

Independent Auditor's Report

To the members of Standard Chartered Bank (Pakistan) Limited

Review Report on the Statement of Compliance contained in Listed Companies (Code of Corporate Governance) Regulations, 2019

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of Standard Chartered Bank (Pakistan) Limited (the Bank) for the year ended **31 December 2023** in accordance with the requirements of regulation 36 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Bank. Our responsibility is to review whether the Statement of Compliance reflects the status of the Bank's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Bank's personnel and review of various documents prepared by the Bank to comply with the Regulations.

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Bank's corporate governance procedures and risks.

The Regulations require the Bank to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Bank's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Bank for the year ended 31 December 2023.



Chartered Accountants

Place: Karachi

Date: 5 March 2024

UDIN Number: CR202310120fvOtKTzyH

Statement of Compliance with Listed Companies (Code of Corporate Governance) Regulations, 2019

Standard Chartered Bank (Pakistan) Limited

For the year ended 31 December 2023

The Bank has complied with the requirements of the Regulations in the following manner:

1. The total number of directors is seven as per the following:
 - a) Male: Six
 - b) Female: One
2. The composition of the Board at year-end was as follows:
 - a) Independent Non Executive Director(s): Mr. Ehsan Ali Malik
Mr. Badaruddin Fatehali Vellani
 - b) Non Executive Directors (including a female director): Mr. Christopher Parsons (Chairperson)
Ms. Rola Abu Manneh
Mr. Tawfiq Habib Chinoy
Mr. Sheikh Jobe
 - c) Executive Director(s): Mr. Rehan M. Shaikh
3. The directors have confirmed that none of them is serving as a director in more than seven listed companies, including this Bank.
4. The Bank has adopted Group's 'Code of Conduct', which has been approved by the Board and is disseminated to all the directors and employees of the Bank along with its supporting policies and procedures.
5. The Board has developed and approved a vision/ mission statement and overall corporate strategy. The Board has also approved significant policies and adopted certain Standard Chartered Group policies as far as they are in accordance with the local laws and regulations. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.
6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board as empowered by the relevant provisions of the Companies Act, 2017 ('the Act') and these Regulations.
7. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of the Act and the Regulation with respect to frequency, recording and circulating minutes of the Board meetings.
8. The Board has a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.
9. All the directors on the Board have already completed Directors' Training Programme/ Corporate Governance Certification except one director who joined the Board during second half of the year. Said director will acquire necessary certification within the stipulated timelines. During the year under review, a number of in-house training/ orientation sessions were also attended by the directors.
10. The Board approves the appointment of Chief Financial Officer, Company Secretary and Head of Internal Audit including their remuneration and terms and conditions of employment; and complies with relevant requirements of the Regulations.
11. Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the Board.

Statement of Compliance with Listed Companies (Code of Corporate Governance) Regulations, 2019

12. The Board has formed following Board Committees and their composition is as below:

a) Board Audit Committee ("BAC"):	Mr. Ehsan Ali Malik Mr. Badaruddin Fatehali Vellani Mr. Sheikh Jobe	(Chairperson) (Member) (Member)
b) Board Human Resource & Remuneration Committee ("RemCo"):	Mr. Badaruddin Fatehali Vellani Mr. Towfiq Habib Chinoy Ms. Rola Abu Manneh	(Chairperson) (Member) (Member)
c) Board Risk Committee ("BRC"):	Mr. Towfiq Habib Chinoy Mr. Ehsan Ali Malik Mr. Rehan Muhammad Shaikh	(Chairperson) (Member) (Member)
d) Board Information & Technology Committee ("BITC"):	Mr. Sheikh Jobe Mr. Ehsan Ali Malik Mr. Rehan Muhammad Shaikh	(Chairperson) (Member) (Member)

Note: The Board has not constituted a separate Nomination Committee and functions are being performed by the Board.

13. The terms of reference of the aforesaid Committees have been formed, documented and advised to the Committees for compliance.

14. The frequency of meetings of the aforesaid Committees as per the respective Terms of References are as follows:

a) Board Audit Committee:	At least once in a quarter
b) Board Human Resource & Remuneration Committee:	At least twice in a year
c) Board Risk Committee:	At least four in a year
d) Board Information & Technology Committee:	At least twice in a year

15. The Board has set up an effective Internal Audit ('IA') function. Personnel of internal audit function are suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Bank.

16. The statutory auditors of the Bank have confirmed that they have been given a satisfactory rating under the quality control review program of the Institute of Chartered Accountants of Pakistan ('ICAP') and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants ('IFAC') guidelines on code of ethics as adopted by ICAP and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the Chief Executive Officer, Chief Financial Officer, Head of Internal Audit, Company Secretary or Director of the Bank.

17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these Regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.

18. We confirm that all requirements under clauses 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with.

Explanation on Regulation 6 is given below:

For the purpose of this regulation, the Bank has not rounded up the fraction as one. The Bank has duly complied with the minimum number of independent directors. The Board has two independent directors out of seven and the additional number is assigned to non-executive director.

By Order of the Board



Rehan Muhammad Shaikh
Chief Executive Officer
23 February 2024



Ehsan Ali Malik
Director