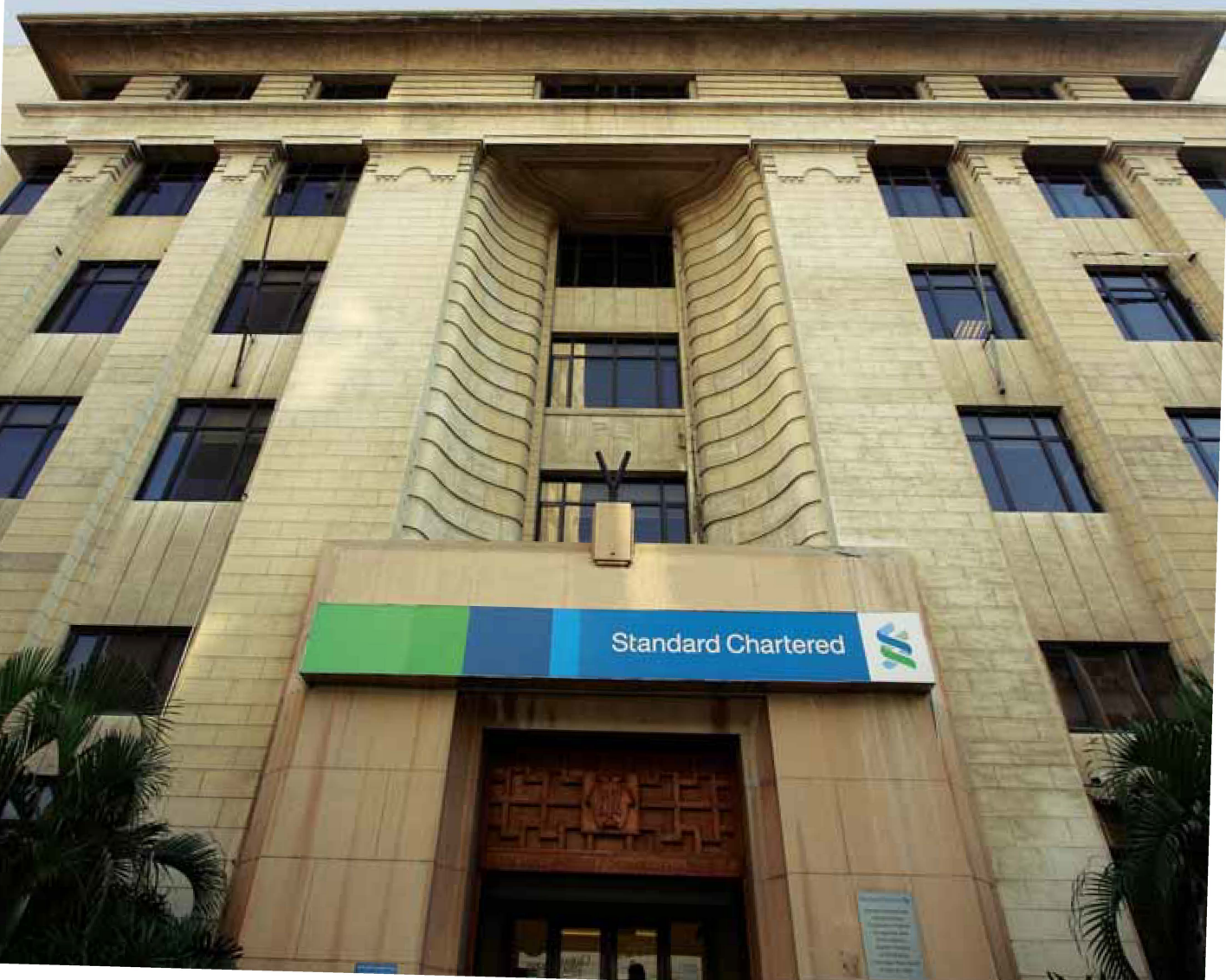


**1st Quarterly Report** (January - March 2016)

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.
- The Bank's franchise in Pakistan has the second largest distribution network in the Standard Chartered Group.
- The largest international Bank in Pakistan with 101 branches in 11 cities and a workforce of over "3,400 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

### The Asset Triple A Treasury, Trade and Risk Management Award 2015

Best in Treasury and Working Capital – MNCs / LLCs,  
Best in Treasury and Working Capital – SMEs,  
Best in Treasury and Working Capital – Financial Institutions,  
Best in Treasury and Working Capital – Non-bank Financial Institutions  
Best Cash Management Bank

### Islamic Finance News (IFN) Awards for 2015

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

### Global Finance Awards 2015

Pakistan — Best Emerging Market Bank In Asia Pacific 2015  
Best Islamic Digital Bank in Asia Award for 2015  
Best Digital Bank in Pakistan award for 2015

### National CSR Association Award for 2015 — "Child Centric CSR"

## Our strategy

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

## Our Brand Promise

Here for good

<b>Our Aspirations</b>	To establish a strongly capitalised bank poised for growth in our dynamic and growing markets, with the goal to deliver returns by business of 10 per cent				
<b>Our Objectives</b>	<b>Secure the foundations</b> Strengthening our balance sheet and aligning our strategy to a tightened risk tolerance	<b>Get lean and focused</b> Driving sustainable improvements in returns by restructuring our client businesses and assertively managing costs		<b>Invest and innovate</b> Investing in our core strengths and taking advantage of opportunities in our markets	
<b>Our Values</b>	<b>Courageous:</b> We stand up for what we believe and do the right thing	<b>Responsive:</b> We can be relied on to respond quickly and deliver lasting value	<b>International:</b> We value others and actively collaborate	<b>Creative:</b> We adapt and innovate to meet evolving needs	<b>Trustworthy:</b> We act with integrity and earn the trust of others

# Company Information

## Board of Directors

Mr. Sunil Kaushal	Chairman
Mr. Shazad Dada	Chief Executive Officer
Mr. Najam I. Chaudhri	
Mr. Parvez Ghias	
Mrs. Spenta Kandawalla	
Mr. Ferdinand Pieterse*	
Mr. Ian Anderson Bryden*	

## Company Secretary

Mr. Asif Iqbal Alam

## Audit Committee

Mr. Najam I. Chaudhri	Chairman
Mr. Parvez Ghias	Member

## Human Resource & Remuneration Committee\*\*

Mr. Shazad Dada	Member
Mr. Parvez Ghias	Member
Mrs. Spenta Kandawalla	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](http://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  
Email: [info@cdcpak.com](mailto:info@cdcpak.com)

\*Subject to clearance of State Bank of Pakistan

\*\*Currently there's no permanent Chairman

## Directors' Report – Quarter Ended 31st March 2016

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 condensed interim financial statements for the quarter ended 31st March 2016.

### Economy

Domestic economic activity has picked up pace, driven by strong demand for consumption and investment. Looser monetary policy, Rupee stability, lower energy prices, as well as continued growth in workers' remittances inflows, have supported household discretionary incomes. Therefore, despite a weaker global economic outlook and ongoing fiscal consolidation, Pakistan's GDP growth is expected to accelerate to 4.4% in FY16 compared to 4.2% in FY15.

After declining in H1-FY16, inflation appears to have bottomed: annual CPI inflation rose to 3.9% for March 2015. Core inflation, measured by non-food non-energy (NFNE) index, has also edged up gradually over the past few months; for March, it increased 4.7% y/y. As such, the central bank has held its policy interest rate constant at 6% since September 2015.

FX Reserves recently crossed an all-time high, supported by capital and financial account inflows. The IMF programme remains on track with the tenth quarterly review recently completed. The programme is expected to conclude successfully by September 2016. The country's total FX reserves stood at USD 20.9bn by end-March 2016. Overseas workers' remittances are expected to grow around 6% during FY16 despite slower growth in GCC economies. The current account deficit is expected to be 1.3% of GDP for FY16 as a significant increase in non-oil imports (particularly for machinery) partially offsets the lower oil-import bill.

Banks are well capitalized with CAR of 17.3% (December-15) and remain profitable with ROE of 15.6%. NPLs of the banking sector have declined to 11.4% by December 2015, down from 12.3% in December 2014.

### Operating Results and Business Overview

	31 March 2016 (PKR millions)	December 31, 2015 (PKR millions)
<b>Balance Sheet</b>		
Paid-up capital	38,716	38,716
Total equity	53,385	55,016
Deposits	344,686	327,238
Advances – gross	140,424	130,370
Advances – net	119,460	108,853
Investments – net	238,452	225,318
	Quarter ended 31 March 2016 (PKR millions)	Quarter ended 31 March 2015 (PKR millions)
<b>Profit and Loss</b>		
Revenue	7,667	7,853
Administrative expenses	2,851	3,003
Other non mark-up expenses	127	62
Operating profit (before provisions and tax)	4,689	4,788
(Recoveries) / Provisions	(252)	500
Profit before tax	4,941	4,288
Profit after tax	3,209	2,776
EPS (in PKR Rupees)	0.83	0.72

The bank delivered strong financial performance with Profit before tax of PKR 4.9 billion compared to PKR 4.3 billion in 2015. The balance sheet momentum has greatly supported the resilience of revenue which was impacted by margin compression in 2015. Administrative costs continue to be well managed through operational efficiencies and disciplined spending, thereby leading to a 5% decrease from comparative period. The bank continues to invest into its digital agenda and infrastructure to enhance customer experience.

On the liabilities side, the bank's total deposits grew by 5% 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 deposits base. This has resulted in the bank having one of the lowest cost of deposits in the industry. On the advances side, there is positive momentum across all business segments and have grown by 10% since start of the year. As the economic activity improves further, advances growth will pick-up. Surplus liquidity continues to be deployed in Government securities with a balanced mix of short and long term.

Considering the long history of presence in Pakistan, the bank is committed for sustained growth by continuous focus on clients and product suite along with a prudent approach to building the balance sheet.

### Credit Rating

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

### Performance of the Group

In compliance with section 236(5) of the Companies Ordinance, 1984, attached with this report are the consolidated condensed interim financial statements of SCBPL and its subsidiaries (the Group) namely - Standard Chartered Leasing Limited, Standard Chartered Services of Pakistan (Private) Limited and Standard Chartered Modaraba, for the period ended 31st March 2016.

Key highlights of the Group's performance are given below:

	<b>31 March 2016</b> (PKR millions)	<b>December 31, 2015</b> (PKR millions)
<b>Balance Sheet</b>		
Paid-up capital	38,716	38,716
Total equity	53,631	55,256
Deposits	344,614	327,121
Advances – gross	140,296	130,180
Advances – net	119,332	108,663
Investments – net	237,766	224,632
	<b>Quarter ended</b> <b>31 March 2016</b> (PKR millions)	<b>Quarter ended</b> <b>31 March 2015</b> (PKR millions)
<b>Profit and Loss</b>		
Revenue	7,761	8,004
Administrative expenses	2,913	3,068
Other non mark-up expenses	131	66
Operating profit (before provisions and tax)	4,717	4,870
Provisions - net of recoveries	(254)	497
Profit before tax	4,971	4,373
Profit after tax	3,241	2,849
EPS (in PKR Rupees)	0.83	0.72

### **Changes in Board of Directors**

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

Board of Directors has appointed Mr. Ian Bryden as Director (subject to clearance from State Bank of Pakistan) in place of Mr. Vinod Ramabhadran who resigned from his office as director.

The Board places on record its appreciation for the valuable contribution made by Mr. Ramabhadran during his tenure as the Director.

### **Appreciation and Acknowledgment**

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

On behalf of the Board



**Shazad Dada**  
Chief Executive Officer  
Karachi: April 26, 2016

اسٹینڈرڈ چارٹرڈ بینک (پاکستان) لمیٹڈ

ڈائریکٹرز رپورٹ

اختتامی سہ ماہی اول 31 مارچ 2016

بورڈ آف ڈائریکٹرز کی جانب سے میں اختتامی مسرت کے ساتھ اسٹینڈرڈ چارٹرڈ بینک (پاکستان) لمیٹڈ (SCBPL) کی ڈائریکٹرز رپورٹ بہ 31 مارچ 2016 کو ختم ہونے والی سہ ماہی کے غیر پڑتال شدہ مختصر عبوری کھاتہ جات کی رپورٹ پیش کر رہا ہوں۔

### معیشت

ملکی سطح پر معاشی سرگرمی میں تیزی کا رجحان پایا گیا جو صرف اور سرمایہ کاری میں تیزی کے رجحان کے باعث ممکن ہوا۔ مانیٹری پالیسی میں نرمی، پاکستانی روپے میں استحکام، توانائی کی قیمتوں میں کمی اور دوکرز کی ترسیلات زر کی روانی سے گھریلو ضروریات پورا کرنے کے بعد زائد آمدنی کے حصول میں مدد ملی ہے۔ یہی وجہ ہے کہ عالمی سطح پر غیر مستحکم معاشی صورتحال اور رواں مالی عدم استحکام کے باوجود پاکستان کے جی ڈی پی (GDP) میں مالی سال 2016 میں 4.4 فیصد تک اضافہ متوقع ہے جو مالی سال 2015 میں 4.2 فیصد تھا۔

مالی سال 2016 کے پہلے ششماہی میں بھی افراط زر میں کمی کا رجحان برقرار رہا جبکہ مارچ 2015 میں سالانہ سی پی آئی (CPI) افراط زر میں 3.9 فیصد اضافہ ہوا۔ نان فوڈ نان انرجی (NFNE) انڈیکس کے مطابق قومی افراط زر میں گزشتہ چند ماہ بتدریج اضافہ ہوا ہے جبکہ مارچ میں سال بسال اس میں 4.7 فیصد اضافہ ہوا کیونکہ مرکزی بینک نے ستمبر 2015 سے پالیسی انٹرسٹ کی شرح مستقبل 6 فیصد رکھی ہے۔

زرمبادلہ کے ذخائر حال ہی میں اپنی بلند ترین سطح پر پہنچے جو سرمائے اور مالیاتی کھاتہ جات کی روانی کی مدد سے ممکن ہوا۔ حال ہی میں مکمل کئے گئے سہ ماہی بنیاد پر دسویں جائزے کے ساتھ ساتھ آئی ایم ایف پروگرام مسلسل جاری رہا۔ پروگرام کا کامیاب اختتام ستمبر 2016 تک متوقع ہے۔ ملک کے مجموعی زرمبادلہ کے ذخائر مارچ 2016 کے اختتام تک 20.9 ارب امریکی ڈالر رہے۔ GCC معاشیات کے ست رفتار سے فروغ کے باوجود مالی سال 2016 کے دوران بیرون ملک مقیم دوکرز کے ترسیلات زر میں تقریباً 6 فیصد اضافہ متوقع ہے۔ کرنٹ اکاؤنٹ کا خسارہ مالی سال 2016 میں جی ڈی پی کا 1.3 فیصد تک متوقع ہے۔ کیونکہ تیل سے غیر متعلقہ درآمدات (بالخصوص مشینری) کے خاطر خواہ اضافے نے تیل کے کم درآمداتی بل میں جزوی طور پر توازن برقرار رکھا ہے۔

شعبہ بینکاری 17.3 فیصد (CAR) سی اے آر (دسمبر 2015) کے موزوں سرمائے اور 15.6 فیصد کے آراوای (ROE) کے ساتھ منافع بخش رہا۔ بینکنگ شعبے میں قرضوں کی عدم ادائیگی میں دسمبر 2015 تک 11.4 فیصد کی واقع ہوئی ہے جو دسمبر 2014 میں 12.3 فیصد تھی۔

## نتائج اور عمومی کاروباری جائزہ

31 مارچ، 2016 (پاکستانی روپے)	31 دسمبر، 2015 (پاکستانی روپے)	بیلنس شیٹ
38,716	38,716	ادا کردہ سرمایہ
53,385	55,016	کل ایکویٹی
344,686	327,238	جمع شدہ رقوم
140,424	130,370	پینگی ادا نیکیاں - مجموعی
119,460	108,853	پینگی ادا نیکیاں - خالص
238,452	225,318	سرمایہ کاری - خالص

31 مارچ، 2016 (پاکستانی روپے)	31 مارچ، 2015 (پاکستانی روپے)	نفع و نقصان
7,667	7,853	آمدنی
2,851	3,003	انتظامی اخراجات
127	62	دیگر نان - مارک اپ اخراجات
4,689	4,788	کاروباری منافع (واجبات اور ٹیکس سے قبل)
(252)	500	تموین / (وصولیوں کا خالص)
4,941	4,288	قبل از ٹیکس منافع
3,209	2,776	بعد از ٹیکس منافع
0.83	0.72	منافع فی حصص (ای پی ایس) (پاکستانی روپے)

بینک نے سال 2015 میں 4.3 ارب روپے کے مقابلے میں 4.9 ارب روپے قبل از ٹیکس منافع کے حصول کے ذریعے اپنی مستحکم مالی کارکردگی کا مظاہرہ کیا۔ بیلنس شیٹ کے استحکام نے آمدنی کے اضافے میں غیر معمولی مدد فراہم کی ہے جو 2015 میں انتہائی کم مارجن کے باعث بری طرح متاثر تھا۔ انتظامی اخراجات میں عملی طور پر اعلیٰ کارکردگی جتنا طر اخراجات اور بہتر منصوبہ بندی عمل میں لائی گئی جس کے باعث ان اخراجات میں گزشتہ سال کے مقابلے میں 5 فیصد کمی واقع ہوئی۔ بینک اپنے صارفین کی سہولیات میں مسلسل اضافے کیلئے اپنے ڈیجیٹل ایجنڈا اور بنیادی ڈھانچے میں بہتر تبدیلی کیلئے سرمایہ کاری کرتا رہے گا۔

واجبات کے حوالے سے اس سال کے آغاز سے اب تک بینک کی کل جمع شدہ رقوم میں 5 فیصد اضافہ ہوا۔ کم قیمت جمع شدہ رقوم میں مسلسل اضافہ بینک کی کارکردگی میں معاون رہا جس کے باعث کرنٹ اور سیونگز کا ڈنٹس مجموعی جمع شدہ رقوم کے 93 فیصد رہے جو کہ صنعتی حوالے سے بینک میں جمع شدہ رقوم کی کم ترین لاگت ہے۔ قرضہ جات کے حوالے سے تمام کاروباری شعبوں میں مسلسل استحکام رہا، جن میں سال کے آغاز سے اب تک 10 فیصد اضافہ ہوا ہے۔ جیسے جیسے معاشی سرگرمی میں اضافہ ہوگا، قرضہ جات میں بھی اضافہ ہوگا اضافی سرمائے کی مختصر اور طویل مدتی گورنمنٹ سکیورٹیز میں سرمایہ کاری کی جاتی رہے گی۔

پاکستان میں ہماری طویل تاریخ کو مد نظر رکھتے ہوئے، اپنے کلائنٹس، صارفین اور بینکنس شیٹ کو مستحکم بنانے پر توجہ مرکوز کر کے ہم اس کے مستقل فروغ پر یقین رکھتے ہیں۔

### کریڈٹ ریٹنگ

2015 میں پاکستان کریڈٹ ریٹنگ ایجنسی نے بینک کی بالترتیب "AAA" (ٹرپل A) اور "A1+" (ای و ن پلس) کی طویل مدتی اور قلیل مدتی ریٹنگ کو برقرار رکھا ہے۔ بینک کے ٹی ایف سی کو بھی "AAA" ریٹ کیا گیا ہے۔ یہ ریٹنگ قرضہ جات کے متوقع نقصانات سے تحفظ اور ان کی وقت پر ادائیگی کو یقینی بنانے کی نشاندہی کرتی ہیں۔

### گروپ کی کارکردگی

کمپنیز آرڈیننس 1984 سیکشن (5) 236 کے مطابق اس رپورٹ کے ساتھ اسٹینڈرڈ چارٹرڈ بینک (پاکستان) لمیٹڈ اور اسکے ذیلی ادارے بنام اسٹینڈرڈ چارٹرڈ لمیٹڈ، اسٹینڈرڈ چارٹرڈ سروسز آف پاکستان (پرائیویٹ) لمیٹڈ اور اسٹینڈرڈ چارٹرڈ مضاربہ کی 31 مارچ 2016 کو ختم ہونے والے سال کے مجموعی فنانشل اسٹیمنس بھی منسلک ہیں۔

گروپ کی کارکردگی کے اہم حصول درج ذیل ہیں:

31 مارچ 2016 (پاکستانی روپے)	31 دسمبر 2015 (پاکستانی روپے)	بینکنس شیٹ
38,716	38,716	ادا کردہ سرمایہ
53,631	55,256	کل ایکویٹی
344,614	327,121	جمع شدہ رقوم
140,296	130,180	پیٹنگی ادائیگیاں۔ مجموعی
119,332	108,663	پیٹنگی ادائیگیاں۔ خالص
237,766	224,632	سرمایہ کاری۔ خالص

اختتامی سہ ماہی اول  
31 مارچ 2015 (پاکستانی روپے)

اختتامی سہ ماہی اول  
31 مارچ 2016 (پاکستانی روپے)

### نفع و نقصان

آمدنی	7,761	8,004
انتظامی اخراجات	2,913	3,068
نان مارک اپ اخراجات	131	66
تموین کاروباری منافع (واجبات اور ٹیکس سے قبل)	4,717	4,870
(رقوم کی واپسی) (وصولیوں کا خالص)	(254)	497
قبل از ٹیکس منافع	4,971	4,373
بعد از ٹیکس منافع	3,241	2,849
منافع فی حصص (ای پی ایس)	0.83	0.72

### بورڈ آف ڈائریکٹرز کی تبدیلیاں

ڈائریکٹران کی آخری رپورٹ سے اب تک بورڈ آف ڈائریکٹرز میں مندرجہ ذیل تبدیلیاں ہوئی ہیں:

بورڈ کے ڈائریکٹران نے جناب ونود رامابھادراں، جو اب ڈائریکٹر کی حیثیت سے مستعفی ہو چکے ہیں، کی جگہ جناب انین بریڈن کو ڈائریکٹر (اسٹیٹ بینک کی منظوری سے مشروط) کی حیثیت سے تقرر کر لیا ہے۔

بورڈ جناب ونود رامابھادراں کی گراں قدر خدمات کا اعتراف کرتا ہے، جو انہوں نے اس مدت کے دوران ڈائریکٹر کی حیثیت سے انجام دیں۔

### تسلیم و تحمین

اس موقع پر ہم اپنے کسٹمرز اور بزنس پارٹنرز کی مسلسل سرپرستی اور اعتماد کیلئے ممنون ہیں۔ ہم اسٹیٹ بینک آف پاکستان کی رہنمائی اور بے پناہ تعاون کو بھی سراہتے ہیں۔ آخر میں ہمارے قابل قدر کسٹمرز کو فراہم کی گئیں ذمہ دارانہ خدمات کیلئے ہم اپنے ایسوسی ایٹس، عملے اور ہم پیشہ رفیقوں کے بھی شکریہ ادا کرتے ہیں۔

منجانب



شہزاد اودا

چیف ایگزیکٹو آفیسر

کراچی: 26 اپریل، 2016

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

## **Condensed Interim Un-Consolidated Financial Statements**


**For the three months period ended  
31 March 2016**

# Condensed Interim Un-Consolidated Statement of Financial Position

## As at 31 March 2016

	Note	31 March 2016 (Un-Audited)	31 December 2015 (Audited)
(Rupees in '000)			
<b>ASSETS</b>			
Cash and balances with treasury banks		22,423,013	29,482,134
Balances with other banks		3,861,057	4,300,002
Lendings to financial institutions	6	26,061,024	26,969,566
Investments	7	238,452,079	225,318,405
Advances	8	119,459,510	108,853,436
Operating fixed assets		5,761,483	5,963,952
Intangible assets		26,115,729	26,126,720
Other assets		15,616,973	20,333,576
		<b>457,750,868</b>	<b>447,347,791</b>
<b>LIABILITIES</b>			
Bills payable		8,833,727	11,401,191
Borrowings		14,471,952	21,784,451
Deposits and other accounts	10	344,686,133	327,237,527
Sub-ordinated loans		2,500,000	2,500,000
Deferred tax liabilities - net	9	2,817,783	3,221,120
Other liabilities		25,097,247	19,253,047
		<b>398,406,842</b>	<b>385,397,336</b>
<b>NET ASSETS</b>		<b>59,344,026</b>	<b>61,950,455</b>
<b>REPRESENTED BY:</b>			
Share capital		38,715,850	38,715,850
Reserves		11,488,900	10,847,005
Unappropriated profit		3,179,907	5,453,310
		<b>53,384,657</b>	<b>55,016,165</b>
Surplus on revaluation of assets - net of deferred tax		5,959,369	6,934,290
		<b>59,344,026</b>	<b>61,950,455</b>
<b>CONTINGENCIES AND COMMITMENTS</b>			
	11		

The annexed notes 1 to 18 form an integral part of these condensed interim un-consolidated financial statements.



Shazad Dada  
Chief Executive Officer



Najam I. Chaudhri  
Director



Parvez Ghias  
Director



Spenta Kandawalla  
Director

## Condensed Interim Un-Consolidated Profit and Loss Account (Un-audited)

### For the three months period ended 31 March 2016

	Note	Three months period ended 31 March 2016	Three months period ended 31 March 2015
		(Rupees in '000)	
Mark-up / return / interest earned		7,676,794	8,420,595
Mark-up / return / interest expensed		(2,199,342)	(2,965,893)
<b>Net mark-up / return / interest income</b>		<b>5,477,452</b>	<b>5,454,702</b>
(Provision) / reversals against non-performing loans and advances		235,828	(511,531)
Recovery of amounts written off		59,973	61,264
Provision for diminution in the value of investments		-	(4,729)
Bad debts written off directly		(44,245)	(45,067)
		251,556	(500,063)
<b>Net Mark-up / return / interest income after provisions</b>		<b>5,729,008</b>	<b>4,954,639</b>
<b>NON MARK-UP / NON INTEREST INCOME</b>			
Fees, commission and brokerage income		945,807	1,103,235
Dividend income		-	-
Income from dealing in foreign currencies		314,789	594,540
Gain on sale of securities - net		756,473	340,692
Unrealized (loss) / gain on revaluation of investments classified as held for trading		27,451	59,210
Other income	12	145,196	300,735
<b>Total non mark-up / non interest income</b>		<b>2,189,716</b>	<b>2,398,412</b>
		7,918,724	7,353,051
<b>NON MARK-UP / NON INTEREST EXPENSES</b>			
Administrative expenses	14	(2,850,505)	(3,003,042)
Other reversals / (provisions) / assets write offs		(26,727)	(2,247)
Other charges		(100,830)	(60,000)
<b>Total non mark-up / non interest expenses</b>		<b>(2,978,062)</b>	<b>(3,065,289)</b>
		4,940,662	4,287,762
Extra-ordinary / unusual items		-	-
<b>PROFIT BEFORE TAXATION</b>		<b>4,940,662</b>	<b>4,287,762</b>
Taxation - current		(1,608,758)	(1,233,354)
- prior years'		-	-
- deferred		(122,430)	(278,009)
		(1,731,188)	(1,511,363)
<b>PROFIT AFTER TAXATION</b>		<b>3,209,474</b>	<b>2,776,399</b>
<b>BASIC / DILUTED EARNINGS PER SHARE</b>		<b>Rupees 0.83</b>	<b>Rupees 0.72</b>

The annexed notes 1 to 18 form an integral part of these condensed interim un-consolidated financial statements.



Shazad Dada  
Chief Executive Officer



Najam I. Chaudhri  
Director



Parvez Ghias  
Director




Spenta Kandawalla  
Director

# Condensed Interim Un-Consolidated Statement of Comprehensive Income (Un-audited)

## For the three months period ended 31 March 2016

	Three months period ended <b>31 March 2016</b>	Three months period ended <b>31 March 2015</b>
	<b>(Rupees in '000)</b>	
<b>Profit after taxation for the period</b>	<b>3,209,474</b>	2,776,399
<b>Other comprehensive income</b>		
<b>Components of comprehensive income not reflected in equity</b>		
Surplus / (deficit) on revaluation of available for sale securities	<b>(1,502,191)</b>	2,181,886
Related deferred tax charge	<b>525,767</b>	(763,660)
	<b>(976,424)</b>	1,418,226
Surplus on revaluation of operating fixed assets	-	-
Related deferred tax charge	-	-
	-	-
	-	-
<b>Total comprehensive income for the period</b>	<b>2,233,050</b>	4,194,625

The annexed notes 1 to 18 form an integral part of these condensed interim un-consolidated financial statements.



Shazad Dada  
Chief Executive Officer



Najam I. Chaudhri  
Director



Parvez Ghias  
Director



Spenta Kandawalla  
Director

# Condensed Interim Un-Consolidated Cash Flow Statement (Un-audited)

For the three months period ended 31 March 2016

	31 March 2016	31 March 2015
	(Rupees in '000)	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before taxation for the period	4,940,662	4,287,762
Less: Dividend income	-	-
	4,940,662	4,287,762
<b>Adjustments for:</b>		
Depreciation	105,273	128,226
Amortization	10,992	11,599
(Gain) / loss on disposal of fixed assets - net	(41,270)	4,232
Unrealized loss / (gain) on revaluation of investments classified as held for trading - net	(27,451)	(59,210)
Other provisions /asset write-offs	26,727	2,247
Provision for diminution in the value of investments	-	4,729
(Reversals) / provision against non-performing loans and advances - net of recoveries	(251,556)	495,334
	(177,285)	587,157
	4,763,377	4,874,919
<b>(Increase) / decrease in operating assets</b>		
Lendings to financial institutions	908,542	2,124,563
Net investment in 'held for trading securities'	(4,978,603)	(2,279,354)
Advances	(10,354,518)	(2,763,886)
Other assets (excluding advance taxation)	3,943,764	2,357,441
	(10,480,815)	(561,236)
<b>Increase / (decrease) in operating liabilities</b>		
Bills payable	(2,567,464)	4,347,430
Borrowings from financial institutions	(7,312,499)	9,899,863
Deposits and other accounts	17,448,606	16,305,185
Other liabilities	1,004,719	1,101,397
	8,573,362	31,653,875
<b>Cash inflow before taxation</b>	2,855,924	35,967,558
Income tax paid	(835,917)	(1,224,468)
<b>Net cash generated from operating activities</b>	2,020,007	34,743,090
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Net investments in 'available for sale securities'	(9,629,811)	(26,068,179)
Net investment in operating fixed assets (including intangible assets)	26,718	(102,160)
Sale proceeds on disposal of operating fixed assets	85,020	39,518
<b>Net cash used in investing activities</b>	(9,518,073)	(26,130,821)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Dividend paid	-	-
<b>Net cash used in financing activities</b>	-	-
<b>Decrease in cash and cash equivalents for the period</b>	(7,498,066)	8,612,269
Cash and cash equivalents at beginning of the period	33,782,136	21,862,646
Cash and cash equivalents at end of the period	26,284,070	30,474,915
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>		
Cash and balances with treasury banks	22,423,013	28,045,019
Balances with other banks	3,861,057	2,429,896
	26,284,070	30,474,915

The annexed notes 1 to 18 form an integral part of these condensed interim un-consolidated financial statements.



Shazad Dada  
Chief Executive Officer



Najam I. Chaudhri  
Director



Parvez Ghias  
Director



Spenta Kandawalla  
Director

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


## For the three months period ended 31 March 2016

	Share Capital	Share Premium	Statutory Reserve (Rupees in '000)	Unappropriated Profit (a)	Total
<b>Balance as at 01 January 2015</b>	38,715,850	1,036,090	7,953,230	6,751,303	54,456,473
<b>Total Comprehensive income for the period</b>					
Profit after tax for the three months ended 31 March 2015	-	-	-	2,776,399	2,776,399
Surplus on revaluation of assets - net of tax	-	-	-	9,782	9,782
<i>Other Comprehensive income</i>					
Remeasurement of post employment obligations - net of tax	-	-	-	-	-
	-	-	-	2,786,181	2,786,181
<b>Transactions with owners, recorded directly in equity</b>					
Share based payment transactions (Contribution from holding company)	-	-	-	-	-
Payment against share based payment transactions (to holding company)	-	-	-	-	-
Transfer to statutory reserve	-	-	555,280	(555,280)	-
Cash dividend (Final 2014) at Rs. 1.5 per share	-	-	-	(5,807,378)	(5,807,378)
Transferred from surplus on revaluation of fixed asset - net of deferred tax	-	-	-	12,810	12,810
<b>Balance as at 31 March 2015</b>	<b>38,715,850</b>	<b>1,036,090</b>	<b>8,508,510</b>	<b>3,187,636</b>	<b>51,448,086</b>
<b>Total Comprehensive income for the period</b>					
Profit after tax for the nine months ended 31 December 2015	-	-	-	6,512,027	6,512,027
Surplus on revaluation of fixed assets - net of tax	-	-	-	(3,424)	(3,424)
<i>Other Comprehensive income</i>					
Remeasurement of post employment obligations - net of tax	-	-	-	(52,877)	(52,877)
	-	-	-	6,455,726	6,455,726
<b>Transactions with owners, recorded directly in equity</b>					
Share based payment transactions (Contribution from holding company)	-	-	-	25,695	25,695
Payment against share based payment transactions (to holding company)	-	-	-	15,163	15,163
	-	-	-	40,858	40,858
Reversal of liability against share based payment to holding company	-	-	-	(36,910)	(36,910)
Transfer to statutory reserve	-	-	1,302,405	(1,302,405)	-
Cash dividend (Interim 2015) at Re. 0.75 per share	-	-	-	(2,903,689)	(2,903,689)
Transferred from surplus on revaluation of fixed asset - net of deferred tax	-	-	-	12,094	12,094
<b>Balance as at 31 December 2015</b>	<b>38,715,850</b>	<b>1,036,090</b>	<b>9,810,915</b>	<b>5,453,310</b>	<b>55,016,165</b>
<b>Total Comprehensive income for the period</b>					
Profit after tax for the three months ended 31 March 2016	-	-	-	3,209,474	3,209,474
Surplus on revaluation of assets - net of tax	-	-	-	(5,458)	(5,458)
<i>Other Comprehensive income</i>					
Remeasurement of post employment obligations - net of tax	-	-	-	-	-
	-	-	-	3,204,016	3,204,016
<b>Transactions with owners, recorded directly in equity</b>					
Share based payment transactions (contribution from holding company)	-	-	-	-	-
Payment against share based payment transactions (to holding company)	-	-	-	-	-
Transfer to statutory reserve	-	-	641,895	(641,895)	-
Cash dividend (Final 2015) at Rs. 1.25 per share	-	-	-	(4,839,481)	(4,839,481)
Transferred from surplus on revaluation of fixed assets - net of deferred tax	-	-	-	3,957	3,957
<b>Balance as at 31 March 2016</b>	<b>38,715,850</b>	<b>1,036,090</b>	<b>10,452,810</b>	<b>3,179,907</b>	<b>53,384,657</b>

(a) As further explained in note 8.2.1 of these condensed interim financial statements the amount of Rs 418,512 million net of tax as at 31 March 2016 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.

The annexed notes 1 to 18 form an integral part of these condensed interim un-consolidated financial statements.

  
Shazad Dada  
Chief Executive Officer

  
Najam I. Chaudhri  
Director

  
Parvez Ghias  
Director

  
Spenta Kandawalla  
Director

## Notes to the Condensed Interim Un-Consolidated Financial Statements (Un-audited) For the three months period ended 31 March 2016

### 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 all stock exchanges of Pakistan (subsequent to year end due to demutualization, all stock exchanges are integrated into 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 101 branches in Pakistan (2015: 101 branches in Pakistan) in operation at 31 March 2016.

Standard Chartered Bank (Pakistan) Limited has the following three subsidiaries. All of them are incorporated in Pakistan.

- Standard Chartered Leasing Limited
- Standard Chartered Modaraba
- Standard Chartered Services of Pakistan (Private) Limited

Last year the Bank decided to divest its entire shareholding in its subsidiaries namely Standard Chartered Leasing Limited, Standard Chartered Modaraba and Standard Chartered Services of Pakistan (Private) Limited (management company of Standard Chartered Modaraba). On 1 September 2015, the bank has entered into an agreement with Orix Leasing Pakistan Limited for divestment of its stake in these subsidiaries. The transaction is subject to final approval by regulator.

These condensed interim financial statements are separate financial statements of the Bank in which investments in subsidiaries are accounted for on the basis of direct equity interest rather than on the basis of reported results. Consolidated condensed interim financial statements are presented separately.

### 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. These condensed interim financial statements do not include all the disclosures required for annual financial statements, and these should be read in conjunction with the financial statements of the Bank for the year ended December 31, 2015.

The financial results of the Islamic banking branches have been consolidated in these financial statements for reporting purposes. Key financial figures of the Islamic banking branches are disclosed in note 17 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 Ordinance 1984, 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 requirement differ, the requirements if the Companies Ordinance 1984, Banking Companies ordinance 1962 and the Said directives have been followed.

The State Bank of Pakistan 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 through BSD Circular No. 10 dated 26 August 2002 till further instructions. In addition the

## Notes to the Condensed Interim Un-Consolidated Financial Statements (Un-audited) For the three months period ended 31 March 2016

Securities and Exchange Commission of Pakistan has deferred the applicability of International Financial Reporting Standard 7, Financial Instruments: Disclosures (IFRS 7) vide SRO 411(I) / 2008 till further orders. 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 State Bank of Pakistan through various circulars.

The disclosures made in these condensed interim financial statements have been limited based on a format prescribed by the SBP vide BSD Circular Letter No. 2 dated May 12, 2004 and IAS 34, Interim Financial Reporting. They do not include all the disclosures required for annual financial statements, and these condensed interim financial statements should be read in conjunction with the financial statements of the Bank for the year ended December 31, 2015.

### 3 ACCOUNTING POLICIES

The accounting policies adopted in the preparation of the condensed interim financial information are the same as those applied in the preparation of the annual financial statements of the Bank for the year ended 31 December 2015.

### 4 ACCOUNTING ESTIMATES

The basis for the accounting estimates adopted in the preparation of the condensed interim financial information are the same as those applied in the preparation of the annual financial statements of the Bank for the year ended 31 December 2015.

### 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 2015.

### 6 LENDINGS TO FINANCIAL INSTITUTIONS

	Note	31 March 2016	31 December 2015
		(Rupees in '000)	
Call money lendings		-	2,000,000
Repurchase agreement lendings (Reverse Repo)	6.1	4,120,593	2,000,000
Bai Muajjal receivable from State Bank of Pakistan	6.2	6,518,946	6,518,946
Placements	6.3	15,421,485	16,450,620
		<b>26,061,024</b>	<b>26,969,566</b>

- 6.1** These carry mark-up at rate 6.5 percent per annum (2015: 6.35 percent per annum) payable at maturity, and are due to mature during April 2016. 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 5.93 percent per annum (2015: 5.93 percent per annum) with maturities upto November 2016.
- 6.3** This represents placements with other branches and subsidiaries of Standard Chartered Group outside Pakistan at mark-up rates ranging from 0.15 percent to 0.87 percent per annum (2015: 0.18 percent to 0.35 percent per annum), and are due to mature during September 2016.

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

For the three months period ended 31 March 2016

7	INVESTMENTS	Note	31 March 2016			31 December 2015		
			Held by bank	Given as collateral	Total	Held by bank	Given as collateral	Total
7.1	Investments by type		(Rupees in '000)					
	<b>Held for trading</b>							
	Market Treasury Bills		3,472,889	-	3,472,889	246,513	-	246,513
	Pakistan Investment Bonds		2,992,896	-	2,992,896	1,240,669	-	1,240,669
	Sukuk Bond		1,990	-	1,990	1,990	-	1,990
	<b>Available for sale</b>							
	Market Treasury Bills		106,424,048	-	106,424,048	67,952,335	1,192,726	69,145,061
	Pakistan Investment Bonds		115,768,607	18,891	115,787,498	143,388,679	18,953	143,407,632
	Equity shares of listed companies		662,061	-	662,061	662,061	-	662,061
	Term Finance Certificates -unlisted		285,025	-	285,025	285,025	-	285,025
	Equity shares of unlisted companies		3,004	-	3,004	3,004	-	3,004
	Sukuk and Ijarah Bonds		5,400,000	-	5,400,000	5,425,000	-	5,425,000
	<b>Investments at cost</b>		235,010,520	18,891	235,029,411	219,205,276	1,211,679	220,416,955
	Provision for diminution in the value of investments		(808,221)	-	(808,221)	(808,221)	-	(808,221)
	<b>Investments (net of provisions)</b>		234,202,299	18,891	234,221,190	218,397,055	1,211,679	219,608,734
	Surplus on revaluation of held for trading securities - net		27,451	-	27,451	4,042	-	4,042
	Surplus / (deficit) on revaluation of available for sale securities - net		3,516,885	280	3,517,165	5,018,926	430	5,019,356
			237,746,635	19,171	237,765,806	223,420,023	1,212,109	224,632,132
	<b>Subsidiaries - Held for sale</b>	7.2	686,273	-	686,273	686,273	-	686,273
	<b>Total Investments - net</b>		238,432,908	19,171	238,452,079	224,106,296	1,212,109	225,318,405

7.2 Last year, the bank decided to divest its entire shareholding in its subsidiaries namely Standard Chartered Leasing Limited, Standard Chartered Modaraba and Standard Chartered Services of Pakistan (Private) Limited (management company of Standard Chartered Modaraba). On 1 September 2015, the bank has entered into an agreement with Orix Leasing Pakistan Limited for divestment of its stake in these subsidiaries. The transaction is subject to final regulatory approvals. These subsidiaries continue to be accounted for in accordance with the requirements of IFRS 5 and are classified as Held for Sale till the completion of the transaction.

## 8 ADVANCES

	Note	31 March 2016	31 December 2015
		(Rupees in '000)	
Loans, cash credits, running finances, etc.			
- In Pakistan		98,311,166	91,645,675
- Outside Pakistan		-	-
		98,311,166	91,645,675
Islamic Financing and Related Assets (Gross)	8.1	31,805,538	30,343,793
Bills discounted and purchased (excluding treasury bills)			
- Payable in Pakistan		8,596,863	6,670,843
- Payable outside Pakistan		1,710,081	1,709,843
		10,306,944	8,380,686
Advances - gross		140,423,648	130,370,154
Provision for non-performing advances	8.2	(20,964,138)	(21,516,718)
Advances - net of provision		119,459,510	108,853,436

8.1 During the period State Bank of Pakistan vide BPRD circular letter number 5, dated February 29, 2016, advised that all Islamic financing and related assets shall be disclosed separately under Advances. As a result the bank has separately disclosed these assets under advances in the Bank's Financial Statements.

8.2 Advances include Rs 23,162.134 million (31 December 2015: Rs 24,018.416 million) which have been placed under non-performing status as detailed below:

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

## For the three months period ended 31 March 2016

31 March 2016								
Category of classification	Classified Advances			Provision Required			Provision Held	
	Domestic	Overseas	Total	Domestic	Overseas	Total	Domestic	Overseas
(Rupees in '000)								
OAEM	25,902	-	25,902	-	-	-	-	-
Substandard	668,452	-	668,452	138,091	-	138,091	138,091	-
Doubtful	3,103,317	-	3,103,317	1,445,768	-	1,445,768	1,445,768	-
Loss	19,364,463	-	19,364,463	18,808,248	-	18,808,248	18,808,248	-
	23,162,134	-	23,162,134	20,392,107	-	20,392,107	20,392,107	-
General Provision	-	-	-	572,031	-	572,031	572,031	-
	23,162,134	-	23,162,134	20,964,138	-	20,964,138	20,964,138	-
31 December 2015								
Category of classification	Classified Advances			Provision Required			Provision Held	
	Domestic	Overseas	Total	Domestic	Overseas	Total	Domestic	Overseas
(Rupees in '000)								
OAEM	39,676	-	39,676	-	-	-	-	-
Substandard	710,067	-	710,067	139,866	-	139,866	139,866	-
Doubtful	3,313,782	-	3,313,782	1,526,603	-	1,526,603	1,526,603	-
Loss	19,954,891	-	19,954,891	19,294,343	-	19,294,343	19,294,343	-
	24,018,416	-	24,018,416	20,960,812	-	20,960,812	20,960,812	-
General Provision	-	-	-	555,906	-	555,906	555,906	-
	24,018,416	-	24,018,416	21,516,718	-	21,516,718	21,516,718	-

**8.2.1** At 31 March 2015, the provision requirement has been reduced by Rs.643.865 million (31 December 2015: Rs. 778.020 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.418.512 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 2016			31 December 2015		
	Specific	General	Total	Specific	General	Total
(Rupees in '000)						
Opening balance	20,960,812	555,906	21,516,718	20,910,535	539,465	21,450,000
Charge for the period	357,012	27,541	384,553	2,755,378	48,009	2,803,387
Reversals	(617,842)	(11,416)	(629,258)	(1,408,778)	(31,568)	(1,440,346)
	(260,830)	16,125	(244,705)	1,346,600	16,441	1,363,041
Amounts written off	(302,875)	-	(302,875)	(1,238,681)	-	(1,238,681)
Other movements	(5,000)	-	(5,000)	(57,642)	-	(57,642)
Closing balance	20,392,107	572,031	20,964,138	20,960,812	555,906	21,516,718

## 9 DEFERRED TAX LIABILITIES - NET

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 of Rs. 5,919 million has been recognised. The Bank, since 2010 to date has been able to realise deferred tax assets aggregating to Rs. 1,321 million. The management based on the exercise carried out, concludes that the Bank would, in future years be able to achieve deductions in excess of the aforesaid prescribed limits.

## 10 DEPOSITS AND OTHER ACCOUNTS

Note

31 March 2016

31 December 2015

### Customers

#### Remunerative

- Fixed deposits
- Savings deposits

#### Non-Remunerative

- Current accounts
- Margin accounts
- Special exporters' account

#### Financial Institutions

- Remunerative deposits
- Non-remunerative deposits - Current account

10.1

(Rupees in '000)

25,376,176	24,083,614
166,269,371	152,388,122
149,657,099	142,746,731
670,198	945,934
376,917	572,198
342,349,761	320,736,599
15,874	612,825
2,320,498	5,888,103
344,686,133	327,237,527

## Notes to the Condensed Interim Un-Consolidated Financial Statements (Un-audited) For the three months period ended 31 March 2016

**10.1** This includes Rs. 921.591 million (2015: Rs.496.085 million) against balances of other branches and subsidiaries of Standard Chartered Group operating outside Pakistan.

<b>11</b>	<b>CONTINGENCIES AND COMMITMENTS</b>	<i>Note</i>	<b>31 March 2016</b>	<b>31 December 2015</b>
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**11.1 Transaction-related contingent liabilities**

(Rupees in '000)

Guarantees issued favouring:

11.1.1

- Government

47,596,959

53,137,230

- Others

26,142,596

24,925,787

73,739,555

78,063,016

**11.1.1** Guarantees relating to Islamic Banking Business amount to Rs. 2,938 million (December 2015: Rs. 3,364 million).

**11.2 Trade-related contingent liabilities**

Letters of credit

11.2.1

15,937,600

16,782,316

**11.2.1** Letters of credit relating to Islamic Banking Business amount to Rs. 5,441 million (December 2015: Rs. 4,377 million).

**11.3 Trade-related commitments**

Acceptances

4,425,757

6,672,058

**11.3.1** Acceptances relating to Islamic Banking Business amount to Rs 1,205 million (2015: Rs 2,056 million).

**11.4 Commitment for acquisition of fixed assets**

155,842

60,260

**11.5 Other contingencies**

Claims against the Bank not acknowledged as debt

11.4.1

24,376,886

24,417,886

**11.4.1** 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.

**11.4.2** The Bank has identified that a regulatory authority has filed a case 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 and the opinion of legal expert, the management expects a favourable decision 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. A favourable decision of the High Court of Sindh has been received whereby the High Court has directed the Lower Court to expeditiously decide these cases on merit. The cases are now being tracked at the Rent Controller's court. Based on the facts of the case and the opinion of legal expert, the management expects a favourable decision from the dealing court.

**11.6 Commitments in respect of forward foreign exchange contracts**

Purchase

State Bank of Pakistan

19,546,875

19,536,300

Other banks

41,586,265

51,623,327

Customers

4,969,860

3,217,691

Sale

State Bank of Pakistan

2,642,500

-

Other banks

41,920,176

53,329,213

Customers

2,004,533

572,496

**11.7 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.

**11.8** For Contingencies related to taxation refer note 13.

## Notes to the Condensed Interim Un-Consolidated Financial Statements (Un-audited) For the three months period ended 31 March 2016

### 11.9 Derivative Instruments

#### Product Analysis

		31 March 2016			
		(Rupees in '000)		(Rupees in '000)	
Counterparties		Interest Rate Swaps		FX Options	
		No. of Contracts	Notional Principal*	No. of Contracts	Notional Principal*
With Banks for Hedging Market Making		10	4,058,910	15	69,073
With FIs other than banks Hedging Market Making		-	-	-	-
With other entities for Hedging Market Making		12	5,796,976	15	69,073
Total					
Hedging		-	-	-	-
Market Making		22	9,855,886	30	138,145
31 December 2015					
Total	Hedging	-	-	-	-
	Total Market Making	24	9,217,478	14	167,249

\* 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 2 contracts with local banks having notional principal of Rs 902 million.

		Three months period ended	Three months period ended
		31 March 2016	31 March 2015
		(Rupees in '000)	
12	OTHER INCOME		
	Rent on property	5,734	5,140
	Gain / (loss) on disposal of fixed assets	41,270	(4,232)
	Gain / (loss) on derivatives	93,192	289,372
	Gains on assets fair valued at acquisition	5,000	-
	Other income	-	10,455
		145,196	300,735

## Notes to the Condensed Interim Un-Consolidated Financial Statements (Un-audited) For the three months period ended 31 March 2016

### 13 TAXATION

#### Standard Chartered Bank (Pakistan) Limited

The return for income year 2015 (Tax Year 2016) is due for filing by 30 September 2016.

The tax department amended the assessment for income years 2007 to 2014 (tax years 2008 to 2015 respectively) under the related provisions of the Income Tax Law, determining additional tax liability on account of various issues such as disallowances of expenses relating to provision against loans and advances, goodwill amortisation etc. The resultant tax demands have been paid by the Bank which includes Rs 7,542 million for which no provision has been made. 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 Commissioner (Appeals), whilst disposing of the appeals for tax years 2011, 2012 and 2013, has decided certain issues including claim of provision for bad debts under seventh schedule in favour of the Bank, resulting in aggregate refund of Rs. 644 million due to the Bank.

he Tax Authorities have passed an order for the income years 2009 and 2010 levying Federal Excise Duty amounting to Rs.141 million on certain items. The Bank is contesting the order in the appeal. The Bank has paid entire amount under protest.

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.

		Three months period ended <b>31 March 2016</b>	Three months period ended <b>31 March 2015</b>
	Note	(Rupees in '000)	
<b>14 ADMINISTRATIVE EXPENSES</b>			
Salaries, allowances etc.		1,323,728	1,293,152
Charge / (income) for defined benefit plans		-	1,815
Contributions to defined contribution plans		92,334	26,334
Rent, taxes, insurance, electricity etc.		298,080	308,888
Legal and professional charges		25,503	22,048
Communications		121,554	114,878
Repairs and maintenance		227,378	274,285
Stationery and printing		59,260	53,414
Advertisement and publicity		56,322	68,669
Auditors' remuneration		4,232	5,335
Depreciation		105,273	128,226
Amortization		10,992	11,599
Travelling, conveyance and vehicles' running		36,315	58,978
Reimbursement of executive and general administrative expenses	14.1	329,837	379,535
Royalty - net of reversal		-	45,756
Reward and bonus points redemption		19,316	10,846
Custody Service		80,763	84,262
Others		14,566	115,022
		<b>2,805,453</b>	<b>3,003,042</b>

**14.1** Total cost for the year included in Administrative Expenses relating to outsourced activities is Rs 410.09 million (March 2015 Quarter: Rs 465.63 million). This includes payments to local companies for obtaining routine services such as personnel for collection and recoveries, contact centre, service quality and technology maintenance, courier services and executive and general administrative expenses of SCB UK.

## Notes to the Condensed Interim Un-Consolidated Financial Statements (Un-audited) For the three months period ended 31 March 2016

### 15 SEGMENT DETAILS WITH RESPECT TO BUSINESS ACTIVITIES

#### Segment analysis with respect to business activity

	Corporate and Institutional Banking	Commercial Banking	Retail Banking	Total
	----- (Rupees in '000) -----			
<b>31 March 2016</b>				
Internal Income	(2,254,641)	(565,378)	2,835,116	15,097
Net mark-up / return / interest income	5,034,333	927,312	(484,193)	5,477,452
Non mark-up / non interest income	1,031,631	183,553	974,532	2,189,716
Operating income	3,811,323	545,487	3,325,455	7,682,265
Non mark-up / non interest expenses	613,059	304,040	2,060,963	2,978,062
Internal Non mark-up / non interest expenses	2,220	1,165	11,712	15,097
Operating profit before provisions and taxation	3,196,044	240,282	1,252,780	4,689,106
(Direct write-offs) / (provisions) / reversals against non-performing loans and advances - net of recoveries	55	(145,671)	(105,940)	(251,556)
Provision for diminution in the value of investments	-	-	-	-
Profit before taxation	3,195,989	385,953	1,358,720	4,940,662
Other segment items:				
Depreciation on tangible fixed assets	26,382	12,163	66,728	105,273
Amortisation on intangible assets	2,755	1,270	6,967	10,992
Segment assets (gross)	357,067,921	88,204,683	34,366,996	479,639,600
Segment non performing loans	3,309,519	16,143,593	3,709,022	23,162,134
Segment provision required	1,921,415	15,185,233	3,857,490	20,964,138
Segment liabilities	117,647,347	14,576,758	266,182,737	398,406,842
Segment return on net assets (ROA) (%) - annualised*	3.61%	2.12%	17.86%	4.32%
Segment cost of funds (%) - annualised**	3.68%	2.39%	1.86%	2.45%
<b>31 March 2015</b>				
Internal Income	(3,334,452)	(387,677)	3,756,270	34,141
Net mark-up / return / interest income	5,675,243	700,217	(920,758)	5,454,702
Non mark-up / non interest income	1,067,653	299,702	1,031,057	2,398,412
Operating income	3,408,444	612,242	3,866,569	7,887,255
Non mark-up / non interest expenses	719,154	347,688	1,998,447	3,065,289
Internal Non mark-up / non interest expenses	6,162	1,326	26,653	34,141
Operating profit before provisions and taxation	2,683,128	263,228	1,841,469	4,787,825
(Direct write-offs) / (provisions) / reversals against non-performing loans and advances - net of recoveries	682,064	(188,413)	1,683	495,334
Provision for diminution in the value of investments	-	4,729	-	4,729
Profit before taxation	2,001,064	446,912	1,839,786	4,287,762
Other segment items:				
Depreciation of tangible fixed assets	30,390	13,207	84,629	128,226
Amortisation of intangible assets	3,480	464	7,656	11,600
Segment assets (gross)	345,773,454	90,168,459	33,381,624	469,323,537
Segment non performing loans	3,382,905	17,869,344	4,348,637	25,600,886
Segment provision required	1,274,741	16,261,433	4,271,652	21,807,826
Segment liabilities	113,294,441	15,892,654	258,168,258	387,355,353
Segment return on net assets (ROA) (%) - annualised*	2.33%	2.43%	25.35%	3.84%
Segment cost of funds (%) - annualised**	4.74%	2.04%	2.61%	3.59%

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

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

During the period, the Bank has revised the composition within its reportable segments. This is in line with the changes in the organisational structure of the Banks Parent Company. According to the comparative segments information has been restated and bring it in line with the current organizational structure of the Bank. This change shall have no impact on the Bank's overall profit and loss account, balance sheet or reported metrics.

#### Corporate and Institutional Banking

Deposits, trade, advisory services and other lending activities for corporate and financial institutions. It also includes the overall management of treasury of the Bank, which entails various cash and interest risk management products for customers. The products include FX forwards, FX options and interest rate swaps

#### Commercial Banking

Deposits, trade, Wealth management and other lending activities for SME and local corporate clients.

#### Retail Banking

Wealth management, deposits, secured lending (mortgages, overdrafts etc), unsecured lending (credit cards, personal loans etc.) for priority and small business clients.

## Condensed Interim Un-Consolidated Profit and Loss Account (Un-audited)

### For the three months period ended 31 March 2016

#### 16 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:

		31 March 2016	31 December 2015
OUTSTANDING BALANCES	Note	(Rupees in '000)	
<b>Group</b>			
Nostro balances with other subsidiaries and branches of the holding company		3,814,890	4,253,892
Overdrawn nostro balances with other subsidiaries and branches of the holding company		439,285	1,046,275
Vostro balances of other subsidiaries and branches of the holding company		921,591	496,085
Placements with other subsidiaries and branches of the holding company		15,421,485	16,450,620
Deposits of group company	16.1	12,365	25,445
Due from group companies		5,113	19,748
Due to holding company		12,864,407	7,739,048
Due from other subsidiaries and branches of the company		129,347	74,069
Interest receivable from group companies		2,928	202
Inter-company derivative assets		31,543	31,079
Inter-company derivative liabilities		65,122	56,183
Other receivables - SLA		3,948	453
Transaction-related contingent liabilities - Guarantees		18,022,344	21,183,434
Commitments in respect of forward foreign exchange contracts		4,699,980	4,037,342
Derivative instruments- Interest rate swaps - Notional		3,156,867	2,382,572
Derivative instruments- FX options - Notional		69,073	83,624
<b>Subsidiaries</b>			
Deposits of subsidiaries	16.1	71,877	116,203
Loans to subsidiaries	16.1	127,879	190,095
Accrued interest receivable		1,909	2,814
Other receivables - SLA		2,131	2,131
Commission payable		4,239	4,601
<b>Key management personnel</b>			
Loans and advances to key management personnel	16.1	131,160	131,718
Deposits of key management personnel	16.1	123,041	87,112
Rent Payable		-	-
<b>Others</b>			
Loans and advances to customers with common directorship	16.1	45,854	121,347
Deposits by staff retirement benefit funds	16.1	191,066	176,807
Deposits by customers with common directorship	16.1	381,677	555,683
Accrued interest receivable against loans and advances to customers with common directorship		2,818	3,506
Receivable from defined benefit plans		18,025	18,025
Transaction-related contingent liabilities - Guarantees		158,608	101,739
Trade-related contingent liabilities - Letter of Credit		1,354,884	1,689,606

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

### For the three months period ended 31 March 2016

Three months period ended

31 March 2016

31 March 2015

		(Rupees in '000)	
<b>PROFIT AND LOSS</b>	<i>Note</i>		
<b>Group</b>			
Mark-up / return / interest earned		11,282	6,468
Mark-up / return / interest expensed		36	737
Fee and commission expense		71	2,230
Fee and commission income		1,426	30,423
Reimbursement of executive and general administrative expenses		329,837	379,535
Payment to group company for direct sales services rendered		-	71,636
Reimbursement of administrative expenses (including rent and other charges)		3,948	4,712
Net gain on inter-company derivatives		(8,475)	75,123
Royalty (reversal) / expense		-	45,756
<b>Subsidiaries</b>			
Mark-up / return / interest earned		1,909	1,708
Mark-up / return / interest expensed		277	428
Commission income earned		12,020	19,946
Reimbursement of administrative expenses (including rent and other charges)		6,392	6,374
<b>Key management personnel</b>			
Mark-up / return / interest earned		1,529	713
Mark-up / return / interest expensed		205	214
Salaries and benefits		59,826	64,345
Post retirement benefits		5,659	6,039
Remuneration / fee paid to non-executive directors		1,865	1,465
Rent expenses		696	647
<b>Others</b>			
Contribution to defined contribution plans - net of payments received		92,334	37,692
Charge for defined contribution plans		92,334	26,192
Net charge / (income) for defined benefit plans		-	1,815
Mark-up / return / interest expensed on deposits of staff retirement benefit funds		2,298	2,056
Mark-up / return / interest expensed on deposits of customers with common directorship		5,191	3,068
Mark-up / return / interest earned on advances to customers with common directorship		2,275	4,590
Net (loss) / gain on derivatives		-	2,293
Gas charges		250	401
Miscellaneous income from company with common directorship	16.2	176	1,477

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

### For the three months period ended 31 March 2016

#### 16.1 Net movements in loans and deposits are summarised as follows:

	Balance as at 31 December 2015	Net disbursement/ deposits	Net repayments / withdrawals	Balance as at 31 March 2016
	----- (Rupees in '000) -----			
<b>Loans and advances</b>				
Key Management Personnel	131,718	10,785	(11,343)	131,160
Subsidiaries	190,095	737,030	(799,246)	127,879
Others	121,347	229,529	(305,022)	45,854
<b>Deposits</b>				
Group companies	25,445	65,076	(78,156)	12,365
Subsidiaries	116,203	2,858,398	(2,902,724)	71,877
Key Management Personnel	87,112	251,613	(215,684)	123,041
Others	732,490	43,984,217	(44,143,964)	572,743

#### 16.2 The CEO of the Bank was also member of the Board of these organisations during the period mentioned.

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

### For the three months period ended 31 March 2016

#### 17 ISLAMIC BANKING BUSINESS

The Bank is operating with 10 Islamic Banking branches at the end of current period (Dec 2015: 10 branches).

Balance Sheet	Note	31 March 2016	31 December 2015
		(Rupees in '000)	
<b>Assets</b>			
Cash and balances with treasury banks		2,586,470	2,385,567
Due from Financial Institutions		10,774,515	10,437,516
Investments		5,522,803	5,440,132
Islamic Financing and Related Assets	17.1	31,112,144	29,605,233
Operating fixed assets		36,883	39,644
Other assets		583,716	537,069
		<b>50,616,531</b>	<b>48,445,161</b>
<b>Liabilities</b>			
Bills payable		145,274	147,117
Due to Financial Institutions		1,375,000	1,459,000
<b>Deposits and other accounts</b>			
Current Accounts		23,958,106	22,627,461
Saving Accounts		13,541,468	13,028,585
Term Deposits		1,065,235	1,681,517
Others		8,184	8,184
Deposit from Financial Institutions -Remunerative		15,874	612,820
Deposits from Financial Institutions-Non-Remunerative		-	-
		<b>38,588,867</b>	<b>37,958,567</b>
Due to Head Office		5,021,001	3,879,318
Other liabilities		207,873	265,005
		<b>45,338,015</b>	<b>43,709,007</b>
<b>Net Assets</b>		<b>5,278,516</b>	<b>4,736,154</b>
<b>Represented by:</b>			
Islamic Banking Fund		200,000	200,000
Unappropriated / Unremitted profit		5,038,328	4,523,020
		<b>5,238,328</b>	<b>4,723,020</b>
Surplus / (Deficit) on revaluation of assets - net		40,188	13,134
		<b>5,278,516</b>	<b>4,736,154</b>
<b>Contingencies and Commitments</b>	11		
<b>Remuneration to Shariah Advisor/Board</b>		<b>2,747</b>	<b>9,092</b>
<b>Charity fund</b>			
Opening balance		2,186	2,208
Additions during the year		1,238	10,877
Payments / utilization during the period		(2,186)	(10,899)
Closing balance		<b>1,238</b>	<b>2,186</b>

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

## For the three months period ended 31 March 2016

	Note	31 March 2016	31 December 2015
		(Rupees in '000)	
<b>17.1 Islamic Financing and Related Assets</b>			
Murabaha	17.1.1a	2,151,185	2,742,295
Musharaka	17.1.1b	14,640,432	12,496,852
Dimishing Musharaka	17.1.1c	13,552,522	13,472,362
Ijarah	17.1.1d	380,842	476,053
Istisna	17.1.1e	-	-
Musawammah	17.1.1f	106,488	141,492
Others	17.1.1g	280,675	276,179
		<b>31,112,144</b>	<b>29,605,233</b>
<b>17.1.1a Murabaha</b>			
Financings / Investments / Receivables		465,645	673,855
Advances		1,083,097	689,479
Assets/Inventories		602,443	1,378,961
		<b>2,151,185</b>	<b>2,742,295</b>
<b>17.1.1b Musharaka</b>			
Financings / Investments / Receivables		<b>14,640,432</b>	<b>12,496,852</b>
<b>17.1.1c Dimishing Musharaka</b>			
Financings / Investments / Receivables		<b>13,552,522</b>	<b>13,472,362</b>
<b>17.1.1d Ijarah</b>			
Financings / Investments / Receivables		<b>380,842</b>	<b>476,053</b>
<b>17.1.1e Istisna</b>			
Financings / Investments / Receivables		-	-
<b>17.1.1f Musawammah</b>			
Financings / Investments / Receivables		<b>106,488</b>	<b>141,492</b>
<b>17.1.1g Others</b>			
Financings / Investments / Receivables		<b>280,675</b>	<b>276,179</b>

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

For the three months period ended 31 March 2016

	Three months period ended <b>31 March 2016</b>	Three months period ended <b>31 March 2015</b>
<b>17.2 Profit and Loss</b>	<b>(Rupees in '000)</b>	
Profit / return earned on financings, investments and placements	950,928	1,117,304
Return on deposits and others dues expensed	(236,335)	(318,167)
Net spread earned	714,593	799,137
Provision against non performing financing	42,527	(16,090)
Net spread after provisions	757,120	783,047
<b>Other income</b>		
Fees, commission and brokerage income	220,787	187,637
Other income	48	21
Total other income	220,835	187,658
	977,955	970,705
<b>Other expenses</b>		
Administrative expenses	(462,647)	(308,181)
<b>Profit before taxation</b>	<b>515,308</b>	<b>662,524</b>

- 17.3** Deposit and other accounts include redeemable capital of Rs.14,630.761 million (December 31,2015 : Rs.15,331.106 million) and deposits on Qard basis of Rs.23,958.106 million (December 31,2015 : Rs.22,627.461 million). Remunerative deposits which are on Modaraba basis are considered as Redeemable Capital and non-remunerative deposits are classified as being on Qard basis.

## 18. GENERAL

### 18.1 CORRESPONDING FIGURES

Until last year the bank was classifying its 'advances against future Murabaha' and 'Commodities under Islamic finance' as part of Other assets in the Statement of Financial Position. During the current year, they have been reclassified and shown as part of Advances based on the directions of the State Bank of Pakistan. The impacts of these reclassifications are as follows:

Reclassification from Statement of Financial Position	Reclassification to Statement of Financial Position	31 December 2015
Other Assets - Advances against future Murabaha	Advances	689,479
Other Assets - Commodities under Islamic finance	Advances	1,378,961

### 18.2 Date Of Authorization

These condensed interim unconsolidated financial statements were authorized for issue in the Board of Directors meeting held on 26th April, 2016.

  
Shazad Dada  
Chief Executive Officer

  
Najam I. Chaudhri  
Director

  
Parvez Ghias  
Director

  
Spenta Kandawalla  
Director

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

## **Condensed Interim Consolidated Financial Statements**

**For the three months period ended  
31 March 2016**

## Condensed Interim Consolidated Statement of Financial Position

### As at 31 March 2016

	31 March 2016 (Un-Audited)	31 December 2015 (Audited)
	(Rupees in '000)	
<b>ASSETS</b>		
Cash and balances with treasury banks	22,423,013	29,482,134
Balances with other banks	3,861,057	4,300,002
Lendings to financial institutions	26,061,024	26,969,566
Investments	237,765,806	224,632,132
Advances	119,331,631	108,663,341
Operating fixed assets	5,761,483	5,963,952
Intangible assets	26,115,729	26,126,720
Other assets	24,953,184	29,853,663
	<b>466,272,927</b>	<b>455,991,510</b>
<b>LIABILITIES</b>		
Bills payable	8,833,727	11,401,191
Borrowings	14,471,952	21,784,451
Deposits and other accounts	344,614,256	327,121,324
Sub-ordinated loans	2,500,000	2,500,000
Deferred tax liabilities - net	2,814,972	3,218,309
Other liabilities	32,454,683	26,808,249
	<b>405,689,590</b>	<b>392,833,524</b>
<b>NET ASSETS</b>	<b>60,583,337</b>	<b>63,157,986</b>
<b>REPRESENTED BY:</b>		
Share capital	38,715,850	38,715,850
Reserves	11,607,876	10,964,796
Unappropriated profit	3,306,811	5,575,472
Attributable to equity holders of the Bank	53,630,537	55,256,118
Non-controlling interest	993,431	967,578
	<b>54,623,968</b>	<b>56,223,696</b>
Surplus on revaluation of assets - net of deferred tax	5,959,369	6,934,290
	<b>60,583,337</b>	<b>63,157,986</b>

### CONTINGENCIES AND COMMITMENTS

The annexed notes 1 to 7 form an integral part of these condensed interim consolidated financial statements.



Shazad Dada  
Chief Executive Officer



Najam I. Chaudhri  
Director



Parvez Ghias  
Director



Spenta Kandawalla  
Director

# Condensed Interim Consolidated Profit and Loss Account (Un-audited)

## For the three months period ended 31 March 2016

	Three months period ended 31 March 2016	Three months period ended 31 March 2015
	(Rupees in '000)	
Mark-up / return / interest earned	7,857,468	8,704,496
Mark-up / return / interest expensed	(2,284,065)	(3,129,050)
<b>Net mark-up / return / interest income</b>	<b>5,573,403</b>	<b>5,575,446</b>
Reversal / (provision) against non-performing loans and advances - net	237,942	(508,112)
Recovery of amounts written off	59,973	61,264
Provision for diminution in the value of investments	-	(4,729)
Bad debts written off directly	(44,245)	(45,067)
	253,670	(496,644)
<b>Net mark-up / return / interest income after provisions</b>	<b>5,827,073</b>	<b>5,078,802</b>
<b>NON MARK-UP / NON INTEREST INCOME</b>		
Fees, commission and brokerage income	934,829	1,106,721
Dividend income	-	-
Income from dealing in foreign currencies	314,789	594,540
Gain on sale of securities - net	756,473	340,692
Unrealized gain on revaluation of investments classified as held for trading	27,451	59,210
Other income	153,633	327,403
<b>Total non mark-up / non interest income</b>	<b>2,187,175</b>	<b>2,428,566</b>
	<b>8,014,248</b>	<b>7,507,368</b>
<b>NON MARK-UP / NON INTEREST EXPENSES</b>		
Administrative expenses	(2,912,691)	(3,068,313)
Other provisions /asset write-offs	(26,851)	(2,378)
Other charges	(103,733)	(63,933)
<b>Total non mark-up / non interest expenses</b>	<b>(3,043,275)</b>	<b>(3,134,624)</b>
	<b>4,970,973</b>	<b>4,372,744</b>
Extra-ordinary / unusual items	-	-
<b>PROFIT BEFORE TAXATION</b>	<b>4,970,973</b>	<b>4,372,744</b>
Taxation - current	(1,627,950)	(1,231,853)
- prior years'	-	-
- deferred	(101,769)	(292,337)
	(1,729,719)	(1,524,190)
<b>PROFIT AFTER TAXATION</b>	<b>3,241,254</b>	<b>2,848,554</b>
<b>Attributable to :</b>		
Equity holders of the Bank	3,215,401	2,805,781
Non-controlling interest	25,853	42,773
	<b>3,241,254</b>	<b>2,848,554</b>
<b>BASIC / DILUTED EARNINGS PER SHARE</b>	<b>Rupees 0.83</b>	<b>Rupees 0.72</b>

The annexed notes 1 to 7 form an integral part of these condensed interim consolidated financial statements.



Shazad Dada  
Chief Executive Officer



Najam I. Chaudhri  
Director



Parvez Ghias  
Director



Spenta Kandawalla  
Director

# Condensed Interim Consolidated Statement of Comprehensive Income (Un-audited)

## For the three months period ended 31 March 2016

	31 March 2016	31 March 2015
	(Rupees in '000)	
<b>Profit after taxation for the period</b>	<b>3,241,254</b>	2,848,554
<b>Other comprehensive income</b>		
<b>Items that will never be reclassified to profit or loss subsequently</b>		
Remeasurement of post employment obligations	-	-
Related tax charge	-	-
	-	-
<b>Comprehensive income transferred to equity</b>	<b>3,241,254</b>	2,848,554
<b>Components of comprehensive income not reflected in equity</b>		
Surplus on revaluation of available for sale securities - net	(1,502,191)	2,181,886
Related deferred tax charge	525,769	(763,660)
	(976,422)	1,418,226
Surplus on revaluation of operating fixed assets	-	-
Related tax charge	-	-
	-	-
<b>Total comprehensive income for the period</b>	<b>2,264,832</b>	4,266,780
<b>Attributable to:</b>		
Equity holders of the bank	2,248,841	4,209,663
Non-controlling interest	15,991	57,117
	<b>2,264,832</b>	4,266,780

The annexed notes 1 to 7 form an integral part of these condensed interim consolidated financial statements.



Shazad Dada  
Chief Executive Officer



Najam I. Chaudhri  
Director



Parvez Ghias  
Director



Spenta Kandawalla  
Director

# Condensed Interim Consolidated Cash Flow Statement (Un-audited)

For the three months period ended 31 March 2016

	31 March 2016	31 March 2015
	(Rupees in '000)	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before tax for the period	4,970,973	4,372,744
Less: Dividend income	-	-
	4,970,973	4,372,744
<b>Adjustments for:</b>		
Depreciation	105,273	130,063
Amortization	10,991	18,126
Gain on disposal of fixed assets - net	(41,270)	4,232
Unrealized gain on revaluation of investments classified as held for trading - net	(27,451)	(59,210)
Asset write-offs / other provisions / (reversals)	26,851	2,378
Provision for diminution in the value of investments	-	4,729
(Reversals) / provision against non-performing loans and advances - net of recoveries	(253,670)	491,915
	(179,276)	592,233
	4,791,697	4,964,977
<b>(Increase) / decrease in operating assets</b>		
Lendings to financial institutions	908,542	2,124,563
Net investments in 'held for trading' securities	(4,978,603)	(2,279,354)
Advances	(10,414,620)	(2,667,193)
Other assets (excluding advance taxation)	3,976,969	2,467,825
	(10,507,712)	(354,159)
<b>Increase / (decrease) in operating liabilities</b>		
Bills payable	(2,567,464)	4,347,430
Borrowings from financial institutions	(7,312,499)	9,899,863
Deposits and other accounts	17,492,932	16,384,130
Other liabilities	955,796	680,545
	8,568,765	31,311,968
<b>Cash inflow before taxation</b>	2,852,750	35,922,786
Income tax paid	(832,745)	(1,222,967)
<b>Net cash generated from operating activities</b>	2,020,005	34,699,819
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Net investments in 'available for sale' securities	(9,629,810)	(26,068,179)
Dividend income received	-	-
Net investment in operating fixed assets (including intangible assets)	26,719	(58,889)
Sale proceeds on disposal of operating fixed assets	85,020	39,518
<b>Net cash used in investing activities</b>	(9,518,071)	(26,087,550)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Dividend paid	-	-
Dividend paid to minority shareholders by the subsidiary	-	-
<b>Net cash used in financing activities</b>	-	-
<b>(Decrease) / increase in cash and cash equivalents for the period</b>	(7,498,066)	8,612,269
Cash and cash equivalents at beginning of the period	33,782,136	21,862,646
Cash and cash equivalents at end of the period	26,284,070	30,474,915
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>		
Cash and balances with treasury banks	22,423,013	28,045,019
Balances with other banks	3,861,057	2,429,896
	26,284,070	30,474,915

The annexed notes 1 to 7 form an integral part of these condensed interim consolidated financial statements.



Shazad Dada  
Chief Executive Officer



Najam I. Chaudhri  
Director



Parvez Ghias  
Director



Spenta Kandawalla  
Director

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


### For the three months period ended 31 March 2016

	Share Capital	Share Premium	Statutory Reserve	Unappropriated Profit	Total	Minority Interest	Total
(Rupees in '000)							
<b>Balance as at 01 January 2015</b>	<b>38,715,850</b>	<b>1,036,090</b>	<b>8,074,954</b>	<b>6,889,177</b>	<b>54,716,071</b>	<b>925,238</b>	<b>55,641,309</b>
<b>Total Comprehensive income for the period</b>							
Profit after tax for the three months ended 31 March 2015	-	-	-	2,805,781	2,805,781	42,773	2,848,554
Surplus on revaluation of fixed assets - net of tax	-	-	-	9,782	9,782	-	9,782
<i>Other Comprehensive income</i>							
Remeasurement of post employment obligations - net of tax	-	-	-	20	20	(20)	-
	-	-	-	2,815,583	2,815,583	42,753	2,858,336
<b>Transactions with owners, recorded directly in equity</b>							
Share based payment transactions (Contribution from holding company)	-	-	-	-	-	-	-
Payment against share based payment transactions (to holding company)	-	-	-	-	-	-	-
Transfer to statutory reserve	-	-	561,156	(561,156)	-	-	-
Cash dividend (Final 2014) at Rs. 1.5 per share	-	-	-	(5,807,378)	(5,807,378)	-	(5,807,378)
Transferred from surplus on revaluation of fixed asset - net of deferred tax	-	-	-	12,810	12,810	-	12,810
<b>Balance as at 31 March 2015</b>	<b>38,715,850</b>	<b>1,036,090</b>	<b>8,636,110</b>	<b>3,349,036</b>	<b>51,737,086</b>	<b>967,991</b>	<b>52,705,077</b>
<b>Total Comprehensive income for the period</b>							
Profit after tax for the nine months ended 31 December 2015	-	-	-	6,462,980	6,462,980	119,400	6,582,380
Surplus on revaluation of assets - net of tax	-	-	-	(3,424)	(3,424)	-	(3,424)
<i>Other Comprehensive income</i>							
Remeasurement of post employment obligations - net of tax	-	-	-	(52,877)	(52,877)	-	(52,877)
	-	-	-	6,406,679	6,406,679	119,400	6,526,079
<b>Transactions with owners, recorded directly in equity</b>							
Share based payment transactions (Contribution from holding company)	-	-	-	25,695	25,695	-	25,695
Payment against share based payment transactions (to holding company)	-	-	-	15,163	15,163	-	15,163
	-	-	-	40,858	40,858	-	40,858
Reversal of liability against share based payment to holding company	-	-	-	(36,910)	(36,910)	-	(36,910)
Dividend paid to Non-Controlling Interest	-	-	-	-	-	(119,813)	(119,813)
Transfer to statutory reserve	-	-	1,292,596	(1,292,596)	-	-	-
Cash dividend (Interim 2015) at Re. 0.75 per share	-	-	-	(2,903,689)	(2,903,689)	-	(2,903,689)
Transferred from surplus on revaluation of fixed asset - net of deferred tax	-	-	-	12,094	12,094	-	12,094
<b>Balance as at 31 December 2015</b>	<b>38,715,850</b>	<b>1,036,090</b>	<b>9,928,706</b>	<b>5,575,472</b>	<b>55,256,118</b>	<b>967,578</b>	<b>56,223,696</b>
<b>Total Comprehensive income for the year</b>							
Profit after tax for the three months ended 31 March 2016	-	-	-	3,215,401	3,215,401	25,853	3,241,254
Surplus on revaluation of assets - net of tax	-	-	-	(5,458)	(5,458)	-	(5,458)
<i>Other Comprehensive income</i>							
Remeasurement of post employment obligations - net of tax	-	-	-	-	-	-	-
	-	-	-	3,209,943	3,209,943	25,853	3,235,796
<b>Transactions with owners, recorded directly in equity</b>							
Share based payment transactions (contribution from holding company)	-	-	-	-	-	-	-
Payment against share based payment transactions (to holding company)	-	-	-	-	-	-	-
Transfer to statutory reserve	-	-	643,080	(643,080)	-	-	-
Cash dividend (Final 2015) at Rs. 1.25 per share	-	-	-	(4,839,481)	(4,839,481)	-	(4,839,481)
Transferred from surplus on revaluation of fixed assets - net of deferred tax	-	-	-	3,957	3,957	-	3,957
<b>Balance as at 31 March 2016</b>	<b>38,715,850</b>	<b>1,036,090</b>	<b>10,571,786</b>	<b>3,306,811</b>	<b>53,630,537</b>	<b>993,431</b>	<b>54,623,968</b>

The annexed notes 1 to 7 form an integral part of these condensed interim consolidated financial statements.

  
Shazad Dada  
Chief Executive Officer

  
Najam I. Chaudhri  
Director

  
Parvez Ghias  
Director

  
Spenta Kandawalla  
Director

## Notes to the Condensed Interim Consolidated Financial Statements (Un-audited) For the three months period ended 31 March 2016

### 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 all stock exchanges of Pakistan (subsequent to year end due to demutualization, all stock exchanges are integrated into 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 101 branches in Pakistan (2015: 101 branches in Pakistan) in operation at 31 March 2016.

Standard Chartered Bank (Pakistan) Limited has the following three subsidiaries. All of them are incorporated in Pakistan.

- Standard Chartered Leasing Limited
- Standard Chartered Modaraba
- Standard Chartered Services of Pakistan (Private) Limited

These condensed interim financial statements are consolidated financial statements of Standard Chartered Bank (Pakistan) Limited and its subsidiaries ("the Group").

Last year the Bank decided to divest its entire shareholding in its subsidiaries namely Standard Chartered Leasing Limited, Standard Chartered Modaraba and Standard Chartered Services of Pakistan (Private) Limited (management company of Standard Chartered Modaraba). On 1 September 2015, the Bank has entered into an agreement with Orix Leasing Pakistan Limited for divestment of its stake in these subsidiaries. The transaction is subject to final approval by regulator. Accordingly, these are accounted for as Disposal Group Held for Sale as per IFRS 5 'Non-Current Assets Held for Sale and Discontinued Operations'. The related assets and liabilities of these subsidiaries are classified as 'Assets Held for Sale' and 'Liabilities Held for Sale' in these interim consolidated financial statements.

### 2. STATEMENT OF COMPLIANCE

These condensed interim consolidated financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. The disclosures in the condensed interim consolidated financial information do not include the information reported for full annual consolidated financial statements and should therefore be read in conjunction with the consolidated financial statements for the year ended 31 December 2015.

### 3. ACCOUNTING POLICIES

The accounting policies adopted in the preparation of the condensed interim consolidated financial information are the same as those applied in the preparation of the annual consolidated financial statements of the Bank for the year ended 31 December 2015.

### 4. ACCOUNTING ESTIMATES

The basis for the accounting estimates adopted in the preparation of the condensed interim consolidated financial information are the same as those applied in the preparation of the annual consolidated financial statements of the Bank for the year ended 31 December 2015.

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

### For the three months period ended 31 March 2016

#### 5 FINANCIAL RISK MANAGEMENT

The financial risk management objectives and policies adopted by the Bank are consistent with those disclosed in the annual consolidated financial statements of the Bank for the year ended 31 December 2015.

#### 6 GENERAL

##### CORRESPONDING FIGURES

Until last year the bank was classifying its 'advances against future Murabaha' and 'Commodities under Islamic finance' as part of Other assets in the Statement of Financial Position. During the current year, they have been reclassified and shown as part of Advances based on the directions of the State Bank of Pakistan. The impacts of these reclassifications are as follows:

Recalssification from Statement of Financial Position	Recalssification to Statement of Financial Position	31 December 2015
Other Assets -Advances against future Murabaha	Advances	<u>689,479</u>
Other Assets - Commodities under Islamic finance	Advances	<u>1,378,961</u>

#### 7 DATE OF AUTHORIZATION

These condensed interim consolidated financial statements were authorized for issue in the Board of Directors meeting held on 26th April 2016.



Shazad Dada  
Chief Executive Officer



Najam I. Chaudhri  
Director



Parvez Ghias  
Director



Spenta Kandawalla  
Director



**She used to have a difficult time seeing the finish line.  
But with your help, she's now always the first to cross it.**

Make a donation to Standard Chartered's 'Seeing is Believing' programme and we will match your contribution with a donation of our own\*. Join LRBT and us as we set out to eliminate preventable blindness from Pakistan.

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- 3 Deposit in LRBT Account No. 01-2095467-01** in any of the Standard Chartered Bank branches\*\*

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Standard Chartered Bank (Pakistan) Limited



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\*\*Standard Chartered Bank will not be collecting any funds. All donations will go directly to LRBT account.

