

Samba Bank Limited

ANNUAL
REPORT | 2024

CULTIVATING STRENGTH



Samba Bank Limited

0800-SAMBA (72622) | www.samba.com.pk



think samba

World class banking solutions
for the most important things in life

samba bank  سامبا بینک

Contents

Vision & Mission	2
Core Values	3
Company Information	4
Branch Network	6
Board of Directors	8
Board Committees	14
Chairman's Message	16
The Executive Team	18
Performance Highlights	20
Directors' Report	22
Six Years' Performance Highlights	35
Statement of Internal Controls	36
Complaint Handling Mechanism	37
Auditors' Review Report	38
Statement of Compliance with the Code of Corporate Governance	39
Notice of Annual General Meeting	42
Independent Auditor's Report To The Members Of Samba Bank Limited	54
Statement of Financial Position	58
Profit and Loss Account	59
Statement of Comprehensive Income	60
Cash Flow Statement	61
Statement of Changes in Equity	62
Notes to the Financial Statements	63
Annexure - I	135
Annexure - II	136
Pattern of Shareholding	137
Category of Shareholding and Additional Disclosure under Revised Guidelines on Remuneration Practices	138
Information under Code of Corporate Governance	139
Proxy Form	141
Admission Slip	145

VISION

To be the most admired bank in Pakistan providing world class service and innovative solutions through its people and technology, yielding superior returns and demonstrating responsible corporate citizenship.

MISSION

To become the most admired bank by:

- Providing world class solutions to our customers by exceeding their service expectations
- Investing in people by hiring, motivating and retaining best talent
- Creating sustainable value through growth and efficiency of all stakeholders
- Delivering superior returns to our investors
- Benefiting the communities in which we operate

CORE VALUES

Equal Opportunity

At Samba, we ensure all employees get equal opportunity to succeed. We value diversity and ensure fairness for all employees

Meritocracy

We believe talent is brought to the fore by advancing individuals not for who they are, but for what they can produce. At Samba, we value the role of each employee from the highest to lowest levels

Integrity

At Samba, from top management to junior interns, we demand and maintain highest level of integrity. This is not just something we do; it is what we are

Teamwork

Samba believes single units when joined with many like itself, combine into a powerful force that can achieve great things. We are encouraged to think as a group and to support each other

Respect & Dignity

At Samba, we respect every individual irrespective of their background and evaluate them on his/her potential and performance. Samba values such individual contributions and encourages employees to excel



COMPANY INFORMATION

Board of Directors

Mr. Mustafa Ilyas	Chairman/Non-Executive Director
Mr. Nasser Sulaiman Al-Fraih	Non-Executive Director
Mr. Hussein Eid	Non-Executive Director
Mr. Timour Pasha	Non-Executive Director
Ms. Kholood Khalid Al-Khelaiwi	Non-Executive Director
Hafiz Mohammad Yousaf	Independent Director
Mr. Javed Kureishi	Independent Director
Ms. Zeeba Ansar	Independent Director
Mr. Ahmad Tariq Azam	President & CEO/Executive Director

Board Audit Committee

Hafiz Mohammad Yousaf	Chairman
Mr. Hussein Eid	Member
Mr. Javed Kureishi	Member

Board Risk Committee

Mr. Timour Pasha	Chairman
Mr. Javed Kureishi	Member
Ms. Zeeba Ansar	Member
Mr. Ahmad Tariq Azam	Member

Board Nominations & Remuneration Committee

Ms. Zeeba Ansar	Chairperson
Hafiz Mohammad Yousaf	Member
Mr. Mustafa Ilyas	Member
Mr. Hussein Eid	Member

Board IT Committee

Mr. Javed Kureishi	Chairman
Mr. Mustafa Ilyas	Member
Hafiz Mohammad Yousaf	Member
Ms. Kholood Khalid Al-Khelaiwi	Member

President & Chief Executive Officer

Mr. Ahmad Tariq Azam

Deputy Chief Executive Officer

Mr. Rashid Jahangir

Company Secretary

Syed Zia-ul-Husnain Shamsi

Chief Financial Officer

Mr. Basit Hamanyun

Auditors

KPMG Taseer Hadi & Co.
Chartered Accountants

Legal Advisors

Mohsin Tayebaly & Co.
Advocates & Legal Consultants

Head Office

Arif Habib Centre Plot No. 23, Ground Floor,
M.T. Khan Road Karachi - Pakistan

Registered Office

1st Floor, 19-Saleem Plaza, Blue Area,
Jinnah Avenue, Islamabad - Pakistan

Share Registrar

Famco Share Registration Services (Pvt.) Limited,
8-F, Near Hotel Faran, Nursery,
Block-6 P.E.C.H.S., Shakra-e-Faisal Karachi,
Pakistan

Website

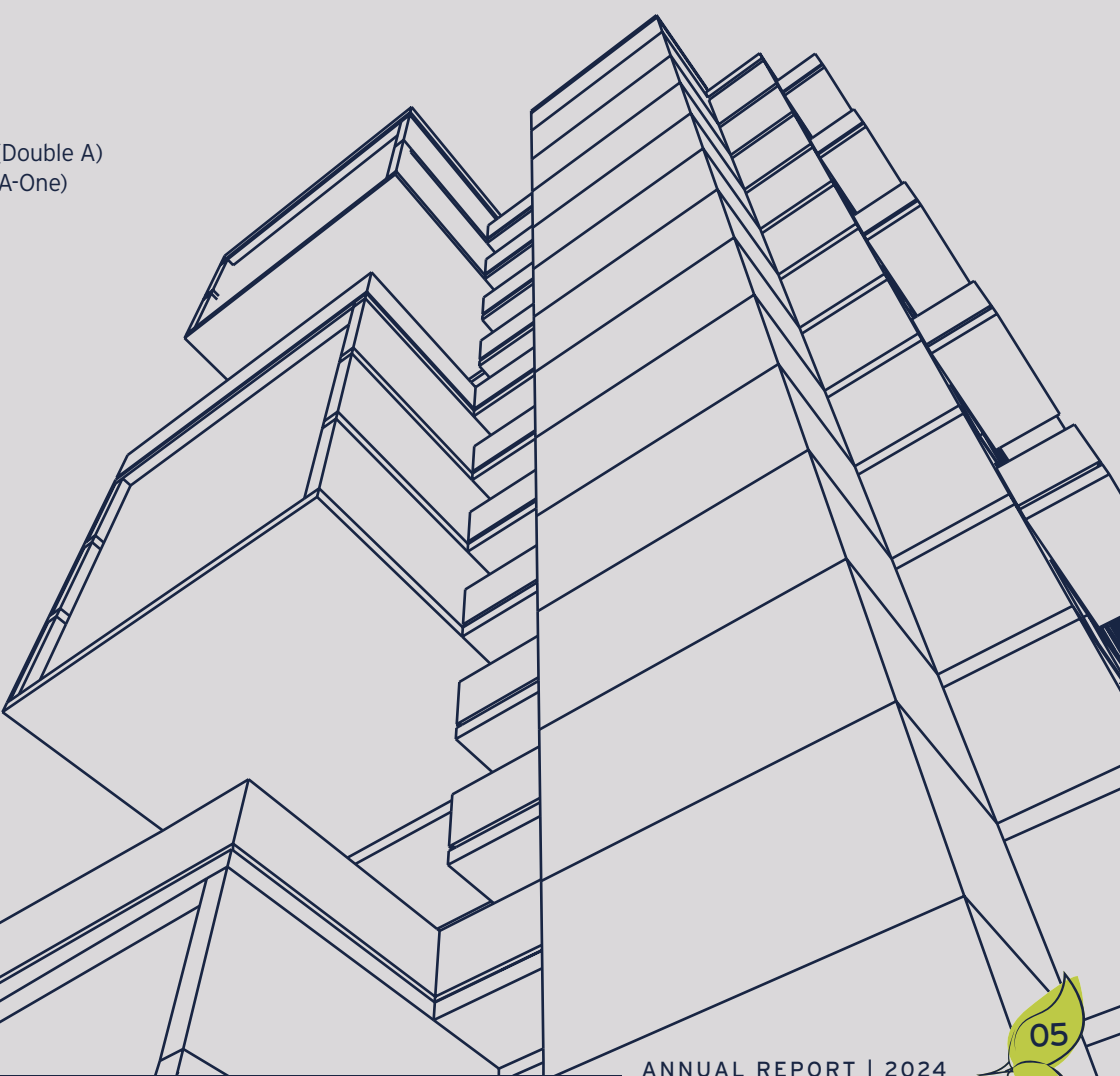
www.samba.com.pk

Helpline

0800 - SAMBA (72622)
11 11 SAMBA (72622)

Credit Rating

Medium to Long Term	AA (Double A)
Short Term	A-1 (A-One)



OUR BRANCH NETWORK

Currently, SBL has a network of 57 branches located in 18 major cities across the country

Karachi

I.I. Chundrigar Road
Clifton, Park Towers
Rashid Minhas Road
Hyderi
S.M.C.H.S.
Bahria Complex I
DHA Phase VIII
Shahrah-e-Faisal
Gulshan-e-Iqbal
Bahadurabad
Khayaban-e-Ittehad
Saba Avenue
Tauheed Commercial
Shaheed-e-Millat Road
DHA Shahbaz Branch
Malir Cantt

Lahore

Gulberg
Shadman Town
Allama Iqbal Town
Johar Town
DHA Phase VI
DHA Phase V
DHA Z Block
New Garden Town
Tufail Sarwar Road
Cavalry Ground
Faisal Town
Model Town
Bahria Town
Pine Avenue
Etihad Town

Islamabad

Jinnah Avenue
F-11
F-7
DHA Phase II
New Blue Area
Park View City

Rawalpindi

Murree Road
Bahria Town
Wah Cantt.
Satellite Town

Quetta

M.A. Jinnah Road

AJK - Bagh

Bagh

Jhelum

Jhelum Cantt.

Faisalabad

Liaquat Road
Susan Road

Daska

Daska

Peshawar

Deans Trade Center

Gujranwala

G.T. Road

Nowshera

Rashakai

Sialkot

Paris Road

Gujrat

Gujrat

Lala Musa

Lala Musa

Sahiwal

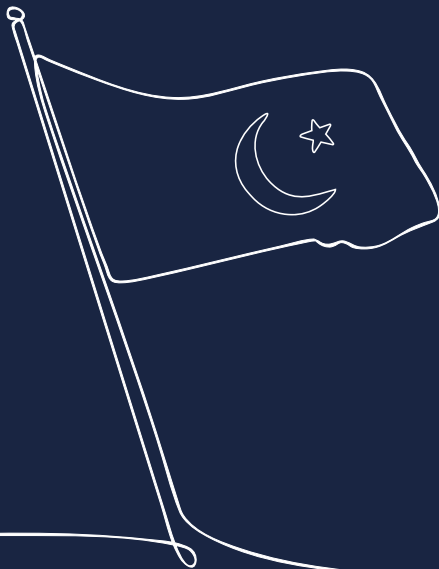
Sahiwal

Multan

Nusrat Road
Mouza Gith Barabar (DHA)

Gawadar

Airport Road



BOARD OF DIRECTORS



Mr. Mustafa Ilyas
Chairman

Mr. Mustafa Ilyas serves as an adviser to Saudi National Bank ("SNB"), Kingdom of Saudi Arabia since 2021, and also serves as Chairman of the Board of Directors of Samba Bank Limited Pakistan since October 27, 2022.

Prior to this he was at PwC for over seventeen years, the majority of which focused exclusively on the banking sector. The early part of his career with PwC focussed on providing external audit services to listed companies. He then specialised in due diligence assisting corporate and private equity investors on both buy and sell side.

Mr. Mustafa Ilyas is a Chartered Accountant and member of the Institute of Chartered Accountants England & Wales (UK). He holds a Master of Engineering from the Imperial College of Science, Technology and Medicine (London).



Ms. Kholood Khalid Al-Khelaiwi
Director

Ms. Kholood K. Al-Khelaiwi is a banking professional with over two decades of experience in the financial sector in Saudi Arabia. Throughout her career, she has held key leadership roles across prominent financial institutions, including the Saudi National Bank (SNB)—formerly known as the National Commercial Bank (NCB)—the Capital Market Authority (CMA), Samba Financial Group, and Mizuho Saudi Arabia.

Currently, Ms. Al-Khelaiwi serves as the Head of Talent Acquisition at Saudi National Bank (SNB) since 2024, transitioning from her extensive career as a global markets expert. Previously, she held the position of Head of Trading, Global Markets. Before that, she led Structured Solutions, Treasury for nearly eight years, demonstrating her expertise in treasury operations and financial solutions.

Prior to joining SNB, she served at the Capital Market Authority (CMA), Saudi Arabia, as a Senior Authorization & Inspection of Market Institutions officer for two years. Before that, she worked at Mizuho Saudi Arabia Company as Advisory Head for nearly two years. Her earlier tenure at Samba Financial Group spanned several years, where she held the role of Manager, Structured Finance Products & Sales, Treasury.

Ms. Al-Khelaiwi is skilled in global treasury operations, investment strategies, regulatory compliance, risk management, and financial reporting. She has also completed multiple certification programs relevant to her field, further enhancing her professional expertise.

She holds a Bachelor's degree in Economics (Quantitative Methods) from King Saud University, Kingdom of Saudi Arabia.



Mr. Nasser Sulaiman Al-Fraih
Director

Mr. Nasser Sulaiman Al-Fraih is a career Banking Professional working with Saudi National Bank ("SNB"), Kingdom of Saudi Arabia since 2007. Currently, he is Senior Executive Vice President, Head of Institutional and International at The Saudi National Bank, a member of the Wholesale Executive Management team, and oversees Global Markets, Financial Institutions, Public Sector and the International Branches and Rep. offices of SNB.

Prior to his current functions, Nasser held a number of key roles and leadership positions, and within the Treasury and Global Markets functions, he headed the Sales and client coverage mandates, managing the portfolio of client exposures to rates, commodities and foreign exchange across the Wholesale and Retail banks.

He holds M.S., Engineering Management degree from The George Washington University, Washington D.C and a B.S., Business Information Technology, degree from Virginia Polytechnic Institute & State University (Virginia Tech), Blacksburg, VA. He has also completed the Advanced Management Program (AMP 191), from Harvard Business School, Executive Education, Boston, MA.



Mr. Timour Pasha
Director

Mr. Timour Pasha is a Senior Corporate Banking Professional with over 32 years of banking experience. Over 14 years with Saudi National Bank. Prior to this he spent 17 years with Citigroup. Mr. Pasha is currently holding the position in Saudi National Bank as Head of Risk (under the Wholesale bank Risk architecture) for International and Financial Institutions.

Mr. Pasha started his career in 1992 with Citi group in their Corporate Banking Group and held several roles both within business risk chains till 2008. In 2009, he joined Samba Financial Group (SFG).

He holds a Master's degree in Business Administration (Finance Major) from Lahore University of Management Sciences and also a degree in Bachelor of Commerce from Karachi University, Pakistan.

BOARD OF DIRECTORS



Mr. Hussein Eid
Director

Mr. Hussein Eid is the EVP Finance (CFO) for Sela. He possesses professional career of more than 17 years including 14 years in the banking industry. Before Sela, he was holding the position of Deputy Group Chief Financial Officer (DCFO) and the CFO for Wholesale Bank at the Saudi National Bank (“SNB”), KSA. He joined the Saudi National Bank (“SNB”), KSA in May 2008 and worked in most of the functions within Finance Group including Financial Control and analytics for Corporate, Treasury & Retail, External and Internal Financial & Management /Performance Reporting and analytics, Regulatory Reporting, Accounting Policies, ECL & IFRS 9, Technical Accounting & Financial Systems, Accounting & Finance Operations including Tax/Zakat/VAT, payments and GL, Performance, Forecasting, Planning and Budgeting. Before joining SNB, Mr. Hussein was associated with Saudi Economic & Development Company (SEDCO HOLDING), KSA, for a period of 3 years and worked in the Finance Division. He started his career with Unilever Arabia in June 2004 in Finance Division as an intern.

Mr. Hussein holds a Bachelor degree in Accounting from King Fahd University of Petroleum & Minerals, KSA and Master of Professional Accounting (MPA) from King AbdulAziz University, KSA.

He is also a Certified Public Accountant (CPA) from Colorado State Board of Accountancy, USA, Certified Management Accountant (CMA) from the Institute of Certified Management Accountants, USA, Chartered Global Management Accountant (CGMA) from American Institute of Certified Public Accountants (AICPA) and holds the Diploma in International Financial Reporting Standards from the Association of Chartered Certified Accountants (ACCA), UK.

Mr. Hussein Eid also is a board member, audit committee member and NRC member in Samba Bank Limited, a listed bank in Pakistan.

Previously, he was a board member in ORYX regional private equity fund, Bahrain, and executive committee member in the Saudi Financial Lease Contract Registry Company (SIJIL), KSA.



Hafiz Mohammad Yousaf, FCA
Director

Hafiz Mohammad Yousaf is a highly qualified professional having diversified qualifications from the renowned Institutions of Pakistan, USA, and Canada. He is a Fellow Member of the Institute of Chartered Accountants of Pakistan (ICAP), Fellow Member of American Institute of Certified Public Accountants (AICPA), Member of Canadian Institute of Chartered Accountants (CICA) and Member of Canadian Institute of Chartered Professional Accountants (CICPA) besides being member of many other renowned international professional institutions.

Mr. Yousaf possesses over three decades of diversified post qualification experience as a Chartered Accountant in various specialized fields, having served on various leadership positions with key governmental, public and corporate entities (including two decades at a Big 4 professional accounting firm as Partner in Pakistan) which covers corporate compliance and regulations, governance and oversight, accounting and auditing standards setting, assurance and audits, corporate finance and restructuring, consulting and financial advisory services, etc.

In recent years, the key areas of his focus are the high-end policies formulation and implementation, strategic directions, oversight of regulations and business operations, governance initiatives and organizational reforms and business decisions making, etc. at some of the most important corporate sector entities of the country. Mr. Yousaf has a unique and versatile exposure of having served Pakistan's top regulators including State Bank of Pakistan (Central Bank of the country) and Securities and Exchange Commission of Pakistan (SECP) as a board member and chairman of audit and oversight committees respectively besides being President of the Institute of Chartered Accountants of Pakistan (ICAP)

Mr. Yousaf has the honor of serving the council of ICAP for eight years (2009-17) in various leadership positions including being its President for 2015-16 term and represented Pakistan on various prestigious international forums including International Federation of Accountants (IFAC), International Accounting Standard Board (IASB), Asian Oceania Standards Setters Group (AOSSG), CA Worldwide (CAW) and South Asian Federation of Accountants for many years on different meetings and conferences.

Currently he is serving as a Board Member of some leading corporate entities of the country including SAMBA Bank Limited, Kot Addu Power Company Limited, Pakistan Security Printing Corporation, Security Papers Limited & SICPA Pakistan (Pvt.) Limited where he is also the Chairman and member of various important committees of the respective boards.

In recognition of his credentials, Yousaf is appointed by the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI), as a member of its very prestigious forum namely Public Interest Monitoring Consultative Committee (PIMCC) to represent Pakistan. The seven member PIMCC has an oversight on the functioning of the AAOIFI Accounting Board (AAB) and AAOIFI Governance and Ethics Boards (AGEB) to ensure that public interest is duly served.

BOARD OF DIRECTORS



Ms. Zeeba Ansar
Director

Zeeba Ansar possesses over 27 years of diverse experience in the Corporate & Banking sectors that includes aggressive business development, client coverage, marketing of corporate products, setting up of early warning systems and strategizing/structuring facilities for Non-Performing Loans and instituting strong and diligent recovery drives.

Ms. Zeeba was with NIB Bank Limited, where she served as Group Head, Corporate & Investment Banking Group for two years and prior to that she worked in United Bank Limited for more than nine years where her last role was as Regional Corporate Head. She was also associated with Faysal Bank Limited for about five years where she progressed to the position of Corporate Head (Southern Region) and before that, she was with Deutsche Bank Limited, where she worked for almost eight years.

She started her career from Shell Pakistan Limited, where she worked for over 4 years in their Planning department. She holds an MBA Degree from the Institute of Business Administration, Karachi.

Currently, Ms. Zeeba is also on the Boards of Gul Ahmed Textile Mills Limited, Cherat Cement Company Limited and Lucky Investments Limited, holding the position as Independent Director.



Mr. Ahmad Tariq Azam
President &
Chief Executive Officer

Mr. Ahmad Tariq Azam joined Samba Bank Limited in December 2013 and has nearly three decades of diversified leadership and business experience in the banking and financial services sector. His expertise spans across Corporate Banking, Commercial & SME Banking, Retail Banking, Remedial Asset Management, Real Estate and Administration. In April 2023, Mr. Azam was appointed President & CEO of Samba Bank Limited. Under his leadership, the bank has delivered record profitability, the highest in its history. His strategic vision has also resulted in opening of 10 new branches during 2024 with a board approved mandate to open 20 more branches during 2025.

Prior to his appointment as President & CEO, Mr. Azam has held different senior management positions at Samba. He joined as Head of Institutional Remedial Management (IRM), as a member of the Executive Team successfully driving the recovery and restructuring of non-performing assets. Later, his role expanded to include Administration and Real Estate Project Management. In 2015, Mr. Azam became Group Head of Commercial Banking, and in 2016, Group Head Commercial & SME Banking where he launched the Commercial and SME Banking business, which became a key revenue driver. In 2020 he was appointed as Group Head Corporate & Investment Banking (CIBG) & Cash Management, and In March 2022, became Group Head, Wholesale Banking with a portfolio covering Commercial Banking, SME, CIBG & Cash Management.

Mr. Azam's mission is to drive business expansion, enhance operational efficiency, strengthen customer-centric solutions and fostering team development. He is committed to leveraging technology, ensuring sustainable growth and upholding strong governance and risk management to drive the bank's strategic success.

Mr. Azam holds a Master's degree in Public Administration (MPA) and a Bachelor's degree from the University of Punjab, Lahore. He is also an alumnus of Cadet College Hasan Abdal and Government College, Lahore. He has represented Samba at national and regional forums and attended numerous industry conferences and executive training programs.



Mr. Javed Kureishi
Director

Mr. Javed Kureishi is a career banker having spent more than 34 years with Citibank N.A. both in Pakistan and abroad (Middle East, Africa, Eastern Europe, and Asia). During his professional career at Citibank, he held a number of senior positions across Corporate Banking, Country Risk, and Regional Management that included Public Sector Group Head, Asia Pacific, Global Subsidiaries Group Head, Asia Pacific (Singapore), Chief Operating Officer, Middle East (ME), Corporate Bank Head, Middle East (ME), Chief Executive Officer, Czech Republic, Institutional Bank Head, Egypt, Head of Risk Management Africa, South Africa, and Corporate Bank Head, Pakistan.

Mr. Javed is on a number of boards across several industries including food, power, cement, real estate, industrial chemicals.

Mr. Javed holds a Bachelor of Arts (Hon), and a degree in Economics from the University of Sussex (United Kingdom).

BOARD COMMITTEES

BOARD AUDIT COMMITTEE (BAC)

CONSTITUTION

HAFIZ MOHAMMAD YOUSAF
MR. HUSSEIN EID
MR. JAVED KUREISHI

The Board Audit Committee reviews the effectiveness of the Bank’s internal and operational controls; integrity and adequacy of financial reporting; appraise the audit efforts of the Bank’s External Auditors and Audit & Risk Review function; and review the Bank’s process for monitoring compliance with relevant laws and regulations.

The Audit Committee is appointed by the Board of Directors of Samba Bank Ltd, from which it derives its authority and to which it regularly reports. In discharging its oversight role, the Committee is empowered to investigate any matter brought to its attention or any issue which it may deem fit, with full power to retain outside counsel or other experts for this purpose.

Responsibilities of the Audit Committee delegated by the Board of Directors are designed to increase the effectiveness and strengthen the financial management, internal controls and risk management.

BOARD NOMINATION AND REMUNERATION COMMITTEE (BNRC)

CONSTITUTION

MS. ZEEBA ANSAR
MR. MUSTAFA ILYAS
HAFIZ MOHAMMAD YOUSAF
MR. HUSSEIN EID

The objective of the BNRC is to provide general direction, oversight and supervision of the affairs of the Bank in formulation of policies and standards on Human Resource Management including compensation, ensuring financial soundness and promoting effective risk management.

In its compensation supervisory role, the BNRC is tasked:

- a. To review and monitor on an annual basis that an appropriate compensation system is in place which is aligned with appropriate international standards and best practices subject to primacy of local laws & regulations
 - b. Reviewing directors’ nominations for suitability with regard to the Bank’s needs and regulatory requirements
 - c. Reviewing and recommending to the Board selection and appointment of President & CEO.
 - d. To consider and approve/recommend to the Board appointment, compensation, increments, performance bonus etc. and succession plan of Key Executives
- Other major responsibilities and duties of the BNRC, include the following:

Other major responsibilities and duties of the BNRC, include the following:

- a. Periodically review and evaluate the Remuneration and other Human Resource Management Policies to ensure their adequacy and effectiveness
- b. Review the remuneration policy and remuneration setting mechanism at least once every three years to ensure alignment with the evolving internal as well as external dynamics
- c. Review and recommend annual fixed and variable compensation pools for approval by the Board of Directors
- d. Review and approve the Management Structure/Organogram for the Senior Management of the Bank

BOARD RISK COMMITTEE (BRC)

CONSTITUTION

MR. TIMOUR PASHA
MS. ZEEBA ANSAR
MR. JAVED KUREISHI
MR. AHMAD TARIQ AZAM

The Board Risk Committee (BRC) oversees the risk management function, including credit, market, liquidity, operational, environmental and information security risks. In addition, Compliance risks are also reviewed, as presented by the Compliance Function. BRC provides appropriate supervision and governance of these risks within the Bank. Additionally, business segments’ related Product Programs are also approved by the BRC. BRC in its periodic meetings undertakes detailed risk reviews of the portfolios and provides the requisite oversight and guidance to the management.

BOARD IT COMMITTEE (BITC)

CONSTITUTION

MR. JAVED KUREISHI
MS. KHOLOOD KHALID
AL-KHELAIWI
MR. MUSTAFA ILYAS
HAFIZ MOHAMMAD YOUSAF

The Board IT Committee (BITC) has been established at Samba Bank in 2019 as per the regulatory governance framework, to provide oversight on IT and Digital Strategy, entity level Technology initiatives, its planning, Cyber Security status, and their governance in a strategic and proactive manner. The BITC monitors the progress of technology initiatives, so as to keep it aligned with overall Bank and Business Strategy, and reports into Samba’s Board on the status of technology activities and digital initiatives of the Bank.



CHAIRMAN'S MESSAGE



On behalf of the Board of Directors, I am pleased to present Samba Bank Limited's Annual Report for the year ended December 31, 2024. As Chairman of the Board, I remain committed to upholding the highest standards of integrity, transparency and accountability across all aspects of our operations, with a strong focus on delivering value to our clients, employees and stakeholders.

In 2024, Pakistan's economy continued to demonstrate improvements in almost all macro-economic indicators. The State Bank of Pakistan (SBP) also actively managed the balance of payments and its initiatives resulted in a stable currency exchange rate during the year. SBP's timely interventions in the form of Monetary Policy resulted in keeping the inflation rates in check.

In this evolving economic landscape, the Bank adopted a prudent and strategic approach to safeguarding its earning assets, strengthening its balance sheet and reinforcing risk management through prudent provisioning. Despite the challenges, these proactive measures enabled the Bank to achieve a profit before tax of PKR 1,550 million.

Retail and Consumer Banking Group

In the year 2024, Retail Banking grew the deposit book by PKR 13.4 billion (21% growth YoY). With focus on mass-market segment. The business group on boarded 5,000 + new customer relationships and opened 10 new branches during the year. This reflects the bank's long-term commitment to the Pakistani market increasing the branch network to 57 branches across 17 cities. Amidst challenging market conditions and intense price - based competition in the retail asset's, the business group continued to navigate these challenges by maintaining a disciplined approach to lending and sustaining one of the lowest NCLs in the consumer lending industry.

On the Digital Banking front, the new look Mobile App / Internet Banking platforms were launched to further augment the customer experience while providing value added banking services to our clientele on the go. The number of digital transactions (as % of overall transactions) reached 84% which demonstrates the capability of our robust infrastructure to manage customer traffic seamlessly without any manual intervention. Furthermore, Consumer Banking team spear-headed a straight-through e-KYC module for all client segments which has allowed us to manage the regulator's AML & CFT expectations with utmost precision.

SBL, due to its Saudi patronage continues to be one of the preferred banking partners for the private Hajj & Umrah Operator's fraternity for the last 7 years. During the year 2024, our strategic partnership with this unique customer segment resulted a 12% business growth allowing Samba to achieve sustainable growth through diverse revenue streams.

Looking ahead, Consumer Banking business remains focused on growth of low-cost deposit's, increase in our retail lending book and broadening of customer base by digitally delivering exceptional value to both new and existing clients. 20 new branches will be opened in strategically located cities of Pakistan to propel customer acquisition and allow the Bank to strengthen its footprint in varied markets across Pakistan. The Retail Assets team will also be aggressively focusing on growing its book and capitalize on the declining discount rate trend whilst also maintain optimum standards of asset quality as we navigate the evolving economic landscape.

Wholesale Banking Group

2024 was another challenging year for the Wholesale Banking Group (WBG) which faced headwinds in the first half of the year with interest rates peaking at 22%. This impacted the asset portfolio as a result of which a few new NPLs were recorded, which mostly were industry-wide defaults. Net Interest income of WBG for 2024 decreased to PKR 1,937 million (2023: PKR 3,505 million), representing a YoY decline of 45%. Non-interest income of the segment closed at PKR 487 million (2023: PKR 480 million), representing YoY marginal increase of 1%.

In 2025, the segment will strive to consolidate its exposure by selectively increasing exposure on good quality corporate names along with enhancing SME portfolio based on the credit parameters of the Bank. WBG will continue its focus on achieving settlement with its delinquent obligors thereby bringing down its loan portfolio infection rate.

Cash Management (CMG) played a key role in driving cross-sell to various businesses in 2024. Despite challenging business environment, CMG managed to sustain almost the same volumes; PKR 299 billion compared to PKR 304 billion in 2023. This performance was achieved by acquisition of new mandates as well as deepening in existing relationships.

Global Markets/Treasury (GM)

The year 2024 marked a period of recovery for Pakistan's markets, driven by currency stabilization, a sharp drop in interest rates, and renewed investor confidence in the markets. A key factor behind this recovery was the exchange rate, which remained largely stable throughout the year. Inflation saw a significant decline, falling from a peak of 37.97% in the previous year to single-digit levels, prompting the central bank to implement a series of interest rate cuts. The cumulative 900 basis-point reduction in the policy rate was well-received by equity markets, resulting in the index climbing by over 52,000 points during the year. Bank's Equity desk achieved remarkable success, and the bank's equity portfolio outperformed the benchmark index. Furthermore, despite the lack of volatility, the FX Desk posted an income of PKR 1.01 billion, significantly surpassing projections.

Corporate Social Responsibility (CSR)

At Samba Bank Limited (SBL), we remain deeply committed to making a positive impact on society through a well-defined CSR framework. As a responsible corporate entity, we believe in actively contributing to the betterment of the communities in which we operate. Our CSR initiatives are designed to align with our mission of fostering sustainable social development, ensuring that our efforts create meaningful and long-lasting change. All activities carried out under our CSR umbrella are governed by an approved policy that provides a structured approach to community engagement and philanthropy.

During 2024, our CSR strategy primarily focused on two critical areas: - Education and Healthcare. Recognizing the urgent need to support marginalized communities that lack access to fundamental services, we directed our efforts towards initiatives that promote learning opportunities for underprivileged children and provide essential medical care to those in need. By collaborating with reputable non-profit organizations, we aim to bridge the gap between underserved populations and their access to vital resources, ensuring a more inclusive and equitable society.

Our longstanding partnerships with renowned organizations such as The Citizens Foundation (TCF), Indus Hospital, Pink Ribbon Pakistan, Shaukat Khanum Memorial Hospital, Kiran Foundation, Patients Aid Foundation, and The Kidney Centre reflect our unwavering commitment to addressing diverse social challenges. These organizations play a crucial role in improving healthcare facilities, enhancing educational opportunities, and supporting the well-being of communities across the country.

In addition to our ongoing collaborations, we also expanded our CSR outreach during the year to support new organizations, including Deaf Welfare Association, Akhuwat, Roshni Trust, MALC - Marie Adelaide Leprosy Centre, Hunar Foundation & PEBS - Pakistan Eye Bank Society. By extending our partnerships, we aim to reach more vulnerable groups and address a wider spectrum of social concerns.

As a responsible corporate citizen, SBL remains committed to playing an active role in creating a better future for our communities. We will continue to explore new avenues for social investment, strengthen our existing initiatives, and work towards building a more prosperous and inclusive society.

Performance of the Board of Directors

I wish to extend my appreciation to the Board of Directors of the Bank for their significant contributions to the progress and continued success of Samba Bank. During 2024, the board consistently exemplified elevated standards of business and professional conduct while overseeing the bank's operations. Their role extended to setting strategic objectives and providing the leadership necessary to translate those objectives into actionable initiatives, aligning seamlessly with the bank's vision, mission and core values.

The board's oversight extended to monitoring the financial and operational robustness of Samba Bank, ensuring the effectiveness of the governance structure, internal controls, audit functions and the risk management framework. Their collective efforts and astute governance have been instrumental in steering the bank toward continued growth and excellence.

Acknowledgement

On behalf of the board of directors, I express sincere gratitude to the regulatory bodies; State Bank of Pakistan, the Securities and Exchange Commission of Pakistan and the Federal Board of Revenue for their continued cooperation and oversight of the operations of Samba Bank.

Mr. Mustafa Ilyas

Chairman



Executive Team



Ahmad Tariq Azam
President & Chief Executive Officer



Rashid Jahangir
Deputy Chief Executive Officer



Samina Hamid Khan
Chief Risk Officer



Talal Javed
Group Head Consumer Banking



Syed Zia-ul-Husnain Shamsi
Group Head Legal Affairs, IRM & Company Secretary



Syed Ghazanfar Agha
Group Head Compliance



Imran Kazim
Group Head Operations, Technology & Admin



Syed Kamran Masood
Chief Credit Officer



Sitwat Rasool Qadri
Chief Internal Auditor



Farrukh Haider
Group Head Global Markets & FIIs/Treasurer

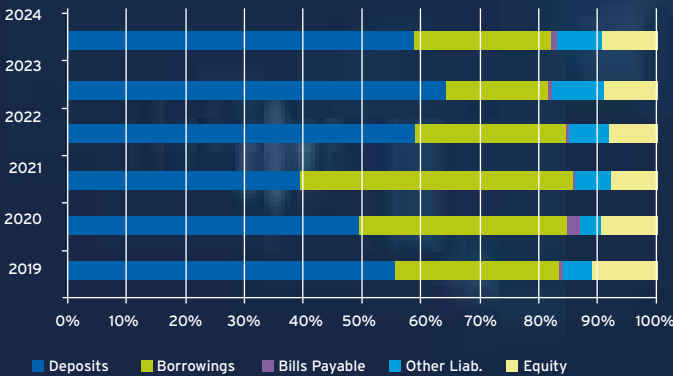
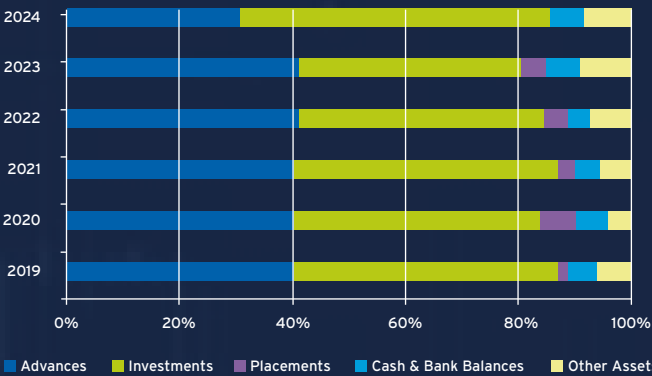
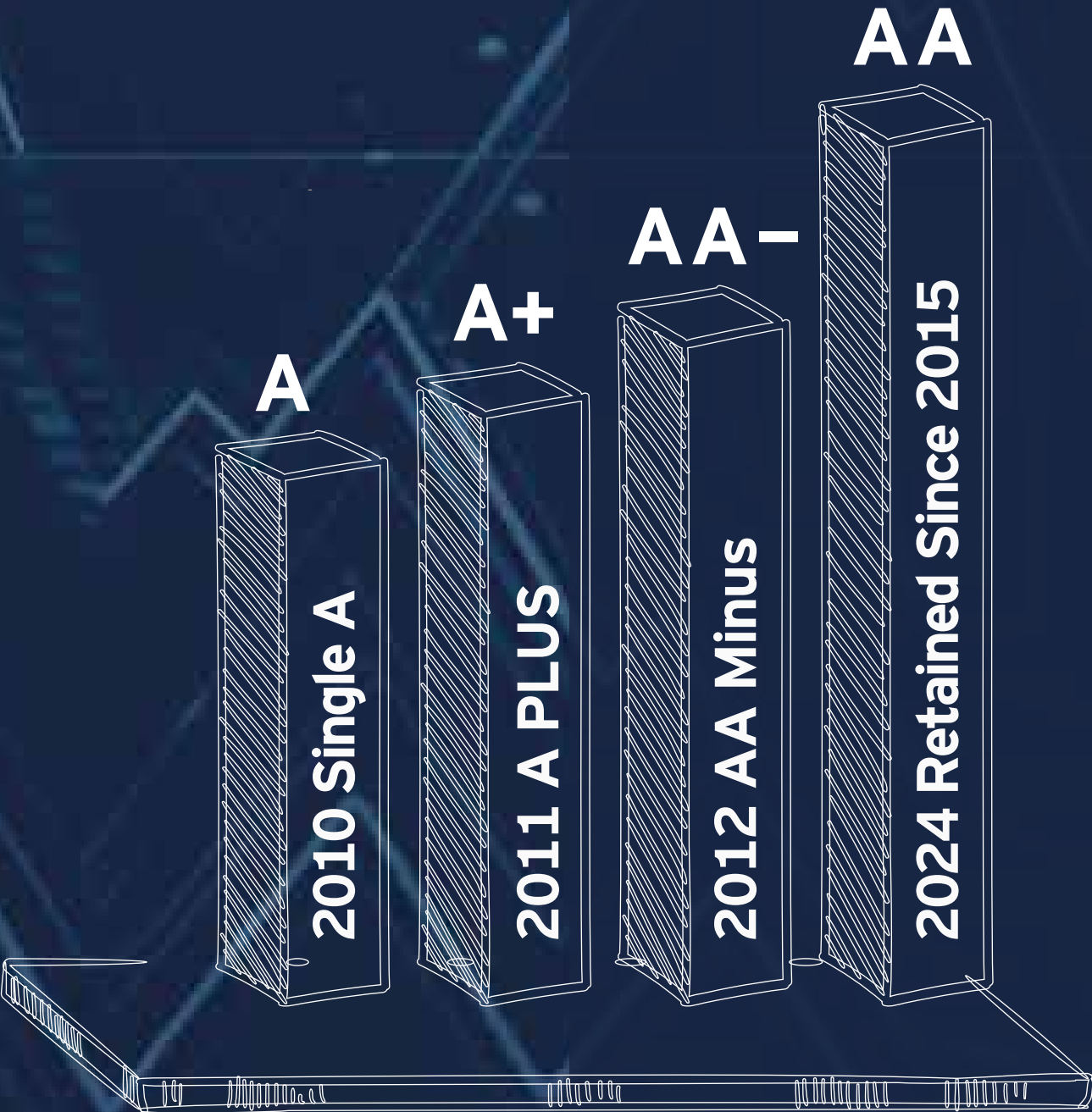


Syed Ali Raza
Chief Lending Officer



Basit Hamanyun
Chief Financial Officer

PERFORMANCE HIGHLIGHTS

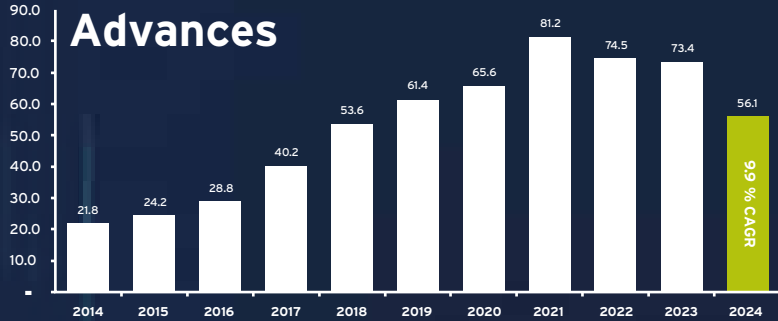


	2019	2020	2021	2022	2023	2024
Assets:						
Advances	47%	41%	40%	42%	41%	31%
Investments	40%	43%	47%	43%	39%	55%
Placements	2%	6%	3%	4%	5%	0%
Cash & bank balances	5%	5%	4%	4%	6%	6%
Other assets	6%	4%	6%	7%	9%	9%
Liabilities & Equity:						
Deposits	55%	49%	39%	59%	64%	59%
Borrowings	28%	35%	46%	26%	17%	23%
Bills payable	1%	2%	0%	1%	1%	1%
Other liab.	5%	4%	6%	7%	9%	8%
Equity	11%	10%	8%	8%	9%	9%

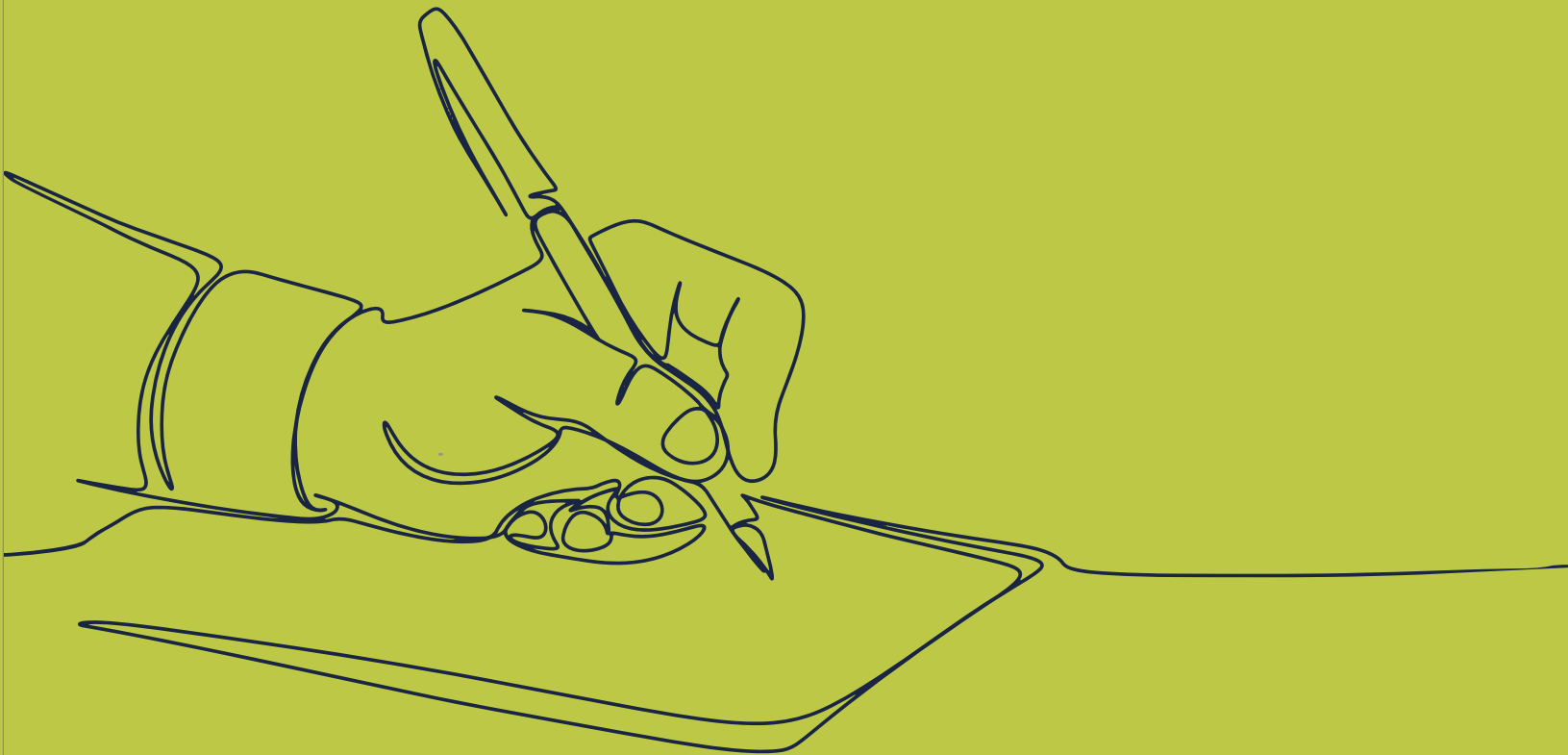
Deposits



Advances



DIRECTOR'S REPORT



Economic Highlights

Pakistan's economy has exhibited signs of stabilization and modest growth, supported by structural reforms, international financial assistance, restricted current account deficit, lower inflation and steady exchange rate. The Large-Scale Manufacturing sector despite ongoing challenges has shown a noticeable improvement from the significant contraction of 5.79% from last year. During this period, 12 out of 22 LSM sectors performed positively and continued growth in key industries including the auto, cement, food sectors etc. The State Bank of Pakistan lowered the policy rate by 900bps to 13% during the year ended December 31, 2024.

On the external front, current account posted a surplus of USD 1,210 million during the first half of FY 25 (July 2024 - December 2024) as against a deficit of USD 1,397 million for similar period last year. The primary reasons for the reduction in current account deficit are increased workers' remittances by USD 4,410 million and the exports by USD 1,342 million, partially offset by the increase in imports by USD 2,855 million.

Bank's Operating Results and Financial Review

The bank has posted following financial results for the year ended December 31, 2024, summary of which is as under:

	Rupees in million	
	2024	2023
Profit before provision	3,662	4,480
Credit loss allowance and write offs - net	(1,758)	(2,286)
Profit before taxation	1,550	2,193
Taxation	(850)	(958)
Profit after taxation	699	1,235
Earnings per share - PKR	0.69	1.22

During the period under review, Net interest income decreased by 9.6% over the comparative period which is mainly attributable to the downward trend of policy rate, which decreased by 900bps during the period. On the other hand, non-interest income increased by 39.6% and closed at Rs. 1,687 million. The increase in non-markup income is primarily linked to capital gains on investments of Rs. 212 million realized in P&L against a capital loss of Rs. 399 mln in the corresponding year. The Bank also realized a gain of Rs. 815 million (gross) on its equity investment portfolio that has been directly recognized in Statement of Changes in Equity (SOCE), in line with the requirements of IFRS 9 (new accounting standard). Operating costs increased by 11% over last year. This increase in expenses is lower than the average inflation rate of 13.12% and is attributable to several new initiatives, such as branch network growth, technology upgrade etc.

The bank is continuously right sizing its earning assets mix vis-à-vis credit risk. The bank has strategically increased its balance sheet size by Rs. 3,789 million which primarily represents an increase of Rs. 29,863 million in investments which is partially offset by decrease of Rs. 17,366 million in Loans and Advances. On the liabilities side, the interbank borrowings increased by Rs. 11,492 million which is offset by a decrease in deposits by Rs. 7,590 million or 6.6%.

During the year, the Bank successfully expanded its branch network by adding 10 new branches, increasing the total to 57. This expansion strengthens market presence, enhances customer accessibility, and supports broader retail banking growth.

Credit Rating

The Pakistan Credit Rating Agency Limited (PACRA), premier credit rating agency of the country, have assigned the entity ratings at 'AA/A-1' (Double A/A-One) to the Bank with 'Stable' outlook. These long-term and short-term ratings of the Bank denote high credit quality with adequate protection factor and strong capability for timely payments to all financial commitments owing to strong liquidity positions.

Statement of Internal Controls

The board is pleased to endorse the management's statement on the evaluation of internal controls which is included in the annual report.

Due Diligence Process

During the year, the Saudi National Bank ("SNB"), Bank's parent entity, informed the Bank that it had received a non-binding offer from Bank Alfalah Limited relating to the proposed divestment of SNB's 100% stake in Samba Bank Limited ("Samba Pakistan") representing approximately 84.51% shares in Samba Pakistan (the "Potential Transaction"). SNB agreed to evaluate the non-binding offer, subject to compliance with requirements under applicable laws and regulations. During the period on November 12, 2024, SNB announced that following the completion of due diligence and an exploration for the sale of its shares in Samba Bank Limited ("Samba Pakistan"), the Saudi National Bank ("SNB"), as the majority shareholder of Samba Pakistan are terminating the process for the sale of SNB's equity stake in Samba Pakistan.

Risk Management Framework

Effective risk management is a prerequisite for achieving our business objectives and is thus a central part of the Bank's risk culture. To ensure that an effective risk management framework is implemented in the Bank, the Board of Directors and senior management are actively involved in the formulation of policies, procedures and limits. Accordingly, the Bank has a comprehensive risk management framework that establishes risk management principles, guidelines and the governance structure. This framework defines the various committees established to undertake effective risk monitoring by the Board of Directors and the senior management, of the various types of risks which include Credit, Market, Liquidity, Operational, Fraud, Environmental & Social, Cyber Security risks and AML/CPF/CFT risks. These are discussed in more detail in note 45 to the annexed financial statements.

Through the risk management framework, bank-wide risks are managed with the objective of maximizing the risk-adjusted returns while remaining within the risk parameters approved by the Board. The Bank's risk management framework is designed to balance corporate governance with well-defined independent risk management principles. Refinements were continuously undertaken in the overall risk management governance throughout 2024, based on the guiding principles established by the Board Risk Committee.

Statement under Code of Corporate Governance/Corporate and Financial Reporting Framework

The Board of Directors is aware of its responsibilities under the Code of Corporate Governance and is pleased to report and certify that:

- The Bank is a subsidiary of Saudi National Bank of Saudi Arabia, which holds 84.51% shares of the Bank as at December 31, 2024 (2023: 84.51%);
- Vision and Mission statement monitoring the effectiveness of the company's governance practices and overall corporate strategy for the Bank is prepared, adopted and reviewed as and when deemed appropriate by the Board;
- A formal code of conduct is in place that promotes ethical culture in the Bank and prevents conflict of interest in their capacity as member of the Board, senior management and other employees. The Board takes appropriate steps to disseminate code of conduct throughout the Bank along with supporting policies and procedures;
- Adequate systems and controls are in place for identification and redress of grievances arising from unethical practices;
- Proper books of account of the Bank have been maintained;
- The financial statements prepared by the management of the Bank fairly present its state of affairs, result of its operations, comprehensive income, cash flows, and changes in equity;
- Appropriate accounting policies have been consistently applied in the preparation of financial statements. Accounting estimates are based on reasonable and prudent judgment;
- International Financial Reporting Standards, as applicable in Pakistan and adopted by the State Bank of Pakistan, have been followed in preparation of the Bank's financial statements, and departures, if any, have been adequately disclosed;
- The system of internal controls is sound in design and has been effectively implemented and monitored on best efforts basis;
- There are no doubts about the Bank's ability to continue as a going concern;
- There has been no material departure from the best practices of corporate governance, as detailed in the listing regulations;
- A summary of key operating & financial data for last 6 years is included in Annual Report;
- A statement showing the Bank's shareholding pattern as of December 31, 2024 is annexed;
- There are no statutory payments on account of taxes, duties, levies and charges which are outstanding as of December 31, 2024, except as disclosed in these financial statements;
- Statement of Compliance with Code of Corporate Governance is annexed;
- The financial statements of the Bank have been audited without qualification by auditors of the Bank, Messrs KPMG Taseer Hadi & Co., Chartered Accountants;
- The profiles of directors and their positions as directors in other entities are provided under a separate section in this Annual Report;
- The composition of board committees along with their brief TORs is provided under a separate section in this Annual Report;
- The Directors for whom Directors' Certification was required from an authorized institution pursuant to Section G-9 (8) of the Corporate Governance Regulatory Framework ("CGRF"), have completed their Director's Certification program;
- Directors' Fee is paid in line with Board approved remuneration policy for the Board of Directors in this regard and in accordance with the Companies Act, 2017, the Code of Corporate Governance (CCG) and regulations by State Bank of Pakistan;
- In line with the requirements of the CCG, the Bank encourages representation of independent and non-executive directors. Currently Board of Directors of the Bank comprise of three independent directors, five non-executive directors and one executive director;

- The Board evaluates its performance by the overall performance of the Bank. The Directors regularly attend the Board meetings and actively participate in the proceedings. The Board ensures that the Bank adopts the best practices of corporate governance in all areas of its operations and has a robust internal control system. The Board is fully cognizant of the Bank's commitment to its sustainability strategy based on social, environmental factors and has issued appropriate policy guidelines to ensure continued performance in these areas.

Meetings of the Board

Eight (8) Board meetings and Twenty-One (21) Board Sub-Committee meetings were held during the period under review. The Board granted leave of absence to the Directors who did not attend the meetings. The number of meetings held and attended by each director is as under:

	Board Meetings (BOD)	Audit Committee Meetings (BAC)	Risk Committee Meetings (BRC)	Nomination & Remuneration Committee Meetings (BNRC)	IT Committee Meetings (BITC)	Special Joint Meeting (BAC & BRC)	Total
Number of meetings held	8	7	8	4	1	1	29
Number of meetings attended:							
Mr. Mustafa Ilyas	8	-	-	4	1	1	14
Mr. Nasser Al-Fraih	7	-	-	-	-	1	8
Mr. Hussein Eid	5	7	-	4	-	1	17
Ms. Kholood Khalid Al-Khelaiwi	6	-	-	-	1	-	7
Mr. Timour Pasha	6	-	8	-	-	-	14
Hafiz Mohammad Yousaf	8	7	-	4	1	1	21
Mr. Javed Kureishi	8	7	8	-	1	1	25
Ms. Zeeba Ansar	8	-	8	4	-	1	21

Share Acquisition by Directors and Executives

The Pattern of shareholding and additional information regarding the pattern of shareholding is annexed separately. Furthermore, executives namely, Mr.Khurram Aleem Shahzad purchased and sold 10,000 shares and Mr. Tajdar Hussain purchased 1,500 shares and sold 1,000 shares of the bank.

Statement under Revised Guidelines on Remuneration Practices

The Bank, in line with State Bank of Pakistan (SBP) Guidelines and Disclosures on Governance and Remuneration Practices, has formulated & implemented a Remuneration Policy to specifically deal with employees who are materially responsible for risk-taking or risk-controlling activities i.e. Material Risk Takers (MRTs) and Material Risk Controllers (MRCs). The key objectives of this policy include promoting sound and effective risk management, promoting and supporting long-term performance, attracting, retaining and motivating highly qualified employees.

The policy defines the inclusion criteria for determination of MRTs & MRCs whose goal setting, performance measurement processes are based on a balanced scorecard approach linking financial performance evaluation with associated risks. MRT/MRC inclusion criteria takes into account both qualitative i.e. President & CEO, Direct Reports of the President & CEO, Board & Board Committees, members of critical management committees and heads of critical functions responsible for managing business, risks and controls as well as quantitative criteria covering all major risks e.g. Credit Risk, Market Risk, Operational Risk, Liquidity Risk, financial expenditure approval authority thresholds etc. MRTs and MRCs performance is measured through risk-adjusted balanced scorecards for ensuring correlation & alignment of risks and rewards, incorporating financial, non-financial and qualitative as well as 'risk-adjusting' factors. Each category within the scorecards includes multiple factors/KPIs for performance assessment based on appropriate benchmarks and targets.

Under the policy, compensation structure consists of (a) fixed remuneration i.e. compensating employees on a

monthly basis in the form of gross salary, grade and role-based fixed allowances and benefits, and (b) variable remuneration i.e. performance-based remuneration paid in the form of annual bonus/periodic incentives. Level of fixed remuneration is based on the role and position of the individual employee, professional experience, seniority, education, responsibility, job complexity, local market conditions etc., whereas variable remuneration takes into account the Bank's, Group's, Business Unit's/Product's, and individual's performance for determining payout.

A certain portion of the eligible MRTs and MRCs variable compensation is deferred for a defined period (three years) to align employee and stakeholders' interests and link it to longer-term sustainable performance. Proportion of deferment is based on categorization of the concerned MRT/MRC i.e. President & CEO, Senior Management & Other MRTs & MRCs, ranging from 20% to 30%. Deferred remuneration is paid proportionately over a period of three years through yearly installments following the year of the award. Malus provisions provide for cancellation or reduction of the unvested compensation award due to specific crystalized risk, behavior and conduct or performance outcome. Remuneration of MRCs working in control functions such as Risk Management, Credit, Compliance, Internal Audit, Financial Control, Legal etc. is determined independently from the business units monitored by them. No guaranteed bonuses are allowed.

In accordance with the regulatory requirements, the Bank has a Board Nomination & Remuneration Committee (BNRC) comprising of non-executive directors and headed by an independent director. While the Board of Directors has the overall responsibility for reviewing, approving and monitoring implementation of the bank-wide remuneration framework, the BNRC is responsible for overall design and oversight of the compensation system of the Bank. The BNRC also approves/recommends to the Board for approval, annual performance awards for the senior management, as required.

Auditors

The retiring external auditors Messrs. KPMG Taseer Hadi & Co. Chartered Accountants have completed their term of five years. Therefore, upon recommendation of the Audit Committee, the Board recommends appointment of Messrs. A. F. Ferguson & Co., Chartered Accountants (a member firm of the PwC network) as the statutory auditors of the Bank for the financial year 2025 in the forthcoming Annual General Meeting. The Auditors' remuneration for 2024 is disclosed in Note 30.3 of the annexed financial statements.

Events After Balance Sheet Date

There have been no material events that occurred subsequent to the date of the Balance Sheet that require adjustments to the financial statements.

Future Outlook

Pakistan continues to face economic challenges, including macroeconomic challenges, modest growth, and external sector vulnerabilities, but stabilization efforts under the IMF Stand-By Arrangement (SBA) and recent policy measures have improved macroeconomic conditions, easing external pressures and supporting a gradual recovery. Sustaining this progress requires fiscal consolidation, tax base expansion, subsidy rationalization, and strengthened social protection.

A market-driven exchange rate, efforts to rebuild foreign exchange reserves, and ensuring debt sustainability remain key priorities. Structural reforms in energy, governance, and financial sectors are essential to enhancing resilience, with a focus on reducing circular debt, improving energy sector viability, and fostering investment growth. As discussions with the IMF and international partners continue, policy discipline and reform implementation will be crucial for long-term stability and investor confidence.

The Bank plans to expand its network by opening 20 new branches while strategically enhancing its digital footprint to improve accessibility and customer experience.

Acknowledgment

We wish to express sincere gratitude to our customers, business partners and shareholders for their patronage and trust. The Board of Directors and the management would like to thank the State Bank of Pakistan, Securities & Exchange Commission of Pakistan, Federal Board of Revenue and other regulatory bodies for their guidance and support. We also sincerely appreciate the dedication, commitment and team work of all employees of the Bank who worked very hard to transform the Bank into a successful franchise.

On behalf of the Board of Directors,



Ahmad Tariq Azam

President & Chief Executive Officer

March 12, 2025

Karachi.



Hafiz Mohammad Yousaf

Director

ڈائریکٹرز کی رپورٹ



معاشی جھلکیاں

پاکستان کی معیشت ڈھانچہ جاتی اصلاحات، بین الاقوامی مالی تعاون، کرنٹ اکاؤنٹ کے محدود کئے گئے خسارے، افراط زر کی کمی اور منظم شرح تبادلہ کی بدولت استحکام اور مستقل نمو کے اشاریے ظاہر کر رہی ہے۔ بڑے پیمانے کے پیداواری شعبے نے درمیان مشکلات کے باوجود گزشتہ سال کے 5.7 فیصد کے نمایاں سکڑاؤ کی نسبت کاظمی ذکر بہتری کا مظاہرہ کیا ہے۔ اس مدت کے دوران بڑے پیمانے کی پیداواری صنعت کے 22 میں سے 12 شعبوں نے مثبت کارکردگی دکھائی اور کئی نمایاں صنعتوں جن میں آٹو، ہیمنٹ، خوراک وغیرہ کے شعبے شامل ہیں، میں مسلسل نمو ظاہر کی۔ اسٹیٹ بینک آف پاکستان نے 31 دسمبر 2024ء کو اختتام پذیر سال کے دوران، پالیسی ریٹ میں 900 بی پی ایس کی کمی کرتے ہوئے اس کی شرح کو 13 فیصد پر مقرر کیا۔

بروزی عمارت پر کرنٹ اکاؤنٹ میں مالی سال 2025ء کی پہلی ششماہی (جولائی 2024ء تا دسمبر 2024ء) کے دوران پچھلے سال کی اسی مہینہ مدت کے 1,397 ملین امریکی ڈالر کے خسارے کے مقابلے میں 1,210 ملین امریکی ڈالر کا سرعاس دیکھا گیا۔ کرنٹ اکاؤنٹ کے خسارے میں کمی کے بنیادی عوامل میں 4,410 ملین امریکی ڈالر کی کارکنوں کی ترسیلات اور 1,342 ملین امریکی ڈالر کی برآمدات کا کردار رہا جو کہ برآمدات میں ہونے والے 2,855 ملین امریکی ڈالر کے اضافے سے جزوی طور پر ذائل بھی ہوا۔

بینک کے کاروباری نتائج اور مالیاتی تجزیہ:

بینک نے 31 دسمبر 2024ء کو اختتام پذیر سال کے دوران متعدد جلیل مالیاتی نتائج شائع کیے ہیں جن کا خلاصہ درج ذیل ہے:

(تمام رقم ملین روپے میں)

2023	2024	
4,480	3,662	کاروباری نتائج
(2,286)	(1,758)	پرودہ خرچ
2,193	1,550	نتائج (رقصان) عملی محصولات
(958)	(850)	محصولات (تکسٹن) اخراجات
1,235	699	نتائج (رقصان) بعد از محصولات
1.22	0.69	(تی حصص) شیئر آمدنی (رقصان) (روپے)

اس زیر غور مدت میں خالص اعترست آمدنی میں اپنے تقابلی عرصہ کی نسبت 9.6 فیصد کی کمی دیکھی گئی جس کی بنیادی وجہ پالیسی ریٹ میں متزلی کاررجان تھا۔ جو کہ اس مدت کے دوران 900 بی پی ایس کم ہوا۔ دوسری طرف نان اعترست آمدنی 39.8 فیصد کے اضافے کے ساتھ 1,687 ملین روپے پر درج ہوئی۔ نان مارک اپ آمدنی میں اس اضافے میں بنیادی کردار تقصان میں شامل کیے گئے سرمایہ کاری کے کپٹل گین کارہا جو کہ گزشتہ تقابلی سال کے 399 ملین روپے کے کپٹل لاس (تقصان) کے تناسب میں 212 ملین روپے کے کپٹل گین پر پکارا گیا تھا۔ بینک نے اپنے انیکھنی انویسٹمنٹ پورٹ فولیو پر بھی 815 ملین روپے کا (مغل) گین حاصل کیا جس کا اندراج آئی ایف آر ایس (IFRS) - 9 (نئے اکاؤنٹنگ اسٹینڈرڈ) کے مطلوبات کی مطابقت میں اسٹینٹ آف پیئر این انیکھنی (Statement of Changes in Equity) میں براہ راست کیا گیا۔ اخراجات کی مدت میں ہونے والا اضافہ اوسط اخراط زر کی 13.12 فیصد کی شرح سے کم رہا۔ جو کہ کئی نئے اقدامات جن میں برانچوں کی تعداد میں اضافہ، ٹیکنالوجی اپ گریڈ وغیرہ شامل ہیں، کی بدولت واقع ہوا۔

بینک اپنے پیداواری افادہ جات کی ترکیب اور اس کے ساتھ ساتھ کریڈٹ خدمات میں مسلسل بہتری اور درستی کے عمل کو جاری رکھے ہوئے ہے۔ بینک نے حکمت عملی کے تحت اپنی پبلش شیٹ (سیریس) کے حجم کو بڑھا جاتے ہوئے اس میں 3,789 ملین روپے کا اضافہ کیا ہے۔ جس میں سرمایہ کاری کی مدت میں 29,883 ملین روپے کی بڑھوت کی نمایاں شمولیت رہی جو کہ قرضہ جات میں ہونے والی 17,366 ملین روپے کی کمی سے جزوی طور پر ذائل بھی ہوئی۔ واجبات کے حوالے سے، بینکوں کے مابین قرضہ جات میں 11,492 ملین روپے کا اضافہ درج ہوا جو کہ ڈیپازٹس میں ہونے والی 7,590 ملین روپے یا 6.6 فیصد کی کمی سے قدرے ذائل ہوا۔

سال کے دوران، بینک نے اپنے برانچ نیٹ ورک میں 10 نئی برانچوں کے کامیاب اضافے کے ساتھ ان کی کل تعداد کو 57 برانچ پر پہنچا دیا۔ یہ توسیع، مارکیٹ میں اپنی موجودگی کو مضکم کرنے، صارفین کی رسائی میں اضافے اور ریکل (Retail) بینکنگ کی وسیع نمو میں، معاون ثابت ہوگی۔

کریڈٹ ریسٹنگ

پاکستان کریڈٹ ریسٹنگ ایجنسی لمیٹڈ (پاکرا)، جو کہ ملک کی معروف کریڈٹ ریسٹنگ ایجنسی ہے، نے بینک کی اسٹیٹ ریسٹنگ کو ڈبل اے (Double A-1) کی سطح پر مضکم پیش بینی کے ساتھ توثیق کیا ہے۔ یہ طویل المدت اور قلیل المدت وجہ بنیادیں بینک کے اعلیٰ قرضہ جاتی معیار اور اس کے ساتھ مناسب حفاظت کے عوامل اور اپنی مضبوط سیال پڈیری (لیکویڈیٹی) کی بدولت اپنی تمام مالیاتی ذمہ داریوں کی وقت پرادائیگی کی اعلیٰ صلاحیت کی مظہر ہیں۔

معاوضوں کے ضابطہ عمل سے متعلق نظر ثانی شدہ رہنما اصولوں کے تحت بیانہ:

اسٹیٹ بینک آف پاکستان کی فراہم کردہ انتظام اور مشاہدہ کے طریقہ کار کے بارے میں راہنمائی اور اظہار کے اصولوں کی روشنی میں بینک نے ایک پالیسی ترتیب اور نافذ کی جو خاص طور پر ان ملازمین سے متعلق رکھتی ہیں جو خدشات کو اختیار یا اس کی نگرانی کے عمل کے ذمہ دار ہیں، مثلاً، میٹرل رسک ٹیکرز (ایم آر ٹی) اور میٹرل رسک کنٹرولرز (ایم آر ٹی) (Material Risk Controllers (MRCs) and Material Risk Takers (MRTs))۔ اس پالیسی کے بنیادی مقاصد میں خدشات کے تدارک کے لیے موزوں اور مضبوط انتظام کا فروغ، طویل المدت کارکردگی کی حوصلہ افزائی و تعاون اور اعلیٰ قابلیت کے حامل ملازمین کی دلچسپی، کام کو جاری اور متحرک رکھنے، جیسے حوالہ شامل ہیں۔

یہ پالیسی، جس میں جانچنے کا طریقہ کار شامل ہے، ایم آر ٹی اور ایم آر ٹی (MRTs & MRCs) کی وجہ بندی کرتی ہے جن کے اہداف کا تعین، کارکردگی کی جانچ اور ان کے کام کی بجا آوری کو پرکھنے کے طریقہ کار کو ایک متوازن سکور کارڈ (score card) کی سوچ کے محور پر اخذ کیا گیا ہے، جس کا تعلق مالیاتی کارکردگی کے جائزے اور بینک میں مجموعی طور پر اس سے بچنے والے خدشات کی بنیاد پر ہوتا ہے۔ ایم آر ٹی اور ایم آر ٹی کی شمولیت کے معیار اصول میں دونوں پہلوؤں کو مد نظر رکھا جاتا ہے، معیاری پہلو میں پریزنٹ اور سی ای او (CEO)، پریزنٹ اور سی ای او اور بورڈ اور بورڈ کی کمیٹیوں کو براہ راست جوابدہ، تاگزیر مینجمنٹ کمیٹیوں کے ممبران اور تمام اہم شعبہ جات کے سربراہان، جو کاروبار، اسکے خدشات اور ان پر قابو پانے اور اس کے ساتھ ساتھ مقداری معیار کے پہلوؤں جس میں تمام اہم خدشات کا احاطہ کیا گیا ہو، مثلاً کریڈٹ رسک، آپریشنل رسک، لیکویڈیٹی رسک اور مالیاتی اخراجات کی منظوری کا کم از کم ابتدائی اختیار وغیرہ کے لیے ضروری اقدامات کرتے ہیں۔ تمام ایم آر ٹی اور ایم آر ٹی کی کارکردگی کی جانچ خدشات کی مطابقت کے متوازن سکور کارڈ، جس میں مالیاتی اور غیر مالیاتی معیاری اور اس ساتھ ساتھ خدشات کی مطابقت کے حوالہ، جو خدشات اور اگلی حلالی میں ہم آہنگی قائم کرتے ہوں، کے ذریعے کی جاتی ہے۔ سکور کارڈ میں موجود ہر فرق میں مختلف حوالہ موزوں بیچ مارک اور اہداف کی بنیاد پر کارکردگی کی جانچ کے لیے کے پی اینیز (KPIs) شامل ہیں۔

پالیسی کے تحت ازالہ جات کے معاوضوں کا ڈھانچہ متعدد ذیل پر مشتمل ہے:

- 1۔ معین معاوضہ جس میں ملازمین کو ماہانہ بنیاد پر کل تنخواہ، گریڈ اور عہدہ کی بناء پر معین الاؤنس اور فائدہ شامل ہیں اور
- 2۔ حقیر معاوضہ جس میں کارکردگی کی بنیاد پر سالانہ بونس (معیاری فوائد کی شکل میں معاوضوں کی ادائیگی شامل ہے)۔

معین معاوضوں کی ترکیب ایک انفرادی ملازم کے کام اور عہدہ، پیشہ وارانہ قابلیت، تنیاری، تعلیم، ذمہ داری، کام کی پیچیدگی، داخلی مارکیٹ کے حالات وغیرہ پر منحصر ہوتی ہے۔ جبکہ حقیر معاوضوں میں بینک کے گروپ کے کاروباری پونٹ (شعبہ کے اور انفرادی کارکردگی کے جائزے کو ادائیگیوں کے تعین کے لیے استعمال کیا جاتا ہے۔ تمام اہل ایم آر ٹی اور ایم آر ٹی کی حقیر معاوضوں کا ایک مخصوص حصہ کو ملازمین اور دیگر اسٹیک ہولڈرز (stake holders) کے مفاد میں ایک مخصوص مدت (تین سال) کے لیے مؤخر کیا جائے گا اور اس کا تعلق اگلی طویل مدت پائیدار کارکردگی سے جوڑا دیا جائے گا۔ مؤخر رقم کے حصے کا تعین، جس کی حد 20 فیصد سے 30 فیصد ہے، متعلقہ ایم آر ٹی اور ایم آر ٹی کی وجہ بندی کی بنیاد پر ہوگا۔ جس میں پریزنٹ اور سی ای او، سینئر انتظامیہ اور دیگر ایم آر ٹی اور ایم آر ٹی شامل ہیں۔ مؤخر شدہ معاوضے، اعلان شدہ متعلقہ سال سے اگلے تین سال کی مدت کے متعلق متاسب میں رکھے جائیں گے اور ملازمین کو مطلوبہ تناسب میں سالانہ تسطوں میں ادا کئے جائیں گے۔ چند مخصوص شفاف خدشات، رویے اور چال چلن یا کارکردگی کے نتائج کے باعث غیر حاصل شدہ معاوضوں میں کمی یا ان کی منسوخی کے سدباب کے لیے ضروری اخراجات (پروویڈنٹس) کا اندراج کیا جا چکا ہے۔ ضوابطی شعبوں جن میں رسک مینجمنٹ، کریڈٹ، کمپلائنس، انٹرنل آڈٹ، حفاظت کثرتوں، لیگل وغیرہ شامل ہیں، میں کام کرنے والے ایم آر ٹی کے معاوضوں کا تعین اگلی نگرانی میں کام کرنے والے کاروباری پونٹس سے قطع نظر آزادانہ طور پر کیا جاتا ہے۔ بونسز کی ضمانت دینے کی اجازت نہیں ہے۔

ضوابطی مطلوبات کے عین مطابق بینک کے پاس غیر انتظامی ڈائریکٹرز پر مشتمل اور ایک آزاد ڈائریکٹری سربراہی میں ایک بورڈ نو مینیشن اینڈ ریمونریشن کمیٹی (بی این آر سی) Board Nomination & Remuneration Committee (BNRC) موجود ہے۔ اگرچہ بورڈ آف ڈائریکٹرز پورے بینک پر محیط معاوضوں کی ادائیگیوں کے نظام کے نفاذ کے تجربے، منظوری اور نگرانی کے مجموعی طور پر ذمہ دار ہیں تاہم، بی این آر سی (BNRC) بینک کے معاوضوں کی ادائیگی کے مجموعی خدخال اور دیگر ریکارڈ ذمہ دار ہے۔ بی این آر سی (BNRC) بورڈ کی منظوری کے لیے سینئر انتظامیہ کے لیے سالانہ کارکردگی کے انوار ڈیٹا کو منظور / حویز بھی کرتی ہے۔

☆ بورڈ کی کمیٹیوں کی عادت اور ان کے کام کے طریقہ کار (فرم آف ریفرنسز) کا خلاصہ اس سالانہ رپورٹ کے طے شدہ سیکشن میں فراہم کیا گیا ہے۔

☆ ایسے تمام ڈائریکٹرز جن سے کارپوریٹ گورننس ریکولیشنری فریم ورک (سی سی آر ایف) کے سیکشن 9-8 کے تحت ڈائریکٹر سرٹیفیکیشن مطلوب تھا انہوں نے ڈائریکٹر سرٹیفیکیشن کے اپنے پروگرام کی تکمیل کی ہے۔

☆ ڈائریکٹری قیس کی ادائیگی بورڈ کی منظور شدہ ریفرنس (معاوضوں) پالیسی کے تحت کی جاتی ہے اور اس بارے میں کمیٹی رپورٹ 2017، کوڈ آف کارپوریٹ گورننس (سی سی جی) اور اسٹیٹ بینک آف پاکستان کی ریکولیشن (ہدایات) کو ملحوظ خاطر رکھا جاتا ہے۔

☆ سی سی جی کی مطلوبات کے مطابق بینک آزاد اور غیر انتظامی ڈائریکٹری فراہمگی کی حوصلہ افزائی کرتا ہے۔ فی الوقت بینک کا بورڈ آف ڈائریکٹرز عین آزاد ڈائریکٹرز، جانچ غیر انتظامی ڈائریکٹرز اور ایک انتظامی ڈائریکٹر پر مشتمل ہے۔

☆ بورڈ اپنی کارکردگی بینک کی مجموعی کارکردگی سے جانچتا ہے۔ ڈائریکٹرز بورڈ کے اجلاس باقاعدگی سے شرکت کرتے ہیں اور ان کی کاروائی میں بھرپور کردار ادا کرتے ہیں۔ بورڈ اس امر کو یقینی بناتا ہے کہ بینک اپنی کارکردگی کے تمام شعبوں میں کارپوریٹ گورننس بہترین معیار کو اختیار کرے اور مضبوط داخلی انضباط کے نظام کا حامل ہو۔ بورڈ ماحشرتی اور ماحولیاتی حوالہ کی بنیاد پر بینک کی اپنی پائیدار حکمت عملی کے بارے میں ذمہ داریوں کا مکمل ادراک رکھتا ہے اور اس بارے میں رہنما اصول بھی مرتب کرتا ہے، تاکہ ان تمام معاملات پر ہمہ برائی کے جاری عمل کو یقینی بنایا جاسکے۔

بورڈ کے اجلاس:

اس ذریعہ نمبر سے میں بورڈ کے آٹھ (8) اجلاس اور اس کے ساتھ بورڈ کی ذیلی کمیٹیوں کے انیس (21) اجلاس منعقد ہوئے۔ بورڈ ان ڈائریکٹرز کو حاضری سے استثناء صلا کرتا ہے جنہوں نے اجلاس میں شرکت نہیں کی۔ منعقد شدہ اجلاسوں کی تعداد اور ان میں ہر ڈائریکٹر کی شرکت کی تفصیل درج ذیل ہے:

بورڈ کے اجلاس (BOD)	آڈٹ کمیٹی کے اجلاس (BAC)	رسک کمیٹی کے اجلاس (BRC)	نامزدگی اور معاوضہ کمیٹی کے اجلاس (BNRC)	بورڈ آف ٹیکنی کی کمیٹی کے اجلاس (BITC)	ایکسچینج جوائنٹ میٹنگ (BAC اور BRC)	نوٹس
منعقد شدہ اجلاس کی تعداد	8	7	8	4	1	29
اجلاس میں شرکت کی تعداد:						
جناب مصطفیٰ الہاس	8	-	-	4	1	14
جناب نصر الدین الفریخ	7	-	-	-	1	8
جناب حسین محمد	5	7	-	4	-	17
محترمہ خلود خالد الخیلادی	6	-	-	-	1	7
جناب محمد پاشا	6	-	8	-	-	14
جناب حافظ محمد یوسف	8	7	-	4	1	21
جناب جاوید قریشی	8	7	8	-	1	25
محترمہ زہرا انصار	8	-	8	4	-	21

ڈائریکٹرز اور ایگزیکٹو کے حصص کا حصول

حصص کی ملکیت کی ترتیب اور حصص کی ملکیت کی ترتیب سے متعلق اضافی معلومات طے شدہ سے منسلک ہیں۔ علاوہ ازیں، بینک کے ایگزیکٹوز جناب خرم علی شہزاد نے انفرادی طور پر بینک کے 10,000 حصص کی خرید و فروخت کی اور جناب تاجدار حسین نے 1,500 حصص خریدے اور 1,000 حصص فروخت کیے۔



آڈیٹرز

بینک کے بیرونی (ایکسٹرنل) ریٹائرنگ آڈیٹرز میسرز کے پی ایم جی (KPMG) تاخیر ہادی ایڈ کھٹی چارٹرڈ اکاؤنٹنٹس نے اپنی 5 سال کی تعیناتی کی مدت پوری کر لی ہے۔ چنانچہ، بورڈ آف ڈائریکٹرز، آڈٹ کھٹی کی تجویز پر اپنے آنے والے سالانہ عام اجلاس میں میسرز اے ایف ٹریگوئن ایڈ کھٹی چارٹرڈ اکاؤنٹنٹس (جو کہ پی ڈبلیو سی (PWC) میٹ ورک کی ممبر فرم ہے) کو مالی سال 2025ء کے لیے بینک کے قانونی آڈیٹرز کے طور پر تقرر کیلئے تجویز کرتا ہے۔ سال 2024ء کے لیے آڈیٹرز کے معاوضوں کا ذکر مالیاتی گوشواروں کے ساتھ منسلک نوٹ نمبر 30.3 میں کیا گیا ہے۔

مہترانیہ (میلنس شیٹ) کی تاریخ کے بعد کے واقعات

مہترانیہ (میلنس شیٹ) کی تاریخ کے بعد کوئی ایسا قابل ذکر واقعہ رونما نہیں ہوا جس کی بدولت مالیاتی گوشواروں میں مطابقت کی ضرورت ہو۔

مستقبل کی پیش بینی

پاکستان کو معاشی چیلنجز، جن میں کلاں معاشی خدشات، معتدل مہواور بیرونی شعبے کی حساسیت شامل ہیں، کا مسلسل سامنا ہے۔ تاہم، آئی ایم ایف کے اسٹیٹڈ ہائی اریٹمنٹ کے تحت استحکام کی کوششوں اور حالیہ پالیسی اقدامات سے کلاں معاشی صورتحال میں بہتری، بیرونی دباؤ میں آسانی اور بتدریج بحالی کے عمل کو مدد حاصل ہوگی۔ اس پیش رفت کو برقرار رکھنے کے لیے مالی استحکام ٹینس میں اضافہ، سب سڈ کی میں مقبولیت اور سماجی تحفظ کو مضبوط بنانا ناگزیر ہے۔

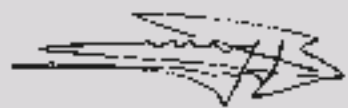
مارکیٹ پر مختصر شرح تبادلہ، غیر ملکی درمبادلہ کے ذخائر کی تعمیر نو کے اقدامات اور قرض میں پائیداری کو یقینی بنانا اہم ترجیحات ہیں۔ توانائی کے شعبے، نظم و نسق (گورننس) اور مالیاتی شعبے میں بنیادی اصلاحات، جن کا مقصد گروٹی قرضوں میں کی توانائی کے شعبے کی افادیت میں اضافہ اور سرمایہ کاری میں مہم کو فروغ دینا ہو، معاشی ٹکب میں بڑھوتی کے لیے نہایت ضروری حوال ہیں۔ جیسا کہ آئی ایم ایف اور دیگر بین الاقوامی شراکت داروں کے ساتھ بات چیت کا عمل جاری ہے، پالیسی نظم و ضبط اور اصلاحات کا نفاذ، طویل مدت استحکام اور سرمایہ کاروں کے اعتماد کے لیے اہم ہے۔

بینک 20 مئی پر انجمن کھول کر اپنے میٹ ورک کو مزید وسعت دینے کا ارادہ رکھتا ہے، جبکہ اپنے صارفین کی ضروریات اور رسائی میں حرید بہتری کے لیے اپنے ڈیجیٹل ٹ پرنٹ (نقل قدم) میں اضافے کے لیے کوشاں ہے۔

اتکھار تشکر

ہم اپنے صارفین اور کاروباری شراکت داران اور حصص یافتگان کے ان کے احساواور طلوس پر نہایت مشکور ہیں۔ بورڈ آف ڈائریکٹرز اور بینک کی انتظامیہ، بینک دولہ، پاکستان، سکیرٹری انچیف کمیشن آف پاکستان، ایف بی آر اور دیگر ضوابطی اداروں کی رہنمائی پران کے شکر گزار ہیں۔ اس کے علاوہ ہم اپنے بینک کے تمام ملازمین کی تہد دل سے حوصلہ افزائی کرتے ہیں جن کی لگن، عزم اور مہم ورک نے بینک کو ایک کامیاب ادارے میں تبدیل کر دیا ہے۔

بورڈ آف ڈائریکٹرز کی جانب سے



حافظ محمد یوسف
ڈائریکٹر



احمد علی اعظم
پرنسپل ڈپٹی اور چیف ایگزیکٹو آفیسر

12 مارچ 2025ء

کراچی

SIX YEARS' PERFORMANCE HIGHLIGHTS

	Rs. in Millions					
December 31	2024	2023	2022	2021	2020	2019
Statement of Financial Position						
Assets						
Advances - gross	66,121	80,712	80,529	85,256	68,573	64,043
Investments - gross	100,275	70,503	76,922	94,188	68,199	51,510
Lending to financial institutions	-	8,192	7,354	5,908	9,936	2,274
Cash and balances with treasury and other banks	10,578	10,504	7,193	8,910	8,743	6,698
Fixed assets	3,501	2,958	3,132	2,982	1,939	1,897
Intangible assets	763	597	616	592	142	133
Deferred tax asset - net	3,367	2,503	2,121	1,218	365	327
Other assets - gross	8,077	10,278	7,457	6,537	4,508	5,774
Total assets - gross of provisions	192,682	186,248	185,323	205,591	162,404	132,657
Provision against advances ECL - Stage 1,2 & 3	(10,051)	(7,276)	(6,074)	(4,079)	(2,938)	(2,687)
Provision for diminution in the value of investments	(0)	(91)	(18)	(213)	(309)	(232)
Provision held against bad and doubtful other assets	(144)	(147)	(157)	(161)	(161)	(161)
Total assets - net of provisions	182,486	178,734	179,074	201,139	158,996	129,577
Liabilities						
Customer deposits and other accounts	107,142	114,732	105,244	79,267	78,426	71,882
Borrowings	42,474	30,982	45,826	93,019	56,197	36,114
Bills payable	1,791	975	1,039	903	3,358	783
Subordinated debt	4,993	4,995	4,997	4,999	-	-
Other liabilities	8,861	10,687	7,315	7,051	5,698	6,618
Total liabilities	165,261	162,371	164,421	185,239	143,679	115,398
Net assets	17,225	16,363	14,653	15,900	15,317	14,179
Share capital	10,082	10,082	10,082	10,082	10,082	10,082
Advance against proposed issue of shares	-	-	-	-	-	-
Reserves	3,117	2,977	2,730	2,730	1,032	829
Unappropriated profit / (accumulated losses)	4,050	3,578	2,590	3,623	3,748	2,939
Equity	17,249	16,638	15,402	16,435	14,862	13,850
(Deficit)/ surplus on revaluation of assets - net of tax	(24)	(274)	(749)	(535)	455	329
	17,225	16,363	14,653	15,900	15,317	14,179
Profit & Loss Account						
Mark-up / return / interest earned	28,721	28,705	22,545	13,983	13,575	12,791
Mark-up / rerurn / interest expensed	(21,395)	(20,604)	(17,811)	(9,676)	(9,876)	(9,272)
Net mark-up / interest income	7,326	8,101	4,734	4,306	3,699	3,519
Fee, commission, brokerage and Income from dealing in foreign currencies	1,375	1,523	1,462	859	809	764
Dividend income and (loss) / gain on sales of securities - net	281	(339)	(1,231)	581	523	83
Other income and unrealised (loss) / gain on revaluation of investments	31	25	13	31	10	(0)
Non mark-up / interest income	1,687	1,208	244	1,471	1,341	846
Revenue	9,013	9,310	4,978	5,777	5,040	4,365
Non mark-up / interest expenses	(5,351)	(4,830)	(4,059)	(3,424)	(3,018)	(2,763)
Other Expenses - levy	(354)	-	-	-	-	-
(Charge) / reversal / recovery of provision / against write-offs	(1,758)	(2,286)	(1,845)	(1,049)	(354)	(502)
Profit / (Loss) before taxation	1,550	2,193	(926)	1,304	1,668	1,100
Taxation	(850)	(958)	498	(515)	(657)	(414)
Profit / (Loss) after taxation	699	1,235	(428)	789	1,012	686
Other Information						
Return on equity (RoE)	4.2%	8.4%	-2.8%	5.2%	6.6%	5.2%
Return on assets (RoA)	0.4%	0.7%	-0.2%	0.4%	0.7%	0.6%
Profit before tax to revenue ratio	17.2%	23.6%	-18.6%	22.6%	33.1%	25.2%
Advances to deposits ratio (ADR) *	45.0%	54.0%	58.4%	85.9%	70.9%	78.3%
Efficiency ratio (cost to revenue)	59.4%	51.9%	81.5%	59.3%	59.9%	63.3%
Earning Per Share (EPS)	0.69	1.23	(0.42)	0.78	1.00	0.68
Market value per share - rupees	9.25	10.59	6.50	12.45	7.50	8.00
Number of employees	935	957	1,010	990	939	905
Number of branches	57	47	47	44	40	40

*ADR = [Advances (net) - SBP Refinance]/Total Deposits

Statement of Internal Controls

Management of the Bank is responsible for establishing and maintaining adequate controls for providing reasonable assurance on effective and efficient operations, internal financial controls and compliance with laws and regulations. Internal Controls are designed to mitigate, rather than eliminate, the risk of failure to achieve business objectives, and can only provide reasonable assurance against risk of material misstatement or loss. Whilst the development of Internal Control systems is an ongoing process, controls are embedded in respective departmental Policies and Procedures and self-tested on a quarterly basis.

The responsibility for adherence to controls mainly lies with the First Line of Defense. The Bank has formed various Management Committees for continuous oversight over the controls’ environment. Further, the Bank has clearly defined roles for certain control functions such as Audit & Risk Review (ARR), Compliance, Operational Risk Management Department (ORMD) and Finance in its Internal Controls Policy. ARR periodically carries out audits of branches and departments to monitor compliance with the Bank’s controls and regulatory requirements. Likewise, the Compliance Function assists Senior Management in effectively managing the regulatory compliance through various Reviews and Advisories. The ORMD function within the Risk Management Group carries out quality assurance reviews of processes and transactions of branch banking operations, to monitor compliance with the procedures and policies. Risk & Controls Self-Assessment (RCSA) regime has been implemented throughout the Bank, whereby each business/function, under the guidance of their respective Group Head, ORMD, ICFR Unit and Compliance Function, undertakes a quarterly self-testing exercise to test the effectiveness of their operational, financial and regulatory risks & controls. To institutionalize a robust Operational Risk Management culture, Key Risk Indicators (KRIs) for each function have been identified along with tolerance limits. The Internal Control – ICFR Unit under Finance assists the Management in formulating an effective ICFR system, in line with the applicable regulations and its regular monitoring. An accountability process is in place to ensure the effectiveness of the overall control environment. Further, the Management gives due consideration to recommendations made by internal & external auditors and regulators, especially for improvements in internal control systems and processes, and takes timely action to implement their recommendations.

To implement Internal Control Guidelines, as required by the State Bank of Pakistan, ARR reviewed the detailed exercise of documenting and benchmarking existing internal processes and controls, relating to financial reporting on the basis of international standards. This project assists in further improving internal controls across the Bank and ensures compliance with the SBP requirements. The Bank has taken corrective action to timely implement the improvements identified during the previous ICFR Assessments and will follow a formal action plan to timely address any deficiencies identified in the ongoing assessments. As per the SBP roadmap, the Bank has completed all stages and is in compliance with SBP instructions and has obtained exemption from the State Bank of Pakistan for submission of Long Form Report (LFR) certified by external auditors. As a result, ARR prepares the “Annual Assessment Report on efficacy of Bank’s Internal controls over financial reporting” under the Internal Controls framework which is approved by the Board of Directors. Furthermore, submission of this Annual Assessment Report to SBP has been discontinued vide BSD circular Letter No. 1 of 2021. The Management considers the existing internal controls system of the Bank, including ICFR, to be adequate, with appropriate implementation and regular monitoring, however, room for improvement exists.

The Board of Directors is ultimately responsible for the Bank’s Internal Control system and endorses the above evaluation of Internal Controls system by Management, in the Directors’ Report.



Ahmad Tariq Azam
President & Chief Executive Officer
March 12, 2025
Karachi

Complaint Handling Mechanism

At Samba Bank, we are committed to fostering a customer-centric culture that upholds the highest standards of service excellence. Guided by the principles of the State Bank of Pakistan (SBP) for fair treatment of customers, we have established a comprehensive and proactive Consumer Grievance Handling Mechanism to address customer concerns effectively and efficiently.

Our focus is on creating meaningful and transparent relationships with our customers. By embedding fairness, respect, and integrity into our practices, we aim to deliver an unparalleled banking experience that inspires trust and reinforces our reputation as a responsible and ethical financial institution.

Customers can lodge complaints through multiple channels. Additionally, customers can track the status of their complaints in by calling our phone banking, email and visiting the nearest Samba Bank branch, ensuring transparency and accountability throughout the resolution process.

Modes of complaints lodgment			
SambaPhone Banking	SambaPhone Banking	Mail	Email
WhatsApp	Fax	Social Media	Sunwai Complaint Portal

Key initiatives undertaken during the year include:

- Launch of Enhanced Digital Banking Platforms: To address the evolving needs of our customers and mitigate the risks associated with digital banking, we launched a new and improved mobile banking and internet banking platform. These platforms incorporate robust security features.
- Customer Education and Awareness Campaigns: As part of our commitment to safeguarding our customers, we conducted education and awareness outreach program. Through this initiative, we engaged non-Samba customers and provided critical information on recognizing and avoiding online scams, phishing attempts, other digital frauds along with consumer protection framework and banking products. This program reflects our proactive approach to empowering customers with the knowledge and tools needed to protect themselves in an increasingly digital world.

Below is a snapshot of the complaints received/resolved by Samba Care during 2024.

Overall Complaints	Total Complaints Received	4907
	Average complaint resolution time	5 working days

Break up - Complaints

Minor (3 working days)	Total Complaints Received	325
	Average complaint resolution time	2 working days
Minor (7 working days)	Total Complaints Received	116
	Average complaint resolution time	4 working days
Major (15 working days)	Total Complaints Received	4344
	Average complaint resolution time	5 working days
Fraud Related (30 working days)	Total Complaints Received	122
	Average complaint resolution time	6 working days

Independent Auditors’ Review Report to the Members 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 Samba Bank Limited (‘the Bank’) for the year ended 31st December 2024 in accordance with the requirements of regulation No. 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 31st December 2024.

Karachi
Date: 17 March 2025
UDIN: CR202410096vV3qA56Uz

KPMG Taseer Hadi & Co.
Chartered Accountants

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

Samba Bank Limited ("the Bank") has complied with the requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2019 ("the Regulations") in the following manner: -

1. Total number of Directors, including the President & CEO, is nine (09) as per the following;
- a. Male: Seven (07)

b. Female: Two (02)

2. The composition of the Board is as follows:

Category	Names
Independent Directors	Ms. Zeeba Ansar Hafiz Mohammad Yousaf Mr. Javed Kureishi
Executive Director	Mr. Ahmad Tariq Azam President & (CEO)
Non-Executive Directors	Mr. Mustafa Ilyas (Chairman) Ms. Kholood Khalid Al - Khelaiwi Mr. Hussein Eid Mr. Nasser Sulaiman Al-Fraih Mr. Timour Pasha

3. The Directors have confirmed that none of them is serving as a director on more than seven listed companies, including this bank;
4. The Bank has prepared a code of conduct and has ensured that appropriate steps have been taken to disseminate it throughout the bank along with its supporting policies and procedures;
5. The Board has developed a vision/mission statement, overall corporate strategy, and significant policies of the Bank. The Board has ensured that a complete record of particulars of the significant policies along with their date of approval or updating is maintained by the Bank;
6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board/shareholders 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 Regulations with respect to frequency, recording, and circulating minutes of meetings of the Board;
8. The Board has a formal policy and transparent procedures for the remuneration of directors in accordance with the Act and these Regulations;

9. All Directors, along with the Company Secretary, have completed the Director's Certification from an authorised institution under Section G-9 (8) of the Corporate Governance Regulatory Framework ("CGRF") excluding Ms. Kholood Khalid Al-Khelaiwi;
10. The Board has approved the appointment of Chief Financial Officer, Head of Internal Audit, and Company Secretary including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations;
11. Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the Board;
12. The Board has formed committees comprising of members given below: -

a) **Board Audit Committee ("BAC")**

- (i) Hafiz Mohammad Yousaf (Chairman)
- (ii) Mr. Hussein Eid (Member)
- (iii) Mr. Javed Kureishi (Member)

b) **Board Risk Committee ("BRC")**

- (i) Mr. Timour Pasha (Chairman)
- (ii) Mr. Javed Kureishi (Member)
- (iii) Ms. Zeeba Ansar (Member)
- (iv) Mr. Ahmad Tariq Azam (Member)

c) **Board Nomination & Remuneration Committee ("BNRC")**

- (i) Ms. Zeeba Ansar (Chairperson)
- (ii) Mr. Mustafa Ilyas (Member)
- (iii) Mr. Hussein Eid (Member)
- (iv) Hafiz Mohammad Yousaf (Member)

d) **Board IT Committee ("BITC")**

- (i) Mr. Javed Kureishi (Chairman)
- (ii) Mustafa Ilyas (Member)
- (iii) Hafiz Mohammad Yousaf (Member)
- (iv) Ms. Kholood Khalid Al-Khelaiwi (Member)

13. The terms of reference of the aforesaid committees have been formed, documented, and advised to the committee for compliance;
14. The frequency of meetings of the committees during the year was as follows: -

a. Audit Committee: 7 meetings

b. Board Nomination & Remuneration Committee: 4 meetings

c) Board Risk Committee: 8 meetings

d) Board IT Committee: 1 meeting
15. The Board has set up an effective internal audit function that is considered suitably qualified and experienced for the purpose and is 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 and registered with the 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 the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and nondependent children) of the Chief Executive Officer, Chief Financial Officer, Head of Internal Audit, Company Secretary or Directors 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 of regulations 3, 6, 7, 8, 27, 32, 33, and 36 of the Regulations have been complied with; and
19. Explanation for non-compliance with requirements, other than regulations 3, 6, 7, 8, 27, 32, 33 and 36 are below:

i. In terms of Regulation IOA(5) issued by SECP through notification dated June 12, 2024, the board is responsible for setting the Bank's sustainability strategies, priorities, and targets to create long term corporate value. The board may establish a dedicated sustainability committee having at least one female director. Currently, the Board oversees and governs the Bank's initiatives related to Environmental, Social, and Governance (ESG) matters. The requirement of a dedicated board committee for ESG matters shall be complied in due course.

ii. In terms of Regulation 29, the Board may constitute a separate committee designated as the nomination committee. Currently, the functions of the Nomination Committee are being carried out by the Board Nomination & Remuneration Committee (BNRC), with adequately documented TORs of the said board committee.

iii. In terms of Regulation 35, the Bank may post on its website the key elements of its significant policies, including but not limited to the following:

(i) communication and disclosure policy;

(ii) risk management policy;

(iii) internal control policy;

(iv) whistle blowing policy;

(v) CSR/sustainability/ ESG related policy;

(vi) policies for promoting DE&I and protection against harassment at the workplace;

(vii) Director's remuneration policy

The Bank is evaluating requirements of this regulation for compliance.



Mr. Ahmad Tariq Azam
President & CEO

March 12, 2025



Mr. Mustafa Ilyas
Chairman

Notice Of The 22nd (Twenty-Second) Annual General Meeting

Notice is hereby given that the 22nd (Twenty Second) Annual General Meeting of Samba Bank Limited (the “Bank”) will be held on Thursday, April 17, 2025, at 11:00 am (“PST”) at the Hotel Serena, Islamabad - Pakistan to transact the following business:

Ordinary Business

- 1. To confirm the minutes of the 21st Annual General Meeting held on March 28, 2024.
- 2. To receive, consider and adopt the Annual Audited Accounts of the Bank for the year ended December 31, 2024, together with the Reports of the Chairman, Directors and Auditors.
As required under section 223(6) of the Companies Act, 2017 (the “Act”), and pursuant to S.R.O. 389(I)/2023 dated March 21, 2023, the Annual Report of the Bank has been uploaded on the website of the Bank which can be downloaded from the following weblink or QR enabled code.
Weblink <https://www.samba.com.pk/samba/overviews/financial-reports>
- 3. To appoint Auditors and to fix their remuneration for a term ending at the conclusion of the next Annual General Meeting. The Board of Directors has recommended the appointment of M/s. A.F. Ferguson & Co., Chartered Accountants (PWC Pakistan) as auditors in place of the retiring auditors, M/s KPMG Taseer Hadi & Co., Chartered Accountants.
- 4. To elect 8 Directors of the Bank as fixed by the Board of Directors, under the provisions of section 159 of the Companies Act, 2017, for a period of 3 years, commencing from April 17, 2025.

The names of the retiring Directors are:

- i. Mr. Mustafa Ilyas

iv. Mr. Timour Pasha

vii. Mr. Javed Kureishi
- ii. Mr. Nasser Sulaiman Al-Fraih

v. Ms. Kholood Khalid Al-Khelaiwi

viii. Ms. Zeeba Ansar
- iii. Mr. Hussein Eid

vi. Hafiz Mohammad Yousaf

Any Other Business

To consider any other business with the permission of the Chair.

March 26, 2025
Karachi

By the Order of the Board
Zia-ul-Husnain Shamsi
Company Secretary

NOTES:

- 1. Share Transfer Books of the Bank will remain closed from 10-04-2025 to 17-4-2025 (both days inclusive). Transfers received in order, at the Bank's Registrar, M/s. Famco Share Registration Services (Private) Limited, 8-F, Near Hotel Faran, Nursery, Block-6, P.E.C.H.S, Shahrah-e-Faisal, Karachi, up to close of business on 9-04-2025 will be considered in time and to be entitled to attend and vote.
- 2. Copies of the minutes of the 21st Annual General Meeting held on March 28, 2024, are available for inspection by members as required under section 152 of the Companies Act, 2017. Members who will join the meeting through a video link and are desirous of inspection of the minutes of the 21st AGM meeting may send his/her requests via email at zia.shamsi@samba.com.pk
- 3. The Board of Directors of the Bank has fixed the number of directors to be elected as eight (8). As per provisions of Regulation No. 7A of the Listed Companies (Code of Corporate Governance) Regulations, 2019, it is mandatory that voting for the election of directors of the Bank shall be held separately for the following three categories:

S. No	Category	No. of Seats
1	Female Director	1
2	Independent Directors	3
3	Other Directors	4

- 4. Any member desirous to contest the election of Directors shall file the following with the Company Secretary of the Bank not later than fourteen (14) days before the day of the above said meeting;
 - a) Notice of his/her intention to offer himself/herself for the election as director and select any one of the above categories in which he / she intends to contest the election of director in terms of Section 159(3) of the Companies Act, 2017 and Regulation 7A of Listed Companies (Code of Corporate Governance) Regulations, 2019. He /she should also confirm that:
 - (i) He/she is not ineligible to become a director of the Bank under any applicable laws and regulations.
 - (ii) Neither he/she nor his/her spouse is engaged in the business of brokerage or is a sponsor, director or officer of a corporate brokerage house.
 - (iii) He/she is not serving as a director in more than seven listed companies simultaneously. Provided that this limit shall not include the directorships in the listed subsidiaries of a listed holding company.
 - (iv) In case of Independent Director, a declaration of Independence in terms of Section 166(2) of the Companies Act, 2017 as required under clause 6(3) of Listed Companies (Code of Corporate Governance) Regulations, 2019.
 - b) Consent to act as Director in Form 9 of the Companies Regulations 2024, and under Section 167 of the Companies Act, 2017.
 - c) Fit and Proper Test Proforma, Affidavit, Declarations, Annexure, and Questionnaire as provided in “Corporate Governance Regulatory Framework” issued by SBP vide BPRD Circular No. 5 dated November 22, 2021.
- 5. In terms of the criteria prescribed by SBP, a person shall not be eligible to become a Director of a bank, if the person:
 - (i) is disqualified/ineligible under Banking Companies Ordinance 1962, Companies Act 2017, and other applicable laws, rules and regulations;
 - (ii) is in default of payment of dues owed to any financial institution in personal capacity;
 - (iii) is associated as executive director / sponsor director / nominee of the sponsor and / or President / CEO of a proprietary concern, partnership firm, or corporate body excluding public sector organization, which is in default of dues owed to any financial institution;
 - (iv) has contravened any of the requirements and standards of SBP or equivalent standards / requirements of other local or foreign regulatory authorities, professional bodies, or government bodies / agencies of such a nature that makes such person's association with the bank/DFI undesirable;
 - (v) is a designated person / proscribed person or is associated directly or indirectly with any designated person / proscribed person;
 - (vi) is convicted of or is associated directly or indirectly with any person convicted of any serious offence, including any Money Laundering/ Terrorism Financing offence or any predicate offence set out in Schedule I of the Anti-Money Laundering Act, 2010.

It should also be noted that under SBP regulations, a person is not permitted to be a Director of more than one Bank / DFI and the Directors will not assume the charge of their respective offices until their appointments are approved in writing by SBP.
- 6. A copy of relevant documents may be obtained from the office of the Company Secretary of the Bank or may be downloaded from the website of SBP.
- 7. Detailed profile of the candidates along with office address will be made available on website as required under SECP's SRO 1196 (I)/2019, dated October 03, 2019.



8. Updation of shareholder addresses/other particulars:

Members holding shares in physical form are requested to promptly notify the Shares Registrar of the Bank of any change in their addresses or any other particulars. Shareholders maintaining their shares in electronic form should have their address updated with their participant or CDC Investor Accounts Service.

Further, to comply with requirements of Section 119 of the Companies Act, 2017 and Regulation 47 of the Companies Regulations, 2024, all CDC and physical shareholders are requested to provide their email address and cell phone numbers incorporated / updated in their physical folio or CDC account.

9. Requirements for attending the Annual General Meeting:

- (i) In the case of individuals, the account holder or sub-account holder whose registration details are uploaded as per the Central Depository Company of Pakistan Limited (“CDC”) Regulations, shall authenticate his/her identity by showing his/her original Computerized National Identity Card (CNIC) or original passport at the time of attending the Annual General Meeting.
- (ii) In case of a corporate entity, the Board of Directors' resolution/power of attorney with specimen signature of the nominee shall be produced at the time of the Annual General Meeting, unless it has been provided earlier, to the Bank, along with the proxy form.

10.Participation in AGM through electronic means:

The Bank will provide the facility to all the shareholders to participate in the Annual General Meeting via video link. Shareholders are encouraged to attend the AGM proceeding through the video link facility.

The entitled shareholders whose names appear in the Books of the Bank by the close of business on April 9, 2025, and who are interested to attend the AGM via video link are hereby requested to register themselves with the Company Secretary Office by providing the following information at the earliest but not later than 48 hours before the time of the AGM through Email agm@samba.com.pk with the following particulars:

Name of Shareholder	CNIC number	CDC Account No./ Folio No.	Cell Number	Email Address

The bank will send the login details/password via email addresses of the members who are registered, after the necessary verification. On the AGM Day, shareholders will be able to log in and participate in the AGM proceedings through their smartphones/laptops/tablets or computer devices from any convenient location. The login facility will be opened 30 minutes before the meeting time to enable the participants to join the meeting. Please note that only those shareholders who have already registered themselves through the above process, will be able to participate in the meeting.

The members can also send their comments/suggestions related to the agenda of the Annual General Meeting (AGM) through email at zia.shamsi@samba.com.pk or WhatsApp at +92(307) 3278728.

11. Requirements for appointing proxies:

- (i) A member entitled to attend and vote at this meeting is entitled to appoint a proxy to attend, speak, and vote on his/her behalf. A proxy (except for a corporate entity) must be a member of the Bank. Proxy form, in order to be effective, must be received at the Registered Office of the Bank, duly stamped and signed not less than 48 hours before the time of the meeting, in case of a corporate entity, the Board of Directors' Resolution/Power of Attorney with specimen signatures shall also be submitted along with Proxy Form. (no account shall be taken of any part of the day that is not a working day).
- (ii) The entitled shareholders are requested to keep with them their original Computerized National Identity Cards (CNICs) / Passport along with their folio numbers / participant(s) ID numbers and CDC account numbers at the time of attending the Annual General Meeting in order to facilitate identification of the respective shareholders. The proxy shall also produce his/her original CNIC or Passport at the time of the meeting.

12. Audited Financial Statements through e-mail:

In pursuant to Section 223(6) of the Companies Act 2017 and SECP S.R.O. 389 (I) / 2023 dated March 21, 2023, Annual Report 2024 which includes Auditors' Report along with Audited Financial Statements, Directors' Report, Chairman's Review Report and Notice of Annual General Meeting are being e-mailed to the members who have provided their e-mail addresses. Members are also requested to intimate change (if any) in their registered e-mail addresses to the relevant Participants / Investor Account Services of the CDC / Share Registrar of the Bank (as the case may be) for the aforesaid purpose. Member of the Bank who wish to receive the hard copy of Annual Report are requested to send standard request form to our Share Registrar. The standard request form can be downloaded from the Bank's website link, <https://www.samba.com.pk/samba/overviews/financial-reports>

13.Submission of CNIC (Mandatory):

- (i) Shareholders who have not yet submitted a copy of their valid CNIC or valid Passport to the Bank, are once again reminded to send the same latest by April 9, 2025. The CNIC number /NTN details are mandatory and are also required

for checking the tax status as per the Active Taxpayers List (ATL) issued by the Federal Board of Revenue (“FBR”) from time to time.

- (ii) Individual Shareholders (including all joint holders) holding physical share certificates of the Bank are requested to submit a copy of their valid CNIC to the Bank or its Share Registrar if not already provided. The shareholders, while sending CNIC must quote their respective folio numbers.
- (iii) In case of non-receipt of copy of a valid CNIC, the Bank will be constrained under Section 243 (3) of the Companies Act, 2017 (“Companies Act”) to withhold the dividend of such shareholders.

14.Provision of IBAN for payment of cash dividend electronically (Mandatory):

- (i) In compliance with Section 242 of the Companies Act, 2017 it is mandatory for a public listed company to pay cash dividend to its shareholders through electronic mode ONLY, directly into the bank account designated by the eligible shareholder.
- (ii) Therefore, all shareholders, who have not provided their bank details are once again, through this notice, requested to update their accurate and complete 24 digits IBAN together with the bank's name, branch address, CNIC number, and correct email address with respective Participants/Investors' Account Services of CDC, for electronic form of shares, and in case of physical shareholding with our Shares Registrar, M/s. FAMCO Share Registration Services (Pvt.) Limited, at the address given above. This will enable payment of past with-held dividends.
- (iii) Please note that as per Section 243(3) of the Companies Act, 2017, listed companies are entitled to withhold payment of dividend if the necessary information is not provided by shareholders.
- (iv) E-Dividend Mandate Form is available on the Bank's website for the convenience of shareholders.

15.Postal Ballot/E-voting:

If the number of persons who offer themselves to be elected is more than the number of directors fixed under sub-section (1) of Section 159 of the Companies Act, 2017, then, subject to requirements of Sections 143 and 144 of the Companies Act 2017, the Bank shall provide its members with options of e-voting and voting by postal ballot in accordance with the provisions of the Companies (Postal Ballot) Regulations, 2018.

Shareholders desirous of voting electronically (e-voting) are requested to have their updated and active email and cell number incorporated in their physical folio with the Share Registrar of the Bank and with their Participant or Broker / CDC Investor Account Services where their shares are digitally held.

16.Deposit / Conversion of Physical Shares into Book-Entry Form:

The shareholders having physical share certificates of the Bank are advised to place / convert their physical shares into Book-Entry Form in CDC as required under the provisions of Section 72 of the Companies Act, 2017.

17.Registration in the CCDR Web Portal of CDC:

Central Depository Company (CDC) has developed a Centralized Cash Dividend Register (“CCDR”), on its eService's web portal, which contains details pertaining to cash dividends paid, unpaid or withheld by listed companies. CCDR maintains a recent history of dividends paid to shareholders by listed companies and access to such information is provided to the respective shareholders including details of Income Tax / Zakat deduction etc. (if any) and the net amount credited into their accounts.

Shareholders of the Bank are requested to register themselves on CDC's eservices Portal <https://eservices.cdcaccess.com.pk> to access the above facility.

18.Unclaimed Dividend / Shares U/s 244 of the Companies Act, 2017:

An updated list of unclaimed dividends/shares of the Bank, which have remained unclaimed or unpaid for three years from the date these have become due and payable, is available on the Bank's website www.samba.com.pk/samba/overviews/notices.

Claims can be lodged by shareholders on the Claim Form as is available on the Bank's website. Claim Forms must be submitted to the Bank's Share Registrar for receipt of dividends/ shares.

19.Proxy Form:

The proxy form is enclosed and also available on the Bank's website, www.samba.com.pk/samba/overviews/notices.

Statement under Section 166(3) of the Companies Act, 2017

Item No. 4 of the Agenda

Statement under Section 166(3) of the Companies Act, 2017 in respect of Election of Independent Directors of the Bank:

Independent Directors will be elected through the process of election of directors in terms of Section 159 of the Companies Act, 2017 and they shall meet the criteria laid down under Section 166 (2) of the Companies Act, 2017.

نوٹس برائے بائیسواں سالانہ اجلاس عام

نوٹس ہذا کے ذریعے آگاہ کیا جاتا ہے کہ سامنا چیک لمیٹڈ (پبلک) کا بائیکھواں (22) سالانہ اجلاس عام 17 اپریل 2025 بروز جمعرات پاکستانی وقت کے مطابق منعقد کیا جائے گا۔

(11:00 بجے، مقام ہوٹل سرینا، اسلام آباد، پاکستان میں حسب ذیل امور کی انجام دہی کے لئے منعقد کیا جا رہا ہے:

عمومی امور

- ۱۔ 28 مارچ 2024ء کو منعقد شدہ آنکسویں (21) سالانہ اجلاس عام کے منتسب کی منظوری۔
- ۲۔ بینک کے سالانہ آڈٹ شدہ اکاؤنٹس بشمول مختصر بین روپوش، ڈائریکٹرز اور آڈیٹرز کی روپوش برائے اختتام سال 31 دسمبر 2024ء کو موصول، ان کا تجزیہ اور ان کی منظوری دی جائے۔
- کمیٹی ریکمڈ 2017 (ایکٹ) کے سیکشن (6) 236 اور 2023 / (1) 389 SRO، مورخہ 21 مارچ 2023ء کے تحت بینک کی سالانہ آڈٹ شدہ گوشوارے بینک کی ویب سائٹ پر اپ لوڈ کر دی گئی ہیں جو درج ذیل ویب لنک یا فعال QR کوڈ کے ذریعے ڈاؤن لوڈ کی جاسکتی ہیں۔
- ویب لنک: <https://www.samba.com.pk/samba/overviews/financial-reports>
- ۳۔ آڈیٹرز کی تقرری اور ان کے معاوضہ کا تعین کرنا، جس کی مدت آئندہ سالانہ اجلاس عام کے اختتام تک ہوگی۔ بورڈ آف ڈائریکٹرز نے سبکدوش ہونے والے آڈیٹرز سرز کے پی ایم سی یا قیصر ہادی اینڈ کمپنی، چارٹرزڈ اکاؤنٹنٹس کی سبکدوشی کے لیے فرم مین اینڈ کمپنی، چارٹرزڈ اکاؤنٹنٹس (PWC Pakistan) کی تقرری کی سفارش کی ہے۔
- ۴۔ بورڈ آف ڈائریکٹرز کی جانب سے کمیٹی ریکمڈ 2017 کے سیکشن 159 کے تحت مقرر کردہ 8 ڈائریکٹرز کا انتخاب کرنا، جن کی مدت 3 سال ہوگی، جو 17 اپریل 2025 سے شروع ہوگی۔

سیکڈوٹس ہونے والے ڈائریکٹرز کے نام درج ذیل ہیں:

- ۱۔ جناب معظمی الیاس
۲۔ جناب ناصر سلمان الفرج
۳۔ جناب حسین حمید
۴۔ جناب محمود پاشا
۵۔ محترمہ غلوثہ الداعی
۶۔ حافظ محمد یوسف
۷۔ جناب جاوید قریشی
۸۔ محترمہ انصار

دیگر امور:

چیز میں کی مشکوٰۃ سے دیکھا مور کوڑھ غور لانا۔

2025. 4. 26

کراچی

بحکم ہمارے
ضیاء الحسنین علی
سکھن سکھری

نوٹس:

- 1۔ بینک کی شیئر ٹرانسفریکس 10 اپریل 2025ء سے 17 اپریل 2025ء (شمول دونوں ایام) تک بند ہیں گی۔ جو ٹرانسفر یہ ترتیب 9 اپریل 2025ء کے روز کاروباری اعلام تک بینک کے رجسٹرار جنسز ڈیپوٹیکو شیئر رجسٹران سرورز (پرائیویٹ) لمیٹڈ کے دفتر بمقام F-8، نزد ہوٹل قارمان، نرسری ہلاک-8، پی ای سی ایچ ایس، شاہراہ فیصل، کراچی، پر موصول ہونگے، وہ اجلاس میں شرکت کرنے اور ووٹ دینے کے اہل ہونگے۔
- 2۔ یکمئی 2017ء کے نیکشن 152 کے تحت ممبران کے معائنے کے لئے مورخہ 28 مارچ 2024ء کو منظورہ اکھوساں (21) سالانہ اجلاس عام کے منٹس کی نقول دستیاب ہیں۔ وہ اراکین جو ویڈیو لنک کے ذریعے میٹنگ میں شامل ہوں گے، اگر وہ ایکسویس سالانہ اجلاس عام کے منٹس کا معائنہ کرنے کے خواہشمند ہیں تو zla.shamsi@samba.com.pk پر ای میل کے ذریعے اپنی درخواست بھیج سکتے ہیں۔
- 3۔ بینک کے بورڈ آف ڈائریکٹرز نے انتخاب کے لیے ڈائریکٹرز کی تعداد آٹھ (8) مقرر کی ہے۔ فرسٹ شیئر ہولڈرز (کارپوریٹ گورننس کے ضابطہ) کے ریگولیشن 2019ء کے ضابطہ نمبر 7A کے مطابق، بینک کے ڈائریکٹرز کے انتخاب کے لیے دو جنگ کو درج ذیل تین کینڈیڈیٹس میں علیحدہ علیحدہ متقدم کرنا لازمی ہے:

نمبر شمار	کیتگری	نشتوں کی تعداد
1	خاتون ڈائریکٹر	1
2	آزاد ڈائریکٹر	3
3	دیگر ڈائریکٹر	4

- 4۔ کوئی بھی رکن جو ڈائریکٹرز کے انتخاب میں حصہ لینے کا غرض مند ہو، وہ پینک کے کبھی تک بٹری کے پاس درج ذیل دستاویزات نہ کوہ اجلاس کی تاریخ سے کم از کم چودہ (14) دن قبل جمع کروائے؟

(الف) کسی بھی امیدوار کو جو بینک کے ڈائریکٹر کے انتخاب میں حصہ لینے کا خواہشمند ہو، اسے اس سلسلے میں اپنے ارادے کا نوٹس جمع کرنا ہوتا ہے اور مذکورہ بالا کنٹیکٹ میں سے کسی ایک کنٹیکٹ کا انتخاب کرنا ہوتا ہے جس میں وہ ڈائریکٹر کے انتخاب میں حصہ لینا چاہتا/چاہتی ہے، جیسا کہ کنفیڈرینکٹ، 2017 کے کنٹیکٹ (3) 159 اور کنفیڈرینکٹ (کارپوریٹ گورننس کے ضوابط) کے ضابطہ 7A میں بیان کیا گیا ہے۔ حربہ برائے امیدوار کو درج ذیل امور کی تصدیق کرنا ہوگی:

- (i) وہ کسی بھی قابلِ اخلاق قوانین و ضوابط کے تحت وینک کا ڈائریکٹر بننے کے لیے غیر اہل نہیں ہے۔
- (ii) وہ اور نہ ہی اس کا/کی شریک حیات برادر بننے کے کاروبار سے منسلک ہوں، اور نہ ہی کسی کارپوریٹ برادر بننے یا کسی کاروبار، ڈائریکٹر یا افسر ہوں۔
- (iii) وہ ایک وقت سات سے زائد لٹل کینیز میں بطور ڈائریکٹر خدمات انجام نہیں دے رہا/ری۔ تاہم، کسی لٹل ہولڈنگ کمپنی کی فہرست شدہ ذیلی کمپنیز میں ڈائریکٹر شپ اس سے منسلک ہوگی۔
- (iv) آزاد ڈائریکٹر کی صورت میں کینیز ایکٹ 2017 کے سیکشن (2) 166 کے تحت آزاد حیثیت کا ڈائریکٹر بن، جیسا کہ لٹل کینیز (کارپوریٹ گورننس کے ضابطہ اخلاق) کے ضابطہ (3) 6 میں درکار ہے۔

- (ب) کمپنیز ریگولیشن 2024 کے قیام 9 اکتوبر 2017 کے سیکشن 167 کے تحت بطور ڈائریکٹر خدمات انجام دینے کے لیے ضامندی۔
- (ج) اسٹیٹ بینک آف پاکستان کی جانب سے 22 نومبر 2021 کو جاری کردہ بی پی آر ڈی سرکلر نمبر 5 کے تحت "کارپوریٹ گورننس ریگولیشنز فریم ورک" میں فراہم کردہ سٹینڈرڈ اینڈ پریپریڈ ٹیمپلٹ بروکار، حلف نامہ، ڈیکلیریشن، جیسے جات، اور سوالنامہ جمع کروانا۔

میں شرکت کی ترغیب دی جاتی ہے۔

تمام اہل حصص یافتگان جن کے نام بینک کی کتب میں 9 اپریل 2025ء کے روز کاروباری دن کے اختتام تک موجود ہوں اور وہ سالانہ اجلاس عام میں ویڈیو لنک کے ذریعے شرکت کے خواہشمند ہوں تو ان سے درخواست کی جاتی ہے کہ وہ کھلی ٹیکسٹری آفس میں مندرجہ ذیل کوائف ذری طور پر یا سالانہ اجلاس عام کے وقت سے کم از کم 48 گھنٹے قبل ای میل agm@samba.com.pk کے ذریعے رجسٹر ہو جائیں:

حصص یافتگان نام	سی این آئی سی نمبر	سی ڈی سی اکاؤنٹ نمبر/فولیو نمبر	سٹیل نمبر	ای میل ایڈریس

بینک ضروری تصدیق کے بعد لاگ ان کی تفصیلات/ پاس ورڈ رجسٹرڈ اراکین کے ای میل چینل کے ذریعے ارسال کرے گا۔ سالانہ اجلاس عام کے دن، رجسٹرڈ حصص یافتگان اپنے سمارٹ فون/لیپ ٹاپ/ٹیبلیٹ اور کمپیوٹر پر پاس ورڈ کے ذریعے کسی بھی سہولت والے مقام سے لاگ ان کر سکیں گے اور سالانہ اجلاس عام کی کارروائی میں حصہ لے سکیں گے۔ اجلاس شروع ہونے سے 30 منٹ قبل ہی لاگ ان کی یہ سہولت شرکاء کی آسانی کے پیش نظر سالانہ اجلاس عام میں شمولیت کے لئے کھول دی جائے گی۔ براہ کرم نوٹ فرمائیں کہ صرف وہ حصص یافتگان جنہوں نے مندرجہ بالا عمل کے ذریعے پہلے ہی خود کو رجسٹر کر رکھا ہے، الیکٹرانک ذرائع سے اجلاس میں شرکت کرنے کے اہل ہوں گے۔

ممبران سالانہ اجلاس عام (AGM) کے ایجنڈے سے متعلق اپنے نمبرز/شمارے zia.shamsi@samba.com.pk پر ای میل یا 3278728 (307) +92 پر فون پر اپنی کڑی دیکھیں۔

11۔ پراسیسور کی تقرری کیلئے درکار شرائط:

(i) ہر ایبارکن جہاں اجلاس میں شرکت اور ووٹ دینے کا حق رکھتا ہے، اسے یہ اختیار حاصل ہے کہ وہ کسی دوسرے فرد کو بطور پراسیسور مقرر کرے تاکہ وہ اس کی جانب سے اجلاس میں شرکت، گفتگو کرے اور ووٹ دے۔ تاہم، (کارپوریٹ ادارے کے علاوہ) پراسیسور کو بینک کارکن ہونا ضروری ہے۔ پراسیسور کو مقرر ہونے کے لئے، اسے بینک کے رجسٹرڈ آفس میں اجلاس کے وقت سے کم از کم 48 گھنٹے قبل مکمل شدہ، حیر شدہ اور مستحکم شدہ صورت میں جمع کرنا ہونا ہوگا۔ کارپوریٹ ادارے کی صورت میں، پراسیسور کو مقرر ہونے کے ساتھ ساتھ بورڈ آف ڈائریکٹرز کی قرارداد اور ریٹائرمنٹ نوٹیفکیشن بھی جمع کرنا لازم ہوگا۔ (ایسے دن کے کسی حصے کو شمار نہیں کیا جائے گا جو کاروباری دن نہ ہو)۔

(ii) وہ تمام شیئرز ہولڈرز جو اجلاس میں شرکت کے اہل ہیں، ان سے درخواست کی جاتی ہے کہ وہ اپنی اصل کمپیوٹرائزڈ قومی شناختی کارڈ (CNIC) یا پاسپورٹ، اپنے فولیو نمبر، شرکاء کا آئی ڈی نمبر، اور CDC اکاؤنٹ نمبر اپنے ہمراہ رکھیں تاکہ اجلاس میں شرکت کے وقت ان کی شناخت میں سہولت ہو سکے۔ پراسیسور کو بھی اجلاس میں شرکت کے وقت اپنا اصل CNIC یا پاسپورٹ پیش کرنا ہوگا۔

12۔ سالانہ آڈٹ شدہ اکاؤنٹس کی ای میل یا سی ڈی کے ذریعے ترسیل:

کمپنیز ایکٹ 2017 کے سیکشن 223(6) اور سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے 2023 / S.R.O. 389 (I) تاریخ 21 مارچ 2023 کے تحت، سالانہ رپورٹ 2024، جس میں آڈیٹرز کی رپورٹ، آڈٹ شدہ مالیاتی گوشوارے، ڈائریکٹرز کی رپورٹ، چیئرمین کے جائزہ کی رپورٹ اور سالانہ اجلاس عام کا نوٹس شامل ہیں، ان تمام اراکین کو ای میل کیے جا رہے ہیں جنہوں نے اپنے ای میل پتے فراہم کیے ہیں۔ حیرت برائے، اراکین سے درخواست کی جاتی ہے کہ اگر ان کے رجسٹرڈ ای میل چینل میں کوئی تبدیلی ہو تو وہ متعلقہ پارٹنر/پیشوا/سی ڈی سی کے الٹیمٹم اکاؤنٹ سرور/بینک کے شیئرز رجسٹرار (جیسا قابل اطلاق ہو) کو بروقت مطلع کریں تاکہ مذکورہ بالا مقصد کے لئے ریکارڈ کو اپ ڈیٹ کیا جاسکے۔ وہ اراکین جو سالانہ رپورٹ کی ہارڈ کاپی وصول کرنا چاہتے ہیں، وہ بینک کے شیئرز رجسٹرار کو الٹیمٹم رپورٹ درخواست فارم ارسال کریں۔ الٹیمٹم رپورٹ درخواست فارم بینک کی ویب سائٹ کے درج ذیل لنک سے ڈاؤن لوڈ کیا جاسکتا ہے:

<https://www.samba.com.pk/samba/overviews/financial-reports>

5۔ اسٹیٹ بینک آف پاکستان کے مقرر کردہ معیار کے مطابق، کوئی بھی شخص بینک کا ڈائریکٹر بننے کے لیے اہل نہیں ہوگا، اگر وہ:

(i) بینکنگ کمپنیز آرڈیننس 1962 کمپنیز ایکٹ 2017، اور دیگر قابل اطلاق قوانین، قواعد و ضوابط کے تحت نااہل/غیر موزوں قرار دیا گیا ہو؛

(ii) کسی مالیاتی ادارے کے ہدایا جات کی ادائیگی میں ذاتی حیثیت میں تاویہ ہو؛

(iii) انگریز نوڈ انریکٹر، اسپانسرڈ انریکٹر، اسپانسر کا محرم کردہ ڈائریکٹر، یا صدر/چیف ایگزیکٹو آفیسر کی حیثیت سے کسی منسلک کاروبار شرکائی فرم، یا کارپوریٹ ادارے (پبلک ٹیکسٹ آرگنائزیشن کے علاوہ) سے وابستہ ہو، جو کسی مالیاتی ادارے کے ہدایا جات کی ادائیگی میں تاویہ ہو؛

(iv) اسٹیٹ بینک آف پاکستان یا کسی دیگر مقامی یا غیر ملکی ریگولیٹری اتھارٹی، پیشرہ راند تنظیم، یا سرکاری ادارے کے ضوابط اور معاملات/مطلوبہ درکار ضروریات کی خلاف ورزی کا مرتکب ہو، جس کے نتیجے میں اس کی بینک/ڈی ایف آئی کے ساتھ ادائیگی تاویہ ہو گئی ہو؛

(v) کوئی محرم فرد/ممنوعہ فرد یا محرم شدہ فرد/ممنوعہ فرد سے براہ راست یا بالواسطہ وابستہ ہو؛

(vi) کسی سنگین جرم میں ملوث ہو یا ایسے کسی شخص سے براہ راست یا بالواسطہ وابستہ ہو جو جرمی لاپرواہی، دہشت گردی کی مالی معاونت، یا انسدادی لاپرواہی ایکٹ 2010 کے شیڈول میں درج کسی بھی بنیادی جرم میں ملوث ہو۔

یہ امر بھی قابل ذکر ہے کہ اسٹیٹ بینک آف پاکستان (SBP) کے ضوابط کے تحت کوئی بھی شخص ایک سے زائد بینک یا ڈی ایف آئی (DFI) میں بطور ڈائریکٹر خدمات انجام دینے کا مجاز نہیں ہے۔ مزید برآں، ڈائریکٹر ذاتی متعلقہ ذمہ داریوں کا چارج اس وقت تک سنبھال نہیں سکتے جب تک کہ ان کی تقرریاں SBP کی تحریری منظوری سے مشروط نہ ہوں۔

6۔ متعلقہ دستاویزات کی نقل بینک کے کھلی ٹیکسٹری کے دفتر سے حاصل کی جاسکتی ہے یا SBP کی ویب سائٹ سے ڈاؤن لوڈ بھی کی جاسکتی ہے۔

7۔ سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے 2019 (I) SRO 1196، مورخہ 103 ستمبر 2019 کے مطابق، امیدواروں کے تفصیلی پروفائلز اور دفتری پتے بینک کی ویب سائٹ پر دستیاب کر دیے جائیں گے۔

8۔ حصص یافتگان کے پتے اور دیگر تفصیلات کی تبدیلی:

ممبران جو فیکل شیئرز رکھتے ہیں، ان سے درخواست کی جاتی ہے کہ وہ اپنے حوالے یا دیگر تفصیلات میں تبدیلی کی صورت میں بینک کے شیئرز رجسٹرار کو ذری مطلع کریں۔ ایسے حصص یافتگان جو الیکٹرانک شیئرز رکھتے ہیں وہ اپنے پتے میں کسی تبدیلی کے حوالے سے اپنے شرکاء داروں یا سی ڈی سی الٹیمٹم اکاؤنٹ سرور کو مطلع کریں۔

مزید یہ کہ کمپنیز ایکٹ 2017 کے سیکشن 119 اور کمپنیز ریگولیشنز 2024 کے ریگولیشن 47 کی درکار ضروریات کی پیروی کرتے ہوئے تمام سی ڈی سی اور فیکل شیئرز ہولڈرز سے درخواست کی جاتی ہے کہ وہ اپنے ای میل ایڈریس اور فون نمبرز اپنے فیکل فولیو یا سی ڈی سی اکاؤنٹ میں اپ ڈیٹ کریں۔

9۔ سالانہ اجلاس عام میں شرکت کی شرائط:

(i) انفرادی صورت میں، اکاؤنٹ ہولڈر یا ذیلی اکاؤنٹ ہولڈر جن کی رجسٹریشن کی تفصیلات سینٹرل ڈیپازٹری کمپنی آف پاکستان لمیٹڈ ("CDC") ضوابط کے مطابق اپ لوڈ کی گئی ہیں وہ سالانہ اجلاس عام میں شرکت کے وقت اپنا اصل کمپیوٹرائزڈ قومی شناختی کارڈ (CNIC) یا اصل پاسپورٹ دکھانا اپنی شناخت کی تصدیق کرنا چاہیں گے۔

(ii) کارپوریٹ ادارے کی صورت میں پراسیسور کو مقرر ہونے کے ساتھ ساتھ بورڈ آف ڈائریکٹرز کی قرارداد/پاور آف اتارنی منع نامزد کردہ فرد کے دھماکے نمونے سالانہ اجلاس عام کے وقت پیش کرنا ہوں گے، اگر پراسیسور کو مقرر ہونے کے ساتھ ساتھ بینک کو پہلے فراہم نہیں کئے گئے ہیں۔

10۔ سالانہ اجلاس عام میں الیکٹرانک ذرائع سے شرکت:

بینک تمام حصص یافتگان کو ویڈیو لنک کے ذریعے سالانہ اجلاس عام میں شرکت کی سہولت فراہم کرے گا۔ حصص یافتگان کو ویڈیو لنک کی سہولت کے ذریعے سالانہ اجلاس عام کی کارروائی

17- سینٹرل ڈپازٹری کمیٹی کے CCDR ویب پورٹل میں رجسٹریشن:

سینٹرل ڈپازٹری کمیٹی (CDC) نے اپنی ای سروسز کے ویب پورٹل پر ایک سینٹرلائزڈ کیش ڈیویڈنڈ رجسٹر (CCDR) جاری کیا ہے، جس میں درج کئے گئے ڈیویڈنڈ ہولڈرز کے لیے ادا کیے گئے، غیر ادا شدہ یا روکے گئے کیش ڈیویڈنڈ کی تفصیلات موجود ہیں۔ سینٹرلائزڈ کیش ڈیویڈنڈ رجسٹر (CCDR) ادا شدہ ڈیویڈنڈ کا حالیہ ریکارڈ محفوظ رکھتا ہے اور متعلقہ شیئر ہولڈرز کو ان کے ڈیویڈنڈ کی تفصیلات تک رسائی فراہم کرتا ہے، جن میں انکم ٹیکس/ڈکوہ کی کٹوتی (اگر کوئی ہو) اور ان کے اکاؤنٹس میں جمع کی گئی مجموعی رقم شامل ہے۔

بینک کے شیئر ہولڈرز سے درخواست ہے کہ وہ مذکورہ سہولت حاصل کرنے کے لیے CDC کے ای سروسز پورٹل <https://eservices.odcaccess.com.pk> پر رجسٹریشن کروائیں:

18- غیر دعویٰ شدہ ڈیویڈنڈ/شیئرز (کمپنیز ایکٹ 2017 کے سیکشن 244 تحت):

بینک کے غیر دعویٰ شدہ ڈیویڈنڈ/شیئرز کی تازہ ترین فہرست، جو تین سال یا اس سے زائد عرصے تک غیر دعویٰ شدہ رہی ہے، بینک کی ویب سائٹ www.samba.com.pk/samba/overviews/notices پر دستیاب ہے۔

شیئر ہولڈرز تعلیم فارم کے ذریعے اپنا دعویٰ درج کر سکتے ہیں، جو بینک کی ویب سائٹ پر موجود ہے۔ تعلیم فارم بینک کے شیئر رجسٹرار کے پاس جمع کر دیا جائے گا کہ ڈیویڈنڈ/شیئرز کی وصولی ممکن ہو سکے۔

19- کمپنیز پر کسی فارم:

پراسی فارم منسلک ہے اور بینک کی ویب سائٹ www.samba.com.pk/samba/overviews/notices پر بھی دستیاب ہے۔

کمپنیز ایکٹ 2017 کے سیکشن (3) 166 تحت بیان:

ایجنڈا آئٹم نمبر 4

بینک کے آزاد ڈائریکٹرز کے انتخاب کے حوالے سے کمپنیز ایکٹ 2017 کے سیکشن (3) 166 کے تحت بیان:

آزاد ڈائریکٹرز کا انتخاب کمپنیز ایکٹ 2017 کے سیکشن 159 کی شرائط کے تحت کیا جائے گا اور یہ ڈائریکٹرز کمپنیز ایکٹ 2017 کے سیکشن (2) 166 میں درج معیارات پر پورا اتریں گے۔

13- سی این آئی سی (کمپیوٹرائزڈ قومی شناختی کارڈ) جمع کروانا (لاڈی شق):

(i) ایسے تمام حصص یافتگان جنہوں نے ابھی تک اپنے فعال سی این آئی سی یا فعال پاسپورٹ کی نقل (چیک) کو جمع نہیں کروائی ہے، ان کو ایک مرتبہ پھر یاد دہانی کرائی جاتی ہے کہ وہ یہ مدت 9 اپریل 2025 تک ارسال کر دیں۔ سی این آئی سی نمبر/این ٹی این کی تفصیلات لازمی ہیں اور یہ فیڈرل بورڈ آف ریونیو (FBR) کی جانب سے وقتاً فوقتاً جاری کردہ ایکٹو ٹیکس دہندگان کی فہرست (ATL) میں حصص یافتہ کا ٹیکس اسٹیتس چیک کرنے کے لئے بھی ضروری ہیں۔

(ii) انفرادی حصص یافتگان (بشمول تمام شیئرز کہ حصص یافتگان) جن کے پاس بینک کے اصل شیئر ٹیکٹس موجود ہیں ان سے درخواست کی جاتی ہے کہ وہ اپنے فعال سی این آئی سی کی ایک نقل (چیک) یا اس کے رجسٹر ارنوڈری جمع کرائیں، اگر نقل ادا فرام نہیں کی گئی ہے۔ حصص یافتگان سی این آئی سی بھیجے وقت حوالے کے طور پر اپنا متعلقہ فوئیو نمبر ضرور تحریر کریں۔

(iii) فعال سی این آئی سی کی نقل نہ ملنے کی صورت میں، بینک کمپنیز ایکٹ، 2017 کی دفعہ (3) 243 ("کمپنی ایکٹ") کے تحت ایسے حصص یافتگان کے ڈیویڈنڈ کی ادائیگی روکنے پر مجبور ہو گا۔

14- نقد ڈیویڈنڈ کی الیکٹرانک طور پر ادائیگی کے لئے IBAN کی فراہمی (لاڈی شق):

(i) کمپنیز ایکٹ 2017 کے سیکشن 242 کے مطابق بینک نقد کمپنی کے لئے لازم ہے کہ وہ اپنے اہل حصص یافتگان کو براہ راست ان کے حاضر کردہ بینک اکاؤنٹ میں صرف الیکٹرانک ذریعے سے نقد ڈیویڈنڈ ادا کرے۔

(ii) لہذا تمام حصص یافتگان جنہوں نے اپنے بینک اکاؤنٹ کی تفصیلات فراہم نہیں کی ہیں ایک بار پھر اس نوٹس کے ذریعے ان سے درخواست کی جاتی ہے کہ اپنا درست اور مکمل 24 نمبروں والا IBAN نمبر متعلقہ بینک کے نام، برانچ کے پتے، سی این آئی سی نمبر اور درست ای میل ایڈریس، الیکٹرانک حصص کے لئے سی ڈی سی کے متعلقہ شرکا، انویسٹر اکاؤنٹس میں اور فوئیل شیئرز ہولڈنگ کی صورت میں ہمارے شیئرز رجسٹرار، میسرڈ ٹیکو شیئرز رجسٹریشن سروسز (پرائیویٹ) لمیٹڈ کے ذریعہ پتے پر ارسال کر کے تصدیق کروائیں۔ اس کے ذریعے سے پچھلے بھیا ڈیویڈنڈ کی ادائیگی بھی ممکن ہو جائے گی۔

(iii) برائے کرم نوٹ کر لیں کہ کمپنیز ایکٹ 2017 کے سیکشن (3) 243 کے مطابق، نقد کمپنیز حصص یافتگان کی جانب سے ضروری معلومات موصول نہ ہونے کی صورت میں ڈیویڈنڈ کی ادائیگی روکنے کی اجازت ہیں۔

(iv) حصص یافتگان کی سہولت کے لئے ای ڈیویڈنڈ میٹریٹ فارم بینک کی ویب سائٹ پر دستیاب ہے۔

15- پوسٹل بیلٹ/ای۔ووٹنگ:

خود کو انتخابات کے لیے پیش کرنے والے افراد کی تعداد کمپنیز ایکٹ 2017 کے سیکشن 159 کے ذیلی سیکشن (1) کے تحت مقرر کردہ ڈائریکٹرز کی تعداد سے زیادہ ہو، تو کمپنیز ایکٹ 2017 کے سیکشن 143 اور 144 کی شرائط کے مطابق، بینک اپنے اراکین کو ای۔ووٹنگ اور ڈاک کے ذریعے ووٹنگ کا اختیار فراہم کرے گا، جیسا کہ کمپنیز کی شرائط (پوسٹل بیلٹ) ریگولیشنز، 2018 میں درج ہے۔

ای۔ووٹنگ کے خواہشمند شیئر ہولڈرز سے درخواست ہے کہ وہ اپنا اپڈیٹ شدہ اور فعال ای میل ایڈریس اور موبائل نمبر بینک کے شیئر رجسٹرار میں فوئیل فوئیل کے ساتھ اور اپنے متعلقہ پارٹنیشنر یا ایڈور/ CDC انویسٹر اکاؤنٹ سروسز میں (جہاں ان کے شیئرز ڈیجیٹل طور پر رکھے گئے ہیں) شامل کروائیں۔

16- فزیکل شیئرز کی بک انٹری فارم میں منتقلی کی ہدایت:

بینک کے وہ شیئر ہولڈرز جن کے پاس فزیکل شیئرز سرٹیفکیٹس موجود ہیں، انہیں مشورہ دیا جاتا ہے کہ وہ اپنے شیئرز کو سینٹرل ڈپازٹری کمیٹی (CDC) کے بک انٹری سسٹم میں منتقل/تبدیل کروائیں، جیسا کہ کمپنیز ایکٹ 2017 کے سیکشن 72 کے تحت درکار ہے۔

FINANCIAL STATEMENTS



Independent Auditor's Report To The Members Of Samba Bank Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of Samba Bank Limited ("the Bank"), which comprise the statement of financial position as at 31 December 2024 and the statement of profit and loss account, the statement of comprehensive income, the statement of changes in equity and the cash flow statement for the year then ended, along with unaudited certified returns received from the branches except for thirteen branches which have been audited by us and notes to the financial statements, including a material accounting policy information and other explanatory information and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of profit and loss account, the statement of comprehensive income, the statement of changes in equity and the cash flow statement together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan, and, give the information required by the Banking Companies Ordinance, 1962 and the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Bank's affairs as at 31 December 2024 and of the profit, other comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Bank in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following are the Key Audit Matters:

S.No.	Key Audit Matters	How the matter was addressed in our audit
1	<p>Credit loss allowance against loans and advances to customers measured at amortised cost (Refer note 10 to the financial statements)</p> <p>As at 31 December 2024, the Bank's gross loans and advances to customers measured at amortised cost was Rs 66,121.14 million, and the related credit loss allowance / provision was Rs 10,051.27 million.</p> <p>In accordance with BPRD Circular No. 07 of 2023, the Bank has adopted IFRS 9, as per the application instructions issued by the State Bank of Pakistan (SBP), effective 1 January 2024. This adoption mandates the recognition of Expected Credit Losses (ECL) on advances, including non-funded exposures.</p> <p>The Bank now uses the ECL model to calculate the loss allowance for loans and advances to customers measured at amortised cost in accordance with IFRS 9.</p> <p>The management exercised significant judgements and estimation in its assessment of credit loss allowance on loans and advances to customers measured at amortised cost. They include:</p> <ul style="list-style-type: none">- determination of staging of loans and advances to customers including determining whether the credit risk has increased significantly and credit impairment events have occurred; and	<p>Our audit procedures, amongst others, included the following:</p> <ul style="list-style-type: none">• Assessing the design and implementation of key controls established by the Bank over measurement of ECL and provision calculated as per PR. <p>We involved our in-house specialist who assisted in the following:</p> <ul style="list-style-type: none">- assessing the reliability and appropriateness of the ECL methodologies for compliance with application instructions as issued by SBP for IFRS 9;- assessing the reasonableness of macro- economic variable and economic forecasts by comparing these to external sourced data extracted; and- performing independent testing of the Expected Credit Loss (ECL) allowance on a sample basis. <ul style="list-style-type: none">• Ensuring completeness of the key inputs into the ECL calculations with their respective sub ledgers and general ledgers.

S.No.	Key Audit Matters	How the matter was addressed in our audit
	<p>- the determination of key parameters used in the ECL model including probability of default (PD), loss given default (LGD), exposure at default (EAD), and forward-looking information.</p> <p>In line with the application instructions as issued by SBP for IFRS 9, the Bank must compare the ECL for Stage 3 advances with the provision determined under the Prudential Regulations (PR) issued by the SBP. The PR requires specific provisioning against the advances on the basis of time-based criteria which should be supplemented by a subjective evaluation of Bank's credit portfolio. The determination of provision against advances, therefore, involves use of management's judgement, on a case-to-case basis, taking into account factors such as the economic and business conditions, borrowers' repayment behaviors and realizability of collateral held by the Bank.</p> <p>Due to the significance of ECL allowance / provision on loans and advances to customers measured at amortised cost and the significant judgements and estimation exercised by management in estimating ECL / provision, we considered the area of ECL / provision against advances as a key audit matter.</p>	<p>In accordance with the regulatory requirement, we sampled and tested at least sixty percent of the total advances portfolio and performed the following substantive procedures for sample loan accounts:</p> <ul style="list-style-type: none"> - verifying repayments of advances / mark-up installments and checked that non-performing loans have been correctly classified and categorized based on the number of days overdue; - examining watch list accounts and based on review of the individual facts and circumstances, discussions with management and our assessment of financial conditions of the borrowers formed a judgement as to whether classification of these accounts as performing was appropriate; and - assessing the accuracy of specific provision made against non-performing advances by recomputing the provision amount in accordance with the criteria prescribed under the PR. <ul style="list-style-type: none"> • Assessing the appropriateness of SICR criteria applied by the Bank by ensuring that the SICR criteria and staging methodology are consistent with the relevant application instructions as issued by SBP for IFRS 9. • Assessing the appropriateness of ECL on advances classified as Stage 3 by performing a comparison of ECL computed, through the use of methodology and models with the provision required to be computed as required under the PR to ensure that an amount which is higher of the ECL and PR requirements is appropriately recognized for these stage 3 advances pursuant to the requirements of application instructions as issued by SBP for IFRS 9. • Evaluating the adequacy of the disclosures made in the financial statements around ECL as required by the accounting and reporting standards.

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises of Chairman's review report, Directors' report and six years' performance highlights included in the annual report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and the Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting and reporting standards as applicable in Pakistan, the requirements of Banking Companies Ordinance, 1962 and the Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.

The Board of directors is responsible for overseeing the Bank's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- a) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank's internal control.
- c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- d) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern.
- e) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide to the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. Based on our audit, we further report that in our opinion:
 - a) proper books of account have been kept by the Bank as required by the Companies Act, 2017 (XIX of 2017) and the returns referred above from the branches have been found adequate for the purpose of our audit;
 - b) the statement of financial position, the statement of profit and loss account, the statement of comprehensive income, the statement of changes in equity and the cash flow statement together with the notes thereon have been drawn up in conformity with the Banking Companies Ordinance, 1962 and the Companies Act, 2017(XIX of 2017) and are in agreement with the books of account and returns;

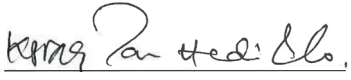
- c) investments made, expenditure incurred and guarantees extended during the year were in accordance with the objects and powers of the Bank and the transactions of the Bank which have come to our notice have been within the powers of the Bank; and
- d) zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Bank and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

2. We confirm that for the purpose of our audit we have covered more than sixty per cent of the total loans and advances of the Bank.

The engagement partner on the audit resulting in this independent auditor's report is Mr. Aryn Malik.

Karachi
Date: 17 March 2025

UDIN: AR2024100968a2e5H10L


KPMG Taseer Hadi & Co.
Chartered Accountants

Statement of Financial Position

AS AT DECEMBER 31, 2024

ASSETS

Cash and balances with treasury banks
Balances with other banks
Lendings to financial institutions
Investments
Advances
Property and equipment
Right-of-use assets
Intangible assets
Deferred tax assets - net
Other assets

Note

(Rupees in '000)

2024

2023

9,210,303

9,465,856

1,367,511

1,038,476

-

8,192,051

100,275,430

70,412,387

56,069,867

73,436,346

1,845,461

1,702,942

1,655,791

1,255,338

762,823

596,744

3,366,502

2,503,022

7,932,301

10,093,066

182,485,989

178,696,228

LIABILITIES

Bills payable
Borrowings
Deposits and other accounts
Lease liabilities
Subordinated debt
Deferred tax liabilities
Other liabilities

16

1,791,194

975,388

17

42,474,223

30,981,605

18

107,141,793

114,731,997

19

1,892,718

1,475,627

20

4,993,000

4,995,000

-

-

21

6,967,875

9,173,430

165,260,803

162,333,047

17,225,186

16,363,181

NET ASSETS

REPRESENTED BY:

Share capital
Reserves
Deficit on revaluation of assets
Unappropriated profit

22

10,082,387

10,082,387

23

3,116,844

2,976,978

(24,309)

(274,468)

4,050,264

3,578,284

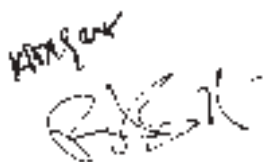
17,225,186

16,363,181

CONTINGENCIES AND COMMITMENTS

24

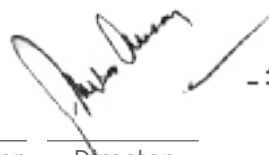
The annexed notes 1 to 47 and Annexures I and II form an integral part of these financial statements.



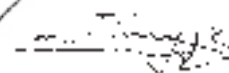
Chief Financial Officer



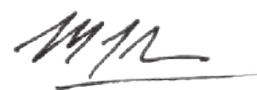
President & Chief Executive Officer



Director



Director



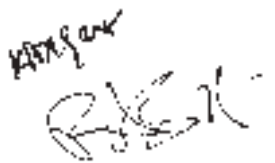
Chairman

Profit and Loss Account

FOR THE YEAR ENDED DECEMBER 31, 2024

		(Rupees in '000)	
Note		2024	2023
Mark-up / return / interest earned	25	28,720,686	28,705,206
Mark-up / return / interest expensed	26	(21,394,922)	(20,604,024)
Net mark-up / return / interest income		7,325,764	8,101,182
Non mark-up / interest income			
Fee and commission income	27	365,083	379,434
Dividend income		69,069	60,624
Foreign exchange income		1,009,735	1,143,636
Gain / (loss) on securities	28	212,255	(399,968)
Other income	29	31,027	24,672
Total non mark-up / interest income		1,687,169	1,208,398
Total income		9,012,933	9,309,580
Non mark-up / interest expenses			
Operating expenses	30	(5,295,984)	(4,764,920)
Workers' welfare fund	31	(55,000)	(65,000)
Other charges	32	(280)	(135)
Total non mark-up / interest expenses		(5,351,264)	(4,830,055)
Profit before credit loss allowance / provisions		3,661,669	4,479,525
Credit loss allowance / provisions / reversals and write offs - net	33	(1,757,945)	(2,286,206)
Other expense - levy	34.2	(354,000)	-
PROFIT BEFORE TAXATION		1,549,724	2,193,319
Taxation	34	(850,392)	(958,023)
PROFIT AFTER TAXATION		699,332	1,235,296
		(Rupees)	
Earnings per share - basic and diluted	35	0.694	1.225

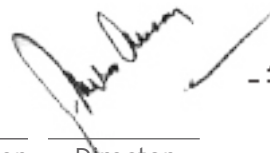
The annexed notes 1 to 47 and Annexures I and II form an integral part of these financial statements.



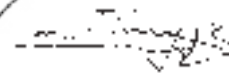
Chief Financial Officer



President & Chief Executive Officer



Director



Director



Chairman

Statement of Comprehensive Income

FOR THE YEAR ENDED DECEMBER 31, 2024

Profit after taxation for the year

Other comprehensive income

Items that may be reclassified to profit and loss account in subsequent periods:

Movement in surplus on revaluation of debt investments through FVOCI - net of tax

Items that will not be reclassified to profit and loss account in subsequent periods:

Movement in surplus on revaluation of investments in equity instruments at FVOCI - net of tax

Total other comprehensive income - net of tax

Total comprehensive income

(Rupees in '000)	
2024	2023
699,332	1,235,296
261,925	38,200
403,848	436,602
665,773	474,802
1,365,105	1,710,098

The annexed notes 1 to 47 and Annexures I and II form an integral part of these financial statements.



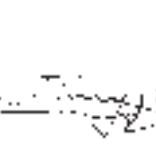
Chief Financial Officer



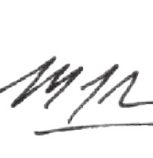
President & Chief Executive Officer



Director



Director



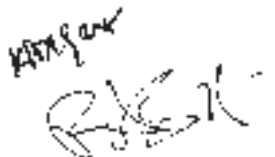
Chairman

Cash Flow Statement

FOR THE YEAR ENDED DECEMBER 31, 2024

		(Rupees in '000)	
Note		2024	2023
CASH FLOW FROM OPERATING ACTIVITIES			
	Profit / (loss) before taxation	1,549,724	2,193,319
	Less: dividend income	(69,069)	(60,624)
		1,480,655	2,132,695
	Adjustments:		
	Net mark-up / interest income	(8,629,649)	(9,379,075)
11.2	Depreciation	221,793	234,566
12	Depreciation on right-of-use assets	310,664	288,755
13.2	Amortisation	113,782	98,329
33	Credit loss allowance and write offs	1,757,945	2,286,206
9.1	Unrealized loss on revaluation of investments classified as FVTPL	1,209	223
28.1	(Gain) / loss on sale of investment - net	(212,214)	399,745
29	Gain on re-measurement of lease liability	(20,849)	-
26	Interest expense on lease liability against right of use assets	203,010	188,489
26	Interest expensed on debt securities	1,100,875	1,089,404
29	(Gain) on disposal of property and equipment	(1,788)	(5,412)
		(5,155,222)	(4,798,770)
		(3,674,567)	(2,666,075)
	Decrease / (increase) in operating assets		
	Lendings to financial institutions	8,192,051	(837,772)
	Securities classified as FVTPL	(2,957,511)	79,683
	Advances	15,523,203	(1,194,934)
	Other assets (excluding advance taxation)	684,468	(2,613,203)
		21,442,211	(4,566,226)
	Increase / (decrease) in operating liabilities		
	Bills payable	815,806	(63,321)
	Borrowings from financial institutions	11,492,618	(14,844,697)
	Deposits and other accounts	(7,590,204)	9,488,233
	Other liabilities (excluding advance taxation)	(1,778,207)	2,985,117
		2,940,013	(2,434,668)
		20,707,657	(9,666,969)
	Income tax paid	(1,796,536)	(995,273)
	Mark-up / Interest received	30,199,876	27,639,666
	Mark-up / Interest paid	(20,593,012)	(18,805,123)
	Net cash flow from / (used in) operating activities	28,517,985	(1,827,699)
CASH FLOW FROM INVESTING ACTIVITIES			
	Net Investments in securities classified as FVOCI	(26,203,477)	6,683,145
	Dividend income received	69,069	60,624
	Investments in fixed assets	(645,931)	(240,172)
	Sale proceeds from disposal of property and equipment	3,546	6,536
	Net cash flow (used in) / from investing activities	(26,776,793)	6,510,133
CASH FLOW FROM FINANCING ACTIVITIES			
	Principal repayment of debt securities	(2,000)	(2,000)
	Markup payment on debt securities	(1,189,490)	(969,145)
	Dividend Paid	(33)	(31)
	Payments of lease obligations against right-of-use assets	(476,187)	(399,451)
	Net cash flow used in financing activities	(1,667,710)	(1,370,627)
	Increase in cash and cash equivalents during the year	73,482	3,311,807
	Cash and cash equivalents at the beginning of the year	10,504,332	7,192,525
	Cash and cash equivalents at the end of the year	10,577,814	10,504,332

The annexed notes 1 to 47 and Annexures I and II form an integral part of these financial statements.



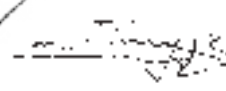
Chief Financial Officer



President & Chief Executive Officer



Director



Director



Chairman

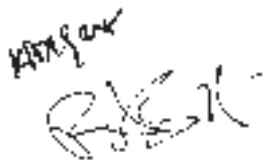
Statement of Changes In Equity

FOR THE YEAR ENDED DECEMBER 31, 2024

		(Rupees in '000)					
Note		Share capital	Capital reserve (a)	Statutory reserve (b)	Surplus / (Deficit) on revaluation of investments	Unappropriated profit	Total
	Opening Balance as at January 1, 2023	10,082,387	1,561,435	1,168,484	(749,270)	2,590,047	14,653,083
	Profit after taxation for the year ended December 31, 2023	-	-	-	-	1,235,296	1,235,296
	Other comprehensive income						
	Movement in surplus on revaluation of debt investments at FVOCI - net of tax	-	-	-	38,200	-	38,200
	Movement in surplus on revaluation of investments in equity instruments at FVOCI - net of tax	-	-	-	436,602	-	436,602
	Total other comprehensive income - net of tax	-	-	-	474,802	-	474,802
	Transfer to statutory reserve	-	-	247,059	-	(247,059)	-
	Balance as at December 31, 2023	10,082,387	1,561,435	1,415,543	(274,468)	3,578,284	16,363,181
	Effect of reclassification on adoption of IFRS 9 - Equity impairment (net of tax)	-	-	-	(40,967)	40,967	-
5.1.1.1	Effect of reclassification on adoption of IFRS 9 - Classifications due to business model and SPPI assessment	-	-	-	638	(638)	-
5.1.1.1	Effect of adoption of IFRS 9 "transaction of IFRS 9 Financial Instruments" - ECL charge (net of tax)	-	-	-	-	(503,100)	(503,100)
		-	-	-	(40,329)	(462,771)	(503,100)
	Restated balance as at January 1, 2024 on adoption of IFRS 9	10,082,387	1,561,435	1,415,543	(314,797)	3,115,513	15,860,081
	Profit after taxation for the year December 31, 2024	-	-	-	-	699,332	699,332
	Other comprehensive income						
	Movement in surplus / (deficit) on revaluation of investments in debt instruments at FVOCI - net of tax	-	-	-	261,925	-	261,925
	Movement in surplus / (deficit) on revaluation of investments in equity instruments at FVOCI - net of tax	-	-	-	403,848	-	403,848
	Gain on disposal of equity investment at FVOCI transferred to unappropriated profit - net of tax	-	-	-	(375,285)	375,285	-
	Total other comprehensive income - net of tax	-	-	-	290,488	375,285	665,773
	Transfer to statutory reserve	-	-	139,866	-	(139,866)	-
	Balance as at December 31, 2024	10,082,387	1,561,435	1,555,409	(24,309)	4,050,264	17,225,186

- a) This represents amount received by the Bank amounting to USD 10 million from its parent company - Samba Financial Group (now Saudi National Bank) in Q1 2021 for rebranding / marketing and to setup the digital banking roadmap, to launch digital product / services such as credit cards etc. The amount is non refundable and therefore has been classified as transactions with owners in equity.
- b) This represents the reserve created under section 21 (i) (a) of the Banking Companies Ordinance, 1962.

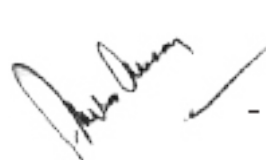
The annexed notes 1 to 47 and Annexures I and II form an integral part of these financial statements.



Chief Financial Officer



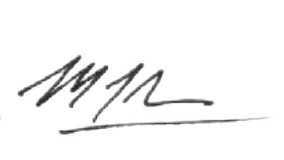
President & Chief Executive Officer



Director



Director



Chairman

Notes to and forming part of the Financial Statements

For The Year Ended December 31, 2024

1 STATUS AND NATURE OF BUSINESS

- 1.1 Samba Bank Limited (the Bank) is a banking Company incorporated in Pakistan and is engaged in commercial banking and related services. The Bank is listed on the Pakistan Stock Exchange Limited. Its principal office is located at Ground Floor, Arif Habib Centre, M.T. Khan Road, Karachi, whereas, the registered office of the Bank is located at 1st Floor, 19 - Saleem Plaza, Blue Area, Jinnah Avenue, Islamabad. The Bank operates 57 branches (December 31, 2023: 47 branches) inside Pakistan.

The Bank is a subsidiary of Saudi National Bank (formerly Samba Financial Group) of Kingdom of Saudi Arabia, the Parent entity, which holds 84.51% shares of the Bank as at December 31, 2024 (December 31, 2023: 84.51%).

- 1.2 Pakistan Credit Rating Agency (PACRA) has maintained the Bank's medium to long-term rating as 'AA' and the short-term rating as 'A 1'.

2 BASIS OF PRESENTATION

- 2.1 In accordance with the directives of the Federal Government regarding the shifting of the Banking system to Islamic modes, the State Bank of Pakistan (SBP) has issued various circulars from time to time. Permissible forms of trade-related modes of financing include purchase of goods by banks from their 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.

3 STATEMENT OF COMPLIANCE

- 3.1 These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards comprise of:

- International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as are notified under the Companies Act, 2017;
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan as are notified under the Companies Act, 2017;
- Provisions of and directives issued under the Banking Companies Ordinance, 1962 and the Companies Act, 2017; and
- Directives issued by the State Bank of Pakistan (SBP) and the Securities and Exchange Commission of Pakistan (SECP).

Whenever the requirements of the Banking Companies Ordinance, 1962, the Companies Act, 2017 or the directives issued by the SBP and the SECP differ with the requirements of IFRS or IFAS the requirements of the Banking Companies Ordinance, 1962, the Companies Act, 2017 and the said directives, shall prevail.

The disclosures made in these financial statements have been based on a format prescribed by SBP vide BPRD Circular No. 02 dated 09 February 2023 with further addition made vide BPRD Circular Letter No. 13 of 2024, dated 01 July 2024 and accounting and financial reporting standards as applicable in Pakistan.

- 3.2 SBP has deferred the applicability of International Accounting Standard (IAS) 40, 'Investment Property' for Banking Companies in Pakistan through BSD Circular Letter No. 10 dated 26 August 2002 till further instructions. Also, SECP has deferred the applicability of IFRS 7, 'Financial Instruments: Disclosures' through its notification S.R.O 411 (I) / 2008 dated 28 April 2008. Accordingly, the requirements of these standards have not been considered in the preparation of these financial statements.

- 3.3 The SBP has issued BPRD Circular Letter No. 01 of 2025 dated January 22, 2025 in which certain relaxations / clarifications have been provided upon adoption of IFRS 9 which are disclosed in note 5.1 to the financial statements

3.4 Standards, interpretations and amendments to accounting and reporting standards that are effective in the current year

As directed by SBP via BPRD Circular Letter No. 7 of 2023 dated 13 April 2023, IFRS 9, (Financial Instruments) is effective in Pakistan for period beginning on or after 01 January 2024. In addition, due to the application of IFRS 9, SBP vide BPRD Circular No. 02 dated 09 February 2023, has also amended the format of the annual financial statements. Details regarding the aforementioned adoption and amendment, including the impact thereof, are discussed in more detail in note 5.1 to these financial statements.

Except for the above, there are certain other interpretations and amendments that are mandatory for the Bank's accounting periods beginning 01 January 2024. However, these are not considered to be relevant or do not have any significant effect on the Bank's operations and therefore have not been detailed in these financial statements.

3.5 Standards, interpretations and amendments to accounting and reporting standards that are not yet effective

Certain new and amended standards, interpretations, and amendments issued by the International Accounting Standards Board (IASB) are mandatory for the Bank's accounting periods beginning on or after January 1, 2025. However, these are not expected to be relevant or have a material impact on the Bank's financial statements, except for:

- IFRS 18 - 'Presentation and Disclosure in Financial Statements' (issued in April 2024), which has an applicability date of January 1, 2027, as set by the IASB. IFRS 18 is yet to be adopted in Pakistan. Once adopted and applicable, the standard will impact the presentation of the Statement of Profit and Loss Account and introduce certain additional disclosures in the Bank's financial statements."
- Amendments to IFRS 9 - 'Financial Instruments' clarify the recognition and derecognition dates of financial assets and liabilities, including settlements made through banking instruments, various payment channels, and electronic transfers. When applied, these amendments may impact the timing of recognition and derecognition of financial liabilities.
- The amendment to IAS 21 - 'Effects of Changes in Foreign Exchange Rates' introduces a consistent approach for banks to assess whether a currency can be exchanged into another currency. If exchangeability is restricted, the amendment provides guidance on determining the appropriate exchange rate and the required disclosures.

The management is currently assessing the potential impact of these amendments on the Bank's financial statements.

4 BASIS OF MEASUREMENT

4.1 Accounting convention

These financial statements have been prepared under the historical cost convention except for certain investments, foreign currency balances, commitments in respect of foreign exchange contracts and derivative financial instruments which have been marked to market and are carried at fair value. Lease liability against right-of-use assets are carried at present value.

4.2 Functional and presentation currency

Items included in these financial statements are measured using the currency of the primary economic environment in which the Bank operates. These financial statements have been presented in Pakistani Rupees, which is the Bank's functional and presentation currency.

4.3 Critical accounting estimates and judgments

The preparation of financial statements in conformity with accounting and reporting standards as applicable in Pakistan requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses. It also requires management to exercise judgment in application of its accounting policies. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. These estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

Significant accounting estimates and areas where judgments were made by the management in the application of accounting policies are as follows:

- valuation and impairment of financial instruments (notes 5.1.1.14, 10, 45.1.7 and 45.1.8);
- current and deferred taxation (notes 5.8, 14, 24.3.1 and 34);
- depreciation, amortisation methods and useful lives of property and equipment and intangibles (notes 5.4, 5.6, 11 and 13);
- right of use assets and related lease liabilities (note 5.5, 12 and 19); and
- provisions and contingent liabilities (notes 5.9 and 24.3)

5 MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies adopted in the preparation of these financial statements are consistent with those followed in the preparation of the financial statements for the year ended December 31, 2023, except for change disclosed in note 5.1 below.

5.1 Changes in accounting policies

5.1.1 IFRS 9 Financial Instruments

During the year, as directed by SBP vide its BPRD Circular No. 07 of 2023 dated 13 April 2023, IFRS 9 'Financial Instruments' (the Standard) became applicable to the Bank.

BPRD Circular No. 03 of 2022 dated 05 July 2022 issued by SBP provides detailed instructions on implementation of IFRS 9 (the Application

Instructions) for ensuring smooth and consistent implementation of the standard across banks.

The Standard addresses recognition, classification, measurement and derecognition of financial assets and financial liabilities. The Standard has also introduced a new impairment model for financial assets which requires recognition of impairment charge based on 'Expected Credit Losses' (ECL) approach rather than 'incurred credit losses' approach as previously followed. The ECL has impact on all the assets of the Bank which are exposed to credit risk.

The Bank has adopted IFRS 9 in accordance with the Application Instructions from January 1, 2024, using the modified retrospective approach and has not restated comparatives for the 2023 reporting period and the differences in carrying amount of financial assets and financial liabilities resulting from the adoption of IFRS 9 are recognized in retained earnings and reserves as at January 1, 2024, as permitted under the specific transitional provisions in the Standard. Accordingly, the information presented for 2023 does not reflect the requirements of IFRS 9 and therefore is not comparable to the information presented for 2024 under IFRS 9.

The SBP through BPRD Circular Letter No. 16 dated July 29, 2024 and BPRD Circular Letter No. 01 dated January 22, 2025 (Letters) has made certain amendments and clarified the timelines of some of the SBP's IFRS 9 Application Instructions to address the matters raised by the banks to ensure compliance by the timelines. The Letters have provided clarifications / relaxations on measurement of unquoted equity securities, modification accounting, maintenance of general provisions over and above ECL. Accordingly, the Bank has adopted the treatment as instructed in the aforementioned Letters in these financial statements. In addition, the SBP in a separate instruction SBPHOK-BPRD-RPD-SMB-820177 dated January 22, 2025 has allowed extension for application of Effective Interest Rate up to December 31, 2025.

5.1.1.1 Impact on the statement of financial position:

The effect of this change in accounting policy is as follows:

Financial Asset / Liabilities	Previous classification	classification under IFRS 9	Balances as of December 31, 2023(Audited)	Impact due to							Total impact - net of tax	Balance as of January 01, 2024	
				Classifications due to business model and SPPI assessment	Remeasurement under IFRS 9	Reversal of provision held	Recognition of expected credit loss (ECL)	Taxation					
Assets													
Cash and balances with treasury banks	Loans and receivables	Amortised cost	9,465,856	-	-	-	-	-	-	-	-	9,465,856	
Balances with other banks	Loans and receivables	Amortised cost	1,038,476	-	-	-	(4,045)	(4,045)	-	-	(4,045)	1,034,431	
Lending to financial institutions	Loans and receivables	Amortised cost	8,192,051	(5,692,051)	-	-	-	(5,692,051)	-	-	(5,692,051)	2,500,000	
Investments													
Held for trading	HFT	FVTPL	136,545	5,942,051	(1,250)	-	-	5,940,801	-	-	5,940,801	6,077,346	
Available for sale	AFS	FVOCI	70,275,842	(550,000)	(79,077)	80,327	(157)	(550,320)	-	-	(550,320)	69,725,521	
Held to maturity	HTM	Amortised cost	-	300,000	-	-	(922)	299,078	-	-	299,078	299,078	
Advances													
Temporary Export Refinance Facility	Loans and receivables	Amortised cost	4,081,819	-	(645,579)	-	(128,568)	(774,147)	-	-	(774,147)	3,307,672	
Staff loans	Loans and receivables	Amortised cost	1,977,030	-	(805,490)	-	(3,667)	(809,157)	-	-	(809,157)	1,167,873	
Advances other than TEF and staff loans	Loans and receivables	Amortised cost	67,377,497	-	-	-	(800,216)	(800,216)	-	-	(800,216)	66,577,281	
Property and equipment	Outside the scope of IFRS 9		17,02,942	-	-	-	-	-	-	-	-	17,02,942	
Right-of-use assets	Outside the scope of IFRS 9		1,255,338	-	-	-	-	-	-	-	-	1,255,338	
Intangible assets	Outside the scope of IFRS 9		596,744	-	-	-	-	-	-	-	-	596,744	
Deferred tax asset - net	Outside the scope of IFRS 9		2,503,022	-	-	-	-	-	-	522,119	522,119	3,025,141	
Other assets													
Prepaid employee benefit	Loans and receivables	Amortised cost	-	-	805,490	-	-	805,490	-	-	805,490	805,490	
Financial other assets	Loans and receivables	Amortised cost	8,124,434	-	-	-	-	-	-	-	-	8,124,434	
Non financial other assets	Outside the scope of IFRS 9		336,166	-	-	-	-	-	-	-	-	336,166	
Forward foreign exchange contracts	Fair value	FVTPL	1,632,466	-	-	-	-	-	-	-	-	1,632,466	
			178,696,228	-	(725,906)	80,327	(938,989)	(1,584,568)	522,119	(1,062,449)	177,633,779		
LIABILITIES													
Bills payable	Cost	Amortised cost	975,388	-	-	-	-	-	-	-	-	975,388	
Borrowings													
Temporary Export Refinance Facility	Cost	Amortised cost	4,081,819	(67,173)	-	-	-	(67,173)	-	-	(67,173)	3,409,846	
Other borrowings	Cost	Amortised cost	26,899,786	-	-	-	-	-	-	-	-	26,899,786	
Deposits and other accounts	Cost	Amortised cost	114,731,997	-	-	-	-	-	-	-	-	114,731,997	
Lease liability	Outside the scope of IFRS 9		1,475,627	-	-	-	-	-	-	-	-	1,475,627	
Subordinated debt	Cost	Amortised cost	4,995,000	-	-	-	-	-	-	-	-	4,995,000	
Other liabilities													
Financial other liabilities	Cost	Amortised cost	6,340,052	26,394	-	-	47,482	73,876	-	-	73,876	6,413,928	
Non financial other liabilities	Outside the scope of IFRS 9		775,303	-	-	-	-	-	38,748	38,748	38,748	814,051	
Forward foreign exchange contracts	Fair value	FVTPL	2,058,075	-	-	-	-	-	-	-	-	2,058,075	
			162,333,047	(645,579)	-	-	47,482	(598,097)	38,748	(559,349)	161,773,698		
NET ASSETS			16,363,181	-	(80,327)	80,327	(986,471)	(986,471)	483,371	(503,100)	15,860,081		
REPRESENTED BY													
Share capital	Note		10,082,387	-	-	-	-	-	-	-	-	10,082,387	
Reserves			2,976,978	-	-	-	-	-	-	-	-	2,976,978	
Deficit on revaluation of assets - net of tax	5.1.2		(274,468)	(79,077)	-	-	-	(79,077)	38,748	(40,329)	(34,797)		
Unappropriated profit	5.1.3		3,578,284	(1,250)	80,327	80,327	(986,471)	(907,394)	444,623	(462,771)	3,115,513		
			16,363,181	(80,327)	80,327	80,327	(986,471)	(986,471)	483,371	(503,100)	15,860,081		

5.1.1.2 Impact on reserve of deficit on revaluation of investments:

	Impact of adopting IFRS 9 at January 1, 2024
	(Rupees in '000)
Closing balances as at December 31, 2023	(274,468)
Transfer of impairment on equity investment to revaluation of assets	(80,327)
Re-classifications due to business model and SPPI assessment	1,250
	(79,077)
Related tax	38,748
	(40,329)
Opening balance under IFRS 9 as at January 1, 2024	(314,797)

5.1.1.3 Impact on retained earnings

	Impact of adopting IFRS 9 at January 1, 2024
	(Rupees in '000)
Closing balances as at December 31, 2023	3,578,284
Transfer of impairment on equity investment to revaluation of assets	80,327
Re-classifications due to business model and SPPI assessment	(1,250)
Recognition of expected credit losses under IFRS 9	(986,471)
	(907,394)
Related tax	444,623
	(462,771)
Opening balance under IFRS 9 as at January 1, 2024	3,115,513

5.1.1.4 Impact on regulatory capital

The introduction of IFRS 9 has resulted in reduction in regulatory capital of the Banks, which has reduced their lending capacity and ability to support their clients. In order to mitigate the impact of ECL models on capital, SBP has determined that it may be appropriate for the banks to introduce a transitional arrangement for the impact on regulatory capital from the application of ECL accounting. Annexure B of the Application Instructions issued by SBP has detailed the transitional arrangement.

The transitional arrangement applies only to provisions for Stage 1 and Stage 2 financial assets. The transitional arrangement must adjust CET1 capital. Where there is a reduction in CET1 capital due to new provisions, net of tax effect, upon adoption of an ECL accounting model, the decline in CET1 capital (the "transitional adjustment amount") must be partially included (i.e., added back) to CET1 capital over the "transition period" of five years. The bank has not taken benefit of transitional arrangement. Had the bank taken the transitional arrangement, the MCR of the bank would have been improved by 60 bps.

Moreover, SBP has allowed to adjust the amount of Stage 1 and Stage 2 provisions in Tier 2 Capital that have not been added back to CET 1 and vice versa as per Annexure A of BPRD Circular no 16 of 2024 dated 29 July 2024.

The impact of adoption of IFRS 9 on the capital ratios of the Bank are as follows:

	As per previous Reporting requirements	As per adoption of IFRS 9 impairment changes %	IFRS 9 impairment changes and reclassification
Common Equity Tier 1 Capital Adequacy ratio	15.48%	14.44%	-1.04%
Tier 1 Capital Adequacy Ratio	15.48%	14.44%	-1.04%
Total Capital Adequacy Ratio	21.31%	19.83%	-1.48%
		Rupees '000	
CET1 available to meet buffers (as a percentage of risk weighted assets)	9,089,512	8,045,647	(1,043,865)

5.1.1.5 Classification and measurement

Under the new standard, classification and measurement of financial assets depends on how these are managed based on business model and their contractual cash flow characteristics. Financial assets that do not meet the Solely Payment of Principal and Interest (SPPI) criteria are required to be measured at fair value through profit and loss (FVTPL) regardless of the business model in which they are held.

Recognition

Financial assets and financial liabilities are recognised when the entity becomes party to the contractual provisions of the instrument. Regular way purchases and sales of financial assets are recognised on trade date, the date on which the Bank purchases or sells the asset. Other financial assets and liabilities like advances, lending to financial institutions, deposits etc. are recognised when funds are transferred to the account or financial institutions. However, for cases, where funds are transferred on deferred payment basis, recognition is done when underlying asset is purchased.

Initial measurement

A financial asset or financial liability is initially measured at fair value plus/minus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. The fair value of a financial asset on initial recognition is generally its transaction price. If the Bank determines that the fair value on initial recognition differs from the transaction price then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently, that difference is recognized in statement of profit and loss account on an appropriate basis over the life of the asset but no later than when the valuation is wholly supported by observable market data, or the transaction is closed out. Advances other than staff loans and Temporary Economic Refinance Facility (TERF) are initially measured at transaction price i.e., the amount of loan disbursed at disbursement date.

Classification

Financial assets

On initial recognition, a financial asset other than advances (excluding staff loans and TERF) is classified as measured at: amortised cost, FVOCI or FVTPL.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are SPPI.

A debt instrument is measured at FVOCI only if it meets both of the following conditions and is not designated as at FVTPL.

- the asset is held within a business model whose objective is achieved by both collecting contractual cashflows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are SPPI.

On initial recognition of an equity investment that is not held for trading, the Bank may irrevocably elect to present subsequent changes in fair value in OCI. This election is made on an investment-by-investment basis.

Under IFRS 9, derivatives embedded in contracts where the host is a financial asset in scope of the standard are never bifurcated. Instead, the whole hybrid instrument is assessed for classification. These are classified at FVTPL.

Advances are carried at cost, net of expected credit loss allowances, except for TERF and staff loans, which are measured at amortized cost.

Financial liabilities

Financial liabilities are either classified as FVTPL, when they are held for trading purposes, or at amortized cost. Financial liabilities classified as FVTPL are measured at fair value and all the fair value changes are recognized in statement of profit and loss account. Financial liabilities classified at amortized cost are initially recorded at their fair value and subsequently measured using the effective interest rate method. Markup expense and foreign exchange gain and losses are recognised in statement of profit and loss account. Any gain or loss on derecognition is also recognised in statement of profit and loss account.

5.1.1.6 Business model assessment

A financial asset is classified as either Held to collect, Held to collect and sale and others based on business model assessment. The Bank makes an assessment of the objective of a business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed, and information is provided to management. The assessment requires judgement based on facts and circumstances on the date of assessment. The assessment considers the policies and objectives for the portfolio of financial assets, risk affecting, performance evaluation, business manager's compensation and historical sales information.

Financial assets that are held for trading or managed and whose performance is evaluated on a fair value basis are measured at FVTPL because they are neither held to collect contractual cash flows nor held both to collect contractual cash flows and to sell financial assets.

5.1.1.7 Assessment of whether contractual cash flows are Solely Payments of Principal and Interest (SPPI)

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g., liquidity risk and administrative costs), as well as interest margin.

In assessing whether the contractual cash flows are SPPI, the Bank considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making the assessment, the Bank considers:

- contingent events that would change the amount and timing of cash flows;
- leverage features;
- prepayment and extension terms;
- terms that limit the Bank's claim to cash flows from specified assets (e.g. non-recourse loans); and
- features that modify consideration of the time value of money (e.g. periodical reset of interest rates).

A prepayment feature aligns with SPPI if it mainly represents unpaid principal and profit, including reasonable compensation for early termination.

5.1.1.8 Subsequent measurement

The following accounting policies apply to the subsequent measurement of financial assets:

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any mark-up or dividend income, are recognised in statement of profit and loss account.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest rate (EIR) method in case of investments, lendings to financial institutions, cash and balances with treasury banks, balances with other banks, TERF, staff loans, and other financial assets. The amortised cost is reduced by impairment losses. Mark-up, foreign exchange gains and losses and impairment are recognised in statement of profit and loss account.
Debt investments at FVOCI	These assets are subsequently measured at fair value and is assessed for impairment under the new ECL model. Mark-up income is calculated using the EIR method and includes amortisation of premiums and accretion of discount, foreign exchange gains and losses and impairment are recognised in profit and loss account. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to statement of profit and loss account.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in statement of profit and loss account unless the dividend clearly represents a recovery of part of the cost of the investment, in which case they are adjusted from the carrying value of investment. Other net gains and losses are recognised in OCI and are never reclassified to profit and loss account.
Advances at cost	Advances are carried at cost, net of expected credit loss allowances, except for TERF and staff loans, which are carried at amortized cost, net of expected credit loss allowances.

5.1.1.9 Amortised cost and gross carrying amount

The 'amortised cost' of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured on initial recognition minus the principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount for investments and lendings to financial institution.

The 'gross carrying amount of a financial asset' is the amortised cost of a financial asset before adjusting for any expected credit loss allowance.

5.1.1.10 Calculation of mark-up income and expense

Income from performing advances is recognised on accrual basis as per the terms of the contract. However, where debt securities, classified as investments in the financial statements, are purchased at premium or discount, such premium / discount including the transaction cost is amortized through the statement of profit and loss account over the remaining maturity of the debt security using the effective interest rate method. The interest income on staff loans and TERF is recognized in line with the EIR, while any expected credit losses are assessed and accounted for in accordance with the requirements of IFRS 9. Income from advances except for staff loans and TERF are recognized in statement of profit and loss account using contractual rate. Similarly, under the local regulatory requirement, income recoverable on classified advances and investments (debt securities), is recognized on a receipt basis.

Income on rescheduled / restructured advances and investments is recognized as permitted by SBP regulations.

Markup expense on financial liabilities (comprising deposits, subordinated debts, and borrowings) is recognized on an accrual basis in the period in which it is incurred, based on effective interest rate method.

5.1.1.11 Derecognition

The Bank derecognises a financial asset when:

- the contractual rights to the cash flows from the financial asset expire; or
- it transfers the rights to receive the contractual cash flows in a transaction in which either:
 - substantially all of the risks and rewards of ownership of the financial asset are transferred; or
 - the Bank neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

On derecognition of a financial asset in its entirety, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognized), and the consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognized in OCI is recognized in the statement of profit and loss account, except that in case of the derecognition of equity securities held at FVOCI, cumulative gains or losses are transferred to unappropriated profit.

The Bank derecognises a financial liability when its contractual obligations are discharged or cancelled, or expired. The Bank also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

5.1.1.12 Modification

Financial assets

The Bank sometimes renegotiates or otherwise modifies the contractual cash flows of to its customers. If the cash flows are substantially different, then the contractual rights to cash flows from the original financial asset are deemed to have expired. In this case, the original financial asset is derecognized and a new financial asset is recognised at fair value plus any eligible transaction costs. Any fees received as part of the modification are accounted for as follows:

- fees that are considered in determining the fair value of the new asset and fees that represent reimbursement of eligible transaction costs are included in the initial measurement of the asset; and
- other fees are included in profit and loss account as part of the gain or loss on derecognition.

If cash flows are modified when the borrower is in financial difficulties, then the objective of the modification is usually to maximise recovery of the original contractual terms rather than to originate a new asset with substantially different terms. If the bank plans to modify a financial asset in a way that would result in forgiveness of cash flows, then it first considers whether a portion of the asset should be written off before the modification takes place. This approach impacts the result of the quantitative evaluation and means that the derecognition criteria are not usually met in such cases.

Where derecognition of financial assets is appropriate, the newly recognised residual loans are assessed to determine whether the assets should be classified as purchased or originated credit-impaired assets (POCI).

If the modification of a financial asset measured at amortised cost or FVOCI does not result in derecognition of the financial asset, then the bank first recalculates the gross carrying amount of the financial asset using the original effective interest rate of the asset and recognised the resulting adjustment as a modification gain or loss in profit and loss account. Any costs or fees incurred, and fees received as part of the modification adjust the gross carrying amount of the modified financial asset and are amortised over the remaining term of the modified financial asset.

If such a modification is carried out because of financial difficulties of the borrower then the gain or loss is presented together with impairment losses. In other cases, it is presented as markup income calculated using the effective interest rate method.

Financial liabilities

The Bank derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different. In this case, a new financial liability based on the modified terms is recognized at fair value. The difference between the carrying amount of the financial liability recognized and consideration paid is recognized in profit or loss. Consideration paid includes non-financial assets transferred, if any, and the assumption of liabilities, including the new modified financial liability.

If the modification of a financial liability is not accounted for as derecognition, then the amortised cost of the liability is recalculated by discounting the modified cash flows at the original effective interest rate and the resulting gain or loss is recognized in profit or loss. For floating-rate financial liabilities, the original effective interest rate used to calculate the modification gain or loss is adjusted to reflect current market terms at the time of the modification. Any costs and fees incurred are recognized as an adjustment to the carrying amount of the liability and amortised over the remaining term of the modified financial liability by re-computing the effective interest rate on the instrument.

5.1.1.13 Reclassification

Financial liabilities are not reclassified subsequent to initial recognition. Reclassifications of financial assets are made when, and only when, the business model for those assets changes. Such changes are expected to be infrequent and arise as a result of significant external or internal changes.

Financial assets are reclassified at their fair value on the date of reclassification and previously recognised gains and losses are not restated. Moreover, reclassifications of financial assets between financial assets held at amortised cost and financial assets held at FVOCI do not affect interest rate or expected credit loss computations.

Reclassified from amortised cost

Where financial assets held at amortised cost are reclassified to financial assets held at FVTPL, the difference between the fair value of the assets at the date of reclassification and the previously recognised amortised cost is recognised in profit and loss account.

For financial assets held at amortised cost that are reclassified to FVOCI, the difference between the fair value of the assets at the date of reclassification and the previously recognised gross carrying value is recognised in comprehensive income. Additionally, the related cumulative expected credit loss amounts relating to the reclassified financial assets are reclassified from provisions to a separate reserve in comprehensive income at the date of reclassification.

Reclassified from fair value through other comprehensive income (FVOCI)

Where financial assets held at FVOCI are reclassified to financial assets held at FVTPL, the cumulative gain or loss previously recognised in comprehensive income is transferred to the profit and loss.

For financial assets held at FVOCI that are reclassified to financial assets held at amortised cost, the cumulative gain or loss previously recognised in comprehensive income is adjusted against the fair value of the financial asset such that the financial asset is recorded at a value as if it had always been held at amortised cost. In addition, the related cumulative expected credit losses held within comprehensive income are reversed against the gross carrying value of the reclassified assets at the date of reclassification.

Reclassified from fair value through profit or loss (FVTPL)

Where financial assets held at FVTPL are reclassified to financial assets held at FVOCI or financial assets held at amortised cost, the fair value at the date of reclassification is used to determine the effective interest rate on the financial asset going forward. In addition, the date of reclassification is used as the date of initial recognition for the calculation of expected credit losses. Where financial assets held at FVTPL are reclassified to financial assets held at amortised cost, the fair value at the date of reclassification becomes the gross carrying value of the financial asset.

5.1.1.14 Impairment

The impairment requirements apply to financial assets measured at amortized cost, and FVOCI (other than equity instruments), advances at cost and certain loan commitments and financial guarantee contracts. At initial recognition, an impairment allowance (or provision in the case of commitments and guarantees) is required for expected credit losses ('ECL') resulting from default events that are possible within the next 12 months ('12-month ECL'). In the event of a significant increase in credit risk, a provision is required for ECL resulting from all possible default events over the expected life of the financial instrument ('lifetime ECL').

Measurement of ECL

ECL are a probability-weighted estimate of credit losses. They are measured as follows:

- financial assets that are not credit-impaired at the reporting date: as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Bank expects to receive);
- financial assets that are credit-impaired at the reporting date: as the difference between the gross carrying amount and the present value of estimated future cash flows;
- undrawn loan commitments: as the present value of the difference between the contractual cash flows that are due to the Bank if the commitment is drawn down and the cash flows that the Bank expects to receive; and
- financial guarantee contracts: the expected payments to reimburse the holder less any amounts that the Bank expects to recover.

Non-Performing financial assets

At each reporting date, the Bank assesses whether financial assets carried at amortised cost, at cost and debt financial assets carried at FVOCI, and finance lease receivables are credit impaired (referred to as 'Stage 3 financial assets'). A financial asset is 'non-performing' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or past due event;
- the restructuring of a loan by the Bank on terms that the Bank would not consider otherwise;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

A loan that has been renegotiated due to a deterioration in the borrower's condition is usually considered to be credit-impaired unless there is evidence that the risk of not receiving contractual cash flows has reduced significantly and there are no other indicators of impairment. In addition, a retail loan that is overdue for 90 days or more is considered credit-impaired even when the regulatory definition of default is different.

Under the SBP's IFRS 9 Application instructions, the Bank is not required to compute ECL on Government Securities and on Government guaranteed credit exposure in local currency. The Bank is required to calculate ECL on its non-performing financial assets as higher of provision under Prudential Regulations (PR) and ECL under IFRS 9. Further, the Banks are advised to recognize income on impaired assets (loans classified under PRs i.e., OAEM and Stage 3 loans) on a receipt basis in accordance with the requirements of PRs issued by SBP.

The Bank calculates the ECL against corporate, commercial & SME loan portfolios as higher of PR and ECL under IFRS 9 at borrower/facility level, whereas against the retail borrowers the Bank calculates the ECL at higher of PR and ECL under IFRS 9 at segment / product basis as instructed under Annexure A of BPRD Circular no 16 of 2024 dated 29 July 2024.

Based on the requirements of IFRS 9 Application Instructions, the Bank has performed an ECL assessment considering the following key elements:

- PD: The probability that a counterparty will default over the next 12 months from the reporting date (12-month ECL, Stage1) or over the lifetime of the product (lifetime ECL, Stage 2). PD is estimated using internal rating classes and are based on the Bank's internal risk rating. The Bank has used Transition Matrix approach for estimation of PD for each internal rating. The Bank has used roll-rate method using the days past due (DPD) criteria to estimate PD for its retail portfolio. PD are then adjusted with forward looking information for calculation of ECL.
- EAD: The expected balance sheet exposure at the time of default, incorporating expectations on drawdowns, amortisation, pre-payments and forward-looking information where relevant. The Bank estimates EAD for financial assets carried at an amortised cost and carried at cost equal to principal plus markup. Each repayment date is assumed to be default point in the model and the ECL is calculated on EAD at each reporting date and discounted at the effective interest rate or contractual interest rate for advances other than staff loans and TERF for which effective interest rate is used. Further, cash and cash equivalent collaterals that the Bank holds against the non-retail facilities are adjusted from the LGD.
- LGD: An estimate of the loss incurred on a facility upon default by a borrower. LGD is calculated as the difference between contractual cash flows due and those that the Bank expects to receive, including from the liquidation of any form of collateral. It is expressed as a percentage of the exposure outstanding on the date of classification of an obligor.

Presentation of allowance for Expected Credit Loss in the Statement of Financial Position

Loss allowances for ECL are presented in the statement of financial position as follows:

- Financial assets measured at amortized cost: as a deduction from the gross carrying amount of the assets.
- For advances measured at cost: as a deduction from the gross carrying amount of the advances
- Loan commitments and financial guarantee contracts: as a provision in other liabilities.
- where a financial instrument includes both a drawn and an undrawn component, and the Bank does not identify the ECL on the loan commitment component separately from those on the drawn component and instead presents a combined loss allowance for both components. The combined amount is presented as a deduction from the gross carrying amount of the drawn component. Any excess of the loss allowance over the gross amount of the drawn component is presented as a provision; and
- debt instruments measured at FVOCI: no loss allowance is recognized in the statement of financial position because the carrying amount of these assets is their fair value. However, the loss allowance is disclosed and is recognized in OCI.

5.1.1.15 Write-offs

Financial assets are written off (either partially or in full) when there is no reasonable expectation of recovering a financial asset in its entirety or a portion thereof. This is generally the case when the Bank determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. This assessment is carried out at the individual asset level.

Recoveries of amounts previously written off are included in 'impairment losses on financial instruments' in the statement of profit or loss.

Financial assets that are written off could still be subject to enforcement activities in order to comply with the Bank's procedures for recovery of amounts due.

5.1.1.16 Undrawn loan commitments and guarantees:

Financial guarantees' are contracts that require the Bank to make specified payments to reimburse the holder for a loss that it incurs because a specified debtor fails to make payment when it is due in accordance with the terms of a debt instrument. 'Loan commitments' are firm commitments to provide credit under pre-specified terms and conditions.

When estimating lifetime ECL for undrawn loan commitments, the Bank estimates the expected portion of the loan commitment that will be drawn down over its expected life. The ECL is then based on the present value of the expected cash flows if the loans are drawn down, based on a probability-weighting of the three scenarios.

5.1.1.17 Off-setting of financial instruments

Financial assets and financial liabilities are off-set and the net amount is reported in the financial statements only when there is a legally enforceable right to set off the recognised amount and the Bank intends either to settle on a net basis, or to realise the assets and to settle the liabilities simultaneously. Income and expense items of such assets and liabilities are also off-set and the net amount is reported in the financial statements.

5.1.1.18 Derivative

Derivative financial instruments are recognised at fair value. Derivatives with positive market values (unrealised gains) are included in other assets and derivatives with negative market values (unrealised losses) are included in other liabilities in the statement of financial position. The resultant gains and losses are taken to the profit and loss account.

5.1.2 Revised format of financial statements

SBP through its BPRD Circular No. 02 dated 09 February 2023, has amended the format of annual financial statements of banks. All banks are required to prepare their annual financial statements on the revised format effective from accounting year starting from January 1, 2024. Accordingly, the Bank has prepared these financial statements on the new format prescribed by SBP. The adoption of the new format contains additional disclosures and certain changes in the financial statements' presentation, primarily due to the implementation of IFRS 9 as applicable in Pakistan. However, the corresponding figures continue to be classified and disclosed in accordance with the previous financial accounting and reporting framework.

The adoption of revised format has resulted in following significant changes:

- Right-of-use-assets (note 12) amounting to Rs.1,655.791 million (December 31, 2023: Rs.1,255.34 million) which were previously shown as part of fixed assets are now shown separately on the statement of financial position.
- Lease liabilities (note 19) amounting to Rs.1,892.718 million (December 31, 2023: Rs.1,475.63 million) which were previously shown as part of other liabilities (note 21) are now shown separately on the statement of financial position.

5.2 Cash and cash equivalents

'Cash and cash equivalents' include cash in hand, balances with treasury banks, balances with other banks in current and deposit accounts, national prize bonds, if any and highly liquid financial assets with original maturities of three months or less from the date of acquisition that are subject to an insignificant risk of changes in their fair value, and are used by the Bank in the management of its short-term commitments.

5.3 Lendings to / borrowings from financial institutions

The Bank enters into repurchase agreements (repo) and reverse repurchase agreements (reverse repo) at contracted rates for a specified period of time. These are recorded as under:

(a) Sale of securities under repurchase agreements

Securities sold to a repurchase agreement (repo) are retained in the financial statements as investments and the counter party liability is included in borrowings. The differential between the sale price and contracted repurchase price is amortised over the period of the contract and recorded as an expense.

(b) Purchase of securities under resale agreements

Securities purchased under agreement to resell (reverse repo) are included in lendings to financial institutions. The underlying security is not recognised as a separate asset in the financial statements. The difference between the contracted price and resale price is recognised over the period of the contract and recorded as income.

(c) Bai Muajjal

The Bank enters into Bai Muajjal transactions of sale (borrowing) and purchase (lending). These are recorded as below:

Bai Muajjal transactions representing purchase of shariah compliant instruments on deferred payment basis and are shown in lendings to financial institutions except for transactions undertaken directly with the Government of Pakistan which are disclosed as investments. The credit price is agreed at the time of sale and such proceeds are received at the end of the credit period. The difference between the deferred payment amount receivable and the carrying value at the time of sale is accrued and recorded as income on a time proportion basis over the life of the transaction.

Bai Muajjal transactions representing sale of shariah compliant instruments on deferred payment basis and are shown in borrowings. The credit price is agreed at the time of purchase and the proceeds are paid at the end of the credit period. The difference between the deferred payment amount payable and the carrying value at the time of purchase is accrued and recorded as borrowing cost on a time proportion basis over the life of the transaction.

(d) Call lendings / placements

Call lendings / placements with financial institutions are stated net of provision. Return on such lending is accrued to the profit and loss account on a time proportion basis except for mark-up on impaired / delinquent lendings, which is recognized on receipt basis.

(e) Borrowings

These are recorded at the proceeds received. Mark-up on such borrowings is charged on a time proportion basis to the profit and loss account over the period of borrowings.

5.4 Property and equipment and depreciation

Property and Equipment - owned

Property and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any, except for capital work-in-progress and land which are carried at cost less accumulated depreciation and impairment losses, if any. Capital work-in-progress is stated at cost less accumulated impairment losses, if any. All expenditure connected with specific assets incurred during installation and construction / development period are carried under this head. These are transferred to specific assets as and when assets become available for use.

Depreciation on property and equipment (excluding land which is not depreciated) is charged using the straight line method in accordance with the rates specified in note 11.2 to these financial statements after taking into account the residual value, if significant. The assets' residual values and useful lives are reviewed and adjusted, if required, at each reporting date. Depreciation on additions during the year is charged from the date in which the asset is put to use, whereas no depreciation is charged from the date the asset is disposed off.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Bank and the cost of the item can be measured reliably. All other repair and maintenance is charged to the profit and loss account as and when incurred.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains / losses on disposal of property and equipment, if any, are credited / charged to the profit and loss account in the period in which they arise.

5.5 Leases

At inception of a contract, the Bank assesses whether a contract is, or contains, a lease. A contract is, or contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Bank uses the definition of a lease in IFRS 16.

The Bank acts as a lessee and applies a single recognition and measurement approach for all the leases except for short-term leases and leases of low value assets (if any). The Bank recognises lease liability to make lease payments and right-of-use assets representing the right to use the underlying assets. At commencement or on modification of a contract that contains a lease component, the Bank allocates the consideration in the contract to each lease component on the basis of its relative stand alone prices.

The Bank recognises right-of-use asset (ROU asset) and its related lease liability at the commencement date of the lease .

i) Right-of-use asset

The right of use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right of use asset is subsequently depreciated using the straight line method from the commencement date to the end of the lease term, unless the lessee transfers ownership of the underlying asset to the Bank by the end of the lease term or the cost of the right of use asset reflects that the Bank will exercise a purchase option. In that case the right of use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right of use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

ii) Lease Liability

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Bank's incremental borrowing rate. Generally, the Bank uses its incremental borrowing rate as the discount rate.

The Bank determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments, if needed to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Bank is reasonably certain to exercise, lease payments in an optional renewal period if the Bank is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Bank is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Bank's estimate of the amount expected to be payable under a residual value guarantee, if the Bank changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right of use asset, or is recorded in profit or loss if the carrying amount of the right of use asset has been reduced to nil.

The Bank presents lease liabilities as a separate line item in the statement of financial position.

iii) Short-term leases and leases of low-value assets

The Bank applies the short-term lease recognition exemption to its short-term leases (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

5.6 Intangible assets and amortisation

Intangible assets are measured at cost less accumulated amortisation and any accumulated impairment losses, if any. Intangible assets are amortised on a straight-line basis in profit and loss account over their estimated useful life, from the date in which the asset is put to use, whereas no amortisation is charged from the date the asset is disposed off. The estimated useful life of intangible assets for the current and comparative year is specified in note 13 to these financial statements. Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Bank and the cost of the item can be measured reliably. All other expenditure is recognised in profit and loss account as it is incurred.

Intangible assets having an indefinite useful life are stated at acquisition cost less accumulated impairment losses, if any. Gains and losses on disposals, if any, are credit / charged to the profit and loss account in the period in which they arise.

5.7 Impairment of non financial asset

The Bank's corporate assets do not generate separate cash inflows and are used by more than one CGU. Corporate assets are allocated to CGUs on a reasonable and consistent basis and tested for impairment as part of the testing of the CGUs to which the corporate assets are allocated.

Impairment losses are recognised in profit or loss account. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

5.8 Taxation

Income tax expense comprises current and deferred tax. It is recognised in profit and loss account except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

(a) Current

The provision for current taxation is based on taxable income for the year, if any, at current rates of taxation, after taking into consideration available tax credits, rebates and tax losses as specified under the seventh schedule to the Income Tax Ordinance, 2001. The amount of current tax payable is the best estimate of the tax amount expected to be paid that reflects uncertainty related to income taxes, if any. The charge for current tax also includes adjustments, where considered necessary relating to prior years, which arises from assessments / developments made during the year. Current tax assets and liabilities are offset only if certain criteria are met.

(b) Deferred

Deferred tax is recognised using the balance sheet liability method on all temporary differences between the carrying amounts of assets and liabilities used for financial reporting purposes and amounts used for taxation purposes. In addition, the Bank also records deferred tax asset on available tax losses. Deferred tax is calculated using the rates that are expected to apply to the period when the differences reverse based on tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Bank expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. Deferred tax assets and liabilities are offset only if certain criteria are met.

The Bank also recognises deferred tax asset / liability on (deficit) / surplus on revaluation of securities which is adjusted against the related (deficit) / surplus in accordance with the requirements of the International Accounting Standard (IAS-12) "Income taxes".

(b) Levy

Tax charged under Income Tax Ordinance, 2001 which is not based on taxable income, or any amount paid / payable in excess of the calculation based on taxable income or any minimum tax / windfall tax is classified as levy in the profit and loss account as these levies fall under the scope of IFRIC 12/IAS 37.

5.9 Provisions

Provision for claims under guarantees and other off balance sheet obligations is recognised when identified and reasonable certainty exists for the Bank to settle the obligation.

Other provisions are recognised when the Bank has a legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. Provisions are reviewed at each reporting date and are adjusted to reflect the current best estimate.

5.10 Staff retirement benefits

Defined contribution plan

The Bank operates an approved contributory provident fund for all eligible employees. Equal monthly contributions are made to the fund, both by the Bank and the employees. The Bank has no further payment obligations once the contributions have been paid. Obligations for contributions to defined contribution plans are expensed as the related service is provided. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

5.11 Borrowings / deposits and their cost

Borrowings / deposits are recorded when the proceeds are received. Borrowing / deposit costs are recognised as an expense in the period in which these are incurred using the contractual mark-up / interest rate method to the extent that they are not directly attributable to the acquisition of or construction of qualifying assets. Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset (one that takes a substantial period of time to get ready for use or sale) is capitalised as part of the cost of that asset.

5.12 Proposed dividend and transfers between reserves

Dividends and appropriations to reserves, except appropriations which are required by law, made subsequent to the statement of financial position date are considered as non-adjusting events and are recorded in the financial statements in accordance with the requirements of International Accounting Standard (IAS) 10, 'Events after the Balance Sheet Date' in the year in which they are approved / transfers are made.

5.13 Revenue recognition

- Mark-up / return / interest on advances and investments is recognised on accrual basis, except in case of advances classified under the Prudential Regulations on which mark-up is recognised on receipt basis. Mark-up / return / interest on rescheduled / restructured loans and advances and investments is recognised as permitted by the regulations of SBP.
- The Bank earns fee and commission income from a banking service to retail and corporate customer. Fee and commission income is recognised at an amount that reflects the consideration to which the Bank expects to be entitled in exchange for providing the services.

The Bank recognises fees earned on transaction-based arrangements at a point in time when the Bank has provided the service to the customer the includes, card-related fees (e.g., debit card transaction fees), trade commission (e.g., fees on letters of credit, guarantees, and trade finance transactions), cash management commission (e.g., transaction processing fees for cash handling and payments), investment banking fees (e.g., advisory fees for mergers, acquisitions, and underwriting), consumer finance-related fees (e.g., loan processing and disbursement fees), commission on home remittances (e.g., fees on inward or outward remittances), other transaction-based banking service fees (e.g., ATM withdrawal fees, funds transfer charges).

Revenue from account service and servicing fees is recognised over time as the services are provided. Unearned fee and commission are included under other liabilities, this includes, account maintenance fees, annual debit card service fees, loan servicing fees, other recurring banking service charges.

The fees pertaining to banking service to retail and corporate customer are based on schedule of charges reviewed semi-annually by the Bank.

- Financing method is used in accounting for income from lease financing. Under this method, the unearned lease income (excess of the sum of total lease rentals and estimated residual value over the cost of the leased assets) is deferred and taken to income over the term of the lease so as to produce a constant periodic rate of return on the outstanding net investment in the lease.
- Unrealised lease income in respect of non-performing finance leases and mark-up / return on non-performing advances is held in suspense account.
- Gains / losses on termination of lease contracts, documentation charges, front end fee and other lease income are recognised as income when realised.
- Dividend income is recognised when the right to receive is established.

5.14 Foreign currencies

(a) Foreign currency transactions

Foreign currency transactions are translated into Pakistani Rupees at the exchange rates prevailing on the date of transaction. Monetary assets and liabilities in foreign currencies are translated into Pakistani Rupees at exchange rates prevailing at the reporting date. Foreign bills purchased and forward foreign exchange contracts are valued at the rates applicable to their respective maturities.

(b) Translation gains and losses

Translation gains and losses are included in the profit and loss account.

(c) Contingencies and commitments

Commitments for outstanding forward foreign exchange contracts are disclosed at contracted rates. Contingent liabilities / commitments for letters of credit and letters of guarantee denominated in foreign currencies are expressed in Pakistani rupee terms at the exchange rate prevailing at the reporting date.

5.15 Segment reporting

The Bank has structured its key business areas in various segments in a manner that each segment becomes a distinguishable component of the Bank that is engaged either in providing products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments. The segments reported below are consistent to those reported to the President and Chief Executive Officer of the Bank.

(a) Business segments

(i) Wholesale banking

Wholesale banking includes project finance, real estate, export finance, trade finance, leasing, lending, guarantees, bills of exchange and deposits and includes services provided in connection with mergers and acquisition, underwriting, privatization, securitization, research, debts (government and high yield) and equity syndication, IPO and secondary private placements. These services are being offered to large corporate entities.

It also includes lending's, export finance, trade finance, bills of exchange and deposits. These services are being offered to commercial customers and small & medium sized entities.

(ii) Global Markets

It includes fixed income on debt securities, equity, foreign exchanges, commodities, credit, funding, own position securities, lending and repos, brokerage debt and prime brokerage.

(iii) Retail banking

It includes retail / consumer lending and deposits, banking services, trust and estates, private lending and deposits, banking service, trust and estates investment advice, merchant / commercial / corporate cards and private labels and retail.

(b) Geographical segments

The operations of the Bank are currently based only in Pakistan.

5.16 Earnings per share

The Bank presents basic and diluted earnings per share (EPS) for its shareholders. Basic EPS is calculated by dividing the profit or loss, as the case may be, attributable to ordinary shareholders of the Bank by the weighted average number of ordinary shares outstanding during the year. Diluted EPS per share is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding after including the effects of all dilutive potential ordinary shares, if any.

5.17 Fiduciary assets

Assets held in a fiduciary capacity are not treated as assets of the Bank in these financial statements.

5.18 Acceptances

Acceptances comprise undertakings by the Bank to pay bills of exchange drawn on customers. The Bank expects most acceptances to be simultaneously settled with the reimbursement from the customers. As required by the State Bank of Pakistan through the amended format for financial statements for Banks, acceptances are accounted for as on-balance sheet transactions and are reported in "other assets" and "other liabilities" simultaneously.

5.19 Sub-ordinated debt

Sub-ordinated debt is initially recorded at the amount of proceeds received. Mark-up on sub-ordinated debt is charged to the profit and loss account over the period on an accrual basis and is recognised as part of other liabilities.

6. CASH AND BALANCES WITH TREASURY BANKS

		(Rupees in '000)	
Note		2024	2023
In hand			
Local currency		903,932	1,125,140
Foreign currencies		481,535	958,688
		1,385,467	2,083,828
With State Bank of Pakistan in			
Local currency current account	6.1	4,970,885	4,653,285
Foreign currency current account (cash reserve account)	6.2	851,249	745,522
Foreign currency deposit account (USD settlement account)		303,200	478,298
Foreign currency deposit account (special cash reserve account)	6.2	1,699,434	1,476,668
		7,824,768	7,353,773
With National Bank of Pakistan in			
Local currency current account		-	28,240
National Prize Bonds		68	15
		9,210,303	9,465,856
Less: Credit loss allowance held against cash and balances with treasury banks		-	-
Cash and balances with treasury banks - net of credit loss allowance		9,210,303	9,465,856

- 6.1** The local currency current account is maintained with the State Bank of Pakistan (SBP) as per the requirements of Section 22 of the Banking Companies Ordinance, 1962. This section requires banking companies to maintain a local currency cash reserve in current account opened with the SBP at a sum not less than such percentage of its time and demand liabilities in Pakistan as may be prescribed by the SBP.
- 6.2** This mainly represents reserve required to be maintained with the SBP at an amount equivalent to at least 15% of the Bank's foreign currency deposits mobilised under FE-25 scheme. This foreign currency cash reserve comprises an amount equivalent to at least 5% of the Bank's foreign currency deposits mobilised under the FE 25 scheme, which is kept in a non-remunerative account (cash reserve account). The balance reserve equivalent to at least 10% of the Bank's foreign currency deposits mobilised under FE-25 scheme was maintained in a remunerative account (special cash reserve account) on which the Bank is entitled to earn a return which is declared by the SBP on a monthly basis. These deposits carry mark-up rate ranging from 3.53% to 4.35% (2023: 3.39% to 4.34%) per annum.

7. BALANCES WITH OTHER BANKS

		(Rupees in '000)	
Note		2024	2023
In Pakistan			
In current accounts		11,517	12,735
In deposit accounts	7.1	25	21
		11,542	12,756
Outside Pakistan			
In current accounts	7.2	1,358,211	1,025,720
		1,369,753	1,038,476
Less: Credit loss allowance held against balances with other banks		(2,242)	-
Balances with other banks - net of credit loss allowance		1,367,511	1,038,476

- 7.1** These carry mark-up at the rate of 13.75% (2023: 20.50%) per annum.
- 7.2** The above amount includes balance with Saudi National Bank (a related party) amounting to Rs. 115.151 million (2023: Rs. 100.391 million)

7.3 Credit loss allowance - Stage 1

	(Rupees in '000)
2024	
Opening balance	-
Impact of adoption of IFRS 9	4,045
Balance as of January 01, 2024	4,045
Charge / (Reversal)	
Charge for the year	1,471
Reversal for the year	(3,274)
	(1,803)
Closing balance	2,242

8. LENDINGS TO FINANCIAL INSTITUTIONS

	Note	(Rupees in '000)	2024	2023
Repurchase agreement lendings (Reverse Repo)	8.21&8.2.3	-	-	2,500,000
Other Lending (Naya Pakistan Certificates)	8.2.2	-	-	5,692,051
		-	-	8,192,051
Less: Credit Loss Allowance held against Lending to Financial Institutions		-	-	-
Lending to Financial Institutions - net of provision		-	-	8,192,051
8.1 Particulars of lending				
In local currency		-	-	8,192,051

8.2 Securities held as collateral against lending to financial institutions

	(Rupees in '000)					
	2024			2023		
	Held by bank	Further given as collateral	Total	Held by bank	Further given as collateral	Total
Pakistan Investment Bonds	-	-	-	2,500,000	-	2,500,000
Total	-	-	-	2,500,000	-	2,500,000

8.2.1 These represent short-term lendings to financial institution against investment securities. These carried mark-up at the rate of 21% per annum and were matured by January 02, 2024.

8.2.2 These represent placements with Islamic NPC Company Limited (a special purpose vehicle owned by the Government of Pakistan) in respect of issuance of Naya Pakistan Certificate in PKR, USD, GBP and Euro to eligible investors, the Bank is acting as agent to facilitate the issuance of NPCs. These carry mark-up rates 17.00%, 5.75%, 5.25% and 4.00% (2023: ranging from 11.00% to 17.00%, 4.50% to 5.75%, 3.50% to 5.25% and 1.75% to 4.00%) for PKR, USD, GBP and Euro respectively with no fixed maturity. After the adoption of IFRS-9, these are reclassified to investments.

8.2.3 The market value of securities held as collateral against repurchase agreement lendings was amounted to Rs. 2,460 million.

8.3 Lending to FIs- Category of classification

		(Rupees in '000)			
		2024		2023	
		Lending	Allowance	Lending	Allowance
Domestic					
	Performing				
	Stage 1	-	-	8,192,051	-

9.1 Investments by type

Debt Instruments

Fair value through profit or loss

Federal Government Securities

Naya Pakistan Certificate

Non Government Debt Securities

Fair value through other comprehensive income

Federal Government Securities

Non Government Debt Securities

Amortised cost

Non Government Debt Securities

Equity Instruments	
Fair value through profit or loss	
Listed companies	
Fair value through other comprehensive income	
Listed companies	

Held for Trading Securities
Federal Government securities
Shares

Available for sale Securities
Federal Government securities
Shares
Non Government debt securities

Held to Maturity Securities
Federal Government securities

Total Investments

9.2 Investments by segment

Federal Government Securities

Pakistan Investment Bonds

Naya Pakistan Certificate

Market Treasury Bills

Shares

Listed Companies

Unlisted Companies

Non Government Debt Securities

Listed

Unlisted (refer note 9.3)

Total Investments

9.2.1 Investments given as collateral

Pakistan Investment Bonds

(Rupees in '000)	
2024	2023
12,997,846	19,172,150

9.3 Particulars of credit loss allowance

9.3.1 Investment - exposure

Opening balance
Effect of adoption of IFRS 9
Equity investment
Investments derecognised or repaid
Transfer to stage 1
Transfer to stage 2
Transfer to stage 3

Amounts written off / charged off
Other changes
Closing balance

(Rupees in '000)			
2024			
Stage 1	Stage 2	Stage 3	
-	-	-	
691,529	-	-	
(391,529)	-	-	
-	-	-	
-	-	-	
-	-	-	
300,000	-	-	
-	-	-	
-	-	-	
300,000	-	-	

9.3.2 Investment - Credit loss allowance

Gross carrying amount - Current year
Effect of adoption of IFRS 9
New Investments - Equity
Investments derecognised or repaid
Transfer to stage 1
Transfer to stage 2
Transfer to stage 3

Amounts written off / charged off
Changes in risk parameters
Closing balance

Note

(Rupees in '000)			
2024			
Stage 1	Stage 2	Stage 3	
-	-	-	
2,494	-	-	
-	-	-	
(1,573)	-	-	
-	-	-	
-	-	-	
-	-	-	
921	-	-	
-	-	-	
(740)	-	-	
181	-	-	

9.3.2.1 Credit loss allowance / provision for diminution in value of investments

Opening balance

IFRS 9 transition impact as at January 01, 2024

Charge / (reversals)
Charge for the year
Reversal for the year

Closing Balance

(Rupees in '000)	
2024	2023
90,827	17,786
(88,333)	-
-	144,036
(2,313)	(70,995)
(2,313)	73,041
181	90,827

9.3.3 Particulars of credit loss allowance against debt securities

Performing Stage 1

2024		2023	
Outstanding Amount	Credit loss allowance held	Outstanding Amount	Provision
300,000	181	-	-

9.3.4 Under the IFRS 9 instructions, the Bank is not required to compute ECL on Government Securities in local currency.

9.4 Quality of FVOCI securities

Details regarding quality of securities held under "Held to Collect and Sell" model are as follows:

Federal Government Securities - Government guaranteed

Pakistan Investment Bonds
Market Treasury Bills

Shares

Listed Companies - sector wise exposure

Cement
Commercial Banks
Technology & Communication
Oil & Gas Exploration Companies
Fertilizer
Power Generation & Distribution
Engineering
Automobile Parts & Accessories
Cables And Electrical Goods
Oil & Gas Marketing Companies
Food and Personal Care Products
Glass & Ceramics
Refinery
Textile Composite
Chemical
Transport
Pharmaceuticals
Modarabas
Automobile Assembler

(Rupees in '000)	
2024	2023
Cost	
77,310,363	60,920,443
18,289,083	7,619,245
95,599,446	68,539,688
169,589	139,958
159,613	250,837
142,274	128,174
113,281	102,142
91,395	63,606
87,462	87,162
82,570	172,693
78,266	18,954
69,192	24,139
65,340	131,421
59,595	52,821
52,888	46,320
49,889	22,262
38,847	58,121
25,658	18,169
24,606	41,889
22,184	36,480
104	104
-	16,544
1,332,753	1,411,796

Non Government Debt Securities

Listed

Categorised based on long term rating by Credit Rating Agency

- AAA
- AA+, AA, AA-
- A+, A, A-

Unlisted

Categorised based on long term rating by Credit Rating Agency

- AA+, AA, AA-

(Rupees in '000)	
2024	2023
Cost	
-	250,000
-	250,000
-	142,857
-	642,857
-	300,000

9.4.1 The Bank has no investment in foreign securities under fair value through other comprehensive income category as at December 31, 2024 (December 31, 2023: Nil).

9.5 Particulars relating to securities classified under "Held to Collect" are as follows:

Non Government Debt Securities

Unlisted

Categorised based on long term rating by Credit Rating Agency

- A+, A, A-

(Rupees in '000)	
2024	2023
Cost	
300,000	-

9.5.1 The market value of securities classified as amortised cost as at December 31, 2024 amounted to Rs. 300.918 million (2023: Nil).

9.5.2 The Bank has no investment in foreign securities under amortised cost category as at December 31, 2024 (December 31, 2023: Nil).

9.6 Investments include certain approved / Government securities which are held by the Bank to comply with the statutory liquidity requirements determined on the basis of the Bank's demand and time liabilities as set out under the Banking Companies Ordinance, 1962.

10. ADVANCES

Loans, cash credits, running finances, etc.
Bills discounted and purchased

Advances - gross

Credit loss allowance against advances

-Stage 1

-Stage 2

-Stage 3

Specific provision - 2023

General provision - 2023

Advances - net of credit loss allowance / provision

Note	(Rupees in '000)					
	Performing		Non Performing		Total	
	2024	2023	2024	2023	2024	2023
10.1	56,010,661	73,031,411	9,921,045	7,334,923	65,931,706	80,366,334
	189,433	345,557	-	-	189,433	345,557
	56,200,094	73,376,968	9,921,045	7,334,923	66,121,139	80,711,891
10.1.2	(161,767)	-	-	-	(161,767)	-
	(314,000)	-	-	-	(314,000)	-
	-	-	(9,575,505)	-	(9,575,505)	-
	-	-	-	(6,368,758)	-	(6,368,758)
	-	(906,787)	-	-	-	(906,787)
	(475,767)	(906,787)	(9,575,505)	(6,368,758)	(10,051,272)	(7,275,545)
	55,724,327	72,470,181	345,540	966,165	56,069,867	73,436,346

10.1 Includes Net Investment in Finance Lease as disclosed below:

	(Rupees in '000)							
	2024				2023			
	Not later than one year	Later than one and less than five years	Over five years	Total	Not later than one year	Later than one and less than five years	Over five years	Total
Lease rentals receivable	94,964	-	-	94,964	94,964	-	-	94,964
Residual value	28,475	-	-	28,475	28,475	-	-	28,475
Minimum lease payments	123,439	-	-	123,439	123,439	-	-	123,439
Financial charges for future periods	(1,292)	-	-	(1,292)	(1,292)	-	-	(1,292)
Present value of minimum lease payments	122,147	-	-	122,147	122,147	-	-	122,147
Less: Credit loss allowance	(94,321)	-	-	(94,321)	(94,321)	-	-	(94,321)
	27,826	-	-	27,826	27,826	-	-	27,826

10.1.1 This represents legacy delinquent portfolio which has been fully provided in prior years except for security deposits of these borrowers.

10.1.2 The Stage 3 provision includes PR provision of Rs 9.33 billion.

10.2 Particulars of advances (Gross)

In local currency
In foreign currencies

(Rupees in '000)	
2024	2023
62,978,992	80,439,401
3,142,147	272,490
66,121,139	80,711,891

10.2.1 Advances to Women, Women-owned and Managed Enterprises

Women
Women Owned and Managed Enterprises

263,640	263,934
9,119	61,410
272,759	325,344

10.2.2 Gross loans disbursed to women, women-owned and managed enterprises during the year amounts to Rs. 118.061 million (2023: Rs. 59.009 million).

10.3 Particulars of credit loss allowance

10.3.1 Advances - Exposure

(Rupees in '000)

Advances Exposure

(Rupees in '000)

	2024			
	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount - Current year	-	-	-	-
Effect of adoption of IFRS 9	62,979,303	10,397,665	7,334,923	80,711,891
New advances	27,485,718	5,699,688	974,160	34,159,566
Advances derecognized or repaid	(42,325,024)	(5,564,012)	(861,282)	(48,750,318)
Transfer to stage 1	715,680	(714,311)	(1,369)	-
Transfer to stage 2	(2,380,754)	2,430,016	(49,262)	-
Transfer to stage 3	(718,896)	(1,804,979)	2,523,875	-
	(17,223,276)	46,402	2,586,122	(14,590,752)
Amounts written off / charged off	-	-	-	-
Closing balance	45,756,027	10,444,067	9,921,045	66,121,139

10.3.2 Advances - Credit loss allowance

(Rupees in '000)

Advances - Credit loss allowance

(Rupees in '000)

	2024			
	Stage 1	Stage 2	Stage 3	Total
Opening balance	-	-	-	-
Effect of adoption of IFRS 9	394,294	1,046,558	6,767,144	8,207,996
Net impairment charged	(254,630)	(403,345)	2,501,251	1,843,276
Transfer to stage 1	100,601	(100,412)	(189)	-
Transfer to stage 2	(62,381)	78,483	(16,102)	-
Transfer to stage 3	(16,117)	(307,284)	323,401	-
	(232,527)	(732,558)	2,808,361	1,843,276
Amounts written off / charged off	-	-	-	-
Closing balance	161,767	314,000	9,575,505	10,051,272

10.3.3 Advances - Category of classification

(Rupees in '000)

		2024		2023	
		Outstanding Amount	Credit Loss Allowance	Outstanding Amount	Provision
Performing	Stage 1	45,756,027	161,767	73,376,968	906,787
Under performing	Stage 2	10,444,067	314,000	-	-
Non-performing					
Other Assets Especially Mentioned	Stage 3	-	-	56,953	-
Substandard	Stage 3	845,123	725,752	1,072,733	486,340
Doubtful	Stage 3	1,783,722	1,581,998	1,265,335	966,909
Loss	Stage 3	7,292,200	7,267,755	4,939,902	4,915,509
		9,921,045	9,575,505	7,334,923	6,368,758
Total		66,121,139	10,051,272	80,711,891	7,275,545
Corresponding ECL / provision					
Stage 1		45,756,027	161,767	73,376,968	-
Stage 2		10,444,067	314,000	-	-
Stage 3		9,921,045	9,575,505	7,334,923	-
Specific provision - 2023		-	-	-	906,787
General provision - 2023		-	-	-	6,368,758
		66,121,139	10,051,272	80,711,891	7,275,545

10.4 Advances include Rs. 9,921 million (December 31 2023: Rs.7,335 million) which have been placed under non-performing status as detailed below:

Category of Classification	2024		2023	
	Non Performing Loans	Credit loss allowance	Non Performing Loans	Provision
Domestic				
Other Assets Especially Mentioned (OAEM)	-	-	56,953	-
Substandard	845,123	725,752	1,072,733	486,340
Doubtful	1,783,722	1,581,998	1,265,335	966,909
Loss	7,292,200	7,267,755	4,939,902	4,915,509
	9,921,045	9,575,505	7,334,923	6,368,758

10.4.1 The Bank has not extended any loans or advances overseas.

10.5 Particulars of credit loss allowance / provision against advances

	(Rupees in '000)					
	2024					
Note	Stage 1	Stage 2	Stage 3	Specific	General	Total
Opening balance				6,368,758	906,787	7,275,545
IFRS 9 transition impact	394,294	1,046,558	6,767,144	(6,368,758)	(906,787)	932,451
Restated balance as at January 1, 2024	394,294	1,046,558	6,767,144	-	-	8,207,996
Charge for the year	-	-	3,805,096	-	-	3,805,096
Reversals for the year	(232,527)	(732,558)	(996,735)	-	-	(1,961,820)
	(232,527)	(732,558)	2,808,361	-	-	1,843,276
Amounts written off	-	-	-	-	-	-
Closing Balance	161,767	314,000	9,575,505	-	-	10,051,272

	(Rupees in '000)		
	2023		
Note	Specific	General	Total
Opening balance	4,909,582	1,164,393	6,073,975
Charge for the year	2,680,249	-	2,680,249
Reversals for the year	(209,487)	(257,606)	(467,093)
	2,470,762	(257,606)	2,213,156
Amounts written off	(1,011,586)	-	(1,011,586)
Closing Balance	6,368,758	906,787	7,275,545

10.5.1 Particulars of credit loss allowance / provision against advances

	(Rupees in '000)					
	2024			2023		
	Stage 1 & 2	Stage 3	Total	General	Specific	Total
In local currency	467,899	9,575,505	10,043,404	906,787	6,368,758	7,275,545
In foreign currencies	7,868	-	7,868	-	-	-
	475,767	9,575,505	10,051,272	906,787	6,368,758	7,275,545

10.5.2 As of December 31, 2024, no benefit of forced sale value of the collaterals held by the Bank has been taken while determining the credit loss allowance against non performing loans as allowed under BSD circular No. 01 dated October 21, 2011.

10.5.3 At the year end, the bank reviewed assumptions of IFRS 9 and revised LGD methodology. The bank has developed its own LGD model in line with SBP application instructions and also revised certain other assumptions, including updation of EADs. Accordingly, an additional charge of around Rs 782 million has been recognised in the opening retained earnings, as compared to the provision for ECL already recognised in the opening retained earnings in the financial statements of June 2024.

10.6 Particulars of write-offs:

10.6.1 Against provisions
Directly charged to profit and loss account

Note	(Rupees in '000)	
	2024	2023
10.5	-	1,011,586
	-	-
	-	1,011,586
10.7	-	670,804
	-	340,782
	-	1,011,586

10.7 Details of loan write-off of Rs. 500,000/- and above

In terms of sub-section (3) of Section 33A of the Banking Companies Ordinance, 1962 the statement in respect of written-off loans or any other financial relief of five hundred thousand rupees or above allowed to a person during the year ended December 31, 2024 is given in Annexure-I to these financial statements. These loans are written off as a book entry without prejudice to the Bank's right of recovery against the customers.

11. PROPERTY AND EQUIPMENT

Capital work-in-progress
Property and equipment

Note	(Rupees in '000)	
	2024	2023
11.1	174,819	46,709
11.2	1,670,642	1,656,233
	1,845,461	1,702,942
11.1	151,718	46,709
	23,101	-
	174,819	46,709

11.1 Capital work-in-progress

Civil works
Equipment

11.2 Property and Equipment

At January 1, 2024

Cost
Accumulated depreciation

Net book value

Year ended December 2024

Opening net book value
Additions
Disposals / write-offs
Depreciation charge
Other adjustments / transfers

Closing net book value

At December 31, 2024

Cost
Accumulated depreciation
Net book value
Rate of depreciation (percentage)

(Rupees in '000)					
2024					
Land	Building on freehold land	Furnitures and fixtures	Electrical, office and computer equipment	Vehicles	Total
710,240	390,514	955,577	1,121,412	118,101	3,295,844
-	(147,700)	(627,545)	(814,486)	(49,880)	(1,639,611)
710,240	242,814	328,032	306,926	68,221	1,656,233
710,240	242,814	328,032	306,926	68,221	1,656,233
-	-	106,137	131,664	158	237,959
-	-	(1,644)	(113)	-	(1,757)
-	(15,830)	(72,901)	(120,100)	(12,962)	(221,793)
-	-	-	-	-	-
710,240	226,984	359,624	318,377	55,417	1,670,642
710,240	390,514	996,317	1,208,079	118,259	3,423,409
-	(163,530)	(636,693)	(889,702)	(62,842)	(1,752,767)
710,240	226,984	359,624	318,377	55,417	1,670,642
-	5	5/10/20	14/20/33/50	20	

At January 1, 2023

Cost
Accumulated depreciation

Net book value

Year ended December 2023

Opening net book value
Additions
Disposals / write-offs
Depreciation charge
Other adjustments / transfers

Closing net book value

At December 31, 2023

Cost
Accumulated depreciation
Net book value
Rate of depreciation (percentage)

(Rupees in '000)					
2023					
Land	Building on freehold land	Furnitures and fixtures	Electrical, office and computer equipment	Vehicles	Total
710,240	390,514	931,335	1,059,882	111,704	3,203,675
-	(130,764)	(575,044)	(730,348)	(37,150)	(1,473,306)
710,240	259,750	356,291	329,534	74,554	1,730,369
710,240	259,750	356,291	329,534	74,554	1,730,369
-	-	50,260	103,769	7,994	162,023
-	-	(165)	(424)	(542)	(1,131)
-	(16,400)	(78,404)	(125,994)	(13,768)	(234,566)
-	(536)	50	41	(17)	(462)
710,240	242,814	328,032	306,926	68,221	1,656,233
710,240	390,514	955,577	1,121,412	118,101	3,295,844
-	(147,700)	(627,545)	(814,486)	(49,880)	(1,639,611)
710,240	242,814	328,032	306,926	68,221	1,656,233
-	5	5/10/20	14/20/33/50	20	

11.3 Disposal of property and equipment

The details of disposals of assets whose original cost or book value exceed one million rupees or two hundred and fifty thousand rupees respectively, whichever is lower, are given in Annexure "II".

Information relating to sale of fixed assets (otherwise than through regular auction) made to the chief executive officer, a director, an executive or a shareholder holding not less than ten percent of the voting shares of the Bank or any related party as required by the SBP's BSD Circular No. 4 dated February 17, 2006 is also given in Annexure "II".

11.4 The gross carrying amount (cost) of fully depreciated assets that are still in use:

Building on land	89,154	73,916
Electrical, office and computer equipments	675,320	610,877
Furniture and fixtures	356,000	390,661
Vehicles	20,037	19,797
	1,140,511	1,095,251

12 RIGHT-OF-USE ASSETS

(Rupees in '000)			
2024		2023	
Buildings	Total	Buildings	Total
At January 1			
Cost	2,327,610	2,137,850	2,137,850
Accumulated Depreciation	(1,072,272)	(783,517)	(783,517)
Net Carrying amount at January 1	1,255,338	1,354,333	1,354,333
Additions during the year			
Lease reassessment	806,757	196,102	196,102
Depreciation charge for the year	(95,640)	(6,342)	(6,342)
	(310,664)	(288,755)	(288,755)
Closing net carrying amount	1,655,791	1,255,338	1,255,338

13 INTANGIBLE ASSETS

Capital work-in-progress
Intangible assets

(Rupees in '000)			
		2024	2023
13.1	Capital work-in-progress	314,152	253,650
13.2	Intangible assets	448,671	343,094
		762,823	596,744

13.1 Capital work-in-progress

Software in progress

13.3	Software in progress	314,152	253,650
------	----------------------	---------	---------

13.2 Intangible assets

At January 1

Cost
Accumulated amortisation

789,379	601,576
(446,285)	(348,415)

Net book value

343,094	253,161
---------	---------

Year ended December 31

Opening net book value

343,094	253,161
---------	---------

Additions:

- directly purchased

219,359	187,803
---------	---------

Amortisation charge

(113,782)	(98,329)
-----------	----------

Other adjustments

-	459
---	-----

Closing net book value

448,671	343,094
---------	---------

At December 31

Cost
Accumulated amortisation

949,996	789,379
(501,325)	(446,285)

Net book value

448,671	343,094
---------	---------

Rate of amortisation (percentage)

20 / 14.28	20 / 14.28
------------	------------

Useful life

5 / 7	5 / 7
-------	-------

13.3 This includes a total amount of USD 1.8 million paid to BPC Limited NL in the year 2021 for Risk, Digital Banking and Card Management licensing Modules. The total amount of USD 0.581 million has been transferred to intangibles up to 2024, the balance amount will be transferred to intangibles once the bank will implement the relevant modules and the software is in the condition necessary for it to be capable of operating in the manner intended by management.

This also includes an amount of USD 0.65 million (191 million) was paid to BPC Limited NL for Enterprise Fraud Management Solutions in the year 2024. This software was purchased in order to comply with the requirements of BPRD Circular No. 4 of 2023 issued by the State Bank of Pakistan. This amount will be transferred to intangibles in 2025, when the software will be implemented and is in the condition necessary for it to be capable of operating in the manner intended by management.

13.4 The gross carrying amount (cost) of fully amortised assets that are still in use:

Intangible assets

(Rupees in '000)			
		2024	2023
Intangible assets		262,940	273,875

14 DEFERRED TAX ASSETS - NET

(Rupees in '000)					
2024					
At January 1, 2024	Impact of adoption of IFRS 9	Balance as at January 01 after adopting IFRS9	Recognized in profit and loss account	Recognised in OCI	At December 31, 2024
Deductible temporary differences on:					
- Revaluation of investments	263,704	38,748	302,452	-	26,335
- Accelerated tax depreciation	55,576	-	55,576	(9,587)	45,989
- Credit loss allowance	2,268,451	483,371	2,751,822	602,709	3,354,531
	2,587,731	522,119	3,109,850	593,122	3,426,855
Taxable temporary differences on:					
- Net investment in finance lease	(84,709)	-	(84,709)	24,356	(60,353)
	2,503,022	522,119	3,025,141	617,478	3,366,502

	(Rupees in '000)			
	2023			
	At January 1, 2023	Recognized in profit and loss account	Recognized in OCI	At December 31, 2023
Deductible temporary differences on:				
- Revaluation of investments	565,239	-	(301,535)	263,704
- Accelerated tax depreciation	40,114	15,462	-	55,576
- Provision against advances, off balance sheet etc.	1,599,515	668,936	-	2,268,451
	2,204,868	684,398	(301,535)	2,587,731
Taxable temporary differences on:				
- Net investment in finance lease	(83,829)	(880)	-	(84,709)
	2,121,039	683,518	(301,535)	2,503,022

15 OTHER ASSETS

			(Rupees in '000)	
Note			2024	2023
Income / mark-up accrued in local currency			4,732,911	6,170,609
Income / mark-up accrued in foreign currencies			40,307	81,799
Advances, deposits, advance rent and other prepayments			263,446	201,679
Advance taxation (payments less provisions)			-	-
Mark to market gain on forward foreign exchange contracts			529,415	1,632,466
Acceptances	21		1,243,126	1,450,781
Receivable against sale of equity investment			-	219,566
Prepaid employee benefit	15.4		925,223	-
Others	15.1		342,365	483,551
			8,076,793	10,240,451
Less: provision held against other assets	15.2		(144,492)	(147,385)
Other assets (net of provision)			7,932,301	10,093,066

15.1 This includes:

- a) an amount of Rs. 32.389 million (December 31, 2023: Rs. 32.389 million) receivable from InterAsia Leasing Limited. In 1979, Bankers equity was established by State bank of Pakistan along with 5 Commercial banks. In 1999 Samba Bank Limited (Formerly known as Crescent Commercial Bank) Borrowed Rs 32.389 Million. Money received from Banker's equity was ultimately given as loan to Interasia lease Company which is long standing amount which is yet to received however, bank has recognized a provision of 10 Million to date and the remaining Rs 22 M is recorded in note 16.
- b) an amount of Rs. 1.847 million (December 31, 2023: Rs.1. 847 million) receivable from Saudi National Bank - a related party.

15.2 Provision held against other assets

Fee, commission and other receivables
Fraud and forgery

Note	(Rupees in '000)	
	2024	2023
	76,352	78,245
	68,140	69,140
15.2.1	144,492	147,385
	147,385	157,159
	(2,893)	(9,774)
Closing balance	144,492	147,385

15.2.1 Movement in provision held against other assets

Opening balance
Write-off during the year

- 15.3** The Bank holds various properties in its name which were transferred by operation of law. As per master agreement dated October 22, 2002 signed between M/s Mashreq Bank PSC. (UAE), M/s Crescent Investment Bank Limited and M/s International Housing Finance Limited, these properties were decreed in favor of M/s Mashreq Bank PSC and are held by the Bank as an agent of M/s Mashreq Bank PSC being pass through facilities. Any amount realized on disposal of these properties is to be remitted to Mashreq Bank PSC therefore not recorded in these financial statement.

- 15.4** The amount represents the prepaid employment benefit recognized in connection with concessional financing facilities provided to employees. These facilities were initially recognized at fair value due to the adoption of IFRS 9 as applicable in Pakistan. The resultant benefit arising from these concessional facilities is subsequently accounted for under IAS 19 Employee Benefits. The prepaid employee benefit is amortized in a manner that reflects the concessional facilities' income recognition. The current year amortization of prepaid employee benefit asset amounts to Rs. 114.092 million.

16. BILLS PAYABLE

In Pakistan

Note	(Rupees in '000)	
	2024	2023
	1,791,194	975,388

17. BORROWINGS

Secured

Borrowings from the State Bank of Pakistan

Export Refinance Scheme
Long Term Financing Facility
Financing Facility for Renewable Energy
Temporary Economic Refinance Facility
Refinancing Facility for Modernization of (SMEs)
Refinance and Credit Guarantee Scheme for Women Entrepreneurs
Working capital Refinance scheme

17.1	3,014,944	4,501,936
17.2	1,915,146	2,619,183
17.3	140,505	171,733
17.4	2,566,534	4,081,819
17.5	222	400
17.6	8,392	14,398
17.7	160,000	145,000
	7,805,743	11,534,469
17.8	-	-
17.8	12,700,824	19,424,800
	20,506,567	30,959,269
17.9	21,945,320	-
17.10	22,336	22,336
	21,967,656	22,336
	42,474,223	30,981,605

Total secured

Unsecured

Bai muajjal borrowing
Bankers Equity Limited (under liquidation)

Total unsecured



- 17.1** These carry mark-up rates ranging from 9% to 15.5% (2023: 17% to 18 %) and will mature by July 12, 2025.
- 17.2** These carry mark-up rates ranging from 2% to 7.5% (2023: 2% to 7.5%) and will mature by September 20, 2030.
- 17.3** These carry mark-up rates ranging from 2% to 3% (2023: 2% to 3%) and will mature by May 31, 2032.
- 17.4** These carry mark-up rate of 1% (2023: 1%) and will mature by April 23, 2032.
- 17.5** These carry mark-up rate of 1% (2023: 1%) and will mature by January 12, 2026.
- 17.6** These carry nil mark-up rate (2023: nil) and will mature by January 19, 2028.
- 17.7** These carry mark-up rate of 2% (2023: 2%) and will mature by December 05, 2025.
- 17.8** These represent funds borrowed from interbank market against Government securities and carries mark up at the rate ranging from 14.00% to 13.50% (2023: ranging from 22.16% to 22.90%) per annum and will mature by January 02, 2025 (2023: January 12, 2024).
- 17.9** These carry mark-up rates ranging from 12% to 13.60% (2023: nil) and will mature by February 23, 2025.
- 17.10** These represent amount payable to Bankers Equity Limited (under liquidation) on account of counter receivable from InterAsia Leasing Limited (note 14.1) and carries no mark-up.

		(Rupees in '000)	
		2024	2023
17.11 Particulars of borrowings with respect to currencies			
In local currency		42,474,223	30,981,605
In foreign currencies		-	-
		42,474,223	30,981,605

18 DEPOSITS AND OTHER ACCOUNTS

		(Rupees in '000)					
Note	2024			2023			
	In Local Currency	In Foreign Currencies	Total	In Local Currency	In Foreign Currencies	Total	
Customers							
Current deposits	12,642,407	8,557,975	21,200,382	18,907,204	6,307,245	25,214,449	
Savings deposits	21,161,243	2,715,317	23,876,560	21,550,490	3,199,059	24,749,549	
Term deposits	54,647,901	5,178,546	59,826,447	57,202,589	4,891,760	62,094,349	
Others - margin & call deposits	599,152	-	599,152	679,143	-	679,143	
	89,050,703	16,451,838	105,502,541	98,339,426	14,398,064	112,737,490	
Financial Institutions							
Current deposits	49,873	1,987	51,860	198,278	2,767	201,045	
Savings deposits	378,324	-	378,324	216,199	-	216,199	
Term deposits	132,525	-	132,525	500,000	-	500,000	
Others	1,076,543	-	1,076,543	1,077,263	-	1,077,263	
	1,637,265	1,987	1,639,252	1,991,740	2,767	1,994,507	
	90,687,968	16,453,825	107,141,793	100,331,166	14,400,831	114,731,997	

		(Rupees in '000)	
		2024	2023
18.1 Composition of deposits			
- Individuals		15,844,155	34,841,706
- Government (Federal and Provincial)		17,083,632	18,836,493
- Public sector entities		4,297,723	1,784,826
- Banking companies	18.1.1	1,076,543	1,077,263
- Non-banking financial institutions		562,709	917,244
- Private sector		68,277,031	57,274,465
	18.2	107,141,793	114,731,997

- 18.1.1** This represents deposit amounting to Rs. 1,076.543 million (December 31, 2023: Rs. 1,077.263 million) from Saudi National Bank - a related party
- 18.2** This includes eligible deposits covered under insurance arrangements amounting to Rs. 29,544 million (2023: Rs. 28,924 million).

19 LEASE LIABILITIES

Outstanding amount at the start of the year
Additions during the year
Lease payments including interest
Interest expense
Lease reassessment
Outstanding amount at the end of the year

Note

(Rupees in '000)

2024**2023****1,475,627**

1,501,455

806,757

196,102

(476,187)

(399,451)

203,010

188,489

(116,489)

(10,968)

1,892,718

1,475,627

19.1 Contractual maturity of liabilities

Short-term lease liabilities - within one year
Long-term lease liabilities:
1 to 5 years
5 to 10 years
Total at the year end

8,415

104,096

285,954

407,961

1,598,349

963,570

1,892,718

1,475,627

20 SUBORDINATED DEBT

Term Finance Certificates (TFCs) - Unsecured

20.1

4,993,000

4,995,000

20.1 Term Finance Certificates (TFCs) - Unsecured

Issue amount	Rupees 5,000 million
Issue date	March 2021
Maturity date	March 2031
Rating	AA-
Profit payment frequency	Semi - annually
Redemption	6th - 108th month: 0.36%; 114th and 120th month: 49.82% each
Mark-up	Payable six monthly at six months' KIBOR plus 1.35%
Call option	On or after five years with prior SBP approval
Lock-in-clause	Neither profit nor principal may be paid if such payments will result in shortfall in the Bank's Minimum Capital Requirement ("MCR") or Capital Adequacy Ratio ("CAR")
Loss absorbency clause	The instrument will be subject to loss absorption and / or any other requirements under SBP's Basel III Capital Rules. Upon the occurrence of a Point of Non-Viability event as defined by SBP's Basel III Capital Rule, SBP may at its option, fully and permanently convert the TFCs into common shares of the Bank (subject to a cap) and / or have them immediately written off (either partially or in full).

21 OTHER LIABILITIES

Mark-up / return / interest payable
- in local currency
- in foreign currencies
Accrued expenses
Accrual for WWF
Acceptances
Payable against purchase of equity investment
Dividends payable
Unclaimed dividends
Provision for taxation - net
Mark to market loss on forward foreign exchange contracts
Credit loss allowance against off-balance sheet obligations
Security deposits against lease
ATM settlement account
Others

Note

(Rupees in '000)

2024**2023****2,249,977**

2,849,249

60,533

51,851

1,176,987

810,339

239,470

184,470

1,243,126

1,450,781

62,844

-

28,187

28,220

3,351

3,351

442,405

291,770

370,755

2,058,075

138,103

172,746

27,826

27,826

815,253

1,118,435

109,058

126,317

6,967,875

9,173,430

	Note	(Rupees in '000)	
		2024	2023
21.1 Credit loss allowance against off-balance sheet obligations			
Opening balance		172,746	172,746
IFRS 9 transition impact		47,482	
Reversals for the year on account of:			
Call back of guarantee	21.1.2	(52,763)	-
Allowance for expected loss		(29,362)	-
		(82,125)	-
Closing balance	21.1.1	138,103	172,746

21.1.1 This includes:

- a) A provision of Rs 71.134 million (2023: Rs 71.134 million) made in respect of two counter guarantees amounting to Rs 71.134 million issued by Crescent Investment Bank Limited, an amalgamated entity, on behalf of Mr. Reyaz Shafi favoring Privatization Commission of Pakistan (PC). The PC had invoked/called for payment of both the guarantees prior to their expiry date. However, Mr. Reyaz Shafi had obtained stay order for payments against the guarantees on the grounds that the guarantees were conditional and the condition had not been met. Subsequently, the PC filed a suit against Faysal Bank Limited and Al-Baraka Islamic Bank, the guarantees issuing banks, against counter guarantees of the amalgamated entity, in the Lahore High Court under the Privatization Commission Ordinance, 2000 for payment against the guarantees. The case is still pending for decision. As a matter of prudence, full provision of Rs 71.134 million (2023: 71.134 million) was made by the amalgamated entity in respect of this matter, which is being maintained.
- b) A provision of Rs. 48 million (2023: Rs 48 million) in respect of a fraud and forgery claim. The matter is still under investigation and is sub judice. The management is confident that the case will be settled in favour of the Bank. However, as a matter of prudence, a provision has been retained in the financial statements.

21.1.2 This represents reversal of provision on account of call back of guarantee by the Bank issued to utility company on behalf of a delinquent legacy borrower provided in prior years.

22 SHARE CAPITAL

22.1 Authorized capital

(Number of shares)			(Rupees in '000)	
2024	2023		2024	2023
1,500,000,000	1,500,000,000	Ordinary shares of Rs. 10 each	15,000,000	15,000,000

22.2 Issued, subscribed and paid-up capital

(Number of shares)			(Rupees in '000)	
2024	2023		2024	2023
883,317,458	883,317,458	Ordinary shares	8,833,175	8,833,175
124,921,190	124,921,190	Fully paid in cash	1,249,212	1,249,212
		Issued for consideration other than cash		
1,008,238,648	1,008,238,648		10,082,387	10,082,387

22.2.1 Shares held by related parties of the Bank

Directors, their spouses and minor children

Hafiz Mohammad Yousaf
Ms. Zeeba Ansar
Mr. Javed Kureishi

(Number of shares)	
2024	2023
1,000,500	1,000,500
1,000	1,000
500	500
1,002,000	1,002,000
852,040,531	852,040,531
853,042,531	853,042,531

Associated Companies, undertakings and related parties

Saudi National Bank(SNB)

22.3 Statutory reserve

A Banking company incorporated in Pakistan is required to transfer 20% of its profit after tax to a statutory reserve until the amount of the reserve plus share premium equals the paid-up share capital. Thereafter, 20% of the profit after tax of the banking company is required to be transferred to this reserve. Accordingly, the Bank transfers 20% of its profit after tax every year to the statutory reserve.

		(Rupees in '000)	
Note		2024	2023
23	DEFICIT ON REVALUATION OF ASSETS		
	Surplus / (deficit) on revaluation of:		
	- Securities measured at FVOCI-Debt		
	- Securities measured at FVOCI-Equity		
	Deferred tax on surplus / (deficit) on revaluation of:		
	- Securities measured at FVOCI-Debt		
	- Securities measured at FVOCI-Equity		
24	CONTINGENCIES AND COMMITMENTS		
	- Guarantees		
	- Commitments		
	- Other contingent liabilities		
24.1	Guarantees		
	Financial guarantees		
	Performance guarantees		
	Other guarantees		
24.2	Commitments		
	Documentary credits and short-term trade-related transactions		
	- letters of credit		
	- forward foreign exchange contracts		
	- forward government securities /equity transactions		
	- operating leases		
	Commitments for acquisition of:		
	- operating fixed assets		
	- intangible assets		
24.2.1	Commitments in respect of forward foreign exchange contracts		
	Purchase		
	Sale		
24.2.2	Commitments in respect of forward government securities / equity transactions		
	Purchase		
	Sale		
24.2.3	Commitments in respect of operating leases		
	Not later than one year		
	Later than one year and not later than five years		
	Later than five years		

These comprise of commitments in respect of leased premises that are under Bank's use. The amount of commitment has been worked out based on standard rental arrangements between the Bank and the lessors, taking into account the terms of these arrangements.

24.3 Other contingent liabilities

	Note	(Rupees in '000)	
		2024	2023
Contingencies in respect of taxation	24.3.1	1,601,544	2,425,668
Claims against the Bank not acknowledged as debt	24.3.2	3,332,331	632,513
		4,933,875	3,058,181

24.3.1 Contingencies in respect of taxation

Presently, the Bank is contesting these issues at various appellate forums. The disallowances in respect of a number of assessment years have been decided / set aside by various appellate authorities for re-assessment while the appeals filed by the Bank and tax department in respect of the remaining assessment years are currently pending. Based on the professional advice received from tax advisors, the management is confident that the eventual outcome of the aforementioned matters will be in favour of the Bank. Accordingly, no provision has been made in these financial statements in respect of the below mentioned demands aggregating Rs. 1,601.544 million (December 31, 2023: Rs. 2,425.668 million) raised by the tax authorities as the management in consultation with Bank's tax counsel believes that the matters will be decided in Bank's favor. The details of these demands are as follows:

- The Federal Board of Revenue (FBR) has raised an arbitrary aggregate demand of Rs. 60.961 million (December 31, 2023: Rs. 426.787 million) for the assessment years 2001-02 and 2002-03 on account of non-deduction of tax on profit paid under portfolio management scheme. The FBR has also raised arbitrary aggregate demand of Rs. 525.554 million (December 31, 2023: Rs. 645.337 million) for assessment years 2001-02, 2002-03 and tax year 2006 on account of taxability of investment banks as banking companies and taxation of dividend income as normal banking income and certain other items. The aforementioned demand relates to pending assessments of the Bank and amalgamated entity namely Crescent Investment Bank Limited. The change has been incorporated on the basis of legal opinion obtained by the Bank on 24 August 2024 from Bank tax counsel.
- The FBR has also raised an arbitrary aggregate demand of Rs. 29.052 million (December 31, 2023: Rs. 29.052 million) for the assessment years 2009, 2010 & 2011 on account of Federal Excise Duty. Further, the FBR has raised arbitrary aggregate demand of Rs. 5.498 million (December 31, 2023: Rs. 5.498 million) on account of monitoring of withholding taxes for the tax year 2014. Provincial Tax authorities have issued orders under Sindh Sales Tax on Services Act, 2011 and Punjab Sales Tax on Services Act, 2012 thereby creating arbitrary aggregate demand amounting to Rs 1.32 million (December 31, 2023: Rs.1.32 million) for the years 2015, Rs.15.380 million (December 31, 2023: Rs. 15.380 million) for the year 2016 and Rs.8.505 million (December 31, 2023: nil) for the year 2016-2017 respectively. Federal Board of Revenue has issued orders to amend assessments for tax years 2015, 2017, 2018, 2019, 2020, 2022 and 2023 raising arbitrary aggregate demands of Rs. 64.945 million (December 31, 2023: Rs. 64.945 million), Rs. 527.054 million (December 31, 2023: Rs. 527.054), Rs. 133.374 million (December 31, 2023: Rs. 133.374 million), Rs. 177.117 million (December 31, 2023: Rs. 177.117 million), Rs. 4.794 million (December 31, 2023: Rs. 4.794 million), Rs. 41.01 million (December 31, 2023: Rs.41.01 million) and Rs.6.980 million (December 31, 2023: nil) respectively.

24.3.2 Claims against the Bank not acknowledged as debt

These represent various cases filed against the Bank for recovery of damages / settlement of deposit balances by various parties. Based on the legal advice, management believes that the possibility of any outcome against the Bank is remote and accordingly no provision has been made in these financial statements.

25 MARK-UP / RETURN / INTEREST EARNED

On:

- a) Loans and advances
- b) Investments
- c) Lendings to financial institutions
- d) Balances with banks
- e) On Naya Pakistan Certificate

(Rupees in '000)	
2024	2023
11,671,609	12,968,421
16,194,210	14,167,327
564,874	1,135,010
65,888	63,942
224,105	370,506
28,720,686	28,705,206

26 MARK-UP / RETURN / INTEREST EXPENSED

On:

- a) Deposits
- b) Borrowings
- c) Finance cost on lease liability against right-of-use assets
- d) Cost of foreign currency swaps against foreign currency deposits
- e) Subordinated debt

(Rupees in '000)	
2024	2023
15,054,552	14,754,383
4,164,870	3,906,902
203,010	188,489
871,615	664,846
1,100,875	1,089,404
21,394,922	20,604,024

27 FEE AND COMMISSION INCOME

- Branch banking customer fees
- Consumer finance related fees
- Credit related fees
- Debit card related fees
- Commission on trade
- Commission on guarantees
- Commission on cash management
- Commission on remittances including home remittances
- Commission on bancassurance
- Commission on Naya Pakistan Certificates
- Others

(Rupees in '000)	
2024	2023
50,742	55,373
31,627	30,779
30,673	50,924
20,348	10,989
56,472	82,466
63,720	40,107
18,859	19,167
66,664	68,824
5,175	4,471
12,629	9,371
8,174	6,963
365,083	379,434

28 GAIN / (LOSS) ON SECURITIES - NET

Note

- Realised gain / (loss)
- Unrealised gain / (loss) on held for trading securities

28.1
9.1

(Rupees in '000)	
2024	2023
212,214	(399,745)
41	(223)
212,255	(399,968)
158,591	(264,660)
53,623	(135,085)
212,214	(399,745)

28.1 Realised gain / (loss) on:

- Federal Government Securities
- Shares

29 OTHER INCOME

- Gain on sale of property and equipment
- Gain on re-measurement of lease liability
- Gain on termination of lease liability against right of use assets
- Rent on property
- Others

29.1

(Rupees in '000)	
2024	2023
1,788	5,412
20,849	-
-	4,626
8,385	14,553
5	81
31,027	24,672

29.1 This represents gain on account of reduction in lease period of head office building on account of its early termination in 2025.

30 OPERATING EXPENSES

Total compensation expense

Note	(Rupees in '000)	
	2024	2023
30.1	2,683,043	2,378,699
Property expense		
Rent and taxes	48,355	54,599
Insurance	3,096	2,016
Utilities cost	192,865	186,646
Security (including guards)	123,049	97,474
Repair and maintenance (including janitorial charges)	103,370	88,374
Depreciation on owned fixed assets	15,830	16,401
Depreciation on right of use assets	310,664	288,755
	797,229	734,265
Information technology expenses		
Software maintenance	404,649	327,853
Hardware maintenance	65,534	86,385
Depreciation	93,432	103,480
Amortisation	113,782	98,329
Network charges	286,937	212,954
Insurance	985	667
	965,319	829,668
Other operating expenses		
Directors' fees and allowances	65,549	78,335
Legal and professional charges	96,344	84,083
Travelling, conveyance and official entertainment	118,176	115,302
Charges paid to Central Depository Company of Pakistan Limited and NIFT	21,206	14,876
Depreciation	112,531	114,685
Training and development	11,309	24,019
Postage and courier charges	9,133	9,871
Communication	27,732	8,851
Stationery and printing	53,984	53,649
Repair and maintenance	81,079	77,441
Insurance	65,381	66,547
Marketing, advertisement and publicity	67,161	43,823
Fee commission and brokerage paid	61,703	34,324
Donations	21,930	-
Auditors remuneration	16,382	8,430
Others	20,793	88,052
	850,393	822,288
	5,295,984	4,764,920

30.1 Total compensation expense

		(Rupees in '000)	
		2024	2023
Fees and allowances etc			
Managerial remuneration			
i) Fixed		934,225	835,981
ii) Variable			
of which;			
a) Cash bonus / awards etc.		350,000	425,000
b) Incentive payments		58,909	49,978
Contribution to defined contribution Plan		75,845	66,806
Rent & house maintenance		421,010	377,467
Utilities		93,557	83,881
Medical		93,558	83,882
Conveyance / fuel / allowance		353,786	338,560
Staff insurance		61,564	44,522
Club membership		7,178	6,528
Other support staff salaries		117,292	65,816
Leave fare assistance		-	-
Others	30.1.1	2,027	278
		2,568,951	2,378,699
Staff loans - notional cost		114,092	-
Grand Total		2,683,043	2,378,699

30.1.1 This amount includes Employees Social Security & Relocation Cost for 2024 and Employees Social Security, Relocation Cost, Special Allowance & One-Time Payment Reversal for 2023

30.1.2 Gender Pay Gap as on December 31, 2024

The mean and median pay for the women is around 34.84% and 25.12% lesser than that of men respectively.

30.2 Donations made during the year were as follows:

		(Rupees in '000)	
		2024	2023
Patients Aid Foundation (JPMC)		2,670	-
Shaukat Khanum Memorial Trust		2,500	-
The Citizens Foundation		2,160	-
Indus Hospital		2,000	-
The Kidney Centre		1,750	-
Kiran Foundation		1,500	-
WWF		1,100	-
LRBT		1,000	-
Orange Tree Foundation		1,000	-
Sanjan Nagar Public Education Trust		1,000	-
Akhuwat		700	-
Deaf Welfare Awareness Foundation		600	-
PEBS - Pakistan Eye Bank Society		600	-
Roshni Trust		550	-
Hunar Foundation		540	-
SOS Children's Villages		500	-
The Red Crescent		500	-
Karachi Down Syndrome Program (KDSP)		480	-
MALC - Marie Adelaide Leprosy Centre		480	-
Pink Ribbon Pakistan		300	-
Grand Total		21,930	-

30.2.1 None of the directors, executives and their spouses had any interest in the donees.



30.3 Auditors' remuneration

Statutory audit fee
 Fee for review of the half year financial statements
 Special certifications and others
 Out-of-pocket expenses

(Rupees in '000)	
2024	2023
9,246	5,810
761	708
5,020	647
1,355	1,265
16,382	8,430

30.4 The decrease in directors' fees and allowance is due to decrease in the overall conduct of Board and committee meetings.

30.5 Donations are part of CSR commitment of the Bank. The Bank allocates 1% of its PBT for the previous year for CSR. Since, in 2022, the Bank had incurred a loss therefore no budget was allocated for 2023.

30.6 This includes PTCL landline connections for all the branches. The increase is due to increase in tariffs by PTCL and opening of new branches during the year.

30.7 This relates to repairs, maintenance and janitorial charges. In the current year, the Bank has renovated majority of its branches resulting in increase in such charges.

31 WORKERS' WELFARE FUND

Under the Workers' Welfare Ordinance, 1971, the Bank has accrued Workers' Welfare Fund at 2% of profit before tax as per the financial statements or declared income as per the income tax return, whichever is higher.

The Bank has made full provision of Workers' Welfare Fund based on profit for the respective years.

The Supreme Court of Pakistan vide its order dated November 10, 2016 has held that the amendments made in the law introduced by the Federal Government for the levy of Workers' Welfare Fund 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 judgement may not currently be treated as conclusive. Accordingly, the Bank maintains its provision in respect of WWF.

32 OTHER CHARGES

Penalties imposed by the State Bank of Pakistan
 Penalties imposed by PSX

(Rupees in '000)	
2024	2023
-	135
280	-
280	135

33 CREDIT LOSS ALLOWANCE & WRITE OFFS - NET

Credit loss allowance against balance with other banks 7.3
 Credit loss allowance for diminution in the value of investments 9.3.2.1
 Credit loss allowance against loans and advances - net 10.5
 Fixed assets written-off
 Reversal of credit loss allowance against off-balance sheet obligations

1,803	-
2,313	(73,041)
(1,843,276)	(2,213,156)
(910)	(9)
82,125	-
(1,757,945)	(2,286,206)

34 TAXATION

Current
Prior years
Deferred

(Rupees in '000)	
2024	2023
(1,467,870)	(1,641,541)
-	-
617,478	683,518
(850,392)	(958,023)
1,549,724	2,193,319
354,000	-
1,903,724	2,193,319
837,639	855,394
190,372	219,332
(166,695)	(217,088)
151	66
(11,075)	100,319
850,392	958,023

34.1 Relationship between tax expense and accounting profit

Profit before taxation
Add: other expense - levy
Profit before taxation and levy

Effects of:

- Tax calculated at the applicable rate of 44% (2023: 39%)
- Super tax at applicable rate of 10% (2023: 10%)
- Effect of rate change on deferred tax asset
- Permanent differences
- Others

Tax charge for the year

34.2 Other expense - levy

The Finance Act, 2023 incorporated section 99D of the Income Tax Ordinance, 2001 imposing tax on windfall income, profits and gains. In pursuance of sub-section (2) of said section, the interim Federal Government issued Notification No. SRO.1588(I)/2023 dated November 21, 2023 imposing 40% tax on foreign exchange income of the banks and also specified the criteria for calculation of windfall income and tax liability thereon. In pursuance of the same, tax authorities issued recovery notice to the Bank thereby creating a demand to the extent of Rs. 354 million. However, the Bank filed Constitutional Petition before the Sindh High Court Karachi through its external legal counsel.

The Sindh High Court had earlier suspended the operations of this SRO. However, the Honorable SHC dismissed Banks' petitions in its short order dated February 20, 2025, which was immediately followed by issuance of recovery/attachment notices by the tax authorities. The Bank has made payment of the said windfall tax under protest to avoid any coercive recovery from the tax authorities. The management is awaiting detailed judgement of the Sindh High Court, and will adopt future course of action in consultation with its tax counsel. Accordingly, the management has recognised the provision in respect of windfall tax.

35 EARNINGS PER SHARE - BASIC & DILUTED

Profit for the year

(Rupees in '000)	
2024	2023
699,332	1,235,296
(Number of Shares)	
1,008,238,648	1,008,238,648
(Rupees)	
0.694	1.225

Weighted average number of ordinary shares

Basic earnings per share

35.1 Diluted Earnings Per Share

Profit for the year

Weighted average number of ordinary shares (adjusted for the effects of all dilutive potential ordinary shares)

Diluted earnings per share

(Rupees in '000)	
2024	2023
699,332	1,235,296

(Number of Shares)	
1,008,238,648	1,008,238,648

(Rupees)	
0.694	1.225

36 CASH AND CASH EQUIVALENTSCash and balances with treasury banks
Balances with other banks

Note

6
7

(Rupees in '000)	
2024	2023
9,210,303	9,465,856
1,367,511	1,038,476
10,577,814	10,504,332

36.1 Reconciliation of movement of liabilities to cash flows arising from financing activities

	(Rupees in '000)						
	2024						
	Liabilities			Equity			
	Sub-ordinated loan	Lease Liabilities	Other liabilities	Share Capital	Reserves	Un-appropriated profit	Total
Balance as at January 01	4,995,000	1,475,627	9,173,430	10,082,387	2,702,510	3,578,284	32,007,238
Changes from Financing cash flows							
Principal repayment of debt securities	(2,000)	-	-	-	-	-	(2,000)
Markup payment on debt securities	-	-	(1,189,490)	-	-	-	(1,189,490)
Payment of lease liability against right-of-use-assets	-	(476,187)	-	-	-	-	(476,187)
Dividend Paid	-	-	(33)	-	-	-	(33)
Total changes from financing cash flows	(2,000)	(476,187)	(1,189,523)	-	-	-	(1,667,710)
Changes arising from demerger	-	-	-	-	-	-	-
Liability related							
Changes in Other liabilities							
- Cash based	-	-	(330,937)	-	-	-	(330,937)
- Non cash based	-	893,278	(685,095)	-	-	-	208,183
Total liability related other changes	-	893,278	(1,016,032)	-	-	-	(122,754)
Total equity related other changes	-	-	-	-	390,025	471,980	862,005
Balance as at December 31	4,993,000	1,892,718	6,967,875	10,082,387	3,092,535	4,050,264	31,078,779

	(Rupees in '000)						
	2023						
	Liabilities			Equity			
	Sub-ordinated loan	Lease Liabilities	Other liabilities	Share Capital	Reserves	Un-appropriated profit	Total
Balance as at January 01,	4,997,000	1,501,455	7,315,401	10,082,387	1,980,649	2,590,047	28,466,939
Changes from Financing cash flows							
Principal repayment of debt securities	(2,000)	-	-	-	-	-	(2,000)
Markup repayment of debt securities	-	-	(969,145)	-	-	-	(969,145)
Payment of lease liability against right-of-use-assets	-	(399,451)	-	-	-	-	(399,451)
Dividend Paid	-	-	(31)	-	-	-	(31)
Total changes from financing cash flows	(2,000)	(399,451)	(969,176)	-	-	-	(1,370,627)
Liability related							
Changes in Other liabilities							
- Cash based	-	-	837,538	-	-	-	837,538
- Non cash based	-	373,623	1,989,667	-	-	-	2,363,290
Total liability related other changes	-	373,623	2,827,205	-	-	-	3,200,828
Total equity related other changes	-	-	-	-	721,861	988,237	1,710,098
Balance as at December 31	4,995,000	1,475,627	9,173,430	10,082,387	2,702,510	3,578,284	32,007,238

37 STAFF STRENGTH

Permanent
Contractual

Bank's own staff strength at the end of the year

(Numbers)	
2024	2023
648	662
144	154
792	816

37.1 In addition to the above, 143 (2023: 141) employees of outsourcing services companies were assigned to the Bank as at the end of the year to perform services other than guarding and janitorial services.

38 DEFINED CONTRIBUTION PLAN

The Bank operates a contributory provident fund plan for 723 employees (2023: 746 employees). Both employer and employees contribute 8.33% (2023: 8.33%) of the basic salaries to the fund every month. The expense charged in respect of this benefit is disclosed in note 30 to these financial statements.

39 COMPENSATION OF DIRECTORS AND KEY MANAGEMENT PERSONNEL

(Rupees in '000)						
2024						
Chairman	Executive Directors (other than CEO)	Non Executive Directors	President/ CEO	Key Management Personnel	Other Material Risk Takers / Controllers	
Fees and allowances etc.	6,240	-	52,320	-	-	-
Managerial remuneration						
i) Fixed	-	-	-	24,545	100,709	211,320
ii) Cash Bonus / Awards	-	-	-	37,600	104,000	109,800
iii) Incentive Payment	-	-	-	-	-	9,913
Contribution to defined contribution plan	-	-	-	2,045	8,389	17,597
Rent and house maintenance	-	-	-	11,045	45,319	95,094
Utilities	-	-	-	2,455	10,071	21,132
Medical	-	-	-	2,455	10,071	21,132
Conveyance / Fuel	-	-	-	1,429	14,123	47,201
Leave fare assistance	-	-	-	-	-	-
Car allowance	-	-	-	9,758	40,885	65,019
One Time Payment (Inflation allowance)	-	-	-	-	-	-
Total	6,240	-	52,320	91,332	333,567	598,208
Number of Persons	1	-	4	1	11	62

(Rupees in '000)						
2023						
Chairman	Executive Directors (other than CEO)	Non Executive Directors	President/ CEO	Key Management Personnel	Other Material Risk Takers / Controllers	
Fees and allowances etc.	7,200	-	53,280	-	-	-
Managerial remuneration						
i) Fixed	-	-	-	19,123	89,997	197,562
ii) Cash Bonus / Awards	-	-	-	30,000	86,800	89,545
iii) Incentive Payment	-	-	-	1,600	-	2,313
Contribution to defined contribution plan	-	-	-	1,593	7,497	16,396
Rent and house maintenance	-	-	-	8,606	40,499	88,828
Utilities	-	-	-	1,912	9,000	19,756
Medical	-	-	-	1,912	9,000	19,756
Conveyance / Fuel	-	-	-	1,425	15,104	52,643
Leave fare assistance	-	-	-	-	-	-
Car allowance	-	-	-	7,877	34,707	65,204
One Time Payment (Inflation allowance)	-	-	-	-	-	-
Ex-Gratia **	-	-	-	-	-	-
Total	7,200	-	53,280	74,048	292,604	552,003
Number of Persons	1	-	5	1	12	64

The term "Key Management Personnel" means the following functional responsibilities:

- Any executive or key executive, acting as second to CEO, by whatever name called, and including the Chief Operating Officer (COO) and Deputy Managing Director.
- Any executive or key executive reporting directly to the CEO / President or the person mentioned in (a) above.

The terms Directors / Executive Directors / Non-Executive Directors, CEO and Key Executives have same meaning as defined in Prudential Regulations (PRs) for Corporate and Commercial Banking. For the purpose of these disclosures Key Management Personnel also include Executives who have direct reporting line to the President / CEO or BoD or its Committees.

'The term 'Material Risk Taker' and 'Material Risk Controller' have the same meaning as defined in revised guidelines on remuneration practice issued by the State Bank of Pakistan vide BPRD circular No. 1 of 2017.

39.1 The Chief Executive Officer is provided with the use of Bank maintained car.

39.2 Remuneration paid to Directors for participation in Board and Committee Meetings

(Rupees in '000)									
2024									
Sr. No.	Name of Director	Meeting fees paid							
		For Board Meetings	Annual General Meeting	For Board Committee Meetings					Total Amount Paid
				IT Committee	Nomination & Remuneration Committee	Audit Committee	Risk Committee	Special Joint Audit Committee & Risk Committee	
1	Mr. Mustafa Ilyas	3,360	-	480	1,920	-	-	480	6,240
2	Mr. Nasser Al-Fraih	3,360	-	-	-	-	-	480	3,840
3	Mr. Hussein Eid	2,400	-	-	1,920	3,360	-	480	8,160
4	Mr. Timour Pasha	2,400	-	-	-	-	3,360	-	5,760
5	Hafiz Muhammad Yousuf	3,840	-	480	1,920	3,360	-	480	10,080
6	Mr. Javed Kureishi	3,840	-	480	-	3,360	3,360	480	11,520
7	Zeeba Ansar	3,360	-	-	1,920	-	3,840	480	9,600
8	Kholood Khalid Al-Khelaiwi	2,880	-	480	-	-	-	-	3,360
Total Amount Paid		25,440	-	1,920	7,680	10,080	10,560	2,880	58,560

(Rupees in '000)									
2023									
Sr. No.	Name of Director	Meeting fees paid							
		For Board Meetings	Annual General Meeting	For Board Committee Meetings					Total Amount Paid
				IT Committee	Nomination & Remuneration Committee	Audit Committee	Risk Committee	Special Joint Audit Committee & Risk Committee	
1	Mr. Mustafa Ilyas	3,360	-	480	3,360	-	-	-	7,200
2	Mr. Nasser Al-Fraih	3,360	-	-	-	-	-	-	3,360
3	Mr. Hussein Eid	3,360	-	-	3,360	3,360	-	-	10,080
4	Mr. Timour Pasha	3,840	-	-	-	-	4,800	-	8,640
5	Hafiz Muhammad Yousuf	2,880	-	480	3,360	2,880	-	-	9,600
6	Mr. Javed Kureishi	3,360	-	480	-	2,880	3,840	-	10,560
7	Zeeba Ansar	3,360	-	-	960	-	4,320	-	8,640
8	Mr. Ali Muhammad Mahoon	1,440	-	480	-	-	480	-	2,400
Total Amount Paid		24,960	-	1,920	11,040	9,120	13,440	-	60,480

40 FAIR VALUE MEASUREMENTS

The fair value of quoted securities other than those classified as held to maturity, is based on quoted market price. Quoted securities classified as held to maturity are carried at amortised cost. The fair value of unquoted equity securities, is determined on the basis of the break-up value of these investments as per their latest available audited financial statements.

The fair value of unquoted debt and equity securities, fixed term loans, other assets, other liabilities, fixed term deposits and borrowings cannot be calculated with sufficient reliability due to the absence of a current and active market for these assets and liabilities and reliable data regarding market rates for similar instruments.

40.1 Fair value of financial assets

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).

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:

(Rupees in '000)				
2024				
	Level 1	Level 2	Level 3	Total
On balance sheet financial instruments				
Financial assets - measured at fair value				
Investments				
Federal Government Securities	-	95,184,627	-	95,184,627
Shares- listed	1,930,995	-	-	1,930,995
Non-Government Debt Securities	-	248,750	-	248,750
Financial assets - disclosed but not measured at fair value				
Investments - non-government debt securities	-	299,819	-	299,819
Off-balance sheet financial instruments - measured at fair value				
Forward purchase of foreign exchange	-	70,783,278	-	70,783,278
Forward sale of foreign exchange	-	64,524,820	-	64,524,820
Forward purchase of government securities/ equity transactions	-	12,710,486	-	12,710,486
Forward sale of government securities/ equity transactions	-	218,060	-	218,060

(Rupees in '000)				
2023				
	Level 1	Level 2	Level 3	Total
On balance sheet financial instruments				
Financial assets - measured at fair value				
Investments:				
Federal Government Securities	-	67,723,991	-	67,723,991
Shares	1,748,117	-	-	1,748,117
Non-Government Debt Securities	-	940,279	-	940,279
Financial assets - disclosed but not measured at fair value				
Investments - Federal Government Securities	-	-	-	-
Off-balance sheet financial instruments - measured at fair value				
Forward purchase of foreign exchange	-	56,645,445	-	56,645,445
Forward sale of foreign exchange	-	52,305,078	-	52,305,078

The Bank's policy is to recognise transfers into and out of the different fair value hierarchy levels at the date the event or change in circumstances that caused the transfer occurred. There were no transfers between levels 1 and 2 during the year.

(a) Financial instruments in level 1

Financial instruments included in level 1 comprise of investments in listed ordinary shares.

(b) Financial instruments in level 2

Financial instruments included in level 2 comprises of Market Treasury Bills, Pakistan Investment Bonds, Term finance certificates and Sukuks.

(c) Financial instruments in level 3

Financial instruments included in level 3 comprises of shares in unlisted ordinary shares.

Valuation techniques and inputs used in determination of fair values within level 1 and 2

Items	Valuation techniques and input used
Pakistan Investment Bonds / Market Treasury Bills	Fair values of Pakistan Investment Bonds and Market Treasury Bills are derived using the PKRV rates (Reuters page). These rates denote an average of quotes received from eight different pre-defined / approved dealers / brokers.
Fully Paid-up Listed ordinary shares, Term finance certificates and Sukuks	Fair value of investment in listed equity securities, term finance certificates and corporate sukuks are valued on the basis of available closing quoted market prices.
Forward foreign exchange contracts	The fair value has been determined by interpolating the mid rates announced by the State Bank of Pakistan.

41 SEGMENT INFORMATION

41.1 Segment Details with respect to Business Activities

	(Rupees in '000)				
	2024				
	Wholesale Banking	Retail Banking	Global Markets	Inter Segment Allocation	Total
Profit and loss account					
Net mark-up / return / interest income	3,581,852	(7,954,274)	11,698,186	-	7,325,764
Inter segment revenue - net	(693,514)	11,596,253	(10,902,739)	-	-
Non mark-up / return / interest income	487,505	307,207	892,457	-	1,687,169
Total income	3,375,843	3,949,186	1,687,904	-	9,012,933
Segment direct expenses	(477,646)	(1,896,376)	(195,150)	(3,136,092)	(5,705,264)
Inter segment expense allocation	(1,288,723)	(1,528,690)	(318,679)	3,136,092	-
Total expenses	(1,766,369)	(3,425,066)	(513,829)	-	(5,705,264)
Credit loss allowance	(1,782,937)	(1,905)	26,897	-	(1,757,945)
Profit before tax	(173,463)	522,215	1,200,972	-	1,549,724
Statement of Financial Position					
Cash and bank balances	-	1,385,950	9,191,864	-	10,577,814
Investments - net	-	-	100,275,430	-	100,275,430
Net inter segment lending	-	74,230,365	-	(74,230,365)	-
Lendings to financial institutions	-	-	-	-	-
Advances - performing - net	50,291,986	5,253,735	178,606	-	55,724,327
Advances - non-performing - net	252,177	93,363	-	-	345,540
Others	1,300,351	512,505	13,750,022	-	15,562,878
Total Assets	51,844,514	81,475,918	123,395,922	(74,230,365)	182,485,989
Borrowings	7,805,742	-	34,668,481	-	42,474,223
Deposits and other accounts	27,973,973	78,057,604	1,110,216	-	107,141,793
Subordinated debt	-	-	4,993,000	-	4,993,000
Net inter segment borrowing	15,654,821	-	58,575,544	(74,230,365)	-
Others	409,978	3,418,314	6,823,495	-	10,651,787
Total liabilities	51,844,514	81,475,918	106,170,736	(74,230,365)	165,260,803
Equity	-	-	17,225,186	-	17,225,186
Total equity and liabilities	51,844,514	81,475,918	123,395,922	(74,230,365)	182,485,989
Contingencies and commitments	13,540,714	-	148,921,889	-	162,462,603

Profit and loss account

(Rupees in '000)					
2023					
	Wholesale Banking	Retail Banking	Global Markets	Inter Segment Allocation	Total
Net mark-up / return / interest income	4,890,255	(7,541,855)	10,752,782	-	8,101,182
Inter segment revenue - net	(1,383,228)	10,499,273	(9,116,045)	-	-
Non mark-up / return / interest income	478,042	257,356	473,000	-	1,208,398
Total income	3,985,069	3,214,774	2,109,737	-	9,309,580
Segment direct expenses	(446,338)	(1,634,357)	(167,657)	(2,581,703)	(4,830,055)
Inter segment expense allocation	(1,135,132)	(1,188,401)	(258,170)	2,581,703	-
Total expenses	(1,581,470)	(2,822,758)	(425,827)	-	(4,830,055)
Provisions	(2,189,210)	(23,954)	(73,042)	-	(2,286,206)
Profit before tax	214,389	368,062	1,610,868	-	2,193,319

Statement of Financial Position

Cash and bank balances	-	2,112,496	8,391,836	-	10,504,332
Investments - net	-	-	70,412,387	-	70,412,387
Net inter segment lending	-	61,248,487	-	(61,248,487)	-
Lendings to financial institutions	-	-	8,192,051	-	8,192,051
Advances - performing - net	66,762,850	5,594,645	112,686	-	72,470,181
Advances - non-performing - net	861,171	104,994	-	-	966,165
Others	2,454,123	510,205	13,186,784	-	16,151,112
Total Assets	70,078,144	69,570,827	100,295,744	(61,248,487)	178,696,228
Borrowings	11,534,469	-	19,447,136	-	30,981,605
Deposits and other accounts	48,976,462	64,640,384	1,115,151	-	114,731,997
Subordinated debt	-	-	4,995,000	-	4,995,000
Net inter segment borrowing	7,390,409	-	53,858,078	(61,248,487)	-
Others	2,176,804	4,930,443	4,517,198	-	11,624,445
Total liabilities	670,078,144	69,570,827	83,932,563	(61,248,487)	162,333,047
Equity	-	-	16,363,181	-	16,363,181
Total equity and liabilities	70,078,144	69,570,827	100,295,744	(61,248,487)	178,696,228
Contingencies and commitments	13,269,961	-	109,750,523	-	123,020,484

41.2 Segment details with respect to geographical locations

The Bank does not have any overseas operations, therefore its entire geographical dispersion arises inside Pakistan.

42 TRUST ACTIVITIES

The Bank commonly acts as a trustee and in other fiduciary capacity that result in the holding or placing of assets on behalf of individuals, trust, retirement benefit plans and other institutions in the IPS accounts. These are not assets of the Bank and, therefore, are not included in the statement of financial position.

(Rupees in '000)							
Category	2024	2023	2024			2023	
	Number of IPS Accounts		Securities Held (Face Value)			Market Treasury Bills	Pakistan Investment Bonds (Fixed)
			Market Treasury Bills	Pakistan Investment Bonds (Fixed & Floating)	Total		
Corporate	8	8	-	-	-	-	-
Insurance Companies	1	1	-	-	-	-	-
Asset Management Companies	8	8	-	-	-	-	-
Employee Funds	14	15	360,000	475,000	835,000	350,000	612,400
Individuals	111	-	190,380	490,700	681,080	-	-
Others	-	101	-	-	-	169,330	341,200
	142	133	550,380	965,700	1,516,080	519,330	953,600

43 RELATED PARTY TRANSACTIONS

The Bank has related party relationships with its holding company, employee contribution plan, its directors and key management personnel.

The Bank enters into transactions with related parties in the ordinary course of business and on substantially the same terms as for comparable transactions with person of similar standing. Contributions to and accruals in respect of staff retirement benefits and other benefit plans are made in accordance with the actuarial valuations / terms of the contribution plan. Remuneration to the executives / officers is determined in accordance with the terms of their appointment.

Contributions to the contributory provident fund scheme are made in accordance with the terms of the contribution plan. Remuneration to the Chief Executive Officer, directors and key management personnel are disclosed in note 39 to these financial statements and are determined in accordance with the terms of their appointment.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Bank. The Bank considers all members of its executive team, including the Chief Executive Officer to be key management personnel.

43.1 Details of transactions with related parties are given below:

(Rupees in '000)								
2024				2023				
Parent	Directors	Key Management personnel	Other related parties	Parent	Directors	Key Management personnel	Other related parties	
Balances with other banks								
In current accounts	115,150	-	-	-	100,391	-	-	-
Advances								
Opening balance	-	-	231,811	-	-	226,221	-	-
Addition during the year	-	-	109,728	-	-	109,503	-	-
Repaid during the year	-	-	(95,441)	-	-	(103,913)	-	-
Closing balance	-	-	246,098	-	-	231,811	-	-
Credit loss allowance held against advances	-	-	(361)	-	-	-	-	-
Other Assets								
Other receivable	1,847	-	-	-	1,847	-	-	-
Mark to market gain on forward foreign exchange contracts	262	-	-	-	-	-	-	-
	2,109	-	-	-	1,847	-	-	-
Other Liabilities								
Mark-up payable	-	13	111	401	-	135	197	450
Mark to market loss on foreign exchange contracts	290	-	-	-	-	-	-	-
	290	13	111	401	-	135	197	450
Deposits and other accounts								
Opening balance	1,077,263	5,128	37,269	37,793	1,078,421	6,255	17,975	30,583
Received during the year	5,420	18,826	705,686	848,304	16,220	16,511	636,249	874,326
Withdrawn during the year	(6,140)	(22,410)	(719,559)	(843,323)	(17,378)	(17,638)	(616,955)	(867,116)
Closing balance	1,076,543	1,544	23,396	42,774	1,077,263	5,128	37,269	37,793
Contingencies and Commitments								
Forward foreign exchange contracts (Notional) - outstanding	812,404	-	-	-	-	-	-	-
Income								
Mark-up / return / interest earned	-	-	12,609	-	-	-	13,287	-
Expense								
Mark-up / return / interest paid	-	925	4,050	11,074	-	1,563	2,001	11,502
Remuneration and benefits	-	-	424,900	-	-	-	366,650	-
Directors fee	-	58,560	-	-	-	60,480	-	-
Insurance premium paid	-	-	3,007	-	-	-	1,978	-
Insurance claims settled	-	-	1,277	-	-	-	2,222	-
	-	59,485	433,234	11,074	-	62,043	372,851	11,502

43.2 Forex transactions during the year - Saudi National Bank

CURRENCY	(Currency in '000)			
	2024			
	READY / SPOT / TOM		FORWARD	
	Buy	Sell	Buy	Sell
AED	4,407	4,040	-	-
EUR	26,400	40,700	1,400	-
GBP	12,834	15,424	-	-
SAR	361,800	12,944	-	1,875
USD	67,957	142,329	500	1,458
PKR	-	4,270	-	-

Forex deals outstanding as at the year - Saudi National Bank

CURRENCY	(Currency in '000)			
	2024			
	READY / SPOT / TOM		FORWARD	
	Buy	Sell	Buy	Sell
EUR			1,400	
USD				1,458

Forex transactions during the year - Saudi National Bank

CURRENCY	(Currency in '000)			
	2023			
	READY / SPOT / TOM		FORWARD	
	Buy	Sell	Buy	Sell
AED	3,489	-	-	-
EUR	8,050	5,850	-	1,400
GBP	1,948	4,328	779	250
SAR	52,943	25,000	-	-
USD	13,348	21,116	856	-
PKR	-	2,050	-	-

Forex deals outstanding as at the year - Saudi National Bank

CURRENCY	(Currency in '000)			
	2023			
	READY / SPOT / TOM		FORWARD	
	Buy	Sell	Buy	Sell
EUR				Nil
USD				Nil

44 CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS

	(Rupees in '000)	
	2024	2023
Minimum Capital Requirement (MCR):		
Paid-up capital (net of losses)	10,082,387	10,082,387
Capital Adequacy Ratio (CAR):		
Eligible Common Equity Tier 1 (CET 1) Capital	14,742,097	14,840,059
Eligible Additional Tier 1 (ADT 1) Capital	-	-
Total Eligible Tier 1 Capital	14,742,097	14,840,059
Eligible Tier 2 Capital	5,483,912	5,584,343
Total Eligible Capital (Tier 1 + Tier 2)	20,226,009	20,424,402
Risk Weighted Assets (RWAs):		
Credit Risk	59,748,229	75,824,389
Market Risk	9,562,206	6,703,515
Operational Risk	15,579,122	13,314,538
Total	84,889,557	95,842,442
Common Equity Tier 1 Capital Adequacy ratio	17.37%	15.48%
Tier 1 Capital Adequacy Ratio	17.37%	15.48%
Total Capital Adequacy Ratio	23.83%	21.31%

The objective of managing capital is to safeguard the Bank's ability to continue as a going concern, so that it could continue to provide adequate returns to shareholders by pricing products and services commensurately with the level of risk. It is the policy of the Bank to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The impact of the level of capital on shareholders' return is also recognised and the Bank recognises the need to maintain a balance between the higher returns that might be possible with greater gearing and the advantages and security afforded by a sound capital position.

The Bank's Board of Directors and the management is committed to maintaining a sound balance between depositors' liability and shareholders' funds so that optimal capital / debt ratio is maintained. The optimal capital / debt ratio will provide reasonable assurance to depositor's about safety and security of their funds and at the same time provide impetus to the management to invest their depositors' funds into profitable ventures without compromising the risk profile of the Bank. The capital requirement of the Bank has been determined based on the projected growth plan to be achieved in the next three to five years in all areas of business operations. Further, it also takes into account a road map for capital enhancement as directed by the SBP vide its various circulars issued from time to time.

The Bank prepares an annual budget and five year plan for purpose of the growth map and future direction. Bottom up approach is used to prepare annual budget and detailed deliberations are held while preparing the five year plan. The growth prospects takes into consideration prevailing economic and political factors in Pakistan and abroad.

The Banks are required to maintain Minimum Capital Requirement (MCR) as prescribed by the State Bank of Pakistan through its BSD Circular No. 7 dated April 15, 2009 which required the minimum paid up capital (net of accumulated losses) to be raised to Rs 10 billion by the year ended December 31, 2013. As at December 31, 2024 the Bank's Paid up Capital is Rs 10.082 billion. In addition, the Banks are also required to maintain a minimum Capital Adequacy Ratio (CAR) of 11.5 percent of their risk weighted exposure. The Bank's CAR as at December 31, 2024 is 23.83% percent (2023: 21.31 percent) of its risk weighted exposure.

The Bank calculates capital adequacy ratio for credit risk, market risk and operational risk based upon the requirements under the Basel Accord as per the guidelines issued by the State Bank of Pakistan from time to time in this regard.

Major credit risk in respect of on and off-balance sheet exposures are mainly claims on banks, corporates, retail customers, residential mortgages and unquoted equity securities. Market risk exposures are mainly in fixed income securities and foreign exchange. The Bank's potential risk exposures shall remain in these exposure types.

The Bank prepares an annual budget and five year plan for purpose of the growth map and future direction. Bottom up approach is used to prepare annual budget and detailed deliberations are held while preparing the five year plan. The growth prospects takes into consideration prevailing economic and political factors in Pakistan and abroad.

The Bank has taken into account credit risk, market risk, liquidity risk and operational risk when planning its assets.

The capital to risk weighted asset ratio, calculated in accordance with SBP guidelines on capital adequacy, under Basel III and Pre-Basel III treatment using Standardized Approach of Credit and Market Risk and Basic indicator Approach for Operational Risk is presented above:

	(Rupees in '000)	
	2024	2023
Leverage Ratio (LR):		
Eligible Tier-1 Capital	14,742,097	14,840,059
Total Exposures	193,132,904	185,706,974
Leverage Ratio	7.63%	7.99%
Liquidity Coverage Ratio (LCR):		
Total High Quality Liquid Assets	77,503,805	62,605,419
Total Net Cash Outflow	23,211,260	26,151,626
Liquidity Coverage Ratio	333.91%	239.39%
Net Stable Funding Ratio (NSFR):		
Total Available Stable Funding	124,645,264	121,845,545
Total Required Stable Funding	47,171,159	57,320,521
Net Stable Funding Ratio	264.24%	212.57%

44.1 Full disclosure is available at <https://www.samba.com.pk/overviews/financial-reports>.

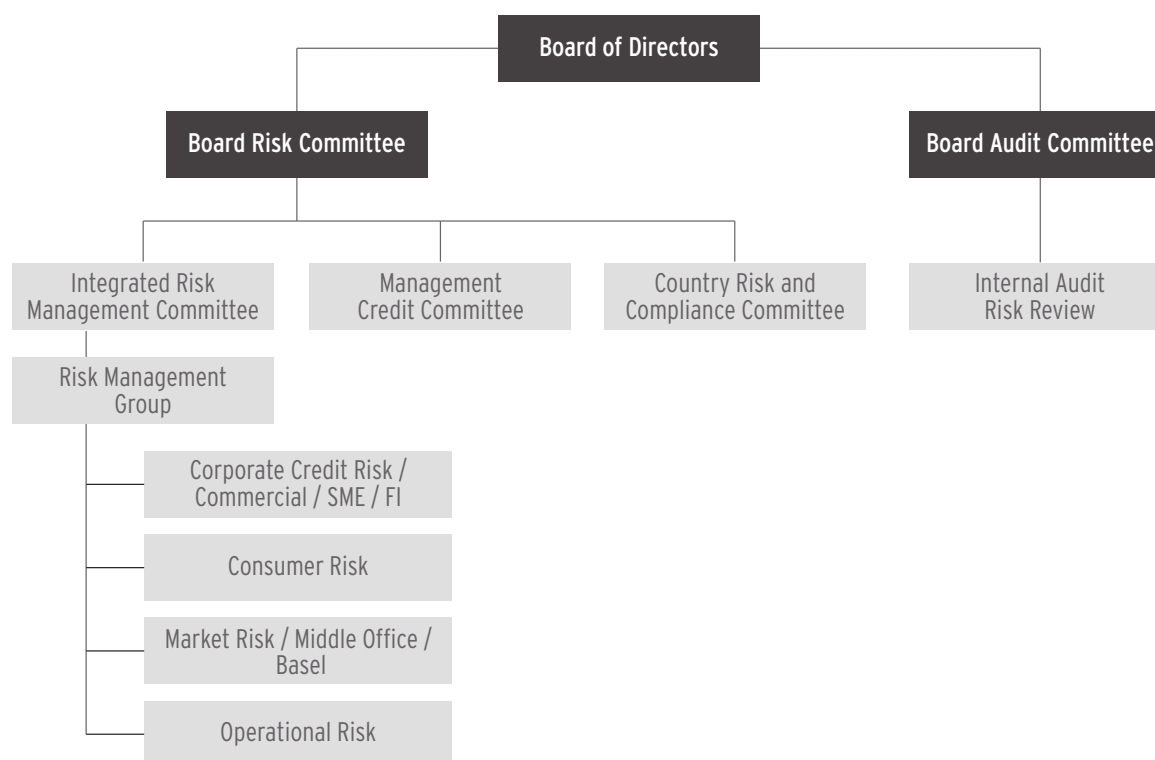
45 RISK MANAGEMENT

Risk can be defined as a combination of the probability of an event and its consequences. In all types of undertakings, there is a potential for events and consequences that constitute opportunities for benefit (upside) or threats to success (downside). Risk Management is increasingly recognised as being concerned with both positive and negative aspects of risk. However, as a matter of prudence it is generally recognised that consequences are only negative and therefore the management of risk is focused on prevention and mitigation of harm.

The types and degree of risk an organisation may be exposed to depends upon its size, complexity in business activities, volume etc. Unless risks are assessed and measured it will not be possible to control risks. Further, an accurate assessment of risk gives management a clear view of the Bank's standing and helps in deciding future action plans. Management of risk by banks in Pakistan is governed by rules and regulations set by the State Bank of Pakistan in its capacity as a Regulator of the banks.

The Bank maintains a dedicated Risk Management organisational unit, independent from any business and reporting directly to the President & CEO through the Chief Credit Officer.

The Bank is exposed to a number of risks, such as credit, market, operational, liquidity, etc. The Board of Directors is ultimately responsible for the risk management function. In order to find an appropriate balance between risk and the desired level of return, the Board has formed certain specialised committees such as Integrated Risk Management Committee (IRMC), Management Credit Committee (MCC), Asset and Liability Committee (ALCO) and Country Risk and Compliance Committee (CRCC) to manage these areas. These committees act within the Bank's overall policies and Board delegated authorities. Integrated Risk Management Committee is a management committee which reviews and monitors risks associated with activities of specific areas. Country Risk and Compliance Committee provides senior management oversight on all material issues pertaining to Operational Risk and Compliance. The Board Risk Committee oversees the risk management function, including credit risks, market risks, liquidity risks, and operational risks that can cause losses to the Bank, to ensure appropriate supervision and governance of the risk management function.



45.1 Credit Risk

Credit risk is the risk of loss as a result of failure by a client or counterparty to meet its contractual obligations. In the existing operations of the bank, this risk is inherent in loans, commitments to lend and contingent liabilities (such as letters of credit / guarantees), in certain traded products and lending transactions.

The bank seeks to manage its credit risk exposure by ensuring that its customers meet the minimum credit standards as per the approved Credit Policy and procedures and through diversification of lending activities ensuring that there is no undue concentration of risks with individuals, or within groups of customers in specific locations or businesses.

Taking credit risk is central to the business therefore the bank continually and constantly assesses and monitors these exposures. The Wholesale banking group is monitored through the Management Credit Committee (MCC) which includes senior members including Chief Credit Officer, Deputy CEO and President & CEO. As far as Credit Risk Management is concerned, MCC's responsibilities include:

- Reviewing and approving individual credit decisions with credit exposures up to the limits delegated by the Board of Directors. the review process include the transaction risk structure, rating and classification level.

The Corporate, Commercial and SME portfolio is monitored through the Integrated Risk Management Committee (IRMC) which includes senior members of the Risk Management Group. As far as Credit Risk Management is concerned, IRMC's responsibilities include:

The inherent nature of the retail business warrants management of a large customer base with diversified product portfolios. Hence, a system driven environment supplemented by human decision making and judgment, especially in unstructured markets is regarded as the best tool to managing risk at large. Credit decisions are taken using a product program approach which includes local environment knowledge, market competition, and current best practices.

Loans and advances are classified as non-performing in accordance with the time based criteria specified in the Prudential Regulations alongwith subjective judgmental criteria also applicable for early classification if needed. Provision is made against loans and advances in accordance with the bank's policies and guidelines provided by the State Bank of Pakistan (SBP).

The Board Risk Committee (BRC) also regularly monitors the overall Risk Portfolio of the Bank including Credit, Market, Liquidity, Operational Risks and Compliance Risks.

The Bank holds various types of collateral against credit exposure including but not limited to liquid collateral (cash or cash equivalents as defined under Prudential Regulation issued by the SBP), equitable/token mortgages, registered charges (1st charge, joint pari-passu charge & ranking charges) over current and fixed assets of borrowers. The bank has not taken benefit of any non-liquid collateral while calculations of ECL under IFRS 9.

The approved procedures define the Classified Credit process to be followed in order to establish a consistent approach to problem recognition, problem labeling, remedial action, loan loss provisioning and the initiation of credit write-offs. Clear responsibilities are defined pertaining to all processes that are required to be followed, in order to have an effective remedial management set-up in place.

A Remedial Asset Committee comprising Head of IRMD, Chief Credit Officer, Deputy CEO and President & CEO, under the initiative of the Institutional Remedial Management Department, conducts regular reviews of the classified portfolio and also recommends recovery / work-out plans, waivers and write-offs.

The Bank has undertaken several initiatives to strengthen its credit risk management framework including the establishment of a IFRS 9 unit responsible for the development of IFRS 9 related models, including Probability of Default (PD) and Loss Given Default (LGD). The models are updated periodically and the results are used for ECL calculations.

For the rated portfolio, the PD is estimated using the Vasicek Approach which uses information regarding transitions between internally developed Obligor Risk Ratings (ORRs) (from 1 to 7). For the unrated portfolio, Vasicek Approach is used to calculate PDs by DPD bucket for each segment.

The computation of ECL is sensitive to macroeconomic variables such as GDP growth rate, inflation, and interest rates. For the computation of forward-looking PDs, the Bank uses forecasted macroeconomic data from independent external sources. The Bank regularly reviews and updates PD models to reflect changes in economic conditions.

The Bank uses the Frye-Jacobs approach to convert through the cycle LGD to a forward-looking point in time LGD. The parameters used to estimate through the cycle LGD are based on the historical trend of the Bank's recovery rates and the time periods over which these recoveries are realized. These parameters are then applied to current exposures, and the result discounted to determine the present value of potential recoveries and hence the estimated loss on defaulted accounts.

For estimation of EAD where committed amounts are not unconditionally cancellable, a CCF, derived from a study of historical patterns, is applied to the undrawn amounts. For portfolios where a CCF cannot be computed due to data limitations, the CCF defined under the Basel guidelines is applied.

These models are reviewed and validated independently. The performance of these models is monitored periodically through statistical tools and back testing.

Staging and ECL calculations

The ECL requirements apply to financial assets measured at amortized cost and at FVOCI (other than equity instruments), and certain loan commitments and financial guarantee contracts. Financial assets are grouped together based on their shared risk characteristics.

A Significant Increase in Credit Risk (SICR) is said to have occurred if there is an increase in the risk of a default occurring over the life of the financial instrument compared to the risk of default expected at the time of initial recognition. The Bank uses a number of qualitative and quantitative measures in assessing SICR including, inter alia, a deterioration in Obligor Risk Ratings (ORR), payments being past due, unavailability of financial information and pending litigation.

For calculating ECL, the Bank classifies its financial assets under the following three categories:

Stage 1 - Performing assets: For financial assets where there has not been a SICR since initial recognition, the Bank recognises an impairment allowance based on the 12-month ECL.

Stage 2 - Underperforming assets: For financial assets where there has been a SICR since initial recognition, but which are not credit impaired, the Bank recognises an impairment allowance based on lifetime ECL.

Stage 3 - Non-performing assets: For financial assets which have evidence of credit impairment at the reporting date, the Bank recognises ECL using the higher of (a) the total lifetime ECL and (b) the corresponding provision required as per the Prudential Regulations.

The Bank follows a very stringent loan loss reserve policy and as a result the impaired portfolio of the Bank is almost fully provisioned.

Governance, ownership and responsibilities

The Bank has adopted a governance framework requiring the Risk, Finance, Internal Audit, HR and IT functions to effectively work together to ensure input from all business lines. IFRS 9 requires robust credit risk models that can predict PD, LGD and EAD.

The Bank's Risk Management Division has developed models / methodologies for PD, LGD and Credit Conversion Factors (CCF). These models are validated on annual basis considering the following aspects:

- Qualitative Validation: ECL model design validation, data quality validation and benchmarking with external best practices
- Quantitative Validation: Calibration testing which ensures the accuracy of the observed PDs.

The Risk Department defines the staging criteria for the new impairment model and take ownership of all models, methodologies and the ECL calculation approach. Additionally, the Risk Department also takes the ownership of the impact of ECL on bank's capital.

The Bank's Finance Division assess the financial impact and meet the financial reporting requirements.

The IT Department is responsible to identify, prepare and extract the data required for the risk parameters modelling and ECL calculations. IT department also support for system development and upgrades.

45.1.1 Lendings to financial institutions

Credit risk by public / private sector

Public / Government

(Rupees in '000)					
Gross lendings		Non-performing lendings		Provision held	
2024	2023	2024	2023	2024	2023
-	8,192,051	-	-	-	-

45.1.2 Investment in debt securities

Credit risk by industry sector

Textile
Construction
Financial

(Rupees in '000)					
Gross investments		Non-performing investments		Provision held	
2024	2023	2024	2023	2024	2023
-	142,857	-	-	-	-
300,000	300,000	-	-	181	-
98,477,910	69,142,793	-	-	-	-
98,777,910	69,585,650	-	-	181	-

Credit risk by public / private sector

Public / Government
Private

(Rupees in '000)					
Gross investments		Non-performing investments		Provision held	
2024	2023	2024	2023	2024	2023
98,227,910	68,642,793	-	-	-	-
550,000	942,857	-	-	181	-
98,777,910	69,585,650	-	-	181	-

45.1.3 Advances

Credit risk by industry sector

Textile
Manufacturing
Chemical and pharmaceuticals
Individuals
Sugar
Electronics and electrical appliances
Power (electricity), gas, water, sanitary
Construction
Cement
Services
Footwear and leather garments
Transport, storage and communication
Wholesale and retail trade
Financial
Paper and allied
Others

(Rupees in '000)					
Gross advances		Non-performing advances		Provision held	
2024	2023	2024	2023	2024	2023
18,018,655	20,685,534	1,333,567	1,441,424	1,442,558	1,142,996
16,992,115	19,101,328	4,167,518	2,571,938	4,307,924	2,339,889
5,930,464	6,733,378	143,967	49,983	167,433	49,983
4,795,074	5,997,988	352,670	339,799	283,242	234,804
3,631,361	4,633,033	18,590	18,590	34,654	18,590
1,711,990	3,392,618	-	-	30,392	-
1,885,032	2,909,249	159,948	159,948	162,676	159,948
1,491,125	1,965,966	906,349	799,499	831,356	799,499
733,699	1,706,263	-	-	-	-
1,850,809	1,648,660	376,694	418,694	384,491	36,749
810,206	1,346,499	-	-	2,047	-
1,013,717	1,250,541	475,662	276,196	480,298	276,196
624,670	727,010	184,942	142,999	194,196	123,000
178,606	112,685	-	-	-	-
46,901	46,901	46,901	46,901	48,086	46,901
6,406,715	8,454,238	1,754,237	1,068,952	1,681,919	2,046,990
66,121,139	80,711,891	9,921,045	7,334,923	10,051,272	7,275,545

Credit risk by public / private sector

Public / Government
Private

(Rupees in '000)					
Gross advances		Non-performing advances		Provision held	
2024	2023	2024	2023	2024	2023
-	-	-	-	-	-
66,121,139	80,711,891	9,921,045	7,334,923	10,051,272	7,275,545
66,121,139	80,711,891	9,921,045	7,334,923	10,051,272	7,275,545

45.1.4 Contingencies and Commitments

Credit risk by industry sector

Financial
Textile
Manufacturing
Insurance
Services
Chemical, lubricants and pharmaceuticals
Electronics and electrical appliances
Cement
Construction
Automobile and transportation equipment
Paper and allied
Wholesale and retail trade
Agriculture, forestry, hunting and fishing
Sugar
Transport, storage and communication
Oil Marketing and Refinery
Power (electricity), gas, water and sanitary
Automobile and transportation services
Others

(Rupees in '000)	
2024	2023
148,229,978	131,377,076
1,553,188	1,343,013
1,331,631	769,682
963,795	1,081,861
829,679	286,903
458,176	517,053
454,676	615,425
346,021	426,704
274,309	1,152,165
96,237	36,900
69,717	299,666
29,582	41,235
13,370	118,698
10,000	-
2,249	156,280
458	800,720
-	51,387
-	8,000
7,585,181	6,150,606
162,248,247	145,233,374
162,248,247	123,020,484

Credit risk by public / private sector

Private

45.1.5 Concentration of Advances

45.1.5.1 The Bank's top 10 exposures on the basis of total (funded and non-funded exposures), aggregated to Rs.10,105.972 million (2023: Rs.11,248.422 million) and are as following:

Funded
Non Funded
Total Exposure

(Rupees in '000)	
2024	2023
8,886,223	10,083,321
1,219,749	1,165,101
10,105,972	11,248,422

45.1.5.2 The sanctioned limits against these top 10 exposures aggregated to Rs. 11,977.064 million (2023: Rs.12,490.980 million).

45.1.5.3 This includes non-performing loans of Rs.1,973 million (2023: nil). Credit loss allowance maintained against these loans is Rs.1,973 million (2023: nil).

45.1.5.4 For the purpose of this note, exposure means outstanding funded facilities and utilised non-funded facilities and trade acceptances as at the reporting date.

45.1.6 Advances - Province / Region - wise Disbursement and Utilization

(Rupees in '000)							
2024							
Province / region	Disburse-ments	Utilization					
		Punjab	Sindh	KPK including FATA	Balochistan	Islamabad	AJK including Gilgit-Baltistan
Punjab	36,206,667	36,203,577	-	-	-	3,090	-
Sindh	24,992,757	187,386	24,794,348	152	418	10,171	282
KPK including FATA	1,753	-	-	1,753	-	-	-
Islamabad	2,514,784	-	-	-	-	2,514,784	-
AJK including Gilgit-Baltistan	-	-	-	-	-	-	-
Total	63,715,961	36,390,963	24,794,348	1,905	418	2,528,045	282

(Rupees in '000)							
2023							
Province / region	Disburse-ments	Utilization					
		Punjab	Sindh	KPK including FATA	Balochistan	Islamabad	AJK including Gilgit-Baltistan
Punjab	76,891,025	74,077,109	-	8,634	-	2,805,282	-
Sindh	66,820,592	356,227	66,425,677	371	2,216	36,101	-
KPK including FATA	24,897	-	-	24,897	-	-	-
Islamabad	1,647,216	-	-	-	-	1,647,216	-
AJK including Gilgit-Baltistan	-	-	-	-	-	-	-
Total	145,383,730	74,433,336	66,425,677	33,902	2,216	4,488,599	-

Disbursements mean the amounts disbursed by banks either in Pak Rupee or in foreign currency against loans.

“Disbursements of province / region wise” refers to the place from where the funds are being issued by scheduled banks to the borrowers

“Utilization of province / region wise” refers to the place where the funds are being utilized by borrower.

45.1.7 Forward-looking information contained in ECL

The assessment of Expected Credit Loss (ECL) calculation incorporates forward looking information. Forward-looking aspect introduces an extra dimension, which is often captured by relating expected losses to the macro-economic variables. The incorporation of macroeconomic factors increases the accuracy of the results produced and makes it more reliable to predict! estimate future results more accurately.

The Bank uses historic and forecasted data to determine the impact of macroeconomic factors to estimate Probability of Default (PD) and Loss Given Default (LGD) etc. Further, statistical models based on historical correlation is performed to identify most significant macro-economic variable(s) that have been recognized as contributors to the default/performance of any portfolio. The macro-economic variables (including Domestic Demand, Services (as % of GDP), Import of Goods and Services and Gross National Savings/Investments) used in the ECL calculation are fetched from the Economist Intelligence Unit (EIU) database and the relevant macro-economic variables are selected based on sensitivity of each of the portfolios to specific macro-economic variables. Three macroeconomic scenarios have been developed base, improved, and worst with assigned scenario probability weightings of 68.25%, 15.87%, and 15.87% respectively.

The Bank conducted a sensitivity analysis on macro-economic indicators which are utilized for forward-looking calculations. As of December 31, 2024, when the macro-economic indicators in the neutral scenario was adjusted upwards or downwards by their respective standard deviation rates, the ECL showed the following variation:

Segment

	Upwards	Downwards
Wholesale	(1.64%)	(1.68%)
Consumer Auto	(3.97%)	(3.1%)
Consumer House	(1.16%)	(1.17%)
Consumer Personal	(2.72%)	(2.79%)

45.1.8 Sensitivity of ECL to Future Economic Conditions

The ECL are sensitive to judgements and assumption made regarding formulation of forward-looking scenarios and how much such scenarios are incorporated into calculations. The Bank performs sensitivity analysis on the ECL recognized on each of its segments.

The table below shows the loss allowance on each segment assuming each forward-looking scenario (e.g. Base, Best and Worst) were weighted 100 percent instead of applying scenario probability across the three scenarios.

	Upside		Central		Downside	
	Total ECL as per FS	Total ECL after sensitivity analysis	Increase / decrease in %	Total ECL after sensitivity analysis	Increase / decrease in %	Total ECL after sensitivity analysis
Wholesale	9,600,599	9,251,265	-3.64%	9,555,567	-0.47%	10,145,982
Consumer Auto	64,912	57,665	-11.16%	63,845	-1.64%	76,749
Consumer House	46,239	42,797	-7.44%	45,431	-1.75%	53,155
Consumer Personal	339,522	285,834	-15.81%	334,493	-1.48%	414,839
	10,051,272	9,637,561		9,999,336		10,690,725

45.2 Market Risk

The Bank is exposed to market risk which is the risk that the value of on and off-balance sheet exposures of the Bank will be adversely affected by movements in market rates or prices such as interest rates, foreign exchange rates, equity prices, credit spreads and commodity prices resulting in a loss to earnings and capital.

45.2.1 Principal sources of Market Risks in both Trading Book and Banking Book

The Bank is exposed to market risk which is the risk that the value of on and off-balance sheet exposures of the Bank will be adversely affected by movements in market rates or prices such as interest rates, foreign exchange rates, equity prices, credit spreads and commodity prices resulting in a loss to earnings and capital.

Price Risk

Price risk is the risk that there may be a financial loss as a result of change in the level or volatility of interest rates, foreign exchange rates, and commodity or equity prices.

Liquidity Risk

Liquidity risk is the risk that any bank, business and its entities, will be unable to meet a financial commitment when due.

Differentiation between Trading and Banking Book**Trading Book**

- Positions that are assumed to be held for short term.
- Securities are to be sold within 90 days from the date of their classification as held for trading under normal circumstances.
- They are marked-to-market (MTM) daily.

Banking Book

- Securities holding intention is for long term.
- Sale before maturity is permitted.
- Positions are Marked-to-market (MTM) periodically.

45.2.2 Market Risk Management

45.2.3 Objectives

Market risk is the risk to a bank's financial condition resulting from adverse movements in market prices. Accurately measuring a bank's market risk requires timely information about the current market values of its assets, liabilities, and off-balance sheet positions. Market risk arises from factors such as changing interest rates and currency exchange rates, the liquidity of markets for specific commodities or financial instruments, and local or world political and economic events. All of these sources of potential market risk can affect the value of the institution and should be considered in the market risk measurement process.

Management of market risk aims to control related risk exposure while ensuring that earnings commensurate with levels of risk.

The Bank has approved market risk policy encompassing market risk limit framework where all relevant market factors have been identified and taken into consideration in the establishment of the independent market risk limit frameworks. The policy also articulates standards for defining, measuring and communicating market risk.

The Bank has established quantitative limits related to market risk and has also set limits for the maximum amount of losses arising from market activities as under:

45.2.4 Price Risk Management

Trading Book is controlled through:

- Factor Sensitivity and associated limits
- Value at Risk (VaR) limits
- Trading - Action triggers

Banking Book is controlled through:

- Factor Sensitivity and associated limits
- Sensitivity of bonds using DVO1 limits
- Triggers - Simplified action triggers

45.2.5 Structure and Organisation of the market risk management



45.2.6 Market Risk Management Function

- Monitoring compliance with all the market risk management policies and procedures of the treasury function as approved by the Board of Directors.
- Identifying and specifying all relevant market factors for each risk-taking unit.
- Monitoring the day-to-day dealings of the front office against the pre-determined tolerable limits.
- Ensuring that the following are reflected in the periodic (at least quarterly) profit and loss account:
 - All transactions executed; and
 - Current independent market data used with respect to revaluation.
- Dealer limits monitoring and excess reporting.
- Random review of recorded telephone conversations for Global Market (GM) activities and related telephone recordings through Telecard voice recording system.
- As per new Rate Reasonability Review Process document, any transaction outside the agreed tolerance band will be reviewed and highlighted by Market Risk.
- Review the factor sensitivity, VaR and stress testing methodologies and results for reasonableness, consistency and completeness.
- Preparing forecasts (simulations) showing the effect of various possible changes in market conditions relating to risk exposures and ensure their integrity.
- Preparing Market Access Reports (MAR), maturity and interest rate risk GAP reports.
- Preparing market risk dashboard for Asset Liability Committee (ALCO), Integrated Risk Management Committee (IRMC), Board Risk Committee (BRC) and senior management.
- Preparing GAP analysis report and reviewing methodologies to calculate risk under Pillar I and II of ICAAP Framework.
- Preparing Business Continuity Program (BCP) for market risk.

- Finalising methodologies to calculate risks under Pillar I & II for ICAAP Framework.
- Jointly developing, with business, standard stress test scenarios and reviewing the standard stress test library at least annually.
- Reviewing the Bank's capital adequacy.

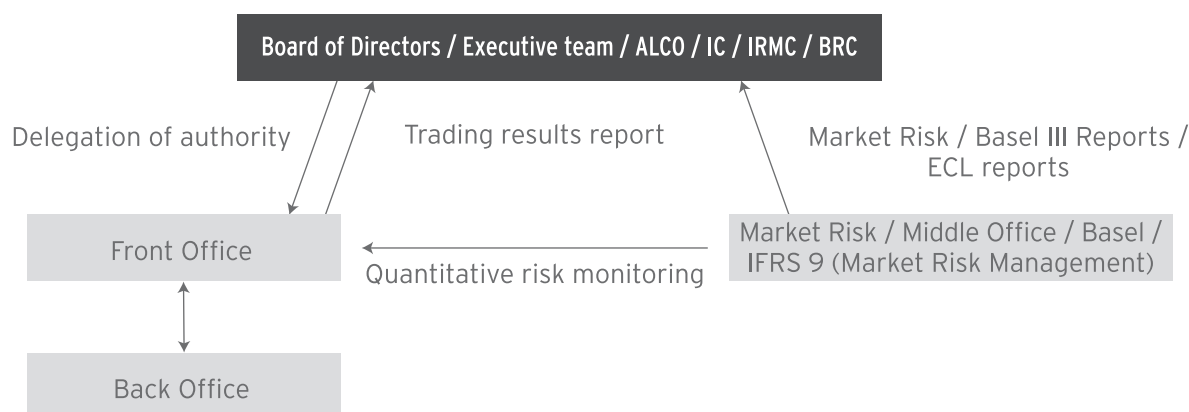
45.2.7 Scope and nature of Risk Reporting

- It is the policy of the Bank that a comprehensive set of market risk data, generated through the businesses' risk-taking activities, is identified and communicated throughout the applicable business, IRMC and Senior Management.
- It is the responsibility of Market Risk Management to define, construct and maintain an independent market risk reporting framework that effectively, consistently and meaningfully communicates risks, risk appetite and the quality of earnings.
- At a minimum, market risk reports are produced for each risk-taking unit, consistent with the level at which the independent market risk limit frameworks are established. However, additional market risk reports may be produced if Market Risk Management determines that the level and/or nature of the risk within a business, warrant inclusion in the market risk reporting packages.
- The market risk data and other data used to populate the independent market risk reports should be from independent risk systems or other independent support systems (e.g., general ledger). If the information available in the independent systems is not sufficiently comprehensive, any other data used to populate the reports must be subject to a reconciliation process to ensure its integrity.
- It is the responsibility of Market Risk Management and the business to assist in the quality control process by reviewing the reports for reasonableness, consistency and completeness.

45.2.8 Market Risk Management System

The Bank has market risk software to manage the market risks from its trading and non-trading activities.

At each level, checks and balances are maintained through a system in which back and middle offices operate independently from front offices. In addition, ALCO, IRMC and BRC meetings are held respectively every month / quarter to deliberate important matters related to market risk and control.



45.2.9 Market Risk Measurement Model

Since daily variation in market risk is significantly greater than other types of risk, the Bank measures and manages market risk using VaR on a daily basis.

Market risk for trading and non-trading activities is measured using a uniformed market risk measurement model. The principal model used for these activities is Variance-Covariance matrix model (holding period, 10 days; confidence interval, 99%; and observation period 365 business days). The model calculates VaR amount by applying actual fluctuations in the market rates and prices over a fixed period in the past. However, the Bank is not using this model to calculate Basel III regulatory capital adequacy ratios which are being computed using the standardised approach which is in accordance with the regulatory requirement.

The Bank is using the following components for measuring market risk factors:

- Factor Sensitivities
- Volatility and Correlation Calculations
- Value-at-Risk (VaR)
- Stress Testing

45.2.10. Balance sheet split by trading and banking books

	(Rupees in '000)					
	2024			2023		
	Banking Book	Trading Book	Total	Banking Book	Trading Book	Total
Cash and balances with treasury banks	9,210,303	-	9,210,303	9,465,856	-	9,465,856
Balances with other banks	1,367,511	-	1,367,511	1,038,476	-	1,038,476
Lendings to financial institutions	-	-	-	8,192,051	-	8,192,051
Investments	300,000	99,975,430	100,275,430	300,000	70,112,387	70,412,387
Advances	56,069,867	-	56,069,867	73,436,346	-	73,436,346
Property and equipment	1,845,461	-	1,845,461	1,702,942	-	1,702,942
Right-of-use assets	1,655,791	-	1,655,791	1,255,338	-	1,255,338
Intangible assets	762,823	-	762,823	596,744	-	596,744
Deferred tax assets	3,366,502	-	3,366,502	2,503,022	-	2,503,022
Other assets	7,932,301	-	7,932,301	10,093,066	-	10,093,066
	82,510,559	99,975,430	182,485,989	108,583,841	70,112,387	178,696,228

45.2.11 Foreign Exchange Risk

The Foreign exchange risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The risk is managed through State Bank of Pakistan's forward covers and other hedging instruments. Overall foreign exchange risk is managed by dealing in authorised currencies, devising separate authority matrices for different types of foreign currency transactions and assigning the ceilings of exposures to parties. Foreign exchange open and mismatch positions are controlled through internal limits and are marked to market on a daily basis to contain forward exposures.

	(Rupees in '000)			
	2024			
	Assets	Liabilities	Off-balance sheet items	exposure
Pakistan Rupee	172,767,371	(148,749,068)	(6,191,036)	17,827,267
United States Dollar	8,386,917	(15,129,296)	6,423,102	(319,277)
Great Britain Pound Sterling	757,858	(825,212)	-	(67,354)
Euro	277,685	(55,010)	(232,066)	(9,391)
Japanese Yen	24,876	-	-	24,876
Other currencies	271,282	(502,217)	-	(230,935)
	182,485,989	(165,260,803)	-	17,225,186

(Rupees in '000)				
2023				
	Assets	Liabilities	Off-balance sheet items	exposure
Pakistan Rupee	168,439,211	(147,848,806)	(4,365,644)	16,224,761
United States Dollar	8,451,756	(13,234,646)	4,941,794	158,904
Great Britain Pound Sterling	1,211,273	(845,157)	(358,600)	7,516
Euro	410,536	(54,199)	(311,500)	44,837
Japanese Yen	25,980	-	-	25,980
Other currencies	157,472	(350,239)	93,950	(98,817)
	178,696,228	(162,333,047)	-	16,363,181

(Rupees in '000)				
2024		2023		
Banking Book	Trading Book	Banking Book	Trading Book	
Impact of 1% change in foreign exchange rates on				
- Profit and loss account	6,021	-	1,384	-
- Other comprehensive income	-	-	-	-

45.2.12 Equity position Risk

Equity position risk is the risk that the fair value of a financial instrument will fluctuate as a result of changes in the prices of individual stocks or the levels of equity indices. The Bank holds equity investments in both the FVOCI and FVTPL portfolios. The realization of short-term capital gains is the principal objective of the FVTPL portfolio while the FVOCI portfolio is held primarily to earn dividend income. The portfolios are managed by the Bank within the structure encapsulated in the Equity Investment Policy approved by the Board, which defines position limits, portfolio limits and loss triggers for the equity desk. The Bank also applies stress tests on the equity portfolio to ensure that the exposure remains within the market risk appetite of the Bank.

(Rupees in '000)				
2024		2023		
Banking Book	Trading Book	Banking Book	Trading Book	
Impact of 5% change in equity prices on				
- Profit and loss account	-	10,841	-	1,667
- Other comprehensive income	-	85,709	-	85,739

45.2.13 Yield / Interest Rate Risk in the Banking Book (IRRBB)-Basel II Specific

Yield risk is the risk of decline in earnings due to adverse movement of the yield curve. Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. The Bank is exposed to interest rate risk as a result of mismatches or gaps in the amounts of assets and liabilities and off-balance sheet instruments that mature or re-price in a given period. The Bank monitors this risk and manages it by repricing of assets and liabilities with the objective of limiting the potential adverse effects on the profitability of the Bank.

(Rupees in '000)				
2024		2023		
Banking Book	Trading Book	Banking Book	Trading Book	
Impact of 1% change in interest rates on				
- Profit and loss account	545,012	-	535,361	-
- Other comprehensive income	-	2,146,152	-	1,679,705

45.2.14 Mismatch of Interest Rate Sensitive Assets and Liabilities

Bank's interest rate sensitivity position based on the earlier of contractual repricing or maturity date is as follows:

(Rupees in '000)											
2024											
Effective yield/ interest rate %	Total	Exposed to yield / interest rate risk									Non-interest bearing financial instruments
		Upto 1 month	Over 1 to 3 months	Over 3 to 6 months	Over 6 months to 1 year	Over 1 to 2 years	Over 2 to 3 years	Over 3 to 5 years	Over 5 to 10 years	Above 10 years	
On-balance sheet financial instruments											
Financial Assets											
Cash and balances with treasury banks	9,210,303	-	-	-	-	-	-	-	-	-	9,210,303
Balances with other banks	13.75% 1,367,511	-	-	-	-	-	-	-	-	-	1,367,511
Lending to financial institutions	12.82% -	-	-	-	-	-	-	-	-	-	-
Investments	20.26% 100,275,430	9,701,508	31,263,178	42,978,837	14,407,523	-	-	-	-	-	1,924,384
Advances	18.29% 56,069,867	6,535,557	28,918,344	12,185,059	152,619	1,580,172	1,193,577	2,387,001	2,639,917	477,621	-
Other assets	6,809,205	-	-	-	-	-	-	-	-	-	6,809,205
	173,732,316	16,237,065	60,181,522	55,163,896	14,560,142	1,580,172	1,193,577	2,387,001	2,639,917	477,621	19,311,403
Financial Liabilities											
Bills payable	1,791,194	-	-	-	-	-	-	-	-	-	1,791,194
Borrowings	18.14% 42,474,223	14,257,422	21,774,966	1,628,977	90,828	1,153,926	706,908	2,537,980	323,216	-	-
Deposits and other accounts	13.20% 107,141,793	31,376,704	5,304,936	30,321,280	17,205,712	1,903	2,700	621	-	-	22,927,937
Liabilities against assets subject to finance lease	1,892,718	-	-	-	-	-	-	-	-	-	1,892,718
Subordinated debt	4,993,000	-	-	-	-	-	-	-	4,993,000	-	-
Other liabilities	5,932,000	-	-	-	-	-	-	-	-	-	5,932,000
	164,224,928	45,634,126	27,079,902	31,950,257	17,296,540	1,155,829	709,608	2,538,601	5,316,216	-	32,543,849
On-balance sheet gap	9,507,388	(29,397,061)	33,101,620	23,213,639	(2,736,398)	424,343	483,969	(151,600)	(2,676,299)	477,621	(13,232,446)
Off-balance sheet financial instruments											
Financial guarantee, performance guarantee and letter of credits	(9,177,694)	-	-	-	-	-	-	-	-	-	(9,177,694)
Commitments in respect of:											
- forward foreign exchange contracts - forward purchases	(70,783,278)	(33,167,379)	(26,559,471)	(11,056,428)	-	-	-	-	-	-	-
- forward foreign exchange contracts - forward sale	64,524,819	33,674,810	22,394,515	8,455,494	-	-	-	-	-	-	-
- forward government securities transactions - purchases	(12,710,486)	(12,710,486)	-	-	-	-	-	-	-	-	-
- future contracts - sale of equity*	218,060	218,060	-	-	-	-	-	-	-	-	-
Off-balance sheet gap	(27,928,579)	(11,984,995)	(4,164,956)	(2,600,934)	-	-	-	-	-	-	(9,177,694)
Total Yield / Interest Risk Sensitivity Gap		(41,382,056)	28,936,664	20,612,705	(2,736,398)	424,343	483,969	(151,600)	(2,676,299)	477,621	(22,410,140)
Cumulative Yield / Interest Risk Sensitivity Gap		(41,382,056)	(12,445,392)	8,167,313	5,430,915	5,855,258	6,339,227	6,187,627	3,511,328	3,988,949	(18,421,191)

*These represent spot purchases that have been sold in the futures market. The corresponding derivative loss has not been recognized as of December 31, 2024, as its impact is not material.

(Rupees in '000)											
2023											
Effective yield/ interest rate %	Total	Exposed to yield / interest rate risk									Non-interest bearing financial instruments
		Upto 1 month	Over 1 to 3 months	Over 3 to 6 months	Over 6 months to 1 year	Over 1 to 2 years	Over 2 to 3 years	Over 3 to 5 years	Over 5 to 10 years	Above 10 years	

On-balance sheet financial instruments

Assets

Cash and balances with treasury banks		9,465,856	-	-	-	-	-	-	-	-	9,465,856
Balances with other banks	20.90%	1,038,476	-	-	-	-	-	-	-	-	1,038,476
Lending to financial institutions	10.17%	8,192,051	8,192,051	-	-	-	-	-	-	-	-
Investments	16.53%	70,412,387	7273,429	28,946,382	2,4764,526	7,680,632	-	-	-	-	1,747,418
Advances	15.67%	73,436,346	13,516,355	31,661,231	12,306,727	3,558,184	997,534	2,658,102	3,338,910	4,719,551	679,752
Other assets		9,756,900	-	-	-	-	-	-	-	-	9,756,900
		172,302,016	28,981,835	60,607,613	37,071,253	11,238,816	997,534	2,658,102	3,338,910	4719,551	679,752

Liabilities

Bills payable		975,388	-	-	-	-	-	-	-	-	975,388
Borrowings	13.93%	30,981,605	19,591,323	3,798,456	571,196	128,805	268,393	1,793,649	2,668,984	2,138,463	22,336
Deposits and other accounts	13.51%	114,731,997	17,791,410	12,414,281	46,399,848	10,930,154	22,500	1,904	-	-	27,171,900
Lease liability against right-of-use assets		1,475,627	-	-	-	-	-	-	-	-	1,475,627
Subordinated debt		4,995,000	-	-	4,995,000	-	-	-	-	-	-
Other liabilities		8,697,190	-	-	-	-	-	-	-	-	8,697,190
		161,856,807	37,382,733	16,212,737	51,966,044	11,058,959	290,893	1,795,553	2,668,984	2,138,463	-

On-balance sheet gap

	10,445,209	(8,400,898)	44,394,876	(14,894,791)	179,857	706,641	862,549	669,926	2,581,088	679,752	(16,333,791)
--	------------	-------------	------------	--------------	---------	---------	---------	---------	-----------	---------	--------------

Off-balance sheet financial instruments

Financial guarantee, performance guarantee and letter of credits		(10,453,814)	-	-	-	-	-	-	-	-	(10,453,814)
Commitments in respect of:											
- forward foreign exchange contracts - purchases	(56,645,445)	(23,559,487)	(29,103,780)	(3,982,178)	-	-	-	-	-	-	-
- forward foreign exchange contracts - sale	52,305,077	17,698,399	30,181,645	4,425,033	-	-	-	-	-	-	-
- forward government securities transactions - purchases	(19,710,013)	(19,710,013)	-	-	-	-	-	-	-	-	-
- forward government securities transactions - sale	2,502,877	2,502,877	-	-	-	-	-	-	-	-	-

Off-balance sheet gap

	(31,469,122)	(23,068,224)	1,077,865	442,855	-	-	-	-	-	-	(10,453,814)
--	--------------	--------------	-----------	---------	---	---	---	---	---	---	--------------

Total Yield / Interest Risk Sensitivity Gap

	(31,469,122)	45,472,741	(14,451,936)	179,857	706,641	862,549	669,926	2,581,088	679,752	(26,787,605)
--	--------------	------------	--------------	---------	---------	---------	---------	-----------	---------	--------------

Cumulative Yield / Interest Risk Sensitivity Gap

	(31,469,122)	14,003,619	(448,317)	(268,460)	438,181	1,300,730	1,970,656	4,551,744	5,231,496	(21,556,109)
--	--------------	------------	-----------	-----------	---------	-----------	-----------	-----------	-----------	--------------

Reconciliation to total assets

Total assets as per balance sheet

182,485,989 178,696,228

Less: Non financial assets

Property and equipment

Right-of-use assets

Intangible assets

Deferred tax assets - net

Other assets

1,845,461	1,702,942
1,655,791	1,255,338
762,823	596,744
3,366,502	2,503,022
1,123,096	336,166

8,753,673 6,394,212

Total financial assets

173,732,316 172,302,016

45.3 Operational Risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, errors or mistakes or frauds committed by people, inadequate systems and from external events. The Bank has an Operational Risk Framework duly approved by the Board which is reviewed after every three years. The Bank has a well developed Operational Risk System as defined under the Operational Risk Framework, which is aligned to international best practices. The Bank is using Key Risk Indicators, Risk & Control Self - Assessment, capturing operational risk incidents and conducting Quality Assurance Reviews as tools for identification, monitoring, measuring and management of operational risk. Key Risk Indicators and operational loss incidents are captured in the Operational Risk System.

A sound internal governance structure enhances the effectiveness of the Bank's Operational Risk Management and is accomplished at the enterprise level through formal oversight by the Board, the Chief Risk Officer, the Operational Risk Head and Risk Management Committees.

The Bank has set up an Operational Risk Management Department (ORMD), housed within the Risk Management Group which is entrusted with managing controls and processes in an efficient and effective manner. The Operational Risk Management Department (ORMD) oversees the processes for sound Operational Risk Management and also serves as an escalation point for critical Operational Risk matters within the Bank. The ORMD reports Operational Risk activities to the Country Risk & Compliance Committee (CRCC) and Board Risk Committee that reviews all risk areas of the Bank, on a holistic basis. The main activities of ORMD include:

- Operational Risk Management
- Fraud Risk Management
- Quality Assurance Reviews
- Whistle Blowing Unit
- Green Banking

With respect to Basel III for Operational Risk, the bank currently uses the Basic Indicator Approach (BIA) for determining the Operational charge for MCR calculation purposes.

45.3.1 Green Banking and Environmental, Social & Governance (ESG)

Our Bank is committed to Environmental, Social, and Governance (ESG) principles, integrating sustainability into our operations and lending decision-making. We prioritize environmentally responsible practices, social initiatives, and governance framework.

SBL is committed to promoting sustainable development and minimizing the negative environmental and social impact of its financial activities. Green Banking Guidelines and Environmental & Social Risk Management Manual (ESRM) issued by the State Bank of Pakistan, support the initiative to improve the understanding and implementation of environmental protection and social laws in the country, by incorporating the concept in the banking system. To comply with the guidelines and Manual the Bank has established a Green Banking Office housed under Operational Risk Management. In light of these regulatory requirements and being a responsible corporate citizen, SBL's Green Banking (GB) Policy was developed and implemented in 2019 and was revised, after the issuance of SBP's ESRM Manual, as GB Policy & ESRM Manual encompassing Environmental & Social Risk Management, Green Business Facilitation and Own Impact Reduction.

The Bank has an Environmental and Social Risk Management System which incorporates procedures for evaluation and management of environmental and social risks in current as well as future decision making process for financing/investments. Non-consumer credit portfolio obligors are reviewed on the basis of Environmental and Social Due Diligence Checklist by assigning Environmental & Social Risk Rating, as part of the credit approval process.

To promote Green Business Facilitation, the Bank has approved Green asset side products which includes financing of solar power solutions under the SME PPM, financing of Consumer asset products i.e. Roshan Apni Car and Roshan Apna Ghar. Furthermore, on the liability side there are two Green products i.e. Roshan Digital Account for NRPs and Digital Onboarding for RPs.

On Own Impact Reduction various green initiatives have been taken to reduce carbon footprint by digitizing various processes such as, e-Statements, customer notifications (pre & post dormancy), e-KYC, IT Services Portal, e-Attendance Mechanism and HRM Portal, thereby facilitating paperless banking/processes and bringing efficiency in operations. The Bank has shifted to energy saving lights across its branches and has also converted one of its branch and ATM to renewable energy source. This is enabling an eco-friendly approach to banking.

Regular trainings and awareness sessions were also conducted for staff members to ensure understanding of the GB Policy and Environmental and Social Risk Management. Accordingly, our digital platforms are leveraged for spreading awareness through strategic messaging on social media. In line with global practices, various Environmental and Social Days are observed to support conservation of the environment, raise environmental awareness amongst staff and to highlight critical environmental and social issues.

45.3.2 Social Initiatives

Our bank remains committed to fostering positive social impact through contributions to organizations dedicated to creating Sustainability. In line with our commitment to Social consciousness, we have supported the following esteemed organizations:

Healthcare & Well-being: The Kidney Centre, Indus Hospital, Patients Aid Foundation (JPMC), Pink Ribbon Pakistan, Shaukat Khanum Memorial Trust, Karachi Down Syndrome Program, MALC-Marle Adelaide Leprosy Centre, LRBT, Pakistan Eye Bank Society (PEBS) and Roshni Trust.

Education & Empowerment: The Citizens Foundation, Hunar Foundation, Akhuwat, Sanjan Nagar Public Education Trust, Kiran Foundation and Orange Tree Foundation

Community Support: SOS Children's Villages, Deaf Welfare Awareness Foundation, The Red Crescent and WWF

Tree Plantation Activity: 2000 native sapling plantation in collaboration with WWF Pakistan. 500 plants in Karachi and 1,000 mangrove plantation at Sonmiani has been completed and plantation of 500 sapling in Lahore is planned in first quarter of 2025.

45.3.3 Diversity, Equity & Inclusion and Socio-Economic Development

Samba Bank Limited (SBL) upholds its commitment to Diversity, Equity & Inclusion and Socio-Economic Development through a multifaceted program of partnerships, training, capacity building and outreach activities undertaken by the Bank's HR and Training Group.

In 2024, reiterating the importance of Employee Wellbeing, the Bank arranged motivational sessions for women employees on the occasion of International Day of Women, with inspirational talks by guest speakers from IBA, Bioniks & Level-Up. In a milestone for Financial Inclusion and Empowerment the Bank designed and conducted a women's empowerment program for women lawyers on "Digital Banking, Legal Skills & Women's Development". The program was a thematic collaboration by Samba Bank Ltd, with Karachi Bar Council, Sindh Women's Bar Association, & IBA-CICT. Marking a success for Financial Inclusion and Empowerment, the Bank earned a Certificate of Appreciation for its active role in State Bank of Pakistan's National Financial Literacy Week as part of the National Financial Literacy Program. In keeping with our commitment to Diversity, Equity & Equal Opportunity (DEI) the Bank successfully completed its 3-year training staff program on Gender Sensitization in the Workplace. The Bank also conducted training programs for its staff on Sensitization for Inclusion of Persons in the Workplace. In another DEI achievement, the Bank partnered with Lahore Businessmen Association for Rehabilitation of the Disabled (LABARD) for internships in Banking operations for Differently-Abled young men and women. Concluding the year, with a DEI and Community Engagement event, the Bank proudly celebrated International Day of Persons with Disabilities with a Futsal match and Power Run alongside hearing and speech impaired teams from JS Academy for the Deaf. On the occasion, recognition awards were given to the Bank's Disability Expert and Mentors JS Academy for the Deaf Born2RunPakistan. These contributions reflect our dedication to addressing societal challenges and driving sustainable development.

In addition to the above, institution wide Operational Risk, Fraud Risk, Green Banking and Whistle Blow awareness trainings were undertaken regularly.

Governance: Refer to "Statement under Code of Corporate Governance/Corporate and Financial Reporting Framework" and "Independent Auditors' Review Report to the Members on the Statement of Compliance Contained in Listed Companies (Code of Corporate Governance) Regulations, 2019" Section.

45.4 Information and Cyber Security

Information and Cyber Security in all aspects remains a critical area of importance to safeguard Bank's critical information assets. To strengthen the Information Security controls for Bank's information assets, SBL has taken defense-in-depth approach wherein multiple layers of controls encompassing technical, administrative and physical security controls have been deployed. SBL is PCI DSS compliant and conducts robust Penetration Testing and Vulnerability Scanning to identify any gap and implements recommended countermeasure(s). All applications and any technology enhancements are reviewed by IS function through a detailed Information Security Risk Assessment process. SBL IS Department has established Security Operations Center (SOC) to monitor and tackle any emerging or active cyber threat/attack. The Bank's staff are also regularly trained on Information and Cyber Security aspects through a comprehensive security awareness program using different methodologies of delivery.

Business Continuity Management Program is aligned with industry best practices and regulatory guidelines, which is periodically reviewed and tested to ensure the readiness and effectiveness of alternate sites' arrangements during uncertain situations. BCM awareness training sessions and testing drills are also conducted for critical staff members to ensure that they are fully aware of their key roles and responsibilities in case of any disastrous situation.

45.5 Liquidity Risk

Liquidity Risk is the potential for loss to an institution arising from either its inability to meet its obligations or to fund increase in assets as they fall due without incurring unacceptable cost or losses.

Liquidity risk is being monitored through the following:

(a) Gap Analysis: Market Access Report (MAR)

Market Access Report is a key tool in monitoring the current liquidity position of the Bank and it measures the 'gaps' over various time horizons, based on a business-as-usual assumption that the asset levels remain constant. MAR quantifies the daily and cumulative gap in a business-as-usual environment. The gap for any given tenor bucket represents the borrowings from, or placements to, the markets (internal or external), required to replace maturing liabilities or assets. MAR Limits establish a boundary for how much incremental funding is appropriate, relative to the size of statement of financial position and market capacity.

(b) Stress Scenario

Stress test is intended to quantify the likely impact of an event on the balance sheet and the net potential cumulative gap over a 3-month period, and to ascertain what incremental funding may be required under the defined stress scenario. The scenario is proposed by the Market Risk Management at a minimum on an annual basis, endorsed by the treasurer, and approved by the Board of Directors.

(c) Scope and nature of Risk Reporting

- It is the policy of the Bank that the comprehensive set of liquidity risk data, generated through the businesses' risk-taking activities, is identified and communicated throughout the applicable business, treasury, and senior management.
- Market Risk is responsible to construct and maintain an independent liquidity risk-reporting framework that effectively, consistently and meaningfully communicates risks and risk appetite.
- Treasurer is responsible to ensure the completeness and integrity of the liquidity risk data, and that the data can be effectively reported into the independent risk systems.
- ALCO, the Treasurer and the market risk managers are responsible for assisting in the quality control process by reviewing the reports for reasonableness, consistency and completeness.

(d) Mitigating Liquidity risk and processes for continuous monitoring

The following tools are being used in order to monitor the liquidity risk:

- Market Access Report (MAR)
- Stress Scenario
- Liquidity Ratios
- Significant Funding Sources (large funds providers)
- Contingency Funding Plans

45.5.1 Maturities of Assets and Liabilities - based on contractual maturity of the assets and liabilities of the Bank

[illegible]

(Rupees in '000)

2023

Total	Upto 1 day	Over 1 to 7 days	Over 7 to 14 days	Over 14 days to 1 month	Over 1 to 2 months	Over 2 to 3 months	Over 3 to 6 months	Over 6 to 9 months	Over 9 months to 1 year	Over 1 to 2 years	Over 2 to 3 years	Over 3 to 5 years	Over 5 years
Assets													
Cash and balances with treasury banks	2,784,380	330,085	296,992	898,900	524,707	874,902	1,239,911	721,253	406,356	340,719	339,891	707,160	-
Balances with other banks	1,038,476	-	-	-	-	-	-	-	-	-	-	-	-
Lending to financial institutions	8,192,051	2,500,000	-	5,692,051	-	-	-	-	-	-	-	-	-
Investments	70,412,387	-	-	248,582	7,883,711	33,344	59,217	3,012	9,534,641	825,963	10,824,991	10,136,969	38,745,668
Advances	73,436,346	2,716,292	2,306,114	6,126,633	1,045	11,618,976	10,945,064	5,950,129	2,955,726	2,056,310	4,826,850	4,869,791	5,953,420
Property and equipment	1,702,942	-	-	576	10,45	1,045	7,682	9,241	12,291	7,280	106,939	133,473	142,370
Right-of-use assets	1,255,338	-	-	-	-	-	2,166	3,050	-	86,289	34,084	316,489	813,260
Intangible assets	596,744	-	-	116	211	211	1,987	2,479	2,479	18,875	28,447	90,766	451,173
Deferred tax assets - net	2,503,022	-	-	-	-	-	-	-	589,591	952,414	-	304,358	656,659
Other assets	10,093,066	-	-	9,823,329	-	5,367	48,617	-	96,420	10,102	14,415	94,816	-
178,696,228	9,050,186	5,546,377	2,603,106	22,790,187	8,409,674	12,533,845	12,304,644	6,689,164	13,597,504	4,297,952	16,175,617	16,654,422	48,043,550

Liabilities

Bills payable	975,388	-	-	-	-	-	-	-	-	-	-	-	-
Borrowings	30,981,605	3,925,075	15,602,237	64,011	69,955	3,728,501	571,196	58,805	70,000	268,393	1,793,649	2,668,984	2,160,799
Deposits and other accounts	114,731,997	4,312,189	4,839,965	18,527,323	8,149,325	13,583,548	27,125,119	6,116,676	8,668,647	4,973,831	4,953,234	9,902,664	-
Lease liability against right-of-use assets	1,475,627	-	-	-	-	20,716	16,193	-	55,914	51,844	53,277	324,109	953,574
Subordinated debt	4,995,000	-	-	-	-	-	1,000	-	1,000	2,000	2,000	2,000	4,987,000
Deferred tax liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-
Other liabilities	9,173,430	-	-	3,189,552	-	5,284,759	126,091	-	319,319	-	-	253,709	-
162,333,047	4,554,864	8,237,264	20,442,202	21,780,886	8,219,280	22,617,524	27,839,599	6,175,481	9,114,880	5,296,068	6,802,160	13,151,466	8,101,373

Net assets

16,363,181	4,495,322	(2,690,887)	(17,839,096)	1,009,301	190,394	(10,083,679)	(15,534,955)	513,683	4,482,624	(998,116)	9,373,457	3,502,956	39,942,177
Share capital	10,082,387												
Reserves	2,976,978												
Surplus on revaluation of assets	(274,466)												
Unappropriated profit	3,578,284												
16,363,181													

45.5.2 Maturities of assets and liabilities - based on expected maturities of the assets and liabilities of the Bank

(Rupees in '000)									
2024									
Total	Upto 1 Month	Over 1 to 3 months	Over 3 to 6 months	Over 6 months to 1 year	Over 1 to 2 Years	Over 2 to 3 Years	Over 3 to 5 Years	Over 5 to 10 Years	Above 10 years
Assets									
Cash and balances with treasury banks	9,210,303	4,800,931	1,451,924	1,045,001	1,298,059	431,709	182,679	-	-
Balances with other banks	1,367,511	1,367,511	-	-	-	-	-	-	-
Lending to financial institutions	-	-	-	-	-	-	-	-	-
Investments	100,275,430	-	3,128,679	4,538,768	16,205,976	10,997,096	-	56,967,197	8,437,714
Advances	56,069,867	9,699,709	13,808,384	14,672,070	7,151,295	2,633,158	1,759,697	2,786,401	3,075,191
Property and equipment	1,845,461	786	2,858	13,467	33,617	127,959	192,853	615,336	749,348
Right-of-use assets	1,655,791	-	425	38,358	21,181	18,249	59,083	111,713	1,406,782
Intangible assets	762,823	-	-	-	-	-	-	-	762,823
Deferred tax assets - net	3,366,502	-	-	-	341,541	1,226,153	-	391,836	1,105,765
Other assets	7,932,301	7,747,999	3,667	33,218	65,881	6,902	9,850	64,784	-
	182,485,989	23,616,936	18,395,937	20,340,882	25,117,550	15,441,226	2,204,162	60,937,267	14,774,800
									1,657,229
Liabilities									
Bills payable	1,791,194	1,791,194	-	-	-	-	-	-	-
Borrowings	42,474,223	14,257,422	21,774,966	1,628,977	90,828	1,153,926	706,908	2,537,980	323,216
Deposits and other accounts	107,141,793	43,159,140	12,854,188	11,525,593	21,006,877	4,649,595	4,650,393	9,296,007	-
Lease liability against right-of-use assets	1,892,718	-	-	47,870	3,950	33,111	68,314	141,124	1,598,349
Subordinated debt	4,993,000	-	-	-	-	-	-	-	4,993,000
Deferred tax liabilities	-	-	-	-	-	-	-	-	-
Other liabilities	6,967,875	1,355,698	3,871,865	135,317	456,832	-	-	1,148,163	-
	165,260,803	60,563,454	38,501,019	13,337,757	21,558,487	5,836,632	5,425,615	13,123,274	1,921,565
									4,993,000
Net assets									
	17,225,186	(36,946,518)	(20,105,082)	7,003,125	3,559,063	9,604,594	(3,221,453)	47,813,993	12,853,235
									(3,335,771)
Share capital	10,082,387								
Reserves	3,116,844								
Surplus on revaluation of assets	(24,309)								
Unappropriated/ Unremitted profit	4,050,264								
	17,225,186								

(Rupees in '000)

2023

Assets

Total	Upto 1 Month	Over 1 to 3 months	Over 3 to 6 months	Over 6 months to 1 year	Over 1 to 2 Years	Over 2 to 3 Years	Over 3 to 5 Years	Over 5 to 10 Years	Above 10 years
Cash and balances with treasury banks	9,465,856	4,310,356	1,399,610	1,239,911	1,127,609	340,719	339,891	707,760	-
Balances with other banks	1,038,476	1,038,476	-	-	-	-	-	-	-
Lending to financial institutions	8,192,051	8,192,051	-	-	-	-	-	-	-
Investments	70,412,387	248,582	33,344	59,217	9,537,653	825,963	10,824,991	10,136,969	38,745,668
Advances	73,436,346	16,376,368	19,502,687	10,945,064	8,905,855	2,056,310	4,826,850	4,869,791	5,262,481
Property and equipment	1,702,942	575	2,090	7,682	21,533	7,280	106,939	133,473	388,151
Right-of-use assets	1,255,338	-	-	2,166	3,050	86,289	34,084	316,489	-
Intangible assets	596,744	115	422	1,987	4,959	18,875	28,447	90,766	78,298
Deferred tax assets - net	2,503,022	-	-	-	589,591	952,414	-	304,358	422,696
Other assets	10,093,066	9,823,329	5,367	48,617	96,420	10,102	14,415	94,816	-
178,696,228	39,989,852	20,943,520	12,304,644	20,286,670	4,297,952	16,175,617	16,654,422	44,897,294	3,146,257

Liabilities

Bills payable	975,388	975,388	-	-	-	-	-	-	-
Borrowings	30,981,605	19,591,323	3,798,456	571,196	128,805	268,393	1,793,649	2,668,984	2,160,799
Deposits and other accounts	114,731,997	31,258,953	21,732,873	27,125,119	14,785,323	4,973,831	4,953,234	9,902,664	-
Lease liability against right-of-use assets	1,475,627	-	20,716	16,193	55,914	51,844	53,277	324,109	953,574
Subordinated debt	4,995,000	-	-	1,000	1,000	2,000	2,000	2,000	4,987,000
Deferred tax liabilities	-	-	-	-	-	-	-	-	-
Other liabilities	9,173,430	2,130,857	5,608,868	126,091	424,440	-	-	883,174	-
162,333,047	53,956,521	31,160,913	27,839,599	15,395,482	5,296,068	6,802,160	13,780,931	8,101,373	-

Net assets

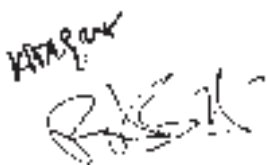
16,363,181	(13,966,669)	(10,217,393)	(15,534,955)	4,891,188	(998,116)	9,373,457	2,873,491	36,795,921	3,146,257
Share capital	10,082,387								
Reserves	2,976,978								
Surplus on revaluation of assets	(274,468)								
Unappropriated/ Unremitted profit	3,578,284								
16,363,181									

46 GENERAL AND CORRESPONDING FIGURES

- 46.1** Figures have been rounded off to the nearest thousand rupees.
- 46.2** Payable to NCCPL amounting to Rs 37.631 million, classified in other liabilities has been netted off from receivable from NCCPL classified in other assets, in the prior year, due to the fact that the receivable and payable is settled on net basis to and from NCCPL.

47 DATE OF AUTHORISATION

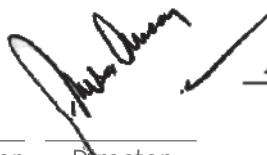
These financial statements were approved and authorised for issue on March 12, 2025 by the Board of Directors of the Bank.



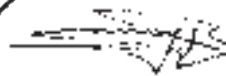
Chief Financial Officer



President & Chief Executive Officer



Director



Director



Chairman

STATEMENT SHOWING WRITTEN-OFF LOANS OR ANY OTHER FINANCIAL RELIEF OF RUPEES FIVE HUNDRED THOUSAND OR ABOVE PROVIDED

DURING THE YEAR ENDED DECEMBER 31, 2024

ANNEXURE - I

S.No.	Name and address of the borrower	Name of the individuals / partners / directors (with CNIC No.)	Father's / Husband's name	Outstanding liabilities at the beginning of the year				Principal written off	Interest / Mark-up written off / waived	Other financial relief provided	Total (9+10+11)
				Principal	Interest / Mark-up	Other than Interest / Mark-up	Total				
1	2	3	4	5	6	7	8	9	10	11	12
							(Rupees in '000)				
1	MB Feeds, H no 34, Block -C Satellite Town Chandni Chowk Rawalpindi	Syed Imtiaz Ali Shah 37405-5152317-7	Syed Mahmood Ali Shah	349,974	80,999	-	430,973	-	98,531	-	98,531
2	Shahreen Autos Filling Station, House # 634-X, Street # 21, Phase 3, DHA Lahore	Surraya Hussain Chughtai 35404-635151-0	Azhar Hussain Pashta	46,984	3,096	-	50,080	-	6,837	-	6,837
3	Rantex (Pvt) Limited, Rafhan Mills Road, Adjacent to Rafhan Maize Products Limited, Faisalabad.	Rana Usman Zahid 33100-0672287-1 Rana Salman Zahid 33102-5879558-5 Lubna Zahid 33102-1723085-2	Rana Zahid Tauseef	110,844	9,194	-	120,038	-	2,501	-	2,501
4	Usman, 137 A River View Housing Lahore	Usman 35202-6554491-7	Muhammad Nawaz	2,752	711	-	3,463	-	597	165	762
5	M/s Barkat Steel Mills, Bhani Road Shadipura, Bund Road, Lahore.	Chaudhri Sajjad Imran 35201-1613553-3 Mst. Sakina Khannum 35201-1441726-8 Chaudhri Amjad Ali 35201-1613559-5 Chaudhri Ayyaz Imran 35201-1541693-5	Chaudhri Barkat Ali	-	35,080	-	35,080	-	35,080	-	35,080
Total				510,554	129,080	-	639,634	-	143,546	165	143,711

* Relief includes amounts which would be due to the Bank under contractual arrangements whether or not accrued in the books.

11.3 Disposal of property and equipment

ANNEXURE - II

Details of disposal of property and equipment to executives and other persons are given below:

Description	Cost	Accumulated depreciation	Book Value	Sale proceeds	Gain / (loss)	Mode of disposal	Particulars of buyers / issuers
(Rupees in '000)							
Intangible asset							
Software	58,116	58,116	-	-	-	Write-Off	
Furniture and fixtures							
Sale of furniture from Rashid Minhas & DHA Ittihad branch Karachi	4,684	4,663	22	127	105	Bidding	Tayyab Traders Corporation
Write-off of Immovable assets during branch shifting - Clifton branch, Fountain branch	41,017	40,106	910	-	(910)	Write-Off	-
Sale of furniture from New Garden Town branch Lahore	1,174	1,115	59	73	14	Bidding	Farhan & Company
Sale of Immovable assets to FINCA Bank LTD from New Garden Town branch Lahore	2,112	2,112	-	409	409	Quotation	FINCA Bank Ltd.
Renovation work of Rashid Minhas & DHA	14,181	14,181	-	-	-	Write-Off	-
Sale of furniture in central region	953	618	335	335	-	Bidding	M/S Hassan Traders
Sale of furniture from Gujranwala branch.	26	22	4	6	2	Bidding	Siddique Sons Engineering
Sale of furniture in central & north region	7	7	-	-	-	Bidding	Noshahi Qadri Traders
Sale of furniture in north region	1,243	929	314	366	52	Bidding	Insaaf computer & Scrape Dealer
	65,397	63,753	1,644	1,316	(328)		
Electrical, office and computer equipment / intangibles							
Electrical, office equipments - Rashid Minhas DHA Ittihad branch Karachi	1,660	1,656	4	159	155	Bidding	Tayyab Traders Corporation
Electrical, office equipments - Fountain branch & Naqvi House Karachi	215	215	-	-	-	Write-Off	-
Electrical, office equipments - Central region branches	2,608	2,580	28	118	90	Bidding	Farhan & Company
Electrical, office equipments - North region branches	818	814	4	92	88	Bidding	Rehman Electrical & Network Services
Electrical, office equipments - South region branches	7,030	7,021	9	95	87	Bidding	Tayyab Traders Corporation
Electrical, office equipments - New Garden Town branch Lahore	575	575	-	63	63	Bidding	Farhan & Company
Electrical, office equipments - Rashid Minhas & DHA Ittihad branch Karachi	116	116	-	-	-	Write-Off	-
Electrical, office equipments - Central region branches	1,231	1,220	11	175	164	Bidding	M/S Hassan Traders
Electrical, office equipments - Gujranwala branch.	180	180	-	50	50	Bidding	Siddique Sons Engineering
Electrical, office equipments - South region branches	1,100	1,053	46	235	189	Bidding	Hamza Traders Corporation
Computer Equipment - Gulberg branch, IT store, Lahore	17,531	17,531	-	65	65	Bidding	Noshahi Qadri Traders
Electrical, office equipments - North region branches	2,712	2,701	11	117	106	Bidding	Insaaf computer & Scrape Dealer
Electrical, office equipments - South region branches	8,980	8,980	-	95	95	Bidding	Tayyab Traders Corporation
Electrical, office equipments - South region branches	243	243	-	52	52	Bidding	Hamza Traders Corporation
	44,999	44,885	113	1,316	1,204		
2024	168,512	166,754	1,757	2,632	876		
2023	83,165	75,690	7,474	17,504	10,031		

Assets sold to Related Parties

During the year no assets were sold to the chief executive, directors, executives or to a shareholder holding not less than ten percent of the voting shares of the Bank other than disclosed above

Pattern of Shareholding

As At December 31, 2024

Number of Shareholders	Shareholding		Total Shares
	From	To	
1,487	1	100	64,460
1,775	101	500	468,458
713	501	1,000	518,843
679	1,001	5,000	1,494,753
117	5,001	10,000	822,745
46	10,001	15,000	561,663
24	15,001	20,000	426,031
15	20,001	25,000	331,344
14	25,001	30,000	388,553
8	30,001	35,000	260,310
6	35,001	40,000	225,445
8	40,001	45,000	339,922
8	45,001	50,000	388,718
4	50,001	55,000	212,781
5	55,001	60,000	285,075
2	60,001	65,000	127,606
1	65,001	70,000	70,000
2	70,001	75,000	149,808
2	75,001	80,000	154,526
3	80,001	85,000	244,390
1	85,001	90,000	89,701
2	90,001	95,000	181,142
2	95,001	100,000	198,040
4	100,001	105,000	410,157
1	105,001	110,000	108,000
2	110,001	115,000	225,532
1	115,001	120,000	120,000
1	125,001	130,000	128,000
1	145,001	150,000	148,157
2	170,001	175,000	346,705
1	175,001	180,000	175,915
1	185,001	190,000	189,500
1	190,001	195,000	191,476
2	195,001	200,000	396,858
1	210,001	215,000	211,437
1	230,001	235,000	230,720
1	235,001	240,000	235,163
3	245,001	250,000	750,000
1	250,001	255,000	253,843
1	260,001	265,000	261,000
1	280,001	285,000	281,916
1	295,001	300,000	295,664
1	300,001	305,000	300,100
1	305,001	310,000	308,379
1	375,001	380,000	376,326
1	425,001	430,000	429,290
2	475,001	480,000	955,271
1	560,001	565,000	563,832
1	620,001	625,000	622,532
1	685,001	690,000	687,500
1	1,000,001	1,005,000	1,000,500
1	1,165,001	1,170,000	1,169,000
1	1,385,001	1,390,000	1,385,804
1	1,505,001	1,510,000	1,509,316
1	1,650,001	1,655,000	1,652,306
1	1,690,001	1,695,000	1,690,620
1	2,575,001	2,580,000	2,579,313
1	2,635,001	2,640,000	2,635,899
1	2,760,001	2,765,000	2,764,113
1	3,105,001	3,110,000	3,105,474
1	5,075,001	5,080,000	5,079,598
1	5,435,001	5,440,000	5,436,420
1	8,675,001	8,680,000	8,676,018
1	9,600,001	9,605,000	9,604,000
1	10,080,001	10,085,000	10,080,727
1	20,785,001	20,790,000	20,788,998
1	23,995,001	24,000,000	24,000,000
1	35,830,001	35,835,000	35,832,424
1	852,040,001	852,045,000	852,040,531
	4,979		1,008,238,648

Category of Shareholding

As At December 31, 2024

S. No.	Shareholding	Number of Shareholders	Number of Shares	%
1	Directors, Chief Executive Officer, and their spouse and minor children	3	1,002,000	0.10
2	Associated Companies, Undertakings and related Parties	1	852,040,531	84.51
3	NIT and ICP	2	25,297	0.00
4	Banks, Development Financial Institutions, Non Banking Financial Institutions	21	28,489	0.00
5	Insurance Companies	5	2,637,190	0.26
6	Modarabas and Mutual Funds	18	1,598,953	0.16
7	Share holders holding 10%	1	852,040,531	84.51
8	General Public :			
	a. local	4,819	97,580,046	9.68
	b. Foreign	1	196	0.00
9	Others	109	53,325,946	5.29
Total (excluding shareholders holding 10%)		4,979	1,008,238,648	100.00

Additional Disclosure on Board of Directors under Revised Guidelines on Remuneration Practices

S. No.	Name of Directors	Date of Joining the Board	Status of Director (Executive, Non-Executive, Independent)	Member of Board Committee	Other Directorships
1	Mr. Mustafa Ilyas	21-Oct-22	Chairman / Non-Executive Director	• Board Nomination & Remuneration Committee • Board IT Committee	None
2	Mr. Nasser Sulaiman Al-Fraih	21-Oct-22	Non-Executive Director	None	BRC Member • Saudi National Bank (SNB) Capital
3	Mr. Hussein Eid	21-May-21	Non-Executive Director	• Board Audit Committee • Board Nomination and Remuneration Committee	None
4	Mr. Timour Pasha	27-Mar-19	Non-Executive Director	• Board Risk Committee	None
5	Ms. Kholood Khalid Al-Khelaiwi	30-Oct-23	Non-Executive Director	• Board IT Committee	None
6	Hafiz Mohammad Yousaf	20-Aug-19	Independent Director	• Board Audit Committee • Board IT Committee • Board Nomination & Remuneration Committee	Director • Kot Addu Power Company Limited • Pakistan Security Printing Corporation • Security Papers Limited • SICPA Pakistan (Pvt.) Limited
7	Mr. Javed Kureishi	13-Dec-22	Independent Director	• Board Audit Committee • Board Risk Committee • Board IT Committee	Owner • Bishopville Properties Inc. Director • K-Electric Limited • Tricon Boston Consulting Corporation Pvt. Ltd. • Fauji Foods Limited • Pakistan Oxygen Limited • Zed Aay Publications Pvt. Limited • PIA Holding Company Limited
8	Ms. Zeeba Ansar	16-Jun-21	Independent Director	• Board Risk Committee • Board Nomination & Remuneration Committee	Director • Cherat Cement Company Limited • Gul Ahmed Textile Mills Limited • Lucky Investments Limited
9	Mr. Ahmad Tariq Azam	1-Aug-22	President & CEO / Executive Director	• Board Risk Committee	None

Information as required under Code of Corporate Governance

AS AT DECEMBER 31, 2024

Shareholders' category	Number of shares held	%
i. Associated Companies, Undertakings and Related Parties		
THE SAUDI NATIONAL BANK	852,040,531	84.51
ii. Mutual Funds		
M/S. ASIAN STOCKS FUND LIMITED	99	0.00
M/S. SAFEWAY FUND LIMITED	263	0.00
CDC - TRUSTEE AKD OPPORTUNITY FUND	200,000	0.02
CDC - TRUSTEE NATIONAL INVESTMENT (UNIT) TRUST	1,385,804	0.14
iii. Directors, CEO and Their Spouse(s) and minor children		
SOHAIL ANSAR /ZEEBA ANSAR	1,000	0.00
HAFIZ MOHAMMAD YOUSAF	1,000,500	0.10
JAVED KUREISHI	500	0.00
iv. Executives*	75,514	0.01
v. Public Sector Companies and Corporations	2,635,899	0.26
vi. Banks, Development Financial Institutions, Non-Banking Financial Institutions, Insurance Companies, Takaful, Modaraba and Pension Funds	665,099	0.07
vii. NIT & ICP	25,297	0.00
viii. General Public		
a. Local	97,504,532	9.67
b. Foreign	196	0.00
ix. Others	52,703,414	5.23
	<u>1,008,238,648</u>	<u>100.00</u>
x. Shareholders Holding five percent or more Voting Rights in the Listed Company		
THE SAUDI NATIONAL BANK	852,040,531	84.51
SHUJAAT NADEEM	59,832,424	5.93

During the year, No trade in shares of the Bank was carried out by the Directors, CEO, CFO, Company Secretary and other executives or their spouses and minor children, except, the executives namely Mr. Khurram Aleem Shahzad individually purchased and sold ten thousand shares and Mr. Tajdar Hussain, individually purchased fifteen hundred shares and sold one thousand shares of the Bank after meeting all the regulatory requirements.

*Executives of the Bank








Employees from the cadre of Vice President ("VP") and above are determined as "Executive".










**Be aware, Be alert,
Be safe**

**Learn about investing at
www.jamapunji.pk**

Key features:

-  Licensed Entities Verification
-  Scam meter*
-  Jamapunji games*
-  Tax credit calculator*
-  Company Verification
-  Insurance & Investment Checklist
-  FAQs Answered

-  Stock trading simulator
(based on live feed from KSE)
-  Knowledge center
-  Risk profiler*
-  Financial calculator
-  Subscription to Alerts (event
notifications, corporate and
regulatory actions)
-  Jamapunji application for
mobile device
-  Online Quizzes



Jama Punji is an Investor
Education Initiative of
Securities and Exchange
Commission of Pakistan

 jamapunji.pk

 [@jamapunji_pk](https://twitter.com/jamapunji_pk)

*Mobile apps are also available for download for android and ios devices

Samba Bank Limited

Form of Proxy

22nd Annual General Meeting

I / We, _____ of _____ being member(s) of Samba Bank Limited holding _____ ordinary shares hereby appoint _____ of _____ or failing him / her _____ of _____ who is / are also member(s) of Samba Bank Limited as my / our proxy in my / our absence to attend and vote for me / us and on my / our behalf at the Annual General Meeting of the Bank to be held at 11:00 am on Thursday, the 17th April 2025, at Hotel Serena, Islamabad and at any adjournment thereof.

As witness my / our hand / seal this _____ day of _____ 2025.

Signed by the said _____

in the presence of 1. _____

2. _____

Folio / CDC Account No.

Please affix here Revenue
Stamp of Rs. 5/-

Important:

1. This Proxy Form, duly completed and signed, must be received at the Registered Office of the Bank, 1st Floor 19-Saleem Plaza, Blue Area, Jinnah Avenue, Islamabad, not less than 48 hours before the time of holding the meeting.
2. No person shall act as proxy unless he himself is a member of the Bank, except that a corporation may appoint a person who is not a member.
3. If a member appoints more than one proxy and more than one instruments of proxy are deposited by a member with the Bank, all such instruments of proxy shall be rendered invalid.

For CDC Account Holders / Corporate Entities:

In addition to the above the following requirements have to be met:

- i) The proxy form shall be witnessed by the persons whose names, addresses and CNIC numbers shall be mentioned on the form.
- ii) Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.
- iii) The proxy holder shall produce his/her original CNIC or original passport at the time of the meeting.
- iv) In case of corporate entity, the Board of Directors resolution / power of attorney with specimen signature shall be submitted (unless it has been provided earlier) along with proxy form to the company.

AFFIX
CORRECT
POSTAGE

The Company Secretary

Samba Bank Limited

1st Floor, 19-Saleem Plaza,
Blue Area, Jinnah Avenue,
Islamabad.

سامبا بینک لمیٹڈ

پراکسی فارم

بانیسواں سالانہ اجلاس عام

میں/ہم _____ کے _____ بطور سامبا بینک لمیٹڈ ممبر/ممبران
عمومی شیئر کیلئے _____ کو متعین کرتا ہے/کرتی ہے/کرتے ہیں
یا _____ کو مسترد کرتے ہیں۔

جو کہ/جو بھی سامبا بینک لمیٹڈ کے ممبر ہیں اور بطور میرے/ہمارے پراکسی میں میرے/ہمارے نہ آنے کی وجہ سے شرکت کریں گے اور میرے لیے/ہمارے لیے ووٹ ڈالیں گے
اور میری/ہماری جانب سے بینک کے سالانہ اجلاس عام میں شرکت کریں گے جو 11:00 بجے صبح، بروز جمعرات، 17 اپریل 2025، بمقام ہوٹل سیرینا، اسلام آباد میں
منعقد کیا جا رہا ہے اور التوا کی صورت میں کہیں بھی منعقد کیا جائے۔

بطور گواہی میرے/ہمارے ہاتھ/یہ ممبر _____ کے دن _____ 2025۔

بھیجنے والے کے دستخط :

ان افراد کی موجودگی میں :

1.

2.

فیو/سی ڈی سی اکاؤنٹ نمبر

برائے مہربانی یہاں 5 روپے والی
ریونیو مہر لگائیں

اہم اطلاع :

- 1۔ یہ پراکسی فارم، حسب ضابطہ مکمل اور دستخط شدہ اور بینک کے رجسٹرڈ آفس، پہلی منزل، 19 سلیم پلازہ، بلیو ایریا، جناح ایونیو، اسلام آباد کم از کم اجلاس سے 48 گھنٹے پہلے سے وصول کردہ ہو۔
- 2۔ کوئی بھی شخص تب تک بطور پراکسی کام کر سکتا ہے جب تک کہ وہ بذات خود بینک کا ممبر ہو، علاوہ اُس کے جس کو کارپوریشن نے خود ممبر نہ ہوتے ہوئے بھی مقرر کیا ہو۔
- 3۔ اگر کسی ممبر نے ایک سے زائد پراکسی مقرر کی ہو یا بینک کے کسی ممبر کی جانب سے ایک سے زائد دستاویز جمع کروائی گئی ہوں، ایسی تمام پراکسی تجاویز نا اہل ہوں گی۔

برائے سی ڈی سی اکاؤنٹ ہولڈرز / کارپوریٹ کے افراد:

اوپر بتائی گئی اضافی تفصیلات کے ساتھ درج ذیل دستاویز بھی ضروری ہیں

- i۔ پراکسی فارم ان افراد سے تصدیق شدہ ہوں جن کے نام، پتے اور کمپیوٹرائیزڈ شناختی کارڈ نمبرز فارم پر درج ہوں۔
- ii۔ پراکسی کی یا بینیفیشل اونرز کمپیوٹرائیزڈ شناختی کارڈ یا پاسپورٹ کی تصدیق شدہ کاپی پراکسی فارم کے ساتھ منسلک کریں۔
- iii۔ اجلاس کے وقت پراکسی ہولڈر کو اپنا اصل کمپیوٹرائیزڈ شناختی کارڈ یا اصل پاسپورٹ دکھانا ہوگا۔
- iv۔ کارپوریٹ کے تجویز کردہ ہونے کی صورت میں بورڈ آف ڈائریکٹرز کی قرارداد/پاور آف اٹارنی نمونے کے طور پر دی گئی دستخط کے ساتھ (پہلے جمع نہ کروانے کی صورت میں) کمپنی کے فراہم کردہ پراکسی فارم کے ساتھ جمع کروانی ہوگی۔

ڈاک ٹکٹ
چسپاں
کریں

کمپنی سیکریٹری

سامبا بینک لمیٹڈ

پہلی منزل، ۱۹ سلیم پلازہ،
بلیو ایریا، جناح ایونیو،
اسلام آباد۔

Samba Bank Limited

ANNUAL GENERAL MEETING

At 11:00 am April 17, 2025

Hotel Serena, Islamabad.

ADMISSION SLIP

Name _____

Folio No. (Non CDC) _____ Signature _____

CDC A/c. No. _____ Signature _____

No. of Shares held _____

Verified by: FAMCO Share Registration Services (Pvt.) Limited

Note:

- i) The signature of the shareholder must tally with the specimen signature on the Company's record.
- ii) Shareholders are requested to show the admission slip at the time of entrance in the meeting premises.

This Admission Slip is Not Transferable

سامبا بینک لمیٹڈ

سالانہ اجلاس عام
مورخہ ۱۷ اپریل، ۲۰۲۵ء، صبح ۱۱:۰۰ بجے
بمقام ہوٹل سیرینا، اسلام آباد۔

داخلہ سِلپ

نام	_____
فولیو نمبر (نان سی ڈی سی)	_____ دستخط _____
سی ڈی سی اکاؤنٹ نمبر	_____ دستخط _____
موجود حصص کی تعداد	_____

تصدیق کنندہ: فیکو شئیر رجسٹریشن سروسز (پرائیویٹ) لمیٹڈ

نوٹ:

- حصص یافتگان کے دستخط، کمپنی کے ریکارڈ میں موجود دستخط کے نمونے سے لازماً مشابہت رکھتے ہوں۔
- حصص یافتگان سے درخواست ہے کہ اجلاس میں شرکت کے لیے داخلے کے وقت یہ سِلپ دکھائیں۔

یہ داخلہ سِلپ قابل منتقل نہیں ہے