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Annual Report
2024

► From home-like
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Priority Debit Card



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Exclusive Discounts
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24-Hour Priority
Helpline



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priority



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



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



LEARN



EARN



GROW

Empowering the NEXT GENERATION

BENEFICIARIES

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



FOCUS AREAS →

Education

Employability

Entrepreneurship

Global reach targets →

500,000 adolescent girls

100,000 youth for work

50,000 micro & small businesses

Delivering across Pakistan

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

Education

Goal

Empowering adolescent girls with life skills
90,000+ girls empowered since 2016

Employability

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

Employment of the visually impaired

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

Futuremakers Inclusive Employability Project

Target more than 480 youth with disabilities into formal employment

Entrepreneurship

#SCWomenInTech

SCWomenintech was launched in Pakistan in 2019. Since its launch 145 businesses have gone through extensive training, coaching and mentoring sessions out of which 33 businesses have been given the seed money to scale their business further.

Agriprenuer Project

Successful closure of Agriprenuer project supported 700 participants from phase 1 and 300 new agriprenuers.



Standard Chartered is a leading international banking group

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

Standard Chartered PLC is listed on the London and Hong Kong stock exchanges.

- **Standard Chartered Pakistan** is proud to be operating in the country as the **largest and oldest international Bank since 1863**.
- **Standard Chartered Pakistan** employs more than **1,900** people and has a network of **173** touch points (**41 branches, 112 ATMs and 20 CDMs**) across 10 cities.
- **Standard Chartered Pakistan** is the first International Bank to get an Islamic Banking licence and to open the **first Islamic Banking branch in the country**.
- **Standard Chartered Pakistan** is the leading bank for the **MNCs** operating in Pakistan. The Bank is also the market leader for providing USD liquidity for **Corporates** and **Financial Institutions** in the country.
- **Standard Chartered Pakistan** plays a leading role in providing **FCY liquidity solutions** through innovative client centric structures.
- **Standard Chartered Pakistan** is a leading partner of **State Bank of Pakistan** in promoting **RMB** and increasing its use in Pakistan, which further strengthens its role as the main bank for **CPEC** led initiatives.

AWARDS



Strong Recognition

Management Association of Pakistan

Awards 2024

- Best Bank in Commercial Banks Sector, Financial Category



Global Diversity, Equity, & Inclusion Benchmark

Awards 2024

- Vision, Strategy and Business Impact
- DEI Structure & Implementation
- Recruitment
- Advancement & Retention
- Job Design, Classification and Compensation
- Work-life Integration, Flexibility & Benefits
- DEI Learning & Development
- DEI Communications
- Services and Products Development



CFA Society Pakistan

Awards 2024/2023

- Best Bank 2024, Recognizing Gender Diversity at Work Place
- Best Bank 2023, Mid-Size Bank Category



Gender Diversity Awards 2023

Awards 2023

- Employer of Choice



Asia Money Award

Awards 2022

- Best Bank Award in the ESG category



Euromoney Market Leaders

Awards 2022

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



Global Transaction Banking Innovation

Awards 2022

- Best Digital Treasury Management Initiative



Adam Smith Award

Awards 2022/2021

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



The Asset Triple A Awards

Awards 2022/2021

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



Standard Chartered Bank (Pakistan) Limited

Board of Directors



Mr. Christopher Parsons
Chairperson of the Board of Directors



Mr. Rehan M. Shaikh
Chief Executive Officer &
Head of Coverage
Member Board Risk
Committee and Board IT
Committee



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



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



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



Mr. Ghasuddin Khan
Director
Chairperson Board Risk
Committee and Member
Board HR & Remuneration
Committee



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

Standard Chartered Bank (Pakistan) Limited

Country Management Team



Mr. Rehan M. Shaikh
Chief Executive Officer and
Head of Coverage



Mr. Arslan Nayeem
Head of Coverage, CIB



Mr. Syed Ejaz Alam
Chief Financial Officer



Ms. Saadya Riaz
Head Wealth and Retail Banking



Mr. Majid Aziz
Chief Technology and
Operations Officer



Mr. Muhammad Mubashir Yasin
Chief Compliance Officer



Mr. Zubin M. Sethna
Head, Markets and
Corporate Sales



Mr. Shiraz Hyder
Head Transaction Banking



Mr. Azhar Aslam
Head Islamic Banking

Standard Chartered Bank (Pakistan) Limited Country Management Team



Mr. Muhammad Rehan Khalid
Country Chief Risk Officer



Mr. Yasir Usman Khwaja
Head Human Resources



Ms. Raeda Latif
Head Corporate Affairs and
Brand & Marketing*¹



Mr. Jehangir Adil Qazi
Head Legal



Mr. Asif Iqbal Alam
Company Secretary



Mr. Ajanthan Sivathas
Chief Information Officer



Ms. Wajiha Yousuf
Head Internal Audit*²

*¹ Appointment is effective from 21st Feb 2025

*² Appointment is effective from 3rd April 2025

Company Information

Board of Directors

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

Company Secretary

Mr. Asif Iqbal Alam

Board Audit Committee

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

Board Risk Committee

Mr. Ghiasuddin Khan	Chairperson
Mr. Ehsan Ali Malik	Member
Mr. Rehan Muhammad Shaikh	Member

Board Human Resource & Remuneration Committee

Mr. Badaruddin Fatehali Vellani	Chairperson
Mr. Ghiasuddin Khan	Member
Ms. Rola Abu Manneh	Member

Board IT Committee

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

Shariah Board

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

Auditors

M/s EY Ford Rhodes
Chartered Accountants

Legal Advisors

Haidermota & Co
Advocates

Registered/ Main Office

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

Website

www.sc.com/pk

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@cdcsrsl.com



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STANDARD CHARTERED BANK (PAKISTAN) LIMITED

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 19th Annual General Meeting ('AGM') of the shareholders of Standard Chartered Bank (Pakistan) Limited ("Bank") will be held on Thursday, 27 March 2025 at 12:00 noon. at the ICAP Chartered Accountants Avenue, Clifton, Karachi and through video conferencing to transact the following business:

A. ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Accounts of the Bank for the year ended 31 December 2024, along with the Directors' and Auditors' Reports thereon.

In accordance with Section 223(6) of the Companies Act 2017 ("the Act"), and pursuant to the SECP SRO 389(I)/2023 dated March 21, 2023, the Financial Statements of the Bank can be accessed through the following weblink and/or QR enabled code:

<https://www.sc.com/pk/help/financials/>



2. To consider the appointment of external auditors namely M/s EY Ford Rhodes, Chartered Accountants (who being eligible, have offered themselves for reappointment), as Statutory Auditors of the Bank for the year 2025. The Board also seeks authority for the Board Audit Committee to negotiate and agree upon Auditors' remuneration subject to concurrence of the Board in the subsequent meeting.
3. To consider and approve final cash dividend @ 55% (i.e. Rs. 5.5 per share of Rs. 10/- each) for the year ended 31 December 2024 as recommended by the Board of Directors. This is in addition to cumulative interim cash dividend of 35% already paid for the year 2024. This will be payable to the members whose names appear in the register of the members as on Monday, 17 March 2025.

B. SPECIAL BUSINESS

4. To consider and approve the revised Directors' Remuneration Policy, as approved by the Board of Directors of the Bank, on post facto basis.

C. OTHER BUSINESS

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

By Order of the Board

Asif Iqbal Alam
Company Secretary
Karachi: 6 March 2025

نوٹس برائے سالانہ اجلاس عام

بذریعہ ہذا مطلع کیا جاتا ہے کہ اسٹیٹڈ رڈ چارٹرڈ بینک (پاکستان) لمیٹڈ ("بینک") کے شیئرز ہولڈرز کا انیسواں سالانہ اجلاس عام 27 مارچ 2025ء بروز جمعرات، دوپہر 12:00 بجے، انسٹیٹیوٹ آف چارٹرڈ اکاؤنٹنٹس آف پاکستان، چارٹرڈ اکاؤنٹنٹس ایونیو، کلٹن، کراچی میں اور بذریعہ ویڈیو کانفرنس درج ذیل کارروائی کے لئے منعقد کیا جائے گا:

(الف) عمومی کارروائی

- 1- 31 دسمبر 2024ء کو ختم ہونے والے مالی سال کے لئے بینک کے آڈٹ شدہ اکاؤنٹس اور ان پر ڈائریکٹرز اور آڈیٹرز کی رپورٹس کی وصولی، ان پر غور اور ان کی توثیق۔

کمپنیز ایکٹ 2017 ("ایکٹ") کے سیکشن 223(6) اور SECP S.R.O. 389(1)/2023، مورخہ 21 مارچ 2023ء کے مطابق، بینک کے مالیاتی گوشوارے درج ذیل ویب لنک اور/یا QR کوڈ کے ذریعے حاصل کئے جاسکتے ہیں:

<https://www.sc.com/pk/help/financials/>



- 2- میسرز EY فورڈ رھوڈز، چارٹرڈ اکاؤنٹنٹس (جنہوں نے اہل ہونے کے سبب پھر سے تقرری کی درخواست کی ہے) کی 2025ء کے لئے بطور اسٹیٹوٹری آڈیٹرز تقرری اور ان کے معاوضے کے تعین کے لئے بورڈ آڈٹ کمیٹی کو بات چیت اور فیصلہ کرنے کا اختیار دینا جو آئندہ بورڈ میٹنگ میں بورڈ کی رضامندی سے مشروط ہوگا۔

- 3- 31 دسمبر 2024ء کو ختم ہونے والے سال کے لئے بورڈ آف ڈائریکٹرز کی جانب سے تجویز کردہ 55% (یعنی 5.5 روپے فی حصص) نقد منافع کی ادائیگی پر غور اور منظور کرنا۔ جو سال 2024ء کے لئے ادا کئے جانے والے 35% مجموعی عبوری نقد منافع کے علاوہ ہے۔ یہ ان ممبران کو قابل ادائیگی ہوگا جن کے نام ممبران کے رجسٹر میں 17 مارچ 2025ء بروز پیر تک موجود ہوں گے۔

(ب) خصوصی کارروائی

- 4- بینک کے ڈائریکٹرز کے معاوضے کی نظر ثانی شدہ پالیسی پر غور کرنا اور اسے پوسٹ فیکٹو بنیادوں پر منظور کرنا جسے بینک کے بورڈ آف ڈائریکٹرز نے منظور کیا ہے۔

(ج) دیگر کارروائی

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

بحکم بورڈ

آصف اقبال عالم

کمپنی سیکریٹری

کراچی: 6 مارچ 2025ء

NOTICE OF ANNUAL GENERAL MEETING

Notes:

1. The Share Transfer Books of the Bank will remain closed from Tuesday, 18 March 2025 to Thursday, 27 March 2025 (both days inclusive). Transfer received at the Share Registrar by the close of business on Monday, 17 March 2025 will be treated in time.
2. Only those persons whose names appear in the Register of Members of the Bank as of Monday, 17 March 2025 will be entitled to attend/participate in/vote at the AGM and be entitled to receive above stated cash dividend.
3. A member entitled to attend and vote at the above meeting is entitled to appoint another member as his/her proxy to attend and vote instead of him/her. Proxies, in order to be valid, must be received by the Bank at its registered office address i.e. **Standard Chartered Bank (Pakistan) Limited, P.O. Box No. 5556, I. I. Chundrigar Road, Karachi** marked for the attention of Company Secretary office, not less than 48 hours before the time for holding the meeting and must be duly stamped, signed and witnessed. A member shall not be entitled to appoint more than one proxy.

4. A. For Attending the Meeting:

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

B. For Appointing Proxies:

- i) In case of individuals, the account holder or sub-account holder and/or the person whose securities are in group account and their registration details are uploaded as per the Regulations, shall submit the proxy form as per the above requirement.
- ii) The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.
- iii) Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.
- iv) The proxy shall produce his/her original CNIC or original passport at the time of the Meeting.
- v) In case of corporate entity, the Board of Directors' resolution/power of attorney with specimen signature shall be submitted along with the proxy form to the Bank.

نوٹس:

- 1- بینک کی حصص کی منتقلی کی کتابیں 18 مارچ 2025ء بروز منگل سے 27 مارچ 2025ء بروز جمعرات تک (بشمول دونوں دن) بند رہیں گی۔ 17 مارچ 2025ء بروز پیر کو کاروبار کے اختتام تک رجسٹرار کو موصول ہونے والے ٹرانسفرز بروقت تصور کئے جائیں گے۔
- 2- صرف وہ ممبران جن کے نام 17 مارچ 2025ء بروز پیر بینک کے ممبران کے رجسٹر میں درج ہوں گے، وہی اس سالانہ اجلاس میں شرکت کرنے، ووٹ دینے اور مذکورہ کیش ڈیویڈنڈ لینے کے اہل ہوں گے۔
- 3- ایک ممبر جو اس اجلاس میں شرکت کرنے اور ووٹ دینے کا اہل ہے، وہ اپنی جگہ کسی دوسرے ممبر کو بطور نمائندہ اجلاس میں شرکت کرنے، بولنے، ووٹ ڈالنے کے لئے مقرر کر سکتا ہے۔ پراکسیز کے مؤثر ہونے کے لئے لازم ہے کہ وہ کمپنی کے رجسٹرڈ آفس اسٹیٹڈ چارٹرڈ بینک (پاکستان) لمیٹڈ، پی او باکس نمبر 5556، آئی آئی چندرگر روڈ، کراچی میں بنام کمپنی سیکریٹری اجلاس سے کم از کم 48 گھنٹے قبل مکمل طور پر اسٹیپ شدہ، دستخط شدہ اور شاہد کے ساتھ وصول ہو جائیں۔ ایک ممبر ایک سے زیادہ پراکسی مقرر کرنے کا مختار نہیں ہوگا۔

4- (الف) اجلاس میں شرکت کے لئے:

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

(ب) پراکسیز کی نامزدگی کے لئے:

- i- افراد کی صورت میں، اکاؤنٹ ہولڈر یا سب اکاؤنٹ ہولڈر اور/یا وہ افراد جن کی سیکورٹیز گروپ اکاؤنٹ میں ہیں اور ان کی رجسٹریشن کی تفصیلات ضابطے کے مطابق اپ لوڈ کر دی گئی ہیں، انہیں اپنا پراکسی فارم درج بالا قواعد کے مطابق پُر کر کے پیش کرنا ہوگا۔
- ii- پراکسی فارم کا دو افراد سے تصدیق شدہ ہونا لازمی ہے، جن کے نام، پتے اور سی این آئی سی نمبر فارم پر درج ہوں۔
- iii- پراکسی فارم کے ساتھ پراکسی اور اصل مالک کے سی این آئی سی یا پاسپورٹ کی تصدیق شدہ فوٹو کاپی منسلک کرنا ہوگی۔
- iv- پراکسی کو اپنا اصل سی این آئی سی یا پاسپورٹ اجلاس کے وقت دکھانا ہوگا۔
- v- کارپوریٹ ادارے کی صورت میں، بورڈ آف ڈائریکٹرز کی قرارداد/مختار نامہ، نامزد کرنے والے کے دستخط کے ہمراہ پراکسی فارم کے ساتھ بینک میں جمع کروانا ہوگا۔

NOTICE OF ANNUAL GENERAL MEETING

5. Participation in AGM through online platform/facility

Arrangements have also been made by the Bank to facilitate the participation of the shareholders in the AGM through online platform/facility, either in-person or through appointed proxies. For attending the meeting virtually, shareholders are requested to get themselves registered with the Company Secretary Office, at least 24 hours before the time of AGM (i.e. before 12:00 p.m. on 26 March 2025) by providing following details at cosec.pk@sc.com.

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

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

6. Polling On Special Business

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

Procedure for E-Voting:

- Details of the e-voting facility will be shared through an e-mail with those members of the Bank who have their valid CNIC numbers, cell numbers, and e-mail addresses available in the register of members of the Bank by the close of business on Monday, 17 March 2025.
- The web address, login details, and password, will be communicated to members via email. The security codes will be communicated to the members through SMS from the web portal of CDC Share Registrar Services Limited (being the e-voting service provider).
- Identity of the Members intending to cast vote through e-voting shall be authenticated through electronic signature or authentication for login.
- Members shall cast vote online at any time from Monday, 24 March 2025 (9:00 am) to Wednesday, 26 March 2025 (5:00 pm). Once the vote on the resolution is cast by a Member, he/she shall not be allowed to change it subsequently.

Procedure for Voting through Postal Ballot:

- The members shall ensure that duly filled and signed ballot paper, along with a copy of the CNIC / NICOP/ Passport should reach the Chairman of the meeting through the post at the Bank's registered address, Company Secretary Office, First Floor, Standard Chartered Bank (Pakistan) Limited, P.O. Box No. 5556, I. I. Chundrigar Road, Karachi, or email at cosec.pk@sc.com latest by 26

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

بینک کی جانب سے سالانہ اجلاس عام میں شیئر ہولڈرز کی بذریعہ آن لائن پلیٹ فارم شرکت (خواہ ذاتی طور پر ہو یا مقرر کردہ پراکسیز کے ذریعے) کے لئے انتظامات کئے گئے ہیں۔ شیئر ہولڈرز سے درخواست کی جاتی ہے کہ کمپنی سیکریٹری آفس سے سالانہ اجلاس عام کے مقررہ وقت سے کم از کم 24 گھنٹے قبل (یعنی 26 مارچ 2025ء دوپہر 12:00 بجے سے قبل) درج ذیل تفصیلات کے ساتھ cosec.pk@sc.com پر رجسٹریشن کروائیں۔

فولیو/سی ڈی سی اکاؤنٹ نمبر	شیئر ہولڈرز کے نام	سی این آئی سی نمبر	موبائل نمبر	ای میل ایڈریس

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

6- خصوصی کارروائی پر پولنگ:

کمپنیز (پوسٹل بیلت) ریگولیشنز 2018 کے مطابق، اجلاس عام میں کسی خصوصی کارروائی کی منظوری کے لئے ممبران کو پوسٹل بیلت یا ای ووٹنگ کے ذریعے اپنا ووٹ استعمال کرنے کی اجازت ہوگی۔ ای ووٹنگ کا طریقہ کار:

- ای ووٹنگ کی سہولت کی تفصیلات بینک کے ان اراکین کے ساتھ ای میل کے ذریعے شیئر کی جائیں گی جن کے درست سی این آئی سی نمبر، موبائل نمبر اور ای میل ایڈریس 17 مارچ 2025ء بروز پیر کو کاروبار کے اختتام تک بینک کے ممبران کے رجسٹر میں دستیاب ہوں گے۔
- ویب ایڈریس، لاگ ان کی تفصیلات، اور پاس ورڈ سے ای میل کے ذریعے ممبران کو مطلع کیا جائے گا۔ اراکین کو سیکورٹی کوڈز کی اطلاع سی ڈی سی شیئر رجسٹرار سروسز لمیٹڈ (ای ووٹنگ سروس فراہم کنندہ ہونے کے ناطے) کے ویب پورٹل سے ایس ایم ایس کے ذریعے دی جائے گی۔
- ای ووٹنگ کے ذریعے ووٹ ڈالنے کا ارادہ رکھنے والے ممبران کی شناخت الیکٹرانک دستخط یا لاگ ان کے لئے تصدیق کے ذریعے کی جائے گی۔
- ممبران 24 مارچ 2025ء بروز پیر (صبح 09:00 بجے) سے 26 مارچ 2025ء بروز بدھ (شام 05:00 بجے) تک کسی بھی وقت آن لائن ووٹ دے سکیں گے۔ کسی ممبر کی طرف سے قرارداد پر ایک بار ووٹ دینے کے بعد اسے تبدیل کرنے کی اجازت نہیں ہوگی۔

پوسٹل بیلت کے ذریعے ووٹ ڈالنے کا طریقہ کار:

- ممبران اس بات کو یقینی بنائیں گے کہ درست طریقے سے پُر شدہ اور دستخط شدہ بیلت پیپر مع سی این آئی سی / NICOP / پاسپورٹ کی ایک کاپی کے ساتھ 26 مارچ 2025ء بروز بدھ تک اجلاس کے چیئرمین کے نام بذریعہ ڈاک بینک کے آفس کے رجسٹرڈ پتے، کمپنی سیکریٹری آفس، فرسٹ فلور، اسٹینڈرڈ چارٹرڈ بینک (پاکستان) لمیٹڈ، بی او باکس نمبر 5556، آئی آئی چندریگر روڈ، کراچی، یا بذریعہ ای میل cosec.pk@sc.com پر موصول ہو جائیں۔

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March 2025, during working hours. The signature on the Ballot Paper shall match with signature on the CNIC / NICOP/ Passport. The Postal Ballot Paper is annexed to this notice or published in newspapers or annual report and also available at the Bank's website, i.e., <https://www.sc.com/pk/about-us/notices/>.

7. Members having physical shareholding are requested to notify change in their address, if any, to the Bank's Share Registrars, M/s. CDC Share Registrar Services Limited, CDC House, 99-B, Block B, SMCHS, Main Shahrah-e-Faisal, Karachi - 74400, Toll Free: 0800-CDCPL (23275), Fax: (021) 34326053, Email: info@cdcsrsl.com. Whereas, CDC account holders are requested to please contact their respective CDC Participant/Broker/Investor Account Service.
8. Members may inspect the minutes of the AGM held on Thursday, 28 March 2024, in terms of Section 52 of the Companies Act, 2017, at the Bank's registered address.
9. In terms of Section 223 (7) of the Companies Act 2017, the Annual Report for the year ended 2024 has been placed on the Bank's website.
10. **E-Dividend Requirements:** In accordance with the Companies (Distribution of Dividend) Regulation 2017, shareholders are advised to provide their Identification Number/CNIC Number and International Bank Account Number (IBAN) details, if they have not already done so, to our Share Registrar (if shares are held in physical form) at their above referred office address or to the respective Participants/Broker (if shares are held through CDS Account) latest by Monday, 17 March 2025. Failing which may result in withholding of dividend payments of respective shareholders.
11. **Conversion of Physical Shares into Book-Entry Form:** In reference to Section 72(2) of the Companies Act, 2017, all shareholders holding physical shares are requested to get converted their shares into book entry form at the earliest. This would facilitate shareholders in many ways including safe custody of shares, avoidance of formalities required for issuance of duplicate shares, etc. For the conversion of physical shares into book entry form, the shareholders may contact their Brokers, CDC Participants or CDC Investor Account Service.
12. **Tax Requirements:** The dividend income on shares is liable to deduction of withholding tax under Section 150 of the Income Tax Ordinance, 2001; 'Filer' and 'Non-Filer' shareholders will pay tax on dividend income @ 15% and 30% respectively. The Filer status of shareholders will only be determined on the basis of latest available Active Taxpayers List (ATL) uploaded by the Federal Board of Revenue (FBR) on their website <http://www.fbr.gov.pk/>.

In case a Folio/CDS Account is jointly held, each joint-holder will be treated separately as Filer or Non-Filer and tax will be deducted on the gross dividend

بلیٹ پیپر پر موجود دستخطی این آئی سی / NICOP / پاسپورٹ کے دستخط سے مماثل ہونے چاہئیں۔ پوسٹل بلیٹ پیپر اس نوٹس کے ساتھ منسلک ہے یا اخبارات/سالانہ رپورٹ میں شائع ہوا ہے اور بینک کی ویب سائٹ <https://www.sc.com/pk/about-us/notices/> پر بھی دستیاب ہے۔

- 7- فزیکل شیئرز ہولڈنگ رکھنے والے ممبران سے درخواست کی جاتی ہے کہ وہ اپنے رجسٹرڈ پتہ میں کسی بھی تبدیلی کی صورت میں فوری طور پر بینک کے شیئر رجسٹرار، ممبرز سی ڈی سی شیئر رجسٹرار سروسز لمیٹڈ، سی ڈی سی ہاؤس، 99-B، بلاک B، ایس ایم سی ایچ ایس، مین شاہراہ فیصل، کراچی-74400، ٹول فری نمبر: 0800-CDCPL(23275)، فیکس: (021)34326053، ای میل: info@cdcsrsl.com کو مطلع کریں۔ جبکہ سی ڈی سی اکاؤنٹ ہولڈرز اپنی معلومات میں تبدیلی کے لئے اپنے متعلقہ سی ڈی سی پارٹیسپینٹ/بروکر/انویسٹر اکاؤنٹ سروس سے رابطہ کریں۔
- 8- کمپنیز ایکٹ 2017ء کے سیکشن 52 کے مطابق ممبران بینک کے رجسٹرڈ ایڈریس پر 28 مارچ 2024ء بروز جمعرات کو ہونے والے سالانہ اجلاس عام کی روداد کا معائنہ کر سکتے ہیں۔
- 9- کمپنیز ایکٹ 2017ء کے سیکشن (7) 223 کے تحت سال مختتمہ 2024ء کی سالانہ رپورٹ بینک کی ویب سائٹ پر آپ لوڈ کر دی گئی ہے۔

10- ای-ڈیویڈنڈ کی ضروریات

کمپنیز (ڈیویڈنڈ کی تقسیم) ریگولیشنز 2017 کی ہدایات کے تحت شیئر ہولڈرز اپنے شناختی نمبر/سی این آئی سی نمبر اور انٹرنیشنل بینک اکاؤنٹ نمبر (آئی بی اے این) کی تفصیلات فراہم کریں۔ اگر انہوں نے تفصیلات فراہم نہیں کی ہیں تو ہمارے شیئر رجسٹرار کو (اگر شیئرز فزیکل شکل میں رکھے گئے ہیں) مذکورہ آفس ایڈریس، یا متعلقہ پارٹیسپینٹ/بروکر کو (اگر شیئرز سی ڈی سی ایس اکاؤنٹ میں رکھے گئے ہیں) 17 مارچ 2025ء بروز پیر تک فراہم کر دیں۔ ناکامی کی صورت میں متعلقہ شیئر ہولڈرز کو ڈیویڈنڈ کی ادائیگی روک دی جائے گی۔

11- فزیکل شیئرز کو بگ انٹری فارم میں تبدیل کرنا

کمپنیز ایکٹ 2017ء کے سیکشن (2) 72 کے تحت تمام شیئر ہولڈرز سے درخواست کی جاتی ہے کہ وہ اپنے شیئرز کو فزیکل فارم سے بگ انٹری فارم میں تبدیل کریں۔ بگ انٹری فارم میں شیئرز کو رکھنے کے بہت سے فوائد ہیں جن میں سی ڈی سی کے ساتھ شیئرز کی محفوظ تحویل، ڈیپلیٹ شیئرز کے اجراء کے لئے درکار شرائط سے نجات وغیرہ۔ فزیکل شیئرز کو بگ انٹری فارم میں تبدیل کرنے کے لئے شیئر ہولڈرز اپنے بروکرز، سی ڈی سی پارٹیسپینٹس یا سی ڈی سی انویسٹر اکاؤنٹ سروس سے رابطہ کر سکتے ہیں۔

12- ٹیکس معاملات

انکم ٹیکس آرڈیننس 2001 کے سیکشن 150 کے مطابق ڈیویڈنڈ آمدن پر 'فائلر' ممبران کے لئے دو ہولڈنگ ٹیکس کی شرح 15% جبکہ نان فائلر کے لئے 30% فیصد ہے۔ شیئر ہولڈر کے فائلر ہونے کا تعین فیڈرل بورڈ آف ریونیو (FBR) کی ویب سائٹ (<https://www.fbr.gov.pk/>) پر جاری کردہ آخری ایکٹیو ٹیکس پیپرز لسٹ (ATL) کی بنیاد پر کیا جائے گا۔

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amount determined by bifurcating the shareholding of each joint-holder on equal proportions, except where shareholding proportion of joint-holders is pre-defined as per the records of Bank's Share Registrar and thus tax rates will be applied in line with respective proportions. Those shareholders, who are holding shares jointly, are requested to update/notify the shareholding proportions of principal and joint-holder(s) in writing to our Share Registrar latest by Monday, 17 March 2025 at their above referred office address.

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

In case any corporate shareholder wishes to claim special tax rates or withholding tax exemption on dividend income, a copy of valid special tax rate certificate or tax exemption certificate, as the case may be, must be provided to our Share Registrar at their above-mentioned address latest by Monday, 17 March 2025.

13. Statutory Code of Conduct of AGM: Section 215 of the Companies Act, 2017 and Regulation 55 of the Companies Regulations, 2024, state the Code of Conduct of Shareholders, as follows:

Shareholders are not permitted to exert influence or approach the management directly for decisions which may lead to creation of hurdles in the smooth functioning of management. The law states that Shareholders shall not bring material that may cause threat to participants or premises where the AGM is being held, confine themselves to the agenda items covered in the notice of the AGM and shall not conduct themselves in a manner to disclose any political affiliation. Additionally, the Company is not permitted to distribute gifts in any form to its shareholders in its meetings as per Section 185 of Companies Act, 2017.

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

14.1 Agenda Item No. 4 of the notice:

Pursuant to Corporate Governance Regulatory Framework issued by the State Bank of Pakistan vide its BPRD Circular No. 5 of 2021, the Bank's Directors' Remuneration Policy ('the policy') was approved by the shareholders in 2020. The Board of the Bank approved and recommended the revised policy in December 2024 mainly to align the meeting fee for independent directors and non-executive directors (other than group appointees) with the market.

کسی فوئیو/سی ڈی سی اکاؤنٹ کی مشترکہ ملکیت کی صورت میں ہر مشترکہ ہولڈر کو بطور فائلر یا نان فائلر علیحدہ تصور کیا جائے گا اور ٹیکس کی کٹوتی ڈیویڈنڈ کی مجموعی رقم پر کی جائے گی جو کہ ممبران میں شیئر ہولڈنگ کے تناسب کو مساوی تقسیم کر کے کی جائے گی ماسوائے اس کے کہ شیئر ہولڈنگ کے تناسب کی تفصیل پہلے ہی بینک کے شیئر رجسٹرار کے ریکارڈ میں موجود ہو، ایسی صورت میں ٹیکس کی شرح اسی تناسب سے لاگو کی جائے گی۔ لہذا ایسے مشترکہ ہولڈرز سے درخواست کی جاتی ہے کہ وہ اپنی شیئر ہولڈنگ کا تناسب ہمارے شیئر رجسٹرار کو مندرجہ بالا پتہ پر 17 مارچ 2025ء بروز پیر تک فراہم کر دیں۔

اس سلسلے میں وہ ممبران جن کے نام فائلرز ہونے کے باوجود ATL میں شامل نہیں، ان سے گزارش کی جاتی ہے کہ وہ اس امر کو یقینی بنائیں کہ: (i) ان کے نام مدت اختتام (مذکورہ بالا) سے قبل ATL میں موجود ہوں، بصورت دیگر ٹیکس کی کٹوتی کے لئے انہیں نان فائلر سمجھا جائے گا، اور (ii) اپنے نیشنل ٹیکس نمبر (NTN) کی ایک کاپی اپنے متعلقہ پارٹنیشن/سی ڈی سی انویسٹر اکاؤنٹ سروسز یا شیئر رجسٹرار (صرف فزیکل شیئر ہولڈنگ کی صورت میں) کو مذکورہ بالا پتے پر جمع کروائیں۔

وہ کارپوریٹ شیئر ہولڈرز جو خصوصی ٹیکس ریٹ یا ڈیویڈنڈ آمدنی پر وہ ہولڈنگ ٹیکس سے استثنیٰ کا دعویٰ کرنا چاہتے ہیں، انہیں چاہیے کہ اپنے فعال خصوصی ٹیکس ریٹ سرٹیفکیٹ یا ٹیکس استثنیٰ سرٹیفکیٹ کی کاپی 17 مارچ 2025ء بروز پیر تک بینک کے شیئر رجسٹرار کو مذکورہ بالا پتے پر فراہم کریں۔

13- سالانہ اجلاس عام میں درکار قانونی ضابطہ اخلاق

کمپنیز ایکٹ 2017 کے سیکشن 215 اور کمپنیز ریگولیشنز 2024ء کے ریگولیشن 55 کے مطابق شیئر ہولڈرز کے لئے ضابطہ اخلاق بیان کرتے ہیں، جو درج ذیل ہے:

شیئر ہولڈرز کو اجازت نہیں ہے کہ وہ ایسے فیصلوں کے لئے جو مینجمنٹ کے کام پر اثر انداز ہو سکتے ہیں، مینجمنٹ پر دباؤ ڈالیں یا براہ راست رسائی حاصل کریں۔ قانون کے تحت شیئر ہولڈرز اپنے ساتھ ایسا مواد نہیں لائیں گے جو شرکاء یا اس جگہ جہاں سالانہ اجلاس عام منعقد ہو رہا ہے، کے لئے خطرے کا باعث ہو، خود کو سالانہ اجلاس عام کے نوٹس میں احاطہ کئے گئے ایجنڈا کے نکات تک ہی محدود رکھیں گے اور اس انداز سے کردار ادا نہیں کریں گے جس سے ان کی سیاسی وابستگی ظاہر ہو۔ مزید یہ کہ کمپنیز ایکٹ 2017 کے سیکشن 185 کے مطابق کمپنی کو اجازت نہیں ہے کہ وہ کسی بھی صورت میں شیئر ہولڈرز میں تحائف تقسیم کرے۔

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

14.1- نوٹس کا ایجنڈا آئٹم نمبر 4:

اسٹیٹ بینک آف پاکستان کے کارپوریٹ گورننس ریگولیشنز فریم ورک کے تحت، جو کہ 2021 کے BPRD سرکلر نمبر 5 کے ذریعے جاری ہوا، بینک کے ڈائریکٹرز کے معاوضے کی پالیسی ('پالیسی') کو شیئر ہولڈرز نے 2020ء میں منظور کیا تھا۔ بینک کے بورڈ آف ڈائریکٹرز نے دسمبر 2024ء میں نظر ثانی شدہ پالیسی کی منظوری دی اور سفارش کی کہ خود مختار ڈائریکٹرز اور نان ایگزیکٹو ڈائریکٹرز (گروپ کی تقریروں کے علاوہ) کے لئے مینڈنگ فیس کو مارکیٹ سے ہم آہنگ کیا جائے۔ مینڈنگ فیس پر نظر ثانی کا خلاصہ ذیل میں دیا گیا ہے:

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Summary of revisions to the meeting fees in the policy are set out below:

- Eligible directors will be paid per meeting fee of PKR 800,000 (previously PKR 650,000) and PKR 800,000 (previously PKR 550,000) for attending meetings of the Board and Board Committees respectively.
- If an eligible director is appointed as Chairperson of the Board, he/ she will be paid per meeting fee of PKR 960,000 (previously PKR 750,000/-) for attending meeting of the Board.
- An eligible director who is also a Chairperson of any Board Committee, he/ she will be paid per meeting fee of PKR 960,000 (previously PKR 650,000) for attending a meeting of such Board Committee.

Three Independent Directors are interested in the Special Business to the extent of the remuneration in accordance with the revised policy.

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

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

- اہل ڈائریکٹرز کو بورڈ اور اس کی کمیٹیز کے اجلاسوں میں شرکت کے لئے بالترتیب 800,000 روپے (گزشتہ 650,000 روپے) اور 800,000 روپے (گزشتہ 550,000 روپے) بطور میٹنگ فیس ادا کئے جائیں گے۔
- اگر کسی اہل ڈائریکٹر کو بورڈ کا چیئر پرسن مقرر کیا جاتا ہے، تو اسے بورڈ کے اجلاس میں شرکت کے لئے 960,000 روپے (گزشتہ 750,000 روپے) بطور میٹنگ فیس ادا کئے جائیں گے۔
- اگر کوئی اہل ڈائریکٹر کسی کمیٹی کا چیئر پرسن بھی ہو، تو اسے بورڈ کمیٹی کے اجلاس میں شرکت کے لئے 960,000 روپے (گزشتہ 650,000 روپے) بطور میٹنگ فیس ادا کئے جائیں گے۔

تین خود مختار ڈائریکٹرز نظر ثانی شدہ پالیسی کے مطابق معاوضے کی حد تک خصوصی امور کار میں دلچسپی رکھتے ہیں۔

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

”قرارداد پائیکڈ ڈائریکٹرز کے معاوضے کی نظر ثانی شدہ پالیسی، جو کہ بینک کے بورڈ آف ڈائریکٹرز کی جانب سے منظور شدہ اور تجویز کردہ ہے، اس کی تصدیق اور منظوری بذریعہ ہذا اور بعد ازاں کی بنیادوں پر کی جاتی ہے۔“

CHAIRMAN'S REVIEW

For the year ended 31 December 2024

I am deeply honoured and privileged to present my second review as Chairman of the Board of Directors ('the Board') of Standard Chartered Bank (Pakistan) Limited ('the Bank'), in line with the requirements of Section 192 of the Companies Act, 2017.

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

The Bank's Board is comprised of seven members and has constituted four Committees namely, the Board Audit Committee, the Board Human Resource and Remuneration Committee, the Board Risk Committee and the Board Information Technology Committee. The Board and its Committees have defined scope of work and reporting procedures and they are discharging their function and duties as per their respective terms of references. Details of the changes that took place in the composition of the Board have been provided in the Directors' reports and Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019.

We continued to drive diversity in our Board, recognising the benefits of a diverse mix of gender, social and ethnic background, skills, knowledge, experience and adequate reflection of key business across the segments. The Board performs its statutory role and fulfils its objectives by ensuring that the Bank has a competent leadership and an effective executive management. The Board establishes significant policies, frameworks and the code of conduct, and delegates the authorities and responsibilities down the line for the Bank's smooth operations.

The Board meets frequently enough to discharge adequately its responsibilities and it receives the agenda papers and appropriate supporting materials in sufficient time prior to the Board and its Committee meetings. The Board members have established a very open and candid atmosphere in the boardroom.

During the year under review, five meetings of the Board were held where the Board received presentations on business strategy and corporate plan, financial performance and business updates covering challenges and opportunities. The Board's focus areas were digital strategy, customer service, policies, product performance and reviews, cost discipline, capital adequacy and assessment, information and cyber security risk, regulatory compliance, and market updates. While participating the strategy discussions, the Board also received several briefings that offered valuable insights from central banking, economic and political perspectives, which would help the Board in preparing for potential future events. In accordance with the directives issued by State Bank of Pakistan for converting conventional banks into Islamic banks, the Board members discussed and reviewed the Bank's conversion plan during a separate session. Following these deliberations, the plan was formally approved by the Board in its meeting held in October 2024 prior to its onward submission to the regulator.

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

The Board and the management team are dedicated to ensuring that as an employer of choice we set the benchmark for diversity and inclusion, employee wellbeing and fair pay while creating prosperity in our communities.

Overall, the performance and effectiveness of the Board has remained satisfactory based on the last externally facilitated effectiveness review of the Board. The Board questionnaire is divided into unique two-part question structure, i.e. "What the Board does" and "How the Board does it", to engage the Board members and draw out deeper and more thoughtful responses. A few themes picked up by the participants in the review were related to well-structured and timely submission of board papers, and collaboration with management team where appropriate steps were taken to ensure implementation of the recommendations. Reviews of the Board's four Committees also showed satisfactory outcomes with a few deliverables which were noted for Board HR and Remuneration Committee, Board Risk Committee and Board IT Committee. The results of the committees' surveys were presented separately at the meetings of the respective committees for deliberation on the noted themes and taking appropriate actions, where required. Furthermore, survey results for the Chairman, Chief Executive, and Directors' peer review were also noted as satisfactory.

While the external landscape remains challenging, we are confident that the Bank is well - positioned to navigate the challenges and seize the opportunities ahead. The strength of our financial performance in 2024 affirms that the strategy set out earlier is working. We remain focused on continuing to deliver excellence for our clients, and sustained value for shareholders, in 2025 and beyond.

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

Chris Parsons

CHRISTOPHER PARSONS

CHAIRMAN

21 February 2025

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

On behalf of the Board of Directors, we are pleased to present the Directors' Report of Standard Chartered Bank (Pakistan) Limited (SCBPL or the Bank) along with the audited financial statements and auditors' report thereon for the year ended 31st December 2024.

Economy

After seeing a deceleration in GDP of -0.2% in FY2023, economy witnessed recovery with a GDP growth rate of 2.5% in FY2024 attributed to strong agriculture performance, prudent policy management, decrease in inflation and a stable exchange rate. Positivity continued in H1-FY25 as most of the economic indicators have shown improvement.

On the fiscal side, tax collection grew significantly by 25.9% in H1-FY25. The encouraging revenue performance outpaced the growth in expenditure due to lower markup payments in response to policy rate cuts. The fiscal deficit was recorded at 0.04% of GDP during Jul-Nov FY25, compared to 1.3% in the comparative period, highlighting improved fiscal management.

On the external front, current account posted a surplus of USD 1.2bn in H1-FY25, against a deficit of USD 1.4bn in the corresponding period last year. The marked improvement was primarily attributed to a substantial increase in remittances and stronger exports which increased 33% and 7% respectively, managing to absorb the increase in imports of 9% during H1-FY25.

Pakistan also reached staff level agreement with IMF on a 37-month Extended Fund Facility Arrangement (EFF) for USD 7bn out of which USD 1.1Bn has been disbursed resulting in market confidence and exchange rate stability. Foreign direct investment increased by 20% year on year to USD 1.3bn during H1-FY25, which together with IMF programme is providing support in unlocking near-term FX inflows from multilateral and bilateral sources paving way for improved macroeconomic environment.

SBP foreign exchange reserves improved from USD 9.4bn at start of the current fiscal year to USD 11.4bn as of 31st January 2025 with PKR appreciating by 1.2% during CY-24. CPI average inflation substantially declined to 7.2% in H1-FY25 from 28.8% a year earlier supported by easing global prices, a stable exchange rate and targeted government policies. Amid easing inflationary pressures and improving macroeconomics, SBP reduced the policy rate by 1000bps to 12.0% during last 12 months.

Based on Q3-24 results, Banks in Pakistan continue to be well capitalized and liquid with an industry wide CAR of 21.5% and advances to deposit ratio of 36.3% respectively. The banking industry remains profitable with a ROE (after tax) of 22.5%. Meanwhile, NPLs of the banking sector stood at 8.4% at close of Q3-24 compared to 7.6% at close of CY-23.

Purpose

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

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

Our strategic pillars

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

1) Network

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

2) Affluent

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

3) Emerging Affluent

We are investing in a range of proven digital capabilities that can substantially and economically scale up our emerging affluent retail presence. We are doing this with enhanced data analytics and a superior end-to-end digital experience, developing opportunities on our own and with partners. Our digital transaction mix, including “SC Mobile” application customers, continue to increase. We have upgraded core banking system to advanced platform and are also spending on state-of-the-art digital capabilities and solutions to drive enhanced client experience. We are strategically repositioning the Personal Banking segment to focus on growing emerging affluent clients, serving as a rich base for up-tiering to Affluent business.

4) Sustainability

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

These strategic priorities are supported by three key enablers:

1) People & Culture

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

2) Ways of Working

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

3) Innovation & Technology

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

Operating Results and Business Overview

	31 December 2024 (PKR millions)	31 December 2023 (PKR millions)
Balance Sheet		
Paid-up capital	38,716	38,716
Total equity	117,722	96,223
Deposits	835,695	719,535
Advances – gross	190,374	240,843
Advances – net	171,567	220,183
Investments – net	654,340	226,712
	Year ended	Year ended
	31 December 2024	31 December 2023
	(PKR millions)	(PKR millions)
Profit and Loss		
Revenue	118,172	108,058
Operating expenses	20,345	17,058
Other non-mark-up expenses	2,115	1,941
Operating profit (before provisions and tax)	95,712	89,058
(Recovery) / provisions and write offs - net	(4,908)	(163)
Profit before tax	100,620	89,221
Profit after tax	46,067	42,622
Earnings per Share (EPS) – Rupees	11.90	11.01

Bank delivered another record year with Profit before tax of PKR 100.6bn, a growth of 13%. Overall revenue and client income grew by 9% and 13% respectively with positive contributions from all segments. Operating expenses increased 19% from comparative period in line with inflation. Moreover, prudent risk approach coupled with recoveries of bad debts led to a net release of PKR 4.4 billion during the year.

On the liabilities side, the Bank's total deposits stood at PKR 836 billion; up by PKR 116 billion, whereas current accounts registered a healthy growth of PKR 37 billion (up 10%) during the year and comprise 48% of the deposit base. On assets side, net advances were lower by PKR 49 billion (22%) during 2024. We continue to monitor the economic landscape and will position our portfolio accordingly. The Bank is well placed to cater for the needs of its clients and will continue its strategy to build a profitable, efficient and sustainable portfolio.

During 2024, the Bank paid PKR 59.0 billion (2023: PKR 47.8 billion) on account of Income taxes to Government Treasury reflecting an effective tax rate of 54.2% (2023: 52.2%). The Bank also collected around PKR 18.1 billion (2023: PKR 14.3 billion) for the National exchequer as withholding tax agent under different provisions of Income Tax Ordinance 2001. In addition, the Bank further collected and paid PKR 1.8 billion (2023: PKR 1.4 billion) in respect of Federal Excise Duty and Provincial Sales Taxes.

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

Outlook

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

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

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

External Annual Audit

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

Credit Rating

Pakistan Credit Rating Agency (PACRA) has maintained the Bank's long-term and short-term ratings of "AAA" (Triple A) and "A1+" (A One Plus) respectively in 2024. These ratings denote the lowest expectation of credit risk emanating from an exceptionally strong capacity for timely payment of financial commitments.

Community impact

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

In 2019, the Bank launched its new Community Investment Strategy, Futuremakers by Standard Chartered. Futuremakers by Standard Chartered, a global initiative to tackle inequality and promote greater economic inclusion, aims to empower the next generation to learn, earn and grow through programmes focusing on employability, and entrepreneurship.

Employability: Launched the Goal Accelerator programme in Pakistan. Goal Accelerator is an evolution of the deeply impactful Goal Programme, and is a sport-powered, gender-responsive economic resilience initiative with the aim to create concrete pathways and steps for disadvantaged girls and young women to obtain decent employment, earn an income and become economically resilient. Goal was part of the Education programme. Standard Chartered completed 8 years of Goal in Pakistan. Goal was launched in Karachi in 2016 and since its launch, the Bank has impacted more than 90,000 adolescent girls' lives in Pakistan. Goal was Standard Chartered's leading education programme that provided financial literacy, life skills and employability training to young girls across its footprint.

Standard Chartered Bank launched the second phase of the Futuremakers Inclusive Employability project which focuses on economic empowerment of youth with disabilities. This project is part of 'Futuremakers by Standard Chartered' – the Bank's global initiative to tackle inequality, by promoting economic-inclusion for young people.

Through this programme 960 young people with disabilities will be set on jobseeker/job creator pathways, including access to Accenture's Skills to Succeed Learning Exchange and other vocational trainings. A subset of participants will access one-to-one mentoring and paid internships. In addition, 32 young entrepreneurs with disabilities will be supported. The Pakistan Business and Disability Network (PBDN) will help build employer-led knowledge exchange on disability inclusion and a GESI (Gender Equality and Social Inclusion) analysis will be conducted to better understand barriers for women with disabilities in the labour market. In phase 1, more than 100 beneficiaries transitioned into formal employment.

Entrepreneurship: More individuals and businesses have greater access to financial services than ever before. However, many micro and small business owners lack the business management skills they need to grow their business.

We offer support to develop broader business skills, build financial knowledge, and provide access to finance and networks to young people. Our projects include Women in Tech, which provides technical business training, mentoring and seed funding to female entrepreneurs. Women In Tech is aimed at helping identify and grow female led businesses by bringing their unique business ideas to the market whilst celebrating women in Pakistan.

Since its launch in Pakistan 100 businesses have gone through extensive training, coaching and mentoring sessions out of which 33 businesses have been given the seed money to scale their business further. This programme aims to promote the economic and social development of women in Pakistan through innovation or technology led entrepreneurship.

Standard Chartered Bank and The British Asian Trust celebrated the successful closure of their Agripreneurs project. This was the second phase of the project and focused on high-performing participants from the previous phase. The project supported 700 participants with additional business growth, marketing, quality assurance and digital literacy training resulting in their revenues increasing by 25%. 300 new participants were also onboarded and provided with basic enterprise development training. The project worked with businesses catering to high demand agri products production in Sindh and Punjab.

Sustainability and Green Banking initiatives

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

The Bank is committed to comply with relevant environmental regulations and adopt best practices for continuous reduction of its carbon footprint. In 2024, SCB reduced its own carbon emissions (scope 1 & 2) by approximately 55% to 968 ton. This was augmented by onboarding specialized vendor for waste recycling. With a total of 17 premises equipped with solar installation, bank is regularly updating the installation capacity of solar panels to convert the maximum energy requirement of operations on renewable energy. Besides this, the Bank has continued initiatives which include environmentally friendly and biodegradable fuel additive for generators and electricity storage in batteries. The Bank’s Head Office was certified as “Green Office” by WWF Pakistan for implementing environmental management system and its impact to reduce ecological footprint. In addition, the Bank successfully achieved its milestone of planting over 200,000 trees nationwide during the year through active employee volunteering and partnership with local communities. In 2024, the Bank received certificate of carbon offsetting from ‘Services for Environment and Mangroves Protection, Pakistan’ on tree plantation. As a part of sustainability initiative, the bank also upgraded 52% of its vehicle fleet to hybrid technology.

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

All mandatory regulations have been duly compiled with and there has been no material departure from the rest of regulations given in the Code. Statement of Compliance with the Code and the Auditors’ review report thereon form part of the Annual Report which also includes the total number of directors bifurcated into male and female as well as the detailed composition of the Board and its Committees.

Statements on Internal Controls and Risk Management Framework

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

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

Meetings of the Board and its Committees

Details of Board and its Committee meetings held during the year along with attendance by the directors/ members are as under:

Sr. No	Name of Director	Board Meetings		BAC Meetings		RemCo Meetings		BRC Meetings		BITC Meetings	
		Member	Attended ¹	Member	Attended ¹	Member	Attended ¹	Member	Attended ¹	Member	Attended ¹
	Meetings held during the year	5		5		5		5		3	
1	Christopher Parsons	✓	5/5	-	-	-	-	-	-	-	-
2	Rehan M. Shaikh	✓	5/5	-	-	-	-	✓	5/5	✓	3/3
3	Rola Abu Manneh	✓	5/5	-	-	✓	5/5	-	-	-	-
4	Sheikh Jobe	✓	5/5	✓	5/5	-	-	-	-	✓	3/3
5	Ehsan Ali Malik	✓	5/5	✓	5/5	-	-	✓	5/5	✓	3/3
6	Badaruddin F. Vellani	✓	5/5	✓	5/5	✓	5/5	-	-	-	-
7	Ghias Uddin Khan ²	✓	3/3	-	-	✓	3/3	✓	2/2	-	-
8	Towfiq H. Chinoy ³	✓	2/2	-	-	✓	2/2	✓	2/2	-	-

Directors' Remuneration

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

- Independent non-executive directors as well as non-executive directors (other than Group appointees) of the Bank are eligible to receive a meeting fee for attending the meetings of the Board, and its Committee(s) and for holding the office of Chairperson of the Board or its Committee(s).
- Travelling and lodging expenses for independent non-executive directors as well as non-executive directors (other than Group appointees) of the Bank to attend meetings of the Board, its Committee(s) and Shareholders will be borne by the Bank.
- The fee structure and the quantum of the fees will be reviewed every two years. Any revisions thereof, shall be approved by the Board as well as by the Shareholders (on pre or post facto basis) and form part of the policy.

Board's Evaluation

In order to enhance the overall effectiveness of the Board, its Committees and individual Directors, the Board has formulated an effective mechanism to undertake the Board Effectiveness Review. The services of an external consultant are engaged to facilitate the Board's annual performance evaluation. All Board members are required to complete their questionnaires online and the

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

² Joined effective 12 July 2024

³ Stepped down effective 1 May 2024

anonymity of the respondents is ensured throughout the process in order to promote an open and frank exchange of views. The consolidated results of the Effectiveness Review are shared with the Chairman and presented to the Board. Based on the outcomes from the Review and Board deliberations at the meeting, improvement areas are picked up to form an action plan for implementation. Outcome of Committees' surveys is separately availed at meetings of respective Committees for deliberation on the noted themes and taking appropriate actions where required.

Pattern of Shareholding

The pattern of shareholding forms part of this Annual Report. At 31 December 2024, Standard Chartered Bank, UK (holding company) held 98.99% shares of SCBPL. The directors, chief executive officer and key executives do not hold any interest in the shares of the Bank other than that disclosed in the pattern of shareholding.

Statement of investments of Provident, Gratuity and Pension Funds

The value of investments including accrued income of provident and gratuity funds as at 31st December 2024 on the basis of un-audited accounts are:

	PKR '000
Provident Fund	3,709,749
Management Staff Gratuity Fund	2,839,110
Non-Management Staff Gratuity Fund	5,399
Management Staff Pension Fund	68,885
Non-Management Staff Pension Fund	73,714

Dividend

A final cash dividend of 55.0% (PKR 5.50/- per share) has been recommended by the Board of Directors for approval at the 19th Annual General Meeting of the Bank's shareholders. This is in addition to 35.0% (PKR 3.50/- per share) interim cash dividend announced / paid during the year.

External Auditors

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

As the audit fee is in the process of being negotiated/ finalised, the Board of Directors, on the recommendation of the BAC, has also proposed to authorise the Chairman BAC to negotiate and agree upon the audit fees for the year 2024, subject to concurrence of the Board.

Appreciation and Acknowledgment

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

On behalf of the Board



Chief Executive Officer

Karachi: 21 February 2025



Director

MANAGEMENT'S STATEMENTS ON INTERNAL CONTROLS AND RISK MANAGEMENT FRAMEWORK

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

Internal Controls

1. Management of Standard Chartered Bank (Pakistan) Limited ("the Bank" or "SCBPL") is responsible for establishing and maintaining a sound system of internal controls aimed at achieving the following objectives of the Bank:
 - Efficiency and effectiveness of operations
 - Compliance with applicable laws and regulations
 - Reliability of financial reporting
2. Management has adopted different strategies to ensure effective monitoring and improvement of internal controls. These include Enterprise Risk Management Framework and Internal Audit in which assurance responsibilities are divided into three lines of defence i.e. the business function, control functions independent of the business function and Group Internal Audit.
3. The policies and procedures in all significant areas, and as per the directives of the regulators, have been duly approved by the Board.
4. The Board ensures that the external auditors interact with the Audit Committee and present their Management Letter to the Board directly.
5. An organization structure has been established which supports clear lines of communication and tiered levels of authority with accountability.
6. The Bank has an effective Internal Audit function, which reports directly to the Audit Committee of the Board. The function periodically carries out detailed reviews / audits of its branches and various departments / units based on a yearly plan which is approved by the Audit Committee.
7. Internal control policies, tools and reporting structures have been enhanced to provide greater clarity over roles and responsibilities. Relevant training materials are updated on a going basis and staff members are provided training commensurate to their job roles and responsibilities.
8. Management gives due consideration to the recommendations made by the internal and external auditors for improvements in the internal control system and act to implement such recommendations.
9. Management has also put in place evaluation and approval procedures for major capital expenditure and other transactions.
10. There is an annual budgeting and strategic planning process. Financial forecasts are reviewed during the year on a periodic basis to reflect significant changes in business environment. Regular reporting and monitoring of financial performance of the departments and the Bank as a whole, using operating statistics and monthly management accounts which highlight key performance indicators and variance from budgets and forecasts is in place.
11. Review and implementation of health, safety, environment and contingency management processes and other significant policies are carried out and reporting mechanism is in place.
12. SCBPL is responsible for establishing and maintaining a system of Internal Controls over Financial Reporting ("ICFR"), which is designed to provide reasonable assurance to the Bank's management and Board of Directors regarding the preparation of reliable published financial statements. The system contains self-monitoring mechanisms, and corrective actions are taken to remediate deficiencies as these are identified. While internal controls system is effectively implemented and monitored, there are inherent limitations in the effectiveness of any system, including the possibility

of human error and therefore can provide only reasonable assurance with respect to achievement of the system's objectives. The Bank has documented a comprehensive ICFR Governance Framework which has been approved by the Board of Directors.

Update and review of ICFR system for the year 2024 as per SBP Guidelines on Internal Controls has been successfully completed and the Annual Assessment Report for the year 2024 is in finalization stage. SCBPL is fully committed to making continuous efforts to improve the internal control system during 2024.

The Bank has been granted exemption from the requirement of submission of Auditor-issued long form report through SBP letter OSED/SEU-15/052(01)-14/24174/2014 dated December 10, 2014. As required by the State Bank of Pakistan, the Bank now prepares annual assessment report on efficacy of ICFR duly signed by the Chief Financial Officer (CFO), Head of Conduct Financial Crime & Compliance (CFCC), Chief Risk Officer (CRO) and Chairman of Board Audit Committee.

Enterprise Risk Management Framework

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

- **Risk Culture:** A healthy risk culture is one in which everyone takes personal responsibility to identify and assess, openly discuss, and take prompt action to address existing and emerging risks.
- **Strategic Risk Management:** The approach followed by the Bank ensures that the strategy and corporate plan are aligned with the Bank's approved Risk Appetite (RA).
- **Conduct Risk Management:** The approach followed by the Bank ensures Conduct Risk is always considered when making material strategic decisions that may impact clients, investors, shareholders, counterparties, employees, markets, competition, and the environment.
- **Principal Risk Types ("PRTs"):** PRTs are those risks that are inherent in our strategy and business model. They are managed through distinct frameworks that document the overall risk management approach for the respective PRT. These include Credit, Traded, Treasury, Operational and Technology, Model, Environmental, Social and Governance and Reputational, Compliance, Information & Cyber Security and Financial Crime. These risks are embedded in the bank's strategy and business models.
- **Risk Appetite:** The Bank reviews and sets its risk appetite annually through a structured process. Risk appetite determines the maximum amount of risk the Bank is willing to assume in pursuit of its strategy while remaining within its risk capacity.
- **Three Lines of Defence:** The Bank applies a three LoD model to its day-to-day activities for effective risk management, risk governance and the control environment.

The Country Chief Risk Officer ("CCRO") is supported by a team of experienced managers, including the Senior Credit Officer, who oversees credit risk for the Corporate and Investment Banking ("CIB") business. The Country Credit Head for Wealth and Retail Business ("WRB") manages credit risk for WRB. The Head of Stressed Asset Risk handles the review and approval of classified portfolios, while the Head of Traded and Treasury Risk manages risks related to price fluctuations, interest rates, exchange rate changes, capital adequacy and liquidity oversight. The Country Head of Operational and Technology Risk oversees operational risk from a second-line perspective, and the Head of Risk Governance is responsible for enterprise risk management and governance.

The Bank has established comprehensive policies, procedures, standards and product programs, providing the risk teams with the necessary systems and tools for effective risk identification, measurement, monitoring, control and reporting.

The ultimate responsibility for the oversight of risk management function rests with the Bank's Board of Directors and the Board Risk Committee ("BRC"). Acting within the authority delegated by the Board, the Executive Committee ("EXCO") has appointed the Executive Risk Committee ("ERC") [Joint Country Non-Financial Risk Committee] and the Asset and Liability Committee ("ALCO"), for effective Risk Management. There are various other risk related committees and forums at the management level.

These include Risk Oversight Committee (“ROC”), Country Financial Crime Risk Committee (“CFCRC”), Credit Issue Committee (“CIC”), Compliance and Conduct Management Committee (“CCMC”), IT Steering Committee (“ITSC”) etc.

ERC is chaired by the CCRO, through authority delegated by the Board via the Bank’s EXCO. Following are the important areas of the risk management function within the Bank:

Credit Risk

Credit Risk is defined as the “potential for loss due to the failure of a counterparty to meet its agreed obligations to pay the Bank”. The credit risk management process is driven by the Bank’s Enterprise Risk Management Framework including two credit risk type frameworks covering CIB and WRB Credit.

The CIB Credit Risk Type Framework (“CRTF”) sets out the overall risk management approach for Credit Risk of these business segments. The CRTF is built on a risk-based approach, meaning the risk management plans, processes, activities, and resource allocations are in accordance with the level of risk. The framework considers processes and tools that are forward-looking – which are repeatable, sustainable and anticipate future needs. The 1st LOD, that is business / functions engaged in or supporting revenue generating activities, gives due consideration to the apparent Credit Risk at the point of the strategic choices and/or decision making.

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

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

For WRB Credit Risk, the approach is to support the delivery of optimum risk adjusted returns, with controlled volatility, and within overall risk appetite. A suitability and appropriateness assessment need to be completed by the 1st LOD to ensure only product / facilities which are appropriate and suitable for clients are offered. Credit exposures will be permitted only against products / facilities that are at minimum covered by an approved Product Program, Credit Approval Document and Credit Risk Management Standards / Campaign Recommendation Document.

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

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

Traded Risk

The Bank has adopted the Traded Risk Type Framework (“TRTF”) which sets out the overall risk management approach for Traded Risk. Traded Risk is defined as: “Potential for loss resulting from activities undertaken by the Bank in financial markets”. Under the TRTF, the Bank recognizes two risk subtypes:

Market Risk, as the “Potential for fair value loss due to adverse moves in financial markets”. Market Risk exposures arise primarily from interest rate movements and foreign exchange related contracts. The Bank does not have significant exposure to equity and commodity price risk.

Counterparty Credit Risk as “Potential for loss in the event of the default of a derivative counterparty, after taking into account the value of eligible collaterals and risk mitigation techniques”.

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

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

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

Treasury Risk

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

Treasury Risk is sub-divided into 4 risk subtypes:

- 1) **Capital Risk:** Capital risk is the potential for insufficient level, composition or distribution of capital, own funds and eligible liabilities to support our activities under normal environments and stressed conditions. Capital risk appetite is split into stress risk appetite and business-as-usual risk appetite metrics. The Bank manages its demand for capital by regular monitoring of capital requirements and asset exposures. The Bank's ALCO monitors Risk Weighted Assets ('RWA') growth and provides guidance for RWA management, capital structure and maintenance of capital adequacy ratio.
- 2) **Liquidity and Funding Risk:** Liquidity and Funding Risk is the risk that Bank may not have sufficient stable or diverse sources of funding or financial resources to meet our contractual obligations and contingent obligations as they fall due.
- 3) **Interest Rate Risk in Banking Book (IRRBB):** Interest rate risk is the potential for a reduction in earnings or economic value due to movements in interest rates on banking book (non-traded assets), liabilities and off-balance sheet items.
- 4) **Pension Risk:** Pension risk is the potential for loss due to having to meet an actuarially assessed shortfall in the pension plans.

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

A range of tools are used for the monitoring of IRRBB, including Net Interest Income (NII) sensitivity Analysis, Economic Value Sensitivity (EVE) Analysis, Re-pricing or Interest Rate Gaps, Basis risk analysis, Present Value of 1 basis point (PV01), Stress Loss Trigger (SLT) and Value at Risk (VaR). Some of these ratios are monitored on daily basis, some on weekly basis and some on monthly basis.

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

Operational and Technology Risk

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

The diverse nature of Operational and Technology Risk requires different disciplines to effectively manage and control risk. These are categorised as risk sub-types under the Operational & Technology Risk Type Framework ("O&T RTF"). The O&T RTF is built on a risk-based approach, meaning the risk

management plans, processes, activities, and resource allocations are determined in accordance with the level of risk. The framework considers processes and tools that are forward-looking which are repeatable, sustainable and anticipate future needs. The first line, when formulating business strategy and planning, consider and address Operational Risk at the point of strategic choices and / or decision making. This also includes consideration of the impact of decisions on the design and operational effectiveness of the related system of controls.

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

The Operational Risk policy is mapped to the O&T RTF and applies to all Principal Risk Types, and to the entire organization. It is implemented and well embedded in all business segments and functions.

The O&T RTF sets out the approach for management of operational risk as well as clear lines of management's roles and responsibilities. In accordance with the framework, business segments and functions are accountable for the day-to-day management of business activities and to manage the operational risks that arises from these activities. The independent risk management and Subject Matter Experts challenge, guide, and provide oversight over the business activities. Existing and future levels of Operational Risk must be maintained within the approved Risk Appetite of the Bank.

The Bank has an enterprise risk management system in place, namely 'M7', that is utilized for the recording of operational risk events (including financial losses and nonfinancial events), results of control sample testing and associated mitigating actions pertinent to operational risk.

The Executive Risk Committee (ERC) is the overarching committee to have oversight over operational risk related matters. The committee has a clear understanding of operational risk as distinct risk category and is aware of the key risks faced by the institution. The committee has the authority to take a view on the significance of risks and to direct appropriate actions.

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

Technology policies and standards are refreshed annually. This policy sets out principles to build and run Technology processes, systems and services. Adherence to this policy and connected standards will enable to maintain customer confidence, protect commercial interests and reputation, comply with legal requirements and meet regulatory expectations.

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

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

Environmental, Social and Governance and Reputational Risk

The Bank has adopted the Environmental, Social and Governance and Reputational ("ESGR") Risk Type Framework which sets out the overall risk management approach for Environmental, Social and Governance and Reputational. ESGR Risk is defined as the "Potential or actual adverse impact on the environment and/or society, the Group's financial performance, operations, or the Group's name, brand or standing, arising from environmental, social or governance factors, or as a result of the Group's actual or perceived actions or inactions."

Environmental, Social and Governance ("ESG") Risk continues to be an area of growing importance for the Bank. ESG Risk is defined as adverse impact on the environment and/or society, as well as adverse financial or non-financial consequences to the Bank, arising from Environmental (including climate risk and nature risk considerations), Social or Governance factors, or as a result of the Bank's actions or inactions.

Reputational Risk helps to safeguard the Bank's reputation by ensuring that reputational risks are carefully assessed and that external communications are accurate, informed, and consistent. This approach helps to build trust and reinforces the Bank's commitment to responsible decision making.

The CCRO provides independent oversight and challenge on matters related to Environmental, Social and Governance and Reputational Risk.

Model Risk

The Bank has adopted the Model Risk Type Framework which sets out the overall risk management approach. Model Risk is defined as the "potential loss that may occur because of decisions or the risk of mis-estimation that could be principally based on the output of models, due to errors in the development, implementation, or use of such models". An important source of model risk is the uncertainty associated with a prediction or an estimate arising from the use of assumptions and/or theories. While uncertainty can arise in any or all the components, operational risks such as user error are not relevant when identifying whether a tool is a model.

Scope of Model Risk is defined, in part, by the approved Model Families, which formally categorise a variety of in scope model types used by the Bank, including the consequent differences in model risk manifestation and associated risk management approach.

The responsibility of oversight of effective Model Risk Management from second line perspective is with Country CRO supported by Risk Function teams.

Country Risk

Country Risk management is an integral component of ERMF. Country Risk Limits and Exposures are defined as follows:

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

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

From first line perspective Country CEO is responsible for monitoring Country Risk exposures with second line responsibility of oversight resting with Country CRO.

Compliance Risk

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

Conduct Risk

The Conduct Risk has been elevated to be an integral part of the ERMF, focusing on the two key components, Institutional Conduct, and Individual Behavior. Conduct Risk is viewed through the lens of whether the Group is

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

Financial Crime Compliance Risk

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

Information and Cyber Security Risk

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

By order of the Board



Rehan Muhammad Shaikh
Chief Executive Officer

Report of Shari'ah Board

For the year ended 31 December 2024

بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

الحمد لله رب العالمين، والصلاة والسلام على سيدنا محمد وعلى آله وصحبه أجمعين، وبعد

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

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

During the year under review, the four SB meetings have been conducted and SB members have reviewed, discussed, advised, and approved different Islamic products, country addendums, departmental operating instructions, transactions, process notes, Shariah compliance review and Shariah audit reports. In addition, the SB and BoD have also met twice this year in which SB has provided detailed briefing on Shariah compliance environment of the Saadiq. SB appreciate the efforts of the management of the Bank towards promoting and strengthening the environment of Shariah-compliance in the Bank. SB through this report would please to share the major achievements of the Bank towards the growth of Islamic banking during the year ended December 31, 2024:

Islamic Business Review

During the year under review, the Bank primarily used several Islamic financings modes which include Musharakah, Diminishing Musharakah, Murabaha, Commodity Murabaha, Musawammah and Istisna to meet the customers' financial need in a Shariah compliant manner. At the year ended December 31, 2024, the Bank had Islamic financing and investment/placement of Rs 100.8 billion. While, on the liability side, the Bank had total Islamic deposits of Rs 83.1 billion in Saving Accounts, Term Accounts, Current Accounts etc.

Shariah Compliance Reviews

The Shariah Compliance Department (SCD) under the supervision of Resident Shariah Board Member and the guidance of the Shariah Board Members performed its roles and responsibilities well as mentioned in the SGF.

During the year under review, the Shariah compliance team conducted Islamic Banking reviews of different businesses and functions on a sample basis. The review included Islamic Wealth & Retail Banking (WRB), Islamic Corporate & Investment Banking (CIB), Islamic Treasury and Islamic Branches & Islamic Banking Windows. AS per the regulator's instruction, the SCD also conducted Shariah review of Saadiq Personal Finance & Saadiq Credit Card, Profit & Loss Distribution on quarterly basis.

Further, SCD has also been engaged in facilitating Learning & Development Department and other bank's stakeholders to provide Islamic banking trainings to the staff at different level of the bank. They also involve in the development/enhancement of the learning modules where is required.

Shariah Audit

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

Charity Amounts

The opening balance of the charity fund on January 1, 2024 was Rs 10.4 million. During the year, an amount

Report of Shari'ah Board

For the year ended 31 December 2024

of Rs. 3.3 million has been added to charity account which includes delayed payment amount received from customers. Furthermore, charity amount of Rs. 10.7 million has been disbursed to approved charitable and social welfare institutions. However, the remaining Rs 3 million charity amount is in process to be paid to the approved charitable institutions.

Training and Capacity Building

During the year, the bank supported to provide capacity building to the relevant staff and has taken major initiatives to ensure the awareness and knowledge of the staff would be developed by using different mode of trainings which include digital (Online, Webinars, Virtual, e-assessments) channels. With respect to transformation strategy of SBP, the bank particularly organised the sessions for bank's senior employees through Lahore University of Management Science (LUMS). The bank also arranged the classroom-based sessions for the staff through internal and external Shariah Scholars / Islamic financial Experts i.e. IBA-CEIF, NIBAF etc.

Approximately 2000 employees have attended 46 different courses on Islamic Banking products and services in 6000 trainings sessions.

In addition to that, the progress and updates on transformation of Banking into Islamic was also arranged for the Board of Directors and Executive Committee of the Bank.

Shariah Board's Opinion

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

To establish our opinion, we reviewed the Shariah review reports and Shariah audit reports of internal & external Shariah audits. Based on the this, we are of the view that:

1. The Bank has by and in large complied with the Shariah rules and principles provided through fatawa and guidelines issued by the Shariah Board.
2. The Bank has complied with the directives, regulations, instructions and guidelines (related to Shariah compliance) issued by Shariah advisory committee of State Bank of Pakistan (SBP).
3. During the year under review, any matter requiring corrective measures has been noted and resolved by the management and/or ensured to be rectified in future. Subject to the foregoing, the Bank has a mechanism in place to ensure Shariah compliance in their overall Islamic operations.
4. The Bank has a system in place which is sound enough to ensure that any earnings realized from sources or by means prohibited by Shariah have been credited to charity account and are being properly utilized for charitable purposes.
5. The Bank has adequately complied with the SBP instructions on profit and loss distribution and pool management.
6. Learning & Development department in coordination with Shariah compliance department and other stakeholders have arranged various Islamic Banking trainings and development sessions for capacity building of the staff and is in continuous process to enhance and develop Islamic banking learning environment and to build the importance of Shariah compliance in the products and processes of the Bank.

We appreciate and supports the vision of BoD and Management for promoting Islamic Banking through various channels within the bank and banking industry.

Report of Shari'ah Board

For the year ended 31 December 2024

Recommendations

Based on the above, we recommend that:

- Due to FSC decision towards transformation journey, the management needs to work on the development of existing resources and increase more subject matter expert in different segments of the bank for smooth conversion.
- The SBP continuously in the process of adopting of AAOIFI Shariah Standards and almost 40 Shariah Standards have been implemented. Henceforth, the reputation and credibility of the bank relies on to adhere SB, SBP and as well as AAOIFI Shariah rulings. Therefore, the bank should be vigilant and keep focusing to comply with these Standards and rulings.
- To smooth transformation and implementation of AAOIFI Shariah Standards, the SCD should be strengthened by adding adequate resources in the department.
- To ensure the seamless and effective implementation of the bank-approved conversion plan, all business units and stakeholders must comply with the guidelines set by SB and SBP. The BOD is requested to provide continuous guidance and monitor progress to ensure compliance, alignment with SBP strategic objectives and ensure the successful execution of the plan.

And Allah Subhanah wa Ta'ala knows the Best.

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



Dr. Shaikh Nizam Yaqouby
Chairman Shariah Board



Mufti Muhammad Abdul Mubeen
Member Shariah Board



Dr. Mufti Irshad Ahmad Aijaz
Member Shariah Board



Dr. Mufti Muhammad Sarfraz Nihal
Resident Shariah Board Member

Dated: 21st February 2025

شریعی بورڈ رپورٹ

ایجنڈا 10 کا ضمیمہ A

شریعی بورڈ رپورٹ

برائے سال 31 دسمبر 2024

بسم اللہ الرحمن الرحیم

الحمد لله وحده والصلاة والسلام على من لا نبي بعده وعلى آله وصحبه ومن والاه. وبعد

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

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

سال کے دوران شریعی بورڈ نے مختلف پروڈکٹس، ضمیموں، ڈپارٹمنٹ آپریشنز، انٹرکنٹریٹس، پروسیس نوٹس، شریعی کمپلائنس اور شریعی آڈٹ رپورٹس کا جائزہ لینے، ان پر اپنی رائے دینے اور ان کی منظوری کے لئے چار اجلاس منعقد کئے۔ اس سال بورڈ آف ڈائریکٹرز نے شریعی بورڈ کے ساتھ دو ملاقاتیں بھی کیں، جن میں شریعی بورڈ نے صادق کی شریعی کمپلائنس کی مجموعی صورتحال کی تفصیلی وضاحت کی۔ شریعی بورڈ بینک میں شریعی کمپلائنس کی صورتحال کو مستحکم کرنے اور اسے فروغ دینے کے لئے بینک کی انتظامیہ کی کوششوں کو سراہتا ہے۔ 31 دسمبر 2024 کو ختم ہونے والے سال کے دوران اسلامک بینکنگ کو فروغ دینے کے لئے ہم بینک کی اہم کامیابیوں کو بخوشی نشر کر رہے ہیں۔

اسلامی کاروبار کا جائزہ

زیر جائزہ سال کے دوران، بینک نے صارفین کی مالی ضروریات کو شرعی طور پر پورا کرنے کے لئے بنیادی طور پر اسلامی فنانشنگ کے طریقے استعمال کئے (جیسے مشارکہ، شرکت، متناقصہ، مراحہ، تورق، مساومہ اور استصناع)۔ 31 دسمبر 2024 کے اختتام پر، بینک کی مجموعی اسلامک فنانشنگ اور انویسٹمنٹ / پلیسمنٹ 100.8 بلین روپے تھی، واجبات کے لحاظ سے، بینک کے پاس سیونگز اکاؤنٹس، ٹرم اکاؤنٹس، کرنٹ اکاؤنٹس وغیرہ میں کل 83.1 بلین روپے کے اسلامی ڈپازٹس تھے۔

شریعی کمپلائنس کا جائزہ

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

زیر جائزہ سال کے دوران شریعی کمپلائنس ٹیم نے آزمائشی جانچ کی بنیادوں پر، اسلامک بینکنگ کے کئی شعبوں کا جائزہ لیا۔ اس جائزے میں اسلامک ویلتھ اینڈ ریٹیل بینکنگ (WRB)، اسلامک کارپوریٹ اینڈ انویسٹمنٹ بینکنگ (CIB)، اسلامک ٹریڈری اینڈ اسلامک برانچز اور اسلامک بینکنگ ونڈوز شامل تھے۔ ریگولیٹری ہدایات کے مطابق SCD نے صادق پرسنل فنانش اور صادق کریڈٹ کارڈ، سبہ ماہی بنیادوں پر نفع و نقصان کی تقسیم کا بھی جائزہ لیا۔

مزید برآں، شریعی کمپلائنس ڈپارٹمنٹ، لرننگ اینڈ ڈویلپمنٹ ڈپارٹمنٹ اور بینک کے دیگر اسٹیک ہولڈرز کے ساتھ مل کر اسلامی بینکاری کی ٹریننگ کی فراہمی میں مصروف رہا۔

شریعی بورڈ رپورٹ

ٹیم نے بینک کے عملے کے لئے مختلف سطحوں پر تربیتی نشستوں کا بھی انعقاد کیا اور جہاں ضرورت ہوئی، لرننگ ماڈیولز کی تیاری، بہتری میں بھی مدد فراہم کی۔

شریعی آڈٹ

رواں سال انٹرنل شریعی آڈٹ یونٹ (ISAU) نے سالانہ اور سہ ماہی بنیادوں پر متعدد آڈٹس کئے جن میں متعدد اسلامک پروڈکٹس، نفع و نقصان کی تقسیم، صادق پرسنل فنڈس، صادق کریڈٹ کارڈ اور میرا پاکستان، میرا گھراسکیم کے تحت مارکیٹ سبسڈی کے آڈٹس شامل ہیں۔

چیریٹی ایماؤنٹس (خیراتی رقم)

یکم جنوری 2024 کو چیریٹی فنڈ کا ابتدائی بیلنس 10.4 ملین روپے تھا۔ سال کے دوران 3.3 ملین روپے چیریٹی اکاؤنٹ میں جمع ہوئے جس میں کسٹمرز کی جانب سے تاخیری ادائیگیوں کے باعث حاصل ہونے والی رقم شامل تھیں۔ مزید یہ کہ مختلف منظور شدہ خیراتی اور سماجی بہبود کے اداروں کو 10.7 ملین روپے کی خیراتی رقم فراہم کی گئی۔ تاہم بقیہ 3 ملین روپے کی خیراتی رقم منظور شدہ خیراتی اداروں کو ادا کرنے کا عمل جاری ہے۔

ٹریڈنگ اور صلاحیتوں میں اضافے کی کاوشیں

زیر جائزہ سال کے دوران بینک نے متعلقہ عملے کی استعدادی صلاحیتوں میں اضافے کے لئے تعاون فراہم کیا اور اس بات کو یقینی بنانے کے لئے اہم اقدامات کئے تاکہ مختلف طریقہ ہائے ٹریڈنگ کے ذریعے عملے کی آگاہی اور معلومات کو فروغ دیا جاسکے۔ ان طریقوں میں ڈیجیٹل (آن لائن، ویبینا رز، ورچوئل، ای۔اسسمنٹس) چینلز شامل ہیں۔ اسٹیٹ بینک آف پاکستان کی تبدیلی کی حکمت عملی کے حوالے سے بینک نے لاہور یونیورسٹی آف مینجمنٹ سائنس (LUMS) کے ذریعے اپنے سینئر ملازمین کے لئے خاص طور پر سیشنز منعقد کروائے۔ بینک نے اندرونی اور بیرونی شریعی اسکالرز/اسلامی مالیات کے ماہرین مثلاً IBA-CEIF، NIBAF وغیرہ کے ذریعے عملے کے لئے کلاس روم۔ بیڈ تربیتی مجالس کا بھی انعقاد کیا۔

تقریباً 2,000 ملازمین نے 6,000 ٹریڈنگ سیشنز کے دوران اسلامک بینکنگ پروڈکٹس اور سروسز سے متعلق 46 مختلف کورسز میں ٹریڈنگ حاصل کیں۔ اس کے علاوہ بورڈ آف ڈائریکٹرز اور بینک کی ایگزیکٹو کمیٹی کے لئے کنوینشنل بینکاری کی اسلامک بینکاری میں منتقلی سے متعلق پیش رفت اور آگاہی کے لئے بھی مجالس ترتیب دی گئیں۔

شریعی بورڈ کی رائے

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

اس رپورٹ میں بیان کی گئی اپنی رائے کو قائم کرنے کے لئے ہم نے شریعی کمپلائنس ڈپارٹمنٹ، اندرونی اور بیرونی شریعی آڈٹ کی رپورٹس کا جائزہ لیا ہے۔ مذکورہ بالا تفصیل کی بنیاد پر ہماری رائے درج ذیل ہے:

- 1- بینک نے شریعی بورڈ کی جانب سے جاری کردہ فتاویٰ، احکام اور اصولوں کی روشنی میں فراہم کردہ شرعی قوانین اور اصولوں کی مجموعی طور پر پاسداری کی ہے۔
- 2- بینک نے اسٹیٹ بینک آف پاکستان کی شریعی ایڈوائزری کمیٹی کے احکام کے مطابق اسٹیٹ بینک کی جانب سے جاری کردہ شریعی کمپلائنس سے متعلق احکام، ضوابط، ہدایات اور اصولوں کی پاسداری کی ہے۔
- 3- زیر جائزہ سال کے دوران، کسی بھی ایسے معاملے پر جس میں اصلاحی اقدام کی ضرورت ہو، غور کیا گیا اور مینجمنٹ کی جانب سے قابل اصلاح امور کا ازالہ کیا گیا ہے اور ایوان کی دستگی کی یقین دہانی کروائی گئی ہے۔ مذکورہ بالا سے مشروط طور پر بینک کے پاس اپنے مجموعی اسلامی آپریشنز میں شریعی کمپلائنس کو یقینی بنانے کے لئے ایک طریقہ کار موجود ہے۔
- 4- بینک کے پاس ایک واضح نظام موجود ہے، جو تمام غیر شرعی ذرائع سے حاصل شدہ رقم چیریٹی اکاؤنٹ میں جمع کئے جانے اور اسے مناسب طور پر خیراتی اداروں میں بروئے کار لائے جانے کو یقینی بناتا ہے۔
- 5- بینک نے نفع و نقصان کی تقسیم اور پول مینجمنٹ کے سلسلے میں اسٹیٹ بینک کی ہدایات کی مناسب طور پر پاسداری کی ہے۔

شریعی بورڈ رپورٹ

6- لرننگ اینڈ ڈویلپمنٹ ڈپارٹمنٹ نے شریعی کمپلائنس ڈپارٹمنٹ اور دیگر اسٹیک ہولڈرز کے تعاون سے ملازمین کی صلاحیت میں اضافے کے لئے مختلف اسلامک بینکنگ

ٹریڈنگ سیشنز کا اہتمام کیا اور بینک کی مصنوعات اور لائحہ عمل میں، شریعی کمپلائنس کی اہمیت کو بڑھانے اور اسلامک بینکنگ کے سیکھنے کے ماحول کو فروغ اور ترقی دینے کے لئے مستقل مصروف عمل ہے۔

ہم بینک اور بینکاری صنعت کے اندر مختلف چینلز کے ذریعے اسلامی بینکاری کو فروغ دینے کے لئے بورڈ آف ڈائریکٹرز اور مینجمنٹ کے وژن کو سراہتے ہیں اور اس کی حمایت کرتے ہیں۔

تجاویز:

مندرجہ بالا کی بنیاد پر، ہم تجویز کرتے ہیں کہ:

- فیڈرل شریعت کورٹ کا فیصلہ برائے منتقلی روایتی بینکاری سے اسلامی بینکاری کے پیش نظر یہ تجویز دی جاتی ہے کہ تنظیمیں موجودہ ملازمین کی صلاحیتوں میں اضافے کے لئے کام کرے اور اس منتقلی کے عمل کو بہتر انداز میں مکمل کرنے کے لئے بینک کے تمام شعبوں میں متعلقہ استعداد کے حامل افراد کی خدمات حاصل کرے۔

- اسٹیٹ بینک آف پاکستان مسلسل AAOIFI کے شرعی معیارات کے نفاذ میں مصروف عمل ہے اور تقریباً 40 شرعی معیارات نافذ کئے جا چکے ہیں۔ لہذا، بینک کی سہولت اور اعتبار کا دارومدار اس بات پر ہے کہ وہ شریعی بورڈ (SB)، اسٹیٹ بینک آف پاکستان (SBP)، اور AAOIFI کے شرعی احکامات کی مکمل طور پر پابندی کرے۔ اس لئے، بینک کو خبردار رہنا چاہیے اور ان معیارات اور احکامات کی تعمیل پر مسلسل توجہ دینی چاہیے۔

- AAOIFI شرعی معیارات کے مؤثر نفاذ اور منتقلی کے لئے، شریعی کمپلائنس ڈپارٹمنٹ (SCD) کو مزید بہتر ذرائع کی فراہمی کے ذریعے مستحکم کیا جانا چاہیے۔

- بینک کے منظور شدہ منتقلی کے منصوبے کے مؤثر اور بلا کاؤٹ نفاذ کو یقینی بنانے کے لئے، تمام کاروباری یونٹس اور متعلقہ شعبہ جات کو شریعی بورڈ اور اسٹیٹ بینک آف پاکستان (SBP) کی دی گئی ہدایات پر عمل کرنا ہوگا۔ بورڈ آف ڈائریکٹرز (BOD) سے گزارش ہے کہ وہ مسلسل رہنمائی فراہم کرے اور پیش رفت کی نگرانی کرے تاکہ SBP کے حکمت عملی کے اہداف سے ہم آہنگی کے ساتھ ساتھ منتقلی کے منصوبے کو کامیابی سے ہمکنار کیا جاسکے۔

اور اللہ سبحانہ و تعالیٰ بہتر جانتا ہے

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

محمد عبدالمبین

مفتی محمد عبدالمبین

ممبر شریعی بورڈ

محمد سرفراز نہال

ڈاکٹر مفتی محمد سرفراز نہال

ریزیڈنٹ شریعی بورڈ ممبر

ڈاکٹر شیخ نظام یعقوبی

ڈاکٹر شیخ نظام یعقوبی

چیئرمین شریعی بورڈ

مفتی ارشاد احمد اعجاز

مفتی ارشاد احمد اعجاز

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INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Standard Chartered Bank (Pakistan) Limited

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

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of Standard Chartered Bank (Pakistan) Limited (the Bank) for the year ended **31 December 2024** in accordance with the requirements of regulation 36 of the Regulations.

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

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

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

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Bank's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Bank for the year ended 31 December 2024.


Chartered Accountants

Place: Karachi

Date: 04 March 2025

UDIN Number: CR202410120eFm3qcJ5w

STATEMENT OF COMPLIANCE WITH LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019

Standard Chartered Bank Pakistan Limited
For the year ended 31 December 2024

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

1. The total number of directors is seven as per the following:

- | | |
|------------|-----|
| a) Male: | Six |
| b) Female: | One |

2. The composition of the Board at year-end was as follows:

a) Independent Non Executive Directors:	Mr. Ehsan Ali Malik Mr. Badaruddin Fatehali Vellani Mr. Ghiasuddin Khan
b) Non Executive Directors:	Mr. Christopher Parsons (Chairperson) Ms. Rola Abu Manneh Mr. Sheikh Jobe
c) Executive Director(s):	Mr. Rehan M. Shaikh
d) Female Director:	Ms. Rola Abu Manneh

3. The directors have confirmed that none of them is serving as a director in more than seven listed companies, including this Bank.
4. The Bank has adopted Group's 'Code of Conduct', which has been approved by the Board and is disseminated to all the directors and employees of the Bank along with its supporting policies and procedures.
5. The Board has developed and approved a vision/ mission statement and overall corporate strategy. The Board has also approved significant policies and adopted certain Standard Chartered Group policies as far as they are in accordance with the local laws and regulations. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.
6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board as empowered by the relevant provisions of the Companies Act, 2017 ('the Act') and these Regulations.
7. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of the Act and the Regulation with respect to frequency, recording and circulating minutes of the Board meetings.
8. The Board has a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.
9. All the directors on the Board have already completed Directors' Training Programme/ Corporate Governance Certification. During the year under review, a number of in-house training/ orientation sessions were also attended by the directors.

10. The Board has approved the appointment of Chief Financial Officer, Company Secretary and Head of Internal Audit including their remuneration and terms and conditions of employment; and complies with relevant requirements of the Regulations. The position of Head of Internal Audit, which was vacant at year-end, was subsequently filled with the Board's approval.
11. Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the Board.
12. The Board has formed following Board Committees and their composition is as below:

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

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

13. The terms of reference of the aforesaid Committees have been formed, documented and advised to the Committees for compliance.
14. The frequency of meetings of the aforesaid Committees as per the respective Terms of References are as follows:
- | | |
|---|----------------------------|
| a) Board Audit Committee: | At least once in a quarter |
| b) Board Human Resource & Remuneration Committee: | At least twice in a year |
| c) Board Risk Committee: | At least four in a year |
| d) Board Information & Technology Committee: | At least twice in a year |
15. The Board has set up an effective Internal Audit ('IA') function. Personnel of internal audit function are suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Bank.
16. The statutory auditors of the Bank have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan ('ICAP') and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants ('IFAC') guidelines on code of ethics as adopted by ICAP and that they and the partners of the firm involved in the audit are not a close

relative (spouse, parent, dependent and non-dependent children) of the Chief Executive Officer, Chief Financial Officer, Head of Internal Audit, Company Secretary or Director of the Bank.

17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these Regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.
18. We confirm that all requirements under clauses 3, 6, 7, 8, 27,32, 33 and 36 of the Regulations have been complied with.

By Order of the Board



Chief Executive Officer



Director

Date:
21 February 2025

Standard Chartered Bank (Pakistan) Limited

Audited
Financial Statements

For the year ended
31 December 2024



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EY Ford Rhodes
Chartered Accountants
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INDEPENDENT AUDITOR'S REPORT

To the members of Standard Chartered Bank (Pakistan) Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of **Standard Chartered Bank (Pakistan) Limited (the Bank)**, which comprise the statement of financial position as at **31 December 2024**, the profit and loss account, the statement of comprehensive income, the statement of changes in equity and the cash flow statement for the year then ended, along with unaudited certified returns received from the branches except for 7 branches which have been audited by us and notes to the financial statements, including material accounting policy information and other explanatory information and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the profit and loss account, the statement of comprehensive income, the statement of changes in equity and the cash flow statement together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan, and give the information required by the Banking Companies Ordinance, 1962 and the Companies Act, 2017(XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Bank's affairs as at 31 December 2024 and of the profit and other comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

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

Key Audit Matters

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

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Following are the key audit matters:

Key Audit Matter	How the Matter was Addressed in Our Audit
<p>1. Expected credit loss allowance against advances (Refer note 9 to the financial statements)</p> <p>Banks's advances to the customers amounts to Rs. 171,567 million as of 31 December 2024.</p> <p>During the year, the Bank has adopted IFRS 9 "Financial Instruments" (as applicable in Pakistan), which requires a forward-looking approach to estimate the Expected Credit Loss ("ECL") against the advances and other financial instruments. As allowed under IFRS 9, the Bank has adopted the requirements of the standard retrospectively, without restating the previous year's financial information. The adoption of IFRS 9 has resulted in transition adjustment to the retained earnings as of 1 January 2024 of Rs. 2,950 million. The impact of transition is explained in Note 2.3.1.3 to the Bank's financial statements.</p> <p>In view of the significance of this area in terms of its impact on the financial statements, and level of involvement of management's estimates and judgments, we identified adequacy and completeness of ECL against advances as a key audit matter.</p> <p>The accounting policy and disclosures related to the ECL against advances are included in Notes 4.2.11 and 9.2 respectively to the financial statements.</p>	<p>We applied a range of audit procedures including the following:</p> <ul style="list-style-type: none"> • We reviewed the management's process of assessment of allowance for ECL against advances including the Bank's accounting policy and ECL model methodology adopted during the year. • We performed procedures to test: <ul style="list-style-type: none"> ▸ the governance of ECL model, its validation, including relevant approvals; ▸ completeness and accuracy of critical data inputs into the ECL models and calculations; ▸ timely identification of SICR and the determination of individually impaired exposures; ▸ the management's assessment of recoverable cash flows, including the impact of collateral, if any; and ▸ ECL computation for exposures. • Where required, we involved our experts to assist us in reviewing model calculations, evaluating interrelated inputs (including EADs, PDs and LGDs) and assessing reasonableness of assumptions used in the ECL models. • We also assessed adequacy of disclosures as included in Note 9.2 to the financial statements regarding the ECL made against advances in accordance with the requirements of the applicable financial reporting framework.
<p>2. Goodwill Impairment (Refer note 12 to the financial statements)</p> <p>As at 31 December 2024, the Bank's intangible assets include goodwill of Rs. 26,095 million on account of acquisition of Union Bank Limited in 2006.</p> <p>Goodwill is required to be annually assessed for impairment under IAS 36 "Impairment of Assets". Accordingly, management performed an impairment test of the goodwill which is subjective in nature due to assumptions made about future performance.</p>	<p>We applied a range of audit procedures including the following:</p> <ul style="list-style-type: none"> • We assessed the reasonableness of cash flow projections and compared key inputs, to externally available industry, economic and financial data and performance; • We evaluated whether the assumptions, on which valuation is based, are realistic and consistent with the general economic



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-: 3 :-

<p>As disclosed in note 12.1, the Bank uses a discounted cashflow model to determine value in use, based on certain key assumptions.</p> <p>Due to the significance and impact of the assumptions and judgements involved, the impairment test of goodwill is considered to be a key audit matter.</p>	<p>environment, the economic environment of specific industry, existing market information and the entity's economic circumstances;</p> <ul style="list-style-type: none">• We involved our internal valuation specialist to review and evaluate the discount rate and the long-term growth rate used in impairment calculations;• Performed sensitivity analysis around the key assumptions and the discount rate used in the model; and• We assessed the adequacy of the related disclosures in the financial statements.
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Information Other than the Financial Statements and Auditors' Report Thereon

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

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

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

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

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

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

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



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Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

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

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



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Report on Other Legal and Regulatory Requirements

1. Based on our audit, we further report that in our opinion:
 - a) proper books of account have been kept by the Bank as required by the Companies Act, 2017 (XIX of 2017) and the returns referred above from the branches have been found adequate for the purpose of our audit;
 - b) the statement of financial position, the profit and loss account, the statement of comprehensive income, the statement of changes in equity and the cash flow statement together with the notes thereon have been drawn up in conformity with the Banking Companies Ordinance, 1962 and the Companies Act, 2017(XIX of 2017) and are in agreement with the books of account and returns;
 - c) investments made, expenditure incurred and guarantees extended during the year were in accordance with the objects and powers of the Bank and the transactions of the Bank which have come to our notice have been within the powers of the Bank; and
 - d) zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Bank and deposited in the Central Zakat Fund established under section 7 of that Ordinance.
2. We confirm that for the purpose of our audit we have covered more than sixty per cent of the total loans and advances of the Bank.

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

Chartered Accountants

Place: Karachi

Date: 04 March 2025

UDIN Number: AR202410120zYUoQulfp

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

	Note	2024	2023
(Rupees in '000)			
ASSETS			
Cash and balances with treasury banks	5	82,306,465	81,690,671
Balances with other banks	6	13,216,951	38,230,009
Lendings to financial institutions	7	70,485,202	365,241,485
Investments	8	654,339,883	226,711,860
Advances	9	171,566,660	220,183,482
Property and equipment	10	11,643,964	11,380,991
Right-of-use assets	11	911,194	1,285,344
Intangible assets	12	26,095,310	26,095,310
Deferred tax assets - net		-	-
Other assets	13	26,726,431	31,128,680
Total Assets		1,057,292,060	1,001,947,832
LIABILITIES			
Bills payable	14	23,057,139	18,331,699
Borrowings	15	18,285,487	48,265,389
Deposits and other accounts	16	835,694,991	719,534,840
Lease liabilities	17	933,917	1,362,579
Sub-ordinated debt		-	-
Deferred tax liabilities - net	18	6,354,705	6,374,173
Other liabilities	19	55,243,964	111,856,489
Total liabilities		939,570,203	905,725,169
NET ASSETS		117,721,857	96,222,663
REPRESENTED BY:			
Share capital	20	38,715,850	38,715,850
Reserves	21	46,949,679	37,736,326
Surplus on revaluation of assets	22	10,036,242	8,641,979
Unappropriated profit		22,020,086	11,128,508
		117,721,857	96,222,663

CONTINGENCIES AND COMMITMENTS

23

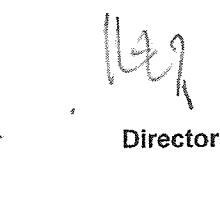
The annexed notes 1 to 46 and Annexure I and II form an integral part of these financial statements.

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Chairman
DIRECTOR


Chief Executive Officer


Chief Financial Officer



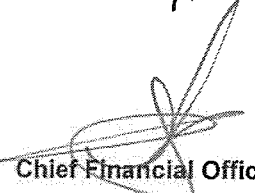



Director


Director

Standard Chartered Bank (Pakistan) Limited
Profit and Loss Account
For the year ended 31 December 2024

	Note	2024 (Rupees in '000)	2023
Mark-up / return / interest earned	24	159,132,943	151,851,124
Mark-up / return / interest expensed	25	(65,620,024)	(57,117,653)
Net mark-up / interest income		93,512,919	94,733,471
NON MARK-UP / INTEREST INCOME			
Fee and commission income	26	6,991,972	5,519,578
Dividend income		100,000	50,144
Foreign exchange income	27	9,919,988	5,712,190
Income from derivatives		1,125,765	2,847,820
Gain / (loss) on securities	28	4,599,917	(996,161)
Other income	29	1,921,393	191,392
Total non mark-up / interest income		24,659,035	13,324,963
Total Income		118,171,954	108,058,434
NON MARK-UP / INTEREST EXPENSES			
Operating expenses	30	(20,345,120)	(17,058,938)
Workers welfare fund		(2,044,069)	(1,797,954)
Other charges	31	(71,036)	(143,055)
Total non mark-up / interest expenses		(22,460,225)	(18,999,947)
Profit before credit loss allowance		95,711,729	89,058,487
Credit loss allowance and write offs - net	32	4,908,422	162,719
PROFIT BEFORE TAXATION		100,620,151	89,221,206
Taxation	33	(54,553,387)	(46,599,375)
PROFIT AFTER TAXATION		46,066,764	42,621,831
(Rupees)			
BASIC / DILUTED EARNINGS PER SHARE	34	11.90	11.01

The annexed notes 1 to 46 and Annexure I and II form an integral part of these financial statements.

 **Chairman**
 **Chief Executive Officer**
 **Chief Financial Officer**
 **Director**
 **Director**

Standard Chartered Bank (Pakistan) Limited
Statement of Comprehensive Income
For the year ended 31 December 2024


	Note	2024	2023
(Rupees in '000)			
Profit after taxation for the year		46,066,764	42,621,831
Other comprehensive income			
Items that may be reclassified to profit and loss account in subsequent periods:			
Movement in surplus / (deficit) on revaluation of debt investments through FVOCI / AFS - net of tax		1,247,796	(149,621)
Items that will not be reclassified to profit and loss account in subsequent periods:			
Movement in remeasurement of post employment obligations - net of tax		13,670	248
Movement in surplus on revaluation of equity investments - net of tax		200,704	102,615
Movement in surplus / (deficit) on revaluation of Property and equipment - deferred tax rate impact	22.1	(54,646)	881,686
		159,728	984,549
Total comprehensive income		47,474,288	43,456,759

The annexed notes 1 to 46 and Annexure I and II form an integral part of these financial statements.

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Chairman
 DIRECTOR


Chief Executive Officer


Chief Financial Officer


Director


Director

Standard Chartered Bank (Pakistan) Limited

Cash Flow Statement

For the year ended 31 December 2024

	Note	2024	2023
(Rupees in '000)			
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before taxation for the year		100,620,151	89,221,206
Less: Dividend income		(100,000)	(50,144)
		<u>100,520,151</u>	<u>89,171,062</u>
Adjustments for:			
Net mark-up / interest income		(93,347,508)	(94,733,471)
Depreciation	10	749,664	492,633
Depreciation on right-of-use assets	11	425,019	432,947
Gain on sale of property and equipment	29	(14,187)	(14,676)
Gain on sale of asset held for sale	29	(9,247)	(144,717)
Unrealized gain on revaluation of investments classified as FVTPL / HFT - net	28	(203,035)	(17,522)
Finance cost of lease liability	25	165,411	143,582
(Gain) / loss on lease termination	29	(1,187)	14,902
Credit loss allowance and write offs net	32	(4,110,645)	(162,719)
		<u>(96,345,715)</u>	<u>(93,989,041)</u>
		4,174,436	(4,817,979)
(Increase) / decrease in operating assets			
Lendings to financial institutions		294,756,283	(313,955,195)
Securities classified as FVTPL / HFT		(434,697,370)	95,297
Advances		49,442,278	(3,794,995)
Other assets (excluding advance taxation)		629,646	36,562,423
		<u>(89,869,163)</u>	<u>(281,092,470)</u>
Increase / (decrease) in operating liabilities			
Bills payable		4,725,440	3,511,082
Borrowings from financial institutions		(9,967,044)	3,103,480
Deposits		116,160,151	1,084,851
Other liabilities		(22,509,975)	7,611,963
		<u>88,408,572</u>	<u>15,311,376</u>
Mark-up / Interest received		164,294,058	153,531,436
Mark-up / Interest paid		(65,699,001)	(57,421,719)
Cash inflow / (outflow) before taxation		<u>101,308,902</u>	<u>(174,489,356)</u>
Income tax paid		(58,997,052)	(47,770,141)
Net cash flow generated from / (used in) operating activities		<u>42,311,850</u>	<u>(222,259,497)</u>
CASH FLOW FROM INVESTING ACTIVITIES			
Net Investments in securities classified as FVOCI / AFS		7,419,382	250,998,070
Dividend received		100,000	50,144
Investment in property and equipment		(1,574,655)	(950,015)
Proceeds from sale of property and equipment		14,187	14,676
Proceeds from sale of asset held for sale		51,500	260,500
Net cash flow generated from investing activities		<u>6,010,414</u>	<u>250,373,375</u>
CASH FLOW FROM FINANCING ACTIVITIES			
Dividend paid		(52,061,979)	(2,298,427)
Payment in respect of lease liability		(644,692)	(649,362)
Net cash flow used in financing activities		<u>(52,706,671)</u>	<u>(2,947,789)</u>
(Decrease) / Increase in cash and cash equivalents for the year		<u>(4,384,407)</u>	<u>25,166,089</u>
Cash and cash equivalents at beginning of the year		100,291,413	64,862,425
Effect of exchange rate changes on cash and cash equivalents		(543,580)	9,719,318
		<u>99,747,833</u>	<u>74,581,743</u>
Cash and cash equivalents at end of the year	36	<u>95,363,426</u>	<u>99,747,832</u>

The annexed notes 1 to 46 and Annexure I and II form an integral part of these financial statements.


Chairman
Director


Chief Executive Officer


Chief Financial Officer


Director

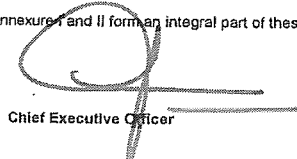

Director

Standard Chartered Bank (Pakistan) Limited
Statement of Changes in Equity
For the year ended 31 December 2024

	Share Capital	Capital	Statutory	Surplus / (Deficit) on revaluation of		Unappropriated	Total
	Issued, subscribed and paid up	Share Premium	Reserve	Investments	Property and equipment	Profit	
	(Rupees in '000)						
Balance as at 01 January 2023	38,715,850	1,036,090	28,175,870	93,973	7,784,819	11,714,277	87,520,879
Profit after tax for the year ended 31 December 2023	-	-	-	-	-	42,621,831	42,621,831
Other comprehensive income	-	-	-	-	-	-	-
Movement in deficit on revaluation of debt Investments through AFS - net of tax	-	-	-	-	-	-	-
Movement in surplus / (deficit) on revaluation of equity investments - net of tax	-	-	-	(149,621)	-	-	(149,621)
Remeasurement of post employment obligations - net of tax	-	-	-	102,615	-	-	102,615
Surplus on revaluation of Property and equipment - net of deferred tax	-	-	-	-	881,686	248	881,686
Transfer to statutory reserve	-	-	-	(47,006)	881,686	42,622,079	43,456,759
Realised on disposals during the year - net of deferred tax	-	-	8,524,366	-	-	(8,524,366)	-
Transferred from surplus on revaluation of property and equipment - net of deferred tax	-	-	-	-	(55,437)	55,437	-
Transactions with owners, recorded directly in equity	-	-	-	-	(16,056)	16,056	-
Share based payment transactions (contribution from holding company)	-	-	-	-	-	89,291	89,291
Cash dividend (Final 2022) at Rs. 2.50 per share	-	-	-	-	-	(9,678,963)	(9,678,963)
Cash dividend (Interim I - 2023) at Rs. 4.00 per share	-	-	-	-	-	(15,486,340)	(15,486,340)
Cash dividend (Interim II - 2023) at Rs. 2.50 per share	-	-	-	-	-	(9,678,963)	(9,678,963)
Balance as at 31 December 2023	38,715,850	1,036,090	36,700,236	46,967	8,595,012	11,128,508	96,222,663
Effect of reclassification / remeasurement on adoption of IFRS 9 - net of tax	-	-	-	42,993	-	253,045	296,038
Expected credit loss on adoption of IFRS 9 - net of tax	-	-	-	-	-	(3,246,893)	(3,246,893)
Balance as at 1 January 2024 - restated	38,715,850	1,036,090	36,700,236	88,960	8,595,012	8,134,660	93,271,808
Profit after tax for the year ended 31 December 2024	-	-	-	-	-	46,066,764	46,066,764
Other comprehensive income	-	-	-	-	-	-	-
Movement in surplus on revaluation of debt investments through FVOCI - net of tax	-	-	-	1,247,796	-	-	1,247,796
Movement in remeasurement of post employment obligations - net of tax	-	-	-	-	-	13,670	13,670
Movement in surplus on revaluation of equity Investments - net of tax	-	-	-	200,704	-	-	200,704
Movement in surplus / (deficit) on revaluation of Property and equipment - deferred tax rate impact	-	-	-	-	(54,646)	-	(54,646)
Transfer to statutory reserve	-	-	-	1,448,500	(54,646)	46,080,434	47,474,288
Realised on disposal during the year - net of deferred tax	-	-	9,213,353	-	-	(9,213,353)	-
Transferred from surplus on revaluation of property and equipment - net of deferred tax	-	-	-	-	(14,308)	14,308	-
Transactions with owners, recorded directly in equity	-	-	-	-	(28,276)	28,276	-
Share based payment transactions (contribution from holding company)	-	-	-	-	-	205,272	205,272
Cash dividend (Final 2023) at Rs. 2.50 per share	-	-	-	-	-	(9,678,963)	(9,678,963)
Cash dividend (Interim I - 2024) at Rs. 1.50 per share	-	-	-	-	-	(5,807,378)	(5,807,378)
Cash dividend (Interim II - 2024) at Rs. 2.00 per share	-	-	-	-	-	(7,743,170)	(7,743,170)
Balance as at 31 December 2024	38,715,850	1,036,090	45,913,589	1,538,460	8,497,782	22,020,086	117,721,857

The annexed notes 1 to 46 and Annexure I and II form an integral part of these financial statements.


Chairman
Director


Chief Executive Officer


Chief Financial Officer


Director


Director

Standard Chartered Bank (Pakistan) Limited
Notes to the Financial Statements
For the year ended 31 December 2024

1. STATUS AND NATURE OF BUSINESS

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

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

The Bank is engaged in the banking business as defined in the Banking Companies Ordinance, 1962 and has a total number of 40 branches in Pakistan including 2 Islamic branches (31 December 2023: 40 branches in Pakistan including 2 Islamic branches) and 1 branch in Export Processing Zone in operation at 31 December 2024 (31 December 2023 : Nil).

2 BASIS OF PREPARATION

2.1 Basis of presentation

These financial statements have been prepared in conformity with the format of financial statements prescribed by the State Bank of Pakistan (SBP) vide its BPRD Circular No. 13 dated July 01, 2024.

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

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

2.2 Statement of compliance

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

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

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

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The SBP has deferred the applicability of International Accounting Standard (IAS) 40, 'Investment Property' for Banking Companies in Pakistan through BSD Circular Letter 10 dated 26 August 2002 till further instructions. Further, the SECP has deferred the applicability of International Financial Reporting Standard (IFRS) 7 'Financial Instruments: Disclosures' through its notification S.R.O 411(I)/2008 dated 28 April 2008. Accordingly, the requirements of these standards have not been considered in the preparation of these financial statements.

The Securities and Exchange Commission of Pakistan (SECP) has notified Islamic Financial Accounting Standard (IFAS) 3, 'Profit and Loss Sharing on Deposits' issued by the Institute of Chartered Accountants of Pakistan. IFAS 3 shall be followed with effect from the financial periods beginning after 1 January 2014 in respect of accounting for transactions relating to 'Profit and Loss Sharing on Deposits' as defined by the said standard. The standard has resulted in certain new disclosures in these financial statements of the Bank. The SBP through BPRD Circular Letter No. 4 dated 25 February 2015, has deferred the applicability of IFAS 3 till further instructions. Accordingly, the requirements of the standard has not been considered in the preparation of these financial statements.

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

The Bank has adopted the following amendments to the approved accounting and reporting standards which became effective for the current year:

- IFRS 9 Financial instruments - Accounting and reporting standard
- Lease Liability in a Sale and Leaseback - Amendments to IFRS 16
- Disclosures: Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7
- Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants - Amendments to IAS 1

The adoption of the above standards, amendments and improvements to accounting standards did not have any material effect on the Bank's financial statements except for IFRS 9. The impact of adoption of IFRS 9 is described below:

2.3.1 IFRS 9 - Financial Instruments

As per SBP BPRD Circular no 7 of 2023, IFRS 9 Financial Instruments is effective for periods beginning on or after 01 January 2024 along with IFRS 9 Application Instructions for ensuring smooth and consistent implementation of the standard in the banks. The Bank has adopted IFRS 9 (read with IFRS 9 application instructions issued by SBP) with date of initial application as January 01, 2024, which resulted in changes in accounting policies and adjustments to the amounts previously recognised in the financial statements. Further, the State Bank of Pakistan has clarified through its BPRD Circular letter no 16 of 2024 and BPRD Circular letter no 01 of 2025, the accounting practices relating to such areas which are applied for the purposes of preparation of these financial statements. In terms of the transitional provisions of IFRS 9, adjustments to the carrying amounts of financial assets and liabilities at the date of transition were recognised in the opening unappropriated profit and other reserves at the beginning of the current year without restating the comparative figures (modified retrospective approach as per IFRS 9). The impact on carrying amounts of the financial assets and liabilities is disclosed in Note 2.3.1.3.

2.3.1.1 Classification and measurement

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

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2.3.1.2 Impairment of debt investments and loans and advances

The new IFRS 9 impairment requirements eliminate the previous threshold for the recognition of credit losses, i.e., it is no longer necessary for a credit event to have occurred before credit losses are recognised. Instead, an entity always accounts for Expected Credit loss (ECL), and updates the loss allowance for changes in these ECLs at each reporting date to reflect changes in credit risk since initial recognition. Consequently, the holder of the financial asset needs to take into account more timely and forward-looking information in order to provide users of financial statements with useful information about the ECLs on financial instruments that are in the scope of these impairment requirements. The previous impairment requirements were based solely on Prudential regulations of SBP as disclosed in Note 4.6 to the financial statements.

2.3.1.3 TRANSITION IMPACT OF IFRS 9

Table below captures Day 1 adoption impact

	2024				01 January 2024
	Audited 31 December 2023	Re - classification (A)	Re - measurement (B)	Expected credit loss (C)	
------(Rupees in '000)-----					
ASSETS					
Cash and balances with treasury banks	81,690,671	-	-	(1,704,693)	79,985,978
Balances with other banks	38,230,009	-	-	(15,957)	38,214,052
Lending to financial institutions	365,241,485	-	-	(13,724)	365,227,761
Investments	226,711,860	-	366,054	-	227,077,914
Advances	220,183,482	-	-	(4,572,706)	215,610,776
Property and equipment	11,380,991	-	-	-	11,380,991
Right-of-use assets	1,285,344	-	-	-	1,285,344
Intangible assets	26,095,310	-	-	-	26,095,310
Deferred tax assets - net	-	-	-	-	-
Other assets	31,128,680	-	-	(50,181)	31,078,499
	1,001,947,832	-	366,054	(6,357,261)	995,956,626
LIABILITIES					
Bills payable	18,331,699	-	-	-	18,331,699
Borrowings	48,265,389	-	-	-	48,265,389
Deposits and other accounts	719,534,840	-	-	-	719,534,840
Lease liabilities	1,362,579	-	-	-	1,362,579
Sub-ordinated debt	-	-	-	-	-
Deferred tax liabilities - net	6,374,173	(123,992)	194,009	(3,661,390)	2,782,800
Other liabilities	111,856,489	-	-	551,022	112,407,511
	905,725,169	(123,992)	194,009	(3,110,368)	902,684,818
NET ASSETS	96,222,663	123,992	172,046	(3,246,893)	93,271,808
REPRESENTED BY:					
Share capital	38,715,850	-	-	-	38,715,850
Reserves	37,736,326	-	-	-	37,736,326
Surplus on revaluation of assets	8,641,979	(129,053)	172,046	-	8,684,972
Unappropriated profit	11,128,508	253,045	-	(3,246,893)	8,134,660
	96,222,663	123,992	172,046	(3,246,893)	93,271,808

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(A) Reclassification from retired categories with change in measurement

The following reconciles the carrying amounts of financial assets and liabilities, from their previous measurement category in accordance with existing local regulations to their new measurement categories upon transition to IFRS 9 on January 01, 2024.

Classification change from retiring categories under investments are as under:

Designation of equity instruments at FVOCI - The Bank has elected to irrevocably designate investments in strategic investments in unquoted securities as FVOCI amounting to Rs. 50 million. These securities were previously classified as available for sale. The changes in fair value of such securities will no longer be reclassified to profit or loss when they are disposed of.

(B) Classification from the Previous categories with no change in measurement

In addition to the above, certain financial instruments have been classified in to new categories under IFRS 9, as their previous categories under existing local regulations were 'retired', with no changes to their measurement basis:

(i) Those previously classified as available for sale amounting to PKR 225,980.091 million and now classified as measured at FVOCI;

(ii) Those previously classified financial assets such as loans and advances, cash and balances with treasury banks, balances with other banks, lending to financial institutions and certain other assets, now classified as measured at amortised cost. Similarly, borrowings, bills payable, deposits and certain other liabilities are also classified as measured at amortised cost. Foreign exchange contracts and other derivatives included in other assets / other liabilities are continued to be measured at fair value through profit or loss; and

(iii) Those previously classified as held for trading amounting to PKR 377.041 million and now classified as measured at FVTPL.

C) Expected Credit Loss:

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

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

The following standards, amendments and interpretations as notified under the Companies Act, 2017 will be effective for accounting periods beginning on or after January 01, 2025:

Amendments	Effective date (annual periods beginning on or after)
Lack of exchangeability – Amendments to IAS 21	01 January 2025
Amendments to the Classification and Measurement of Financial Instruments—Amendments to IFRS 9 and IFRS 7	01 January 2026
Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7	01 January 2026
IFRS 17 - Insurance Contracts	01 January 2026
IFRS S1 - General requirements for disclosures of sustainability related financial information	01 January 2026
IFRS S2 - Climate-related Disclosures	01 January 2026
Annual improvements to IFRS Accounting Standards -Volume 11	01 January 2026
IFRS 18 - Presentation and Disclosures in the financial statements	01 January 2027
IFRS 19 - Subsidiaries without Public Accountability: Disclosures	01 January 2027

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

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

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

2.5 Critical accounting estimates and judgments

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

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

- Note 8.4 Classification, valuation and provision of investments
- Note 9.2 Classification and expected credit loss / provisioning against advances
- Note 10 & 12 Valuation, useful-life and depreciation / amortisation rates for property equipment / intangible assets
- Note 10 & 12 Impairment of non-financial assets including goodwill and other intangibles
- Note 17 Leases - Term and discount rates
- Note 18 Deferred taxation
- Note 19.3 Expected credit loss / provision against off balance sheet obligations
- Note 23.8 Derivative instruments
- Note 33 Income taxes
- Note 37 Employees' retirement defined benefit plans and related assumptions
- Note 39 Share based payments

3 Basis of measurement

3.1 Accounting convention

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

3.2 Functional and presentation currency

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

4 MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies applied in the preparation of these financial statements are set out below. These policies have been applied consistently to all years presented except for note 4.2 on financial instruments below:

4.1 Change in reporting format

The SBP vide BPRD Circular No. 13 dated July 01, 2024 specified the new format for preparation of financial statements of banking companies. The new format has revised the disclosure requirements of the Bank for the year ended December 31, 2024 which has resulted in additional disclosures relating to IFRS 9 and reclassification of Lease liabilities and Right of use assets on the face of Statement of Financial Position out of Property and equipment and Other Liabilities, respectively in these financial statements.

4.2 Financial Instruments - Policy applicable from January 01, 2024

4.2.1 Financial assets and liabilities

Financial instruments carried on the balance sheet include cash and balances with treasury banks, balances with other banks, lendings to financial and other institutions, investments, advances, certain receivables, bills payable, borrowings from financial institutions, deposit accounts and other payables.

4.2.2 Financial assets and liabilities – initial recognition

Financial assets and financial liabilities are recognised at the time when the Bank becomes a party to the contractual provision of the instrument. Financial assets and liabilities are initially recognized at fair value.

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

4.2.3 Classification and subsequent measurement of debt financial assets

Financial assets are classified into following categories for measurement subsequent to initial recognition:

- Financial assets at amortized cost
- Debt / Equity instruments at 'fair value through other comprehensive income' FVOCI
- Financial assets at 'fair value through profit or loss' FVTPL

4.2.4 Financial assets at amortised cost

The Bank classifies its financial assets at amortized cost only if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows
- The contractual terms of the financial asset give rise to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding

The details of these conditions are outlined below:

a) Business model assessment

The Bank determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective.

The business model is determined at a level which reflects how a group of assets are managed together to achieve a particular objective. The following factors are considered in determining business models assessment:

- On the business lines (e.g., Transaction banking, financial markets, Corporate and commercial loans),or
- Between desks within business lines if the desks will have varying mandates/ objectives (i.e. sub-portfolios or sub-business lines).

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The variety of factors identified for IFRS 9 classification is consistent with how asset portfolios are reported to management.

b) The SPPI test

As a second step of its classification process the Bank assesses the contractual terms of financial asset to identify whether they meet the SPPI test. The assessment of SPPI aims to identify whether the contractual cash flows are 'solely payments of principal and interest on the principal amount outstanding'.

'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset. The most significant elements of 'interest' within a lending arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, the Bank applies judgement and considers relevant factors such as the currency in which the financial asset is denominated, and the period for which the interest rate is set.

In contrast, contractual terms that introduce a more than de minimis exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement do not give rise to contractual cash flows that are solely payments of principal and interest on the amount outstanding. In such cases, the financial asset is required to be measured at FVTPL, unless otherwise specified by the Regulator.

4.2.5 Debt instruments at FVOCI

The Bank applies this new category under IFRS 9 when both of the following conditions are met:

- The instrument is held within a business model, the objective of which is achieved by both collecting contractual cash flows and selling financial assets.
- The contractual terms of the financial asset meet the SPPI test.

FVOCI debt instruments are subsequently measured at fair value with gains and losses arising due to changes in fair value recognised in OCI. Interest income at EIR and foreign exchange gains and losses are recognised in the profit and loss account.

The ECLs for debt instruments measured at FVOCI do not reduce the carrying amount of these financial assets in the statement of financial position, which remains at fair value. Instead, an amount equal to the allowance that would arise if the assets were measured at amortised cost is recognised in OCI as an accumulated impairment amount, with a corresponding charge to profit and loss account. The accumulated loss recognised in OCI is recycled to the profit and loss account upon derecognition of the assets.

Market value of investment in Government securities is determined based on the relevant PKRV, PKFRV and PKISRV rates / price.

On derecognition, cumulative gains or losses previously recognised in OCI are reclassified from OCI to profit and loss account.

4.2.6 Equity instruments at FVOCI

Upon initial recognition, the Bank elects to classify irrevocably some of its equity investments as equity instruments at FVOCI when they meet the definition of 'Equity' under IAS 32 Financial Instruments: Presentation and are not held for trading. Such classification is determined on an instrument-by-instrument basis and is irrevocable.

Gains and losses on these equity instruments are never recycled to profit and loss account. Dividends are recognised in profit and loss account when the right of the payment has been established, except when the Bank benefits from such proceeds as a recovery of part of the cost of the instrument, in which case, such gains are recorded in OCI. Equity instruments at FVOCI are not subject to an impairment assessment.

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4.2.7 Financial assets and financial liabilities at FVTPL

Financial assets and financial liabilities in this category are those that are:

- held for trading, that is, they have been purchased or issued primarily for short-term profit-making through trading activities or form part of a portfolio of financial instruments that are managed together, for which there is evidence of a recent pattern of short-term profit taking, or
- not held for trading and have been either designated by management upon initial recognition, or mandatorily required to be measured at fair value under IFRS 9

Financial assets are recorded in the statement of financial position at fair value. Changes in fair value are recorded in profit and loss account. Interest and dividend income or expense is recorded in net trading income according to the terms of the contract, or when the right to payment has been established.

4.2.8 Financial liabilities at amortised cost

Financial liabilities which are measured at amortised cost using the EIR method. These include Bills payable, Borrowings, Deposits and certain items within other liabilities.

4.2.9 Derecognition of financial assets

Derecognition due to substantial modification of terms and conditions

The Bank derecognises a financial asset (other than Stage 3) when the terms and conditions have been renegotiated to the extent that it substantially becomes a new loan, with the difference recognised as a derecognition gain or loss. The newly recognised loan is classified as Stage 1 for ECL measurement purposes, unless it is deemed to be purchased originated credit impaired. When assessing whether or not to derecognise a loan to a customer, amongst others, the Bank considers qualitative factors, or if the modification is such that the instrument would no longer meet the SPPI criterion.

If the modification does not result in cash flows that are substantially different, the modification does not result in derecognition. Based on the change in cash flows discounted at the original EIR, the Bank records a modification gain or loss, to the extent that an impairment loss has not already been recorded.

Derecognition other than due to substantial modification of terms and conditions

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when the rights to receive cash flows from the financial asset have expired. The Bank also derecognises the financial asset if it has both transferred the financial asset and the transfer qualifies for derecognition. Advances are written-off when there is no realistic prospect of recovery.

The gain/(loss) on derecognition of financial asset has been calculated as the difference between the book value (including impairment) and the proceeds received.

4.2.10 Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired.

4.2.11 Impairment of financial assets

Overview of the ECL principles

The adoption of IFRS 9 has fundamentally changed the Bank's loan loss impairment method by replacing the incurred loss approach of the local regulations with a forward-looking ECL approach. The Bank has been recording the allowance for expected credit losses for all loans and other debt financial assets held at amortised cost or FVOCI, together with loan commitments, letters of credit and financial guarantee contracts. Equity instruments are not subject to impairment under IFRS 9. Under the SBP's instructions, local currency credit exposures guaranteed by the Government and Government Securities are exempted from the application of ECL.

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The calculation of ECLs

The ECL allowance is based on the credit losses expected to arise over the life of the asset the lifetime expected credit loss' (LTECL), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss (12mECL).

The 12mECL is the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

Based on the above process, the Bank groups its financial assets into Stage 1, Stage 2 and Stage 3 as described below:

- Stage 1: When loans are first recognised, the Bank recognises an allowance based on 12mECLs. Stage 1 loans also include facilities where the credit risk has improved and the loan has been reclassified from Stage 2.
- Stage 2: When a loan has shown a significant increase in credit risk since origination (SICR), the Bank records an allowance for the LTECLs. Stage 2 loans also include facilities, where the credit risk has improved and the loan has been reclassified from Stage 3.
- Stage 3: Loans considered credit-impaired. The Bank records an allowance for the LTECLs with PD set at 100%. Under SBP's instructions, until implementation of IFRS 9 has stabilized, Stage 3 allowance would be taken as higher of IFRS 9 ECL or provision computed under Prudential Regulations.

The Bank has established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument. The Bank considers an exposure to have significantly increased in credit risk when there is considerable deterioration in the Credit Grading (CG) of the borrower. The Bank also applies a secondary qualitative method for triggering a significant increase in credit risk for an asset, such as moving a customer/facility to the Early Alert - Non Purely Precautionary (EA-NPP), or the account becoming forborne. Regardless of the change in credit grades, generally, the Bank considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

The key elements of ECL calculations are as follows:

Probability of default:

The probability that a counterparty will default, over the next 12 months from the reporting date (stage 1) or over the lifetime of the product (stage 2), incorporating the impact of forward looking economic assumptions that have an effect on Credit Risk. The PD estimates will fluctuate in line with the economic cycle. The lifetime (or term structure) PDs are based on statistical models, calibrated using historical data and adjusted to incorporate forward-looking economic assumptions.

Exposure at default:

The expected balance sheet exposure at the time of default, taking into account expected changes over the lifetime of the exposure. This incorporates the impact of drawdowns of facilities with limits, repayments of principal and interest, and amortisation.

Loss given default:

The loss that is expected to arise on default, incorporating the impact of forward-looking economic assumptions where relevant, which represents the difference between the contractual cashflows due and those that the bank expects to receive. The Bank estimates LGD based on the history of recovery rates and considers the recovery of any eligible collateral that is integral to the financial asset, taking into account forward-looking economic assumptions where relevant.

LGD benefit of non-liquid collateral has been excluded from ECL calculations in line with the local implementation guidelines.

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The interest rate used to discount the ECLs would be based on the effective interest rate that is expected to be charged over the expected period of exposure to the facilities.

When estimating the ECLs, the Bank considers probability-weighted scenarios. These are associated with different PDs, EADs and LGDs. These expected probabilities are applied to a forecast EAD and multiplied by the expected LGD and discounted by an approximation to the original EIR. This calculation is made for each of the three scenarios. When relevant, the assessment of multiple scenarios also incorporates how defaulted loans are expected to be recovered, including the probability that the loans will cure and the value of collateral or the amount that might be received for selling the asset.

The maximum period for which the credit losses are determined is the contractual life of a financial instrument unless the Bank has the legal right to call it earlier.

Impairment losses and reversals are accounted for and disclosed separately from modification losses or gains that are accounted for as an adjustment of the financial asset's gross carrying value.

Forward looking information

Forward-looking economic assumptions are incorporated into the PD, LGD and EAD where relevant and where they influence credit risk. These assumptions are incorporated using the Bank's most likely forecast for a range of macroeconomic assumptions. These forecasts are determined using all reasonable and supportable information, which includes both internally developed forecasts and those available externally.

4.3 Cash and cash equivalents

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

4.4 Lending and Borrowing

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

4.5 Investments - Policy applicable for the period ended on or before December 31, 2023

The Bank classifies its investments as follows:

a) Held for trading

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

b) Held to maturity

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

c) Available for sale

These are investments that do not fall under the held for trading or held to maturity categories and are carried at market value. The surplus / deficit arising as a result of revaluation at market value is included in equity and is taken to the profit and loss account when realized upon disposal or when the investment is considered to be impaired. Market value of investment in Government securities is determined based on the relevant PKRV, PKFRV and PKISRV rates / price.

Impairment

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

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

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

4.3 Advances

Advances are stated net of credit loss allowance, for policy applicable to credit loss allowance is outlined in note 4.2.11 to these financial statements.

Islamic financing

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

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

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

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Provision against Advances - Policy applicable for the period ended on or before December 31, 2023

Specific and general provisions are made based on an appraisal of the loan portfolio that takes into account Prudential Regulations issued by the State Bank of Pakistan from time to time. Specific provisions are made where the repayment of identified loans is in doubt and reflect an estimate of the amount of loss expected. The general provision is for the inherent risk of losses which, although not separately identified, are known from experience to be present in any loan portfolio. Provision made / reversed during the year is charged to the profit and loss account and accumulated provision is netted off against advances.

4.7 Property and equipment - *tangible*

Owned

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

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

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

Depreciation is calculated over the expected useful life of the asset at the rates specified in note 10.2 to the financial statements. The depreciation charge for the year is calculated on a straight line basis after taking into account the residual value, if any. Accumulated depreciation on owned buildings, at the date of revaluation, is eliminated against the gross carrying amount of buildings. The net amount is then restated to the revalued amount.

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

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

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

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

Capital work in progress

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

4.8 Leases

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

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

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

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

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

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

4.9 Intangible assets

Goodwill

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

Computer software

Acquired computer software licenses are capitalised on the basis of costs incurred to acquire and bring to use the specific software. These costs are amortised over their expected useful lives using the straight line method. Intangibles are amortized on a straight line basis at the rates specified in Note 12.

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4.10 Impairment of non-financial assets

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

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

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

4.11 Borrowings / deposits and their cost

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

4.12 Staff retirement benefits

Defined benefit plan

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

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

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

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

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

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

Defined contribution plan

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

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4.13 Foreign currency transactions

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

4.14 Revenue recognition

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

Mark-up recoverable on classified advances and investments is recognised on a receipt basis in accordance with the IFRS 9 - Application guidelines issued by State Bank of Pakistan.

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

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

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

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

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

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

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

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

4.15 Taxation

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

Current tax

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

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Deferred tax

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

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

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

4.16 Derivative financial instruments

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

4.17 Provisions

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

4.18 Trust activities

The Bank commonly acts in fiduciary capacities that result in the holding or placing of assets on behalf of individuals, trusts, retirement benefit plans and other institutions for which it earns a fee. These assets and its related income arising thereon are excluded from these financial statements, as they are not assets of the Bank. The assets under IPS accounts amount to Rs. 129 billion as at 31 December 2024.

4.19 Segment reporting

A segment is a component of the Bank that engages in business activities for which it may earn revenues and incur expenses (including revenue and expense relating to transactions with other component), whose results are regularly reviewed by the management to make decisions about resources to be allocated to the segment and assess its performance and for which financial information is available.

A brief description of the products and services offered by different segments of the Bank is given in note 42 to these financial statements.

4.20 Offsetting

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

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4.21 Share-based compensation

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

4.22 Acceptances

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

4.23 Basic and diluted earnings per share

The Bank presents basic and diluted earnings per share (EPS) for its shareholders. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Bank by the weighted average number of ordinary shares outstanding during the period / year. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, if any. There were no convertible dilutive potential ordinary shares in issue at 31 December 2024.

4.24 Non-current assets held for sale

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

4.25 Dividend and appropriation to reserves

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

4.26 Contingencies and commitments

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

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5	CASH AND BALANCES WITH TREASURY BANKS	Note	2024	2023
			(Rupees in '000)	
	In hand		4,713,792	4,049,341
	- Local currency		10,466,048	19,261,075
	- Foreign currencies			
	With State Bank of Pakistan in:			
	- Local currency current account	5.1	43,583,604	37,314,826
	- Local currency current account-islamic Banking	5.1	8,671,660	3,581,238
	- Foreign currency deposit account			
	Cash reserve account	5.2	5,205,682	5,693,733
	Special cash reserve account	5.3	9,950,663	10,867,685
	Local US Dollar collection account		635,090	866,851
	With National Bank of Pakistan in:			
	- Local currency current account		88	93
	Prize Bonds		51,959	55,829
	Less: Credit loss allowance held against cash and balances with treasury banks (FCY)	5.4	(972,121)	-
	Cash and balances with treasury banks - net of credit loss allowance		<u>82,306,465</u>	<u>81,690,671</u>

5.1 The local currency current accounts are 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. These accounts are non-remunerative in nature.

5.2 This represents foreign currency current accounts maintained under the Cash Reserve Requirement. These accounts (conventional & Islamic) are non-remunerative in nature.

5.3 This represents accounts maintained with the SBP to comply with the Special Cash Reserve Requirement. The return on conventional account is declared by the SBP on a monthly basis and as at December 31, 2024, it carries mark-up rate at 3.53% (2023: 4.34%) per annum and the Islamic account is non-remunerative in nature.

5.4 This represents ECL allowance in line with IFRS 9 and SBP Application instructions.

6	BALANCES WITH OTHER BANKS	Note	2024	2023
			(Rupees in '000)	
	In Pakistan		34,367	472,976
	- In current accounts			
	Outside Pakistan			
	- In current accounts	6.1	13,186,380	37,757,033
	Less: Credit loss allowance held against balances with other banks	6.2	(3,796)	-
	Balances with other banks - net of credit loss allowance		<u>13,216,951</u>	<u>38,230,009</u>

6.1 This includes balances of Rs. 13,109.030 million (2023: Rs. 37,677.022 million) held with other branches and subsidiaries of Standard Chartered Group outside Pakistan.

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

7	LENDINGS TO FINANCIAL INSTITUTIONS	Note	2024	2023
			(Rupees in '000)	
	Repurchase agreement lendings (Reverse Repo)	7.1	36,169,330	319,495,646
	Placements	7.2	34,326,170	45,745,839
	Less: Credit loss allowance held against lending to financial institutions		(10,298)	-
	Lendings to financial institutions - net of credit loss allowance		<u>70,485,202</u>	<u>365,241,485</u>

7.1 These carry mark-up rates ranging from 12.0 percent to 13.03 percent per annum (2023: 21.0 percent to 22.65 percent) per annum payable at maturity, and are due to mature in January 2025. This arrangement is governed under Master Repurchase Agreements. The market value of securities held as collateral against repurchase agreement lendings amounted to Rs 36,163.218 million (2023: Rs 320,768.912 million).

7.2 These represent placements with other branches and subsidiaries of Standard Chartered Group outside Pakistan at mark-up rates ranging from 2.73 percent to 4.65 percent per annum (2023: 3.00 percent to 5.40 percent per annum), and are due to mature latest by March 2025.

7.3 Particulars of lending

	2024	2023
	(Rupees in '000)	
In local currency	36,169,330	319,495,646
In foreign currencies	34,315,872	45,745,839
	<u>70,485,202</u>	<u>365,241,485</u>

7.4 Securities held as collateral against lendings to financial institutions

	2024			2023		
	Held by bank	Further given as collateral	Total	Held by bank	Further given as collateral	Total
	----- (Rupees in '000) -----					
Market Treasury Bills	26,326,330	-	26,326,330	47,495,646	-	47,495,646
Pakistan Investment Bonds	9,843,000	-	9,843,000	272,000,000	-	272,000,000
	<u>36,169,330</u>	<u>-</u>	<u>36,169,330</u>	<u>319,495,646</u>	<u>-</u>	<u>319,495,646</u>

7.5 Lending to FIs- Particulars of credit loss allowance

	2024		2023	
	Lending	Credit loss allowance held	Lending	Provision
Domestic				
Stage 1/ Performing	70,495,500	(10,298)	365,241,485	-
Total	<u>70,495,500</u>	<u>(10,298)</u>	<u>365,241,485</u>	<u>-</u>

	2024			
	Stage 1	Stage 2	Stage 3	Total
Balance at the start of the year	-	-	-	-
Impact of adoption of IFRS 9	(13,724)	-	-	(13,724)
Net remeasurement of credit loss allowance	(13,724)	-	-	(13,724)
New financial assets originated or purchased	(10,298)	-	-	(10,298)
Financial assets that have been derecognised	13,724	-	-	13,724
Balance at the end of the year	<u>(10,298)</u>	<u>-</u>	<u>-</u>	<u>(10,298)</u>

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8 INVESTMENTS

	2024				2023				
	Cost / Amortised cost	Credit loss allowance / provision for diminution	Surplus / (Deficit)	Carrying Value	Cost / Amortised cost	Provision for diminution	Surplus / (Deficit)	Carrying Value	
8.1 Investments by type	(Rupees in '000)								
	-----FVTPL-----				----- (Held for Trading) -----				
Debt Instruments									
Federal Government Securities	431,892,693	-	203,035	432,095,728	359,519	-	17,522	377,041	
Equity Instruments									
Preference Shares	3,181,718	-	-	3,181,718	-	-	-	-	
	435,074,411	-	203,035	435,277,446	359,519	-	17,522	377,041	
	-----FVOCI-----				----- (Available for sale) -----				
Debt Instruments									
Federal Government Securities	8.7.1	215,739,118	-	2,480,234	218,219,352	226,141,044	-	(160,953)	225,980,091
Non Government Debt Securities	8.7.3	-	-	-	-	147,000	(147,000)	-	-
Equity Instruments									
Shares	8.7.2	53,004	(3,004)	793,085	843,085	836,081	(734,398)	253,045	354,728
		215,792,122	(3,004)	3,273,319	219,062,437	227,124,125	(881,398)	92,092	226,334,819
Total Investments		650,866,533	(3,004)	3,476,354	654,339,883	227,483,644	(681,398)	109,614	226,711,860

	2024				2023			
	Cost / Amortised cost	Credit loss allowance / provision for diminution	Surplus / (Deficit)	Carrying Value	Cost / Amortised cost	Provision for diminution	Surplus / (Deficit)	Carrying Value
8.2 Investments by segment	(Rupees in '000)							
Federal Government Securities								
Market Treasury Bills	616,667,641	-	2,013,989	618,681,630	200,489,447	-	(328,055)	200,161,392
Pakistan Investment Bonds	758,117	-	36,317	794,434	107,624	-	6,220	113,844
GoP Ijarah Sukuk	28,641,798	-	632,963	29,274,761	24,225,164	-	178,404	24,403,568
Naya Pakistan certificates	1,564,255	-	-	1,564,255	1,678,328	-	-	1,678,328
	647,631,811	-	2,683,269	650,315,080	226,500,563	-	(143,431)	226,357,132
Equity instruments								
Listed companies	3,181,718	-	-	3,181,718	783,077	(731,394)	253,045	304,728
Unlisted companies	53,004	(3,004)	793,085	843,085	53,004	(3,004)	-	50,000
	3,234,722	(3,004)	793,085	4,024,803	836,081	(734,398)	253,045	354,728
Non Government Debt Securities								
Unlisted	-	-	-	-	147,000	(147,000)	-	-
	-	-	-	-	147,000	(147,000)	-	-
Total Investment	650,866,533	(3,004)	3,476,354	654,339,883	227,483,644	(681,398)	109,614	226,711,860

	2024	2023
8.2.1 Investments given as collateral		
The book value of investment given as collateral against borrowing is as follows:		
Federal Government securities		
- Market Treasury Bills	16,893	5,350,131
	8.5 & 15.1	16,893
		5,350,131

	2024			
	Stage 1	Stage 2	Stage 3	Total
8.3 Particulars of credit loss allowance	(Rupees in '000)			
8.3.1 Investments - exposure				
Opening balance	-	-	150,004	150,004
Investments derecognised or repaid	-	-	(147,000)	(147,000)
Closing balance	-	-	3,004	3,004

	2024			
	Stage 1	Stage 2	Stage 3	Total
8.3.2 Investments - Credit loss allowance	(Rupees in '000)			
Gross carrying amount - Current year	-	-	150,004	150,004
Investments derecognised or repaid	-	-	(147,000)	(147,000)
Closing balance - Current year	-	-	3,004	3,004

	2024	2023
8.4 Credit loss allowance / provision for diminution in value of investments		
Opening balance		881,398
Reversals / write off		(147,000)
Reclass due to impact of adoption of IFRS 9		(731,394)
Closing balance		3,004

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

	2024		2023	
	Outstanding amount	Credit loss allowance / provision held	Outstanding amount	Credit loss allowance / provision held
8.4.1 Particulars of credit loss allowance against debt securities	(Rupees in '000)			
Category of classification				
Stage 3				
Loss	-	-	147,000	147,000
	-	-	147,000	147,000

8.5 Investments include securities having market value of Rs. 17.355 million (2023: Rs. 18.506 million) pledged with the State Bank of Pakistan as security to facilitate T.T. discounting facility to the Bank, including an amount earmarked against the facilities allocated to branches now in Bangladesh.

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

8.7 Quality of securities

Details regarding quality of securities held under "Hold to Collect and Sell" model are as follows:

8.7.1 Federal Government Securities - Government guaranteed	Note	2024	2023
		Cost (Rupees in '000)	
Market Treasury Bills		187,268,563	200,342,275
GoP Ijarah Sukuk		28,470,555	24,120,441
Naya Pakistan certificates	8.7.1.1	-	1,678,328
		<u>215,739,118</u>	<u>226,141,044</u>

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

8.7.2 Equity instruments

Ordinary shares - Listed Companies

		2024	2023
		Cost (Rupees in '000)	
Agritech Limited	Chemical and Pharmaceuticals	-	783,077
		<u>-</u>	<u>783,077</u>

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

Unlisted Companies

	2024		2023	
	Cost (Rupees in '000)	Breakup value	Cost (Rupees in '000)	Breakup value
1LINK (Private) Limited	50,000	1,467,410	50,000	893,506
Pakistan Export Finance Guarantee Agency Limited *	3,004	-	3,004	-
	<u>53,004</u>	<u>1,467,410</u>	<u>53,004</u>	<u>893,506</u>

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

8.7.3 Non Government Debt Securities

Unlisted

Bonds and Term Finance Certificates - unlisted

Term Finance Certificates of Rs. 5,000 each

	Rating	2024	2023
		Cost (Rupees in '000)	
Agritech Limited	Unrated	-	147,000
		<u>-</u>	<u>147,000</u>

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9	ADVANCES	Note	Performing		Non Performing		Total	
			2024	2023	2024	2023	2024	2023
			-----Rupees in '000-----					
	Loans, cash credits, running finances, etc.		105,262,259	151,518,577	15,375,041	19,382,427	120,637,300	170,901,004
	Islamic financing and related assets		62,200,822	63,395,400	1,445,936	1,678,757	63,646,758	65,074,157
	Bills discounted and purchased (excluding treasury bills)		6,089,544	4,868,119	-	-	6,089,544	4,868,119
	Advances - gross	9.1	173,552,625	219,782,096	16,820,977	21,061,184	190,373,602	240,843,280

Credit loss allowance against advances 9.2

-Stage 1	(1,391,475)	-	-	-	(1,391,475)	-
-Stage 2	(897,160)	-	-	-	(897,160)	-
-Stage 3 / Specific provisions	-	-	(16,518,307)	(19,681,449)	(16,518,307)	(19,681,449)
- General	-	(978,349)	-	-	-	(978,349)
	(2,288,635)	(978,349)	(16,518,307)	(19,681,449)	(18,806,942)	(20,659,798)
Advances - net of credit loss allowance	171,263,990	218,803,747	302,670	1,379,735	171,566,660	220,183,482

9.1 Particulars of advances - gross

	2024	2023
	(Rupees in '000)	
In local currency	174,574,057	231,929,092
in foreign currencies	15,799,545	8,914,188
	190,373,602	240,843,280

9.1.1 Advances to Women, Women-owned and Managed Enterprises

Women	5,431,498	10,239,477
Women Owned and Managed	28,665	30,105
	5,460,163	10,269,582

9.1.2 Gross loans disbursed to women, women-owned and managed enterprises during the year were Rs. 1,804 million (31 December 2023: Rs. 2,428 million).

9.2 Particulars of credit loss allowance

9.2.1 Advances - Exposure

	2024			
	Stage 1	Stage 2	Stage 3	Total
	-----Rupees in 000-----			
Opening balance	185,968,343	33,813,753	21,061,184	240,843,280
Impact of adoption of IFRS 9	-	(175,867)	175,867	-
Opening balance - restated	185,968,343	33,637,886	21,237,051	240,843,280
New advances	374,499,887	59,767,888	-	434,267,775
Advances derecognised or repaid	(410,540,749)	(66,714,084)	(4,642,272)	(481,897,105)
Transfer to stage 1	27,449,757	(26,735,993)	(713,764)	-
Transfer to stage 2	(3,059,857)	3,088,425	(28,568)	-
Transfer to stage 3	(2,919,634)	(889,244)	3,808,878	-
	(14,570,596)	(31,433,008)	(1,575,726)	(47,629,330)
Amounts written off	-	-	(2,817,854)	(2,817,854)
Other movements (including FX adjustments)	-	-	(22,494)	(22,494)
Closing balance - Current year	171,397,747	2,154,878	16,820,977	190,373,602

9.2.2 Advances - Credit loss allowance

	2024			
	Stage 1	Stage 2	Stage 3	Total
	-----Rupees in 000-----			
Opening balance	978,349	-	19,681,449	20,659,798
Impact of adoption of IFRS 9	927,796	2,500,018	1,144,892	4,572,706
Opening balance - restated	1,906,145	2,500,018	20,826,341	25,232,504
New Advances	1,143,054	2,335,051	-	3,478,105
Advances derecognised or repaid	(1,108,604)	(3,432,760)	(2,831,512)	(7,372,876)
Transfer to stage 1	488,230	(479,115)	(9,115)	-
Transfer to stage 2	(103,817)	107,619	(3,802)	-
Transfer to stage 3	(35,450)	(136,434)	171,884	-
	383,413	(1,605,639)	(2,672,545)	(3,894,771)
Amounts written off	-	-	(2,817,854)	(2,817,854)
Changes in risk parameters	(897,445)	6,342	1,231,694	340,591
Other movements (including FX adjustments)	(638)	(3,561)	(49,329)	(53,528)
Closing balance	1,391,475	897,160	16,518,307	18,806,942

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9.2.3 Advances - Category of classification

	2024			
	Stage 1	Stage 2	Stage 3	Total
	-----Rupees in '000-----			
Outstanding gross exposure				
Performing - Stage 1	171,397,747	-	-	171,397,747
Under Performing - Stage 2	-	2,154,878	-	2,154,878
Non-performing - Stage 3				
Other Assets Especially Mentioned				
Substandard	-	-	57,669	57,669
Doubtful	-	-	408,069	408,069
Loss	-	-	429,606	429,606
	-	-	15,925,633	15,925,633
	-	-	16,820,977	16,820,977
Total	171,397,747	2,154,878	16,820,977	190,373,602
Corresponding ECL	(1,391,475)	(897,160)	(16,518,307)	(18,806,942)
	170,006,272	1,257,718	302,670	171,566,660

9.3 Advances include Rs.16,820.977 million (31 December 2023: Rs. 21,061.184 million) which have been placed under non-performing / Stage 3.

Category of classification in stage 3	2024		2023	
	Non Performing Loans	Credit loss allowance	Non Performing Loans	Credit loss allowance
	----- (Rupees in '000) -----			
Domestic				
Other Assets Especially Mentioned	57,669	-	136,875	-
Substandard	408,069	323,335	487,468	25,277
Doubtful	429,606	234,152	904,247	681,481
Loss	15,925,633	15,960,820	19,532,594	18,974,691
	16,820,977	16,518,307	21,061,184	19,681,449

9.4 Particulars of credit loss allowance against advances

Note	2024			2023		
	Stage 1 & 2	Stage 3	Total	General	Specific	Total
	----- (Rupees in '000) -----					
Opening balance	978,349	19,681,449	20,659,798	1,022,200	19,692,817	20,715,017
Impact of adoption of IFRS 9	3,427,814	1,144,092	4,572,706	-	-	-
Opening balance - restated	4,406,163	20,826,341	25,232,504			
Charge for the year	3,484,447	1,231,694	4,716,141	53,365	1,403,848	1,457,213
Reversals	(5,438,809)	(2,831,512)	(8,270,321)	(97,210)	(1,522,788)	(1,620,004)
	(1,954,362)	(1,599,818)	(3,554,180)	(43,851)	(118,940)	(162,791)
Amounts written off	-	(2,817,854)	(2,817,854)	-	(268,950)	(268,950)
Other movements (including FX adjustment)	(163,167)	109,638	(53,528)	-	376,522	376,522
Closing balance	2,288,634	16,518,307	18,806,942	978,349	19,681,449	20,659,798

9.4.1 Particulars of credit loss allowance against advances

	2024			2023		
	Stage 1 & 2	Stage 3	Total	General	Specific	Total
	----- (Rupees in '000) -----					
In local currency	2,269,146	14,842,913	17,112,060	978,349	17,766,842	18,745,191
In foreign currencies	19,488	1,675,394	1,694,882	-	1,914,607	1,914,607
	2,288,634	16,518,307	18,806,942	978,349	19,681,449	20,659,798

9.5 Particulars of write offs

	Note	2024	2023
		(Rupees in '000)	
9.5.1 Against credit loss allowance / provisions	9.4	2,817,854	268,950
Directly charged to profit & loss account		-	287,827
	9.5.2&9.6	2,817,854	556,777
		----- (Rupees in '000) -----	
9.5.2 Write-offs of Rs. 500,000 and above - Domestic		2,558,897	334,274
Write-offs of below Rs. 500,000		258,957	222,503
		2,817,854	556,777

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

In terms of sub-section (3) of section 33A of the Banking Companies Ordinance, 1962, the statement in respect of written-off loans or any other financial relief of five hundred thousand rupees or above allowed to a person(s) during the year ended 31 December 2024 is given in Annexure 1.

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10 PROPERTY AND EQUIPMENT

Note	2024	2023
	(Rupees in '000)	
Capital work-in-progress	143,379	510,019
Property and equipment	11,500,585	10,870,972
	<u>11,643,964</u>	<u>11,380,991</u>

10.1 Capital work-in-progress

Civil works	61,245	180,663
Equipment	82,134	329,356
	<u>143,379</u>	<u>510,019</u>

10.2 Property and equipment

	2024								
	Freehold Land	Leasehold Land	Buildings on Freehold land	Buildings on Leasehold Land Owned	Furniture and Fixtures	Electrical, Office and Computer Equipment	Vehicles	Leasehold Improvements	Total
	(Rupees in '000)								
At January 1, 2024									
Cost / Revalued amount	687,686	6,815,406	199,503	1,672,028	369,255	3,929,021	130,938	543,500	14,347,337
Accumulated depreciation	-	-	-	(1,795)	(241,846)	(2,653,424)	(120,493)	(458,807)	(3,476,365)
Net book value	<u>687,686</u>	<u>6,815,406</u>	<u>199,503</u>	<u>1,670,233</u>	<u>127,409</u>	<u>1,275,597</u>	<u>10,445</u>	<u>84,693</u>	<u>10,870,972</u>
Year ended December 2024									
Opening net book value	687,686	6,815,406	199,503	1,670,233	127,409	1,275,597	10,445	84,693	10,870,972
Additions	-	-	-	274,376	121,254	942,050	255,233	348,382	1,941,295
Transfers to assets held for sale	-	(230,000)	-	(224,750)	-	-	-	-	(454,750)
Transfers to assets held for sale - Accumulated Depreciation	-	-	-	1,436	-	-	-	-	1,436
Disposals - cost	-	-	-	-	(7,184)	(34,595)	(7)	-	(41,786)
Disposals - Accumulated Depreciation	-	-	-	-	7,184	34,595	7	-	41,786
Depreciation charge	-	-	(16,157)	(120,338)	(51,781)	(429,738)	(48,826)	(82,824)	(749,664)
Other adjustments / transfers / write offs - Cost	-	-	-	-	(1,126)	(169,305)	-	-	(170,431)
Other adjustments / transfers / written offs - Accumulated Depreciation	-	-	-	-	1,126	60,601	-	-	61,727
Closing net book value	<u>687,686</u>	<u>6,585,406</u>	<u>183,346</u>	<u>1,600,957</u>	<u>196,882</u>	<u>1,679,205</u>	<u>216,852</u>	<u>350,251</u>	<u>11,500,585</u>
At December 31, 2024									
Cost / Revalued amount	687,686	6,585,406	199,503	1,721,654	482,199	4,667,171	386,164	891,882	15,621,665
Accumulated depreciation	-	-	(16,157)	(120,697)	(285,317)	(2,987,966)	(169,312)	(541,631)	(4,121,080)
Net book value	<u>687,686</u>	<u>6,585,406</u>	<u>183,346</u>	<u>1,600,957</u>	<u>196,882</u>	<u>1,679,205</u>	<u>216,852</u>	<u>350,251</u>	<u>11,500,585</u>
Rate of depreciation (percentage)	-	-	2.86% - 6.67%	2.86% - 6.67%	33.33%	14.28% - 33.33%	33.33%	6.67% - 10%	

	2023								
	Freehold Land	Leasehold Land	Buildings on Freehold land	Buildings on Leasehold Land Owned	Furniture and Fixtures	Electrical, Office and Computer Equipment	Vehicles	Leasehold Improvements	Total
	(Rupees in '000)								
At January 1, 2023									
Cost / Revalued amount	651,300	6,182,601	143,493	1,121,912	347,760	3,226,888	117,298	686,104	12,477,356
Accumulated depreciation	-	-	(26,992)	(111,951)	(225,813)	(2,475,688)	(117,298)	(600,043)	(3,557,785)
Net book value	<u>651,300</u>	<u>6,182,601</u>	<u>116,501</u>	<u>1,009,961</u>	<u>121,947</u>	<u>751,200</u>	<u>-</u>	<u>86,061</u>	<u>8,919,571</u>
Year ended December 2023									
Opening net book value	651,300	6,182,601	116,501	1,009,961	121,947	751,200	-	86,061	8,919,571
Additions	-	-	-	339,441	36,448	868,876	13,640	23,129	1,281,534
Movement in surplus on assets revalued during the year	36,388	€32,805	93,383	400,726	-	-	-	-	1,163,300
Revaluation adjustment - Cost*	-	-	(37,373)	(189,623)	-	-	-	-	(226,996)
Revaluation adjustment - Accumulated Depreciation	-	-	37,373	189,623	-	-	-	-	226,996
Disposals - Cost	-	-	-	-	(12,937)	(56,528)	-	-	(69,465)
Disposals - Accumulated Depreciation	-	-	-	-	12,937	56,528	-	-	69,465
Depreciation charge	-	-	(10,381)	(79,893)	(30,986)	(343,917)	(3,195)	(24,261)	(492,633)
Other adjustments / transfers / write offs - Cost	-	-	-	(428)	(2,016)	(110,215)	-	(165,733)	(278,392)
Other adjustments / transfers / written offs - Accumulated Depreciation	-	-	-	426	2,016	109,653	-	165,497	277,592
Closing net book value	<u>687,686</u>	<u>6,815,406</u>	<u>199,503</u>	<u>1,670,233</u>	<u>127,409</u>	<u>1,275,597</u>	<u>10,445</u>	<u>84,693</u>	<u>10,870,972</u>
At December 31, 2023									
Cost / Revalued amount	687,686	6,815,406	199,503	1,672,028	369,255	3,929,021	130,938	543,500	14,347,337
Accumulated depreciation	-	-	-	(1,795)	(241,846)	(2,653,424)	(120,493)	(458,807)	(3,476,365)
Net book value	<u>687,686</u>	<u>6,815,406</u>	<u>199,503</u>	<u>1,670,233</u>	<u>127,409</u>	<u>1,275,597</u>	<u>10,445</u>	<u>84,693</u>	<u>10,870,972</u>
Rate of depreciation (percentage)	-	-	2.86% - 6.67%	2.86% - 6.67%	33.33%	14.28% - 33.33%	33.33%	6.67% - 10%	

10.3 In 2023, all owned land and buildings were revalued by independent accredited professional valuers, Harvester Services (Private) Limited and Anjum Adil & Associates (Level 3 measurements). Both valuers appointed by the Bank are also on the panel of Pakistan Banks Association. The valuation experts used a market based approach to arrive at the fair value of the Bank's properties. The market based approach uses prices and other relevant information generated by market transactions involving identical or comparable or similar properties. These values are adjusted to reflect the nature, current condition and location of the properties. The effect of changes in the unobservable inputs used in the valuations cannot be determined with certainty, accordingly a qualitative disclosure of sensitivity has not been presented in these financial statements.

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

	2024	2023
	(Rupees in '000)	
Carrying amount		
Building on Freehold land	19,568	22,425
Building on Leasehold land	962,475	818,501
Freehold Land	42,425	42,425
Leasehold Land	<u>344,476</u>	<u>461,143</u>
	<u>1,368,944</u>	<u>1,344,494</u>

The movement in surplus on revaluation of property and equipments is given in Note 22.1 to the financial statements.

10.4 As at 31 December 2024, the cost of fully depreciated property and equipments still in the Bank's use amounted to Rs. 2.705 billion (2023: Rs. 2.593 billion).

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10.5 During the year, no disposals of property and equipments were made to the Chief Executive or to a director or to executives or to a shareholder holding not less than 10 percent of the voting shares of the Bank or to any related party.

10.6 Disposed off assets with book value of Rs 500,000 or more is nil (31 December 2023 : nil)

11 RIGHT-OF-USE ASSETS	2024	2023
	(Rupees in '000)	
Premises		
At 1 January		
Cost	2,869,683	2,912,120
Accumulated depreciation	<u>(1,584,339)</u>	<u>(1,199,047)</u>
Net carrying amount	<u>1,285,344</u>	<u>1,713,073</u>
Additions during the year	70,696	491,090
Deletions - cost	(43,917)	(47,655)
Deletions - accumulated depreciation	43,917	47,655
Depreciation charge for the year	(425,019)	(432,947)
Other adjustment / transfers - cost	<u>(19,827)</u>	<u>(485,873)</u>
Net carrying amount at closing balance	<u>911,194</u>	<u>1,285,344</u>

12 INTANGIBLE ASSETS	2024				
	Goodwill	Core deposits intangible	Customer relationships intangible	Brand names	Total
	(Rupees in '000)				
At January 1, 2024					
Cost	26,095,310	1,982,413	774,680	389,400	29,241,803
Accumulated amortisation and impairment	-	(1,982,413)	(774,680)	(389,400)	(3,146,493)
Net book value	<u>26,095,310</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>26,095,310</u>
Year ended December 2024					
Opening net book value	26,095,310	-	-	-	26,095,310
Amortisation charge	-	-	-	-	-
Closing net book value	26,095,310	-	-	-	26,095,310
At December 31, 2024					
Cost	26,095,310	1,982,413	774,680	389,400	29,241,803
Accumulated amortisation and impairment	-	(1,982,413)	(774,680)	(389,400)	(3,146,493)
Net book value	<u>26,095,310</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>26,095,310</u>
2023					
	Goodwill	Core deposits intangible	Customer relationships intangible	Brand names	Total
	(Rupees in '000)				
At January 1, 2023					
Cost	26,095,310	1,982,413	774,680	389,400	29,241,803
Accumulated amortisation and impairment	-	(1,982,413)	(774,680)	(389,400)	(3,146,493)
Net book value	<u>26,095,310</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>26,095,310</u>
Year ended December 2023					
Opening net book value	26,095,310	-	-	-	26,095,310
Amortisation charge	-	-	-	-	-
Closing net book value	26,095,310	-	-	-	26,095,310
At December 31, 2023					
Cost	26,095,310	1,982,413	774,680	389,400	29,241,803
Accumulated amortisation and impairment	-	(1,982,413)	(774,680)	(389,400)	(3,146,493)
Net book value	<u>26,095,310</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>26,095,310</u>

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12.1 At 31 December 2024, goodwill (less accumulated impairment losses – if any) amounted to Rs 26,095 million (2023: Rs 26,095 million).

An annual assessment is made as to whether the current carrying value of goodwill is impaired. For the purposes of impairment testing, goodwill has been allocated to the cash generating units (CGUs) that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those CGUs. At 31 December 2024, recoverable amount of all CGUs exceeded the carrying amount.

The recoverable amount for the purpose of assessing impairment of goodwill on acquisition of Union Bank Limited was based on value in use. The calculations are based on the five year forecast approved by the management and a terminal value determined using Gordon Growth Model (using long term GDP growth rate of 4.06%). The cash flows are discounted using a discount rate (12.79%) which reflects the current market rate appropriate for the business, computed using Capital Asset Pricing Model. The allocation of goodwill to CGUs for the purpose of impairment testing is given below:

	2024	2023
	(Rupees in '000)	
Cash generating unit		
Corporate and Investment Banking (CIB)	12,642,354	12,642,354
Wealth and Retail Banking (WRB)	<u>13,452,956</u>	<u>13,452,956</u>
Total Goodwill	<u>26,095,310</u>	<u>26,095,310</u>

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

13 OTHER ASSETS	Note	2024	2023
		(Rupees in '000)	
Income / mark-up accrued in local currency	13.1	5,637,587	10,850,669
Income / mark-up accrued in foreign currencies	13.1	131,840	79,873
Advances, deposits, advance rent and other prepayments		323,574	250,925
Defined benefit plans	37.4	83,480	36,776
Advance taxation (payments less provisions)		6,382,201	1,686,566
Branch adjustment account		144,575	46,865
Mark to market gain on forward foreign exchange contracts		249,567	393,277
Interest rate derivatives and currency options - positive fair value		175,677	41,212
Receivable from SBP / Government of Pakistan		539,949	825,864
Receivable from associated undertakings		27,113	111,592
Assets Held for Sale	13.2	1,603,203	1,192,143
Receivable from Standard Chartered Bank, Sri Lanka operations	13.3	38,536	36,821
Advance Federal Excise Duty - Sales tax		11,304	199,747
Cards and clearing settlement account		7,248,088	8,646,948
Acceptances		2,583,438	5,381,478
Unsettled trades - Debt Securities	13.4	-	334,968
Sundry receivables		1,415,379	961,660
Others		<u>219,259</u>	<u>139,072</u>
		<u>26,814,770</u>	<u>31,216,456</u>
Less: Credit loss allowance / provision held against other assets	13.5	<u>(88,339)</u>	<u>(87,776)</u>
Other Assets - net		<u>26,726,431</u>	<u>31,128,680</u>

13.1 Credit loss methodology is based on Exposure at default (EAD) which captures both principal and mark-up when calculating expected credit loss, hence the cumulative impact is recorded under advances note 9.2.

13.2 These represent carrying value of vacant owned properties which the Bank intends to dispose-off. The management considered these properties to meet the criteria to be classified as held for sale at the date of classification. These assets are available for immediate sale and can be sold in its' current condition. During the year, the management has further classified assets amounting to PKR 453.314 million and disposed off properties amounting to PKR 42.253 million under this category. As at the reporting date, the management has assessed the fair value less cost to sell of all properties to be higher than their carrying amount.

13.3 Consequent to Sale and Purchase Agreement (SPA) signed between Standard Chartered Bank, Sri Lanka (SCBSL) and Standard Chartered Bank (Pakistan) Limited (SCBPL), the Sri Lanka branch operations of SCBPL were amalgamated with SCBSL with effect from close of business on 10 October 2008. According to the terms of SPA, unproductive debts, staff loans of SCBPL who are not retained by the purchaser, their corresponding housing loans and assets arising from litigation which cannot be assigned are held in trust with SCBSL. The recoveries made (net of expenses) from such assets are taken to income from Sri Lanka branch operations along with foreign exchange translation impacts as disclosed in note 29 to these financial statements, and consequently recorded as receivable. Moreover, loans which were fully provided and deemed non recoverable were written-off after necessary approvals.

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

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	Note	2024	2023
13.5 Credit loss allowance / provision held against other assets		(Rupees in '000)	
Trade related - Acceptances		563	35,495
Others		87,776	52,281
		<u>88,339</u>	<u>87,776</u>
13.5.1 Movement in credit loss allowance / provision held against other assets			
Opening balance		87,776	87,776
Impact of adoption of IFRS 9		50,181	-
Opening balance - restated		137,957	87,776
Reversals for the year		(49,618)	-
Closing balance		<u>88,339</u>	<u>87,776</u>
14 BILLS PAYABLE			
In Pakistan		22,674,888	17,771,348
Outside Pakistan		382,251	560,351
		<u>23,057,139</u>	<u>18,331,699</u>
15 BORROWINGS			
In Pakistan		18,139,668	28,095,873
Outside Pakistan		145,819	20,169,516
		<u>18,285,487</u>	<u>48,265,389</u>
15.1 Details of borrowings secured / unsecured			
Secured			
Borrowings from State Bank of Pakistan under Export Refinance (ERF) scheme	15.1.1	17,411,385	22,059,316
Repurchase agreement borrowings (Repo)		-	5,331,596
State Bank of Pakistan - LTFF	15.1.2	33,917	79,139
Financing facility for renewable energy plants	15.1.3	680,195	622,490
		<u>18,125,497</u>	<u>28,092,541</u>
Unsecured			
Overdrawn nostro accounts	15.1.4	159,990	20,172,848
		<u>18,285,487</u>	<u>48,265,389</u>
15.1.1 Mark-up on Export Refinance (ERF) from State Bank of Pakistan is charged ranging from 1 percent to 15.5 percent (2023: 1 percent to 18.0 percent) per annum and are due to mature latest by June 2025. ERF borrowings also include borrowings under Islamic Export Refinance scheme amounting to Rs. 8,591 million (2023: Rs. 6,830 million). These borrowings are secured against demand promissory notes executed by the Bank in favour of State Bank of Pakistan.			
15.1.2 Mark-up on Long Term Finance Facility (LTFF) from State Bank of Pakistan is charged at 2.5 percent (2023: 2.5 percent) per annum and are due to mature latest by July 2025. These loans are secured against promissory notes executed by the Bank in favour of State Bank of Pakistan.			
15.1.3 These borrowings have been obtained from the SBP under a scheme for financing the renewable energy power plants to promote renewable energy projects in the country. These carry mark-up at rates ranging from 2.00 percent to 3.00 percent (2023: 2.00 percent to 3.00 percent) per annum and are due to mature latest by October, 2032.			
15.1.4 These include overdrawn nostro accounts with other branches and subsidiaries of Standard Chartered Group outside Pakistan amounting to Rs.145.819 million (2023: Rs.20,169.516 million).			
15.2 Particulars of borrowings with respect to currencies		2024	2023
		(Rupees in '000)	
In local currency		18,139,668	28,095,873
In foreign currencies		145,819	20,169,516
		<u>18,285,487</u>	<u>48,265,389</u>

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16 DEPOSITS AND OTHER ACCOUNTS

Note	2024			2023		
	In Local Currency	In Foreign currencies	Total	In Local Currency	In Foreign currencies	Total
	(Rupees in '000)					
Customers						
- Fixed deposits	23,797,584	1,727,569	25,525,153	17,766,153	1,301,108	19,067,261
- Savings deposits	360,015,434	27,767,606	387,783,040	293,981,813	28,282,945	322,264,758
Non-Remunerative						
- Current accounts	308,600,252	76,434,762	385,035,014	264,335,546	87,589,208	351,924,754
- Margin accounts	2,469,438	1,393	2,470,831	4,174,768	283,270	4,458,038
- Other deposits	201,252	-	201,252	197,026	-	197,026
	695,083,960	105,931,330	801,015,290	580,455,306	117,456,531	697,911,837
Financial Institutions						
- Remunerative deposits - Others						
- Fixed deposits	505,650	14,783	520,433	5,650	14,807	20,457
- Savings deposits	16,354,043	2,001,254	18,355,297	9,411,671	2,045,810	11,457,481
- Current accounts	11,829,264	2,274,680	14,103,944	6,910,987	2,176,781	9,087,768
- Margin accounts	78,214	127,663	205,877	83,214	133,982	217,196
- Other deposits	1,494,150	-	1,494,150	840,101	-	840,101
	30,261,321	4,418,380	34,679,701	17,251,623	4,371,380	21,623,003
	725,345,281	110,349,710	835,694,991	597,706,929	121,827,911	719,534,840

16.1 This includes Rs. 1,752.640 million (2023: Rs. 749.580 million) against balances of other branches and subsidiaries of Standard Chartered Group.

Note	2024	2023
	(Rupees in '000)	
16.2 Composition of deposits		
- Individuals	268,130,297	272,016,735
- Government (Federal and Provincial)	291,496	360,755
- Public Sector Entities	2,920,389	2,141,087
- Banking Companies	28,112,221	17,923,151
- Non-Banking Financial Institutions	6,567,480	3,699,852
- Private Sector	458,765,084	357,852,730
- Non residents (Corporate & Individual)	51,021,824	50,678,248
- Trusts	19,886,200	14,862,282
16.3	835,694,991	719,534,840

16.3 This includes deposits eligible to be covered under insurance arrangements amounting to Rs. 346,139 million (2023: Rs. 350,590 million)

Note	2024	2023
	(Rupees in '000)	
17 LEASE LIABILITIES		
Outstanding amount at the start of the year	1,362,579	1,847,964
Additions during the year	70,696	491,090
Lease payments	(644,692)	(649,362)
Interest expense	165,411	207,938
Termination / modification	(20,077)	(535,051)
Outstanding amount at the end of the year	933,917	1,362,579
17.1		
17.1 Liabilities Outstanding		
Not later than one year	146,193	176,069
Later than one year and upto five years	636,542	1,046,170
Over five years	151,182	140,340
Total at the year end	933,917	1,362,579

17.2 The Bank has entered into lease agreements in respect of its various rented branches. These were initially measured at the present value of remaining lease payments discounted using the Bank's incremental borrowing rate that ranges from 8.24% per annum to 25.51% per annum. The lease liabilities are subsequently being measured at amortized cost using the effective interest rate method.

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18 DEFERRED TAX (ASSETS) / LIABILITIES

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

Note	2024				At 31 December 2024
	At 1 January 2024	Transition impact of IFRS 9	Recognised in profit and loss	Recognised in OCI	
----- (Rupees in '000) -----					
Deductible Temporary Differences on					
Worker Welfare Fund	(1,226,878)	-	(100,153)	-	(1,327,031)
Credit loss allowance against advances and o	(731,603)	(2,715,576)	(59,723)	-	(3,506,902)
Accelerated tax depreciation	(40,321)	-	(24,556)	-	(64,877)
Unpaid liabilities	(5,022,726)	-	(410,019)	-	(5,432,745)
Credit loss allowance against balances with Banks and placements	-	(945,814)	376,301	-	(569,513)
	(7,021,528)	(3,661,390)	(218,150)	-	(10,901,068)
Taxable Temporary Differences on					
Surplus on revaluation of property and equiprr	545,855	-	9,013	-	554,868
Surplus on revaluation of investments	45,125	70,017	-	1,619,717	1,734,859
Deficit on revaluation of FVTPL investments	-	-	107,608	-	107,608
Deficit on gain on acquisition of assets	-	-	983,681	-	983,681
Post retirement employee benefits	18,020	-	-	26,223	44,243
Goodwill	12,786,701	-	1,043,813	-	13,830,514
	13,395,701	70,017	2,144,115	1,645,940	17,255,773
	6,374,173	(3,591,373)	1,925,965	1,645,940	6,354,705

2023			
At 1 January 2023	Recognised in profit and loss	Recognised in OCI	At 31 December 2023
----- (Rupees in '000) -----			

Deductible Temporary Differences on

Worker Welfare Fund	(1,076,648)	(150,230)	-	(1,226,878)
Credit loss allowance against advances and others	(642,019)	(89,584)	-	(731,603)
Accelerated tax depreciation	(108,769)	68,448	-	(40,321)
Unpaid liabilities	(4,407,698)	(615,028)	-	(5,022,726)
	(6,235,134)	(786,394)	-	(7,021,528)

Taxable Temporary Differences on

Surplus on revaluation of property and equipment	284,146	(19,905)	281,614	545,855
Surplus on revaluation of investments	70,892	-	(25,767)	45,125
Post retirement employee benefits	13,876	-	4,144	18,020
Goodwill	11,220,982	1,565,719	-	12,786,701
	11,589,896	1,545,814	259,991	13,395,701
	5,354,762	759,420	259,991	6,374,173

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

19 OTHER LIABILITIES	Note	2024	2023
		(Rupees in '000)	
Mark-up / return / interest payable in local currency		923,516	1,003,770
Mark-up / return / interest payable in foreign currencies		15,185	13,908
Accrued expenses		4,717,862	4,123,980
Advance payments		823,338	913,662
Sundry creditors		8,242,757	14,936,317
Mark to market loss on forward foreign exchange contracts		278,973	172,540
Unrealized loss on interest rate derivatives and currency options		9,871,523	16,275,254
Due to Holding Company	19.1	17,887,771	53,879,416
Clearing and settlement accounts		620,132	7,966,761
Charity fund balance		3,022	10,472
Dividend payable		255,470	223,563
Credit loss allowance / provision against off-balance sheet obligations	19.2 & 19.3	643,217	199,660
Worker's Welfare Fund (WWF) payable	19.4	8,313,566	6,269,497
Acceptances		2,583,438	5,381,478
Others		64,194	486,211
		<u>55,243,964</u>	<u>111,856,489</u>

19.1 Due to Holding Company

On account of reimbursement of executive and general administrative expenses	10,250,476	10,250,476
Dividend and other payable	7,637,295	43,628,940
	<u>17,887,771</u>	<u>53,879,416</u>

19.2 These primarily represents Credit loss allowance / provision against off balance sheet exposures such as bank guarantees.

19.3 Credit loss allowance / provision against off-balance sheet obligations

	Note	2024	2023
		(Rupees in '000)	
Opening balance		199,660	189,808
Impact of adoption of IFRS 9		551,022	-
Opening balance - restated		750,682	189,808
Charge for the year		300,404	18,150
Reversals		(460,410)	(8,298)
Changes in risk parameters		54,537	-
	32	(105,469)	9,852
Other movements (FX adjustment)		(1,996)	-
Closing balance		<u>643,217</u>	<u>199,660</u>

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

20 SHARE CAPITAL

20.1 Authorized Capital

2024 (Number of shares)	2023	Note	2024 (Rupees in '000)	2023
<u>4,000,000,000</u>	<u>4,000,000,000</u>	Ordinary shares of Rs. 10 each	<u>40,000,000</u>	<u>40,000,000</u>

20.2 Issued, subscribed and paid-up Capital

2024 (Number of shares)	2023			
2,939,785,018	2,939,785,018	Ordinary shares of Rs. 10 each Fully paid in cash	29,397,850	29,397,850
931,800,003	931,800,003	Issued in terms of scheme of amalgamation	20.3 9,318,000	9,318,000
<u>3,871,585,021</u>	<u>3,871,585,021</u>		<u>38,715,850</u>	<u>38,715,850</u>

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

20.4 At 31 December 2024, Standard Chartered Bank (UK), held 98.99% shares of the Bank.

21 RESERVES	Note	2024 (Rupees in '000)	2023
Share premium	21.1	1,036,090	1,036,090
Statutory reserve	21.2	45,913,589	36,700,236
		<u>46,949,679</u>	<u>37,736,326</u>

21.1 This represents excess of fair value of the shares over par value of shares issued to registered shareholders of Union Bank in terms of the amalgamation scheme.

21.2 In accordance with the Banking Companies Ordinance, 1962, the Bank is required to transfer twenty percent of its profit of each year to a reserve fund until the amount in such fund equals or exceeds the paid-up capital of the Bank. Effective 01 Jan 2025, the transfer percentage will be reduced to ten percent.

21.3 The Board of Directors in their meeting held on 21 February 2025 have announced a final cash dividend of 55.0% (Rs. 5.50/- per share) in respect of the year ended 31 December 2024 (2023: Rs. 2.50 per share). This is in addition to 35.0% (Rs. 3.50/- per share) interim cash dividend announced during the year. The financial statements for the year ended 31 December 2024 do not include the effect of final dividend appropriations which will be accounted for subsequent to the year end.

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22 SURPLUS ON REVALUATION OF ASSETS - NET OF DEFERRED TAX	Note	2024	2023
(Rupees in '000)			
Surplus / (deficit) arising on revaluation of:			
- Property and equipment	22.1	9,052,650	9,140,867
- Securities measured at FVOCI / AFS-Debt	22.2	2,480,234	(160,954)
- Securities measured at FVOCI / AFS-Equity	22.2	793,085	253,046
		<u>12,325,969</u>	<u>9,232,959</u>
Deferred tax on (surplus) / deficit on revaluation of:			
- Property and equipment	22.1	(554,868)	(545,855)
- Securities measured at FVOCI / AFS-Debt	22.2	(1,314,524)	78,867
- Securities measured at FVOCI / AFS-Equity	22.2	(420,335)	(123,992)
		<u>(2,289,727)</u>	<u>(590,980)</u>
		<u>10,036,242</u>	<u>8,641,979</u>
22.1 Surplus on revaluation of property and equipment - net of tax			
Surplus on revaluation of property and equipment as at 1 January		9,140,867	8,068,965
Recognised during the year		-	1,163,300
Realised on disposal during the year		(28,055)	(59,915)
Transferred to unappropriated profit in respect of incremental depreciation charged during the year		(60,162)	(31,483)
Surplus on revaluation of property and equipment - Gross		9,052,650	9,140,867
Less: Related deferred tax liability on:			
Revaluation surplus as at 1 January		(545,855)	(284,146)
Revaluation surplus recognised during the year		-	(242,113)
Surplus realized on disposal during the year		13,747	4,478
Deferred rate tax rate impact		(54,646)	(39,501)
Incremental depreciation charged during the year		31,886	15,427
		<u>(554,868)</u>	<u>(545,855)</u>
Surplus on revaluation of Property and equipment - net of tax		<u>8,497,782</u>	<u>8,595,012</u>
22.2 Surplus on revaluation of FVOCI securities - net of tax			
Market Treasury Bills		1,968,979	(328,061)
Sukuk and Ijarah Bonds		511,255	167,107
Shares		793,085	253,046
		<u>3,273,319</u>	<u>92,092</u>
Related deferred tax liability		(1,734,859)	(45,125)
		<u>1,538,460</u>	<u>46,967</u>
23 CONTINGENCIES AND COMMITMENTS			
Guarantees	23.1	168,986,371	170,131,064
Commitments	23.2	105,397,110	122,273,853
Other contingent liabilities	23.3	14,726,134	32,920,431
		<u>289,109,615</u>	<u>325,325,348</u>
23.1 Guarantees:			
Guarantees issued favouring:			
Financial guarantees		11,071,572	11,507,536
Performance guarantees		121,143,244	122,101,851
Other guarantees		36,771,555	36,521,677
		<u>168,986,371</u>	<u>170,131,064</u>
23.2 Commitments:			
Documentary credits and short-term trade-related transactions			
Letters of credit		18,977,427	21,806,984
Commitments in respect of:			
Forward foreign exchange contracts			
- Purchase	23.4	50,435,337	59,271,017
- Sale	23.4	3,523,849	6,450,898
Commitment in respect of derivatives			
- Interest rate swaps	23.6	6,000,000	9,523,262
- Cross currency swaps	23.6	16,155,121	24,892,637
- Fx options	23.6	9,942,812	59,686
Commitment for acquisition of property and equipment		359,519	268,839
Commitment in respect of operating leases	23.7	3,045	530
		<u>105,397,110</u>	<u>122,273,853</u>
23.3 Other contingent liabilities			
		14,726,134	32,920,431

23.3.1 The tax department amended the assessments for income years 2007 to 2023 (tax years 2008 to 2024 respectively) under the related provisions of the Income Tax Law and appeals against the amended assessment orders are pending before different appellate forums. The management considers that a significant amount of the additional tax liability is the result of timing differences and is confident that the issues in the above-mentioned tax years will be decided in favour of the Bank at appellate forums. Accordingly, no additional provision is required.

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

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23.4 Commitments in respect of forward foreign exchange contracts

	2024	2023
	(Rupees in '000)	
Purchase from:		
State Bank of Pakistan	15,873,200	22,548,856
Other banks	20,363,401	32,413,606
Customers	14,198,736	4,308,555
	<u>50,435,337</u>	<u>59,271,017</u>
Sale to:		
Other banks	3,391,240	5,468,283
Customers	132,609	982,615
	<u>3,523,849</u>	<u>6,450,898</u>

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

23.5 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.

23.6 Commitments in respect of derivatives

	2024	2023
	(Rupees in '000)	
Interest rate Swaps		
- Purchase	-	1,761,631
- Sale	6,000,000	7,761,631
	<u>6,000,000</u>	<u>9,523,262</u>
Cross currency Swaps		
- Purchase	-	-
- Sale	16,155,121	24,892,637
	<u>16,155,121</u>	<u>24,892,637</u>
FX options		
- Purchase	4,971,406	29,843
- Sale	4,971,406	29,843
	<u>9,942,812</u>	<u>59,686</u>
23.7 Commitments in respect of operating leases		
Later than one year and not later than five years	3,045	530
	<u>3,045</u>	<u>530</u>

23.8 Derivative Instruments

23.8.1 Product analysis

		2024 (Rupees in '000)					
Counterparties		Interest Rate Swaps		Cross Currency Swaps		FX Options	
		Notional Principal *	Mark to market gain / loss	Notional Principal *	Mark to market gain / loss	Notional Principal *	Mark to market gain / loss
With Banks for	Hedging	-	-	1,583,763	(274,773)	4,971,406	(51,341)
	Market Making	-	-	-	-	-	-
With other entities for	Hedging	-	-	-	-	4,971,406	51,341
	Market Making	6,000,000	(79,183)	14,571,358	(9,341,890)	-	-
Total	Hedging	-	-	1,583,763	(274,773)	9,942,812	-
	Market Making	6,000,000	(79,183)	14,571,358	(9,341,890)	-	-
		2023 (Rupees in '000)					
Counterparties		Interest Rate Swaps		Cross Currency Swaps		FX Options	
		Notional Principal *	Mark to market gain / loss	Notional Principal *	Mark to market gain / loss	Notional Principal *	Mark to market gain / loss
With Banks for	Hedging	1,761,631	40,898	3,401,377	(365,434)	29,843	(314)
	Market Making	-	-	60,790	(60,705)	-	-
With other entities for	Hedging	-	-	-	-	29,843	314
	Market Making	7,761,631	(1,277,494)	21,430,471	(14,571,307)	-	-
Total	Hedging	1,761,631	40,898	3,401,377	(365,434)	59,686	-
	Market Making	7,761,631	(1,277,494)	21,491,261	(14,632,012)	-	-

* At the exchange rate prevailing at year end.

23.8.2 Maturity analysis

Remaining Maturity	No. of Contracts	Notional Principal	2024		
			Mark to Market		Net
			Negative	Positive	
(Rupees in '000)					
Upto 1 month	2	1,940,339	(1,320)	1,320	-
1 to 3 months	2	4,224,875	(17,299)	17,299	-
3 to 6 months	4	4,080,848	(190,146)	167,058	(33,088)
6 months to 1 year	34	4,972,715	(2,801,454)	-	(2,801,454)
1 to 2 years	2	5,000,000	(657,063)	-	(657,063)
2 to 3 years	-	-	-	-	-
3 to 5 years	-	-	-	-	-
5 to 10 years	7	11,879,167	(6,204,241)	-	(6,204,241)
Above 10 years	-	-	-	-	-
	<u>51</u>	<u>32,097,934</u>	<u>(9,871,523)</u>	<u>175,677</u>	<u>(9,695,846)</u>
Remaining Maturity	No. of Contracts	Notional Principal	2023		
			Mark to Market		Net
			Negative	Positive	
(Rupees in '000)					
Upto 1 month	1	60,791	(61,019)	314	(60,705)
1 to 3 months	1	159,250	(129,257)	-	(129,257)
3 to 6 months	-	-	-	-	-
6 months to 1 year	5	6,009,299	(1,704,743)	40,898	(1,663,845)
1 to 2 years	36	10,089,029	(6,201,479)	-	(6,201,479)
2 to 3 years	2	5,000,000	(1,063,163)	-	(1,063,163)
3 to 5 years	-	-	-	-	-
5 to 10 years	7	13,097,531	(7,115,593)	-	(7,115,593)
Above 10 years	-	-	-	-	-
	<u>52</u>	<u>34,415,900</u>	<u>(16,275,254)</u>	<u>41,212</u>	<u>(16,234,042)</u>

23.8.3 For derivate risk management policy refer note 45.

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24 MARK-UP / RETURN / INTEREST EARNED

	Note	2024	2023
		(Rupees in '000)	
On loans and advances to customers		41,976,961	44,831,243
On loans and advances to financial institutions		189,683	6,152
On investments		94,628,122	93,786,555
On deposits with financial institutions / State Bank of Pakistan		1,060,673	864,870
On securities purchased under resale agreements		18,412,357	9,053,924
On call money lendings & placements		2,865,147	3,308,380
		<u>159,132,943</u>	<u>151,851,124</u>

24.1 Interest income (calculated using effective interest rate method) recognised on:

Financial assets measured at amortised cost		64,504,821	58,064,569
Financial assets measured at FVOCI		57,348,553	93,786,555
Financial assets measured at FVTPL		37,279,569	-
		<u>159,132,943</u>	<u>151,851,124</u>

25 MARK-UP / RETURN / INTEREST EXPENSED

Deposits		61,019,214	52,149,127
Securities sold under repurchase agreements		166,287	680,811
Borrowings from State Bank of Pakistan under Export Refinance (ERF) scheme		3,279,736	3,402,889
Cost of foreign currency swaps against foreign currency deposits / borrowings		989,376	741,244
Finance cost against leases		165,411	143,582
		<u>65,620,024</u>	<u>57,117,653</u>

25.1 Interest expense calculated using effective interest rate method

	<u>65,620,024</u>	<u>57,117,653</u>
	<u>65,620,024</u>	<u>57,117,653</u>

26 FEE & COMMISSION INCOME

Branch banking customer fees		256,574	271,270
Consumer finance related fees		71,357	56,885
Card related fees (debit and credit cards)		300,054	422,759
Credit related fees		445,676	441,211
Investment banking fees		225,192	203,783
Brokerage charges		(109,882)	(17,356)
Commission on trade and cash management		4,612,313	3,183,171
Commission on guarantees		567,165	558,698
Commission on remittances including home remittances		237,677	175,675
Commission on bancassurance		245,232	78,349
Custody fees		140,614	145,133
		<u>6,991,972</u>	<u>5,519,578</u>

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	Note	2024	2023
27 FOREIGN EXCHANGE INCOME			
Gain/ (loss) realised from dealing in :			
Foreign Currencies		10,328,756	8,160,682
Derivative financial instruments		(408,768)	(2,448,492)
		<u>9,919,988</u>	<u>5,712,190</u>
28 GAIN / (LOSS) ON SALE OF SECURITIES			
Realised	28.1	4,396,882	(1,013,683)
Unrealised - measured at FVTPL / held for trading	8.1	203,035	17,522
		<u>4,599,917</u>	<u>(996,161)</u>
28.1 Realised gain on:			
Federal Government Securities			
Market Treasury Bills		2,634,545	1,020,976
Pakistan Investment Bonds		232,660	(1,535,852)
Ijarah Sukuks		933,030	(498,883)
		<u>3,800,235</u>	<u>(1,013,759)</u>
Equity Securities - Listed		<u>596,647</u>	<u>76</u>
		<u>4,396,882</u>	<u>(1,013,683)</u>
28.2 Net gain / (loss) on financial assets / liabilities measured at FVTPL:			
Designated upon initial recognition		4,643,599	-
Mandatorily measured at FVTPL		-	-
		<u>4,643,599</u>	<u>-</u>
Net loss on financial assets measured at FVOCI		(43,682)	-
		<u>(43,682)</u>	<u>-</u>
		<u>4,599,917</u>	<u>-</u>
29 OTHER INCOME			
Rent on property		39,074	35,743
Gain on sale of property and equipment - net		14,187	14,676
Gain on sale of asset held for sale		9,247	144,717
Sri Lanka branch operations recovery & exchange translation	13.3	1,696	10,680
Gain / (loss) on lease termination		1,187	(14,902)
Gain on acquisition of assets		1,856,002	478
		<u>1,921,393</u>	<u>191,392</u>

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30 OPERATING EXPENSES

Note 2024 2023
(Rupees in '000)

Total compensation expense	30.1	11,134,874	9,650,160
Property expense			
Rent & taxes		190,057	137,339
Insurance		5,425	5,584
Utilities cost		504,773	468,676
Security (including guards)		447,764	258,940
Repair & maintenance		236,166	239,106
Civil works		242,267	130,751
Facilities management cost		269,188	163,383
Depreciation (Property related)		237,941	124,523
Depreciation (Right of use assets)	11	425,019	432,947
Cleaning and Janitorial		516,503	472,182
Minor improvements, additions and others		248,262	171,935
		3,323,365	2,605,366
Information technology expenses			
Software maintenance		601,255	362,488
Hardware maintenance		592,941	326,227
Depreciation (IT related)		331,952	274,616
Network charges		47,240	121,106
		1,573,388	1,084,437
Other operating expenses			
Directors' fees and allowances		28,750	26,500
Fees and allowances to Shariah Board		28,754	25,653
Legal & professional charges		426,945	332,087
Outsourced services costs	30.2	179,278	150,995
Travelling & conveyance		243,884	232,647
Depreciation		179,771	93,494
Training & development		11,528	6,976
Postage & courier charges		207,365	119,175
Communication		876,062	519,962
Deposit protection premium	30.3	560,944	574,370
Stationery & printing		479,135	318,053
Marketing, advertisement & publicity		349,684	448,322
Donations	30.5	23,662	25,035
Auditors remuneration	30.6	56,026	44,980
Cash transportation services		73,191	97,223
Documentation and processing charges		156,971	204,337
Insurance		34,731	36,208
Others		396,812	462,958
		4,313,493	3,718,975
		20,345,120	17,058,938

30.1 Total compensation expense

Managerial remuneration			
i) Fixed		5,323,983	4,783,695
ii) Variable			
of which;			
a) Cash Bonus / Awards etc.		1,461,082	1,409,238
b) Bonus & Awards in Shares etc.		205,269	89,288
Fees and allowances etc		2,856,368	2,370,577
Charge / (reversal) for defined benefit plan		(16,003)	(4,021)
Contribution to defined contribution plan		676,494	584,940
Rent & house maintenance		26,000	26,000
Others			
a) Redundancy / severance		151,721	22,071
b) Staff entertainment		171,141	150,657
c) Temporary staff cost		697	721
d) Staff insurance		278,122	216,994
		11,134,874	9,650,160

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30.2 Total cost for the year included in other operating expenses relating to outsourced activities is Rs. 179 million (2023: Rs. 151 million). The total amount pertains to the payment to companies incorporated in Pakistan. The material outsourcing arrangement along with their nature of services are as follows;

Supplier name	Services	2024 (Rupees in '000)	2023
CMS Company	Cash Sorting at Cash Houses and Branches	39,256	35,503
DWP Technologies (Pvt) Ltd	Network Management Support Services	26,220	23,353
DWP Technologies (Pvt) Ltd	Printing of Customer Statement	19,610	17,938
DSV Solutions Private Limited & Data Recall	Archival facility for Bank's documents	7,374	7,634
Infotel Pakistan (Pvt.) Ltd.	Credit and Debit Card Personalization	24,597	11,495
Apex Printery Pvt Ltd	Secured Printing i.e. Cheque books, Pay orders	13,532	12,392
Inbox Business Technologies Ltd	Desktop & End User Support Services	48,689	42,680
Total		<u>179,278</u>	<u>150,995</u>

30.3 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.

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

30.5 Details of the donations given in excess of Rs. 100,000 are given below:

Donee	2024 (Rupees in '000)	2023
Right to Play International - Goal Programme	13,931	13,955
The Hunar Foundation	-	10,080
Donation For Iftar - Hope	1,149	1,000
Orange Tree Foundation for vocational training	8,500	-

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

Moreover, SCB Group directly sponsored donations amounting to PKR 42.334 million during the year (2023: Rs.31.094 million) which were co-ordinated through SCBPL. This donation was made for Women in tech initiative through Innoventures.

	Note	2024 (Rupees in '000)	2023
30.6 Auditors' remuneration			
Statutory audit fee		28,156	25,207
IFRS reporting fee		21,181	4,980
Special certifications and sundry other reporting		5,136	13,298
Fee for audit of employee funds		553	495
Out-of-pocket expenses		1,000	1,000
		<u>56,026</u>	<u>44,980</u>
31 OTHER CHARGES			
Fines and penalties imposed by SBP		<u>71,036</u>	<u>143,055</u>
32 CREDIT LOSS ALLOWANCE & WRITE OFFS - NET			
Reversals / (credit loss allowance / provisions) against loans and advances	9.4	3,554,181	162,791
Reversals / (credit loss allowance / provisions) against off-balance sheet obligations - net	19.3	105,469	(9,852)
Recovery of amounts written off		412,699	315,679
Provision for diminution in the value of investments	8.4.1	147,000	-
Bad debts written off directly	9.5.1	-	(287,827)
Property and equipment write offs		(108,704)	(799)
Impairment against property and equipment		-	(17,273)
Reversals / (credit loss allowance) against balances with Banks and placements		748,160	-
Reversals / (credit loss allowance) against acceptances		49,617	-
		<u>4,908,422</u>	<u>162,719</u>

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	2024	2023
	(Rupees in '000)	
33 TAXATION		
- Current	52,627,422	43,657,383
- Prior years	-	2,182,572
- Deferred	1,925,965	759,420
	<u>54,553,387</u>	<u>46,599,375</u>

33.1 Relationship between tax expense and accounting profit	2024	2023
	(Rupees in '000)	
Profit before taxation	<u>100,620,151</u>	<u>89,221,206</u>
Tax at the applicable tax rate of 44 percent (2023: 39 percent)	44,272,866	34,796,270
Expenses that are not deductible in determining taxable income	(219,107)	70,097
Super tax rate of 10 percent (2023: 10 percent)	10,062,015	8,922,121
Prior year (reversal) / provision	-	(670,936)
Impact of rate change	470,627	695,700
Windfall profit for FY2021 & FY2022	-	2,847,773
Others	(33,014)	(61,650)
	<u>54,553,387</u>	<u>46,599,375</u>

34 EARNINGS PER SHARE - BASIC AND DILUTED	2024	2023
	(Rupees in '000)	
Profit for the year	<u>46,066,764</u>	<u>42,621,831</u>
	(Number of shares)	
Weighted average number of ordinary shares	<u>3,871,585,021</u>	<u>3,871,585,021</u>
	(Rupees)	
Earnings per share - basic and diluted	<u>11.90</u>	<u>11.01</u>

There were no convertible dilutive potential ordinary shares outstanding as at December 31, 2024 and 2023.

35 STAFF STRENGTH	2024	2023
	(Number)	
Permanent	1,937	2,053
Temporary / on contractual basis / direct contracts	20	19
Bank's own staff at the end of year	1,957	2,072
Outsourced	-	-
Total staff strength	<u>1,957</u>	<u>2,072</u>

36 CASH AND CASH EQUIVALENTS	Note	2024	2023
		(Rupees in '000)	
Cash and balances with treasury banks	5	82,306,465	81,690,671
Balances with other banks	6	13,216,951	38,230,009
Overdrawn nostros	15.1	(159,990)	(20,172,848)
		<u>95,363,426</u>	<u>99,747,832</u>

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

	2024										
	Liabilities					Equity					Total
	Bills payable	Borrowings	Deposits and other accounts	Deferred tax liabilities	Lease liabilities	Other liabilities	Share capital	Reserves	Surplus on revaluation of assets	Unappropriated profit	
Balance as at 1 January 2024	18,331,699	48,265,389	719,534,840	6,374,173	1,362,579	111,856,489	38,715,850	37,736,326	8,641,979	11,128,508	1,001,947,832
Changes from financing cash flows	-	-	-	-	-	(52,061,979)	-	-	-	-	(52,061,979)
Dividend paid	-	-	-	-	-	(644,692)	-	-	-	-	(644,692)
Payment in respect of lease liability	-	-	-	-	-	(52,706,671)	-	-	-	-	(52,706,671)
Total changes from financing cash flows	-	-	-	-	-	(105,413,342)	-	-	-	-	(105,413,342)
Other changes	-	-	-	-	-	-	-	-	-	35,576,964	35,576,964
Liability-related	4,725,440	(29,979,902)	116,160,151	(19,468)	(428,662)	(3,876,768)	-	9,213,353	-	(9,213,353)	4,725,440 (29,979,902) 116,160,151 (19,468) (428,662) (3,876,768)
Changes in bills payable	-	-	-	-	-	-	-	-	-	-	4,725,440
Changes in borrowings	-	-	-	-	-	-	-	-	-	-	(29,979,902)
Changes in deposits and other accounts	-	-	116,160,151	-	-	-	-	-	-	-	116,160,151
Changes in deferred tax liabilities	-	-	-	(19,468)	-	-	-	-	-	-	(19,468)
Changes in lease liabilities	-	-	-	-	(428,662)	-	-	-	-	-	(428,662)
Changes in other liabilities	-	-	-	-	-	(3,876,768)	-	-	-	-	(3,876,768)
- Cash based	-	-	-	-	-	-	-	-	-	-	-
- Non-cash based - Actuarial loss on remeasurements of defined benefit plan	-	-	-	-	-	(29,086)	-	9,213,353	-	(9,213,353)	(29,086)
Transfer of profit to reserve	-	-	-	-	-	-	-	-	-	-	-
Dividend announced	-	-	-	-	-	-	-	-	-	-	-
Realised on disposal during the year - net of deferred tax	-	-	-	-	-	-	-	-	-	(15,486,341)	(15,486,341)
Changes in surplus on revaluation of assets	-	-	-	-	-	-	-	1,394,263	-	14,308	1,394,263 14,308
Balance as at 31 December 2024	23,057,139	18,285,487	835,694,991	6,354,705	933,917	55,243,964	38,715,850	46,949,679	10,036,242	22,020,086	1,057,292,060

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

2023

	Liabilities						Equity			Total	
	Bills payable	Borrowings	Deposits and other accounts	Deferred tax liabilities	Lease liabilities	Other liabilities	Share capital	Reserves	Surplus on revaluation of assets		Unappropriated profit
Balance as at 1 January 2023	14,820,617	28,063,619	718,449,989	5,354,762	1,847,964	71,231,142	38,715,850	29,211,960	7,878,792	11,714,277	927,288,972
Changes from: financing cash flows											
Dividend paid	-	-	-	-	-	(2,298,427)	-	-	-	-	(2,298,427)
Payment in respect of lease liability	-	-	-	-	-	(649,362)	-	-	-	-	(649,362)
Total changes from financing cash flows	-	-	-	-	-	(2,947,789)	-	-	-	-	(2,947,789)
Other changes	-	-	-	-	-	-	-	-	-	33,048,463	33,048,463
Liability-related											
Changes in bills payable	3,511,082	-	-	-	-	-	-	-	-	-	3,511,082
Changes in borrowings	-	20,201,770	-	-	-	-	-	-	-	-	20,201,770
Changes in deposits and other accounts	-	-	1,084,851	-	-	-	-	-	-	-	1,084,851
Changes in deferred tax liabilities	-	-	-	1,019,411	-	-	-	-	-	-	1,019,411
Changes in lease liabilities	-	-	-	-	(485,385)	-	-	-	-	-	(485,385)
Changes in other liabilities	-	-	-	-	-	43,573,622	-	-	-	-	43,573,622
- Cash based	-	-	-	-	-	-	-	-	-	-	-
- Non-cash based - Actuarial loss on remeasurements of defined benefit plan	-	-	-	-	-	(486)	-	-	-	-	(486)
Transfer of profit to reserve	-	-	-	-	-	-	-	8,524,366	-	(8,524,366)	-
Dividend announced	-	-	-	-	-	-	-	-	-	(25,165,303)	(25,165,303)
Realised on disposal during the year - net of deferred tax	-	-	-	-	-	-	-	-	-	55,437	55,437
Changes in surplus on revaluation of assets	-	-	-	-	-	-	-	-	763,187	-	763,187
	3,511,082	20,201,770	1,084,851	1,019,411	(485,385)	43,573,136	-	8,524,366	763,187	(33,634,232)	44,558,165
Balance as at 31 December 2023	18,331,699	48,265,389	719,534,840	6,374,173	1,362,579	111,856,489	38,715,850	37,736,326	8,641,979	11,128,506	1,001,947,832

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37 DEFINED BENEFIT PLANS

37.1 General description

Non Management Staff Pension Fund

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

Management Staff Pension Fund

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

Additional Lump Sum on cessation scheme

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

37.2 Number of Employees under the scheme

	2024	2023
SCB Non Management Pension Fund	16	21
SCB Management Pension Fund	22	30
Additional Lump Sum on cessation scheme	-	9

37.3 Principal Actuarial Assumptions

The last actuarial valuation of the scheme was carried out on 31 December 2024 and the key assumptions used for actuarial valuation were as follows:

	2024		2023		2024		2023	
Discount rate	12.40% p.a.		16.75% p.a.					
Expected rate of increase in salary in future years	N/A		N/A					
Expected rate of return on plan assets	12.40% p.a.		16.75% p.a.					
Expected long term rate of increase in pension	3.5% p.a.		7.0% p.a.					
Mortality rate	SLIC (2001-05) ultimate mortality table rated down one year				SLIC (2001-05) ultimate mortality table rated down one year			
Withdrawal rate	Light				Light			
	SCB Non Management Pension Fund		SCB Management Pension Fund		Additional Lump Sum on cessation scheme		Total	
	2024	2023	2024	2023	2024	2023	2024	2023

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

Present value of obligations	25,542	31,714	35,257	45,749	-	10,299	60,799	87,761
Fair value of plan assets	(74,791)	(62,636)	(69,488)	(61,901)	-	-	(144,279)	(124,537)
(Receivable from) / payable to defined benefit plan	(49,249)	(30,922)	(34,231)	(16,152)	-	10,299	(83,480)	(36,776)

37.5 Movement in defined benefit obligation

Obligation as at 1 January	31,714	28,485	45,749	43,519	10,299	10,425	87,762	82,428
Interest cost	4,894	3,471	7,073	5,324	(8,707)	1,516	3,260	10,311
Benefits paid	(4,397)	(4,363)	(6,907)	(6,235)	(1,592)	-	(11,896)	(10,598)
Re-measurement: Actuarial (gain) / loss on obligation	(6,669)	4,121	(11,668)	3,141	-	(1,643)	(18,327)	5,620
Obligation as at 31 December	25,542	31,714	35,257	45,749	-	10,299	60,799	87,761

37.6 Movement in fair value of plan assets

Fair value as at 1 January	62,636	57,248	61,901	57,450	-	-	124,537	114,998
Interest income on plan assets	9,687	7,052	9,577	7,280	-	-	19,264	14,332
Actual contribution by employer	22	-	-	-	-	-	22	-
Benefits paid	(4,396)	(4,363)	(6,907)	(6,235)	-	-	(10,303)	(10,598)
Re-measurement: Actuarial gain / (loss) on plan assets	6,842	2,699	3,917	3,406	-	-	10,759	6,105
Fair value as at 31 December	74,791	62,636	69,488	61,901	-	-	144,279	124,537

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

Balance as at 1 January	(30,922)	(28,763)	(16,152)	(13,931)	10,299	10,425	(36,776)	(32,269)
Net benefit cost/(income) for the year ended	(4,793)	(3,581)	(2,504)	(1,956)	(8,706)	1,516	(16,003)	(4,021)
Benefits paid	-	-	-	-	(1,592)	-	(1,592)	-
Net (contribution to)/refund from Gratuity Fund	(22)	-	-	-	-	-	(22)	-
Total amount of remeasurements recognised in OCI during the year	(13,511)	1,422	(16,576)	(266)	-	(1,643)	(29,086)	(486)
Balance as at 31 December	(49,249)	(30,922)	(34,231)	(16,152)	-	10,299	(83,479)	(36,776)

37.8 Actual return on plan assets

Expected return on plan assets	9,687	7,052	9,577	7,280	-	-	19,264	14,332
Actuarial gain / (loss) on plan assets	6,842	2,699	3,917	3,406	-	-	10,759	6,105
	16,529	9,751	13,494	10,686	-	-	30,023	20,437

Amount recognized in total comprehensive income

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

Components of defined benefit costs recognized in profit and loss account

Interest cost	4,894	3,471	7,073	5,324	(8,707)	1,516	3,260	10,311
Expected return on plan assets	(9,687)	(7,052)	(9,577)	(7,280)	-	-	(19,264)	(14,332)
	(4,793)	(3,581)	(2,504)	(1,956)	(8,707)	1,516	(16,004)	(4,021)

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

Re-measurement: Actuarial gain / loss on obligation

-(Gain) / Loss due to change in financial assumptions	619	464	806	672	-	(951)	1,425	185
-(Gain) / Loss due to change in experience adjustments	(7,288)	3,657	(12,464)	2,469	-	(692)	(19,752)	5,434
	(6,669)	4,121	(11,658)	3,141	-	(1,643)	(18,327)	5,619

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

Actual net return on plan assets	13,467	9,215	12,676	11,012	-	-	26,143	20,227
Interest income on plan assets	9,687	7,052	9,577	7,280	-	-	19,264	14,332
Opening difference	3,062	536	817	(326)	-	-	3,879	210
	(6,842)	(2,699)	(3,916)	(3,406)	-	-	(10,758)	(6,105)
Net re-measurement recognised in other comprehensive income	(13,511)	1,422	(16,574)	(266)	-	(1,643)	(29,086)	(486)

37.5.1 Components of plan assets

Bonds	62,408	49,779	-	51,730	-	-	62,408	101,509
Cash and net current assets	12,383	12,857	69,488	10,171	-	-	81,871	23,028

37.8.2 Sensitivity Analysis on defined benefit obligations

	+1% Discount rate	-1% Discount rate	+1% Pension Increase	-1% Pension Increase
	(Rupees in '000)			
Non Management Pension Fund	24,960	26,155	26,206	24,908
Management Pension Fund	34,497	36,051	36,116	34,429

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

	2024	2023	2022	2021	2020
	----- (Rupees in '000) -----				
Present value of defined benefit obligation	<u>60,799</u>	<u>87,761</u>	<u>82,428</u>	<u>99,941</u>	<u>103,158</u>
Fair value of plan assets	<u>144,279</u>	<u>124,537</u>	<u>114,698</u>	<u>113,791</u>	<u>111,884</u>
Deficit / (Surplus)	<u>(83,480)</u>	<u>(36,776)</u>	<u>(32,270)</u>	<u>(13,850)</u>	<u>(8,726)</u>
Experience adjustments on plan liabilities - loss / (gain)	<u>(19,752)</u>	<u>5,434</u>	<u>(2,700)</u>	<u>10,086</u>	<u>(6,106)</u>
Experience adjustments on plan assets - loss / (gain)	<u>(10,758)</u>	<u>(6,105)</u>	<u>95</u>	<u>(3,021)</u>	<u>1,849</u>

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

37.8.5 Expected charge / (reversal) for the next financial year(9,764)**37.9 Funding Policy**

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

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

Asset Volatility

The Defined Benefit Pension Fund for Management has undergone a significant shift. The entire investment amount of Rs. 69.488 million is now held in cash and cash equivalents. This eliminates exposure to Special Saving Certificates and Government Bonds from the previous year. While cash holdings reduce bond yield and equity risks, they introduce liquidity and inflation risks, as returns tend to be lower. There is no equity or corporate bond exposure. Thus, no equity or settlement risk.

The Non-Management Pension Fund's investment strategy has shifted. 19.84% (Rs. 12,383 million) of the investment is now held in cash and cash equivalents, while 80.16% (Rs. 62,408 million) is invested in Pakistan investment Bonds (PIBs).

Changes in Bond Yields

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

Life expectancy / Withdrawal rate

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

38 DEFINED CONTRIBUTION PLAN

The Bank operates a contributory provident and gratuity fund scheme for permanent employees. For provident fund, the employer and employee both contribute 10% of the basic salaries to the funded scheme every month. For gratuity fund scheme, the employer contributes 8.33% and 16.66% of the basic salaries to the funded scheme every month and the payment is made subject to completion of vesting period. Equal monthly contribution by the employer for both the schemes during the year amounted to Rs. 676.494 million (2023: Rs. 584.940 million).

39 SHARE BASED PAYMENTS

The Bank's employees participate in the following share compensation plans operated globally by the ultimate holding company, Standard Chartered PLC (SCPLC). Under these equity settled plans, employees in Pakistan are issued shares of SCPLC upon meeting the vesting conditions. The market value of shares is denominated in pounds sterling at the time of grant. The (total income) / expense recognised in respect of above schemes on equity settled basis amounts to Rs. 205.272 million. The main features of each plan are as follows:

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

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

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A) Long Term Incentive Plan (LTIP) awards

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

B) Deferred/ Restricted shares

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

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

All Employee Sharesave Plans- (AESP) 2013 Sharesave Plan

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

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

	2024				2023			
	2011 Plan ¹		AESP 2013 Plan		2011 Plan ¹		AESP 2013 Plan	
	LTIP	Deferred/ Restricted shares	Sharesave	Weighted average exercise price £ per share	LTIP	Deferred/ Restricted shares	Sharesave	Weighted average exercise price £ per share
	------(Number in '000)-----							
At 1 January	-	95	87	4.97	-	78	65	3.79
Granted during the year	-	56	55	6.1	-	51	51	3.77
Exercised during the year	-	(37)	(13)	3.44	-	(35)	(11)	3.42
Lapsed during the year	-	(2)	(21)	5.09	-	-	(18)	4.1
Notional dividend	-	1	-	-	-	1	-	-
At 31 December	-	113	108	5.70	-	95	87	4.97

Scheme	2024					2023				
	Range of exercise price	Weighted average exercise price	No. of options (000)	Expected years	Contractual years	Range of exercise price	Weighted average exercise price	No. of options (000)	Expected years	Contractual years
LTIP 1 & 2	-	-	-	-	-	-	-	-	-	-
Deferred/ Restricted shares ^{14 & 3}	-	-	113	10	8.47	-	-	95	10	8.56
Sharesave ⁴	£3.14/£6.1	£5.70	108	3.33/5.33	2.74	£3.14/£5.88	£4.97	87	3.33/5.33	2.72

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

2) As of 31 December 2024, total number of options exercisable for Long-Term Incentive Plan (LTIP) awards were nil.

3) As of 31 December 2024 total number of options for Deferred / Restricted Shares Plan awards exercisable were 226.

4) As of 31 December 2024 total number of options exercisable for Sharesave Plan awards were 1,988 .

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40 COMPENSATION OF CHIEF EXECUTIVE AND EXECUTIVES

2024						
Directors			Members Shariah Board	President / CEO	Key Management Personnel	Other Material Risk Takers/ Controllers
Chairman	Executives (other than CEO)	Non- Executives				
----- (Rupees in '000) -----						
Fees and Allowances etc.	-	-	28,750	11,809	-	-
Managerial remuneration						
i) Fixed	-	-	-	8,916	128,975	408,139
ii) Total Variable of which						
a) Cash Bonus / Awards	-	-	-	2,000	80,768	198,370
b) Bonus & Awards in Shares	-	-	-	-	86,206	24,970
Contribution to defined contribution plan	-	-	-	1,089	-	49,875
Rent and house allowance	-	-	-	-	26,000	-
Conveyance	-	-	-	-	-	-
Others	-	-	-	4,940	484	114,126
Total	-	-	28,750	28,754	322,433	795,480
Total	-	-	28,750	28,754	322,433	795,480
Number of persons	1	-	4	4	1	20
						24

2023						
Directors			Members Shariah Board	President / CEO	Key Management Personnel	Other Material Risk Takers/ Controllers
Chairman	Executives (other than CEO)	Non- Executives				
----- (Rupees in '000) -----						
Fees and Allowances etc.	-	-	26,500	8,656	-	-
Managerial remuneration						
i) Fixed	-	-	-	7,526	110,336	383,732
ii) Total Variable of which						
a) Cash Bonus / Awards	-	-	-	1,560	80,593	144,740
b) Bonus & Awards in Shares	-	-	-	-	41,231	15,549
Contribution to defined contribution plan	-	-	-	920	-	46,892
Rent and house allowance	-	-	-	-	26,000	-
Conveyance	-	-	-	-	-	-
Others	-	-	-	4,744	174	55,805
Total	-	-	26,500	23,406	258,334	646,718
Total	-	-	26,500	23,406	258,334	646,718
Number of persons	1	0	3	4	1	14
						29

40.1 Chief Executive Officer (CEO) and the Key management personnel (KMP) are part of the Bank's MRT / MRC. In addition, certain staff meeting the criteria for MRT / MRC but not classified as KMP are separately disclosed as 'Other MRT / MRC'.

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40.2 Others include allowances in lieu of loans and relocations as per Bank policy and terms of employment for executives including the Chief Executive Officer.

40.3 The Chief Executive is also entitled for a Bank maintained car, reimbursements for cost of medical expense and other benefits like club subscription, utilities, etc as per the terms of employment.

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

		2024						
		Meeting Fees and Allowances Paid						
Sr. No.	Name of Director	For Board Meetings	For Board Committees				Share holders meeting	Total Amount Paid
			Board Audit Committee	Board HR Committee	Board Risk Committee	Board IT Committee		
----- (Rupees in '000) -----								
1	Ehsan Ali Malik	3,250	3,250	-	2,750	-	-	9,250
2	Badar Vellani	3,250	2,750	3,250	-	1,650	-	10,900
3	Towfiq Habib Chinoy	1,300	-	1,100	1,300	-	-	3,700
4	Ghias Khan	1,950	-	1,650	1,300	-	-	4,900
		9,750	6,000	6,000	5,350	1,650	-	28,750

		2023						
		Meeting Fees and Allowances Paid						
Sr. No.	Name of Director	For Board Meetings	For Board Committees				Share holders meeting	Total Amount Paid
			Board Audit Committee	Board HR Committee	Board Risk Committee	Board IT Committee		
----- (Rupees in '000) -----								
1	Towfiq Habib Chinoy	3,000	350	2,550	3,000	-	-	8,900
2	Ehsan Ali Malik	3,000	3,000	-	2,550	1,650	-	10,200
3	Badar Vellani	2,600	2,200	2,600	-	-	-	7,400
		8,600	5,550	5,150	5,550	1,650	-	26,500

40.5 Remuneration paid to Shariah Board Members

Items	2024			2023		
	Chairman	Resident Member	Non-Resident Member(s)	Chairman	Resident Member	Non-Resident Member(s)
Meeting Fees and Allowances	5,193	-	6,616	4,184	-	4,472
Salaries and allowances	-	16,945	-	-	14,750	-
Total amount	5,193	16,945	6,616	4,184	14,750	4,472
Number of persons	1	1	2	1	1	2

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41 FAIR VALUE

41.1 Fair value of financial instruments

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

The fair value of quoted securities other than those classified as fair value through profit and loss (FVTPL), is based on quoted market price. Quoted securities classified as (FVTPL) are carried at cost. The fair value of unquoted equity securities is determined on the basis of the break-up value of these investments as per their latest available financial statements.

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

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

On balance sheet financial instruments

	2024									
	Carrying value					Fair value				
	FVTPL	FVOCI	Amortized cost	Other financial assets	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
(Rupees in '000)										
Financial assets measured at fair value										
- Investments										
Federal Government Securities	432,095,728	218,219,352	-	-	-	650,315,080	29,274,761	621,040,319	-	650,315,080
- Investments - ordinary shares	-	843,085	-	-	-	843,085	-	-	843,085	843,085
- Investments - Preference shares	3,181,718	-	-	-	-	3,181,718	-	3,181,718	-	3,181,718
Financial assets not measured at fair value										
- Cash and bank balances with SBP and NBP	-	-	-	82,308,465	-	82,308,465	-	-	-	82,308,465
- Balances with other banks	-	-	-	13,216,951	-	13,216,951	-	-	-	13,216,951
- Lending to financial institutions	-	-	-	70,485,202	-	70,485,202	-	-	-	70,485,202
- Advances	-	-	171,566,660	-	-	171,566,660	-	-	-	171,566,660
- Other assets	-	-	-	17,161,541	-	17,161,541	-	-	-	17,161,541
	435,277,446	219,062,437	171,566,660	183,179,159	-	1,006,076,702				
Financial liabilities not measured at fair value										
- Bills Payable	-	-	-	-	23,057,139	23,057,139	-	-	-	23,057,139
- Deposits and other accounts	-	-	-	-	835,694,991	835,694,991	-	-	-	835,694,991
- Borrowings	-	-	-	-	18,285,487	18,285,487	-	-	-	18,285,487
- Other liabilities	-	-	-	-	52,489,761	52,489,761	-	-	-	52,489,761
	-	-	-	-	929,927,378	929,927,378				
Off-balance sheet financial instruments										
Interest Rate swaps / Foreign currency options / Forward purchase contracts	-	-	-	55,406,743	-	55,406,743	-	55,831,987	-	55,831,987
Interest Rate swaps / Foreign currency options / Forward sale contracts	-	-	-	30,650,376	-	30,650,376	-	40,800,872	-	40,800,872

On balance sheet financial instruments

	2023									
	Carrying value					Fair value				
	Held for Trading	Available for sale	Loans and receivables	Other financial assets	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
(Rupees in '000)										
Financial assets measured at fair value										
- Investments										
Federal Government Securities	377,041	225,980,091	-	-	-	228,357,132	-	226,357,132	-	226,357,132
Equity securities traded (Shares)	-	304,728	-	-	-	304,728	304,728	-	-	304,728
Financial assets not measured at fair value										
- Cash and bank balances with SBP and NBP	-	-	-	81,680,671	-	81,680,671	-	-	-	81,680,671
- Balances with other banks	-	-	-	38,230,009	-	38,230,009	-	-	-	38,230,009
- Lending to financial institutions	-	-	-	365,241,485	-	365,241,485	-	-	-	365,241,485
- Investments - ordinary shares	-	50,000	-	-	-	50,000	-	-	-	50,000
- Advances	-	-	220,183,482	-	-	220,183,482	-	-	-	220,183,482
- Other assets	-	-	-	26,884,954	-	26,884,954	-	-	-	26,884,954
	377,041	226,334,819	220,183,482	512,047,119	-	958,842,461				
Financial liabilities not measured at fair value										
- Bills Payable	-	-	-	-	18,331,699	18,331,699	-	-	-	18,331,699
- Deposits and other accounts	-	-	-	-	719,534,840	719,534,840	-	-	-	719,534,840
- Borrowings	-	-	-	-	48,265,389	48,265,389	-	-	-	48,265,389
- Other liabilities (excluding Liabilities against assets subject to finance lease)	-	-	-	-	109,941,513	109,941,513	-	-	-	109,941,513
	-	-	-	-	896,073,441	896,073,441				
Off-balance sheet financial instruments										
Interest Rate swaps / Foreign currency options / Forward purchase contracts	-	-	-	61,062,491	-	61,062,491	-	61,496,980	-	61,496,980
Interest Rate swaps / Foreign currency options / Forward sale contracts	-	-	-	39,135,012	-	39,135,012	-	55,582,808	-	55,582,808

41.2 Fair value of non-financial assets

	2024				2023			
	Carrying value	Fair value			Carrying value	Fair value		
		Level 1	Level 2	Level 3		Level 1	Level 2	Level 3
Rupees in '000								
Property and equipments	9,057,395	-	-	9,057,395	9,372,928	-	-	9,372,928

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

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

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

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

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

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

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

42 SEGMENT INFORMATION

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

Corporate and Investment Banking (CIB)

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

Wealth and Retail Banking (WRB)

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

Central & Other Items

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

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

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42.1 Segment Details with respect to Business Activities

	2024			Total
	Corporate and Investment Banking (CIB)	Wealth and Retail Banking (WRB)	Central and Other Items	
----- (Rupees in '000) -----				
Profit & Loss				
Inter segment revenue - net	46,595,684	49,298,212	(95,893,896)	-
Net mark-up/ return/ profit	(7,598,032)	(12,414,212)	113,525,163	93,512,919
Non mark-up / return / interest income	16,885,075	5,623,977	2,149,983	24,659,035
Total Income	55,882,727	42,507,977	19,781,250	118,171,954
Segment direct expenses	6,230,347	12,846,561	3,383,317	22,460,225
Inter segment expense allocation	-	-	-	-
Total expenses	6,230,347	12,846,561	3,383,317	22,460,225
Credit loss allowance charge / (release)	(3,856,547)	(412,552)	(639,323)	(4,908,422)
Profit before taxation	53,508,927	30,073,968	17,037,256	100,620,151
Balance Sheet				
Cash & Bank balances	-	-	95,523,416	95,523,416
Investments	432,095,728	843,085	221,401,070	654,339,883
Net inter segment lending	(92,244,439)	319,037,880	(226,793,441)	-
Lendings to financial institutions	-	-	70,485,202	70,485,202
Advances - performing - net	131,602,844	39,661,146	-	171,263,990
- Non performing - net	152,289	150,381	-	302,670
Others	19,989,323	15,392,183	29,995,393	65,376,899
Total Assets	491,595,745	375,084,675	190,611,640	1,057,292,060
Borrowings	-	-	18,285,487	18,285,487
Deposits & other accounts	461,717,526	373,938,709	38,756	835,694,991
Net inter segment borrowing	-	-	-	-
Others	29,878,219	1,145,966	54,565,540	85,589,725
Total liabilities	491,595,745	375,084,675	72,889,783	939,570,203
Equity	-	-	117,721,857	117,721,857
Total Equity & liabilities	491,595,745	375,084,675	190,611,640	1,057,292,060
Contingencies & Commitments	209,655,266	463,653	78,990,696	289,109,615
----- 2023 -----				
Profit & Loss				
Inter segment revenue - net	30,952,785	46,241,640	(77,194,425)	-
Net mark-up/ return/ profit	6,876,094	(13,135,920)	100,993,297	94,733,471
Non mark-up / return / interest income	10,573,700	5,694,647	(2,943,384)	13,324,963
Total Income	48,402,579	38,800,367	20,855,488	108,058,434
Segment direct expenses	5,746,804	10,712,488	2,540,655	18,999,947
Inter segment expense allocation	-	-	-	-
Total expenses	5,746,804	10,712,488	2,540,655	18,999,947
Credit loss allowance charge / (release)	(247,403)	66,457	18,227	(162,719)
Profit before taxation	42,903,178	28,021,422	18,296,606	89,221,206
Balance Sheet				
Cash & Bank balances	-	-	119,920,680	119,920,680
Investments	2,055,371	50,000	224,606,489	226,711,860
Net inter segment lending	167,677,295	308,910,691	(476,587,986)	-
Lendings to financial institutions	-	-	365,241,485	365,241,485
Advances - performing - net	177,062,649	41,741,098	-	218,803,747
- Non performing - net	236,654	1,143,081	-	1,379,735
Others	25,477,964	15,066,834	29,345,527	69,890,325
Total Assets	372,509,933	366,911,704	262,526,195	1,001,947,832
Borrowings	-	-	48,265,389	48,265,389
Deposits & other accounts	354,915,767	364,606,088	12,985	719,534,840
Net inter segment borrowing	-	-	-	-
Others	17,594,166	2,305,616	118,025,158	137,924,940
Total liabilities	372,509,933	366,911,704	166,303,532	905,725,169
Equity	-	-	96,222,663	96,222,663
Total Equity & liabilities	372,509,933	366,911,704	262,526,195	1,001,947,832
Contingencies & Commitments	225,878,689	475,257	98,971,402	325,325,348

43 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:

	2024				2023			
	Parent	Directors	Key management personnel	Other related parties	Parent	Directors	Key management personnel	Other related parties
(Rupees in '000)								
Balances with other banks								
In current accounts	13,109,030	-	-	-	37,677,024	-	-	-
In deposit accounts	-	-	-	-	-	-	-	-
	13,109,030	-	-	-	37,677,024	-	-	-
Lendings to financial institutions								
Opening balance	45,745,839	-	-	-	19,486,290	-	-	-
Addition during the year	92,659,463	-	-	-	314,142,929	-	-	-
Repaid during the year	(104,079,132)	-	-	-	(287,883,350)	-	-	-
Closing balance	34,326,170	-	-	-	45,745,839	-	-	-
Advances								
Opening balance	-	6	186,181	-	-	76	215,089	-
Addition during the year	-	681	48,915	-	-	695	146,941	-
Repaid during the year	-	(569)	(84,352)	-	-	(765)	(175,849)	-
Transfer in / (out) - net	-	-	(16,506)	-	-	-	-	-
Closing balance	-	118	133,338	-	-	6	186,181	-
Credit loss allowance held	-	(1)	(478)	-	-	-	-	-
(Rupees in '000)								
Other Assets								
Interest / mark-up accrued	137,882	-	441	-	548,209	-	877	-
Receivable from staff retirement fund	-	-	-	83,479	-	-	-	36,776
Due from associated undertakings	65,649	-	-	-	148,413	-	-	-
Total	203,531	-	441	83,479	696,622	-	877	36,776
Borrowings								
Opening balance	20,169,516	-	-	-	3,074,559	-	-	-
Borrowings during the year	9,822,966	-	-	-	17,152,736	-	-	-
Settled during the year	(374,252)	-	-	-	(57,779)	-	-	-
Transfer in / (out) - net	(29,472,411)	-	-	-	-	-	-	-
Closing balance	145,819	-	-	-	20,169,516	-	-	-
Deposits and other accounts								
Opening balance	749,580	5,064	192,670	392,396	542,284	3,340	150,835	84,277
Received during the year	1,032,356	32,888	1,874,908	11,261,634	223,858	317,710	1,198,129	10,866,859
Withdrawn during the year	(29,296)	(36,026)	(1,634,273)	(11,301,114)	(16,562)	(316,029)	(1,156,294)	(10,558,740)
Transfer in / (out) - net	-	-	(195,078)	-	-	43	-	-
Closing balance	1,752,640	1,926	238,227	352,916	749,580	5,064	192,670	392,396
Other Liabilities								
Interest / mark-up payable	-	-	-	-	-	-	-	-
Due to holding company	17,887,771	-	-	-	53,879,416	-	-	-
Other liabilities	-	16	-	-	-	5	-	-
(to be specified separately if > Rs 5 million)	-	-	-	-	-	-	-	-
Total	17,887,771	16	-	-	53,879,416	5	-	-
Contingencies and Commitments								
Transaction-related contingent liabilities - guarantees	76,055,449	-	-	-	78,991,846	-	-	-
Commitments in respect of forward foreign exchange contracts	3,426,331	-	-	-	4,170,666	-	-	-
Derivatives								
Derivative instruments- Interest rate swaps - notional	-	-	-	-	1,761,631	-	-	-
Derivative instruments - Cross currency swaps - notional	1,583,763	-	-	-	3,401,377	-	-	-
Derivative instruments- FX options - Notional	4,971,406	-	-	-	29,843	-	-	-
Derivative assets	65,249	-	-	-	47,075	-	-	-
Derivative liabilities	277,193	-	-	-	374,304	-	-	-

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RELATED PARTY TRANSACTIONS

	2024				2023			
	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	3,510,426	65	41,751	-	3,769,994	80	36,683	-
Fee and commission income	9,608	21	21	-	7,733	8	61	-
Income / (loss) from derivatives	(529,972)	-	-	-	148,980	-	-	-
Expense								
Mark-up / return / interest paid	-	54	23,101	53,799	-	29	12,838	60,648
Fee and commission expense	-	-	-	-	-	-	-	-
Operating expenses	-	28,750	1,117,913	-	-	26,500	905,052	-
Rent expense	-	-	-	-	-	-	-	-
Other transactions								
Dividend paid	51,435,085	12	-	-	1,449,100	8	-	-
Contribution to defined contribution plans	-	-	-	676,494	-	-	-	584,940
Net charge for defined contribution plans	-	-	-	676,494	-	-	-	584,940
Net charge / (reversal) for defined benefit plans	-	-	-	(16,003)	-	-	-	(4,021)

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

44 CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS

2024 2023
(Rupees in '000)

Minimum Capital Requirement (MCR):

Paid-up capital (net of losses)

38,715,850 38,715,850

Capital Adequacy Ratio (CAR):

Eligible Common Equity Tier 1 (CET 1) Capital

93,970,003 74,235,298

Eligible Additional Tier 1 (ADT 1) Capital

- -

Total Eligible Tier 1 Capital

93,970,003 74,235,298

Eligible Tier 2 Capital

13,112,113 9,620,328

Total Eligible Capital (Tier 1 + Tier 2)

107,082,116 83,855,626

Risk Weighted Assets (RWAs):

Credit Risk

246,069,647 279,141,217

Market Risk

27,607,130 8,018,671

Operational Risk

182,304,637 130,656,458

Total

455,981,414 417,816,346

Common Equity Tier 1 Capital Adequacy ratio

20.61% 17.77%

Tier 1 Capital Adequacy Ratio

20.61% 17.77%

Total Capital Adequacy Ratio

23.48% 20.07%

Minimum CAR (including Capital Conservation Buffer)

11.50% 11.50%

Leverage Ratio (LR):

Eligible Tier-1 Capital

93,970,003 74,235,298

Total Exposures

1,284,528,329 1,212,116,047

Leverage Ratio

7.32% 6.12%

Minimum SBP Requirement

3.00% 3.00%

Liquidity Coverage Ratio (LCR):

Average High Quality Liquid Assets

625,531,918 522,101,429

Average Net Cash Outflow

204,649,855 157,909,055

Average Liquidity Coverage Ratio

305.7% 330.6%

Minimum SBP Requirement

100% 100%

Net Stable Funding Ratio (NSFR):

Total Available Stable Funding

711,535,614 666,738,313

Total Required Stable Funding

211,143,591 289,655,616

Net Stable Funding Ratio

337% 230%

Minimum SBP Requirement

100% 100%

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

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45. RISK MANAGEMENT

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

Other areas of risk (Climate Risk, Digital Asset Risk, Third Party Risk): The Risk Framework Owner (RFO) demonstrates how these risks are considered in the RTFs, policies and/or standards, that cut across multiple PRTs.

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

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

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

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


The Shariah Non Compliance Risk And Governance Management Framework, sets out the approach for management of Shariah non Compliance risk as well as the roles and responsibilities of the various stakeholders.

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

45.1 Credit risk

Credit Risk is defined as the "potential for loss due to the failure of a counterparty to meet its agreed obligations to pay the Bank". Credit risk is analyzed through various risk assessments.

All credit proposals are subject to a robust Credit Risk assessment that includes a comprehensive evaluation of the client's credit quality, including willingness, ability and capacity to repay. Furthermore, the credit proposals are also analyzed considering the following:

- Credit concentration risk: The risk of material losses arising from sub-optimally diversified exposures. This may be due to the portfolio's sizeable single name exposure or high correlation across geographies and sectors. The risk arises that, due to a change in circumstances, having a concentration may give rise to potential losses.
 - FX lending risk: The relationship between credit risk and market risk, where volatility in exchange rate movements may have adverse consequences on a borrower's debt servicing capacity should they lack natural or financial hedges. FX lending risk may also be present through currency concentration and where there is a collateral currency mismatch.
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- **Credit residual risk:** The risk of partial performance or failure of credit risk mitigation techniques (e.g. collateral, derivative based hedging, insurance), owing to undervaluation or ineffective enforceability. Credit residual risk can occur due to the imperfect matching profile between credit exposures and collaterals / hedging instruments.
- **Regulatory Risk:** The risk of failure to comply with regulations and rules relating to the management of credit risk exposures.
- **Refinancing risk:** The risk that a borrower cannot refinance by borrowing further to repay existing debt potentially leading to the borrower facing liquidity pressures.
- **Collateral Management Risk:** The risk that collateral held as a credit risk mitigant is not adequately documented or formalities to facilitate enforcement have not been completed or the collateral is not effectively managed and as a result may not achieve the estimated forced sale value when enforced.
- **Credit Monitoring:** Processes are in-place that assists in controlling the rising risks, which may lead to credit losses. The process includes vigilant tracking and managing the accounts reported in Excess and Past Due Monitoring (EPDM), Conditions Covenant and Risk Triggers (CCaRT), Accounts Subject to Additional Review (ASTAR) and Early Alert Reporting (EAR).

Climate Risk assessment is also made an integral part to identify the potential for financial loss and non-financial detriments arising from climate change and society's response to it. This manifests in Credit Risk through the financial impact of physical risk and transition risk to our clients; thereby affecting their ability to generate the income required to repay debt, as well as the collateral that may back the loan.

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

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

The overall credit portfolio is monitored against risk appetite and any breach is highlighted and discussed at the appropriate governance forum / authority levels and appropriate mitigation actions determined by the appropriate committees / delegated authorities. Moreover, Credit Monitoring Processes are also in-place that assists in controlling the rising risks, which may lead to credit losses. The process includes vigilant tracking and managing the accounts reported in Excess and Past Due Monitoring (EPDM), Conditions Covenant and Risk Triggers (CCaRT), Accounts Subject to Additional Review (ASTAR) and Early Alert Reporting (EAR).

Credit Risk Mitigation techniques are also in-placed, including collateral, guarantees, and legally enforceable netting agreement (if any). Quantitative and qualitative information about its securitization activities and contractual obligations with respect to recourse arrangements and the expected losses under those arrangements.

The Risk Management function of the Bank is regularly conducting assessments of the credit portfolio to identify borrowers most likely to get affected due to changes in the business and economic environment.

Provisions for the credit portfolio are determined in accordance with IFRS 9 and SBP Prudential Regulations. Details of the credit loss allowance against advances are provided in Note 9.4.

Details of the methodologies and models used for measuring Probability of Default (PD), Exposure at Default (EAD), Loss Given Default (LGD), ECL principles, and staging criteria are provided in Note 4.2.11

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45.1.1 *Loanings to financial institutions*

Credit risk by public / private sector

	Gross loanings		Non-performing loanings		Credit loss allowance				Provision held
	2024	2023	2024	2023	2024				2023
					Stage1	Stage2	Stage3	Total	
	(Rupees in '000)								
Public/ Government	36,189,330	319,495,846	-	-	-	-	-	-	-
Private	34,326,170	45,745,839	-	-	10,298	-	-	10,298	-
	70,495,600	365,241,485	-	-	10,298	-	-	10,298	-

45.1.2 *Investment in debt securities*

Credit risk by industry sector

	Gross investments		Non-performing investments		Credit loss allowance				Provision held
	2024	2023	2024	2023	2024				2023
					Stage1	Stage2	Stage3	Total	
	(Rupees in '000)								
Financial	650,315,080	226,357,132	-	-	-	-	-	-	-
Chemical and Pharmaceuticals	-	147,000	-	147,000	-	-	-	-	147,000
	650,315,080	226,504,132	-	147,000	-	-	-	-	147,000

Credit risk by public / private sector

	Gross investments		Non-performing investments		Credit loss allowance				Provision held
	2024	2023	2024	2023	2024				2023
					Stage1	Stage2	Stage3	Total	
	(Rupees in '000)								
Public/ Government	650,315,080	226,357,132	-	-	-	-	-	-	-
Private	-	147,000	-	147,000	-	-	-	-	147,000
	650,315,080	226,504,132	-	147,000	-	-	-	-	147,000

45.1.3 *Advances*

Credit risk by industry sector

	Gross advances		Non-performing advances		Credit loss allowance				Provision held
	2024	2023	2024	2023	2024				2023
					Stage1	Stage2	Stage3	Total	
	(Rupees in '000)								
Agriculture, Forestry, Hunting and Fishing	5,286,696	4,229,572	778,939	-	2,285	-	778,939	781,224	-
Food, tobacco and beverages	29,648,817	45,213,660	2,121,672	2,141,466	14,511	79,561	2,121,672	2,215,744	2,141,466
Metal and allied	1,704,669	79,267	58,021	-	431	-	34,533	34,964	-
Oil and gas	-	14,632	-	-	-	-	-	-	-
Textile	49,263,830	44,949,107	3,681,122	5,764,340	83,466	156,760	3,657,319	3,897,545	5,645,815
Chemical and Pharmaceuticals	5,147,207	9,924,913	182,851	1,435,281	85,883	85,840	182,851	354,374	1,435,281
Cement	3,012,911	3,009,895	3,009,868	3,009,868	-	-	3,009,868	3,009,868	3,009,868
Sugar	374,647	1,693,976	124,591	124,591	186	-	124,591	124,777	124,591
Footwear and Leather garments	13,027	36,978	-	36,978	-	-	-	-	36,978
Automobile and transportation equipment	2,167,381	4,129,289	543,378	455,138	1,220	12,539	488,378	502,137	455,138
Electronics and electrical appliances	6,186,987	11,095,791	16,940	16,940	3,727	57,571	16,940	78,238	16,940
Construction	2,483,004	5,420,243	230,860	678,744	103	-	230,860	230,963	640,730
Power (electricity), Gas, Water, Sanitary	533,665	3,351,129	523,347	1,331,026	62	23	473,347	473,432	1,297,789
Wholesale and Retail Trade	6,957,227	15,264,597	1,034,675	456,527	2,519	-	1,034,675	1,037,194	456,527
Transport, Storage and Communication	4,279,411	34,282,780	13,064	1,320,169	21,164	67,944	13,064	102,172	1,320,169
Financial	328	4,906,255	-	-	1	-	-	1	-
Services	12,989,767	2,970,472	411,809	1,234,510	211,547	-	411,809	623,356	1,187,632
Individuals	40,770,800	43,287,606	2,547,377	2,548,652	956,080	437,122	2,396,998	3,789,200	1,405,567
Others	19,553,258	6,893,018	1,542,463	506,954	9,290	-	1,542,463	1,551,753	506,956
	190,373,602	240,843,280	16,820,977	21,061,184	1,391,475	897,160	16,518,307	18,806,942	19,681,447

Credit risk by public / private sector

	Gross advances		Non-performing advances		Credit loss allowance				Provision held
	2024	2023	2024	2023	2024				2023
					Stage1	Stage2	Stage3	Total	
	(Rupees in '000)								
Public/ Government	-	-	-	-	-	-	-	-	-
Private	190,373,602	240,843,280	16,820,977	21,061,184	1,391,475	897,160	16,518,307	18,806,942	19,681,447
	190,373,602	240,843,280	16,820,977	21,061,184	1,391,475	897,160	16,518,307	18,806,942	19,681,447

45.1.4 *Contingencies and Commitments*

Credit risk by industry sector

	2024	2023
	---(Rupees in '000)---	
Agriculture, Forestry, Hunting and Fishing	2,024,694	954,600
Mining and Quarrying	818,934	510,805
Engineering	585,072	882,706
Textile	16,376,155	11,727,190
Chemical and Pharmaceuticals	9,413,001	11,041,903
Cement	224,442	253,065
Sugar	1,200,900	1,502,400
Automobile and transportation equipment	10,892,382	8,254,657
Electronics and electrical appliances	24,291,220	20,244,133
Construction	94,755	-
Power (electricity), Gas, Water, Sanitary	19,243,587	24,307,593
Wholesale and Retail Trade	1,198,937	2,582,436
Exports/Imports	475	53,901
Transport, Storage and Communication	22,835,933	20,922,837
Financial	154,766,516	174,082,045
Food, tobacco and beverages	8,623,822	9,261,971
Services	6,433,014	5,915,338
Others	10,085,776	34,817,788
	289,109,615	325,325,348
Credit risk by public / private sector		
Public/ Government	305,767	-
Private	288,803,848	325,325,348
	289,109,615	325,325,348

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45.1.5 Concentration of Advances

The Bank's top 10 exposures on the basis of total (funded and non-funded exposures) aggregated to Rs. 101.458 billion (2023: Rs. 141.686 billion) are as following:

	2024	2023
	(Rupees in '000)	
Funded	60,069,690	95,093,397
Non Funded	41,388,951	46,592,625
Total Exposure	101,458,641	141,686,022

The sanctioned limits against these top 10 exposures aggregated to Rs. 145.622 billion (2023: Rs. 195.412 billion). None of the above are non-performing.

45.1.6 Advances - Province/Region-wise Disbursement & Utilization

Province/Region	2024						
	(Rupees in '000)						
	Utilization						
Disbursements	Punjab	Sindh	KPK including FATA	Balochistan	Islamabad	AJK including Gilgit-Baltistan	
Punjab	1,252,961,128	1,252,961,128	-	-	-	-	-
Sindh	999,214,593	-	999,214,593	-	-	-	-
KPK including FATA	73,327	-	-	73,327	-	-	-
Balochistan	77,867	-	-	-	77,867	-	-
Islamabad	375,021,157	-	-	-	-	375,021,157	-
AJK including Gilgit-Baltistan	-	-	-	-	-	-	-
Total	2,627,348,072	1,252,961,128	999,214,593	73,327	77,867	375,021,157	-

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

45.2 Market Risk

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

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

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

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

45.2.1 Balance sheet split by trading and banking books

	2024			2023		
	(Rupees in '000)			(Rupees in '000)		
	Banking book	Trading book	Total	Banking book	Trading book	Total
Cash and balances with treasury banks	82,306,465	-	82,306,465	81,690,671	-	81,690,671
Balances with other banks	13,216,951	-	13,216,951	38,230,009	-	38,230,009
Lendings to financial institutions	70,485,202	-	70,485,202	365,241,485	-	365,241,485
Investments	219,062,437	435,277,446	654,339,883	226,334,819	377,041	226,711,860
Advances	171,566,660	-	171,566,660	220,183,482	-	220,183,482
Property and equipment	11,643,964	-	11,643,964	11,380,991	-	11,380,991
Right-of-use assets	911,194	-	911,194	1,285,344	-	1,285,344
Intangible assets	26,095,310	-	26,095,310	26,095,310	-	26,095,310
Other assets	26,301,187	425,244	26,726,431	30,359,223	789,457	31,128,680
Total	621,589,370	435,702,690	1,057,292,060	1,000,801,334	1,146,498	1,001,947,832

45.2.2 Foreign Exchange Risk

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

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

	2024				2023			
	(Rupees in '000)				(Rupees in '000)			
	Foreign Currency Assets	Foreign Currency Liabilities	Off-balance sheet Items	Net foreign currency exposure	Foreign Currency Assets	Foreign Currency Liabilities	Off-balance sheet Items	Net foreign currency exposure
United States Dollar	109,039,545	108,513,032	(54,780,100)	(54,253,587)	101,955,489	105,440,874	(52,378,753)	(55,864,138)
Great Britain Pound Sterling	9,515,265	9,497,855	(638,148)	(620,738)	9,983,340	(167,252)	(169,231)	
Euro	2,087,120	2,050,881	(11,628,817)	(11,592,578)	3,875,625	4,454,720	(17,422,318)	(18,001,413)
Swiss Franc	49,651	40,673	(722,013)	(722,035)	58,695	58,644	(781,572)	(781,521)
Japanese Yen	194,131	174,975	(2,841,320)	(2,822,184)	75,577	64,345	(1,815,665)	(1,804,433)
Other currencies	781,332	775,548	(5,812,394)	(5,806,610)	20,016,498	19,848,959	(5,573,515)	(5,405,976)
Total	121,658,044	121,052,964	(76,222,792)	(75,817,712)	135,963,245	139,850,882	(78,139,075)	(82,026,712)

	2024		2023	
	(Rupees in '000)		(Rupees in '000)	
	Banking book	Trading book	Banking book	Trading book
Impact of 1% change in foreign exchange rates on	(+/-)	(+/-)	(+/-)	(+/-)
- Profit and loss account	N/A	(80,819)	N/A	(34,062)
- Other comprehensive Income	N/A	N/A	N/A	N/A

45.2.3 Equity position Risk

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

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45.2.4 Yield / Interest Rate Risk in the Banking Book (IRRBB)-Based Specific

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

IRRBB arises from 1) Repricing Risk (arises from timing mismatch in the re-pricing profile of assets, liabilities, and off-balance sheet positions), 2) Basis Risk (arises from the imperfect correlation of rates on different instruments with otherwise similar re-pricing characteristics) and 3) Option Risk (result from clients exercising their right to alter the cash-flow of an instrument).

SCB uses below metrics to measure and monitor IRRBB

- Net Interest Income (NII) sensitivity Analysis: Estimates the potential change in net interest income over 12 months horizon from movement interest rates.
- Economic Value Sensitivity (EVE) Analysis: Represents the potential change in the present value of the bank assets and liabilities from a movement in interest rates.
- Re-pricing or Interest Rate Gaps: The risk arising from timing difference in the repricing of tenor profile (floating rate) or on the maturity profile (fixed rate) of assets, liabilities & off-balance sheet items.
- Basis risk arises from imperfect correlation of rates of different instruments with otherwise similar repricing characteristics.
- Present Value of 1 basis point (PVO1): Calculates the Present value of cashflows for 1 basis change in interest rates.

Regular monitoring of NII and EVE metrics are in place against risk appetite. Risk appetite and any associated limits are reviewed annually by ALCO and approved by BoD.

Pillar 2 assessments under ICAAP are captured for IRRBB metrics. PVO1, stress loss trigger and Value at Risk (VaR) are monitored against limits on daily basis.

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

	2024		2023	
	Banking book	Trading book	Banking book	Trading book
Impact of 1% change in interest rates on	(+/-)	(+/-)	(+/-)	(+/-)
- Profit and loss account	3,008,340	(427,851)	3,378,877	(154,658)
- Other Comprehensive income	(1,644,062)	-	(1,306,165)	-

45.2.5 MISMATCH OF INTEREST RATE SENSITIVE FINANCIAL ASSETS AND LIABILITIES

	Effective yield / Interest rate	Total	2024										Non interest bearing financial instruments
			Upto one month	Over one month to three months	Over three months to six months	Over six months to one year	Exposed to yield / Interest rate risk					Over ten years	
							Over one year to two years	Over two years to three years	Over three years to five years	Over five years to ten years	Over ten years		
On-balance sheet financial instruments													
Assets													
Cash and balances with treasury banks	4.02%	62,306,465	9,950,663	-	-	-	-	-	-	-	-	-	72,355,802
Balances with other banks	4.77%	13,216,851	13,216,851	-	-	-	-	-	-	-	-	-	-
Lending to financial institutions	9.85%	70,485,202	44,023,852	26,482,260	-	-	-	-	-	-	-	-	-
Investments	19.82%	654,339,883	34,966,464	602,842,716	81,603,441	30,802,459	-	-	-	-	-	-	4,024,804
Advances	21.71%	171,566,660	68,076,488	43,543,779	39,820,805	10,721,047	4,251,889	2,335,802	2,685,542	131,188	-	-	-
Other assets	-	17,570,903	-	-	-	-	-	-	-	-	-	-	17,570,903
Liabilities		1,009,486,064	170,233,518	572,848,744	121,424,348	41,523,528	4,281,889	2,335,802	2,685,542	131,188	-	-	93,951,508
Bills payable	-	23,057,139	-	-	-	-	-	-	-	-	-	-	23,057,139
Borrowings	10.36%	18,285,497	233,682	2,838,371	14,534,721	34,593	68,166	68,166	138,331	207,497	-	-	159,890
Deposits and other accounts	7.87%	835,894,851	429,628,858	2,808,221	926,266	393,616	18,780	8,100	-	-	-	-	401,814,041
Sub-ordinated loans	-	-	-	-	-	-	-	-	-	-	-	-	-
Other liabilities	-	52,072,371	-	-	-	-	-	-	-	-	-	-	52,072,371
On-balance sheet gap		929,109,888	429,862,620	5,746,592	15,460,587	428,198	87,958	77,268	138,331	207,497	-	-	477,100,541
Off-balance sheet financial instruments		80,376,076	(259,629,102)	567,202,152	105,963,359	41,095,328	4,183,833	2,258,536	2,847,211	(76,309)	-	-	(383,149,032)
Forward Lending													
Interest Rate Swap / Cross Currency Swaps	-	-	-	-	-	-	-	-	-	-	-	-	-
Foreign Currency option	-	4,971,406	4,971,406	-	-	-	-	-	-	-	-	-	-
Forward Foreign Exchange Contracts	-	52,768,823	35,202,246	14,640,875	2,826,002	-	-	-	-	-	-	-	-
Forward Borrowing	-	67,740,228	40,173,652	14,940,875	2,926,002	-	-	-	-	-	-	-	-
Forward Borrowing													
Interest Rate Swap / Cross Currency Swaps	-	22,165,121	1,048,188	20,710,143	398,793	-	-	-	-	-	-	-	-
Foreign Currency option	-	4,971,406	4,971,406	-	-	-	-	-	-	-	-	-	-
Forward Foreign Exchange Contracts	-	3,623,848	3,235,551	288,298	-	-	-	-	-	-	-	-	-
Off-balance sheet gap		30,650,376	9,258,142	20,889,441	398,793	-	-	-	-	-	-	-	-
Total yield / Interest risk sensitivity gap		27,089,853	30,817,510	(6,357,868)	2,530,209	-	-	-	-	-	-	-	-
Cumulative yield / Interest risk sensitivity gap		107,465,928	(228,711,592)	580,844,288	108,493,568	41,095,328	4,183,833	2,258,536	2,847,211	(76,309)	-	-	(383,149,032)

	Effective yield / Interest rate	Total	2023										Non interest bearing financial instruments
			Upto one month	Over one month to three months	Over three months to six months	Over six months to one year	Exposed to yield / Interest rate risk					Over ten years	
							Over one year to two years	Over two years to three years	Over three years to five years	Over five years to ten years	Over ten years		
On-balance sheet financial instruments													
Assets													
Cash and balances with treasury banks	3.74%	61,690,871	10,667,685	-	-	-	-	-	-	-	-	-	70,822,966
Balances with other banks	3.49%	36,230,009	36,230,009	-	-	-	-	-	-	-	-	-	-
Lending to financial institutions	5.94%	305,241,485	325,720,845	39,480,540	-	-	-	-	-	-	-	-	-
Investments	20.34%	226,711,890	45,878,899	161,426,741	8,852,908	8,420,257	-	-	-	1,678,328	-	-	354,729
Advances	20.53%	220,183,482	124,080,785	62,512,609	14,686,091	8,283,393	6,581,947	3,170,710	857,258	720	-	-	-
Other assets	-	26,884,954	-	-	-	-	-	-	-	-	-	-	26,884,954
Liabilities		958,842,481	544,938,323	263,398,890	23,638,967	16,713,650	6,581,947	3,170,710	2,535,585	720	-	-	88,062,669
Bills payable	-	18,331,699	-	-	-	-	-	-	-	-	-	-	18,331,699
Borrowings	10.70%	48,265,389	5,824,387	17,418,531	4,205,188	57,194	103,082	69,166	138,331	276,682	-	-	20,172,848
Deposits and other accounts	7.36%	719,534,840	325,075,719	27,047,418	990,872	403,125	210,872	138,350	-	-	-	-	365,867,586
Sub-ordinated loans	-	-	-	-	-	-	-	-	-	-	-	-	-
Other liabilities	-	109,841,513	-	-	-	-	-	-	-	-	-	-	109,841,513
On-balance sheet gap		895,073,441	330,900,106	44,465,947	5,196,160	460,319	313,764	208,618	138,331	276,682	-	-	514,113,616
Off-balance sheet financial instruments		62,869,020	214,038,217	210,933,843	18,342,807	18,253,331	6,268,182	2,962,194	2,387,254	(275,942)	-	-	(416,050,977)
Forward Lending													
Interest Rate Swap / Cross Currency Swaps	-	1,761,631	-	1,761,631	-	-	-	-	-	-	-	-	-
Foreign Currency option	-	29,843	29,843	-	-	-	-	-	-	-	-	-	-
Forward Foreign Exchange Contracts	-	59,271,017	55,204,278	1,837,894	3,672	2,224,872	-	-	-	-	-	-	-
Forward Borrowing	-	61,062,491	55,234,122	3,599,525	3,972	2,224,872	-	-	-	-	-	-	-
Forward Borrowing													
Interest Rate Swap / Cross Currency Swaps	-	32,654,269	11,087,806	19,678,892	1,689,571	-	-	-	-	-	-	-	-
Foreign Currency option	-	6,450,899	3,975,413	255,068	3,882	2,216,636	-	-	-	-	-	-	-
Forward Foreign Exchange Contracts	-	39,135,011	15,083,062	19,931,960	1,693,483	2,216,636	-	-	-	-	-	-	-
Off-balance sheet gap		21,927,480	40,141,060	(16,332,435)	(1,869,481)	8,338	-	-	-	-	-	-	-
Total yield / Interest risk sensitivity gap		84,796,500	254,178,277	202,601,508	16,453,326	19,261,687	8,268,183	2,962,194	2,387,254	(275,942)	-	-	(416,050,977)
Cumulative yield / Interest risk sensitivity gap		456,780,785	473,234,111	489,495,778	495,763,871	498,728,155	501,123,419	500,847,477	500,847,477	-	-	-	-

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

45.3 Operational Risk

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

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

Standard Chartered Pakistan has embarked on a journey to modernise its Core-Banking application via Project ATLAS in 2024. This is a single harmonised Core-Banking version across all our SCB markets that is built on a modern technology stack which is 'Cloud Ready'. This supports all business segments including Wealth & Retail Banking and Corporate and Institutional Banking. Thus, the intent of this program was to make a single version of the core banking system across all countries with enhanced technical and functional capabilities.

The new modernised version of Core-Banking offers the below benefits to our clients and the users such as extreme Volume Scalability, 24x7 transactions processing without any cut-off, capabilities to handle future business and volume growth, reduces cost of change management delivery especially for multi-country requirements, opportunity to utilise features built for one country in other markets, facilitates standardisation of interfaces, enables standardisation of processes, core Banking now available in 'Postgres' database to overcome database obsolescence, zero transaction delays through queued processing and consolidated posting and avoid duplicate transactions posting using unique reference instead of scanning entire transaction history.

The bank has an enterprise risk management system in place, namely M7, that is utilized for the recording of operational risk areas (including financial losses and non financial events), Risk Issues, Residual Risk assessments, operational losses, results of control sample testings/Key Control Indicators/Key Risk Indicators, monitoring of controls, and associated mitigating actions pertinent to risks across the franchise.

Business Continuity Plans (BCP) for respective areas are in place and tested on a periodic basis. The Bank has enhanced monitoring for all cyber security risks. The remote work capabilities are available for staff and related risk and control measures are assessed to make sure they are fully protected using virtual private network (VPN) connections.

The Executive Risk Committee (ERC) is the overarching committee to have an oversight over operational risk related matters and other non-financial risks in addition (but not limited to) Compliance risk, Financial Crime risk, Conduct risk, Information & Cyber Security risk, Credit Risk, Treasury Risk and Reputational & Sustainability risk. The committee has a clear understanding of Operational risk as a distinct risk category and is aware of the key risks faced by the institution. The committee has the authority to take a view on the significance of risks and to direct appropriate actions. Depending on the significance of risks, the issues are tabled at ERC.

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

	2024									
	Total	Upto one month	Over one month to three months	Over three months to six months	Over six months to one year	Over one year to two years	Over two years to three years	Over three years to five years	Over five years to ten years	Over ten years
(Rupees in '000)										
Assets										
Cash and balances with										
treasury banks	82,306,465	82,306,465	-	-	-	-	-	-	-	-
Balances with other banks	13,216,951	13,216,951	-	-	-	-	-	-	-	-
Lendings to financial institutions	70,485,202	44,022,952	26,462,250	-	-	-	-	-	-	-
investments	654,339,883	34,706,498	506,384,400	81,603,441	30,802,459	-	-	-	843,085	-
Advances	171,566,660	20,135,147	42,297,757	46,112,912	10,150,680	34,693,031	2,530,153	663,063	5,117,845	9,866,072
Property and equipment	11,643,964	83,749	167,497	251,247	502,491	1,148,364	979,248	1,848,243	4,211,493	2,451,632
Right-of-use assets	911,194	-	1,387	110,329	125,264	120,009	165,701	284,000	104,504	-
Intangible assets	26,095,310	-	-	-	-	-	-	-	-	26,095,310
Other assets	26,726,431	13,515,775	4,729,086	1,866,812	149,078	421,003	6,044,677	-	-	-
	1,057,292,060	207,987,537	580,042,377	129,944,741	41,729,972	36,382,407	9,719,779	2,795,306	10,276,927	38,413,014
Liabilities										
Bills payable	23,057,139	23,057,139	-	-	-	-	-	-	-	-
Borrowings	18,285,487	393,652	2,838,371	14,534,721	34,583	69,166	69,166	138,331	207,497	-
Deposits and other accounts	835,694,991	124,041,149	43,196,830	61,359,180	121,259,442	485,830,290	8,100	-	-	-
Liabilities against Right-of-use assets	933,917	-	21,008	28,618	33,477	156,521	203,361	339,752	151,182	-
Deferred tax liabilities	6,354,705	-	-	-	-	-	-	6,354,705	-	-
Other liabilities	55,243,964	4,244,568	7,522,069	8,740,420	27,875,602	657,063	-	-	6,204,242	-
	939,570,203	151,736,508	53,578,276	84,662,939	149,203,104	486,713,040	280,627	6,832,788	6,562,921	-
	117,721,857	56,251,029	526,464,101	45,281,802	(107,473,132)	(450,330,633)	9,439,152	(4,037,482)	3,714,006	38,413,014
Net assets										
Share capital	38,715,850									
Reserves	46,949,679									
Surplus on revaluation of assets - net	10,036,242									
Unappropriated profit	22,020,086									
	117,721,857									

	2023									
	Total	Upto one month	Over one month to three months	Over three months to six months	Over six months to one year	Over one year to two years	Over two years to three years	Over three years to five years	Over five years to ten years	Over ten years
(Rupees in '000)										
Assets										
Cash and balances with										
treasury banks	81,690,671	81,690,671	-	-	-	-	-	-	-	-
Balances with other banks	38,230,009	38,230,009	-	-	-	-	-	-	-	-
Lendings to financial institutions	365,241,485	325,780,945	39,460,540	-	-	-	-	-	-	-
Investments	226,711,860	45,978,899	161,426,741	8,852,906	8,420,257	-	-	1,678,328	354,729	-
Advances	220,183,482	35,476,413	59,535,748	15,639,546	36,647,693	48,275,925	5,635,790	4,762,858	5,393,050	8,816,459
Property and equipment	11,380,991	68,258	137,383	203,899	409,540	1,329,102	819,083	1,638,164	4,026,967	2,748,595
Right-of-use assets	1,285,344	-	144	3,237	134,650	325,955	141,672	557,385	122,301	-
Intangible assets	26,095,310	-	-	-	-	-	-	-	-	26,095,310
Other assets	31,128,680	21,567,655	6,007,274	1,611,587	218,822	290,389	1,432,953	-	-	-
	1,001,947,832	548,792,850	266,567,830	26,311,175	45,830,962	50,221,371	8,029,498	8,636,735	9,897,047	37,660,364
Liabilities										
Bills payable	18,331,699	18,331,699	-	-	-	-	-	-	-	-
Borrowings	48,265,389	25,997,235	17,418,531	4,205,188	57,194	103,082	69,166	138,331	276,662	-
Deposits and other accounts	719,534,840	97,318,596	47,249,732	68,118,616	134,658,412	372,050,134	139,350	-	-	-
Liabilities against Right-of-use assets	1,362,579	-	3,141	93,850	297,667	136,421	691,160	140,340	-	-
Deferred tax liabilities	6,374,173	-	-	-	-	-	-	6,374,173	-	-
Other liabilities	111,856,489	11,794,541	7,122,598	6,398,937	71,862,511	6,362,725	508,424	550,820	7,255,933	-
	905,725,169	153,442,071	71,794,002	78,816,591	206,875,784	378,652,362	1,408,100	7,203,664	7,532,595	-
	96,222,663	395,350,779	194,773,828	(52,505,416)	(161,044,822)	(328,430,991)	6,021,398	1,433,071	2,364,452	37,660,364
Net assets										
Share capital	38,715,850									
Reserves	37,736,326									
Surplus on revaluation of assets - net	8,641,979									
Unappropriated profit	11,128,508									
	96,222,663									

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45.5 Derivative Risk

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

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

45.6 Model Risk

Model Risk is defined as the "potential loss that may occur because of decisions or the risk of mis-estimation that could be principally based on the output of models, due to errors in the development, implementation, or use of such models". Model risk arises from the uncertainty associated with a prediction or an estimate arising from the use of assumptions and/or theories. While uncertainty can arise in any or all the components, operational risks such as user error are not relevant when identifying whether a tool is a model.

The Model Life Cycle ("MLC") is at the core of the Model Risk Management Framework and refers to the actions taken to manage model risk at individual model level. The MLC is the end-to-end process that a model goes through i.e., initiation, development, independent validation, implementation, use and decommission.

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

46. GENERAL

46.1 CORRESPONDING FIGURES

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

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

46.2 DATE OF AUTHORIZATION

These financial statements were authorized for issue in the Board of Directors meeting held on 21 February 2025.


Chairman
b. 02/2025


Chief Executive Officer


Chief Financial Officer


Director


Director

Annexure - II

ISLAMIC BANKING BUSINESS

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

	Note	2024	2023
(Rupees in '000)			
ASSETS			
Cash and balances with treasury banks		10,115,211	5,137,703
Due from financial institutions	1	7,861,561	6,285,299
Investments	2	30,839,016	26,081,894
Islamic financing and related assets - net	3	61,952,612	64,130,502
Property and equipment		11,597	15,030
Right-of-use assets		6,600	20,385
Other assets		897,089	2,972,983
Total Assets		111,683,686	104,643,796
LIABILITIES			
Bills payable		25,205	241,334
Due to financial institutions		8,717,975	6,829,716
Deposits and other accounts	4	83,124,224	69,618,829
Due to Head Office	5	6,476,862	6,520,884
Lease liabilities		2,128	2,128
Other liabilities		669,658	1,287,474
		99,016,052	84,500,365
NET ASSETS		12,667,634	20,143,431
REPRESENTED BY			
Islamic Banking Fund		500,000	500,000
Surplus/ (Deficit) on revaluation of assets		511,255	167,107
Unappropriated/ Unremitted profit	7	11,656,379	19,476,324
		12,667,634	20,143,431

CONTINGENCIES AND COMMITMENTS

8

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

	Note	2024	2023
(Rupees in '000)			
Profit / return earned	9	19,351,331	15,413,379
Profit / return expensed	10	(3,922,628)	(3,297,937)
Net Profit / return		15,428,703	12,115,442
Other income			
Fee and Commission Income		1,459,012	1,264,845
Foreign Exchange Income		922,871	1,132,817
Gain / (Loss) on securities		933,057	(661,402)
Other Income		-	15
Total other income		3,314,940	1,736,275
Total Income		18,743,643	13,851,717
Other expenses			
Operating expenses		(3,604,982)	(3,111,821)
Total other expenses		(3,604,982)	(3,111,821)
Profit before credit loss allowance		15,138,661	10,739,896
Credit loss allowance and write offs - net		480,519	(37,937)
Profit before taxation		15,619,180	10,701,959

The Bank calculates and files a single corporate tax return as per the requirements of Income Tax Ordinance, 2001. Segmental calculation is not required for filing. However, considering the revised format requirement of the financial statements to disclose Islamic Banking segment's tax charge separately, a notional tax charge for Islamic Banking is expected to be Rs. 8.6 billion (2023:Rs. 5.5 billion).

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Due from Financial Institutions
Unsecured
Less: Credit loss allowance
Stage 1

2024			2023		
In Local Currency	In Foreign currencies	Total	In Local Currency	In Foreign currencies	Total
(Rupees in '000)					
-	7,863,920	7,863,920	-	6,285,299	6,285,299
-	7,863,920	7,863,920	-	6,285,299	6,285,299
-	(2,359)	(2,359)	-	-	-
-	7,861,561	7,861,561	-	6,285,299	6,285,299

2 Investments by segments:

Debt Instruments
Classified / Measured

Federal Government securities
-Ijarah Sukuks

2024				2023			
Cost / Amortised cost/ Fair value	Credit loss allowance for diminution	Surplus / (Deficit)	Carrying Value	Cost / Amortised cost/ Fair value	Provision for diminution	Surplus / (Deficit)	Carrying value
(Rupees in '000)							
-----FVOCI-----				----- (Available for sale) -----			
28,470,555	-	511,255	28,981,810	24,120,440	-	167,107	24,287,547
28,470,555	-	511,255	28,981,810	24,120,440	-	167,107	24,287,547

Classified / Measured

Federal Government Securities:
-Ijarah Sukuks
-Islamic Naya Pakistan Certificates

2024				2023			
Cost / Amortised cost/ Fair value	Credit loss allowance for diminution	Surplus / (Deficit)	Carrying Value	Cost / Amortised cost/ Fair value	Provision for diminution	Surplus / (Deficit)	Carrying value
-----FVTPL----- (Held for Trading) -----							
171,243	-	121,708	292,951	104,723	-	11,256	116,019
1,564,255	-	-	1,664,255	1,676,328	-	-	1,678,328
1,735,498	-	121,708	1,857,206	1,783,051	-	11,256	1,794,347
30,206,053	-	632,963	30,839,016	25,903,461	-	170,403	26,081,894

3 Islamic financing and related assets

Murabaha
Musharaka
Diminishing Musharaka
Musawamah
Ujrah (Saeed Credit Cards)
Advances against Islamic assets - Murabaha
Advances against Islamic assets - Diminishing Musharakah
Advances against Islamic assets - Istisna
Inventory related to Islamic financing - Musawamman
Inventory related to Islamic financing - Murabaha
Gross Islamic financing and related assets
Less: Credit loss allowance against Islamic financings
-Stage 1 / General provision
-Stage 2
-Stage 3 / Specific provision

Islamic financing and related assets - net of Credit loss allowance

Note	2024	2023
	(Rupees in '000)	
3.1	4,942,794	5,764,173
	31,497,205	16,032,836
	20,945,005	25,193,775
	-	520,000
	381,359	490,119
	1,437,994	12,855,705
	301,863	175,519
	4,140,538	3,430,000
	-	600,000
	-	212,030
	63,646,768	65,074,157
	(384,133)	(350,610)
	(266,775)	-
	(1,043,238)	(593,045)
	(1,694,146)	(943,855)
	61,952,612	64,130,502

3.1 Murabaha
Murabaha financing
Inventory for Murabaha
Advances for Murabaha

Note	2024	2023
	(Rupees in '000)	
3.1.1	4,942,794	5,764,173
	-	212,030
	1,437,994	12,855,705
	6,380,788	18,631,908

3.1.1 Murabaha receivable - gross
Less: Deferred murabaha income
Profit receivable shown in other assets
Murabaha financings

3.1.2	6,654,248	7,397,999
3.1.4	(1,697,730)	(1,562,559)
	(13,724)	(71,267)
	4,942,794	5,764,173

3.1.2 The movement in Murabaha financing during the year is as follows:

Opening balance
Sales during the year
Adjusted during the year
Closing balance

	7,397,999	7,535,156
	8,821,134	13,726,414
	(9,564,885)	(13,863,571)
	6,654,248	7,397,999

3.1.3 Murabaha sale price
Murabaha purchase price

	6,654,248	7,397,999
	(4,942,794)	(5,764,173)
	1,711,454	1,633,826

3.1.4 Deferred murabaha income
Opening balance
Arising during the year
Less: Recognised during the year
Closing balance

	1,562,559	1,283,598
	1,890,835	2,343,973
	(1,755,664)	(2,065,012)
	1,697,730	1,562,559

4 Deposits

Customers
Current deposits
Savings deposits
Term deposits
Margin accounts

Financial Institutions
Current deposits
Savings deposits

2024			2023		
In Local Currency	In Foreign currencies	Total	In Local Currency	In Foreign currencies	Total
(Rupees in '000)					
36,691,108	11,611,959	48,203,067	31,454,450	12,308,873	43,763,323
32,703,567	-	32,703,567	24,549,447	-	24,549,447
130,600	-	130,600	137,698	-	137,698
905,618	-	905,618	540,643	-	540,643
70,430,893	11,611,959	81,942,852	56,682,238	12,308,873	68,991,111
32,632	-	32,632	31,048	-	31,048
1,143,740	-	1,143,740	596,670	-	596,670
71,612,265	11,611,959	83,124,224	57,309,956	12,308,873	69,618,829

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		2024	2023
		(Rupees in '000)	
4.1	Composition of deposits		
	- Individuals		
	- Government (Federal and Provincial)	55,935,280	43,655,816
	- Banking Companies	386,450	18,795
	- Non-Banking Financial Institutions	8,861	9,055
	- Private Sector	1,077,615	574,746
	- Non residents (Corporate & Individual)	17,385,619	18,303,408
	- Trusts	6,829,662	5,768,233
		<u>1,500,737</u>	<u>1,288,776</u>
		<u>63,124,224</u>	<u>69,618,829</u>
4.2	This includes deposits eligible to be covered under insurance arrangements amounting to Rs 65,289 million (2023: Rs. 49,887 million)		
5	Due to Head Office	6,476,862	6,520,884
6	Charity Fund		
	Opening Balance	10,429	18,110
	Additions during the period		
	Received from customers on account of delayed payment	3,274	7,612
	Other Non-Shariah compliant income	-	6,755
		<u>3,274</u>	<u>14,367</u>
	Payments / utilization during the period		
	Education	(10,681)	(11,048)
	Health	-	(11,000)
		<u>(10,681)</u>	<u>(22,048)</u>
	Closing Balance	<u>3,022</u>	<u>10,429</u>
	Details of charity payments		
	Network of organizations working for people with disabilities Pakistan	10,681	-
	Indus Hospital	-	11,000
	The Citizen Foundation	-	11,048
		<u>10,681</u>	<u>22,048</u>
7	Islamic Banking Business Unappropriated Profit		
	Opening Balance	19,476,324	16,714,365
	Transition impact of IFRS9	(1,459,125)	
	Add: Islamic Banking profit for the period	15,619,180	10,761,959
	Less: Transferred / Remitted to Head Office	(22,000,000)	(8,000,000)
	Closing Balance	<u>11,656,379</u>	<u>19,476,324</u>
8	CONTINGENCIES AND COMMITMENTS		
	-Guarantees	1,642,254	2,373,714
	-Commitments		
	-Other contingent liabilities	3,130,679	2,774,667
		<u>4,772,933</u>	<u>5,148,381</u>
9	Profit/Return Earned of Financing, Investments and Placement		
	Profit earned on:		
	Financing	13,940,475	10,761,562
	Investments	5,081,247	4,278,879
	Placements	329,609	372,938
		<u>19,351,331</u>	<u>15,413,379</u>
10	Profit on Deposits and other Dues Expensed		
	Deposits and other accounts		
	Due to Financial Institutions	(2,729,593)	(2,478,152)
	Finance cost of lease liability	(1,185,035)	(757,968)
		-	(1,817)
		<u>(3,922,628)</u>	<u>(3,237,937)</u>
11	Profit & Loss distribution and Pool Management		
	The Bank manages following assets pools for profit and loss distribution:		
	a) Islamic Export Refinance Scheme (IERS) Musharakah Pool; and		
	b) Mudarabah, Depositors Pool		

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a) Islamic Export Refinance Scheme (IERS) Musharakah Pool

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

The relevant details are mentioned hereunder:

Type of Pool	Profit rate and weightage announcement period	Average return on Pool Assets	Bank Profit (Rupees in '000)	SBP Profit (Rupees in '000)	Bank Profit %	SBP Profit %
IERS Pool	Monthly	18.1%	1,884,328	1,245,355	60.2%	39.8%

B) Mudarabah Depositors Pool

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

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

i) Key features, risk and reward characteristics

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

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

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

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

iii) Deployment of Mudaraba based deposits

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

iv) Other information

	Type of Pool									
	General Pool	Special Pool	Special Pool -TD	Special Pool-2	Special Pool-3	Special Pool-4	High Yield Pool	High Yield Pool 2	Special Pool - CIB	Special Pool TD-
Profit rate and weightage announcement frequency	Monthly	Monthly	Monthly	Monthly	Monthly	Monthly	Monthly	Monthly	Monthly	Monthly
Mudarib share (amount in '000)	1,407,374	129,972	1,222	245,555	7,702	2,001	168,738	30,164	48,577	0
Mudarib share (%)	45.5%	42.2%	43.1%	40.5%	31.6%	24.5%	35.8%	38.5%	28.9%	0.0%
Mudarib Share transferred through Hiba (Amount in '000)	130,858	23,922	195	52,652	4,491	2,083	54,455	8,769	35,550	0
Mudarib Share transferred through Hiba (%)	9.0%	15.5%	13.7%	17.7%	36.8%	51.0%	25.5%	22.5%	42.3%	0.0%
Average return on pool assets	19.3%	19.5%	20.8%	19.3%	14.0%	12.5%	18.8%	18.9%	9.3%	20.5%
Average return on deposits	10.5%	11.3%	11.2%	11.5%	9.6%	9.5%	12.0%	11.5%	8.5%	0.0%

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PATTERN OF SHAREHOLDING

As at 31 December 2024

# Of Shareholders	Shareholdings'Slab			Total Shares Held
1362	1	to	100	49,827
1780	101	to	500	541,174
985	501	to	1000	758,044
2104	1001	to	5000	5,323,906
677	5001	to	10000	4,181,949
100	10001	to	15000	1,233,626
63	15001	to	20000	1,110,315
26	20001	to	25000	596,364
22	25001	to	30000	611,120
21	30001	to	35000	685,792
7	35001	to	40000	260,312
6	40001	to	45000	254,689
10	45001	to	50000	494,109
3	50001	to	55000	153,189
7	55001	to	60000	402,577
4	60001	to	65000	251,660
7	65001	to	70000	475,928
4	70001	to	75000	294,200
4	75001	to	80000	309,508
2	85001	to	90000	171,260
3	95001	to	100000	300,000
3	100001	to	105000	308,239
2	105001	to	110000	217,500
2	120001	to	125000	245,100
1	145001	to	150000	150,000
2	150001	to	155000	302,393
1	165001	to	170000	167,500
3	175001	to	180000	536,059
1	190001	to	195000	190,707
1	195001	to	200000	200,000
1	205001	to	210000	210,000
1	230001	to	235000	234,604
1	235001	to	240000	236,000
3	245001	to	250000	744,732
1	250001	to	255000	252,000
1	270001	to	275000	271,000
2	295001	to	300000	600,000
1	335001	to	340000	671,000
1	345001	to	350000	350,000
1	385001	to	390000	386,000
1	420001	to	425000	423,000
1	430001	to	435000	432,000
1	440001	to	445000	440,179
1	445001	to	450000	450,000
2	495001	to	500000	1,000,000
1	575001	to	580000	576,300
1	690001	to	695000	694,255
1	710001	to	715000	712,500
1	910001	to	915000	914,570
1	920001	to	925000	923,500
1	995001	to	1000000	1,000,000
1	1000001	to	1005000	1,000,500
1	1235001	to	1240000	1,236,216
1	1240001	to	1245000	1,243,100
1	1565001	to	1570000	1,568,180
1	1895001	to	1900000	1,899,176
1	3832335001	to	3832340000	3,832,339,162
7244				3,871,585,021

CATEGORY WISE LIST OF SHAREHOLDERS

As at 31 December 2024

Categories of Shareholders	Shareholders	Shares Held	Percentage
Directors, Chief Executive Officer and their spouse(s) and minor children			
Mr. Rehan Muhammad Shaikh	1	1	0.00
Mrs. Rola Abu Manneh	1	1	0.00
Mr. Badaruddin Fatehali Vellani	1	1,000	0.00
Mr. Ehsan Ali Malik	1	1	0.00
Mr. Sheikh Jobe	1	1	0.00
Mr. Ghias Uddin Khan	1	1	0.00
Mr. Christopher Parsons	1	1	0.00
Associated Companies, undertakings and related parties	1	3,832,339,162	98.99
NIT and ICP	1	3,250	0.00
Banks Development Financial Institutions, Non-Banking Financial Institutions	9	1,664,107	0.04
Insurance Companies	1	235	0.00
Modarabas and Mutual Funds	8	267,782	0.01
General Public			
a. Local	7,112	30,464,500	0.79
b. Foreign	29	903,720	0.02
Foreign Companies	1	1,899,176	0.05
Others	75	4,042,083	0.10
Totals	7,244	3,871,585,021	100.00

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

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

Ballot Paper For Voting Through Post

For poll at the Annual General Meeting to be held on Thursday, 27 March 2025, at 12:00 noon. at ICAP Chartered Accountants Avenue, Clifton, Karachi.

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

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

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

Ordinary Resolution(s)
AGENDA ITEM 4: To consider and approve the revised Directors’ Remuneration Policy, as approved by the Board of Directors of the Bank, on post facto basis. “RESOLVED THAT the revised Directors’ Remuneration Policy as approved and recommended by the Board of Directors of the Bank be and is hereby confirmed and approved on post facto basis.”

Instructions For Poll
1. Please indicate your vote by ticking (✓) the relevant box.
2. In case if both the boxes are marked as (✓), your poll shall be treated as “ Rejected ”.

I/we hereby exercise my/our votes in respect of the above ordinary resolution through ballot by conveying my/our favour or against to the resolution by placing tick (✓) mark in the appropriate box below:

Resolution	In favor of the Resolution	Against the Resolution
Agenda Item 4		

Notes: 1. Duly filled and signed ballot paper, along with a copy of the Computerized National Identity Card (CNIC)/ NICOP/ Passport, should reach the Chairman of the meeting through the post at the Bank’s registered address, Company Secretary Office, First Floor, Standard Chartered Bank (Pakistan) Limited, P.O. Box No. 5556, I. I. Chundrigar Road, Karachi , or email at cosec.pk@sc.com . 2. Postal Ballot Form should reach Chairman of the meeting on or before Wednesday, 26 March 2025 during working hours. Any Postal Ballot received after this date, will not be considered for voting. 3. Signature on postal ballot paper should match with signature registered on CNIC / NICOP/ Passport. 4. In case of Body Corporate, Corporation and Federal Government, certified copy of Board resolution/ Power of attorney along with valid copies of CNIC / NICOP/ Passport of authorised signatory(ies) will be required. 5. Incomplete, unsigned, incorrect, defaced, torn, mutilated, over written Ballot Paper will be rejected. 6. The shareholders may use this form or download the Postal Ballot Form from the Bank’s website (https://www.sc.com/pk/about-us/notices/) or use the original / photocopy as published in newspaper/ annual report.

_____	_____
Shareholder / Proxy Holder Signature/ Authorized Signatory (in case of corporate entity, please affix company stamp)	Date

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

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

بذریعہ ڈاک وونگ کیلئے بیلٹ پیپر

برائے سالانہ اجلاس عام میں رائے شماری مورخہ 27 مارچ 2025ء بروز جمعرات، دوپہر 12:00 بجے، بمقام اسٹیٹیوٹ آف چارٹرڈ اکاؤنٹنٹس آف پاکستان، چارٹرڈ اکاؤنٹنٹس ایونیو، گلشن، کراچی۔
درست طریقے سے پُر شدہ بیلٹ پیپر چیئر مین کے وقف شدہ ای میل ایڈریس: cosec.pk@sc.com پر بھیجا جاسکتا ہے۔

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

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

عمومی قرارداد (قراردادیں):	
ایجنڈا نمبر 4	
بینک کے ڈائریکٹرز کے معاوضے کی نظر ثانی شدہ پالیسی پر غور کرنا اور اسے پوسٹل فیٹو بنیادوں پر منظور کرنا جسے بینک کے بورڈ آف ڈائریکٹرز نے منظور کیا ہے۔	
”قرارداد یا کڈائریکٹرز کے معاوضے کی نظر ثانی شدہ پالیسی، جو کہ بینک کے بورڈ آف ڈائریکٹرز کی جانب سے منظور شدہ اور تجویز کردہ ہے، اس کی تصدیق اور منظوری بذریعہ پڈ اور بعد از اس کی بنیاد پر کی جاتی ہے۔“	

پول کیلئے ہدایات		
1- برائے مہربانی متعلقہ باکس پر (✓) کا نشان لگا کر اپنے ووٹ کی تصدیق کریں۔		
2- اگر دونوں باکس پر (✓) کا نشان لگایا گیا تو آپ کے پول کو ”مسترد“ سمجھا جائے گا۔		
میں/ہم بذریعہ ایڈمنڈر باقرارداد کے سلسلے میں بیلٹ کے ذریعے اپنا ووٹ استعمال کرتا ہوں/ کرتے ہیں اور ذیل میں مناسب باکس میں (✓) کا نشان لگا کر قرارداد پر میری/ہماری رضامندی یا اختلاف ظاہر کرتا ہوں/ کرتے ہیں:		
قرارداد	قرارداد کے حق میں	قرارداد کی مخالفت میں
ایجنڈا نمبر 4:		

نوٹس:

- 1- باضابطہ پُر شدہ اور دستخط شدہ بیلٹ پیپر سی این آئی سی /NICOP/ پاسپورٹ کی نقل کے ساتھ اجلاس کے چیئر مین کو بذریعہ ڈاک بینک کے رجسٹرڈ پتے، کمپنی سیکریٹری آفس، پہلی منزل، اسٹینڈرڈ چارٹرڈ بینک (پاکستان) لمیٹڈ، پی او باکس نمبر 5556، آئی آئی چندر گھر روڈ، کراچی پر بھیجا جائے گا یا cosec.pk@sc.com پر ای میل کیا جائے گا۔
- 2- پوسٹل بیلٹ فارم 26 مارچ 2025ء، بروز بدھ تک یا اس سے پہلے کاروباری اوقات میں چیئر مین تک پہنچ جانا چاہیے۔ اس تاریخ کے بعد موصول ہونے والے کسی بھی بیلٹ پیپر کو وونگ کا حصہ نہیں سمجھا جائے گا۔
- 3- بیلٹ پیپر پر دستخطی سی این آئی سی /NICOP/ پاسپورٹ پر دستخط سے مماثل ہونا چاہئے۔
- 4- باڈی کارپوریٹ، کارپوریشن یا وفاقی حکومت کی صورت میں بورڈ کی قرارداد/پاور آف اٹارنی اور مجاز دستخط کنندہ (کنڈگان) کے مؤثر سی این آئی سی /NICOP/ پاسپورٹ کی تصدیق شدہ نقول درکار ہوں گی۔
- 5- نامکمل، غیر دستخط شدہ، غلط، مسخ شدہ، پھٹا ہوا، ترمیم شدہ، اضافی تحریر والا بیلٹ پیپر مسترد کر دیا جائے گا۔
- 6- شیئر ہولڈرز یہ پوسٹل پیپر فارم استعمال کر سکتے ہیں یا یہی فارم کمپنی کی ویب سائٹ (<https://www.sc.com/pk/about-us/notices/>) سے ڈاؤن لوڈ کر سکتے ہیں یا اخبارات/ سالانہ رپورٹ میں شائع ہونے والی اصل/ فوٹو کاپی استعمال کر سکتے ہیں۔

شیئر ہولڈر/پراکسی ہولڈر کے دستخط/مجاز دستخط کنندہ

(کارپوریٹ ادارے کی صورت میں، برائے مہربانی کمپنی کی مہر چسپاں کریں)

تاریخ

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

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FORM OF PROXY
19TH ANNUAL GENERAL MEETING
STANDARD CHARTERED BANK (PAKISTAN) LIMITED

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

I/We of being member(s) of Standard Chartered Bank (Pakistan) Limited holding Ordinary shares hereby appoint of or failing him/her of who is/are also member(s) of Standard Chartered Bank (Pakistan) Limited as my/our Proxy in my/our absence to attend and vote for me/us and on my/our behalf at the Annual General Meeting of the Bank to be held on 27 March 2025 and/or any adjournment thereof.

میں/ہم کا/کی بحیثیت رکن اسٹینڈرڈ چارٹرڈ بینک (پاکستان) لمیٹڈ اور حامل عام حصص، کے/کی کا یا ان کی غیر موجودگی میں کے/کی جو اسٹینڈرڈ چارٹرڈ بینک (پاکستان) لمیٹڈ کے رکن ہیں، کو اپنی غیر حاضری میں بینک کے سالانہ اجلاس عام جو 27 مارچ 2025 کو منعقد ہونا ہے یا اس کے التواء کی صورت میں حاضری اور حق رائے دہی کے استعمال کے لئے اپنا نمائندہ (پراکسی) تقرر کرتا/کرتی ہوں۔

Signed this _____ day of _____ 2025.

آج بروز بتاریخ 2025 کو دستخط کئے گئے۔

Folio/ CDC No.
فولیو/سی ڈی سی

Signature
دستخط

Revenue Stamp

WITNESSES:

گواہ :

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

1. دستخط: _____
نام: _____
سی این ای سی/ پاسپورٹ نمبر: _____
پتہ: _____

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

2. دستخط: _____
نام: _____
سی این ای سی/ پاسپورٹ نمبر: _____
پتہ: _____

Note:

نوٹ :

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

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

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

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Disclosures on Governance and Remuneration

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

A. CORPORATE GOVERNANCE DISCLOSURE

Corporate Governance culture and values

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

Composition of the Board and its Committees

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

Terms of references of the Board's Committees

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

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

Board and Committee's oversight on Islamic Banking Branches

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

Directors Appointment Process

The Bank has a formal process for the appointment of directors which has been approved by the Board. A succession plan for the Board is in place and same is reviewed from time to time to ensure that the required skills, knowledge, diversity and experience continue to be maintained on the Board. With respect to independent directors, a list of prospective candidates with relevant skills and experience is maintained by the Board. When a casual vacancy arises, the list is reviewed to identify the best available candidates who meet the selection criteria. Candidates are interviewed by the

Disclosures on Governance and Remuneration

Chairman on behalf of the Board before seeking endorsement from the Group as the majority shareholder. In case of appointment of non-executive directors, the Group in consultation with the Chairman nominates a senior executive from the Group with responsibility for businesses/functions that bear relevance to the activities of the Bank. Upon completion of due diligence and screening checks, the Board finally approves director appointments subject to necessary regulatory approvals. Appointment of executive director(s) is governed under the human resource policies of the Bank.

Profile of Directors

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

B. DISCLOSURE RELATING TO SHARIAH BOARD

Shariah Board Appointment Process

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

Composition of the Shariah Board

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

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

Profile of Shariah Board Members

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

Terms of References

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

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

Shariah Board Meetings

The details of the meetings held during the year, 2024 are as follows:

S.No.	Period/Year (2024)	Meeting Held (Yes / No)	Meeting No.	Date of Meeting	Meeting Attended (Yes / No)			
					Chairman	Member	Member	RSBM
1	Q1'24	Yes	35 th	22/02/2024	Yes	Yes	Yes	Yes
2	Q2'24	Yes	36 th	04/06/2024	Yes	Yes	Yes	Yes
3	Q3'24	Yes	37 th	05/09/2024	Yes	Yes	Yes	Yes
4	Q4'24	Yes	38 th	24/10/2024	Yes	Yes	Yes	Yes

Disclosures on Governance and Remuneration

C. DISCLOSURE RELATING TO REMUNERATING POLICY

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

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

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

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

The accounting for shares and deferred cash is in line with the relevant accounting standards. The disclosures required under the SBP's Guidelines on Remuneration Practices are included as part of these financial statements.

Disclosure on Complaint Handling 2024

At Standard Chartered Bank Pakistan Ltd, our clients are at the heart of everything we do. As we grow and progress on our transformative digital journey & continue to invest in our technological infrastructure, people and processes being key enablers pivotal to delivering a best-in-class experience, we remain cognizant of the immense importance of treating clients fairly & upholding good conduct.

In line with this commitment, we consider it imperative that our clients are provided with quick & easy access to multiple feedback & complaint lodgement platforms whereby they can reach us 24/7 for any support /assistance. Our complaint/ feedback channels are further strongly supported by a robust complaint management framework, fully compliant with regulatory guidelines & focused on delivering prompt & effective resolutions to our clients in a fair & transparent manner. The voice of client being paramount, each complaint is viewed as a valuable insight to be translated into meaningful actions, an opportunity to listen, learn and continuously improve.

In 2024, the Bank received a total of 117,553 complaints and average time taken to resolve the complaints was 12.25 days, In the year 2025 we remain deeply committed towards our pursuit of service excellence and fostering a client first culture. The clients are encouraged to lodge complaints from the following channels:

Standard Chartered Bank (Pakistan) Limited:

- SC Branch: Visit any branch
- SC Client Centre: 24/7 assistance on 021 111 002 002 or 042 111 002 002
- SC Email: Complaints.Pakistan@sc.com
- SC Email for RDA clients: sc-nrardigital@sc.com
- SC Website: www.sc.com/pk/
- SC Postal Address: SCBPL Client Care Unit, 1st Floor Jubilee Insurance Building, I.I.Chundrigar Road, Karachi
- SC Social Media: www.facebook.com/standardcharteredpk, instagram.com/stanchartpak
- State Bank's of Pakistan's - Sunwai Portal & Mobile app
- BC & CPD – State Bank of Pakistan
- Banking Mohtasib Pakistan
- Insurance Ombudsmen
- Federal Ombudsmen
- Securities and Exchange Commission of Pakistan

Statement on Diversity and Inclusion along with Gender Pay Gap

Statement on Diversity and Inclusion

Our commitment to diversity and inclusion encompasses an aspiration to not only be the best place to work for our colleagues, but also the best place to bank for our clients which is the best route to creating prosperity in our communities. We launched the Fair Pay Charter with a public declaration of our commitment to deliver fair, transparent and competitive pay, to continually improve our benefits, and support well-being and development. In addition, we have implemented inclusive policies to support flexible working, day care provision, enhanced medical benefits, and equitable parental leave. Our well-being offerings have evolved to prioritize mental health by providing Employee Assistance Programmes, Mental Health First Aiders, and a Tackling Domestic Violence and Abuse Policy. We actively remove barriers for individuals with disabilities by increasing accessibility, launching assistive technologies, providing workplace adjustments, along with a dedicated learning and internship programmes to become a disability confident organization.

Building an inclusive culture is a critical lever to our business success. With a leading banking industry female workforce composition of 29.8%. Our dedication has been acknowledged through numerous accolades. These include recognitions from the Pakistan Business Council and International Finance Corporation, OICCI (Overseas Investors Chamber of Commerce & Industry), CFA Society, and Global Diversity, Equity & Inclusion Benchmarks (GDEIB) by HR Metrics. We were also awarded Pakistan's 1st Disability Inclusion Excellence Award by the Employer's Federation of Pakistan and our model branches and differently abled staff were featured in Pakistan's first Finclusive National Anthem by Determined Pakistan.

Gender Pay Gap Statement

In line with the SECP Circular 10 of 2024, following is gender pay gap calculated for the year ended 31 December 2024:

I.	Mean Gender Pay Gap	39%
II.	Median Gender Pay Gap	34%
III.	Other data - Adjusted Mean Gender Pay Gap (Note 1)	6.6%

Note 1: With the 'adjustment' for comparable bands, this analysis is more indicative of any pay gaps for colleagues at same corporate grades. The results reflect that our full time female and male colleagues in the same grades of seniority are paid largely similar with c. 6.6% gap.



Rehan Muhammad Shaikh

Chief Executive Officer

17 February 2025



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

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



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Invest in Naya
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Repatriable and
convertibility of funds



Funds transfer and
utility bill payment



Also available in
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She owns it

Standard Chartered Women in Tech

It's time to own your future. Unlock growth, with mentorship, funding and tech support.

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