



**3rd Quarterly Report** (July – September 2019)  
Driving investment, trade  
and the creation of wealth  
across Asia, Africa and the Middle East.

# Standard Chartered Bank (Pakistan) Ltd.

## Points of interest

- Standard Chartered is proud to be operating in Pakistan as the largest and oldest international bank since 1863.
- 2013 marked Standard Chartered's 150th year of presence in the country.
- Goal is Standard Chartered's leading education programme that provides financial literacy, life skills and employability training to low-income adolescent girls across its footprint. Since the launch of the programme in April 2016, the Bank has reached a total of 6893 beneficiaries in Pakistan.
- As a result of our Seeing is Believing projects in Pakistan, we are attributed to decreasing avoidable blindness by 20 per cent across the country. We are the only corporate partner of the Government and play a pivotal role in the National Committee of Eye Health
- The largest international Bank in Pakistan with 68 branches in 11 cities and a workforce of over 2800 employees.
- Standard Chartered Pakistan is the first international bank to get an Islamic Banking license and to open the first Islamic Banking branch in Pakistan.
- The Bank has total assets of over PKR 550 billion and deposits of over PKR 400 billion.
- In 2018, the Bank achieved its highest ever profit of PKR 18.5 billion (before tax) and is 6<sup>th</sup> largest in terms of profitability.

## Strong recognition by our stakeholders

### 16th Annual Excellence Awards by CFA Society Awards 2019

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

### Management Association of Pakistan Awards 2019

- Best Commercial Bank

### Global Diversity and Inclusion Benchmark Awards 2019

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

### The Banker Magazine 2019

- Best Islamic Bank

### Asset Triple A - Islamic Finance Awards 2019

- Best Loan Advisor
- Best Deal in Pakistan

### Asia Money 2019

- Best International Bank
- Best Bank for Premium Services

### Global Finance 2019

- Best Digital Islamic Bank

### Finance Asia 2018/2019

- Best Foreign Bank in Pakistan

## Company Information

### Board of Directors

Mr. Ian Anderson Bryden      Chairman  
 Mr. Shazad Dada              Chief Executive Officer  
 Mr. Ferdinand Pieterse  
 Mr. Mohamed Abdel Bary  
 Mrs. Spenta Kandawalla  
 Mr. Waqar Ahmed Malik  
 Mr. Towfiq Habib Chinoy

### Company Secretary

Mr. Asif Iqbal Alam

### Board Audit Committee

Mr. Waqar Ahmed Malik      Chairperson  
 Mr. Ferdinand Pieterse  
 Mr. Mohamed Abdel Bary

### Board Risk Committee

Mr. Towfiq Habib Chinoy      Chairperson  
 Mr. Ferdinand Pieterse  
 Mr. Shazad Dada

### Board Human Resource & Remuneration Committee

Mrs. Spenta Kandawalla      Chairperson  
 Mr. Mohamed Abdel Bary  
 Mr. Waqar Ahmed Malik

### Shariah Board

Shaikh Nizam Yaqouby      Chairperson  
 Mufti Muhammad Abdul Mubeen  
 Mufti Irshad Ahmad Aijaz  
 Mufti Khawaja Noor ul Hassan (Resident)

### AUDITORS

M/s KPMG Taseer Hadi & Co  
 Chartered Accountants

### Legal Advisors

HaidermotaBNR & Co  
 Barristers at Law & Corporate Counselors

### 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@cdcpak.com](mailto:info@cdcpak.com)

## Directors' Report – Period Ended 30 September 2019

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 its un-audited interim financial statements for the period ended 30 September 2019.

### Economy

An International Monetary Fund (IMF) mission visited Pakistan during September 2019 to take stock of economic developments since the start of the Extended Fund Facility (EFF) in July 2019 and discuss progress in the implementation of economic policies. With the economic reform programme still in its early stages, there has been progress in some key areas. The transition to a market-determined exchange rate has started to deliver positive results on the external balance, exchange rate volatility has diminished, monetary policy is helping to control inflation and the State Bank of Pakistan (SBP) has improved its foreign exchange buffers.

On the fiscal side, there has been a significant improvement in tax revenue collections, with taxes showing double-digit growth net of exporters refunds. Moreover, the Federal Board of Revenue is undertaking significant steps to improve tax administration and its interface with taxpayers. The near-term macroeconomic outlook is broadly unchanged from the time of the programme approval, with growth projected at 2.4 percent (as per IMF projections) in Fiscal year (FY) 20, inflation expected to decline in coming months and the current account (CA) adjusting more rapidly than anticipated. However, domestic and international risks remain, and structural economic challenges persist.

On the monetary front, average CPI inflation in the month of September was 11.5% as compared to FY19 average of 7.3%. External conditions showed continued steady improvement with a sizeable reduction in the CA deficit for first three months of FY20 which was lower by 64% at USD 1.5bn versus USD 4.3bn in the comparative period. Improvement in external account was primarily driven by import compression and healthy growth in workers' remittances. The SBP FX reserves stood at USD 7.8bn at close of September 2019. Pakistani Rupee (PKR) depreciated by 13% YTD but made some gains in Q3 2019 as uncertainty reduced around the exchange rate. Addressing the fiscal slippages, external sector financing gap and inflation pick up, SBP further tightened its monetary stance by 100bps hike in July 2019 and kept the policy rate constant in its latest monetary policy statement in September 2019. Thus, latest policy rate stands at 13.25% reflecting a cumulative increase of 3.25% for calendar year (CY) 19 and 1.0% for FY20 to date.

Pakistani banks continue to remain well capitalized with an industry wide CAR of 16.1% and remain profitable with a ROE (after tax) of 11.4% for H1 2019. Meanwhile, NPLs of the banking sector slightly increased to 8.8% at close of H1 2019 (8.0% at close of CY18).

### Our strategic pillars

Our strategic pillars continue to be:

- Focus on building profitable, efficient and sustainable advances portfolio across all segments
- Continue to enhance Digital 'main bank' capabilities and maintain market leadership target areas
- Continue deposit growth; through optimal deposit mix
- Leverage the network and differentiate through innovative solutions, product specialisation and structured offshore capabilities
- Strong cost discipline; creating space for investments through saves

During the period, the Bank continues to make good progress on its strategic pillars.

### Operating Results and Business Overview

	<b>30 September 2019</b> (PKR millions)	<b>31 December 2018</b> (PKR millions)
<b>Balance Sheet</b>		
Paid-up capital	38,716	38,716
Total equity	67,975	67,238
Deposits	452,116	424,899
Advances – gross	214,481	187,162
Advances – net	196,975	169,544
Investments – net	243,149	279,066
Lending to financial institutions	41,655	6,466

	<b>Period ended 30 September 2019 (PKR millions)</b>	<b>Period ended 30 September 2018 (PKR millions)</b>
<b>Profit and Loss</b>		
Revenue	<b>28,618</b>	20,323
Operating expenses	<b>7,984</b>	8,367
Other non mark-up expenses	<b>611</b>	259
Operating profit (before provisions and tax)	<b>20,023</b>	11,697
(Recoveries) / Provisions and write offs – net	<b>250</b>	(948)
Profit before tax	<b>19,773</b>	12,645
Profit after tax	<b>11,433</b>	7,774
Earnings Per Share (EPS) - PKR	<b>2.95</b>	2.01

A strong performance by the Bank led to a growth of 56% in profit before tax to PKR 19.8 billion. Overall revenue growth was 41%, whereas client revenue increased by 32% year on year with positive contributions from transaction banking, corporate finance, treasury markets and retail products. Operating expenses continue to be well managed through operational efficiencies and disciplined spending with a decrease of 5% from comparative period last year.

Momentum in advances (net) continued with 16% growth since the start of this year. This was the result of a targeted strategy to build profitable, high quality and sustainable portfolios. With a diversified product base, the Bank is well positioned to cater for the needs of its clients.

On the liabilities side, the Bank's deposits grew by 6%, whereas current and saving accounts grew by 8% since the start of this year and are now 95% of the deposits base. The optimal funding structure of the balance sheet continues to support the Bank's performance.

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

### Credit Rating

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

### Changes in the Board of Directors

In the election of directors held in April 2019, all the seven directors were elected/re-elected for a period of three years. The Board of Directors also re-appointed Mr. Ian Anderson Bryden as Chairman and Mr. Shazad Dada as the Chief Executive Officer for a period of three years. The Bank has recently received necessary clearance from State Bank of Pakistan for appointment of all directors.

### 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 SBP 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



**Shazad Dada**  
Chief Executive Officer



**Towfiq Habib Chinoy**  
Director

Karachi: 28 October 2019

## اسٹینڈرڈ چارٹرڈ بینک (پاکستان) لمیٹڈ ڈائریکٹرز رپورٹ ختم شدہ عرصہ 30 ستمبر 2019ء

بورڈ آف ڈائریکٹرز کی جانب سے ہم انتہائی مسرت سے اسٹینڈرڈ چارٹرڈ بینک (پاکستان) لمیٹڈ (ایس سی بی پی ایل یا بینک) کی ڈائریکٹرز رپورٹ مع 30 ستمبر 2019ء کو ختم شدہ عرصے کیلئے عبوری غیر آڈٹ شدہ مالی گوشورہ پیش کر رہے ہیں۔

### معیشت:

انٹرنیشنل مانیٹری فنڈ (آئی ایم ایف) کے مشن نے ستمبر 2019ء کے دوران پاکستان کا دورہ کیا تاکہ جولائی 2019ء میں توسیع شدہ فراہمی تعرض کی سہولت (ای ایف ایف) کے آغاز سے معاشی پیشرفت کا جائزہ لیا جاسکے اور معاشی پالیسیوں کے نفاذ پر تبادلہ خیال کیا جاسکے۔ معاشی اصلاحی پروگرام اپنے ابتدائی مراحل میں ہے تاہم کچھ اہم شعبوں میں ترقی ہوئی ہے۔ مارکیٹ کی متعین کردہ تبادلے کی شرح کے نفاذ سے بیرونی بقایا جات پر مثبت نتائج برآمد ہونے لگے ہیں۔ شرح تبادلہ کے اتار چڑھاؤ میں کمی آئی ہے، مالیاتی پالیسی افراط زر پر قابو پانے میں مدد فراہم کر رہی ہے، اور اسٹیٹ بینک آف پاکستان (ایس بی پی) نے اپنے غیر ملکی زرمبادلہ کو بہتر بنایا ہے۔

مالیاتی محاذ پر، ٹیکس ریویونیکی وصولیوں میں ایک نمایاں بہتری دیکھنے میں آئی ہے اور ٹیکس کی وصولیوں کی شرح برآمد کنندگان کے قابل واپسی ٹیکس کی ادائیگی کے باوجود اچھی رہی ہے۔ فیڈرل بورڈ آف ریونیونے اپنے انتظامی ڈھانچے کی بہتری اور ٹیکس دہندگان کے ساتھ روابط کو بہتر بنانے کیلئے غیر معمولی اقدامات کیے ہیں۔ مستقبل قریب میں میکرو اکنامک آؤٹ لک میں کسی بڑی تبدیلی کا رجحان نہیں ہے اور جیسا کہ آئی ایم ایف پروگرام کی ابتدا میں 2020ء کیلئے شرح نمو %2.4 کی پیش گوئی کی گئی تھی وہ اب بھی برقرار ہے۔ آنے والے مہینوں میں افراط زر میں کمی متوقع ہے، اور کرنٹ اکاؤنٹ (سی اے) توقع سے زیادہ تیزی سے ایڈجسٹ ہو رہا ہے۔ تاہم، ملکی اور بین الاقوامی مشکلات ابھی باقی ہیں اور ساختی معاشی مشکلات برقرار ہیں۔

مالیاتی محاذ پر، ستمبر میں اوسط افراط زر میں اضافے کی شرح %11.5 تھی، جبکہ یہ شرح پچھلے سال %7.3 تھی۔ بیرونی حالات میں مسلسل نمایاں بہتری نظر آئی جبکہ کرنٹ اکاؤنٹ خسارہ میں مالی سال 2020ء کے ابتدائی تین ماہ میں نمایاں طور پر کمی دیکھی گئی جو %64 کمی کے ساتھ 1.5 ارب ڈالر کی سطح پر بند ہوا۔ جبکہ اسی عرصے میں گزشتہ مالی سال میں یہی خسارہ 4.3 ارب ڈالر تھا۔ بیرونی اکاؤنٹ میں بہتری کی بنیادی وجہ امپورٹ میں کمی اور سیلیاٹ زرمیں اضافہ تھا۔ ایس بی پی فانر ریزرو ستمبر 2019ء کے اختتام پر 7.8 ارب ڈالر رہے۔ پاکستانی روپے میں مالی سال 2019ء میں %13 فیصد گراؤ دیکھنے میں آئی لیکن 2019ء کی تیسری سہ ماہی میں روپے کی قدر میں کچھ اضافہ نظر آیا اور شرح تبادلہ سے منسلک غیر یقینی کیفیت میں کمی دیکھی گئی۔ بیرونی مالیاتی خلیج اور افراط زر میں اضافے کا ازالہ کرتے ہوئے، SBP نے اپنی مالیاتی پالیسی کو مزید سخت کیا اور جولائی 2019ء میں 100 بی پی ایس اور بڑھادیے گئے جبکہ ستمبر 2019ء میں پالیسی ریٹ میں تبدیلی نہیں کی گئی چنانچہ تازہ ترین پالیسی ریٹ 13.25 پر آ گیا جو سال 2019ء کیلئے %3.25 کے مجموعی اضافے کی عکاسی کرتا ہے اور مالی سال 2020ء کیلئے %1 اضافے کی عکاسی کرتا ہے۔

پاکستانی بینکس شعبہ بینکاری کے موزوں سرمائے (CAR) کی شرح %16.1 کے ساتھ مستحکم رہے اور 2019ء کے پہلے نصف سال کیلئے سرمائے پر منافع کی شرح (بعد از ٹیکس) (ROE) %11.4 رہی۔ غیر فعال قرضے 2019ء کے پہلے نصف سال کے اختتام پر تھوڑے سے اضافے کے ساتھ %8.8 ہو گئے (جولائی سال 2018ء کے اختتام پر %8.0 تھے)۔

### ہماری حکمت عملی:

بینک کی حکمت عملی کے بنیادی ستون درج ذیل ہیں:

- تمام شعبہ جات میں منافع بخش، مؤثر اور مستحکم قرضہ جاتی پورٹ فولیو کی تشکیل
- اپنی ڈیجیٹل صلاحیتوں میں مسلسل بہتری، تاکہ مارکیٹ میں اپنا امتیازی مقام برقرار رکھ سکیں
- معیاری ڈپازٹس کس برقرار رکھتے ہوئے، کھاتہ جات (ڈپازٹس) کا مستقل بڑھاؤ
- نیٹ ورک، جدید سہولیات، پروڈکٹ میں مہارت اور منظم عالمی صلاحیتوں کو بروئے کار لاتے ہوئے اپنی انفرادیت کو قائم رکھنا
- اخراجات پر سخت نظم و ضبط رکھنا، تاکہ بچت کے ذریعے سرمایہ کاری کیلئے جگہ بنائی جاسکے

رواں مدت کے دوران بینک نے حکمت عملی کے بنیادی اصولوں میں بہتر کارکردگی کو جاری رکھا۔

## عملی نتائج اور کاروباری جائزہ:

31 دسمبر 2018ء (ملین پاکستانی روپے)	30 ستمبر 2019ء (ملین پاکستانی روپے)	بیلنس شیٹ
38,716	38,716	ادا شدہ سرمایہ
67,238	67,975	کل ایکویٹی
424,899	452,116	ڈپازٹس (جمع شدہ قوم)
187,162	214,481	قرضہ جات - مجموعی
169,544	196,975	قرضہ جات - خالص
279,066	243,149	سرمایہ کاری - خالص
6,466	41,655	مالیاتی اداروں کے قرضہ جات
30 ستمبر 2018ء کو ختم شدہ مدت (ملین پاکستانی روپے)	30 ستمبر 2019ء کو ختم شدہ مدت (ملین پاکستانی روپے)	نفع و نقصان
20,323	28,618	آمدنی
8,367	7,984	انتظامی اخراجات
259	611	دیگر نان مارک آپ اخراجات
11,697	20,023	کاروباری منافع (غیر فعال مالیات اور سرمایہ کاری کے عوض نقصان اور ٹیکس سے قبل)
(948)	250	خالص (وصولیوں) / قرضہ جات پر ممکنہ خسارہ
12,645	19,773	قبل از ٹیکس منافع
7,774	11,433	بعد از ٹیکس منافع
2.01	2.95	فی حصص آمدن (EPS) - روپیہ

بینک نے ٹھوس کارکردگی کا مظاہرہ کیا جو منافع میں 56% نمو کی وجہ بنا اور منافع قبل از ٹیکس 19.8 ارب روپے رہا۔ بینک کی مجموعی آمدن میں 41% اور آمدن صارف میں 32% اضافہ ہوا اور ٹرانزیکشن بینکنگ، مالیاتی مارکیٹس اور ریٹیل پروڈکٹس نے نمایاں کارکردگی دکھائی۔ انتظامی اخراجات میں گزشتہ سال کے مقابلے میں 5% کمی دیکھی گئی جس کی وجہ بہترین نظم و نسق اور اچھی کارکردگی ہے۔

رواں سال کے آغاز سے قرضہ جات کے اجراء میں مجموعی اضافے کا تسلسل جاری رہا جو کہ 16% ہے۔ یہ ہدف بہ ہدف حکمت عملی کا نتیجہ تھا، تاکہ ایک منافع بخش، معیاری اور مستحکم پورٹ فولیو کی تشکیل اور تعمیر ہو۔ پروڈکٹ کے متنوع اساس کے ساتھ بینک اپنے صارفین کی ضروریات کی تکمیل کیلئے پوری طرح آراستہ ہے۔

واجبات (لائبیلیٹیز) کے پہلو سے، بینک کے مجموعی کھاتوں / ڈپازٹس میں 6% کا اضافہ ہوا ہے، جبکہ اس سال کے آغاز سے کرنٹ اور سیونگ اکاؤنٹس کے کھاتوں میں 8% تک اضافہ ہوا جو کہ کل کھاتہ جات کے 95% پر مشتمل ہے۔ بیلنس شیٹ کے بہترین فنڈنگ اسٹرکچر نے بینک کی کارکردگی میں مسلسل مدد کی ہے۔

اپنے صارفین کو جدید سہولیات سے متعارف کروانے کیلئے اسٹیٹڈ رڈ چارٹرڈ بینک (پاکستان) لمیٹڈ (ایس سی بی پی ایل) 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 انضبات کی مضبوطی پر خصوصی توجہ دی ہے۔ ہم نے Balance Sheet کے استحکام کیلئے دانشمندانہ حکمت عملی اپنائی ہے ہم نے اپنی خصوصی توجہ صارفین کیلئے اعلیٰ معیار کی خدمت فراہم کرنے اور اپنے پروڈکٹ پورٹفولیو کو بہتر بنانے پر مرکوز کر رکھی ہے۔

کرڈٹ ریٹنگ:

پاکستان کرڈٹ ریٹنگ ایجنسی (PACRA) نے بینک کی بل ترتیب AAA اور A1+ طویل مدتی اور قلیل مدتی درجہ بندی کو برقرار رکھا ہے۔ یہ درجہ بندیوں کو مالیاتی وعدوں کی بروقت ادائیگی کیلئے مستحکم صلاحیت کا اظہار کرتی ہیں۔

بورڈ آف ڈائریکٹرز میں تبدیلی:

اپریل 2019ء میں منعقد ڈائریکٹرز کے انتخاب میں، ساتوں ڈائریکٹرز تین سال کی مدت کیلئے منتخب/ دوبارہ منتخب ہوئے۔ بورڈ آف ڈائریکٹرز نے تین سال کی مدت کیلئے جناب ایٹن برائیڈین کو چیئرمین اور جناب شہزاد ادا کو چیف ایگزیکٹو آفیسر مقرر کیا۔ بینک کو حال ہی میں اسٹیٹ بینک آف پاکستان سے ڈائریکٹرز کی تقرری کیلئے منظوری مل گئی ہے۔

اظہار تشکر و اعتراف:

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

منجانب بورڈ:



توفیق حبیب چنائی  
ڈائریکٹر



شہزاد ادا  
چیف ایگزیکٹو آفیسر

کراچی، مورخہ 28 اکتوبر 2019ء

# **Standard Chartered Bank (Pakistan) Limited**

Un-audited  
Financial Statements

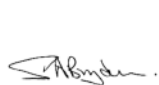
For the nine months period ended  
30 September 2019

## Statement of Financial Position

As at 30 September 2019

	Note	(Un-audited) 30 September 2019	(Audited) 31 December 2018
----- (Rupees in '000) -----			
<b>ASSETS</b>			
Cash and balances with treasury banks	6	50,558,131	50,293,497
Balances with other banks	7	4,170,984	2,344,297
Lendings to financial institutions	8	41,655,377	6,465,508
Investments	9	243,148,866	279,065,904
Advances	10	196,975,139	169,543,762
Fixed assets	11	9,075,491	7,837,979
Intangible assets	12	26,095,400	26,095,476
Deferred tax assets - net		-	-
Other assets	13	28,957,687	34,434,913
		<b>600,637,075</b>	<b>576,081,336</b>
<b>LIABILITIES</b>			
Bills payable	14	11,366,251	16,943,627
Borrowings	15	21,792,900	24,023,697
Deposits and other accounts	16	452,115,500	424,898,936
Liabilities against assets subject to finance lease		-	-
Sub -ordinated debt		-	-
Deferred tax liabilities - net	17	3,418,261	3,631,209
Other liabilities	18	43,969,083	39,345,498
		<b>532,661,995</b>	<b>508,842,967</b>
<b>NET ASSETS</b>		<b>67,975,080</b>	<b>67,238,369</b>
<b>REPRESENTED BY:</b>			
Share capital		38,715,850	38,715,850
Reserves		18,953,986	16,667,466
Surplus on revaluation of assets	19	5,281,203	5,528,671
Unappropriated profit		5,024,041	6,326,382
		<b>67,975,080</b>	<b>67,238,369</b>
<b>CONTINGENCIES AND COMMITMENTS</b>	20		

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



Ian Bryden  
Chairman



Shazad Dada  
Chief Executive Officer



Asad Ali Shariff  
Chief Financial Officer



Ferdinend Pieterse  
Director




Mohamad Abdelbary  
Director

## Profit and Loss Account (Un-audited)

For the nine months period ended 30 September 2019

		Three months period ended <b>30 September 2019</b>	Nine months period ended <b>30 September 2019</b>	Three months period ended 30 September 2018	Nine months period ended 30 September 2018
	Note	(Rupees in '000)			
Mark-up / return / interest earned	21	13,900,296	37,336,079	7,838,340	21,744,187
Mark-up / return / interest expensed	22	(6,611,283)	(16,807,732)	(3,035,446)	(8,197,622)
<b>Net mark-up / interest income</b>		<b>7,289,013</b>	<b>20,528,347</b>	<b>4,802,894</b>	<b>13,546,565</b>
<b>NON MARK-UP / INTEREST INCOME</b>					
Fee and commission income	23	790,000	2,706,035	745,436	2,986,488
Dividend income		-	-	-	-
Foreign exchange income	24	1,092,384	3,760,923	803,966	3,245,793
Income / (loss) from derivatives		370,917	604,515	(184,358)	(567,452)
Gain / (loss) on securities	25	377,270	944,457	407,022	1,028,485
Other income	26	25,345	73,931	27,215	83,020
<b>Total non mark-up / interest income</b>		<b>2,655,916</b>	<b>8,089,861</b>	<b>1,799,281</b>	<b>6,776,334</b>
<b>Total Income</b>		<b>9,944,929</b>	<b>28,618,208</b>	<b>6,602,175</b>	<b>20,322,899</b>
<b>NON MARK-UP / INTEREST EXPENSES</b>					
Operating expenses	27	(2,606,285)	(7,984,153)	(2,737,006)	(8,366,731)
Workers welfare fund		(189,253)	(578,242)	(83,577)	(252,910)
Other charges	28	(11,115)	(32,508)	(4,642)	(5,507)
<b>Total non mark-up / interest expenses</b>		<b>(2,806,653)</b>	<b>(8,594,903)</b>	<b>(2,825,225)</b>	<b>(8,625,148)</b>
<b>Profit before provisions</b>		<b>7,138,276</b>	<b>20,023,305</b>	<b>3,776,950</b>	<b>11,697,751</b>
(Provisions) / recovery and write offs - net	29	(263,626)	(250,518)	401,867	947,748
Extra-ordinary / unusual items		-	-	-	-
<b>PROFIT BEFORE TAXATION</b>		<b>6,874,650</b>	<b>19,772,787</b>	<b>4,178,817</b>	<b>12,645,499</b>
Taxation	30	(2,673,512)	(8,340,189)	(1,593,093)	(4,871,572)
<b>PROFIT AFTER TAXATION</b>		<b>4,201,138</b>	<b>11,432,598</b>	<b>2,585,724</b>	<b>7,773,927</b>
		<b>(Rupees)</b>		<b>(Rupees)</b>	
<b>BASIC / DILUTED EARNINGS PER SHARE</b>	31	<b>1.09</b>	<b>2.95</b>	<b>0.67</b>	<b>2.01</b>

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



Ian Bryden  
Chairman



Shazad Dada  
Chief Executive Officer



Asad Ali Shariff  
Chief Financial Officer



Ferdinend Pieterse  
Director



Mohamad Abdelbary  
Director

## Statement of Comprehensive Income (Un-audited)

For the nine months period ended 30 September 2019

	Three months period ended 30 September 2019	Nine months period ended 30 September 2019	Three months period ended 30 September 2018	Nine months period ended 30 September 2018
	----- (Rupees in '000) -----			
<b>Profit after tax for the period</b>	<b>4,201,138</b>	<b>11,432,598</b>	2,585,724	7,773,927
<b>Other comprehensive income</b>				
<b>Items that may be reclassified to profit and loss account in subsequent periods:</b>				
Movement in surplus / (deficit) on revaluation of investments - net of tax	490,978	(71,538)	(60,446)	(110,668)
<b>Total comprehensive income for the period</b>	<b>4,692,116</b>	<b>11,361,060</b>	2,525,278	7,663,259

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



Ian Bryden  
Chairman



Shazad Dada  
Chief Executive Officer



Asad Ali Shariff  
Chief Financial Officer



Ferdinend Pieterse  
Director



Mohamad Abdelbary  
Director


## Statement of Changes in Equity (Un-audited)


### For the nine months period ended 30 September 2019

	Share Capital	Share Premium	Statutory Reserve	Surplus / (Deficit) on revaluation of		Unappropriated Profit(a)	Total
				Investments	Fixed Assets		
(Rupees in '000)							
Balance as at 1 January 2018	38,715,850	1,036,090	13,383,504	(38,069)	5,639,634	4,199,687	62,936,696
<b>Total comprehensive income for the period</b>							
Profit after tax for the nine months period ended 30 September 2018	-	-	-	-	-	7,773,927	7,773,927
Other comprehensive income							
Movement in surplus / (deficit) on revaluation of investments - net of tax	-	-	-	(110,668)	-	-	(110,668)
	-	-	-	(110,668)	-	7,773,927	7,663,259
<b>Transactions with owners, recorded directly in equity</b>							
Remeasurement of liability against share based payment to holding company	-	-	-	-	-	-	-
Cash dividend (Final 2017) at Rs. 1.00 per share	-	-	-	-	-	(3,871,585)	(3,871,585)
Cash dividend (Interim 2018) at Rs. 0.75 per share	-	-	-	-	-	(2,903,689)	(2,903,689)
	-	-	-	-	-	(6,775,274)	(6,775,274)
Transfer to statutory reserve	-	-	1,554,785	-	-	(1,554,785)	-
Transferred from surplus on revaluation of fixed assets in respect of incremental depreciation - net of deferred tax	-	-	-	-	(24,845)	24,845	-
Balance as at 30 September 2018	38,715,850	1,036,090	14,938,289	(148,737)	5,614,789	3,668,400	63,824,681
<b>Total comprehensive income for the period</b>							
Profit after tax for the three months ended 31 December 2018	-	-	-	-	-	3,465,433	3,465,433
Other comprehensive income							
Movement in surplus / (deficit) on revaluation of investments - net of tax	-	-	-	56,466	-	-	56,466
Remeasurement of post employment obligations - net of tax	-	-	-	-	-	14,076	14,076
	-	-	-	56,466	-	3,479,509	3,535,975
<b>Transactions with owners, recorded directly in equity</b>							
Share based payment transactions (Contribution from holding Company)	-	-	-	-	-	46,502	46,502
Payment against share based payment transactions (to holding Company)	-	-	-	-	-	(168,789)	(168,789)
	-	-	-	-	-	(122,287)	(122,287)
Transfer to statutory reserve	-	-	693,087	-	-	(693,087)	-
Transferred from surplus on revaluation of fixed assets in respect of incremental depreciation - net of deferred tax	-	-	-	-	6,153	(6,153)	-
Balance as at 31 December 2018	38,715,850	1,036,090	15,631,376	(92,271)	5,620,942	6,326,382	67,238,369
Adjustment on initial application of IFRS - 16 (net of tax)	-	-	-	-	-	-	-
<b>Adjusted balance as at 1 January 2019</b>	38,715,850	1,036,090	15,631,376	(92,271)	5,620,942	6,326,382	67,238,369
<b>Total comprehensive income for the period</b>							
Profit after tax for the nine months period ended 30 September 2019	-	-	-	-	-	11,432,598	11,432,598
Other comprehensive income							
Movement in surplus / (deficit) on revaluation of investments - net of tax	-	-	-	(71,538)	-	-	(71,538)
	-	-	-	(71,538)	-	11,432,598	11,361,060
<b>Transactions with owners, recorded directly in equity</b>							
Cash dividend (Final 2018) at Rs. 1.50 per share	-	-	-	-	-	(5,807,378)	(5,807,378)
Cash dividend (Interim 2019) at Rs. 1.25 per share	-	-	-	-	-	(4,839,481)	(4,839,481)
	-	-	-	-	-	(10,646,859)	(10,646,859)
Transfer to statutory reserve	-	-	2,286,520	-	-	(2,286,520)	-
Realised on disposal during the year - net of deferred tax	-	-	-	-	(181,432)	181,432	-
Surplus/ (Deficit) on revaluation - net of deferred tax	-	-	-	-	22,510	-	22,510
Transferred from surplus on revaluation of fixed assets in respect of incremental depreciation - net of deferred tax	-	-	-	-	(17,008)	17,008	-
Balance as at 30 September 2019	38,715,850	1,036,090	17,917,896	(163,809)	5,445,012	5,024,041	67,975,080

(a) As further explained in note 10.2.1 of these annual financial statements the amount of Rs. 22.185 million as at 30 September 2019 represents additional profit arising from availing forced sale value benefit for determining provisioning requirement which is not available for the purpose of distribution of dividend to shareholders / bonus to employees.

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

  
Ian Bryden  
Chairman

  
Shazad Dada  
Chief Executive Officer

  
Asad Ali Shariff  
Chief Financial Officer

  
Ferdinand Pieterse  
Director

  
Mohamad Abdelbary  
Director

## Cash Flow Statement (Un-audited)

For the nine months period ended 30 September 2019

	Note	30 September 2019	30 September 2018
----- (Rupees in '000) -----			
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Profit before taxation for the period		19,772,787	12,645,499
Less: Dividend income		-	-
		19,772,787	12,645,499
<b>Adjustments for:</b>			
Depreciation	27	724,779	326,349
Amortization	27	76	124
Gain on sale of fixed assets	26	(51,502)	(13,142)
Unrealized loss / (gain) on revaluation of investments classified as held for trading - net	25	100,159	(31,307)
(Provisions) / recovery and write offs - net	29	250,518	(947,748)
		1,024,030	(665,724)
		20,796,817	11,979,775
<b>Increase in operating assets</b>			
Lendings to financial institutions		(35,189,869)	(17,139,338)
Held-for-trading securities		(11,271,989)	199,575
Advances		(27,561,960)	(10,424,207)
Other assets (excluding advance taxation)		795,088	(1,391,449)
		(73,228,730)	(28,755,419)
<b>Decrease in operating liabilities</b>			
Bills payable		(5,577,376)	(2,930,095)
Borrowings from financial institutions		(368,847)	(6,666,041)
Deposits		27,216,564	33,250,522
Other liabilities		3,861,973	2,078,584
		25,132,314	25,732,970
<b>Cash (outflow) / inflow before taxation</b>		(27,299,599)	8,957,326
Income tax paid		(5,184,905)	(4,376,615)
<b>Net cash flow (used in) / generated from operating activities</b>		(32,484,504)	4,580,711
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Net investments in available for sale securities		46,926,903	6,448,310
Investment in fixed assets		(148,241)	(144,739)
Proceeds from sale of fixed assets		247,908	13,142
<b>Net cash flow from investing activities</b>		47,026,570	6,316,713
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Dividend paid		(10,588,795)	(3,863,062)
<b>Net cash flow used in financing activities</b>		(10,588,795)	(3,863,062)
<b>Increase in cash and cash equivalents for the period</b>		3,953,271	7,034,362
Cash and cash equivalents at beginning of the period		49,399,730	35,405,588
Effect of exchange rate changes on cash and cash equivalents		1,228,806	459,557
		50,628,536	35,865,145
Cash and cash equivalents at end of the period		54,581,807	42,899,507
<b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD</b>			
Cash and balances with treasury banks		50,558,131	42,223,757
Balances with other banks		4,170,984	1,551,562
Overdrawn nostros		(147,308)	(875,812)
		54,581,807	42,899,507

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



Ian Bryden  
Chairman



Shazad Dada  
Chief Executive Officer



Asad Ali Shariff  
Chief Financial Officer



Ferdinend Pieterse  
Director



Mohamad Abdelbari  
Director

## Notes to the Condensed Interim Financial Statements (Un-audited) For the nine months period ended 30 September 2019

### 1 STATUS AND NATURE OF BUSINESS

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

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

The Bank is engaged in the banking business as defined in the Banking Companies Ordinance, 1962 and has a total number of 68 branches in Pakistan (2018: 77 branches in Pakistan) in operation at 30 September 2019.

### 2 BASIS OF PREPARATION

#### 2.1 Statement of compliance

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

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan as 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 (SBP) and Securities and Exchange Commission of Pakistan (SECP).

In case the requirement of Companies Act, 2017, Banking Companies Ordinance, 1962, directives issued thereunder or IFAS differ from the requirements of IAS 34, the requirements of Companies Act, 2017, Banking Companies Ordinance, 1962, directives issued thereunder and IFAS have been followed.

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 condensed interim financial statements. However, investments have not been classified and valued in accordance with the requirements prescribed by the SBP through various circulars.

The Securities and Exchange Commission of Pakistan (SECP) has notified Islamic Financial Accounting Standard (IFAS) 3, ‘Profit and Loss Sharing on Deposits’ issued by the Institute of Chartered Accountants of Pakistan. IFAS 3 shall be followed with effect from the financial periods beginning after 1 January 2014 in respect of accounting for transactions relating to ‘Profit and Loss Sharing on Deposits’ as defined by the said standard. The standard has resulted in certain new disclosures in the condensed interim 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.

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

For the nine months period ended 30 September 2019

**2.2** The condensed interim financial statements do not include all the information and disclosures required for the full set of annual financial statements and should be read in conjunction with the audited annual financial statements for the year ended 31 December 2018.

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

On 1 January 2019, the Bank adopted IFRS 16 Leases. A number of other new standards, amendments and interpretations are effective from 1 January 2019 but they do not have a material effect on the Bank's financial statements.

IFRS 16 introduced a single lease accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognize a right-of use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments. IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17 Leases. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for these two types of leases differently.

The significant judgments in the implementation were determining if a contract contains a lease, and the determination of whether the Bank is reasonably certain that it will exercise extension options present in lease contracts. The significant estimates were the determination of incremental borrowing rates. The weighted average discount rate applied to lease liabilities on the transition date 1 January 2019 was 13.8 percent.

The impact of IFRS 16 on the Bank is primarily where the Bank is a lessee in property lease contracts. The Bank has elected to adopt simplified approach on transition and has not restated comparative information. On 1 January 2019, the Bank recognized a lease liability, being the remaining lease payments, including extension options where renewal is reasonably certain, discounted using the Bank's incremental borrowing rate at the date of initial application. The corresponding right-of-use asset recognized is the amount of the lease liability adjusted by prepaid or accrued lease payments related to those leases. The balance sheet increase as a result of recognition of lease liability and right to use assets as of 1 January 2019 was Rs. 2,246 million and Rs. 2,290 million respectively, with no adjustment to retained earnings. The asset is presented in 'Fixed Assets' and the liability is presented in 'Other liabilities'. Also in relation to those leases under IFRS 16, the Bank has recognized depreciation and interest costs, instead of operating lease expenses. During the nine months period to 30 September 2019, the Bank recognized depreciation expense of Rs. 399 million and interest expense of Rs. 156 million on these leases.

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

There are various standards, interpretations and amendments to accounting and reporting standards as applicable in Pakistan that are not effective in the current year. These are not likely to have material effect on the Bank's financial statements except for the following:

- IFRS 9 'Financial Instruments' and amendment – Prepayment Features with Negative Compensation (effective for annual periods beginning on or after 1 July 2018 and 1 January 2019 respectively). IFRS 9 replaces the existing guidance in IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 includes revised guidance on the classification and measurement of financial instruments, a new expected credit loss model for calculating impairment on financial assets, and new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39. The Securities and Exchange Commission of Pakistan (SECP), through SRO 229(I)/2019 dated 14 February 2019 has notified the IFRS 9, Financial Instruments, is applicable for accounting periods ending on after June 30 2019. However based on the guidance received from the SBP, the requirements of IFRS 9 have not been considered in preparation of these condensed interim financial statements.

The management has completed an initial assessment of changes required in classification and measurement of financial instruments on adoption of the Standard and has also carried out an initial exercise to calculate impairment required under expected credit loss model which results in an estimated reduction of provision by around Rs. 1.089 billion as at 30 September 2019.

## Notes to the Condensed Interim Financial Statements (Un-audited) For the nine months period ended 30 September 2019

### 3 SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual financial statements of the Bank for the year ended 31 December 2018 except for the following:

#### 3.1 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 of time 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 cost, and subsequently at cost less any accumulated depreciation and impairment losses, and adjusted for certain remeasurements of the lease liability. The right-of-use asset is depreciated using the straight line method from the commencement date to the earlier of end of the useful life of right-of-use asset or end of the lease term. The estimated useful lives of assets are determined on the same basis as that for owned assets. In addition, the right-of-use asset is periodically reduced by impairment losses, if any.

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 interest 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 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 expenses on a straight-line basis over the lease term.

Upto 31 December 2018, assets held under property leases, not equivalent to ownership rights, were recorded as operating leases and were not recognized as assets in the statement of financial position. Payments under operating leases were recognized in profit and loss on a straight line basis over the term of the lease.

### 4 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The basis and the methods used for critical accounting estimates and judgments adopted in these condensed interim financial statements are the same as those applied in the preparation of the annual financial statements of the Bank for the year ended 31 December 2018.

### 5 FINANCIAL RISK MANAGEMENT

The financial risk management objectives and policies adopted by the Bank are consistent with those disclosed in the annual financial statements of the Bank for the year ended 31 December 2018.

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

For the nine months period ended 30 September 2019

6	CASH AND BALANCES WITH TREASURY BANKS	Note	30 September	31 December
			2019	2018
			(Un-audited)	Audited
----- (Rupees in '000) -----				
	In hand			
	- Local currency		4,052,471	4,786,076
	- Foreign currencies		4,582,874	4,974,694
	With State Bank of Pakistan in:			
	- Local currency current account	6.1	21,608,964	22,318,671
	- Local currency current account - Islamic Banking	6.1	1,903,487	1,949,185
	Foreign currency deposit account			
	- Cash reserve account	6.2	4,671,014	4,141,199
	- Special cash reserve account	6.2	12,959,451	11,555,317
	- Local US Dollar collection account		126,953	63,245
	With National Bank of Pakistan in:			
	- Local currency current account		459,814	496,166
	Prize Bonds		193,103	8,944
			<u>50,558,131</u>	<u>50,293,497</u>

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

**6.2** As per BSD Circular No. 15 dated 21 June, 2008, cash reserve of 5% and special cash reserve of 15% (For Islamic 6%) are required to be maintained with SBP on deposits held under the New Foreign Currency Accounts Scheme (FE-25 deposits).

7	BALANCES WITH OTHER BANKS	Note	30 September	31 December
			2019	2018
			(Un-audited)	Audited
----- (Rupees in '000) -----				
	Outside Pakistan			
	- In current accounts	7.1	4,170,984	2,344,297
			<u>4,170,984</u>	<u>2,344,297</u>

**7.1** This includes balances of Rs. 4,111.529 million (2018: Rs. 2,295.707 million) held with other branches and subsidiaries of Standard Chartered Group outside Pakistan.

8	LENDINGS TO FINANCIAL INSTITUTIONS	Note	30 September	31 December
			2019	2018
			(Un-audited)	Audited
----- (Rupees in '000) -----				
	Repurchase agreement lendings (Reverse Repo)	8.1	4,084,502	-
	Bai Muajjal receivable from State Bank of Pakistan	8.2	4,117,655	-
	Placements	8.3	33,453,220	6,465,508
			<u>41,655,377</u>	<u>6,465,508</u>

**8.1** These carry mark-up rate 13.75 percent per annum (2018: Nil) payable at maturity, and are due to mature during October 2019. These arrangements are governed under Master Repurchase Agreements.

**8.2** These represent lendings to State Bank of Pakistan by Islamic Banking Business under Bai Muajjal agreements at return rates ranging from 10.27 percent to 10.37 percent per annum with maturities upto February 2020.

**8.3** This represents placements with other branches and subsidiaries of Standard Chartered Group outside Pakistan at mark-up rates ranging from 0.60 percent to 1.65 percent per annum (2018: 0.55 percent to 2.10 percent per annum), and are due to mature during October 2019.

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

### For the nine months period ended 30 September 2019

	Note	30 September 2019	31 December 2018
		(Un-audited)	Audited
----- (Rupees in '000) -----			
<b>8.4 Particulars of lending</b>			
In local currency		8,202,157	-
In foreign currencies		33,453,220	6,465,508
	8.3.1	<u>41,655,377</u>	<u>6,465,508</u>

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

## 9 INVESTMENTS

	30 September 2019 (Un-audited)				31 December 2018 (Audited)			
	Cost / Amortised cost	Provision for diminution	Surplus / (Deficit)	Carrying Value	Cost / Amortised cost	Provision for diminution	Surplus / (Deficit)	Carrying Value
<b>9.1 Investments by type</b>	----- (Rupees in '000) -----							
<b>Held for trading securities</b>								
Federal Government Securities	23,399,599	-	139,013	23,538,612	12,127,610	-	52,025	12,179,635
	<u>23,399,599</u>	<u>-</u>	<u>139,013</u>	<u>23,538,612</u>	<u>12,127,610</u>	<u>-</u>	<u>52,025</u>	<u>12,179,635</u>
<b>Available for sale securities</b>								
Federal Government Securities	219,310,585	-	(255,234)	219,055,351	266,324,636	-	(148,733)	266,175,903
Shares	786,081	(734,398)	-	51,683	786,081	(682,492)	1,566	105,155
Non Government Debt Securities	785,025	(285,025)	3,220	503,220	885,025	(285,025)	5,211	605,211
	<u>220,881,691</u>	<u>(1,019,423)</u>	<u>(252,014)</u>	<u>219,610,254</u>	<u>267,995,742</u>	<u>(967,517)</u>	<u>(141,956)</u>	<u>266,886,269</u>
<b>Total Investments</b>	<u>244,281,290</u>	<u>(1,019,423)</u>	<u>(113,001)</u>	<u>243,148,866</u>	<u>280,123,352</u>	<u>(967,517)</u>	<u>(89,931)</u>	<u>279,065,904</u>

	30 September 2019	31 December 2018
	(Un-audited)	Audited
----- (Rupees in '000) -----		
<b>9.1.1 Investments given as collateral</b>		
Market Treasury Bills	4,669,613	-
	<u>4,669,613</u>	<u>-</u>
<b>9.2 Provision for diminution in the value of investments</b>		
Opening balance	967,517	962,147
Charge for the period	51,906	5,370
Closing Balance	<u>1,019,423</u>	<u>967,517</u>

## 9.2.1 Particulars of provision against debt securities

Category of classification	30 September 2019 (Un-audited)		31 December 2018 (Audited)	
	Non Performing Investments	Provision	Non Performing Investments	Provision
----- (Rupees in '000) -----				
<b>Domestic</b>				
Other assets especially mentioned	-	-	-	-
Substandard	-	-	-	-
Doubtful	-	-	-	-
Loss	285,025	285,025	285,025	285,025
	<u>285,025</u>	<u>285,025</u>	<u>285,025</u>	<u>285,025</u>

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

### For the nine months period ended 30 September 2019

10	ADVANCES	Note	Performing		Non Performing		Total	
			30 September 2019 (Un-audited)	31 December 2018 (Audited)	30 September 2019 (Un-audited)	31 December 2018 (Audited)	30 September 2019 (Un-audited)	31 December 2018 (Audited)
----- (Rupees in '000) -----								
	Loans, cash credits, running finances, etc.		143,132,227	117,624,884	16,600,676	16,915,712	159,732,903	134,540,596
	Islamic financing and related assets		46,350,397	49,077,231	1,535,619	486,990	47,886,016	49,564,221
	Bills discounted and purchased (excluding treasury bills)		6,861,980	3,057,432	-	-	6,861,980	3,057,432
	Advances - gross	10.1	196,344,604	169,759,547	18,136,295	17,402,702	214,480,899	187,162,249
	Provision for non-performing advances							
	- Specific	10.3	-	-	(16,709,788)	(16,841,631)	(16,709,788)	(16,841,631)
	- General	10.3	(795,972)	(776,856)	-	-	(795,972)	(776,856)
	Advances - net of provision		195,548,632	168,982,691	1,426,507	561,071	196,975,139	169,543,762

10.1	Particulars of advances - gross	30 September 2019 (Un-audited)	31 December 2018 (Audited)
----- (Rupees in '000) -----			
	In local currency	211,672,185	181,776,109
	In foreign currencies	2,808,714	5,386,140
		214,480,899	187,162,249

10.2 Advances include Rs. 18,136.295 million (31 December 2018: Rs. 17,402.702 million) which have been placed under non-performing status as detailed below:

Category of classification	30 September 2019 (Un-audited)		31 December 2018 (Audited)	
	Non Performing Loans	Provision	Non Performing Loans	Provision
----- (Rupees in '000) -----				
<b>Domestic</b>				
Other assets especially mentioned	88,630	-	23,099	-
Substandard	1,275,579	298,868	321,582	68,015
Doubtful	575,155	264,672	365,798	144,450
Loss	16,196,931	16,146,247	16,692,223	16,629,166
	18,136,295	16,709,787	17,402,702	16,841,631

10.2.1 At 30 September 2019, the provision requirement has been reduced by Rs. 35.101 million (31 December 2018: Rs. 44.834 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. 22.815 million due to the said FSV benefit is not available for distribution of cash and stock dividend / bonus to employees.

10.3	Particulars of provision against advances	30 September 2019 (Un-audited)			31 December 2018 (Audited)		
		Specific	General	Total	Specific	General	Total
----- (Rupees in '000) -----							
	Opening balance	16,841,631	776,856	17,618,487	18,953,981	670,580	19,624,561
	Charge for the period	817,414	27,158	844,572	393,398	113,656	507,054
	Reversals	(641,165)	(8,042)	(649,207)	(1,588,039)	(7,380)	(1,595,419)
		176,249	19,116	195,365	(1,194,641)	106,276	(1,088,365)
	Amounts written off	(414,558)	-	(414,558)	(1,018,712)	-	(1,018,712)
	Other movements	106,466	-	106,466	101,003	-	101,003
	Closing balance	16,709,788	795,972	17,505,760	16,841,631	776,856	17,618,487

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

For the nine months period ended 30 September 2019

11	FIXED ASSETS	Note	30 September 2019	31 December 2018
			(Un-audited)	(Audited)
			----- (Rupees in '000) -----	
	Capital work-in-progress	11.1	45,062	12,203
	Property and equipment		7,375,811	7,825,776
	Right-of-use assets	11.4	1,654,618	-
			<u>9,075,491</u>	<u>7,837,979</u>
<b>11.1</b>	<b>Capital work-in-progress</b>			
	Civil works		35,979	12,203
	Equipment		9,083	-
			<u>45,062</u>	<u>12,203</u>

11.2	Additions to fixed assets	30 September 2019	31 December 2018
		(Un-audited)	(Audited)
		----- (Rupees in '000) -----	

The following additions have been made to fixed assets during the period:

Capital work-in-progress	32,859	12,203
Buildings on freehold land	-	2,563
Buildings on leasehold land	1,284	1,277
Furniture and fixture	2,100	11,870
Electrical office and computer equipment	100,103	342,494
Vehicles	11,895	46,359
Leasehold improvements	-	69,424
	<u>115,382</u>	<u>473,987</u>

### 11.3 Disposal of fixed assets

The net book value of fixed assets disposed off during the period is Rs. 196.406 million (2018: Rs. Nil).

11.4 IFRS 16 'Leases', is effected for annual period beginning on or after 1 January 2019. Accordingly, operating leases meeting the criteria prescribed within the standard are presented as on-balance sheet items. Also refer note 3.1.

12	INTANGIBLE ASSETS	Note	30 September 2019	31 December 2018
			(Un-audited)	(Audited)
			----- (Rupees in '000) -----	
	Goodwill		26,095,310	26,095,310
	Customer relationships intangible		90	166
			<u>26,095,400</u>	<u>26,095,476</u>

### 12.1 Additions to intangible assets

The additions made to intangible assets during the period is Rs. Nil (2018: Rs. Nil)

### 12.2 Disposals of intangible assets

The disposal made to intangible assets during the period is Rs. Nil (2018: Rs. Nil).

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

For the nine months period ended 30 September 2019

13 OTHER ASSETS	Note	30 September 2019	31 December 2018
		(Un-audited)	(Audited)
----- (Rupees in '000) -----			
Income / mark-up accrued in local currency		5,285,495	2,959,431
Income / mark-up accrued in foreign currencies		4,004	33,470
Advances, deposits, advance rent and other prepayments		345,062	551,481
Defined benefit plans		16,300	16,300
Advance taxation (payments less provisions)	13.1	10,517,901	13,847,613
Branch adjustment account		510	-
Mark to market gain on forward foreign exchange contracts		5,855,259	8,370,550
Interest rate derivatives and currency options - positive fair value		503	30,937
Receivable from SBP / Government of Pakistan		487,352	634,680
Receivable from associated undertakings		736,486	751,835
Receivable from Standard Chartered Bank, Sri Lanka operations		39,460	35,200
Advance Federal Excise Duty		188,443	188,443
Acceptances		4,349,390	5,699,708
Unsettled trades		171,714	-
Sundry receivables		556,632	985,692
Others		438,671	365,068
		<b>28,993,182</b>	<b>34,470,408</b>
Less: Provision held against other assets	13.2	<b>(35,495)</b>	<b>(35,495)</b>
<b>Other Assets - net of provisions</b>		<b>28,957,687</b>	<b>34,434,913</b>
<p><b>13.1</b> Advance taxation (payments less provisions) represents the amounts paid under appeals / litigations of Rs. 8,303 million (including amount paid against claim for amortization of goodwill of Rs. 3,607 million, refer note 20.3.3), assessed refunds of Rs. 2,174 million and advance tax paid under section 147 and other tax payments.</p>			
----- (Rupees in '000) -----			
<b>13.2 Provision held against other assets</b>		<b>30 September 2019</b>	<b>31 December 2018</b>
		(Un-audited)	(Audited)
Others - Trade related		35,495	35,495
		<b>35,495</b>	<b>35,495</b>
<b>13.2.1 Movement in provision against other assets</b>			
Opening balance		35,495	35,495
Net charge for the period		-	-
Other movements		-	-
Closing balance		<b>35,495</b>	<b>35,495</b>
<b>14 BILLS PAYABLE</b>			
In Pakistan		11,350,102	16,144,129
Outside Pakistan		16,149	799,498
		<b>11,366,251</b>	<b>16,943,627</b>
<b>15 BORROWINGS</b>			
In Pakistan		21,647,477	17,848,847
Outside Pakistan		145,423	6,174,850
		<b>21,792,900</b>	<b>24,023,697</b>

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

For the nine months period ended 30 September 2019

	<b>30 September 2019</b>	<b>31 December 2018</b>
	(Un-audited)	(Audited)
	----- (Rupees in '000) -----	
<b>15.1 Details of borrowings secured / unsecured</b>		
<b>Secured</b>		
Borrowings from State Bank of Pakistan under Export Refinance (ERF) scheme	<b>16,897,982</b>	17,658,060
Repurchase agreement borrowings (Repo) State Bank of Pakistan - LTFF	<b>4,669,613</b>	-
	<b>77,997</b>	190,522
	<b>21,645,592</b>	17,848,582
<b>Unsecured</b>		
Call borrowings	-	4,165,857
Overdrawn nostro accounts	<b>147,308</b>	2,009,258
	<b>21,792,900</b>	24,023,697

### 16 DEPOSITS AND OTHER ACCOUNTS

Note	30 September 2019 (Un-audited)			31 December 2018 (Audited)		
	In Local Currency	In Foreign Currencies	Total	In Local Currency	In Foreign Currencies	Total
	----- (Rupees in '000) -----					
<b>Customers</b>						
<b>Remunerative</b>						
- Fixed deposits	20,632,433	640,507	21,272,940	23,678,966	614,478	24,293,444
- Savings deposits	181,677,806	26,872,842	208,550,648	177,483,289	24,915,546	202,398,835
<b>Non-Remunerative</b>						
- Current accounts	135,215,081	65,123,514	200,338,595	128,778,230	55,626,670	184,404,900
- Margin accounts	3,158,762	212,356	3,371,118	5,243,140	81,423	5,324,563
- Special exporters' account	4,642,976	-	4,642,976	4,728,626	-	4,728,626
	<b>345,327,058</b>	<b>92,849,219</b>	<b>438,176,277</b>	<b>339,912,251</b>	<b>81,238,117</b>	<b>421,150,368</b>
<b>Financial Institutions</b>						
- Remunerative deposits - Others	4,240,577	-	4,240,577	129,202	-	129,202
- Non-remunerative deposits - Others	8,452,971	1,245,675	9,698,646	2,549,230	1,070,136	3,619,366
	<b>358,020,606</b>	<b>94,094,894</b>	<b>452,115,500</b>	<b>342,590,683</b>	<b>82,308,253</b>	<b>424,898,936</b>

16.1 This includes Rs. 2,601.089 million (2018: Rs. 964.772 million) against balances of other branches and subsidiaries of Standard Chartered Group operating outside Pakistan.

### 17 DEFERRED TAX ASSETS / (LIABILITIES)

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

Note	30 September 2019 (Un-audited)			
	At 1 January 2019	Recognised in profit and loss	Recognised in OCI	At 30 September 2019
	----- (Rupees in '000) -----			
<b>Deductible Temporary Differences on</b>				
Post retirement employee benefits	7,256	-	-	7,256
Deficit on revaluation of investments	49,685	-	38,520	88,205
Provision against advances, off balance sheet etc.	2,485,817	(369,799)	-	2,116,018
Unpaid liabilities	1,902,215	501,082	-	2,403,297
	<b>4,444,973</b>	<b>131,283</b>	<b>38,520</b>	<b>4,614,776</b>
<b>Taxable Temporary Differences on</b>				
Surplus on revaluation of fixed assets	(202,903)	9,880	-	(193,023)
Goodwill	(7,830,986)	-	-	(7,830,986)
Accelerated tax depreciation	(42,293)	33,265	-	(9,028)
	<b>(8,076,182)</b>	<b>43,145</b>	<b>-</b>	<b>(8,033,037)</b>
	<b>(3,631,209)</b>	<b>174,428</b>	<b>38,520</b>	<b>(3,418,261)</b>

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

For the nine months period ended 30 September 2019

31 December 2018 (Audited)			
At 1 January 2018	Recognised in profit and loss	Recognised in OCI	At 31 December 2018

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

### Deductible Temporary Differences on

Post retirement employee benefits	14,835	-	(7,579)	7,256
Deficit on revaluation of investments	20,498	-	29,187	49,685
Provision against advances, off balance sheet etc.	2,959,817	(474,000)	-	2,485,817
Unpaid liabilities	1,417,138	485,077	-	1,902,215
	4,412,288	11,077	21,608	4,444,973

### Taxable Temporary Differences on

Surplus on revaluation of fixed assets	(212,968)	10,065	-	(202,903)
Goodwill	(7,830,986)	-	-	(7,830,986)
Accelerated tax depreciation	(74,742)	32,449	-	(42,293)
	(8,118,696)	42,514	-	(8,076,182)
	<u>(3,706,408)</u>	<u>53,591</u>	<u>21,608</u>	<u>(3,631,209)</u>

- 17.1 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. 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.

18 OTHER LIABILITIES	Note	30 September 2019	31 December 2018
		(Un-audited)	(Audited)
----- (Rupees in '000) -----			
Mark-up / return / interest payable in local currency		1,093,332	198,511
Mark-up / return / interest payable in foreign currencies		26,498	33,470
Accrued expenses		2,762,925	2,741,552
Advance payments		581,551	455,317
Sundry creditors		6,553,715	4,249,807
Mark to market loss on forward foreign exchange contracts		3,819,861	3,663,891
Unrealized loss on interest rate derivatives and currency options		4,322,498	2,607,779
Due to Holding Company	18.1	15,156,622	11,925,280
Charity fund balance		3,464	7,932
Dividend payable		143,631	85,567
Branch adjustment account		-	2,438
Provision against off balance sheet obligations	18.2	250,147	283,541
Worker's welfare fund (WWF) payable	18.3	2,843,518	2,265,276
Lease liability	18.4	1,786,118	-
Acceptances		4,349,390	5,699,708
Unsettled trades		54,510	4,920,925
Others		221,303	204,504
		<u>43,969,083</u>	<u>39,345,498</u>
<b>18.1 Due to Holding Company</b>			
On account of reimbursement of executive and general administrative expenses		10,250,476	10,250,476
Dividend and other payable		4,906,146	1,674,804
		<u>15,156,622</u>	<u>11,925,280</u>

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

For the nine months period ended 30 September 2019

	<b>30 September 2019</b>	<b>31 December 2018</b>
	(Un-audited)	(Audited)
	----- (Rupees in '000) -----	
<b>18.2 Provision against off-balance sheet obligations</b>		
Opening balance	283,541	282,927
Charge for the period	64,426	8,500
Reversals	(97,820)	(7,886)
Closing balance	<u>250,147</u>	<u>283,541</u>

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

- 18.3** The Supreme Court of Pakistan vide its order dated 10 November 2016 has held that the amendments made in the law introduced by the Federal Government by Finance Act 2008 for the levy of Workers 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.

Further, as a consequence of passage of 18th Amendment to the Constitution, levy for Workers Welfare was also introduced by the Government of Sindh (Sindh WWF) which was effective from 01 January 2014. The definition of industrial undertakings under the aforesaid Sindh WWF law includes banks and financial institutions as well. The Bank along with the other banks has challenged applicability of the said law on Banks before the Sindh High Court.

- 18.4** IFRS 16 'Leases', is effected for annual period beginning on or after 1 January 2019. Accordingly, operating leases meeting the criteria prescribed within the standard are presented as on-balance sheet items. Also refer note 3.1.

	<b>30 September 2019</b>	<b>31 December 2018</b>
	(Un-audited)	(Audited)
	----- (Rupees in '000) -----	
<b>19 SURPLUS ON REVALUATION OF ASSETS - NET OF DEFERRED TAX</b>		
Note	----- (Rupees in '000) -----	
<b>Surplus / (deficit) arising on revaluation of:</b>		
Fixed assets	19.1 5,638,035	5,823,845
Available for Sale securities	19.2 (252,014)	(141,956)
	<u>5,386,021</u>	<u>5,681,889</u>
<b>Deferred tax on surplus / (deficit) on revaluation of:</b>		
Fixed assets	19.1 (193,023)	(202,903)
Available for Sale securities	19.2 88,205	49,685
	<u>(104,818)</u>	<u>(153,218)</u>
	<u>5,281,203</u>	<u>5,528,671</u>
<b>19.1 Surplus on revaluation of fixed assets - net of tax</b>		
Surplus on revaluation of fixed assets as at 1 January	5,823,845	5,852,602
Surplus/ (Deficit) on revaluation - net of deferred tax	22,510	-
Realised on disposal during the year - net of deferred tax	(182,154)	-
Transferred to unappropriated profit in respect of incremental depreciation charged during the year - net of deferred tax	(17,008)	(18,692)
Related deferred tax liability on incremental depreciation charged during the period	(9,158)	(10,065)
	<u>(26,166)</u>	<u>(28,757)</u>
Surplus on revaluation of fixed assets as at 31 December	5,638,035	5,823,845
Less: Related deferred tax liability on:		
Revaluation surplus as at 1 January	(202,903)	(212,968)
Revaluation surplus recognised during the year	-	-
Surplus realized on disposal during the year	722	-
Incremental depreciation charged during the year	9,158	10,065
	<u>(193,023)</u>	<u>(202,903)</u>
Surplus on revaluation of fixed assets as at 31 December - net of tax	<u>5,445,012</u>	<u>5,620,942</u>

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

For the nine months period ended 30 September 2019

		<b>30 September 2019</b>	<b>31 December 2018</b>
		(Un-audited)	(Audited)
		----- (Rupees in '000) -----	
<b>19.2</b>	<b>(Deficit) / Surplus on revaluation of Available for Sale securities - net of tax</b>		
	Market Treasury Bills	(102,085)	(136,954)
	Pakistan Investment Bonds	(157,680)	(3,329)
	Sukuk and Ijarah Bonds	7,751	(3,239)
	Listed shares	-	1,566
		<b>(252,014)</b>	<b>(141,956)</b>
	Related deferred tax asset / (liability)	<b>88,205</b>	49,685
		<b>(163,809)</b>	<b>(92,271)</b>
<b>20</b>	<b>CONTINGENCIES AND COMMITMENTS</b>		
	Guarantees	20.1 <b>138,945,852</b>	107,971,882
	Commitments	20.2 <b>475,175,903</b>	301,849,694
	Other contingent liabilities	20.3 <b>11,000,461</b>	11,125,936
		<b>625,122,215</b>	<b>420,947,512</b>
<b>20.1</b>	<b>Guarantees</b>		
	Guarantees issued favouring:		
	Financial guarantees	<b>19,219,990</b>	15,986,920
	Performance guarantees	<b>82,041,713</b>	59,937,338
	Other guarantees	<b>37,684,149</b>	32,047,624
		<b>138,945,852</b>	<b>107,971,882</b>
<b>20.2</b>	<b>Commitments</b>		
	<b>Documentary credits and short-term trade-related transactions</b>		
	Letters of credit	<b>27,711,561</b>	20,430,495
	<b>Commitments in respect of:</b>		
	Forward foreign exchange contracts		
	- Purchase	20.4 <b>249,478,632</b>	173,791,445
	- Sale	20.4 <b>197,362,020</b>	107,179,523
	<b>Commitment for acquisition of fixed assets</b>	<b>30,821</b>	63,916
	<b>Commitment in respect of operating lease</b>	20.6 <b>592,869</b>	384,315
		<b>475,175,903</b>	<b>301,849,694</b>
<b>20.3</b>	<b>Other contingent liabilities</b>	<b>11,000,461</b>	<b>11,125,936</b>

**20.3.1** The Bank has a case before the Court on the land where an office building is constructed and the Bank owns a portion of that premises. A request for clearance of its premises from the competent court has been filed based on the fact that the Bank is a bonafide purchaser of the premises having no relevance with the principal case. Considering the facts of the case, the management expects a favourable decision in this case from the competent court. The Bank is also in litigation with various tenants for repossessing its office space in one of its other owned properties. These cases are now being adjudicated before the Court of Rent Controller. During the period, positive decision was rendered for certain office spaces in favour of the Bank. Based on the facts of the case and the opinion of legal counsel, the management expects a favourable decision from the dealing court in remaining cases.

**20.3.2** Further, an order for income year 2011 levying Federal Excise Duty of Rs. 515.6 million has been issued. The demand has been stayed by the Sindh High Court.

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

### For the nine months period ended 30 September 2019

**20.3.3** The tax department amended the assessments for income years 2007 to 2017 (tax years 2008 to 2018 respectively) under the related provisions of the Income Tax Law, determining additional tax liability amounting to Rs. 4,696 million on account of various issues such as disallowances relating to provision against loans and advances and Rs. 3,607 million on account of goodwill amortization (for which deferred tax is also booked) which have been paid by the Bank. 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 favor of the Bank at appellate forums. Accordingly, no additional provision is required. The Sindh High Court has decided the issue of goodwill amortisation in favor of the Bank for the tax years 2008 and 2012. A tax refund order of Rs. 893 million has been issued by the Federal Board of Revenue in respect of tax year 2008. 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	30 September 2019	31 December 2018
	(Un-audited)	(Audited)
	----- (Rupees in '000) -----	
Purchase from:		
State Bank of Pakistan	107,810,810	77,367,993
Other banks	137,985,532	95,861,603
Customers	3,682,289	561,849
	<u>249,478,632</u>	<u>173,791,445</u>
Sale to:		
Other banks	172,849,879	91,861,463
Customers	24,512,141	15,318,060
	<u>197,362,020</u>	<u>107,179,523</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 operating lease	30 September 2019	31 December 2018
	(Un-audited)	(Audited)
	----- (Rupees in '000) -----	
Not later than one year	126,558	230,766
Later than one year and not later than five years	430,020	149,452
Later than five years	36,291	4,097
	<u>592,869</u>	<u>384,315</u>

#### 20.7 Derivative instruments

##### 20.7.1 Product analysis

	30 September 2019 (Un-audited)			
	----- (Rupees in '000) -----			
Counterparties	Interest Rate Swaps & Cross Currency Swaps		FX Options	
	Notional Principal *	Mark to market gain / loss	Notional Principal *	Mark to market gain / loss
<b>With Banks for</b>				
Hedging	-	-	-	-
Market Making	11,194,996	(639,299)	-	-
<b>With FIs other than banks</b>				
Hedging	-	-	-	-
Market Making	-	-	-	-
<b>With other entities for</b>				
Hedging	-	-	-	-
Market Making	13,874,386	(3,682,696)	-	-
<b>Total</b>				
Hedging	-	-	-	-
Market Making	<u>25,069,382</u>	<u>(4,321,995)</u>	<u>-</u>	<u>-</u>

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

For the nine months period ended 30 September 2019

		31 December 2018 (audited)			
		----- (Rupees in '000) -----			
		Interest Rate Swaps & Cross Currency Swaps		FX Options	
Counterparties		Notional Principal *	Mark to market gain / loss	Notional Principal *	Mark to market gain / loss
With Banks for					
	Hedging	-	-	-	-
	Market Making	13,108,769	(1,554,362)	37,141	(214)
With FIs other than banks					
	Hedging	-	-	-	-
	Market Making	-	-	-	-
With other entities for					
	Hedging	-	-	-	-
	Market Making	14,538,458	(1,022,480)	37,141	214
Total					
	Hedging	-	-	-	-
	Market Making	27,647,227	(2,576,842)	74,283	-

\* At the exchange rate prevailing at period end.

21	MARK-UP / RETURN / INTEREST EARNED	Note	Three months	Nine months	Three months	Nine months
			period ended	period ended	period ended	period ended
			30 September	30 September	30 September	30 September
			2019	2019	2018	2018
			(Un-audited)	(Un-audited)	(Un-audited)	(Un-audited)
----- (Rupees in '000) -----						
	On loans and advances to customers		5,928,713	15,257,987	3,079,109	8,701,249
	On loans and advances to financial institutions		11,793	33,477	13,486	44,823
	On investments in: i) Held for trading securities		16,743	29,964	16,024	122,330
	ii) Available for sale securities		7,473,568	19,618,163	4,545,732	12,382,524
	On deposits with financial institutions / State Bank of Pakistan		44,056	128,404	28,894	60,209
	On securities purchased under resale agreements		119,272	1,455,298	114,615	312,043
	On call money lending / placements		306,151	812,786	40,480	121,009
			<b>13,900,296</b>	<b>37,336,079</b>	<b>7,838,340</b>	<b>21,744,187</b>
22	MARK-UP / RETURN / INTEREST EXPENSED					
	Deposits		5,568,327	14,437,833	2,625,320	7,142,439
	Securities sold under repurchase agreements		332,530	592,749	154,034	327,447
	Call borrowings		3,102	87,504	38,413	106,383
	Borrowings from State Bank of Pakistan under Export Refinance (ERF) scheme		86,708	256,381	57,861	218,107
	Cost of foreign currency swaps against foreign currency deposits / borrowings		573,517	1,276,608	159,818	403,246
	Finance cost of lease liability	22.1	47,099	156,657	-	-
			<b>6,611,283</b>	<b>16,807,732</b>	<b>3,035,446</b>	<b>8,197,622</b>

22.1 IFRS 16 'Leases', is effected for annual period beginning on or after 1 January 2019. Accordingly, finance cost of lease liability on operating leases meeting the criteria prescribed within the standard are separately disclosed. Also refer note 3.1.

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

### For the nine months period ended 30 September 2019

	Note	Three months	Nine months	Three months	Nine months
		period ended	period ended	period ended	period ended
		30 September	30 September	30 September	30 September
		2019	2019	2018	2018
		(Un-audited)	(Un-audited)	(Un-audited)	(Un-audited)
----- (Rupees in '000) -----					
<b>23 FEE &amp; COMMISSION INCOME</b>					
Branch banking customer fees		62,044	192,402	56,668	200,338
Deposits protection premium	23.1	(99,728)	(299,183)	(82,670)	(82,670)
Consumer finance related fees		9,883	33,118	6,059	27,470
Card related fees (debit and credit cards)		238,866	913,618	331,009	1,174,998
Credit related fees		74,618	162,548	92,630	280,102
Investment banking fees		6,483	25,292	19,447	111,299
Commission on trade		189,948	682,093	120,002	426,095
Commission on guarantees		160,051	460,274	116,575	391,744
Commission on cash management		60,084	275,974	11,216	164,027
Commission on remittances including home remittances		25,462	83,068	10,434	27,341
Commission on bancassurance		11,708	35,342	21,645	113,742
Custody Fees		50,581	141,489	42,421	152,002
		<u>790,000</u>	<u>2,706,035</u>	<u>745,436</u>	<u>2,986,488</u>
<b>23.1</b>	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.				
	Note	Three months	Nine months	Three months	Nine months
		period ended	period ended	period ended	period ended
		30 September	30 September	30 September	30 September
		2019	2019	2018	2018
		(Un-audited)	(Un-audited)	(Un-audited)	(Un-audited)
----- (Rupees in '000) -----					
<b>24 FOREIGN EXCHANGE INCOME</b>					
Gain / (loss) realised from dealing in					
- Foreign Currencies		1,404,835	3,630,065	760,238	2,289,985
- Derivative financial instruments		(312,451)	130,858	43,728	955,808
		<u>1,092,384</u>	<u>3,760,923</u>	<u>803,966</u>	<u>3,245,793</u>
<b>25 GAIN / (LOSS) ON SECURITIES</b>					
Realised	25.1	615,380	1,044,616	388,374	997,178
Unrealised - held for trading	9.1	(238,110)	(100,159)	18,648	31,307
		<u>377,270</u>	<u>944,457</u>	<u>407,022</u>	<u>1,028,485</u>
<b>25.1</b>	Realised gain on:				
<b>Federa I Government Securities</b>					
Market Treasury Bills		749,190	859,809	278,783	551,452
Pakistan Investment Bonds		(133,810)	184,807	109,591	445,726
		<u>615,380</u>	<u>1,044,616</u>	<u>388,374</u>	<u>997,178</u>
<b>26 OTHER INCOME</b>					
Rent on property		6,149	18,169	5,667	16,750
Gain on sale of fixed assets - net		21,461	51,502	5,835	13,142
Sri Lanka branch operations cost & FX translation		(2,265)	4,260	363	1,628
Recoveries against assets from acquisition of Union Bank Limited		-	-	15,350	51,500
		<u>25,345</u>	<u>73,931</u>	<u>27,215</u>	<u>83,020</u>

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

For the nine months period ended 30 September 2019

### 27 OPERATING EXPENSES

Note	Three months period ended	Nine months period ended	Three months period ended	Nine months period ended
	30 September 2019 (Un-audited)	30 September 2019 (Un-audited)	30 September 2018 (Un-audited)	30 September 2018 (Un-audited)
----- (Rupees in '000) -----				
<b>Total compensation expense</b>	<b>1,456,339</b>	<b>4,396,875</b>	1,556,742	4,612,226
<b>Property expense</b>				
Rent & taxes	42,782	224,028	206,101	614,734
Insurance	2,643	8,657	7,110	17,965
Utilities cost	80,720	190,462	84,228	235,634
Security (including guards)	58,377	168,119	39,396	145,671
Repair & maintenance	84,704	286,889	74,647	250,589
Facilities management cost	34,262	103,165	37,373	119,001
Depreciation (Property related)	38,343	122,574	43,942	155,789
Depreciation (Right of use assets)	27.1	128,103	399,256	-
Cleaning and janitorial	84,216	304,165	108,193	252,472
Minor improvements and others	39,550	67,778	40,941	59,123
	<b>593,700</b>	<b>1,875,093</b>	641,931	1,850,978
<b>Information technology expenses</b>				
Software maintenance	38,273	116,779	41,637	117,699
Hardware maintenance	70,322	224,385	56,297	214,832
Depreciation (IT related)	50,121	144,946	46,902	143,214
Amortization	25	76	41	125
Network charges	1,200	5,041	4,805	7,630
	<b>159,941</b>	<b>491,227</b>	149,682	483,500
<b>Other operating expenses</b>				
Directors' fees and allowances	1,100	3,800	850	3,825
Fees and allowances to Shariah Board	2,316	7,378	995	3,980
Legal & professional charges	17,403	74,599	3,372	62,719
Outsourced services costs	22,563	54,101	33,618	54,214
Travelling & conveyance	30,569	84,442	32,403	103,100
Depreciation (Other fixed assets)	21,073	58,003	11,208	27,346
Training & development	2,687	6,501	1,544	8,561
Postage & courier charges	34,535	94,192	19,521	80,704
Communication	69,423	214,807	38,738	219,425
Stationery & printing	48,294	133,739	36,852	125,721
Marketing, advertisement & publicity	69,174	205,311	95,880	347,700
Donations	-	7,000	-	5,890
Auditors remuneration	9,050	25,863	8,069	21,163
Cash transportation services	8,716	48,252	12,098	51,490
Documentation and processing charges	36,639	106,477	32,964	97,077
Insurance	6,086	14,915	5,341	17,182
Others	16,677	81,578	55,198	189,930
	<b>396,305</b>	<b>1,220,958</b>	388,651	1,420,027
	<b>2,606,285</b>	<b>7,984,153</b>	2,737,006	8,366,731

27.1 IFRS 16 'Leases', is effected for annual period beginning on or after 1 January 2019. Accordingly, depreciation against right of use assets on operating leases meeting the criteria prescribed within the standard are separately disclosed. Also refer note 3.1.

27.2 The Bank is awaiting approval from State Bank of Pakistan for payment of group executive and general administration expenses for prior years. In concurrence with SCB UK, no expenses have been charged for the year ended 31 December 2018 and nine months period ended 30 September 2019.

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

### For the nine months period ended 30 September 2019

Note	Three months period ended	Nine months period ended	Three months period ended	Nine months period ended		
	30 September 2019 (Un-audited)	30 September 2019 (Un-audited)	30 September 2018 (Un-audited)	30 September 2018 (Un-audited)		
----- (Rupees in '000) -----						
<b>28</b>	<b>OTHER CHARGES</b>					
	Net charge against fines and penalties imposed by SBP	11,115	32,508	4,642	5,507	
<b>29</b>	<b>(PROVISIONS) / RECOVERY &amp; WRITE OFFS - NET</b>					
	(Provision) / recovery against loans and advances	10.3 & 18.2	(259,483)	(161,971)	365,651	867,975
	Recovery of amounts written off	10.3	57,989	198,935	93,134	254,526
	Provision for diminution in the value of investments	9.1	(4,027)	(51,907)	-	(5,370)
	Bad debts written off directly		(58,105)	(167,547)	(56,640)	(162,157)
	Fixed assets write offs		-	(6,442)	-	(6,948)
	Impairment against fixed assets		-	(61,586)	-	-
	Provision against other assets		-	-	(278)	(278)
			<b>(263,626)</b>	<b>(250,518)</b>	<b>401,867</b>	<b>947,748</b>
<b>30</b>	<b>TAXATION</b>					
	- Current		2,601,862	7,907,418	1,256,614	4,326,272
	- Prior year	30.1	-	607,199	-	-
	- Deferred		71,650	(174,428)	336,479	545,300
			<b>2,673,512</b>	<b>8,340,189</b>	<b>1,593,093</b>	<b>4,871,572</b>
<b>30.1</b>	The Parliament through Finance Supplementary (Second Amendment) Act, 2019 dated March 11, 2019 retrospectively implemented super tax for Financial Year 2017. The bank has recorded full year amount of such super tax as a prior year charge in its current financial statements.					
<b>31</b>	<b>EARNINGS PER SHARE - BASIC AND DILUTED</b>					
			Nine months period ended 30 September 2019 (Un-audited)	Nine months period ended 30 September 2018 (Un-audited)		
			----- (Rupees in '000) -----			
	Profit for the period		11,432,598	7,773,927		
			----- (Number of shares) -----			
	Weighted average number of ordinary shares		3,871,585,021	3,871,585,021		
			----- (Rupees) -----			
	Earnings per share - basic and diluted		2.95	2.01		

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

### For the nine months period ended 30 September 2019

#### 32 FAIR VALUE OF FINANCIAL INSTRUMENTS

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

	Note	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	
<b>30 September 2019 (Un-audited)</b>												
----- (Rupees in '000) -----												
<b>Financial assets measured at fair value</b>												
- Investments												
- Federal Government Securities (T-Bills + PIBs + Sukuks)			23,538,612	219,055,351	-	-	-	242,593,963	-	242,593,963	-	242,593,963
- Sukuk Bonds (other than government)			-	503,220	-	-	-	503,220	-	503,220	-	503,220
- Equity securities traded (Shares)			-	51,683	-	-	-	51,683	51,683	-	-	51,683
- Other assets												
- Unrealized gain on Forward foreign exchange contracts			-	5,855,259	-	-	-	5,855,259	-	5,855,259	-	5,855,259
- Unrealized gain on Interest rate derivatives & currency options			-	503	-	-	-	503	-	503	-	503
<b>Financial assets not measured at fair value</b>												
- Cash and bank balances with SBP and NBP	32.2		-	-	-	50,558,131	-	50,558,131	-	50,558,131	-	50,558,131
- Balances with other banks	32.2		-	-	-	4,170,984	-	4,170,984	-	4,170,984	-	4,170,984
- Lending to financial institutions	32.2		-	-	-	41,655,377	-	41,655,377	-	41,655,377	-	41,655,377
- Bai Muajjal with GOP	32.2		-	-	-	1,390,978	-	1,390,978	-	1,390,978	-	1,390,978
- Advances	32.2		-	-	196,975,139	-	-	196,975,139	-	196,975,139	-	196,975,139
- Other assets	32.2		-	-	-	7,969,847	-	7,969,847	-	7,969,847	-	7,969,847
			23,538,612	225,466,016	196,975,139	105,745,317	-	551,725,084	-	551,725,084	-	551,725,084
<b>Financial liabilities measured at fair value</b>												
- Other liabilities												
- Unrealized loss on forward foreign exchange contracts	32.2		-	3,819,861	-	-	-	3,819,861	-	3,819,861	-	3,819,861
- Unrealized loss on Interest rate derivatives & currency options	32.2		-	4,322,498	-	-	-	4,322,498	-	4,322,498	-	4,322,498
<b>Financial liabilities not measured at fair value</b>												
- Bills Payable	32.2		-	-	-	-	11,366,251	11,366,251	-	11,366,251	-	11,366,251
- Deposits and other accounts	32.2		-	-	-	-	452,115,500	452,115,500	-	452,115,500	-	452,115,500
- Borrowings	32.2		-	-	-	-	21,792,900	21,792,900	-	21,792,900	-	21,792,900
- Other liabilities (excluding Liabilities against assets subject to finance lease)	32.2		-	-	-	-	27,951,197	27,951,197	-	27,951,197	-	27,951,197
			-	8,142,359	-	-	513,225,848	521,368,207	-	521,368,207	-	521,368,207
<b>Off-balance sheet financial instruments</b>												
- Interest Rate swaps / Foreign currency options / Forward purchase contracts			-	-	-	268,620,090	-	268,620,090	-	268,620,090	-	268,620,090
- Interest Rate swaps / Foreign currency options / Forward sale contracts			-	-	-	203,289,944	-	203,289,944	-	203,289,944	-	203,289,944

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

### For the nine months period ended 30 September 2019

#### On balance sheet financial instruments

31 December 2018 (audited)

	Carrying value			Fair value						
	Held for Trading	Available for Sale	Loans and Receivables	Other financial Assets	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
<b>Financial assets measured at fair value</b>										
- Investments										
- Federal Government Securities (T-Bills + PIBs + Sukuks)	12,179,635	266,175,903	-	-	-	278,355,538	-	278,355,538	-	278,355,538
- Sukuk Bonds (other than government)	-	605,211	-	-	-	605,211	-	605,211	-	605,211
- Equity securities traded (Shares)	-	105,155	-	-	-	105,155	105,155	-	-	105,155
- Other assets	-	-	-	-	-	-	-	-	-	-
- Unrealized gain on Forward foreign exchange contracts	-	8,370,550	-	-	-	8,370,550	-	8,370,550	-	8,370,550
- Unrealized gain on interest rate derivatives & currency options	-	30,937	-	-	-	30,937	-	30,937	-	30,937
<b>Financial assets not measured at fair value</b>										
- Cash and bank balances with SBP and NBP	-	-	-	50,293,497	-	50,293,497	-	-	-	50,293,497
- Balances with other banks	-	-	-	2,344,297	-	2,344,297	-	-	-	2,344,297
- Lending to financial institutions	-	-	-	6,465,508	-	6,465,508	-	-	-	6,465,508
- Bai Muajjal with GOP	-	-	-	1,390,978	-	1,390,978	-	-	-	1,390,978
- Sukuk Bonds (other than government)	-	-	-	-	-	-	-	-	-	-
- Advances	-	-	169,543,762	-	-	169,543,762	-	-	-	169,543,762
- Other assets	-	-	-	11,548,171	-	11,548,171	-	-	-	11,548,171
	12,179,635	275,287,756	169,543,762	72,042,451	-	529,053,604	-	-	-	529,053,604
<b>Financial liabilities measured at fair value</b>										
- Other liabilities										
- Unrealized loss on Forward foreign exchange contracts	32.2	3,663,891	-	-	-	3,663,891	-	3,663,891	-	3,663,891
- Unrealized loss on interest rate derivatives & currency options	32.2	2,607,779	-	-	-	2,607,779	-	2,607,779	-	2,607,779
<b>Financial liabilities not measured at fair value</b>										
- Bills Payable	-	-	-	16,943,627	-	16,943,627	-	-	-	16,943,627
- Deposits and other accounts	-	-	-	424,898,936	-	424,898,936	-	-	-	424,898,936
- Borrowings	-	-	-	24,023,697	-	24,023,697	-	-	-	24,023,697
- Sub -ordinated loans	-	-	-	-	-	-	-	-	-	-
- Other liabilities (excluding liabilities against assets subject to finance lease)	32.2	-	-	31,205,469	-	31,205,469	-	-	-	31,205,469
	-	6,271,670	-	497,071,729	-	503,343,399	-	-	-	503,343,399
<b>Off-balance sheet financial instruments</b>										
<b>Interest Rate swaps / Foreign currency options / Forward purchase contracts</b>										
	-	-	-	192,684,550	-	192,684,550	-	201,086,037	-	201,086,037
<b>Interest Rate swaps / Foreign currency options / Forward sale contracts</b>										
	-	-	-	116,007,928	-	116,007,928	-	122,279,598	-	122,279,598

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).

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

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

For the nine months period ended 30 September 2019

### 33 SEGMENT INFORMATION

#### 33.1 Segment Details with respect to Business Activities

	30 September 2019 (Un-audited)				
	Corporate and Institutional Banking	Commercial Banking	Retail Banking	Central and Other Items	Total
	----- (Rupees in '000) -----				
<b>Profit and Loss</b>					
Inter segment revenue - net	3,413,049	(3,309,307)	15,622,074	(15,709,591)	16,225
Net mark-up / return / profit	17,768	4,853,843	(4,808,470)	20,465,206	20,528,347
Non mark-up / return / interest income	5,229,492	1,035,168	1,867,335	(42,134)	8,089,861
<b>Total Income</b>	<b>8,660,309</b>	<b>2,579,704</b>	<b>12,680,939</b>	<b>4,713,481</b>	<b>28,634,433</b>
Segment direct expenses	1,453,977	865,058	5,362,859	913,009	8,594,903
Inter segment expense allocation	1,788	647	10,519	3,271	16,225
<b>Total expenses</b>	<b>1,455,765</b>	<b>865,705</b>	<b>5,373,378</b>	<b>916,280</b>	<b>8,611,128</b>
(Reversals) / provisions	-	89,981	40,601	119,936	250,518
<b>Profit before taxation</b>	<b>7,204,544</b>	<b>1,624,018</b>	<b>7,266,960</b>	<b>3,677,265</b>	<b>19,772,787</b>
<b>Balance Sheet</b>					
Cash & Bank balances	-	-	-	54,729,115	54,729,115
Investments	23,538,611	119,516	-	219,490,739	243,148,866
Net inter segment lending	19,544,332	-	265,996,449	(285,540,781)	-
Lendings to financial institutions	-	-	-	41,655,377	41,655,377
Advances - Performing	91,334,024	61,536,453	25,968,367	-	178,838,844
- Non performing	3,438,518	12,468,745	2,229,032	-	18,136,295
Others	18,476,969	8,199,539	14,739,627	22,712,443	64,128,578
<b>Total Assets</b>	<b>156,332,454</b>	<b>82,324,253</b>	<b>308,933,475</b>	<b>53,046,893</b>	<b>600,637,075</b>
Borrowings	-	-	-	21,792,900	21,792,900
Deposits & other accounts	125,803,259	19,514,359	306,783,515	14,367	452,115,500
Net inter segment borrowing	-	55,481,333	-	(55,481,333)	-
Others	30,529,195	7,328,561	2,149,962	18,745,877	58,753,595
<b>Total liabilities</b>	<b>156,332,454</b>	<b>82,324,253</b>	<b>308,933,477</b>	<b>(14,928,189)</b>	<b>532,661,995</b>
Equity	-	-	-	67,975,080	67,975,080
<b>Total Equity &amp; liabilities</b>	<b>156,332,454</b>	<b>82,324,253</b>	<b>308,933,477</b>	<b>53,046,891</b>	<b>600,637,075</b>
<b>Contingencies &amp; Commitments</b>	<b>163,482,154</b>	<b>3,174,999</b>	<b>261</b>	<b>458,464,801</b>	<b>625,122,215</b>

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

### For the nine months period ended 30 September 2019

	30 September 2018 (Un-audited)				Total
	Corporate and Institutional Banking	Commercial Banking	Retail Banking	Central and Other Items	
	----- (Rupees in '000) -----				
Inter segment revenue - net	2,727,646	(2,062,216)	9,533,248	(10,186,404)	12,274
Net mark-up / return / profit	(854,188)	3,299,177	(1,460,917)	12,562,493	13,546,565
Non mark-up / return / interest income	3,397,680	795,290	2,684,622	(101,258)	6,776,334
<b>Total Income</b>	<b>5,271,138</b>	<b>2,032,251</b>	<b>10,756,953</b>	<b>2,274,831</b>	<b>20,335,173</b>
Segment direct expenses	1,459,533	901,699	5,644,733	619,183	8,625,148
Inter segment expense allocation	2,095	1,012	8,934	233	12,274
<b>Total expenses</b>	<b>1,461,628</b>	<b>902,711</b>	<b>5,653,667</b>	<b>619,416</b>	<b>8,637,422</b>
(Reversals) / provisions	(15,749)	(1,027,650)	83,055	12,596	(947,748)
<b>Profit before taxation</b>	<b>3,825,259</b>	<b>2,157,190</b>	<b>5,020,231</b>	<b>1,642,819</b>	<b>12,645,499</b>
<b>Balance Sheet</b>					
Cash & Bank balances	-	-	-	43,775,319	43,775,319
Investments	5,409,961	161,986	-	260,123,662	265,695,609
Net inter segment lending	51,262,834	-	239,879,825	(291,142,659)	-
Lendings to financial institutions	-	-	-	25,207,002	25,207,002
Advances - Performing	46,213,455	62,902,172	21,920,724	-	131,036,351
- Non performing	3,327,513	12,172,702	2,503,078	-	18,003,293
Others	17,011,062	6,172,832	14,802,387	24,462,816	62,449,097
<b>Total Assets</b>	<b>123,224,825</b>	<b>81,409,692</b>	<b>279,106,014</b>	<b>62,426,140</b>	<b>546,166,671</b>
Borrowings	-	12,900,530	-	7,339,057	20,239,587
Deposits & other accounts	109,289,690	24,093,847	277,435,951	7,098	410,826,586
Net inter segment borrowing	-	36,359,595	-	(36,359,595)	-
Others	13,935,135	8,055,720	1,670,060	27,614,902	51,275,817
Total liabilities	123,224,825	81,409,692	279,106,011	(1,398,538)	482,341,990
Equity	-	-	-	63,824,681	63,824,681
<b>Total Equity &amp; liabilities</b>	<b>123,224,825</b>	<b>81,409,692</b>	<b>279,106,011</b>	<b>62,426,143</b>	<b>546,166,671</b>
<b>Contingencies &amp; Commitments</b>	<b>124,725,250</b>	<b>3,926,201</b>	<b>1,808</b>	<b>302,119,038</b>	<b>430,772,297</b>

#### Corporate and Institutional Banking

Corporate and Institutional Banking comprises International Corporate and Financial Institutions clients. The services include deposits, trade, advisory services and other lending activities. The products include FX forwards, FX options and interest rate swaps.

#### Commercial Banking

Commercial Banking serves small and medium-sized corporate clients. The services include deposits, trade, wealth management and other lending activities for SME and local corporate clients.

#### Retail Banking

Retail Banking serves Priority, Personal and Small Business Clients. The services include wealth management, deposits, secured lending (mortgages, overdrafts etc.), 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.

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

### For the nine months period ended 30 September 2019

#### 34 RELATED PARTY TRANSACTIONS

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

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

	30 September 2019 (Un-audited)				31 December 2018 (Audited)			
	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	4,111,529	-	-	-	2,295,707	-	-	-
In deposit accounts	-	-	-	-	-	-	-	-
	<b>4,111,529</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,295,707</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Lending to financial institutions</b>								
Opening balance	6,465,508	-	-	-	5,396,987	-	-	-
Addition during the year	3,891,064,947	-	-	-	1,857,802,348	-	-	-
Repaid during the year	(3,864,077,235)	-	-	-	(1,856,733,827)	-	-	-
Transfer in / (out) - net	-	-	-	-	-	-	-	-
Closing balance	<b>33,453,220</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,465,508</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Advances</b>								
Opening balance	-	5,269	198,459	-	-	-	178,550	-
Addition during the year	-	258	126,396	-	-	-	131,360	-
Repaid during the year	-	(1,264)	(79,018)	-	-	(2,176)	(83,260)	-
Transfer in / (out) - net	-	-	(29,291)	-	-	7,445	(28,191)	-
Closing balance	-	<b>4,390</b>	<b>216,546</b>	-	-	<b>5,269</b>	<b>198,459</b>	-
Provision held against advances	-	-	-	-	-	-	-	-
<b>Other Assets</b>								
Interest / mark-up accrued	2,287	-	615	-	1,040	-	342	-
Receivable from staff retirement fund	-	-	-	16,300	-	-	-	16,300
Due from associated undertakings	775,946	-	-	-	787,578	-	-	-
Other receivable	-	-	2,218	-	-	-	1,354	-
	<b>778,233</b>	<b>-</b>	<b>2,833</b>	<b>16,300</b>	<b>788,618</b>	<b>-</b>	<b>1,696</b>	<b>16,300</b>
<b>Borrowings</b>								
Opening balance	6,174,771	-	-	-	75,526	-	-	-
Borrowings during the year	11,727	-	-	-	6,148,004	-	-	-
Settled during the year	(6,041,209)	-	-	-	(48,759)	-	-	-
Transfer in / (out) - net	-	-	-	-	-	-	-	-
Closing balance	<b>145,289</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,174,771</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Deposits and other accounts</b>								
Opening balance	964,771	403,272	80,143	122,721	835,108	21,717	78,535	492,124
Received during the year	1,686,043	701,095	646,142	13,926,408	375,647	238,867	644,572	6,906,082
Withdrawn during the year	(49,725)	(872,688)	(621,522)	(13,939,169)	(245,984)	(268,910)	(611,784)	(6,357,945)
Transfer in / (out) - net	-	2,424	-	-	-	411,598	(31,180)	(917,540)
Closing balance	<b>2,601,089</b>	<b>234,103</b>	<b>104,763</b>	<b>109,960</b>	<b>964,771</b>	<b>403,272</b>	<b>80,143</b>	<b>122,721</b>
<b>Other Liabilities</b>								
Interest / mark-up payable	-	-	-	-	8,968	-	-	-
Payable to staff retirement fund	-	-	-	-	-	-	-	-
Due to holding company	15,156,622	-	-	-	11,925,280	-	-	-
Other liabilities	-	-	-	-	-	-	-	-
	<b>15,156,622</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>11,934,248</b>	<b>-</b>	<b>-</b>	<b>-</b>

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

### For the nine months period ended 30 September 2019

30 September 2019 (Un-audited)				31 December 2018 (Audited)			
Parent	Directors	Key management personnel	Other related parties	Parent	Directors	Key management personnel	Other related parties

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

#### Contingencies and Commitments

Transaction-related contingent liabilities - guarantees	64,372,218	-	-	-	41,591,083	-	-	-
Trade-related contingent liabilities - letters of credit	-	-	-	-	-	-	-	-
Trade-related commitment liabilities - acceptances	-	-	-	-	-	-	-	-
Commitments in respect of forward foreign exchange contracts	3,413,827	-	-	-	8,393,906	-	-	-
Derivatives								
Derivative instruments - Interest rate swaps - notional	6,434,407	-	-	-	8,787,692	-	-	-
Derivative instruments - FX options - notional	-	-	-	-	37,141	-	-	-
Derivative assets	22,376	-	-	-	35,424	-	-	-
Derivative liabilities	671,492	-	-	-	469,300	-	-	-

#### RELATED PARTY TRANSACTIONS

30 September 2019 (Un-audited)				30 September 2018 (Un-audited)			
Parent	Directors	Key management personnel	Other related parties	Parent	Directors	Key management personnel	Other related parties

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

#### Income

Mark-up / return / interest earned	410,242	275	17,186	-	28,478	167	12,945	-
Fee and commission income	556,915	-	-	-	532,869	-	-	-
Dividend income	-	-	-	-	-	-	-	-
Net gain on sale of securities	-	-	-	-	-	-	-	-
Income / (loss) from derivatives	(215,240)	-	-	-	(451,557)	-	-	-

#### Expense

Mark-up / return / interest paid	77,710	20,703	2,087	24,439	12,361	5,941	1,277	34,935
Fee and commission expense	27,132	-	-	-	52,211	-	-	-
Operating expenses	-	3,800	287,150	-	-	3,825	260,257	-
Rent and Renovation expense	-	-	2,592	-	-	-	2,498	-
Royalty reversal	-	-	-	-	-	-	-	-
Insurance premium paid	-	-	-	-	-	-	-	-
Insurance claims settled	-	-	-	-	-	-	-	-

#### Other transactions

Dividend paid	5,748,491	-	-	-	6,706,594	-	-	-
Contribution to defined contribution plans	-	-	-	269,418	-	-	-	274,752
Net charge for defined contribution plans	-	-	-	269,418	-	-	-	274,752

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

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

For the nine months period ended 30 September 2019

35 CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS	30 September 2019	31 December 2018
	(Un-audited)	(Audited)
	----- (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>44,147,719</b>	43,225,327
Eligible Additional Tier 1 (ADT 1) Capital	-	-
Total Eligible Tier 1 Capital	<b>44,147,719</b>	43,225,327
Eligible Tier 2 Capital	<b>6,240,983</b>	6,397,797
Total Eligible Capital (Tier 1 + Tier 2)	<b>50,388,702</b>	49,623,124
<b>Risk Weighted Assets (RWAs):</b>		
Credit Risk	<b>245,063,740</b>	197,466,522
Market Risk	<b>24,202,936</b>	15,292,403
Operational Risk	<b>47,195,782</b>	47,195,782
Total	<b>316,462,458</b>	259,954,707
Common Equity Tier 1 Capital Adequacy ratio	<b>13.95%</b>	16.63%
Tier 1 Capital Adequacy Ratio	<b>13.95%</b>	16.63%
Total Capital Adequacy Ratio	<b>15.92%</b>	19.09%
Minimum CAR (including Capital Conservation Buffer)	<b>11.90%</b>	11.90%
<b>Leverage Ratio (LR):</b>		
Eligible Tier 1 Capital	<b>44,147,719</b>	43,225,327
Total Exposures	<b>769,202,741</b>	709,934,051
Leverage Ratio	<b>5.74%</b>	6.09%
Minimum SBP Requirement	<b>3.00%</b>	3.00%
<b>Liquidity Coverage Ratio (LCR):</b>		
Total High Quality Liquid Assets	<b>296,376,547</b>	315,026,677
Total Net Cash Outflow	<b>64,785,496</b>	79,224,875
Liquidity Coverage Ratio	<b>457.5%</b>	397.6%
Minimum SBP Requirement	<b>100.0%</b>	100.0%
<b>Net Stable Funding Ratio (NSFR):</b>		
Total Available Stable Funding	<b>432,193,042</b>	408,936,281
Total Required Stable Funding	<b>203,952,257</b>	156,640,624
Net Stable Funding Ratio	<b>212%</b>	261%
Minimum SBP Requirement	<b>100%</b>	100%

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

For the nine months period ended 30 September 2019

### 36 ISLAMIC BANKING BUSINESS

The bank is operating 6 (Dec 2018: 8) Islamic banking branches and 62 (Dec 2018: 69) Islamic banking windows at the end of the period.

	Note	30 September 2019 (Un-audited)	31 December 2018 (Audited)
----- (Rupees in '000) -----			
<b>ASSETS</b>			
Cash and balances with treasury banks		2,910,214	2,858,428
Due from financial institutions	36.1	8,797,108	4,873,442
Investments	36.2	3,705,016	6,487,739
Islamic financing and related assets - net	36.3	47,113,517	49,010,356
Fixed assets		179,347	32,987
Other assets		1,797,394	1,775,916
<b>Total Assets</b>		<b>64,502,596</b>	<b>65,038,868</b>
<b>LIABILITIES</b>			
Bills payable		90,854	94,221
Due to financial institutions		3,804,000	3,289,000
Deposits and other accounts	36.4	49,087,313	43,334,139
Due to Head Office		499,451	10,040,967
Other liabilities		1,347,946	1,825,266
		<b>54,829,564</b>	<b>58,583,593</b>
<b>NET ASSETS</b>		<b>9,673,032</b>	<b>6,455,275</b>
<b>REPRESENTED BY</b>			
Islamic Banking Fund		200,000	200,000
(Deficit) / surplus on revaluation of assets		7,751	(3,239)
Unappropriated / Unremitted profit	36.9	9,465,281	6,258,514
		<b>9,673,032</b>	<b>6,455,275</b>

### CONTINGENCIES AND COMMITMENTS

36.6

The profit and loss account of the Bank's Islamic banking branches for the period ended 30 September 2019 is as follows:

	Note	30 September 2019 (Un-audited)	30 September 2018 (Un-audited)
----- (Rupees in '000) -----			
Profit / return earned	36.7	4,857,331	2,944,374
Profit / return expensed	36.8	(976,855)	(466,045)
Net Profit / return		3,880,476	2,478,329
<b>Other income</b>			
Fee and Commission Income		298,604	413,829
Foreign Exchange Income		595,308	458,957
Other Income		158	15
		<b>894,070</b>	<b>872,801</b>
Total Income		<b>4,774,546</b>	<b>3,351,130</b>
<b>Other expenses</b>			
Operating expenses		(1,345,888)	(1,248,648)
		<b>(1,345,888)</b>	<b>(1,248,648)</b>
Profit / (loss) before provisions		3,428,658	2,102,482
Provisions and write offs - net		(221,891)	16,253
Profit / (loss) before taxation		<b>3,206,767</b>	<b>2,118,735</b>

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

For the nine months period ended 30 September 2019

	30 September 2019 (Un-audited)			31 December 2018 (Audited)		
	In Local Currency	In Foreign currencies	Total	In Local Currency	In Foreign currencies	Total
----- (Rupees in '000) -----						
<b>36.1 Due from Financial Institutions</b>						
Unsecured	-	4,679,453	4,679,453	-	4,873,442	4,873,442
Bai Muajjal Receivable from State Bank of Pakistan	4,117,655	-	4,117,655	-	-	-
	<u>4,117,655</u>	<u>4,679,453</u>	<u>8,797,108</u>	<u>-</u>	<u>4,873,442</u>	<u>4,873,442</u>

	30 September 2019 (Un-audited)				31 December 2018 (Audited)			
	Cost / Amortised cost	Provision for diminution	Surplus / (Deficit)	Carrying Value	Cost / Amortised cost	Provision for diminution	Surplus / (Deficit)	Carrying Value
----- (Rupees in '000) -----								
<b>36.2 Investments by segments:</b>								
<b>Federal Government Securities:</b>								
Ijarah Sukuk	1,806,287	-	4,531	1,810,818	4,500,000	-	(8,450)	4,491,550
Bai Muajjal with GOP	1,390,978	-	-	1,390,978	1,390,978	-	-	1,390,978
	<u>3,197,265</u>	<u>-</u>	<u>4,531</u>	<u>3,201,796</u>	<u>5,890,978</u>	<u>-</u>	<u>(8,450)</u>	<u>5,882,528</u>
<b>Non Government Debt Securities</b>								
Listed	500,000	-	3,220	503,220	600,000	-	5,211	605,211
Unlisted	-	-	-	-	-	-	-	-
	<u>500,000</u>	<u>-</u>	<u>3,220</u>	<u>503,220</u>	<u>600,000</u>	<u>-</u>	<u>5,211</u>	<u>605,211</u>
<b>Total Investments</b>	<u>3,697,265</u>	<u>-</u>	<u>7,751</u>	<u>3,705,016</u>	<u>6,490,978</u>	<u>-</u>	<u>(3,239)</u>	<u>6,487,739</u>

	30 September 2019 (Un-audited)	31 December 2018 (Audited)
----- (Rupees in '000) -----		
<b>36.3 Islamic financing and related assets</b>		
Ijarah	-	-
Murabaha	3,919,247	3,401,261
Musharaka	16,977,680	17,060,987
Diminishing Musharaka	20,511,312	23,152,627
Musawammah	3,873,080	846,677
Saadiq Credit Cards	420,449	438,149
Advances against Islamic assets - Murabaha	296,527	3,195,553
Advances against Islamic assets - Diminishing Musharakah	53,280	27,384
Inventory related to Islamic financing - Murabaha	1,834,441	1,441,583
Gross Islamic financing and related assets	<u>47,886,016</u>	<u>49,564,221</u>
Less: provision against Islamic financings		
- Specific	(669,437)	(462,179)
- General	(103,062)	(91,686)
	<u>(772,499)</u>	<u>(553,865)</u>
Islamic financing and related assets - net of provision	<u>47,113,517</u>	<u>49,010,356</u>
<b>36.4 Deposits</b>		
<b>Customers</b>		
Current deposits	29,120,834	28,126,618
Savings deposits	14,970,710	14,173,673
Term deposits	702,693	1,025,293
Margin accounts	176,383	5,509
	<u>44,970,620</u>	<u>43,331,093</u>
<b>Financial Institutions</b>		
Savings deposits	4,116,693	3,046
	<u>4,116,693</u>	<u>3,046</u>
	<u>49,087,313</u>	<u>43,334,139</u>

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

For the nine months period ended 30 September 2019

	<b>30 September 2019</b>	<b>31 December 2018</b>
	(Un-audited)	(Audited)
	----- (Rupees in '000) -----	
<b>36.5 Charity Fund</b>		
Opening Balance	7,932	4,700
Additions during the period		
Received from customers on account of delayed payment	3,176	7,685
Other Non-Shariah compliant income	288	247
	3,464	7,932
Payments / utilization during the period		
Education	(6,002)	(887)
Health	(1,930)	(3,813)
	(7,932)	(4,700)
Closing Balance	3,464	7,932
<b>36.6 CONTINGENCIES AND COMMITMENTS</b>		
Guarantees	103,820	428,800
Commitments	19,442,381	10,690,449
Other contingent liabilities	1,457,276	1,701,153
	21,003,477	12,820,402

	<b>30 September 2019</b>	<b>30 September 2018</b>
	(Un-audited)	(Un-audited)
	----- (Rupees in '000) -----	
<b>36.7 Profit / Return Earned of Financing, Investments and Placement</b>		
Profit earned on:		
Financing	4,310,702	2,638,413
Investments	472,776	263,397
Placements	73,853	42,564
	4,857,331	2,944,374

<b>36.8 Profit on Deposits and other Dues Expensed</b>		
Deposits and other accounts	913,114	428,577
Due to Financial Institutions	48,402	37,468
Finance cost of lease liability	15,339	-
	976,855	466,045

	<b>30 September 2019</b>	<b>31 December 2018</b>
	(Un-audited)	(Audited)
	----- (Rupees in '000) -----	
<b>36.9 Profit on Deposits and other Dues Expensed</b>		
Opening Balance	6,258,514	5,086,697
Add: Islamic Banking profit for the period	3,206,767	2,671,817
Less: Transferred / Remitted to Head Office	-	(1,500,000)
Closing Balance	9,465,281	6,258,514

### 36.10 Profit & Loss distribution and Pool Management

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

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

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

### For the nine months period ended 30 September 2019

#### a) IERS Musharakah Pool

Key features, risks, rewards and calculation of profit / loss of this pool are in compliance with the SBP IER Scheme and the relevant circulars issued by SBP from time to time.

Type of Pool	Profit rate and weightage announcement period	Average return on Pool Assets	Bank Profit	SBP Profit	Bank Profit %	SBP Profit %
IERF Pool	Monthly	7.63%	359,063	51,039	87.55%	12.45%

#### b) Mudarabah Depositors Pool

1. General Depositors Pool
2. Special Depositors Pool
3. High Yield Pool

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

Saadiq current account is a shariah compliant non-profit bearing transactional account, based on the Islamic banking principle of "Qard". While Saadiq Savings & Term accounts are Shariah compliant account based on the Islamic principle of "Mudarabah".

Mudarabah is a partnership where one party gives money to other for investing in a business. The partner who is providing the money is "Rab-ul-Mall" (Investor) and the partner who manages the investment is "Mudarib" (working partner). The Bank (Mudarib) invests the funds given by the account holder (Rab-ul-Mall) in Shariah compliant businesses to earn profits. This profit is shared on the basis of profit & loss sharing as per the pre-agreed ratio between the Bank and the customer.

In case of loss, the same is borne by the depositors 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 for the deposit pool is calculated from income earned on all the remunerative assets booked by utilising the funds from the deposit pool and is distributed between Mudarib and Rab-ul-Mal based on declared sharing ratios (before start of every given month).

No general or administrative expenses are charged to pools. No provision against any non-performing asset of the pool is passed on to the pool except for the actual loss / write-off of such non-performing asset.

#### iii) Deployment of Mudaraba based deposits

The deposits and funds accepted under the above mentioned pools are provided to diverse sectors including Sugar, Textile, Fertilizer, Cement, Power, Packaging, FMCG, Edible Oil, Steel, Logistics etc. as well as in Government of Pakistan backed by Ijarah Sukuks.

#### iv) Other information

Profit rate / weightage announcement frequency

Mudarib share (Amount in '000)

Mudarib share (%)

Mudarib Share transferred through Hiba (Amount in '000)

Mudarib Share transferred through Hiba (%)

Average return on pool assets

Average return on deposits

Type of Pool		
General	Special	High Yield
Monthly	Monthly	Monthly
342,952	73,767	23,401
45.1%	17.7%	12.9%
37,625	79,256	19,127
9.90%	51.8%	45.0%
10.9%	11.3%	12.1%
5.9%	9.3%	10.7%

## 37. GENERAL

### 37.1 Date Of Authorization

These condensed interim financial statements were authorized for issue in the Board of Directors meeting held on 28 October 2019.



Ian Bryden  
Chairman



Shazad Dada  
Chief Executive Officer



Asad Ali Shariff  
Chief Financial Officer



Ferdinand Pieterse  
Director



Mohamad Abdelbary  
Director



## > Your Yuan in your hands.

Banking in Yuan is easier than ever before. Standard Chartered brings you a Chinese Yuan (CNY) Account that offers over-the-counter cash transactions for your everyday banking needs. Open your account today to experience the next breakthrough in banking.

**You can avail the following benefits by opening a CNY Account:**



FCY Current Account



Cash handling services\*



Cheque book and Foreign Demand Draft available



Send and receive remittances in CNY

**For more information, call 111 002 002 or visit our nearest branch.**

\*Available at selected branches

Standard Chartered  
Saadiq



# Bank with Peace.

## Offering Shariah compliant Current and Savings Accounts.

Standard Chartered Saadiq offers Shariah compliant Current and Savings Accounts for your transactional and savings needs.

- Competitive returns on your savings
- Available for personal and business banking needs
- Banking transactions on your fingertips via Online Banking and SC Mobile application
- Facilitating your Business payments and collections via proprietary Straight2Bank digital platform
- Platinum debit card available with lifestyle discounts and benefits

**Apply now by visiting our website, [sc.com/pk/saadiq](https://sc.com/pk/saadiq) or nearest Standard Chartered Bank branch.**

[sc.com/pk](https://sc.com/pk)

Here for good