

Half Yearly Report (January - June 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

Our Aspirations	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				
Our Objectives	Secure the foundations Strengthening our balance sheet and aligning our strategy to a tightened risk tolerance		Get lean and focused Driving sustainable improvements in returns by restructuring our client businesses and assertively managing costs		Invest and innovate Investing in our core strengths and taking advantage of opportunities in our markets
Our Values	Courageous: We stand up for what we believe and do the right thing	Responsive: We can be relied on to respond quickly and deliver lasting value	International: We value others and actively collaborate	Creative: We adapt and innovate to meet evolving needs	Trustworthy: 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
Mr. Ferdinand Pieterse	Member

Human Resource & Remuneration Committee

Mrs. Spenta Kandawalla	Chairman
Mr. Parvez Ghias	Member
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
Email: info@cdcpak.com

Directors' Report - Half Year Ended 30th June 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 half year ended 30th June 2016.

Economy

Pakistan's economy is transitioning from stability to moderate growth. GDP grew by 4.7% in FY16. The government has set a GDP growth target of 5.7% for FY17, up significantly from FY16 growth of 4.7%. The IMF programme is expected to conclude successfully in September 2016, after staff-level agreement on the 12th and final review was reached in the first week of August. Further, the country's foreign-exchange reserves rose to an all-time high of \$ 23.1bn by end June 2016.

At the same time, average CPI inflation declined to 2.9% in FY-16 from 4.5% in the previous fiscal year. The SBP has responded to improving macroeconomic indicators by easing monetary policy by a further 75bps in FY16, bringing the policy rate to 5.75%. Going forward, as the lagged impact of monetary policy feeds through, private-sector borrowing is expected to pick up further.

The government remains on a path to fiscal consolidation, having cut its deficit from 5.4% of GDP for FY15 to an estimated 4.5% in FY16. Looking ahead, it plans to cut this further to 3.8% of GDP for FY17. A 6.4% year on year rise in overseas workers' remittances coupled with declining oil prices have reduced the current account deficit from 1% of GDP in FY15 to 0.9% of GDP for FY16; despite deterioration in the trade balance. Reflecting this improvement in external accounts, the Pakistani Rupee (PKR) has remained largely stable against the USD over FY16.

Looking forward, early projects planned under the Pakistan-China Economic Corridor should also help ease supply-side constraints particularly energy shortages in the coming years.

The banking sector remains well capitalised with CAR of 16.3% by end-March 2016 from 17.4% a year ago. ROE (after tax) eased slightly to 16.3% from 17% a year ago; alongside a decline in the ratio of Non-Performing Loans (NPLs) to Gross Loans from 12.8% to 11.7%

Operating Results and Business Overview

	30 June 2016 (PKR millions)	December 31, 2015 (PKR millions) (Restated)
Balance Sheet		
Paid-up capital	38,716	38,716
Total equity	55,474	55,016
Deposits	346,095	327,238
Advances - gross	145,218	130,370
Advances - net	123,776	108,853
Investments - net	239,408	231,837
	Half Year ended 30 June 2016 (PKR millions)	Half Year ended 30 June 2015 (PKR millions)
Profit and Loss		
Revenue	14,963	15,456
Administrative expenses	5,806	6,172
Other non mark-up expenses	251	205
Operating profit (before provisions and tax)	8,906	9,079
Reversals / (Provisions) -net of charges	66	(616)
Profit before tax	8,972	8,463
Profit after tax	5,295	4,985
Earnings Per Share (EPS)	1.37	1.29

The bank continues to deliver strong financial performance with a 6% growth in Profit before tax of PKR 9.0 billion compared to PKR 8.5 billion in the first half of 2015. The balance sheet momentum has greatly supported the resilience of revenue which was negatively impacted by margin compression. Administrative costs continue to be well managed through operational efficiencies and disciplined spending, thereby leading to a 6% decrease from comparative period.

On the advances side, there is positive momentum across all business segments and have grown by 11% since start of the year. As the economic activity improves further, advances growth will pick-up. On the liabilities side, the bank's total deposits grew by 6% 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 94% of the deposits base. This has resulted in the bank having one of the lowest cost of deposits in the industry. Surplus liquidity continues to be deployed in Government securities with a balanced mix of short and long term.

The bank continues to invest into its digital capabilities and infrastructure to enhance banking experience through introduction of innovative digital solutions. We are fully committed for sustained growth by continuous focus on clients and product suite along with a prudent approach to building the balance sheet and 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. 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.

Board of Directors

In the Extra-Ordinary General Meeting held on 28 April 2016, all the seven directors namely Mr. Sunil Kaushal, Mr. Shazad Dada, Mr. Ian Anderson Bryden, Mr. Ferdinand Pieterse, Mr. Najam I. Chaudhri, Mr. Parvez Ghias and Mrs. Spenta Kandawalla were elected/ re-elected for a period of three years. Subsequently in a board meeting held on the same day, Mr. Sunil Kaushal and Mr. Shazad Dada were re-appointed as Chairman and CEO respectively for a period of three years.

Statement under Section 218 of the Companies Ordinance, 1984

Mr. Shazad Dada has been re-appointed as the CEO of the Bank for a term of three years at his existing terms and conditions of employment.

Dividend

Interim cash dividend of 7.50% (Re. 0.75/- per share) in respect of the half year ended June 30, 2016 has been declared by the Board of Directors in their meeting held on August 25, 2016.

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: 25th August 2016

اسٹینڈرڈ چارٹرڈ بینک (پاکستان) لمیٹڈ ڈائریکٹرز رپورٹ اختتامی ششماہی اول 30 جون 2016

بورڈ آف ڈائریکٹرز کی جانب سے میں انتہائی مسرت کے ساتھ اسٹینڈرڈ چارٹرڈ بینک (پاکستان) لمیٹڈ (SCBPL) کی ڈائریکٹرز رپورٹ بمطابق 30 جون 2016 کو ختم ہونے والی ششماہی کے غیر پڑتال شدہ مختصر عبوری کھاتہ جات کی رپورٹ پیش کر رہا ہوں۔

معیشیت

پاکستان کی معاشی ترقی میں اب تبدیلی رونما ہو رہی ہے اور استحکام سے اعتدال کی جانب گامزن ہے۔ مالی سال 2016 میں میں 4.7 فیصد کا اضافہ ہوا۔ حکومت نے مالی سال 2017 کے لئے ملک کی مجموعی پیداوار (GDP) میں 5.7 فیصد تک اضافے کے ہدف کا منصوبہ بنایا ہے جو مالی سال 2016 کی پیداوار 4.7 فیصد کے مقابلے میں ایک خاطر خواہ اضافہ ہے۔ بارہواں اور حتمی جائزہ جو اگست کے پہلے ہفتے میں موصول ہوا، کی بنیاد پر اسٹاف لیول معاہدے کے بعد آئی ایم ایف پروگرام کا کامیاب اختتام ستمبر 2016 تک متوقع ہے۔ جون 2016 کے اختتام تک ملک میں زرمبادلہ کے ذخائر 23.1 بلین ڈالر کی بلند ترین سطح پر ہے۔

مالی سال 2016 کے دوران (CPI) انفراسٹرکچر 2.9 فیصد تک کم ہوا جو گزشتہ مالی سال 4.5 فیصد تھا۔ بڑے اقتصادی مسائل میں بہتری کے ساتھ ساتھ اسٹیٹ بینک آف پاکستان نے مالی سال 2016 میں مانیٹری پالیسی میں 75 bps کی مزید نرمی کر کے مثبت رد عمل کا اظہار کیا جس سے پالیسی کی شرح 5.75 فیصد کی سطح پر پہنچ گئی۔ مانیٹری پالیسی کے اس معمولی اثر کے باعث مستقبل میں نجی شعبہ جات میں قرضے لینے کے حوالے سے مزید بہتری کا رجحان متوقع ہے۔

حکومت مالی طور پر مستحکم رہی اور مالی سال 2016 میں GDP کا مالی خسارہ تقریباً 4.5 فیصد تک کم کیا جو گزشتہ مالی سال 2015 میں 5.4 فیصد تھا۔ آئندہ مالی سال 2017 میں جی ڈی پی (GDP) کے خسارے میں مزید 3.8 فیصد تک کمی کرنا اس کے منصوبے میں شامل ہے۔ تجارتی توازن کی ابتصورتحال کے باوجود تیل کی قیمتوں میں کمی اور بیرون ملک مقیم پاکستانیوں کے ترسیلات زر میں سال بھر 6.4 فیصد کے اضافے کے باعث مالی سال 2016 میں کرنٹ اکاؤنٹ کا خسارہ جی ڈی پی (GDP) کا 0.9 فیصد تک کم ہوا جو مالی سال 2015 میں 1 فیصد تھا۔ مالی سال 2016 میں پاکستانی روپے کی قدر میں امریکی ڈالر کے مقابلے میں بہت حد تک استحکام دیکھا گیا۔

پاکستان چائنا معاشی راہداری کے تحت ترتیب دیئے گئے ابتدائی منصوبہ جات کی مدد سے آئندہ سالوں میں رسد کی پابندیوں میں مزید نرمی آئے گی بالخصوص توانائی کی کمی کو پورا کرنے میں مدد ملے گی۔

شعبہ بینکاری مارچ 2016 کے اختتام تک 16.3 فیصد سی اے آر (CAR) کے موزوں سرمائے کے ساتھ منافع بخش رہا جو گزشتہ سال 17.4 فیصد تھا۔ آراء (ROE) (بعد از ٹیکس) میں 16.3 فیصد تک معمولی کمی واقع ہوئی جو گزشتہ سال 17 فیصد تھا۔ قرضوں کی عدم ادائیگی کی شرح میں کمی واقع ہوئی اور مجموعی قرضہ جات 12.8 فیصد سے کم ہو کر 11.7 فیصد تک رہ گئے۔

نتائج اور عمومی کاروباری جائزہ

30 جون، 2016 (ملین پاکستانی روپے) 31 دسمبر، 2015 (ملین پاکستانی روپے)

بیلنس شیٹ		
اداکرہ سرمایہ	38,716	38,716
کل ایکویٹی	55,474	55,016
جمع شدہ رقوم	346,095	327,238
پیشگی ادائیگیاں۔ مجموعی	145,218	130,370
پیشگی ادائیگیاں۔ خالص	123,776	108,853
سرمایہ کاری۔ خالص	239,408	231,837

اختتامی ششماہی اول 30 جون 2016 (ملین پاکستانی روپے) اختتامی ششماہی اول 30 جون 2015 (ملین پاکستانی روپے)

نفع و نقصان		
آمدنی	14,963	15,456
انتظامی اخراجات	5,806	6,172
دیگر نان۔ مارک اپ اخراجات	251	205
کاروباری منافع (واجبات اور ٹیکس سے قبل)	8,906	9,079
تموین / (وصولیوں کا خالص)	66	(616)
قبل از ٹیکس منافع	8,972	8,463
بعد از ٹیکس منافع	5,295	4,985
منافع فی حصص (ای پی ایس) (پاکستانی روپے)	1.37	1.29

بینک نے سال 2015 میں 8.5 ارب روپے کے مقابلے میں 9.0 ارب روپے کے قبل از ٹیکس منافع یعنی 6 فیصد اضافے کے حصول کے ذریعے مسلسل اپنی مستحکم مالی کارکردگی کا مظاہرہ کیا۔ بیلنس شیٹ کے استحکام نے آمدنی کے اضافے میں غیر معمولی مدد فراہم کی ہے جو پہلے کم مارجن کے باعث متاثر تھا۔ عملی طور پر اعلیٰ استعدادی صلاحیت اور منظم انداز میں خرچ کے ذریعے انتظامی اخراجات میں نظم و نسق قائم رہا جس کے باعث ان اخراجات میں گزشتہ سال کے مقابلے میں 6 فیصد کمی واقع ہوئی۔

قرضہ جات کے حوالے سے تمام کاروباری امور میں مثبت اضافہ جاری ہے جو کہ اس سال کے آغاز سے اب تک 11 فیصد کے اضافے تک پہنچ چکے ہیں جیسے جیسے معاشے سرگرمی میں اضافہ ہوگا، قرضوں کے رجحان میں بھی اضافہ ہوگا۔ واجبات کے حوالے سے اس سال کے آغاز سے اب تک بینک کی کل جمع شدہ رقوم میں 6 فیصد اضافہ ہوا۔ کم قیمت جمع شدہ رقوم میں مسلسل اضافہ بینک کی کارکردگی میں معاون رہا جس کے باعث کرنٹ او رسیونگزا کاؤنٹس مجموعی جمع شدہ رقوم کے 94 فیصد رہے جو شعبہ بینکنگ میں جمع شدہ رقوم کی کم ترین لاگت ہے کا سبب بنا۔ اضافی سرمائے کی مختصر اور طویل مدتی گورنمنٹ سیکورٹیز میں سرمایہ کاری کی جاتی رہے گی۔

بینک جدید سلوشنز کے ذریعے بینکنگ کی سہولیات میں اضافے کیلئے اپنے ڈیجیٹل اور بنیادی ڈھانچے میں سرمایہ کاری کرتا رہے گا۔ دانشمندانہ رسائی سے بیلنس شیٹ کو مستحکم کرنے اور اپنے کسٹمرز کو بہترین خدمات فراہم کرنے کے ساتھ ساتھ ہم اپنے کلائنٹس اور ان کی ضرورت کے مطابق پروڈکٹس پر مسلسل توجہ مرکوز کر کے مستحکم اضافے کیلئے پوری طرح پرعزم ہیں۔

پاکستان میں ہماری طویل تاریخ کو مد نظر رکھتے ہوئے، اپنے کلائنٹس، صارفین اور بیلنس 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+" (ایون 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۔

بورڈ آف ڈائریکٹرز

28 اپریل 2016 کو منعقد ہونے والے غیر معمولی اجلاس عام میں سات ڈائریکٹرز کو 3 سال کی مدت کیلئے منتخب/ دوبارہ منتخب کیا گیا ہے۔

ان سات ڈائریکٹرز کے نام یہ ہیں:

- 1- جناب سنیل کوشال
- 2- جناب شہزاد ادا
- 3- جناب امین اینڈرسن بریڈن
- 4- جناب فرڈیننڈ پیٹرز
- 5- جناب نجم آئی چوہدری
- 6- جناب پرویز غیاث
- 7- جناب اسپینا کانڈاوالا

بورڈ میٹنگ کے بعد اسی دن جناب سنیل کوشال کو چیئر مین اور جناب شہزاد ادا کو چیف ایگزیکٹو آفیسر کی حیثیت سے 3 سالہ مدت کیلئے دوبارہ تقرر کر لیا گیا۔

کمپنی آرڈیننس، 1984 کے سیکشن 2018 کے تحت بیان
جناب شہزاد دادا کو اپنی ملازمت کی موجودہ شرائط و ضوابط پر 3 سالہ مدت کیلئے بینک کے چیف ایگزیکٹو آفیسر کی حیثیت سے دوبارہ منتخب کر لیا
گیا ہے۔

حصص کے منافع کی ادائیگی

بورڈ آف ڈائریکٹرز نے 25 اگست 2016 کو منعقد ہونے والی میٹنگ میں 30 جون 2016 کو ختم ہونے والی اول ششماہی
کیلئے 7.50 فیصد (0.75 روپے فی حصص) کے عبوری نقد منافع کا اعلان کر دیا ہے۔

تسلیم و تحسین

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 شکر
گزار ہیں۔

منجانب



شہزاد دادا

چیف ایگزیکٹو آفیسر

کراچی: 25 اگست، 2016

Standard Chartered Bank (Pakistan) Limited

Condensed Interim Financial Statements (Un-audited)

For the half year ended
30 June 2016

Independent auditors' review report to the members of Standard Chartered Bank (Pakistan) Limited

Introduction

We have reviewed the accompanying condensed interim statement of financial position of Standard Chartered Bank (Pakistan) Limited ("the Bank") as at 30 June 2016, and the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement, condensed interim statement of changes in equity and notes to the accounts for the six-months period then ended (herein after referred to as the "condensed interim financial statements"). Management is responsible for the preparation and presentation of these condensed interim financial statements in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review.

Scope of Review

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

Conclusion

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

Other Matter

The figures for the quarter ended 30 June 2016 in the condensed interim profit and loss account and condensed interim statement of comprehensive income have not been reviewed and we do not express a conclusion on them.

Date: 25th August 2016

Karachi

KPMG Taseer Hadi & Co.


**KPMG Taseer Hadi & Co.
Chartered Accountants
Syed Iftikhar Anjum**

Condensed Interim Statement of Financial Position


As at 30 June 2016

	Note	30 June 2016 (Un-audited)	31 December 2015 (Audited) (Restated)
(Rupees in '000)			
ASSETS			
Cash and balances with treasury banks		25,395,996	29,482,134
Balances with other banks		3,118,648	4,300,002
Lendings to financial institutions	6	15,730,711	20,450,620
Investments	7	239,408,377	231,837,351
Advances	8	123,775,628	108,853,436
Operating fixed assets		5,830,410	5,963,952
Intangible assets		26,104,739	26,126,720
Other assets		18,101,876	20,333,576
		457,466,385	447,347,791
LIABILITIES			
Bills payable		15,807,205	11,401,191
Borrowings		14,213,350	21,784,451
Deposits and other accounts	10	346,094,927	327,237,527
Sub-ordinated loans		2,500,000	2,500,000
Deferred tax liabilities - net	9	2,450,549	3,221,120
Other liabilities		15,873,570	19,253,047
		396,939,601	385,397,336
NET ASSETS		60,526,784	61,950,455
REPRESENTED BY:			
Share capital		38,715,850	38,715,850
Reserves		11,905,977	10,847,005
Unappropriated profit		4,852,197	5,453,310
		55,474,024	55,016,165
Surplus on revaluation of assets - net of deferred tax		5,052,760	6,934,290
		60,526,784	61,950,455
CONTINGENCIES AND COMMITMENTS			
	11		

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



Shazad Dada
Chief Executive Officer



Najam I. Chaudhri
Director



Ferdinand Pieterse
Director



Ian Bryden
Director

Condensed Interim Profit and Loss Account (Un-audited)

For the six months period ended 30 June 2016

Note	Three months period ended 30 June 2016	Six months period ended 30 June 2016	Three months period ended 30 June 2015	Six months period ended 30 June 2015
------(Rupees in '000')-----				
Mark-up / return / interest earned	7,411,303	15,088,097	8,318,145	16,738,740
Mark-up / return / interest expensed	(2,228,339)	(4,427,681)	(2,673,850)	(5,639,743)
Net mark-up / return / interest income	5,182,964	10,660,416	5,644,295	11,098,997
(Provision) / reversals against non-performing loans and advances	(196,804)	39,024	(144,011)	(655,542)
Recovery of amounts written off	53,679	113,652	66,143	127,407
Provision for diminution in the value of investments	-	-	-	(4,729)
Bad debts written off directly	(42,723)	(86,968)	(38,436)	(83,503)
	(185,848)	65,708	(116,304)	(616,367)
Net Mark-up / return / interest income after provisions	4,997,116	10,726,124	5,527,991	10,482,630
NON MARK-UP / NON INTEREST INCOME				
Fees, commission and brokerage income	785,607	1,731,414	1,098,894	2,202,129
Income from dealing in foreign currencies	402,347	717,136	653,526	1,248,066
Gain on sale of securities - net	596,672	1,353,145	281,719	622,411
Unrealized (loss) / gain on revaluation of investments classified as held for trading	(30,485)	(3,034)	(49,079)	10,131
Other income	359,016	504,212	(26,020)	274,715
Total non mark-up / non interest income	2,113,157	4,302,873	1,959,040	4,357,452
	7,110,273	15,028,997	7,487,031	14,840,082
NON MARK-UP / NON INTEREST EXPENSES				
Administrative expenses	(2,955,460)	(5,805,965)	(3,169,437)	(6,172,479)
Other reversals / (provisions) / (assets write offs)	-	(26,727)	2,247	-
Other charges	(123,007)	(223,837)	(144,420)	(204,420)
Total non mark-up / non interest expenses	(3,078,467)	(6,056,529)	(3,311,610)	(6,376,899)
	4,031,806	8,972,468	4,175,421	8,463,183
Extra-ordinary / unusual items	-	-	-	-
PROFIT BEFORE TAXATION	4,031,806	8,972,468	4,175,421	8,463,183
Taxation - current	(1,304,635)	(2,913,393)	(1,302,283)	(2,535,637)
- prior years'	(522,991)	(522,991)	(504,583)	(504,583)
- deferred	(118,795)	(241,225)	(159,633)	(437,642)
	(1,946,421)	(3,677,609)	(1,966,499)	(3,477,862)
PROFIT AFTER TAXATION	2,085,385	5,294,859	2,208,922	4,985,321
	Rupees	Rupees	Rupees	Rupees
BASIC / DILUTED EARNINGS PER SHARE	0.54	1.37	0.57	1.29

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



Shazad Dada
Chief Executive Officer



Najam I. Chaudhri
Director



Ferdinand Pieterse
Director



Ian Bryden
Director

Condensed Interim Statement of Comprehensive Income (Un-audited)

For the six months period ended 30 June 2016

	Three months period ended 30 June 2016	Six months period ended 30 June 2016	Three months period ended 30 June 2015	Six months period ended 30 June 2015
------(Rupees in '000)-----				
Profit after taxation for the period	2,085,385	5,294,859	2,208,922	4,985,321
Other comprehensive income	-	-	-	-
Comprehensive income transferred to equity	2,085,385	5,294,859	2,208,922	4,985,321
Components of comprehensive income not reflected in equity				
Surplus / (deficit) on revaluation of available for sale securities	(1,388,657)	(2,890,848)	410,855	2,592,741
Related deferred tax charge	486,029	1,011,796	(143,800)	(907,460)
Total comprehensive income for the period	1,182,757	3,415,807	2,475,977	6,670,602

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




Shazad Dada
Chief Executive Officer



Najam I. Chaudhri
Director



Ferdinand Pieterse
Director



Ian Bryden
Director

Condensed Interim Cash Flow Statement (Un-audited)

For the six months period ended 30 June 2016

	30 June 2016	30 June 2015
	(Rupees in '000)	
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation for the period	8,972,468	8,463,183
Adjustments for:		
Depreciation	216,761	243,451
Amortization	21,982	23,198
Gain realised on disposal of subsidiaries operations	(255,922)	-
Gain on disposal of fixed assets - net	(44,775)	(1,010)
Unrealized gain / (loss) on revaluation of investments classified as held for trading - net	3,034	(10,131)
Other provisions /asset write-offs	26,727	-
Provision for diminution in the value of investments	-	4,729
(Reversals) / provision against non-performing loans and advances - net of recoveries	(65,708)	611,638
	(97,901)	871,875
	8,874,567	9,335,058
(Increase) / decrease in operating assets		
Lendings to financial institutions	4,719,909	3,949,334
Net investment in 'held for trading' securities	(3,459,512)	67,277
Advances	(14,856,484)	(1,173,538)
Other assets (excluding advance taxation)	1,561,142	(576,873)
	(12,034,945)	2,266,200
Increase / (decrease) in operating liabilities		
Bills payable	4,406,014	6,249,164
Borrowings from financial institutions	(7,571,101)	(1,129,875)
Deposits and other accounts	18,857,400	28,004,905
Other liabilities	(3,327,424)	53,218
	12,364,889	33,177,412
Cash inflow before taxation	9,204,511	44,778,670
Income tax paid	(2,765,823)	(2,798,680)
Net cash generated from operating activities	6,438,688	41,979,990
CASH FLOW FROM INVESTING ACTIVITIES		
Net investments in 'available for sale' securities	(7,691,669)	(25,579,631)
Proceeds from sale of subsidiaries	942,195	-
Net investment in operating fixed assets (including intangible assets)	(153,697)	(116,807)
Sale proceeds on disposal of operating fixed assets	88,525	44,760
Net cash used in investing activities	(6,814,646)	(25,651,678)
CASH FLOW FROM FINANCING ACTIVITIES		
Dividend paid	(4,891,534)	(5,758,822)
Net cash used in financing activities	(4,891,534)	(5,758,822)
(Decrease) / increase in cash and cash equivalents for the period	(5,267,492)	10,569,490
Cash and cash equivalents at beginning of the period	33,782,136	21,862,646
Cash and cash equivalents at end of the period	28,514,644	32,432,136
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD		
Cash and balances with treasury banks	25,395,996	29,349,208
Balances with other banks	3,118,648	3,082,928
	28,514,644	32,432,136

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



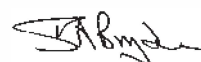
Shazad Dada
Chief Executive Officer



Najam I. Chaudhri
Director



Ferdinand Pieterse
Director




Ian Bryden
Director

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

For the six months period ended 30 June 2016

	Share Capital	Share Premium	Statutory Reserve (Rupees in '000)	Unappropriated Profit (a)	Total
Balance as at 01 January 2015	38,715,850	1,036,090	7,953,230	6,751,303	54,456,473
Total Comprehensive income for the period					
Profit after tax for the six months period ended 30 June 2015	-	-	-	4,985,321	4,985,321
Other Comprehensive income	-	-	-	-	-
	-	-	-	4,985,321	4,985,321
Transactions with owners, recorded directly in equity					
Cash dividend (Final 2014) at Rs. 1.5 per share	-	-	-	(5,807,378)	(5,807,378)
Reversal of liability against share based payment to holding company	-	-	-	(36,910)	(36,910)
	-	-	-	(5,844,288)	(5,844,288)
Transfer to statutory reserve	-	-	997,064	(997,064)	-
Transferred from surplus on revaluation of fixed assets - net of deferred tax	-	-	-	26,667	26,667
Balance as at 30 June 2015	38,715,850	1,036,090	8,950,294	4,921,939	53,624,173
Total Comprehensive income for the period					
Profit after tax for the six months period ended 31 December 2015	-	-	-	4,303,105	4,303,105
Other Comprehensive income	-	-	-	-	-
Remeasurement of post employment obligations - net of tax	-	-	-	(52,877)	(52,877)
	-	-	-	4,250,228	4,250,228
Transactions with owners, recorded directly in equity					
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
Cash dividend (Interim 2015) at Rs. 0.75 per share	-	-	-	(2,903,689)	(2,903,689)
	-	-	-	(2,862,831)	(2,862,831)
Transfer to statutory reserve	-	-	860,621	(860,621)	-
Transferred from surplus on revaluation of fixed assets - net of deferred tax	-	-	-	4,595	4,595
Balance as at 31 December 2015	38,715,850	1,036,090	9,810,915	5,453,310	55,016,165
Total Comprehensive income for the period					
Profit after tax for the six months period ended 30 June 2016	-	-	-	5,294,859	5,294,859
Other Comprehensive income	-	-	-	-	-
	-	-	-	5,294,859	5,294,859
Transactions with owners, recorded directly in equity					
Cash dividend (Final 2015) at Rs. 1.25 per share	-	-	-	(4,839,481)	(4,839,481)
Transfer to statutory reserve	-	-	1,058,972	(1,058,972)	-
Transferred from surplus on revaluation of fixed assets - net of deferred tax	-	-	-	2,481	2,481
Balance as at 30 June 2016	38,715,850	1,036,090	10,869,887	4,852,197	55,474,024

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


Shazad Dada
Chief Executive Officer


Najam I. Chaudhri
Director


Ferdinand Pieterse
Director


Ian Bryden
Director

Notes to the Condensed Interim Financial Statements (Un-audited) For the six months period ended 30 June 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 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 30 June 2016.

During the year, upon receiving all the necessary approvals from the regulators, the Bank divested its entire shareholding in all of its subsidiaries:

- Standard Chartered Leasing Limited, effective 27 May 2016 – (84,579,276 ordinary shares)
- Standard Chartered Modaraba effective 20 June 2016 – (4,538,353 ordinary shares) and
- Standard Chartered Services of Pakistan (Private) Limited, (management company of Standard Chartered Modaraba) effective 20 June 2016 (4,450,000 ordinary shares)

These shareholding were acquired by Orix Leasing Pakistan Limited.

Due to divestment of all the subsidiaries, the Bank is not required to prepare consolidated financial statements. Accordingly only one set of financial statements has been prepared. The comparative figures in these interim financial statements are based on separate unconsolidated financial statements of the Bank.

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 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 requirements differ, the requirements of the Companies Ordinance 1984, Banking Companies Ordinance 1962 and the said directives have been followed.

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 31 December 2015.

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

For the six months period ended 30 June 2016

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 2015. However, certain reclassifications as required by SBP Circular No. 05 of 2016 (refer note 20.1) and additional disclosures in respect of Islamic Index Screening as required by Circular No. 14 of 2016 issued by Securities and Exchange Commission of Pakistan (SECP) have been made.

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 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	30 June 2016 (Un-audited)	31 December 2015 (Audited) (Restated)
		------(Rupees in '000)-----	
Call money lendings		-	2,000,000
Repurchase agreement lendings (Reverse Repo)		-	2,000,000
Placements	6.1	15,730,711	16,450,620
		15,730,711	20,450,620

- 6.1 This represents placements with other branches and subsidiaries of Standard Chartered Group outside Pakistan at mark-up rates ranging from 0.2 percent to 0.87 percent per annum (31 December 2015: 0.18 percent to 0.35 percent per annum), and are due to mature during September 2016.

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

For the six months period ended 30 June 2016

7	INVESTMENTS	Note	30 June 2016 (Un-audited)			31 December 2015 (Audited) (Restated)		
			Held by bank	Given as collateral	Total	Held by bank	Given as collateral	Total
	Investments by type		----- (Rupees in '000) -----					
	Held for trading							
	Market Treasury Bills		-	-	-	246,513	-	246,513
	Pakistan Investment Bonds		4,900,111	-	4,900,111	1,240,669	-	1,240,669
	GOP Sukuk Bond		48,573	-	48,573	1,990	-	1,990
	Available for sale							
	Market Treasury Bills		152,459,906	1,781,885	154,241,791	67,952,335	1,192,726	69,145,061
	Pakistan Investment Bonds		65,981,666	18,828	66,000,494	143,388,679	18,953	143,407,632
	GOP Sukuk and Ijarah Bonds		5,400,000	-	5,400,000	5,425,000	-	5,425,000
	Term Finance Certificates -unlisted		285,025	-	285,025	285,025	-	285,025
	Equity shares of listed companies		783,077	-	783,077	662,061	-	662,061
	Equity shares of unlisted companies		3,004	-	3,004	3,004	-	3,004
	Bai Muajjal with GOP	7.1	6,518,946	-	6,518,946	6,518,946	-	6,518,946
	Investments at cost		236,380,308	1,800,713	238,181,021	225,724,222	1,211,679	226,935,901
	Provision for diminution in the value of investments		(898,118)	-	(898,118)	(808,221)	-	(808,221)
	Investments (net of provisions)		235,482,190	1,800,713	237,282,903	224,916,001	1,211,679	226,127,680
	Surplus / (deficit) on revaluation of held for trading securities - net		(3,034)	-	(3,034)	4,042	-	4,042
	Surplus on revaluation of available for sale securities - net		2,128,300	208	2,128,508	5,018,926	430	5,019,356
			237,607,456	1,800,921	239,408,377	229,938,969	1,212,109	231,151,078
	Subsidiaries - Held for sale		-	-	-	686,273	-	686,273
	Total Investments - net		237,607,456	1,800,921	239,408,377	230,625,242	1,212,109	231,837,351

7.1 This represent lending to Government of Pakistan under Bai Muajjal agreement at a return of 5.93% per annum (31 December 2015: 5.93% per annum) and are due to mature in November 2016.

8 ADVANCES

		30 June 2016 (Un-audited)	31 December 2015 (Audited) (Restated)
	Note	----- (Rupees in '000) -----	
Loans, cash credits, running finances, etc.			
- In Pakistan		99,801,209	91,645,675
- Outside Pakistan		-	-
Islamic Financing and Related Assets (Gross)	8.1	99,801,209 32,705,217	91,645,675 30,343,793
Bills discounted and purchased (excluding treasury bills)			
- Payable in Pakistan		10,995,289	6,670,843
- Payable outside Pakistan		1,716,330	1,709,843
Advances - gross		12,711,619 145,218,045	8,380,686 130,370,154
Provision for non-performing advances	8.2	(21,442,417)	(21,516,718)
Advances - net of provision		123,775,628	108,853,436

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

8.2 Advances include Rs. 22,856.670 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 Financial Statements (Un-audited)

For the six months period ended 30 June 2016

30 June 2016 (Un-audited)								
Category of classification	Classified Advances			Provision Required			Provision Held	
	Domestic	Overseas	Total	Domestic	Overseas	Total	Domestic	Overseas
(Rupees in '000)								
OAEM	25,486	-	25,486	-	-	-	-	-
Substandard	470,994	-	470,994	63,481	-	63,481	63,481	-
Doubtful	3,112,160	-	3,112,160	2,108,985	-	2,108,985	2,108,985	-
Loss	19,248,030	-	19,248,030	18,681,000	-	18,681,000	18,681,000	-
	22,856,670	-	22,856,670	20,853,466	-	20,853,466	-	20,853,466
General Provision	-	-	-	588,951	-	588,951	588,951	-
	22,856,670	-	22,856,670	21,442,417	-	21,442,417	21,442,417	-
31 December 2015 (Audited)								
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 30 June 2016, the provision requirement has been reduced by Rs. 441.875 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 No. 10 dated 21 October 2011. Increase in accumulated profits amounting to Rs. 287.219 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

	30 June 2016 (Un-audited)			31 December 2015 (Audited)		
	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 / year	1,326,809	52,044	1,378,853	2,755,378	48,009	2,803,387
Reversals	(1,061,762)	(18,999)	(1,080,761)	(1,408,778)	(31,568)	(1,440,346)
	265,047	33,045	298,092	1,346,600	16,441	1,363,041
Amounts written off	(356,123)	-	(356,123)	(1,238,681)	-	(1,238,681)
Other movements	(16,270)	-	(16,270)	(57,642)	-	(57,642)
Closing balance	20,853,466	588,951	21,442,417	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. 6,066 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

Customers

Remunerative

- Fixed deposits
- Savings deposits

Non-Remunerative

- Current accounts
- Margin accounts
- Special exporters' account

Financial Institutions

- Remunerative deposits
- Non-remunerative deposits - Current account

Note	30 June 2016 (Un-audited)	31 December 2015 (Audited)
	(Rupees in '000)	
	21,809,003	24,083,614
	169,310,965	152,388,122
	151,346,210	142,746,731
	574,884	945,934
	826,045	572,198
	343,867,107	320,736,599
	22,463	612,825
	2,205,357	5,888,103
	346,094,927	327,237,527

10.1

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

For the six months period ended 30 June 2016

10.1 This includes Rs. 563.419 million (31 December 2015: Rs. 496.085 million) against balances of other branches and subsidiaries of Standard Chartered Group operating outside Pakistan.

11 CONTINGENCIES AND COMMITMENTS	Note	30 June 2016 (Un-audited)	31 December 2015 (Audited)
11.1 Transaction-related contingent liabilities		------(Rupees in '000)-----	
Guarantees issued favouring:	11.1.1		
- Government		46,734,580	53,137,229
- Others		28,291,860	24,925,787
		75,026,440	78,063,016

11.1.1 Guarantees relating to Islamic Banking Business amount to Rs. 1,463 million (31 December 2015: Rs. 3,364 million).

11.2 Trade-related contingent liabilities

Letters of credit	11.2.1	16,928,759	16,782,316
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11.2.1 Letters of credit relating to Islamic Banking Business amount to Rs. 6,402 million (31 December 2015: Rs. 4,377 million).

11.3 Trade-related commitments

Acceptances		5,251,355	6,672,058
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11.3.1 Acceptances relating to Islamic Banking Business amount to Rs. 1,657 million (31 December 2015: Rs. 2,056 million).

11.4 Commitment for acquisition of fixed assets		128,429	60,260
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11.5 Other contingencies

Claims against the Bank not acknowledged as debt	11.5.1	74,018,910	24,417,886
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11.5.1 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.

11.5.2 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 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' 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		-	19,536,300
Banks		45,609,239	51,623,327
Customers		3,139,373	3,217,691
Sale			
Banks		33,165,382	53,329,213
Customers		362,025	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 Financial Statements (Un-audited)

For the six months period ended 30 June 2016

11.9 Derivative Instruments

Product Analysis

		30 June 2016 (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	10	2,960,122	22	263,488	
With FIs other than banks		-	-	-	-
Hedging	-	-	-	-	-
Market Making	-	-	-	-	-
With other entities for Hedging		-	-	-	-
Market Making	12	4,329,152	22	263,488	
Total		-	-	-	-
Hedging	22	7,289,274	44	526,976	
Market Making					
31 December 2015 (Audited)					
With Banks for Hedging		-	-	-	-
Market Making	8	2,487,312	7	83,624	
With FIs other than banks		-	-	-	-
Hedging	3	649,631	-	-	-
Market Making					
With other entities for Hedging		-	-	-	-
Market Making	13	6,080,535	7	83,624	
Total		-	-	-	-
Hedging	24	9,217,478	14	167,248	
Market Making					

* 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. 814 million.

12. OTHER INCOME

	Three months period ended 30 June 2016	Six months period ended 30 June 2016	Three months period ended 30 June 2015	Six months period ended 30 June 2015
(Un-audited)				
(Rupees in '000)				
Income from Sri Lanka branch operations	-	-	(325)	(325)
Rent on property	1,577	7,311	6,382	11,522
Gain / (loss) on disposal of fixed assets	3,505	44,775	5,242	1,010
Gain / (loss) on derivatives	86,742	179,934	(37,629)	251,743
Gain on Sale of subsidiaries operations	255,922	255,922	-	-
Recoveries against assets at acquisition of Union Bank Limited	11,270	16,270	-	-
Other	-	-	310	10,765
	359,016	504,212	(26,020)	274,715

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

For the six months period ended 30 June 2016

13 TAXATION

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 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.

14. ADMINISTRATIVE EXPENSES

		(Un-audited)			
Note		Three months period ended 30 June 2016	Six months period ended 30 June 2016	Three months period ended 30 June 2015	Six months period ended 30 June 2015
		(Rupees in '000)			
	Salaries, allowances etc.	1,367,956	2,691,684	1,423,158	2,716,310
	Charge for defined benefit plans	-	-	1,815	3,630
	Contributions to defined contribution plans	97,591	189,925	151,301	177,635
	Rent, taxes, insurance, electricity etc.	302,308	600,388	317,478	626,366
	Legal and professional charges	23,472	48,975	33,099	55,147
	Communication expense	111,285	232,839	115,279	230,157
	Repairs and maintenance	253,722	481,100	219,481	493,766
	Stationery and printing	50,125	109,385	59,230	112,644
	Advertisement and publicity	46,796	103,118	63,489	132,158
	Donations	16,880	16,880	-	-
	Auditors' remuneration	10,593	14,825	533	5,868
	Depreciation	111,488	216,761	115,225	243,451
	Amortization	10,990	21,982	11,598	23,198
	Travelling, conveyance and vehicles' running	42,872	79,187	46,410	105,388
	Reimbursement of executive and general administrative expenses	14.1 382,785	712,622	391,147	770,682
	Royalty	-	-	45,755	91,511
	Reward and bonus points redemption	18,967	38,283	17,530	28,376
	Custody Service	77,405	158,168	88,655	172,917
	Others	30,225	89,843	68,254	183,275
		<u>2,955,460</u>	<u>5,805,965</u>	<u>3,169,437</u>	<u>6,172,479</u>

14.1 Total cost for the year included in Administrative Expenses relating to outsourced activities is Rs. 870.895 million (30 June 2015: Rs. 922.902 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.

15. INCOME FROM DEALING IN FOREIGN CURRENCIES

Gain/ (loss) realised from dealing in:

Foreign Currencies	383,351	682,792	507,302	1,053,341
Derivative Financial Instruments	18,996	34,344	146,224	194,725
	<u>402,347</u>	<u>717,136</u>	<u>653,526</u>	<u>1,248,066</u>

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

For the six months period ended 30 June 2016

16 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

On balance sheet financial instruments		30 June 2016 (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)	4,945,650	226,351,778	-	-	-	231,297,428	-	231,297,428	-	231,297,428	
	- Sukuk Bonds (other than government)		73,397	-	-	-	73,397	-	73,397	-	73,397	
	- Equity securities traded (Shares)		193,606	-	-	-	193,606	193,606	-	-	193,606	
- Other assets												
	-Unrealized gain on Forward foreign exchange contracts	175,290	-	-	-	-	175,290	-	175,290	-	175,290	
	-Unrealized gain on Interest rate derivatives & currency options	81,767	-	-	-	-	81,767	-	81,767	-	81,767	
Financial assets not measured at fair value												
	- Cash and bank balances with SBP and NBP	16.1	-	-	-	25,395,996	25,395,996					
	- Balances with other banks	16.1	-	-	-	3,118,648	3,118,648					
	- Lending to financial institutions	16.1	-	-	-	15,730,711	15,730,711					
	- Bai Muajjal with GOP	16.1	-	-	-	6,518,946	6,518,946					
	- Sukuk Bonds (other than government)	16.1	-	1,325,000	-	-	1,325,000					
	- Advances	16.1	-	-	123,775,628	-	123,775,628					
	- Other assets	16.1	-	-	-	7,802,799	7,802,799					
			5,202,707	227,943,781	123,775,628	58,567,100	-	415,489,216	193,606	231,627,882	-	231,821,488
Financial liabilities measured at fair value												
- Other liabilities												
	-Unrealized loss on Forward foreign exchange contracts		9,966	-	-	-	9,966	-	9,966	-	9,966	
	-Unrealized loss on Interest rate derivatives & currency options		106,736	-	-	-	106,736	-	106,736	-	106,736	
Financial liabilities not measured at fair value												
	- Bills Payable	16.1	-	-	-	-	15,807,205	15,807,205				
	- Deposits and other accounts	16.1	-	-	-	-	346,094,927	346,094,927				
	- Borrowings	16.1	-	-	-	-	14,213,350	14,213,350				
	- Sub -ordinated loans	16.1	-	-	-	-	2,500,000	2,500,000				
	- Other liabilities (excluding Liabilities against assets subject to finance lease)	16.1	-	-	-	-	15,142,387	15,142,387				
			116,702	-	-	-	393,757,869	393,874,571	-	116,702	-	116,702
Off-balance sheet financial instruments												
Interest Rate swaps / Foreign currency options / Forward purchase contracts												
			-	-	-	54,136,237	-	54,136,237	-	54,393,294	-	54,393,294
Interest Rate swaps / Foreign currency options / Forward sale contracts												
			-	-	-	35,911,417	-	35,911,417	-	36,028,119	-	36,028,119

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

For the six months period ended 30 June 2016

On balance sheet financial instruments

balance sheet financial instruments		30 June 2015 (Audited) (Restated)									
Note	Carrying value						Fair value				
	Held for Trading	Available for Sale	Loans and Receivables	Other financial Assets	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total	
(Rupees in '000)											
Financial assets measured at fair value											
- Investments											
- Government Securities (Tbills + PIBs + Sukuks)	1,493,214	221,539,920	-	-	-	223,033,134	-	223,033,134	-	223,033,134	
- Sukuk Bonds (other than government)	-	97,134	-	-	-	97,134	-	97,134	-	97,134	
- Equity securities traded (Shares)	-	176,864	-	-	-	176,864	176,864	-	-	176,864	
- Other assets											
-Unrealized gain on Forward foreign exchange contracts	-	175	-	-	-	175	-	175	-	175	
-Unrealized gain on Interest rate derivatives & currency options	-	338,424	-	-	-	338,424	-	338,424	-	338,424	
Financial assets not measured at fair value											
- Cash and bank balances with SBP and NBP	16.1	-	-	29,482,134	-	29,482,134					
- Balances with other banks	16.1	-	-	4,300,002	-	4,300,002					
- Lending to financial institutions	16.1	-	-	20,450,620	-	20,450,620					
- Bai Muajjal with GOP	16.1	-	-	6,518,946	-	6,518,946					
- Sukuk Bonds (other than government)	16.1	1,325,000	-	-	-	1,325,000					
- Investments in Subsidiaries - Held for Sale - Listed	16.1	-	-	641,773	-	641,773					
- Investments in Subsidiaries - Held for Sale - Unlisted	16.1	-	-	44,500	-	44,500					
- Advances	-	-	108,853,436	-	-	108,853,436					
- Other assets	-	-	-	10,210,686	-	10,210,686					
	1,493,214	223,477,517	108,853,436	71,648,661	-	405,472,828	176,864	223,468,867	-	223,645,731	
Financial liabilities measured at fair value											
- Other liabilities											
-Unrealized gain on Forward foreign exchange contracts	-	171,676	-	-	-	171,676	-	171,676	-	171,676	
-Unrealized gain on Interest rate derivatives & currency options	-	120,633	-	-	-	120,633	-	120,633	-	120,633	
	-	-	-	-	-	-					
Financial liabilities not measured at fair value											
- Bills Payable	16.1	-	-	-	11,401,191	11,401,191					
- Deposits and other accounts	16.1	-	-	-	327,237,527	327,237,527					
- Borrowings	16.1	-	-	-	21,784,451	21,784,451					
- Sub - ordinated loans	16.1	-	-	-	2,500,000	2,500,000					
- Other liabilities (excluding Liabilities against assets subject to finance lease)	16.1	-	-	-	17,510,204	17,510,204					
	-	292,309	-	-	380,433,373	380,725,682	-	292,309	-	292,309	
Off-balance sheet financial instruments											
Interest Rate swaps / Foreign currency options / Forward purchase contracts	-	-	-	81,295,849	-	81,295,849	-	81,791,880	-	81,791,880	
Interest Rate swaps / Foreign currency options / Forward sale contracts	-	-	-	56,367,907	-	56,367,907	-	56,660,216	-	56,660,216	

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).

16.1 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 six months period ended 30 June 2016

17 SEGMENT DETAILS WITH RESPECT TO BUSINESS ACTIVITIES

Segment analysis with respect to business activity

	Corporate and Institutional Banking	Commercial Banking	Retail Banking	Total
Six months period ended 30 June 2016				
----- (Rupees in '000) -----				
Internal income	(4,327,080)	(1,308,551)	5,664,709	29,078
Net mark-up / return / interest income	9,586,003	2,061,826	(987,413)	10,660,416
Non mark-up / non interest income	2,115,040	382,267	1,805,566	4,302,873
Operating income	7,373,963	1,135,542	6,482,862	14,992,367
Non mark-up / non interest expenses	1,214,589	684,488	4,157,452	6,056,529
Internal non mark-up / non interest expenses	4,345	2,480	22,253	29,078
Operating profit before provisions and taxation (Direct write-offs) / (provisions) / reversals against non- performing loans and advances - net of recoveries	6,155,029	448,574	2,303,157	8,906,760
	676,070	(670,725)	(71,053)	(65,708)
Profit before taxation	5,478,959	1,119,299	2,374,210	8,972,468
Other segment items:				
Depreciation on tangible fixed assets	54,320	25,045	137,396	216,761
Amortisation on intangible assets	5,509	2,540	13,933	21,982
Segment assets (gross)	349,064,220	93,842,638	37,016,435	479,923,293
Segment non performing loans	3,310,153	15,968,399	3,578,118	22,856,670
Segment provision required	2,597,428	14,999,538	3,845,451	21,442,417
Segment liabilities	116,380,526	13,540,917	267,018,158	396,939,601
Segment return on net assets (ROA) (%) - annualised	3.19%	2.86%	14.43%	3.95%
Segment cost of funds (%) - annualised	3.68%	2.30%	1.86%	2.44%
Six months period ended 30 June 2015				
Internal income	(6,538,098)	(744,297)	7,322,768	40,373
Net mark-up / return / interest income	11,369,795	1,451,820	(1,722,618)	11,098,997
Non mark-up / non interest income	1,733,157	649,013	1,975,282	4,357,452
Operating income	6,564,854	1,356,536	7,575,432	15,496,822
Non mark-up / non interest expenses	1,240,727	676,538	4,459,634	6,376,899
Internal non mark-up / non interest expenses	9,487	1,972	28,914	40,373
Operating profit before provisions and taxation (Direct write-offs) / (provisions) / reversals against non- performing loans and advances - net of recoveries	5,314,640	678,026	3,086,884	9,079,550
	647,990	(17,197)	(19,155)	611,638
Provision for diminution in the value of investments	-	4,729	-	4,729
Profit before taxation	4,666,650	690,494	3,106,039	8,463,183
Other segment items:				
Depreciation of tangible fixed assets	64,958	17,816	160,677	243,451
Amortisation of intangible assets	6,959	928	15,311	23,198
Segment assets (gross)	350,348,202	84,146,149	33,483,116	467,977,467
Segment non performing loans	3,446,561	17,708,340	4,231,275	25,386,176
Segment provision required	1,338,398	16,378,726	4,202,756	21,919,880
Segment liabilities	113,192,955	11,512,851	258,754,605	383,460,411
Segment return on net assets (ROA) (%) - annualised	2.70%	2.05%	21.39%	3.83%
Segment cost of funds (%) - annualised	4.85%	3.23%	2.53%	3.25%

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

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

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

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.

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

For the six months period ended 30 June 2016

18 RELATED PARTY TRANSACTIONS

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

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

		30 June 2016	31 December 2015
	Note	(Un-audited)	(Audited)
		----- (Rupees in '000) -----	
OUTSTANDING BALANCES			
Group			
Nostro balances with other subsidiaries and branches of the holding company		3,085,615	4,253,892
Overdrawn nostro balances with other subsidiaries and branches of the holding company		15,865	1,046,275
Vostro balances of other subsidiaries and branches of the holding company		563,419	496,085
Placements with other subsidiaries and branches of the holding company		15,730,711	16,450,620
Deposits of group company	18.1	19,148	25,445
Due from group companies		-	19,748
Due to holding company		8,458,286	7,739,048
Due from other subsidiaries and branches of the company		124,578	74,069
Interest receivable from group companies		14,316	202
Inter-company derivative assets		47,161	31,079
Inter-company derivative liabilities		129,788	56,183
Other receivables - SLA		4,721	453
Transaction-related contingent liabilities - Guarantees		22,642,078	21,183,434
Commitments in respect of forward foreign exchange contracts		7,785,439	4,037,342
Derivative instruments - Interest rate swaps - Notional		2,146,432	2,382,572
Derivative instruments - FX options - Notional		263,488	83,624
Subsidiaries			
Deposits of subsidiaries	18.1	-	116,203
Loans to subsidiaries	18.1	-	190,095
Accrued interest receivable		-	2,814
Other receivables - SLA		-	2,131
Commission payable		-	4,601
Key management personnel			
Loans and advances to key management personnel	18.1	126,959	131,718
Deposits of key management personnel	18.1	104,650	87,112
Others			
Loans and advances to customers with common directorship	18.1	69,466	121,347
Deposits by staff retirement benefit funds	18.1	164,268	176,807
Deposits by customers with common directorship	18.1	403,403	555,683
Accrued interest receivable against loans and advances to customers with common directorship		2,304	3,506
Receivable from defined benefit plans		18,025	18,025
Transaction-related contingent liabilities - Guarantees		1,247,297	101,739
Trade-related contingent liabilities - Letters of Credit		31,215	1,689,606

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

For the six months period ended 30 June 2016

		Six months period ended	
		30 June 2016	30 June 2015
		(Un-audited)	
		------(Rupees in '000)-----	
PROFIT AND LOSS	Note		
Group			
Mark-up / return / interest earned		28,919	13,871
Mark-up / return / interest expensed		36	28
Fee and commission expense		71	4,214
Fee and commission income		2,531	45,215
Reimbursement of executive and general administrative expenses		712,622	770,682
(Receivable from) / payment to group company for direct sales services rendered		(7)	153,337
Reimbursement of administrative expenses (including rent and other charges)		6,034	9,235
Net (loss) / gain on inter-company derivatives		(57,523)	136,471
Royalty expense		-	91,511
Subsidiaries			
Mark-up / return / interest earned		3,646	4,383
Mark-up / return / interest expensed		1,522	3,221
Commission income earned		24,998	23,801
Reimbursement of administrative expenses (including rent and other charges)		11,000	13,262
Key management personnel			
Mark-up / return / interest earned		2,639	1,529
Mark-up / return / interest expensed		472	854
Salaries and benefits		129,885	136,391
Post retirement benefits		12,212	12,202
Remuneration / fee paid to non-executive directors		3,590	2,515
Rent and renovation expenses		2,911	1,315
Others			
Contribution to defined contribution plans - net of payments received		189,925	188,848
Charge for defined contribution plans		189,925	177,348
Net charge / (income) for defined benefit plans		-	3,631
Mark-up / return / interest expensed on deposits of staff retirement benefit funds		5,050	3,964
Mark-up / return / interest expensed on deposits of customers with common directorship		9,878	8,370
Mark-up / return / interest earned on advances to customers with common directorship		4,036	21,537
Net (loss) / gain on derivatives		(14,984)	2,378
Gas charges		409	623
Miscellaneous income from company with common directorship	18.2	176	4,329

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

For the six months period ended 30 June 2016

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

	Balance as at 31 December 2015 (Audited)	Net disbursement/ deposits	Net repayments / withdrawals	Balance as at 30 June 2016 (Un-audited)
	----- (Rupees in '000) -----			
Loans and advances				
Key Management Personnel	131,718	30,042	(34,801)	126,959
Subsidiaries	190,095	1,119,917	(1,310,012)	-
Others	121,347	461,903	(513,784)	69,466
Deposits				
Group companies	25,445	89,979	(96,276)	19,148
Subsidiaries	116,203	5,960,408	(6,076,611)	-
Key Management Personnel	87,112	403,902	(386,364)	104,650
Others	732,490	82,445,015	(82,609,834)	567,671

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

18.3 As mentioned in note 1, during the period, the Bank has sold its subsidiaries. Accordingly the closing balances has been adjusted to reflect the transaction.

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

For the six months period ended 30 June 2016

19 ISLAMIC BANKING BUSINESS

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

19.1 Balance Sheet	Note	30 June 2016 (Un-audited)	31 December 2015 (Audited) (Restated)
------(Rupees in '000)-----			
Assets			
Cash and balances with treasury banks		2,663,231	2,385,567
Due from Financial Institutions		4,656,749	3,918,570
Investments		12,028,537	11,959,078
Islamic Financing and Related Assets	19.2	32,113,964	29,605,233
Operating fixed assets		37,451	39,644
Other assets		835,887	537,069
		52,335,819	48,445,161
Liabilities			
Bills payable		227,931	147,117
Due to Financial Institutions		1,595,000	1,459,000
Deposits and other accounts			
Current Accounts		24,461,572	22,627,461
Saving Accounts		13,347,491	13,028,585
Term Deposits		1,441,741	1,681,517
Others		-	8,184
Deposit from Financial Institutions -Remunerative		15,985	612,820
		39,266,789	37,958,567
Due to Head Office		5,787,748	3,879,318
Other liabilities		236,543	265,005
		47,114,011	43,709,007
Net Assets		5,221,808	4,736,154
Represented by:			
Islamic Banking Fund		200,000	200,000
Unappropriated / Unremitted profit		4,959,811	4,523,020
		5,159,811	4,723,020
Surplus on revaluation of assets - net		61,997	13,134
		5,221,808	4,736,154
Contingencies and Commitments	11		
Remuneration to Shariah Advisor/Board		5,525	9,092
Charity fund			
Opening balance		2,186	2,208
Additions during the year		2,571	10,877
Payments / utilization during the period		(3,424)	(10,899)
Closing balance		1,333	2,186

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

For the six months period ended 30 June 2016

	Note	30 June 2016 (Un-audited)	31 December 2015 (Audited)
------(Rupees in '000)-----			
19.2 Islamic Financing and Related Assets			
Murabaha	19.3	4,376,974	2,742,295
Musharaka	19.4	14,202,094	12,496,852
Dimishing Musharaka	19.5	12,920,663	13,472,362
Ijarah	19.6	285,632	476,053
Musawammah	19.7	42,300	141,492
Others	19.8	286,301	276,179
		32,113,964	29,605,233
19.3 Murabaha			
Financings / Investments / Receivables		738,512	673,855
Advances		3,276,386	689,479
Assets/Inventories		362,076	1,378,961
		4,376,974	2,742,295
19.4 Musharaka			
Financings / Investments / Receivables		14,202,094	12,496,852
19.5 Dimishing Musharaka			
Financings / Investments / Receivables		12,920,663	13,472,362
19.6 Ijarah			
Financings / Investments / Receivables		285,632	476,053
19.7 Musawammah			
Financings / Investments / Receivables		42,300	141,492
19.8 Others			
Financings / Investments / Receivables		286,301	276,179
------(Rupees in '000)-----			
		Six months period ended	Six months period ended
		30 June 2016	30 June 2015
------(Un-audited)-----			
------(Rupees in '000)-----			
19.9 Profit and Loss			
Profit / return earned on financings, investments and placements		1,815,656	2,096,952
Return on deposits and others dues expensed		(469,977)	(604,677)
Net spread earned		1,345,679	1,492,275
Provision against non performing financing		141,866	(32,073)
Net spread after provisions		1,487,545	1,460,202
Other income			
Fees, commission and brokerage income		382,137	466,580
Other income		605	66
Total other income		382,742	466,646
Other expenses			
Administrative expenses		(933,496)	(962,804)
Profit before taxation		936,791	964,044

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

For the six months period ended 30 June 2016

- 19.10** Deposit and other accounts include redeemable capital of Rs.14,805.217 million (31 December 2015: Rs. 15,331.106 million) and deposits on Qard basis of Rs. 24,461.572 million (31 December 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.

20. GENERAL

20.1 CORRESPONDING FIGURES

Until last year the bank was classifying its 'advances against future Murabaha' and 'Commodities under Islamic finance' as part of Other assets and "Bai Muajjal with GOP" as part of Lending to Financial Institution in the Statement of Financial Position. During the current year, these have been reclassified and shown as part of "Advances" and "Investments" based on State Bank of Pakistan circular dated 29 February 2016. The impact of these reclassifications is as follows:

Reclassification from Statement of Financial Position	Reclassification to Statement of Financial Position	31 December 2015 (Rupees in '000)
Other Assets -Advances against future Murabaha	Advances	689,479
Other Assets - Commodities under Islamic finance	Advances	1,378,961
Lending to FI - Bai Muajjal	Investment	6,518,946

20.2 Subsequent Event


The Board of Directors in its meeting held on 25 August 2016 has declared a cash dividend of 7.5% (Rs. 0.75/- per share) in respect of the half year ended 30 June 2016 (30 June 2015: Rs. 0.75/- per share). These condensed interim financial information do not include the effect of these appropriations which will be accounted for subsequent to the period end.

20.3 Date Of Authorization

These condensed interim financial statements were authorized for issue in the Board of Directors meeting held on 25 August 2016.




Shazad Dada
Chief Executive Officer



Najam I. Chaudhri
Director



Ferdinand Pieterse
Director



Ian Bryden
Director

Standard
Chartered



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