,481	7,099	6,230	-	-	13,163	11,711
Interest income on plan assets	5,220	6,559	5,104	6,492	-	-	10,324	13,051
Opening difference	(382)	(814)	564	305	-	-	182	(509)
	(462)	1,892	(2,559)	(43)	-	-	(3,021)	1,849
Net re-measurement recognised in other comprehensive income	(4,362)	3,819	7,645	4,731	516	1,045	3,799	9,595

34.8.1 Components of plan assets

Bonds	55,038	49,235	49,885	52,151	-	-	104,923	101,386
Cash and net current assets	2,158	7,206	6,710	3,292	-	-	8,868	10,498

34.8.2 Sensitivity Analysis on defined benefit obligations

	+1% Discount rate	-1% Discount rate	+1% Pension increase	-1% Pension increase
(Rupees in '000)				
Non Management Pension Fund	31,889	35,531	35,646	31,763
Management Pension Fund	51,309	57,396	57,588	51,099
Additional Lump Sum on cessation scheme	11,722	12,573	-	-

Notes to the Financial Statements

For the year ended 31 December 2021

34.8.3 Five year data on (surplus) / deficit of the plans and experience adjustments

	2021	2020	2019	2018	2017
	(Rupees in '000)				
Present value of defined benefit obligation	99,941	103,158	78,618	87,854	112,126
Fair value of plan assets	113,791	111,884	110,160	104,154	107,145
(Surplus) / Deficit	(13,850)	(8,726)	(31,542)	(16,300)	4,981
Experience adjustments on plan liabilities - loss / (gain)	10,086	(6,106)	4,556	(4,025)	1,810
Experience adjustments on plan assets - loss / (gain)	(3,021)	1,849	(6,632)	(405)	875

34.8.4 Expected contributions to be paid to the funds in the next financial year

(2,572)

34.8.5 Expected charge / (reversal) for the next financial year

(2,572)

34.9 Funding Policy

The administration of defined benefit pension scheme is governed under provision of trust deeds established in 2002. Trustees at the request of the Bank agreed to act in accordance with the terms and conditions of these deeds including investment. Funding levels are monitored on annual basis based on actuarial recommendations.

Following are the significant risks associated with the define benefit plan / scheme

Asset Volatility

The Defined Benefit Pension Fund is almost entirely invested in Government Bonds with mostly fixed income bonds. For Management Pension Fund, 88.14% of the Investment (Rs. 49.885 million) is invested in Special Saving Certificates.

For Non-Management Pension Fund, 96.23% of the Investment (Rs. 55.038 million) of the investment is invested in Special Saving Certificates respectively. This gives rise to significant reinvestment risk. The asset class is volatile with reference to the yield on this class. This risk should be viewed together with change in the bond yield risk. There is no equity or corporate bond exposure. Thus, no equity or settlement risk.

Changes in Bond Yields

There are two dimensions to the changes in Bond yields: first, as described above; second, the valuation of the Defined Benefit Liabilities is discounted with reference to these bond yields. So any increase in Bond yields will lower the Defined Benefit Liabilities and vice versa, but, it will also lower the Asset values.

Life expectancy / Withdrawal rate

The Gratuity is paid off at the maximum of age 60. The Life expectancy is in almost minimal range and is quite predictable in the ages when the employee is in the accredited employment of the Bank for the purpose of the pension. Thus, the risk of life expectancy is almost negligible. The withdrawal risk is dependent upon the: benefit structure; age and retention profile of the staff; the valuation methodology; and long-term valuation assumptions. In this case, it is not a significant risk.

35 DEFINED CONTRIBUTION PLAN

The Bank operates a contributory provident and gratuity fund scheme for permanent employees. For provident fund, the employer and employee both contribute 10% of the basic salaries to the funded scheme every month. For gratuity fund scheme, the employer contributes 8.33% and 16.66% of the basic salaries to the funded scheme every month and the payment is made subject to completion of vesting period. Equal monthly contribution by the employer for both the schemes during the year amounted to Rs. 379.525 million (2020: Rs. 425.309 million).

36 SHARE BASED PAYMENTS

The Bank's employees participate in the following share compensation plans operated globally by the ultimate holding company, Standard Chartered PLC (SCPLC). Under these equity settled plans, employees in Pakistan are issued shares of SCPLC upon meeting the vesting conditions. The market value of shares is denominated in pounds sterling at the time of grant. The (total income) / expense recognised in respect of above schemes on equity settled basis amounts to Rs. 51.397 million. The main features of each plan are as follows:

Notes to the Financial Statements

For the year ended 31 December 2021

2011 Standard Chartered Share Plan (the '2011 Plan')

The 2011 Plan was approved by Group shareholders in May 2011 and is the Group's main share plan. Since approval, it has been used to deliver various types of share awards. Share awards applicable for Pakistan are as under.

A) Long Term Incentive Plan (LTIP) awards

Granted with vesting subject to performance measures such as total shareholder return (TSR); return on equity (RoE) with a common equity tier (CET1) underpin; strategic measures; earnings per share (EPS) growth; and return on risk-weighted assets (RoRWA). Each measure is assessed independently over a three-year period. Awards granted from 2016 have an individual conduct gateway requirement that results in the award lapsing if not met.

B) Deferred / Restricted shares

Deferred awards are used to deliver the deferred portion of variable remuneration, in line with both market practice and regulatory requirements. These awards vest in installments on anniversaries of the awards date specified at the time of grant. Deferred awards are not subject to any plan limit. This enables the Group to meet regulatory requirements relating to deferral levels and is in line with market practice.

Restricted share awards, made outside of the annual performance process as replacement buy-out awards to new joiners who forfeit awards on leaving their previous employers, vest in installments on the anniversaries of the award date specified at the time of grant. This enables the Group to meet regulatory requirements relating to buy-outs, and is in line with market practice.

All Employee Sharesave Plans- (AESP) 2013 Sharesave Plan

The 2013 Sharesave Plan was approved by Group shareholders in May 2013. Under the 2013 Sharesave Plan, employees may open a savings contract. Within a maturity period of six months after the third anniversary, employees may purchase ordinary shares in the Company at a discount of up to 20 per cent on the share price at the date of invitation (this is known as the 'option exercise price'). There are no performance measures attached to options granted under the 2013 Sharesave Plan and no grant price is payable to receive an option. In Pakistan the Plan operates as Equity Settled Scheme.

Movements in the number of share options held by the Bank's employees are as follows:

	2021				2020			
	2011 Plan ¹		AESP 2013 Plan		2011 Plan 1		AESP 2013 Plan	
	LTIP	Deferred / Restricted shares	Sharesave	Weighted average exercise price £ per share	LTIP	Deferred / Restricted shares	Sharesave	Weighted average exercise price £ per share
	(Number in '000)				(Number in '000)			
At 1 January	-	47	62	4.08	62	78	37	5.23
Granted during the year	-	33	20	3.67	-	52	39	3.14
Exercised during the year	-	(17)	-	3.67	-	(38)	(1)	5.3
Lapsed during the year	-	(2)	(19)	4.6	(62)	(46)	(13)	4.51
Notional dividend	-	1	-	-	-	1	-	-
At 31 December	-	62	63	3.79	-	47	62	4.08

	2021					2020				
Scheme	Range of exercise price	Weighted average exercise price	No. of options ('000)	Expected years	Contractual years	Range of exercise price	Weighted average exercise price	No. of options ('000)	Expected years	Contractual years
LTIP ^{1&2}	-	-	-	-	-	-	-	-	-	-
Deferred / Restricted shares ^{1&3}	-	-	62	10	8.26	-	-	47	10	0.35/8.18
Sharesave ⁴	£3.14 / £5.13	3.79	63	3.33 / 5.33	2.38	£3.14 / £6.20	4.08	62	3.33 / 5.33	2.69

1) Employees do not contribute towards the cost of these awards, hence the weighted average exercise price of these plans are nil.

2) As of 31 December 2021, total number of options exercisable for Long-Term Incentive Plan (LTIP) awards were nil.

3) As of 31 December 2021, total number of options for Deferred / Restricted Shares Plan awards exercisable were 859.

4) As of 31 December 2021, total number of options exercisable for Sharesave Plan awards were 5,867.

Notes to the Financial Statements

For the year ended 31 December 2021

37 COMPENSATION OF CHIEF EXECUTIVE AND EXECUTIVES

2021							
Directors			Members Shariah Board	President / CEO	Key Management Personnel	Other Material Risk Takers / Controllers	
Chairman	Executives (other than CEO)	Non- Executives					
----- (Rupees in '000) -----							
Fees and Allowances etc.	-	-	13,925	4,017	-	-	-
Managerial remuneration							
i) Fixed	-	-	-	4,173	82,000	218,941	222,553
ii) Total Variable of which							
a) Cash Bonus / Awards	-	-	-	461	43,978	114,580	121,255
b) Bonus & Awards in Shares	-	-	-	-	32,233	10,444	6,458
Charge for defined benefit plan	-	-	-	-	-	-	-
Contribution to defined contribution plan	-	-	-	470	10,020	26,628	27,122
Rent and house allowance	-	-	-	-	26,000	-	-
Conveyance			-	708	-	28,893	38,331
Others			-	1,760	381	38,441	71,231
Total			13,925	11,589	194,612	437,927	486,950
Number of persons	1	0	3	4	1	16	25

2020							
Directors			Members Shariah Board	President / CEO	Key Management Personnel	Other Material Risk Takers / Controllers	
Chairman	Executives (other than CEO)	Non- Executives					
----- (Rupees in '000) -----							
Fees and Allowances etc.	-	-	13,250	3,635	-	-	-
Managerial Remuneration							
i) Fixed	-	-	-	4,132	63,028	218,384	172,190
ii) Total Variable of which							
a) Cash Bonus / Awards	-	-	-	1,000	21,894	121,988	74,373
b) Bonus & Awards in Shares	-	-	-	-	15,168	14,885	4,885
Contribution to defined contribution plan	-	-	-	505	7,702	26,687	21,042
Rent and house allowance	-	-	-	-	22,554	-	-
Medical	-	-	-	24	-	363	486
Conveyance	-	-	-	663	-	29,346	26,833
Others	-	-	-	2,078	11,697	46,597	57,852
Total	-	-	13,250	12,036	142,042	458,250	357,661
Number of persons	1	0	5	4	2	17	20

- 37.1** Chief Executive Officer (CEO) and the Key management personnel (KMP) are part of the Bank's MRT / MRC. In addition, certain staff meeting the criteria for MRT / MRC but not classified as KMP are separately disclosed as 'Other MRT / MRC'.
- 37.2** Others include allowances in lieu of loans and relocations as per Bank policy and terms of employment for executives including the Chief Executive Officer.
- 37.3** The Chief Executive is also entitled for a Bank maintained car, reimbursements for cost of medical expense and other benefits like club subscription, utilities, etc as per the terms of employment.
- 37.4** Last year, reversal on account of lapsed cash and share awards for out-going CEO amounted to Rs. 75.78 million.

Notes to the Financial Statements

For the year ended 31 December 2021

37.5 Remuneration paid to Directors for participation in Board and Committee Meetings

2021								
Sr. No.	Name of Director	Meeting Fees and Allowances Paid						
		For Board Meetings	For Board Committees				Share holders meeting	Total Amount Paid
			Board Audit Committee	Board HR Committee	Board Risk Committee	Board IT Committee		
------(Rupees in '000)-----								
1	Spenta Kandawalla	1,600	-	1,600	-	-	25	3,225
2	Towfiq Habib Chinoy	2,000	-	1,400	1,600	-	25	5,025
3	Ehsan Ali Malik	1,600	1,600	-	1,400	1,050	25	5,675
		5,200	1,600	3,000	3,000	1,050	75	13,925

2020								
Sr. No.	Name of Director	Meeting Fees and Allowances Paid						
		For Board Meetings	For Board Committees				Share holders meeting	Total Amount Paid
			Board Audit Committee	Board HR Committee	Board Risk Committee	Share holders meeting		
------(Rupees in '000)-----								
1	Waqar Ahmed Malik	400	400	350	-	-		1,150
2	Spenta Kandawalla	2,400	1,600	1,600	-	25		5,625
3	Towfiq Habib Chinoy	2,400	1,400	1,050	1,600	25		6,475
4	Ehsan Ali Malik	-	-	-	-	-		-
		5,200	3,400	3,000	1,600	50		13,250

37.6 Remuneration paid to Shariah Board Members

Items	2021			2020		
	Chairman	Resident Member	Non-Resident Member(s)	Chairman	Resident Member	Non-Resident Member(s)
------(Rupees in '000)-----						
Meeting Fees and Allowances	441	-	3,576	810	-	2,825
Salaries and allowances	-	7,572	-	-	8,401	-
Total amount	441	7,572	3,576	810	8,401	2,825
Number of persons	1	1	2	1	1	2

38 FAIR VALUE

Fair value of financial instruments

38.1 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:

The fair value of quoted securities other than those classified as held to maturity, is based on quoted market price. Quoted securities classified as held to maturity are carried at cost. The fair value of unquoted equity securities is determined on the basis of the break-up value of these investments as per their latest available financial statements.

The fair value of unquoted debt securities, fixed term loans, other assets, other liabilities, fixed term deposits and borrowings cannot be calculated with sufficient reliability due to the absence of a current and active market for these assets and liabilities and reliable data regarding market rates for similar instruments.

In the opinion of the management, the fair value of the remaining financial assets and liabilities are not significantly different from their carrying values since these are either short-term in nature or, in the case of customer loans and deposits, are frequently repriced.

Notes to the Financial Statements

For the year ended 31 December 2021

On balance sheet financial instruments

Note	2021						Fair value			
	Carrying 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 (Tbills + PIBs + Sukuks + Naya Pakistan Certificates)	52,344,324	398,102,347	-	-	-	450,446,671	-	450,446,671	-	450,446,671
Equity securities traded (Shares)	-	86,616	-	-	-	86,616	86,616	-	-	86,616
- Other assets										
- Unrealized gain on Forward foreign exchange contracts	5,688,498	-	-	-	-	5,688,498	-	5,688,498	-	5,688,498
- Unrealized gain on Interest rate derivatives & currency options	303,066	-	-	-	-	303,066	-	303,066	-	303,066
						-				-
Financial assets not measured at fair value										
- Cash and bank balances with SBP and NBP	38.2	-	-	60,295,393	-	60,295,393				
- Balances with other banks	38.2	-	-	9,567,702	-	9,567,702				
- Lending to financial institutions	38.2	-	-	11,728,869	-	11,728,869				
- Bai Muajjal with GOP	38.2	-	-	-	-	-				
- Investments - ordinary shares	38.2	50,000	-	-	-	50,000				
- Advances	38.2	-	234,172,617	-	-	234,172,617				
- Other assets	38.2	-	-	27,471,587	-	27,471,587				
		58,335,888	398,238,963	234,172,617	109,063,551	799,811,019				
Financial liabilities measured at fair value										
- Other liabilities										
- Unrealized loss on Forward foreign exchange contracts	38.2	2,046,836	-	-	-	2,046,836	-	2,046,836	-	2,046,836
- Unrealized loss on Interest rate derivatives & currency options	38.2	5,228,961	-	-	-	5,228,961	-	5,228,961	-	5,228,961
Financial liabilities not measured at fair value										
- Bills Payable	38.2	-	-	-	16,601,187	16,601,187				
- Deposits and other accounts	38.2	-	-	-	626,774,412	626,774,412				
- Borrowings	38.2	-	-	-	35,028,767	35,028,767				
- Other liabilities (excluding Liabilities against assets subject to finance lease)	38.2	-	-	-	68,806,523	68,806,523				
		7,275,797	-	-	747,210,889	754,486,686				
Off-balance sheet financial instruments										
Interest Rate swaps / Foreign currency options / Forward purchase contracts	-	-	-	253,722,741	-	253,722,741	-	259,714,305	-	259,714,305
Interest Rate swaps / Foreign currency options / Forward sale contracts	-	-	-	188,804,100	-	188,804,100	-	196,079,897	-	196,079,897

Notes to the Financial Statements

For the year ended 31 December 2021

On balance sheet financial instruments

On balance sheet financial instruments		2020										
		Carrying value					Fair value					
Note	Held for trading	Available for sale	Loans and receivables	Other financial assets	Other financial liabilities (Rupees in '000)	Total	Level 1	Level 2	Level 3	Total		
Financial assets measured at fair value												
- Investments												
	Federal Government Securities (Tbills + PIBs + Sukuks + Naya Pakistan Certificates)	36,541,808	312,537,271	-	-	-	349,079,079	-	349,079,079	-	349,079,079	
	Sukuk Bonds (other than government)	-	201,364	-	-	-	201,364	-	201,364	-	201,364	
	Equity securities traded (Shares)	-	114,330	-	-	-	114,330	114,330	-	-	114,330	
- Other assets												
	- Unrealized gain on Forward foreign exchange contracts	3,709,568	-	-	-	-	3,709,568	-	3,709,568	-	3,709,568	
	- Unrealized gain on Interest rate derivatives & currency options	294,883	-	-	-	-	294,883	-	294,883	-	294,883	
Financial assets not measured at fair value												
	- Cash and bank balances with SBP and NBP	38.2	-	-	-	54,366,569	54,366,569					
	- Balances with other banks	38.2	-	-	-	11,271,237	11,271,237					
	- Lending to financial institutions	38.2	-	-	-	69,551,802	69,551,802					
	- Bai Muajjal with GOP	38.2	-	-	-	1,390,978	1,390,978					
	- Advances	38.2	-	-	178,216,374	-	178,216,374					
	- Investments - ordinary shares	38.2	-	50,000	-	-	50,000					
	- Other assets	38.2	-	-	-	12,832,462	12,832,462					
			40,546,259	312,902,965	178,216,374	149,413,048	-	681,078,646				
Financial liabilities measured at fair value												
	- Other liabilities											
	- Unrealized loss on Forward foreign exchange contracts		4,602,999	-	-	-	4,602,999		4,602,999		4,602,999	
	- Unrealized loss on Interest rate derivatives & currency options		3,746,037	-	-	-	3,746,037		3,746,037		3,746,037	
Financial liabilities not measured at fair value												
	- Bills Payable		-	-	-	-	10,712,040	10,712,040				
	- Deposits and other accounts	38.2	-	-	-	-	556,505,923	556,505,923				
	- Borrowings	38.2	-	-	-	-	23,293,381	23,293,381				
	- Other liabilities (excluding Liabilities against assets subject to finance lease)	38.2	-	-	-	-	37,070,106	37,070,106				
			8,349,036	-	-	-	627,581,450	635,930,486				
Off-balance sheet financial instruments												
Interest Rate swaps / Foreign currency options / Forward purchase contracts												
		-	-	-	-	211,460,930	-	211,460,930	-	215,465,381	-	215,465,381
Interest Rate swaps / Foreign currency options / Forward sale contracts												
		-	-	-	-	195,737,860	-	195,737,860	-	204,086,896	-	204,086,896

38.2 These financial assets and liabilities are for short term or reprice over short term. Therefore their carrying amounts are reasonable approximation of fair value.

38.3 Fair value of non-financial assets

2021			
Carrying value	Fair value		
	Level 1	Level 2	Level 3
Rupees in '000			
Fixed assets	10,689,126	-	-
	10,689,126		

2020			
Carrying value	Fair value		
	Level 1	Level 2	Level 3
Rupees in '000			
	11,910,762	-	-
	11,910,762		

38.4 During the year ended 31 December 2021, 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.

Notes to the Financial Statements

For the year ended 31 December 2021

38.5 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.
Fixed assets	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.

39 SEGMENT INFORMATION

The Bank's segmental reporting is in accordance with IFRS 8 'Operating Segments' and is reported consistently with the internal performance framework and as presented to the Bank's management.

During the year, the Bank has revised the composition of its business segment where Corporate & Institutional Banking and Commercial Banking have been combined to form Corporate Commercial & Institutional Banking. Accordingly, the comparative information has been restated to bring 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.

Corporate Commercial and Institutional Banking (CCIB)

Corporate Commercial & Institutional 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.

Consumer Private Business Banking (CPBB)

Retail Banking serves priority, premium, personal and business banking clients. The product and service offering include wealth management, deposits, secured lending (mortgages, auto loans, 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 Annexure II for Islamic Banking Business.

Notes to the Financial Statements

For the year ended 31 December 2021

39.1 Segment Details with respect to Business Activities

	2021			
	Commercial Corporate Institutional Banking	Consumer Private Business Banking	Central and Other Items	Total
	(Rupees in '000)			
Profit & Loss				
Inter segment revenue - net	4,326,070	18,231,759	(22,557,829)	-
Net mark-up/return/profit	2,986,258	(4,101,908)	27,383,346	26,267,696
Non mark-up / return / interest income	6,890,182	4,341,152	(105,647)	11,125,687
Total Income	14,202,510	18,471,003	4,719,870	37,393,383
Segment direct expenses	3,528,566	7,542,844	1,065,608	12,137,018
Inter segment expense allocation	-	-	-	-
Total expenses	3,528,566	7,542,844	1,065,608	12,137,018
Provisions	179,857	288,752	26,118	494,727
Profit before taxation	10,494,087	10,639,407	3,628,144	24,761,638
Balance Sheet				
Cash & Bank balances	-	-	69,863,095	69,863,095
Investments	52,344,324	50,000	398,188,963	450,583,287
Net inter segment lending	46,441,108	325,310,454	(371,751,562)	-
Lendings to financial institutions	-	-	11,728,869	11,728,869
Advances - performing	192,054,790	40,358,721	-	232,413,511
- Non performing	852,881	906,225	-	1,759,106
Others	38,885,713	15,033,116	19,158,843	73,077,672
Total Assets	330,578,816	381,658,516	127,188,208	839,425,540
Borrowings	-	-	35,028,767	35,028,767
Deposits & other accounts	246,278,219	380,469,401	26,792	626,774,412
Net inter segment borrowing	-	-	-	-
Others	84,300,597	1,189,115	12,527,393	98,017,105
Total liabilities	330,578,816	381,658,516	47,582,952	759,820,284
Equity	-	-	79,605,256	79,605,256
Total Equity & liabilities	330,578,816	381,658,516	127,188,208	839,425,540
Contingencies & Commitments	237,577,848	493,323	421,480,776	659,551,947
	2020 (Restated)			
	(Rupees in '000)			
Profit & Loss				
Inter segment revenue - net	1,122,899	24,292,282	(25,415,181)	-
Net mark-up/return/profit	6,356,556	(7,118,781)	28,901,822	28,139,597
Non mark-up / return / interest income	8,586,816	4,086,924	126,466	12,800,206
Total Income	16,066,271	21,260,425	3,613,107	40,939,803
Segment direct expenses	3,694,335	7,597,346	1,090,928	12,382,609
Inter segment expense allocation	-	-	-	-
Total expenses	3,694,335	7,597,346	1,090,928	12,382,609
Provisions	4,268,769	661,201	10,744	4,940,714
Profit before taxation	8,103,167	13,001,878	2,511,435	23,616,480
Balance Sheet				
Cash & Bank balances	-	-	65,637,806	65,637,806
Investments	36,541,808	50,000	312,852,964	349,444,772
Net inter segment lending	36,889,042	319,698,594	(356,587,636)	-
Lendings to financial institutions	1,500,000	-	68,051,802	69,551,802
Advances - performing	144,798,743	29,687,905	-	174,486,648
- Non performing	2,922,259	807,467	-	3,729,726
Others	23,318,505	15,016,989	20,718,497	59,053,991
Total Assets	245,970,357	365,260,955	110,673,433	721,904,745
Borrowings	-	-	23,293,381	23,293,381
Deposits & other accounts	192,517,175	363,970,864	17,884	556,505,923
Net inter segment borrowing	-	-	-	-
Others	53,453,182	1,290,090	5,684,359	60,427,631
Total liabilities	245,970,357	365,260,954	28,995,624	640,226,935
Equity	-	-	81,677,810	81,677,810
Total Equity & liabilities	245,970,357	365,260,954	110,673,434	721,904,745
Contingencies & Commitments	189,889,529	683,368	380,947,493	571,520,390

Notes to the Financial Statements

For the year ended 31 December 2021

40 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:

	2021				2020			
	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	9,486,490	-	-	-	11,217,368	-	-	-
In deposit accounts	-	-	-	-	-	-	-	-
	9,486,490	-	-	-	11,217,368	-	-	-
Lendings to financial institutions								
Opening balance	60,281,457	-	-	-	10,926,298	-	-	-
Addition during the year	1,906,965,566	-	-	-	5,599,059,302	-	-	-
Repaid during the year	(1,960,686,039)	-	-	-	(5,549,704,143)	-	-	-
Closing balance	6,560,984	-	-	-	60,281,457	-	-	-
Advances								
Opening balance	-	103	199,961	-	-	129	210,371	-
Addition during the year	-	2,265	199,206	-	-	357	55,524	-
Repaid during the year	-	(2,284)	(143,317)	-	-	(383)	(92,093)	-
Transfer in / (out) - net	-	-	(38,692)	-	-	-	26,159	-
Closing balance	-	84	217,158	-	-	103	199,961	-
Provision held against advances	-	-	-	-	-	-	-	-
(Rupees in '000)								
	2021				2020			
	Parent	Directors	Key management personnel	Other related parties	Parent	Directors	Key management personnel	Other related parties
Other Assets								
Interest / mark-up accrued	176	-	1,056	-	274	-	708	-
Receivable from staff retirement fund	-	-	-	13,850	-	-	-	8,726
Due from associated undertakings	81,144	-	-	-	50,803	-	-	-
Other receivable	-	-	-	-	-	-	-	-
Closing balance	81,320	-	1,056	13,850	51,077	-	708	8,726
Borrowings								
Opening balance	58,592	-	-	-	666,612	-	-	-
Borrowings during the year	4,776	-	-	-	58,592	-	-	-
Settled during the year	(52,522)	-	-	-	(666,612)	-	-	-
Closing balance	10,846	-	-	-	58,592	-	-	-
Deposits and other accounts								
Opening balance	568,666	163,244	101,742	147,670	597,736	190,190	94,863	176,457
Received during the year	185,954	1,500,331	1,039,819	1,229,874	23,284	386,922	779,925	1,495,593
Withdrawn during the year	(21,929)	(1,507,673)	(985,164)	(1,261,514)	(52,354)	(273,895)	(849,511)	(1,524,380)
Transfer in / (out) - net	-	-	(11,562)	-	-	(139,973)	76,465	-
Closing balance	732,691	155,902	144,835	116,030	568,666	163,244	101,742	147,670

Notes to the Financial Statements

For the year ended 31 December 2021

2021				2020			
Parent	Directors	Key management personnel	Other related parties	Parent	Directors	Key management personnel	Other related parties

----- (Rupees in '000) -----

Other Liabilities

Interest / mark-up payable	-	-	-	-	-	-	-
Due to holding company	14,336,497	-	-	10,279,247	-	-	-
Other liabilities	-	2,373	-	-	2,424	-	-
(to be specified separately if > Rs 5 million)	-	-	-	-	-	-	-
Closing balance	14,336,497	2,373	-	10,279,247	2,424	-	-

Contingencies and Commitments

Transaction-related contingent liabilities - guarantees	57,353,301	-	-	52,344,101	-	-	-
Commitments in respect of forward foreign exchange contracts	2,983,624	-	-	7,249,968	-	-	-

Derivatives

Derivative instruments- Interest rate swaps - notional	8,985,256	-	-	10,078,450	-	-	-
Derivative instruments- FX options - notional	-	-	-	-	-	-	-
Derivative assets	31,082	-	-	170,140	-	-	-
Derivative liabilities	364,206	-	-	83,468	-	-	-

RELATED PARTY TRANSACTIONS

Income

Mark-up / return / interest earned	47,596	97	28,457	-	105,325	49	30,694	-
Fee and commission income	16,425	85	63	-	76,955	28	57	-
Income / (loss) from derivatives	(404,201)	-	-	-	(112,489)	-	-	-

Expense

Mark-up / return / interest paid	117	6,885	3,271	7,393	1,192	8,128	4,127	13,132
Fee and commission expense	-	-	-	-	116,160	-	-	-
Operating expenses	(14,116)	13,925	632,539	-	17,701	13,250	524,512	-
Rent expense	-	-	-	-	-	-	1,761	-

Other transactions

Dividend paid	11,257,496	-	-	-	6,706,594	-	-	-
Contribution to defined contribution plans	-	-	-	379,051	-	-	-	425,309
Net charge for defined contribution plans	-	-	-	379,051	-	-	-	425,309
Net charge for defined Benefit plans	-	-	-	(475)	-	-	-	19,103

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

Notes to the Financial Statements

For the year ended 31 December 2021

41 CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS

Minimum Capital Requirement (MCR):

Paid-up capital (net of losses)

Capital Adequacy Ratio (CAR):

Eligible Common Equity Tier 1 (CET 1) Capital

Eligible Additional Tier 1 (ADT 1) Capital

Total Eligible Tier 1 Capital

Eligible Tier 2 Capital

Total Eligible Capital (Tier 1 + Tier 2)

Risk Weighted Assets (RWAs):

Credit Risk

Market Risk

Operational Risk

Total

Common Equity Tier 1 Capital Adequacy ratio

Tier 1 Capital Adequacy Ratio

Total Capital Adequacy Ratio

Minimum CAR (including Capital Conservation Buffer)

Leverage Ratio (LR):

Eligible Tier-1 Capital

Total Exposures

Leverage Ratio

Minimum SBP Requirement

Liquidity Coverage Ratio (LCR):

Average High Quality Liquid Assets

Average Net Cash Outflow

Average Liquidity Coverage Ratio

Minimum SBP Requirement

Net Stable Funding Ratio (NSFR):

Total Available Stable Funding

Total Required Stable Funding

Net Stable Funding Ratio

Minimum SBP Requirement

	2021	2020
	(Rupees in '000)	
	38,715,850	38,715,850
	54,621,127	55,741,395
	-	-
	54,621,127	55,741,395
	10,047,424	10,326,801
	64,668,551	66,068,196
	272,298,682	244,630,751
	39,378,955	35,690,543
	70,351,669	65,193,246
	382,029,306	345,514,540
	14.30%	16.13%
	14.30%	16.13%
	16.93%	19.12%
	11.50%	11.50%
	54,621,127	55,741,395
	1,025,510,971	890,457,988
	5.33%	6.26%
	3.00%	3.00%
	408,146,977	373,606,111
	85,437,728	71,997,249
	477.7%	518.9%
	100.0%	100.0%
	581,667,236	525,536,317
	248,478,720	203,256,573
	234%	259%
	100%	100%

41.1 The full disclosure on the capital adequacy, leverage ratio & liquidity requirements, along with the specifications of credit ratings used to determine the capital requirements in respect of credit risk & mapping of credit rating to SBP grades, as per SBP prevailing guidelines shall be placed at <https://www.sc.com/pk/about-us/financial-statements.html>

Notes to the Financial Statements

For the year ended 31 December 2021

42. RISK MANAGEMENT

The Bank has put in place an Enterprise Risk Management Framework (ERMF), to implement the guidelines and regulations, related to Risk Management. The ERMF sets out the principles and standards for risk management across the Bank and covers principal risks types of Credit, Traded, Capital & Liquidity, Operational & Technology, Reputational & Sustainability, Compliance, Information & Cyber Security, Financial Crime and Model. These principle risks are managed through distinct Risk Type Frameworks (RTFs). A dynamic risk scanning process is also in place to periodically scan for emerging risks and uncertainties. The ERMF and RTFs define the formal definition of each risk type. The RTFs also define the risk management principles and approach for the management of these risks. In line with ERMF the bank has in place a governance structure for management of risk.

The ultimate responsibility for the oversight of risk management function rests with the Bank's Board of Directors. Acting within the authority delegated by the Board, the Executive Committee (EXCO) has appointed the Executive Risk Committee (ERC) and the Asset and Liability Committee (ALCO), for effective Risk Management. There are various other risk related committees and forums at the management level. These include Approvals Committee, Country Financial Crime Risk Committee, Credit Issue Committee, Compliance and Conduct Management Committee ('CCMC'), IT Steering Committee, Agriculture Committee etc. The ultimate responsibility for the oversight of risk management function rests with the Bank's Board of Directors and the Board Risk Committee (BRC).

The Bank has a Risk Appetite Mandate in place which defines the maximum level of risk that the bank can undertake. This is approved annually by the Board.

The Bank follows the three Lines of Defence ("LOD") as part of its risk management and control framework. Under this, the businesses and functions being the first line of defense are engaged in or support revenue generating activities, own and manage the risks. Second line are the control functions that are independent of the First Line, and that provide oversight and challenge of risk management. Lastly, the internal audit function provides independent assurance.

The COVID-19 cases has recently started rising but the symptoms are generally milder than what we witnessed in earlier waves. Hence at this stage we do not expect significant economic downside. However, this risk is being closely monitored at the bank level.

42.1 Credit risk

Credit Risk is defined as the "potential for loss due to the failure of a counterparty to meet its agreed obligations to pay the Bank" and further divided into following sub-types:

- Credit concentration risk is the risk of material losses arising from sub-optimally diversified exposures. This may be due to the portfolio's sizeable single name exposure or high correlation across geographies and sectors. The risk arises that, due to a change in circumstances, having a concentration may give rise to potential losses.
- FX lending risk relates to the relationship between credit risk and market risk, where volatility in exchange rate movements may have adverse consequences on a borrower's debt servicing capacity should they lack natural or financial hedges. FX lending risk may also be present through currency concentration and where there is a collateral currency mismatch.
- Credit residual risk is the risk of partial performance or failure of credit risk mitigation techniques (e.g. collateral, derivative based hedging, insurance), owing to undervaluation or ineffective enforceability. Credit residual risk can occur due to the imperfect matching profile between credit exposures and collaterals / hedging instruments.
- Regulatory Risk is the risk of failure to comply with regulations and rules relating to the management of credit risk exposures.
- Refinancing risk is the risk that a borrower cannot refinance by borrowing further to repay existing debt potentially leading to the borrower facing liquidity pressures.

Collateral Management Risk is the risk that collateral held as a credit risk mitigant is not adequately documented or formalities to facilitate enforcement have not been completed or the collateral is not effectively managed and as a result may not achieve the estimated forced sale value when enforced.

Credit Monitoring Risk is the risk that credit monitoring processes including excess and past due monitoring, covenant and risk trigger monitoring, Accounts Subject to Additional Review (ASTAR) and Early Alert Reporting (EAR) are not effective leading to an increased risk of credit losses.

Notes to the Financial Statements

For the year ended 31 December 2021

A Risk Appetite metrics is setup considering the inherent risks, control effectiveness and residual risk. A careful consideration is given to strategy and infrastructure, concentration risk, risk-adjusted profitability and efficient use of the Group's capital resources while reviewing new credit exposures and monitoring existing credit exposures. This is predominantly done through setting up thresholds at client-level, portfolio-level. Portfolio or underwriting guidelines set the target portfolio shape around sector, product, industry, tenor, collateral, risk acceptance criteria and credit risk profile. Periodic deep dives to identify vulnerable clients or portfolio segments; and application of derisking or mitigating actions.

The overall credit portfolio is monitored against risk appetite and any breach is highlighted and discussed at the appropriate governance committee / authority levels and appropriate mitigation actions determined by the appropriate committees / delegated authorities.

Stress testing tool is used for credit risk identification assessment, monitoring and mitigation and contribute to risk appetite calibration. Periodic stress tests are performed on the credit portfolio/segment to anticipate vulnerabilities from stressed conditions and initiate timely de-risking and mitigation plans.

Other monitoring processes include Excess and Past-due Management, Accounts subject To Additional Review (ASTAR), Early Alert (EA), and Group Special Assets Management (GSAM).

The effects of credit risk mitigation techniques, including collateral, guarantees, and legally enforceable netting agreement (if any).

Quantitative and qualitative information about its securitization activities and contractual obligations with respect to recourse arrangements and the expected losses under those arrangements.

The overall credit portfolio is well collateralized. This includes all major types of collaterals such as hypothecation charge over current assets, charge over fixed assets, mortgage over property, lien on cash deposit, pledge of shares, SBLCs, pledge of stock etc.

The Risk Management function of the Bank is regularly conducting assessments of the credit portfolio to identify borrowers most likely to get affected due to changes in the business and economic environment. The Bank has further strengthened its credit review procedures in the light of COVID-19. The Bank is continuously reviewing the portfolio, to identify customers susceptible to higher risk, resulting from the pandemic. The Bank has granted deferment / restructuring / rescheduling to customers under schemes announced by SBP. The full potential impact of economic stress is difficult to predict given the uncertain economic environment. Hence, the management believes it is appropriate to maintain a general provision of up to 0.5% of the performing credit portfolio on prudent basis. This general provision is in addition to the requirements of Prudential Regulations. Based on management's best estimate a provision of Rs. 1,173 million has been recognised.

42.1.1 Lendings to financial institutions

Credit risk by public / private sector

	Gross lendings		Non-performing lendings		Provision held	
	2021	2020	2021	2020	2021	2020
----- (Rupees in '000) -----						
Public / Government	5,167,885	9,270,345	-	-	-	-
Private	6,560,984	60,281,457	-	-	-	-
	11,728,869	69,551,802	-	-	-	-

42.1.2 Investment in debt securities

Credit risk by industry sector

	Gross Investments		Non-performing Investments		Provision held	
	2021	2020	2021	2020	2021	2020
----- (Rupees in '000) -----						
Financial	450,446,671	349,079,079	-	-	-	-
Textile	-	138,025	-	138,025	-	138,025
Chemical and Pharmaceuticals	147,000	347,000	147,000	147,000	147,000	147,000
	450,593,671	349,564,104	147,000	285,025	147,000	285,025

Notes to the Financial Statements

For the year ended 31 December 2021

Credit risk by public / private sector

Gross Investments		Non-performing Investments		Provision held	
2021	2020	2021	2020	2021	2020
----- (Rupees in '000) -----					
Public / Government	450,446,671	349,079,079	-	-	-
Private	147,000	485,025	147,000	285,025	147,000
	450,593,671	349,564,104	147,000	285,025	147,000

42.13 Advances

Credit risk by industry sector

Gross Advances		Non-performing Advances		Provision held	
2021	2020	2021	2020	2021	2020
----- (Rupees in '000) -----					
Agriculture, Forestry, Hunting and Fishing	1,083,933	1,668,994	-	-	-
Mining and Quarrying	27,700	91,213	-	-	-
Food, tobacco and beverages	37,398,829	24,412,684	2,163,915	-	1,725,078
Metal and allied	818,337	689,968	-	-	-
Oil and gas	17,267	18,519	-	-	-
Textile	43,636,388	28,559,948	4,630,126	5,978,320	4,591,441
Chemical and Pharmaceuticals	15,936,091	16,267,406	1,873,978	2,225,293	1,873,978
Cement	4,962,372	3,799,012	2,952,808	2,991,010	2,952,808
Sugar	2,265,247	2,781,746	124,591	124,591	124,591
Footwear and Leather garments	1,150,269	561,523	136,945	-	136,945
Automobile and transportation equipment	2,203,470	2,053,662	303,726	278,428	303,726
Electronics and electrical appliances	9,279,922	7,153,432	16,940	23,771	16,940
Construction	2,168,916	1,207,461	-	735,638	-
Power (electricity), Gas, Water, Sanitary	26,245,086	15,991,492	661,888	639,688	661,888
Wholesale and Retail Trade	9,288,725	5,380,806	831,418	660,869	831,418
Exports/Imports	146,073	61,926	-	-	-
Transport, Storage and Communication	33,937,749	42,368,883	2,134,302	2,729,995	2,134,302
Financial	-	57,507	-	-	-
Services	6,323,105	5,997,237	751,715	1,260,971	591,946
Individuals	45,219,044	31,676,066	2,613,732	2,585,093	1,707,504
Others	13,795,989	8,953,092	2,107,290	2,461,311	1,891,703
	255,904,512	199,752,577	21,303,374	22,694,978	19,544,268

Credit risk by public / private sector

Gross Advances		Non-performing Advances		Provision held	
2021	2020	2021	2020	2021	2020
----- (Rupees in '000) -----					
Public / Government	4,655,435	999,170	-	-	-
Private	251,249,077	198,753,407	21,303,374	22,694,978	19,544,268
	255,904,512	199,752,577	21,303,374	22,694,978	19,544,268

Notes to the Financial Statements

For the year ended 31 December 2021

42.1.4 Contingencies and Commitments

Credit risk by industry sector

Mining and Quarrying
Food and Beverages
Engineering
Textile
Chemical and Pharmaceuticals
Cement
Sugar
Footwear and Leather garments
Automobile and transportation equipment
Electronics and electrical appliances
Power (electricity), Gas, Water, Sanitary
Wholesale and Retail Trade
Exports/Imports
Transport, Storage and Communication
Financial
Food, tobacco and beverages
Services
Oil and gas
Others

2021	2020
----- (Rupees in '000) -----	
795,372	448,461
484,659	2,424,601
1,044,195	998,238
3,072,255	1,035,600
16,196,391	9,409,254
2,553,434	1,766,098
24,362	1,170,514
167,362	240,533
16,288,055	9,969,003
19,381,282	13,799,046
3,197,967	4,589,927
18,116,847	10,622,609
54,300	475
11,674,275	9,739,944
82,120,351	73,181,195
5,693,779	8,229,594
2,201,416	2,694,419
6,287,146	-
2,562,965	3,089,879
191,916,413	153,409,390

Credit risk by public / private sector

Public/ Government
Private

2021	2020
10,974,828	7,319,160
180,941,585	146,090,230
191,916,413	153,409,390

42.1.5 Concentration of Advances

The bank top 10 exposures on the basis of total (funded and non-funded exposures) aggregated to Rs. 120.278 billion (2020: Rs. 93.588 billion) are as following:

Funded
Non Funded
Total Exposure

2021	2020
----- (Rupees in '000) -----	
64,699,392	63,223,651
55,578,341	30,364,838
120,277,733	93,588,489

The sanctioned limits against these top 10 exposures aggregated to Rs. 166.121 billion (2020: Rs. 141.946 billion). None of the above are non-performing.

42.1.6 Advances - Province/Region-wise Disbursement & Utilization

Province/Region	2021					
	----- (Rupees in '000) -----					
	Utilization					
Disbursements	Punjab	Sindh	KPK including FATA	Balochistan	Islamabad	AJK including Gilgit-Baltistan
Punjab	828,768,256	-	-	-	-	-
Sindh	-	1,059,695,107	-	-	-	-
KPK including FATA	-	-	2,947,600	-	-	-
Balochistan	-	-	-	56,725	-	-
Islamabad	-	-	-	-	248,728,471	-
AJK including Gilgit-Baltistan	-	-	-	-	-	-
Total	828,768,256	1,059,695,107	2,947,600	56,725	248,728,471	-

Notes to the Financial Statements

For the year ended 31 December 2021

Province/Region	2020						
	(Rupees in '000)						
	Disbursements	Utilization					
		Punjab	Sindh	KPK including FATA	Balochistan	Islamabad	AJK including Gilgit-Baltistan
Punjab	779,087,801	779,087,801	-	-	-	-	-
Sindh	1,198,268,578	-	1,198,268,578	-	-	-	-
KPK including FATA	1,427,616	-	-	1,427,616	-	-	-
Balochistan	48,537	-	-	-	48,537	-	-
Islamabad	191,316,451	-	-	-	-	191,316,451	-
AJK including Gilgit-Baltistan	-	-	-	-	-	-	-
Total	2,170,148,983	779,087,801	1,198,268,578	1,427,616	48,537	191,316,451	-

42.2 Market Risk

The Bank has adopted the Traded Risk Type Framework under which the bank recognizes market risk as the “Potential for loss of economic value due to adverse changes in the financial markets rates or prices”. The Traded Risk Framework is built on a risk-based approach and the framework considers processes and tools to be forward-looking, repeatable, sustainable and anticipate future needs. Market Risk exposures arise primarily from interest rate and foreign exchange related contracts. The Bank has no significant exposure to equity and commodity price risk.

Traded Risk Management function (TRM) performs market risk management activities for the bank. Market risk limits are proposed by TRM after discussion with relevant businesses and are reviewed twice a year. Under the framework, authority for setting market risk limits is delegated to the local risk committee i.e. ERC and Approvals committee and the CCRO. Overall risk appetite is set by the BOD in terms of Value at Risk (VaR) and Stress Loss Trigger. Market risk exposures are reported to country ERC on a monthly basis.

Bank measures the risk of losses arising from future potential adverse movements in market rates, prices and volatilities using a VaR methodology. VaR, in general, is a quantitative measure of market risk that applies recent historical market conditions to estimate the potential future loss in market value that will not be exceeded in a set time period at a set statistical confidence level. The bank uses historic simulation approach to measure VaR. VaR measurement is complemented by weekly stress testing of Market Risk exposures to highlight the potential risk that may arise from extreme market events that are deemed rare but plausible. Sensitivity measures are also used in addition to VaR & stress testing as risk management tools.

Any excess in limits result in escalation to senior management, with the level of escalation depending upon nature of excess. These limits are monitored daily as part of daily risk reporting. The Board Risk Committee and the Executive Risk Committee provides primary oversight for Traded Risk.

42.2.1 Balance sheet split by trading and banking books

	2021			2020		
	Banking book	Trading book	Total	Banking book	Trading book	Total
(Rupees in '000)						
Cash and balances with treasury banks	60,295,393	-	60,295,393	54,366,569	-	54,366,569
Balances with other banks	9,567,702	-	9,567,702	11,271,237	-	11,271,237
Lendings to financial institutions	11,728,869	-	11,728,869	69,551,802	-	69,551,802
Investments	398,238,963	52,344,324	450,583,287	312,902,964	36,541,808	349,444,772
Advances	234,172,617	-	234,172,617	178,216,374	-	178,216,374
Fixed assets	10,689,126	-	10,689,126	11,910,762	-	11,910,762
Intangible assets	26,095,310	-	26,095,310	26,095,324	-	26,095,324
Other assets	30,301,672	5,991,564	36,293,236	17,043,454	4,004,451	21,047,905
	781,089,652	58,335,888	839,425,540	681,358,486	40,546,259	721,904,745

42.2.2 Foreign Exchange Risk

Foreign exchange risk is the risk of financial impact due to exchange rate fluctuations. The Bank's assets in a particular currency are typically funded in the same currency to minimize foreign currency exposure. However, the Bank usually have some open positions in various currencies resulting from its transactions which are maintained within the overall limit advised by the SBP.

The Bank manages the foreign exchange risk by measuring and monitoring exposures against limits of FX VaR, currency-wise NOP, and sensitivity measures.

Notes to the Financial Statements

For the year ended 31 December 2021

	2021				2020			
	Foreign Currency Assets	Foreign Currency Liabilities	Off-balance sheet items	Net foreign currency exposure	Foreign Currency Assets	Foreign Currency Liabilities	Off-balance sheet items	Net foreign currency exposure
	(Rupees in '000)							
United States Dollar	38,760,316	92,932,213	(45,762,844)	(99,934,741)	84,864,797	86,391,807	(60,075,060)	(61,602,070)
Great Britain Pound Sterling	7,655,960	7,637,619	(756,629)	(738,288)	7,414,902	7,414,972	(601,217)	(601,287)
Euro	3,817,220	3,388,533	(7,480,221)	(7,051,534)	6,978,632	4,378,697	(5,964,784)	(3,364,849)
Swiss Franc	40,341	40,356	(480,516)	(480,531)	38,287	37,939	(44,240)	(43,892)
Japanese Yen	347,496	297,542	(2,143,745)	(2,093,791)	122,776	73,295	(2,155,512)	(2,106,031)
Other currencies	970,553	963,666	(8,438,833)	(8,431,946)	1,582,118	1,537,483	(3,954,484)	(3,909,849)
	51,591,886	105,259,929	(65,062,788)	(118,730,831)	101,001,512	99,834,193	(72,795,297)	(71,627,978)

	2021		2020	
	Banking book	Trading book	Banking book	Trading book
	(Rupees in '000)			
	(+/-)	(+/-)	(+/-)	(+/-)
Impact of 1% change in foreign exchange rates on				
- Profit and loss account	N/A	(43,282)	N/A	15,330
- Other comprehensive income	N/A	N/A	N/A	N/A

42.2.3 Equity position Risk

Since the exposure of the Bank in equity is insignificant, the effect of changes in equity prices have not been disclosed.

42.2.4 Yield / Interest Rate Risk in the Banking Book (IRRBB)-Basel Specific

Yield/ Interest rate sensitivity position for on-balance sheet instruments is based on the earlier of contractual re-pricing or maturity date and for off-balance sheet instruments is based on settlement date. This also refers to the non-trading market risk.

- Interest Rate Risk in the Banking Book (IRRBB) is defined as a potential reduction on the Bank's earnings or economic value due to an adverse movement in interest rates arising from its Banking Book exposures.
- IRRBB arises from 1) Repricing Risk (arises from timing mismatch in the re-pricing profile of assets, liabilities and off-balance sheet positions), 2) Basis Risk (arises from the imperfect correlation of rates on different instruments with otherwise similar re-pricing characteristics) and 3) Option Risk (result from clients exercising their right to alter the cash-flow of an instrument).

The bank assumes a constant balance sheet (balances, duration, product mix etc) with maturing balances being replenished with instruments of similar characteristics; this also assumes that contingent exposures are not drawn in order to maintain a constant balance sheet. A parallel shock is applied to the yield curve across all currencies for a forecasted horizon of 12 months. The economic life and re-pricing tenors for maturing products is assumed to be the contractual profile whereas for non-maturing products it is taken to be the FTP profile.

When modeling floating rate products; or instruments with short term tenors or high spreads, the prepayment behavior will be assumed independent from interest rate scenarios.

When modeling long term fixed rate products with low spreads the prepayment behaviour will be assumed interest rate dependent. Pass through rates (proportion of change in market rates passed on to customers) and Pass through lags (time difference between market interest rate change and its pass through to a customer) are determined by businesses once a year and reviewed and approved by the ALCO.

- IRRBB is a risk sub type covered under the Capital & Liquidity Risk Type Framework. The framework and its policies require the interest rate risk exposures in the banking book are presented to the ALCO monthly.
- Re-pricing Gaps, Value at Risk on Treasury Market Portfolio and impact of interest rate changes on Net interest income are presented in ALCO.

	2021		2020	
	Banking book	Trading book	Banking book	Trading book
	(Rupees in '000)			
	(+/-)	(+/-)	(+/-)	(+/-)
Impact of 1% change in interest rates on				
- Profit and loss account	1,344,863	(394,157)	973,529	(328,251)
- Other Comprehensive income	(610,043)	-	(725,650)	-

Notes to the Financial Statements

For the year ended 31 December 2021

42.2.5 MISMATCH OF INTEREST RATE SENSITIVE ASSETS AND LIABILITIES

2021												
Effective yield / interest rate	Total	Exposed to yield / interest rate risk									Non interest bearing financial instruments	
		Upto one month	Over one month to three months	Over three months to six months	Over six months to one year	Over one year to two years	Over two years to three years	Over three years to five years	Over five years to ten years	Over ten years		
----- (Rupees in '000) -----												
On-balance sheet financial instruments												
Assets												
Cash and balances with treasury banks	-	60,295,393	8,405,280	-	-	-	-	-	-	-	-	51,890,113
Balances with other banks	-	9,567,702	-	-	-	-	-	-	-	-	-	9,567,702
Lendings to financial institutions	2.37%	11,728,869	11,728,869	-	-	-	-	-	-	-	-	-
Investments	7.93%	450,583,287	49,903,540	245,879,076	154,050,159	-	-	-	613,896	-	-	136,616
Advances	8.63%	234,172,617	81,462,921	109,275,433	20,784,131	5,886,772	4,729,347	6,141,072	4,802,322	782,530	308,089	-
Other assets	-	33,463,151	-	-	-	-	-	-	-	-	-	33,463,151
		799,811,019	151,500,610	355,154,509	174,834,290	5,886,772	4,729,347	6,141,072	5,416,218	782,530	308,089	95,057,582
Liabilities												
Bills payable	-	16,601,187	-	-	-	-	-	-	-	-	-	16,601,187
Borrowings	3.29%	35,028,767	7,783,288	21,502,479	3,167,610	1,216,109	657,580	49,946	99,891	232,828	308,089	10,947
Deposits and other accounts	3.19%	626,774,412	320,503,406	37,722,456	3,656,755	2,828,308	412,050	133,300	120,000	-	-	261,398,137
Sub-ordinated loans	-	-	-	-	-	-	-	-	-	-	-	-
Other liabilities	-	76,082,320	-	-	-	-	-	-	-	-	-	76,082,320
		754,486,686	328,286,694	59,224,935	6,824,365	4,044,417	1,069,630	183,246	219,891	232,828	308,089	354,092,591
On-balance sheet gap		45,324,333	(176,786,084)	295,929,574	168,009,925	1,842,355	3,659,717	5,957,826	5,196,327	549,702	-	(259,035,009)
Off-balance sheet financial instruments												
Forward Lending												
Interest Rate Swap / Cross Currency Swaps		19,899,332	6,019,373	13,879,959	-	-	-	-	-	-	-	-
Foreign Currency option		-	-	-	-	-	-	-	-	-	-	-
Forward Foreign Exchange Contracts		233,823,409	64,619,917	84,193,510	76,721,270	8,288,712	-	-	-	-	-	-
		253,722,741	70,639,290	98,073,469	76,721,270	8,288,712	-	-	-	-	-	-
Forward Borrowing												
Interest Rate Swap / Cross Currency Swaps		32,274,798	9,544,496	22,730,302	-	-	-	-	-	-	-	-
Foreign Currency option		-	-	-	-	-	-	-	-	-	-	-
Forward Foreign Exchange Contracts		156,529,301	94,000,180	38,034,797	19,685,219	4,809,105	-	-	-	-	-	-
		188,804,099	103,544,676	60,765,099	19,685,219	4,809,105	-	-	-	-	-	-
Off-balance sheet gap		64,918,642	(32,905,386)	37,308,370	57,036,051	3,479,607	-	-	-	-	-	-
Total yield / interest risk sensitivity gap												
		110,242,975	(209,691,470)	333,237,944	225,045,976	5,321,962	3,659,717	5,957,826	5,196,327	549,702	-	(259,035,009)
Cumulative yield / interest risk sensitivity gap												
				123,546,474	348,592,450	353,914,412	357,574,129	363,531,955	368,728,282	369,277,984	369,277,984	

Notes to the Financial Statements

For the year ended 31 December 2021

Effective yield / interest rate	Total	2020									Non interest bearing financial instruments
		Exposed to yield / interest rate risk									
		Upto one month	Over one month to three months	Over three months to six months	Over six months to one year	Over one year to two years	Over two years to three years	Over three years to five years	Over five years to ten years	Over ten years	
		(Rupees in '000)									
On-balance sheet financial instruments											
Assets											
Cash and balances with treasury banks	-	54,366,569	8,892,238	-	-	-	-	-	-	-	45,474,331
Balances with other banks	-	11,271,237	-	-	-	-	-	-	-	-	11,271,237
Lendings to financial institutions	2.54%	69,551,802	67,706,381	1,845,421	-	-	-	-	-	-	-
Investments	9.12%	349,444,772	84,747,513	133,441,378	129,070,035	2,021,516	-	-	-	-	164,330
Advances	10.69%	178,216,374	55,946,752	77,135,794	25,453,926	7,713,741	4,999,040	4,388,212	2,527,054	51,855	-
Other assets	-	16,836,913	-	-	-	-	-	-	-	-	16,836,913
		679,687,667	217,292,884	212,422,593	154,523,961	9,735,257	4,999,040	4,388,212	2,527,054	51,855	73,746,811
Liabilities											
Bills payable	-	10,712,040	-	-	-	-	-	-	-	-	10,712,040
Borrowings	3.73%	23,293,381	2,591,757	12,290,941	4,099,960	971,109	3,014,853	59,622	107,939	72,000	58,592
Deposits and other accounts	3.90%	556,505,923	280,821,471	7,119,582	23,658,398	1,613,249	1,815,391	439,300	-	-	241,038,532
Sub-ordinated loans	-	-	-	-	-	-	-	-	-	-	-
Other liabilities	-	45,419,142	-	-	-	-	-	-	-	-	45,419,142
		635,930,486	283,413,228	19,410,523	27,758,358	2,584,358	4,830,244	498,922	107,939	72,000	297,228,306
On-balance sheet gap		43,757,181	(66,120,344)	193,012,070	126,765,603	7,150,899	168,796	3,889,290	2,419,115	(20,145)	(223,481,495)
Off-balance sheet financial instruments											
Forward Lending											
Interest Rate Swap / Cross Currency Swaps		12,773,964	1,648,356	7,129,758	3,995,850	-	-	-	-	-	-
Foreign Currency option		-	-	-	-	-	-	-	-	-	-
Forward Foreign Exchange Contracts		198,686,966	66,267,665	96,495,058	35,358,574	565,669	-	-	-	-	-
		211,460,930	67,916,021	103,624,816	39,354,424	565,669	-	-	-	-	-
Forward Borrowing											
Interest Rate Swap / Cross Currency Swaps		24,389,543	9,551,922	10,841,771	3,995,850	-	-	-	-	-	-
Foreign Currency option		-	-	-	-	-	-	-	-	-	-
Forward Foreign Exchange Contracts		171,348,316	65,894,080	47,805,319	56,631,850	1,017,067	-	-	-	-	-
		195,737,859	75,446,002	58,647,090	60,627,700	1,017,067	-	-	-	-	-
Off-balance sheet gap		15,723,071	(7,529,981)	44,977,726	(21,273,276)	(451,398)	-	-	-	-	-
Total yield / interest risk sensitivity gap		59,480,252	(73,650,325)	237,989,796	105,492,327	6,699,501	168,796	3,889,290	2,419,115	(20,145)	(223,481,495)
Cumulative yield / interest risk sensitivity gap				164,339,471	269,831,798	276,531,299	276,700,095	280,589,385	283,008,500	282,988,355	282,961,747

Yield risk is the risk of decline in earnings due to adverse movement of the yield curve. Interest rate risk is the risk that the value of financial instruments will fluctuate due to changes in the market interest rates. The Bank is exposed to various risks associated with the effects of fluctuations in the prevailing levels of market interest rates on its financial position and cash flows. The Bank manages this risk by matching the re-pricing of assets and liabilities and off-balance sheet instruments.

42.3 Operational Risk

Operational risk is the Potential for loss from inadequate or failed internal processes, technology events, human error, or from the impact of external events (including legal risks). It is inherent in the Bank carrying out business; the Organization can suffer damage from a range of operational risks, for example, loss of clients or regulatory fines from failed transaction processing, operational resilience or data management risks.

The Operational and Technology Risk Type Framework O&T RTF, sets out the approach for management of operational risk as well as the roles and responsibilities of the various stakeholders. The O&T RTF is built on a risk-based approach meaning that risk management plans, processes, activities, and resource allocations are determined in accordance with the level of risk. In accordance with the framework, business segments and functions are accountable for the day to day management of business activities and to manage the operational risks that arises from these activities. The independent risk management function and Subject Matter Experts provide, challenge, guidance, and oversight over the business activities. Existing and future levels of Operational Risk must be maintained within the approved Risk Appetite of the Bank.

The bank has a system in place, namely M7, that is utilized for the recording of operational losses, monitoring of controls, risks and associated mitigating actions, pertinent to operational risk.

Notes to the Financial Statements

For the year ended 31 December 2021

The Bank is closely monitoring the situation and has taken necessary actions to ensure safety and security of Bank staff and uninterrupted services to our customers. The senior management of the Bank is continuously monitoring the situation and is taking timely decisions to resolve any concerns. Business Continuity Plans (BCP) for respective areas are in place and tested. The Bank has enhanced monitoring for all cyber security risks. The remote work capabilities were enabled for staff and related risk and control measures were assessed to make sure they are fully protected using virtual private network (VPN) connections.

The Bank is communicating with its customers on how they can connect with the Bank through its full suite of channels including digital and online channels. The Bank has taken all measures to ensure that service levels are maintained, customer complaints are resolved and the Bank continues to meet the expectations of their clients.

The Executive Risk Committee (ERC) has oversight function over all principle risk types including Operational risk and other non-financial risks in addition to Compliance risk, Financial Crime risk, Conduct risk, Information & Cyber Security risk, model and Reputational & sustainability risk. The committee has the authority to take a view on the significance of risks and to direct appropriate actions. The ERC is chaired by the CCRO, with CEO as the alternate Chairperson. Depending on the significance of risks, the issues are tabled at ERC. Disaster recovery procedures, business contingency planning and internal audits also form an integral part of the operational risk management process.

42.3.1 Operational Risk-Disclosures Basel Specific

The bank uses The Standardized Approach (TSA) for assessing capital charge for Operational Risk. Under the TSA approach the business activities of the banks are divided into eight business lines, namely corporate finance, trading & sales, retail banking, commercial banking, payment & settlement, agency services, asset management, and retail brokerage. Within each business line, the gross income is a broad indicator that serves as a proxy for the scale of business operations and thus the likely scale of operational risk exposure within each of these business lines. The capital charge for each business line is calculated by multiplying the gross income by a factor (denoted beta) that is assigned to that business line.

Events leading to potential or actual operational losses are known as Operational Risk Events (OREs). Appropriate procedures are in place for the identification, classification, capture, approval and analysis of OREs. OREs must be identified by the First Line of Defence. Prompt actions are to be taken to remediate the impact to our clients and to the Bank. All identified OREs are categorized in terms of Basel business line and event types, and are duly logged on the M7 system. Furthermore, all OREs are reviewed to assess the need for risk treatment actions which include remediation and mitigation actions. Remediation actions seek to rectify the specific outcomes of the event where possible and mitigation actions seek to sustainably prevent the reoccurrence of the ORE. If required, detailed Root Cause Reviews (RCR) are performed to have a detailed analysis of the ORE and to embed lessons learnt through the redesign of processes or controls.

42.4 Liquidity Risk

Liquidity Risk is the potential for loss to an institution arising from either its inability to meet its obligations or to fund increase in assets as they fall due without incurring unacceptable cost or losses. Funding Risk is the potential for actual or opportunity loss because the bank does not have stable or diversified sources of funding in the medium and long term to enable it to meet its financial obligations in pursuit of its desired business strategy or growth objectives.

Liquidity Risk, both short term and structural, and Funding Risk is monitored through the Bank's Capital & Liquidity Risk Type Framework and covered under the Liquidity and Funding Risk policy, and is managed by the Asset and Liability Committee (ALCO). This committee, chaired by the CEO, is responsible for both the statutory and prudential liquidity. The ALCO prudently monitors the Bank's balance sheet and ensures that the bank remains liquid at all times.

A range of tools and metrics are used for the management/monitoring of liquidity such as key balance sheet ratios, survival horizon, Liquidity Coverage Ratio, Net Stable Funding Ratio whereas short-term liquidity tools include day to day monitoring of future cash flows and liquidity stress tests using various behavioral and rollover assumptions. The Bank also maintains significant levels of marketable securities either for compliance with local statutory requirements or as prudential investments of surplus funds.

Stress Testing and scenario analyses are used to assess the financial and management capability to continue to operate effectively under extreme, but plausible, operating conditions and to understand the potential threats to the bank's liquidity and other financial resources. Routine stress tests under the Liquidity and Funding Risk Policy comprises of Name specific stress, market wide stress and a combined scenario. In addition, the Bank has prepared a Country Recovery Plan which is a live document by which the Country ensures that it has the ability to recover its financial position in the event of an extreme but plausible liquidity and/or solvency stress. The Bank has set Recovery Indicators capable of acting as early warning indicators of a liquidity and/or solvency stress which meet applicable regulations (where relevant).

Notes to the Financial Statements

For the year ended 31 December 2021

42.4.1 MATURITIES OF ASSETS AND LIABILITIES - based on contractual maturity of assets and liabilities of the bank

In accordance with the guidelines issued by SBP through BSD Circular Letter No. 3 of 2011 and BSD Circular Letter No. 2 of 2013, Banks are required to disclose maturities of assets and liabilities separately for 'contractual maturities' and 'expected maturities'. The expected maturities are calculated using three (3) years historical balances and identifying "Core" and "Non-Core" balances using monthly volatility analysis. Fixed / intangible assets are presented on the basis of their depreciation / amortisation schedule.

	2021									
	Total	Upto one month	Over one month to three months	Over three months to six months	Over six months to one year	Over one year to two years	Over two years to three years	Over three years to five years	Over five years to ten years	Over ten years
Assets	(Rupees in '000)									
Cash and balances with treasury banks	60,295,393	60,295,393	-	-	-	-	-	-	-	-
Balances with other banks	9,567,702	9,567,702	-	-	-	-	-	-	-	-
Lendings to financial institutions	11,728,869	11,728,869	-	-	-	-	-	-	-	-
Investments	450,583,287	22,802,815	226,669,702	35,141,397	15,595,601	131,257,104	-	19,042,698	73,970	-
Advances	234,172,617	90,614,737	44,064,366	25,385,715	6,327,019	12,488,328	34,280,227	7,291,362	6,518,509	7,202,354
Other assets	36,293,236	17,921,731	12,209,511	2,873,776	433,803	205,226	2,417,886	24,847	206,456	-
Fixed assets	10,689,126	60,911	118,429	186,231	372,764	1,204,486	871,154	1,976,961	3,921,985	1,976,205
Intangible assets	26,095,310	-	-	-	-	-	-	-	-	26,095,310
Deferred tax assets	-	-	-	-	-	-	-	-	-	-
	839,425,540	212,992,158	283,062,008	63,587,119	22,729,187	145,155,144	37,569,267	28,335,868	10,720,920	35,273,869
Liabilities										
Bills payable	16,601,187	16,601,187	-	-	-	-	-	-	-	-
Borrowings	35,028,767	7,794,235	21,502,479	3,167,610	1,216,109	657,580	49,946	99,891	232,828	308,089
Deposits and other accounts	626,774,412	604,839,456	14,784,543	3,656,755	2,828,308	412,050	133,300	120,000	-	-
Sub-ordinated loans	-	-	-	-	-	-	-	-	-	-
Other liabilities	77,736,852	34,179,865	7,303,875	7,584,588	21,712,298	460,797	922,923	4,379,160	494,625	698,721
Deferred tax liabilities	3,679,066	-	-	-	-	-	-	3,679,066	-	-
	759,820,284	663,414,743	43,590,897	14,408,953	25,756,715	1,530,427	1,106,169	8,278,117	727,453	1,006,810
	79,605,256	(450,422,585)	239,471,111	49,178,166	(3,027,528)	143,624,717	36,463,098	20,057,751	9,993,467	34,267,059
Net assets										
Share capital	38,715,850									
Reserves	25,243,085									
Unappropriated profit	8,274,496									
Surplus on revaluation of assets - net	7,371,825									
	79,605,256									
2020										
	Total	Upto one month	Over one month to three months	Over three months to six months	Over six months to one year	Over one year to two years	Over two years to three years	Over three years to five years	Over five years to ten years	Over ten years
Assets	(Rupees in '000)									
Cash and balances with treasury banks	54,366,569	54,366,569	-	-	-	-	-	-	-	-
Balances with other banks	11,271,237	11,271,237	-	-	-	-	-	-	-	-
Lendings to financial institutions	69,551,802	67,706,381	1,845,421	-	-	-	-	-	-	-
Investments	349,444,772	38,725,520	133,441,378	13,236,279	18,355,606	-	119,697,790	25,823,869	164,330	-
Advances	178,216,374	60,231,411	29,143,742	21,304,589	5,431,014	8,326,010	7,641,039	34,944,486	6,512,589	4,681,494
Other assets	21,047,905	10,245,574	4,150,684	1,999,876	425,473	141,493	3,899,603	185,202	-	-
Fixed assets	11,910,762	67,306	133,566	204,461	431,094	979,543	1,019,512	2,618,784	4,505,955	1,950,541
Intangible assets	26,095,324	1	2	4	7	-	-	-	-	26,095,310
Deferred tax assets	-	-	-	-	-	-	-	-	-	-
	721,904,745	242,613,999	168,714,793	36,745,209	24,643,194	9,447,046	132,257,944	63,572,341	11,182,874	32,727,345
Liabilities										
Bills payable	10,712,040	10,712,040	-	-	-	-	-	-	-	-
Borrowings	23,293,381	2,650,349	12,290,941	4,099,960	971,109	3,014,853	59,622	107,939	72,000	26,608
Deposits and other accounts	556,505,923	544,472,475	7,119,582	1,045,926	1,613,249	1,815,391	439,300	-	-	-
Other liabilities	47,090,605	16,818,731	6,492,038	3,525,979	16,662,156	227,225	289,777	3,073,419	776	504
Deferred tax liabilities	2,624,986	-	-	-	-	-	-	2,624,986	-	-
	640,226,935	574,653,595	25,902,561	8,671,865	19,246,514	5,057,469	788,699	5,806,344	72,776	27,112
	81,677,810	(332,039,596)	142,812,232	28,073,344	5,396,680	4,389,577	131,469,245	57,765,997	11,110,098	32,700,233
Net assets										
Share capital	38,715,850									
Reserves	22,497,551									
Unappropriated profit	12,708,561									
Deficit on revaluation of assets - net	7,755,848									
	81,677,810									

Notes to the Financial Statements

For the year ended 31 December 2021

42.4.2 MATURITIES OF ASSETS AND LIABILITIES - based on expected maturity of assets and liabilities of the bank

	2021									
	Total	Upto one month	Over one month to three months	Over three months to six months	Over six months to one year	Over one year to two years	Over two years to three years	Over three years to five years	Over five years to ten years	Over ten years
Assets	----- (Rupees in '000) -----									
Cash and balances with treasury banks	60,295,393	60,295,393	-	-	-	-	-	-	-	-
Balances with other banks	9,567,702	9,567,702	-	-	-	-	-	-	-	-
Lendings to financial institutions	11,728,869	11,728,869	-	-	-	-	-	-	-	-
Investments	450,583,287	22,802,815	226,669,702	35,141,397	15,595,601	131,257,104	-	19,042,698	73,970	-
Advances	234,172,617	39,443,045	56,241,849	24,562,866	20,187,296	38,443,568	34,277,415	7,295,166	6,519,058	7,202,354
Other assets	36,293,236	17,921,731	12,209,511	2,873,776	433,803	205,226	2,417,886	24,847	206,456	-
Fixed assets	10,689,126	60,911	118,429	186,231	372,764	1,204,486	871,154	1,976,961	3,921,985	1,976,205
Intangible assets	26,095,310	-	-	-	-	-	-	-	-	26,095,310
Deferred tax assets	-	-	-	-	-	-	-	-	-	-
	839,425,540	161,820,466	295,239,491	62,764,270	36,589,464	171,110,384	37,566,455	28,339,672	10,721,469	35,273,869
Liabilities										
Bills payable	16,601,187	16,601,187	-	-	-	-	-	-	-	-
Borrowings	35,028,767	7,794,235	21,502,479	3,167,610	1,216,109	657,580	49,946	99,891	232,828	308,089
Deposits and other accounts	626,774,412	73,052,111	34,202,407	32,783,552	61,081,900	425,401,142	133,300	120,000	-	-
Sub-ordinated loans	-	-	-	-	-	-	-	-	-	-
Other liabilities	77,736,852	34,179,865	7,303,875	7,584,588	21,712,298	460,797	922,923	4,379,160	494,625	698,721
Deferred tax liabilities	3,679,066	-	-	-	-	-	-	3,679,066	-	-
	759,820,284	131,627,398	63,008,761	43,535,750	84,010,307	426,519,519	1,106,169	8,278,117	727,453	1,006,810
	79,605,256	30,193,068	232,230,730	19,228,520	(47,420,843)	(255,409,135)	36,460,286	20,061,555	9,994,016	34,267,059
Net assets										
Share capital	38,715,850									
Reserves	25,243,085									
Unappropriated profit	8,274,496									
Surplus on revaluation of assets - net	7,371,825									
	79,605,256									
	2020									
	Total	Upto one month	Over one month to three months	Over three months to six months	Over six months to one year	Over one year to two years	Over two years to three years	Over three years to five years	Over five years to ten years	Over ten years
Assets	----- (Rupees in '000) -----									
Cash and balances with treasury banks	54,366,569	54,366,569	-	-	-	-	-	-	-	-
Balances with other banks	11,271,237	11,271,237	-	-	-	-	-	-	-	-
Lendings to financial institutions	69,551,802	67,706,381	1,845,421	-	-	-	-	-	-	-
Investments	349,444,772	38,725,520	133,441,378	13,236,279	18,355,606	-	119,697,790	25,823,869	164,330	-
Advances	178,216,374	16,400,755	32,717,702	26,746,627	16,419,133	32,154,568	7,641,039	34,942,466	6,512,589	4,681,494
Other assets	21,047,905	10,245,574	4,150,684	1,999,876	425,473	141,493	3,899,603	185,202	-	-
Fixed assets	11,910,762	67,306	133,566	204,461	431,094	979,543	1,019,512	2,618,784	4,505,955	1,950,541
Intangible assets	26,095,324	1	2	4	7	-	-	-	-	26,095,310
Deferred tax assets	-	-	-	-	-	-	-	-	-	-
	721,904,745	198,783,343	172,288,753	42,187,247	35,631,313	33,275,604	132,257,944	63,570,321	11,182,874	32,727,345
Liabilities										
Bills payable	10,712,040	10,712,040	-	-	-	-	-	-	-	-
Borrowings	23,293,381	2,650,349	12,290,941	4,099,960	971,109	3,014,853	59,622	107,939	72,000	26,608
Deposits and other accounts	556,505,923	87,266,777	28,492,938	33,105,959	65,733,315	341,467,634	439,300	-	-	-
Other liabilities	47,090,605	16,818,731	6,492,038	3,525,979	16,662,156	227,225	289,777	3,073,419	776	504
Deferred tax liabilities	2,624,986	-	-	-	-	-	-	2,624,986	-	-
	640,226,935	117,447,897	47,275,917	40,731,898	83,366,580	344,709,712	788,699	5,806,344	72,776	27,112
	81,677,810	81,335,446	125,012,836	1,455,349	(47,735,267)	(311,434,108)	131,469,245	57,763,977	11,110,098	32,700,233
Net assets										
Share capital	38,715,850									
Reserves	22,497,551									
Unappropriated profit	12,708,561									
Deficit on revaluation of assets - net	7,755,848									
	81,677,810									

Notes to the Financial Statements

For the year ended 31 December 2021

42.5 Derivative Risk

The Bank has adopted the Traded Risk Type Framework which sets out the overall risk management approach for Traded Risk, which covers potential for loss resulting from derivative activities undertaken by the financial markets. Traded Risk Management (TRM) performs market risk management activities for the Bank. Derivative risk limits are proposed by TRM after discussion with relevant businesses and are reviewed twice a year. Under the framework, authority for setting derivative risk limits is delegated to the Executive Risk Committee, Approvals Committee, and the Country Chief Risk Officer.

The Executive Risk Committee and the Board Risk Committee have primary oversight responsibility for Derivative Risk.

42.6 Model Risk

Model Risk is defined as the "potential loss that may occur as a consequence of decisions or the risk of mis-estimation that could be principally based on the output of models due to errors in the development, implementation, or use of such models". An important source of model risk is the inherent uncertainty in all model outputs, and may arise from uncertainty in parameter estimates, limited statistics, or uncertainty in model choices.

43. GENERAL

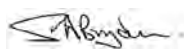
43.1 CORRESPONDING FIGURES

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

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

43.2 DATE OF AUTHORIZATION

These financial statements were authorized for issue in the Board of Directors meeting held on 17 February 2022.



Ian Bryden
Chairman



Rehan M. Shaikh
Chief Executive Officer



Syed Ejaz Alam
Chief Financial Officer



Ehsan Ali Malik
Director



Towfiq Habib Chinoy
Director

Notes to the Financial Statements

For the year ended 31 December 2021

Annexure - I

Statement in respect of written-off loans or any other financial relief of five hundred thousand rupees or above as required under sub-section (3) of section 33A of the Banking Companies Ordinance, 1962 during the year ended 31 December, 2021

Sr. No.	Name	Address	Name of Partners / Directors NIC / CNIC	Father / Husband Name	Amount in PKR Rupees					
					Outstanding Liabilities at Beginning of Year			Amount Written off / Concession		
					Principle	Interest/ Markup	Total	Principle	Interest/ Markup	Total Balance (Gross)
1	Azgard Nine Limited	1. 37- Gulberg 5, Off Zafar Ali Road, Lahore 2. 9 Asad Jan Road, Lahore, cantt. 3. 9 Asad Jan Road, Lahore, cantt. 4. 132 Upper Mall Scheme, Lahore. 5. Kuwait Flour Mills & Bakeries Co. 6. 185-D, Block 5, Clifton Karachi. 7. BIK 3015A, UBI Road # 04, 01 Kampong UBI Industrial	1. Mueen Afzal - CNIC #35200-2144318-7 2. Ahmed H. Shaikh - CNIC#35201-8953938-7. 3. Aehsun M. H. Shaikh - CNIC# 35201-5252539-3 4. Chief Justice (Retd) Mian Mehboob Ahmed - CNIC# 35202-4977617-9 5. Khalid A.H. Al-Sagar - Passport #002435080 6. Ali Jehangir Siddiqui - CNIC # 42301-9480983-5 7. Ali Hussain - Passport # E0567621C	2. Humayun N. Sheikh 3 Humayun N. Sheikh 6. Jehangir Siddique	319,351,503	162,641,673	481,993,176	197,615,184	300,700,000	498,315,184
2	Irfan Industries (Pvt) Ltd	1.171-Abu Bakar Block, Garden Town, Lhr. 2. 171-Abu Bakar Block, Garden Town, Lhr.	1. Malik Irfan Siddique - CNIC # 35202-2559276-9 2. Malik Muhammad Siddique - CNIC # 35202-7313387-7	1. Malik Muhammad Siddique 2. Malik Irfan Siddique	114,961,343	201,872,540	316,833,883	22,461,343	201,872,540	224,333,883
3	Radio City (Pvt) Ltd	1. SUITE # 108, THE FORUM, G-20 Karachi 2. RADIO CITY, 7-SCHOOL ROAD, F-6, SUPER MARKET, ISLAMABAD	Shah Muneer Alam - CNIC # 42101-5215439-2	Syed Siraj Alam	42,244,440	55,885,183	98,129,622	-	55,885,183	55,885,183
4	Rahat Bakers & Sweets	17-D, Amjad Khursheed Shaheed Road, Lhr, Cantt.	Amir Idrees - CNIC # 35201-1355111-7	Muhammad Idrees	23,755,881	41,392,707	65,148,587	-	36,193,602	36,193,602
5	Sheikh Mohammed Siddique	Galla Bakar Nandi Sheikhpura Road	34101-9356202-5	Sheikh Mohammad Ismayel	2,551,816	(2,406,013)	145,803	23,082,757	(2,934,730)	20,148,027
6	Jeuni Home Collections	1. SIR GANGA RAM MANSION, 53-THE MALL, LAHORE	Afzal Ahmed - CNIC # 34603-6936922-9	Akram Khan	14,995,467	19,986,977	34,982,444	-	19,990,000	19,990,000
7	Abid Abu Bakar Godil	C 110 Ghani Moosa Seth St Dhoraji Colony Near Vmp	42201-8996504-1	Aboobakar Godil	3,759,291	2,409,062	6,168,353	3,759,291	2,409,062	6,168,353
8	Muhammad Sarfaraz Munir	Ghalla Mandi Pakpattan	337-59-304560	Muhammad Ali	1,380,000	3,504,173	4,884,173	1,380,000	3,504,173	4,884,173
9	Abdul Majeed	House No. 802-G/4 Johar Town Lahore	35202-8897922-7	Ali Muhammad	941,515	3,557,987	4,499,501	941,515	3,557,987	4,499,501
10	Qasir Hussain	Mis Office 7-A Block R3 Johar Town UCP Lahore	35202-5211803-5	Shihadit Ali	3,957,084	293,636	4,250,720	3,957,084	308,351	4,265,435
11	Adeel Warrich	Pent House No 04 8th Floor Mall Square Zam Zama Phase V D.H.A Karachi	42000-2633518-3	Ejaz Nazir Warrich	14,946,306	(15,003,884)	(57,577)	23,070,087	(19,112,967)	3,957,121
12	Sheikh Mohammad Khalid	House No P 58 Street No 3 Shadman Colony Faisalabad	33100-4593555-7	Shaikh Muhammad Ali	1,768,610	2,123,110	3,891,720	1,768,610	2,123,110	3,891,720
13	Shoaib Anwar	Main Bazar House No. P/47 Area Abdullah Pur HBL Faisalabad	35202-1906653-3	Muhammad Anwar	3,189,818	228,211	3,418,029	3,189,818	252,826	3,442,645
14	Azhar Hussain	229- Muslim Town No 1 Sargodha Road Faisalabad	33100-0796866-3	Shaikh Mahmood	2,003,463	(1,515,229)	488,233	2,003,463	952,552	2,956,015
15	Syed Naeem-Ul-Hassan	B-65 Block-D North Nazimabad Karachi Near Aslam Karachi	42201-1524884-7	Sye Mateen Ul Hasan	-	2,908,190	2,908,190	-	2,908,190	2,908,190
16	Asif Khalid	House No S-6 Staff Lane No 12 A Phase IV D.H.A Near Sindbad Karachi	42301-9773441-5	Khalid Mehboob	3,272,216	(440,744)	2,831,472	3,991,955	(1,580,241)	2,411,713
17	Muhammad Zahid Anwar	House No.933 Nizam Block Allama Iqbal Town Lahore	35202-8509803-3	Muhammad Aashiq	2,280,727	32,380	2,313,107	2,280,727	32,380	2,313,107
18	Muhammad Younus	House No.18 Ahmed Street Sultan Ahmed Road ICHRA Lahore	35202-2426167-1	Ch Muhammad Ashraf	4,371,535	(2,484,021)	1,887,514	6,311,180	(4,096,166)	2,215,014
19	Syed Hasan Askari	Ghazi Arcade Plot C 3/1 Street 27 Mohalla Tauheed Commercial KFC Phase V D.H.A Karachi	42301-1155914-7	Muhammad Akram Qureshi	2,000,000	177,464	2,177,464	2,000,000	186,348	2,186,348
20	Adeel Hashmi	Tpl Trakker Ltd / 13th Floor Centrepoint Building Off Shaheed-e-Millat Expressway Karachi	42301-8164532-1	Azhar Abbas Hashmi	1,145,801	812,576	1,958,377	1,145,801	1,033,873	2,179,674
21	Muhammad Tahir Mehmood	CI 5/4 State Life Building 10 Main Abdullah Haroon Road Karachi	35201-7396452-5	Farzand Ali	1,705,799	422,766	2,128,565	1,705,799	444,497	2,150,296
22	Huma Munawar	House 266 Block B Street No F 227 9 Town Park D.H.A Ph 9 Town Lahore	35202-5506368-0	Muhammad Azam Shafique	1,907,698	131,631	2,039,329	1,907,698	146,190	2,053,888
23	Atiq Ur Rehman	House No 115 Khayaban Colony No 1 Faisalabad	33100-0628028-7	Muhammad Bashir Heri	2,496,867	1,030,862	3,527,729	996,867	1,030,862	2,027,729
24	Mohsin Naveed	H No. E /9 Street No. 6 Moh Scheme 6 Shadbaagh Round About Wasan Pura Chah Meeran	35202-7894470-3	Ghulam Qadir	1,827,578	154,740	1,982,317	1,827,578	154,740	1,982,317
25	Iftikhar Hasan	House No. 57-C/1 Street No. 27 Moh Khayaban-e-Mujahid RADO Showroom D.H.A Phase 5 Karachi	42101-9499173-9	Fayaz Ahmed Khan	1,778,069	159,236	1,937,304	1,778,069	175,887	1,953,955
26	Ehtasham Ul Haq Mallick	Ehtasham Ul Haq Mallick House No. 77M Second Floor Block-2 PECHS Main Ghazale Road	42201-4340998-5	Zia Ul Haq Mallick	1,551,608	348,941	1,900,549	1,551,608	400,368	1,951,977

Notes to the Financial Statements

For the year ended 31 December 2021

Annexure - I

Amount in PKR Rupees

Sr. No.	Name	Address	Name of Partners / Directors NIC / CNIC	Father / Husband Name	Outstanding Liabilities at Beginning of Year			Amount Written off / Concession		
					Principle	Interest/ Markup	Total	Principle	Interest/ Markup	Total Balance (Gross)
27	Zafar Abdullah	Tex Mark / A-8 H Site Near Habib Chowrangi Karachi	42501-5973522-7	Mushtaq Ahmed	1,801,121	129,483	1,930,604	1,801,121	147,509	1,948,630
28	Qazi Muhammad Ali	SBCH Productions 6th Floor Al Tijarah Centre PECHS Block No. 6 Shahrah-e-Faisal Karachi	42101-6865496-1	Muhammad Arshad Jamil	1,836,057	94,887	1,930,944	1,836,057	100,801	1,936,858
29	Mohammad Amjad Aziz	118-L D.H.A Lahore	35201-7413466-7	Abdul Aziz	8,358,415	(1,526,219)	6,832,196	941,760	988,175	1,929,936
30	Hina Aman	Television Media Network the Express Tribune Office 5 Imtiaz Super Market Express Way Off Korangi Road Karachi	42101-7214300-0	Aman Ullah	1,798,043	96,839	1,894,882	1,798,043	96,839	1,894,882
31	Tahir Riaz Mir	10 Km Riwind Global Technologies Near Safari Safari Park Park Riwind Road Lahore	35202-4251832-7	Riaz Ahmed Mir	1,683,301	196,952	1,880,254	1,683,301	196,952	1,880,254
32	Muhammad Nawaz Khan	House No. B Street No. 9 Fazaya Housing Scheme Chaklala Cantt Rawalpindi	37102-1273924-5	Allah Yar Khan	1,658,803	143,196	1,801,999	1,658,803	145,352	1,804,155
33	Manzoor Elahi	House No.16 Mohallah Habib Block Azam Garden Multan Road Multan Road Lahore	35202-0340251-1	Abdul Majeed	1,609,275	157,586	1,766,861	1,609,275	157,586	1,766,861
34	Saad Murad Khan	49-C Main Jail MCB Road Lahore	61101-6183972-5	Abdul Ahad Khan	1,695,627	53,785	1,749,413	1,695,627	53,785	1,749,413
35	Taha Harris Anjum	PIA Head Office Flight Operation Dept Jinnah Terminal Ramada Hotel Karachi	35200-5327021-5	Anjum Mahmood	1,672,645	56,276	1,728,922	1,672,645	56,276	1,728,922
36	Asad Ul Haq	Teradata Pak Pvt Ltd Ground Floor TF Complex 7 Mauve Area G-9/4	35202-2332587-5	Muhammad Shamim Alam	1,475,698	197,866	1,673,564	1,475,697	223,379	1,699,077
37	Najam Ul Hasan	House No 51/11 Sector G Manzoor Colony Mehmoodabad Karachi	42301-6149778-5	Muhammad Siddiqui	1,343,384	(1,493,049)	(149,665)	1,692,757	-	1,692,757
38	Akhtar Maqbool	House No D-351 Area Bhitai Colony Korangi Crossing Korangi Crossing Malir Karachi	42501-2540386-1	Wahaj Uddin Khan	1,553,387	109,030	1,662,418	1,553,387	109,030	1,662,418
39	Tanveer Ashraf	Karachi Wala P/O Teh Fort Abbas Dist HBL Bahawal Nagar	31104-7293010-9	Muhammad Ashraf	1,528,163	132,760	1,660,923	1,528,163	132,760	1,660,923
40	Ahmed Ali Niaz	59B3 M M Alam Road Gulberg 3 Firdous Market Lahore	35202-1985489-7	Muhammad Niaz	1,528,121	117,682	1,645,803	1,528,121	130,901	1,659,022
41	Abdul Samee Solangi	Flat No C-1 3rd Floor Amh Squire 17/B Masjid E Roomi SMCHS Karachi	42201-7535647-1	Qadir Buksh	1,489,439	148,410	1,637,849	1,489,439	148,410	1,637,849
42	Abdul Rasool Hooda	CDC House 99-B Block No B S.M.C.H.S Main Shakra-e-Faisal PSO Pump Karachi	42101-1741252-1	Hafiz Muhammad Ilyas	1,503,852	117,706	1,621,558	1,503,852	117,706	1,621,558
43	Syed Ali Ather Sadiq	Premier Systems (Pvt) Ltd 2nd Floor Business Plaza Karachi	42201-0539578-3	Syed Ali Mazhar Mohammad Sajid	1,566,057	50,797	1,616,854	1,566,057	43,133	1,609,190
44	Syed Tariq Ali	SPO 2nd Floor Chohan Plaza Sector G-8 Islamabad Diagnostic Center Markaz Islamabad	37405-4745615-1	Hafiz Muhammad Ilyas	1,461,102	127,009	1,588,111	1,461,102	142,220	1,603,322
45	Muhammad Shahid Habib	House No. 1 Street No. 37 Dilkusha Park Sanda Khu Road Lahore	35202-9702991-7	Habib Ur Rehman	659,954	941,907	1,601,861	659,954	941,907	1,601,861
46	Muhammad Mufeez	H 3254 St 25 I-10/3 Sajid Baker Islamabad	13101-5751150-3	Muhammad Raees Khan	1,477,676	114,378	1,592,055	1,477,676	120,093	1,597,769
47	Mohsin Bilal Awan	House No.1 Sheet 19 Modal Colony R-1 Bus Stop Karachi	42501-1088908-5	Zahoor Ul Haq Awan	1,447,025	149,449	1,596,475	1,447,025	149,449	1,596,475
48	Nauman Saeed	DGS Pvt Ltd 13-Atchison St 1-Km Raiwind Road TRG Near thokar Niaz Baig Lahore	35202-5470659-9	Saeed Ahmed	1,525,768	38,664	1,564,432	1,525,768	38,664	1,564,432
49	Asim Raza	IPSOs 52-F Johar Town Jamin Jaya Kafay Lahore	35202-4491461-1	Ghulam Murtaza	1,490,407	51,956	1,542,363	1,490,407	35,521	1,525,928
50	Sohail Amjad Qureshi	D.H.A 2B East Street Phase 1 D.H.A Near Mc Donald Karachi	35200-0518641-9	Amjad Ali Qureshi	1,354,119	144,235	1,498,354	1,354,119	144,235	1,498,354
51	Nazir Ahmed	Street No. 05 Moh Green Town Shah Faisal UBL Colony Karachi Teh & Dist Karachi	42201-0685100-3	Sadiq Hussain	1,387,730	107,127	1,494,857	1,387,730	107,127	1,494,858
52	Jahanzeb Iqbal	Ascendant 13-Y 3rd Floor Chaudhry Plaza Jinnah Super F-7 Markaz Islamabad	35202-6174089-7	Chaudhary Muhammad Iqbal	1,115,061	360,635	1,475,696	1,115,061	362,375	1,477,436
53	Affan Ur Rahim	House No. 721 Area-37/D Landhi No.1 Govt Baldia Girls College Karachi	42201-9055480-1	Atta Ur Rahim	1,410,791	45,593	1,456,383	1,410,791	45,593	1,456,383
54	Syed Hassan Ali Shah	Quality Aviation New Garden Town 19-A HBL Bank Ali Block Lahore	35202-2963935-5	Syed Asif Ali Shah	1,419,041	24,459	1,443,501	1,419,041	24,459	1,443,501
55	Muhammad Musa Kaleem	Federal Urdu University Of Arts Science & Technology Business Administration Department 3rd Floor	37405-5541298-5	Choudhry Muhammad Sharif	1,323,553	116,269	1,439,822	1,323,553	105,826	1,429,379
56	Mohammad Amir Dhamee	1st & 8th Floor Bahria Complex Iv Main Choudhry Khaleeq Bahria College uz Zaman Road Gizri Clifton Karachi	42301-9291558-1	Muhammad Nawaz Khan	1,348,834	78,574	1,427,409	1,348,834	78,574	1,427,409
57	Muhammad Faisal Malik	House No. 27 Abdullah Town Moh Wafaqi Colony Jutt Chowk Johar Town Lahore	35202-9128019-5	Muhammad Zareef Malik	1,268,507	156,754	1,425,261	1,268,507	156,754	1,425,261
58	Manzoor Elahi	387 Nargis Block Behria Nargis Block Lahore	35202-0340251-1	Abdul Majeed	1,264,517	210,039	1,474,556	1,264,517	160,039	1,424,556

Notes to the Financial Statements

For the year ended 31 December 2021

Annexure - I

Sr. No.	Name	Address	Name of Partners / Directors NIC / CNIC	Father / Husband Name	Amount in PKR Rupees					
					Outstanding Liabilities at Beginning of Year			Amount Written off / Concession		
					Principle	Interest/ Markup	Total	Principle	Interest/ Markup	Total Balance (Gross)
59	Asher Mehmood Butt	Ajmair Foods Pvt Ltd 18-Km Multan Road Opposite EME Society Lahore	35202-2182516-7	Mehmood Ahmed Butt	1,290,979	122,878	1,413,857	1,290,979	122,878	1,413,857
60	Aqib Junaid	House No 4 Street 25 Sector 36-B Landhi 36-B Double Road Korangi Karachi	42201-1574318-9	Muhammad Suleman	1,287,640	119,771	1,407,412	1,287,640	125,794	1,413,434
61	Qasim Hussain Rizvi	Toyota Islamabad Motors 7-Khyaban-e-Soharwardy MCB Bank G-6/1-1 Abpara Islamabad	42101-8857307-5	Mannay Mian	1,286,125	112,039	1,398,165	1,286,125	112,039	1,398,165
62	Faheem Javed Khan	Descon Engineering 18 Km Ferozpur Road Lahore	35200-1434867-3	Javed Iqbal Khan	1,111,414	248,724	1,360,138	1,111,414	286,087	1,397,501
63	Ali Saeed Farooqi	House No A 384 Block A North Nazimabad PSO Pump Karachi	42101-1833843-3	Zeeshan Nihal	1,293,056	103,680	1,396,736	1,293,056	103,680	1,396,736
64	Danial Foods	HOUSE # 245 ST # 07 PEOPLE COLONY FAISALABAD	Ghulam Murtaza CNIC # 33100-7449833-7	Muhammad Buksh	989,227	2,162,799	3,152,025	-	1,390,000	1,390,000
65	Faraz Hashmi	Plot No. 14-C Nishat Commercial Lane-4 Misri Shah Mazaar Ph-4 D.H.A Karachi	42301-2856950-7	Sabir Ali Hashmi	1,241,549	132,903	1,374,452	1,241,549	148,414	1,389,963
66	Ahmad Saeed Zaman	Meemar Builders & Traders 13 Km Raiwind Road Near Lake City Lahore	35202-2760526-3	Syed Jamal Masood Jafri	1,240,018	145,844	1,385,862	1,240,018	147,583	1,387,602
67	Ali Haider Abidi	House No.185 Street 37 Moh Khayaban-e-Ittehad Phase 6 D.H.A Karachi	42101-7899849-1	Azhar Ali Abidi	1,290,907	92,265	1,383,172	1,290,907	92,265	1,383,172
68	Muhammad Faisal	House No D-58 Block 4 F B Area Karachi	42101-0217551-3	Abdul Sattar	1,282,538	86,859	1,369,397	1,283,668	88,554	1,372,222
69	Syed Amjad Ali Shah	PTDC Motels Room No, 19 20 Flashman's Hotel Metro Station the Mall Rawalpindi	13501-7722507-5	Syed Muhammad Razzak Abidi	1,299,028	51,420	1,350,448	1,299,028	51,420	1,350,448
70	Syed Nadeem Jafar	E-104 Parliment Codeges Near National Assembly Islamabad	42000-0491668-7	Syed Rasheed Jafar Bokhari	460,643	726,773	1,187,416	460,643	874,872	1,335,514
71	Muhammad Mehmood Khan	2nd Floor Ufone Tower Blue Area Near ISE Tower Islamabad	82102-2420934-5	Muhammad Afsar Khan	1,213,206	108,623	1,321,830	1,213,206	120,077	1,333,283
72	Anila Afaq Aazmi	House A 828 First Floor Sector 11A North Karachi	42101-9946549-4	Afaq Ahmed Khan	1,189,277	126,289	1,315,566	1,189,277	126,289	1,315,566
73	Muhammad Sohail Shafique	House No.63 Main Street Yasrub Colony Multan Road Jamia Masjid Lahore	35202-8941214-3	Muhammad Shafique	1,176,206	127,052	1,303,257	1,176,206	127,052	1,303,257
74	Muhammad Azam Shafique	Al Baraka Bank 1-S Commercial Area HBL D.H.A Phase II Lahore	35201-8293267-3	Syed Sibte Hassan Zaidi	1,255,053	45,949	1,301,002	1,255,053	45,949	1,301,002
75	Asif Anis Khan	House No.350 K-2 Wapda Town Lahore Rehmat Chowk Near Rehmat Chowk Lahore	35404-7706903-1	Anis Ahmad Khan	1,225,044	70,151	1,295,195	1,225,044	70,151	1,295,195
76	Muhammad Moid Uddin Khan	B-58 Site Soneri Bank Opposite Siemens Karachi	42301-0951636-9	Muhammad Mohiuddin Khan	1,156,214	127,091	1,283,305	1,156,214	133,480	1,289,694
77	Masood Wahedna	BRR Tower 7th Floor Hassan Ali St II Opposite Hum TV Chundrigar Road Karachi	42301-8934372-1	Abdul Samad Wahedna	1,202,353	86,443	1,288,796	1,202,353	86,443	1,288,796
78	Muhammad Khubaib Khan	65-C 11th Commercial Lane Ph-2 Ext D.H.A Nadra Flat No.6 3rd Floor Karachi	42301-5367299-7	Anwar Ali Khan	1,172,300	103,136	1,275,436	1,172,300	103,136	1,275,436
79	Afzaal Ahmad	House No 155B Street 2 Sarfraz Colony Pahari Chowk Peoples Colony No.2	33100-4995594-1	Parveen Akhtar	1,182,700	87,042	1,269,742	1,182,700	88,699	1,271,399
80	Ali Waqar Azeem	4th Floor Hotel Grand Ambassador Hotel Ataturk State Bank Avenue Sector G-5/2 Islamabad	17301-1141295-3	Karamat Ali	1,152,570	115,859	1,268,429	1,152,570	115,859	1,268,429
81	Bilal Irfan	Apartment No.3 Building 88-C Street No. 10 Phase No. VII Ext Khyayaban-e-Jami Commercial D.H.A Axaact Office Karachi	42301-2659097-3	Irfan Haider	1,174,055	81,051	1,255,106	1,174,055	90,242	1,264,297
82	Amir Ali	Feb & Gif Building Zero Urdu University Point	61101-7919768-9	Mannat Ali	1,212,411	31,581	1,243,991	1,212,411	42,488	1,254,899
83	Naveen	House No 2 Street No 11 Abdullah Road Rewaz Garden Sanda Road Rajgarh Lahore	35404-1325000-8	Rashid Aman Masih	1,154,368	78,207	1,232,575	1,154,368	91,200	1,245,568
84	Syed Shahbaz Ali	Plot No. D-106 Site Area Siemens Chowrangri Site Karachi	42201-0527688-9	Syed Shamshad Ali	1,132,942	97,651	1,230,593	1,132,942	107,739	1,240,681
85	Mirza Obaidullah Baig	House No. B-234 Block No. 18 Gulshan-e-Iqbal Near Rehmania Masjid Karachi	42201-0612572-7	Hafizullah Baig	1,072,086	154,966	1,227,052	1,072,086	161,115	1,233,201
86	Muhammad Bilal Tahir	House 3 Street 114 Sector G-13/1 Golra Mor Islamabad	33100-8863710-1	Muhammad Ashraf Tahir	1,103,394	129,732	1,233,126	1,103,394	129,732	1,233,126
87	Zia Misbah	House No. D-20 Block No. 9 Gulshan-e-Iqbal Karachi	42201-0492538-5	S Ghulam Panjatan	1,206,493	61,540	1,268,033	1,166,494	63,234	1,229,728
88	Rai Manzoor Hussain	Rai Manzoor Hussain Stage Manager Al Hamra Centre Pcb Office Gaddafi Stadium Ferozpur Lahore	35202-5599721-3	Pehlwan	1,208,520	20,823	1,229,344	1,208,520	20,823	1,229,344
89	Faisal Riaz Janjua	Moh Kangarr Pura Daak Khana Khas Dalwal Teh Railway Station Choa Saidan Shah Dist	61101-9101311-7	Muhammad Riaz	1,128,394	97,419	1,225,813	1,128,394	97,419	1,225,813
90	Sanobar Khan	8th Floor Dawood Centre M.T Khan Road Karachi PIDC House	42201-9035038-2	Amjad Khan	1,110,125	111,769	1,221,893	1,110,125	111,769	1,221,893
91	Rizwan Ali	House No.764 Street No. 64 Sec G-9/4 Metro Bus Stop Islamabad	35101-1930876-5	Muhammad Sadiq	1,119,414	88,518	1,207,932	1,119,414	100,196	1,219,610
92	Brenda Basten	Unilever Pakistan Ltd Avari Plaza Fatima Metropole Jinnah Road Karachi	42301-0941354-4	Oswald Noel Doss Basten	1,137,505	81,878	1,219,383	1,137,505	81,878	1,219,383
93	Abdul Manan	Shop No 2 And 3 Builder Mall Giga Mall Rawalpindi	71201-8532389-7	Abdul Majeed	1,077,441	124,355	1,201,795	1,077,441	138,262	1,215,703
94	Imran Irshad Khan	PTDC Hd Flashman's Hotel Saddar Flashman Hotel Rawalpindi	37405-1386748-9	Irshad Ahmed Khan	1,085,778	127,082	1,212,859	1,085,778	127,082	1,212,859

Notes to the Financial Statements

For the year ended 31 December 2021

Annexure - I

Amount in PKR Rupees

Sr. No.	Name	Address	Name of Partners / Directors NIC / CNIC	Father / Husband Name	Outstanding Liabilities at Beginning of Year			Amount Written off / Concession		
					Principle	Interest/ Markup	Total	Principle	Interest/ Markup	Total Balance (Gross)
95	Imran Qasim	Telenor Paris Plaza F-11 Scb Markaz Islamabad	36502-6812276-1	Kifayat Ullah	1,091,394	93,087	1,184,481	1,091,394	93,087	1,184,481
96	Rameez Aslam	ABL 30 A Sanda Road Atif Opposite Pump / Atif Chowk Chowk Lahore	35201-3581910-3	Muhammad Aslam	1,148,292	35,194	1,183,486	1,148,292	35,194	1,183,486
97	Muhammad Junaid	Wiseman Innovations 1st Floor B Block Software Technology Park I-9/3	35202-3772342-9	Muhammad Anwar	918,831	261,987	1,180,818	918,830	263,727	1,182,558
98	Manzoor Ahmed Solangi	GOP Jinnah Govt College Nazimabad Near Matric Board Office Karachi	42301-5441324-5	Muhammad Ibrahim Solangi	1,153,322	16,932	1,170,254	1,153,322	23,858	1,177,180
99	Tauseef Rasheed	House No. 146 Street No. 08 E-11/2 MPCHS Hill Road Medical Socity Islamabad	82401-5180115-5	Rashid Akhtar	978,938	185,132	1,164,070	978,938	185,132	1,164,070
100	Moid Ul Hassan	Plot No. 1 & 2 Sector 28 Korangi Industrial Darul Uloom Area Karachi	42101-9284387-5	Masood Ul Hasan Late	1,138,315	16,292	1,154,606	1,138,315	22,046	1,160,361
101	Muhammad Moosa	Plot No.26 FCC Tower 2nd Floor Syed Maratab Ali Road Coca Cola Office Gulberg IV Lahore	41305-6104568-7	Yar Mohammad	1,072,337	87,301	1,159,638	1,072,337	87,301	1,159,638
102	Umair Ahmed	Square 63 Pvt Ltd 34-XX Block Main Khyayaban-e-Iqbal D.H.A Near Meezan Bank Lahore	35202-5274482-1	Muhammad Akram Khan	888,090	258,009	1,146,099	888,090	269,304	1,157,394
103	Fahad Imtiaz	Plot No. 15-C Shahbaz Commercial Phase 6 Espresso Coffee D.H.A Karachi	17301-0543557-5	Muhammad Banaras	1,050,714	105,507	1,156,221	1,050,714	105,507	1,156,221
104	Ali Ahsan Khan	Orient 2nd Floor 84-B-1 Ghalib Sme Bank Road Gulberg 3 Lahore	37405-8197114-9	Rashid Pervez	1,053,443	95,874	1,149,316	1,053,443	95,874	1,149,316
105	Annahita Khambatta	5A/1 Gulberg 3 Off MM Alam Road Express Spice Bazar Maintanance Center Lahore	42301-3741749-2	Danish F Khambatta	1,093,904	39,948	1,133,852	1,093,904	46,777	1,140,681
106	Muhammad Irfan	Sad Pur Stop Shop No 9/10 Yaseen Khan Makeet Opposite 21 Badar Block Ever New Studio Multan	35202-5299788-7	Muhammad Inayat Rehmani	965,000	153,931	1,118,931	965,000	170,475	1,135,475
107	Abbas Ali	9/6 9th Floor Oyster Towers Clifton Block 1 Shell Pump Karachi	42301-3674824-5	Tassaduque Hussain Bhatti	1,057,734	75,141	1,132,875	1,057,734	75,141	1,132,875
108	Waheed Tariq	Netsol Ltd Villlage Lahore Ring Road Ghazi Road Interchange Lahore Cantt	34601-9185142-3	Tariq Javed Shahad	1,051,646	75,175	1,126,821	1,051,647	80,607	1,132,254
109	Muhammad Ismail	House No. 16 Block 18 Area KDA Colony Batul Makram Masjid Gulshan-e-Iqbal	42201-7577934-7	Muhammad Hanif	1,024,440	97,113	1,121,553	1,024,440	97,113	1,121,553
110	Muhammad Younis Mako	OGDCL 9th Floor Blue UBL Area H-Q Islamabad	45504-5528123-1	Nawab Khan	1,089,410	20,356	1,109,765	1,089,410	20,356	1,109,765
111	Akbar Ali	Marl WaRoad Dakhana Bhata Pur Rizwan Masjid Lahore	36302-9678731-3	Mushtaq Ali	1,010,658	98,144	1,108,803	1,010,658	98,144	1,108,803
112	Syed Mannan Bahadur	Mannan Associates Shop- 4 Falak Corporate City Talpur Road Lahore	42201-4818210-9	Syed Bahadur Ali	1,000,338	103,566	1,103,904	1,000,338	107,386	1,107,724
113	Imran Ahmad	Hurticulture Br D.H.A Services Bulding 174 / B Qasim St-1 Hamza Masjid Kh E Shujaat D.H.A Phase 8 Karachi	45501-5078732-7	Ahmed Sher	989,698	114,408	1,104,106	989,698	114,408	1,104,106
114	Dawood Sadiq	Hashoo Group Nespak House Attaturk Avenue G-5/2 NAB Office Islamabad	61101-1946254-5	Muhammad Sadiq	959,504	138,893	1,098,397	959,505	138,893	1,098,397
115	Tahir Imran Mian	House No. 51 Street No. 32 F-6/1 Farooqia Masjid Islamabad	33201-1627629-1	Ghulam Ahmad	1,021,800	88,358	1,110,158	1,021,800	75,825	1,097,625
116	Atif Javed	Pepsi Cola International Plot No. 413 Sunder Industrial Tetra Pack Estate Raiwind Road Lahore	36103-1632770-3	S Ali Abbass Zaidi	980,802	109,890	1,090,692	980,802	109,890	1,090,692
117	Aurangzeb Shaafi Burki	240/Z street 34 Phase 3 D.H.A Sunrise Mansions 8/C Davis Road Lahore	35201-7389428-7	Zahid Ullah Khan	902,012	153,055	1,055,067	902,012	175,890	1,077,902
118	Shakeel Butt	House No. 38 Dream Villas Wapda Town Lahore	82203-8210924-1	Sm Mohd Sadiq	631,732	432,155	1,063,887	631,732	445,529	1,077,262
119	Dawood Sadiq	Hashoo Group Nespak House Attaturk Avenue G-5/2 Near NAB Office Islamabad	61101-1946254-5	Muhammad Sadiq	967,243	90,772	1,058,015	967,243	108,410	1,075,653
120	Khalid Rafique	House No. 343-A Block A RECHS Johar Town Near HBL Lahore	35202-2922075-7	Muhammad Rafique	821,220	246,235	1,067,455	821,219	246,236	1,067,455
121	Muhammad Moiduddin Khan	Astern Garments Pvt Ltd. B-58 Site Karachi	42301-0951636-9	M Mohiuddin Khan Mohiuddin Khan	899,876	145,022	1,044,898	899,877	162,001	1,061,877
122	Muhammad Azam Bashir	House 247 Street 7 Garden Colony Faisalabad	285-67-501959	Muhammad Bashir	1,785,621	(471,041)	1,314,580	2,062,218	(1,001,955)	1,060,263
123	Ali Zeeshan Haider	2nd Floor Perma H/Q G-8/1 G-8 Markaz Mauve Area	38403-2095697-3	Muhammad Javed	1,010,124	47,989	1,058,114	1,010,124	47,989	1,058,114
124	M Ismail Qamar	768-B Peoples Colony No 1 Faisalabad	33100-0226550-5	Muhammad Ibrahim	-	1,055,970	1,055,970	-	1,055,970	1,055,970
125	Naeem Uddin	House No. 57-J PECHS Block 6 Amballa Bakery Karachi	42201-0906306-5	Pervaiz Hussain Sabri	971,729	78,710	1,050,439	971,729	84,015	1,055,744
126	Shoaib Ahmad	House No 483 Street No.7 Moh Block No 4 Sect 02 Green Town Township Post Office Lahore	35202-5662303-7	Ashiq Hussain	970,149	83,783	1,053,932	970,149	83,783	1,053,932
127	Ayesha Fawad	H 12-H Moh Afghani Road Samanabad Market Lahore	35202-2198633-6	Muhammad Fawad Khan	970,688	111,328	1,082,016	970,688	81,328	1,052,016
128	Asad Ahmed Bukhari	House No. 761 Street No. 12 Chaklala Scheme No. III Lahore	37405-4251340-5	Noor Zaman Khan	883,314	148,721	1,032,035	1,049,643	1,978	1,051,620
129	Ejaz Mahmood Bhatti	Pakistan Railway Freight Transportation C.O UMT GT Road Lahore	35201-6321368-3	Muhammad Yaqoob Khan	935,650	100,471	1,036,121	935,650	100,471	1,036,121

Notes to the Financial Statements

For the year ended 31 December 2021

Annexure - I

Sr. No.	Name	Address	Name of Partners / Directors NIC / CNIC	Father / Husband Name	Amount in PKR Rupees					
					Outstanding Liabilities at Beginning of Year			Amount Written off / Concession		
					Principle	Interest/ Markup	Total	Principle	Interest/ Markup	Total Balance (Gross)
130	Mujahid Raza	Greaves Pakistan Pvt Ltd Modern Motors House Beaumont Road Near Beaumont Plaza Karachi	42101-1919514-7	Muhammad Ismail	924,596	104,116	1,028,712	924,596	104,116	1,028,712
131	Khalid Mehmood Qureshi	House No. 298-L Johar Town Emporium Mall Lahore	35202-3128525-5	Mehmood Ahmad Qureshi	1,072,236	36,322	1,108,558	1,008,269	20,098	1,028,367
132	Shaheryar Aziz Malik	Allied Bank Ltd 2nd Floor ABL Head Off 3-4 Tipu Block New Garden Town PTCL Office Lahore	35201-0723245-9	Abdul Aziz Malik	820,409	202,899	1,023,308	820,409	207,054	1,027,463
133	Asif Anis Khan	House No. 350 K-2 Wapda Town Near Rehmat Chowk Lahore	35404-7706903-1	Anis Ahmad Khan	899,863	113,760	1,013,623	899,863	113,761	1,013,623
134	Saad Aman Chaudhry	House No. 42 Street No. 29 Sec No. F-8/1 Near Centarus Islamabad	61101-7341074-9	Muhammad Yaqoob	902,916	107,502	1,010,418	902,916	109,242	1,012,158
135	Abdullah Bin Najam Anwar	House No E1 Block B Ext Al Falah Society Malir Half Tauheed Masjid Karachi	42201-0810071-1	Najam Parvez Anwar	915,286	92,980	1,008,266	915,286	92,980	1,008,266
136	Muhammad Mahmood	House No.23 Street 2 Moh Haji Yahya Colony Ghoray Shah Darbar Ghoray Shah Lahore	33101-4772292-7	Muhammad Yaqub	990,653	21,576	1,012,229	990,653	17,315	1,007,969
137	Muhammad Imran Gul	Gujar Street H No.82 Moh Ayub Colony Scheme 3 Jamia Masjid Chakala Rawalpindi	37405-7645413-5	Gulistan	961,839	39,982	1,001,822	961,839	39,982	1,001,822
138	Ch Tanveer Ejaz	House No 17 Block E Satellite Town Grw	34101-6172262-3	Rafique Ahmed	999,264	(2,315,683)	(1,316,419)	999,264	-	999,264
139	Sehar Ashar	House No.91/B-2 Moh Gulberg 3 Near Post Office Lahore	35202-4492417-4	Asher Sohail Ahmad Khan	854,832	129,562	984,394	854,832	137,101	991,933
140	Muhammad Rafi	Plot No.2 Flat No. 01 2nd Floor Shalazar Plaza	35202-5709600-9	Mohammad Shafi	987,381	(2,118,243)	(1,130,862)	987,381	-	987,381
141	Waqas Saadat Ali	Shah Taj Travel And Tours 16 Ferozepur Road Mozang Chungi Allied Bank Lahore	35202-2995268-3	Muhammad Saadat Ali	947,279	32,342	979,621	947,278	37,577	984,855
142	Amjad Hussain Daudpota	PIA Booking Office 3rd Floor Manager Works Awan E Iqbal Egerton Road Lahore	42501-8517855-9	Shahid Butt	898,564	85,634	984,198	898,564	85,634	984,198
143	Hussain Rohullah Khurram	House No 50 / 1 - 9th Commercial Street D.H.A Phase IV Near Imam Bargah Imam Bargah Yasrib Karachi	36302-4484665-7	Mohammad Younus Siddiqui	813,918	137,851	951,769	971,638	-	971,638
144	Anand Kumar	SALSOFT Technologies 47 Banglow Street No. 6 Darulaman Society NKCHS Union Club Karachi	44202-7732923-5	S Ghulam Panjatan	852,494	110,472	962,966	852,494	118,506	971,000
145	Sheikh Zeeshan Ali	G-3 Ground Floor-1 Babar Block New Garden Scb Bank Town DIB Lahore	35202-2977714-3	Sheikh Ishfaq Ali	889,034	70,841	959,875	889,034	79,166	968,201
146	Syed Tajjamul Mehdi	Silk Bank Ltd 6-Q U Fone Office Gulberg 2 Lahore	35202-5371645-7	Ayub Haider Rizvi	895,678	60,800	956,478	895,678	67,850	963,528
147	Muhammad Safdar Khan	SNGPL Head Office 21-Kashmir Road Lung Fung Chinese Restaurant Lahore	35200-1479522-3	Qasim Rasheed	936,218	18,508	954,726	936,218	26,593	962,811
148	Raja Kamran Shahzad	Askari Bank 47 Bank Square the Mall Nila Gu.Bad Opposite GPO Lahore	35202-1411682-7	Raj Barkat Ali	955,818	12,594	968,412	955,818	-	955,818
149	Mohsin Khalid	Gulraiz Phase 2 Chaklala Scheme 3 House No.267 Street 5 PSO Rawalpindi	37405-2721409-7	Khalid Saeed	874,259	79,874	954,133	874,259	79,874	954,133
150	Ghulam Raza	Muhammad Saleh Suhag Post Office Manghnawari Tehsil Kingri Zila Khairpur Post Office	42000-0484149-7	Muhammad Soomar Suhag	776,297	152,636	928,933	776,297	173,889	950,186
151	Salman Ishtiaq Tariq	Mobilink Head Office Ibc-1 Ground Floor Kohistan Road F-8 Markaz Islamabad	37405-0248238-3	Muhammad Fayyaz	984,297	23,244	1,007,541	949,671	-	949,671
152	Altaf Ahmed Wazir	3rd Floor Corp Office Block Dolmen City Block Mc Donalds 4 House No. 5 Clifton Karachi	42501-0444063-5	Mehtab Ahmed	889,059	73,532	962,591	889,059	59,532	948,591
153	Sohaib Ahmed	23/A Molana Shoukat Gas Point CNG Iqra Medical Complex Ali Road	35202-2524804-5	Qamar Uddin Soomro	799,623	128,132	927,755	799,623	148,335	947,958
154	Khalid Mehmood	Office No 7 2nd Floor New Shaheen Plaza Near Chandni Chowk Razi Hospital	37405-8225435-3	Haji Misri Khan	824,308	121,364	945,672	824,308	121,364	945,672
155	Mufasar Hussain Goraya	H 620 E Park Lane Askari 10 Next To Airport Runway Lahore	35202-5125631-3	Chaudhary Muzafar Hussain	881,278	58,727	940,005	881,278	63,391	944,669
156	Muhammad Faisal Maharvi	House No. 117-8 Muslim Nagar T & T Society Jati Adda Plot Umrah Road Lahore	35202-7078594-1	Muhammad Nasir Maharvi	867,417	68,383	935,800	867,417	76,297	943,714
157	Mukhtar Ahmed	Meinhardt Pakistan Pvt Ltd 2nd Floor Plot No. 14D West Usmania Resturant Blue Area Islamabad Feroz Cntr Fazl Ul Haq Road	34402-5205154-1	Allah Ditta	872,235	71,179	943,414	872,235	71,179	943,414
158	Muhammad Mehmood Khan	KUFPEC Pakistan Group 3rd Floor Ufone Tower Jinnah Avenue Blue Area Islamabad	82102-2420934-5	Muhammad Afsar Khan	852,641	90,668	943,309	852,640	90,669	943,309
159	Syed Nadeem Ahmed Jilani	House No.48/11 St-23 Moh Khayaban-e-Mujahid Phase 5 D.H.A Karachi	42301-3271719-9	S Saeed Ahmed Jilani	928,242	46,009	974,250	928,242	7,809	936,050
160	Athar Mateen Ahmed	A-591 Block C North Nazimabad Karachi	42201-7016389-1	Mateen Ahmed Khan	854,114	70,501	924,615	854,114	78,832	932,947
161	Rameez Khan	Area 3B H No. 3/14 Nazimabad No. 3 Near Abbasi Shaheed Hospital Karachi	42101-7485669-5	Abdul Hafeez Khan	833,172	88,687	921,859	833,172	99,096	932,268
162	Ali Raza	House No No.34 Aman Town Collage Road Ammer Chowk Near Ameer Chowk Township	35202-1818536-5	Ashiq Hussain	836,205	85,273	921,479	836,205	94,441	930,646

Notes to the Financial Statements

For the year ended 31 December 2021

Annexure - I

Amount in PKR Rupees

Sr. No.	Name	Address	Name of Partners / Directors NIC / CNIC	Father / Husband Name	Outstanding Liabilities at Beginning of Year			Amount Written off / Concession		
					Principle	Interest/ Markup	Total	Principle	Interest/ Markup	Total Balance (Gross)
163	Muhammad Shahnawaz Nizami	MIB Bank Shop No. 5/8 Ghafoor Chamber Abdullah Haroon Mobile Market Road Saddar Karachi	42101-1617818-1	Ashfaq Ur Rehman Nazmi	876,952	39,013	915,965	876,952	48,659	925,611
164	Usman Riaz	Zayyan Plastic Sattar Colony Rafaeq Road Shadra Lahore	35200-1414287-1	Muhammad Riaz Anwar	785,100	125,710	910,810	785,099	136,714	921,814
165	Ghulam Murtaza	House No 43/142 D.H.A Phase 1 Defence Park Hyderabad	31303-5290564-5	Muhammad Shafi	846,562	65,619	912,181	846,562	68,795	915,357
166	Muhammad Asad	4-Rajput Street Badami Bagh	35202-2352972-7	Muhammad Irshad	660,224	253,317	913,541	660,224	255,057	915,281
167	Tariq Essa	Aga Khan University Stadium Road Project Soneri Bank Management Department Karachi	71501-1566510-1	Muhammad Zulfiqar	840,640	73,449	914,089	840,640	73,449	914,089
168	Idrees Ahmed Chaudhry	House No.187 Moh Tabeer Block Cinema Bahria Bahria Town	35201-1648564-1	Muhammad Sharif	830,591	80,802	911,393	830,591	80,802	911,393
169	Ali Asif Chughtai	Suite B-1001, 10th Floor City Towers Main Boulevard City Towers Gulberg 2 Lahore	35202-3713679-5	Mian Ghulam Rabbani	816,505	83,791	900,296	816,505	93,439	909,944
170	Syed Wajeeh Ur Rehman	Bank Alfalah / Consumer Finance Center 8th Floor Business Avenue PECHS Block 6 Shakra-e-Faisal Karachi	42101-1568462-1	Masood Sadiq	888,359	15,294	903,653	888,359	6,088	894,447
171	Nafisa Ubaid Hashmi	Szabist Campus 90 Clifton, 2 Talwar Karachi	42301-9820820-2	Syed Ubaid Ur Rehman Hashmi	811,235	79,096	890,331	811,235	79,096	890,331
172	Qazi Abu Irfan	House No.R-979 Sector 15 A4 Bufferzone Karachi North Naice Bakery Karachi	42101-1697429-5	Qazi Abu Arif	827,534	60,842	888,376	827,534	60,842	888,376
173	Muhib Hussain Jafri	Container No. 17A DEL Camp Fauji Fertilizer Bin Qasim Ltd Near Power Plant Karachi	32303-8706147-5	Jaffar Ali	859,731	23,885	883,616	859,731	23,885	883,616
174	Zeeshan Tariq	18th Floor Ufone Tower ISE Tower Islamabad	61101-6218199-1	Tariq Jamil	786,877	94,602	881,479	786,877	94,602	881,479
175	Amjad Ali Laghari	House No.57/3 Khayaban E Badban Phase 7 D.H.A Khayaban-e-Bahria Street No 16 Karachi	41203-7854611-7	Zafar Ali Khan Laghari	789,628	88,835	878,463	789,628	88,835	878,463
176	Nazar Hayat	House No. 47/18 Area Nori 4 HBL Karsaz PNS Karsaz Karachi	42301-1000736-3	Gulzar Ahmed	797,268	71,410	868,678	797,268	71,410	868,678
177	Muhammad Aashiq	House No. E-466 Street 3 Muhalla Nadirabad Baidiyan Road	35201-1433990-5	Ahmed Ali	689,277	152,682	841,959	689,278	175,695	864,972
178	Muhammad Naeem	House No 564 Street No 31 Gali No. 11-9 Markaz I-9/1 Islamabad	61101-8869440-9	Mian Mohammad	810,034	51,915	861,949	810,034	51,915	861,949
179	Zaheer Abbas	House No-156 P&T Cooperative Housing Society Near Future Academy School	42201-6071640-9	Noor Muhammad Sahito	770,786	76,772	847,559	770,786	85,520	856,307
180	Muhammad Irfan	Sad Pur Stop Shop No 9/10 Yaseen Khan Makeet Opposite Z1 Badar Block Ever New Studio Multan	35202-5299788-7	Muhammad Inayat Rehmani	694,501	141,246	835,747	694,500	158,970	853,470
181	Zulfiqar Shaban	TPL 20-B Block 6 PECHS Allied Bank Karachi	42501-2519567-1	Imran Ahmed Farooqi	763,734	79,174	842,908	763,734	88,216	851,950
182	Kamran Silk Centre	1. 14G ORIGA COMPLEX 40 MAIN BULEVARD GULBERG II LAHORE 2. 230-D 144 LDA KHAN COLONY GULBERG III LAHORE	Qalander Khan CNIC # 3520261283873	Qadir Khan	352,487	852,869	1,205,356	-	850,000	850,000
183	Irfan Ahmed	Trading Corporation Of Pak 4th & 5th Floor Finance & Trade Beside NICL Building Centre Karachi	45208-7778383-3	Imdad Hussain Ghanghro	786,191	58,331	844,522	786,191	58,331	844,522
184	Babar Usman	Shop-56-A Gate-9 Sareena Tower Sakhi Hasan Karachi	42101-4710397-5	Aziz Ur Rehman	647,868	171,912	819,780	647,867	192,989	840,856
185	Humayun Zubair	IP-133/C North West Industrial Agha Steel Zone Port Qasim	42501-1528338-9	Mustafa Khan	745,656	89,828	835,485	745,656	89,828	835,485
186	Syed Adnan Hussain	Jubilee Life Insurance Suit No. 201-213 2nd Floor Business Avenue Pak Qatar Takaful Pecha Block 6 Main Sharah-e-Faisal Karachi	42201-0497991-7	Syed Ashiq Hussain	825,618	9,272	834,891	825,618	9,272	834,891
187	Rafiq Ahmed	Secure Logistic Network M - 5 Mezinine Floor Fortune Arcade Block 2 Clifton Karachi	42301-4431879-3	Abdul Sattar	757,155	62,032	819,187	757,154	76,588	833,742
188	Muhammad Waqar Azam	House No.28/4-3 Sheet No 24 UBL Model Colony Lahore	42201-1472610-9	Gulzar Ahmed Mehmood	778,569	48,724	827,293	778,569	55,114	833,682
189	Muhammad Ali Baig	JS Bank Ltd Lower Ground Floor Shahrah-e-Firdousi Park Tower Clifton Karachi	42000-3365939-5	Mirza Shahid Baig	752,997	74,632	827,629	752,997	74,632	827,629
190	Akhtar Ahmad Bajwa	House 249 Street 19 G10/2 Pakistan Islamabad	61101-5228368-7	Sheikh Mohammad Idrees	718,416	80,291	798,707	(741,887)	1,566,128	824,241
191	Muhammad Tehsin Ahmed	Iqra University Plot No.05 H-9 Numal University Islamabad	37405-0432327-9	Muhammad Mashir Ahmed	731,024	81,612	812,637	731,024	85,938	816,963
192	Imran Bhatti	Off 217 Regus Emirates Tower Jinnah Super Islamabad	37405-4663649-9	Fazal Ur Rahman	697,894	103,430	801,324	697,894	117,617	815,511
193	Muhammad Zia Anwar	House No. 4 Moh Block No. 4 Sec A-II Town Ship DPS Lahore	34502-9322531-1	M Anwar	659,869	135,504	795,373	659,870	152,429	812,299
194	Syed Mohsin Ali	Dream Team 38 Babar Block New Garden Town Barkat Market Lahore	13101-6319027-5	Fayyaz Ud Din Ahmed Tehsin	757,340	52,736	810,076	757,340	52,736	810,076
195	Syed Muzzammil Shah	The Forum Suit No. 101 1st Floor Khyban-e-Jami Ashyana Mall Block No. 9 Clifton Karachi	42501-1404569-3	Syed Moazzam Shah	745,548	60,654	806,202	745,548	60,654	806,202
196	Syed Darashikoh Hashmi	House No.235 Road No.7 Phase 1 Check post No. 06 Malir Canntt Karachi	42101-6668821-3	Syed Waqar Hamid Hashmi	783,488	13,766	797,254	783,488	22,154	805,642

Notes to the Financial Statements

For the year ended 31 December 2021

Annexure - I

Amount in PKR Rupees										
Sr. No.	Name	Address	Name of Partners / Directors NIC / CNIC	Father / Husband Name	Outstanding Liabilities at Beginning of Year			Amount Written off / Concession		
					Principle	Interest/ Markup	Total	Principle	Interest/ Markup	Total Balance (Gross)
197	Aman Ullah Khan	Director Of DPI Punjab Near New Anakarli Anarkali Bazar the Mall Lahore	33202-1344576-3	Mehr Amir Khan	764,377	34,820	799,197	764,377	40,593	804,970
198	Khalid Israr	House No. 85 Street No. 17 Near To Model Town Ext Moh Liaqatabad Qureshi Street D Dil Kusha Roa Lahore	35202-8393979-1	Malik Ghulam Hussain	617,939	183,869	801,808	617,940	185,609	803,548
199	Nadeem Ahmed	Gamon House 400/2 PSH Road Rawalpindi First Floor Rawalpindi	16101-1287370-5	Abdul Jabbar	754,594	47946	802,541	754,594	47946	802,541
200	Muhammad Iqbal	Flat No.7 Block 18 Phase G11/3 Ibn-e-Sina G-11 Markaz Road Islamabad	35202-8293562-7	Atta Muhammad	853,413	37,008	890,421	800,000	-	800,000
201	Abdul Rasheed	H No.178/53 T. B Hospital Road Mohalla Iqbal Nagar	36302-1268417-7	Muhammad Ibrahim	316,970	477,171	794,141	316,970	477,171	794,141
202	Syed Tayyab Raza	Auxitronics Ltd Manufacturing Unit-2 Plot Sp-6 Nwiz/JP 133 North Port Qasim Bridge Karachi	42201-0893838-9	Syed Basharat Hussain	758,217	30,433	788,650	758,216	30,433	788,650
203	Naveed Shoukat	HBL Muslim Town Branch Sec 11-House North Near Nagan Chowrangi Karachi	42301-3070761-3	Shoukat Ali	649,929	118,118	768,047	649,929	136,373	786,302
204	Shameem Hussain Junejo	A 35/36 Eastern Industrial Zone P & G Plant Port Qasim Karachi	45202-0675339-7	Ghulam Kabeer Junejo	706,390	72,049	778,438	706,390	72,049	778,438
205	Mian Shawaiz Moazzam	House No 83 Street No 42 A/S Afzal Park Chah Darbar Meeran Lahore	35202-5438172-1	Mian Moazzam Ali	682,706	93,310	776,016	682,706	93,310	776,016
206	Shakeel Amjad Naqvi	OPF Head quarters Ground Floor Nadra Head quarter G-5 Islamabad	35200-1491090-9	Iqbal R Siddiqi	712,483	63,293	775,776	712,483	63,293	775,776
207	Muhammad Idrees	House No 154-E Street No 7 Muhalla Yasrab Colony Po Box Walt Road Lahore	35201-3886083-1	Shaikh Abdul Rehman	686,767	78,706	765,473	686,767	82,770	769,537
208	Salik Masih	Nestle Pak Ltd Zonal Sales Office 3-K Model UBL Town Lahore	35202-7690712-3	Morris Masih	738,010	22,881	760,891	738,010	22,881	760,891
209	Muhammad Haider Ali Khan	35-B Sector XX Phase 3 Main Faysal Bank Khayaban-e-Iqbal D.H.A Lahore	35202-6539970-3	Moiz Pervez Khan	742,254	18,394	760,648	742,254	18,394	760,648
210	Muhammad Usman Aslam	University Of Management & Technology C-II Johar Town Near HBL Ltd Lahore	35202-2624826-1	Syed Masoom Ali Shah	444,407	299,078	743,485	444,407	306,994	751,401
211	Muhammad Fakher-Uz-Zaman Doger	Grain Market Pakpattan	338-91-398513	Nawazish Ali	1,253,035	846,648	2,099,683	-	746,800	746,800
212	Jasper Daniyal James	Digitonics Office 602-603 Business Avenue Plot 26A PECHS SCB Block 6 Shahrah-e-Faisal Karachi	42201-8772379-7	Samuel R James	664,253	76,573	740,826	664,253	76,573	740,826
213	Ikram Ullah Khan	House No. 11 Street No. 26 Sec G-13/2 Near Chowk Islamabad	15401-0697225-1	Saad Ullah Khan	626,459	97,874	724,333	626,459	110,426	736,885
214	Zeeshan Alam	Plot No. 167/4 Khyayaban-e Heights Flat No. C-1 Block 7/8 Karachi	42201-8140424-3	Shahzad Alam	591,421	119,805	711,226	591,421	142,612	734,033
215	Faizan Zafar	Profarm Plot No 16 Ma Johar Town Block F 1	31202-6797798-1	Muhammad Zafar Allah Khan	666,474	65,261	731,735	666,474	65,261	731,735
216	Muhammad Qammar Abbas	House No. 247 G-5 Block Wapda Town Near Nashiman Iqbal Lahore	36302-9746729-5	Syed Hassan Askari Bokhari	604,018	118,929	722,947	604,018	127,335	731,353
217	Muhammad Atif	Strike Security F-59/1 Block 8 Kda Scheme 5 Clifton Karachi	42201-0512380-9	Atiq Ahmed Warsi	621,499	105,985	727,484	621,499	107,679	729,179
218	Muhammad Adeel Shakeel	House No B203 Block 15 Continental Bakery Gulistan-e-Johar Karachi	42201-8635309-9	Muhammad Shakeel	687,613	39,831	727,444	687,613	39,831	727,444
219	Saad Ahmed Siddiqui	House No. B 54 Block 14 Gulistan-e-Johar Near Masjid Afzal Ul Alam Karachi	42201-9107396-7	Aijaz Ahmed Siddiqui	523,230	183,503	706,733	523,230	202,528	725,758
220	Muhammad Kaleem	H 132/3-A St-1 Sabzazar Global Science Academy Cantt Rawalpindi	44103-1122608-9	Syed Zaheer Uddin	649,797	71,371	721,168	649,797	75,376	725,174
221	Ahmad Yar	House No. 63/12-A Block-A Canal City Canal Bank D.H.A EME Sector Road Lahore	35202-6213232-3	Muhammad Ashraf Mughal	669,756	52,571	722,327	669,756	52,571	722,327
222	Farhan Khan	House No 56/3 Area D/1 Landhi 2 Karachi East Jamia Masjid Pakistan Karachi	42201-8495306-7	Anwar Khan	649,157	65,350	714,507	649,157	72,717	721,874
223	Sajjad Ahmad	Workers Wefkare Higher Secondary School Boys Defence Comsats Uni Road Lahore	35102-0692783-9	Muhammad Ali	699,661	21,853	721,514	699,661	21,853	721,514
224	Sana Sajid	LGS 88-C Arif Jan Road PSO Pump Lahore Cantt	35201-9447072-4	Sheikh Mohammad Sarwar	695,208	45,149	740,357	695,208	26,179	721,387
225	Muhammad Imran Mughal	House No. 85-A Street No. 4 Gulraz Rawal Caddit College Phase 2	34603-9445109-5	Muhammad Afzal Naseem	656,902	61,815	718,717	656,902	61,815	718,717
226	Ajmal Khan Sabir	OGDCL Head Office 2nd Floor Jinnah Avenue HBL Tower Blue Area Islamabad	61101-3176835-5	Muhammad Shafi	705,544	12,539	718,082	705,544	12,539	718,082
227	Osama Masood	HNMB Business Solution D347 2nd 3rd Floor Main 6th Road Rawalpindi	37405-2666427-9	Tariq Masood	596,667	119,461	716,128	596,667	121,201	717,868
228	Anas Yousaf Hussain Rai	Plot No. 25-C Comm Lane-6 Bukhari Area Flat No. 202 Interwood Office 2nd Floor D.H.A Ph 6 Karachi	35201-7377715-9	Talib Mansoor Ahmed Rai	632,490	77,292	709,783	632,490	77,292	709,783
229	Syed Muddassir Saleem	Adinfinity 86 H Gulberg III Firdous Market Lahore	35202-6726474-1	Muhammad Mushtaq Mughal	675,793	33,926	709,719	675,793	33,926	709,719
230	Syed Muhammad Umer Ali	PPAF Plot No 14 Street No 12 Mauve Area G 8/1 Nepra	37405-6236140-3	Syed Siddiq Ali	542,960	153,743	696,703	542,960	164,549	707,508
231	Muhammad Ayub	JS Bank Limited 7-A 7th Floor Techno City Fakhri Trade Centre Karachi	42101-1920680-7	Late Salim Muhammad	660,766	36,913	697,678	660,766	45,765	706,531
232	Manzoor Hussain	Flat No. A-1 Memon Avenue S-B-50 Block-13-B Gulshan-e-Iqbal Karachi	42201-7198707-1	Muzaffar Hassan Syed	524,119	160,490	684,609	524,118	178,985	703,103

Notes to the Financial Statements

For the year ended 31 December 2021

Annexure - I

Amount in PKR Rupees

Sr. No.	Name	Address	Name of Partners / Directors NIC / CNIC	Father / Husband Name	Outstanding Liabilities at Beginning of Year			Amount Written off / Concession		
					Principle	Interest/ Markup	Total	Principle	Interest/ Markup	Total Balance (Gross)
233	Tanya Javed	Cerp 19-A FCC Gulerg V Near Mall Road Lahore	35202-5762490-8	Silal Bin Shafqat	622,229	67,433	689,662	622,229	80,271	702,500
234	Saqib Alamzeb	House No-1 Shadman House Foundation College New Lalazar	17201-9670852-9	Alamzeb	686,347	29,108	715,456	686,347	13,108	699,456
235	Kashif Mansoor	42-B Road 8 Commercial Area Jameel Sweets Bhins Colony Karachi	42101-6034050-5	Naeem-Ul-Haq Quddusi	625,242	64,297	689,538	625,242	71,485	696,727
236	Saqib Mansoor	H No. 301 Block H Johar Town Emporium Mall Lahore	34201-0334604-7	Muhammad Mansoor	521,139	171,072	692,211	521,139	175,250	696,388
237	Muhammad Afzaal Mirza	Suite No 403 4th Floor the Forum Building Block No 9 Clifton Near SCB Branch Karachi	61101-6389687-5	Mirza Hasan Raza Baig	654,942	37,362	692,304	654,942	37,362	692,304
238	Syed Kashif Ali Shah	House 185 Street No. 12, E-11/4 E-11 Markaz Islamabad	61101-2211855-1	Syed Shahzad Ali Sha	670,314	18,566	688,880	670,314	18,566	688,880
239	Irfan Hussain	MCB House 6th Floor Financial Control Siddiq Trade Centre Group 15 Main Jail Road	35201-1342406-7	Nizam Siddique	644,740	37,599	682,339	644,740	43,689	688,429
240	Rabia Khalid Sindhu	General Hospital Ferozpur Road Gyni Dept Ferozpur Road Unit 1 Lahore	34601-6156745-2	Khalid Hussain Sindhu	644,706	40,197	684,903	644,706	40,197	684,903
241	Muhammad Mohsin Baig	Bukhari Travel Plot C-3-C 4th Floor Khyayaban-e Soadi Phase 7 Ext D.H.A Near Askari Bank Ltd Karachi	42101-4081631-5	Ashfaq	634,087	46,360	680,447	(372,743)	1,054,885	682,142
242	Tahir Nawaz Khan	House No. 28 Sector 4-H Saeedabad Baldia Town Near Yasmeen Clinic	42401-7306756-5	Abdul Aziz	660,359	15,040	675,399	660,359	21,576	681,935
243	Muhammad Afzaal Mirza	Hewlett Packard Pakistan 4th Floor the Forum Mall Block-9 Clifton Karachi	61101-6389687-5	Mirza Hassan Raza Baig	520,424	157,603	678,027	520,425	157,603	678,027
244	Sheikh Muhammad Zohaib Rehman	Building No. 02 Block-3 MSGPTCHS Moolimabadi Medi Care Hospital Shaheed-e-Millat Road Karachi	42201-1018465-3	Sheikh Altaf Ur Rehman	605,366	65,694	671,060	605,366	65,694	671,060
245	Hassan Uddin	National Refinery Ltd 7B Korangi Industrial Veeta Chowrangi Area Karachi	42101-8949503-1	Shuja Uddin	598,576	60,900	659,476	598,576	64,062	662,639
246	Manzoor Hussain	Global Trade House Flat No. E-4 Marine Drive Apartment Block 7 Clifton Near Benazir Park Karachi	42201-7198707-1	Muzzafar Hussain Syed	508,927	132,282	641,209	508,927	150,290	659,216
247	Athar Mateen Ahmed	D-120 Site Area Hino Pak Karachi	42201-7016389-1	Mateen Ahmed Khan	588,347	70,122	658,469	588,347	70,122	658,469
248	Riaz Ahmed	4th Floor Rhq Building 26 Mallagon Road Lahore Near AG Office	35202-8057626-3	Khushi Muhammad	615,085	42,352	657,436	615,085	42,352	657,436
249	Bilal Ahmed Dogar	MCB Bank Main BoulevaRoad D.H.A Waheed Plaza Near Adil Hospital Lahore	35202-0146540-5	Abdur Rahman	520,537	115,680	636,217	520,536	134,661	655,197
250	Saeed Mazhar Ali	E/103/1Block 7 Gulshan-e-Iqbal karachi Bliss Shopping Centrezaibunnisa Streetshop No 16 Karachi	42201-4356951-1	Mazhar Ali Khan	549,662	89,587	639,249	551,640	102,251	653,891
251	Muhammad Omer Zishan	Ogilvy & Mather 65-K Main BouleaRoad SCB Gulberg 2 Lahore	35202-9054639-9	Muhammad Amin	593,864	58,981	652,845	593,864	58,981	652,845
252	Hafeez Ullah	Pakistan Reinsurance PRC Towers 32-A PRC Building Lala Zar Drive M T Khan Road Karachi	42201-0513486-7	Abdullah	643,574	6,695	650,269	643,574	6,695	650,269
253	Zubair	35/2A Al Syed Street 2 Javeed Town Gulbhar No 4	35200-4509763-1	Nawazish Hussin Wazi	512,737	121,726	634,463	512,737	136,982	649,720
254	Zubair Burki	R-236 Block 16 A Railway Society Alla Deen Park Gulistan-e-Johar Karachi	42101-1905320-7	Dost Mohd Burki	567,090	82,206	649,296	567,090	82,206	649,296
255	Khawaja Haris Saeed	House No.131 Street No. 20 Sec F-10/2 Park Islamabad Pakistan	61101-6646907-1	Khawaja Aamir Saeed	593,502	55,004	648,507	593,502	55,004	648,507
256	Muhammad Yasir Mahmood	117-A Anum Street Glaxo Town Ferozepur Road B M Factory Lahore	36103-0361881-7	Ch Muhammad Sabir	627,300	12,128	639,428	627,300	17,473	644,773
257	Syed Saeed Ahmad	Puri House West Wharf Road Near Meezan Bank Karachi	42201-7271752-3	Syed Anis Ahmed	578,275	63,403	641,679	578,275	63,403	641,679
258	Huzaifah Mubbashir	Soco Engineers 106 Salaar Center New Garden Town Barkat Market Lahore	32303-6942673-5	Muhammad Bilal	499,907	126,396	626,303	499,908	140,873	640,781
259	Hamood Khalid Choudhary	Rapid Cargo Off No. 40 6th Floor Arkay Square Sharah-e-Liaquat	42101-8486093-7	Muhammad Khalid	450,827	174,677	625,504	450,827	182,336	633,162
260	Arif Mehmood	Falt No 20-F Askari-1 Scheme-III Chaklala Masjid Rawalpindi	34603-0335407-1	Chaudhary Shah Muhammad	601,785	28,695	630,480	601,785	28,695	630,480
261	Syed Nasir Abbas	Near Tazab Mill Geranwala Road House No. P-24 Mohalla Al Najaf Colony Tazab Mill Faisalabad City	35404-6487292-3	M Anees	590,000	40,462	630,462	590,000	40,462	630,462
262	Habib Hassan Mangi	NIH Building Securities Exchange Commision Of Pakistan 7th NIH Building Floor Blur Area Islamabad	61101-5848858-9	Abdul Hameed Mangi	603,702	26,262	629,964	603,702	26,262	629,964
263	Zain Ul Abedin	House No. A-654 Sec 11-G New Karachi Godhra Colony Karachi	42101-1508960-5	Muhammad Saeed	554,893	74,782	629,675	554,893	74,782	629,675
264	Atif Shaukat Ali	Ameer-e-Millat Travel & Tours G-8 Amin Arcade Durand Road Ambassador Building Shimla Hill	35201-9222009-1	Sheikh Shaukat Ali	509,737	104,158	613,895	509,737	118,885	628,623
265	Khurram Ayub Khan	SCBPL Operations Building Ground Floor CMO Dept II Chundrigar Road Karachi	42201-1810465-3	Muhammad Ayub Khan	488,083	99,224	587,307	488,082	140,340	628,422
266	Amjad Ali	Private Secretary Mir Pur Khas Division Metropone CM House Karachi	41204-7403057-7	Kashif Nadeem	607,963	16,026	623,989	607,963	16,026	623,989

Notes to the Financial Statements

For the year ended 31 December 2021

Annexure - I

Sr. No.	Name	Address	Name of Partners / Directors NIC / CNIC	Father / Husband Name	Amount in PKR Rupees					
					Outstanding Liabilities at Beginning of Year			Amount Written off / Concession		
					Principle	Interest/ Markup	Total	Principle	Interest/ Markup	Total Balance (Gross)
267	Asim Shaikh	701-B 7th Floor City Tower Main Boulevard Opposite Main Market Gulberg-2 Lahore	42201-7755880-3	Abdul Hameed Shaikh	574,658	49,285	623,943	574,658	49,285	623,943
268	Warda Shahzadi	Media Math (Pvt) Ltd Suit. No. 03 1st Floor Malik Complex Plot No. 80 Metro Stop East Jinnah Avenue Blue Area Islamabad	35202-6700063-6	Shaikh Muhammad Waseem	563,996	59,171	623,167	563,996	59,171	623,167
269	Amir Zaman	House No 528 Street No 11 G-8/2 Near Tipu Market	41306-8340978-1	Muhammad Ismail	606,200	16,233	622,433	606,200	16,233	622,433
270	Sofia Mumtaz Hussain Saleemi	House No 146 Street No 03 Gulbahar Colony Air Port Umer Farooq Masjid Housing Society Rawalpindi	35202-2040619-8	Mumtaz Hussain Saleemi	594,001	27,873	621,875	594,001	27,873	621,875
271	Muhammad Umair	House No. E43/2 Area Gulshan-e-Iqbal Block No. 10-A Madina Blessing And Aladin Park Near Aladin Park Karachi	42201-4562462-9	Chaudhry Gulzar Mohammad	604,405	11,201	615,606	604,405	16,075	620,480
272	Bilal Tariq	The Enterprise Building Office No. 3 Second Floor Soliton Health Ozi Tech thokar Niazi Baig	33201-3954011-3	M Bashir Ahmad	584,623	34,795	619,418	584,623	34,795	619,418
273	Imran Ahmad	Hurticulture Branch D.H.A Services Building 174 / B Qasim St-1 Khayaban-e-Shujaat D.H.A Phase 8 Karachi	45501-5078732-7	Ahmed Sher	539,286	79,649	618,935	539,285	79,650	618,935
274	Irfan Ullah Khawaja	67 Aurangzeb Block New Garden Town Lahore	35202-4771745-3	Kh Aqleem Shahid	318,947	292,278	611,225	318,947	299,649	618,595
275	Gohar Maqsood	Direct Digital/33-C M1 Stadium Lane No. 1 Off Khayaban-E-Shamsher Phase No. 5 D.H.A Near Khada Market Karachi	42301-1227855-5	Abdul Karim Memon	463,986	134,995	598,981	463,986	152,058	616,044
276	Rehan Nasir	House No 118 Said Pur Scheme No 2 Rawalpindi	61101-1457131-5	Inam Elahi Noor Fat	1,259,894	615,768	1,875,662	-	615,768	615,768
277	Syed Ali Naqi Jafri	Flat No. 56-E Askari-4 Street No. 25 Near Millennium Mall Karachi	44103-9704517-1	Syed Ali Sarwar Jafri	507,014	98,975	605,989	507,014	108,152	615,166
278	Fahad Raza	Rufi Green City Flat-I 604 Block 18 Muhallah Gulistan-e-Johar Opposite Hiltop Karachi	42501-2297679-5	Syed Qamar Ul Hassan	535,719	68,105	603,824	535,719	74,854	610,573
279	Adnan Nawaz	House No. So/80 Ph 2 Malir Cantt Near Toheed Mosque Karachi	13302-5207094-5	Muhammad Nawaz	479,651	115,369	595,020	479,651	129,633	609,285
280	Jawad Bux Mirani	R28 Sohni Residency Ph 1 Block 8 Malir Cantt Near Check Post 6 Karachi	41409-3787946-3	Allah Bux Mirani	515,209	80,840	596,049	515,209	93,067	608,276
281	Adnan Arshad	H-236 St 32 Sec G-8/2 Islamabad Near Markaz Islamabad	61101-6554175-7	Chaudhry Muhammad Arshad	498,984	109,221	608,205	498,985	109,221	608,205
282	Syed Tahir Hussain Shah	Jandiala Road St 3 Moh Qadir Abad Sheikhpura Dist 32 Chowk Sheikhpura	35404-6602021-5	Syed Sabir Hussain Shah	576,453	30,588	607,041	576,453	30,588	607,041
283	Raja Javed Iqbal Tahir	Estate Dept 1st Floor KPT Head Office Tower Near Custom House Karachi	42401-1848626-3	Raja Muhammad Aziz Khan	536,680	68,788	605,468	536,680	68,788	605,468
284	Atif Saeed	Plot No. 48-1/2 48-A Area 4-D Landhi No. 6 Furniture Market Near Bismillah Masjid Karachi	42201-5933696-9	Iqbal Saeed	558,878	46,420	605,298	558,878	46,420	605,298
285	Syed Tahir Masood	F/A-1 Khyber Block Allama Iqbal Town Karim Block Lahore	35202-8764080-1	Muhammad Sabir Ali	528,086	77,204	605,290	528,086	77,204	605,290
286	Muhammad Iqbal Khan	Ghalla Mandi District Sheikhpura	294-61-621250	Nazeer Ahmed Khan	826,530	604,534	1,431,064	-	604,533	604,533
287	Nabeel Ashraf	Orient Electronic 26 Km Multan Road Lahore	35202-5833013-3	Muhammad Ashraf	478,792	88,148	566,940	478,792	125,462	604,254
288	Tauseef Rasheed	House No. 300 Street No. 102 E-11/1 FECHS Islamabad	82401-5180115-5	Rashid Akhtar	469,639	123,759	593,398	469,638	133,359	602,997
289	Muhammad Siddiq Halari	Flat No. A 504 Saima Spring Field Appt Ferir Road Clifton Near Opposite PSO Pump Karachi	42301-0965098-7	Abdul Razzaq Halari	481,477	103,859	585,336	481,477	121,500	602,978
290	Rasheed Ahmed Siddiqui	House No 214-D-1 Johar Town Lahore Tehseel Lahore City Zila Lahore	35200-1276048-5	Ahmed Din	499,826	90,307	590,133	499,826	102,508	602,334
291	Babar Mehboob	Shujabad House Gulshan-e-Faiz Colony Bahadurpur Chowk Bosan Road Multan	36304-8892739-7	Mahboob Ahmad	487,478	110,917	598,395	479,338	121,810	601,148
292	Muhammad Omer Riaz	Tripple Tech Eng Omni Arcade 3rd Floor Flat E-11/3 E-11 Markaz Islamabad	34603-2438132-5	Muhammad Riaz Tahir	464,055	119,452	583,507	464,055	136,562	600,617
293	Asif Saleem	House No.1 Street No.1A chaklala Scheme III Dk 396 Railway Scheme No.7 Dhoke Mangtal	37405-2281474-1	Muzaffar Saleem	497,516	91,258	588,774	497,516	102,708	600,224
294	Abdul Jabbar Khan	Netsol It Village Ring Road Ghazi Road Eden Extension Society Interchange Lahore	31302-0806565-3	Bashir Ahmad	551,098	46,950	598,048	551,098	46,950	598,048
295	Muhammad Kashif Bashir	Huawei 17th Floor Tricon Trade Center Sher Pao Brigde Jail Road Lahore	37405-8441010-7	Bashir Ahmed Zia	536,081	61,501	597,582	536,081	61,501	597,582
296	Sajid Mehmood	Muller & Phipps Pvt Ltd 3rd Floor Hassan Tower Opposite PSO Pump Chenone Gulberg III Lahore	32303-6096579-1	Khalid Mehmood	546,838	50,411	597,249	546,838	50,411	597,249
297	Transpack Packing & Freight Forwarding Co	1. HOUSE NO.32 STREET NO.27, SECTOR# F-8/1, ISLAMABAD 2. 38/10/J, NAZIMABAD KARACHI 3. 8TH FLOOR ROOM NO 806, KASHIF CENTRE, AZIZ BHATTI SHAHEED ROAD 4. APPARTMENT 104 BLOCK 2, SAVOY APARTMENT, FIRST FLOOR F-11/115B. 5. HOUSE 4A, STREET 60, F-8/4, ISLAMABAD	1. Shahida Naseer CNIC # 6101-6247458-8 2. Zareen Khalil CNIC # 42101-6267449-0 3. Abdul Rauf Sattar CNIC No. 42101-6649161-3 4. Tabina Usman CNIC No. 6101-2793526-2 5. Sheheryar Nasir CNIC # 6101-0589035-3	W/O Muhammad Naseer	-	692,600	692,600	-	595,624	595,624

Notes to the Financial Statements

For the year ended 31 December 2021

Annexure - I

Amount in PKR Rupees

Sr. No.	Name	Address	Name of Partners / Directors NIC / CNIC	Father / Husband Name	Outstanding Liabilities at Beginning of Year			Amount Written off / Concession		
					Principle	Interest/ Markup	Total	Principle	Interest/ Markup	Total Balance (Gross)
298	Azmat Lalal	Umar Lodge House No. 351/Aa-1 Street No. 03 XEX WaRoad No.10 Near Lodhi Mora Rehmat Colony	36302-3016955-1	Muhammad Afzal Umar	99,956	495,376	595,331	99,956	495,376	595,331
299	Adnan Idrees	House No 27 Darya Abadguwalmandirawalpindi Suite No 2Block No 7 Fayyaz Marketsector G-8/2 Islamabad	37405-3829781-9	Muhammad Idrees	500,797	82,647	583,444	500,797	93,760	594,557
300	Muhammad Ali	Agility Logistics Pvt Ltd Plot No 12-A Miran Moh Shah Road Machs Near Lal Qila	42201-6932860-5	Muhammad Abdul Mutalib	477,121	112,602	589,723	477,121	115,934	593,056
301	Sohail Nadeem Minhas	Infotech / Plot No. 52 West 1st Floor Waheed Plaza Blue Area Islamabad	35201-2706427-9	Muhammad Rafique	516,565	74,097	590,662	515,771	76,332	592,102
302	Asad Maqbool Khawja	97/B/3 Gulberg III Lahore	35202-7013045-1	Kwaja Maqbool Ahmad	496,854	81,193	578,047	496,854	92,628	589,481
303	Adnan Arshad	House No. 236 Street No. 32 Sec No. G-8/2 Near Markaz Islamabad	61101-6554175-7	Chaudhry Muhammad Arshad	533,450	51,227	584,677	533,451	55,909	589,360
304	Saad Mustafa Alavi	ACS Educators Plot No 46 & 47 Rohail Khand Society Karachi	42301-1157132-3	Mohammad Khalid Shafi	578,185	8,475	586,660	578,185	10,170	588,355
305	Muhammad Abdullah Saleem	Kia Lucky Motors Plot No. 41 Block-10 Sec B-1 Quaid-e-Azam Town Ship Akbar Chowk Scheme Lahore	35202-1770066-1	Muhammad Zikriya Saleem	526,874	54,866	581,741	526,874	61,025	587,899
306	Syed Mohd Asif	82/F Block 6 PECHS Nursery Karachi	42000-0419946-7	Syed Fida Hussian	463,828	106,288	570,116	463,827	123,346	587,173
307	Farasat Ali Khan	Plot No. 63 & 64 Sector 15 Korangi Industrial Brooks Chowrangi Area Karachi	42101-1317394-9	Qaisar Nazir Khawar	543,838	38,248	582,086	543,838	42,517	586,355
308	Waqas Muhammad Farooq	Top Spot House No. 295 D2 Johar LDA Plaza Town Lahore	35202-7854600-1	Shah Mohd Khan	558,055	21,943	579,998	558,055	26,862	584,918
309	Muhammad Farooq	K Electric Elander Road Dept Preventive Maintenance Shaheen Complex I I Chundrigar Road Karachi	42201-0867994-1	Muhammad Ismail	572,188	11,442	583,630	572,188	11,442	583,630
310	Wajahat Hussain Khan	House No L-6/6 Block 3-A Gulistan-e-Johar Move And Pick Super Market Near Munnawar Chowrangi Karachi	42201-9515212-1	Sharafat Hussain Khan	481,723	85,399	567,123	581,851	-	581,851
311	Khadija Khan	House No 4/E1 Model Town Near C Block Market Lahore	35202-9581459-4	Mian Samiullah	569,889	11,102	580,992	569,889	11,102	580,992
312	Mohsin Saeed	Pak Wheels 37 Commercial Zone Liberty Market HKB Store Lahore	38201-5183411-7	Mian Muhammad Saeed	569,848	10,203	580,051	569,848	10,203	580,051
313	Abdul Sattar	Hawalii No. 12 House No.3 Street No.1 Goolib Market Moh Gorang Mangat Gulberg PSO Pump III Lahore	35202-2766977-1	Mir Zaman	519,130	54,652	573,783	519,130	57,430	576,561
314	Muhammad Javaid Akhtar	SME Bank 17 Mauj Darya A-G Office Road Lahore	35202-3056043-5	Muhammad Akhtar	556,846	22,769	579,615	556,846	19,138	575,984
315	Mubarak Bin Awad	Plot No. 2E Sector 37-D Landhi No. 1 Karachi	42201-1628498-9	Awad Bin Hamad	493,746	68,376	562,122	575,960	-	575,960
316	Farzana Kousar	Nawaz Sharif Social Security Hospital Multan Chungi Multan Road Lahore	35201-1562965-0	Ghulam Nabi	568,637	7,287	575,924	568,637	7,287	575,924
317	Saif Ullah	House No. R-585 Sectors 10 North Karachi Ziya Medicam Karachi	42101-1431228-5	Syed Muhammad Najeeb Ullah Ziyai	522,435	45,591	568,026	522,435	50,790	573,225
318	Saeed Mazhar Ali	Shop No 15/16 Bliss Shopping Centre Zaibunnisa Street Saddar	42201-4356951-1	Mazhar Ali Khan	498,388	40,992	539,380	498,388	74,600	572,988
319	Vikash Talreja	Flat-06 3rd Floor 34C 13th Commercial Street Phase- 2-Ext D.H.A Karachi KPS College	43304-6649493-7	Tarachand Talreja	434,955	121,983	556,938	434,955	136,966	571,921
320	Abdul Majeed	House No.290 Anwar Street Rasheed Cacks & Bakes ICHRA Bazar Park ICHRA	35202-2941263-7	Abdul Hameed	518,269	53,175	571,444	518,269	53,175	571,444
321	S Agha Najib Haider	Flat No-212 Block-K Roofi Lake Drive Gulistan-e-Johar Karachi	35200-1532982-7	Syed Mushtaq Ahmad	507,609	59,197	566,806	507,609	63,823	571,432
322	Ghazanfer Ullah Khan	Inqulab Agro Services Railway Road Shuja Abad	36304-3200754-7	Mian Riaz Ahmed Khan	1,669,382	(277,470)	1,391,912	394,382	174,498	568,880
323	Sarfaraz Ahmed Khan	Waterlink Union Tower 1-A Kehkashan Town Houses Jaan's Broast Block-5 Clifton Karachi	42000-0571515-1	Ali Ahmed Khan	526,338	41,578	567,915	526,338	41,578	567,915
324	Numan Munawar	MCB Consumer Recovery 2nd Floor MIB Bank Building 14-A Awan-e-Tijarat Road Lahore	35202-2930006-7	Munawar Uddin	496,738	56,554	553,292	496,739	70,542	567,281
325	S Mazhar Ali	15-16 Bliss ShOppositeing Centre Zebunnisa Street Saddar Karachi	42201-4356951-1	Mazhar Ali Khan	502,964	37,576	540,540	502,964	64,254	567,217
326	Muhammad Obair Malik	Wi-Tribe 18th Avenue Hussain Chowk Ehsan Chapal Gulberg 3 Lahore	35201-8267238-9	Muhammad Ashraf Malik	519,754	43,981	563,735	519,754	46,287	566,042
327	Muhammad Riaz	F-397 Site Chonatti Industry Karachi	42201-2164180-1	Muhammad Yaseen	557,396	21,625	579,021	557,396	5,064	562,460
328	Abdul Sami	D-29 F.B Area Block 6 Near Rangers Head Quarters Karachi	42101-3286810-7	Muhammad Hanif	450,418	99,559	549,977	450,419	112,038	562,456
329	Sajjad Sakhawat	Plot No 108-107 I-10/3 Near Markaz Islamabad	82401-8456043-9	Sakhawat Hussain	534,492	27,788	562,280	534,492	27,788	562,280
330	Khalid Rafique	House No. 343-A Block-A Moh RECHS Johar Town Ayesha Masjid Lahore	35202-2922075-7	Syed Shah	500,886	60,026	560,912	500,886	60,026	560,912
331	Arshad Alamgeer	House No.N 361 Block 12 Gulistan e-Jahour Masjid-e-Naqibiya Karachi	42201-6237221-1	Shabbir Ahmed	502,816	57,083	559,900	502,816	57,083	559,900

Notes to the Financial Statements

For the year ended 31 December 2021

Annexure - I

Amount in PKR Rupees

Sr. No.	Name	Address	Name of Partners / Directors NIC / CNIC	Father / Husband Name	Outstanding Liabilities at Beginning of Year			Amount Written off / Concession		
					Principle	Interest/ Markup	Total	Principle	Interest/ Markup	Total Balance (Gross)
332	Ourangzab Azam	House No 1487-Bsuria Manzil gulshan-e-Irfan Satellite Fareed Marketmain Lehtarar Roadjhang Say	37405-0528773-3	Akbar Ali	469,590	78,141	547,730	558,151	-	558,151
333	M Aamir Iftikhar	Engro Foods Ltd 2nd Floor Enterprise Building 1-Km thokar Niaz Baig Lahore	42301-2929986-7	Muhammad Iftikhar Hussain	368,731	186,141	554,872	368,732	188,594	557,326
334	Syeda Safoora Khurram	Engro Fertilizer Ltd 7th Floor the Harbour Hyper Star Front Building Block 4 Clifton Karachi	42201-0565348-6	Khurram Ahmed Syed	520,759	35,049	555,807	520,759	35,049	555,807
335	Tariq Ilyas	Mian Autos 109 Lytton Road	35202-2669275-1	Ilyas Hussain	849,999	595,499	1,445,497	-	555,497	555,497
336	Muhammad Umair Mirza	58-M Quaid E Azam Industrial Estate Kot Lakhpat Lahore	35202-7930973-1	Muhammad Ishfaq Mirza	360,748	191,121	551,869	360,749	193,677	554,425
337	Khair Mohammad	ZTE Gulstan Plaza F-11 Markaz F-11 Markaz Islamabad	16201-0737918-5	Mukhtiar Muhammad	522,749	29,282	552,031	522,749	31,324	554,073
338	Najam Us Saqib	Sana Safinaz 330 CCA Z Block Phase III Ayan's Saloon D.H.A Lahore	35202-1412052-3	Anjum Rasheed	512,656	39,319	551,974	512,656	39,319	551,974
339	Awais Abbas	Sirdaran Kuri Dalal P.O Gujar Khan Distt Rawalpindi	37401-0977002-9	Jahangir Khan	491,417	59,412	550,829	491,417	59,412	550,829
340	Syed Muhammad Sajid Hussain	7 Sign / Suit 37/40 2nd Floor Block-1 Karimabad Near Meena Bazar UBL Bank Karachi	42501-7759095-3	Syed Hamid Hussain	503,150	43,749	546,899	503,149	47,573	550,723
341	Umar Imtiaz	House No 165 Block B III Johar Town Allah Hoo Chowk Lahore	35202-3588978-7	Syed Arshad Hussain	534,086	9,712	543,798	534,086	13,917	548,003
342	Mohammad Shahid	Flat No A/3Charagh Complex latifabad No 8 Hyderabadabad Drug Channel Banglow No 179 Hyderabadabad	44103-2931101-5	Meraj Ud Din	458,487	76,505	534,992	547,842	-	547,842
343	Muhammad Aaqib Ishtiaq Malhi	House No. 517 Block F Eden Valley Near F Block Market Faisalabad	33101-8552447-1	Ishtiaq Ahmad	484,248	60,148	544,396	484,248	62,895	547,143
344	Muhammad Naeem	House No 564 Street No 31 Gali No. 11-9 Markaz I-9/I	61101-8869440-9	Kazi Abdullah	500,000	38,593	538,593	500,000	44,013	544,013
345	Nasir Aslam	House No 24/1 Qaddafi Street Peer Ghazi Road ICHRA Shama Lahore	81302-5573265-8	Muhammad Aslam	493,433	49,074	542,506	493,433	49,074	542,506
346	Abdul Rehman	University Of Karachi Public Administration Mskan Chowrangi Karachi	42501-4321991-7	Muhammad Siddiq	482,176	57,979	540,155	482,176	57,979	540,155
347	Zafar Iqbal	House No 222-K Mohallah Phase-5 D.H.A Lahore Cantt	35201-4917747-9	Muhammad Latif	327,203	208,136	535,339	327,202	212,303	539,506
348	Aftab Ahmed Memon	Villas No 648 Precient 10 A Bahria Town Karachi	41306-8520091-7	Yar Muhammad Memon	490,947	45,673	536,620	490,947	48,293	539,240
349	Rana Muhammad Aashan Saleem	National Comm Services 8/A Abbot Road Duniya TV Lahore	33202-9574706-5	Rana Abdul Saleem Khan	429,247	106,273	535,520	429,221	109,712	538,933
350	Hamood Khalid Choudhary	Rapid Cargo Office No. 40 6th Floor Arkay Square Shakra-e-Liaqat Karachi	42101-8486093-7	Mohammad Khalid	498,447	40,129	538,576	498,447	40,129	538,576
351	Muhammad Javed	IKAN 34 Km Multan Road Shell Pump Lahore	34603-9773319-3	Fazal Karim	526,215	8,460	534,675	526,215	12,132	538,347
352	Muhammad Mudasar Khalil	House No.1 Street No.17 Moh Aziz Colony Shahdra Near Walls Storage Lahore	35202-7072425-9	Muhammad Khalil Ur Rehman	527,898	10,084	537,982	527,898	10,084	537,982
353	Syed Muhammad Sajid Hussain	7 Sign / Suit 37/40 2nd Floor Block-1 Karimabad Near Meena Bazar UBL Bank Karachi	42501-7759095-3	Syed Hamid Hussain	482,866	54,775	537,641	482,866	54,775	537,641
354	Umair Ahmed	Square 63 Pvt Ltd 34-XX Block Main Khyayaban-e-Iqbal D.H.A Near Meezan Bank Lahore	35202-5274482-1	Syed Ali Raza Rizvi	525,979	60,512	586,491	476,480	60,511	536,991
355	Umair Ahmed	Square 63 Pvt Ltd 34-XX Block Main Khyayaban-e-Iqbal D.H.A Near Meezan Bank Lahore	35202-5274482-1	Kwaja Maqbool Ahmad	529,485	55,158	584,643	479,485	55,159	534,643
356	Nangar Bhutto	House 88 Gali No 8 Adullah Govt Police Training Center Razzakabad	43205-8472631-7	Muhammad Mithal Bhutto	477,363	49,836	527,198	477,363	55,480	532,843
357	Syed Ali Haider Naqvi	NCS Dunya 42-1/E Razi Road PECHS Block-6 Karachi	42101-1801077-3	Mohammad Gulrez Khan	476,331	49,165	525,496	476,963	52,273	529,236
358	Ali Usman Kakvi	House No. 350 Block-L Street No. 04 Phase No. 5 D.H.A Near Lums Lahore	35202-1702083-9	Salman Kakvi	439,983	72,360	512,343	439,983	88,673	528,656
359	Rashid Ahmad Siddiqui	Federal Services Tribunal 1-Fane Road Govt Fatima Girls High School Lahore	35202-2919549-3	Mian Muhammad	512,539	11,855	524,394	512,539	14,224	526,763
360	Tariq Mansoor	Supernova School 16 Nazimabad Road F 8/1 Near F-8 Markaz Islamabad	61101-1888186-7	Sheikh Ashfaq Ahmed Mansoor	509,756	24,517	534,273	509,756	16,825	526,581
361	Syed Imran Ali	Metro Express 5-Lower Ground Floor Grand Hotel 9-Davis Road Lahore	35201-1386246-3	Syed Ahtram Ali	430,496	83,237	513,733	430,496	95,946	526,442
362	Muhammad Yaqub	C-130 Street No 30 Askari-4 Main Rashid Minhas Road Near Millenium Mall Karachi	42101-1882833-5	Farid Muhammad	323,275	192,245	515,520	323,274	201,629	524,903
363	Noman Masood Dar	Plot No.331 Street No.111-9/8 Bank Al Habib Islamabad	42201-0533878-1	Tariq Masood Dar	521,247	23,131	544,378	521,247	1,808	523,055
364	Shahid Mehmood	SCB Head Office 4th Floor II Chundrigar Road Near HBL Plaza Karachi	42301-0865566-5	Abdul Rasheed	540,654	10,611	551,265	515,746	6,906	522,652
365	Muhammad Shah Nawaz	House No 27 Street 30 Moh Qila Gujar Singh Main Road City Abdul Karim Road	35202-3291020-9	Muhammad Ejaz	499,047	17,268	516,315	499,047	20,537	519,584
366	Muhammad Ashiq	Abdulhadi Store New Iqbal Park Gate Ph-2 Eden Cottages Near Gate Phase 2 Iqbal Park Lahore	35201-1433990-5	Ahmad Ali	431,910	81,285	513,195	431,910	84,373	516,283

Notes to the Financial Statements

For the year ended 31 December 2021

Annexure - I

Amount in PKR Rupees

Sr. No.	Name	Address	Name of Partners / Directors NIC / CNIC	Father / Husband Name	Outstanding Liabilities at Beginning of Year			Amount Written off / Concession		
					Principle	Interest/ Markup	Total	Principle	Interest/ Markup	Total Balance (Gross)
367	Sakhawat Khan Awan	250 Nayyab Sector Airport Road Gourmet Bekrey Lahore	82201-2158150-9	Ismail	469,291	46,124	515,415	469,291	46,124	515,415
368	Umar Javid	H No. 95-D Moh R Cantt Engineering Lahore Cantt Housing Society Lahore	35202-0693598-3	Javid Latif	453,907	53,302	507,209	453,907	59,905	513,812
369	M.F. Traders	1. HOUSE NO. 2449, ABSHAR ABAD ROAD, DAULAT GATE, MULTAN.	Muhammad Fayyaz CNIC No. 36302-0337689-1	Muhammad Ghulam Qadir	309,804	822,286	1,132,090	-	512,640	512,640
370	Zafar Iqbal	House No 222-K Mohalla Phase-5 D.H.A Lahore Cantt	35201-4917747-9	Muhammad Latif	156,456	351,876	508,332	156,456	355,897	512,353
371	Tanveer Ahmad	Afzal Electronics 3rd Floor TAMC Plaza Firdous Market M.M Alam Road Lahore	34602-0704959-3	Mohammad Sharif	470,406	43,273	513,679	470,406	39,893	510,299
372	Sagheer Ahmad	Office- 109 East Block - 1 Blue Area Jinnah Avenue Jinnah Avenue Islamabad	36304-3335193-9	Munawar Ahmad	469,897	39,263	509,160	469,897	39,263	509,160
373	Nadeem Ahmed	F-44/A MetroVII Site Govt Girls College Area Karachi	42401-1967699-1	Muhammad Mushtaq Ahmed	497,362	11,294	508,656	497,362	11,294	508,656
374	Arsalan Khan	UNODC Plot No. 5-11 G-4 Diplomatic Enclave Islamabad Near G-4 Markaz Islamabad	61101-3204411-9	Rehan Khan	495,469	4,318	499,787	495,469	11,614	507,083
375	Syed Kashif Qasier	Master Tiles& Ceramics Industries Ltd D-266 KDA Scheme 01 Stadium Road Karachi	42101-0680050-5	Shams Ud Din	262,446	237,562	500,008	262,446	243,937	506,384
376	Usman Azhar	12A K Block Main Boulevard Gulberg II Lahore	35202-2620662-7	Azhar Latif	447,792	55,101	502,893	447,792	58,288	506,080
377	Raja Muhammad Naeem Akbar	1 Mobilink IBCI Kohistan Road F-8 Markaz Islamabad	37405-4301159-5	Kausar	403,138	90,232	493,370	403,139	102,321	505,460
378	Ahmer Shehzad	Big Bird Foods 2 A Ahmad Block New Garden Town	35202-2768028-7	Muhammad Aslam	464,234	34,441	498,675	464,233	39,145	503,379
379	Huma Munawar	AD Infinity 59-B-3 MM Alam Road Gulberg 3 Hussain Chowk Lahore	35202-5506368-0	Munawar Ali	387,278	115,806	503,084	387,277	115,806	503,084
380	Ishfaq Ahmad	City 42 4-A/1 Shadman II Jail Road Lahore	33202-3450136-1	Malik Muhammad Saleem Khan	260,041	239,515	499,556	260,041	241,255	501,296
381	Tasawar Khurshid	Din Textile Mills Ltf Din Tower 1 Green Acres Peero Cafe / Dubai Town 7 Km Raiwind Road Lahore	35202-5763218-7	Khurshid Ahmed	453,835	46,239	500,074	453,835	46,239	500,074
					862,116,329	509,742,820	1,371,859,144	580,687,210	648,318,287	1,229,005,489

Notes to the Financial Statements

For the year ended 31 December 2021

Annexure - II

ISLAMIC BANKING BUSINESS

The bank is operating 2 (Dec 2020: 3) Islamic banking branches and 39 (Dec 2020: 50) Islamic banking windows at the end of the year.

	Note	2021	2020
		(Rupees in '000)	
ASSETS			
Cash and balances with treasury banks		3,985,646	3,503,921
Due from financial institutions	1	6,560,984	7,783,318
Investments	2	19,073,804	27,946,749
Islamic financing and related assets - net	3	58,546,455	38,838,529
Fixed assets		204,137	129,024
Other assets		6,716,261	2,041,447
Total Assets		95,087,287	80,242,988
LIABILITIES			
Bills payable		84,750	129,053
Due to financial institutions		4,741,529	3,634,000
Deposits and other accounts	4	60,424,815	57,741,816
Due to Head Office	5	9,637,350	8,426,720
Other liabilities		6,627,919	1,625,525
		81,516,363	71,557,114
NET ASSETS		13,570,924	8,685,874
REPRESENTED BY			
Islamic Banking Fund		500,000	200,000
Surplus/ (Deficit) on revaluation of assets		(107,377)	(85,111)
Unappropriated/ Unremitted profit	7	13,178,301	8,570,985
		13,570,924	8,685,874
CONTINGENCIES AND COMMITMENTS	8		
The profit and loss account of the Bank's Islamic banking branches for the year ended 31 December 2021 is as follows:			
	Note	2021	2020
		(Rupees in '000)	
Profit / return earned	9	6,970,913	6,506,100
Profit / return expensed	10	(1,423,807)	(1,959,371)
Net Profit / return		5,547,106	4,546,729
Other income			
Fee and Commission Income		444,564	469,698
Foreign Exchange Income		219,591	263,105
Gain / (loss) on securities		44,702	16,545
Other Income		29	5,368
Total other income		708,886	754,716
Total income		6,255,992	5,301,445
Other expenses			
Operating expenses		(1,930,551)	(2,052,870)
Total other expenses		(1,930,551)	(2,052,870)
Profit / (loss) before provisions		4,325,441	3,248,575
Reversal / (provisions) and write offs - net		281,875	(589,258)
Profit / (loss) before taxation		4,607,316	2,659,317

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 for Islamic Banking is expected to be Rs. 1.797 billion (2020: Rs. 1.037 billion).

Notes to the Financial Statements

For the year ended 31 December 2021

Annexure - II

	2021			2020		
	In Local Currency	In Foreign Currencies	Total	In Local Currency	In Foreign Currencies	Total
1 Due from Financial Institutions	(Rupees in '000)					
Unsecured	-	6,560,984	6,560,984	-	5,937,897	5,937,897
Bai Muajjal Receiveable from State Bank of Pakistan	-	-	-	1,845,421	-	1,845,421
	-	6,560,984	6,560,984	1,845,421	5,937,897	7,783,318

	2021				2020			
	Cost / Amortised cost	Provision for diminution	Surplus / (Deficit)	Market Value	Cost / Amortised cost	Provision for diminution	Surplus / (Deficit)	Market Value
2 Investments by segments:	(Rupees in '000)							
Federal Government Securities:								
-Ijarah Sukuks	18,567,285	-	(107,377)	18,459,908	25,910,344	-	(86,475)	25,823,869
-Islamic Naya Pakistan Certificates	613,896	-	-	613,896	530,538	-	-	530,538
-Bai Muajjal with GOP	-	-	-	-	1,390,978	-	-	1,390,978
	19,181,181	-	(107,377)	19,073,804	27,831,860	-	(86,475)	27,745,385
Non Government Debt Securities								
- Listed	-	-	-	-	-	-	-	-
- Unlisted	-	-	-	-	200,000	-	1,364	201,364
	-	-	-	-	200,000	-	1,364	201,364
Total Investments	19,181,181	-	(107,377)	19,073,804	28,031,860	-	(85,111)	27,946,749

	Note	2021	2020
3 Islamic financing and related assets		(Rupees in '000)	
Murabaha	3.1	4,103,517	3,035,967
Musharaka		17,501,136	4,687,163
Diminishing Musharaka		27,699,615	24,831,187
Musawammah		1,730,700	1,952,332
Ujrah (Saadiq Credit Cards)		424,479	381,515
Advances against Islamic assets - Murabaha		2,534,350	452,215
Advances against Islamic assets - Diminishing Musharakah		1,121,918	678,013
Advances against Islamic assets - Istisna		1,806,000	1,940,000
Inventory related to Islamic financing - Murabaha		2,632,805	2,190,561
Gross Islamic financing and related assets		59,554,520	40,148,953
Less: provision against Islamic financings			
- Specific		(511,194)	(756,904)
- General		(496,871)	(553,520)
		(1,008,065)	(1,310,424)
Islamic financing and related assets - net of provision		58,546,455	38,838,529

	Note	2021	2020
3.1 Murabaha		(Rupees in '000)	
Murabaha financing	3.1.1	4,103,517	3,035,967
Inventory for Murabaha		2,632,805	2,190,561
Advances for Murabaha		2,534,350	452,215
		9,270,672	5,678,743
3.1.1 Murabaha receivable - gross	3.1.2	4,426,011	3,127,310
Less: Deferred murabaha income	3.1.4	(235,624)	(67,667)
Profit receivable shown in other assets		(86,870)	(23,676)
Murabaha financings		4,103,517	3,035,967
3.1.2 The movement in Murabaha financing during the year is as follows:			
Opening balance		3,127,310	1,796,053
Sales during the year		15,187,968	7,405,514
Adjusted during the year		(13,889,267)	(6,074,257)
Closing balance		4,426,011	3,127,310

Notes to the Financial Statements

For the year ended 31 December 2021
Annexure - II

	2021	2020
	(Rupees in '000)	
3.1.3 Murabaha sale price	4,426,011	3,127,310
Murabaha purchase price	(4,103,517)	(3,035,967)
	<u>322,494</u>	<u>91,343</u>
3.1.4 Deferred murabaha income		
Opening balance	67,667	35,596
Arising during the year	529,428	464,601
Less: Recognised during the year	(361,471)	(432,530)
Closing balance	<u>235,624</u>	<u>67,667</u>

4	2021			2020		
	In Local Currency	In Foreign Currencies	Total	In Local Currency	In Foreign Currencies	Total
	(Rupees in '000)					
Customers						
Current deposits	26,932,546	8,965,031	35,897,577	25,377,928	7,950,136	33,328,064
Savings deposits	22,937,913	-	22,937,913	22,612,472	-	22,612,472
Term deposits	936,549	-	936,549	907,203	-	907,203
Margin accounts	1,560	-	1,560	6,620	-	6,620
	<u>50,808,568</u>	<u>8,965,031</u>	<u>59,773,599</u>	<u>48,904,223</u>	<u>7,950,136</u>	<u>56,854,359</u>
Financial Institutions						
Current deposits	29,321	-	29,321	124,173	-	124,173
Savings deposits	621,895	-	621,895	763,284	-	763,284
	<u>651,216</u>	<u>-</u>	<u>651,216</u>	<u>887,457</u>	<u>-</u>	<u>887,457</u>
	<u>51,459,784</u>	<u>8,965,031</u>	<u>60,424,815</u>	<u>49,791,680</u>	<u>7,950,136</u>	<u>57,741,816</u>

	2021	2020
	(Rupees in '000)	
4.1 Composition of deposits		
- Individuals	45,999,614	44,852,866
- Government (Federal and Provincial)	22,909	108,681
- Banking Companies	-	7,195
- Non-Banking Financial Institutions	544,650	206,356
- Private Sector	9,055,435	9,149,629
- Non residents (Corporate & Individual)	4,216,808	3,359,915
- Trusts	585,399	57,174
	<u>60,424,815</u>	<u>57,741,816</u>

4.2 This includes deposits eligible to be covered under insurance arrangements amounting to Rs 46,242 million (2020: Rs. 43,026 million)

5 Due to Head Office	<u>9,637,350</u>	<u>8,426,720</u>
-----------------------------	------------------	------------------

	2021	2020
	(Rupees in '000)	
6 Charity Fund		
Opening balance	10,551	12,985
Additions during the period		
Received from customers on account of delayed payment	3,115	2,884
Other Non-Shariah compliant income	220	5,767
	<u>3,335</u>	<u>8,651</u>
Payments / utilization during the period		
Education	-	(1,323)
Health	(4,000)	(9,762)
	<u>(4,000)</u>	<u>(11,085)</u>
Closing balance	<u>9,886</u>	<u>10,551</u>

Notes to the Financial Statements

For the year ended 31 December 2021

Annexure - II

	2021	2020
	(Rupees in '000)	
Details of charity payments		
The Indus Hospital	-	3,200
Patient's Aid Foundation	4,000	3,262
National Institute of Child Health	-	3,300
HOPE	-	1,323
	<u>4,000</u>	<u>11,085</u>
	2021	2020
	(Rupees in '000)	
7 Islamic Banking Business Unappropriated Profit		
Opening Balance	8,570,985	7,911,668
Add: Islamic Banking profit for the period	4,607,316	2,659,317
Less: Transferred / Remitted to Head Office	-	(2,000,000)
Closing Balance	<u>13,178,301</u>	<u>8,570,985</u>
	2021	2020
	(Rupees in '000)	
8 Contingencies And Commitments		
-Guarantees	3,429,452	1,506,579
-Commitments	2,670,350	22,809,028
-Other contingent liabilities	8,623,632	5,943,508
	<u>14,723,434</u>	<u>30,259,115</u>
	2021	2020
	(Rupees in '000)	
9 Profit/Return Earned of Financing, Investments and Placement		
Profit earned on:		
Financing	5,169,849	5,275,464
Investments	1,796,940	1,224,861
Placements	4,124	5,775
	<u>6,970,913</u>	<u>6,506,100</u>
	2021	2020
	(Rupees in '000)	
10 Profit on Deposits and other Dues Expensed		
Deposits and other accounts	(1,249,470)	(1,805,894)
Due to Financial Institutions	(97,009)	(80,139)
Deposit protection premium	(68,843)	(56,320)
Finance cost of lease liability	(8,485)	(17,018)
	<u>(1,423,807)</u>	<u>(1,959,371)</u>
	2021	2020
	(Rupees in '000)	
11 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 Pool		
a) Islamic Export Refinance Scheme (IERS) Musharakah Pool		
Key features, risks, rewards and calculation of profit / loss of this pool are in compliance with the SBP IER Scheme and the relevant circulars issued by SBP from time to time.		

Notes to the Financial Statements

For the year ended 31 December 2021

Annexure - II

Profit rate earned vs. profit rate distributed to the depositors during the year.

Type of Pool	Profit rate and weightage announcement period	Average return on Pool Assets	Bank Profit	SBP Profit	Bank Profit (%)	SBP Profit (%)
IERS Pool	Monthly	5.70%	476,478	95,155	83.35%	16.65%

B) Mudarabah Depositors Pool

1. General Pool
2. Special Pool
3. High Yield Pool
4. Special Term Deposit Pool
5. Special Pool - 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, Bai Muajjal (backed by Government of Pakistan), Sugar, Textile, Fertilizer, Cement, Power, Packaging, Fast-moving consumer goods (FMCG), Edible Oil, Steel, Logistics, Automobile. etc.

iv) Other information

	Type of Pool				
	General	Special	High Yield	Special Term Deposit	Special Pool - CCIB
Profit rate and weightage announcement frequency	Monthly	Monthly	Monthly	Monthly	Monthly
Mudarib share (amount in '000)	414,555	93,876	90,680	2,754	30,997
Mudarib share (%)	44.2%	34.9%	17.4%	19.7%	19.7%
Mudarib Share transferred through Hiba (Amount in '000)	54,682	30,461	53,734	1,420	14,997
Mudarib Share transferred through Hiba (%)	11.7%	24.5%	37.2%	34.0%	32.6%
Average return on pool assets	7.2%	9.1%	7.5%	7.8%	7.5%
Average return on deposits	4.0%	6.1%	6.2%	3.0%	6.0%

PATTERN OF SHAREHOLDING

As at 31 December 2021

No. of Shareholders	Shareholdings' Slab		Total Shares Held
1,160	1	To 100	43,099
1,711	101	To 500	521,102
933	501	To 1,000	711,568
2,082	1,001	To 5,000	5,269,485
679	5,001	To 10,000	4,146,178
86	10,001	To 15,000	1,052,713
63	15,001	To 20,000	1,098,636
32	20,001	To 25,000	742,390
16	25,001	To 30,000	448,191
18	30,001	To 35,000	581,057
8	35,001	To 40,000	295,693
3	40,001	To 45,000	127,784
10	45,001	To 50,000	484,662
1	50,001	To 55,000	50,662
4	55,001	To 60,000	227,280
1	60,001	To 65,000	62,100
3	65,001	To 70,000	205,927
2	70,001	To 75,000	150,000
2	75,001	To 80,000	155,817
1	85,001	To 90,000	85,500
4	95,001	To 100,000	400,000
3	100,001	To 105,000	308,239
3	105,001	To 110,000	327,500
1	115,001	To 120,000	118,900
1	125,001	To 130,000	127,900
1	135,001	To 140,000	137,000
1	165,001	To 170,000	167,500
1	175,001	To 180,000	178,000
2	195,001	To 200,000	400,000
1	205,001	To 210,000	210,000
1	210,001	To 215,000	212,000
2	220,001	To 225,000	445,200
1	225,001	To 230,000	229,000
1	235,001	To 240,000	238,900
2	245,001	To 250,000	497,232
1	290,001	To 295,000	291,500
1	295,001	To 300,000	300,000
1	415,001	To 420,000	417,000
2	420,001	To 425,000	843,500
1	440,001	To 445,000	440,179
2	495,001	To 500,000	1,000,000
1	710,001	To 715,000	712,500
1	880,001	To 885,000	880,295
1	910,001	To 915,000	914,570
1	920,001	To 925,000	923,500
1	1,005,001	To 1,010,000	1,008,000
1	1,240,001	To 1,245,000	1,243,100
1	1,290,001	To 1,295,000	1,293,000
1	1,740,001	To 1,745,000	1,741,000
1	2,315,001	To 2,320,000	2,316,500
1	4,460,001	To 4,465,000	4,464,000
1	3,832,335,001	To 3,832,340,000	3,832,339,162
6,859			3,871,585,021

CATEGORY WISE LIST OF SHAREHOLDERS

As at 31 December 2021

Categories of Shareholders	Shareholders	Shares Held	Percentage
Directors and their spouse(s) and minor children			
Ms. Spenta Kandawalla	1	1	0.00
Mr. Ian Anderson Bryden	1	1	0.00
Mr. Towfiq Habib Chinoy	1	1	0.00
Mr. Mohamed Salah Abdel Hamid Abdel Razek	1	1	0.00
Mr. Rehan Muhammad Shaikh	1	1	0.00
Mr. Adam Long	1	1	0.00
Mr. Ehsan Ali Malik	1	1	0.00
Associated Companies, undertakings and related parties	1	3,832,339,162	98.99
NIT and ICP	1	3,250	0.00
Banks Development Financial Institutions, Non-Banking Financial Institutions	9	273,927	0.01
Insurance Companies	1	235	0.00
Modarabas and Mutual Funds	13	9,925,002	0.26
General Public			
a. Local	6,750	27,100,898	0.70
b. Foreign	6	10,445	0.00
Foreign Companies	-	-	0.00
Others	71	1,932,095	0.05
Totals	6,859	3,871,585,021	100.00

Share holders holding 10% or more	Shares Held	Percentage
Standard Chartered Bank (UK)	3,832,339,162	98.99

FORM OF PROXY
16TH ANNUAL GENERAL MEETING
STANDARD CHARTERED BANK (PAKISTAN) LIMITED

نمائندگی کا فارم (پراکسی فارم)
سولہویں سالانہ اجلاس
اسٹینڈرڈ چارٹرڈ بینک (پاکستان) لمیٹڈ

I/We of
..... being member(s) of Standard
Chartered Bank (Pakistan) Limited holding
..... Ordinary shares hereby appoint
..... of
..... or failing him/her
..... of
..... who is/are also member(s) of
Standard Chartered Bank (Pakistan) Limited as my/our
Proxy in my/our absence to attend and vote for me/us
and on my/our behalf at the Annual General Meeting of
the Bank to be held on 29 March 2022 and/or any
adjournment thereof.

میں/ہم کا/کی
..... بحیثیت رکن اسٹینڈرڈ چارٹرڈ بینک (پاکستان)
..... لمیٹڈ اور حامل عام حصص،
..... کے/کی
..... کا یا ان کی غیر موجودگی میں
..... کے/کی
..... جو اسٹینڈرڈ چارٹرڈ بینک (پاکستان) لمیٹڈ کے رکن ہیں،
کو اپنی غیر حاضری میں بینک کے سالانہ اجلاس عام جو 29 مارچ 2022 کو منعقد
ہونا ہے یا اس کے التواء کی صورت میں حاضری اور حق رائے دہی کے استعمال
کے لئے اپنا نمائندہ (پراکسی) تقرر کرتا/کرتی ہوں۔
آج بروز بتاریخ 2022 کو
دستخط کئے گئے۔

Signed this day of
2022.

Folio/ CDC No.
فولیو/سی ڈی سی

Signature
دستخط

Rs. 5/-
Revenue
Stamp

WITNESSES:

گواہ:

1. Signature:
Name:
CNIC/Passport No.:
Address:

1. دستخط
..... نام
..... سی این آئی سی / پاسپورٹ نمبر
..... پتہ

2. Signature:
Name:
CNIC/Passport No.:
Address:

2. دستخط
..... نام
..... سی این آئی سی / پاسپورٹ نمبر
..... پتہ

Note:

نوٹ:

- The Proxy Form should be deposited at the registered office of the Bank, as soon as possible but not later than 48 hours before the time of holding the meeting, failing which, Proxy Form will not be treated as valid.
- No person shall act as proxy unless he/she is a member of the Bank.

- نمائندگی کا فارم (پراکسی فارم) جلد از جلد بینک کے رجسٹرڈ پتے پر جمعہ کرائیں، سالانہ اجلاس عام کی ابتداء سے 48 گھنٹے پہلے تک موصول ہونے والے فارم موثر تصور کئے جائیں گے بعد ازاں موصول ہونے والا کوئی بھی فارم قابل قبول نہیں ہوگا۔
- کمی بھی غیر رکن شخص کا تقرر بطور نمائندہ (پراکسی) نہیں کیا جا سکتا۔

Fold here

Company Secretary
Standard Chartered Bank (Pakistan) Limited
P.O.Box No. 5556,
I.I.Chundrigar Road,
Karachi 74000, Pakistan

Fold here

Fold here

Fold here

Fold here

Fold here

Fold here

Disclosures on Governance and Remuneration

Qualitative disclosures in line with State Bank of Pakistan's BPRD Circular No. 1 of 2017 (effective 31 December 2019) are as under;

A. CORPORATE GOVERNANCE DISCLOSURE

Corporate Governance culture and values

This has been separately covered under Chairman's review report.

Composition of the Board and its Committees

The Board has constituted four Committees i.e. Board Audit Committee ('BAC'), Board Human Resource and Remuneration Committee ('RemCo'), Board Risk Committee ('BRC') and Board Information Technology Committee ('BITC'). The composition of the Board at the year-end is disclosed under the para one and two of the Statement of Compliance with Listed Companies (Code of Corporate Governance) Regulations, 2019 ('the SoC') whereas composition of the Board's Sub-Committees is available under para 12 of the SoC.

Terms of references of the Board's Committees

The terms of reference of Board's Committees have been formed, documented and advised to the Committees for compliance. A brief on terms of reference for each Sub-Committee is provided as below:

- BAC is primarily responsible for reviewing the financial statements and related controls, monitoring the effectiveness of the internal audit function, reviewing independence and objectivity of audit process, recommending appointment/removal of external auditors and their remuneration, governing external auditors' engagement on non-audit services, and monitoring the effectiveness of compliance controls for conduct, regulatory reporting and financial crime compliance.
- RemCo acknowledges that the Bank is part of Group and follows Group company's remuneration framework and policies, subject to applicable laws and regulations in Pakistan. RemCo also maintains high levels of good governance on all remuneration related matters, in line with prevailing international best practice, as well as any specific regulatory directives in Pakistan.
- BRC is broadly responsible for monitoring Bank's risk profile and its consistency with risk appetite, identifying and monitoring existing or new risks relating to the Bank, reviewing the appropriateness and effectiveness of risk management systems and controls, overseeing implementation of risk management framework, and reviewing stress testing.
- BITC is broadly responsible for advising and reporting to the board on the status of technology activities and digital initiatives; and to review IT and Digital strategies with relevant policies, to ensure technology risk management strategies are designed and implemented as per Bank's Enterprises Risk Management Framework, to ensure technology procurements are aligned with the IT strategy, to receive periodic updates from IT Steering Committee to monitor technology-related projects, to ensure technology outsourcing arrangement are supported by the Committee before submission to Board for approval, and to ensure that all cloud based arrangements (domestic/off-shore) are in line with the policy approved by the Board.

Board and Committee's oversight on Islamic Banking Branches

There is a mechanism in place for Board's oversight on Shariah compliance function and Shariah Board through half yearly meetings between Shariah Board members and the BoD. Furthermore, external Shariah Audit report is presented to BoD and Board Audit Committee.

Directors Appointment Process

The Bank has a formal process for the appointment of directors which has been approved by the Board. A succession plan for the Board is in place and same is reviewed from time to time to ensure that the required skills, knowledge, diversity and experience continue to be maintained on the Board. With respect to independent directors, a list of prospective candidates with relevant skills and experience is maintained by the Board. When a casual vacancy arises the list is reviewed to identify the best available candidates who meet the selection criteria. Candidates are interviewed by the Chairman on behalf of the Board before seeking endorsement from the Group as the majority shareholder. In case of appointment of non-executive directors, the Group in consultation with the Chairman nominates a senior executive from the Group with responsibility for businesses/functions that bear relevance to the activities of the Bank. Upon completion of due diligence and screening

Disclosures on Governance and Remuneration

checks, the Board finally approves director appointments subject to necessary regulatory approvals. Appointment of executive director(s) is governed under the human resource policies of the Bank.

Profile of Directors

The profiles of all seven directors are available at the Bank's website under About-us page. URL is <https://www.sc.com/pk/about-us/>.

B – DISCLOSURE RELATING TO SHARIAH BOARD

Shariah Board Appointment Process

The Bank has a formal framework for the appointment of Shariah Board Members which has been approved by the Board of Directors ("BoD"). The Shariah Board Members are appointed by BoD for a term of three (3) years as per the Fit and Proper Criteria notified under the Shariah Governance Framework. Appointments of Shariah Board members shall be subject to prior written clearance of SBP.

Composition of the Shariah Board

Shariah Board of Standard Chartered Bank of Pakistan comprises of following four Shariah Scholars including an international scholar:

- **Dr. Sheikh Nizam Yaquby (Chairman)**
- **Mufti Muhammad Abdul Mubeen (Member Shariah Board)**
- **Dr. Mufti Irshad Ahmad Aijaz (Member Shariah Board)**
- **Mufti Hafiz Muhammad Sarfraz Nihal (Resident Shariah Board Member)**

Profile of Shariah Board Members

The profiles of all Shariah Board Members are available at the Bank's website under URL <https://www.sc.com/pk/saadiq/shariah-consultants.html>

Terms of References

The terms of reference of Shariah Board have been formed and documented as per Shariah Governance Framework and advised to the Shariah Board for compliance. Key points of Shariah Board Term of reference are as follows.

- The SB shall be empowered to consider, decide and supervise all Shariah related matters of the Bank. All decisions, rulings, fatawa of the SB shall be binding on the Bank whereas SB shall be responsible and accountable for all its Shariah related decisions
- The SB shall review and approve all the procedure manuals, product programs/structures, process Flows, related agreements, marketing advertisements, sales illustrations and brochures so that they are in conformity with the rules and principles of Shariah
- All decisions and rulings of the SB of the Bank shall be in conformity with the directives, regulations, instructions and guidelines issued by State Bank of Pakistan (SBP) in accordance with the rulings of Shariah Advisory Committee of SBP

Shariah Board Meetings

The details of the meetings held during the year, 2021 are as follows:

S.No.	Period/Year (2021)	Meeting Held (Yes / No)	Meeting No.	Date of Meeting	Meeting Attended (Yes / No)			
					Chairman	Member	Member	RSBM
1	Q1'21	Yes	23 rd	8/3/2021	Yes	Yes	Yes	Yes
2	Q2'21	Yes	24 th	8/6/2021	Yes	Yes	Yes	Yes
3	Q3'21	Yes	25 th	22/09/2021	No	Yes	Yes	Yes
4	Q4'21	Yes	26 th	15/12/2021	Yes	Yes	Yes	Yes

Disclosures on Governance and Remuneration

C - DISCLOSURE RELATING TO REMUNERATING POLICY

In order to align the remuneration practices in Pakistan with the international standards and best practices, the SBP issued Guidelines on Remuneration Practices through its BPRD circular no. 02 dated March 03, 2016, which were subsequently revised through BPRD Circular No. 01 dated January 25, 2017.

In accordance with these guidelines, the Bank has developed a comprehensive Remuneration Framework. The aim of this framework is to promote an effective risk management culture, and to ensure that the remuneration practice at the Bank is in line with the Bank's objectives taking into consideration all risks that the Bank may face. As a result, a fair, objective, transparent and sound remuneration policy, aligned with risks and responsibilities of Financial Intermediation has been put in place. The framework was reviewed and recommended by the Board's Human Resource & Remuneration Committee (REMCO) and approved by the Board of Directors (BoD).

Under the policy, all employees across the Bank who are materially responsible for risk taking - Material Risk Takers (MRTs), or risk controlling activities - Material Risk Controllers (MRCs) are identified. The remuneration of these MRTs and MRCs is dependent upon the achievement of performance measured through risk-adjusted balance scorecards which include financial and non-financial/ qualitative performance indicators including compliance with internal policies/ procedures/ controls, customer experience, as well as certain risk-adjusting factors (negative earners) such as regulatory compliance, frauds, disciplinary matters etc. All other individuals who do not fall within the criteria of MRTs and MRCs continue to be governed through the Bank's existing HR policy.

A certain portion of the variable compensation of the MRTs and MRCs in excess of threshold as per the policy; shall now be made subject to mandatory deferrals for a defined period, thus creating alignment between the employees' and stakeholders' interests and reinforcing that compensation is appropriately linked to longer-term sustainable performance. Deferred remuneration, especially with risk adjustments, improves risk-taking incentives because the amount ultimately received by employees can be made to depend on risk outcomes, and shall vest proportionately over the deferral period following the year of variable remuneration award, subject to any malus trigger adjustments.

The pay-outs for variable compensation for the performance year 2021 for MRTs and MRCs shall be based on the revised mechanism. The accounting for shares and deferred cash is in line with the relevant accounting standards. The disclosures required under the SBP's Guidelines on Remuneration Practices are included as part of these financial statements.

Disclosure on Complaint Handling 2021

At Standard Chartered, clients are at the heart of the Bank and the focus remains on enhancing the client experience. In 2021 with the impact of Covid-19, the Bank and its staff continued to strive towards servicing its clients through hard work, commitment and resilience.

Realising that the world is more competitive and our clients' needs are ever-changing, the need to innovate has been paramount for the Bank. We continued to focus towards encouraging our clients towards shifting to the digital platform offering faster, secure and a more convenient banking experience.

Bank's key to success has been to value the voice of clients by reengineering existing processes to create a seamless experience leading to improved turnaround times and simpler documentation. Also, to ensure effective complaint handling, the Bank internally created a culture to instil its importance, effectiveness of proper resolution and fair treatment of clients. Whilst, reiterating complaint lodgement touchpoints available to its clients to encourage them to voice their concerns.

During the year 2021, the Bank received a total of 79,552 complaints and average time taken to resolve the complaints was 8.5 days.

Client touch points for lodging complaints are as follows:

- Standard Chartered Bank
 - SC Branch: Visit any branch
 - SC Client Centre: 24/7 assistance on 021 111 002 002 or 042 111 002 002
 - SC Email: Complaints.Pakistan@sc.com
 - SC Website: www.sc.com/pk
SC Postal Address: SCBPL Client Care Unit, 1st Floor Jubilee Insurance Building, I.I.Chundrigar Road, Saddar, Karachi
 - SC Social Media: www.facebook.com/standardcharteredpk
- State Bank of Pakistan
- Banking Mohtasib Pakistan
- Insurance Ombudsman
- Federal Ombudsman
- Securities and Exchange Commission of Pakistan



standard
chartered

- Can your investments have a positive impact on the world? •

When you put your money into Standard Chartered Sustainable Investments, not only can you do well, but you also do good in parts of the world that need it most. Like financing hospitals to improve access to healthcare. Learn more at sc.com/hereforgood



here for
good™

OPEN YOUR BANK ACCOUNT IN MINUTES



The first bank to offer Biometric verification through the Mobile App.

At Standard Chartered, we continue to bring international experience and reliable service for our valued clients. With the all-new SC Mobile App, you can not only open your account but also do so much more, all with just a tap.

Open. Verify. Transact.



Account
Opening



Biometric
Verification



Credit Card
Activation



Debit Card
Activation



FX
Conversion

Get More Done - Download Now!



Also available for Islamic Banking clients.

For more details, visit sc.com/pk or scan the QR code



standard
chartered