

Driving Financial and
Digital Innovation





◆ Introducing SC Sahar for the women of today ◆

Your gateway to financial empowerment.

Open your account and get access to women exclusive personal and business finance, home finance, debit and credit cards.

Benefits include:



Free debit card and
cheque book



Financial solutions for
business owners



Personal finance at
1% rate discount



Cashback on
credit cards



Home finance at
attractive rental rates



Wealth management
solutions

Also available for Islamic Banking Clients.

For more details, visit sc.com/pk or call 111 002 002.

Scan the QR code, to find out more.



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 to Work 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

Futuremakers Inclusive Employability Project

Target more than 480 youth with disabilities into formal employment

Entrepreneurs for Growth

#SCWomenInTech

SCWomenintech was launched in Pakistan in 2019. Since its launch 88 businesses have gone through extensive training, coaching and mentoring sessions out of which 26 businesses have been given the seed money to scale their business further.

Agriprenuer Project

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

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 an international banking group, with a presence in 59 of the world's most dynamic markets and serving clients in over 150 markets. Our purpose is to drive commerce and prosperity through our unique diversity, and our heritage and values are expressed in our brand promise, Here for good.

- **Standard Chartered Pakistan** is proud to be operating in the country as the **largest and oldest international Bank since 1863**.
- **Standard Chartered Pakistan** employs more than **2,200** people and has a network of **209** touch points (**40 branches, 149 ATMs and 20 CDMs**) across 10 cities.
- **Standard Chartered Pakistan** is the first International Bank to get an Islamic Banking licence and to open the **first Islamic Banking branch in the country**.
- **Standard Chartered Pakistan** is the leading bank for the **MNCs** operating in Pakistan. The Bank is also the market leader for providing USD liquidity for **Corporates** and **Financial Institutions** in the country.
- **Standard Chartered Pakistan** plays a leading role in providing **FCY liquidity solutions** through innovative client centric structures.
- **Standard Chartered Pakistan** is a leading partner of **State Bank of Pakistan** in promoting **RMB** and increasing its use in Pakistan, which further strengthens its role as the main bank for **CPEC** led initiatives.
- **Standard Chartered Pakistan** partnered with **ANT FINANCIAL** in 2019 to launch the first block chain based **24/7**, cross border **wallet-to-wallet remittance** service between Malaysia and Pakistan.

AWARDS

Strong Recognition



Global Diversity, Equity, & Inclusion Benchmark Awards 2023



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

Adam Smith Award Awards 2022/2021



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

The Asset Triple A Awards Awards 2022/2021



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

Management Association of Pakistan Awards 2022



- Corporate Excellence Award under the Commercial Bank Sector

Asia Money Award Awards 2022



- Best Bank Award in the ESG category

Euromoney Market Leaders Awards 2022



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

Global Transaction Banking Innovation Awards 2022



- Best Digital Treasury Management Initiative

Corporate Treasurer Award Awards 2021



- Best Transaction Bank
- Best Trade Finance Bank

STANDARD CHARTERED BANK (PAKISTAN) LIMITED
31st MARCH 2023
DIRECTORS' REPORT

On behalf of the Board of Directors, we are pleased to present the Directors' Report of Standard Chartered Bank (Pakistan) Limited (SCBPL or the Bank) along with the un-audited interim financial statements for the period ended 31st March 2023.

Economy

After witnessing a growth of 5.9% in FY-22, economic activity has decelerated due to political uncertainty, devastating floods, inflationary pressures driven by high global commodity prices and measures taken by authorities to curb imports in order to ease pressure on current account deficit. As a result, Central Bank has revised its GDP forecast for FY-23 to 2%, with average headline inflation of 27%-29%.

The current account deficit narrowed by ~68% to \$3.9bn in Jul'22-Feb'23. This substantial reduction was due to a sharp contraction in imports, reflecting the impact of policy tightening and administrative measures. Imports, exports and remittances declined year on year by 21.0%, 9.7% and 10.8% in Jul'22-Feb'23 respectively.

There is constant drawdown in the official reserves due to lack of financial inflows and ongoing repayments. While 9th review of IMF under EFF (USD 1.2bn tranche) has been delayed from scheduled completion in Nov'22, Government expects this to be completed soon. Near-term FX inflows from multilateral and bilateral sources are expected to unlock upon its completion.

On the external front, following a flexible exchange rate regime, PKR depreciated by 25% in Q1-23, while the SBP foreign exchange reserves stood at \$4.0bn as of 07th April 2023. Higher international commodity prices together with domestic demand are driving Inflation, which reached 35.4% in Mar'23 (12 month average). To address the rising inflationary pressure and widening current account deficit, SBP has increased policy rate by 11.25% to 21.00% during past 12 months.

Banks in Pakistan continue to be well capitalized with an industry wide CAR of 17.0% and remain profitable with a ROE (after tax) of 16.9% for CY-22. Meanwhile, NPLs of the banking sector stood at 7.3% at close of CY-22 (7.9% at close of CY-21).

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 50%.

3) Mass Retail

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

4) Sustainability

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

These strategic priorities are supported by three key enablers:

1) People & Culture

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

2) Ways of Working

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

3) Innovation & Technology

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

Operating Results and Business Overview

	31 March 2023 (PKR millions)	31 December 2022 (PKR millions)
Balance Sheet		
Paid-up capital	38,716	38,716
Total equity	86,380	87,521
Deposits	728,756	718,450
Advances – gross	249,410	236,923
Advances – net	228,233	216,208
Investments – net	373,297	477,732

	Period ended 31 March 2023 (PKR millions)	Period ended 31 March 2022 (PKR millions)
Profit and Loss		
Revenue	20,428	14,303
Operating expenses	3,797	3,034
Other non mark-up expenses	287	225
Operating profit (before provisions and tax)	16,344	11,044
Provisions / (reversals) and write offs - net	196	(730)
Profit before tax	16,148	11,774
Profit after tax	9,191	7,061
Earnings per Share (EPS) – Rupees	2.37	1.82

A strong performance by the Bank led to a growth of 37% in profit before tax to PKR 16.1 billion. Overall revenue grew 43%, whereas client revenue increased by 68% year on year with positive contributions from all segments. Operating expenses increased 25% from comparative period in line with inflation. Moreover, lower impairments as a result of prudent risk approach coupled with recoveries of bad debts led to a net charge of PKR 0.2 billion in Q1'23 compared to a net release of PKR 0.7 billion in the comparative period.

On the liabilities side, the Bank's total deposits stand at PKR 729bn; up by PKR 10 billion, whereas current and saving accounts grew by PKR 28 billion (up 4%) since the start of this year and comprise 98% of the deposit base. On assets side, net advances increased by 6% and the bank continues to follow a prudent lending approach. We are monitoring the economic and political landscape and will position our portfolio accordingly. The Bank is well placed to cater for the needs of its clients and will continue its strategy to build a profitable, efficient and sustainable portfolio.

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

Outlook

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

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

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

Changes in the Board of Directors since the last report

After serving on the Board for about 3 years, Mr. Mohamed Abdel Razek has decided to step down as Director subsequent to his concomitant resignation from the Group effective 30 April 2023. The Board places on record its appreciation for the valuable support and contributions for Mr. Abdel Razek during his tenure on the Board. Casual vacancy created would be filled in due course of time.

Credit Rating

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

Appreciation and Acknowledgment

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

On behalf of the Board



Chief Executive Officer

Karachi: 26th April 2023



Director

Standard Chartered Bank (Pakistan) Limited

Un-audited
Financial Statements

For the three months period ended
31 March 2023

INTERNAL

Standard Chartered Bank (Pakistan) Limited
Statement of Financial Position
As at 31 March 2023

	Note	(Un-audited) 31 March 2023	(Audited) 31 December 2022
(Rupees in '000)			
ASSETS			
Cash and balances with treasury banks	6	64,734,616	68,918,645
Balances with other banks	7	27,124,624	8,737,656
Lendings to financial institutions	8	142,918,088	51,286,290
Investments	9	373,297,370	477,732,454
Advances	10	228,233,161	216,207,696
Fixed assets	11	11,168,816	11,474,182
Intangible assets	12	26,095,310	26,095,310
Deferred tax assets - net		-	-
Other assets	13	78,065,793	66,836,739
		<u>951,637,778</u>	<u>927,288,972</u>
LIABILITIES			
Bills payable	14	13,301,781	14,820,617
Borrowings	15	27,791,054	28,063,619
Deposits and other accounts	16	728,755,820	718,449,989
Liabilities against assets subject to finance lease		-	-
Sub-ordinated debt		-	-
Deferred tax liabilities - net	17	4,839,488	5,354,762
Other liabilities	18	90,569,527	73,079,106
		<u>865,257,670</u>	<u>839,768,093</u>
NET ASSETS		<u>86,380,108</u>	<u>87,520,879</u>
REPRESENTED BY:			
Share capital		38,715,850	38,715,850
Reserves		31,050,087	29,211,960
Surplus on revaluation of assets	19	7,211,281	7,878,792
Unappropriated profit		9,402,890	11,714,277
		<u>86,380,108</u>	<u>87,520,879</u>
CONTINGENCIES AND COMMITMENTS	20		

The annexed notes 1 to 37 form an integral part of these condensed interim financial statements.

Director

Chief Executive Officer

Chief Financial Officer

Director

Director

INTERNAL

Standard Chartered Bank (Pakistan) Limited
Profit and Loss Account (Un-audited)
For the three months period ended 31 March 2023

	Note	Three months period ended 31 March 2023	Three months period ended 31 March 2022
(Rupees in '000)			
Mark-up / return / interest earned	21	32,792,009	16,393,164
Mark-up / return / interest expensed	22	(13,066,579)	(8,181,112)
Net mark-up / interest income		19,725,430	8,212,052
NON MARK-UP / INTEREST INCOME			
Fee and commission income	23	1,323,232	1,031,327
Dividend income		35	-
Foreign exchange income	24	612,652	1,983,354
Income / (loss) from derivatives		1,220,871	1,801,112
Gain / (loss) on securities	25	(2,472,098)	1,284,165
Other income	26	17,479	(9,001)
Total non mark-up / interest income		702,171	6,090,957
Total Income		20,427,601	14,303,009
NON MARK-UP / INTEREST EXPENSES			
Operating expenses	27	(3,796,591)	(3,033,932)
Workers welfare fund		(285,183)	(225,381)
Other charges	28	(1,465)	(11)
Total non mark-up / interest expenses		(4,083,239)	(3,259,324)
Profit before provisions		16,344,362	11,043,685
Reversals / (provisions) and write offs - net	29	(196,057)	730,317
Extra-ordinary / unusual items		-	-
PROFIT BEFORE TAXATION		16,148,305	11,774,002
Taxation	30	(6,957,668)	(4,712,488)
PROFIT AFTER TAXATION		9,190,637	7,061,514
		(Rupees)	(Rupees)
BASIC / DILUTED EARNINGS PER SHARE	31	2.37	1.82

The annexed notes 1 to 37 form an integral part of these condensed interim financial statements.

Director

Chief Executive Officer

Chief Financial Officer

Director

Director

INTERNAL


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

For the three months period ended 31 March 2023

	Three months period ended 31 March 2023	Three months period ended 31 March 2022
	----- (Rupees in '000) -----	
Profit after tax for the period	9,190,637	7,061,514
Other comprehensive income		
Items that may be reclassified to profit and loss account in subsequent periods:		
Movement in surplus / (deficit) on revaluation of investments - net of tax	(662,978)	48,762
Movement in surplus / (deficit) on revaluation of fixed assets - deferred tax rate impact	-	-
Items that will not be reclassified as to profit and loss account in subsequent periods	-	-
Total comprehensive income for the period	<u>8,527,659</u>	<u>7,110,276</u>

The annexed notes 1 to 37 form an integral part of these condensed interim financial statements.


Director


Chief Executive Officer


Chief Financial Officer


Director

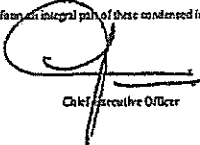

Director

Standard Chartered Bank (Pakistan) Limited
Statement of Changes in Equity (Un-audited)
For the three months period ended 31 March 2023

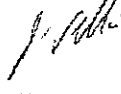
	Share Capital	Share Premium	Statutory Reserve	Surplus / (Deficit) on revaluation of		Unappropriated Profit	Total
				Investments	Fixed Assets		
	(Rupees in '000)						
Balance as at 01 January 2022	38,715,850	1,036,090	24,206,995	(497,072)	7,859,797	8,274,496	79,605,256
Total comprehensive income for the period						7,061,514	7,061,514
Profit after tax for the three months period ended from 1 January 2022 to 31 March 2022	-	-	-	-	-	7,061,514	7,061,514
Other comprehensive income	-	-	-	48,762	-	-	48,762
Movement in surplus / (deficit) on revaluation of investments - net of tax	-	-	-	48,762	-	-	48,762
Transactions with owners, recorded directly in equity							
Share based payment transactions (Contribution from holding Company)	-	-	-	-	-	7,771	7,771
Cash dividend (Final 2021) at Rs. 1.75 per share	-	-	-	-	-	(6,775,274)	(6,775,274)
Transfer to statutory reserve	-	-	1,412,303	-	-	(1,412,303)	-
Transferred from surplus on revaluation of fixed asset - net of deferred tax	-	-	-	-	(4,936)	4,936	-
Balance as at 31 March 2022 - Un-audited	38,715,850	1,036,090	25,619,298	(497,210)	7,854,861	7,161,140	79,918,029
Total comprehensive income for the period						12,782,861	12,782,861
Profit after tax for the nine months period ended from 01 April 2022 to 31 December 2022	-	-	-	-	-	12,782,861	12,782,861
Other comprehensive income	-	-	-	533,182	-	-	533,182
Movement in surplus on revaluation of investments - net of tax	-	-	-	533,182	-	-	533,182
Reassessment of post employment obligations - net of tax	-	-	-	-	-	8,290	8,290
Transactions with owners, recorded directly in equity							
Share based payment transactions (Contribution from holding Company)	-	-	-	-	-	83,956	83,956
Cash dividend (Interim 2022) at Rs. 1.50 per share	-	-	-	-	-	(5,807,378)	(5,807,378)
Transfer to statutory reserve	-	-	2,556,572	-	-	(2,556,572)	-
Surplus on revaluation - deferred tax rate impact	-	-	-	-	(28,052)	-	(28,052)
Realised on disposals during the period - net of deferred tax	-	-	-	-	(28,494)	28,494	-
Transferred from surplus on revaluation of fixed asset - net of deferred tax	-	-	-	-	(13,416)	13,416	-
Balance as at 31 December 2022 - Audited	38,715,850	1,036,090	28,175,870	93,973	7,781,819	11,714,277	87,520,879
Total comprehensive income for the period						9,190,637	9,190,637
Profit after tax for the three months period ended from 1 January 2023 to 31 March 2023	-	-	-	-	-	9,190,637	9,190,637
Other comprehensive income	-	-	-	(662,978)	-	-	(662,978)
Movement in surplus on revaluation of investments - net of tax	-	-	-	(662,978)	-	-	(662,978)
Transactions with owners, recorded directly in equity							
Share based payment transactions (Contribution from holding Company)	-	-	-	-	-	10,533	10,533
Cash dividend (Final 2022) at Rs. 2.50 per share	-	-	-	-	-	(9,678,963)	(9,678,963)
Transfer to statutory reserve	-	-	1,838,127	-	-	(1,838,127)	-
Fixed asset - net of deferred tax	-	-	-	-	(4,533)	4,533	-
Balance as at 31 March 2023 - Un-audited	38,715,850	1,036,090	30,013,997	(54,805)	7,787,286	9,482,890	86,380,108

The annexed notes 1 to 37 form an integral part of these condensed interim financial statements


 Director


 Chief Executive Officer


 Chief Financial Officer


 Director


 Director

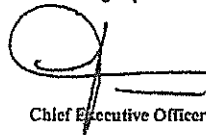
INTERNAL

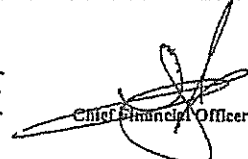
Standard Chartered Bank (Pakistan) Limited
Cash Flow Statement (Un-audited)
For the three months period ended 31 March 2023

	Note	31 March 2023	31 March 2022
(Rupees in '000)			
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before taxation for the period		16,148,305	11,774,002
Less: Dividend income		(35)	-
		<u>16,148,270</u>	<u>11,774,002</u>
Adjustments for:			
Depreciation	27	219,574	224,537
Amortization	27	-	-
Gain on sale of fixed assets	26	(8,715)	(1,325)
Unrealized (gain) on revaluation of investments classified as held for trading - net	25	(35,902)	(170,718)
Finance cost against lease		51,702	57,045
Gain on lease termination		4,941	-
(Reversals) / provisions and write offs - net	29	196,057	(730,317)
		<u>427,657</u>	<u>(620,778)</u>
		<u>16,575,927</u>	<u>11,153,224</u>
(Increase) \ decrease in operating assets			
Lending to financial institutions		(91,631,798)	(43,665,277)
Held-for-trading securities		(926,838)	(7,061,761)
Advances		(12,220,988)	(17,069,816)
Other assets (excluding advance taxation)		(14,926,329)	(15,475,046)
		<u>(119,705,953)</u>	<u>(83,271,900)</u>
Increase / (decrease) in operating liabilities			
Bills payable		(1,518,836)	(2,729,143)
Borrowings from financial institutions		(3,699,300)	45,119,218
Deposits		10,305,831	23,168,446
Other liabilities		6,826,109	(14,428,682)
		<u>11,913,804</u>	<u>51,129,839</u>
Cash inflow before taxation		(91,216,222)	(20,988,837)
Income tax paid		(3,170,958)	(2,421,846)
Net cash flow generated from operating activities		<u>(94,387,180)</u>	<u>(23,410,683)</u>
CASH FLOW FROM INVESTING ACTIVITIES			
Net investments in available for sale securities		105,408,306	17,508,040
Dividend received		35	-
Investment in fixed assets		(10,957)	(107,773)
Proceeds from sale of fixed assets		8,715	1,325
Net cash flow used in investing activities		<u>105,406,099</u>	<u>17,401,592</u>
CASH FLOW FROM FINANCING ACTIVITIES			
Dividend paid		(128,256)	(1,149)
Payment in respect of lease liability		(114,459)	(123,161)
Net cash flow used in financing activities		<u>(242,715)</u>	<u>(124,310)</u>
Increase / (decrease) in cash and cash equivalents for the period		<u>10,776,204</u>	<u>(6,133,401)</u>
Cash and cash equivalents at beginning of the period		<u>67,550,127</u>	<u>67,672,680</u>
Effect of exchange rate changes on cash and cash equivalents		<u>7,031,616</u>	<u>2,179,468</u>
		<u>74,581,743</u>	<u>69,852,148</u>
Cash and cash equivalents at end of the period		<u>85,357,947</u>	<u>63,718,747</u>
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD			
Cash and balances with treasury banks	6	64,734,616	54,580,620
Balances with other banks	7	27,124,624	9,140,474
Overdrawn nostros	15	(6,501,293)	(2,347)
		<u>85,357,947</u>	<u>63,718,747</u>

The annexed notes 1 to 37 form an integral part of these condensed interim financial statements.


Director


Chief Executive Officer


Chief Financial Officer


Director


Director

INTERNAL

Standard Chartered Bank (Pakistan) Limited

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

For the three months period ended 31 March 2023

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., incorporated in England. The registered office is at Standard Chartered Bank Building, I.I. Chundrigar Road, Karachi.

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

The Bank is engaged in the banking business as defined in the Banking Companies Ordinance, 1962 and has a total number of 40 branches in Pakistan including 2 Islamic branches (31 December 2022: 40 branches in Pakistan including 2 Islamic branches) in operation at 31 March 2023.

2 BASIS OF PREPARATION

2.1 Statement of compliance

The condensed interim financial statements has been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting 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 audited financial statements. However, investments have been classified and valued in accordance with the requirements prescribed by the SBP through various circulars.

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

The disclosures made in these condensed interim financial statements have been limited based on the format prescribed by the SBP vide BPRD Circular No. 5 dated March 22, 2019 and IAS 34. These condensed interim financial statements do not include all the information and disclosures required for annual financial statements and should be read in conjunction with the audited annual financial statements for the year ended 31 December 2022.

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

There are certain interpretations and amendments that are mandatory for the Bank's accounting periods beginning on or after 01 January 2023 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 condensed interim financial statements.

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

The following standards, amendments and interpretations as notified under the Companies Act, 2017 will be effective for accounting periods beginning on or after January 01, 2023:

Standard or Interpretation	Effective date (annual periods beginning on or after)
Lease Liability in a Sale and Leaseback - Amendments to IFRS 16	01 January 2024
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture -Amendments to IFRS 10 and IAS 28	01 January 2024

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

IFRS 9 'Financial Instruments' - SBP directed the banks to implement IFRS 9 with effect from 01 January 2024 vide BPRD circular no. 07 of 2023 dated April 13, 2023. 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 been complying with the requirement of SBP to have parallel run of IFRS 9 until its adoption.

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

Standard	IASB Effective date (annual periods beginning on or after)
IFRS 1 - First-time Adoption of International Financial Reporting Standards	July 01, 2009
IFRS 17 – Insurance Contracts	01 January 2023

3 SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual financial statements of the Bank for the year ended 31 December 2022.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The basis and the methods used for critical accounting estimates and judgments adopted in these condensed interim financial statements are the same as those applied in the preparation of the annual financial statements of the Bank for the year ended 31 December 2022.

5 FINANCIAL RISK MANAGEMENT

The financial risk management objectives and policies adopted by the Bank are consistent with those disclosed in the annual financial statements of the Bank for the year ended 31 December 2022.

INTERNAL

6	CASH AND BALANCES WITH TREASURY BANKS	<i>Note</i>	31 March 2023 (Un-audited)	31 December 2022 (Audited)
			(Rupees in '000)	
	In hand			
	- Local currency		5,632,137	4,726,792
	- Foreign currencies		12,524,515	8,351,423
	With State Bank of Pakistan in:			
	- Local currency current account	<i>6.1</i>	25,861,729	33,065,724
	- Local currency current account - Islamic Banking	<i>6.1</i>	3,810,938	8,445,224
	- Foreign currency deposit account			
	- Cash reserve account	<i>6.2</i>	5,561,046	4,785,732
	- Special cash reserve account	<i>6.2</i>	10,632,638	9,123,602
	- Local US Dollar collection account		677,707	402,751
	With National Bank of Pakistan in:			
	- Local currency current account		93	93
	Prize Bonds		33,813	17,304
			<u>64,734,616</u>	<u>68,918,645</u>
6.1	The local currency current account is maintained with the State Bank of Pakistan (SBP) as per the requirements of Section 22 of the Banking Companies Ordinance, 1962. This section requires banking companies to maintain a local currency cash reserve in the current account opened with the SBP at a sum not less than such percentage of its demand and time liabilities in Pakistan as may be prescribed by SBP.			
6.2	As per DMMD Circular No. 20 dated November 13, 2021, cash reserve of 6 percent and special cash reserve of 10 percent (for Islamic 6 percent) are required to be maintained with SBP on deposits held under the New Foreign Currency Accounts Scheme (FE-25 deposits).			
7	BALANCES WITH OTHER BANKS	<i>Note</i>	31 March 2023 (Un-audited)	31 December 2022 (Audited)
			(Rupees in '000)	
	In Pakistan			
	- In current accounts		14,888	19,329
	Outside Pakistan			
	- In current accounts	<i>7.1</i>	27,109,736	8,718,327
			<u>27,124,624</u>	<u>8,737,656</u>
7.1	This includes balances of Rs. 20,499.702 million (2022: Rs. 5,547.742 million) held with other branches and subsidiaries of Standard Chartered Group outside Pakistan.			
8	LENDINGS TO FINANCIAL INSTITUTIONS	<i>Note</i>	31 March 2023 (Un-audited)	31 December 2022 (Audited)
			(Rupees in '000)	
	Repurchase agreement lendings (Reverse Repo)	<i>8.1</i>	69,235,184	31,800,000
	Placements	<i>8.2</i>	73,682,904	19,486,290
			<u>142,918,088</u>	<u>51,286,290</u>
8.1	This carry mark-up rates ranging from 19.70 percent to 21.48 percent per annum (2021: 17.65 percent) per annum payable at maturity, and is due to mature in April 2023. This arrangement is governed under Master Repurchase Agreements.			
8.2	These represents placements with other branches and subsidiaries of Standard Chartered Group outside Pakistan at mark-up rates ranging from 2.85 percent to 4.9 percent per annum (2022: 1.35 percent to 4.4 percent per annum), and are due to mature in April 2023.			

8.3 Particulars of lending	Note	31 March 2023 (Un-audited)	31 December 2022 (Audited)
		(Rupees in '000)	
In local currency		69,235,184	31,800,000
In foreign currencies		73,682,904	19,486,290
	8.4	<u>142,918,088</u>	<u>51,286,290</u>

8.4 None of the lending to financial institutions were classified at period end.

9 INVESTMENTS

9.1 Investments by type	31 March 2023 (Un-audited)				31 December 2022 (Audited)			
	Cost / Amortised cost	Provision for diminution	Surplus / (Deficit)	Carrying Value	Cost / Amortised cost	Provision for diminution	Surplus / (Deficit)	Carrying Value
(Rupees in '000)								
<i>Held for trading securities</i>								
Federal Government Securities	1,381,654	-	35,902	1,417,556	454,816	-	(131,784)	323,032
	<u>1,381,654</u>	<u>-</u>	<u>35,902</u>	<u>1,417,556</u>	<u>454,816</u>	<u>-</u>	<u>(131,784)</u>	<u>323,032</u>
<i>Available for sale securities</i>								
Federal Government Securities	372,774,379	-	(1,055,111)	371,719,268	477,141,307	-	118,480	477,259,787
Shares	838,087	(734,398)	56,857	160,546	837,648	(734,398)	46,385	149,635
Non Government Debt Securities	147,000	(147,000)	-	-	147,000	(147,000)	-	-
	<u>373,759,466</u>	<u>(881,398)</u>	<u>(998,254)</u>	<u>371,879,814</u>	<u>478,125,955</u>	<u>(881,398)</u>	<u>164,865</u>	<u>477,409,422</u>
Total Investments	<u>375,141,120</u>	<u>(881,398)</u>	<u>(962,352)</u>	<u>373,297,370</u>	<u>478,580,771</u>	<u>(881,398)</u>	<u>33,081</u>	<u>477,732,454</u>

9.1.1 Investments given as collateral	Note	31 March 2023 (Un-audited)	31 December 2022 (Audited)
		(Rupees in '000)	
Market Treasury Bills		18,433	-
Pakistan Investment Bonds		-	18,664
	9.3	<u>18,433</u>	<u>18,664</u>

9.2 Provision for diminution in the value of investments

	(Rupees in '000)	
	31 March 2023 (Un-audited)	31 December 2022 (Audited)
Opening balance	881,398	881,398
Charge for the period / year	-	-
Closing Balance	<u>881,398</u>	<u>881,398</u>

9.2.1 Particulars of provision against debt securities

Category of classification	31 March 2023 (Un-audited)		31 December 2022 (Audited)	
	Non Performing Investment	Provision	Non Performing Investment	Provision
Domestic	(Rupees in '000)			
Loss	<u>147,000</u>	<u>147,000</u>	<u>147,000</u>	<u>147,000</u>

10 ADVANCES	Note	Performing		Non Performing		Total	
		31 March 2023 (Un-audited)	31 December 2022 (Audited)	31 March 2023 (Un-audited)	31 December 2022 (Audited)	31 March 2023 (Un-audited)	31 December 2022 (Audited)
		(Rupees in '000)					
Loans, cash credits, running finances, etc.		165,692,699	156,192,408	19,941,956	19,485,579	185,634,655	175,677,987
Islamic financing and related assets		58,407,666	56,346,207	1,535,378	1,751,236	59,943,044	58,097,443
Bills discounted and purchased (excluding treasury bills)		3,832,203	3,147,283	-	-	3,832,203	3,147,283
Advances - gross	10.1	227,932,568	215,685,898	21,477,334	21,236,815	249,409,902	236,922,713
Provision for non-performing advances							
- Specific	10.3	-	-	(20,172,733)	(19,692,817)	(20,172,733)	(19,692,817)
- General	10.3	(1,004,008)	(1,022,200)	-	-	(1,004,008)	(1,022,200)
Advances - net of provision				(20,172,733)	(19,692,817)	(21,176,741)	(20,715,017)
		226,928,560	214,663,698	1,304,601	1,543,998	228,233,161	216,207,696

10.1 Particulars of advances - gross	31 March 2023 (Un-audited)	31 December 2022 (Audited)
	(Rupees in '000)	
In local currency	247,432,033	235,226,425
In foreign currencies	1,977,869	1,696,288
	249,409,902	236,922,713

10.2 Advances include Rs. 21,477.334 million (31 December 2022: Rs. 21,236.815 million) which have been placed under non-performing status as detailed below:

Category of classification	31 March 2023 (Un-audited)		31 December 2022 (Audited)	
	Non Performing Loans	Provision	Non Performing Loans	Provision
	(Rupees in '000)			
Domestic				
Other assets especially mentioned	160,991	-	187,726	13
Substandard	317,396	20,889	311,236	19,674
Doubtful	499,146	145,614	868,052	353,321
Loss	20,499,801	20,006,230	19,869,801	19,319,809
	21,477,334	20,172,733	21,236,815	19,692,817

10.2.1 At 31 March 2023, the provision requirement has been reduced by Rs. 495.904 million (31 December 2022: Rs. 518.584 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. 282.665 million due to the said FSV benefit is not available for distribution of cash and stock dividend / bonus to employees.

10.3 Particulars of provision against advances	31 March 2023 (Un-audited)			31 December 2022 (Audited)		
	Specific	General	Total	Specific	General	Total
	(Rupees in '000)					
Opening balance	19,692,817	1,022,200	20,715,017	19,544,268	2,187,627	21,731,895
Charge for the period / year	311,692	2,071	313,763	1,184,921	9,940	1,194,861
Reversals	(95,594)	(20,263)	(115,857)	(1,139,022)	(1,175,367)	(2,314,389)
	216,098	(18,192)	197,906	45,899	(1,165,427)	(1,119,528)
Amounts written off	(125,818)	-	(125,818)	(236,423)	-	(236,423)
Other movements (including FX adjustments)	389,636	-	389,636	339,073	-	339,073
Closing balance	20,172,733	1,004,008	21,176,741	19,692,817	1,022,200	20,715,017

10.3.1 General provision includes provision amounting to Rs 1,004.008 million (31 December 2022: Rs 1,022.200 million) against the consumer finance portfolio.

11 FIXED ASSETS	Note	31 March 2023 (Un-audited)	31 December 2022 (Audited)
		(Rupees in '000)	
Capital work-in-progress	11.1	840,399	841,538
Property and equipment	11.4	10,328,417	10,632,644
		11,168,816	11,474,182
11.1 Capital work-in-progress			
Civil works		86,158	129,393
Equipment		754,241	712,145
		840,399	841,538

INTERNAL

	31 March 2023 (Un-audited)	31 March 2022 (Un-audited)
	----- (Rupees in '000) -----	
11.2 Additions / (transfers) to fixed assets		
The following additions / (transfers) have been made to fixed assets during the period:		
Capital work-in-progress - net	(1,139)	63,355
Building on leasehold land - owned	-	1,213
Furniture and fixture	3,030	-
Electrical office and computer equipment	9,065	43,205
	<u>12,095</u>	<u>44,418</u>

11.3 Disposal of fixed assets

The net book value of fixed assets disposed off during the period is Rs. Nil (31 March 2022: Rs. Nil). In addition net book value upon derecognition of Right of use asset (ROU) during the period amounted to Rs. 96.2 million (31 March 2022: Rs Nil)

11.4 This also includes Right of use asset (ROU) in line with IFRS 16 amounting to Rs 1,518.830 million (31 December 2022: Rs 1,589.471 million)

12 INTANGIBLE ASSETS

	<i>Note</i>	31 March 2023 (Un-audited)	31 December 2022 (Audited)
		----- (Rupees in '000) -----	
Goodwill		26,095,310	26,095,310
Computer Software	12.1	-	-
		<u>26,095,310</u>	<u>26,095,310</u>

12.1 The above mentioned items under intangible assets are fully amortized.

	<i>Note</i>	31 March 2023 (Un-audited)	31 December 2022 (Audited)
		----- (Rupees in '000) -----	
13 OTHER ASSETS			
Income / mark-up accrued in local currency		6,638,215	9,219,776
Income / mark-up accrued in foreign currencies		60,733	30,454
Advances, deposits, advance rent and other prepayments		359,959	256,034
Defined benefit plans		32,270	32,270
Branch adjustment account		132,345	-
Mark to market gain on forward foreign exchange contracts		684,612	277,236
Interest rate derivatives and currency options - positive fair value		134,440	142,689
Receivable from SBP / Government of Pakistan		846,937	1,047,900
Receivable from associated undertakings		42,647	101,639
Assets Held for Sale	13.1	1,318,975	1,318,975
Receivable from Standard Chartered Bank, Sri Lanka operations		26,278	26,141
Advance Federal Excise Duty		199,747	199,747
Cards Settlement account		4,913,750	6,015,905
Acceptances		7,356,196	4,788,892
Unsettled trades - Debt Securities	13.2	54,891,429	42,718,948
Sundry receivables		407,758	623,965
Others		107,278	123,944
		<u>78,153,569</u>	<u>66,924,515</u>
Less: Provision held against other assets	13.3	(87,776)	(87,776)
Other Assets - net of provisions		<u>78,065,793</u>	<u>66,836,739</u>

INTERNAL

13.1 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. 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.

13.2 This represents receivable against sale of securities settled on T+2 basis.

13.3 **Provision held against other assets**

Note	31 March 2023 (Un-audited)	31 December 2022 (Audited)
	(Rupees in '000)	
Others - Trade related	35,495	35,495
Others - Fee related	52,281	52,281
	<u>87,776</u>	<u>87,776</u>

14 **BILLS PAYABLE**

In Pakistan	12,717,609	14,349,273
Outside Pakistan	584,172	471,344
	<u>13,301,781</u>	<u>14,820,617</u>

15 **BORROWINGS**

In Pakistan	21,289,874	24,989,061
Outside Pakistan	6,501,180	3,074,558
	<u>27,791,054</u>	<u>28,063,619</u>

15.1 **Details of borrowings secured / unsecured**

Secured

Borrowings from State Bank of Pakistan under Export Refinance (ERF) scheme	15.1.1	20,485,050	24,173,044
State Bank of Pakistan - LTFF		113,055	124,361
Financing facility for renewable energy plants		691,656	691,656
		<u>21,289,761</u>	24,989,061

Unsecured

Overdrawn nostro accounts		6,501,293	3,074,558
		<u>27,791,054</u>	<u>28,063,619</u>

15.1.1 Mark-up / profit on Export Refinance (ERF) from State Bank of Pakistan is charged at 16 percent (2022: 9 percent to 10 percent) per annum and are due to mature latest by September 2023. ERF borrowings also include borrowings under Islamic Export Refinance scheme amounting to Rs. 4,592 million (2022: Rs. 5,022 million). These borrowings are secured against demand promissory notes executed by the Bank in favour of State Bank of Pakistan.

18 OTHER LIABILITIES	Note	31 March 2023 (Un-audited)	31 December 2022 (Audited)
------(Rupees in '000)-----			
Mark-up / return / interest payable in local currency		1,944,566	710,376
Mark-up / return / interest payable in foreign currencies		6,224	3,236
Accrued expenses		2,955,430	3,596,902
Advance payments		741,493	690,971
Sundry creditors		9,818,354	13,695,777
Mark to market loss on forward foreign exchange contracts		395,203	169,502
Unrealized loss on interest rate derivatives and currency options		21,150,789	12,341,108
Due to Holding Company	18.1	30,418,416	20,837,568
Taxation (provisions less payments)		3,062,261	739,582
Clearing and settlement accounts		2,866,874	8,848,884
Charity fund balance		11,292	18,354
Dividend payable		270,370	172,961
Branch adjustment account		-	103,376
Provision against off balance sheet obligations	18.2	216,819	189,808
Worker's welfare fund (WWF) payable	18.3	4,260,763	3,975,581
Lease liability	18.4	1,693,935	1,847,964
Short sell - Federal Government Securities		2,122,037	-
Acceptances		7,356,196	4,788,892
Unsettled trades	18.5	152,779	-
Others		1,125,726	348,264
		<u>90,569,527</u>	<u>73,079,106</u>
18.1 Due to Holding Company			
On account of reimbursement of executive and general administrative expenses		10,250,476	10,250,476
Dividend and other payable		20,167,940	10,587,092
		<u>30,418,416</u>	<u>20,837,568</u>
18.2 Provision against off-balance sheet obligations			
Opening balance		189,808	233,808
Charge for the period / year		27,111	7,241
Reversals		-	(51,241)
Closing balance		<u>216,919</u>	<u>189,808</u>

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

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

18.4 This represents liabilities on leases meeting the criteria prescribed within IFRS 16.

18.5 This represents payable against purchase of securities settled on T+2 basis.

19 SURPLUS ON REVALUATION OF ASSETS - NET OF DEFERRED TAX	31 March 2023 (Un-audited)	31 December 2022 (Audited)
Note	(Rupees in '000)	
Surplus / (deficit) arising on revaluation of:		
Fixed assets	8,061,012	8,068,965
Available for Sale Securities	(998,254)	164,865
	<u>7,062,758</u>	<u>8,233,830</u>
Deferred tax on surplus on revaluation of:		
Fixed assets	(280,726)	(284,146)
Available for Sale Securities	429,249	(70,892)
	<u>148,523</u>	<u>(355,038)</u>
	<u>7,211,281</u>	<u>7,878,792</u>
19.1 Surplus on revaluation of fixed assets - net of tax		
Surplus on revaluation of fixed assets as at 1 January	8,068,965	8,129,978
Recognised during the year	-	-
Realised on disposal during the period	-	(28,694)
Transferred to unappropriated profit in respect of incremental depreciation charged during the year	(7,953)	(32,319)
Surplus on revaluation of fixed assets - Gross	8,061,012	8,068,965
Less: Related deferred tax liability on:		
Revaluation surplus as at 1 January	(284,146)	(270,181)
Revaluation surplus recognised during the period	-	-
Surplus realized on disposal during the period	-	200
Deferred tax rate impact	-	(28,062)
Incremental depreciation charged during the period	3,420	13,897
	<u>(280,726)</u>	<u>(284,146)</u>
Surplus on revaluation of fixed assets - net of tax	<u>7,780,286</u>	<u>7,784,819</u>
19.2 (Deficit) / Surplus on revaluation of Available for Sale securities - net of tax		
Market Treasury Bills	(997,082)	(713,450)
Pakistan Investment Bonds	0	834,425
Sukuk and Ijarah Bonds	(58,029)	(2,495)
Listed shares	56,856	46,384
	<u>(998,254)</u>	<u>164,865</u>
Related deferred tax asset / (liability)	429,249	(70,892)
	<u>(569,005)</u>	<u>93,973</u>
20 CONTINGENCIES AND COMMITMENTS		
Guarantees	180,196,861	164,596,737
Commitments	131,445,417	181,866,138
Other contingent liabilities	30,736,676	30,736,676
	<u>342,378,955</u>	<u>377,199,551</u>
20.1 Guarantees:		
Guarantees issued favouring:		
Financial guarantees	11,520,027	11,464,512
Performance guarantees	122,811,700	108,968,856
Other guarantees	45,865,134	44,163,369
	<u>180,196,861</u>	<u>164,596,737</u>
20.2 Commitments:		
Documentary credits and short-term trade-related transactions		
Letters of credit	18,844,850	35,040,339
Commitments in respect of:		
Forward foreign exchange contracts;		
- Purchase	54,537,638	94,999,666
- Sale	12,375,012	4,669,999
Commitment in respect of derivatives		
- Interest rate swaps	13,094,800	12,604,238
- Cross currency swaps	32,390,525	34,120,092
Commitment in respect of operating lease	606	850
Commitment for acquisition of fixed assets	201,987	430,954
	<u>131,445,417</u>	<u>181,866,138</u>
20.3 Other contingent liabilities	<u>30,736,676</u>	<u>30,736,676</u>

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 2021 (tax years 2008 to 2022 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.

20.4 Commitments in respect of forward foreign exchange contracts	31 March 2023	31 December
	(Un-audited)	2022 (Audited)
	(Rupees in '000)	
Purchase from:		
State Bank of Pakistan	50,127,295	56,451,740
Other banks	2,717,855	35,844,802
Customers	1,692,487	2,703,124
	<u>54,537,638</u>	<u>94,999,666</u>
Sale to:		
State Bank of Pakistan	-	-
Other banks	2,643,994	3,770,185
Customers	9,731,018	899,814
	<u>12,375,012</u>	<u>4,669,999</u>

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

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	31 March 2023	31 December
	(Un-audited)	2022 (Audited)
	(Rupees in '000)	
Interest rate Swaps		
- Purchase	3,547,400	3,302,119
- Sale	9,547,400	9,302,119
	<u>13,094,800</u>	<u>12,604,238</u>
Cross currency Swaps		
- Purchase	-	-
- Sale	32,390,525	34,120,092
	<u>32,390,525</u>	<u>34,120,092</u>
20.7 Commitments in respect of operating lease		
Not later than one year	332	-
Later than one year and not later than five years	274	850
Later than five years	-	-
	<u>606</u>	<u>850</u>

20.8 Derivative instruments

20.8.1 Product analysis

Counterparties	31 March 2023 (Un-audited)					
	(Rupees in '000)					
	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	3,547,400	134,440	5,106,789	(603,103)	-	-
Market Making	-	-	243,163	(218,551)	-	-
With FIs other than banks						
Hedging	-	-	-	-	-	-
Market Making	-	-	-	-	-	-
With other entities for						
Hedging	-	-	-	-	-	-
Market Making	9,547,400	(1,314,174)	27,040,573	(19,014,961)	-	-
Total						
Hedging	3,547,400	134,440	5,106,789	(603,103)	-	-
Market Making	9,547,400	(1,314,174)	27,283,736	(19,233,512)	-	-
	<u>9,547,400</u>	<u>(1,314,174)</u>	<u>27,283,736</u>	<u>(19,233,512)</u>	<u>-</u>	<u>-</u>
	31 December 2022 (audited)					
	(Rupees in '000)					
	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	3,302,119	142,689	4,478,469	(612,818)	-	-
Market Making	-	-	303,953	(170,404)	-	-
With FIs other than banks						
Hedging	-	-	-	-	-	-
Market Making	-	-	-	-	-	-
With other entities for						
Hedging	-	-	-	-	-	-
Market Making	9,302,119	(1,022,125)	29,337,670	(10,535,761)	-	-
Total						
Hedging	3,302,119	142,689	4,478,469	(612,818)	-	-
Market Making	9,302,119	(1,022,125)	29,641,623	(10,706,165)	-	-
	<u>9,302,119</u>	<u>(1,022,125)</u>	<u>29,641,623</u>	<u>(10,706,165)</u>	<u>-</u>	<u>-</u>

* At the exchange rate prevailing at period end.

21	MARK-UP / RETURN / INTEREST EARNED	Note	Three months	Three months
			period ended	period ended
			31 March 2023	31 March 2022
			(Un-audited)	(Un-audited)
			----- (Rupees in '000) -----	
	On loans and advances to customers		9,703,670	6,219,878
	On loans and advances to financial institutions		29,091	5,315
	On investments		21,290,629	10,089,310
	On deposits with financial institutions / State Bank of Pakistan		185,915	1,295
	On securities purchased under resale agreements		1,331,159	53,993
	On call money lending / placements		251,545	23,373
			<u>32,792,009</u>	<u>16,393,164</u>
22	MARK-UP / RETURN / INTEREST EXPENSED			
	Deposits		11,873,297	7,241,571
	Securities sold under repurchase agreements		95,245	456,676
	Call borrowings		-	667
	Borrowings from State Bank of Pakistan under Export Refinance (ERF) sche		576,696	118,702
	Cost of foreign currency swaps against foreign currency deposits / borrowing		326,047	166,790
	Deposit protection premium	22.1	143,592	139,661
	Finance cost of lease liability		51,702	57,045
			<u>13,066,579</u>	<u>8,181,112</u>
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			
			Three months	Three months
			period ended	period ended
			31 March 2023	31 March 2022
			(Un-audited)	(Un-audited)
			----- (Rupees in '000) -----	
	Branch banking customer fees		97,461	94,250
	Consumer finance related fees		11,010	11,041
	Card related fees (debit and credit cards)		244,344	439,131
	Credit related fees		1,802	1,852
	Investment banking fees		61,393	35,501
	Brokerage charges		(4,363)	(17,791)
	Commission on trade and cash management		722,829	245,014
	Commission on guarantees		90,136	116,845
	Commission on remittances including home remittances		38,051	55,973
	Commission on bancassurance		9,248	11,699
	Custody Fees		51,321	37,812
			<u>1,323,232</u>	<u>1,031,327</u>
24	FOREIGN EXCHANGE INCOME			
	Gain/ (loss) realised from dealing in :			
	Foreign Currencies		1,403,546	1,982,678
	Derivative financial instruments		(790,894)	676
			<u>612,652</u>	<u>1,983,354</u>
25	GAIN / (LOSS) ON SECURITIES			
	Realised	25.1	(2,508,000)	1,113,447
	Unrealised - held for trading	9.1	35,902	170,718
			<u>(2,472,098)</u>	<u>1,284,165</u>
25.1	Realised gain on:			
	Federal Government Securities			
	Market Treasury Bills		776,769	669,696
	Pakistan Investment Bonds		(4,307,125)	442,322
	Ijarah Sukuk		1,022,356	1,429
			<u>(2,508,000)</u>	<u>1,113,447</u>
26	OTHER INCOME			
	Rent on property		2,767	2,592
	Gain on sale of fixed assets - net		8,715	1,325
	Sri Lanka branch operations cost & FX translation		10,499	(12,918)
	Loss on lease termination		(4,941)	-
	Gain on acquisition of assets		439	-
			<u>17,479</u>	<u>(9,001)</u>

27	OPERATING EXPENSES	Note	Three months period ended	Three months period ended
			31 March 2023 (Un-audited)	31 March 2022 (Un-audited)
			(Rupees in '000)	
	Total compensation expense		2,283,433	1,702,967
	Property expense			
	Rent & taxes		41,751	24,417
	Insurance		2,050	3,112
	Utilities cost		99,153	64,852
	Security (including guards)		53,154	51,290
	Repair & maintenance		55,345	65,374
	Civil works		37,599	38,920
	Facilities management cost		37,248	33,503
	Depreciation (Property related)		26,922	26,199
	Depreciation (Right of use assets)		98,029	114,569
	Cleaning and Janitorial		117,404	103,633
	Minor improvements, additions and others		43,144	32,211
			611,799	558,080
	Information technology expenses			
	Software maintenance		67,443	78,248
	Hardware maintenance		101,931	52,553
	Depreciation (IT related)		72,368	71,900
	Network charges		514	2,236
			242,256	204,937
	Other operating expenses			
	Directors' fees and allowances		2,650	3,100
	Fees and allowances to Shariah Board		4,945	4,665
	Legal & professional costs		45,581	37,777
	Outsourced services costs		26,963	26,714
	Travelling & conveyance		51,595	19,146
	Depreciation (Other fixed assets)		22,255	11,869
	Training & development		3,630	279
	Postage & courier charges		32,189	35,795
	Communication		122,128	94,611
	Stationery & printing		52,294	61,150
	Marketing, advertisement & publicity		102,758	122,036
	Auditors remuneration		6,750	8,076
	Cash transportation services		21,084	13,112
	Documentation and processing charges		50,077	39,231
	Insurance		6,339	4,475
	Others		107,865	85,912
			659,103	567,948
			3,796,591	3,033,932
28	OTHER CHARGES			
	Net charge against fines and penalties imposed by SBP		1,465	11
29	(PROVISIONS) / REVERSALS & WRITE OFFS - NET			
	Provision against loans and advances	10.3	(197,906)	699,588
	Provision against off-balance sheet obligations - net	18.2	(27,111)	500
	Recovery of amounts written off		108,779	86,222
	Bad debts written off directly		(79,285)	(55,993)
	Fixed assets write offs		(534)	-
			(196,057)	730,317
30	TAXATION			
	- Current		6,972,801	4,314,065
	- Deferred		(15,133)	398,423
			6,957,668	4,712,488
31	EARNINGS PER SHARE - BASIC AND DILUTED			
	Profit for the period		9,190,637	7,061,514
			(Number of shares)	
	Weighted average number of ordinary shares		3,871,585,021	3,871,585,021
			(Rupees)	(Rupees)
	Earnings per share - basic and diluted		2.37	1.82

32 FAIR VALUE

32.1 Fair value of financial instrument

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

On balance sheet financial instruments		31 March 2023 (Un-audited)						Fair value			Total
		Carrying value					Total	Level 1	Level 2	Level 3	
Note	Held for Trading	Available for Sale	Loans and Receivables	Other financial Assets	Other financial Liabilities						
(Rupees in '000)											
Financial assets measured at fair value											
Investments											
	Federal Government Securities (T-bills + PIBs + Sukuks + Naya Pakistan Certificates)	1,417,556	371,719,268	-	-	-	373,136,824	-	373,136,824	-	373,136,824
	Equity securities traded (Shares)	-	110,546	-	-	-	110,546	110,546	-	-	110,546
Financial assets not measured at fair value											
	Cash and bank balances with SBP and NBP	32.2	-	-	64,734,616	-	64,734,616	-	-	-	64,734,616
	Balances with other banks	32.2	-	-	27,124,624	-	27,124,624	-	-	-	27,124,624
	Lending to financial institutions	32.2	-	-	142,918,088	-	142,918,088	-	-	-	142,918,088
	Investments - ordinary shares	32.2	-	50,000	-	-	-	-	-	-	50,000
	Advances	32.2	-	-	228,233,161	-	228,233,161	-	-	-	228,233,161
	Other assets	32.2	-	-	77,268,178	-	77,268,178	-	-	-	77,268,178
			1,417,556	371,879,814	228,233,161	312,045,806	-	913,576,037	-	-	913,576,037
Financial liabilities not measured at fair value											
	Bills Payable	32.2	-	-	-	13,301,781	13,301,781	-	-	-	13,301,781
	Deposits and other accounts	32.2	-	-	-	728,755,820	728,755,820	-	-	-	728,755,820
	Borrowings	32.2	-	-	-	27,791,054	27,791,054	-	-	-	27,791,054
	Other liabilities (excluding liabilities against assets subject to finance lease)	32.2	-	-	-	88,036,525	88,036,525	-	-	-	88,036,525
			-	-	-	857,885,180	857,885,180	-	-	-	857,885,180
Off-balance sheet financial instruments											
	Interest Rate swaps / Foreign currency options / Forward purchase contracts		-	-	-	58,085,037	58,085,037	-	58,904,089	-	58,904,089
	Interest Rate swaps / Foreign currency options / Forward sale contracts		-	-	-	54,312,938	54,312,938	-	75,858,930	-	75,858,930
On balance sheet financial instruments											
		31 December 2022 (audited)						Fair value			Total
		Carrying value					Total	Level 1	Level 2	Level 3	
Note	Held for Trading	Available for Sale	Loans and Receivables	Other financial Assets	Other financial Liabilities						
(Rupees in '000)											
Financial assets measured at fair value											
Investments											
	Federal Government Securities (T-bills + PIBs + Sukuks + Naya Pakistan Certificates)	323,032	477,259,787	-	-	-	477,582,819	-	477,582,819	-	477,582,819
	Equity securities traded (Shares)	-	99,635	-	-	-	99,635	99,635	-	-	99,635
Financial assets not measured at fair value											
	Cash and bank balances with SBP and NBP	32.2	-	-	68,918,645	-	68,918,645	-	-	-	68,918,645
	Balances with other banks	32.2	-	-	8,737,656	-	8,737,656	-	-	-	8,737,656
	Lending to financial institutions	32.2	-	-	51,286,290	-	51,286,290	-	-	-	51,286,290
	Investments - ordinary shares	32.2	-	50,000	-	-	-	-	-	-	50,000
	Advances	32.2	-	-	216,207,096	-	216,207,096	-	-	-	216,207,096
	Other assets	32.2	-	-	66,292,186	-	66,292,186	-	-	-	66,292,186
			323,032	477,409,422	216,207,096	195,234,777	-	839,174,927	-	-	839,174,927
Financial liabilities not measured at fair value											
	Bills Payable	32.2	-	-	-	14,820,617	14,820,617	-	-	-	14,820,617
	Deposits and other accounts	32.2	-	-	-	718,449,989	718,449,989	-	-	-	718,449,989
	Borrowings	32.2	-	-	-	28,063,619	28,063,619	-	-	-	28,063,619
	Other liabilities (excluding liabilities against assets subject to finance lease)	32.2	-	-	-	70,355,122	70,355,122	-	-	-	70,355,122
			-	-	-	831,689,347	831,689,347	-	-	-	831,689,347
Off-balance sheet financial instruments											
	Interest Rate swaps / Foreign currency options / Forward purchase contracts		-	-	-	98,301,785	98,301,785	-	98,721,710	-	98,721,710
	Interest Rate swaps / Foreign currency options / Forward sale contracts		-	-	-	48,692,212	48,692,212	-	60,602,822	-	60,602,822

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

32.3 Fair value of non-financial assets

	31 March 2023 (Un-audited)				31 December 2022 (audited)			
	Carrying value	Fair value			Carrying value	Fair value		
		Level 1	Level 2	Level 3		Level 1	Level 2	Level 3
	----- Rupees in '000 -----				----- Rupees in '000 -----			
Fixed assets	11,168,816	-	-	11,168,816	11,474,182	-	-	11,474,182

32.4 During the period ended 31 March 2023, 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.

32.5 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.

33 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.

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 note 36 for Islamic Banking Business.

33.1 Segment Details with respect to Business Activities

	Three months period ended 31 March 2023 (Un-audited)			
	Corporate Commercial Institutional Banking	Consumer Private Business Banking	Central and Other Items	Total
	----- (Rupees in '000) -----			
Profit & Loss				
Inter segment revenue - net	6,264,877	9,862,350	(16,127,227)	-
Net mark-up / return / profit	1,690,775	(3,024,349)	21,059,004	19,725,430
Non mark-up / return / interest income	1,891,852	1,637,972	(2,827,653)	702,171
Total Income	9,847,504	8,475,973	2,104,124	20,427,601
Segment direct expenses	1,158,204	2,326,904	598,131	4,083,239
Inter segment expense allocation	-	-	-	-
Total expenses	1,158,204	2,326,904	598,131	4,083,239
(Reversals) / provisions	147,468	48,055	534	196,057
Profit before taxation	8,541,832	6,101,014	1,505,459	16,148,305
Balance Sheet	31 March 2023 (Un-audited)			
Cash & Bank balances	-	-	91,859,240	91,859,240
Investments	1,417,559	50,000	371,829,811	373,297,370
Net inter segment lending	164,305,640	315,558,742	(479,864,382)	-
Lending to financial institutions	-	-	142,918,088	142,918,088
Advances - performing	183,013,696	43,914,864	-	226,928,560
- Non performing	309,847	994,754	-	1,304,601
Others	80,348,004	15,163,080	19,818,835	115,329,919
Total Assets	429,394,746	375,681,440	146,561,592	951,637,778
Borrowings	-	-	27,791,054	27,791,054
Deposits & other accounts	355,823,504	372,917,356	14,960	728,755,820
Net inter segment borrowing	-	-	-	-
Others	73,571,242	2,764,084	32,375,470	108,710,796
Total liabilities	429,394,746	375,681,440	60,181,484	865,257,670
Equity	-	-	86,380,108	86,380,108
Total Equity & liabilities	429,394,746	375,681,440	146,561,592	951,637,778
Contingencies & Commitments	244,155,196	371,840	97,851,919	342,378,955
	Three months period ended 31 March 2022 (Un-audited)			
Inter segment revenue - net	2,207,252	5,477,187	(7,684,439)	-
Net mark-up / return / profit	(62,656)	(1,623,527)	9,898,235	8,212,052
Non mark-up / return / interest income	4,726,004	1,289,210	75,743	6,090,957
Total Income	6,870,600	5,142,870	2,289,539	14,303,009
Segment direct expenses	899,550	1,961,901	397,873	3,259,324
Inter segment expense allocation	-	-	-	-
Total expenses	899,550	1,961,901	397,873	3,259,324
(Reversals) / provisions	(643,788)	(86,529)	-	(730,317)
Profit before taxation	6,614,838	3,267,498	1,891,666	11,774,002
Balance Sheet	31 December 2022 (Audited)			
Cash & Bank balances	-	-	77,656,301	77,656,301
Investments	323,036	50,000	477,359,418	477,732,454
Net inter segment lending	155,328,894	322,546,472	(477,875,366)	-
Lending to financial institutions	-	-	51,286,290	51,286,290
Advances - performing	169,863,579	44,800,119	-	214,663,698
- Non performing	531,869	1,012,129	-	1,543,998
Others	64,929,995	14,638,632	24,837,604	104,406,231
Total Assets	390,977,373	383,047,352	153,264,247	927,288,972
Borrowings	-	-	28,063,619	28,063,619
Deposits & other accounts	337,038,043	381,399,385	12,561	718,449,989
Net inter segment borrowing	-	-	-	-
Others	53,939,330	1,647,967	37,667,188	93,254,485
Total liabilities	390,977,373	383,047,352	65,743,368	839,768,093
Equity	-	-	87,520,879	87,520,879
Total Equity & liabilities	390,977,373	383,047,352	153,264,247	927,288,972
Contingencies & Commitments	246,035,098	326,309	130,838,144	377,199,551

34 RELATED PARTY TRANSACTIONS

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

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

	31 March 2023 (Un-audited)				31 December 2022 - audited			
	Parent	Directors	Key management personnel	Other related parties	Parent	Directors	Key management personnel	Other related parties
	(Rupees in '000)							
Balances with other banks								
In current accounts	20,499,702	-	-	-	5,547,742	-	-	-
In deposit accounts	-	-	-	-	-	-	-	-
	<u>20,499,702</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,547,742</u>	<u>-</u>	<u>-</u>	<u>-</u>
Lending to financial institutions								
Opening balance period / year	19,486,290	-	-	-	6,560,984	-	-	-
Addition during the period / year	90,549,342	-	-	-	1,754,767,391	-	-	-
Repaid during the period / year	(36,352,728)	-	-	-	(1,741,842,085)	-	-	-
Closing balance period / year	<u>73,682,904</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>19,486,290</u>	<u>-</u>	<u>-</u>	<u>-</u>
Advances								
Opening balance period / year	-	76	215,089	-	-	84	217,158	-
Addition during the period / year	-	176	36,640	-	-	5,097	148,147	-
Repaid during the period / year	-	(252)	(51,518)	-	-	(5,105)	(128,776)	-
Transfer in / (out) - net	-	-	-	-	-	-	(21,440)	-
Closing balance period / year	<u>-</u>	<u>76</u>	<u>200,211</u>	<u>-</u>	<u>-</u>	<u>76</u>	<u>215,089</u>	<u>-</u>
Provision held against advances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other Assets								
Interest / mark-up accrued	24,066	-	1,029	-	11,594	-	1,105	-
Receivable from staff retirement fund	-	-	-	32,270	-	-	-	32,270
Due from associated undertakings	68,925	-	-	-	127,780	-	-	-
Other receivable	-	-	-	-	-	-	-	-
	<u>92,991</u>	<u>-</u>	<u>1,029</u>	<u>32,270</u>	<u>139,374</u>	<u>-</u>	<u>1,105</u>	<u>32,270</u>
Borrowings								
Opening balance period / year	3,074,559	-	-	-	10,846	-	-	-
Borrowings during the period / year	3,426,542	-	-	-	3,074,558	-	-	-
Settled during the period / year	-	-	-	-	(10,845)	-	-	-
Closing balance period / year	<u>6,501,101</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,074,559</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deposits and other accounts								
Opening balance period / year	542,284	3,340	150,835	84,277	732,691	155,902	144,835	116,030
Received during the period / year	347,686	231,194	379,042	5,465,059	35,276	186,597	940,665	3,765,295
Withdrawn during the period / year	(38,898)	(227,894)	(255,381)	(5,384,308)	(225,683)	(177,321)	(942,697)	(3,797,048)
Transfer in / (out) - net	-	43	-	-	-	(161,838)	8,032	-
Closing balance period / year	<u>851,072</u>	<u>6,683</u>	<u>274,496</u>	<u>165,028</u>	<u>542,284</u>	<u>3,340</u>	<u>150,835</u>	<u>84,277</u>
Other Liabilities								
Due to holding company	30,418,416	-	-	-	20,837,568	-	-	-
Other liabilities	-	4	-	-	-	-	-	-
	<u>30,418,416</u>	<u>4</u>	<u>-</u>	<u>-</u>	<u>20,837,568</u>	<u>-</u>	<u>-</u>	<u>-</u>
Contingencies and Commitments								
Transaction-related contingent liabilities - guarantees	81,642,569	-	-	-	70,335,480	-	-	-
Commitments in respect of forward foreign exchange contracts	2,662,922	-	-	-	3,691,387	-	-	-
Derivatives								
Derivative instruments - Interest rate swaps - notional	4,008,946	-	-	-	3,828,190	-	-	-
Derivative assets	138,384	-	-	-	144,644	-	-	-
Derivative liabilities	584,865	-	-	-	616,269	-	-	-

RELATED PARTY TRANSACTIONS

	31 March 2023 (Un-audited)				31 March 2022 (Un-audited)			
	Parent	Directors	Key management personnel	Other related parties	Parent	Directors	Key management personnel	Other related parties
(Rupees in '000)								
Income								
Mark-up / return / interest earned	357,333	40	8,617	-	24,358	37	6,228	-
Fee and commission income	1,485	2	-	-	3,562	12	-	-
Income / (loss) from derivatives	26,924	-	-	-	403,772	-	-	-
Expense								
Mark-up / return / interest paid	-	9	1,531	14,276	-	204	859	3,020
Fee and commission expense	-	-	-	-	-	-	-	-
Operating expenses	-	2,650	135,938	-	16,053	3,500	101,188	-
Rent and Renovation expense	-	-	-	-	-	-	-	-
Other transactions								
Dividend paid	-	-	-	-	-	-	-	-
Contribution to defined contribution plans	-	-	-	135,707	-	-	-	100,665
Net charge for defined contribution plans	-	-	-	135,707	-	-	-	100,665

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

35 CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS

31 March 2023
(Un-audited) 31 December
2022 (Audited)

(Rupees in '000)

Minimum Capital Requirement (MCR):

Paid-up capital (net of losses)

38,715,850 38,715,850

Capital Adequacy Ratio (CAR):

Eligible Common Equity Tier 1 (CET 1) Capital

63,386,449 64,735,488

Eligible Additional Tier 1 (ADT 1) Capital

- -

Total Eligible Tier 1 Capital

63,386,449 64,735,488

Eligible Tier 2 Capital

8,784,294 8,900,992

Total Eligible Capital (Tier 1 + Tier 2)

72,170,743 73,636,480

Risk Weighted Assets (RWAs):

Credit Risk

335,485,339 287,625,617

Market Risk

8,238,229 21,033,154

Operational Risk

85,479,076 85,479,076

Total

429,202,644 394,137,847

Common Equity Tier 1 Capital Adequacy ratio

14.77% 16.42%

Tier 1 Capital Adequacy Ratio

14.77% 16.42%

Total Capital Adequacy Ratio

16.82% 18.68%

Minimum CAR (including Capital Conservation Buffer)

11.50% 11.50%

Leverage Ratio (LR):

Eligible Tier 1 Capital

63,386,449 64,735,488

Total Exposures

1,181,564,716 1,141,761,856

Leverage Ratio

5.36% 5.67%

Minimum SBP Requirement

3.00% 3.00%

Liquidity Coverage Ratio (LCR):

Average High Quality Liquid Assets

512,706,774 486,035,026

Average Net Cash Outflow

124,610,340 114,563,947

Average Liquidity Coverage Ratio

411.4% 424.2%

Minimum SBP Requirement

100.0% 100.0%

Net Stable Funding Ratio (NSFR):

Total Available Stable Funding

648,086,741 637,896,049

Total Required Stable Funding

282,246,051 261,554,915

Net Stable Funding Ratio

230% 244%

Minimum SBP Requirement

100% 100%

36 ISLAMIC BANKING BUSINESS

The bank is operating 2 (31 December 2022: 2) Islamic banking branches and 38 (31 December 2022: 38) Islamic banking windows at the end of the period.

	Note	31 March 2023 (Un-audited)	31 December 2022 (Audited)
----(Rupees in '000)----			
ASSETS			
Cash and balances with treasury banks		5,317,486	9,775,522
Due from financial institutions	36.1	9,829,704	7,032,585
Investments	36.2	17,014,371	37,098,455
Islamic financing and related assets - net	36.3	58,998,791	57,189,213
Fixed assets		42,175	49,668
Due from Head Office		19,253,255	-
Other assets		1,660,727	2,196,823
Total Assets		112,116,509	113,342,266
LIABILITIES			
Bills payable		39,362	54,692
Due to financial institutions		4,591,600	5,022,029
Deposits and other accounts	36.4	89,347,595	87,691,012
Due to Head Office		-	2,540,210
Other liabilities		1,578,950	822,453
		95,557,507	96,130,396
NET ASSETS		16,559,002	17,211,870
REPRESENTED BY			
Islamic Banking Fund		500,000	500,000
Deficit on revaluation of assets		(58,029)	(2,495)
Unappropriated / Unremitted profit	36.9	16,117,031	16,714,365
		16,559,002	17,211,870
CONTINGENCIES AND COMMITMENTS	36.6		

The profit and loss account of the Bank's Islamic banking branches for the period ended 31 March 2023 is as follows:

	Note	Three months period ended 31 March 2023 (Un-audited)	Three months period ended 31 March 2022 (Un-audited)
----(Rupees in '000)----			
Profit / return earned	36.7	3,665,785	2,168,340
Profit / return expensed	36.8	(664,807)	(517,607)
Net Profit / return		3,000,978	1,650,733
Other income			
Fee and Commission Income		235,944	190,526
Foreign Exchange Income		123,202	246,452
(Loss) / gain on securities		(752,877)	33,815
Other (loss) / income		(2,315)	21,784
Total other income		(396,046)	492,577
Total Income		2,604,932	2,143,310
Other expenses			
Operating expenses		(665,644)	(527,967)
		(665,644)	(527,967)
Profit / (loss) before provisions		1,939,288	1,615,343
Provisions and write offs - net		(36,622)	49,845
Profit / (loss) before taxation		1,902,666	1,665,188

The Bank calculates and files a single corporate tax return as per the requirements of Income Tax Ordinance, 2001. Segmental calculation is not required for filing. However, considering the revised format requirement of the financial statements to disclose Islamic Banking segment's tax charge separately, a notional tax charge (based on Bank's effective tax rate) for Islamic Banking is expected to be Rs. 0.818 billion (31 March 2022: Rs. 0.65 billion).

31 March 2023 (Un-audited)			31 December 2022 (Audited)		
In Local Currency	In Foreign currencies	Total	In Local Currency	In Foreign currencies	Total

(Rupees in '000)

36.1 Due from Financial Institutions

Unsecured

-	9,829,704	9,829,704	-	7,032,585	7,032,585
---	-----------	-----------	---	-----------	-----------

36.2 Investments by segments:

Federal Government Securities:

Ijarah Sukuk

Islamic Naya Pakistan Certificates

Total Investments

31 March 2023 (Un-audited)				31 December 2022 (Audited)			
Cost / Amortised cost	Provision for diminution	Surplus / (Deficit)	Carrying Value	Cost / Amortised cost	Provision for diminution	Surplus / (Deficit)	Carrying Value
(Rupees in '000)							
15,363,567	-	(30,975)	15,332,592	35,736,913	-	(91,527)	35,645,386
1,681,779	-	-	1,681,779	1,453,069	-	-	1,453,069
-	-	(30,975)	17,014,371	37,189,982	-	(91,527)	37,098,455

36.3 Islamic financing and related assets

Murbaha

Musharakah

Diminishing Musharakah

Musawammah

Ujrah (Saadiq Credit Cards)

Advances against Islamic assets - Murabaha

Advances against Islamic assets - Diminishing Musharakah

Advances against Islamic assets - Istisna

Advances against Islamic assets - Musawammah

Inventory related to Islamic financing - Murabaha

Gross Islamic financing and related assets

Less: provision against Islamic financings

Specific

General

Islamic financing and related assets - net of provision

36.4 Deposits

Customers

Current deposits

Savings deposits

Term deposits

Margin accounts

Financial Institutions

Current deposits

Savings deposits

36.5 Charity Fund

Opening Balance

Additions during the period

Received from customers on account of delayed payment

Other Non-Shariah compliant income

Payments / utilization during the period

Education

Health

Closing Balance

36.6 CONTINGENCIES AND COMMITMENTS

Guarantees

Commitments

Other contingent liabilities

	31 March 2023 (Un-audited)	31 December 2022 (Audited)
(Rupees in '000)		
	6,039,239	6,160,026
	9,274,379	9,360,545
	30,234,788	30,671,524
	1,100,000	1,300,000
	464,948	480,360
	5,276,652	5,841,119
	95,937	743,585
	2,195,600	1,883,000
	4,660,202	-
	601,299	1,657,284
	59,943,044	58,097,443
	(600,666)	(587,423)
	(343,587)	(340,807)
	(944,253)	(908,230)
	58,998,791	57,189,213
	42,906,524	39,046,511
	21,466,377	22,136,809
	345,961	484,778
	23,856,470	25,384,540
	88,575,332	87,052,638
	69,143	58,429
	703,120	579,945
	772,263	638,374
	89,347,595	87,691,012
	18,110	9,886
	1,719	3,530
	2,314	15,742
	4,033	19,272
	(11,048)	(11,048)
	-	-
	(11,048)	(11,048)
	11,095	18,110
	1,001,295	1,442,579
	-	-
	1,737,367	6,059,906
	2,738,662	7,532,485

	Three months period ended 31 March 2023 (Un-audited)	Three months period ended 31 March 2022 (Un-audited)
36.7 Profit/Return Earned of Financing, Investments and Placement		
Profit earned on:		
Financing	2,316,487	1,684,237
Investments	1,228,398	481,757
Placements	120,900	2,346
	<u>3,665,785</u>	<u>2,168,340</u>
36.8 Profit on Deposits and other Dues Expensed		
Deposits and other accounts	(519,661)	(475,186)
Due to Financial Institutions	(125,353)	(21,123)
Deposit protection premium	(19,272)	(18,505)
Finance cost of lease liability	(521)	(2,793)
	<u>(664,807)</u>	<u>(517,607)</u>
	31 March 2023 (Un-audited)	31 December 2022 (Audited)
	(Rupees in '000)	(Rupees in '000)
36.9 Islamic Banking Business Unappropriated Profit		
Opening Balance	16,714,365	13,178,301
Add: Islamic Banking profit for the period / year	1,902,666	7,536,064
Less: Transferred / Remitted to Head Office	(2,500,000)	(4,000,000)
Closing Balance	<u>16,117,031</u>	<u>16,714,365</u>
36.10 Profit & Loss distribution and Pool Management		

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

- Islamic Export Refinance Scheme (IERS) Musharakah Pool, and
- Mudarabah Depositors Pool

a) Islamic Export Refinance Scheme (IERS) Musharakah Pool

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

The relevant details are mentioned hereunder:

Type of Pool	Profit rate and weightage announcement period	Average return on Pool Assets	Bank Profit (Rupees in '000)	SBP Profit (Rupees in '000)	Bank Profit %	SBP Profit %
IERF Pool	Monthly	11.8%	189,100	124,910	60.2%	39.8%

b) Mudarabah Pool

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

- General Pool
- Special Pool
- High Yield Pool
- Special Term Deposit Pool
- Special Pool - CCIB
- High Yield Pool 2
- Special Pool TD- CCIB
- Special Pool-2

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 Mudarabah based deposits

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

iv) Other information

	Type of Pool							
	General	Special	High Yield	Special Term Deposit	Special Pool - CCIB	High Yield - Pool 2	Special Pool -TD- CCIB	Special Pool-2
Profit rate / weightage announcement frequency	Monthly	Monthly	Monthly	Monthly	Monthly	Monthly	Monthly	Monthly
Mudarib share (amount in '000)	227,233	31,925	68,491	3,671	14,131	-	-	36,189
Mudarib share (%)	50.0%	33.2%	33.8%	32.4%	38.4%	0.0%	0.0%	40.6%
Mudarib Share transferred through Hiba (Amount in '000)	-	9,111	16,642	1,069	434	-	-	-
Mudarib Share transferred through Hiba (%)	-	22.2%	19.5%	22.5%	3.0%	0.0%	0.0%	0.0%
Average return on pool assets	15.1%	14.7%	16.1%	16.7%	17.0%	16.7%	17.5%	15.9%
Average return on deposits	7.5%	9.8%	10.6%	11.3%	10.4%	0.0%	0.0%	14.8%

INTERNAL

37. GENERAL

37.1 Corresponding Figures

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

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

37.2 Date of Authorization

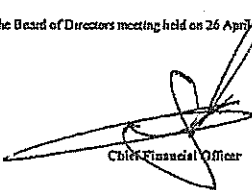
These condensed interim financial statements were authorized for issue in the Board of Directors meeting held on 26 April 2023.



Director



Chief Executive Officer



Chief Financial Officer



Director



Director



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

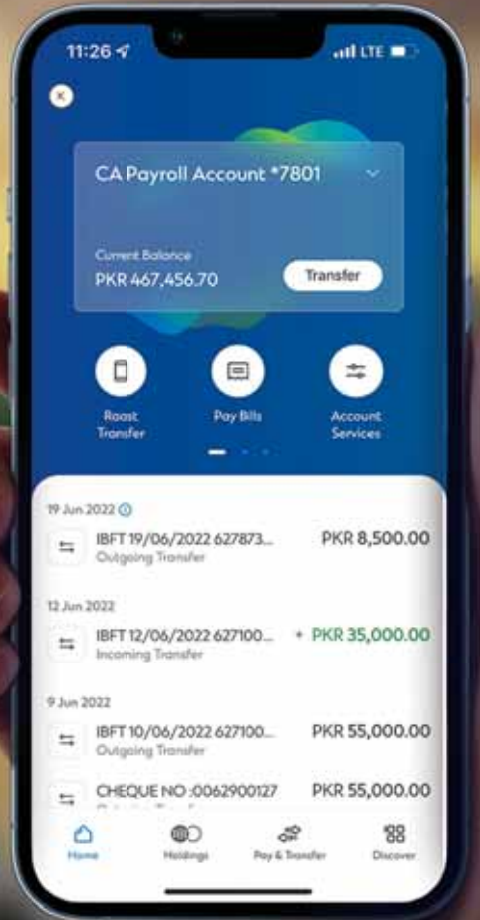


standard chartered

saadiq islamic

Simpler.
Faster.
Better

#Getmoredone with the improved SC Mobile App.



Account Opening



Biometric Verification



Debit Card Activation



FX Conversion



Credit Card Activation

Download now

