

Half Yearly Report

(January – June 2022)

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



standard
chartered



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

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



Current and Saving account
in multiple currencies



Credit and
Debit cards



Invest in Naya
Pakistan Certificates



Repatriable and
convertibility of funds



Funds transfer and
utility bill payment



Also available in
Islamic variant

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



standard
chartered



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



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



LEARN



EARN



GROW

Empowering the **NEXT GENERATION**

BENEFICIARIES

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



FOCUS AREAS →

Education

Employability

Entrepreneurship

Global reach targets →

500,000 adolescent girls

100,000 youth for work

50,000 micro & small businesses

Delivering across Pakistan

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

Education

Goal

Empowering adolescent girls with life skills

22,000+ girls empowered since 2016

Youth to work

Employability:

Youth to Work is our global employability programme.

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

Employment of the visually impaired

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

Entrepreneurs for Growth

#SCWomenInTech

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

Seeing is Believing

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



Get involved



Donate

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

Account Name: Right to Play - Futuremakers

Account Number: 18-4743873-18



Fundraise

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



Contact

Pakistan.Corporate-Affairs@sc.com





Standard Chartered is a leading international banking group

We are a leading international banking group, with a presence in 59 of the world's most dynamic markets and serving clients in a further 85. Our purpose is to drive commerce and prosperity through our unique diversity, and our heritage and values are expressed in our brand promise, Here for good.

- ▶ **Standard Chartered Pakistan** is proud to be operating in the country as the **largest and oldest international Bank since 1863**.
- ▶ **Standard Chartered Pakistan** employs more than **2,200** people and has a network of **211** touch points (**40 branches, 151 ATMs and 20 CDMs**) across 10 cities.
- ▶ **Standard Chartered Pakistan** is the first International Bank to get an Islamic Banking licence and to open the **first Islamic Banking branch in the country**.
- ▶ **Standard Chartered Pakistan** is the leading bank for the **MNCs** operating in Pakistan. The Bank is the market leader for providing USD liquidity for **Corporates** and **Financial Institutions** in the country.
- ▶ **Standard Chartered Pakistan** plays a leading role in providing **FCY liquidity solutions** through innovative client centric structures.
- ▶ **Standard Chartered Pakistan** is a leading partner of **State Bank of Pakistan** in promoting **RMB** and increasing its use in Pakistan, which further strengthens its role as the main bank for **CPEC** led initiatives.
- ▶ **Standard Chartered Pakistan** partnered with **ANT FINANCIAL** in 2019 to launch the first block chain based **24/7**, cross border **wallet-to-wallet remittance** service between Malaysia and Pakistan.

AWARDS

Strong Recognition

Asia Money Award

Awards 2022

- Best Bank Award in the ESG category

ASIAMONEY

Adam Smith Award

Awards 2021

- Best AR Solution for Coca Cola Beverages Pakistan Ltd

treasurytoday
Adam Smith Awards 2021

Management Association of Pakistan

Awards 2020/2021

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

50

Global Finance

Awards 2020/2021

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

Best Digital Islamic Bank 2020
GLOBAL FINANCE



Global Diversity and Inclusion Benchmark

Awards 2021

- Best Practice Award in Vision, Strategy and D&I Learning and Education category
- Progressive Award in Benefits category
- Progressive Award in Communications and Integration & Flexibility category
- Progressive Award in Sustainability category

Global Diversity & Inclusion Benchmark

Corporate Treasurer Award

Awards 2021

- Best Transaction Bank
- Best Trade Finance Bank

Corporate Treasurer Awards 2021

Asset Triple A

Awards 2019/2020/2021

- Best Service Provider - Cash Management (Transaction Banking)
- Best Service Provider - Supply Chain (Transaction Banking)
- Best Renminbi Bank (Transaction Banking)
- Best Supply Chain Solutions for Indus Motor Company (Transaction Banking)
- Best Supply Chain Solutions for IATA (Transaction Banking)
- Best Investment Bank (Islamic Finance)
- Best Deal in Pakistan (Islamic Finance)
- Best Bank in Treasury, Trade, SSC and Risk (Islamic Finance)

ASSET TRIPLE A AWARDS

The Banker Magazine

Awards 2019/2020

- Best Islamic Bank

The Banker
Global Financial Institutions Since 1869

Company Information

Board of Directors

Mr. Ian Anderson Bryden	Chairman
Mr. Rehan Muhammad Shaikh	Chief Executive Officer
Mr. Towfiq Habib Chinoy	
Mr. Ehsan Ali Malik	
Mr. Mohamed Abdel Razek	
Mr. Adam Long	
Ms. Erum Shakir*	

Company Secretary

Mr. Asif Iqbal Alam

Board Audit Committee

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

Board Risk Committee

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

Board Human Resource & Remuneration Committee

Ms. Erum Shakir*	Chairperson
Mr. Towfiq Habib Chinoy	Member
Mr. Adam Long	Member

Board IT Committee

Mr. Mohamed Abdel Razek	Chairperson
Mr. Ehsan Ali Malik	Member
Mr. Rehan Muhammad Shaikh	Member

Shariah Board

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

Auditors

M/s EY Ford Rhodes
Chartered Accountants

Legal Advisors

Haidermota & Co
Barristers at Law & Corporate Counselors

Registered/ Main Office

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

Website

www.sc.com/pk

Registrar/ Share Registration Office

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

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

* subject to clearance from State Bank of Pakistan as director

STANDARD CHARTERED BANK (PAKISTAN) LIMITED
30 JUNE 2022
DIRECTORS' REPORT

On behalf of the Board of Directors, we are pleased to present the Directors' Report of Standard Chartered Bank (Pakistan) Limited (SCBPL or the Bank) along with the un-audited interim financial statements for the period ended 30th June 2022.

Economy

Pakistan's economy grew 5.9% in FY-22 driven by strong domestic demand, however the consumption driven growth brought external sector challenges which led to depreciation of Rupee by 16% since start of the calendar year.

Pakistan witnessed healthy growth in exports and remittances which increased by 28% & 6% in FY-22 respectively. Higher global commodity prices led to significant increase in imports which rose by 33% mainly on account of oil, machinery and vaccines. Government and Central bank have taken strong measures to curb the demand for non-essential imports in last few months to ease pressure on current account deficit, which widened to USD 17.4bn in FY-22 in comparison to USD 2.8bn in FY-21.

On the monetary front, higher inflation continues to hamper the purchasing power as CPI clocked at 12.2% FY-22 in comparison to 8.9% last year. With July CPI print of 24.9%, inflation is expected to remain elevated. To address the inflationary pressure, SBP increased the policy rate by 5.25% since start of the year. Country's FX reserves as of June'21 stood at \$15.6bn (SBP's reserves of \$9.8bn). IMF is expected to release the USD 1.17bn tranche by end of August which will support in building the FX reserves and unlock other avenues for bilateral financing.

Banks in Pakistan continue to remain well capitalized with an industry wide CAR of 16.4% and remain profitable with a ROE (after tax) of 17.2% for Q1 2022. Meanwhile, NPLs of the banking sector stood at 7.8% at close of Q1 2022 (7.9% at close of CY21).

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.

Strategic priorities

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 with their trade and investment activities in key trade corridors as well as building momentum in Sovereign, Multinational and Local Corporates space.

2) Affluent

We continue to reinforce our strong credentials in the affluent segment by building loyalty and trust through offering our clients personalised wealth advice based on superior insight. Income from our affluent wealth business is up by 6%.

3) Mass Retail

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

4) Sustainability

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

These strategic priorities are supported by three key enablers:

1) People & Culture

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

2) Ways of Working

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

3) Innovation & Technology

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

Operating Results and Business Overview

	30 June 2022 (PKR millions)	31 December 2021 (PKR millions)
Balance Sheet		
Paid-up capital	38,716	38,716
Total equity	80,790	79,605
Deposits	674,839	626,774
Advances – gross	259,267	255,905
Advances – net	238,754	234,173
Investments – net	430,412	450,583
	Half year ended 30 June 2022 (PKR millions)	Half year ended 30 June 2021 (PKR millions)
Profit and Loss		
Revenue	27,434	17,172
Operating expenses	6,240	5,619
Other non mark-up expenses	460	321
Operating profit (before provisions and tax)	20,734	11,232
Provisions / (recovery) and write offs - net	(1,314)	(721)
Profit before tax	22,048	11,953
Profit after tax	8,108	6,784
Earnings per Share (EPS) - Rupees	2.09	1.75

A record performance by the Bank in first half led to a growth of 84% in profit before tax to PKR 22.0 billion. Overall revenue grew 60%, whereas client revenue increased by 39% year on year with positive contributions from all segments. Operating expenses continue to be well managed through operational efficiencies and disciplined spending with an increase of 11% from comparative period. Moreover, reversal of Covid-19 general provision, coupled with lower impairments as a result of prudent risk approach led to a net release of PKR 1.3 billion in H1'22 compared to a net release of PKR 0.7 billion in the comparative period.

On the liabilities side, the Bank's total deposits stands at PKR 675bn up by PKR 48.0 billion (8% growth), whereas current and saving accounts grew by PKR 58.0 billion (up 10%) since the start of this year and comprise 94% of the deposit base. On advances side, the portfolio momentum continues with focus on diversified product base. We are monitoring the economic and political landscape and will position our portfolio accordingly. The Bank is well placed to cater for the needs of its clients and will continue its strategy to build a profitable, efficient and sustainable portfolio.

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

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

Outlook

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

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

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

Credit Rating

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

Changes in the Board of Directors

In the Extraordinary General Meeting held on 28 April 2022, following seven persons namely Mr. Ian Anderson Bryden, Mr. Rehan Muhammad Shaikh, Mr. Mohamed Abdel Razek, Mr. Towfiq Chinoy, Mr. Adam Long, Mr. Ehsan Ali Malik and Ms. Erum Shakir were elected as directors for a period of three years subject to necessary clearance from the State Bank of Pakistan. Subsequently, in a Board meeting held on the same day, Mr. Ian Anderson Bryden and Mr. Rehan Muhammed Shaikh were re-appointed as Chairman and CEO respectively for a period of three years.

The Board places on record its appreciation for the valuable contributions and excellent support rendered by Ms. Spenta Kandawalla, outgoing Independent Director, during her nine-year tenure on the Board.

PUBLIC

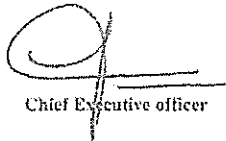
Dividend

Interim cash dividend of 15.0% (PKR 1.50/- per share) in respect of the half year ended June 30, 2022 has been declared by the Board of Directors in their meeting held on August 24, 2022.


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 its 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



Director

Karachi: 24th August 2022



Standard Chartered Bank (Pakistan) Limited

Un-audited
Financial Statements

For the six months period ended
30 June 2022



EY Ford Rhodes
Chartered Accountants
Progressive Plaza, Deccan Road
P.O. Box 15541, Karachi 75530
Pakistan

UAN: +9221 111 11 30 37 (EYFR)
Tel: +9221 3565 0007-11
Fax: +9221 3565 1065
ey@frfpakistan.com
ey.com/pk

TO THE MEMBERS OF STANDARD CHARTERED BANK (PAKISTAN) LIMITED

REPORT ON REVIEW OF INTERIM FINANCIAL STATEMENTS

Introduction

We have reviewed the accompanying condensed interim statement of financial position of Standard Chartered Bank (Pakistan) Limited (the Bank) as at 30 June 2022 and the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim statement of changes in equity and condensed interim cash flow statement and notes to the condensed interim financial statements for the six-months' period then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of these interim financial statements in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these interim financial statements based on our review. The figures of the condensed interim profit and loss account and condensed interim statement of comprehensive income for the three months ended 30 June 2022 and 30 June 2021 have not been reviewed, as we are required to review only the cumulative figures for the six months period ended 30 June 2022.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements are not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

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

Chartered Accountants

Karachi

Date: 26 August 2022

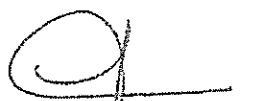
UDIN: RR202210120uOXRFDla7

Standard Chartered Bank (Pakistan) Limited
Statement of Financial Position
As at 30 June 2022

	Note	(Un-audited) 30 June 2022	(Audited) 31 December 2021
----- (Rupees in '000) -----			
ASSETS			
Cash and balances with treasury banks	6	50,659,459	60,295,393
Balances with other banks	7	18,135,614	9,567,702
Lendings to financial institutions	8	14,539,046	11,728,869
Investments	9	430,411,848	450,583,287
Advances	10	238,754,287	234,172,617
Fixed assets	11	10,451,252	10,689,126
Intangible assets	12	26,095,310	26,095,310
Deferred tax assets - net		-	-
Other assets	13	88,439,913	36,293,236
		<u>877,486,729</u>	<u>839,425,540</u>
LIABILITIES			
Bills payable	14	13,355,792	16,601,187
Borrowings	15	27,899,494	35,028,767
Deposits and other accounts	16	674,839,409	626,774,412
Liabilities against assets subject to finance lease		-	-
Sub-ordinated debt		-	-
Deferred tax liabilities - net	17	4,775,127	3,679,066
Other liabilities	18	75,827,232	77,736,852
		<u>796,697,054</u>	<u>759,820,284</u>
NET ASSETS		<u><u>80,789,675</u></u>	<u><u>79,605,256</u></u>
REPRESENTED BY:			
Share capital		38,715,850	38,715,850
Reserves		26,864,766	25,243,085
Surplus on revaluation of assets	19	7,187,356	7,371,825
Unappropriated profit		8,021,703	8,274,496
		<u><u>80,789,675</u></u>	<u><u>79,605,256</u></u>
CONTINGENCIES AND COMMITMENTS	20		

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


Chairman


Chief Executive officer


Chief Financial Officer


Director

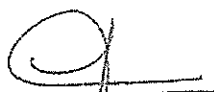

Director

Standard Chartered Bank (Pakistan) Limited
Profit and Loss Account (Un-audited)
For the six months period ended 30 June 2022

		Three months period ended 30 June 2022	Six months period ended 30 June 2022	Three months period ended 30 June 2021	Six months period ended 30 June 2021
----- (Rupees in '000) -----					
Mark-up / return / interest earned	21	19,526,894	35,920,058	11,205,075	21,586,753
Mark-up / return / interest expensed	22	(10,700,625)	(18,881,737)	(4,885,556)	(9,245,401)
Net mark-up / interest income		8,826,269	17,038,321	6,319,519	12,341,352
NON MARK-UP / INTEREST INCOME					
Fee and commission income	23	709,714	1,741,041	646,508	1,595,008
Dividend income		25,838	25,838	11,243	20,841
Foreign exchange income	24	4,343,575	6,365,062	768,076	1,368,291
Income / (loss) from derivatives		(1,201,407)	561,572	233,620	396,564
Gain / (loss) on securities	25	392,958	1,677,123	865,865	1,393,276
Other income	26	34,558	25,557	23,657	56,763
Total non mark up / interest income		4,305,236	10,396,193	2,548,969	4,830,743
Total Income		13,131,505	27,434,514	8,868,488	17,172,095
NON MARK-UP / INTEREST EXPENSES					
Operating expenses	27	(3,206,025)	(6,239,957)	(2,803,888)	(5,618,696)
Workers welfare fund		(224,593)	(449,974)	(134,852)	(318,261)
Other charges	28	(10,150)	(10,161)	12,762	(3,322)
Total non mark-up / interest expenses		(3,440,768)	(6,700,092)	(2,925,978)	(5,940,279)
Profit before provisions		9,690,737	20,734,422	5,942,510	11,231,816
Reversals / (provisions) and write offs - net	29	583,996	1,314,313	147,854	720,744
Extra-ordinary / unusual items		-	-	-	-
PROFIT BEFORE TAXATION		10,274,733	22,048,735	6,090,364	11,952,560
Taxation	30	(9,227,841)	(13,940,329)	(2,525,145)	(5,168,367)
PROFIT AFTER TAXATION		1,046,892	8,108,406	3,565,219	6,784,193
		Rupees		(Rupees)	
BASIC / DILUTED EARNINGS PER SHARE	31	0.27	2.09	0.92	1.75

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


Chairman


Chief Executive officer


Chief Financial Officer


Director


Director

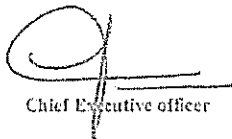
Standard Chartered Bank (Pakistan) Limited
 Statement of Comprehensive Income (Un-audited)
 For the six months period ended 30 June 2022

	Three months period ended 30 June 2022	Six months period ended 30 June 2022	Three months period ended 30 June 2021	Six months period ended 30 June 2021
	----- (Rupees in '000) -----			
Profit after tax for the period	1,046,892	8,108,406	3,565,219	6,784,193
Other comprehensive income				
Items that may be reclassified to profit and loss account in subsequent periods:				
Movement in surplus / (deficit) on revaluation of investments - net of tax	(223,323)	(174,561)	5,179	(236,244)
Movement in surplus / (deficit) on revaluation of fixed assets - deferred tax rate impact	-	-	(29,432)	(29,432)
Items that will not be reclassified as to profit and loss account in subsequent periods	-	-	-	-
Total comprehensive income for the period	<u>823,569</u>	<u>7,933,845</u>	<u>3,540,966</u>	<u>6,518,517</u>

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



Chairman



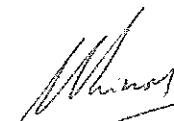
Chief Executive officer



Chief Financial Officer



Director

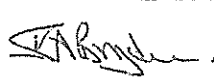



Director

Standard Chartered Bank (Pakistan) Limited
Statement of Changes in Equity (Un-audited)
For the six months period ended 30 June 2022

	Share Capital	Share Premium	Statutory Reserve	Surplus / (Deficit) on revaluation of		Unappropriated Profit	Total
				Investments	Fixed Assets		
	(Rupees in '000)						
Balance as at 01 January 2021 - Un-audited	38,715,850	1,036,090	21,461,461	264,585	7,491,163	12,703,551	81,677,910
Total comprehensive income for the period							
Profit after tax for the six months period ended 30 June 2021	-	-	-	-	-	6,704,193	6,704,193
Other comprehensive income	-	-	-	-	-	-	-
Movement in surplus / (deficit) on revaluation of fixed assets - deferred tax rate impact	-	-	-	-	(29,432)	-	(29,432)
Movement in surplus / (deficit) on revaluation of investments - net of tax	-	-	-	(236,244)	-	-	(236,244)
Transactions with owners, recorded directly in equity	-	-	-	(236,244)	(29,432)	6,704,193	6,518,517
Share based payment transactions (Contribution from holding Company)	-	-	-	-	-	10,455	10,455
Cash dividend (2020) at Rs 2.75 per share	-	-	-	-	-	(10,646,859)	(10,646,859)
Transfer to statutory reserve	-	-	1,355,839	-	-	(1,355,839)	-
Transferred from surplus on revaluation of fixed asset - net of deferred tax	-	-	-	-	(10,938)	10,938	-
Balance as at 30 June 2021 - Un-audited	38,715,850	1,036,090	22,818,300	28,441	7,450,793	7,510,449	77,559,923
Total comprehensive income for the period							
Profit after tax for the six months period ended 31 December 2021	-	-	-	-	-	6,943,479	6,943,479
Other comprehensive income	-	-	-	-	-	-	-
Movement in surplus on revaluation of investments - net of tax	-	-	-	(516,413)	-	-	(516,413)
Remeasurement of post employment obligations - net of tax	-	-	-	-	-	(2,317)	(2,317)
Surplus on revaluation of fixed asset - net of deferred tax	-	-	-	-	419,123	-	419,123
Transactions with owners, recorded directly in equity	-	-	-	(516,413)	419,123	6,941,162	6,843,872
Share based payment transactions (Contribution from holding Company)	-	-	-	-	-	40,942	40,942
Cash dividend (Interim 2021) at Rs 1.25 per share	-	-	-	-	-	(4,839,481)	(4,839,481)
Transfer to statutory reserve	-	-	1,388,695	-	-	(1,388,695)	-
Transferred from surplus on revaluation of fixed asset - net of deferred tax	-	-	-	-	(10,119)	10,119	-
Balance as at 31 December 2021 - Audited	38,715,850	1,036,090	24,206,995	(487,972)	7,859,797	8,274,496	79,605,256
Total comprehensive income for the period							
Profit after tax for the six months period ended 30 June 2022	-	-	-	-	-	8,108,406	8,108,406
Other comprehensive income	-	-	-	-	-	-	-
Movement in surplus / (deficit) on revaluation of fixed assets - deferred tax rate impact	-	-	-	-	-	-	-
Movement in surplus on revaluation of investments - net of tax	-	-	-	(174,561)	-	-	(174,561)
Transactions with owners, recorded directly in equity	-	-	-	(174,561)	-	8,108,406	7,933,845
Share based payment transactions (Contribution from holding Company)	-	-	-	-	-	25,848	25,848
Cash dividend (Final 2021) at Rs 1.75 per share	-	-	-	-	-	(6,749,426)	(6,749,426)
Transfer to statutory reserve	-	-	1,621,601	-	-	(1,621,601)	-
Transferred from surplus on revaluation of fixed asset - net of deferred tax	-	-	-	-	(9,900)	9,900	-
Balance as at 30 June 2022 - Un-audited	38,715,850	1,036,090	25,828,576	(662,533)	7,849,899	8,021,703	80,709,675

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


Chairman


Chief Executive Officer


Chief Financial Officer


Director

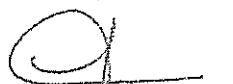

Director

Standard Chartered Bank (Pakistan) Limited
Cash Flow Statement (Un-audited)
For the six months period ended 30 June 2022

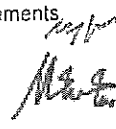
	Note	30 June 2022	30 June 2021
		----- (Rupees in '000) -----	
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before taxation for the period		22,048,735	11,952,560
Less: Dividend income		(25,838)	(20,841)
		<u>22,022,897</u>	<u>11,931,719</u>
Adjustments for:			
Depreciation	27	447,300	518,247
Amortization	27	-	6
Gain on sale of fixed assets	26	(22,043)	(3,937)
Unrealized gain on revaluation of investments classified as held for trading - net	25	(69,052)	(68,333)
Finance cost against lease		120,554	147,456
Gain on lease termination		-	(40,758)
(Reversals) / provisions and write offs - net	29	(1,314,313)	(720,744)
		<u>(837,554)</u>	<u>(168,063)</u>
		21,185,343	11,763,656
(Increase) / decrease in operating assets			
Lending to financial institutions		(2,810,177)	47,356,970
Held-for-trading securities		49,149,427	15,758,676
Advances		(3,267,357)	(38,685,961)
Other assets (excluding advance taxation)		(59,160,139)	(19,631,538)
		<u>(16,088,246)</u>	<u>4,798,147</u>
Increase / (decrease) in operating liabilities			
Bills payable		(3,245,395)	4,866,003
Borrowings from financial institutions		(7,135,843)	2,324,183
Deposits		48,064,997	32,082,577
Other liabilities		(3,892,128)	1,152,215
		<u>33,791,631</u>	<u>40,424,978</u>
Cash inflow before taxation		38,888,728	56,986,781
Income tax paid		(5,738,613)	(1,975,805)
Net cash flow generated from operating activities		<u>33,150,115</u>	<u>55,010,976</u>
CASH FLOW FROM INVESTING ACTIVITIES			
Net investments in available for sale securities		(28,944,622)	(49,329,357)
Dividend received		25,838	20,841
Investment in fixed assets		(191,426)	(127,697)
Proceeds from sale of fixed assets		22,043	3,937
Net cash flow used in investing activities		<u>(29,088,167)</u>	<u>(49,432,276)</u>
CASH FLOW FROM FINANCING ACTIVITIES			
Dividend paid		(4,874,085)	(10,631,030)
Payment in respect of lease liability		(262,455)	(311,226)
Net cash flow used in financing activities		<u>(5,136,540)</u>	<u>(10,942,256)</u>
Decrease in cash and cash equivalents for the period		(1,074,592)	(5,363,556)
Cash and cash equivalents at beginning of the period		67,034,500	64,913,474
Effect of exchange rate changes on cash and cash equivalents		2,817,648	665,740
		<u>69,852,148</u>	<u>65,579,214</u>
Cash and cash equivalents at end of the period		<u>68,777,556</u>	<u>60,215,658</u>
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD			
Cash and balances with treasury banks	6	50,659,459	52,823,749
Balances with other banks	7	18,135,614	7,393,184
Overdrawn nostros		(17,517)	(1,275)
		<u>68,777,556</u>	<u>60,215,658</u>

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


Chairman


Chief Executive Officer


Chief Financial Officer


Director


Director

Standard Chartered Bank (Pakistan) Limited
Notes to the Condensed Interim Financial Statements (Un-audited)
For the six months period ended 30 June 2022

1 STATUS AND NATURE OF BUSINESS

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

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

The Bank is engaged in the banking business as defined in the Banking Companies Ordinance, 1962 and has a total number of 40 branches in Pakistan including 2 Islamic branches (31 December 2021: 41 branches in Pakistan including 2 Islamic branches) in operation at 30 June 2022.

2 BASIS OF PREPARATION

2.1 Statement of compliance

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

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan, as are notified under the Companies Act, 2017;
- Provisions of and directives issued under the Banking Companies Ordinance, 1962 and the Companies Act, 2017;
- Directives issued by the State Bank of Pakistan (SBP) and 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.

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

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

The disclosures made in these condensed interim financial statements have been limited based on the format prescribed by the SBP vide BPRD Circular No. 5 dated March 22, 2019 and IAS 34. These condensed interim financial statements do not include all the information and disclosures required for annual financial statements and should be read in conjunction with the audited annual financial statements for the year ended 31 December 2021.

my

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

There are certain interpretations and amendments that are mandatory for the Bank's accounting periods beginning on or after 01 January 2022 but are considered not to be relevant or do not have any significant effect on the Bank's operations and therefore not detailed in these condensed interim financial statements.

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

The following standards, interpretations, and amendments to accounting and reporting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standard, interpretation, or amendment: These are not likely to have material effect on the Bank's financial statements except for the following:

Standard or Interpretation	Effective date (annual periods beginning on or after)
Classification of liabilities as current or non-current - Amendment to IAS 1	01 January 2023
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - Amendment to IFRS 10 and IAS 28	Not yet finalized
Definition of Accounting Estimates - Amendments to IAS 8	01 January 2023
Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2	01 January 2023
Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12	01 January 2023

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.

In addition, IFRS 9 'Financial Instruments' - SBP directed the banks in Pakistan to implement IFRS 9 with effect from 01 January 2023 vide BPRD circular no. 03 dated July 05, 2022. IFRS 9 replaces the existing guidance in IAS 39 Financial Instruments: Recognition and Measurement (which was not adopted by SBP for implementation in Pakistan). IFRS 9 includes revised guidance on the classification and measurement of financial instruments, a new expected credit loss model for calculating impairment on financial assets, and new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39. The Bank is in the process of evaluating its impact.

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

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

3 SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual financial statements of the Bank for the year ended 31 December 2021.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The basis and the methods used for critical accounting estimates and judgments adopted in these condensed interim financial statements are the same as those applied in the preparation of the annual financial statements of the Bank for the year ended 31 December 2021.

5 FINANCIAL RISK MANAGEMENT

The financial risk management objectives and policies adopted by the Bank are consistent with those disclosed in the annual financial statements of the Bank for the year ended 31 December 2021.

6	CASH AND BALANCES WITH TREASURY BANKS	Note	30 June 2022 (Un-audited)	31 December 2021 (Audited)
			----- (Rupees in '000) -----	
	In hand			
	- Local currency		4,958,742	4,323,595
	- Foreign currencies		7,415,546	7,330,086
	With State Bank of Pakistan in:			
	- Local currency current account	6.1	20,384,149	31,393,344
	- Local currency current account - Islamic Banking	6.1	2,679,197	2,824,995
	- Foreign currency deposit account			
	- Cash reserve account	6.2	4,721,826	4,388,226
	- Special cash reserve account	6.2	9,013,925	8,405,280
	- Local US Dollar collection account		1,186,445	1,444,358
	With National Bank of Pakistan in:			
	- Local currency current account		256,048	123,647
	Prize Bonds		43,581	61,862
			<u>50,659,459</u>	<u>60,295,393</u>

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

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

7	BALANCES WITH OTHER BANKS	Note	30 June 2022 (Un-audited)	31 December 2021 (Audited)
			----- (Rupees in '000) -----	
	In Pakistan			
	- In current accounts		24,457	31,361
	Outside Pakistan			
	- In current accounts	7.1	<u>18,111,157</u>	<u>9,536,341</u>
			<u>18,135,614</u>	<u>9,567,702</u>

7.1 This includes balances of Rs. 18,054.543 million (2021: Rs. 9,486.490 million) held with other branches and subsidiaries of Standard Chartered Group outside Pakistan.

8	LENDINGS TO FINANCIAL INSTITUTIONS	Note	30 June 2022 (Un-audited)	31 December 2021 (Audited)
			----- (Rupees in '000) -----	
	Repurchase agreement lendings (Reverse Repo)	8.1	10,267,578	5,167,885
	Placements	8.2	<u>4,271,468</u>	<u>6,560,984</u>
			<u>14,539,046</u>	<u>11,728,869</u>

8.1 These carry mark-up rate ranging from 12.15 percent to 12.75 percent (2021: 10.0 percent to 10.7 percent) per annum payable at maturity, and are due to mature in July 2022. These arrangements are governed under Master Repurchase Agreements.

8.2 This represents placements with other branches and subsidiaries of Standard Chartered Group outside Pakistan at mark-up rates ranging from 1.20 percent to 1.65 percent per annum (2021: 0.10 percent to 0.15 percent per annum), and are due to mature in July 2022. *MP*

8.3 Particulars of lending	Note	30 June 2022	31 December 2021
		(Un-audited)	(Audited)
----- (Rupees in '000) -----			
In local currency		10,267,578	5,167,885
In foreign currencies		4,271,468	6,560,984
	8.3.1	<u>14,539,046</u>	<u>11,728,869</u>

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

9 INVESTMENTS

9.1 Investments by type	30 June 2022 (Un-audited)				31 December 2021 (Audited)			
	Cost / Amortised cost	Provision for diminution	Surplus / (Deficit)	Carrying Value	Cost / Amortised cost	Provision for diminution	Surplus / (Deficit)	Carrying Value
----- (Rupees in '000) -----								
<i>Held for trading securities</i>								
Federal Government Securities	2,905,640	-	69,052	2,974,692	52,055,067	-	289,257	52,344,324
	<u>2,905,640</u>	<u>-</u>	<u>69,052</u>	<u>2,974,692</u>	<u>52,055,067</u>	<u>-</u>	<u>289,257</u>	<u>52,344,324</u>
<i>Available for sale securities</i>								
Federal Government Securities	428,496,244	-	(1,259,399)	427,236,845	398,935,667	-	(833,320)	398,102,347
Shares	837,648	(734,398)	97,061	200,311	837,648	(734,398)	33,366	136,616
Non Government Debt Securities	147,000	(147,000)	-	-	147,000	(147,000)	-	-
	<u>429,480,892</u>	<u>(881,398)</u>	<u>(1,162,338)</u>	<u>427,437,156</u>	<u>399,920,315</u>	<u>(881,398)</u>	<u>(799,954)</u>	<u>398,238,963</u>
Total Investments	<u>432,386,532</u>	<u>(881,398)</u>	<u>(1,093,286)</u>	<u>430,411,848</u>	<u>451,975,382</u>	<u>(881,398)</u>	<u>(510,697)</u>	<u>450,583,287</u>

9.1.1 Investments given as collateral	Note	30 June 2022	31 December 2021
		(Un-audited)	(Audited)
----- (Rupees in '000) -----			
Market Treasury Bills	15.1	-	7,385,483
Pakistan Investment Bonds	9.3	18,787	18,857
		<u>18,787</u>	<u>7,404,340</u>

9.2 Provision for diminution in the value of investments

Opening balance	881,398	1,019,423
Charge for the period / year	-	(138,025)
Closing Balance	<u>881,398</u>	<u>881,398</u>

9.2.1 Particulars of provision against debt securities

Category of classification	30 June 2022 (Un-audited)		31 December 2021 (Audited)	
	Non Performing Investment	Provision	Non Performing Investment	Provision
----- (Rupees in '000) -----				
Domestic				
Loss	147,000	147,000	147,000	147,000

9.3 Investments include securities having book value of Rs. 18.787 million (2021: Rs. 18.857 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.

10 ADVANCES

Note	Performing		Non Performing		Total	
	30 June 2022 (Un-audited)	31 December 2021 (Audited)	30 June 2022 (Un-audited)	31 December 2021 (Audited)	30 June 2022 (Un-audited)	31 December 2021 (Audited)
	----- (Rupees in '000) -----					
Loans, cash credits, running finances, etc.	163,238,273	169,481,991	19,851,833	19,967,978	183,090,106	189,449,969
Islamic financing and related assets	71,249,014	58,219,124	1,406,184	1,335,396	72,655,198	59,554,520
Bills discounted and purchased (excluding treasury bills)	3,521,455	6,900,023	-	-	3,521,455	6,900,023
Advances - gross	238,008,742	234,601,138	21,258,017	21,303,374	259,266,759	255,904,512
Provision for non-performing advances						
- Specific	-	-	(19,430,862)	(19,544,268)	(19,430,862)	(19,544,268)
- General	(1,081,610)	(2,187,627)	-	-	(1,081,610)	(2,187,627)
Advances - net of provision	(1,081,610)	(2,187,627)	(19,430,862)	(19,544,268)	(20,512,472)	(21,731,895)
	<u>236,927,132</u>	<u>232,413,511</u>	<u>1,827,155</u>	<u>1,759,106</u>	<u>238,754,287</u>	<u>234,172,617</u>

10.1 Particulars of advances - gross

	30 June 2022 (Un-audited)	31 December 2021 (Audited)
	----- (Rupees in '000) -----	
In local currency	256,543,575	252,983,759
In foreign currencies	2,723,184	2,920,753
	<u>259,266,759</u>	<u>255,904,512</u>

Advances include Rs. 21,258.017 million (31 December 2021: Rs. 21,303.374 million) which have been placed under non-performing status (including subjective downgrades) are detailed as below:

Category of classification	30 June 2022 (Un-audited)		31 December 2021 (Audited)	
	Non Performing Loans	Provision	Non Performing Loans	Provision
	----- (Rupees in '000) -----			
Domestic				
Other assets especially mentioned	179,470	65	161,729	89
Substandard	247,850	15,187	271,839	22,912
Doubtful	1,852,274	833,952	1,802,818	760,934
Loss	18,978,423	18,581,658	19,066,988	18,760,333
	<u>21,258,017</u>	<u>19,430,862</u>	<u>21,303,374</u>	<u>19,544,268</u>

10.2.1 At 30 June 2022, the provision requirement has been reduced by Rs. 454.622 million (31 December 2021: Rs. 393.056 million) being benefit of Forced Sale Value (FSV) of commercial, residential and industrial properties (land and building only) held as collateral, in accordance with the State Bank of Pakistan Prudential Regulations (PR) and SBP Circular 10 dated 21 October 2011. Increase in accumulated profits amounting to Rs. 259.134 million due to the said FSV benefit is not available for distribution of cash and stock dividend / bonus to employees.

10.3 Particulars of provision against advances

	30 June 2022 (Un-audited)			31 December 2021 (Audited)		
	Specific	General	Total	Specific	General	Total
	----- (Rupees in '000) -----					
Opening balance	19,544,268	2,187,627	21,731,895	18,965,250	2,570,953	21,536,203
Charge for the period / year	409,384	102	409,486	2,754,283	139,767	2,894,050
Reversals	(562,345)	(1,106,119)	(1,668,464)	(1,664,544)	(523,093)	(2,187,637)
	(152,961)	(1,106,017)	(1,258,978)	1,089,739	(383,326)	706,413
Amounts written off	(152,906)	-	(152,906)	(594,028)	-	(594,028)
Other movements (including FX adjustments)	192,461	-	192,461	83,307	-	83,307
Closing balance	<u>19,430,862</u>	<u>1,081,610</u>	<u>20,512,472</u>	<u>19,544,268</u>	<u>2,187,627</u>	<u>21,731,895</u>

10.3.1 General provision includes provision amounting to Rs 1,081.610 million (31 December 2021: Rs 1,014.621 million) against the consumer finance portfolio. It also includes Rs Nil (31 December 2021: Rs Nil) pertaining to Small Enterprise (SE) portfolio in accordance with SBP Prudential Regulations.

With the improvement in situation around COVID-19, the management believes that general provision relating to uncertainty surrounding the pandemic is no longer required (31 December 2021: 0.5 percent i.e. 1,173 million of the performing credit portfolio on prudent basis).

11 FIXED ASSETS

	30 June 2022 (Un-audited)	31 December 2021 (Audited)
	----- (Rupees in '000) -----	
Capital work-in-progress	362,811	440,901
Property and equipment	10,088,441	10,248,225
	<u>10,451,252</u>	<u>10,689,126</u>
11.1 Capital work-in-progress		
Civil works	350,872	408,099
Equipment	11,939	32,802
	<u>362,811</u>	<u>440,901</u>

24/10

	30 June 2022 (Un-audited)	30 June 2021 (Un-audited)
	----- (Rupees in '000) -----	
11.2 Additions / (transfers) to fixed assets		
The following additions / (transfers) have been made to fixed assets during the period:		
Capital work-in-progress - net	(78,090)	14,539
Building on leasehold land - owned	96,760	-
Furniture and fixture	28,518	-
Electrical office and computer equipment	137,274	111,864
Leasehold improvement	6,964	1,294
	<u>269,516</u>	<u>113,158</u>

11.3 Disposal of fixed assets

The net book value of fixed assets disposed off during the period is Rs. Nil (30 June 2021: Rs. Nil). In addition net book value upon derecognition of Right of use asset (ROU) during the period amounted to Rs. Nil (30 June 2021: Rs. 189.4 million)

11.4 This also includes Right of use asset (ROU) in line with IFRS 16 amounting to Rs. 1,643.056 million (31 December 2021: Rs 1,836.675 million)

12 INTANGIBLE ASSETS

	<i>Note</i>	30 June 2022 (Un-audited)	31 December 2021 (Audited)
		----- (Rupees in '000) -----	
Goodwill		26,095,310	26,095,310
Computer Software	12.1	-	-
		<u>26,095,310</u>	<u>26,095,310</u>

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

12.1 Additions to intangible assets

The additions made to intangible assets during the period is Rs. Nil (30 June 2021: Rs. Nil)

12.2 Disposals of intangible assets

The disposal made to intangible assets during the period is Rs. Nil (30 June 2021: Rs. Nil).

	<i>Note</i>	30 June 2022 (Un-audited)	31 December 2021 (Audited)
		----- (Rupees in '000) -----	

13 OTHER ASSETS

Income / mark-up accrued in local currency		6,675,294	5,437,089
Income / mark-up accrued in foreign currencies		18,596	6,413
Advances, deposits, advance rent and other prepayments		323,277	68,362
Defined benefit plans		13,850	13,850
Advance taxation (payments less provisions)		-	2,537,499
Branch adjustment account		-	671
Mark to market gain on forward foreign exchange contracts		16,179,721	5,688,498
Interest rate derivatives and currency options - positive fair value		130,063	303,066
Receivable from SBP / Government of Pakistan		2,064,847	245,020
Receivable from associated undertakings		8,069	42,518
Assets Held for Sale	13.1	1,394,373	1,394,373
Receivable from Standard Chartered Bank, Sri Lanka operations		25,935	38,626
Advance Federal Excise Duty		199,747	199,747
Cards Settlement account		6,161,098	2,113,481
Acceptances		6,718,371	12,065,534
Unsettled trades - Debt Securities		48,060,207	5,794,218
Sundry receivables		353,148	249,246
Others		201,093	182,801
		<u>88,527,689</u>	<u>36,381,012</u>
Less: Provision held against other assets	13.2	(87,776)	(87,776)
Other Assets - net of provisions		<u>88,439,913</u>	<u>36,293,236</u>

myhr

13.1 These represents carrying value of vacant owned properties which the Bank intends to dispose-off. The management considered these property to meet the criteria to be classified as held for sale at the date of classification. These assets are available for immediate sale and can be sold in it's current condition. 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.

13.2 Provision held against other assets

Note 30 June 2022 31 December 2021
(Un-audited) (Audited)
----- (Rupees in '000) -----

Others - Trade related 87,776 87,776

14 **BILLS PAYABLE**

In Pakistan 12,947,505 16,176,865
Outside Pakistan 408,287 424,322
13,355,792 16,601,187

15 **BORROWINGS**

In Pakistan 27,881,982 35,017,820
Outside Pakistan 17,512 10,947
27,899,494 35,028,767

15.1 Details of borrowings secured / unsecured

Secured

Borrowings from State Bank of Pakistan
under Export Refinance (ERF) scheme 15.1.1 25,912,491 24,437,229
Refinance scheme for payment of wages and salaries 1,216,108 2,432,217
State Bank of Pakistan - LTFF 146,972 169,583
Repurchase agreement borrowings (Repo) - 7,385,483
Financing facility for renewable energy plants 606,406 593,308
27,881,977 35,017,820

Unsecured

Overdrawn nostro accounts 17,512 10,947
27,899,494 35,028,767

15.1.1 Mark-up on Export Refinance (ERF) from State Bank of Pakistan is charged ranging from 1 percent to 6.5 percent (2021: 2 percent) per annum and are due to mature latest by December 2022. ERF borrowings also include borrowings under Islamic Export Refinance scheme amounting to Rs. 4,652 million (2021: Rs. 4,742 million). These borrowings are secured against demand promissory notes executed by the Bank in favour of State Bank of Pakistan.

my W

16 DEPOSITS AND OTHER ACCOUNTS

Note	30 June 2022 (Un-audited)			31 December 2021 (Audited)		
	In Local Currency	In Foreign currencies	Total	In Local Currency	In Foreign currencies	Total
	----- (Rupees in '000) -----					
Customers						
- Fixed deposits	37,218,435	1,517,117	38,735,552	47,908,842	803,841	48,712,683
- Savings deposits	315,155,051	23,298,415	338,453,466	284,966,620	22,898,281	307,864,901
- Current accounts	184,904,140	70,202,934	255,107,074	165,384,020	64,785,018	230,169,038
- Margin accounts	11,511,768	205,871	11,717,639	5,483,911	177,397	5,661,308
- Other deposits	1,390,467	-	1,390,467	8,800,436	-	8,800,436
	550,179,861	95,224,337	645,404,198	512,543,829	88,664,537	601,208,366
Financial Institutions						
- Fixed deposits	533,708	10,611	544,319	506,379	9,143	515,522
- Savings deposits	15,977,804	1,287,443	17,265,247	6,992,742	1,195,136	8,187,878
- Current accounts	16.1 8,488,735	2,992,828	11,481,563	13,699,347	3,068,008	16,767,355
- Margin accounts	52,798	91,284	144,082	14,895	80,396	95,291
	25,053,045	4,382,166	29,435,211	21,213,363	4,352,683	25,566,046
	575,232,906	99,606,503	674,839,409	533,757,192	93,017,220	626,774,412

16.1 This includes Rs. 777.825 million (2021: Rs. 732.691 million) against balances of other branches and subsidiaries of Standard Chartered Group.

17 DEFERRED TAX ASSETS / (LIABILITIES)

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

Note	30 June 2022 (Un-audited)			
	At 1 January 2022	Recognised in profit and loss	Recognised in OCI	At 30 June 2022
	----- (Rupees in '000) -----			
Deductible Temporary Differences on				
Deficit on revaluation of investments	311,982	-	187,823	499,805
Worker Welfare Fund	976,495	100,153	-	1,076,648
Provision against advances, off balance sheet etc.	17.1 1,445,740	(789,995)	-	655,745
Accelerated tax depreciation	41,791	33,417	-	75,208
Unpaid liabilities	3,997,679	410,018	-	4,407,697
	6,773,687	(246,407)	187,823	6,715,103
Taxable Temporary Differences on				
Surplus on revaluation of fixed assets	19.1 (270,181)	6,335	-	(263,846)
Post retirement employee benefits	19.2 (5,402)	-	-	(5,402)
Goodwill	(10,177,170)	(1,043,812)	-	(11,220,982)
	(10,452,753)	(1,037,477)	-	(11,490,230)
	(3,679,066)	(1,283,884)	187,823	(4,775,127)
	----- (Rupees in '000) -----			
	31 December 2021 (Audited)			
	At 1 January 2021	Recognised in profit and loss	Recognised in OCI	At 31 December 2021
Deductible Temporary Differences on				
Deficit on revaluation of investments	(142,523)	-	454,505	311,982
Worker Welfare Fund	876,342	100,153	-	976,495
Provision against advances, off balance sheet etc.	2,914,861	(1,469,121)	-	1,445,740
Accelerated tax depreciation	67,486	(25,695)	-	41,791
Unpaid liabilities	3,043,259	954,420	-	3,997,679
	6,759,425	(440,243)	454,505	6,773,687
Taxable Temporary Differences on				
Surplus on revaluation of fixed assets	(254,107)	13,463	(29,537)	(270,181)
Post retirement employee benefits	3,054	-	(8,456)	(5,402)
Goodwill	(9,133,358)	(1,043,812)	-	(10,177,170)
	(9,384,411)	(1,030,349)	(37,993)	(10,452,753)
	(2,624,986)	(1,470,592)	416,512	(3,679,066)

17.1 In terms of the Seventh Schedule to the Income Tax Law, the claim of provision for advances and off balance sheet items in respect of Corporate and Consumer (including SME) advances has been restricted to 1% and 5% of gross advances respectively. 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.

MP

18 OTHER LIABILITIES	Note	30 June 2022 (Un-audited)	31 December 2021 (Audited)
		----- (Rupees in '000) -----	
Mark-up / return / interest payable in local currency		629,760	522,719
Mark-up / return / interest payable in foreign currencies		478	1,240
Accrued expenses		3,081,353	3,572,068
Advance payments		665,354	456,472
Sundry creditors		13,586,325	9,182,051
Mark to market loss on forward foreign exchange contracts		14,064,838	2,046,836
Unrealized loss on interest rate derivatives and currency options		8,925,282	5,228,961
Due to Holding Company	18.1	15,983,169	14,336,497
Taxation (provisions less payments)		4,380,333	-
Charity fund balance		4,479	10,482
Dividend payable		166,321	132,495
Branch adjustment account		579	-
Provision against off balance sheet obligations	18.2	237,339	233,808
Worker's welfare fund (WWF) payable	18.3	3,402,628	2,952,654
Lease liability	18.4	1,923,677	2,047,578
Short sell - Government Securities		1,622,830	20,989,124
Acceptances		6,718,371	12,065,534
Unsettled trades - Debt Securities		11,120	3,929,796
Others		422,996	28,537
		<u>75,827,232</u>	<u>77,736,852</u>
18.1 Due to Holding Company			
On account of reimbursement of executive and general administrative expenses		10,250,476	10,250,476
Dividend and other payable		5,732,693	4,086,021
		<u>15,983,169</u>	<u>14,336,497</u>
18.2 Provision against off-balance sheet obligations			
Opening balance		233,808	226,638
Charge for the period / year		4,031	50,817
Reversals		(500)	(43,647)
Closing balance		<u>237,339</u>	<u>233,808</u>

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

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

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

MT

19 SURPLUS ON REVALUATION OF ASSETS - NET OF DEFERRED TAX

	Note	30 June 2022 (Un-audited)	31 December 2021 (Audited)
----- (Rupees in '000) -----			
Surplus / (deficit) arising on revaluation of:			
Fixed assets	19.1	8,113,735	8,129,978
Available for Sale Securities	19.2	(1,162,338)	(799,954)
		<u>6,951,397</u>	<u>7,330,024</u>
Deferred tax on surplus / (deficit) on revaluation of:			
Fixed assets	19.1	(263,846)	(270,181)
Available for Sale Securities	19.2	499,805	311,982
		<u>235,959</u>	<u>41,801</u>
		<u>7,187,356</u>	<u>7,371,825</u>
19.1 Surplus on revaluation of fixed assets - net of tax			
Surplus on revaluation of fixed assets as at 1 January		8,129,978	7,745,270
Recognised during the year		-	419,228
Realised on disposal during the period		-	-
Transferred to unappropriated profit in respect of incremental depreciation charged during the year		(16,243)	(34,520)
Surplus on revaluation of fixed assets - Gross		8,113,735	8,129,978
Less: Related deferred tax liability on:			
Revaluation surplus as at 1 January		(270,181)	(254,107)
Revaluation surplus recognised during the period		-	(105)
Surplus realized on disposal during the period		-	-
Deferred tax rate impact		-	(29,432)
Incremental depreciation charged during the period		6,335	13,463
		<u>(263,846)</u>	<u>(270,181)</u>
Surplus on revaluation of fixed assets - net of tax		<u>7,849,889</u>	<u>7,859,797</u>
19.2 (Deficit) / Surplus on revaluation of Available for Sale securities - net of tax			
Market Treasury Bills		(1,023,378)	(68,204)
Pakistan Investment Bonds		(24,565)	(657,740)
Sukuk and Ijarah Bonds		(211,456)	(107,377)
Listed shares		97,061	33,366
		<u>(1,162,338)</u>	<u>(799,954)</u>
Related deferred tax asset / (liability)		499,805	311,982
		<u>(662,533)</u>	<u>(487,972)</u>
20 CONTINGENCIES AND COMMITMENTS			
Guarantees	20.1	173,247,508	137,226,388
Commitments	20.2	499,068,948	491,543,968
Other contingent liabilities	20.3	30,802,391	30,781,591
		<u>703,118,847</u>	<u>659,551,947</u>
20.1 Guarantees:			
Guarantees issued favouring:			
Financial guarantees		10,448,276	11,529,652
Performance guarantees		114,852,619	90,299,604
Other guarantees		47,946,613	35,397,132
		<u>173,247,508</u>	<u>137,226,388</u>
20.2 Commitments:			
Documentary credits and short-term trade-related transactions			
Letters of credit		49,184,368	54,690,025
Commitments in respect of:			
Forward foreign exchange contracts;			
- Purchase	20.4	244,021,089	233,823,409
- Sale	20.4	153,892,501	156,529,301
Commitment in respect of derivatives			
- Interest rate swaps	20.6	13,681,762	14,090,226
- Cross currency swaps	20.6	38,015,252	32,064,531
Commitment in respect of operating lease	20.7	1,051	702
Commitment for acquisition of fixed assets		272,925	345,774
		<u>499,068,948</u>	<u>491,543,968</u>
20.3 Other contingent liabilities			
		<u>30,802,391</u>	<u>30,781,591</u>
20.3.1 The Bank has a case before the Court on the land where an office building is constructed and the Bank owns a portion of that premises. A request for clearance of its premises from the competent court has been filed based on the fact that the Bank is a bonafide purchaser of the premises having no relevance with the principal case. Considering the facts of the case, the management expects a favourable decision in this case from the competent court. The Bank is also in litigation with various tenants for repossessing its office space in one of its other owned properties. These cases are now being adjudicated before the Court of Rent Controller. Based on the facts of the case and the opinion of legal counsel, the management expects a favourable decision from the dealing court in remaining cases.			
20.3.2 An order for income year 2011 levying Federal Excise Duty of Rs. 515.6 million has been issued. The demand has been stayed by the Sindh High Court.			

M/V

20.3.3 The tax department amended the assessments for income years 2007 to 2020 (tax years 2008 to 2021 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.

	30 June 2022 (Un-audited)	31 December 2021 (Audited)
----- (Rupees in '000) -----		
20.4 Commitments in respect of forward foreign exchange contracts		
Purchase from:		
State Bank of Pakistan	46,024,916	42,922,076
Other banks	192,163,376	185,697,911
Customers	6,832,798	5,203,422
	<u>244,021,089</u>	<u>233,823,409</u>
Sale to:		
State Bank of Pakistan	-	-
Other banks	152,677,838	154,490,357
Customers	1,214,663	2,038,944
	<u>153,892,501</u>	<u>156,529,301</u>

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

20.5 Commitments to extend credit

The Bank makes commitments to extend credit in the normal course of its business but these being revocable commitments do not attract any significant penalty or expense if the facility is unilaterally withdrawn.

	30 June 2022 (Un-audited)	31 December 2021 (Audited)
----- (Rupees in '000) -----		
20.6 Commitments in respect of derivatives		
Interest rate Swaps		
- Purchase	3,840,881	4,045,113
- Sale	9,840,881	10,045,113
	<u>13,681,762</u>	<u>14,090,226</u>
Cross currency Swaps		
- Purchase	-	9,834,847
- Sale	38,016,252	22,229,684
	<u>38,016,252</u>	<u>32,064,531</u>
20.7 Commitments in respect of operating lease		
Not later than one year	433	-
Later than one year and not later than five years	618	702
Later than five years	-	-
	<u>1,051</u>	<u>702</u>

20.8 Derivative instruments

20.8.1 Product analysis

		30 June 2022 (Un-audited)					
		----- (Rupees in '000) -----					
Counterparties		Interest Rate Swaps		Cross Currency Swaps		FX Options	
		Notional Principal *	Mark to market gain / (loss)	Notional Principal *	Mark to market gain / (loss)	Notional Principal *	Mark to market gain / (loss)
With Banks for							
	Hedging	3,840,881	(46,303)	4,629,483	(732,950)	-	-
	Market Making	-	-	608,141	(119,881)	-	-
With FIs other than banks							
	Hedging	-	-	-	-	-	-
	Market Making	-	-	-	-	-	-
With other entities for							
	Hedging	-	-	-	-	-	-
	Market Making	9,840,881	(428,718)	32,877,629	(7,467,367)	-	-
Total							
	Hedging	3,840,881	(46,303)	4,629,483	(732,950)	-	-
	Market Making	9,840,881	(428,718)	33,385,770	(7,587,248)	-	-
		----- (Rupees in '000) -----					
		31 December 2021 (audited)					
		----- (Rupees in '000) -----					
Counterparties		Interest Rate Swaps		Cross Currency Swaps		FX Options	
		Notional Principal *	Mark to market gain / (loss)	Notional Principal *	Mark to market gain / (loss)	Notional Principal *	Mark to market gain / (loss)
With Banks for							
	Hedging	4,045,113	25,235	4,940,143	(359,047)	-	-
	Market Making	-	-	784,611	(267,346)	-	-
With FIs other than banks							
	Hedging	-	-	-	-	-	-
	Market Making	-	-	-	-	-	-
With other entities for							
	Hedging	-	-	-	-	-	-
	Market Making	10,045,113	(145,342)	26,339,778	(4,179,395)	-	-
Total							
	Hedging	4,045,113	25,235	4,940,143	(359,047)	-	-
	Market Making	10,045,113	(145,342)	27,124,389	(4,446,741)	-	-

* At the exchange rate prevailing at period end

My for

21 MARK-UP / RETURN / INTEREST EARNED	Note	Three months	Six months	Three months	Six months
		period ended 30 June 2022 (Un-audited)	period ended 30 June 2022 (Un-audited)	period ended 30 June 2021 (Un-audited)	period ended 30 June 2021 (Un-audited)
----- (Rupees in '000) -----					
On loans and advances to customers		7,118,433	13,338,311	4,510,681	8,778,254
On loans and advances to financial institutions		38,907	44,222	19,677	29,367
On investments in: i) Held for trading securities		71,443	175,236	109,575	262,914
ii) Available for sale securities		11,993,511	21,979,028	6,436,334	12,213,860
On deposits with financial institutions / State Bank of Pakistan		12,830	14,125	672	672
On securities purchased under resale agreements		262,372	306,365	68,283	167,555
On call money lending / placements		39,398	62,771	59,853	134,131
		<u>19,526,894</u>	<u>35,920,058</u>	<u>11,205,075</u>	<u>21,586,753</u>
22 MARK-UP / RETURN / INTEREST EXPENSED					
Deposits		8,918,577	16,160,148	4,227,946	8,183,302
Securities sold under repurchase agreements		818,555	1,275,231	238,199	326,916
Call borrowings		-	667	196	1,370
Borrowings from State Bank of Pakistan under Export Refinance (ERF) scheme		132,405	251,107	114,300	212,071
Cost of foreign currency swaps against foreign currency deposits / borrowings		627,918	794,708	97,856	114,297
Deposit protection premium	22.1	139,661	279,322	129,994	259,989
Finance cost of lease liability		63,509	120,554	77,065	147,456
		<u>10,700,625</u>	<u>18,681,737</u>	<u>4,885,556</u>	<u>9,245,401</u>
22.1 As per State Bank of Pakistan DPC Circular No. 04 of 2018, dated 22nd June 2018, all member banks are required to pay deposits protection premium at the rate of 0.16% on eligible deposits as defined in the aforesaid circular.					
23 FEE & COMMISSION INCOME	Note	Three months	Six months	Three months	Six months
		period ended 30 June 2022 (Un-audited)	period ended 30 June 2022 (Un-audited)	period ended 30 June 2021 (Un-audited)	period ended 30 June 2021 (Un-audited)
----- (Rupees in '000) -----					
Branch banking customer fees		91,559	185,809	88,564	183,078
Consumer finance related fees		22,540	33,581	20,042	44,713
Card related fees (debit and credit cards)		196,088	635,219	184,309	600,348
Credit related fees		1,822	3,674	1,822	3,624
Investment banking fees		31,224	66,725	39,448	72,347
Brokerage charges		(20,929)	(38,720)	(15,261)	(35,706)
Commission on trade and cash management		209,282	454,296	135,481	333,794
Commission on guarantees		79,777	196,622	60,039	151,265
Commission on remittances including home remittances		42,407	98,380	52,428	99,546
Commission on bancassurance		12,932	24,631	24,267	44,469
Custody Fees		43,012	80,824	55,369	97,530
		<u>709,714</u>	<u>1,741,041</u>	<u>646,508</u>	<u>1,595,008</u>
24 FOREIGN EXCHANGE INCOME					
Gain/ (loss) realised from dealing in :					
Foreign Currencies		4,297,140	6,317,951	1,203,154	2,290,847
Derivative financial instruments		46,435	47,111	(435,078)	(922,556)
		<u>4,343,575</u>	<u>6,365,062</u>	<u>768,076</u>	<u>1,368,291</u>
25 GAIN / (LOSS) ON SECURITIES					
Realised	25.1	494,624	1,608,071	898,109	1,324,943
Unrealised - held for trading	9.1	(101,666)	69,052	(32,244)	68,333
		<u>392,958</u>	<u>1,677,123</u>	<u>865,865</u>	<u>1,393,276</u>
25.1 Realised gain on:					
Federal Government Securities					
Market Treasury Bills		459,284	1,128,980	446,960	794,001
Pakistan Investment Bonds		32,995	475,317	454,021	526,226
Ijarah Sukuk		2,345	3,774	(2,872)	4,716
		<u>494,624</u>	<u>1,608,071</u>	<u>898,109</u>	<u>1,324,943</u>
26 OTHER INCOME					
Rent on property		13,614	16,206	12,372	14,650
Gain on sale of fixed assets - net		20,718	22,043	-	3,937
Sri Lanka branch operations cost & FX translation		226	(12,692)	65	(4,149)
Gain on lease termination		-	-	11,223	40,758
Gain on acquisition of assets		-	-	(3)	1,567
		<u>34,558</u>	<u>25,557</u>	<u>23,657</u>	<u>56,763</u>

4/6

27	OPERATING EXPENSES	Note	Three months period ended 30 June 2022 (Un-audited)	Six months period ended 30 June 2022 (Un-audited)	Three months period ended 30 June 2021 (Un-audited)	Six months period ended 30 June 2021 (Un-audited)
----- (Rupees in '000) -----						
	Total compensation expense		1,979,909	3,682,876	1,682,001	3,247,648
	Property expense					
	Rent & taxes		18,713	43,130	15,809	32,765
	Insurance		2,280	5,392	604	1,440
	Utilities cost		85,680	150,532	56,949	119,293
	Security (including guards)		49,453	100,743	49,962	102,645
	Repair & maintenance		46,665	112,039	39,754	98,669
	Civil works		70,726	109,646	35,086	105,579
	Facilities management cost		33,504	67,007	31,105	62,237
	Depreciation (Property related)		28,009	54,208	31,556	64,288
	Depreciation (Right of use assets)		97,050	211,619	135,045	281,073
	Cleaning and Janitorial		114,437	218,070	124,566	218,565
	Minor improvements, additions and others		65,031	97,242	7,911	27,639
			611,548	1,169,628	528,347	1,114,193
	Information technology expenses					
	Software maintenance		32,135	110,383	87,442	149,864
	Hardware maintenance		5,963	58,516	71,348	156,868
	Depreciation (IT related)		82,506	154,406	70,530	137,025
	Amortization		-	-	3	6
	Network charges		12,692	14,928	4,009	7,287
			133,296	338,233	233,332	451,050
	Other operating expenses					
	Directors' fees and allowances		3,625	6,725	3,125	6,225
	Fees and allowances to Shariah Board		4,320	8,985	3,835	6,877
	Legal & professional charges		34,815	72,592	27,136	79,812
	Outsourced services costs		23,240	49,954	21,410	50,301
	Travelling & conveyance		23,285	42,431	5,362	13,757
	Depreciation (Other fixed assets)		15,198	27,067	17,783	35,861
	Training & development		676	955	636	2,150
	Postage & courier charges		31,192	66,987	15,386	64,601
	Communication		94,499	189,110	80,934	157,467
	Stationery & printing		45,613	106,763	31,161	81,330
	Marketing, advertisement & publicity		117,879	239,915	59,794	113,565
	Auditors remuneration		7,943	16,019	10,404	15,904
	Cash transportation services		12,271	25,383	18,708	36,974
	Documentation and processing charges		47,092	86,323	40,665	76,354
	Insurance		5,286	9,761	7,816	19,009
	Others		14,338	100,250	16,053	45,618
			481,272	1,049,220	360,208	805,805
			3,206,025	6,239,957	2,803,888	5,618,696
28	OTHER CHARGES					
	Net charge against fines and penalties imposed by SBP		10,150	10,161	(12,762)	3,322
29	REVERSALS / (PROVISIONS) & WRITE OFFS - NET					
	Provision against loans and advances	10.3	559,390	1,258,978	164,534	704,571
	Provision against off-balance sheet obligations - net	18.2	(4,031)	(3,531)	(24,972)	(24,972)
	Recovery of amounts written off		82,155	168,377	88,065	199,908
	Bad debts written off directly		(53,518)	(109,511)	(74,958)	(153,948)
	Fixed assets write offs		-	-	(4,815)	(4,815)
			583,996	1,314,313	147,854	720,744
30	TAXATION					
	- Current		7,020,385	11,334,450	2,049,628	4,881,465
	- Prior years		1,321,995	1,321,995	-	-
	- Deferred		885,461	1,283,884	475,517	286,902
			9,227,841	13,940,329	2,525,145	5,168,367
31	EARNINGS PER SHARE - BASIC AND DILUTED					
	Profit for the period		1,046,892	8,108,406	3,565,219	6,784,193
			----- (Number of shares) -----			
	Weighted average number of ordinary shares		3,871,585,021	3,871,585,021	3,871,585,021	3,871,585,021
			----- (Rupees in '000) -----			
	Earnings per share - basic and diluted		0.27	2.09	0.92	1.75

MLW

32 FAIR VALUE

32.1 Fair value of financial instrument

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

On balance sheet financial instruments

Note	30 June 2022 (Un-audited)						Fair value				
	Carrying value						Level 1	Level 2	Level 3	Total	
	Hold for Trading	Available for Sale	Loans and Receivables	Other financial Assets	Other financial Liabilities	Total					
(Rupees in '000)											
Financial assets measured at fair value											
Investments											
	Federal Government Securities (T-bills + PIBs + Sukuks + Naya Pakistan Certificates)	2,974,692	427,236,845	-	-	-	430,211,637	-	430,211,637	-	430,211,637
	Equity securities traded (Shares)	-	160,311	-	-	-	160,311	160,311	-	-	160,311
Financial assets not measured at fair value											
	- Cash and bank balances with SBP and HBP	32.2	-	-	60,669,459	-	60,669,459	-	-	-	60,669,459
	- Balances with other banks	32.2	-	-	18,136,614	-	18,136,614	-	-	-	18,136,614
	- Lending to financial institutions	32.2	-	-	14,639,046	-	14,639,046	-	-	-	14,639,046
	- Bai Muajjal with GOP	32.2	-	-	-	-	-	-	-	-	-
	- Investments - ordinary shares	32.2	-	50,000	-	-	50,000	-	-	-	50,000
	- Advances	32.2	-	238,754,287	-	-	238,754,287	-	-	-	238,754,287
	- Other assets	32.2	-	-	87,838,207	-	87,838,207	-	-	-	87,838,207
			2,974,692	427,437,156	238,754,287	171,172,326	-	840,339,461	-	-	840,339,461
Financial liabilities not measured at fair value											
	- Bills Payable	32.2	-	-	-	13,356,792	13,356,792	-	-	-	13,356,792
	- Deposits and other accounts	32.2	-	-	-	674,839,499	674,839,499	-	-	-	674,839,499
	- Borrowings	32.2	-	-	-	27,899,494	27,899,494	-	-	-	27,899,494
	- Other liabilities (excluding Liabilities against assets subject to finance lease)	32.2	-	-	-	73,286,120	73,286,120	-	-	-	73,286,120
			-	-	-	789,379,816	789,379,816	-	-	-	789,379,816

Off-balance sheet financial instruments

Interest Rate swaps / Foreign currency options / Forward purchase contracts	-	-	-	247,861,970	-	247,861,970	-	264,171,764	-	264,171,764
Interest Rate swaps / Foreign currency options / Forward sale contracts	-	-	-	201,748,636	-	201,748,636	-	224,738,768	-	224,738,768

On balance sheet financial instruments

Note	31 December 2021 (Audited)						Fair value				
	Carrying value						Level 1	Level 2	Level 3	Total	
	Hold for Trading	Available for Sale	Loans and Receivables	Other financial Assets	Other financial Liabilities	Total					
(Rupees in '000)											
Financial assets measured at fair value											
Investments											
	Federal Government Securities (T-bills + PIBs + Sukuku)	52,344,324	398,162,347	-	-	-	450,446,671	-	450,446,671	-	450,446,671
	Equity securities traded (Shares)	-	86,616	-	-	-	86,616	86,616	-	-	86,616
Financial assets not measured at fair value											
	- Cash and bank balances with SBP and HBP	32.2	-	-	60,295,393	-	60,295,393	-	-	-	60,295,393
	- Balances with other banks	32.2	-	-	9,587,702	-	9,587,702	-	-	-	9,587,702
	- Lending to financial institutions	32.2	-	-	11,728,899	-	11,728,899	-	-	-	11,728,899
	- Bai Muajjal with GOP	32.2	-	-	-	-	-	-	-	-	-
	- Investments - ordinary shares	32.2	-	50,000	-	-	50,000	-	-	-	50,000
	- Advances	32.2	-	234,172,617	-	-	234,172,617	-	-	-	234,172,617
	- Other assets	32.2	-	-	33,463,151	-	33,463,151	-	-	-	33,463,151
			52,344,324	398,238,953	234,172,617	116,056,115	-	799,811,019	-	-	799,811,019
Financial liabilities not measured at fair value											
	- Bills Payable	32.2	-	-	-	16,601,187	16,601,187	-	-	-	16,601,187
	- Deposits and other accounts	32.2	-	-	-	628,774,412	628,774,412	-	-	-	628,774,412
	- Borrowings	32.2	-	-	-	35,028,767	35,028,767	-	-	-	35,028,767
	- Other liabilities (excluding Liabilities against assets subject to finance lease)	32.2	-	-	-	76,082,320	76,082,320	-	-	-	76,082,320
			-	-	-	754,486,686	754,486,686	-	-	-	754,486,686
Off-balance sheet financial instruments											
Interest Rate swaps / Foreign currency options / Forward purchase contracts	-	-	-	253,722,741	-	253,722,741	-	259,714,305	-	259,714,305	
Interest Rate swaps / Foreign currency options / Forward sale contracts	-	-	-	188,604,160	-	188,604,160	-	196,079,897	-	188,604,160	

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

mg

32.3 Fair value of non-financial assets

	30 June 2022 (Un-audited)			31 December 2021 (Audited)				
	Carrying value	Fair value			Carrying value	Fair value		
		Level 1	Level 2	Level 3		Level 1	Level 2	Level 3
	Rupees in '000			Rupees in '000				
Fixed assets	10,451,252	-	-	10,451,252	10,689,126	-	-	10,689,126

32.4 During the period ended 30 June 2022, there were no transfers between level 1 and level 2 fair value measurements, and no transfer into and out of level 3 fair value measurements.

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

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

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

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

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

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

33 SEGMENT INFORMATION

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

Corporate Commercial and Institutional Banking (CCIB)

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

Consumer Private Business Banking (CPBB)

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

Central & Other Items

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

All segments offer a complete suite of Islamic Banking products and services under Standard Chartered Saadiq brand and state of the art digital banking solutions. Refer note 36 for Islamic Banking Business

MW

33.1 Segment Details with respect to Business Activities

	30 June 2022 (Un-audited)			
	Corporate Commercial Institutional Banking	Consumer Private Business Banking	Central and Other Items	Total
	----- (Rupees in '000) -----			
Profit & Loss				
Inter segment revenue - net	5,201,618	12,095,774	(17,297,392)	-
Net mark-up / return / profit	(363,623)	(3,786,204)	21,188,148	17,038,321
Non mark-up / return / interest income	7,921,486	2,381,524	93,183	10,396,193
Total Income	12,759,481	10,691,094	3,983,939	27,434,514
Segment direct expenses	1,804,983	3,966,693	928,416	6,700,092
Inter segment expense allocation	-	-	-	-
Total expenses	1,804,983	3,966,693	928,416	6,700,092
(Reversals) / provisions	(1,167,425)	(146,888)	-	(1,314,313)
Profit before taxation	12,121,923	6,871,289	3,055,523	22,048,735
Balance Sheet				
Cash & Bank balances	-	-	68,795,073	68,795,073
Investments	2,974,695	50,000	427,387,153	430,411,848
Net inter segment lending	89,559,013	324,901,782	(414,460,795)	-
Lending to financial institutions	1,767,579	-	12,771,467	14,539,046
Advances - performing	192,628,193	44,298,939	-	236,927,132
- Non performing	921,551	905,604	-	1,827,155
Others	87,107,650	14,859,514	23,019,311	124,986,475
Total Assets	374,958,681	385,015,839	117,512,209	877,486,729
Borrowings	-	-	27,899,494	27,899,494
Deposits & other accounts	291,186,489	383,612,679	40,241	674,839,409
Net inter segment borrowing	-	-	-	-
Others	83,772,192	1,403,160	8,782,799	93,958,151
Total liabilities	374,958,681	385,015,839	36,722,534	796,697,054
Equity	-	-	80,789,675	80,789,675
Total Equity & liabilities	374,958,681	385,015,839	117,512,209	877,486,729
Contingencies & Commitments	273,573,810	555,082	428,989,955	703,118,847
	----- (Rupees in '000) -----			
Profit & Loss				
Inter segment revenue - net	1,672,686	8,914,826	(10,587,512)	-
Net mark-up / return / profit	1,558,643	(1,964,486)	12,747,195	12,341,352
Non mark-up / return / interest income	2,683,087	2,122,678	24,978	4,830,743
Total Income	5,914,416	9,073,018	2,184,661	17,172,095
Segment direct expenses	1,708,217	3,616,836	615,226	5,940,279
Inter segment expense allocation	-	-	-	-
Total expenses	1,708,217	3,616,836	615,226	5,940,279
(Reversals) / provisions	(888,557)	162,998	4,815	(720,744)
Profit before taxation	5,094,756	5,293,184	1,564,620	11,952,560
	----- (Rupees in '000) -----			
Balance Sheet				
Cash & Bank balances	-	-	69,863,095	69,863,095
Investments	52,344,324	50,000	398,188,963	450,583,287
Net inter segment lending	46,441,108	325,310,454	(371,751,562)	-
Lending to financial institutions	-	-	11,728,869	11,728,869
Advances - performing	192,054,790	40,358,721	-	232,413,511
- Non performing	852,881	906,225	-	1,759,106
Others	38,885,713	15,033,116	19,158,843	73,077,672
Total Assets	330,578,816	381,658,516	127,188,208	839,425,540
Borrowings	-	-	35,028,767	35,028,767
Deposits & other accounts	246,278,219	380,469,401	26,792	626,774,412
Net inter segment borrowing	-	-	-	-
Others	84,300,597	1,189,115	12,527,393	98,017,105
Total liabilities	330,578,816	381,658,516	47,582,952	759,820,284
Equity	-	-	79,605,256	79,605,256
Total Equity & liabilities	330,578,816	381,658,516	127,188,208	839,425,540
Contingencies & Commitments	237,577,848	493,323	421,480,776	659,551,947

M/W

34 RELATED PARTY TRANSACTIONS

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

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

	30 June 2022 (Un-audited)				31 December 2021 (Audited)			
	Parent	Directors	Key management personnel	Other related parties	Parent	Directors	Key management personnel	Other related parties
	(Rupees in '000)							
Balances with other banks								
In current accounts	18,054,543	-	-	-	9,486,490	-	-	-
In deposit accounts	-	-	-	-	-	-	-	-
	<u>18,054,543</u>	-	-	-	<u>9,486,490</u>	-	-	-
Lending to financial institutions								
Opening balance	6,560,984	-	-	-	60,281,457	-	-	-
Addition during the year	1,413,551,416	-	-	-	1,905,965,566	-	-	-
Repaid during the year	(1,416,840,932)	-	-	-	(1,960,686,039)	-	-	-
Closing balance	<u>4,271,468</u>	-	-	-	<u>6,560,984</u>	-	-	-
Advances								
Opening balance	-	84	217,158	-	-	103	199,961	-
Addition during the year	-	2,344	44,599	-	-	2,265	199,206	-
Repaid during the year	-	(2,415)	(37,332)	-	-	(2,284)	(143,317)	-
Transfer in / (out) - net	-	(13)	-	-	-	-	(38,692)	-
Closing balance	-	-	<u>224,425</u>	-	-	<u>84</u>	<u>217,158</u>	-
Provision held against advances	-	-	-	-	-	-	-	-
Other Assets								
Interest / mark-up accrued	1,463	-	831	-	176	-	1,056	-
Receivable from staff retirement fund	-	-	-	8,726	-	-	-	13,850
Due from associated undertakings	34,004	-	-	-	81,144	-	-	-
Other receivable	-	-	-	-	-	-	-	-
	<u>35,467</u>	-	<u>831</u>	<u>8,726</u>	<u>81,320</u>	-	<u>1,056</u>	<u>13,850</u>
Borrowings								
Opening balance	10,846	-	-	-	58,592	-	-	-
Borrowings during the year	15,890	-	-	-	4,776	-	-	-
Settled during the year	(9,224)	-	-	-	(52,522)	-	-	-
Closing balance	<u>17,512</u>	-	-	-	<u>10,846</u>	-	-	-
Deposits and other accounts								
Opening balance	732,691	155,902	144,835	116,030	568,666	163,244	101,742	147,670
Received during the year	175,669	160,998	588,260	546,452	165,954	1,500,331	1,039,819	1,229,874
Withdrawn during the year	(130,535)	(143,722)	(580,571)	(533,146)	(21,929)	(1,507,673)	(985,164)	(1,261,514)
Transfer in / (out) - net	-	(167,168)	-	-	-	-	(11,562)	-
Closing balance	<u>777,825</u>	<u>6,010</u>	<u>152,514</u>	<u>129,336</u>	<u>732,691</u>	<u>155,902</u>	<u>144,835</u>	<u>116,030</u>
Other Liabilities								
Due to holding company	15,983,169	-	-	-	14,336,497	-	-	-
Other liabilities	-	-	-	-	-	2,373	-	-
	<u>15,983,169</u>	-	-	-	<u>14,336,497</u>	<u>2,373</u>	-	-
Contingencies and Commitments								
Transaction-related contingent liabilities - guarantors	78,508,877	-	-	-	57,353,301	-	-	-
Commitments in respect of forward foreign exchange contracts	1,936,255	-	-	-	2,983,624	-	-	-
Derivatives								
Derivative instruments - Interest rate swaps - notional	8,470,364	-	-	-	8,985,256	-	-	-
Derivative assets	134,417	-	-	-	31,082	-	-	-
Derivative liabilities	737,349	-	-	-	364,206	-	-	-

ayb

RELATED PARTY TRANSACTIONS

	30 June 2022 (Un-audited)				30 June 2021 (Un-audited)			
	Parent	Directors	Key management personnel	Other related parties	Parent	Directors	Key management personnel	Other related parties
	(Rupees in '000)							
Income								
Mark-up / return / interest earned	67,573	36	13,206	-	29,284	44	13,853	-
Fee and commission income	5,977	16	60	-	7,169	71	19	-
Income / (loss) from derivatives	3,285,264	-	-	-	(12,148)	-	-	-
Expense								
Mark-up / return / interest paid	-	293	2,170	7,276	11	3,731	1,681	4,095
Fee and commission expense	-	-	-	-	-	-	-	-
Operating expenses	18,054	7,125	221,757	-	(3,044)	6,225	215,053	-
Rent and Renovation expense	-	-	-	-	-	-	-	-
Other transactions								
Dividend paid	(4,790,424)	-	-	-	(10,538,933)	-	-	-
Contribution to defined contribution plans	-	-	-	(208,937)	-	-	-	(180,724)
Net charge for defined contribution plans	-	-	-	(208,937)	-	-	-	(180,724)

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

35 CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS

30 June 2022 (Un-audited) 31 December 2021 (Audited)

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

Minimum Capital Requirement (MCR):		
Paid-up capital (net of losses)	38,715,850	38,715,850
Capital Adequacy Ratio (CAR):		
Eligible Common Equity Tier 1 (CET 1) Capital	57,134,836	54,621,127
Eligible Additional Tier 1 (ADT 1) Capital	-	-
Total Eligible Tier 1 Capital	57,134,836	54,621,127
Eligible Tier 2 Capital	8,931,499	10,047,424
Total Eligible Capital (Tier 1 + Tier 2)	66,066,335	64,668,551
Risk Weighted Assets (RWAs):		
Credit Risk	342,206,112	272,298,682
Market Risk	18,857,874	39,378,955
Operational Risk	70,351,669	70,351,669
Total	431,415,655	382,029,306
Common Equity Tier 1 Capital Adequacy ratio	13.24%	14.30%
Tier 1 Capital Adequacy Ratio	13.24%	14.30%
Total Capital Adequacy Ratio	15.31%	16.93%
Minimum CAR (including Capital Conservation Buffer)	11.50%	11.50%
Leverage Ratio (LR):		
Eligible Tier 1 Capital	57,134,836	54,621,127
Total Exposures	1,127,239,471	1,025,510,971
Leverage Ratio	5.07%	5.33%
Minimum SBP Requirement	3.00%	3.00%
Liquidity Coverage Ratio (LCR):		
Average High Quality Liquid Assets	475,339,244	408,146,977
Average Net Cash Outflow	112,091,125	85,437,728
Average Liquidity Coverage Ratio	424.1%	477.7%
Minimum SBP Requirement	100.0%	100.0%
Net Stable Funding Ratio (NSFR):		
Total Available Stable Funding	579,975,020	581,667,236
Total Required Stable Funding	274,748,849	248,478,720
Net Stable Funding Ratio	211%	234%
Minimum SBP Requirement	100%	100%

myw

36 ISLAMIC BANKING BUSINESS

The bank is operating 2 (31 December 2021: 2) Islamic banking branches and 38 (31 December 2021: 39) Islamic banking windows at the end of the period.

	Note	30 June 2022 (Un-audited)	31 December 2021 (Audited)
----- (Rupees in '000) -----			
ASSETS			
Cash and balances with treasury banks		4,045,918	3,985,646
Due from financial institutions	36.1	4,271,468	6,560,984
Investments	36.2	20,589,142	19,073,804
Islamic financing and related assets - net	36.3	71,796,520	58,546,455
Fixed assets		95,382	204,137
Other assets		2,385,251	6,716,261
Total Assets		103,183,681	95,087,287
LIABILITIES			
Bills payable		81,285	84,750
Due to financial institutions		4,651,029	4,741,529
Deposits and other accounts	36.4	66,717,867	60,424,815
Due to Head Office		13,155,792	9,637,350
Other liabilities		1,846,614	6,627,919
		86,452,587	81,516,363
NET ASSETS		16,731,094	13,570,924
REPRESENTED BY			
Islamic Banking Fund		500,000	500,000
(Deficit) / surplus on revaluation of assets		(211,456)	(107,377)
Unappropriated / Unremitted profit	36.9	16,442,550	13,178,301
		16,731,094	13,570,924
CONTINGENCIES AND COMMITMENTS	36.6		

The profit and loss account of the Bank's Islamic banking branches for the period ended 30 June 2022 is as follows:

	Note	30 June 2022 (Un-audited)	30 June 2021 (Un-audited)
----- (Rupees in '000) -----			
Profit / return earned	36.7	4,783,226	3,282,617
Profit / return expensed	36.8	(1,102,162)	(684,460)
Net Profit / return		3,681,064	2,598,157
Other income			
Fee and Commission Income		290,282	287,990
Foreign Exchange Income		164,835	33,605
Gain on securities		57,262	20,178
Other Income		21,784	29
Total other income		534,163	341,802
Total Income		4,215,227	2,939,959
Other expenses			
Operating expenses		(1,101,678)	(953,778)
		(1,101,678)	(953,778)
Profit / (loss) before provisions		3,113,549	1,986,181
Provisions and write offs - net		150,700	(5,349)
Profit / (loss) before taxation		3,264,249	1,980,832

The Bank calculates and files a single corporate tax return as per the requirements of Income Tax Ordinance, 2001. Segmental calculation is not required for filing. However, considering the revised format requirement of the financial statements to disclose Islamic Banking segment's tax charge separately, a notional tax charge for Islamic Banking is expected to be Rs. 1.404 billion (30 June 2021: Rs. 0.772 billion).

36.1 Due from Financial Institutions

Unsecured
Bai Muajjal Receivable from State Bank of Pakistan

30 June 2022 (Un-audited)			31 December 2021 (Audited)		
In Local Currency	In Foreign currencies	Total	In Local Currency	In Foreign currencies	Total
-	4,271,468	4,271,468	-	6,560,984	6,560,984
-	4,271,468	4,271,468	-	6,560,984	6,560,984

36.2 Investments by segments:

Federal Government Securities:

Ijarah Sukuk
Islamic Naya Pakistan Certificates
Bai Muajjal with GOP

Non Government Debt Securities

Listed
Unlisted

Total Investments

30 June 2022 (Un-audited)				31 December 2021 (Audited)			
Cost / Amortised cost	Provision for diminution	Surplus / (Deficit)	Carrying Value	Cost / Amortised cost	Provision for diminution	Surplus / (Deficit)	Carrying Value
18,201,562	-	(211,456)	17,990,106	18,567,285	-	(107,377)	18,459,908
2,699,036	-	-	2,599,036	613,896	-	-	613,896
-	-	-	-	-	-	-	-
20,800,598	-	(211,456)	20,589,142	19,181,181	-	(107,377)	19,073,804
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
20,800,598	-	(211,456)	20,589,142	19,181,181	-	(107,377)	19,073,804

36.3 Islamic financing and related assets

Murabaha
Musharaka
Diminishing Musharaka
Kafalah
Musawammah
Ujrah (Saadiq Credit Cards)
Advances against Islamic assets - Murabaha
Advances against Islamic assets - Diminishing Musharakah
Advances against Islamic assets - Istisna
Inventory related to Islamic financing - Murabaha
Gross Islamic financing and related assets
Less: provision against Islamic financings
Specific
General

Islamic financing and related assets - net of provision

36.4 Deposits

Customers
Current deposits
Savings deposits
Term deposits
Margin accounts

Financial Institutions
Current deposits
Savings deposits
Term deposits

36.5 Charity Fund

Opening Balance
Additions during the period
Received from customers on account of delayed payment
Other Non-Shariah compliant income

Payments / utilization during the period
Education
Health

Closing Balance

36.6 CONTINGENCIES AND COMMITMENTS

Guarantees
Commitments
Other contingent liabilities

36.7 Profit/Return Earned of Financing, Investments and Placement

Profit earned on
Financing
Investments
Placements

	30 June 2022 (Un-audited)	31 December 2021 (Audited)
	----- (Rupees in '000) -----	
	7,052,177	4,103,517
	16,442,461	17,501,136
	31,122,005	27,699,615
	-	-
	5,164,032	1,730,700
	443,436	424,479
	6,513,571	2,534,350
	640,616	1,121,916
	1,829,500	1,906,000
	1,447,400	2,032,005
	72,655,196	59,554,520
	(553,276)	(511,104)
	(305,402)	(496,871)
	(858,678)	(1,008,065)
	71,796,520	58,546,455
	38,858,171	35,897,577
	22,176,136	22,937,913
	427,959	936,549
	4,534,285	1,560
	65,996,551	59,773,399
	42,217	29,321
	679,099	621,895
	-	-
	721,316	651,216
	66,717,867	60,424,915
	9,886	10,551
	1,149	3,115
	193	220
	1,342	3,335
	(6,750)	-
	-	(4,000)
	(6,750)	(4,000)
	4,478	9,886
	1,996,811	3,629,452
	13,895,995	2,670,359
	2,766,651	5,623,633
	18,659,457	14,723,444
	30 June 2022 (Un-audited)	30 June 2021 (Un-audited)
	----- (Rupees in '000) -----	
	3,799,121	2,342,773
	971,423	632,221
	12,682	1,423
	4,783,226	3,255,217

20/10

	30 June 2022 (Un-audited)	30 June 2021 (Un-audited)
----- (Rupees in '000) -----		
36.8 Profit on Deposits and other Dues Expensed		
Deposits and other accounts	(1,016,904)	(597,261)
Due to Financial Institutions	(42,577)	(44,680)
Deposit protection premium	(37,010)	(34,421)
Finance cost of lease liability	(5,671)	(8,098)
	<u>(1,102,162)</u>	<u>(684,460)</u>
36.9 Islamic Banking Business Unappropriated Profit		
Opening Balance		
Add: Islamic Banking profit for the period	13,178,301	8,570,985
Less: Transferred / Remitted to Head Office	3,264,249	4,607,316
Closing Balance	-	-
36.10 Profit & Loss distribution and Pool Management	<u>16,442,550</u>	<u>13,178,301</u>

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

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

a) Islamic Export Refinance Scheme (IERS) Musharakah Pool

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

The relevant details are mentioned hereunder:

Type of Pool	Profit rate and weightage announcement period	Average return on Pool Assets	Bank Profit (Rupees in '000)	SBP Profit (Rupees in '000)	Bank Profit %	SBP Profit %
IERF Pool						
	Monthly	6.9%	317,950	45,600	87.5%	12.5%

b) Mudarabah Pool

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

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

i) Key features and risk & reward characteristics

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

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

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

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

iii) Deployment of Mudaraba based deposits

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

iv) Other information

	Type of Pool						
	General	Special	High Yield	Special Term Deposit	Special Pool - CCIB	High Yield - Pool 2	Special Pool -TD- CCIB
Profit rate / weightage announcement frequency	Monthly	Monthly	Monthly	Monthly	Monthly	Monthly	Monthly
Mudarib share (amount in '000)	245,862	16,982	41,592	3,975	15,424	-	-
Mudarib share (%)	38.1%	12.3%	12.7%	22.9%	9.4%	-	-
Mudarib Share transferred through Hiba (Amount in '000)	77,166	18,568	22,137	1,495	14,168	0.0%	0.0%
Mudarib Share transferred through Hiba (%)	23.9%	52.2%	34.7%	27.3%	47.9%	0.0%	0.0%
Average return on pool assets	9.6%	9.6%	10.7%	11.3%	10.0%	10.5%	12.3%
Average return on deposits	5.9%	8.4%	10.5%	9.8%	8.9%	0.0%	0.0%

37. GENERAL

37.1 Subsequent Event

The Board of Directors in its meeting held on 24 August 2022 has declared a cash dividend of 15 percent (Rs. 1.50/- per share) in respect of the half year ended 30 June 2022 (30 June 2021 : Rs 1.25/- per share). These condensed interim financial statements do not include the effect of these appropriations which will be accounted for subsequent to the period end.

nk

37.2 Corresponding Figures

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

37.3 All amounts have been rounded to the nearest thousand Rupees

37.4 Date of Authorization

These condensed interim financial statements were authorized for issue in the Board of Directors meeting held on 24 August 2022




Chairman



Chief Executive officer



Chief Financial Officer



Director



Director



standard
chartered

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

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



here for
good™

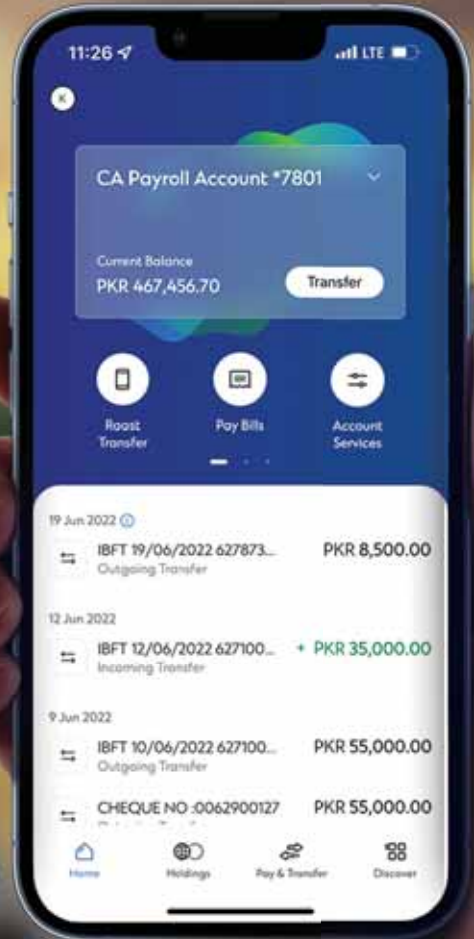


standard chartered

saadiq islamic

Simpler.
Faster.
Better

#Getmoredone with the improved SC Mobile App.



Account Opening



Biometric Verification



Debit Card Activation

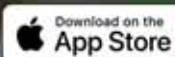


FX Conversion



Credit Card Activation

Download now



sc.com/pk