



1st Quarterly Report (January – March 2018)

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

Standard Chartered Bank (Pakistan) Ltd.

Points of interest

- Standard Chartered is proud to be operating in Pakistan as the largest and oldest international bank since 1863.
- 2013 marked Standard Chartered's 150th year of presence in the country.
- Goal is Standard Chartered's leading education programme that provides financial literacy, life skills and employability training to low-income adolescent girls across its footprint. Since the launch of the programme in April 2016, the Bank has reached a total of 2447 beneficiaries in Pakistan.
- As a result of our Seeing is Believing projects in Pakistan, we are attributed to decreasing avoidable blindness by 20 per cent across the country. We are the only corporate partner of the Government and play a pivotal role in the National Committee of Eye Health
- A historic milestone was achieved in 2017 whereby the Bank's total assets crossed over PKR 500 billion.
- The largest international Bank in Pakistan with 93 branches in 11 cities and a workforce of over 3000 employees.
- Standard Chartered Pakistan is the first international bank to get an Islamic Banking license and to open the first Islamic Banking branch in Pakistan.

Strong recognition by our stakeholders

Asia Money Awards - 2017

- "Best International Bank in Pakistan"

Global Finance Awards 2016 - 2017

- Best Digital Islamic Bank Award for 2016
- Pakistan - Best Emerging Market Bank In Asia Pacific 2015 and 2016
- Best Consumer Digital Bank Award

The Asset Triple A Treasury, Trade & Risk Management Awards 2016

- Best Treasury & Cash Management Bank
- Best Working Capital & Trade Finance Bank
- Best Structured Trade Finance Bank
- Best e-Solutions and Technology Partner Bank

Finance Asia Award for 2015

- "Best Foreign Bank in Pakistan" award 2015

Islamic Finance News (IFN) Awards for 2015

- Pakistan Deal of the year award for Standard Chartered Saadiq's USD 1bn Sukuk issue

Company Information

Board of Directors

Mr. Ian Anderson Bryden	Chairperson
Mr. Shazad Dada	Chief Executive Officer
Mr. Najam I. Chaudhri	
Mrs. Spenta Kandawalla	
Mr. Ferdinand Pieterse	
Mr. Mohamed Abdelbary	

Company Secretary

Mr. Asif Iqbal Alam

Audit Committee

Mr. Najam I. Chaudhri	Member
Mr. Ferdinand Pieterse	Member

Human Resource & Remuneration Committee

Mrs. Spenta Kandawalla	Chairperson
Mr. Ian Anderson Bryden	Member

Auditors

M/s KPMG Taseer Hadi & Co
Chartered Accountants

Legal Advisors

HaidermotaBNR & Co
Barristers at Law & Corporate Counselors

Registered Office

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

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 and Share Transfer Office

M/s Central Depository Company of Pakistan Limited
(Share Registrar Department)
CDC House, 99-B, Block B
SMCHS, Main Shahra-e-Faisal
Karachi - 74400
Toll Free: 0800 - CDCPL (23275)
Fax: (021) 34326053
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Directors' Report – Quarter Ended 31 March 2018

On behalf of the Board of Directors, I am pleased to present the Directors' Report of Standard Chartered Bank (Pakistan) Limited (SCBPL) along with its un-audited interim financial statements for the quarter ended 31st March 2018.

Economy

Pakistan is set to achieve highest growth in 12 years of 5.8% backed by strong domestic demand and healthy growth in manufacturing sector. However risks on the external side still persist.

Current account deficit widened to USD 10.4bn during July to February 2018, up from USD 7bn in the same period owing to declining FX reserves and heavy reliance on imported goods. However, exports have shown an impressive growth of 12% during Jul-Feb FY18 as compared to the decline of 0.8 percent in the same period last year. The large C/A deficit, along with external repayments is likely to keep external financing requirements high in the coming years.

CPI inflation has remained moderate during Jan-Feb FY18, averaging 3.8 percent mainly, due to subdued food prices and lower than anticipated increase in house rents. Rupee depreciated further by 4.5% in March to settle at 115.5. This depreciation was in continuation to the 4.5% depreciation that occurred in Dec 2017. SBP responded to the market conditions by increasing the policy rate by 25bps in January 2018, however no change in March 2018.

Operating Results and Business Overview

	31 March 2018 (PKR millions)	December 31, 2017 (PKR millions)
Balance Sheet		
Paid-up capital	38,716	38,716
Total equity	56,205	57,335
Deposits	406,760	377,576
Advances – gross	166,345	157,280
Advances – net	147,170	137,655
Investments – net	260,314	272,487
	Quarter ended	Quarter ended
	31 March 2018	31 March 2017
	(PKR millions)	(PKR millions)
Profit and Loss		
Revenue	6,780	6,725
Administrative expenses	2,810	2,833
Other non mark-up expenses	84	83
Operating profit (before provisions and tax)	3,886	3,809
(Recoveries) / Provisions	(313)	(340)
Profit before tax	4,199	4,149
Profit after tax	2,729	2,665
EPS (in PKR Rupees)	0.70	0.69

The Bank performed fundamentally well and delivered Profit before tax of PKR 4.2 billion compared to PKR 4.1 billion in corresponding period last year. Revenue remained resilient, recording growth of 1% despite reduced margins and re-pricing within the investments portfolio. However, client revenue has increased by 8% year on year. The impact of margin compression on revenue was partially offset by a growing non-funded income and lower cost of funds. Administrative costs continue to be well managed through operational efficiencies and disciplined spending with a decrease of 1% from comparative period last year.

All businesses have positive momentum in client income with strong growth in underlying drivers. This is evident from pickup in net advances, which have grown by 7% since the start of this year. This was a result of targeted strategy to build profitable, high quality and sustainable portfolios. With a diversified product base, the Bank is well positioned to cater for the needs of its clients. On the liabilities side, the Bank's total deposits grew by 8%, whereas current and saving accounts grew by 9% since the start of this year. The continuous increase in low cost deposits has significantly supported the Bank's performance with current and savings accounts comprising 93% of the deposit base.

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

Credit Rating

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

Changes in Board of Directors

The following changes have taken place in the Board of Directors since the last report:

After serving for over nine years, Mr. Parvez Ghas has stepped down from the Board and its Committees w.e.f. 01 April 2018. His replacement will be appointed in due course of time. The Board places on record its sincere appreciation for the valuable support and contributions made by Mr. Ghas during his tenure with the Bank.

After completion of his term as an Independent Director on 31 March 2018, Mr. Najam I. Chaudhri is now serving as Non-Executive Director. Consequently, he ceases to be the Chairman of the Board Audit Committee.

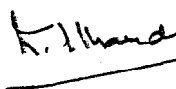
Appreciation and Acknowledgment

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

On behalf of the Board



Shazad Dada
Chief Executive Officer
Karachi: April 26, 2018



Najam I. Chaudhri
Director

اسٹینڈرڈ چارٹرڈ بینک (پاکستان) لمیٹڈ ڈائریکٹرز رپورٹ - اختتامی سہ ماہی اول 31 مارچ 2018

بورڈ آف ڈائریکٹرز کی طرف سے میں 31 مارچ 2018ء کو ختم ہونے والے سہ ماہی کیلئے اسٹینڈرڈ چارٹرڈ بینک (پاکستان) لمیٹڈ (SCBPL) کی ڈائریکٹرز رپورٹ کے ساتھ اس کے غیر پڑتال شدہ مختصر عبوری مالیاتی گوشوارہ جات پیش کرتے ہوئے اظہارِ مسرت کرتا ہوں۔

معیشت:

پاکستان نے مستحکم اندرونی طلب اور پیداواری شعبے میں مناسب ترقی کی 5.8% کی شرح سے 12 سال میں بلند ترین نمو پائی، تاہم بیرونی محاذ پر خطرات تاحال موجود ہیں۔

جولائی تا فروری 2018 کے دوران اسی عرصے میں حسابات جاریہ کا خسارہ 7 ارب ڈالر سے بڑھ کر 10.4 ارب ڈالر تک پھیل گیا جس کی وجہ کم ہوتے ہوئے زرمبادلہ کے ذخائر اور درآمدی اشیاء پر بہت زیادہ انحصار ہے۔ بیرونی ادائیگیوں کے ساتھ وسیع حسابات جاریہ کا خسارہ آنے والے سالوں میں بیرونی قرضوں کی ضروریات کو کافی بڑھا سکتا ہے۔ جولائی تا فروری 2018 کے مالی سال میں پچھلے سال کے مقابلے میں برآمدات کی شرح میں 0.8% کی کمی کے مقابلے میں 12% کی متاثر کن نمو ظاہر ہوئی ہے۔

کنزرویٹو پرائس انڈکس انفلیشن یعنی صارف قیمت اشاریے کا افراط زر جنوری فروری 2018 کے مالی سال کے دوران معتدل رہا، جس کی اوسط زیادہ تر 3.8% رہی، اس کی وجہ اشیاء خوردنوش کی قیمتوں میں قدرے استحکام اور گھروں کے کرایوں میں متوقع اضافے کے مقابلے میں زیادہ تھی۔ مارچ کے مہینے میں روپے کی قدر مزید 4.5% کی کمی کے بعد 115.5 پر ٹھہر گئی۔ یہ کمی دسمبر 2017 میں واقع ہونے والی 4.5% کی کمی کا تسلسل تھی۔ بینک دولت پاکستان (ایس بی پی) نے جنوری 2018ء میں مارکیٹ کے حالات دیکھتے ہوئے شرح پالیسی میں 25 بی پی ایس کا اضافہ کر دیا۔

عملی نتائج اور کاروباری جائزہ:

31 دسمبر 2017ء (ملین پاکستانی روپے)	31 مارچ 2018ء (ملین پاکستانی روپے)	
		بیلنس شیٹ
38,716	38,716	اداشدہ سرمایہ
57,335	56,205	کل حصص
377,576	406,760	ڈپازٹس
157,280	166,345	قرضہ جات - مجموعی
137,655	147,170	قرضہ جات - خالص
272,487	260,314	سرمایہ کاریاں - خالص

نفع و نقصان	اختتام یافتہ عرصہ 31 مارچ 2018ء (ملین پاکستانی روپے)	اختتام یافتہ عرصہ 31 مارچ 2017ء (ملین پاکستانی روپے)
آمدنی (Revenue)	6,780	6,725
انتظامی اخراجات	2,810	2,833
دیگر غیر سودی اخراجات	84	83
عملی منافع (فرائمی اور ٹیکس سے قبل)	3,886	3,809
فرائمی/ (منفیجات) - چارجز کا خالص	(313)	(340)
منافع قبل از ٹیکس	4,199	4,149
منافع بعد از ٹیکس	2,729	2,665
آمدن فی حصص (EPS)	0.70	0.69

بینک نے پچھلے سال کے تقابلی عرصے میں 4.1 ارب روپے کے مقابلے میں 4.2 ارب روپے کے قبل از ٹیکس منافع کے ساتھ پائیدار مالی کارکردگی پیش کی ہے۔ آمدنی (revenue) 1% کم تر سطح پر رہی جس کی بنیادی وجہ محفظہ ہائے سرمایہ کاری (investments portfolio) کی سطح میں کمی اور قیمتوں کا از سر نو تعین تھی۔ تاہم تمام تر شعبہ جات کی سطح پر صارف آمدن (revenue) میں اضافہ ہوا اور سال بہ سال 8% کی شرح سے اضافہ ہوا۔ آمدنی (revenue) میں کمی کا اثر یاد چکا بڑھتے ہوئے غیر سودی آمدن اور قیمت کاروبار میں کمی سے جزوی طور پر زائل ہوا۔ انتظامی اخراجات عملی استعداد کار اور منظم اخراجات کے ذریعے تسلسل کے ساتھ اچھی طرح انتظام و انصرام کرنے سے پچھلے سال کے تقابلی عرصے سے 1% کی شرح سے کم ہو گئے۔

تمام تر کاروبار اور سرگرمیاں بنیادی محرکات میں زبردست اضافے کے ساتھ صارف آمدن میں مثبت رفتار رکھتی ہیں۔ یہ مجموعی فرائمی قرضہ جات میں اضافے سے صاف ظاہر ہے جو اس سال کے آغاز سے 7% کی شرح سے بڑھ گئی ہے۔ یہ بامدھ حکمت عملی کا نتیجہ تھا جس کے ذریعے منافع بخش، اعلیٰ معیار اور پائیدار پورٹفولیو کی تشکیل تعمیر کی گئی۔ ایک متنوع حکمت عملی کے ساتھ، بینک اس کے صارفین کی ضروریات کی تکمیل میں فرائمی خدمات کیلئے بہت اچھی حیثیت و مرتبے پر فائز ہے۔ واجب الادا کے پہلو سے بینک کی کل کھاتہ جات یعنی ڈپازٹس 8% کی شرح سے بڑھ گئی ہیں، جبکہ اس سال کے آغاز سے کرنٹ اور سیونگ اکاؤنٹس میں 9% کا اضافہ ہوا ہے۔ کم لاگت کھاتہ جات میں مسلسل اضافے نے قرضہ جات جو 93% کرنٹ اور سیونگ اکاؤنٹس پر مشتمل ہے بینک کی کارکردگی میں نمایاں طور پر مدد کی۔

جدت پسندانہ حکمت عملی کو جاری رکھتے ہوئے بینک ڈیجیٹل صلاحیتوں اور انفراسٹرکچر میں مسلسل سرمایہ کاری کر رہا ہے۔ ہم نے اپنے لوگوں، ثقافت اور نظام پر توجہ مرکوز کر کے اپنے اختیار اور تعلیمی ماحول کو مزید پائیدار بنانے میں مسلسل ترقی کی ہے۔ ہم مکمل طور پر پُر عزم ہیں اور اس کیلئے ہم اپنے صارفین اور کل مصنوعات کے ساتھ ساتھ اپنے صارفین کیلئے بہترین درجے کی خدمات پیش کرتے ہوئے صفحہ توازن یعنی بیلنس شیٹ کی تعمیر و تشکیل میں محتاط طرز فکر کے ذریعے اپنی توجہ کو مسلسل اُسی طرف مرکوز رکھا ہے۔

کریڈٹ ریٹنگ

پاکستان کریڈٹ ریٹنگ ایجنسی (پی اے سی آر اے) نے بینک کی طویل المدّت اور قلیل المدّت درجہ بندی کو علی الترتیب 'اے اے اے (ٹرپل اے)' اور 'اے و ن پلس' (A1+) پر برقرار رکھا ہے۔ یہ درجہ بندیاں مالیاتی وعدوں کی بروقت ادائیگی کیلئے ایک مثالی مستحکم صلاحیت سے نمودار ہونے والے کسی بھی خطرہ قرض/ اعتبار کے کم سے کم گویا سب سے کم توقع کا اظہار کرتی ہیں۔

بورڈ آف ڈائریکٹرز میں تبدیلیاں

گزشتہ رپورٹ کے بعد سے بورڈ آف ڈائریکٹرز میں درج ذیل تبدیلیاں ہوئی ہیں:

تقریباً نو سال تک خدمات انجام دینے کے بعد جناب پرویز غیاث بورڈ اور اس کی کمیٹی سے یکم اپریل 2018ء کو دستبردار ہو گئے۔ اُن کی جگہ کسی اور کا تقریر معینہ مدت میں کر لیا جائے گا۔ بورڈ اپنے ٹینیور میں بینک کیلئے قابل قدر مدد اور معاونت پر جناب غیاث صاحب کی کاوشوں کو سراہتا ہے۔

31 مارچ 2018ء کو بطور آزاد ڈائریکٹر ان کی مدت کی تکمیل کے بعد اب جناب نجم آئی چوہدری بطور نان ایگزیکٹو ڈائریکٹر خدمات انجام دے رہے ہیں۔ اسی تسلسل میں، وہ بورڈ آڈٹ کمیٹی کے چیئرمین بننے سے دستبردار ہو گئے۔

شکریہ ادا کرنا

ہم اس موقع پر ہمارے صارفین اور کاروباری رفقاء کار سے ان کے مسلسل تعاون اور اعتماد کے لیے بھرپور اظہار تشکر کرتے ہیں۔ ہم بینک دولت پاکستان کو ان کی جانب سے اس بینک کی طرف فراہم کی گئی رہنمائی اور اعانت کیلئے اپنا پُر خلوص اعتراف پیش کرتے ہیں۔ آخر میں ہم اپنے تمام وابستگان، عملے اور ساتھیوں کا اُن کی پُر عزم اور پُر لگن خدمات جو اُنھوں نے ہمارے گراں قدر صارفین کو فراہم کیں کیلئے بھی بے حد و حساب شکر گزار ہیں۔

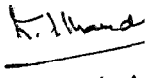
منجانب بورڈ



شہزادہ دادا

چیف ایگزیکٹو آفیسر

کراچی، مورخہ 26 اپریل 2018ء



نجم آئی چوہدری

ڈائریکٹر

Standard Chartered Bank (Pakistan) Limited

Financial Statements

**For the Three months period ended
31 March 2018**

Condensed Interim Statement of Financial Position

As at 31 March 2018

	Note	31 March 2018 (Un-audited)	31 December 2017 (Audited)
(Rupees in '000)			
ASSETS			
Cash and balances with treasury banks		44,316,202	35,085,289
Balances with other banks		989,789	779,856
Lendings to financial institutions	6	29,715,056	8,067,665
Investments	7	260,313,759	272,487,815
Advances	8	147,170,178	137,655,093
Operating fixed assets		8,003,481	8,033,890
Intangible assets		26,095,600	26,095,642
Other assets		25,037,522	25,343,352
		541,641,587	513,548,602
LIABILITIES			
Bills payable		12,730,281	18,958,345
Borrowings		22,399,940	26,029,816
Deposits and other accounts	9	406,759,823	377,576,064
Sub-ordinated loans		-	-
Deferred tax liabilities - net		3,803,346	3,706,408
Other liabilities		34,145,744	24,341,273
		479,839,134	450,611,906
NET ASSETS			
		61,802,453	62,936,696
REPRESENTED BY:			
Share capital		38,715,850	38,715,850
Reserves		14,965,437	14,419,594
Unappropriated profit		2,523,756	4,199,687
		56,205,043	57,335,131
Surplus on revaluation of assets - net of deferred tax		5,597,410	5,601,565
		61,802,453	62,936,696
CONTINGENCIES AND COMMITMENTS			
	10		

The annexed notes 1 to 20 form an integral part of these condensed interim financial statements.

Shazad Dada
Chief Executive Officer

Asad Ali Shariff
Chief Financial Officer

Ian Anderson Bryden
Director

Ferdinand Pieterse
Director

Najam I. Chaudhri
Director

Condensed Interim Profit and Loss Account (Un-audited)

For the three months period ended 31 March 2018

	Note	Three months period ended 31 March 2018	Three months period ended 31 March 2017
------(Rupees in '000')-----			
Mark-up / return / interest earned		6,783,185	6,783,136
Mark-up / return / interest expensed		(2,439,012)	(2,333,354)
Net mark-up / return / interest income		4,344,173	4,449,782
(Provision) / reversals against non-performing loans and advances		294,818	318,879
Recovery of amounts written off		67,753	55,297
Provision for diminution in the value of investments		-	-
Bad debts written off directly		(49,074)	(34,373)
		313,497	339,803
Net mark-up / return / interest income after provisions		4,657,670	4,789,585
NON MARK-UP / NON INTEREST INCOME			
Fees, commission and brokerage income		1,307,217	1,337,144
Dividend income		-	875
Income from dealing in foreign currencies		836,509	594,871
Gain on sale of securities - net		247,591	87,596
Unrealized gain / (loss) on revaluation of investments classsified as held for trading		91,661	7,129
Other income	12	(46,879)	247,808
Total non mark-up / non interest income		2,436,099	2,275,423
		7,093,769	7,065,008
NON MARK-UP / NON INTEREST EXPENSES			
Administrative expenses	14	(2,810,403)	(2,833,484)
Other reversals / (provisions) /(asset write-offs)		-	742
Other charges		(84,367)	(83,486)
Total non mark-up / non interest expenses		(2,894,770)	(2,916,228)
		4,198,999	4,148,780
Extra-ordinary / unusual items		-	-
PROFIT BEFORE TAXATION		4,198,999	4,148,780
Taxation - current		(1,377,224)	(1,254,657)
- prior years'		-	(31,625)
- deferred		(92,562)	(197,416)
		(1,469,786)	(1,483,698)
PROFIT AFTER TAXATION		2,729,213	2,665,082
		Rupees	Rupees
BASIC / DILUTED EARNINGS PER SHARE		0.70	0.69

The annexed notes 1 to 20 form an integral part of these condensed interim financial statements.



Shazad Dada
Chief Executive Officer



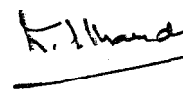
Asad Ali Shariff
Chief Financial Officer



Ian Anderson Bryden
Director



Ferdinand Pieterse
Director



Najam I. Chaudhri
Director

Condensed Interim Statement of Comprehensive Income (Un-audited)

For the three months period ended 31 March 2018

	Three months period ended 31 March 2018	Three months period ended 31 March 2017
	(Rupees in '000)	
Profit after taxation for the period	2,729,213	2,665,082
Other comprehensive income	-	-
Comprehensive income transferred to equity	2,729,213	2,665,082
Components of comprehensive income not reflected in equity		
Movement in surplus on revaluation of available for sale securities	12,505	(478,781)
Related deferred tax charge	(4,376)	167,573
Total comprehensive income for the period	2,737,342	2,353,874

The annexed notes 1 to 20 form an integral part of these condensed interim financial statements.



Shazad Dada
Chief Executive Officer



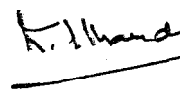
Asad Ali Shariff
Chief Financial Officer



Ian Anderson Bryden
Director



Ferdinand Pieterse
Director



Najam I. Chaudhri
Director

Condensed Interim Cash Flow Statement (Un-audited)

For the three months period ended 31 March 2018

31 March 2018

31 March 2017

(Rupees in '000)

CASH FLOW FROM OPERATING ACTIVITIES

Profit before taxation for the period

Less : Dividend income

4,198,999	4,148,780
-	(875)
4,198,999	4,147,905

Adjustments for:

Depreciation

Amortization

Gain on disposal of fixed assets - net

Unrealized (loss) / gain on revaluation of investments classified

as held for trading - net

Other provisions /asset write-offs

Reversals against non-performing loans and advances - net
of recoveries

125,245	111,322
42	63
(1,160)	(7,080)
(91,661)	(7,129)
-	(742)
(313,497)	(339,803)
(281,031)	(243,369)
3,917,968	3,904,536

(Increase) / decrease in operating assets

Lendings to financial institutions

Net investment in 'held for trading securities'

Advances

Other assets (excluding advance taxation)

(21,647,391)	14,177,367
(13,119,256)	381,590
(9,201,588)	(23,637,688)
(213,888)	603,597
(44,182,123)	(8,475,134)

Increase in operating liabilities

Bills payable

Borrowings from financial institutions (excluding overdrawn nostros)

Deposits and other accounts

Other liabilities

(6,228,064)	216,150
(4,615,899)	4,050,211
29,183,759	10,168,211
5,971,901	(87,062)
24,311,697	14,347,510

Cash inflow before taxation

Income tax paid

(15,952,458)	9,776,912
(857,506)	(616,439)

Net cash (used in) / generated from operating activities

(16,809,964)	9,160,473
--------------	-----------

CASH FLOW FROM INVESTING ACTIVITIES

Net investments in 'available for sale securities'

Net investment in operating fixed assets (including intangible assets)

Sale proceeds on disposal of operating fixed assets

Net cash generated from / (used in) investing activities

25,397,478	(22,515,367)
(94,836)	(137,127)
1,160	7,080
25,303,802	(22,645,414)

CASH FLOW FROM FINANCING ACTIVITIES

Dividend paid

Net cash used in financing activities**Increase / (decrease) in cash and cash equivalents for the period**

Cash and cash equivalents at beginning of the period

Cash and cash equivalents at end of the period

(39,015)	-
(39,015)	-
8,454,823	(13,484,941)
35,865,145	46,429,770
44,319,968	32,944,829

CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD

Cash and balances with treasury banks

Balances with other banks

Overdrawn nostros

44,316,202	33,342,015
989,789	1,281,268
(986,023)	(1,678,454)
44,319,968	32,944,829

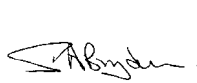
The annexed notes 1 to 20 form an integral part of these condensed interim financial statement



Shazad Dada
Chief Executive Officer



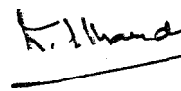
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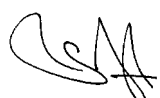
Condensed Interim Statement of Changes in Equity (Un-audited)


For the three months period ended 31 March 2018

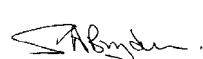
	Share Capital	Share Premium	Statutory Reserve (Rupees in '000)	Unappropriated Profit (a)	Total
Balance as at 01 January 2017	38,715,850	1,036,090	11,734,472	5,385,558	56,871,970
Total Comprehensive income for the period					
Profit after tax for the three months period ended 31 March 2017	-	-	-	2,665,082	2,665,082
Surplus on revaluation of fixed assets - net of tax	-	-	-	-	-
Other Comprehensive income	-	-	-	-	-
Remeasurement of post employment obligations - net of tax	-	-	-	2,665,082	2,665,082
Transactions with owners, recorded directly in equity					
Cash dividend (Final 2016) at Rs. 1.25 per share	-	-	-	(4,839,481)	(4,839,481)
	-	-	-	(4,839,481)	(4,839,481)
Transfer to statutory reserve	-	-	533,016	(533,016)	-
Transferred from surplus on revaluation of fixed assets - net of deferred tax	-	-	-	4,034	4,034
Balance as at 31 March 2017	38,715,850	1,036,090	12,267,488	2,682,177	54,701,605
Total Comprehensive income for the period					
Profit after tax for the nine months ended 31 December 2017	-	-	-	5,580,080	5,580,080
Other Comprehensive income	-	-	-	-	-
Remeasurement of post employment obligations - net of tax	-	-	-	(3,506)	(3,506)
	-	-	-	5,576,574	5,576,574
Transactions with owners, recorded directly in equity					
Share based payment transactions (contribution from holding company)	-	-	-	28,661	28,661
Payment against share based payment transactions (to holding company)	-	-	-	(80,151)	(80,151)
Cash dividend (Interim 2017) at Rs. 0.75 per share	-	-	-	(2,903,689)	(2,903,689)
	-	-	-	(2,955,179)	(2,955,179)
Transfer to statutory reserve	-	-	1,116,016	(1,116,016)	-
Transferred from surplus on revaluation of fixed assets - net of deferred tax	-	-	-	12,131	12,131
Balance as at 31 December 2017	38,715,850	1,036,090	13,383,504	4,199,687	57,335,131
Total Comprehensive income for the period					
Profit after tax for the three months period ended 31 March 2018	-	-	-	2,729,213	2,729,213
Other Comprehensive income	-	-	-	-	-
Remeasurement of post employment obligations - net of tax	-	-	-	-	-
	-	-	-	2,729,213	2,729,213
Transactions with owners, recorded directly in equity					
Cash dividend (Final 2017) at Rs. 1.00 per share	-	-	-	(3,871,585)	(3,871,585)
	-	-	-	(3,871,585)	(3,871,585)
Transfer to statutory reserve	-	-	545,843	(545,843)	-
Transferred from surplus on revaluation of fixed assets - net of deferred tax	-	-	-	12,284	12,284
Balance as at 31 March 2018	38,715,850	1,036,090	13,929,347	2,523,756	56,205,043

(a) As further explained in note 8.2.1 of these condensed interim financial statements the amount of Rs 75.617 million net of tax as at 31 March 2018 represents additional profit arising from availing forced sale value benefit for determining provisioning requirement is not available for the purpose of distribution of dividend to shareholders / bonus to employees.

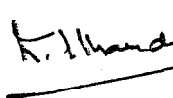
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Asad Ali Shariff
Chief Financial Officer


Ian Anderson Bryden
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Director

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

For the three months period ended 31 March 2018

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 Paksitan Stock Exchange.

The Bank is engaged in the banking business as defined in the Banking Companies Ordinance, 1962 and has a total number of 93 branches in Pakistan (2017: 93 branches in Pakistan) in operation at 31 March 2018.

2 BASIS OF PREPARATION

2.1 Basis of presentation

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

Key financial figures of the Islamic banking branches are disclosed in note 19 to these condensed interim financial statements.

2.2 Statement of compliance

These condensed interim financial statements of the Bank have been prepared in accordance with the requirements of International Accounting Standards (IAS) 34, Interim Financial Reporting, the requirements of the Companies Act 2017, the Banking Companies Ordinance 1962 and the directives issued by the Securities and Exchange Commission of Pakistan (SECP) and the State Bank of Pakistan (SBP). In case requirements differ, the requirements of the Companies Act 2017, Banking Companies Ordinance 1962 and the said directives have been followed. Furthermore, SBP has notified a new format of financial statements vide BPRD Circular no. 2 of 2018 which would be effective from accounting year ended December 31 2018.

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 August 26, 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 April 28, 2008. Accordingly, the requirements of these standards have not been considered in the preparation of these financial statements. However, investments have been classified and valued in accordance with the requirements prescribed by the SBP through various circulars.

3 ACCOUNTING POLICIES

The accounting policies adopted in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual separate financial statements of the Bank for the year ended 31 December 2017.

4 ACCOUNTING ESTIMATES

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 2017.

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

For the three months period ended 31 March 2018

5 FINANCIAL RISK MANAGEMENT

The financial risk management objectives and policies adopted by the Bank are consistent with those disclosed in the annual financial statements of the Bank for the year ended 31 December 2017.

6 LENDINGS TO FINANCIAL INSTITUTIONS

	Note	31 March 2018 (Un-audited)	31 December 2017 (Audited)
		------(Rupees in '000)-----	
Repurchase agreement lendings (Reverse Repo)	6.1	20,802,088	2,161,425
Bai Muajjal receivable from State Bank of Pakistan	6.2	509,253	509,253
Placements	6.3	8,403,715	5,396,987
		29,715,056	8,067,665

- 6.1** These carry mark-up rates ranging from 5.9 percent to 6.02 percent per annum (2017: 5.75 percent per annum) payable at maturity, and are due to mature during April 2018. These arrangements are governed under Master Repurchase Agreements.
- 6.2** These represent lendings to State Bank of Pakistan by Islamic Banking Business under Bai Muajjal agreements at return of 5.51 percent per annum with maturities upto June 2018.
- 6.3** This represents placements with other branches and subsidiaries of Standard Chartered Group outside Pakistan at mark-up rates ranging from 0.3 percent to 1.4 percent per annum (2017: 0.3 percent to 1.15 percent per annum), and are due to mature during April 2018.

	31 March 2018 (Un-audited)			31 December 2017 (Audited)		
Investments by type	Held by bank	Given as collateral	Total	Held by bank	Given as collateral	Total
	----- (Rupees in '000) -----					
Held for trading securities						
Market Treasury Bills	17,568,548	-	17,568,548	4,536,363	-	4,536,363
Pakistan Investment Bonds	364,909	-	364,909	277,838	-	277,838
Available for sale securities						
Market Treasury Bills	236,052,016	18,639	236,070,655	255,150,423	6,297,554	261,447,977
Pakistan Investment Bonds	-	-	-	-	-	-
GoP Ijarah Sukuk Bonds	5,355,089	-	5,355,089	5,356,369	-	5,356,369
Sukuk Bonds	800,000	-	800,000	800,000	-	800,000
Term Finance Certificates -unlisted	285,025	-	285,025	285,025	-	285,025
Equity shares of listed companies	783,077	-	783,077	783,077	-	783,077
Equity shares of unlisted companies	3,004	-	3,004	3,004	-	3,004
Investments at cost	261,211,668	18,639	261,230,307	267,192,099	6,297,554	273,489,653
Provision for diminution in the value of investments	(962,147)	-	(962,147)	(962,147)	-	(962,147)
Investments (net of provisions)	260,249,521	18,639	260,268,160	266,229,952	6,297,554	272,527,506
Surplus on revaluation of held for trading securities - net	91,661	-	91,661	18,876	-	18,876
Surplus on revaluation of available for sale securities - net	(46,046)	(16)	(46,062)	(58,712)	145	(58,567)
Total Investments - net	260,295,136	18,623	260,313,759	266,190,116	6,297,699	272,487,815

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

For the three months period ended 31 March 2018

	Note	31 March 2018	31 December 2017
		------(Rupees in '000)-----	
8 ADVANCES			
Loans, cash credits, running finances, etc.			
- In Pakistan		112,086,206	106,379,877
- Outside Pakistan		-	-
		112,086,206	106,379,877
Islamic Financing and Related Assets (Gross)	8.1	51,785,406	43,159,548
Bills discounted and purchased (excluding treasury bills)			
- Payable in Pakistan		1,393,543	6,456,222
- Payable outside Pakistan		1,080,025	1,284,007
		2,473,568	7,740,229
Advances - gross		166,345,180	157,279,654
Provision for non-performing advances	8.2	(19,175,002)	(19,624,561)
Advances - net of provision		147,170,178	137,655,093

8.1 These represent financing and related assets placed under Shariah permissible modes.

8.2 Advances include Rs. 19,106.010 million (31 December 2017: Rs. 19,587.098 million) which have been placed under non-performing status as detailed below:

31 March 2018 (Un-audited)								
Classified Advances			Provision Required			Provision Held		
Domestic	Overseas	Total	Domestic	Overseas	Total	Domestic	Overseas	Total
(Rupees in '000)								
Category of classification								
OAEM	1,777	-	1,777	-	-	-	-	-
Substandard	289,276	-	289,276	50,491	-	50,491	-	50,491
Doubtful	887,140	-	887,140	637,720	-	637,720	-	637,720
Loss	17,927,817	-	17,927,817	17,804,743	-	17,804,743	-	17,804,743
	19,106,010	-	19,106,010	18,492,954	-	18,492,954	-	18,492,954
General Provision	-	-	682,048	-	682,048	682,048	-	682,048
	19,106,010	-	19,106,010	19,175,002	-	19,175,002	-	19,175,002
31 December 2017 (Audited)								
Classified Advances			Provision Required			Provision Held		
Domestic	Overseas	Total	Domestic	Overseas	Total	Domestic	Overseas	Total
(Rupees in '000)								
Category of classification								
OAEM	7,961	-	7,961	-	-	-	-	-
Substandard	249,632	-	249,632	44,470	-	44,470	-	44,470
Doubtful	892,775	-	892,775	644,096	-	644,096	-	644,096
Loss	18,436,730	-	18,436,730	18,265,415	-	18,265,415	-	18,265,415
	19,587,098	-	19,587,098	18,953,981	-	18,953,981	-	18,953,981
General Provision	-	-	670,580	-	670,580	670,580	-	670,580
	19,587,098	-	19,587,098	19,624,561	-	19,624,561	-	19,624,561

8.2.1 At 31 March 2018, the provision requirement has been reduced by Rs. 116.333 million (31 December 2017: Rs. 162.554 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. 75.617 million due to the said FSV benefit is not available for distribution of cash and stock dividend / bonus to employees.

8.3 Particulars of provision against non-performing advances

	31 March 2018 (Un-audited)			31 December 2017 (Audited)		
	Specific	General	Total	Specific	General	Total
(Rupees in '000)						
Opening balance	18,953,981	670,580	19,624,561	19,133,049	547,521	19,680,570
Charge for the year	145,881	15,105	160,986	1,469,674	137,629	1,607,303
Reversals	(454,067)	(3,637)	(457,704)	(1,216,481)	(14,570)	(1,231,051)
	(308,186)	11,468	(296,718)	253,193	123,059	376,252
Amounts written off	(126,691)	-	(126,691)	(405,961)	-	(405,961)
Other movements	(26,150)	-	(26,150)	(26,300)	-	(26,300)
Closing balance	18,492,954	682,048	19,175,002	18,953,981	670,580	19,624,561

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

For the three months period ended 31 March 2018

9	DEPOSITS AND OTHER ACCOUNTS	Note	31 March 2018	31 December 2017
			(Un-audited)	(Audited)
			----- (Rupees in '000) -----	
	Customers			
	Remunerative			
	- Fixed deposits		29,146,576	29,598,100
	- Savings deposits		203,352,543	185,500,901
	Non-Remunerative			
	- Current accounts		165,854,322	154,429,040
	- Margin accounts		1,284,782	1,512,656
	- Special exporters' account		4,461,083	3,264,141
			404,099,306	374,304,838
	Financial Institutions			
	- Remunerative deposits		32,623	52,198
	- Non-remunerative deposits - Current account	9.1	2,627,894	3,219,028
			406,759,823	377,576,064
9.1	This includes Rs. 655.581 million (2017: Rs. 835.108 million) against balances of other branches and subsidiaries of Standard Chartered Group operating outside Pakistan.			
10	CONTINGENCIES AND COMMITMENTS			
10.1	Transaction-related contingent liabilities			
	Guarantees issued favouring:	10.1.1		
	- Government		40,521,897	60,698,935
	- Others		58,686,488	37,713,529
			99,208,385	98,412,464
10.1.1	Guarantees relating to Islamic Banking Business amount to Rs. 401 million (31 December 2017: Rs. 400 million).			
10.2	Trade-related contingent liabilities			
	Letters of credit	10.2.1	27,696,763	18,747,847
10.2.1	Letters of credit relating to Islamic Banking Business amount to Rs. 3,997 million (31 December 2017: Rs. 3,801 million).			
10.3	Trade-related commitments			
	Acceptances		5,492,962	6,283,546
10.3.1	Acceptances relating to Islamic Banking Business amount to Rs. 454 million (31 December 2017: Rs. 1,035 million).			
10.4	Commitment for acquisition of fixed assets		192,882	173,129
10.5	Other contingencies			
	Claims against the Bank not acknowledged as debt	10.5.1	11,818,585	10,988,832
10.5.1	These represent certain claims by third parties against the Bank, which are being contested in the Courts of law. The management is of the view that these relate to the normal course of business and the possibility of an outflow of economic resources is remote.			

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

For the three months period ended 31 March 2018

10.5.2 The Bank has identified that a case has been before the Court on the land where an office building is constructed and the bank owns a portion of that premises. A request for clearance of its premises from the competent court has been filed based on the fact that the bank is a bonafide purchaser of the premises having no relevance with the principal case. Considering the facts of the case the management expects a favourable decision in this case from the competent court. The Bank is also in litigation with various tenants for repossessing its office space in one of its other owned properties. These cases are now being adjudicated before the Court of Rent Controller. During 2016 and 2017, positive decision were rendered for certain office spaces in favour of the Bank. The Bank has repossessed a portion of such office space from the tenants. 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.

10.5.3 The Tax Authorities have passed orders for the income years 2009 and 2010 levying Federal Excise Duty amounting to Rs.188 million on certain items. The Bank has paid entire amount under protest and contesting the orders in the appeals.

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

10.6 Commitments in respect of forward foreign exchange contracts

	31 March 2018 (Un-audited)	31 December 2017 (Audited)
	------(Rupees in '000)-----	
Purchase		
State Bank of Pakistan	98,440,125	119,080,713
Banks	58,051,870	39,719,754
Customers	428,405	377,862
Sale		
State Bank of Pakistan	-	-
Other banks	87,460,108	115,408,324
Customers	20,311,467	13,663,482

10.7 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.

10.8 For Contingencies related to taxation refer note 13.

10.9 Derivative Instruments

Product Analysis

	31 March 2018 (Un-audited)			
	Interest Rate Swaps		FX Options	
Counterparties	No. of Contracts	Notional Principal * (Rupees in '000)	No. of Contracts	Notional Principal * (Rupees in '000)
With Banks for				
Hedging	-	-	-	-
Market Making	14	8,201,157	18	231,938
With FIs other than banks				
Hedging	-	-	-	-
Market Making	-	-	-	-
With other entities for				
Hedging	-	-	-	-
Market Making	20	11,003,746	18	231,938
Total				
Hedging	-	-	-	-
Market Making	34	19,204,903	36	463,876

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

For the three months period ended 31 March 2018

	31 December 2017 (Audited)			
With Banks for				
Hedging	-	-	-	-
Market Making	12	6,877,998	7	115,705
With FIs other than banks				
Hedging	-	-	-	-
Market Making	-	-	-	-
With other entities for				
Hedging	-	-	-	-
Market Making	16	7,099,180	7	115,705
Total				
Hedging	-	-	-	-
Market Making	28	13,977,178	14	231,411

* At the exchange rate prevailing at the end of the reporting period

Contracts with banks represent contracts entered with branches of Standard Chartered Bank, UK to obtain cover against the contracts with customers, except for 3 contracts with local banks having notional principal of Rs. 1,239.351 million.

11 TAXATION

The return for income year 2017 (Tax Year 2018) is due for filing by 30 September 2018.

The tax department amended the assessments for income years 2007 to 2016 (tax years 2008 to 2017 respectively) under the related provisions of the Income Tax Law, determining additional tax liability amounting to Rs. 6,291 million on account of various issues such as disallowances relating to provision against loans and advances and Rs. 3,607 million on account of goodwill amortization (for which deferred tax is also booked) which have been paid by the Bank. Appeals against the amended assessment orders are pending before different appellate forums. The management considers that a significant amount of the additional tax liability is the result of timing differences and is confident that the issues in the above mentioned tax years will be decided in favour of the Bank at appellate forums. Accordingly, no additional provision is required.

The Sindh High Court has decided the issue of goodwill amortization in favour of the Bank for the years 2007 and 2011. An appeal effect order determining tax refund of Rs. 893 million has been issued by the Assessing Officer. The Federal Board of Revenue has filed leave to appeal before the Supreme Court of Pakistan.

The Supreme Court of Pakistan vide its order dated 10 November 2016 has held that the amendments made in the law introduced by the Federal Government by Finance Act 2008 for the levy of Workers Welfare Funds (WWF) on banks were not lawful. The Federal Board of Revenue has filed review petitions against this order, which are currently pending.

Legal advice obtained on the matter indicates that consequent to filing of these review petitions the judgment may not currently be treated as conclusive until the review petition is decided. Accordingly, the amount charged for WWF since 2008 has not been reversed.

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

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

For the three months period ended 31 March 2018

	Three months period ended 31 March 2018 (Un-audited)	Three months period ended 31 March 2017 (Un-audited)
	(Rupees in '000)	
12 INCOME FROM DEALING IN FOREIGN CURRENCY		
Gain/ (loss) realised from dealing in:		
Foreign currency	732,810	473,392
Foreign exchange derivative	103,699	121,479
	836,509	594,871
13 OTHER INCOME		
Rent on property	5,360	4,870
Gain / (loss) on disposal of fixed assets	1,160	7,080
Gain / (loss) on derivatives	(82,715)	235,680
Sri Lanka branch operations cost & fx translation	1,063	-
Recoveries against assets at acquisition of Union Bank Limited	26,150	-
Gains on sale of non-banking assets	-	-
Other income	2,103	178
	(46,879)	247,808
14 ADMINISTRATIVE EXPENSES		
Salaries, allowances etc.	1,411,926	1,303,482
Contributions to defined contribution plans	98,229	95,987
Non-executive directors' fee	6,170	1,415
Rent, taxes, insurance, electricity etc.	230,849	217,089
Utility charges	72,667	68,666
Legal and professional charges	29,014	25,026
Communications	121,239	112,100
Premises repairs and refurbishment	128,811	126,078
Cleaning and Janitorial Cost	71,343	73,686
Equipment and consumables	86,737	66,561
Software licenses and renewals	43,175	31,939
Stationery and printing	50,948	51,356
Advertisement and publicity - net	140,153	4,247
Auditors' remuneration	5,556	5,034
Depreciation	125,245	111,322
Amortization	42	63
Travelling, conveyance and vehicles' running	37,215	32,711
Reimbursement of executive and general administrative expenses	-	371,848
Premises security and cash transportation services	79,417	74,884
Documentation and processing charges	39,816	38,812
Others	31,851	21,178
	2,810,403	2,833,484

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

For the three months period ended 31 March 2018

15 FAIR VALUE OF FINANCIAL INSTRUMENTS

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

On balance sheet financial instruments

		31 March 2018 (Un-audited)				
		Carrying value			Fair value	
Note	Held for Trading	Available for Sale	Loans and Receivables	Other financial Assets	Other financial liabilities	Total
					Level 1	Level 2
						Level 3
						Total
(Rupees in '000)						
Financial assets measured at fair value						
- Investments						
- Government Securities (Tbills + PIBs + Sukuks)	18,025,118	241,331,579	-	-	-	259,356,697
- Sukuk Bonds (other than government)		812,800	-	-	-	812,800
- Equity securities traded (Shares)		157,062	-	-	157,062	-
- Other assets						157,062
- Unrealized gain on Forward foreign exchange contracts	-	4,889,917	-	-	-	-
- Unrealized gain on Interest rate derivatives & currency options	-	150,733	-	-	-	4,889,917
					-	150,733
Financial assets not measured at fair value						
- Cash and bank balances with SBP and NBP	16.1	-	-	44,316,202	-	-
- Balances with other banks	16.1	-	-	989,789	-	-
- Lending to financial institutions	16.1	-	-	29,715,056	-	-
- Advances	16.1	-	147,170,178	-	-	-
- Other assets	16.1	-	-	6,116,737	-	-
		18,025,118	247,342,091	147,170,178	81,137,784	493,675,171
Financial liabilities measured at fair value						
- Other liabilities						
- Unrealized loss on Forward foreign exchange contracts	-	3,599,594	-	-	-	3,599,594
- Unrealized loss on Interest rate derivatives & currency options	-	506,174	-	-	-	506,174
					3,599,594	3,599,594
					506,174	506,174
Financial liabilities not measured at fair value						
- Bills Payable	16.1	-	-	-	12,730,281	12,730,281
- Deposits and other accounts	16.1	-	-	-	406,759,823	406,759,823
- Borrowings	16.1	-	-	-	22,399,940	22,399,940
- Sub-ordinated loans	16.1	-	-	-	-	-
- Other liabilities	16.1	-	-	-	26,923,081	26,923,081
		-	4,105,768	-	468,813,125	472,918,893
Off-balance sheet financial instruments						
Interest Rate swaps / Foreign currency options / Forward purchase contracts	-	-	-	169,241,015	-	169,241,015
Interest Rate swaps / Foreign currency options / Forward sale contracts	-	-	-	114,831,078	-	114,831,078
					-	174,281,665
					-	118,936,846

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

For the three months period ended 31 March 2018

On balance sheet financial instruments

On balance sheet financial instruments											
		31 December 2017 (Audited)									
		Carrying value					Fair value				
Note		Held for Trading	Available for Sale	Loans and Receivables	Other financial Assets	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
(Rupees in '000)											
Financial assets measured at fair value											
- Investments											
- Government Securities (Tbills + PIBs + Sukuks)		4,833,077	266,745,779	-	-	-	271,578,856	-	271,578,856	-	271,578,856
- Sukuk Bonds (other than government)			822,000	-	-	-	822,000	-	822,000	-	822,000
- Equity securities traded (Shares)			108,959	-	-	-	108,959	108,959	-	-	108,959
- Other assets											
-Unrealized gain on Forward foreign exchange contracts			4,666,957				4,666,957	-	4,666,957	-	4,666,957
-Unrealized gain on Interest rate derivatives & currency options			158,703				158,703	-	158,703	-	158,703
Financial assets not measured at fair value											
- Cash and bank balances with SBP and NBP	16.1		-	-	35,085,289	-	35,085,289				
- Balances with other banks	16.1		-	-	779,856	-	779,856				
- Lending to financial institutions			-	-	8,067,665	-	8,067,665				
- Advances	16.1		-	137,655,093	-	-	137,655,093				
- Other assets	16.1		-	-	6,165,540	-	6,165,540				
		4,833,077	272,502,398	137,655,093	50,098,350	-	465,088,918				
Financial liabilities measured at fair value											
- Other Liabilities											
-Unrealized gain on Forward foreign exchange contracts		-	2,894,953	-	-	-	2,894,953	-	2,894,953	-	2,894,953
-Unrealized gain on Interest rate derivatives & currency options		-	213,527	-	-	-	213,527	-	213,527	-	213,527
Financial liabilities not measured at fair value											
- Bills Payable	16.1		-	-	-	18,958,345	18,958,345				
- Deposits and other accounts	16.1		-	-	-	377,576,064	377,576,064				
- Borrowings	16.1		-	-	-	26,029,816	26,029,816				
- Sub -ordinated loans			-	-	-	-	-				
- Other liabilities	16.1		-	-	-	20,078,826	20,078,826				
		-	3,108,480	-	-	442,643,051	445,751,531				
Off-balance sheet financial instruments											
Interest Rate swaps / Foreign currency options / Forward purchase contracts		-	-	-	167,583,816	-	167,583,816	-	172,409,475	-	172,409,475
Interest Rate swaps / Foreign currency options / Forward sale contracts		-	-	-	134,874,907	-	134,874,907	-	137,983,387	-	137,983,387

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).

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

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

For the three months period ended 31 March 2018

16 SEGMENT DETAILS WITH RESPECT TO BUSINESS ACTIVITIES

Segment analysis with respect to business activity

31 March 2018	Corporate and Institutional Banking	Commercial Banking	Retail Banking	Central and Other Items	Total
	(Rupees in '000)				
Internal Income	878,827	(605,073)	2,923,500	(3,193,112)	4,142
Net mark-up / return / interest income	(299,313)	1,032,586	(429,748)	4,040,648	4,344,173
Non mark-up / non interest income	1,225,723	281,713	1,092,387	(163,724)	2,436,099
Operating income	1,805,237	709,226	3,586,139	683,812	6,784,414
Non mark-up / non interest expenses	448,226	298,838	1,934,387	213,319	2,894,770
Internal non mark-up / non interest expenses	715	326	3,056	45	4,142
Operating profit before provisions and taxation	1,356,296	410,062	1,648,696	470,448	3,885,502
(Direct write-offs) / (provisions) / reversals against non-performing loans and advances - net of recoveries	20,413	(339,028)	5,118	-	(313,497)
Profit before taxation	1,335,883	749,090	1,643,578	470,448	4,198,999
Other segment items:					
Depreciation on tangible fixed assets	26,212	14,471	83,250	1,312	125,245
Amortisation on intangible assets	10	5	27	-	42
Segment assets (gross)	63,808,182	99,821,960	51,248,317	346,935,772	561,814,231
Segment non performing loans	3,323,872	13,068,660	2,713,478	-	19,106,010
Segment provision required	3,299,132	12,631,781	3,244,089	-	19,175,002
Segment liabilities	124,996,081	24,919,996	297,632,783	32,290,274	479,839,134
Segment return on net assets (ROA) (%) - annualised	8.86%	3.45%	13.73%	0.54%	3.10%
Segment cost of funds (%) - annualised	3.04%	3.31%	1.87%	4.97%	2.43%
31 March 2017					
Internal Income	919,570	(668,611)	2,694,683	(2,939,879)	5,763
Net mark-up / return / interest income	(257,962)	999,335	(474,347)	4,182,756	4,449,782
Non mark-up / non interest income	705,738	605,916	1,134,084	(170,315)	2,275,423
Operating income	1,367,346	936,640	3,354,420	1,072,562	6,730,968
Non mark-up / non interest expenses	569,966	250,815	1,937,679	157,768	2,916,228
Internal non mark-up / non interest expenses	804	376	4,490	93	5,763
Operating profit before provisions and taxation	796,576	685,449	1,412,251	914,701	3,808,977
(Direct write-offs) / (provisions) / reversals against non-performing loans and advances - net of recoveries	993	(266,763)	(74,033)	-	(339,803)
Profit before taxation	795,583	952,212	1,486,284	914,701	4,148,780
Other segment items:					
Depreciation of tangible fixed assets	23,298	12,862	73,995	1,167	111,322
Amortisation of intangible assets	14	7	41	1	63
Segment assets (gross)	68,409,417	93,670,265	39,859,974	310,049,250	511,988,906
Segment non performing loans	3,305,762	14,736,976	3,140,461	-	21,183,199
Segment provision required	2,596,286	13,204,587	3,484,572	-	19,285,445
Segment liabilities	111,649,238	15,488,255	281,741,210	24,066,010	432,944,713
Segment return on net assets (ROA) (%) - annualised	4.85%	4.75%	16.39%	1.18%	3.38%
Segment cost of funds (%) - annualised	3.11%	3.08%	1.83%	5.61%	2.32%

* Segment ROA = Profit before tax / (Segment assets - Segment provisions)

** Segment cost of funds have been computed based on the average balances.

Corporate and Institutional Banking

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

Commercial Banking

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

Retail Banking

Retail Banking serves Priority, Personal and Business Banking Clients. The services include wealth management, deposits, secured lending (mortgages, overdrafts etc.), unsecured lending (credit cards, personal loans etc.).

Central & Other items

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

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

For the three months period ended 31 March 2018

17 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:

	Note	31 March 2018 (Un-audited)	31 December 2017 (Audited)
------(Rupees in '000)-----			
OUTSTANDING BALANCES			
Group			
Nostro balances with other subsidiaries and branches of the holding company		937,038	735,502
Overdrawn nostro balances with other subsidiaries and branches of the holding company		986,023	75,526
Vostro balances of other subsidiaries and branches of the holding company		655,581	835,108
Placements with other subsidiaries and branches of the holding company		8,403,715	5,396,987
Deposits of group company	17.1	9,915	10,021
Due to holding company		14,174,924	10,330,627
Due from other subsidiaries and branches of the company		808,672	554,680
Interest receivable from group companies		1,063	754
Inter-company derivative assets		102,597	73,524
Inter-company derivative liabilities		94,701	99,492
Transaction-related contingent liabilities - Guarantees		33,987,947	34,653,395
Commitments in respect of forward foreign exchange contracts		7,516,465	6,814,535
Derivative instruments- Interest rate swaps - Notional		6,980,987	5,643,865
Derivative instruments- FX options - Notional		231,938	115,705
Key management personnel			
Loans and advances to key management personnel	17.1	174,317	178,551
Deposits of key management personnel	17.1	190,092	100,273
Advance Rent		449	1,259
Others			
Loans and advances to customers with common directorship	17.1	64,739	48,850
Deposits by staff retirement benefit funds	17.1	631,207	482,103
Deposits by customers with common directorship	17.1	1,031,360	986,971
Accrued interest receivable against loans and advances to customers with common directorship		856	823
Receivable from defined benefit plans		(4,981)	(4,981)
Derivative liabilities		-	621
Transaction-related contingent liabilities - Guarantees		2,402,626	1,782,776
Trade-related contingent liabilities - Letter of Credit		427,902	171,485
Trade-related commitment liabilities - Acceptances		18,105	12,116

Three months period ended

	31 March 2018 (Un-audited)	31 March 2017 (Un-audited)
------(Rupees in '000)-----		
PROFIT AND LOSS		
Group		
Mark-up / return / interest earned	20,594	2,483
Mark-up / return / interest expensed	9,188	3,416
Fee and commission expense	19,859	-
Fee and commission income	221,231	208,450
Reimbursement of executive and general administrative expenses	-	371,848
Net gain / (loss) on inter-company derivatives	33,864	(207,542)

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

For the three months period ended 31 March 2018

	Three months period ended	
	31 March 2018 (Un-audited)	31 March 2017 (Un-audited)
	----- (Rupees in '000) -----	
Key management personnel		
Mark-up / return / interest earned	4,410	1,541
Mark-up / return / interest expensed	348	136
Salaries and benefits	71,643	72,581
Post retirement benefits	6,505	6,537
Remuneration / fee paid to non-exective directors	2,100	1,415
Rent expenses	804	748
Others		
Contribution to defined contribution plans - net of payments received	98,229	95,987
Charge for defined contribution plans	98,229	95,987
Mark-up / return / interest expensed on deposits of staff retirement benefit funds	17,311	2,054
Mark-up / return / interest expensed on deposits of customers with common directorship	7,881	3,245
Mark-up / return / interest earned on advances to customers with common directorship	856	1,216
Fee and commission income from customers with common directorship	52,648	-
Net (loss) / gain on derivatives	-	697

17.1 Net movements in loans and deposits are summarised as follows:

	Balance as at 31 December 2017	Net disbursement/ deposits	Net repayments / withdrawals	Balance as at 31 March 2018
	----- (Rupees in '000) -----			
Loans and advances				
Key Management Personnel	178,551	54,414	(58,648)	174,317
Others	48,850	153,076	(137,187)	64,739
Placements	5,396,987	372,454,727	(369,447,999)	8,403,715
Deposits				
Group companies	10,021	-	(106)	9,915
Key Management Personnel	100,273	275,373	(185,554)	190,092
Others	1,469,074	49,213,472	(49,019,979)	1,662,567

18 LIQUIDITY RISK

Bank calculates the Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR) as per SBP Basel III Liquidity Standards issued under BPRD circular no 08 dated June 23, 2016.

	31 March 2018 (Un-audited)	31 December 2017 (Audited)
	----- (Rupees in '000) -----	
Liquidity Coverage Ratio		
High Quality Liquid Assets (A)	329,004,634	305,361,466
Total Net Cash Outflows (B)*	81,834,953	64,451,333
Liquidity Coverage Ratio (A/B)	402%	474%
Minimum SBP Requirement	90%	90%
Net Stable Funding Ratio		
Available amount stable funding (X)	387,642,165	372,751,703
Required amount of stable funding (Y)	141,541,973	132,552,979
Net Stable Funding Ratio (X/Y)	274%	281%
Minimum SBP Requirement	100%	100%

* Total net cash outflows = Total expected cash outflows – Min {total expected cash inflows; 75% of total expected cash outflows}

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

For the three months period ended 31 March 2018

19 ISLAMIC BANKING BUSINESS

The Bank is operating with 9 Islamic Banking branches at the end of current period (Dec 2017: 9 branches).

Balance Sheet	Note	31 March 2018 (Un-audited)	31 December 2017 (Audited)
------(Rupees in '000)-----			
Assets			
Cash and balances with treasury banks		2,823,521	2,725,969
Due from Financial Institutions		5,016,925	4,788,058
Investments		6,156,415	6,233,447
Islamic Financing and Related Assets - net	19.1	51,176,790	42,572,814
Operating fixed assets		37,844	40,400
Other assets		896,693	500,941
		66,108,188	56,861,629
Liabilities			
Bills payable		181,616	162,877
Due to Financial Institutions		2,559,000	3,724,000
Deposits and other accounts			
Current Accounts		27,403,813	25,744,605
Saving Accounts		14,397,288	13,426,014
Term Deposits		1,014,033	1,052,881
Others		20,915	50,366
Deposit from Financial Institutions - Remunerative		8,095	362
		42,844,144	40,274,228
Due to Head Office		13,603,939	6,675,569
Other liabilities		1,540,819	661,180
		60,729,518	51,497,854
Net Assets		5,378,670	5,363,775
Represented by:			
Islamic Banking Fund		200,000	200,000
Unappropriated / Unremitted profit		5,177,344	5,086,697
		5,377,344	5,286,697
Surplus / (Deficit) on revaluation of assets - net		1,326	77,078
		5,378,670	5,363,775
Contingencies and Commitments	10		
Remuneration to Shariah Advisor/Board			
Charity fund			
Opening balance		4,701	2,941
Additions during the period			
Penalty on delayed payment		992	3,436
Income purification		2	2,907
		994	6,343
Payments / utilization during the period			
Education		-	(1,540)
Health		-	(3,044)
		-	(4,584)
Closing balance		5,694	4,701

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

For the three months period ended 31 March 2018

	Note	31 March 2018 (Un-audited) ------(Rupees in '000)-----	31 December 2017 (Audited)
19.1 Islamic Financing and Related Assets			
Murabaha	19.1.1a	1,976,985	1,004,855
Musharaka	19.1.1b	23,001,441	20,072,238
Dimishing Musharaka	19.1.1c	20,827,354	19,862,104
Musawammah	19.1.1d	4,994,240	1,245,000
Others	19.1.1e	376,770	388,617
		51,176,790	42,572,814
19.1.1a Murabaha			
Financings / Investments / Receivables		921,928	682,554
Advances		619,255	6,277
Assets/Inventories		435,802	316,024
		1,976,985	1,004,855
19.1.1b Musharaka			
Financings / Investments / Receivables		23,001,441	20,072,238
19.1.1c Dimishing Musharaka			
Financings / Investments / Receivables		20,762,238	19,806,390
Advances		65,116	55,714
		20,827,354	19,862,104
19.1.1d Musawammah			
Financings / Investments / Receivables		4,994,240	1,245,000
19.1.1e Others			
Financings / Investments / Receivables		376,770	388,617
		Three months period ended 31 March 2018 (Un-audited)	Three months period ended 31 March 2017 (Un-audited)
19.2 Profit and Loss		------(Rupees in '000)-----	
Profit / return earned on financings, investments and placements		894,573	858,680
Return on deposits and others dues expensed		(146,215)	(228,174)
Net spread earned		748,358	630,506
Provision against non performing financing		(24,323)	(4,904)
Net spread after provisions		724,035	625,602
Other income			
Fees, commission and brokerage income		197,711	280,147
Gain / (loss) from dealing in foreign currencies		(410,686)	247,277
Other income		5	80
Total other income		(212,970)	527,504
		511,065	1,153,106
Other expenses			
Administrative expenses		(420,418)	(449,359)
Profit before taxation		90,647	703,747
19.3 Remuneration to Shariah Advisor/Board		1,309	1,479

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

For the three months period ended 31 March 2018

- 19.4** Deposit and other accounts include redeemable capital of Rs. 15,419.42 million (2017: Rs.14,479.26 million) and deposits on Qard basis of Rs. 25,424.73 million (2017: Rs.25,794.97 million). Remunerative deposits which are on Modaraba basis are considered as Redeemable Capital and non-remunerative deposits are classified as being on Qard basis.

20. GENERAL

20.1 Date Of Authorization

These condensed interim financial statements were authorized for issue in the Board of Directors meeting held on 26th April, 2018.



Shazad Dada
Chief Executive Officer



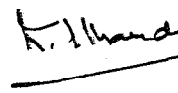
Asad Ali Shariff
Chief Financial Officer



Ian Anderson Bryden
Director



Ferdinand Pieterse
Director



Najam I. Chaudhri
Director

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