



standard  
chartered

Annual Report 2023

▶ Connecting  
the world's  
most dynamic  
markets ◀



here for  
good™



## ◀ Your gateway to unparalleled privileges ▶



24-Hour Priority Helpline



Relationship Manager



Priority Debit Card



Priority Lounge



Global Recognition



Household Recognition



Concierge Service



Exclusive Discounts  
on Lifestyle and Dining



standard  
chartered  
priority





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



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



LEARN



EARN



GROW

Empowering the NEXT GENERATION

BENEFICIARIES

Disadvantaged youth with a focus on **Girls &** Visually impaired people



**FOCUS AREAS** →

**Education**

**Employability**

**Entrepreneurship**

Global reach targets →

500,000 adolescent girls

100,000 youth for work

50,000 micro & small businesses

## Delivering across Pakistan

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

### Education

**Goal**

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

### Employability

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

**Employment of the visually impaired**

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

**Futuremakers Inclusive Employability Project**

Target more than 480 youth with disabilities into formal employment

### Entrepreneurship

**#SCWomenInTech**

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

**Agriprenuer Project**

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

## 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](mailto:Pakistan.Corporate-Affairs@sc.com)





## Standard Chartered is a leading international banking group

We are an international banking group, with a presence in 52 of the world's most dynamic markets and serving clients in over 64 markets. Our purpose is to drive commerce and prosperity through our unique diversity, and our heritage and values are expressed in our brand promise, Here for good.

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



# AWARDS

## Strong Recognition

Global Diversity, Equity, & Inclusion Benchmark



### Awards 2023

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

Gender Diversity Awards 2023

### Awards 2023

- Employer of Choice

Management Association of Pakistan

### Awards 2023 / 2022

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

CFA Society Pakistan



### Awards 2022

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

Asia Money Award

### Awards 2022

- Best Bank Award in the ESG category



Euromoney Market Leaders

### Awards 2022

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



Global Transaction Banking Innovation

### Awards 2022

- Best Digital Treasury Management Initiative



Adam Smith Award

### Awards 2022/2021

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



The Asset Triple A Awards

### Awards 2022/2021

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



# Standard Chartered Bank (Pakistan) Limited

## Board of Directors



**Mr. Christopher Parsons**  
Chairperson of the Board of Directors



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



**Mr. Badaruddin Fatehali Vellani**  
Director  
Chairperson Board HR & Remuneration Committee and Member Board Audit Committee



**Ms. Rola Abu Manneh**  
Director  
Member Board HR & Remuneration Committee



**Mr. Sheikh Jobe**  
Director  
Chairperson Board IT Committee and Member Board Audit Committee



# Standard Chartered Bank (Pakistan) Limited

## Pakistan Executive Committee



**Mr. Rehan M. Shaikh**  
Chief Executive Officer



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



**Mr. Syed Ejaz Alam**  
Chief Financial Officer



**Mrs. Lubna Azam Tiwana**  
Country Chief Risk Officer



**Mr. Arslan Nayeem**  
Country Head of Client  
Coverage, CCIB



**Ms. Saadya Riaz**  
Head Consumer, Private  
and Business Banking



**Mr. Majid Aziz**  
Chief Technology and  
Operating Officer



**Mr. Muhammad Umer**  
Head Human Resources



**Mr. Azhar Aslam**  
Head Islamic Banking

# Standard Chartered Bank (Pakistan) Limited

## Pakistan Executive Committee



**Mr. Muhammad Mubashir Yasin**  
Chief Compliance Officer



**Mr. Shahzad Salamullah**  
Head Internal Audit



**Mr. Adil Siddique Dalal**  
Head Financial Markets and  
Macro Trading



**Mr. Jehangir Adil Qazi**  
Head Legal



**Mr. Asif Iqbal Alam**  
Company Secretary



**Mr. Shiraz Hyder**  
Head Transaction Banking



**Mr. Ajanthan Sivathas**  
Chief Information Officer



# Company Information

## Board of Directors

Mr. Christopher Parsons	Chairperson
Mr. Rehan Muhammad Shaikh	Chief Executive Officer
Mr. Towfiq Habib Chinoy	Director
Mr. Ehsan Ali Malik	Director
Mr. Badaruddin Fatehali Vellani	Director
Ms. Rola Abu Manneh	Director
Mr. Sheikh Jobe	Director

## Company Secretary

Mr. Asif Iqbal Alam

## Board Audit Committee

Mr. Ehsan Ali Malik	Chairperson
Mr. Badaruddin Fatehali Vellani	Member
Mr. Sheikh Jobe	Member

## Board Risk Committee

Mr. Towfiq Habib Chinoy	Chairperson
Mr. Ehsan Ali Malik	Member
Mr. Rehan Muhammad Shaikh	Member

## Board Human Resource & Remuneration Committee

Mr. Badaruddin Fatehali Vellani	Chairperson
Mr. Towfiq Habib Chinoy	Member
Ms. Rola Abu Manneh	Member

## Board IT Committee

Mr. Sheikh Jobe	Chairperson
Mr. Ehsan Ali Malik	Member
Mr. Rehan Muhammad Shaikh	Member

## Shariah Board

Shaikh Nizam Yaqouby	Chairperson
Mufti Muhammad Abdul Mubeen	Member
Mufti Irshad Ahmad Aijaz	Member
Mufti Hafiz Muhammad Sarfaraz Nihal	(Resident) Member

## Auditors

M/s EY Ford Rhodes  
Chartered Accountants

## Legal Advisors

Haidermota & Co  
Advocates

## 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](http://www.sc.com/pk)

## Registrar/ Share Registration Office

M/s CDC Share Registrar Services Limited  
CDC House, 99-B, Block B,  
SMCHS, Main Shakra-e-Faisal,  
Karachi - 74400  
Toll Free: 0800 - 23275  
Fax: (021) 34326053  
Email: [info@cdcsrcsl.com](mailto:info@cdcsrcsl.com)

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# NOTICE OF ANNUAL GENERAL MEETING

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

Notice is hereby given that the 18<sup>th</sup> Annual General Meeting ('AGM') of the shareholders of Standard Chartered Bank (Pakistan) Limited ("Bank") will be held on Thursday, 28 March 2024 at 03:00 p.m. at the ICAP Chartered Accountants Avenue, Clifton, Karachi and through video conferencing to transact the following business:

### A. ORDINARY BUSINESS

- To receive, consider and adopt the Audited Accounts of the Bank for the year ended 31 December 2023, along with the Directors' and Auditors' Reports thereon.
- To consider the appointment of external auditors namely M/s EY Ford Rhodes, Chartered Accountants (who being eligible, have offered themselves for reappointment), as Statutory Auditors of the Bank for the year 2024. 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.
- To consider and approve final cash dividend @ 25% (i.e. Rs. 2.5 per share of Rs. 10/- each) for the year ended 31 December 2023 as recommended by the Board of Directors. This is in addition to cumulative interim cash dividend of 65% already paid for the year 2023. This will be payable to the members whose names appear in the register of the members as on Monday, 18 March 2024.

### B. SPECIAL BUSINESS

- To consider and approve transmission of the Annual Audited Accounts and related reports/documents (as part of the Annual Report) to the members of the Bank via QR Code and Weblink as permitted by the Securities and Exchange Commission of Pakistan vide its S.R.O. 389(I)/2023 dated 21 March 2023.
- To consider and approve the revised Directors' Remuneration Policy, as approved by the Board of Directors of the Bank, on post facto basis.

### C. OTHER BUSINESS

- 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: 7 March 2024

اسٹینڈرڈ چارٹرڈ بینک (پاکستان) لمیٹڈ

نوٹس برائے سالانہ اجلاس عام

بذریعہ ہذا مطلع کیا جاتا ہے کہ اسٹینڈرڈ چارٹرڈ بینک (پاکستان) لمیٹڈ ("بینک") کے شیئرز ہولڈرز کا اٹھارہواں سالانہ اجلاس عام 28 مارچ 2024ء بروز جمعرات، دوپہر 3:00 بجے، انسٹیٹیوٹ آف چارٹرڈ اکاؤنٹنٹس آف پاکستان، چارٹرڈ اکاؤنٹنٹس ایویونیو، کلفٹن، کراچی میں اور بذریعہ ویڈیو کانفرنس درج ذیل کارروائی کیلئے منعقد کیا جائے گا:

(الف) عمومی کارروائی

- 31 دسمبر 2023ء کو ختم ہونے والے مالی سال کیلئے بینک کے آڈٹ شدہ اکاؤنٹس اور ان پر ڈائریکٹرز اور آڈیٹرز کی رپورٹس کی وصولی، ان پر غور اور ان کی توثیق۔
- میسرز EY فورڈ رھوڈز، چارٹرڈ اکاؤنٹنٹس (جنہوں نے اہل ہونے کے سبب پھر سے تقرری کی درخواست دی ہے) کی 2024ء 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۔
- 31 دسمبر 2023ء کو ختم ہونے والے سال کیلئے بورڈ آف ڈائریکٹرز کی جانب سے تجویز کردہ 25% (یعنی 2.5 روپے فی حصص) نقد منافع کی ادائیگی پر غور اور منظور کرنا۔ جو سال 2023ء کیلئے ادا کئے جانے والے 65% مجموعی عبوری نقد منافع کے علاوہ ہے۔ یہ ان ممبران کو قابل ادائیگی ہوگا جن کے نام ممبران کے رجسٹر میں 18 مارچ 2024ء، بروز پیر تک موجود ہوں گے۔

(ب) خصوصی کارروائی

- سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے نوٹیفیکیشن S.R.O. 389(I)/2023 مورخہ 21 مارچ 2023ء کے مطابق بینک کے ممبران کو سالانہ آڈٹ شدہ اکاؤنٹس اور متعلقہ رپورٹس/دستاویزات (سالانہ رپورٹ کے حصے کے بطور پر) بذریعہ کیو آر کوڈ اور ویب لنک کے ذریعے ترسیل پر غور کرنا اور منظوری دینا۔
- بینک کے ڈائریکٹرز کے معاوضے کی نظر ثانی شدہ پالیسی پر غور کرنا اور اسے پوسٹ فیکو بنیادوں پر منظور کرنا جسے بینک کے بورڈ آف ڈائریکٹرز نے منظور کیا ہے۔

(ج) دیگر کارروائی

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

بحکم بورڈ

آصف اقبال عالم

کراچی: 7 مارچ 2024ء

# NOTICE OF ANNUAL GENERAL MEETING

## Notes:

- The Share Transfer Books of the Bank will remain closed from Tuesday, 19 March 2024 to Thursday, 28 March 2024 (both days inclusive). Transfer received at the Share Registrar by the close of business on Monday, 18 March 2024 will be treated in time.
- Only those persons whose names appear in the Register of the Members of the Bank as on Monday, 18 March 2024 will be entitled to attend/participate in/vote at the AGM and be entitled to receive above stated cash dividend.
- 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.
- 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 the 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.
  - Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.
  - The proxy shall produce his/her original CNIC or original passport at the time of the Meeting.
  - In case of corporate entity, the Board of Directors' resolution/power of attorney with the specimen signature shall be submitted along with the proxy form to the Bank.

## 5. Participation in AGM through online platform/ facility

Arrangements have also 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. For attending the meeting virtually, shareholders are requested to get themselves registered with the Company Secretary Office, at least 24 hours before the time of AGM (i.e. before 03:00 p.m. on 27 March 2024) by providing following details at [cosec.pk@sc.com](mailto:cosec.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.

## 6. Polling On Special Business

Pursuant to the Companies (Postal Ballot) Regulations 2018, for the purpose of approval of any special business at the general meeting, members will be allowed to exercise their vote through postal ballot or e-voting.

### Procedure for E-Voting:

- Details of the e-voting facility will be shared through an e-mail with those members of the Bank who have their valid CNIC numbers, cell numbers, and e-mail addresses available in the register of members of the Bank by the close of business on Monday, 18 March 2024.

## نوٹس:

- بینک کی حصص کی منتقلی کی کتابیں 19 مارچ 2024ء بروز منگل سے لے کر 28 مارچ 2024ء بروز جمعرات (بشمول دونوں دن) بند رہیں گی۔ 18 مارچ 2024ء بروز پیر کو کاروبار کے اختتام تک رجسٹر ارا کو موصول ہونے والے ٹرانسفرز بروقت تصور کئے جائیں گے۔
- صرف وہ ممبران جن کے نام 18 مارچ 2024ء بروز پیر بینک کے ممبران کے رجسٹر میں درج ہوں گے وہی اس سالانہ اجلاس عام میں شرکت کرنے، ووٹ دینے اور دیگر پیشگی ڈیویڈنڈ لینے کے اہل ہوں گے۔
- 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 کرنے، بولنے، ووٹ ڈالنے کیلئے مقرر کر سکتا ہے۔ پراکسیز کے نمونہ 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 حق نہیں ہوگا۔
- (الف) اجلاس میں شرکت کیلئے:
  - افراد کی صورت میں اکاؤنٹ ہولڈر یا سب اکاؤنٹ ہولڈر اور ایسا وہ افراد جن کی سیکورٹیز 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/مختار 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 ایسا وہ افراد جن کی سیکورٹیز 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 درج ہوں۔
  - پراکسی فارم کے ساتھ پراکسی اور اصل مالک کے کمپیوٹرائزڈ قومی شناختی کارڈ یا پاسپورٹ کی تصدیق شدہ فوٹوکاپی منسلک کرنا ہوگی۔
  - پراکسی کو اپنا اصل کمپیوٹرائزڈ قومی شناختی کارڈ یا پاسپورٹ اجلاس کے وقت دکھانا ہوگا۔
  - کارپوریٹ ادارے کی صورت میں بورڈ آف ڈائریکٹرز کی قرارداد/مختار نامہ، نامزد کرنے والے کے دستخط کے ساتھ پراکسی فارم کے ساتھ بینک میں جمع کروانا ہوگا۔

## 5- سالانہ اجلاس عام میں آن لائن پلیٹ فارم/ سہولت کے ذریعے شرکت:

بینک کی جانب سے سالانہ اجلاس عام میں شیئر ہولڈرز کی بذریعہ آن لائن پلیٹ فارم/ شرکت (خواہ ذاتی طور پر یا مقرر کردہ پراکسیز کے ذریعے) کیلئے انتظامات کئے گئے ہیں۔ شیئر ہولڈرز سے درخواست کی جاتی ہے کہ کمپنی سیکریٹری آفس سے سالانہ اجلاس عام کے وقت سے کم از کم 24 گھنٹے قبل (یعنی 27 مارچ 2024ء دوپہر 03:00 بجے سے قبل) درج ذیل تفصیلات کے ساتھ [cosec.pk@sc.com](mailto:cosec.pk@sc.com) پر رجسٹریشن کروائیں۔

فولیو/سی ڈی سی اکاؤنٹ نمبر	شیئر ہولڈرز کے نام	CNIC نمبر	فون نمبر	ای میل ایڈریس

دلچسپی رکھنے والے شیئر ہولڈرز سے مندرجہ بالا معلومات کی وصولی پر، بینک لاگ ان کی تفصیلات ان کے ای میل پتوں پر بھیجے گا۔ اجلاس عام کے دن، شیئر ہولڈرز اپنے اسمارٹ فونز یا کمپیوٹرز پر پراکسیز کے ذریعے لاگ ان کر کے اجلاس عام کی کارروائی میں حصہ لے سکیں گے۔ اجلاس کے آغاز سے 15 منٹ قبل لاگ ان کی سہولت حاصل ہو جائے گی تاکہ شناخت اور تصدیق عمل کے بعد شرکت کا اجلاس میں شامل ہو سکیں۔

## 6- خصوصی کارروائی پر پولنگ:

کمپنیز (پوسٹل بلیٹ) ریگولیشنز 2018ء کے مطابق اجلاس عام میں کسی خصوصی کارروائی کی منظوری کیلئے ممبران کو پوسٹل بلیٹ یا ای ووٹنگ کے ذریعے اپنا ووٹ استعمال کرنے کی اجازت ہوگی۔

### ای ووٹنگ کا طریقہ کار:

- ای ووٹنگ کی سہولت کی تفصیلات بینک کے ان اراکین کے ساتھ ای میل کے ذریعے شیئر کی جائیں گی جن کے درست CNIC نمبر، ای میل نمبر اور ای میل ایڈریس 18 مارچ 2024ء بروز پیر کو کاروبار کے اختتام تک بینک کے ممبران کے رجسٹر میں دستیاب ہوں گے۔

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- ii) The web address, login details, and password, will be communicated to members via email. The security codes will be communicated to the members through SMS from the web portal of CDC Share Registrar Services Limited (being the e-voting service provider).
- iii) Identity of the Members intending to cast vote through e-voting shall be authenticated through electronic signature or authentication for login.
- iv) Members shall cast vote online at any time from 24 March 2024 (9:00 am) to 27 March 2024 (5:00 pm). Once the vote on the resolution is cast by a Member, he/she shall not be allowed to change it subsequently.

## Procedure for Voting through Postal Ballot:

- i) The members shall ensure that duly filled and signed ballot paper, along with a copy of the CNIC/ NICOP/ Passport should reach the Chairman of the meeting through the post at the Bank's registered address, Company Secretary Office, First Floor, Standard Chartered Bank (Pakistan) Limited, P.O. Box No. 5556, I.I. Chundrigar Road, Karachi, or email at cosec.pk@sc.com latest by 27 March 2024, during working hours. The signature on the Ballot Paper shall match with signature on the CNIC/ NICOP/ Passport. The Postal Ballot Paper is published in newspapers or annual report and available at the Bank's website <https://www.sc.com/pk/about-us/notices/>.

7. 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 Shahrah-e-Faisal, Karachi - 74400, Toll Free: 0800-CDCPL (23275), Fax: (021) 34326053, Email: [info@cdcsr.com](mailto:info@cdcsr.com).

8. Members may inspect the minutes of the AGM held on Wednesday, 29 March 2023, in terms of Section 52 of the Companies Act, 2017, at the Bank's registered address.

9. In terms of Section 223 (7) of the Companies Act 2017, the Annual Report for the year ended 2023 has also been placed on the Bank's website simultaneously with the dispatch of the same to the members.

10. **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, 18 March 2024. Failing which may result in withholding of dividend payments of respective shareholders.

11. **Conversion of Physical Shares into Book-Entry Form:** In reference to Section 72(2) of the Companies Act, 2017, all shareholders holding physical shares are requested to get converted their shares into book entry form at the earliest. This would facilitate shareholders in many ways including safe custody of shares, avoidance of formalities required for issuance of duplicate shares, etc. For the conversion of physical shares into book entry form, the shareholders may contact their Brokers, CDC Participants or CDC Investor Account Service.

12. **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, 2022, effective from 1 July 2023; 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 the 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, 18 March 2024 at their above referred office address.

- ii) ویب ایڈریس، لاگ ان کی تفصیلات اور پاس ورڈ سے ای میل کے ذریعے ممبران کو مطلع کیا جائے گا۔ اراکین کو سیکورٹی کوڈز کی اطلاع سی ڈی سی شیئر رجسٹرار سروسز لمیٹڈ (ای ڈونگ سروس فراہم کنندہ ہونے کے ناطے) کے ویب پورٹل سے ایس ایم ایس کے ذریعے دی جائے گی۔
- iii) ای ڈونگ کے ذریعے ووٹ ڈالنے کا ارادہ رکھنے والے اراکین کی شناخت الیکٹرانک دستخط یا لاگ ان کیلئے تصدیق کے ذریعے کی جائے گی۔
- iv) ممبران 24 مارچ 2024ء (صبح 9:00 بجے) سے 27 مارچ 2024ء (شام 5:00 بجے) تک کسی بھی وقت آن لائن ووٹ دے سکیں گے۔ کسی ممبر کی طرف سے قرارداد پر ایک بار ووٹ دینے کے بعد اسے تبدیل کرنے کی اجازت نہیں ہوگی۔

پوسٹل بیلٹ کے ذریعے ووٹ ڈالنے کا طریقہ کار:

i- ممبران اس بات کو یقینی بنائیں گے کہ درست طریقے سے پُر شدہ اور دستخط شدہ بیلٹ پیپر NICOP/CNIC پاسپورٹ کی ایک کاپی کے ساتھ 27 مارچ 2024 تک اجلاس کے چیئر مین کے نام بذریعہ ڈاک بینک کے رجسٹرڈ آفس پتے پہنچی سیکرٹری آفس، فرسٹ فلور، اسٹینڈرڈ چارٹرڈ بینک (پاکستان) لمیٹڈ، پی او بکس نمبر 5556، آئی آئی چنڈریگر روڈ، کراچی، یا بذریعہ ای میل [cosec.pk@sc.com](mailto:cosec.pk@sc.com) پر موصول ہو جانے چاہئیں۔ بیلٹ پیپر پر دستخط NICOP/CNIC پاسپورٹ پر دستخط سے مماثل ہوں گے۔ پوسٹل بیلٹ پیپر اخبارات/سالانہ رپورٹ میں شائع ہوا ہے اور بینک کی ویب سائٹ <https://www.sc.com/pk/about-us/notices/> پر بھی دستیاب ہے۔

7- ممبران سے درخواست ہے کہ وہ اپنے رجسٹرڈ پتے میں ہونے والی کسی تبدیلی سے فوری طور پر بینک کے شیئر رجسٹرار، میمبرز سی ڈی سی شیئر رجسٹرار سروسز لمیٹڈ، پی او بکس نمبر 99-B، بلاک بی، ایس ایم سی ایچ ایس، مین شاہراہ فیصل، کراچی-74400، ٹول فری: 0800-CDCPL (23275) فیکس: 0800-0800-0800، ای میل: [info@cdcsr.com](mailto:info@cdcsr.com) پر مطلع کریں۔

8- کمپنیز ایکٹ، 2017ء کے سیکشن 52 کے تحت ممبران بینک کے رجسٹرڈ ایڈریس پر 29 مارچ 2023ء بروز بدھ کو ہونے والے سالانہ اجلاس عام کی روداد کا معائنہ کر سکتے ہیں۔

9- کمپنیز ایکٹ، 2017ء کے سیکشن 72(2) کے تحت سالانہ رپورٹ 2023ء کی سالانہ رپورٹ ممبران کو ترسیل کے ساتھ بینک کی ویب سائٹ پر بھی اپ لوڈ کر دی گئی ہے۔

10- ای ڈی ڈیویڈنڈ کی ضروریات: کمپنیز (ڈیویڈنڈ کی تقسیم) ریگولیشنز 2017ء کی ہدایات کے تحت شیئر ہولڈرز اپنے شناختی نمبر/کمپیوٹرائزڈ قومی شناختی کارڈ (سی این ای سی) نمبر اور انٹرنیشنل بینک اکاؤنٹ نمبر (آئی بی اے این) کی تفصیلات فراہم کریں۔ اگر انہوں نے تفصیلات فراہم نہیں کی ہیں تو ہمارے شیئر رجسٹرار (اگر شیئر فزیکل فارم میں رکھے گئے ہیں) کو مذکورہ آفس ایڈریس پر متعلقہ پارٹیسپنٹ/بروکر (اگر شیئرز بذریعہ سی ڈی ایس اکاؤنٹ رکھے گئے ہیں) کو 18 مارچ 2024ء بروز پیر تک مہیا کریں۔ ناکامی کی صورت میں متعلقہ شیئر ہولڈرز کو ڈیویڈنڈ کی ادائیگی روک دی جائے گی۔

11- فزیکل شیئرز کو بک انٹری فارم میں تبدیل کرنا: کمپنیز ایکٹ 2017ء کے سیکشن 72(2) کے تحت تمام شیئر ہولڈرز سے درخواست کی جاتی ہے کہ وہ جلد از جلد اپنے شیئرز کو فزیکل فارم سے بک انٹری فارم میں تبدیل کریں۔ بک انٹری فارم میں شیئرز کو رکھنے کے بہت سے فوائد ہیں جن میں سی ڈی سی کے ساتھ شیئرز کی محفوظ قومیل، ڈیپلیٹیشن شیئرز کے اجراء کیلئے درکار سرٹیفکیٹ سے نجات وغیرہ فزیکل شیئرز کو بک انٹری فارم میں تبدیل کرنے کیلئے شیئر ہولڈرز اپنے بروکرز، سی ڈی سی پارٹیسپنٹس یا سی ڈی سی انویسٹر اکاؤنٹ سروس سے رابطہ کر سکتے ہیں۔

12- ٹیکس معاملات: اکم ٹیکس آرڈیننس 2001ء کے سیکشن 150 اور فنانس ایکٹ 2022ء کی دفعات (کم ٹیکس) جولائی 2023ء سے موثر کے مطابق ڈیویڈنڈ آمدن پر فائلنگ ممبران کیلئے شرح وڈ ہولڈنگ ٹیکس 15% جبکہ نان فائلنگ کیلئے 30% ہے۔ شیئر ہولڈرز کے فائلنگ ہونے کا تعین فیڈرل بورڈ آف ریونیو (FBR) کی ویب سائٹ (<http://www.fbr.gov.pk/>) پر جاری کردہ آخری ایکٹیو ٹیکس ہیلڈرز لسٹ (ATL) کی بنیاد پر کیا جائے گا۔

کسی فولیو/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 ٹوٹی 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 18 مارچ 2024ء بروز پیر تک فراہم کریں۔



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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 the 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 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. Copies of certificates should reach our Share Registrar at their above-mentioned office address.

**13. 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 the participants or premises where the AGM is being held, shall 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.

**14. STATEMENT(S) OF MATERIAL FACTS PURSUANT TO SECTION 134 (3) OF THE COMPANIES ACT, 2017**

**14.1 Agenda Item No. 4 of the notice:**

Securities and Exchange Commission of Pakistan vide its notification S.R.O. 389 (I)/2023 dated 21 March 2023, has allowed the listed companies to circulate the annual audited financial statements to its members through QR enabled code and weblink, subject to approval of shareholders obtained in the general meeting and fulfilment of other requirements as provided in the aforementioned notification.

The Bank shall also circulate the annual report containing annual audited financial statements together with the auditors' report, directors' report, chairman review report etc. through email to the members who have provided their email addresses and a free of cost hard copy of annual report will be provided to the members within a week of receipt of member's written request for hardcopy on the prescribed form available on Bank's website.

In this regard, following ordinary resolution(s), with/without modification, shall be passed by the members on the day of general meeting:

**"RESOLVED THAT** the annual audited financial statements and related documents/ reports (as part of the Annual Report) shall be circulated by the Bank to its members through QR Code and Weblink subject to fulfilment of the requirements under SECP's Notification S.R.O. 389(I)/2023 dated 21 March 2023."

**"FURTHER RESOLVED THAT** notice of general meeting(s) continue to be dispatched to the members of the Bank, either electronically at the registered email addresses or by post at the registered addresses of the members, containing the QR Code and Weblink to view and download the annual audited financial statements and related documents/ reports (as part of the Annual Report)."

**"FURTHER RESOLVED THAT** the annual audited financial statements and related documents/ reports (as part of the Annual Report) be also circulated by the Bank to its members through registered email of the members, where provided, whereas hard copy of annual audited financial statements and related documents/ reports (as part of the Annual Report) shall only be provided, free of cost, within one week of receipt of signed request of member(s) on the prescribed request form available on Bank's website for this purpose."

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

کارپوریٹ شیئر ہولڈرز 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 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 سے استثناء کے دعوے کیلئے ضروری ہے۔ اگر آپ خصوصی ٹیکس ریٹ کے تابع ہیں برائے مہربانی متعلقہ اتھارٹیز کی جانب سے جاری کئے گئے سرٹیفکیٹ کی نقول ہمارے شیئر رجسٹرار کو درج بالا پتے پر فراہم کریں۔

**13- سالانہ اجلاس عام میں درکار قانونی ضابطہ اخلاق:** کمپنیز ایکٹ 2017ء کے سیکشن 215 اور کمپنیز (جنرل پروویژن اینڈ فارمز) ریگولیشنز 2018ء کے سیکشن 28 کی ضابطہ اخلاق بیان کرتے ہیں، جو درج ذیل ہے:

شیئر ہولڈرز کو اجازت نہیں ہے کہ وہ ایسے فیصلوں کیلئے جو بیجمنٹ کے کام پر اثر انداز ہو سکتے ہوں، بیجمنٹ پر دباؤ ڈالیں یا براہ راست رسائی حاصل کریں۔ قانون کے تحت شیئر ہولڈرز اپنے ساتھ ایسا مواد نہیں لائیں گے جو شرعاً یا اس جگہ جہاں سالانہ اجلاس عام منعقد کیا جا رہا ہے، کیلئے خطرے کا باعث ہو، جو سالانہ اجلاس عام کے نوٹس میں احاطہ کئے گئے ایجنڈا کے نکات تک ہی محدود نہیں 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 کہنی کو اجازت نہیں ہے کہ وہ کسی بھی صورت میں شیئر ہولڈرز میں تحائف تقسیم کرے۔

**14- کمپنیز ایکٹ، 2017ء کے سیکشن (3) 134 کے مطابق مادی حقائق کا بیان**

**14.1- نوٹس کا ایجنڈا آئٹم نمبر 4:**

سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان نے اپنے نوٹیفیکیشن S.R.O. 389 (I)/2023 مورخہ 21 مارچ 2023ء کے ذریعے لیسڈ کمپنیوں کو اجازت دی ہے کہ وہ اپنے ممبران کو سالانہ آڈٹ شدہ مالیاتی گوشواروں کی تزیل QR فعال کوڈ اور ویب لنک کے ذریعے کریں جو اجلاس عام میں حاصل کردہ شیئر ہولڈرز کی منظوری اور مذکورہ بالا نوٹیفیکیشن میں فراہم کردہ دیگر ضروریات کی تکمیل سے مشروط ہے۔

بینک سالانہ آڈٹ شدہ مالیاتی گوشواروں پر مشتمل سالانہ رپورٹ کو آڈیٹرز رپورٹ، ڈائریکٹرز رپورٹ، چیئر مین کی جائزہ رپورٹ وغیرہ کے ساتھ بذریعہ ای میل ان ممبران کو فراہم کرے گا جنہوں نے اپنے ای میل ایڈریس فراہم کئے ہیں اور سالانہ رپورٹ کی ہارڈ کاپی ممبران کو تحریری فارم، جو کہ بینک کی ویب سائٹ پر دستیاب ہے، کے موصول ہونے کے ایک ہفتے کے اندر مفت فراہم کی جائے گی۔

اس سلسلے میں مندرجہ ذیل عام قرارداد (قراردادوں) کو ترمیم کے ساتھ/ بغیر کسی ترمیم کے ممبران کی طرف سے عام اجلاس کے دن منظور کیا جائے گا:

"قرارداد کیا کہ بینک اپنے ممبران کو سالانہ آڈٹ شدہ مالیاتی گوشواروں اور متعلقہ دستاویزات/ رپورٹس (سالانہ رپورٹ کے حصے کے طور پر) SECP کے نوٹیفیکیشن S.R.O. 389(I)/2023 بتاریخ 21 مارچ 2023ء کے تحت ضروریات کی تکمیل سے مشروط QR کوڈ اور ویب لنک کے ذریعے بھیجے گا۔"

"مزید قرارداد کیا کہ اجلاس عام کا نوٹس بینک کے ممبران کو یا تو الیکٹرانک طور پر رجسٹرڈ ای میل ایڈریس یا ممبران کے رجسٹرڈ ایڈریس پر ڈاک کے ذریعے بھیجا جاتا رہے گا، جس میں سالانہ آڈٹ شدہ مالیاتی گوشوارے اور متعلقہ دستاویزات/ رپورٹس (سالانہ رپورٹ کے حصے کے طور پر) دیکھنے اور ڈاؤن لوڈ کرنے کیلئے QR کوڈ اور ویب لنک موجود ہیں۔"

"مزید قرارداد کیا کہ سالانہ آڈٹ شدہ مالیاتی گوشواروں اور متعلقہ دستاویزات/ رپورٹس (سالانہ رپورٹ کے حصے کے طور پر) بھی بینک کی طرف سے اپنے ممبران کو ان کے رجسٹرڈ ای میل کے ذریعے بھیجے جائیں گے، اگر فراہم کیا گیا ہو، جبکہ سالانہ آڈٹ شدہ مالیاتی گوشواروں اور متعلقہ دستاویزات/ رپورٹس (سالانہ رپورٹ کے حصے کے طور پر) کی ہارڈ کاپی صرف اس مقصد کیلئے بینک کی ویب سائٹ پر دستیاب، تجویز کردہ درخواست فارم پر ممبران کی دستخط شدہ درخواست کی وصولی کی صورت میں ایک ہفتے کے اندر مفت فراہم کی جائے گی۔"

# NOTICE OF ANNUAL GENERAL MEETING

## 14.2 Agenda Item No. 5 of the notice:

نوٹس کا بیجڈ آئٹم نمبر 5: -14.2

Pursuant to Corporate Governance Regulatory Framework issued by the State Bank of Pakistan vide its BPRD Circular No. 5 of 2021, the Bank's Directors' Remuneration Policy ('the policy') was approved by the shareholders in 2020. The Board of the Bank approved and recommended the revised policy in April 2023 mainly to align the meeting fee for independent directors and non-executive directors (other than group appointees) with the market, and to update the regulatory references and other citations. Summary of revisions to the meeting fees in the policy are set out below:

- Eligible directors will be paid per meeting fee of PKR 650,000 (previously PKR 400,000) and PKR 550,000 (previously PKR 350,000) for attending the meetings of the Board and Board Committees respectively.
- If an eligible director is appointed as Chairperson of the Board, he/ she will be paid per meeting fee of PKR 750,000/- for attending the meeting of the Board.
- An eligible director who is also a Chairperson of any Board Committee, he/ she will be paid per meeting fee of PKR 650,000 (previously PKR 400,000) for attending a meeting of such Board Committee.

Two Independent Directors and one Non-Executive Director are interested in the Special Business to the extent of the remuneration in accordance with the revised policy.

In this regard, following ordinary resolution(s), with/without modification, shall be passed by the members on the day of the general meeting:

**"RESOLVED THAT** the revised Directors' Remuneration Policy as approved and recommended by the Board of Directors of the Bank be and is hereby confirmed and approved on post facto basis."

اسٹیٹ بینک آف پاکستان کے کارپوریٹ گورننس ریگولیشنری فریم ورک کے تحت، جو کہ 2021 کے BPRD سرکلر نمبر 5 کے ذریعے جاری ہوا، بینک کے ڈائریکٹرز کے معاوضے کی پالیسی ('پالیسی') کو شیئر ہولڈرز نے 2020 میں منظور کیا تھا۔ بینک کے بورڈ نے اپریل 2023 میں نظر ثانی شدہ پالیسی کی منظوری دی اور سفارش کی کہ بنیادی طور پر خود مختار ڈائریکٹرز اور نان ایگزیکٹو ڈائریکٹرز (گروپ کی تقرریوں کے علاوہ) کیلئے میٹنگ فیس کو مارکیٹ کے ساتھ ہم آہنگ کیا جائے اور ریگولیشنری حوالوں اور دیگر حوالوں کو اپ ڈیٹ کیا جائے۔ پالیسی میں میٹنگ فیس پر نظر ثانی کا خلاصہ ذیل میں دیا گیا ہے۔

- اہل ڈائریکٹرز کو بورڈ اور اس کی کمیٹی کے اجلاسوں میں شرکت کیلئے بالترتیب 650,000 روپے (گذشتہ 400,000 روپے) اور 550,000 روپے (گذشتہ 350,000 روپے) بطور میٹنگ فیس ادا کئے جائیں گے۔
- اگر کسی اہل ڈائریکٹر کو بورڈ کا چیئر پرسن مقرر کیا جاتا ہے تو اسے بورڈ کے اجلاس میں شرکت کیلئے 750,000 روپے فی اجلاس ادا کئے جائیں گے۔
- اہل ڈائریکٹر کسی بورڈ کمیٹی کا چیئر پرسن بھی ہے تو اسے بورڈ کمیٹی کے اجلاس میں شرکت کیلئے 650,000 روپے (گذشتہ 400,000 روپے) بطور میٹنگ فیس ادا کئے جائیں گے۔

دو خود مختار ڈائریکٹرز اور ایک نان ایگزیکٹو ڈائریکٹر نظر ثانی شدہ پالیسی کے مطابق معاوضے کی حد تک خصوصی امور کار میں دلچسپی رکھتے ہیں۔

اس سلسلے میں، درج ذیل عام قرارداد (قراردادوں) کو ترمیم کے ساتھ/ بغیر کسی ترمیم کے اراکین کی طرف سے عام اجلاس کے دن منظور کیا جائے گا:

"قرار پایا کہ ڈائریکٹرز کے معاوضے کی نظر ثانی شدہ پالیسی جو کہ بینک کے بورڈ آف ڈائریکٹرز کی جانب سے منظور شدہ، تجویز کردہ ہے، اس کی تصدیق اور منظوری بذریعہ ہڈ اور بعد ازاں کی بنیاد پر کی جاتی ہے۔"

# CHAIRMAN'S REVIEW

For the year ended 31 December 2023

It is both an honour and privilege to deliver my first 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 is comprised of seven members and 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. The Board and its Committees have defined scope of work and reporting procedures and they are discharging their function and duties as per their respective terms of references. Details of the changes that took place in the composition of the Board have been provided in the Directors' reports and Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019.

We continued to drive diversity in our Board, recognising the benefits of a diverse mix of gender, social and ethnic background, skills, knowledge, experience and adequate reflection of key business across the segments. 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 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.

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. 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 Bank continued to deliver resilient financial performance despite the elevated risk environment and significant external challenges being faced for past 18-24 months period. The Board has continued to perform its statutory role during this stretching period and provided appropriate guidance to address the business challenges where required.

Overall, the performance and effectiveness of the Board has remained satisfactory based on the last externally facilitated effectiveness review of the Board. The Board questionnaire is divided into unique two-part question structure, i.e. "What the Board does" and "How the Board does it", to engage the Board members and draw out deeper and more thoughtful responses. A few focus areas were picked up by participants where appropriate steps were taken for closure. Reviews of the Board's four Committees also showed satisfactory outcomes with a few deliverables which were noted for Board HR and Remuneration Committee, Board Risk Committee and Board IT Committee. Survey results for the Chairman, Chief Executive, and Directors' peer review were also noted as satisfactory.

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 contributions.



**CHRISTOPHER PARSONS**

CHAIRMAN

23 February 2024



# DIRECTORS' REPORT

31 December 2023

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 31 December 2023.

## Economy

After witnessing GDP growth of 5.9% in FY-22, economic activity decelerated to 0.3% in FY-23 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. GDP growth in FY-24 is expected to recover gradually between 2.0% to 3.0% on better agriculture outlook and bottoming out of economic activity.

On the fiscal side, tax collection grew by 30.3% in H1-FY24 amidst inflation induced uptick and impact of taxation measures. While the revenue performance is encouraging, the expenditure is expected to remain under pressure during the current fiscal year due to higher markup payments in response to high policy rates.

On the external front, current account deficit narrowed by 77% to \$0.8bn in H1-FY24. This substantial reduction was due to a sharp contraction in imports and improvement in exports reflecting the impact of policy tightening and administrative measures. Imports and remittances declined year on year by 14.7% and 6.8% respectively whereas exports increased by 7.5% in H1-FY24.

SBP foreign exchange reserves improved from \$4.4bn at start of the fiscal year to \$8.0bn as of 2nd February 2024. Following a flexible exchange rate regime, PKR depreciated by 25% in CY-23. Higher international commodity prices together with domestic demand drove inflation with a peak of 38% y/y in May'23, which moderated to 28% in Jan'24. Recently, SBP has maintained the policy rate at 22.0% mindful of the improved inflation outlook.

The successful completion of the first review by the Executive Board of IMF under Standby Arrangements (SBA) resulted in disbursement of a tranche of USD 0.7bn, which is providing market confidence and exchange rate stability. Foreign direct investment has also seen an increase of 35% in H1-FY24, mainly contributed by China, which will further support in unlocking near-term FX inflows from multilateral and bilateral sources paving way for improved macroeconomic environment.

Banks in Pakistan continue to be well capitalized with an industry wide CAR of 19.1% and remain profitable with a ROE (after tax) of 26.9% based on Q3-23 results. Meanwhile, NPLs of the banking sector stood at 7.7% at close of Q3-23 compared to 7.3% at close of CY-22.

## Purpose

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

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

## Our strategic pillars

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

### 1) Network

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

### 2) Affluent

We continue to reinforce our strong credentials in the affluent segment by building loyalty and trust through offering our clients personalised wealth advice based on superior insight. Income from our affluent wealth business is up by 26%.

# DIRECTORS' REPORT

## 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 drive, 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 December 2023 (PKR millions)	31 December 2022 (PKR millions)
<b>Balance Sheet</b>		
Paid-up capital	38,716	38,716
Total equity	96,223	87,521
Deposits	719,535	718,450
Advances – gross	240,843	236,923
Advances – net	220,183	216,208
Investments – net	226,712	477,732

	Year ended 31 December 2023 (PKR millions)	Year ended 31 December 2022 (PKR millions)
<b>Profit and Loss</b>		
Revenue	107,484	62,649
Operating expenses	16,485	12,811
Other non-mark-up expenses	1,941	1,035
Operating profit (before provisions and tax)	89,058	48,804
(Recovery) / provisions and write offs - net	(163)	(1,319)
Profit before tax	89,221	50,123
Profit after tax	42,622	19,844
Earnings per Share (EPS) – Rupees	11.01	5.13

A strong performance by the Bank led to a growth of 78% in profit before tax to PKR 89.2 billion. Overall revenue grew 72%, whereas client revenue increased by 78% year on year with positive contributions from all segments. Operating expenses increased 29% from comparative period in line with inflation. Moreover, as a result of prudent risk approach coupled with recoveries of bad debts led to a net release of PKR 163 million during the year.

# DIRECTORS' REPORT

On the liabilities side, the Bank's total deposits stand at PKR 720bn; up by PKR 1.1 billion, whereas current accounts registered a healthy growth of PKR 34 billion (up 10%) since the start of this year and comprise 50% of the deposit base. On asset side, net advances registered a growth of PKR 4 billion (2%) since the start of this year. We continue to monitor the economic and political landscape and will position our portfolio accordingly. The Bank is well placed to cater for the needs of its clients and will continue its strategy to build a profitable, efficient and sustainable portfolio.

During 2023, the Bank paid PKR 47.7 billion (2022: PKR 25.8 billion) on account of Income taxes to Government Treasury reflecting an effective tax rate of 52.2% (2022: 60.4%). The Bank also collected around PKR 14.3 billion (2022: PKR 11.6 billion) for the National exchequer as withholding tax agent under different provisions of Income Tax Ordinance 2001. In addition, the Bank further collected and paid PKR 1.4 billion (2022: PKR 0.7 billion) in respect of Federal Excise Duty and Provincial Sales Taxes.

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

## Outlook

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

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

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

## 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 2023. 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.

In 2019, the Bank launched its new Community Investment Strategy, Futuremakers by Standard Chartered.

Futuremakers by Standard Chartered, a global initiative to tackle inequality and promote greater economic inclusion, aims to empower the next generation to learn, earn and grow through programmes focusing on education, employability, and entrepreneurship.

**Education:** Goal is our programme to equip adolescent girls with the confidence, knowledge, and skills they need to be economic leaders in their families and communities. In Pakistan this was launched in 2016. Our young girl focused programme grew by empowering over 34,000 girls and is currently actively running across 130 schools in Karachi and Islamabad. In 2023 alone 10,973 girls were empowered.

**Employability:** Many disadvantaged young people lack the skills they need to get a job or to improve their circumstances, including knowing how to manage their financial future. At the same time, employers can find it difficult to hire someone with the right balance of technical and soft skills.



# DIRECTORS' REPORT

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

The Bank launched the Futuremakers Inclusive Employability project in 2021 which focuses on economic empowerment of youth with disabilities. This project is part of 'Futuremakers by Standard Chartered' – the Bank's global initiative to tackle inequality, by promoting economic-inclusion for young people. Through this programme the Bank reached out to targeted beneficiaries, including more than 480 youth with disabilities of which 20% were visually impaired. In 2023, more than 100 people have already transitioned into formal employment.

**Entrepreneurship:** More individuals and businesses have greater access to financial services than ever before. However, many micro and small business owners lack the business management skills they need to grow their business. We offer support to develop broader business skills, build financial knowledge, and provide access to finance and networks to young people. Our projects include Women in Tech, which provides technical business training, mentoring and seed funding to female entrepreneurs.

Women In Tech 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 100 businesses have gone through extensive training, coaching and mentoring sessions out of which 33 businesses have been given the seed money to scale their business further. This programme aims to promote the economic and social development of women in Pakistan through innovation or technology led entrepreneurship. In 2023, 25 female businesses graduated out of which 7 female founders were awarded seed funding.

As part of entrepreneurship, the bank launched agripreneurs project in 2022 which worked 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 in Phase 1. The project focused on supporting young entrepreneurs to develop and sell products in agricultural value chains with strong local potential. Phase 2 of the project in 2023 focused on 700 high potential agripreneurs (88% women) from Phase 1 and also trained a new batch of 303 young people (93% women).

## 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 2023, SCB reduced its own carbon emissions (scope 1 & 2) by 33.54% to 2,145 ton. This was augmented by adding renewable energy source (solar panels) and smart air-conditioning systems (VRF and inverter) in the head office as well as branches. Also, Bank's Head Office was certified as "Green Office" by WWF-Pakistan for implementing environmental management system and its impact to reduce ecological footprint. Besides this, the Bank has continued initiatives which include environmentally friendly and biodegradable fuel additive for generators and electricity storage in batteries. In addition, the Bank successfully achieved its milestone of planting over 200,000 trees nationwide during the year through active employee volunteering and partnership with local communities.

Moreover, being a propagator of clean energy, the Bank plans to continue solar installation at branches and is further exploring renewable energy alternatives at other sites as well.

## 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 which also includes the total number of directors bifurcated into male and female as well as the detailed composition of the Board and its Committees.

## 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.

# DIRECTORS' 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 during the year along with attendance by the directors/ members are as under:

Sr. No	Name of Director	Board Meetings		BAC Meetings		RemCo Meetings		BRC Meetings		BITC Meetings	
		Member	Attended <sup>1</sup>	Member	Attended <sup>1</sup>	Member	Attended <sup>1</sup>	Member	Attended <sup>1</sup>	Member	Attended <sup>1</sup>
	Meetings held during the year	5		5		5		5		3	
1	Ian Bryden <sup>2</sup>	✓	1/1	-	-	-	-	-	-	-	-
2	Christopher Parsons <sup>3</sup>	✓	3/3	-	-	-	-	-	-	-	-
3	Towfiq Chinoy	✓	5/5	✓	1/1	✓	5/5	✓	5/5	-	-
4	Ehsan Ali Malik	✓	5/5	✓	5/5	-	-	✓	5/5	✓	3/3
5	Rola Abu Manneh <sup>4</sup>	✓	5/5	-	-	✓	5/5	-	-	-	-
6	Badaruddin Vellani <sup>5</sup>	✓	4/5	✓	4/4	✓	4/4	-	-	-	-
7	Sheikh Jobe <sup>6</sup>	✓	3/3	✓	2/3	-	-	-	-	✓	1/2
8	Mohamed Abdel Razek <sup>7</sup>	✓	1/2	✓	1/2	-	-	-	-	✓	0/1
9	Rehan Muhammad Shaikh	✓	5/5	-	-	-	-	✓	5/5	✓	3/3

## 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 (other than Group appointees) of the Bank are eligible to receive a meeting fee for attending the meetings of the Board, its Committee(s) 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 (other than Group appointees) of the Bank to attend meetings of the Board and its Committee(s) 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 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 questionnaires online and the anonymity of the respondents is ensured throughout the process in order to promote an open and frank exchange of views. The consolidated results of the Effectiveness Review are shared with the Chairman and presented to the Board. Based on the outcomes from the Review and Board deliberations at the meeting, improvement areas are picked up to form an action plan for implementation.

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

<sup>2</sup> Stepped down effective 1 April 2023

<sup>3</sup> Joined effective 18 July 2023

<sup>4</sup> Joined effective 3 January 2023

<sup>5</sup> Joined effective 16 February 2023

<sup>6</sup> Joined effective 16 August 2023

<sup>7</sup> Stepped down effective 30 April 2023

# DIRECTORS' REPORT

## Pattern of Shareholding

The pattern of shareholding forms part of this Annual Report. At 31 December 2023, 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 2023 on the basis of un-audited accounts are:

	PKR '000
Provident Fund	3,141,430
Management Staff Gratuity Fund	2,338,629
Non-Management Staff Gratuity Fund	97,367
Management Staff Pension Fund	64,807
Non-Management Staff Pension Fund	68,172

## Dividend

A final cash dividend of 25% (PKR 2.50/- per share) has been recommended by the Board of Directors for approval at the 18<sup>th</sup> Annual General Meeting of the Bank's shareholders. This is in addition to 65.0% (PKR 6.50/- per share) interim cash dividend announced / paid during the year.

## External Auditors

The Board Audit Committee ('Committee' or 'BAC') 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 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 the BAC, has also proposed to authorise the BAC to negotiate and agree upon the audit fees for the year 2024, subject to concurrence of the Board.

## 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 Muhammad Shaikh  
Chief Executive Officer  
Karachi: 23 February 2024



Badaruddin Vellani  
Director



# ڈائریکٹرز کی رپورٹ

31 دسمبر 2023ء

بورڈ آف ڈائریکٹرز کی جانب سے ہم انتہائی مسرت سے اسٹیٹڈرڈ چارٹرڈ بینک (پاکستان) لمیٹڈ (SCBPL یا بینک) کی ڈائریکٹرز رپورٹ مع 31 دسمبر 2023ء کو ختم ہونے والے سال کے پڑتال شدہ کھاتہ جات اور آڈیٹرز رپورٹ پیش کر رہے ہیں۔

## اکانومی (معیشت):

مالی سال 2022 میں مجموعی قومی پیداوار کی شرح نمو میں 5.9% کا اضافہ دیکھنے کے بعد مالی سال 2023 میں معاشی سرگرمی 0.3 فیصد تک کم ہو گئی ہے۔ جس کی بنیادی وجوہات میں سیاسی عدم استحکام، غیر متوقع سیلاب، عالمی سطح پر اجناس کی قیمتوں میں اضافے کے باعث افراط زر کا دباؤ اور کرنٹ اکاؤنٹ کے خسارے پر دباؤ کم کرنے کیلئے اتھارٹیٹی کی جانب سے درآمدات کم کرنے کے اقدامات شامل ہیں۔ مالی سال 2024 میں بہتر زرعی پیداوار اور معاشی سرگرمی میں اضافے کے باعث مجموعی قومی پیداوار (GDP) کی شرح نمو بہتر ترقی 2.0% سے 3.0% تک بحال ہونے کی توقع ہے۔

مالی تناظر میں، مالیاتی سال 2024 کی پہلی ششماہی میں افراط زر سے ہونے والے اضافے اور ٹیکس اقدامات کے باعث ٹیکس وصولی میں 30.3% کا اضافہ ہوا۔ جہاں وصولیات میں اضافہ حوصلہ افزا ہے، تاہم موجودہ مالی سال میں بلند پالیسی شرح کی وجہ سے اضافی مارک اپ ادائیگی کے باعث اخراجات پر دباؤ رہنے کی توقع ہے۔

بیرونی محاز پر، مالی سال کی پہلی ششماہی میں کرنٹ اکاؤنٹ کا خسارہ 77 فیصد کم ہو کر 10.8 ارب ڈالر رہا۔ اس کمی کی وجہ درآمدات میں تیزی سے کمی اور برآمدات میں بہتری ہے جو سخت پالیسی اور انتظامی اقدامات کے اثرات کو ظاہر کرتی ہے۔ سال بسال درآمدات اور ترسیلات زر بالترتیب 14.7 فیصد اور 6.8 فیصد کم رہیں جبکہ مالی سال 2024 کی پہلی ششماہی میں برآمدات میں 7.5 فیصد اضافہ ہوا ہے۔

اسٹیٹ بینک کے ذریعہ مبادلہ کے ذخائر بڑھ کر 2 فروری 2024 تک 8.2 ارب ڈالر ہو گئے ہیں جو مالی سال کے آغاز میں 4.4 ارب ڈالر تھے۔ چلدار شرح مبادلہ کے نظام کی بیرونی کے تحت سال 2023 میں پاکستانی روپے کی قدر میں 25 فیصد کمی ہوئی۔ ملکی سطح پر طلب اور عالمی سطح پر اجناس کی قیمتوں میں اضافہ افراط زر کا باعث بنا جو مئی 2023 میں سال بسال 38% کی بلند سطح تک پہنچ گیا جبکہ جنوری 2024 میں کم ہو کر 28% تک رہا۔ حال ہی میں اسٹیٹ بینک آف پاکستان نے افراط زر کے گرتے ہوئے رجحان کو مد نظر رکھتے ہوئے پالیسی کی شرح 22% پر برقرار رکھی ہے۔

اسٹیٹ بینک آف پاکستان (SBA) کے تحت آئی ایم ایف ایگزیکٹو بورڈ کے پہلے جائزے کی کامیاب تکمیل کے بعد 0.7 ارب ڈالر کی قسط موصول ہوئی جو مارکیٹ میں اعتماد اور شرح مبادلہ میں استحکام کا باعث بن رہی ہے۔ غیر ملکی براہ راست سرمایہ کاری میں بھی مالی سال 2024 کی پہلی ششماہی میں 35% اضافہ دیکھا گیا جس میں چین کا کلیدی تعاون شامل تھا، اس سے مستقبل قریب میں دو طرفہ اور کثیر طرفہ ذرائع سے زرمبادلہ کی آمدن ہوگی اور معاشی معاملات میں بہتری آئے گی۔

پاکستانی بینکنس شعبہ بینکاری کے موزوں سرمائے (CAR) کی شرح 19.1% کے ساتھ مستحکم رہے اور سال 2023 کی تیسری سہ ماہی کے دوران بعد از ٹیکس (RoE) (26.9%) کے ساتھ منافع بخش رہے۔ اسی دوران بینکنگ سیکٹر کے غیر فعال قرضے سال 2023ء کی تیسری سہ ماہی کے اختتام پر 7.7% رہے جو سال 2022 کے اختتام پر 7.3% تھے۔

## مقصد:

Driving Commerce and Prosperity through our Unique Diversity اسٹیٹڈرڈ 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 پراثر 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

31 دسمبر 2022ء (ملین پاکستانی روپے) 31 دسمبر 2023ء (ملین پاکستانی روپے)

نفع و نقصان	2022ء	2023ء
آمدنی	62,649	107,484
انتظامی اخراجات	12,811	16,485
دیگر نان مارک آپ اخراجات	1,035	1,941
کاروباری منافع (قبل از ٹیکس اور غیر فعال مالیات اور سرمایہ کاری کے عوض نقصان)	48,804	89,058
خالص وصولیات/قرضہ جات پر ممکنہ خسارہ	(1,319)	(163)
قبل از ٹیکس منافع	50,123	89,221
بعد از ٹیکس منافع	19,844	42,622
فی حصص آمدن (EPS) - روپیہ	5.13	11.01

بینک کی ریکارڈ کارکردگی کی وجہ سے منافع قبل از ٹیکس 78% کے اضافے کے ساتھ 89.2 ارب روپے پر پہنچ گیا۔ مجموعی طور پر ریونیو 72% بڑھا، جب کہ کلائنٹ کی آمدن میں تمام شعبوں کی جانب سے مثبت شرکت کی وجہ سے سال بسال 78% اضافہ ہوا۔ انتظامی اخراجات میں افراط زر کے حساب سے گذشتہ سال کے مقابلے میں 29% اضافہ دیکھا گیا، مزید یہ کہ محتاط طریقے اپنانے اور سال کے دوران غیر فعال قرضہ جات کی وصولیوں کے باعث نیٹ وصولی میں 163 ملین روپے کا اضافہ ہوا۔

واجبات کے پہلو سے بینک کے مجموعی کھاتے 720 ارب روپے رہے، جس میں 1.1 ارب روپے تک کا اضافہ ہوا جبکہ کرنٹ اکاؤنٹس میں اس سال کے آغاز سے 34 ارب روپے (10% زیادہ) کا مثبت اضافہ ہوا اور یہ کل کھاتے جات کے 50% پر مشتمل ہیں۔ اثاثہ جات کے پہلو سے خالص قرضہ جات کی فراہمی میں سال کے آغاز سے 4 ارب روپے (2%) کا اضافہ ہوا۔ ہم معاشی اور سیاسی صورتحال کا مسلسل جائزہ لے رہے ہیں اور اسی کے مطابق پورٹ فولیو ترتیب دیں گے۔ بینک اپنے صارفین کی ضروریات کی تکمیل کیلئے پوری طرح آراستہ ہے اور ایک منافع بخش، معیاری اور مستحکم پورٹ فولیو کی تشکیل اور تعمیر کی حکمت عملی برقرار رکھے گا۔

سال 2023 کے دوران بینک نے انکم ٹیکس کی مد میں قومی خزانے میں 47.7 ارب روپے (2022 میں 25.8 ارب روپے) جمع کرائے جو 52.2% کی موثر ٹیکس شرح (2022 میں یہ شرح 60.4% تھی) کو ظاہر کرتا ہے۔ بینک نے انکم ٹیکس آرڈیننس 2001 کی مختلف دفعات کے تحت ود ہولڈنگ ٹیکس ایجنٹ کے طور پر قومی خزانے کیلئے تقریباً 14.3 ارب روپے (2022 میں 11.6 ارب روپے) جمع کئے۔ اس کے علاوہ سال 2023 کے دوران بینک نے فیڈرل ایکسائز ڈیوٹی اور صوبائی سیلز ٹیکس کی مد میں 1.4 ارب روپے (2022 میں 0.7 ارب روپے) وصول اور 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 ہیلنس 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۔

## معاشی منظر نامہ:

اگرچہ بیرونی منظر نامہ دشوار ہے۔ تاہم، معیشت کی بحالی کی رفتار کا انحصار زرمبادلہ کے ذخائر، ملکی اور جغرافیائی سیاسی ماحول اور ایشیاء کی عالمی قیمتوں میں بہتری پر ہوگا۔

ہمارے مالی نتائج ہمارے مضبوط اور مستحکم کاروباری اصولوں کو ظاہر کرتے ہیں۔ ہم جانتے ہیں کہ آنے والے وقت میں چیلنجز کا سامنا رہے گا اور ہم اپنے صارفین اور ملازمین کی مدد کیلئے پُر عزم ہیں اور ہم یقین دلاتے ہیں کہ ہمارے صارفین کی ضروریات کو مرکزیت حاصل رہے گی۔

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

# ڈائریکٹرز کی رپورٹ

سالانہ بیرونی آڈٹ:

SCBPL کے کھاتہ جات کا آڈٹ بینک کے آڈیٹرز EY فورڈر ہوڈز، چارٹرڈ اکاؤنٹنٹس نے کیا اور بغیر کسی اختلاف پینٹی رپورٹ پیش کی۔

## کریڈٹ ریٹنگ:

2023ء میں پاکستان کریڈٹ ریٹنگ ایجنسی (PACRA) نے بینک کی بائریٹیج "AAA" (ٹریبل 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۔

2019ء میں بینک نے اپنی نئی کیوٹی انویسٹمنٹ اسٹریٹیجی فیوچر میکرز بائے اسٹینڈرڈ چارٹرڈ کا آغاز کیا۔

فیوچر میکرز بائے اسٹینڈرڈ چارٹرڈ، ایک عالمی اقدام ہے جس کا مقصد عدم مساوات و برابری کا ازالہ کرنا ہے اور وسیع معاشی شمولیت کو فروغ دینا ہے۔ اس کا مقصد تعلیم، روزگار اور کاروباری فرد بننے کے پروگرامز کی مدد سے آئندہ نسل کو سیکھنے، کمانے اور آگے بڑھنے کیلئے با اختیار کرنا ہے۔

## ایجوکیشن:

گول ہمارا پروگرام ہے جس میں نو عمر لڑکیوں کو خود اعتمادی، تعلیم اور مہارتیں فراہم کی جاتی ہیں تاکہ وہ اپنے خاندان اور کمیونٹی میں معاشی حوالے سے قائدانہ کردار ادا کر سکیں۔ پاکستان میں اس کی شروعات 2016ء میں کی گئی تھی۔ ہمارا یہ پروگرام 34,000 سے زائد لڑکیوں کو با اختیار بنا چکا ہے اور اس وقت یہ کراچی اور اسلام آباد کے 1130 اسکولز میں پوری سرگرمی سے چلایا جا رہا ہے۔ 2023 اس پروگرام کے تحت 10,973 لڑکیوں کو با اختیار بنایا گیا۔

## روزگار:

کئی پسماندہ نوجوان اُن مہارتوں سے لاعلم ہوتے ہیں جو ان کو ملازمت حاصل کرنے اور اپنے حالات کو بہتر کرنے کیلئے ضروری ہیں، اور اس میں اپنے معاشی مستقبل کو جاننے کی مہارت بھی شامل ہے۔ اسی تناظر میں اداروں کو ایسے افراد کو تلاش کرنے میں مشکل پیش آتی ہے جن کے پاس ٹیکنیکل اور دیگر مہارتوں کا صحیح توازن حاصل ہو۔ ہم نوجوانوں کو ملازمت کی تیاری کے حوالے سے مختلف مواقع فراہم کرتے ہیں جن میں ووکیشنل ٹریننگ، مینیورنگ، کیریئر پلاننگ اور مہارتوں میں اضافہ شامل ہے۔

2021 میں بینک نے Futuremakers Inclusive Employability پروجیکٹ کا آغاز کیا جس کا مقصد معذور نوجوانوں کو معاشی طور پر با اختیار بنانا ہے۔ یہ پروجیکٹ 'فیوچر میکرز بائے اسٹینڈرڈ چارٹرڈ' کا حصہ ہے جو نوجوانوں کی معیشت میں شمولیت کو فروغ دے کر عدم مساوات سے نمٹنے کے لیے بینک کا عالمی اقدام ہے۔ اس پروگرام کے تحت بینک نے 480 سے زائد معذور نوجوانوں کو مستفید کیا جس میں 20 فیصد بصارت سے محروم افراد شامل تھے۔ 2023 میں 100 سے زائد افراد باقاعدہ ملازمت حاصل کر چکے ہیں۔

## انٹرنیشنل ورک:

اب پہلے سے زیادہ افراد اور کاروبار کو مالی خدمات تک رسائی حاصل ہو چکی ہے۔ تاہم بہت سے چھوٹے کاروباری مالکان اپنے کاروبار کو ترقی دینے کیلئے بزنس مینجمنٹ کی مہارت نہیں رکھتے۔ ہم نوجوانوں کو وسیع کاروباری تربیت، مالیاتی علم، فنانس اور نیٹ ورکس تک رسائی حاصل کرنے میں معاونت کرتے ہیں۔ ہمارے منصوبوں میں Women in Tech شامل ہے جو کاروباری خواتین کو ٹیکنیکل بزنس ٹریننگ، مینیورنگ اور کاروبار کے لئے سیڈ فنڈز فراہم کرتا ہے۔

Women In Tech کا مقصد پاکستان میں خواتین کو ان کے منفرد بزنس آئیڈیاز کو مارکیٹ میں لاکر خواتین کی سربراہی میں کاروبار کی نشاندہی اور فروغ میں مدد فراہم کرنا ہے۔



## ڈائریکٹرز کی رپورٹ

پاکستان میں اس کے آغاز کے بعد سے اب تک 100 کاروبار وسیع تربیت، کوچنگ اور رہنمائی کے سیشنز سے گزر چکے ہیں جن میں سے 33 کاروباریوں 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۔ 2023 میں 25 خواتین نے گریجویٹ کیا جن میں سے 7 خواتین فاؤنڈرز کو سیڈ فنڈنگ فراہم کی گئی۔

انٹر پرائیور شپ کے تناظر میں بینک نے 2022 میں ایگری-پرائیور پروجیکٹ کا آغاز کیا گیا۔ جس کے پہلے مرحلے میں منافع بخش اور پائیدار زرعی اداروں کی ترقی کیلئے پنجاب اور سندھ کے دیہی اور شہری علاقوں میں 1,000 نوجوان خواتین اور مردوں کے ساتھ کام کیا گیا ہے۔ اس پروجیکٹ نے نوجوان کاروباریوں کو مضبوط مقامی صلاحیت کے ساتھ زرعی مصنوعات تیار کرنے اور فروخت کرنے میں مدد کرنے پر توجہ مرکوز کرتا ہے۔ 2023 میں پروجیکٹ کے دوسرے مرحلے میں زیادہ استعداد کے حامل 1700 ایگری پرائیور (88 فیصد خواتین) پر توجہ مرکوز کی۔ اس کے علاوہ نئے بیج میں 303 نوجوانوں (93 فیصد خواتین) کو تربیت دی گئی۔

### سبز 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 کا ہمارا عزم اور 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 فنڈنگ سرگرمیوں سے "نیٹ زیرو" کاربن کے اخراج تک پہنچنے کی کوشش کرے گا۔ جیسا کہ بینک کا مقصد فنڈنگ سرگرمیوں سے وابستہ اخراج کو نیٹ زیرو تک کم کرنا ہے۔ یہ سرسبز اور ٹرانزیشن فنانس کو دستیاب کرنے کے راستے بھی تلاش کر رہا ہے۔ یہ صارفین 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 مختلف ماحولیاتی ضوابط کی تعمیل کرنے اور اپنے کاربن فٹ پرنٹ میں مسلسل کمی کے لیے بہترین طریقوں کو اپنانے کیلئے پرعزم ہے۔ 2023 میں SCB نے اپنے کاربن کے اخراج (اسکوپ 2 & 1) کو 33.54% کم کر کے 2,145 ٹن تک لے آیا ہے۔ اور اس کیلئے ہیڈ آفس کے ساتھ ساتھ برانچوں میں قابل تجدید توانائی کے ذرائع (سولر پینلز) اور سمارٹ ایئر کنڈیشننگ سسٹم (VRF اور انورٹرز) کو شامل کیا گیا ہے۔ اس کے علاوہ، بینک کے ہیڈ آفس کو WWF-Pakistan کی جانب سے ماحولیاتی انتظامی نظام کو نافذ کرنے اور ماحولیاتی اثرات کو کم کرنے کے لیے "گرین آفس" کے طور پر سندھی گئی ہے۔ مزید برآں بینک نے ایسے اقدامات جاری رکھے ہیں جن میں جزیئر کے لیے ماحول دوست اور بائیو ڈیگرڈیبل فیول ایڈیٹیو اور بیٹریوں میں الیکٹریٹی اسٹوریج شامل ہیں۔ اس کے علاوہ بینک نے فعال ملازمین کی رضا کارانہ خدمات اور مقامی کمیونٹیز کے ساتھ شراکت داری کے ذریعے سال کے دوران ملک بھر میں 200,000 سے زیادہ درخت لگانے کا سنگ میل کامیابی سے طے کیا ہے۔

مزید برآں، صاف توانائی کا پرچار کرنے والے کے طور پر بینک نے برانچز میں شمسی توانائی کی تنصیب جاری رکھنے کا منصوبہ بنایا ہے اور دیگر مقامات پر بھی قابل تجدید توانائی کے ذرائع تلاش کر رہا ہے۔

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

تمام لازمی قوانین کی مکمل پاسداری کی جارہی ہے اور اس کوڈ (ضابطے) میں دیئے 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 جس میں مرد اور خواتین پر مشتمل ڈائریکٹرز کی کل تعداد کے ساتھ بورڈ اور اس کی کمیٹی کی مکمل تفصیل شامل ہے۔

### اسٹیٹمنٹ برائے اندرونی انضباط اور خطرات سے نمٹنے کا فریم ورک:

اسٹیٹمنٹ رڈ 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۔

بورڈ ہمارے مجموعی داخلی کنٹرول کی تاثیر پر انتظامیہ کے جائزے کی توثیق کرتا ہے جس میں مالیاتی رپورٹنگ پر اندرونی کنٹرول ('ICFR') شامل ہے، جس کی تفصیل اندرونی کنٹرول اور رسک مینجمنٹ فریم ورک پر مینجمنٹ کے بیانات میں ہے۔

# ڈائریکٹرز کی رپورٹ

## بورڈ اور اس کی کمیٹیوں کے اجلاس

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

نمبر شمار	ڈائریکٹر کا نام	بورڈ کے اجلاس		ٹریسوری کے اجلاس		ریٹیکو کے اجلاس		ٹی آئی سی کے اجلاس	
		حاضر <sup>1</sup>	ممبر	حاضر <sup>1</sup>	ممبر	حاضر <sup>1</sup>	ممبر	حاضر <sup>1</sup>	ممبر
	سال کے دوران منعقد ہونے والے اجلاس	5		5		5		3	
1	این برائیٹن <sup>2</sup>	1/1	✓	-	-	-	-	-	-
2	کرسٹوفر پارسن <sup>3</sup>	3/3	✓	-	-	-	-	-	-
3	توفیق چنویے	5/5	✓	5/5	✓	5/5	✓	5/5	✓
4	احسان علی ملک	5/5	✓	5/5	✓	-	-	3/3	✓
5	رولا ایوانہ <sup>4</sup>	5/5	✓	5/5	✓	-	-	-	-
6	بدرالدین ویلانی <sup>5</sup>	4/5	✓	4/4	✓	-	-	-	-
7	شیخ جوہے <sup>6</sup>	3/3	✓	-	-	-	-	1/2	✓
8	محمد عبدالرازق <sup>7</sup>	1/2	✓	-	-	-	-	0/1	✓
9	ریحان محمد شیخ	5/5	✓	-	-	-	-	3/3	✓

## 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 ایگزیکٹیو ڈائریکٹرز کے ساتھ ساتھ نان ایگزیکٹیو ڈائریکٹرز (جو گروپ کے نامزد کردہ 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 ایگزیکٹیو ڈائریکٹرز کے ساتھ ساتھ نان ایگزیکٹیو ڈائریکٹرز (جو گروپ کے نامزد کردہ 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 اسٹریکچر 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 منظور 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 مؤثریت میں اضافے کی غرض سے ایک مؤثر ملکیٹرم وضع کیا ہے تاکہ بورڈ کی مؤثریت کا جائزہ لیا جائے۔ ایک ایکسٹرنل کنسلٹنٹ کی خدمات بورڈ کی سالانہ کارکردگی کی جانچ کیلئے حاصل کی جاتی ہیں۔ تمام بورڈ ممبرز سے ان کے سوالنامے آن لائن مکمل کرنا مطلوب ہوتا ہے اور جواب دہندہ کی گمنامی اس پورے پروسس کے دوران یقینی بنائی جاتی ہے تاکہ خیالات کے آزادانہ اور بے تکلف تبادلے کا فروغ ہو۔ سروے کے جامع نتائج چیئر مین کے ساتھ شیئر کیے جاتے ہیں اور بورڈ کے سامنے رکھے جاتے ہیں۔ اجلاس میں جائزے سے نکالے گئے نتائج اور بورڈ کے نو رپورٹس کے نتیجے کی بنیاد پر اصلاحی نکات کی نشاندہی کی جاتی ہے تاکہ عملدرآمد کیلئے لائحہ عمل ترتیب دیا جاسکے۔

## شیئر ہولڈنگ کا انداز:

پہلے آف شیئر ہولڈنگ سالانہ رپورٹ کا حصہ ہے۔ 31 دسمبر 2023ء کو، اسٹیٹنڈرڈ چارٹرڈ بینک، UK (ہولڈنگ کمپنی) کے پاس SCBPL کے 98.99% شیئرز تھے۔ ڈائریکٹرز، چیف ایگزیکٹیو آفیسر، اور دیگر اہم ایگزیکٹیو بینک کے شیئرز (حصص) میں کوئی دلچسپی نہیں رکھتے، سوائے اس کے جو اس پہلے آف شیئر ہولڈنگ میں ظاہر کر دیے گئے ہیں۔

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

<sup>2</sup> سبکدوش ہوئے، یکم اپریل 2023 سے قابل اطلاق

<sup>3</sup> شمولیت اختیاری، 18 جولائی 2023 سے قابل اطلاق

<sup>4</sup> شمولیت اختیاری، 3 جنوری 2023 سے قابل اطلاق

<sup>5</sup> شمولیت اختیاری، 16 فروری 2023 سے قابل اطلاق

<sup>6</sup> شمولیت اختیاری، 16 اگست 2023 سے قابل اطلاق

<sup>7</sup> سبکدوش ہوئے، 30 اپریل 2023 سے قابل اطلاق

# ڈائریکٹرز کی رپورٹ

پروویڈنٹ، گریجویٹ اور پنشن فنڈز کی انویسٹمنٹس کا بیان:

انویسٹمنٹس کی مالیت بشمول پروویڈنٹ اور گریجویٹ فنڈز کی جمع شدہ آمدن 31 دسمبر 2023ء کے غیر آڈٹ شدہ اکاؤنٹس کی بنیاد پر درج ذیل ہیں:

000 پاکستانی روپے

3,141,430

پروویڈنٹ فنڈ

2,338,629

مینجمنٹ اسٹاف گریجویٹ فنڈ

97,367

نان۔ مینجمنٹ اسٹاف گریجویٹ فنڈ

64,807

مینجمنٹ اسٹاف پنشن فنڈ

68,172

نان۔ مینجمنٹ اسٹاف پنشن فنڈ

## ڈیویڈنڈ (منافع منقسمہ)

بینک کے حصص یافتگان کے 18 ویں سالانہ عام اجلاس میں منظوری کیلئے بورڈ آف ڈائریکٹرز نے 25% (2.50 روپے فی حصص) کے حتمی نقد منافع کی سفارش کی ہے۔ یہ 65.0% (6.50 روپے فی حصص) عبوری نقد ڈیویڈنڈ کے علاوہ ہے جو سال کے دوران اعلان/ادا کیا گیا تھا۔

## بیرونی آڈیٹرز

بورڈ آڈٹ کمیٹی نے میسرز EY فورڈر ہوڈرز، چارٹرڈ اکاؤنٹنٹس کا نام آئندہ مدت کے لیے بینک کے بیرونی آڈیٹرز کے طور پر تجویز کیا ہے۔ بورڈ آف ڈائریکٹرز نے بورڈ آڈٹ کمیٹی کی تجویز پر ریٹائر ہونے والے آڈیٹرز میسرز EY فورڈر ہوڈرز، 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 2024 کے لیے آڈٹ فیس پر گفت و شنید اور اتفاق کرنے کا اختیار دینے کی تجویز پیش کی ہے جو کہ بورڈ کی منظوری سے مشروط ہوگا۔

## سٹاکس واعتراف

ہم اس موقع پر اپنے صارفین اور کاروباری رفقاءے 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 پر خلوص اعتراف پیش کرتے ہیں۔ آخر میں ہم اپنے تمام وابستگان، عملے اور ساتھیوں کے شکرگزار ہیں جنہوں نے ہمارے معزز صارفین کیلئے گراں قدر خدمات انجام دیں۔

منجانب بورڈ



ریحان محمد شیخ

چیف ایگزیکٹو آفیسر

کراچی، 23 فروری 2024



بدر الدین ولانی

ڈائریکٹر

# 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 and Internal Audit in which assurance responsibilities are divided into three lines of defence 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 including the possibility of human error or system failure, circumvention and overriding of controls. Accordingly, even an effective internal control system can provide reasonable but not absolute assurance that the system's objective will be achieved. 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 2023 as per SBP Guidelines on Internal Controls has been successfully completed and the Annual Assessment Report for the year 2023 is in finalization stage. SCBPL is fully committed to making continuous efforts to improve the internal control system during 2023.



# 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 ("RTFs") and the related Country Addendums. These include Credit, Traded, Treasury, 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 of defence 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 ("AC"), Country Financial Crime Risk Committee, Credit Issue Committee ("CIC"), Agriculture Committee ("AGC"), 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 first line of defence is responsible for identification, assessment, monitoring and escalation of risk and issues to second line of defence and senior management, setting and executing risk remediation plans, owning and designing processes, controls and standards for adherence to RTF's and policies. Second line of defence is primarily responsible for oversight and challenge of risk management. 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") business, Country Credit Head- Consumer, Private and Business Banking ("CPBB") is responsible for credit risk management of CPBB business including Collections and Recoveries, Head of Stressed Asset Risk is responsible for review and approval of classified portfolio, Head of Traded and Treasury Risk is responsible for risks associated with price movements, changes in interest rates, exchange rate movements, capital adequacy, overseeing the liquidity position. Country Head of Operational Risk is responsible for overseeing the operational risk from second line perspective and Head of Risk Governance responsible for Enterprise Risk Management and governance.

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 CCIB and CPBB Credit.

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

# Management's Statements on Internal Controls and Risk Management Framework

and resource allocations are in accordance with 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. These 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. These are also presented to AC for oversight. CIC is also conducted to closely monitor the clients with heightened risks and take necessary management actions where appropriate.

For CPBB Credit Risk, the approach is to support the delivery of optimum risk adjusted returns, with controlled volatility, and within overall risk appetite. A suitability and appropriateness assessment need to be completed by the first line of defence to ensure only product / facilities which are appropriate and suitable for clients are offered. Credit exposures will be permitted only against products/ facilities which are at minimum covered by an approved Product Program, Credit Approval Document and Credit Risk Management Standards / Campaign Recommendation Document.

Stressed Assets Group ("SAG") is a separate workout specialist unit within the Bank to manage CCIB Problem Accounts. The Stressed Asset Risk ("SAR") unit is a second line function within CCIB Risk which is responsible for the review and approval of all proposals concerning client strategy (including any new money requests, restructuring, enforcement action) and for Loan Impairments for Problem Accounts.

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.

## Traded Risk

The Bank has adopted the Traded Risk Type Framework ("TRTF") 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 TRTF, the Bank recognizes two risk subtypes:

- 1) Market Risk, as the "Potential for fair value loss due to adverse moves in financial markets". 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".

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. 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 and the ERC provide primary oversight for Traded Risk.

## Treasury Risk

Treasury Risk is "Potential for insufficient capital, liquidity or funding to support our operations, the risk of reductions in earnings or value from movements in interest rates impacting banking book items and potential for losses from shortfall in pensions plan".

# Management's Statements on Internal Controls and Risk Management Framework

Treasury Risk is sub-divided into four risk subtypes:

- 1- Capital Risk: "Capital risk" is the potential for insufficient level, composition or distribution of capital, own funds and eligible liabilities to support our activities under normal environments and stressed conditions. Capital risk appetite is split into stress risk appetite and business-as-usual risk appetite metrics. The Bank manages its demand for capital by 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.
- 2- Liquidity and Funding Risk: "Liquidity and Funding Risk" is the risk that Bank may not have sufficient stable or diverse sources of funding or financial resources to meet our contractual obligations and contingent 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.
- 3- Interest Rate Risk in Banking Book: "Interest Rate Risk" is the potential for a reduction in earnings or economic value due to movements in interest rates on banking book (non-traded assets), liabilities and off-balance sheet items. Tools used for management of IRRBB includes repricing gaps, Net Interest Income (NII) sensitivity, Economic Value of Entity (EVE) analysis, basis risk analysis, monitored regularly.
- 4- Pension Risk: "Pension Risk" is the potential for loss due to having to meet an actuarially assessed shortfall in the pension plans.

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.

## Operational and Technology 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 diverse nature of Operational and Technology Risk requires different disciplines to effectively manage and control risk. These are categorised as risk sub-types under the Operational & Technology Risk Type Framework ("O&T RTF"). The O&T RTF is built on a risk-based approach, meaning the risk management plans, processes, activities, and resource allocations are determined in accordance with 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, when formulating business strategy and planning, consider and address Operational Risk at the point of strategic choices and/or decision making. This also includes consideration of the impact of decisions on the design and operational effectiveness of the related system of controls.

There is a consistent approach to risks and controls through the Risk and Control Self-Assessment ("RCSA") process. The RCSA process involves objective assessments of risks based on client impact and likelihood with more focus on material risks and control design. When an operational risk event occurs, there is rapid escalation and root-cause reviews, tracked to completion.

The Operational Risk policy is mapped to the 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 outlines the governance and risk management approach unique to Operational and Technology Risk. It also includes clear lines of management's roles and responsibilities. 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 an enterprise risk management system in place, namely M7, that is utilized for the recording of operational risk events (including financial losses and non-financial events), results of control sample testing and associated mitigating actions pertinent to operational risk.

# Management's Statements on Internal Controls and Risk Management Framework

The ERC is the overarching committee to have oversight over operational risk related matters. The committee has a clear understanding of operational risk as distinct risk category. The committee has the authority to take a view on the significance of risks and to direct appropriate actions.

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

Given the pervasive and strategic importance of technology in the Group's business model, technology policy, ensures appropriate prominence and amplification in the governance structures to support the identification, measurement, monitoring and control for technology related risks. Technology policy and standards are refreshed annually. This policy sets out principles to build and run Technology processes, systems and services. Adherence to this policy and connected standards will enable to maintain customer confidence, protect commercial interests and reputation, comply with legal requirements and meet regulatory expectations.

Technology policy is mapped to the Technology Risk sub-type under the Operational and Technology Risk Type Framework.

All Technology Risk related processes and controls are supported by the Technology function and applies to all staff. The Policy applies to the Technology function and all the staff who are involved in partnering with Technology for technology delivery or support activities and must be read in conjunction with all the underlying Standards and Interconnected Policies.

Climate Risk may be material to Operational Risk exposures due to impacts from physical and transition risks on the operations of the bank including branches, offices and data centres, along with bank's ability to service clients and impact on vendor operations. The O&T RTF also monitors Climate Risk profile associated with Operational Risk and providing actions plans as applicable.

## 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 capitalisation), because of stakeholders taking a negative view of the Group 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, third party relationships, or our own operations."

Sustainability Risk continues to be an area of growing importance for the Bank, driving a need for strategic transformation across business activities and risk management to ensure that we uphold the principles of Responsible Business Conduct and continue to do the right thing for our stakeholders, the environment and affected communities.

The Reputational Risk Materiality Assessment, which incorporates ESG risk considerations and potential shifts in stakeholder perceptions, is used to assess, manage, or mitigate stakeholder perception risks.

At the country level, the CCRO provides independent oversight and challenge on matters related to Reputational and Sustainability Risk with the support of Risk Governance Team.

## Climate Risk

The Bank has adopted the Climate Risk Policy which sets out the overall risk management approach. Climate Risk is defined as the potential for financial loss and non-financial detriments arising from climate change and society's response to it. There are two primary risk sub-types which drive financial and non-financial risks from climate change: Physical and Transition risks. Climate Risk has been recognised as Integrated Risk Type, and manifests through other relevant PRTs.

## 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.

Model Risk sub-types are defined by model family, which accounts for the variety of models used in the Bank and consequent differences in model risk manifestation and risk management approach.



# Management's Statements on Internal Controls and Risk Management Framework

Model risk management encompasses end to end process on model lifecycle from initiation, development, validation and on-going monitoring.

The ERC and BRC maintain oversight over Model Risk.

## Country Risk

Country Risk management is an Overarching risk and is an integral component of ERMF.

Gross Country Risk ("GCR"): Potential for losses due to political or economic events in a country. GCR is defined as the sum of Transfer & Convertibility Risk ("TCR") and Local Currency Risk ("LCR") exposures.

The Country Risk exposure monitoring of identified risks is holistic, including local currency and foreign currency credit exposures, as well as other exposures and there is periodic reporting to senior management and Board on significant country risk events, issues and mitigation plans.

From first line perspective Country CEO is responsible for monitoring Country Risk exposures with second line responsibility of oversight resting with CRO. The ERC and BRC also monitor utilization of limits.

## 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 ensures 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 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), Conduct Risk Management Framework and the Group Code of Conduct. The Conduct Risk is governed and monitored through the CCMC and tracked via Country Conduct Plan ("the Plan"). The Plan is an evolving document which includes actions identified through conduct themes emanating through conduct health checks and issues identified through 1LOD. 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 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 PRT. Financial Crime Risk is defined as the "potential for legal or regulatory penalties, material financial loss or reputational damage resulting from the failure to comply with applicable laws and regulations relating to Sanctions, Anti-Money Laundering, 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 ensures 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.

# Management's Statements on Internal Controls and Risk Management Framework

## 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 manage risk and avoid uncertainties 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 defence 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"). As per Standards, Risk Assessment Stress Testing, Vulnerability Scanning, and Penetration Testing of Bank's Information Assets 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, ERC and IT Steering Committee.

By order of the Board



**Rehan Muhammad Shaikh**  
Chief Executive Officer  
23 February 2024

# Report of Shari'ah Board

For the year ended 31 December 2023

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 Almighty Allah, Saadiq Standard Chartered Bank (Pakistan) Limited (the Bank) has completed its twentieth year of the successful Islamic banking operation. 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, 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.

In addition to that, the BOD has also met SB twice this year in which SB has briefed them on the Shariah compliance environment. Further, SB appreciate the efforts of entire staff of the Bank towards promoting and strengthening the environment of Shariah-compliance in the Bank. It gives us comfort to observe a high level of commitment of the staff, Management and the Board Members of the Bank. We are pleased to share the major achievements of the Bank towards the growth of Islamic banking during the year ended December 31, 2023.

## Islamic Business Review

During the year under review, the Bank primarily used Islamic financings modes of Musharakah, Diminishing Musharakah, Murabaha, Commodity Murabaha, Musawammah and Istisna to meet the customers' financial need in a Shariah compliant manner. At the year ended December 31, 2023, the Bank had Islamic financing and investment/placement of Rs 96.5 billion. While, on the liability side, the Bank had total Islamic deposits of Rs 69.6 billion in Saving Accounts, Term Accounts, Current and other Accounts by end of the year.

## Shariah Compliance Reviews

The Shariah Compliance Department (SCD) is working under the guidance of the Resident Shariah Board Member and Shariah Board to perform its roles and responsibilities as defined 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 Consumer, Private & Business Banking (CPBB), Islamic Corporate, Commercial & Institutional Banking (CCIB), & Islamic Finance, Saadiq Personal Finance & Saadiq Credit Card, Profit & Loss Distribution and Islamic Branches & Islamic Banking Windows.

Further, SCD has also been engaged in facilitating Learning & Development Department and other stakeholders of the bank to provide Islamic banking trainings. They also engaged in developing/enhancing the learning modules.

## Shariah Audit

During the year, Internal Shariah Audit Unit (ISAU) has conducted several Audits on annual and quarterly basis which includes the audit of Islamic Products, Profit & Loss Distribution, Saadiq Personal Finance, Saadiq Credit Card, and Mortgage Subsidy under Mera Pakistan Mera Ghar.

## Charity Amounts

The opening balance of the charity fund on January 1, 2023 was Rs 18.1 million. During the year, an amount of

# Report of Shari'ah Board

For the year ended 31 December 2023

Rs. 14.4 million has been added to charity account which includes NOSTRO account related income purification i.e. Rs 6.8 million & delayed payment amount received from customers i.e. Rs 7.6 million. Furthermore, charity amount of Rs. 22 million has been disbursed to different approved charitable and social welfare institutions. However, the remaining Rs 10.4 million charity amount is in process to be paid to the charitable institutions.

## Training and Capacity Building

During the year under review, the bank provided capacity building training to the relevant staff and has taken major initiatives which includes digital channel (Online, Webinars, Virtual, e-assessments). With respect to FSC judgement, bank organise exclusive sessions on this for staff where Shariah Scholar / Islamic financial Experts provided classroom face to face engagement sessions via internal and external trainers i.e. IBA-CEIF, NIBAF etc.

Approximately 2000 employees attended number of trainings on 43 different courses on Islamic Banking product and services. In addition, progress and updates on transformation of conventional Banking into Islamic Banking 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. While SB is 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 Shariah review reports of Shariah compliance department and Shariah audit reports of internal & external Shariah audits.

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 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 trainings 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.



# Report of Shari'ah Board

For the year ended 31 December 2023

## Recommendations

1. In line with FSC judgement on transformation from conventional to Islamic, it is recommended to hire relevant talent in different segment of the bank to achieve the target within the timeline.
2. Due to continuous increment in adoption of AAOIFI Shariah Standards and SBP's continuous instructions for enhancement of Islamic banking, it is advised that the bank should ensure to adhere Standards and instructions to avoid any reputational & credibility risk.
3. The bank should align its strategy with SBP's strategic plan 2023- 2028 especially Goal # 04 with regards to transformation to a Shariah Compliant Banking system.

## 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. Shaikh 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: 23rd February 2024**

# شریعی بورڈ رپورٹ

برائے سال 31 دسمبر 2023

بِسْمِ اللّٰهِ الرَّحْمٰنِ الرَّحِیْمِ

الحمد للہ رب العالمین، والصلوة والسلام علی سیدنا محمد وعلی 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، اسٹیٹرز ڈیپارٹمنٹ (پاکستان) لمیٹڈ نے کامیاب اسلامک بینکنگ آپریشنز کا بیسواں سال مکمل کر لیا ہے۔ اسٹیٹ بینک آف پاکستان کے اسلامک بینکنگ ڈپارٹمنٹ (IBD SBP) کے شریعی گورننس فریم ورک (SGF) کی شرائط کے مطابق اس رپورٹ کا مقصد، بینک کے اسلامک بینکنگ بزنس اور آپریشنز کی شریعی کمپلائنس کی مجموعی صورتحال پر شریعی بورڈ (SB) کی رائے فراہم کرنا ہے۔

سال کے دوران شریعی بورڈ نے مختلف پروڈکٹس، ملکی ضمیموں، ڈپارٹمنٹ آپریشنز، ٹرانزیکشنز، پروسیس ٹولز، شریعی کمپلائنس اور شریعی آڈٹ رپورٹس کا جائزہ لینے، ان پر اپنی رائے دینے اور ان کی منظوری کیلئے چارج اسٹیٹس منعقد کئے۔

اس سال بورڈ آف ڈائریکٹرز نے شریعی بورڈ کے ساتھ دو ملاقاتیں بھی کیں، جس میں شریعی بورڈ نے شریعی کمپلائنس کی مجموعی صورتحال کی تفصیلی وضاحت کی۔ مزید یہ کہ شریعی بورڈ نے بینک میں شریعی کمپلائنس کی صورتحال کو مستحکم کرنے اور اسے فروغ دینے کیلئے بینک کے تمام اسٹاف کی کاوشوں کو بھی سراہا۔ اسٹاف، انتظامیہ اور بینک کے بورڈ ممبرز کے بھرپور عزم کو دیکھتے ہوئے ہمیں بھرپور تقویت ملتی ہے۔ 31 دسمبر 2023 کو ختم ہونے والے سال کے دوران اسلامک بینکنگ کو فروغ دینے کیلئے ہم بینک کی اہم کامیابیوں کو خوشی سے منبر کر رہے ہیں۔

## 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 فنانشنگ کے طریقوں، مشارکہ، شریکت، متناقصہ، مراہجہ، کوڈٹی مراہجہ، مساومہ اور استصناع کا استعمال کیا۔ 31 دسمبر 2023 کے اختتام پر، بینک کی مجموعی فنانشنگ اور انویسٹمنٹ/پلیٹمنٹ 96.5 بلین روپے تھی، واجبات کے لحاظ سے، بینک کے پاس سیونگز اکاؤنٹس، ٹرم اکاؤنٹس، کرنٹ اور دیگر اکاؤنٹس میں کل 69.6 بلین روپے کے اسلامی ڈپازٹس تھے۔

## شریعی کمپلائنس کا جائزہ

شریعی کمپلائنس ڈپارٹمنٹ (SCD)، ریویژنٹ شریعی بورڈ ممبر اور شریعی بورڈ کی رہنمائی میں کام کر رہا ہے تاکہ شریعی گورننس فریم ورک کے مطابق اپنا کردار ادا کرے 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 کنزیومر، پرائیویٹ اور بزنس بینکنگ (CPBB)، اسلامک کارپوریٹ کمرشل اور انسٹیٹیوشنل بینکنگ (CCIB) اور اسلامک فنانس، صادق پرسنل فنانس اور صادق کریڈٹ کارڈ، نفع و نقصان کی تقسیم اور اسلامک برانچ اور اسلامک بینکنگ ونڈوز شامل تھے۔

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

## شریعی آڈٹ

رواں سال انٹرنل شریعی آڈٹ یونٹ (ISAU) نے ششماہی اور سہ ماہی بنیادوں پر متعدد آڈٹس کئے جن میں اسلامک پروڈکٹس، نفع و نقصان کی تقسیم، صادق پرسنل فنانس، صادق کریڈٹ کارڈ اور مارکیٹ سبسڈی کا آڈٹ شامل ہے اور میرا پاکستان میرا گھر کے تحت مارکیٹ سبسڈی کا بھی آڈٹ کیا۔

# شریعی بورڈ رپورٹ

چیریٹی ماؤنٹس (خیراتی قوم)

یکم جنوری 2023 کو چیریٹی فنڈ کا ابتدائی بیلنس 18.1 ملین روپے تھا۔ سال کے دوران 14.4 ملین روپے چیریٹی اکاؤنٹ میں جمع ہوئے جس سے آمدن میں نامناسب حصے کو الگ کرنے کی مدد میں 6.8 ملین روپے اور کسٹمر کی کوتاہی یا تاخیر سے ادائیگی کے باعث حاصل ہونے والے 7.6 ملین روپے وغیرہ شامل تھے۔ مزید یہ کہ مختلف منظور شدہ خیراتی اور سماجی بہبود کے اداروں کو 22 ملین روپے کی خیراتی رقم فراہم کی گئی۔ بقیہ 10.4 ملین روپے کی خیراتی رقم خیراتی اداروں کو ادا کرنے کا عمل جاری ہے۔

ٹریڈنگ اور صلاحیتوں میں اضافے کی کاوشیں

زیر جائزہ سال کے دوران بینک نے متعلقہ عملے کی استعدادی صلاحیتوں میں اضافے کیلئے ٹریڈنگ فراہم کیں اور اہم اقدامات کئے جن میں ڈیجیٹل چینل (آن لائن، وی پی آر، ورچوئل، ای اسسٹنس) شامل ہیں۔ FSC، گجٹ کے حوالے سے بینک نے عملے کیلئے مخصوص سیشنز کا انعقاد کیا جس میں اسٹاف نے اپنے شریعی اسکالرز اور ٹریڈرز یعنی NIBAP، IBACIEF وغیرہ سے بھی سیشنز لیے۔

تقریباً 2,000 ملازمین نے اسلامک بینکنگ پروڈکٹ اور سروسز سے متعلق 43 مختلف کورسز میں ٹریڈنگ حاصل کیں۔ اس کے علاوہ بورڈ آف ڈائریکٹرز اور بینک کی ایگزیکٹو کمیٹی کیلئے کنویئنٹنل بینکنگ کی اسلامک بینکنگ میں منتقلی سے متعلق پیشرفت اور آگاہی کیلئے بھی سیشنز ترتیب دیئے گئے۔

شریعی بورڈ کی رائے:

شریعی گورننس فریم ورک کے مطابق بینک کے آپریشنز کو شرعی قوانین کے مطابق چلانا، بورڈ آف ڈائریکٹرز اور ایگزیکٹو کمیٹی 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 شریعی کمپلائنس ڈپارٹمنٹ، اندرونی اور بیرونی شریعی آڈٹ کی رپورٹس کا جائزہ لیا ہے۔

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

- 1- بینک نے شریعی 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 شریعی ایڈوائزری کمیٹی کے احکام کے مطابق اسٹیٹ بینک کی جانب سے جاری کردہ شریعی کمپلائنس سے متعلق احکام، ضوابط، ہدایات اور اصولوں کی پاسداری کی ہے۔
- 3- جائزے کے دوران، کسی بھی ایسے معاملے پر جس میں اصلاحی اقدام کی ضرورت ہو، 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 شریعی 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 ڈپارٹمنٹ نے شریعی کمپلائنس ڈپارٹمنٹ اور دیگر اسٹیک ہولڈرز کے تعاون سے ملازمین کی صلاحیت میں اضافے کیلئے مختلف اسلامک بینکنگ ٹریننگ سیشنز کا اہتمام کیا ہے اور بینک کی مصنوعات اور لائحہ عمل میں، شریعی کمپلائنس کی اہمیت کو بڑھانے اور اسلامک بینکنگ کے سیکھنے کے ماحول کو فروغ اور ترقی دینے کیلئے مستقل مصروف عمل ہے۔
- 7- شریعی بورڈ کو اس کی ذمہ داریوں کی ادائیگی کیلئے وسائل فراہم کئے گئے ہیں تاہم کام کے حجم میں اضافے کو مدنظر رکھتے ہوئے شریعی ٹیم میں اضافی افرادی قوت، بینک میں شریعی کمپلائنس کے فنکشن کو مزید مستحکم کرے گی۔

# شریعی بورڈ رپورٹ

تجاویز:

- 1- کنوینشنل سے اسلامک بینکنگ میں منتقلی پر FSC تجویز کے حوالے سے یہ تجویز دی جاتی ہے کہ بینک کے مختلف شعبوں میں متعلقہ استعداد کے حامل افراد کی خدمات حاصل کی جائیں تاکہ معینہ مدت کے اندر ہدف حاصل کیا جاسکے۔
- 2- اسٹیٹ بینک آف پاکستان کی مسلسل (شرعی اسٹینڈرڈز AAOIFI) کو لاگو کرنے سے متعلق (ہدایات کے پیش نظر یہ تجویز دی جاتی ہے کہ بینک اس بات کو یقینی بنائے کہ وہ ان معیارات (اسٹینڈرڈز) اور ہدایات پر عمل پیرا ہو اور ان عوامل سے احتیاط کرے جن سے بینک کی ساکھ کو نقصان پہنچنے کا اندیشہ ہو۔
- 3- بینک کو اسٹیٹ بینک آف پاکستان کی حکمت عملی کے منصوبے 2023-2028 بالخصوص ہدف نمبر 4 سے ہم آہنگ ہونا چاہیے جو شرعی تقاضوں کے مطابق بینکنگ نظام میں منتقلی سے متعلق 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



مفتی محمد عبدالملک  
ممبر شریعی بورڈ



مفتی محمد سرفراز نہال  
ریزیڈنٹ شریعی بورڈ ممبر



ڈاکٹر شیخ نظام بیعتوبی  
چیئر مین شریعی بورڈ



ڈاکٹر مفتی ارشد احمد اعجاز  
ممبر شریعی بورڈ

مورخہ: 23 فروری 2024

# 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 2023** 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 2023.



**Chartered Accountants**

**Place:** Karachi

**Date:** 5 March 2024

**UDIN Number:** CR202310120fvOtKTzyH



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

## Standard Chartered Bank (Pakistan) Limited

For the year ended 31 December 2023

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

1. The total number of directors is seven as per the following:
  - a) Male: Six
  - b) Female: One
2. The composition of the Board at year-end was as follows:
  - a) Independent Non Executive Director(s): Mr. Ehsan Ali Malik  
Mr. Badaruddin Fatehali Vellani
  - b) Non Executive Directors (including a female director): Mr. Christopher Parsons (Chairperson)  
Ms. Rola Abu Manneh  
Mr. Tawfiq Habib Chinoy  
Mr. Sheikh Jobe
  - 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 the directors on the Board have already completed Directors' Training Programme/ Corporate Governance Certification except one director who joined the Board during second half of the year. Said director will acquire necessary certification within the stipulated timelines. During the year under review, a number of in-house training/ 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 is as below:

a) Board Audit Committee ("BAC"):	Mr. Ehsan Ali Malik Mr. Badaruddin Fatehali Vellani Mr. Sheikh Jobe	(Chairperson) (Member) (Member)
b) Board Human Resource & Remuneration Committee ("RemCo"):	Mr. Badaruddin Fatehali Vellani Mr. Towfiq Habib Chinoy Ms. Rola Abu Manneh	(Chairperson) (Member) (Member)
c) Board Risk Committee ("BRC"):	Mr. Towfiq Habib Chinoy Mr. Ehsan Ali Malik Mr. Rehan Muhammad Shaikh	(Chairperson) (Member) (Member)
d) Board Information & Technology Committee ("BITC"):	Mr. Sheikh Jobe Mr. Ehsan Ali Malik Mr. Rehan Muhammad Shaikh	(Chairperson) (Member) (Member)

Note: The Board has not constituted a separate Nomination Committee and functions are being performed by the Board.

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 four in a year
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 Regulations 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 under clauses 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with.

Explanation on Regulation 6 is given below:

For the purpose of this regulation, the Bank has not rounded up the fraction as one. The Bank has duly complied with the minimum number of independent directors. The Board has two independent directors out of seven and the additional number is assigned to non-executive director.

By Order of the Board



**Rehan Muhammad Shaikh**  
Chief Executive Officer  
23 February 2024



**Ehsan Ali Malik**  
Director

## Six Years Key Financial Data

	Rupees in million					
Key Financial Data	2018	2019	2020	2021	2022	2023
<b>Profit and Loss</b>						
Net mark-up income	18,830	27,788	28,140	26,268	44,602	94,159
Non funded income	9,688	11,289	12,800	11,126	18,048	13,325
Total income	28,518	39,076	40,940	37,393	62,649	107,484
Non mark-up expenses	11,290	11,894	12,383	12,137	13,845	18,426
Provisions / (recovery) & write-offs	(1,218)	(17)	4,941	495	(1,319)	(163)
Profit before Tax	18,447	27,199	23,616	24,762	50,123	89,221
Profit after Tax	11,239	16,017	13,133	13,728	19,844	42,622
<b>Profitability ratios</b>						
Return on equity	17.3%	22.9%	17.0%	17.0%	23.7%	46.4%
Return on assets	2.1%	2.7%	2.0%	1.8%	2.2%	4.4%
Expense / Income ratio	40%	30%	30%	32%	22%	17%
<b>Balance Sheet</b>						
Total assets	576,081	619,971	721,905	839,426	927,289	1,001,948
Advances - gross	187,162	235,269	199,753	255,905	236,923	240,843
Advances - net	169,544	218,087	178,216	234,173	216,208	220,183
Non performing loans	17,403	17,738	22,695	21,303	21,237	21,061
Investments - net	279,066	249,164	349,445	450,583	477,732	226,712
Deposits	424,899	465,629	556,506	626,774	718,450	719,535
Shareholder's equity	67,238	72,917	81,678	79,605	87,521	96,223
<b>Asset quality &amp; other ratios</b>						
Advances / deposits ratio	40%	47%	32%	37%	30%	31%
NPL to gross advances	9%	8%	11%	8%	9%	9%
Coverage ratio - specific	97%	92%	84%	92%	93%	93%
CASA mix	94%	93%	93%	92%	96%	97%
Capital adequacy ratio (CAR)	19.09%	16.94%	19.12%	16.93%	18.68%	20.07%
<b>Share information</b>						
Earning per share	2.90	4.14	3.39	3.55	5.13	11.01
Dividend pay-out ratio	22.50%	30.00%	27.50%	30.00%	40.00%	90.00%
<b>Touchpoints (Numbers)</b>						
Branches	77	61	53	41	40	40
ATMs / CDM / CDK	247	217	197	173	169	132

Standard Chartered Bank (Pakistan) Limited

**Audited**  
**Financial Statements**

For the year ended  
31 December 2023

# 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 2023**, 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 5 branches which have been audited by us and notes to the financial statements, including material accounting policy information 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, the statement of changes in equity and the 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 2023 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
<b>1. Provision against Non-Performing Credit Exposure</b> (Refer note 8.3 to the financial statements)	
<p>The Bank's advances portfolio represents 22% of its total assets as of 31 December 2023. A substantial portion of the advances portfolio includes loans and advances to businesses operating in diverse sectors of the economy.</p> <p>As per the Bank's accounting policy (refer note 3.4 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, involves use of management judgment, on a case to case</p>	<p>We applied a range of audit procedures including the following:</p> <ul style="list-style-type: none"><li>- 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;</li></ul>



<p>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> <p>The accounting policy and disclosures relating to provisioning against non- performing advances are included in notes 3.4, 8.2 and 8.4 respectively to the consolidated financial statements.</p>	<ul style="list-style-type: none"> <li>- We performed independent checks for the computations of provisions in line with the requirements of the applicable Prudential Regulations;</li> <li>- In addition, we selected a representative sample of borrowers from the credit portfolios including individually significant corporate loans and 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;</li> <li>- 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; and</li> <li>- 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.</li> </ul>
<p><b>2. Goodwill Impairment</b> (Refer note 10.1 to the financial statements)</p>	
<p>As at 31 December 2023, 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"> <li>- 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;</li> <li>- 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;</li> <li>- We involved our internal valuation specialist to review and evaluate management’s key assumptions used in impairment calculations.</li> <li>- Performed break even analysis around the key assumptions used in the model.</li> <li>- We assessed the adequacy of the related disclosures in the financial statements.</li> </ul>

### 3. User Access Management

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

The possibility of IT 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.

The risk has decreased in comparison to prior year due to management's remediation program.

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.
- We assessed the impact of the results of the above on our audit procedures over the financial statements for the year ended 31 December 2023.

### Information Other than the Financial Statements and Auditors' Report 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 auditors' report 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 statement of profit or loss, the statement of comprehensive income, statement of changes in equity and cash flow statement (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 auditors' report is Omer Chughtai.



**Chartered Accountants**

**Place:** Karachi

**Date:** 5 March 2024

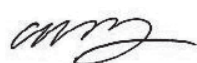
**UDIN Number:** AR202310120tjVvJbixu

# Statement of Financial Position

As at 31 December 2023

	Note	2023	2022
<b>(Rupees in '000)</b>			
<b>ASSETS</b>			
Cash and balances with treasury banks	4	81,690,671	68,918,645
Balances with other banks	5	38,230,009	8,737,656
Lendings to financial institutions	6	365,241,485	51,286,290
Investments	7	226,711,860	477,732,454
Advances	8	220,183,482	216,207,696
Fixed assets	9	12,666,335	11,474,182
Intangible assets	10	26,095,310	26,095,310
Deferred tax assets - net		-	-
Other assets	11	31,128,680	66,836,739
		<b>1,001,947,832</b>	<b>927,288,972</b>
<b>LIABILITIES</b>			
Bills payable	12	18,331,699	14,820,617
Borrowings	13	48,265,389	28,063,619
Deposits and other accounts	14	719,534,840	718,449,989
Liabilities against assets subject to finance lease		-	-
Sub-ordinated debt		-	-
Deferred tax liabilities - net	15	6,374,173	5,354,762
Other liabilities	16	113,219,068	73,079,106
		<b>905,725,169</b>	<b>839,768,093</b>
<b>NET ASSETS</b>		<b>96,222,663</b>	<b>87,520,879</b>
<b>REPRESENTED BY:</b>			
Share capital	17	38,715,850	38,715,850
Reserves	18	37,736,326	29,211,960
Surplus on revaluation of assets	19	8,641,979	7,878,792
Unappropriated profit		11,128,508	11,714,277
		<b>96,222,663</b>	<b>87,520,879</b>
<b>CONTINGENCIES AND COMMITMENTS</b>	20		

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



Christopher Parsons  
Chairman



Rehan Muhammad Shaikh  
Chief Executive Officer



Syed Ejaz Alam  
Chief Financial Officer



Ehsan Malik  
Director



Badaruddin Vellani  
Director



# Profit and Loss Account

For the year ended 31 December 2023

	Note	2023	2022
<b>(Rupees in '000)</b>			
Mark-up / return / interest earned	21	151,851,124	90,430,254
Mark-up / return / interest expensed	22	(57,692,023)	(45,828,352)
<b>Net mark-up / interest income</b>		<b>94,159,101</b>	<b>44,601,902</b>
<b>NON MARK-UP / INTEREST INCOME</b>			
Fee and commission income	23	5,519,578	2,992,986
Dividend income		50,144	25,927
Foreign exchange income	24	5,712,190	9,538,996
Income from derivatives		2,847,820	3,097,930
(Loss) / gain on securities	25	(996,161)	2,266,039
Other income	26	191,392	125,663
<b>Total non mark-up / interest income</b>		<b>13,324,963</b>	<b>18,047,541</b>
<b>Total Income</b>		<b>107,484,064</b>	<b>62,649,443</b>
<b>NON MARK-UP / INTEREST EXPENSES</b>			
Operating expenses	27	(16,484,568)	(12,810,591)
Workers welfare fund		(1,797,954)	(1,022,926)
Other charges	28	(143,055)	(11,919)
<b>Total non mark-up / interest expenses</b>		<b>(18,425,577)</b>	<b>(13,845,436)</b>
<b>Profit before provisions</b>		<b>89,058,487</b>	<b>48,804,007</b>
Reversal / (provisions) and write offs - net	29	162,719	1,319,492
Extra-ordinary / unusual items		-	-
<b>PROFIT BEFORE TAXATION</b>		<b>89,221,206</b>	<b>50,123,499</b>
Taxation	30	(46,599,375)	(30,279,124)
<b>PROFIT AFTER TAXATION</b>		<b>42,621,831</b>	<b>19,844,375</b>
<b>(Rupees)</b>			
<b>BASIC / DILUTED EARNINGS PER SHARE</b>	31	<b>11.01</b>	<b>5.13</b>

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Chairman



Rehan Muhammad Shaikh  
Chief Executive Officer



Syed Ejaz Alam  
Chief Financial Officer



Ehsan Malik  
Director



Badaruddin Vellani  
Director

# Statement of Comprehensive Income

For the year ended 31 December 2023

Note	2023	2022
(Rupees in '000)		
<b>Profit after taxation for the year</b>	<b>42,621,831</b>	19,844,375
<b>Other comprehensive income</b>		
<b>Items that may be reclassified to profit and loss account in subsequent periods:</b>		
Movement in surplus on revaluation of investments - net of tax	<b>(47,006)</b>	581,945
	<b>42,574,825</b>	<u>20,426,320</u>
<b>Items that will not be reclassified to profit and loss account in subsequent periods:</b>		
Remeasurement gain on defined benefit obligations - net of tax	<b>248</b>	8,290
Movement in surplus on revaluation of operating fixed assets - net of tax 19.1	<b>881,686</b>	-
	<b>881,934</b>	<u>8,290</u>
<b>Total comprehensive income</b>	<b>43,456,759</b>	<u>20,434,610</u>

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



Christopher Parsons  
Chairman



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Chief Executive Officer



Syed Ejaz Alam  
Chief Financial Officer



Ehsan Malik  
Director



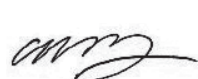
Badaruddin Vellani  
Director

# Statement of Changes in Equity

For the year ended 31 December 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	(487,972)	7,859,797	8,274,496	79,605,256
<b>Total comprehensive income for the year</b>							
Profit after tax for the year ended 31 December 2022	-	-	-	-	-	19,844,375	19,844,375
Other comprehensive income							
Movement in surplus on revaluation of investments - net of tax	-	-	-	581,945	-	-	581,945
Remeasurement of post employment obligations - net of tax	-	-	-	-	-	8,290	8,290
	-	-	-	581,945	-	19,852,665	20,434,610
<b>Transactions with owners, recorded directly in equity</b>							
Share based payment transactions (contribution from holding company)	-	-	-	-	-	91,727	91,727
Cash dividend (Final 2021) at Rs. 1.75 per share	-	-	-	-	-	(6,775,274)	(6,775,274)
Cash dividend (Interim 2022) at Rs. 1.50 per share	-	-	-	-	-	(5,807,378)	(5,807,378)
	-	-	-	-	-	(12,490,925)	(12,490,925)
Transfer to statutory reserve	-	-	3,968,875	-	-	(3,968,875)	-
Realised on disposals during the year - net of deferred tax	-	-	-	-	(28,494)	28,494	-
Surplus on revaluation - deferred tax rate impact	-	-	-	-	(28,062)	-	(28,062)
Transferred from surplus on revaluation of fixed asset - net of deferred tax	-	-	-	-	(18,422)	18,422	-
<b>Balance as at 31 December 2022</b>	<b>38,715,850</b>	<b>1,036,090</b>	<b>28,175,870</b>	<b>93,973</b>	<b>7,784,819</b>	<b>11,714,277</b>	<b>87,520,879</b>
<b>Total comprehensive income for the year</b>							
Profit after tax for the year ended 31 December 2023	-	-	-	-	-	42,621,831	42,621,831
Other comprehensive income							
Movement in deficit at revaluation of investments - net of tax	-	-	-	(47,006)	-	-	(47,006)
Remeasurement of post employment obligations - net of tax	-	-	-	-	-	248	248
Surplus on revaluation of fixed assets - net of deferred tax	-	-	-	-	881,686	-	881,686
	-	-	-	(47,006)	881,686	42,622,079	43,456,759
<b>Transactions with owners, recorded directly in equity</b>							
Share based payment transactions (contribution from holding company)	-	-	-	-	-	89,291	89,291
Cash dividend (Final 2022) at Rs. 2.50 per share	-	-	-	-	-	(9,678,963)	(9,678,963)
Cash dividend (Interim I - 2023) at Rs. 4.00 per share	-	-	-	-	-	(15,486,340)	(15,486,340)
Cash dividend (Interim II - 2023) at Rs. 2.50 per share	-	-	-	-	-	(9,678,963)	(9,678,963)
	-	-	-	-	-	(34,754,975)	(34,754,975)
Transfer to statutory reserve	-	-	8,524,366	-	-	(8,524,366)	-
Realised on disposal during the year - net of deferred tax	-	-	-	-	(55,437)	55,437	-
Transferred from surplus on revaluation of fixed assets - net of deferred tax	-	-	-	-	(16,056)	16,056	-
<b>Balance as at 31 December 2023</b>	<b>38,715,850</b>	<b>1,036,090</b>	<b>36,700,236</b>	<b>46,967</b>	<b>8,595,012</b>	<b>11,128,508</b>	<b>96,222,663</b>

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



Christopher Parsons  
Chairman



Rehan Muhammad Shaikh  
Chief Executive Officer



Syed Ejaz Alam  
Chief Financial Officer



Ehsan Malik  
Director



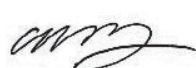
Badaruddin Vellani  
Director

# Cash Flow Statement

For the year ended 31 December 2023

	Note	2023	2022
(Rupees in '000)			
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Profit before taxation for the year		89,221,206	50,123,499
Less: Dividend income		(50,144)	(25,927)
		89,171,062	50,097,572
<b>Adjustments for:</b>			
Depreciation	9.2	925,580	894,858
Gain on sale of fixed assets	26	(14,676)	(23,585)
Gain on sale of asset held for sale	26	(144,717)	(80,601)
Unrealized (gain) / loss on revaluation of investments classified as held for trading - net	25	(17,522)	131,784
Finance cost against lease	22	143,582	102,929
Loss / (Gain) on lease termination	26	14,902	(1,376)
(Reversal) / provisions and write offs - net	29	(162,719)	(1,319,492)
		744,430	(295,483)
		89,915,492	49,802,089
<b>(Increase) / decrease in operating assets</b>			
Lendings to financial institutions		(313,955,195)	(39,557,421)
Held-for-trading securities		95,297	51,600,251
Advances		(3,794,995)	19,299,508
Other assets (excluding advance taxation)		38,242,735	(34,481,682)
		(279,412,158)	(3,139,344)
<b>Increase / (decrease) in operating liabilities</b>			
Bills payable		3,511,082	(1,780,570)
Borrowings from financial institutions		3,103,480	(10,028,759)
Deposits		1,084,851	91,675,577
Other liabilities		7,307,897	(10,620,561)
		15,007,310	69,245,687
<b>Cash inflow before taxation</b>		(174,489,356)	115,908,432
Income tax paid		(47,770,141)	(25,745,557)
<b>Net cash flow (used in) / generated from operating activities</b>		(222,259,497)	90,162,875
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Net investments in available for sale securities		250,998,070	(78,716,052)
Dividend received		50,144	25,927
Investments in fixed assets		(950,015)	(1,425,593)
Proceeds from sale of fixed assets		14,676	31,232
Proceeds from sale of asset held for sale		260,500	156,000
<b>Net cash flow generated from / (used in) investing activities</b>		250,373,375	(79,928,486)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Dividend paid		(2,298,427)	(4,926,565)
Payment in respect of lease liability		(649,362)	(578,229)
<b>Net cash flow used in financing activities</b>		(2,947,789)	(5,504,794)
<b>Increase in cash and cash equivalents for the year</b>		25,166,089	4,729,595
Cash and cash equivalents at beginning of the year		64,862,425	60,165,709
Effect of exchange rate changes on cash and cash equivalents		9,719,318	9,686,439
		74,581,743	69,852,148
Cash and cash equivalents at end of the year	33	99,747,832	74,581,743

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



Christopher Parsons  
Chairman



Rehan Muhammad Shaikh  
Chief Executive Officer



Syed Ejaz Alam  
Chief Financial Officer



Ehsan Malik  
Director



Badaruddin Vellani  
Director

# Notes to the Financial Statements

For the year ended 31 December 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. (Group), incorporated in England. The registered office is at Standard Chartered Bank Building, I.I. Chundrigar Road, Karachi.

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

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

## 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 2023

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.

IFRS10 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 amendments to existing accounting and reporting standards that have become applicable to the Bank for accounting periods beginning on or after January 01, 2023. These are either considered to not be relevant or do not have any significant impact and accordingly have not been detailed in these financial statements, except as disclosed below.

### IAS 1 and IFRS Practice Statement 2 - Disclosure of Accounting Policies (Amendments)

The amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments have had an impact on the Bank's disclosures of accounting policies, but not on the measurement, recognition or presentation of any items in the Bank's financial statements.

SBP has directed banks in Pakistan to implement IFRS 9 with effect from January 1, 2024 vide BPRD circular no. 07 of 2023 dated April 13, 2023. The estimated impact of adoption is Rs. 1,683 million (net of tax) on retained earning.

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

The following standards and amendments to approved accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standards, amendments or improvements:

Amendment		Effective date annual periods beginning on or after)
- IAS 1	Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants - Amendments to IAS 1	January 01, 2024
- IAS 7 and IFRS 7	Disclosures: Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7	January 01, 2024
- IFRS 16	Lease Liability in a Sale and Leaseback - Amendments to IFRS 16	January 01, 2024
- IAS 21	Lack of exchangeability - Amendments to IAS 21	January 01, 2024
- IAS 17	Insurance Contracts	January 01, 2026
- IFRS 10 / IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - Amendment to IFRS 10 and IAS 28	Not yet finalised

# Notes to the Financial Statements

For the year ended 31 December 2023

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 International Financial Reporting Standards	January 01, 2009

## - IFRS 9 Financial Instruments

As directed by SBP via BPRD Circular no 7 of 2023, IFRS 9 Financial Instruments is effective for periods beginning on or after 1 January 2024 for banks having asset base of more than Rs. 500 billion as at 31 December 2022. SBP via same circular has finalized the instructions on IFRS 9 (Application Instructions) for ensuring smooth and consistent implementation of the standard in the banks.

During the year 2023, the management of the Bank has performed an impact assessment of IFRS 9 taking into account the SBP's IFRS 9 Application Instructions. The assessment is based on available information and may be subject to changes arising from further reasonable and supportable information being made available to the Bank at the time of finalizing the impact for initial application of IFRS 9. In addition, the Bank will implement changes in classification of certain financial instruments.

An overview of the IFRS 9 requirements that are expected to have significant impact are summarized below along with the additional requirements introduced by the SBP:

### Classification and measurement

The classification and measurement of financial assets will depend on how these are managed (the entity's business model) and their contractual cash flow characteristics. Financial assets that do not meet the Solely Payment of Principal & Interest (SPPI) criteria are measured at Fair Value through Profit & Loss (FVTPL) regardless of the business model in which they are held. The Bank's business model in which financial assets are held will determine whether the financial assets are measured at amortised cost, fair value through other comprehensive income ('FVOCI') or fair value through profit or loss ('FVPL'). The classification of equity instruments is generally measured as Fair Value through Profit & Loss (FVTPL) unless the Bank elects for Fair Value through Other Comprehensive Income (FVTOCI) at initial recognition. The Bank has analyzed the impact of initial application of IFRS 9 on its financial assets as follows:

### Equity Securities

The Bank expects to continue measuring at fair value all financial assets currently held at fair value.

Equity shares currently held as available-for-sale (AFS) with gains and losses recorded in OCI for which FVOCI election is not made, will instead be measured at fair value through profit or loss (FVTPL), which will increase volatility in recorded profit or loss for future periods. The AFS reserve related to securities in amount, which is currently presented as accumulated OCI, will be reclassified to retained earnings. However, there will be no impact on overall equity with respect to such classification.

Unquoted equity securities are required to be measured at fair value under IFRS 9

### Debt securities and Loans and advances

Debt securities currently classified as AFS and which pass the SPPI test, are expected to be measured at fair value through OCI (FVOCI) under IFRS 9 as the Bank's business model is to hold the assets to collect contractual cash flows, but also to sell those investment. Debt securities currently classified as HTM and which pass the SPPI test are expected to be measured at amortized costs under IFRS 9 as the business model is to hold the assets to collect contractual cash flows

Cashflows of certain debt instruments classified in AFS and / or HTM categories, which do not pass solely payments of principal and interest test are accordingly measured at fair value through profit and loss

# Notes to the Financial Statements

For the year ended 31 December 2023

## Impairment

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

The assessment of credit risk and the estimation of ECL are required to be unbiased and probability-weighted, and should incorporate all available information which is relevant to the assessment including information about past events, current conditions and reasonable and supportable forecasts of economic conditions at the reporting date. In addition, the estimation of ECL should take into account the time value of money.

Based on the requirement of IFRS 9 and SBP's IFRS 9 application instructions, the Bank has performed an ECL assessment taking into account the key elements such as assessment of SICR, Probability of Default, Loss Given Default and Exposure at Default.

Under the SBP's instructions, credit exposure (in local currency) guaranteed by the Government and Government Securities are exempted from the application of ECL Framework. Moreover, until implementation of IFRS 9 has stabilized, Stage 1 and stage 2 provisions would be made as per IFRS 9 ECL and stage 3 provision would be made considering higher of IFRS 9 ECL or provision computed under existing PRs' requirements

## Presentation and disclosure

IFRS 9 also introduces expanded disclosure requirements and changes in presentation. These are expected to change the nature and extent of Bank's disclosure about its financial instruments particularly in the year of adoption of the IFRS 9. The State Bank of Pakistan vide its BPRD Circular No. 02 dated February 9, 2023 has issued revised formats for interim and annual financial statements of the banks for the accounting periods starting from January 01, 2024, which shall include the presentation and disclosures on adoption of IFRS 9 as applicable in Pakistan.

## Loan / financing related fee

Loan origination / commitment fees that are regarded as compensation to the lender for an ongoing involvement with the acquisition of a financial instrument would be recognized over the life of the related loan. However, if the commitment expires without the lender making the loan, the fee would be recognised as revenue as earned.

## Impact of adoption of IFRS 9

The actual impact of adopting IFRS 9 on the Bank's financial statements in the year 2023 may not be accurately estimated because it will be dependent on the financial instruments that the Bank would hold during next year and economic conditions at that time as well as accounting elections and judgements that it will make in future. Nevertheless, the Bank has performed a preliminary assessment of the potential impact of adoption of IFRS 9 based on its statement of financial position as at December 31, 2023.

## Classification and measurement

Based on the bank's assessment, the IFRS 9 requirements are expected to have the impact on the classification and measurement of its financial assets and financial liabilities.

## Impairment

The total estimated adjustment (net of tax) of the adoption of IFRS 9 on the opening balance of the Bank's equity at 1 January 2023 is reduction in equity of approximately Rs. 1,683 million, representing corresponding impact of:

- An increase of approximately Rs. 1,994 million related to impairment requirements;
- A reduction of approximately Rs. 311 million related to classification and measurement requirements, other than impairment;

# Notes to the Financial Statements

For the year ended 31 December 2023

## Impact on regulatory capital

The introduction of IFRS 9 will result in reduction in regulatory capital of the Banks, which is likely to reduce their lending capacity and ability to support their clients. In order to mitigate the impact of expected credit loss (ECL) models on capital, SBP has determined that it may be appropriate for the FIs to introduce a transitional arrangement for the impact on regulatory capital from the application of ECL accounting. Annexure B of the 'Application Instructions' issued by SBP have detailed the transitional arrangement.

The impact of adoption of IFRS 9 on the capital ratios of the Bank are as follows:

	As per adopted IFRS 9	As per current Financials
Common Equity Tier 1 Capital Adequacy ratio	16.96%	17.77%
Tier 1 Capital Adequacy Ratio	16.96%	17.77%
Total Capital Adequacy Ratio	19.88%	20.07%
CET1* available to meet buffers (as a percentage of risk weighted assets)	9.46%	10.27%

\* CET1 is inclusive of CCB of 1.5%

## 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 20.8	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.

# Notes to the Financial Statements

For the year ended 31 December 2023

## 2.7 Functional and presentation currency

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

## 3. SUMMARY OF MATERIAL ACCOUNTING POLICIES

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

### 3.1 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.

### 3.2 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.

### 3.3 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 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.

# Notes to the Financial Statements

For the year ended 31 December 2023

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.

## 3.4 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.

## 3.5 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.



# Notes to the Financial Statements

For the year ended 31 December 2023

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.

## 3.6 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 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.

## 3.7 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

# Notes to the Financial Statements

For the year ended 31 December 2023

## 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.

### 3.8 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.

### 3.9 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.

### 3.10 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.

# Notes to the Financial Statements

For the year ended 31 December 2023

## 3.11 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.

## 3.12 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.

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.

## 3.13 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.

# Notes to the Financial Statements

For the year ended 31 December 2023

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.

## 3.14 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.

## 3.15 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.

## 3.16 Trust 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 IPS accounts amount to Rs. 96 billion as at 31 December 2023.

## 3.17 Segment reporting

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

## 3.18 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.

## 3.19 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.

# Notes to the Financial Statements

For the year ended 31 December 2023

## 3.20 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.

## 3.21 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. There were no convertible dilutive potential ordinary shares in issue at 31 December 2023.

## 3.22 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.

## 3.23 Dividend and appropriation to reserves

Dividends on ordinary shares are recognised as a liability and deducted from equity when they are approved by the Bank's shareholders. Interim dividends are deducted from equity when they are declared by the Board of Directors. Dividend declared and appropriations, except for transfer to statutory reserve, made subsequent to the date of Statement of Financial Position are considered as non adjusting events and are recorded as a liability in the financial statements in the year in which these are approved by shareholders / directors as appropriate.

## 3.24 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. Financial assets and financial liabilities are recognised at the time when the Bank becomes a party to the contractual provision of the instrument. Financial assets are derecognised when the contractual right to future cash flows from the asset expires or is transferred along with the risk and reward of ownership of the asset. Financial liabilities are derecognised when obligation is discharged, cancelled or expired. Any gain or loss on derecognition of the financial asset and liability is recognised in the profit and loss account of the current period.

## 3.25 Contingencies and commitments

Commitments for outstanding forward foreign exchange contracts are disclosed in these 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.

## 3.26 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.

# Notes to the Financial Statements

For the year ended 31 December 2023

4 CASH AND BALANCES WITH TREASURY BANKS	Note	2023	2022
(Rupees in '000)			
In hand			
- Local currency		4,049,341	4,726,792
- Foreign currencies		19,261,075	8,351,423
With State Bank of Pakistan in:			
- Local currency current account	4.1	37,314,826	33,065,724
- Local currency current account-Islamic Banking	4.1	3,581,238	8,445,224
- Foreign currency deposit account			
Cash reserve account	4.2	5,693,733	4,785,732
Special cash reserve account	4.2	10,867,685	9,123,602
Local US Dollar collection account		866,851	402,751
With National Bank of Pakistan in:			
- Local currency current account		93	93
Prize Bonds		55,829	17,304
		<b>81,690,671</b>	<b>68,918,645</b>

**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 percent and special cash reserve of 10 percent (for Islamic 6 percent) are required to be maintained with SBP on deposits held under the New Foreign Currency Accounts Scheme (FE-25 deposits). It carries mark-up at a rate of 3.74 percent (2022: 0.98 percent) per annum.

5 BALANCES WITH OTHER BANKS	Note	2023	2022
(Rupees in '000)			
In Pakistan			
- In current accounts		472,976	19,329
Outside Pakistan			
- In current accounts	5.1	37,757,033	8,718,327
		<b>38,230,009</b>	<b>8,737,656</b>

**5.1** This includes balances of Rs. 37,677.022 million (2022: Rs. 8,650.286 million) held with other branches and subsidiaries of Standard Chartered Group outside Pakistan.

6 LENDINGS TO FINANCIAL INSTITUTIONS	Note	2023	2022
(Rupees in '000)			
Repurchase agreement lendings (Reverse Repo)	6.1	319,495,646	31,800,000
Placements	6.2	45,745,839	19,486,290
		<b>365,241,485</b>	<b>51,286,290</b>

**6.1** These carry mark-up rates ranging from 21.0 percent to 22.65 percent per annum (2022: 17.65 percent) per annum payable at maturity, and are due to mature in January 2024. This arrangement is governed under Master Repurchase Agreements. The market value of securities held as collateral against repurchase agreement lendings amounted to Rs 320,768.912 million (2021: Rs 31,420.494 million).

**6.2** These represents placements with other branches and subsidiaries of Standard Chartered Group outside Pakistan at mark-up rates ranging from 3.00 percent to 5.40 percent per annum (2022: 1.35 percent to 4.4 percent per annum), and are due to mature latest by March 2024.



# Notes to the Financial Statements

For the year ended 31 December 2023

## 6.3 Particulars of lending

	Note	2023	2022
(Rupees in '000)			
In local currency		319,495,646	31,800,000
In foreign currencies		45,745,839	19,486,290
	6.5	<b>365,241,485</b>	<b>51,286,290</b>

## 6.4 Securities held as collateral against lendings to financial institutions

	2023			2022		
	Held by bank	Further given as collateral	Total	Held by bank	Further given as collateral	Total
----- (Rupees in '000) -----						
Market Treasury Bills	47,495,646	-	47,495,646	-	-	-
Pakistan Investment Bonds	272,000,000	-	272,000,000	31,800,000	-	31,800,000
	<b>319,495,646</b>	<b>-</b>	<b>319,495,646</b>	<b>31,800,000</b>	<b>-</b>	<b>31,800,000</b>

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

## 7 INVESTMENTS

	Note	2023				2022			
		Cost / Amortised cost	Provision for diminution	Surplus / (Deficit)	Carrying Value	Cost / Amortised cost	Provision for diminution	Surplus / (Deficit)	Carrying Value
----- (Rupees in '000) -----									
<b>7.1 Investments by type</b>									
<b>Held for trading securities</b>									
Federal Government Securities		359,519	-	17,522	377,041	454,816	-	(131,784)	323,032
		359,519	-	17,522	377,041	454,816	-	(131,784)	323,032
<b>Available for sale securities</b>									
Federal Government Securities	7.6.1	226,141,044	-	(160,953)	225,980,091	477,141,307	-	118,480	477,259,787
Shares	7.6.2	836,081	(734,398)	253,045	354,728	837,648	(734,398)	46,385	149,635
Non Government Debt Securities	7.6.3	147,000	(147,000)	-	-	147,000	(147,000)	-	-
		<b>227,124,125</b>	<b>(881,398)</b>	<b>92,092</b>	<b>226,334,819</b>	<b>478,125,955</b>	<b>(881,398)</b>	<b>164,865</b>	<b>477,409,422</b>
<b>Total Investments</b>		<b>227,483,644</b>	<b>(881,398)</b>	<b>109,614</b>	<b>226,711,860</b>	<b>478,580,771</b>	<b>(881,398)</b>	<b>33,081</b>	<b>477,732,454</b>

# Notes to the Financial Statements

For the year ended 31 December 2023

## 7.2 Investments by segment

	2023				2022			
	Cost / Amortised cost	Provision for diminution	Surplus / (Deficit)	Carrying Value	Cost / Amortised cost	Provision for diminution	Surplus / (Deficit)	Carrying Value
----- (Rupees in '000) -----								
<b>Federal Government Securities</b>								
Market Treasury Bills	200,489,447	-	(328,055)	200,161,392	288,887,013	-	(713,332)	288,173,681
Pakistan Investment Bonds	107,624	-	6,220	113,844	151,519,128	-	791,555	152,310,683
GoP Ijarah Sukuk	24,225,164	-	178,404	24,403,568	35,736,913	-	(91,527)	35,645,386
Naya Pakistan certificates	1,678,328	-	-	1,678,328	1,453,069	-	-	1,453,069
	<b>226,500,563</b>	<b>-</b>	<b>(143,431)</b>	<b>226,357,132</b>	<b>477,596,123</b>	<b>-</b>	<b>(13,304)</b>	<b>477,582,819</b>
<b>Shares</b>								
Listed Companies	783,077	(731,394)	253,045	304,728	784,644	(731,394)	46,385	99,635
Unlisted Companies	53,004	(3,004)	-	50,000	53,004	(3,004)	-	50,000
	<b>836,081</b>	<b>(734,398)</b>	<b>253,045</b>	<b>354,728</b>	<b>837,648</b>	<b>(734,398)</b>	<b>46,385</b>	<b>149,635</b>
<b>Non Government Debt Securities</b>								
Unlisted	147,000	(147,000)	-	-	147,000	(147,000)	-	-
	<b>147,000</b>	<b>(147,000)</b>	<b>-</b>	<b>-</b>	<b>147,000</b>	<b>(147,000)</b>	<b>-</b>	<b>-</b>
<b>Total investment</b>	<b>227,483,644</b>	<b>(881,398)</b>	<b>109,614</b>	<b>226,711,860</b>	<b>478,580,771</b>	<b>(881,398)</b>	<b>33,081</b>	<b>477,732,454</b>

Note **2023** **2022**  
(Rupees in '000)

### 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

	<b>5,350,131</b>	-
	-	18,664
7.4 & 13.1.2	<b>5,350,131</b>	<b>18,664</b>

### 7.3 Provision for diminution in the value of investments

Opening balance	<b>881,398</b>	881,398
Reversals / write off	-	-
Closing balance	<b>881,398</b>	<b>881,398</b>

### 7.3.1 Particulars of provision against debt securities

Category of classification	2023		2022	
	Non Performing Investment	Provision	Non Performing Investment	Provision
----- (Rupees in '000) -----				
Loss	<b>147,000</b>	<b>147,000</b>	147,000	147,000
	<b>147,000</b>	<b>147,000</b>	147,000	147,000

7.4 Investments include securities having market value of Rs. 18.506 million (2022: Rs. 18.784 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 2023

## 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	Note	Cost	
		2023	2022
		(Rupees in '000)	
Market Treasury Bills		200,342,275	288,661,451
GoP Ijarah Sukuk		24,120,441	35,584,844
Pakistan Investment Bonds		-	151,441,943
Naya Pakistan certificates	7.6.11	1,678,328	1,453,069
		<b>226,141,044</b>	<b>477,141,307</b>

7.6.1.1 This represent 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

	Sector wise exposure	Cost	
		2023	2022
		(Rupees in '000)	
Agritech Limited	Chemical and Pharmaceuticals	783,077	783,077
Allied Bank Limited	Banks	-	1,567
		<b>783,077</b>	<b>784,644</b>

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

### Unlisted Companies

	2023		2022	
	Cost	Breakup value	Cost	Breakup value
	(Rupees in '000)		(Rupees in '000)	
1LINK (Private) Limited	50,000	893,506	50,000	537,279
Pakistan Export Finance Guarantee Agency Limited *	3,004	-	3,004	-
	<b>53,004</b>	<b>893,506</b>	<b>53,004</b>	<b>537,279</b>

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

## 7.6.3 Non Government Debt Securities

### Unlisted

#### Bonds and Term Finance Certificates - unlisted

#### Term Finance Certificates of Rs. 5,000 each

	Rating		Cost	
	2023	2022	2023	2022
	(Rupees in '000)		(Rupees in '000)	
Agritech Limited	Unrated	Unrated	147,000	147,000
			<b>147,000</b>	<b>147,000</b>

## 8 ADVANCES

Note	Performing		Non Performing		Total	
	2023	2022	2023	2022	2023	2022
	(Rupees in '000)					
Loans, cash credits, running finances, etc.	151,518,577	156,192,408	19,382,427	19,485,579	170,901,004	175,677,987
Islamic financing and related assets	63,395,400	56,346,207	1,678,757	1,751,236	65,074,157	58,097,443
Bills discounted and purchased (excluding treasury bills)	4,868,119	3,147,283	-	-	4,868,119	3,147,283
Advances - gross	219,782,096	215,685,898	21,061,184	21,236,815	240,843,280	236,922,713
Provision for non-performing advances						
- Specific	-	-	(19,681,449)	(19,692,817)	(19,681,449)	(19,692,817)
- General	(978,349)	(1,022,200)	-	-	(978,349)	(1,022,200)
	<b>(978,349)</b>	<b>(1,022,200)</b>	<b>(19,681,449)</b>	<b>(19,692,817)</b>	<b>(20,659,798)</b>	<b>(20,715,017)</b>
Advances - net of provision	<b>218,803,747</b>	<b>214,663,698</b>	<b>1,379,735</b>	<b>1,543,998</b>	<b>220,183,482</b>	<b>216,207,696</b>

# Notes to the Financial Statements

For the year ended 31 December 2023

## 8.1 Particulars of advances - gross

	2023	2022
	(Rupees in '000)	
8.1.1 In local currency	231,929,092	233,733,577
In foreign currencies	8,914,188	3,189,136
	<b>240,843,280</b>	<b>236,922,713</b>

8.2 Advances include Rs. 21,061.184 million (31 December 2022: Rs. 21,236.815 million) which have been placed under non-performing status as detailed below:

Category of classification	2023		2022	
	Non Performing Loans	Provision	Non Performing Loans	Provision
Domestic	----- (Rupees in '000) -----			
Other Assets Especially Mentioned	136,875	-	187,726	13
Substandard	487,468	25,277	311,236	19,674
Doubtful	904,247	681,481	868,052	353,321
Loss	19,532,594	18,974,691	19,869,801	19,319,809
	<b>21,061,184</b>	<b>19,681,449</b>	<b>21,236,815</b>	<b>19,692,817</b>

8.2.1 At 31 December 2023, the provision requirement has been reduced by Rs. 569.090 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. 290.236 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

	Note	2023			2022		
		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 year		1,403,848	53,365	1,457,213	1,184,921	9,940	1,194,861
Reversals		(1,522,788)	(97,216)	(1,620,004)	(1,139,022)	(1,175,367)	(2,314,389)
		(118,940)	(43,851)	(162,791)	45,899	(1,165,427)	(1,119,528)
Amounts written off	8.5.1	(268,950)	-	(268,950)	(236,423)	-	(236,423)
Other movements (including FX adjustment)		376,522	-	376,522	339,073	-	339,073
Closing balance		<b>19,681,449</b>	<b>978,349</b>	<b>20,659,798</b>	<b>19,692,817</b>	<b>1,022,200</b>	<b>20,715,017</b>

## 8.4 Particulars of provision against advances

	2023			2022		
	Specific	General	Total	Specific	General	Total
----- (Rupees in '000) -----						
In local currency	17,766,842	978,349	18,745,191	18,154,731	1,022,200	19,176,931
In foreign currencies	1,914,607	-	1,914,607	1,538,086	-	1,538,086
	<b>19,681,449</b>	<b>978,349</b>	<b>20,659,798</b>	<b>19,692,817</b>	<b>1,022,200</b>	<b>20,715,017</b>

8.4.1 General provision includes provision amounting to Rs 978.349 million (31 December 2022: Rs 1,022.200 million) against the consumer finance portfolio.

## 8.5 Particulars of write-offs

	Note	2023	2022
		(Rupees in '000)	
8.5.1 Against provisions	8.3	268,950	236,423
Directly charged to profit & loss account	29	287,827	173,278
	8.5.2&8.7	<b>556,777</b>	<b>409,701</b>
8.5.2 Write-offs of Rs. 500,000 and above - Domestic		<b>334,274</b>	236,800
Write-offs of below Rs. 500,000		<b>222,503</b>	172,901
		<b>556,777</b>	<b>409,701</b>

# Notes to the Financial Statements

For the year ended 31 December 2023

## 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 2023 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	2023	2022
			(Rupees in '000)	
	Capital work-in-progress	9.1	510,019	841,538
	Property and equipment	9.2 & 9.6	12,156,316	10,632,644
			<b>12,666,335</b>	<b>11,474,182</b>
<b>9.1 Capital work-in-progress</b>				
	Civil works		180,663	129,393
	Equipment		329,356	712,145
			<b>510,019</b>	<b>841,538</b>

## 9.2 Property and equipment

	2023									
	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) -----										
<b>At January 1, 2023</b>										
Cost / Revalued amount	651,300	6,182,601	143,493	1,121,912	2,912,120	347,760	3,226,888	117,298	686,104	15,389,476
Accumulated depreciation	-	-	(26,992)	(111,951)	(1,199,047)	(225,813)	(2,475,688)	(117,298)	(600,043)	(4,756,832)
Net book value	651,300	6,182,601	116,501	1,009,961	1,713,073	121,947	751,200	-	86,061	10,632,644
<b>Year ended December 2023</b>										
Opening net book value	651,300	6,182,601	116,501	1,009,961	1,713,073	121,947	751,200	-	86,061	10,632,644
Additions	-	-	-	339,441	-	36,448	868,876	13,640	23,129	1,281,534
Movement in surplus on assets revalued during the year	36,386	632,805	93,383	400,726	-	-	-	-	-	1,163,300
Revaluation adjustment - Cost	-	-	(37,373)	(189,623)	-	-	-	-	-	(226,996)
Revaluation adjustment - Accumulated Depreciation*	-	-	37,373	189,623	-	-	-	-	-	226,996
Disposals - cost	-	-	-	-	(47,655)	(12,937)	(56,528)	-	-	(117,120)
Disposals - Accumulated Depreciation	-	-	-	-	47,655	12,937	56,528	-	-	117,120
Depreciation charge	-	-	(10,381)	(79,893)	(432,947)	(30,986)	(343,917)	(3,195)	(24,261)	(925,580)
Other adjustments / transfers - Cost	-	-	-	(428)	5,218	(2,016)	(110,215)	-	(165,733)	(273,174)
Other adjustments / transfers - Accumulated Depreciation	-	-	-	426	-	2,016	109,653	-	165,497	277,592
Closing net book value	687,686	6,815,406	199,503	1,670,233	1,285,344	127,409	1,275,597	10,445	84,693	12,156,316
<b>At December 31, 2023</b>										
Cost / Revalued amount	687,686	6,815,406	199,503	1,672,028	2,869,683	369,255	3,929,021	130,938	543,500	17,217,020
Accumulated depreciation	-	-	-	(1,795)	(1,584,339)	(241,846)	(2,653,424)	(120,493)	(458,807)	(5,060,704)
Net book value	687,686	6,815,406	199,503	1,670,233	1,285,344	127,409	1,275,597	10,445	84,693	12,156,316
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 2023

	2022									
	Freehold Land	Leasehold Land	Buildings on Freehold land	Buildings on Leasehold Land Owned	Leasehold Land Right of Use Assets	Furniture and Fixtures	Electrical, Office and Computer Equipment	Vehicles	Leasehold improvements	Total
----- (Rupees in '000) -----										
<b>At January 1, 2022</b>										
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	<u>651,300</u>	<u>6,182,601</u>	<u>131,537</u>	<u>634,540</u>	<u>1,836,675</u>	<u>4,550</u>	<u>721,622</u>	<u>141</u>	<u>85,259</u>	<u>10,248,225</u>
<b>Year ended December 2022</b>										
Opening 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
Additions	-	-	-	456,129	-	129,798	402,800	-	36,229	1,024,956
Disposals - Cost	-	-	(1,983)	(5,137)	(30,889)	(14,668)	(57,122)	(4,364)	(16,384)	(130,547)
Disposals - Accumulated Depreciation	-	-	634	1,642	10,823	14,668	57,122	4,364	13,581	102,834
Depreciation charge	-	-	(13,687)	(77,213)	(400,665)	(12,401)	(371,842)	(141)	(18,909)	(894,858)
Other adjustments / transfers - Cost	-	-	-	(21,836)	(189,613)	(4,744)	(346,103)	-	(117,386)	(679,682)
Other adjustments / transfers - Accumulated Depreciation	-	-	-	21,836	486,742	4,744	344,723	-	103,671	961,716
Closing net book value	<u>651,300</u>	<u>6,182,601</u>	<u>116,501</u>	<u>1,009,961</u>	<u>1,713,073</u>	<u>121,947</u>	<u>751,200</u>	<u>-</u>	<u>86,061</u>	<u>10,632,644</u>
<b>At December 31, 2022</b>										
Cost / Revalued amount	651,300	6,182,601	143,493	1,121,912	2,912,120	347,760	3,226,888	117,298	686,104	15,389,476
Accumulated depreciation	-	-	(26,992)	(111,951)	(1,199,047)	(225,813)	(2,475,688)	(117,298)	(600,043)	(4,756,832)
Net book value	<u>651,300</u>	<u>6,182,601</u>	<u>116,501</u>	<u>1,009,961</u>	<u>1,713,073</u>	<u>121,947</u>	<u>751,200</u>	<u>-</u>	<u>86,061</u>	<u>10,632,644</u>
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%	

**9.3** During the year all owned land and buildings were revalued by independent accredited professional valuers, Harvester Services (Private) Limited and Anjum Adil & Associates (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.

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

Carrying amount	2023	2022
	(Rupees in '000)	
Building on Freehold land	<b>22,425</b>	27,351
Building on Leasehold land	<b>818,501</b>	532,928
Freehold Land	<b>42,425</b>	42,425
Leasehold Land	<b>461,143</b>	461,143
	<b><u>1,344,494</u></b>	<u>1,063,847</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 2023, the cost of fully depreciated fixed assets still in the Bank's use amounted to Rs. 2.593 billion (2022: Rs. 2.425 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 is nil (31 December 2022 : Rs 3.5 million)



# Notes to the Financial Statements

For the year ended 31 December 2023

## 10 INTANGIBLE ASSETS

	2023				Total
	Goodwill	Core deposits intangible	Customer relationships intangible	Brand names	
----- (Rupees in '000) -----					
<b>At January 1, 2023</b>					
Cost	26,095,310	1,982,413	774,680	389,400	29,241,803
Accumulated amortisation and impairment	-	(1,982,413)	(774,680)	(389,400)	(3,146,493)
Net book value	26,095,310	-	-	-	26,095,310
<b>Year ended December 2023</b>					
Opening net book value	26,095,310	-	-	-	26,095,310
Amortisation charge	-	-	-	-	-
Closing net book value	26,095,310	-	-	-	26,095,310
<b>At December 31, 2023</b>					
Cost	26,095,310	1,982,413	774,680	389,400	29,241,803
Accumulated amortisation and impairment	-	(1,982,413)	(774,680)	(389,400)	(3,146,493)
Net book value	26,095,310	-	-	-	26,095,310

	2022				Total
	Goodwill	Core deposits intangible	Customer relationships intangible	Brand names	
----- (Rupees in '000) -----					
<b>At January 1, 2022</b>					
Cost	26,095,310	1,982,413	774,680	389,400	29,241,803
Accumulated amortisation and impairment	-	(1,982,413)	(774,680)	(389,400)	(3,146,493)
Net book value	26,095,310	-	-	-	26,095,310
<b>Year ended December 2022</b>					
Opening net book value	26,095,310	-	-	-	26,095,310
Amortisation charge	-	-	-	-	-
Closing net book value	26,095,310	-	-	-	26,095,310
<b>At December 31, 2022</b>					
Cost	26,095,310	1,982,413	774,680	389,400	29,241,803
Accumulated amortisation and impairment	-	(1,982,413)	(774,680)	(389,400)	(3,146,493)
Net book value	26,095,310	-	-	-	26,095,310

# Notes to the Financial Statements

For the year ended 31 December 2023

- 10.1** At 31 December 2023, goodwill (less accumulated impairment losses – if any) amounted to Rs 26,095 million (2022: Rs 26,095 million).

An annual assessment is made as to whether the current carrying value of goodwill is impaired. 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 2023, 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 4.12%). The cash flows are discounted using a discount rate (19.3%) 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:

	2023	2022
	<b>(Rupees in '000)</b>	
<b>Cash generating unit</b>		
Corporate Commercial and Institutional Banking (CCIB)	<b>12,642,354</b>	12,642,354
Consumer Private Business Banking (CPBB)	<b>13,452,956</b>	13,452,956
<b>Total Goodwill</b>	<b>26,095,310</b>	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.

<b>11 OTHER ASSETS</b>	Note	2023	2022
		<b>(Rupees in '000)</b>	
Income / mark-up accrued in local currency		<b>10,850,669</b>	9,219,776
Income / mark-up accrued in foreign currencies		<b>79,873</b>	30,454
Advances, deposits, advance rent and other prepayments		<b>250,925</b>	256,034
Defined benefit plans	34.4	<b>36,776</b>	32,270
Advance taxation (payments less provisions)		<b>1,686,566</b>	-
Branch adjustment account		<b>46,865</b>	-
Mark to market gain on forward foreign exchange contracts		<b>393,277</b>	277,236
Interest rate derivatives and currency options - positive fair value		<b>41,212</b>	142,689
Receivable from SBP / Government of Pakistan		<b>825,864</b>	1,047,900
Receivable from associated undertakings		<b>111,592</b>	101,639
Assets Held for Sale	11.1	<b>1,192,143</b>	1,318,975
Receivable from Standard Chartered Bank, Sri Lanka operations	11.2	<b>36,821</b>	26,141
Advance Federal Excise Duty - Sales tax		<b>199,747</b>	199,747
Cards and clearing settlement account		<b>8,646,948</b>	6,015,905
Acceptances		<b>5,381,478</b>	4,788,892
Unsettled trades	11.3	<b>334,968</b>	42,718,948
Sundry receivables		<b>961,660</b>	623,965
Others		<b>139,072</b>	123,944
		<b>31,216,456</b>	66,924,515
Less: Provision held against other assets	11.4	<b>(87,776)</b>	(87,776)
<b>Other Assets - net of provisions</b>		<b>31,128,680</b>	66,836,739

# Notes to the Financial Statements

For the year ended 31 December 2023

**11.1** These represents carrying value of vacant owned properties which the Bank intends to dispose-off. The management considered these properties 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, impairment loss of Rs 11.049 million was recognized ,during the year, for an asset held for sale to lower the carrying amount and its fair value less cost to sell and have been included in Note 29.

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

	Note	2023	2022
<b>11.4 Provision held against other assets</b>		<b>(Rupees in '000)</b>	
Others - Trade related		35,495	35,495
Others - Fee related		52,281	52,281
		<b>87,776</b>	<b>87,776</b>
<b>11.4.1 Movement in provision against other assets</b>			
Opening balance		87,776	87,776
Charge for the year		-	-
Closing balance		<b>87,776</b>	<b>87,776</b>
<b>12 BILLS PAYABLE</b>			
In Pakistan		17,771,348	14,349,273
Outside Pakistan		560,351	471,344
		<b>18,331,699</b>	<b>14,820,617</b>
<b>13 BORROWINGS</b>			
In Pakistan		28,095,873	24,989,061
Outside Pakistan		20,169,516	3,074,558
		<b>48,265,389</b>	<b>28,063,619</b>
<b>13.1 Details of borrowings secured / unsecured</b>			
<b>Secured</b>			
Borrowings from State Bank of Pakistan under Export Refinance (ERF) scheme	13.1.1	22,059,316	24,173,044
Repurchase agreement borrowings (Repo)	13.1.2	5,331,596	-
State Bank of Pakistan - LTFF	13.1.3	79,139	124,361
Financing facility for renewable energy plants	13.1.4	622,490	691,656
		<b>28,092,541</b>	<b>24,989,061</b>
<b>Unsecured</b>			
Overdrawn nostro accounts	13.1.5	20,172,848	3,074,558
		<b>48,265,389</b>	<b>28,063,619</b>

# Notes to the Financial Statements

For the year ended 31 December 2023

- 13.1.1** Mark-up on Export Refinance (ERF) from State Bank of Pakistan is charged ranging from 1 percent to 18.0 percent (2022: 9 percent to 10 percent) per annum and are due to mature latest by June 2024. ERF borrowings also include borrowings under Islamic Export Refinance scheme amounting to Rs. 6,830 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.
- 13.1.2** Repurchase agreement borrowing carry mark up rate at 21.35 percent (2022: Nil) per annum payable at maturity and is due to mature by January 2024. These are secured against three months market treasury bills. The market value of security given as collateral against this borrowing amounted to Rs. 5,331.596 million.
- 13.1.3** Mark-up on Long Term Finance Facility (LTFF) from State Bank of Pakistan is charged at 2.5 percent (2022: 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 (2022: 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. 20,169.516 million (2022: Rs. 3,074.558 million).

2023	2022
(Rupees in '000)	

## 13.2 Particulars of borrowings with respect to currencies

In local currency	28,095,873	24,989,061
In foreign currencies	20,169,516	3,074,558
	<b>48,265,389</b>	<b>28,063,619</b>

## 14 DEPOSITS AND OTHER ACCOUNTS

Note

	2023			2022		
	In Local Currency	In Foreign currencies	Total	In Local Currency	In Foreign currencies	Total
----- (Rupees in '000) -----						
<b>Customers</b>						
- Fixed / Term deposits	17,766,153	1,301,108	19,067,261	29,988,396	1,713,772	31,702,168
- Savings deposits	293,981,813	28,282,945	322,264,758	322,839,080	22,375,290	345,214,370
- Current accounts	264,335,546	87,589,208	351,924,754	196,237,578	72,106,066	268,343,644
- Margin accounts	4,174,768	283,270	4,458,038	44,957,304	227,563	45,184,867
- Other deposits	197,026	-	197,026	161,496	-	161,496
	<b>580,455,306</b>	<b>117,456,531</b>	<b>697,911,837</b>	594,183,854	96,422,691	690,606,545
<b>Financial Institutions</b>						
- Fixed / Term deposits	5,650	14,807	20,457	525,650	11,752	537,402
- Savings deposits	9,411,671	2,045,810	11,457,481	11,280,395	1,487,433	12,767,828
- Current accounts	6,910,987	2,176,781	9,087,768	10,693,408	2,646,930	13,340,338
- Margin accounts	83,214	133,982	217,196	77,583	102,585	180,168
- Other deposits	840,101	-	840,101	1,017,708	-	1,017,708
	<b>17,251,623</b>	<b>4,371,380</b>	<b>21,623,003</b>	23,594,744	4,248,700	27,843,444
	<b>597,706,929</b>	<b>121,827,911</b>	<b>719,534,840</b>	617,778,598	100,671,391	718,449,989

- 14.1** This includes Rs. 749.580 million (2022: Rs. 542.285 million) against balances of other branches and subsidiaries of Standard Chartered Group.

Note	2023	2022
	(Rupees in '000)	

## 14.2 Composition of deposits

- Individuals	272,016,735	284,986,872
- Government (Federal and Provincial)	360,755	1,059,732
- Public Sector Entities	2,141,087	3,022,802
- Banking Companies	17,923,151	23,439,238
- Non-Banking Financial Institutions	3,699,852	3,741,383
- Private Sector	357,852,730	341,049,426
- Embassies	-	662,823
- Non residents (Corporate & Individual)	50,678,248	47,761,413
- Trusts	14,862,282	12,726,300
	<b>719,534,840</b>	<b>718,449,989</b>

14.3

- 14.3** This includes deposits eligible to be covered under insurance arrangements amounting to Rs. 350,590 million (2022: Rs. 358,978 million)

# Notes to the Financial Statements

For the year ended 31 December 2023

## 15 DEFERRED TAX ASSETS / (LIABILITIES)

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

	Note	2023			
		At 1 January 2023	Recognised in profit and loss	Recognised in OCI	At 31 December 2023
----- (Rupees in '000) -----					
<b>Deductible Temporary Differences on</b>					
Worker Welfare Fund		(1,076,648)	(150,230)	-	(1,226,878)
Provision against advances and off balance sheet obligations	15.1	(642,019)	(89,584)	-	(731,603)
Accelerated tax depreciation		(108,769)	68,448	-	(40,321)
Unpaid liabilities		(4,407,698)	(615,028)	-	(5,022,726)
		(6,235,134)	(786,394)	-	(7,021,528)
<b>Taxable Temporary Differences on</b>					
Deficit on revaluation of fixed assets	19.1	284,146	(19,905)	281,614	545,855
Deficit on revaluation of investments	19.2	70,892	-	(25,767)	45,125
Post retirement employee benefits		13,876	-	4,144	18,020
Goodwill		11,220,982	1,565,719	-	12,786,701
		11,589,896	1,545,814	259,991	13,395,701
		5,354,762	759,420	259,991	6,374,173
----- (Rupees in '000) -----					
----- (Rupees in '000) -----					
----- (Rupees in '000) -----					
<b>Deductible Temporary Differences on</b>					
Worker Welfare Fund		(976,495)	(100,153)	-	(1,076,648)
Provision against advances and off balance sheet obligations		(1,445,740)	803,721	-	(642,019)
Accelerated tax depreciation		(41,791)	(66,978)	-	(108,769)
Unpaid liabilities		(3,997,679)	(410,019)	-	(4,407,698)
		(6,461,705)	226,571	-	(6,235,134)
<b>Taxable Temporary Differences on</b>					
Deficit on revaluation of fixed assets		270,181	(13,897)	27,862	284,146
Deficit on revaluation of investments		(311,982)	-	382,874	70,892
Post retirement employee benefits		5,402	-	8,474	13,876
Goodwill		10,177,170	1,043,812	-	11,220,982
		10,140,771	1,029,915	419,210	11,589,896
		3,679,066	1,256,486	419,210	5,354,762

**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.

# Notes to the Financial Statements

For the year ended 31 December 2023

## 16 OTHER LIABILITIES

	Note	2023	2022
(Rupees in '000)			
Mark-up / return / interest payable in local currency		1,003,770	710,376
Mark-up / return / interest payable in foreign currencies		13,908	3,236
Accrued expenses		4,123,980	3,596,902
Advance payments		913,662	690,971
Sundry creditors		14,936,317	13,695,777
Mark to market loss on forward foreign exchange contracts		172,540	169,502
Unrealized loss on interest rate derivatives and currency options		16,275,254	12,341,108
Due to Holding Company	16.1	53,879,416	20,837,568
Taxation (provisions less payments)		-	739,582
Clearing and settlement accounts		7,966,761	8,848,884
Charity fund balance		10,472	18,354
Dividend payable		223,563	172,961
Branch adjustment account		-	103,376
Provision against off balance sheet obligations	16.2 & 16.3	199,660	189,808
Worker's Welfare Fund (WWF) payable	16.4	6,269,497	3,975,581
Lease liability		1,362,579	1,847,964
Acceptances		5,381,478	4,788,892
Others		486,211	348,264
		<b>113,219,068</b>	<b>73,079,106</b>

### 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	43,628,940	10,587,092
	<b>53,879,416</b>	<b>20,837,568</b>

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

### 16.3 Provision against off-balance sheet obligations

Opening balance	Note	189,808	233,808
Charge for the year		18,150	7,241
Reversals		(8,298)	(51,241)
	29	9,852	(44,000)
Closing balance		<b>199,660</b>	<b>189,808</b>

**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.



# Notes to the Financial Statements

For the year ended 31 December 2023

## 17 SHARE CAPITAL

### 17.1 Authorized Capital

2023	2022	Note	2023	2022
(Number of shares)			(Rupees in '000)	
<b>4,000,000,000</b>	4,000,000,000		<b>40,000,000</b>	40,000,000
Ordinary shares of Rs.10 each				

### 17.2 Issued, subscribed and paid-up Capital

2023	2022		2023	2022
(Number of shares)			(Rupees in '000)	
<b>2,939,785,018</b>	2,939,785,018	Ordinary shares of Rs. 10 each Fully paid in cash	<b>29,397,850</b>	29,397,850
<b>931,800,003</b>	931,800,003	Issued in terms of scheme of amalgamation	<b>9,318,000</b>	9,318,000
		17.3		
<b>3,871,585,021</b>	3,871,585,021		<b>38,715,850</b>	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 2023, Standard Chartered Bank (UK), held 98.99% shares of the Bank.

## 18 Reserves

	Note	2023	2022
		(Rupees in '000)	
Share premium	18.1	<b>1,036,090</b>	1,036,090
Statutory reserve	18.2	<b>36,700,236</b>	28,175,870
		<b>37,736,326</b>	29,211,960

**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 23 February 2024 have announced a final cash dividend of 25.0% (Rs. 2.50/- per share) in respect of the year ended 31 December 2023 (2022: Rs. 2.75 per share). This is in addition to 65.0% (Rs. 6.50/- per share) interim cash dividend announced during the year. The financial statements for the year ended 31 December 2023 do not include the effect of final dividend appropriations which will be accounted for subsequent to the year end.

# Notes to the Financial Statements

For the year ended 31 December 2023

19 SURPLUS ON REVALUATION OF ASSETS - NET OF DEFERRED TAX	Note	2023	2022
(Rupees in '000)			
<b>Surplus / (deficit) arising on revaluation of:</b>			
Fixed assets	19.1	9,140,867	8,068,965
Available for sale securities	19.2	92,092	164,865
		<b>9,232,959</b>	<b>8,233,830</b>
<b>Deferred tax on (surplus) / deficit on revaluation of:</b>			
Fixed assets	19.1	(545,855)	(284,146)
Available for sale securities	19.2	(45,125)	(70,892)
		<b>(590,980)</b>	<b>(355,038)</b>
		<b>8,641,979</b>	<b>7,878,792</b>
<b>19.1 Surplus on revaluation of fixed assets - net of tax</b>			
Surplus on revaluation of fixed assets as at 1 January		8,068,965	8,129,978
Recognised during the year		1,163,300	-
Realised on disposal during the year		(59,915)	(28,694)
Transferred to unappropriated profit in respect of incremental depreciation charged during the year		(31,483)	(32,319)
Surplus on revaluation of fixed assets as at 31 December - Gross		9,140,867	8,068,965
Less: Related deferred tax liability on:			
Revaluation surplus as at 1 January		(284,146)	(270,181)
Revaluation surplus recognised during the year		(242,113)	-
Surplus realized on disposal during the year		4,478	200
Deferred rate tax rate impact		(39,501)	(28,062)
Incremental depreciation charged during the year		15,427	13,897
		<b>(545,855)</b>	<b>(284,146)</b>
Surplus on revaluation of fixed assets as at 31 December - net of tax		<b>8,595,012</b>	<b>7,784,819</b>
<b>19.2 Surplus on revaluation of Available for Sale securities - net of tax</b>			
Market Treasury Bills		(328,061)	(713,450)
Pakistan Investment Bonds		-	834,425
Sukuk and Ijarah Bonds		167,107	(2,495)
Listed shares		253,046	46,385
		<b>92,092</b>	<b>164,865</b>
Related deferred tax liability		(45,125)	(70,892)
		<b>46,967</b>	<b>93,973</b>
<b>20 CONTINGENCIES AND COMMITMENTS</b>			
Guarantees	20.1	170,131,064	164,596,737
Commitments	20.2	122,273,853	181,866,138
Other contingent liabilities	20.3	32,920,431	30,736,676
		<b>325,325,348</b>	<b>377,199,551</b>
<b>20.1 Guarantees:</b>			
Guarantees issued favouring:			
Financial guarantees		11,507,536	11,464,512
Performance guarantees		122,101,851	108,968,856
Other guarantees		36,521,677	44,163,369
		<b>170,131,064</b>	<b>164,596,737</b>
<b>20.2 Commitments:</b>			
<b>Documentary credits and short-term trade-related transactions</b>		<b>21,806,983</b>	<b>35,040,339</b>
Letters of credit			
<b>Commitments in respect of:</b>			
Forward foreign exchange contracts			
- Purchase	20.4	59,271,017	94,999,666
- Sale	20.4	6,450,898	4,669,999
<b>Commitment in respect of derivatives</b>			
- Interest rate swaps	20.6	9,523,262	12,604,238
- Cross currency swaps	20.6	24,892,637	34,120,092
- Fx options	20.6	59,686	-
<b>Commitment for acquisition of fixed assets</b>		<b>268,839</b>	<b>430,954</b>
<b>Commitment in respect of operating leases</b>	20.7	<b>530</b>	<b>850</b>
		<b>122,273,853</b>	<b>181,866,138</b>
<b>20.3 Other contingent liabilities</b>		<b>32,920,431</b>	<b>30,736,676</b>

# Notes to the Financial Statements

For the year ended 31 December 2023

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

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

## 20.4 Commitments in respect of forward foreign exchange contracts

	2023	2022
	(Rupees in '000)	
Purchase from:		
State Bank of Pakistan	22,548,856	56,451,740
Other banks	32,413,606	35,844,802
Customers	4,308,555	2,703,124
	<u>59,271,017</u>	<u>94,999,666</u>
Sale to:		
State Bank of Pakistan	-	-
Other banks	5,468,283	3,770,185
Customers	982,615	899,814
	<u>6,450,898</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

	2023	2022
	(Rupees in '000)	
<b>Interest rate Swaps</b>		
- Purchase	1,761,631	3,302,119
- Sale	7,761,631	9,302,119
	<u>9,523,262</u>	<u>12,604,238</u>
<b>Cross currency Swaps</b>		
- Purchase	-	-
- Sale	24,892,637	34,120,092
	<u>24,892,637</u>	<u>34,120,092</u>
<b>FX options</b>		
- Purchase	29,843	-
- Sale	29,843	-
	<u>59,686</u>	<u>-</u>

## 20.7 Commitments in respect of operating leases

Not later than one year	-	-
Later than one year and not later than five years	530	850
Later than five years	-	-
	<u>530</u>	<u>850</u>

# Notes to the Financial Statements

For the year ended 31 December 2023

## 20.8 Derivative instruments

### 20.8.1 Product analysis

		2023					
		(Rupees in '000)					
Counterparties		Interest Rate Swaps		Cross Currency Swaps		FX Options	
		Notional Principal *	Mark to market gain / loss	Notional Principal *	Mark to market gain / loss	Notional Principal *	Mark to market gain / loss
With Banks for	Hedging	1,761,631	40,898	3,401,377	(365,434)	-	-
	Market Making	-	-	60,790	(60,705)	29,843	(314)
With FIs other than banks	Hedging	-	-	-	-	-	-
	Market Making	-	-	-	-	-	-
With other entities for	Hedging	-	-	-	-	-	-
	Market Making	7,761,631	(1,277,494)	21,430,471	(14,571,307)	29,843	314
Total	Hedging	1,761,631	40,898	3,401,377	(365,434)	-	-
	Market Making	7,761,631	(1,277,494)	21,491,261	(14,632,012)	59,686	-

		2022					
		(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	3,302,119	142,689	4,478,469	(612,818)	-	-
	Market Making	-	-	303,954	(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)	29,641,624	(10,706,165)	-	-

\* At the exchange rate prevailing at year end.

# Notes to the Financial Statements

For the year ended 31 December 2023

## 20.8.2 Maturity analysis

Remaining Maturity	2023				
	No. of Contracts	Notional Principal	Mark to Market		Net
			Negative	Positive	
----- (Rupees in '000) -----					
Upto 1 month	1	60,791	(61,019)	314	(60,705)
1 to 3 months	1	159,250	(129,257)	-	(129,257)
3 to 6 months	-	-	-	-	-
6 months to 1 year	5	6,009,299	(1,704,743)	40,898	(1,663,845)
1 to 2 years	36	10,089,029	(6,201,479)	-	(6,201,479)
2 to 3 years	2	5,000,000	(1,063,163)	-	(1,063,163)
3 to 5 years	-	-	-	-	-
5 to 10 years	7	13,097,531	(7,115,593)	-	(7,115,593)
Above 10 years	-	-	-	-	-
	<b>52</b>	<b>34,415,900</b>	<b>(16,275,254)</b>	<b>41,212</b>	<b>(16,234,042)</b>

Remaining Maturity	2022				
	No. of Contracts	Notional Principal	Mark to Market		Net
			Negative	Positive	
----- (Rupees in '000) -----					
Upto 1 month	-	-	-	-	-
1 to 3 months	4	575,059	(216,195)	-	(216,195)
3 to 6 months	1	392,706	(22,133)	-	(22,133)
6 months to 1 year	3	1,122,403	(457,664)	-	(457,664)
1 to 2 years	7	11,378,161	(1,859,632)	142,689	(1,716,943)
2 to 3 years	36	13,635,502	(5,738,956)	-	(5,738,956)
3 to 5 years	2	5,000,001	(737,380)	-	(737,380)
5 to 10 years	7	14,620,500	(3,309,148)	-	(3,309,148)
Above 10 years	-	-	-	-	-
	<b>60</b>	<b>46,724,332</b>	<b>(12,341,108)</b>	<b>142,689</b>	<b>(12,198,419)</b>

For derivate risk management policy refer note 42.

## 21 MARK-UP / RETURN / INTEREST EARNED

Note	2023	2022
(Rupees in '000)		
On loans and advances to customers	44,831,243	30,417,907
On loans and advances to financial institutions	6,152	89,211
On investments	93,786,555	57,491,111
On deposits with financial institutions / State Bank of Pakistan	864,870	177,189
On securities purchased under resale agreements	9,053,924	2,020,478
On call money lendings / Placements	3,308,380	234,358
	<b>151,851,124</b>	<b>90,430,254</b>

## 22 MARK-UP / RETURN / INTEREST EXPENSED

Deposits	52,149,127	40,646,176
Securities sold under repurchase agreements	680,811	1,321,449
Call borrowings	-	39,598
Borrowings from State Bank of Pakistan under Export Refinance (ERF) scheme	3,402,889	1,083,186
Cost of foreign currency swaps against foreign currency deposits / borrowings	741,244	2,076,369
Deposit protection premium	574,370	558,645
Finance cost against leases	143,582	102,929
	<b>57,692,023</b>	<b>45,828,352</b>

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.

# Notes to the Financial Statements

For the year ended 31 December 2023

	Note	2023	2022
(Rupees in '000)			
<b>23 FEE &amp; COMMISSION INCOME</b>			
Branch banking customer fees		271,270	398,339
Consumer finance related fees		56,885	75,893
Card related fees (debit and credit cards)		422,759	788,915
Credit related fees		441,211	7,358
Investment banking fees		203,783	120,810
Brokerage charges		(17,356)	(59,755)
Commission on trade and cash management		3,183,171	905,630
Commission on guarantees		558,698	408,681
Commission on remittances including home remittances		175,675	181,543
Commission on bancassurance		78,349	33,981
Custody fees		145,133	131,591
		<b>5,519,578</b>	<b>2,992,986</b>
<b>24 FOREIGN EXCHANGE INCOME</b>			
Gain / (loss) realised from dealing in:			
Foreign currencies		8,160,682	9,278,822
Derivative financial instruments		(2,448,492)	260,174
		<b>5,712,190</b>	<b>9,538,996</b>
<b>25 (LOSS) / GAIN ON SALE OF SECURITIES</b>			
Realised	25.1	(1,013,683)	2,397,823
Unrealised - held for trading	7.1	17,522	(131,784)
		<b>(996,161)</b>	<b>2,266,039</b>
<b>25.1 Realised gain on:</b>			
<b>Federal Government Securities</b>			
Market Treasury Bills		1,020,976	1,601,810
Pakistan Investment Bonds		(1,535,852)	792,239
Ijarah Sukuks		(498,883)	3,774
		<b>(1,013,759)</b>	<b>2,397,823</b>
<b>Equity Securities - Listed</b>		<b>76</b>	<b>-</b>
		<b>(1,013,683)</b>	<b>2,397,823</b>
<b>26 OTHER INCOME</b>			
Rent on property		35,743	32,586
Gain on sale of fixed assets - net	9.6	14,676	23,585
Gain on sale of asset held for sale		144,717	80,601
Sri Lanka branch operations recovery & exchange translation	11.2	10,680	(12,485)
(Loss) / gain on lease termination		(14,902)	1,376
Gain on acquisition of assets		478	-
		<b>191,392</b>	<b>125,663</b>



# Notes to the Financial Statements

For the year ended 31 December 2023

27 OPERATING EXPENSES	Note	2023	2022
(Rupees in '000)			
<b>Total compensation expense</b>	27.1	<b>9,650,160</b>	7,414,425
<b>Property expense</b>			
Rent & taxes		137,339	160,490
Insurance		5,584	12,378
Utilities cost		468,676	399,302
Security (including guards)		258,940	187,941
Repair & maintenance		239,106	226,307
Civil works		130,751	122,138
Facilities management cost		163,383	135,518
Depreciation (Property related)		124,523	116,860
Depreciation (Right of use assets)	9.2	432,947	400,665
Cleaning and Janitorial		472,182	416,672
Minor improvements, additions and others		171,935	225,568
		<b>2,605,366</b>	2,403,839
<b>Information technology expenses</b>			
Software maintenance		362,488	253,352
Hardware maintenance		326,227	206,805
Depreciation (IT related)		274,616	311,617
Network charges		121,106	54,897
		<b>1,084,437</b>	826,671
<b>Other operating expenses</b>			
Directors' fees and allowances		26,500	13,975
Fees and allowances to Shariah Board		25,653	15,742
Legal & professional charges		332,087	236,007
Outsourced services costs	27.2	150,995	133,721
Travelling & conveyance		232,647	140,902
Depreciation		93,494	65,716
Training & development		6,976	19,655
Postage & courier charges		119,175	127,219
Communication		519,962	368,560
Stationery & printing		318,053	191,327
Marketing, advertisement & publicity		448,322	465,259
Donations	27.4	25,035	23,371
Auditors remuneration	27.5	44,980	30,400
Cash transportation services		97,223	60,439
Documentation and processing charges		204,337	159,717
Insurance		36,208	21,984
Others		462,958	91,662
		<b>3,144,605</b>	2,165,656
		<b>16,484,568</b>	12,810,591
<b>27.1 Total compensation expense</b>			
Managerial remuneration			
i) Fixed		4,783,695	3,707,537
ii) Variable			
of which;			
a) Cash Bonus / Awards etc.		1,409,238	1,306,711
b) Bonus & Awards in Shares etc.		89,288	92,096
Fees and allowances etc		2,370,577	1,380,831
Charge / (reversal) for defined benefit plan		(4,021)	(1,299)
Contribution to defined contribution plan		584,940	435,519
Rent & house maintenance		26,000	26,000
Conveyance		-	221,323
Others			
a) Redundancy / severance		22,071	29,482
b) Staff entertainment		150,657	17,526
c) Temporary staff cost		721	352
d) Staff insurance		216,994	198,347
		<b>9,650,160</b>	7,414,425

# Notes to the Financial Statements

For the year ended 31 December 2023

**27.2** Total cost for the year included in other operating expenses relating to outsourced activities is Rs. 151 million (2022: Rs. 134 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	2023	2022
(Rupees in '000)			
CMS Company	Cash Sorting at Cash Houses and Branches	35,503	30,000
DWP Technologies (Pvt) Ltd	Network Management Support Services	23,353	20,299
DWP Technologies (Pvt) Ltd	Printing of Customer Statement	17,938	10,493
Agility Logistics (Pvt) Limited	Archival facility for Bank's documents	7,634	11,671
Infotel Pakistan (Pvt.) Ltd.	Credit and Debit Card Personalization	11,495	10,486
Apex Printry Pvt Ltd	Secured Printing i.e.Cheque books, Pay orders etc.	12,392	10,883
Inbox Business Technologies Ltd	Desktop & End User Support Services	42,680	39,889
		<b>150,995</b>	<b>133,721</b>

**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.

**27.4 Details of the donations given in excess of Rs. 500,000 are given below:**

	2023	2022
(Rupees in '000)		
<b>Donee</b>		
Right to Play International - Goal Programme	13,955	10,135
The Hunar Foundation	10,080	-
Donation For Iftar - Hope	1,000	-
The Citizen's Foundation	-	10,000
Orange Tree Foundation	-	2,400
Health Oriented Preventive Education	-	836

Donations were not made to any donee in which directors or their spouse had any interest.

Moreover, SCB Group directly sponsored donations amounting to PKR 31.094 million during the year (2022: Rs.22.51 million) which were co-ordinated through SCBPL. This donation was made for Women in tech initiative through Innoventures.

	Note	2023	2022
(Rupees in '000)			
<b>27.5 Auditors' remuneration</b>			
Statutory audit fee		25,207	21,006
IFRS reporting fee		4,980	4,150
Special certifications and sundry other reporting		13,298	3,831
Fee for audit of employee funds		495	413
Out-of-pocket expenses		1,000	1,000
		<b>44,980</b>	<b>30,400</b>
<b>28 OTHER CHARGES</b>			
Fines and penalties imposed by SBP		<b>143,055</b>	11,919
<b>29 REVERSAL / (PROVISIONS) &amp; WRITE OFFS - NET</b>			
Reversal against loans and advances	8.3	<b>162,791</b>	1,119,528
(Provision) / reversal against off-balance sheet obligations - net	16.3	<b>(9,852)</b>	44,000
Recovery of amounts written off		<b>315,679</b>	344,337
Bad debts written off directly	8.5.1	<b>(287,827)</b>	(173,278)
Fixed assets write offs		<b>(799)</b>	(15,095)
Impairment against other assets		<b>(17,273)</b>	-
		<b>162,719</b>	<b>1,319,492</b>
<b>30 TAXATION</b>			
- Current		<b>43,657,383</b>	27,577,385
- Prior years	30.1	<b>2,182,572</b>	1,445,253
- Deferred		<b>759,420</b>	1,256,486
		<b>46,599,375</b>	<b>30,279,124</b>

# Notes to the Financial Statements

For the year ended 31 December 2023

## 30.1 Relationship between tax expense and accounting profit

	2023	2022
	(Rupees in '000)	
Profit before taxation	<b>89,221,206</b>	50,123,499
Tax at the applicable tax rate of 39 percent (2022: 39 percent)	<b>34,796,270</b>	19,548,165
Expenses that are not deductible in determining taxable income	<b>70,097</b>	4,648
Super tax rate of 10 percent (2022: 10 percent)	<b>8,922,121</b>	4,797,763
Prior year (reversal) / provision	<b>(670,936)</b>	1,445,253
Impact of rate change	<b>695,700</b>	379,614
Additional Tax on Government Securities	<b>-</b>	4,068,353
Windfall profit for FY2021 & FY2022	<b>2,847,773</b>	-
Others	<b>(61,650)</b>	35,328
	<b>46,599,375</b>	30,279,124

## 31 EARNINGS PER SHARE - BASIC AND DILUTED

	2023	2022
	(Rupees in '000)	
Profit for the year	<b>42,621,831</b>	19,844,375
	(Number of shares)	
Weighted average number of ordinary shares	<b>3,871,585,021</b>	3,871,585,021
	(Rupees)	
Earnings per share - basic and diluted	<b>11.01</b>	5.13

There were no convertible dilutive potential ordinary shares outstanding as at December 31, 2023 and 2022.

## 32 STAFF STRENGTH

	2023	2022
	(Number)	
Permanent	<b>2,053</b>	2,124
Temporary / on contractual basis / direct contracts	<b>19</b>	11
Bank's own staff at the end of year	<b>2,072</b>	2,135
Outsourced	<b>-</b>	-
<b>Total staff strength</b>	<b>2,072</b>	2,135

## 33 CASH AND CASH EQUIVALENTS

	2023	2022
	(Rupees in '000)	
Cash and balances with treasury banks	<b>81,690,671</b>	68,918,645
Balances with other banks	<b>38,230,009</b>	8,737,656
Overdrawn nostros	<b>(20,172,848)</b>	(3,074,558)
	<b>99,747,832</b>	74,581,743

# Notes to the Financial Statements

For the year ended 31 December 2023

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

	2023							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	
<b>Balance as at 1 January 2023</b>	14,820,617	28,063,619	718,449,989	5,354,762	73,079,106	38,715,850	29,211,960	7,878,792	11,714,277	927,288,972
Changes from financing cash flows	-	-	-	-	(2,298,427)	-	-	-	-	(2,298,427)
Dividend paid	-	-	-	-	(649,362)	-	-	-	-	(649,362)
Payment in respect of lease liability	-	-	-	-	(2,947,789)	-	-	-	-	(2,947,789)
Total changes from financing cash flows	-	-	-	-	(5,895,578)	-	-	-	-	(5,895,578)
<b>Other changes</b>	-	-	-	-	-	-	-	33,048,463	33,048,463	33,048,463
<b>Liability-related</b>	<b>3,511,082</b>	<b>20,201,770</b>	<b>1,084,851</b>	<b>1,019,411</b>	<b>43,088,236</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(8,524,366)</b>	<b>3,511,082</b>
Changes in bills payable	-	-	-	-	-	-	-	-	-	-
Changes in borrowings	20,201,770	-	-	-	-	-	-	-	-	20,201,770
Changes in deposits and other accounts	-	-	1,084,851	-	-	-	-	-	-	1,084,851
Changes in deferred tax liabilities	-	-	-	1,019,411	-	-	-	-	-	1,019,411
Changes in other liabilities	-	-	-	-	43,088,236	-	-	-	-	43,088,236
- Cash based	-	-	-	-	-	-	-	-	-	-
- Non-cash based - Actuarial loss on remeasurements of defined benefit plan	-	-	-	-	(486)	-	-	-	-	(486)
Transfer of profit to reserve	-	-	-	-	-	-	8,524,366	-	(8,524,366)	-
Dividend announced	-	-	-	-	-	-	-	-	(25,165,303)	(25,165,303)
Realised on disposal during the year - net of deferred tax	-	-	-	-	-	-	-	55,437	55,437	55,437
Changes in surplus on revaluation of assets	-	-	-	-	-	-	-	763,187	-	763,187
<b>Balance as at 31 December 2023</b>	<b>18,331,699</b>	<b>48,265,389</b>	<b>719,534,840</b>	<b>6,374,173</b>	<b>113,219,068</b>	<b>38,715,850</b>	<b>37,736,326</b>	<b>8,641,979</b>	<b>11,128,508</b>	<b>1,001,947,832</b>

# Notes to the Financial Statements

For the year ended 31 December 2023

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

	2022							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	
<b>Balance as at 1 January 2022</b>	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	839,425,540
<b>Changes from financing cash flows</b>										
Dividend paid	-	-	-	-	(4,926,565)	-	-	-	-	(4,926,565)
Payment in respect of lease liability	-	-	-	-	(578,229)	-	-	-	-	(578,229)
<b>Total changes from financing cash flows</b>	-	-	-	-	(5,504,794)	-	-	-	-	(5,504,794)
<b>Other changes</b>	-	-	-	-	-	-	-	-	19,962,814	19,962,814
<b>Liability-related</b>										
Changes in bills payable	(1,780,570)	-	-	-	-	-	-	-	-	(1,780,570)
Changes in borrowings	-	(6,965,148)	-	-	-	-	-	-	-	(6,965,148)
Changes in deposits and other accounts	-	-	91,675,577	-	-	-	-	-	-	91,675,577
Changes in deferred tax liabilities	-	-	-	1,675,696	-	-	-	-	-	1,675,696
Changes in other liabilities	-	-	-	-	861,591	-	-	-	-	861,591
- Cash based	-	-	-	-	-	-	-	-	-	-
- Non-cash based - Actuarial loss on remeasurements of defined benefit plan	-	-	-	-	(14,543)	-	-	-	-	(14,543)
Transfer of profit to reserve	-	-	-	-	-	-	3,968,875	-	(3,968,875)	-
Dividend announced	-	-	-	-	-	-	-	-	(2,582,652)	(2,582,652)
Realised on disposal during the year - net of deferred tax	-	-	-	-	-	-	-	-	28,494	28,494
Changes in surplus on revaluation of assets	-	-	-	-	-	-	-	506,967	-	506,967
	(1,780,570)	(6,965,148)	91,675,577	1,675,696	847,048	-	3,968,875	506,967	(16,523,033)	73,405,412
<b>Balance as at 31 December 2022</b>	14,820,617	28,063,619	718,449,989	5,354,762	73,079,106	38,715,850	29,211,960	7,878,792	11,744,277	927,288,972

(Rupees in '000)

# Notes to the Financial Statements

For the year ended 31 December 2023

## 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

	2023	2022
SCB Non Management Pension Fund	21	25
SCB Management Pension Fund	30	37
Additional Lump Sum on cessation scheme	9	9

### 34.3 Principal Actuarial Assumptions

The last actuarial valuation of the scheme was carried out on 31 December 2023 and the key assumptions used for actuarial valuation were as follows:

	2023	2022
Discount rate	16.75% p.a.	13.25% p.a.
Expected rate of increase in salary in future years	N/A	N/A
Expected rate of return on plan assets	16.75% p.a.	13.25% p.a.
Expected long term rate of increase in pension	7.0% p.a.	3.5% p.a.
Mortality rate	SLIC (2001-05) ultimate mortality table rated down one year Light	SLIC (2001-05) ultimate mortality table rated down one year Light
Withdrawal rate		

	SCB Non Management Pension Fund		SCB Management Pension Fund		Additional Lump Sum on cessation scheme		Total	
	2023	2022	2023	2022	2023	2022	2023	2022

(Rupees in '000)

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

Present value of obligations	31,714	28,485	45,749	43,519	10,299	10,425	87,761	82,428
Fair value of plan assets	(62,636)	(57,248)	(61,901)	(57,450)	-	-	(124,537)	(114,698)
(Receivable from) / payable to defined benefit plan	(30,922)	(28,763)	(16,152)	(13,931)	10,299	10,425	(36,776)	(32,270)

### 34.5 Movement in defined benefit obligation

Obligation as at 1 January	28,485	33,615	43,519	54,191	10,425	12,135	82,428	99,941
Interest cost	3,471	3,376	5,324	5,454	1,516	1,273	10,311	10,103
Benefits paid	(4,363)	(4,166)	(6,235)	(6,234)	-	(2,577)	(10,598)	(12,978)
Re measurement: Actuarial (gain) / loss on obligation	4,121	(4,340)	3,141	(9,892)	(1,642)	(406)	5,620	(14,638)
Obligation as at 31 December	31,714	28,485	45,749	43,519	10,299	10,425	87,761	82,428

### 34.6 Movement in fair value of plan assets

Fair value as at 1 January	57,248	57,196	57,450	56,595	-	-	114,698	113,791
Interest income on plan assets	7,052	5,710	7,280	5,692	-	-	14,332	11,402
Benefits paid	(4,363)	(4,166)	(6,235)	(6,234)	-	-	(10,598)	(10,400)
Re measurement: Actuarial gain / (loss) on plan assets	2,699	(1,492)	3,406	1,397	-	-	6,105	(95)
Fair value as at 31 December	62,636	57,248	61,901	57,450	-	-	124,537	114,698



# Notes to the Financial Statements

For the year ended 31 December 2023

	SCB Non Management Pension Fund		SCB Management Pension Fund		Additional Lump Sum on cessation scheme		Total	
	2023	2022	2023	2022	2023	2022	2023	2022
(Rupees in '000)								
<b>34.7 Movement in (receivable from) / payable to defined benefit plan</b>								
Balance as at 1 January	(28,763)	(23,581)	(13,931)	(2,404)	10,425	12,135	(32,269)	(13,850)
Net benefit cost/(income) for the year ended	(3,581)	(2,334)	(1,956)	(238)	1,516	1,273	(4,021)	(1,299)
Current service cost	-	-	-	-	-	-	-	-
Benefits paid	-	-	-	-	-	(2,577)	-	(2,577)
Total amount of remeasurements recognised in OCI during the year	1,422	(2,848)	(265)	(11,289)	(1,643)	(406)	(486)	(14,543)
Balance as at 31 December	(30,922)	(28,763)	(16,152)	(13,931)	10,298	10,425	(36,776)	(32,269)
<b>34.8 Actual return on plan assets</b>								
Expected return on plan assets	7,052	5,710	7,280	5,692	-	-	14,332	11,402
Actuarial gain / (loss) on plan assets	2,699	(1,492)	3,406	1,397	-	-	6,105	(95)
	9,751	4,218	10,686	7,089	-	-	20,437	11,307

## 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	3,471	3,376	5,324	5,454	1,516	1,273	10,311	10,103
Expected return on plan assets	(7,052)	(5,710)	(7,280)	(5,692)	-	-	(14,332)	(11,402)
	(3,581)	(2,334)	(1,956)	(238)	1,516	1,273	(4,021)	(1,299)

### 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	464	(4,288)	672	(6,720)	(951)	(930)	185	(11,938)
- (Gain) / Loss due to change in experience adjustments	3,657	(52)	2,469	(3,172)	(692)	524	5,434	(2,700)
	4,121	(4,340)	3,141	(9,892)	(1,643)	(406)	5,619	(14,638)

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

Actual net return on plan assets	9,215	4,475	11,012	6,782	-	-	20,227	11,257
Interest income on plan assets	7,052	5,710	7,280	5,692	-	-	14,332	11,402
Opening difference	536	(257)	(326)	307	-	-	210	50
	(2,699)	1,492	(3,406)	(1,397)	-	-	(6,105)	95
Net re-measurement recognised in other comprehensive income	1,422	(2,848)	(265)	(11,289)	(1,643)	(406)	(486)	(14,543)

### 34.8.1 Components of plan assets

Bonds	49,779	-	51,730	56,315	-	-	101,509	56,315
Cash and net current assets	12,857	57,248	10,171	1,135	-	-	23,028	58,383

### 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	30,347	33,209	33,337	30,215
Management Pension Fund	43,769	47,914	48,098	43,577
Additional Lump Sum on cessation scheme	10,053	10,554	-	-

# Notes to the Financial Statements

For the year ended 31 December 2023

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

	2023	2022	2021	2020	2019
	(Rupees in '000)				
Present value of defined benefit obligation	87,761	82,428	99,941	103,158	78,618
Fair value of plan assets	124,537	114,698	113,791	111,884	110,160
Deficit / (Surplus)	(36,776)	(32,270)	(13,850)	(8,726)	(31,542)
Experience adjustments on plan liabilities - loss / (gain)	5,434	(2,700)	10,086	(6,106)	4,556
Experience adjustments on plan assets - loss / (gain)	(6,105)	95	(3,021)	1,849	(6,632)

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

34.8.5 Expected charge / (reversal) for the next financial year (5,365)

## 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, 83.57% of the Investment (Rs. 51.730 million) is invested in Special Saving Certificates while 16.43% of (Rs 10.171 million) are in cash and cash equivalents. 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.

For Non-Management Fund, 79.47% of the Investment (Rs. 49,779 million) is invested in Special Saving Certificates while 20.53% of (Rs 12,857 million) are in cash and cash equivalents.

#### 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. 584.940 million (2022: Rs. 435.519 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. 89.291 million. The main features of each plan are as follows:

# Notes to the Financial Statements

For the year ended 31 December 2023

## 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 operate as Equity Settled Scheme.

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

	2023				2022			
	2011 Plan <sup>1</sup>		AESP 2013 Plan		2011 Plan <sup>1</sup>		AESP 2013 Plan	
	LTIP	Deferred / Restricted shares	Sharesave	average exercise price £ per share	LTIP	Deferred / Restricted shares	Sharesave	average exercise price £ per share
	------(Number in '000)-----				------(Number in '000)-----			
At 1 January	-	78	65	3.79	-	62	63	3.79
Granted during the year	-	51	51	3.77	-	43	27	4.23
Exercised during the year	-	(35)	(11)	3.42	-	(28)	(7)	5.06
Lapsed during the year	-	-	(18)	4.1	-	-	(18)	4.04
Notional dividend	-	1	-	-	-	1	-	-
At 31 December	-	95	87	4.97	-	78	65	3.77

Scheme	2023					2022				
	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 <sup>1&amp;2</sup>	-	-	-	-	-	-	-	-	-	-
Deferred / Restricted shares <sup>1&amp;3</sup>	-	-	95	10	8.56	-	-	78	10	8.26
Sharesave <sup>4</sup>	£3.14/£5.88	4.97	87	3.33/5.33	2.72	£3.14/£5.13	3.77	65	3.33/5.33	2.38

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 2023, total number of options exercisable for Long-Term Incentive Plan (LTIP) awards were nil.

3) As of 31 December 2023 total number of options for Deferred / Restricted Shares Plan awards exercisable were 279.

4) As of 31 December 2023 total number of options exercisable for Sharesave Plan awards were 8,580.

# Notes to the Financial Statements

For the year ended 31 December 2023

## 37 COMPENSATION OF CHIEF EXECUTIVE AND EXECUTIVES

2023							
Chairman	Directors		Members Shariah Board	President / CEO	Key Management Personnel	Other Material Risk Takers / Controllers	
	Executives (other than CEO)	Non- Executives					
------(Rupees in '000)-----							
Fees and Allowances etc.	-	-	26,500	8,656	-	-	-
Managerial remuneration							
i) Fixed	-	-	-	7,526	110,336	383,732	402,118
ii) Total Variable of which							
a) Cash Bonus / Awards	-	-	-	1,560	80,593	144,740	139,552
b) Bonus & Awards in Shares	-	-	-	-	41,231	15,549	6,212
Contribution to defined contribution plan	-	-	-	920	-	46,892	48,904
Rent and house allowance	-	-	-	-	26,000	-	-
Conveyance	-	-	-	-	-	-	-
Others	-	-	-	4,744	174	55,805	138,678
<b>Total</b>	<b>-</b>	<b>-</b>	<b>26,500</b>	<b>23,406</b>	<b>258,334</b>	<b>646,718</b>	<b>735,464</b>
Number of persons	<b>1</b>	<b>-</b>	<b>3</b>	<b>4</b>	<b>1</b>	<b>14</b>	<b>29</b>

2022							
Chairman	Directors		Members Shariah Board	President / CEO	Key Management Personnel	Other Material Risk Takers / Controllers	
	Executives (other than CEO)	Non- Executives					
------(Rupees in '000)-----							
Fees and Allowances etc.	-	-	13,975	8,656	-	-	-
Managerial remuneration							
i) Fixed	-	-	-	5,613	90,492	254,966	291,504
ii) Total Variable of which							
a) Cash Bonus / Awards	-	-	-	1,232	66,877	159,897	154,438
b) Bonus & Awards in Shares	-	-	-	-	55,581	16,859	10,900
Contribution to defined contribution plan	-	-	-	686	3,382	31,228	35,543
Rent and house allowance	-	-	-	-	26,000	-	-
Conveyance	-	-	-	466	-	16,591	23,468
Others	-	-	-	4,126	1,870	46,323	122,965
<b>Total</b>	<b>-</b>	<b>-</b>	<b>13,975</b>	<b>20,779</b>	<b>244,202</b>	<b>525,864</b>	<b>638,818</b>
Number of persons	<b>1</b>	<b>-</b>	<b>3</b>	<b>4</b>	<b>1</b>	<b>15</b>	<b>25</b>

**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.

# Notes to the Financial Statements

For the year ended 31 December 2023

## 37.4 Remuneration paid to Directors for participation in Board and Committee Meetings

		2023						
		Meeting Fees and Allowances Paid						
Sr. No.	Name of Director	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	Towfiq Habib Chinoy	3,000	350	2,550	3,000	-	-	8,900
2	Ehsan Ali Malik	3,000	3,000	-	2,550	1,650	-	10,200
3	Badar Vellani	2,600	2,200	2,600	-	-	-	7,400
		8,600	5,550	5,150	5,550	1,650	-	26,500

		2022						
		Meeting Fees and Allowances Paid						
Sr. No.	Name of Director	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	800	-	400	-	-	25	1,225
2	Towfiq Habib Chinoy	2400	-	1,400	1,600	-	50	5,450
3	Ehsan Ali Malik	2400	2,400	-	1,400	1,050	50	7,300
		5,600	2,400	1,800	3,000	1,050	125	13,975

## 37.5 Remuneration paid to Shariah Board Members

Items	2023			2022		
	Chairman	Resident Member	Non-Resident Member(s)	Chairman	Resident Member	Non-Resident Member(s)
------(Rupees in '000)-----						
Meeting Fees and Allowances	4,184	-	4,472	4,184	-	4,472
Salaries and allowances	-	14,750	-	-	12,123	-
Total amount	4,184	14,750	4,472	4,184	12,123	4,472
Number of persons	1	1	2	1	1	2

## 38 FAIR VALUE

### 38.1 Fair value of financial instruments

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 2023

## On balance sheet financial instruments

### Financial assets measured at fair value

- Investments

Federal Government Securities

Equity securities traded (Shares)

### Financial assets not measured at fair value

- Cash and bank balances with SBP and NBP

- Balances with other banks

- Lending to financial institutions

- Bai Muajjal with GOP

- Investments - ordinary shares

- Advances

- Other assets

### Financial liabilities not measured at fair value

- Bills Payable

- Deposits and other accounts

- Borrowings

- Other liabilities (excluding Liabilities against assets subject to finance lease)

### Off-balance sheet financial instruments

Interest Rate swaps / Foreign currency options / Forward purchase contracts

Interest Rate swaps / Foreign currency options / Forward sale contracts

2023									
Carrying value					Fair value				
Held for trading	Available for sale	Loans and receivables	Other financial assets	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
----- (Rupees in '000) -----									
377,041	225,980,091	-	-	-	226,357,132	-	226,357,132	-	226,357,132
-	304,728	-	-	-	304,728	304,728	-	-	304,728
-	-	-	-	-	-	-	-	-	-
-	-	-	81,690,671	-	81,690,671	-	-	-	-
-	-	-	38,230,009	-	38,230,009	-	-	-	-
-	-	-	365,241,485	-	365,241,485	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	50,000	-	-	-	50,000	-	-	-	-
-	-	220,183,482	-	-	220,183,482	-	-	-	-
-	-	-	26,884,954	-	26,884,954	-	-	-	-
377,041	226,334,819	220,183,482	512,047,119	-	958,942,461	-	-	-	-
-	-	-	-	18,331,699	18,331,699	-	-	-	-
-	-	-	-	719,534,840	719,534,840	-	-	-	-
-	-	-	-	48,265,389	48,265,389	-	-	-	-
-	-	-	-	109,941,513	109,941,513	-	-	-	-
-	-	-	-	896,073,441	896,073,441	-	-	-	-
-	-	-	61,062,491	-	61,062,491	-	61,496,980	-	61,496,980
-	-	-	39,135,012	-	39,135,012	-	55,582,806	-	55,582,806



# Notes to the Financial Statements

For the year ended 31 December 2023

## On balance sheet financial instruments

	2022									
	Carrying value					Fair value				
	Held for trading	Available for sale	Loans and receivables	Other financial assets	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
	----- (Rupees in '000) -----									
<b>Financial assets measured at fair value</b>										
- Investments										
Federal Government Securities	323,032	477,259,787	-	-	-	477,582,819	-	477,582,819	-	477,582,819
Sukuk Bonds (other than government)	-	-	-	-	-	-	-	-	-	-
Equity securities traded (Shares)	-	99,635	-	-	-	99,635	99,635	-	-	99,635
<b>Financial assets not measured at fair value</b>										
- Cash and bank balances with SBP and NBP	-	-	-	68,918,645	-	68,918,645				
- Balances with other banks	-	-	-	8,737,656	-	8,737,656				
- Lending to financial institutions	-	-	-	51,286,290	-	51,286,290				
- Investments - ordinary shares	-	50,000	-	-	-	50,000				
- Advances	-	-	216,207,696	-	-	216,207,696				
- Other assets	-	-	-	66,292,186	-	66,292,186				
	323,032	477,409,422	216,207,696	195,234,777	-	889,174,927				
<b>Financial liabilities not measured at fair value</b>										
- Bills Payable	-	-	-	-	14,820,617	14,820,617				
- Deposits and other accounts	-	-	-	-	718,449,989	718,449,989				
- Borrowings	-	-	-	-	28,063,619	28,063,619				
- Other liabilities (excluding Liabilities against assets subject to finance lease)	-	-	-	-	70,355,122	70,355,122				
	-	-	-	-	831,689,347	831,689,347				
<b>Off-balance sheet financial instruments</b>										
<b>Interest Rate swaps / Foreign currency options / Forward purchase contracts</b>	-	-	-	98,301,785	-	98,301,785	-	98,721,710	-	98,721,710
<b>Interest Rate swaps / Foreign currency options / Forward sale contracts</b>	-	-	-	48,092,212	-	48,092,212	-	60,602,822	-	60,602,822

## 38.2 Fair value of non-financial assets

	2023				2022			
	Carrying value	Fair value			Carrying value	Fair value		
		Level 1	Level 2	Level 3		Level 1	Level 2	Level 3
	----- Rupees in '000 -----							
Fixed assets	12,666,335	-	-	12,666,335	11,474,182	-	-	11,474,182

38.3 During the year ended 31 December 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.

# Notes to the Financial Statements

For the year ended 31 December 2023

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

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

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

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

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

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

### 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, 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 2023

## 39.1 Segment Details with respect to Business Activities

	2023			Total
	Commercial Corporate Institutional Banking	Consumer Private Business Banking	Central and Other Items	
	(Rupees in '000)			
<b>Profit &amp; Loss</b>				
Inter segment revenue - net	30,952,785	46,241,640	(77,194,425)	-
Net mark-up/return/profit	6,876,094	(13,710,290)	100,993,297	94,159,101
Non mark-up / return / interest income	10,573,700	5,694,647	(2,943,384)	13,324,963
Total Income	48,402,579	38,225,997	20,855,488	107,484,064
Segment direct expenses	5,746,804	10,138,118	2,540,655	18,425,577
Inter segment expense allocation	-	-	-	-
Total expenses	5,746,804	10,138,118	2,540,655	18,425,577
(Reversals) / provisions	(247,403)	66,457	18,227	(162,719)
<b>Profit before taxation</b>	<b>42,903,178</b>	<b>28,021,422</b>	<b>18,296,606</b>	<b>89,221,206</b>
<b>Balance Sheet</b>				
Cash & Bank balances	-	-	119,920,680	119,920,680
Investments	2,055,371	50,000	224,606,489	226,711,860
Net inter segment lending	167,677,295	308,910,691	(476,587,986)	-
Lendings to financial institutions	-	-	365,241,485	365,241,485
Advances - performing	177,062,649	41,741,098	-	218,803,747
- Non performing	236,654	1,143,081	-	1,379,735
Others	25,477,964	15,066,834	29,345,527	69,890,325
<b>Total Assets</b>	<b>372,509,933</b>	<b>366,911,704</b>	<b>262,526,195</b>	<b>1,001,947,832</b>
Borrowings	-	-	48,265,389	48,265,389
Deposits & other accounts	354,915,767	364,606,088	12,985	719,534,840
Net inter segment borrowing	-	-	-	-
Others	17,594,166	2,305,616	118,025,158	137,924,940
<b>Total liabilities</b>	<b>372,509,933</b>	<b>366,911,704</b>	<b>166,303,532</b>	<b>905,725,169</b>
Equity	-	-	96,222,663	96,222,663
<b>Total Equity &amp; liabilities</b>	<b>372,509,933</b>	<b>366,911,704</b>	<b>262,526,195</b>	<b>1,001,947,832</b>
<b>Contingencies &amp; Commitments</b>	<b>225,878,689</b>	<b>475,257</b>	<b>98,971,402</b>	<b>325,325,348</b>
	2022			
	(Rupees in '000)			
<b>Profit &amp; Loss</b>				
Inter segment revenue - net	15,909,892	29,795,759	(45,705,651)	-
Net mark-up/return/profit	(644,780)	(10,479,068)	55,725,750	44,601,902
Non mark-up / return / interest income	13,287,070	4,411,375	349,096	18,047,541
Total Income	28,552,182	23,728,066	10,369,195	62,649,443
Segment direct expenses	3,976,534	8,160,751	1,708,151	13,845,436
Inter segment expense allocation	-	-	-	-
Total expenses	3,976,534	8,160,751	1,708,151	13,845,436
Provisions	(1,075,076)	(259,513)	15,097	(1,319,492)
<b>Profit before taxation</b>	<b>25,650,724</b>	<b>15,826,828</b>	<b>8,645,947</b>	<b>50,123,499</b>
<b>Balance Sheet</b>				
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)	-
Lendings 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
<b>Total Assets</b>	<b>390,977,373</b>	<b>383,047,352</b>	<b>153,264,247</b>	<b>927,288,972</b>
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
<b>Total liabilities</b>	<b>390,977,373</b>	<b>383,047,352</b>	<b>65,743,368</b>	<b>839,768,093</b>
Equity	-	-	87,520,879	87,520,879
<b>Total Equity &amp; liabilities</b>	<b>390,977,373</b>	<b>383,047,352</b>	<b>153,264,247</b>	<b>927,288,972</b>
<b>Contingencies &amp; Commitments</b>	<b>246,035,098</b>	<b>326,309</b>	<b>130,838,144</b>	<b>377,199,551</b>

# Notes to the Financial Statements

For the year ended 31 December 2023

## 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:

	2023				2022			
	Parent	Directors	Key management personnel	Other related parties	Parent	Directors	Key management personnel	Other related parties
----- (Rupees in '000) -----								
<b>Balances with other banks</b>								
In current accounts	37,677,024	-	-	-	8,650,286	-	-	-
In deposit accounts	-	-	-	-	-	-	-	-
	<b>37,677,024</b>	-	-	-	<b>8,650,286</b>	-	-	-
<b>Lendings to financial institutions</b>								
Opening balance	19,486,290	-	-	-	6,560,984	-	-	-
Addition during the year	314,142,929	-	-	-	1,754,767,391	-	-	-
Repaid during the year	(287,883,380)	-	-	-	(1,741,842,085)	-	-	-
Closing balance	<b>45,745,839</b>	-	-	-	<b>19,486,290</b>	-	-	-
<b>Advances</b>								
Opening balance	-	76	215,089	-	-	84	217,158	-
Addition during the year	-	695	146,941	-	-	5,097	148,147	-
Repaid during the year	-	(765)	(175,849)	-	-	(5,105)	(128,776)	-
Transfer in / (out) - net	-	-	-	-	-	-	(21,440)	-
Closing balance	-	<b>6</b>	<b>186,181</b>	-	-	<b>76</b>	<b>215,089</b>	-
Provision held against advances	-	-	-	-	-	-	-	-
----- (Rupees in '000) -----								
<b>Other Assets</b>								
Interest / mark-up accrued	548,209	-	877	-	11,594	-	1,105	-
Receivable from staff retirement fund	-	-	-	36,776	-	-	-	32,270
Due from associated undertakings	148,413	-	-	-	127,780	-	-	-
Other receivable	-	-	-	-	-	-	-	-
Closing balance	<b>696,622</b>	-	<b>877</b>	<b>36,776</b>	<b>139,374</b>	-	<b>1,105</b>	<b>32,270</b>
<b>Borrowings</b>								
Opening balance	3,074,559	-	-	-	10,846	-	-	-
Borrowings during the year	17,152,736	-	-	-	3,074,558	-	-	-
Settled during the year	(57,779)	-	-	-	(10,845)	-	-	-
Closing balance	<b>20,169,516</b>	-	-	-	<b>3,074,559</b>	-	-	-
<b>Deposits and other accounts</b>								
Opening balance	542,284	3,340	150,835	84,277	732,691	155,902	144,835	116,030
Received during the year	223,858	317,710	1,198,129	10,866,859	35,276	186,597	940,665	3,765,295
Withdrawn during the year	(16,562)	(316,029)	(1,156,294)	(10,558,740)	(225,683)	(177,321)	(942,697)	(3,797,048)
Transfer in / (out) - net	-	43	-	-	-	(161,838)	8,032	-
Closing balance	<b>749,580</b>	<b>5,064</b>	<b>192,670</b>	<b>392,396</b>	<b>542,284</b>	<b>3,340</b>	<b>150,835</b>	<b>84,277</b>

# Notes to the Financial Statements

For the year ended 31 December 2023

	2023				2022			
	Parent	Directors	Key management personnel	Other related parties	Parent	Directors	Key management personnel	Other related parties
----- (Rupees in '000) -----								
<b>Other Liabilities</b>								
Interest / mark-up payable	-	-	-	-	-	-	-	-
Due to holding company	53,879,416	-	-	-	20,837,568	-	-	-
Other liabilities	-	5	-	-	-	-	-	-
(to be specified separately if > Rs 5 million)	-	-	-	-	-	-	-	-
Closing balance	53,879,416	5	-	-	20,837,568	-	-	-
<b>Contingencies and Commitments</b>								
Transaction-related contingent liabilities - guarantees	78,991,846	-	-	-	70,335,480	-	-	-
Commitments in respect of forward foreign exchange contracts	4,170,666	-	-	-	3,691,387	-	-	-
<b>Derivatives</b>								
Derivative instruments- Interest rate swaps - notional	1,761,631	-	-	-	3,828,190	-	-	-
Derivative instruments - Cross currency swaps - notional	3,401,377	-	-	-	4,478,469	-	-	-
Derivative instruments- FX options - Notional	29,843	-	-	-	-	-	-	-
Derivative assets	47,075	-	-	-	144,644	-	-	-
Derivative liabilities	374,304	-	-	-	616,269	-	-	-
<b>RELATED PARTY TRANSACTIONS</b>								
<b>Income</b>								
Mark-up / return / interest earned	3,769,994	80	36,683	-	242,265	106	28,165	-
Fee and commission income	7,733	8	61	-	9,781	16	58	-
Income / (loss) from derivatives	148,980	-	-	-	(50,965)	-	-	-
<b>Expense</b>								
Mark-up / return / interest paid	-	29	12,838	60,648	-	301	4,349	20,488
Fee and commission expense	-	-	-	-	-	-	-	-
Operating expenses	-	26,500	905,052	-	-	13,975	770,066	-
Rent expense	-	-	-	-	-	-	-	-
<b>Other transactions</b>								
Dividend paid	1,449,100	18	-	-	4,790,424	-	-	-
Contribution to defined contribution plans	-	-	-	584,940	-	-	-	434,220
Net charge for defined contribution plans	-	-	-	584,940	-	-	-	434,220
Net charge / (reversal) for defined benefit plans	-	-	-	(4,021)	-	-	-	(1,299)

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 2023

## 41 CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS

	2023	2022
	(Rupees in '000)	
<b>Minimum Capital Requirement (MCR):</b>		
Paid-up capital (net of losses)	<b>38,715,850</b>	38,715,850
<b>Capital Adequacy Ratio (CAR):</b>		
Eligible Common Equity Tier 1 (CET 1) Capital	<b>74,235,298</b>	64,735,488
Eligible Additional Tier 1 (ADT 1) Capital	-	-
Total Eligible Tier 1 Capital	<b>74,235,298</b>	64,735,488
Eligible Tier 2 Capital	<b>9,620,328</b>	8,900,992
Total Eligible Capital (Tier 1 + Tier 2)	<b>83,855,626</b>	73,636,480
Risk Weighted Assets (RWAs):		
Credit Risk	<b>279,141,217</b>	287,625,617
Market Risk	<b>8,018,671</b>	21,033,154
Operational Risk	<b>130,656,458</b>	85,479,076
Total	<b>417,816,346</b>	394,137,847
Common Equity Tier 1 Capital Adequacy ratio	<b>17.77%</b>	16.42%
Tier 1 Capital Adequacy Ratio	<b>17.77%</b>	16.42%
Total Capital Adequacy Ratio	<b>20.07%</b>	18.68%
Minimum CAR (including Capital Conservation Buffer)	<b>11.50%</b>	11.50%
<b>Leverage Ratio (LR):</b>		
Eligible Tier-1 Capital	<b>74,235,298</b>	64,735,488
Total Exposures	<b>1,212,116,047</b>	1,141,761,856
Leverage Ratio	<b>6.12%</b>	5.67%
Minimum SBP Requirement	<b>3.00%</b>	3.00%
<b>Liquidity Coverage Ratio (LCR):</b>		
Average High Quality Liquid Assets	<b>522,101,429</b>	486,035,026
Average Net Cash Outflow	<b>157,909,055</b>	114,563,947
Average Liquidity Coverage Ratio	<b>330.6%</b>	424.2%
Minimum SBP Requirement	<b>100%</b>	100%
<b>Net Stable Funding Ratio (NSFR):</b>		
Total Available Stable Funding	<b>666,738,313</b>	637,896,049
Total Required Stable Funding	<b>289,655,616</b>	261,554,915
Net Stable Funding Ratio	<b>230%</b>	244%
Minimum SBP Requirement	<b>100%</b>	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 2023

## 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, Treasury, 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. Country Risk management elevated as an integral component of the ERMF within the section on Group strategy and strategic risk management.

In addition to PRTs, the Bank may be exposed to certain Integrated Risks. Integrated Risk Types (“IRTs”) are those risks that are significant in nature and materialise primarily through the relevant PRTs. Through this Framework, the CRO relies on Integrated Risk Framework Owners (“IRFO”) to perform second-line of defence activities for such risks as necessary.

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 Country Management Team (CMT) 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 Credit 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.

Shariah Non-Compliance Risk (SNCR) refers to the risk that arises from the Bank’s failure to comply with the Shariah rules and principles determined and issued from time to time by the Bank’s Shariah Board, Shariah Advisory Committee (SAC) as notified by State Bank of Pakistan (SBP), AAOIFI Shariah Standards as adopted by the SBP, Islamic Financial Accounting Standards as notified by the Securities and Exchange Commission of Pakistan (SECP) and as circulated by SBP.

The SHARIAH NON COMPLIANCE RISK AND GOVERNANCE MANAGEMENT FRAMEWORK, sets out the approach for management of Shariah non Compliance risk as well as the roles and responsibilities of the various stakeholders.

The Shariah Board, Executive Risk Committee and Board Risk Committee maintains oversight over SNCR Risk.

### 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:

All credit proposals are subject to a robust Credit Risk assessment. It includes a comprehensive evaluation of the client’s credit quality, including willingness, ability and capacity to repay.

- 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 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.

# Notes to the Financial Statements

For the year ended 31 December 2023

- 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 denotes that the held collateral as a mitigant to extended credit, is not adequately documented or the 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.

Climate Risk has been included as Risk Type for Corporate, Commercial and Institutional Banking (CCIB) segment to identify the potential for financial loss and non-financial detriments arising from climate change and society's response to it. Climate change presents a CCIB credit risk when physical and transition risks disrupt operations and impact a client's business or operational model, thereby affecting their ability to generate the income required to repay debt, as well as the collateral that may back the loan.

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.

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 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 forum / authority levels and appropriate mitigation actions determined by the appropriate committees / delegated authorities.

Moreover, Credit Monitoring Processes are also in-place that assists in controlling the rising risks, which may lead to credit losses. The process includes vigilant tracking and managing the accounts reported in Excess and Past Due Monitoring (EPDM), Conditions Covenant and Risk Triggers (CCaRT), Accounts Subject to Additional Review (ASTAR) and Early Alert Reporting (EAR).

Currently, 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, SBLs, 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.

## 42.1.1 Lendings to financial institutions

### Credit risk by public / private sector

	Gross lendings		Non-performing lendings		Provision held	
	2023	2022	2023	2022	2023	2022
----- (Rupees in '000) -----						
Public / Government	319,495,646	31,800,000	-	-	-	-
Private	45,745,839	19,486,290	-	-	-	-
	365,241,485	51,286,290	-	-	-	-

# Notes to the Financial Statements

For the year ended 31 December 2023

## 42.1.2 Investment in debt securities

### Credit risk by industry sector

	Gross Investments		Non-performing Investments		Provision held	
	2023	2022	2023	2022	2023	2022
----- (Rupees in '000) -----						
Financial	226,357,132	477,582,819	-	-	-	-
Chemical and Pharmaceuticals	147,000	147,000	147,000	147,000	147,000	147,000
	<b>226,504,132</b>	<b>477,729,819</b>	<b>147,000</b>	<b>147,000</b>	<b>147,000</b>	<b>147,000</b>

### Credit risk by public / private sector

	Gross Investments		Non-performing Investments		Provision held	
	2023	2022	2023	2022	2023	2022
----- (Rupees in '000) -----						
Public / Government	226,357,132	477,582,819	-	-	-	-
Private	147,000	147,000	147,000	147,000	147,000	147,000
	<b>226,504,132</b>	<b>477,729,819</b>	<b>147,000</b>	<b>147,000</b>	<b>147,000</b>	<b>147,000</b>

## 42.1.3 Advances

### Credit risk by industry sector

	Gross Advances		Non-performing Advances		Provision held	
	2023	2022	2023	2022	2023	2022
----- (Rupees in '000) -----						
Agriculture, Forestry, Hunting and Fishing	4,229,572	3,245,021	-	-	-	-
Mining and Quarrying	-	-	-	-	-	-
Food, tobacco and beverages	45,213,660	41,679,605	2,141,466	2,163,905	2,141,466	2,163,905
Metal and allied	79,267	385,787	-	-	-	-
Oil and gas	14,632	15,741	-	-	-	-
Textile	44,949,107	40,712,581	5,764,340	5,663,271	5,645,815	5,544,746
Chemical and Pharmaceuticals	9,924,913	10,874,974	1,435,281	1,686,264	1,435,281	1,653,322
Cement	3,009,995	4,009,868	3,009,868	3,009,868	3,009,868	3,009,868
Sugar	1,693,976	1,293,921	124,591	124,591	124,591	124,591
Footwear and Leather garments	36,978	1,981,502	36,978	131,502	36,978	131,502
Automobile and transportation equipment	4,129,289	2,673,800	455,138	455,514	455,138	311,041
Electronics and electrical appliances	11,095,791	9,898,987	16,940	16,940	16,940	16,940
Construction	5,420,243	1,458,943	678,744	614,675	640,730	614,675
Power (electricity), Gas, Water, Sanitary	3,351,129	16,136,295	1,331,026	658,650	1,297,789	658,650
Wholesale and Retail Trade	15,264,597	6,967,544	456,527	396,311	456,527	396,311
Exports/Imports	-	150,024	-	-	-	-
Transport, Storage and Communication	34,262,780	34,827,639	1,320,169	1,953,527	1,320,169	1,953,527
Services	2,970,472	3,600,717	1,234,510	1,340,192	1,187,632	1,279,753
Individuals	43,297,606	45,664,469	2,548,652	2,555,782	1,405,567	1,543,651
Others	6,993,018	11,345,295	506,954	465,823	506,957	290,335
	<b>240,843,280</b>	<b>236,922,713</b>	<b>21,061,184</b>	<b>21,236,815</b>	<b>19,681,448</b>	<b>19,692,817</b>

### Credit risk by public / private sector

	Gross Advances		Non-performing Advances		Provision held	
	2023	2022	2023	2022	2023	2022
----- (Rupees in '000) -----						
Public / Government	-	1,169,451	-	-	-	-
Private	240,843,280	235,753,262	21,061,184	21,236,815	19,681,448	19,692,817
	<b>240,843,280</b>	<b>236,922,713</b>	<b>21,061,184</b>	<b>21,236,815</b>	<b>19,681,448</b>	<b>19,692,817</b>

# Notes to the Financial Statements

For the year ended 31 December 2023

## 42.1.4 Contingencies and Commitments

### Credit risk by industry sector

	2023	2022
	----- (Rupees in '000) -----	
Agriculture, Forestry, Hunting and Fishing	954,600	-
Mining and Quarrying	510,805	912,320
Engineering	882,706	1,071,055
Textile	11,727,190	8,929,556
Chemical and Pharmaceuticals	11,041,903	16,349,577
Cement	253,065	224,442
Sugar	1,502,400	1,170,537
Footwear and Leather garments	-	248,780
Automobile and transportation equipment	6,264,657	12,973,786
Electronics and electrical appliances	20,244,133	18,902,000
Power (electricity), Gas, Water, Sanitary	24,307,593	37,421,501
Wholesale and Retail Trade	2,582,436	1,480,785
Exports/Imports	53,901	1,071,055
Transport, Storage and Communication	20,922,837	19,806,625
Financial	174,082,045	202,065,877
Food, tobacco and beverages	9,261,971	14,858,508
Services	5,915,338	5,659,929
Others	34,817,768	34,053,218
	<b>325,325,348</b>	<b>377,199,551</b>

### Credit risk by public / private sector

Public/ Government	-	5,948,272
Private	<b>325,325,348</b>	<b>371,251,279</b>
	<b>325,325,348</b>	<b>377,199,551</b>

## 42.1.5 Concentration of Advances

The bank top 10 exposures on the basis of total (funded and non-funded exposures) aggregated to Rs 141.686 billion (2022: 121.161 billion) are as following:

	2023	2022
	----- (Rupees in '000) -----	
Funded	95,093,397	75,760,136
Non Funded	46,592,625	45,400,888
Total Exposure	<b>141,686,022</b>	<b>121,161,024</b>

The sanctioned limits against these top 10 exposures aggregated to Rs 195.412 billion (2022: 190.634 billion). None of the above are non-performing.

## 42.1.6 Advances - Province/Region-wise Disbursement & Utilization

	2023						
	----- (Rupees in '000) -----						
Province/Region	Disbursements	Utilization					
		Punjab	Sindh	KPK including FATA	Balochistan	Islamabad	AJK including Gilgit-Baltistan
Punjab	1,436,594,600	1,436,594,600	-	-	-	-	-
Sindh	1,177,902,934	-	1,177,902,934	-	-	-	-
KPK including FATA	4,367	-	-	4,367	-	-	-
Balochistan	17,091	-	-	-	17,091	-	-
Islamabad	393,195,155	-	-	-	-	393,195,155	-
AJK including Gilgit-Baltistan	-	-	-	-	-	-	-
<b>Total</b>	<b>3,007,714,147</b>	<b>1,436,594,600</b>	<b>1,177,902,934</b>	<b>4,367</b>	<b>17,091</b>	<b>393,195,155</b>	<b>-</b>

# Notes to the Financial Statements

For the year ended 31 December 2023

Province/Region	2022						
	----- (Rupees in '000) -----						
	Disbursements	Utilization					
Punjab		Sindh	KPK including FATA	Balochistan	Islamabad	AJK including Gilgit-Baltistan	
Punjab	1,457,627,369	1,457,627,369	-	-	-	-	-
Sindh	1,206,116,686	-	1,206,116,686	-	-	-	-
KPK including FATA	15	-	-	15	-	-	-
Balochistan	627	-	-	-	627	-	-
Islamabad	410,556,175	-	-	-	-	410,556,175	-
AJK including Gilgit-Baltistan	-	-	-	-	-	-	-
Total	3,074,300,872	1,457,627,369	1,206,116,686	15	627	410,556,175	-

## 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 (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. Overall risk appetite is set by the BOD in terms of Value at Risk (VaR) and Stress Loss Triggers. Market risk exposures are monitored on a daily basis by TRM and reported to country ERC on a bimonthly basis.

The Bank applies three complementary measures of market risk: VaR, Stress Loss exposures, and sensitivity measures. The VaR methodology used for internal risk management and setting of risk appetite uses historic simulation, with a confidence interval of 97.5% and a holding period of 1 day. Weekly Stress Loss exposures supplement VaR by providing a forward-looking view of positions and an assessment of their resilience to stressed market conditions. Sensitivity measures are applied to control exposures at a granular risk factor level. Market liquidity varies by risk factor and therefore sensitivity limits are used to prevent accumulation of illiquid positions.

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

	2023			2022		
	Banking book	Trading book	Total	Banking book	Trading book	Total
	----- (Rupees in '000) -----					
Cash and balances with treasury banks	81,690,671	-	81,690,671	68,918,645	-	68,918,645
Balances with other banks	38,230,009	-	38,230,009	8,737,656	-	8,737,656
Lendings to financial institutions	365,241,485	-	365,241,485	51,286,290	-	51,286,290
Investments	226,334,819	377,041	226,711,860	477,409,422	323,032	477,732,454
Advances	220,183,482	-	220,183,482	216,207,696	-	216,207,696
Fixed assets	12,666,335	-	12,666,335	11,474,182	-	11,474,182
Intangible assets	26,095,310	-	26,095,310	26,095,310	-	26,095,310
Other assets	30,359,223	769,457	31,128,680	23,697,866	43,138,873	66,836,739
	1,000,801,334	1,146,498	1,001,947,832	883,827,067	43,461,905	927,288,972

### 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 2023

	2023				2022			
	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	101,955,489	105,440,874	(52,378,753)	(55,864,138)	108,921,698	108,894,245	(24,476,108)	(24,448,655)
Great Britain Pound Sterling	9,981,361	9,983,340	(167,252)	(169,231)	7,275,831	7,274,967	(630,897)	(630,033)
Euro	3,875,625	4,454,720	(17,422,318)	(18,001,413)	4,973,073	4,973,263	(13,862,893)	(13,863,083)
Swiss Franc	58,695	58,644	(781,572)	(781,521)	42,997	42,996	(566,401)	(566,400)
Japanese Yen	75,577	64,345	(1,815,665)	(1,804,433)	138,050	138,076	(1,842,031)	(1,842,057)
Other currencies	20,016,498	19,848,959	(5,573,515)	(5,405,976)	3,738,314	3,701,361	(4,537,839)	(4,500,886)
	135,963,245	139,850,882	(78,139,075)	(82,026,712)	125,089,963	125,024,908	(45,916,169)	(45,851,114)

	2023		2022	
	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	(34,062)	N/A	(55,075)
- 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

- Interest Rate Risk in the Banking Book (IRRBB) is the potential for a reduction in earnings or economic value due to movements in interest rates on banking book (non-traded) assets, liabilities, and off-balance sheet items.
- 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).

SCB uses 4 key metrics to measure IRRBB

- Net Interest Income (NII) sensitivity Analysis: Estimates the potential change in net interest income over 12 months horizon from movement interest rates.
- Economic Value Sensitivity (EVE) Analysis: Represents the potential change in the present value of the bank assets and liabilities from a movement in interest rates.
- Re-pricing or Interest Rate Gaps The risk arising from timing difference in the repricing of tenor profile (floating rate) or on the maturity profile (fixed rate) of assets, liabilities & off-balance sheet items.
- Present Value of 1 basis point (PV01): Calculates the Present value of cashflows for 1 basis change in interest rates.

Monitoring & triggers for NII and EVE metrics are in place to mitigate risks arising from interest rate volatility. Pillar 2 assessments under ICAAP are captured for IRRBB metrics. PV01 is monitored against limits on daily basis.

IRRBB is a risk sub type covered under the Treasury Risk Type Framework. The framework and its policies require the interest rate risk exposures in the banking book to be monitored on regular basis.

	2023		2022	
	Banking book	Trading book	Banking book	Trading book
	----- (Rupees in '000) -----			
Impact of 1% change in interest rates on				
- Profit and loss account	3,979,877	(154,656)	1,199,240	(103,038)
- Other Comprehensive income	(1,305,155)	-	(1,017,905)	-

# Notes to the Financial Statements

For the year ended 31 December 2023

## 42.2.5 MISMATCH OF INTEREST RATE SENSITIVE ASSETS AND LIABILITIES

Effective yield / interest rate	2023										Non interest bearing financial instruments
	Total	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) -----											
<b>On-balance sheet financial instruments</b>											
<b>Assets</b>											
Cash and balances with treasury banks	3.74%	81,690,671	10,867,685	-	-	-	-	-	-	-	70,822,986
Balances with other banks	0.88%	38,230,009	-	-	-	-	-	-	-	-	38,230,009
Lendings to financial institutions	5.94%	365,241,485	325,780,945	39,460,540	-	-	-	-	-	-	-
Investments	20.34%	226,711,860	45,978,899	161,426,741	8,852,906	8,420,257	-	-	1,678,328	-	354,729
Advances	20.53%	220,183,482	124,080,785	62,512,609	14,686,061	8,293,393	6,581,947	3,170,710	857,257	720	-
Other assets	-	26,884,954	-	-	-	-	-	-	-	-	26,884,954
		958,942,461	506,708,314	263,399,890	23,538,967	16,713,650	6,581,947	3,170,710	2,535,585	720	136,292,678
<b>Liabilities</b>											
Bills payable	-	18,331,699	-	-	-	-	-	-	-	-	18,331,699
Borrowings	10.70%	48,265,389	5,824,387	17,418,531	4,205,188	57,194	103,082	69,166	138,331	276,662	20,172,848
Deposits and other accounts	7.36%	719,534,840	325,075,719	27,047,416	990,972	403,125	210,672	139,350	-	-	365,667,586
Sub-ordinated loans	-	-	-	-	-	-	-	-	-	-	-
Other liabilities	-	109,941,513	-	-	-	-	-	-	-	-	109,941,513
		896,073,441	330,900,106	44,465,947	5,196,160	460,319	313,754	208,516	138,331	276,662	514,113,646
<b>On-balance sheet gap</b>		62,869,020	175,808,208	218,933,943	18,342,807	16,253,331	6,268,193	2,962,194	2,397,254	(275,942)	(377,820,968)
<b>Off-balance sheet financial instruments</b>											
<b>Forward Lending</b>											
Interest Rate Swap / Cross Currency Swaps		1,761,631	-	1,761,631	-	-	-	-	-	-	-
Foreign Currency option		29,843	29,843	-	-	-	-	-	-	-	-
Forward Foreign Exchange Contracts		59,271,017	55,204,279	1,837,894	3,972	2,224,872	-	-	-	-	-
		61,062,491	55,234,122	3,599,525	3,972	2,224,872	-	-	-	-	-
<b>Forward Borrowing</b>											
Interest Rate Swap / Cross Currency Swaps		32,654,269	11,087,806	19,676,892	1,889,571	-	-	-	-	-	-
Foreign Currency option		29,843	29,843	-	-	-	-	-	-	-	-
Forward Foreign Exchange Contracts		6,450,899	3,975,413	255,068	3,882	2,216,536	-	-	-	-	-
		39,135,011	15,093,062	19,931,960	1,893,453	2,216,536	-	-	-	-	-
<b>Off-balance sheet gap</b>		21,927,480	40,141,060	(16,332,435)	(1,889,481)	8,336	-	-	-	-	-
<b>Total yield / interest risk sensitivity gap</b>		84,796,500	215,949,268	202,601,508	16,453,326	16,261,667	6,268,193	2,962,194	2,397,254	(275,942)	(377,820,968)
<b>Cumulative yield / interest risk sensitivity gap</b>				418,550,776	435,004,102	451,265,769	457,533,962	460,496,156	462,893,410	462,617,468	462,617,468



# Notes to the Financial Statements

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	Effective yield / interest rate	2022										Non interest bearing financial instruments
		Total	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) -----												
<b>On-balance sheet financial instruments</b>												
<b>Assets</b>												
Cash and balances with treasury banks	0.98%	68,918,645	9,123,602	-	-	-	-	-	-	-	-	59,795,043
Balances with other banks	0.88%	8,737,656	-	-	-	-	-	-	-	-	-	8,737,656
Lendings to financial institutions	7.10%	51,286,290	51,286,290	-	-	-	-	-	-	-	-	-
Investments	12.90%	477,732,454	119,199,387	180,150,426	176,779,938	-	-	1,453,069	-	-	-	149,635
Advances	12.95%	216,207,696	70,747,679	83,524,342	27,002,085	17,786,332	7,294,329	5,805,088	3,904,672	143,169	-	-
Other assets	-	66,292,186	-	-	-	-	-	-	-	-	-	66,292,186
		889,174,927	250,356,958	263,674,768	203,782,023	17,786,332	7,294,329	5,805,088	5,357,741	143,169	-	134,974,520
<b>Liabilities</b>												
Bills payable	-	14,820,617	-	-	-	-	-	-	-	-	-	14,820,617
Borrowings	7.75%	28,063,619	227,606	21,849,844	2,152,788	57,194	114,388	103,082	138,331	345,828	-	3,074,558
Deposits and other accounts	6.35%	718,449,989	359,785,105	24,514,298	2,819,644	2,911,777	141,240	109,872	120,000	-	-	328,048,053
Sub-ordinated loans	-	-	-	-	-	-	-	-	-	-	-	-
Other liabilities	-	70,355,122	-	-	-	-	-	-	-	-	-	70,355,122
		831,689,347	360,012,711	46,364,142	4,972,432	2,968,971	255,628	212,954	258,331	345,828	-	416,298,350
<b>On-balance sheet gap</b>		57,485,580	(109,655,753)	217,310,626	198,809,591	14,817,361	7,038,701	5,592,134	5,099,410	(202,659)	-	(281,323,830)
<b>Off-balance sheet financial instruments</b>												
<b>Forward Lending</b>												
Interest Rate Swap / Cross Currency Swaps		3,302,119	-	3,302,119	-	-	-	-	-	-	-	-
Foreign Currency option		-	-	-	-	-	-	-	-	-	-	-
Forward Foreign Exchange Contracts		94,999,666	91,994,534	2,527,022	478,110	-	-	-	-	-	-	-
		98,301,785	91,994,534	5,829,141	478,110	-	-	-	-	-	-	-
<b>Forward Borrowing</b>												
Interest Rate Swap / Cross Currency Swaps		43,422,211	-	39,216,679	3,225,711	979,821	-	-	-	-	-	-
Foreign Currency option		-	-	-	-	-	-	-	-	-	-	-
Forward Foreign Exchange Contracts		4,670,000	3,866,360	178,500	-	625,140	-	-	-	-	-	-
		48,092,211	3,866,360	39,395,179	3,225,711	1,604,961	-	-	-	-	-	-
<b>Off-balance sheet gap</b>		50,209,574	88,128,174	(33,566,038)	(2,747,601)	(1,604,961)	-	-	-	-	-	-
Total yield / interest risk sensitivity gap		107,695,154	(21,527,579)	183,744,588	196,061,990	13,212,400	7,038,701	5,592,134	5,099,410	(202,659)	-	(281,323,830)
Cumulative yield / interest risk sensitivity gap				162,217,009	358,278,999	371,491,399	378,530,100	384,122,234	389,221,644	389,018,985	389,018,985	

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.

## 4.2.3 Operational Risk

Operational Risk (OR) 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)". 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 & 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.

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Standard Chartered Pakistan has embarked on a journey to modernise its Core-Banking application via Project ATLAS. The project that kicked off in 2023 is planned to go live by mid-2024. This would be a single harmonised Core-Banking version across all our SCB markets that is built on a modern technology stack which is 'Cloud Ready'. This supports all business segments like Retail, Commercial, Corporate and Institutional Banking. Thus, the intent of this program is to make a single version of the core banking system across all countries with enhanced technical and functional capabilities.

The new modernised version of Core-Banking will offer the below benefits to our clients and the users such as extreme Volume Scalability, 24 x 7 transactions processing without any cut-off, capabilities to handle future business and volume growth, reduces cost of change management delivery especially for multi-country requirements, opportunity to utilise features built for one country in other markets, facilitates standardisation of interfaces, enables standardisation of processes, core Banking now available in 'Postgres' database to overcome 'DB2' database obsolescence, zero transaction timeouts through queued processing and consolidated posting and avoid duplicate transactions posting using unique reference instead of scanning entire transaction history.

## 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 ORE 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 and Funding Risk is the risk that we may not have sufficient stable or diverse sources of funding to meet our contractual and contingent obligations as they fall due.

Liquidity Risk, both short term and structural, and Funding Risk is monitored through the Bank's Treasury 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

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

	2023									
	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
	(Rupees in '000)									
<b>Assets</b>										
Cash and balances with treasury banks	81,690,671	81,690,671	-	-	-	-	-	-	-	-
Balances with other banks	38,230,009	38,230,009	-	-	-	-	-	-	-	-
Lendings to financial institutions	365,241,485	325,780,945	39,460,540	-	-	-	-	-	-	-
Investments	226,711,860	45,978,899	161,426,741	8,852,906	8,420,257	-	-	1,678,328	354,729	-
Advances	220,183,482	35,476,413	59,535,748	15,639,546	36,647,693	48,275,925	5,635,790	4,762,858	5,393,050	8,816,459
Other assets	31,128,680	21,567,655	6,007,274	1,611,587	218,822	290,389	1,432,953	-	-	-
Fixed assets	12,666,335	68,258	137,527	207,136	544,190	1,655,057	960,755	2,195,549	4,149,268	2,748,595
Intangible assets	26,095,310	-	-	-	-	-	-	-	-	26,095,310
	1,001,947,832	548,792,850	266,567,830	26,311,175	45,830,962	50,221,371	8,029,498	8,636,735	9,897,047	37,660,364
<b>Liabilities</b>										
Bills payable	18,331,699	18,331,699	-	-	-	-	-	-	-	-
Borrowings	48,265,389	25,997,235	17,418,531	4,205,188	57,194	103,082	69,166	138,331	276,662	-
Deposits and other accounts	719,534,840	97,318,596	47,249,732	68,118,616	134,658,412	372,050,134	139,350	-	-	-
Other liabilities	113,219,068	11,794,541	7,125,739	6,492,787	72,160,178	6,499,146	1,199,584	691,160	7,255,933	-
Deferred tax liabilities	6,374,173	-	-	-	-	-	-	6,374,173	-	-
	905,725,169	153,442,071	71,794,002	78,816,591	206,875,784	378,652,362	1,408,100	7,203,664	7,532,595	-
	96,222,663	395,350,779	194,773,828	(52,505,416)	(161,044,822)	(328,430,991)	6,621,398	1,433,071	2,364,452	37,660,364
<b>Net assets</b>										
Share capital	38,715,850									
Reserves	37,736,326									
Surplus on revaluation of assets - net	8,641,979									
Unappropriated profit	11,128,508									
	96,222,663									

	2022									
	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
	(Rupees in '000)									
<b>Assets</b>										
Cash and balances with treasury banks	68,918,645	68,918,645	-	-	-	-	-	-	-	-
Balances with other banks	8,737,656	8,737,656	-	-	-	-	-	-	-	-
Lendings to financial institutions	51,286,290	51,286,290	-	-	-	-	-	-	-	-
Investments	477,732,454	64,641,225	180,150,426	153,383,161	42,372,588	-	18,013,830	19,021,588	149,636	-
Advances	216,207,696	7,787,578	83,490,056	30,220,150	21,454,848	46,896,399	5,706,417	5,726,677	5,961,694	8,963,877
Other assets	66,836,739	60,344,386	4,518,105	1,563,384	235,905	174,959	-	-	-	-
Fixed assets	11,474,182	92,348	547,785	248,127	495,597	2,019,103	1,208,651	2,142,969	4,654,307	65,295
Intangible assets	26,095,310	-	-	-	-	-	-	-	-	26,095,310
	927,288,972	261,808,128	268,706,372	185,414,822	64,558,938	49,090,461	24,928,898	26,891,234	10,765,637	35,124,482
<b>Liabilities</b>										
Bills payable	14,820,617	14,820,617	-	-	-	-	-	-	-	-
Borrowings	28,063,619	3,302,164	21,849,844	2,152,788	57,194	114,388	103,082	138,331	345,828	-
Deposits and other accounts	718,449,989	120,984,066	29,726,169	43,842,665	84,957,818	438,709,399	109,872	120,000	-	-
Other liabilities	73,079,106	12,027,342	5,897,386	4,066,467	37,385,651	1,850,560	6,942,622	968,687	3,940,391	-
Deferred tax liabilities	5,354,762	-	-	-	-	-	-	5,354,762	-	-
	839,768,093	151,134,189	57,473,399	50,061,920	122,400,663	440,674,347	7,155,576	6,581,780	4,286,219	-
	87,520,879	110,673,939	211,232,973	135,352,902	(57,841,725)	(391,583,886)	17,773,322	20,309,454	6,479,418	35,124,482
<b>Net assets</b>										
Share capital	38,715,850									
Reserves	29,211,960									
Surplus on revaluation of assets - net	7,878,792									
Unappropriated profit	11,714,277									
	87,520,879									

# Notes to the Financial Statements

For the year ended 31 December 2023

## 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 local Executive Risk Committee.

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.

Model risk management encompasses end to end process on model lifecycle from initiation, development, validation and on-going monitoring.

The Executive Risk Committee and Board Risk Committee maintains oversight over Model Risk.

## 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 23 February 2024.



Christopher Parsons  
Chairman



Rehan Muhammad Shaikh  
Chief Executive Officer



Syed Ejaz Alam  
Chief Financial Officer



Ehsan Malik  
Director



Badaruddin Vellani  
Director

# Notes to the Financial Statements

For the year ended 31 December 2023

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, 2023**

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)
1	Interflow Communications Limited	Interflow House No. 12 M.C.H. Society, Tipu Sultan Road, Karachi	Seema Taher Khan CNIC: 42301-3202124-4 and Shahid Javed CNIC: 42201-0798351-1	Taher A Khan and Mohammad Ishaque	100,560,422	49,531,930	150,092,351	-	50,814,000	50,814,000
2	Sohail Hameed Butt	House No. E14/10, Zaman Colony, Walton Road, Lahore	35201-1517629-3	Abdul Hameed Butt	999,728	8,337,605	9,337,333	999,728	8,337,605	9,337,333
3	Mohammad Ashraf Javed	House No 52 G Hameed Park Mohammad Ali Johar Town	35402-1948983-1	Abdullah	1,426,139	4,099,878	5,526,017	1,426,139	4,099,878	5,526,017
4	Muhammad Wasif Ali	House No.106/2B Khayaban e Hilal, Phase 6 DHA Karachi	42301-8673511-5	Muhammad Ali	3,846,925	118,733	3,965,658	3,817,310	155,011	3,972,321
5	Tariq Hussain Dawach	House No. 64/1 Street 4, DHA Phase 5, Sultan Masjid, Karachi	41201-8832424-9	Muhammad Mureed	3,891,680	135,569	4,027,250	3,601,766	237,441	3,839,207
6	Syed Sardar Hussain Shah	Qambar Road Dak, Khana Larkhana Nazar, Jamia Masjid, Tharri Teh Zila Larkana, Lahore	42301-4139784-5	Syed Sarwer Hussain Shah	3,746,560	28,330	3,774,890	3,668,778	134,956	3,803,735
7	Sohail Azam Khan	Road No. 41 Primery School Area, House No. 6-A Sattlite Town, School, Bahawalpur	36302-1635121-3	Muhammad Azam Khan	3,768,008	27,598	3,795,605	3,549,069	196,060	3,745,129
8	Syed Muhammad Abbas Raza	House No. 38, Army Officers Housing Scheme, 2 Talwar, Zamzama, Karachi	42301-1037997-1	Raza Hussain	4,184,989	254,356	4,439,345	3,384,027	248,139	3,632,167
9	Furrha Ahsan	House No. K-154, Phase 1, DHA, Near PSO Cantt, Lahore	35201-9181017-6	Ahsan Zaki	3,433,462	117,598	3,551,060	3,413,580	138,181	3,551,760
10	Amir Sharif Rajput	Askari 10, House No. 258-B Street No 7, Cantt Lhr, Lahore	42201-8550643-7	Mohammad Sharif Rajput	28,934,968	7,979,222	36,914,190	-	3,426,161	3,426,161
11	Syed Mohammad Ammar Naqvi	House Number 15 Block E-1, Shahr-eh-Hazrat Imam Hussain, Near Gaddafi Stadium, Gulberg 3, Lahore	35202-0825870-9	Syed Kalb E Abbas Naqvi	3,112,461	20,465	3,132,926	2,919,263	259,538	3,178,802
12	Syed Ali Raza	183/1 Khayaban-e-Hilal Off 26 Street, DHA, Karachi	42301-0291078-5	Syed Hashim Raza Late	2,484,021	91,998	2,576,019	2,224,804	870,931	3,095,736
13	Zahid Rafique	Flat No 30-C Block-1, Sunrise Apartment Clifton, Clifton Cantt, Karachi	42301-0812189-3	Rafique Ahmed	2,083,757	156	2,083,913	2,077,460	984,344	3,061,804
14	Maqbool Hussain	Koinaz Dakkhana Hattiyian, Wala Hattiyian, Jamia Masjid, Bala	82203-6775683-7	Meer Hussain	2,772,444	47,094	2,819,537	2,772,444	144,356	2,916,800
15	Affan Mehmood	Flat No. 11/33, Defense Garden, Near A K Milk Shop, Phase 1 DHA, Karachi	42301-0642521-7	Abdul Rehman	2,886,764	39,228	2,925,992	2,777,930	101,662	2,879,592
16	Amna Munawwar Awan	PO Khas Padhrar, Dist Khushab, Main Road, Khushab	61101-1887375-6	Adnan Zafar	2,304,004	65,952	2,369,956	2,384,004	478,790	2,862,794
17	Umair Malik	House No.10 Street No.7, Rehmat Street, Mezar Mehmood Shah, Sanda Khurd, Lahore	35202-7368650-5	Naeem Malik	2,768,316	71,741	2,840,058	2,768,316	64,041	2,832,357
18	Faisal Ali Khan	House No. 1/5-E PECHS, Block-6, Near HBL, Karachi	42201-0687283-7	Qamar Ali Khan	2,707,725	49,507	2,757,232	2,681,260	130,865	2,812,125
19	Badar Jamil	Chondu Arcade Welfare Flat No. 105, Post Office, Garden, Karachi	42201-0327087-5	A Majid	2,720,000	19,375	2,739,375	2,449,051	287,123	2,736,175
20	Syed Aoun Muhammad	House No. R16 Sector 22, Near Kfc, Gulistan e Johar Scheme-33, Karachi	35202-5456264-1	Syed Muhammad Naqvi	2,667,688	54,327	2,722,015	2,485,029	171,861	2,656,890
21	Wasim Saqlain	Hujra Shah Muqeem, Moh Syedan Wala, Jamia Masjid, Depalpur Zila, Okara	35202-3863578-5	Syed Ifrikhar Ali Shah Gillani	2,328,387	165,043	2,493,430	2,328,387	239,353	2,567,740
22	Fahim Ahmad	House No D 97, Street No 13, Buch Executive Villa, BZ University, Multan	36302-8917142-9	Ahmed Bakhsh Ajiz	2,438,699	136,162	2,574,861	2,438,699	124,824	2,563,523
23	Behroz Khan	House No. F 322, Post Office, Near White Road, Rawalpindi	14301-1968083-9	Sultan Muhammad Khan	2,304,903	66,591	2,371,494	2,338,361	184,305	2,522,666
24	Abdul Razaq Faheem	House No.C32, Railway Housing, Jamia Masjid, Joint Road, Quetta	54400-4241951-5	Bostan	2,441,954	14,707	2,456,660	2,330,979	167,328	2,498,307
25	Syed Muhammad Ali Zaidi	117-O Block 2, PECHS Tariq Road, Near Zahid Restaurant, Karachi	42201-3110538-7	Syed Musarrat Hussain Zaidi	2,315,933	16,734	2,332,667	2,383,870	111,570	2,495,440
26	Amna Munawwar Awan	PO Khas Padhrar, Dist Khushab, Main Road, Khushab	61101-1887375-6	Adnan Zafar	2,047,490	9,482	2,056,972	2,086,190	405,607	2,491,797
27	Kamran Hassan Khan	House No. 1275-B People Colony, 1 Faisalabad City Dist, Near Saleemi Chowk, Faisalabad	33100-4928854-3	Hassan Khan	2,100,408	268,119	2,368,527	2,100,407	296,412	2,396,820
28	Syed Majid Albeez	House No A-635 Block L, North Nazimabad Sakhi Hasan, Mateen Foods, Karachi	42101-1591735-7	Syed Mazhar Albeez	2,228,733	174,382	2,403,115	2,228,733	162,362	2,391,095
29	Syed Hassan Ali Zaidi	House No.832-B, Sattelite Town Block-B, Near Pizza Hutt, Rawalpindi	37405-0271163-3	Syed Ghulam Ali Zaidi	2,019,169	204,837	2,224,006	2,019,169	284,513	2,303,682
30	Ahmad Saad	House No. 323-7, Phase II, DHA Cantt, Total Pump, Lahore	35202-2694352-5	Niaz Ahmad	1,838,749	361,614	2,200,363	1,658,749	625,479	2,284,228
31	Syed Rizwan Ali Gilani	79/1, 7th Commercial Street Phase 4, Near Immam Bargha, DHA Karachi	42301-1115619-3	Syed Ahsan Ali Gilani	1,872,458	155,700	2,028,158	1,751,466	419,756	2,171,222
32	Rizwan Zia Khan	231/2 Bagh Ali Road, Lahore Cantt, Near NBP, Lahore	35202-2770525-7	Zia Ul Hassan Khan	2,009,183	11,610	2,020,793	2,012,416	88,355	2,100,770
33	Hamza Sajid Malik	House No.290-A, New Muslim Town Lahore, Ayubia Market, Ferozpur Road, Lahore	35200-9793370-9	Sajid Anwar Malik	2,294,554	20,745	2,315,299	1,907,560	128,812	2,036,372

# Notes to the Financial Statements

For the year ended 31 December 2023

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)
34	Syed Imran Akhtar Shah	Railway Canal Bank, House No.31 Griffin Larechs, Near Baghban Pura, Lahore	35201-1302264-7	Syed Akhter Ali Shah	1,911,954	36,753	1,948,707	1,911,954	97,252	2,009,206
35	Basharat Ullah	Miskeen Khaif Dakhana, Khas Pirpai Teh And Distt, Hbl, Naushahra, Newshehra	42301-8281021-1	Eid Badshah	2,020,098	41,177	2,061,275	1,823,598	175,635	1,999,232
36	Gibran Vahidy	Theater Dakhana Khas, Tehsil Lahore Cantt, Post Office, Lahore	35202-5889588-7	Orooj Ahmed Vahidy	1,857,662	42,146	1,899,808	1,857,662	110,999	1,968,662
37	Farhan Hidayat	House No 11-B Moh, Garden Satellite Town, Govt Primary School, Bahawalpur	42201-3481815-5	Hidayat Ullah Khan	1,825,411	106,602	1,932,013	1,825,411	142,648	1,968,059
38	Haseeb Ahmad Basil	Railway Road House No.43/22, Dar Ul Rahmat, Sharki Alif Chanab, Jamia Masjid Madina, Nagar Tehsil Lalian Chanot	33201-7849782-7	Abdul Qaddus	1,772,782	127,154	1,899,936	1,772,782	185,540	1,958,322
39	Hubna Farhan	Flat No. 11-B Mahalla Satellite Town Garden Area, Post Office, Bahawalpur	42201-8498266-6	Farhan Hidayat	1,946,066	47,465	1,993,530	1,772,010	184,574	1,956,584
40	Elishba Inayat John	House No. D-23/11 Manzoor, Colony Mehmoodabad, Near NMC, Karachi	42301-0327661-0	Inayat John	1,675,018	-	1,675,018	1,511,756	432,891	1,944,647
41	Usman Chicken Shop	Shop No 28 Canal Park, Main Market Gulberg II, Lahore	35202-7572144-5	Abdullah	8,243,361	1,953,916	10,197,277	-	1,891,462	1,891,462
42	Salman Paracha	House No.B-61 Block No.09 Gulshan-e-Iqbal, Karachi	42201-9536829-5	Ahsaan Ur Rahim Paracha	1,477,801	221,170	1,698,971	1,400,387	466,987	1,867,374
43	Asad Waqas Ahmad Khan	House No.B-130/11, Gulberg, Shadab Market, F.B Area Block-II, Karachi	42101-4964544-1	Ashfaq Ahmad Khan	1,787,883	37,934	1,825,817	1,787,883	62,578	1,850,461
44	Afzaal Arif	House No. 151 Block K E-2 Johar, Lacas School, Town Lahore	35302-2042807-7	Muhammad Arif Khan	1,720,638	87,943	1,808,581	1,720,638	100,824	1,821,461
45	Sultan Ahmed Abbasi	House No 191/8, Muhala M.R Colony, Kamrah Cantt Attock	37101-8042697-1	Nihal Khan Abbasi	1,422,708	187,928	1,610,636	884,708	936,415	1,821,123
46	Sardar Azmat Babar Chauhan	House No.K-2 4th Gizri Lane, D.H.A Phase IV Near Total Petrol Pump, Karachi	42301-6145649-7	Baber Hameed Chauhan	1,667,086	34,990	1,702,076	1,746,059	60,023	1,806,081
47	Syed Mehdi Hasan	House No. 44, Street No. 8 Sector No. J, DHA Phase 2 Gate 07, Islamabad	61101-9419119-3	Syed Zafar Hasan Reza	1,447,228	24,722	1,471,950	1,447,228	297,492	1,744,719
48	Syed Ashrat Abbas	Galli Aam Samli Dam Road, Bhara Khau Dak Khana Khas, Samli Dam, House 2 Islamabad	61101-2002185-7	Syed Gulzar Hussain Shah	1,856,719	22,382	1,879,101	1,699,176	23,847	1,723,023
49	Shariq Ahmed	House No R 320 North Karachi, Sector 11C, Near PSO Pump, Karachi	42101-6163005-3	Mushtaq Ahmed	1,625,231	62,576	1,687,807	1,625,231	77,313	1,702,544
50	Syed Muhammad Ali Zaidi	117-O Block 2, PECHS Tariq Road, Near Zahid Restaurant, Karachi	42201-3110538-7	Syed Musarrat Hussain Zaidi	1,489,983	66,448	1,556,431	1,489,983	192,646	1,682,629
51	Azeez Ur Rahman Waqas	House No.324 Street No.6, Sector F-10/2, Islamabad	61101-6739047-9	Mujeeb Ur Rahman	1,218,948	364,421	1,583,369	1,218,947	438,433	1,657,381
52	Syeda Maureen Zaidi	House 77, Street 77, SChS, E-11/2, Islamabad	61101-1922943-0	Syed Muhammad Ali Raza Rizvi	1,329,010	-	1,329,010	1,378,653	262,377	1,641,031
53	Haseeb Haider Khan	Haider Khan Jamali, Baochan Noor Pur, Post Office, Thal Noor Pur Khushab	37405-4641328-3	Mussarat Hussain Khan Baloch	1,595,517	44,109	1,639,626	1,595,517	44,109	1,639,626
54	Faisal Shabir Jan	Moh Nasir Khel, Saidu Sharif Teh, Saidubaba Masjid, Babozai Dist	15602-4179598-1	Shabir Ahmad	1,566,564	16,996	1,583,560	1,488,372	108,253	1,596,625
55	Shehzad Rasheed	House No. 993 Shekhan Main, Bazar Ahmed Pur Lama, Jama Masjid, Teh Sadiqabad Dist, Rahim Yar Khan	31304-2017560-9	Rasheed Ahmad	1,542,337	10,141	1,552,479	1,459,130	127,092	1,586,222
56	Muhammad Shamim	House No.5/427 Bareli Colony Shah, Faisal Colony No.5, Police Station, Karachi	42201-2339975-1	Muhammad Sharif	1,401,407	71,436	1,472,843	941,972	593,403	1,535,375
57	Mohammad Uzair	F / 60 Risala Road, Saddar, Rahat Cinema, Hyderabad	41303-7604040-1	Abdul Jaail	1,460,329	33,420	1,493,749	1,460,329	74,170	1,534,499
58	Muhammad Mushtaq	Asif Barton Store, Balai Manzil, Karkhana Bazar, Sarghoda	37405-8520340-7	Sheikh Muhammad Tufail	1,373,392	122,314	1,495,706	1,373,393	128,953	1,502,346
59	Muhammad Athar	Post Office Chak No. 151/1-L Teh Renala, Post Office, Khurd Zila Ockara	35303-2075198-3	Muhammad Shafi	1,399,793	35,007	1,434,800	1,399,793	50,730	1,450,523
60	Anwar Ali Khan	House No. 170 /D Moh Unit No., 5 Latifabad, Zubair Book Store Hyderabad	41304-8969441-1	Muzaffar Ali Khan	1,430,341	35,406	1,465,747	1,405,942	41,303	1,447,245
61	Muhammad Iqbal	House No B-78 Block No 16, Gulistan e Johar, Near PIA Cricket Academy, Karachi	42201-5672067-1	Muhammad Ehtesham	1,374,572	49,130	1,423,702	1,368,571	75,259	1,443,830
62	Muhammad Nadeem Biswas	House No.344, Road B, Bahria Town, Phase 4, Islamabad	42101-8141198-7	Moula Baksh Biswas	1,295,274	41,497	1,336,772	1,295,274	146,483	1,441,758
63	Syed Imran Nadeem	House No.113-A Block-5, Gulshan e Iqbal, Gulshan Chowrangi, Karachi	61101-8426035-3	Syed Nadeem Ullah	1,565,216	15,095	1,580,311	1,353,999	77,671	1,431,670
64	Iftikhar Ahmed Raja	Kallan Basand, Tehsil Murree, Karore, District Rawalpindi	37405-8464632-7	Muhammad Amin	1,324,455	64,179	1,388,634	1,324,455	103,749	1,428,204
65	Kashir Raheel	House No. 860, Shah Faisal Colony-5, Karachi	42201-6144713-7	Raheel Raza	1,352,589	74,791	1,427,380	1,352,589	74,791	1,427,380
66	Anis Ud Din Qureshi	House No. 9/5 Block 3-A, Nazimabad, AO Clinic, Karachi	42101-9772364-5	Rais Ud Din	1,422,884	23,320	1,446,204	1,307,561	118,646	1,426,208
67	Rizwana Nadeem	Amber Pride Flat No.1103, Street No.3-A Block 6 PECHS Society Karachi	42201-6965679-6	Nadeem Ul Haq	1,380,669	25,798	1,406,467	1,278,918	133,581	1,412,499
68	Syed Ali Naqi Bukhari	House No. B-25 Sector E-4, Moh Gulshan-e-Maymar, Shell Pump, Karachi	42201-2003876-7	Syed Riaz Ahmed Bukhari	1,280,773	124,527	1,405,300	1,280,773	124,527	1,405,300



# Notes to the Financial Statements

For the year ended 31 December 2023

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)
69	Tabish Azmat	House No.R-557 Sector 15-A-2, Buffer Zone, Sakhi Hassan, Karachi	42101-5856624-5	Azmat Rana	1,335,899	20,423	1,356,322	1,297,572	106,365	1,403,937
70	Irfan Saleem	Dara Street House No 12/A-1, Mohallah Ghosia Colony, Pilot School, Allama Iqbal Town, Lahore	35202-5692522-7	Sheikh Muhammad Saleem	1,168,376	177,766	1,346,142	1,168,375	207,082	1,375,457
71	Amir Nisar	Street No. 3 Karsal Po Box, Khas Teh O Zilla, Post Office, Chakwal	54400-2742711-9	Syed Nisar Abbas Shah	1,272,663	69,349	1,342,012	1,272,663	100,987	1,373,650
72	Ali Faraz Siddiqui	AFOHS (Falcon) Sindh 465, New Malir, Check Post 5, Karachi	42000-0505136-1	Khalid Amin Siddiqui	1,419,235	11,052	1,430,287	1,223,196	138,670	1,361,866
73	Muhammad Moniz Khalid Sadberg	Lane No. 1, Gulrez No. 1, House No. 12, Afzal Town, Rawalpindi	37405-9820981-5	Muhammad Khalid Sharif	1,350,000	39,427	1,389,427	1,279,654	76,165	1,355,819
74	Muhammad Anwar Anees	Chak No 9 MI, Post Office Khas Teh, Mosque, Bhalwal Dist Sargogha	38401-8325028-5	Khalil Ur Rehman	1,192,040	22,273	1,214,314	1,192,040	125,733	1,317,774
75	Gull Nawaz	House No. P 34 Raja Park Colony, Faisalabad	61101-9068070-7	Shah Muhammad	396,804	-	396,804	1,025,828	279,387	1,305,215
76	Fahad Fahad	House No 134 B-11, Khayaban-e-Badar, Near Shell Petrol Pump, Phase 7 DHA, Karachi	42301-1151832-9	Abdul Khaliq	997,752	73,066	1,070,818	1,000,058	302,753	1,302,810
77	Aamir Ilyas Qureshi	Mely Pir Baksh, Tiba Qaim Uddin, Po Khushab	61101-8142422-9	Muhammas Aslam Hayat Qureshi	1,220,449	65,928	1,286,377	1,220,449	65,928	1,286,377
78	Syed Ali Raza	House No.345 Street No.14, Sector F-10 2, Islamabad	61101-1975964-3	Syed Shafaat Ali Shah	1,106,000	148,795	1,254,795	1,106,000	178,515	1,284,515
79	Muhammad Junaid	House 3/33 Maniya Cooperative Housing Society Karachi, Near Dolman Mall, Karachi	42000-0361671-9	Abdul Hameed	166,676	-	166,676	988,120	286,177	1,274,297
80	Muhammad Ahmad	House No. Gali Hakeem Younas, Chowki Road House No. 309/310, Dak Khana, Area Rasta Chiniot	33201-8125013-3	Ijaz Ahmad	1,253,736	38,322	1,292,059	1,192,448	80,722	1,273,169
81	Fahad Kaleem	House No.278 Block 7/8 C.P Berar Society Near Zubaida Hospital, Karachi	42201-7926599-5	Zahid Kaleem	1,291,679	36,333	1,328,012	1,250,280	15,605	1,265,886
82	Badar Zia	Faiz Bagh Po Chah Miran Road Lahore, Lahore	42301-3564631-9	Zia Ullah	1,045,287	2,187	1,047,474	1,154,174	106,633	1,260,807
83	Muhammad Azeem	House No. 285 Street No. 69, Siraj Pura, Data Flour Mill, Lahore	35201-4947987-7	Miraj Moeen	1,000,000	223,913	1,223,913	1,000,000	258,774	1,258,773
84	Mubeen Afzal	Dak Khana Khas, Domial Tehsil Pindi Gheb, Distt Attock	37105-2053116-5	Muhammad Afzal Sabir	1,256,629	43,692	1,300,322	1,211,046	47,239	1,258,285
85	Ali Qadeer Butt	H 529 G Block Sabzazar, Scheme Multan Road, Sasta Model Bazar, Lahore	35202-6305902-5	Muhammad Qadeer Butt	943,366	32,735	976,101	795,192	454,233	1,249,425
86	Hassan Hussain	House No M-1-27, Block 2 PECHS, Model School, Karachi	42201-9541612-9	Hussain Usman Simjee	962,280	113,684	1,075,964	962,280	278,457	1,240,738
87	Saad Hassan	House No.A-2/10 Ikram State, Bufferzone, Near Cng Pump, Sector No.15-A/5 North Karachi	42101-3135751-7	Muhammad Zafar Hussain	1,017,527	187,201	1,204,728	1,017,527	220,007	1,237,534
88	Farakat Ali	Chak No. 132/16 L, Daak Khana Khas Tehsil, Masjid, Miachano Distt Khanewal	36104-0489259-7	Sultan Ahmed	897,807	11,752	909,559	999,991	227,624	1,227,615
89	Junaid Ayaz	House No.48 Gali No.2 Mohala Nusrat Colony, Qasim Ali Shah Acadmy, Gulshan Ravi, Lahore	35202-5302716-5	Ayaz Mehmood Butt	1,170,000	30,837	1,200,837	1,141,621	78,058	1,219,679
90	Samina Yasmin	House No. 18 Mohallah Ghafoor, Town Cheecha, Ghafoor Town, Watni Zila Sahiwal	36501-1761192-4	Cl Qasim Gill	1,131,961	26,987	1,158,949	1,105,051	108,403	1,213,454
91	Muhammad Tariq Afridi	House No.457-B Askari 10 New Airport Road, New Airport, Cantt, Lahore	17301-6702421-5	Muhammad Hazrat Afridi	1,401,118	38,797	1,439,915	913,579	299,558	1,213,137
92	Adeel Yasin Khan	House No. B-225 Area, North Nazimabad, Near JS Bank, Block J Karachi	42101-8075483-7	Muhammad Yasin Khan	1,089,734	82,332	1,172,066	1,089,734	108,862	1,198,596
93	Aqsa Hasnat	House No. 222, Block No 1 Sector, PECCO Road, C-1 Township Lahore	35202-8533332-2	Jawad Mumtaz	1,273,800	24,335	1,298,135	1,174,402	14,468	1,188,870
94	Qurban Ali	Shaheen Housing Complex, House No.19 Street No.2 Shaheed-e-Millat, Jama Mosque, Road Karachi	42201-9425392-1	Ali Gul Murkhand	899,664	26,399	926,063	900,494	279,183	1,179,677
95	Syed Kazim Ali Shah	House No. A / 1564 Haydri, Jiye Shah Chowk, Jama Masjid, Sakkar	45504-2466182-5	Syed Tahir Hussain Shah	1,057,090	119,861	1,176,951	1,057,090	119,861	1,176,951
96	Ahmad Saad	House No. 323-7, Phase II, DHA Cantt, Near Total Pump, Lahore	35202-2694352-5	Niaz Ahmad	962,434	77,682	1,040,116	910,372	262,963	1,173,336
97	Faisal Javed	Flat No. 102, Sami Classic, Block - F, Fateh Park, North Nazimabad, Karachi	42000-0486605-3	Javed Haroon	-	-	-	880,124	293,159	1,173,284
98	Shahnawaz Khan	House No. 1 Street No 31, Sector R Block 1, Jamya Masjid, Islamabad	61101-2021874-7	Muhammad Akram Khan	1,095,767	18,613	1,114,380	1,071,869	99,748	1,171,617
99	Asad Ahmed Leghari	Decent Garden House No. A-121, Block 7 Gulistan-e-Johar, Karachi East, Karachi	42201-5276877-7	Nisar Ahmed Leghari	979,105	17,794	996,899	999,903	166,010	1,165,914
100	Muhammad Ghawas	Painda Khel Post Office, Chowkara Tehsil Tahtenasrati, Painda Khel, Distt Karak	37405-5373804-9	Gul Muhammad Ayaz Khan	885,687	228,618	1,114,305	885,688	259,647	1,145,334
101	Abrar Shafiq	Iqbal Avenue House No.273, State Cement Housing Society, Lahore	42501-6487151-7	Mian Muhammad Shafiq	1,222,007	12,053	1,234,060	1,003,329	134,826	1,138,155

# Notes to the Financial Statements

For the year ended 31 December 2023

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)
102	Hina Malik	Ismail Nagar Moh Stich, Craft Factory Youhanabad, Masjid e Noor, Block B Cantt Lahore	35201-8295861-6	Malik Inayat	1,019,687	108,795	1,128,482	1,019,687	108,795	1,128,482
103	Pervez Bashir	Prince Complex House No. A-37, Main Clifton Road Frere Town Near Clifton Road, Karachi	42301-1026069-3	ChauDHary Bashir	959,139	58,078	1,017,217	959,139	167,589	1,126,728
104	Hamayoon Ahmed	House No. 101 Shahi Bazar, Ghari Yaseen, Sheikhpura	43301-6743509-7	Iftikhar Ahmed	1,050,663	74,317	1,124,980	1,050,663	74,317	1,124,980
105	Bilal Naeem	House No 39/1-Z Mohalla, Phase 3 DHA, Cantt, Lahore	35201-3537460-5	Muhammad Naeem	983,609	121,204	1,104,813	983,610	140,760	1,124,370
106	Suleman Nawaz	House No. E/4-3-A Arifabad, Bilal Town Bedian Road, Cantt, Lahore	35201-6355649-9	Muhammad Nawaz	1,011,023	22,326	1,033,349	1,011,023	110,328	1,121,351
107	Altaf Gohar	Hawali Lakh, Muhib Ali, PO Box, Attar Dipolpur Okara	35301-5351383-7	Mian Ahmad Nawaz	1,107,125	31,552	1,138,677	1,059,332	59,322	1,118,654
108	Syed Ashraf Mahmood	House No. L-127, Block-9 F.B, Mukka Chowk, Area Karachi	42101-3028489-5	Syed Aslam Mahmood	750,149	95,671	845,820	750,149	364,440	1,114,589
109	Elishba Inayat John	House No. D-23/11 Manzoor, Colony Mehmoodabad, Near NMC, Karachi	42301-0327661-0	Inayat John	1,157,061	14,646	1,171,707	1,052,970	61,141	1,114,111
110	Anis Ur Rehman	Flat No. D-304 3rd Floor Saima Pride, Block-10/A Gulshan-E-Iqbal, Eastern Toyota Motors, Rashid Minhas Roar	42201-3142496-1	Abdul Jabbar Memon	1,253,565	38,833	1,292,398	1,069,367	30,157	1,099,524
111	Shazia Abbas	House No. 95 Gulshan-e-Mehar, Bosan Road Multan, Near Metro Station No.6, Multan	36302-1279281-6	Ali Abbas	861,017	159,843	1,020,860	883,127	201,763	1,084,890
112	Ahmed Riffat Jamal	House No. 114 Street No. 85, Sector G-9/4, Islamabad	61101-1914060-9	Noor Ellahi	1,080,586	11,072	1,091,658	994,907	78,891	1,073,798
113	Eeraaj Mansoor Haider	House No 150, Nabipura 2, Nabi Pura Chowk, Gulberg 3 Lahore	35202-5654562-1	Mansoor Haider Sarfraz	991,925	19,284	1,011,209	991,925	79,198	1,071,124
114	Alamdard Hussain	Post Office Thatta Blochan, Thatta Teh Pahar Pur Dist, Jamia Masjid, Dera Ismail Khan	12103-0323405-5	Muzammal Hussain	1,026,572	19,221	1,045,793	1,026,572	37,762	1,064,334
115	Ayesha Amir	Flat No.F-48 Block-5, Area Clifton, Forum,Karachi	42301-7634138-0	Amir Naeem Qureshi	1,007,322	6,623	1,013,946	971,864	91,536	1,063,400
116	Syed Fawad Ahsen	House No. B-28/5C, Nazimabad-5, Board Matric Office, Karachi	42101-3788455-3	Syed Iftikhar Ahmed	1,063,831	15,949	1,079,779	1,047,375	15,102	1,062,477
117	Syed Masroor Ahmed	House No. 91-A Street 6 Gharbi, North Nazimabad Karachi, Karachi Dental College, P/O Hyderi Tehsil O Zila, Karachi	42101-1476325-7	Syed Mehboob Ahmed	997,277	18,462	1,015,739	908,310	148,156	1,056,466
118	Muhammad Imran	House No. 13 G Street 06, Sector G-6/3, Islamabad	34603-6681290-9	M Bashir Ahmed	882,489	130,117	1,012,606	873,741	179,860	1,053,601
119	Tanveer Shahab	Flat No.527/E Sector No.B, Askari-14 Adyala Road, Near Attock Oil Refinery Rawalpindi	38403-0759572-5	Ch Shahab Ud Din	924,467	21,199	945,666	924,467	117,498	1,041,964
120	Muhammad Zuhair Haider	Lahri Kakan Dakhana, Khas Chadu Asedan Shah, Dakhana Chhpu Sedan, Distt Chakwal	35201-9269304-9	Hubdar Hussain Jaffry	1,007,436	15,401	1,022,837	974,921	67,022	1,041,943
121	Kamran Hassan Khan	House No. 1275-B People Colony, 1 Faisalabad City Distt, Near Saleemi Chowk, Faisalabad	33100-4928854-3	Hassan Khan	1,065,671	106,127	1,171,798	899,418	139,210	1,038,629
122	Waseem Haider	Flat No. 407/4 Block-12 Mahalla, Mikasa Appt Gulshan E, Madani Masjid, Karachi	42201-0201330-7	Asghar Ali	1,040,903	17,559	1,058,461	1,005,045	30,794	1,035,839
123	Muhammad Junaid	Near Food-Green-2, House No.P.79, Faisalabad Factory Area Teh Fai City, Faisalabad,	33100-5229529-5	Tahir Hussain	964,472	107,431	1,071,903	789,472	242,479	1,031,952
124	Muhammad Atif Latif	House No. 185 Qayyum Street Molchand, Rawi Park Achra, Jamma Masjid, Lahore	35202-7044877-9	M Latif	1,016,331	27,401	1,043,732	998,575	31,960	1,030,535
125	Muhammad Ashraf	Fazilat Town, Behind Oxbridge School, Oxbridge School, 111/P Girls College Road, Rahim Yar Khan	43504-0345388-9	Muhammad Shabir	1,091,471	7,894	1,099,365	985,059	38,408	1,023,466
126	Jawad Arshad	Dhaab Kalan, Dhak Khana Khas, Chakwal	37201-5623975-9	Arshad Mehmood Anwar	700,000	-	700,000	965,380	57,086	1,022,467
127	Badar Munir	House No. 47 Street No 8, Sector F-4 Phase 6, Hayatabad Peshawar	17301-1597260-3	Fazl Ullah	885,819	128,267	1,014,086	885,819	133,190	1,019,009
128	Khurram Shams Khan	House No. 61, A-Street, DHA Phase 5, 26th Street Karachi	42000-0558125-3	Shams Uz Zaman Khan	977,564	18,266	995,829	960,513	57,353	1,017,866
129	Syed Ammar Hussain Abidi	Askari Apartment 1, Chohdry Khaliq Uz Zaman, Teen Talwar, Road Ferere Town Flat No.18/F, Karachi	42301-8712967-5	Syed Hamid Hussain Abidi	1,131,705	25,593	1,157,298	968,942	45,672	1,014,614
130	Waseem Ahmed	House No. R-343 Bufferzone, North Nazimabad, Nagan Chowrangi, Sector 15-B Karachi	42101-4262970-9	Abdul Wahab Khan	948,184	51,663	999,847	948,184	64,319	1,012,503
131	Faraz Ahmed Khan	Dakhana Gulgisht House No. 18 Moahalla, Khan Colony Peli Kothi, Khan Colony Stop, 1616 X Multan	36302-4925351-7	Muzaffar Mehmood Khan	1,001,483	17,011	1,018,495	939,211	69,165	1,008,376
132	Syed Tassawur Ali Bukhari	Dak Khana Khas Chak, No 82/12-L Teh Chicha, Jamia Masjid, Watni Zial Sahiwal	36501-3500578-7	Syed Sakhawat Hussain Shah	914,688	88,492	1,003,180	914,688	92,830	1,007,518
133	Anjum Walayat Ashraf	PO Khas Chot, Dheeran Malakwal, Masjid, Mba Mandi Bahauddin	34401-0605515-7	Muhammad Walayat	798,564	136,747	935,311	798,564	195,159	993,723

# Notes to the Financial Statements

For the year ended 31 December 2023

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)
134	Badar Munir	House No. 47 Street No 8, Sector F-4 Phase 6, Hayatabad Peshawar	17301-1597260-3	Fazl Ullah	833,638	181,402	1,015,040	783,638	192,244	975,883
135	Muhammad Shahrugh Ajmal	Officers Colony, House No.15/A, Jamia Masjid, Bahawal Nagar	31101-3594423-7	Muhammad Ajmal Khan	937,017	20,691	957,709	912,615	54,392	967,006
136	Saud Ahmed Malik	House No 308 Muhallah Model, Town Lahore Near, Model Town Roundabout, Lahore	35202-4789896-5	Mansoor Ahmed Malik	866,138	88,347	954,485	866,138	97,418	963,557
137	Adeel Ahmed Shaikh	House No. C 38, Moh, Gulshan e Zil Pak Society, Pathan Colony Stop, Lateefabad Zila, Hyderabad	41303-4197627-5	Ghulam Rasool Shaikh	934,988	25,528	960,516	934,988	25,528	960,516
138	Syed Masroor Ahmed	House No. 91-A Street 6 Gharbi, North Nazimabad Karachi, Karachi Dental College, P/O Hyderi Tehsil O Zila, Karachi	42101-1476325-7	Syed Mehboob Ahmed	1,015,670	23,291	1,038,960	857,140	101,450	958,590
139	Mumtaz Ali	Muhalla, Japury, Near PSO Pump, Gilgit	42201-9574706-5	Ghani Khan	910,666	10,978	921,643	876,137	82,182	958,319
140	Qasim Zia Khan	House No. 70 E1, Wapda Town, Near Gourmet, Lahore	35202-0415180-5	Muhammad Zia Ur Rehman	823,881	14,326	838,207	797,636	154,455	952,091
141	Ali Hussain Bhatti	Dakkhana Khas Joiyawala, Tehsil Ferozwalla, Nestle Factory, Sheikhpura	35401-9016997-7	Akbar Ali	936,755	14,165	950,919	923,919	26,367	950,287
142	Saud Ahmed Malik	House No 308M Muhallah Model, Town Lahore Near, Model Town Roundabout, Lahore	35202-4789896-5	Mansoor Ahmed Malik	882,004	54,475	936,479	882,004	64,556	946,561
143	Salman Hussain	House No.3A, Moh Wafaqi Colony, Underpass, New Campus, Lahore	35202-6955791-3	Shahid Hussain	874,073	44,352	918,425	874,073	71,755	945,828
144	Syed Imran Akhtar Shah	Railway Canal Bank, House No.31 Griffin LARECHS, Near Baghban Pura, Lahore	35201-1302264-7	Syed Akhter Ali Shah	660,943	262,550	923,493	662,433	281,014	943,447
145	Sohail Yousuf	House No 18 Maryam Center, Abdullah Haroon Road Sadder, Near Amma Tower, Karachi	42301-1079138-1	Yousuf Ahmed	893,553	41,132	934,685	893,553	49,063	942,615
146	Syed Kamran Shah	House No.26 Street No.8 Area C, Qayoomabad, Sir Syed Hospital, Korangi Road, Karachi	42201-1798255-3	Qabool Shah	944,769	16,048	960,817	878,047	55,846	933,894
147	Rajan Khokar	House No. E-2-A Area, TNT Colony Wireless, Near HBL, Gate Sharqi, Karachi	42201-9241299-1	Kalib Masih	903,263	6,533	909,796	841,479	88,132	929,611
148	Muhammad Riaz	House No. A-251 Street No.16, Askari 11 Bedyan Road, Cantt, Lahore	34502-4987490-1	Muhammad Sulaman	846,458	24,766	871,224	846,458	77,490	923,948
149	Syed Tasadduq Hussain Shah	House No. 6 Street No. 1 Sector No. 4A, Saeedabad Baldia Town, Karachi	37203-4323505-3	Syed Noor Shah	780,820	20,195	801,015	733,053	186,597	919,650
150	Muhammad Asim Butt	House No 5, Street No. 44, Farooqia Masjid, F-6/1, Islamabad	37406-1655142-5	Muhammad Amin Butt	717,795	-	717,795	749,995	169,383	919,378
151	Muhammad Asif Siddiqui	House No.A-59 Railway Colony, F.B Area Block 15, White Rose Grammer School, Karachi	42101-2171228-5	M Lateef Siddiqui	-	-	-	706,599	208,482	915,081
152	Atif Hameed	Muhalla, Mufti Abad Mansehra, Near Main Bazar, Mansehra	13503-5883307-5	Abdul Hameed	1,130,674	22,532	1,153,206	899,420	12,659	912,079
153	Imran Arif	R-123 Malik Society, Sector 16/A Gulzar e Hijri, MCC Lawn, Scheme-33 Karachi	42101-1581509-1	Muhammad Arif Qureshi	820,000	1,752	821,752	810,459	100,890	911,349
154	Shazia Javaid	House No. 755 Sec D-1, Green Town, General Store, Block 5, Lahore	36502-1259929-8	Simon Denail Gill	843,284	31,953	875,237	843,284	67,801	911,085
155	Kainat Hafeez	House No 288 A-1, Street No 3, Awan Seham Road, Rawalpindii	37405-4644593-8	Hafeez Ur Rehman	746,625	92,406	839,031	746,624	163,612	910,236
156	Ali Zer Akram	House No L-38 Sec D-4-7 Moh, Gulshan e Farooq N Karachi	42101-6132362-3	Muhammad Akram	836,474	57,37	894,211	836,474	68,854	905,328
157	Saif Uddin Khan	House No. 29-A Askari-4, National Park, Jinh Garden, Road Rawalpindi	37405-3103194-7	Pervaiz Jamal Khan	394,662	-	394,662	747,045	156,419	903,464
158	Khayyam Hamid	House No 13, Lane 15, Sector D DHA-II, Gate No 7, Islamabad	61101-6352806-5	Hamid Khurshid Janjua	1,252,007	2,573	1,254,580	836,190	59,980	896,171
159	Syed Sajjad Haider	House No. 1, Street No. 4 Rizwan Park, Near Jafria Colony Behind, Shezan Factory Bund Road, Lahore	35200-1413793-1	Syed Mazhar Hussain Shah	1,071,605	104,754	1,176,359	861,725	32,886	894,611
160	Mir Mazhar Qayyum	36 Golfers Lane Bedian Road, Near Theater Village, Lahore	35201-2150212-7	Abdul Qayyum	793,751	20,436	814,187	751,687	141,646	893,333
161	Syed Imran Abbas	Five Star Luxury Apartment, Flat No.H-9 Block-14 Moh Gulshan, National Stadium, Iqbal Khi Near Bait-ul-Masjid, Karachi	42201-3122951-3	Syed Aziz Haider Jaffery	833,323	56,816	890,139	833,323	56,816	890,139
162	Muhammad Wasif Ali	House No.106/2B Khayaban-e-Hilal, Phase No 6 DHA Near HBL, Karachi	42301-8673511-5	Muhammad Ali	733,267	156,613	889,880	733,267	154,793	888,060
163	Ehsan Khalid	House No. 14 Street No. 55 Sector, G-9/4, Islamabad	37402-9550279-5	Raja Khalid Pervaiz	796,267	89,720	885,987	796,267	89,720	885,987
164	Kiran Saeed	Bewal Post Office, Khas Teh Gujar Khan, Bewal Int.Hospital, Distt Rawalpindi	37401-7980024-4	Muhammad Saeed Hashmi	923,315	20,389	943,704	816,745	68,349	885,094
165	Muhammad Azeem	House 35 Street 1 Taria, Street Mahala Salamat Pura, Kot Lakhpat Lahore	35202-1995657-3	Allah Ditta	691,748	139,855	831,603	691,749	190,919	882,668
166	Fayaz Hussain Gill	Chack No 157/10 R, Post Office Jungle Maryala, Jamia Masjid, Distt Khanewal	36101-6498033-5	Nazar Muhammad Gill	863,427	8,847	872,274	823,729	56,522	880,250

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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)
167	Mirza Irfan Baig	House No. 42 Street No 61 Dhoobian Wali Galli, Baghban Pura Cantt, Lahore	35201-4378771-7	Mirza Naseer Baig	681,131	22,100	703,231	719,100	160,702	879,802
168	Ishtiaq Ghulam Haider	Moh Rehmani Bazar, Purani Abadi Kot, Lakhpat, Lahore	35202-5467119-9	Ghulam Haider Sipra	781,884	56,287	838,171	781,884	93,701	875,585
169	Rasheed Ahmad	Fareedabad P.O, Khas Distt, Plaza Market, Nankana Sahab	35402-7778057-5	Abdul Aziz	787,841	34,159	822,000	787,841	82,073	869,914
170	Muhammad Faizan Chughtai	House No.74 Street No. 02, Islamabad Compounds, E-11, Islamabad	61101-5724549-3	Muhammad Irshad Chughtai	742,225	50,105	792,330	742,225	121,896	864,120
171	Kamran	Bar Chowk Dak Khana, Fatima Khail Kalaan, Mosque, Tehsil & District Bannu	11101-3514956-1	Inayat Ullah Khan	643,431	45,585	689,016	386,774	470,406	857,180
172	Muhammad Ashraf	House No 4/721, Liaquatabad, Karachi	42101-3592320-9	Riaz Uddin	760,402	86,448	846,850	760,402	96,005	856,406
173	Hamza Riaz	Gulbahar Colony, Javed Town, Post Office, Peshawar	61101-9331220-9	Riaz Ul Hassan	831,992	55,396	887,387	831,992	20,597	852,588
174	Kashif Farooq	House No.377 Tariq Block, New Garden Town, Lahore Near UBL, Lahore	35202-2012682-5	Iqbal Ahmed Farooq	795,853	26,373	822,226	785,223	61,301	846,524
175	Zain Ul Abedien Shah	Flat No A-15, Noman, Center Block 5 Gulshan, Akhtar Eye Hospital, Karachi	42201-4328065-3	Qamar Hussain Shah	769,405	5,059	774,465	769,405	73,194	842,599
176	Yousuf Akhter Ansari	5-E Bukhari Commercial Lane-1 Phase-6 DHA, Near Water Tank, Karachi	35202-2587078-7	Saeed Akhtar Ansari	675,593	-	675,593	675,593	166,225	841,817
177	Rizwan Haneef	House No. 301/B, Satellite Town, Army Public School, Rahim Yar Khan	31303-2416377-9	Ch Muhammad Haneef	779,588	16,712	796,300	677,932	159,660	837,592
178	Azam Khan	House No. S-41 Area 37/B Jam Nagar, Landhi No. 1, Zamzam Food Centre, Karachi	42201-3174570-3	Peer Khan	875,396	12,639	888,036	774,566	60,225	834,790
179	Adeel Hasan	House No. B-25 Block No. 10, FB Area, Near KK Super Market, Karachi	42101-1477509-1	Mumtaz Ahmed Khan Pasha	676,507	112,844	789,351	622,457	210,637	833,093
180	Shahid Ali Babbar	Bhutto Dak Khana, Lakhnow Khan Bhutto Teh O Zila, Station, Shikarpur	43304-5956060-9	Behram Khan Babbar	804,317	7910	812,228	804,317	27,635	831,952
181	Syed Qaim Ali Shah	House No. L-20 Sector 31-G, Allahwala Town, Safaid Masjid, Korangi Crossing Road, Karachi	42201-4294198-1	Syed Zafran Shah	700,511	23,864	724,375	797,958	33,862	831,819
182	Global Business Corporation	6-D Commercial Architect, Engineering Housing Society, Lahore	13101-1873107-3	Abdul Majeed	16,028,462	4,157,419	20,185,881	-	829,985	829,985
183	Affan Mehmood	Flat 11/33, Defense Garden, Near A K Milk Shop, Phase 1 DHA, Karachi	42301-0642521-7	Abdul Rehman	799,758	-	799,758	774,069	54,517	828,586
184	Saadia Amir Khan	House No.9/35 Liaquat Ali Khan, Road Model Colony Karachi, Near UBL Bank, Karachi	42000-2656622-4	Amir Iqbal Khan	694,539	33,048	727,587	647,346	180,983	828,330
185	Muhammad Ayub	House No. 1512 Street No. 38 Mohalla, Block 4 Gulshan e Iqbal, Ibn e Abbas Masjid, Sikanderabad Keemari Karachi	42401-5189651-5	Agha Jan	732,981	32,715	765,696	732,981	93,252	826,233
186	Saher Hanif	House No. 20 Usman Society, Akbar Shaheed Road, Jamia Masjid, Kot Lakhpat, Lahore	35202-1764228-2	Muhammad Hanif	718,321	41,018	759,339	753,558	70,850	824,408
187	Muhammad Shahzad Khan	House No. 18-S Mohalla, 15-B Irfan War Rizwan Park, Irfan Waar Rizwaan, Bund Road Lahore	35202-2730451-7	Muhammad Ikhtlaq Khan	802,329	11,104	813,434	802,329	21,766	824,095
188	Javed Hafeez	Malik Johar Wali Ward No.16, Kahna Nu, Khana Bazar, Lahore	35201-1695358-5	Muhammad Hafeez	871,781	25,705	897,485	799,250	20,201	819,451
189	Naveed Ashfaq	Liaquat Bazar House No.40 New Iqbalabad Drig Road, Near PSO Pump, Karachi	42201-8777277-5	Ashfaq Al Hassan	809,326	9,756	819,082	755,699	60,968	816,667
190	Babu George	House No. B-9 Moh, Christan Colony Samangaly, Govt Girls School, Quetta	54400-3328434-3	Jan Rehmat	797,911	13,554	811,464	748,526	67,132	815,658
191	Usman Ali Khan	House No. 130-A Toheed, Park Multan Road, Noor Pharma, Lahore	35200-6481444-1	Rafi Ullah Khan	1,044,147	9,301	1,053,448	803,112	8,805	811,917
192	Mehreen Shafique	House No.517, Moh Nizam Block, Gulshan Iqbal Park, Allama Iqbal Town, Lahore	35202-1922113-6	Muhammad Shafique	745,656	38,678	784,333	745,656	56,224	801,879
193	Muhammad Shahid Latif	House 350 Block B-2, Johar Town, Lahore	35200-1543170-1	Sheikh Muhammad Latif	700,000	9,455	709,455	700,000	101,043	801,043
194	Saleem Yaqoob	House No. 13 Street No. 3, Asif Town No. 1, Govt School, Cantt, Lahore	35201-1433672-3	Yaqoob Masih	637,315	64,495	701,810	485,372	314,178	799,551
195	Pir Ali Asghar Jan	Tando Saindad Dak Khana, Tando Muhammad Khan, Jamia Masjid, Muhammad Khan	42501-9709786-9	Pir Ghulam Siddique Jan	780,501	4,933	785,434	754,649	44,573	799,221
196	Adil Shah	133 GT Road, Kashmir Park, Shahdara, Lahore	35202-0645527-9	Syed Muhammad Saleem Shah	758,782	36,341	795,123	758,782	39,902	798,684
197	Lubna Tawakkul	F-4 Block-5 Plot C-3, Al-Badar Square Nazimabad-4, Near Intiaz Market, Karachi	42101-1458176-8	Syed Tawakkul	742,706	12,616	755,322	728,828	68,599	797,427
198	Syed Mohammad Ammar Naqvi	House Number 15 Block E1, Shahrah-e-Hazrat Imam Hussain, Near Gaddafi Stadium, Gulberg 3, Lahore	35202-0825870-9	Syed Kalb E Abbas Naqvi	664,902	-	664,902	651,670	145,661	797,331
199	Affan Mehmood	Flat 11/33, Defense Garden, Near A K Milk Shop, Phase 1 DHA, Karachi	42301-0642521-7	Abdul Rehman	499,704	-	499,704	646,850	150,332	797,183

# Notes to the Financial Statements

For the year ended 31 December 2023

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)
200	Faheem Philip	Stunz Abad Dakhkhana, Khass Chak No.135/16-L, Teh, Market, Mianchanu Zila Khanewal	36104-0828013-9	Philip Sardar	730,899	79,244	810,143	730,899	64,955	795,854
201	Malik Qaiser Khan Awan	House No.232 Street No.67, G-8/1, G-8 Markaz, Islamabad	54400-6166503-9	Malik Sarwar Khan Awan	735,398	52,286	787,684	735,398	59,853	795,251
202	Syed Adeel Ashraf	House 25 Street 32, Canal Park Guberg 2, Total Parco Pump, Lahore	35202-5309111-7	Syed Ashraf Ali	803,174	15,689	818,864	755,762	37,686	793,448
203	Aurangzaib Khan Bangash	Al Asif Square Super Highway, House No.A-23 Block F, Near MCB, Karachi	42501-8270948-9	Tajammul Khan	786,037	69,121	855,157	749,556	43,754	793,311
204	Shaheryar Muhammad Usman	12 Vanjara Manzil, A M 4 Burns, Sindh Assembly, Karachi	42301-4585691-7	Absar Muhammad Usmani	729,594	47,068	776,662	729,594	62,195	791,789
205	Atif Ghani	Lehri Mangla Colony, Teh Zila, Post Office, Mirpur	81302-4496320-9	Abdul Ghani	758,688	22,927	781,614	730,828	60,084	790,912
206	Maryam Mustafa	14/I, E Block, Model Town Park, Lahore,	35202-6965934-2	Mustafa Khan	718,045	93,678	811,723	511,390	279,100	790,489
207	Mirza Muhammad Imran	House No ZB 3593, Street No 14 Fauji Colony, Peer WadhAi Rawalpindi	37405-1449818-7	Muhammad Aslam	692,442	77,203	769,646	692,442	97,943	790,385
208	Syed Dilawar Hussain Zaidi	House No P-177 Street No 3, Al Najaf Colony Faisalabad	33100-5586403-5	Syed Raza Al Zaidi	786,370	35,805	822,176	777,837	11,754	789,591
209	Malik Faisal Shahzad	House No.663 Block A 4-2, Town Ship, Pani Wali Tanki, Lahore	38201-2135145-7	Fateh Muhammad	748,928	13,723	762,651	748,928	38,932	787,860
210	Muhammad Abdullah Bilal	House No.114/3 Moh Burji, Wala Syed Abid, Jamia Masjid, Hussain Road Jhang	35202-1611164-5	Mian Gulham Farid	31,079	-	31,079	636,342	151,389	787,730
211	Ruman Abdul Rahim	House No. A-5, Plot No A-235, Near PSO Pump, Block 2 PECHS, Karachi	42201-0683421-3	Abdul Rahim	847,311	41,872	889,183	775,167	11,368	786,536
212	Aiman Faheem	House No 216-SW Street No 10, Moh Dholanwal, Near PSO, Lahore	35202-2562121-6	Faheem Abbas	751,406	4,941	756,347	709,985	60,321	770,306
213	Tahir Naqvi	House No. A-1268/3 Shah Faisal Colony, Karachi	42201-4069372-9	Syed Manzoor Hul Hassan Naqvi	744,649	15,056	759,706	744,649	25,653	770,302
214	Arshad Tanveer	House No. R-53 Sec C, TP LI Colony, Mehmoodabad No. 2, Karachi	13501-1333841-5	Muhammad Ashiq	745,268	19,276	764,544	738,768	29,101	767,869
215	Ali Asghar Tahir	HouseNo R-174 Block-N, Gulshan-e-Jamal Rashid Minhas Road Karachi	42201-2750855-5	Mohammad Mushtaq	2,686,808	1,230,982	3,917,790	-	766,073	766,073
216	Bilal Ali	House No. 19 Street No. 400 Enginshed, Mugalpura, Cant, Lahore	35201-5223901-3	Zafar Mahmood	716,025	15,811	731,837	706,887	57,556	764,443
217	Zulfiqar Ali Kaka	Goth Bhalaydino Kaka Pangharo, Jagir Tappal Ghar Bhalidino Kaka, Jama Masjid, Talko Saeed Abad Dist Matyari	41301-6407808-7	Muhammad Raheem Kaka	753,880	12,806	766,685	719,425	43,000	762,425
218	Rizwana Noor	Maltri Accounts Cooperative Housing Society College Road, Near HBL, House No. 256 Block C, Lahore	34101-5221681-0	Muhammad Ali	501,910	22	501,932	549,299	199,792	749,091
219	Raheel Saleem	House No. 21 Street 9-D Ittefaq Colony Lajpat Road, Govt Hospital, Shahdara, Lahore	35202-6116796-7	Muhammad Saleem	641,808	32,258	674,066	520,286	228,045	748,331
220	Raza Iqbal Baig	Marshal Advertising Office No.88 CCA, 3rd Floor Phase 6 DHA, Lahore	35201-8624826-7	Mirza Muhammad Iqbal Baig	651,667	37,706	689,373	653,645	88,554	742,199
221	Aurangzeb Aurangzeb	Afghan House No.194 Ahmed Pur Lama P.O Khas Sadiqabad, Zila Near Ahmad Pura, Rahim Yar Khan	31304-9970273-7	Muhammad Jahanzib Khan	559,477	137,053	696,530	522,476	209,331	731,808
222	Ather Ihsan	Chak No. 121 Shumali Dak Khana, Sillanwali Teh Sillanwali, Post Office, Zila Sargodha	37405-5516186-7	Ihsan Ullah	597,352	16,459	613,811	597,352	131,878	729,229
223	Abrar Shafiq	Iqbal Avenue House No.273, State Cement Housing Society, Lahore	42501-6487151-7	Mian Muhammad Shafiq	730,402	-	730,402	698,111	31,075	729,186
224	Adnan Ameer Abdullah	Kafri Po Khas, Siddique Abad, Po Khas, Tehsil Dist, Khushab	37405-0664203-5	Ahmed Sher	-	-	-	633,970	92,973	726,944
225	Saadia Amir Khan	House No.9/35 Liaquat Ali Khan, Road Model Colony Karachi, Near UBL Bank, Karachi	42000-2656622-4	Amir Iqbal Khan	617,209	10,098	627,307	603,471	115,215	718,686
226	Yasir Akhter Hashmi	Flat No. B-11/20 Johar Square, Mohalla Gulistan e Johar, Perfume Chok, Block 18 Karachi	42101-3503133-7	Sohail Akhter Hashmi	709,614	31,381	740,996	690,991	24,938	715,929
227	Shafiq Ahmed Khan	House No. L 455 Sector 5 M, North Karachi, Near HBL, Karachi	42101-7699421-9	Nafees Ahmed	788,540	5,444	793,984	670,421	44,752	715,173
228	Muhammad Rizwan Ikram	16 B/51, Gulzaib Colony, Samnabad, Lahore	35202-3559881-5	Muhammad Ikram	114,646	-	114,646	519,890	194,851	714,741
229	Muhammad Nauman Shuja	Post Office Khaas, Mardawal Tehsil, & District, Khushab	38201-8916426-1	Shuja Ahmed	624,672	14,855	639,528	624,672	83,842	708,515
230	Najam Uz Zaman Khan	Flat No.706, Block 2, Clifton Condominium Appartments, Jade Garden Restaurant, Clifton, Karachi	41303-1525210-7	Mehroz Akhter Khan	373,820	36,030	409,850	517,046	190,828	707,874
231	Fawad Zahid	House No.1 Block-J, Dera Market, Ghazi Khan, Dera Ghazi Khan	37405-0797858-1	Muhammad Zahid Hussain Syed Bukhari	667,519	16,441	683,961	640,273	66,792	707,065
232	Muhammad Waqas Ahmed	House A- 683, Area 37B Landhi No. 1, Farooqi Masjid, Karachi	42201-3627968-9	Muhammad Ahmed	645,073	54,693	699,766	645,073	57,979	703,052
233	Nazakat Hussain	Near FG Girls College Link Road Natrian House No.CB-15/19, Jamia Masjid, Abbotabad	13101-5799195-9	Muhammad Afsar	685,501	21,181	706,682	644,976	56,786	701,762

# Notes to the Financial Statements

For the year ended 31 December 2023

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)
234	Hammad Amer Hashmi	House No. 35, Street-1-A Ahsan Heights Shahpur, Colony Pulgran Road Bhara Kahu, Islamabad,	90403-0119579-9	Maqbool Hussain Hashmi	679,840	-	679,840	689,763	11,714	701,477
235	Ammar A Khan	135-E-1, Stadium Road, Gulberg III, Lahore	12101-0972883-3	Gulzar Ahmad Khan	560,445	40,549	600,994	560,446	136,923	697,368
236	Gohar Hassan	House No. 76-A Street No. 12 Fareed Abad, Sabza Zar Multan Road, Shah Fareed Chowk, Lahore	35202-5399210-5	Khalid Mehmood	654,413	37,802	692,215	654,413	41,285	695,698
237	Khaliq Dad Nasir	Dakkhana Shah Pura, Kanjara Mohalla Khan, Kanjara, Pura Lahore	38201-1210011-3	Atta Muhammad	694,603	12,019	706,622	663,646	31,847	695,492
238	Sinaan Mustafa	House No. B-73/4, Mohalla Madani, Maki Jamia Masjid, Jhelum	37301-8062858-7	Abdush Shakoore Malir	761,945	13,351	775,296	684,208	10,458	694,667
239	Syed Ali Naqi Bukhari	House No. B-25 Sector E-4, Gulshan-e-Maymar Near Shell Pump, Karachi	42201-2003876-7	S Riaz Bukhari	683,298	48,318	731,616	574,298	119,487	693,785
240	Rania Durrani	House No. C-32 Mohalla, Clifton Kehkashan, Block No. 2 Karachi Near HBL, Karachi	42301-4252917-2	Mansoor Ahmed Ali	560,926	90,850	651,776	560,927	132,825	693,752
241	Sarah Kashif	House 57 Nadeemabad, Railway Sheme 4 Rawalpindi	37405-3481711-4	Kashif Iqbal	630,951	29,748	660,700	630,951	59,708	690,659
242	Khawaja Taha Saeed	North Circle Awanpio, Phase I DHA House No. 5-B, Tooba Masjid, Karachi	42301-5549098-3	Khawaja Waqar Saeed	625,665	32,399	658,065	625,665	63,853	689,518
243	Muhammad Shoaib Subhani	House No. 1 Muzafar Park, Gagu Mandi P/O Tehsil, Ghausia Masjid, Buray Wala Vehari	36601-1619743-3	Ghulam Mehboob Subhani	939,195	17,872	957,067	674,740	9,256	683,996
244	Rashad Mahmood Malik	House 396-A, Street 13, F-10/2, F-10 Markaz, Islamabad	61101-5037982-1	Mohammad Yasin Malik	657,595	201	657,796	537,480	145,786	683,266
245	Ali Muzamil	House No. 23 Street No. 189, Atif Park New Bhogiwal, Near PSO Pump, Bhagban Lahore	35202-5854138-1	Agha Ijaz Hussain Durrani	736,163	14,385	750,548	671,529	11,061	682,590
246	Malik Javaid Ali	House No. 8 Opposite Masjid Umer Farooq, Muslim Road Near Sabaz Kothiyan, Samanabad Lahore	35202-6270653-5	Malik Ghulam Mohammad	534,826	-	534,826	534,826	141,937	676,763
247	Lawreeb Saeed	Manoabad, Nawab Shah Dist, Shaheed Benzirabad, Nawab Shah	45305-0569319-2	Saeed Ahmed	653,921	19,401	673,322	646,778	27,720	674,498
248	Najib Ikram	House No. 254/A, Aqab Tipu Shaheed, Near PSO, Model Town A, Bahawalpur	31202-6656177-5	Ikram Ul Haq	398,358	8,575	406,933	518,247	156,171	674,417
249	Syed Sajjad Hussain	Post Office Khaas, Syedanwali, Sialkot Road, Teh Dist, Sialkot	35200-1434378-7	Syed Ijaz Hussain	742,706	12,616	755,322	638,464	30,275	668,739
250	Muhammad Zahid	Post Off Chak Ka, Tehsil Dina Dist, Masjid, Jehlum	37301-9199812-9	Ghulam Rasool	632,689	32,783	665,472	632,689	33,995	666,685
251	Muhammad Yousuf	Flat No. 201, Madni Pride, C.P. Berar Society, Block No. 7 / 8, Karachi	42201-0424581-5	Muhammad Younis	950,248	711,264	1,661,512	-	660,938	660,938
252	Taimur Ijaz	96/1 Khy-e-Bahria, Phase No. 5 Karachi, Near Sultan Masjid, Karachi	42301-7070513-7	Tariq Ijaz	504,501	110,103	614,604	504,502	153,682	658,183
253	Mirza Irfan Baig	House No. 42 Street No. 61 Dhobian Wali Galli, Baghban Pura Cantt, Lahore	35201-4378771-7	Mirza Naseer Baig	500,000	-	500,000	500,000	158,122	658,122
254	Asim Nazeer	House No. 83 Street No. 9, Kalour Cout Teh Kalour Coat, Distt Bhakar	35201-5499965-5	Nazeer Ahmed	711,115	25,126	736,241	598,549	59,315	657,864
255	Nabeel Alam	Flat No. 6C Block-7, Askari Tower 1, DHA 2 Rawalpindi, Marhaba Mart, Islamabad	42201-0754332-9	Tanveer Alam	479,632	16,159	495,791	498,803	158,252	657,055
256	Rizwan Zia Khan	231/2 Bagh Ali Road, Lahore Cantt, Girja Chowk, Lahore,	35202-2770525-7	Zia Ul Hassan Khan	334,624	1,403	336,027	482,366	173,114	655,480
257	Ehtisham Ahmed	Fl E94 Excellency Residency 1, Gulshan e Iqbal Block 13B Near Mangal Bazar, Karachi	42201-0962369-7	Riaz Ahmed	586,800	5,395	592,195	586,800	66,186	652,986
258	Syed Shahid Hussain Shah	Indus Motor Company Ltd, Asst Mang Sl, Asst Mang Sl, Rawalpindi	37405-0524649-1	Syed Maqbool Hussain Shah	593,144	15,016	608,160	542,394	110,338	652,733
259	Muneer Hussain Shaikh	House No. 29/B Star Banglows, Nasim Nagar Qasimabad, Near Main Road, Hyderabad	41303-1491124-9	Muhammad Raheem Shaikh	595,902	49,870	645,772	595,902	56,797	652,699
260	Asadullah Khan	House No. 58 Street 35, Sector F-1/6, Islamabad	61101-8412358-3	Sharafat Ullah Khan	430,306	221,571	651,877	430,305	221,571	651,877
261	Shahid Fayyaz Haider	43, Raza Block, Allama Iqbal, Lahore	35202-3022446-1	Manzoor Hussain Shahid	549,379	12,163	561,542	549,378	101,438	650,817
262	Omer Shabbir	House No. 72-D, Block D Gulberg 2, Near Wasa Head Office Lahore	35200-1546152-3	Muhammad Shabbir	590,872	59,448	650,320	590,872	59,448	650,320
263	Syed Zaki Abbas Jafry	House No. 49-S Gali No. 15/2-B, Islamabad, Goal Chakar No 1, Samanabad Lahore	35202-3149217-9	Syed Zia Abbas Jafry	608,452	5,868	614,320	608,452	40,387	648,839
264	Hafiz Muhammad Abubakar	353-A LDA Qtr, Near Kot Lakhpat, Lahore	35201-7871806-9	Muhammad Nawaz Khan	600,000	15,732	615,732	579,424	68,408	647,832
265	Muhammad Shahid Nadeem	House No. 55 BS-56 Rasheed Street No 4 Farooq e Azam Park Saint, Allied School, Nagar Outfall Road Lahore	35202-2966526-5	Muhammad Sadiq	731,958	12,433	744,392	617,716	29,530	647,247
266	Muhammad Shahzad Khan	H 65/61 Riaz-Ur-Zohra Society, Rafa-E-Aam Malir Halt, Karachi	42201-0613488-3	Muhammad Shafi Ullah Khan	490,115	119,693	609,808	490,115	156,798	646,913
267	Ozma Noor Osmani	House No. A 627 Sector 11 A, Gulshan e Usman, Karachi	42101-7115116-6	Muhammad Subhan Osmani	578,077	45,030	623,108	578,077	66,927	645,005

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For the year ended 31 December 2023

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)
268	Muhammad Tauqeer Azmi	House No. 1104-Ravi Block, Allama Iqbal Town, Kareem Block Market, Lahore,	35202-6528130-3	Muhammad Yousaf Azmee	509,648	38,898	548,546	509,649	133,918	643,566
269	Sardar Muhammad Ali Leghari	House 26\280, Drig Road Cant Bazar Karachi	42201-1575126-5	Sardar Muhammad Tariq Leghari	586,413	5,591	592,004	586,413	56,760	643,173
270	Asad Ali Imran	House No. 575-A , Overseas Bahria, Near PSO, Lahore	35202-8278788-9	Imran Nadir	726,923	17,904	744,827	643,031	-	643,031
271	Muhammad Ismail	House No 57 Muslimabad, Near Jail Chowrangji Karachi, Karachi	45401-3247805-5	Nisar Ali Jaffri	423,822	3,502	427,324	531,808	111,101	642,910
272	Sarim Hashmat Lodi	House No. 798 Main Service, Road East I 8/4, Near Cathnar Park, Islamabad	42201-2705831-3	Hashmat Ullah Lodi	516,657	13,059	529,716	548,298	90,426	638,724
273	Muhammad Qasim Bhutta	HouseNo. 137/A Phase-II, Lalazar Colony (Judicial Colony), Near Shoukat Khanum Hospital, Lahore	35202-2607746-5	Bashir Ahmad Bhuta	488,722	-	488,722	488,722	149,989	638,711
274	Zubair Kasim Munshi	Com3 Apartments, Flat No. 2203, Tower E 22Nd Floor, Clifton, Opposite BBQ Tonight, Clifton, Karachi	42301-9340543-1	Muhammad Kasim Munshi	521,059	18,877	539,936	522,158	115,800	637,958
275	ChouDHary Muhammad Rizwan Ikram	House No. 16-B/51, Gulzaib Colony, Samabad, Lahore	35202-3559881-5	Ch Muhammad Ikram Ismail	100,708	-	100,708	472,078	164,997	637,075
276	Talha Shahid	Flat No.C-15 North City Apartment, Shadman Town 2, Erum Shopping Center, Sector No.14-B North Karachi	42101-8920651-7	Shahid Fareed	594,744	14,136	608,880	590,705	45,448	636,153
277	Fatima Ahsan	House No. 33 Block No. A3, Valancia Town, Near KFC, Lahore	35202-8761640-6	Fahad Hussain	645,366	5,729	651,094	564,971	70,736	635,707
278	Jamil Irfan Faridi	House No E23/9A, Nishtar Park, Walton Road, Lahore Cantt, Lahore	35202-3089387-5	Ghulam Fareed	693,202	9,420	702,622	609,388	25,827	635,214
279	Muhammad Asif	Basti Shaheedabad, Post Office Khas Hayat, Lar Teh Liaquat Pur Zila, Rahim Yar Khan, Pk,Rahim Yar Khan	31302-8058447-9	Abdul Latif	477,279	21,815	499,094	480,946	153,413	634,359
280	Faisal Javed	Flat No. 102, Sami Classic, Block - F, Fateh Park, North Nazimabad, Karachi	42000-0486605-3	Javed Haroon	61,823	-	61,823	410,282	222,769	633,051
281	Rizwan Afzal	Tehsil & Dist, Gujrat, Geo Wanjil, Gujrat	42101-8742359-5	Muhammad Afzal	751,507	8,606	760,114	596,773	33,450	630,223
282	Muhammad Khurram Raza	14 Kaghan Block, DC Colony, Gujranwala, Main Market Mosque, Teh Distt Gujranwala	34101-2507281-5	Muhammad Jalil Raza	745,237	24,206	769,443	475,074	153,923	628,997
283	Syed Muhammad Shahzad Mehmood	Plot No. 48-E 2nd Floor, Street No 8 Mahalla Badar, Daily Dubai Restaurant, Commercial Phase 5, Karachi	42101-1404447-1	Muhammad Usman	713,870	9,007	722,877	601,647	25,667	627,314
284	Farid Ullah Khan	Drub House,Near Taj Cinema,Main Bazar Mardan	16101-4045542-7	Habib Ullah Khan	482,161	16,634	498,795	482,162	143,954	626,116
285	Muhammad Ali	Plot No.162-D Sayama CaseI, PECHS Flat No.203, Mafil Murtaza School, Block 3, Karachi	42301-0895079-9	Abdul Razzak	437,104	120,022	557,126	437,104	188,062	625,166
286	Mohammad Tariq Sumar	Zohra Homes Flat No. 201, Parsi Colony Numaish, Near PSO Pump, Karachi	42000-0537086-5	Abdul Hai Sumar	655,168	23,533	678,701	602,256	20,370	622,626
287	Irfan Sharfuddin	5-B Sunset Street-8, Phase II Ext DHA, Karachi	42301-9718606-7	M Wajihuddin Safdar	490,878	62,829	553,707	490,879	128,063	618,942
288	Azeez Ur Rahman Waqas	House No.324 Street No.6, Sec F-10/2, Mosque, Islamabad	61101-6739047-9	Mujeeb Ur Rahman	441,170	106	441,276	441,170	177,393	618,562
289	Rashid Ali Tamoor	KACHI Mandi House No 1304/69, Muhallah Ghazi Khan Liaquatpur Dist, Rahim Yar Khan Near P.O, Rahim Yar Khan	31302-2591231-5	Mahboob Ahmad Nasir	576,113	15,369	591,482	574,000	43,483	617,483
290	Fayyaz Ahmad	House No. 498/1, Street No. 13, Phase III, DHA, X Block Near Mosque, Lahore	35201-1439833-7	Mian Riaz Ahmad	487,108	-	487,108	476,934	138,766	615,700
291	Muhammad Bilal Khan	House No 205-E, Street No 6 Cavalry, Ground Cantt, Lahore	35201-5026140-3	Naem Ejaz	537,098	13,229	550,327	537,098	73,612	610,710
292	Salman Ali	Shaheen Centre Flat 3, Moh Mirza Kaleej Baig Rd, Near PSO, Parsi Colony Karachi	42000-0445793-7	Hussain Ali	584,256	21,575	605,831	578,035	29,606	607,641
293	Sohail Azam Khan	Ward No. 41 Primary School Area, House No. 6-A Sattelite Town, School, Bahawalpur	36302-1635121-3	Muhammad Azam Khan	424,937	3,546	428,483	510,875	95,582	606,457
294	Muhammad Munir	Mallo Kara Dak Khana Khas, Tehsil O Zilla Mansehra, Near Boys School, Mansehra	13503-0886334-9	Sarfaraz	542,030	50,183	592,213	542,030	63,881	605,911
295	Muhammad Munir	Chak No 190, North P O Box Ahmad Pur, Ahmed Pur, SargoDHA	38403-6867414-3	Ghulam Shabbir	696,488	26,112	722,600	597,359	8,350	605,709
296	Usaid Farooqui	House No.220 KMCHS, Mohammad Chaudry Road, Near PSO Pump, Karachi	41303-1713950-9	Naved Alam Farooqui	471,592	17,589	489,181	454,119	151,573	605,692
297	Basharat Ullah	Miskeen Khail Dakhana, Khas Pirpai Teh And Distt, Near HBL, Naushehra	42301-8281021-1	Eid Badshah	424,273	-	424,273	476,693	122,696	599,389
298	Bilal Aslam	House No.18-B, Mozang Road, Lahore	35202-2440071-5	Muhammad Aslam	460,212	14,855	475,067	462,595	134,746	597,342
299	Naveed Dar	398 Block A, Sui Gas Housing Society, Shareef Medical Complex, Phase 2 Lahore	35202-7784383-9	Muhammad Younas Dar	545,733	21,491	567,224	545,733	50,493	596,226
300	Tanweer Ahmad	Dhok Dakhana Khas Car Manager, Teh & Dist, Jamia Masjid, Swabi	16202-8038547-3	Faqir Muhammad	571,410	23,505	594,914	571,410	24,774	596,184



# Notes to the Financial Statements

For the year ended 31 December 2023

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)
301	Muhammad Azeem	House No. 285 Street No. 69, Siraj Pura, Data Flour Mill, Lahore	35201-4947987-7	Miraj Moeen	499,999	80,281	580,280	499,999	95,829	595,828
302	Ali Faraz Siddiqui	A-183 Block-9 PIA Housing Society, Gulistan-E-Johar, Near Kamran Chorangi, Karachi	42000-0505136-1	Khalid Amin Siddiqui	485,328	14,384	499,712	486,786	108,396	595,182
303	Najeeb Ahmed	House No. 340 H Street No. 4 Phase-5 DHA, Near PSO Pump, Lahore	35202-8251771-5	Nisar Ahmad Khan	521,327	73,353	594,680	521,327	73,353	594,680
304	Ahmed Daud Farrukh	House No.277 Block-D Muhalla, Unit-6 Hyderabad Cantt, HBL Bank, Tehsil Latifabad Zillah, Hyderabad	41304-7872643-7	Munir Ahmed Faruukh	534,597	50,235	584,832	534,597	60,007	594,604
305	Mashkooor Hussain Khaskhely	Falcon Tarce Clifton Flat, No 304 Block 4, Near PSO Pump / Jama Masjid, Karachi	42301-4409976-7	Sabit Ali	576,622	18,577	595,199	576,622	15,809	592,431
306	Bilal Aslam	House No.18-B, Mozang Road, Lahore	35202-2440071-5	Muhammad Aslam	455,455	14,701	470,156	460,649	130,288	590,937
307	Mohammad Faizan	House No. 5 Gali No. 98 Arfa 4-A, Near Jama Masjid Quraishia, Landhi Karachi	42201-8984121-5	Mohammad Sultan	531,316	13,086	544,402	518,362	71,816	590,177
308	Umar Siddique	Daak Khana DHAni, Newsada Tehsil, Jamia Masjid, District, Muzaffarabad	37405-8695216-5	Muhammad Siddique Khan	559,329	29,770	589,098	559,329	29,770	589,098
309	Imran Hassan Malik	House No.8-A Sector F-B/1, Nazim Ud Din Road Islamabad, Near PTCL Exchange, Islamabad	61101-8207470-9	Sardar Hassan Ahmed	-	4,972	4,972	454,741	128,700	583,441
310	Muhammad Ayub	House No. 1512 Street No. 38, Block 4 Ibn E Abbas Masjid, Sikanderabad Keemari, Karachi	42401-5189651-5	Agha Jan	475,040	36,671	511,711	475,040	108,099	583,139
311	Khurram Shams Khan	61, A-Street, DHA Phase 5, 26th Street Signal, Karachi	42000-0558125-3	Shams Uz Zaman Khan	473,736	43,234	516,970	473,736	106,525	580,262
312	Muhammad Saqib Malhi	PO Same Chak No 130 Rb, Khurshid Purration, Near BOP, Chak Jhumra Dist Faisalabad	33101-0130551-1	Ishtiaq Ahmed	487,615	13,660	501,275	490,858	87,896	578,753
313	Syed Muhammad Wajid Pervez	Flat No A-305, Nazr Colony Gate, Fort Sultan Main Shahra-e-Faisal, Karachi	42201-7026539-1	Syed Muhammad Perwez Akhtar	-	-	-	528,441	48,811	577,253
314	Muhammad Kamran	PO Narar Prinda Kotli, Sattian District, Jamia Mosque, Rawalpindi	37405-5070464-1	Muhammad Rajasib	551,537	5,831	557,368	551,537	24,924	576,461
315	Awais Ahmad Khan	House No. 539 Block No. 2, Muhallah Sector A2, College Road, Township Lahore	35202-9423328-1	Mahmood Ahmad Khan	517,135	46,596	563,731	517,135	57,681	574,816
316	Muhammad Bilal Iqbal	House No. 78, U Lane, Cantt, Cavalry Ground Ext, Lahore	35202-2101469-9	Muhammad Iqbal	519,512	35,205	554,717	519,512	51,007	570,518
317	Maryam Javed	E Market PECHS, House No. 205 Block No. 6 Sharqi, Karachi	42201-0141264-4	Javed	446,638	32,073	478,711	446,638	116,191	562,829
318	Jazib Ali	House No. 454, Block-C, Lahore	35202-6458386-7	Muhammad Ejaz	564,741	4,270	569,012	515,407	47,141	562,549
319	Muhammad Raees Satti	House No.268 Street No.25 Sector D-2, Ahmed Raza Khan Road Hjrjat, Colony Near Pidc House	42301-5991953-5	Muhammad Rasheed Satti	445,210	45,531	490,741	445,210	117,124	562,334
320	Malik Wajahat Ali	PO Khas Dak Khana Teh, Kalar Kahar, Near Mosque, Dist Chakwal	37405-0805299-7	Malik Manzoor Ali	474,755	8,067	482,822	463,950	97,431	561,381
321	Asghar Ali	House No. LS 31 Block-17, Gulberg Town FB Area, Mamji Hospital, Karachi	42000-8583834-7	Zafar Aslam	467,854	9,031	476,885	487,455	73,400	560,855
322	Enam Ullah Khan	House No.98/1 Street No.9, Khayaban-e-Rohat, DHA Degree College, Phase No.6 DHA, Karachi	42301-8992595-3	Mumtaz Khan	427,084	13,141	440,225	444,004	116,305	560,310
323	Javed Iqbal	House No.41C Moh, Aman Park Hnajarwal, Basit Mobile, Multan Road, Lahore	35303-2366111-1	Falak Sher	495,740	43,770	539,510	495,740	64,051	559,792
324	Shahid Fayyaz Haider	43, Raza Block, Allama Iqbal road, Lahore	35202-3022446-1	Manzoor Hussain Shahid	533,255	19,335	552,590	533,255	25,335	558,590
325	Asif Iqbal	Plot No. 786 Husainabad, Block-3 FB, Karachi Haleem, Karachi	42101-3723388-7	Qasim Ganatra	529,430	23,553	552,983	505,889	51,937	557,826
326	Abdul Nafey Siddiqi	House No. 346 Lane 7 Street 5A, Phase 2 Gulraiz, High Court Road, Rawalpindi	37405-8287831-5	Abdul Wajid Siddiqi	544,872	9,718	554,590	501,470	50,628	552,098
327	Muhammad Hassan Raj	House No.47/D Phase 1, DHA Cantt Lahore	35201-2987178-9	Raj Muhammad Hasrat	517,601	16,706	534,307	517,601	33,077	550,678
328	Talha Ishtiaq Khan	Villa 12, Precinct-2, Quaid Block, Bahria Town Karachi, Super Highway, Karachi	42201-5493593-3	Ishtiaq Ahmed Khan	537,466	14,969	552,435	521,291	28,409	549,700
329	Muhammad Gibran Mustafa	House No. 22 KDA Banglows, Kahkashan, near HBL, Clifton South, Karachi	42000-4192813-3	Irfan Mustafa	420,662	81,073	501,735	420,663	128,782	549,445
330	Syed Sameel Saeed Naqvi	Flat No. B-27 Block 17 Haroon Royal City, Near KE Office, Phase 2 Gulistan e Johar, Karachi	42201-9402202-3	Syed Saeed Ul Hassan Naqvi	560,000	10,568	570,568	530,848	18,286	549,134
331	Haider Ali Rana	House No.18-A, Civil Area Okara, Near PSO CNG Station, Cantt Teh & Dist, Okara	35302-6151269-3	Rana Samsam Rabbani	500,898	13,953	514,851	500,898	48,137	549,035
332	Farhan Ansari	House No.94/1, 5th Commercial Street Phase 4 DHA, Imam Bargah, Karachi	42301-1930673-5	Salah Uddin Ansari	318,250	191,572	509,822	218,250	330,390	548,641
333	Syed Arif Hasan	House No.11-A DOHS Phase No.2, Malir Cantt Near Malir Cant Chowki, Karachi	42501-1390298-9	Syed Raghob Hasan	418,861	27,188	446,049	411,400	134,999	546,398
334	Muhammad Abbas	House No.1/2 D Street, Mahalla Sector G-9/2, Main G-9/2 Pwd Colony, Islamabad	61101-1810719-9	Ahmed Ali	497,013	40,071	537,084	497,013	46,545	543,557
335	Momin Sohail Khan	Barhan PO Khas, Tehsil Hassan Abdal, Attock Bus Stop, Distt Attock	37103-6599783-1	Sohail Ashraf Khan	432,983	20,487	453,470	436,683	106,328	543,012

# Notes to the Financial Statements

For the year ended 31 December 2023

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)
336	Mahmood Sikander Kapurwala	A-152 Block 11, Gulistan-e-Johar, Near Shaheen Public, Karachi	42201-2134483-9	Sikander Ismail	-	71	71	457,989	83,535	541,524
337	Azhar Hussain	Sandhialian Wali Kamaliya, Zila, Jamia Masjid, Toba Tekh Singh	35202-2424814-3	Muhammad Islam	433,807	12,878	446,685	433,806	107,492	541,299
338	Nusrat Ullah Khan	E-15 Street No. 25, Model Colony, Karachi	42201-2733499-5	Farhat Ullah Khan	1,971,257	562,954	2,534,211	-	540,523	540,523
339	Muhammad Umair Younus	Al Rehman Chamber War, Printer Street No.16 Laxmi, War Printer, Chowk McLeod Road Lahore	35202-7740120-1	Muhammad Younus	430,664	50,342	481,006	430,665	108,392	539,057
340	Gull Zaman Khan	House No. 78-C Street No. 3, Model Colony Firdous Market Lahore	35202-6362288-5	Muhammad Anwar Khan	539,318	20,133	559,451	517,087	18,579	535,666
341	Muhammad Zubair Shaikh	House No R-106, Sector No 18 FB Area, Near MCB, Karachi	42101-1383230-9	Muhammad Zamir Shaikh	542,682	3,568	546,250	509,599	25,023	534,622
342	Nadia Usman	House No.13/2 Sector No.J Phase No.1 DHA Cantt, Lahore	37405-0501577-0	Muhammad Usman Khan	495,737	7,799	503,536	368,429	163,180	531,608
343	Aqib Khan	Kachi Road Bhutta Village, House No. J-43 Keemari Market, Karachi	42401-7335265-7	Naveed Iqbal	484,821	44,586	529,407	484,821	46,301	531,122
344	Muhammad Furqan	House No.R-88 Works Coperative, Society Block-4 Gulistan-e-Johar Near Mosmiyat, Karachi	54400-0392567-7	Abdul Hayee	463,925	62,296	526,221	463,926	67,184	531,110
345	Fawad Hamayon	House No.651 Block B, DHA Rehbar Sector No.3, Halloki Garden, Lahore	35202-5929939-1	Sheikh Muhammad Saleem	475,881	7,432	483,313	388,327	142,368	530,695
346	Fahim Adil	House No. 98-W, EME Housing Soceity, Multan Road, Lahore	35202-2458933-3	Muhammad Adil Hussain	385,346	8,618	393,964	481,248	48,192	529,439
347	Aneeq Ali Chaudhry	House No 566 Street No.6, Johar Town, Near Mc-Donald, Lahore	42301-6818891-1	Asif Chaudhry	443,455	10,998	454,453	430,239	98,231	528,469
348	Waqar Yousaf	House No. 8 Street No 3, Sheesh Mahal Park, Shahjahan Road, Lahore	35202-5547077-5	Muhammad Yousaf	226,710	-	226,710	415,374	112,626	528,000
349	Bawar Khan	Deans Trade Centre, Office Number 353, Sadar Road Peshawar	17102-0817446-9	Muhammad	514,554	9,660	524,214	494,380	30,874	525,254
350	Khayyam Akbar Malik	House No. 8/A Aziz Wala Street No. 40, Musafir Street Islampura, Lahore	35202-3065446-9	Muhammad Akbar Malik	509,942	14,254	524,195	487,843	34,489	522,331
351	Muhammad Shahid Masroor Ahmed Tawakly	House No.393 Street No 64, I-8/3, I-8 Markaz Islamabad	37405-0686288-5	Hafiz Iqbal Ahmed Tawakly	468,038	53,335	521,373	468,038	53,335	521,373
352	Shearyar Ali	Shoukat Street House No., 34/45 Street No. 138, Do Hatta Colony ICHRA, Lahore	35202-8168024-1	Wajid Ali	500,832	16,330	517,162	500,832	20,506	521,338
353	Muhammad Mansoor Zafar	House Number 44/1, 12th Street, Phase 5, Khyaban-e-Mujahid, Karachi	42301-7483660-1	Naseem Zafar	500,598	14,892	515,490	418,570	101,671	520,241
354	Hamza Sajid Malik	House No.290-A, New Muslim Town Lahore, Ayubia Market, Ferozpur Road, Lahore	35200-9793370-9	Sajid Anwar Malik	10,422	104	10,526	408,374	111,791	520,165
355	Shariq Iftikhar	House No. 93-D, Model Town Market, Lahore	35202-2633803-1	Iftikhar Shaffi	52,025	-	52,025	503,071	16,779	519,851
356	Muhammad Raza	House No. R-751, Block 19, F.B Area, Near Noor Hospital, Karachi	42101-1565074-7	Syed Irshad Hussain	435,446	-	435,446	435,446	83,583	519,029
357	Imran Qamar	House No. A-34 Block-H, North Nazimabad, Near Hyderi Market, Karachi	42101-1866792-5	Qamar Munir	470,442	10,991	481,434	452,631	62,619	515,250
358	Syed Farrukh Naeem Shah	House No. 28/2 Sanober Cottage, Sector TI-K North, BBC Broast, Karachi	42101-1144050-5	Syed Naeem Ahmed Shah	448,047	51,620	499,667	459,390	55,010	514,400
359	Nabeel Zubair	199-H Mode Town, Near Ittefaq Hospital, Lahore	37405-4974451-5	Mir Muhammad Zubair	423,668	65,526	489,194	423,668	90,037	513,705
360	Atta Ur Rehman	House No.1/14 Street No.4, Nadeem Park Band Road, Near Shazan Factory, Lahore	38104-0826942-7	Muhammad Sharif	394,621	5,512	400,133	390,329	123,239	513,568
361	Saad Hassan	House No.A-2/10 Ikram State, Bufferzone, Near Cng Pump, Sector No.15-A/5 North Karachi	42101-3135751-7	Muhammad Zafar Hussain	393,190	105,387	498,577	393,190	120,105	513,294
362	Zahid Ali	Post Off Khyber Tehsil, Gajal Hunza Distt, Hanza Nagar Near Post Office Hunza	71505-0410663-3	Muhammad Siraj	425,939	49,549	475,488	425,939	85,993	511,932
363	Joseph Basharat Masih	House No. C-160, Christan Colony 100 Quarters, F-6/2 Near Hill Road, Islamabad	61101-7642440-1	Arif Masih	394,811	-	394,811	421,720	86,903	508,624
364	Sohail Ahmed Qureshi	Mareena Elevation Apartments, Flat No 202 Clifton Block 2, Karachi Near Indus Valley College, Karachi	42301-0931616-1	Khaliq Farooq Qureshi	389,585	104,279	493,864	389,586	118,922	508,507
365	Syed Imran Akhtar Shah	Railway Canal Bank, House No.31 Griffin LARECHS, Near Baghban Pura, Lahore	35201-1302264-7	Syed Akhter Ali Shah	438,329	12,435	450,764	439,914	68,181	508,095
366	Muhammad Yousuf	Basti Gulab Rohilan, Wali Teh & Dist. Higher School, Rohilan Wali, Muzafargah	32304-6393712-9	Abdul Mutlib	622,562	11,104	633,666	471,069	36,825	507,894
367	Ali Abbas Khan Daha	Mehbob Manzal, Masjid Al Khadija, Khaniwal	61101-7229883-5	Shafaat Ahmed Khan Daha	401,250	90,627	491,877	401,250	104,189	505,439
368	Masood Ahmed	House No.E160/A Street No.8 Moh Gulshan, Ali Colony Defence Road, Dgvine Mrga, Cant Lahore Near Dgvine Mrga, Lahore	35201-2254590-3	Muhammad Shafi Malik	454,808	46,598	501,407	454,808	48,913	503,722
369	Naveed Hasan Siddiqui	House No.11/G, 2/2, NazimabadNo.2 Near Aqsa Masjid, Karachi	42101-2303956-5	Masroor Hasan Siddiqui Late	497,161	9,289	506,451	497,161	4,142	501,303
					<b>498,369,126</b>	<b>94,685,696</b>	<b>593,054,822</b>	<b>334,273,985</b>	<b>115,597,320</b>	<b>449,871,304</b>

# Notes to the Financial Statements

For the year ended 31 December 2023

Annexure - II

## ISLAMIC BANKING BUSINESS

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

	Note	2023	2022
(Rupees in '000)			
<b>ASSETS</b>			
Cash and balances with treasury banks		5,137,703	9,775,522
Due from financial institutions	1	6,285,299	7,032,585
Investments	2	26,081,894	37,098,455
Islamic financing and related assets - net	3	64,130,502	57,189,213
Fixed assets		35,415	49,668
Other assets		2,972,983	2,196,823
<b>Total Assets</b>		<b>104,643,796</b>	<b>113,342,266</b>
<b>LIABILITIES</b>			
Bills payable		241,334	54,692
Due to financial institutions		6,829,716	5,022,029
Deposits and other accounts	4	69,618,829	87,691,012
Due to Head Office	5	6,520,884	2,540,210
Other liabilities		1,289,602	822,453
		<b>84,500,365</b>	<b>96,130,396</b>
<b>NET ASSETS</b>		<b>20,143,431</b>	<b>17,211,870</b>
<b>REPRESENTED BY</b>			
Islamic Banking Fund		500,000	500,000
Surplus/ (Deficit) on revaluation of assets		167,107	(2,495)
Unappropriated/ Unremitted profit	7	19,476,324	16,714,365
		<b>20,143,431</b>	<b>17,211,870</b>

## CONTINGENCIES AND COMMITMENTS

8

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

	Note	2023	2022
(Rupees in '000)			
Profit / return earned	9	15,413,379	11,011,592
Profit / return expensed	10	(3,315,025)	(2,421,132)
<b>Net Profit / return</b>		<b>12,098,354</b>	<b>8,590,460</b>
<b>Other income</b>			
Fee and Commission Income		1,264,845	579,100
Foreign Exchange Income		1,132,817	337,571
(Loss) / gain on securities		(661,402)	178,542
Other Income		15	23,015
<b>Total other income</b>		<b>1,736,275</b>	<b>1,118,228</b>
<b>Total income</b>		<b>13,834,629</b>	<b>9,708,688</b>
Other expenses			
Operating expenses		(3,034,733)	(2,272,573)
<b>Total other expenses</b>		<b>(3,034,733)</b>	<b>(2,272,573)</b>
<b>Profit before provisions</b>		<b>10,799,896</b>	<b>7,436,115</b>
Reversal / (provisions) and write offs - net		(37,937)	99,949
<b>Profit before taxation</b>		<b>10,761,959</b>	<b>7,536,064</b>

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. 5.5 billion (2022:Rs. 4.6 billion).

# Notes to the Financial Statements

For the year ended 31 December 2023

Annexure - II

	2023			2022		
	In Local Currency	In Foreign Currencies	Total	In Local Currency	In Foreign Currencies	Total
<b>1 Due from Financial Institutions</b>	(Rupees in '000)					
Unsecured	-	6,285,299	6,285,299	-	7,032,585	7,032,585
	-	6,285,299	6,285,299	-	7,032,585	7,032,585

	2023				2022			
	Cost / Amortised cost	Provision for diminution	Surplus / (Deficit)	Market Value	Cost / Amortised cost	Provision for diminution	Surplus / (Deficit)	Market Value
<b>2 Investments by segments:</b>	(Rupees in '000)							
<b>Federal Government Securities:</b>								
-Ijarah Sukuks	24,225,163	-	178,403	24,403,566	35,736,913	-	(91,527)	35,645,386
-Islamic Naya Pakistan Certificates	1,678,328	-	-	1,678,328	1,453,069	-	-	1,453,069
<b>Total Investments</b>	<b>25,903,491</b>	<b>-</b>	<b>178,403</b>	<b>26,081,894</b>	<b>37,189,982</b>	<b>-</b>	<b>(91,527)</b>	<b>37,098,455</b>

	Note	2023	2022
		(Rupees in '000)	
<b>3 Islamic financing and related assets</b>			
Murabaha	3.1	5,764,173	6,160,026
Musharaka		16,032,836	9,360,545
Diminishing Musharaka		25,193,775	30,671,524
Musawammah		520,000	1,300,000
Ujrah (Saadiq Credit Cards)		490,119	480,360
Advances against Islamic assets - Murabaha		12,655,705	5,841,119
Advances against Islamic assets - Diminishing Musharakah		175,519	743,585
Advances against Islamic assets - Istisna		3,430,000	1,883,000
Inventory related to Islamic financing - 'Musawammah		600,000	-
Inventory related to Islamic financing - Murabaha		212,030	1,657,284
Gross Islamic financing and related assets		65,074,157	58,097,443
Less: provision against Islamic financings			
- Specific		(593,045)	(567,423)
- General		(350,610)	(340,807)
		(943,655)	(908,230)
Islamic financing and related assets - net of provision		64,130,502	57,189,213
	Note	2023	2022
		(Rupees in '000)	
<b>3.1 Murabaha</b>			
Murabaha financing	3.1.1	5,764,173	6,160,026
Inventory for Murabaha		212,030	1,657,284
Advances for Murabaha		12,655,705	5,841,119
		18,631,908	13,658,429
<b>3.1.1 Murabaha receivable - gross</b>	3.1.2	7,397,999	7,535,156
Less: Deferred murabaha income	3.1.4	(1,562,559)	(1,283,598)
Profit receivable shown in other assets		(71,267)	(91,532)
Murabaha financings		5,764,173	6,160,026
<b>3.1.2 The movement in Murabaha financing during the year is as follows:</b>			
Opening balance		7,535,156	4,426,011
Sales during the year		13,726,414	16,192,123
Adjusted during the year		(13,863,571)	(13,082,978)
Closing balance		7,397,999	7,535,156

# Notes to the Financial Statements

For the year ended 31 December 2023

Annexure - II

	2023	2022
	(Rupees in '000)	
<b>3.1.3</b> Murabaha sale price	7,397,999	7,535,156
Murabaha purchase price	(5,764,173)	(6,160,025)
	<u>1,633,826</u>	<u>1,375,131</u>
<b>3.1.4</b> Deferred murabaha income		
Opening balance	1,283,598	235,624
Arising during the year	2,343,973	2,289,524
Less: Recognised during the year	(2,065,012)	(1,241,550)
Closing balance	<u>1,562,559</u>	<u>1,283,598</u>

4	Deposits	2023			2022		
		In Local Currency	In Foreign Currencies	Total	In Local Currency	In Foreign Currencies	Total
(Rupees in '000)							
<b>Customers</b>							
	Current deposits	31,454,450	12,308,873	43,763,323	28,393,117	10,653,394	39,046,511
	Savings deposits	24,549,447	-	24,549,447	22,136,809	-	22,136,809
	Term deposits	137,698	-	137,698	484,778	-	484,778
	Margin accounts	540,643	-	540,643	25,384,540	-	25,384,540
		<u>56,682,238</u>	<u>12,308,873</u>	<u>68,991,111</u>	<u>76,399,244</u>	<u>10,653,394</u>	<u>87,052,638</u>
<b>Financial Institutions</b>							
	Current deposits	31,048	-	31,048	58,429	-	58,429
	Savings deposits	596,670	-	596,670	579,945	-	579,945
		<u>57,309,956</u>	<u>12,308,873</u>	<u>69,618,829</u>	<u>77,037,618</u>	<u>10,653,394</u>	<u>87,691,012</u>

	2023	2022
	(Rupees in '000)	
<b>4.1 Composition of deposits</b>		
- Individuals	43,655,816	46,413,192
- Government (Federal and Provincial)	18,795	46,749
- Banking Companies	9,055	-
- Non-Banking Financial Institutions	574,746	541,886
- Private Sector	18,303,408	34,151,237
- Non residents (Corporate & Individual)	5,768,233	6,006,684
- Trusts	1,288,776	531,264
	<u>69,618,829</u>	<u>87,691,012</u>

**4.2** This includes deposits eligible to be covered under insurance arrangements amounting to Rs 49,887 million (2022: Rs. 48,178 million)

<b>5 Due to Head Office</b>	<u>6,520,884</u>	<u>2,540,210</u>
-----------------------------	------------------	------------------

	2023	2022
	(Rupees in '000)	
<b>6 Charity Fund</b>		
Opening balance	18,110	9,886
Additions during the period		
Received from customers on account of delayed payment	7,612	3,530
Other Non-Shariah compliant income	6,755	15,742
	<u>14,367</u>	<u>19,272</u>
Payments / utilization during the period		
Education	(11,048)	(11,048)
Health	(11,000)	-
	<u>(22,048)</u>	<u>(11,048)</u>
Closing balance	<u>10,429</u>	<u>18,110</u>

# Notes to the Financial Statements

For the year ended 31 December 2023

Annexure - II

	2023	2022
	(Rupees in '000)	
<b>Details of charity payments</b>		
The Hunar Foundation	-	6,750
The Aman Foundation	-	4,298
Indus Hospital	11,000	-
The Citizen Foundation	11,048	-
	<u>22,048</u>	<u>11,048</u>
	2023	2022
	(Rupees in '000)	
<b>7 Islamic Banking Business Unappropriated Profit</b>		
Opening Balance	16,714,365	13,178,301
Add: Islamic Banking profit for the period	10,761,959	7,536,064
Less: Transferred / Remitted to Head Office	(8,000,000)	(4,000,000)
Closing Balance	<u>19,476,324</u>	<u>16,714,365</u>
	2023	2022
	(Rupees in '000)	
<b>8 Contingencies And Commitments</b>		
-Guarantees	2,373,714	1,442,579
-Commitments	-	-
-Other contingent liabilities	2,774,867	6,089,906
	<u>5,148,581</u>	<u>7,532,485</u>
	2023	2022
	(Rupees in '000)	
<b>9 Profit/Return Earned of Financing, Investments and Placement</b>		
Profit earned on:		
Financing	10,761,562	8,281,360
Investments	4,278,879	2,562,788
Placements	372,938	167,444
	<u>15,413,379</u>	<u>11,011,592</u>
	2023	2022
	(Rupees in '000)	
<b>10 Profit on Deposits and other Dues Expensed</b>		
Deposits and other accounts	(2,478,152)	(2,140,124)
Due to Financial Institutions	(757,968)	(204,956)
Deposit protection premium	(77,088)	(74,019)
Finance cost of lease liability	(1,817)	(2,033)
	<u>(3,315,025)</u>	<u>(2,421,132)</u>
	2023	2022
	(Rupees in '000)	
<b>11 Profit &amp; Loss distribution and Pool Management</b>		
The Bank manages following assets pools for profit and loss distribution:		
a) Islamic Export Refinance Scheme (IERS) Musharakah Pool; and		
b) Mudarabah Pool		
<b>a) Islamic Export Refinance Scheme (IERS) Musharakah Pool</b>		
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.		

# Notes to the Financial Statements

For the year ended 31 December 2023

Annexure - II

The relevant details are mentioned hereunder:

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	17.0%	1,070,830	741,710	59.1%	40.9%

## B) Mudarabah Depositors Pool

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

### i) Key features, risk and reward characteristics

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

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

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

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

### iii) Deployment of Mudaraba based deposits

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

### iv) Other information

	Type of Pool							
	General	Special	High Yield	Special Term Deposit	Special Pool - CCIB	High Yield - Pool 2	Special Pool -TD- CCIB	Special Pool-2
Profit rate and weightage announcement frequency	Monthly	Monthly	Monthly	Monthly	Monthly	Monthly	Monthly	Monthly
Mudarib share (amount in '000)	1,204,112	192,856	268,475	5,673	169,165	-	-	259,424
Mudarib share (%)	49.4%	45.3%	41.5%	35.9%	35.6%	0.0%	0.0%	46.8%
Mudarib Share transferred through Hiba (Amount in '000)	14,132	12,705	39,160	1,294	64,851	-	-	16,374
Mudarib Share transferred through Hiba (%)	1.2%	6.2%	12.7%	18.6%	27.7%	0.0%	0.0%	5.9%
Average return on pool assets	18.8%	19.4%	19.1%	17.9%	10.2%	15.3%	9.4%	19.2%
Average return on deposits	9.5%	10.6%	11.0%	11.3%	6.6%	0.0%	0.0%	10.7%



# PATTERN OF SHAREHOLDING

As at 31 December 2023

# Of Shareholders	Shareholdings' Slab			Total Shares Held
1,199	1	to	100	43,924
1,756	101	to	500	540,255
966	501	to	1000	744,138
2,107	1001	to	5000	5,340,463
675	5001	to	10000	4,166,216
94	10001	to	15000	1,170,900
58	15001	to	20000	1,006,127
35	20001	to	25000	809,907
19	25001	to	30000	532,899
19	30001	to	35000	617,129
7	35001	to	40000	264,312
7	40001	to	45000	293,489
14	45001	to	50000	688,907
4	50001	to	55000	208,339
5	55001	to	60000	287,280
6	60001	to	65000	380,448
4	65001	to	70000	275,927
2	70001	to	75000	147,500
1	75001	to	80000	75,817
1	80001	to	85000	82,000
2	85001	to	90000	172,500
13	95001	to	100000	1,287,347
3	100001	to	105000	308,239
2	105001	to	110000	217,500
1	110001	to	115000	112,000
1	120001	to	125000	124,500
1	125001	to	130000	125,116
1	145001	to	150000	150,000
1	165001	to	170000	167,500
3	175001	to	180000	536,000
1	195001	to	200000	200,000
2	220001	to	225000	444,200
1	230001	to	235000	234,604
3	245001	to	250000	744,732
1	270001	to	275000	271,000
1	295001	to	300000	300,000
1	335001	to	340000	339,500
1	395001	to	400000	400,000
1	415001	to	420000	417,000
1	420001	to	425000	423,000
1	435001	to	440000	440,000
1	440001	to	445000	440,179
2	495001	to	500000	1,000,000
1	595001	to	600000	596,500
1	710001	to	715000	712,500
1	740001	to	745000	745,000
1	835001	to	840000	839,500
1	850001	to	855000	855,000
1	895001	to	900000	900,000
1	910001	to	915000	914,570
1	920001	to	925000	923,500
1	980001	to	985000	980,295
1	995001	to	1000000	1,000,000
1	1240001	to	1245000	1,243,100
1	3000001	to	3005000	3,005,000
1	3832335001	to	3832340000	3,832,339,162
<b>7,037</b>				<b>3,871,585,021</b>

## CATEGORY WISE LIST OF SHAREHOLDERS

As at 31 December 2023

Categories of Shareholders	Shareholders	Shares Held	Percentage
<b>Directors, Chief Executive Officer and their spouse(s) and minor children</b>			
Mr. Rehan Muhammad Shaikh	1	1	0.00
Mrs. Rola Abu Manneh	1	1	0.00
Mr. Badaruddin Fatehali Vellani	1	1,000	0.00
Mr. Ehsan Ali Malik	1	1	0.00
Mr. Sheikh Jobe	1	1	0.00
Mr. Towfiq Habib Chinoy	1	1	0.00
Mr. Christopher Parsons	1	1	0.00
<b>Associated Companies, undertakings and related parties</b>	1	3,832,339,162	98.99
<b>NIT and ICP</b>	1	3,250	0.00
<b>Banks Development Financial Institutions, Non-Banking Financial Institutions</b>	9	995,927	0.03
<b>Insurance Companies</b>	1	235	0.00
<b>Modarabas and Mutual Funds</b>	8	287,002	0.01
<b>General Public</b>			
a. Local	6,920	32,249,809	0.83
b. Foreign	16	45,813	0.00
<b>Foreign Companies</b>	1	3,005,000	0.08
<b>Others</b>	73	2,657,817	0.07
<b>Totals</b>	<b>7,037</b>	<b>3,871,585,021</b>	<b>100.00</b>

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

**Standard Chartered Bank (Pakistan) Limited (“SCBPL”)**

**Ballot Paper For Voting Through Post**

For poll at the Annual General Meeting to be held on Thursday, 28 March 2024, at 3:00 p.m. at ICAP Chartered Accountants Avenue, Clifton, Karachi.

Designated email address of the Chairman at which the duly filled in ballot paper may be sent: [cosec.pk@sc.com](mailto:cosec.pk@sc.com)

Folio / CDC Account #	
Name of Shareholders / Joint Shareholders / Proxy Holder	
Registered Address	
Number of shares held	
CNIC / NICOP/ Passport No. (copy to be attached)	
<b>Additional Information and enclosures</b> (In case of Body Corporate, Corporation and Federal Government)	
Name of Authorised Signatory:	
CNIC / NICOP/ Passport No. (copy to be attached)	

I/we hereby exercise my/our vote in respect of the following ordinary resolution(s) through postal ballot by giving my/our assent or dissent to the following ordinary resolution(s) by placing tick (✓) mark in the appropriate box below:

Ordinary Resolution(s)
<p><b>AGENDA ITEM 4:</b></p> <p><b>To consider and approve transmission of the Annual Audited Accounts and related reports/ documents (as part of the Annual Report) to the members of the Bank via QR Code and Weblink as permitted by the Securities and Exchange Commission of Pakistan vide its S.R.O. 389(I)/2023 dated 21 March 2023.</b></p> <p>“RESOLVED THAT the annual audited financial statements and related documents/ reports (as part of the Annual Report) shall be circulated by the Bank to its members through QR Code and Weblink subject to fulfilment of the requirements under SECP’s Notification S.R.O. 389(I)/2023 dated 21 March 2023.”</p> <p>“FURTHER RESOLVED THAT notice of general meeting(s) continue to be dispatched to the members of the Bank, either electronically at the registered email addresses or by post at the registered addresses of the members, containing the QR Code and Weblink to view and download the annual audited financial statements and related documents/ reports (as part of the Annual Report).”</p> <p>“FURTHER RESOLVED THAT the annual audited financial statements and related documents/ reports (as part of the Annual Report) be also circulated by the Bank to its members through registered email of the members, where provided, whereas hard copy of annual audited financial statements and related documents/ reports (as part of the Annual Report) shall only be provided, free of cost, within one week of receipt of signed request of member(s) on the prescribed request form available on Bank’s website for this purpose.”</p>
<p><b>AGENDA ITEM 5:</b></p> <p><b>To consider and approve the revised Directors’ Remuneration Policy, as approved by the Board of Directors of the Bank, on post facto basis.</b></p> <p>“RESOLVED THAT the revised Directors’ Remuneration Policy as approved and recommended by the Board of Directors of the Bank be and is hereby confirmed and approved on post facto basis.”</p>

**Instructions For Poll**

- Please indicate your vote by ticking (✓) the relevant box.
  - In case if both the boxes are marked as (✓), your poll shall be treated as “Rejected”.
- I/we hereby exercise my/our votes in respect of the above ordinary resolutions through ballot by conveying my/our favour or against to the resolution by placing tick (✓) mark in the appropriate box below:

Resolutions	In favour of the Resolution	Against the Resolution
<b>Agenda Item 4</b>		
<b>Agenda Item 5</b>		

**Notes:**

- Duly filled and signed ballot paper, along with a copy of the CNIC/ NICOP/ Passport\*\*, should reach the Chairman of the meeting through the post at the Bank’s registered address, **Company Secretary Office, First Floor, Standard Chartered Bank (Pakistan) Limited, P.O. Box No. 5556, I. I. Chundrigar Road, Karachi**, or email at [cosec.pk@sc.com](mailto:cosec.pk@sc.com).
- Postal Ballot Form should reach Chairman of the meeting on or before Wednesday, 27 March 2024 during working hours. Any Postal Ballot received after this date, will not be considered for voting.
- Signature on postal ballot paper should match with signature the registered on CNIC/ Passport\*\*.
- In case of Body Corporate, Corporation and Federal Government, certified copy of Board resolution/ Power of attorney along with valid copies of CNIC/ NICOP/ Passport of authorised signatory(ies) will be required\*\*.
- Incomplete, unsigned, incorrect, defaced, torn, mutilated, over written Ballot Paper will be rejected.
- The shareholders may download the Postal Ballot Form from the Bank’s website (<https://www.sc.com/pk/about-us/notices/>) or use the original / photocopy as published in newspaper/annual report.

<b>Shareholder / Proxy Holder Signature/ Authorised Signatory</b> (in case of corporate entity, please affix company stamp)	<b>Date</b>
--	-------------

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

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## اسٹینڈرڈ چارٹرڈ بینک (پاکستان) لمیٹڈ ("SCBPL")

### بذریعہ ڈاک وونگ کیلئے بیلٹ پیپر

برائے سالانہ اجلاس عام میں رائے شماری مورخہ 28 مارچ 2024 بروز جمعرات، دوپہر 3:00 بجے اسٹیٹیوٹ آف چارٹرڈ اکاؤنٹنٹس آف پاکستان، چارٹرڈ اکاؤنٹنٹ ایسوسی ایشن، کراچی  
درست طریقے سے پُر شدہ بیلٹ پیپر جیتز میں کے وقف شدہ ای میل ایڈریس: [cosec.pk@sc.com](mailto:cosec.pk@sc.com) پر بھیجا جاسکتا ہے۔

فیلڈ/سی ڈی سی اکاؤنٹ نمبر	
شیئر ہولڈر/جوائنٹ شیئر ہولڈر/پراکسی ہولڈر کا نام	
رجسٹرڈ ایڈریس	
ملکیتی حصص کی تعداد	
NICOP/CNIC / پاسپورٹ نمبر (کا پی منسلک کی جائے گی)	
اضافی معلومات اور منسلک دستاویزات (کارپوریٹ باڈی، کارپوریشن اور وفاقی حکومت کی صورت میں)	
مجاز دستخط کنندہ کا نام	
مجاز دستخط کنندہ کا NICOP/CNIC / پاسپورٹ نمبر (کا پی منسلک کی جائے گی)	

میں/ہم بذریعہ بذمہ دار ذیل عمومی قرارداد (قراردادوں) کے سلسلے میں پوسٹل بیلٹ کے ذریعے اپنا ووٹ استعمال کرتا ہوں/کرتے ہیں اور ذیل میں مناسب باکس میں ٹک (✓) کا نشان لگا کر قرارداد پر میری/ہماری رضامندی یا اختلاف ظاہر کرتا ہوں/کرتے ہیں:

### عمومی قرارداد (قراردادیں):

#### ایجنڈا نمبر 4

سکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی طرف سے اپنے S.R.O. 389(I)/2023 تاریخ 21 مارچ 2023ء کے ذریعے کیا آؤڈ اور ویب لنک کے ذریعے بینک کے ممبران کو سالانہ آؤڈ شدہ اکاؤنٹس اور متعلقہ رپورٹس/دستاویزات (سالانہ رپورٹ کے حصے کے طور پر) کی تزیل پر غور کرنا اور منظوری دینا۔

”قرارداد کیا ہے: بینک اپنے ممبران کو سالانہ آؤڈ شدہ مالیاتی گوشواروں اور متعلقہ دستاویزات/رپورٹس (سالانہ رپورٹ کے حصے کے طور پر) ایس ای سی بی کے نوٹیفکیشن S.R.O. 389(I)/2023 تاریخ 21 مارچ 2023ء کے تحت ضروریات کی تکمیل سے مشروط بذریعہ QR کوڈ اور ویب لنک کے ذریعے بھیجے گا۔“

”مزید قرار پایا کہ اجلاس عام کا نوٹس بینک کے ممبران کو یا تو الیکٹرانک طور پر رجسٹرڈ ای میل ایڈریس یا ممبران کے رجسٹرڈ ایڈریس پر ڈاک کے ذریعے بھیجا جاتا رہے گا، جس میں سالانہ آؤڈ شدہ مالیاتی گوشوارے اور متعلقہ دستاویزات/رپورٹس (سالانہ رپورٹ کے حصے کے طور پر) دیکھنے اور ڈاؤن لوڈ کرنے کیلئے QR کوڈ اور ویب لنک موجود ہیں۔“

”مزید قرار پایا کہ سالانہ آؤڈ شدہ مالیاتی گوشواروں اور متعلقہ دستاویزات/رپورٹس (سالانہ رپورٹ کے حصے کے طور پر) بھی بینک کی طرف سے اپنے ممبران کو ان کے رجسٹرڈ ای میل کے ذریعے بھیجے جائیں، اگر فراہم کیا گیا ہو، جبکہ سالانہ آؤڈ شدہ مالیاتی گوشواروں اور متعلقہ دستاویزات/رپورٹس (سالانہ رپورٹ کے حصے کے طور پر) کی بارڈر کا پی اس مقصد کیلئے بینک کی ویب سائٹ پر دستیاب، درخواست فارم پر ممبران کی دستخط شدہ درخواست کی وصولی کی صورت میں ایک ہفتے کے اندر مفت فراہم کی جائیں گی۔“

#### ایجنڈا نمبر 5:

بینک کے ڈائریکٹرز کے معاوضے کی نظر ثانی شدہ پالیسی پر غور کرنا اور اسے پوسٹل ٹیکو نیاؤوں پر منظور کرنا جسے بینک کے بورڈ آف ڈائریکٹرز نے منظور کیا ہے۔

”قرارداد کیا ہے: ڈائریکٹرز کے معاوضے کی نظر ثانی شدہ پالیسی جو کہ بینک کے بورڈ آف ڈائریکٹرز کی جانب سے منظور شدہ اور تجویز کردہ ہے اور اس کی تصدیق اور منظوری بذریعہ بذمہ دار اور بعد ازاں کی بنیاد پر کی جاتی ہے۔“

### پول کیلئے ہدایات

1- برائے ممبرانی متعلقہ باکس پر (✓) کا نشان لگا کر اپنے ووٹ کی نشاندہی کریں۔

2- اگر دونوں خانوں پر (✓) کا نشان لگایا گیا تو آپ کے پول کو ”مسترد“ سمجھا جائے گا۔

میں/ہم بذریعہ بذمہ دار بالآخر قرارداد کے سلسلے میں بیلٹ کے ذریعے اپنا ووٹ استعمال کرتا ہوں/کرتے ہیں اور ذیل میں مناسب باکس میں ٹک (✓) کا نشان لگا کر قرارداد پر میری/ہماری رضامندی یا اختلاف ظاہر کرتا ہوں/کرتے ہیں:

قراردادیں	قرارداد کے حق میں	قرارداد کی مخالفت میں
ایجنڈا نمبر 4:		
ایجنڈا نمبر 5:		

### نوٹس:

- 1- ضابطہ پُر شدہ اور دستخط شدہ بیلٹ NICOP/CNIC / پاسپورٹ \*\* کی نقل کے ساتھ اجلاس کے جیتز میں کو بذریعہ ڈاک بینک کے رجسٹرڈ پتے، کمپنی سیکریٹری آفس، پبلی منزل، اسٹینڈرڈ چارٹرڈ بینک (پاکستان) لمیٹڈ، پی او باکس نمبر 5556، ای آئی چنڈر گورڈ، کراچی پر بھیجا جائے گا [cosec.pk@sc.com](mailto:cosec.pk@sc.com) پر ای میل کیا جائے گا۔
- 2- پوسٹل بیلٹ فارم 27 مارچ 2024ء بروز بدھ تک یا اس سے پہلے کاروباری اوقات میں جیتز میں تک پہنچ جانا چاہیے۔ اس تاریخ کے بعد موصول ہونے والے کسی بھی بیلٹ پیپر کو وونگ کا حصہ نہیں سمجھا جائے گا۔
- 3- بیلٹ پیپر پر دستخط CNIC / پاسپورٹ \*\* پر دستخط سے متاثر ہونا چاہئے۔
- 4- باڈی کارپوریٹ، کارپوریشن یا وفاقی حکومت کی صورت میں بورڈ کی قرارداد/پاور آف اتھارٹی اور مجاز دستخط کنندہ (کنڈگان) کے ممبران NICOP/CNIC / پاسپورٹ کی تصدیق شدہ نقل درکار ہوں گی۔
- 5- نامکمل، غیر دستخط شدہ، غلط منسوخ شدہ، پھٹا ہوا، ترمیم شدہ، اضافی تحریر والا بیلٹ پیپر مسترد کر دیا جائے گا۔
- 6- شیئر ہولڈرز پوسٹل بیلٹ پیپر فارم تکمیل کی ویب سائٹ (<https://www.sc.com/pk/about-us/notices/>) سے ڈاؤن لوڈ کر سکتے ہیں یا اخبارات/سالانہ رپورٹ میں شائع ہونے والی اصل/فوٹو کاپی استعمال کر سکتے ہیں۔

### شیئر ہولڈر/پراکسی ہولڈر کے دستخط/مجاز دستخط کنندہ

(کارپوریٹ ادارے کی صورت میں، برائے ممبرانی کمپنی کی ہرچہ چاہیں کریں)

تاریخ

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

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**FORM OF PROXY**  
**18<sup>TH</sup> ANNUAL GENERAL MEETING**  
**STANDARD CHARTERED BANK (PAKISTAN) LIMITED**

نمائندگی کا فارم (پراکسی فارم)  
اٹھارہواں 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 28 March 2024 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 28 مارچ 2024 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 ..... 2024 کو  
دستخط کئے گئے۔

Signed this \_\_\_\_\_ day of \_\_\_\_\_  
2024.

Folio/ CDC No.  
فولیو/سی ڈی سی

Signature  
دستخط

**WITNESSES:**

گواہ:

1. Signature: \_\_\_\_\_ .1 دستخط  
Name: \_\_\_\_\_ نام  
CNIC/Passport No.: \_\_\_\_\_ سی این آئی سی / پاسپورٹ نمبر  
Address: \_\_\_\_\_ پتہ
2. Signature: \_\_\_\_\_ .2 دستخط  
Name: \_\_\_\_\_ نام  
CNIC/Passport No.: \_\_\_\_\_ سی این آئی سی / پاسپورٹ نمبر  
Address: \_\_\_\_\_ پتہ

**Note:**

نوٹ:

1. 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. نمائندگی کا فارم (پراکسی فارم) جلد از جلد بینک کے رجسٹرڈ پتے پر جمع 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۔
2. No person shall act as proxy unless he/she is a member of the Bank. کسی بھی غیر رکن شخص کا تقرر بطور نمائندہ (پراکسی) نہیں کیا جا سکتا۔



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

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# Disclosures on Governance and Remuneration

Qualitative disclosures in line with State Bank of Pakistan's ("SBP") 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 Board Committee is provided as below:

- BAC is primarily responsible for reviewing the financial statements and related controls, reviewing the effectiveness of the Bank's internal controls, internal financial controls and the compliance controls, monitoring the effectiveness of the internal audit function, reviewing independence and objectivity of external and internal audit, 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 the Board for approval, to ensure that all cloud based arrangements (domestic/off-shore) are in line with the policy approved by the Board, and to review implementation of information security program and risk management strategies to achieve resilience against cyber-attacks.

### 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 Board of Directors ("BoD"). Furthermore, external Shariah Audit report is presented to the 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

# Disclosures on Governance and Remuneration

of due diligence and screening 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 the 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 Ajjaz (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/sadiq/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 SBP in accordance with the rulings of Shariah Advisory Committee of SBP

### Shariah Board Meetings

The details of the meetings held during the year, 2023 are as follows:

S.No.	Period/Year (2023)	Meeting Held (Yes / No)	Meeting No.	Date of Meeting	Meeting Attended (Yes / No)			
					Chairman	Member	Member	RSBM
1	Q1'23	Yes	31 <sup>st</sup>	13/03/2023	Yes	Yes	Yes	Yes
2	Q2'23	Yes	32 <sup>nd</sup>	01/06/2023	Yes	Yes	Yes	Yes
3	Q3'23	Yes	33 <sup>rd</sup>	04/09/2023	Yes	Yes	Yes	Yes
4	Q4'23	Yes	34 <sup>th</sup>	31/10/2023	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.

## Disclosure on Complaint Handling 2023

In 2023, Standard Chartered Bank (Pakistan) Limited continued its commitment to exemplary management of complaints, prioritising client satisfaction and regulatory compliance. Embracing a transformative digital journey, processes were streamlined to enhance efficiency in addressing and resolving clients' concerns.

The Bank has a dedicated Client Care Unit which handles the complaints received via Bank's official channels and all complaints are logged in the complaints management system for effective handling and end to end resolution.

The Bank's robust infrastructure played a pivotal role in facilitating seamless communication, ensuring swift identification and resolution of complaints. This digital evolution not only improved internal workflows but also empowered clients with use-friendly channels, fostering increased awareness and engagement.

Recognising the Regulator's direction on client experience, the Bank's strategic focus towards digitisation, financial inclusion and ensuring fair treatment of clients remains pivotal. On the digital front, the launch of new services on the SC Mobile App has enabled clients to have quick and easy access to meet their banking needs.

Our commitment to transparency is evident in the increased accessibility of information related to complaint handling. Through enhanced communication channels, clients are better informed about the status and resolution of their concerns, fostering trust and confidence in the banking relationship.

As we navigate the dynamic landscape of financial services, the bank remains dedicated to fostering a customer-centric culture. We at Standard Chartered Bank (Pakistan) Limited, view each complaint as an opportunity for improvement and our sustained efforts in this regard highlight our commitment to delivering Best in Class banking experience. Initiatives are taken such as upskilling of staff through the learning platform Discover, experiential learning workshops, internal service campaigns and staff recognition programmes.

In 2023, the Bank received a total of 111,607 complaints and average time taken to resolve the complaints was 9.9 days. This showcases a positive trajectory in complaint handling, leveraging digital advancements, increasing client awareness, and aligning regulatory expectations. In the year 2024, we aim to remain steadfast in our pursuit to excellence, ensuring compassion towards our clients' voices being heard and addressed effectively.

The clients are encouraged to lodge complaints from the following channels:

Standard Chartered Bank (Pakistan) Limited

- 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 Email for RDA clients: sc-nrardigital@sc.com
- SC Website: www.sc.com/pk/
- SC Postal Address: SCBPL Client Care Unit, 1st Floor Jubilee Insurance Building, I.I.Chundrigar Road, Karachi
- SC Social Media: www.facebook.com/standardcharteredpk
- State Bank's newly launched Sunwai Portal & Mobile app
- BC & CPD – State Bank of Pakistan
- Banking Mohtasib Pakistan
- Insurance Ombudsmen
- Federal Ombudsmen
- Securities and Exchange Commission of Pakistan



## 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 Savings 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](https://sc.com/pk) or scan the QR code



standard  
chartered





Tap into banking convenience

**All in one**

#Getmoredone



Instant Account  
Opening



Biometric  
Verification



30+ In-App  
Services



Cards'  
Management



24/7 Banking  
Services



Profile  
Update

Also available for  
Islamic Banking clients.

**Download now**



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scan the QR Code



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