



Half Yearly Report (January - June 2017)

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 97 branches in 10 cities and a workforce of over 3500 employees.
- Standard Chartered Pakistan is the first international bank to get an Islamic Banking license and to open the first Islamic Banking branch in Pakistan.

Strong recognition by our stakeholders

Asia Money Pakistan Banking Awards 2017

- Best International Bank

Global Finance Awards 2016 - 2017

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

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

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

Islamic Finance News (IFN) Awards for 2015

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

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

Company Secretary

Mr. Asif Iqbal Alam

Audit Committee

Mr. Najam I. Chaudhri	Chairperson
Mr. Parvez Ghias	Member
Mr. Ferdinand Pieterse	Member

Human Resource & Remuneration Committee

Mrs. Spenta Kandawalla	Chairperson
Mr. Parvez Ghias	Member
Mr. Mohamed Abdelbary	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 2017

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 2017.

Economy

Pakistan's economy grew 5.3% in FY17, which is the highest in the past decade and a significant pickup from 4.5% in FY16. Higher growth has come alongside a sharp deterioration in the current-account (C/A): revised figures for FY17 show a USD 12.1bn deficit (4% of GDP) up from USD 4.9bn (1.7%) in FY16. A higher C/A deficit and sluggish foreign investment have seen increased reliance on sovereign FCY borrowings to sustain FX reserves. State Bank of Pakistan's FX reserves have declined from USD 18.3bn as at June 2016 to USD 15bn by 21 July 2017.

Notwithstanding a weaker external account, the PKR has remained broadly stable against the USD. The currency's strength, amid still-weak global oil prices, continues to contain headline inflation. Nevertheless, average CPI inflation rose to 4.2% in FY17, up from 2.9% in FY16. Meanwhile, core inflation (excluding food and energy prices) averaged 5.2% in FY17 compared with 4.2% in FY16 - suggesting strong underlying demand. The SBP has responded by keeping its policy rate on hold at 5.75%. In turn, higher economic growth and accommodative monetary policy have seen private-credit off-take pick up pace which grew by PKR 700bn in FY 17.

The banking sector remains well capitalised with CAR of 15.9% by end-March 2017 from 16.3% a year ago. ROE (after tax) has gone down to 14.2% from 16.3% a year ago; alongside a decline in the ratio of Non-Performing Loans (NPLs) to Gross Loans from 11.7% to 9.9%.

Operating Results and Business Overview

	30 June 2017 (PKR millions)	December 31, 2016 (PKR millions)
Balance Sheet		
Paid-up capital	38,715	38,715
Total equity	57,066	56,872
Deposits	381,408	365,562
Advances - gross	162,064	133,631
Advances - net	143,064	113,951
Investments - net	247,421	245,850

	Half Year ended 30 June 2017 (PKR millions)	Half Year ended 30 June 2016 (PKR millions)
Profit and Loss		
Revenue	13,373	14,963
Administrative expenses	5,154	5,806
Other non mark-up expenses	171	251
Operating profit (before provisions and tax)	8,047	8,907
Reversals / (Provisions) -net of charges	524	66
Profit before tax	8,571	8,972
Profit after tax	5,025	5,295
Earnings Per Share (EPS)	1.30	1.37

The Bank delivered resilient financial performance with Profit before tax of PKR 8.6 billion compared to PKR 8.9 billion in corresponding period last year. Revenue was lower by PKR 1.6 billion primarily due to reduced margins and re-pricing within the investments portfolio. However, client revenue across all segments has increased. The impact of margin compression on revenue was partially offset by a growing non-funded income and decreasing cost of funds. Administrative costs continue to be well managed through operational efficiencies and disciplined spending with in-country cost decreasing by 3% from comparative period of last year. Further, strong recoveries of bad debts, coupled with lower impairments led to a net release of PKR 524 million in the current period.

All businesses have positive momentum in client income with strong growth in underlying drivers. This is evident from a strong pickup in advances, which have grown by 26% since the start of this year. This was a result of targeted strategy to build profitable, high quality and sustainable portfolios. With a diversified product base, the Bank is well positioned to cater for the needs of its clients. On the liabilities side, the bank's total deposits grew by 4%, whereas current accounts grew by 8% since the start of this year. The continuous increase in low cost deposits has significantly supported the Bank's performance with current and savings accounts comprising 93% of the deposit base.

The Bank continues to invest in its digital capabilities and infrastructure to enhance banking experience through introduction of innovative solutions. We are fully committed to sustained growth by consistently focusing on our clients and product suite along with a prudent approach to building the balance sheet while bringing the best in class services to our customers.

Credit Rating

Pakistan Credit Rating Agency (PACRA) has maintained the Bank's long-term and short-term ratings of "AAA" (Triple A) and "A1+" (A One Plus) respectively. 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.

Dividend

Interim cash dividend of 7.50% (Re. 0.75/- per share) in respect of the half year ended June 30, 2017 has been declared by the Board of Directors in their meeting held on August 28, 2017.

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: 28th August 2017

اسٹیٹرز ڈیپازٹری (پاکستان) لمیٹڈ ڈائریکٹرز رپورٹ برائے نصف سال اختتام یافتہ 30 جون 2017ء

بورڈ آف ڈائریکٹرز کی طرف سے مجھے 30 جون 2017ء کو ختم ہونے والے نصف سال کیلئے اسٹیٹرز ڈیپازٹری (پاکستان) لمیٹڈ (ایس بی پی ایل) کی ڈائریکٹرز رپورٹ (گزارش مدیران) مع اس کا غیر پڑتال شدہ مختصر عبوری مالیاتی گوشوارہ پیش کرتے ہوئے خوشی ہے۔

معیشت

مالی سال 2017ء میں پاکستان کی معیشت 5.3% تک بڑھی ہے، جو کہ گزشتہ ایک دہائی میں سب سے بلند سطح ہے اور مالی سال 2016ء کی 4.5% کی سطح سے قابل ذکر حد تک اوپر اٹھی ہے۔ مالی سال 2017ء کیلئے ترمیم شدہ اعداد و شمار نے مالی سال 2016ء میں 4.9 ارب امریکی ڈالر (1.7%) سے بڑھ کر 12.1 ارب امریکی ڈالر (مجموعی ملکی پیداوار کا 4%) خسارے کو ظاہر کیا ہے۔ حسابات جاریہ کے بلند تر خسارے اور سست غیر ملکی سرمایہ کاری نے خود مختار غیر ملکی کرنسی میں قرضوں پر انحصار کو بہت بڑھا دیا ہے تاکہ غیر ملکی زرمبادلہ کے ذخائر برقرار رکھے جاسکیں۔ بینک دولت پاکستان کے غیر ملکی زرمبادلہ کے ذخائر جون 2016ء کے مطابق 18.3 ارب ڈالر سے کم ہو کر 21 جولائی 2017ء تک 15 ارب امریکی ڈالر کی سطح پر آ گئے ہیں۔

کمزور تیرہویں حسابات کے باوجود، پاکستانی روپیہ امریکی ڈالر کے مقابلے میں زیادہ تر مستحکم رہا ہے۔ کرنسی (روپے) کی طاقت، اب تک تیل کی کمزور عالمی قیمتوں میں تسلسل کے ساتھ افراط زر کی شہ سرخیوں میں شامل رہی۔ تاہم اوسط صارفین کی قیمت خرید کا افراط زر مالی سال 2017ء میں مالی سال 2016ء کے مقابلے میں 2.9% سے بڑھ کر 4.2% ہو گیا۔ دراصل اخلاء، بنیادی افراط زر (خوراک و توانائی کی قیمتیں خارج کر کے) مالی سال 2016ء میں 4.2% کے مقابلے میں مالی سال 2017ء میں اوسطاً 5.2% ہے جو کہ مستحکم بنیادی طلب کو ظاہر کرتا ہے۔ بینک دولت پاکستان نے اپنا رد عمل اپنی شرح پالیسی کو 5.95% کی سطح پر برقرار رکھ کر ظاہر کیا ہے جس کے نتیجے میں بلند تر معاشی نمو اور مصالحانہ مالی پالیسی نے نجی قرضوں کے حصول میں تیزی کا مشاہدہ کیا جو کہ مالی سال 2017ء میں بڑھ کر 700 ارب روپے ہو گیا۔

بینکاری کا شعبہ ایک سال قبل 16.3% سے اختتام مارچ 2017ء تک 15.9% تک کی سی اے آر کے ساتھ اچھا خاصا مستفید ہوتا رہا۔ آراوای یعنی حصص پر عائدات (بعد از ٹیکس) ایک سال قبل کے 16.3% سے کم ہو کر 14.2% تک گر گئیں ساتھ ہی غیر منافع بخش قرضہ جات (NPLs) بہ نسبت مجموعی قرضہ جات 11.7% سے کم ہو کر 9.9% ہو گئے۔

عملی نتائج اور کاروباری جائزہ:

30 جون 2017ء (ملین پاکستانی روپے)
31 دسمبر 2016ء (ملین پاکستانی روپے)

میزانہ (Balance Sheet)

38,715	38,715	اداشدہ سرمایہ
56,872	57,066	مجموعی حصص
365,562	381,408	ودیعات (ڈپازٹس)
133,631	162,064	قرضہ جات - گل
113,951	143,064	قرضہ جات - خالص
245,850	247,421	سرمایہ کاری - خالص

اختتام یافتہ نصف سال 30 جون 2016ء
(ملین پاکستانی روپے)

14,963

5,806

251

8,907

66

8,972

5,295

1.37

اختتام یافتہ نصف سال 30 جون 2017ء
(ملین پاکستانی روپے)

13,373

5,154

171

8,047

524

8,571

5,025

1.30

نفع و نقصان

محصولات

انتظامی اخراجات

دیگر غیر سودی اخراجات

عملی منافع (قبل از فراہمی ویکس)

تنجیحات/ (مقررات یعنی فراہمی) چارجز کا ناقص

منافع قبل از ویکس

منافع بعد از ویکس

منافع فی حصص (EPS)

بینک نے گزشتہ سال کے تقابلی عرصے میں 8.9 ارب روپے کے مقابلے میں 8.6 ارب روپے کے قبل از ویکس منافع کے ساتھ پائیدار مالی کارکردگی کا مظاہرہ کیا ہے۔ محصولات 1.6 ارب روپے تک کم ہو گئیں جس کی وجہ شرح منافع میں کمی اور محفوظ ہائے سرمایہ کاری (investments portfolio) کے اندر قیمتوں کی از سر نو ترتیب تھی، بہر کیف تمام شعبہ جات میں صارفین سے حاصل شدہ آمدن میں اضافہ دیکھا گیا ہے۔ محصولات پر شرح منافع کے دباؤ کا اثر جزوی طور پر بڑھتی ہوئی غیر رقمی آمدن اور قرضوں کی لاگت کم ہوتی ہوئی لاگت قرضہ سے رفع کی گئی۔ انتظامی اخراجات عملی استعداد ہائے کار اور پچھلے سال کے تقابلی عرصے سے 3% تک لاگت کی ملک کے اندر کمی کے ساتھ منظم خرچوں کے ذریعے اچھی طرح قابو کیے گئے۔ مزید یہ کہ مہم قرضہ جات کی مضبوط وصولی ساتھ ہی کمتر معذور یوں اور کمزوریوں سے جاری عرصہ میں 524 ملین روپے کے ناقص اجرا (net release) کی راہ ہموار ہوئی۔

تمام کے تمام کاروبار نے صارف کی آمدن میں بنیادی محرکات میں زبردست ترقی و نمو کے ساتھ مثبت رفتار رکھی۔ یہ قرضہ جات (ایڈوانسز) میں مضبوط تیزی سے عیاں ہے، جو کہ اس سال کے آغاز سے 36% تک بڑھ گئے۔ یہ ایک بامدھ حکمت عملی کا نتیجہ تھا تاکہ منافع بخش، عمدہ معیار اور پائیدار پورٹ فولیوز کی تشکیل و تعمیر ہو۔ پروڈکٹ کی متنوع اساس کے ساتھ، بینک اپنے صارفین کی ضروریات کی تکمیل کیلئے کافی بہتر حالت میں ہے۔ واجبات (Liabilities) کے پہلو پر، بینک کے کل کھاتے (Deposits) 4% تک بڑھ گئے ہیں، جبکہ اس سال کے آغاز سے جاری حسابات میں 8% تک کا اضافہ ہوا ہے۔ کم لاگت کھاتہ جات میں مسلسل اضافے نے جاری (Current) اور بچت (savings) کھاتوں کے ساتھ جو کہ کھاتہ جات (Deposit Base) کے 93% پر مشتمل ہے، بینک کی کارکردگی میں نمایاں طور پر مدد کی ہے۔

بینک اپنی ڈیجیٹل صلاحیتوں اور انفراسٹرکچر (بنیادی ڈھانچے) میں مسلسل سرمایہ کاری کرتا ہے تاکہ جدت طرازی کے تعارف و آغاز سے تجربہ و احساس بینکاری کو بڑھا دیا جائے۔ ہم صارفین پر مستقل توجہ اور محتاط طرز فکر کے ساتھ مجموعی مصنوعات (Product suite) کے ذریعے پائیدار ترقی کیلئے انتہائی پُر عزم ہیں تاکہ ہمارے میزبانے کی تعمیر ہو جبکہ ہمارے صارفین کو اعلیٰ درجے کی بہترین خدمات بہم پہنچائی جائیں۔

کریڈٹ ریسک

پاکستان کریڈٹ ریسک ایجنسی (پی اے سی آر اے) نے بینک کی طویل مدتی اور قلیل مدتی درجہ بندیوں کو اعلیٰ ترین "AAA" (ٹریپل اے) اور "A1+" (اے ون پلس) پر برقرار رکھا ہے۔ بینک کو واجب الادا ٹرم فنانس سرٹیفکیٹس (TFC) کو بھی ٹریپل اے "AAA" درجہ بند کیا ہے۔ یہ درجہ بندیوں مالیاتی عہد و پیمان کی بروقت ادائیگی کیلئے انتہائی مستحکم صلاحیت سے اخذ ہونے والے قرضہ جاتی ریسک (credit risk) کی کم ترین توقع کو ظاہر کرتی ہیں۔

منافع منقسم (Dividend)

30 جون 2017ء کو ختم ہونے نصف سال کے سلسلے میں 28 اگست 2017ء کو منعقدہ اجلاس میں بورڈ آف ڈائریکٹرز کی جانب سے 7.50% (0.75 روپے فی شیئر) کے عبوری نقد منافع منقسم کا اعلان کیا جا رہا ہے۔

اعتراف و تائید

ہم اس موقع کو غنیمت جانتے ہوئے اپنے صارفین اور کاروباری رفقا سے اُن کے مسلسل تعاون اور اعتماد پر جہہ دل سے اظہارِ تشکر بجالاتے ہیں۔ ہم بینک دولت پاکستان سے اُس کی رہنمائی اور تعامل کیلئے جو وہ بینک کو فراہم کرتا رہا ہے کا پُر غلوس اعتراف کرتے ہیں۔ آخر میں ہم اپنے تمام وابستگان، عملے اور شریک کاران کا اُن کی لگن اور عزم پر مبنی خدمات جو وہ ہمارے گرانقدر صارفین کو پیش کرتے رہے ہیں کیلئے شکریہ بھی ادا کرتے ہیں۔

بورڈ کی جانب سے



شہزاد دادا

منظم اعلیٰ (سی ای او)

کراچی 28 اگست 2017ء

Standard Chartered Bank (Pakistan) Limited

Condensed Interim Financial Statements (Un-audited)

For the half year ended
30 June 2017

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 2017, 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-month period then ended (here-in-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 2017 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: 28th August 2017

Karachi

KPMG Taseer Hadi & Co.


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

Condensed Interim Statement of Financial Position

As at 30 June 2017

	Note	30 June 2017 (Un-audited)	31 December 2016 (Audited)
(Rupees in '000)			
ASSETS			
Cash and balances with treasury banks		35,292,790	40,729,979
Balances with other banks		4,011,195	5,699,791
Lendings to financial institutions	6	13,888,536	19,798,390
Investments	7	247,420,545	245,850,227
Advances	8	143,063,960	113,950,767
Operating fixed assets		5,753,056	5,773,296
Intangible assets		26,095,766	26,095,890
Other assets		15,190,861	15,433,378
		490,716,709	473,331,718
LIABILITIES			
Bills payable		11,726,226	10,821,793
Borrowings		16,219,034	14,400,841
Deposits and other accounts	9	381,407,671	365,562,094
Sub-ordinated loans		2,500,000	2,500,000
Deferred tax liabilities - net		1,658,432	1,754,807
Other liabilities		16,354,682	17,009,890
		429,866,045	412,049,425
NET ASSETS		60,850,664	61,282,293
REPRESENTED BY:			
Share capital		38,715,850	38,715,850
Reserves		13,775,632	12,770,562
Unappropriated profit		4,574,427	5,385,558
		57,065,909	56,871,970
Surplus on revaluation of assets - net of deferred tax		3,784,755	4,410,323
		60,850,664	61,282,293
CONTINGENCIES AND COMMITMENTS			
10			

The annexed notes 1 to 19 form an integral part of these condensed interim financial statements.



Shazad Dada
Chief Executive Officer



Parvez Ghias
Director



Ferdinand Pieterse
Director



Mohamad Abdelbary
Director

Condensed Interim Profit and Loss Account (Un-audited)

For the six months period ended 30 June 2017

Note	Three months period ended 30 June 2017	Six months period ended 30 June 2017	Three months period ended 30 June 2016	Six months period ended 30 June 2016
----- (Rupees in '000) -----				
Mark-up / return / interest earned	6,794,984	13,578,120	7,411,303	15,088,097
Mark-up / return / interest expensed	(2,322,695)	(4,656,049)	(2,228,339)	(4,427,681)
Net mark-up / return / interest income	4,472,289	8,922,071	5,182,964	10,660,416
Reversals / (provision) against non-performing loans and advances	169,038	487,917	(196,804)	39,024
Recovery of amounts written off	54,366	109,663	53,679	113,652
Provision for diminution in the value of investments	-	-	-	-
Bad debts written off directly	(39,490)	(73,863)	(42,723)	(86,968)
	183,914	523,717	(185,848)	65,708
Net Mark-up / return / interest income after provisions	4,656,203	9,445,788	4,997,116	10,726,124
NON MARK-UP / NON INTEREST INCOME				
Fees, commission and brokerage income	1,053,342	2,390,486	785,607	1,731,414
Dividend income	-	875	-	-
Income from dealing in foreign currencies	639,114	1,233,985	402,347	717,136
Gain on sale of securities - net	281,324	368,920	596,672	1,353,145
Unrealized gain / (loss) on revaluation of investments classified as held for trading	23,914	31,043	(30,485)	(3,034)
Other income	177,713	425,521	359,016	504,212
Total non mark-up / non interest income	2,175,407	4,450,830	2,113,157	4,302,873
	6,831,610	13,896,618	7,110,273	15,028,997
NON MARK-UP / NON INTEREST EXPENSES				
Administrative expenses	(2,320,858)	(5,154,342)	(2,955,460)	(5,805,965)
Other reversals / (provisions) / (assets write offs)	50	792	-	(26,727)
Other charges	(88,639)	(172,125)	(123,007)	(223,837)
Total non mark-up / non interest expenses	(2,409,447)	(5,325,675)	(3,078,467)	(6,056,529)
	4,422,163	8,570,943	4,031,806	8,972,468
Extra-ordinary / unusual items	-	-	-	-
PROFIT BEFORE TAXATION	4,422,163	8,570,943	4,031,806	8,972,468
Taxation - current	(1,394,547)	(2,649,204)	(1,304,635)	(2,913,393)
- prior years'	(628,641)	(660,266)	(522,991)	(522,991)
- deferred	(38,708)	(236,124)	(118,795)	(241,225)
	(2,061,896)	(3,545,594)	(1,946,421)	(3,677,609)
PROFIT AFTER TAXATION	2,360,267	5,025,349	2,085,385	5,294,859
	Rupees 0.61	Rupees 1.30	Rupees 0.54	Rupees 1.37
BASIC / DILUTED EARNINGS PER SHARE				

The annexed notes 1 to 19 form an integral part of these condensed interim financial statements.



Shazad Dada
Chief Executive Officer



Parvez Ghias
Director



Ferdinand Pieterse
Director



Mohamad Abdelbary
Director

Condensed Interim Statement of Comprehensive Income (Un-audited)

For the six months period ended 30 June 2017

	Three months period ended 30 June 2017	Six months period ended 30 June 2017	Three months period ended 30 June 2016	Six months period ended 30 June 2016
	------(Rupees in '000)-----			
Profit after tax for the period	2,360,267	5,025,349	2,085,385	5,294,859
Other comprehensive income	-	-	-	-
Comprehensive income transferred to equity	2,360,267	5,025,349	2,085,385	5,294,859
Components of comprehensive income not reflected in equity				
Surplus on revaluation of available for sale securities	(471,214)	(949,995)	(1,388,657)	(2,890,848)
Related deferred tax charge	164,926	332,499	486,029	1,011,796
	2,053,979	4,407,853	1,182,757	3,415,807

The annexed notes 1 to 19 form an integral part of these condensed interim financial statements.



Shazad Dada
Chief Executive Officer



Parvez Ghias
Director



Ferdinand Pieterse
Director



Mohamad Abdelbary
Director

Condensed Interim Cash Flow Statement (Un-audited)

For the six months period ended 30 June 2017

	Six months period ended	
	30 June 2017	30 June 2016
	----- (Rupees in '000) -----	
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation for the period	8,570,943	8,972,468
Less: Dividend income	(875)	-
	8,570,068	8,972,468
Adjustments for:		
Depreciation	221,220	216,761
Amortization	125	21,982
Gain realised on disposal of subsidiaries	-	(255,922)
Gain on disposal of fixed assets - net	(13,920)	(44,775)
Unrealized (gain) / loss on revaluation of investments classified as held for trading - net	(31,043)	3,034
(Other reversal) / other provisions / asset write-offs	(792)	26,727
Reversals against non-performing loans and advances - net of recoveries	(523,717)	(65,708)
	(348,127)	(97,901)
	8,221,941	8,874,567
(Increase) / decrease in operating assets		
Lendings to financial institutions	5,909,854	4,719,909
Net investment in 'held for trading' securities	(7,454,505)	(3,459,512)
Advances	(28,589,476)	(14,856,484)
Other assets (excluding advance taxation)	164,577	1,561,142
	(29,969,550)	(12,034,945)
Increase / (decrease) in operating liabilities		
Bills payable	904,433	4,406,014
Borrowings from financial institutions	1,818,193	(7,571,101)
Deposits and other accounts	15,845,577	18,857,400
Other liabilities	(663,369)	(3,327,424)
	17,904,834	12,364,889
Cash inflow before taxation	(3,842,775)	9,204,511
Income tax paid	(3,230,738)	(2,765,823)
Net cash (used in) / generated from operating activities	(7,073,513)	6,438,688
CASH FLOW FROM INVESTING ACTIVITIES		
Net investments in 'available for sale' securities	4,965,234	(7,691,669)
Proceeds from sale of subsidiaries	-	942,195
Dividend income received	875	-
Net investment in operating fixed assets (including intangible assets)	(200,981)	(153,697)
Sale proceeds on disposal of operating fixed assets	13,920	88,525
Net cash generated from / (used in) investing activities	4,779,048	(6,814,646)
CASH FLOW FROM FINANCING ACTIVITIES		
Dividend paid	(4,831,320)	(4,891,534)
Net cash used in financing activities	(4,831,320)	(4,891,534)
Decrease in cash and cash equivalents for the period	(7,125,785)	(5,267,492)
Cash and cash equivalents at beginning of the period	46,429,770	33,782,136
Cash and cash equivalents at end of the period	39,303,985	28,514,644
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD		
Cash and balances with treasury banks	35,292,790	25,395,996
Balances with other banks	4,011,195	3,118,648
	39,303,985	28,514,644

The annexed notes 1 to 19 form an integral part of these condensed interim financial statements.



Shazad Dada
Chief Executive Officer



Parvez Ghias
Director



Ferdinand Pieterse
Director



Mohamad Abdelbary
Director

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

For the six months period ended 30 June 2017

	Share Capital	Share Premium	Statutory Reserve (Rupees in '000)	Unappropriated Profit (a)	Total
Balance as at 01 January 2016	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
Suplus on revaluation of fixed assets - net of tax	-	-	-	-	-
Other comprehensive income	-	-	-	-	-
Remeasurement of post employment obligations - net of tax	-	-	-	-	-
	-	-	-	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)
	-	-	-	(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
Total Comprehensive income for the period					
Profit after tax for the six months ended 31 December 2016	-	-	-	4,322,926	4,322,926
Other Comprehensive income	-	-	-	-	-
Remeasurement of post employment obligations - net of tax	-	-	-	3,814	3,814
	-	-	-	4,326,740	4,326,740
Transactions with owners, recorded directly in equity					
Share based payment transactions (contribution from holding company)	-	-	-	21,890	21,890
Payment against share based payment transactions (to holding company)	-	-	-	(55,047)	(55,047)
Cash dividend (Interim 2016) at Rs. 0.75 per share	-	-	-	(2,903,689)	(2,903,689)
	-	-	-	(2,936,846)	(2,936,846)
Transfer to statutory reserve	-	-	864,585	(864,585)	-
Transferred from surplus on revaluation of fixed assets - net of deferred tax	-	-	-	8,052	8,052
Balance as at 31 December 2016	38,715,850	1,036,090	11,734,472	5,385,558	56,871,970
Total Comprehensive income for the period					
Profit after tax for the six months period ended 30 June 2017	-	-	-	5,025,349	5,025,349
Other Comprehensive income	-	-	-	-	-
Remeasurement of post employment obligations - net of tax	-	-	-	-	-
	-	-	-	5,025,349	5,025,349
Transactions with owners, recorded directly in equity					
Cash dividend (Final 2016) at Rs. 1.25 per share	-	-	-	(4,839,481)	(4,839,481)
	-	-	-	(4,839,481)	(4,839,481)
Transfer to statutory reserve	-	-	1,005,070	(1,005,070)	-
Transferred from surplus on revaluation of fixed assets - net of deferred tax	-	-	-	8,071	8,071
Balance as at 30 June 2017	38,715,850	1,036,090	12,739,542	4,574,427	57,065,909

(a) As further explained in note 8.2.1 of these condensed interim financial statements the amount of Rs. 195,594 million net of tax as at 30 June 2017 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 19 form an integral part of these condensed interim financial statements.


Shazad Dada
Chief Executive Officer


Parvez Ghias
Director


Ferdinand Pieterse
Director


Mohamad Abdelbary
Director

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

For the six months period ended 30 June 2017

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 97 branches (2016: 101 branches) in operation in Pakistan at 30 June 2017.

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 18 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 repealed 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 repealed Companies Ordinance 1984, Banking Companies Ordinance 1962 and the said directives have been followed.

The Companies Ordinance 1984, was repealed by enactment of the Companies Act 2017 on 30 May 2017. SECP vide its Circular No. 17 of 2017 and press release of 20 July 2017, has clarified that all those companies whose financial year, including quarterly and other interim period closes on or before 30 June 2017 can prepare financial statements in accordance with the provisions of repealed Companies Ordinance, 1984. The Companies Act 2017 requires enhanced disclosures and has also enhanced the definition of related parties.

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 12 May 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 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 financial statements of the Bank for the year ended 31 December 2016.

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 2016.

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

For the six months period ended 30 June 2017

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 2016.

6	LENDINGS TO FINANCIAL INSTITUTIONS	Note	30 June 2017 (Un-audited)	31 December 2016 (Audited)
------(Rupees in '000)-----				
	Repurchase agreement lendings (Reverse Repo)	6.1	999,023	8,135,575
	Bai Muajjal receivable from State Bank of Pakistan	6.2	2,189,787	-
	Placements	6.3	10,699,726	11,662,815
			13,888,536	19,798,390

- 6.1** These carry mark-up at a rate of 6.25 percent per annum payable at maturity, and are due to mature during July 2017 (31 December 2016: 5.80 percent to 5.85 percent per annum). 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 a return ranging from 5.37 to 5.51 percent per annum (31 December 2016: Nil) with maturities upto June 2018.
- 6.3** This represents placements with other branches and subsidiaries of Standard Chartered Group outside Pakistan at mark-up rates ranging from 0.08 percent to 1.25 percent per annum (31 December 2016: 0.08 percent to 1.20 percent per annum), and are due to mature during July 2017.

7	INVESTMENTS	30 June 2017 (Un-audited)			31 December 2016 (Audited)		
		Held by bank	Given as collateral	Total	Held by bank	Given as collateral	Total
------(Rupees in '000)-----							
	Investments by type						
	Held for trading securities						
	Market Treasury Bills	6,540,124	-	6,540,124	59,794	-	59,794
	Pakistan Investment Bonds	2,049,822	-	2,049,822	1,075,647	-	1,075,647
	Available for sale securities						
	Market Treasury Bills	209,439,027	-	209,439,027	192,086,748	-	192,086,748
	Pakistan Investment Bonds	22,682,405	18,802	22,701,207	43,219,957	18,849	43,238,806
	GoP Ijarah Sukuk Bonds	5,383,793	-	5,383,793	7,005,946	-	7,005,946
	Sukuk Bonds	900,000	-	900,000	1,050,000	-	1,050,000
	Term Finance Certificates -unlisted	285,025	-	285,025	285,025	-	285,025
	Equity shares of listed companies	783,077	-	783,077	783,077	-	783,077
	Equity shares of unlisted companies	3,004	-	3,004	3,004	-	3,004
	Investments at cost	248,066,277	18,802	248,085,079	245,569,198	18,849	245,588,047
	Provision for diminution in the value of investments	(898,118)	-	(898,118)	(898,118)	-	(898,118)
	Investments (net of provisions)	247,168,159	18,802	247,186,961	244,671,080	18,849	244,689,929
	Surplus / (deficit) on revaluation of held for trading securities - net	31,043	-	31,043	7,761	-	7,761
	Surplus on revaluation of available for sale securities - net	202,498	43	202,541	1,152,060	477	1,152,537
	Total Investments - net	247,401,700	18,845	247,420,545	245,830,901	19,326	245,850,227

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

For the six months period ended 30 June 2017

8 ADVANCES

		30 June 2017 (Un-audited)	31 December 2016 (Audited)
	Note	------(Rupees in '000)-----	
Loans, cash credits, running finances, etc.			
- In Pakistan		110,056,722	94,098,584
- Outside Pakistan		-	-
		110,056,722	94,098,584
Islamic Financing and Related Assets (Gross)	8.1	40,378,578	32,822,175
Bills discounted and purchased (excluding treasury bills)			
- Payable in Pakistan		10,167,901	3,901,614
- Payable outside Pakistan		1,460,882	2,808,964
		11,628,783	6,710,578
Advances - gross		162,064,083	133,631,337
Provision for non-performing advances	8.2	(19,000,123)	(19,680,570)
Advances - net of provision		143,063,960	113,950,767

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

8.2 Advances include Rs. 20,638.174 million (31 December 2016: Rs. 21,873.219 million) which have been placed under non-performing status as detailed below:

30 June 2017 (Un-audited)									
Category of classification	Classified Advances			Provision Required			Provision Held		
	Domestic	Overseas	Total	Domestic	Overseas	Total	Domestic	Overseas	Total
	(Rupees in '000)								
OAEM	20,244	-	20,244	-	-	-	-	-	-
Substandard	501,145	-	501,145	77,104	-	77,104	77,104	-	77,104
Doubtful	4,250,398	-	4,250,398	2,725,710	-	2,725,710	2,725,710	-	2,725,710
Loss	15,866,387	-	15,866,387	15,619,389	-	15,619,389	15,619,389	-	15,619,389
	20,638,174	-	20,638,174	18,422,203	-	18,422,203	18,422,203	-	18,422,203
General Provision	-	-	-	577,920	-	577,920	577,920	-	577,920
	20,638,174	-	20,638,174	19,000,123	-	19,000,123	19,000,123	-	19,000,123

31 December 2016									
Category of classification	Classified Advances			Provision Required			Provision Held		
	Domestic	Overseas	Total	Domestic	Overseas	Total	Domestic	Overseas	Total
	(Rupees in '000)								
OAEM	37,407	-	37,407	-	-	-	-	-	-
Substandard	444,903	-	444,903	60,341	-	60,341	60,341	-	60,341
Doubtful	4,684,018	-	4,684,018	2,920,254	-	2,920,254	2,920,254	-	2,920,254
Loss	16,706,891	-	16,706,891	16,152,454	-	16,152,454	16,152,454	-	16,152,454
	21,873,219	-	21,873,219	19,133,049	-	19,133,049	19,133,049	-	19,133,049
General Provision	-	-	-	547,521	-	547,521	547,521	-	547,521
	21,873,219	-	21,873,219	19,680,570	-	19,680,570	19,680,570	-	19,680,570

8.2.1 At 30 June 2017, the provision requirement has been reduced by Rs. 300.913 million (31 December 2016: Rs. 401.589 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 01 dated 21 October 2011. Increase in accumulated profits amounting to Rs. 195.594 million due to the said FSV benefit is not available for distribution of cash and stock dividend / bonus to employees.

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

For the six months period ended 30 June 2017

8.3 Particulars of provision against non-performing advances

	30 June 2017 (Un-audited)			31 December 2016		
	Specific	General	Total	Specific	General	Total
	(Rupees in '000)					
Opening balance	19,133,049	547,521	19,680,570	20,960,812	555,906	21,516,718
Charge for the period / year	301,193	40,751	341,944	1,752,208	70,134	1,822,342
Reversals	(796,082)	(10,352)	(806,434)	(2,565,869)	(78,519)	(2,644,388)
	(494,889)	30,399	(464,490)	(813,661)	(8,385)	(822,046)
Amounts written off	(215,957)	-	(215,957)	(997,832)	-	(997,832)
Other movements	-	-	-	(16,270)	-	(16,270)
Closing balance	18,422,203	577,920	19,000,123	19,133,049	547,521	19,680,570

9 DEPOSITS AND OTHER ACCOUNTS

Note **30 June 2017** **31 December 2016**

(Un-audited)

(Audited)

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

Customers

Remunerative

- Fixed deposits

- Savings deposits

Non-Remunerative

- Current accounts

- Margin accounts

- Special exporters' account

Financial Institutions

- Remunerative deposits

- Non-remunerative deposits - Current account

9.1

27,935,118

183,197,228

163,058,548

3,019,539

1,203,691

378,414,124

138,146

2,855,401

381,407,671

22,231,104

186,007,700

151,796,941

1,354,922

1,853,939

363,244,606

64,888

2,252,600

365,562,094

9.1 This includes Rs. 1,140.578 million (31 December 2016: Rs. 589.579 million) against balances of other branches and subsidiaries of Standard Chartered Group operating outside Pakistan.

10 CONTINGENCIES AND COMMITMENTS

10.1 Transaction-related contingent liabilities

Guarantees issued favouring:

- Government

- Others

10.1.1

47,116,057

41,878,643

88,994,700

49,381,038

40,631,891

90,012,929

10.1.1 Guarantees relating to Islamic Banking Business amount to Rs. 248 million (31 December 2016: Rs. 620 million).

10.2 Trade-related contingent liabilities

Letters of credit

10.2.1

23,169,488

22,583,980

10.2.1 Letters of credit relating to Islamic Banking Business amount to Rs. 1,664 million (31 December 2016: Rs. 3,195 million).

10.3 Trade-related commitments

Acceptances

10.3.1

10,071,101

6,988,336

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

For the six months period ended 30 June 2017

	Note	30 June 2017 (Un-audited)	31 December 2016 (Audited)
------(Rupees in '000)-----			
10.3.1	Acceptances relating to Islamic Banking Business amount to Rs. 2,009 million (31 December 2016: Rs. 1,599 million).		
10.4	Commitment for acquisition of fixed assets	116,299	23,491
10.5	Other contingencies		
	Claims against the Bank not acknowledged as debt	10.5.1 11,665,804	12,303,413
10.5.1	These represent certain claims by third parties against the Bank, which are being contested in the Courts of law. The management is of the view that these relate to the normal course of business and the possibility of an outflow of economic resources is remote.		
10.5.2	The Bank has identified that a case has been before the Court on the land where an office building is constructed and the Bank owns a portion of that premises. A request for clearance of its premises from the competent court has been filed based on the fact that the bank is a bonafide purchaser of the premises having no relevance with the principal case. Considering the facts of the case the management expects a favourable decision in this case from the competent court. The Bank is also in litigation with various tenants for repossessing its office space in one of its other owned properties. These cases are now being adjudicated before the Court of Rent Controller. During 2016 & 2017, positive decision were rendered for certain office spaces in favour of the Bank and possession of a few office spaces was obtained after completing legal formalities. Based on the progress and the opinion of legal counsel, the management expects a favourable decision from the dealing court in remaining cases as well.		
10.5.3	The Tax Authorities have passed an order for the income years 2009 and 2010 levying Federal Excise Duty amounting to Rs. 188 million on certain items. The Bank has paid entire amount under protest and contesting the orders in the appeals.		
10.5.4	Further, an order for income year 2011 levying Federal Excise Duty of Rs. 515.6 million has been issued. The demand has been stayed by the Sindh High Court.		
10.6	Commitments in respect of forward foreign exchange contracts		
	Purchase		
	State Bank of Pakistan	32,641,625	16,321,650
	Other Banks	89,705,851	53,856,408
	Customers	2,586,534	3,524,916
	Sale		
	State Bank of Pakistan	-	-
	Other Banks	83,428,782	48,280,141
	Customers	19,047,672	3,397,802
10.7	Commitments to extend credit		
	The Bank makes commitments to extend credit in the normal course of its business but these being revocable commitments do not attract any significant penalty or expense if the facility is unilaterally withdrawn.		
10.8	For Contingencies related to taxation refer note 11.		

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

For the six months period ended 30 June 2017

10.9 Derivative Instruments

Product Analysis

Counterparties	30 June 2017 (Un-audited)			
	Interest Rate Swaps		FX Options	
	No. of Contracts	Notional Principal * (Rupees in '000)	No. of Contracts	Notional Principal * (Rupees in '000)
With Banks for Hedging Market Making	- 9	- 6,816,392	- 5	- 123,814
With FIs other than banks Hedging Market Making	- -	- -	- -	- -
With other entities for Hedging Market Making	- 11	- 6,657,550	- 5	- 123,814
Total Hedging Market Making	- 20	- 13,473,942	- 10	- 247,628
31 December 2016 (Audited)				
With Banks for Hedging Market Making	- 12	- 3,290,210	- 41	- 874,205
With FIs other than banks Hedging Market Making	- -	- -	- -	- -
With other entities for Hedging Market Making	- 13	- 3,803,088	- 41	- 874,205
Total Hedging Total Market Making	- 25	- 7,093,298	- 82	- 1,748,410

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

Contracts with banks represent contracts entered with branches of Standard Chartered Bank, UK to obtain cover against the contracts with customers, except for 3 contracts with local banks having notional principal of Rs. 1,293.689 million.

11 TAXATION

The return for income year 2016 (Tax Year 2017) is due for filing by 30 September 2017.

The tax department amended the assessment for income years 2007 to 2015 (tax years 2008 to 2016 respectively) under the related provisions of the Income Tax Law, determining additional tax liability on account of various issues such as disallowance 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. 7,623 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.

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

For the six months period ended 30 June 2017

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

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

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

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

Three months period ended 30 June 2017	Six months period ended 30 June 2017	Three months period ended 30 June 2016	Six months period ended 30 June 2016
----- (Un-audited) -----			
----- (Rupees in '000) -----			

12. INCOME FROM DEALING IN FOREIGN CURRENCY

Gain realised from dealing in:

Foreign currency	486,696	960,088	383,351	682,792
Foreign exchange derivative	152,418	273,897	18,996	34,344
	<u>639,114</u>	<u>1,233,985</u>	<u>402,347</u>	<u>717,136</u>

13. OTHER INCOME

Rent on property	5,103	9,973	1,577	7,311
Gain on disposal of fixed assets	6,840	13,920	3,505	44,775
Gain on Sale of subsidiaries operations	-	-	255,922	255,922
Gain on derivatives	165,770	401,628	86,742	179,934
Recoveries against assets at acquisition of Union Bank Limited	-	-	11,270	16,270
	<u>177,713</u>	<u>425,521</u>	<u>359,016</u>	<u>504,212</u>

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

For the six months period ended 30 June 2017

14. ADMINISTRATIVE EXPENSES

ADMINISTRATIVE EXPENSES		(Un-audited)			
	Note	Three months period ended 30 June 2017	Six months period ended 30 June 2017	Three months period ended 30 June 2016	Six months period ended 30 June 2016
----- (Rupees in '000) -----					
Salaries, allowances etc.		1,379,047	2,682,529	1,366,231	2,688,094
Contributions to defined contribution plans		58,491	154,478	97,591	189,925
Non-executive directors' fee		1,760	3,175	1,725	3,590
Rent, taxes, insurance, electricity etc.		309,753	595,508	302,308	600,388
Legal and professional charges		37,291	62,317	29,472	54,975
Communications		102,901	215,001	111,285	232,839
Premises repairs and refurbishment		136,064	335,828	171,134	313,134
Equipment and consumables		67,010	133,571	57,608	112,149
Software licenses and renewals		29,928	61,867	24,980	55,817
Stationery and printing		45,050	96,406	50,125	109,385
Advertisement and publicity		85,274	89,521	65,763	141,401
Donations		-	-	16,880	16,880
Auditors' remuneration		3,899	8,933	4,593	8,825
Depreciation		109,898	221,220	111,488	216,761
Amortisation		62	125	10,990	21,982
Travelling, conveyance and vehicles' running		31,142	63,853	42,872	79,187
Reimbursement of executive and general administrative expenses	14.1	281,408	653,256	382,785	712,622
Royalty - net of reversal	14.2	(496,311)	(496,311)	-	-
Custody service charges		72,518	147,402	77,405	158,168
Others		65,673	125,663	30,225	89,843
		2,320,858	5,154,342	2,955,460	5,805,965

14.1 Total cost for the period included in Administrative expenses relating to outsourced activities is Rs. 772.666 million (30 June 2016: Rs. 870.895 million). This includes payments to local companies for obtaining routine services such as technology maintenance, courier services and executive and general administrative expenses of SCB UK.

14.2 Royalty expense was restricted for remittance previously. Accordingly, the Bank has not accrued for the same and reversed prior years' accrual.

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

For the six months period ended 30 June 2017

15 FAIR VALUE OF FINANCIAL INSTRUMENTS

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

On balance sheet financial instruments

On balance sheet financial instruments		30 June 2017 (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)		8,620,989	237,633,268	-	-	-	246,254,257	-	246,254,257	-	246,254,257
- Sukuk Bonds (other than government)		-	965,375	-	-	-	965,375	-	965,375	-	965,375
- Equity securities traded (Shares)		-	200,914	-	-	-	200,914	200,914	-	-	200,914
- Other assets											
-Unrealized gain on Forward foreign exchange contracts		-	529,600	-	-	-	529,600	-	529,600	-	529,600
-Unrealized gain on Interest rate derivatives & currency options		-	130,630	-	-	-	130,630	-	130,630	-	130,630
Financial assets not measured at fair value											
- Cash and bank balances with SBP and NBP	15.1	-	-	-	35,292,790	-	35,292,790				
- Balances with other banks	15.1	-	-	-	4,011,195	-	4,011,195				
- Lending to financial institutions	15.1	-	-	-	13,888,536	-	13,888,536				
- Advances	15.1	-	-	143,063,960	-	-	143,063,960				
- Other assets	15.1	-	-	-	4,636,450	-	4,636,450				
		8,620,989	239,459,787	143,063,960	57,828,971	-	448,973,707				
Financial liabilities measured at fair value											
- Other liabilities											
-Unrealized loss on Forward foreign exchange contracts		-	291	-	-	-	291	-	291	-	291
-Unrealized loss on Interest rate derivatives & currency options		-	164,427	-	-	-	164,427	-	164,427	-	164,427
Financial liabilities not measured at fair value											
- Bills payable	15.1	-	-	-	-	11,726,226	11,726,226				
- Deposits and other accounts	15.1	-	-	-	-	381,407,671	381,407,671				
- Borrowings	15.1	-	-	-	-	16,219,034	16,219,034				
- Sub - ordinated loans	15.1	-	-	-	-	2,500,000	2,500,000				
- Other liabilities	15.1	-	-	-	-	14,188,166	14,188,166				
		-	164,718	-	-	426,041,097	426,205,815				
Off balance sheet financial instruments											
Interest Rate swaps / Foreign currency options / Forward purchase contracts		-	-	-	133,001,698	-	133,001,698	-	133,661,928	-	133,661,928
Interest Rate swaps / Foreign currency options / Forward sale contracts		-	-	-	108,130,336	-	108,130,336	-	108,295,054	-	108,295,054

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

For the six months period ended 30 June 2017

On balance sheet financial instruments

On balance sheet financial instruments						31 December 2016 (Audited)				
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 (T-bills + PIBs + Sukuks)	1,143,202	242,315,567	-	-	-	243,458,769	-	243,458,769	-	243,458,769
- Sukuk Bonds (other than government)	-	49,093	-	-	-	49,093	-	49,093	-	49,093
- Equity securities traded (Shares)	-	283,697	-	-	-	283,697	283,697	-	-	283,697
- Other assets										
-Unrealized gain on Forward foreign exchange contracts	-	430,464	-	-	-	430,464	-	430,464	-	430,464
-Unrealized gain on Interest rate derivatives & currency options	-	1,557	-	-	-	1,557	-	1,557	-	1,557
Financial assets not measured at fair value										
- Cash and bank balances with SBP and NBP	15.1	-	-	40,729,979	-	40,729,979				
- Balances with other banks	15.1	-	-	5,699,791	-	5,699,791				
- Lending to financial institutions	15.1	-	-	19,798,390	-	19,798,390				
- Advances	15.1	-	113,950,767	-	-	113,950,767				
- Other assets	15.1	-	-	5,253,738	-	5,253,738				
		1,143,202	243,080,378	113,950,767	71,481,898	429,656,245				
Financial liabilities measured at fair value										
- Other Liabilities										
-Unrealized gain on Forward foreign exchange contracts	-	85,338	-	-	-	85,338	-	85,338	-	85,338
-Unrealized gain on Interest rate derivatives & currency options	-	134,365	-	-	-	134,365	-	134,365	-	134,365
Financial liabilities not measured at fair value										
- Bills payable	15.1	-	-	-	10,821,793	10,821,793				
- Deposits and other accounts	15.1	-	-	-	365,562,094	365,562,094				
- Borrowings	15.1	-	-	-	14,400,841	14,400,841				
- Sub - originated loans	15.1	-	-	-	2,500,000	2,500,000				
- Other liabilities	15.1	-	-	-	15,699,985	15,699,985				
		-	219,703	-	408,984,713	409,204,416				
Off-balance sheet financial instruments										
Interest rate swaps / Foreign currency options / Forward purchase contracts	-	-	-	79,553,584	-	79,553,584	-	79,985,604	-	79,985,604
Interest rate swaps / Foreign currency options / Forward sale contracts	-	-	-	54,669,043	-	54,669,043	-	54,888,746	-	54,888,746

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

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

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

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

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

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

For the six months period ended 30 June 2017

16 SEGMENT DETAILS WITH RESPECT TO BUSINESS ACTIVITIES

Segment analysis with respect to business activity

Six months period ended 30 June 2017 (Un-audited)	Corporate and Institutional Banking	Commercial Banking	Retail Banking	Central and Other Items	Total
	(Rupees in '000)				
Internal income	1,781,560	(1,330,159)	5,481,604	(5,921,787)	11,218
Net mark-up / return / interest income	(484,791)	2,098,379	(952,908)	8,261,391	8,922,071
Non mark-up / non interest income	1,701,011	817,527	2,076,257	(143,965)	4,450,830
Operating income	2,997,780	1,585,747	6,604,953	2,195,639	13,384,119
Non mark-up / non interest expenses	988,255	549,215	3,611,408	176,797	5,325,675
Internal non mark-up / non interest expenses	1,581	747	8,706	184	11,218
Operating profit before provisions and taxation	2,007,944	1,035,785	2,984,839	2,018,658	8,047,226
Reversals / (direct write-offs) / (provisions) against non-performing loans and advances - net of recoveries	71	(450,226)	(73,562)	-	(523,717)
Profit before taxation	2,007,873	1,486,011	3,058,401	2,018,658	8,570,943
Other segment items:					
Depreciation on tangible fixed assets	46,298	25,560	147,043	2,319	221,220
Amortisation on intangible assets	28	14	82	1	125
Segment assets (gross)	74,411,076	93,028,709	41,727,113	301,511,996	510,678,894
Segment non performing loans	3,306,582	14,251,302	3,080,290	-	20,638,174
Segment provision required	2,595,364	12,960,571	3,444,188	-	19,000,123
Segment liabilities	109,757,180	19,293,299	281,239,775	19,575,791	429,866,045
Segment return on net assets (ROA) (%) - annualised *	5.64%	3.74%	16.11%	1.35%	3.52%
Segment cost of funds (%) - annualised **	3.24%	1.94%	1.82%	5.63%	2.31%

Six months period ended 30 June 2016 (Un-audited)

Internal income	1,630,997	(1,308,551)	5,664,709	(5,958,077)	29,078
Net mark-up / return / interest income	(342,218)	2,061,826	(987,414)	9,928,222	10,660,416
Non mark-up / non interest income	1,327,325	382,865	1,805,566	787,117	4,302,873
Operating income	2,616,104	1,136,140	6,482,861	4,757,262	14,992,367
Non mark-up / non interest expenses	1,079,268	649,704	3,966,355	361,202	6,056,529
Internal non mark-up / non interest expenses	3,821	2,480	22,254	523	29,078
Operating profit before provisions and taxation	1,533,015	483,956	2,494,252	4,395,537	8,906,760
Reversals / (direct write-offs) / (provisions) against non-performing loans and advances - net of recoveries	676,070	(670,725)	(71,053)	-	(65,708)
Profit before taxation	856,945	1,154,681	2,565,305	4,395,537	8,972,468
Other segment items:					
Depreciation of tangible fixed assets	45,365	25,045	137,396	8,955	216,761
Amortisation of intangible assets	4,600	2,540	13,934	908	21,982
Segment assets (gross)	60,512,090	93,842,638	37,016,435	288,552,128	479,923,291
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	97,715,215	13,540,917	267,018,158	18,665,311	396,939,601
Segment return on net assets (ROA) (%) - annualised *	2.98%	2.95%	15.60%	3.07%	3.95%
Segment cost of funds (%) - annualised **	3.52%	2.30%	1.86%	5.90%	2.44%

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

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

During last period, the Bank has revised the composition of its reportable segments and segregated activities not directly related to client segments. These are disclosed separately under 'Central & other Items'. Accordingly, the comparative information has been restated. This change has no impact on the Bank's overall profit and loss account, balance sheet or reported metrics.

Corporate and Institutional Banking

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

Commercial Banking

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

Retail Banking

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

Central & Other items

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

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

For the six months period ended 30 June 2017

17 RELATED PARTY TRANSACTIONS

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

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

	Note	30 June 2017 (Un-audited)	31 December 2016 (Audited)
------(Rupees in '000)-----			
OUTSTANDING BALANCES			
Group			
Nostro balances with other subsidiaries and branches of the holding company		3,970,119	5,578,725
Overdrawn nostro balances with other subsidiaries and branches of the holding company		706,363	498,580
Vostro balances of other subsidiaries and branches of the holding company		1,140,578	589,579
Placements with other subsidiaries and branches of the holding company		10,699,726	11,662,815
Deposits of group company	17.1	10,366	12,029
Due to holding company		9,395,624	9,247,383
Call borrowing		2,621,350	-
Due from other subsidiaries and branches of the company		596,074	314,725
Interest receivable from group companies		798	17,396
Inter - company derivative assets		62,401	67,738
Inter - company derivative liabilities		173,601	122,218
Other receivables - SLA		-	847
Transaction - related contingent liabilities - Guarantees		27,193,517	31,113,935
Commitments in respect of forward foreign exchange contracts		12,844,568	5,039,057
Derivative instruments - Interest rate swaps - Notional		5,522,703	2,155,390
Derivative instruments - FX options - Notional		123,814	874,205
Key management personnel			
Loans and advances to key management personnel	17.1	186,143	131,989
Deposits of key management personnel	17.1	111,343	79,199
Advance rent		2,867	1,171
Others			
Loans and advances to customers with common directorship	17.1	60,140	64,789
Deposits by staff retirement benefit funds	17.1	412,269	144,940
Deposits by customers with common directorship	17.1	1,482,048	329,148
Accrued interest receivable against loans and advances to customers with common directorship		1,839	1,299
Receivable from defined benefit plans		171	5,635
Derivative liabilities		-	801
Transaction - related contingent liabilities - Guarantees		2,897,083	591,040
Trade - related contingent liabilities - Letter of Credit		36,392	23,739

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

For the six months period ended 30 June 2017

	Six months period ended	
	30 June 2017	30 June 2016
	(Un-audited)	(Un-audited)
	------(Rupees in '000)-----	
PROFIT AND LOSS		
Group		
Mark-up / return / interest earned	7,067	28,919
Mark-up / return / interest expensed	-	36
Fee and commission expense	1,562	71
Fee and commission income	115,909	2,531
Reimbursement of executive and general administrative expenses	653,256	712,622
Receivable from group company for direct sales services rendered	-	(7)
Reimbursement of administrative expenses (including rent and other charges)	-	6,034
Net gain / (loss) on inter - company derivatives	(56,720)	(57,523)
Royalty reversal	(496,311)	-
Dividend paid	4,790,424	4,790,424
Subsidiaries		
Mark-up / return / interest earned	-	3,646
Mark-up / return / interest expensed	-	1,522
Commission income earned	-	24,998
Reimbursement of administrative expenses (including rent and other charges)	-	11,000
Key management personnel		
Mark-up / return / interest earned	2,166	2,639
Mark-up / return / interest expensed	769	472
Salaries and benefits	154,652	129,885
Post retirement benefits	13,978	12,212
Remuneration / fee paid to non-executive directors	3,175	3,590
Rent and renovation expenses	1,520	2,911
Others		
Contribution to defined contribution plans - net of payments received	154,478	189,925
Charge for defined contribution plans	154,478	189,925
Mark-up / return / interest expensed on deposits of staff retirement benefit funds	5,248	5,050
Mark-up / return / interest expensed on deposits of customers with common directorship	9,431	9,878
Mark-up / return / interest earned on advances to customers with common directorship	3,055	4,036
Fee and commission income from customers with common directorship	15,211	6,479
Net gain / (loss) on derivatives	801	(14,984)
Gas charges	-	409
Miscellaneous income from companies with common directorship	-	176

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

For the six months period ended 30 June 2017

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

	Balance as at 31 December 2016	Net disbursement/ deposits	Net repayments / withdrawals	Balance as at 30 June 2017
----- (Rupees in '000) -----				
Loans and advances				
Key Management Personnel	131,989	110,153	(55,999)	186,143
Others	64,789	269,675	(274,324)	60,140
Deposits				
Group companies	12,029	6,924	(8,587)	10,366
Key Management Personnel	79,199	447,790	(415,646)	111,343
Others	474,088	431,384,792	(429,964,563)	1,894,317

18 ISLAMIC BANKING BUSINESS

The Bank is operating with 9 Islamic Banking branches at the end of current period (Dec 2016: 10 branches).

Balance Sheet

Note

30 June 2017
(Un-audited)

31 December 2016
(Audited)

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

Assets

Cash and balances with treasury banks
Due from Financial Institutions
Investments
Islamic Financing and Related Assets - net
Operating fixed assets
Other assets

18.1

3,171,624	6,793,256
5,665,293	4,513,007
6,451,223	8,203,350
39,788,268	32,133,361
42,647	39,526
943,997	717,271
56,063,052	52,399,771

Liabilities

Bills payable
Due to Financial Institutions

177,433	209,340
2,899,237	2,625,237

Deposits and other accounts

Current Accounts
Saving Accounts
Term Deposits
Others
Deposit from Financial Institutions - Remunerative

25,683,214	24,894,128
12,752,121	12,892,874
1,306,594	1,538,052
33,961	55,494
362	16,204
39,776,252	39,396,752

Due to Head Office
Other liabilities

6,500,649	4,964,928
645,499	594,650
49,999,070	47,790,907
6,063,982	4,608,864

Net Assets

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

For the six months period ended 30 June 2017

	Note	30 June 2017 (Un-audited)	31 December 2016 (Audited)
------(Rupees in '000)-----			
Represented by:			
Islamic Banking Fund		200,000	200,000
Unappropriated / Unremitted profit		5,696,552	4,261,461
		5,896,552	4,461,461
Surplus on revaluation of assets - net		167,430	147,403
		6,063,982	4,608,864
Contingencies and Commitments	10		
Remuneration to Shariah Board Members		2,882	11,249
Charity fund			
Opening balance		2,941	2,186
Additions during the period / year			
Penalty on delayed payment		837	3,687
Income purification		806	2,755
		1,643	6,442
Payments / utilization during the period / year			
Education		(930)	(3,261)
Health		(2,011)	(2,426)
		(2,941)	(5,687)
Closing balance		1,643	2,941
18.1 Islamic Financing and Related Assets			
Murabaha	18.1.1a	1,984,702	980,380
Musharaka	18.1.1b	18,902,195	15,527,233
Diminishing Musharaka	18.1.1c	15,303,387	15,149,995
Ijarah	18.1.1d	-	95,211
Kafalah	18.1.1e	10,740	-
Musawammah	18.1.1f	3,231,534	21,200
Others	18.1.1g	355,710	359,342
		39,788,268	32,133,361
18.1.1a Murabaha			
Financings / Investments / Receivables		1,040,536	822,451
Advances		62,500	157,929
Assets / Inventories		881,666	-
		1,984,702	980,380
18.1.1b Musharaka			
Financings / Investments / Receivables		18,902,195	15,527,233
18.1.1c Diminishing Musharaka			
Financings / Investments / Receivables		15,271,677	15,149,995
Advances		31,710	-
		15,303,387	15,149,995

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

For the six months period ended 30 June 2017

	30 June 2017 (Un-audited)	31 December 2016 (Audited)
	------(Rupees in '000)-----	
18.1.1d Ijarah		
Financings / Investments / Receivables	-	95,211
18.1.1e Kafalah		
Financings / Investments / Receivables	10,740	-
18.1.1f Musawammah		
Financings / Investments / Receivables	3,231,534	21,200
18.1.1g Others		
Financings / Investments / Receivables	355,710	359,342
	Six months period ended 30 June 2017 (Un-audited)	Six months period ended 30 June 2016 (Un-audited)
	------(Rupees in '000)-----	
18.2 Profit and Loss		
Profit / return earned on financings, investments and placements	1,608,766	1,815,656
Return on deposits and others dues expensed	(367,087)	(469,977)
Net spread earned	1,241,679	1,345,679
Reversal against non performing financing	95,203	141,866
Net spread after provisions	1,336,882	1,487,545
Other income		
Fees, commission and brokerage income	926,823	382,137
Other income	614	605
Total other income	927,437	382,742
	2,264,319	1,870,287
Other expenses		
Administrative expenses	(829,228)	(933,496)
Profit before taxation	1,435,091	936,791

18.3 Deposit and other accounts include redeemable capital of Rs. 14,059.077 million (31 Dec 2016: Rs. 14,447.130 million) and deposits on Qard basis of Rs. 25,717.175 million (31 Dec 2016: Rs. 24,949.622 million). Remunerative deposits which are on Modaraba basis are considered as Redeemable capital and non-remunerative deposits are classified as being on Qard basis.

19. GENERAL

Notes to the Condensed Interim Financial Statements (Un-audited) For the six months period ended 30 June 2017

19.1 Subsequent event

The Board of Directors in its meeting held on 28 August 2017 has declared a cash dividend of 7.50% (Re. 0.75/- per share) in respect of the half year ended 30 June 2017 (30 June 2016: Re. 0.75/- per share). These condensed interim financial statements do not include the effect of these appropriations which will be accounted for subsequent to the period end.

19.2 Date of authorisation

These condensed interim financial statements were authorized for issue in the Board of Directors meeting held on 28 August 2017.



Shazad Dada
Chief Executive Officer



Parvez Ghas
Director



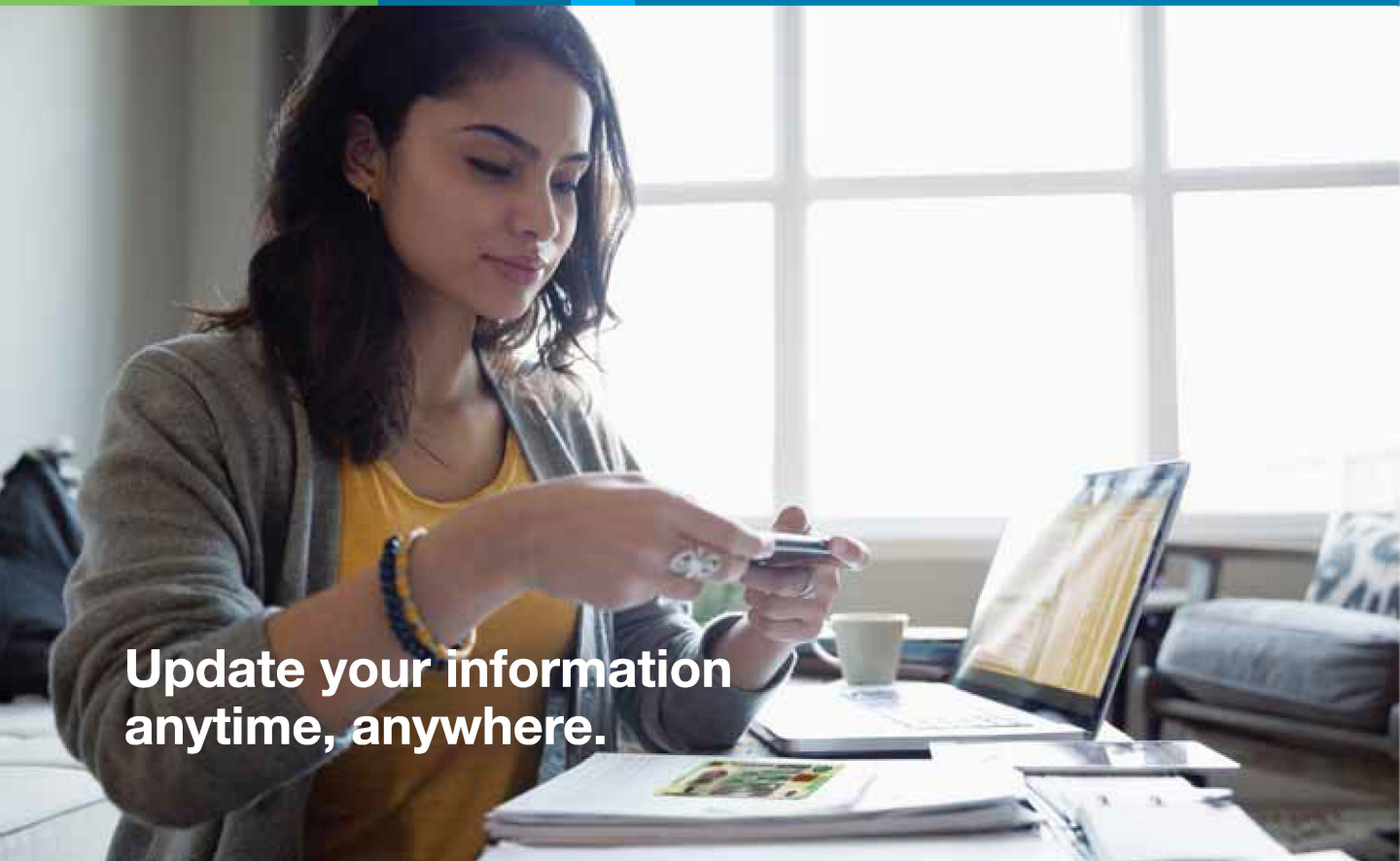
Ferdinand Pieterse
Director



Mohamad Abdelbary
Director

(Pilot written in Braille)

Here for good



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